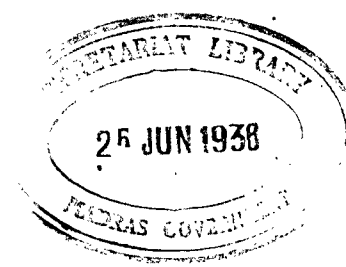
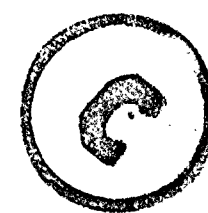


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THE ECONOMIST

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

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GERMANY

FLYING rumours, barely veiled references in the foreign press to plots and intrigues, and travellers' reports that even in Germany itself criticism of the regime and of the Leader were being openly voiced, have suggested during the past two months that "the Third Empire" would shortly be the scene of important internal change. But even its bitterest critic could hardly have been prepared for the "blood-letting" that astounded the world and Germany last week-end. It is notorious that in civil wars (and the seizure of power by the Nazis in the spring of 1933 might almost be so described) ruthlessness degenerating into savagery is more prone to show itself than in more "organised" warfare. But that an established Government—apparently more firmly in the saddle than any in the world and with all the armed forces of the State completely under its control—should find it necessary or expedient to arrest and execute a large number of persons, most of whom were leading personalities among its own supporters, came as a staggering revelation. For the civilised world finds itself suddenly in the presence of a method of Government which—with the possible exception of the French revolution—finds no parallel in modern history and is most aptly to be compared with the more degenerate days of the Roman Empire.

Whether the meeting of the Squadron Leaders of the Brown Army called for Saturday last was for the purpose of registering a declaration that it would not agree to its disbandment or reorganisation after its month's leave, or was called for a more sinister purpose; whether there is truth in the story that von Schleicher was plotting with Roehm or not; what stage the disaffection among the forces of the right had reached—these are all unanswered questions to which a final reply may never be given. Nor for practical purposes is an answer essential; for it is evident that the occasion was seized by the Hitler-Goering-Goebbels triumvirate to execute a *coup de main* intended to consolidate their supremacy and confound all their enemies. But the severity of this pogrom—which perhaps went further than one, at all events, of its authors intended—was out of all proportion to any possible danger. The foreign observer could understand the arrest and even the execution of one or two leaders if that were necessary to establish authority over a discontented "private army," or to nip a treason-

able intrigue in the bud. In the light of the state of corruption and morals now officially revealed among the Nazi leaders, little sympathy would have been wasted on the victims. But for the rest, were there not the concentration camps? It is the exploitation of a political opportunity to massacre all possible rivals of whatever shade of opinion that has so shocked the world.

The death-roll at the time of writing is officially given as fifty-three, but we may reasonably assume that the true total much exceeds this acknowledged figure. The triumvirate have not published, and apparently may flinch from publishing, their complete list, so that at the present we only know about twenty names for certain. The majority of the victims so far known are prominent S.A. leaders—Roehm, Heines, Ernst and the rest—but we already know of others who belonged to quite different walks in life. Most horrible is the killing of General von Schleicher and his wife. Another victim is Herr Klausener, a Catholic official in the Ministry of Communications who had not been engaged in party politics, but was the head of the German Society for Catholic Action and was supposed to have taken a leading part in the recent negotiations over the application of the Concordat. Another victim, again, is Herr von Papen's *chef de cabinet*, Herr von Bose. But in their treatment of von Papen, the triumvirate will, no doubt, vaunt their humanity; for while Oriental despots used to gouge out a dangerous rival's eyes and cut out his tongue in order to place him *hors de combat*, Herr von Papen has been deprived of his political sensory organs vicariously, *in corpore vili*. It may be that, if and when the full list comes to light, the non-Nazi victims will prove to have been hardly less numerous than the Nazis.

It is early yet to speak of the results in Germany itself. For the moment Herr Hitler's hands are strengthened by the impossibility of resistance. But what of the longer view? Though Herr von Papen—who seems to be able to ride every storm like a cork—is relieved and even remains, at the President's behest, a member of the Cabinet, the Conservative elements in the nation can hardly regard these events with complacency and see in them an occasion for joining forces with Herr Hitler, except on their own terms. Can the Leader rely on the Reichswehr

—many of whose leaders have shown themselves to hold surprisingly liberal ideas? Though the regular Army was no doubt glad enough to take a hand in the suppression of the Brown Army, it is hardly possible that Hitler can count on more than friendly neutrality. But the outstanding fact is that, whatever the attitude that may be taken by other sections of the nation, the solid mass of the Nazi Party, by whose support Herr Hitler rose to power, has been shattered. The ruthlessness of this week-end *coup* should not be a shock to the Nazis, for, after all, their comrades have perished by those same barbaric methods which the Party has glorified and on which it has based its fortunes. On the other hand, the rank and file of the Party will certainly be shocked through and through by the abrupt, bewildering and brutal change in the picture of their universe which Herr Hitler has now thrust upon them. For a dozen years ending on June 29th the Brown Shirts had been encouraged, by every artifice of reiterated suggestion and propaganda, to regard themselves and their comrades and officers as heroes and martyrs, whose efforts and sufferings had at last brought Germany her perfect national unity. Now, without warning, this same great army of naïve and enthusiastic young men is being told that their officers were vicious scoundrels, their millennium a fool's paradise, their hard-won national unity a cloak for conspiracy and treason. Can the rank and file of the Brownshirts adjust themselves to this immense change in their position, prospects and outlook?

Two reflections suggest themselves in this connection. The first is that, for the past eighteen months, these hundreds of thousands of young men of the lower middle and upper working classes have tasted the sweets of political power for the first time in German history. They have sent the Marxists and the Conservatives rolling in the dust while they themselves have been lording it in the saddle. Has the Führer any magic which can erase this memory from his followers' minds? And, so long as the memory lasts, can a tame submission be expected of them? The second factor is economic. Whatever may be the immediate economic prospects of the rest of Europe and of the world, the immediate prospects for Germany, by general consent, are dark. And it is difficult to believe that, when Germany is on the verge of suffering from another sharp and painful turn of the economic screw, it will be possible, with impunity, for the existing regime to drive another large social class into opposition—and this the very class which Herr Hitler himself has awakened to consciousness, and aroused to militancy, as the driving force for his own rise to power. Hard times are just the times in which a camouflaged unemployment relief organisation like the S.A. is apt to be created by clever politicians; and by the same token these are precisely not the times in which it is possible, short of disbanding an organisation of this kind, to cut down its numbers and scale down its emoluments. This is not possible, that is to say, without asking for trouble.

How Herr Hitler will handle this internal problem remains to be seen. To many it would seem that a certain consequence will be to drive many into the ranks of Communism.

But what of the international situation? It would seem that her immediate neighbours take the view that the internal troubles of Germany mean that the German menace is definitely less threatening. This is to the good; but it is by no means all that should be said, for it remains true that a distraught Germany is good neither economically nor politically for the peace and prosperity of Europe. Those desirable ends can only be attained if in the central plain of the European continent there is a contented and prosperous people.

On these and other consequences of the week-end drama it is perhaps too early to speak. But there is another moral in which there can be no shadow of doubt. In every state—if the well-being of the people is to be safeguarded—the question must always arise, *Quis custodiet ipsos custodes?* Democracy has its answer in devices for expressing the will of the people. In dictatorship, whether military or demagogic, the abuse of power based on force can only be overcome by force. This week's events are a solemn warning to the democracies of the world of the perils that await those who abandon the vital safeguards of constitutionalism.

SHIPPING

FROM the time when the iron ship began to drive the wooden ship off the high seas in the middle of the nineteenth century and our merchant marine repelled the challenge of American shipping, British ships dominated the carrying trade of the world until the outbreak of the Great War. In the past decade that supremacy has been challenged by many countries, who have sought by direct subsidy, by restrictive conditions in coastwise trade and in the use of ports, or in other ways, to create for themselves a merchant fleet of their own.

Even to-day 53 per cent. of the tonnage passing through the Suez Canal—one of the great ocean toll gates of the world—flies the British flag, and though our merchant fleet has dropped to less than 30 per cent. of the world's total tonnage, Mr Runciman recently stated that British ships were carrying 90 per cent. of inter-Imperial trade, 60 per cent. of the trade between the Empire and foreign countries, and 25 per cent. of exclusively foreign trade. This latter figure has recently been criticised as being too high, though the critics have produced no alternative figures on a tonnage or cargo basis (the number of ships is, of course, not a sound criterion); but even if this last proportion is now falling somewhat it is undoubtedly still true that we have the lion's share of the world's carrying trade. As regards the goods which come to Britain 95 per cent. of the merchandise from Empire countries comes by British ships, while 54 per cent. of foreign goods are brought by our own ships, and three-fifths of the balance by those of the country which sends the goods. Only 13½ per cent. of our imports, measured in value, was carried in vessels not under the British flag or that of the country from which the goods were consigned. When we consider this maritime supremacy in the light of our history and our overseas development it is of profound significance that the President of the Board of Trade should this week have been constrained to lay before the House of Commons suggestions for Government assistance to shipping.

The cause of the trouble was put by Mr Runciman in a nutshell when he pointed out that, while seaborne trade has fallen in volume since 1929 by one-third and is less than it was before the war, the merchant shipping of the world has increased by about 50 per cent. since 1914. The inevitable result has been a heavy slump in freight markets; freight rates stand at about three-quarters of the 1913 figure; whereas running costs are greatly increased. The effect upon the balance sheets of shipping companies has been disastrous. "Very few British shipping companies are covering their running expenses and fewer still are able to make the necessary provision for replacing their ships as they become out of date." In this situation the nations have pursued a policy which has become painfully familiar in every other branch of economic activity, and have proceeded to make matters worse by increasing subsidies and accentuating cut-throat competition. Such is the problem to which the President of the Board of Trade addressed himself.

In the case of liner companies, Mr Runciman pointed out that to some extent they are able by means of their "conference" arrangements to protect themselves against the worst effects of this rate-cutting process; and his statement implies that the Government do not propose to do anything to help the liners unless special measures may have to be taken in particular trades. Tanker tonnage is also a matter on which no action is to be taken for the present, seeing that the business is in the hands of a few big trading companies and an international plan has been inaugurated to adjust supply to demand. The Government's immediate concern is, therefore, with the ordinary tramp steamer. The suggestion, put up by the shipowners themselves, of a flat rate subsidy for all cargo-carrying ships with a smaller subsidy for laid-up ships is turned down; but the Government propose to grant a subsidy "for defensive purposes" up to a total of £2,000,000. This offer, however, is conditional on the shipowners formulating a scheme satisfactory to the Government which will:—

- (i) prevent, so far as possible, the subsidy from being dissipated by the domestic competition of British ships carrying tramp cargoes; and

- (ii) ensure that it is effectively directed to securing the greater employment of British tramp shipping at the expense of foreign subsidised shipping.

This entails a real measure of organisation of tramp shipping. Such a subsidy would be given for one year only, and within that period be subject to withdrawal if the circumstances which led to its introduction were altered. It would also be a condition that the shipowners, through their international organisations and in any other ways open to them, press upon the shipowners in other maritime countries the framing of proposals tending to adjust the supply of tonnage in the world to the demand, and thus to raise freight rates once more to a remunerative level.

The Government on their part will continue their efforts, in co-operation with the Dominions and India, to secure international action to place shipping generally on an economic footing.

This decision came as rather a surprise, for it had been thought that the Government intended to limit their help to the "scrap and build" plan which has been so much discussed recently, under which financial assistance would be given to shipowners to build one new up-to-date, and presumably economic running, ship in return for the scrapping of three old vessels. The President of the Board of Trade evidently still thinks that this is the right thing to do, and he indicated that the Government would be still prepared to co-operate on that basis; but it has been made quite clear that shipowners themselves are not in favour of this plan, though it may well be that second or third thoughts may in the end lead them to the conclusions that efficiency and economical running are the essential conditions of the survival of this vital industry.

The rejection of the shipowners' subsidy plan shows that Mr Runciman, at all events, is fully alive to the difficulties and dangers of an all-round flat-rate subsidy to British tramp shipping. Such a plan would be a challenge to all other countries, inviting those who are already subsidising to increase their subsidies, and to those who are not already doing so to embark on a similar course. It would, moreover, be very difficult to withdraw from a plan which would ensure that the whole of the shipping of the world would be subsidised at the expense of some taxpayer; and as Great Britain is so deeply engaged in this business our Exchequer would in the end be more heavily drawn upon than any other. At the same time, it is obvious that a selective subsidy is full of difficulties. Clearly, competition of our own shipowners among themselves is a major factor in the present condition of the freight market; and it would seem that Mr Runciman's first condition is a demand for the cartelisation of one of the most competitive trades in the world. Those who have any idea of the diversity and wide ramifications of the tramp shipping business, with its thousands of units wandering round the world seeking cargo which even in normal times is constantly varying in amount and direction, will realise the task which the Government have set before the shipowners if the latter are to eliminate competition among themselves. This difficulty alone fully explains Mr Baldwin's statement that there is no likelihood of the matter being ripe for legislation before the autumn. The working out of a selective principle is at least as complicated. The possibility of a subsidy is to be held as a threat over the heads of those who are unfairly competing, but how is this to work where both subsidised and unsubsidised ships are competing for cargoes in the same market—for example, from South America? Mr Runciman's statement is in fact not a plan, but a statement of principle; and much work will have to be done before it can become an effective scheme.

On its underlying idea, however, there will be fairly general agreement: namely, that the economic weight of this country should be used to get rid of the vicious system which is steadily threatening the survival of international commerce altogether. Whether Mr Runciman's plan is the most practical way of achieving this result is another matter, and it may well be that other proposals to secure the same end may in fact have to be called in aid. We have ourselves, for example, repeatedly emphasised the arguments in favour of refusing the liberty of British ports to subsidised ships. The alternative version to this plan is the imposition of countervailing duties on goods im-

ported into this country in such ships. Such a method may prove, in the end, the most effective way of bringing about more equitable conditions; but it must never be forgotten that all such steps have their own dangers and difficulties. Under more normal circumstances it could be argued that if other countries are prepared to pay for the privilege of carrying our goods, that is a contribution to the wealth of this country which we should be foolish to refuse. But if "gifts" of this kind are persisted in long enough to bring about the dislocation of a vital economic activity, all our resources must be used to bring about the restoration of normal conditions.

It is, however, idle to imagine that we can deal with the problem of shipping as a separate, independent matter; and we come back to the principle which is being increasingly stressed by such shipowners as Sir Alan Anderson, who is constantly pressing upon the Government the view that this country's whole commercial policy must be so designed as to bring together those nations who are prepared to trade with one another in accordance with certain agreed principles of competition and fair trading. We are strong enough commercially to gather round us a large group who would be prepared to adhere as between themselves to "the rules of the game," but if need be to resist with their own weapons the actions of those whose policy is destructive of the international economic system. Unless such a plan is formulated and courageously pursued any subsidy for British shipping will be not merely a *pis aller*, but will saddle upon the Exchequer a burden which, like the old man of the sea, will be extremely hard to shake off. Indeed, it may even add to the confusion of the world's commerce.

A MATTER OF HOPS

YET another agricultural marketing scheme has been completed in this country. This time it is the turn of hops; and although the value of the annual production of hops is slight, although hops are almost entirely used for brewing, and although their price hardly affects the price of beer, the present scheme is deserving of attention for the principles upon which it is based. As long ago as 1917, in consequence of the large increase in the acreage under hops in this country during the war, the Hops (Restriction) Order compelled hop-growers, without compensation, to restrict acreage by one-half. Control continued until 1920, when the Ministry of Food (Continuance) Act renewed control for five years and prohibited imports of hops except under licence from the Hop Controller. This lasted until 1925. The Finance Act, 1925, then imposed for four years a duty of £4 per cwt. on imported hops. English brewers were safeguarded by a duty of 10d. per standard barrel on imported beer. The 1929 Finance Act prolonged these duties for a further four years, before the end of which the new Hops Marketing scheme of 1932 under the Agricultural Marketing Act, 1931, was completed and entered into.

Last week, the Report of the Provisional Committee appointed in April to consider the amendments to the 1932 hops scheme now before Parliament was published (Cmd. 4628). The Committee have drawn up an Agreement covering production and sale of English hops for the five seasons (the "year" dates from August 16th) beginning with the 1934 crop; and this has been approved not only by the Brewers' Society and the Hops Marketing Board, but also by general meetings of all brewers and hop growers called by their organisations. This Agreement, published with the Report, covers the whole period 1934-39; and provides that each individual brewer shall guarantee to purchase from the Board at least two-thirds of his estimated total requirements of English hops each year in that period; and that the sum of these contracts shall amount to at least two-thirds of the estimated total demand for English hops. Imports of hops are never to exceed 15 per cent. of the total market demand for all hops; and in the five years as a whole, imports are not to exceed 15 per cent. of the total demand in the period. The average price of English hops in each of the five years of the scheme is fixed at £9 per cwt., including commissions and expenses.

of the Board; and the Permanent Joint Committee can only adjust this price if "wages" are altered by 15 per cent. or more, though whose are the "wages" is not stated. The hops Board is to add a levy of 10s. per cwt. to the price of all the hops it sells, the proceeds of which are to form the "levy fund," controlled by the Permanent Joint Committee.

The Permanent Joint Committee is to be composed of four members representing the brewers, four representing hop-growers, and three "impartial members." The three latter are to estimate in April of each year the demand for English hops by deducting from the estimated total demand for hops "the total quantity of imported hops for which provision is made" (our italics); and a date is to be fixed before which sales of current year's hops can only take place in fulfilment of the firm contracts guaranteed by brewers, and after which trading can be "free." A date is also to be fixed, on which the unsold balance of the estimated total market demand for English hops is to be determined; and the levy fund is to pay "the actual value of that unsold balance" to the Hops Marketing Board; but a stock of hops held by the Board is then to be vested in the Committee to the value of the sum paid out by the levy fund, and the Committee is to dispose of that amount of hops in its own discretion. The maximum liability of the levy fund is fixed at 33½ per cent. of the estimated total demand for English hops; and the fund is to accumulate to this amount, after which contributions are to be reduced or discontinued. If the Fund cannot meet its liabilities in any year, it can obtain advances (from the Exchequer?) on the security either of hops held on its account, or of the levy from future sales; and any balance in the Fund at the end of the quinquennium is to be at the disposal of the Brewers' Society.

The principles of this scheme are as disturbing as those of all the other protective-restrictive agricultural schemes with which we are becoming painfully familiar. Like the Wheat Act, the hops scheme will guarantee producers a minimum price for "a term of years absolute"; this price cannot, in effect, be varied—except upwards—for none can suppose wages will fall 15 per cent.; and even so the levy on sales under the brewers' guaranteed contracts is to make good the deficiency realised in the ensuing "free sales"—which are therefore not free at all; and the levy fund is to foot the bill for any unsold balance at the end of each season. But how and where is the Permanent Committee to dispose of the surplus which then becomes vested in it, and at what loss? As Mr C. S. Orwin pointed out in a letter to *The Times* of June 27th on the entire amended Hops Scheme, the scheme does not even do what the wartime control did—restrict production. It will probably increase it. But whereas the Wheat Act provided that over-production should lower the total of "deficiency payments" made to registered growers, the hops scheme does not even do that. Mr Orwin quite rightly emphasises the implications:—

If this principle be conceded to hop growers, it cannot be refused to producers of food products, and herein lies the danger. The new agricultural policy is still in its infancy, and those who wish it well will make a fatal mistake if they arouse even a suspicion that it stands for the creation of monopolies for producers, vested interests in land, and organised stagnation in the farming industry.

The amendments to the Hops Marketing Scheme, 1932, coupled with the present Report and Agreement, do little to reassure us that monopolies and vested interests are not in fact organising stagnation in British agriculture.

THE HALF-YEAR'S PRICES

THE dominating influence on sterling and international prices during the first half of 1934 has been the devaluation of the dollar to 60 per cent. of its former gold parity at the end of January. As sequels, if not consequences, of this devaluation the following principal movements have occurred: dollar prices have risen; sterling has appreciated slightly against the dollar, but not sufficiently to prevent it depreciating, also slightly, against the franc; sterling prices

have risen; and gold prices have fallen. The experience of the past six months shows how very effectively the under-valuation of a currency's exchange tends to assist the depreciating country and depress those countries whose exchange is over-valued.

Dollar prices of primary commodities rose from 124.8 (September 18, 1931 = 100) on January 31st to 133.9 on June 20th, with a minor peak in March and a slight recession in April; while the Irving Fisher index continued its impressively steady rise, with some slight vacillation in April, to a high record for the depression on June 13th. Sterling followed the downward course of the dollar, maintaining, however, a decorous distance. The price of gold in sterling, which measures inversely the depreciation of sterling against the gold currencies, rose from 150.7 (September 18, 1931 = 100) on January 31st to 162.3 on June 20th. In terms of the dollar, however, sterling appreciated from 4.97-5.01 on January 31st to 5.05-5.06½ on June 28th, after touching a high point of about 5.17 in April. There have of course been many special and speculative factors affecting the exchanges, and these have lately been tending to depreciate the pound against both the dollar and the franc. But it is probable that the over-valuation of the pound against the dollar has been tending to disappear in the last month or two, since dollar prices have been rising faster than sterling prices and the exchange value of sterling has been falling.

Meanwhile the rise in the gold price of sterling has undoubtedly enhanced the under-valuation of sterling against the franc. Indeed, the close correspondence between movements in the gold price of sterling, sterling prices, and gold prices has been the most remarkable feature of the price history of the last six months, as the accompanying diagram shows. The gold price of sterling rose from 150.1 (September 18, 1931 = 100) on January 31st to 161.7 on February 14th, fell to 158.7 on April 11th and rose to 162.3 on June 20th. The *Economist* complete index of wholesale prices rose from 105.9 on January 31st to 109.3 on February 14th, fell to 108.2 on April 25th, and has subsequently maintained roughly the same level. French wholesale prices (Statistique Générale, September, 1931 = 100) fell from 88.1 on January 31st to 85.6 on March 14th, recovered to 86.1 on April 11th, fell again steeply to 82.2 on June 13th. The Italian index (Milan Chamber of Commerce) also fell steadily over the period, with a slight recovery in May. The extent of the deflation imposed on the gold countries by the renewed depreciation of the dollar and the pound is only too evident. Germany alone of the gold countries, by inflating and ignoring her gold losses, has escaped this deflation.

The dispersion of the rise in sterling prices has been fairly general. In the following table we give the annual movements from 1924 onwards in our complete Index Number, and in its component series, on the basis of the average of wholesale prices in 1913:—

Average 1913=100

Date	Cereals and Meat	Other Foods	Textiles	Minerals	Miscellaneous	Complete Index
Average, 1924	159.9	169.9	210.6	145.2	113.5	159.3
" 1927	139.9	159.3	153.9	121.6	124.6	137.6
" 1928	145.0	149.4	161.7	111.9	119.3	135.1
" 1929	135.6	136.8	141.9	116.2	112.7	127.2
" 1930	113.4	122.9	99.1	101.6	101.5	106.8
" 1931	96.1	104.1	77.0	88.9	85.3	89.3
" 1932	95.4	99.6	75.7	88.6	77.1	86.1
" 1933	90.1	83.5	77.6	93.9	81.7	86.8
End December, 1932..	88.3	95.6	74.8	89.9	77.1	84.1
End June, 1933	90.5	92.4	83.1	98.5	84.9	89.5
End December, 1933..	90.2	90.2	82.1	94.1	84.8	87.9
End June, 1934	95.7	83.4	81.5	93.6	86.1	89.7

Only two of the component indices, textiles and minerals, show a fall, and the fall in each case is slight. Each of the components has also shown a tendency, most pronounced in the case of textiles and miscellaneous commodities, to touch a high point towards the end of February and a subsequent falling off. The complete index, however, now stands nearly at the highest point it has reached since 1930.

Movements in particular prices are shown in detail in the following table of percentage changes in the prices of 58 commodities between January 31st and June 20, 1934.

PRICE CHANGES BETWEEN JANUARY 31, 1934, AND JUNE 20, 1934

Increases	Per cent.	Decreases	Per cent.
(a) 50 per cent. and more—	+58	(a) Under 20 per cent.—	—1
(b) 20-49 per cent.—	+38	Timber, Swedish	—3
Flax	+38	Spelter	—3
Cocoa	+26	Sugar cane	—3
Linseed oil	+25	Beef, English	—4
Mutton, English	+25	Lead	—4
Cotton, American	+23	Tea	—4
Wheat, English	+23	Petrol	—6
Cheese, Canadian	+21	Jute	—8
Total number	7	Wool, Australian	—10
(c) Under 20 per cent.—	+17	Portland cement	—12
Coffee	+17	Tallow	—13
Oats	+15	Coal, Sheffield house	—13
Bacon, Danish	+14	Iron bars	—13
Wheat, foreign	+12	Beef, Argentine	—14
Flour	+12	Wool, English	—15
Mutton, New Zealand	+12	Butter, Danish	—15
Cotton yarn	+9	Leather	—17
Hides	+9	Silk	—19
Pig iron	+9	Total number	18
Coconut oil	+6	(b) 20 per cent. and more—	—20
Rice	+6	Wool tops	—22
Cotton, Egyptian	+5	Barley	—22
Tinplates	+5	Total number	2
Cotton cloth	+4	Grand total of decreases	20
Sulphate of ammonia	+4		
Hemp	+2		
Maize	+1		
Total number	17		
Grand total of increases ..	25		

Exchanged—
Coal, Welsh, Admiralty.
Coal, Durham gas.
Copper.
Creosote.
Fuel oil.

The heavy increase in the price of rubber is, of course, due to the successful negotiation of a new restriction agreement. The rises in wheat, flour, oats and cotton are mainly due to the drought in the Northern Hemisphere. Government restriction in America has also had a strengthening effect on cotton prices, though this has been to some extent

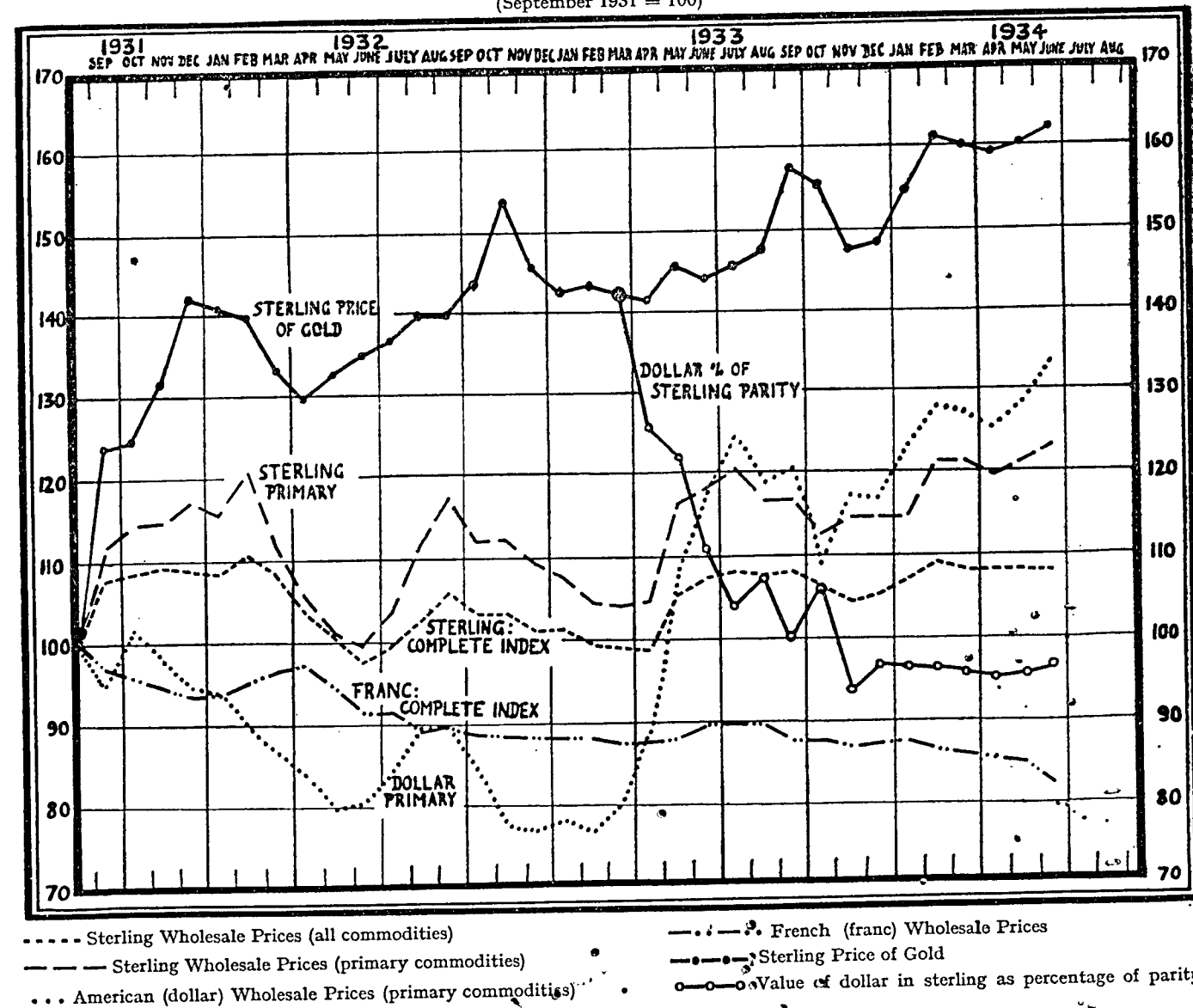
offset by a consequent increase in production elsewhere. The rise in bacon and mutton is partly the result of the Government's successful efforts to limit foreign and Dominion supplies; while the fall in beef reflects the enormous increase in Dominion imports into this country in the last six months. Mutton has also, of course, been affected by the normal seasonal increase of demand as well as by a more long-term change of taste which is also helping to depress beef prices. The rise in coffee and cocoa is due to smaller crops, and part of the rise in linseed oil to the prospect of a moderate crop in the Argentine. Another factor assisting coffee prices has been the wholesale destruction of stocks carried out in the last two years.

Wool prices have weakened, partly as a natural reaction after last year's restocking boom and partly as a result of a reduction in German and French imports. The fall in raw silk reflects the depressing effect of dollar depreciation on Japanese silk production as well as the continued competition of rayon throughout the world (see article in the *Economist*, June 23rd). The fall in coal prices is seasonal; the fall in jute is the effect of a good crop; while increased imports from the Dominions have effectively lowered Danish butter prices.

The influence of steadily increasing demand throughout the period can be most easily seen in the moderate but substantial rises in the sterling prices of raw materials such as hides, pig iron and linseed oil. This increase in demand, mostly internal, but also in part external, is the most satisfactory feature of the price history of the last six months; and there is little reason why it should fall off in the immediate future provided that there is no abatement of the existing monetary abundance (surveyed in our article on *The Money Market Half-Year* this week), nor any substantial rise in the exchange value of sterling.

WHOLESALE PRICE AND CURRENCY INDICES

(September 1931 = 100)



THE BALTIC STATES

(BY A CORRESPONDENT)

A SURVEY of economic conditions in the three Baltic States is opportune, not only because the British Government's recent restrictions on agricultural imports from these countries has hit them hard, but for the more cogent reasons that Estonia, Latvia and Lithuania are in normal times good customers of Great Britain, and that new commercial agreements have just been, or are even now in process of being, concluded between this country and the three Baltic States.

Estonia.—The general economic improvement seems to have reached Estonia in the middle of last year. Employment at the end of 1933 was about 9 per cent. higher than a year earlier. The foreign trade returns show an increase in the value of imports during the last quarter of 1933 compared with 1932 of 44.7 per cent., and of exports 38 per cent., the year showing a favourable trade balance of 6.5 million kroner (about £360,000). The State revenue declined in the first quarter of 1933 by 13.7 per cent., but the two following quarters showed a rise compared with the corresponding quarters of the preceding year of 7 per cent. The central bank's proportion of reserves to current liabilities at the end of March, 1934, was 54.6 per cent., compared with 44.6 per cent. a year earlier and 45.8 per cent. two years earlier.

There appears to have been an increase in repayments by farmers against Government advances and loans, which argues improvement in a position which is of paramount importance in every Baltic State. Much of this improvement is due to the depreciation of the kroner by 35 per cent., which took place in the second half of June last year.

As already pointed out, there has been an increase in foreign trade since 1932, and it should be noted that the United Kingdom duly benefited from this owing to greater facilities for obtaining currency to pay for imports from Britain. Imports from Great Britain rose from 13.8 per cent. of the whole in 1932 to 18 per cent. in 1933, whereas those from Germany fell from 32 per cent. to 22.5 per cent. Germany's share in Estonia's exports for the same periods fell from 26 per cent. to 21 per cent., and that of Britain rose from 36.7 per cent. to 37.1 per cent.

Undue optimism over the trade position in the immediate future would be unwarranted. A factor which has exercised an unfavourable effect during the last few months has been the unsatisfactory yield of flax. The farmers, however, emboldened by the greater confidence which undoubtedly exists, have increased their acreage for the 1934 campaign. Given reasonably good weather and a continuation of the rise which has taken place in world prices, there is a possibility of marked improvement in trade generally after the coming harvest. Supplies of foreign exchange should then increase and be available for increased purchases abroad. This should augur well for the Anglo-Estonian Trade Agreement, settled in London on April 20th last, which confers special privileges on British traders.

Latvia.—There are certain reasons why Latvia has felt the economic blizzard with particular acuteness. She is economically and politically more advanced than the other two States, and her economy is therefore built on more complicated foundations. Riga has always been rather a burden on the country. In more normal times Riga formed to a great extent the business centre for all three States. As trade restrictions in Latvia grew, in order to keep an even trade balance and protect the currency, it became much more difficult, if not impossible, for merchants in other States to go on doing business through Riga, and the latter became more of a burden than ever. Again, a severe blow to industry and the transit trade of the country resulted from the expiry of the commercial treaty with the Soviet Union in November, 1932, and the failure to come to terms for a new one. The Soviet Union was the largest buyer of manufactured goods in 1929 to 1932, taking about 40 per cent. of the total manufactured exports. Moreover, when this Russian business began on a large scale expensive extensions to plant were undertaken, and the outlay incurred has now proved unproductive, as no foreign market can replace the Soviet Union.

In these circumstances it was natural that unemployment should increase in 1932. At the end of 1933 some improvement had set in in consequence of measures taken to restrict imports. But the Budget for the fourth year in succession shows a deficit, in spite of high taxes and drastic method of collection. A revenue of 140.7 million Lats was budgeted for in 1933-34 against 207.7 millions in 1928-29. Subventions to the export of agricultural products are a heavy charge on the Budget.

Foreign trade collapsed in an astonishing manner after 1930. Imports for that year reached a value of almost 300 million Lats; in 1931 they were 176 millions and in 1932 85 millions, while the respective export figures were about 250 millions, 164 millions and 97 millions. In 1933 imports totalled 91 million Lats and exports only reached 81 millions, leaving an adverse trade balance of 10 millions. It is, therefore, not surprising that there has been a serious outflow of gold and foreign exchange. The gold backing of the Lat is jealously maintained and exchange control exists in Latvia to an extreme degree. But exports and the supplies of foreign currency have increased in April, following upon the opening of river navigation, and some improvement may be looked for later in the year. The present high value of the Lat in relation to the £ sterling is a serious obstacle to the important export of plywood. This forms a strong argument in favour of devaluation of the Lat. "Kerb" dealings in foreign currency reach very large dimensions, and the "kerb" rate of the £ is some 20 per cent. higher than the official rate.

The United Kingdom takes the lion's share of exports from Latvia. In the matter of imports into Latvia, though the returns for 1933 show an increase in the case of the United Kingdom of 70 per cent. compared with 1932, Germany still occupied the first position, leading by some 10 per cent. Her share fell by some 25 per cent. from 1932 to 1933. Both import and currency permits are granted with much greater facility for trade with the United Kingdom, but the clearing system in force between Latvia and Germany would seem to confer an advantage on that country.

The lot of the Latvian farmer improved in 1933 owing to minimum prices of grain which were introduced by law. Buyers were therefore found for agricultural machinery and other goods which had lain in stock for some time. This seems to offer some prospect of an increase in exports in the near future. There is scope for considerable expansion of her purchases of British goods, especially now that final agreement on the terms of the commercial treaty with Great Britain has been reached.

Lithuania.—In the case of this country there are and have been no restrictions on dealings in foreign exchange or payments abroad. Moreover, the local currency has remained stable, and there is no sign of any intention to go off gold, though since the Lit was based on the U.S. dollar the depreciation of the latter was undoubtedly a shock. The backing of bank notes issued by the Bank of Lithuania (the central bank) in gold and foreign currency amounted at April 15th last to about 83 per cent. This is not far short of the usual figure, but at the end of 1929 and 1931 it reached over 100 per cent. Foreign currency then participated to the extent of about 70 per cent. of the total which was mainly due to large remittances received from Lithuanian emigrants in the United States. These are estimated to have amounted to some 3 million dollars per annum. At present they only form about one-fifth or one-sixth of the previous amount.

Lithuania is dependent on agriculture to a greater extent even than Latvia, and she has suffered severely from the depression. But the modest standards of her rural population have enabled her to weather the storm comparatively well. The trough of the depression seems to have been reached in 1933, and there are again signs of an upward trend in recent months. Commodity prices stood at 49 at the end of 1933 against 52 a year earlier (1924 = 100). Slight rise in the price of agricultural and animal products was counterbalanced by a setback in manufactures and raw materials, so the agricultural and manufacturing blades of the price "scissors" drew closer together.

The State revenue in 1933 amounted to 250 million Lit or 6 per cent. less than in 1932. Expenditure kept just below this figure, being in its turn 10 per cent. below the

of 1932. Exports and imports show a further fall in 1933, but the returns for the first quarter of 1934 show an increase in exports of about 10 per cent. compared with the previous year, whereas imports remained the same.

Animal products, chiefly bacon, occupy the first place in Lithuanian exports. Germany and the United Kingdom do the largest business with Lithuania. Germany's share of Lithuanian exports fell from 39 per cent. of the total in 1932, to 33 per cent. in 1933, and the United Kingdom's share rose from 41 per cent. to 45 per cent. Germany easily heads the list of exporters to Lithuania, but her share fell from 40 per cent. in 1932 to 30 per cent. in the following year. Britain's share rose from 10.8 per cent. in 1932 to 17 per cent. in 1933. Import licences have been introduced by the Lithuanian Government for coal, cotton yarn,

woollen goods, cement, iron, steel, sheet iron, fertilisers, etc., in order to create more favourable trade balances with a number of countries, among which are Sweden and Denmark.

In conclusion, Germany is in a particularly strong position as regards supplying the needs of this country, owing to her proximity and the way she has studied Lithuanian requirements.

Conditions in the Baltic States therefore appear greatly improved in comparison with 1932 and 1933. Whether this improvement will continue, and whether it can be turned to the advantage of the British exporter and investor, depends on this country's willingness to take the imports for the production of which these States are so well suited, and for which they have borrowed capital abroad.

NOTES OF THE WEEK

The Cabinet Reshuffle.—Sir Henry Betterton's appointment as chairman of the new Unemployment Assistance Board has been followed by a reshuffle of minor Ministerial appointments. Mr Oliver Stanley, who has proved an able and energetic Minister of Transport, succeeds Sir Henry Betterton as Minister of Labour. Mr Hore-Belisha, hitherto Financial Secretary to the Treasury, goes to the Ministry of Transport. Normally the position of Financial Secretary to the Treasury is regarded as the last rung of the ladder below Cabinet rank. But Mr Hore-Belisha's entry into the Cabinet would have upset the lore of nicely calculated less or more Simonites, Conservatives and MacDonaldites which the Prime Minister is at pains to preserve. Sir Henry Betterton's appointment to this exceptionally important new post will be fairly generally welcomed. Though not a statesman of brilliant originality or imagination, he has shown himself at the Ministry of Labour to be a competent and steadfast administrator. Mr Herbert Morrison has criticised the appointment on the ground that it is improper for a Cabinet Minister to be given a high-salaried post which, with its salary, has been created by the Cabinet of which he himself is a member. Such a practice, in our opinion, would certainly be unfortunate if it became common; and we trust that the present appointment will not be regarded as a precedent. No one would suggest, however, that efficiency has been subordinated to political considerations in the appointment of Sir Henry Betterton to an extremely responsible and arduous task.

* * *

Lord Snowden's Verdict.—Lord Snowden had some very hard things to say about the Prime Minister in the Debate on the Land Taxes in the House of Lords on Tuesday. He also disclosed some remarkably illuminating facts about the early days of the National Government. Within a month of the General Election, Lord Snowden related, Mr Chamberlain, yielding to Party pressure, made up his mind to suspend the taxes. He spoke to Lord Snowden about it, but Lord Snowden, "disgusted with an intended breach of pledge," declined even to discuss it. Later Mr Chamberlain decided, not on immediate repeal, but on the suspension of valuation. In resisting the proposal in the Cabinet, Lord Snowden informs us, he had no support whatever from his ex-Labour colleagues. Instead, the Prime Minister merely implored him not to resign, with the words "Do not desert me now." Lord Snowden consented, feeling that he "had a special responsibility to see that the specific purpose for which the Government had been formed was carried out." A few days later Mr Chamberlain announced the suspension of valuation. The Conservative rank and file, still unsatisfied, moved a clause for the repeal of the taxes. Lord Hailsham opposed this on the ground that the proposal would impose upon the ex-Labour members of the Cabinet "a public humiliation which it would be unreasonable to demand." This statement Lord Snowden described as "dishonest" on the ground that

the suspension was an effective way of killing the whole scheme of land valuation and taxation. Yet this scheme, if carried out, would have cheapened land and powerfully contributed to the solution of the housing problem. However, the tax has now been repealed outright. The only explanation, Lord Snowden said, which he could offer of this action was that "the Cabinet had found the Prime Minister so amenable an instrument of Tory policy that they had come to the conclusion that there was no humiliation to which he would not submit if they would allow him still to be Prime Minister." The general record of the National Government was summed up by Lord Snowden as follows:—

They had dishonoured all the conditions of the formation of the National Government; they had dishonoured every pledge which was given at the last General Election. . . . Before joining the Government he demanded, and received, specific undertakings that the National Government was being formed for one purpose only, and that, when that purpose had been secured, the parties would resolve themselves into their former positions, and that during the lifetime of this Administration there would be no party legislation and at the General Election which was to have followed there would be no party arrangements. He had joined the National Government on these conditions. He had been betrayed.

Lord Snowden's language is embittered; and it is clear from the rest of the debate that the House deprecated so merciless an attack on a political opponent who was not in the circumstances able to reply. It is probable, however, that Lord Snowden's verdict on the repeal of the Land Tax will prove to be the verdict of history.

* * *

Labour and War.—On June 28th a special conference, at which the General Council of the Trades Union Congress, the National Executive of the Labour Party, and the Executive of the Parliamentary Labour Party were all represented, was held in London to lay down the policy of the Trade Union and Labour movements in the event of a war in which we might be involved. Hitherto, the Labour movement has handled this question in a way that has been unrealistic, and, indeed, irresponsible. On the one hand, it has committed itself to resolutions pledging it to take no part in war in any circumstances, and to resist any attempt, on the Government's part, to go to war by bringing into play the *ultima ratio* of a general strike. On the other hand, it has committed itself to the support of a collective system under which a country may be required to carry out operations of war against an aggressor in defence of the common security of all countries. A statement was drawn up last week which is to be laid before the Trades Union Congress and the National Conference of the Labour Party this year; and, if this statement is adopted, Labour will have definitely opted for the collective system, with the possible use of force which this involves, and will have discarded absolute pacifism, with which the collective system is irreconcilable. The state

ment lays down three points of Labour policy: first, the undertaking not to resort to war should be expounded and clarified in a non-aggression treaty, backed by a definition of aggression, and ultimately by a revision of the Covenant; secondly, machinery should be provided, and undertaken, for the final settlement of all disputes by pacific means, including facilities for peaceful changes in the *status quo*; and, thirdly, national armed forces should be replaced by an international police force under the authority of the League—a beginning to be made in the air. The report faces the question of the relation between loyalty to one's local national state and loyalty to the great society of which these states are fractions; and it tabulates three duties of citizenship: the duty to insist upon one's own Government settling all its disputes by peaceful means; the duty to support one's own Government in honouring its obligations to take action against an aggressor; and the duty to resist one's own Government if it becomes an aggressor itself. In the latter event, however, the report does not demand an automatic general strike, but is content with an existing standing order of the T.U.C., which requires a special congress to be called in the event of a danger of war arising. The older strategy of a general strike presupposed that general strikes would take place simultaneously in other belligerent countries; but this supposition can no longer be treated as practical politics now that the trade union organisation has been destroyed in Italy, Germany and Austria—not to speak of Japan. In dropping the general strike strategy now the Labour movement is undoubtedly acting wisely.

The First Quarter's Revenue.—The Exchequer returns for the first quarter of the current financial year (see page 12) make quite satisfactory reading. The first quarter of the financial year always discloses a substantial deficit, for income-tax receipts "start slow" and work to their climax in the last quarter. Ordinary Exchequer receipts in the first quarter of the year 1934-35 amounted to £128,158,824 and ordinary expenditure to £177,876,697, leaving a current deficit of £49,717,873, which is £1,988,108 more than the deficit at this time last year. The increase in the deficit is due to a decline in revenue of £1,399,870 and an increase in expenditure of £588,238, as compared with the figures in the first quarter of 1933-34. In the revenue figures there are increases, as against last year, in the yield of motor duties, Post Office net receipts, Customs, stamp and death duties—the increase in the latter category being over £5½ millions, perhaps due in part to delayed settlement of the large Ellerman estate. On the other hand, there is a fall in income-tax yield of £1,673,000 and in surtax yield of £560,000. The revenue from this tax was estimated by Mr Chamberlain to increase by £11 millions this year, mainly because last year showed a loss of a quarter of the tax in the payments made on July 1, 1933, since three-quarters had been paid in January, 1933, in the 1932-33 financial year. In 1934-35, on the other hand, we revert to the normal half-yearly payments in equal instalments; but little or none of this increase over last year's yield can have showed itself yet. Moreover, income tax was reduced to 4s. 6d. in the £1 in the last Budget. This will not affect incomes from salaries, etc., until January; but other forms of income are affected now; and though the drop in income-tax yield this quarter is of the order of 10 per cent. of the yield in the first quarter of 1933-34, while the standard rate has been reduced by the same percentage, this is only a coincidence. In other revenue items, there is a large and unexplained drop in miscellaneous receipts, from £11,942,928 in the corresponding quarter of 1933-34 to £3,914,028 this quarter—probably due to a single and abnormally large receipt under this head last year. The drop in surtax yield (of £560,000) is mainly owing to its assessment on incomes of the less prosperous year 1932-33. Though the yield of Customs duties is already £3 millions up, as against Mr Chamberlain's estimate of a total increase of £4 millions in these receipts over the whole year, the yield of Excise this quarter is down by £1.6 millions—due perhaps to delayed effects of the Chancellor's beer-duty concessions in the 1933-34 Budget. On the expenditure side, the supply services took

an additional £494,000; defence forces spent £350,000 more than last year, while civil expenditure increased by £136,000. Interest and management of the national debt absorbed about £2 millions more than in the corresponding period of 1933-34, no doubt partly due to the cost of the 3 per cent. Funding Loan issue in April. If we except the issue in June of last year of £200 millions of Treasury bills to the Exchange Equalisation Account, the floating debt increased in the first quarter of 1933-34 by £38.6 millions, whereas last quarter it increased by only £31.7 millions. It is not possible to judge from the figures of the first quarter of the year whether or not the final outcome of the Budget will be in accordance with the forecast of the Chancellor of the Exchequer. All that can be said is that so far there is no outstanding divergence.

Anglo-French Trade Agreement.—The terms of the Anglo-French trade agreement—which is, of course, merely a temporary convention pending the negotiation of a new treaty—were issued too late last week to permit of comment. They are very much what was expected from the earlier announcement (see the *Economist* of June 23rd, page 1369). Each country accords to the other most-favoured-nation treatment with certain specified exceptions. Great Britain removes the 20 per cent. surtax on French goods imposed in February in exchange for the restoration by France of the British quota to 100 per cent. of the United Kingdom's proportional share in each trade concerned. Guarantees have also been given by the French Government as to the quantities of many of the more important classes of U.K. goods to be admitted. Thus, for example, with respect to coal the French Government undertake not to reduce the existing quota—49.5 per cent. of the normal total quota, which is 58.5 per cent. of the average French imports during the period 1928-30. In addition, the agreement provides for certain supplementary allocations for the ports and coasting trade of Brittany. This coal guarantee is linked up with an arrangement arrived at between British mineowners and French coalowners concerning the exchange of a tonnage of coal against a tonnage of pit wood in the proportion of 3 to 2. The British Government has agreed not to raise the duties on French brandies and sparkling wines and certain flowers and vegetables, the duties on which are slightly reduced. At the same time the general duties on raw silk and artificial silk yarns are reduced by 50 per cent.—a concession which seems to be inspired not only by French requirements, but also by the British silk and artificial silk textile industries, as explained in the report issued in May by the Import Duties Advisory Committee. It is calculated that this concession will cost the British Treasury between two and a-half and three millions of revenue in a full year. Taken as a whole, the agreement is good—as far as it goes: at any rate it restores the *status quo ante bellum* and so removes the last remaining obstacles to the negotiation of a fresh treaty; but it can hardly be claimed as a miraculous achievement for the policy of "freer trade through tariffs" preached by Mr Runciman.

The German Debt Truce.—The negotiations which have been going on in London between the representatives of the German Government and our own Treasury experts ended in an agreement dated July 1st, which was signed on Wednesday, and which is to remain in force for six months. By the terms of this agreement (Cmd. 4640) the British Government undertakes not to exercise in respect of Germany the powers given to it by the Debts Clearing Offices and Import Restrictions Act; so that the "clearing" with Germany is shelved for at least six months—which is all to the good of both parties. On their side, the German Government undertake to provide sterling funds for the purchase on the respective maturity dates, or as soon as they are thereafter tendered, of all coupons of both the Dawes and Young Loans maturing between July 1, 1934, and December 31, 1934, relating to bonds which are shown to have been in the beneficial ownership of British holders on June 15, 1934—the date of the mora-

torium. The purchase price is to be 100 per cent. of the nominal amount due, and payment will be effected at the offices of the Bank of England. "British holders" means (a) as regards sterling issues, (1) persons ordinarily resident or ordinarily carrying on business in the United Kingdom. (2) British subjects wherever resident, (3) corporations incorporated by or under the laws of the United Kingdom or of any other territory under British sovereignty, protection or mandate, and (4) persons under British protection and ordinarily resident or ordinarily carrying on business in the United Kingdom or any other of the above territories; (b) as regards other issues, all individuals of any nationality ordinarily resident or ordinarily carrying on business in the United Kingdom, and all corporations incorporated under its laws. For the other medium- and long-term loans the terms of the Reichsbank's offer of May 29th are to apply to all payments due on investments which are shown to have been in the beneficial ownership of British holders on June 15th (see *Economist* of June 2nd, page 1186). But in respect of non-Reich loans, if Germany treats residents in any other creditor country more favourably than she treats British holders, the latter may claim corresponding treatment of the investments owned by them on June 15th. Further, the German Government is prepared, "without delay," to negotiate an exchange agreement with Britain, for commercial payments, similar to those in force between Germany and other countries; though this is subject to provisos that the stability of the mark shall be maintained, and that British colonies shall only benefit by such an exchange agreement if countervailing benefits are accorded to Germany, as in the case of the Netherlands. The British Government has reserved its attitude over this second proviso. Sir Frederick Leith-Ross, in a letter to Dr. Berger, of the German delegation, raises the "further urgent question" of complaints of non-payment for goods delivered to Germany; and he trusts that the German Government will be able within a few days to rectify "this unfortunate situation." On the face of it the present agreement is most satisfactory for the British Dawes and Young Loans holders. But the agreement could hardly be anything else than a tide-over settlement. What will happen to Germany's commercial and non-Reich debts is still unsure; and so is the future of the Reich loans after December 31st. Why such an agreement could not have been reached earlier, and so have obviated the threats and recriminations of the last few weeks, is hard to understand; for the Germans have now clearly accorded us a very large measure of preferential treatment.

The Commons and Monetary Policy.—Wednesday's debate on monetary policy proved inconclusive. There was a strong general feeling among Members that our monetary and banking system needed overhauling, but few constructive suggestions were put forward beyond that of the appointment of another committee of inquiry. Mr Chamberlain had little difficulty in dealing with his critics. The report of the Macmillan Commission (whose suggestions for reform have not yet been implemented) was still relatively fresh, and he argued, with some justice, that another investigation at this stage would only have an unsettling influence and could lead to no conclusive result. The Government's monetary policy was still the same as had been announced at Ottawa in 1932, and Mr Chamberlain adduced in support of it the revival in trade and recovery in commodity prices which has since taken place. Up to a point we are in agreement with the Chancellor. No useful purpose could be served at present by a further inquiry, nor can we take any permanent decision upon monetary questions so long as international economic affairs remain in their present chaotic condition. At the same time, the Government cannot entirely escape charges of complacency and of an inclination to drift, for it certainly ought to be formulating our long-range monetary policy in readiness for the time when more settled world conditions are restored. Mr Chamberlain gave the House no indication that this important work was being done, and all that is available at present is the Ottawa declaration, which embodies a purely short-range policy, and some very vague recommendations of the World Economic Conference. Now that the dollar has been stabilised, and possible world

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monetary vacillations have been reduced in number, it is high time the British Government made up its mind what it means to do in various eventualities, and what are the general principles and conditions on which it proposed ultimately to stabilise sterling. In certain respects the international situation has become clearer since Ottawa, and it is time we gave the world a more definite lead.

New Warships.—On Saturday, June 30th, while events on which we comment elsewhere were taking place in Berlin and Munich, the Chief of the German Naval Staff was launching the third of the 10,000-ton German "pocket battleships" at Wilhelmshaven, and the Chamber of Deputies in Paris was approving a French naval programme for 1934, which included the laying down of a second 26,000-ton French battleship of the *Dunkerque* class. All this is well within the framework of existing international treaties. The Germans, for instance, are entitled to build three more "pocket battleships" if they choose, without violating the Versailles Treaty; and, in answering an *Admiral von Spee* (as the third "pocket ship" is called) with another *Dunkerque*, the French are only just beginning to use up the capital-ship tonnage allotted to them under their Washington Treaty quota. Within the same quota, the Italians are equally entitled to build the two 35,000-ton battleships which they have recently put in hand; and the French are now pluming themselves on their moderation in refraining from naval competition with Italy and Germany simultaneously—though they are careful to add, *sotto voce*, that they cannot really delay replying to the Italian challenge for longer than six months after the first of the two projected Italian keels has actually been laid down. Thus the Governments of a bankrupt Europe gleefully pile naval upon military and aerial competition—as though they were anxious to demonstrate that the possessing classes are capable of pauperising themselves as expeditiously as the Communists, if they were in power, could do the operation for them. In face of these Continental developments, how modest our own British Admirals are in concentrating their attention on those twenty additional light cruisers which are so effective in making mischief of Anglo-American relations! While they were about it they might have asked the taxpayer to fit them out with a brand new battle fleet to meet the French-Italo-German menace: *quod est absurdum*, seeing that this "imperative necessity of national defence" (as it would then be called) would simply break the taxpayers' back.

The League Loans.—The second report of the London League Loans Committee, which was published on Tuesday, provides a grain of comfort in a financially distressed and distressing world. Estonia and Danzig—those bright exceptions to the all-but universal rule of default—continue to meet their payments in full, while Austria, thanks to the receipt of

last year's international loan, has made up for her past delinquencies. Thus, about half of the total loans issued by the League are receiving full interest—which in these times is not so bad. Hungary has been able to transfer 50 per cent., as against 25 per cent. a year ago; Bulgaria has increased her transfers from 25 to 32½ per cent: only Greece has proved disappointing. The report comments very adversely on the action of the Greek Government and the International Financial Commission in holding up the payment to the League bondholders on account of the dispute over the French loans. It was announced, however, later in the week that the Greek Government had ordered payments on the revised schedule agreed last year to be made on all loans except those in dispute. The report also contains some interesting statements on the Committee's policy. It has resisted all attempts on the part of debtor countries to make definitive settlements, i.e. to scale down permanently interest rates or capital sums, and has confined itself to short-term agreements. It has also insisted on maintaining the principle that debtor Governments should make full payments in their own currencies, even if the "blocked" sums paid in are immediately re-borrowed. In the case of Bulgaria, it has consented to an arrangement by which the bondholder, against surrender of his coupons, may receive an immediate cash payment of 10 per cent. in respect of arrears—in final settlement—a plan which inevitably diminishes the foreign exchange available for meeting the current service. The Committee, while pressing the special claim of the League loans, has refrained from claiming any exchange priority over current trade debts, and its policy has never been to press any of the debtors to pay more than they reasonably can, or to claim more than their fair share for the League loans. It has also wisely refused to allow itself to be entangled in the gold clause controversy. There can be no doubt that the establishment of this Committee, which is an unofficial body representing several nationalities, with Sir Austen Chamberlain as Chairman, has performed a useful service by reminding debtor Governments of their obligations at a time when too many people have been prone to regard creditors as usurers. Moreover, in keeping alive the prestige of the League loans, it has done a service to debtor and creditor alike, by preserving in being the machinery by which the wheels of international lending, so essential to the prosperity of the world, can be restarted.

Deflation in Belgium.—The fall in gold prices in the last few months has already led to new salary and wage reductions in France, Italy and Holland. Now it is Belgium's turn. The Belgian Government has presented to the Chamber a Bill asking Parliament for special powers. These powers, it is stated, are required for the following purpose:—

The Government intend to bring about a reduction of public burdens so that they can proceed to taxation reliefs. The converging point of all efforts will be the reduction of costs of production to enable industry to compete in foreign markets. In order to stimulate economic activity, the Government propose to exercise direct or indirect action on fiscal and financial charges, wages, and general costs.

So the ruthless steam-hammer of deflation continues to grind down recovery in the gold countries, with the effects on the volume of unemployment described in a succeeding Note. It is no doubt true that deflation has been forced on the gold countries by the renewed decline of gold prices in the last few months; and anybody who has wondered at the sudden and ferocious wage-cutting competition which has swept the gold bloc this year will find the answer in the curve of gold (franc) prices in the chart on page 5. Nevertheless, there is a certain class flavour about the recent deflationary legislation in France and Belgium.* In both cases wage and salary cuts are to be accompanied by decreases in direct taxation. The principal mitigation of the class nature of these measures, in Belgium as in France, is the adoption of a public works programme. Such a combination of policies—wage cuts designed to lower prices and public works expenditure calculated to raise them—was attacked by M. Paul Reynaud in the French Chamber

this week as palpably inconsistent and absurd. The inconsistency, however, is more apparent than real. Australia's experience has shown that a concurrent deflation of wage costs and inflation of spending may very easily be the shortest road to recovery. And it is almost certainly the adoption of public works programmes that has enabled Germany and Italy to escape the increase in unemployment which France and Poland have suffered in the past six months.

Sterling and International Prices.—The past fortnight has witnessed a slight reaction in commodity prices. The *Economist* complete British index has fallen by 0.4 per cent., and there has also been a decline of 0.2 per cent. in the sterling prices of primary products. The fall is very general, and there were few wide movements in specific commodities. American primary products have also reacted by 0.4 per cent., but the complete Irving Fisher American index number is unchanged. This is the first check to its advance since April. French wholesale prices continue to decline, and they have now fallen since the New Year by 6.9 per cent. This contrasts with advances of 1.7 per cent. in sterling prices and 8.3 per cent. in dollar prices, and illustrates very graphically the deflationary pressure to which the leading member of the gold bloc is now subject. There has been a further fractional advance in German prices, which have now risen by 1.4 per cent. since the New Year.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsanwalt
	British Complete (sterling)	Primary Products (sterling)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	93.8	140.9	93.5	95.8	91.6
Apr. 20th	103.8	105.4	83.6	129.5	89.6	97.0	89.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	88.1
Oct. 19th	103.1	112.3	84.0	143.8	88.6	92.7	86.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	80.5	90.2	83.8
Feb. 22nd	99.5	104.2	76.9	143.2	79.9	88.1	84.3
Mar. 22nd	99.0	104.0	80.1	142.1	82.1	87.2	83.4
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	83.4
May 31st	105.3	116.8	108.5	145.8	90.0	87.2	84.9
June 28th	107.6	118.2	117.4	144.0	94.4	89.5	85.6
July 26th	108.1	120.6	124.7	145.7	100.9	89.7	86.2
Aug. 23rd	107.9	116.9	119.0	147.6	102.1	89.5	86.2
Sept. 20th	108.1	116.9	120.7	157.4	103.7	87.5	84.6
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	84.6
Nov. 29th	104.4	114.7	117.2	147.7	103.5	86.8	84.5
Dec. 13th	105.3	114.8	117.0	148.4	104.4	87.2	84.5
1934							
Jan. 17th	107.1	114.8	123.1	154.8	104.5	87.2	84.8
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	84.4
Feb. 14th	109.8	119.9	123.6	161.7	106.8	87.0	84.5
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	84.1
Mar. 14th	109.0	122.5	129.8	160.3	108.2	85.8	84.0
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	84.2
Apr. 11th	108.4	120.2	128.6	158.7	106.4	86.1	84.2
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	83.2
May 9th	108.2	121.7	129.4	160.0	109.0	85.6	83.9
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	83.9
June 6th	108.2	122.3	134.4	162.3	110.1	84.1	83.8
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	83.9
July 4th	107.7	123.2	133.4	161.7	113.1*	82.0*	83.9*

* These figures refer to June 27th.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX			
	(1927 = 100)			
	Sept. 18, 1931	June 6, 1934	June 20, 1934	July 4, 1934
Cereals and meat	64.5	68.8	68.1	67.8
Other foods	62.2	58.8	59.2	58.7
Textiles	43.7	52.7	53.0	52.9
Minerals	67.4	77.7	76.7	76.6
Miscellaneous	65.8	69.2	69.5	69.2
Complete index	60.4	65.4	65.3	65.1
1913 = 100	83.1	90.0	89.9	89.5
1924 = 100	52.2	56.5	56.4	56.2

In the cereals and meat group, Canadian wheat, English barley, potatoes, Argentine beef and Danish bacon are all cheaper since a fortnight ago. There were advances in English wheat and oats, and in rice and English beef and mutton. Among other foodstuffs, tea, butter and cheese all declined. Sugar prices were irregular. Cotton prices were steady, but there were further reactions in English wool and wool tops. Flax and jute advanced. In the minerals group, house coal and tar are slightly dearer, but

there was a sharp fall in copper. Among miscellaneous materials, hides and linseed oil, which previously had undergone sharp advances, have now reacted, but rubber continues to rise. There was a moderate decline in creosote.

World Unemployment.—Unemployment is steadily decreasing throughout the world. The statistics of unemployment by countries published in the June number of the *International Labour Review* prove conclusively that the recovery, which dates from the time of America's departure from the gold standard, has been a genuine upward movement, and not a mere see-saw process in which the gold countries have lost as much as the depreciated countries have gained. Actually the depreciated countries have regained substantially, while the gold countries have remained, as a whole, stagnant. Of the nineteen principal countries for which statistics are available only two—France and Poland—had more unemployment in March, 1934, than March, 1933. Of the countries with depreciated currencies—Great Britain, the United States, Denmark, Austria, Czechoslovakia, Canada, New Zealand, Norway, Sweden, Finland, Latvia and Palestine—all have less unemployment. The figure quoted for the United States is the American Federation of Labour estimate which shows a fall from 13,689,000 to 10,905,000. There was a particularly marked fall in Czechoslovakia, from 878,000 in March, 1933, to 789,000 in March, 1934, over 50 per cent. of which fall came after February, 1934, when the crown was devalued. Of the gold countries, France and Poland suffered heavy increases: France, according to the official figures, from 314,000 to 346,000, and Poland from 280,000 to 388,297. Italy, Switzerland, and Holland showed a very slight decrease; in the case of Italy from 1,082,000 to 1,057,000. Germany, alone of the gold countries, shows a large decrease, but this, as is well known, must be attributed to abnormal factors. In general, the gold countries have failed to enjoy the recovery which has been common to the whole of the rest of the world.

Silk Duties.—On July 19th 1932 the Chancellor of the Exchequer requested the Import Duties Advisory Committee to submit recommendations on the subject of the silk and rayon duties. Since the existing duties were originally imposed for purely revenue purposes they could only be altered in the Budget; but under the Finance Act of June, 1933, they were brought formally within the scope of the Import Duties Advisory Committee and thus became subject to variation by Treasury Order. The scope of the Committee's recommendations was, however, severely limited, for the Chancellor indicated that in any revision of the duties which might result from the Committee's investigations he would wish to secure not less revenue from silk and artificial silk than was yielded by the current duties. The recommendations of the Import Duties Advisory Committee, together with the new schedule of silk duties which came into force on July 2nd, were published in a White Paper (Cmd. 4633) at the end of last week. In their original recommendations submitted on May 16th, the Committee pointed out that the Customs duty on raw silk and the Excise duty on artificial silk yarn impose a considerable burden on the home industries and hinder their development. Moreover, since the articles produced by these industries have ceased to be a luxury, the Committee expressed the view that the duties should be abolished as soon as circumstances permitted. But taking into account the revenue requirement and the general policy of protection the Committee "felt justified in proposing duties which in general involve an increase in the element of protection." But in view of the trade negotiations with France (see an earlier Note) the Chancellor of the Exchequer found himself unable to accept the recommendations of the Committee, which provided "for an increase in the element of protection." He pointed out in a letter to the Import Duties Advisory Committee that after much anxious thought he had come to the conclusion that he would be justified in running the risk of unbalancing the Budget this year to the extent involved in the reduction

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both of the Customs duty on raw silk and the Excise duty on artificial silk by 50 per cent. provided this concession resulted in a satisfactory conclusion of the trade negotiations with foreign countries. After a further exchange of letters, the Import Duties Advisory Committee, submitted new recommendations on June 25th which, after the signing of the Anglo-French trade agreement on June 27th, were translated into the Silk Duties No. 1 Order of June 28th and became effective on July 2nd. The general level of protection contemplated by the Committee under their original recommendations is, however, retained. The reduction of the Customs duty on raw silk and the Excise duty on artificial silk by 50 per cent. is to be welcomed, but, as is shown in a Company Note, the trade has been temporarily disorganised owing to the fact that British manufacturers have large stocks of materials on which duty has been paid at the old rates, while consumers are naturally anxious to obtain the benefit of the reductions immediately.

Shipping Freight Index.—As measured by our monthly index number, the general level of whole cargo shipping freights rose by 0.4 per cent. during June, following a rise of only 0.1 per cent. in May. The current figure of 83.8 compares with 81.9 in June last year and 83.3 in June, 1932. Details of the index number are as follows:—

(1898-1913 = 100)

	Average, 1913	June, 1933	April, 1934	May, 1934	June, 1934
European waters	110.0	86.4	85.2	85.2	86.7
North America	113.1	71.9	80.8	78.7	76.5
South America	123.4	77.4	77.2	78.2	80.5
India	106.3	86.5	90.1	89.8	88.0
Far East and Pacific	117.4	85.3	83.9	83.2	86.3
Australia	127.9	81.0	82.8	85.4	84.6
Total	116.3	81.9	83.3	83.4	83.8

There has been a fair inquiry for tonnage for outward coal shipments, but homeward cargoes have been difficult to secure, and owners are trying to raise outward rates to help cover the complete trip. This explains the divergent trend of outward and homeward Mediterranean rates. North American trade is dull, but the River Plate market has again strengthened. Movements of the various sections of our index number are shown in detail below:—

	Index No.	Inc. or Dec. Points	Index No.	Inc. or Dec. Points
Home Trade	79.5	+1.4	South America—	
Bay—outwards	97.2	+1.8	Outwards	65.9
Bay—homewards	91.9	...	Homewards	+3.6
Mediterranean—			India—outwards	75.8
Outwards	86.6	+6.9	India—homewards	+1.4
Homewards	85.4	-3.4	Far East, etc.	100.2
North America	76.5	-2.2	Australia	-5.0
				86.3
				+3.1
				-0.8

Expressed as a percentage of the average for 1913, the total figure of our index number for June is 72.0, compared with 71.7 for May and 70.4 a year ago.

OVERSEAS CORRESPONDENCE

UNITED STATES

THE fiscal year 1934, which closes on June 30th, will show a deficit of approximately \$4,000 millions and a public debt of about \$27,000 millions, an increase of \$4,500 millions for the year. The regular Budget, however, will balance, and may show a minute surplus; total receipts and regular expenditures being about \$3,000 millions. This balance was reached by an increase of over \$1,000 millions in revenues and a reduction of over \$700 millions in Budget expenditures as compared with the previous fiscal year. Of the revenues, the greatest single increase (almost \$200 millions) came from the liquor taxes, previously almost nonexistent. In spite of this satisfactory showing for liquor revenues, it is believed that between half and three-quarters of the distilled liquor sold in this country is still "boot-leg."

The \$4,000 millions of "emergency" expenditures for the entire fiscal year is hardly more than half the President's January estimate of \$7,300 millions. The principal difference arose from over-estimates of the R.F.C. expenditures, the President forecasting almost \$4,000 millions for that item alone, compared with actual outlays of \$1,500 millions. Public works expenditures were set at almost \$1,700 millions, against actual outlays of \$1,000 millions. The C.W.A., for which \$900 millions was appropriated in February, actually spent but one-third of that sum.

Of the \$4,000 millions of "emergency" expenditures for the entire fiscal year, the greater part took the form of direct relief. The main items can be put in round numbers about as follows:—

Agricultural relief..... \$900 millions, exclusive of \$300 millions
obtained from processing taxes.

Urban relief (mostly C.W.A.)	\$1,400 millions
R.F.C.	\$800 millions

The principal item in the remainder is the Public Works Administration, with about \$1,000 millions. These items are only approximations, as the Treasury's system of reporting its expenditures, as well as the Congressional method of appropriation, makes exact itemisation extremely difficult.

As the fiscal year ends, the general tenor of official utterances shows an increasing realisation that certain social and industrial phenomena that have been termed "emergency" and "temporary" are of a more lasting nature, and that improvised expedients, while they afford relief to distressed individuals, are extremely costly, and contribute little to permanent recovery.

Although the current data suggested a small decline in activity during May, the business indices of the Federal Reserve board showed a slight rise for the month, as compared with April. This was directly due to the expansion of steel operations in anticipation of a strike in that industry. The following table shows the movement of major items in recent months:—

	(1923-25 = 100. Adjusted for seasonal)					
	May, 1933	Jan., 1934	Feb., 1934	Mar., 1934	April, 1934	May, 1934
Industrial production (total)	78	78	81	85	86	87
Manufactures	78	77	80	82	85	86
(of which, Steel)	49	56	64	67	77	85
Minerals	78	88	91	100	90	89
Constructn. contracts (total)	16	49	44	33	32	26
Residential	11	12	12	11	12	12
All other	20	80	70	51	49	38
Factory employment	63	72	75	77	82*	82
Factory payrolls	43	53	59	65	67	67
Freight car loadings.....	56	64	64	66	62	64
Department store sales ...	67	69	71	77	77	77

* Index revised.

With the removal of the threat of a strike, steel operations this week dropped abruptly to 45 per cent. of capacity from 56 per cent. a week ago. This decline was not unexpected, for it has been recognised that steel output since early April was materially in excess of current requirements. The most perplexing item in the index above is the index of department store sales. Department store prices are fully 25 per cent. above a year ago, and it is often stated that, in spite of the substitution of inferior qualities, the actual volume of sales is below that of a year ago. The low level of the department store sales index is also in contrast with the activity of the production of consumers' goods in general.

The drought has, for the moment at least, dropped from discussion. The rains in June came too late for wheat and other small grains; but they were helpful to maize and to the pastures. On the other hand, June weather was not very satisfactory to the cotton crop, as in Texas and Oklahoma the drought persisted, and in other and moister parts of the Belt there are reports of weevil infestation.

Since May, 1933, the Treasury has published a monthly statement of the paper currency, tabulating the amount of each form and denomination in the hands of the public; that is, outside the Treasury and the reserve banks. The following table shows the changes for the year. It will be noted that, while the aggregate has declined, the denominations actually in use have increased.* This suggests that a dishoarding movement of considerable magnitude is slowly in progress, and is likely to continue for some time and, in the aggregate, to run into large sums.

Denomination	May 31, 1933	May 31, 1934	
\$1	356	396	+ 40
2	32	33	+ 1
5	660	719	+ 59
10	1,150	1,225	+ 75
20	1,349	1,288	- 61
50	404	341	- 63
100	686	579	-107
500	153	116	- 37
1,000	288	228	- 60
5,000	12	7	- 5
10,000	10	9	- 1
	<u>5,100</u>	<u>4,941</u>	<u>-159</u>

There have also been marked changes in the proportions of the various forms of paper currency:—

	May 31, 1933	May 31, 1934	
United States notes	268	280	+ 12
Treasury notes of 1890	1	1	...
Federal Reserve notes	3,168	3,038	- 130
Federal Reserve bank notes.....	98	151	+ 53
National Bank notes	923	910	- 13
Gold certificates	280	159	- 121
Silver certificates	362	402	+ 40

The figure of Federal Reserve Bank notes is widely different from that of the Reserve Bank statement, which on May 30, 1934, showed \$60 millions in circulation, compared with \$96 millions on May 31, 1933. Six Federal reserve banks of the twelve report none outstanding. The gold certificates of the tabulation above are, of course, the "old" gold certificates, all of which are lost or hoarded, as none have circulated for months. The gold certificates shown in currency reserve bank statements do not circulate and are not legal tender; they are merely non-interest bearing obligations of the Treasury, irredeemable, but convertible into gold at the discretion of the Secretary of the

II.—An Account showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the Quarter ending June 30, 1934, as compared with the corresponding Period of the preceding Year.

Mem.—Floating Debt, outstanding March 31, 1934

	1933 June 30	1934 June 30
	£	£
Ways and Means Advances outstanding :—		
Advances by Bank of England	18,500,000	28,400,000
Advances by Public Departments	26,270,000	848,295,000
Treasury Bills outstanding	970,185,000	
Total Floating Debt outstanding	1,014,955,000	876,695,000
Net Increase		31,985,000

* Includes £12,000 the proceeds of which were not carried to the Exchequer within the period of the account.

Treasury, June 30, 1934.

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Treasury. The increase of silver certificates in the year is rather misleading; the total outstanding on May 31, 1933, was \$483 millions, with \$362 millions in circulation; on May 31, 1934, \$498 millions, with \$402 millions in circulation. The increased issue in the year was \$15 millions, but the figure should rise rapidly in the near future. It is believed that recently the Treasury has purchased in the market about 100 million ounces of silver, and it is required to issue silver certificates to the amount of the cost of the metal.

NEW YORK, June 26.

FRANCE

EFFECTS OF GERMAN CRISIS

THIS week's sanguinary events in Germany are not likely to exert any appreciable influence on French foreign policy. They are widely regarded as an argument in favour of the policy of caution recently followed in relation to Germany. Those who have lately been reproached for not negotiating with Berlin consider that they are justified by the convulsions now seen to be shaking the Nazi regime from within.

In face of these convulsions it has been decided not to put into operation as from July 1st the clearing arrangement which had been prepared as a reply to the German debt moratorium. This decision is analogous to that taken by Great Britain. The French delegation in Berlin has found its negotiations rendered difficult by the political crisis. In any case the service of the Young Loan up to September 15th is covered by the payment made by Germany into the Bank for International Settlements on June 15th.

A PLEA FOR DEVALUATION

The debate in the Chamber this week on fiscal reform gave M. Paul Reynaud, an ex-Minister of Finance, the opportunity of making a general speech on the question of devaluation. The speech was the more remarkable because M. Reynaud is one of the principal associates of M. Tardieu, Minister in the Doumergue Cabinet; though M. Reynaud was, of course, only speaking for himself. M. Reynaud gave the impression that he was in favour of devaluation. He posed the following dilemma: either prices must be deflated or else the currency must be devalued. He then insisted on the difficulties of deflation. He divided the world into two groups: the group which is getting better economically (including Great Britain, the United States and Japan); and the group which is getting worse (France, Italy, Holland, Belgium and Switzerland). He observed that the countries which were getting worse were precisely those which constituted the gold bloc, while those which had depreciated their currencies were one and all recovering. Finally, M. Reynaud attacked the "contradictions" in the French Government's policy, which tried at once to deflate prices and to maintain an artificial price level, buttressed by quotas and a public works programme.

M. Germain-Martin, Minister of Finance, in reply to M. Reynaud, affirmed once again the determination of the Government to maintain the present gold parity of the franc. He recalled that the franc had already, in 1928,

been so drastically devalued that recipients of fixed incomes had reproached the Government with a breach of faith. M. Germain-Martin also declared that no one knew what would be the effect of devaluation on the price level, but that it would certainly be followed by a raising of tariffs against French goods. Further, the more monetary disorder existed in the world, the more did the Government consider it necessary for France to remain faithful to her gold parity, since some monetary stability was necessary to facilitate the re-establishment of a world monetary system.

The Chamber approved M. Germain-Martin's speech and voted the fiscal reform scheme by 357 votes to 191.

THE DEFICIT IN 1933

Important details about the deficit for the financial year 1933 have now been announced. Allowing for the supplementary estimates of May 15th, the deficit will be about 7,000 million francs:—

	Frs.
Revenue	43,635,309,968
Expenditure	50,467,406,269
Deficit	6,832,096,301

The original deficit for 1933 was only 4,841 million francs.

The Budget should benefit in the course of the financial year from economies estimated at 1,216 millions, secured in the following way: Administrative reform, 100 millions; reductions in salaries of Government servants, civil and military, 266 millions; miscellaneous reductions in credits not affecting the public debt, or the salaries of individuals, or military expenditure, 520 millions; the rounding off of certain other payments, 80 millions; and the appropriation of part of the profits of the Loterie Nationale in the interests of war pensions, 250 millions.

The original Budget deficit should have been reduced to 3,625 million francs. But the economies only provided 442 million francs instead of 1,216 millions. Furthermore, important deficiencies, amounting to more than 2,000 million francs, resulted from the reduced yield of certain taxes:—

	Million Frs.
Indirect taxes and monopolies	-1,767
Direct and consolidated taxes	- 469
State revenues and domains	+ 47
Various receipts	+ 179
Total deficiency	-2,010

Thirdly, the credits provided for had to be increased by 423 millions. The provisional deficit has therefore reached 6,832 millions, as shown below:—

	Million Frs.
Original deficit	3,625
Deficit on economies	774
Deficit on tax yields	2,010
Increased expenditure	423
Total deficit	6,832

This deficit may be slightly reduced, thanks to certain extinguished credits and a surplus of receipts from the Loterie Nationale.

PARIS, July 4.

GERMANY

THE CRISIS AND PUBLIC OPINION

It is proclaimed by Herr Hitler that National-Socialism is no mere arid policy but a *Weltanschauung* or Philosophy of Life. Of philosophers, the author of *Murder Considered as One of the Fine Arts* affirmed, with instances from history, that all were murdered or narrowly escaped murder. It seems that the prospect of being slain by some of their still living enemies is now in the Nazis' mind, for the first important legislative act following the recent massacre is a decree declaring that massacre to be legal. Although at present the Public Prosecutor would naturally not seek to fix the punishable guilt for the week-end's events (being engaged, as he is, in bringing Communists to the block for street rioting some years back), it is realised that Governments change; and some later Prosecutor might seek to enforce against Saturday's executioners the ordinary criminal law.

Meanwhile the German people, though not addicted to a dangerous curiosity about the ways of their rulers, are puzzling their brains over the origins and consequences of

the massacre. The Man in the Street—just now a safer sanctuary than the bedroom or the bathroom—asks questions. He does not believe a word of the story of a plot against Hitler. He does believe that there were anti-Hitler intrigues, but he is not convinced that plotters so immediately dangerous that the safety of the State required their extinction on the spot were living far apart, were starting on their holidays, or were engaged in debaucheries. The real intrigues were of all sorts: "reactionary" intrigues for an authoritarian orderly Junkerism in which many Germans see the only hope of salvation; "radical" intrigues in the fear that the Third Reich, having provided blood, money and debauchery to its ne'er-do-wells, was sinking into inertia; and personal intrigues by Party men to whom—as the Government's communications admit—their quota of blood, money and debauchery was insufficient.

But these intrigues are ancient history, and do not explain the massacre. Some see the unwilling source in the king-maker Papen, whose personal insignificance has made him a more potent force than Hitler; Papen's speech, it is reasoned, convinced the Brown House that the patience of the German nation under the violence and corruption of the Third Reich was approaching its end; and that a well-advertised "cleansing" of the Party, that is, the destruction of "disloyal" bosses in no way worse than their executioners, was one way to appease the disgusted nation. Others hold that the affair was arranged between Herr Hitler and the *Generalität*—the Reichswehr higher officers. The *Generalität* wanted a respectable military dictatorship; the first blow was to be dealt at the "private armies," and Herr Hitler, feeling his political feet wobbling beneath him, concurred. That was the way of Kerensky with the army commander Korniloff in September, 1917. But no one believes that the respectable *Generalität* knew of the massacre plan which, prepared "in all secrecy," say the Government newspapers proudly, was the only undisputed "plot."

The "cleansing" (*Säuberung*) of the Party, in connection with the last two accusations, is the absurdest farce of all. A week back no one of the executioners would have admitted that the Party needed "cleansing"; its transcendental virtue, in contrast with the infamies of "Manchester-Liberals" and "Marxists," was daily on Herr Hitler's lips. Had an outsider protested against Nazi outrage or exposed Nazi corruption he would have fared much as did Frau von Schleicher. When, a year back, emigrants and others imputed to the Nazi magnates crime, corruption, moral perversity and insanity, there was a wild Nazi outcry against "paid calumny," and the wives or children of the calumniators went into concentration camps. Yet every German knew, what Herr Hitler now admits, that the charges were substantially true. Indeed, among the week-end victims were particular intimates of Herr Hitler, who had raised him to power and had been raised by him to affluence. Before the Nazis took office the pervert practices of one victim were exposed by letters in the Press, which the exposed man himself did not dare to repudiate. The squandering on banquets of the "voluntary" subscriptions taken by pressure and menaces from the half-starving population were shamelessly public and long known to all.

THE FUTURE OF HITLERISM

It seems that the massacres are for the moment over; indeed, the "Leader" has decreed that persons who in future do what his own Government has done are to be brought to justice. What will happen to Hitler and Hitlerism is, however, in doubt. Some hold that the helpless Chancellor, whose effectiveness ceased last year, when speech-making had to give way to governing, must go; and many citizens in no wise fond of "reaction" would prefer to have the "Generalität" on top. Others hold that Hitlerism will be forced into "moderation." Although the "immoderation" pursued so far originated with Herr Hitler himself, and may be found proclaimed in his confession of faith, *Mein Kampf*, it is possible that "moderation" may, indeed, come. Should Hitler remain, fear may bring alleviations which reason could never induce.

The lot of the German nation in this confusion is painful. It is true, as is said abroad, that Asia, in the traditional sense of violence, corruption and licence, has advanced to Berlin and Munich. But that is an inexplicable accident of

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history. The lectures of the foreign Press on the specific, barbarous German "mentality" are no better founded than they were during the war. The masses of the German nation, the peasant farmers, and the industrial workmen, are extraordinarily kind, intelligent, humane, honest and friendly; and no one who descends—or, rather, ascends—to them from the Wilhelmstrasse fails to feel relief. To their future seems apposite the reply of the statesman Li Hung Chang, when asked by Count Waldersee after the Boxer revolt how it was possible that 400 million industrious and hardy Chinese could tolerate the military arrogance of a handful of intruding Europeans. "The Tartars," was the answer, "conquered us in the year . . . and in the year . . . and in the year . . . But cast your eyes around you, please, and tell me: where are the Tartars now?"

BERLIN, July 4.

AUSTRIA

THE TRADE BALANCE IN MAY

FOREIGN trade in May shows a slowing down of the recent increase. Exports were valued at 67.3 million schillings in May, or 4.3 millions less than in April. Imports increased by 2.5 millions to 98.6 million schillings. On the whole, however, the balance of trade so far this year is still much more active than last year (when it was in turn more active than 1932):—

	1933	January to May 1934	1933	1934
	Weight in tons	Value in millions of Schillings	Weight in tons	Value in millions of Schillings
IMPORTS				
Live animals	40,031	35,970	41.4	31.9
Foodstuffs and beverages...	505,328	518,752	112.7	100.9
Mineral fuels	1,116,302	1,086,207	43.8	38.8
Other raw materials and semi-finished goods	428,489	439,986	112.1	152.2
Finished goods	50,747	47,205	133.4	147.2
Gold and silver and coins...	13	10	12.8	12.9
Total	2,140,910	2,128,130	456.2	483.9
EXPORTS				
Live animals	2,297	1,528	3.0	2.5
Foodstuffs and beverages...	17,252	15,446	8.4	6.4
Raw materials and semi-manufactured goods	601,058	827,261	69.4	93.3
Finished goods	107,762	124,161	196.7	235.5
Gold and silver and coins...	20	17	15.7	11.6
Total	728,389	968,413	293.2	349.3

The snag is that the trade balance is being progressively burdened by the rise in the international price of raw materials. Various raw materials which must be imported, for instance, cotton, wool, jute, rubber and different metals, have risen considerably in price, so that an increase of import volume of not quite 3 per cent. has been accompanied by an increase of import value by nearly 40 per cent. On the other hand, exports of Austrian raw materials (timber and magnesite) have not risen in price; export volume has increased by 37 per cent., while value

increased by only about 35 per cent. This disparity, which is entirely beyond the control of Austria, may be further aggravated within the next few months.

The drought has not been so severe in Austria as in other Danubian countries; but the harvest will be a long way short of last year's, especially in rye and barley. This will mean an increase in import requirements. From the above figures for the first five months it will be seen that the volume of imports has so far risen by 3 per cent., while the cost is about 10 per cent. less. But in the coming season Austria will have to import more grain, and will probably have to pay higher prices for it. Hungarian wheat comes first into consideration; and in the past few months imports of it have risen by about 25 per cent. Increased home prices are not to be expected, as Austrian prices, on account of tariff protection, are somewhat higher than those ruling on the world market. It is consequently necessary to make a reduction in the duty, in order to ensure simultaneously that the farmers receive a fair price and that bread and flour prices are prevented from soaring.

INDUSTRIAL MERGERS AND LIQUIDATIONS

An internal industrial revival would be extraordinarily helpful at this moment. In many branches of industry where home sales were previously larger than export sales, export sales are now higher than home sales because the domestic market has shrunk. In timber, paper, steel and various rolled goods, exports amount at present to 70 to 80 per cent. of total output. In the electrical industry a shift of this kind has recently taken place. Of the total output, valued at about 70 million schillings per year, 40 millions' worth are already being exported and only 30 millions being consumed at home.

It is not surprising, therefore, that in industrial and banking circles the idea of amalgamations is coming more and more into the foreground. The complete fusion of the Austro Daimler works and the Steyr arms factory has already been carried out, the Daimler works in Wiener Neustadt having been closed down or transferred to Steyr. The same thing is happening in the wagon industry. The wagon works at Graz will be laid off and the Simmering wagon works, near Vienna, will be the only one left. In the locomotive industry a merger has already been carried through with four works, which are now under a single management. In the electrical industry, too, preliminary negotiations for a fusion have been taking place in recent weeks. Fusion in this industry, however, involves negotiations with foreign interests, and raises political questions. The engineering industry is being merged to a great extent as a result of the fusion between the Wiener Bankverein and the Credit-Anstalt.

The path of amalgamation is generally chosen when the liquidation of a company is inevitable. The wave of insolvencies, which reached its height at the beginning of the year 1932, now seems to be on the ebb. In May, 1934, there were only 160 court settlements, against 450 to 480 at the beginning of 1932. Bankruptcies have also fallen from 100 per month in the year 1933 to about 50 in the first half of this year.

VIENNA, July 4.

FINLAND

INCREASING REVENUE AND FOREIGN TRADE

The finance accounts for 1933, recently published, indicate that last year's tendency towards recovery extended its influence to public finances:—

	(000,000 Marks)		
	1931	1932	1933
Current revenue	2,742.1	2,438.2	2,872.6
Capital revenue	65.3	486.9	427.9
Total	2,807.4	2,925.1	3,300.5
Utilised out of cash balance of previous years	270.5	42.1	...
Deficit	...	34.8	...
Grand total	3,077.9	3,001.7	3,300.5

Expenditure	1931	1932	1933
Current expenditure	2,420.8	2,484.6	2,543.6
Capital expenditure	657.1	517.1	703.6
Total	3,077.9	3,001.7	3,247.2
Surplus	...	...	53.3
Grand total	3,077.9	3,001.7	3,300.5

The revenue was increased in 1933 mostly by receipts from Customs duties and the State railways and forests, but the yield from other sources of revenue also rose. Capital revenue includes new loans, mainly for the relief of unemployment, to an amount of 200 million marks. Although the Treasury paid the stipulated redemption on its loans regularly, the public debt increased slightly. The funded debt grew last year by 163 million marks to 3,100 millions; while the short-term loans were reduced simultaneously by 127.2 million marks to 407.7 millions. During the first four months of the present year the revenue has continued to increase considerably.

Foreign trade has been steadily expanding. During January-May the quantities imported were about 46 per cent. larger than during the same time last year and larger than in any years since 1929. The increase in the volume of exports was only 16 per cent., it is true, but this volume was nevertheless larger than in any previous year. In value the increase was less pronounced, as the following figures (in millions of marks) show:—

	Imports		Exports	
	May	Jan.-May	May	Jan.-May
1931	329.0	1,262.8	359.5	1,290.0
1932	310.7	1,039.8	326.0	1,416.7
1933	379.5	1,297.4	318.2	1,357.7
1934	496.3	1,743.1	440.7	1,606.8

About 60 per cent. of the increase in imports was in raw materials for manufacture and 12 per cent. in machinery and means of transport. Altogether the import of goods for productive purposes rose from 55 to 59 per cent. of the total, while imports of articles of consumption were reduced from 45 to 41 per cent.

Imports during the first few months of the current year were as a rule slightly heavier than exports. Altogether the import surplus amounted to 136.3 million marks in comparison with an export surplus of 60.3 millions last year. As deliveries of sawn timber show great seasonal fluctuations, and the actual exporting season only starts in June this import surplus is by no means indicative of the balance of trade for the whole year. It is expected that, in spite of the great increase in imports, exports will exceed import in value for the whole year.

The continuous relaxation of the money market, which has lasted in Finland since December, 1932, was interrupted this spring by a slight tendency towards a tightening of the market. This tendency is seasonal and does not alter the fact that the position is incomparably easier than in the preceding years, as the following figures show:—

	(000,000's Marks)		
	May 31, 1932	May 31, 1933	May 31, 1934
Reserve of foreign currency of the Bank of Finland (excluding the foreign credit)	454.4	565.2	984.9
Note reserve	613.5	622.2	701.2
Re-discounted bills	147.1	44.1	...

In April and May and in the first week in June, however, the tendency was in the opposite direction. The reserve of foreign currency of the Bank of Finland was reduced in April by 23 million marks, in May by 46 million and in the first week in June by 33 millions. The reserve fell off in April by 122 million marks and in May by 33 millions, but increased again in the first week in June by 24 millions. These changes are closely connected with the demand for foreign currency created by the fact that the Industrial Mortgage Bank redeemed all the bonds belonging to its dollar loan and that the Municipal Mo-

gage Bank repaid its short-term foreign indebtedness. The increase of deposits in the banks and other credit institutions during the completed months of this year has been over 70 per cent. larger than during the same period last year, but is still less than during the actual period of good trade conditions.

HELSINKI, June 18.

GREECE

INCREASED AGRICULTURAL PRODUCTION

AGRICULTURAL production, favoured by weather conditions, promises to be excellent again this year, the estimates for all crops being higher than last year's. The constant increase in the output of cereals is welcomed here as bringing Greece nearer to "self-sufficiency." Production of tobacco, currants, olive oil, wines and cotton is expected also to be satisfactory this year. As regards tobacco and currants, however, which constitute the principal articles of export, world market conditions are not bright, particularly for currants.

Industrial output and foreign trade show no improvement as compared with last year. The index number of industrial production for the first quarter of this year shows a falling-off of 5.9 per cent. in comparison with the corresponding quarter of 1933, which shows that, at present, industrial output has reached a saturation point—though the gradual and unjustified rise of the prices of home-manufactured articles to the level of foreign prices may also partly account for this decline of production, the people preferring foreign-made articles on equal terms. On the other hand, foreign trade returns for April show, as compared with April, 1933, a falling-off in value but an increase in volume both of imports and exports, the passive balance of trade having increased owing principally to a decline in the value of exports. The restrictions on imports have been again extended up to the end of the year. A small increase in the number of Greek steamers laid up was shown at the end of April—115 vessels of 232,922 gross tons.

FOREIGN DEBT AGREEMENT

At long last an agreement with the French bondholders has been reached on the basis of the agreement concluded in London with the British bondholders, except for the service of the Monastir-Salonica Railway bonds on which an arbitration court will have to pronounce. Accordingly the British and French Ministers in Athens have informed the Government that instructions will soon be given to the International Financial Commission to authorise the Bank of Greece to make the transfer of the funds required to pay 27½ per cent. and 35 per cent. respectively of the interest due for the years 1933 and 1934. Payments will be made in currency. Concerning the loans raised in London by the National Mortgage Bank of Greece, which are held mostly by British investors, the Government, though not obliged to subject them to the stipulations of the London Agreement, have none the less instructed the Mortgage Bank to pay only 35 per cent. in sterling for 1934, the balance of 65 per cent. to be placed to the credit of the bondholders in a "blocked" account in drachmas, with the Bank of Greece. Though the same procedure was adopted in 1933, the difference now is that by requiring the bonds to be presented to the bankers for obtaining payment of the coupons, the authorities preclude a repetition of the practice adopted last year, by which the coupons were being sent to Athens and, after payment had been obtained in drachmas, the proceeds were subsequently remitted in sterling to London through the "black" market.

It is thought that the above course has been adopted by the authorities as a means of compelling the holders of the Mortgage bonds to agree to a reduction of the rate of interest, now fixed at 7 per cent. This reduction is desired in order to permit a corresponding reduction of the interest charged in Greece on mortgage loans, a reduction for which great pressure is being exercised upon the Government by the organised mortgage debtors. It is understood that the

THE BRITISH LINEN BANK

Incorporated by Royal Charter, 1746

Head Office: 38 St. Andrew Square, Edinburgh

OVER 200 BRANCHES IN SCOTLAND

LONDON OFFICES:

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West End Branch: 198 Piccadilly, W.1

issuing bankers in London have agreed in principle to recommend to the bondholders a moderate reduction of the rate of interest. But a wrong impression seems to have been produced in certain quarters here as to the extent of such a reduction. Consequently, some people, including M. Venizelos, have been led to believe, quite unjustifiably, that a reduction from 7 per cent. to 4 per cent. was at present possible.

BRITISH PROTEST

The question of the payment of overdue commercial debts to British firms and of the difficulties placed in the way of British exports by imports restrictions and the quota system, was the object of two interviews held last week by the British Minister in Athens, first with the Greek Minister of National Economy and afterwards with the Foreign Minister. It was stated that the British Minister protested against the damage done to British trade, especially on information he had that various merchants who had applied for permission to import goods from the United Kingdom had been advised by the authorities to purchase these goods instead in Germany. M. Maximos, the Foreign Minister, explained to the British Minister that Greece was obliged to buy goods in countries where she had "blocked" creditor balances accrued from exports, but that in any case Greek purchases of British goods were larger than Greek exports to the United Kingdom. And he assured the British Minister that the authorities desired sincerely to see Anglo-Greek trade expand. The report that in the course of his conversations the British Minister hinted at the possibility of retaliatory measures being taken by the British Government which might render difficult the importation to England of Greek currants—the second in importance of Greek articles of export—seems to be unfounded. It is not believed here that the British Government would ever resort to such a measure.

ATHENS, June 26.

LETTER TO THE EDITOR

THE HOUSING PROBLEM

TO THE EDITOR OF THE ECONOMIST

SIR,—In your June 30th number in an article on Housing, the statement is used that the housing requirements are increasing at the rate of 150,000 families per annum.

I know that "families" has a statistical significance, and that the number of families is increasing in relation to the population, but the figure quoted seems to me a little high.—Yours faithfully,

J. H. GUY.

The Grange,
Beaconsfield, Bucks.
July 2, 1934.

[The estimate to which Mr Guy refers is derived from the Report of the Council for Research on Housing Construction, with which our article was concerned, and it is based on the increase of families during the last decade. Our own estimate, given in an article entitled "The Demand for Houses" in the *Economist* of March 31st was a total increase of 668,000 families in England and Wales between 1931 and 1941—an average annual increase of about 67,000 families.—Ed., *Econ.*]

MONEY AND BANKING

THE MONEY MARKET HALF-YEAR

FROM the narrow aspect of day-to-day business, the past half-year has been an extremely dull and uneventful period. The stagnation of international trade continues to be reflected in a dearth of commercial bills, while the Government has continued its policy of refunding the National Debt, and so has made further inroads into the supply of Treasury bills. Nor have bill-brokers been ready sellers of three months' Treasury bills to the clearing banks, for the minimum rates offered by the latter in joint agreement have as a rule been above the weekly tender rates, and so bill-brokers would have been unable to sell except at a loss. In consequence business between the money market and the clearing banks has been largely limited to the shorter-dated Treasury bills, while the banks have had to tender themselves whenever they wanted Treasury bills for the full three months. It is arguable that it would be better practice for the banks to leave the duty of tendering to bill-brokers, who would then provide the banks with bills of the exact dates they needed; but this has not been the practice since the war.

An examination of the recent trend of money and discount rates show why this post-war procedure persists. During the past half-year the weekly tender rate for Treasury bills averaged between $\frac{3}{8}$ and $\frac{1}{2}$ per cent. Broadly speaking, the clearing banks kept their minimum buying rate for hot Treasury bills at 1 per cent. until March 16th, and then dropped it to $\frac{1}{8}$ per cent. Thus bill-brokers could not tender for Treasuries and re-sell them at once to the banks, except at a loss. On the other hand, the average rate charged for loans by houses other than the clearing banks was as a rule no higher than $\frac{1}{2}$ per cent., and while clearing bank money still cost 1 per cent. the average cost of loans from all sources was probably little more than $\frac{3}{8}$ per cent. Hence it paid them better to hold their Treasury bills for a time rather than to sell them at once to the clearing banks. (It should, however, be added that bill-brokers and discount houses are now accustomed to invest part of their borrowings in Treasury bonds and other Government securities possessing a considerably higher yield than that of Treasury bills, and thus improve their average income.)

On the other hand, the clearing banks have consistently quoted lower minimum rates for one month's and two months' Treasury bills. For example, at the end of May, when the tender rate was $\frac{3}{8}$ per cent., they quoted $\frac{1}{8}$ per cent. for July Treasuries, $\frac{1}{4}$ per cent. for August, and $\frac{1}{8}$ per cent. for the hot bills maturing at the beginning of September. With money costing about $\frac{3}{8}$ per cent. it paid a bill-broker to sell his July bills, but it did not pay him to sell his hot bills: This was the general relation of rates during the whole of the six months, and for this reason business between the clearing banks and the discount market was largely confined to the shorter-dated bills. Incidentally, the banks are hardly consistent when they quoted higher rates to the market for three months' Treasury bills and at the same time are willing to pay lower rates at the weekly tender. It is not entirely the market's fault that business has been driven out of its pre-war path. It cannot, however, be definitely said that all the clearing banks are now accustomed to apply for bills at the weekly tender.

These were the superficial features of the money market during these six months, but to understand them it is necessary to examine the broad forces at work. These were two in number, namely, changes in the supply of bills and changes in the supply of money.

In the absence of any improvement in the number of commercial bills coming to London for acceptance and discount, the supply of bills was conditioned entirely by fluctuations in the Treasury bill issue. In the *Economist* of March 10th, an analysis was published dividing the Treasury bill issue into bills issued through the weekly

tender and bills issued to Public Departments. This analysis is extended in the following table:—

Date	Treasury Bills		Ways and Means Advances	
	(a) Tender	(b) Tap	(a) Public Depts.	(b) Bank of England
	£ mill.	£ mill.	£ mill.	£ mill.
1933—June 30....	578.9	391.3	26.3	18.5
Dec. 30....	597.0	341.7	35.2	...
1934—Jan. 27....	547.0	346.0	32.7	...
Feb. 24....	505.7	344.0	23.6	...
Mar. 31....	456.6	343.2	44.9	...
Apr. 28....	482.6	360.6	35.5	...
May 26....	492.9	371.3	14.1	...
June 30....	487.1	361.2	28.4	...

The salient feature in the table is that owing to the autumn and April debt funding operations of the Government, the supply of Treasury bills issued by tender has been reduced by £91.8 millions during the past year, while there has also been a reduction of £30.1 millions in "tap" bills. In particular, by the end of June £134 millions had been paid up on the April Funding Loan issue, whereas only £116 millions were required for the April Treasury bond repayments. Thus £18 millions has already become available since March for the reduction of the floating debt, and a further £13 millions will be provided by the payment of the remainder of the final call, due this week. As the revenue deficit to date only amounts to £49.7 millions, the Funding Loan payments have made an appreciable inroad into the increase in the floating debt which otherwise would have taken place, and in fact the tender issues of Treasury bills have only increased by £30.5 millions since March 31st, whereas an increase of £50 millions might have been expected. Generally speaking, the effect of the debt operations of the past quarter will be a permanent reduction of £31 millions in the floating debt, and very probably in the supply of Treasury bills available to the banks and the money market. This is superimposed upon the previous reductions that occurred in the floating debt prior to March 31st, and so adds to the shortage of bills in the money market. The problem experienced by the banks and the money market of finding employment for their funds has to that extent been rendered more acute; and it is no nearer solution.

Against the growing shortage of bills there are signs of a contraction in the amount of money. It is well known that, following the strengthening of the franc, foreign balances have been withdrawn from London. Recent American gold and silver purchases must also have depleted American balances in London. Apart from this, there has been a slight but general contraction in credit during the past year, for bankers' deposits at the Bank of England have been reduced by £8.8 millions. As a result of these changes, there is less outside money available to the discount market than was the case a year ago, with the result that although bill-brokers must be holding less bills, clearing bank call and short loans rose from £92.3 millions in May, 1933, to £127.1 millions in May last. The money market has also become more susceptible to passing influences. The abnormal American gold purchases of last February caused a temporary shortage of funds sufficient to call for open-market purchases of bills by the Bank. At the end of the current half-year the market found itself in the Bank, whereas on June 30, 1932 and 1933, no borrowing at the Bank proved necessary. Finally the clearing banks have been able to maintain their buying rate for hot Treasury bills at $\frac{1}{8}$ per cent., whereas a year ago, when admittedly no agreed rate was in force, the rate had sagged to $\frac{1}{16}$ per cent. All this evidence points to some contraction in the supply of money.

Nevertheless, the money market still has to solve its problem of making good the reduction in the supply of Treasury bills. To a large extent it is a victim of outside circumstances. An increase in the number of commercial bills coming to London is contingent upon a revival in international trade, and here it is an open question

whether the growth of exchange clearing systems may not affect the extent to which international trade is financed by bills on London. There is as yet no sign of any return to the inland bill as a means of financing home trade, and the conservatism of manufacturers and merchants will prove very difficult to overcome. The most that can be said is that the margin between current money and discount rates is rather less unremunerative to bill-brokers than it was a year ago. Even so, business remains very restricted and the outlook is far from clear.

FINANCIAL NOTES

The Money Market.—As was foreshadowed a week ago the money market did not overcome the turn of the half-year without resort to the Bank of England, and about £11 millions was borrowed, mostly on Friday and Saturday of last week. On Monday the clearing banks released the funds they had called for balance-sheet purposes, but the final 3 per cent. Funding Loan call amounting to £20 millions fell due on that day, and so money remained relatively scarce. By Wednesday and Thursday, however, the $\frac{1}{2}$ per cent. Conversion Loan dividend money had reached the market, and as the Bank was not due to be repaid until the end of the week, conditions became very easy and money was reported to be nearly unlendable.

SHORT LOAN AND DISCOUNT RATES

	June 14, 1934	June 21, 1934	June 28, 1934	July 5, 1934
Bank rate	2%	2%	2%	2%
Clearing banks' deposit rate ...	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks	1	1	1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$
(b) Others	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$
3 months' bank bills	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$

The discount market remains very inactive. Last week's Treasury bills went at 16s. 11.64d. per cent. against 16s. 8.61d. per cent. the week before. The clearing banks continue to quote $\frac{1}{8}$ per cent. for September and October Treasuries, $\frac{1}{4}$ per cent. for August bills, and $\frac{1}{8}$ per cent. for July bills. There are no sellers of hot Treasury bills at over $\frac{3}{8}$ per cent., but the banks have secured a few July and August bills. Standstill bills are a shade firmer, but there is no quotable change in the minimum rate, which remains at $\frac{1}{16}$ per cent.

The Bank Return.—This week's Bank return shows several wide changes, but they are all of a normal character. End-of-the-month currency requirements explain a further increase of £4.1 millions in the circulation and an equivalent decrease in the reserve.

BANK OF ENGLAND

	July 5, 1933	Dec. 27, 1933	Mar. 28, 1934	June 27, 1934	July 4, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold	189.7	190.7	191.1	191.5	191.5
Note circulation	378.8	392.0	378.8	381.7	385.8
Banking Department:—					
Reserve	78.2	59.7	73.4	70.5	66.4
Public deposits	16.2	22.2	17.5	17.6	26.7
Bankers' deposits	92.3	101.2	94.5	96.3	94.9
Government securities ...	75.7	88.0	77.1	81.0	82.8
Discounts and advances ..	16.4	16.8	5.6	6.1	17.1
Proportion	45.5%	37.3%	49.2%	46.8%	41.7%

The increase of £11.0 millions in discounts and advances reflects market borrowings over the turn of the half-year. Very little money was borrowed on June 27th or repaid before July 4th, so that the returns are a fair representation of the market's needs. Public deposits have risen by £9.3 millions as a result of the Funding Loan final call, offset to a limited extent by the Conversion Loan dividend payments. Bankers' deposits have fallen by £1.4 millions. Here the increase in the note circulation and the Funding Loan call have offset the market borrowings at the Bank

which usually cause bankers' deposits to expand. The fall in the Proportion is due to the rise in public deposits and the contraction in the Reserve. Both are movements of a temporary character.

The Foreign Exchanges.—The London market remains very dull. There has been a fair demand for francs, and the British control has intervened fairly frequently. Hardly any of the demand for francs can be traced to commercial business. Some of it may be connected with tourist expenditure, but the bulk of it probably still represents the repatriation of French balances. It is not known how the British control is financing its purchases of francs; but, as the Banque de France continues to gain gold, the British Exchange Equalisation Account may be realising part of its gold. Dollars have been an idle market. The seasonal commercial demand for dollars has not yet begun, and there is a complete lack of the normal summer demand for European currencies by American tourists. The official reichsmark rate has been very unsteady as a result of recent events, but there is little net change. Registered marks, which are a better indication of general sentiment than the official rate, have also been steady at 34 per cent. discount.

New York Money and Banking.—Money rates are unchanged, but there was a decline in brokers' loans from \$1,040 millions on June 20th to \$1,017 millions on June 27th. Thus the recent expansion has now been checked. At the week-end Mr Morgenthau, the Secretary to the Treasury, announced the terms of a "gentleman's agreement," whereby the Treasury will co-operate with the Federal Reserve system in making direct loans to industry, each authority to lend an equal amount. June bond offerings totalled \$267 millions, against only \$100 millions in May. State and municipal issues accounted for \$108 millions of the June total, and Federal Land Bank bonds comprised another \$131 millions. In order to check world speculation, the United States Treasury has imposed an embargo upon silver exports. Exceptions are fabricated silver, metals containing silver in relatively small amounts, and foreign silver coins. Licences will also be granted for shipments of silver in fulfilment of obligations incurred prior to the embargo; for the exportation of silver belonging to a foreign Government or central bank or the Bank for International Settlements; for the prompt re-export of imported silver; or for any other purpose approved by the President and not inconsistent with the objects of the Silver Purchase Act. To add to the confusion, there are to-day current three separate prices of silver. There is first the Treasury maximum price of 50 cents per ounce for silver in American hands on May 1st. Secondly, there is the Treasury price of 64 $\frac{1}{2}$ cents per ounce for newly mined domestic silver. Thirdly, there is the free New York market price, which is now 46 $\frac{1}{2}$ cents per ounce.

American Banks' Condition.—Rather unexpectedly the Comptroller of Currency at Washington has required all National Banks and State Banks which are members of the Federal Reserve system to render a return of their condition on June 30th. A similar request was addressed to non-member banks by the chairman of the Federal Deposit Insurance Corporation. As these returns are made public, it is generally assumed that these requests signify that complete confidence is now felt in the American banking system, and that the exact measure of its regained strength could usefully be revealed to the public. The accounts of the Chase National Bank have already been made available. They show that during the year ended June 30, 1934, deposits have risen from \$1,408 to \$1,513 millions, cash from \$357 to \$413 millions, and U.S. Government securities from \$208 to \$417 millions. Loans and discounts have fallen from \$780 to \$622 millions. The increase in cash to 27.2 per cent. of deposits, and the doubling of the bank's holdings of "Governments," is typical of the present ultra-liquid condition of the American banks, and, as with us, their main problem is to find satisfactory employment for their surplus resources.

THE STOCK EXCHANGE

NEW RAND MINING COMPANIES

THE abandonment of the gold standard by South Africa at the end of 1932 was a spark which has kindled a great blaze of activity in prospecting for the precious metal within the Union. In this the student of economics will find nothing surprising. The sudden revolution in the fortunes of the existing gold producers naturally stimulated an ardent desire to discover and open up new areas which might share in the new-found prosperity. What is perhaps more remarkable is that enterprise was not shown until it was called forth by the "gold premium."

For many years the Witwatersrand field had been supplying some 50 per cent. of the world's output of gold, and the regular string of mines ranged along the Central Rand bore witness to the consistency of the reef where it approached the surface. Yet for years no attempt was made to discover whether the formation had its western extremity at Randfontein or whether it continued in the direction of Klerksdorp. At the other extremity of the field, East Geduld and Daggafontein were being explored, but other properties adjacent to highly payable producers were left dormant. Conditions in the Rand gold-mining industry, before the abandonment of the gold standard, were not in fact sufficiently favourable to attract any considerable amount of capital for fresh enterprise. Randfontein, for example, earned no return for its shareholders from 1926 to 1930. Modder East, too, was something of a disappointment, the formation on the property being distinctly poorer than on the New Modderfontein, with the result that the prospects of the farms to the north and east of it were not regarded too favourably. In the boom period which ended in 1929, humdrum conditions in the gold-mining industry tempted the mining finance houses to employ their available funds in other fields whose prosperity was more spectacular. During the subsequent depression they were too deeply involved in providing for the depreciation of these outside investments to have either the will or the resources for fresh ventures.

These explanations are necessary, if only to answer those cautious investors who complain that it is only now, when the market in gold shares is rapidly rising, that the public are being invited to subscribe for new propositions. Actually the fundamental conditions of gold mining in South Africa have changed, and it is in consequence of the change that fresh capital is now forthcoming. It is important that the supply should be plentiful, for, to bring a deep-level mine to the stage of production, a large expenditure is necessary. East Geduld, for example, whose technical management is above reproach, has already spent over £1,600,000.

Since the beginning of 1933 some two hundred companies have been formed in South Africa to explore for gold. Some of these are prospecting as far away from the Rand as the Orange Free State, while others are seeking to prove the existence of a distinct gold-bearing formation fifteen or twenty miles distant from that at present worked. Such enterprises are attractive rather to the speculator than the investor. The latter will probably confine his attention to such new propositions as are backed by the leading groups, and are thus assured of adequate finance.

The centre of interest at the present time is in the Far East Rand. The generally accepted geological theory is that the gold-bearing reef of the Witwatersrand takes the form of a basin, occupying a wide space between Johannesburg and the Vaal River. The northern side of the basin, on which are situated the mines of the Central Rand, dips so steeply into the ground that some of the older properties, on which development has been pushed far south, away from the outcrop, are already approaching the limit of depth at which mining can be profitably carried on. At its north-eastern corner, however, the formation has been contorted into a sort of bulge, in which a subsidiary basin occurs. In this lie the mines of the Far East Rand. The floor of this subsidiary basin is at a comparatively shallow depth; and east of a line drawn from the Sub Nigel to the

Van Ryn Deep, along which the two basins merge into one another, the formation is nowhere too deep for profitable working.

The formation on the Far East Rand, however, lacks something of the regularity encountered in the older mines in the vicinity of Johannesburg. It has been suggested that in the former area the gold-bearing deposit was laid on the floor of an ocean or lake which had been corrugated by the action of waves. In the troughs the gold was deposited in abundance; between them so thin a layer was laid that to-day these narrow parts of the reef are unpayable. In any case, if a mine on the Far East Rand is to be worked profitably it must contain these "shoots," representing the troughs in the old ocean bed. In general they have been found in greater or less strength throughout the area, and orientated approximately north-west and south-east.

If, therefore, a reference to the map shows that an undeveloped property lies to the north-west or the south-east of a proved mine, in which the run of the "shoots" points towards the virgin ground, the property may be considered to have excellent prospects of proving a payable mine. It was on this reasoning that the East Geduld was opened up with the object of proving the continuation of the Geduld "shoots" into the adjoining property. More recently, Grootvlei has been floated to work the deposits on their further extension, East Daggafontein the area further still to the south, and Vogelstruisbult that to the south-east of Springs and Daggafontein. All these properties may be considered to have excellent prospects.

Of recent months, however, further developments have been held back in anticipation of a new mining law in the Union. Hitherto the owner of a farm has had the right to select an area, representing 20 per cent. of the total, over which the mining rights were his. If he wished to work any additional parts of the farm he had to lease them from the Government. Under the new law the proportion of the farm which the owner is entitled to choose for his own, and which is known as the "mynpacht," is to be increased to 25 per cent., and various other reforms are included with the intention of encouraging new gold-mining enterprise.

This law came into force on July 1st, and in the near future a succession of companies are likely to be floated with the object of taking up the mining rights of farms under the new system. One of the most interesting will doubtless be that formed to exploit the farm Vlakfontein 8. This farm, at present the property of Lace Proprietary Mines, will be acquired by a group headed by the Consolidated Gold Fields company. The glamour surrounding this farm arises from the fact that it represents the "deep level" of the Sub Nigel, at present the richest gold mine in the world. The famous "shoots" of the Far East Rand are more marked in the Sub Nigel mine than anywhere else, and they point north-west directly towards Vlakfontein. Development has not yet reached the boundary of the Sub Nigel, but it is significant that values seem to be improving as development proceeds northwards. It is not to be wondered at, therefore, that investors are eagerly awaiting an opportunity to participate in the ownership of the farm which represents the continuation of the system.

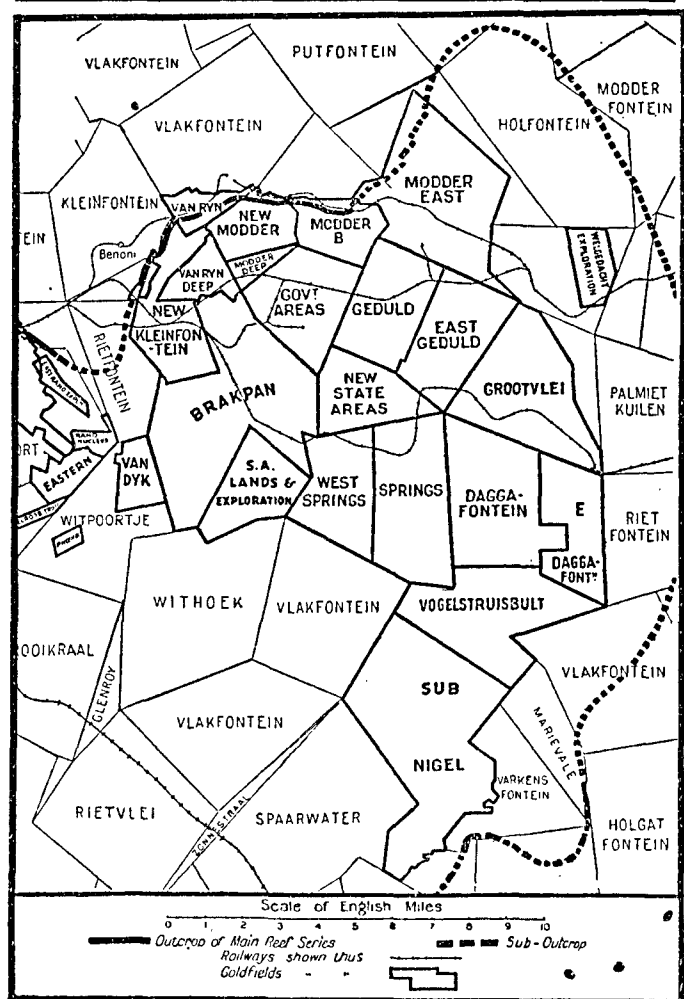
Further to the east, adjoining East Daggafontein, is farm Rietfontein 11, now owned by Rietfontein Gold Mines, Ltd., and under the control of the "Corner House." The property is divided by a fault, but to the west thereof the Geduld "shoots" may be found more or less undisturbed, while in the eastern section the formation should be correlated more with that on Modderfontein East. Some doubt exists as to the position of the sub-outcrop in this area, although it is usually believed to traverse Rietfontein. Recent activity on the farms Vischkuil 12 and Bloemendal 276 further to the east, however, suggests alternative theories of the limits and behaviour of the formation in this neighbourhood. North of Rietfontein lies Palmietkuilen,

which is owned by African and European, and is also likely to be the subject of a forthcoming flotation.

In the not distant future East Rand Consolidated, Ltd., is expected to float a company to open up its farm Spaarwater 154. This property adjoins the Sub Nigel, but its position is not similar to that of the Vlakfontein 8. The latter should contain the continuation of the Sub Nigel "shoots," while Spaarwater lies to one side of them. If Spaarwater, therefore, is to develop into a payable mine a new series of "shoots" will have to be proved, lying parallel to those in the Sub Nigel. This does not imply that such parallel "shoots" will not be discovered, but merely that Spaarwater will not contain the continuation of any at present worked.

Sandwiched in between the new Witpoort section of Brakpan and the West Springs mine is the area owned by South African Land Exploration Company, Ltd., now controlled by the Anglo-American group. This part of the Far East Rand, comprising the south-west corner of West Springs, the South African Lands property, the Witpoort section of Brakpan and the Apex section of New Kleinfontein has recently been the focus of great interest. The district is almost certainly affected by the mysterious Boksburg "gap," but it is now suspected that it may also contain the extension of the Sub Nigel "shoots." The South African Lands area will doubtless be intensively explored in the near future, but whether a reshuffling of boundaries in this area will precede the raising of fresh capital, with or without the formation of a new company, remains to be seen. In this connection the recent formation of the Van Dyk Consolidated Mines by Union Corporation is worthy of note. The new company will absorb the mynpacht of 973 claims of Van Dyk Proprietary Mines, and will acquire from the Union Government two leases over adjoining ground, as well as certain other claims.

So much for the Far East Rand. At the other end of the field, West Witwatersrand Areas, Ltd., is about to float its first subsidiary. The new company will take over the farms Ventersport and Gembokfontein at the north-eastern extremity of the parent company's territory. Here again entirely new ground is being broken, and the prospectus will be eagerly scanned for any information that may have been gleaned through the researches made in recent months.



Further to the south-west still a company will shortly be floated to develop the old Machavie mine, which was worked from 1913 to 1918. This property is controlled by New Central Witwatersrand Areas, Ltd., a subsidiary of African and European. At present the Machavie Gold Mining Company is being reorganised with a capital of £800,000 in 5s. shares, and shareholders in New Central Witwatersrand Areas, Ltd., will have the right to subscribe at par for 145 of these shares for each 100 held in the parent company. The prospects for the successful reopening of this mine seem favourable.

With the example of East Geduld and Daggafontein before them, investors will not be slow to realise the large capital accretions which may be secured by taking a participation in the early stages in a company which develops a successful mine on the Rand. If disappointment is to be avoided, however, there are one or two points which must be borne in mind. In the first place, it takes five or six

	No. of Claims Owned	No. of Shares Issued	Market Price July 4 1934	Market Valuation	Market Valuation per Claim
Producing Companies:—					
Springs Mines	3,568	1,500,000	7	10,500,000	2,945
East Geduld	2,641	1,600,000	3½	13,700,000	5,185
Daggafontein	3,737	1,650,000	6½	10,931,000	2,925
Non-Producing:—					
East Daggafontein	2,467	700,000	2½	...	...
Grootvlei	3,810	1,400,000†	1½	6,039,000	1,588
Vogelstruisbult	4,413	556,258‡	3½	5,329,000	1,208
South African Lands	2,009	2,030,000	2½	2,555,000	1,172

† 10s. shares, 1s. paid not quoted.

‡ 1 shares, 10s. paid.

years to bring a deep-level mining property to the stage of production, so that a good deal of patience will have to be exercised. Secondly, the capitalisation of the company and the price at which shares are offered to the public must be carefully weighed. The table above, showing the market valuation of companies owning producing and undeveloped properties on the Far East Rand, may be of assistance in this connection.

INVESTMENT NOTES

German Bonds and the Debt Agreement.—The market in German bonds on Thursday vigorously celebrated the signing of the Anglo-German Transfer Agreement and the complete victory which it implies, for six months at least, for the British Government's point of view. The "Dawes" and "Young" Loans, the current coupons on British holdings of which are to be "purchased" by the German Government at 100 per cent. of their nominal value, rose about four points. British holdings of the non-Reich issues continue to be subject to the Reichsbank's offer of May 29th (to satisfy the current coupons in 3 per cent. funding scrip, or, alternatively, to purchase the coupons for 40 per cent. of their nominal value six months after their due date and provided that Germany's financial position permits) and they secure no direct benefits from the Agreement except the right to share any more favourable treatment accorded to holders who are nationals of any other country. The recovery in these bonds was, therefore, much more restrained. We give below the prices of the two Reich loans, the two Potash loans, and the Berlin City loan on May 30 (the day succeeding the break-up of the Berlin debt conference and the issue of the Reichsbank's offer), on June 15th (the day after the moratorium announcement), on July 4th (the day of the signing of the transfer agreement), and on July 5th; also the highest and lowest prices of the year:—

	1934	May 30	June 15	July 4	July 5
"Dawes" 7 per cent.	95½	58	75½	62½	63
"Young" 5½ per cent.	69	40½	54½	43½	45½
Potash 7 per cent.	93½	71	80	73	71
Potash 6½ per cent.	90	66½	75½	71	67½
City of Berlin 5 per cent.	52½	33½	36½	39½	36

It will be seen that the two Potash issues still command relatively the highest prices. These two loans are secured on the gross proceeds from the sale of potash exported from Germany, and their position is not directly affected either

by the moratorium or the debt transfer agreement. There has, however, been some discussion in the market as to whether clearing agreements between Germany and other countries, in which German potash is sold, might not affect the remittance of the proceeds to London, and some competent judges consider the Dawes Loan now to be a better security than the Potash Loans.

★ ★ ★
Dominion Stocks and Trustee Status.—Under the Colonial Stock Act of 1900 the Treasury has the power to lay down conditions with which Dominion and Colonial Governments must comply if they wish to secure trustee status for their loans. One of these conditions is that the British Government should have the power of vetoing any legislative proposal of a Dominion or Colony involving any departure from the original terms of contract governing one of its trustee stocks; and this "power of disallowance" must be expressly recognised by the borrowing Government. The Government of the Union of South Africa has for some months been negotiating with the home Government with a view to securing its agreement to the modification of this condition so far as concerns South Africa. In harmony with the recent trend of Imperial relations, the South African Government proposes to repeal the section of the South Africa Act, 1909, which reserves this "power of disallowance" to the British Government, and Mr Chamberlain announced in the House of Commons on Wednesday that a completely amicable agreement had been reached on the point. The South African Government is to repeal the clause, but it has undertaken instead that it will not submit for the Royal Assent any legislation which appears to the Home Government to affect any of the provisions affecting its stocks except after agreement with the Home Government. The action of the South African Government may be taken therefore as a harmless gesture of independence. No holder of Dominion trustee stocks need lose a moment's sleep over the matter.

★ ★ ★
Shipping Shares and the Subsidy.—The "Shipping" section of the Stock Exchange official list of quotations contains a brave array of stocks and shares, but when it comes to picking out those in which there is anything remotely resembling a free market, only the merest handful survive; whilst companies owning tramp ships whose shares are actively dealt in in London, with the one prominent exception of Furness Withy, hardly exist. Such active shares as there are, however, enjoyed an almost spectacular rise at the end of last week and beginning of this under the influence of pleasant anticipations of the benefits which Mr Runciman's subsidy statement, promised for Tuesday, was to confer on British shipping. We illustrate the movement, together with the subsequent relapse, registering disappointment with the statement, in a table which includes also the shares of two concerns engaged in the shipbuilding industry:—

Company	Shares		Quotations, 1934				
	Denomination	Total Issue	Jan 3	June 25	July 3	July 5	
Cairn Line	10s. ord.	1,200,000	5 3	4 6	4 9	4 4	4 4
Cunard	£1 ord.	5,570,241	8 0	5 6	5 9	5 4	5 4
Furness Withy	£1 ord.	6,000,000	19 0	15 9	18 0	16 9	16 9
Peninsular and Oriental	£1 def. units	4,592,518	20 0	17 0	18 6	18 0	18 0
Harland and Wolff	£1 6% pref.	4,000,000	3 9	4 3	4 3	4 3	4 3
Swan, Hunter, etc.	£1 ord.	1,711,064	17 3	15 0	16 3	16 6	16 6

The participation of the shipbuilding shares in the movement was due partly to expectations that the subsidy plan would be on the "scrap and build" principle—that is, would offer assistance to shipowners willing to scrap old ships and replace them by a smaller number of new ones. In the event this scheme has for the present at least been discarded as impracticable, and the Government assistance is confined to a "defensive subsidy" not exceeding £2,000,000 for one year only. It will be seen that the fall in values which followed the statement approximates roughly to half the previous rise in the case of Furness Withy and P. & O., but Swan, Hunter has held its improvement.

Half-year Rail Traffic.—The market's weekly arithmetical exercises have afforded little real indication of the trend of rail receipts during the half-year, owing to the variable incidence of Easter and Whitsun, and, on the passenger side, to the introduction of "penny a mile" fares in May last year. The following table for the four "group" lines shows that the improvement comes mainly from merchandise, although mineral traffic has shown a smaller but gratifying increase. Passenger revenues, however, are only £233,000 higher than for the first six months of 1933:—

(\$'000)					
Four "Group" Lines	Passenger	Merchandise	Coal and Coke	Total Goods	All Traffic
Twenty-six weeks, 1934	29,781	25,866	15,535	41,401	71,182
Twenty-six weeks, 1933	29,548	23,557	14,545	38,102	67,650
Twenty-six weeks 1934 compared with 1933 —					
Amount	+ 233	+ 2,309	+ 990	+ 3,299	+ 3,532
Per cent.	+ 0.8	+ 9.8	+ 6.8	+ 8.7	+ 5.2
Twenty-six weeks 1933 compared with 1932 —					
Amount	— 420	— 1,417	— 918	— 2,335	— 2,755
Per cent.	— 1.3	— 5.7	— 5.8	— 5.8	— 3.9

Analysis of the traffic "pluses" for each company by quarters throws light on the considerable fall of passenger revenues in the second quarter as compared with 1933, reflecting to some extent the immediate popularity of cheap facilities last year. This leaves the Great Western with a shortfall on passenger receipts for the half-year, while on the Southern a small total deficit results in the second quarter owing to the close dependence of this system on passenger revenue. Merchandise comparisons with the second quarter of 1933 are affected by the rapid recovery which occurred last year, and the check which has recently been apparent in this class. Coal and coke receipts, however, have been well maintained, though the recent trend is rather sharply downwards:—

	Great Western	London Midland and Scottish	London and North Eastern	Southern	Four Companies
1934 compared with 1933					
Passenger traffic—					
First quarter	+ 86	+ 285	+ 131	+ 186	+ 688
Second quarter	- 117	- 163	- 73	- 102	- 455
Total for half-year	- 31	+ 122	+ 58	+ 84	+ 233
Merchandise traffic—					
First quarter	+ 229	+ 571	+ 549	+ 39	+ 1,388
Second quarter	+ 158	+ 442	+ 280	+ 41	+ 921
Total for half-year	+ 387	+ 1,013	+ 829	+ 80	+ 2,309
Coal and Coke—					
First quarter	+ 43	+ 158	+ 271	+ 24	+ 496
Second quarter	Nil	+ 129	+ 321	+ 44	+ 494
Total for half-year	+ 43	+ 287	+ 592	+ 68	+ 990
All traffic—					
First quarter	+ 358	+ 1,014	+ 951	+ 249	+ 2,572
Second quarter	+ 41	+ 408	+ 528	- 17	+ 960
Total for half-year	+ 399	+ 1,422	+ 1,479	+ 232	+ 3,532

Although it is dangerous to argue from the trend of the last few weeks, it would seem that passenger receipts have renewed their advance, while merchandise traffics gains have been less impressive. This "swing" between classes will be of great importance to stockholders, who must await the half-yearly statements to observe the net effect upon profits of the increase of £3,532,000 in total receipts. The market has given close attention to the recent wage discussions between company and union representatives, and to this week's outspoken statements at the Union Conference, and current quotations of ordinary and marginal preference stocks, compared with the high levels of February, indicate a justifiably cautious view.

★ ★ ★
Oversubscription and the "Stag."—Responsible quarters in the City are expressing concern at the re-emergence, after many months of enforced idleness, of organised "stag" operations. Cases have arisen recently of the wholesale withdrawal of blocks of applications for new issues, filed by individual firms, owing to some slight change in market conditions after the closing of the lists. Accounts have been given, with every appearance of truth, of the ingenious operation of

PRELIMINARY NOTICE.

Griffiths Hughes Proprietaries Limited

(Incorporated under the Companies Act, 1929)

which is acquiring all the issued Share Capital of

E. GRIFFITHS HUGHES LIMITED

(Manufacturing Chemists)

Manufacturers of Kruschen Salts, Radox Bath Salts, Karswood and other preparations including Wex Grape Saline, Chardox, Karsote, Veldew, Baxen and Radioliser.

SHARE CAPITAL - £2,500,000

Divided into

1,000,000 5½ per cent. Cumulative Preference Shares of £1 each

and

1,500,000 Ordinary Shares of £1 each.

There are no Mortgages, Debentures or other Loan Capital outstanding.

The Subscription List will open on Tuesday next, July 10th,

for an

ISSUE OF

1,000,000 5½ PER CENT. CUMULATIVE PREFERENCE SHARES OF £1 EACH
 AT 20s. 6d. PER SHARE.

Preferential consideration in allotment will be given to Applications from the Customers of E. Griffiths Hughes Limited if made on the special pink form provided for the purpose.

DIRECTORS:

SIR BERTRAM HYDE JONES, K.B.E. (Director of English and Scottish Investors Limited) (Chairman).
 HARRY MARLAND, J.P. (Chairman and Managing Director of E. Griffiths Hughes Limited).
 ALFRED MARLAND (Deputy Managing Director of E. Griffiths Hughes Limited).
 WILLIAM FENWICK WRIGLEY, F.C.A. (Director of E. Griffiths Hughes, Limited).
 WILLIAM LITHGOW COULTER (Works Manager of E. Griffiths Hughes Limited).

The Prospectus will show (inter alia) that:—

- (1) The business of the Operating Company was established many years ago and with its Subsidiary Companies is the sole owner and manufacturer of the following proprietary lines: For Human Use: Kruschen Salts, Radox Bath Salts, Wex Grape Saline, Chardox, Karsote, Veldew, Baxen; and for Veterinary and Agricultural use: Karswood Poultry Spice, Karswood Poultry Meal, Karswood Dog Powders, Karswood Pig Powders, Radioliser (for lawns and plants).
- (2) Messrs. Deloitte, Plender, Griffiths & Co., of 5, London Wall Buildings, London, E.C.2, and Messrs. J. B. Boyd, Wrigley & Co., of 55, Brown Street, Manchester, 2, have reported that (after eliminating inter-company Dividends, Royalties and Interest), the profits of E. Griffiths Hughes Limited and the net aggregate results of its Subsidiary Companies arrived at on the basis hereinafter mentioned, were as follows:—

Financial Years ended in year to 31st March.	E. Griffiths Hughes, Ltd.		Subsidiary Companies.		Combined Net Profits.
	Profits.	Less Losses.	Profits.	Less Losses.	
1930.....	£191,187	...	£448	...	£190,739
1931.....	275,370	...	1,315	...	274,055
1932.....	479,956	£46,216	...	...	526,172
1933.....	437,884	32,080	...	...	469,964
1934.....	447,346	4,024	...	...	451,370

These profits are arrived at after charging all expenses, including advertising, depreciation of Fixed Assets (based upon the valuation at 31st March, 1934), and management remuneration at the rates payable in future, and after making such other adjustments as are, in the opinion of the above Auditors, appropriate, but before charging Income Tax.

- (3) Mr. Harry Marland and his brother, Mr. Alfred Marland, have entered into agreements to act as Managing Director and Deputy Managing Director of the Company respectively for a period of seven years from the 1st April, 1934, and the other Directors will remain in their present capacities.

Prospectuses, on the terms of which only applications will be considered, and Forms of Application can be obtained from the:—

BANKERS:

NATIONAL PROVINCIAL BANK LIMITED, Head Office, 15, Bishopsgate, London, E.C.2, and Branches.

BROKERS:

CAZENOVE AKROYDS & GREENWOOD & CO., 10, Old Broad Street, London, E.C.2.

W. A. ARNOLD & SONS, Haworth's Buildings, Cross Street, Manchester, 2.

REGISTERED OFFICE OF THE COMPANY:

Peru Street, Adelphi, Salford, Manchester,

and from the

TRANSFER OFFICE:

10 & 12, Copthall Avenue, London, E.C.2.

"staggering clubs" conducted under cover of fictitious names (although it is even reported that real dummy applicants are available at a suitable fee), since the renunciation of allotment letters provides in most cases no difficulties regarding signatures. This practice has little to commend it, for irresponsible "staggering" performs no service in evening out price fluctuations and preserving a wide market as do *bona fide* speculative dealings. The operation is rather in the nature of a call option which costs the speculator nothing, and can be withdrawn unless virtual certainty is assured. The announcement of over-subscription, accordingly, may not always relieve underwriters from taking up a considerable part of their commitments. While it would be difficult, and certainly undesirable on wider grounds, to attempt any reservation of new issue allotments to applicants genuinely intending to hold, it is possible by careful determination of the issue price and insistence upon the largest possible payment on application and allotment (and by expediting allotment), to minimise the "stag's" activities. The perpetuation of the highly speculative issue boom of 1928 was due, to no small extent, to the readiness of the "stag" to subscribe indiscriminately on the chance of an immediate premium, and it would be regrettable if the partial revival in the market for new industrial capital were to be prejudiced by a recrudescence of feverish short-term speculation in meretricious issues. From the grossest excesses of that period, fortunately, the market and the investing public can look to the Stock Exchange Committee for ample protection.

New Issues in June.—Activity in the capital market last month reflected a considerable number of fairly small issues^{*} rather than any operations of major importance. Our usual table of issues, excluding conversion operations, shows that United Kingdom non-Government and British Possessions requirements were considerably lower than in May.

Monthly Average	(000's omitted)			
	United Kingdom	British Possessions	Foreign Countries	Total
1930	14,220	5,121	2,975	22,316
1931	4,542	3,209	761	8,512
1932	13,589	2,129	24	15,742
1933	17,520	2,429	449	20,398
Monthly Total	Govt.	Other		
April, 1933	31,288	1,616	Nil	33,869
April, 1934	42,050	6,960	496	49,506
May, 1933	19,001	8,037	5,547	32,585
May, 1934	Dr. 450	10,518	9,546	19,688
June, 1933	3,150	11,355	783	15,288
June, 1934	Dr. 150	3,857	3,683	7,480

Demand for industrial capital still makes little headway, although Stewarts and Lloyds (completing the Corby financing), Boots Pure Drug and British Aluminium (partly in respect of re-financing for the group) figure among the month's borrowers. Eight South African and other gold mining issues appeared, carrying various degrees of speculative risk. Of these the Central Mining preference issue was most important.

Industrial Profits in June.—We received 201 company reports last month, showing an aggregate rise in profits of 20.44 per cent. by comparison with the previous year. Figures for recent months are shown below:—

Reports Published in	No. of Companies	Rise or Fall in Profits*	Reports Published in	No. of Companies	Rise or Fall in Profits*
1933—			1933—		
April	185	+ 8.64	December	138	+ 13.04
May	209	+ 2.26	1934—		
June	214	+ 1.46	January	122	+ 3.27
July	160	+ 3.20	February	209	+ 5.02
August	45	+ 11.62	March	216	+ 6.34
September	102	+ 4.06	April	188	+ 12.96
October	121	+ 17.06	May	251	+ 23.43
November	185	+ 79.64	June	201	+ 20.44

* After payment of debenture interest.

The reports of the month disclose net profits of £21,037,239, as compared with £17,457,474 in the preceding year. Three

groups have been largely responsible for the month's increase. Twenty-five iron, coal and steel companies earned net profits of £2,651,853, compared with £1,570,665 for the previous financial year; 31 tea companies, with profits of £822,093, against £68,872, reflected the ample benefit received from restriction; and 59 miscellaneous companies showed satisfactory improvement, from £3,754,639 to £4,456,260 for the latest year. We give a short table of outstanding individual results below:—

	Net Profits for Financial Years ending in		Change %
	1933	1934	
Anglo-Persian Oil	2,379,677	2,643,979	+ 11.1
Associated Newspapers	751,958	809,626	+ 7.7
Boots Pure Drug	701,453	744,866	+ 6.2
Coats, J. and P.	2,259,110	2,574,594	+ 14.0
Cory, Wm., and Son	607,494	594,439	- 2.1
Edmundson's Electricity	342,796	420,970	+ 22.8
General Electric	836,457	803,452	- 4.0
Lyons, J., and Company	972,390	1,008,342	+ 3.6
Shell "Transport"	2,661,457	2,748,035	+ 3.4
Total, nine companies	11,512,792	12,348,303	+ 7.4

Although these companies account for nearly 59 per cent. of the total profits, the major part of the month's increase has been contributed by smaller companies in the groups mentioned above.

Actuaries' Investment Index.—The computations of the Actuaries' Index show very clearly the inability of markets to make any further advance, and at the same time, the absence of any pressure of liquidation. This hesitant stability finds due reflection in the index for 144 ordinary shares which again show no sensible movement. The figure is calculated at 70.9 for Tuesday last, 70.8 a week ago, and 71.1 a fortnight ago (December 31, 1928 = 100). The percentage yield figures are 3.70, 3.70 and 3.68, respectively. Movements of certain group indices are shown below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	June 19, 1934	June 26, 1934	July 3, 1934	June 19, 1934	June 26, 1934	July 3, 1934
	1934	1934	1934	1934	1934	1934
Higher this week:						
Electric Light & Power (14)	126.9	127.3	129.4	3.93	3.92	3.86
Iron and Steel (6)	51.5	50.8	51.7	1.27	1.30	1.25
Electric Supplies (8)	91.7	91.9	93.1	4.61	4.60	4.54
Stores and Catering (15)	79.1	79.7	79.3	4.15	4.18	4.16
Lower this week:						
Building Materials (4)	83.1	82.4	82.0	4.07	4.10	4.12
Cotton (6)	48.2	47.6	46.9	2.27	2.28	2.28
Miscellaneous (50)	62.8	62.5	62.1	3.92	3.94	3.97

Electric light shares have returned to investment favour in conformity with the trend in the gilt-edged market, and electrical equipment shares are being revalued on the improved prospects suggested by recent accounts and speeches. The absence of speculative interest in leading industrial favourites is clearly shown by the gentle fall in the miscellaneous group index.

COMPANY NOTES

Printing and Publishing Shares.—So far as the investor is concerned, publishing shares relate primarily to those concerns which publish periodicals and not those which publish books. There are a number of moderate-sized public companies engaged in book publishing (as, for example, Methuen, Collins, Hutchinson and Cassell); but public interest in them is limited to preference shares or debentures. Among publishers of periodicals, on the other hand, there are such large and active companies as Amalgamated Press, George Newnes (with its subsidiary, C. Arthur Pearson) and Benn Brothers. Odhams Press, with its *Daily Herald* enterprise, now ranks, perhaps, more as a newspaper company, and was so treated in a recent review of newspaper share prospects (see the *Economist*, June 2, page 1200). Though the printing business is strictly distinct

from publishing, printing companies are usually grouped with the publishers—a classification which is not entirely arbitrary. In the first place, the two businesses are very often run together by one concern; and in the second place, both depend broadly on the same factors for their prosperity. Both are the handmaids of the *selling* side of business enterprise, the one offering "space" for press advertisements and the other printing the non-press advertising matter. Thus, when business is concentrating on sales and expansion, the publishers and printers prosper, but when it is insisting upon retrenchment of costs they suffer. As may be seen from the accompanying table of profits, the printing companies have felt the benefit of recovery more quickly than the publishers. For the Argus Press and

PROFITS IN £000						
	1929	1930	1931	1932	1933	1934
Printers.						
Argus Press (Dec. 31) :—						
Earned for ord.	58.1	49.8	51.5	51.9	59.1	...
= % (tax free)	36.3	32.1	34.3	34.6	39.4	...
Paid %	25	22	24	24	26	...
Hazell, Watson & Viney (Mar. 31) :—						
Earned for ord.	42.4	49.5	47.2	31.9	38.6	64.9
= % (tax free)	12.2	14.2	13.5	9.1	11.1	18.6
Paid % (tax free)	9	10	10	7	8	11
Waterlow (Sept. 30) :—						
Earned for ord.	114.8	105.6	30.8	16.7	24.2	...
= % (tax free)	16.6	15.3	4.5	2.5	3.5	...
Paid % (tax free)	12½	11½	7½	2½	3½	...
Publishers.						
Amalgamated Press (Feb. 28) :—						
Earned for ord.	369.5	410.8	391.5	285.2	267.2	252.2
= %	34.7	39.8	37.7	28.0	26.0	23.9
Paid %	15	15	15	11	11	11
Benn Bros. (June 30) :—						
Earned for ord.	42.6	30.8	41.1	36.0	33.5	...
= %	29.0	24.5	28.0	25.7	23.3	...
Paid %	20	20	20	15	15	...
G. Newnes (Mar. 31) :—						
Earned for ord.	80.6	104.0	105.4	92.3	95.6	94.0
= %	28.5	23.0	23.5	21.5	22.4	21.7
Paid %	20	20	20	15	15	15

* Less tax.

Hazell, Watson and Viney, 1933 was easily the best year since 1929, while for Waterlows it was definitely a year of recovery—the company's interim for 1933-34 being raised to 3½ per cent. against 2½ per cent. For the publishing companies, on the other hand, the year only checked the rate of decline, but did not reverse the trend. Possibly that was due to the expenses of new publications which some of the companies inaugurated as part of a recovery expansion programme. But, in any case, recent chairmen's speeches have recorded better conditions and prospects—for example, those of Lord Camrose (Amalgamated Press) and Lord Riddell (Newnes) both delivered in June. It may be inferred that both printing and publishing profits are sensitive to changes in business sentiment, and that if recovery is maintained sufficiently to reward sales effort with encouraging results, both printing and publishing will benefit materially. In recent weeks there have been signs of a check to the rapid expansion of advertising. But at this stage the investor will not be able to determine whether that portends a relapse or only a pause in recovery. The Stock Exchange valuation of printing and publishing shares allows more conservatively for this uncertainty than is the case for some other groups. Yields of from 6½ per cent. to 6½ per cent. are offered on the shares of Amalgamated Press, Benn Brothers and Argus Press Holdings; and both Newnes and Hazell Watson yield comfortably over 5 per cent.

Bank and Discount House Interims.—It is unlikely that there has been any material difference in the earning capacity of either banks or discount houses between the half-year just ended and the first half of last year; and it is not surprising, therefore, that the interim dividend declarations available as we go to press are in each case at the same rates as in July, 1933. The monetary history of the half-year is related in the article on page 18, and it is only necessary here to refer to certain features which are intimately related to earning power. At first sight the most significant point—which affects both banks and discount houses—is that the average three months' bill rate at 198. 2d. per cent. is almost 50 per cent. higher than the average of 13s. 4d. for the first half of 1933. Actually,



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however, this rise has not been of great advantage either to the banks or the bill market. In the case of the banks it has been largely offset by the marked contraction in the bill portfolios. For the discount market part of the apparent benefit has been negated by a rise in the average rate paid for "outside" money, while, in addition, the action of the banks in raising their buying rates for bills has in consequence reduced the market's opportunities for profitable rediscounting. Nevertheless, the discount market has probably suffered no loss on "running" bills as it did in the first half of 1933, and this fact may approximately compensate it for lower profits on the turnover both of bills and of Government "shorts," the supply of which has been much curtailed by conversions. The banks have had a somewhat smaller average volume of deposits at their command than for last year—the average for the London Clearing Banks for the five months January to May was £1,865 millions in 1934, against £1,948 millions in 1933—but as improving trade has led to some transfer from deposit to current account, there may be little loss of profit on this score. Advances have averaged slightly lower (£749 millions for the five months, compared with £767 millions), so that interest receipts must have shown some decline, though, in view of the very substantial improvement in trade, this has probably been outweighed by a shrinkage in the amount of "bad and doubtful" items calling for reservations out of profits. Investments show a higher average level (£548 millions, compared with £505 millions in January to May, 1933), but although the average rate of return on them must have been less, compensation in the form of further appreciation of capital value is to be expected. We add a list of the dividends so far declared with the quotations of the shares concerned ruling now and a year ago and the yields currently obtainable:—

Name	1933		1934		Price, July 11, 1933	Price, July 4, 1934	Present Yield*
	Int.	Final	Int.	Final			
Discount	%	%	%	%			%
Alexanders £2 (£1 paid)	9	10	9	10	3½x	3½	4 5. d.
National "A" £2½ (fully paid)	5	5	5	5	6½x	6½	4 1 9
National "B" £1½ (£1 paid)	9	15	9	15	10½x	12½	4 15 0
Union £5 (£2½ paid)	7½	12½	7½	12½	9½x	11½	4 6 9
Banks							
Barclays "A" £4 (fully paid)	5	5	5	5	9½x	10½	3 17 0
Barclays "B" £1 (fully paid)	7	7	7	7	3½x	3½	3 17 9
Lloyds "A" £5 (£1 paid)	6	6	6	6	2½x	2½	4 3 9
Lloyds "B" £1 (fully paid)	2½	2½	2½	2½	26½x	27½	3 13 6
Midland £12 (£2½ paid)	8	8	8	8	8½x	9½	4 0 6
Midland £2½ (fully paid)	8	8	8	8	9½x	10½	3 15 9
Midland £1 (fully paid)	8	8	8	8	4½x	4½	3 12 6
National Provincial £20 (£4 paid)	7½	7½	7½	7½	13½x	14½	4 4 6
Westminster £4 (£1 paid)	9	9	9	9	4x	4x	4 0 0
Westminster £1 (fully paid)	6½	6½	6½	6½	3½x	3½	3 11 6
Martins £20 (£2½ paid)	7	7	7	7	7½x	8½	4 3 9
Martins £1 (fully paid)	7	7	7	7	3½x	3½	3 17 3

* Based on dividend for 1933. † Not available.

As the prospect of increased distributions is not measurably better than a year ago the rise in share values must be wholly attributed to the general considerations affecting fixed interest securities.

British Ropes.—This ten-year-old merger of firms engaged in the wire and hemp rope and allied industries has enjoyed its full share of the benefits which protection offers to the protected industries, and it is now able to put forward the promised scheme of capital reorganisation. The issued capital consists of 1,257,320 6½ per cent. £1 cumulative preference shares, on which the dividend is 7½ years in arrear, and 1,906,633 £1 ordinary shares, the last dividend on which was 5 per cent. for the year to August, 1925. The scheme involves the reduction of the ordinary capital to £317,772 10s. by the writing down of each ordinary share to 3s. 4d. The shares, so reduced, are to be split each into one share of 2s. 6d. and one of 10d. The present ordinary shareholders are to surrender the 10d. shares, which are then to be consolidated into 2s. 6d. shares and issued to the preference shareholders in satisfaction of their dividend arrears and in compensation for the modification of their cumulative rights. The proposal affecting these is that each present 6½ per cent. preference share should be divided into one 10s. 6 per cent. cumulative preference share and one 10s. 7 per cent. non-cumulative preferred ordinary share. The effect is that the preference holders will, subject to the sufficiency of profits, receive the same dividend as before, but that only 3 per cent. out of the 6½ per cent. will be cumulative. Their participation in the equity will be 25 per cent., which seems to be fair compensation for their sacrifices, though the net arrears of dividend represent over 7s. in the £. The accounts for the six months register a further considerable recovery in earnings, as the following summary shows:—

	Year to Aug. 31, 1932	Year to Aug. 31, 1933	Half-year to Feb. 28, 1934
Trading profit	101,751	121,859	101,890
Debt interest and premium reserve	56,928	50,550	35,131
Bank interest	2,400	11,837	3,374
Directors' fees	2,400	2,400	1,305
Net profit (before depreciation)...	42,423	57,072	62,079

The directors estimate that £25,000 would be a fair allocation for depreciation out of the last half-year's profits. That would leave about £37,000 available for dividends or, say, £50,000 (equivalent to £100,000 per annum) if the amount of £12,788 provided out of the half-year's profits towards the premium on redemption of the 6 per cent. debenture stock, which is repayable at 105 on November 5, 1935, be written back. This stock will be repaid out of the proceeds of the issue of £850,000 4½ per cent. first mortgage debenture stock now being made at 99—an operation which will yield a small saving. The preference and preferred ordinary dividends will absorb £81,725, so that on the basis of a net annual profit of £100,000 they would be comfortably covered, with a margin out of which a dividend of, say, 5 per cent. on the reduced ordinary capital could be paid.

The Rayon Excise Cut.—The reduction in the import duty on raw silk and in the Excise duty on rayon yarn (upon which we comment on page 11) has now been conceded as a subsidiary, but essential, part of the new Anglo-French trade agreement signed on June 27th. The Excise on rayon yarn is reduced to 6d. (against 1s.), and on waste and staple fibre to 3d. (against 6d.). In all, the cost of these and the associated concessions on real silk is estimated at between £2,300,000 and £3,000,000 a year. The vigorous rise in rayon yarn consumption during the present year should be materially assisted by this relief, which, under the lead of Courtaulds, Limited, has been passed on at once to the industry's customers. In its immediate effects, however, the cut of 6d. per lb. in all rayon yarns has spread something like consternation throughout the merchanting section of the trade. The merchants and weavers are handling a very large volume of duty-paid rayon goods at this time of year, and are faced with a dead loss equivalent to the duty payments on their stocks. This loss is estimated at from 10 per cent. to 15 per cent. on standard cloths, but its incidence will depend upon the proportion of stocks held for home and export trade, since full drawback will be recoverable in the latter case. A meeting of the Rayon Section of the Manchester Chamber of Commerce held on Monday resolved to make representations to the

Government; but what precise course will be urged is not yet clear. It is understood that the three largest weaving concerns, supported by the Cotton Spinners' and Manufacturers' Association, intend to hold merchants to the original prices in cases where full duty has already been paid on the yarn, although cases are being reported of manufacturers' customers threatening not to accept delivery of goods against previous orders unless they receive the full benefit of the reduction in Excise, regardless of whether the manufacturer has the cloth made or the yarn in stock. By reasonable allowances on both sides the difficulties of the transition period will be greatly eased; but it seems inevitable that some considerable losses will be suffered on unsold stocks of yarn and cloth. In the long run, however, the lower level of prices should stimulate turnover sufficiently to compensate the initial loss. The market, however, has shown no willingness to discount a rapid increase in yarn producers' profits, and most of the leading shares have been undecided during this week.

Patons and Baldwins.—The accounts of this International wool yarn company make, on the whole, more satisfactory reading than the preliminary profits announcement, with its reduction of dividend from 12½ to 10 per cent., may have suggested. The profit figure, which is struck this year "after making provision for the recent fall in wool values" as well as for debenture interest, which costs some £2,850 more, shows little change at £514,907. Reference to the balance sheet discloses depreciation on buildings and plant amounting to £179,568 during the year compared with £100,620 for 1932-33, an increase which accounts largely for the reduction in ordinary earnings from £342,999 to £255,497:—

	Years to April 30,		
	1932	1933	1934
Profit, after deb. interest, taxation, and exchange losses.....	426,075	514,992	514,907
Depreciation, buildings and plant.....	133,869	100,620	179,568
Directors' fees	5,200	5,100	5,039
Preference dividend	65,168	66,273	74,804
Ordinary Shares { Earned	221,837	342,999	255,497
Paid	119,947	199,911	159,929
Earned (%)†	13.9	21.4	16.0
Paid (%)†	7½	12½	10
Reserve fund	100,000	100,000	75,000
Pension fund	...	30,000	20,000
Carried forward.....	42,072	55,160	55,728

† Free of income tax.

The balance sheet shows a sharp increase in the stock valuation from £2,036,435 to £2,637,977, and after allowance for an increase of £322,000 in creditors' and taxation reserve, net current assets amount to £1,976,000, against £1,638,000 at April last year. In view of the reduction in raw wool prices, which is of the order of 20 per cent. during the first six months of this year, and of the growing Japanese exports in Eastern and Australian markets, shareholders will await the chairman's review of world conditions with keen interest. The £1 ordinary shares were marked down by fully 7s. on the preliminary announcement, and are now quoted at 55s. to yield £3 15s. 7d. per cent., tax free. In view of the uncertainties of the current financial year, the shares appear adequately valued.

Wiggins and Company (Hammersmith) Reconstruction.—The unfortunate experience of this company in its relations with the "Red Triangle" cement group entailed a capital reduction in 1930 and left its finances in an enfeebled condition to reap advantage from last year's improvement in the building trade. The directors have closed certain unremunerative units, and to judge from the profits for the year to March 31st last (£18,906, compared with £8,567 for the previous year) there are indications of an improvement in the outlook. The realisation and revaluation of the assets, however, has disclosed a discrepancy between book and current values of £149,375 of which £138,773 has been transferred to suspense account pending the reorganisation of the capital structure.

On this computation tangible net assets amount, roundly, to £243,000, and there is a deficiency of £57,000 on the preference capital, while the whole of the ordinary and deferred capital, amounting to £92,000, has been lost. The scheme proposes a reduction of the issued capital from £392,500 to £243,125, to be effected by cancelling 1s. 4d. on each 4s. preference share, 1s. on each of the 2s. ordinary shares, and 2½d. on each deferred share of 3d. Although the directors preface the scheme with the opinion that it represents a fair apportionment of the sacrifice between various classes, it is doubtful if preference shareholders, who are also to suffer cancellation of dividend arrears from June, 1931, and to forgo cumulative rights, will regard a capital premium of 30 per cent. in the event of liquidation, and unconditional voting rights, as adequate compensation. Following the proposed reorganisation, the preference capital will be reduced to £200,000 and the ordinary to £43,125, the former being cut by one-third, and the latter by £49,375. The *pro forma* reduction of the equity issues is a matter of no real significance since it leaves the equity unaffected, but the shares will be covered fully by productive assets, entirely with the assistance of the preference shareholders' sacrifice. In these circumstances, preference shareholders may not unreasonably claim a share in the equity of the company, for it is clear that the effective burden of the scheme is placed entirely upon their shoulders.

Other Company Results.—We have received reports from fifty-six other companies, the usual summary of which will be found on page 35 of this issue. The week continues the satisfactory trend of improvement. The list includes twenty-three rubber and tea plantation companies, all of which have improved their earnings position during the year. Among rubber companies revenues have increased sufficiently to justify small dividends in four cases, while prominent tea results include Anglo-Ceylon (£46,472, against £1,352), Assam Frontier (£31,709, against Dr. £36,150), and Jorehaut (£93,956, against Dr. £466). Cellulose Acetate Silk reports net profit of £97,175, compared with £38,041, and the carry-forward is £56,010, against Dr. £31,165 brought in. In the investment trust section Atlas Electric and General has earned net profits of £142,929, compared with £159,848 for the previous year, but Second Consolidated Trust, reporting to June 15th, shows profits of £22,212, against £12,158. Among miscellaneous companies Amalgamated Dental shows a fall in earnings from £131,923 to £120,500, but E. K. Cole profits have shown a large recovery from Dr. £22,600 to £128,670, and 20 per cent. is paid on the ordinary shares. Three companies in the Beechams Pills group have issued reports this week. Profits of Veno Drug have increased from £85,634 to £91,436, and 73 per cent. is paid on the deferred ordinary shares, against 60 per cent. Pritchard and Constance profits have also increased from £19,238 to £30,934, and 65 per cent. (against 35 per cent.) is paid on the deferred shares. Yeast-Vite profits, however, have fallen from £58,363 to £48,878. The full report of International Tea shows an increase in net profits from £614,729 to £645,860, and Lovell and Christmas, in the same group, have earned £139,708 for the year to mid-June, as against £75,258 for the previous period. The first report of Hawker Aircraft reveals total profits of £154,117, which exceeds the prospectus statements of last year.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Imperial Bank of Persia, P. and O. Banking Corporation, W. T. Henley's Telegraph Works, Trust Company of London and Scotland, Powell Duffryn Steam Coal, Nigel Van Ryn Reefs, Hovis, Ohlsson's Cape Breweries, Great Boulder Proprietary Gold Mines, and Scribbans and Company. The chairmen of both the Powell Duffryn Steam Coal Company and Henley's Telegraph Works Company had something to say on the extremely valuable accessory of a progressive manufacturing concern—the research department. Mr Hann at the Powell

Duffryn meeting said that their research staff were constantly studying the ever-changing needs of the market in regard to both coal and its by-products. And he pointed out that since 1928 Powell Duffryn had developed from a purely mining concern into an organisation with world-wide interests. Sir Montague Hughman told the Henley's shareholders that as the result of patient research the past year had seen the development of several new and improved products which had already proved highly successful. At the Imperial Bank of Persia Sir Hugh Barnes told a tale of steady progress in Persia "due mainly to the constant supervision exercised by H.I.M. The Shah." Foreign exchange remains a free market, and there has been some relaxation of import restrictions. But in Persia and Iraq, as elsewhere, Japanese competition has been working increasingly to the detriment of the Manchester trade. Mr Preston had a less favourable account to give of Far Eastern conditions at the P. and O. Banking Corporation meeting. In China, particularly, where the full blast of the economic blizzard was not felt until some time after it had fallen on other countries, there had been acute depression and stagnation of external trade last year. Mr Dence, the Hovis chairman, complained as in previous years of the unfair competition with which millers were faced from subsidised or dumped foreign flour, and protested against attempts artificially to limit the supply of wheat, the millers' raw material. Mr Philip Hill gave the Scribbans shareholders the news that the company was establishing a subsidiary in the Irish Free State.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET	ACCOUNT
July 10	July 12

MARKETS this week have been unable to shake off the recent feeling of heaviness. No major influences were at work to justify a further advance, but, at the same time, the preservation of a sound technical position and the maintenance of trade activity at home have prevented any recourse to selling. So long as recent purchases find an ultimate home in investors' safes, the changes of serious reaction are small, but the deflation of speculative interest has led to quiet conditions of trading such as are usually reserved for August.

Gilt-edged stocks made no decided movement until mid-week, when War Loan moved slightly higher. Old Consols and Local Loans, however, which followed a recessionary trend early in the week, showed little inclination to follow the lead, but 3 per cent. Conversion and Funding Fours reached high levels on Thursday. India Loans became firmer in sympathy with gilt-edged, and Australian stocks were in continued demand on the report of a General Election in September.

In the foreign bond market, German bonds, after being marked down on the tragic events of the week-end, improved on Wednesday in correct anticipation of the agreement on the "Young" and "Dawes" service (discussed on pages 8 and 21). Quotations improved by 3 points on Thursday, the "Young" rising to 49 and the "Dawes" to 67. Among South American issues, Sar Paulo Coffee bonds were dull owing to delayed coupon payments, and Brazilian issues generally were of little interest. Argentine issues moved between narrow limits. Japanese issues were weaker on the resignation of the Cabinet, but Chinese bonds were little changed.

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Dullness permeated the Home Rail market owing to apprehension regarding the wages developments and talk of strike action, but the traffics for the last week of the half-year (analysed on page 22) put the market in a less nervous mood. The outstanding feature was the sharp demand for London Transport "C" stock, which gained 4½ points on Wednesday, partly on a more favourable estimation of the dividend prospects, which led to an improved demand in a market short of stock. Foreign rail stocks were almost at a standstill.

Dealers in the industrial market complained that the week-end events in Germany were responsible for Monday's hesitation, but the fact that business showed no power of recovery in later days suggested causes nearer home. Wall Street dullness and fine weather notwithstanding, the market has more reason to hesitate until the level of economic activity shows movement in one direction or the other. Conditions in the electric supply market were steadier than of late, and equipment shares continued in fair request. Iron, coal and steel shares enjoyed some support, although price movements were small. Wm. Cory declined in conformity with this week's offer for sale of the P. and O. holding. Aviation and motor shares were quiet, and quotations where changed moved irregularly. Among rayon shares, Courtaulds alone were of definite interest, and fluctuated considerably on estimation of the interim dividend and the effect of the Excise cut (discussed on page 26). In the stores section, attention was directed principally to Marks and Spencer, and Woolworth. Brewery shares followed the general trend, and distillery issues declined under profit-taking sales. Tobacco shares were undecided, and showed narrow movements. Shipping shares enjoyed good support pending the subsidy statement, but reacted later on disappointment with its terms. Although some favourite counters in the miscellaneous section, such as Dunlop and Turner and Newall, made some recovery after an uninteresting opening, the group as a whole showed irregular small movements.

Business in the oil market continued small, and Continental interest was almost negligible. Rubber shares responded actively to the achievement of the magic figure of 7d. for the commodity, demand being concentrated principally upon sound issues for investment purposes. Tea shares were fairly steady, but some selling of leading issues caused slight irregularity in mid-week dealings.

In the mining markets, Kaffir shares wavered, but showed a steadier tendency as the week progressed. The Eastern Rand group returned to favour after showing an easier tendency. Randfontein enjoyed some early support, but on the whole the market showed no great response to the very favourable June returns. Quiet conditions prevailed in the West African market, although Gold Coast Selection was firmer on Thursday. Copper shares sagged on the low level of the metal, but tin shares, after three quiet days, were somewhat better later.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	June 28, 1934	June 29, 1934	June 30, 1934	July 2, 1934	July 3, 1934	July 4, 1934	July 5, 1934
Government and Municipal Loans	1,171	1,191		1,288	1,210	1,237	1,151
Transport, Communications, and Public Utilities...	787	867		884	843	870	731
Commercial and Industrial...	2,207	2,719		2,988	2,996	2,847	2,660
Banks, Insurance and Financial...	570	628		649	535	508	512
Mines (including Nitrate)	1,297	1,369		1,381	1,312	1,194	1,320
Oils	133	90		132	113	116	113
Rubber, Tea and Coffee	451	559		555	510	605	976
Total	7,216	7,423		7,877	7,519	7,377	7,463
Corresponding day in 1933	8,555	7,940		7,939	9,734	9,869	10,158

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	June 28, 1934	June 29, 1934	June 30, 1934	July 2, 1934	July 3, 1934	July 4, 1934	July 5, 1934
90.4	83.5	86.8	87.4	Closed	87.3	87.1	87.0	87.0

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (May 17)	Lowest of 1934 (Jan. 2)	June 28, 1934	June 29, 1934	June 30, 1934	July 2, 1934	July 3, 1934	July 4, 1934	July 5, 1934
132.5	128.8	131.2	131.3	Closed	131.2	131.2	131.2	131.3

FOREIGN STOCK EXCHANGES

NEW YORK

Wall Street continues utterly lifeless. The announcement of the constitution of the Stock Exchange Control Commission did nothing to help, for though Mr Pecora is not chairman and is only to be a member for a year, the market has no reason to suppose it will get a better deal from the actual chairman, Mr Joseph Kennedy, *ci-devant* pool operator, a poacher turned gamekeeper. General business news is not discouraging, and the National City Bank, in its latest monthly review, remarks that the seasonal recession of industry is no more than moderate and that general business prospects are quite good, notwithstanding the continued absence of recovery in the capital goods industries. Nevertheless, the tendency of industrials has been downwards, while rails have been adversely affected by the new Pensions Bill which the President has just signed. This is estimated to place an immediate burden of more than \$60 millions on the companies, with the prospect of an increase in the future if this sum proves insufficient to retire all employees over sixty-five years of age. As a slight consolation the R.F.C. has announced that it will not press for the repayment of maturing loans to the companies, but this is not regarded as adequate compensation for the pension liability.

	June 27, 1934	July 3, 1934	July 3, 1934 Eng. equiv.		June 27, 1934	July 3, 1934	July 3, 1934 Eng. equiv.
Lb. Ln. 3½% '32-47	104½	104½	102½	Natl. Biscuit	35½	34	33½
Do. 4½% '32-47	103½	103½	102½	Phelps Dodge	17½	17½	17½
Do. 4½% '33-38	103½	103½	102½	Pullman	50	48	47½
Atchafalpa	59½	58½	57½	Sears-Roebuck	42½	41½	40½
Erie	19½	17½	17½	Studebaker	4½	4½	4½
Illinois Central	24½	23½	23½	Un. Fruit	71½	70½	69½
N.Y. Central	29½	27½	26½	U.S. Leather	18	17	16½
Pennsylvania	31½	29½	28½	U.S. Rubber	18½	17	16½
Southern Pacific	24½	23½	22½	U.S. Steel	39½	37½	37½
Southern Ry.	25	23½	22½	Westinghouse	36½	35½	35½
Union Pacific	120½	117½	116½	Woolworth	50	48½	48½
Am. Can.	96½	95½	94½	Am. Tel. and Tlg.	114½	113	111½
Amer. Smelting	42½	41½	41½	Interboro R.T.	8	7½	7½
Anacosta	15	14	14	Int. Tel. Teleg.	12½	12½	12
Bethlehem Steel	34	32½	32½	Radio Corp.	7	6½	6½
Chrysler Motor	39½	38½	37½	Utilities P. and L.	3	2½	2½
Corn Produce Rf.	68½	64	63½	W. Union Tlg.	45½	42½	41½
Eastman Kodak	98	96½	95½	Associated Gas "A"	22½	22½	22½
Gen. Electric (New)	19½	19	19	Shell	22½	22½	22½
Gen. Motors	31	30	30	Shell Union	35	34	33½
Int. Harvester	33½	32½	31½	Std. California	35	34	33½
Mont. Ward	27½	26½	27½	Do. N.J.	44	43½	42½

† Calculated at \$5.06 to £.

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

	1933	1934 Jan. 1 to July 3	Be-ginning of Year 1934	June 20 1934	June 27 1934	July 3 (t) 1934
	Lowest Highest	Lowest Highest Jan. 3 Feb. 21				
351 Industrials	38.7 86.6	77.5 90.5	79.6 82.0	80.9 79.5		
33 Rails	23.9 54.5	40.6 51.4	40.6 44.8	43.9 42.0		
37 Utilities	66.8 101.0	66.4 83.4	66.4 72.7	72.0 70.1		
Total, 421 stocks	40.9 83.4	70.1 82.1	70.8 74.1	73.1 71.6		
Average yield of 50 Industrial Common Stocks	6.91% 2.65%	3.39% 2.78%	3.17% 3.28%	3.33% 33.0%		

† February 7th. ‡ July 3rd. (t) July 4th was Independence Day.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (June 2)	June 27, 1934	June 28, 1934	June 29, 1934	June 30, 1934	July 2, 1934	July 3, 1934	July 4, 1934
105.0	83.9	88.8	89.4	87.9	87.9	86.8	86.7	(t)

(t) Independence Day.

TOTAL DEALINGS IN NEW YORK

	June 28, 1934	June 29, 1934	June 30, 1934*	July 2, 1934	July 3, 1934	July 4, 1934
Stock Exchange—						
Shares (Thous.)	640	440	190	410	400	
Bonds (Value Thous. \$)	10,800	9,300	5,000	12,100	10,100	Closed (t)
Curb—						
Shares (Thous.)	176	114	64	117	102	

* Two-hour Session.

(t) Independence Day.

PARIS

There was heavy selling of Rentes on Tuesday, due to the effect upon an overbought market of rumours that the Government was to seek powers before the prorogation of Parliament to issue a fresh loan at its discretion; and the weakness communicated itself to other sections. The rumours were subsequently denied, and a partial recovery followed.

	June 27, 1934	July 2, 1934	July 3, 1934		June 27, 1934	July 2, 1934	July 3, 1934
Banque de France	11,540	11,200	11,160	Wagons Lits	80	79½	80
Crédit Lyonnais	2,065	2,050	2,030	Mexican Eagle	37½	36½	35½
Suez Canal	18,875	18,830	18,900	"Chartered"	89	88½	88
Chargeurs Réunis	152	152	147	Ford	50	50½	51½
Rio Tinto	1,430	1,393	1,385	De Beers	371	362	352
Royal Dutch	16,320	16,270	16,180	"Johnnies"	261½	263	260

BERLIN

Owing to the intervention of Saturday, when the Bourse was closed, and of Sunday, the dramatic events of the "Second Revolution" had no panic effect on this week's share market. With the exception of potash issues, which continued their advance, Monday's quotations were very weak, high-priced stocks registering losses of two to five points. Tuesday opened with a further weakening, accompanied by a reaction in potash shares, but the close was somewhat firmer. Last week potash, lignite, steel, and paper and pulp stocks advanced, and among banks Deutsche-Disconto had a substantial rise. The fixed-interest market this week was quiet, but on Tuesday some selling of industrial and buying of State loans occurred.

	June 27, 1934	July 2, 1934	July 3, 1934		June 27, 1934	July 2, 1934	July 3, 1934
Reichsbank	154.50	153.00	154.25	A. E. G.	24.00	22.80	22.75
D.D. Bank	63.00	62.50	61.00	Siemens & Halske	150.75	145.75	146.75
Dresdner (New)	65.75	65.50	65.00	I. G. Farbenin-			
I. G. Farbenin-	149.60	147.50	148.00	dustrie	63.75	61.00	60.50
Norddeutscher	32.90	30.25	30.50	Hamburg-Amer.			
Lloyd (New)				("Hapag-New")	27.75	25.50	25.50

AMSTERDAM

The market has been slightly depressed this week, partly owing to the disturbances in Germany. Rubbers, however, have rallied in the last day or two in response to the higher price of the commodity. A.K.U., Philips Lamps, and Unilever have all dropped appreciably, but Royal Dutch are little changed.

	June 27, 1934	July 2, 1934	July 3, 1934		June 27, 1934	July 2, 1934	July 3, 1934
2½% Dutch Loan	75½	74½	76½	Steel Common	24½	23½	23½
5½% German	35	33½	33½	A. K. U.	39	37½	36½
Unilever N.V.	70½	70	69½	Ford Motor	201½	201	200½
Philips' Lamps	214½	213½	212	Deli Batavia	148	146	146
Netherlands Ship Union	33½	35	34½	Royal Dutch	159	160	158
				Handels Ams	171	166½	160

CAPITAL ISSUES

The week's issues comprise a varied selection of sound industrial and more speculative gold mining issues, the former predominating with a total of approximately £7½ millions, which is much the largest industrial requirement for any recent week. The most interesting and the largest of the industrial issues is the offer at 73s. 6d. per share of 1,500,000 £1 ordinary shares of Wm. Cory and Son, Limited, the coal contractors and steamship owners. These shares represent the bulk of the P. and O. Steam Navigation Company's holding, which is selling the shares to provide funds for shipbuilding now in progress and contemplation. The price at which the offer is made compares with a quoted price, ruling before the announcement, of 77s. 6d.

The issuing house in Baring Brothers, who paid £5,287,500 for the issue, i.e. 70s. 6d. per share, or 3s. below the price of issue, out of which margin it is paying 1s. 3d. per share underwriting and overriding commission, brokerage and advertising expenses. The company has a splendid record of good management and steady profits. For the past three years dividends of 15 per cent. have been paid giving a yield at the sale price of £4 1s. 6d. per cent. A second coal issue is that of 1,000,000 5 per cent £1 preferred ordinary shares in *Powell Duffryn Steam Coal Company*, offered at 20s. 9d. Profits of the company and its subsidiaries for the financial year 1933-34 are computed at £395,000. In view of the profits record in the last three years, and the conversion rights attaching thereto, the shares afford a useful opportunity for participating in the further recovery of the industry, although the difficulties affecting the South Wales section must not be lost sight of. The debenture stock issue of *British Ropes*, viz., £850,000 4½ per cent. stock at 99, is an important element in the reconstruction scheme discussed in a Note on page 26. In view of the much improved profit position shown in the report the stock may be classed as a sound industrial debenture, although perhaps below the top rank. *Trust Houses* issue of £650,000 3½ per cent. debenture stock at £93½ is intended to pay off existing mortgages. The principal is covered more than 3½ times by assets, and the service more than four times by the average adjusted profits for the last five years. The stock is a secure industrial debenture, perhaps fully priced, but carrying the advantage of a moderate capital appreciation on redemption. Of the gold-mining issues, *Kenton Gold Areas* is the largest, and represents the first important financing for the newly-discovered Kakamega fields. It has the advantage of the backing and technical management of the Tanganyika Concessions group, and investors can therefore count on at least a fair run for their money. The prospectus of *Klerksdorp Consolidated Goldfields* is not particularly informative. Applicants must rely largely on the sound reputation of the sponsors. The property is situated on the Western Extension of the Rand, which is the focus of many hopes. *Bushtick Mines* (1934) has acquired a property in the Bulawayo district of Southern Rhodesia which has twice been



You can be sure
of
Shell

opened and closed down. The prospectus information is lacking in detail and the shares must be placed in a very speculative class. Statements "for information" have been issued by *Criterion Restaurants* (£300,000 4 per cent. debenture stock), *John Dale Metal Containers, Wests and Moultons, Limited*, and *Kenya Consolidated Goldfields*. It is understood that the Stock Exchange Committee have deferred consideration of permission to deal in 1,250,000 2s. shares of *Lower Ancobra (Gold Coast) Area* pending publication of the first accounts.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to June 30, 1934, excluding conversions, £96,880,206.
Total recorded, January 1 to June 30, 1934, including conversions, £261,565,876.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
Trust Houses, Ltd., £650,000 3½% Deb. Stk. at 93½%.....	650,000	...	607,750	32,500	575,250
Bushtick Mines (1934), 400,000 shares 10s. at par.....	200,000	...	200,000	100,000	100,000
Kentan Gold Areas, 2,000,000 shares 10s. at par.....	1,000,000	...	1,000,000	500,000	500,000
Cory (Wm.) and Son, Ltd., 1,500,000 ord. £1 shares at 73s. 6d.....	1,500,000	...	5,512,500	375,000	5,137,500
Klerksdorp Consolidated Goldfields, 1,000,000 Ord. Shares 5s. at par.....	250,000	...	250,000	50,000	200,000
Powell Duffryn Steam Coal Co., 1,000,000 5% Preferred Ord. shares £1, at 20s. 9d.....	1,000,000	820,000(1)	217,500	50,000	987,500
Total	4,600,000	820,000	7,787,750	1,107,500	7,500,250

(1) To repay Great Western Colliery £800,000 5½% debenture stock at 102½%.

To Shareholders only					
Allsopp Brewery Investments, £895,238 4% Deb. Stk. at 99½% (to repay 6% Deb. Stk. at £104 8s. 9d.).....	895,238	890,724	...	85,044	805,680
Bournemouth and Poole Electricity Supply, £400,000 3½% Deb. Stk. at 99% (partly to repay £187,500 4½% Deb. Stk. at 107%).....	400,000	200,625	195,975	20,000	376,000
British Ropes, £850,000 4½% Deb. Stk. at 99% (to repay 6% Deb. Stk.).....	850,000	841,500	...	85,000	756,500
London and Rhodesian Mining and Land, 538,462 5s. shares at par.....	134,615	...	134,615	67,307	67,308
Total	2,279,833	1,932,849	330,590	257,351	2,005,488

	Including Conversions	Excluding Conversions	Whole year—	Including Conversions	Excluding Conversions
Total Offered for Subscription—					
Jan. 1 to date—					
1934.....	272,487,065	105,048,246	1933.....	467,921,500	244,780,500
1933.....	187,571,699	111,601,465	1932.....	2,699,684,265†	188,909,963
1932.....	282,423,839	163,689,174	1931.....	114,290,696	102,044,291
1931.....	102,875,076	92,978,091	1930.....	454,888,784	267,800,700
1930.....	270,700,924	181,787,578	1929.....	488,765,940	285,239,040
1929.....	210,951,078	179,625,478	1928.....	693,100,056	369,058,073
1928.....	...	259,282,485	1927.....	...	355,165,970
1927.....	...	225,072,416	1926.....	...	230,782,801
1926.....	...	136,973,561	1925.....	...	232,214,500
1925.....	...	119,729,428			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Loan.	Nature of Borrowing			
	Debentures, Bonds, etc.	Preference Stocks and Shares	Ordinary Stocks and Shares	Total
January 1 to date—	£			
1934.....	69,400,585	9,037,737	26,610,224	105,048,246
1933.....	99,933,409	6,187,185	5,460,871	111,601,465
Whole year—				
1927.....	228,958,000	36,836,600	89,371,400	355,166,000
1928.....	212,917,900	45,062,600	111,177,600	369,158,100
1929.....	137,670,300	31,543,400	116,025,700	285,239,400
1930.....	230,354,800	15,834,600	22,090,100	268,279,500
1931.....	74,935,600	6,911,900	20,296,800	102,144,300
1932.....	170,172,800	12,773,800	5,963,400	188,910,000
1933.....	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded.....	11,096,794	...	13,987,353
Total to date, 1934.....	11,096,794	...	13,987,353
Total to date, year 1933.....	24,566,026	...	26,212,573

PUBLIC OFFERS

British Ropes, Ltd.—Issue of £850,000 4½ per cent. first mortgage debenture stock at £99 per cent. The company was formed in 1924 to amalgamate a group of rope manufacturers, and production is now concentrated in 14 factories. It is proposed to reorganise the company by writing £1,795,108 off intangible and tangible assets. Tangible assets as at February 28, 1934, are stated at £2,732,552, and after deducting current liabilities and 6 per cent. debenture stock, the net assets, including proceeds of present issue, are £2,423,604. The stock will be redeemable between July 1, 1935, and July 1, 1974, by drawings at par, or on three months' notice at £102½ from July 2, 1944, to July 2, 1954, and at £101 to July 2, 1964. The stock will be secured, subject to existing £744,775 6 per cent. stock, repayable November 5, 1934, at £105 per cent., by specific mortgage and floating charges.

Bushtick Mines (1934), Ltd.—Issue of 400,000 shares of 10s. each at par. The company has been registered in Southern Rhodesia to acquire 427 gold claims approximately 880 acres in extent for consideration of £250,000 to be satisfied by allotment of 500,000 shares. The property was worked from 1906 to 1914 and from 1918 to 1920, 94,911 ounces of gold being recovered, ore value being 15s. 10d. per ton at 85s. The principal section of the mine is full of water, and ore developments have been calculated at 184,442 tons averaging 4.69 dwts. on the basis of the mine plans. Cost of re-equipment and development programme is estimated at £153,200.

Kentan Gold Areas, Ltd.—Issue of 2,000,000 shares of 10s. each at par. The company has been formed to acquire (a) 97 per cent. of the issued capital of East African Concessions, Ltd., which holds part interests in seven prospecting licences, claims and options in Kakamega, and (b) exclusive prospecting licence to August 31, 1934, renewable for four years, over 1,450 square miles in North Kavirondo, Kenya; (c) option to purchase prospecting licences over 220 square miles in Tanganyika; (d) option to purchase 80 per cent. interest in prospecting licence over five square miles in Uganda. The purchase consideration payable in cash is £440,000, the vendors having applied for 1,110,000 shares of the issue at par. The properties are in various stages of development. The Kakamega area includes Kiminque reef, which is being developed to 500-foot level, and preliminary tests indicate total value of 15 dwts. per ton, working costs being estimated at about 30s. £505,000 will be available for working capital after purchase consideration and preliminary expenses.

Klerksdorp Consolidated Goldfields, Ltd.—Issue of 1,000,000 ordinary shares of 5s. each at par. The company has acquired freehold land mining and prospecting rights over 27,000 morgen in Transvaal Province. It is estimated that 16,000,000 tons of payable ore will be available on these properties, which are thought to contain the Main Reef formations, and sampling indicates an average grade of 6 dwts. Costs are estimated at 14s. per ton, and on initial output of 15,000 tons of 6-dwt. grade and 95 per cent. extraction, profits are estimated at £220,272 per annum, with gold at 135s. per ounce. Capital expenditure is estimated at £195,800. The properties have been acquired for consideration of £250,000, to be satisfied by allotment of 1,000,000 shares. Subscribers will be granted options, exercisable on various terms before July 1, 1936, to take up ten shares for every fifty allotted shares, and 800,000 shares are also under option on similar terms.

The Powell Duffryn Steam Coal Company, Ltd.—Issue of 1,000,000 5 per cent. preferred ordinary shares of £1 each at 20s. 9d. per share. The company was formed in 1864, and owns 26 collieries, with capacity of 10,000,000 tons per annum, coke ovens and by-product plants, etc. Profits, before tax and amortisation and after eliminating inter-company dividends, have been: 1931–32, £256,717; 1932–33, £333,447; and for fifteen months of the parent group and financial years ended in 1933–34 for other companies, £465,090. The annual rate for the group for 1933–34 is stated at £395,000. The proceeds of the issue will be applied to redemption, at £102½, of £800,000 5½ per cent. debenture stock of Great Western Colliery Company (which is guaranteed by the company) and for general purposes. The shares will be convertible into ordinary stock within four weeks of the annual general meetings in 1935 and 1936.

BY OFFER FOR SALE

Trust Houses, Ltd.—Offer of £650,000 3½ per cent. debenture stock at £93½ per cent. The company was formed in 1903 and owns 210 hotels, inns and restaurants in London and Great Britain. Proceeds of the issue are required to repay existing mortgages amounting to £573,571. Net assets, including proceeds, are stated at £2,471,042, and profits, before debenture interest for years to March 31st have been: 1932, £144,805; 1933, £128,559; 1934, £145,954. The stock is redeemable at par by operation of sinking fund between July 1, 1936, and July 1, 1964, or after July 1, 1944, on three months' notice. Messrs. Lazard Bros. and Company, Ltd., have agreed to purchase the issue for £90 per cent.

Wm. Cory and Son, Ltd.—Offer for sale of 1,500,000 ordinary shares of £1 each at 73s. 6d. per share. The company was formed in 1896 to acquire the coal contractors' business established 100 years previously. The Peninsular and Oriental Steam Navigation Company having held a large block of ordinary shares for some years has sold 1,500,000 such shares to Baring Brothers and Company, Ltd., for consideration of £5,287,500 to provide funds for shipbuilding. Profits after taxation and debenture interest for years ended March 31st have been: 1932, £512,148; 1933, £546,994; 1934, £552,039; and net assets at March 31, 1934, were £6,174,422. Applications must be for not less than 25 shares.

BY STOCK EXCHANGE INTRODUCTION

The Criterion Restaurants, Ltd.—Particulars of issue of £300,000 4 per cent. mortgage debenture stock. The company was incorporated in 1919 and owns premises under Crown lease expiring in 2002, of theatre, restaurant and office properties at Piccadilly Circus, yielding profit rental of approximately £13,000. The issue, proceeds of which will be utilised for redemption of £85,525 7 per cent. debentures and mortgage of £200,000, will be redeemed at £102½ per cent. from 1935 to 1977 by cumulative sinking fund of 1 per cent., or at £105 per cent. on six months' notice. Profits, before tax and debenture interest, but after capital redemption policies have been for years to March 31st: 1932, £38,296; 1933, £41,848; 1934, £36,708.

John Dale Metal Containers, Ltd.—Issued share capital, 75,000 5½ per cent. cumulative preference shares of £1 each and 300,000 ordinary shares of 5s. each. The company has been incorporated to acquire a container manufacturing business established twenty years ago. The consideration payable is £140,000 as to £65,000 in cash and as to balance by allotment of 300,000 ordinary shares. Net assets acquired amount to £143,664. Profits for years to December 31 have been: 1931, £12,735; 1932, £16,440; 1933, £17,537. The company will receive benefit of profits from January 1, 1934. Messrs. Nathan and Rosselli have agreed to subscribe for 75,000 preference shares at par.

Wests and Moultons, Ltd.—Particulars of issued capital, 450,000 shares of 5s. each, fully paid. The company has been formed to acquire general drapery businesses of Wests (Ilford), Ltd., and Barkers (Romford), Ltd. Net assets on basis of latest balance sheets are £108,814 and are acquired at par by issue of 435,256 shares of 5s. each. Working capital is stated at £17,335, including proceeds of issue of 14,744 shares of 5s. each at par. Profits of the companies acquired, before depreciation, taxation, and interest have been: 1931–32, £21,356; 1932–33, £20,221; 1933–34, £22,968.

Kenya Consolidated Goldfields, Ltd. (Incorporated in Kenya).—Issued capital, 580,000 shares of 5s. each, fully paid. The company holds exclusive prospecting licence over an area equivalent to 470 gold reef claims known as the Ace, is registered owner of 1,056 claims, has contracted to purchase 169 claims including the Lolgorien Mine, and has option to purchase 153 claims. The properties lie in the Kakamega and Gori River areas. A two-compartment shaft is being sunk on the Guy Fawkes claims in the former area, and the Magor claims in the Gori River area have given values of 22.2 dwts. over 30 inches stopping width. 240,000 shares have been issued for cash at par, and 340,000 shares are to be issued in respect of purchase considerations, credited as fully paid.

ISSUES TO SHAREHOLDERS ONLY

The London and Rhodesian Mining and Land Company, Ltd.—The directors have decided to offer the whole of the available unissued shares to all shareholders on the register at July 7, 1934, at par, i.e., 5s. per share, payable as to 2s. 6d. on application and as to the balance of 2s. 6d. on or before August 7, 1934. The number of available unissued shares is 538,462, and these will be offered, in the first place, as of right in the proportion of one new share for every seven shares registered in the name of shareholders on the above date, fractions ignored. This will absorb 494,505 shares, leaving a balance of 43,957 for which shareholders may also apply. The new shares will rank *pari passu* with the present issued shares and will, therefore, participate in all dividends declared after this date. The books will be closed from July 9th to July 16th, both days inclusive, for preparation of the application forms, with renunciation forms attached, which will be in shareholders' hands on July 17th. The closing date for such application will be Tuesday, July 31, 1934. Full instructions regarding the new issue will be given to the shareholders when the application forms are sent out. The whole of the issue, namely, 538,462 shares, has been underwritten by the African Investment Trust, Ltd., for a cash commission of 4 per cent., and an overriding commission of 1 per cent. on the nominal amount of the said shares.

PRIVATE PLACING

British Celanese.—A line of £200,000 new 5½ per cent. mortgage debenture stock has been placed privately outside the market by British Celanese. This represents the balance of the company's authorised amount of this stock, which is £3,000,000. An issue of £2,800,000 of this stock was made in February last, when holders of 7½ per cent. convertible second mortgage bonds of the company were invited to convert into the new issue.



CONVERSIONS AND REPAYMENTS

Evans (D. H.) and Company.—It is announced by D. H. Evans and Company, Ltd., that the company will on January 1, 1935, redeem the whole of the £150,000 4½ per cent. debenture stock then outstanding at £105 per cent.

Wardle and Davenport.—The directors have intimated their intention to redeem 4½ per cent. first mortgage debenture stock on January 1st next at 105 per cent., plus accrued interest.

BY TENDER

Watford and St. Albans Gas Company.—Offer by tender of £50,000 4 per cent. redeemable debenture stock, 1963, at a minimum price of £104 per £100 stock and £113,564 5 per cent. preference stock at a minimum price of £123 10s. per £100 stock. Tenders are invited not later than Monday, July 16th, for the above issues. Forms may be obtained from Secretary, Gas Works, Watford; Lloyds Bank, Watford; and Angel H. Hart and Company, Pinners Hall, E.C.2.

FORTHCOMING ISSUES

City of London Real Property Company.—An issue of £600,000 3½ per cent. stock at 98 will be made shortly. The proceeds will be utilised to pay off existing mortgages, and the company will effect a substantial saving in interest.

Griffiths Hughes Proprietaries.—Lists will be opened on July 10th for an issue of 1,000,000 5½ per cent. cumulative preference shares of £1 at 20s. 6d. per share. The prospectus will show that the net profits of E. Griffiths Hughes, Ltd., and its subsidiary companies, for the year ended March, 1934, were £451,370, and that the average annual net profits of the company and its subsidiary companies for the last five years were £382,460. 1,500,000 £1 ordinary shares will be marketed about a week after the preference issue.

South-Eastern Gas Corporation.—An extraordinary meeting of the South-Eastern Gas Corporation will be held on July 18th to consider a proposal to increase the capital to £2,500,000 by the creation of 500,000 £1 shares. Of these 250,000 will be ordinary shares and 250,000 redeemable 4½ per cent. cumulative preference shares. The latter will carry the same rights and privileges as the existing 1,000,000 preference shares.

RESULTS OF ISSUES

Great Western Gold Mining.—It is understood that the underwriters have had to take up about 20 per cent. of the 190,000 5s. shares in the Great Western Gold Mining Company, which were offered for sale at 7s. per share on June 27th.

Bushtick Mines (1934).—The list of applications in connection with the issue of 400,000 shares of 10s. each at par, in Bushtick Mines (1934) was closed at 9.25 a.m. July 3rd.

Trust Houses.—Lazard Brothers and Company announces that the list of applications for the offer for sale at 93½ of £650,000 3½ per cent. debenture stock of Trust Houses was closed at 9.20 a.m. July 23rd.

Kentan Gold Areas, Ltd.—The list for the issue of 2,000,000 shares of 10s. each was closed at 9.15 a.m. July 3rd, the amount having been very heavily over-subscribed.

Wm. Cory and Son, Ltd.—Lists of applications for the "offer for sale" at 73s. 6d. each of 1,500,000 shares of £1 each of Wm. Cory and Son, Ltd., were closed at 9.30 a.m. July 5th. It is announced that the amount was fully applied for.

Klerksdorp Consolidated Goldfields.—It is announced that the issue of 1,000,000 ordinary 5s. shares at par by Klerksdorp Consolidated Goldfields, Ltd., was heavily over-subscribed and the lists were closed at 9.2 a.m. July 5th, or two minutes after they had opened.

(Continued on page 34)

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933	Prices Year 1934 (Jan. 1 to July 4)	Name of Security	Price, June 27, 1934	Price, July 4, 1934	Rise or Fall	Yield	Prices Year 1933	Prices Year 1934 (Jan. 1 to July 4)	Name of Security	Price, June 27, 1934	Price, July 4, 1934	Rise or Fall	Yield
High-Low	High-Low					£ s. d.	High-Low	High-Low					£ s. d.
77 1/2-80 1/2	82 1/2-83 1/2	Consols 2 1/2%	79 1/2	80	+ 1/2	3 2 6	7 1/2-8 1/2	8 1/2-8 3/4	Anglo S. A. 10 1/2% pd	5 1/2	5 1/2	...	Nil
110 1/2-113 1/2	113 1/2-115 1/2	Do. 4% Red. at par on or after Feb. 1957(n)	112 1/2	113 1/2	+ 1/2	3 5 7	7 1/2-8 1/2	8 1/2-8 3/4	American B. 1 1/2% pd	6 1/2	6 1/2	...	Nil
94 1/2-97 1/2	96 1/2-98 1/2	Consols 2 1/2% 1944-49	96 1/2	97 1/2	+ 1/2	2 16 6	7 1/2-8 1/2	8 1/2-8 3/4	Bank of N. Zealand 1 1/2%	4 1/2	4 1/2	...	3 17 3
101 1/2-103 1/2	102 1/2-104 1/2	Do. 3% 1948-53	101 1/2	102 1/2	+ 1/2	2 18 7	7 1/2-8 1/2	8 1/2-8 3/4	Bank of Eng. S. 100	3 5 1/2	3 5 1/2	...	3 17 3
111 1/2-113 1/2	112 1/2-114 1/2	Do. 3% After 1967	111 1/2	112 1/2	+ 1/2	2 15 3	7 1/2-8 1/2	8 1/2-8 3/4	Barclay B. 1 1/2%	7 1/2	7 1/2	...	2 15 6
118 1/2-120 1/2	119 1/2-121 1/2	Do. 4% 1940-44	118 1/2	119 1/2	+ 1/2	2 18 0	7 1/2-8 1/2	8 1/2-8 3/4	Barcl. (Dom. & C.) A 1 1/2%	3 1/2	3 1/2	...	4 4 0
113 1/2-115 1/2	114 1/2-116 1/2	Do. 5% 1944-49	113 1/2	114 1/2	+ 1/2	3 0 0	7 1/2-8 1/2	8 1/2-8 3/4	Bk. of Australasia 1 1/2%	4 1/2	4 1/2	...	4 4 0
103 1/2-105 1/2	104 1/2-106 1/2	Funding 4% 1950-90	103 1/2	104 1/2	+ 1/2	3 0 0	7 1/2-8 1/2	8 1/2-8 3/4	Bk. of Montreal 1 1/2%	4 1/2	4 1/2	...	4 4 0
103 1/2-105 1/2	104 1/2-106 1/2	2% Treasury Bds. 35-42	103 1/2	104 1/2	+ 1/2	2 17 0	7 1/2-8 1/2	8 1/2-8 3/4	Do. B. 1 1/2% pd	3 1/2	3 1/2	...	3 5 0
110 1/2-112 1/2	111 1/2-113 1/2	3% Treasury Bds. 43-49	110 1/2	111 1/2	+ 1/2	3 11 6	7 1/2-8 1/2	8 1/2-8 3/4	British Overseas A 1 1/2%	4 1/2	4 1/2	...	4 4 0
102 1/2-104 1/2	103 1/2-105 1/2	Victory Bonds 4%	102 1/2	103 1/2	+ 1/2	3 5 0	7 1/2-8 1/2	8 1/2-8 3/4	Chid. of India 1 1/2%	4 1/2	4 1/2	...	4 4 0
89 1/2-91 1/2	90 1/2-92 1/2	War L. 3% after 1952(p)	89 1/2	90 1/2	+ 1/2	3 5 0	7 1/2-8 1/2	8 1/2-8 3/4	Comcl. Bk. of Aus. 10 1/2%	13 1/2	13 1/2	...	2 14 6
89 1/2-91 1/2	90 1/2-92 1/2	Local Loans 3%	89 1/2	90 1/2	+ 1/2	3 5 0	7 1/2-8 1/2	8 1/2-8 3/4	Do. B. 1 1/2% pd	3 1/2	3 1/2	...	4 4 0
65 1/2-67 1/2	66 1/2-68 1/2	Nigeria 5% 1933-53	65 1/2	66 1/2	+ 1/2	3 14 6	7 1/2-8 1/2	8 1/2-8 3/4	Eng. Scot. & Aust. 1 1/2%	4 1/2	4 1/2	...	4 4 0
78 1/2-80 1/2	79 1/2-81 1/2	India 2 1/2%	78 1/2	79 1/2	+ 1/2	3 16 0	7 1/2-8 1/2	8 1/2-8 3/4	Hambros 1 1/2% pd	9 1/2	9 1/2	...	4 14 6
90 1/2-92 1/2	91 1/2-93 1/2	Do. 3%	90 1/2	91 1/2	+ 1/2	3 15 9	7 1/2-8 1/2	8 1/2-8 3/4	Hong. and S. 1 1/2%	13 1/2	13 1/2	...	4 11 0
111 1/2-113 1/2	112 1/2-114 1/2	Do. 4% 1958-68	111 1/2	112 1/2	+ 1/2	3 14 0	7 1/2-8 1/2	8 1/2-8 3/4	Hynds 1 1/2% pd	5 1/2	5 1/2	...	4 3 0
107 1/2-109 1/2	108 1/2-110 1/2	U.K. & Afr. 1924-53	107 1/2	108 1/2	+ 1/2	3 9 9	7 1/2-8 1/2	8 1/2-8 3/4	Northern 1 1/2% pd	8 1/2	8 1/2	...	3 12 0
111 1/2-113 1/2	112 1/2-114 1/2	Dom. & Colonial Govts.	111 1/2	112 1/2	+ 1/2	3 9 9	7 1/2-8 1/2	8 1/2-8 3/4	Midland 1 1/2% pd	8 1/2	8 1/2	...	3 12 0
106 1/2-108 1/2	107 1/2-109 1/2	Australia 5% 1945-75	106 1/2	107 1/2	+ 1/2	4 1 6	7 1/2-8 1/2	8 1/2-8 3/4	Nat. of Egypt 1 1/2%	4 1/2	4 1/2	...	3 3 2
106 1/2-108 1/2	107 1/2-109 1/2	Canada 4% 1940-60	106 1/2	107 1/2	+ 1/2	3 5 6	7 1/2-8 1/2	8 1/2-8 3/4	Nat. of India 1 1/2%	4 1/2	4 1/2	...	3 3 2
114 1/2-116 1/2	115 1/2-117 1/2	Gold Coast 4 1/2% 1956	114 1/2	115 1/2	+ 1/2	3 11 6	7 1/2-8 1/2	8 1/2-8 3/4	Nat. of Ind. 1 1/2%	4 1/2	4 1/2	...	4 4 0
116 1/2-118 1/2	117 1/2-119 1/2	N.S. Wales 5% 1935-55	116 1/2	117 1/2	+ 1/2	3 13 9	7 1/2-8 1/2	8 1/2-8 3/4	Royal Bk. of Scot. 1 1/2%	4 1/2	4 1/2	...	3 12 0
104 1/2-106 1/2	105 1/2-107 1/2	N.Z. 5% 1945-65	104 1/2	105 1/2	+ 1/2	4 0 3	7 1/2-8 1/2	8 1/2-8 3/4	St. M. A. 1 1/2% pd	13 1/2	13 1/2	...	3 12 0
107 1/2-109 1/2	108 1/2-110 1/2	Queensland 5% 40-60	107 1/2	108 1/2	+ 1/2	3 14 3	7 1/2-8 1/2	8 1/2-8 3/4	Westminster 1 1/2%	8 1/2	8 1/2	...	4 0 6
114 1/2-116 1/2	115 1/2-117 1/2	S. Africa 5% 1945-75	114 1/2	115 1/2	+ 1/2	3 11 0	7 1/2-8 1/2	8 1/2-8 3/4	Alexanders 1 1/2% pd	7 1/2	7 1/2	...	4 18 0
105 1/2-107 1/2	106 1/2-108 1/2	Foreign Government	105 1/2	106 1/2	+ 1/2	4 5 9	7 1/2-8 1/2	8 1/2-8 3/4	Bank of India 1 1/2%	12 1/2	12 1/2	...	4 17 0
105 1/2-107 1/2	106 1/2-108 1/2	Argentina 4% Resc. 1952	105 1/2	106 1/2	+ 1/2	5 15 6	7 1/2-8 1/2	8 1/2-8 3/4	Union, 5% 1 1/2% pd	11 1/2	11 1/2	...	4 7 0
74 1/2-76 1/2	75 1/2-77 1/2	Do. 7% Int. Ref. by 1957	74 1/2	75 1/2	+ 1/2	8 13 9	7 1/2-8 1/2	8 1/2-8 3/4	Alliance 1 1/2% pd	2 1/2	2 1/2	...	3 8 0
74 1/2-76 1/2	75 1/2-77 1/2	B. Aires (Prov.) 3 1/2%	74 1/2	75 1/2	+ 1/2	7 2 9	7 1/2-8 1/2	8 1/2-8 3/4	Atlas 1 1/2% pd	13 1/2	13 1/2	...	2 19 10
115 1/2-117 1/2	116 1/2-118 1/2	Belgian 7% Red. 1956	115 1/2	116 1/2	+ 1/2	10 0 0	7 1/2-8 1/2	8 1/2-8 3/4	Com. Un. 1 1/2% pd	9 1/2	9 1/2	...	3 16 0
78 1/2-80 1/2	79 1/2-81 1/2	Bulgaria 7 1/2% Loan	78 1/2	79 1/2	+ 1/2	6 7 6	7 1/2-8 1/2	8 1/2-8 3/4	Gen. Acc. 1 1/2% pd	18 1/2	18 1/2	...	3 6 9
27 1/2-29 1/2	28 1/2-30 1/2	Brazil 5% Fund. 1914	27 1/2	28 1/2	+ 1/2	7 2 6	7 1/2-8 1/2	8 1/2-8 3/4	N. & Lanc. 1 1/2% pd	30 1/2	30 1/2	...	3 0 0
91 1/2-93 1/2	92 1/2-94 1/2	Chili 6% (1929)	91 1/2	92 1/2	+ 1/2	7 2 6	7 1/2-8 1/2	8 1/2-8 3/4	L. & Mer. 1 1/2% pd	38 1/2	38 1/2	...	3 0 0
85 1/2-87 1/2	86 1/2-88 1/2	China 5% (1912)	85 1/2	86 1/2	+ 1/2	5 6 0	7 1/2-8 1/2	8 1/2-8 3/4	Northern 1 1/2% pd	18 1/2	18 1/2	...	4 3 3
105 1/2-107 1/2	106 1/2-108 1/2	Do. 5% (1913)	105 1/2	106 1/2	+ 1/2	5 6 0	7 1/2-8 1/2	8 1/2-8 3/4	Pearl 1 1/2% pd	18 1/2	18 1/2	...	4 3 3
85 1/2-87 1/2	86 1/2-88 1/2	Czechoslovakia 8%	85 1/2	86 1/2	+ 1/2	7 11 0	7 1/2-8 1/2	8 1/2-8 3/4	Phoenix 1 1/2% pd	15 1/2	15 1/2	...	2 18 9
80 1/2-82 1/2	81 1/2-83 1/2	Danish 3%	80 1/2	81 1/2	+ 1/2	7 15 0	7 1/2-8 1/2	8 1/2-8 3/4	Prudential 1 1/2% pd	32 1/2	32 1/2	...	2 18 0
104 1/2-106 1/2	105 1/2-107 1/2	Egypt United 4%	104 1/2	105 1/2	+ 1/2	3 15 9	7 1/2-8 1/2	8 1/2-8 3/4	Do. 1 1/2% pd	87 1/2	87 1/2	...	1 14 3
104 1/2-106 1/2	105 1/2-107 1/2	Estonia 7% 1923	104 1/2	105 1/2	+ 1/2	8 17 3	7 1/2-8 1/2	8 1/2-8 3/4	Royal Bk. of Ind. 1 1/2%	8 1/2	8 1/2	...	3 19 10
101 1/2-103 1/2	102 1/2-104 1/2	Finland 6% 1923	101 1/2	102 1/2	+ 1/2	5 0 0	7 1/2-8 1/2	8 1/2-8 3/4	Royal Bk. 10% pd	8 1/2	8 1/2	...	3 14 6
20 1/2-22 1/2	21 1/2-23 1/2	French 4% (1918)	20 1/2	21 1/2	+ 1/2	4 4 4	7 1/2-8 1/2	8 1/2-8 3/4	Sea Insur. 1 1/2% pd	4 1/2	4 1/2	...	3 14 6
100 1/2-102 1/2	101 1/2-103 1/2	German 7%	100 1/2	101 1/2	+ 1/2	11 7 9	7 1/2-8 1/2	8 1/2-8 3/4	Sun. Insur. 1 1/2% pd	4 1/2	4 1/2	...	2 17 0
92 1/2-94 1/2	93 1/2-95 1/2	Do. 5 1/2% Stg. Bds. 1930	92 1/2	93 1/2	+ 1/2	12 1 9	7 1/2-8 1/2	8 1/2-8 3/4	Sun. Life Assur. 1 1/2% pd	6 1/2	6 1/2	...	2 9 6
24 1/2-26 1/2	25 1/2-27 1/2	Greek 5% 1926	24 1/2	25 1/2	+ 1/2	...	7 1/2-8 1/2	8 1/2-8 3/4	Y. M. C. B. 1 1/2% pd	17 1/2	17 1/2	...	2 12 3
58 1/2-60 1/2	59 1/2-61 1/2	Do. 7% Refuge	58 1/2	59 1/2	+ 1/2	...	7 1/2-8 1/2	8 1/2-8 3/4	Investment Trusts	23 1/2	23 1/2	...	4 0 0
93 1/2-95 1/2	94 1/2-96 1/2	Hungary 7 1/2%	93 1/2	94 1/2	+ 1/2	16 17 0	7 1/2-8 1/2	8 1/2-8 3/4	Anglo-American Deb.	23 1/2	23 1/2	...	4 2 1
93 1/2-95 1/2	94 1/2-96 1/2	Japanese 5 1/2% 1926-35	93 1/2	94 1/2	+ 1/2	6 5 4	7 1/2-8 1/2	8 1/2-8 3/4	Anglo-Celtic Ord.	5 1/2	5 1/2	...	2 15 1
97 1/2-99 1/2	98 1/2-100 1/2	Do. 6% (1924)	97 1/2	98 1/2	+ 1/2	9 11 1/2	7 1/2-8 1/2	8 1/2-8 3/4	Atlas 1 1/2% pd	7 1/2	7 1/2	...	7 10 1/2
107 1/2-109 1/2	108 1/2-110 1/2	Norwegian 4% 1911	107 1/2	108 1/2	+ 1/2	14 13 1/2	7 1/2-8 1/2	8 1/2-8 3/4	Debutante Corp. S. 1 1/2%	21 1/2	21 1/2	...	4 8 0
87 1/2-89 1/2	88 1/2-90 1/2	Peru 7 1/2% 1922	87 1/2	88 1/2	+ 1/2	7 10 0	7 1/2-8 1/2	8 1/2-8 3/4	For. Amer. etc. 1 1/2%	7 1/2	7 1/2	...	5 6 8
87 1/2-89 1/2	88 1/2-90 1/2	Poland 7%	87 1/2	88 1/2	+ 1/2	155 120	7 1/2-8 1/2	8 1/2-8 3/4	Guardian Investment	12 1/2	12 1/2	...	3 18 5
29 1/2-31 1/2	30 1/2-32 1/2	Roumania 4% Con. 1922	29 1/2	30 1/2	+ 1/2	210 3 6	7 1/2-8 1/2	8 1/2-8 3/4	Indus. and Gen. Ord.	220 220	220 220	...	4 1 10
101 1/2-103 1/2	102 1/2-104 1/2	Swedish 3 1/2% 1908	101 1/2	102 1/2	+ 1/2	169 180	7 1/2-8 1/2	8 1/2-8 3/4	Invest. Trust Def.	28 1/2	28 1/2	...	4 5 9
102 1/2-104 1/2	103 1/2-105 1/2	U.K. & Argentine 1935	102 1/2	103 1/2	+ 1/2	169 180	7 1/2-8 1/2	8 1/2-8 3/4	Lake View Invest.	25 1/2	25 1/2	...	4 0 0
65 1/2-67 1/2	66 1/2-68 1/2	5 1/2% B. Certs. (1931)	65 1/2	66 1/2	+ 1/2	263 215	7 1/2-8 1/2	8 1/2-8 3/4	Maritime Investment	250 230	250 230	...	4 0 0
105 1/2-107 1/2	106 1/2-108 1/2	Do. C. Certs. (3% Max.)	105 1/2	106 1/2	+ 1/2	174 128	7 1/2-8 1/2	8 1/2-8 3/4	Merchants Trust Ord.	163 163	163 163	...	4 18 3
73 1/2-75 1/2	74 1/2-76 1/2	Corporation Stocks	73 1/2	74 1/2	+ 1/2	293 267 1/2	7 1/2-8 1/2	8 1/2-8 3/4	Metropolitan Trust	290 290	290 290	...	4 2 9
116 1/2-118 1/2	117 1/2-119 1/2	Berlin 6% 1932-57	116 1/2	117 1/2	+ 1/2	56 5 1/2	7 1/2-8 1/2	8 1/2-8 3/4	Nineteen Twenty-eight	54 1/2	54 1/2	...	2 10 0
116 1/2-118 1/2	117 1/2-119 1/2	Birmingham 5% 1946-56	116 1/2	117 1/2	+ 1/2	3 8 6	7 1/2-8 1/2	8 1/2-8 3/4	Scottish Investment (5-)	6 3/4	6 3/4	...	3 12 0
87 1/2-89 1/2	88 1/2-90 1/2	Bristol 5% 1948-58	87 1/2	88 1/2	+ 1/2	7 6 3	7 1/2-8 1/2	8 1/2-8 3/4	Scottish Mortgage, etc.	163 163	163 163	...	5 4 0
113 1/2-115 1/2	114 1/2-116 1/2	Danish 7% 1935-45	113 1/2	114 1/2	+ 1/2	169 157 1/2	7 1/2-8 1/2	8 1/2-8 3/4	Trustees Corp. Ord.	172 172	172 172	...	4 9 10
107 1/2-109 1/2	108 1/2-110 1/2	E. London 5% 1960-70	107 1/2	108 1/2	+ 1/2	185 150	7 1/2-8 1/2	8 1/2-8 3/4	Unicredit Debiture	190 190	190 190	...	4

(Continued from page 31)

CALLS DUE JULY 9 TO JULY 14, 1934

The grand total of calls falling due in July, 1934, is £38,114,125 which compares with £38,108,501 which fell due in July, 1933. The following calls fall due from July 9, 1934, to July 14, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	Allsopp Brewery Investments, Ltd. (£895,238 4% Guaranteed First Mortgage Debenture Stock, at 99½%)	£91%	July 10	£91%
Stock	Bowater's Paper Mills, Ltd. (£300,000 4½% Deb. Stock, at par)	£90%	July 10	All
Stock	British Ropes, Ltd. (£850,000 4½% Deb. Stock, at 99½%)	£10%	July 10	£10%
10/-	Durban Roadport Deep, Ltd.	30/- p.s.	July 10	All
£1	Electrical Distribution of Yorkshire, Ltd. (300,000 6% Cum. Pref. Shares, at 24/- per share)	6/- p.s.	July 9	14/- p.s.
£1	Greenwood (John) Millers (1934), Ltd. (301,200 5½% Cum. Pref. Sh. at 21/- per sh.)	10/- p.s.	July 12	All
£1	Jones (A.) and Sons, Bootmakers, Ltd. (62,500 6½% Cum. Pref. Shares, at par)	10/- p.s.	July 14	All
1/-	Smith (S.) and Sons (Motor Accessories), Ltd. (280,000 New Deferred Ordinary Shares, at 3/- per share)	1/- p.s.	July 12	1/- p.s.
£1	Do. (50,000 new Preferred Ordinary Shares, at 30/- per share)	5/- p.s.	July 12	5/- p.s.
£1	South Perak Rubber Syndicate, Ltd. (partly-paid shares)	6d. p.s.	July 9	19/- p.s.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, June 27, 1934	Price, July 4, 1934
Allicombe Estates 5% Deb.	100	50	1-1 pm	1-1 pm
Allied Brick and Tile 5½%	5/-	Fy pd	6/-6/3	5/-5/6
Do. do. 6% Pref.	20/-	Fy pd	17/9-18/3	17/-18/-
Argentine 4½%	93	Fy pd	90½-91½	90½-91
Australia 3½%, 1934-39	97	Fy pd	97½-97½	97½-97½
Baldwins 5% A Deb.	101½	Fy pd	14-14 pm	14-14 pm
Boots Pure Drug New Ord. 5/-	15/-	Fy pd	27/6-28/- pm	43/3-43/9x
Bowater's Paper New 4½% Deb.	100	50	14-24 pm	14-24 pm
British Aluminium Ord.	27/6	11/6	7½d-4½d dis	4½d-1½d dis
Do. do. 6% Cum. Pref.	24/6	10/-	1½d dis-1½d pm	1½d-4½d pm
Do. do. 4½% Deb.	99	30	1-1 pm	1-1 pm
Canada 3½%, 1934-64	96½	31½	par-1 pm	par-1 pm
Central Mining 5% Pref.	22/6	12/6	10½d-1½d pm	9d-1½d pm
Commonwealth Mining 5/-	5/-	Fy pd	6/-6/3	5/9-6/-
Connaught Estates 6½% Cum. Pref.	20/-	Fy pd	22/6-23/-	22/6-23/-
Do. do. 5½% Pref.	100	Fy pd	103½-104½	103½-104½
County of London 4% Cum. Pref. £1	21/-	3/-	par-3d pm	1½d-4½d pm
Economic Insurance £1 (5/- paid)	14/-	Fy pd	44/-45/-	43/-44/-
Flettons New Ord. 5/-	14/-	Fy pd	16/11-16/6	16/11-16/6
Greenwood (John) Millers, 1934, Ord.	5/-	Fy pd	7/3-7/6	7/1½-7/4½
Do. do. 5½% Pref.	100	Fy pd	1/11-1/11 pm	1/11-1/11 pm
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	Fy pd	5/11-5/6	5/11-5/4½
Do. do. 5% Deb.	100	Fy pd	98½-99½	98½-99½
Heath (G. H.) Ord.	20/-	Fy pd	1½-2½	1½-2½
Do. do. 6% Pref.	20/-	Fy pd	22/6-23/-	22/6-23/-
Jackson Brothers 6½% Pref.	100	Fy pd	21/7½-22/1½	21/7½-22/9
Jones (A.) and Sons Ord. £1	par	Fy pd	1/3-1/4½	1/3-1/4½
Do. do. 6½% Pref. £1	par	10/-	4½d-9d pm	9d-1/3 pm
Marston Valley Brick New Ord. £1	35/-	15/-	29/3-30/3 pm	29/3-30/3 pm
Mersey Docks 3½% Deb.	98	23	1-1 pm	1-1 pm
Metal Traders 5% Deb.	98	23	1-1 pm	1-1 pm
Mutifra 3½% Deb.	101	66	1-1 pm	1-1 pm
New London Properties 4½% Deb.	98	Fy pd	98½-99½	98½-99½
Powell Duffryn 4½% Deb.	102½	22½	1½-2½ pm	2½-3/-
South Bank Areas 2/-	2/-	Fy pd	2/9-3/-	2/9-3/-
Somerset 3½%, 1934-64	100	50	1½-1½ pm	1½-1½ pm
Southern Cross Gold 5/-	100	Fy pd	6/-6/7	6/-6/7
S. African Distilleries	21/-	10/-	3/3-3/9 pm	2/10½-3/4½ pm
S. Rhodesia 3½%, 1935-65	97½	5	1-1 dis	1-1 dis
Stewarts and Lloyds 4% Deb.	100	25	1½-1½ pm	1½-1½ pm
Stockport 3½%, 1934-64	100	20	1-1 dis	1-1 dis
Stockton-on-Tees 3½%, 1934-64	99½	79½	10½-10½x	10½-10½x
Thistle Etna Gold	5/-	2/-	9d-3d dis	9d-3d dis
Tunnel Portland Cement B Ord. 10/-	37/9-38/9	Fy pd	37/9-38/9	37/9-38/9
United Steel Co. £1	21/6	Fy pd	par-3d pm	21/6-23/6
Walsall 3½%	100	20	1-1 dis	1-1 dis
West (Butchers) Ord.	12/6	Fy pd	11/10½-12/4½	10/11-11/-
Do. do. 6% Pref.	25/-	Fy pd	22/3-23/-	22/3-23/-
Whiteways Cyder Ord. £1	25/-	Fy pd	38/3-39/3	37/6-38/6
Do. do. 6% Pref.	21/-	Fy pd	24/9-25/3	24/9-25/3

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended June 29, 1934 (c) Week ended June 30, 1934	Miles Open	Gross Receipts, week ended July 1, 1934 (£000)					Aggregate Gross Receipts 1934 compared with 1933, 28 weeks (£000)				
		Passen- ger, ac.	Merch- andise, disc. &c.	Coal & Coke	Total Goods	Total Receipts	Passen- ger, ac.	Merch- andise, disc. &c.	Coal & Coke	Total Goods	Total Receipts
Great Western 1934	3,750	222	178	80	258	480	4,603	4,614	2,616	7,230	11,833
Western 1933	3,755	221	171	90	261	482	4,634	4,227	2,573	6,800	11,434
(d) L. & N. 1934	6,339	374	324	197	521	895	7,128	8,071	6,004	14,075	21,203
Eastern 1933	6,339	380	327	204	501	831	7,070	7,249	5,412	12,654	19,724
L. M. & S. 1934	6,940	614	447	178	625	1,239	11,118	11,553	6,080	17,333	28,751
Scottish 1933	6,941	587	422	189	611	1,198	10,996	10,540	5,793	16,333	27,329
1934	2,177	345	74	32	106	451	6,932	1,628	835	2,463	9,395
Southern 1933	2,181	332	69	31	100	432	6,848	1,548	767	2,315	9,163
Total 1934	19,206	1,555	1,023	487	1,510	3,065	29,781	25,866	15,535	41,401	71,182
1933	19,216	1,490	959	514	1,473	2,954	29,548	23,557	14,543	38,102	67,650
(b) Belfast & Co. Down 1933	80	3-2	...	...	0-6	3-8	53-5	...	...	13-9	67-3
(b) Great 1934	562	10-9	...	...	0-6	4-0	54-9	...	...	13-8	68-7
(b) Northern 1933	562	10-9	...	...	9-3	20-2	212-0	...	...	212-5	424-4
(b) Great 1934	2,158	28-6	...	...	10-8	21-6	548-1	...	...	124-9	279-1
(b) Southern 1933	2,158	27-9	...	...	31-5	60-0	529-7	...	...	837-7	1,385-8
1934	2,158	27-9	...	...	29-6	57-3	529-7	...	...	784-9	1,314-6

COMPARISONS WITH CORRESPONDING PERIODS, 1932 and 1933
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1933, compared with first half year 1932:				
Gross increase or decrease	- 459	- 1,224	- 981	- 91
Net increase or decrease	- 177	- 300	- 154	+ 290
Second half year 1933, compared with second half year 1932:				
Gross increase or decrease	+ 546	+ 914	+ 984	+ 202
First half-year 1934, compared with first half-year 1933:				
26 weeks to July 1, 1934	+ 399	+ 1,422	+ 1,479	+ 232
Weekly average first half 1934	+ 15½	+ 54½	+ 56½	+ 8½
Latest week 1934 compared with 1933	- 2	+ 41	+ 44	+ 19

LONDON TRANSPORT

Week ending June 30, 1934	546,500
Aggregate 52 weeks to June 30, 1934	£26,505,100
* For an explanation of the manner in which the figures are made up see the Economist, March 17, 1934, page 610.	

OVERSEAS RAILWAY RECEIPTS

Name	Weeks Ending	Present Average	Gross Receipts for Week	Gross Aggregate Receipts
			1934	+ or -
			1934	+ or -

INDIAN

	1934	Rs.	Rs.	Rs.	Rs.
Assam Bengal	9	June 2	1,350	3,67,400	+ 88,613
Barsi Lt. Ry.	10	9	202	35,000	+ 2,700
Bengal & N. Western	10	9	2,113	6,94,112	- 52,895
Bengal-Nagpur	9	2	3,269	16,76,000	+ 1,87,128
Bombay, Bar. & C.I.	11	23	5,089	21,86,000	+ 1,25,000
Madras & S. Mahr.	10	9	3,230	14,94,000	- 3,53,651
Robilk'd & Kumaon	10	10	572	1,21,102	- 25,502
South Indian	9	2	2,526	11,80,785	+ 90,013

CANADIAN

	1934	\$	\$	\$	\$
Canadian National	24	June 21	23,748	3,246,631	+ 29,581
Canadian Pacific	25	30	17,018	13,504,000	+ 83,000
					57,210,000
					+ 12,154,772
					+ 6,486,000
					† Nine days.

SOUTH AMERICAN

	1934	\$	\$	\$	\$
Antofagasta (Chili and Bolivia)	21	June 1	830	14,330	+ 3,360
Argentine N.E.	32	June 30	753	12,900	+ 1,800
B.A. and Pacific	32	June 30	2,806	125,000	+ 28,000
B.A. Central	47	May 20	10,101	10,101	- 750
B.A. Gr. Southern	52	June 30	5,085	239,000	+ 43,000
B.A. Western	52	June 30	1,926	70,000	+ 3,547,000
Central Argentine	52	June 30	3,700	199,000	+ 48,000
Central Uruguayana	51	June 30	273	15,405	+ 164
C. Urg. (East Ext.)	51	June 30	311	3,719	+ 910
C. Urg. (N. Ext.)	51	June 30	185	3,037	+ 1,084
C. Urg. (W. Ext.)	51	June 30	211	706	+ 1,858
Coroba Central	52	June 30	1,218	55,000	+ 14,000
Entre Rios	52	June 30	810	14,800	+ 100
G. Westn. of Brazil	26	June 30	1,082	5,800	+ 209,200
Leopoldina	26	June 30	1,918	23,986	+ 503
Leopoldina Termal.	26	June 30	1,918	23,986	+ 503
Nitrate	51	June 30	411	9,588	+ 2,537
Paraguay Central	51	June 30	274	6,770	+ 2,360
Salvador	53	June 30	100	672	+ 142
San Paulo	32	June 24	153	32,744	+ 960
United of Havana	52	June 30	1,365	19,650	+ 2,329

OTHER OVERSEAS

	1934	\$	\$	\$	\$
Egyptian Delta Light Railways	14	June 20	622	15,888	+ 804
Egyptian Markets	26	June 28	28	1,237	+ 26
Gr. Southern of Spain	25	June 29	104	56,005	+ 5,266
Mexican Railway	25	June 30	483	325,000	+ 100,100
					5,982,400
					+ 1,229,100
					† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

	1934	£	£	£	£
Anglo-Argentine	26	July 1	328	51,206	- 2,483
B. Aires Lacroze	47	May 20	...	5,750	- 766
Burley, Colne and Nelson Jt. Trst.	1	June 30	76	4,676	+ 175
Calcutta Tramways	1	June 30	...	Rs.12,223	+ 5,707
Isle of Thanet Elec.	24	June 20	...	3,024	- 95
Liverpool Corp.	13	June 27	124	27,910	+ 448
Madrid Electric	61	June 30	...	Rs. 48,467	+ 179

MONTHLY TRAFFICS

Company	Months Ending 1934	Description	Receipts for Month	Receipts to Date
			1934	+ or -
			1934	+ or -
Canadian Pacific	5	May 31	Gross \$ 10,454,000	+ 1,665,000
			Net \$ 1,802,000	+ 826,000
Hellenic Electric Railway	5	May 31	Gross Dr. 6,629,575	- 189,613
Imperial Airways	1	Apr. 30	Gross £ 112,239	+ 15,587
Imperial Airways	5	May 31	Gross £ 475,123	- 28,902
Imperial Airways	5	May 31	Net £ 210,550	- 8,492
Midland of Western Australia	11	May 31	Gross £ 12,136	- 1,095
Mexican Light and Power	5	May 31	Gross Can. \$ 699,251	- 48,455
Mexico Tramways	5	May 31	Gross Can. \$ 245,440	- 13,283
			Net Can. \$ 208,683	- 37,468
			Net Can. \$ 55,866	- 20,119

* Deficit.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary					
						Amount	Amount				
Banks		£	£	£	£	£	%	£	£	£	%
Nat. Bank of New Zealand	Mar. 31	114,742	135,674	250,416	...	80,000	4†	64,000	106,416	116,448	4†
Canals and Docks											
Mountstuart Dry Docks	Mar. 31	Dr. 20,141	Dr. 6,128	Dr. 26,269	...	...	...	...	Dr. 26,269	Dr. 17,529	...
Financial Land, &c.											
Aboukir Company	Mar. 31	Dr. 571	Dr. 2,503	Dr. 3,074	...	...	...	...	Dr. 3,074	Dr. 1,673	...
Argentine Northern Land...	Dec. 31	14,939	Dr. 11,622	3,317	...	...	...	...	3,317	5,105	...
Tati Company	Feb. 28	11,222	Dr. 818	10,404	...	...	...	...	10,404	860	...
Hotels, Restaurants, etc.											
Spiers and Pond	Mar. 31	3,714	36,736	40,450	32,342	...	...	...	8,108	19,375	...
Iron, Coal and Steel											
Carlton Main Colliery.....	Mar. 31	28,971	116,287	145,258	6,000	50,492	3	50,000	38,766	97,117	3
Roberts (Charles) and Co. ..	Mar. 31	10,371	29,721	40,092	15,488	...	...	...	24,604	3,571	...
Motor Cycle and Aviation											
Hawker Aircraft.....	Mar. 31	...	118,878	118,878	11,662	46,500	15	49,807	10,909	...	...
Oil											
Phœnix Oil Products.....	Dec. 31	7,144	55,134	62,278	48,000	...	...	10,435	3,843	54,517	...
Rubber, etc.											
Brusch Rubber.....	Mar. 31	7,879	970	8,849	...	...	...	...	8,849	Dr. 1,051	Nil
Caledonian(Selangor)Rubber	Mar. 31	7,991	2,891	10,882	...	...	...	630	10,252	Dr. 499	...
Chembong Malay Rubber	Mar. 31	11,895	3,601	15,496	...	...	...	...	15,496	Dr. 32	...
Juru Estates	Mar. 31	4,036	2,558	6,594	...	2,400	3	3,000	1,194	636	Nil
Kawie (Java) Rubber	Mar. 31	9,519	5,454	14,973	...	2,250	3	500	12,223	Dr. 2,732	Nil
Lambak Rubber.....	Mar. 31	19,343	1,835	21,178	...	4,000	2½	...	17,178	997	Nil
Merchiston Rubber.....	Mar. 31	382	2,025	2,407	...	1,950	3	...	457	Dr. 2,150	Nil
Prang Besar Rubber	Mar. 31	10,053	3,718	13,771	...	3,267	2½	...	10,504	Dr. 1,804	Nil
Shipping											
White Star Line	Dec. 31	Dr 631,688	Dr. 48,218	Dr 679,906	...	...	...	...	Dr 679,906	Dr 35,180	---
Shops and Stores											
International Tea Co.'s Stores	Apr. 28	130,190	645,860	776,050	131,771	412,314	30	125,000	106,965	614,729	30
Lovell and Christmas	June 16	105,876	139,708	245,584	45,000	52,500	7	41,043	107,041	75,258	3
United Counties Stores	Feb. 28	5,088	17,642	22,730	5,224	10,850	7	1,250	5,406	11,466	6
Tea											
Anglo-Ceylon and General	Mar. 31	29,200	46,472	75,672	...	45,000	7½	...	30,672	1,352	Nil
Assam Frontier Tea	Dec. 31	397	31,709	32,106	w21,000	10,500	1½	...	606	Dr 36,150	Nil
Attaree Khat Tea	Dec. 31	1,023	15,775	16,798	...	10,120	8	5,254	1,424	Dr. 9,198	Nil
Bargang Tea	Dec. 31	Dr. 5,402	5,868	466	...	...	...	...	466	Dr 11,458	...
Bogawantalawa District Tea	Mar. 31	2,423	23,551	25,974	4,825	18,533	17½	...	2,616	20,921	15
Bordubi Tea	Dec. 31	7,677	19,918	27,595	...	18,000	20	...	9,959	11,743	10
Borelli Tea	Dec. 31	4,415	19,719	24,134	384	15,634	20	2,500	5,616	5,154	7½
Borjan Tea	Dec. 31	2,071	6,480	8,551	...	3,713	15	2,560	2,278	1,458	Nil
Jorehaut Tea	Dec. 31	4,131	93,956	98,087	...	60,000	15	30,000	8,087	Dr. 446	6½
Kacharigaon Tea	Dec. 31	Dr. 2,552	1,740	Dr. 812	...	...	...	...	Dr. 812	Dr. 2,499	...
Koomsong Tea	Dec. 31	2,475	12,389	14,864	...	11,250	15	...	3,614	4,173	5
Majuli Tea	Dec. 31	Dr. 16,037	17,417	1,380	1,200	...	...	...	180	Dr. 6,689	...
Pandan Tea	Feb. 28	...	14,506	14,506	4,500	...	3	3,326	2,180	...	...
Sumatra Tea.....	Mar. 31	511	10,066	10,577	...	8,510	2½	...	2,067	Dr. 15,704	Nil
Tingri Tea	Dec. 31	2,885	24,904	27,789	...	20,156	15	4,000	3,633	8,129	5
Textiles											
Cellulose Acetate Silk	Mar. 31	Dr. 31,165	97,175	66,010	...	...	...	10,000	56,010	38,041	...
Patons and Baldwins	Apr. 30	55,161	330,300	385,461	74,804	159,929	10†	95,000	55,728	409,273	12½†
Tramways and Omnibuses											
Anglo-Argentine Tramways.	Dec. 31	Dr 588,810	Dr 584,003	Dr 1172813	...	...	...	---	Dr 1,172,813	Dr 263307	---
Trusts											
Atlas Electric and General	Mar. 31	45,487	142,929	188,416	161,656	...	...	...	26,760	159,848	...
Second Consolidated Trust..	June 15	2,619	22,212	24,831	23,250	...	...	...	1,581	12,158	...
Other Companies											
Amalgamated Dental Co. ...	Dec. 31	10,963	120,500	131,463	33,740	92,048	8(a)	...	5,675	131,923	8(a)
Assoc. London Properties...	June 24	18,246	36,863	55,109	21,222	...	...	15,374	18,513	22,352	...
British Ropes	Feb. 28	176,180	(t) 74,867	251,047	...	...	...	12,788	238,259	...	...
Brocklehurst-Whiston Amal.	Mar. 31	6,789	47,097	53,886	28,000	15,000	2½	3,000	7,886	41,629	Nil
Burgis and Colbourne	May 2	2,799	6,056	8,855	4,200	2,250	7½	...	2,405	5,211	10
Cole (E. K.), Ltd.	May 31	5,028	128,670	133,698	18,448	37,280	20	55,000	22,970	Dr 226,700x	5
De La Rue (Thomas) and Co.	Mar. 31	2,403	14,825	17,228	...	12,133	5	...	5,095	23,081	7½
Greyfriars Press	Apr. 30	7,157	29,619	36,776	...	25,833	10	2,100	8,943	25,907	7½
Mowat (Wm.) and Sons	May 31	923	1,624	2,547	1,144	1,162	7½	...	241	1,445	Nil
Prichard and Constance (Manufacturing)	Dec. 31	2,656	30,934	33,590	...	6,000 24,376	8(a) 65(b)	...	3,214	19,238	8(a) 35(b)
Sherley (A. F.) and Co.	July 31	3,382	13,488	16,870	...	6,000 7,400	8(a) †37(b)	...	3,470	6,786	8(a) Nil(b)
Veno Drug Co.	Mar. 31	3,242	91,436	94,678	...	18,100 24,888	8(a) 12(a) 73(b)	20,000	3,402	85,634	8(a) 12(a) 60 (b)
Wiggins and Co. (Hamsth)	Mar. 31	...	11,718	11,718	...	...	...	11,718	...	Dr. 612	...
Williams and Williams.....	Apr. 30	Dr. 30,379	8,484	Dr. 21,895	...	...	...	...	Dr 21,895	Dr 10,545	...
Yeast-Vite, Ltd.	Dec. 31	20,217	48,878	69,099	7,312	41,591	14½	...	20,282	58,363	46½(s)

COMPANY MEETINGS, &c.

THE P. & O. BANKING CORPORATION, LIMITED

SUCCESSFUL YEAR'S TRADING

DIVIDEND MAINTAINED

MR W. E. PRESTON'S SPEECH

The fourteenth ordinary general meeting of the P. & O. Banking Corporation, Limited, was held on the 30th ultimo at 122, Leadenhall Street, London, E.C., Mr W. E. Preston (the chairman) presiding.

The secretary (Mr C. Selbie) read the notice convening the meeting and the auditors' report, and the report and accounts were taken as read.

Before turning to the year's operations the chairman referred to the loss which the board had suffered by the death of Sir Alexander Wright, who had been associated with the bank since the days of its foundation. A man of great personal charm, he had brought to the bank's affairs a very wide, practical and sympathetic interest. Further, Mr Colin Campbell having found that the onerous duties of his chairmanship of the National Provincial Bank made it difficult to continue, as he had during the past seven years, his close personal attention to the affairs of their bank, had reluctantly tendered his resignation, and had been succeeded by Sir Henry Macnaghten.

The result of the year's transactions, after making all necessary provisions, was a net profit of £112,383, slightly in excess of last year's figure. They had made in this year's accounts a transfer to the contingency fund more than ample for the care of accounts which they had had to nurse during these times of depression, and the provision which they now held in contingency exceeded the amount required for bad and doubtful accounts.

After paying a dividend at the same rate as last year, the year's results would leave a carry-forward £8,000 in excess of the amount brought in, a very commendable achievement, for which the board's and the shareholders' thanks would, he was sure, be readily accorded to the management at home and abroad.

CONDITION OF EASTERN TRADE

Efforts to lift prices from the low level to which they had fallen in the world-wide economic crisis had only been partially successful: in the case of tea, rubber and tin, there had been some improvement, which had been reflected in the fortunes of firms and companies connected with those commodities. It was, however, on the purchasing power of the Western world that the revival depended of that great export trade which was the life blood of the banks engaged in Eastern banking. Only in the Straits and that portion of the Indian trade connected with the export of tea did they find an improvement.

In China, where the full blast of the economic blizzard was not felt until some considerable time after it had fallen on other countries, an acute depression had set in, and stagnancy in the commerce between China and the rest of the world had been a marked feature of the year. Silver, of which there were large unwanted stocks in the world, continued in poor demand; and they must wait until the world requirements of the white metal broadened out and established a solid basis for an upward movement in its price.

Continued contraction in the demand for leading exports of the East was reflected to some extent in their figures. They had fortunately been able to maintain their advances at a slightly higher level and their holding of bills at £2,134,364 showed very little change on the previous year's figures.

In the exports of gold, the leading feature in India's interchange of commodities with the rest of the world, the bank had taken a good share.

INVESTMENT HOLDINGS INCREASED

Their holdings of securities, increased by the narrowing of outlets for employment of their funds, stood at £6,218,406, some £823,000 higher than in the previous year. Following their usual policy, over 83 per cent. of these investments were short-dated so that the bank might be free to place at the disposal of commerce the funds temporarily employed in that form of investment.

He had again to record a year's satisfactory trading on the part of their affiliate, the Allahabad Bank, which had consolidated the improvement to which he had referred in his speech last year.

The report and accounts were unanimously adopted; a dividend of 5 per cent., less income tax, was declared; and the retiring directors, Mr F. A. Johnston, Mr A. d'A. Willis and Sir Henry

Pelham Wentworth Macnaghten, were re-elected, as were the auditors, Messrs Peat, Marwick, Mitchell and Company.

A hearty vote of thanks, proposed by Mr E. T. Hargraves and seconded by Mr W. H. Ogston, was accorded to the chairman, directors and staff, and, after a response by the chairman, the proceedings terminated.

NIGEL VAN RYN REEFS, LIMITED

GREATLY IMPROVED POSITION

The annual general meeting of Nigel Van Ryn Reefs, Limited, was held on the 29th instant, at Winchester House, E.C.

Mr W. A. Wills (the chairman), who presided, explained that they were obliged under the Companies Act to hold a general meeting before June 30th, but it was proposed to adjourn the meeting until a financial statement had been received from Johannesburg, which it was hoped to submit to the shareholders before the middle of August.

The company's position that day was that the issued and fully paid capital was £100,000, the cash in hand was over £100,000 and there were no liabilities except for current office expenditure, licences on the Nigel claims and development expenses in connection with the Lamplough lease, while the whole of the company's properties, including development to date, the indebtedness due at the time of the reorganisation, expenses of reorganisation and all administrative costs to date, amounting to £34,000, had been written off from share premium account.

On the assets side of the balance sheet they would have practically nothing but cash or cash assets balancing a capital account issued and fully paid, a small premium reserve account and a balance of profit of about £8,000 which they had already realised—a remarkably clean balance sheet.

As to the company's properties, their 257 claims on the Far East Rand adjoined those belonging to the Nigel Company. They were negotiating in Johannesburg for the disposal of those claims or shares; the ground being too small for operating as a mine *per se*.

THE LAMPLOUGH LEASE INTEREST

The company's major mining interest consisted of a one-half interest in the Lamplough lease No. 6222 Maryborough. At the extra-ordinary general meeting in February last he mentioned that they had an interest in an option to acquire about 10 miles of this deep lead ground in Australia. Mr F. G. Bryant, who was considered one of the leading authorities in Australia on the deep leads, had been asked to make a check report, and, as far as he could interpret Mr Bryant's cable just to hand, the total profits to be won from the lease should be over £1,000,000 sterling, of which, in round figures, the proportion accruing to this company by virtue of its shares in the Lamplough company—still to be formed—should be about £400,000. None of those figures were to be taken as final, but on two points they were justified in taking an optimistic attitude. One was that there was no taxation of gold-mining in the State of Victoria and the other was that apparently they might hope to receive four times the whole capital of their company from that one interest alone.

Jointly with the Gold Corporation, the board had some time ago sent out their engineer, Mr L. C. Stuckey, to confer with Sir Herbert Gepp, the local director in Australia, to see if he could get them the offer of genuine gold properties. Sir Herbert Gepp and Mr Stuckey had just, by cable, jointly made a recommendation and he thought their acceptance of the business offered was practically certain. The amount of money required was very moderate, the venture had decided prospects and the property was already paying its way.

The chairman concluded by formally moving the adjournment of the meeting.

Capt. Burgess Watson asked what were the prospects of a dividend and whether there was any necessity to keep such a very large cash balance unused.

The chairman replied that the question of a dividend would be left to the shareholders at the formal annual meeting. With regard to the cash, older shareholders would perhaps agree with him that after nearly two years with rising gold-share markets it was advisable to walk very delicately as really reliable gold shares were not exactly given away gratuitously. He thought that their best policy was one of watchful waiting until a really safe opportunity turned up, such apparently as the offer of a participation in the Bendigo mine. The board had complete confidence in the knowledge and judgment of both Sir Herbert Gepp and Mr Stuckey.

Dr Cullen seconded the resolution, and it was carried *nem con*. The proceedings terminated with a vote of thanks to the chairman.

IMPERIAL BANK OF PERSIA

STEADY PROGRESS AND DEVELOPMENT

The forty-fifth ordinary general meeting of the Imperial Bank of Persia was held, on the 3rd instant, at Southern House, Cannon Street, London, E.C.

Sir Hugh S. Barnes, K.C.S.I., K.C.V.O. (the chairman of the bank), said:—Gentlemen, though the past year has, on the whole, been uneventful, there is evidence of steady progress and development in every branch of the administration, due mainly to the constant supervision exercised by H.I.M. The Shah. Foreign exchange, to which I alluded last year, remains a free market, to the benefit of merchants and the country generally. The Persian Government has also found it possible to relax, in some degree, the restrictions on imports, and this has helped to improve trade in the south. On the other hand, in the north the disagreement between the Persian and the Soviet Governments, to which I referred last year, has not yet been completely composed, and we are told that trade with Russia continues restricted. Japan, however, has now entered the Persian and Iraq markets with her manufactured cotton and other goods, to the detriment of Manchester trade. In return Japan has taken raw products, chiefly cotton, from Persia, and developments are watched with some anxiety by manufacturers in this country.

In drawing your attention last year to developments taking place in the country, I referred to the erection of factories in several towns. We hear that the woollen mills in Isfahan have been able to supply not only the bulk of Army requirements, but the local markets; in fact, the mills are so well and profitably established that the plant is being increased from the company's own resources. A cotton spinning and weaving factory in the same town expects to commence operations next month, and from another mill a satisfactory quality of cotton thread is being produced.

In Shiraz a Persian company is just completing the erection of a spinning mill, equipped with the latest and most up-to-date machinery made in this country, and a successful future is predicted for it, the management being in capable and energetic hands. Two sugar factories, under the control of the Persian Government, are already in operation, and two more are contemplated in the near future.

RAILWAY CONSTRUCTION

Under the auspices of the Swedo-Danish Company, which supervises the construction, considerable progress has been made with the railways. Last year the northern line had been completed to Shahi, and the southern to Salehabad. During the year 50 kilometres have been completed in the north, and the same number in the south, so that there are now 148 kilometres open to traffic in the north and 300 kilometres in the south. Contracts have been granted for the further construction of 120 kilometres in the north and 65 in the south, most of them in very difficult country, especially in the south, where the line must pass through the gorges of the Luristan Mountains. It is calculated that the northern line should be completed to Teheran by March, 1937, and the southern line about two years later. Persia will then possess through railway communication via Teheran from the Persian Gulf to the Caspian.

Our chief manager recently made a short tour through Mazandaran, and he writes with enthusiasm of the transformation which H.I.M. The Shah has effected in that hitherto rather remote and backward province. The towns on the Caspian shore have been much improved, and a health resort, with an excellent hotel, has been established at Sakhtessar, where there are sulphur baths. All this is evidence of a strong and progressive Government.

Turning to the profit and loss account, it will be seen that, after making ample provision for income tax, bad and doubtful debts and other contingencies, we are able to show a profit of £77,168, which is some £8,633 less than last year. The reduction may be taken as reflecting the lower earning power of money, the increased competition between banks in the East for any business offering, and the general depression in trade.

This year we are only placing £10,000 to reserve fund, which brings it up to £720,000. We now propose to pay the same final dividend and bonus as last year, namely, 7s. per share and a bonus of 2s. per share, both free of income tax. This, with the interim dividend of 4s. per share, makes a return for the year of 13s. per share, free of tax, and leaves us with £49,057 12s. 11d. to carry forward to the new account.

With the reserve already in excess of the amount of your capital, there is not the same need to add to it as largely as in the past; so we are, in our opinion, justified in maintaining the dividend unchanged. (Hear, hear.)

The report and accounts were unanimously adopted.

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

POPULARITY OF NEW LINES

The 55th ordinary general meeting of W. T. Henley's Telegraph Works Company, Limited, was held, on the 29th ultimo, at the Great Eastern Hotel, London, E.C. Sir Montague Hughman (the chairman) presided.

The Chairman, in moving the adoption of the report and accounts, said:—The balance of the trading account is £279,000, as compared with £300,000 in the previous year. After debiting the directors' remuneration, auditors' fees, debenture interest, and depreciation, the net profit is £210,000, compared with £228,000 last year. You may remember, however, that last year we included in our trading profit the sum of £23,000, which we transferred from our contingent reserve. We have made no similar transfer this year, so the actual results are a little better than those of last year. (Applause.)

The turnover is rather less than that of the previous year, but this reduction is more than accounted for by the decrease in the contract work of the company. We have in the past had some very important orders for the "Grid" system, which are now coming to an end, and there is much less of the "Grid" work in the accounts now before us. We have been able to maintain our position and to earn a little more net profit than we did last year, and this has been accounted for by what I will call our "bread and butter" business. It has been a difficult year, with competition and, in some cases, a further decline in the prices of commodities, which have tended to make our percentage of profits lower.

FOREIGN BUSINESS

Whilst our business abroad has shown a decided increase, competition is extremely keen for these markets, and, unfortunately, the level of prices is still low. I am glad to say, however, that the proportion of our total business which has been obtained from overseas now more nearly approaches the proportion which we used to obtain before the depression which so seriously affected overseas markets during the past few years.

I would like to refer to our engineering department, which was started nearly thirty years ago. This department has been managed by Mr W. H. Nichols, who has been with the company for over forty years, and deals with the manufacture of electrical distribution equipment. This is one of the important departments of our business, and to-day, in spite of competition on all sides, we are able to claim that Henley's hold the premier position among manufacturers of distribution equipment. The products of our engineering department can be found in almost every country in the world, and it is generally recognised in the trade that in quality and technical excellence we are unsurpassed.

In my statement last year I referred to the technical progress of the company. I would remind you that fifteen years ago we established research laboratories which have been fully developed and kept to the highest standard of efficiency. Our customers buy intelligently with a very complete knowledge of their requirements. We are engaged in the manufacture of a highly scientific product, and the importance of the technical side of the business is fundamental. Competition in quality grows more severe year by year, and the conditions laid down in specifications become continually more and more exacting. As the result of patient research, the past year has seen the development of several new and improved products which have already met with remarkable success.

Among these may be mentioned our "Superite" cables for the wiring of buildings, and "Supertuff" trailing cables, both of which possess interesting advantages for the particular conditions under which they are called upon to operate in service.

Mr W. F. Bishop, in seconding the resolution, said:—The past year has been one more of hard, steady work than spectacular achievement. The increase in the volume of our general trade at home, referred to by the chairman, is, I believe, to some extent due to the increased facilities now available in the form of bulk supplies from the "Grid."

The chairman has referred to the increase last year in our business abroad. This improvement is being maintained, and I think justifies our action in maintaining our selling organisations abroad in a high state of efficiency during the slump. Prospects look a little better, and during the last few weeks we have secured two fairly large contracts—one for 33,000-volt cable for Australia, and the other for 66,000-volt transmission line in India, which makes it seem almost like old times.

The report and accounts were unanimously agreed to, and the final dividend of 2s. 6d. per share, less income tax, and bonus of 2s. per share was approved.

THE POWELL DUFFRYN STEAM COAL COMPANY

POSITION SUBSTANTIALLY IMPROVED

The adjourned annual general meeting of The Powell Duffryn Steam Coal Company, Limited, was held, on the 4th instant, at Southern House, Cannon Street, London, E.C.

Mr Edmund L. Hann (chairman and managing director of the company), after referring to the change in the terminal date of the company's financial year from December 31st to March 31st, explained the board's proposals in regard to the issue at 20s. 9d. per share of 1,000,000 5 per cent. preferred ordinary shares of £1 each. The proceeds of issue would be allocated as to £820,000 to redeem the £800,000 5½ per cent. debenture stock of the Great Western Colliery Company, a wholly-owned subsidiary, which was guaranteed as to principal and interest by Powell Duffryn, and the balance of about £180,000 remaining after payment of the expenses of issue would be available for the general purposes of the company. The effect of this transaction on the company's finances would be that instead of an annual service amounting to £52,000 for interest and sinking fund on the Great Western Colliery debenture stock, there would be substituted a preferred ordinary dividend of £50,000. The dividend on the preferred ordinary shares was amply covered, and the shares would in addition carry with them the valuable right to convert into Powell Duffryn ordinary shares.

The Chairman then referred to the refinancing of the company's debenture and note debts in 1932 and to the issue in 1934 of 4½ per cent. debenture stock to replace the 5½ per cent., and said that the two operations had resulted in an economy in debenture service of £84,000 per annum.

There was also a marked improvement in the liquid position of the company, cash at bank and in hand amounting to £113,747, compared with an overdraft of £353,116 the previous year.

The profit and loss account disclosed trading profits for the fifteen months of over £600,000, an improvement of rather more than £200,000 compared with the year 1932.

The Chairman said that the company's research department was constantly studying the ever-changing needs of the market in regard to both coals and by-products. It was not to be expected that quick results could always be obtained, but there were lines of investigation on which they were engaged which appeared to offer prospects of important results for the benefit of the company.

There had been a welcome change in the coke position, and the company's ovens had been working at full capacity almost throughout the last fifteen months. The sales of by-products also continued to be satisfactory, and particularly those of the company's proprietary by-products, "Synthatar," "Synthacold," the cold dressing for making and repairing carriage drives, garden paths, etc., "Synthaprufe," the liquid waterproofing and jointing material, "Presotim," the wood preservative, and "Presomet," the bituminous black paint.

Mr Hann also commented briefly on certain P.D. coal specialities. "PhurnoD" was becoming daily more popular, and notwithstanding an increased production, the demand for this special domestic boiler fuel had become so heavy that the board had authorised further capital expenditure to provide additional plant in order to meet the present demand and anticipate extending trade. There was a growing demand from small industries, such as laundries, for the company's special coal, "Virticol," for vertical boilers. "Virticol" could now be supplied in the form of large coal, cobbles, nuts and small. It was exhibited at the British Industries Fair and at the Laundry Trades' Exhibition this year, and the interest created there was reflected in increased sales.

The standard bunker coals of the company, and in particular the special bunker coal produced at Penallta Colliery, continued to maintain their high reputation with shipowners.

Since the last meeting there had also been a welcome improvement in the iron and steel trades, but this, whilst benefiting the coke ovens, had only had a slight effect upon the general coal production. Unfortunately the export market upon which South Wales depends so much had shown further restrictions. Adverse exchange rates, financial instability, trade balances and the artificial measures taken by several foreign countries to protect their local coalfields, had all contributed to this position.

With regard to Powell Duffryn, its activities had since 1928 been extensively broadened, and an organisation with world-wide interests had developed from what was formerly a purely mining concern. The earning capacity of the company during a period of intense depression would give a measure of its possibilities in times of prosperity which Mr Hann was confident must ultimately return to the British coal industry.

The report and accounts were unanimously adopted.

TRUST COMPANY OF LONDON AND SCOTLAND, LIMITED

The fifth ordinary general meeting of the Trust Company of London and Scotland, Limited, was held, on the 29th ultimo, at 25-31 Moorgate, London, E.C. Mr Alfred Shepherd (chairman of the company) presided.

The Secretary (Mr Harold Vennils) having read the notice convening the meeting and the auditors' report,

The Chairman, in the course of his speech, said:—The revenue account balance is £25,687. It has to be kept in view, however, that this figure has been arrived at after deducting only 1½ per cent. interim dividend paid this year, against 2½ per cent. last year in respect of the preference stock.

It is not, I regret, possible to say that there is much, if any, general improvement in world conditions since our last meeting, but it is satisfactory to note that important industries in our own country have improved to a marked degree, many of our large industrial concerns showing greatly increased profits. Of the total investments of the trust nearly 58 per cent. are in Great Britain and the Dominions, including India, Ceylon and the Malay States, those in the United States of America nearly 12 per cent., and the amounts in other countries relatively small.

The American securities are, of course, dollar investments, and in this connection it is only right that I should mention that while we have only 12 per cent. of our funds invested in the United States we have further dollar holdings in foreign Government and other bonds representing a further 8 per cent. of our invested funds. Adding these investments to those in the United States, we have thus a total of almost 20 per cent. of our investments subject to the uncertain fluctuations of the United States dollar.

The only other points to which I would like to refer are the valuation of our assets, and the revenue, as compared with the figures in the previous accounts.

This is now our fifth annual meeting since the incorporation of the company, and it might be of interest to you that I should draw your attention to the figures with reference to the valuation of our investments at the end of each financial year. They are as follows:—

The valuation showed the following depreciations:—1930, 9.00 per cent.; 1931, 35.11 per cent.; 1932, 53.95 per cent.; 1933, 42.23 per cent.; 1934, 32.48 per cent.

From these figures it will be seen that the depreciation of 1932 mounted up to the formidable percentage of 53 per cent. In 1933 this depreciation had dropped to 42 per cent., and in the present year it has dropped to 32 per cent., a satisfactory and gratifying decrease.

Our revenue still falls, but less than in the earlier years of our existence. The total interests and underwriting commissions amount to £37,498, as against £39,553 for the previous year, the difference being £2,055, and it would appear that the fall in revenue is slowing up. Although we have made an estimate of revenue for the present year, in these times it is difficult to arrive any estimate which can be relied upon. It is not possible for me to say that during the year there may not be still some fall in revenue, but I hope that the reduction, if any, will be less than that experienced in the year under review.

After payment of debenture and other interest, the revenue for the year falls short of the dividend on the cumulative preference stock by some £3,600. Your directors carefully considered whether it was advisable in the general interests of the company to make up this deficiency out of the amount carried forward. In view, however, of the uncertainties prevailing in various directions, they came to the conclusion that it was advisable, at least this year, to restrict the payment of the preference dividend to 4 per cent. That dividend, however, is cumulative, and the directors hope that at no distant date the earnings will improve to an extent which will enable the trust to pay the full dividend on the preference stock and wipe out the arrear created on this occasion. I trust that the stockholders will approve of the directors' action in this respect.

Mr B. W. Bloomer seconded the resolution, and, there being no questions, it was submitted to the meeting and carried unanimously.

The proceedings terminated with a cordial vote of thanks to the chairman and his colleagues.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8 Bowyer Street, Fleet Street, London, E.C.4.

GREAT BOULDER PROPRIETARY GOLD MINES
INCREASED PROFITS AND DIVIDENDS

The fortieth annual general meeting of the Great Boulder Proprietary Gold Mines, Limited, was held, on the 29th ultimo, at River Plate House, London, E.C.

Mr John Waddington, J.P. (the chairman), said that the accounts for the year 1933 showed a net profit of £82,108, compared with £70,949 for 1932, an increase of £11,159. That increase in profits had resulted in the directors being able to declare dividends for the year of 37½ per cent., as against 25 per cent. for the preceding year. It must be borne in mind that the old mill, which had been working since 1899, must now be regarded as obsolete and worn out, and the cost of operating it was very much higher than the estimated cost of treatment by the new mill would be when it was run in. The engineers estimated that the saving on the costs alone with the new mill would be about £48,000 per annum, on the basis of treating 144,000 tons per year.

In the mine development work had disclosed the existence of new ore bodies, which had added considerably to the ore reserves in sight, estimated at December 31, 1932, at 204,792 tons, and increased to 278,008 tons at December 31, 1933. During the year 106,897 tons of ore had been treated at the mill, being a slight increase over the preceding year. Mining developments during the year had thus accounted for 180,113 tons. The estimated probable ore reserves amounted to 269,628 tons.

The best method of retreating the dumps had required much study and research. A considerable amount of sampling and testing had been done during the year in the company's laboratory and at the Kalgoolie School of Mines. Those dumps were very large, the old No. 1 dump being conservatively estimated to contain 1,900,000 tons, of an average value of 1.65 dwts., while the new dump, accumulated since 1921, was estimated to contain over 1,000,000 tons, of an average value of 1.035 dwts. A special plant would be required for the purpose of that retreatment, but no exact estimate of the cost could be given at present. With gold at its present price a large profit should accrue after making allowance for all working expenses and redemption of the cost of the plant.

The Southern Cross flotation under the auspices of the Great Boulder Company had proved successful, being over-subscribed 10½ times.

The report and accounts were unanimously adopted.

HOVIS, LIMITED

ANOTHER SUCCESSFUL YEAR

The thirty-sixth ordinary general meeting of Hovis, Limited, was held, on the 4th instant, at Caxton Hall, London.

Mr A. H. Dence (the chairman) first dealt with the balance sheet, and said that the reserve fund, with the allocation now suggested, would amount to £400,000, and in due course they hoped it would equal the authorised share capital of £550,000. The net profit on trading available for distribution was £20,000 more than for the previous year—a very pleasing result. He again wished to stress the great value the directors placed on the various sidelines of the company's business which contributed largely to the good results. Trading conditions in the milling industry had not been too easy during the past twelve months. In past speeches he had frequently referred to the unfair competition to which all millers in this country were subjected through the importation of dumped and subsidised flour at prices with which the home miller could not possibly compete. The National Association of Millers, of which he was president for the past year, had persisted in a patient campaign against this injustice, but hitherto without success.

During the past twelve months the International Wheat Conference had been endeavouring to reach some form of agreement whereby either the production of wheat would be restricted, or the price fixed at levels to give a more adequate return to the grower. Millers were naturally very materially concerned with the price they had to pay for wheat, which was the raw material of their industry, and viewed with grave alarm any attempt to impose artificial limits or barriers, which could only react to the disadvantage of the consumer in this country and perhaps in the long run make the last state of the producer worse than the first.

It was exceedingly pleasing to him to recall that, since he had been chairman of the company, this was the third occasion on which the board had been able to recommend with the utmost confidence a bonus distribution of shares to the ordinary shareholders. This was a very remarkable achievement, and one which very few companies to-day could claim to have equalled.

The report and accounts were unanimously adopted.

A resolution was also passed approving the capitalisation of reserves and the distribution of bonus shares.

OHLSSON'S CAPE BREWERIES, LIMITED

DIVIDEND INCREASED

The forty-fifth annual general meeting of Ohlsson's Cape Breweries, Limited, was held, on the 5th instant, at 6, Bloomsbury Square, London, W.C.

Mr W. D. Buxton (the chairman) said that the accounts indicated that, although the year with which they dealt had not had the very considerable advantage of the conversion into sterling of the South African currency which had enhanced the profits of the previous year, the difference had been more than made up by increased sales and by the improvement in general conditions of trade. For the first half of the year little improvement had been shown, but for the latter half the increased sales as well as the consequent improvement in general conditions had enabled them to show, for the full year, an increase on the profits dealt with a year ago, and the improvement had been nearly general throughout the various branches of the company's business, which had continued for the current financial year as far as it had gone.

Particularly in the Transvaal the increased price of gold had warranted a considerable expansion of the mining industry. That had reacted upon the building trade and various other branches of commerce, and generally, one might say, upon the trade of the Dominion. The board had therefore felt justified in asking the shareholders to support a resolution to divide an additional 1 per cent. as dividend upon the ordinary shares for the year. It should be borne in mind that the dividends had suffered tax at only one-half the standard rate in force at the time of payment, and consequently the net amount received by ordinary shareholders in respect of the past trading period was equivalent to a dividend of 10½ per cent., less income tax at the full standard rate.

They had added to the asset "Land, Breweries, Houses, etc.," £19,341, which comprised expenditure on permanent improvements to certain of their licensed properties as well as on the erection of a new hotel in the Springs township of Johannesburg, which would be completed by the end of the current month and which would, he thought, make a substantial contribution to their future profits. The final dividend proposed on the ordinary shares was 6 per cent., making 9 per cent. for the year.

Finally he could give the shareholders the usual assurance as to the soundness of their business and the excellent quality of their beers, and the directors were fully satisfied with the work during the year of their general manager, Mr Robert Swan, and his staff. The report and accounts were unanimously adopted.

SCRIBBANS AND COMPANY, LIMITED

POLICY OF STEADY EXPANSION

The seventh annual general meeting of Scribbans and Company, Limited, was held, on the 5th instant, at the Hotel Metropole, London, W.C.

Mr Philip E. Hill (the chairman) said:—Ladies and gentlemen, the profits for the year of £226,162 13s. 3d. are some £3,500 in excess of those of the previous year, equivalent to nearly 12 per cent. on our capital. At our last meeting I was aware that we had a very strenuous time in front of us. Some of our competitors had gone in for further price-cutting, coupled with an expansive advertising programme, and, with this in mind, I was very diffident in talking of the future of the business, but I am glad to-day to tell you that we have emerged from the struggle with increased profits and a generally improved position.

For seven years we have pursued a policy of steady expansion, coupled with a conservative distribution of profits, with the result that to-day we stand possessed of a very much improved equipment in the shape of factories and plant, and it is the intention of the board to pursue this policy.

As you are aware, practically the whole of our output is sold to the grocery and provision trade, and you will no doubt have seen that the accounts of some of the companies engaged in this business, published in the earlier part of the year, show diminished profits, but those recently announced show better figures. I am convinced that such a vital portion of the country's trade as the grocery and provision business must ultimately share in the general improvement, and not until then can we hope to secure for ourselves the share of profits to which our products and organisation undoubtedly entitle us, but I feel confident that they will ultimately be obtained.

As stated at our last meeting, the assets in our balance sheet are more than conservatively valued. We are about to form a limited liability company in the Irish Free State to carry on our Irish business, which, I am pleased to say, continues to show satisfactory expansion.

As you will have seen from the notices accompanying the report and accounts, we have convened the necessary meetings to convert the existing deferred shares of rs. each into deferred shares of 5s. each, as the board are satisfied that a 5s. share is much more popular with the investing public.

The report and accounts were unanimously adopted.

At subsequent meetings the necessary resolutions were passed to give effect to the proposals to consolidate the rs. deferred shares into shares of the denomination of 5s.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended June 30, 1934, amounted to £8,500,500, against ordinary expenditure of £11,652,700. After allowing for an increase in Exchequer Balances of £181,115 the operations for the week, as shown below, increased the National Debt by £3,333,000 to approximately £8,074 millions.*

(000's omitted)

Public Department Advances	+ 2,850	Treasury Bills	- 4,155
5% Funding Loan	+ 2,600	N. Atlantic Shipping Issues	- 25
P.O. and Telegraph Money	+ 1,000	National Savings Certificates	- 50
Act, 1931	+ 1,458	New Sinking Fund (1928)	- 145
Newfoundland Act, 1933	+ 7,708		
			- 4,375

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appears below:—

NATIONAL DEBT—(Million £)

	Aug. 1914	Dec. 31, 1918	Mar. 31, 1919	Mar. 31, 1920	Mar. 31, 1921	Mar. 31, 1922	Mar. 31, 1923	Dec. 31, 1923	Mar. 31, 1924	June 30, 1924
2½% and 2½% Consols	575	300	300	300	300	300	300	300	300	300
Term Annuities	30	20	12	12	12	12	12	12	12	12
4% Consolidated Loan	...	...	553	342	403	401	401	401	401	401
3½% Conversion Loan	...	...	790	770	750	742	742	742	742	742
Other Funded Debt	15	15	14	14	14	14	14	14	14	14
4½% Conversion Loan	...	...	323	323	323	323	323	323	323	323
5% Conversion Loan	...	...	323	323	323	323	323	323	323	323
3% Conversion Loan	...	...	...	...	...	...	...	...	...	...
3½% War Stock	...	...	63	...	...	...	...	...	...	...
3½% War Stock, 1932	...	...	...	...	...	...	...	...	...	...
4% War Stock	...	...	13	13	13	...	...	...	...	...
5% War Stock	...	...	2,047	2,171	2,087	...	...	...	...	...
National War Bonds	...	...	1,509	...	...	...	...	...	...	...
4% Funding Loan	...	...	409	378	374	370	368	368	368	368
3% Funding Loan	...	...	...	...	...	...	...	...	...	...
4% Victory Bonds	...	...	360	235	219	210	207	207	207	207
Treasury Bonds	...	...	542	607	494	416	405	395	279	...
Exchequer Bonds	...	...	20	323	...	...	...	...	...	...
National Savings Certs.	...	...	267	358	372	382	1,388	392	394	1,894
Other Debt*	...	...	1,306	1,076	1,068	1,062	1,059	1,059	1,059	1,059
American Loan (Anglo-French)	...	...	51	...	...	...	...	...	...	...
Treasury Bills	15	1,107	589	570	604	778	939	800	1,848	1,848
Temporary Advances	57	1,243	49	25	85	38	44	44	27	...
Other Capital Liabilities	654	87	4,740	7,413	7,433	7,644	7,947	7,808	7,857	7,857
Total Liabilities	711	8,079	7,597	7,583	7,647	7,860	8,158	8,024	8,074	8,074

* Includes debt to American Government.
† Includes United States and French credits to British Treasury.
‡ Including borrowing of £200 millions for Exchange Equalisation Fund.
§ Includes £4.5 millions of National Saving Bonds.

REVENUE	April 1, 1934, to June 30, 1934	April 1, 1933, to June 30, 1933	Seven days ending June 30, 1934	Six days ending June 30, 1933
ORDINARY REVENUE				
Inland Revenue—				
Income Tax	14,696,000	16,369,000	2,413,000	1,366,000
Sur-tax	5,470,000	6,030,000	170,000	370,000
Estate, etc., Duties	22,630,000	16,970,000	1,680,000	1,720,000
Stamps	3,880,000	3,080,000	540,000	970,000
Excess Profits Duty and Corporation Tax	...	...	...	...
Land Tax and Mineral Rights Duty	120,000	130,000	20,000	10,000
Total Inland Revenue	46,796,000	42,579,000	4,833,000	4,436,000
Customs and Excise—				
Customs	46,330,000	43,208,000	3,333,000	2,770,000
Excise	24,400,000	26,000,000	600,000	500,000
Total Customs and Excise	70,730,000	69,208,000	3,933,000	3,270,000
Motor Vehicle Duties (Exchequer Share)	1,016,000	870,000	121,000	Dr219,000
Post Office (Net Receipt)	4,900,000	3,650,000	Dr650,000	Dr650,000
Crown Lands	270,000	210,000	40,000	20,000
Receipts from Sundry Loans	322,796	1,097,766	...	...
Miscellaneous Receipts	3,914,028	11,942,928	223,525	10,052,679
Total Ordinary Revenue	128,158,824	129,558,694	8,500,525	16,909,679
SELF-BALANCING REVENUE:				
Post Office	12,850,000	13,400,000	1,500,000	1,550,000
Motor Vehicle Duties apportioned to Road Fund	4,100,000	3,825,000	...	341,000
Total Self-Balancing Revenue	16,950,000	17,225,000	1,500,000	1,891,000
Total	145,108,824	146,783,694	10,000,525	18,800,679

EXPENDITURE	April 1, 1934, to June 30, 1934	April 1, 1933, to June 30, 1933	Seven days ending June 30, 1934	Six days ending June 30, 1933
ORDINARY EXPENDITURE				
Interest and Management of National Debt	75,395,365	73,304,576	1,846,976	268,975
Payments to Northern Ireland Exchequer	1,347,854	1,173,393	253,357	...
Other Consolidated Fund Services	759,478	1,081,274	67,369	81,329
Total	77,502,697	75,559,243	2,167,702	350,304
Total Supply Services (excluding Post Office)	100,374,000	99,888,000	9,485,000	10,597,000
Total (Ordinary Expenditure)	177,876,697	175,447,243	11,652,702	10,947,304
Payments to U.S.A. Government	...	1,841,216	...	1,841,216
Total (excluding Self-Balancing Expenditure)	177,876,697	177,288,459	11,652,702	12,788,520
SELF-BALANCING EXPENDITURE				
Post Office	12,850,000	13,400,000	1,500,000	1,550,000
Road Fund	4,100,000	3,825,000	...	341,000
Total Self-Balancing Expenditure	16,950,000	17,225,000	1,500,000	1,891,000
Total	194,826,697	194,513,459	3,152,702	14,679,520

The aggregate revenue and expenditure to June 30, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO JUNE 30, 1934	(000's omitted)
Expenditure	177,877
Revenue	128,159
Increase in balances	135
Gross increase in borrowing	£50,799
Less—	
New Sinking Fund	946*
Net borrowing	49,853
	178,012

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	June 30, '33	Mar. 31, '34	June 30, '34	Movement, week ended June 30, '34
Advances by Bank of England	18,500,000	...	...	...
Advances by Public Department	26,270,000	44,900,000	28,400,000	+ 2,650,000
Treasury Bills outstanding	976,185,000	799,810,000	848,295,000*	- 4,145,000
Total Floating Debt	1,014,955,000	844,710,000	876,695,000	- 1,485,000

* Includes £12,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on June 29, 1934, and the total amount applied for was £84,265,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 15s. 8d., about 57 per cent., and above in full; Saturday, at £99 15s. 9d., and above in full. The average rate per cent. was 16s. 11-64d. The amount allotted was £35,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,860,000	43,850,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	78,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
May 25	40,000,000	72,995,000	40,000,000	0 17 3-45
June 1	40,000,000	73,700,000	37,725,000	0 17 2-57
June 8	40,000,000	77,515,000	36,000,000	0 17 4-00
June 15	35,000,000	63,845,000	33,395,000	0 17 0-19
June 22	35,000,000	59,840,000	35,000,000	0 16 8-61
June 29	35,000,000	84,265,000	35,000,000	0 16 11-64

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended June 16, 1934	658,964	£527,171
Week ended June 23, 1934	591,038	£472,829
February, 1916, to June 16, 1934	1,189,614,897	£937,336,331

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,600,273

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited

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

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

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, July 4th, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	11,015,100
In Circulation	385,793,384	Other Government Securities	244,315,794
In Banking Department	65,667,998	Other Securities	1,205,738
		Silver Coin	3,463,368
		Amount of Fiduciary Issue...	280,000,000
		Gold Coin and Bullion	£10,818,382
			451,461,382

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	82,827,071
Rest	3,477,871	Other Securities:—	
Public Deposits*	26,650,379	Discounts and	
Other Deposits	94,879,607	Advances...	£17,062,165
Other Accounts	£37,497,032	Securities ...	£10,818,292
			27,880,457
7-day and Other Bills	132,376,639	Notes	65,667,998
	6,955	Gold and Silver Coin	689,318
			177,064,844

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

Both Departments	Amount, July 4, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last year
Note circulation	385,793,384	+ 4,103,494	+ 7,020,909
Public deposits	26,650,379	+ 9,020,125	+ 10,475,456
Bankers' deposits	94,879,607	+ 1,429,497	+ 2,535,731
Other deposits	37,497,032	+ 979,839	+ 12,373,733
Seven-day bills	6,955	...	+ 4,827
Total outside liabilities	544,827,357	+ 12,674,061	+ 7,663,185
Capital and rest	18,030,871	+ 50,578	+ 15,116
Government debt and securities	338,157,965	+ 2,252,805	+ 7,530,750
Discounts and advances	17,062,165	+ 10,982,561	+ 709,234
Other securities	12,024,030	+ 515,374	+ 1,614,013
Silver coin in issue department	5,463,368	...	+ 173,770
Gold and bullion (bank's reserves)	192,150,700	+ 6,787	+ 1,195,868
Reserves of notes and coin in banking department	66,357,316	+ 4,096,707	+ 5,825,041
Proportion of reserve to outside liabilities	41-7%	- 5-1%	- 3-8%
(a) Banking Department only ("proportion")	35-3%	- 0-8%	- 0-3%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934	£	£	£	£	£		%
May 30	451,333	378,111	14,015	99,408	36,669	Nil	2
June 6	451,333	378,886	16,253	97,892	33,957	Nil	2
" 13	451,411	378,572	21,019	97,005	35,865	77 in	2
" 20	451,460	377,378	21,759	99,554	35,700	49 in	2
" 27	451,460	381,690	17,630	96,309	36,517	Nil	2
July 4	451,461	385,793	26,650	94,808	37,497	Nil	2

(000's omitted)

Date	Issue Department		Both Depts.		Ranking Department			
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"	
1934								
May 30	254,892	1,644	192,688	36 1/2	76,895	5,649	10,753	73,977
June 6	254,903	1,633	192,102	36 1/2	77,780	6,128	10,921	73,216
" 13	254,674	1,865	192,130	36 1/2	81,445	5,742	11,204	73,558
" 20	254,778	1,760	192,150	35 1/2	81,063	6,877	13,204	74,772
" 27	254,899	1,635	192,144	36 1/2	81,006	6,080	10,904	74,754
July 4	255,331	1,206	192,151	35 1/2	82,827	17,062	10,818	66,304

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

Assets	June 30, 1933	June 1, 1934	June 8, 1934	June 15, 1934	June 22, 1934	June 29, 1934
Gold coin and bullion	14,298	19,063	19,117	19,232	19,233	19,596
Subsidiary coin	577	324	314	309	313	293
Bills discounted: Domestic and Union Govt. Treas.	17	12	13	13	13	13
Bills discounted: Foreign	21,145	22,555	22,285	22,420	22,455	20,996
Investments	2,225	1,725	1,725	1,725	1,725	1,725
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	10,753	12,341	11,712	11,243	11,059	12,363
Government deposits	1,131	2,725	2,471	2,904	3,229	2,398
Bankers' deposits	28,163	28,335	29,376	30,152	29,287	28,895
Ratio of cash reserves to liabilities to public	85.4%	89.5%	89.7%	89.9%	89.4%	40.1%

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

Assets	June 9, 1933	May 11, 1934	May 18, 1934	June 1, 1934	June 8, 1934	June 15, 1934
Total securities	39,14,96	54,56,32	53,91,07	53,36,01	54,05,36	51,40,94
Ways and means advances	7,00,00	2,38,39	2,21,23	2,22,16	2,26,13	2,55,96
Loans	3,71,86	16,21,77	16,35,69	16,28,69	16,21,58	16,46,96
Cash credits	19,21,18	2,61,12	2,80,75	2,91,20	2,55,58	3,01,31
Inland bills	2,33,07	2,61,12	2,80,75	2,91,20	2,55,58	3,01,31
Foreign bills	2,33,07	2,61,12	2,80,75	2,91,20	2,55,58	3,01,31
Dead stock	2,63,23	2,65,14	2,55,16	2,55,23	2,55,19	2,55,22
Bal. with other banks	4,49	3,12	12,13	13,99	18,39	5,51
Cash	17,50,90	14,10,46	14,61,35	16,78,04	17,79,73	16,48,11
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,17,50	5,22,50	5,22,50	5,22,50	5,22,50	5,22,50
Total deposits	80,37,37	81,11,00	81,13,96	82,77,74	84,29,33	81,08,91
The above includes—						
Deposits in London	923	916	932	913	915	994
Advances in London	1,030	1,599	1,587	1,532	1,482	1,638
Cash, etc., at other Banks in London	36	27	94	108	142	45

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

Assets	June 30, 1933	June 8, 1934	June 15, 1934	June 22, 1934	June 29, 1934
Gold	81,242,742	78,645,114	78,929,439	79,200,554	79,547,792
Foreign assets	2,584,759	14,111	14,357	18,560	15,338
Sight deposits	1,404,907	1,122,247	1,122,247	1,112,365	1,112,365
Bills, etc.	2,790,930	4,284,209	3,801,228	4,301,481	4,301,481
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,765,847	3,137,002	3,109,809	3,067,569	3,076,089
Other advances	6,448,794	5,950,283	5,928,683	5,928,683	5,929,025
Other assets (except forward exch.)	6,043,177	5,229,522	5,218,191	4,494,504	4,494,504
LIABILITIES					
Notes in circulation	84,707,639	80,789,402	80,213,585	79,969,655	82,057,229
Public deposits	2,337,603	3,037,892	3,295,024	3,307,928	3,320,646
Private deposits	17,138,189	15,391,703	15,326,638	16,366,518	14,950,631
Other liabilities	2,099,856	2,423,492	2,288,468	1,679,615	1,679,615
Ratio of gold reserve to sight liabilities	77.8%	79.2%	79.5%	79.3%	79.1%

THE REICHSBANK—In Reichsmarks (000's omitted)

Assets	June 30, 1933	June 15, 1934	June 23, 1934	June 30, 1934
Gold	188,719	94,326	72,487	70,178
Of which deposited abroad	19,645	26,512	24,127	17,916
Reserve in foreign currencies	84,530	6,242	4,005	6,806
Bills of exchange and cheques	3,212,597	3,081,239	2,982,332	3,462,124
Silver and other coin	212,883	250,693	284,124	175,123
Notes of other German banks	3,315	12,956	14,916	4,608
Advances	209,648	79,222	80,701	170,887
Investments	320,685	652,104	669,393	685,205
Other assets	530,940	555,437	565,478	600,195
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,481,830	3,485,461	3,397,778	3,776,654
Other daily maturing obligations	448,836	78,248	512,094	623,095
Other liabilities	210,850	145,643	140,789	152,830
Cover of note circulation	7.8%	2.9%	2.3%	2.0%

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

Assets	Position, June 28, 1934	June 29, 1934	June 7, 1934	June 14, 1934	June 21, 1934	June 29, 1934
Gold	1914	2,677,749	2,699,933	2,677,229	2,665,296	2,653,026
Silver and other coin	232,650	64,383	65,185	66,369	66,546	66,546
Securities	697,600	730,268	705,389	676,571	664,893	656,519
LIABILITIES						
Notes in circulation	934,150	3,590,274	3,505,044	3,486,178	3,465,518	3,481,656
Deposits: Govt.	...	49,241	80,655	73,364	85,234	88,286
Other	...	275,216	302,800	281,573	266,149	228,634

(a) In thousand francs. (b) Complete returns not available.

NETHERLANDS BANK—In florins (000's omitted)

Assets	Position, May 30, 1934	June 3, 1934	June 10, 1934	June 18, 1934	June 25, 1934	July 2, 1934
Gold	163,092	744,743	819,923	827,131	841,512	846,866
Silver	8,436	23,236	23,566	23,887	24,033	23,042
Home bills discont.	...	59,968	28,767	28,469	27,954	28,323
Foreign bills	253,504	69,701	1,361	1,361	1,361	1,361
Loans and advances in current acct.	...	124,424	150,149	149,603	149,687	167,048
LIABILITIES						
Notes in circulation	316,632	962,463	898,746	888,474	881,602	929,706
Deposits	5,016	78,198	134,689	152,204	173,112	147,110

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

Assets	Position, May 30, 1934	June 3, 1934	June 10, 1934	June 18, 1934	June 25, 1934	July 2, 1934
Gold	22,971	147,123	145,450	144,370	140,900	141,330
Silver	29,785	...	...	...	...	...
Discounts, advances, and other investments	77,567	55,518	73,800	71,030	72,940	72,850
Foreign bills	...	5,239	1,290	940	1,340	610
Other assets	...	35,919	10,140	10,410	10,330	10,630
LIABILITIES						
Notes in circulation	109,499	199,291	190,050	187,870	184,180	184,870
Deposits and bills payable	11,250	33,365	27,880	26,310	28,540	27,720

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

Assets	Position, May 31, 1934	June 30, 1934	June 7, 1934	June 15, 1934	June 23, 1934	June 30, 1934
Gold	171,175	1,872,726	1,636,109	1,636,145	1,636,911	1,636,913
Of which held abroad	...	267,749	105,506	105,906	106,674	106,674
Foreign gold valuta	...	3,484	8,429	8,763	9,074	8,248
Discounts	...	17,495	39,543	30,133	36,991	66,831
Bills of the Confederation	...	19,150	23,447	23,447	23,247	24,472
Advances	103,000	58,922	78,732	77,304	78,942	100,385
Securities	F	71,141	56,229	56,152	56,113	54,621
LIABILITIES						
Notes in circulation	275,925	1,487,240	1,324,505	1,302,805	1,301,153	1,376,033
Deposits	33,750	501,172	456,067	468,775	480,477	455,031

BANK OF ITALY—In lire (000's omitted)

Assets	June 20, 1933	May 20, 1934	May 31, 1934	June 10, 1934	June 20, 1934
Gold, coin and bullion	6,745,300	6,786,000	6,667,100	6,627,200	6,552,300
Foreign bills and balances abroad	343,400	34,200	35,200	33,700	34,200
Other cash	324,700	315,000	314,900	313,600	318,600
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,601,600	4,094,600	4,035,900	3,913,300	3,879,600
Advances	660,500	810,400	868,400	714,300	816,200
Credit with "Institute for Industrial Reconstruction"	1,087,100	1,173,100	1,173,100	1,172,300	1,172,500
Government securities	1,368,000	1,368,400	1,385,600	1,384,600	1,371,700
LIABILITIES					
Notes in circulation	12,613,400	12,661,200	12,888,900	12,817,700	12,481,300
Public deposits	2,119,800	1,813,300	1,536,800	1,372,500	1,496,200
Other deposits and drafts	1,301,100	1,463,200	1,438,900	1,232,100	1,462,600
Ratio of reserve to note and sight liabilities combined	49.87%	47.28%	45.82%	46.42%	46.24%

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

Assets	July 1, 1933	June 7, 1934	June 15, 1934	June 23, 1934	June 30, 1934
Gold reserve	216,198	272,733	273,892	274,215	274,581
Government securities—Foreign	260,078	151,072	151,062	151,062	151,062
Gold abroad not included in the gold reserve	...	37,236	37,236	37,236	37,236
Bills payable in Sweden	73,983	11,580	12,301	11,976	11,976
Balance abroad	312,345	53,151	57,613	55,832	56,233
Advances	37,487	35,098	35,128	34,984	34,515
LIABILITIES					
Notes in circulation	586,562	577,948	585,857	589,641	653,487
Government deposits	223,054	230,387	226,068	221,728	206,948
Private deposits	101,950	234,202	237,718	234,549	188,938

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

Assets	Position, May 31, 1934	June 30, 1934	June 15, 1934	June 22, 1934	June 30, 1934
Coin and bullion—Gold	44,224	118,250	118,890	118,390	118,390
Balance abroad and foreign bills	28,533	15,208	7,129	6,997	5,605
Funds provisionally placed in gold not included in the gold reserve	...	32,578	16,379	16,379	16,379
Norwegian and Foreign Government securities	8,816	36,997	31,204	31,239	31,171
Discounts and loans	76,911	232,778	285,424	292,098	291,721
LIABILITIES					
Notes in circulation	113,484	308,523	311,852	316,328	325,498
Deposits at sight	7,188	700,720	86,593	80,074	62,062

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

Assets	Position, May 30, 1934	June 24, 1934	June 9, 1934	June 16, 1934	June 23, 1934
Gold	521,775	2,239,483	2,263,021	2,263,114	2,263,324
Of which deposited abroad	728,600	640,048	690,558	676,638	684,567
Loans & Discounts	800,725	2,581,693	2,537,850	2,497,442	2,431,328
Spanish 4% stock	344,475	344,475	344,474	344,474	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000
LIABILITIES					
Notes in circulation	901,550	4,655,415	4,638,087	4,656,128	4,577,679
Deposits	477,500	906,575	994,151	966,832	981,903

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

Assets	June 23, 1933	May 31, 1934	June 7, 1934	June 15, 1934	June 23, 1934
Cash reserve—Gold coin and bullion	149,615	241,239	241,271	241,307	241,338
Foreign exchange	39,638	35,018	38,233	33,922	34,428
Other foreign exchange	241,799	277,794	252,041	240,888	246,992
Bills discounted	658,944	624,444	624,444	624,444	624,444
Federal debt	43,200	54,960	54,960	54,960	54,960
Share capital	11,096	11,280	11,280	11,280	11,280
Reserve fund	794,200	930,879	881,358	884,595	861,251

OVERSEAS BANK RATES

Changed	From	To	Changed	From	To
Albania	Nov. 16, 1933	8 7/8	Madrid	Oct. 28, 1932	6 1/2
Amsterdam	Sep. 18, 1933	8 1/2	Olo	May 22, 1933	3 1/2
Athens	Oct. 14, 1933	7 1/2	Paris	May 31, 1934	3 1/2
Batavia	July 1, 1934	4 1/2	Prague	Jan. 25, 1933	4 1/2
Belgrade	Feb. 9, 1934	7 1/2	Pretoria	May 15, 1933	4 1/2
Berlin	Sep. 22, 1932	5 1/2	Tallinn	Jan. 28, 1932	6 1/2
Brussels	Apr. 26, 1934	8 1/2	Riga	Jan. 1, 1933	6 1/2
Bucharest	Apr. 5, 1933	7 1/2	Rome	Dec. 11, 1933	3 1/2
Budapest	Oct. 17, 1932	5 1/2	Sofia	Jan. 3, 1934	8 1/2
Calcutta	Feb. 16, 1933	4 1/2	Stockholm	Dec. 1, 1933	3 1/2
Copenhagen	Dec. 1, 1933	5 1/2	Swiss Bank		
Danzig	May 6, 1933	4 1/2	places	Jan. 22, 1931	2 1/2
Helsingfors	Dec. 20, 1933	5 1/2	Tokio	July 2, 1933	4-38
Kovno	Jan. 1, 1934	7 1/2	Vienna	June 27, 1934	5 1/2
Lisbon	Dec. 8, 1933	6 1/2	Warsaw	Oct. 28, 1933	6 1/2
New York Fed.	Feb. 1, 1934	2 1/2	Irish	June 30, 1932	3 1/2
Central Reserve					

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.

5 1/2% applied to banks and credit institutions.
6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	July 5, 1933	June 6, 1934	June 13, 1934	June 20, 1934	June 27, 1934	July 3, 1934
Call money	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Time money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Bank acceptances:—						
Members—eligible, 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Non-mem.—eligible, 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Ineligible, 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Commercial accept., 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Rates of Exchange, New York on—	Par Level	July 5, 1933	June 20, 1934	June 27, 1934	July 3, 1934
London—					
60 days					
Cable					
Cheques					

London—	Old par	4-485	5-0212	5-0387	5-0487
60 days	4-6866	4-485	5-0212	5-0387	5-0487
Cable	4-495	5-04	5-0550	5-0637	5-0637
Cheques	8-2397	4-495	5-0550	5-0637	5-0637
Paris	6-63	5-30	6-60	6-60	6-5975
Switzerland	23-54	18-90	23-37	23-40	23-37
Italy	32-67	26-00	32-48	32-54	32-56
Berlin	8-91	7-18	8-6050	8-5625	8-58
Vienna	40-33	32-20	38-10	39-35	38-35
Madrid	23-82	15-50	18-95	18-95	18-95
Amsterdam	32-67	11-26	13-69	13-69	13-685
Copenhagen	68-06	54-00	67-81	67-94	67-89
Oslo	20-10	22-52	22-58	22-64	22-64
Stockholm	22-65	25-34	25-40	25-46	25-46
Montreal	23-82	26-00	26-07	26-12	26-12
Yokohama	0-77	0-94	0-94	0-95	0-95
Shanghai	169-31	93 1/2	101 1/2	100 1/2	100 1/2
Calcutta	84-40	28-25	29-99	29-98	29-98
Buenos Aires	33-90	33-25	34-25	34-62	34-62
Rio de Janeiro	61-80	33-90	37-94	38-25	38-25
	33-37	33-65	33-74	33-74	33-74
	11-96	...	8-51	8-51	8-52

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on:—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on:—		
Rhodesia	£ s. d.	£ s. d.
South Africa	99 15 0	99 15 0
	99 17 6	99 17 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	90 days	20-10
Colombia	Pesos to £	5	Bogota (sight)	8-75 1/2
Ecuador	Sucres to £	24-3325	Sight London	52-89 1/2
Nicaragua	Colonos to £	4-8665	"	"
Salvador	Colonos to £	9-73	"	12-70
Venezuela	Bolivares to £	25-2215	"	15-90
Guatemala	Quoted in New York	...	"	5-17

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate.

The Anglo-South American Bank has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period July 1st to July 10th at 138-37 per cent. The previous rate was fixed as from June 21st at 138-49 per cent.

OVERSEAS DOMINION RATES
COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand
T.T.	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2
Sight	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2	125 1/2
30 days ..	127 1/2	126 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2
60 days ..	127 1/2	127 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2
90 days ..	128 1/2	127 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

There were no remittances from the Government of India to the Secretary of State for India during the week ended June 30, 1934.

During the From Apr. 1 week ending to June 30, June 30, 1934 1934

Sterling purchased in India	430,000	7,812,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	...	—2,250,000
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	...	...

Net remittance to Home Treasury

India Office, S.W.1, July 4, 1934.

BULLION

The following statistics of imports and exports of gold and silver for week ended July 5, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

Imports

IMPORTS AND EXPORTS OF GOLD					
Gold Imported into Great Britain and Northern Ireland, week ended July 5, 1934			Gold Exported from Great Britain and Northern Ireland, week ended July 5, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	£ 12,088	£	Poland	£ 11,180	£ 2,170
Netherlands	1,000	13,839	Netherlands	...	5,000
Belgium	5,586	...	Belgium	...	5,000
France	5,842	2,667	France	889	62,987
Switzerland	5,686	1,563	United States	779,648	41,208
Spain	2,300	...			
Iraq	20,576	...			
United States	7,051	...			
Venezuela	20,933	...			
Peru	60,976	1,993			
British South Africa	1,828,033	...			
Tanganyika Territory	7,793	...			
British India	352,144	...			
Australia	146,295	22,750			
New Zealand	10,252	...			
British Guiana	9,205	...			
Other countries	5,682	1,881			
Total	2,501,442	44,693	Total	791,717	116,357

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended July 5, 1934			Silver Exported from Great Britain and Northern Ireland, week ended July 5, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Union (Russia)	£ 50,620	£ ...	France.....	£ 291	£ ...
Germany	1,988	...	Straits Settlements	2,200	...
Netherlands	1,880	...	New Zealand.....	...	61,435
Belgium	2,433	26	Other countries ...	1,176	61,435
France	...	147			
China	...	47,530			
Japan	41,998	...			
Peru	11,964	...			
Australia	6,879	8,400			
Canada	21,999	...			
Other countries ...	454	1,029			
Total	140,235	57,132	Total	3,667	62,017

* At current market price. † At par.

	1934	1933	1934	1933
ARRIVALS			WITHDRAWALS	
June 29	Nil	Nil	June 29	Nil
July 5	Nil	Nil	July 5	Nil
July 12	Nil	Nil	July 12	Nil
July 19	Nil	Nil	July 19	Nil
July 26	Nil	Nil	July 26	Nil
August 2	Nil	Nil	August 2	Nil
August 9	Nil	Nil	August 9	Nil
August 16	Nil	Nil	August 16	Nil
August 23	Nil	Nil	August 23	Nil
August 30	Nil	Nil	August 30	Nil
Total	Nil	Nil	Total	Nil
Movement June 29, 1934, to July 5, 1934 (inclusive)	Nil	Nil		
Movement during year 1933	£71,094,909 in			
Movement during 1934 (January 1 to July 5, inclusive)	£731,650 in			
Movement April 29, 1925, to July 5, 1934 (inclusive)	£23,101,437 in			
Movement September 21, 1931 (gold standard suspended), to July 5, 1934 (inclusive)	£55,466,951 in			

GOLD

Messrs Samuel Montagu and Company write on July 4, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,460,163 on the 27th ultimo, showing no change as compared with the previous Wednesday. In the open market about £1,200,000 of gold was disposed of during the week. There has been no special feature, but there was a fair general demand for the moderate amounts available and prices have ruled at, or slightly above, dollar parity.

Quotations during the week:—

	IN LONDON	Equivalent value
	Per fine ounce	of £ sterling
June 28	137s. 8d.	12s. 4-10d.
" 29	137s. 5d.	12s. 4-37d.
" 30	137s. 10 1/2d.	12s. 3-88d.
July 2	137s. 10d.	12s. 3-93d.
" 3	137s. 7 1/2d.	12s. 4-15d.
" 4	137s. 5d.	12s. 4-37d.
Average	137s. 7-66d.	12s. 4-13d.

The s.s. "Rawalpindi," which sailed from Bombay on the 30th ultimo, carries gold to the value of about £95,000, of which £649,000 is consigned to London and £346,000 to New York.

SILVER

Although prices have shown fluctuations, a further advance has been seen during the past week. The report that the United States Government had placed an embargo on the export of silver, except under licence, was followed on the 29th ultimo by heavy buying by speculators and the Indian Bazaars; prices rose sharply and the quotations on that day, 21 1/2d. for cash and 21 1/4d. for two months, were the highest since November, 1931.

Some reaction followed, buyers showing more hesitation at the higher level, whilst China was inclined to sell and there was also some profit-taking sales. America has been a moderate seller.

It is possible that prices may continue to fluctuate, but the undertone of the market seems, perhaps, rather less firm at the moment.

Quotations during the week:—

IN LONDON				IN NEW YORK	
Bar silver per oz. std.				Cents per	
Cash		Two Months'		Ounce	
delivery		delivery		.999 fine	
June 28	20½d.	20½d.		June 27.....	45½
„ 29	21½d.	21½d.		„ 28.....	46½
„ 30	21d.	21½d.		„ 29.....	46½
July 2	21d.	21½d.		„ 30.....	Closed
„ 3	20½d.	20½d.		July 2.....	46½
„ 4	20½d.	20½d.		„ 3.....	47
Average	20-896d.	21-000d.			

The highest rate of exchange on New York recorded during the period from the 28th ultimo to the 4th instant was \$5-06 1/2 and the lowest \$5-04 1/2.

INDIA CURRENCY RETURNS (in lacs of rupees)

	June 22	June 15	June 7
Notes in circulation	18,026	17,955	17,927
Silver coin and bullion in India	9,655	9,585	9,617
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,018	3,029	2,969
Securities (British Government)	1,198	1,186	1,186

The stocks in Shanghai on the 30th ultimo consisted of about 115,700,000 ounces in sycee, 384,000,000 dollars and 31,000,000 ounces in bar silver as compared with about 115,500,000 ounces in sycee, 382,000,000 dollars and 30,200,000 ounces in bar silver on the 23rd ultimo.

Statistics for the month of June last are appended:—

	Bar Silver per oz. std.	Bar Gold
	Cash	Two Months'
	delivery	delivery
Highest price	21 1/2d.	138s. 2 1/2d.
Lowest price	19 3/4d.	137s. 1 1/2d.
Average	19-9808d.	20-0385d. 137s. 8-88d.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce	Date	Silver Cash
		Cash	Forward	
1934				
June 29 ...	s. d.	d.	d.	d.
" 30 ...	137 5	21 1/2	21 1/2	27 1/2
July 2 ...	137 10 1/2	21	21 1/2	24 1/2
" 3 ...	137 7 1/2	20 1/2	20 1/2	16 1/2
" 4 ...	137 5	20 1/2	20 1/2	16 1/2
" 5 ...	137 7	20 1/2	21	18 1/2

COMPANY NEWS

TRANSVAAL JUNE, 1934, OUTPUTS, &c.

Note.—Value of gold calculated at £6 17s. per ounce in

REPORTS AND NOTICES

Colonel Charles F. Hitchins, D.S.O., M.I.Mech.E., M.I.N.A., of Hitchins, Jervis and Partners, Consulting Engineers, Westminster, has been appointed to the board of the Pearson and Knowles Coal and Iron Company, Limited, to represent the interests of the 5 per cent. income debenture stockholders.

BANKS

BARCLAYS BANK LIMITED.—Mr Edgar Bertram Hibberd, Principal of the Intelligence Department, Head Office, has been appointed Treasurer of the Bank, in succession to Mr Percy Charles Harte.

MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY.—We understand that Mr M. M. Wilde, who became manager of the Midland Bank Executor and Trustee Company, Ltd., upon its formation by the Midland Bank in 1909 and later was appointed general manager, has retired on pension. His successor as general manager is Mr G. E. Baldry, heretofore the joint general manager of the company.

CENTRAL HANOVER BANK AND TRUST COMPANY, NEW YORK.—The statement at June 30, 1934, shows assets totalling \$777,914,674, comprising cash and due from banks, \$132,686,735; United States Government securities, \$334,647,666; State and municipal securities, \$28,071,571; real estate mortgages, \$4,834,530; other securities, \$24,716,455; stock in Federal Reserve Bank, \$2,580,000; loans and bills purchased, \$214,212,422; banking houses, \$18,896,735; other real estate, \$1,607,085; interest accrued, \$1,547,261; customers' liability account of acceptances, \$14,114,209. On the liabilities side appears capital, \$21,000,000; surplus, \$60,000,000; undivided profits, \$1,312,478; capital notes, \$5,000,000; reserve for taxes, interest accrued, etc., \$5,066,579; dividend payable July 2, 1934, \$1,575,000; acceptances, \$15,328,714; deposits, \$668,631,902—total, \$777,914,674.

BANK OF AMERICA.—Earnings of the Bank of America N.T. & S.A. and Bank of America (California) for the first six months of 1934 amounted to \$5,214,000, covering dividend requirements for the entire year by a margin of more than \$1,000,000, and continuing the up-trend in profits with a 17 per cent. gain over earnings for the first half of 1933. After payment of two quarterly dividends aggregating \$1,800,000, an amount of \$1,542,000 was appropriated for reserves and \$1,872,000 was added to undivided profits during the past six months, increasing this account to \$17,048,000 on June 30th. Earnings were at the annual rate of \$10,400,000 or 2½ times the annual dividend rate of \$4,100,000 established when the directors increased the quarterly disbursement in June. The combined statement of condition of the Bank of America N.T. & S.A. and Bank of America (California) as of June 30, 1934, shows total deposits of \$926,004,000, representing an increase of \$158,590,000 since June 30, 1933. Total resources amount to \$1,091,377,000, with total cash of \$101,448,000 and \$438,234,000 invested in United States Government, State, County and Municipal bonds and other securities. The market value of these securities, the report shows, is higher than the amount at which they are carried on the books of the bank.

MISCELLANEOUS

ABBEY ROAD BUILDING SOCIETY.—Mr W. Carlyle Stamp, M.A., A.C.A., has been elected a member of the board of management of the Abbey Road Building Society.

DORMAN LONG MORATORIUM.—Meetings of 4 and 5½ per cent. debenture stockholders of Dorman, Long and Company are to be held in London on July 12th to approve an extension of the existing arrangements until November 30, 1934, and to authorise the Stockholders' Committee to grant further extension, if necessary, until not later than January 31, 1935, without again consulting the stockholders. The special committee set up to investigate the position has unanimously agreed upon a plan of reconstruction. The board has, in principle, accepted the plan, but as the approval of the Court cannot be obtained until after the Long Vacation, the further extension of the moratorium now sought cannot be avoided. The committee states, in its interim report, that the more favourable conditions of the company's business, referred to in February, have been fully maintained. The terms of the extension are to the same effect as those sanctioned on the last occasion, and the board intend to continue the punctual payment of interest upon the 4 per cent. stock as it falls due. The company's bankers have agreed that during the extension of the arrangement, there shall be no repayment of sums now owing.

HUNGARY LEAGUE LOAN.—The League Loans Committee has been in communication with the Hungarian Government regarding the future service of the 1924 League of Nations Loan, and now announces that the Hungarian Government again expressly recognises the special position and claims of this loan; and it confidently hopes, and will use its best endeavours, to carry out the following arrangements for its service during the period August 2, 1934, to August 1, 1935, inclusive:—The Government will transfer to the trustees in foreign exchange 50 per cent. of the interest service. It will continue to provide in its Budget in pengos the equivalent of the full service of the loan, including interest and sinking fund, and to deposit these amounts as at present in an account at the National Bank of Hungary. The Hungarian Government, in view of the exceptional harvest results of last year, further offers to any bondholder who is willing to surrender on or after October 1, 1934, the part-paid coupons due in February and/or August, 1934, a cash payment in foreign exchange of 10 per cent. of the unpaid portion of these coupons. A notice will be issued in due course with regard to the arrangements for this payment. In the circumstances, the Committee consider that bondholders would be well advised to acquiesce in the present proposals of the Hungarian Government.

PRICE BROTHERS' REORGANISATION.—The scheme of arrangement of Price Brothers and Company (in bankruptcy), newsprint manufacturers, of Quebec, was defeated at a meeting of preferred shareholders last week by 53 per cent. to 47 per cent. (\$2,900,000 against, \$2,600,000 for). The proposals had been approved by the bondholders, creditors and common shareholders. The plan was sponsored jointly by the Bowater and Duke-Price, Rothermere, Beaverbrook groups. A further offer is understood to have been submitted by the Royal Securities Corporation and Hearst interests, providing for a newsprint contract for 5,000 tons monthly for the balance of the current year and 25,000 tons in 1935 and 1936, plus a considerable excess tonnage. In 1936 160,000 additional tons of newsprint would be taken and in 1938 the complete tonnage of the mills. Creditors would receive 5 per cent. certificates on liquidated claims, to be limited to \$2,500,000 (£500,000). No dividends would be payable to shareholders until these certificates had been retired. Preferred shareholders would receive 3 per cent. dividends until 1938, when the former rate of 6½ per cent. would be restored. Common shareholders would be asked to surrender 50 per cent. of outstanding shares to be allotted to underwriters as a consideration for the contracts.

SEVERN VALLEY GAS CORPORATION DEVELOPMENT (OFFER TO GLOUCESTER GAS LIGHT COMPANY).—Severn Valley Gas Corporation, Ltd., has made an offer to purchase the 5 per cent. maximum consolidated ordinary stock of the Gloucester Gas Light Company. Holders of £100 5 per cent. maximum consolidated ordinary stock of the Gloucester Gas Light Company, are offered either:—(1) £120 in cash; or (2) 112 Severn Valley Gas Corporation, Ltd., 4½ per cent. cumulative preference shares of £1 each credited as fully paid; or (3) 50 Severn Valley Gas Corporation, Ltd., 4½ per cent. cumulative preference shares of £1 each, together with 60 Severn Valley Gas Corporation, Ltd., ordinary shares of £1 each, both classes credited as fully paid. Mr F. H. James, managing director of Imperial Continental Gas Association, has joined the board of directors of Severn Valley Gas Corporation, to represent the interests of that association which has acquired a substantial proportion of the deferred shares of the corporation. The chairman of the corporation is Major Julian Day, of Dawnay, Day and Company, who is also a director of South-Eastern Gas Corporation.

STEEL COMPANY OF SCOTLAND.—It is reported that a sufficient number of acceptances of the offer made by Sir James Lithgow, Bt., for the shares of the Steel Company of Scotland have now been received. The £10 ordinary shares will change hands, it is understood, at £13 10s. per share.

THE BWANA M'KUBWA COPPER MINING COMPANY, LTD.—An offer to the members of the Bwana M'Kubwa Copper Mining Company, Ltd., for the purchase of their shares has been received by that company and will be communicated to such members within the next 18 days. Notice is accordingly given that the Register of Members will be closed on Friday, July 13, 1934, until Saturday, August 11, 1934, both days inclusive, to facilitate the posting of such circular and its consideration by the members.

WHITE STAR LINE.—The operation of the Aberdeen Commonwealth Line Fleet for the period January 1 to March 8, 1933, shows a working surplus of £24,378, after charging all voyage expenses, management commission, etc., but without making any provision for depreciation. After crediting sundry interest and dividends, and charging interest paid or accrued, and general expenses, there is a debit balance of £12,118, which, together with the loss of £631,688 brought forward from 1932, and £36,101 for interest accrued in past years and not previously charged, has been carried to deficiency account, making that account, £2,167,714. £1,487,807 was lost on the sale of the Aberdeen Commonwealth Line vessels and sundry assets in connection therewith. The proportion of an interim dividend which accrued to the company in respect of its holding of "B" ordinary shares of Shaw, Savill and Albion Company, Ltd., has been applied to the reduction of the debt due to that company. The auditors report that it is doubtful whether the shares in the Oceanic Steam Navigation Company appearing on the balance sheet at £7,000,000 have any intrinsic value.

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DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Bengal-Nagpur Railway	2%*	July 2	Unchanged	...	...
BANKS					
Alexanders Discount	9%*	...	Unchanged	...	...
Martins Bank	7%*	July 21	Unchanged	...	...
National Bank of Australasia	2½%†	...	Unchanged	5	5
National Discount "A"	2½ p.s.*	July 20	Unchanged	...	...
Do. do. "B"	4½ p.s.*	July 20	Unchanged	...	...
Union Bank of Australia	1½†	Aug. 1	Unchanged	25	25
Westminster Bank (£4)	9%*	Aug. 1	Unchanged	...	...
Do. (£1)	6½%*	Aug. 1	Unchanged	...	...
INSURANCE					
Manufacturers Life Insurance of Canada	5%*	July 2	Unchanged	...	...
Reinsurance Corporation	...	...	...	10	10
TEA AND RUBBER					
Assam Co.	...	...	...	5	Nil
Assam Pours Tea	20%†	...	...	30	10
Assam Frontier Tea	...	...	...	1½	Nil
Attaree Khat Tea	...	...	...	8	Nil
Badulpar Tea	5%†	July 18	Nil	...	...
Bordul Tea	15%†	...	...	20	7½
Borilli Tea	15%†	...	...	20	7½
Borgan Tea	10%†	...	...	15	2½
Ceylon Up-Country Tea	...	...	...	10	10
Craigielea Rubber	3%*	July 31	...	...	...
Deandole Tea	15%†	July 21	...	20	10
Hope Tea	15%†	...	...	25	20
Jokai (Assam) Tea	10%†	...	...	12½	4
Koomsong Tea	10%†	...	...	15	5
Meenglass Tea	15%†	...	...	20	5
Merinau Pegoh	10%†	...	...	Nil	Nil
Rupai Tea	10%†	...	...	Nil	Nil
Singlo Tea	12½%†	...	...	15	2½
Tingsi Tea	10%†	...	...	15	5
Upper Assam Tea	...	...	...	12½	Nil
MINING					
British Tin Investment	2%*	July 17	...	...	Nil
Electrolytic Zinc ord.	...	...	...	...	...
Ipho Tin	1½ p.s.*	Aug. 15	...	...	...
Kramat Pulai	5%†	July 18	...	10	2½
OTHER COMPANIES					
Avon Electricity Meter	6%†	...	Unchanged	10	10
Bassett (George) and Co.	11½%†	...	Unchanged	17½	3
Booth's Distilleries	...	...	...	6	...
Brookleurst-Whiston Amalgamated	...	...	...	2½	Nil
Central Sugar	...	...	...	10½	10½
Cheapside Land Development	3%*	Aug. 1	Unchanged	...	...
Cole (E. K.)	10%†	...	Nil	20	Nil
De La Rue (Thomas) and Co.	...	...	...	5	5
Desford Coal	6d. p.s.	...	Unchanged	...	...
East Indian Coal	1%†	...	Unchanged	...	...
Grange Trust	5%*	...	Unchanged	...	...
Great Northern Telegraph	2½%*	July 2	Unchanged	...	...
Greyfriars Press	...	...	...	10	7½
Guardian Investment	2½%*	...	Unchanged	...	...
Guilford Trust	3%*	...	Unchanged	...	...
Hall Telephone Accessories	5%*	July 9	Unchanged	...	...
Hawker Aircraft	...	...	First Div.	15	...
Kensington and Knightsbridge Electric	3½%*	July 20	Unchanged	7½	6
Kinch (Charles) and Co.	...	July 27	...	...	...
London County Freehold	...	...	...	...	...
Leasehold Properties	2%*	Aug. 1	Unchanged	...	3
Lovell and Christmas	...	...	...	7	7½
Mowat (Wm.) and Sons	...	...	...	...	...
Netting Hill Electric	4%*	July 2	Unchanged	65	35
Peckard and Constance (deferred)	37½%†	...	...	...	...
Rogers (R. H. and S.)	2½%*	July 16	Unchanged	...	...
Scottish Reversionary	3%*	Aug. 15	Unchanged	...	Nil
Sherley (A. F.) and Co. (deferred)	14%*	July 16	...	37	7½
Stutford and Co.	...	...	Unchanged	7½	7½
Trustees Corporation	2½%*	...	Unchanged	...	...
Truswells Brewery	2½%*	...	2%	...	...
Veno Drug (deferred)	...	...	...	70	60
Yorkshire Electric	3%*	...	Unchanged	...	...
Yorkshire Sugar	...	...	...	8	4

* Free of income tax.

COMMERCIAL FIXED TRUST, LTD.—National Provincial Bank, Ltd., announce that the first income distribution upon gilt-edged fixed trust certificates for the period February 20, 1934 to June 15, 1934, will be paid to registered certificate holders at the rate of 2-8131d. net per sub-unit on the due date, July 15, 1934.

THOS. FRITH AND JOHN BROWN.—The directors have decided to pay on July 2nd the arrears of dividend on the 6 per cent. cumulative preference shares for the three years to December last.

SUMMARY OF BALANCE SHEETS

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

RESOURCES	June 30, 1934	LIABILITIES	June 30, 1934
Cash and due from banks	412,910,989-13	Capital—preferred	50,000,000-00
U.S. Government securities	417,366,338-51	Capital—common	100,270,000-00
Notes of Reconstruction Finance Corporation	46,222,000-00	Surplus	50,000,000-00
State and Municipal securities maturing within two years	51,289,144-81	Undivided profits	16,520,815-19
Other State and municipal securities	33,920,788-78	Reserve for contingencies	17,131,683-13
Federal Reserve Bank stock	8,160,000-00	Reserve for taxes, interest, etc.	1,112,383-55
Other bonds and securities	90,776,109-66	Deposits	1,512,485,566-27
Loans, discounts and bankers' acceptances	621,566,066-51	Certified and cashier's checks	20,990,585-88
Real estate	42,305,257-16	Acceptances outstanding	33,675,223-51
Customers' acceptance liability	29,802,516-83	Items in transit with branches	1,192,703-16
Other assets	13,473,966-19	Liability as endorser on acceptances and foreign bills	1,314,127-56
		Other liabilities	6,035,867-11
	1,810,698,955-56		1,810,698,955-56

INTERNATIONAL TEA COMPANY'S STORES, LIMITED

LIABILITIES	April 29, 1933	April 28, 1934	ASSETS	April 29, 1933	April 28, 1934
6% cum. pref.	600,000	600,000	Freeholds at cost	1,831,390	1,833,529
7% cum. pref.	1,368,161	1,368,161	Long leaseholds at cost	136,169	132,639
Ord. shares, 5/-	1,374,381	1,374,381	Fixtures, etc.	669,300	674,248
Creditors	433,264	474,330	Stock-in-trade	970,229	1,078,134
Outstanding dividends	46,789	46,837	Debtors	420,737	427,358
Loans and interest	13,232	9,172	Advances, etc., subsidiary cos.	245,743	414,936
Owing to subsidiaries	318,769	321,429	Shares in subsidiaries	751,701	855,416
Reserve account	747,565	847,565	Cash	479,490	229,969
Reserve for equalisation of dividends	175,000	200,000			
Profit and loss	427,578	404,354			
Total	5,504,759	5,646,229	Total	5,504,759	5,646,229

WESTMINSTER BANK, LIMITED

LIABILITIES	June 30, 1933	June 30, 1934	ASSETS	June 30, 1933	June 30, 1934
Paid-up capital	9,320,157	9,320,157	Cash	32,245,692	28,664,360
Reserve	7,500,000	7,500,000	Balances with other banks	9,968,222	10,927,297
Current deposit and other assets	304,670,141	290,095,857	Money at call and notice	17,633,397	30,104,343
Acceptances and endorsements	29,228,754	31,740,645	Bills discounted	56,441,907	31,670,130
Note issue in Isle of Man	14,512	14,990	Advances	110,543,936	108,085,066
			Investments	85,902,204	88,915,371
			Shares in allied banks	2,992,500	2,992,500
			Acceptances	29,228,754	31,740,645
			Bank premises	5,776,952	5,571,937
Total	350,733,564	338,671,649	Total	350,733,564	338,671,649

OIL OUTPUTS

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended June 9th: Venezuela, 17,400 barrels; Trinidad, 25,409 barrels; total, 42,809 barrels. Production for May: Venezuela, 87,573 barrels; Trinidad, 102,019 barrels; total, 189,592 barrels. Deliveries for May: Venezuela, 93,168 barrels; Trinidad, 89,343 barrels; total, 182,511 barrels. Production for the week ended June 16th: Venezuela, 18,661 barrels; Trinidad, 25,391 barrels; total, 44,052 barrels. Production for the week ended June 30th: Venezuela, 17,615 barrels; Trinidad, 30,485 barrels; total, 48,100 barrels.

TAMPICO OIL, LTD.—The total production from the company's properties in Mexico during May was 13,106 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 983 barrels.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of May amounted to 102,288 barrels, or approximately 14,613 tons.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

An examination of price movements during the week ended Wednesday last reveals no definite tendency in the quotations for industrial raw materials. As we pointed out a week ago, the weakness of some of the principal commodity markets is mainly due to the seasonal decline in industrial activity noticeable in a number of important consuming countries. Price recessions recorded in the past week were, however, only slight and did not extend to all the materials subject to daily fluctuations in price.

Quotations for coke, iron ore, and iron and steel scrap remained firm, for, although there has been a seasonal decline in new orders for iron and steel products, activity in

this branch of activity remains at a high level. Among non-ferrous metals, copper and lead are lower on the week. The persistent weakness of copper prices, which reached a new low level for the current year, is partly due to United States selling pressure. Wednesday's quotations for spelter and tin were slightly higher than a week ago. The set-back in the prices of linseed and linseed oil is due

tained. The opening of the fourth series of Colonial wool sales in London last Tuesday caused disappointment, for prices were from 15 per cent. to 20 per cent. lower than those ruling at the close of the May series. On the other hand, raw jute quotations were marked up on unfavourable crop reports from India.

Wheat prices declined a little, but as crop estimates fore-shadow a smaller crop in the Northern hemisphere (excluding China and the U.S.S.R.), a setback in prices to the low level ruling earlier in the year appears improbable. The market in sugar has been slightly firmer and the improvement in tea prices was maintained.

The tendency of commodity prices in the United States has been downwards. Moody's index of the dollar prices of staple commodities declined from 140.1 (December 31, 1931 = 100) on June 27th to 138.8 on July 3rd. Among individual commodities, wheat, coffee, cocoa, cotton, copper and lead are all cheaper on the week.

COAL

SHEFFIELD.—Output at the South Yorkshire pits is low, and numbers of colliers have lately registered as unemployed. Concessions are being offered to stimulate purchases of house coal, which have fallen to a low level. Nominal quotations for this class of fuel are from 20s. to 21s. 6d. at pits for best ordinary qualities. Export trade in best steams has weakened further, but prices are maintained at 16s. to 16s. 6d. f.o.b. A considerable tonnage of small coal is being delivered to industrial plants, and business in blast furnace coke is as active as ever.

NEWCASTLE-ON-TYNE.—All sections of the North East coal market are quiet. Exports are certainly better under the Scandinavian trading agreements, but the sharp seasonal decline in the English coasting market is felt by most collieries.

Northumberland sized coals continue firm, but most other grades, particularly screened steam, are weak.

In Durham, unscreened gas coal and bunkers are offering freely, and idleness is now prevalent among most groups of collieries. There are the usual periodical inquiries, one of which is for 30,000 tons of Durham gas coals for the Genoa Gasworks, August-September shipment.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B. screened, 13s. 6d.; smalls, 11s.; Howards, Bentinck, Newbiggin, screened, 13s.; smalls, 11s.; Tyne Prime, large, 12s. 9d.; smalls, 11s.; Hartley Main, large, 13s.; smalls, 11s. **DURHAM.**—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 12s. Wear Special, unscreened gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District Gas coke, 20s. 3d.

GLASGOW.—Business is slowing down in view of the holidays, which begin about the end of next week. Nuts are scarce in all areas for shipment before the holidays. Large coals are mostly obtainable, but are also not too plentiful. There has been a fairly good forward inquiry circulating, and some of the collieries have booked business for several months ahead.

Current export prices (f.o.b. district ports):—**LANARKSHIRE.**—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, 14s. 3d. to 14s. 6d.; navigation second, 12s. 9d. to 13s. 3d.; Hartley, 14s. 6d.; steam, 12s. 6d.; trebles, 13s. to 13s. 6d.; doubles, 12s. to 12s. 6d.; singles, 12s. 6d.; pearls, 10s. 6d.; dross, 9s. 9d. **FIFE.**—Best unscreened navigation, 12s. 9d. to 13s.; unscreened navigation, 12s. 3d.; first-class steam, 13s. 9d. to 14s.; third-class steam, 12s.; trebles, 13s. 6d. to 16s.; doubles, 12s. 6d. to 13s.; singles, 12s. 6d. to 13s.; pearls, 10s. 3d. **LOTHIANS.**—Prime steam, 12s. 6d. to 13s.; secondary steam, 11s. 9d.; unscreened navigation, 12s. 6d.; trebles, 13s. 6d. to 14s. 6d.; doubles, 12s. 6d. to 13s.; singles, 12s. 3d. to 12s. 6d.; pearls, 10s. 6d. **AYRSHIRE.**—Best unscreened navigation, 13s. 6d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 6d.; pearls, 11s. 6d. to 12s.; dross, 10s., all per ton f.o.b. Ayr or Troon.

CARDIFF.—The Cardiff coal market remains inactive. Collieries are largely dependent on their contract commitments, but these are not heavy enough to absorb production in the steam and bituminous districts. Work is irregular at many collieries. The position is relatively better in the anthracite trade, where the tips were fully employed this week. Supplies of most grades of coal are in excess of demand. Prices, which are ruling in most cases at the scheduled figures, are unchanged. The Customs returns show that exports from South Wales ports in June were larger than in any other month this year since January, and totalled 1,335,188 tons, compared with 1,241,873 tons in May, and 1,256,620 tons in the corresponding month last year.

The dispute between the colliery owners and workers over the terms of a new wage agreement is being considered this week in London by the Coal Mines Industrial Board. The representatives of the colliery owners have declined the invitation of the board to attend the proceedings.

Current approximate quotations:—Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7d.; best small steams, 13s. 6d. to 14s.; coking

smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; best anthracite large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. to 25s.

IRON AND STEEL

MIDDLESBROUGH.—There is still a lull in actual transactions on this market, although it is understood that during the past few days a few parcels of pig iron have changed hands for home consumption. Local foundries continue busy and are taking good deliveries of iron, but shipments to Scotland are easing off on account of the holidays in that area. The price for No. 3 Cleveland foundry pig iron is maintained at 67s. 6d. per ton delivered locally. East Coast hematite pig iron, whilst not in such strong demand as recently, is being absorbed by orders already on the books, and good deliveries continue to be made to the Midlands.

Export trade of both foundry and hematite pig iron is very small, and for both qualities price concessions have to be made to enable business to be done.

Shipments of pig iron from the Tees during June amounted to 12,776 tons compared with 15,271 tons during May.

Best Bilbao rubio ore is quoted by sellers at 17s. per ton c.i.f. Middlesbrough, whilst good blast furnace coke is firm at 20s. per ton delivered works.

At the end of June there were 27 blast furnaces operating in this area, of which 4 are producing Cleveland foundry iron, 10 hematite iron, and 13 basic iron, ferro-manganese, etc. Shipments of all classes of iron and steel from the Tees during the six months ended June 30, 1934, were practically 270,000 tons, an increase of 70,000 tons as compared with the first six months of 1933.

The steel trade continues fairly active, a satisfactory feature being the quantities of manufactured steel which are now being exported to Finland, Russia, and South Africa. The sheet trade is very quiet.

Heavy steel melting scrap is quieter, and works are now only offering 50s. per ton, as a maximum, delivered.

SHEFFIELD.—Seasonal quietude in ordinary lines of iron and steel is now rather pronounced and not much revival is expected until the beginning of autumn. There is still a fair amount of activity at a good many of the works with a brisk demand for forgings and castings for special purposes. Trade in rust and heat-resisting steels is still progressive. Certain descriptions of armament work are being produced in increased quantities. Prices of crude steel are believed to be stabilised for a lengthy period, but re-rollers are endeavouring to secure higher rates for their products. Depression is acute in shipbuilding steel and railway stock for export.

The outlook for overseas trade is improving in Empire and Scandinavian markets. A local firm has just shipped to the South African Iron and Steel Corporation a complete modern mill for rolling steel sheets. This purchase will make South Africa relatively independent of imported sheets, of which that country has been a large buyer and consumer in the past.

Makers of hand tools and implements are experiencing a spell of very active trade in both the home and export markets. The turnover of this branch now approximates that of 1929, which was the peak year of the local steel industry. Imports of tools have also shown an expanding tendency since the beginning of the year. Denmark is buying more British tools than at any time. Cutlery makers are fairly satisfied with their position, which is much better than a year ago. Exports tend upward. While local manufacturers do not expect the results of the second half of the year to equal those of the first, they have no reason to fear any serious falling-off in business.

GLASGOW.—There is practically no change in the situation in the West of Scotland this week. At the works there is some increased activity as is usual at this season, makers being anxious to get work completed before closing down for the holidays which commence next week. Steelmakers have still a large amount of work on their books to carry forward till after the holiday period, although the amount of new work placed during the present week has not reached last week's level.

At the tube plants regular employment is general. Sheet makers are still only able to keep plants part time operating, but the home demand continues highly satisfactory and this week there has been some improvement in the tonnage booked for export in the thinner gauges. Locomotive engineers and other engineering concerns are very busy at present and in some cases holidays will be somewhat curtailed this year on that account. The wrought iron trade continues very dull. Clyde ship repairers have had a busy week.

CARDIFF.—Further progress was made in Paris last week with the negotiations for an international tinplate agreement, and it is anticipated that they will be brought to a successful conclusion by the adjourned conferences in London this week.

On the Swansea Metal Exchange on Tuesday prices were firm at from 17s. 3d. to 17s. 6d. per basis box and inquiries were a little more active. Shipments last week totalled 105,471 boxes compared with 93,550 boxes the previous week, and 94,927 boxes at the corresponding period last year. Stocks have been heavily reduced by the exceptionally large exports during the past fortnight, and at the end of last week they totalled only 96,887 boxes as against 166,394 boxes a year ago. Galvanised sheets are unchanged at £11 5s. to £11 15s. per ton and Welsh steel bars at £5 per ton. Japanese competition in the sheet trade is becoming more acute and that country's exports in the first four months of the year were 21,290 tons compared with 11,379 tons in the same period of 1933.



SALMON P. CHASE, Secretary of the U.S. Treasury—1861-1864.

THE CHASE NATIONAL BANK of the City of New York

Statement of Condition June 30, 1934

RESOURCES		LIABILITIES	
Cash and due from Banks	\$412,910,989.13	Capital—Preferred	\$50,000,000.00
U.S. Government Securities	417,366,338.51	Capital—Common	100,270,000.00
Notes of Reconstruction Finance Corporation	46,222,000.00	Surplus	50,000,000.00
State and Municipal Securities maturing within two years	51,289,144.81	Undivided Profits	16,520,815.19
Other State and Municipal Securities	33,920,788.78	Reserve for Contingencies	17,131,683.13
Other Securities maturing within two years	42,995,777.98	Reserve for Taxes, Interest, etc.	1,112,383.55
Federal Reserve Bank Stock	8,160,000.00	Deposits	1,512,485,566.27
Other Bonds and Securities	90,776,109.66	Certified and Cashier's Checks ..	20,960,585.88
Loans, Discounts and Bankers' Acceptances	621,566,066.51	Acceptances Outstanding	33,675,223.51
Real Estate	42,305,257.16	Items in Transit with Branches ..	1,192,703.16
Customers' Acceptance Liability ..	29,802,516.83	Liability as Endorser on Acceptances and Foreign Bills	1,314,127.76
Other Assets	13,473,966.19	Other Liabilities	6,035,867.11
	<u>\$1,810,698,955.56</u>		<u>\$1,810,698,955.56</u>

This Statement does not include the Statement of The Chase Bank with branches in Paris and the Far East or of any organization other than The Chase National Bank of the City of New York.

London Offices:

10 MOORGATE, E.C.2 & BUSH HOUSE, W.C.2

Incorporated with Limited Liability under the Laws of the U.S.A.

OTHER METALS

The quotation for copper (standard cash) in London declined to £30 7s. 6d. per ton on Wednesday, a new low level for the current year. Moreover, it seems, that even lower prices will become a reality in the near future. The American situation is becoming more and more dangerous for the European market. The New York export quotation recorded a further decline during the past week, and United States shipments to Europe are increasing. As the market on this side of the Atlantic cannot absorb larger quantities, the increased American supply must inevitably press on prices. The influx of American copper to Europe is the more dangerous, as it is going mainly into the countries which are the best customers of Northern Rhodesia and the Belgian Congo. Until now, African producers remained very reserved as far as American competition is concerned. If, however, American exports continue to increase, a severe competitive struggle may ensue.

The tin situation shows little change on the week. The monthly statistics, published on Monday, were a little better than expected. According to A. Strauss and Company, visible supplies decreased

by 299 tons, but the decline would have been larger, if considerable quantities of tin had not been shipped from Arnhem. It is probable that the development of the statistical situation will be unfavourable during the next few months, for, while supplies are expanding as a result of the recent increase of quotas, consumption may show a seasonal decline. Under the circumstances, the trend of tin prices may be downwards in the next weeks, and it will be interesting to observe how far the operation of the buffer pool will be able to influence quotations, should it desire to do so.

There has been no development of importance in the markets for spelter and lead. The tendency of both markets is relatively weak, but the statistical position seems to be improving again. The stocks of the zinc cartel countries declined in the first half of June by 1,280 metric tons, although production increased considerably. On the New York Commodity Exchange trading in lead and spelter futures was inaugurated on Monday, July 2nd, but it is not very probable that this trading will become important in the near future. The United States have a leading place in the world's spelter and lead production, but the large producing concerns are against the

ment of an important market in New York, as they fear tained. It could destroy the dictatorship over domestic prices which sales & exercised by the large producers. This policy of the large producers (which is partly identical with the large copper price) explains why the late New York Metal Exchange never hoped any importance and was amalgamated last year with some other small commodity exchanges to form the New York Commodity Exchange Incorporated.

The trend of wolfram prices has recently changed its direction, and is since a few days again declining. In view of the enormous rise in prices during recent months, a reaction was to be expected. It is not expected that the decline will go very far, for the Chinese monopoly has the situation still in its hands. But the monopoly appears to have realised that it will have better possibilities to sell its metal at a lower price.

TIN.—Sales on the London Metal Exchange: 350 tons on Monday, against 255 tons last week; 670 tons on Tuesday, against 425 tons last week; 475 tons on Wednesday, against 375 tons last week. The New York quotation on Tuesday was 51.30 cents per lb., against 51.00 cents a week ago and 51.85 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 5s. to £228 10s., compared with £225 7s. 6d. to £225 10s. last week. Stocks in London and Liverpool at the end of last week were 3,642 tons, a decrease of 612 tons on the week.

COPPER.—Sales on the London Metal Exchange: 500 tons on Monday, against 2,125 tons last week; 1,000 tons on Tuesday, against 1,300 tons last week; 2,300 tons on Wednesday, against 800 tons last week. Domestic spot was quoted at 7.60 cents per lb. in New York on Tuesday, against 8.37½ cents a week ago and 8.37½ cents a month ago. Wednesday's official closing price for standard cash in London was £30 7s. 6d. to £30 10s., compared with £31 8s. 9d. to £31 10s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 25,496 tons, show an increase of 468 tons, and stocks of rough copper, at 7,273 tons, a decrease of 1 ton on the week.

LEAD.—Sales on the London Metal Exchange: 450 tons on Monday, against 500 tons last week; 1,500 tons on Tuesday, against 600 tons last week; 450 tons on Wednesday, against 500 tons last week. The New York quotation on Tuesday was 3.75 cents per lb., against 3.85 cents a week ago and 4.00 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 15s. for shipment during the current month, compared with £11 12s. 6d. last week.

SPELTER.—Sales on the London Metal Exchange: 200 tons on Monday, against 525 tons last week; 450 tons on Tuesday, against 650 tons last week; 375 tons on Wednesday, against 425 tons last week. Tuesday's quotation in East St. Louis was 4.33 cents per lb., against 4.20 cents the week before, and 4.25 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 17s. 6d. for shipment during the current month, against £13 12s. 6d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 10s. to £11 12s. 6d. per flask of 76 lbs., as against £11 7s. 6d. to £11 10s. per flask of 76 lbs. last week. Foreign antimony was quoted at £33 per ton, as against £33 per ton last week. Chinese wolfram was again quoted at 42s. to 44s. per unit, c.i.f. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester.—Compared with a week ago, raw cotton prices show very little change, although on one or two days there have been indications of a slightly easier movement. Events in Germany at the end of last week caused traders to hesitate, and prices were to some extent affected by reports of light rains in parts of the American cotton belt. According to the latest information, however, the drought in Texas continues, and the outlook for the crop is very uncertain. Next Monday the Washington Government will publish an estimate of the area under cultivation, and market opinion centres round 28,500,000 acres. Consumption of American cotton tends to decline, compared with a year ago, whilst there are indications of an increasing demand for outside growths.

COTTON PRICES

	1934				Corresponding Date	
	June 13	June 20	June 27	July 4	1932	1933
Raw Cotton—Mid. American per lb.	6.75	6.74	6.78	6.76	4.76	6.54
Sakellaris Fully Good Fair Egyptian..... per lb.	8.65	8.47	8.37	8.34	6.65	8.57
Yarns—32's twist..... per lb.	10½	10½	10½	10½	8½	10½
" 40's twist..... per lb.	10½	10½	10½	10½	8½	10½
" 60's twist (Egyptian)..... per lb.	16½	16½	16½	16½	15½	16
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	18 7½	18 7½	18 7½	18 7½	15 4½	17 0
38-in. ditto, 38 yds., 18 by 18, 10 lb.	23 6	23 6	23 6	23 6	18 6	21 3
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 11	10 11	10 11	10 11	9 11	10 7
	9 9	9 9	9 9	9 9	8 9	9 5

Cloth manufacturers have experienced another disappointing week. Contracts for more than retail lots have been of rare occurrence. A fair amount of inquiry has been met with for India, but

offers have been on a very low basis. Trade with China has been practically at a standstill. A miscellaneous business has been done for several minor outlets. The home trade section has been much disturbed by the reduction in rayon yarn prices, and the depreciation in the value of stocks of made-up goods is a serious matter. Manufacturers' order lists are running down.

The yarn market has continued decidedly slow. Practically all spinners are losing ground. The output cannot be sold and margins are being narrowed.

WOOL.—Bradford.—There has been little change in the Bradford market during the past week, business continuing on a very restricted scale, with prices definitely easier. The news that the German ban is to be extended to the end of August, and the later report that this ban is not to be removed until further notice have contributed to a feeling of still greater hesitation in business transactions. But the main factor making for indecision has been the approach of the Colonial wool auctions in London, which opened on Tuesday of this week. So long has there been no indication of price levels either from the overseas or London markets that the majority of firms have been neither willing to sell nor to buy, but have preferred practically to suspend business until the result of the current series of London sales became known. It was, of course, generally expected that a serious decline from the 30d. clean basis established at the close of the May series of London sales for good 64's wools would be registered, as top prices in Bradford during the interval have sagged from 35d. to 30d. for a warp 64's, but it would be idle to deny that the decline of 15 to 20 per cent. in prices established at the London sales is far from satisfactory. It was hoped that, even if the German ban were not removed, German buyers would be allowed permits to buy moderate quantities in London, thus propping prices to some extent; but the first day's sale has shown that there is hardly any German support, while Belgium buyers have been inactive on account of the strike in the wool textile industry of that country. This poor Continental support has no doubt been one of the main causes of the low prices and the very heavy withdrawals. Unsatisfactory as the basis established may be, it is nevertheless welcome to Bradford in that it will at least bring an end to the indecision which has now persisted for so long with regard to prices.

GRAIN MARKETS

WHEAT.—The market in wheat showed a slightly easier tendency during the past week, but the decline in quotations, though marked in the United States, was very modest in this country. Continental and North American crop estimates are now becoming more definite, and there is little doubt that this year's harvest in the Northern Hemisphere (excluding China and the U.S.S.R.) will be smaller than a year ago. A setback in prices to the low level prevailing earlier in the year is therefore improbable.

According to Mr G. Broomhall, total shipments during the past week were 1,354,000 quarters, against 1,328,000 quarters in the preceding week. On Tuesday, "July" futures were quoted in Chicago at 87½ cents per bushel, against 92 cents the week before and 99½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 30s. per 496 lbs., against 30s. 6d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 28s. 6d., against 28s. 6d.; No. 3 Northern Manitoba, Vancouver, ex ship, 28s. 3d., against 28s. 3d.; Australian, ex ship, 25s. 6d., against 25s. 6d. a week ago.

FLOUR.—North American shipments were 115,000 sacks in the past week, as compared with 124,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 24s. 6d. per 280 lbs., against 25s. last week; delivered London, 23s. 6d., as compared with 24s. a week ago. Manitoba patents, ex store, 23s. 9d. to 25s. 3d., against 24s. to 25s. 6d. Australian, ex store, 17s. 6d. to 18s. 6d., against 17s. 6d. to 18s. 6d.

BARLEY.—"July" futures were 43½ cents per bushel in Winnipeg on Wednesday, against 44½ cents last week and 42½ cents a month ago. Quotations in London on Wednesday were: "English malting" f.o.r., per 448 lbs., 27s. to 30s., against 27s. to 30s. a week before.

OATS.—On Tuesday, "July" futures were quoted at 43 cents per bushel in Chicago, against 41½ cents a week ago, and 43½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 19s. 9d. per 320 lbs., against 19s. 9d. a week ago; "Chilean White," landed, 21s., against 21s. a week earlier.

MAIZE.—"July" futures were quoted on Tuesday at 57½ cents per bushel in Chicago, against 57½ cents a week ago and 55½ cents on the corresponding date last month. Quotations in London, Wednesday: "Plate," landed, 20s. 3d. per 480 lbs., compared with 20s. 6d. last week; "Plate," ex ship, 19s. 3d., as against 19s. 6d. "Plate," July, 19s. 3d., as against 19s. 9d. Yellow maize meal, ex wharf, was quoted £5 10s. to £5 12s. 6d. per ton, against £5 12s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to June 30.....	Cwts. 43,173	Cwts. 45,374	Cwts. 42,553	Cwts. 75,291
44 weeks to June 30.....	4,765,917	3,643,591	8,401,125	5,996,123
Average price of English wheat per cwt.	s. d. 6 2	s. d. 6 5	s. d. 6 5	s. d. 5 7

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
June 23, 1934.....	Cwts. 83,862	Cwts. 6,564	Cwts. 21,985	s. d. 5 6	s. d. 7 6	s. d. 6 3
June 30, 1934.....	75,291	4,780	25,650	5 7	6 6	6 5
June 23, 1930.....	81,889	9,405	9,569	8 6	7 5	6 6
June 27, 1931.....	53,319	4,106	13,922	6 1	6 5	6 9
July 2, 1932.....	45,374	3,522	6,734	6 5	6 10	7 10
July 1, 1933.....	42,553	9,877	10,135	6 5	6 19	5 6

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	July 5, 1933	Jan. 3, 1934	June 27, 1934	July 3, 1934
Winnipeg (No. 1 Manitoba).....	62½	46½	79½	65½	76	75½
Chicago (No. 2 Winter).....	55½	46½	96½	84½	92	87½
Cents per 60 lb.						

The visible supply of wheat in Canada, at 93,706,000 bushels, shows a decrease of 1,479,000 bushels. Supplies a year ago stood at 92,758,000 bushels.

OTHER FOODS

SUGAR.—The market in raw sugar has been a little firmer. The spot price of raw sugar in New York on Tuesday was 3.18 cents per lb., as compared with 3.15 cents per lb. last week and 3.43 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 10½d. to 4s. 11½d., against 4s. 9½d. to 4s. 10d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Landed	Deliveries	Stocks
	1933 1934	1933 1934	1933 1934
London.....	586 890	2,078 4,076	48,012 33,969
Liverpool.....	... 714	14,156 14,611	176,346 172,756
Total tons ...	586 1,604	16,234 18,687	224,358 206,725
Last week	16,640 15,476	15,687 23,437	240,006 223,808

COFFEE.—The New York coffee market has again been dull, and prices have tended to sag. On Tuesday Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week and 10½ cents per lb. a month ago. At Tuesday's auctions in London only a small quantity was sold. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 576 bags; exported, 119 bags; stocks, 28,531 bags, against 29,182 bags a year ago. Central American, landed, 1,286 packages; delivered, for home consumption, 2,522 packages; exported, 896 packages; stocks, 116,987 packages, against 109,317 packages last year. Other kinds: Landed, 795 packages; delivered, for home consumption, 1,973 packages; exported, 572 packages; stocks, 111,902 packages, against 102,307 last year.

COCOA.—The "spot" quotation in New York on Tuesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, June-July, was 24s. 6d. per 50 kilos, c.i.f. Continent, as against 25s. 9d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 5,652 bags; delivered, for home consumption, 5,530 bags; exported, 1,008 bags; stocks, 267,723 bags, against 172,065 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 44,527 packages of Indian and 26,668 packages of Ceylon tea. Demand was again brisk at this week's auctions in London and the previous rise in prices was maintained. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.		Ceylon	Java	Sumatra	Nyasa-land	Total
	Northern India	Southern India					
June 29, 1933.....	d. 9.56	d. 9.69	d. 11.16	d. 6.03	d. 7.55	d. 8.30	d. 9.87
May 31, 1934.....	13.37	14.04	14.32	11.39	11.08	12.86	13.49
June 7, ".....	13.24	13.55	14.00	11.38	11.15	12.87	13.28
June 14, ".....	12.99	13.23	13.49	10.81	10.67	12.49	12.92
June 21, ".....	12.93	13.01	13.21	11.18	10.75	12.38	12.86
June 28, ".....	12.96	13.02	13.24	11.30	10.98	12.47	12.94

RICE.—The "spot" price was 7s. 4½d. per cwt. on Wednesday as compared with 7s. 4½d. per cwt. a week ago, while the forward quotation, at 6s. 9d. per cwt., remains unchanged. Movements in London during the past week were as follows: Landed, 117 tons; delivered, 90 tons; stocks, 848 tons, against 4,803 tons a year ago.

POTATOES.—At the London Borough Market old crop "King Edward" sold at 4s. 6d. to 5s. 6d. per cwt., as compared with 4s. 6d. to 5s. per cwt. last week. New-crop Jerseys were quoted at 12s. to 13s. per cwt., as compared with 13s. 6d. to 15s. per cwt. a week ago.

SPICES.—"Black Singapore" was quoted at 5d. per lb. on Wednesday, against 5d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 9 tons; delivered, 35 tons; stocks, 303 tons, against 326 tons a year ago. White, landed, 147 tons; delivered, 33 tons; stocks, 6,129 tons, against 921 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. to 3s. 6d. per 8 lbs., as compared with 3s. 2d. to 3s. 8d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. 4d. a week ago. According to the withfield official market report, supplies during last week amounted to 8,833 tons, against 8,096 tons in the corresponding week of last year. Imported beef, principally Argentine, formed 86½ per cent. of the beef supplies, against 86½ per cent. a year ago. Imported mutton, mainly from New Zealand, formed 82½ per cent. of the total supply of mutton and lamb, against 80½ per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets continue very quiet, and business is on a restricted scale. Linseed is dominated by favourable reports of the new crops. Moreover, crushers' requirements are very moderate in view of the slowness of the demand for oilcake and the unremunerative price of oil. A week ago Plate for August-September shipment to Hull was sold at £10 10s. per ton; but £10 7s. 6d. is now the nominal price of all positions. Indian linseed has attracted but little interest, and is also lower. Calcutta to London, July-August, is offered at £11 15s. per ton, and Bombay at £12. Plate shipments are only moderate. The quantity afloat for Europe is 104,100 tons (including 19,700 tons from India) and for the United States 22,500 tons. World shipments to the end of June exceeded a million tons, or 42,000 tons more than to the same date last year, and future supplies are estimated at 700,000 tons, or 120,000 tons less than the quantity actually shipped in the remainder of 1933. A little trade has been done in Egyptian cottonseed to Hull, with afloat at £4 6s. 3d., and August £4 1½s. 3d. (paid).

Linseed oil is slow and lower. The current quotation for raw oil for July-August delivery is £21 5s., and September-December, the same, ex Hull mill. Cotton oil is neglected, and Egyptian crude, ex Hull, is offered at £12 10s., and common edible at £14 10s. prompt. Cakes are in good supply, and slightly easier.

HIDES AND LEATHER.—Although a moderate trade continues to be done in hides, leather and leather goods, in no direction is there any marked activity and the negotiation of business generally is difficult. Consumers of leather, in most instances, are interested only in the cheaper grades, and in view of the fact that prices of some types of raw material show an advancing tendency, it can be realised that the position of the producer is not a happy one at the moment.

At the sales of hides from home-slaughtered cattle held this week the figures realised for ox and heifers showed a further upward movement to the extent of from ¼d. to ½d. per lb.—two weights advancing by as much as ½d. per lb. Cow hides were also dearer to the extent of ¼d. per lb., with the exception of second warbled, and there was a distinctly firmer tone in the market for calfskins. Turnover of imported hides was not of any magnitude during the past fortnight, and for some descriptions the market is a little weaker. This, however, does not apply to Africans, prices for which are fully maintained, but for wet-salted and dry South American hides quotations show a fractional decline as a result of rather restricted buying. Australian hides also are slightly cheaper on averages in view of the small interest being taken in these sorts.

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AGENTS IN CANADA:
BARCLAYS TRUST COMPANY OF CANADA
MONTREAL

For the cheaper lines of sole leather there has been rather more inquiry of late and some fairly satisfactory sales of light-weight dry hide bends have been negotiated. Heavier descriptions, however, together with most averages of English and wetsalted bends, are only selling to the extent of the immediate needs of manufacturers of footwear, and as these at the moment are by no means large, the market for this class of bottom stock is quiet. There has been some small improvement in the demand for offal, shoulders—both rough and pinned—and for pinned bellies. In the upper leather section inquiry is confined chiefly to the cheaper sorts of leather, and for these demand is moderate. Staple lines—box and willow calf and glacé kid—feature most in the business being done and there has also been some request for patent. More

interest is being taken in the market for reptiles, but the call for cheap coloured leathers for the production of summer footwear is not so noticeable as has been the case of late.

RUBBER.—The market in rubber has been a little more active, and prices recorded an appreciable rise on the week. In New York, Tuesday's spot price for rubber, at 14½ cents per lb., compares with 13½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., against 6½d. per lb. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7¾d. for October–December, 1934, as against 6½d. to 7d. a week ago. Stocks in London and Liverpool at the end of last week, at 99,872 tons, show an increase of 1,487 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, July 4th				CEREALS AND MEAT				POTATOES—				WOOL—				SUGAR—				MINERALS				IRON AND STEEL—				LEATHER—				VEGETABLE OILS—				CHEMICALS—				PETROLEUM PRODUCTS—				ROBIN—				RUBBER—				SHELLAC—				SHELLS—				TALLOW—				TIMBER—				COPRA—				DRUGS—				HIDES—			
GRAIN, &c.—				Wheat—				Good English, per cwt.				English Southdown, greasy, per lb.				SUGAR—				MINERALS				IRON AND STEEL—				LEATHER—				VEGETABLE OILS—				CHEMICALS—				PETROLEUM PRODUCTS—				ROBIN—				RUBBER—				SHELLAC—				SHELLS—				TALLOW—				TIMBER—				COPRA—				DRUGS—				HIDES—			
No. 2, N. Man. 496 lb.	28 6	No. 2, N. Man. 496 lb.	28 6	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Eng. Gaz. av., per cwt.	5 7	Eng. Gaz. av., per cwt.	5 7	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Barley, Eng. Gaz. av.	6 6	Barley, Eng. Gaz. av.	6 6	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Oats, "	6 5	Oats, "	6 5	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Maize, La Plata, landed,	20 3	Maize, La Plata, landed,	20 3	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
480 lb.	20 3	480 lb.	20 3	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Flour, Lon. stan. ex mill,	22 3	Flour, Lon. stan. ex mill,	22 3	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
280 lb.	22 3	280 lb.	22 3	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Rice, No. 2 Burma, per cwt.	6 9	Rice, No. 2 Burma, per cwt.	6 9	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Tapioca, per cwt.	14 0	Tapioca, per cwt.	14 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Fair Flake, Singapore.	14 0	Fair Flake, Singapore.	14 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
MEAT—		MEAT—		Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Beef, per 8 lbs.	4 2 5 6	Beef, per 8 lbs.	4 2 5 6	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
English long sides	4 2 5 6	English long sides	4 2 5 6	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Argentine chilled hind	3 0 3 6	Argentine chilled hind	3 0 3 6	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Mutton, per 8 lbs.	6 4 7 4	Mutton, per 8 lbs.	6 4 7 4	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
English wethers	6 4 7 4	English wethers	6 4 7 4	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
N.Z. frozen	3 6 4 4	N.Z. frozen	3 6 4 4	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Lamb, per 8 lbs.	4 3 5 4	Lamb, per 8 lbs.	4 3 5 4	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
N.Z. frozen	4 3 5 4	N.Z. frozen	4 3 5 4	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Pork, English, per 8 lbs.	4 4 10	Pork, English, per 8 lbs.	4 4 10	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
OTHER FOODS		OTHER FOODS		Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
BACON—		BACON—		Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
English	88 0 92 0	English	88 0 92 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Irish	84 0 89 0	Irish	84 0 89 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Danish	88 0	Danish	88 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
HAMS—		HAMS—		Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
Canadian	92 0	Canadian	92 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
American	92 0 94 0	American	92 0 94 0	Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—	112 0 117 0	SHELLS—	2 10 8 0	TALLOW—	17 8	TIMBER—	17 15 0 0	COPRA—	9/2/6	DRUGS—	6/7/6	HIDES—	13 6 14 0																																								
BUTTER—		BUTTER—		Good English, per cwt.	4 6 5 6	English Southdown, greasy, per lb.	13	SUGAR—	12 0 13 0	MINERALS	11	IRON AND STEEL—	13	LEATHER—	5 6	VEGETABLE OILS—	11/50	CHEMICALS—	12 0	PETROLEUM PRODUCTS—	1 4	ROBIN—	16/00	RUBBER—	0 6 0 7 1/2	SHELLAC—</																																																					

Hess's sketch of the horrors of war, in the language of a Renn or Zweig or Remarque, as a preface to his repudiation of the "Germany of Pacifism" as contrasted with the present "Germany of Peace." But the upshot is clear. The Nazi triumvirate has been so badly shaken by recent events, and by the prospect of their eventual aftermath, that, in its foreign policy, it feels an imperious necessity to draw in its horns and to play the good neighbour.

How far is Herr Hitler prepared to go in this direction? To do him justice, he went quite a long way before the recent blood-bath, when he made his pact with Poland and gave his promise about Austria to Signor Mussolini—whatever that promise may amount to. In his present shaken condition he may be expected to go further still; and MM. Barthou and Litvinov evidently intend to put his international goodwill to the test by inviting him to become a party to an "Eastern Locarno." Since M. Barthou's arrival in London, the unofficial sketches of the Franco-Russian plan are taking clearer shape, and certain features of it may now be regarded as reasonably sure.

It seems certain, for example, that Great Britain is not to be asked to commit herself on the Continent more deeply than she is committed already by the Covenant of the League and by the Pact of Locarno. Indeed, any lingering hope of persuading her to go farther was extinguished by Mr Eden's public statement, on July 6th, that "we are not prepared to extend our Locarno commitments," and Mr Neville Chamberlain's statement next day that "we are not going to enter into any new alliance." M. Barthou, however (and this is the next feature in the Franco-Russian plan that is now emerging), does not propose to invite any Power, on the Continent or off it, to enter into a merely partisan alliance of the "haves" against the "have nots" or of the victors against the vanquished. The "Eastern Locarno" which he hopes to achieve is to resemble its prototype in being an arrangement in which the countries in both camps, in a given region, will participate on an equal footing. Just as the main part of the original Locarno Pact is a peace agreement between Germany on one side and France and Belgium on the other, with the United Kingdom and Italy as the guarantors, so the new "Eastern Locarno" is to be an amplification of the eastern annex to the original pact.

In that annex, which was an arrangement between Germany on the one side and Poland and Czechoslovakia on the other, the guarantor was France. And the revised and enlarged version of the "Eastern Locarno" is still to be under the French guarantee, while the non-German parties to it will be extended to include Roumania and Jugoslavia, possibly Greece and Turkey, and certainly Russia. In the third place, Russia is to become a co-guarantor, with the United Kingdom and Italy, of the original Western Locarno, in exchange for the enlargement of the French guarantee in the East to embrace Russia. Fourthly, the Eastern Locarno, like the original pact, is to be made within the framework of the League; and this means that it is conditional upon Russia's being able to gain admission to the League (with a permanent seat on the Council) and upon Germany's being willing to resume her membership. Lastly, the French hope to add a third regional pact, in the shape of a Mediterranean Locarno, to the other two. But this project is more remote, since France and Italy seem still as far as ever from arriving at a naval understanding; and the exploration of the idea at the London Naval Conference in 1930 showed the difficulty of obtaining the necessary guarantor, who in this case could only be the United Kingdom.

What are the chances that these far-ranging French projects will be carried out? At this stage, perhaps the most that can be said is that the prospects of a French success have been improved by the recent shattering events inside Germany. On the one hand, Italy will hesitate, even more than before, to commit herself to a partnership with a Germany whose future is now again so uncertain. On the other hand, Germany herself, as has been suggested already, will almost certainly be more strongly inclined than before to cultivate good relations with her neighbours, in order to keep her hands free for dealing with the internal troubles that are now coming, thick and fast, upon her. On the whole, we may say that the international situation in Europe has been improved by the urgent need felt by all nations for external peace.

THE ENGLISHMAN'S FOOD

THE long-term ideal of British agricultural policy should be the encouragement and rationalisation of all those branches of production which can compete on equal terms with foreign produce, and the free importation of all other commodities. At times of economic emergency like the present, however, a temporary crisis-policy may be defensible, if wisely conceived and executed. Such a crisis policy should aim, first, at an expansion of demand by general economic policy, and, secondly, at the maintenance by artificial means of those branches of agriculture which are reasonably likely to be economic when normal times return. And such artificial assistance should be given whenever possible at the expense of the rich rather than the poor, and in the form in which it can most easily be discontinued. Subsidies, that is to say, paid for out of direct taxation, should be preferred to restriction by tariff, quota or levy.

How does the present Government's policy, as defended by Mr Elliot in the House on Monday, stand this general test? In the first place, Mr Elliot showed no recognition whatever that the proper remedy for the present agrarian crisis lies in an expansion of demand. Few of his audience in the House appeared to appreciate that the fall in prices, which he lamented, was in most cases due to a shrinkage of demand rather than an increase in supply. More than once Mr Elliot has reiterated his belief that a prosperous agriculture will provide a new and important market for the products of our industry. But experience has shown that a prosperous export trade is needed to expand the purchasing power of the industrial workers and so to provide the only possible market for agricultural products.

A study of Mr Elliot's apologia in the House suggests that, in the protective schemes so far adopted, even where the principle has been least unsound, the wrong commodity has been chosen. The least objectionable of the schemes instituted under the Agricultural Marketing Acts are the Hops, Potatoes and Milk Schemes, all three of which aim at improved efficiency and better marketing. Since the price of hops is a very small part of the cost of beer, import restriction and the offer of a guaranteed price are no great evil in their case. But, even so, the scheme is being spoilt by the threat of a Statutory monopoly.

The Milk Scheme also has certain good features. The price of liquid milk has not been actually raised, though it has been prevented from falling; some provision has been made for free milk in the schools; and drastic import restriction of milk products to raise the manufacturing price has been, for the moment, abandoned. But it would have been much better if the subsidy given to support the manufacturing price had been provided for out of the proceeds of direct taxation and not of a future consumption tax; and it would have been better still if the subsidy had been used to increase the consumption of liquid milk by the children of the poorer classes. Mr Elliot put forward the extraordinary argument (which seemed to satisfy the House) that the subsidy to the manufacturing milk producer would inure "to the benefit of all the milk producers and, therefore, to the benefit of all the milk consumers." It meant, he added, "a lower price for milk to all the consumers of milk." But this is merely true, given the existing arrangement by which the Milk Pools fix the liquid price at a level too high to absorb the available supplies, and given the assumption that if the manufacturing price were allowed to fall, the Pools would raise the liquid price to reimburse the farmer. If, instead, the liquid price were allowed to fall, the consumer would benefit, over-production would be discouraged, and there would be no need for a subsidy.

For the pig scheme Mr Elliot deserves even less credit. The commodity was well chosen; ultimately it should be possible for the British farmer, by increased efficiency, to produce bacon of as high a quality and at as low a cost as the Danish farmer. But the method was wrong; reorganisation must take time. Yet Mr Elliot has restricted imports so hastily and so drastically as to eliminate a large part of the Danish supply long before British bacon of the same quality can take its place. The result is that an article of staple consumption has been made dearer in price and poorer in quality, while we are compelled to pay the Danish producer the same amount of money as two years ago for a smaller

volume of imports. No better example could be found of the folly of making a fetish of prices and ignoring production and consumption.

Imports of eggs have been restricted both by tariff and by ("voluntary") quota. Yet here, as Mr Elliot admits, the trouble has been caused by an increase in home production—from 1,500 millions a year in 1925-26 to 3,000 millions in 1932-33. This was partly due to an increase in the yield of eggs per hen. Such an increase, however, in productivity, like that in the yield of milk per cow, should clearly result in a fall in the price to the consumer, and not a rise. There is a very strong case, in fact, for the rationalisation of the whole egg industry, and we hope that the Addison Commission now inquiring into this problem will devise a scheme which will so reduce British costs as to enable the increased home production to be sold remuneratively without any import restriction. Mr Elliot made some dubious remarks in the House about the "disastrous" policy of "mechanising, rationalising and factoryising the production of eggs until in a few years we have nothing but troglodyte hens on wire netting never touching the ground." This does not imply, we trust, that Mr Elliot regards the provision of a cheap supply of this essential foodstuff as an object of no account.

Least defensible in principle of our present agricultural schemes is the wheat levy, and least defensible in practice is the beet-sugar subsidy. In the first case we are raising the price of the prime necessity of life in order to maintain a branch of British agriculture which all experts agree to be of minor importance; and we are doing it by a method which amounts, in effect, to the grant of Statutory powers to one group of persons to levy a tax on the whole of the rest of the community. The mitigating features of the wheat scheme are, first, that the "deficiency payments" are limited in amount and will disappear when (and if) prices rise to pre-crisis levels; and, secondly, that the proportion of subsidised wheat and the consequent rise in price are happily very small. In the notorious case of beet sugar we have an instance of the right temporary expedient, a subsidy out of the proceeds of ordinary taxation, not only applied to the wrong commodity, one which is never likely to be economically produced in this country, but continued year in and year out.

The Government's two latest schemes, for beef and sugar, both of which have been in the news this week, seem to combine more of the vices and fewer of the virtues of our present agricultural policy than any so far put into operation. The new sugar scheme is now being laid before Mr Wilfrid Greene's Committee of Inquiry by a group of persons calling themselves the United Kingdom Sugar Industry Committee, of which Lord Weir is chairman and Sir Leonard Lyle a leading member. This scheme provides for the maintenance of uneconomic sugar production in this country, the establishment of a Statutory manufacturing monopoly, and the imposition by that monopoly on the consumer of a levy over and above the monopoly price.

The beef scheme announced by Mr Elliot on Wednesday is in many respects similar. As the Argentine Government has so far declined to waive its rights under its Agreement with Great Britain, which has another two years to run, the Government cannot adopt a "levy with restriction of imports" scheme and has, therefore, for the moment, fallen back on a straight subsidy of £3 millions—which is to be repaid out of a future levy when the Government is able to establish one. Beef is certainly a more suitable commodity, at least for a temporary subsidy, than sugar, since British beef production was economic and competitive in pre-slump days; though it may be true that the subsequent shift of taste away from beef and the increase of production in the Dominions may have modified this position. But the "levy plus restriction" plan applied to beef is particularly bad, for the levy will fall on imported (i.e. low quality) beef in order to subsidise the home-produced high-quality article. The rich consumer of home-produced beef, that is to say, as well as the farmer, will be subsidised out of the pocket of the relatively poor consumer of imports; a peculiarly vicious example of "regressive" taxation.

Is it too much to hope that a really national and constructive agricultural policy may eventually be evolved by the preservation of the good in these schemes and the elimination of the bad? If import restriction, monopoly, un-

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economic production, regressive taxation and permanent subsidies could be abandoned, and Mr Elliot's ample energies could be directed to the rationalisation and cheapening of production and marketing, the nation as a whole, and not merely farmer and landlord interests, would really begin to benefit. At present, alas, there seems little chance of any such conversion. It is true that, in discussing the trawling industry in the House on Monday, Mr Elliot spoke of "the process of healthy competition going on in the industry on the basis of a remunerative price level and not of adventitious credits or subsidies from this House"—a sentiment which might almost have been uttered by Mr Runciman, who, in a speech at a public luncheon this week, remarked that all countries would be richer if all subsidies were swept away. Mr Elliot also observed, at another point in his speech, that if Lancashire wished China to buy British textiles, Lancashire must buy Chinese eggs.

But these appear to have been eccentric flashes of common sense rather than the accepted principles of a coherent and comprehensive policy. Mr Elliot's great weakness is that he regards artificial assistance to agriculture, not as a temporary crisis expedient, but as part of a policy of permanent self-sufficiency. Yet this very week Germany, by the spectacle of potato queues, famine prices and ration tickets, is furnishing us with a grim picture of self-sufficiency in practice. If we are not to meet the same fate, we must never forget, first, that 100 per cent. of the British people are consumers of food and only 7 per cent. producers, as Sir Francis Acland pointed out on Monday; and, secondly, that there is no sure way of converting the increased productivity of the modern world to the benefit of the mass of the people as long as the prices of staple food-stuffs are deliberately prevented from falling.

A BRITISH INSURANCE TRIUMPH

An industry in which 22 companies have an aggregate turnover of over 100 million pounds sterling per annum, which has its centre in the United Kingdom but draws its business from all but a very few of the civilised countries of the world, which at the end of five years of crisis and prohibition and collapsing currencies looks back on fine annual trading profits rising at the peak to 2.4 per cent. of the turnover and dropping at the lowest point to 1.2 per cent. of the turnover—surely this must be some sheltered industry, fortunate beyond its fellows in working to a settled programme in which both revenue and outgoings are practically fixed before the year begins? On the contrary, it is an industry that enjoys no monopoly, that relies for its revenue on the goodwill of its customers, that is subject day in day out to the pressure of competition and makes its profits out of the hazards and uncertainties which the ordinary trader dare not carry for himself. That is the picture of the British insurance industry as outlined in our Insurance Supplement, and it is a picture of which Great Britain has good right to be proud, for no other country in the world can show anything to compare with it.

The premium income for 1933, which will be found in the very remarkable table of underwriting profit in our Supplement, is £102,240,852, and this enormous figure takes no account of the premiums contributed by the life departments, but is made up for the most part of fire, marine and miscellaneous insurance which in the order of their size may be stated, roughly, in the following scale:—

Miscellaneous	...	...	...	49.0
Fire	...	...	...	42.5
Marine	...	...	...	8.5
				100.0

Historically, the order would be exactly reversed, for marine is by far the oldest branch of the family, and the various classes of insurance classed together as "miscellaneous" are all, or almost all, youngsters whose birth, adolescence and maturity can be covered by the working lifetime of one man.

The truth is that, unobserved by the general public, the centre of gravity in insurance has within the last generation moved to such an extent as to alter and extend almost beyond recognition the service that insurance renders to the community. Fifty years ago insurance companies and underwriters (we are still leaving out of our reckoning the life departments) protected their clients when they were at odds with the risk of fire on land or at odds with fire, fog and tempest at sea. There, broadly speaking, the work of the insurance company began and ended. To-day, the company protects us against a thousand other risks; some, like workmen's compensation, created by Act of Parliament; some, like burglary, present sixty years ago but then uninsurable; some, like motor car and aviation, the product of new inventions; some, like third party, resulting from a new attitude in the Courts of Law and an ever increasing liability for torts and damages. The speed and complexity of modern life and the growth of social legislation have, between them, called for a much wider range of activity and an altogether new technique. That insurance managers and officials have been able within a single lifetime to adapt their methods and meet the needs of a new world so closely as to end each year with a tiny percentage of loss or profit and yet to increase continuously the reserves which are their policy-holders' guarantee of payment is in itself a very remarkable achievement. As the general fire hazard improves and fire rates fall, and as international trade drops to a level at which the marine underwriter sits idly at his desk dreaming of the glorious past, the insurance community may well rely for its premium income more and more on the energies of its accident and miscellaneous departments.

Within the last few years the greatest difficulties that managers have had to face in maintaining their incomes have been the fall in values and the decline of international trade; but on a longer view probably their most difficult problem has been the growth of economic nationalism and the perpetual setting up of new barriers designed to keep the premiums at home. Of all forms of protection this protection is perhaps the most unreasonable. The one object and justification of insurance is to lay the risk on the shoulders most capable of bearing it, and it is plain folly for a country to shut out the strongest and most experienced insurers by building fences at the frontier and by declaring that any disasters befalling its own nationals shall be borne by its own nationals and no one else.

Some Governments are candid enough to introduce their insurance legislation as protection open and undisguised, but most of them like to camouflage the protective motive by professing an affectionate anxiety for the welfare of the insured public, which must be safeguarded from dangerous and perhaps insolvent foreign insurers. To achieve this desirable end they establish a system of deposits and prohibit any insurer from accepting premiums within their frontiers unless he has deposited with the Government a fairly considerable sum invested usually in the country's national debt. As a protection to the policy holder, this deposit system is almost if not quite valueless, for the amount of liability accepted by an energetic insurance company must be out of proportion to the sums thus deposited and left in cold storage. To take £20,000 as deposit from a company that is writing a premium income of £500,000 a year and imagine that the deposit will be

adequate to meet the deficiency if the company fails or decamps is clearly childish, and if a big depositing company did so fail no sensible man would expect the sufferings of its assured to be materially relieved by the deposit that it leaves behind. On the other hand, these deposits, when exacted here, there and everywhere, do become a matter of grave consideration for insurance companies trading, as our British companies have for generations traded, on an international scale. Many years ago it was estimated that a company transacting fire and accident business in every country of the world would need to tie up in deposits no less than £500,000; and since that calculation was made the fences have been raised on so many frontiers that a corresponding figure for 1934 would be a good deal larger than half a million.

In spite of all the tricks and subterfuges of modern nationalism, British insurance throughout the world still remains a great international force, and if its achievement in adapting itself to modern social conditions is remarkable, this further achievement of leaping the economic barriers is more striking still. Here and there, as in Turkey, British insurers have decided to retire rather than submit to the Governments' demands, but the countries in which they are not ready to do business and do not in fact do business are very few in number, and the premium income of £102,000,000 which appears in this week's Supplement could come from nothing but a wide and efficient organisation working to the mutual advantage of insurers and insured. But that world-wide organisation has been made possible only by a double advantage enjoyed by British insurers: (1) the great wealth which enables them to meet simultaneously the demands of fifty different Governments and still leave unimpaired the liquidity of their resources, and (2) the skill and experience of the insurance managers and officials on which the reputation of British insurance ultimately rests and which to every industrial country is in one form or another indispensable.

A YEAR'S INDUSTRIAL PROFITS

THE reports of 642 joint-stock companies published in the quarter ending June 30th last complete one more year's figures in our chronicle of the industrial profits recorded in this country. The reports published in the first and second quarters of each calendar year generally include about three-quarters of the total of industrial profits in each year ending June 30th, since in the first half of each calendar year most of the industrial concerns publish the reports of their trading in the financial year ending either on the previous December 31st or on March 31st. On this occasion, the profits both of the 642 joint-stock concerns reporting last quarter and of the 1,960 joint-stock concerns who reported in the year ending June 30th last, show welcome and substantial increases from the corresponding totals a year ago. In the case of the 642 concerns who reported last quarter, the total of net profits (after payment of debenture interest, etc.) at £67.3 millions, shows a rise of £10.4 millions (18.2 per cent.) over the profits of the same concerns last year. And the total profits of the 1,960 companies who reported during the year ending June 30th last at £159.6 millions show an increase of £17.2 millions (12.1 per cent.) over their total profits in the previous year.

NET PROFITS (AFTER PAYMENT OF DEBENTURE INTEREST, ETC.)

	No. of Companies	Reports published in		Increase (+) or Decrease (-)	% Change
		1932	1933		
Third quarter	307	£16,264,606	£15,394,560	- £870,046	- 5.3
Fourth quarter	464	£16,201,909	£21,116,780	+ £4,914,871	+ 30.3
		1933	1934		
First quarter	547	£52,922,902	£55,751,307	+ £2,828,405	+ 5.3
Second quarter	642	£56,970,575	£67,334,795	+ £10,364,220	+ 18.2
Total	1,960	£142,379,992	£159,597,442	+ £17,217,450	+ 12.1

While the increase in last quarter's profits compared with the second quarter of 1933 is the greatest increase, absolutely, for many years—exceeding by far the quarterly increases recorded for the "good years" of 1928 and 1929

—it should be remembered that the totals of profits are now reduced from their 1928 and 1929 levels by about 25 per cent. and that the present increases are by way of recovery from a very deep depression. The 1,742 concerns whose reports were analysed for the year 1928-29 showed net profits amounting to £197.3 millions, and 639 concerns reporting in the second quarter of 1929 showed a total of £78.1 millions. We have still far to travel before the 1,960 concerns reporting in the last year show commensurate results. Our history of the percentage movements of profits by quarters follows:—

	1928	1929	1930	1931	1932	1933	1934
First quarter	+15.2	+1.5	+1.9	-10.6	-14.3	-8.9	+5.3
Second quarter	+1.3	-0.7	+6.6	-19.4	-21.8	+3.3	+18.2
Third quarter	-9.7	-3.0	-6.4	-35.5	-28.6	+5.5	...
Fourth quarter	+3.1	+1.4	-18.1	-53.9	-2.9	+30.3	...
Year	+7.2	+0.0	-0.6	-22.5	-18.1	-0.5	...

Writing at this time last year (*Economist*, July 22, 1933, page 168), we anticipated that the figures reported in 1931 and 1932 would prove to reflect the trough of the depression. The absolute and percentage increases recorded during the past year, coupled with the movements of each quarter's profits over the last six years, confirm this anticipation.

In the next table we give our annual summary of the results recorded by various industrial groups in the last twelve months, together with those of the last quarter:—

NET PROFITS (AFTER PAYMENT OF DEBENTURE INTEREST, ETC.)

Group	No. of Reports	Reports published in Quarter ended June 30th			No. of Reports	Reports published in Year ended June 30th		
		1934	Compared with 1933	+ or -		1933-1934	Compared with 1932-1933	+ or -
Breweries...	16	£2,733,798	+ £422,205	+18.3	97	£12,571,864	+ £510,588	+ 4.2
Canals and docks	2	43,318	+ 11,061	+34.3	9	312,096	+ 54,528	+ 21.2
Electric lighting and power	9	1,206,006	+ 56,214	+ 4.9	43	9,005,327	+ 529,542	+ 6.2
Financial, land and investment	21	759,890	+ 135,000	+21.6	84	2,664,146	+ 650,630	+ 32.3
Gas	4	743,645	+ 4,245	+ 0.6	46	4,127,374	+ 2,971	+ 0.1
Hotels and restaurants	8	1,178,427	+ 64,258	+ 5.7	33	1,596,728	+ 1,189	+ 0.1
Iron, coal and steel	47	4,062,114	+ 1,637,428	+67.5	131	6,480,532	+ 2,978,016	+ 85.0
Motor, cycle and aviation	8	1,367,151	+ 1,188,019	+86.3	35	3,488,051	+ 3,280,974	+158.2
Oil	10	8,544,877	+ 533,829	+ 6.6	22	11,714,962	+ 700,492	+ 6.4
Rubber	132	437,701	+ 677,072	+301	301	2,654,454	+ 1,025,145	...
Shipping	17	488,164	+ 210,083	+75.2	33	1,543,326	+ 977,934	+ 17.3
Shops and stores	21	3,373,357	+ 595,846	+21.5	73	12,907,731	+ 26,486	+ 0.2
Tea	70	2,169,912	+ 1,697,336	+359.9	109	2,261,749	+ 1,690,600	+296.1
Telegraphs, etc.	8	1,707,432	+ 107,076	+ 6.9	11	1,878,697	+ 143,586	+ 7.1
Textiles	13	3,566,102	+ 812,545	+23.5	61	7,739,263	+ 2,674,457	+ 52.8
Tramways	11	1,026,051	+ 66,674	+ 6.9	26	1,411,512	+ 213,588	+ 17.8
Trust	60	2,418,309	+ 151,326	+ 6.9	196	7,640,829	+ 1,097,115	+ 12.6
Waterworks	5	208,578	+ 78,579	+ 27.3	25	1,162,537	+ 6,079	+ 0.6
Miscellaneous	180	31,299,963	+ 2,589,323	+ 9.0	625	70,825,264	+ 3,149,468	+ 4.6
Total	642	£67,334,795	+ £10,364,220	+18.2	1960	£159,597,442	+ £17,217,450	+ 12.1

It will be remarked that, on the whole year's showing, the most noteworthy recoveries have been made by iron, coal and steel concerns; motor, cycle and aviation undertakings; rubber and tea companies; and textiles and shipping concerns. The improvement in the profits of iron, coal and steel concerns is fairly evenly divided over the three component sections; Stewarts and Lloyds, Baldwins, United Steel, English Steel, Vickers, Allied Ironfounders, Ocean Coal and Wilsons, and Powell Duffryn all showed marked improvements, and an encouraging feature is the number of smaller units who contrived to show increased profits. In motors and cycles, the vastly improved showing is almost wholly due to the wiping-out of the debit balances shown in the 1932-33 results; this has been notably the case with the Ford, B.S.A., Vauxhall, Guy and Rover concerns, which account for the bulk of the increased profits in this group. The improvement in rubber and tea companies' results is probably a first taste of the two restriction schemes; and this is confirmed by the fact that most of the increased profits in both cases was reported by concerns whose results were published in the quarter which has just ended. In textiles, again, large

debit entries were wiped out and profits again shown by concerns engaged in cotton, wool, rayon and jute (e.g. British Enka, Fine Cotton Spinners, Jute Industries). Courtaulds showed an increase in net profits of over £1,000,000; most jute concerns did very much better; and Salts (Saltaire), J. and P. Coats and British Celanese increased their net profits. Again, in the shipping group, the R.M.S.P. virtually cleared off a debit balance of over £600,000; the Orient and P. and O. increased their net profits; while smaller undertakings, especially the coastal shippers, showed general improvement. In the large Miscellaneous group, United Molasses reduced a debit balance by over £1,000,000; concerns engaged in producing newspapers, paper, books, foodstuffs, chemicals, paint, building materials, rubber manufactures (e.g. Dunlops), showed increased profits; while the big tobacco and cinema undertakings, as a whole, did not fare as well as in recent years. The shops and stores group has proved disappointing, though it now shows a very small increase in profits as against a fall of over £1,000,000 at this time last year; but many sanguine observers of our domestic "boom" expected better of it. The same is true of hotels and restaurants, whose profits are still declining, though they have increased a little in the last quarter of 1933-34. The trust group shows the biggest reduction of the year; but as trust concerns derive their income from undertakings only after the latter have reported, one must always regard the trust results with due allowance for a "time-lag" of anything between six and eighteen months. Even here, improvement is visible in the results reported in the quarter just ended.

Our next table shows how the net profits were distributed:—

DISTRIBUTION OF PROFITS*

	Net Profits after payment of Debenture Interest	Ordinary Dividend	Preference Dividend	To Reserve, etc.
1933				
Third quarter	£15,394,560	£9,417,000	61.2	£5,357,063
Fourth quarter	£21,116,780	£13,577,825	64.3	£4,937,775
1934				
First quarter	£55,751,307	£33,144,423	59.4	£12,336,342
Second quarter	£67,334,795	£34,770,452	51.6	£18,698,052
Total	£159,597,442	£90,909,700	57.0	£41,328,232
				£25.9
				£27,358,510
				17.1

The tendency to reduce the proportion going to ordinary dividends and to increase that going to reserves, upon which we have recently commented in these articles, is clear, both from the last quarter's and from the whole year's figures. Indeed, the proportion put to reserve last year is the highest since 1929-30; and, as an absolute total, the figure of £27.4 millions (17.1 per cent.) put to reserve in 1933-34 compares with £12.1 millions in 1932-33 (8.8 per cent.), £7.6 millions in 1931-32 (5.6 per cent.), and £40 millions (20.3 per cent.) in 1928-29. Preference dividends absorb a little more (£41.3 against £39.4 millions in 1932-33; or 25.9 per cent. against 28.7 per cent.). Ordinary dividends absorb £90.9 millions (57 per cent.) against £85.6 millions (62.5 per cent.) in 1932-33, and against £118.9 millions (60.3 per cent.) in 1928-29. From the two tables on page 94, showing the allocations of net profits to each category of capital in the various industrial groups, it will be noted that only rubber concerns made a net draft on reserves last year, while in the last quarter only shipping concerns did so.

The next table shows the ratio of net profits and of reserve allocations to total ordinary and preference capital:—

PROFITS AND RESERVES

	No. of Companies	Total Ordinary and Preference Capital	Net Profits after Payment of Debenture Interest	Carried to Reserve, etc.
1933				
Third quarter	307	£296,128,953†	£15,394,560	5.2
Fourth quarter	464	£417,816,381†	£21,116,780	5.0†
1934				
First quarter	547	£697,704,983†	£55,751,307	7.9
Second quarter	642	£978,291,929†	£67,334,795	6.9
Total	1,960	£2,384,942,246	£159,597,442	6.7
				27,358,510
				1.1

† Adjusted figures.

in the same capital, between his colleague, M. Piétri, the French Minister of Marine, and Sir Bolton Eyres-Monsell. These are part of a series of bilateral conversations which are being arranged in London, on the initiative of His Majesty's Government, as one step in the preparations for next year's naval conference. The series began with the Anglo-American conversations, which we have touched upon in a previous issue. These have been adjourned while M. Piétri is in London, but they are to be taken up again; and the new Ministry in Japan has just appointed a representative to visit London and enter upon discussions of the same kind. M. Piétri is reported to have raised the question here of inviting Germany to the conference; and, whether this report is true or not, the idea has much to commend it, if we are right in our belief that the German "pocket-battleships" have turned out to be serious factors to be reckoned with by the post-War principal naval Powers. The French Minister of Marine is also reported to have expressed the view that the two projected Italian thirty-five-thousand-ton capital ships are contrary to the spirit, if not to the letter, of the Washington Treaty. The French Ministry of Marine is said to agree with the British Admiralty in desiring to limit the maximum size of capital ships to 26,000 tons, whereas the Italians have arrayed themselves—at least on paper—on the side of the Americans. These European naval problems are of serious concern to us, because, as was once pointed out by Mr Ramsay MacDonald, the British Empire is in the unique position, among naval Powers, of belonging to two groups simultaneously: the Oceanic group, in which the other forces she must take into account are those of the United States and Japan; and the European group, in which her possible rivals are France and Italy, and now, perhaps, Germany as well. Considering the gravity of the outlook in the Pacific, it will be a great embarrassment for us if we become involved in European naval competition, particularly in the Mediterranean. But it is as true on sea as it is on land that one can never get something for nothing. If this country wishes to rule out the possibility of a Franco-Italian race in naval armaments, in which we shall be compelled to join, we can only secure what we want by undertaking some kind of guarantee on the lines of Locarno in the Mediterranean. As on the Continent, we have an inescapable choice, and we cannot put off making it much longer.

* * *

A Lull in the U.S.A.—Congress stands adjourned; the seasonal contraction in business has set in; Wall Street is dull; and the only features of interest in an otherwise stagnant situation have been the shock tactics in the Chicago wheat pit, owing to the official report that the wheat harvest this year will be the worst for 30 years, and the launching by Senator Borah of a savage attack on the N.R.A. and all its works. We comment on the wheat situation in a succeeding Note. Senator Borah's attack on the President's economic politics, or political economics, was delivered in a broadcast address on the evening of Independence Day. Senator Borah castigated both the N.R.A. and the A.A.A. for their inauguration of a rigid system of monopolies and regimentation, which could only spell disaster for the backbone of the American economy—the small business man. Senator Borah laid the gravamen of his charges upon the new bureaucracy which was springing up under the two Administrations.

It is simply that meddlesome, irritating, confusing, undermining, destructive thing called bureaucracy. It is that form of government which steals away man's rights in the name of public interest, and taxes him to death in the name of recovery. . . . It must be perfectly plain that the principal work of recovery depends upon the initiative of self-reliance, resourcefulness, and energy by the private citizen. . . . For fifty years monopolies and combines had been seizing upon all the sources of supply, all natural resources, all those things which people must have in their daily lives, and had practically fixed the price at which people should enjoy them.

Nevertheless, Senator Borah did not attempt to make political capital for the Republicans out of his attack; both political parties came under his lash for their passivity

and acquiescence "while small business is struggling for existence." This reads like the old plea for "rugged individualism," which did very little in the last fifty years for the American small man, except to give him an opportunity to join the ranks of the favoured few monopoly-millionaires. Nevertheless, on the evening of July 7th, Senator Lewis, the chairman of the Democratic Senatorial Campaign Committee, issued a statement in which he said that the President was anxious to relieve business from uncertainty both about the future and about Government interference.

He desires particularly to know where business feels that legislation lately passed is inappropriate to its welfare, and where some change in legislation would best serve the general uses of legitimate business.

and Senator Lewis stated that the President would not wait till after the Congressional elections to pass further legislation which he considered necessary for sound recovery. This is thought to foreshadow legislation limiting the bureaucratic powers of N.R.A. The announcement last Wednesday that General Johnson had recommended to the President that he, General Johnson, be relieved of his duties, as the direction of N.R.A. should no longer be a "one-man job," but should be transferred to a non-partisan board of experts, is in this connection significant. Apparently the New Deal is to be further modified. Meanwhile interest is mainly focussed on the problem of the Government's financing, and on the probable trend of the business tide in the autumn.

* * *

Dr. Goebbels and Lies.—The acute sensitiveness of the Nazi leaders to foreign criticism is one of the more remarkable features of the present regime in Germany. When General Göring released Dimitroff last spring, he announced that his chief motive for detaining him in prison for two months after acquittal was a desire to prove his own indifference to the demands of the foreign Press! Now Dr. Goebbels has devoted the whole of his first full-dress broadcast since the events of June 30th to a denunciation of foreign newspaper "lies." In the course of this oration Dr. Goebbels spoke of "foreign correspondents in Germany who inflame the peoples against each other," of "hysterical and pathological outbursts of fury and hatred," of "evil revolver-journalism" and of "professional lie-manufacturers poisoning world opinion." Dr. Goebbels's anger at his inability to censor any but German newspapers is evidently reaching exasperation point. Indeed, in view of the language he uses, we can well believe the report that the principal Nazi chiefs have been suffering from acute nervous tension in the last few weeks. It is natural, in any case, that the atmosphere of rumour, suspicion and hysteria that they themselves have created should be beginning to drive their own wits astray. And Dr. Goebbels's personal peace of mind cannot have been enhanced by the fact that he is widely believed to have been associated with the late Captain Röhm in opposing the disbandment of the Brown Shirts. Among the newspapers singled out for special denunciation by Dr. Goebbels were the *Daily Herald*, the *Morning Post*, the *Daily Telegraph*, the *Manchester Guardian*, the *Daily Mail*, the *Paris Œuvre*, *Matin*, *République*, *Intransigent*, *Paris-Soir*, *Information* and *Figaro*. A wonderful unanimity of "liars"! So wonderful, indeed, that some of the principal London and Paris newspapers omitted from this list may well feel mortified by the omission—though since the whole staff of Dr. Goebbels's Propaganda Ministry must already be working overtime reading, translating and filing all the newspapers of the world, the omissions are perfectly understandable. Having completed his black list of foreign "lie-manufacturers," Dr. Goebbels proceeded, with a rich irony of which even he was perhaps not entirely unconscious, to a glowing eulogy of the "dignified, noble and decent" conduct of the German Press under his direction, of its "praiseworthy discipline and solidarity," and of the "unexampled candour" with which the events of June 30th had been reported to the German people. Unexampled candour! Yet Dr. Goebbels himself, speaking a week after these events had taken place, refrained even from informing the expectant German people of the names of those who had been shot.

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A Cabinet Re-shuffle in Austria.—The tale of violent repression in the German Nazi ranks at first reassured both Austrians and foreign observers of Austria's plight. It was thought that after Herr Hitler's conversation with Signor Mussolini and after the execution of Chief-of-Staff Röhm and the purge of the Bavarian S.A., the propaganda directed from Munich against the Austrian Government would subside. Actually, it has not done so. And on Tuesday the Austrian Cabinet was re-shuffled in such a way that the Heimwehr predominance is further strengthened. Prince Schönburg-Hartenstein, the veteran War Minister, leaves the Cabinet "for family reasons"; so does the Mayor of Vienna, a Minister without portfolio; Dr. Ender, the Landbund Minister for redrafting the Constitution, is dropped; so also the two Landbund State Secretaries; Dr. Schuschnigg, the leader of the Catholic *Sturmscharen*, who hitherto held the Education and Justice portfolios, gives up the Justice portfolio to Herr Waldeneck, the leader of the Styrian Heimwehr. Major Fey is no longer Minister of Public Security, but becomes "General State Commissar for extraordinary security measures to combat attempts against the State"; and Chancellor Dollfuss again emulates Signor Mussolini's ministerial pluralism by assuming the rôles of Chancellor, Foreign Minister, Minister of War, Minister of Public Security, and Minister of Agriculture. These moves concentrate power in the hands of Chancellor Dollfuss and of the Heimwehr; but whether the embittered workers of Vienna and the politically doubtful peasants in the country as a whole will eschew the Nazis and cleave to Dr. Dollfuss's new Government, depends entirely on how the new Government handles the still critical Austrian situation, and the still sceptical working population. Viewing the recent "disciplinary action" in the German Nazi ranks, however, the workers and peasants of Austria may well decide that "Holdfast is the only dog."

* * *

The Riots in Amsterdam.—Last week the world was startled by an outbreak of violence in a country and a city which are normally among the most orderly, peaceable, contented and prosperous in the world. The Communist rioting in Amsterdam began on the night of the 5th and went on fiercely for four days. The police had to be reinforced by troops, and seven people in all have lost their lives, while more than fifty have been injured. There have been lesser disturbances in Hilversum, Groningen and Rotterdam; and the latter city is still showing signs of restlessness this week. In Holland, such events are a portent; and their social and political significance is as great as that of much larger casualty lists in regions further East. When we seek for the cause of this Dutch explosion we find it in the direction which was indicated in the despatch from our correspondent in Holland which we published the week before last. It is the consequence of the Dutch Government's desperate attempts to keep the country on the gold standard. With dwindling exports and a falling public revenue, the Dutch

have sought to balance their budget by cuts which have been as ruthless as those which Dr. Brüning, in a similar situation, was constrained to make in Germany, and which Herr Hitler may now have to carry further. The Dutch authorities have been drastically cutting official salaries and unemployment benefit. Last year some thousands of former recipients of benefit were struck off the roll, and those who remained on it saw their benefit reduced again last week. This latest cut seems to have produced a widespread explosion of anger among the population of the poorer quarters of Amsterdam; and the Communists and Revolutionary Socialists gave this spontaneous feeling an ugly vent in "direct action." Violence has now been repressed by violence, but this is only a temporary cure. The moral is not that Holland is ripe for Communism, but that in an established community you cannot manipulate wages and prices beyond a certain point without endangering social tranquillity; and that if the maintenance of a given financial policy involves the overstepping of that point, the course of wisdom is to readjust the policy rather than to imperil the State.

* * *

The New Ministry in Japan.—The fall of Admiral Saito's Ministry, which followed the exposure of financial misconduct on the part of one of its members, has been followed in its turn by the formation of a new Government under the prime-ministership of Admiral Okada. The choice of another admiral—which was made by the Emperor on July 4th after consultation with the surviving elder statesman, Prince Saionji—shows the seriousness with which the Japanese are taking the forthcoming naval conference of 1935. At the same time, Admiral Okada is said not to have been numbered among the most violent opponents, in Japan, of the London naval treaty of 1930; and he is a statesman of the same school as Admiral Saito; so that we probably have not to expect any striking change in Japanese foreign policy in consequence of a change of Ministry, which has, after all, been the result of purely internal events. The new Ministry was formally installed last Sunday. It includes two members of the Seiyukai Party—or, rather, ex-members, since they have been expelled from the party for having persisted in accepting their appointments in spite of the decision of their party leader, Mr Suzuki, that the new Government should not receive the party's support. This decision was apparently taken after Mr Suzuki had got his way with the new Government on the question of leaving out Mr Takahashi, the late Minister of Finance, on account of his official responsibility in regard to the financial scandals over which the late Government fell. It appears that the reason for Mr Suzuki's non-co-operation is a personal one—the fact being that Admiral Okada is not so polished a political negotiator as his predecessor. But whether a Japanese Government, nowadays, enjoys or does not enjoy the support of this party or that is little more than an academic question. For the generals and admirals manifestly have the will and the power to rule

Japan *de facto* in the present chapter of Japanese history. The most that a civilian Minister of Finance, in such a Cabinet, can hope to do is to pare down the huge naval and military estimates, without being able to exercise any serious influence over the policy which those estimates reflect.

* * *

The Pendulum in Spain.—The latest phase of the Spanish Revolution has been a backward swing of the pendulum, which is a normal occurrence in all revolutions, but is also not without its own special dangers. The first danger is that the forces of the moderate Right may be so elated at the discovery that they are not "down and out" after all, that they may push their counter-offensive further than is wise. The second danger is that the moderate Left, disillusioned and exasperated at finding itself no longer the unchallenged master of the field, may be tempted to resort to acts of violence. Taken together, these two dangers involve a possibility of civil war. Yet we may venture to expect that Spain will not be overtaken by this calamity, seeing how many times already she has escaped from apparently imminent disaster during the three years and more that have now passed since the Revolution began. In the country as a whole, the public is manifestly reacting, just now, rather strongly in favour of certain elements, at any rate, in the old order—as was shown, for example, by the enthusiasm with which the traditional Easter celebrations were resumed this spring. But this does not mean that the classes and the institutions which battered on the old order would be safe in assuming that they can now comfortably clamber back into the saddle. Meanwhile, the general movement towards the Right in other parts of the Peninsula has been traversed by a Leftward movement in Catalonia; and this disharmony in the momentary political tendencies of the whole and the part has made the strain upon Catalan-Castilian relations really dangerous for the first time since the fall of the Monarchy. The enactment by the Catalan Parliament at Barcelona of a land-law which has been disallowed by the Tribunal of Constitutional Guarantees at Madrid, and has then been re-enacted at Barcelona, raises the constitutional issue in an acute precise form. The situation is complicated by the fact that the Esquerra (the Catalan Party of the Left) is now dominant in the Parliament at Barcelona, while in the Catalan representation in the Cortes at Madrid the Lliga (the Catalan party of the Right) is still in a majority. This has been leading Barcelona to put a spoke in the wheel of All-Spanish parliamentary politics—a manoeuvre which is naturally resented by the Castilians, who can hardly tolerate a Catalan domination in Madrid. All the same, we believe that two factors—the formidable difficulty of keeping order in Barcelona and the urgent necessity for preserving the Castilian market for Catalan manufactures—will restrain the Catalans, even of the Left, from very extreme courses.

* * *

A Gesture from New Zealand.—New Zealand has shown herself much more willing than either Australia or Canada to carry out the spirit of the Ottawa Agreements—which is not surprising, perhaps, considering that we take over 80 per cent of New Zealand's total exports. It is announced this week that an important series of reductions is to be made in the tariff on British manufactured goods. The goods affected include iron and steel manufactures, chemicals, gramophones, food products, cement, furniture, hosiery, boots, millinery and leather manufactures. In some cases the duty is abolished entirely, and in others it is reduced by 50 per cent., 33 per cent., 25 per cent., or 15 per cent. The preference on British motor cars has also been increased. In an article in the *Economist* of June 23rd we showed that there was still room for an appreciable increase in New Zealand's imports from Great Britain. An examination of the figures there given suggests that the present tariff concessions are genuine—after our experience with Canada some scepticism must be pardoned. This impression is confirmed by the statement of New Zealand Labour spokesmen this week that the new duties would throw local secondary industries "to the wolves" and create further unemployment.

ment. New Zealand's gesture, in fact, appears to be a sincere effort to assist the expansion of Empire trade. It is as unfortunate, therefore, as it is ironical, that at this very moment the British Government should be threatening the New Zealand farmers with a compulsory restriction of their imports into this country.

* * *

Employment in June.—The Ministry of Labour's estimate of insured persons in employment in Great Britain on June 25th, at 10,163,000, shows a decline of 24,000 as compared with May 14th, but an increase of 419,000 on June, 1933. The number of unemployed persons on the registers of employment exchanges rose from 2,090,381 on May 14th to 2,092,586 on June 25th, but shows a fall of 345,522 as compared with the corresponding month a year ago. Of persons normally in regular employment, the number wholly unemployed declined sharply from 1,658,677 on May 14th to 1,563,432 on June 25th, but the number temporarily stopped rose from 341,028 to 447,320 during the same period. The number of unemployed persons normally in casual employment decreased from 90,676 to 81,834. The following table shows the changes in the total number of unemployed on the registers in various administrative divisions:—

Decreases		Increases	
Scotland	20,243	North-East	30,551
South-East	13,209	Midlands	25,356
South-West	13,168	Wales	9,275
London	10,862		
North-West	5,495		

Examination of changes in the number employed by various industries shows that the upward movement in the curve of unemployment is due to a very marked seasonal decline in employment in the coal trade. This decline may be ascribed in a large measure to the warm weather and the consequent fall in the demand for house coal. But, despite this recession, employment in June was still better than a year ago. If the increase in unemployment in the coal trade between May and June had been the same as in 1933 (when it was 11,098) the total number unemployed in Great Britain would have shown a further decline of 51,613, instead of a rise of 2,205. The next table shows the most important changes in the number of unemployed insured workers in various industries on June 25, 1934, as compared with May and the corresponding month a year ago:—

Comparison with May 14, 1934

	Increase (+)	Decrease (—)
Coal mining	+ 64,916	
Woollen and worsted	+ 12,380	
Tailoring	+ 8,612	
Motor vehicles, cycles and aircraft	+ 3,299	
Boots, shoes, slippers, clogs	+ 3,171	
Cotton	+ 3,082	
Pottery, earthenware, etc.	+ 1,945	
Distributive trades	— 11,182	
Engineering	— 8,922	
Dock and harbour service	— 7,533	
Hotel and boarding house service	— 7,500	
Shipping service	— 3,707	
Road transport other than tramway and omnibus service	— 2,747	
Iron and steel manufacture	— 2,416	
Shipbuilding and ship repairing	— 1,974	
Printing, publishing and bookbinding	— 1,801	
Electric cables, apparatus, lamps, etc.	— 1,502	

Comparison with June 26, 1933

Engineering	— 70,037
Building	— 36,274
Metal goods manufacture	— 32,737
Coal mining	— 26,469
Iron and steel manufacture	— 25,866
Shipbuilding and ship repairing	— 22,216
Distributive trades	— 20,265
Cotton	— 17,731
Motor vehicles, cycles and aircraft	— 16,353
Woollen and worsted	+ 16,197

A substantial number of industries recorded further progress between May and June. The steady downward movement in unemployment in the iron and steel and engineering industries is particularly encouraging. The number of unemployed in engineering alone shows a decrease of 70,037 on June, 1933. On the other hand, the rapid deterioration of the wool textile industry, discussed in the *Economist*

of June 9th, is discouraging. The wool trade is one of the very few branches of activity to show an increase in unemployment as compared with June, 1933. The cotton trade, which a year ago recorded a decrease in unemployment between May and June, also recorded an increase this year. On the other hand, the increase in unemployment in the tailoring and motor-car trades can be ascribed largely to seasonal influences.

* * *

Wheat in the United States.—Following a decline from 102½ cents per bushel on May 31st to 87 cents per bushel at the beginning of July, the price of No. 2 wheat (nearest future) in the Chicago wheat pit has begun to rise steeply on the publication of the official crop estimates on July 10th. The yield of this year's winter wheat crop is estimated by the United States Department of Agriculture at 394 million bushels, as compared with an actual yield of 351 million bushels a year ago and one of 476 million bushels in 1932. The spring crop is expected to yield 89 million bushels, against 176 million bushels in 1933 and 268 million bushels in 1932. At 483 million bushels the total United States wheat harvest this year will therefore be 44 million bushels below the abnormally low figure of last year and 264 million bushels below that for 1932. As the normal annual wheat requirements of the United States are in the neighbourhood of 650 million bushels, she will not only be unable to export appreciable quantities, but will have to use up a large proportion of her stocks. According to the Food Research Institute of Stanford University, California, wheat stocks at the end of the current season (June 30) amounted to about 260 million bushels. Given a crop of 483 million bushels this year, total supplies for the season ended June, 1935, will be only about 743 million bushels, as compared with 916 million bushels in 1933-34 and 1,126 million bushels in 1932-33. The present year marks, therefore, the end of a long period of excessive supplies in the United States, and the sharp rise of prices in Chicago from 87½ cents per bushel (July future) on July 10th to 92½ cents per bushel on July 11th is therefore scarcely surprising. In fact, it is more than probable that the advance will continue to well over one dollar per bushel. Although there was a similar sharp, but only temporary, rise to nearly 120 cents per bushel a year ago, present circumstances favour the maintenance of a higher level of prices. While reports that the United States will have to import wheat during the next season are exaggerated, her supplies exceed requirements by only a modest margin. As the present import duty on wheat in the United States is 42 cents per bushel, a further increase in quotations above world prices is quite probable despite the fact that current quotations are already 25 cents per bushel higher than in Argentina. As the United States will for all practical purposes disappear from the export market, and since internal prices bear little relation to world prices, the former predominant influence of Chicago on other wheat markets will be further diminished. Moreover, the high level of internal wheat prices will provide a strong stimulus to an increase in acreage, and although there are as yet no indications that the United States Government intends to give up its intention of a further reduction in acreage next year, it may well be forced to do so under the influence of political pressure.

* * *

British Shipbuilding.—The latest returns issued by *Lloyd's Register* reveal a further substantial expansion in the activity of the British shipbuilding industry. Gross tonnage of mercantile vessels under construction at the end of June was 587,142, as against 481,440 at the end of March, and 287,502 a year ago. But although tonnage under construction at the end of June was higher than at any time since the end of March, 1931, it was only 40 per cent. of the quarterly average of 1929. The improvement in British shipbuilding during the past quarter was much more pronounced than abroad, for tonnage under construction in other countries at the end of June, at 629,198, shows an increase of only 31,000 tons as compared with the end of March. Consequently, the British proportion of the

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tonnage under construction in the world as a whole rose from 39.2 at the end of June, 1933, to 44.6 in March, and 48.3 in June, 1934. The increased tonnage under construction is, however, mainly for British shipping concerns. Of the total tonnage under construction at the end of June, only 15 per cent. was intended for registration abroad or for sale, as compared with 21 per cent. at the end of March and 19 per cent. a year ago. Another interesting feature revealed in *Lloyd's Register* is the advance of the oil engine in overseas countries. Of the total tonnage under construction in this country at the end of June only 48 per cent. were motor ships, as compared with 66 per cent. abroad. Gross tonnage launched in this country during the second quarter of 1934 was 35,954, against 34,839 in the previous quarter and 11,036 during the corresponding quarter a year ago. Launchings abroad rose from 51,263 gross tons in January-March to 113,438 gross tons in the past quarter. Unfortunately, tonnage commenced in this country during April-June, at 146,653, recorded a reduction of 56,359 on the previous quarter. The decline in tonnage commenced abroad from 258,048 to 125,912 was even more pronounced. Of the total tonnage under construction abroad at the end of June, Japan accounted for 137,280, France for 104,500, Germany for 91,145, Denmark for 66,650, and Holland for 54,765.

* * *

Coal Mining Results.—The quarterly statistical summary, issued by the Mines Department, reveals a further improvement in the coal-mining industry during the first quarter of 1934. Production in that quarter was bigger, and profits per ton were higher, than in any quarter since January-March, 1930:—

Period	Tonnage Dis-posable (Mill.)	Costs per Ton		Proceeds per Ton	Profit per Ton	Output per Man-shift	Earnings per Man-shift
		Wages	Total net				
1930		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter...	60.0	9 2	13 4	14 5	1 1	21.84	9 3
2nd " "	51.8	9 5	14 1	13 11	— 0 2	21.32	9 8
3rd " "	50.1	9 5	13 11	13 9	— 0 2	21.34	9 4
4th " "	52.6	9 3	13 7½	14 1½	0 6	21.84	9 4
1931							
1st quarter...	52.2	9 2	13 6	14 3	0 9	21.78	9 2
2nd " "	47.5	9 3½	13 11	13 10	— 0 1	21.44	9 2
3rd " "	45.3	9 4½	14 0	13 10	— 0 2	21.35	9 2½
4th " "	50.9	9 1½	13 6	14 1	0 7	21.86	9 2
1932							
1st quarter...	49.6	9 1	13 6½	14 0½	0 6½	21.88	9 2
2nd " "	46.1	9 1½	13 10	13 8	— 0 2	21.78	9 2
3rd " "	40.9	9 3½	14 2½	13 7½	— 0 7½	21.50	9 2
4th " "	48.9	8 9½	13 2½	13 1½	0 9	22.62	9 2½
1933							
1st quarter...	49.9	8 9	13 1½	13 1½	0 9½	22.67	9 1½
2nd " "	42.8	8 11½	13 9½	13 4½	— 0 4½	22.07	9 1½
3rd " "	42.7	8 11½	13 8½	13 3½	— 0 5	22.05	9 1½
4th " "	50.9	8 6½	12 9½	13 6½	+ 0 9	23.00	9 1½
1934							
1st quarter...	53.1	6 5½	12 7½	13 7½	+ 1 0½	23.32	9 1½

The commercially disposable tonnage raised during the first quarter of 1934 exceeded that of the corresponding period in 1933 by 3.2 million tons. The rise in output reflects the increase in home industrial demand, as exports (including coal shipped for the use of steamers) in January-March, 1934, were slightly lower than during the corresponding period a year ago. Total proceeds in the first quarter of 1934 were £36,202,666, against £33,995,510 in the previous quarter and £34,685,641 in the corresponding quarter a year ago. Net costs of production amounted to £33,476,885, as compared with £32,132,021 in the last quarter of 1933 and £32,672,471 in January-March, 1933. Proceeds therefore exceeded net costs by £2,725,781, as compared with £1,863,489 in October-December and £2,013,170 in

January-March, 1933. All districts were able to record a profit, but the profit margins per ton were very unequal for the various districts. Thus the profit per ton was only 0.0rd. in Durham and 1.06d. in South Wales and Monmouth, as compared with one of 2s. 7.49d. in the district comprising parts of South Derbyshire, Leicestershire, Cannock Chase and Warwickshire. The most striking feature revealed in the statistical summary of the Mines Department is the steady increase in the output per man-shift and the consequent decline in the wages cost per ton. This increase in efficiency is encouraging, and it is to be hoped that the process of rationalisation will be speeded up in other directions, for a substantial reduction in costs is the only way out of the difficulties of this industry.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

MORE LABOUR TROUBLES

WITH the adjournment of Congress, security markets have become more apathetic than before. On the whole, business news is rated as disappointing. With the passing of the strike threat, steel operations have fallen sharply, and this has been accompanied by a partial reduction in steel prices. Retail trade, at least in the New York area, has been rather discouraging. Meanwhile, labour troubles continue to fill the newspapers. The great waterfront strike on the Pacific Coast has virtually tied up all the ports north of Los Angeles for weeks; a mediation board has been appointed under the provisions of the recently enacted Wagner Law, and it is expected that the protracted contest will soon be settled.

An important labour dispute has arisen in Tennessee which may test the authority of N.R.A. The details are obscure, as the accounts given to the Press by the employers and by the N.R.A. officials differ widely, but in substance the controversy is clear. A hosiery mill in Harriman, Tennessee, employing about 650 hands, developed a dispute with a minority of its employees who were affiliated to the Federation of Labour. This minority went on strike, and their places having been filled, they were refused reinstatement. The N.R.A. thereupon took away from the mill its Blue Eagle, which automatically placed it under boycott from any consumer receiving Federal aid funds. It appears that the mill was working on orders placed by the relief agencies of the State of Pennsylvania; and, with these orders cancelled, the mill was obliged to close. The mill is the sole industry of the locality, and local sentiment and the indignant employees have supported the owners.

The case was investigated by agents of the Department of Justice, who reported that the mill had violated no law or code provision. The N.R.A. has refused to accept this finding, and the mill remains closed. The case is likely to be carried into the courts, and it has already become something of a *cause célèbre*. The removal of the Blue Eagle is a real penalty upon an offending factory, for with the ramifications of Federal enterprise and relief, there is scarcely a concern that can afford the risk of a Federal boycott. The Ford Company, although it adheres to the automobile code, still persists in refusing to accept a Blue Eagle; and this excludes it from an important market. As yet, however, open conflict between Ford and N.R.A. has been avoided.

MODIFICATIONS IN N.R.A.

N.R.A. itself is undergoing important modifications. Some forty industries, classified as service industries, have now been released from their codes, having discovered that all efforts to comply with them proved futile. Even more important is the weakening of the cartel price-fixing systems. In part, the initiative for these changes appears to be coming from the Consumer Advisory Board within N.R.A. itself; in part it is due to consumer resistance to

the price schedules fixed by the cartels. It is, of course, impossible to forecast how far these modifications will be carried, for essentially the National Recovery Act is a flexible measure. Extreme critics of N.R.A. assert that it is "breaking down"; actually it would appear rather that certain features of N.R.A. as initially developed have proved to be unworkable, or have encountered strong public opposition, and that these features are gradually and empirically being modified or eliminated.

The famous Section 7 (a) regarding collective bargaining is still a source of dispute, although the Wagner Law may be helpful in adjusting such difficulties, which are sometimes not quarrels between employer and employee, but between rival organisations of employees, the section usually, but not always, being invoked by the minority organisation. The other major point of controversy under N.R.A. has been associated with monopoly practice and price controls. The immediate task of N.R.A., and the one to which it is addressing itself at present, seems to be the definition of the mutual rights of employer and employee under Section 7 (a); and a reconciliation of the monopolistic tendencies in the code with both the law and public opinion as laid down in the anti-trust Acts. Essentially these are problems of administration, only to be solved by experience over a period of time.

NEW YORK, July 1.

FRANCE

M. BARTHOUS TRIP AND THE GERMAN CRISIS

PARLIAMENT went into recess on July 6th, and the announcement of the end of the session was applauded in the Chamber. Such applause is rare. It shows how since February 6th Parliament has been, as it were, inhibited. It has never taken the initiative, but has left to the Doumergue Government complete freedom of action in both foreign and domestic policy.

M. Barthou's trip to London has been followed with close interest here, though French opinion is not expecting any far-reaching changes in British (or French) foreign policy. In any case, it was the British Prime Minister who invited M. Barthou to London. Nevertheless, the recent German disturbances have naturally given the London conversations a new importance, and it is held in France that the German crisis has "legitimised" the diplomatic position of France on the European chessboard. The *coup de main* at Munich has certainly strengthened the authority of the Doumergue Cabinet.

The day after the Chamber's departure the Government promulgated a series of decree-laws, some referring to the Fiscal Reform project and others to the public works scheme for relieving unemployment. The Fiscal Reform decrees provide for the simplification, reduction and abolition of various taxes. The suppression of the "luxury tax" chiefly affects the automobile, jewellery, scent, and tourist

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industries. The Government has decided to reduce from 17 per cent. to 12 per cent. the rate of tax on registered securities. It wishes to make registered securities more popular in France, since they are less susceptible to fiscal fraud than bearer securities.

The situation of the Treasury has considerably improved in the last few weeks, and deposits in the "Caisse d'Epargne" have increased. In June these deposits exceeded withdrawals by 90,992,358 francs. During the same month the sum spent by the public "caisses" in buying rentes on the Bourse amounted to 28,681,634 francs, made up as follows:—

	Fr.
Caisses d'épargne ordinaires.....	14,681,305
Caisse Nationale d'Epargne	13,637,299
Caisse des Dépôts et Consignations	363,030
Total.....	28,681,634

The Metropolitan Company has issued to the public a 5 per cent. loan of 35 million francs, guaranteed by the City of Paris, at a price of 890 for 1,000-franc bonds.

THE CAMPAIGN AGAINST UNEMPLOYMENT

Compared with a year ago, unemployment is still increasing. On June 30th the number of officially registered unemployed was 310,934, or 58,659 more than a year ago. Unemployment in the last three years has moved as follows:

	1932	1933	1934
January	248,154	316,259	332,926
February	303,422	330,874	350,830
March	303,218	319,240	345,783
April	299,766	309,572	334,519
May	285,576	283,068	323,427
June.....	263,162	263,892	310,934

M. Marquet, the Minister of Labour, estimates at nearly 1,000 million francs the sum which will be spent on unemployment this year. For the public works programme the State will use a part of the funds accumulated by the Social Insurance Funds. Besides this, the railways have been authorised to raise 2,725 million francs in addition to the sums already approved. The railway expenditure is to include 1,300 millions for signalling improvements and 1,300 millions for electrification. The Government has given an assurance to the French coal-mining industry that only those lines which use foreign coal will be electrified.

According to the statistics of the Central Coalmining Committee, French mines produced 3,959,355 tons of coal and lignite in the 24 working days of May, compared with 3,970,155 tons in 24 working days in April, and 3,948,722 tons in 26 working days in May, 1933. Production per working day was 164,973 tons in May, 165,423 tons in April and 151,874 tons in May, 1933. The number of registered workers fell from 249,682 at the end of May, 1933, to 240,406 at the end of April, 1934, and 238,200 at the end of May.

The Suez Canal Company announces that in the first half of the year receipts were 433,460,000 francs, compared with

416,810,000 francs in the first half of 1933. The following are the monthly receipts:—

	1933 Fr.	1934 Fr.
January	71,400,000	78,230,000
February	64,620,000	66,780,000
March	76,220,000	77,000,000
First quarter.....	212,240,000	222,010,000
April	72,620,000	76,370,000
May	69,880,000	73,020,000
June.....	62,070,000	62,060,000
Second quarter	204,570,000	211,450,000
First six months	416,810,000	433,460,000

The increase in receipts in the first quarter of 1934, compared with 1933, was about 4 per cent. It has been smaller in the second quarter owing to a reduction of tolls on April 1st, but has remained a little over 3 per cent.

PARIS, July 11.

GERMANY

WHO SHALL CLEANSE THE CLEANSERS?

THE Nazi Party has now been cleansed, and those who remember "the priest who slew the slayer and shall himself be slain" are asking to-day in Germany: "Who shall cleanse the cleansers?" The answer so far is The Reichstag, which has been summoned (auspiciously for Friday, July 13th) "to hear a governmental declaration." The declaration will not improve on the plea of the Propaganda Minister, Dr. Goebbels, on July 10th, that "In Germany June 30th passed without friction (*reibungslos*). The Reichstag session will also pass without friction, for potential friction-makers, having lost their lives, have necessarily lost their votes. Also, "dissatisfaction," judicially a mere matter of five years' imprisonment (a court judgment of the past week) is now officially proclaimed a capital offence, imposable by "special" courts. General Göring, as he says, "extended the Action" to include certain dissatisfied (*unzufriedene*) persons, who died to make a Nordic holiday for Voltaire's Dr. Pangloss.

A dissatisfied Reichstag, even if spared the menace of a second "Action," could hardly disentangle the confusion of Governmental statements so far made. This confusion arises from the vast variety, and varying measure, of the alleged offences of the killed persons. The list of dead, officially "admitted" to include some 60, but still, in the rhetoric of the Leader's deputy, Herr Hess, only "one dozen," all "traitors," embraces Nazis, anti-Nazis, non-politicians, plotters, mere intriguers—whereat definition begins to wear thin—"reactionaries," an odd Catholic or two, and outlaws like that ex-Prime Minister of Bavaria, against whom the Leader had old grudges. There are also unclassifiables. Finally (in addition to some shot by mistake) many mere "dissatisfied" persons were compelled to give satisfaction. Why the ultra-dissatisfied Von Papen escaped is a matter of conjecture.

As it is hard to bring this miscellany of summarily eliminated wickedness under a single *raison d'état*, the Nazi jurists have intervened. Herr Hitler, they affirm, has, as founder of the Brown Army, a right to kill any member of that Army; by extension he has a right to kill anyone not in the Army. With flourishes about Justinian, Charlemagne, and "the essentially non-Germanic Roman Law," this argument has been made convincing. It is added by Nazis that precipitate killing in panic or cruelty cannot be imputed; the "Action" was prepared in praiseworthy cold blood. Dr. Goebbels eulogises his Leader's composed spirit of "mercilessness," and—perhaps because relations with General Göring are none of the best—gives the Chancellor the chief credit. Dr. Goebbels is the only prominent Nazi with sufficient refinement of mind to elaborate irony or to launch a *double entendre*; and his story, while giving the Leader all the praise conceivable, contains certain anti-Hitler ambiguities which might be cited in Dr. Goebbels's defence if a day of reckoning ever comes. Dr. Goebbels, that is, affirms that the Leader "long ago" knew of the corruption and moral perversity of the friend

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to whom he had entrusted the "moral regeneration" of 2,500,000 German youths; yet the Leader only remonstrated—until the foibles of corruption and debauchery were aggravated by the crime of disaffection.

THE END OF HITLERISM

The Hitler Administration, it seems, is likely to remain in office, maintaining itself by further terrorism and inspired by its master-passion, fear, for some time to come—provided that the soldiers do not put it out, which they could do in half an hour. But *Hitlerism* appears to be dead and done with. This is not because of the disgust of the population. Such disgust is ascribed to the wickedness of "the eternally discontented" (to quote General Göring), and as long as rifles let loose bullets "without friction," it will not be publicly expressed. The disappearance of Hitlerism as such is a consequence rather of the disappearance of the Brown Army. Of Hitlerism, the Brown Army was the outward and visible sign. Hitlerism, as Herr Hitler establishes in his book *Mein Kampf*, was a matter of "The Street," and to the Brown Army "The Street" belonged. With the end of the Army processions, the twenty-yards long banners, the street-corner loud-speakers, and the shouting of militant war-songs, this effective and demonstrative Hitlerism has ended; and outwardly to-day Germany is less Nazi than it was during the pre-Nazi administration. No further killing of traitors will restore the Brown Army's prestige. That Army was killed by the Party's inordinate craze for size, by the lack of homogeneity inevitable in organisations that place numbers first. A genius could not permanently control a peace force of 2,500,000, and Nazis are certainly not geniuses.

Nor could the espionage of Brown Army man upon Brown Army man, or the terror of the Secret Political Police, prevent disintegration. The S.A. force decayed not because it was morally rotten but because it was not consistently morally rotten. In its original state, recruited from hooligans and corner-boys, it was homogeneous and efficient. Later, but before Hitler attained office, it was adulterated with multitudes of honest if deluded enthusiasts; finally Herr Hitler, now Chancellor, forced into it fresh multitudes of unwilling young men of decent upbringing, good morals, and high education and intelligence. Therewith the Stamboul legend that "the good Janissaries corrupted the bad" was transferred to Munich and Berlin. The Brown Army of June, 1934, was no more a Hitlerite Army than the army of Great Britain is Conservative or Liberal; it was a conscript force representing the nation, good, bad and indifferent, and therefore without any particular moral or immoral bond.

The much smaller S.S. Army, still intact, may prove a more reliable Hitlerite instrument against "plotters" and "the dissatisfied"; but as a military force it is contemptible, and could be swept out of existence by one battalion of the Reichswehr. The prevailing feeling, and indeed the prevailing hope, is that this will happen soon. But Germans, least of all military men, are not enterprising revolu-

tionaries; and the present anarchical condition, in which the life of no man who arouses Governmental suspicion, resentment, or greed, is safe, may even yet continue for a time.

BERLIN, July 10.

JAPAN

IMPORTS AND EXPORTS STILL EXPANDING

THE course of foreign trade continues to be altogether satisfactory, the figures for both imports and exports for the month of May being the largest for many years. The trade returns for May show that, in comparison with May, 1933, imports, at 219,894,000 yen, increased by 39.3 million yen, or 21.8 per cent.; and exports, at 191,866,000 yen, by 29 million yen, or 17.9 per cent. The trend was generally the same as in the previous month. Imports of raw cotton, raw wool, oil-cake, crude rubber and beans show a substantial increase, whereas iron and steel alone reveal a marked decrease. On the export side, cotton piece-goods, rayon manufactures and machinery have done considerably better, while raw silk recorded a heavy decline. The visible passive balance for May was 28,028,000 yen as against 17,768,000 yen for the corresponding month last year. For the first five months of the year the excess of imports over exports was 137,366,000 yen against 212,147,000 yen.

Company reports for the past six months, so far published, disclose decidedly favourable results in general, and dividend increases and resummptions have been more numerous. A number of textile firms, mining companies, steelworks, shipping companies and rubber plantations earned increased profits and paid larger dividends, whereas oil companies decreased their dividends, being hard hit by Russian competition. The Mitsubishi Mining Company increased its dividend by 2 per cent. to 12 per cent. Nippon Yusen Kaisha paid a 3 per cent. dividend for the first time for several years. But the Japan Oil Company was forced to reduce its dividend from 5 to 3 per cent.

Agriculture, however, is suffering acutely from the disastrously low price of cocoons. Spring cocoons, which are now arriving at the markets, are quoted at far below three yen per kamme, or nearly half the prices of a year ago. A heavy carry-over of raw silk from the silk year just closed remains a depressing influence on silk prices and recovery in cocoon prices cannot yet be expected. The National Federation of Cocoon Raisers' Guilds and other similar bodies are making representations to the Government, demanding immediate action to relieve the distress caused by low prices. It is doubtful whether any effective remedial scheme can be improvised, for artificial relief measures would be liable to defeat themselves, as they have always done in the past.

CREDIT EXPANDED TO RECORD LEVEL

The Bank of Japan's wholesale index number for May showed a drop of 0.4 per cent. on the month. The deposits of the Tokyo clearing banks for last week totalled 2,420 million yen, a record for all time. The rising tendency in security prices has been reversed, principally owing to political uncertainty. The aggregate value of all shares listed at the Tokyo Stock Exchange on June 1st recorded a fall of 88.9 million yen, or 1.45 per cent., compared with a month ago.

According to the statistics lately published by the Home Office, the number of trade disputes involving stoppages of work in 1933 was 610, in which 49,400 workpeople were directly involved, and the aggregate time lost was approximately 384,000 working days. As compared with 1932, the number of disputes decreased by 283, the fall in the number of workers involved being 5,000, and the drop in time lost being 234,000 working days. The 1933 figures are the smallest recorded since 1926. Of 610 disputes, 392, involving 33,900 workpeople, or 64.2 per cent., arose from demands for advances in wages and other wage questions, while there were only two disputes on questions of trade union principles, involving 43 workpeople. Stoppages in the textile industries and transport accounted for over two-fifths of all the workpeople involved; in mining there were very few disputes and none of any magnitude.

The Bureau of Statistics provisionally estimates the Japanese national income in 1930 at 10,635,785,000 yen, or 837 yen per family and 165 yen (about £8 10s.) per head of the population. As compared with the inquiry for 1925, this is a decrease of 2,746.5 million yen, which is obviously largely a matter of prices. National income by individual items is as follows:—

	(000's omitted) ●	Yen	Percentage
Agriculture		1,883,195	18
Fishing		189,548	2
Mining		249,534	2
Manufacturing		3,483,011	33
Commerce and finance.....		2,706,079	25
Transport		841,316	8
Public services, professions, etc.		1,346,702	12
Overseas investments and business		<i>Dr. 63,600</i>	...
Total		10,635,785	100

Of this total, 10,275.6 million yen, or 97 per cent., represents the income of individuals and private corporations, while the remaining 360 million yen, or 3 per cent., represents the income of State and municipal enterprises.

TOKYO, June 13.

CANADA

LIBERAL VICTORIES AND GENERAL ELECTION PROSPECTS

THE Liberals are in a mood of high elation and confidence over the Party's victories in the Provincial elections in Ontario and Saskatchewan, and in the dying hours of the session they intend to move a vote of no confidence in the Bennett Ministry and challenge it to go to the country. The Government will resist and defeat this resolution; but while the average Conservative member dreads nothing so much as a general election, it is still possible that one may be held before the end of the autumn.

The present session has produced a richer crop of important legislation than any recent predecessor; some of it, like the Marketing Act, has been the subject of bitter controversy, and the Commons have refused to accept an amendment by the Senate exempting wheat from the operation of this Act. The Central Bank Bill also received its third reading in the House on June 27th by 97 to 50 after a stiff fight over the principle of Government ownership, which was supported by the solid forces of the Liberal and C.C.F. Parties. The Government also resisted amendments which proposed that four out of the seven directors should be appointed by the Cabinet, that the choice of the Governor of the Bank should be restricted to Canadian nationals instead of to "British subjects," as the Act reads, and that the notes of the Bank of Canada should not be bi-lingual. There has been persistent propaganda against the importation of a non-Canadian as the first Governor of the Bank, but Mr Bennett cited during the discussion in Parliament the declaration of Canadian bankers that there was no banker in Canada with the necessary experience in central banking, and that the Government must have its hands free to secure a Governor with the necessary qualifications from outside the Dominion. The Central Bank Bill has now gone to the Senate, where it has been attacked both by extreme Conservatives and extreme Radicals, but it is likely to go through without any serious amendment. Parliament has also passed important measures re-modelling both the Companies and the Insurance Acts.

CURRENCY INFLATION TO FINANCE PUBLIC WORKS

The Government has secured the authority of Parliament for a mild experiment in currency inflation by a Bill amending the Dominion Notes Act. Under the existing legislation the Finance Department was empowered to issue Dominion notes up to \$50 millions, with a 25 per cent. gold cover, and additional notes on a 100 per cent. basis. There were also some special note issues made during the war years without cover, and advances to the banks under the Finance Act, which brought the total Dominion note circulation on May 31, 1934, to \$171,110,949, backed by \$69,166,949 gold.

The new measure authorises the issue of notes up to \$120 millions, with 25 per cent. gold cover, and additional

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notes on a 100 per cent. basis. Mr Bennett estimates that when the new Act becomes effective the total note issue will be approximately \$223,981,952, which means that it will be inflated by nearly \$53 millions. On the basis of the standard price of gold, the cover would then be about 31 per cent., but if the Government exercised its power to revalue its gold holdings at the current price of about \$35 per ounce, the cover of the inflated issue would be roughly 51 per cent. Mr Bennett indicated that part of the proceeds of the inflation would be employed to finance the special public works programme for the relief of unemployment; and a few days later a Bill was introduced embodying this programme, which includes a variety of public buildings allocated throughout the Dominion and estimated to require an expenditure of roughly \$40 millions.

CROPS SAVED BY RAIN

The latest crop survey of the Bureau of Statistics states that crop prospects throughout Canada are showing the effect of variable weather conditions, but that there is clear evidence of a substantial improvement since early June. In Ontario, Manitoba and Saskatchewan, where the early drought was most severe, its effects have not been overcome and poor yields are inevitable; in Ontario the winter wheat crop will be far below the average, and the hay crop will be light. Apart from the Southern areas of Saskatchewan and Manitoba, the rainfall in the Prairie Provinces during June has been satisfactory, and in Alberta and the Northern district of the two other Provinces the grain crops are growing well, but warmer weather is needed to hasten their growth. The June rains have had a most beneficial effect upon the prairie pastures, which, after being burnt brown, are green again, and a critical feed situation has been averted. In Quebec there has been rather too much moisture, and the crops are late. In the Maritime Provinces weather conditions have been favourable, and the crops are promising well, while in British Columbia they are also up to the average, but needing rain.

The sudden improvement in crop prospects has averted the recession in general business which was feared, and the gradual industrial and commercial expansion is continuing. The carloading figure for the week ending June 16th, at 44,482 cars, showed a gain of 1,549 cars over the previous week's figure and of 3,911 cars over the figure for the parallel week of 1933; the total carloadings up to June were 1,003,372, compared with 825,564 in the corresponding period of 1933. According to the Bureau of Statistics, the number of workers on the payrolls of reporting employers increased from 856,548 on May 1st to 899,286 on June 1st, the greatest increase reported in any month since June, 1930. The employment index on June 1st was 96.6, as compared with 92.0 on May 1st and 80.7 on June 1, 1933. The aggregate value of the cheques cashed in the 33 clearing centres of Canada in May was \$3,129 millions, compared with \$2,650 millions in May, 1933, a gain of 18 per cent., which was spread all over the five main economic areas. The Bureau of Statistics wholesale price index for the week ending June 8th was 71.7, compared with 70.7 on May 25th.

OTTAWA, July 1.

MONEY AND BANKING

SIX MONTHS' FOREIGN EXCHANGE MOVEMENTS

THE past half-year has again been a very eventful period. Early in the year the dollar held the centre of the stage, for during January legislation was passed revaluing it at not more than 60 per cent. of its former gold parity, and administrative action was taken fixing the new value at 59.06 per cent. of parity, equivalent to a gold price of \$35 per ounce. Simultaneously the Treasury was empowered to take over from the Federal Reserve Banks their entire gold reserves in exchange for gold certificates. The gold so taken over was at once revalued to conform to the new parity, and out of the resulting profit of about \$3,000 millions which accrued to the Treasury, \$2,000 millions was allocated to a new Stabilisation Fund, to be used for the purchase and sale of gold, silver, foreign exchange or securities, as seemed fit. The Treasury also engaged to buy and sell gold at \$35 per ounce "until further notice."

The first result of these changes was to establish a new parity of 6.63½ cents against the French franc. At the end of January, when these changes took effect, the franc was quoted at only 6.39 cents, or well below the new gold point. In consequence there was an enormous influx of gold into the United States, which lasted for five weeks, by which time the franc had appreciated to its new parity. These gold movements exercised a deflationary influence upon all the gold *bloc* currencies and aroused fresh fears as to the ability of these countries to remain on gold in face of the intensified under-valuation of the dollar. As a result there were further withdrawals of funds from these countries, which were expressed in shipments of gold to London superimposed upon the main drain of gold to New York. By the time these movements had ended, New York had acquired \$101.3 millions and London £41.4 millions of new gold. The gold *bloc* central banks had lost £64.5 millions, of which £36.6 millions came out of the Banque de France, £16.7 millions out of the Netherlands Bank and £10.1 millions out of the Swiss National Bank.

Since the end of the big gold rush the American Treasury has continued to buy gold in small quantities, and only once did the Paris exchange show signs of falling to the point where France could recover gold. On this occasion the American Treasury promptly announced that in case of need it was prepared to permit gold withdrawals, and this statement removed all doubts of the reality of America's return to gold and caused the dollar to appreciate.

There is no doubt that initially the revaluation of the dollar had a disruptive effect. It intensified the under-valuation of the dollar, especially in terms of gold currencies, and so increased the general pressure on the gold *bloc*. Since January, however, the pressure has been gradually relieved both by a slow but steady rise in American internal prices and by a fall in prices in France, Belgium and Switzerland. Further relief came from the more or less successful balancing of the French budget, and from the general restoration of confidence in French finances. Money which previously had fled from Paris has since returned, the Banque de France has more than recovered the gold lost in February, and the French Bank rate, which was raised to 3 per cent. on February 8th, was reduced again to 2½ per cent. on May 31st.

Taking the past six months as a whole, the Banque de France lost Frs. 3.2 milliards of gold up to March 2nd, and has since recovered Frs. 5.6 milliards. It has thus gained Frs. 2.4 milliards on balance. The Netherlands Bank lost Fl. 130 millions up to March 2nd and has since recovered Fl. 54 millions. The Swiss National Bank lost Frs. 190 millions of gold and devisen up to March 2nd and has lost a further Frs. 180 millions since. Belgium and Italy have also lost gold steadily over the whole period, their respective losses amounting to 80 million belgas and 800 million lire.

The French recovery of the past three months had an

immediate effect upon sterling, for it led to heavy transfers of French balances from London to Paris. The dollar has also been gaining in strength against the pound, partly because of recent American profit-taking on the London Stock Exchange and also because of more general factors such as the increase in British raw material imports and the absence this year of American tourist expenditure in Europe. In consequence, since the end of 1933 the pound has fallen from Frs. 83½ to Frs. 76½, while since April it has also fallen from \$5.18½ to \$5.05. These movements, which are largely due to transfers of funds, are such as can be properly offset by official control operations in London, and during the past three months the Exchange Equalisation Account has been a steady seller of francs. It is very possible that these operations have been financed by sales of gold to the Banque de France, and while part of the French Central Bank's gold recoveries no doubt represent the emergence of gold from private hands, part of them no doubt consist of purchases of British gold. So far as can be deduced, the British control's operations, though fairly frequent, may have been moderate in their total magnitude. There is no overt sign of any large increase in the Exchange Equalisation Account's holdings of Treasury bills, such as would be required to counterbalance heavy sales of gold or *devisen*, for "inside" or "tap" allotments of Treasury bills show little change since March 31st. Such allotments, however, are affected by many influences besides the operations of the Exchange Equalisation Account, and no certainty can be placed upon deductions of this kind. There is no doubt that foreign funds have lately been withdrawn from the London money market, and to some extent their withdrawal has perforce been offset by official purchases of sterling.

Another matter of importance during the past six months has been the deterioration in the German exchange position. This was discussed exhaustively in the *Economist* of June 23rd and June 30th, and there is no need to cover the ground again. In brief, during the six months under review, the Reichsbank's gold reserves fell from Rm. 386 to Rm. 12 millions, and its gold cover from 10.9 to 2.3 per cent. The official reichsmark exchange in London has appreciated from Rm. 13.67 to Rm. 13.05 during the past six months, but this movement represents the depreciation of sterling against the gold currencies, and the Paris cross-rate has risen from Rm. 16.36 to Rm. 17.08 per Frs. 100. Registered marks have also depreciated from 20 per cent. to 34 per cent., a movement which speaks eloquently of the deterioration of confidence in Germany.

The real question at the moment is to what extent the events of the past half-year have improved the prospects of world currency stabilisation within a measurable space of time. In many respects they have been favourable. The return of the United States to gold is not entirely definitive, for the dollar can still legally be revalued between 50 and 60 per cent. of its former parity. Nevertheless, there are signs that its purchasing power is moving into closer conformation with its present parity of 59.06 per cent., and this arouses hopes that no further alteration in its parity will be made. The main doubt arises from the recent legislation basing the dollar partly upon silver and empowering the Administration to make heavy purchases of silver. If these powers are utilised to their full, their exercise will force up the world price of silver and involve China in serious economic difficulties. Fortunately the Administration appears disposed to proceed with caution and to pay due heed to the warnings against an artificial rise in silver prices uttered on behalf of the Eastern Exchange Banks and the Central Bank of China. Apart from this danger, the United States have moved in the direction of stabilisation, but the discussions at Basle must have made it clear that stabilisation is still remote.

Some progress has also been made in the direction of necessary currency revaluation. The Argentine peso has been devalued and linked to sterling. The Czech crown has been devalued by 18.6 per cent., while the official rate for the Austrian schilling has been assimilated to the effective market rate—which has meant a devaluation of 22 per cent. The position of the Empire and foreign currencies linked to sterling is discussed in a Financial Note. Here there is evidence of a fair degree of equilibrium.

All these developments render easier the ultimate stabilisation of sterling and the return of the pound to gold, and the conditions of the gold standard of the future have also received exhaustive and very valuable consideration in documents summarised in the latest annual report of the Bank for International Settlements. Even so, we must agree with the statement made by Mr Chamberlain in the House of Commons last week, when he said that the British Government's monetary policy was working out according to plan, and that there were still many international problems to be solved before we could countenance a return to gold. With this conclusion we agree; but at the same time the events of the past six months have brought the possibility of stabilisation so much nearer that it is time to give serious attention to the steps that could be taken to ensure the continuance of the comparative stability we have recently enjoyed and a gradual evolution towards a more permanent system.

FINANCIAL NOTES

The Money Market.—Although the money market had to repay about £11 millions to the Bank of England on Friday and Saturday, money has remained very abundant, and on Saturday money was said to be almost unlendable. The Bank return shows that during the past week the Government has paid out a fair amount of money, while this week Treasury bill maturities were £6.0 millions in excess of payments, so that the tender issue was reduced from £482.1 to £476.1 millions. Hence the money required to repay the Bank was made good by this release of Government funds and by the reduction in the Treasury bill tender issue. The clearing banks' minimum rate for short loans remains at 1 per cent., and other lenders have been quoting ½ per cent.

SHORT LOAN AND DISCOUNT RATES

	June 21, 1934	June 28, 1934	July 5, 1934	July 12, 1934
Bank rate	2%	2%	2%	2%
Clearing banks' deposit rate ...	½	½	½	½
Short loan rate:—				
Clearing banks	1	1	1	1
Others	½	½	½	½
Discount rates:—				
Treasury bills:—				
(a) Clearing banks	½	½	½	½
(b) Others	½	½	½	½
3 months' bank bills	½	½	½	½

Discount rates have also weakened. On July 9th the clearing banks reduced their buying rates for September and October Treasury bills from ½ to ¾ per cent., and their rate for August Treasuries from ¾ to ½ per cent. They have secured a fair number of August bills at the latter rate. Other buyers were offering ¾ per cent. for July Treasuries and ½ per cent. for later dates. Three months' bank bills are quoted at ¾ per cent. and standstill bills at 1 per cent. upwards.

The Foreign Exchanges.—The London market has remained extremely dull and inactive. The New York spot rate has remained very steady at about \$5.03½, and there is no evidence yet of any seasonal commercial buying of dollars. The Paris rate has also been steady at Frs. 76½, and the British control has only had to intervene once this week. This suggests that the former pressure upon sterling has now become much weaker. Some comment has been aroused this week by allegations that German importers are defaulting on their trade bills. The real position is that in certain instances British exporters have been shipping

against bills which are in reality only promissory notes. These notes can be discounted in marks at the Reichsbank, and until recently the Reichsbank has released foreign exchange against them solely upon the merits of each transaction. More lately, however, the Reichsbank has only been releasing foreign exchange each day up to the amount received by it on the previous day, and in consequence some of these notes are not being met in sterling immediately upon presentation. It is, however, a question of delay rather than default, and in no case is a London bankers' acceptance not being met.

The Bank Return.—The return of currency withdrawn for use at the end of the month accounts for the small decrease in the note circulation, and the reserve has risen by the same amount. The repayment of the money borrowed by the market over the turn of the half-year is reflected in the big drop in discounts and advances.

	BANK OF ENGLAND				
	July 12, 1933	Dec. 27, 1933	June 27, 1934	July 4, 1934	July 11, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold	189.7	190.7	191.5	191.5	191.5
Note circulation	378.5	392.0	381.7	385.8	384.6
Banking Department:—					
Reserve	72.5	59.7	70.5	66.4	67.6
Public deposits	16.8	22.2	17.6	26.7	17.4
Bankers' deposits	96.0	101.2	96.3	94.9	97.3
Government securities ...	87.1	88.0	81.0	82.8	82.6
Discounts and advances ..	15.1	16.8	6.1	17.1	7.8
Proportion	42.8%	37.3%	46.8%	41.7%	44.7%

The decline in public deposits may arise from discrepancies in Treasury bill payments and maturities, but last week's figure was swollen by the receipt of the final Funding Loan call, while this week the net tender issue of Treasury bills has been reduced by £6.0 millions. It is possible that the proceeds of the Funding Loan call have been applied to the reduction of the floating debt, and that this operation has been timed to coincide with the market's repayments to the Bank, thereby preventing them from depleting the supply of money.

New York Money and Banking.—New York money rates are unchanged. The official call rate is 1 per cent., with outside money available at ½ per cent. Prime commercial paper is quoted at ¾ per cent. 90-day bankers' acceptances are quoted at ½ per cent. and six months' acceptances at ¾ per cent. The Federal Reserve Board announced at the week-end that it was prepared to consider applications for membership in the Federal Reserve system from trust companies, even if they are virtually doing no banking business. This represents a reversal of the Board's previous policy. The R.F.C. reports that banks and trust companies, which have been the 'largest class of borrowers, had repaid up to June 30th \$1,008 millions out of the total sum of \$1,606 millions borrowed by them since the establishment of the R.F.C. The latest quarterly statement of the nineteen members of the New York Clearing House shows that, following an increase of \$490 millions in their holdings of Government securities during the first quarter of the year, there was an expansion during the second quarter of \$211 millions. Their holdings have now reached the record figure of \$3,003 millions, equivalent to 11 per cent. of the National Debt and to 34 per cent. of their deposits. The latest statement of the National City Bank gives deposits at \$1,226 millions on June 30th, compared with \$1,135 millions a year ago. Cash has risen from \$334 to \$358 millions, and Government securities from \$252 to \$305 millions. Loans, discounts and bankers' acceptances have fallen from \$560 to \$490 millions. All these banking results bear evidence of the huge amount of excess credit now in existence.

Mr Harrison's Visit.—When Mr Harrison, the Governor of the New York Reserve Bank, decided to visit Basle, Paris and London, he must have realised that his

trip would arouse widespread misgivings in the United States, and Senator Thomas's cabled warning that Mr Harrison must not meddle with matters that belong to Congress is the inevitable manifestation of these misgivings. In actual fact Mr Harrison has come to Europe with the sole object of gaining information. He had no authority to commit the United States to any definite action nor did he seek to do so. He is not a member of the Board of the Bank for International Settlements and did not attend the Board's formal meeting. If it were possible for Mr Harrison to join the Board of the B.I.S. and to attend its meetings regularly, the American public would come to recognise his attendance at Basle as a normal matter of routine. Unfortunately geographical considerations alone render this impracticable, but it would be helpful if he could find time to visit Europe once or even twice a year. The real lesson of his visit and the comment which it evoked is that the American nation and its representatives in Congress are still very sensitive on monetary policy, and in particular are nervous of any suggestion that the Administration may enter into international agreements which will circumscribe its internal economic policy. This fact alone rules out any possibility of American participation in international monetary stabilisation for some time to come, for President Roosevelt cannot co-operate until he is assured of the unanimous backing of the nation. The Administration also requires assurance upon such matters as the future of the gold *bloc*, the German mark and the currencies in the sterling area. There is some ground for hoping that no further alteration will be made in the value of the dollar, unless radical monetary changes occur elsewhere. At the moment, the American Administration, like the British Government, are not under present conditions prepared to take any long-term and final decision.

"Sterling" Exchanges and Prices.—So much interest is taken in the relative purchasing power of the pound, the franc and the dollar that fluctuations in exchanges and prices inside the sterling area are usually lost sight of. Yet the sterling area now covers so large and important a part of the world that the value of sterling in terms of other countries inside the area is of considerable importance. Broadly speaking, the following changes have occurred between September, 1931, and May, 1934:—

Country	Internal Prices %	Value of currency against the pound %
United Kingdom	+ 8.2	...
Australia	+ 5.8	+ 4.0
India	- 2.2	No change
South Africa	+ 6.0	No change
Denmark	+17.3	-19.0
Norway	+16.2	- 8.8
Sweden	+ 4.6	- 6.5

A general inspection of the table suggests that, assuming that prices in the sterling area were in equilibrium in 1931 and after taking account of the subsequent changes the pound is over-valued by nearly 15 per cent. against the Danish krona, and by about 10 per cent. against the rupee and the Swedish krona. A year ago, soon after South Africa went off gold, sterling was over-valued by nearly 15 per cent. against the South African pound, but since then the Dominion's internal price level has risen by about 10 per cent. As regards Scandinavia, soon after those countries went off gold their currencies were allowed to depreciate against sterling, and it appears that the depreciation was rather greater than was required to conform to the rise in their internal prices. The fall in Indian prices and the consequent under-valuation of the rupee is not so surprising as might appear, when the nature of India's staple products is borne in mind. It seems, however, that the exchange stability of the rupee must have largely depended upon India's gold exports.

The Franco-German Negotiations.—The success of the negotiations between the British and German representatives in connection with the German moratorium has obscured the fact that similar negotiations are taking place elsewhere. No definite decision has yet been announced in Paris, but it is understood that the French and German representatives have agreed upon a bilateral clearing scheme to embrace all payments in both directions. The negotiations were facilitated by the fact that on balance Germany is a substantial creditor of France. This made it unnecessary to earmark part of the proceeds of German imports into France in favour of French holders of the Dawes and Young Loans, or to lay down any conditions as to priority between bondholders and exporters. For the same reason, the French were able to abandon their original idea that advance payments against the service of the Dawes and Young Loans should be made monthly. Such a clearing agreement is probably the best solution the French could find, but one unfortunate consequence of the need for separate negotiations between Germany and her creditors is that the functions of the Bank for International Settlements as agent for the Dawes and Young Loans are being short-circuited. Another and wider consequence is that Germany's trade and finance are being divided up into a number of water-tight compartments.

National Bank of New Zealand.—The accounts of this bank for the past three years suggest that it has been to some extent the victim of two circumstances beyond its control. The first is the depreciation of the New Zealand and Australian pounds to 80 per cent. of parity against sterling. As the accounts of the bank are kept in sterling, it has been necessary to make an equivalent allowance for the depreciation of the excess of all New Zealand and Australian assets over its liabilities in those areas. For the past three years a small allocation has been made from net profits, while this year the bank is apparently trying to consolidate the whole position by transferring half its general reserve fund to a special currency reserve. This new item appears in the accounts, which are summarised below:—

	1932	1933	1934
Liabilities:—	£'000	£'000	£'000
Capital	2,000	2,000	2,000
Reserve fund	2,000	2,000	1,000
Currency reserve	...	...	1,000
Note circulation	961	1,019	1,111
Deposits	12,314	13,768	15,596
Bills payable, contingencies, etc.	1,081	1,287	1,313
Assets:—			
Cash and call money	2,270	2,621	1,426
Investments:—			
(a) British Government securities	1,304	1,219	979
(b) New Zealand Government securities ..	1,194	1,002	1,429
(c) Australian Government securities....	114	119	98
New Zealand Treasury bills and special loan to New Zealand Government	692	2,584	6,503
Bills receivable	1,470	1,523	1,552
Bills discounted	403	374	323
Advances	10,187	9,856	8,925
Gross profits	600	544	528
Expenses	422	428	393
Allocation to exchange and contingency a/c.	50	40	40
Dividend	7%	4%	4%

The other difficulty arises from the heavy borrowings of the New Zealand Government. As was pointed out in the *Economist* of June 16th, the trading banks (including the National Bank of New Zealand) have acquired large London balances, and these have been taken over by the New Zealand Government in exchange for Treasury bills. This explains the slight weakening in the bank's cash position shown in the accounts. This anomalous position is now to be rectified, for the new Reserve Bank is to take over the trading banks' Treasury bills and other special loans to the Government in exchange for its own notes. This will restore the bank's cash position, as well as easing matters in other ways. The next accounts of the bank are, therefore, likely to show changes in the direction of greater liquidity. Meanwhile net profits are slightly higher, but by an amount insufficient to permit of any increase in the dividend.

THE STOCK EXCHANGE

FIXED TRUSTS

THE fixed trust movement in England has been of recent and rapid growth. Although the first trust was launched as lately as in 1931, it is estimated that probably £10 millions to £12 millions has already been applied to purchases of sub-units of the various fixed trusts. While the movement secured a foothold largely through its own distinctive characteristics, the disappointments which many investors in ordinary investment trusts had suffered undoubtedly assisted the subsequent rapid growth. With the change of outlook for management trust revenues it may be opportune to review some broad features of the fixed trust "boom."

Management trusts experienced a period of great prosperity during the preceding quinquennium; the small investor thought he had found in them complete refuge from the consequences of depression, coupled with excellent prospects of capital appreciation and increased dividends. To experience a market depreciation of 50 to 75 per cent. on his own highly geared equity stock, when the general market value of securities had fallen by, say, 25 per cent. during the subsequent depression, was an effective—if only slightly comprehended—blow to his confidence. This fall was accompanied in many cases by a total disappearance of his dividends, but by little reduction of the trust's management expenses.

The ground was thus ready for the introduction of a device like the fixed trust, which at first glance seemed to offer what the management trust lacked. The fixed trust had the added advantage of making its appearance in the middle of a depression (admittedly also the right time for starting an ordinary management investment trust) and appealed to an investor who had had no opportunity of seeing its behaviour throughout all the phases of a trade cycle. Such an investor was attracted by such considerations as the following:—

(1) The novelty, and the fact that the names of many of the securities in the trust were almost household words.

(2) Publication of the list of investments. Being fixed in advance, this told the investor exactly what he was buying.

(3) The advertisements, which for the first time brought an investment in Stock Exchange securities constantly before the public. This advertising was not confined to one single day like a prospectus.

(4) Marketability. The investor believed that he had got a security which could be freely bought and sold at any time. This was not always the case with some of the stocks of ordinary management investment trusts.

(5) Only one class of sub-unit was issued. The value of a sub-unit moved with the market as a whole, and was not therefore liable to such violent fluctuations as a highly geared equity share. This point was probably not generally realised by the small investor, who only appreciated the effect produced.

The fixed trust movement was greatly helped by the fact that investment was mainly confined to leading ordinary shares bought in the later stages of a depression. Very different would have been its history if the investment had been made a few years earlier, in the then market leaders. Up to now market conditions have continued favourable. There has been a steady increase in capital values and dividends among the shares favoured by the trusts. Nevertheless, some cracks have already begun to appear in the original fixed trust structure, and the result has been a marked tendency towards greater management powers. This is probably all to the good, but the question naturally follows, whether those who are to exercise these new powers are fully equipped for the task. There is, clearly, the widest difference between the selection of an arbitrary panel of securities, to be held through fair and foul, and the constant attention to market conditions which is required of the

management of an investment trust. With a few exceptions, those connected with the fixed trust movement can lay no claim to experience of investment trust management. The skill with which the new-found powers of fixed trusts will be exercised in the future therefore still remains to be tested.

Although there are several instances to the contrary, the majority of fixed trust holdings are confined to one individual type of share—British industrial equities. That this class happened to be one of the first to recover was a direct consequence of a predominantly domestic economic revival, which shows no sign of recession, but which has, for the time being at least, failed to register further advance. To this extent the recovery possibilities of British equities are limited, and if a change to another class should become necessary, the capacity of the management to effect the "switch" without undue disturbance would assume the highest importance.

The type of share eligible to be included in a fixed trust is distinctly limited, for not only must there be a considerable number of shares in issue of that individual class, but also a free market in the shares selected. It frequently happens that there may be £1,000,000 of stock outstanding, but no real market because the stock is "tightly" held. A fixed trust, however, must be able at all times to buy and sell its underlying securities freely, and so far most of the trusts have observed this essential condition. The influence which they exercise on the market in an individual security is commonly overrated, for in nearly every case it is probably no more important than the joint purchases by a group of management investment trusts of some individual security.

If the fixed trusts in existence to-day each sold their full quota of units, or, in cases where no limit is fixed, each sold £2,000,000 of sub-units, then the holding of all these fixed trusts combined, in each of the different securities comprised in their lists, would rarely exceed 5 per cent. of the outstanding shares. A noticeable exception is Schweppes deferred, where the total holding would amount to some 18 per cent. of the shares in issue. In this case and, possibly, that of Rolls-Royce, the impact of fixed trust operations on a somewhat restricted market may have its dangers. Broadly, however, the fixed trusts formed to date are not nearly so important or so dangerous a factor as some of their opponents would make out, and, owing to the nature of their holdings, there would probably be no special difficulty in selling the underlying securities (to correspond with sales of the sub-units to the trust) in a period of depression.

A far greater danger would appear to exist in the possibility of the disappearance of the market for the sub-units themselves. These sub-units are not quoted on any Stock Exchange, and even if a sale is effected through a bank or stockbroker, the only actual market in them is with the company managing the fixed trust. In two cases at least the management company is under no specific obligation to quote a price for sub-units and buy them back from holders, unless it happens to be convenient. On a falling market, therefore, the holder of sub-units might find himself unable to realise his investment. In other cases—and here would appear to be the greatest risk—there is no guarantee that the management company will continue in being for the full period of the trust. Should the management company go into liquidation, the normal market in sub-units would automatically disappear. A holder of a substantial number of sub-units, say, 2,000, 4,000 or 5,000, can usually, under the terms of the trust deed, exchange his sub-units for the underlying securities. He is quite safe—but it is the smaller holder who would be at the mercy of anyone prepared to make a bid; such a purchaser would attempt to consolidate several holdings, and then withdraw and sell the underlying securities at a profit.

The managing company receives the whole of its fee in advance for the full period of the trust, in most cases twenty

years. This fee ranges between 5 per cent. and 7½ per cent. actual for most of the trusts (although specialised trusts such as the Foreign Bond and Insurance Share trusts make a further percentage charge for management), and is included in the price charged for the sub-units. Exceptionally, one of the gold share fixed trusts is limited to ten years and charges 10 per cent. actual. Of the fee received, at least half is immediately disbursed by the management company in commissions to brokers, advertising and other initial outlays; so that the amount which is retained to cover the 20-year life of the trust, and the eventual profit, is not large. No further fees can be charged or deductions from income made. It is difficult to see, therefore, how a trust which only charges 5 per cent. actual on the cost price of the underlying securities is to make a profit, if full reserves are made for expenses over the twenty years.

In nearly every case the trustee has insisted on a full reserve being made in advance for his fees during the twenty years. There is no reason why the trustee should be wanting in his duties, but has a corresponding and adequate reserve been made for the running expenses of the management company? There is no indication so far that this is being done, except in one or two special cases. With few exceptions, all of the management companies have been specially started for the purpose and are unattached to any

other existing office or organisation. They have their own boards of directors and separate offices. They have, in some cases, an authorised and issued capital of £15,000 to £30,000, not necessarily all subscribed in cash, as part may have been issued to promoters in return for services rendered. Such a capital can only be adequate to operate a separate company managing a fixed trust for twenty years, with, perhaps, £2,000,000 of sub-units outstanding, if further substantial reserves are made from the original fee charged. If big dividends are paid by the management company at the start, together with other heavy annual expenditure, there is a grave risk that subsequent financial weakness may develop when all sub-units have been sold and revenue from loading charges falls to a minimum. Great responsibility, therefore, rests upon the managing companies to protect in the fullest possible way the market in sub-units of their trusts.

With these considerations in mind, what are the prospects for the future development of the movement? It is clear that the principle of the non-gearing unit, based on the break-up value of the total assets, is a valuable feature worthy of preservation. On the other hand, the history of the fixed trust movement in the brief space of three years shows how far the claims put forward for the inspired selection of a panel of securities, bought and sold in

Managers and Names	Date Established	Summary of Holdings	Elimination and Replacement Provisions	Life (years)	Loading charge for full life (%)	Management Quotation, July 11, 1934
<i>Allied Investors' Fixed Trust, Ltd.</i>						
British Industries	1934	20 industrial ord., 3 preference, 1 insurance, 1 gold mining.	Replacement panel of 10 ind. ord. for substitution if necessary in interests of sub-unit holders.	20	5†	19/3-20/3
<i>Amalgamated-Commercial-National Fixed Trust Group</i>						
Amalgamated	1934	7 Home and Dominion Govt., 1 railway, 8 industrial pref., 9 industrial ord., 4 Rand mines.	"On any fundamental change in nature of a security." No replacement.	20	5†	20/6-21/6
Commercial	1933	16 industrial ord., 2 oils, Bank of England stock, 1 rail pref.	Elimination of any security "if undesirable to retain," and proceeds distributed to certificate holders.	20	5	20/3-21/3
<i>Gilt-edged</i>						
Gilt-edged	1934	4 gilt-edged, 4 India stocks, 6 Dominion Govt., 2 public board stocks, 3 rail pref. and guar. stocks.	Elimination of any security "if undesirable to retain." Right to substitute another trustee security in exceptional case of redemption.	15	2½	18/6-19/-xd
<i>National "A"</i>						
National "A"	1932	25 industrial, 1 bank, 1 insurance	"On fundamental change in nature of security," and proceeds distributed to certificate holders.	20	5†	34/9-35/9
<i>National "B"</i>						
National "B"	1933	17 industrial ord., 2 Rand mines, 1 telegraph preference.	Do	20	5†	21/-22/-
<i>National "C"</i>						
National "C"	1934	20 industrial preference	Do.	20	5†	18/3-19/3
<i>British General Fixed Trust, Ltd.</i>						
British General "A"	1934	15 industrial ord., 3 Rand mines, 2 tin, 3 tea and rubber.	Provision for substitution "in certain eventualities" from alternative panel of 10 ind. ord.	20	5†	18/10½-19/10½
<i>First Provincial Fixed Trust, Ltd.</i>						
First Provincial "A"	1934	26 cum. pref. industrials	In event of any "fundamental change in nature of security," if deemed advisable, and proceeds distributed.	20	5†	20/-21/-
<i>Fixed Trust Investments, Ltd.</i>						
British Empire "A"	1933	25 home and Dominion industrials and bank ordinary shares.	On any fundamental change, or passing of dividend, anticipated or actual. No substitution.	20	5†	20/3-21/3
British Empire "B"	1934	17 home industrials, 5 Rand mines, 3 Dominion equities.	As above, and for any specified reason if desirable in interest of certificate holders.	20	5†	9/9-10/3
<i>Group Units—Gold Producers Fixed Trust Group</i>						
Gold Producers, first series	1933	15 Rand mines	No provision	10	10	24/-25/-
Gold Producers, second series	1934	10 Rand mines	No provision	10	10	17/4½-18/4½
Brewery and Distillery certs.	1934	13 ord., 2 preference				
Home Rails certs.	1934	8 deb. and guar. stocks, 4 pref., 6 ord.				
Iron, Coal and Steel	1934	14 ord., 1 preference	Elimination of any share "if prospects do not continue favourable" and proceeds distributed.	10	5	19/7½-20/7½ av.
Oil certs.	1934	12 ord., 1 preference				
Stores and Products certs.	1934	5 ord., 12 preference				
Textiles, Cotton and Rayon certs.	1934	8 ord., 5 preference				
<i>Investors Specialised Fixed Trusts, Ltd.</i>						
Investors General	1934	19 industrial ord., 2 rail pref., 3 Rand mines ...	Elimination of any security "in best interests of certificate holders." Proceeds may be re-invested in any security already comprised in the trust, or in a full trustee stock.	20	5†	20/1½-21/1½
<i>Investors Gas and Electric</i>						
Investors Gas and Electric	1934	14 gas and electric ordinary stocks	Elimination "if desirable in best interests of certificate holders." Proceeds may be re-invested in securities held, or in stocks of similar character (but not exceeding two in any one year).	20	5†	14/3-14/10½
<i>Municipal and General Securities Co., Ltd.</i>						
First British	1931	24 industrial ord.	On fundamental change, and if earnings fall below five-year average at discretion of managers. Proceeds distributed.	20	7½†	37/6-38/6
Second British	1932	26 industrial ord.	If any share rises to an "economically unsound price" or if actual or anticipated profits fall. Proceeds to be distributed.	20	7½†	26/-28/9
Third British	1933	25 industrials, 3 mining	If market value of any security represents undue proportion of total holding or, if desirable, at managers' discretion.	20	7½†	21/6-22/3xd
Fourth British	1934	22 industrials, 1 gold mining, 1 rail ord.	Provisions under six headings for elimination, and if desirable in interest of holders.	20	7½†	20/6-21/3
Foreign Government bond	1934	122 foreign bonds, with recourse to British Govt. stocks.	Liberty of action within the panel, subject to 5 per cent. maximum holding in any bond (ex. Brit. Govt.). Reinvestment of sales and redemption allowed.	21	6*	19/3-20/-
<i>Société Internationale de Placements, Basle</i>						
Gold Mining Shares deposit certs.	1933	18 Rand mines	No provision	5	2.59†	70/4½-75/7½
<i>Trust of Insurance Shares, Ltd.</i>						
Insurance Share Trust	1934	31 fully- and partly-paid insurance shares	Liberty of action within the panel, subject to 10 per cent. max. investment in any company and 5 per cent. of capital	20	5†	19/-20/-

* And managers' and trustees' remuneration at rate of ¼ths of 1 per cent. of average mid-monthly value of securities. † Approximately. ‡ And charge of ¼ of 1 per cent. on mean market value of portfolio.

mechanical ratios, has been abandoned. The suggestion may be advanced that some reconciliation of the implacably hostile views of the management and fixed trust sponsors would be of general advantage to the small investor. The effects of "gearing" have impressed him with one of the main weaknesses of the investment trust movement, but he also needs the fullest assurance that any general advance of the management-cum-fixed trust movement is accompanied by first-class management ability and adequate resources.

INVESTMENT NOTES

Gilt-Edged Rise Resumed.—In our recent review of the Stock Exchange half-year (the *Economist* of June 30th, page 1440) we spoke of the effects upon the stock markets of the uncertainty then prevailing as to the trend of industry and trade, and we suggested that for some weeks to come—until it became clearer whether the halt in trade recovery was merely seasonal or whether it was more than that—gilt-edged might be a firmer market than industrial equities. The course of the market in the past week has proved the truth of the prophecy with rather unexpected decisiveness. Actually the end of the period of hesitancy can now be fixed at June 20th, for from that day onwards the gilt-edged market has been consistently firm, and this week the firmness has developed into real buoyancy. We exhibit the movement below, showing the prices of a number of the longer-dated stocks on June 20th and July 11th, and also the lowest prices for the year, with the yields at those prices and at the present prices respectively:—

	Price, June 30, 1934	Price, July 11, 1934	Lowest Price (Jan. 1 to July 11), 1934	Yield at lowest Price, 1934 (%)	Yield, July 11, 1934 (%)
2½% Consols	77½x	80½	73½	£ s. d. 3 7 9	£ s. d. 3 2 3
4% Consols, red. at par on or after Feb., 1957	112½	112½	109½	3 8 3(c)	3 5 0(c)
3% Conversion, 1948-53	101	101½	97½	3 3 0	2 18 3
3½% Conversion, red. after 1961	102½	104½	101½	3 8 0(s)	3 5 0(s)
3% Funding, 1938-69 ..	98½	98½	97½	3 2 3	3 1 9
4% Funding, 1960-90 ...	113½	115½	111½	3 7 1	3 3 6
4% Victory Bonds	111½	113½	109½	3 13 2	3 11 3
3½% War Loan, red. after 1952	102½	104½	101	3 8 6†	3 4 0†
3% Local Loans	90½x	92½	86½	3 9 0	3 4 8

(a) Accrued interest and income tax is allowed for in this yield but not on the lowest prices for 1934. (b) Allowing for redemption. (c) On basis of redemption at par in 1961. (d) On basis of redemption at par in 1957. † On basis of redemption at par in 1952.

Nearly all these stocks have this week "broken through" to new high-record prices—either absolutely or if allowance be made for accrued interest. "Old" Consols have risen 2½ points in the three weeks since June 20th: another 3 points rise would bring them to the level of 83½, at which their yield would be down to 3 per cent., and it could really be said that British Government credit had been established on a 3 per cent. basis. However, a further advance of 3 points on the top of the recent big rise is a considerable task which may not be achieved yet awhile.

Argentine Railway Year.—The Argentine Railway year ended on June 30th, unhonoured and unsung, but not unwept, for, from the point of view of the British stockholders, it is by far the worst experienced for a very long time past. We give the gross traffic figures of the four leading companies for the year, though they are chiefly remarkable for the completely misleading picture which they give of the true position:—

	Gross Receipts for 52 weeks to June 30	Increase or Decrease over 1932-33
B.A. and Pacific	5,836,000	+109,000
B.A. Great Southern	10,517,000	-42,000
B.A. Western	3,547,000	+9,000
Central Argentine	8,950,000	-376,000

Investors General Fixed Trust Certificates Yield

£4 - 14 - 3

per cent. gross

excluding a further amount of approximately

£1 - 4 - 0 per cent.

consisting of capital bonuses received, which may not recur.

The yield of £4 14s. 3d. per cent. is based on actual dividends and annual bonuses paid during the past 12 months by the Companies whose shares the Trust holds.

List of Companies:

Courtaulds Ltd.
Imperial Chemical Industries Ltd.
Imperial Tobacco Co., Ltd.
Distillers Co., Ltd.
J. Lyons & Co., Ltd.
F. W. Woolworth & Co., Ltd.
United Dairies Ltd.
Boots Pure Drug Co., Ltd.
Gas Light & Coke Co.
Imperial Continental Gas Association.
Burma Corporation Ltd.
London Brick Company & Forders Ltd.
London County Freehold & Leasehold Properties Ltd.
Arthur Guinness Son & Co., Ltd.
Burnish Oil Co., Ltd.
L. M. & S. Railway Co.
Southern Railway Co.
Marks & Spencer Ltd.
Robinson Deep Ltd.
Springs Mines Ltd.
Government Gold Mining Areas Ltd.
Tube Investments Ltd.
Spillers Ltd.
J. & P. Coats Ltd.

Full particulars may be obtained through:

The Trustees:
Royal Exchange Assurance

The Bankers:
Barclays Bank Limited

or by writing for Booklet N to

The Managers:
Investors Specialized Fixed Trusts Ltd.

15, Moorgate, London, E.C.2.

Telephone: Metropolitan 9358.
Telegrams: Infirrus, Stock, London.

These figures are obtained by converting the receipts calculated in gold pesos into pounds at the old parity of 47.6d. The present actual rate at which the railways are able to remit is equivalent to about 31.3d. to the gold peso (of which 44 are equal to 100 paper pesos, the money actually current), whereas a year ago the ruling rate was about 41½d. The figures are therefore almost meaningless as an indication of the dividend-paying capacity of the companies. The theoretically more accurate method is henceforth to be adopted of converting the paper pesos at the actual average rate of the week, but in practice this will not help much, because the railways do not remit their gross receipts, but

only that unknown proportion of them which is required for the purchase of foreign material and for the payment of interest. Pending the dividend announcements due two months hence, all that it is safe to say about the results is that, though the Buenos Ayres Western may come near earning its full preference dividends, neither the Buenos Ayres Great Southern nor, still less, the Central Argentine, can do so, while the Buenos Ayres and Pacific will earn little, if any, of its debenture interest. The outlook for the future is hardly more encouraging than the present results. There is some internal recovery in the Argentine, but the crops are short, and when the present spate of wheat shipments is over traffics may flag. Moreover, for nearly half the past year the companies were still able to remit at the old exchange level of 41d. per gold peso, or thereabouts, whereas now there seems little prospect of any substantial improvement in the exchange. Nothing, therefore, but the consent of the Argentine Government to a revision of rates and fares will really help the stockholders.

* * *

Sinners Who Repent.—In the long-drawn-out test match between defaulting foreign Governments and creditors organisations two minor but very acceptable successes for the latter may be recorded. One relates to the redemption offer which the Bank of the State of San Paulo a fortnight ago addressed to the holders of its 6 per cent. sterling bonds. The proposal, which was criticised in the *Economist* of June 30 (page 1442), was to apply £100,000 resulting from the sale of certain foreign assets of the Bank to the purchase of bonds for cancellation; the bonds were to be selected by tender and holders were warned that the Bank would reject tenders which were "not in general conformity with the ruling prices of other comparable Brazilian securities" affected by the Brazilian Government's four-year debt plan. As the Bank is only paying 20 per cent. of the current interest, strong protests were naturally aroused by the attempt to buy back bonds at the low price level to which default had depressed them. In response to these protests the offer has now been withdrawn, but unfortunately the withdrawal does not seem likely to be of any benefit to the shareholders. The present position is obscure, but apparently it is now open to the Brazilian Government to require the Bank to surrender the exchange which was to be applied to the redemption of the bonds and to employ it in repurchasing any of the bonds included under the four-year plan—for that plan itself contains the objectionable provision that surplus exchange available after paying interest at the reduced rates laid down in the plan may be applied to purchase of bonds. It is clear, in fact, that the real complaint is rather against the Brazilian Government and the terms of the four-year plan than against the Bank of the State of San Paulo. But as a matter of principle it is unquestionably satisfactory that an effective protest has at last been made by bondholders' representatives against this vicious practice. The other foreign loans development of the week is the decision of the Greek Government at last to implement the agreement of November, 1933, in regard to the partial payment of coupons on the 7 per cent. Refugee Loan of 1924 and the 6 per cent. Stabilisation and Refugee Loan, 1928. This act of repentance is so belated that joy must be correspondingly subdued.

* * *

Rubber at Sevenpence.—The market has celebrated, though with due restraint, the achievement of the lower limit of the "reasonable" price range which was mentioned in authoritative quarters at the time of the restriction announcement. For some two months the commodity had failed to maintain its pre-restriction firmness, while the share market needed time to recover from the adventurous speculation which immediately preceded and followed the formulation of the scheme. It is somewhat difficult to account for the stronger tendency in the spot market, although some market observers regard it as an inevitable consequence of covering forward sales contracts, which have recently been placed on a considerable scale. The share market, however, would appear to be budgeting for

a substantial increase in the spot price by the end of the year, presumably on the assumption that the Dutch authorities will exert considerable influence to achieve the higher price level in view of their gold cost basis. The investor in good British companies must therefore face the possibility of some readjustment of individual quota allocations at the end of the first six months' working of the scheme. On the other hand, estates with considerable areas of maturing rubber will be entitled to additional poundage. Two factors are casting a shadow, as yet dimly perceptible, on the scheme. Official denial has been given to reports that regulation of Dutch native production is meeting with difficulties, but it is stated that native exports may be reduced to the basic quota unless an increase in price takes place. The close control of native export is a political problem whose implications have yet to be fully revealed. A more important factor is the trend of American demand. During the first five months of this year consumption averaged 43,300 long tons, compared with 33,800 long tons during 1933. This increase results from the rapid revival in the automobile industry, which has been maintained in June, but demand for crude rubber is now showing a seasonal decline. Further, the American reclaimed supply is likely to be considerably increased at any price over 7½d. per lb., and the experience of 1927 to 1929, when consumption of this product approached one-third of world consumption of crude, is a sharp reminder of the consequences of inadequate consideration of consumers' interests. The following table shows the extent of this year's rise, and current prices and yields:—

Company.	Id. per lb. on last full crop = %	Quotations, Jan.-June, 1934			Yield on last Div. (%)
		on Ord.	High	Low Present	
Bajoe Kidoel (£1)	3.8	s. d. s. d. s. d.	41 3	28 4½	37 6 4 0 0
Highlands & Lowlands (£1)	2.8	35 0	21 6	33 9	1 15 6
Java United (£1)	2.5†	25 7½	15 4½	25 0	2 8 0
Labu (£1)	4.3	47 6	33 3	47 6	2 2 3
London Asiatic (2s.)	4.2	5 0	3 0½	4 9	1 13 9
Malacca (£1)	6.5†	37 6	22 0	33 9	Nil
United Serdang (2s.)	2.0	4 6	2 1½	4 0	1 10 0

† Subject to debenture interest.

Quotations have not fully recovered the recent fall, but still adequately discount favours to come.

* * *

Actuaries' Investment Index.—Since the first week in June, industrial share quotations, as measured by the Actuaries' Index of 144 ordinary shares, have shown no significant movement as a whole. The index figure for all classes, calculated on Tuesday's prices, is 70.9, identical with a week ago, the figure for June 26th being 70.8 (December 31, 1928 = 100). The corresponding yield figures are 3.72, 3.70 and 3.70 per cent., respectively. This week's significant changes are shown below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	June 26, 1934	July 3, 1934	July 10, 1934	June 26, 1934	July 3, 1934	July 10, 1934
Higher this week:						
Banks & Discount Co.'s (12)	110.1	110.4	110.9	4.26	4.25	4.23
Insurance (24)	108.2	108.5	108.9	3.87	3.86	3.85
Electric Supplies (8)	91.9	93.1	93.7	4.60	4.54	4.52
Home Rails (4)	77.3	77.2	83.4	1.50	1.51	1.43
Lower this week:						
Building Materials (4)	82.4	82.0	81.5	4.10	4.12	4.15
Coal (6)	94.1	93.9	93.0	3.21	3.20	3.86
Cotton (6)	47.6	46.9	46.0	2.28	2.28	2.27

Home rails have sharply appreciated on a more favourable view of the wages position, and in anticipation of the half-yearly statements. Bank and insurance shares have attracted investment support following the maintained interim dividends and the firm conditions in the gilt-edged market. On the other hand, the long rise in building material issues has been checked, and speculative interest in leading miscellaneous issues is still dormant.

COMPANY NOTES

Proprietary Foodstuff Shares.—The manufacturers of proprietary foodstuffs include a wide range of businesses bordering, on the one side, on the pharmaceutical chemists and stretching over mineral waters, sauces, meat extracts, cheese, salt, suets, etc. They enjoy two important elements of stability in their market: first, they sell their products (through the retailer) in very small units to the housewife, who is the steadiest purchaser in the whole consuming market; and, secondly, once having established themselves, they can only be assailed by an expensive advertising and selling campaign on the part of a potential rival. These advantages are, however, counterbalanced to some extent by corresponding burdens and risks. Thus, once the all-important asset of goodwill has been established by advertising and long contact with the public, considerable sacrifices must be made to maintain it. Service must be given in small and relatively unattractive markets as well as in the easiest centres; price stability must be maintained so far as possible, subject only to the necessity for reductions if price competition becomes serious; above all, quality must be maintained. Consequently, when general purchasing power is falling, the prime necessity of maintaining established goodwill may prove expensive; and, as a side issue,

(Profits in £'000)						
Company	1929	1930	1931	1932	1933	1934
Bread						
Hovis (March 31):						
Earned for ordinary	74.5	73.8	74.1	103.7	85.3	122.2
= %	25.0	25.5	25.7	36.8	30.9	39.3
Paid %	15	15	15	20*	20	20*
Foods						
Cow and Gate (Sept. 30):						
Earned for ordinary	30.2	27.8	29.5	33.2	34.4	...
= %	50.4	47.9	52.4	53.6	57.0	...
Paid %	15	15	15	18½	18½	...
J. Nathan (Sept. 30):						
Earned for ordinary	10.4	13.1	Dr 1.2	Nil	Nil	...
= %	40.8	50.0	Nil	Nil	Nil	...
Paid %	Nil	10	Nil	Nil	Nil	...
Virol (March 31):						
Earned for ordinary	36.4	24.8	25.1	21.8	8.2	Dr 21.2
= %	55.0	38.2	41.2	35.4	11.3	Nil
Paid %	22½	15	10	10	10	10
Meat Extracts						
Bovril (Dec. 31):						
Earned for deferred	194.8	166.2	Dr 71.4	Dr 97.5	30.4	...
= %	21.1	17.7	Nil	Nil	3.1	...
Paid %	13	13	10	6	3	...
Liebig's (Aug. 31):						
Earned for ordinary	321.1	251.4	154.7	184.9	157.4	...
= %	16.1	12.6	7.7	9.2	7.9	...
Paid %	16	14	10	9	9	...
Sauces						
H.P. (Dec. 31):						
Earned for ordinary	145.0	223.8	214.2	189.7	175.0	...
= %	60.5	44.3	45.9	38.8	35.8	...
Paid %	30*	30	30	30	30	...
Holbrooks (March 31):						
Earned for ordinary	64.2	65.9	49.7	43.9	31.3	38.9
= %	21.4	21.8	16.6	14.6	10.4	13.0
Paid %	20	20	15	15	11½	12½
Miscellaneous						
Smith's Potato Crisps (March 31):						
Earned for dividend	...	72.1	53.4	51.3	50.6	100.2
= %	...	28.3	21.2	21.0	20.8	40.2
Paid %	...	15	15	12½	15	15*
Aplin and Barrett (Dec. 31):						
Earned for ordinary	75.7	66.9	66.2	69.6	62.5	...
= %	77.7	44.6	44.3	47.4	40.0	...
Paid %	30*	25	25	25	30	...
Cerebos (Nov. 30):						
Earned for dividend	213.2	227.1	249.2	247.2	227.8	...
= % (tax free)	42.6	45.1	49.7	49.3	30.3	...
Paid % (tax free)	30	30	30	30*	30	...
Hugon (Dec. 31):						
Earned for ordinary	81.9	82.5	113.0	104.6	94.0	...
= %	15.3	15.6	21.5	24.3	21.8	...
Paid %	10	10	13½	17½	17½	...

* And capital bonus. † Of which 10 per cent. was less tax and the balance tax free.

the need for holding adequate stocks and assuring an uninterrupted supply may involve unprofitable commitments in periods of falling prices. It follows, therefore, that a distinct cyclical movement is to be expected in the profits of proprietary foodstuff manufacturers, but that the regularity of the movement in recovery as well as in depression is distinctly probable owing to the basic stability of the "housewife" market. The relatively low yields offered on representative shares of this class indicates that the investor appreciates this fact. There are, however, risks for individual companies. Their market may become

Investors Gas & Electric Trust

An investment in
the following 14
companies:

List of Companies:

Gas Light & Coke Company.
County of London Electric Supply Company, Limited.
Cullender's Cable & Construction Company, Limited.
Victoria Falls & Transvaal Power Company, Limited.
Electrical Distribution of Yorkshire, Limited.
Calcutta Electric Supply Corporation, Limited.
Scottish Power Company, Limited.
Lancashire Electric, Light & Power Company Limited.
British Columbia Power Corporation, Limited.
Imperial Continental Gas Association.
South Metropolitan Gas Co.
Consolidated Gas, Electric Light & Power Co. of Baltimore.
Midland Counties Electric Supply Company, Limited.
Metropolitan Electric Supply Company, Limited.

YIELD:

4½ per cent.

without including new issue rights. The proceeds of sale of such rights over the past 5 years would average an amount equal to an additional annual yield of approx. ½ per cent.

Full particulars may be obtained through:—

The Trustees:

Royal Exchange Assurance

The Bankers:

Barclays Bank Limited

or by writing for Booklet A to

The Managers:

Investors Specialized
Fixed Trusts Ltd.

15, Moorgate, London, E.C.2.

Telephones: Metropolitan 9358.
Telegrams: "Infrus, Stock, London."

crowded—as seems to have happened with Virol. Seasons may be favourable or unfavourable for such businesses as mineral water manufacture. Successful competition may lead to substitution of other products. The onset of such risks should, however, be slow enough to give warning of what is happening (by the course of annual profits) before the loss becomes serious. Holders of shares in this group should, therefore, be prepared to act on such warnings rather than hold on in the hopes of recovery. A more remote risk is that the spread of the chain store selling its own proprietary brands may narrow the market for nationally advertised brands produced by concerns unconnected with the retail trade. There have already been some signs of this; but it is unlikely that the risk will become serious.

United Dominions Trust.—This well-known finance company, in which the Bank of England became interested four years ago, continues its steady progress. Since its establishment as a public company in 1925 the Trust has only once had to admit to a fall in profits. That was in respect of the year to June 30, 1932, and, naturally, no excuses are needed for a moderate fall in earnings in that unhappy period. This time the usual satisfactory rate of expansion is shown to have been well maintained. Net profit is up from £79,941 to £105,887, and after making a first appropriation of £5,000 to staff pension fund and placing £60,000 against £40,000 to General Reserve, the usual dividends of 15 per cent. on the "A" shares, which are held by the public, and 5 per cent. on the "B" shares, held in special quarters, are comfortably covered. The company's main business consists in financing on the instalment principle. In the year just ended the number of transactions financed was the largest yet recorded; and this remark applies equally to the amount of credit outstanding at the end of the year, which was £3,405,000, compared with £2,811,000. There is a similar expansion in the business of the principal subsidiary, United Dominions Trust (Electric), Ltd., which finances the hire-purchase of electrical equipment. Included with the accounts of the parent company is the balance-sheet of that very recently formed subsidiary, Credit for Industry, Ltd. This concern had loans against security amounting to £77,000 outstanding at June 30th. But it is, of course, too early yet to form a practical judgment on that much-debated question of whether there is really a demand which the banks cannot meet for "intermediate" (as to both term and amount) credit for industry.

Distillers' Company.—The indications of a considerable expansion of earnings which accompanied the announcement of the increased final dividend (upon which we commented in a Company Note on page 1446 of the issue of June 30th) are amply confirmed by the full report. As, however, profits are struck after providing an unspecified amount for contingencies, precise comparison with earlier years is impossible. Disclosed trading profits and dividends for the year ended May 15th amount to £2,219,157, compared with £1,850,796 for the previous year, and after setting aside £100,000 for Provident Fund, the percentage earned upon the ordinary stock, which receives 20 per cent., comes out at 23.7. Comparative results for the past three years are shown below:—

	Years to May 15		
	1932	1933	1934
Profit (after taxation and contingencies)	1,837,471	1,850,796	2,219,157
Expenses and directors' fees	53,042	56,018	67,983
Provident fund	...	...	100,000
Debt interest	25,560	25,650	10,552
Preference dividend	97,350	99,000	100,650
Ordinary shares :—			
<i>Earned</i>	1,661,519	1,670,128	1,939,972
<i>Paid</i>	1,403,189	1,403,189	1,637,054
<i>Earned (%)</i>	20.7	20.8	23.7
<i>Paid (%)</i>	17½	17½	20
Reserve	250,000	250,000	250,000
Carried forward	291,482	263,421†	316,339

† After providing £45,000 premium on mortgage debenture stock redemption.

The balance sheet shows a considerable increase in liquidity, for net current assets now amount approximately to £2,031,000, compared with £1,106,000 at the end of the previous year. Reference is made in the report to the sale of the Distillers' Corporation—Seagrams, Limited, Canada, holding, but the company is evidently consolidating its position in the American market by acquiring 377,000 shares in National Distillers' Products Corporation of Virginia, which in turn will acquire a 40 per cent. interest in the newly formed Distillers' Company of Delaware. Although the company is thus well equipped to profit from a revival in private consumption of spirits which should follow the general expansion in purchasing power, and the repeal of prohibition, it is probable that the new uses

for the company's industrial solvents will form increasing proportions of total sales in the future. Whereas total industrial consumption was 969,000 proof gallons in 1928, last year's total was no less than 11,746,000 proof gallons. The £1 ordinary stock units are quoted at 90s. 6d. and yield £4 8s. 6d. per cent.

Booth's Distilleries.—In common with the experience of Distillers, the fortunes of this old-established business showed a distinct improvement during the year to March 31st last. Total profits at £349,458 were over 32 per cent. higher than in the previous year. Owing partly to the relief from debenture redemption provision following the conversion operation in July, 1933, earnings for ordinary shares have advanced sharply from £8,340 to £45,704, representing 14.4 per cent. on the increased ordinary capital.

	Years to March 31		
	1932	1933	1934
Profit	274,974	260,524	349,458
Expenses	177,174	166,733	223,516
Salaries, fees, interest, etc.	30,091	24,347	23,786
Taxes	21,134	13,577	18,300
Debt interest and redemption	32,946	32,284	22,896
Preference dividends	15,187	15,243	15,256
Ordinary shares :—			
<i>Earned</i>	Dr. 1,558	8,340	45,704
<i>Paid</i>	...	7,328	19,012
<i>Earned (%)</i>	Nil	3.4	14.4
<i>Paid (%)</i>	Nil	3	6
Carried forward	10,180	11,192	16,384†

† After writing off £8,500 goodwill of subsidiary, and £13,000 debenture premium and issue expenses.

The report refers to a substantial improvement in home and export markets, which is evidenced by the expansion in the "turnover" items in the balance sheet. Debtors, stocks, creditors and bank overdraft and loans on stock show considerable increases, and net current assets amount to £642,000. During the year the company has acquired a larger interest in the whisky business, and investments in subsidiary companies now total £368,048, against £131,980. With the arrangements for the American trade "running very smoothly" it would seem reasonable to budget for a further, though possibly moderate, increase in earnings; but, in view of the capital structure—ordinary capital contributes 26 per cent. of the total debenture, loan, and share capital—a fairly wide percentage variation in ordinary share earnings is to be expected. The £1 ordinary shares yield £4 16s. per cent. at the present quotation of 25s. xd.

Richard Thomas and Company.—This leading Welsh tinplate combine shows much improved results for the year to March 31st, though its prospects still remain rather obscure. Gross profits, including investment income, are £474,743, against £288,130, and net profits (after allowing for the interests of outside shareholders) are £263,063, against £104,737. The one year's arrears of preference dividend paid since the close of the year take £202,822, so that there is a margin of profit to spare. The liquid position of the group, however—last year's commendable innovation of including a consolidated balance-sheet in the report is repeated—still leaves much to be desired, and until this can be improved distribution of available profits must be carried out with restraint.

	Six Months to March 31		
	1932	1933	1934
Trading profit	105,290	229,742	381,560
Dividends from subsidiary cos. ...	Nil	58,388	93,184
Depreciation	32,500	66,918	65,052
Fees, taxation, staff funds, etc. ..	4,034	12,306	42,930
Debt interest and other interest	60,045	104,169	103,699
Available for dividends	8,711	104,737	263,063
Carried forward	222,133	333,573†	596,636

† After crediting extraneous profits.

The report is silent on the trading experience of the year and on future prospects. The position of the tinplate industry, in which the company is chiefly engaged, remains, however, difficult. As we noted in our issue of May 26, 1934 (page 1152), there has been a sharp further fall in exports of tinned plates this year, which cannot but be a serious matter to an industry which formerly relied on the export market for the disposal of fully 70 per cent. of its output. The further decline in exports is due to revived American competition, which has more than offset the success of the British industry in the Canadian market. Prospects of the achievement of an international arrangement on prices and markets are said to be more hopeful. But a keenly competitive export market and a highly tariffed raw material are handicaps which clearly suggest that the proper attitude of mind for Richard Thomas shareholders is one of hope rather than expectation.

Johannesburg Consolidated Investment.—The distribution for the past year of this well-known Kaffir finance house, writes our mining correspondent, is fully up to expectation, while the profits are larger than were generally looked for. At £1,347,000 the earnings show an increase of £522,700 upon the total for 1932-33. The directors state that a substantial sum was made on dealings in stocks and shares; they accordingly transfer to reserve a sum of £450,000, increasing the fund to £1,950,000. In addition, an allocation of £100,000 is made as the nucleus of a staff pension fund. Of the profit of £824,270 shown in respect of 1932-33, £473,640 represented the restoration of amounts previously set aside for depreciation. No less than £700,000 was then transferred to reserve, and after payment of a dividend of 3s. per share (as against 1s. 6d. for each of the two preceding periods), a balance of £161,070 remained to be carried forward. Allowing for the dividend included in the price, the yield on "Johnnies" is 6 per cent. This is more than that given by other shares of the same kind.

Rhodesian Anglo-American.—The sharp fall in this company's profits is explained by the fact that towards the end of 1932 it exchanged its Rhokana debentures for shares in that company. No dividend has as yet been paid on the latter.

	Years to March 31		
	1932	1933	1934
Gross revenue	131,299	245,047	69,360
General expenses	10,115	12,358	10,657
Debt interest	94,201	150,796	69,986
Directors' fees	1,250	1,250	2,294
<i>Earned</i>	25,733	80,643	Dr. 13,577
<i>Earned (%)</i>	0.7%	2.1%	...
Profit on debenture redemption, etc.	...	3,009	70,737
Less income tax	21,214	6,662	9,040
Reserve account	50,956	...	...
Carried forward	77,570	154,560	202,608

During the year the company repurchased the whole of the £4,321,000 of its American debentures at a profit of £70,737 and has since redeemed its 7½ per cent. sterling debentures amounting to £612,080. Against this it has issued £750,000 5 per cent. debentures, interest on which will require only £37,500 per annum. Receipt of this fresh finance will rectify the excess of current liabilities shown in the balance sheet. In previous years the report has mentioned other Rhodesian interests, but this year reference is only made to holdings in Rhokana direct, and through Bwana M'Kubwa. Possibly, therefore, the outside interests have been sold to defray part of the expense of debenture redemption. Particular interest is lent to the report by the offer to purchase the remaining shares of the subsidiary, Bwana M'Kubwa Copper. The company at present owns about 7,570,000 shares out of a total of 12,639,697 in issue. Purchase of the remainder will involve the issue of 1,690,000 of the parent company's reserve shares. The sole asset of the Bwana M'Kubwa company consists of about 500,000 shares in Rhokana, and the liquidation of the former will simplify the finances of the group. Rhokana may pay a small dividend for the year to

OFFER OF CONVERSION

TO HOLDERS OF

5 per cent. First Mortgage Gold Bonds due 1st August, 1934

OF

THE NEW BRUNSWICK RAILWAY COMPANY

INTO

4 per cent. Perpetual Consolidated Debenture Stock

Interest payable 1st January and 1st July

Payment in Sterling of Interest on this Stock is the unconditional obligation of the Canadian Pacific Railway Company for the term of 990 years from the 1st July, 1890.

The New Brunswick Railway Company has outstanding £600,000 5 per cent. First Mortgage Gold Bonds, which mature on the 1st August, 1934, and which will be paid on that date, at their sterling face value, together with accrued interest, at the Agency of the Company in London on surrender of the Bonds.

The Company, however, offers to holders of such Bonds the right to convert their holdings into 4 per cent. Perpetual Consolidated Debenture Stock of the Company at the rate of £119 Stock for every £100 Bonds.

Holders who accept the offer will be entitled to receive the half-year's interest due 1st August, 1934, on the Bonds surrendered for conversion.

The Company has outstanding £904,539 4 per cent. Perpetual Consolidated Debenture Stock and for the purposes of this offer this amount will be increased by the issue of a further amount of £750,000 Stock. This further amount of Stock will carry interest from the 1st August, 1934, but, subject thereto, will, as from the date of issue, rank in all respects *pari passu* with the outstanding Stock.

By virtue of the provisions of the Act authorising its issue the Perpetual Consolidated Debenture Stock constitutes, after repayment of the above-mentioned £600,000 Bonds, a first charge upon the whole of the undertaking, railway, works, rolling stock and all other railway property and effects of the Company (except lands not used for the purpose of operating the railway) subject only to:—

(a) Statutory working expenses and liabilities incidental to the operation of the railway, and

(b) Rentals in respect of certain leased lines of railway amounting in the aggregate to \$36,780 per annum.

The Company's railway has been leased to the Canadian Pacific Railway Company for a term of 990 years from the 1st July, 1890, and forms part of that Company's system. Under the provisions of the Lease the Canadian Pacific Railway Company has undertaken the obligation to pay to the holders interest on the Company's Perpetual Consolidated Debenture Stock for the time being outstanding during the said term.

The Stock is registered and transferable in London on the Company's Register in amounts of £1 and multiples thereof.

Holders of Bonds who convert will be entitled to receive on the 25th July, 1934, in full satisfaction of each £100 Bond surrendered for conversion, Provisional Scrip Certificates to Bearer for £119 Perpetual Consolidated Debenture Stock carrying interest at the rate of 4 per cent. per annum from the 1st August, 1934.

Provisional Scrip Certificates to Bearer will be issued in respect of the Stock, in denominations of £1,000, £100 and £10, to which will be attached a coupon for £1 13s. 4d. per £100 nominal, representing five months' interest at the rate of 4 per cent. per annum to the 1st January, 1935. On surrender on and after 1st January, 1935, of fully-paid Provisional Scrip Certificates the Company will register the holders thereof or their nominees as holders of the corresponding amount of Stock carrying interest from the 1st January, 1935, and will issue Stock Certificates therefor.

Holders of Bonds who wish to accept the above offer must lodge their acceptances on the appropriate forms either with Baring Brothers and Company, Ltd., 8 Bishopsgate, London, E.C.2, or with The New Brunswick Railway Company at its offices at St. John, New Brunswick, at the latest by 4 p.m. on the 24th July, 1934. Forms of acceptance must be accompanied by the relative Bonds, for cancellation. The coupon due 1st August, 1934, should be detached for encashment in the usual way. The appropriate forms, together with copies of this conversion offer, may be obtained on application to Baring Brothers and Company, Ltd., in London, or to The New Brunswick Railway Company in St. John, New Brunswick.

The Company will pay to Bankers and Stockbrokers brokerage at the rate of 5s. for every £100 Bond comprised in acceptances bearing their stamp.

The Stock now outstanding is officially quoted on the Stock Exchange, London, and application will be made for permission to deal in and in due course for an official quotation of the further Stock issued in connection with this offer.

The Company has undertaken that no part of any surplus cash arising from the issue of the £750,000 Stock, after providing for redemption of Bonds not converted and expenses of issue, will be remitted either directly or indirectly to any country outside the British Empire.

11th July, 1934.

June 30th last, but no substantial return can be expected from Rhodesian Anglo-American until mines are in full production. In the meantime the 10s. shares at 13s. 6d. seem a reasonable option on such improvement in view of the technical excellence of the properties in which the company is interested.

* * *

Other Company Results.—Our usual summary of profit and loss accounts will be found on page 86. It includes results of 41 companies not discussed on earlier pages. The Union Bank of Australia report shows net profits of £203,509 for the year to February 28th, compared with £209,559 for the previous year. In the Breweries section, Parker's Burslem and Tamplin and Sons (Brighton) show satisfactory improvement in earnings at £51,414 and £58,726 respectively, and the dividends are increased from 5 per cent. and 7½ per cent. to 10 per cent. South African Breweries earned £298,667 for the year to March, against £350,975, and the dividend of 15 per cent., tax free, although maintained, is short-earned by about £11,000. Rickett, Cockerell and Company, the coal factors, report profits of £49,940, compared with £51,869 for the year to March, 1933. Further rubber reports, mainly to March 31st, generally reveal small improvements, but more impressive recoveries are shown by East Asiatic (£23,951, against £4,853, and 3 per cent. against nil) and Anglo-Dutch of Java, which has reduced the 1932 loss of £146,175 to £737, leaving a credit balance of £84,338 carried forward. Eight tea company reports for the year to December 31st last show marked recoveries due to export restriction, and in seven cases dividend payments have been resumed or increased. Prominent results include Badulipar (£23,436 against Dr. £1,608); Upper Assam (£34,775 against Dr. £6,161), and Buxa Doars (£24,773 against £4,498). Among investment trusts, Trustees Corporation, whose income is derived partly from City office property, reports net profits of £82,899, compared with £86,542 for the year. The list of miscellaneous companies include Central Sugar (£64,757 against £56,287), Yorkshire Sugar £42,630 against £11,151 and Aron Electricity Meter (£31,142 against £5,506). In a statement announcing the acquisition of Associated British Cinemas and British Instructional Films (Proprietors), Associated British Picture Corporation states that, subject to final audit, combined profits of the parent company and five subsidiaries for the year to March 31st last would be not less than £570,000, subject to interest charges (approximately £160,000) and depreciation. Courtaulds, Limited, announces an interim dividend of 1½ per cent., tax free, payable August 11th to shareholders registered July 12th. This is the same payment as a year ago.

* * *

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—International Tea Company's Stores, H. E. Proprietary, Straits Plantations, Amalgamated Dental, Beechams Pills, and Southern Cross Gold Development. At the International Tea meeting Mr Guy Collier again dwelt on the "orgy of price cutting" with which retail food distribution was afflicted. He said that if this orgy continued it must inevitably lead to a reduction in wages, which he personally contemplated with horror. At the statutory meeting of Southern Cross Gold Development, Mr Claude de Bernales said that he believed that "few mines had a more hopeful future or better prospects of success" than those in which the company was interested. Mr Russell Polden told Amalgamated Dental shareholders of the introduction of a new type of dental X-ray apparatus which was now in use in every country of the world. Mr Eric Macfadyen gave shareholders of Straits Plantations, Limited, much interesting information about copra, saying that the disorganisation characteristic of so many markets to-day existed in an extreme degree in that for copra. Mr F. H. Hamilton dealt in detail with the manifold interests of H.E. Proprietary, Limited, in South Africa, Canada, Australia and New Zealand; he dwelt especially on the "advancing tide of development" on the Far Eastern Rand. Mr Philip Hill gave the shareholders of Beechams Pills, Limited, news of the latest lines to be placed on the market by that vigorous purveyor of patent medicines.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS	
TICKET July 24	ACCOUNT July 26

THE new account has opened more favourably, and markets, under the lead of the strength of the gilt-edged section, have shown appreciable quickening of tempo. Monday's trading, in fact, was cheerful enough to suggest that progress had begun towards the restoration of the April and May "highs," but subsequent days showed that quiet firmness was to remain the keynote. This week's high records among gilt-edged evidence the market's expectation of yet lower interest rates; and the large speculative resources which are roving from market to market in search of short profits have found some chances in the home rail and rubber markets. General business remains rather small, however.

The gilt-edged market enjoyed active conditions. Conversion issues were well to the fore, but War Loan enjoyed the most prominent rise. Old Consols and Local Loans improved sharply on Monday, but advanced more steadily on later days. Quotations for India stocks remained unaffected on Monday, but moved in company with the Funds thereafter. Dominion issues also became active after a quiet opening, although quotations showed a fairly mild response. Home Corporation stocks were more active than during recent weeks.

The Foreign Bond market was almost uniformly cheerless. Heavy selling of German bonds developed, quotations of the "Young" and "Dawes" loans being no better than 45½ and 59½ at Wednesday's close. Potash issues were marked down on apprehensions regarding German exports of the commodity. Among Far Eastern issues, Japanese bonds, after opening with a dull tone, showed some recovery in mid-week, and Chinese loans also found support. Argentine issues were very firm, but Brazilian bonds were extremely flat, and Chileans featureless.

Traffic and dividend hopes led to good support for the preference issues, while among equity stocks, Southern and Great Western were in demand. The traffic figures abruptly reversed a further display of strength on Wednesday, but part of the day's rise in the preference issues was held.

The market raised no interest in Argentine stocks, and a sagging tendency was reinforced by the publication of traffic figures calculated at current exchange rates. Brazilian issues were little changed.

The Industrial market was cheerful, and in places bright, but business showed only limited expansion. A small business was transacted in Electricity Supply shares, but equipment shares were in demand on reports of "Grid" orders. Business in Iron, Coal and Steel shares was steady, but price movements were irregular, although Allied Iron-founders made further advance. Aviation shares revived on reports of increased air forces, and motor issues, in particular Leyland, were well supported. Interest in Store shares was centred on Marks and Spencer, and some Provision shares such as International Tea were firmer. Apart from J. & P. Coats, textile shares were rather neglected, and Courtaulds were slightly weaker. Brewery shares were somewhat irregular, and business did not assume drought dimensions. Tobacco shares, which showed early firmness, tended to decline on Wednesday. Leading industrial issues such as Dunlop and Imperial Chemical enjoyed more active conditions as the week progressed, and most brick issues made further progress. British Oxygen suffered from profit-taking sales.

Business in the oil market showed only hesitant recovery, but the market was firm with few price changes.

The Rubber market, sure of its sevenpence, enjoyed active conditions, but speculation had obviously given place largely to sound investment buying. Large orders were sometimes difficult to negotiate, and prices showed restrained improvement. The Tea share market was quieter, and small irregular price changes were recorded.

Preliminary Notice.

Application will be made to the respective Committees of the Stock Exchange, London, and the Stock Exchange, Johannesburg, for permission to deal in the Shares of the Company.

NEW ROBINSON GOLD MINING COMPANY, LIMITED.

SHARE CAPITAL - £400,000

Divided into

800,000 Shares of 10s. each.

The Subscription List will open on Tuesday, July 17th.

FOR AN ISSUE OF
600,000 Shares of 10s. each at 11/3d. per Share.

Firm applications have been received from sub-Underwriters and others for 365,000 of the above shares, which will be allotted in full.

The Prospectus (which will be advertised on Monday, July 16th) will show, *inter alia*, that:—

1. The Company has been formed to acquire the Gold Mining properties situate on the Farm TURFFONTEIN, No. 21 District, Johannesburg, which properties formerly constituted and were developed and worked by the well-known ROBINSON GOLD MINING COMPANY, LIMITED, which Company, after a long and successful existence dating from 1887, was liquidated in 1926, and the assets distributed amongst its shareholders.

2. The properties are situate to the west and approximately one mile from the centre of Johannesburg and immediately adjacent to the properties of Crown Mines, Limited, whilst to the south lies the Robinson Deep Mine.

3. The Robinson Gold Mining Company, Limited, chiefly concentrated upon the two rich Reefs, Main Reef Leader and South Reef, whilst the Main Reef (owing to its lower value) was comparatively little mined. The Company will primarily concern itself with the Main Reef.

Based on the recent comprehensive Report (included in the Prospectus) by Mr. B. E. Pollard, of Johannesburg, Consulting Engineer of New Kleinfontein Company, Limited, it is estimated that there is available in the Main Reef two million tons of Ore of a recovery value equivalent to 5 dwts. per ton.

4. It is proposed to immediately equip the mine for an output of 120,000 tons per annum, and with Gold at 135s. per fine oz. an estimated annual working profit of £97,500 should be realised.

DIRECTORS:

ARTHUR GORDON OWEN, late General Manager, Transvaal Estates and Development Co., Ltd.; Past President, Land Owners' Association (Chairman).

GEORGE STEWART, late Joint Manager, African and European Investment Co., Ltd.

ALFRED CECIL TURNER, Member of the Johannesburg Local Committee of African City Properties Trust, Ltd.; Director, Rand Provident Building Society.

LONDON COMMITTEE:

SIR ARCHIBALD MITCHELSON, Bart. (Chairman, Genatosan, Ltd.; Director, Kamunting Tin Dredging, Ltd.; Pangnga River Tin Concessions, Ltd., etc.).

R. ELLERTON BINNS, B.Sc., M.I.M.M. (Partner of McCarthy and Binns, Consulting Engineers).

Copies of the Prospectus and Forms of Application will be available on Saturday, July 14 from:

BANKERS:

BARCLAYS BANK, LIMITED,

54, Lombard Street, London, E.C.3, and Branches.

BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS),

Circus Place, London Wall, London, E.C.2.

BROKERS:

PRYOR AND LINGNER,

Broad Street Avenue, Blomfield Street, London, E.C.2, and Stock Exchange.

The fairly large open position in Kaffir shares led to a rather quiet tone in the market this week, although the increasing stream of new issues attracted due interest. Thus Venterspost, Klerksdorp, and Klip Nigel were distinctly active, and some of the Far Eastern Rand group, after a chastened opening, found modest support. Little movement was recorded among finance issues, although "Johnnies" results (discussed on page 77) were favourably received. West African issues continued depressed, owing to speculators' sales and a disappointing Bibiani cable. Tin shares were slightly harder, Kramat Pulai showing a fresh advance on the results. Copper shares were quiet on the lower price for the metal.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	July 5, 1934	July 6, 1934	July 7, 1934	July 9, 1934	July 10, 1934	July 11, 1934	July 12, 1934
Government and Municipal Loans	1,151	1,183		1,196	1,081	1,108	1,117
Transport, Communications, and Public Utilities	731	1,057		1,025	965	799	775
Commercial and Industrial	2,660	2,933		3,013	2,874	2,695	2,707
Banks, Insurance and Financial	512	572	Closed	680	588	542	473
Mines (including Nitrate)	1,820	1,584		1,349	1,325	1,193	1,091
Oil	113	135		136	110	105	106
Rubber, Tea and Coffee	978	994		1,042	974	1,016	882
Total	7,463	8,458		8,441	7,917	7,458	7,145
Corresponding day in 1933	10,158	10,729		9,437	9,382	8,651	9,500

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 5)	July 5, 1934	July 6, 1934	July 7, 1934	July 9, 1934	July 10, 1934	July 11, 1934	July 12, 1934
90.4	83.5	87.0	87.1	Closed	87.2	87.5	87.3	87.0

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (May 17)	Lowest of 1934 (Jan. 2)	July 5, 1934	July 6, 1934	July 7, 1934	July 9, 1934	July 10, 1934	July 11, 1934	July 12, 1934
132.5	128.8	131.3	131.3	Closed	131.5	131.6	131.9	131.9

FOREIGN STOCK EXCHANGES

NEW YORK

Wall Street this week has established a new record for inactivity, for Monday's turnover of 320,000 shares was the lowest recorded for just over ten years past. Industrials have, however, shown a slightly improving price tendency, for the business news is not unsatisfactory. Though car loadings are declining, steel activity now appears to be increasing, and the June figures for motor car sales and for retail trade are both good. An exception to the general tendency of industrials is the amusement group, which have fallen back sharply following the recent decline in theatre attendances said to be due to the religious boycott of sex films. On Wednesday there were some signs of a real flare up in Wall Street following the frantic outburst of activity in the Chicago grain market, where reports that the years-cent grain prices rocketing up to the full allowable limits. A year ago Wall Street would unquestionably have refused to be outdone by Chicago, but continued chastisement of hesitation Wall Street thought better of it and subsided into inactivity again.

	July 3, 1934	July 11, 1934	July 11, 1934	July 3, 1934	July 11, 1934	July 11, 1934
	Eng.	equiv.	Eng.			equiv.
Lb. Ln. 31% 732-47	104 1/4	104 1/4	103 1/4	Natl. Biscuit	34	35 3/4
Do. 41% 732-47	103 1/4	103 1/4	102 1/4	Phelps Dodge	17 1/2	17 1/2
Do. 41% 33-38	103 1/4	103 1/4	103 1/4	Pullman	48	49 1/2
Atchafalpa	58 1/2	63 1/2	62 1/2	Sears-Roebuck	41 1/2	44 1/2
Erie	17 1/2	18 1/2	18 1/2	Studebaker	41 1/2	44 1/2
Illinois Central	23 1/2	24 1/2	24 1/2	Un. Fruit	70 1/2	70 1/2
N.Y. Central	27 1/2	29 1/2	29 1/2	U.S. Leather	7 1/2	8 1/2
Pennsylvania	29 1/2	30 1/2	30 1/2	U.S. Rubber	17 1/2	17 1/2
Southern Pacific	23 1/2	24 1/2	24 1/2	U.S. Steel	37 1/2	40 1/2
Southern Rly.	23 1/2	24 1/2	24 1/2	Westinghouse	35 1/2	37 1/2
Union Pacific	117 1/2	120 1/2	119 1/2	Woolworth	48 1/2	50 1/2
Am. Can.	95 1/2	99 1/2	98 1/2	Am. Tel. and Tlg.	113	115 1/2
Amer. Smelting	41 1/2	42 1/2	41 1/2	Interboro R.T.	7 1/2	8 1/2
Anaconda	14 1/2	15 1/2	14 1/2	Int. Tel. Teleg.	12 1/2	12 1/2
Bethlehem Steel	32 1/2	34 1/2	33 1/2	Radio Corp.	6 1/2	6 1/2
Chrysler Motor	38 1/2	41 1/2	41 1/2	Utilities P. and L.	2 1/2	2 1/2
Corn. Produce Rf.	64	68 1/2	67 1/2	W. Union Tlg.	42 1/2	45 1/2
Eastman Kodak	96 1/2	97 1/2	96 1/2	Associated Gas "A"	2 1/2	2 1/2
Gen. Electric (New)	19 1/2	20 1/2	20 1/2	Shell	22 1/2	21 1/2
Gen. Motors	30 1/2	32 1/2	32 1/2	Shell Union	7 1/2	8 1/2
Int. Harvester	32 1/2	33 1/2	33 1/2	Std. California	33 1/2	34 1/2
Mont. Ward	26 1/2	28 1/2	28 1/2	Do. N.J.	43 1/2	45 1/2

† Calculated at \$5.04 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to July 11	Beginning of Year	June 27	July 3(1)	July 11	July 11
	Jan. 3	Jan. 3	Jan. 3	Jan. 3	Jan. 3	Jan. 3	Jan. 3	Jan. 3
351 Industrials	38.7	86.6	77.5†	90.5	79.6	80.9	79.5	82.3
33 Rails	23.9	54.5	40.6	51.4	40.6	43.9	42.0	43.7
37 Utilities	66.8	101.0	66.4	83.4†	66.4	72.0	70.1	71.3
Total, 421 stocks	40.9	83.4	70.1†	82.1	70.8	73.1	71.6	73.9
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.39% (1)	3.17%	3.33%	3.39%	3.26%

† February 7th.

‡ May 16.

(1) July 3.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (June 2)	July 4, 1934	July 5, 1934	July 6, 1934	July 7, 1934	July 9, 1934	July 10, 1934	July 11, 1934
105.0	83.9	(1)	88.3	89.0	88.8	88.8	89.5	90.1

(1) Independence Day.

TOTAL DEALINGS IN NEW YORK

	July 5, 1934	July 6, 1934	July 7, 1934*	July 9, 1934	July 10, 1934	July 11, 1934
Stock Exchange—Shares (Thous.)	440	460	180	320	650	650
Bonds (Value Thous. \$)	9,700	12,000	4,500	11,350	12,420	12,350
Curb—Shares (Thous.)	136	136	50	80	153	131

* Two-hour Session.

PARIS

The market has been under the influence of a recrudescence of the reports, denied last week, of an impending Government issue, and Rentes have been a dull market. The actual announcement on Wednesday of the immediate issue of a Frs. 3,000,000,000 4 per cent. loan in bonds of Frs. 1,000 offered at Frs. 950 and redeemable in fifty years at Frs. 1,400 led to bear covering and a sharp recovery of the market.

	July 4, 1934	July 9, 1934	July 11, 1934	July 4, 1934	July 9, 1934	July 11, 1934
Banque de France	11,160	11,400	11,245	Wagons Lits	80	80
Crédit Lyonnais	2,030	2,075	2,060	Mexican Eagle	35 1/2	35 1/2
Suez Canal	18,900	18,720	18,620	"Chartered"	86	87
Chargeurs Réunis	147	147	147	Ford	87	86 1/2
Rio Tinto	1,385	1,413	1,396	De Beers	51 1/2	56 1/2
Royal Dutch	16,180	16,250	15,830	"Johnnies"	260	265 1/2

BERLIN

After an initial decline, the share market last week recovered, but closed somewhat below the level of the preceding week. Potash issues and public utilities were in demand, while Reichsbank, and, late in the week, some of the commercial banks were firm. The new week opened dull but fairly firm, with a continued demand for public utilities, and certain specialties, including Berlin-Karlsruhe, Schultheiss Brewery, and Tietz (now Westdeutsche Kaufhof). Tuesday's market was active, and advances predominated, heavy industrials, such as Harpener and Hoersch, improving, but potash shares reacted. After dullness last week, home bonds were this week somewhat

higher and most dollar bonds, certificated and converted, also improved.

	July 4, 1934	July 9, 1934	July 11, 1934	July 4, 1934	July 9, 1934	July 11, 1934
Reichsbank	134.25	154.10	155.00	A. E. G.	22.75	23.60
D.P. Bank	61.90	63.00	63.25	Siemens & Halske	146.75	150.00
Dresdner (New)	65.00	63.50	65.50	A. K. U.	60.50	61.50
I. G. Farbenindustrie	148.00	149.50	150.00	Hamburg-Amer.	25.50	26.25
Norddeutscher Lloyd (New)	30.50	30.25	32.00	("Hapag-New")	25.50	26.25

AMSTERDAM

The market has remained very quiet and the turnover has fallen still further. Prices have, however, shown on the whole a firmer tendency. Philips' Lamps, notably, improved several points on the more favourable export figures, and tobacco and sugar shares have also shown good advances. There has been little change in Unilever. The market was closed on Wednesday for the funeral of the Prince Consort.

	July 4, 1934	July 9, 1934	July 11, 1934	July 4, 1934	July 9, 1934	July 11, 1934
2 1/2% Dutch Loan	76 1/2	79 1/2	78 1/2	Steel Common	23 1/2	24 1/2
5 1/2% German	33 1/2	34 1/2	34 1/2	A. K. U.	36 1/2	37 1/2
Unilever N.V.	69 1/2	68 1/2	69 1/2	Ford Motor	200 1/2	202 1/2
Philips' Lamps	212	215 1/2	218	Delibatavia Tob	146	146 1/2
Netherlands Ship Union	34 1/2	33 1/2	32 1/2	Royal Dutch	158	154 1/2
				Handels Amst.	160	163 1/2

CAPITAL ISSUES

THERE has been some abatement in new issue activity during the week so far as prospectus offers are concerned, though "placings" in the market continue on a considerable scale. The week's prospectuses number only three, of which two relate to conversions of existing debenture issues. The largest issue is that of 1,000,000 5 1/2 per cent. cumulative preference shares of £1 each (offered at 20s. 6d.) in *Griffiths Hughes Proprietaries, Limited*, which is acquiring the whole issued capital of *E. Griffiths Hughes, Limited*, manufacturers of "Kruschen Salts" and other preparations. The preference shares rank in front of £1,500,000 ordinary shares; there are no debentures and none may be created without the sanction of the preference shareholders. The prospectus gives the net assets of the trading company at £410,000 and shows "five years' net profits averaging £377,000. The dividend on the preference shares is therefore very amply covered, but as is common with concerns of this kind whose business is essentially based on goodwill the capital security afforded by the physical assets is not impressive. *The Carlton Main Colliery Company* is offering £810,000 4 1/2 per cent. debenture stock at £102 1/2 in order to provide for the repayment of the same amount of 6 per cent. secured debentures which have been called for redemption on October 1st at £105 per cent. The company has extensive interests in the South Yorkshire coalfield, and has a consistent record of satisfactory profits. The stock is a reliable industrial debenture. *The New Brunswick Railway Company* is offering holders of £600,000 5 per cent. first mortgage gold bonds, due August 1st, conversion into 4 per cent. perpetual consolidated debenture stock at rate of £119 stock for £100 bonds. The maturing bonds are gold bonds, but are to be paid at their sterling face value; the conversion offer, however, assures to holders who take advantage of it virtually the same amount of interest in sterling. The new stock ranks with £904,533 existing stock, and interest is unconditionally guaranteed by Canadian Pacific Railway for 990 years from 1890. Statements "for information only" have been published by *W. J. Brookes and Sons, Metropolitan Ground Rents, Limited* (issue of £650,000 4 per cent. first mortgage debenture stock at £99 per cent.), *Klip Nigel Estate and Gold Mining Company, Smart Brothers* (£600,000 4 1/2 per cent. first mortgage debenture stock), *Tarkwa Gold Mines, George Stark and Sons (1934), Leonora Corporation, and Second Anglo-Celtic Trust* (£100,000 4 per cent. first debenture stock). It is understood that facilities for dealing in *Bushstick Mines, Kenya Consolidated Goldfields* and *Tarkwa Gold Mines* recent issues have been temporarily withheld pending the fulfilment of certain technical requirements. With regard to Kenya Consolidated Goldfields, this company has a concession of 937 square miles in the Takamega district of Kenya Colony and owns or has options to take over other valuable properties. Permission to deal has been deferred for about six weeks, while the necessary restrictions are being passed to make the Articles of Association conform with the English law.

ASSURED INCOMES

People to-day, quite rightly, are thinking of assurance in terms of income. The suggestions referred to here are in keeping with this trend of thought.

Income for Present Needs

A Canada Life Annuity brings stability of income to those past middle age. By this means capital producing a meagre 3 1/2 per cent. can be made to yield from 7-20 per cent. per annum, according to age, with perfect safety.

Income on Retirement

For those who desire security of income in the future when the time for retirement comes, there is the Canada Life Endowment Policy. A moderate premium paid when earnings are highest ensures provision for a satisfactory income in the later years.

Income for Dependents

Of special interest to the young married man is the Canada Life "Assured Income" Policy which makes security of income certain for his dependents, at the minimum cost.

Income for Education

The man with a growing family can ensure his children's education by a Canada Life Educational Policy.

Particulars of these policies will be sent on application to J. R. Wandless, F.I.A., Manager.



(Established 1847—incorporated in Canada as a Limited Liability Co.)

2 St. James's Square, London, S.W.1

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to July 7, 1934, excluding conversions, £105,048,246.
Total recorded, January 1 to July 7, 1934, including conversions, £272,487,065.

National Savings Certificates.
Net receipts, week ended July 7, 1934, Dr. £150,000.

To the Public	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Carlton Main Colliery Co., £810,900 4 1/2% Deb. Stk. at 102 1/2 (to repay £810,900 6% Debts. at 105% on Oct. 1, 1934)	810,900	831,162(1)	...	40,450	790,712
New Brunswick Railway, £750,000 4% Cons. Deb. Stk. at 119% (to repay £600,000 5% Bonds)	750,000	714,000	178,500	...	714,000
Griffiths Hughes Proprietaries, £1,000,000 5 1/2% Cum. Pref. £1 at 20/6	1,000,000	...	1,025,000	125,000	900,000
Total	2,560,900	1,545,162	1,203,500	65,450	2,404,712

(1) Represents proceeds of new loan at issue price. Redemption of 6 per cent. debentures at 105 will absorb £851,405.

To Shareholders only

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Tarkwa Gold Mines, 400,000 shares 5/-, at par	100,000	...	100,000	25,000	75,000
British Tabulating Machine, 100,000 6% Cum. Pref. £1, at 20/6	100,000	...	102,500	52,500	50,000
Hall and Co., 12,375 Ord. £1, at par	12,375	...	12,375	...	...
Total	212,375	...	212,575	89,875	125,000

Total Offered for Subscription—	Including Conversions	Excluding Conversions	Total Offered for Subscription—	Including Conversions	Excluding Conversions
Jan. 1 to date—			Whole year—		
1934	275,300,602	106,516,621	1933	467,521,500	244,780,500
1933	188,786,689	112,816,463	1932	2,699,684,265†	188,909,963
1932	232,432,058	163,717,393	1931	114,290,686	102,044,291
1931	165,083,326	95,186,341	1930	454,889,784	267,800,700
1930	273,935,924	185,022,578	1929	488,765,940	285,239,040
1929	216,109,842	184,784,242	1928	693,100,056	369,058,073
1928	...	267,962,485	1927	...	355,165,970
1927	...	234,147,582	1926	...	230,782,601
1926	...	138,462,896	1925	...	232,214,500
1925	...	125,804,753			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933				Prices Year 1934 (Jan. 1 to July 11)				Name of Security	Price, July 4, 1934	Price, July 11, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to July 11)				Name of Security	Price, July 4, 1934	Price, July 11, 1934	Rise or Fall	Yield
High-est	Low-est	High-est	Low-est	High-est	Low-est	(a)	(b)						(c)	(a)	(b)	(c)					
British Funds																					
77 1/2	70 1/2	82 1/2	73 1/2	Consols 2 1/2 %	80	80 1/2	+ 1/2	3 2 1	7 1/2	5 1/2	Nil	Nil	Anglo S. A. 10 1/2 %	5 1/2	5 1/2	Nil	Nil				
110 1/2	105 1/2	113 1/2	109 1/2	Do. 4 1/2 % Red. at par on or after Feb. 1957 (n)	111 1/2	112 1/2	+ 1/2	3 4 9	7 1/2	5 1/2	Nil	Nil	American B. A. 10 1/2 %	6 1/3	5 7/8	-7 1/2 d	Nil				
94 1/2	92 1/2	96 1/2	92 1/2	Conversion, 2 1/2 % 1944-49	96 1/2	96 1/2	0	2 15 3	5 1/3	4 1/3	(d) 5 (a) 5 (b) 2 (c) 6	Bank of N. Zealand 1 1/2 %	4 1/3	4 1/3	0	3 17 3/8					
99 1/2	97 1/2	101 1/2	97 1/2	Do. 3 1/2 % 1948-53	101 1/2	101 1/2	0	2 18 0	38 1/2	34 5/8	(b) 6 (c) 6	Bank of Eng. Stk.	35 1/2	31 1/2	+ 2	3 6 6					
111 1/2	107 1/2	111 1/2	107 1/2	Do. 3 1/2 % after 1961 (n)	103 1/2	104 1/2	+ 1 1/2	3 5 5	73 1/2	69 1/8	(b) 7 (c) 7	Barclay B. (1)	72 1/2	71 3/8	+ 7 d	3 18 3					
118 1/2	114 1/2	118 1/2	116 1/2	Do. 4 1/2 % 1940-44	110 1/2	110 1/2	0	2 15 0	34 1/2	30 1/2	(a) 24 (b) 24 (c) 24	Barclay (Dom. &c.) A. 10 1/2 %	34 1/2	34 1/2	0	2 14 6					
113 1/2	108 1/2	113 1/2	111 1/2	Do. 5 1/2 % 1944-44	118 1/2	118 1/2	0	2 17 6	10 1/2	8 1/2	(a) 3 (b) 3 (c) 3	Bk. of Australasia (5) ..	8 1/2	9	0	4 3 3					
100 1/2	98 1/2	100 1/2	99 1/2	Funding 4 1/2 % 1960-90	114 1/2	115 1/2	+ 1	3 3 6	40 1/2	32 1/2	(a) 11 (b) 8 (c) 6	Bk. of Montreal (100) ..	38 1/2	38 1/2	0	4 4 0e					
103 1/2	102 1/2	103 1/2	102 1/2	Do. Treasury Bds. 35-38	100 1/2	100 1/2	0	3 1 8	30 1/2	23 1/2	(a) 5 (c) 5 (e) 5	Bk. of N.S. Wales (220) ..	24	23	-1	3 7 0e					
109 1/2	107 1/2	109 1/2	107 1/2	3 1/2 % Treasury Bds. 33-42	103 1/2	103 1/2	0	2 17 0	5 1/2	4 1/2	(b) 6 (c) 6	British Overseas A 5 1/2 %	4 1/2	4 1/2	0	6 6 4					
110 1/2	107 1/2	110 1/2	107 1/2	Victory Bonds 4 1/2 %	112 1/2	113 1/2	+ 1 1/2	3 1 6	16 1/2	13 1/2	(a) 13 (b) 13 (c) 13	Canada (5) (1953)	13 1/2	13 1/2	0	4 6 0					
102 1/2	97 1/2	102 1/2	101 1/2	War L'n 3 1/2 % after 1952 (p)	102 1/2	102 1/2	0	3 4 0	18 1/2	13 1/2	(a) 24 (b) 24 (c) 24	Com. Bk. of Eng. 10 1/2 %	13 1/2	13 1/2	0	4 9 7					
82 1/2	82 1/2	82 1/2	82 1/2	Local Loans 3 1/2 %	92 1/2	92 1/2	0	3 4 8	80 1/2	70 1/2	(a) 8 (b) 8 (c) 8	District A 5 1/2 % p.d.	78 1/2	78 1/2	0	4 4 9					
65 1/2	65 1/2	65 1/2	65 1/2	Austria 3 1/2 % 1933-53	100 1/2	100 1/2	0	2 19 0	5 1/2	4 1/2	(a) 5 (b) 5 (c) 5	Do. B 1 fully paid.	52 1/2	52 1/2	0	3 16 2					
78 1/2	78 1/2	78 1/2	78 1/2	India 2 1/2 %	79 1/2	79 1/2	0	3 15 0	5 1/2	4 1/2	(a) 21 (b) 21 (c) 21	Eng. Scot. & Aust. 5 1/2 % p.d.	4 1/2	4 1/2	0	3 6 8 1/2					
90 1/2	87 1/2	90 1/2	88 1/2	Do. 3 1/2 %	92 1/2	92 1/2	0	3 15 6	6 1/2	5 1/2	(a) 11 (b) 11 (c) 11	Hongkong & S. (112) ..	13 1/2	13 1/2	0	4 14 6					
111 1/2	102 1/2	111 1/2	108 1/2	Do. 4 1/2 % 1958-68	113 1/2	113 1/2	0	3 14 0	58 1/2	56 1/2	(a) 6 (b) 6 (c) 6	Lloyds 5 1/2 % with 1 p.d.	57 1/2	57 1/2	+ 1/6	4 3 6					
107 1/2	105 1/2	107 1/2	105 1/2	U.K. & Arg. 4 1/2 % (1947)	105 1/2	105 1/2	0	3 9 9	8 1/2	7 1/2	(a) 7 (b) 7 (c) 7	Martins 5 1/2 % p.d.	8 1/2	8 1/2	0	4 4 0					
Dom. & Colonial Govts.																					
111 1/2	103 1/2	111 1/2	107 1/2	Australia 5 1/2 % 1945-75	108 1/2	108 1/2	0	4 1 6	37 1/2	34 1/2	(a) 8 (b) 8 (c) 8	Midland J., fully pd.	88 1/2	87 1/2	+ 7 d	3 13 3					
106 1/2	101 1/2	106 1/2	103 1/2	Canada 4 1/2 % 1940-60	104 1/2	104 1/2	0	3 5 6	8 1/2	7 1/2	(a) 11 (b) 11 (c) 11	Mid. of Egypt 10 1/2 %	39	36	-3	4 3 3					
116 1/2	111 1/2	116 1/2	113 1/2	Colombia 5 1/2 % 1956	110 1/2	110 1/2	0	3 11 6	14 1/2	13 1/2	(a) 7 (b) 7 (c) 7	Port. of India 2 1/2 % p.d.	48 1/2	49 1/2	+ 1	5 1 6					
116 1/2	111 1/2	116 1/2	113 1/2	Nigeria 5 1/2 % 1950-60	115 1/2	115 1/2	0	3 14 6	47 1/2	45 1/2	(a) 8 (b) 8 (c) 8	Port. of India 2 1/2 % p.d.	47 1/2	47 1/2	0	3 12 4					
104 1/2	101 1/2	104 1/2	102 1/2	N.S. Wales 5 1/2 % 35-55	103 1/2	103 1/2	0	3 13 6	14 1/2	12 1/2	(a) 5 (b) 5 (c) 5	St. of A. F. 20, 5 1/2 % p.d.	13 1/2	13 1/2	0	3 14 0					
112 1/2	106 1/2	112 1/2	109 1/2	N. Zealand 5 1/2 % 1946	109 1/2	109 1/2	0	4 0 3	39 1/2	36 1/2	(a) 9 (b) 9 (c) 9	Westminster A 4 1/2 % p.d.	89 1/2	89 1/2	+ 1/1-	4 3 0					
107 1/2	102 1/2	107 1/2	106 1/2	Queensland 5 1/2 % 40-60	106 1/2	106 1/2	0	3 14 3	84 1/2	74 1/2	(a) 10 (b) 10 (c) 10	Alcan. 5 1/2 % 1924	78 1/2	78 1/2	+ 1/3	5 0 0					
114 1/2	107 1/2	114 1/2	111 1/2	Seine 7 1/2 % 1945-55	113 1/2	113 1/2	0	3 11 0	6 1/2	5 1/2	(a) 5 (b) 5 (c) 5	Alexander 5 1/2 % fully pd.	6 1/2	6 1/2	0	4 2 0					
Foreign Governments																					
94 1/2	60 1/2	98 1/2	89 1/2	Argentina 4 1/2 % Res. 1952	90 1/2	90 1/2	0	4 5 9	13 1/2	12 1/2	(a) 9 (b) 9 (c) 9	B. 7 1/2 % p.d.	12 1/2	12 1/2	0	4 17 0					
105 1/2	99 1/2	105 1/2	100 1/2	Austrian 6 1/2 % 1923-43	101 1/2	101 1/2	0	4 15 0	11 1/2	10 1/2	(a) 7 (b) 7 (c) 7	Union, 5 1/2 % p.d.	11 1/2	11 1/2	0	4 7 9					
74 1/2	54 1/2	74 1/2	69 1/2	Do. 7 1/2 % Int. red. by 1957	80 1/2	80 1/2	0	8 13 9	27 1/2	25 1/2	(a) 40 (b) 40 (c) 40	Alliance J., fully pd.	26 1/2	27	+ 1/2	3 6 8					
50 1/2	29 1/2	50 1/2	37 1/2	B. Aires (Prov.) 3 1/2 %	49 1/2	49 1/2	0	7 5 10	13 1/2	12 1/2	(a) 13 (b) 13 (c) 13	Altos 5 1/2 % 1924	13 1/2	13 1/2	0	2 16 3					
115 1/2	108 1/2	115 1/2	109 1/2	Belgian 7 1/2 % red. by 1956	110 1/2	110 1/2	0	6 4 0	11 1/2	10 1/2	(a) 20 (b) 20 (c) 20	Com. Un. J., fully pd.	9 1/2	10	+ 1/2	4 2 0					
30 1/2	18 1/2	30 1/2	20 1/2	Bulgaria 7 1/2 % Loan	25 1/2	25 1/2	0	10 0 0	11 1/2	10 1/2	(a) 20 (b) 20 (c) 20	Com. Acc. J., fully pd.	18 1/2	18 1/2	0	3 16 9					
78 1/2	62 1/2	81 1/2	72 1/2	Brazil 5 1/2 % Fund 1914	79 1/2	79 1/2	0	6 7 6	18 1/2	16 1/2	(a) 24 (b) 24 (c) 24	L. Ont. & L. Can. 5 1/2 % p.d.	30 1/2	30 1/2	0	3 6 9					
27 1/2	11 1/2	20 1/2	16 1/2	Chili 6 1/2 % (1929)	19 1/2	18 1/2	-1	30 1/2	27 1/2	25 1/2	(a) 25 (b) 25 (c) 25	N. Brit. & Merc. J., fully pd.	38 1/2	39	+ 1/2	3 0 3					
66 1/2	36 1/2	75 1/2	60 1/2	China 5 1/2 % (1912)	71 1/2	70 1/2	-1 1/2	7 2 9	39 1/2	35 1/2	(a) 12 (b) 12 (c) 12	Northern 10 1/2 % p.d.	18 1/2	18 1/2	0	4 3 3					
104 1/2	96 1/2	104 1/2	98 1/2	Do. 5 1/2 % (1913)	99 1/2	99 1/2	0	5 6 0	18 1/2	16 1/2	(a) 35 (b) 35 (c) 35	Port. of India 2 1/2 % p.d.	38 1/2	38 1/2	0	2 13 1/2					
85 1/2	76 1/2	85 1/2	82 1/2	Czechoslovakia 5 1/2 %	103 1/2	103 1/2	0	3 11 0	15 1/2	14 1/2	(a) 30 (b) 30 (c) 30	Prudential J., fully pd.	15 1/2	15 1/2	0	3 18 9					
80 1/2	51 1/2	85 1/2	76 1/2	Danzig 6 1/2 %	83 1/2	84 1/2	+ 1	7 13 0	33 1/2	30 1/2	(a) 192 (b) 192 (c) 192	Prudential J. A.	32 1/2	32 1/2	0	2 15 0 1/2					
104 1/2	95 1/2	111 1/2	104 1/2	Egypt United 4 1/2 %	106 1/2	106 1/2	0	3 15 9	88 1/2	75 1/2	(a) 137 (b) 137 (c) 137	Do. J., with 4 1/2 % paid	87 1/2	87 1/2	0	1 14 3 1/2					
83 1/2	60 1/2	88 1/2	77 1/2	Estonia 7 1/2 % 1927	79 1/2	79 1/2	0	8 17 3	8 1/2	7 1/2	(a) 10 (b) 10 (c) 10	Royal Exchange (1)	8 1/2	8 1/2	0	3 7 0					
88 1/2	72 1/2	88 1/2	72 1/2	Finland 6 1/2 % 1922	102 1/2	102 1/2	0	5 18 0	8 1/2	7 1/2	(a) 3 (b) 3 (c) 3	Royal J., 10% paid.	7 1/2	8 1/2	+ 1	3 14 0					
26 1/2	21 1/2	28 1/2	22 1/2	France 4 1/2 % (British)	27 1/2	28 1/2	+ 1	3 2 3	4 1/2	4 1/2	(a) 1 (b) 1 (c) 1	Sec. Insur. J., fully pd.	4 1/2	4 1/2	0	3 14 0					
100 1/2	61 1/2	95 1/2	58 1/2	German 7 1/2 % 1923-43	63 1/2	60 1/2	-2 1/2	11 16 3	4 1/2	3 1/2	(a) 15 (b) 15 (c) 15	Sun. Insur. J. with 1/2 % p.d.	4 1/2	4 1/2	0	2 16 0					
92 1/2	40 1/2	69 1/2	40 1/2	Do. 5 1/2 % Stg. Bds. 1930	45 1/2	47 1/2	+ 2 1/2	11 14 0	6 1/2	5 1/2	(a) 18 (b) 18 (c) 18	Sun Life Assur., 1 p.d.	6 1/2	6 1/2	0	2 9 6 1/2					
34 1/2	23 1/2	36 1/2	31 1/2	Greek 6 1/2 % Stab. Ln.	35 1/2	35 1/2	0	18 16 1	18 1/2	17 1/2	(a) 13 (b) 13 (c) 13	Yorkshire J., fully pd.	18 1/2	18 1/2	0	2 12 3 1/2					
41 1/2	29 1/2	43 1/2	37 1/2	Hungary 7 1/2 % 1923-43	44 1/2	44 1/2	0	16 17 0	24 1/2	20 1/2	(a) 6 (b) 6 (c) 6	Anglo-Cellulose Ord.	5 1/2	5 1/2	0	2 15 1					
58 1/2	34 1/2	64 1/2	40 1/2	Japanese 5 1/2 % 1936-65	80 1/2	79 1/2	-1 1/2	7 4 6	9 1/2	8 1/2	(a) 1 (b) 1 (c) 1	Atlas Electric, etc. J.	6 1/2	6 1/2	-7 1/2 d	Nil					
93 1/2	59 1/2	86 1/2	79 1/2	Do. 6 1/2 % (1924) red. 1959	89 1/2	88 1/2	-1 1/2	3 12 3	24 1/2	21 1/2	(a) 15 (b) 15 (c) 15	Brit. Assets Trust 5 1/2 %	21 1/2	21 1/2	0	1 8 0					
97 1/2	57 1/2	93 1/2	85 1/2	Norwegian 4 1/2 % 1911	111 1/2	111 1/2	0	3 10 5	22 1/2	21 1/2	(a) 6 (b) 6 (c) 6	Debenure Corp. Stk.	21 1/2	21 1/2	0	4 13 8					
107 1/2	95 1/2	113 1/2	98 1/2	Peru 7 1/2 % 1922	35 1/2	30 1/2	-5	7 10 6	15 1/2	12 1/2	(a) 21 (b) 21 (c) 21	For. Amer. etc. Def.	7 1/2	7 1/2	0	5 6 8					
60 1/2	35 1/2	68 1/2	38 1/2	Poland 7 1/2 % 1922	93 1/2	94 1/2	+ 1 1/2	15 12 2	21 1/2	18 1/2	(a) 21 (b) 21 (c) 21	Gen. Invest. Trust.	12 1/2	12 1/2	0	3 19 8					
29 1/2	15 1/2	19 1/2	15 1/2	Roumania 4 1/2 % 1923-43	16 1/2	16 1/2	0	3 10 2	26 1/2	21 1/2	(a) 5 (b) 5 (c) 5	Indus. and Gen. Ord.	22 1/2	22 1/2	0	4 1 10					
101 1/2	91 1/2	101 1/2	91 1/2	Swedish 3 1/2 % 1908	113 1/2	113 1/2	0	4 17 0	31 1/2	27 1/2	(a) 4 (b) 4 (c) 4	Invest. Trust Def.	28 1/2	27 1/2	-5	4 7 3					
105 1/2	100 1/2																				

(Continued from page 81)

Nature of Borrowing				
	Debtures, Bonds, etc.	Preference Stocks and Shares	Ordinary Stocks and Shares	Total
January 1 to date—				
1934	89,429,085	10,165,237	26,722,299	106,316,621
1933	101,043,409	6,312,185	5,460,871	112,816,465
Whole year—				
1927	228,958,000	36,836,600	89,371,400	355,166,000
1928	212,917,900	45,062,600	111,177,600	369,158,100
1929	137,670,900	31,542,400	116,025,700	285,239,000
1930	230,364,800	15,834,600	22,090,100	268,279,500
1931	74,935,600	6,911,900	20,296,800	102,144,300
1932	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,932,500	244,730,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded—	11,096,794	—	13,987,353
Hecht Levis and Kahn, 1,000,000 Ord. 5/-	250,000	14/-	875,000
Do., 500,000 5% Cum. Pref. 20/-	300,000	20/-	500,000
Telephone and General Trust, 627,000 Ord. 1/-	627,000	29/6	1,224,825
Total to date, 1934	12,473,794	—	16,587,178
Total to date, year 1933	23,008,426	—	26,900,835

PUBLIC OFFERS

Carlton Main Colliery Company, Ltd.—Issue of £810,900 4½ per cent. debenture stock at £102½ per cent. The issue will provide sums to repay an equal amount of 6 per cent. stock now called for redemption at £105 per cent., holders of which may convert up to July 14, 1934, at par. The stock will be redeemed by drawings to March 31, 1944, at £103 per cent., thereafter to March 31, 1949, at £101½ per cent., and thereafter at par, or on three months' notice on similar terms. Profits for years to March 31st after depreciation have been: 1932, £130,873; 1933, £155,092; 1934, £165,469. Net assets including proceeds of the present issue are stated at £3,978,226. The stock is secured by first floating charge on the undertaking.

Griffiths Hughes Proprietaries, Ltd.—Issue of 1,000,000 5½ per cent. cumulative preference shares of £1 each at 20s. 6d. per share. The company has been formed to acquire the whole of the issued capital of E. Griffiths Hughes, Ltd., amounting to £172,350, for consideration of £1,000,000 in cash and allotment of 1,499,993 ordinary shares of £1 each, credited fully-paid. The net assets of the company acquired are stated at £410,140, and profits of the company and its subsidiaries, after adjustments but before income tax, for years ended to March 31st have been: 1932, £526,172; 1933, £469,964; 1934, £451,370. Messrs Cazenove, Akroyds and Greenwood and Company have purchased 500,000 ordinary shares of £1 from vendors, and underwrite the present offer in consideration thereof.

BY STOCK EXCHANGE INTRODUCTION

W. J. Brookes and Sons, Ltd.—Issued capital, 150,000 6 per cent. cumulative preference shares of £1 each and 600,000 ordinary shares of 5s. each. The company was incorporated in 1922 to acquire a bakery and confectionery business of similar name, and was converted into a public company in June. Net assets, excluding goodwill, as at February 24, 1934, are stated at £240,031, and profits, before depreciation and directors' remuneration for years to end-February have been: 1932, £49,713; 1933, £40,405; 1934, £32,180. £100,000 from reserve has been capitalised, and 100,000 preference shares have been issued in respect thereof to shareholders. Standard Industrial Trust has agreed to purchase the total preference share issue and 150,000 ordinary shares for the sum of £182,000.

Klip Nigel Estate and Gold Mining Company, Ltd. (incorporated in Union of South Africa).—Issued capital, 1,920,000 shares of 5s. each. The company was incorporated in February, 1934, and has acquired prospecting contracts and freehold interests in farms in the Heidelberg district, covering 33,473 acres. The areas contain the outcrop of the Nigel reef, and have been acquired, together with prospecting rights thereon, for £185,000, payable as to £35,000 in cash, and as to £150,000 by allotment of 600,000 shares of 5s. each. The company also refunds £7,784 expended by vendors on the properties; 1,320,000 shares have been issued for cash, and after deduction of cash consideration and preliminary expenses, available working capital is £265,893.

Metropolitan Ground Rents, Ltd.—Particulars of issue of £650,000 4 per cent. first mortgage debenture stock at £99 per cent. The company has been formed to acquire the properties known as Kensington Estate, covering 78 acres, near Earl's Court. The property is to be maintained as a ground-rent estate, total revenue of £42,661 consisting of £22,611 ground rents and £16,550 rack rents, and net revenue available for interest is stated at £32,061. The estate is valued at £1,040,767 and is acquired, subject to certain charges, not exceeding £846,000, to be discharged by the issue and subscription of £250,000 10-year notes, by allotment of 250,000

ordinary shares of £1 each. The stock will be redeemed up to 1959 at £102 per cent. and up to 1974 at par, with company's option at various rates on three months' notice. Morgan, Grenfell and Company have guaranteed subscription of the issue for a commission of 2 per cent.

Smart Bros., Ltd.—Particulars of issue of £600,000 4½ per cent. first mortgage debenture stock. The issue is a first charge on freehold and leasehold (other than rack-rent) properties not exceeding 14 years' term, and will be redeemed by sinking fund between November 30, 1937, and November 30, 1963, at par, or from November 1, 1944, to November 1, 1949, at £105 per cent. and thereafter at £102½ per cent. at three months' notice. The company may issue further stock, but not in excess of 50 per cent. of the aggregate amount of freehold and leasehold properties, amounts outstanding in respect of hire-purchase contracts, and market value of investments. The proceeds of the issue will be applied to repayment of advances, of £350,000 at 6 per cent., and for general development.

Second Anglo-Celtic Trust, Ltd.—Issue of £100,000 4 per cent. first debenture stock, part of an authorised issue limited in first instance to £150,000. The stock will be redeemed at par on July 15, 1969, or at any time after July 15, 1959, at company's option. Interest payable January 15th and July 15th each year. The stock will be registered and transferable in multiples of £1. The £100,000 stock fully paid is being placed for cash at 99 plus accrued interest by Rowe and Pitman and Joseph Sebag and Company, who will receive jointly a commission of ½ per cent.

Tarkwa Gold Mines, Ltd.—Particulars of issue of 400,000 shares of 4s. each. The company was formed to acquire from Tarkwa Banket West the Edua Priem and Idua Priem gold-mining concessions, covering 1,519 acres, which were partly developed in 1910-12. The purchase price was £200,000, satisfied by allotment of 800,000 shares of 5s. It is intended to develop the mine and to erect plant, working capital of £93,500 being available for these objects. The above issue was underwritten by the vendors in consideration of option to subscribe for 400,000 shares at par for one year.

Leonora Corporation, Ltd.—Issued capital, 3,000,007 shares of 1s. each. The company was incorporated in February, 1934, to acquire investments and other assets (or the cash representing the proceeds of sale of part thereof) from the Sons of Gwalia, Ltd., and to carry on business as a mining finance company. The Leonora Company owns 42,000 shares of 1s. each in the Tanami Syndicate, the issued capital of which is 376,548 shares of 1s. each, fully paid. The purchase consideration for investments and assets was £87,500 in cash. No part of the purchase price is payable in respect of goodwill. After payment of purchase consideration and preliminary expenses, £20,000 will be available for working capital. Messrs Ian Anderson and Nairn have bought 1,000,000 shares of the company at par.

Stark (George) and Sons (1934), Ltd.—Company incorporated in Scotland on July 9, 1934, to acquire the business of George Stark and Sons, Ltd., Glasgow, coated and gummed paper and pasteboard manufacturers. Share capital issued, £50,000 in 6½ per cent. cumulative preference shares £1 and £30,000 in ordinary shares of 10s. each. There are no mortgages or debentures. Standard Industrial Trust, Ltd., have agreed to purchase the whole of the 6½ per cent. preference shares at par. Total net assets (excluding goodwill) are £86,103. No part of the purchase consideration of £75,000 is attributable to goodwill. Profits are shown as follows for years ended February 28th: 1930, £14,879; 1931, £12,273; 1932, £13,531; 1933, £14,968; 1934, £16,093; three months ended May 31, 1934, £3,577. Dividend on the preference share capital will absorb £3,250.

ISSUES TO SHAREHOLDERS ONLY

Ariston Development.—Ariston Gold Mines (1929), Ltd., is offering the 354,026 2s. 6d. shares at present unissued to shareholders at 7s. 6d. per share, in the proportion of one new share for each 15 held.

British Tabulating Machine.—Offer of 100,000 6 per cent. cumulative preference £1 shares at 20s. 6d. per share to shareholders registered on June 28th, in the proportion of one preference share for each share.

Daggafontein Mines.—Offer to shareholders to subscribe for reserve shares at £5 per share in the proportion of six new shares for every 100 shares now held, fractions being disregarded.

Hall and Company.—The directors have decided to issue 12,375 ordinary £1 shares at par to shareholders registered on June 18th in the proportion of one new share for every ten shares held.

PRIVATE OFFERS

South-Eastern Gas Corporation, Ltd.—It is announced that the corporation has made an offer to purchase the whole of the issued ordinary stock of the Hastings and St. Leonards Gas Company. The offer is conditional upon acceptance by holders of at least 55 per cent. of the nominal value of the stocks, and closes on July 20th.

OFFER TO SHAREHOLDERS IN WEST WITWATERSRAND AREAS, LIMITED

Venterspost Gold Mining Company, Ltd.—Offer of 2,000,000 shares of 10s. each at par, in proportion of two shares for each share held on June 30, 1934. The company will acquire title and mineral rights over 2,862 claims in the Gembokfontein and Venterspost 27 areas, and negotiations are proceeding for acquisition of 470 further claims. The territory has been investigated by geological and geophysical methods, and it is thought that the Main Reef series extends throughout the area. It is proposed to sink two vertical shafts at once. The purchase consideration is £400,000, payable in cash, but the vendors will take up 800,000 shares. Approximately £958,500 will be available for working capital and acquisition of further claims.

CONVERSIONS AND REPAYMENTS

Chichester Corporation 3 per Cent. Redeemable Stock.—The principal will be repaid at par on and after March 1, 1935.

New Brunswick Railway Company.—Offer of £600,000 4 per cent. perpetual consolidated debenture stock to holders of 5 per cent. gold bonds due August 1, 1934, at rate of £119 stock for £100 bonds. The stock will constitute first charge on the undertaking, subject to statutory working expenses and rentals of certain leased lines. Payment of interest in sterling is unconditionally guaranteed by Canadian Pacific Railway during the term of 990 years from July 1, 1890, for which the company's railway has been leased.

Wheal Reeth Tin.—Meetings of the shareholders of Wheal Reeth Tin are being called for July 27th to consider a proposal to convert each £1 preference share into twenty 1s. ordinary shares and to cancel the dividend at the rate of 6½ per cent. which has accrued as and from January 1st last. They will rank for any dividend, after conversion. Adoption of this plan will make the capital £90,000 in 1,800,000 ordinary shares of 1s.

FORTHCOMING ISSUES

New Robinson Gold Mining Company.—Arrangements have been completed in connection with the formation of the New Robinson Gold Mining Company, Ltd., which has been registered with a capital of £400,000, and will acquire the gold-mining properties formerly belonging to the Robinson Gold Mining Company, Ltd. An issue of 600,000 shares, 10s. each at 11s. 3d. per share, will be made on July 17th. A preliminary notice will be found on page 79. Prospectus will be out on July 16th.

Spaarwater Gold Mining Company, Ltd.—It is expected that this company will be formed within the next few weeks. It will have a capital of £2,000,000 in shares of 5s. each and will work portions of Spaarwater and Maraisdrift, and certain claim areas which at present form part of Sub Nigel, Ltd.

The Stanton Iron Works Company, Ltd.—A meeting of the Stanton Iron Works Company, Ltd., has been convened for July 16th to approve the issue of the unissued capital of the company as 6 per cent. cumulative preference shares.

Van Dyk Proprietary.—Shareholders registered July 7th and holders of share warrants to bearer will have the right to subscribe at par for one 10s. share of the new company for each share now held. The issue of forms of subscription will be made about end-July.

Austin Reed, Ltd.—Austin Reed proposes to create 200,000 redeemable preference shares of £1 each, carrying a fixed cumulative preferential dividend of 5 per cent.

New Zealand Government 3½ per Cent. Stock, 1955-60.—An immediate issue is to be made by Government of New Zealand for the purpose of refunding New Zealand Government 4 per cent. inscribed stock, 1933-43, of which £3,989,100 is outstanding. The cash lists will open and close on July 16th, and the conversion lists will remain open until July 30th.

Welsh Associated Collieries.—Welsh Associated Collieries is to make an offer for sale of £1,500,000 4½ per Cent. First Mortgage Debentures at par, 500,000 5½ per Cent. Preference Shares of £1 each at 21s.

RESULTS OF ISSUES

British Ropes.—Higginson and Company announces that the lists in connection with the issue of £850,000 4½ per cent. first mortgage debenture stock were closed on the morning of July 10th, and that the issue was over-subscribed.

Griffiths Hughes Proprietaries, Ltd.—The subscription list in connection with the issue of 1,000,000 5½ per cent. cumulative preference shares of £1 each at 20s. 6d. per share was closed at 9.5 a.m. July 10th, the issue having been over-subscribed.

Kentan Gold Areas, Ltd.—Owing to very heavy over-subscription, all applications from the public for less than 100 shares and from the Tanganyika group of shareholders for less than 50 shares, have been eliminated. After giving consideration to applications for under 250 shares in the case of the Tanganyika group of shareholders and for under 500 in the case of the public, the former received approximately 6½ per cent. and the latter about 3 per cent.

Powell Duffryn Steam Coal Company.—Issue of 5 per cent. preferred ordinary shares closed at 9.5 a.m. July 6th, owing to heavy over-subscription. Permission to deal has been granted.

Henlys, Ltd.—Issue of 200,000 1s. ordinary shares over-subscribed.

LONDON NEW-ISSUE PRICES

Stock or Share	Issue	Price	July 4, 1934	Price, July 11, 1934
Alicombe Estates 5% Deb.	100	50	8-8 pm	8-8 pm
Argentina 4½%	93	—	90-1-31	90-1-31
Australia 3½%, 1934-39	97	Fy pd	97-11-97-11	97-11-97-11
Baldwins 5% A Deb.	1014	Fy pd	102-102½	102-102½
Boots Pure Drug New Ord. 5/-	15/-	Fy pd	43/3-43/8x	43/3-43/8x
Bowater's Paper New 4½% Deb.	100	Fy pd	14-2½ pm	103-104
British Aluminium Ord.	27/8	11/8	44d-14d dis	44d-14d dis
Do. do. 6% Cum. Pref.	24/6	10/-	14d-14d pm	14d-14d pm
Do. do. 4% Deb.	39	30	11-11 pm	11-11 pm
Brookes (W. J.) and Sons Ord. 5/-	—	—	6/-6/3	6/-6/3
Do. do. 6% Cum. Pref. £1	—	—	21/-21/3	21/-21/3
Canada 3½%, 1934-64	96½	61½	par-1 pm	1-1 pm
Central Mining 5% Pref.	22/6	12/8	9d-1/- pm	1/-1/6 pm
Commonwealth Mining 5/-	5/-	Fy pd	5/8-6/-	5/8-6/-
Cory (Wm.) and Son Ord. £1	73/6	33/6	33/3-33/9	33/3-33/9
County of London 4% Cum. Pref. £1	21/-	3/-	14d-14d pm	14d-14d pm
Criterion Restaurants 4% Deb.	98½	10	1 dis-1 pm	1 dis-1 pm
Dale (John) 5½% Pref.	—	—	20/9-21/3	20/9-21/3
Electric Insurance Co. (S/- paid)	—	—	43/8-44/8	43/8-44/8
Flemons New Ord. 5/-	14/-	Fy pd	16/14-16/6	15/6-16/-
Green Stabell Mines £1	—	—	3/-3/6	3/-3/6
Greenwood (John) Millers, 1934, Ord.	5/-	Fy pd	7/14-7/4½	7/-7/3
Do. do. 5½% Pref.	21/-	10/-	1/-1/3 pm	10½-11½ pm
Grosvenor Caterers (Glasgow) Ord. 5/-	61/-	Fy pd	5/11-5/4½	5/9-5/4½
Do. do. 5% Deb.	100	Fy pd	98½-99½	98½-99½
Heath (G. H.) Ord.	20/-	Fy pd	1½-2½	2-2½
Do. do. 6% Pref.	20/-	Fy pd	22/6-23/6	22/3-23/3
Jackson Brothers 6½% Pref.	—	—	22/-22/9	22/3-22/9
Joan (A.) and Sons Ord. 1/-	par	Fy pd	1/3-1/4½	1/3-1/4½
Do. do. 6½% Pref. £1	par	10/-	9d-1/3 pm	1/-1/3 pm
Kentan Gold (10/-)	10/-	Fy pd	—	13/3-13/6
Klerksdorp Cons. 5/-	5/-	Fy pd	—	5/4½-5/7½
Klip Nigel 5/-	—	Fy pd	—	13/-13/6
Marston Valley Brick New Ord. £1	35/-	15/-	29/3-30/3 pm	29/3-30/3 pm
Mersey Docks 3½% Deb.	88	23	1-1½ pm	1-1½ pm
Metal Traders New £1	£2	—	8-1 pm	8-1 pm
Mount Morgan 5/-	7/6	Fy pd	—	21/-21/6
Mufilira 5½% Deb.	101	66	1-1½ pm	1-1½ pm
New London Properties 4½% Deb.	98	Fy pd	98½-99½	98-99½
Powell Duffryn Pref. Ord. 5/-	20/9	4/-	3d-5d pm	3d-5d pm
Do. do. 4½% Deb.	102½	Fy pd	2½-2½ pm	2½-2½ pm
South Bank Areas 2/-	2/-	Fy pd	2/9-3/-	2/9-3/-
Somers 3½%, 1939-64	100	55	11-11 pm	11-11 pm
Southern Cross Gold 5/-	5/-	Fy pd	6/-6/6	6/3-6/9
S. African Distilleries	24/-	10/-	2/10½-3/4½ pm	4/6-4/9
S. Rhodesia 3½%, 1935-68	97½	8	8-1 dis	8-1 dis
Stewarts and Lloyds 4% Deb.	100	25	1½-2 pm	1½-2 pm
Stockport 3½%, 1934-64	100	50	¾-¾ dis	¾-¾ pm
Stockton-on-Tees 3½%, 1934-64	99½	Fy pd	102½-103½x	102½-103½x
Thistle Etna Gold	5/-	2/-	9d-3d dis	3d dis-3d pm
Trust Houses 3½% Deb.	93½	20	38/-38/6	38/-38/6
Tunnel Portland Cement B Ord. 10/-	—	Fy pd	37/9-38/9	37/9-38/9
United Steel Co. £1	21/6	Fy pd	21/6-22/3	21/9-22/3
Walsall 3½%	100	25	¾-¾ dis	¾ dis-¾ pm
West (Butchers) Ord.	12/6	Fy pd	10/9-11/-	11/11-11/7½
Do. do. 6% Pref.	—	—	22/3-22/9	22/6-23/-
Whiteways Cyder Ord. £1	25/-	Fy pd	37/6-38/6	37/6-38/6
Do. do. 6% Pref.	21/-	Fy pd	24/9-25/3	24/9-25/3

PRELIMINARY NOTICE

THE COMING AMERICAN BOOM

by L. L. B. Angas

Publication expected 1st August. Price 5/-

Publishers: ST. CLEMENTS PRESS, Kingsway, LONDON

CALLS DUE JULY 16 TO JULY 21, 1934

The grand total of calls falling due in July, 1934, is £38,114,125 which compares with £8,108,501 which fell due in July, 1933. The following calls fall due from July 16, 1934, to July 21, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	British Ropes, Ltd. (£850,000 4½% Debenture at 98%)	£89%	July 19	All
£1	Central Mining and Investment (1,000,000 5% Cum. Pref. at 22½%)	10/- p.s.	July 20	All
Stock	City of London Real Property (£600,000 3½% Deb. Stock at 98%)	£5%	July 16	£5%
£1	County of London Electric (1,825,000 4% Cum. Pref. at 21/-)	8/- p.s.	July 17	8/- p.s.
£1	Dagafontein Mines, Ltd. (89,000 Shares at 5/-)	£5 p.s.	July 18	All
Debs.	Decca Record, Ltd. (£120,000 6% Conv. Debentures, at par)	£25%	July 16	All
£1	East African Power and Lighting, Ltd. (195,000 Ordinary Shares, at 26½%)	7/- p.s.	July 16	All
£1	Hall and Company, Ltd. (12,375 Ordinary Shares, at par)	20/- p.s.	July 16	All
£1	Palace (Torquay), Ltd. (100,000 5% Preference Shares, at par)	10/- p.s.	July 20	All
1/-	Sunlight Laundries (Lond and Western), Ltd. (500,000 Ordinary Shares at 2/-)	6d. p.s.	July 16	All

OIL OUTPUTS

ANGLO-EQUADORIAN OILFIELDS, LTD.—The production for June is cabled as 16,924 tons.

ANGLO-PERSIAN OIL COMPANY, LTD.—Production in Persia for the month of June amounted to 628,000 tons, making a total of 3,709,000 tons for the first six months of 1934.

THE BRITISH BURMAH PETROLEUM COMPANY, LTD.—A cablegram has been received from Burma reporting the production of crude oil for the month of June as 26,230 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended July 7: Venezuela, 16,879 barrels; Trinidad, 30,216 barrels; total, 47,095 barrels. Production for June: Venezuela, 77,353 barrels; Trinidad, 115,637 barrels; total, 192,990 barrels. Deliveries for June: Venezuela, 73,418 barrels; Trinidad, 145,368 barrels; total, 218,786 barrels.

DACIA ROMANO PETROLEUM SYNDICATE, LTD.—Gross production June: Dacia, 3,639 tons; Perimeter X, 6,513 tons; Starnaphta, 382 tons.

TAMPICO OIL, LTD.—The total production from the company's properties in Mexico during June was 13,370 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 1,003 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Dividend Interest	Amount Available for Distribution	Appropriation				Corresponding Period Last Year	
					Dividend		Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary*				
					Amount	Amount	Rate			
Banks										
Union Bank of Australia....	Feb. 28	100,523	203,509	304,032	...	200,000	5†	104,032	209,559	5†
Breweries and Distilleries										
Booth's Distilleries	Mar. 31	11,192	60,959	72,151	15,256	19,012	6	21,500	16,383	3
Distillers Company	May 15	263,421	2,140,621	2,404,042	100,650	1,637,053	20	350,000	316,339	17½
Kinloch (Charles) and Co....	Mar. 31	4,197	8,989	13,185	...	7,500	7½	...	5,685	6,941
Parker's Burslem Brewery	June 2	36,688	51,414	88,102	9,379	31,416	10	10,778	36,529	36,543
South African Breweries....	Mar. 31	222,534	298,667	521,201	50,000	259,665	15†	150,000	61,536	350,975
Tamplin and Son's Brewery	Apr. 30	32,855	58,726	91,581	29,016	17,815	10	10,000	34,750	49,626
Financial Land, etc.										
Duff Development	Mar. 31	Dr. 1,358	2,683	1,325	...	...	...	1,143	182	Dr. 1,358
Murrayfield Real Estate ...	May 31	3,049	1,379	4,428	...	1,162	5	...	3,266	801
Parana Plantations	Dec. 31	Dr. 2,361	Dr. 78,746	Dr. 81,107	...	...	...	Dr. 81,107	Dr. 7,399	...
Scottish American Mortgage	May 31	106,314	35,494	141,808	33,208	9,300	4	...	99,300	36,390
United Dominions Trust ...	June 30	23,113	105,888	129,001	...	28,750	15A	66,388	24,175	79,941
Iron, Coal and Steel										
Head Wrightson and Co....	Apr. 30	355	Dr. 1,126	Dr. 771	...	...	...	Dr. 2,490	1,719	Dr. 27,248
Peters, Ltd.	Mar. 31	19,948	Dr. 27,088	Dr. 7,140	...	...	...	Dr. 25,000	17,860	Dr. 24,641
Rickett, Cockerell and Co.	Mar. 31	38,525	49,940	88,465	20,250	29,681	4	...	38,534	51,869
Rubber, etc.										
Anglo-Dutch Plantations of Java	Dec. 31	85,075	Dr. 737	84,338	...	...	...	84,338	Dr. 140,175	...
Burma Estates	Mar. 31	...	514	515	...	...	...	...	515	...
Cicely Rubber	Mar. 31	10,819	6,456	17,275	540	5,337	4	...	11,398	Dr. 2,609
East Asiatic Rubber	Mar. 31	35,512	23,951	59,463	...	24,000	3	...	35,463	4,853
Langkon N. Borneo Rubber	Mar. 31	Dr. 11,782	Dr. 1,274	Dr. 13,056	...	...	...	...	Dr. 13,056	Dr. 3,617
Malay United Rubber	Mar. 31	Dr. 4,508	Dr. 2,470	Dr. 6,978	...	...	...	...	Dr. 6,978	Dr. 4,168
Rini (Malacca) Rubber	Mar. 31	6,248	2,546	8,794	...	...	...	...	8,794	Dr. 1,231
Rini (Java) Rubber	Jan. 31	2,192	3,858	6,050	...	...	...	...	6,050	Dr. 1,466
Sungei-Timah Estate (Perak)	Mar. 31	54	2,236	2,290	...	...	...	1,000	1,290	Dr. 1,308
Tai Tak Plantations	Mar. 31	1,050	515	1,565	...	...	...	...	1,565	Dr. 265
Teekoy Rubber	Mar. 31	169	2,133	2,302	...	1,850	2½	...	452	Dr. 2,054
Tempeh (Java) Rubber	Dec. 31	Dr. 7,125	Dr. 4,409	Dr. 11,534	...	...	...	...	Dr. 11,534	Dr. 5,199
Timbang - Deli (Sumatra)	Mar. 31	21,524	450	21,974	...	...	...	...	21,974	Dr. 12,764
Yam Seng Rubber	Mar. 31	2,752	896	3,648	...	4,719	7½	Dr. 3,146	2,075	Dr. 3,331
Tea										
Badulpar Tea	Dec. 31	10,000	23,436	33,436	2,516	8,388	10	12,500	10,032	Dr. 1,608
Buxa Doars Tea	Dec. 31	8,972	24,773	33,745	...	16,289	20	7,000	10,456	4,498
Deamoolie Tea	Dec. 31	28,701	13,119	41,820	...	12,000	20	...	29,820	2,606
Longai Valley Tea	Dec. 31	Dr. 19,778	14,562	Dr. 5,216	...	...	...	...	Dr. 5,216	978
Mouabund Tea	Dec. 31	2,324	24,666	26,990	2,500	19,500	15	1,000	3,990	8,844
Rupri Tea	Dec. 31	13,440	11,489	24,929	...	9,000	15	...	15,929	...
Upper Assam Tea	Dec. 31	66,567	34,775	101,342	...	25,000	12½	...	76,342	Dr. 6,161
Zaloni Tea	Dec. 31	819	5,726	6,545	...	3,000	7½	2,000	1,545	Dr. 3,434
Trusts										
Melville Trust	May 31	7,271	16,621	23,892	16,420	...	...	...	7,472	19,286
Sterling Securities Investmt.	May 31	614	Dr. 291	323	...	...	...	...	323	572
Trustees Corporation	May 31	93,656	82,899	176,555	30,024	50,422	7½	2,000	94,109	86,542
Other Companies										
Aron Electricity Meter	Mar. 31	255	31,142	31,397	...	11,623	10	19,752	22	5,506
Budgett (H. H. & S.) & Co.	Feb. 28	14,872	20,050	34,922	20,248	775	2	3,750	10,149	24,093
Central Sugar Co.	Mar. 31	17,232	64,757	81,989	...	17,500	10†	60,000	4,489	56,287
Yorkshire Sugar Co.	Mar. 31	4,371	42,630	47,001	...	12,206	8	30,000	4,795	11,151

COMPANY MEETINGS, &c.

H.E. PROPRIETARY, LIMITED

INCREASED PROFIT AND DIVIDENDS

Presiding at the annual general meeting of H.E. Proprietary, Limited, held, on the 11th instant, at Winchester House, London, Mr F. H. Hamilton (chairman), in moving the adoption of the report and accounts, said that the directors' report reflected a period of greater activity than had been experienced for several years past and the shareholders would no doubt regard the net profit of £54,065, as compared with £29,752 for the previous year, as satisfactory. The directors recommended a dividend for the year of 10 per cent., less tax, leaving £31,318 to be carried forward. They also announced the payment of a dividend of 10 per cent. on account of the current year's profits, both payments being made simultaneously on July 14th.

Their subsidiary, the South African H.E. Proprietary, owned the freehold of the northern section of the Farm Klippoortje on the Far Eastern Rand, which adjoined Spaarwater and Maraisdrift. Last year he pointed out that the advancing tide of development in the Far Eastern Rand had all but reached Klippoortje. Provisional arrangements had now been made which if carried into effect would involve the merging of Klippoortje with adjoining ground and the formation of a company with a large working capital. A further holding of the South African company referred to in the directors' report was the freehold Farm Frankfort in the Lydenburg district. The old H.E. Proprietary spent a considerable amount of money many years ago on that property, and developed about 100,000 tons of 7 dwt. ore. At that time the proposition did not seem particularly attractive. To-day, of course, the position had changed, not only because certain metallurgical difficulties due to a small copper content were now relatively unimportant, but because 7 dwts. expressed in currency, which formerly represented 29s., now represented approximately 49s. The claim interests of the South African H.E. Proprietary, Limited, on the Murchison Range had been merged into a combine formed under the aegis of the Anglo-Transvaal Consolidated Investment Company, Limited, and the Johannesburg Consolidated Investment Company, Limited.

The direct holding of the company included a substantial interest in Luipaards Vlei Estate and Gold Mining Company, Limited, which paid a dividend of 33½ per cent. in January last, the production of the mine having passed their immediate objective of 40,000 tons per month, their working profits averaging now over £20,000 per month. A very encouraging feature was provided by the development results reported for the last three quarters, which showed an improvement in values exceeding those recorded for the previous year. The property had been increased by recent acquisitions and now extended to 2,000 claims, including the Tudor area, which was entirely undeveloped and constituted a mine in itself. The issued capital of the company was only £274,298 and it was obvious to-day that it was necessary to envisage an ultimate output largely in excess of the present figure.

During the past year their Canadian holdings in Huronian Belt, Vipond, and Keeley, were merged into one company, the Anglo-Huronian, Limited. The holdings in that company, which had an issued capital of 1,252,005 shares of no par value, were considerable, and at the date of its incorporation last October the cash and liquid assets amounted to \$4,660,000 Canadian, apart from their mining interests. Since then the position had substantially improved, and it was expected the company would very shortly enter the dividend stage.

Their Australian interests included the Wiluna, the Associated Gold Mines of Western Australia, the Gold Fields Australian Development Company, and the Golden Horse Shoe. The progress of the Wiluna mine during the year under review had been marked. During the year the Wiluna Corporation and its subsidiary liquidated all indebtedness, and the Corporation declared an interim dividend of 10 per cent. The Gold Fields Australian Development Company was a development company with which the Consolidated Goldfields of South Africa was closely associated. The H.E. Company had also interests in the Blackwater Mines and the Consolidated Goldfields of New Zealand. Dividends of 2s. 6d. per share, tax free, and 33½ per cent. were paid by the Blackwater and Goldfields of New Zealand respectively.

In conclusion, the chairman said they were justified in regarding the position of the company with solid satisfaction. Their main interests were healthy and progressive, the financial position was exceptionally strong and liquid, the past six months had been the most profitable the company or its predecessor had known, and the prospects of business in the near future were favourable.

The report and accounts being seconded by Mr L. Ehrlich and unanimously adopted, a vote of thanks to the chairman and directors concluded the proceedings.

INTERNATIONAL TEA COMPANY'S STORES, LIMITED

ANOTHER SUCCESSFUL YEAR

HIGHEST QUALITY AT CHEAPEST PRICES

The thirty-ninth annual general meeting of the International Tea Company's Stores, Limited, was held, on the 10th instant, at Winchester House, Old Broad Street, London, E.C., Mr Guy Collier, chairman and joint managing director, presiding.

The secretary (Mr F. Wilson) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: You will, perhaps, remember that in my speech last year I dwelt at some length on two important factors that had a great bearing on the figures submitted to you last July, viz.: the fall in commodity prices, and price competition in the food trade, and I ventured on a mild prophecy that commodities in our trade had touched bottom, and that the tendency was rather towards better prices, and, secondly, that the foolish competition in retail price cutting was abating somewhat, and that the prospects of reasonable profits were quite hopeful.

MARKETS MORE STABILISED

In my first forecast I was perfectly right. Markets have in the main become much more stabilised, and we have been comparatively free from that persistent drop week after week and month after month that had such an adverse effect on our balance sheet last year. In regard to my second forecast, I am sorry to say I have been entirely wrong.

I am sure you will agree that the policy pursued has proved successful, because in what has been undoubtedly a very lean and competitive year the profits have been increased by £30,132. It is true we have not yet reached the "peak" figures of 1932, but we have made a step in the right direction, and if the signs of returning prosperity to the industries of the United Kingdom, which became noticeable during 1933 and seem to be continuing through 1934, are not merely a "flash in the pan," but are real signs of recovery in the basic industries and a real revival of our export trade, the foundation of this company is now so strong, and its ramifications so far-reaching, that a recovery to the "peak" figures of 1932 is quite within the bounds of possibility.

YEAR'S PROFIT

You will see from the profit and loss account that the profit for the year is £824,015. To this we have to add £130,189 brought forward from the last account, making a total of £954,205. After charging directors' and audit fees, pensions, providing for National Health and Unemployment Insurance depreciating fixtures and fittings by £75,000, placing £100,000 to the reserve account, and restoring £25,000 to the dividend equalisation reserve, providing for the preference dividend and the interim dividend of 12 per cent. already paid on the ordinary shares, the balance is £404,353. The directors, out of this sum, recommend the payment of a final dividend of 18 per cent. on the ordinary shares, making 30 per cent. for the year, with a provision of £50,000 to be made for income tax liability, and that the balance of £106,964 be carried forward to the next account.

The reserve account now stands at £847,564, and the dividend equalisation reserve amounts to £200,000. The fact that we have been able to put back to the dividend equalisation reserve the sum of £25,000, which we drew from it last year, is one of the most gratifying features of this year's balance sheet.

MR COLIN COOPER'S STATEMENT

Mr Colin Cooper (vice-chairman and joint managing director) referred to the proposed new issue of capital to be dealt with at the subsequent meeting, and said that the cash balance of £229,969 disclosed in the balance sheet was not available for further expansion, but was employed in the day-to-day financing of the present business. Although the company had no bank loan, it had no large deposit, and capital was continually required for the steady expansion of the business. It would not be wise for any concern to put itself in the position of being too heavily indebted to a bank, for some radical change in money-market conditions might occur. At the present moment the financial position for raising money was extremely good, and it was only prudent to take advantage of current conditions to put the business in an independent position for the next two or three years.

The report and accounts were unanimously adopted, and the proposed increase of the capital by the creation of 700,000 additional ordinary shares of 5s. each was unanimously approved.

STRAITS PLANTATIONS, LIMITED

STEADY ADVANCE IN CROPS

The thirty-fifth ordinary general meeting of the Straits Plantations, Limited, was held, on the 9th instant, at the registered office, 1-4 Great Tower Street, London, Mr Eric Macfadyen (the chairman) presiding.

The Chairman, in the course of his speech, said the upward trend of their crops, which had been so marked for some time continued during the past year.

The last four years had all been good years for the ripening of the nuts. One had to remember that the crop they were producing was a fruit crop, and was dependent to a considerable extent on the weather. Substantial variations of crop between one year and another were normal. The steadiness of their advance had, in the main, been due to younger areas reaching maturity at the time—a factor which had obscured such seasonal variations.

During these years there had been an uninterrupted fall in costs, which were now lower than they had ever been before. In this respect they might find they had about touched bottom. Under the influence of the improved outlook for rubber—the chief money crop of Malaya—some reaction from the present low level of wages was to be looked for. Average net prices in recent years (except for a slight recovery in 1933) had shown a continuous decline. Fortunately the company's financial position was strong and the directors could pay the dividend now recommended without reducing the carry-forward by more than approximately £1,000. The estates had been kept in first-class order, including all immature areas, and they had continued to find funds for a good deal of cultivation and manuring. The immediate outlook for copra could only be described as obscure, the disorganisation characteristic in so many markets to-day existing in an extreme degree in that for copra. He feared that they could not yet count upon the elimination of extraneous factors so far as their own commodity was concerned. Meanwhile they were engaged in producing the best of all vegetable oil products, and when they looked beyond the immediate future they had good grounds for confidence. No better copra than theirs came to market; they produced at as low a cost as any. The world had always wanted copra and in the long run must pay a fair price for it.

The report was unanimously adopted.

THE AMALGAMATED DENTAL COMPANY, LIMITED

(Formerly Claudius Ash, Sons and Company, Limited, and De Trey and Company, Limited)

WORLD-WIDE ACTIVITIES

The twenty-ninth annual general meeting of the Amalgamated Dental Company, Limited, was held, on the 9th instant, at the Holborn Restaurant, London, W.C.

Mr E. Russell Polden (the chairman) said that their business was of a world-wide character, and therefore its trading activities were susceptible in an important degree to the uncertainty of exchanges and controlled finance, the imposition of increased duties and quotas and the restriction of imports. All of those factors had played their part against their trading activities, and the result to the company had been that those circumstances had contributed towards a material restriction of business in several countries.

It was encouraging to report that during the year they had experienced a sensible trade revival at home which was well maintained so far in the current year. The home factories were dealing with steadily increasing output, and the number of hands employed was the largest for several years. Their products were distributed through the retail dental trade houses to the members of the dental profession, and it would be appreciated that improvement in business generally throughout the country had a direct and favourable result on the business in dental commodities.

Evidence of the progressive nature of the field in which they were engaged was in the fact that during the year several new commodities, of importance had been introduced to the market. A notable example was "Salvex," a new dental conservation product, produced in the laboratories at Zurich, which had been enthusiastically received by the dental profession in every country in which they traded. In conjunction with the Ritter Dental Manufacturing Company, they had completed the introduction of a new type of dental X-ray apparatus, and that new machine was now in use in every country of the world. It represented an entirely new departure in dental X-ray apparatus design, embodying perfect control, a remarkable adaptability to the conditions to be recorded, and an absolute factor of safety under all conditions. It was encouraging to note that neither depression nor crisis deterred the advance of dental science.

The report was unanimously adopted.

BEECHAMS PILLS, LIMITED

A SATISFACTORY YEAR

SUCCESSFUL NEW LINES

The sixth ordinary general meeting of Beechams Pills, Limited, was held, on the 12th instant, at the Hotel Metropole, Northumberland Avenue, London, W.C.

Mr Philip E. Hill (the chairman) said: Ladies and gentlemen, the profits for the year are £264,343 8s. 4d., as compared with £248,030 18s. 8d. for the previous year, an increase of some £16,000 odd, after providing for the loss incurred in our American and Canadian businesses, which we hope will not recur. Beechams and its subsidiaries are now selling their products in nearly every part of the world, and satisfactory profits have been shown everywhere, with the exception of the United States of America and Canada. Our sales for the first three months of this financial year show a substantial increase over the corresponding period of last year.

FAVOURABLE RECEPTION OF NEW LINES

We have placed several new lines on the market which have had an exceptionally favourable reception, but two of them, which are seasonal remedies, have not had as large a sale as was anticipated, owing to the mildness of the winter. Our advertising allocations during the year have been increased, and we continue to be one of the largest contributors to the Government in Patent Medicine Duty—and these payments make very serious inroads on the profits available for distribution. Reviewing the year as a whole, it can only be regarded as satisfactory, and the future, in my opinion, definitely points to an expansion of sales and increased profits, in anticipation of which we are extending and reconstructing our factory at St. Helens.

CONVERSION OF DEFERRED SHARES

You are asked to pass a resolution to-day to convert our 1s. deferred shares into shares of 5s. each, the directors being satisfied that the conversion will be a popular one with the investing public. On the motion of the Chairman, seconded by Mr Louis Nicholas, the report and accounts were unanimously adopted.

At subsequent meetings the necessary resolutions were passed to give effect to the proposals to consolidate the 1s. deferred shares into shares of the denomination of 5s.

The proceedings terminated with a cordial vote of thanks to the chairman, directors and staffs of the company and the associated companies.

SOUTHERN CROSS GOLD DEVELOPMENT COMPANY

PROSPECTS OF FRASERS LODGE

The statutory meeting of Southern Cross Gold Development, Limited, was held, on the 6th instant, in London.

Mr John Waddington, J.P. (the chairman), said that the company had started with a net sum in cash of £114,150, and on or before September 30, 1935, option shares totalling a further £120,000 could be exercised. They were, therefore, amply protected financially to carry out properly and efficiently the policy of the board and the development plans outlined. As their mining interests were in Western Australia, and as any advances to mining companies in which they were shareholders and which they might care to make as a holding company would be made in that country and in Australian currency, the board had thought it advisable to place £100,000 sterling of their capital on fixed deposit for two years with the National Bank of Australasia, Perth, Western Australia. By so doing they were able, due to the difference in the value of Australian and British currency, to receive the benefit of a 25 per cent. bank rate of exchange.

The development work, which was to be started immediately the machinery already ordered was in position, was to unwater the present main shaft on Frasers Lease, recondition the workings, and, by driving and cross-cutting, prove the extent and value of the main and known to exist parallel ore bodies. Two large diamond drills capable of testing the ground at a depth of over 2,000 ft. and three prospector drills with a 250 ft. capacity had been ordered, and had already been shipped from Canada. Based on the reports received on the property from Government and independent mining engineers alike, there was every reason to have confidence in the Frasers line of lode.

Mr Claude de Bernales said that he believed that few mines had a more hopeful future or better prospects of success than those in which the company was paramourly interested. The record of Frasers lode of 379,787 tons of ore crushed for a return of 193,244 fine ounces of gold was an excellent one, and when

one considered the report informed them that that tonnage had been obtained from above the 200 ft. level, it told its own story as to the size and consistency in gold content of the ore body. Diamond drill holes had been put down under Government supervision, and had proved the existence of the main lode with payable values and width to a vertical depth of at least 730 ft. The lode was expected to be 13 ft. to 14 ft. wide, carrying 9 dwts. to 10 dwts. of gold. The main lode was a large, well-defined ore channel, definitely proved by outcrops and workings to persist for over a mile in length. Running parallel with the main lode were several other lodes, as yet practically unexplored or tested.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended July 7, 1934, amounted to £14,122,400, against ordinary expenditure of £22,823,800. After allowing for an increase in Exchequer Balances of £36,990 the operations for the week, as shown below, increased the National Debt by £8,738,000 to approximately £8,083 millions.*

(000's omitted)			
8% Funding Loan	£ 15,050	Public Department Advances ..	2,250
Land Sett. Act repayments..	7	Treasury Bills	3,659
		N. Atlantic Shipping Issues ..	25
		National Savings Certificates ..	150
		New Sinking Fund (1929) ...	235
	15,057		6,319

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Total Receipts into the Exchequer			
	April 1, 1934, to July 7, 1934	April 1, 1933, to July 8, 1933	Week ending July 7, 1934	Eight days ending July 8, 1933
ORDINARY REVENUE ..	£	£	£	£
Inland Revenue—				
Income Tax	19,242,000	20,378,000	4,546,000	4,009,000
Sur-tax	5,650,000	6,350,000	180,000	320,000
Estate, etc., Duties	25,380,000	19,800,000	2,730,000	2,630,000
Stamps	4,240,000	3,240,000	360,000	180,000
Excess Profits Duty and Corporation				
Profits Tax	120,000	130,000	...	...
Land Tax and Mineral Rights Duty	...	...	...	...
Total Inland Revenue	54,612,000	49,898,000	7,816,000	6,319,000
Customs and Excise	50,062,000	47,378,000	3,732,000	4,169,000
Excise	25,198,000	27,100,000	798,000	1,100,000
Total Customs and Excise	75,260,000	74,478,000	4,530,000	5,269,000
Motor Vehicle Duties (Exchequer Share) ..	1,438,000	950,000	422,000	80,000
Post Office (Net Receipts)	4,650,000	3,500,000	Dr 250,000	Dr 150,000
Crown Lands	270,000	210,000	...	...
Receipts from Sundry Loans	2,124,717	2,458,755	1,891,921	1,360,989
Miscellaneous Receipts	3,926,512	11,947,804	12,484	4,878
Total Ordinary Revenue	142,281,229	143,442,560	14,122,405	13,883,866
SELF-BALANCING REVENUE				
Post Office	14,100,000	14,550,000	1,250,000	1,150,000
Motor Vehicle Duties apportioned to Road Fund	4,100,000	3,957,000	...	132,000
Total Self-Balancing Revenue	18,200,000	18,507,000	1,250,000	1,282,000
Total	160,481,229	161,949,560	15,372,405	15,165,866

EXPENDITURE	Total Issues out of the Exchequer to meet payments			
	April 1, 1934, to July 7, 1934	April 1, 1933, to July 8, 1933	Week ending July 7, 1934	Eight days ending July 8, 1933
ORDINARY EXPENDITURE	£	£	£	£
Interest and Management of National Debt	85,981,847	83,986,737	10,556,482	9,682,161
Payments to Northern Ireland Exchequer	1,574,497	1,347,372	226,643	173,979
Other Consolidated Fund Services	944,123	1,264,450	184,645	183,176
Total	88,470,467	86,598,559	10,967,770	10,039,316
Total Supply Services (excluding Post Office)	112,230,000	110,965,000	11,856,000	11,077,000
Total (Ordinary Expenditure)	200,700,467	197,563,559	22,823,770	22,116,316
Payments to U.S.A. Government	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	200,700,467	199,404,775	22,823,770	22,116,316
SELF-BALANCING EXPENDITURE				
Post Office	14,100,000	14,550,000	1,250,000	1,150,000
Road Fund	4,100,000	3,957,000	...	132,000
Total Self-Balancing Expenditure	18,200,000	18,507,000	1,250,000	1,282,000
Total	218,900,467	217,911,775	24,073,770	23,398,316

The aggregate revenue and expenditure to July 7, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO JULY 7, 1934
(000's omitted)

Expenditure	£ 200,700	Revenue	£ 142,281
Increase in balances	172	Gross increase in borrowing £59,771	
		Less—	
		New Sinking Fund	1,180*
		Net borrowing	58,591
	200,872		200,872

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Out—	July 8, '33	Mar. 31, '34	July 7, '34	Movement, week ended July 7, '34
Advances by Bank of England	...	...	...	...
Advances by Public Department	30,320,000	44,900,000	26,150,000	— 2,250,000
Treasury Bills outstanding	992,735,000	799,810,000	844,630,000*	— 3,685,000
Total Floating Debt	1,023,055,000	844,710,000	870,780,000	— 5,915,000

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

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on July 6, 1934, and the total amount applied for was £62,745,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 15s. 10d., and above in full; Saturday, at £99 15s. 10d., about 24 per cent., and above in full. The average rate per cent. was 16s. 4.14d. The amount allotted was £32,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 s. 8 d.
April 1	45,000,000	61,880,000	43,880,000	2 3 4-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
June 1	40,000,000	73,700,000	37,725,000	0 17 2-57
June 8	40,000,000	77,515,000	36,000,000	0 17 4-00
June 15	35,000,000	69,845,000	33,385,000	0 17 0-19
June 22	35,000,000	59,840,000	35,000,000	0 16 8-61
June 29	35,000,000	84,265,000	35,000,000	0 16 11-64
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended June 23, 1934	591,036	£ 472,829
Week ended June 30, 1934	612,694	490,155
February, 1916, to June 30, 1934	1,190,227,381	937,826,486

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,033,273.

FOR BANKING
IN FINLAND

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189 BRANCHES

ENSURES PROMPT AND EFFICIENT
EXECUTION OF YOUR

COLLECTIONS AND PAYMENT ORDERS

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, July 4th, 1934

ISSUE DEPARTMENT

Notes Issued :-	£	Government Debt	£
In Circulation	384,625,984	Other Government Securities	244,642,253
Public Deposits	68,897,841	Other Securities	88,103
In Banking Department		Silver Coin	3,461,541
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	191,523,825
	451,523,825		451,523,825

BANKING DEPARTMENT

Proprietors' Capital	£	Government Securities	£
Reserve	14,533,000	Other Securities :-	82,647,071
Public Deposits	5,508,903	Discounts and	
Other Deposits :-		Advances	£ 7,832,157
Bankers'	97,285,294	Securities	£ 10,957,508
Other Accounts	£ 36,178,433	Notes	18,769,665
7-day and Other Bills	6,655	Gold and Silver Coin	631,077
	189,965,654		189,965,654

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

Both Departments	Amount, July 11, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	384,625,984	- 1,167,400	+ 6,154,644
Public deposits	17,433,369	- 9,217,010	+ 592,902
Bankers' deposits	97,285,294	+ 2,405,687	+ 1,326,501
Other deposits	36,178,433	+ 1,318,599	+ 20,155,860
Seven-day bills	6,655	- 300	+ 4,958
Total outside liabilities	535,529,735	- 9,297,622	- 12,076,855
Capital and rest	18,061,903	+ 31,032	- 1,930
Government debt and securities	338,304,424	+ 146,459	- 3,585,159
Discounts and advances	7,832,157	- 9,230,008	- 7,267,520
Other securities	11,838,614	- 185,416	- 2,230,956
Silver coin in issue department	3,461,541	+ 1,827	- 180,687
Coin and bullion (bank's reserves)	192,154,902	+ 4,202	+ 1,185,537
Reserves of notes and coin in banking department	67,528,918	+ 1,171,602	- 4,969,107
Proportion of reserve to outside liabilities :-			
(a) Banking Department only ("proportion")	44.7%	+ 3.0%	+ 1.9%
(b) Gold stocks to deposits and notes ("reserve ratio")	35.8%	+ 0.5%	+ 1.0%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank %
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934		£	£	£	£	£	%
June 6	451,333	378,883	16,253	97,992	35,957	Nil	2
" 13	451,411	378,572	21,019	97,005	35,885	77 in	2
" 20	451,460	377,378	21,759	99,554	35,700	49 in	2
" 27	451,460	381,690	17,630	96,509	36,517	Nil	2
July 4	451,461	385,793	26,850	94,880	37,497	Nil	2
" 11	451,524	384,626	17,433	97,285	36,178	62 in	2

(000's omitted)

Date	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"
1934 June 6	£ 254,903	£ 1,633	£ 192,102	£ 77,780	£ 6,128	£ 10,921	73.216
" 13	254,674	1,865	192,130	81,445	5,742	11,026	73.558
" 20	254,778	1,760	192,150	81,093	5,877	13,204	74.772
" 27	254,899	1,635	192,144	81,006	6,080	10,904	70.454
July 4	255,331	1,206	192,151	82,827	17,062	10,818	66.357
" 11	255,657	881	192,155	82,647	7,532	10,938	67.529

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
January 1 to June 27, 1934	£ 15,394,903	£ 867,025	£ 1,470,853	£ 17,732,781
Week ended July 4	733,409	42,189	59,963	835,561
Week ended July 11	752,271	38,157	71,693	862,121
Total to date, 1934	16,680,578	947,371	1,602,514	19,230,463
Total to date, 1933	14,419,898	891,787	1,468,050	16,779,735
Increase or decrease in 1934	+ 2,260,680	+ 55,584	+ 134,464	+ 2,455,728
	+ 15.7%	+ 6.2%	+ 9.2%	+ 14.6%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,933,633	1,610,407	2,967,219	32,511,259
Increase or decrease in 1933	- 219,153	- 45,768	- 200,848	- 465,769
	- 0.4%	- 2.8%	- 3.6%	- 0.7%

PROVINCIAL
(000's omitted)

	Week ended July 7		Month of June			Aggregate Totals, January 1 to July 7	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days...	£	£	25	26	%	£	£
	£	£	£	£		£	£
BIRMINGHAM	3,488	3,431	9,355	10,207	+ 9·1	61,189	64,448
BRADFORD	1,034	1,039	3,444	3,274	- 4·9	21,693	25,418
BRISTOL	1,378	1,343	4,497	5,015	+ 11·5	27,706	30,958
DUBLIN	5,238	6,406				144,336	143,348
HULL	872	859	2,662	2,940	+ 10·4	19,238	19,790
LEEDS	938	1,290	3,450	3,882	+ 12·5	23,623	25,910
LEICESTER	767	930	2,404	2,709	+ 12·6	16,942	17,660
LIVERPOOL	6,852	7,896	24,280	24,387	+ 0·4	154,324	162,411
MANCHESTER	11,008	12,654	36,471	41,201	+ 12·9	250,850	263,795
NEWCASTLE	1,538	1,726	5,462	6,276	+ 14·9	38,500	40,927
NOTTINGHAM	609	597	1,645	1,767	+ 7·4	11,653	12,092
SHEFFIELD	1,060	1,312	2,790	3,565	+ 27·7	20,659	22,981
	34,782	39,483	96,460	105,223	+ 9·0	790,683	829,730

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile, in August 12, '33 and Egypt, in June 9, Canadian Banks, Yugoslavia, Bulgaria, Lithuania and Danzig, in June 30. Finland, South African Reserve, The Netherlands, Turkey, Latvia, Poland, Estonia, Japan, Roumania, Greece, Czechoslovakia and Hungary in July 7.

BANK FOR INTERNATIONAL SETTLEMENTS

(In Millions of Swiss Francs)

	June 30, 1933	Mar. 31, 1934	Apr. 30, 1934	May 31, 1934	June 30, 1934
ASSETS					
Gold in bars	28.2	28.2	28.2	28.0	16.0
Cash	6.0	2.8	1.8	1.4	5.6
Sight funds	35.8	14.4	11.8	12.0	10.2
Commercial bills	232.1	157.7	161.0	163.1	150.0
Treasury bills	168.3	192.1	195.2	196.2	185.6
Time funds :-					
Not exceeding 3 months	113.2	41.2	38.6	41.4	37.7
For account of others	151.4	222.0	220.5	222.1	228.8
Sundry bills and investments	5.5	9.1	9.8	9.6	10.1
Other assets					
LIABILITIES					
Capital paid up	125.0	125.0	125.0	125.0	125.0
Reserves	13.7	13.7	13.7	17.3	17.3
Special deposits	152.9	153.5	153.6	153.6	153.6
Annuity trust account	76.4	76.8	76.8	76.8	76.8
German Government deposit fund	53.8	40.9	40.4	40.8	40.8
French Government guarantee fund					
Time deposits of Central Banks :-					
Not exceeding 3 months	129.2	109.1	106.1	107.2	107.0
For their own account					
Other sight deposits					
Sight deposits of Central Banks :-					
For their own account	93.4	42.6	45.8	57.2	31.3
Other deposits	11.7	9.4	9.3	9.2	6.5
Other deposits	3.0	1.1	1.0	1.0	1.0
Sight deposits—gold		28.2	28.2	25.7	15.6
Miscellaneous items	43.4	68.2	69.7	57.6	59.6
Profits for distribution on July 1	9.7			9.4	9.4

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

	July 12, 1933	June 20, 1934	June 27, 1934	July 4, 1934	July 11, 1934
Resources					
Gold Certificates on hand and due from the Treasury	4,788,730	4,781,750	4,782,880	4,782,880	4,810,600
Total reserves	3,823,900	5,047,790	5,044,520	5,019,520	5,046,980
Total cash reserves	278,060	232,810	237,800	211,510	231,320
Total bills discounted	167,870	27,660	27,010	28,990	22,680
Bills bought in open market	13,190	5,200	5,220	5,320	5,260
Total bills on hand	181,060	33,160	32,330	34,310	27,940
Total U.S. Govt. securities	2,007,230	2,430,180	2,430,270	2,431,790	2,431,780
Total bills and securities	2,190,450	2,463,880	2,463,020	2,466,610	2,460,200
Total resources	6,559,040	8,238,920	8,209,170	8,097,960	8,084,470
LIABILITIES					
Federal Reserve notes in actual circulation	3,067,060	3,054,220	3,055,990	3,121,700	3,098,270
Federal Reserve Bank notes in circulation	115,850	55,350	46,350	44,850	41,040
Deposits—Memberbank—re-	2,268,730	3,768,560	3,836,540	3,745,740	3,902,100
serve account	83,820	196,950	134,400	152,150	63,140
Government deposits	2,521,820	4,189,930	4,195,980	4,129,660	4,188,140
Total deposits	4,240,960	285,490	285,510	285,500	285,630
Capital paid in and surplus	8,559,040	8,238,920	8,209,170	8,097,960	8,084,470
Total liabilities					
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	68.4%	69.7%	69.6%	69.2%	69.5%

* Reserves other than gold.

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

	July 12, 1933	June 22, 1934	June 29, 1934	July 6, 1934	July 13, 1934
Total gold reserves	862,140	1,665,480	1,730,280	1,584,970	1,651,530
Total bills discounted	53,820	14,440	14,420	13,680	13,180
Bills bought in open market	740	1,940	1,950	2,050	1,990
Total U.S. Govt. securities	754,140	780,250	780,250	780,250	777,750
Total bills and securities	816,950	796,670	796,660	796,020	792,960
Deposits—Memberbank—re-	912,880	1,545,540	1,597,030	1,473,340	1,532,800
serve account					
Ratio of total reserves to deposit and Federal Res. note liabilities combined	58.6%	70.9%	71.5%	69.2%	70.6%

FEDERAL RESERVE MEMBER BANKS

In \$'s (000,000's omitted)

	June 28, 1933	May 31, 1934	June 8, 1934	June 13, 1934	June 20, 1934	June 27, 1934
Loans	8,452	8,028	8,097	8,080	8,055	8,014
Investments	8,213	9,206	9,300	9,281	9,608	9,723
Demand deposits	10,741	12,428	12,499	16,681	12,375	12,504
Time deposits	4,406	4,455	4,439	4,450	4,492	4,501
Due from banks	1,295	1,526	1,580	1,621	1,574	1,569
Due to banks	2,754	9,600	3,733	3,770	3,623	3,628
Federal reserve bor-						
rowings	26	8	5	5	6	5

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

	June 16, 1933	May 18, 1934	May 25, 1934	June 1, 1934	June 8, 1934	June 15, 1934
Assets						
Total securities	38,74,58	53,91,07	53,36,01	54,05,36	51,40,00	46,96,75
Ways and means ad-						
vances	5,50,00	2,21,23	2,22,16	2,26,13	2,55,96	2,40,61
Loans	3,73,35	16,35,69	16,28,69	16,21,58	16,46,96	16,05,93
Cash credits	19,06,02	2,80,75	2,91,20	2,55,58	3,01,31	2,63,02
Inland bills	2,57,49	34,01	30,72	33,78	31,87	35,93
Foreign bills	21,30	2,55,23	2,55,22	2,55,22	2,55,22	2,55,09
Dead stock	2,62,90	12,13	13,99	18,39	5,51	5,78
Bal. with other banks	18,76,92	14,61,35	16,78,04	17,79,73	16,48,11	17,75,98
Cash						
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,17,50	5,22,50	5,22,50	5,22,50	5,22,50	5,22,50
Total deposits	79,79,19	81,13,96	82,77,74	84,29,33	81,08,91	80,45,97
The above includes :-						
Deposits in London	940	932	913	915	994	943
Advances in London	923	1,587	1,532	1,482	1,636	1,610
Cash, etc., at other Banks in London	260	94	108	142	45	48

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

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SILVER

There have been further sales on China account and re-sales by speculators; America sold moderately on occasion, and towards the end of the week there was some re-selling by the Indian Bazaars. Although speculators and India continued to give support, buyers have been less inclined to press, consequently prices showed a tendency to ease. Nevertheless, the market has a fairly steady appearance at the moment, and the undertone appears good.

Quotations during the week :—

IN LONDON.			IN NEW YORK.		
	Bar silver per oz. std.			Cents per	
	Cash	Two Months'		Ounce	
	delivery	delivery		.999 fine	
July 5	20½d.	21d.	July 4	Closed	
" 6	20½d.	20½d.	" 5	47½	
" 7	20½d.	20½d.	" 6	46½	
" 9	20½d.	20½d.	" 7	Closed	
" 10	20½d.	20½d.	" 9	46½	
" 11	20½d.	20½d.	" 10	46½	
Average	20.740d	20.865d			

The following statistics of imports and exports of gold and silver for week ended July 12, 1934, are issued by the Statistical Department of H.M. Customs and Excise :—

INDIAN CURRENCY RETURNS (in lacs of rupees)

	June 30	June 22	June 15
Notes in circulation.....	18,087	18,026	17,955
Silver coin and bullion in India	9,716	9,655	9,585
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,018	3,018	3,029
Securities (British Government).....	1,198	1,198	1,186

		Gold per Ounce	Silver— Per Ounce		Date	Silver Cash
			Cash	Forward		
1934		s. d.	d.	d.		d.
July	6 ...	137 9	20 $\frac{1}{2}$	20 $\frac{7}{8}$	July 19, 1928	27 $\frac{1}{2}$
"	7 ...	137 10 $\frac{1}{2}$	20 $\frac{13}{16}$	20 $\frac{1}{2}$	" 18, 1929	24 $\frac{1}{2}$
"	9 ...	137 11 $\frac{1}{2}$	20 $\frac{3}{4}$	20 $\frac{7}{8}$	" 17, 1930	16
"	10 ...	138 0 $\frac{1}{2}$	20 $\frac{5}{16}$	20 $\frac{1}{2}$	" 16, 1931	13 $\frac{1}{2}$
"	11 ...	137 11 $\frac{1}{2}$	20 $\frac{1}{16}$	20 $\frac{1}{8}$	" 14, 1932	17
"	12 ...	137 11 $\frac{1}{2}$	20 $\frac{1}{4}$	20 $\frac{7}{8}$	" 13, 1933	18 $\frac{3}{4}$

REPORTS AND NOTICES

GOVERNMENT, &c.

THE NATIONAL FUND (Accumulative for the eventual redemption of the National Debt).—Statement of position at March 31, 1934.—Amount as constituted November 10, 1927, £499,878 4s. 11d.; since contributed by 65 donors, £13,839 9s. 1d.; amount with accumulations at March 31, 1934, as certified by the auditors, Messrs Deloitte, Plender, Griffiths and Company, £720,802 2s. 10d. Donations to the fund may be sent to the trustees, Messrs Baring Brothers and Company, Ltd., 8 Bishopsgate, London, E.C.2. It is important that donors should specify in writing their desire that the amount of their contributions be applied to the National Fund.

BANKS

MARTINS BANK, LTD.—The directors of Martins Bank, Ltd., announce that Mr E. B. Orme, J.P., a deputy chairman of the bank since 1929, has been appointed chairman in succession to the late Mr Alex. Allan Paton, C.B. They also announce that Mr Richard D. Holt, J.P., LL.D., has been appointed a deputy chairman.

MISCELLANEOUS

LAZARD BROTHERS AND COMPANY, LTD.—Lazard Brothers and Company, Ltd., were informed by cable by the Banco do Estado de São Paulo on July 11th that as the result of protests lodged in Brazil by the Associations representing the British Insurance and Trust Companies and of diplomatic action on the part of the British Government, the Banco do Estado has determined in agreement with the Brazilian Federal authorities to give up its intention to purchase its guaranteed sterling mortgage bonds. No action will therefore be taken with regard to tenders lodged with Lazard Brothers and Company, Ltd., in response to the circular dated June 26, 1934.

LIMA LIGHT, POWER AND TRAMWAYS COMPANY (EMPRESAS ELECTRICAS ASOCIADAS).—Notice has been given that a meeting of the holders of the 6 per cent. first mortgage debentures will be held on July 19, 1934, to consider a proposal to transfer certain

GOLD

Messrs Samuel Montagu and Company write on July 11, 1934, as follows :—

The Bank of England gold reserve against notes amounted to £191,461,382 on the 4th instant, as compared with £191,460,163 on the previous Wednesday. During the week the Bank announced the purchase of £62,443 in bar gold. In the open market business has been quiet; the amount available during the week was about £1,500,000, and this was absorbed by general demand.

Quotations during the week :—

	IN LONDON	Per ounce fine	Equivalent value of £ sterling
July 5		137s. 7d.	12s. 4. 19d.
" 6		137s. 9d.	12s. 4. 01d.
" 7		137s. 10½d.	12s. 3. 88d.
" 9		137s. 11½d.	12s. 3. 79d.
" 10		138s. 0½d.	12s. 3. 70d.
" 11		137s. 11d.	12s. 3. 84d.
Average		137s. 10. 25d.	12s. 3. 90d.

The s.s. "Comorin" which sailed from Bombay on the 7th instant, carries gold to the value of about £1,496,000, of which £1,361,000 is consigned to London and £135,000 to New York.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF
NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Australia	New Zealand	Australia	New Zealand	Australia	New Zealand	Australia	New Zealand
T.T.	125	125	125	124	125	124	125	125
Sight	126	126	125	124	124	124	125	124
30 days ..	126	126	—	—	124	123	125	124
60 days ..	127	127	—	—	124	123	125	124
90 days ..	128	127	—	—	124	123	125	124

* All rates (Australia and New Zealand) now based on £100—LONDON

	Changed	From	To		Changed	From	To
			%				%
Albania	Nov. 18, 1933	7	1	Madrid	Oct. 28, 1932	6	6
Amsterdam	Sep. 18, 1933	3	2	Oslo	May 1, 1933	6	2
Athens	Oct. 14, 1933	7	7	Paris	May 31, 1934	8	2
Batavia	July 1, 1934	4	4	Prague	Jan. 25, 1933	4	3
Bombay grade	Feb. 16, 1934	7	6	Pretoria	May 15, 1933	4	5
Berlin	Sep. 1932	5	5	Tallinn	Jan. 28, 1932	6	5
Brussels	Apr. 26, 1934	3	3	Riga	Jan. 1, 1933	6	16
Bucharest	Apr. 5, 1933	7	6	Rome	Dec. 11, 1933	3	3
Budapest	Oct. 17, 1932	5	5	Sofia	Jan. 3, 1934	8	7
Calcutta	Feb. 16, 1933	4	3	Stockholm	Dec. 1, 1933	3	2
Copenhagen	Feb. 1932	9	2	Swiss Bank			
Danzig	May 6, 1933	4	4	places	Jan. 22, 1931	2	2
Helsingfors	Dec. 20, 1933	5	4	Tokio	July 2, 1933	4-8	3-65
Korova	Jan. 1, 1934	7	6	Vienna	June 27, 1934	5	5
Lisbon	Dec. 8, 1933	6	5	Warsaw	Oct. 26, 1933	6	4
New York Federal Reserve	Feb. 1, 1934	2	13	Wish			

Central Bank of Chile.—Discount rate for member banks, 4%; discount rate for the public, 7%.
 5½% applied to banks and credit institutions.
 6% applied to private persons and firms.

(Closing quotations)

London on		July 6, 1934 Per £	July 7, 1934 Per £	July 9, 1934 Per £	July 10, 1934 Per £	July 11, 1934 Per £	July 1, 1934 Per £
New York, cent.	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$
	3 "	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$
Paris, cent.	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	4-6	4-7	4-6	4-6	3-5	3-5
	3 "	6-10	7-11	8-12	7-10	6-9	8-10
		10-16	12-17	13-18	10-15	9-14	11-13
Holland, cent.	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	par- $\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$
	3 "	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$
Brussels, cent. .	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	3 $\frac{1}{2}$ -5 $\frac{1}{2}$	3 $\frac{1}{2}$ -5 $\frac{1}{2}$	3-5	4-5	3-5	3-5
	3 "	7-9	7-9	7-9	7-9	8-10	8-10
		10-12	11-13	10-12	12-15	12 $\frac{1}{2}$ -14 $\frac{1}{2}$	11-13
Zurich, cent.	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	1-2	1-2	1-2	1-2	1-2	1-2
	3 "	2-3	2-4	2-4	2-4	2-4	2-4
		3-5	3-5	3 $\frac{1}{2}$ -5 $\frac{1}{2}$	3 $\frac{1}{2}$ -5 $\frac{1}{2}$	3 $\frac{1}{2}$ -5 $\frac{1}{2}$	4-6
Italy, lira	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$
	3 "	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$	$\frac{1}{2}-\frac{1}{2}$

(a) Premium, i.e. "under spot."
(b) Discount, i.e. "over spot."

(a) Premium, i.e. "under spot." (b) Discount, i.e. "over spot."

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on :—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on :—		
Rhodesia	£ s. d. 99 15 0	£ s. d. 99 15 0
South Africa	99 17 6	99 17 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	90 days	20-10
Colombia	Pesos to £	5	Bogota (sight)	9-02½
Ecuador	Sucres to £	24-3325	Sight London	52-89½
Nicaragua	4-86855			
Salvador	Colones to £	9-73	"	12-70
Venezuela	Bolivares to £	25-2215	"	15-90
Guatemala	Quoted in New York		"	5-17

‡ * No rates available. † Nominal Rates calculated on basis of New York cross rate.

The Anglo-South American Bank has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period July 11th to July 20th at 138.34 per cent. The previous rate was fixed as from July 1st at 138.37 per cent.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF
NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Australia	New Zealand	Australia	New Zealand	Australia	New Zealand	Australia	New Zealand
T.T.	125	125	125	124	125	124	125	125
Sight	126	126	125	124	124	124	125	124
30 days ..	126	126	125	124	124	123	125	124
60 days ..	127	127	125	124	124	123	125	124
90 days ..	128	127	125	124	124	123	125	124

* All rates (Australia and New Zealand) now based on £100—LONDON

assets to a Peruvian company formed or about to be formed, subject to the existing mortgage in favour of the trustees.

SALFORD CORPORATION 3½ PER CENT. STOCK, 1953-63.—Williams Deacon's Bank, Ltd., give notice that in order to prepare the interest warrants, due September 1, 1934, on Salford Corporation 3½ per cent. stock, 1953-63, the books will be closed from August 1st to August 31st inclusive.

A YEAR'S INDUSTRIAL PROFITS

(See Article on page 56)

REPORTS ISSUED IN QUARTER ENDED JUNE 30, 1934

*Group	Net Profits after Payment of Debenture Interest	Ordinary Dividend	Preference Dividend	To Reserve, etc.
Breweries	2,733,798	1,647,519	60.3	402,746
Canals and docks	43,318	30,437	70.3	7,259
Electric light, etc.	1,206,006	630,573	52.3	303,025
Financial land, etc.	759,890	148,664	19.5	177,467
Gas	743,645	697,773	92.5	55,872
Hotels and restaurants	1,178,427	502,510	42.7	111,026
Iron, coal and steel	4,062,114	1,470,577	36.2	1,567,761
Motor cycle and aviation	1,367,151	247,578	18.1	261,385
Oil	8,544,877	5,187,622	60.7	2,257,817
Rubber	437,701	352,996	83.6	42,488
Shipping	480,144	261,946	53.6	245,372
Shops and stores	3,373,357	1,504,973	44.6	595,606
Tea	2,168,912	1,250,032	57.6	301,082
Textiles, etc.	1,707,432	908,831	53.2	700,495
Tramways	3,566,102	2,415,835	67.6	529,727
Trusts	1,026,051	604,574	59.1	136,777
Waterworks	2,418,390	1,221,559	50.5	1,048,041
Miscellaneous	209,578	90,877	43.3	10,810
Total	31,299,963	15,605,821	49.8	9,584,048
Total	67,334,795	34,770,452	51.6	18,698,052

REPORTS ISSUED IN YEAR ENDED JUNE 30, 1934

Group	Net Profits after Payment of Debenture Interest	Ordinary Dividend	Preference Dividend	To Reserve, etc.
Breweries	12,571,864	8,455,807	65.0	1,886,657
Canals & docks	312,096	105,022	33.6	13,087
Electric light, etc.	9,005,327	3,777,146	41.9	1,640,854
Financial land, etc.	2,664,146	1,416,045	53.1	787,273
Gas	4,127,374	3,543,790	85.8	477,905
Hotels and restaurants	1,596,728	710,053	44.5	226,833
Iron, coal and steel	6,480,532	2,623,352	40.5	2,107,511
Motor cycle and aviation	3,488,051	988,596	28.3	616,482
Oil	11,714,962	6,812,173	58.1	3,334,558
Rubber	265,454	483,538	182.6	45,308
Shipping	1,543,326	590,411	38.3	733,831
Shops and stores	12,907,731	6,783,767	52.5	3,080,000
Tea	2,261,749	1,406,495	62.1	352,181
Textiles, etc.	7,739,263	4,733,003	61.4	4,475,627
Tramways	1,411,512	976,948	69.3	254,027
Trusts	7,640,829	3,497,892	45.8	3,821,242
Waterworks	1,162,537	652,214	56.1	281,519
Miscellaneous	70,825,264	42,279,932	59.7	18,456,199
Total	159,597,442	90,909,700	57.0	41,323,232

REPORTS ISSUED IN QUARTER ENDED JUNE 30, 1934

Group	Debiture Capital	Rate of Int.	Preference Capital	Rate of Int.	Ordinary Capital	Rate of Div.	Rate of Div. a Year Ago
Breweries	13,736,935	4.0	12,874,357	5.3	14,264,492	11.5	12.2
Canals and docks	150,000	4.0	93,700	6.0	844,583	3.6	3.2
Elec. light, etc.	5,136,950	4.4	5,025,462	5.4	9,655,530	6.5	6.5
Financial land, etc.	19,020,863	5.0	6,273,329	6.9	19,081,201	0.8	1.8
Gas	1,240,344	4.1	Nil	...	9,574,464	7.2	5.7
Hotels and restaurants	4,102,682	4.8	9,323,660	6.1	5,232,637	9.6	10.6
Iron, coal and steel	24,329,429	4.6	42,114,732	2.4	76,198,226	1.9	1.7
Motor cycle and aviation	Nil	...	3,637,120	7.2	12,284,286	2.0	1.8
Oil	8,850,000	5.3	30,055,917	7.5	59,444,837	8.7	9.8
Rubber	870,283	6.9	2,723,538	1.6	26,333,974	1.3	0.3
Shipping	8,211,023	5.1	11,263,990	2.2	22,371,559	1.1	1.2
Shops and stores	3,018,305	5.2	9,864,957	6.0	12,010,601	12.5	14.7
Tea	779,460	5.2	4,530,639	6.6	12,565,701	9.9	3.3
Textiles, etc.	271,554	4.5	24,144,343	2.9	65,564,479	1.4	0.9
Tramways	9,973,852	4.8	15,464,269	3.4	29,785,670	8.1	7.6
Trusts	3,829,424	5.0	2,795,907	4.9	6,616,586	9.1	5.5
Waterworks	30,764,873	4.9	28,246,388	3.7	23,175,361	4.3	4.1
Miscellaneous	1,628,285	5.2	546,980	1.9	2,581,840	3.5	2.7
Total	45,558,234	4.5	152,346,723	6.3	199,377,489	7.8	7.1
Total	182,090,903	4.7	361,326,013	5.2	611,965,916	5.7	5.0

NOTE.—The figure in the last column of the above table for the rate of dividend in the second quarter of 1933 does not correspond with the figure given for that quarter in the historical table in the text on page 58 as the number of companies reporting in 1933 was 612 as against 642 in 1934.

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash	Interim div.	Final div.	Dividend for Whole Years	Latest Year	Previous Year
BANKS						
Bank of Java	5%	Aug. 1	Unchanged	...	...	...
Barclays Bank "A"	5%	Aug. 1	Unchanged	...	...	...
Do. "B" and "C"	7%	Aug. 1	Unchanged	...	...	...
District Bank "A"	8%	Aug. 1	Unchanged	...	...	...
Do. "B"	8%	Aug. 1	Unchanged	...	...	...
Hongkong and Shanghai Banking	4 3/4%	Aug. 13	Unchanged	...	...	...
Imperial Bank of India	6 1/2%	Aug. 1	Unchanged	...	...	...
Lloyds Bank "A"	6%	July 28	Unchanged	...	...	...
Do. "B"	5 1/2%	July 16	Unchanged	...	...	...
Manchester and County Bank	5%	July 16	Unchanged	...	...	...
Midland Bank	10%	July 16	Unchanged	...	...	...
Munster and Leinster Bank	10%	July 16	Unchanged	...	...	...
National Provincial Bank	7 1/2%	July 25	Unchanged	...	...	...
Northern Bank "A"	6 1/2%	Aug. 1	Unchanged	...	...	...
Do. "B"	4%	Aug. 1	Unchanged	...	...	...
Provincial Bank of Ireland	4%	Aug. 1	Unchanged	...	...	...
Royal Bank of Ireland	4%	Aug. 1	Unchanged	...	...	...
Union Bank of Australia	13 1/2%	July 20	Unchanged	...	...	...
Williams Deacon's Bank "A"	7 1/2%	Aug. 1	Unchanged	...	...	...
Do. "B"	6 1/2%	Aug. 1	Unchanged	...	...	...
TEA AND RUBBER						
Batu Lintang Rubber	21 1/2%	July 25	Nil	...	...	...
Brahmaputra Tea	23%	...	5%	...	...	...
Buxa Doars Tea	20 1/2%	...	...	...	...	...
East Asiatic Rubber	...	...	...	...	...	...
Galaphe Tea and Rubber	...	July 10	...	...	...	...
Moran Tea	10%	...	5%	...	...	...
Peacock & Nilambe Tea & Rubber	17 1/2%	July 17	...	...	...	...
Teekoy Rubber	...	...	...	...	...	...
Vallambroza Rubber	...	Aug. 3	...	...	...	...
MINING						
Johannesburg Consolidated Invest.	15%	July 26	Nil	...	...	...
Mawchi Mines	1/6p.s.	Aug. 24	...	...	...	...
OTHER COMPANIES						
Aron Electricity Meter	6%	...	Unchanged	...	...	...
Assets Company	21 1/2%	...	2%	...	...	...
Avery (W. and T.)	10 1/2%	...	Unchanged	...	...	...
Bell and Nicolson	15%	...	Unchanged	...	...	...
Booth's Distilleries	3 1/2%	July 31	Unchanged	...	...	...
Bradbury Greaves and Co.	5%	Aug. 1	Unchanged	...	...	...
British Investment Trust (Def.)	3 1/2%	Aug. 3	...	...	...	...
British Steamship Invest. (Def.)	...	...	...	...	...	...
Budget (H. H. & S.)	6 1/2%	...	...	...	...	...
Central Commercial Properties	5%	Aug. 1	Unchanged	...	...	...
City Property Investment (Def.)	14%	July 31	Unchanged	...	...	...
Colombo Commercial	6 1/2%	...	Unchanged	...	...	...
Dundee, Perth and London Shipping	6 1/2%	...	Unchanged	...	...	...
Egyptian Hotels	7 1/2%	July 23	10%	...	...	...
Foster Clark	...	...	...	...	...	...
Glasgow Corn Exchange	...	...	...	...	...	...
Grange Trust	...	...	...	...	...	...
Gr. Northern Telegraph (Holding)	...	...	...	...	...	...
Kinloch (Charles) and Co.	...	...	...	...	...	...
Larkins (S. C.) and Sons	3 1/2%	Aug. 15	Unchanged	...	...	...
Lunt (Richard) and Co.	5%	...	Unchanged	...	...	...
McIntyre, Hogg, Marsh and Co.	3 1/2%	Aug. 14	Unchanged	...	...	...
McKenzie (Thos.) and Sons	3%	...	Unchanged	...	...	...
Murrayfield Real Estate	...	...	...	...	...	...
Naim (Michael) and Greenwich	5%	July 18	Unchanged	...	...	...
Neuchatel Asphalt	1 1/2p.s.	July 11	Unchanged	...	...	...
Portsmouth Newspapers	...	...	...	...	...	...
Sammurget Jute	...	Aug. 2	Unchanged	...	...	...
Scottish American Mortgage	4%	...	Unchanged	...	...	...
Second Clydesdale Investment	2 1/2%	...	Unchanged	...	...	...
Second Scottish Western Invest.	10 1/2%	July 18	Unchanged	...	...	...
South African Breweries	...	Aug. 1	...	...	...	...
Stearns Roman (British)	6 1/2%	...	...	...	...	...
Templin and Sons (Brighton)	5%	Aug. 2	Unchanged	...	...	...
Tetaghur Jute	5%	Aug. 2	Unchanged	...	...	...
Traktion and General Investment	4%	July 31	Unchanged	...	...	...
United Gas Industries	10 1/2%	...	Unchanged	...	...	...
United States Debenture	3%	...	Unchanged	...	...	...
United States Trust of Scotland	5 1/2%	...	6%	...	...	...
Victoria Jute	5%	Aug. 2	Unchanged	...	...	...
Weber (L. and J.) and Phillips	3 1/2%	July 21	Unchanged	...	...	...
Wells and Winch	9 1/2%	...	Unchanged	...	...	...

† Free of income tax.

ENGLISH CHINA CLAYS, LTD.—The directors announce the payment of arrears of dividend on the cumulative preference shares of the company at the rate of 7 per cent. per annum for the three months ended September 30, 1932, to be paid on August 1, 1934, to preference shareholders registered on July 25, 1934.

MONTREAL LIGHT, HEAT AND POWER CONSOLIDATED.—Municipal and General Securities Company, Ltd., the London fiduciary agents of Montreal Light, Heat and Power consolidated, have been advised by cable that a dividend of \$0.38 has been declared on the common shares of the company for the quarter ending June 30, 1934, payable on July 31, 1934, to shareholders of record on June 30, 1934.

TAYLORS (CASH CHEMISTS) TRUST, LTD.—The accounts of this company have in previous years been made up to March 31st, the annual meeting being held in July, but as the financial years of the company's main subsidiaries end on September 30th, the directors have determined to make up the accounts of this company to that date, and the same will be available towards the end of October or the commencement of November, 1934. The results of the company up to March 31, 1934, show an improvement on the results up to March 31, 1933.

THIRD BRITISH FIXED TRUST.—FIRST DISTRIBUTION ON SUB-UNITS.—Municipal and General Securities Company, Ltd., announces the first distribution by the Third British Fixed Trust of 5-40d. per Sub-Unit, free of tax, payable August 15th, on presentation of Coupon No. 1 at the City office of the Trustee, Lloyds Bank Limited, 72 Lombard Street, E.C.4, in respect of dividends received since the formation of the trust on December 31st last to July 7th; an earned balance of .08d. per sub-unit is carried forward.

WILLIAMS DEACON'S BANK LIMITED.—The directors of Williams Deacon's Bank Limited have declared an interim dividend for the half-year ended June 30th at the rate of 12½ per cent. per annum, less income tax, upon the "A" shares and upon the "B" shares.

NATIONAL GAS AND OIL ENGINE COMPANY, LTD.—The directors have carefully considered the question of a payment of an interim dividend on the company's preference shares, and although trading conditions are definitely better, it has been decided to defer the matter until the end of the financial year.

WEEKLY TRAFFIC RETURNS RAILWAYS OF GREAT BRITAIN AND IRELAND

Gross Receipts, week ended July 8, 1934 (£'000)										Aggregate Gross Receipts 1934 compared with 1933, 27 weeks (£'000)				
(b) Week ended July 6, 1934	(c) Week ended July 7, 1934	Miles Open	Passes, per. &c.	Merchandise, dise. &c.	Coal and Coke	Total Goods	Total Receipts	Passes, per. &c.	Merchandise, dise. &c.	Coal and Coke	Total Goods	Total Receipts		
Great	1934	3,750	241	176	82	258	499	4,844	4,790	2,698	7,488	12,332		
Western	1933	3,755	248	167	87	254	502	4,882	4,394	2,660	7,054	11,936		
(d) L. & N.	1934	6,339	368	273	193	468	836	7,436	8,346	6,197	14,543	22,039		
Eastern	1933	6,339	363	272	181	453	816	7,433	7,514	5,593	13,107	20,540		
L. M. & D.	1934	6,940	853	440	188	639	1,193	11,683	11,963	6,288	18,261	28,944		
Scottish	1933	6,941	556	402	179	581	1,137	11,552	10,942	5,972	16,914	28,466		
Southern	1934	2,177	341	53	21	76	417	2,723	1,633	856	2,539	9,812		
1933	2,181	333	52	21	73	406	...	2,718	1,600	788	2,388	9,569		
Total	1934	19,206	1,515	946	484	1,430	2,945	31,296	26,812	16,019	42,631	74,127		
1933	19,216	1,500	893	468	1,361	2,861	...	31,048	24,450	15,013	39,463	70,511		
(b) Belfast & Co. Down	1934	80	4.2	...	0.4	4.6	...	57.7	...	...	14.3	71.8		
1933	80	4.0	...	...	0.5	4.5	...	58.9	...	...	14.3	72.2		
(c) Great Northern	1934	562	15.1	...	7.1	22.1	227.1	...	...	...	219.6	446.6		
1933	562	15.1	...	...	6.8	19.6	149.6	...	...	...	143.9	298.6		
(d) Great Southern	1934	2,158	33.5	...	31.6	64.3	...	889.9	1,450.6	...	889.9	1,450.6		
1933	2,158	32.3	...	...	28.8	59.1	562.0	...	...	...	817.1	1,373.8		

COMPARISONS WITH CORRESPONDING PERIODS, 1932 and 1933 (000's omitted)				
	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1933, compared with first half year 1932 :	£	£	£	£
Gross increase or decrease	- 459	- 1,224	- 981	- 91
Net increase or decrease	- 177	- 300	- 154	+ 280
Second half year 1933, compared with second half year 1932 :				
Gross increase or decrease	+ 546	+ 914	+ 984	+ 202
First half - year 1934, compared with first half year 1933 :				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Second half-year 1934, compared with second-half year, 1933 :				
1 week to July 8, 1934	- 3	+ 56	+ 20	+ 11
Weekly average second half 1934 Latest week 1934 compared with 1933	...	...	...	...
1 week to July 8, 1934 compared with 1933	- 3	+ 56	+ 20	+ 11

MARTINS BANK, LIMITED

LIABILITIES	June 30, 1933		June 30, 1934	ASSETS	June 30, 1933		June 30, 1934
	£	s.			£	s.	
£20 shares, £24 paid	2,348,890		2,348,890	Cash in hand and			
£1 shares fully paid	1,811,152		1,811,152	with Bank of Eng-			
Reserve fund	2,900,000		3,000,000	land	8,985,019		7,974,449
Current deposit and				Balances, etc., with			
other accounts	83,804,551		79,741,688	other British banks	2,762,935		3,275,773
Notes in circulation				Money at call, etc.	4,965,000		4,740,000
(Isle of Man)	15,787		16,349	Balances with banks			
Acceptances	1,738,706		1,911,858	abroad	271,410		195,527
Endorsements	2,036,404		2,267,269	Treasury bills	7,315,000		2,605,000
				Investments	33,143,046		32,647,769
				British bills of ex-			
				change	909,407		935,824
				Colonial and foreign			
				bills	57,721		60,272
				Loans and advances	27,891,212		30,254,991
				Items in transit	1,169,044		791,579
				Other assets	433,020		557,848
				Acceptances	1,738,706		1,911,858
				Bank premises	2,977,566		2,879,077
				Endorsements	2,036,404		2,267,269
Total	94,655,490		91,097,206	Total	94,655,490		91,097,206

NATIONAL CITY BANK OF NEW YORK

The balance sheet of the National City Bank of New York, as at June 30, 1934, shows total assets of \$1,466,919,502, compared with \$1,463,472,605 at March 31, 1934. Leading items are shown below in the form of a comparative table:—

	June 30, 1934	March 31, 1934
ASSETS		
Cash, and due from banks	358,390,001	384,154,031
Loans, discounts and acceptances	490,366,962	511,790,313
U.S. Govt. bonds and other securities	430,149,924	369,673,053
Notes of R.F.C.	49,093,000	49,093,000
LIABILITIES		
Capital	127,500,000	127,500,000
Surplus	30,000,000	30,000,000
Undivided profits	8,018,665	7,612,056
Reserves for dividends, taxes, etc.	9,467,035	9,279,169
Acceptances, endorsements, etc.	65,297,111	80,139,986
Circulation	15,000,000	15,000,000
Deposits	1,226,636,687	1,186,304,532

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE event of the week was a sharp rise in prices in the wheat pit of Chicago, following publication of the official crop estimate. It is estimated that this year's United States wheat harvest will only yield 483 million bushels, against 527 million bushels a year ago and 744 million bushels in 1932. As the official forecast was lower than expected in market circles, prices recorded a sharp rise. Moreover, as we show in a Note of the Week, the improvement in prices is likely to be maintained. Quotations in Winnipeg and other wheat markets rose in sympathy with the advance in the United States. Among other foodstuffs subject to international arbitrage, raw sugar was marked down a few points, but cocoa shows little change on the week. The market in tea has shown an easier tendency. Quotations for meat at Smithfield Market are scarcely changed on the week. The price of new potatoes at Borough Market continued to decline as a result of a steady increase in supplies.

Among textile raw materials, cotton prices recorded a further jump, following publication of the official estimate of the acreage under this textile fibre in the United States. The estimate was somewhat lower than expected. Moreover, as the weather has been far from favourable to the crop, it is anticipated that production will not exceed the 10 million bales limit by an appreciable margin. The improvement in jute prices has been maintained, but quotations for wool are as low as ever.

Of the four leading non-ferrous metals, only lead and tin were dearer than a week ago. Copper has again been marked down under the pressure of increasing supplies from the United States and low cost African producers. The upward movement in rubber prices continued during the past week, and the markets for linseed and linseed oil were a little firmer.

The sharp rise in the price of all cereals was chiefly responsible for an advance, from 138.8 (December 31, 1931 = 100) on July 3rd to 141.1 on July 11th, in Moody's index of the dollar prices of staple commodities.

COAL

SHEFFIELD.—The South Yorkshire coal market has deteriorated since the beginning of the month. Deliveries of house coal have fallen to a very low ebb. Export trade in best steams is slow and difficult to obtain. In spite of the reduction of output, supplies are ample. Unemployment among coal miners is increasing. Business in blast-furnace coke remains good, and supplies of coking smalls are on the short side. Coke is quoted at from 14s. 6d. to 15s. 6d. at ovens; best steams, 16s. to 16s. 3d. f.o.b.; and best house at 20s. and 21s. at pits.

NEWCASTLE-ON-TYNE.—Whilst it is difficult to find any movement in the North-East coal market at present, deliveries under old contracts are taking place, and shipment figures continue to be satisfactory compared with twelve months ago. Northumberland steam collieries are working fairly regularly, but unless prompt screened trade increases, there is a prospect of idleness.

All classes of Durham unscreened coal are offered freely at minimum prices. Coke continues to be the best feature of the market, there being a steady export trade and a strong inland demand.

Current f.o.b. prices for export: **NORTHUMBERLAND.**—D.C.B. screened, 13s. 6d.; smalls, 11s.; Hoyards, Bentinck, Newbiggin, screened, 13s.; smalls, 11s.; Tyne prime large, 12s. 9d.; smalls,

11s.; Hartley Main large, 13s.; smalls, 11s. **DURHAM.**—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 12s.; Wear special unscreened gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; prime foundry coke, 20s.; Newcastle and district gas coke, 20s. 3d.

GLASGOW.—The past week witnessed quieter conditions in the Scottish coal market. As a result, prices have been put to little further test, but generally no change is indicated. In Fifeshire first steams have been available at cut prices for prompt shipment, and doubles in this area have been more plentiful, but these appear to be only temporary weak spots as requirements over the holidays have already been well provided for.

Shipment prices f.o.b. district ports: **LANARKSHIRE.**—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 3d.—14s. 6d.; navigation, unscreened, 12s. 9d.—13s. 3d. Hartley, 14s. 6d.; steam, 12s. 6d.; trebles, 13s.—13s. 6d.; doubles, 12s.—12s. 6d.; singles, 12s. 6d.; pearls, 10s. 6d.; dross, 9s. 9d. **FIFE.**—Best unscreened navigation, 12s. 9d.—13s.; unscreened navigation, 12s. 3d.; first-class steam, 13s. 3d.—13s. 6d.; third-class steam, 12s.; trebles, 13s. 6d.—16s.; doubles, 12s. 6d.—13s.; singles, 12s. 6d.—13s.; pearls, 10s. 6d. **LOTHIANS.**—Prime steam, 12s. 6d.—13s.; secondary steam, 12s.; unscreened navigation, 12s. 6d.; trebles, 13s. 6d.—14s. 6d.; doubles, 12s. 6d.—13s.; singles, 12s. 3d.—12s. 6d.; pearls, 10s. 6d. **AYRSHIRE.**—Best unscreened navigation, 13s. 6d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 6d.; pearls, 11s. 6d.—12s.; dross, 10s.

CARDIFF.—The shipping position at the South Wales docks was slightly more favourable this week, and exports of coal will probably show an increase over those of last week, when they totalled 370,180 tons, compared with 362,020 tons in the corresponding period last year. No new contracts have been arranged, but collieries have been able to dispose of their quota outputs with less difficulty, and fewer stoppages have been reported. Export trade has been improving slowly, and shipments in June at 1,335,188 tons were 78,568 tons more than in the corresponding month last year. In the iron and steel industry the working of mills has been adversely affected by the hot weather, and demand for industrial coals has consequently been a shade easier. Prices are unaltered and are ruling generally at the scheduled quotations. There is a fair inquiry for coke, and the recent improvement in pitwood prices has been fairly well maintained. The demand for patent fuel continues inactive.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams, 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite best large, 36s. to 38s. 6d.; Red Vein large, 22s. to 25s.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel, 20s. to 21s.; pitwood, ex ship, 24s. to 25s.

IRON AND STEEL

MIDDLESBROUGH.—The holidays in the different areas are beginning to have their effect on the local iron market, and very little new business is being done. The holidays in Scotland, which commence at the end of this week, will have the effect of temporarily reducing deliveries of foundry iron from this district. Meantime, stocks of pig iron in this area are small, and are not expected to increase to any extent, although there is a little more Cleveland iron available for the market. The price is maintained on the basis of 67s. 6d. per ton for No. 3 foundry iron delivered locally.

East Coast hematite continues very steady, makers having good contracts on their books against which current deliveries are being made in this area and to Sheffield and the Midlands. The price for East Coast hematite No. 1 quality for home use is based on 68s. per ton delivered at Middlesbrough.

Makers of both foundry and hematite pig iron have been endeavouring to find outlets abroad, and, although they are willing to make concessions in price, very few inquiries are coming to hand, and competition from foreign producers is strong.

Shipments of all classes of pig iron from the Tees from July 1st to July 10th amounted to 5,680 tons, as compared with 3,530 tons to June 10th.

Little business is passing in foreign ore as most works are covered for their requirements over the next two to three months, but in one or two cases inquiries are being made for ore for forward delivery. Best Bilbao rubio ore is maintained by sellers at 17s. per ton c.i.f. Tees, and good blast furnace coke is steady at 20s. per ton delivered at the furnaces here.

In the steel departments, constructional steel is active, whilst rail mills have booked further substantial orders for export. Shipbuilding departments remain quiet, and the sheet trade is very slack, particularly for export. Fair quantities of semi-manufactured steel continue to be produced locally, but this material is still being imported.

Heavy steel melting scrap is more difficult to dispose of, and 50s. per ton delivered at the works could probably be shaded.

SHEFFIELD.—Reports from local steel makers are encouraging. The half-year started quietly, but orders are now coming in much more freely. Nearly all the rolling mills and forges, which serve the local finished trades, are running full time and are booking fresh business regularly. The automobile, cycle and electrical branches are taking large deliveries of Sheffield steel and tools. Depressed sections of industry are those supplying steel to the shipyards and makers of railway rolling stock. Producers of crude steels anticipate that the requirements of their customers will henceforward be less than during the first half of the year. Prices of such materials are not likely to rise, but increased charges for rolling and forging steel are probable.

Makers of iron castings for building construction are busy. The call for special steels is fairly satisfactory. The excessively hot weather has resulted in lessened output of steel plants, and deliveries of some classes of materials were irregular this week. The tool and cutlery branches are active and there is a steady sale for sterling silver goods. Electro-plating plants, however, are extremely quiet.

GLASGOW.—There has been continued activity at the steel plants during the present week. Notwithstanding holiday influences, the tonnage booked is fairly heavy, and the slight improvement in demand for structural material is maintained. Tube makers are also on the whole well employed, and have a considerable amount of work still on hand. Sheet makers are finding the export business very dull, but home demand both for black and galvanised sheets keeps growing, and mills have been fully employed this week.

Works are closing down—some on Thursday night and others on Friday noon—for the annual Fair Holidays. Work will be resumed on July 24th. At one or two of the shipbuilding yards the re-start will not be made till the end of the month. A number of sheet metal workers and one of the large locomotive works in the Glasgow area will resume at the middle of next week, owing to pressure of work.

The outlook is brighter than it has been at this season for a number of years past, as many of the works will open with a good deal of work on hand and prospects of regular employment for some time.

CARDIFF.—On the Swansea Metal Exchange on Tuesday it was reported that the negotiations for an international tinplate agreement were proceeding satisfactorily. Quotations for tinplates are unchanged at from 17s. 3d. to 17s. 6d. per basis box, at £11 5s. to £11 15s. per ton for galvanised sheets and at £5 per ton delivered for steel bars. Shipments of tinplates at Swansea last week dropped back to 63,863 boxes, compared with 105,471 boxes the previous week, and stocks consequently increased from 96,887 boxes to 116,464 boxes.

OTHER METALS

Metal markets had another dull week. The most interesting development was the decline of the copper price (standard cash) below £30 per ton. This decline was predicted some weeks ago. The reasons which were given for this unfavourable development in earlier weeks remain unchanged. The market continues to experience the adverse effects of the German restriction of purchases, the American exports and the increasing output from low cost countries (Canada, Northern Rhodesia, Belgian Congo). In Germany a new order has been published, permitting non-ferrous metal manufacturers to use during the third quarter the same quantity of metal as in the first quarter. But as the first quarter is always the worst of the whole year, these allotments in fact represent a new sharp restriction of German consumption. In the United States no less than 95 per cent. of the copper consumers have formally agreed to use only blue eagle copper. The publication of this figure led at once to a decline to a new low record of the New York copper export price, and indicates unfavourable prospects for the European copper market. Moreover, production in low cost countries is increasing. At the annual meeting of the Union Minière du Haut Katanga (Belgian-Congo), which was held in the middle of the week, it was recorded that current production was at the rate of 100,000 metric tons per annum, against 65,000 tons in 1933, and will be further increased in the near future. It is quite probable that the competitors of the Union Minière will decide to keep in step with production in the Congo. All these developments are of such a strong influence on the copper market, that in spite of the low prices ruling at present (low compared with the prices of the past, but not so low in relation to costs of production) further declines would be no surprise.

Tin is at present the only metal to show an upward tendency in price. Yet, activity in the motor car industry of the United States is declining, and output of tin plate was reduced to 50 per cent. of capacity. Not long ago the tin plate mills were working at 85 per cent. of capacity. As a result, American purchases are disappointing. Moreover, production of tin is increasing. But as the position of the groups behind restriction is very strong, the movement of prices

Glyn, Mills & Co.

(ESTABLISHED 1753)
Registered with unlimited liability 1885
Incorporating

CHILD & CO.
(Established before 1600)

and

HOLT & CO.
(Established 1809)

BANKERS

Army and Air Force Agents, Navy and Prize Agents.

One Hundredth Statement of Assets and Liabilities, 30th June, 1934.

Dr.	LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
To Capital authorised and issued	1,060,000	0	0		By Coin, Bank Notes and Balance at Bank of England	5,027,854	19	7
To Reserve Fund	530,000	0	0		By Balances with, and Cheques in course of Collection on, other Banks in the United Kingdom	1,057,557	10	10
To Reduction of the Bank Premises Account	255,000	0	0		By Money at Call and at Short Notice	6,689,250	0	0
To Current Deposit and other Accounts (including provision for contingencies)	32,171,223	4	5		By Bills Discounted	379,538	15	4
To Acceptances and Engagements on account of Customers	1,683,719	2	3		By Investments:—			
					British Government Securities	£9,094,591	13	5
					Other Securities	610,562	14	8
					Subsidiary Companies	9,614,157	7	10
					By Advances to Customers and other Accounts	10,507,869	10	10
					By Liabilities of Customers for Acceptances and Engagements as per contra	1,683,719	2	3
					By Bank Remises (at cost, less amounts written off):—			
					Freehold	£623,000	0	0
					Leasehold	120,000	0	0
						740,000	0	0
					Total	£35,699,947	6	8

AUDITORS' CERTIFICATE AND REPORT.

We report that we have examined the above Balance Sheet with the Books of the Bank, and have obtained all the information and explanations we have required, and we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the Books.

KEMP, CHATTERIS, NICHOLS, SENDELL & CO.,
10th July, 1934.
Chartered Accountants.

J. B. S. TURNER,
10th July, 1934.
Secretary.

H. A. LAWRENCE,
A. MAXWELL,
E. GORE BROWNE,
Partners.

Every description of British and Overseas Banking and Exchange Business transacted
The Bank undertakes the office of Executor and Trustee.

67, LOMBARD STREET, LONDON, E.C.3.

CHILD & CO., 1, Fleet Street, London, E.C.4, and Marygold House, Carfax, Oxford.
HOLT & CO., Kirkland House, Whitehall, London, S.W.1.

depends largely on their policy. Under the circumstances it is very difficult to forecast the trend of prices in the near future.

Lead and spelter were very dull during the whole week. The silver market has been less active. American purchases are not very large. Under these circumstances it does not seem that silver prices will rise appreciably in the near future. All the more so, as speculators are realising their gains very soon after a spurt. On the other hand, there is also not much probability of a sharp decline as the tone of the market remains bullish. As soon as prices begin to decline, large purchasing orders usually come on the market and change the direction of prices.

TIN.—Sales on the London Metal Exchange: 120 tons on Monday, against 350 tons last week; 300 tons on Tuesday, against 670 tons last week; 385 tons on Wednesday, against 475 tons last week. The New York quotation on Wednesday was 51.87½ cents per lb., against 51.30 cents a week ago and 51.125 cents a month ago. Wednesday's official closing quotation in London for standard cash was £230 15s. to £231, compared with £228 5s. to £228 10s. last week. Stocks in London and Liverpool at the end of last week were 3,506 tons, a decrease of 136 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,800 tons on Monday, against 2,125 tons last week; 3,150 tons on Tuesday, against 1,000 tons last week; 1,500 tons on Wednesday, against 2,300 tons last week. Domestic spot was quoted at 7.20 cents per lb. in New York on Wednesday, against 7.60 cents a week ago and 8.37½ cents a month ago. Wednesday's official closing price for standard cash in London was £29 13s. 9d. to £29 15s., compared with £30 7s. 6d. to £30 10s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 25,699 tons, show an increase of 203 tons, and stocks of rough copper, at 7,273 tons, remain unchanged.

LEAD.—Sales on the London Metal Exchange: 500 tons on Monday, against 450 tons last week; 350 tons on Tuesday, against 1,500 tons last week; 450 tons on Wednesday, against 450 tons last week. The New York quotation on Wednesday was 3.75 cents per lb., against 3.75 cents a week ago and 4.00 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 17s. 6d. for shipment during the current month, compared with £10 15s. a week ago.

SPELTER.—Sales on the London Metal Exchange: 250 tons on Monday, against 200 tons last week; 1,000 tons on Tuesday, against 450 tons last week; 450 tons on Wednesday, against 375 tons last week. Wednesday's quotation in East St. Louis was 4.35 cents per lb., against 4.35 cents the week before, and 4.25 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 8s. 9d., for shipment during the current month, against £13 17s. 6d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 7s. 6d. to £11 10s. per flask of 76 lbs., as against £11 10s. to £11 12s. 6d. per flask of 76 lbs. last week. Foreign antimony was quoted at £34 10s. to £35 10s. per ton, as against £33 per ton last week. Chinese wolfram was quoted at 40s. to 41s. per unit, c.i.f., as against 42s. to 44s. per unit, c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. The past week witnessed a further upward movement in raw cotton prices, a bullish factor being the acreage estimate of the United States Government, which was smaller than expected. It is feared that owing to the limited area under cultivation and unfavourable weather conditions, the ultimate outturn may be disappointing. On the other hand, trade interests do not appear to be disposed to follow the rising prices very readily, and to some extent current quotations are distrusted.

COTTON PRICES

	1934				Corresponding Date	
	June 20	June 27	July 4	July 11	1932	1933
Raw Cotton—Mid. American	d. 8.74	d. 8.78	d. 8.76	d. 8.89	d. 4.62	d. 6.21
Sakellaridis Fully Good Fair						
Egyptian	8.47	8.37	8.34	8.41	6.60	8.30
Yarns—32's twist	10½	10½	10½	10½	8½	9½
" 40's twist	10½	10½	10½	10½	8½	10
" 60's twist (Egyptian)	16½	16½	16½	16½	13½	16
32-in. Printers, 116 yds., 16 by 18, 32's and 50's	18 7½	18 7½	18 7½	18 9	15 9	17 0
36-in. Shirtings, 75 yds., 19 by 18, 32's and 40's	23 6	23 6	23 6	23 7½	18 10½	21 3
38-in. ditto, 38 yds., 18 by 16, 10 lb.	10 11	10 11	10 11	11 0	10 0	10 7
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	9 9	9 9	9 9	9 10	8 10	9 6

In some quarters of the cloth market there has been rather more inquiry, and numerous buyers were anxious to keep in touch with prices, but no general business has been done, the turnover consisting of retail lots. With regard to India, a certain amount of attention has been centred on dhooties, mulls and jaconets for Calcutta, with occasional sales, whilst mulls have been wanted for Karachi, with a miscellaneous business in printed and dyed goods for the up-country markets. Prospects for China trade do not improve, and transactions have been few and far between. Necessary buying has taken place in bleachers for Egypt, and printing and finishing styles for South America, South Africa, and the Continent, but individual contracts have not been at all important. Fresh buying for the home trade has been restricted, but goods are now moving more freely throughout the country. Yarn quotations have been

put up in sympathy with the rise in the raw material, but buyers have been slow in following. Some moderate lots have been booked in medium American counts. Complaints from Egyptian spinners are very pronounced.

AMERICAN COTTON CROP.—At the beginning of this week the Department of Agriculture of the United States Government estimated the area under cotton for the season 1934-35 at 28,024,000 acres, against 40,852,000 acres a year ago. Last season, however, under a Government scheme nearly 11,000,000 acres were "ploughed in," the amount harvested being 29,978,000 acres. The forecast of the Government was below expectations, as market operators anticipated that the area would not be less than 29,000,000 acres. The statement, therefore, was considered bullish, and prices have advanced about ½d. per lb. On the average yield per acre for the last ten years this acreage estimate indicates a crop of about 10,100,000 bales. It must be remembered that under the Bankhead Act 10,000,000 bales will be tax-free, but any surplus above that total will have to bear a tax of 50 per cent. of the price of cotton when sold. Recent weather reports from the American belt have not been at all favourable. In trade circles, however, there is some hesitancy in following the higher prices and the weekly statistics indicate very clearly that there is a declining tendency in the consumption of American cotton throughout the world, whilst on the other hand buyers are securing to an increasing extent cotton grown in other countries.

JUTE.—Dundee. Though business at the moment is quieter all round, there has, nevertheless, been a very good trade done in both yarns and cloth, with the result that spinners and manufacturers are fairly comfortably placed with orders for delivery over the next two months at least. They have also been able to obtain slightly higher prices, and, with a very good inquiry still being made, the outlook is much more promising. Sellers of raw jute are very reluctant to reduce their prices, and the level meantime ruling is much the same as it has been for some time past, with some slight fluctuations in between. The publication of the forecast on July 3rd, indicating an acreage of 2,491,500 acres for the season just commenced, compared with a revised area for last season of 2,517,000 acres, caused an advance in prices, but the higher level was not maintained. Evidently the propaganda for the curtailment of the sowings of jute is of little use, and it is being urged in Calcutta that some other method should be adopted to encourage the growers to reduce the acreage.

Old crop Daisee-2/3 has ruled round about £14 to £14 10s. per ton, and four's at from £13 7s. 6d., July-August, while new crop is lowest at £14 12s. 6d., for assortment and £13 15s. for four's, October-November. Tossa-2/3 is quoted at £14 12s. 6d. for old crop and £15 for new, and good First Marks are at £17, good Lightnings at £15 15s., and Hearts at £15, August-September.

Prices of Calcutta goods are being fairly well maintained as the result of a moderate business taking place. For 10 oz. 40 in. 19s. 3d. is quoted for July-September, 19s. for October-December, and 18s. 9d. for January-March, with 8 oz. at 15s. 2d., 15s. and 14s. 9d., respectively. Liverpool twills are offered at 49s. 8d. and "B" twills at 44s. 3d., July to March.

Buyers of yarns are not keen to pay 1s. 8½d. for common 8 lb. cops or 1s. 9½d. for 8 lb. spools, but these are the very lowest rates which spinners will now accept, and they are not economical terms by any means considering the comparatively high values still being asked for the raw material. Twist is steady at from 3½d. to 3¾d. for 3-ply 8 lb., and sacking yarns continue at 2½d. for 24 lb. weft and 3d. for 8 lb. chains. Rove and fine yarns are unchanged, and carpet descriptions are steady.

Good inquiries continue to come in for jute cloth, but buyers are now pausing after their recent activity. Prices are firm, and now lowest at 2½d. for 10½ oz. 40 in. hessians and 1½d. for 8 oz., but if delivery is required before the end of August, ½d. more has to be paid in each case. Linoleum hessians and heavy goods are quiet.

GRAIN MARKETS

WHEAT.—The publication of the official estimate of the United States wheat crop, discussed in a Note of the Week, brought about a sharp rise in prices.

According to Mr G. Broomhall, total shipments during the past week were 1,027,000 quarters, against 1,354,000 quarters in the preceding week. On Wednesday, "July" futures were quoted in Chicago at 92½ cents per bushel, against 87½ cents the week before and 96 cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 30s. 9d. per 496 lbs., against 30s. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 29s. 3d., against 28s. 6d.; No. 3 Northern Manitoba, Vancouver, ex ship, 28s. 9d., against 28s. 3d.; Australian, ex ship, 25s. 3d. to 25s. 6d., against 25s. 6d. a week ago.

FLOUR.—North American shipments were 69,000 sacks in the past week, as compared with 115,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 23s. 9d. to 25s. 3d., against 23s. 9d. to 25s. 3d. Australian, ex store, 17s. 6d. to 18s. 6d., against 17s. 6d. to 18s. 6d.

BARLEY.—"July" futures were 45½ cents per bushel in Winnipeg on Wednesday, against 43½ cents last week and 43½ cents a month ago. Quotations in London on Wednesday were: "English malting" f.o.r., per 448 lbs., 27s. to 30s., against 27s. to 30s. a week before.

OATS.—On Wednesday, "July" futures were quoted at 45½ cents per bushel in Chicago, against 43 cents a week ago, and 44 cents last month. Quotations in London, Wednesday: "River Plate," landed, 19s. 9d. per 320 lbs., against 19s. 9d. a week ago; "Chilean White," landed, 21s., against 21s. a week earlier.

MAIZE.—"July" futures were quoted on Wednesday at 60½ cents per bushel in Chicago, against 57½ cents a week ago and 57½ cents on the corresponding date last month. Quotations in London, Wednesday: "Plate," landed, 20s. 6d. per 480 lbs., compared with 20s. 3d. last week; "Plate," ex ship, 19s. 6d., as against 19s. 3d. "Plate," July, 19s. 6d., as against 19s. 3d. Yellow maize meal, ex wharf, was quoted £5 10s. to £5 12s. 6d. per ton, against £5 10s. to £5 12s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to July 7	Cwts. 27,686	Cwts. 27,376	Cwts. 27,971	Cwts. 64,080
45 weeks to July 7	4,793,603	3,670,907	8,429,096	6,060,203
Average price of English wheat per cwt.	s. d. 6 1	s. d. 6 6	s. d. 6 6	s. d. 5 6

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
June 30, 1934	Cwts. 75,291	Cwts. 4,780	Cwts. 25,630	s. d. 5 7	s. d. 6 6	s. d. 6 5
July 7, 1934	64,080	5,504	23,178	5 6	6 11	6 6
July 5, 1930	50,579	7,537	6,272	8 5	6 11	6 5
July 4, 1931	43,173	6,720	9,992	6 2	5 11	6 8
July 9, 1932	27,376	1,305	7,149	6 6	6 8	8 0
July 8, 1933	22,971	6,771	9,297	6 6	6 8	5 9

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	July 12, 1933	Jan. 3, 1934	July 3, 1934	July 11, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	89½	65½	75½	83
Chicago (No. 2 Winter)	55½	46½	106½	84½	87½	92½
Cents per 60 lb.						

The visible supply of wheat in Canada, at 96,080,000 bushels, shows an increase of 2,374,000 bushels. Supplies a year ago stood at 103,033,000 bushels.

OTHER FOODS

SUGAR.—Last week's improvement in the market for raw sugar has not been maintained. The spot price of raw sugar in New York on Tuesday was 3.18 cents per lb., as compared with 3.18 cents per lb. last week and 3.00 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 9½d. to 4s. 9½d., against 4s. 10½d. to 4s. 11½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	1933	1934	1933	1934
London	1,039	1	4,288	1,839
Liverpool	12,739	1,710	18,153	14,253
Total tons ...	13,778	1,711	22,441	16,092
Last week	586	1,604	16,234	18,687
			224,358	206,725

COFFEE.—The New York coffee market was dull. On Wednesday Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 10½ cents per lb. a month ago. At Tuesday's auctions in London prices were steady, but the volume of sales was again small. Last week's movements of coffee in London were as follows: Brazilian, landed, 746 bags; delivered, for home consumption, 9 bags; exported, 1 bag; stocks, 29,267 bags, against 29,146 bags a year ago. Central American, landed, 2,672 packages; delivered, for home consumption, 2,110 packages; exported, 473 packages; stocks, 117,076 packages, against 105,199 packages last year. Other kinds: Landed, 332 packages; delivered, for home consumption, 2,083 packages; exported, 757 packages; stocks, 109,394 packages, against 100,022 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, June-July, was 24s. 3d. per 50 kilos, c.i.f. Continent, as against 24s. 6d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 3,832 bags; delivered, for home consumption, 6,281 bags; exported, 2,865 bags; stocks, 262,409 bags, against 173,561 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 16,762 packages of Indian and 35,598 packages of Ceylon tea. Although demand at the tea auctions in London has been quite brisk, the tendency of prices was a little easier. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

OVER ONE HUNDRED YEARS OF SERVICE

SCOTTISH UNION & NATIONAL

INSURANCE COMPANY

ASSETS - EXCEED - £16,000,000

FIRE LIFE ACCIDENT MARINE

Edinburgh: 35 St. Andrew Square
London: 5 Walbrook, E.C.4, and 4, St. James's Street, S.W.1

AVERAGE PRICE PER LB.

Week ending	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
July 6, 1933	d. 9.51	d. 9.58	d. 11.49	d. 8.24	d. 7.55	d. 8.50	d. 9.35
June 7, 1934	13.24	13.55	14.00	11.38	11.15	12.87	13.28
June 14, "	12.99	13.23	13.49	10.81	10.67	12.49	12.92
June 21, "	12.93	13.01	13.21	11.18	10.75	12.38	12.86
June 28, "	12.96	13.02	13.24	11.30	10.98	12.47	12.94
July 5, "	12.01	12.85	13.23	11.13	11.06	12.47	12.89

RICE.—The "spot" price was 7s. 4½d. per cwt. on Wednesday as compared with 7s. 4½d. per cwt. a week ago, while the forward quotation, at 6s. 10½d. per cwt. shows a rise of 1½d. on the week. Movements in London during the past week were as follows: Landed, 203 tons; delivered, 85 tons; stocks, 938 tons, against 5,201 tons a year ago.

POTATOES.—At the London Borough Market old crop "King Edward" sold at 4s. to 4s. 6d. per cwt., as compared with 4s. 6d. to 5s. 6d. per cwt. last week. English, Duke of York and Sharp's Express were quoted at 6s. 6d. to 7s. 6d. per cwt., as compared with 8s. 6d. to 9s. 6d. per cwt. a week ago.

SPICES.—"Black Singapore" was quoted at 5d. per lb. on Wednesday, against 5d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, nil; delivered, 53 tons; stocks, 250 tons, against 336 tons a year ago. White, landed, 73 tons; delivered, 20 tons; stocks, 6,181 tons, against 920 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. to 3s. 6d. per 8 lbs., as compared with 3s. to 3s. 6d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. 4d. per 8 lbs., against 3s. 6d. to 4s. 4d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 8,777 tons, against 7,985 tons in the corresponding week last year. Imported beef, principally Argentine, formed 87 per cent. of the beef supplies, against 85.3 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 86 per cent. of the total supply of mutton and lamb, against 83.4 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OLSEEDS.—Markets are a little steadier, and rather more business is reported. Under the influence of favourable crop reports and a restrained demand, linseed has rallied and closed steadier. Plate for September-October shipment to Hull was sold at £10 per ton. Since then, prices have improved, and £10 7s. 6d. is now wanted for all positions to August. Indian linseed also is steadier. Calcutta afloat for London was sold at as low as £11 10s., but £11 17s. 6d. is asked for July-August. Bombay is nominally £12 2s. 6d. Plate shipments last week were small. The quantity now afloat for Europe is 99,200 tons (including 17,700 tons from India) or 5,000 tons less on the week; and for the United States 24,400 tons. Cotton seed is very quiet, and few buyers are about. Black Egyptian afloat and July loading may be had at £4 10s.

A continued fall in linseed oil brought in buyers, and for forward delivery 7s. 6d. to 10s. per ton above the lowest has been conceded. Raw oil, ex Hull mill, for July-August delivery and forward, including January-April, is now quoted £20 15s. per ton naked. Cotton oil is dull and featureless. Crude Egyptian, ex Hull, is offered freely at £12, and common edible £14 per ton. Palm kernel oil is dearer, but other kinds are without quotable change. Oilcakes are easier, and demand is below normal for the time of year.

RUBBER.—Rubber quotations recorded a further rise during the past week. Comment on the market situation will be found in a note in the Stock Exchange section. In New York, Wednesday's spot price for rubber, at 14½ cents per lb., compares with 14½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., against 7½d. per lb. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for October-December, 1934, as against 7½d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 102,573 tons, show an increase of 2,701 tons as compared with the preceding week.

TIMBER.—Imports of building and joinery woods between January and May totalled 1,185,515 loads of 50 cubic feet, against 744,430 loads and 627,390 loads, respectively, for the corresponding periods of the past two years. Larger imports were required this year to meet the increase in demand for, and to replenish stocks of, battens, scantlings and boards, especially for house-building work. Stocks of deal sizes (i.e. 2 in. and up thick by 9 ins. and up wide) are not yet very large.

Canadian shipments especially have been of large volume. The five months' receipts from the Dominion amounted to 381,943 loads, against 94,657 loads to the end of May last year.

Although spot demand has been good recently, supplies were so large that shippers had to reduce prices a little. But increased activity in the building and other industries is exercising a

strengthening influence on the timber market. European and Canadian producers are concentrating on this market more than usual because it is the only one showing any appreciable improvement. Planed and dressed floorings also have been imported in larger quantities this year. In this case also more has come from Canada.

There has been a better call for teak during recent weeks; Douglas fir and American pitchpine logs have been moving more quickly into consumption, and stocks of these and other ship-building timbers are much lighter this year.

In the hardwood section of the trade fancy woods generally continue to be lightly stocked, because the call is limited, but stocks of the common varieties, and especially of oak from the

United States, are heavy. With N.R.A. code regulations in the United States, and with ample stocks here, imports should ease off for a while, especially as shipments to this country have been heavier than a year ago, but one cannot be sure of such a decline of imports. The United Kingdom is not importing as much American sawn mahogany as formerly, as British Empire countries are sawing more and are shipping direct. Dock stocks of mahogany planks and boards are lighter than in June, 1933.

Imports of railway sleepers increased in May; there were larger receipts of pitwood. Under the Anglo-French trading agreement France should get back at least some of her pitwood trade with this country. Imports of veneers, panels, and plywood recorded an increase in May.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, July 11th				POTATOES—				WOOL—				GRAIN, CEREALS AND MEAT			
CEREALS AND MEAT				Good English, per cwt.				English Southdown, greasy, per lb.				Wheat, No. 2, N. Man. 49b lb.			
Wheat, No. 2, N. Man. 49b lb.				English, Duke of York and Sharp's Express				Lincoln hog, washed				Eng. Gaz. av., per cwt.			
Barley, Eng. Gaz. av., per cwt.				Queensland, scd. super cmbg.				N.S.W. greasy, super cmbg.				Oats, Maize, La Plata, landed,			
Daisies, per lb.				N.Z., grey, half-bred 50-55				N.Z., grey, half-bred 50-55				480 lb. Flour, Lon. stan. ex mill,			
Maize, La Plata, landed,				Tops				Merinos 70's				280 lb. Rice, No. 2 Burma, per cwt.			
480 lb. Flour, Lon. stan. ex mill,				Crossbred 40-44				64's				Tapioca, per cwt.			
280 lb. Rice, No. 2 Burma, per cwt.				Crossbred 48's				48's				Fair Flake, Singapore.			
Tapioca, per cwt.				48's				48's							
Fair Flake, Singapore.															

duties, tariff rates are tending to become of minor importance as the cause of trade limitation. Indications in the opposite direction are slight, but some efforts have been made to broaden the basis of commercial negotiations, one of which is the attempt of France to reach a general understanding with other members of the gold bloc.

If action has been almost entirely in the wrong direction, what hope can we glean from the state of opinion? As regards the monetary problem, it is true to say that the belief in artificial depreciation as a means of conjuring away the depression has become very much discredited during the past year. This means that there is a more favourable atmosphere for discussing plans for a gradual approach to stabilisation if economic catastrophe does not meanwhile intervene.

As far as commercial policy is concerned, the best that can be said is that there are some faint signs of the recognition of the destructive effect of the isolationist policies which all countries are pursuing. Thus, it is becoming obvious to thinking people in the gold bloc countries that their policy of deflation is in direct contradiction to a policy of restricting imports—which keeps up prices. England is also still pursuing a policy of contradictions and cannot be said to have any clear objective. This is the more to be regretted, since, in spite of our many agricultural schemes, we are still the most important market for the world, and if we wished to do so could use our influence to secure the lowering of barriers. The most interesting developments, however, as in the case of monetary policy, are those which are taking place across the Atlantic. In the United States, Mr Wallace has made a great impression with his writings, which have invited the country to decide between an isolationist and an international trading policy, and though it would be untrue to suggest that there is any substantial nation-wide modification of protectionist sentiment, the most important fact for the immediate future is that the President has been given power to negotiate commercial agreements and to modify the tariff by as much as 50 per cent.

How will he use these powers? Some indication may be gleaned from the interesting attitude adopted by the United States at the recent Monte Video Conference. At this Conference, as in European discussions, stress was laid on the possibility of agreements between defined groups of countries. The resolutions advocate the general maintenance of the most-favoured-nation clause, but admit two important exceptions. The first would permit special agreements between contiguous or neighbouring countries; the second, which is of far more importance, is the suggestion that collective conventions between a number of countries, designed to create larger and more important markets, should be permitted. This is the low-tariff group idea in an American setting. If the President could persuade the American people that this was her contribution towards the solution of the problem of world trade, and would accept the principle that similar arrangements made in Europe or elsewhere would not be opposed by America on most-favoured-nation grounds, we should be on the way towards the formation of groups within which there would be a hope of a real trade expansion.

How far this movement could go would very largely depend on the attitude of Great Britain. We have not yet made commercial treaties with the chief countries of the world, and our policy is still in the main undefined. Are we going to use our great influence for the lowering of barriers, or are we going to sacrifice the opportunity for the sake of a few special interests? The answer to this question is vital, but we do not know to which member of the Cabinet to look for the answer. It is, however, a key question, for until it is answered there is clearly no possibility of stabilisation—still less of a world agreement on economic policy. Nothing much can be done until the nations make up their minds towards what goal they intend to move; but if some of them have really reached the conclusion that they cannot hope to prosper by persisting in a policy of self-sufficiency, monetary and price conditions are unquestionably becoming more propitious for, at all events, a provisional stabilisation accompanied by a progressive relaxation of trade restrictions between the countries concerned. It is to be hoped that the statesmen will not hesitate too long before taking this first step to reverse the deplorable and destructive trend of recent years.

A NEW LOCARNO

SELDOM has any debate in the House of Commons shown greater unanimity than the debate on foreign affairs on Friday, July 13th. After many months of Governmental uncertainty and Opposition criticism, there emerged from that debate not only a clear statement of Government policy on the European situation, but also, as Sir Austen Chamberlain said, "a more hopeful vista"—and this with regard to both the hitherto conflicting theses of European statesmen, security and disarmament.

The debate was opened by Sir Herbert Samuel, who asked the Government: What was the attitude of the Government to the possibility of a Russian application for admission to the League? What had been the results of Sir John Simon's conversations with M. Barthou? What was the present situation of the Disarmament Conference and the Government's attitude towards it? Major Attlee said that the Labour Party recognised the rôle in security which these pacts could play; he hoped the Government would give their cordial approval to the pacts, provided they really were based on mutuality, and that they would co-operate in pressing Germany and Poland to participate in the Eastern Pact, as well as agreeing to Russia becoming a co-guarantor of the 1925 (Western) Locarno Pacts.

Sir John Simon, in a speech in his best and clearest vein, laid a good many ghosts and fears. The Eastern Pact was to include Russia, the Baltic States, Poland, Germany and Czechoslovakia; it was to be a pact of mutual assistance; but a condition of its conclusion was that Russia should give a guarantee to France as well as to Germany under the original 1925 Locarno Pact, thus bringing Russia in as a guarantor for the Western Locarno as well. "Also, reciprocally, there would be, as I understand," Sir John Simon added, "an assurance offered by France in respect of the boundaries of Russia and also the boundaries of Germany on Germany's Eastern side." Sir John went on to endorse most emphatically Major Attlee's contention that such a pact must not be selective, in the sense of a combination of Powers which might be directed against another; and he announced that M. Barthou "accepted this proposition without any qualification at all." The "genuinely reciprocal character" of the arrangement was evident in that Russia offered the same guarantees to Germany as to France, and France offered the same guarantees to Germany as to Russia. Sir John then categorically affirmed that we in this country "were not extending our own commitments in any way whatever. . . . That is quite clearly and definitely understood."

Turning next to Russia, Sir John laid all Opposition fears to rest in these words: "If Russia is going to become a party to this new arrangement in Eastern Europe, then it is absolutely essential that Russia should come within the League of Nations. That is the view taken by the French Government. It is the view, I believe, taken by the Russian Government; and, in the course of the last few days, I have made it entirely plain to M. Barthou that it is the view taken by His Majesty's Government."

By far the most important feature of Sir John's speech, however, came next:—

If there is going to be brought about by this new Russo-French initiative a new pact of mutual guarantee in which Germany is going to be included, it would appear to His Majesty's Government extremely necessary to realise that the conclusion of such a pact and Germany's participation in this system of reciprocal guarantees that would be given—which, mark you, would operate for the security of Germany as well as of her neighbours—would afford the best ground for the resumption of negotiations and for the conclusion of a Convention such as would provide for a reasonable application of the principle of German equality of rights under a regime of security for all nations. . . .

We ought not to allow this occasion which has emerged, principally through the consideration of problems of security, to pass without endeavouring to take advantage of it for the purpose of promoting the objects for which the Disarmament Conference was called. And I am very happy to be able to tell the House that as a result of the conversations which took place between His Majesty's Government and the representatives of the French Government during

Monday and Tuesday of this week, the French Government agree with His Majesty's Government in holding that view, and have authorised me to make that communication as being a communication of their view to the German Government, which I have already done.

Germany will, of course, recall that in the original Locarno Agreement there is also a clause pledging the parties to press forward Disarmament. But the signature came first and the disarmament has never materialised. No one can therefore blame Germany if she insists that the two negotiations should march together. Sir John Simon realised this clearly when he insisted that the present occasion cannot simply be confined to the structure of security, but that we must press the formula of December, 1932 (equality of rights).

His conclusion was that on this basis "an Eastern Pact of Mutual Guarantee based on the strictest principles of reciprocity and concerned with the genuine purpose of strengthening the foundations of the peace in Europe . . . by creating a further basis for reciprocal guarantees, is well deserving of the support of the British Government and of the British people." And, as confirmation of the British attitude, Sir John announced that Signor Mussolini had that day informed him that Italy had agreed on a similar attitude to that adopted by this country.

The grounds on which the British Government supports an Eastern pact uphold and strengthen the collective system, unlatch the door once again for Germany's return to the League and make it possible to pick up the threads of the armament negotiations which lapsed so miserably in March and April last. To that extent, the situation revives some hopes of a disarmament convention, equality of treatment for Germany, the rehabilitation of the League, and a security system of far wider scope than had once been envisaged.

It is now for Germany to declare her attitude to the "communication" of the French and British Governments. This communication is neither an ultimatum nor a threat, but an invitation to take part in restoring peace and order to Europe. The documents are not presented to Germany to sign on the dotted line, but as a draft which should form the basis of negotiation. Obviously it is appropriate for her to make clear her terms regarding armaments at the same time and as a condition of her agreement.

Since the German Note of April 16th much water, and some blood, has flowed under the bridges in Germany. True, France and Britain cannot rely on a fair-minded, well-advised public opinion in Germany to ensure peace; for under the Nazi regime the German people are not only deprived of a free Press, but are fed upon propaganda which passes for "information." Nevertheless, the vast majority of German citizens do not want war, while the political and economic prospects before the Nazi Government are not such as to induce even the most fire-eating of her leaders to view war, within any reasonable period, with anything but profound misgivings. What may well prove a "winter of discontent" is coming on; Germany's trade position is little short of disastrous; and Germany herself, largely by Nazi *braggadocios*, has become politically isolated. A more moderate tone in the Government-controlled Press suggests that Germany's answer to Sir John Simon's declaration may not be entirely negative.

And if Germany speaks fair words, should we and the French presume that there is treason in her heart? That way madness lies. For not only should France feel justified morally in taking Germany at her word now. She would, if she did so, immensely strengthen her own position; for the according of a measure of rearmament—which will come, any way, if it is not already there—to Germany at this juncture would strengthen Europe's determination to ensure peace at the same time as it gave the possibility, denied ever since Versailles, for Germany and her neighbours to live on a footing of self-respect and equality.

The net result of the debate last week, as we have already said, was to disclose a striking measure of unanimity in the House. When Mr Winston Churchill lauds the League as "the great instrument upon which all forces resolved to maintain peace should centre"; when he even envisages the creation of some international force, "particularly in aviation," to give the League sanctions; when spokesmen of all parties recognise the need for security through a collective system, and the interests of this country in maintaining

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it, so clear a demonstration of this country's attitude is one which should surely influence the countries of Europe which value the friendship of Great Britain. Mr Baldwin stated in the House on Thursday that the Government had decided that they cannot further postpone an increase in our Air Forces and are preparing for an increase of 41 squadrons. But our policy still remains one of limitation, and the programme will presumably be modified if this policy prevails. Is it too much to hope that, after so striking a unanimity of opinion for the collective system, the Government will redouble its efforts to secure a Disarmament Convention within the improved framework of the collective system and not surrender to the cynical assumption that disarmament "is a dream and a folly of expectation"?

STINTING EDUCATION

THE annual Report of the Board of Education,* which was published last week too late to permit us to comment on it, makes, as usual, interesting and informative reading—not less so because its appearance has coincided so closely with the Labour Party's eighth policy Report,† which deals with the same subject from a rather different point of view. Indeed, each document in some measure helps to interpret the other. Reading between the lines of the official report it is not difficult to discover its real meaning—namely, that the Board is busily and conscientiously engaged in making the best of a bad job. It is living, in fact, as best it can within the financial limits prescribed by the 1931 economy campaign—much of which, especially as regards education, was in our opinion sadly misdirected. The reduction in the amount of money spent by the National Government on education is certainly in strange contrast to its financial lavishness in other directions. While so many other forms of expenditure have remained uncurbed, to say the least of it, education has (as usual) been treated as the Cinderella.

A comparison between the education vote of the Budgets of 1931-32 and 1934-35 is not without interest. In the former year the education estimate stood at £58,400,000; by the latter it had been reduced to £51,300,000. Now, of this general reduction in expenditure, the decrease in teachers' salaries is, of course, perfectly defensible. No sensible person will quarrel very seriously with economy "cuts" of this kind imposed in a time of crisis. But it is far otherwise with the deliberate cutting down of capital expenditure and the obstruction of plans of development put forward by the more progressive authorities (cf. Circular 1413), which has unquestionably been a feature of the National Government's administration during the past two and a-half years.

The exact results of this mistaken parsimony cannot as yet be estimated with any exactitude, but they are to a

* "Education in 1933." Being the Report of the Board of Education and the Statistics of Public Education for England and Wales. London: H.M. Stationery Office, 1934. Cmd. 4631. 3s. 6d.

† "Labour and Education."

certain extent reflected in the *absence* of development, e.g. of nursery schools, of which the year 1933 saw an addition of only one to the total recognised number of 57. According to the Labour Party's pamphlet, "A considerable number of authorities had before September, 1931, prepared plans for establishing additional nursery schools, but all of these (if not actually in process of being carried out) were subsequently vetoed by the Board." There can be no doubt—in fact the Report virtually admits it by implication—that the reorganisation of schools on the lines of the Hadow Report has been retarded by the ban imposed on capital expenditure, which amounted to less than £2,000,000 for the nine months ended December, 1933. Nevertheless, it is satisfactory to note that some progress continues to be made, and that by now at least 50 per cent. of the pupils aged 11 and over are being taught in reorganised schools.

But there is one feature revealed by the Report which is certainly a sinister retrogression—namely the net increase of 310 in the number of classes containing more than 50 pupils in elementary schools. This unhappy lapse is to be "attributed in the main to the remissness of one large authority" and it is at any rate satisfactory that the Board has addressed a strong remonstrance to the authority in question and has insisted on a speedy reduction in its number of over-large classes. But the appearance of a similar phenomenon in secondary schools, where the classes over the normal limit of 30 have also increased by over 400, is not reassuring; and the complacency of the Report in this matter is a little difficult to understand. "This increase," so the official apologia runs, "is mainly due to the higher number of admissions during recent years. The Board realised that, to meet this influx, special arrangements would be necessary which might involve a temporary increase in the size of classes. It may, however, be noted that the average number of pupils per class in all secondary schools on October 1, 1933, was . . . only 0.3 larger than a year before." In view of this state of affairs it does not seem possible to justify the further reduction in the provision for the training of teachers through the cutting down of total approved numbers in training colleges for 1934-35 by 8 per cent. as compared with the previous year. This reduction is, of course, inspired by the deliberate refusal of the Government to contemplate any measure raising the school age—a refusal defended in the House of Lords in no convincing manner by Lord Halifax ultimately on grounds of economy because it would involve an additional expenditure of something like £8,000,000 a year. Yet on the very same day Major Elliot was calmly asking in the House of Commons for £3,000,000 on account for only a six months' subsidy to the domestic beef producer!

Both on social and economic grounds the raising of the school age has long been overdue. Had the National Government, instead of cutting down the sums devoted to education, immediately devised a programme for raising the school age to 15 some of the expenditure which it must now incur on the provision of training centres for unemployed youths might have been avoided, and the problem of juvenile unemployment might at least have been brought much nearer to a solution. As it is, the cutting down of capital expenditure since 1931 has substantially delayed the process, which was already beginning; and only one local authority, namely Chesterfield, used its powers in 1933 to raise the school age to 15, thereby raising the total number of education authorities who have taken this step to six. Moreover, the decision of the Government to cut down the training of teachers must also retard the speed with which a future administration will be able to complete this much-needed reform, which cannot, of course, be accomplished by a stroke of the pen. The real difficulty in the way of raising the school age is not financial at all: it is ultimately the religious issue which wrecked the Trevelyan Bill, owing to the impossible burden which would be placed on the voluntary schools. That, however, is an issue which must sooner or later be faced squarely, and a National Government might have been expected to regard itself as peculiarly qualified for undertaking this delicate task.

Another aspect of the Government's educational policy which stands out clearly in the report is the attempt to make secondary education as nearly as possible self-supporting, by raising school fees, where they are non-existent or negligible in amount, and substituting a means

test for free places (Circular 1421). In the abstract, no doubt, such a policy could be defended, but, as we have all along maintained, it is in practice open to very serious objections. So long as secondary education is voluntary the imposition of a means test and the raising of fees must act as deterrents, especially in these days of industrial depression, and though the actual figures do not as yet show any decline in the numbers, it is impossible not to suspect, from the low figure at which the means test begins to operate, that a deterring factor, which will reveal itself as the years go by, has been at work. And the amount of ill-will that it has engendered in Labour circles is plainly apparent on almost every page of that party's Policy Report—a document which incidentally loses some of its effectiveness owing to the very strong spirit of class-consciousness by which it is inspired. As might be expected, the Labour educational programme is nothing if not radical—immediate raising of the school age to 15 and as soon as possible to 16, a speeding up of the Hadow reorganisation and the abolition of all fees for secondary education in grant-aided schools in order to ensure "complete educational equality" and the "final abolition of the system under which the quality of the education offered children has depended on the income or the social position of their parents."

It goes without saying that no financial estimate of the cost of these somewhat ideological proposals is given, but if they are to be taken *au pied de la lettre* they would certainly involve a formidable charge on the Exchequer. Nor is it easy to see exactly why persons who can well afford to pay for the secondary education of their children should be presented with this benefit at the cost of the Exchequer and the housing accommodation (rates) of the nation. If the school age (compulsory) be once raised to 16—itself a considerably expensive step—and enough free (not *special*) places in secondary schools are provided for children of the requisite ability to profit by a high-school training, the really important defects in our educational system will have been remedied—without indulging in any superfluous extravagances. Yet, however much we may regard the last-mentioned objective of the Labour programme as impracticable on financial grounds, there will be widespread agreement with the first two, namely, the raising of the school age and the completion of the Hadow programme—even if these objectives entail an additional burden to the taxpayer. For there is no outlay or investment which in the long run will repay itself more handsomely. And those who do not grudge the millions spent on armaments, but are all too willing at the same time to economise on education, should bear in mind that by doing so they are cutting down the chief defences of a free country far below the safety-level.

THE HALF-YEAR'S OVERSEAS TRADE

FORTUNATELY the task of reviewing the half-year's overseas trade is a little more agreeable than it has been in recent years. Both imports and exports during each of the past six months showed an appreciable rise in value as compared with the corresponding periods of a year ago. As was to be expected during the early stages of a trade revival in an industrialised country, imports tended to increase faster than exports, as it takes several months, on the average, to convert raw materials into manufactured goods. Actually imports gained relatively on exports until March, but since April the tendency has been reversed and the gap between our sales abroad and our purchases from foreign countries has tended to become narrower.

The figures for June, though slightly lower than those for the previous month owing to seasonal influences, again show a substantial increase in our foreign trade as compared with a year ago. The June trade returns are especially encouraging, for our index of the volume of exports of British manufactures (adjusted for seasonal variations) rose from 70 (1924 = 100) in May to 78 in June. A year ago the figure stood at 68. The figure for the volume of our imports of raw materials points to increased industrial activity in this country, since it shows a figure

of 135, as compared with 109 in May (a rise of no less than 24 per cent.) and 113 in June a year ago. The tables below give the June figures and the cumulative figures for the first six months of the year with comparative statistics for the two preceding years:—

MONTH OF JUNE (000's omitted)					
	1934	Increase or Decrease as compared with			
		June, 1933		June, 1932	
Imports	£ 61,173	+ 7,386	+ 13.7	+ 3,228	+ 5.6
British exports	32,120	+ 3,654	+ 12.8	+ 2,408	+ 8.1
Re-exports	4,316	— 951	— 18.1	+ 141	+ 3.4
Total exports	36,436	+ 2,703	+ 8.0	+ 2,549	+ 7.5
Excess of imports over total exports	24,737	+ 4,683	+ 23.4	+ 679	+ 2.8

FIRST HALF-YEAR (000's omitted)					
	1934	Increase or Decrease as compared with			
		January–June, 1933		January–June, 1932	
Imports	£ 362,198	+ 41,862	+ 13.0	+ 1,340	+ 0.4
British exports	189,704	+ 14,414	+ 8.2	+ 2,670	+ 1.4
Re-exports	29,016	+ 3,814	+ 15.0	— 314	— 1.1
Total exports	218,720	+ 18,228	+ 9.1	+ 2,357	+ 1.1
Excess of imports over total exports	143,478	+ 23,634	+ 19.8	— 1,017	— 0.7

Thus during the first half of 1934 the value of imports and of British exports recorded an advance of 13.0 per cent. and 8.2 per cent., respectively, as compared with the January-June period of 1933, and, as a result of the increase in imports relatively to exports until March, the excess of imports over total exports increased by 19.8 per cent.

The next table analyses the figures according to the principal categories:—

RETAINED IMPORTS AND BRITISH EXPORTS BY CLASSES (£'s million)						
	Retained Imports First Half-year			British Exports First Half-year		
	1932	1933	1934	1932	1933	1934
Food, drink and tobacco	176.9	158.5	160.8	15.6	12.8	14.6
Raw materials and articles mainly unmanufactured	75.4	69.9	91.8	21.8	22.0	24.1
Articles wholly or mainly manufactured	75.1	65.2	78.8	143.4	134.9	145.7

As far as retained imports are concerned, the value of our purchases from overseas of food, drink and tobacco is scarcely changed, mainly as a result of the deliberate limitation of trade in these commodities by our agricultural policy. The value of imports of raw materials and articles mainly unmanufactured, on the other hand, rose by 31 per cent., while the value of imports classified by the Board of Trade under the category of wholly or mainly manufactured goods also showed the considerable increase of 21 per cent. It must, however, be remembered that a large proportion of commodities included in the latter category are material for further processes of manufacture in this country. This applies, for example, to imports of non-ferrous metals and manufactures thereof, the value of which rose by 51½ per cent. from £6,683,652 in 1933 to £10,129,894 in 1934. These imports of non-ferrous metals accounted for no less than 12 per cent. of the total imports classified as articles wholly or mainly manufactured. Similar considerations apply to most items in this category, for there are few imports that are in a form ready for final consumption. Industrial plant, for example, is an item which always rises when recovery is taking place. In the present return the value of machinery imports has risen from £4,112,697 in 1933 to £5,542,320 in 1934, but on the present occasion a part of the increase is due to an intensification of competition from the United States in items such as typewriters, etc., following the depreciation of the dollar. Imports of iron and steel materials also

rose sharply from £2,820,590 to £4,728,885, a large proportion of which is raw material for finishing industries. This category is, in fact, one of the most sensitive indices of internal prosperity. As in other categories the figures, though rising, are still far below normal.

The quantities of our foreign purchases of some of the leading foods and raw materials are set out in the next table:—

RETAINED IMPORTS				
		First Half-year		
		1932	1933	1934
Wheat	cwts.	50,698,927	56,511,872	50,095,894
Beef	cwts.	8,670,551	8,833,622	6,211,351
Sugar	cwts.	23,822,079	20,334,976	20,555,022
Iron ore and scrap	tons	1,049,249	1,326,262	2,331,101
Wood and timber, Soft:—				
Other than planed or dressed	loads	1,295,563	1,245,647	2,003,660
Planed or dressed	loads	243,543	278,243	409,214
Raw cotton	centals	6,147,622	5,860,301	6,478,467
Sheep and lambs' wool	thousand lbs.	425,251	412,888	375,915
Raw silk	thousand lbs.	2,314	2,496	3,859
Flax, hemp and jute	tons	145,867	148,578	180,378
Crude petroleum	thousand galls.	174,144	192,645	250,358
Hides, wet and dry	cwts.	617,400	604,766	581,555
Wood pulp	tons	885,103	902,390	1,073,855
Rubber	centals	493,105	1,064,211	1,604,570
Pig lead	tons	55,856	63,843	102,357
Unwrought copper	tons	127,880	136,958	151,029
Tin—Ore and concentrates	tons	29,532	14,481	17,780
Blocks, Ingots, Bars, Slabs	tons	1,264	920	3,521
Iron and steel manufactures	tons	965,143	468,715	708,709

* Total Imports.

The decrease in our imports of wheat is directly due to the wheat subsidy, which stimulated wheat cultivation in this country. The sharp rise in our foreign purchases of iron ore and scrap reflects the improvement in the activity of the iron and steel industry. The boom in dwelling-house building is reflected in a substantial increase in our imports of wood and timber. The improvement in the figures for cotton, silk, flax, hemp and jute is due to a better demand for the commodities manufactured from these textile fibres. Again the increase in the figures for rubber was due to the expansion in the activity of the British motor-car industry. The recession in the activity of the British wool textile industry since the beginning of the year is reflected in a decrease in our imports of raw wool. Similarly the failure of the British boot and shoe industry to make headway is shown in a reduction in our import of hides.

On the export side an increase in our foreign sales of wool (raw and waste) and woollen rags, from £2,130,665 in the first half of 1933 to £3,389,079 in 1934, is chiefly responsible for the rise in the value of exports of articles classified under raw materials and articles mainly unmanufactured. The increase in the value of British exports of articles wholly or mainly manufactured, from £134,943,191 in 1933 to £145,695,942 in 1934, was fairly well spread. The volume figures of some of our leading exports are shown below:—

BRITISH EXPORTS				
Item and Measure.		First Half-year		
		1932	1933	1934
Coal	tons	19,823,231	18,959,449	19,447,840
Pig iron and ferro-alloys	tons	76,262	49,488	64,394
Railway material	tons	48,408	60,452	74,733
Total iron and steel	tons	952,538	904,227	1,037,599
Textile machinery	tons	33,413	27,020	40,967
Total machinery	tons	167,456	128,278	157,249
Cotton yarns	thous. lbs.	80,448	66,142	68,642
Cotton piece-goods	thous. sq. yds.	1,147,949	1,083,107	969,291
Wool tops	thous. lbs.	19,933	22,024	22,694
Worsted yarns	thous. lbs.	15,103	14,882	17,764
Woollen tissues	thous. sq. yds.	26,295	27,860	32,607
Worsted tissues	thous. sq. yds.	14,529	15,034	17,075
Linen piece-goods	thous. sq. yds.	37,494	39,037	44,522
Leather boots and shoes	dozen pairs	331,246	254,111	216,520
Leather	cwts.	78,609	103,074	102,121
Paper and cardboard	cwts.	1,960,041	1,792,428	1,814,974
Locomotives	tons	2,119	5,352	1,317
Motor cars and chassis	number	18,266	27,011	30,522

It will be seen that, of the 18 commodities shown separately, only exports of cotton piece goods, leather boots and shoes, leather and locomotives fell between 1933 and 1934. The improvement in our foreign sales of machinery and motor-cars is particularly encouraging.

In general there is no doubt that our overseas trade is slightly on the up-grade. Nevertheless, the present volume

of trade gives little ground for satisfaction, for it is still substantially below the pre-depression level. Although a further improvement may be expected if world economic recovery continues, the pace and extent of an expansion in foreign trade must remain severely limited as long as trade is restricted by artificial barriers. In particular, our present policy of restricting imports of agricultural commodities is bound to react unfavourably on our export industries.

A PLAN FOR COTTON

(BY A CORRESPONDENT)

WHILE Lancashire—or, rather, the spinning section of the cotton trade—is trying to make up its mind over the latest scheme for reorganisation, an admirable Report* has appeared on the industry as a whole, compiled by members of an organisation best known to the public under its initials P.E.P. This document, though it contains very little that is actually new, is much the most detailed and thorough analysis of the conditions at present obtaining in the cotton trade. With the description of the depression and its principal causes the public, after so many inquiries, official and unofficial, must by this time be tolerably familiar—the frenzied finance, uneconomic competition, rigid wages, the return to gold, the growth of the Indian industry behind its tariff barrier and the rise of the Japanese industry and its expansion under the stimulus of a devalued currency. Nor do the remedies suggested in the Report differ very markedly from those that have frequently been put forward in other quarters, except perhaps for the greater emphasis laid on marketing. Nevertheless, the impressive assembly of facts and the sober and reassuring conclusions drawn from them make the report particularly valuable—especially at the present moment when, in spite of tentative efforts at reorganisation, counsels are still divided, and preoccupation with individual or sectional interests still prevents Lancashire's problem from being envisaged in its true proportion.

So far as the spinning section is concerned, the Report recognises clearly enough that the two main problems are concentration into big amalgamations and the elimination of superfluous plant. A scheme for reducing surplus capacity was put forward by the Joint Committee of the cotton trade organisation some years ago, but it proved impracticable owing to lack of agreement. Another scheme with somewhat similar objects is at present being drafted, but it remains to be seen whether it will meet with a better fate. The problem of surplus capacity is, of course, far more serious in the American than in the Egyptian section, since the latter has only felt the real brunt of depression since 1929. Hitherto the international competition in the finer yarns and cloths has been comparatively slight, and it may well be that a revival of trade to the pre-crisis level would restore this section of the trade to a condition of reasonable prosperity. But, as the Report points out, infiltration from the more depressed American section must be prevented. Amalgamations are most vitally needed in the American section, the ideal constitution of which would be a handful of large units. A number of large combines are already in existence in the Egyptian section, but their record does not appear recently to have been particularly brilliant; nevertheless, the Report is inclined here also to recommend further concentration. The difficulties of maintaining any satisfactory cartel system on the basis of a large number of units is carefully pointed out and the possible need for compulsory control is also emphasised. The latest plans for reorganising the spinning section have been formulated on a voluntary basis, but it is still far from certain whether an adequate degree of support for a voluntary association will be forthcoming.

With respect to the manufacturing section of the industry the Report recognises that a different type of organisation is desirable. Here large combines have only limited scope, because weaving is so diversified that large

units are in many cases neither practicable nor desirable. There will always be room for the small firm specialising along lines of its own, the chief need of this branch of the industry being flexibility. Nevertheless, in the "bread and butter" trade larger aggregations than those existing at present are desirable. The size of the average unit is uneconomically small, and the amalgamation of looms on plain cloth is therefore recommended. Moreover, attention is drawn to the fact that the old arrangement of well defined areas for different kinds of cloth has been destroyed during the last ten years. The manufacturers of the poorer types of cloth have been encroaching on the better-class trade in order to "fill in" and vice versa. It is desirable, therefore, to effect a re-separation of geographical areas of the different types of production. The organisation of this section should be as follows. Manufacturers of low-quality cloth should be organised in distinct combines, while those weaving fancy or high-class cloths should be left more or less as they are. The formation of vertical spinning and weaving units is not recommended, for the very good reason that it is difficult, if not impossible, to create a "spin-weaving" concern which is properly balanced. Nevertheless, it is noted that existing vertical concerns have, on the whole, done better than the average single process units—largely, it is pointed out, because these have tended to have marketing organisations of their own—chiefly, however, for the home trade.

The Report naturally lays the greatest stress on marketing—which, as is well known, is something of a panacea in P.E.P. circles. The "indent" system is justly criticised, and it is pointed out that the United Kingdom is probably the only country which has not got standard cloths—a pardonable exaggeration. There can be no doubt that our marketing methods, at any rate in the cheaper lines, have been very much behind those, for instance, of the Japanese—especially in China and India. Indeed, the report comes to the rather surprising conclusion—not altogether unwarranted—that it is only in marketing that Lancashire has anything to learn from Japan. Unquestionably the existence of stocks of bulk lines on the spot and the direct contact between the Japanese shipper and his customer have been important factors in securing success. There is a crying need, too, for a much closer link between producer and merchant. So far the attempts to secure this have signally failed, partly owing to their own inadequacy, but also owing to the opposition of the merchanting section of the industry. The Report recommends accordingly the formation of two marketing corporations—one for yarn and one for piece-goods. The latter presents, of course, far greater difficulties; it could be organised either as a new organisation emanating from the producing end—in which case the growth would be slow and the area of its operations necessarily limited—or else as a combination of existing merchants and producers with merchanting organisations of their own. Neither of these ways at the moment seems to promise very much hope, and in the long run the former may prove quite as practicable as the latter. If once the producing sections of spinning and weaving were to be organised on a sound basis they would be in a position to seek the co-operation of the finishers in forcing an improvement in marketing methods, either by creating a separate organisation of their own, or by bringing pressure to bear on existing marketing institutions—but in the present state of disorganisation such a development still seems a long way off. Finally, in order to cement the organisation of the industry as a whole, the report recommends the creation of an Industry Council representing all sections of the trade. Though vertical combination is not recommended, financial interlocking between sections somewhat on the analogy of the German Interessengemeinschaft is proposed as a method of ensuring that no single sectional interest shall prevail over those of the trade as a whole—a suggestion which is not without merit. The first task is to restore some degree of prosperity and unity to the spinning section—especially to the American branch of it—and until that is accomplished the sound basis for further building is lacking. The problem here is twofold: to eliminate surplus capacity and to effect a concentration into large units. Whether these two things can be accomplished

* Report on the British Cotton Industry—Industries Group P.E.P. (Political and Economic Planning).

separately, or whether they must be undertaken simultaneously, only the event can show. A double scheme for eliminating redundant plant and effecting amalgamations under the aegis of a voluntary association with powers to control production by means of a quota system is at present being considered by the spinning section, but at the moment there is still a good deal of uncertainty as to how much support it will obtain. Yet it must be obvious to everybody outside Lancashire that some arrangement of this kind is vitally needed. For more than a decade

the industry has been allowed to languish in default of any clear or coherent leadership. But the time is surely coming when public opinion will cease to tolerate the impotence of mismanagement in the sacred name of individualism. Unless the trade can undertake its own reconstruction, it will have ultimately to be reorganised from without—a step which no sensible person contemplates with equanimity. There is therefore every reason to hope that at long last Lancashire has begun to recognise the uses of adversity.

NOTES OF THE WEEK

Herr Hitler's Apologia.—The one thing about the events in Germany between June 29th and July 1st which was manifest from the beginning was that they would take a great deal of explaining. But when Herr Hitler, after keeping his countrymen and the rest of us waiting for a fortnight, did at last make a statement on the subject on Friday, July 13th, he astonished the world by a lamentable failure to explain anything at all. The first part of his speech was in a well-worn vein: denigration of the Weimar regime and laudation of the speaker's own achievements—especially in the economic field! The men of Weimar were denounced as the inveterate revolutionaries, in contrast to the genuine Nazis who had come into power by constitutional means and were constitutionally addicted to law and order! And then, by a rather obvious sleight of hand, the Chancellor made his transition to the proper subject of his speech by suggesting that the members of his own organisation, whose lives he took the other day, were a section of those "pathological foes of the State," the revolutionaries of 1918, who had insinuated themselves into the S.A. When he came to current events the only hard facts that he revealed were that the lives of 74 persons had been officially taken; but there is no reason to assume that the death-roll, as we now have it, is even approximately complete. All that we know is that the Government have now finally decided not to publish a list of names, but to "treat the matter as closed." Apart from the account of his appeals to Captain Roehm to change his mode of life and to break with his undesirable associates, Herr Hitler produced no evidence whatever to establish the guilt either of his own S.A. henchmen or of General von Schleicher. He simply dwelt upon those immoralities, both sexual and financial, in the private life of Captain Roehm and his associates, which had long been common knowledge; and then inveighed against the suggestion that there ought to have been a legal trial, or that the precise guilt or innocence of his victims was a relevant question. "For the 24 hours of June 30th," Herr Hitler shouted, "I was the Supreme Court of the German nation in my own person." Politically, by far the most significant thing in his speech was that he singled out, as the most heinous point in the alleged Roehm-Schleicher programme, the reported proposal to put the Reichswehr, together with the S.S. and S.A., under Captain Roehm's single command. In this connection Herr Hitler spoke as if his own principal mission was to keep the Reichswehr immune from being "bossed" by politicians. To the outsider, that is rather a surprising self-portrait of the artist, if we think in terms of the past; yet it may very well be Herr Hitler's rôle for the future.

Marxist Unity in France.—The Doumergue Government has been more remarkable so far for a tendency towards class legislation than for any resolution in suppressing unconstitutional bodies or unravelling the Stavisky scandal. It is natural, therefore, that the working class parties, with the terrible examples of Germany and Austria before them, should be organising for a united defence of their political and economic rights. The alliance between the Socialist and Communist Parties was cemented this week. By a large majority the national council of the Socialist Party decided on Monday to form a common front with the Communists for immediate joint action against the threat of Fascism and

war. A committee has been appointed to complete and sign an agreement on these lines. Joint demonstrations are to be organised; there is to be no mutual recrimination or violence; assistance is to be given by each party to the other in case of Fascist attacks; and strikes are to be invoked only by the competent trade union organisation. It is extremely refreshing to see that the working class parties in France are showing more common sense than their unfortunate comrades in Germany were able to muster. This week's demonstration of united Left-wing strength should not be lost on M. Doumergue's Government. That Government, it is devoutly to be hoped, will draw the moral that mere class legislation can neither bring peace in France nor preserve democracy.

San Francisco.—The inauguration of the N.R.A. Codes in the United States, by President Roosevelt's New Deal, was hailed by American labour as the beginning of recognition for organised labour unions and for collective bargaining. Trade Unionism in America had till then been mainly a matter of crafts and of localities; and when the codes were put into force, labour leaders hoped for much stronger influence in the conduct of industry. Actually, their hopes have been frustrated; for the N.R.A. has not championed organised labour as a whole against the employers. In such circumstances, American labour has gradually been disillusioned over both the President and the N.R.A. This disillusionment declared itself two months ago in unmistakable fashion by a strike of longshoremen along the Pacific Coast over the right, claimed by the employers, to recruit what labour they pleased at the employment exchanges. The dockers claimed that employment should be by rota, under their own officials, to avoid discrimination. Each side agreed to arbitrate under a special Mediation Board, but on terms with which the other could not agree. Last Monday the trouble assumed grave proportions in a general strike in San Francisco and Oakland. Essential supplies were permitted to reach the city, but supplies of petrol and fruit were impounded or turned away; and all the public services came to a standstill on Monday. A state of emergency was proclaimed by the police, who came into violent conflict with strikers and opened fire on them. The strikers' council is apparently trying to prevent disorder by unruly elements, but looting and incendiarism have taken place. The Californian authorities have called out the National Guardsmen—the volunteer militia—and the naval and military forces are being held in readiness to intervene; so that bloodshed is, to say the least, possible. Meanwhile, the sympathetic strikers have suffered; and the Strike Committee of the Central Labour Council advised the dockers on Wednesday to accept arbitration by the Federal Mediation Board. The social situation in America to-day is reminiscent of the relations between employers and employed in this country in the 'eighties of last century. Then, in Britain, as now in America, the struggle centred on the right of casual and unskilled labourers to organise and to bargain collectively. The successful London dock strike for "the dockers' tanner," in 1889 inaugurated a long period of organisation of unskilled labour; and in 1920 the Industrial Court could even

declare that "the system of casualisation must, if possible, be torn up by the roots." Perhaps last year's Wagner Act, which affirmed the Federal Government's policy of public employment exchanges, will prove a basis upon which successful mediation in the present dispute in America can take place. If not, it would seem that American industrial and social relations in future are to be marred by violent recurrences of the San Francisco variety.

* * *

Housing the Workers.—Gradually and grudgingly the Government gives way to the public demand for a genuine housing policy. Two years ago the Wheatley subsidy was abolished, and the Government professed to believe that unaided private enterprise would provide the necessary houses. A year later, in face of the obvious failure of this policy, a slum-clearance plan was initiated. Then, a few months ago, Sir Hilton Young announced that some restoration of the subsidy would be conceded. And this week, in the House of Lords, Lord Halifax admitted that overcrowding is as serious a problem as slum-clearance, and that unaided private enterprise cannot possibly provide houses to let at 10s. a week or under. The Government has therefore decided to carry out a survey of overcrowding; and legislation will be introduced in the autumn defining standards of housing accommodation, making it compulsory for local authorities to build a sufficiency of houses, and offering financial assistance to enable them to do so. At last, we note with gratitude, the Government has accepted the principle that it is a national duty to use public funds to ensure the proper housing of the workers. But there is still one hurdle left for Sir Hilton Young to clear. Lord Halifax refused to accept the general demand made in the House of Lords for a national housing authority. He argued, quite rightly, that it would be a mistake to supersede, excuse, or interfere with the local authorities, many of whom (as at Leeds) are experienced, active and capable in discharging their housing responsibilities. But Lord Halifax should realise that the advocates of a central housing authority are *not* proposing the supervision of the efficient local authorities. It is merely proposed that the central authority should co-ordinate housing activities, should arrange for cheap finance and raw materials, and should supersede inefficient or incapable local authorities. The Government, Lord Halifax announced, is willing to admit the necessity of a general co-ordinating body by appointing an Advisory Council. But it still denies that any substantial advantages in cheap finance and raw materials could be secured by a central executive body. Here, in our opinion, it is wrong. How soon will Sir Hilton Young take this last hurdle, and so give the country the bold, adequate and national housing policy that public opinion demands?

* * *

Labour Housing Policy.—Thanks to the Government's sluggishness, it has been left to the Labour Party both to make a scientific estimate of the number of houses required and to introduce the idea of a central housing authority into practical politics. Labour policy, as explained in a very interesting and well-documented report just published, follows the main lines of the report of a year ago. Houses are to be built, where possible, by the local authorities acting under the supervision of the Minister of Health. There should also be a central authority, however, to take over housing programmes from unwilling or incompetent local authorities. This central body (which has changed its name since a year ago from the "Central Housing Council" to the "National Housing Commission"), would assist the Minister to co-ordinate town-planning, slum-clearance, re-conditioning, building and all housing activities. The Labour Party's present estimate of the number of houses required is based on the same factors which we took into account in computing the "Demand for Houses" in our issue of March 31st: the present extent of overcrowding, the probable increase in families, and the rate of obsolescence. In this way the Labour Party reaches an estimate of the necessary rate of house-building which tallies with

our own: 5,000,000 to 6,000,000 houses in 20 years, or 250,000 to 300,000 a year. The report is naturally, and rightly, concerned above all with the provision of houses to let at rents of from 5s. to 10s. a week. This cannot be done, the report declares, by unsubsidised private enterprise even at present costs. The National Government's abolition of the Wheatley subsidy therefore stands condemned; and the Labour Party would consequently restore it, together with the principle of differential rents, whenever it is impossible to produce low-rented houses in any other way. The report is a little vague about the way in which Labour would finance the programme; but it fully recognises the contribution that centralised finance and bulk buying can make to the cheapening of costs. Indeed, the idea of a national housing authority has now been endorsed by Lord Amulree's influential committee, by the Town Planning and Garden Cities Association, by the detailed memorandum prepared by Mr F. H. Rees and Mr Nicholson, and finally by the Labour Party. Outside the Cabinet, opinion seems to be almost unanimous.

* * *

Mr Elliot in Deep Water.—Mr Elliot got more than usually out of his depth in his efforts to defend the beef subsidy in the House on Monday. First, in attempting to suggest that the present low price of beef was mainly due to increased imports, Mr Elliot gave the *percentage* figures for Empire imports, and added that the absolute figure of home production fell between 1930 and 1932. Both Sir Herbert Samuel and Lord Winterton asked Mr Elliot to give the absolute figures, but he refused. If he had not refused he would have had to admit that the fall in prices was not due to an increase in imports at all, but to a shrinkage of demand. The figures are as follows:—

Total Imports of Beef (cwt.)		
1930		1933
12,814,000		12,046,000

Quite clearly it is not an increase in supply which has caused the fall in prices. Mr Elliot next proceeded to elaborate one of the most extraordinary economic arguments which we have heard for a long time. It did not matter, he said, if the nation jeopardised its income from foreign investments in order to maintain the beef farmer, because the "return" from British agriculture was greater than the "return" from our foreign investments. Mr Elliot admitted that this statement seemed so "extraordinary and unlikely" that he had "checked it again and again." But when he came to give the figures—£150,000,000 from foreign investments and £180,000,000 from agriculture in 1933—it transpired that he was comparing our income in interest on foreign capital with our gross agricultural production! Mr Grenfell pointed out that this was to compare two entirely different things. Mr Elliot replied that he "could not get the comparison on any other basis." Mr Horobin asked him if he really thought that the yield on £1,000,000,000 invested in agriculture was greater than the yield on £3,500,000,000 invested abroad. Mr Elliot replied that he was unwilling to indulge in "statistics-chopping"; and, when Mr Horobin repeated his question, he took refuge in the following statesmanlike dictum:—

It is surely clear that investments in foreign countries, as to which we must take the net returns, cannot stand on the same footing in regard to these matters as our investment here, which has so many ancillary factors, the value of which cannot be estimated.

Quite apart from this confusion, however, Mr Elliot did not state whether his figure of gross agricultural production allowed for subsidies, de-rating, etc. Nor did he point out that our income from investments was at an exceptionally low level in 1933; that it had been reduced to that low point by our own protectionist policy, which he supports; and that before 1930 it had risen to over £250,000,000 a year. In any case, the comparison is ludicrous. Our income from foreign investments is a net income additional to what we make at home. If our standard of living is to be maintained, we must consume both the products of our own labour and the product of our past saving. In 1929 beef production in England was pros-

perous; we received about £250,000,000 in income from foreign investments; and unemployment was half its present figure. If Mr Elliot would reflect on that, he might perhaps find his moorings.

* * *

The Anglo-Norwegian Fisheries Dispute.—On July 11th Mr Eden received at the Foreign Office a deputation from the Hull Trawler Officers' Guild to ask H.M. Government for protection against interference by the Norwegian authorities with the activities of British trawlers outside the three-mile limit off the Norwegian coast. Mr Eden received the deputation sympathetically; announced the Government's readiness to afford naval protection in any case up to a limit mentioned in an Anglo-Norwegian agreement of November 1st; and promised that the possibility would be considered of sending a British warship to the fishing grounds at an early date. This last announcement sounds rather startling; but the truth is that the trawlers' deputation to the Foreign Office the other day is only one incident in a long story, in which the trawlers and the Government would appear to have rather a strong case. In fact, we have been finding the Norwegians as difficult to deal with over these North Sea fisheries as the Danes have found them in the matter of the sovereignty over East Greenland. To begin with, the Norwegians claim a four-mile limit for their territorial waters instead of the three-mile limit which is accepted by this country and by most other countries in the world, though not by all. In the second place, the Norwegians claim to draw their four-mile-limit line from point to point, on the basis of the extreme projecting points of their coast; and, in the case of a coast which is so irregular as that of Norway, this of course adds considerably to the waters which are claimed as territorial. In these two points alone, there would be sufficient matter for an international dispute; but the situation has been aggravated by the fact that, so far, the Norwegian Government has failed to define, on the chart, the limits of its territorial waters according to its own construction of its claims. H.M. Government asked the Norwegian Government to define this limit at a conference which was held as far back as 1924; in 1925 a line was duly drawn by Norwegian hydrographers; and, since then, British trawlers have been instructed to keep outside this line, pending a settlement. The Norwegian hydrographers' line, however, has not yet been ratified by the Norwegian Parliament; and, meanwhile, British trawlers fishing outside this line have been rounded up by Norwegian gunboats, taken into Norwegian fishing ports, and condemned by juries drawn from the people commercially interested in the Norwegian fishing industry. H.M. Government would seem to be justified in claiming that it is now high time for a diplomatic settlement, if the issue is to be settled by diplomatic means. If not, the case ought to be put to arbitration or else taken before the Permanent International Court at The Hague.

* * *

The "New York Times" takes Us to Task.—In an article entitled "Trade is Triangular" the *New York Times* accuses us of harbouring the heresy that trade between any two individual countries ought to be rigidly balanced. We must plead "Not Guilty" to this charge. We entirely agree with the *New York Times's* attack on the reactionary and ridiculous conception of "balanced trade." It is true, as the *New York Times* points out, that, in distinguishing between the German debt to us and our own war debt to the United States, we observed that Germany's trade balance with Great Britain was active, while the British trade balance with the United States was passive. But this statement must not be taken to imply an acceptance of the "balanced trade" fallacy. It was merely intended to show that Great Britain had done its best to make debt payments easy by buying German as well as other goods, while the United States had not done its part by buying British goods. The figures were also relevant to the possibility of an exchange clearing. In general, however, we have great pleasure in applauding the enlightened sentiments of the *New York Times*:—

Great Britain's ability to pay her debt to the United States does not depend upon the direct trade between

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the two countries, but upon Great Britain's total balance of payments, including "visible" and "invisible" items, with the entire outside world. Similarly, Germany's ability to pay her debt to Great Britain does not depend upon the direct trade between the two nations but upon Germany's entire trade balance.

The *New York Times* does not add, we notice, that the United States' ability to receive her debt from Great Britain does not depend upon the direct trade between the two countries, but upon the United States's total balance of payments with the entire world. If it had, it would have been constrained to note that in 1933, according to the Department of Commerce, the United States had a total *active* balance of payments of \$193 millions; while Great Britain had a *passive* balance of £4,000,000. We will not quarrel, however, about so trifling an issue. For the *New York Times* is indubitably on the side of the angels. It has shed a welcome ray of light on a world of economic chaos and darkness. May it long continue to do so.

* * *

French Export Credits.—The report of the French Export Credit Committee is another proof that State-aided exports add little to the total volume of trade unless the State is prepared to shoulder risks which no private concern or bank would run. As in England, the proportion of exports under the export credits scheme in France to the total of French exports is small; and traders are often unwilling to carry through a deal in spite of the State guarantee. Although the Government is entitled to guarantee up to 60 per cent. of the contracts, the usual figure is about 50 per cent., and even less in the case of particularly doubtful risks. The guarantee may be obtained for exports to States with which the Republic has a commercial treaty (with the exception of Manchukuo), Soviet Russia now being included. The exports must be of national importance; and minimum and maximum periods of credit are fixed. Between 1929 and 1933 the State has guaranteed 180 projects involving Frs. 4,974 millions, of which, however, only 58 contracts, amounting to Frs. 818 millions have been executed. The liability of the State in respect of approved contracts amounted to 51.4 per cent., but for the contracts actually carried out the State guarantee does not exceed an average of 48.5 per cent. It is clear that in France, as in this country, export credit schemes and tariff and quota policies are largely irreconcilable—like the views of Peter Gynt, who traded idols with the natives in order to increase his efforts to convert them!

* * *

Sterling and International Prices.—The past fortnight has witnessed an increase in both British and American prices. The complete British index number has risen by 1.7 per cent. to the highest point this year, and primary products have risen by 1.3 per cent., and have also reached their highest point for the year. The complete index number has been affected to some extent by a sharp seasonal rise in potatoes, due to the substitution of the new for the old crop, but the primary index has not been affected. In the United States primary products have risen by 2.5 per cent., again to a new high record for the year, but the Irving Fisher general index number is practically unchanged. On the Continent, gold *bloc* prices, as represented by the French and Italian index numbers, continue

to fall, but there has been a further rise in German prices. This adds to the over-valuation of the mark in terms of other currencies.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices				U.S.A., Irving Fisher	France, Statist- ique Générale	Italy, Milan Chamber of Com- merce	Ger- many, Statist- isches Reichs- amt
	British Complete Index (sterling)	Primary Products		Price of Gold (sterling)				
		British (sterling)	American (dollar)					
1932								
Jan. 27th	108.3	115.7	93.8	140.9	93.5	93.6	95.8	91.6
Apr. 20th	103.8	105.4	83.6	129.5	89.6	87.0	95.3	90.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	89.5	88.1
Oct. 19th	103.1	112.3	84.0	143.8	88.6	88.8	92.7	86.8
1933								
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	90.2	83.8
Apr. 19th	88.7	104.6	68.7	141.4	82.8	87.5	86.2	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	89.7	86.2	84.6
Oct. 18th	108.4	112.8	109.1	155.4	103.7	87.5	84.6	88.1
1934								
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	84.4	88.5
Feb. 14th	109.3	119.9	128.6	161.7	106.8	87.0	84.5	88.4
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	84.1	88.0
Mar. 14th	109.0	122.5	129.8	160.3	108.2	85.6	84.0	88.1
Mar. 25th	108.3	121.4	127.5	160.4	107.3	85.9	84.2	88.1
Apr. 11th	108.4	120.2	128.6	158.7	106.4	86.1	84.2	87.9
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	83.2	87.7
May 9th	108.2	121.7	129.4	160.0	109.0	85.6	83.9	88.0
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	83.9	88.5
June 6th	108.2	122.3	134.4	162.3	110.1	84.1	83.8	88.9
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	83.9	89.6
July 4th	107.7	123.2	133.4	161.7	112.8	82.0	83.7	90.1
July 18th	109.5	124.8	136.7	162.4	112.9*	81.6*	83.1*	90.8*

* These figures refer to July 11th.

Details of the group indices comprising the complete Economist index number are given below:—

"ECONOMIST" INDEX

(1927 = 100)

	Sept. 18, 1931	June 20, 1934	July 4, 1934	July 18, 1934
Cereals and meat	64.5	68.1	67.8	73.0
Other foods	62.2	59.2	58.7	58.0
Textiles	43.7	53.0	52.9	53.3
Minerals	67.4	76.7	76.6	76.6
Miscellaneous	65.8	69.5	69.2	69.4
Complete index	60.4	65.3	65.1	66.2
1913 = 100	83.1	89.9	89.5	91.0
1924 = 100	52.2	56.4	56.2	57.2

In the cereals and meat group, wheat, barley, maize and rice are all dearer, while potatoes have nearly doubled in price. Mutton is cheaper, but there was an advance in Argentine beef. Most items in the other foods group are slightly cheaper than a fortnight ago. In the textiles group, cotton and flax are dearer, but silk has fallen and there has been a further decline in wool. Among metals, tinplates, house coal, lead and tin all advanced, but copper and spelter cheapened. In the miscellaneous group, hides were dearer, but there was a very slight reaction in rubber.

* * *

Consolidating the Tin Control Scheme.—After the meeting of the International Tin Committee at The Hague last week it was announced that French Indo-China, the Belgian Congo and Ruanda-Urundi, Portugal and Cornwall had become members of the international control scheme. As expected, the Tin Committee had to offer these countries favourable terms in order to induce them to adhere to the scheme. The terms under which the twelve concerns now operating in the Belgian Congo and Ruanda-Urundi were brought into the cartel provide for a quota of 4,500 tons of metal in 1934, 6,000 tons in 1935 and 7,000 tons in 1936. How dearly the adherence of the Congo was purchased is shown by the fact that production was only 2,225 tons in 1933, 683 tons in 1932 and 141 tons in 1931. The quotas allotted to French Indo-China are: 1,700 tons of metal in 1934, 2,500 tons in 1935, and 3,000 tons in 1936. It was agreed that in case of an increase in the quotas of the original members above 65 per cent. of the standard tonnages the quotas allotted to French Indo-China and the Belgian Congo would be raised by 25 tons for each 1 per cent. of the percentage over 65 per cent., so that, with the quota at 100 per cent., an additional 875 tons would be allowed. Portugal's quota was fixed at 650 tons of metal per annum for the years 1934-36, and the three important producers of Cornwall (East Pool and Agar, Geevor, and South Crofty) are permitted to produce 1,700 tons of metal per annum during this period. According to the statement issued by the International Tin Committee,

the flat rates for Portugal and Spain will remain in force so long as the quotas of the signatory countries do not exceed 65 per cent. of the standard tonnages under the control agreement. The standard tonnages for these two countries have been agreed at 800 tons and 2,615 tons respectively. A proportionate increase will be made in the flat rates if the quotas of the original members exceed 65 per cent. While the International Tin Committee has thus been able to stop some of the gaps in the restriction scheme at some cost to themselves, it is to be hoped that excessive strain on the loyalty of its constituents through a high-price policy, which might result in the end in the complete collapse of the scheme, will be avoided by those in control of the cartel in their own interest.

* * *

A Tinplate Agreement.—At a trade meeting at Swansea Exchange last Tuesday it was announced that an international tinplate agreement had at last been signed by the representatives of Great Britain, France, Germany and the United States. The object of this agreement, which failed to materialise from the negotiations of the first two months of this year, is to raise the price of tinplate by regulation of the market. To this end a minimum price of 18s. per standard ton was laid down. The present price is 17s. 3d., but it was only raised to this level from 16s. 6d. at the beginning of May in anticipation of the agreement. It is easy enough to understand the efforts of the tinplate producers to raise prices, as both their raw materials (tin and steel) have risen considerably in price during the past eighteen months, while tinplate has remained depressed. Nevertheless this raising of prices by an international agreement is difficult to achieve. Until a few months ago it was generally thought that no substitute could be found for tinplate in the production of boxes for canned foods. Quite recently, however, this has been falsified. Substitutes are being increasingly introduced. The use of glass, which originally seemed to offer considerable possibilities, has not recently been very much developed; boxes of aluminium, on the other hand, are continually gaining ground. During the past few months the competitive strength of aluminium boxes in opposition to tin boxes has not been very apparent, because very little fish preserving (for which the aluminium boxes are particularly suitable) is done at this time of the year. The fish-packing season only really begins in August and September. But producers of aluminium boxes already have high hopes, based on recent business developments, and these hopes will probably be all the more justified as a result of the rise in the price of tinplate. In fact, until now the only obstacle to a rapid growth of the use of aluminium boxes has been the question of price. They are slightly dearer than tinplate boxes. This small price disadvantage was to a large extent compensated by the easy stamping of the aluminium (saving of labels), its lightness (saving of freight charges) and the fact that old tins could easily be used as scrap. A small rise in the price of tinplate may entirely reverse the position of advantage. It is, therefore, to the interest of tinplate producers that the present agreement should be used with great discretion. The Welsh tinplate industry, in particular, which is more concerned than any other national tinplate industry in the world with export, should see to it that the bow is not stretched beyond the breaking point.

* * *

Iron and Steel Production in June.—The figures for June issued by the British Iron and Steel Federation show that production of pig iron and steel is proceeding on an even keel. After increasing by 5 per cent. in April and 3 per cent. in May, production of pig iron in June, at 514,900 tons, showed an increase of only one per cent.; although steel production has not again reached the peak of March (834,500 tons), the rate of production has been well maintained when allowance is made for holidays, the varying lengths of months, and so on. Imports of iron and steel in June show a rather surprising decline to 98,000 tons—the lowest figure of the year. Exports, on the other hand, rose to 204,100 tons, the highest figure since October, 1930. The following table compares pro-

duction of pig iron and steel and imports and exports in each of the first six months of 1933 and 1934:—

UNITED KINGDOM PRODUCTION, IMPORTS AND EXPORTS OF IRON AND STEEL, FIRST SIX MONTHS 1933 AND 1934
(In thousands of Tons)

	Production				Imports of both		Exports of both	
	Pig Iron		Steel		1933	1934	1933	1934
	1933	1934	1933	1934				
Jan.	286.6	441.3	444.4	711.0	69.5	119.8	148.7	163.7
Feb.	270.8	414.4	482.7	707.5	78.0	123.3	135.6	142.0
March ...	332.2	503.6	577.7	834.5	97.0	121.6	155.0	171.5
April	324.7	496.3	509.6	716.8	70.9	125.3	132.8	165.2
May	339.9	527.9	599.6	780.0	84.9	122.2	178.6	190.6
June	343.6	514.9	568.8	757.5	69.0	98.0	153.8	204.1
Total	1,899.8	2,898.4	3,182.8	4,507.3	469.3	710.2	904.5	1,037.1

Production of pig iron in the first half of this year was 52 per cent. in excess of the corresponding period of last year and the output of steel showed an increase of 41 per cent. Imports rose by 51 per cent. and exports by 15 per cent. between the two periods. Of the sales abroad in the first half of this year, exports to foreign countries amounted to 467,000 tons, an increase of 10,000 tons over the corresponding period last year, and exports to the Empire to 570,000 tons, an increase of 122,000 tons, or 27 per cent., over last year. The increases were most marked in exports to South Africa, Canada, New Zealand, Egypt, Palestine and the Irish Free State. Among foreign countries the increases were most marked in exports to Russia, Denmark, the Netherlands and Norway, with whom trade agreements have been concluded. There was a substantial decline in exports to China, Japan, Brazil and Portugal.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE SAN FRANCISCO STRIKE

THE waterfront strike on the Pacific Coast has now persisted upwards of two months. Originally a longshoremen's strike, it has now added other craft unions, and an effort is being made to convert it into a local general strike. Approximately 25,000 men are out, and shipping has been paralysed from north of Los Angeles to the Canadian border. Violence has increased as the strike drags on, and in California the National Guard has been called out to reinforce the police. The Federal Government has attempted to act as conciliator, both under old and new legislation, but so far its efforts have been in vain. The past half-year has been distinguished for labour troubles, many of them marked by fatal riots—Minneapolis, Toledo, Cleveland and now San Francisco, to mention only those which have been noted in the Press.

Business statistics do not lend themselves to clear interpretation. Steel output, which two weeks ago was 56 per cent. of capacity, last week (which included the July 4th holiday) was only 21 per cent., and in certain districts is down to 10 per cent. It was generally recognised that as a result both of the price policy of the steel cartel and of the strike threat, a good part of the second quarter production was anticipatory, but the depth of the succeeding slump has exceeded expectation. The estimated steel capacity of the country, by the way, has been increased by more than 10 per cent. since 1929. Textile activity has been sharply reduced. On the other hand, motor production has held up far better than was expected, and electric power consumption figures have been excellent. Car loadings have also been more than favourable; but this is

Transvaal Output in June.—The output of gold by the mines of the Transvaal during June amounted to 868,129 ounces of fine gold at a value for purposes of declaration of £6 17s. per ounce, as compared with 808,418 ounces in May at £6 15s. and 918,633 ounces in June last year at £6. Statistics of outputs and profits of the individual mines were fully set out in our issue of July 7, 1934, page 45. In the following table we show the monthly output since the beginning of 1928:—

Month of	1928	1929	1930	1931	1932	1933	1934
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January ...	843,857	876,452	882,801	914,576	936,784	967,457	907,644
February ...	816,133	815,284	818,188	839,337	914,012	883,145	826,363
March	877,380	866,529	880,370	910,998	960,035	946,863	874,112
April	825,907	872,123	868,606	882,337	949,756	895,097	865,822
May	886,186	897,598	916,213	910,279	965,644	944,604	898,418
June	862,363	856,029	887,867	897,750	959,011	918,633	868,129
July	867,211	889,480	912,652	916,843	981,160	923,671	...
August ...	891,863	889,601	921,081	916,425	991,322	934,714	...
September ...	857,731	849,553	903,176	916,024	961,501	901,799	...
October ...	897,720	888,690	926,561	945,113	974,965	908,888	...
November ...	872,484	861,593	884,753	900,510	978,716	898,468	...
December ...	859,761	851,134	908,492	923,353	980,618	894,156	...
Total ...	10,358,596	10,414,066	10,719,760	10,874,145	11,553,564	11,017,485	5,240,485

The following table shows the number of natives employed at the mines during the past nine months:—

	Oct., 1933	Nov., 1933	Dec., 1933	Jan., 1934	Feb., 1934	Mar., 1934	April, 1934	May, 1934	June, 1934
Gold mines	231,799	233,657	235,739	239,871	242,594	242,577	243,059	243,579	244,857
Coal mines	11,662	11,744	11,686	11,861	12,120	12,434	12,452	12,481	12,800
Total ...	243,461	245,401	247,425	251,732	254,714	255,011	255,511	256,060	257,657

The number of natives employed at the coal and diamond mines continues steadily to increase.

in part attributed to the early wheat movement because of the intense heat. Statistically, one of the most distinct effects of N.R.A. has been to make manufacturing output more irregular and sporadic, with fitful bursts of great activity followed by complete or nearly complete shut-downs. The attitude of the Government towards the price cartels is more obscure than ever. Federal agencies objected so strongly to the cartel prices that a ruling authorised bidders on Government contracts to cut prices as much as 15 per cent. below the cartel schedule; but the wording was so ambiguous as to leave quite uncertain whether or not comparable terms would be offered to private buyers.

THE INCREASE IN BANK DEPOSITS

Statistically speaking, the most striking fact of the first half of 1934 has been the increase in bank deposits.

The following table shows the changes in the items of the Reporting Member Banks in the period:—

	Reporting Member Bank Items	
	(\$000,000)	
	Dec. 27, 1933	June 27, 1934
Total loans and investments	16,666	17,737
Loans on securities	3,628	3,529
All other loans	4,774	4,485
U.S. securities	5,267	6,665
Other securities	2,997	3,058
Reserves with F.R. Banks	1,914	2,901
Net demand deposits	10,866	12,504
Time deposits	4,339	4,501
Government deposits	825	1,357

In short, the tendencies of recent years have continued, viz., a contraction of loans and an expansion of investments, with the difference that in the past month the net

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result has been a substantial expansion in both total loans and investments and total deposits.

To illustrate the change of five years the following table shows the changes since June 26, 1929. In this connection one should remember that the current tabulation covers only 91 cities, while in 1929 101 cities were included:—

Reporting Member Banks (\$000,000)	June 26, 1929	June 27, 1934
	1929	1934
Total loans and investments.....	22,407	17,737
Loans on securities	7,539	3,529
Other loans	9,139	4,485
U.S. securities	2,895	6,665
Other securities.....	2,834	3,058
Reserves with F.R. banks	1,670	2,901
Net demand deposits	13,018	12,504
Time deposits	6,763	4,501
Government deposits	260	1,357
Borrowings from F.R. banks	715	5

It will be noted that in 1929 the principal function of these banks was the lending of money. Their loans were \$16,600 millions, against investments of under \$6,000 millions, although even then the proportion of investments to loans was so high that the banks were often somewhat disparagingly referred to as "investment trusts." At present the loans total almost exactly \$8,000 millions, or less than half their 1929 sum, while the investments, at \$9,600 millions considerably exceed the loans; and the proportion of U.S. Securities to total loans and investments, which was below one-seventh in 1929 is now one-third. In 1929 the holdings of U.S. Securities were approximately equal to the holdings of other securities; now they are more than twice as high.

The changes in the items of the Reserve Bank over the past six months are also significant:—

Reserve Bank Items (\$000,000)	Dec. 27, 1933	June 27, 1934
	1933	1934
Bills discounted	111	27
Bills bought	111	5
U.S. securities	2,432	2,430
Gold reserves	3,569	4,782*
Monetary gold stock	4,323	7,846
Money in circulation	5,824	5,301
Member bank balances	2,675	3,837

* Gold certificates and due from U.S. Treasury.

It is particularly significant that almost the entire assets of the Reserve Banks now consist of one type or another of Government paper. These banks possess no gold whatsoever; for although the "gold certificates" may be converted into gold at the discretion of the Secretary of the Treasury, they are actually and legally no more than non-interest-bearing obligations of the United States. Of millions and the discounts of commercial paper \$20 millions, a total of \$25 millions. It is hardly an exaggeration to say that our entire monetary structure is now based upon public debt; and to a great and increasing extent our

credit structure is likewise based upon the public debt; and one might add that the principal function of our entire banking system, Reserve Banks and commercial banks, in recent months has been the financing of the Treasury deficit.

Some 14 New York Clearing Banks have this week seized the earliest possible opportunity to extricate themselves from their contracts with the Reconstruction Finance Corporation. Because certain banks were in actual or putative need of capital, which was available from the R.F.C., all the New York Clearing Banks were induced to sell stock or notes to the R.F.C., ostensibly to encourage the others. The customary form was the exchange of a 4 per cent. capital note for a 1½ per cent. R.F.C. debenture—a rather expensive gesture. Incidentally, the first bank failure under the guarantee scheme has occurred—a small State bank, not a member of the Reserve system; the depositors were promptly paid off.

PUBLIC OPINION AND THE NEW DEAL

The political campaign has been launched and promises to be more hotly contested than was expected a short time ago. The Republican party is still too disorganised to formulate anything resembling a platform; but Senator Borah (who himself is not a candidate this autumn) has initiated a sort of free lance campaign with a general broadside at the New Deal, and specifically the N.R.A. This week two by-elections for State Senators in New York State, one in Mr Roosevelt's own county, were fought out on the New Deal issue. They resulted in overwhelming victories for the anti-Administration candidates; but too much significance should not be attached to such casual manifestations of local sentiment.

Two factors, however, may be borne in mind in following the political developments of the coming months. As is well known, the Middle West is deeply religious; and numerous reports mention the wide belief that the Great Drought is divine retribution for the curtailment programme of the A.A.A. As, however, some 3,000,000 farmers are in receipt of A.A.A. curtailment funds, it is questionable if their religious sentiments outweigh cash in hand. Second, the rising cost of living is beginning to arouse some resentment in urban areas, where it is usually and not incorrectly attributed to N.R.A. On the evidence to date it appears that the monopolistic tendencies and price-cartelising tendencies of N.R.A. have aroused deep popular resentment; but, as Senator Borah and others have pointed out, the political alignments are not distinct. The alternative to monopoly is the enforcement of the anti-trust legislation; the Republican Party did not enforce the anti-trust laws when it was in office, nor does the Party organisation promise their enforcement now; while the Democrats suspended their enforcement through the N.R.A.

New York, July 7.

FRANCE

REDUCING INTEREST RATES

At the end of last week the Treasury announced the issue of a loan the details of which appeared in the *Journal Officiel* of July 12th. This issue provides for a double funding operation. The Treasury has to repay on October 25th some 5,979 million francs of ten-year 5 per cent. "Clémentel" bonds. Holders of these bonds have been authorised to exchange them for the new bonds at any time between now and the end of October. The Treasury will also receive applications to a total of 3,000 million francs. Thanks to these 3,000 millions, which will ease the Treasury's position, it will be possible to repay about 2,000 millions of short-term Treasury bonds and so to reduce from 12,000 to 10,000 millions the total of short-term Treasury bonds in circulation. The last Finance Act provided that this reduction to 10,000 millions should take place by September 30th.

The new bonds bear 4 per cent. interest and are issued at a price of 95. They will be repayable at 140 in 15 years

at the most. The redemption yield will thus be 5.1 per cent. This yield is less than that on the loan issued in January, which cost the Treasury 5.7 per cent.

The tendency towards a lower rate of interest is apparent in the short-term as well as the long-term market, as the following table shows:—

	End of March %	Beginning of July %
Bank rate.....	3	2½
Market rate	2½	1½
One-month loans against National Defence Bonds	3½	1½
Three-month loans against National Defence Bonds	4½	2½
Discount Rate on National Defence three- month Bonds	3½	1½
Discount Rate on three-month Treasury Bonds.....	3½	1½
Sight Money rate	2½	1½

This great cheapening of short-term money has not been induced by any increase in the discount operations of the Bank of France. The bill portfolio of the Bank, which exceeded 6,000 millions in March, was not more than 4,000 millions in the middle of June. But between March 2nd and July 6th the gold holdings of the Bank rose from 73,928 millions to 79,653 millions. Part of this increase was due to a return of the gold which left the Bank during the political troubles in January and February. But the French market has also received gold released from the British Exchange Equalisation Account and from the National Banks of Switzerland, Germany and Italy.

This cheapening of money made possible a rise in most rentes and fixed-interest securities on the Paris market, as is shown by the following table of the Statistique Générale de France:—

	March	April	May	June
Irredeemable 3% rentes	75.8	86.2	89.2	89.2
Redeemable 3% rentes	84.6	90.4	92.5	93.5
4½% 1932 rentes	75.3	80.9	83.0	85.4
3% Foncière 1883	67.0	70.2	74.0	78.3
4% Foncière, 1913	87.2	92.2	91.8	91.2
3% Railways.....	77.6	83.1	91.3	92.0
4% Railways.....	68.7	73.9	79.7	78.5
3% Industrial securities	76.3	79.8	80.9	80.9
4% Industrial securities	79.4	80.5	80.3	81.0
Index of fixed-interest securi- ties	76.9	81.9	84.7	85.6

ORDINARY SHARES STILL FALLING

But while fixed-interest securities have strengthened, ordinary shares have weakened. The following table gives a general view of the Paris Bourse during the first half of 1934 (1913=100):—

	Average		1934		
	1932	1933	Jan.	March	June
Total French securities	245	232	215	198	204
Banks	190	186	176	166	162
Insurance	610	598	559	547	583
Midland mines	162	149	133	125	118
Northern mines	230	220	195	171	173
Miscellaneous mining in- dustries	158	146	126	110	109
Iron and steel	85	75	63	54	55
Engineering	254	237	216	193	189
Shipbuilding	33	38	42	42	48
Building materials	308	197	134	129	136
Chemical products	200	208	203	183	189
Textile industries	234	217	200	180	163
Main line railways	94	81	74	73	83
Other railways	121	112	105	105	108
Shipping	102	84	69	61	65
Gas	484	543	529	495	521
Electric power.....	457	452	420	391	374
Food and drink	456	491	512	477	470
Department stores	175	146	128	113	115
Miscellaneous industries	248	256	252	237	238
Miscellaneous trades.....	170	135	109	96	120
Colonial companies.....	202	186	181	168	176
French companies abroad ..	126	134	133	117	129
Foreign securities	204	218	217	201	191

It will be seen from the above that ordinary shares have weakened slightly in spite of cheaper money. It is true that there has been some recovery since March, but the figures for June are still very much below those of January. This reduction in the price of ordinary shares at a time of falling interest rates is contrary to current experience in Great Britain and may appear paradoxical. The explanation is to be found in the slight setback noticeable in

industry itself, as shown in the following indices of industrial activity (1913 = 100), these being the latest available:—

	Jan.	Feb.	March	April	May
General index	106	105	104	103	101
Mechanical	103	101	100	100	99
Iron and steel	79	79	79	79	80
Textiles	76	76	72	69	66
Mines	106	105	103	103	103
Building adjusted figures)...	86	87	88	87	84
Leather (" ").....	107	105	103	101	99
Paper (" ").....	130	138	147	154	158
Rubber (" ").....	959	965	983	974	940
Motors (" ").....	451	453	470	465	456

In the motor industry 15,014 automobiles and 2,046 lorries have been put on the road, compared with 13,544 and 2,266 in April, 1934, and 15,847 and 2,684 in May, 1933. The figures for the cotton industry are as follows:—

	Feb.	March	April	May
Mills (average per spindle)	Kg.	Kg.	Kg.	Kg.
Production.....	1,740	1,841	1,552	1,593
Deliveries	1,661	1,847	1,520	1,608
Stocks.....	2,577	2,615	2,626	2,634
Unfulfilled orders	6,418	5,618	5,373	5,126
Weaving (average per loom)	(100 metres piece)	(100 metres piece)	(100 metres piece)	(100 metres piece)
Production.....	5.19	5.65	5.18	5.00
Deliveries	4.64	5.03	4.43	4.43
Stocks.....	7.88	8.24	8.88	9.62
Unfulfilled orders	17.60	15.44	14.51	12.75

The figures of bankruptcies are equally unsatisfactory, as shown in the following table for the first six months of 1933 and 1934:—

	1933		1934	
	Bankruptcies and Judicial Liquidations	Bankruptcies and Judicial Liquidations	Bankruptcies and Judicial Liquidations	Bankruptcies and Judicial Liquidations
January	794	1,193	780	1,258
February	773	1,198	755	1,171
March	913	1,370	1,113	1,578
April	738	1,146	731	1,077
May	834	1,274	950	1,300
June.....	752	1,034	1,036	1,414

The month of June was particularly bad, bankruptcies increasing by 284 (almost 40 per cent.) as compared with June, 1933, and bankruptcies and judicial liquidations together by 380 (36 per cent.).

PARIS, July 18.

GERMANY

FOOD QUESTION BECOMING ACUTE

THE food question threatens to become acute. The first sign was a temporary potato famine, with rationing. This was a direct consequence of the official policy of rationing imports, an indirect consequence of the Nazi theory (applied also in industry) that there is an unchanging "natural" demand for particular commodities which can always be supplied at "reasonable" prices and with "reasonable" profit by determining the unchanging "natural" supply. In particular this theory has been applied to cereals. The reports concerning cereals, and all other crops, get worse day by day. The cereals index for July 1st shows serious deterioration as compared with the already very unfavourable index for June 1st. Through this deterioration all crops have been brought down to between "middling" and "bad," and the meadow crops are only just a fraction better than bad. The spring sowings, for which there was hope a month ago, suffered most. The estimated yield, in double-centners per hectare, are (on basis of the July index): winter rye, 16.3, against 19.4 (realised) in 1933; spring rye, 12.2, against 14.1; winter wheat (nearly the whole crop), 18.2, against 24.3; spring wheat, 16.8, against 23.4; winter

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barley, 21.1, against 26.3; oats, 15.7, against 21.8. Most of these yields are below the average of 1924-33, although for many years after the war yields were extremely low. The stocks of vegetable foods are considerable; and no doubt foreign exchange will be found for import if necessary.

The public, however, is nervous; and there are also signs of official nervousness, probably derived from the circumstance that more than one long over-due revolution (e.g., Russia in March, 1917) was precipitated by food shortage. In consequence the whole system of regulation has been radically changed. Whereas until now the compulsory prices of wheat and rye were minimum prices, protecting only the farmer, henceforth they are also maximum prices; and pricing has been extended to barley and oats. Prices for the mills and traders' profit margins (including those for fodder) will be fixed. The milling percentage for rye has been raised to 75. On top of these measures a system of compulsory delivery, borrowed from the Moscow Communists, has been introduced. Farmers are obliged to deliver by specified dates, beginning with the new crop year, fixed percentages of the cereals which they delivered in the old crop year. As the crop this year is to be 22-23 per cent. smaller than last year (official estimate), farmers are to be compensated with higher prices, the advance for rye averaging 6 marks a ton, wheat 10 marks. This, it is officially stated, involves a certain sacrifice for the farmers. The whole question is regulated by a Decree for Organisation of Cereals Supply. Violations of the prescriptions, including the delivery obligation, are to be severely punished, in serious cases by penal servitude. It is worth noticing that in a time of threatened national calamity a Government which claims to have the whole nation behind it does not first (as was done even during the war) appeal to patriotism, but resorts to Soviet methods of coercion.

THE FOREIGN TRADE CRISIS

The credit situation during the past fortnight has developed normally, but money has been tighter than in June. The Reichsbank's return for July 15th shows practically no further repayment of June month-end credits, and even shows an increase in rediscounts. The reserves account has been practically stable since June 23rd.

The impounding of pledged revenues by the Trustees of the Dawes Loan has made a great stir. It is already announced that the Government has taken measures to make this action void, but up to the time of writing it is not stated what these measures are. The Reichsbank, which is the German organ concerned, may be expected to work with the Government. It is unofficially reported that Switzerland has refused to grant a general reduction in interest on her loans to Germany. And it is officially announced that no discrimination will be made against the United States, though no formal agreement in this sense has yet been concluded. No agreement has been reached with Holland and Switzerland either.

The Reichsbank will in future refuse to treat as free marks available for payment for "additional export" any of its bank notes, or any German coins, which have been sent into Germany from abroad. This is a new step towards repudiation of the national currency. A mark that is not "free," and cannot be used for the purposes for which it was issued, is worthless. The agitation against foreign countries' tariff policies as responsible for the transfer default continues; but the official *Reichssteuerblatt* declares that Germans are themselves deliberately checking export and threatens them with severe consequences. This complaint—or admission—is based on a circular of the Minister of Economy of June 7th. It is a duty, affirms this circular, to export even when export involves "a certain sacrifice." In a further circular of June 18th the Reich Board for Exchange Control threatens with withdrawal of the exchange ration those traders or manufacturers whose export, owing to their own fault, has fallen off. It is doubtful whether these official complaints are justified, for in general German manufacturers, in order to maintain their production volume, are ready to bear considerable sacrifices for the sake of export.

The wholesale prices index for July 11th was 98.8 against 98.1 on July 4th. The agricultural commodities group rose

in the week by 1.7 per cent. to 97.6, livestock by nearly 3 per cent. The index has of late risen rapidly. The cost-of-living index for June was 121.5, as against 120.3 in May. Since April the foodstuffs group has risen nearly 2 per cent., clothing also considerably; and as wages have not changed (having fallen about 1 per cent. since the Nazi Government took office) the pinch is being severely felt by the working classes. The open exposure of widespread corruption in the Nazi Party, the existence of which was long ago known, has led to a suspension of the burdensome levies on the population for party and alleged charitable purposes. The workman, however, will now be compelled to support the Labour Front, which has supplanted the Trades Unions. For Labour Front funds, out of earnings of £9 a month gold he must subscribe 7 per cent. This measure is highly unpopular, the more so because publicity and trustworthy control of the fund are lacking.

The industrial situation is little changed. The number of unemployed in June declined by only 47,000, which indicates that the spring and summer seasonal improvement is slackening earlier than usual. The foreign trade return for June is:—

	May	June	Jan.-June
	(Millions of Marks)		
Imports:—			
Livestock	2.3	2.5	18.6
Foodstuffs	75.8	84.1	494.3
Raw materials	240.0	226.2	1,426.4
Manufactures	61.4	64.3	363.2
Total	379.5	377.1	2,302.5
Exports:—			
Livestock	0.3	0.3	2.5
Foodstuffs	11.0	11.8	71.1
Raw materials	61.0	59.6	407.4
Manufactures	265.0	267.1	1,605.2
Total	337.3	338.8	2,086.2

It will be seen that the passive balance is steadily growing.

BERLIN, July 17.

ITALY

ITALIAN OPINION AND THE GERMAN EXECUTIONS

SINCE Parliament went into recess, political interest has been centred on the meeting at Venice between Signor Mussolini and Herr Hitler. The Press have emphasised the beneficial results of personal acquaintance and of a mitigation in the violence of Nazi propaganda in Austria. News of the recent executions in Germany was unexpected and received here with bewilderment. No comments are as yet forthcoming. The newspapers have simply printed long reports from their Berlin correspondents.

The *Official Gazette* has published the decrees creating the 22 corporations which are henceforth to regulate Italy's economic life. Some of these corporations, such as that for textiles, apply to the whole economic process from agricultural production, through industrial manufacture, to retail sale. Others, such as those for the building, metallurgical and engineering industries, are limited to industry and commerce. A third group—professions and arts, internal communications, sea and air, hotels and tourist traffic, credit and social insurance, public entertainments—are sectional and specialised. Before October 28, 1934, the Corporations will actually come into existence. Nominations by employers' and employees' associations and other bodies will take account of big, medium-sized and small firms, so as to keep an even balance between them. The big confederations of employers' and employees' associations are not to be dissolved; but the centre of gravity of our economic administration will be transferred from them to their component federations, which will be more or less reconstructed so that two employers' and employees' confederations will correspond to every Corporation. The confederations will remain as a connecting central link. There is much anxiety, not so much in the labour world as in the employing classes,

about the working of the Corporations. Many employers fear interferences in sales, competition, prices and extensions of plants.

A Departmental Committee continues to be busy examining and reporting on the question of new ventures and extensions of plant. A firm intending to start or extend an industrial enterprise in the regulated field must answer the following questions:—What goods do you intend to produce? What capital is to be invested? What machinery, national or foreign, steam or water power, is to be used? What engines, yearly electric power, yearly hours of labour, and raw material are to be used? Are they to be Italian or foreign? An estimate of employees, directors, clerks, accountants, engineers, chemists and other technicians, working men, males and females, national and foreign, has to be given; and the length and nature of the productive process, the capacity of the intended new plant or extension and the proposed market for the goods have to be stated.

As an instance of the field of action which the Corporations are likely to occupy we may quote a lively discussion between the *Lavoro Fascista*, a daily organ of the industrial employees' confederation; and the sugar consortium. The sugar producers were accused of keeping prices much too high, 6.30 lire per kilogram retail, of which 4 lire is Excise tax and 2.30 the total cost of beet production, sugar production and refining and retailing. The outcome of the discussion was that the interested parties saw their way to reduce by 0.50 lire per kilogram the price of sugar used for marmalade, of which the consumption is extremely limited, owing to the high price of sugar.

MORE BUDGET CUTS

At the last session of the Cabinet Budget estimates for 1934-35 were reduced by a further 396 million lire. Together with the previous reductions of 900 millions for debt conversion, 410 millions for reductions of public employees' salaries, and allowing for the 55 million lire increase in the yield of bachelor's tax, the reduction in the estimated deficit for 1934-35 stands at about 1,760 million lire. For the first eleven months of the current financial year (July, 1933, to May, 1934) the deficit is 6,803.1 million lire, of which 3,059.7 millions are due to the anticipated interest payment for three years to December 31, 1936, and other expenses incidental to the conversion of 61,000 millions of consols from 5 per cent. to 3½ per cent. The total internal debt during the same eleven months increased by 5,000 million lire from 97,215 million to 102,224 million lire. As usual, the increase of debt, 5,009 millions, is less than the total deficit, 6,803 millions, because the deficit is a book-keeping figure, while the debt is a cash transaction.

Pessimists are disquieted by the reduction of the total gold and gold exchange reserves from 7,398.6 million lire on January 20th to 6,502.7 millions on June 30th. On June 30, 1933, the total reserve was 7,087.8 millions, so that the decrease appears to be less than 600 millions, a not excessive amount in a year of dwindling trade. In the first five months of the year foreign trade was as follows:—

	Imports	Exports	Import
		(Million lire)	Surplus
1933 ..	3,121.0	2,491.3	629.7
1934 ..	3,265.3	2,116.6	1,148.7

The balance of payments was eased by other items. Foreign tourists' expenditure appears to be better: 810,876 foreigners entered Italy in the first four months of 1934, compared with 616,919 in the corresponding period of 1933; and the percentage occupied of total beds in reporting hotels was 40.42 per cent. in the first four months of 1934, compared with 38.87 in the same months of 1933.

The most probable cause of the rising import surplus is the level of costs and prices. According to Professor Bachi's index, the price level of goods produced and consumed in Italy stood in May, 1934, at 272 (1913 = 100), the price level of imports at 302.2, and of goods exported at 205.7. It seems that we pay relatively more for goods which we are bound to import and that we sell our exports at a relatively low price. The differences are not so marked in the Corporative Economic Council of Milan index, which stands at 269 for goods produced and consumed at home, 293.2 for imported goods, and 216.2 for exported goods.

In a world of high tariffs, quotas and restrictions, a country which exports fine and varied agricultural and industrial goods as against raw materials and heavy imports is bound to suffer. Equilibrium can, of course, be reached only by reducing costs; but it appears from the above figures that the most rigid costs are imported materials. The scaling down of Customs tariffs is therefore the first condition of a return to equilibrium.

TURIN, July 16.

POLAND

GROWING ANTI-SEMITIC MOVEMENT

THE reconstruction of the Cabinet on May 15th, which brought Professor Leon Kozłowski from the Under-Secretaryship for Finance to the Premiership, was followed by the assassination of General Bronisław Pieracki, the Minister of the Interior, on June 15th and by further Cabinet changes which were announced on June 28th. The Ministries directly affected by the changes which have been made are: Agriculture, Finance, Industry and Commerce, Interior and Social Welfare. Extensive changes have been made in the Ministry of the Interior as the result of General Pieracki's assassination and the failure so far to arrest the murderer. The motive for the crime was apparently political, and suspicion has fallen mainly on the recently-formed Polish Nazi Party, which is violently anti-Semitic, and on the Ukrainians. The Government, on June 18th, promulgated a Concentration Camp Decree, and the first intention clearly was to place political suspects and agitators in concentration camps. Wiser counsels, however, appear to have prevailed, and, until it is definitely known who committed the crime, and what are the political associations of the assassin, it is not likely that the Government will make extensive use of the concentration camps. The Nationalist movement has developed great strength during recent months, economic difficulties having re-acted along racial rather than class lines.

The Cabinet changes announced on May 15th and June 28th indicate that important developments may be expected in agrarian reform and industrial organisation. The position of the small farmer after four years of declining agricultural prices is especially grave, and it is evident that the Government is about to tackle the problem fundamentally and vigorously. The agricultural situation has unfortunately been made even more acute by adverse crop prospects. The long drought in the spring affected the principal grains, and experts estimate that the wheat, rye and barley crops this year will be 25 per cent. below last year. Last year's crops, however, were above the average, and there is an ample carry-over, so that the possibility of having to import grain before the 1935 harvest can be ruled out. If prices rise substantially, the peasants, notwithstanding the short crop, will probably still further curtail their own consumption in order to secure the benefit of the higher prices, so that the final effect on the exchange situation may be helpful rather than adverse. Meanwhile the Government has announced that it will continue to enforce the crop year beginning August 1st, the policies of Customs protection, export premiums, organised exports, grain and fertiliser credits, and price-supporting activities, the employment of which during the past two years have saved the farmers from complete ruin.

FURTHER INCREASE IN GOLD RESERVE

The gold bullion holdings of the Bank of Poland, which increased from their low point of 472.3 million zlotys on May 31, 1933, to 475.6 millions at December 31st, rose further to 489 millions on June 20, 1934. This increase is due to dishoarding of gold coins, and, with the growing confidence of the public in the Government's ability—and intention—to maintain the present gold value of the zloty, the movement seems likely to continue. It may even be accelerated, if confidence can be placed in private estimates that the total of gold coins in circulation (or hoarded) in Poland exceeds 400 million zlotys. On the other hand, the foreign exchange reserve of the Bank of

Poland, which declined from 136.7 million to 88.3 million zlotys during 1933, had fallen to 43 millions by June 20th. Unless a fair amount of grain is exported in the autumn the foreign exchange reserve may be used up before the end of the year, in which case some form of exchange restriction might be instituted. The Bank of Poland, which is trying to ease the credit situation in order to assist a revival in trade, could not afford to part with gold freely.

The Budget returns for the first two months of the fiscal year are as follows:—

	(Thousands of Zlotys)			
	1933		1934	
	April	May	April	May
Expenditure	175,444	166,310	170,465	172,226
Revenue	159,848	141,777	170,465	172,226

The actual deficit in the first two months of the present year amounted to about 40 million zlotys, but it was provided out of the balance still available from the National Loan of last October. The published returns, therefore, which show the Budget as balanced, are illusory, but they are not less hopeful than the estimates passed by Parliament.

The foreign trade returns for the first five months of 1934 show merchandise exports valued at 391.4 million zlotys and imports at 326.7 millions—an active balance of 64.7 millions. The comparative figures for 1933 were: exports, 357.5; imports, 309.3; active balance, 48.2 million zlotys. The trade figures by principal countries for the first four months were as follows:—

	(In millions of Zlotys)			
	January-April		Exports to	
	1933	1934	1933	1934
Great Britain	52.2	56.8	22.8	26.5
Germany	49.7	56.4	51.3	29.4
France	18.6	14.4	16.8	16.0
Soviet Russia	15.0	16.0	4.5	5.1
United States	2.6	7.3	29.7	41.9

The alteration in the trade balance with Germany is a consequence of the political *rapprochement*. It is hardly to be expected, however, that Germany will continue to accept a passive balance with Poland as large as the one shown above.

WARSAW, July 15.

IRISH FREE STATE

GROWING PASSIVE TRADE BALANCE

The Minister for Industry and Commerce stated at a meeting recently that he "had heard representatives of 70 Governments at Geneva discussing economic conditions, and had returned convinced that in this country, despite the world depression, the fall in the price of primary products, the economic war, the destruction of confidence and freezing of capital in consequence of the depression; business activity, industrial intercourse, social services and the general standard of living were better than those of other countries." This complacency is unfortunately not shared by the general public, many of whom, particularly the farmers, are feeling the pinch acutely. A good deal of apparent prosperity is being generated by the expenditure of large amounts of borrowed money on housing and other public works, but the purchasing power of the community as a whole is being slowly reduced by the paralysis of the agricultural export trade. Indeed, the external trade situation is beginning to cause anxiety among thoughtful observers.

The following figures of foreign trade refer to the twelve months ending in May, 1933 and 1934, respectively:—

	Twelve Months ending May	1933	1934
Exports	£	21,483,400	18,738,459
Imports	£	36,593,376	37,115,748
Balance	£	15,109,976	18,377,289

The increase in the passive balance of trade is very disquieting, especially as the tendency is in the direction of a continuing increase, and the question must be asked whether the total balance of payments has not already become unfavourable. The invisible imports and exports of the Free State have been officially estimated more than once, but the published estimates are admittedly imperfect. The latest figures, which refer to 1933, show an income from abroad of about £15 millions and remittances abroad from the Free State of about £5,000,000. The active balance on invisible account is therefore about £10 millions, and is not nearly sufficient to offset the unfavourable trade balance. If the figures are correct, the Free State must be living seriously beyond its income. With an unbalanced Budget and a passive external balance, the country appears to be in the position in which Sir Otto Niemeyer found Australia in 1931, "in a condition of budgetary disequilibrium and exchange disequilibrium."

THE BANKS' STERLING RESERVES

There exists in the "divided balance sheet" of the Irish banks a very sensitive index of the net flow of funds in and out of the country. The net sterling reserves of the banks continued to increase until the first quarter of 1933, when they took a downward turn, which has continued unchecked until the present time, the decline in these reserves between the first quarters of 1933 and 1934 being about £10 millions, a figure which appears to corroborate the conclusions drawn from the examination of the visible and invisible payments. On the other hand, the best-informed bankers in Dublin are of opinion that no drain is taking place, and refuse to regard the situation with any anxiety. The explanation of this apparent contradiction probably lies in the fact that the financial connections between Great Britain and the Free State are so close that many transactions between the two countries are not reflected in the statistics of the Irish banks. Moreover, the dividing line between the internal and external liabilities and assets of the banks is in some respects artificial, and may lead to possible misinterpretation of the "divided balance sheet."

It is impossible to avoid the conclusion that the long-run trend of the external trade situation is unsatisfactory, and that, even if trouble is averted to-day, it will not be averted for long, unless, of course, a settlement is reached with Great Britain and the export trade revived. Owing to the nature of the machinery by which the Free State currency is tied to sterling, a condition of external disequilibrium cannot produce a depreciated exchange, so that a salutary danger signal is absent. The banks possess very large sterling assets, sufficient to support a passive balance for many years, provided that the confidence of their depositors remains unshaken. Confidence is still maintained, but any unwise or precipitate step in the spheres of monetary or financial policy might produce the most serious consequences. The Irish banks are in a peculiarly sensitive position owing to the large proportion of their deposits which represent their customers' savings, which could be withdrawn without the slightest inconvenience to the depositor. Another danger spot is the capacity of the richer classes to move their residence to Great Britain or Northern Ireland. Any large-scale exodus of capitalists would weaken the country's present strong creditor status and would cause a serious deficit to appear in the external balance of payments. These two facts, the sensitiveness of bank deposits and the mobility of the capitalist class, act as brakes on unwise monetary and financial experiments.

DUBLIN, July 17.

HONGKONG

A NEW 3½ PER CENT. PUBLIC LOAN

The Hongkong Government has obtained authority to float a loan of \$25 millions, of which \$14 millions will be issued during the course of the current month. This loan will bear interest at 3½ per cent. and will be issued at 99, redemption being by annual drawings spread over the next

LETTER TO THE EDITOR

THE ENGLISHMAN'S FOOD

TO THE EDITOR OF THE ECONOMIST

SIR,—In your July 14th number you publish a very interesting article about "The Englishman's Food," where you write that the long-term ideal of British agricultural policy should be the encouragement and rationalisation of all those branches of production which can compete on equal terms with foreign produce, and the free importation of all other commodities. As a Swedish newspaper correspondent, who has been working for a British-Northern Low Tariff Union, I find that ideal perfectly sound, but I miss in your article any reference to foreign subsidised food exports to Great Britain.

British farmers are not on equal terms with Dominion and foreign farmers if imports of foodstuffs to England are subsidised from abroad. I am ashamed to say that the Swedish Socialist Government is giving a subsidy to butter exports, paid by a levy on the poor in the form of a tax on milk. By means of the forced exports the internal butter price in Sweden is kept at almost double the level of the price in England. In order to prevent the poor from going over to a margarine diet, the margarine price is raised by a heavy tax. In addition to this, Swedish exports to Great Britain are forced up to an artificial level, at a loss to our national economy, and we may have to pay dearly for that, when trade negotiations start again in 1936.

You have, Sir, recently criticised in justly strong language the shipping subsidies of certain foreign countries. You could do a great service to the soundness of international trade by letting your correspondents in the Dominions and foreign countries give a detailed account of the open and concealed export subsidies, which are given by many overseas governments.—Yours faithfully,

GUSTAF SJÖSTEEN,
London Correspondent of
the Göteborgs Handelsoch
Sjöfartstidning, Sweden.

78 Fordwych Road,
London, N.W.2.
July 16, 1934.

25 years. Of the portion about to be issued \$9 millions has already been taken up, leaving \$5 millions for offer to the public. The proceeds of the loan will be used to pay off the outstanding sterling loan of £1,485,000 of 3½ per cent. inscribed stock 1918-43. The sinking fund of the latter is expected to yield £998,000, and, taking into account sterling securities forming the sinking fund of two local loans, there will be over £1½ millions available for redemption purposes, leaving the balance of £226,733 to be found from the proceeds of the new loan. When the sterling loan is paid off the total indebtedness of the Colony will be \$18,838,000, or about 60 per cent. of the current year's revenue. Hongkong is thus in the fortunate position of being able to take full advantage of the abnormal conditions prevailing in the London money and stock markets by ridding itself of a fluctuating liability and substituting a loan in the currency of its revenue. Until quite recently no one would have dreamed of Hongkong being able to finance its public works on a 3½ per cent. basis.

The announcement in the House of Commons of the setting up of a quota system for Japanese goods imported into British Crown Colonies was accompanied by the information that Hongkong would not be affected by the scheme. The local Government had applied for exemption without any general consultation of business interests, but they were right in their interpretation of commercial opinion. Those with a stake in the Colony are too well aware that any undermining of its free trade status would be fatal to the *enterbôt* trade, which is the *raison d'être* of Hongkong. Apart from a preference in favour of Empire brandy, a somewhat empty gesture, discrimination in regard to imports does not exist so far as this Colony is concerned. Unfortunately the same cannot be said of imports into Canton, and as time goes on provincial taxes continue to multiply at the expense of foreign goods without affecting imports from other parts of China. It is, moreover, generally believed that Japanese goods, while paying the regular Customs tariff, evade local imposts, but it is of course difficult to substantiate this. The fact remains, however, that Japanese manufactures are very prominent in the markets of South China, whereas many lines of British and American goods, particularly provisions, can only reach consumers through irregular channels.

PROTECTIONISM AND BRITISH IMPORTS

Of recent months the Provincial Governments of both Kwangtung and Kwangsi have been much occupied in setting up Provincial monopolies. Kerosene oil, sugar and certain other commodities are being experimented with, and foreign suppliers have been very seriously hit. The laudable desire to encourage agriculture has led to the imposition of an agricultural monopoly tax, the incidence of which applies even to such articles as chocolate, condensed milk and meat extract. Another tax which is imposed on certain articles is the Sun Yat Sen University tax. Following the bad example of the West, China has become a highly protected country, but Canton has gone further by hedging its purely local industries inside a secondary barrier of surtaxes over and above the tariffs of the Customs service. Canton will before long have a fully equipped textile factory, a sugar refinery, and a steel rolling mill functioning under official auspices.

The piece goods market of Hongkong, which until the last few years was one of the main contributions to the trade of the Colony, has shrunk to a mere shadow. After weeks of fruitless negotiation a limited business in Bradford woollen goods has at last been booked. Dealers' original offers have shown some improvement, but the business has only become possible by a sharp drop in home prices. It is extremely unlikely that more than a fraction of the goods will go into the interior in a regular manner, as the revised Customs tariff bears very heavily on woollen cloth. Here again the way is being prepared for Japanese competition, and, judging by the samples of woollens recently turned out by Japanese manufacturers, it can only be a matter of a year or two before Bradford will find itself in the same position as Lancashire in the Chinese market.

HONGKONG, June 20.

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MONEY AND BANKING

THE HALF-YEAR'S BANKING RESULTS

THE issue by the leading joint-stock banks of their statements of accounts for June 30th renders it possible to examine changes in the structure of British banking over the past twelve months. For this purpose the following tables have been prepared, giving the position of the "big five" and also of the three chief Lancashire banks. The first table includes the banks' deposit and acceptance liabilities and also their cash and balances with other banks and cheques in course of collection. The second table gives their chief earning assets.

DEPOSITS, ACCEPTANCES AND CASH ON JUNE 30TH

	Deposits		Acceptances and Engagements		Cash		Balances and Cheques	
	1933	1934	1933	1934	1933	1934	1933	1934
Barclays.....	379.4	364.3	5.3	6.4	44.5	43.9	10.5	11.6
Lloyds.....	373.6	350.8	40.4	38.5	43.0	34.2	12.8	13.2
Midland.....	425.1	402.9	13.6	15.0	38.7	37.5	13.7	15.2
National Provincial ..	292.1	273.7	5.9	5.6	32.1	26.7	7.5	9.6
Westminster.....	304.7	290.1	29.2	31.7	32.2	28.7	10.0	10.9
Total	1,774.9	1,681.8	94.4	97.2	190.5	171.0	54.5	60.5
District	53.1	48.6	2.6	2.6	6.4	6.2	*	*
Martins	83.8	79.7	4.2	3.8	9.0	8.0	2.8	3.3
Williams Deacon's.....	31.3	32.4	2.3	2.4	3.5	3.5	1.9	2.1
Grand total	1,943.1	1,842.5	103.5	106.0	209.4	188.7	59.2	65.9

* Included in cash.

EARNING ASSETS ON JUNE 30TH

	Call Money		Discounts		Investments		Advances	
	1933	1934	1933	1934	1933	1934	1933	1934
Barclays.....	18.8	21.8	61.1	40.8	99.8	101.6	156.6	156.3
Lloyds.....	18.9	26.1	63.0	48.6	102.0	95.2	139.3	140.0
Midland.....	15.8	27.7	76.0	50.5	113.5	110.9	174.3	168.0
National Provincial ..	12.1	19.3	56.0	37.2	69.9	75.7	122.1	112.7
Westminster.....	17.6	30.1	56.4	31.7	85.9	88.9	110.5	108.1
Total	83.2	125.0	312.5	208.8	471.1	472.3	702.8	685.1
District	4.5	4.6	6.2	3.9	21.8	21.2	17.5	16.0
Martins	5.0	4.7	8.3	3.6	33.1	32.6	27.9	30.3
Williams Deacon's.....	4.6	5.5	1.9	1.2	9.6	9.9	11.5	11.8
Grand total	97.3	139.8	328.9	217.5	535.6	536.0	759.7	743.2

The salient features of the accounts are a fairly big fall in deposits, some reduction in cash, and a heavy contraction in the banks' bill portfolios. Acceptances show very little change, but it is not easy to interpret this item, as some of the banks confine it rigidly to acceptances, while others include in it outstanding forward exchange contracts. A unification of procedure would here be helpful. Balances (with other banks) and cheques (in course of collection) are appreciably higher than a year ago. As this item consists largely of cheques actually in the process of being cleared at the time the banks' accounts are made up, there is a strong inference that money is circulating more freely than a year ago. This is confirmed by the increase in both the total note circulation and in the number of notes in the hands of the public. The Bank of England estimates this last increase at £7.1 millions, measuring from May, 1933, to May, 1934, equivalent to an increase of 1.8 per cent.

Money at call and short notice is definitely higher than a year ago. To some extent this increase reflects greater Stock Exchange activity, for all loans to brokers and jobbers for less than a month come under this heading. The withdrawal of foreign balances from London during recent months has also reduced the supplies of "outside" money and has forced the discount market to borrow more from the clearing banks. The increase in this item does not, therefore, imply that bill-brokers are doing more business or have become in need of additional funds.

The decline in advances is comparatively moderate, and since the New Year there has been an increase. For the "big five" alone the relevant figures are £702.8 millions

for June 30, 1933; £660.0 millions for December 30, 1933; and £685.1 millions for June 30, 1934. Taking the trade and industry of the country as a whole, there is no doubt that there has been a general increase in bank borrowings, especially on the part of the smaller firms. The fact that in recent months the total of advances has tended to recede is due to the slight recession of Stock Exchange activity. Even so, the increase in call and short loans suggests that Stock Exchange activity is greater than a year ago. The expansion in industrial and commercial borrowing may be even greater than the banks' accounts suggest, for the banks are now having to contend with abnormal competition from all kinds of lenders. Still, the trade revival has not yet proceeded beyond the point where many large undertakings are able to finance themselves out of their accumulated resources, and so bank advances are still far below their pre-depression level.

We come now to deposits, cash, discounts and investments—four items which can usefully be considered together. Here the governing factor has been the heavy redemption of Treasury bills, amounting to £122 millions during the past year. About one-quarter of these bills has been redeemed out of the Budget surplus, but the remaining three-quarters have been replaced by long-term securities, such as the autumn issue of 2½ per cent. Conversion Loan and the spring issue of 3 per cent. Funding Loan. A large part of the redeemed Treasury bills were held by the joint-stock banks. Most of the Budget surplus and the recent issues of long-term securities occasioned the transfer of money from the general public, who are customers of the joint-stock banks, to the Government.

Now when the Government takes money from the general public and uses it to repay either the Bank of England or the joint-stock banks, the net result must (in the absence of any off-setting action by the banking system) be a contraction in deposits at the joint-stock banks. To a large extent recent facts bear out this elementary theory, for the reduction of £101 millions in the deposits of the eight banks included in the tables is comparable with the net redemption of £122 millions of Treasury bills which occurred during the past year. This is probably the main explanation of the year's fall in deposits. It does not, however, explain the contraction in bank cash. Bank cash consists, firstly, of the banks' own deposits at the Bank of England. A moment's consideration shows that bankers' deposits can only be affected by Government operations if these last result in either an increase of public deposits (i.e. the Government's deposits) at the Bank or in a net redemption of Government securities held by the Bank. There was a probably fortuitous increase of £3.5 millions in public deposits at the Bank during the year ended June 30, 1934, but there was no decrease in Government securities, but, on the contrary, an increase of £5.6 millions. Thus the Government's operations cannot have had much effect upon bankers' deposits at the Bank. In actual fact, bankers' deposits fell by £8.8 millions, whereas bank cash as a whole fell by £29.7 millions. There is here an obvious discrepancy. One explanation is that the Bank of England's return only relates to the Wednesday immediately preceding June 30th. Another explanation, of a highly commendable nature, is that there is reason to believe that this year some of the joint-stock banks did not "make up" their cash to the extent traditionally practised. Four of the "big five" banks have shown this year a cash ratio of just under 10 per cent. This abandoning by some of the banks of their former practice of "window-dressing" is greatly to be welcomed.

Another encouraging explanation of the fall; both in the total of bank cash and in bankers' deposits, is the rise of £6.6 millions in the note circulation. This suggests that the public are drawing their money out of the banks for use in the purchase of commodities and the payment of wages, and so is further confirming evidence of the general trade revival. This movement also helps to explain the fall in

deposits at the joint-stock banks. Finally the eight banks included in the table only comprise an important part of the British banking system, whereas bankers' deposits at the Bank relate to all British banks. This is another explanation of the discrepancy.

Discounts have fallen by £111 millions, this figure again being comparable with the £122 millions redemption of Treasury bills. On the other hand investments are practically unchanged. During the past year the banks must have felt that they held as many Government securities as was advisable in proportion to their deposits, and that if they increased their holdings they might be exposing themselves too much to the vicissitudes of the gilt-edged market. The recent rises in gilt-edged prices must have strengthened them in this view. The result is that they left it to the public to take up the past year's issue of securities, even though this decision occasioned a heavy contraction in the public's deposits with them.

This is the broad explanation of the main changes in the banks' accounts. Whether they are deflationary in the sense of involving a restriction of the amount of available credit is a question which cannot be discussed in a few lines. Still there is no evidence of any shortage of money or credit, and it is common ground that the banks are only too eager to find credit-worthy borrowers. A bank cannot be expected to buy securities beyond a reasonable limit, or to force loans upon customers who are either unsound or not in need of accommodation, and were a single bank to act independently, it would not so much create deposits for itself as lose cash. Thus, while the Government's redemption of Treasury bills has apparently involved a reduction of deposits, the banks can fairly reply that all it has done is to give them an opportunity of ridding the country of unwanted money, which might otherwise have been used in excessive speculation. It is well within the powers of the banking system to restore the credit that has disappeared as soon as a legitimate demand for new credit arises.

FINANCIAL NOTES

The Money Market.—Conditions remain very dull. Money has been quite comfortable with outside lenders charging ¾ per cent., but the clearing banks have met with an intermittent demand for funds at 1 per cent., and one or two outside lenders have occasionally secured ¾ per cent. Bill-brokers have also been selling some July Treasury bills to the clearing banks at 1½ per cent. as a cheaper alternative to borrowing at 1 per cent.

SHORT LOAN AND DISCOUNT RATES

	June 28, 1934	July 5, 1934	July 12, 1934	July 19, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short Loan rate:—				
Clearing banks	1	1	1	1
Others	2-2½	2	2	2
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	1½	1½	2	2
(b) Others.....	2½-1½	2½	1½	2½
Three months' bank bills	1½	2½	2	2½

On July 23rd, the clearing banks had again to recognise the weakness of the discount market, and they lowered their buying rate for September bills from ¾ to 1½ per cent. They still quote ¾ per cent. for October bills and 1½ per cent. for August. Last week's tender rate averaged only 15s. 7.72d. per cent., or practically 3½ per cent., against 16s. 4.14d., or just over 1½ per cent. for the week before, and for the second week in succession the top three millions was cut off the original offer. Outside buyers of Treasury bills conformed to this decline in the tender rate, for the outside rate is now only ¾ per cent. The cumulative total of Treasury bills issued by tender has been reduced since June 16th from £498.7 to £470.1 millions, which is contrary to the usual upward trend. The satisfactory influx of revenue and the final Funding Loan call are responsible

for this contraction, and unless autumn trade-brings with it a substantial increase in the demand for banking accommodation, it is difficult to see how discount rates can improve.

* * *

The Bank Return.—This week's Bank return again records normal movements. There has been a small contraction in the note circulation, which is quite usual in the middle of the month, and the Reserve has risen to the same extent. The holiday expansion in the note circulation should shortly begin.

BANK OF ENGLAND

	July 19, 1933	Dec. 27, 1933	July 4, 1934	July 11, 1934	July 18, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	189.7	190.7	191.5	191.5	191.6
Note circulation.....	377.4	392.0	385.8	384.6	383.9
Banking Department:—					
Reserve	73.6	59.7	66.4	67.6	68.3
Public deposits.....	19.1	22.2	26.7	17.4	20.6
Bankers' deposits	94.2	101.2	94.9	97.3	96.9
Government securities ..	89.6	88.0	82.8	82.6	83.2
Discounts and advances	11.2	16.8	17.1	7.8	7.5

Proportion 43.1% 37.3% 41.7% 44.7% 44.5%

In the banking department, the mid-month excise duty payments explain the rise of £3.2 millions in public deposits. Government securities show no appreciable change, but there has been an increase of £1.6 millions in other securities. Bankers' deposits are slightly lower as a result of the revenue payments mentioned above. The fact that they are under £100 millions is regarded by some authorities as suggesting that, should the autumn bring with it an increased demand for bank advances, conditions in the money market might become distinctly stiffer. Still, the contraction in the Treasury bill issue must to some extent modify these views.

* * *

The Foreign Exchanges.—The London market remains very quiet. On one occasion early in the week the British control was reported to be giving sterling some slight assistance, but on Thursday spot francs were inclined to weaken. It is possible that too much stress has been laid on the recent easing of the French financial situation, for all available evidence shows that the general economic pressure upon the gold bloc countries remains acute. Dollars remain a steady but very inactive market, but the forward rate has now strengthened practically to par. There is still no commercial buying of dollars. On Thursday afternoon the official Berlin rate improved sharply from Rm. 13.10 to Rm. 12.92. It is not easy to account for this movement, but the Reichsbank's stringent rationing of foreign exchange tends to make the market very narrow and sensitive. It is reported that the Reichsbank is inundated with demands for foreign exchange, and that it is giving no undertaking either to meet applications in full or to give any consideration to special cases. Registered marks are steady at 34½ per cent. discount, but the whole German exchange position is so very artificial that quoted rates have come to possess little significance.

* * *

New York Money and Banking.—Money remains very easy, and New York money and discount rates are unchanged. During the week ended July 11th, brokers' loans were reduced from \$1,069 millions to \$1,059 millions. The market price of silver has remained very steady at 46½ cents per ounce. At the end of last week it was reported that the U.S.S.R. intended to repay immediately the loan of \$4.5 millions granted last year by the R.F.C. for the purpose of financing Russian purchases of American cotton. The general debt negotiations between the Russian and American Governments have now reached the point where the U.S.S.R. is offering \$130 millions in exchange for a long-term credit of a larger amount, and the position is described as one of temporary stale-mate. The R.F.C. has refused the offer of \$70 millions of New York City bonds, and it is expected that these bonds will be offered in two

separate and smaller issues. The Federal Deposit Insurance Corporation has announced that 188 banks with deposits totalling \$5,525 millions withdrew from the Corporation on June 30th. 167 of these were mutual savings banks operating mainly in New York State, and only 21 commercial banks with deposits of \$25 millions have withdrawn.

* * *

June Clearing Bank Returns.—The half-yearly statements of accounts of most of the clearing banks have already been discussed in a leading article, so that an examination of the June averages can be confined to a comparison with the preceding month. The main movements are a decrease in cash and a rise in both deposits and all the earning assets of the banks. The increase in balances with other banks and cheques in course of collection suggest that there has been a more rapid circulation of money.

(£ millions)

	June, 1933	Mar., 1934	April, 1934	May, 1934	June, 1934
Capital and reserves.....	123.3	123.4	123.4	123.4	123.4
Acceptances, etc.	97.4	112.6	112.2	109.9	109.0
Deposits (including undi- vided profits, etc.).....	1,939.0	1,792.7	1,814.5	1,820.1	1,832.2
Total liabilities	2,159.7	2,028.7	2,050.1	2,053.4	2,064.6
Cash	210.0	215.9	218.9	214.8	196.0
Cheques, balances and items in transit	50.4	46.9	52.0	48.4	54.1
Money at call	96.9	116.6	128.7	127.1	137.0
Discounts	349.8	200.3	209.8	220.7	225.8
Investments	526.0	529.6	516.3	524.1	531.7
Loans and advances.....	760.8	738.0	743.5	739.6	742.1
Investments in affiliated banks.....	24.3	24.6	24.6	24.6	24.6
Cover for acceptances, pre- mises, etc.	141.5	156.8	156.3	154.1	153.3
Total assets	2,159.7	2,028.7	2,050.1	2,053.4	2,064.6

The increase in discounts coincides with a temporary expansion from £491 millions in May to £495 millions in June in the total of tender issues of Treasury bills. Since the end of June the payment of the Funding Loan call has reduced the total to £470 millions, so that a decline in the bank's discounts and possibly in their deposits may be anticipated for the current month. Call money and investments are both higher than in May, and this may be connected with the revival of activity in the gilt-edged market. The recovery in advances, though slight, is very welcome, for it suggests that there is no serious summer recession in trade.

* * *

Impounding the Reich Revenues.—According to its terms of issue the service of the Dawes Loan was secured partly upon the Customs duties and certain other revenues of the German Reich, and these moneys were paid regularly into a special account at the Reichsbank. Hitherto this has been a pure formality, for so long as the sums due for the service of the Dawes Loan were regularly paid to the B.I.S., in the various currencies required for the service of the debt, the trustees automatically released these revenues to the Reich. The proclamation of the moratorium, however, has altered the position, and the trustees have consequently served notice on the German Government that they proposed to exercise their right to dispose of this revenue, amounting to Rm. 2,400 millions a year or to twenty times the annual service of the Dawes and Young Loans, and that they would not release the sum of Rm. 4,300,000 already standing to the credit of the special account. In reply the Reichsbank has reminded the trustees that it is only the transfer of the service of the Reich loans which is suspended and that the amount due is being paid by the Reich into special accounts. It has also pointed out that half the payments due next October have already been lodged at the B.I.S., and that special agreements have either been reached or are being negotiated with various creditor countries. The German Government has characterised the trustees' action as spiteful, and has stated that it is going to dispose of the revenues in dispute "as it pleases." The trustees are only fulfilling their duties, and as they have to act for all the

bond-holders alike, they can hardly have regard to the special temporary settlements now being patched up between the German and certain foreign Governments. Their action really points to the need of a final general settlement in which both the trustees and the B.I.S., as paying agents of the Dawes and Young Loans, should play a leading part. In view of the settlements which are now being reached, the trustees might be well advised to hold their rights in abeyance, but it is not a bad thing that the German Government should have been brought face to face with some of the consequences of its unilateral action in including the Dawes and Young Loans in the moratorium.

* * *

Foreign Loans and the Sterling Area.—On Thursday afternoon Mr Chamberlain announced in the House of Commons that the embargo upon foreign loans would be modified to the extent that within certain limits loans would be permitted to be floated in London on behalf of borrowers in the sterling area. Two classes of loan are envisaged. The first consists of loans the proceeds of which are to be used for stabilising the currency of the country concerned against sterling. In this case the effect of the loan would be to strengthen that country's sterling reserves, and no immediate burden would be thrown upon the exchanges. The mere fact, however, that the country's currency needed strengthening implies that a certain drain of funds from London may follow. Alternatively a loan may be approved if it is one which will be of direct benefit to British exports. In this case there would be no load upon the exchanges, while British industry would benefit. Mr Chamberlain attempted no definition of the sterling area, which is a very loose term, and presumably each application to the Treasury for leave to raise a loan would be treated on its merits. This partial relaxation of the embargo is very welcome, and it is to be hoped that conditions will soon permit of its complete withdrawal. In fact, were it to be withdrawn at once no serious drain of funds from London need be feared, for, as Mr Chamberlain himself admitted, comparatively few foreign loans would appeal to the British investor.

* * *

Standard Bank of South Africa.—The balance-sheet of the Standard Bank for March 31st last confirms in striking fashion the increase in South Africa's liquidity, as revealed in the Reserve Bank's latest report summarised in the *Economist* of June 30th. Cash has risen to very nearly three times its figure of March 31, 1932, while during these two years discounts and advances have been reduced from £36 millions to £26 millions. These movements mean that as a result of the repatriation of funds which followed South Africa's suspension of the gold standard at the end of 1932, both the commercial banks and the general public alike have more money at their disposal, and the public has been using this money to pay off outstanding loans. The salient features of the Standard Bank's accounts are summarised below:—

	Year ended March 31		
	1932	1933	1934
Liabilities:—	£'000	£'000	£'000
Capital	2,500	2,500	2,500
Reserve fund	2,500	2,500	2,500
Deposits	52,151	52,960	55,163
Bills for collection	9,512	7,381	7,282
Assets:—			
Cash	5,871	11,842	17,081
Call money	3,550	3,600	2,600
Investments	7,143	8,880	9,826
Bills purchased.....	2,870	3,352	3,971
Discounts and advances	35,952	28,371	25,249
Net profits	457	429	433
Dividend	11%	10%	10%

Notwithstanding the year's fall in discounts and advances, and the rise in the cash rate from 22.4 per cent. in 1933 to 31 per cent. for this year, net profits show a slight improvement. As South African money rates remain very low, it appears that the bank is being very carefully and economically managed, as otherwise a fall in profits would have been inevitable. The improvement, however, was not sufficient to permit of any increase in the dividend.

THE STOCK EXCHANGE

CANADIAN PACIFIC RAILWAY PROSPECTS

EARLY this year, when investors were well disposed towards railway stocks in general, Canadian Pacific ordinary (\$25) touched 18½, and the 4 per cent. preference stock (£100) 66. To-day's prices are 13½ and 51 respectively. The fall has been due, in part, to the subsequent reactionary tendency of all railway stocks, and, in part, to disappointment with the company's gross traffic receipts in recent weeks, though their total of \$61,982,000, for the first twenty-eight weeks of this year, shows an increase of \$6,666,000 over the corresponding figure for 1933.

The prospects of this historic trans-continental railway system concern nearly 49,000 British investors, who have seen the earnings on their ordinary stock shrink, during the last five years, from 15 per cent. to less than nothing, while preference dividends, formerly covered many times over, have ceased to be earned and paid. British investors outside Canada hold 48.05 per cent. of the company's ordinary stock and no less than 97.83 per cent. of its preference stock. Altogether, nearly two-thirds of the ordinary and preference capital is held in the British Empire outside Canada, under one-fifth in the United States, and only about one-eighth in Canada. The system, while thus substantially British-owned, has from the outset been strictly Canadian-controlled. In any estimate of its future prospects it is necessary to take account not only of trade and economic factors, but of Canadian political possibilities, for the Canadian Government is the owner of the only other major railway system in the country, and the relations between the two lines have been a serious problem in Canadian life for the last decade.

Since 1928, the "peak" year for the C.P.R., this problem has assumed a critical phase. Acute economic depression overtook the Canadian Pacific when it was rapidly increasing its capital expenditure. Ordinary stockholders have subsequently been called on to bear the brunt not only of declining revenue, but of enhanced prior charges. The financial story of the last few years is epitomised in the following table, which contrasts the position in the last three years with that of 1928, the best year in the history of the system:—

	(000's omitted)			
	1928	1931	1932	1933
Funded debt*.....	349,154	475,375	488,209	513,450
4% preference stock	105,015	137,257	137,257	137,257
Ordinary stock	299,353	335,000	335,000	335,000
Total Capital (including Funded Debt)	753,522	947,632	960,466	985,707
Railway net operating revenue	51,694	25,683	20,090	20,862
Other "income"†	12,678	10,952	4,537	6,222
Total income	64,372	36,635	24,627	27,085
Fixed charges	15,309	22,050	23,620	24,389
Pensions	750	750	750	1,439
Preference dividends	4,067	5,411	2,745‡	Nil
Total Pre-Ordinary Allocations	20,126	28,211	27,115(a)	25,828(a)
Balance for ordinary	44,246	8,424	Dr5,233§	Dr4,233§
Earned for ordinary	14.8%	2.5%	Nil	Nil
Paid on ordinary	10%	5%	Nil	Nil

* Including short-term notes and equipment obligations.
† From steamships, investments, hotels, telegraphs, etc.
‡ Half-year's dividend only.
§ After allowing for full preference dividend requirements.
(a) \$29,860,000 for 1932 and \$31,318,000 for 1933, if full preference dividends had been paid.

During the last five years the total funded debt of the C.P.R. has increased by \$164 millions and the total capital (including funded debt) by \$232 millions, or by 31 per cent. In 1928 the total requirements falling in

front of the ordinary shareholders were \$20,126,000. In 1933 they were \$31,318,000, i.e. half as much again. Over the same period, however, total income fell from \$64,372,000 to \$27,085,000 (after a somewhat generous computation, for 1933, of income from non-railway sources, which was shown, *inter alia*, before allowing for depreciation on steamships). The outcome of these changes was that the system, which covered its preference dividend with \$44,246,000 to spare in 1928, was \$4,233,000 short of earning its preference dividend (requiring \$5,490,000) in 1933. The slenderness of the margin of cover for fixed charges makes this year's modest recovery in receipts particularly opportune.

The growth of capital and funded debt has been associated partly with an enhancement of the system's proverbially high standard of physical efficiency, and partly with the development of certain ancillary services, especially large hotels, which have proved disappointing revenue-earners under economic depression. The company's capital policy, however, cannot be completely dissociated from certain features in the history of its rival, the Canadian National system. Between 1923—when the Canadian National Railways were formally unified under the presidency of Sir Henry Thornton—and 1931, vast amounts of public money were expended on them, partly for economic ends, such as the improvement of equipment and the consummation of the formal union of the component lines, and partly for more debatable objectives, such as the competitive paralleling of services with the C.P.R. and the satisfaction of vociferous local demands for extended facilities and expenditure. This expansionist regime collapsed in the late summer of 1931. A few months later a Royal Commission was appointed to examine the whole question of the future relationship of the two railway systems. Its report condemned the competitive extravagances of both (which it traced in part to political pressure on the management of the Canadian National) and proposed first, that responsibility for the National Railways should be vested in three trustees, holding office for a term of years and removable only on cause shown; and secondly, that the two lines should co-operate in a policy of economy—voluntary where possible, but to be imposed by arbitration tribunals in the event of dispute. The Commission, however, refused to recommend the complete amalgamation of the systems, on "monopoly" grounds, and condemned proposals to lease the Canadian National to the Canadian Pacific, temporarily or permanently, as impracticable. The report formed the basis of a Government Bill which became law on July 1, 1933. The new phase of the Canadian railway problem is thus an experiment in the merits of the Commission's recommendations.

The trustees for the Canadian National Railways assumed office last December. So far, the policy of co-operation appears, unfortunately, to have borne little fruit. In early June the chairman of the trustees, Mr C. P. Fullerton, specified various measures of co-operation already in effect, productive of savings of about \$1,250,000 a year, and mentioned projects for the abandonment of about 2,100 miles of paralleling lines of the Canadian National and of 1,150 miles of unremunerative lines of the Canadian Pacific—subject to ultimate approval by the Board of Railway Commissioners. At the moment, while some important passenger services—e.g. Toronto-Ottawa, Toronto-Montreal and Montreal-Quebec—have been pooled, competitive trains are still running on others—e.g. Montreal-Ottawa—while rival transcontinental trains still leave Montreal daily within five minutes of each other, traverse the Rockies through passes two hundred miles

apart, and are timed to arrive at Vancouver with only a ten-minute interval. Mr. Fullerton has stressed the difficulties of traffic co-ordination. Mr. Beatty, the President of the Canadian Pacific, for his part, has been at pains publicly to insist on the limited scope of practicable economies from co-operation which falls short of amalgamation.

Some of the difficulties of the position, by general agreement, are "political." In view of the results of the recent Provincial elections, the Bennett Government, faced with the possibility of a catastrophic expulsion from power within the next twelve months, after the Dominion elections, may be loath to encourage unpopular reforms such as the abandonment of uneconomic lines, which may involve a further loss of electoral support—the voting strength of the workers on the two railways alone, irrespective of dependants, being something like 100,000. Already a Bill for the amalgamation of the telegraph and express services of the two systems has been withdrawn under Parliamentary pressure.

Political considerations also appear only too likely to stand in the way of another fundamental measure—the reduction of freight rates, which necessitates, in turn, a lowering of operating expenses. Of these, direct labour costs are much the most important, constituting more than 60 per cent. of the gross expenditures of the two systems. Since 1929, wholesale prices in Canada have fallen by approximately 25 per cent., while freight rates have remained unchanged. Though rates of pay have been generally reduced by 15 per cent., under an agreement which comes up for revision in November, there may be reason to argue that a still further reduction—say to the neighbourhood of 20 per cent., might be made, in harmony with the cost of living, and that the benefits should be immediately passed on to Canadian trade by comprehensive freight rate concessions. But what Government, near the end of its term of office, would care to precipitate a bitter sectional controversy this autumn? The position is particularly complicated in the Western Provinces, where grain rates have been fixed by special statute at a level which the railway companies have long contended to be entirely unremunerative.

While, therefore, some quiet progress may be made with measures of railway co-operation in the next twelve months, the Canadian National trustees can scarcely hope for active support from the Dominion Government, and may find Mr. Beatty a lukewarm colleague, for the C.P.R. President has already voiced the opinion of his Board that the only practicable solution of the problem is the complete unification of management of the two systems under a private, non-political board. If, in fact, the two railways, having been admonished of the danger of running races, are to be tacitly permitted the more hazardous rivalry of "last across," it would seem that stockholders in the C.P.R. must look mainly to a revival in Canadian business activity for any substantial amelioration of their position in the near future. The omens are not entirely unfavourable. This year's net railway receipts of the C.P.R. for the first five months (when the system normally obtains about 25 per cent. of its total traffic) have been \$3,486,000 higher than in 1933. On this basis the railway may be earning about 3 per cent., or rather more, on its preference stock. The June gross figures have not quite maintained this good showing. Everything turns, however, on the results of the heavy period of autumn traffic, for the company normally collects over 50 per cent. of its receipts in the last four months of the year. Estimates of a short wheat crop have recently been favourably revised, and the latest figure puts the possible 1934-35 yield at about 330 million bushels, against an average of 356 millions for the last four years. Under the World Wheat Agreement, however, Canada's maximum export is limited to 200 million bushels for the current wheat year. Whether this will be raised to the 270 million bushels which Canada is anxious to export in 1934-35, remains to be seen.

These facts suggest that while the omens may be not unfavourable to a continuance of moderate recovery in the position of the C.P.R. on the near view, a spectacular revival is not indicated. Having regard to the uncertainty which still obscures the outlook for the Canadian railways as a whole, investors may infer that present quotations for C.P.R. stocks—certainly for the ordinary stock—are not unduly low.

INVESTMENT NOTES

Chronique de Défaut.—This week's "Default Chronicle" has three entries. In the first place, Germany's settlement with Great Britain in the matter of the "Dawes" and "Young" loans has been followed by a Franco-German agreement on an exchange clearing, with a guaranteed minimum favourable trade balance to Germany. Simultaneously, by way of an anti-climax, the trustees of the "Dawes" Loan have announced their intention to impound the Reich revenues specifically earmarked as security. This action is apparently neither courageous nor vexatious, but inevitable and formal. The trustees, faced with new arrangements which certainly violate the letter of the Trust Deed, have followed the authorised procedure. As the German Government, however, appears both able and willing to short-circuit the whole matter, by instructing the receiving officers to discontinue payment to the trustees and to pay the revenues direct to itself, the decision seems likely only to add one more irregularity to an already lengthy list. From Latvia comes more encouraging news for bondholders, for the City of Riga has agreed to recognise its 4½ per cent. loan, of which £1,281,800 is outstanding of an original issue of £1,322,700 made in 1914, and has been in total default since October, 1917. Although the agreement involves the reduction of outstanding principal by 40 per cent., a cut in interest on the balance to 4 per cent., and the postponement of final redemption from 1954 to 1984, it is likely to secure acceptance. The bonds, which have been as low as 11½ this year, are now quoted 26-30. The settlement is in the nature of a "gentlemen's agreement," in part (though unofficial) consideration for the Anglo-Latvian trade treaty recently concluded. Finally, the eternal "gold clause" question is raised by the offer to repay the maturing £600,000 5 per cent. First Mortgage gold bonds of the New Brunswick Railway, on August 1st next, at their nominal value in sterling instead of in gold. The "gold clause" in the bond is virtually as plainly worded as it was in Feist's case, but whether the House of Lords' decision in that case applies here is uncertain, since the trustee, in 1884, was American, and the trustees were an American company, although the loan was issued in London. The New Brunswick lines were leased to the Canadian Pacific Railway in 1890, but the latter's guarantee extends only to interest, not to principal. It is possible that an action may lie not in the English but in the Canadian courts. Holders are offered voluntary conversion into 4 per cent. perpetual consolidated debenture stock, at the rate of £119 for every £100 bond. This offer, *prima facie*, is not unreasonable. The chairman of the Grand Trunk Senior Stocks Company, however, has taken occasion to point out that the terms of the offer have a certain similarity to those which the Grand Trunk preferential bondholders accepted in 1873. They were subsequently overridden by an order of the Canadian Government. New Brunswick bondholders who contemplate conversion will give varying weight to the analogy, but it would be regrettable if the latter were allowed to draw a red herring across the main question, which is whether the terms of the "gold clause," in the present instance, bring the New Brunswick bonds within the scope of recent clearly worded legal decisions on this side.

Australian Gold Developments.—Although the recent excited buying of West African gold shares has abated, partly for technical reasons, but largely on account of more sober estimates of the prospects of a field which requires considerable further development, speculative interest still flits about the mining markets. Among a number of potential directions, some sections of the market are canvassing the possibility that increased interest may be taken in Western Australian issues. The survival of the industry has been due, to no small extent, to the paternal assistance of the Government during unfavourable years. Now that present indications suggest a permanently enhanced price

for gold, established producers on the Rand are attracting a solid investment demand from institutional investors in search of high income and stability of earning power. Some diversion of speculative interest to Australian producers is, therefore, not surprising. Established mines, such as Great Boulder and Lake View and Star, have undertaken further development at depth, and the success of the more recent Wiluna has indicated that possibilities are not limited to the "Golden Mile." The industry is taking its due share in the present activity in gold-mining issues, and an issue in respect of the Great Boulder subsidiary is expected next week. The following table gives details of eight issues which have been made during the last sixteen months either for new developments or for further requirements of existing companies:—

	Date of Issue	No. of Shares issued	Issue Price	Amount of Issue	Price July 18, 1934	Market valuation of Issue
Anglo-Australian Gold Development	Feb., '33	520,000	s. d.	£	s. d.	£
Commonwealth Mining	May, '34	1,800,000	5 0	130,000	10 0	260,000
Great Boulder Prop.	July, '33	583,333	5 0*	145,833	11 3	328,100
North Kalgurl (1912)*	Sept., '33	250,000	5 0*	62,500	16 6	206,200
North Kalgurl United	Feb., '34	480,000	5 0	120,000	7 9	186,000
Paringa Mining†	Mar., '34	706,900	2 0‡	70,690	5 6	194,400
Southern Cross Gold Development	Apr., '34	660,000	5 0	165,000	6 0	198,000
Wiluna†	Sept., '33	200,000	40 0‡	400,000	62 6	625,000

† To shareholders only. * 2s. nominal. ‡ £1 nominal. § 1s. nominal.

Although speculative attention has been directed to both classes, the appreciation of share values has not assumed the boom dimensions seen in the West African market three months ago. Speculative investors may reasonably regard the hazards of Australian ventures as no more considerable than those of the "Jungle." The development of partially proved territories, under conditions of improved technique and transport, when entrusted to capable management, may conceivably be attended with success. By this token, such newcomers as Anglo-Australian Gold Development, North Kalgurl United, and Southern Cross have attracted considerable speculative interest since their flotation. Investors will recognise, however, that promise is distinct from achievement, and the emergence of a top-heavy speculative position based on inflated hopes will be deprecated by all who regard healthy development as being in the long-run interests of investors and producers alike.

"Kaffir" Flotations—and a "Breeze."—"Kaffir" financing is showing the expected increase to which we referred in our leading article of July 7th last, page 20. We set out in the following table particulars of a number of recent issues and the course of subsequent dealings:—

Company and nature of Offer	Shares issued to Public or Shareholders	Issued Price	Opening Quotation	Quotation July 18, 1934
To Public				
Central Mining	1,000,000 5 per cent. cum. pref. shares £1.	22s. 6d.	23/-	24/-
Klerksdorp	1,000,000 shares of 5s.	Par	5/9	5/6
To Shareholders				
Dagafontein	99,000 shares £1	5/-	31/3 pm.	32/6 pm.
Venterspost	2,000,000 shares of 10s.	Par	4/6 pm.	4-4 pm.
By Introduction				
Klip Nigel	1,920,000 shares of 5s.	...	13/3	14/3

London activity in gold mining issues has been restrained in comparison with the hectic scenes in Johannesburg, where the entire population has indulged in unparalleled speculation, and is reported to have technical details of every new venture by rote. On this side, however, public appetite for promising new ventures on the East and West Rand is undoubtedly keen. Reports are to hand from Johannesburg of considerable dissatisfaction among East Rand Consolidated shareholders on rumours of their meagre participation in the impending Spaarwater flotation. They claim, with some show of reason, that they are prepared to supply all the necessary finance, and regard the vendors of the properties as having no preferential rights other than as shareholders. They have voiced a good deal of criticism of the recently announced increase of capital by Rhodesian Corporation, although the circular



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in connection with the offer referred to much new business in pending issues, including East Rand Consolidated subsidiaries. The mining community is anxious that a settlement agreeable to both sides should be reached, without recourse to the threatened appeal to the Government, owing to the unsettling effect of the dispute on the mining market as a whole, which is due to benefit from the re-investment of impending dividend distributions. Some quarters are apprehensive that future subsidiary flotations may also be less generous to shareholders, though, in fact, three promising ventures have been announced—Venterspost, Van Dyk Proprietary, and the new Machavie Mine subsidiary of New Central Witwatersrand Areas—on terms which have provoked no dissent.

Union Cold Storage Judgment.—On Thursday, July 19th, Mr. Justice Eve gave judgment in the Union Cold Storage case, in which Mr. George Edward Hughes claimed, on behalf of himself and other stockholders, a declaration that resolutions and agreements reducing the interest on the company's preference stock were invalid. The circumstances leading up to the passing of the resolutions were fully dealt with in the *Economist* of November 25, December 2 and 9, 1933. Mr. Justice Eve found (1) that the directors and officers of the company had acted throughout in good faith; (2) that the Court was not concerned with the merits of the arrangement; (3) that there was no ground for holding that the latter did not come within Article 65 of the company's Articles; (4) that the offer was clearly stated in the circulars; but that (5) the votes of the stockholders had been cast on a wholly inadequate disclosure of material facts—particularly as regards certain leases of properties by members of the Vestey family to the company. On the last-mentioned ground, therefore, the plaintiffs were awarded their declarations and injunction, with costs. The judgment was thus

obtained on a matter of disclosure, and certainly does not establish the principle that under no conditions can preference dividend rates be reduced by a company whose earnings are sufficient to maintain them.

* * *

Actuaries' Investment Index.—Summer holidays are throwing their shadow over a quiet Stock Exchange. Industrial share values have shown a very slight falling tendency this week. The Actuaries' Index for 144 shares (December 31, 1928=100) stood at 70.4 on July 17th, as compared with 70.9 a week earlier and 71.1 a month earlier. The corresponding yield figures were 3.71, 3.72 and 3.68 per cent. respectively. This week's significant changes are shown below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928=100)			Yields (%)		
	June 19, 1934	July 10, 1934	July 17, 1934	June 19, 1934	July 10, 1934	July 17, 1934
Higher this Week:—						
Banks and Discount Co.'s (12).....	110.2	110.9	111.7	4.26	4.23	4.20
Insurance Co.'s (24).....	107.9	108.9	109.6	3.88	3.85	3.83
Electric Supplies (8).....	91.7	93.7	94.2	4.61	4.52	4.50
Lower this Week:—						
Home Rails (4).....	78.2	83.4	80.1	1.49	1.43	1.48
Coal (6).....	93.3	93.0	91.9	3.23	3.86	3.92
Shipping (3).....	15.6	16.2	15.5	0.84	0.41	Nil
Miscellaneous (50).....	62.8	61.9	61.6	3.92	3.96	3.97

"Money" securities—including bank and insurance company shares—have made the best showing this week. Demand for electrical equipment shares has been stimulated by indications of increased home and export business. Home rails, however, have lost more than half last week's gain. Tentative speculative buying of shipping shares, on the Government's subsidy proposals, has similarly proved short-lived.

COMPANY NOTES

Flour Milling Companies.—As the direct heir of one of the most ancient industries, applying the first and essential treatment to the basic foodstuff of mankind, the modern milling industry may expect a very fair stability of physical turnover. That, unfortunately, is not synonymous with stability of profits. In the process of modernisation, the milling industry has changed its economic position fundamentally from the assured, if limited, solidity typical of the old-time miller, who worked largely on commission. The granaries and flour lofts which he has left behind him show

Profits in £000.						
Company	1929	1930	1931	1932	1933	1934
Ranks (July 1):—						
Certified profits*.....	...	...	807.7	857.4	824.1	...
Spillers (Jan. 31):—						
Earned for Ord. and Defd.	121.8	Dr. 378.4	213.9	300.6	271.9	319.5
Earned % on Ord.	8.4	Nil	15.0	15.2	15.0	15.4
Paid % on Ord.	7½	Nil	10	15	15	15
Earned % for Defd.	Nil	Nil	0.5	15.2	10.5	15.4
Paid % on Defd.	Nil	Nil	Nil	10	10	15
Carr's (March 31):—						
Earned for Ord.	3.6	12.0	22.7	32.9	22.8	24.8
Earned %	3.0	10.0	20.0	29.0	20.3	22.3
Paid %	7½	10	15	22½	15	15

* As in the prospectus of November, 1933.

that he milled partly for his own account, buying the grain and selling the flour. A large proportion of his work (and storage accommodation), however, was for customers who paid him only for his milling of their grain. When the growth of population required large imports of wheat, the milling industry began to move towards the ports. With the growth of output capacity which modern milling processes have made possible, the millers began not only to work almost exclusively on their own account, but also to carry increasingly large stocks in course of process and distribution. This, in turn, required advertising of branded products, with the

further growth in stock necessary to assure supplies. Inevitably, therefore, the modern miller must carry a considerable open position in a commodity subject to wide and sudden price movements. The effect has been seen in the past accounts of leading milling concerns. The process of integration, which is yearly concentrating the industry in the hands of the leading concerns, has done much to offset this market risk, by stabilising prices and permitting a carefully balanced system of purchases and sales, but it has not eliminated its dangers. Thus the shares even of the largest concerns to-day must be classed as moderately speculative, though the strong finances of the leading concerns limit the risk to fluctuation in profits, which must presumably average out over a period, and can be partially smoothed out from internal reserves. For the moment the sales of what the millers claim to be "dumped" foreign flour are causing some disturbance. A remote potential risk may be the possibility of the milling industry's being nationalised—since a certain school of thought regard it as well suited to public ownership. The vigorous improvement of the industry, particularly in its organisation, which is still continuing, offers the hope of increasing profits. On the other hand, normal "recovery" factors may not operate very strongly, since physical turnover is relatively stable in any case. The element of "time lag" should benefit a processor's profits in times of rising prices, but there is no certainty that this will be the case in flour-milling. The fact that Ranks, Limited, one of the two leading concerns, was only incorporated as a public company last November, and that it absorbed another leading business, Associated London Flour Millers, earlier in 1933, closely limits the number of large companies whose profit history can be studied in the accompanying table.

* * *

Furness Withy.—It may be inferred that the directors of this, the parent company of the strongest shipping group in the world, are disappointed with the results achieved in the year to April 30th last. A year ago, the report expressed a hope that "an improvement . . . would not be much longer delayed," but the latest profit balance is almost identical with that of 1932-33, and the ordinary dividend has been passed for the first time since 1893. The board may be commended for their decision not to draw further on reserves for unearned dividend payments, in view (to quote the present report) of "the continuing uncertainty of the outlook, as well as the absence of any revival in international trade"—not to mention the possibility of profitable acquisitions of other shipping properties in the future. The accounts are presented in a form which makes the measurement of net current earning power peculiarly difficult. The "profit" includes an unspecified transfer from reserves, whose dimensions have in the past been disclosed, or hinted at, by the chairman at the annual meeting. As these transfers cannot in any way be regarded as "earnings," we have deducted them from the published figures in the table which follows. In default of any official information, we have assumed that the current year's transfer was of the same dimensions as in the two preceding years:—

	Years to April 30,		
	1932	1933	1934
Profit for year, after crediting dividends received and transfer from reserves.....	£388,422	£379,674	£378,165
Extent of transfer from reserves*.....	100,000	100,000†	100,000†
Earned profit, estimated on this basis..	288,422	279,674	278,165
Depreciation	150,000	200,000	300,000
Earned for dividends\$	138,422	79,674	Dr. 21,835
Preference dividend	55,312	56,250	57,187
Ordinary { Earned	83,110	23,424	Dr. 79,022
Paid	180,000	135,000	Nil
Earned (%)	2.8(a)	0.4(b)	Nil
Paid (%)	6	3	Nil

Issue expenses written off

Total carried forward (c)

* According to chairman's speeches at annual meetings. † "About the same as a year ago." ‡ Presumed. Report states: "The profit is approximately the same as for the previous year." \$ Before transfers from reserves of amounts indicated, or suggested, above. (a) On £4,000,000 ordinary capital. (b) On £6,000,000 ordinary capital. (c) After transfers from reserve.

While complimenting the directors on earning a substantial profit under contemporary conditions of international trade strangulation, shareholders may feel that the present moment is peculiarly opportune for a policy of fuller disclosure. The published profits certainly fail to afford an adequate measure of fluctuations in the earning power of the group. Some subsidiary companies have made losses which, with one exception, have been set against profits previously carried forward. The auditors' report on five subsidiary companies contains the qualification "subject to the value of investments." Undoubtedly the figure of £5,211,682, at which investments in subsidiary companies are carried in the books of the parent concern, holds a substantial "inner reserve," even under present conditions. The company's strength, however, would be more rather than less widely appreciated if the directors could bring themselves to publish regular consolidated profit-and-loss accounts and balance sheets. Meanwhile, the chairman will doubtless take occasion next Wednesday to discuss prospects in the North Atlantic and Argentine trades, the results obtained from last year's acquisition of a substantial interest in the New Zealand and Australian trade through Shaw, Savill and Albion, and last, but not least, the possibility of further acquisitions when revival comes in sight. The £1 ordinary shares of Furness Withy, which touched 20s. earlier this year, have fallen from 16s. to 15s. 3d. on the passing of the dividend.

* * *

Courtaulds Dividend.—Though Courtaulds shares declined after the interim dividend announcement last week-end, the board's decision merely to maintain last year's payment of 1½ per cent., tax free, caused little surprise in trade circles. The reduction in the excise duty is calculated to stimulate future consumption, but has had an unsettling effect on current business, and Courtaulds necessarily hold appreciable stocks of yarn which has paid the

full excise duty. The price reduction of last January and the company's output extension programme have scarcely yet had time to produce important results from a profit-earning standpoint. The trade as a whole suffered from the occurrence of cold weather in the crucial few weeks immediately after Easter, when buying should have been at its best. Overseas events, also, have been somewhat discouraging. The American Viscose Company has been working under capacity, while conditions on the Continent, though slightly improved, are far from settled. Ample time remains, however, for trade recovery in various directions before the end of the year. Meanwhile, Courtaulds continues its policy of steadily improving the competitive position of rayon in relation to other textile fibres, and the long-term tendency of consumption is likely to remain upward.

* * *

Eastwoods Flettons and Cement.—Increases of approximately 100 per cent. and 50 per cent. in the trading profits of Eastwoods Cement and Eastwoods Flettons for the year to March 31st are satisfactory pointers, not only for the parent company, whose accounts are expected in September, but also for brick and cement manufacturers as a whole. The reports of the companies refer to increased demand for cement and Flettons, and it is stated that co-operation between cement manufacturers has already improved prices and marketing conditions generally. The Cement Company pays 7½ per cent. against 3 per cent., and Eastwoods Flettons pays 12½ per cent. (against 10 per cent.) on the preferred ordinary, and 1s. 4d. per share against 6d. on the deferred shares. The two balance sheets show all the signs of increased trading activity. The agreement in the cement industry referred to, which governs sales in the South of England, became effective at the end of April (see the *Economist* dated April 28th, page 935), and it is now unofficially stated that an agreement covering the whole country has been reached, with the intention of

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JOHN HOPE, Director, J. Sears & Company (True-Form Boot Company) Limited, and Freeman, Hardy & Willis, Limited.
JOHN SIDNEY BARLOW, Director of Atlas Assurance Company, Limited, Birmingham Local Board. } Directors:
ST. JOHN RENWICK PIGOTT, O.B.E., Director, Victory Cleaners (Parent Company) Limited. } Burtol British
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- (3) Certificate by Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, as to profits of Vendor's business and the eight "Burtol" establishments.
- (4) Profits for the first financial year estimated at not less than £35,000, and for the second financial year, not less than £61,000.
- (5) The eight establishments show a total profit at the rate of £9,456 per annum, and the Company is also entitled to Vendor's profits from 9th September, 1933, and benefit of orders estimated by Vendors to produce a further net profit of £10,000.
- (6) The Directorate comprises several well-known men of proved commercial ability.
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effecting an increase of 20 per cent. in prices. The regulation of sales and production by quotas, it is stated, has required considerable threshing out, but a successful conclusion is presumed to be near at hand. As to producers' profits, there seems no reason why efficient plants, coping with the present demand for building, should require a substantial rise in selling prices. The fate of past attempts at co-ordination of production is a warning against prices which are prejudicial to the consumer, but attractive to new and efficient undertakings. For the current year, in any case, the increase in prices will probably have less effect upon profits than increased output. The price current of best standard Portland cement on July 13th was 38s. per ton, according to *The Builder*, compared with 46s. per ton on April 27th. This latter quotation, however, was purely nominal, whereas the current quotation has some semblance to actual prices paid. It is possible, however, for large contractors to obtain price concessions, and they are covered, in many cases, by substantial forward contracts. Yields of just over 4 per cent. on Associated, British and Tunnel Cement shares suggest that the shares are reasonably valued.

* * *

Twin "Eagles."—After our recent criticism of the uninformative nature of the Royal Dutch-Shell accounts, it is gratifying to find two of the group's operating companies, Mexican Eagle and Canadian Eagle, presenting full and frank statements of their affairs. Both show great financial strength, but the former is suffering severely from the outbreak of economic nationalism which has infected Mexico. First, the dispute over the Amatlan titles drags on, and the company's defence is "impeded by certain influences which it has been difficult to counteract." Secondly, restrictive taxation and regulations have been imposed on the petroleum industry, and a "national" oil company threatens to become a serious competitor. Thirdly, a strike of refinery and field employees has ended in a Presidential award giving pensions, shorter hours and more holidays to the workers. Costs of production have thus been materially increased, and it may even be necessary to restrict operations. The company, however, has expanded its turnover and has proved a substantial reserve of oil in its fields south of the Tuxpam River, so that only the deterioration in the political situation is preventing the company from enjoying real prosperity. The following table shows the remarkable increase in the trading profits (in Mexican pesos) in 1933:—

(In Mexican Pesos)		
	1932	1933
Trading profits	2,058,129	17,064,834
Differences in exchange	243,457	10,991,856
Net profits	1,814,672	6,072,978
Preference dividends	985,758	1,108,281
Transfer to legal reserve	90,733	810,446
Transfer to special reserve	...	5,532,744
Dividend on participating pref.....	272,000	...
Carry forward	1,378,493	...

In 1933 the peso depreciated from 10.5 to the £ to 17.76. It is proposed to present future accounts in sterling. The balance sheet of Mexican Eagle shows immense strength, the surplus of current assets over current liabilities being about 64 million pesos. Unfortunately the payment of the first preference dividend this year has been postponed pending the settlement of the Amatlan lawsuit. In view of the mutual guarantees, this involves a similar postponement on the part of the Canadian Eagle. The latter already presents its accounts in sterling, in which its revenue accrues. Its chief interest is the ownership of the entire share and loan capital of Eagle Oil and Shipping, from which it draws the bulk of its income. This company purchases the export surplus of Mexican Eagle and part of the output of Venezuelan Oil Concessions, which is refined by the Arend Petroleum Company. It also controls (jointly with Royal Dutch and Anglo-Persian) Shell-Mex and B.P., and owns a half share in Anglo-Mexican, which markets Shell products in South America, and an interest in London and National Property, which owns Shell-Mex House in London. The

trading results of Canadian Eagle for the past two years are as follows:—

	1932	1933
Net profits	896,393	376,627
Preference dividends	580,339	175,898
To general reserve	...	183,553
Carry forward	292,721	83,686

The balance sheet discloses a surplus of current assets over current liabilities of over £2,000,000. The first preference shares of both companies are quoted at around par, the market being maintained by the fact that the companies are bound to redeem a proportion of their preference shares each year by purchases in the market.

* * *

Tanganyika Concessions.—The report of Tanganyika Concessions for 1933 confirms the conservative views we expressed in a recent analysis of the position (see the *Economist* of May 12 and 26, 1934, pages 1038 and 1153). The accounts show a total debit balance of £160,749 (including £125,442 advanced to the African Railway Finance Company under guarantee), which is carried forward. In 1932 a credit balance of £272,297 was secured and carried to reserve. The disappointing course of the copper market last year was undoubtedly the main factor in a disappointing result, and in this direction contemporary prospects are more helpful. The Union Minière, in which Tanganyika Concessions has an important interest, has now reduced its costs below the prevailing market price for copper, and has increased its production from 66,596 tons to 100,000 tons per annum. This development, in turn, should benefit the Benguela Railway, in whose fortunes the Tanganyika Company has so heavy a stake. Last year's advances to African Railway Finance represented payments under guarantee of interest and redemption charges on loans for the completion and equipment of the Benguela Railway. The auditors refer to a shortage of £800,000 in the assets of African Railway Finance. This, however, is mainly a family matter, resulting from the valuation of the Tanganyika "B" preference shares, issued to finance the Benguela Railway. The directors, however, express confidence in a continued increase of Benguela traffics, sufficient to give a return on the documents which the company holds. This view would not appear unreasonable.

* * *

Kramat Pulai.—Shareholders have every reason for satisfaction with the course of events. For last year the company paid a total of 10 per cent., including the 5 per cent. recommended within the past few days. On account of 1934 an interim dividend of 3½ per cent. has lately been followed by two of 10 per cent. The bulk of the company's revenue has been provided by sales of scheelite ore (or wolfram). Towards the end of 1933 this product met with an increasing demand at better prices. At one time during the past six months the price was run up to the almost unprecedented level of about 47s. 6d. per unit, but a reaction to under 40s. subsequently occurred. As the result of certain deliveries being made in advance of contracts, the June profit amounted to £15,000, the surplus for May having been £6,000 and for April £4,000. At the meeting held on Monday a proposal for the splitting of the £1 shares into four shares of 5s. each was approved. The chairman expressed satisfaction with the working of tin restriction, but also emphasised the room for increased consumption and output. The current year's total production of scheelite had been sold, and on the assumption of unchanged mine production and grade, he predicted total dividends of 60 to 70 per cent. for the current year. The 5s. shares are quoted at 20s. 6d., and yield £2 8s. 9d. per cent. on the basis of last year's dividend of 10 per cent.

* * *

Other Company Results.—The trading results of 54 other companies will be found in our usual summary table on page 144. Half-yearly reports from three Irish banks show a small fall in earnings for Munster and Leinster (£58,892 against £72,224) and increases for National Bank

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET
July 24

ACCOUNT
July 26

WITHOUT ignoring the San Francisco strike, Wall Street's stagnation and Germany's inquietude, investors may find the dominant cause of this week's dull markets in the sun and the calendar. Monetary pressure is sufficient to prevent any lapsing of prices, but the atmosphere of the "House" is slightly soporific, and preparation for the holiday month tends to take the form of a closing of commitments.

Despite the idle conditions which ruled in the Gilt-edged market at the beginning of the week, prices remained firm and subsequent demand, though sporadic, was sufficient to prevent any reactionary tendency from going far. Brokers were again disposed to put their clients into virtually irredeemable stocks, rather than into low-interest issues at par or higher, with a future redemption clause against the holder. India loans were steady on small dealings, and a fair business, at firm quotations, was done in Dominion bonds. The leading feature of the foreign market was the strength of Chinese issues, particularly the railway bonds, on the thesis that future financial assistance to China would pre-suppose a settlement with present bond-holders. Japanese loans, however, were easier. German bonds responded to moderate support, but the undertone of the market was not convincing. Brazilian funding issues were in speculative demand early in the week, but subsequently reacted.

Home railway stocks had their customary week's "cycle," with a sagging tendency at the outset, a slight crescendo before the publication of the traffic figures, and a perceptible loss of market interest thereafter. Passenger revenue is being satisfactorily maintained, but in the absence of more considerable increases, over 1933, in general traffic receipts, the downward curve of the trend line of quotations for equity and marginal preference stocks is unlikely to be arrested. The Argentine railway group remains completely out of favour.

The industrial markets remained relatively steady, but almost featureless, with dealings on a further reduced scale. High temperatures and dividend anticipations sustained the prices of brewery shares, but the leading tobacco issues developed an easier tendency. Richard Thomas preference were firm in a quiet iron and steel share market, the news of the international tinplate agreement stimulating interest on the eve of the chairman's speech. Motor shares continue to decline, Rolls-Royce being particularly dull, but aircraft shares as a whole had a slightly harder tendency. Only a small business was done in textiles, though Patons & Baldwins hardened a little in anticipation of the chairman's speech at the annual meeting—which, as it happened, was not over-optimistic. Selling occurred of Courtaulds on the absence of an increase in the interim dividend. The position of this company is discussed on page 125. Among departmental store shares, Marks & Spencer suffered from profit-taking, and Woolworth lacked support.

Shipping shares remained dull, Furness, Withy being offered on the passing of the ordinary dividend for the

(£111,547 against £106,825) and Provincial Bank of Ireland (£36,367 against £32,953). In the financial and land section, City of London Brewery and Investment Trust reports net profits of £246,428 for eighteen months to June 30th, while Australian Estates, reflecting improvement in pastoral conditions, shows earnings of £66,798 (against £5,046 for 1932) from which one year's preference arrears have been paid. In the steel and engineering section, the Armstrong Whitworth Securities result brings little comfort to shareholders. The loss for 1933 is £531,214, against £246,856, and a debit of £871,501 is carried forward. The directors refer to some improvement in the outlook since the end of the year. W. and T. Avery, the weighing machine makers, report increased profit at £102,925. Further small rubber companies show improvement, Bertam Consolidated earning net profits of £21,061 (against £1,007) for the year to March, and paying 7 per cent. against nil. Among shops and stores, W. Barratt and Company, the shoe manufacturers, report net profit of £105,773 compared with £86,850 for the year to June, 1933. This is a reassuring improvement after the mildly satisfactory showing of other boot firms for 1933, although increased advertising expenditure may have benefited the company's business, in part, at the expense of other popular brands. Of six investment trust reports, four show further slight falls in revenue, while two, Palmerston and Second Clydesdale, are slightly better. The former pays 6 per cent. for the year to June, against 5 per cent. for the previous year. In the miscellaneous section, net earnings of Falk Stadelmann show considerable improvement at £88,492 against £58,566, and the ordinary dividend is increased from 5 to 7½ per cent. Exchange difficulties have beset Brazilian Warrant Agency and Cambuhy Coffee and Cotton, and the reports are accompanied by a proposed scheme of reorganisation and merging of the two companies.

* * *

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—National Bank of New Zealand, United Dominions Trust, Trustees Corporation, Rhodesian Anglo-American, Consolidated Tin Smelters, East Asiatic Rubber Estates, Estates Control, Rhodesian Corporation, East Rand Consolidated, Armstrong Whitworth securities, and South African Breweries. Sir Austin Harris informed shareholders of the National Bank of New Zealand that notwithstanding some economic recovery, banking conditions had again proved difficult. He declared that exchange policy should continue to be aligned to that of Australia, although in the present situation a rate of 125 appeared anomalous. Sir George A. Touche emphasised the consolidation of the Trustees Corporation's holdings in Dominion securities, and the rapid recovery in the portfolio valuation. Mr J. Gibson Jarvie's speech at the United Dominions Trust meeting dwelt mainly on the new subsidiary, Credit For Industry, Limited, which, he declared, had been inundated with applications for loans. Sir Edmund Davis reviewed the circumstances of the Rhodesian Anglo-American offer to Bwana M'Kubwa members for an exchange of shares. Major-General Guy P. Dawney, after a survey of a very difficult year, declared that Armstrong Whitworth position and prospects were engaging the earnest consideration of the board. Mr. R. J. Hose, at the Consolidated Tin Smelters' meeting, expressed satisfaction with the results under restriction, and looked for a revival of demand in the autumn. Captain Hugh P. Jamieson informed East Rand Consolidated shareholders that their proportionate participation in the new Spaarwater flotation could not be announced until the Mining Leases Board had approved the scheme. As chairman of Rhodesian Corporation, he declared that the company must secure every possible participation in the Spaarwater and other flotations. Mr John Stroyan outlined the advantages of the depreciated exchange to South African Breweries shareholders, and looked for rapid progress in the Union. At the Estates Control meeting, Lord Luke emphasised the difficulties of stock-raising and estate companies, which were largely caused by uncertain price fluctuations. Lord Hutchison of Montrose discussed the improved outlook for East Asiatic Rubber Estates, and hoped that all—not excluding the Eastern staff—would benefit.



SECURITY FIRST

TOTAL FUNDS EXCEED
£44,000,000.
CLAIMS PAID, OVER
£200,000,000

Head Offices:

LIVERPOOL
North John St.

LONDON
Lombard St.

first time for over forty years. Eastwoods Flettons and Eastwoods Cement were in demand on the excellent reports, which are discussed on page 125. The reported agreement between Chilean nitrate and European synthetic producers induced a demand for Cosach bonds. Manchester Ship Canal preference were firm on the increased half-year's traffic receipts. Bank shares were slightly irregular, but mainly held their ground, and insurance shares remained steady.

Speculators again gave oil shares a wide berth. The reception of the twin "Eagle" reports, however, was relatively favourable, the market's attention being concentrated on the increased profit figures rather than on the uncertain operating position on which the directors' reports laid stress. The buying movement in rubber shares completely subsided. The public, on the whole, was still a cautious buyer, but professional interest was damped by the uncertain tendency of the commodity in Mincing Lane. Tea shares failed to maintain a promising start, but scattered liquidation was fairly easily absorbed.

Kaffirs quickly became convalescent after a dull opening. The mid-week revival of interest was due to several factors, including demand from Johannesburg, selective home investment, and the publication of satisfactory quarterly results, especially those of Union Corporation companies. It was hoped that the question arising out of the dissatisfaction of East Rand Consolidated shareholders with their subscription rights in Spaarwater (to which we refer on page 123) would be amicably settled. A hesitant tendency, approaching heaviness at times, was evident in the West African market, though firmer conditions occurred in mid-week. Rhodesian shares were slightly better, the greatly improved position shown by Goldfields Rhodesian causing favourable comment. Kramat Pulai were in demand in a generally dull tin share market. Tanganyika Concessions were easier on the report, which is summarised on page 126.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	July 12, 1934	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934	July 19, 1934
Government and Municipal Loans	1,117	1,113		1,125	1,164	1,103	1,111
Transport, Communications, and Public Utilities	775	867		884	878	852	817
Commercial and Industrial*	2,707	2,776	Closed	3,120	2,700	2,609	2,727
Banks, Insurance and Financial	473	523		656	580	550	562
Mines (including Nitrate)	1,091	1,189		1,378	1,328	1,130	1,368
Oils	106	78		116	125	137	93
Rubber, Tea and Coffee	882	874		894	702	569	482
Total	7,145	7,420		8,173	7,477	6,950	7,160
Corresponding day in 1933	9,500	11,533		10,463	10,226	10,044	9,239

* Including iron and steel and breweries.

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

	Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	July 12, 1934	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934	July 19, 1934
	90.4	83.5	87.0	87.0	Closed	86.6	86.8	86.8	86.8

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS (1928 = 100)

	Highest of 1934 (May 17)	Lowest of 1934 (Jan. 2)	July 12, 1934	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934	July 19, 1934
	132.5	128.8	131.9	132.0	Closed	132.1	132.2	132.2	132.2

FOREIGN STOCK EXCHANGES

NEW YORK

WITH San Francisco brought to a standstill, and strikes and rumours of strikes spread over the Continent, the Stock Exchange (whose domestic troubles are still sufficient to engage its full attention) had good reason for precautionary

marking down of prices on Monday. Except for certain issues directly affected by the strike, declines were fractional, but on the next day some selling pressure caused general falls of up to two points, automobile and sugar shares being particularly affected. Reports of improvement in the strike situation put a little spirit into the market on Wednesday, but, as in recent weeks, the stock markets were slow to reflect improved business in the Chicago wheat pit. Railway and public utility stocks were offered on revised earnings prospects, the cover for bond interest being regarded in many cases as disappointingly small. The Control Commission has enlisted assistance from accountants and economists for drafting "listing" application requirements, which, it is feared, will prove too stringent for many foreign Governments and companies. Company news has been out of the public eye this week, but the Iron and Steel Institute reports operations at 28.8 per cent. of capacity, an increase of 1.3 per cent. on the week. The General Electric Company earned profits of \$8,175,000 for the half-year to June (28 cents per share), against \$4,666,000 (16 cents) for the first half of 1933. Some stirrings of activity are apparent in the new capital market, an offer of New York City bonds this week being regarded as a forerunner of a number of rail and utility issues.

	July 11, 1934	July 18, 1934	July 18, 1934 Eng. equiv.†		July 11, 1934	July 18, 1934	July 18, 1934 Eng. equiv.†
Lb. Ln. 3½% '32-47	104½	104½	103½	Natl. Biscuit	35	35½	35
Do. 4½% '32-47	103½	103½	102½	Phelps Dodge	17½	17½	17½
Do. 4½% '33-38	103½	103½	102½	Fullman	49½	47½	47½
Atchafalpa	63½	62	61½	Sears-Roback	44½	44	44
Erie	18½	17½	17½	Un. Fruit	70	72	71½
Illinois Central	24½	22½	22½	U.S. Leather	8½	7½	7½
N.Y. Central	29½	27½	27½	U.S. Rubber	17½	17½	17½
Pennsylvania	30½	29½	29½	U.S. Steel	40½	39½	39½
Southern Pacific	24½	23½	23½	Westinghouse	37½	36½	36½
Southern Ry.	22½	19½	19	Woolworth	50	50½	50
Union Pacific	120½	117½	116½	Am. Tel. and Tlg.	115½	113½	112½
Am. Can.	99½	100½	99½	Interboro R.T.	8½	8½	8½
Amer. Smelting	42½	42½	41½	Int. Tel. Teleg.	12½	12½	12½
Anaconda	15½	14	13½	Radio Corp.	6½	6½	6½
Bethlehem Steel	34	33½	33	Utilities P. and L.	2½	2½	2½
Chrysler Motor	41½	40½	40½	W. Union Tlg.	45½	42½	42½
Corn Produce Rf.	68½	67½	67½	Associated Gas "A"	2½	2½	2½
Eastman Kodak	97½	100½	99½	Shell	21½	21½	20½
Gen. Electric (New)	20½	20½	20½	Shell Union	3½	7½	7½
Gen. Motors	32½	31½	31½	Std. California	34½	34½	34½
Int. Harvester	33½	33	32½	Do. N.J.	44½	44½	44½
Mont. Ward	28½	28½	28½				

† Calculated at \$5.04 to £.

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

	1933		1934 Jan. 1 to July 18		Beginning of Year 1934	July 3(1)	July 11, 1934	July 18, 1934
	Lowest	Highest	Lowest	Highest	Jan. 3 / Feb. 21			
351 Industrials	38.7	86.6	77.5½	90.5	79.6	79.5	82.3	81.4
33 Rails	23.9	54.5	40.6	51.4	40.6	42.0	43.7	41.9
37 Utilities	66.8	101.0	66.4	83.4†	66.4	70.1	71.3	69.4†
Total, 421 stocks	40.9	83.4	70.1½	82.1	70.8	71.6	73.9	72.7
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.39% (s)	3.17%	3.39%	3.26%	3.29%

† February 7th.

‡ May 16.

(s) July 3.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

	Highest of 1934 (Feb. 5)	Lowest of 1934 (June 2)	July 11, 1934	July 12, 1934	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934
	105.0	83.9	90.1	89.5	89.9	90.0	88.1	87.7	89.3

TOTAL DEALINGS IN NEW YORK

	July 12, 1934	July 13, 1934	July 14, 1934*	July 16, 1934	July 17, 1934	July 18, 1934
Stock Exchange—Shares (Thous.)	470	530	190	590	620	490
Bonds (Value Thous. \$)	14,540	9,300	3,700	9,101	11,860	11,340
Curb—Shares (Thous.)	151	136	61	121	134	139

* Two-hour Session.

PARIS

Assurance of success for the new Government issue was not sufficient to inspire markets with any definite purpose, and prices on the whole were depressed, and in some cases considerably lower. Rentes were weaker on M.

Doumergue's speech. On the Coullisse, gold shares were steady against the trend. As in other centres, Royal Dutch showed improvement in mid-week. Fears of a political rupture caused a sharp setback in Rentes on Thursday.

	July 11, 1934	July 16, 1934	July 18, 1934		July 11, 1934	July 16, 1934	July 18, 1934
Banque de France	11,245	11,240	11,110	Wagons Lits	80	80	80
Crédit Lyonnais	2,060	2,060	2,055	Mexican Eagle	33½	33	34½
Suez Canal	18,530	18,530	18,635	"Chartered"	86½	85½	85½
Chargeurs Réunis	147	147	141	Ford	56	56	55
Rio Tinto	1,396	1,385	1,375	De Beers	353	346	356
Royal Dutch	15,830	15,610	15,700	"Johnnies"	268	262	265

BERLIN

The share market last week was somewhat more active. Wednesday witnessed a sharp general rise, and on the week the average price of high-priced stocks advanced about 1 per cent. Public utilities and certain specialties, in particular Berlin-Karlsruhe, were in demand. On Monday and Tuesday of this week the undertone was firm, but prices as a whole changed little. Public utilities were again bought; but recent favourites, such as steel, paper and rayon shares, were neglected. A marked increase has taken place in the number of minor industrial companies with daily quotations. The home bond market has changed little, and there have been successive recoveries and declines in dollar bonds, with a slight weakening this week of converted issues. The official shares index (average of 1924-26 = 100) for June was 76.16, against 73.27 for May; and the home bonds index 90.08 against 90.65.

	July 11, 1934	July 16, 1934	July 18, 1934		July 11, 1934	July 16, 1934	July 18, 1934
Reichsbank	155.00	154.00	154.25	A. E. G.	23.40	23.25	23.40
D.D. Bank	62.25	62.00	62.25	Siemens & Halske	152.50	148.75	148.25
Dresdner (New)	65.50	64.50	65.00	A. K. U.	63.25	62.50	62.25
I. G. Farbenindustrie	150.00	150.00	149.25	Hamburg-Amer.	28.50	26.40	26.75
Norddeutscher Lloyd (New)	32.00	30.75	30.25				

AMSTERDAM

The Bourse has ruled depressed to quiet during this week, and turnover has been small. The rubber section was the focus of interest, but the market showed considerable irregularity and wavered somewhat on Tuesday. Royal Dutch made a late recovery on Wednesday after two weak sessions, and industrials, in particular Unilever and Philips' Lamps, followed a similar course. German bonds were weak, but home bonds continued firm.

	July 11, 1934	July 16, 1934	July 18, 1934		July 11, 1934	July 16, 1934	July 18, 1934
2½% Dutch Loan	1934	1934	1934	Steel Common	153½	153½	153½
5½% German	34½	32½	32½	A. K. U.	37½	35½	35
Unilever N.V.	69½	68½	88½	Ford Motor	204½	204½	201½
Philips' Lamps	218	211½	212	DeliBataViaTob	147½	145	72
Netherlands Ship Union	32½	33	32½	Royal Dutch	154½	152½	153
				Handels Ams	169	168½	169

CAPITAL ISSUES

THE doyen of this week's London borrowers was the *New Zealand Government*, with a conversion from 4 per cent. to 3½ per cent., on terms giving the Dominion full advantage of current interest rates. As the redemption dates of other loans lie some distance ahead, scope for further operations is more restricted than in the case of Australia. Of the week's two "offers for sale," the *Welsh Associated Collieries* 4½ per cent. debenture stock is adequately covered by recent profits (after deducting directors' estimated depreciation charge) and by revalued assets, and the preference shares are reasonably priced, but underwriters were left with a considerable portion of this issue. *Sir Isaac Pitman and Sons* preference shares are well covered, despite recent stock losses, but the redemption provisions seem likely to be speedily effective. Dealings in *Griffiths Hughes* £1 ordinary shares opened around 40s. Some 500,000 shares, incidentally, were purchased at par by the London brokers. Even after the expense of underwriting the preference shares and paying all preliminary and vendors' costs, the brokers would appear to be amply compensated. It is understood that the Stock Exchange Committee has not allowed dealing in *Rietfontein Central*.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to July 14, 1934, excluding conversions; £706,316,621.
Total recorded, January 1 to July 14, 1934, including conversions, £275,300,602.

National Savings Certificates.—Net receipts, week ended July 14, 1934, Dr. 50,000.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
New Zealand Government	3,989,100	3,989,100	£	199,455	3,789,645
Welsh Associated Collieries, 5½% Pref.	500,000	...	525,000	62,500	462,500
Do., 4½% Deb.	1,500,000	...	1,500,000	150,000	1,350,000
Sir Isaac Pitman and Sons	200,000	...	215,000	20,000	195,000
Total	6,189,100	3,989,100	2,240,000	431,955	5,797,145
To Shareholders only					
Ariston Gold	44,253	...	132,759	132,759	...
Int. Tea Co.'s Stores	137,438	...	549,752	137,438	412,314
Orient Trust	100,000	...	105,000	30,000	75,000
Venturespost Gold 2,000,000 Sh.	1,000,000	...	1,000,000	1,000,000	...
10/- at par	1,000,000	...	1,000,000	1,000,000	...
Total	1,281,691	...	1,787,511	1,300,197	487,314

	Including Conversions	Excluding Conversions		Including Conversions	Excluding Conversions
Total Offered for Subscription—			Total Offered for Subscription—		
Jan. 1 to date—			Whole year—		
1934	283,267,213	110,294,132	1933	467,921,560	244,780,500
1933	207,740,973	113,318,008	1932	2,699,684,265†	188,909,963
1932	291,217,490†	162,472,825	1931	114,200,666	102,644,294
1931	106,871,099	95,994,114	1928	693,100,058	369,058,073
1928	...	279,750,156			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	70,879,085	10,905,237	28,509,810	110,294,132
1933	101,125,709	6,334,345	5,857,954	113,318,008
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,909,963
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	12,473,794	...	16,587,178
Stark (G.), 6½% Pref.	50,000	21/7½	56,810
Leonora Corporation (1/-)	150,000	1/3	187,500
Klip Nigel (5/-)	480,000	14/-	1,344,000
Metropolitan Ground Rents, 4% Deb. at 99	643,500	101½	658,125
Brookes (W. J.) (5/-)	150,000	6/3	187,500
Do. 6% Cum. Pref (£1)	150,000	21/3	159,375
Kenya Consolidated (5/-)	145,000	8/-	232,000
West and Moultons (5/-)	112,500	9/6	213,750
John Dale, 5½% Pref.	75,000	21/3	79,687
British Ropes, 4½% Deb. at 99	841,500	100½	852,125
Criterion Restaurants, 4% Deb. at 98½	295,000	99½	299,250
United City Property, 4½% Deb.	375,000	102½	383,437
East African Goldfields (5/-)	318,738	12/-	764,970
Total to date, 1934	16,260,032	...	22,005,707
Total to date, year 1933	25,008,426	...	26,900,835

BY OFFER FOR SALE

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933		Prices Year 1934 (Jan. 1 to July 18)		Name of Security	Price, July 11, 1934	Price, July 18, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to July 18)		Last two Half-yearly Dividends		Name of Security	Price, July 11, 1934	Price, July 18, 1934	Rise or Fall	Yield
High-est	Low-est	High-est	Low-est						High-est	Low-est	(a) (%)	(b) (%)					
British Funds																	
77 1/2	70 1/2	82 1/2	79 1/2	Consols 2 1/2%	80 1/2	80 1/2	—	3 2 1/2	7 1/2	5 1/2	Nil	Nil	Anglo S. A. 10 1/2% pd	5 1/2	5 1/2	—	Nil
110 1/2	105 1/2	111 1/2	108 1/2	Do. 4% Red. at par on or after Feb. 1937 (8)	112 1/2	112 1/2	—	3 5 0	7 1/2	5 1/2	Nil	Nil	American B. 1 1/2% pd	5 1/2	5 1/2	—	Nil
94 1/2	92 1/2	96 1/2	92 1/2	Conversion 2 1/2% 1944-49	96 1/2	96 1/2	—	2 15 0	5 1/2	4 1/2	Nil	Nil	Bank of N. Zealand 4 1/2%	4 1/2	4 1/2	—	3 17 3
99 1/2	97 1/2	101 1/2	97 1/2	Do. 3 1/2% 1948-53	101 1/2	101 1/2	—	2 18 0	5 1/2	4 1/2	Nil	Nil	Bank of Eng. Stk.	36 1/2	36 1/2	+ 2	3 6 0
101 1/2	107 1/2	105 1/2	101 1/2	Do. 3 1/2% after 1961 (5)	104 1/2	104 1/2	—	3 5 5 1/2	7 1/2	5 1/2	Nil	Nil	Barclay B. 1 1/2% pd	71 3/4	72 3/4	+ 1 1/2	3 17 3
111 1/2	107 1/2	111 1/2	108 1/2	Do. 4 1/2% 1940-44	110 1/2	110 1/2	—	2 14 6	5 1/2	4 1/2	Nil	Nil	Barcl. (Dom. Sec.) A 7 1/2%	71 3/4	72 3/4	—	2 15 6
118 1/2	114 1/2	118 1/2	116 1/2	Do. 5 1/2% 1940-44	118 1/2	118 1/2	—	2 14 6	5 1/2	4 1/2	Nil	Nil	Bk. of Australasia (5)	5 1/2	5 1/2	—	4 3 0
113 1/2	108 1/2	115 1/2	111 1/2	Funding 4 1/2% 1930-30	115 1/2	115 1/2	—	3 3 6	4 1/2	3 1/2	Nil	Nil	Bk. of Montreal (10 1/2)	10 1/2	10 1/2	—	3 7 0
100 1/2	98 1/2	100 1/2	99 1/2	2% Treasury Bds. 35-38	100 1/2	100 1/2	—	1 18 0	3 1/2	2 1/2	Nil	Nil	Bk. of N.S. Wales (20)	23	23	—	4 4 0
103 1/2	102 1/2	103 1/2	102 1/2	3% Treasury Bds. 33-42	103 1/2	103 1/2	—	2 17 0	5 1/2	4 1/2	Nil	Nil	British Overseas A 5 1/2%	42 1/2	42 1/2	—	6 6 4
110 1/2	107 1/2	113 1/2	108 1/2	Victory Bonds 4 1/2%	113 1/2	113 1/2	—	3 10 6	16 1/2	14 1/2	Nil	Nil	Chd. of India (5)	16 1/2	16 1/2	—	4 6 0
102 1/2	97 1/2	104 1/2	98 1/2	Warlun 3 1/2% after 1952 (p)	104 1/2	104 1/2	—	3 4 6	18 1/2	16 1/2	Nil	Nil	Dist. Bk. of Aus. 10 1/2%	10 1/2	10 1/2	—	2 14 6
80 1/2	82 1/2	93 1/2	86 1/2	Local Loans 3 1/2%	92 1/2	92 1/2	—	2 19 0	5 1/2	4 1/2	Nil	Nil	Do. B. 1 1/2% pd	78 7/8	78 7/8	—	3 16 2
65 1/2	55 1/2	72 1/2	61 1/2	Austria 3 1/2% 1933-33	100 1/2	100 1/2	—	2 19 0	5 1/2	4 1/2	Nil	Nil	Eng. Scot. & Aust. 5 1/2% pd	4 1/2	4 1/2	—	3 6 8 1/2
78 1/2	65 1/2	81 1/2	74 1/2	India 2 1/2%	67 1/2	68 1/2	+ 1 1/2	3 13 0	5 1/2	4 1/2	Nil	Nil	Hambros 10 1/2% pd	9 1/2	9 1/2	—	4 13 9
90 1/2	77 1/2	90 1/2	86 1/2	Do. 3 1/2%	79 1/2	80 1/2	+ 1 1/2	3 15 3	5 1/2	4 1/2	Nil	Nil	Hong. and S. (12 1/2)	12 1/2	12 1/2	—	4 9 7
111 1/2	102 1/2	115 1/2	108 1/2	Do. 4 1/2% 1938-38	113 1/2	113 1/2	+ 2	3 11 0	5 1/2	4 1/2	Nil	Nil	Lloyds 5 1/2% with 1 1/2% pd	5 1/2	5 1/2	—	4 1 9
107 1/2	105 1/2	107 1/2	105 1/2	U.K. & Arg. 4 1/2% A (1947)	105 1/2	105 1/2	—	3 9 9	8 1/2	7 1/2	Nil	Nil	Martins 10 1/2% pd	8 1/2	8 1/2	—	3 16 2
Dom. & Colonial Govts.																	
111 1/2	103 1/2	111 1/2	107 1/2	Australia 5 1/2% 1945-75	108 1/2	108 1/2	—	4 1 6	3 1/2	2 1/2	Nil	Nil	Midland 1 1/2% pd	87 1/2	87 1/2	—	3 13 3
106 1/2	101 1/2	105 1/2	103 1/2	Canada 4 1/2% 1940-60	104 1/2	104 1/2	—	3 5 6	5 1/2	4 1/2	Nil	Nil	Nat. of India 25 1/2% pd	49 1/2	49 1/2	—	5 1 6
114 1/2	108 1/2	114 1/2	110 1/2	Gold Coast 4 1/2% 1936	114 1/2	114 1/2	—	3 11 6	14 1/2	13 1/2	Nil	Nil	Nat. Prov. 20 1/2% pd	20 1/2	20 1/2	—	4 3 0
116 1/2	111 1/2	117 1/2	113 1/2	Nigeria 5 1/2% 1930-60	115 1/2	115 1/2	—	3 14 6	14 1/2	13 1/2	Nil	Nil	Royal Bk. of Scotland 4 1/2%	47 1/2	47 1/2	—	3 12 4
104 1/2	101 1/2	105 1/2	102 1/2	N.S. Wales 5 1/2% 35-55	103 1/2	103 1/2	—	3 13 9	14 1/2	13 1/2	Nil	Nil	St. of S. Afr. 20 1/2% pd	13 1/2	13 1/2	—	3 14 0
112 1/2	106 1/2	112 1/2	109 1/2	N. Zealand 5 1/2% 1946	109 1/2	109 1/2	—	3 13 9	89 1/2	83 1/2	Nil	Nil	Westminster 4 1/2% pd	89 1/2	89 1/2	+ 3d	4 0 6
107 1/2	102 1/2	109 1/2	106 1/2	Queensland 5 1/2% 40-60	106 1/2	106 1/2	—	3 14 3	—	—	Nil	Nil	Discount Cos.	—	—	—	—
114 1/2	107 1/2	114 1/2	111 1/2	S. Africa 5 1/2% 1945-75	113 1/2	113 1/2	—	3 11 0	84 1/2	74 1/2	Nil	Nil	Alexanders 2 1/2% pd	74 1/2	74 1/2	—	5 0 0
Foreign Governments																	
94 1/2	60 1/2	96 1/2	89 1/2	Argentina 4 1/2% Resc. 1952	96 1/2	96 1/2	—	4 6 0	12 1/2	11 1/2	Nil	Nil	National A 2 1/2% pd	12 1/2	12 1/2	—	4 15 3
105 1/2	99 1/2	106 1/2	100 1/2	Austrian 6 1/2% 1923-43	101 1/2	102 1/2	+ 1	5 14 3	11 1/2	10 1/2	Nil	Nil	Union, 5 1/2% 1924 1/2	11 1/2	11 1/2	—	4 7 9
74 1/2	54 1/2	84 1/2	69 1/2	Do. 7 1/2% Int. red. by 1957	80 1/2	79 1/2	- 1	8 16 3	—	—	Nil	Nil	Insurance	—	—	—	—
50 1/2	29 1/2	51 1/2	37 1/2	B. Aires (Prov.) 3 1/2%	48 1/2	48 1/2	—	7 5 10	27 1/2	25 1/2	Nil	Nil	Alliance 1 1/2% pd	27 1/2	27 1/2	—	3 6 0
115 1/2	108 1/2	115 1/2	110 1/2	Belgian 7 1/2% red. by 1956	110 1/2	110 1/2	—	6 4 0	13 1/2	12 1/2	Nil	Nil	Atlas 5 1/2% pd	13 1/2	13 1/2	—	2 19 3 1/2
30 1/2	18 1/2	30 1/2	20 1/2	Bulgaria 7 1/2% Loan	25 1/2	25 1/2	—	10 0 0	11 1/2	10 1/2	Nil	Nil	Com. Un. 1 1/2% pd	11 1/2	11 1/2	—	4 2 0
78 1/2	62 1/2	81 1/2	72 1/2	Brazil 5 1/2% Fund 1914	79 1/2	78 1/2	—	6 7 6	18 1/2	16 1/2	Nil	Nil	Gen. Accident 5 1/2% pd	18 1/2	18 1/2	—	3 16 9
27 1/2	11 1/2	20 1/2	16 1/2	Chili 6 1/2% (1929)	18 1/2	18 1/2	—	30 1/2	27 1/2	25 1/2	Nil	Nil	Lon. & Lanc. 5 1/2% pd	30 1/2	30 1/2	—	3 6 1
66 1/2	56 1/2	73 1/2	60 1/2	China 5 1/2% (1912)	70 1/2	71 1/2	+ 1	7 2 10	39 1/2	37 1/2	Nil	Nil	N. Brit. & Merc. 5 1/2% pd	39 1/2	39 1/2	—	3 0 3
91 1/2	67 1/2	94 1/2	67 1/2	Do. 5 1/2% (1913)	94 1/2	94 1/2	—	5 6 0	18 1/2	16 1/2	Nil	Nil	Northern 10 1/2% pd	18 1/2	18 1/2	—	4 3 3
105 1/2	96 1/2	110 1/2	103 1/2	Czechoslovakia 8 1/2%	109 1/2	109 1/2	—	7 1 6	18 1/2	17 1/2	Nil	Nil	Pearl (1 1/2%) fully pd	18 1/2	18 1/2	—	2 12 6 1/2
85 1/2	76 1/2	85 1/2	82 1/2	Danish 3 1/2%	84 1/2	84 1/2	—	3 11 0	5 1/2	4 1/2	Nil	Nil	Phonix 5 1/2% with 1 1/2% pd	5 1/2	5 1/2	—	3 18 9
104 1/2	95 1/2	111 1/2	106 1/2	Danzig 6 1/2%	108 1/2	108 1/2	—	7 13 0	33 1/2	30 1/2	Nil	Nil	Prudential 1 1/2% pd	32 1/2	32 1/2	—	2 15 0 1/2
83 1/2	60 1/2	86 1/2	77 1/2	Egypt Unified 4 1/2%	106 1/2	106 1/2	—	3 15 0	91 1/2	75 1/2	Nil	Nil	Do. 1 1/2% with 4 1/2% pd	87 1/2	87 1/2	+ 2 1/2	1 13 3 1/2
101 1/2	72 1/2	104 1/2	77 1/2	Estonia 7 1/2% 1927	79 1/2	79 1/2	—	8 17 3	8 1/2	7 1/2	Nil	Nil	Royal Exchange (1 1/2%)	8 1/2	8 1/2	—	3 7 0
20 1/2	21 1/2	22 1/2	23 1/2	Finland 6 1/2% 1923	102 1/2	102 1/2	—	5 18 0	8 1/2	7 1/2	Nil	Nil	Sea Insur. 1 1/2% pd	8 1/2	8 1/2	—	4 2 6
92 1/2	60 1/2	95 1/2	58 1/2	French 4 1/2% (British)	60 1/2	59 1/2	- 1 1/2	12 1 3	4 1/2	3 1/2	Nil	Nil	Sea Insur. 1 1/2% with 5 1/2% pd	4 1/2	4 1/2	—	2 16 0
34 1/2	23 1/2	36 1/2	40 1/2	German 7 1/2% 1924	47 1/2	45 1/2	- 2	12 4 6	6 1/2	5 1/2	Nil	Nil	Sun Life Assur. 1 1/2% pd	6 1/2	6 1/2	—	2 9 6 1/2
41 1/2	29 1/2	43 1/2	37 1/2	Greek 6 1/2% Stab. Ln.	35 1/2	32 1/2	- 3	—	18 1/2	16 1/2	Nil	Nil	Yorkshire 1 1/2% pd	18 1/2	18 1/2	—	2 12 3 1/2
58 1/2	34 1/2	43 1/2	37 1/2	Do. 7 1/2% Refugee	42 1/2	39 1/2	- 3	—	—	—	Nil	Nil	Investment Trusts	—	—	—	—
89 1/2	35 1/2	96 1/2	86 1/2	Hungary 3 1/2%	79 1/2	79 1/2	—	7 4 6	60 1/2	54 1/2	Nil	Nil	Anglo-American Deb.	54 1/2	54 1/2	—	4 6 0
97 1/2	85 1/2	93 1/2	85 1/2	Japanese 3 1/2% 1936-45	84 1/2	85 1/2	+ 1	16 9 0	244	201	Nil	Nil	Anglo-Celtic Ord.	232 1/2	232 1/2	—	4 6 0
107 1/2	95 1/2	113 1/2	98 1/2	Do. 5 1/2% (1924) red. 1959	86 1/2	86 1/2	—	7 4 6	9 1/2	8 1/2	Nil	Nil	Atlas Electric, etc. 1 1/2%	9 1/2	9 1/2	—	Nil
63 1/2	35 1/2	45 1/2	30 1/2	Norwegian 4 1/2% 1911	111 1/2	111 1/2	—	3 12 3	21 1/2	21 1/2	Nil	Nil	Brit. Assets Trust 5 1/2%	21 1/2	21 1/2	—	4 13 8
87 1/2	69 1/2	93 1/2	60 1/2	Peru 7 1/2% 1922	30 1/2	30 1/2	—	11 11 1	21 1/2	21 1/2	Nil	Nil	Debutante Corp. 5 1/2%	21 1/2	21 1/2	—	5 6 8
113 1/2	105 1/2	113 1/2	108 1/2	Poland 7 1/2%	94 1/2	94 1/2	—	7 10 6	98	72	Nil	Nil	For. Amer. etc. Def.	75 1/2	75 1/2	—	3 19 8
29 1/2	15 1/2	19 1/2	15 1/2	Roumania 4 1/2% Con. 1922	16 1/2	16 1/2	—	155	120	34	Nil	Nil	Guardian Investment	125 1/2	125 1/2	—	4 1 0
101 1/2	81 1/2	97 1/2	80 1/2	Swedish 3 1/2% 1908	113 1/2	113 1/2	—	28 1/2	210	34	Nil	Nil	Indus. and Gen. Ord.	220 1/2	220 1/2	—	4 8 0
105 1/2	100 1/2	111 1/2	102 1/2	U.K. & Arg. 4 1/2% 1933	107 1/2	107 1/2	—	28 1/2	210	34	Nil	Nil	Invest. Trust Def.	275 1/2	275 1/2	—	4 8 0
5 1/2% B. Certs. (1951)																	
62 1/2	53 1/2	70 1/2	54 1/2	Do. C. Certs. (3% Max.)	68 1/2	68 1/2	—	4 17 0	263	215	Nil</						

(Continued from page 129)

at 21s. 6d. per share. Incorporated 1896, and converted to public company on July 2, 1934, reserves of £181,800 being capitalised, of which £174,900 forms part of present issue. Assets after revaluation at March 31, £380,337, and combined profits for years to March 31: 1932, £56,385; 1933, £27,806; 1934, £35,220. In any year when over 6 per cent. paid on deferred ordinary shares, not less than 2,500 and not more than 10,000 shares are redeemable at 2s. 6d. per share premium, payable out of profits. Lists closed 12.30, July 19.

ISSUES TO SHAREHOLDERS ONLY

Ariston Gold Mines (1929).—354,026 2s. 6d. shares offered to shareholders registered July 17th at 7s. 6d. per share, in the proportion of 1 new share for every 15 shares held.

Henrietta Rubber Estate, Ltd.—Issue of 550,000 6 per cent. cumulative convertible preference shares of 2s. each at par. The shares are offered to shareholders registered July 14, 1934, in proportion of 40 preference shares for every 7 £1 shares held, fractions ignored. Applications must be received by July 27th, or September 20th for shareholders in the East.

International Tea Company's Stores.—549,752 ordinary 5s. shares are offered to ordinary shareholders registered July 7th at 20s. per share, in the proportion of 1 new ordinary share for every 10 ordinary shares held, fractions being disregarded.

London Brick.—The Board is to issue 200,000 ordinary shares.

Orient Trust.—100,000 £1 shares offered at 21s. per share, in the proportion of 1 new share for every 4 shares held.

CONVERSIONS AND REPAYMENTS

New Zealand Government.—Issue of £3,989,100 3½ per cent. inscribed stock, 1955-60, at par. Proceeds required for repayment of outstanding 4 per cent. stock, 1933-43, on October 15th, holders of which are offered conversion. Ordinary revenue account for year to March 31, 1934, showed deficit of £709,000; favourable visible balance of trade for same period, £19,907,000. Gross debt, March 31, 1934, £302,792,000; net increase of £20,169,000. Productive assets, £265,000,000; indirectly productive, £40,000,000. Stock redeemable at par by October 15, 1960, by cumulative sinking fund of ½ per cent., or after October 15, 1955, on three months' notice.

The Duchess Property Company, Ltd.—Directors of the company and of Mayfair and General Property Trust, Ltd., propose a conversion scheme involving repayment of 6½ per cent. debenture stock of the company. Stockholders are asked to agree to the trust deed being modified to permit repayment of the whole of the stock in cash, at £104 per cent. on or after October 1, 1934, on seven days' notice. Mayfair and General Property Trust, Ltd., propose to issue £200,000 5 per cent. first mortgage stock repayable by July 1, 1969, at £102 10s. per cent., and stockholders of Duchess Property Company will be offered conversion into the new stock.

New Brunswick Railway (5 per cent. bonds).—The latest date for conversion of holdings into 4 per cent. debenture stock is July 24th. Bonds must be lodged with Baring Brothers & Co., 8 Bishopsgate, E.C.2.

Trinidad Government 4 per cent. Loan (1917-42) and 3 per cent. Loan (1922-44).—The above loans will be repaid on January 15, 1935.

United Molasses Company.—It is intended to redeem £350,000 6 per cent. income debenture stock. The stock will be selected by drawing on July 24th, and notice will be given on or before July 31st to holders of drawn stock.

FORTHCOMING ISSUES

Airspeed (1934), Ltd.—The prospectus for an issue at par of 400,000 5s. preferred ordinary shares will be published on July 23rd. The lists will open July 24th.

Murchison Gold.—An issue will be made next week.

New Robinson Gold.—Subscription list will open July 24th.

South-Eastern Gas Corporation, Ltd.—A resolution increasing the capital to £2,500,000 by creation of 250,000 £1 ordinary shares and 250,000 £1 redeemable 4½ per cent. cumulative preference shares was passed unanimously on July 17th.

Burtol Cleaners, Ltd.—An issue of 760,000 ordinary shares of 5s. each will be made on Tuesday, July 24, at par. The prospectus will show estimated profits for the first financial year of not less than £35,000 and for the second year not less than £61,000. The consideration of £100,000 is to be satisfied as to £40,000 in cash, and as to balance by issue of 240,000 ordinary shares, for which permission to deal will not be sought until available profits are equivalent to 10 per cent. on the ordinary capital in issue.

RESULTS OF ISSUES

Allsopp Brewery Investments.—Holders of £520,275 of the £895,238 6 per cent. debenture stock of Allsopp Brewery Investments effected conversion into 4 per cent. debenture stock. Stock not converted will be repaid on January 1st next at 102.

Carlton Main Colliery.—Cash applications for 4½ per cent. debenture stock closed July 13th.

City of London Real Property.—Issue of debenture stock heavily over-subscribed.

Durban Roodepoort Deep, Ltd.—Shareholders of this company and the New Steyn Estate Gold Mines, Ltd. (in liquidation), have applied for 676,654 shares of the 690,000 new shares of 10s. each at £1 10s. per share.

New Zealand 3½ per cent. Loan.—Cash lists closed 3.30 p.m. July 16th.

Sewern Valley Gas Corporation.—It is announced that this company's offer to the stockholders of Gloucester Gas Light Company has been accepted by a very large majority.

Welsh Associated Collieries.—Lists for issues of debenture stock and preference shares closed at 10.45 a.m., July 18th.

CALLS DUE JULY 23 TO JULY 28, 1934

The grand total of calls falling due in July, 1934, is £38,114,125, which compares with £8,108,501 which fell due in July, 1933. The following calls fall due from July 23, 1934, to July 28, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock 2/-	Henekeys. (£100,000 4½% Deb. at par).....	£50%	July 23	All
10/-	Henrietta Rubber. (550,000 6% Pref., at par).....	3d. p.s.	July 27	3d. p.s.
2/-	Hepworth and Grandage. (Issue of 100,000 Ord., at 11/-).....	2/6 p.s.	July 23	7/6 p.s. +1/- p.s.
£1	Lower Ancobra (Gold Coast) Areas. (1,250,000 Ord., at par).....	1/- p.s.	July 27	All
£1	Orient Trust, Ltd. (100,000 Shares at 21/-).....	6/-	July 24	6/-
£1	Stanton Ironworks. (6% Cum. Preference at 25/-).....	10/-	July 27	10/-

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, July 11, 1934	Price, July 18, 1934
Alicombe Estates 5% Deb.	100	50	98-1/2 pm	98-1/2 pm
Argentine 4½% 93	93	93	98-1/2 pm	98-1/2 pm
Australia 3½%, 1954-59.	97	Fy pd	97 3/4-97 1/2	98 1/4-98 1/2
Baldwins 5% A Deb. 101 1/2	Fy pd	102-102 1/2	102 1/2-103	102 1/2-103
Boots Pure Drug New Ord. 5/- ..	15/-	Fy pd	43/3-43/9	43/9-44/9
Bowater's Paper New 4½% Deb.	100	Fy pd	103-104	103 1/2-104 1/2
British Aluminium Ord. 27/6	11/6	44-1/2 dis	44-1/2 dis	44-1/2 dis
Do. do. 6% Cum. Pref. £1 .. 24/6	10/-	14-1/2 dis	14-1/2 dis	14-1/2 dis
Do. do. 4% Deb. 99	30	11-1/2 pm	11-1/2 pm	11-1/2 pm
British Ropes 4½% Deb. 99	10	...	...	...
Brookes (W. J.) and Sons Ord. 5/- ..	...	6/-6/3	6/-6/3	6/-6/3
Do. do. 6% Cum. Pref. £1 .. 96 1/2	...	21/-21/3	21/-21/3	21/-21/3
Canada 3½%, 1954-59. 102 1/2	61 1/2	1-1/2 pm	1-1/2 pm	1-1/2 pm
Carlton Main Colliery 4½% Deb.	102 1/2	27 1/2	1/-1/6 pm	1/1 1/4-1/7 1/2 pm
Central Mining 5% Pref. 22/6	12/6	33/3-33/9	33/3-33/9	33/3-33/9
Cory (Wm.) and Son Ord. £1 .. 73/6	33/6	14-1/2 dis	14-1/2 dis	14-1/2 dis
County of London 4% Cum. Pref. £1 ..	21/-	8/-	4 dis-4 1/2 pm	4 dis-par
Criterion Restaurants 4% Deb.	98 1/2	10	20/9-21/3	20/9-21/3
Dale (John) 5½% Pref. 24/6	...	43/6-44/6	43/6-44/6	43/6-44/6
Economic Insurance £1 (5/- paid) ..	14/-	Fy pd	15/6-16/-	15/3-15/9
Flettons New Ord. 5/- .. 99	...	3/-3/6	3/-3/6	3/-3/6
Green Stabell Mines £1 .. 5/-	Fy pd	7/-7/3	6/9-7/11	6/9-7/11
Greenwood (John) Millers, 1934, Ord. ..	5/-	Fy pd	10 1/2-11 1/2 pm	21/10 1/2-22/11
Griffiths Hughes Prop., Ord. 20/6	10/6	...	39/9-40/-	39/9-40/-
Do. do. 5½% Cum. Pref. £1 .. 20/6	6/-	Fy pd	5/-5/4 1/2	5/11-5/4 1/2
Grosvenor Caterers (Glasgow) Ord. 5/- ..	100	Fy pd	98 1/2-99 1/2	98 1/2-99 1/2
Do. do. 5% Deb. 20/-	...	Fy pd	2-2 1/2	2-2 1/2
Heath (G. H.) Ord. 20/-	Fy pd	22/3-23/3	22/3-23/3	22/3-23/3
Do. do. 6% Pref. 20/-	Fy pd	22/3-22/9	22/3-22/9	22/3-22/9
Jackson Brothers 6½% Pref. £1 .. par	Fy pd	1/3-1/4	1/3-1/4	1/3-1/4
Do. do. 6½% Pref. £1 .. par	Fy pd	1/-1/3 pm	20/10 1/2-21/4 1/2	12/7 1/2-12/10 1/2
Kentland Gold (10/-) .. 10/-	Fy pd	13/3-13/6	13/3-13/6	13/3-13/6
Kierksdorp Cons. 5/- .. 5/-	Fy pd	5/4 1/2-5/7 1/2	5/4 1/2-5/7 1/2	5/4 1/2-5/7 1/2
Mersey Docks 3½% Deb. 98	23	11-11 pm	11-11 pm	11-11 pm
Mount Morgan 5/- .. 7/6	Fy pd	21/4-20/10 1/2	20/4-20/10 1/2	20/4-20/10 1/2
Mufulira 5½% Deb. 101	66	1-1 1/2 pm	1-1 1/2 pm	1-1 1/2 pm
New London Properties 4½% Deb.	98	99-99 1/2	99-99 1/2	99-99 1/2
Powell Duffryn Pref. Ord. 5/- .. 20/9	4/-	3d-6d pm	3d-6d pm	3d-6d pm
Do. do. 4½% Deb. 102 1/2	Fy pd	2 1/2-2 1/2 pm	2 1/2-2 1/2 pm	2 1/2-2 1/2 pm
South Bank Area 2/- .. 2/-	Fy pd	2/9-3/4	2/9-3/4	2/9-3/4
Somerset 3½%, 1959-64 .. 100	55	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Southern Cross Gold 5/- .. 5/-	Fy pd	6/3-6/9	6/3-6/9	6/3-6/9
S. African Distilleries .. 21/-	10/-	4/3-4/9	4/7 1/2-5/11 pm	4/7 1/2-5/11 pm
S. Rhodesia 3½%, 1955-65 .. 97 1/2	5	1-1 dis	1-1 dis	1-1 dis
Stanton Iron, New 6% Pref. £1 .. 25/-	...	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm
Stewarts and Lloyds 4% Deb. 100	25	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm
Stockport 3½%, 1954-64 .. 100	50	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm
Stockton-on-Tees 3½%, 1954-64 .. 99 1/2	Fy pd	102 1/2-103 1/2	102 1/2-103 1/2	102 1/2-103 1/2
Thistle Etina Gold .. 5/-	2/-	3d dis-3d pm	9d-3d dis	9d-3d dis
Trust Houses 3½% Deb. 93 1/2	20	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Tunnel Portland Cement B Ord. 10/- ..	Fy pd	38/-38/6	37/6-38/3	37/6-38/3
United Steel Co., £1 .. 21/6	Fy pd	21/9-22/3	21/9-22/3	21/9-22/3
Walsail 3½% .. 100	25	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm
West (Butchers) Ord. 12/6	Fy pd	11/11-11/7 1/2	10/9-11/3	10/9-11/3
Do. do. 6% Pref. 25/-	...	22/6-23/-	22/3-23/-	22/3-23/-
Whiteways Cyder Ord. £1 .. 21/-	Fy pd	37/6-38/6	39/6-40/6	39/6-40/6
Do. do. 6% Pref. 21/-	Fy pd	24/9-25/3	23/3-23/9	23/3-23/9

COMPANY MEETINGS, &c.

NATIONAL BANK OF NEW ZEALAND, LIMITED

SIR AUSTIN HARRIS'S REVIEW

The sixty-second ordinary general meeting of the National Bank of New Zealand, Limited, was held, on the 17th instant, at 17, Moorgate, London.

Sir Austin E. Harris, K.B.E. (the chairman), said that he was sure everybody would join with the board in welcoming Sir James Grose at that meeting.

Despite some improvement in prices and a better tone in the financial and budgetary position in New Zealand, the year had again been very difficult from the banking point of view. The difficulty of earning profits in a time of greatly diminished trade had been till now somewhat mitigated by the fact that they had been able to lend large sums to the Government on Treasury bills, but that channel for the employment of their funds would be closed to them when the Reserve Bank opened on August 1st. In spite of adverse conditions, however, the result of the year's working was satisfactory.

The gross profit, after making full provision for bad and doubtful debts, was £528,000, as compared with £544,000 a year ago, but against that their expenses showed a decrease of £35,000, so that their net profit was £135,000, as compared with £116,000 last year. They proposed to pay a final dividend at the rate of 4 per cent. per annum for the half-year.

As to the exchange position, the favourable trade balance and the accumulation of London funds would not in themselves seem to justify the present depreciated rate of 125, but on the other hand a reduction in the New Zealand rate appeared unlikely so long as Australia maintained her present rate. One of the principal events in the New Zealand banking world during the year under review had been the final formation of the Reserve Bank. With regard to the Reserve Bank, he would only say that the trading banks of the Dominion had proved a bulwark to the country through good times and bad, and there could be no doubt that the development of the Dominion had been attributable in a great measure to the services rendered by them. It was not, therefore, in any way due to the failure of the trading banks that the Reserve Bank was being established, but rather that the development of the international banking situation had indicated a need for establishing central banks for the purpose of effecting international co-operation.

Taking the sterling equivalent and excluding specie, the trade figures for the year ended March 31st last were exports £36,834,000, and imports £20,908,000, giving an excess of exports of £15,926,000, compared with last year's figure of £10,628,000. Imports had decreased by £1,147,000, and exports had increased by £4,157,000. Of the total exports, dairy produce had accounted for 36.7 per cent., wool for 25.2 per cent., and frozen meat for 22 per cent. The actual increases in recorded values were dairy produce £594,000, wool £5,189,000, and meat £1,012,000.

In his last Budget the Minister of Finance estimated that at the end of the financial year there would be a deficit of £2,000,000; but he had now been able to announce that that deficit had been reduced to £709,000. The preliminary figures showed that the revenue had exceeded his estimate by nearly £1,200,000, and expenditure was slightly less than anticipated. It was a matter of gratification that, through the past very difficult years, steps had been taken, without regard to popularity, to make immense sacrifices, with the result that the Budgets of 1932, 1933 and 1934 had turned out better than the most sanguine could have expected.

It must be recognised that in spite of the chaos created by world conditions New Zealand had striven manfully to meet her difficulties, though it could not be expected that there would be any return to complete normality until some of the world problems of the price levels and trade restrictions were solved. The immediate prospects of banking were none too favourable. They were going through a lean time in New Zealand, and bankers there were facing the same troubles that they had experienced in London—the great difficulty of the employment of their super-abundant funds, but, so far as they were directly concerned, without the opportunities for profitable investment in short-term securities. He was confident that New Zealand conditions would quickly respond to any favourable turn in world affairs, and that with their large liquid resources they would be in a position to take full advantage when the time came.

Sir James Grose (general manager) said that, taking the Dominion as a whole, he felt it might be said that some confidence was beginning to appear, and, though the lean times were not yet passed, yet a gradual, if slow, improvement might be expected.

The report was unanimously adopted.

UNITED DOMINIONS TRUST, LIMITED

CONTINUED PROGRESS

The twelfth annual general meeting of United Dominions Trust, Limited, was held, on the 19th instant, at the registered offices of the company, Regis House, King William Street, London, E.C.

Mr J. Gibson Jarvie, the chairman and managing director, who presided and moved the adoption of the report and accounts, said that the year's figures again constituted a record, the profits being substantially higher than in any previous year. In recommending that dividends should be paid at the same rate as last year, the directors had remained true to the conservative policy which was so largely responsible for the proud position which the company now occupied. With the transfer of £60,000, the reserve now stood at £325,000.

The new subsidiary, Credit For Industry, Limited, had been formed and designed to meet a specific criticism of the banking system made by the Macmillan Committee by furnishing a new kind of financial service which the committee had declared to be necessary. The company would provide capital of a medium term character to the smaller industrial and commercial concerns whose needs were not large enough to justify the expense of an issue through the usual channels. It was still true that the smaller businesses were the backbone of the country, providing the breeding ground of the energy and ambition which eventually built big businesses.

INUNDATED WITH APPLICATIONS.

The new company had been inundated with applications for loans which had been carefully sifted, and those which had satisfied the principles laid down had been accepted. As was to be expected, many applications had had to be refused, but in a number of cases assistance had been rendered without actually providing money. The new company had been launched with the full support of the City. No loan would be too small for them to consider, but it was not their intention to lend more than £50,000 in any one case, as facilities already existed for capital needs above that figure, while in considering applications, they would bear in mind not only the security available, but also the purpose of the loan. They would not advance money simply to replace another lender, or to cover purchases abroad, but primarily and essentially for the development of British industries.

The parent company was, of course, represented on the board of the new company, but they had two new directors—Capt. Constantine Benson, D.S.O., a director of Robert Benson and Company, Limited, and of Lloyd's Bank, and also Mr C. Bruce Gardner, whose association with the Bank of England was well known; also, as it was their intention to pay special attention to industrial areas, they had agreed to co-operate with the Scottish National Development Council, and would establish a Scottish board. This local board would consist of some very strong names to be announced shortly.

A LOGICAL STEP

The formation of Credit For Industry, Limited, was a logical step in the development of the parent company. United Dominions Trust functioned along specialised lines, extending credit to manufacturers and merchants in order that they in turn might extend suitable medium and long-term credit to their customers. United Dominions Trust (Electric), Limited, specialised in financing everything electrical, from the wiring of small premises to the installation of the biggest type of electrical equipment over periods to suit purchasers. Two new branches had been established at Cardiff and Bristol, making twelve provincial branches; further branches would be established as conditions demanded.

Credit used intelligently could do more to restore prosperity to this country than most people had realised. It was now almost generally admitted that the basic problem facing the world in the post-war years was the distribution of the world's production, and credit, properly used, could do much towards providing a solution. That the business was essentially sound was proved by their own experience of a loss ratio of a mere fraction of 1 per cent., while during the 15 years since its beginning the company, with its electric subsidiary, had financed the movement of British merchandise to a value in excess of £45,000,000. All that indicated the important part their companies had played in the very difficult post-war years, and that they could do much more was undoubted. He was not suggesting there should be an orgy of spending, but he claimed that the spending which took place under the company's various plans was of definite benefit to the country. Whatever might ultimately eventuate from the present chaotic world conditions, if we would but consolidate our domestic position while the opportunity was ours, the country would be in a better state to take its place when the time came.

The report and accounts were unanimously adopted.

ARMSTRONG WHITWORTH SECURITIES

DEPRESSION IN HEAVY ENGINEERING
DIESEL TRACTION DEVELOPMENTS

At the annual meeting of Armstrong Whitworth Securities Company, held in London, on the 19th instant, Major-General Guy P. Dawnay, the chairman, said that with the exception of Craven Bros. (Manchester), in machine tools the main engineering business of the other Armstrong operating companies and commercial shipbuilding had shown no improvement during the year.

After dealing with the accounts, which showed that the company had sustained a loss of £36,694 for the year, while provision of £494,519 had to be added for losses of operating companies, the chairman went on to deal with the operating companies.

Delayed Revival in Heavy Engineering.—There was practically no demand for steam locomotives, boilers and marine engines in 1932 and 1933, the value of work obtainable in the latter year being less than 10 per cent. of the output for which the company was organised in 1929. The result was that provision of over £250,000 for loss had to be made.

Work for the marine engine department was negligible and prices unprofitable. Steady progress had been made in certain heavy engineering products previously made abroad, and prospects were encouraging. Sales of pneumatic tools had steadily increased, and current business showed great promise.

Diesel Traction Developments.—With regard to the Diesel traction department, the company's name was recognised as one of the leaders in this field, the development of which had steadily advanced. Railway authorities, the chairman believed, realised that it has passed the experimental stage, as evidenced by the results of trial units. The London and North Eastern Railway Company had taken two more railcars after eighteen months' trials of the "Tyne-side Venturer." Gratifying reports had been received regarding the 450 h.p. train delivered to the San Paulo Railway and of the 1,700 h.p. units to the Buenos Ayres Great Southern Railway.

The vice-chairman of the company, who visited South America this year, reported increasing interest in Diesel traction. The volume of orders, however, had been slow in materialising, owing to depressed trade and traffics and exchange difficulties. Serious inquiries were, however, being received. Indian Railways were also seriously interested. The company had obtained an order for two 1,300 b.h.p. Diesel electric locomotives for the Karachi-Lahore mail service. This was important, as it was hoped to establish a universal unit to suit the needs of all Indian Railways where favourable conditions exist. The company had orders for railcars for Madras and Southern Mahratta Railway and a Diesel locomotive for Ceylon, whilst the Kalka Simla Railway and the Great Indian Peninsula Railway had a rail coach each.

With its experience and equipment, the company was in a premier position to obtain an increase of business when traffics improved with better world conditions.

Dearth of Shipbuilding.—The shipyard berths had remained empty. The transfer of the Tyne Iron Yard to National Shipbuilders Security, Ltd., had been delayed by the Newcastle Council's objection to the condition of sterilisation for forty years. The company's other two yards were also on lease. It was found advisable to open them and impracticable to dispose of them. The board's policy of liquidating certain deferred shipbuilding debts by foreclosure and sale of ships had resulted in a realised loss which mainly accounted for having to make provision of over £200,000.

Chilled Rolls.—The Close Works of the Ironfounders Company were primarily designed for locomotives and marine engine castings, and provision of nearly £24,000 for loss in 1933 had to be made owing to lack of such work. Business in refined iron had been 20 per cent. greater than 1932. The results this year to date were much better than last, particularly due to the new manufacture of chilled rolls, which are well received by leading rolling mills.

Prosperity in Machine Tools.—Craven Bros. (Manchester) reported a net profit for the year of £56,500 after providing £10,000 for depreciation, retaining a balance of nearly £41,000 at credit of profit and loss account, out of which the Securities Company had received a 15 per cent. dividend. Cravens had made a marked recovery. Their order book was full and now very satisfactorily widespread.

The year 1933 had been the most difficult yet, the chairman stated, and although 1934 showed substantial increases in turnover at Scotswood, the present position and future possibilities were exercising the earnest consideration of the board. With trade and markets changing so drastically measures for husbanding resources were constantly under review.

The report and accounts were adopted.

RHODESIAN ANGLO-AMERICAN, LIMITED

OUTLOOK FOR THE COPPER MARKET

The fifth ordinary general meeting of this Company was held, on the 16th instant, at Winchester House, London. Sir Edmund Davis, J.P., the deputy chairman, presided.

The Chairman, in the course of his speech, said: You will have gathered by the note in the balance sheet that we created and issued on June 30, 1934, £750,000 of 5 per cent. twenty-year sterling debentures. The result of these different operations was a saving of interest—basing the calculation of the American section of the old debentures on the par value of the dollar—of £82,500 per annum.

On the other side of the balance sheet we have our investments at cost, less reserve for depreciation, including £1,126,222 for our shares in the subsidiary company—namely, the Bwana M'Kubwa Copper Mining Company, Limited. These investments, as a whole, show a slight increase of £16,185 when compared with the figure under the same heading at March 31, 1933, but the market price of our investments at the date of our balance sheet, as shown in the note, showed an appreciation of £1,811,327.

Turning to the profit and loss account, in the present instance the total credits amount to £69,360, and include £28,732 of interest earned in an earlier period, but actually received during the year now under review. The debits, details of which are set out, amount to £82,937, the balance being a loss of £13,576. This is almost entirely due to the very large sum invested in Rhokana Corporation debentures being no longer interest-bearing, as in December, 1932, we converted the debentures into shares in the said corporation. The balance referred to we have brought in on the debit side of the appropriation account, and after charging income tax, £9,040, and bringing in to credit the profit on purchase of our own debentures, there remains £202,680 unappropriated profit, which has been carried to the balance sheet.

The two important events in the history of our company during our financial year and to date have been:—

(1) The repayment of our very large debenture debt and the creation and issue of £750,000 of debentures at a much lower rate of interest, which transactions have resulted in a saving of £82,500 per annum, and

(2) The offer to the members of the Bwana M'Kubwa Copper Mining Company, Limited, of an exchange of three shares in our company for every ten of their shares, and so far as the fractions are concerned a payment of 4s. 3d. per share in cash.

Previous to making the offer to the general body of members in the Bwana M'Kubwa Company, who number over 6,400, we negotiated with several of the large holders and obtained their approval for the exchange on the terms mentioned of 885,907 shares, and since then these acceptances have been increased by an additional 169,690 shares.

What must be of interest to Bwana M'Kubwa members is that at the present moment Rhodesian Anglo-American, Limited, has a 44 per cent. interest in Rhokana Corporation's issued capital of 2,442,291 shares, whereas, if the whole of the members of the Bwana M'Kubwa Company accept the offer we have made its interest in Rhokana Corporation will consist of its direct holding of 800,310 shares and the 500,000 shares now held by the Bwana M'Kubwa Company, the total being equivalent to 58.24 per cent. of the issued capital of Rhokana Corporation.

The members of the Bwana M'Kubwa Company, through the exchange into our shares on the basis of the offer, which gives them the larger interest in Rhokana Corporation already referred to, will also secure an interest in substantial holdings in the British South Africa Company, the Loangwa Concessions (Northern Rhodesia), Limited, and the Rhodesia Broken Hill Development Company, Limited.

In the course of the negotiations which have taken place between the boards of the two companies we came to the conclusion that some inducement should be offered to the Bwana M'Kubwa Company's members. At the date the offer was made the relative values, based on market quotations of the assets of the two companies, amounted to 2.7 of our shares for every 10 Bwanas, whereas we have offered three of our shares for every 10 Bwanas.

In our report we have set out particulars relating to the production of blister copper by Rhokana Corporation for the six months ended December 31, 1933, which amounted to 28,874 long tons, all of which had been sold, and we have referred to the latest published figures of cost of the said company, which, excluding depreciation and debenture interest, were a little over £21 per long ton of blister copper sold in European markets. We are now able to add to this information and give you the production for the six months ended June 30, 1934, which amounted to 33,306 long tons, the whole of which has also been sold.

The report and accounts were unanimously adopted.

RHODESIAN CORPORATION, LIMITED

INCREASE OF CAPITAL APPROVED

An extraordinary general meeting of Rhodesian Corporation, Limited, was held, on the 16th instant, at River Plate House, London, to consider a resolution increasing the capital of the company to £2,000,000 by the creation of 3,600,000 new shares of 5s. each.

Captain Hugh B. Jameson (chairman of the company) presided. The Secretary (Mr H. J. Holt) having read the notice convening the meeting,

The Chairman said: Ladies and gentleman,—The only business before the meeting is the submission of a resolution to increase the capital to £2,000,000 by the creation of 3,600,000 shares of 5s. each. Of these, we propose to offer immediately to our shareholders 1,466,666 at 7s. 6d. per share, the remainder being kept in reserve for future eventualities.

The company has had a very successful year of working, but there is still much more to be done. As we told you in our circular, much good business is offering, and we consider the company should be in a position to take the fullest advantage of it. The cash provided by this present issue should enable us to do so. The issue of these shares offers a substantial bonus to the shareholders, and those not desirous of taking up the shares can sell their right to do so. These shares will rank for dividend with those already existing. This company, as you know, acquired through the sale of the farm Maraisdrift a large holding in the East Rand Consolidated, Limited. This latter company is about to float its first subsidiary company—Spaarwater Gold Mining Company, Limited—and we must secure for this company every possible participation. The same applies to further flotations by the East Rand Consolidated, Limited, and others.

While good business is to be had, we feel we must participate to the fullest possible extent and endeavour to consolidate in every way the position of our company.

I will now move: "That the capital of the company be increased from £1,100,000 divided into 4,400,000 shares of 5s. each to £2,000,000 divided into 8,000,000 shares of 5s. each, and that such increase will be effected by the creation of 3,600,000 new shares of 5s. each ranking *pari passu* in all respects with the existing shares in the capital of the company."

Mr A. Burt seconded the resolution, and, the Chairman having replied to questions, it was duly carried.

The meeting ended with a hearty vote of thanks to the Chairman and directors.

EAST ASIATIC RUBBER ESTATES, LIMITED

EXTREMELY SOUND POSITION

The eleventh annual ordinary general meeting of the East Asiatic Rubber Estates, Limited, was held, on the 17th instant, at 2-4 Idol Lane, London, E.C.

Lord Hutchison of Montrose, K.C.M.G., C.B., D.S.O., chairman of the company, said that in view of the improved condition of affairs consequent upon the introduction of international regulations for rubber exports, the directors recommended a dividend for the year of 3 per cent. per annum, less tax, and they trusted that they might be able to recommend a larger distribution to the shareholders next year. The financial position of the company still remained extremely sound. The reserve fund, £75,000, together with the credit balance at profit and loss account, totalled £134,463, and those were not merely paper assets, but were represented by liquid cash and British Government securities. They had invested in British Government securities £58,000, which had been taken in the accounts at cost, namely, £56,453, the market value of which to-day was approximately £59,000. They also had at the date of the balance-sheet £58,753 on deposit at bank and in cash, making a total of £116,753, which was a sound and strong position, following, as it did, four years of unparalleled depression.

Referring to the new rubber control scheme, the chairman said that it was much better than the old Stevenson scheme; it aimed at bringing rubber production into line with world consumption, and, therefore, if consumption could absorb 100 per cent. of production, the elasticity of the scheme allowed for the necessary production. Further, it had reasonable continuity.

The success of the industry depended largely on consumption, but also on efficiency, and the board had given the latter factor great attention. He was glad to think that the outlook in their industry was more promising, and hoped all engaged in it might benefit—not forgetting their staff and employees in the East.

The report and accounts were unanimously adopted.

CONSOLIDATED TIN SMELTERS, LIMITED

THE INCIDENCE OF RESTRICTION

The fifth ordinary general meeting of Consolidated Tin Smelters, Limited, was held on July 19th at Princes House, 93 Gresham Street, London, E.C.

Mr R. J. Hose (chairman of the company) said: The net revenue amounted to £170,977, which, together with the balance brought forward from last year's accounts—£95,700—gives a disposable balance of £266,677. After providing for the full year's preference dividend and writing off £25,000 from the value of shares in subsidiary companies there remains an available balance of £174,453. If you agree to adopt the directors' recommendation to pay a dividend of 5 per cent., less tax, on the ordinary shares, there will remain to be carried forward to the current year's accounts £97,012, a sum slightly in excess of that brought in.

I think you will agree with me that the results of the year's work are satisfactory, particularly if it is realised that owing to the incidence of the International Tin Restriction Scheme, and the consequent shortage of ore supplies, our smelting plants in Liverpool and the Straits Settlements have, during the year, been working at less than 50 per cent. of capacity.

While restriction of output may impose some degree of hardship on a few individual producers, there can, I think, be no doubt that it has been of very material benefit to the industry as a whole. Statistics show that as a result of the scheme the world's visible supplies of tin, which at the commencement of the restriction scheme—March 1, 1931—stood at 51,886 tons and subsequently rose to 60,537 tons by the end of April, 1932, were reduced to 20,066 tons by June 30th of this year, while the price of tin per ton, which at March 1, 1931, stood at about £124 per ton and afterwards fell to about £100 per ton, now stands in the region of £230.

The demand for tin has quietened down somewhat in recent weeks, but this is a normal feature at this season of the year, and barring any serious labour troubles in America, I see no reason for thinking it is more than temporary. In these days of sudden changes it seems imprudent to prophesy. I shall, however, be disappointed if in the autumn we do not witness an improvement in the consumptive demand for tin. You will realise, of course, that this is a matter which we can neither control nor influence.

The report was unanimously adopted.

ESTATES CONTROL, LIMITED

CATTLE PRICE PROBLEM

Presiding at the thirtieth annual general meeting of Estates Control, Limited, held on the 18th instant, Lord Luke said that the balance sheet provided no important change worth drawing attention to. The first three items under investments and sundry investments, etc., at £738,000, were just over £5,000 up on the year.

In the profit and loss account, the profit at £48,021 was an improvement on the previous year, in spite of the reduction of £5,464 in dividends, interest, etc., £4,900 of this drop being due to reduced receipts from estate companies.

As a large shareholder in land and cattle companies of Argentina and Australia the company was naturally much interested in the world cattle supplies question, which was causing so much discussion and heartburning just now.

The Southern Hemisphere had, of course, no ground for complaint against this country, which had for many years imported about half its beef requirements from abroad. Any feeling of injustice harboured by cattle owners south of the Equator must be against those European and North American markets that had been absolutely closed to them.

As regards this country, he had always been in favour of a duty rather than a quota; in fact, he suggested one in 1928. With a quota they would never know by how much the price of beef had been raised, but with a tariff they would know pretty well how they stood.

The main problem about cattle raising was that it was the price three or four years ahead that they desired to know, and with the variations in values that were taking place in the world to-day it was not possible to form any definite idea of values so far ahead. But one thing they could be pretty sure of was this: that with the losses being made in the cattle business all over the world many farmers would drop out of the race, and unless there was more likelihood of higher prices in, say, 1938, the cattle would simply not be raised.

Fortunately the company held lucrative investments in concerns altogether unconnected with land and cattle, and that accounted for the prosperous appearance of the balance sheet.

The report was unanimously adopted.

THE TRUSTEES CORPORATION, LIMITED RECOVERY IN CAPITAL VALUES

The ordinary general meeting of the Trustees Corporation, Limited, was held, on the 18th instant, at Winchester House, Old Broad Street, London.

Sir George A. Touche, Bart. (the chairman), after expressing regret at the absence through illness of Mr. Gilbert Taylor, the managing director, said that the feature of the year to May 31st last was the increasing and almost universal disrepute into which foreign investments had continued to fall.

Interest and dividends from investments, after deduction of income tax, amounted to £109,127, a fall of a little more than 1½ per cent. That compared with a fall of 13.8 per cent. in the total earnings of 75 investment trusts which had published their reports during the first four months of the current year. Sixty-four per cent. of the book value of the corporation's holdings was represented by investments in Great Britain and British Dominions and Dependencies. In the previous year and in the year under review the percentages of the total revenue derived from that category of investments were 72 per cent. and 76½ per cent. respectively. Moreover, those investments represented nearly 78 per cent. of their total valuation at May 13th last.

At the end of their fiscal year in 1933 they had had to report a depreciation on the amount at which the investments stood in the balance sheet, that depreciation being then covered by the reserve fund with a substantial margin. Recovery on capital account had been speedy and considerable during the last 12 months. At May 31, 1934, they were able to state that according to a valuation of the quoted securities based on market quotations and on an estimate of the value of unquoted securities, the aggregate amount at which the investments stood in the balance sheet was more than represented.

The result from the house department must be considered not unsatisfactory. Revenue from Winchester House and the Liverpool Safe Deposit, at £19,793, showed a reduction of £1,390. Winchester House remained very popular as a recognised City centre for meetings.

The directors recommended a final dividend on the ordinary stock at the rate of 11 per cent. per annum, making a total of 7½ per cent. for the year.

The report and accounts were unanimously adopted.

SOUTH AFRICAN BREWERIES, LIMITED A SUCCESSFUL YEAR

The twenty-ninth ordinary general meeting of The South African Breweries, Limited, was held, on the 18th instant, at Winchester House, Old Broad Street, London, E.C.

Mr. John Stroyan, J.P., D.L. (the chairman), presided.

The Secretary (Mr. William Lance) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his speech, said that it was his privilege for the 19th year in succession to preside at the annual meeting of this important and successful company. During those years the company had expanded and prospered greatly, and its outlook had never been clearer, or its prospects brighter, than they were to-day. Of the last three rather trying years, the company had found the one under review the most satisfactory, for, although their profits were somewhat less, they had been earned entirely in trading, whereas from the time when Great Britain abandoned the gold standard until South Africa followed her, they had been getting large profits on exchange; but the operation of that exchange had been killing South Africa's exports, with the exception of gold, and steadily impoverishing the country. It was with feelings of deep relief that the directors had learned of the ultimate decision of the Union Government to leave gold. South Africa had benefited much from that decision, and so had the business of the company.

After full consideration the board had decided to recommend the transfer from the unnecessarily heavy carry-forward to credit of a dividend protection account of £150,000 for use should necessity arise. In view of the prospects for the new year and the outlook generally, he could see no likelihood of their having to apply for assistance to the new fund at an early date, and in view of the brighter prospects for the immediate future of South Africa, the use of that sum would be valuable in an expanding business.

The Union of South Africa's financial position was one of great strength, and he felt that the day of rapid progress and of big things was at hand out there, and that a really great and virile people would have its opportunity. With the recent death of racialism, a new South Africa had been born, and in combination of the two great white races South Africa would take her stand, and her influence would be felt for good in the councils of the world.

The report was unanimously adopted.

EAST RAND CONSOLIDATED, LIMITED THE SPAARWATER FLUTATION

The ordinary general meeting of this company was held on the 16th instant, at River Plate House, London.

Captain Hugh B. Jameson (the chairman) said that to-day their cash resources amounted to approximately £687,000. In addition, they had £135,000 invested in first-class securities. At the last annual meeting the company's properties had consisted of the freehold and mineral rights of Tulipvale, of 758 acres, and the mineral rights over the eastern portion of farm Klippoorstje, approximately 1,659 acres. The reorganisation of the capital had been duly carried through, and the acquisition of further properties had been completed. He thought they were fortunate in owning either the freehold or the mineral rights of what he thought he might describe as a compact block of ground favourably situated in the Far East Rand.

An immense amount of working capital would be required to develop the areas, and the work would be done by means of subsidiary companies. The first of these, the Spaarwater Gold Mining Company, Limited, would, so soon as details had been agreed with the Mining Leases Board in South Africa, be registered with a capital of £2,000,000 in shares of 5s. each.

It was the intention of the directors, who were responsible for the flotation of the Spaarwater Company, to arrange that shareholders of this company should be given the opportunity of subscribing at par for a proportion of the working capital; but, until the scheme had been approved by the Mining Leases Board, he could not say what that proportion would be. Shareholders would also be given the right to participate in the other subsidiary companies which would be formed.

It would, no doubt, interest them to learn that in view of satisfactory reef exposures on their farm Poortje, their consulting engineer, Mr. J. L. Van Eyssen, was recommending an extended programme of development, including the sinking of two vertical shafts to intersect the reef at a depth of approximately 600 ft. They had been doing a considerable amount of prospecting work on the surface of Maraisdrift and Poortje, and their consulting engineer was sufficiently impressed by the development, especially as regards length of strike, that he sent them the recommendation to sink the two shafts which he had referred to. He looked forward with confidence to the future.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended July 14, 1934, amounted to £12,931,000, against ordinary expenditure of £6,411,000. After allowing for a decrease in Exchequer Balances of £129,786 the operations for the week, as shown below, decreased the National Debt by £6,505,000 to approximately £8,077 millions.*

(000's omitted)			
3% Funding Loan	+ 200	Public Department Advances	- 2,550
		Treasury Bills	- 3,830
		N. Atlantic Shipping Issues	- 25
		National Savings Certificates	- 50
		P. & O. Teleg. Capital Expenditure	- 250
	+ 200		- 6,705

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer from			
		April 1, 1934, to July 14, 1934	April 1, 1933, to July 15, 1933	Week ended July 14, 1934	Week ended July 15, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue	219,500,000	23,838,000	23,176,000	4,596,000	2,798,000
Income Tax	50,000,000	5,800,000	6,630,000	150,000	280,000
Sur-tax	76,000,000	27,310,000	21,630,000	1,950,000	1,830,000
Estate, etc., Duties	25,000,000	4,390,000	3,490,000	150,000	250,000
Stamps	1,200,000	...	...	...	...
Excess Profits Duty and Corporation Profits Tax	800,000	120,000	130,000	...	...
Land Tax and Mineral Rights Duty	372,500,000	61,458,000	55,056,000	6,846,000	5,158,000
Total Inland Revenue	183,650,000	53,012,000	50,743,000	2,950,000	3,365,000
Customs and Excise	106,350,000	26,996,000	28,400,000	1,798,000	1,300,000
Excise	290,000,000	80,008,000	79,143,000	4,748,000	4,665,000
Total Customs and Excise					



£32,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	£ 5. d.
April 1	45,000,000	61,860,000	43,950,000	5 8 4
July 1	45,000,000	59,945,000	45,000,000	2 3 3.73
October 7	55,000,000	100,325,000	50,000,000	0 16 11.22
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10.84
July 7	45,000,000	83,890,000	42,000,000	0 10 4.85
October 6	45,000,000	100,450,000	45,000,000	0 12 9.88
1934				
January 5	35,000,000	78,260,000	30,000,000	0 18 11.5
April 6	40,000,000	80,390,000	38,000,000	0 17 9.01
June 8	40,000,000	77,515,000	36,000,000	0 17 4.00
June 15	35,000,000	63,845,000	33,395,000	0 17 0.19
June 22	35,000,000	59,840,000	35,000,000	0 16 8.61
June 29	35,000,000	84,265,000	35,000,000	0 16 11.64
July 6	35,000,000	82,745,000	32,000,000	0 18 4.14
July 13	35,000,000	65,405,000	32,000,000	0 15 7.72

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended June 30, 1934	612,694	£ 490,155
Week ended July 7, 1934	670,727	536,582
February, 1916, to July 7, 1934	1,190,898,108	938,328,238

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,033,273.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, July 18th, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	11,015,100
In Circulation	383,888,618	Other Government Securities	245,105,657
In Banking Department	67,691,379	Other Securities	414,576
		Silver Coin	3,464,667
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	191,579,997
	451,579,997		451,579,997

BANKING DEPARTMENT

Proprietors' Capital	£ 14,553,000	Government Securities	83,187,071
Reserve	3,529,227	Other Securities:—	
Public Deposits	20,644,473	Discounts and Advances	£ 7,462,713
Other Deposits	£ 96,881,478	Securities	£ 12,484,294
Bankers'	£ 35,809,434		
Other Accounts	132,690,912	Notes	19,947,007
7-day and Other Bills	6,415	Gold and Silver Coin	67,691,379
	171,424,027		598,570
			171,424,027

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

Both Departments	Amount, July 18, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	£ 383,888,618	- 737,366	+ 6,514,159
Public deposits	20,644,473	+ 3,211,104	+ 1,592,714
Bankers' deposits	96,881,478	- 403,816	+ 2,722,161
Other deposits	35,809,434	- 368,999	+ 21,395,134
Seven-day bills	6,415	- 6,410	+ 4,218
Total outside liabilities	537,230,418	+ 1,700,683	+ 50,561,882
Capital and rest	18,082,227	+ 20,324	+ 6,101
Government debt and securities	339,307,828	+ 1,003,404	- 5,139,632
Discounts and advances	7,462,713	- 369,444	- 3,783,772
Other securities	12,898,870	+ 1,060,256	- 2,663,670
Silver coin in issue department	3,464,667	+ 3,126	+ 178,824
Coin and bullion (bank's reserves)	192,178,567	+ 23,665	+ 1,197,915
Reserves of notes and coin in banking department	68,289,949	+ 1,721,007	- 5,316,244
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	44.5%	- 0.2%	+ 1.4%
(b) Gold stocks to deposits and notes ("reserve ratio")	35.8%	...	+ 0.8%

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to July 14, 1934	April 1, 1933, to July 15, 1933	Week ended July 14, 1934	Week ended July 15, 1933
Motor Vehicle Duties (Exchequer Share)	£ 5,000,000	£ 2,396,000	£ 1,571,000	£ 958,000	£ 921,000
Post Office (Net Receipt)	14,000,000	5,000,000	3,950,000	350,000	450,000
Crown Lands	1,220,000	270,000	210,000	...	...
Receipts from Sundry Loans	3,800,000	2,152,622	2,458,756	27,905	...
Miscellaneous Receipts	200,000,000	3,927,689	12,286,152	1,177	338,348
Total Ordinary Revenue	706,520,000	155,212,311	154,974,908	12,931,082	11,532,348
SELF-BALANCING REVENUE					
Post Office	60,463,000	14,850,000	15,200,000	750,000	650,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	4,100,000	4,029,000	...	72,000
Total Self-Balancing Revenue	84,718,000	18,950,000	19,229,000	750,000	722,000
Total	...	174,162,311	174,203,908	13,681,082	12,254,348

EXPENDITURE	Estimate for the year 1934-35	Total Issues out of the Exchequer to meet payments from			
		April 1, 1934, to July 14, 1934	April 1, 1933, to July 15, 1933	Week ended July 14, 1934	Week ended July 15, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	86,487,715	84,250,288	535,868	263,551
Payments to Northern Ireland Exchequer	6,500,000	1,574,497	1,347,372	...	...
Other Consolidated Fund Services	3,700,000	944,123	1,264,450	...	...
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	89,006,335	86,862,110	535,868	263,551
Total Supply Services (excluding Post Office)	461,924,000	118,105,000	118,765,000	5,875,000	7,800,000
Marginal Provision (Restoration of Cuts)	7,600,000	...	...	...	...
Total Ordinary Expenditure	705,724,000	207,111,335	205,627,110	6,410,868	8,063,551
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	705,724,000	207,111,335	207,468,326	6,410,868	8,063,551
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	14,850,000	15,200,000	750,000	650,000
Road Fund	24,255,000	4,100,000	4,029,000	...	72,000
Total Self-Balancing Expenditure	84,718,000	18,950,000	19,229,000	750,000	722,000
Total	...	226,061,335	226,697,326	7,160,868	8,785,551

The aggregate revenue and expenditure to July 14, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO JULY 14, 1934 (000's omitted)

Expenditure	£ 207,111	Revenue	£ 155,212
Increase in balances	43	Gross increase in borrowing £53,267	
		Less—	
		New Sinking Fund	1,325*
		Net borrowing	51,942
	207,154		207,154

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	July 15, '33	Mar. 31, '34	July 14, '34	July 14, '34
Advances by Bank of England	£	£	£	£
Advances by Public Department	29,120,000	44,900,000	23,600,000	- 2,550,000
Treasury Bills outstanding	991,110,000	799,810,000	840,800,000*	- 3,830,000
Total Floating Debt	1,020,230,000	844,710,000	864,400,000	- 6,380,000

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

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on July 13, 1934, and the total amount applied for was £65,405,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 16s., about 27 per cent. and above in full; Saturday, at £99 16s. 1d., and above in full. The average rate per cent. was 15s. 7.72d. The amount allotted was

(000's omitted)

Date	Issue Department		Banking Department				Gold in or out of Bank	Ratio
	Notes	Circulation	Public Deposits	Bankers' Deposits	Other Deposits			
1934								
June 13	451,411	378,572	21,019	97,005	35,865	77 in	2	2
" 20	451,460	377,378	21,759	99,554	35,700	49 in	2	2
" 27	451,460	381,690	17,630	96,309	36,517	Nil	2	2
July 4	451,481	385,793	26,650	94,880	37,497	Nil	2	2
" 11	451,524	384,626	17,433	97,285	36,178	62 in	2	2
" 18	451,530	383,889	20,544	96,881	35,809	56 in	2	2

(000's omitted)

Date	Issue Department		Banking Department				Gold in or out of Bank	Ratio
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Discounts & Advances	Other Securities		
1934								
June 13	254,674	1,865	192,130	36,2	81,445	5,742	11,028	47.3
" 20	254,778	1,760	192,154	35,1	81,093	6,877	13,204	47.8
" 27	254,899	1,635	192,144	36,2	81,006	6,080	10,904	46.1
July 4	255,331	1,206	192,151	35,1	82,827	17,062	10,818	66.357
" 11	255,657	881	192,155	35,1	82,647	7,832	10,958	67,529
" 18	256,120	414	192,179	35,1	83,187	7,463	12,484	68,290

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to July 4	16,128,312	900,214	1,530,816	18,559,342
Week ended July 11	552,271	38,157	71,698	662,126
Week ended July 18	553,466	35,416	58,219	647,101
Total to date, 1934	17,234,044	982,787	1,660,733	19,877,564
Total to date, 1933	15,004,848	925,964	1,524,973	17,455,785
Increase or decrease in 1934	+2,229,196	+ 56,823	+ 135,760	+ 2,421,779
	+ 14.8%	+ 6.1%	+ 8.9%	+ 13.9%
Total for year 1933	27,714,480	1,656,675	2,768,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	+ 119,153	+ 46,268	+ 100,562	+ 256,667
	+ 0.4%	+ 2.8%	+ 3.6%	+ 0.7%

PROVINCIAL

(000's omitted)

	Week ended July 14		Month of June		Aggregate Totals, January 1 to July 14
	1933	1934	1933	1934	
No. of working days...	25	26			
BIRMINGHAM	2,255	2,099	9,355	10,207	+ 9.1
BRADFORD	788	648	3,444	3,274	- 4.9
BRISTOL	1,136	1,004	4,497	5,015	+ 11.5
DUBLIN	4,918	4,158	...	...	- 14.8
HULL	659	758	2,662	2,940	+ 10.4
LEEDS	908	811	3,450	3,882	+ 12.5
LEICESTER	684	687	2,404	2,709	+ 12.6
LIVERPOOL	6,443	5,899	24,280	24,387	+ 0.4
MANCHESTER	9,150	8,459	36,471	41,201	+ 12.9
NEWCASTLE	1,328	1,390	5,462	6,276	+ 14.9
NOTTINGHAM	432	440	1,645	1,767	+ 7.4
SHEFFIELD	639	642	2,790	3,565	+ 27.7
	29,040	26,705	96,460	105,223	+ 9.0

* Totals for Bristol to July 7, 1933 and 1934 were 29,084 and 32,301 respectively.

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile, in August 12, '33. Egypt, in June 9, Canadian Banks, Bulgaria, Lithuania and Danzig, in June 30. Finland, Latvia, Estonia, Japan, Roumania, in July 7. International Settlements, Federal Reserve Members, Italy, Portugal, Norway, Denmark, Java in July 14.

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

	July 19, 1933	June 27, 1934	July 4, 1934	July 11, 1934	July 18, 1934
RESOURCES					
Gold Certificates on hand and due from the Treasury	3,817,830	4,781,750	4,782,680	4,810,690	4,847,630
Total reserves	5,044,520	5,019,520	5,069,980	5,101,460	5,101,460
Total cash reserves	271,950	237,800	211,610	231,320	228,820
Total bills discounted	153,130	27,010	29,990	22,680	23,250
Bills bought in open market	9,850	5,320	5,320	5,320	5,320
Total bills on hand	172,980	32,230	34,310	27,940	28,510
Total U.S. Govt. securities	2,017,260	2,430,270	2,431,790	2,431,780	2,431,790
Total bills and securities	2,192,260	2,463,020	2,466,610	2,460,200	2,460,780
Total resources	6,365,380	8,209,170	8,087,860	8,084,470	8,150,330
LIABILITIES					
Federal Reserve notes in actual circulation	3,037,510	3,055,990	3,121,700	3,098,270	3,084,820
Federal Reserve Bank notes in circulation	118,140	46,350	44,850	41,040	38,560
Deposits—Member bank—reserve account	2,289,810	3,836,540	3,745,740	3,902,100	3,997,310
Government deposits	57,990	134,400	152,150	63,140	21,340
Total deposits	2,541,840	4,195,980	4,129,660	4,188,140	4,230,630
Capital paid in and surplus	424,790	285,510	285,500	285,630	285,690
Total liabilities	6,365,380	8,209,170	8,087,860	8,084,470	8,150,330
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	68.4%	69.6%	69.2%	69.5%	69.7%

* Reserves other than gold.

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

	July 19, 1933	June 29, 1934	July 6, 1934	July 13, 1934	July 20, 1934
Total gold reserves	881,260	1,730,280	1,584,970	1,531,530	1,684,030
Total bills discounted	48,560	14,420	13,680	13,180	11,990
Bills bought in open market	4,210	1,950	2,050	1,990	1,990
Total U.S. Govt. securities	754,920	780,250	780,250	777,750	777,750
Deposits—Member bank—reserve account	809,130	796,660	796,020	792,960	791,780
Ratio of total reserves to deposits and Federal Res. note liabilities combined	59.4%	71.5%	69.2%	70.6%	71.0%

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

	July 14, 1933	June 15, 1934	June 22, 1934	June 29, 1934	July 6, 1934	July 13, 1934
ASSETS						
Gold coin and bullion	15,625	19,232	19,233	19,596	19,871	20,370
Subsidiary coin	384	309	313	293	297	302
Bills discounted: Domestic and Union Govt. Treas.	15	13	13	13	14	54
Bills discounted: Foreign	20,855	22,420	22,455	20,996	17,026	16,818
Investments	2,225	1,725	1,725	1,725	1,725	1,725
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	9,747	11,243	11,059	12,363	12,018	11,439
Government deposits	1,470	2,904	3,229	2,398	1,978	2,485
Bankers' deposits	27,031	30,152	29,287	28,895	24,487	24,603
Ratio of cash reserves to liabilities to public	56.9%	39.9%	39.4%	40.1%	45.3%	45.9%

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

	June 23, 1933	May 25, 1934	June 1, 1934	June 8, 1934	June 15, 1934	June 22, 1934
ASSETS						
Total securities	38,74,60	53,36,01	54,05,36	51,40,00	46,96,75	44,98,25
Ways and means advances	4,00,00	2,22,16	2,26,13	2,55,96	3,50,00	4,50,00
Loans	3,65,03	2,22,16	2,26,13	2,55,96	2,40,61	2,44,65
Cash credits	18,83,63	16,28,69	16,21,58	16,46,96	16,05,93	15,77,73
Inland bills	2,89,54	2,91,20	2,55,58	3,01,31	2,63,02	3,12,28
Foreign bills	14,71	30,72	33,78	31,67	35,98	33,43
Dead stock	2,62,45	2,55,23	2,55,19	2,55,22	2,55,09	2,54,39
Bal. with other banks	23,51	18,39	18,39	18,39	2,13	2,13
Cash	21,31,47	16,78,04	17,79,73	16,48,11	17,75,98	19,86,63
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,17,50	5,22,50	5,22,50	5,22,50	5,22,50	5,22,50
Total deposits	80,80,53	82,77,74	84,29,33	81,08,91	80,45,97	81,35,12
The above includes—						
Deposits in London	960	813	915	994	943	907
Advances in London	945	1,532	1,482	1,638	1,610	1,607
Cash, etc., at other Banks in London	214	108	142	45	46	19

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

	July 13, 1933	June 22, 1934	June 29, 1934	July 6, 1934	July 13, 1934
ASSETS					
Gold	81,849,342	79,200,554	79,547,792	79,683,058	79,738,354
Foreign assets	2,574,914	18,560	15,338	14,569	14,569
Sight deposits	1,403,388	1,112,365	1,141,801	1,141,449	...
Bills, etc.	3,063,515	4,301,481	4,385,978	3,862,160	...
Home bills	...	...	...	...	...
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,689,730	3,067,569	3,076,089	3,154,870	3,123,317
Other advances	...	...	...	...	...
Negotiable Bonds, Sinking Fund Debt	6,467,594	5,928,683	5,929,025	5,929,025	5,918,025
Other assets (excluding forward exch.)	5,372,085	4,494,504	5,077,982	5,158,771	...
LIABILITIES					
Notes in circulation	83,216,432	79,969,655	82,057,929	81,892,015	81,482,274
Public deposits	2,579,135	3,307,923	3,290,646	3,333,893	3,411,769
Private deposits	17,908,665	16,866,518	14,950,631	14,889,387	14,927,204
Other liabilities	2,616,335	1,679,615	2,074,799	1,999,604	...
Ratio of gold reserve to sight liabilities	78.5%	79.3%	79.1%	79.5%	79.7%

THE REICHSBANK—In Reichsmarks (000's omitted)

	July 15, 1933	June 30, 1934	July 7, 1934	July 14, 1934
ASSETS				
Gold	218,212	70,178	70,178	72,171
Of which deposited abroad	17,647	17,916	17,916	17,916
Reserve in foreign currencies	80,325	6,606	6,850	5,591
Bills of exchange and cheques	3,078,593	3,462,124	3,326,561	3,324,670
Silver and other coin	259,311	175,123	218,175	239,804
Notes of other German banks	11,007	4,608	7,989	12,237
Advances	70,589	170,837	70,589	60,618
Investments	320,025	685,205	694,395	701,542
Other assets	461,822	600,195	579,821	570,952
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserve	473,151	472,797	472,797	472,797
Notes in circulation	3,338,409	3,776,654	3,631,890	3,595,717
Other daily maturing obligations	357,003	623,095	557,582	605,615
Other liabilities	180,791	152,380	165,483	163,451
Cover of note circulation	8.9%	2.0%	2.1%	2.2%

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

	Position, May 28, 1934	July 13, 1933	June 21, 1934	June 28, 1934	July 5, 1934	July 12, 1934
ASSETS						
Gold	232,650	2,685,528	2,665,296	2,653,026	2,643,831	2,632,750
Silver and other coin	63,360	66,369	66,369	66,369	66,079	65,548
Securities	697,600	747,913	664,893	656,519	668,552	662,458
LIABILITIES						
Notes in circulation	934,150	3,632,652	3,465,518	3,481,656	3,527,561	3,527,815
Deposits: Govt.	...	22,621	85,234	88,286	43,850	77,853
Other	...	286,699	268,149	228,634	237,447	178,575

(a) In thousand francs.

NETHERLANDS BANK—In florins (000's omitted)

	Position, May 30, 1934	July
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CENTRAL BANK OF TURKEY—In £t (000's omitted)

	June 29, 1933	June 14, 1934	June 21, 1934	June 28, 1934	July 5, 1934
Assets					
Gold coin and bullion	15,351	18,438	18,474	18,490	18,499
Other coin and bullion	21,570	15,545	14,474	17,408	17,063
Free foreign exchange	2,053	3,446	3,812	4,275	3,890
Treasury bonds	152,629	149,369	149,369	149,369	149,284
Bills	34,794	30,888	31,096	31,099	31,101
Securities	4,500	4,500	4,500	4,500	4,500
LIABILITIES					
Capital	15,000	15,000	15,000	15,000	15,000
Note issue					
Ordinary	152,629	149,369	149,369	149,369	149,284
Supplementary	8,688	8,688	8,688	8,688	8,688
Sight liabilities	27,346	20,973	20,317	22,295	22,473

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

	July 10, 1933	June 10, 1934	June 20, 1934	June 30, 1934	July 10, 1934
Assets					
Gold	472,651	487,594	489,011	490,065	490,614
Foreign exchange and balances	86,123	44,192	43,482	43,249	44,144
Bills discounted	615,929	585,977	573,090	602,346	588,624
Loans against securities	110,062	54,519	59,292	68,165	61,920
Reserve fund securities	91,605	92,106	92,106	92,097	91,662
Advances to State	90,000	90,000	90,000	90,000	90,000
LIABILITIES					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	114,000	114,000	114,000	114,000	114,000
Notes in circulation	1,021,366	908,615	880,926	938,458	906,981
Current accounts	152,903	203,884	215,734	190,941	190,026

LONDON RATES

	July 12, 1934	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934	July 19, 1934
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2
Market rates of discount							
60 days' bankers' drafts	1½	1½	1½	1½	1½	1½	1½
3 months' do.	1½	1½	1½	1½	1½	1½	1½
6 months' do.	1½	1½	1½	1½	1½	1½	1½
Discount Treasury Bills							
2 months'	1½	1½	1½	1½	1½	1½	1½
3 months'	1½	1½	1½	1½	1½	1½	1½
Loans—Day-to-day	1½	1½	1½	1½	1½	1½	1½
Short	1½	1½	1½	1½	1½	1½	1½
Deposit allowances: Bank	1½	1½	1½	1½	1½	1½	1½
Discount houses at call	1½	1½	1½	1½	1½	1½	1½
At notice	1½	1½	1½	1½	1½	1½	1½

Comparison with previous week—

		Bank Bills				Trade Bills							
Short Loans		3 months		4 months		6 months		3 Months		4 Months		6 Months	
1934	%	%	%	%	%	%	%	%	%	%	%	%	%
June 21	1-1	1-1	1-1	1-1	1	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2
July 5	1-1	1-1	1-1	1-1	1	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2
July 12	1-1	1-1	1-1	1-1	1	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2
July 19	1-1	1-1	1-1	1-1	1-1	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2

LONDON RATES OF EXCHANGE

I.—Spot Rates

(Range of the day's business)

London on	Par of Exch. per £	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934	July 19, 1934
New York, \$	148.84	5.031-041	5.03-04	5.03-041	5.031-041	5.031-041	5.031-041
Montreal, \$	148.84	4.98-99	4.98-99	4.971-991	4.98-99	4.98-99	4.98-99
Paris, Fr.	124.21	761-1	761-1	761-1	761-1	761-1	761-1
Brussels, Bel.	35.00	21.57-62	21.57-61	21.55-60	21.54-59	21.54-59	21.54-59
Milan, L.	92.46	581-1	581-1	581-1	581-1	581-1	581-1
Zurich, Fr.	221	15.44-48	15.44-47	15.41-46	15.42-47	15.42-47	15.42-47
Athens, Dr.	375	525*	525*	525*	525*	525*	525*
Helsinki, M.	193.23	226-2271	226-2271	226-2271	226-2271	226-2271	226-2271
Madrid, Ptas.	25.221	361-1	361-1	361-1	361-1	361-1	361-1
Lisbon, Esc.	110	1091-1101	1091-1101	1091-1101	1091-1101	1091-1101	1091-1101
Amst'dm, Fl.	16.107	7.421-441	7.421-441	7.421-441	7.421-441	7.421-441	7.421-441
Berlin, Mk.	24.43	13.10-171	13.12-171	13.12-171	13.12-171	13.12-171	13.12-171
Vienna, Sch.	34.58	26-28	26-28	26-28	26-28	26-28	26-28
Bu'pest, Pen.	27.82	171-171	171-171	171-171	171-171	171-171	171-171
Prague, Kc.	1164	121-1211	121-1211	1201-1211	1201-1211	1201-1211	1201-1211
Danzig, Gul.	25.00	151-1	151-1	151-1	151-1	151-1	151-1
Warsaw, Zl.	43.38	261-1	261-1	261-1	261-1	261-1	261-1
Riga, Lat.	25.221	15-16	15-16	15-16	15-16	15-16	15-16
Bucharest, Lei	813.6	493-513	493-513	493-513	493-513	493-513	493-513
Const'ple, Pst.	110	620*	620*	620*	620*	620*	620*
Belgrade, Din.	276.32	216-226	216-226	216-226	216-226	216-226	216-226
Kovno, Lit.	48.68	291-301	291-301	291-301	291-301	291-301	291-301
Sofia, Lev.	673.66	410-440	410-440	410-440	410-440	410-440	410-440
Tallinn, E.Kr.	18.159	171-181	171-181	171-181	171-181	171-181	171-181
Oslo, Kr.	18.159	19.85-95	19.85-95	19.85-95	19.85-95	19.85-95	19.85-95
Stockholm, Kr.	18.159	19.35-45	19.35-45	19.35-45	19.35-45	19.35-45	19.35-45
Cop'ngen, Kr.	18.159	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45
Alex'ndria, Pst.	971	971-1	971-1	971-1	971-1	971-1	971-1
Bombay, Rup.	184	181-1	181-1	181-1	181-1	181-1	181-1
Calcutta, Rup.	184	181-1	181-1	181-1	181-1	181-1	181-1
Madras, Rup.	184	181-1	181-1	181-1	181-1	181-1	181-1
Hong Kong, \$	117	171-181	171-181	171-181	171-181	171-181	171-181
Kobe, Yen.	24.581	141-1	141-1	141-1	141-1	141-1	141-1
Shanghai, \$	117	16-161	16-161	16-161	16-161	16-161	16-161
Singapore, \$	117	281-1	281-1	281-1	281-1	281-1	281-1
Batavia, \$	12.11	7.39-42	7.39-42	7.39-42	7.39-42	7.39-42	7.39-42
Rio, Mil.	15.894	21-311	21-311	21-311	21-311	21-311	21-311
P. Aires, \$	147.621	261-1	261-1	261-1	261-1	261-1	261-1
Valparaiso, \$	40	181-191	181-191	181-191	181-191	181-191	181-191
M. video, \$	17.98	21-401	21-401	21-401	21-401	21-401	21-401
Lima, Sol.	9.78	171-181	171-181	171-181	171-181	171-181	171-181
Mexico, Pes.	124.661	231-24	231-24	231-24	231-24	231-24	231-24
Manila, Pes.	9.458	5.802-819	5.802-819	5.802-819	5.802-819	5.802-819	5.802-819
Moscow, Rbls	121.621	211-221	211-221	211-221	211-221	211-221	211-221
Bangkok, Bht	121.621	211-221	211-221	211-221	211-221	211-221	211-221

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days).
 Pence per unit of local currency. † Par, 8.231 since dollar devaluation on February 1, 1934.
 (a) Registered marks quoted at a discount of 30-35%. (b) Official rate is 36½d. sellers.
 (c) Official rate is 38½d. sellers. (d) Registered marks quoted at a discount of 31-36 per cent.
 (e) Registered marks quoted at a discount of 32-37 per cent.

II.—Forward Rates

(Closing quotations)

London on	July 13, 1934	July 14, 1934	July 16, 1934	July 17, 1934	July 18, 1934	July 19, 1934
New York, cent.	1 Month par-1	par-1	par-1	par-1	par-1	par-1
Paris, cent.	1 Month 2-5	2-5	2-4	2-4	2-4	2-5
Holland, cent.	1 Month 1-1	1-1	1-1	1-1	1-1	1-1
Brussels, cent.	1 Month 31-51	31-51	31-51	31-51	31-51	31-51
Zurich, cent.	1 Month 1-2	1-2	1-2	1-2	1-2	1-2
Italy, lira	1 Month 1-1	1-1	1-1	1-1	1-1	1-1

(a) Premium, i.e. "under spot."

(b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed From To	Changed From To
Albania Nov. 16, 1933 8 71	Madrid Oct. 26, 1932 6 6
Amsterdam Sep. 18, 1933 3 24	Oslo May 22, 1933 3 24
Athens Oct. 14, 1933 7 7	Paris May 31, 1934 3 24
Batavia July 1, 1934 4 4	Prague Jan. 25, 1933 4 5
Berlin July 16, 1934 7 61	Pretoria May 15, 1933 4 5
Brussels Apr. 26, 1934 3 3	Tallinn Jan. 28, 1932 6 1
Bucharest Apr. 5, 1933 7 6	Riga Jan. 1, 1933 6 1
Budapest Oct. 17, 1932 5 4	Rome Dec. 11, 1933 3 3
Calcutta Feb. 16, 1933 4 3	Sofia Jan. 3, 1934 8 7
Copenhagen Dec. 1, 1933 3 2	Stockholm Dec. 1, 1933 3 2
Danzig May 6, 1933 4 3	Swiss Bank Jan. 22, 1931 2 2
Helsingfors Dec. 20, 1933 5 4	places Jan. 22, 1931 2 2
Kovno Jan. 1, 1934 7 6	Tokio July 2, 1933 4.38 3.65
Lisbon Dec. 8, 1933 6 5	Vienna June 27, 1934 5 4
New York Fed. Res. Feb. 1, 1934 2 11	Warsaw Oct. 26, 1932 6 5
Central Bank of Chile—Discount rate for member banks, 6%; discount rate for the public, 7%.	Irish June 30, 1932 3 3

Central Bank of Chile—Discount rate for member banks, 6%; discount rate for the public, 7%.
 * 51% applied to banks and credit institutions.
 † 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	July 19, 1933	June 20, 1934	June 27, 1934	July 3, 1934	July 11, 1934	July 18, 1934
Call money	1½	1½	1½	1½	1½	1½
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—						
Members—eligible, 90 days	1½	1½	1½	1½	1½	1½
Non-mem.—eligible, 90 days	1½	1½	1½	1½	1½	1½
Ineligible, 90 days	1½	1½	1½	1½	1½	1½
Commercial accept., 90 days	1½	1½	1½	1½	1½	1½

Rates of Exchange, New York on—

London—	Par Level	July 19, 1933	July 3, 1934	July 11, 1934	July 18, 1934
60 days'	4.805	5.0487	5.0237	5.0237	5.0237
Cable	4.8666	5.0637	5.04	5.04	5.04
Cheques	4.8237	5.0637	5.04	5.04	5.04
Paris	6.63	6.5975	6.5962	6.60	6.60
Brussels	23.54	20.25	23.37	23.36	23.37
Switzerland	32.67	28.10	32.56	32.57	32.63
Italy	8.91	7.68	8.58	8.58	8.58
Berlin	40.33	34.70	38.35	38.37	38.53
Cts. for Austr. shlg.	23.82	17.00	18.85	18.82	18.94
Madrid	32.67	12.14	13.685	13.68	13.68
Copenhagen	68.06	58.70	67.79	67.78	67.78
Oslo	21.60	22.64	22.52	22.53	22.53
Stockholm	24.95	26.12	25.99	25.99	25.99
Athens	2.20	0.83	0.94	0.94	0.94
Montreal, Can. \$1	169.31	96	100 1/2	101	101 1/2
Yokohama	84.40	30.15	29.98	29.91	29.91
Shanghai	36.35	34.62	34.25	34.12	34.12
Calcutta	61.80	38.25	38.00	37.98	37.98
Buenos Aires	33.74	33.60	33.60	33.59	33.59
Rio de Janeiro	11.96	8.52	8.50	8.50	8.50

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on:—					
Rhodesia	£100 5 0	£100 7 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on:—		
(r Rhodesia	£ s. d.	£ s. d.
South Africa	99 15 0	99 15 0
	100 0 0	100 0 0

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 13, 1934	Miles Open	Gross Receipts, week ended July 15, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 28 weeks (£000)					
		Passen- ger, &c.	Merchandise, &c.	Coal and Coke	Total Goods	Total Receipts		Passen- ger, &c.	Merchandise, &c.	Coal and Coke	Total Goods	Total Receipts	
Great Britain	1934	3,750	249	178	87	265	514	5,093	4,968	2,785	7,753	12,846	
Western	1933	3,755	252	170	90	260	512	5,134	4,584	2,750	7,314	12,448	
(c) L. & N.	1934	6,339	403	291	208	499	902	7,899	6,337	6,405	15,042	22,941	
Eastern	1933	6,339	395	289	206	495	890	7,828	7,803	5,799	13,602	21,430	
L. M. & S.	1934	6,940	627	433	179	612	1,239	12,310	12,426	6,447	18,373	31,183	
Scottish	1933	6,941	617	418	187	603	1,220	12,169	11,358	6,159	17,517	29,686	
(b) Great	1934	2,177	340	62	26	88	428	7,613	1,746	881	2,627	10,240	
Southern	1933	2,181	325	62	29	91	416	7,506	1,663	817	2,479	9,885	
Total	1934	19,206	1,619	964	500	1,464	3,083	32,915	27,777	16,518	44,293	77,210	
1933	19,212	1,589	937	512	1,449	3,038	32,637	32,637	25,358	15,525	49,122	73,549	

COMPARISONS WITH CORRESPONDING PERIODS, 1932 AND 1933
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1933, compared with first half-year 1932:				
Gross increase or decrease	- 459	- 1,224	- 981	- 91
Net increase or decrease	- 177	- 300	- 154	+ 280
Second half-year 1933, compared with second half-year 1932:				
Gross increase or decrease	+ 546	+ 914	+ 984	+ 202
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Second half-year 1934, compared with second half-year 1933:				
Gross increase or decrease	- 1	+ 75	+ 32	+ 23
Weekly average second half 1934 Latest week 1934 compared with 1933:	- 1	+ 37	+ 16	+ 11

LONDON TRANSPORT

	Takings	Compared with 1933
Week ending July 14, 1934	£537,100	+ 101,700
Aggregate 2 weeks ending July 14, 1934	£1,089,200	+ 101,700

* For an explanation of the manner in which the figures are made up see the
Economist, March 17, 1934, page 610.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Percent Change	Gross Receipts for Week	Gross Aggregate Receipts
				1934	1934
				+ or -	+ or -
INDIAN					
Assam Bengal	11	June 16	1,390	3,42,500	+ 61,352
Barat Lt. Ry.	12	23	202	34,200	+ 1,700
Bengal & N.Western	12	23	2,113	6,75,283	+ 9,054
Bengal-Nagpur	11	16	3,269	15,23,000	+ 45,469
Bombay Bar & C.L.	11	7	3,080	17,84,000	+ 1,81,000
Madras & S. Mahr.	11	16	3,230	15,19,000	+ 2,59,071
Rohilk'd & Kumaon	12	June 23	572	1,24,033	+ 14,601
South Indian	11	16	2,526	11,08,378	+ 3,676

CANADIAN

	1934	1933	1932	1931	1930
Canadian National	27	July 7	2,374,481	3,027,695	+ 132,688
Canadian Pacific	28	July 14	1,701,818	2,430,000	+ 154,000

SOUTH AMERICAN

	1934	1933	1932	1931	1930
Antofagasta (Chili and Bolivia)	23	July 15	830	19,000	+ 9,080
Argentine N.E.	23	14	753	7,732	+ 2,632
B.A. and Pacific	23	14	2,806	71,273	+ 19,357
B.A. Central	48	May 27	8,878	472	+ 446,751
B.A. Gt. Southern	22	July 14	5,085	109,002	+ 59,892
B.A. Western	22	14	1,926	12,452	+ 88,610
Central Argentine	22	14	3,700	121,458	+ 28,921
Central Uruguayan	22	14	273	13,113	+ 479
C. Ur. (East Ext.)	22	14	311	2,800	+ 160
C. Ur. (N. Ext.)	22	14	185	1,785	+ 84
C. Ur. (W. Ext.)	22	14	211	1,058	+ 119
Cordoba Central	22	14	1,218	34,810	+ 9,200
Entre Rios	22	14	810	10,246	+ 3,125
G. Westn. of Brazil	28	14	1,032	5,800	+ 400
Leopoldina Term.	28	14	1,918	26,237	+ 3,460
Leopoldina	28	14	1,918	26,237	+ 3,460
Nitrate	61	15	411	7,619	+ 82
Paraguay Central	1	7	274	4,360	+ 790
Salvador	1	7	100	12,250	+ 2,450
San Paulo	27	8	1,531	31,736	+ 2,499
United of Havana	2	14	1,365	15,292	+ 222

* Converted at average official rate during week ended July 14—17.44 pesos to £1.
† Months.

OTHER OVERSEAS

	1934	1933	1932	1931	1930
Egyptian Delta	16	June 30	622	4,5,078	+ 1,109
Light Railways	28	July 12	1	1,356	+ 192
Egyptian Markets	27	7	104	Ps. 33,047	+ 6,245
Gr. Southn. of Spain	27	7	104	Ps. 33,047	+ 6,245
Mexican Railway	2	14	483	\$214,700	+ 28,900

† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

	1934	1933	1932	1931	1930
Anglo-Argentine	28	July 15	50,082	+ 2,497	+ 1,483,838
B. Aires Lacroze	48	May 27	5,251	- 383	+ 297,349
Burnley, Colne and Bolton	2	July 14	4,176	+ 126	...
Calcutta Tramways	2	14	Rs117,733	+ 6,741	...
Isle of Thanet Elec.	25	14	3,389	-	+ 2,393
Liverpool Corp.	15	11	30,557	+ 1,704	+ 417,153
Madras Electric	61	15	Rs. 56,904	+ 13,904	+ 6,79,489

MONTHLY TRAFFICS

Company	Months	Ending 1934	De- scription	Receipts for Month	Receipts to Date
				1934	+ or -
Aldy & Gandia	6	June 30	Gross	£2,266	+ 665
Bilbao River	6	June 30	Gross	£1,358	+ 361
Bolivar	6	June 30	Gross	£1,100	+ 250
Brit. Columbia Power	11	May 31	Gross	\$1,025,670	+ 33,452
Dorada Railway	6	June 30	Gross	£8,800	+ 100
Dorada Railway	6	June 30	Gross	£3,800	+ 1,600
La Guaira Harbour	1	June 30	Gross	£10,317	+ 2,147
La Guaira & Caracas	6	June 30	Gross	£6,412	+ 3,636
La Plata Elect. Tram	6	June 30	Gross	£3,880	+ 130
Manchester Ship Canal	6	June 30	Gross	£8,841	+ 978
Midland Uruguay	12	June 30	Gross	£108,806	+ 14,824
North Western of Uruguay	12	June 30	Gross	£8,199	+ 242
Peruvian Corporation	12	June 30	Gross	£2,523	+ 41
Rangoon Electric Tramway	5	May 31	Gross	Rs. 4,40,633	+ 2,102
Samana and Santiago	6	June 30	Gross	Rs. 1,89,728	+ 2,335
Shanghai Electric	6	June 30	Gross	£3,920	+ 268
Singapore Traction	6	June 30	Gross	Mex. \$371,585	+ 4,795
Uruguay Northern	9	June 30	Gross	£113,000	+ 10,000
Uruguay Southern	12	June 30	Gross	£416,594	+ 5,902
Winnipeg Electric	5	May 31	Net	\$154,109	+ 12,727

SUMMARY OF BALANCE SHEETS

MIDLAND BANK, LIMITED

The following is a summary of the figures given in the statement of
accounts of the Midland Bank Limited, made up on June 30, 1934,
in comparison with the position shown by the bank on December 31,
1933, and June 30, 1933.

	June 30, 1933	Dec. 31, 1933	June 30, 1934
Capital paid up	14,248,012	14,248,012	14,248,012
Reserve fund	11,500,000	11,500,000	11,500,000
Current, deposit and other accounts (including profit balance)	425,102,158	415,474,036	402,865,047
Acceptances and confirmed credits on account of customers	8,613,643	10,176,005	9,668,730
Engagements on account of customers	5,028,854	5,657,399	5,337,340
	464,492,667	457,055,452	443,617,129
ASSETS			
Coin, bank notes and balances with the Bank of England	38,714,761	42,233,852	37,456,076
Balances with, and cheques in course of collection on other banks in Great Britain and Ireland	13,705,554	13,821,540	15,220,160
Money at call and short notice	15,837,034	21,035,289	27,697,833
Investments	113,534,408	118,088,369	110,946,632
Bills discounted	76,013,729	62,828,431	80,450,887
Advances to customers and other accounts	174,290,747	164,440,357	168,023,783
Liabilities of customers for acceptances, con- firmed credits and engagements	13,642,497	15,833,404	15,004,070
Bank premises	9,607,813	9,540,378	9,521,821
Other properties and work in progress for ex- tension of the business	1,052,282	1,106,083	1,166,058
Shares in Yorkshire Penny Bank, Ltd.	750,000	750,000	750,000
Capital, reserve and undivided profits of—			
Belfast Banking Co., Ltd.	7,343,842	7,379,789	7,379,789
The Clydesdale Bank, Ltd.			
North of Scotland Bank, Ltd.			
Midland Bank Executor and Trustee Co., Ltd.			
	464,492,667	457,055,452	443,617,129

Contracts running for sale of foreign currencies,
covered by purchases to a corresponding
amount 25,390,834 | 22,349,512 | 19,745,442 |

THE MANCHESTER AND COUNTY BANK, LIMITED

	June 30, 1932	June 30, 1933	June 30, 1934
Deposits	16,021,347	17,139,483	16,996,097
Acceptances	59,642	55,446	73,446
Cash, money at call, etc.	2,841,195	2,374,986	2,765,432
Investments	4,123,055	6,882,706	6,394,484
Bills of exchange	305,454	240,902	354,112
Advances	9,995,772	8,884,990	8,726,257
Total assets	17,925,120	19,039,033	18,913,732

NATIONAL PROVINCIAL BANK, LIMITED

	June 30, 1933	June 30, 1934
Capital paid up	9,479,416	9,479,416
Reserve fund	8,000,000	8,000,000
Deposits	291,889,226	273,552,488
Due to subsidiaries	183,974	185,748
Acceptances	5,920,026	5,559,396

	June 30, 1933	June 30, 1934
Coin, etc.	32,077,861	26,737,272
Balances with other banks	7,494,203	9,552,323
Money at call, etc.	12,149,759	19,331,391
Investments	69,948,470	75,753,157
Investments in sub- sidiaries	2,514,000	2,514,000
Bills discounted	56,014,481	37,183,816
Advances	122,091,361	112,729,459
Premises	7,262,490	7,416,034
Acceptances	5,920,026	5,559,396

Total 315,472,642 296,777,048

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WILLIAMS DEACON'S BANK, LIMITED

LIABILITIES		ASSETS	
	June 30, 1933	June 30, 1934	June 30, 1934
Capital issued	1,875,000	1,875,000	3,504,252
Reserve fund	800,000	800,000	3,537,498
Current, deposit and other accounts	31,295,098	32,415,537	1,915,942
Acceptances	531,759	539,579	4,570,571
Endorsements	1,741,659	1,908,602	1,875,548
			1,213,315
			8,867,496
			722,359
			11,488,052
			1,028,688
			551,759
			1,741,659
			1,908,602
Total	36,283,516	37,538,718	36,263,516

REPORTS AND NOTICES

BANKS

MARTINS BANK LIMITED.—The directors announce that Mr
Edward B. Orme has been elected to a seat on the London board
of the bank.

RAILWAYS

MEXICO TRAMWAYS COMPANY.—Bondholders of Mexico Tram-
ways Company are reminded of the arrangement which their com-
mittees have negotiated with the company and which will be sub-
mitted to bondholders on July 16th next for their confirmation. In
view of the importance of this arrangement, bondholders are
recommended to obtain a copy of the joint report of the com-
mittees, and if they are in agreement with the committees' sug-
gestions, to make arrangements without delay for the deposit of their
bonds in order to obtain voting certificates.

INSURANCE

**ROYAL INSURANCE COMPANY, LTD., AND THE LIVERPOOL AND
LONDON AND GLOBE INSURANCE COMPANY, LTD.**—At meetings of
the Board of the Royal Insurance Company, Ltd., and of the board
of the Liverpool and London and Globe Insurance Company, Ltd.,
Mr Arthur E. Pattinson was elected chairman in succession to the
late Mr A. Allan Paton, C.B. Mr Pattinson was appointed a
director of the "Royal" in 1917 and a deputy-chairman in 1927.
He became a director of the "Liverpool and London and Globe"
in 1928 and has been a deputy-chairman of that company since 1929.

FIRTH-VICKERS STAINLESS STEELS, LTD.—Thos. Firth and John Brown, Ltd., and The English Steel Corporation, Ltd., announce that a preliminary agreement has been entered into for the formation of a new company to acquire as from October 1, 1934, their respective businesses as producers of stainless and Staybrite steels. This agreement will require the consent of the debenture stock holders of Messrs Thos. Firth and John Brown, Ltd. The new company will be called "Firth-Vickers Stainless Steels, Limited" and Messrs Thos. Firth and John Brown, Ltd., and Messrs The English Steel Corporation, Ltd., will each hold one-half of the subscribed capital. This arrangement is confined to stainless and Staybrite steels, and will not affect the other activities of the parent companies.

MELSO, LTD.—The directors are advised by the company's brokers that the fact that both classes of stock have, since the conversion, been quoted on the Stock Exchange at a price per £100 of stock, has tended to discourage dealings to such an extent that the market for the stocks has become practically non-existent. Notwithstanding every effort being made, the Stock Exchange authorities will not agree to quotation of the stocks for £1 units of this company, in consequence of the comparatively small amount of the aggregate stock of each class. The directors have, therefore, decided to recommend a reconversion of the preference stock into fully-paid preference shares of £1 each, and the ordinary stock into fully-paid ordinary shares of 5s. each. The proposal will be considered at an extraordinary general meeting to be held on July 27th.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefer.	Ordinary	Rate				
					Amount	Amount	Rate				
Banks		£	£	£	£	£	%	£	£	£	%
Bank of Roumania	Dec. 31	...	Dr. 5,885	Dr. 5,885	...	...	...	...	Dr. 5,885	12,273	...
Munster and Leinster Bank	June 30*	41,311	68,892	110,203	...	45,000	6†	22,500	42,703	72,224	6†
The National Bank	June 30*	33,808	111,547	145,355	...	90,000	6	20,000	35,355	106,825	6
Provincial Bank of Ireland	June 30*	33,337	36,367	69,704	...	26,156	6‡	10,000	33,548	32,953	6‡
Standard Bank of S. Africa	Mar. 31	154,400	433,180	587,580	...	250,000	10	175,000	162,580	429,336	10
Breweries											
Wells' Watford Brewery ...	Apr. 30	5,664	5,251	10,915	2,796	...	...	3,000	5,119	5,582	...
Financial Land, etc.											
Australian Estates & Mort. ...	Dec. 31	10,853	66,798	77,651	32,500 (†)	...	...	30,000	15,651	4,046	...
Bieckert's Brewery Invest. ...	May 31	3,341	22,655	25,996	...	18,654	4	...	7,342	14,178	4
City of London Brewery, etc. ...	June 30	39,698	(s) 246,730	286,428	102,112	134,151	20	...	50,165	...	...
City of San Paulo Imprints. ...	Feb. 28	Dr 193,143	2,353	Dr 190,790	...	...	...	...	Dr 190,790	Dr 94,233	...
Holloway's Properties	Mar. 31	19,773	50,296	70,069	6,671	37,781	13	5,000	20,617	35,559	13
London & Natl. Prop. Co. ...	Dec. 31	7,116	68,868	75,984	...	46,500	6	20,000	9,484	72,919	6
Oregon Mortgage	May 31	20,663	8,655	29,318	10,294	...	...	...	19,024	7,415	...
Port Madryn (Argentina) Co. ...	June 30	5,942	4,401	10,343	...	4,900	4	...	5,443	5,130	4
Selected Land and Property ...	Mar. 31	4,534	12,870	17,404	...	...	...	13,723	3,681	874	...
Hotels, Restaurants, etc.											
Hyde Park Hotel	Apr. 30	...	Dr. 13,849	Dr. 13,849	...	...	...	Dr. 13,849	...	Dr 22,226	...
Iron, Coal and Steel											
Armstrong Whitworth Sec. ...	Dec. 31	Dr 340,287	Dr 531,214	Dr 871,501	...	...	...	...	Dr 871,501	Dr 246,856	...
Avery (W. and T.), Ltd. ...	Mar. 31	59,125	102,925	162,050	11,195	81,265	15	10,000	59,590	95,512	15
Consett Spanish Ore Co. ...	June 30	10,430	5,079	15,509	...	4,278	10	...	11,231	4,959	10
Henderson (David and Wm.) ...	Apr. 30	5,259	Dr. 31,868	Dr. 26,609	...	...	...	Dr. 31,150	4,541	Dr 15,972	...
Thomas (Richard) and Co. ...	Mar. 31	333,573	263,636	596,636	...	...	...	...	596,636	111,440	...
Oil											
Tocuyo Oilfields of Venezuela	Dec. 31	Dr 272,854	Dr. 3,894	Dr 276,748	...	...	...	...	Dr 276,748	Dr 16,624	...
Rubber, etc.											
Banir Rubber	Mar. 31	1,465	113	1,578	...	...	...	400	1,178	Dr. 300	...
Bertam Consolidated Rubber	Mar. 31	27,798	21,061	48,859	...	18,972	7	4,250	25,637	1,007	Nil
Bidor Rubber	Mar. 31	8,531	4,258	12,789	...	4,000	8	...	8,789	Dr. 1,037	Nil
Central Johore Rubber	Mar. 31	Dr. 14,250	29	Dr. 14,221	...	...	...	...	Dr 14,221	Dr. 4,451	...
Daejan Rubber	Mar. 31	5,389	649	6,038	...	...	...	Dr. 288	6,326	Dr. 143	...
Kuala Reman Rubber	Mar. 31	Dr. 8,824	Dr. 4,251	Dr. 13,075	...	...	...	...	Dr 13,075	Dr. 9,040	...
Madingley (Malay) Rubber	Feb. 28	2,383	1,673	4,056	...	1,870	2‡	...	2,186	Dr. 356	...
Manchester N. Borneo Rub.	Mar. 31	720	15	735	...	...	...	...	735	Dr. 942	...
Perak Rubber	Mar. 31	9,815	4,321	14,136	...	3,708	4‡	...	10,428	Dr. 1,056	Nil
Sarawak Rubber	Mar. 31	Dr. 1,094	2,249	1,155	...	...	...	...	1,155	Dr. 2,312	...
Selangor United Rubber ...	Mar. 31	7,378	3,262	10,640	...	2,250	2‡	...	8,390	Dr. 1,302	Nil
Sungei Tiram Rubber ...	Mar. 31	Dr. 4,803	917	Dr. 3,886	...	...	...	...	Dr. 3,886	Dr. 2,593	...
Shipping											
Furness Withy and Co. ...	Apr. 30	145,198	378,165	523,363	57,188	...	...	300,000	166,175	379,675	3
Shops and Stores											
Barratt (W.) and Co.	June 30	16,079	105,773	121,852	35,000	36,000	9	33,098	17,754	86,850	7
Benson (J. W.) Co.	Mar. 31	143,543	29,189	172,732	16,666	12,500	7‡	...	143,566	29,173	7‡
Tea											
Ceylon Amalgamated Tea...	Mar. 31	Dr. 25,104	4,426	Dr. 20,678	...	...	...	...	Dr 20,678	Dr 16,248	...
Ceylon Upcountry Tea	Mar. 31	1,634	4,445	6,079	...	2,200	10	2,546	1,333	2,529	10
Textiles											
Grout and Co.	Apr. 30	12,036	857	12,893	971	...	...	...	11,922	348	4
Melso, Ltd.	June 30	1,520	7,479	8,999	4,866	1,163	4	...	2,970	4,215	Nil
Trusts											
Ailsa Investment Trust.....	May 31	15,773	18,048	33,821	17,297	...	...	...	16,524	20,673	...
O-Cedar Consolidated Trust	Mar. 31	3,769	2,417	6,186	...	...	...	...	6,186	3,769	...
Palmerston Investmt. Trust	June 30	1,962	13,419	15,381	...	8,160	6	5,000	2,221	13,046	5
Second Clydesdale Investmt.	July 1	11,682	22,515	34,197	11,500	6,133	4	...	16,564	22,426	4
United Scot. Westn. Invest.	July 1	42,070	32,645	74,715	23,000	9,350	3	...	42,365	38,890	4
U.S. Trust Co. of Scotland	May 31	14,621	21,572	36,193	10,294	10,775	7	...	15,124	26,126	9
Other Companies											
Brazilian Warrant Agency...	Dec. 31	39,611	Dr. 42,415	Dr. 2,804	35,000	...	...	Dr. 76,156	38,352	42,077	...
Cambithy Coffee and Cotton	Dec. 31	18,883	16,994	35,877	...	...	...	...	35,877	12,026	...
Chaplin (W. H.) and Co. ...	Mar. 31	3,035	19,006	22,041	5,000	12,500	5	...	4,541	20,233	5
Cork Improved Dwellings Co.	June 30*	1,786	1,349	3,135	...	1,125	3‡	192	1,818	1,336	3‡
Eastwoods Cement	Mar. 31	6,426	18,706	25,132	...	15,000	7‡	1,000	9,132	4,130	3
Eastwoods Flettons	Mar. 31	5,139	52,283	57,422	...	23,750 (a) 12‡	...	14,500	6,347	33,567	10a
Falk, Stadelmann and Co....	Mar. 31	16,489	88,492	104,981	31,500	43,312 (b) 133‡	7‡	15,000	15,169	58,566	5
O-Cedar, Ltd.	Mar. 31	670	4,330	5,000	...	...	...	...	5,000	670	...
Pharmaceutical Products ...	Mar. 31	...	7,455	7,455	4,969	...	...	1,800	686	...	...
Savory and Moore	Jan. 31	14,371	1,756	16,127	7,732	...	...	...	8,395	8,799	...
Verellen, Ltd.	Dec. 31	Dr 280,391	Dr. 43,107	Dr 323,498	...	...	...	...	Dr 323,498	Dr 19,573	...

(†) For year 1931.

(‡) Eighteen months.

(a) Preferred ordinary.

(b) Deferred ordinary.

† Free of income tax.

• For half-year.

OIL OUTPUTS

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended July 14th: Venezuela, 18,725 barrels; Trinidad, 29,089 barrels; total, 47,814 barrels.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of June amounted to 96,346 barrels, or approximately 13,764 tons.

LOBITOS OILFIELDS, LTD.—The production of the Peruvian Company for June is cabled as 22,858 tons.

PHENIX OIL AND TRANSPORT COMPANY, LTD.—The gross production of crude oil of the Phoenix Group of companies for June was 70,766 tons.

STEUA ROMANA (BRITISH), LTD.—Production for the Steaua Romana Company, Bucharest, for the month of June was 107,159 metric tons.

THE MEXICAN EAGLE OIL COMPANY, LTD.—Production for the week ended June 2, 1934, was 155,000 barrels. Production for the week ended June 9, 1934, was 163,000 barrels. Production for the week ended June 16, 1934, was 322,000 barrels. Production for the week ended June 23, 1934, was 330,000 barrels. Production for the week ended June 30, 1934, was 318,000 barrels. Production for the week ended July 7, 1934, was 319,000 barrels.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended June 9, 1934, was: Bolivar district, 658,880 barrels; Maracaibo district, 32,285 barrels; total, 697,165 barrels. Production for the week ended June 16, 1934, was: Bolivar district, 669,511 barrels; Maracaibo district, 38,338 barrels; total, 707,849 barrels. Production for the week ended June 23, 1934, was: Bolivar district, 674,765 barrels; Maracaibo district, 37,548 barrels; total, 712,313 barrels. Production for the week ended July 7, 1934, was: Bolivar district, 678,681 barrels; Maracaibo district, 37,322 barrels; total, 716,003 barrels. Production for the week ended July 14, 1934, was: Bolivar district, 667,905 barrels; Maracaibo district, 37,559 barrels; total, 705,464 barrels.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

CONTINUED reports of reduced crops in the United States and Canada have again influenced the wheat market during the past week, and quotations show a further substantial advance. The upward movement has been shared by the majority of other cereals, but quotations for coffee, cocoa and tea have tended to decline. Supplies of new potatoes are increasing, and prices have fallen this week.

Fairly favourable reports have been received regarding the iron and steel industry, and there appears to be a prospect of an improving demand in the steel and engineering trades. Exports of Sheffield products showed some improvement in June, but progress is regarded as being somewhat slow. In the tinplate industry an international agreement has been reached for the periodical determination of export prices and for the division of overseas markets by means of a quota scheme. The minimum price of tinplates has risen from 17s. 3d. to 18s. per basis box, and hopes are entertained that orders in the next few weeks may be of considerable dimensions. Prices of non-ferrous metals are generally lower on the week. Although, contrary to anticipations, the output of spelter showed a decline during June, an improvement in the price of this commodity appears unlikely in the near future. Coal continues to meet a quiet trade owing to the holiday period, and orders for export are not easy to obtain.

The price of raw cotton was advanced this week, following reports of crop deterioration in the U.S.A., but buyers of cotton cloth are reluctant to raise their offers. Trade for wool is depressed, with prices showing a downward tendency; stocks in the producing areas are large and buyers appear to be hesitant.

Moody's index of the dollar prices of staple commodities (December 31, 1931=100) advanced from 141.1 on July 11th to 144.7 on July 18th, the rise in grain prices and in cotton being chiefly responsible for the increase.

COAL

SHEFFIELD.—Depression is general in the South Yorkshire coal market. Export trade in best steams is not easy to obtain, and prompt business is rendered difficult by the small output quota. This may be increased temporarily. Prices are firm at 16s. to 16s. 6d. f.o.b. Tonnage of fuel going to industrial works continues at a fairly high level. Trade in house coal is extremely flat, the amount of business passing being less than in previous summers. Producers are seeking to tempt purchasers by means of cut prices. Nominal prices of best house coal are from 20s. to 22s. at pits. Blast furnace is a strong feature, with no surplus of small coal. This fuel is worth from 13s. to 14s. at ovens.

NEWCASTLE-ON-TYNE.—Increases in shipment figures were recorded at most ports on the North-East last week, which seems to indicate that bookings for delivery this summer must have been substantial, as new business for prompt shipment is completely absent. There is a good inquiry for Northumberland steam grades for shipment from the autumn, and there are good bookings for winter trade. All classes of Durhams are quiet and meet with little inquiry. Foundry and furnace coke continues to be a good market, the shipment trade being satisfactory, and the demand from inland sources remains at a high level.

Current f.o.b. prices for export: NORTHUMBERLAND.—D.C.B. screened, 13s. 6d.; smalls, 11s.; Howards, Bentinck, Newbiggin, screened, 13s.; smalls, 11s.; Tyne Prime large, 12s. 9d.; smalls, 11s.; Hartley Main, large, 13s.; smalls, 11s. DURHAM.—Lambton, 11s.; South Hetton, screened steam, 15s. 2d.; smalls, 12s.; Wear Special, unscreened gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and district gas coke, 20s. 3d.

GLASGOW.—Owing to the holidays the Scottish market has been quiet, with little new business arranged. The Lanarkshire and Fifeshire collieries have been on holiday this week, and next week the Lothian collieries will be at a standstill. Most qualities of coal are firm. Although the market is not being fully tested at present, the indications are that once business is back to normal prices will be at least up to the levels ruling before the stoppage.

Export prices f.o.b. district ports:—LANARKSHIRE.—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 3d. to 14s. 6d.; navigation, unscreened, 12s. 9d. to 13s.; Hartley, 14s. 6d.; steam, 12s. to 12s. 6d.; trebles, 13s. to 13s. 6d.; doubles, 12s. to 12s. 6d.; singles, 12s. 6d.; pearls, 10s. 6d.; dross, 9s. 9d. FIRE.—Best unscreened navigation, 12s. 9d. to 13s.; unscreened navigation, 12s. 3d.; first-class steam, 13s. to 13s. 3d.; third-class steam, 12s.; trebles, 13s. 6d. to 15s.; doubles, 12s. 6d. to 13s.; singles, 12s. 6d. to 13s.; pearls, 10s. 6d. LOTHIANS.—Prime steam, 12s. to 12s. 6d.; secondary steam, 11s. 9d.; unscreened navigation, 12s. 6d.; trebles, 13s. 6d. to 14s. 6d.; doubles, 12s. to 12s. 6d.; singles, 12s. 3d.; pearls, 10s. 6d. AYRSHIRE.—Unscreened navigation, 13s. 6d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 6d.; pearls, 11s. 6d. to 12s.; dross, 10s.

CARDIFF.—The position on the Cardiff coal market is practically unchanged. Shipments at the South Wales ports last week totalled 265,775 tons, compared with 370,180 tons the previous week and 356,219 tons in the corresponding week last year. During the present week more than a third of the available berths at the six ports under the control of the Great Western Railway Company have been idle, and the question of permanently closing down a number of the loading berths is again receiving the attention of the dock authorities. There are a few contract inquiries in the market, but none of any importance, although news is awaited concerning the tenders offered some weeks ago for the supply of 200,000 tons of small coals for a South American electricity contract. Prices are unaltered and are generally ruling at the scheduled minimum figures. There has been no further development in connection with the dispute between the colliery owners and the workmen over the terms of a new wage agreement.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best dries, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18

GLASGOW.—Quiet conditions rule in the West of Scotland this week as holidays are being observed not only in Glasgow but at the steel-making and other plants in the various Lanarkshire towns and in the surrounding districts. At the shipyards work is entirely suspended and in only a few of the manufacturing workshops will work be in progress during the present week. In most industries a re-start will be made next week, and in the heavier trades the amount of work on hand is quite considerable, there being prospects of regular employment for some time to come.

CARDIFF.—On the Swansea Metal Exchange on Tuesday Sir William Firth, the Chairman of the Tinplate Manufacturers' Association, communicated the terms of the international agreement reached in Paris over the week-end for the regulation of the export prices of tinplates and the division of the principal overseas markets. The scheme provides for the periodical determination of c.i.f. prices and also of quotas for the principal markets. The immediate effect of the agreement in South Wales has been the raising of the minimum price for tinplates from 17s. 3d. per basis box to 18s. It is understood that a large volume of business has been held back pending the conclusion of the international negotiations, and that considerable orders are expected to be placed locally during the next few weeks. Galvanised sheets are unaltered in price at from £11 5s. to £11 15s. per ton and steel bars at £5 per ton delivered. There was a further drop in exports of tinplates from Swansea last week, the official total being only 62,948 boxes compared with 83,863 boxes the previous week. The result has been an increase in warehouse stocks from 116,464 to 133,944 boxes.

OTHER METALS

The tendency in the metal markets showed no change in the week ended last Wednesday. Tin was again supported by the "usual group," but trade for other metals weakened further.

The price of copper reached a new low level on Tuesday (£29 3s. 9d. per ton standard cash) and, as is natural, this decline caused a slight reaction. The trend still seems to be downward, all the factors tending to depress prices being still present. The usual unofficial statistics, which have just been published, reveal a decline in world stocks of copper during June, amounting to 36,000 short tons, practically, the entire reduction being in American stocks. This figure relates to stocks in the hands of producers, and the decrease appears to be mainly due to larger shipments of copper to Europe. Hence the reduction will afford no stimulus to the market. Scrap copper production in the United States during June, according to the same source, amounted to 34 million lbs., as compared with a primary production of only 31 million lbs. This is another indication of the recent increase in the importance of scrap copper and of its significance in estimating the market situation.

The tendency in the tin market was practically unchanged, the only interesting development being the establishment of the tinplate agreement, which we discuss in a Note of the Week.

No new factors of importance affected the position of the lead market this week and it seems probable that price fluctuations in the near future will be confined within narrow limits. During the past week, both the American and the cartel spelter statistics have been published and reveal a favourable development. Production is declining, the output of spelter in the United States amounting to 25,143 short tons in June, or 5,849 tons less than in the previous month and 7,811 tons below the level for January, 1934. Production in other areas also declined in June, according to the cartel statistics, and totalled 19,556 metric tons—a reduction of 2,667 metric tons on the month. Deliveries in the world as a whole being maintained, stocks in the United States declined by 5,043 metric tons during June and in the rest of the world by 4,061 metric tons.

At a meeting held in Ostend on Monday last, the life of the international zinc cartel was prolonged until the end of the current year. Details had not been published on Thursday, but it was learned in well-informed circles in London that production quotas were raised by 10 per cent. to 60 per cent. of capacity. But since production was already up to about 60 per cent. of the Ostend basis (companies paying the fixed fines for excess production) it does not seem likely that this revision of the quota will lead to any sharp increase in output. In spite of satisfactory reports, the spelter market has been weak, although it is difficult to assign any special reason for this. The publication of the Report of the Zinc Corporation for 1933 revealed once again that the current low price of spelter is closely connected with declining costs of production. This Corporation was able to reduce its working costs in 1933 by no less than 1s. 9d. per ton of ore worked, which is equivalent to a saving of £31,800 (Australian currency) on the whole tonnage milled by the company. The mining profits of the latter increased from £37,412 in 1932 to £63,819 in 1933.

TIN.—Sales on the London Metal Exchange: 530 tons on Monday, against 120 tons last week; 285 tons on Tuesday, against 300 tons last week; 340 tons on Wednesday, against 385 tons last week. The New York quotation on Wednesday was 51.90 cents per lb., against 51.87½ cents a week ago and 50.87½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £230 10s. to £230 12s. 6d., compared with £230 15s. to £231 last week. Stocks in London and Liverpool at the end of last week were 3,493 tons, a decrease of 13 tons on the week.

COPPER.—Sales on the London Metal Exchange: 2,000 tons on Monday, against 1,800 tons last week; 3,600 tons on Tuesday, against 3,150 tons last week; 1,900 tons on Wednesday, against 1,500 tons last week. Domestic spot was quoted at 7.20 cents per lb. in New York on Wednesday, against 7.20 cents a week ago and 8.37½ cents a month ago. Wednesday's official closing price for standard cash in London was £29 10s. to £29 12s. 6d.,

compared with £29 13s. 9d. to £29 15s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 25,790 tons, show an increase of 91 tons, and stocks of rough copper, at 7,261 tons, show a decrease of 12 tons.

LEAD.—Sales on the London Metal Exchange: 650 tons on Monday, against 500 tons last week; 450 tons on Tuesday, against 350 tons last week; 700 tons on Wednesday, against 450 tons last week. The New York quotation on Wednesday was 3.75 cents per lb., against 3.75 cents a week ago and 4.00 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 18s. 9d. for shipment during the current month, compared with £10 17s. 6d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 600 tons on Monday, against 250 tons last week; 550 tons on Tuesday, against 1,000 tons last week; 550 tons on Wednesday, against 450 tons last week. Wednesday's quotation in East St. Louis was 4.30 cents per lb., against 4.35 cents the week before, and 4.20 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 7s. 6d., for shipment during the current month, against £13 8s. 9d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 10s. to £11 12s. 6d. per flask of 76 lbs., as against £11 7s. 6d. to £11 10s. per flask of 76 lbs. last week. Foreign antimony was quoted at £35 to £35 10s. per ton, as against £34 10s. to £35 10s. per ton last week. Chinese wolfram was quoted at 40s. to 42s. per unit, c.i.f., as against 40s. to 41s. per unit, c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. —Raw cotton prices have continued to advance on further reports of crop deterioration in the United States. The drought in the Western section of the belt has not been relieved and, owing to excessive moisture in the East, there is more danger of the plants being damaged by the boll weevil. A fresh high level of values has been established for the season. There has not been much evidence of traders following the upward movement and there is a disposition in some quarters to wait for the Government bureau report at the beginning of August, in order to see if the unsatisfactory private advices are confirmed.

COTTON PRICES

	1934				Corresponding Date	
	June 27	July 4	July 11	July 18	1932	1933
Raw Cotton—Mid. American per lb.	6-7 7/8	6-7 7/8	6-8 9/16	7-14	4-7 3/4	6-4 3/4
Sakellaridis Fully Good Fair Egyptian..... per lb.	8-37	8-34	8-41	8-51	6-9 5/8	8-49
Yarns—32's twist..... per lb.	10 1/2	10 1/2	10 1/2	10 1/2	8 1/2	9 1/2
" 40's twist..... per lb.	10 1/2	10 1/2	10 1/2	11	8 1/2	10 1/2
" 60's twist (Egyptian)..... per lb.	16 1/2	16 1/2	16 1/2	17	13 1/2	16 1/2
32-in. Printers, 116 yds., 16 by 16, 32's and 30's..... s. d.	18 7 1/2	18 7 1/2	18 7 1/2	19 4 1/2	15 9	17 3
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's..... s. d.	23 6	23 6	23 7 1/2	24 4 1/2	18 10 1/2	21 6
38-in. ditto, 38 yds., 19 by 19, 40's and 44's..... s. d.	10 11	10 11	11 0	11 2	10 0	10 8
39-in. ditto, 37 1/2 yds., 16 by 15, 44's and 48's..... s. d.	9 9	9 9	9 10	10 0	8 10	9 6

In the cloth market there has been rather more inquiry. Most buyers, however, have been reluctant to raise their offers and a substantial part of the demand has been at uneconomic rates. With regard to India, very little business has been done for Calcutta, but increased activity has shown itself in bleaching cloths for Karachi and in printed and dyed goods for the up-country markets. Trade for China has been practically at a standstill. Miscellaneous orders have been obtained, chiefly in printing and finishing styles, for South America, West Africa and the Dominions, but buying for the Continent has been at a low ebb. Some manufacturers have secured a few more contracts for the home trade and rather improved clearances are now taking place. Spinners of yarn have experienced an increased inquiry and possibly a little more business has been done in small lots, but margins have tended to become narrower. Most of the demand in the American section has run on medium counts. Egyptian spinners have not met with much success in securing orders, and export demand remains poor.

WOOL.—Bradford. —The fourth series of Colonial sales has now been concluded, and although competition was somewhat better at the close this was largely due to a slight covering movement on the part of users, in preparation for the longest vacation of the year. Interest now centres in consuming areas, and it is regrettable that conditions are far from satisfactory. There is a marked spirit of hesitation, topmakers, spinners and manufacturers being reluctant to buy beyond their barest needs. Declining values have caused a severe setback in all sections of the trade and have made buyers hesitant with regard to the future. There is also a fairly large carry-over in all wool-producing areas of the Southern Hemisphere. Conditions are no worse in manufacturing centres in the West Riding, although there is now much idle machinery. Active preparations are being made for showing for next Spring, but it is generally expected that wholesale fabric buyers will not begin to place orders or to anticipate their future requirements until September. In the meantime, there has been a revision downwards in the price of all cloths, and it is to be hoped that the decline will be such that merino fabrics will once more become popular. Already manufacturers are offering new cloths, as well as old standard

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended June 30		Six Months ended June 30	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and flour.....	4,449,017	4,108,510	27,059,890	24,723,860
B. Feeding-stuffs for animals ..	430,835	552,545	2,805,843	3,288,274
C. Animals, living, for food	276,027	354,466	3,115,190	2,422,074
D. Meat.....	6,365,498	7,278,546	38,839,557	41,366,086
E. Dairy produce	4,899,585	4,832,744	26,922,290	26,834,098
F. Fresh fruit and vegetables	4,590,785	4,552,690	20,409,181	20,062,955
G. Beverages and cocoa preparations	2,271,168	3,102,469	18,562,080	20,879,283
H. Other foods	3,346,891	3,648,290	21,719,550	22,143,401
I. Tobacco	637,641	978,021	4,752,184	5,619,919
Total, Class I.....	27,267,447	29,408,281	164,185,765	167,337,950
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	1,651	1,373	6,451	13,404
B. Other non-metalliferous mining and quarry products and the like	357,008	338,149	1,605,733	1,786,814
C. Iron ore and scrap	192,009	300,062	1,206,614	2,304,240
D. Non-ferrous metalliferous ores and scrap	585,739	833,422	2,898,942	4,555,626
E. Wood and timber.....	2,578,804	4,574,181	8,249,321	14,521,528
F. Raw cotton and cotton waste	3,249,726	2,505,319	15,698,080	18,493,554
G. Wool, raw and waste, and woollen rags	2,429,799	2,487,776	22,270,006	28,149,794
H. Silk, raw, knubs and noils ..	69,146	83,935	647,452	756,462
I. Other textile materials	555,869	479,596	3,817,724	4,759,012
J. Seeds and nuts for oil, oils, fats, resins, and gums	1,529,282	1,756,119	11,286,576	11,230,596
K. Hides and skins, undressed ..	949,045	997,893	7,026,863	8,612,795
L. Paper-making materials.....	801,710	953,309	4,351,686	5,435,340
M. Rubber	290,378	1,125,497	1,540,572	4,390,728
N. Miscellaneous raw materials and articles mainly unmanufactured	385,803	447,686	3,108,191	3,684,308
Total, Class II.....	13,986,669	16,934,289	83,714,211	108,474,199
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel..	2,761	2,476	13,523	20,923
B. Pottery, glass, abrasives, etc..	536,271	567,008	2,376,588	3,094,726
C. Iron and steel and manufactures thereof	430,805	717,172	2,820,590	4,728,885
D. Non-ferrous metals and manufactures thereof	1,550,284	2,285,009	6,683,652	10,129,894
E. Cutlery, hardware, implements, and instruments	398,642	498,752	2,329,805	2,840,653
F. Electrical goods and apparatus ..	164,449	243,982	965,462	1,362,615
G. Machinery	676,365	1,027,568	4,112,697	5,542,320
H. Manufactures of wood and timber.....	377,646	462,441	2,161,202	2,852,470
I. Cotton yarns and manufactures ..	162,110	178,362	959,678	1,131,530
J. Woollen and worsted yarns and manufactures.....	145,062	178,830	1,069,995	1,318,559
K. Silk yarns and manufactures.....	227,908	192,087	1,539,799	1,636,429
L. Manufactures of other textile materials	539,459	533,308	3,713,866	3,752,952
M. Apparel.....	588,759	608,102	3,717,358	4,328,437
N. Chemicals, drugs, dyes, and colours	782,837	870,549	4,579,656	5,629,120
O. Oils, fats, and resins, manufactured and manufactures thereof ..	2,461,794	2,422,973	15,738,677	15,438,555
P. Leather and manufactures thereof	644,501	683,429	3,646,344	4,030,797
Q. Paper, cardboard, etc.....	1,009,188	1,261,683	5,340,505	6,104,046
R. Vehicles (including locomotives, ships and aircraft).....	213,901	328,169	1,233,092	1,683,090
S. Rubber manufactures	113,836	105,033	801,799	740,753
T. Miscellaneous articles, wholly or mainly manufactured	1,209,768	1,283,035	6,999,625	8,112,331
Total, Class III.....	12,236,366	14,449,968	70,803,813	84,479,085
IV.—Animals, not for food	64,510	171,793	340,555	563,821
V.—Parcel Post	221,740	208,367	1,291,143	1,342,729
Total	53,776,732	61,172,638	320,335,487	362,197,784

serges, at rates definitely below those of last January. Wholesale fabric buyers are anticipating a fairly large trade.

The German situation does not show much, if any, improvement, and German representatives who have been in Bradford this week are not too confident regarding the future. Prices are fairly steady, with 64's tops in Bradford selling at from 27d. to 29d.; 50's are at 15d., 46's 10½d., and 40's 9½d.

GRAIN MARKETS

WHEAT.—The wheat market is under the influence of continued reports of reduced crops in the United States and Europe, and crop damage in Canada from drought, frost and vermin. The combined crop of winter and spring wheat in the United States is estimated to be far below home needs, the publication of the official estimate being followed by a sharp rise in prices. The market in this country has been firm, higher prices being asked for all varieties, with Canadian leading the advance.

According to Mr G. Broomhall, total shipments during the past week were 1,233,000 quarters, against 1,027,000 quarters in the preceding week. On Wednesday, "July" futures were quoted in Chicago at 98½ cts. per bushel, against 92½ cts. the week before and 92½ cts. a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 33s. 6d. per 496 lbs.,

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.)

	Month ended June 30,		Six Months ended June 30	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and flour	£ 159,743	£ 135,893	£ 1,046,373	£ 804,325
B. Feeding-stuffs for animals ..	54,636	47,630	471,932	328,101
C. Animals, living, for food	3,886	584	19,333	5,498
D. Meat.....	57,033	51,928	385,886	375,884
E. Dairy produce	68,169	103,522	394,582	409,727
F. Fresh fruit and vegetables	10,567	9,265	80,455	95,437
G. Beverages and cocoa prepara- tions	479,049	750,734	3,164,918	5,045,485
H. Other food.....	800,972	930,020	5,226,351	5,364,167
I. Tobacco	307,241	351,054	2,036,732	2,147,918
Total, Class I.....	1,941,296	2,380,650	12,826,562	14,578,542
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	2,465,819	2,825,908	15,249,673	15,479,548
B. Other non-metalliferous min- ing and quarry products and the like	94,604	93,700	479,182	498,060
C. Iron ore and scrap	34,186	35,663	229,409	258,031
D. Non-ferrous metalliferous ores and scrap	109,052	101,091	431,907	652,251
E. Wood and timber.....	8,556	10,792	38,559	56,841
F. Raw cotton and cotton waste G. Wool, raw and waste, and woollen rags	35,671	34,383	200,644	283,742
H. Silk, raw, knubs and noils ...	473,511	396,156	2,130,665	3,389,079
I. Other textile materials	1,703	931	6,026	10,359
J. Seeds and nuts for oil, oils, fats, resins and gums	36,837	30,744	201,364	174,193
K. Hides and skins, undressed ..	158,059	138,588	837,339	736,974
L. Paper-making materials.....	80,018	61,287	325,054	399,518
M. Rubber	68,763	92,475	461,998	586,911
N. Miscellaneous raw materials and articles mainly un- manufactured	5,954	7,184	40,994	47,859
Total, Class II.....	136,765	120,710	1,394,111	1,534,683
	3,709,498	3,949,612	22,026,925	24,095,994
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel..	210,897	150,062	1,169,767	1,054,776
B. Pottery, glass, abrasives, etc..	564,707	690,383	3,374,633	3,619,749
C. Iron and steel and manufac- tures thereof	2,382,634	3,143,940	13,998,616	15,942,836
D. Non-ferrous metals and man- ufactures thereof	1,237,135	890,680	4,737,003	5,773,060
E. Cutlery, hardware, implements and instruments	498,675	633,115	3,077,718	3,475,550
F. Electrical goods and apparatus ..	555,264	636,450	3,183,473	3,615,941
G. Machinery	2,224,437	2,825,402	13,213,088	15,336,912
H. Manufactures of wood and timber.....	82,950	85,310	453,542	503,846
I. Cotton yarns and manufac- tures	4,356,962	4,739,025	30,263,518	28,942,729
J. Woollen and worsted yarns and manufactures	1,751,775	2,172,306	11,527,414	14,394,881
K. Silk yarns and manufactures...	58,790	83,070	432,021	477,746
L. Manufactures of other textile materials.....	1,174,607	1,399,233	6,518,552	7,583,985
M. Apparel.....	682,410	731,834	5,049,999	5,233,426
N. Chemicals, drugs, dyes and colours	1,667,200	1,713,603	9,066,381	9,737,372
O. Oils, fats and resins, manu- factured	202,872	349,648	2,188,490	2,255,948
P. Leather and manufactures thereof	314,778	272,571	1,578,833	1,626,355
Q. Paper, cardboard, etc.....	460,499	496,950	2,880,362	3,014,771
R. Vehicles (including locomot- ives, ships and aircraft) ...	1,569,400	2,001,205	11,349,867	11,566,462
S. Rubber manufactures	136,498	139,753	811,671	833,670
T. Miscellaneous articles, wholly or mainly manufactured ...	1,611,753	1,767,475	10,068,293	10,705,927
Total, Class III.....	21,794,241	24,922,015	134,943,191	145,695,942
IV.—Animals, not for food	41,787	67,041	196,654	279,896
V.—Parcel Post	978,930	800,757	5,296,425	5,055,411
Total	28,465,752	32,120,075	175,289,757	189,703,785

on the corresponding date last month. Quotations in London, Wednesday: "Plate," landed, 21s. 6d. per 480 lbs., compared with 20s. 6d. last week; "Plate," ex ship, 20s. 6d., as against 19s. 6d. "Plate," July, 20s. 6d., as against 19s. 6d. Yellow maize meal, ex wharf, was quoted £5 15s. to £5 17s. 6d. per ton, against £5 10s. to £5 12s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to July 14	Cwts. 31,037	Cwts. 27,452	Cwts. 27,081	Cwts. 59,590
46 weeks to July 14	4,824,640	3,698,359	3,456,177	6,119,793
Average price of English wheat per cwt.	s. d. 6 4	s. d. 6 5	s. d. 6 8	s. d. 5 6

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
July 7, 1934	Cwts. 64,080	Cwts. 5,504	Cwts. 23,178	s. d. 5 6	s. d. 6 11	s. d. 6 6
July 14, 1934	59,590	6,874	11,671	5 6	7 3	6 4
July 12, 1930	57,152	4,275	9,885	8 4	6 8	6 2
July 11, 1931	27,696	1,117	5,708	6 1	6 6	6 9
July 19, 1932	27,452	1,144	4,312	6 5	6 11	7 11
July 15, 1933	27,081	11,390	4,678	6 8	6 11	5 10

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	July 19, 1933	Jan. 3, 1934	July 11, 1934	July 18, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	87½	65½	83	85½
Chicago (No. 2 Winter)	55½	46½	105	84½	92½	98½
Cents per 60 lb.						

The visible supply of wheat in Canada, at 98,457,000 bushels, shows an increase of 2,377,000 bushels. Supplies a year ago stood at 105,431,000 bushels.

OTHER FOODS

SUGAR.—American raw sugar prices have shown a further slight decline, but British refined has been in fair demand this week and quotations have been steady. The spot price of raw sugar in New York on Tuesday was 3-17 cents per lb., as compared with 3-18 cents per lb. last week and 3-13 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 9d. to 4s. 9½d., against 4s. 9½d. to 4s. 9½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	254	1,444	10,534	2,880	34,483	30,695
Liverpool	10,343	6,232	17,127	13,716	164,148	156,229
Total tons	10,597	7,676	27,661	16,596	198,631	186,924
Last week	13,778	1,711	22,441	16,092	215,695	195,844

COFFEE.—Spot prices of coffee on the New York Coffee Exchange are scarcely changed on the week, but future quotations showed a slight rise. On Wednesday Rio No. 7 (cash) was quoted at 9 cents per lb., as compared with 9½ cents per lb. last week, and 10 cents per lb. a month ago. The London coffee market has been quiet, but prices remained steady despite the small turnover. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 43 bags; exported, 1 bag; stocks, 29,223 bags, against 29,109 bags a year ago. Central American, landed, 791 packages; delivered, for home consumption, 3,111 packages; exported, 367 packages; stocks, 114,389 packages, against 101,503 packages last year. Other kinds: Landed, 994 packages; delivered, for home consumption, 1,888 packages; exported, 355 packages; stocks, 108,145 packages, against 98,148 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, June-July, was 21s. 9d. per 50 kilos, c.i.f. Continent, as against 24s. 3d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 4,634 bags; delivered, for home consumption, 3,682 bags; exported, 803 bags; stocks, 262,558 bags, against 175,612 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 16,027 packages of Indian and 37,426 packages of Ceylon

tea. The easier tendency of prices, noticeable a week ago, gave way to a downward movement on Monday and Tuesday. On Wednesday the market was steadier. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.					
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land
July 13, 1933	d. 9-91	d. 9-77	d. 11-83	d. 7-87	d. 8-59	d. 10-17
June 14, 1934	12-99	13-23	13-49	10-81	10-67	12-49
June 21, 1934	12-93	13-01	13-21	11-18	10-75	12-38
June 28, 1934	12-95	13-02	13-24	11-30	10-98	12-47
July 5, 1934	12-01	12-85	13-28	11-13	11-06	12-47
July 12, 1934	13-02	12-74	12-93	10-79	10-61	12-36

RICE.—The "spot" price was 7s. 9d. per cwt. on Wednesday as compared with 7s. 4½d. per cwt. a week ago, while the forward quotation, at 7s. 3d. per cwt., shows a rise of 4½d. on the week. Movements in London during the past week were as follows: Landed, 110 tons; delivered, 42 tons; stocks, 1,026 tons, against 5,504 tons a year ago.

POTATOES.—At the London Borough Market new crop "King Edward" sold at 9s. per cwt., as compared with 10s. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 4½d. per lb. on Wednesday, against 5d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, nil; delivered, 22 tons; stocks, 228 tons, against 322 tons a year ago. White, landed, 39 tons; delivered, 33 tons; stocks, 6,182 tons, against 983 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. 2d. to 3s. 8d. per 8 lbs., as compared with 3s. to 3s. 6d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. 2d. per 8 lbs., against 3s. 6d. to 4s. 4d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 7,715 tons, against 8,698 tons in the corresponding week last year. Imported beef, principally Argentine, formed 87.2 per cent. of the beef supplies, against 85.4 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 82.7 per cent. of the total supply of mutton and lamb, against 83 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OIL AND OILSEEDS.—Very quiet conditions rule in most sections. Supplies all round are good and crushers' requirements small in view of the slow sale of the products. Trade for linseed continues to have an easy tone and it is noteworthy that available supplies for export from Argentina are now approximately equal to actual shipments in the second half of last year and that new crop is already being offered for January and February shipment at a discount. Rather less is expected from India, but world supplies are only 60,000 tons less than shipments in July-December last year. Plate is now offered at £10 10s. per ton for positions to September, and Calcutta at £12 per ton. The quantity now afloat for Europe is 88,400 tons (including 21,900 tons from India), or 10,800 tons less on the week. The total afloat for the United States is 25,500 tons, against 47,000 tons a year ago. Cottonseed is firmer in price but trade is slow. Old crop Egyptian, July loading, is offered at £4 12s. 6d. and new crop, September-October, at £4 16s. 3d. Some support is forthcoming from anticipations of reduced yield of the United States crop.

Vegetable oil meet only a quiet demand. Linseed oil is in more request for late delivery and is steadier in price. Raw oil ex Hull mill for July-August delivery is quoted at about £21 5s. per ton naked, with January-April about the same figure. Cotton oil meets a quiet trade and Egyptian crude ex Hull can be obtained at £12 prompt. Oilcakes are in slightly better demand.

HIDES AND LEATHER.—There has been no improvement in trading conditions in regard to hides, leather and leather goods, during the past fortnight. If anything, the position in some directions has become less promising, and the opinion is expressed that, from now until the break for the August holiday in the shoe industry, there will be a gradual falling off in the demand for leather. This, no doubt, will be the case should the present dry weather continue, but in the event of a lengthy downpour of rain the chance of an increase in the demand for sole leather is more than a probability, as a large percentage of the footwear now in use would be found to be quite unsuitable to withstand the wet.

Although prices for cattle hides remained fairly steady at the Manchester sales this week, several weights in both clear and warbled ox and heifers were ½d. per lb. cheaper at the auctions held at Leeds. Cows and bulls were unchanged at both markets, but the position of calfskins was less satisfactory. The imported hide market has been rather more active at the lower prices ruling, business having been done in wetsalted Argentine ox at 4d. per lb. and in Montevideo ox at 4½d. Dry South American hides meet only a moderate sale, with B.A. Americans quoted at 5½d., while the reduced figures asked for Africans have not stimulated turnover. In the latter, drysalted Capes are offered at 5½d. and 4½d. per lb. for firsts and seconds, ½d. per lb. less being asked for drysalted. A little more interest has been taken in Australian hides.

Inquiry for leather has again been confined in the main to immediate needs, the best business in bottom stock being concerned with medium weight English and wetsalted bends. Light dry hide

bends have been taken in limited quantities, but medium and heavy weights in this type have continued to meet a poor trade. Demand for pinned offal has been slightly larger, but sales of rough shoulders and bellies have been limited. Producers and distributors of upper leathers have found business quiet. Inquiry has been made for future delivery of glacé kid and willow calf, but the actual sales made have not been large. A small business has been done in patent and reptiles, but current requirements are usually concerned with limited quantities of the cheap types of leather for the completion of orders on hand for summer shoes.

RUBBER.—Following a fairly brisk spell, the market this week has been inactive and a further decline in prices has been recorded.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON July 18th		POTATOES—		WOOL—	
GRAIN, &c.		Good English, new		English Southdown, greasy, per lb. 12½-13	
Wheat—	s. d.	9 0		Lincoln hog, washed	6½
No. 2, N. Man. 496 lb.	32 0			Queensland, scd. super cmbg.	26
Eng. Gaz. av., per cwt.	5 6			N.S.W. greasy, super cmbg.	13
Barley, Eng. Gaz. av.	7 3			N.Z., grey, half-bred 50-56	12
Oats	6 4			Merinos 70's	30
Maize, La Plata, landed	21 6			Crossbred 40-44	5½
480 lb. stan. ex mill	23 3			64's	38
280 lb.	23 3			Crossbred 48's	11½
Rice, No. 2 Burma, per cwt.	7 3			46's	10½
Tapioca, per cwt.	13 0				
Fair Flake, Singapore.	13 0				
MEAT—		SPICES—		MINERALS	
Beef, per 8 lbs.	4 2 5 0	Pepper, per lb.	0 8½	Welsh, best Ad'ty... ton	19 6
English long sides	4 2 5 0	Muntok, fair White...	0 4½	Durham, best gas, f.o.b.	14 8
Argentine chilled hinds	3 2 3 8	Black Lampung	0 4½	Sheffield, best house, at	20 0 22 0
Mutton, per 8 lbs.	6 0 7 4	Cinnamon—1st sort, per lb.	0 6	Do. Eng. or WS do.	0 11 1 4
English wethers	6 0 7 4	Cloves—Zanzibar per lb.	0 5½	Bellies from DS do.	0 5 0 7
N.Z. frozen	8 6 4 2	Ginger—per cwt.	29 0	Do. Eng. or WS do.	0 6 0 9½
Lamb, per 8 lbs.	4 8 5 4	African	29 0	Dressing Hides...	1 3 1 9
N.Z. frozen	4 8 5 4	Jamaica, ord. to good.	70 0 95 0	Ro. Eng. Calf, 20/30 lb.	3 0 4 0
Pork, English, per 8 lbs.	4 4 4 10	Nutmegs, 65½	0 9½	Aust. Bends	0 10½ 1 3½
OTHER FOODS		SUGAR—		IRON AND STEEL—	
BACON—		(Duty, 11/8 per cwt.)		Pig, Cleveland No. 3, d/d.	6 8
English	86 0 82 0	Centrifugals, 96½ prpt.		Bars, M'brough	192 6
Irish	86 0 82 0	shipm., c.i.f. U.K./Cont.	4 10½	Steel Rails, heavy	170 0
Danish	87 0 88 0	B.W.I., crystallised	17 6 19 6	Tin plates	per box 18 0
Dutch	82 0 83 0	Java, white, c. & f. India	6 0	METALS—	
HAMS		REFINED—London—		Copper, Electrolytic, ton	29/10/0 29/12/6
Canadian	100 0	Yellow Crystals	17 10½	Sheets (strong)	60/0/0
American	98 0	Cubes	19 0 22 6	Standard	29/10/0 29/12/6
BUTTER		Crushed	19 0 20 3	Lead, Eng. pig	per ton 12/5/0
Australian	67 0	Granulated	18 4 19 1½	Soft Foreign	10/18/9 11/2/6
New Zealand	73 0	Home Grown	17 10½ 18 1½	Spelter G.O.B.	13/7/6 13/10/0
Danish	84 0	Molasses, in bond	1 3	Tin—English ingots	231/10/0
CHEESE		TEA—		Standard cash	230/10/0 230/12/6
Canadian	52 0 56 0	Indian—per lb.		MISCELLANEOUS	
New Zealand	45 0	Broken Pekoe	11½ 1 1½	Alum, lump	per ton 8 15 9 0
English Cheddars	63 0 70 0	Orange Pekoe	11½ 1 1½	Ammonia, carb.	ton 27 10 28 0
Dutch	39 0 50 0	Broken Orange Pekoe	1 0½ 1 3	Sulphate	7 5 7 10
COCOA—		Ceylon—per lb.		Arsenic, lump	per ton 35 0 40 0
(Duty, British grown, 11/8 foreign, 14/- cwt.)		Pekoe	11½ 1 3½	Bleaching powder, per ton	9 10
Accra, f.f.	per cwt. 22 6 23 6	Broken Pekoe	1 0½ 1 1	BORAX	
Trinidad	38 0 46 0	Orange Pekoe	1 1½ 1 5	Do., powder	per cwt. 13 0
Grenada	30 0 34 0	Broken Orange Pekoe	1 0½ 1 4½	Nitrate of Soda	per cwt. 7 10½ 8 0
COFFEE—		TOBACCO—		Fosch—Chlorate, net	0 4½ 0 5
(Duty, British grown, 4/8; foreign, 14/- cwt.)		(Duty, 9/6-10/6½ per lb., 8/3½ per lb.)		Sulphate	per cwt. 12 6 12 9
Santos sup. c. & f. cwt.	46 0	Virginia leaf	0 10 3 6	Sal-Ammoniac	per cwt. 42 6 45 0
Colombian, good	60 0 70 0	Common to fine	0 10 3 6	Soda Bicarb.	per cwt. 10 0 11 0
Costa Rica, med. to good	72 0 86 0	Rhodesian leaf	0 10 2 6	Crystals	per cwt. 5 0 5 3
East Indian	60 0 80 0	Nyasaland leaf	0 9 1 6	Sulphate of Copper, per ton	15 5
Kenya, medium	60 0 75 0	strips	0 8 2 8	CEMENT, best Eng. Portland, d.d. site,	
EGGS—		East Indian leaf	0 5 1 8	London area, jute sacks, 11 to ton	
English	per 120 10 0 10 9	strips	0 5 1 8	(charged and credited at 1/6d each) or	
Danish	8 3 8 6	TEXTILES		paper bags (free, non-returnable)—	
FRUIT—Oranges—		Italian P.C.	per ton 55 0	1 and up to 4 ton loads 40/- per ton	
Denia	cases 13 0 15 0	Manilla, July-Sept. "J"	14 15	COPRA—	
Lemons, Sicilian	boxes 19 0 22 0	Sisal, African	13 15 14 10	S.D. Straits c.i.f., per ton	9/7/8
"Naples" boxes	15 0 22 6	JUTE—		Smoked South Sea	6/12/6
Apples: Amer. (var.) boxes	...	Native 1st mks.	per ton	Camphor—	
(var.) boxes	...	July-Aug.	£14/7/6	Japan, refined	per lb. 2 2
"Australian" boxes	10 0 16 0	Daisee 2/3 c.i.f. Dundee	£14/7/6	Ipecacuanha	per lb. 4 6
ONIONS—		Oct.-Nov.	£14/7/6	Peppermint, Wayne Co.	
Valencia, case	4 6 5 0	Canton	per lb. s. d. s. d.	HIDES—	
Egyptian, bags	...	Tussah	3 0 3 6	per lb. 13 6 14 0	
Grapes, Lisbon, ½ boxes	...	Japan	4 9 5 9	West salted—Australian	per lb. 0 4 0 4½
Almeria	...	Italian—raw, fr.	5 6 6 0	African	...
LARD—		LARD—		Amer. Oak Boards	...
Irish bladders pr. cwt.	43 0 48 0	...	...	English Oak Planks	...
U.S. 56 lbs. boxes	26 6 29 3	...	...	"Ash"	...

† Exclusive of Government tax of 1d. per gallon.

UNITED STATES

(New York quotations, unless otherwise stated.)

	July 19, 1933	June 20, 1934	July 10, 1934	July 17, 1934		July 19, 1933	June 20, 1934	July 10, 1934	July 17, 1934
	Cents	Cents	Cents	Cents		Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel...	105	92½	92½	98½	Sugar, Cuban Centrifugals, 96 deg., spot, per lb.....	3-65	3-13	3-18	3-17
Maize, nearest future, Chicago, per bushel	59	57½	60½	61½	Cotton, middling, spot, per lb...	11-55	12-20	13-00	13-35
Oats, nearest future, Chicago, per bushel	45	42½	45½	44½	Rubber, smoked sheet, spot, per lb.....	8-85	13½	14½	14½
Rye, nearest future, Chicago, per bushel	93½	63½	69½	71½	Petroleum, Pennsylvania crude standard grades, per barrel...	132-152	207-222	207-222	207-222
Barley, nearest future, Chicago, per bushel	80½	58½	58½	56½	Copper, "Electrolytic," Do- mestic, spot, per lb.....	8-81	8-37½	7-20	7-20
Coffee, Rio No. 7, cash, per lb.	8½	10	9½	9	Copper, "Electrolytic," Export, prompt, per lb.....	9-125	8-00	7-42½	7-40½
" Santos No. 4, cash, per lb.	9½	11½	10½	10½	Spelter, East St. Louis, spot, per lb.....	5-00	4-20	4-35	4-30
Cocoa, Accra, nearest future, per lb.....	5-32	5-40	5-11	4-96	Lead, spot, per lb.....	4-50	4-00½	3-75	3-75
					Tin, "Straits," spot, per lb...	47-575	50-87½	51-87½	51-90

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WEDNESDAY, JULY 25—Major Oliver Stewart on "SPEED AND COMMERCIAL AVIATION"—200 m.p.h. is visualised as the cruising speed for commercial aeroplanes in the near future.

FRIDAY, JULY 27—G. R. Tonkin on "AMALGAMATIONS IN THE RUBBER INDUSTRY"—the pros and cons of combining estates into larger units are a subject of discussion in the industry.

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UNHAPPY AUSTRIA

YET another storm has broken over unhappy Austria, and for the second time within six months Vienna has been the scene of civil war. If on this occasion the casualty list is small, the death roll is of even greater significance than in February, for it includes the name of Chancellor Dollfuss himself.

The events of the past few hours seem more like a gangster film than the sober record of contemporary history. On Wednesday morning the drama began with the seizure of the Austrian Broadcasting station by a band of Nazis who compelled the announcer to inform the world that the Dollfuss Cabinet had fallen and that the Nazi sympathiser, Dr. Rintelen, had become Austrian Chancellor. The small group of desperadoes who carried out this coup were subsequently overcome and the broadcasting station recaptured. Meanwhile, Dr. Dollfuss had been assassinated in his own Chancellery by a force of some 150 Nazis who, after providing themselves with regular army uniforms from one of the Vienna barracks, overpowered the Chancellery guards, occupied the building, and held the three remaining members of the Cabinet meeting—Dr. Dollfuss, Major Fey and Herr Karwinsky—as hostages. The Nazis' aim was to overthrow the Dollfuss regime, to set up a pro-German-Nazi Government under Herr Rintelen, the Austrian Minister to Rome, who was in Vienna on leave, and who has been known for ten years past to have been in sympathy with the Nazis in his native province of Styria; and so to effect a *de facto*, if not *de jure*, union with Nazi Germany through a partly or wholly Nazi Austrian Government.

But, although there must certainly have been treachery in high places in Austria for the Nazi *putsch* to have been possible and unthwarted—notably in the army, police and Heimwehr—the plot has so far succeeded only in its fell purpose of extirpating Dr. Dollfuss. For Herr Schuschnigg, the Minister for Education, was entrusted by President Miklas with the task of carrying on the Government, in the absence of Prince Starhemberg, the Vice-Chancellor, in Italy. And Herr Schuschnigg, despite Major Fey's and Herr Karwinsky's unenviable position as hostages, finally gave the Nazis twenty minutes to evacuate the Chancellery,

promising them free passage to Germany. This they agreed to after some temporisation, and the two remaining hostages were released—not, however, before the unhappy Chancellor had been allowed to bleed to death from his wounds, unattended by either a doctor or a priest. Dr. Rintelen was arrested, but promptly shot himself; and at midnight on Wednesday Herr Schuschnigg and Major Fey, in broadcast addresses, acquainted Austria and the world with the tragic sequence of events.

At the time of writing martial law prevails throughout Austria, but it appears that what was intended as a deliberate attempt to seize power has failed, and it may well be that the tragic events, following as they do so closely on the bloodshed of a month ago in Germany, will strengthen the determination of the Austrian people to maintain the National front which Dr. Dollfuss strove so hard to establish.

The task will be an extremely difficult one. For at best Austria's corporate unity is a very frail thing and will not easily survive the rifts which have been torn in it by the events of the past twelve months. In past years there were a few who shared Dr. Seipel's dream that post-war Austria, emasculated and defenceless, might well have a great contribution to make towards the salvation of Europe, by the example of her Government and the special characteristics of her people. The distinguishing trait of the true Austrian is toleration, and Dr. Seipel conceived that an island set in the very centre of Europe where trade was comparatively free and the people harboured no expansionist ambition might gradually spread the influence of its culture just as captive Greece in ancient times spread its influence through the Roman Empire. This dream has gone, and far from being a cause of healing, Austria has become the cockpit of Central Europe with powerful neighbours quarrelling over her "vile body."

Nothing but a very strong sense of necessity is likely to heal the internal troubles of the Austrian people, and the task will not be rendered easier by the removal of the one man, who, though forced to adopt methods of terrorism, was most anxious both from policy and from inclination to heal the wounds that had been caused by his

clash with the Socialists. One advantage, which those on whom responsibility now rests will have, is that all Germany's neighbours will wish to isolate these events and prevent them becoming a new cause of international conflict. For the events both of February and of this week Germany must bear a heavy responsibility. Signor Mussolini is justified in his complaint last week that the Nazi propaganda which has been permitted from Germany, even if it has not been definitely stimulated from highest quarters, has overstepped the mark of what is internationally permissible, and that he must hold Germany responsible. It would, however, seem that even the German Government realises the danger of becoming embroiled with other countries on account of the Austrian crisis. The German Ambassador in Vienna has been recalled because he acted without authority in intervening between the rebels and the Government troops in the affair of Wednesday, while the German frontier is to be closed to the fleeing Nazis, who will therefore be interned in Austria.

Such, in bare outline, is the course of events which was intended to open a new chapter in Central European history; and for the moment the only comment that can be made is to commiserate with Austria in the loss of the man who seemed most likely to supply what she needs more than anything else, namely, leadership inspired by understanding. Dollfuss was not by nature designed to be a Dictator. He was not one of those who grasped the sceptre of power by the force of his own dominating personality. A man of the people, trained as a civil servant and an administrator, he belongs rather to the class of those who have greatness thrust upon them. While it may be taken as certain that he would never have assumed his dictatorial position if it had not been for the march of events in neighbouring countries, his quality showed itself in the fact that when the times demanded an unhesitating exercise of authority, he did not shrink from assuming responsibility. If the liberal world condemned him severely for the vendetta that was carried out against the Vienna Socialists in February, it must be admitted that he was between the upper and the nether millstones.

To accept the open collaboration of the Socialists was, on the admission of Otto Bauer himself, an impossibility for Dollfuss in the spring of 1933 when Hitler was seizing power in Germany. To have done so at Christmas, 1933, would have risked driving a large number of Heimwehr sympathisers and others of a moderate point of view over to the Nazis. If Dollfuss had been a greater man, he might have maintained the precarious position, balanced between rival forces, in which he found himself at the beginning of this year—if not indefinitely, at least until external pressure had become relaxed. He failed to accomplish that feat of political dexterity and in failing sowed the seeds of hatred which in spite of his best efforts he was subsequently unable to uproot. Now that he has perished with his task unfinished, his countrymen and many others who have watched his short and dramatic career on the European stage will pay tribute to a man who wrestled valiantly with overwhelming circumstances, who served his country according to his lights without desire for mere personal advantage, and who was murdered at his post.

LABOUR'S PLAN OF ACTION

In certain conditions the issue of a "Programme of Action" by an important political party might be fraught with grave consequences for the nation—for such a choice of policy might well play a leading part in deciding the battle ground of future political controversy, and might ultimately determine the future evolution of the country. It cannot, however, be said that the situation in Great Britain has been either changed or clarified by the document issued by the Labour Party last Wednesday. The reason is that the programme—which bears every sign of compromise—is so vaguely phrased and incompletely thought out as to make it possible for almost all shades of opinion within the party to continue in the pursuit of their pet hobbies.

Many of the statements of the Party's general aims will command wide support. It is, after all, common form that the objective of economic policy is the raising of the stan-

dard of living. All parties—in name at all events—pay lip service to democracy; and though some might read a sinister meaning into the phrase that "a free and prosperous society of equals" is the objective, the reader will quickly be disillusioned if he thinks that Labour policy is designed to secure an economically equalitarian state.

A smaller, but nevertheless substantial, section of the public will accept many of the more specific items of the programme. It is, for example, very widely held that the Government has handled the international situation in so hesitating a way, and made up its mind on great issues so tardily, that this lack of decision is chiefly to blame for the undoubted fact that it has failed in its major objectives; and that better results would have been achieved in this field by a more homogeneous Government with a more specific peace programme. Again, in regard to many matters of social reform—housing and the institution of public works, water supply, land drainage, afforestation—there is little difference of opinion in principle, but only one of energy in application. But as soon as we come to proposals for economic and political reorganisation, more important differences of opinion appear.

In its support of a Socialist reconstruction the Manifesto is quite uncompromising in form. In its view "there is no half-way house between a society based on private ownership in the primary means of production, with the profit of the few as the measure of success, and a society where public ownership of those means enables the resources of the nation to be deliberately planned for attaining the maximum of general well-being." The foundation step of this economic reorganisation is public ownership of key industries and services. "Banking and credit, transport, electricity, water, iron and steel, coal, gas, agriculture, textiles, shipping, shipbuilding, engineering—in all these the time has come for drastic reorganisation, and for the most part nothing short of immediate public ownership and control will be effective." This is not quite public ownership of all the means of production, distribution and exchange; but it is very like the State Socialism of pre-war days for a number of industries, covering a very wide field and chosen not for their suitability for public management, but for the very much less convincing reason that they are all very big and important.

A moment's thought, however, will show the difficulties involved if the State is to own, as well as control, the engineering, shipping and textile industries. Some form of State intervention is obviously possible in these as well as in other industries. Factory Acts, regulations regarding shipping, the use of the tariff, subsidies, the law regarding monopolies, the intervention of Trade Boards, State membership of composite cartels, N.R.A. codes in America, are all ways in which the State can and does intervene to influence the operation, the evolution or the structure of industries, without destroying the stimulus of private profit or denying the advantages of competition. Indeed, in modern times there is scarcely an industry which does not operate within limits defined for it by the decision of the community. But this is a very different thing from State operation. Several of our textile trades are mainly dependent upon their exports, while these and our engineering and iron and steel trades are engaged in producing not only in bulk but also a great variety of miscellaneous products. State operation of highly competitive industries or industries largely engaged in export business is not possible without going the whole length of a complete foreign trade monopoly and an almost complete and detailed "plan" for the internal production of the country. All this is, of course, quite outside the field of practical achievement, and it is to be presumed that the Labour Party is thinking of something very much less extreme than this; but if so we can only guess at the form of increased public control that the Party have in mind. We are not told how the Party proposes to give effect to ownership and control. We are, however, told in general terms that provision must be made to "safeguard the interests of the employees" and that the Labour Party believes "that the employees in a Socialised industry have a right, which should be acknowledged by law, to an effective share in the control and direction of the industry."

The Manifesto in this section seeks to combine sweeping generalisations with reasonableness, for, after explaining that compensation will be paid to existing owners, it states

that its method of dealing with the whole problem "will depend on the actual economic situation when it acquires power." It is not therefore surprising that the only industries with which the report deals in detail are those which have already been the subject of more than usual intervention by the State. In particular, considerable space is devoted to the cases of agriculture, transport and banking. In all three of these the Labour Party is prepared to go the whole hog. Of the three, transport is clearly the one which is most nearly ripe for State operation. In the case of agriculture, the Manifesto refers to State ownership of all land, together with measures to ensure adequate farming, including apparently in some cases direct public farming. The policy may perhaps shortly be described as a combination of the Liberal agricultural policy plans for improving the character of farming, Elliotism in control of the price levels, and Henry George's land nationalisation.

Pride of place, however, is given to banking and credit. There is a case for more specific recognition of the fact that the Bank of England is in effect, if not in name, a public institution; and we see no grave disadvantages, and some advantages, in more formal recognition of this fact, in the placing of a Government representative on the Board, and even, possibly, the approval of the appointment of the Governor by the Chancellor of the Exchequer. But if, according to the Labour Party, the Governor is to be responsible to a Minister of Cabinet rank, who in turn will be responsible to the House of Commons for banking and credit policy, while leaving day-to-day business in the hands of the Governor and his staff, and if this means that the Bank is to be a public department with every change of Bank rate subject to revision by the Cabinet or to questions in Parliament, it involves bringing politics into the business of credit and currency control in a way that has proved disastrous wherever it has been tried. Again, the joint-stock banks are to be merged into a single corporation run by a directorate appointed by the Government. For this scheme there is almost nothing to be said. If there is one complaint which may reasonably be brought against the joint-stock banks to-day it is lack of elasticity. We shall not regain commercial prosperity by tying up our banking system still more tightly with red tape.

As regards the suggestion for a National Investment Board, there is a case for some organ of government which can influence the direction of the flow of capital into investment. But here again the Manifesto conceives of the State's interference not as an influence on development, but as a dictatorship which will ultimately direct the whole activities of the nation in accordance with a national plan. It is on this point that many who sympathise with the idea that industrial and commercial activity must be dominated, more than in the past, by the conception of service to the public, part company with the Labour Party. And if our Labour leaders will only look round the world they will see that they are out of the main current of twentieth-century developments. "Planning," in the sense in which they have used the phrase, may be possible in a comparatively undeveloped country such as Russia, but elsewhere, and notably in the United States under President Roosevelt, they will find that the tendency is to try to reach what they have rejected as a possible half-way house, namely, a reformed capitalism utilising the immense driving force, elasticity and experimentalism of private enterprise, while at the same time limiting it within the requirements of the public interest. In saying, therefore, that the continued existence of the Liberal Party is a tragic anachronism and a standing dis-service to the causes of democracy, freedom and peace for which it "used to stand," the Labour Party is guilty of an arrogant assurance which is justified neither by the success of its past administration, nor by the wisdom of its Utopian proposals.

Whatever views, however, may be taken on these and many other subjects dealt with in the Manifesto, it has one outstanding merit when it comes to discuss political organisation, which shows that the Party is still within the British tradition, and that is the unequivocal declaration "that its whole faith reposes in the achievement of change by the process of consent." If the Labour Party will adhere to that main principle, we have sufficient confidence in the democracy of this country to believe that in the long run it will not stray far from the courses dictated by common sense.

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A REPRIEVE FOR FRANCE

It is a matter for general relief and congratulation that the Cabinet crisis in France, which was precipitated by Monsieur Tardieu's action on the Wednesday of last week (July 18th), has been settled, this Tuesday, the 24th, by Monsieur Doumergue. If Monsieur Doumergue had failed, in face of this blow at the party truce, to hold his Cabinet together, it is almost certain that the consequences would have extended far beyond the fall of the present French Coalition Government. Monsieur Doumergue's failure would have been the signal for a fresh outbreak of political disorder in France; and serious internal disorder in France at this moment would inevitably have profound effects—and wholly pernicious effects—upon the international situation in Europe. Monsieur Tardieu's thrust and Monsieur Doumergue's parry are thus matters of close concern to all of us. In a most difficult crisis, which has been wantonly and unexpectedly brought upon him, Monsieur Doumergue has scored a notable success; but the success amounts to no more than this, that he has maintained the reprieve for the Parliamentary system in France which he originally obtained when he took office. The reprieve still holds; but it will run out when the next General Election is held in October; and meanwhile, the French National Government, though it still stands, has received a severe shock. This is rather serious, because it seems likely to accentuate the negativeness of the Doumergue Administration; and this negativeness is a terrible weakness and danger in a Government which has to give satisfaction to an electorate that is impatient for fundamental political and social reforms.

The political outlook in France can hardly be apprehended without some study of the general political background, as well as of the actual "incident" which brought on last week's crisis.

The crisis—to deal with that first—arose out of an unmeasured and undocumented personal attack on the former Socialist-Radical Prime Minister, Monsieur Chautemps, which was delivered by Monsieur Tardieu on the 18th of this month in giving evidence before the Stavisky Committee. Monsieur Tardieu alleged that a name—looking something like Monsieur Tardieu's own—which has been found on the counterfoil of a cheque of Stavisky's for 300,000 francs, was a forgery which had been committed by a police inspector called Bonny at the instance of Monsieur Chautemps, when the latter was Minister of the Interior. He added the allegation that Monsieur Chautemps had afterwards dismissed Bonny in order to cover his own tracks. Monsieur Tardieu's defence of his action is that he was giving evidence, under compulsion, on a point involving his own good name, and that in these circumstances his attack on Monsieur Chautemps cannot properly be regarded as a political act.

The answer is that, as a matter of fact, the counterfoil in question has not been taken as an indication of Monsieur Tardieu's guilt; that his so-called "evidence"

against Monsieur Chautemps was a bare assertion which he entirely failed to support by testimony; and that a politician of Monsieur Tardieu's experience must have known perfectly well that, in thus insulting so prominent and respected a leader of the Socialist-Radical Party he was making further collaboration impossible.

It seems to be a fair inference that, in attacking Monsieur Chautemps before the Stavisky Committee, Monsieur Tardieu was deliberately aiming at a break-up of the Doumergue Government, which could hardly have survived the resignation of either himself or his friends on the one side or of the Socialist-Radical colleagues of Monsieur Doumergue on the other. This manoeuvre has been foiled by Monsieur Doumergue's success, this Tuesday, in compelling Monsieur Tardieu to remain in the Government under a public stigma of censure which has been sufficiently strong to induce the Socialist-Radical Ministers to remain in the Government likewise. Yet, because Monsieur Tardieu and his friends have been foiled this once, it must not be assumed that they will not try again; which makes it important to know what they are working for.

Monsieur Tardieu's manoeuvre becomes comprehensible when it is seen as one move in a sustained campaign against the Socialist-Radicals which he has been waging in alliance with the anti-parliamentarians of the extreme Right, like Monsieur Henriot and Monsieur de Kerillis. The propaganda of this group has been doing its utmost to confound the Socialist-Radicals with the Socialists and Communists, under the common epithet of "freemasons," as a corrupt and subversive party with which the bourgeois parties to the right of them ought to break off all relations. This, of course, is directly contrary to the policy of Monsieur Doumergue and President Lebrun and the—happily—very large body of sane and responsible public opinion in France which thinks and feels with them. In this policy, the maintenance of co-operation between the Socialist-Radicals and the Right is a cardinal point, because it is only on this basis that a French Government can now hold office with the constitutional mandate of support from a majority in the Chamber representing a majority of the electorate. If the Right were to push the Socialist-Radicals aside and attempt to govern France without them, they would be forced very quickly—in effect, if not in form—to abandon the constitutional parliamentary basis and set up something like a Fascist dictatorship.

This may be what Monsieur Tardieu and his friends are ultimately aiming at; and they may calculate that, in the *Croix de Feu* and the *Ligue des Jeunes Patriotes* and the other semi-Fascist organisations which showed their capacity for violent "direct action" last February, they possess a strong enough following to carry their project through. At any rate, the prospect of some kind of Fascist revolution in France has become sufficiently serious to have caused the Communists and the Socialists to make common cause against it. On the 16th of this month, two days before Monsieur Tardieu launched his attack on Monsieur Chautemps, this common front was established. Anti-Fascism is certainly the mainspring of this united Left front in France; but incidentally the establishment of this Marxian common front will have, like the Tardieu campaign, the effect of weakening the Socialist-Radicals. Presumably it precludes any renewal of the electoral agreement between the Socialists and the Socialist-Radicals which, at the last general election, brought both parties great gains and made it possible for the Socialist-Radicals to take office. The next time the Socialists make a cartel, it will have to be with the Communists; and the Socialist-Radicals will be left in the lurch.

It will be seen that there is an intimate connection between the fortunes of the Socialist-Radical Party and the prospects of parliamentary government in France. If the present parliamentary coalition between the Socialist-Radicals and the Right is maintained, then, on sufferance and for a season, parliamentary government can be carried on. On the other hand, if the Socialist-Radicals are squeezed out or paralysed, then the future political and social regime in France will probably be decided by a head-on conflict between an anti-democratic Marxian faction and an anti-democratic Fascist faction in the country. Whether this disastrous *dénouement* can be averted will largely

depend upon how the Socialist-Radicals fare. They are undoubtedly being weakened in a number of ways: by the widening of the gulf that separates them from their possible allies, both on the Left and on the Right; by the implication of a number of their leaders in the Stavisky scandal; and by the widespread popular disgust with traditional "machine politics," which the Stavisky scandal has brought to a head. On the other hand, the Socialist-Radical Party organisation is reported to have kept its hold over the constituencies, particularly in its traditional strongholds. In October, we shall know. Meanwhile, let us be thankful that Monsieur Doumergue has won this three months' grace.

OUR AGRICULTURAL POLICY—I

So many experiments have recently been tried and so many forms of Government intervention adopted in the endeavour to rescue British agriculture that the public conception of our agricultural policy is in danger of becoming confused and consequently uncritical. It may therefore serve a useful purpose to set out the main stages of its development and the chief types of schemes which it comprises.

THE origin of our new agricultural policy is to be found in the fall in world agricultural prices brought about by the crisis and the consequent shrinkage in general consumers' purchasing power. Certain staple commodities, such as wheat, began to fall in price before the actual break-up of the general economic boom in the autumn of 1929. But after 1929 the prices of these staples continued to fall, and the prices of all other agricultural commodities began to fall with them. The following table shows the progress of the fall in prices, as it affected British agriculture (Ministry of Agriculture's Index of Agricultural Prices: 1911-13 = 100):—

	Cereals	Livestock products	Fruits and Vegetables
1925-29	142	152	172
1930	106	147	121
1931	86	127	134
1932	87	114	175
1933*	82	115	143

* Provisional.

The fall in the prices of cereals and of fruits and vegetables, it will be noted, was severest in the first two years of the depression (1929-1931), while the fall in livestock prices did not become pronounced till 1931.

In general, this fall in British prices was due to a shrinkage in consumers' sterling incomes rather than to an increase in supplies, imported or home-produced. Total imports of wheat and wheat flour (in terms of wheat) were* 126,896,000 cwt. in 1929-31, 117,493,000 cwt. in 1932, and 126,074,000 cwt. in 1933. †Home production fell from 27,600,000 cwt. in 1922-31 to 23,291,000 cwt. in 1932. Yet prices dropped. †Beef imports fell from 12,866,000 cwt. in 1929-31 to 12,175,000 cwt. in 1932, and home production of beef and veal fell from an average of 12,249,000 cwt. for 1923-24 to 1930-31 to 11,532,000 cwt. in 1931-32. Imports of mutton and lamb, bacon and butter, on the other hand, increased slightly up to 1932. Broadly speaking, however, we may say that the natural consequence of the crisis, before the Government intervened, was for a smaller volume of consumers' sterling income to buy about the same physical volume of food products at lower prices per unit. The consumer, in fact, was being saved by falling prices from the effect of a falling money income, but the farmer was losing.

At this point the Government decided to step in and assist the farmer at the consumers' expense by restricting the hitherto unreduced supply to the reduced monetary demand. In carrying out this policy, three main methods, with numerous minor variations, have been pursued: (1) the tariff; (2) the quota ("quantitative regulation"); and (3) the processing tax or levy. Some measure of reorganisation of production and marketing has also been carried out in certain cases.

The weapon first used was the tariff, and the commodities selected were those which had already in 1931 borne the brunt of the price fall: fruit and vegetables. Duties

* Monthly Trade and Navigation Accounts.
† The Agricultural Register pages 93 ff.

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were originally imposed by the Horticultural Products (Abnormal Importations) Act of November, 1931. This Act was superseded in February, 1932, by the Import Duties Act, which imposed a flat rate duty of 10 per cent. on all foreign imports, including eggs, butter, fruit and vegetables, the following commodities being on the free list: wheat in grain, maize in grain, wool, and meat (not meat extracts). By subsequent orders of the Import Duties Advisory Committee additional duties were imposed on certain preserved fruits, canned vegetables, condensed milk, potatoes, fresh fruit, fresh vegetables, fresh flowers, poultry, oats in grain, pearled barley and certain other commodities. Later, by the Irish Free State (Special Duties) Act of July, 1932, heavy duties were placed on imports from the Free State of cattle, sheep, pigs; beef, mutton, bacon and pork; and butter, eggs, cream and poultry. Certain further duties, including a duty on foreign wheat and additional duties of eggs, butter and cheese, were later imposed under the Ottawa Agreements, which were passed into law in November, 1932.

In the spring of 1932, not very long before the Ottawa Conference, the Government turned to wheat, which had fallen to an extremely low price. For a variety of reasons, political as well as economic, a heavy tariff was not imposed; though there is a small duty on all foreign wheat imports and a 10 per cent. *ad valorem* duty on foreign flour imports. The wheat scheme proper, as introduced by the Wheat Act of 1932, and generally known as the "Wheat Subsidy" or "Wheat Quota," is really a complicated processing tax scheme. An adjustable levy is imposed on every sack of flour imported or milled sufficient to provide a fund from which British registered wheat growers can receive payments to bridge the gap between the free market price at the farm of their wheat and a standard price of 45s. a quarter. The amount of wheat on which the "deficiency payment" may be claimed is limited to an "anticipated supply" of home-grown wheat fixed by the Wheat Commission, which administers the scheme, at the beginning of each season. The miller recovers the cost of the levy out of the price of bread to the consumer. In effect, therefore, the consumer pays the miller, the miller pays the Fund, and the Fund pays the farmer.

Ottawa saw the introduction of the import quota into our agricultural policy. Dominion products were guaranteed continued free and unregulated entry, except that preferential duties or "quantitative regulation" might be imposed on eggs, poultry, butter, cheese and other milk products after three years, and on meat after June, 1934. At the same time powers were given, by the Ottawa Act, to the Board of Trade to regulate by order, after consultation with the Ministry of Agriculture, imports of frozen mutton and lamb, and frozen and chilled beef. The grant of these powers in effect sets up an Import Board. An agreed schedule for the progressive limitation of foreign meat imports was also arranged. Chilled beef imports were to be stabilised at their 1931-32 level, while imports of frozen beef and frozen mutton and lamb were to be reduced by

5 per cent. a quarter from January-March, 1933, to April-June, 1934. These reductions have been carried out voluntarily by agreement with the countries concerned. At the same time, the Dominions, by a "gentlemen's agreement" which was not kept, promised to limit their meat imports into this country. This mainly affected mutton and lamb imports from Australia and New Zealand, which were to be stabilised at their 1931-32 level, or slightly increased. These various restrictions were to come into effect in January, 1933. Actually, however, owing to the lowness of prices in the autumn of 1932, a voluntary emergency restriction of imports was arranged with Australia, New Zealand and the South American States. These emergency restrictions, in so far as they affected chilled beef, were continued at varying rates during 1933.

The quota policy was carried further by the series of Trade Agreements with foreign countries concluded in 1933. By the Agreement with Denmark, which runs for three years from June 20, 1933, Great Britain guaranteed duty-free entry into this country for Danish bacon and hams, and a certain maximum rate of duty for butter, cream and eggs. Imports of Danish butter, cream, bacon, hams and eggs were not to be subject to quota regulation "except in so far as may be necessary to secure the effective operation of a scheme or schemes for the regulation of the marketing of domestic supplies of these products." In any case, Denmark was guaranteed a minimum quota of 62 per cent. of total foreign imports of bacon and ham, a minimum quota for butter of 2,300,000 cwt., and a minimum quota for eggs of 5½ million great hundreds (with certain minor provisions); the Agreements with Norway, Sweden and Finland gave guarantees in general similar to that with Denmark. The Argentine Agreement contained the following provisions:—

- (1) It was the intention of the British Government that no new or increased duties or charges should be imposed on Argentine meat, bacon, hams, wheat, linseed or maize;
- (2) no quota regulation should be imposed on imports into the United Kingdom of wheat, maize or linseed;
- (3) no restriction would be imposed on imports from Argentina of chilled beef in any quarter of the year below the imports in the corresponding quarter of the year ended June 30, 1932, unless it appeared necessary so as to secure a remunerative level of prices in the United Kingdom market;
- (4) if Argentine imports of chilled beef were reduced by more than 10 per cent. below imports in the base year, a similar restriction would be imposed on Dominion imports;
- (5) no further restriction on frozen beef, mutton and lamb imports would be imposed beyond those under the Ottawa Agreements, without a similar restriction of Empire imports.

In the spring of 1933, after the Ottawa Agreements, but before the conclusion of most of the Trade Agreements, the Government introduced the Agricultural Marketing Act. The Government had learned by experience that the ever-changing conditions of an international market are unresponsive to flat-rate tariffs and quotas, and that if every home producer is to be assured of a remunerative price in all conditions, continuous quota manipulation will be

necessary. Already by the Labour Government's Agricultural Marketing Act of 1931 powers had been given to enable a majority of producers in a trade to regulate the marketing of their product by methods which would be binding on the minority. Only the hops producers had taken advantage of this scheme.

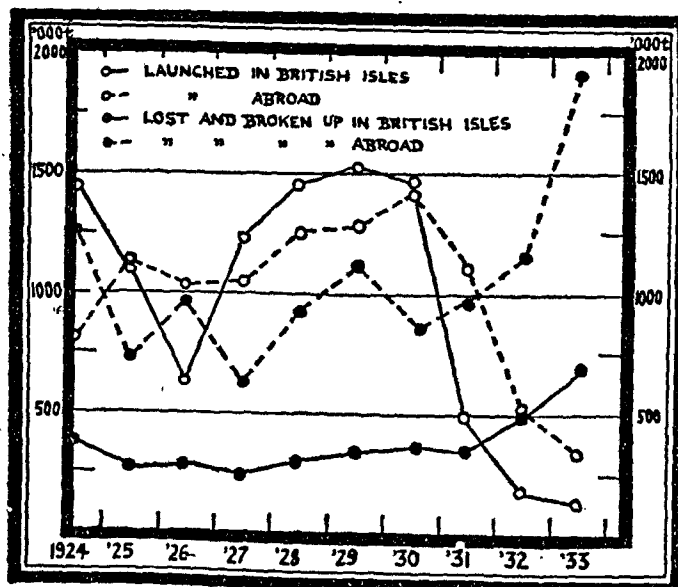
By the National Government's Act powers were given to the Ministry of Agriculture and the Board of Trade to regulate home and foreign supplies respectively, provided that a marketing scheme was in operation or preparation. The method by which such schemes are elaborated under the Act is roughly this: A scheme may be submitted to the Minister either by a representative body of producers or by a Commission set up by the Minister. The Minister may then lay it before Parliament, and, if Parliament approves it, he may make an order naming the date on which it shall come into force. Boards representative of the producers are then set up; and import restriction and marketing organisation proceed side by side. Every scheme must provide for the registration of any producer who applies to be registered, and a poll of the registered producers must be taken at which there must be a two-thirds majority in favour of the scheme. The setting up of schemes under this Act is the spear-head of the Government's policy.

Finally, the expedient of a straight subsidy from the Treasury to the producer has been adopted for some time in the case of sugar-beet, and has lately been adopted in the case of beef. We propose to describe these schemes and to survey the operations under the Marketing Act in the next article in this series.

MERCHANT FLEETS OF THE WORLD

DURING the past twelve months international trade has struggled to lift itself out of the depths of its depression, but whenever it has begun to rise its enemies have thrust it down again into the pit. The slight increase in our index of freight rates and in the volume of carrying capacity employed has so far brought little relief to the world's shipping industry. As we showed in an article in the *Economist* of July 7th, the plight of British shipping, aggravated by the widespread practice of foreign countries of placing artificial obstacles in the way of open competition for carrying freight, is as serious as ever. Although there has been a measure of readjustment of the world's carrying capacity to the shrunken volume of international trade, a substantial proportion of available shipping tonnage remains unemployed. As the following chart indicates, 1933 witnessed a further reduction, most marked in overseas countries, in the gross tonnage of new launchings. On the other hand, the excess of available shipping was a little relieved by the fact that tonnage lost and broken up continued to rise steeply (especially abroad) to a level considerably above the tonnage of new vessels put in commission.

GROSS TONNAGE LAUNCHED AND LOST AND BROKEN UP IN BRITISH ISLES AND ABROAD



It is therefore of interest to examine changes in the size and composition of the world's merchant fleet as recorded in the 1934 edition of *Lloyd's Register Book* published this week.

The world's total gross tonnage, exclusive of vessels of less than 100 tons and of barges and sailing ships, declined from 66,628,000 in June, 1933, to 64,358,000 in June, 1934. The reduction of 2,270,000 gross tons, though substantial, was not big enough to bring the supply of carrying space once more into equilibrium with demand. The tonnage of vessels launched showed a further decline from 727,000 gross tons in 1932 to 489,000 gross tons in 1933, which was the lowest figure in any year of the present century. The gross tonnage lost and broken up rose from 1,696,000 in 1933 to the high figure of 2,733,000 in 1934. The distribution of the world's steam and motor tonnage in 1929, 1933 and 1934 is shown in the table below:—

WORLD'S STEAM AND MOTOR TONNAGE
(In thousands of gross tons)

Country	June, 1929	June, 1933	June, 1934
Great Britain and Ireland	20,046	18,592	17,630
United States (Sea)	11,036	10,088	9,795
Japan	4,187	4,258	4,073
Norway	3,218	4,078	3,980
Germany	4,058	3,888	3,680
France	3,303	3,470	3,260
Italy	3,215	3,093	2,875
Holland	2,932	2,759	2,612
Sweden	1,480	1,658	1,597
Greece	1,267	1,417	1,507
World	66,407	66,628	64,358

It will be seen that with the exception of Greece, the carrying capacity of all the principal countries fell as compared with 1933, and only Norway, Sweden and Greece show substantially bigger tonnages than in 1929. The decline was again most pronounced in the case of the British Isles, whose proportion of the world's total capacity fell from 30.2 per cent. in 1929 to 27.9 per cent. in 1933 and 27.4 per cent. in 1934.

But not the whole of this tonnage is available for general cargo and passenger purposes. The tonnage of steam and motor trawlers and other fishing vessels in June, 1934, was 977,388, as compared with 955,489 a year ago. A still larger proportion of the world's tonnage consists of vessels specially fitted for the purpose of carrying bulk oil. World tanker tonnage, excluding vessels of under 1,000 tons gross, recorded a further slight decline in the past twelve months:—

TANKERS OF 1,000 TONS AND UPWARDS
(In thousands of gross tons)

Country	1929	1933	1934
British Isles	2,350	2,269	2,212
United States	2,510	2,502	2,480
Norway	1,450	1,508	1,507
World	8,550	8,757	8,668

Eliminating tankers, lake vessels, ships of less than 4,000 tons gross, and tonnage over 25 years old, there remains in 1934 a world tonnage of 30,653,000 gross (against 31,549,000 in 1933) of large, efficient ocean-going vessels, available for general cargo and passenger purposes. An analysis of this figure by nationalities is given below:—

LARGE OCEAN-GOING TONNAGE
(In thousands of gross tons)

Country	June, 1933 Tonnage	Percentage of World Total	June, 1934 Tonnage	Percentage of World Total
Great Britain and Ireland	11,900	37.7	11,256	36.7
United States	5,627	17.8	5,421	17.7
Germany	2,232	7.1	2,215	7.2
Japan	2,079	6.6	2,094	6.8
France	1,909	6.05	1,850	6.0
Italy	1,801	5.7	1,712	5.6
Holland	1,642	5.2	1,551	5.1
Norway	997	3.2	1,005	3.3
World	31,549	100	30,653	100

This analysis reveals the relatively high efficiency of the British merchant marine, for, although its proportion of world tonnage declined from 30.2 per cent. in 1929 to

27.4 per cent. in 1934, it still includes 36.7 per cent. of the more efficient ocean-going tonnage available for general cargo and passenger purposes. Of the tonnage owned in Great Britain and Ireland, 10.6 per cent. is less than five years old. The countries possessing the largest proportion of shipping that falls within the category of "less than five years old" are Norway (25.3 per cent.), Denmark (17.4 per cent.), Holland (15.8 per cent.), France (14.7 per cent.), Spain (12.8 per cent.), and Japan (12.7 per cent.). The United States sea-going tonnage contains only 5.6 per cent. in this age group. Further, of the tonnage registered in Great Britain and Ireland, 80.3 per cent. is under 20 years old and 63.5 per cent. is under 15 years old, as compared with 68.6 per cent. and 48.7 per cent., respectively, in overseas countries. Big liners of 15,000 tons and upwards represent only 5.6 per cent. of total tonnage, but nearly 50 per cent. of this capacity is owned in Great Britain and Ireland. Another interesting feature revealed in the statistical tables of *Lloyd's Register Book* is the gradual change in the type of machinery

used for propulsion. The tonnage driven by reciprocating engines declined from 47,177,000 in 1933 to 44,700,000 in 1934, and that propelled by turbine engines from 9,221,000 to 9,024,000. On the other hand, the capacity of motor ships rose from 9,914,000 gross tons in 1933 to 10,315,000 gross tons in 1934. The British proportion of tonnage driven by reciprocating engines, turbine engines and internal combustion engines in 1934 was 27.0 per cent., 31.8 per cent., and 26.2 per cent., respectively.

The reduction of 3.7 per cent. in the world's carrying capacity between 1929 and 1934 has done little to bring about a readjustment between supply and demand, for the volume of world trade is still 25 per cent. below the level of 1929. A substantial measure of recovery in the profit-earning power of the shipping industry is unlikely at the present level of international trade; but the relative position of the industry in this country could be strengthened appreciably by an increase in its efficiency on the lines of the "scrap and build" plan discussed in the *Economist* of July 7th.

NOTES OF THE WEEK

Fair Words on Air Re-armament.—Since Mr Baldwin's announcement in the House of Commons on July 19th that the Government had decided to increase the Air Force by 41 squadrons over the next five years, three further pronouncements on the subject have been made by Ministers: by Mr Baldwin himself and by Lord Hailsham, at public meetings over the week-end, and by Lord Londonderry on Monday in the House of Lords, in reply to a vote of censure moved by Lord Ponsonby. In the House of Commons the question is to be debated—again, on a Labour vote of censure—next Monday, and this will be the important debate. Meanwhile, we may notice the line which the Government spokesmen are taking. Foreign Powers, they plead, will be deterred from attacking this country; we, on the other hand, shall acquire the means of fulfilling our international obligations; and at the same time, since we are a sated Power which is recognised to have no further imperialistic ambitions, an increase of armaments on our part will not increase other nations' fears for their own security, and will therefore not lead to an air armaments race. The prominence given to this line of argument by all three Government speakers is interesting as a tribute to the strength of the public opinion in this country in favour of a determined policy of disarmament and peace. The Government's apology would carry more conviction if this public had not been seriously disturbed by the knowledge that the upper hand, in the counsels of the Government, has been won by people who do not believe in the probability of the suppression of aerial warfare by international agreement. In plain terms, Lord Londonderry's will has prevailed over Mr. Baldwin's. Meanwhile, Lord Londonderry, while claiming that our new plans are merely a belated following of the lead given by other countries, admits that if we do not achieve parity by the present step we may have to face still further increases and in fact find that our completed five-year scheme is not the goal but merely the starting-point. Moreover, while labouring to remove the conception that defence in air warfare is entirely useless, he clearly pointed out its difficulties. "Defence was our shield, but the shield without the spear was a wholly unsatisfactory defence." If your fighting planes cannot stop the enemy's bombers, your bombers can be sure of getting past the enemy's fighting planes and of then inflicting on him all that he is inflicting on you. Hence his demand for an Air Force of "deterrent" dimensions. Mr Baldwin bore this out on Sunday in the same speech in which he deprecated "panicking." He advised manufacturers, in this "beginning of an air age," to put their plant in Ayrshire "rather than in the neighbourhood of London, which was always bound to be the most perilous part of the country from that point of view." On this showing, the Trustees of the British Museum would be well advised to acquire a new site on the Mull of Kintyre.

Thunder on the Right.—Public curiosity about the relations between Lord Rothermere and Sir Oswald Mosley has naturally been keen during the last six months. The voice of thunder in which Lord Rothermere originally announced his allegiance to British Fascism in January faded gradually away to a low but audible mutter. At one point Lord Rothermere stated personally that his support of Sir Oswald was not a "crusade" but "definitely an incident." Yet the mutter never quite died away into silence. Suddenly, last week, an exchange of letters—one from Sir Oswald to Lord Rothermere and a second from Lord Rothermere in reply—appeared in the *Daily Mail*. These letters, it was stated, were "the result of informal conversations" between the two correspondents "extending over months." In the first letter Sir Oswald's chief concern was to defend four points in his policy: (1) the institution of the Corporate State; (2) the supersession of Parliament by a "dictatorship of the will of the people"; (3) the ostracism of Jews from the movement; and (4) the preservation of the creed and the word "Fascism." Lord Rothermere, in reply, stated that he "never thought that a movement calling itself 'Fascist' could be successful in this country." (It will be recalled that Sir Oswald's supporters have been consistently described as "Black-shirts" in the *Daily Mail*.) Next Lord Rothermere stated that he "could never support any movement with an anti-Semitic basis, any movement which had dictatorship as one of its objects, or any movement which will substitute a corporate State for the Parliamentary institutions of this country. Towards our Parliamentary institutions Lord Rothermere now seems more friendly than he was in January. We may therefore conclude that anti-Semite propaganda and the use of the word "Fascism" are the crucial points at issue. To the man in the street these would not appear to be fundamental. Why did Sir Oswald Mosley insist upon them? And why did Lord Rothermere refuse to accept them? The first question is perhaps harder to answer than the second. Nevertheless, Lord Rothermere finds himself in complete agreement with Sir Oswald—as opposed to Mr Baldwin—on the questions of India, re-armament, and "the grim struggle which lies close ahead between Conservatism and Socialism in Great Britain." It would consequently be unwise to assume that the bond between Lord Rothermere and Sir Oswald Mosley has been permanently cut. We would not be greatly surprised if the thunder were to break out again—for a time.

The San Francisco Strike.—The general strike at San Francisco ended last Thursday, when the labour unions' Strategy Committee voted to end all "sympathy" strikes immediately. Only the longshoremen are now on strike.

The decision to call off the general strike was taken when the President's Mediation Board promised that the maritime unions as well as the longshoremen would get full consideration in the proposed arbitration. The Governor of California and, it appears, certain local judges attribute the strike to Communist agitators. The Central Strike Committee, on the other hand, states that the employers "have endeavoured to use their own new huge unified power (N.R.A.) to destroy the labour organisation." Both these explanations, our New York correspondent writes, ignore the real issue: the fundamental problem of the "closed" versus the "open" shop. By the open-shop system the employers recruit what labour they please; in the closed shop only union labour—often recruited by rota from the union list—may be employed. The principle of collective bargaining, long established in Great Britain, is in fact involved. San Francisco and Portland are closed-shop cities; Los Angeles and Seattle (after its unsuccessful general strike of 1919) have been open-shop cities. The present contest is bitterest in San Francisco and Portland, less bitter in Seattle, and absent in Los Angeles. On one side, it represents the determination of the unions to keep San Francisco and Portland closed-shop cities, and on the part of the employers in these cities an effort to break the control of the unions. Such a conflict, our correspondent writes, although it may nominally centre on some simple controversy apparently readily capable of mediation (in this instance, the "hiring-halls"), is actually not susceptible of compromise. On any solution, in our correspondent's opinion, one side or the other definitely wins. It is clear that President Roosevelt's determination to establish the principle of collective bargaining in the United States is about to be severely tested.

A Test of Manchukuo.—In their calculated process of establishing a Far-Eastern Monroe Doctrine by stages, the Japanese have just taken another little step forward. They have raised an objection to the exercise of certain foreign treaty rights in a piece of Chinese territory which is claimed by the Japanese to be part of the domain of the so-called sovereign independent State of Manchukuo. Under the "Boxer Protocol" of September 7, 1901, the Chinese Government accorded to eleven Powers the right to occupy militarily a number of points on Chinese territory, the occupation of which would safeguard the maintenance of open communications between the Legation Quarter in Peking and the sea. One of these points is Shanhaikwan—a town on the inner face of the Great Wall, covering the narrow passage where the Wall descends from the mountains to the coast. For the last 33 years the British Legation Guard at Peking (which is mostly stationed at Tientsin) has taken advantage of these treaty rights at Shanhaikwan in order to go into summer camp there. The town itself is just outside the area which the Japanese claim for Manchukuo, since the south-western limit of this area is the outer face of the Great Wall. The British troops, however, are entitled to do their summer training along the line of the Peking-Mukden Railway: a line built with British capital, which crosses the Great Wall at Shanhaikwan, and which runs half outside and half inside the area claimed as Manchukuo territory. It is a district situated on the Manchukuo side of the Wall that has been the actual summer exercising ground of these British troops for the last 33 years. Since the United Kingdom—like every other State in the world except Japan and Salvador—has declined to give diplomatic recognition to the Japanese puppet State of Manchukuo, British rights to send British troops to the Manchurian side of the Great Wall naturally continue to be governed, in the British view, by the Protocol of 1901 (to which, incidentally, Japan, as well as the United Kingdom, is a party, and in virtue of which Japan, as well as the United Kingdom, keeps troops in Tientsin and Peking). Accordingly, the British commander at Tientsin has declined to acquaint the Japanese authorities with his intention of carrying out British military exercises this summer, as usual, on the Manchurian side of the Wall. The Japanese, for their part, are claiming to exclude all foreign troops from this area, on the pretext that it has ceased to be Chinese

territory, and that, as part of the domain of Manchukuo, it is territory which Japan, in virtue of her treaty with Manchukuo, is bound to preserve against foreign aggression. The situation is disturbing, for the Japanese undoubtedly possess the physical force to debar us from exercising our treaty rights, acquired from China, in this area; and, if we acquiesce, we permit the Japanese to establish a precedent which, in their own good time, they may go on to apply inside the Wall as well as outside it.

Australia's Recovery Budget.—The extent of recovery already achieved in the country where the depression started is once more illustrated by the news of Australia's Budget. A surplus of £1,302,000, instead of an estimated deficit of £1,176,000, was announced by Mr Lyons, the Prime Minister, on Tuesday. This cheerful result was achieved in spite of tax concessions amounting to £9,000,000 made last year. These concessions are to be continued, and extended. Old-age and war pensions are to be made more generous, and there is to be a 5 per cent. rise in the salaries of public servants. Mr Lyons said the Commonwealth Bank held £30,125,000 of Commonwealth short-term debt in London and was taking up the balance of £3,500,000 by September 30th at a reduction of $\frac{1}{2}$ per cent. in interest. Unemployment, he added, had been almost halved, and the export surplus had increased last year from £26 millions to £38 millions. Such is the gratifying situation of a country which, almost alone in the world, took its economists' advice (or most of it) at the onset of depression! Unqualified optimism about Australia's prospects would be foolish, however, as the letter from our Australian correspondent on page 167 shows. The aggregate deficit for the State Budgets for the year 1934-35 will be £5,880,000, which will be financed by the Commonwealth Bank by means of Treasury Bills. It must also be remembered that the price of wool has recently fallen, and that both Germany and Italy are placing further restrictions on wool imports. The possibility of a change of Government at the Commonwealth elections in the autumn is also disturbing the Australian outlook. A victory for Labour would be the end of the Premiers' Plan, which has proved so successful since 1930.

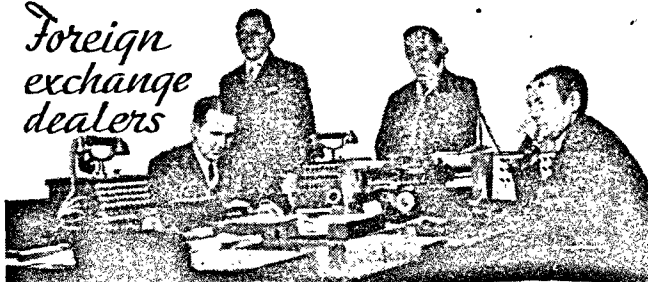
Another Trade Agreement.—The best that can be said for the present Government's series of quota-bargains is that they at least tend to prevent British trade from falling even lower than its present deplorable level. The Agreement with Latvia, signed last week, follows the pattern of the Agreements with Denmark, Sweden and Norway. This country undertakes "not to regulate the quantity of imports into this country of bacon and hams, butter, cheese, eggs and poultry, the produce of Latvia, except in so far as such regulation may be necessary to secure the effective operation of a scheme or schemes for the regulation of the marketing of domestic supplies of these or related products." This means that Latvia is to be given a fair share, with Denmark, Norway and Sweden, of the foreign imports of these products which present or future "Marketing Boards" may see fit to allow. Latvia, in return, undertakes to import not less than 10,000 metric tons of herrings in the year July, 1934—July, 1935, and 12,500 metric tons in the following year. Imports of British coal into Latvia must also be maintained at 70 per cent. of Latvia's total coal imports. Such are the modest results of quotas and quantitative strait-jackets within which our trade is now struggling to keep alive. For the moment, we must be thankful for small mercies; and until this country decides to make a push for agreements of far wider scope we can hope for nothing better.

Co-operative Trading Progress.—Our Co-operative correspondent writes:—By recommending the discontinuance of the practice of issuing half-yearly balance sheets, and presenting the accounts for the full twelve months, the directors of the Co-operative Wholesale Society are breaking with one of the earliest traditions of the movement and with

their own procedure from the beginning in 1864. This is testimony to the growth of the institution, which has found that two stocktakings cause inconvenience to customers, while branches of business affected by seasonal factors are not appropriately covered by half-yearly periods. Moreover, the present liability to income-tax suggests the convenience for assessment purposes of making up the accounts on an annual basis. Hence the proposal to be made at the delegate meetings at the ends of this month. Quarterly meetings will continue to review progress, but the annual meeting in April, when the accounts will be presented, will tend to make this yearly gathering the real Business Assembly, especially as the annual Congress has developed so much on political lines since the Chancellor of the Exchequer decided to tax the co-operators. Originally the distributive societies published quarterly accounts; growth in recent years made half-yearly balance sheets the rule; and the Royal Arsenal Society at Woolwich has just adopted the plan of an annual balance sheet. Now that the C.W.S. is recommending such a procedure, the method will become general throughout the movement within a few years. The accounts for the first three months of the year, now available, indicate an improvement in trade throughout the country. The turnover was £21,402,459, a weekly average of £1,646,343, representing an increase of 9 per cent., although the average level of the grocery prices was $1\frac{1}{2}$ per cent. below the corresponding period of last year. From the productive works the supplies were £6,071,142 for the quarter, a weekly average of £467,011. Now that the distributive societies are receiving an additional dividend on their purchases of C.W.S. products the output from the Society's works is likely to be increased during the present year. This view finds encouragement in the increased trade of 52 per cent. in the cabinet and bedding factories and of 50 per cent. in the woollen mills. During the quarter under review the deposits and withdrawals from the C.W.S. Bank totalled £145,260,612, a weekly average increase of nearly 3 per cent. The southern area continues its rapid development, the sales from the London branch being at the rate of £612,730 per week, as compared with £757,942 at the Manchester headquarters and £174,846 at the Newcastle branch. Export business is expanding, and totalled £461,977 last quarter, a weekly increase of £8,585. The July meetings will be asked to sanction donations of 3,552 guineas to various hospitals and institutions in the places where the C.W.S. has factories or departments, and a special grant of £500 to the Tolpuddle Labourers' Centenary Celebrations.

Holidays.—Now that schools are breaking up and holiday time is here, it is relevant to ask how many ordinary workers can in fact afford to take holidays. Almost throughout industry the normal public holidays are allowed with full pay. The Ministry of Labour, however, in an interesting analysis in the *June Gazette* of the general and district "holiday-with-pay" agreements existing between manual workers and their employers, estimates that they only touch about $1\frac{1}{2}$ million workers. The usual holiday is six days, generally with a qualifying period of service of twelve months, and sometimes with *pro rata* increases for longer service. Payment is usually made to piece workers on the basis of average earnings over some preceding period, and to time-workers at full rates. In a few cases provision is made for saving by the worker, either, as in the London typefounders' and Manchester textile packers' arrangements, by payment to the worker throughout the year for something less than the full time worked—48 out of 50 or 49 $\frac{1}{2}$ hours per week—or by equal weekly contributions from both workers and employers. But all these agreements only cover a minute proportion of the workers engaged in industry. Some individual firms make arrangements with their employees, and several employers' associations, particularly in the clothing trade, have specifically recommended to their members that they should provide holidays with pay. The industries at the moment covered by agreements are mainly public utility and Government concerns, road and rail transport, chemical, paper, printing and allied industries and various miscellaneous consumers' trades, including most co-operative employees. In addition many non-manual workers,

Foreign exchange dealers

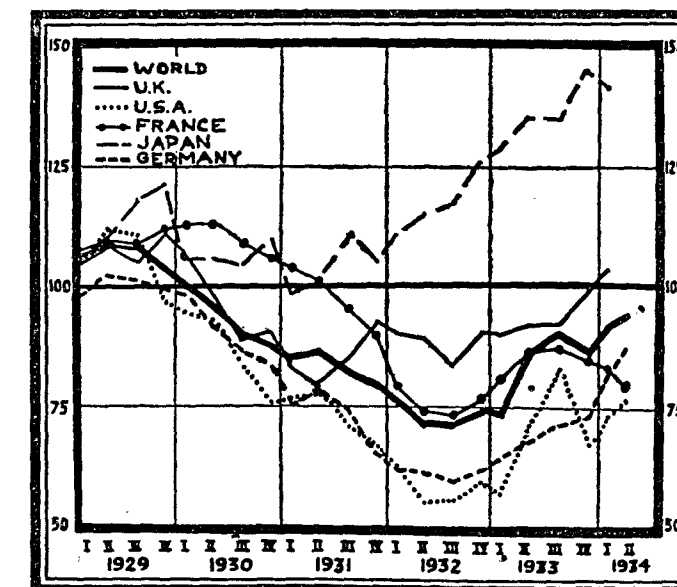


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clerks, shop assistants, etc., have some sort of arrangement with their employers. Nevertheless, the large bulk of miners, textile and metal workers come under no general or district agreements. In a large number of firms throughout the country there are individual arrangements for financing and organising holidays which do not come within the preceding statistics; but there is reason to fear that there are still some employers who do not realise how important it is for the maintenance of the health and moral of their regular employees that they should have a complete and adequate break at least once a year. In the lower grades of labour this may require a financial concession either in addition to wages or in the form of holiday pay, for in many cases it is impossible for the unskilled worker to save from normal earnings more than enough to cover ordinary contingencies such as illness, etc. But in the long run the cost to industry would be more than covered by increased efficiency. After all, a holiday is as much an investment for the amortisation of what the late Professor Alfred Marshall called one's "personal capital" as it is a relief from drudgery and an expenditure of savings.

World Industrial Production.—The following chart shows the quarterly movement of world industrial production since 1929. The sources of the figures are as follows: United Kingdom, Board of Trade; U.S.A., Federal Reserve Board; France, Statistique Générale; Germany, Japan and World, Institut für Konjunkturforschung. The figures for the second quarter of 1934 refer to the average of April and May only. The methods of compilation of the figures are not by any means identical, and they only show changes in the production of the most important branches of mining and manufacture in each country.

INDUSTRIAL PRODUCTION, 1929-1934
(1928 = 100)



It will be seen that in all countries except France and America production has recovered to the 1930 level, the average world figure being 93 (1928 = 100) in the second quarter of 1934 as compared with about 70 in the middle of 1932. Japan has experienced a meteoric rise ever since the depreciation of the yen at the end of 1931, from 105 to 140 at the beginning of the year. Great Britain has also just passed the 1928 level, although the rate of recovery since the third quarter of 1932 has not been so high as in America and Germany, which did not have their decline arrested in the middle of 1931 and therefore fell to low levels of 55 and 60, respectively, in 1932, as against Great Britain's 79. The expansion of business activity in Germany, which has been continuous since the end of 1932, has been accelerated this spring. The U.S.A. index, after a severe decline from July to November of last year, had by May recovered to well above the level of a year earlier. The index for France, on the other hand, has been falling steadily since June, 1933, and was in May lower than a year ago.

Gold and Deflation.—Our recent suggestion that the gold countries are partly responsible for the continued fall in gold prices has met with disfavour in Switzerland. The *Neue Zürcher Zeitung* sharply disagrees. We have always admitted that the depreciation of the pound, the dollar and the yen has tended to depress gold prices (though it had the opposite effect in the spring of 1933). But we argued in a recent article on "Gold and Deflation" that the present depression in the gold countries and recovery in the "off-gold" countries is not due to the exchange factor alone. It is also due, in our view, to the fact that the gold countries have been impelled by the fear of gold losses to keep a tight hold on Budget expenditure, money rates and exchange controls, while the emancipated countries, by relaxing this hold, have been enabled to increase spending and so raise prices and lower interest charges. The *Neue Zürcher Zeitung*, taking Great Britain and Switzerland alone into account, denies these statements. It points out that public expenditure has been reduced in Great Britain but not in Switzerland. But if the N.Z.Z. had cast its gaze on the United States, Scandinavia, South Africa, Australia and New Zealand, on the one hand, and France, Italy, Holland and Belgium on the other, it would have observed that the gold countries are frantically engaged in cutting public expenditure, while in the "off-gold" countries Budgets have only been balanced, if at all, as a result of the recovery which has followed from devaluation. The N.Z.Z. denies that the internal as well as the export trades of the gold countries are depressed. But would it deny that the recovery in the "off-gold" countries is in general far greater in the internal than the export trades? Again, the N.Z.Z. denies that the fear of gold losses has "made for" (as we wrote) dear money in the gold countries. Would it argue, however, that any of the gold countries except Switzerland have experienced as intense and continuous a cheap money period as Great Britain and the United States in the last two years? Neither France, Italy, Belgium nor Holland can boast of a 2 per cent. bank rate maintained for two years. Finally, the N.Z.Z. questions whether there has been any rise in prices, apart from the automatic effects of exchange depreciation, in the emancipated countries. It instances the *Economist* complete sterling index, which is heavily weighted with internationally priced raw materials, and has only risen by about 8.0 per cent. since September, 1931. But this index, just because it is so weighted, cannot measure a rise in the British producers' selling prices in relation to his costs. The best evidence that such a rise has taken place is the increase in employment by over 1,000,000 in this country in the last 18 months. And the rise in the United States Bureau of Labour and Irving Fisher indices (which include manufactured-goods prices) has been far greater than that in the *Economist* complete index. The N.Z.Z. also argues, not only that money is very cheap in Switzerland and public expenditure high, but that a rise in prices would not be advantageous, since the prices which have fallen most are the wholesale prices of the raw materials of industry. Retail prices, it claims,

remain high. But if all this is true, and the whole truth, about all the gold countries, why is there any internal depression in those countries at all?

Retail Sales in June.—The improvement in retail distribution continued in June. According to an article in this week's *Board of Trade Journal*, the value of retail sales in June was 2.0 per cent. higher than in the corresponding month a year ago, and the number of persons employed in the concerns reporting increased by 3.0 per cent. The following index numbers of changes in the value of sales make no allowance for the normal spurt in demand before Christmas and for other seasonal influences:—

INDEX OF VALUE OF RETAIL SALES, GREAT BRITAIN* (Average Daily Sales in 1933 = 100)			
Period	Food	Merchandise	Total
1932	102	99	101
1933	100	100	100
1933—January	95	99	97
February	98	78	88
March	99	89	94
April	103	105	104
May	96	104	100
June	102	100	101
July	94	105	99
August	95	75	86
September	97	88	93
October	99	105	102
November	102	105	104
December	118	146	131
1934—January	98	104	101
February	101	80	91
March	104	95	99
April	102	100	101
May	103	113	108
June	103	103	103

As compared with June, 1933, the value of retail sales of food and perishable articles in the past month showed an increase of 1.2 per cent., and sales of other merchandise rose by 3.0 per cent. The improvement was again well distributed. Suburban London led with an increase of 3.8 per cent. in total sales. The percentage increase in other districts was:—Wales and North of England, 2.0 per cent.; Scotland, 1.8 per cent.; South of England, 1.7 per cent.; and London (Central and West End), 1.0 per cent. With the exception of piece-goods and sports and travel articles, the value of sales of all classes of merchandise was higher than a year ago. There was an increase of 9.3 per cent. in sales of furnishing departments. The figure for men's and boys' wear shows an increase of 4.5 per cent., and that for women's wear one of 2.1 per cent. The value of stocks of foodstuffs and perishables at the end of June was 4.2 per cent. higher than a year ago, and stocks of other merchandise rose by 2.2 per cent. The summer sales in London have been successful; and there are no signs of any immediate recession in retail buying.

Lancashire and India.—Our Manchester correspondent writes:—Following the overwhelming support given to the policy of the Manchester Chamber of Commerce and of the leading textile organisations with regard to Lancashire and India, when a mass meeting of members of the Chamber on Monday unanimously supported the Chamber's attitude, it is interesting to learn that the Lancashire Indian Cotton Committee has been discussing the possibility of the Government offering a bounty on all Indian cotton consumed in the United Kingdom. The work of this Committee is already bearing fruit, for a large increase has taken place in the imports of Indian cotton. The latest statistics available show that shipments to Great Britain for the current season amount to 360,039 bales, as compared with 214,000 bales last season and 137,000 bales two years ago. A bounty would certainly prove of great help to the Lancashire cotton industry, and it would encourage the mills to use increasing quantities of the Indian staple. Lancashire trade leaders believe in encouraging further the spirit of goodwill which now prevails between the textile interests of both countries, and everything is being done to promote the greater use of Indian cotton. Lancashire realises it is better to follow this policy than to be tempted into supporting the political aims of Mr Winston Churchill, and a

small number of his adherents in Manchester are apparently trying to make the Lancashire cotton industry the catspaw of their political campaign against the White Paper proposals.

Idle Shipping.—The quarterly return of the Chamber of Shipping shows that there has been a further reduction since April 1st in the amount of shipping laid up in the ports of the United Kingdom. The following table gives the number of ships and net tonnage laid up at each quarter during the past two years:—

	No.	Net tons (000's)		No.	Net tons (000's)
July 1, 1932.....	853	2,196	Oct. 1, 1933	612	1,589
Oct. 1, 1932	871	2,182	Jan. 1, 1934	482	1,239
Jan. 1, 1933	760	1,971	April 1, 1934	453	1,079
April 1, 1933	760	1,864	July 1, 1934	421	1,042
July 1, 1933	793	1,958			

The reduction in the number of idle ships by 32 during the quarter is unfortunately more than accounted for by the sale of 42 British ships to foreign traders and to ship-breakers reported in the Press between April and June, so that it is no indication of an increased demand for British shipping. The total of 421 is still well above that for the beginning of 1930 (358), the last normal figure before the full tide of the shipping depression, and it includes 190 vessels of 532,698 net tons, which have been laid up for a year or more. The reduction in idle shipping as compared with a year ago amounted to 916,309 net tons (46.8 per cent.), and as compared with April 1, 1934, to 36,743 net tons (3.4 per cent.). The largest decrease during the quarter took place in Newcastle, where there are now 95 vessels of 194,417 net tons laid up as compared with 109 of 245,693 in April and 148 of 300,961 a year ago. Other substantial decreases were recorded in Swansea, River Fal, Glasgow, Grangemouth and Hull. The main increases took place in London (Docks), Tollesbury, Liverpool, Dartmouth and Bideford. The total figures of idle tonnage given above exclude British shipping laid up in foreign ports, but include five foreign vessels of 13,912 net tons laid up in British ports, so that British tonnage in United Kingdom ports amounted to 1,028,366 net tons or 2½ million deadweight tons. It is interesting to note that 68 per cent. of the total tonnage laid up consists of vessels of between 2,000 and 8,000 tons, tramps, and only 8 per cent. of ships of more than 15,000 tons, the liner class, but that the relative position of the former class has improved since July, 1933.

Equity and Law Life—A Correction.—We regret that in our Insurance Supplement of July 14th, owing to a change in the company's method of compiling their accounts, an error was made in the presentation of the net interest earnings of this company. Prior to 1933 the Equity and Law entered in the revenue account the gross amount of annuities paid, and this is in accordance with the practice of almost every office. The income tax deducted from the annuity payments and retained by the society was reflected in the amount of tax shown on the other side of the revenue account, as a deduction from the gross interest income. Due possibly to the phenomenal expansion of its annuity business in the last four years, when the gross annuity payments were £18,000, £25,000, £39,000 and £155,000 respectively, this society in 1933 adopted the unusual practice of showing the tax retained as a specific deduction from the gross annuities paid, and the tax amounted to nearly £33,000. In reviewing the annual accounts for 1933 in our usual Insurance Notes (see *Economist*, March 31, 1934) we pointed out that, contrary to the general experience of offices, the net rate of interest earned on the entire funds, excluding reversions, had increased, being £4 2s. 6d. per cent. in 1933 against £4 2s. per cent. in 1932, and explained that this striking result arose from the great expansion in the annuity business, as the interest on that part of the funds pertaining to annuities was virtually exempt from income tax. Inadvertently, in preparing the table of interest yields for our Supplement on July 14th this unusual feature was overlooked, with the result that the net rate of interest on the life and annuity funds was given for the Equity and Law as £3 15s. 4d. per cent. instead of £4 1s. 2d. per cent.

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Great Britain's Fish Supply.—The second quarter of the year was not altogether disappointing to the fishing industry of the United Kingdom, for a slight decrease in the weight of the landings by British-owned fishing vessels was accompanied by a substantial increase in the aggregate value realised. Including landings by foreign-owned vessels, and imports, the total value of the supply of wet fish in the quarter approached £4½ millions, as against about £4 millions in the corresponding period of last year. The following table, relating to wet fish only, is summarised from the returns of the Ministry of Agriculture and Fisheries and the Board of Trade:—

April-June	Weight in Cwts.		Value	
	1933	1934	1933	1934
British caught:—				
England and Wales	3,337,847	3,312,597	2,416,392	2,645,895
Scotland	1,147,785	1,075,320	756,296	735,842
Shellfish	...	...	94,526	100,443
Foreign landings.....	4,485,632	4,387,917	3,267,214	3,482,180
Imports	286,882	260,202	177,875	147,078
	393,071	292,728	564,327	600,026

It will be noted that the landings by British-owned vessels at the ports of England and Wales during the quarter were slightly less than in the April-June period of 1933, and that this was accompanied by an increase in the aggregate value. Thus the average realised was just under 16s. per cwt., as compared with 14s. 2½d. per cwt. Landings by foreign-owned vessels direct from the sea, and imports from abroad, were less, but in the case of the latter the aggregate value was higher. At the same time Great Britain exported fresh fish to the value of £147,078, as compared with £177,875 in the corresponding quarter last year; and "cured or salted" (including herrings) valued at £260,851, as against £247,505. As usual, the imports were mainly of canned fish (salmon, sardines, lobsters, crabs, etc.), and these had a declared value of £852,118, as compared with only £402,986 in the April-June quarter of 1933. The returns for the completed six months show that the landings by British-owned fishing vessels in both England and Wales and Scotland were slightly heavier than in the corresponding half of last year, and that there was an increase of over £766,000 in the aggregate first-hand value. The landings by foreign-owned vessels were smaller, as were also imports from abroad, and the aggregate value of the two classes less by £56,000. Imports of canned fish in the six months had a value of £1,865,400, as compared with £1,275,850, there being substantial increases in salmon. Several new fishing vessels of the larger type are under construction for the remoter deep-sea fisheries, chiefly to the order of Hull owners, including the first to have turbine engines. Generally the outlook is one of confidence, except perhaps in the herring fisheries, which continue to suffer greatly from the loss of foreign markets.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE FUTURE OF N.R.A.

As N.R.A. enters its second year it is clearly in process of radical reorganisation. By Statute it would expire in June, 1935; hence its abolition or continuation must concern the next session of Congress. In its present form it is satisfactory to no one, and the problem of the Administration is to effect such modifications before Congress reconvenes in January as to ensure its continuance.

The first question is that of organisation. The task of administering the conflicting features of this loosely-drawn Act was entrusted to General Hugh Johnson, and his authority as Administrator, under the President, has been dictatorial. It is understood that this authority is now to be vested in a Commission of five members, although it is stated that General Johnson will continue as Administrator. Second, 476 industrial codes are now in operation and 262 codes are pending; of these latter about half will probably not develop into individual codes. For industries without individual codes a Blanket Code has been prepared, not unlike the simple charter proposed a year ago under the name of the President's Re-employment Agreement. It is apparently permissible for an industry dissatisfied with its individual code to accept the Blanket Code. Essentially the Blanket Code provides for maximum hours and minimum wages, collective bargaining, the prohibition of child labour and the publication of price schedules. The hour and wage provisions are not specified in the code form, as they will be determined by the several industries, but the implication is that 40 hours is considered a normal week.

But this reorganisation of the mechanism of N.R.A. does not meet the basic controversy, which centres on the monopoly and price-fixing tendencies of the codes in major industries. These tendencies have been adversely criticised, notably in the report of the Darrow Committee. The Darrow Committee was roundly rebuked by N.R.A. officials and was dismissed, without thanks, by Presidential order; but its thesis has been taken up by Senator Borah and seconded by Senator Lewis (Democrat). The conflict between the Anti-Trust Laws and the National Recovery Act has become a contest between the Federal Trade Commission and the N.R.A., with the political odds rather strongly favouring the Trade Commission. Actually, except in monopolistic or quasi-monopolistic situations, the cartel price system has recently been breaking.

In an effort to enforce the codes, N.R.A. has resorted to the boycott. Any person engaged in projects in any way involving Federal funds is required to file a "certificate of compliance" to the effect that he is fully living up to his code; in addition, he must file supplementary "certificates of compliance" authenticating all products which he secures from others. Apparently this means, for example, that although the Ford factory maintains working conditions as good as or better than those prescribed in the automobile code, the Government cannot purchase Ford cars for its own use, since Mr Ford has never signed the code; and further that no contractor engaged on a public project could use a Ford car in such operations, since he would lack the supplementary "certificate of compliance."

A "MAJOR AGRICULTURAL PHENOMENON"

The official crop report issued July 9th was again below expectations. The total wheat crop is given as 483 million bushels, as compared with 527 millions last year, which was rated as a crop failure. Estimates of other small grains were equally adverse; for although the drought appears to have been broken in June, the light rains came too late to save them. The maize crop, retarded by the drought, has received enough rain to come forward; generally speaking, however, the rainfall in the corn belt is deficient, and mid-summer is a critical period. Probably the crop will be below average, but the hog curtailment programme has been so successful in reducing the number of pigs that on present

indications no shortage of corn is apprehended. In short, although the extreme drought was broken in June, it is quite clear that the crop failure of 1934 is a major agricultural phenomenon, following the partial crop failure of 1933.

Although east of the Mississippi the cotton belt has been too wet, and west of the river too dry, it appears at present that the cotton crop will come very close to expectations. The ginning quota under the Bankhead Act is approximately 10,500,000 bales, and the prospect is for a crop of something under 10,000,000 bales.

Business news indicates a very sharp recession in recent weeks. Steel operations fell to 23 per cent. of capacity in the first week of July, which included the July 4th holiday, and are currently somewhat below 30 per cent., compared with nearly 60 per cent. in the middle of June. Retail trade, at least in the New York area, is regarded as disappointing; on the other hand, purely seasonal business, such as trade at summer resorts, is said to be doing well. Attendance at cinemas has been rather sharply affected by the campaign initiated by several allied religious organisations which are directing a boycott against "objectionable" films.

The appointment of the Commission which is to administer the Stock Exchange Control Act (alphabetically termed the S.E.C.) threw no particular light upon the type of policy to be expected. Several members of the New York Stock Exchange have recently opened branch offices in London.

ABRUPT DECLINE IN PRODUCTION

The abrupt decline in production since the end of June is shown in the index of the *New York Times*:—

	PRODUCTION INDEX (100 = estimated normal)			
	July 8, 1933	June 23, 1934	June 30, 1934	July 7, 1934
Combined index	98.7	85.5	83.8	76.9
Freight carloadings	65.7	64.3	65.6	63.2
Steel mill industry	82.2	79.6	62.8	40.4
Electric power production	98.1	99.5	99.7	99.6
Automobile production	53.8	68.3	82.2	39.3
Lumber production	72.9	57.5	55.6	54.7
Cotton cloth production	...	...	78.6	49.1

The week of July 7th was broken by the holiday, and in the following week there was some recovery. Steel operations are now just under 30 per cent. of capacity, but no upturn in steel is expected in the near future. The comparison with last year is especially unfavourable, but just a year ago the boom was culminating. The housing programme, from which much is officially expected, is getting off to a slow start. The lumber cartel has made a small reduction in soft-wood prices, but the building crafts have so far steadfastly refused to make concessions. Statistically it can be demonstrated that any excess of housing which may have existed in 1929 has been absorbed by the growth in population; but with building costs virtually at 1929 levels and average individual incomes far below, the deadlock seems still unbroken.

In the closing days of the last Congress a railway pension Bill was hastily passed, almost without discussion. It was generally assumed that the President would veto it, partly because the Bill was considered of dubious constitutionality, and partly because it was manifestly onerous if not ruinous to many railroads. The Bill was, however, signed. The effects of this act are irregular in their incidence. Most railroads had pension schemes already in effect; on certain roads the previously existing scheme more than meets the terms of the new law; on others, adjustment to the new conditions will be easy; but on the third category the new conditions clearly threaten receivership. Railroad earnings in the first half of 1934 have generally been running above those of the first half of 1933; but the margin has been narrowing rapidly and it seems unlikely that the last half of 1934 will be better than the last half of 1933. Net income will be reduced by the 2½ per cent. wage increase dating from July 1st; while the rise in raw material prices under the N.R.A. codes is making itself felt in expenditures.

It is understood that the railroads intended to ask for a horizontal increase of 10 per cent. in freight rates, and that the constitutionality of the Pension Act will be contested in the courts.

The public utility companies have also been seriously affected by the rise in raw material prices. The companies present the rather anomalous picture of an industry whose output is currently almost at record levels (being actually above 1929 and approximately at the best figure of early 1930), but whose shares are quoted almost at the lowest figures of 1932. In addition to higher material costs, many utility rates have been lowered by the State regulatory commissions, while labour costs have been somewhat increased by N.R.A. They have also been a rather shining target for local taxation.

The repeal of prohibition has upset a good many calculations, including those of the revenue to be derived from it. It was usually assumed that the appetite of the American public for spirituous liquors had increased during prohibition. The actual consumption for all 1934, based on first half-year figures, is computed at 65 million gallons, or three quarts per capita for the 89 million persons living in "wet" areas. In pre-war years it was about six quarts per capita. Alternative deductions seem possible—either that the consuming habits of the American people were profoundly changed by the experiment with prohibition, or that a great part of the liquor currently consumed is illicit and untaxed. The taxes are so high as to make bootlegging still quite a profitable industry, and the latter alternative is the more probable.

New York, July 20.

FRANCE

THE CHAUMETPS-TARDIEU QUARREL

The quarrel between M. Tardieu and M. Chaumetps broke out just at the moment when the departure of Parliament ought to have assisted the tranquillising of the country. M. Tardieu, who is Minister of State in the present Cabinet, had been named as witness, by his own request, before the Parliamentary Committee which has been inquiring for five months into the Stavisky scandals; but he was not content to present his own personal defence; he also pronounced an attack on M. Chaumetps, the former Prime Minister and present head of the Radical-Socialist Party. The Radical-Socialists declared immediately that M. Tardieu had broken the political truce, and demanded either that M. Tardieu should leave the Cabinet or that the Radical-Socialist Ministers should resign. The conflict at once became acute and seriously affected public opinion. The price of Public funds immediately fell several points on the Stock Exchange, and the franc was weaker. The maintenance of the "Union Nationale" is undoubtedly the first condition of the preservation of confidence. President Doumergue, who was on holiday at Tournefeuille, returned immediately to Paris, and persuaded the two Ministers to retain their posts. A *communiqué* was then issued announcing that the political truce had been renewed.

The Cabinet remains as it was. The Socialist-Radicals, however, have decided to maintain the truce till the month of October only, when their Congress will meet. It is observed in some circles that the same political factors which have imposed the present alliance will still determine the situation. But it is evident that the truce can only be maintained by the continued prestige of M. Doumergue, and it seems that the maintenance of his prestige depends on his giving the country the reforms which it demands in return for its support.

FOREIGN TRADE STILL DECLINING

For the first six months of 1934 the total of French foreign trade amounted to 21,414 million francs, compared with 24,074 million francs in the corresponding period of 1933:

CHEMICAL BANK

&

TRUST COMPANY

NEW YORK

June 30, 1934

ASSETS	
Cash and Due from Banks	\$90,685,006.23
U.S. Government Securities	143,640,078.73
Bankers' Acceptances and Demand Loans	64,545,191.48
Eligible Paper and Short Term Notes	32,333,068.88
Notes of Reconstruction Finance Corporation	5,000,000.00
State and Municipal Bonds	35,116,134.07
Other Bonds and Investments	14,426,316.85
Loans and Discounts	81,163,447.70
Banking Houses and Other Real Estate	7,841,906.33
Credits Granted on Acceptances	13,778,177.92
Other Assets	1,747,398.59
	\$490,276,726.78
LIABILITIES	
Capital Stock	\$20,000,000.00
Surplus	40,000,000.00
Undivided Profits	8,945,281.42
	\$68,945,281.42
Capital Note	5,000,000.00
Dividend Payable July 2, 1934	900,000.00
Reserved: Taxes, Interest, etc.	14,816,519.95
Acceptances Outstanding	14,268,778.03
Other Liabilities	138,602.78
Deposits	386,207,544.60
	\$490,276,726.78

Office of the London Representatives:
6 BISHOPSGATE, E.C.2

	First six months of 1933	First six months of 1934	Difference
Imports			
Foodstuffs	5,175,711,000	3,833,296,000	-1,342,415,000
Raw materials	7,248,859,000	6,431,036,000	-817,823,000
Manufactured goods	2,683,525,000	2,350,127,000	-333,398,000
Totals	15,108,095,000	12,614,459,000	-2,493,636,000
Exports			
Foodstuffs	1,145,387,000	1,201,767,000	+56,380,000
Raw materials	2,235,821,000	2,583,484,000	+347,663,000
Manufactured goods	5,584,403,000	5,014,542,000	-569,861,000
Totals	8,965,611,000	8,799,793,000	-165,818,000

The import surplus fell sharply. For the first six months of 1934 it was 3,814.5 millions against 6,142.5 millions in the corresponding period of 1933. This fall is the result of a decrease in imports. Exports fell by 166 million francs (hardly 2 per cent.) and imports by 2,494 million francs (more than 16 per cent.).

The depression in worsted exports resulted in the closing on July 23rd until further orders of the whole plants of Roubaix and Tourcoing. This decision involves 15,000 workers. It is stated that stocks at the end of June had increased by 770,000 kilograms, which means an increase of 3,000,000 kilograms since the beginning of the year, and brings the actual figure of worsted stocks to 22 million kilograms for the North of France. Normally the stocks stand at about 10 million kilograms. Since March, Germany has closed her frontiers to worsted imports. Commercial negotiations in Berlin have been proceeding since early July, and the French producers are waiting anxiously for the results.

Paris, July 25.

GERMANY

ALL-EMBRACING POWERS FOR ECONOMIC MINISTER

For the remainder of the summer, during which the Reich Cabinet will not hold regular sessions, economic regulation will be put through by simple decision of the Reich Minister of Economy, acting alone, or, where other departments are involved, in agreement with the Minister concerned. The new empowering law enacts that the Minister of Economy

will "take all measures that he considers necessary for furthering national business or for preventing or removing economic evils." According to the text of the empowering law the Minister of Economy is not even required to issue ordinances; he can summarily do what he likes; and it is specially prescribed that his measures may violate existing law.

This empowering law constitutes a remarkable advance in quick legislation. Originally such laws (the whole of Nazi legislation derives from a general empowering law) were designed in order to overcome the evil of dilatory Parliamentary procedure. Laws were to come out as decrees or ordinances. The disadvantage of this system was that the public was not prepared by discussion or warning for legislative changes, some of which constituted radical interference with national activity. A decree, for instance, may prevent a manufacturer completing works in which he has already invested capital. This defect of the empowering system was aggravated by the authorisation of Ministers to issue regulations for execution (*Ausführung*) of the decreed laws, which in effect often allowed them to alter laws in principle. They were also empowered to decree exceptions to the laws.

The new empowering law affecting the Minister of Economy goes further; for within his own domain, or jointly with another Minister, he can do anything he likes; instead of legislating or amending existing laws without notice, he is authorised to break the laws. This system of "empowering" goes much further than it ever went in times of acute crisis or national peril, when a Minister was at least required to regulate by ordinances that were valid for a fixed term. In general the practice of "empowering" proves to be very different from the theory. Instead of necessary legislation being facilitated, there issues a ceaseless flood of enactments, an abuse of which Bismarck, even in the days of slow Parliamentary legislation, complained; and the result is, as the new empowering law demonstrates, that there is no law whatever. The unsettling effect upon business is visible every day.

The ration of exchange for imports in August has been cut down to 5 per cent., and the ration of utilisation of foreign acceptance credits to 10 per cent. This formal rationing has very little influence on the quantity of imports that may be paid for. Manufactured goods have been brought under the law of March 2nd authorising control of raw and semi-manufactured materials. According to the international trade-classification, rolling-mill products, yarns, and some other commodities, which are really half-manufactured, are listed as manufactured. This amendment to the control law may affect the import of British yarns, which declined substantially after the tariff increase of 1933.

CONTROLLING COTTON AND RUBBER

A control board has also been founded for industrial fats in connection with the foreign exchange situation. The official control over rubber has been sharpened; and a compulsory cartel for the motor-car tyre industry has been created with the customary prohibition against the opening of new works. In order to limit the consumption of textile raw materials and to prevent production for stock in excess of the current demand, a 36-hour week has been decreed for the earlier stage of manufacture; price advances other than those caused by rises in the world price of raw materials are forbidden; and the opening of new or expansion of existing mills is also forbidden.

The Reich has issued a law guaranteeing the service of the funding issues of the foreign loans Konversionskasse, on the basis of the Reichsbank's offer to bondholders made at the last conference in Berlin. It is reported that the debt negotiations with Sweden are being retarded by a difference over the transfer status of the Kreuger loan, in which the equivocal terms "priority" and "absolute transfer right" play the old disturbing rôle. In reality, it seems, all loans enjoy an absolute transfer right in that when they were concluded it was assumed that Article 22 of the Bank Law of 1924 compelling the Reichsbank to sell gold or foreign exchange would come into force. The article did come into force as a condition of the Young Loan. This article, which by itself creates an "absolute right of

transfer," has never been rescinded; it has merely been evaded since July, 1931, by legislation depriving holders of reichsmarks of their legal right to claim conversion.

On the action of the Dawes Loan Trustees in impounding the pledged revenues no further official comment has appeared. The German claim that the pledging of revenues was designed merely in order to ensure collection of the mark equivalent, which is not in question, is hardly valid. The resolution of the Transfer Committee of October 31, 1924, one of the documentary guarantees of the Loan, states quite definitely that the trustees are entitled themselves to remit these funds "in the currencies of each separate tranche, without regard to any possible effect on the foreign exchange market."

Money has been somewhat tighter, and month-end requirements affected the market somewhat earlier than usual. The demand from agriculture has been considerable. Reich Treasury bonds have nevertheless been easily sold. The Reich ordinary Budget account for the first two months, April and May, of the financial year shows a revenue of Rm. 1,251 millions, whereof Rm. 982 millions are from taxation, and Rm. 155 millions from liquidation of Reich property (sale of Railway Company preference stock, etc.); expenditure is shown at Rm. 1,065 millions; and the surplus at Rm. 186 millions, against which must be set a deficit of Rm. 1,000,000 on extraordinary account. The deficits taken over from preceding years total Rm. 1,796 millions. Receipts from excise taxes are coming in more satisfactorily.

FURTHER RISE IN FOOD PRICES

The wholesale prices index for July 18th was 99.1, as against 98.8 on July 11th. There are new sharp rises of 1.3 and 1.1 points respectively in the vegetable foods and fodder groups. Official warnings against price advances continue to appear. The first compulsory association (*Verband*) under the business "roof-organisation," the new leader of which is Count von der Goltz, has been imposed on the metal-ware industry of Wupperthal-Elberfeld, which is thereby recognised as the sole representative of the whole branch. Retail turnover in May was 11 per cent. higher than in May, 1933.

The Konjunkturinstitut points out that additional retail sales last year absorbed only about half the additional production of consumption goods; the remainder went to increase stocks. The change in relative activity in the consumption-goods and production-goods branches is shown by the fact that the latter turned out 35 per cent. of all industrial production in 1933, as against 24 per cent. in 1932. Steel production in June was 1,003,200 tons. This was the first time since the depression that the figure of 1,000,000 tons was passed. The quarterly report of the Vereinigte Stahlwerke for April-June shows an increase in production, as compared with the preceding quarter, of 26 per cent. in pig iron and 16 per cent. in steel. On the recent conclusion of the international tin-plate agreement the comment is made that Great Britain has a new incentive to enter the International Steel Cartel. It is added, however, that the internal organisation of the British steel industry has not yet progressed sufficiently to justify accession.

Crop reports continue to be unsatisfactory. The heavy local rainfalls have mostly been belated. Under the new price-regulations, designed to compensate farmers for the reduced volume of their crops, wheat is to cost initially, according to district, Rm. 184-204 per metric ton, rising to Rm. 197-217 at the end of the crop year; and rye, Rm. 144-164, rising to Rm. 160-177.

BERLIN, July 25.

AUSTRIA

BUSINESS RECOVERY SLACKENING

THE business recovery has slowed down somewhat. The latest statistics for output and turnover are lower than those of previous months, except in the iron industry, though they are nearly all much above the corresponding figures for last year. The output index for April was 81, compared with 82 for March and 74 for April, 1933.

Cotton weaving mills were working at 83 per cent. of capacity in April, compared with 82 in March and 54 in April of last year. In April there was a decrease of output, compared with the previous month, in wood pulp from 882 to 729 wagon-loads (770 in April, 1933), in cellulose from 1,967 to 1,863 (1,793), in paper from 1,868 to 1,466 (1,620), in pasteboard from 295 to 291 (215). The index of crude iron output, however, has risen, compared with April, from 38 to 45 (42 in May, 1933), crude steel from 57 to 72 (52), and rolled goods from 61 to 77 (50). Nevertheless, orders in hand in the iron industry have fallen from 50 per cent. to 48 per cent.

Consumption both of consumers' goods and producers' goods is slackening chiefly because the power of absorption of the home market is still narrowly limited. Consumption of clothes, shoes and foodstuffs, etc., is lower than last year.

Certain other figures, however, are favourable:—

	June, 1933	May, 1934	June, 1934
Index of deliveries for consumption:—			
Hard coal.....	44.5	40.8	50.3
Electric current.....	102.7	114.4	110.1
Crude steel.....	28.9	45.2	49.7
Sugar.....	80.2	83.7	100.3
Cattle.....	68.6	50.3	63.6
Goods wagons loaded.....	106,184	117,552	125,713
" per working day.....	4,617	5,111	5,029
Insolvencies (weekly average).....	63.5	40	44.2

The unemployment returns are not cheerful. The figures are certainly more favourable than those for last year, if the numbers of unemployed on the dole are compared. But the number of unemployed applying for work in Vienna at the end of June was 187,597, against 181,769 in May and 177,493 in June last year.

Owing to the German tax on tourists going to Austria tourist traffic is still poor. Nevertheless, there were 19,000 foreign visitors in Vienna in May, compared with 24,000 in May last year, when the German tax had not yet been imposed. A decline of exports had lately been observable. The statistics for June, however, are again very favourable, as exports at 73 million schillings are higher by 4.7 million schillings than in May and by 8.6 millions higher than in June, 1933.

The import surplus for the first half-year was 154 million schillings, which is 22 per cent. lower than last year. But it should not be forgotten that in 1931 the import surplus was still 434 million schillings, which is nearly three times as high. This reduction of the import surplus was accompanied by an extension of business, as the total turnover (imports plus exports) rose in the first half-year from 880 to 974 million schillings.

The Trade Agreement with Italy, which came into force on July 15th and which accords one-sided preferential Customs duties for numerous Austrian articles, has now been officially published. The value of these preference duties, which in most cases are confined to modest quotas, lies in the fact that Austrian industry is to be enabled to enter the Italian market with a certain advantage in regard to such articles as have so far seldom been delivered by Austria to Italy. The limitations on the quotas are certainly the main reason why other States have raised no objection to the arrangement on the score of most-favoured-nation treaties with Italy. Moreover, the Agreement accords with the recommendations of the Stresa Conference, which have been approved by the European powers. An important increase of imports from Italy has been noticeable in recent months.

CHEAPER MONEY AND CONVERSIONS

The Austrian National Bank has reduced its discount rate from 5 to 4½ per cent. and so brought it to the lowest level reached since the war; even before the war a Bank rate of 4½ per cent. was regarded as low in Vienna. For advances against Austrian State bonds 5 per cent. is now being charged instead of 5½, and for other securities 5½ per cent. instead of 6. Corresponding reductions have been made in the rates charged by other banks. Interest on overdrafts is now ½ per cent. less, but as a reduction of ½ per cent. in interest payable on time deposits, which constitute the bulk of deposits in Austria, seems inadvisable, the rate has been reduced from 3½ to 3 per cent.

The rate on three to six months' loans has been reduced by ½ per cent.

The National Bank was enabled to reduce its rate by the improved state of the bill portfolio. At the time of the political disturbances in February the total of bills rose to about 296 million schillings, and on the closing day of the first quarter it stood at 307.7 million schillings. Since that date it has been almost steadily declining, and on the last day of the half-year, after a very modest call in the last week of June, bills stood at 253.7 million schillings. As a natural consequence of the cheapening of money at home efforts directed towards the conversion of the League of Nations Loan of 1923/43 are being made with increased energy and have already gained a partial success.

The Government has terminated the State guarantee for the commitments of the Austrian Credit Anstalt. This is undoubtedly a proof of the consolidation of financial conditions in Austria. The deposits according to the latest balance sheet of the Credit Anstalt totalled, it is true, only 39 million schillings, against more than 300 million schillings before the outbreak of the crisis. In the meanwhile, however, this item has increased considerably, partly from natural augmentation and partly because the fusion with the Wiener Bank Verein was enacted several weeks ago and the deposits at that institute, namely 42.8 million schillings according to the latest balance sheet, were taken over. Savings deposits, too, show favourable development. At the end of June deposits of 2,086 million schillings were reported, against 2,099 millions the previous month; but this was due not to withdrawals, but to the fact that the liquidation of the Social-Democratic Labour Bank has been taken in hand and the deposits at that institute struck out of the statistics.

The conversions carried out in recent months of several loans of the Austrian Federal countries all closed with great success. The above-mentioned low-deposit rates were of great assistance. Nevertheless, savings deposits are on the increase, deposits at the savings banks showing the following movement:—

	Total (In millions of schillings)	Vienna alone
January.....	2,095	759
February.....	2,030	704
March.....	2,058	718
April.....	2,075	732
May.....	2,099	748

In June a slight decline set in, as mentioned above, due to withdrawals for holiday purposes.

VIENNA, July 25.

DENMARK

THE AGRICULTURAL CRISIS

THE agricultural crisis, caused by the prevalent heavy mortgaging of farms and the fall in prices, is still continuing. The Commission of Inquiry into Agricultural Debts reported recently that hardly any reduction of agricultural debts had taken place during the years 1930-33, but during the same period the value of land and buildings and especially of live-stock decreased considerably. In 1933 agricultural mortgage debts amounted to 3,700 million kroner and other debts to 450 million kroner. More than two-fifths of all

The British and Polish Trade Bank A.G., Danzig

Paid-up Capital and Reserves: D. Gulden 5,378,542

Chairman: Dr. Roman Górecki.

Vice-Chairman: Sir William Grenfell Max-Müller,
G.B.E., K.C.M.G.

Joint Managers: Wacław Kondorski and Philip
Frederick Rann.

Assistant Manager: Aleksander Kowalski.

The Bank was formed to facilitate Exports and Imports
from and to Poland, including Danzig.

INQUIRIES SOLICITED.

farms were indebted in excess of their actual value, and one-fourth of the farms were indebted from 70 to 100 per cent. of their value. It is estimated that, with present market prices, interest can only be earned on seven-tenths of the capital invested in farms. Bills giving effect to the Report (providing for additional inducement to convert agricultural bonds to a lower interest yield, further reduction of banks' deposit rates, and ways and means to finance assistance to farmers) have been introduced into the Rigsdag.

The question of emigration as a means of reducing unemployment has been occupying the Government's attention. Before the war the normal emigration from Denmark was about 35,000 persons in five years, most of whom went to the United States. For the last five years, however, owing to foreign restrictions on immigration, there have remained about 20,000 would-be emigrants in this country. Certain measures to assist them have been under consideration, and the Minister of Social Affairs, accompanied by several experts, is going to make a tour of certain South American Republics to further a scheme of State-organised immigration into definite settlements.

Endeavours to find new markets for Danish agricultural produce have made progress in some directions, but not in others. After the prohibition of livestock exports to Germany, a certain market was worked up in 1933 in Belgium and the Netherlands. But agricultural interests in those countries soon induced their respective Governments to restrict this trade. The same thing happened in Italy and Morocco. Exports of cheese, however, have grown from 4,300 tons in 1931 to about 10,000 tons in 1933, but 85 per cent. of these went to Germany; and import restrictions have now been imposed in that country.

The monthly statement of the National Bank as at June 30th reveals a further net increase of 10.4 million kroner in debts to foreign banks. The main cause of the increase is the semi-annual interest payments on foreign funded debt. Further, the well-known desire of certain important agricultural interests for a further devaluation of the krone induces importers to settle their commitments as quickly as possible. The bond holdings of the National Bank have been reduced by about 8.5 million kroner, but the advances to the Crisis Fund Institution have gone up by a similar amount. It may be concluded from this that the Bank's holdings of agricultural bonds have decreased by about the same amount as the Crisis Fund Institution's holdings have increased.

INCREASED SHIPPING IN DANISH PORTS

The proposed subsidies to British shipping are being followed with much interest here. Danish shipowners have always been strongly opposed to any Government interference or artificial support to the freest of all trades, and only recently the Shipowners' Association turned down certain Governmental overtures. The shipping position in Denmark is better than for several years. The traffic in Danish ports during the first quarter of 1934 was about 4 per cent. higher than for the corresponding period of last year.

	Goods imported	Goods exported	Coastal Goods Traffic
	Tons	Tons	Tons
First quarter of 1934	2,446,850	449,518	541,697
First quarter of 1933	2,332,827	430,398	446,664

The May freight index is 96.6 (January-March, 1925 = 100).

The healthy position of industry may be inferred from the further decrease of unemployment, although this decrease is somewhat slowing down. On July 13th the number of unemployed was 72,329, compared with 86,792 for the corresponding date of last year.

The Stock Exchange has been lethargic for several weeks pending the results of the Summer Rigsdag session, and prices have moved within narrow limits. The bond index for June is 100.6, as compared with 100.2 for May, and the corresponding share indices are 97.3 and 98.7. Easy conditions are ruling in the money market.

COPENHAGEN, July 25.

BULGARIA

BUDGET AND BANKING CHANGES

THE principal economic measures of the new Government will be the drawing up of a new Budget, the establishment of an alcohol monopoly, and the consolidation of the Bulgarian banks. The new Budget, which came into force on July 1st, and is valid for the remaining nine months of the current financial year, provides for considerable economies through the reorganisation of State services and the reduction of redundant staffs. Estimated receipts, as well as estimated expenditure, have been reduced from 5,650 million leva to 5,330 million leva. In this way the deficit on the past Budget, amounting to some 300 million leva, will disappear. The present reforms permit not only a true balance of current receipts and expenditure, but a progressive reorganisation of the State services and such further economies as may be thought necessary. The alcohol monopoly is expected to yield a new revenue, which will allow the repayment of some floating Government debts.

In virtue of a Governmental decree, steps have been taken for the reorganisation of the Bulgarian joint-stock banks. A few of the present larger Bulgarian banks, such as the Union of Bulgarian Banks, the International Bank of Bulgaria, and some other smaller, but admittedly sound, provincial banks, will amalgamate in order to form a large new banking concern under the name of Crédit Bulgare. The State participates in the capital of the new bank up to 50 million leva. Governmental control of and rights in the new bank are to be exercised by the National Bank of Bulgaria through a delegate on the managing committee. The initial capital of the new undertaking is fixed at 125 million leva, but it may subsequently be raised to 250 million leva, as the greater part of the sound provincial banks are expected to amalgamate gradually with the new bank.

The new cereal crop, with the exception of maize, is estimated at 25 per cent. less than last year's. Pending the exact results of the crop, the Government has placed an embargo on the export of cereals. It is expected that wheat production will be sufficient for local needs; and there may be a surplus of maize for export. A small quantity of last year's wheat may also be available for export. Fresh fruit and vegetables have yielded a very good crop, and exports will certainly be in excess of last year's levels.

Bulgarian foreign trade in the first five months of 1934 has been as follows:—

	First five months of	
	1933	1934
	(Million leva)	
Imports	1,089	858
Exports	1,156	1,046
Export surplus	67	188

The decline in the export figure is due to difficulties in exporting raw tobacco, exports of which have fallen by 270 million leva. The main cause is the delay in concluding the negotiations for the barter transaction, which provides for the export of leaf tobacco worth about 1,000 million leva, against the importation of manufactured goods.

SOFIA, July 20.

BRAZIL

FREEING EXCHANGE OPERATIONS

CONTINUING its policy of freeing exchange operations as much as circumstances will allow and of giving all possible facilities to exporters to dispose freely of their proceeds in foreign exchange, the Government issued a decree on June 20th (extended later) allowing the free sale in the open market of exchange bills drawn against exports of all products classified in official statistics as "various." This decree is expected to call forth about £200,000 of additional free exchange per month for the market. On the other hand, it seems that the amount of "frozen" capital here was not as great as was anticipated in the

foreign press; and, in any case, there is not much demand for free exchange. The export products for which bills still have to be sold to the Bank of Brazil include: cacao, coffee, cotton, hides and skins, lumber, manganese, meat, oilcakes and seeds, rice, rubber, sugar, tobacco and wool.

In accordance with Articles 4 and 5 of Decree 21,113 of March 2, 1932, the Government agreed to deposit with the Bank of Brazil the part of the funds, destined for the service of the foreign debt, that could not be transferred owing to the lack of exchange. Under Article 6 of the same decree, 600,000 contos, out of this "blocked" total of 971,000 contos, have been re-invested in Brazil—300,000 contos in Departamento Nacional do Café bonds; 200,000 contos in the retirement of Federal Treasury bills due this year; and 100,000 contos in the formation of the new Banco de Crédito Rural.

A Federal decree has just been issued laying down regulations for the establishment of new banks to assist in the financing of national industry. Such banks must have a minimum capital of 10,000 contos, and must be located in capitals of States where stock exchanges have been in operation for more than three years past.

The State of Minas Geraes is planning an issue of 600,000 contos of 5 per cent. bonds to consolidate and replace existing obligations.

BUSINESS REVIVING

A general revival in local trade seems under way. The third cement plant in the country is now being erected in the North (at Parahyba). The International Cement Company's plant at Niteroi, which started work only a year or so ago, is now working at full capacity. Quite a number of public works, municipal and federal, are being undertaken, e.g. sewer construction under Federal decree in suburbs of Rio de Janeiro, not hitherto served; and the drainage of the lowlands between Rio and the hills. The State of Sao Paulo, where most of Brazil's cotton mills are located, which formerly imported all their cotton, exported last May 22,500 tons of cotton, and 13,000 tons in June; while between 45,000 and 50,000 tons of this season's crop are estimated to have been already placed for export.

By a law of December 30, 1903, a 2 per cent. (gold) tax was imposed on imports at several ports, in order to pay for dock and port works and improvements. This tax has now been replaced by an additional 10 per cent. *ad valorem* (paper money) duty on all imports affected by the new Customs tariff which entered into force last month; but the proceeds of the new tax are to be earmarked for the same purposes as the former (gold) tax.

RIO DE JANEIRO, July 10.

AUSTRALIA

THE COMMONWEALTH LOAN TO STATES

[The Budget surplus announced this week is discussed in a Note on page 158.]

THE Budget and borrowing arrangements of the Commonwealth and the six States have just been discussed at a Premiers' Conference in Melbourne, with the result that £2,000,000 is to be granted to the States out of the Commonwealth surplus. The aggregate deficits of the six States for the 1934-35 financial year are to be limited to £5,880,000, subject to certain adjustments; and the net loan programmes of Commonwealth and States will be fixed at £22,643,000. During the discussions it has been evident that most of the Governments desire to enlarge their expenditure, both ordinary and that against loans. In this desire they have been encouraged by the success of the 3½ per cent. loan of £12 millions issued by the Commonwealth locally at 98½ which was over-subscribed in three days. The deficits of £5,880,000 are to be financed by the Commonwealth Bank

by means of Treasury bills, subject, it is announced, to the funding of an equivalent amount of Treasury bills as heretofore. A larger total was at first desired, but the Commonwealth Bank has resisted pressure on this point, for which it is being severely criticised by the Labour Party.

The estimate of deficits for 1934-35 mean that the object of balanced Budgets by 1934, according to the "Premiers' Plan," has not been achieved, and both this and the large expenditure of loan money is still disliked in business circles. Provision is made for sinking funds exceeding £8,000,000 on account of the Commonwealth and States for 1934-35, but while this helps to support the market for Government securities, aggregate debts are steadily growing, the interest on fresh borrowings being a set-off against the savings effected by conversions. In defence of the deficits it is argued that the balancing of budgets to be achieved in 1934 by the operation of the Premiers' Plan was to be contingent on prices recovering. There is some substance in this argument; though if the balancing of Budgets is to be postponed until prices reach the 1928 level they are likely to remain unbalanced for a long time.

LABOUR AND THE BANKS

The political outlook has become unsettled, especially owing to the return of Tasmania to Labour at the State elections just held, following a similar movement in Queensland some time ago. The Tasmanian result has encouraged the Labour Party in the hope of returning to office in the Commonwealth elections this autumn with a programme of bank nationalisation and a conversion of external loans to lower rates of interest. Disagreements between the Country and the United Australian Party on the Government side also point in the same direction.

The weather is extremely dry, and the Australian wheat area is expected to be quite 15 per cent. below last year's, while the seeding process is being delayed, recent rainfall being too light to be of much service.

MELBOURNE, July 1.

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LETTERS TO THE EDITOR

THE ANGLO-NORWEGIAN FISHING DISPUTE

TO THE EDITOR OF THE ECONOMIST

SIR,—Referring to the comment in "Notes of the Week" in last week's *Economist* on the Anglo-Norwegian Fisheries Dispute, I think it is unfair to make a comparison between the three-mile fishing limit for say England and that for Norway. To anybody who has a working knowledge of the actual conditions under which British trawlers fish off the Bear Island, Greenlandic, Icelandic, Murmansk and Norwegian coasts—and there are few having that knowledge who are disinterested parties—the problem recently raised must appear impossible of settlement by the usual diplomatic channels. The population living on the West, and especially North-West coasts of Norway, depends for its livelihood entirely on fishing.

Since the War the Norwegians have grown very uneasy as increasing numbers of British trawlers with new methods of catching fish, have monopolised these grounds. Where, before, fish spawned in their thousands and grew to maturity as far as ten miles from the coast, now the finest and greatest majority of fish are to be found close to the shore in the three-mile limit. When fish are scarce and market prices are high, it is a great temptation to any trawler skipper to trawl within the limits. Quite a number of skippers make a regular practice of it. The risk of a penalty is no real deterrent, as the market value of the fish to be found in the limit is so high as to make the gamble worth while.

Norway is afraid that the three-mile limit is not sufficient to protect the fisheries off her coasts from gradual extinction, and in some fjords admittedly she imposes an arbitrary limit of her own which exceeds the recognised boundary line. She declares that she herself has always upheld a limit of four miles along her coast.

In this connection the *Anglo-Norwegian Trade Journal* for June makes two statements which ought to be considered:—

(1) In 1900 whaling operations off the Norwegian coast were prohibited by the Government as it was declared that this new type of fishing ruined the catches of demersal fish on which the coastal population of Norway had depended for 1,000 years.

(2) The *Journal* asserts that the three-mile limit has no validity before International Law. In support of this statement is quoted the dissent of the Lord Chancellor of England in 1895 when the Moray Fisheries Acts were introduced, from the notion that Great Britain had ever recognised the international validity of the three-mile limit. An ex-Lord Chancellor is said to have declared that the limit was based on *ultima vis armorum*, which was the range of a gun, at one time estimated to be three miles. In connection with the Moray Fisheries Acts of 1895, a Bill was passed to prohibit trawling within 13 miles from the coast. The original Bill suggested a 70-mile limit from Rattray Head to Duncansby Head, but this was modified.

It should not be forgotten that as recently as May 17th of this year the Illegal Trawling (Scotland) Act came into force. The penalties have been increased by this Act. The continued complaints by the Scottish Coastal population against the steam trawler, which not only poached within the limits, but destroyed their nets in the process, had a great deal to do with the introduction of the Bill.

With regard to the present Anglo-Norwegian dispute, Mr Eden's rather startling announcement—to quote the *Economist*—"that in any event an early visit of a British warship to the fishing grounds would be considered," is unsatisfactory. A committee, comprising men like Dr. E. Travis Jenkins of Fleetwood, and Professor Hardy of Hull, who have studied the vitally important problem whether modern trawling methods are gradually exhausting the world's fisheries, should be set up and their opinion accepted.—I am,

Yours faithfully,

TRAWLAMATEUR.

STABLE PRICES OR NEUTRAL MONEY?

TO THE EDITOR OF THE ECONOMIST

SIR,—In to-day's issue of your monthly Book Supplement the writer of the article on "Stable Prices or Neutral Money?" raises objections against the "Austrian" thesis that capital created with the help of inflationary credit will regularly be destroyed when the credit expansion comes to an end. The authors of the three books reviewed in the article and apparently also the writer of the article himself base their views on this point mainly on the very condensed and somewhat insufficient exposition of this doctrine in my "Prices and Production." May I, therefore, be allowed to point out that I

have considerably elaborated this exposition and added some qualifications in an article which appeared in *Econometrica* for April, 1934? I venture to enclose an off-print of this article and remain,

Yours, etc.,

F. A. HAYEK.

15 Turner Close,
Hampstead, N.W.11.
July 21, 1934.

[We are very grateful to Professor Hayek for sending us the above-mentioned article, and we agree that his doctrine (particularly on the points discussed in our Book Supplement) is much more clearly expounded in this article than it was in "Prices and Production."

We suggested in our Book Supplement that "forced saving" and "over-investment" need not make capital destruction necessary after the boom. Professor Hayek, in his new article, argues that new investment can only be maintained if the entire new process of production, in all its stages, has been completed. No one would probably disagree with this statement; an incomplete structure of real capital must either be finished or pulled down. Next, Professor Hayek allows that if sufficient voluntary saving is maintained—in spite of some falling off—to complete the new capital, no capital destruction need ensue. The saving may or may not be sufficient.

The most important assumption, however, which Professor Hayek now explicitly admits to underlie his whole analysis is this: that all the factors of production are fully employed from the moment when forced saving begins until the breaking of the boom. This assumption, which is certainly legitimate in the world of pure equilibrium theory, explains the complete divergence between Professor Hayek's belief that an increase in the demand for consumers' goods leads to a decrease in the demand for capital goods, and the otherwise generally accepted belief that it leads to an increase. At the very beginning of the depression, it is commonly argued, consumers' demand is falling off; and if it increased, there would be a derivative increase in the demand for capital. This is certainly true, if there are unemployed factors of production in existence. At the beginning of depression, in Professor Hayek's view, consumers' demand is actually unsatisfied and increasing, but it cannot give rise to a desired increase in the production of capital goods because all the factors of production are employed.

The demands for consumers' goods and the demand for capital goods, in fact, are only competitive if all the factors of production are employed. Otherwise the second demand is derived from the first. This issue (which is fully discussed in Mr E. F. M. Dublin's "Purchasing Power and Trade Depression") is evidently fundamental to the question whether Professor Hayek's analysis is relevant at all to the trade cycle as it appears in the real world. We would only point out—for what it is worth—that the percentage of workers wholly unemployed, in addition to those temporarily stopped, in 1929 was as follows: 8.2 in Great Britain, 13.2 in Germany, and 12.0 in the United States (trade unionists only).

Finally, Professor Hayek concedes that the idea of "neutral" money may have no significance for practical policy owing to "the existence of long-term contracts in fixed sums of money, the rigidity of prices, and such-like institutional factors."—Ed. *Econ.*]

BOOKS RECEIVED

Italy's Part in Winning the World War. By Col. G. L. McEntee. (London) H. Milford. 114 pages. 9s. net.

The Economics of Rearmament. By Paul Einzig. (London) Kegan Paul, Trench, Trubner and Company, Ltd. 179 pages. 6s. net.

How Shall I Insure? By F. G. Culmer. (London) Pitman and Sons, Ltd. 84 pages. 2s. 6d.

Vers l'union Balkanique. By A. P. Papanastassiou. Bulletin. Nos. 1-2-3, 1934. (Paris) Publication de la Conciliation Internationale.

A volume of essays, under the auspices of the European centre of the Carnegie Foundation, on the Balkan Conferences of 1930-33, preparatory to the Balkan Pact of February, 1934.

The New Internationalism. By Clark Foreman. (London) Allen and Unwin. 154 pages. 5s. net.

Disarmament and Equal Rights. Edited by R. Schmidt and Adolf Grabowsky. (Berlin) Carl Heymanns Verlag. 284 pages.

This is a most comprehensive treatment, in English, of the disarmament problem from the German point of view. It contains all the important speeches and documents between Herr Hitler's Reichstag speech of May, 1933, and the French disarmament Note of March 19, 1934.

MONEY AND BANKING

FINANCING AMERICA'S RECOVERY

ONCE again a critical period has been reached in the economic progress of the United States. "Recovery" is once more in the balance, and bewildered observers on both sides of the Atlantic are concerned as to the outcome. Much progress has been accomplished during the sixteen months of Mr Roosevelt's Presidency. What he had to deal with at the fateful moment of his inauguration was not merely an economic problem, the reversal of a panicky deflation. He had to restore the morale of the country, to reconstruct a system after complete collapse. In actual fact, the remedies which were advocated by representatives of the most powerful individualist class now clamouring for "freedom"—e.g. the time-honoured system of clearing certificates—would not only have failed to restore confidence but would probably have had so disintegrating an effect that a restoration of any ordered economic life would have become impossible for a long period.

The end of the American financial year offers an occasion for surveying the other side of the balance sheet—the cost of the progress made. The Government debt, exclusive of the Government guaranteed bond issues of certain Emergency Authorities for the purpose of liquifying and buttressing the urban and farm mortgage situation, amounted at the end of the fiscal year 1934 to \$27,053 millions. It rose to this record in four consecutive years from \$16,185 millions, whereas the previous post-war record in 1919 had been \$25,482 millions. Moreover, this rise took place despite the Government's inability or unwillingness to spend the deficit envisaged by last January's Budget of over \$7,000 millions. Some of this debt is represented by more or less valuable assets, which may at one time or other be repaid. Outstanding in this class is the Government-financed Reconstruction Finance Corporation, whose loans and capital assets amounted on May 31st to no less than \$2,448 millions out of a total expenditure of \$3,832 millions. In any case the amount is colossal, and at first glance gives some justification for the anxieties of orthodox bankers and economists, who point to the danger of ultimate uncontrolled inflation. But from a theoretical standpoint these fears seem superficial. The national income of America in the worst year of depression amounted to about \$40,000 millions and may now be flowing at a rate of about \$50,000 millions to \$60,000 millions a year. Even if the 1929 record of more than \$83,000 millions is never reached again, the debt burden does not seem unbearable. The English public debt in post-war years, for instance, was never less than 1½ times the national income, and during the depression it rose to twice that amount. No doubt State and Local Government debt plays a much greater rôle in America than in this country, having increased from \$9,800 millions in 1922 to \$19,300 millions early in 1933, out of which State debts were only about \$2,000 millions. But it must not be forgotten that the United States are a Federation, and that recent legislation facilitates the scaling down of municipalities' debts, which therefore cannot threaten the stability of the currency as they would in a more centralised State. But even if we sum the total public debt, not separating Federal from non-Federal debt, it does not reach the total of one year's national income.

It is not the theoretical, but rather the actual financial aspect of the American Government's attempt to lift the country out of the great depression which gives rise to apprehension. In view of the extremely serious plight of the United States last year, when drastic and doubtful measures had to be taken to foster psychological, speculative revival in order to avoid a complete economic and social collapse, no one familiar with the political scene in America can quarrel with the contention that a slump in the volume of Government expenditure had to be prevented. Under present conditions such flagging in public spending activity would necessarily lead to a

general shrinkage of business, and consequently to agitation in favour of more extreme palliatives.

The Government spending programme, however, was unquestionably a failure, in that it did not succeed in creating an expansion of private spending and investment. It may be argued that the peak deficits of December and January last, though their social importance cannot be over-estimated, did not contribute so much to the better-founded recovery in the spring as the revival of certain replacement demands, e.g. that for automobiles. Clearly, certain "new incomes" were created by public expenditure. It is questionable, however, if we can count all these incomes as purely additional. Can we assume that the Government spending had no adverse influence on private spending and investment such as to stultify the method itself, or, after a certain point, to make it really dangerous? By reducing private expenditure and investment it probably made Government spending, the short-run emergency measure, into a long-run institution.

The reasons for this result are not difficult to trace. It was due (a) to the unbalanced increase of prices, especially of capital goods, which discouraged consumption and investment; and to N.R.A. cartelisation. But (b) it was due to the continuous disturbance of confidence on account of the long drawn out wrangles about the Securities Act revision and the Stock Exchange Bill. And (c) it was due to the vacillating monetary policy of the Government, who in the first period relied on the fallacy of exchange depreciation as a means of active inflation, and even in 1934 did not keep to their intended expenditure programme, thereby reducing the "shock" effect, which was the only justification for emergency measures.

In so far as Government spending tended both to maintain the new monopoly price level and to increase costs (the P.W.A. paying very much more than the average wage in private industry) it tended to increase rather than mitigate the same disequilibria which constituted the obstacles to a resumption of private economic activity. The extreme cartelisation and consequent price rise has materially reduced, if not annihilated, the benefits expected by labour. The attitude of labour, therefore, is menacing and is more and more turning away from the question of wages and hours to the problem of the Unions' political strength. At the same time price readjustments seem to be inevitable on account of consumers' and investors' resistance, and cartelisation begins to show signs of weakening. Thus, in deference to these developments, a drastic revision of N.R.A.—abolishing price fixing and limiting N.R.A. to important industries—seems inevitable.

At the same time it is to be hoped that the Government will realise that mere spending is not an answer to their problems. The increase of the public debt has necessitated the pursuit of a continuous easy-money policy by the Government in order to avoid an increase in the cost of its financing. Member bank reserve balances, which at one time sank below the \$2,000 millions mark, reached the level of \$3,837 millions at the end of June. Excess reserves amounted to over \$1,800 millions, which means that about \$18,000 millions of deposits can be created without recourse to Central Bank credit—an amount which is larger than the expansion which was required to finance the great inflation of 1920. The Treasury, however, is still in possession of probably more than \$2,000 millions of gold, against which no gold certificates have been issued; and when these are issued they will swell member bank balances and increase the potentiality for inflation. More than half of the Government deficit, moreover, was financed by bank purchases of Government obligations. The holdings of all member banks totalled \$8,667 millions at the last date available (March, 1934), which constituted the most important item of their total loans and investments of \$26,549 millions. The possibility of a sweeping inflationary development is not, therefore, excluded.

President Roosevelt's record of handling difficult political issues is the main hope that a major monetary disorder will be avoided. Time is pressing. Every month which passes, without lessening dependence of business activity upon Government spending, increases the volume of Central Bank credit necessary to offset the depressing effects of the mounting debt and the consequent growing unwillingness to invest in Government securities. And this increases the risk that an eventual expansion will become a runaway speculative boom instead of a more balanced and comprehensive improvement. A statement of the Administration's plans, tending to restore confidence, instead of a review of past achievements, would now be most opportune.

FINANCIAL NOTES

The Money Market.—Money remains very easy, and outside lenders have continued to receive $\frac{1}{2}$ per cent. It is true that credit was not quite so abundant on Thursday, but this was due solely to the calling that usually takes place on that day and was unconnected with outside events. The assassination of Dr. Dollfuss has in fact left the money market entirely unmoved, and in one or two cases where lenders tried to secure higher rates they met with no success.

	July 5, 1934	July 12, 1934	July 19, 1934	July 26, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{1}{8}$	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$
(b) Others.....	$\frac{1}{8}$	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$
Three months' bank bills	$\frac{1}{8}$	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$

Discount rates became a shade firmer on Wednesday morning, but they still remain weak, and the clearing banks have reduced their rates for August and September bills from $\frac{1}{8}$ to $\frac{7}{8}$ per cent. They have secured a few bills at the latter rate. This week the total of Treasury bills issued by tender has been reduced from £470.1 to £461.3 millions, representing a contraction of £37.4 millions during the past six weeks.

The Bank Return.—The note circulation remains unchanged, but next week the holiday expansion is due to begin. Meanwhile the circulation is now practically the same as it was a year ago.

	July 26, 1933	Dec. 27, 1933	July 11, 1934	July 18, 1934	July 25, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.2	190.7	191.5	191.6	191.6
Note circulation.....	382.2	392.0	384.6	383.9	383.9
Banking Department:—					
Reserve.....	69.3	59.7	67.6	68.3	68.2
Public deposits.....	21.5	22.2	17.4	20.6	10.9
Bankers' deposits.....	89.5	101.2	97.3	96.9	104.8
Government securities...	90.0	88.0	82.6	83.2	83.5
Discounts and advances	11.2	16.8	7.8	7.5	7.5

Proportion 42.0% 37.3% 44.7% 44.5% 44.9%

The only changes of note are a contraction of £9.7 million in public deposits and an increase of £7.7 millions in bankers' deposits. Last week public deposits were swollen by Excise duty payments, while this week the net repayment of Treasury bills noted above and probably discrepancies in the dates of Treasury bill payments and maturities have caused them to fall to a more normal level. This money has naturally passed into bankers' deposits.

The Foreign Exchanges.—Notwithstanding the Austrian outbreak the London foreign exchange market remains very quiet. Registered marks have weakened from $34\frac{1}{2}$ to $36\frac{1}{2}$ per cent. discount, but at the moment there is less selling pressure than was in evidence a short time ago. On Thursday morning there was a slight tendency to offer

sterling and Continental currencies and to bid for dollars, but there was little actual business, and the general trend may easily have been the result of the setback in wheat and cotton prices, which may be bringing out seasonal buying and covering of the exchange by European importers. Compared with a week ago, francs have strengthened again as a result of the settlement of the differences in the French Government, and the British Control has had to sell francs at Frs. 76 $\frac{1}{2}$ once or twice in the early part of the week.

New York Money and Banking.—Money rates are unchanged. Brokers' loans were reduced during the week ended July 18th from \$1,059 millions to \$1,031 millions. New York City has arranged for two banking groups to offer on its behalf the issue of \$70 millions of bonds, which was previously refused by the R.F.C., while a few days later the R.F.C. itself declared its readiness to take up \$100 millions of New York City bonds issued for the financing of public works. The Treasury has offered \$100 millions of 3 per cent. 1944-49 Federal Farm Mortgage Corporation bonds, which are fully guaranteed by the Government. The proceeds will be used to repay to the Treasury previous advances made by the R.F.C. This is the first time that the Treasury has acted as fiscal agent for another Government agency. The Treasury has issued a new silver regulation laying down that the transfer of an interest in bullion is subject to the 50 per cent. profits tax in all cases where a net profit is realised, even though the transferor simultaneously acquires another equivalent interest in silver bullion for the same or a different delivery date. This regulation is retrospective to June 19th, and its effect will be to check speculation.

New Zealand Exchange.—With commendable promptness the New Zealand Reserve Bank has preceded its opening with an official statement to the effect that no alteration in the exchange rate on London is intended to be made for a long period. As from August 1st, when the Reserve Bank opens for business, it will sell spot sterling in London in exchange for its own notes at a rate of £125 (New Zealand) for £100 sterling; and will buy gold or spot sterling at a rate of £124 (New Zealand) for £100 sterling. The difference between these rates reflects the Reserve Bank's "turn." Unless any material alteration in general conditions develops, the Reserve Bank will maintain these rates for a long time, and to assist in achieving this measure of stability it is prepared to enter into forward exchange contracts with the trading banks. Otherwise it does not intend to compete for foreign exchange business, though it is prepared to fulfil its statutory obligations if it is requested to do so. The trading banks will be free to fix their own buying and selling rates for London funds, but as the Reserve Bank is a free buyer and seller, its own rates will obviously govern the market. It is known that a speculative position has developed in anticipation of an appreciation of the New Zealand pound, and that funds due in respect of imports into New Zealand are being held in New Zealand currency in the hope that an appreciation would occur. The Reserve Bank's clarification of the position is thus extremely timely.

Standard Bank of South Africa.—The Earl of Athlone, the chairman of the Standard Bank, was able to give his shareholders, at this week's annual meeting, a fairly encouraging account of South African conditions. The drought broke as long ago as last November, and grazing is now abundant and crop prospects good. Gold mining prospers, and the revenue from the excess profits taxation is providing the chief source for financing the Government's reconstruction schemes. Reports from other parts of Africa where the bank operates are, on the whole, becoming more favourable. The Earl of Athlone said comparatively little about the banking position, on the ground that his predecessor had dealt with the return of funds to South Africa at last year's meeting. The banks, however, are still experiencing difficulty in finding employment for their surplus funds, and shareholders were reminded that this difficulty bears on the results of the year's working. This is the common experience of banks in many parts of the world.

THE STOCK EXCHANGE

GOLD IN WEST AFRICA

WEST AFRICA, which in the last few months has been intermittently concerned in a London mining share boom, is one of the oldest of the world's known gold fields. Few countries, even among those known to the Ancient World, have so long a record of persistent primitive production. Though the earlier output was mainly obtained from alluvial and shallow workings, serious mining operations are known to have been carried on at least as early as the fifteenth century, when the precious metal was first exported. European mining goes back for a century, but it was only in the late 'nineties that systematic capitalistic efforts to overcome the natural difficulties of the territory eventuated in the formation of the Ashanti Goldfields Corporation.

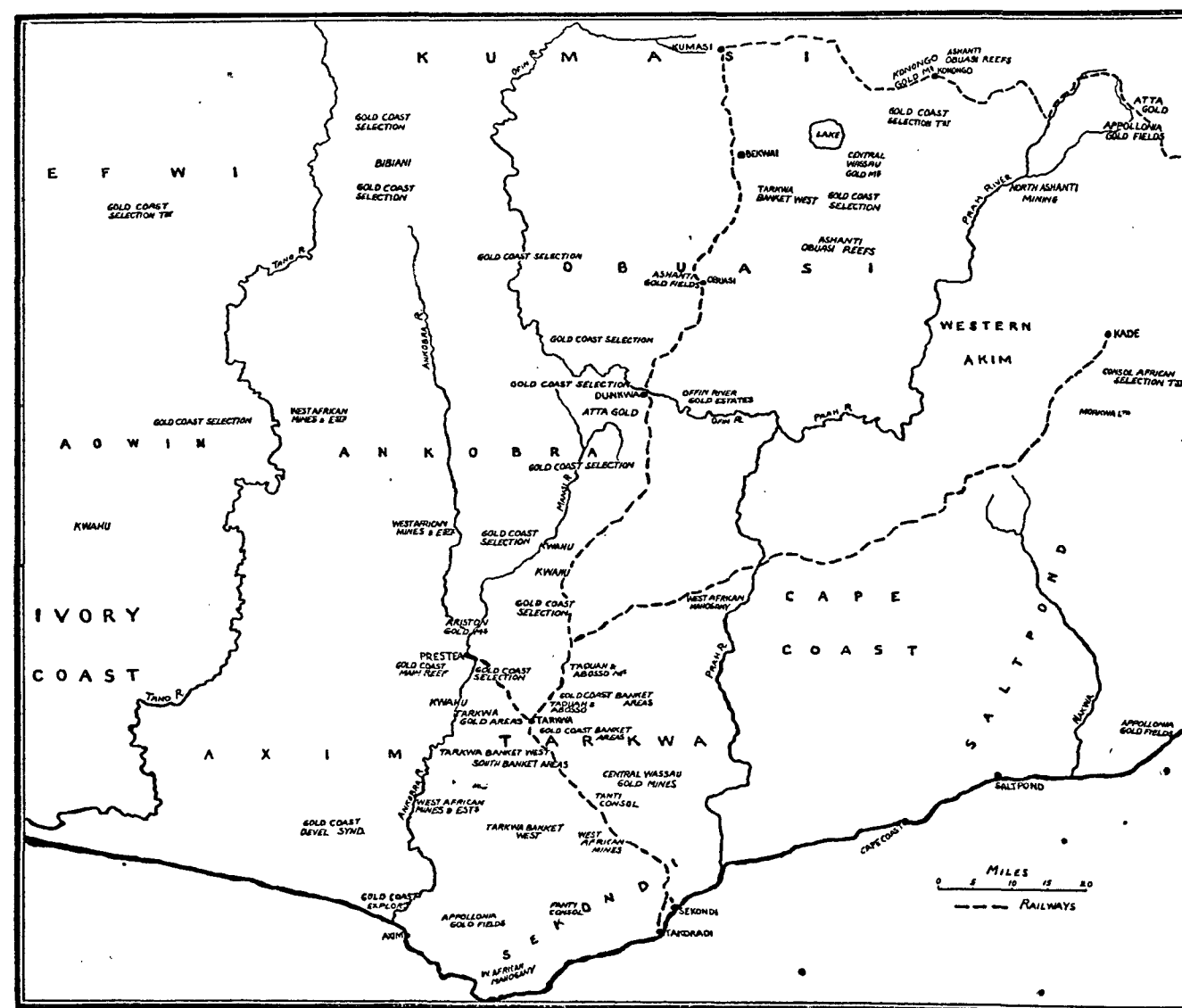
The latter's conspicuous success has inspired an inevitable train of imitators, but it is only the recent removal of certain very definite disadvantages which has made West Africa "front page news." Transportation problems, in an area of 92,000 square miles of jungle, have been mitigated, if not overcome, by the provision of 500 miles of Government railways and 6,400 miles of roads fit for motor traffic. Some millions of pounds have been expended on the provision, at Takoradi, of a harbour large enough to accommodate nine vessels with laden draft of 25 to 27 feet. The transmission both of mining machinery and power to relatively remote districts has been greatly facilitated. Advancing knowledge of medi-

cine has rendered the area, with its hot and humid tropical climate, appreciably less unhealthy for European engineers and assistants. Finally, and perhaps most important, the rise in the price of gold from 85s. to nearly 138s. per ounce, since the devaluation of the pound, with a concurrent reduction in working costs, has reduced the extreme limit of payability from something in the neighbourhood of 6 dwt. to something under 3 $\frac{1}{2}$ dwt. per ton of ore.

Thus, the most recent "jungle boom" has at least a more favourable economic environment than its unfortunate predecessors, which produced mainly disappointment and fruitless capital expenditure. Nevertheless, as a field for speculative investment, West Africa has all or nearly all the disadvantages which are inseparable from "new" gold-bearing areas (in the modern sense), however bright their ultimate prospects. As compared with the Witwatersrand, which has half a century of intensive development behind it, West Africa suffers, for the time being, from a certain insufficiency of exact knowledge and assured capital resources. Both factors have an intimate bearing on the problem of the investor, and both tend to discount the significance of contemporary share movements.

Systematic geological survey, in the last twenty years, has suggested that some 20,000 square miles of the Gold Coast (i.e. two-fifths of the combined area of the Gold

MAP OF THE WEST AFRICAN GOLD AREAS



Coast proper and of Ashanti) are underlain by rock of pre-Cambrian age. The bulk of the world's gold output has hitherto been obtained from rocks of this description. Generally speaking, however, the extremely numerous remains of native surface workings disclose only low values. While the existence of richer ore at depth may be presumed, it can be proved only by systematic boring, shaft sinking and underground development. Apart from a host of isolated "prospects," there are apparently three major gold-bearing formations, of which only a few small sections have so far been tested at depth. The Tarkwa Banket reef, running about 100 miles in a north-easterly direction, is paralleled about 12 miles north-west by the Prestea. To the north, a quartz formation of very considerable extent has the famous Obuasi mine of the Ashanti Corporation approximately in its centre, while about 50 miles further north-west the Bibiani mine is opening up payable ore. The relative positions of these formations may be perceived by reference to the accompanying sketch map.

The Tarkwa field closely resembles the banket reef formation of the Rand, with its characteristics of comparatively regular gold deposition and pronounced continuity of reef, laterally and in depth. Payable values, similarly, occur in "shoots" (whose characteristics, on the Rand, were explained in the *Economist* of July 7th last, page 20). As these, however, are apparently neither as numerous nor as extensive as on the Rand, mining must necessarily be more selective. Though the beds extend for 100 miles, serious operations have hitherto been confined to a part of the southern portion of 15 miles. Here, the Taquah and Abosso Company, whose chairman is at the head of Ashanti Goldfields, is operating mines originally developed some years ago. The company paid a dividend for its last financial year of 37½ per cent. on an issued capital of £240,000. Another developed mine, the Abbotiakoon, is operated under the technical direction of the American Smelting and Refining Company. Here, also, are the properties of Gold Coast Banket Areas, and its subsidiary, South Banket Areas, which appear favourably situated. The mill now being erected at the Fanti mine of the Gold Coast Banket Areas may be in production by the end of this year.

On the Prestea belt, the principal mine, the old Prestea, is owned and operated by Arison Gold Mines. Geologically, and in regard to its deposits, this belt is broadly similar to the Obuasi field, further north, from which the mines of the Ashanti Corporation have obtained high-grade ore for many years past. Practically the whole of the area covering the strike of the quartz reefs between the two last-named fields is owned by the Gold Coast Selection Trust, which has an experienced mining organisation and considerable cash resources. Generally, however, it is in the northern area that least is known and most surmised. In the North Ashanti district a banket formation may exist, similar to the Taquah field, and possibly of larger area. The Bibiani has disclosed satisfactory, though possibly somewhat irregular, values, and the Konongo properties may lie at the end of still another gold belt or, alternatively, on a continuation of the belt of which the Obuasi mines are a part.

This summary suggests, incidentally, that the developed mines of the entire area can be counted on the fingers of two hands. Most of the shares which have gone to high premiums since their issue, in the last few months, are those of companies owning more or less promising "prospects," whose development, if and when payable deposits are proved, will require the sinking of much larger amounts of capital than the majority of companies possess, or are likely to be able to obtain on favourable terms so long as they remain in "isolated" units or inter-shareholding groups. Generally, the market capitalisation of West African shares suggests that, in the case of recently-formed companies, the market is tending to assume what it remains for experience to prove, as may be gathered from the table at the head of the next column.

It will be seen that the nominal paid-up capitalisation of eighteen West African companies which have not yet paid a dividend amounts to little more than £4½ millions, but is valued in the market at an average premium of nearly 280 per cent. The future of some of these new companies may well be promising. Successful development of

WEST AFRICAN GOLD COMPANIES

Company	Shares		Paid-up Capital		Further Shares under Option or Option Certificates		Latest Dividend
	Nominal Value	Market Value	At Par	At Market Values	Number	Option Price	
Akim (1928).....	2s. 6d.	5s. 9d.	(1000)	125	288	...	10
Anglo-Af. Sel. Inv.	2s.	6s. 3d.	100	313	...	...	...
Appollonia	1s.	3s.	94	282	...	...	...
Ariston (1929)	2s. 6d.	10s. 9d.	700(a)	3,010	...	...	20(b)
Ashanti Goldfields	4s.	43s. 3d.	1,000	10,830	...	...	65(c)
Ashanti-Adowena	4s.	3s. 3d.	200	163	500,000	Par	...
Alta	2s.	8s.	100	400	...	...	...
Bibiani (1927)	4s.	26s. 9d.	400	2,677	...	...	...
Central Wassau	1s.	3s. 9d.	104	391	712,568	Par	...
Gold Coast Banket	2s.	4s. 1½d.	400	825	1,000,000	Par	...
G.C. Main Reef	5s.	7s. 6d.	312	468	...	...	...
G.C. Selection	5s.	44s. 9d.	500	4,475	...	...	...
Konongo	2s.	4s. 7½d.	465	1,076	350,000	Par	...
Kwahu	2s.	62s.	40	1,240	...	...	...
Lyndhurst Deep	1s.	3s. 10½d.	351	1,360	983,160	Par	...
Morkwa	5s.	9s. 6d.	68	129	127,000	Par	...
North Ashanti	4s.	4s. 1½d.	218	225	...	...	...
Obuasi	5s.	13s. 9d.	300	825	400,000	Par	...
South Banket Areas	2s.	2s. 9d.	405	557	950,000	Par	...
Taquah and Abosso	4s.	28s. 10½d.	240	1,734	...	...	37½
Tarkwa Banket	...	...	...	...	...	...	...
West	1s.	8s. 1½d.	150	1,219	...	...	...
Tarkwa Gold Mines	5s.	9s. 10½d.	300	593	400,000	Par	...
Winnebuh	5s.	11s. 3d.	76	171	296,197	Par	...
Total (all companies)	...	...	6,648	33,251	...	...	...
Total (excluding dividend-payers)	...	...	4,583	17,389	...	...	...

(a) After latest issue. (b) Interim 15 per cent. for current year. (c) Equivalent on present capitalisation. Interim of 20 per cent. for current year.

any "new" mining territory necessarily involves the active enlistment of the speculative investor, who may be ready to adventure his money for a fortune—or a total loss. The assurance of his support, however, is a different matter from the encouragement of share gambling. At the present stage, for example, the granting of options and option certificates, giving certain parties a future call on shares on favourable terms, may be an inevitable adjunct of a financial technique designed to ensure the provision of further capital. In some cases, however, these instruments have degenerated into mere gambling counters, or levers for the manipulation of the market.

In short, the successful development of the West African field pre-supposes the diversion of increased, and increasing, resources to the mines. More thorough exploitation of the "promises" of geological exploration is a paramount necessity, but a continuous prospecting programme requires a long purse as well as a stout heart. The specialised and wealthy mining finance house, whose existence has been found indispensable on the Rand, is likely alone to possess the financial and technical resources indispensable to success. Up to the present, however, while established finance companies have shown a certain interest in West Africa, they have been reluctant to commit themselves to the acquisition of any large or irrevocable stake. In the interests both of potential investors and of the field itself, the backing of these companies must be regarded as a *sine qua non* to further applications to the public, and it may be hoped that the recent taking over of the management of the Konongo by Consolidated Gold Fields will be a signal for further moves in this direction.

INVESTMENT NOTES

Gilt-edged Prospects.—The strength of Gilt-edged stocks continues unabated. During the past month some of the below-par British Government stocks had risen two points before Thursday's moderate reaction.

Stock (and Redemption Dates)	Lowest, 1934	June 25, 1934	July 25, 1934	Change During Past Month
Consols 2½%	73½	78	80½	+2½
Conversion 3½% (after 1961) ..	101½	103½	105½	+2
Irish Land 3%	85½	89½	91½	+2
Irish Land 2½%	77½	82½	84½	+2
War Loan 3½% (after Dec., 1952)	101	103	104½	+1½
Local Loans 3%	86½	91½	93	+1½
Funding 4% (1960-90)	111½	113½	115½	+1½
Conversion 5% (1944-60)	115½	117½	119	+1½
Conversion 3% (1948-53)	97½	101½	102½	+1
Conversion 2½% (1944-49)	92½	96	97	+1

So far, the market has confounded all prophets of serious reaction. The "two-and-a-half per cent. school," however, are still outnumbered by those who assume that reaction must come, sooner or later, among whom is Mr N. F. Hall, of University College, London (who contributed to the *Economist's* Supplement of May 5th, on the Exchange Equalisation Account). Mr Hall declares that the early months of 1935 will be a critical period, for the British Treasury, having (presumably) funded £150 millions of 2 per cent. Treasury bonds, 1935-38, callable next April, will have no further direct interest in the maintenance of "control." So far, the Government's declared policy of raising commodity prices by monetary measures has been largely nugatory, owing, Mr. Hall believes, to the prevention of international capital movements. But as the revaluation of the Bank of England's gold stock at the current market price for the metal would raise it to the neighbourhood of £315 millions, a substantial recovery in international financing need not be accompanied by contraction of credit in London. Once international capital movements are resumed, Mr Hall believes, increased money supplies will become effective, commodity prices will rise, the supply of ordinary securities will increase, and the banks will reduce their investments and increase their advances. While, therefore, present gilt-edged values—particularly for "shorts"—may be maintained and possibly improved in the immediate future, anticipation of the train of events described above may put a brake on any significant rise, and ultimately (say, from the spring of 1935 onwards), produce a fall calculated to bring 2½ per cent. Consols eventually to approximately a 4 per cent. basis. Some investors may consider that Mr Hall's analysis gives optimistic force to the revivalist influence of renewed international capital movement, and glosses over the existence of decidedly effective machinery for strait-jacketing international trade, which has been built up during the depression. Incidentally, a historical parallel with the 'nineties of last century, on the lines suggested in our leading article of April 21, 1934 (page 880), suggests that British Government security values should reach the highest point in their "time-table" about half-way through this year, and, after remaining near the top for about twelve months, should slowly recede in the latter part of 1935. But Mr Hall rejects the applicability, in this instance, of the historical method.

Preference Shareholders' Rights.—The Preference shareholder, uneasily placed between the ordinary shareholder and the debenture holder, lacking the votes of the one and the specific security of the other, has recently had ample opportunity to try his strength against those who would diminish his rights. On the whole, he may have been surprised by the extent of his own success. It is true that the Court's decision in the Union Cold Storage case (whose outcome we described last week, page 123) has upset a scheme under which ordinary shareholders would have bought out certain preference rights, in perpetuity, for a mere ten years' purchase. This judgment, however, was given simply on the ground of faulty presentation, and as holders of more than half the capital concerned failed to vote on the original proposals, it will always be a matter of speculation whether better "staff work" by those responsible would have secured them their objective. The interests of preference shareholders have been more decisively vindicated by the success of efforts to induce the directors of Wiggins and Company (Hammersmith) to withdraw a reconstruction scheme which (as we showed in our issue of July 7th last, page 26) would have involved merely a *pro forma* reduction in the equity capital, and imposed on preference shareholders a permanent diminution of income and total loss of dividend arrears. The inequity of this type of "reconstruction" finance is glaring. The Shareholders' Protection Association deserves every support in its opposition to a similar proposal, by the directors of George West (Weatherproofs), involving the cancellation of preference dividend arrears, the reduction of preference dividend rights from 7½ per cent. cumulative to 5 per cent. non-cumulative, and a merely nominal writing-

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down of the ordinary shares from 1s. to 2d. The opposition's case will be strengthened by the action of the boards of two important British companies. Shareholders in British Ropes have this week endorsed a scheme under which, in compensation for the loss of dividend arrears and of cumulative rights as regards 3½ per cent. of a 6½ per cent. annual dividend, preference shares receive a 25 per cent. participation in the equity. The tentative proposals of Richard Thomas, outlined by the chairman at the annual meeting on July 20th, go even further, for they confirm the preference shareholders' rights to their cumulative tax-free annual dividend of 6½ per cent., and offer them two-thirds of the equity in return for cancellation of seven years' arrears of dividend. These proposals, which mark a considerable advance on those suggested a year ago, appear equitable. Their acceptance, from the shareholders' viewpoint, is largely a matter of expediency. If preference holders believe that the company will be sufficiently successful to earn and pay reasonable ordinary dividends in the future, they may regard their proposed share in the equity (and voting control) as valuable consideration. If their views on future earning power are more conservative, they may reflect that an issue of funding certificates would secure them the right to full repayment of arrears before ordinary shareholders received dividends. In the former case, however, the company would probably be in a position to raise further capital, if necessary, by an issue ranking *after* the preference shares, while in the latter event new money would doubtless be unobtainable except by the creation of a senior security.

Is "Placing" Economic?—Recent dealings in Griffiths Hughes ordinary shares have occasioned discussion on the general advantages of the "placing" method of marketing new capital issues. The company was formed with a capital of £1,000,000 5½ per cent. £1 preference shares, publicly issued at 20s. 6d., and £1,500,000 in ordinary shares, issued as part consideration. The chemists' business acquired had a strong earnings record, averaging £382,460 per annum, but the net assets of the operating company amounted to only £410,140. The earnings cover ensured ready subscription of the preference issue, which had been underwritten by a Stock Exchange firm in part consideration for the right to purchase 500,000 ordinary shares at par. These shares were duly "placed," at various prices, apparently, up to 37s. 6d. The "Supplementary List" of July 19th contained the unusual notice that dealings below that figure had been expunged by order of the Committee, as being in respect of placings effected before the granting of facilities. The current quotations of the preference and ordinary shares are respectively 22s. and 39s., so that the market values the goodwill of the business at no less than £3,615,000. On this high figure we offer no comment. Investors in general may be more concerned over the

apparent existence of "frictions" in one section of the capital market, which permit a total eventual appreciation of over 60 per cent. on a "placed" price of, say, 24s. including formation expenses and underwriting. The determination of the price of a public offer is usually closely related to market conditions, owing to underwriting and finance house competition. Why should similar competition necessarily be less effective between vendors, who place part of their share consideration, and market firms? This question is important for capital-seeking companies. In the present instance, if the vendors had taken full consideration in cash and the ordinary shares had been offered publicly at, say, 37s. 6d., the resulting share premiums reserve would have mitigated a certain top-heaviness in the balance sheet position. In certain other recent cases, a somewhat wide margin has been established between a "placed" price and the market price. For example, G. H. Heath and Company, last April, placed 100,000 £1 ordinary shares at par, in which public dealing began at 46s. 3d. The ordinary shares of Ideal Building and Land Development, placed on similar terms, opened at 50s. The initial formation of a market, especially in small issues, involves indubitable risks, which merit adequate remuneration. Investors, however, may urge that the benefits of high premiums should, as far as possible, be made available for the companies concerned, and that vendors who not infrequently retain an appreciable part of their consideration in the form of ordinary shares, should not normally regard a subsequent "rake off" as a significant part of their total remuneration.

* * *

Wall Street's Malaise.—The American stock markets remain thoroughly debilitated. Six weeks ago expectation was general that the rising of Congress, which had been sitting on the chest of the market for so many months, would be the signal for renewed activity. These hopes were dashed, however, by the appointment of the Control Commission personnel. The market, rightly or wrongly, took the view that one year of Mr Pecora, whose activities in the Senate banking inquiry were known and feared, would outweigh any favours that Mr Joseph P. Kennedy, himself a well-known ex-pool operator, might have urged his committee to bestow on harassed Wall Street. Confident anticipations of the autumn revival put markets in a better mood temporarily, but the news from the drought-stricken wheat and cotton areas, and widespread strike troubles, caused a prompt reaction in sentiment. The autumnal Congress elections are being regarded with close attention, in view of the President's declaration, on the eve of his holiday, that the public must now be allowed to form its opinion of the new legislation. The President is still his own party's greatest asset, but it would need all his undoubted political sagacity to estimate whether Republican anger with the Administration's handling of the strikes is of greater electoral importance than the obvious discontent of the working rank and file on the issue of the company unions and N.R.A. Clause 7 (a). The outlook for American recovery is still distinctly clouded, and much will depend on whether the autumn business upswing exerts its full influence. Government financial "priming," which may otherwise be called into operation, is an unsatisfactory substitute for the increased monetary circulation resulting from investment in capital goods. The abrupt fall in steel production during the past two months is largely seasonal, and may well show some improvement from September, but recovery would undoubtedly be greatly stimulated by an increased building activity. Finance for residential mortgage business is readily available, but high construction costs will constitute a considerable obstacle to a nation-wide campaign under the Housing Act. Meanwhile, Wall Street members are showing less interest in dull markets as the summer heat waves occur. The course of the market has disappointed anticipations, widely expressed on this side earlier in the year, that funds transferred to New York would partake in an impending revival. Nevertheless, autumn revival in America, coupled with assurances of non-interference by the Administration and a temperate policy of the Control, might well serve as a prelude to a cautious advance during the winter months.

Railway Dividends.—The great expectations aroused by the home railway traffic figures of the early part of the year have been chastened by the less favourable tendency of recent returns, in which comparison has been made with improving totals in 1933, and by the ominously uncertain attitude of organised railway labour to the wages question. The market, on the whole, expected the railway boards to be conservative in declaring interim dividends, and in this respect, at least, the market has not been disappointed. The London Midland and Scottish statement, on Thursday, showed that net revenue had increased during the half-year to June 30th by £1,000,000, of which £950,000 came from railway operations and £50,000 from ancillary services, etc. By comparison with the half-year to June, 1929—the last year which the L.M.S. recognises as "normal"—net receipts showed a drop of £2,900,000. Although revenue would, apparently, have more than covered a full half-year's dividend on the 4 per cent. preference and 5 per cent. redeemable preference stocks, the board, very wisely, has limited its payments to 1½ per cent. and 1¼ per cent. respectively. The Southern Railway has decided to pay no dividend at all for the half-year on its preferred ordinary stock. Gross passenger receipts increased by £125,000 and goods train receipts by £155,000, while expenditure rose by £190,000. As net receipts from ancillary services broke approximately even, net revenue was thus £90,000 up. The market registered its disappointment with the decision by putting down the price of the preferred ordinary stock from 78 to 74, after 71. Investors, however, should not overlook the extent to which "policy" has determined this week's decisions, for both the L.M.S. and the Southern have deliberately under-distributed their earnings. The Great Western and London and North-Eastern statements were unavailable as we went to press.

* * *

Actuaries' Investment Index.—Industrial share values continue slowly to recede, the Actuaries' price index for 144 shares (December 31, 1928 = 100), being 70.1 this week, against 70.4 last week and 70.8 a month ago. The corresponding yield figures are 3.73, 3.71 and 3.70 per cent. With few exceptions, fluctuations in individual groups of shares have been of small compass, as the following table suggests:—

Group and No. of Securities	Prices (Dec. 31, 1928=100)			Yields (%)		
	June 26, 1934	July 17, 1934	July 24, 1934	June 26, 1934	July 17, 1934	July 24, 1934
<i>Higher this Week:</i>						
Building Materials (4)	82.4	81.7	82.7	4.10	4.13	4.08
Insurance Companies (24) ...	108.2	109.6	110.0	3.87	3.83	3.81
Iron and Steel (6)	50.8	51.5	51.9	1.30	1.24	1.21
Breweries & Distilleries (16)	110.3	109.3	110.3	3.87	3.91	3.91
<i>Lower this Week:</i>						
Home Rails (4)	77.3	80.1	78.7	1.50	1.48	1.49
Investment Trusts (15)	52.3	50.8	50.4	3.70	3.76	3.79
Oil (5)	63.0	62.6	61.0	4.70	4.69	4.81

Insurance shares continue their gradual but steady advance, which has raised the index price from 99.4 to 110.0 since the beginning of this year. Building material shares remain popular, owing to new "record" production figures from the building trade. Home rails, on the eve of the interim dividend announcements, had lost nearly all the ground gained in a single week, between July 3rd and 10th. On the whole investment interest, in a quiet pre-holiday market, remains centred on gilt-edged rather than industrial securities.

COMPANY NOTES

Canning Companies.—British Canning is passing through a difficult stage, which is rarely avoided in the early career of a promising new industry. In its present form canning is barely ten years old in this country. It was founded largely by the combined efforts of the South Wales tinplate manufacturers and the Ministry of Agriculture. Grading and a national mark were early adopted by the traders. Initial difficulties over cooking and supplies were

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PERCY EDWARD MARMION, Esq., of 95 Gresham Street, E.C.2, Director of Imperial Smelting Corporation, Limited.

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The Prospectus shows, inter alia, that:

- (1) Controlling interests are being acquired in Western Mining Corporation, Limited, which is now engaged in exploratory work on areas totalling some 85,000 square miles in Western Australia; and in Bendigo Mines, Limited, which owns leases or lease applications extending to about 2,300 acres in the famous Bendigo Goldfields.
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- (3) A majority interest is also being acquired in Gold Mines of Australia, Limited, which holds extensive interests in the Deep Leads, as well as other important mining interests in Victoria, New South Wales and Queensland.
- (4) The present Australian market value of the quoted shares being acquired is considerably in excess of the cash consideration of £375,000 which the Vendors are to receive from the Company.
- (5) The whole issue has been underwritten by the Vendors free of commission, and the Vendors are taking firm for themselves or their nominees 900,000 shares of the present issue.
- (6) There are no promotion profits.

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overcome. As English fruits and vegetables were of high quality and excellent flavour for canning, demand expanded rapidly. From 7,840,000 cans in 1927, the estimated output of canned fruit and vegetables rose to 95,000,000 in 1932. This progress attracted a flow of new entrants to the industry, many of whom were little fitted to compete by skill or experience. The inevitable result was an excessive output, which has necessitated a sharp reduction in prices at the end of the selling season to avoid carrying over stocks into the new canning year, since canned fruits are liable to deterioration after 15 to 18 months. On top of these domestic difficulties, the depreciation of the dollar has greatly intensified the competition of Californian canned fruits. Experience shows that while the British housewife gives a certain preference to British fruits, it is not sufficient to overcome any marked price differential. As may be seen from the accompanying table, the results of canning companies published recently reflect these difficult conditions. During the winter it seemed likely that, under

(Profits in £'000)						
Company	1929	1930	1931	1932	1933	1934
Beaulahs (N. r. 31) :—						1-7*
Earned for div.	...	...	...	...	...	6-7*
Earned %	...	...	...	...	...	Nil
Div. paid %	...	...	...	...	...	
Chivers (May 31) :—						
Earned for Ord.	20-3	23-3	10-6	11-7	†	...
Earned %	14-8	18-3	7-6	8-6	†	...
Div. paid %	7½	5	5	5	†	...
Foster Clark (Sept. 28) :—						
Earned for Ord.	144-9	131-5	107-0	98-4	62-7	...
Earned %	43-0	39-8	33-3	30-0	17-9	...
Div. paid %	35	30	22½	22½	20	...
Natnl. Canning (May 31) :—						
Earned for Ord.	...	...	...	37-4*	44-7	28-7
Earned %	...	...	...	16-4*	17-0	10-6
Div. paid %	...	...	...	9-4*	7½	5
United Cannery (May 31) :—						
Earned for div.	...	...	...	...	...	3-8
Earned %	...	...	...	...	...	3-7
Div. paid %	...	...	...	...	...	Nil
Willer and Riley (June 30) :—						
Earned for div.	N.A.	6-0	8-8	9-3	7-2	...
Earned %	N.A.	15-4	18-9	20-6	16-0	...
Div. paid %	N.A.	10	12½	15	15	...

* Broken period equated by simple proportion to 12 months. † Accounts not issued to the public.

stress of competition and low prices, a price and production agreement might be established, but owing to lack of support from at least two leading canners the project was abandoned. Possibly the leading companies would prefer the weak sellers to be eliminated before stabilising conditions of business. There appears to be no reason why the industry should not again make good profits once the present difficulties have been surmounted. The latter have already served a useful purpose by dispelling the idea that canning offers easy profits, which led to overcrowding in the industry two years ago. Moreover, the canning code under N.R.A., and the voluntary agreement for restricting the peach pack and the Hawaiian pineapple pack are expected to strengthen the external position. For the more distant future the home market appears to hold substantial possibilities. The British consumption of canned foods per head is still small by comparison with the American or Canadian. Modern domestic tendencies favour prepared foods, and the demand for canned goods has already shown itself elastically sensitive to reductions in price. The possibilities of a good export demand from British residents overseas for English canned fruit, vegetables, fish and meats are also believed to be considerable. Investors, however, should bear in mind that the difficulties of the industry have not yet been overcome, and that development may, for a time, be slow.

Distillers Meeting.—Mr William H. Ross gave a hopeful review of the prospects of the Distillers' Company at the meeting on July 20th. It is clear that, in the near future, a further increase in output must come chiefly from the industrial alcohol branch of the business. Last year, though the American market showed moderate improvement following the repeal of Prohibition, home demand for

potable spirits contracted further, being only one-third (by volume) of the 1914 turnover. For the present, the company's policy is deliberately to foster the market in solvents by accepting a modest profit margin. The American market is limited, not only by hesitating trade recovery, but also by the determination of transatlantic Governments to foster a native distilling industry. The latter factor has influenced the company's decision to acquire a holding in National Distillers, which has provided a direct interest in the production of American liquor. The sale of its own Scotch whiskies in Canada and the United States being unaffected, the company thus retains its valuable goodwill in the market for high quality whiskies in America, while the American stills, now in course of erection, should compete favourably with existing producers. For the immediate future, therefore, higher profits will be a function of sustained domestic revival and a return of American prosperity. If, however, the decline in the consumption of spirits should prove a secular social phenomenon, or favourable fiscal opportunities be elusive, the company has a second string, by way of industrial alcohol, whose profit potentialities have as yet been only partially tested.

Anglo-Spanish Construction Company.—Shareholders in the Central Mining and Investment Corporation, which controls the Anglo-Spanish Construction Company, will view with satisfaction the announcement made by Sir John Simon, in the House of Commons on Monday, that His Majesty's Government intends to press the matter of the company's claims to over £1,500,000 for the financing of the construction of the Santander-Mediterranean Railway Company. The Anglo-Spanish Construction Company was registered ten years ago and agreed to construct and equip a broad-gauge railway of about 415 kilometres from Ontaneda to Calatayud, for which payment was to be made by the Spanish Government in 5 per cent. tax-free bonds. The Spanish Government has recently made no effort to meet the company's claims for constructional work, or for repayments of amounts paid in taxes which, the company contends, have been improperly levied. The Government would appear to have originally based its action on the report of a "Commission of Responsibilities" which reviewed the acts of the Dictatorship after the inauguration of the Republic. Spanish press reports suggested that this Commission questioned the origins of the concession. The Santander-Mediterranean Company, however, made a detailed reply, denying the charges, and the validity of its claim for constructional work has subsequently been upheld by the Supreme Tribunal. The delay in effecting a satisfactory settlement is necessarily damaging to the Anglo-Spanish Construction Company, which has a net balance of £2,841,203 of advances to the Santander-Mediterranean Company. The chairmen of other British companies have found reason to complain of the difficulty of operating in Spain (e.g. Sir Auckland Geddes at the last Rio Tinto meeting). It may be hoped that the present Spanish Government will be sensible of the inadvisability, in its own interest, of prolonging a situation calculated to foster the impression that its territory is not the most suitable of fields for British financial and commercial enterprise.

Rhokana Profits.—Almost alone among important primary commodities, copper refuses obstinately to show any price recovery. The London quotation has fallen this week to £28 17s. 6d. per ton. The preliminary statement of Rhokana Corporation, announcing estimated net profit of £390,000 for the year to June 30th, is, in the circumstances, eminently satisfactory. The previous year's result, similarly calculated after depreciation and development, but before debenture interest, was £207,985. This improvement, however, masks a substantial inner reserve, for stocks of metal have been written down to cost, whereas previous valuations were made at realised prices. As stocks on this basis amounted to £320,907 at June last year, the hidden reserve resulting from the new practice may be of the order of

£100,000. The total production of blister copper for the year was 62,180 long tons, against 48,579 tons for 1932-33. The electrolytic refinery at N'Kana will be in operation shortly, and, according to the chairman's speech at the last meeting, great savings are expected in refining costs. Whether any substantial rise in copper prices is likely in coming months would appear to depend on the prospects of American and German demand for the metal. The former market, which in normal years took up to half the total world consumption, has shown a moderate recovery during the first five months of the year, although it has not kept pace with the improvement in world consumption. Over the long period a price of, say, £30 per ton may be difficult to maintain in view of the increased capacity of low-cost Rhodesian producers. As we stated in a leading article on Rhodesian copper mines in our issue of May 12th (page 1033), these companies appear to have more to gain by a moderate rise in prices under free conditions than by holding consumers to ransom. Their cautious selling policy, however, will ensure that expanded production will not be pressed on the market, and will, presumably, be consolidated by further reductions in operating costs.

Other Company Results.—The stream of company reports is now showing the usual seasonal contraction, our summary table on page 184 including the results of only 34 companies. The Hibernian Bank has earned £47,986 net profits for the half-year to June, compared with £43,313, while the Queensland National Bank reports a decline for the year from £75,539 to £67,411. In the Finance and Law section, the report of Covent Garden Properties shows a reduction of net earnings from £138,739 to £127,991, owing to a fall in rentals which has been experienced by many property companies in recent months. Among iron and steel companies, Beyer Peacock have shown little improvement, the loss for 1933 amounting to £43,879, compared with £47,735 for 1932. Bengal Iron, however, have reduced their loss from £12,637 to £2,742 for the year to March 31st. Further rubber reports continue to make a favourable showing, the week's reports including Craigielea (£10,165 against Dr. £395), Merlimau Pegoh (£32,188 against Dr. £5,411), and Port Dickson Lukut (£7,193 against £3,002). Dhamai Tea has earned net profits of £17,294 for 1933, and the deferred dividend is increased from 5 to 20 per cent. In the Investment Trust section, British Steamship shows a fall in net revenue from £88,120 to £78,416. The miscellaneous section shows signs of unspectacular improvement on the whole. Cropper and Company report a net profit of £31,872 against £22,146, while McDougall's Trust and Montague L. Meyer, for which comparisons are not available, reveal net profits of £102,848 and £53,851, respectively. Millars' Timber and Trading has reduced the 1932 loss of £85,231 to £36,714. Steady earning power is shown by Tilbury Contracting (£114,787 against £118,351), Hutchinson and Company (Publishers), Manchester Dock and Warehouse Extension, and Manchester Ship Canal Warehouse.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—The Standard Bank of South Africa, Provincial Bank of Ireland, Brazilian Warrant Agency and Finance, Egyptian Delta Light Railways, Anglo-Spanish Construction, City of San Paulo Improvements and Freehold Land, Zinc Corporation, Distillers Company, Furness Withy and Company, Victoria Falls and Transvaal Power, Richard Thomas and Company, Anglo-Dutch Plantations of Java, Selected Land and Property, Ideal Land and Building, British Ropes, and Tanganyika Concessions. The speeches at the Standard Bank of South Africa and Distillers Company meetings are discussed in notes on pages 170 and 176. Lord Essendon expressed his regret to Furness Withy ordinary shareholders that the dividend had been passed for the first time in forty years. He referred to difficult conditions in the Pacific trade, and to the intensity of foreign subsidised competition, and declared that the new beef policy would have adverse effects on the

PRELIMINARY NOTICE

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The Prospectus will show (inter alia) that:—

1. The Company is acquiring from the National Radiator Company, Limited, manufacturers of the well-known Ideal Boilers, Radiators and other heating accessories, the successful business established in 1894.
2. Part of the proceeds of the issue will be used for establishing an additional factory to develop new extensions of the business.
3. The nett profits of the business for the respective financial periods have been as set out hereunder:—

Year ended 31st December,	Year ended 31st December,
1924 £185,772	1929 £213,171
1925 £187,689	1930 £211,740
1926 £196,853	1931 £205,691
1927 £210,296	1932 £157,329
1928 £255,496	1933 £196,576
Half-Year ended 30th June, 1934, £115,358.	

4. The amount required to pay the annual dividend on the £1,000,000 Preference Shares is £50,000.

Prospectuses and Application Forms are now
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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933		Prices Year 1934 (Jan. 1 to July 25)		Name of Security	Price, July 18, 1934	Price, July 25, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to July 25)		Name of Security	Price, July 18, 1934	Price, July 25, 1934	Rise or Fall	Yield
High	Low	High	Low						High	Low					
British Funds															
77 1/2	70 1/2	82 1/2	73 1/2	Consols 2 1/2%	80 1/2	80 1/2	...	3 2 1/2	7 1/2	5 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 4% Red. at par on or after Feb. 1957(n)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Conserv. 2 1/2% 1944-49	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 3 1/2% 1946-53	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 4 1/2% after 1961(g)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 4 1/2% 1940-44	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 5% 1944-64	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Funding 4% 1930-39	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	2 1/2% Treasury Bds. 35-38	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	3% Treasury Bds. 33-42	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Victory Bonds 4%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	War L'n 3 1/2% after 1952(p)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Local Loans 3%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Austria 3 1/2% 1933-53	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	India 3 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 3 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 4 1/2% 1958-68	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	U.K. & Arg. 4% A(1947)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Dom. & Colonial Govts.	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Australia 5% 1945-75	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Canada 4 1/2% 1940-60	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Gold Coast 4 1/2% 1956	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Nigeria 5% 1950-60	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 5 1/2% 1950-60	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	N. Zealand 5% 1946	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Queensland 5% 40-60	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	S. Africa 5% 1945-75	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Foreign Governments	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Argentina 4 1/2% Resc. 1952	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Austria 6% 1923-43	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 7% Int. red. by 1957	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	B. Aires (Prov.) 3 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Belgium 7 1/2% red. by 1956	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Bulgaria 7 1/2% Loan	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Brazil 5% 1924-1944	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Chili 6% (1929)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	China 5% (1912)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 5% (1913)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Czechoslovakia 8%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Danish 3 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Egypt 6 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Guinea 4 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	India 6 1/2% 1927	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Finland 6% 1923	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	French 4 1/2% (British)	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	German 7%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 6% (1924) red 1959	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Greek 6% 1924-1959	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 7% 1924-1959	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Hungary 7 1/2%	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Japan 5 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 6 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 7 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 8 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 9 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 10 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 11 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 12 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 13 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 14 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 15 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 16 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 17 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 18 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 19 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 20 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2	10 1/2	10 1/2	10 1/2	Do. 21 1/2% 1936-56	10 1/2	10 1/2	...	3 4 1/2	10 1/2	10 1/2	Nil	Nil	Nil	Nil	Nil
10 1/2															

(Continued from page 179)

BERLIN

After July 17th the share market took an upward turn, the main feature being heavy dealings in the minor industrial stocks ("Cash List"), in some of which the demand exceeded the supply. Active industrials also rose sharply, but irregularly, the chief demand being for machineries, with Berlin-Karlsruhe and Orenstein und Koppel leading. Later steels gained considerably, Mannesmann and Klockner showing the greatest advances. Electric-cable stocks were bought on accounts of increased manufacturing activity. The home bonds market was undecided and dull. Certificated dollar bonds this week were steady or firm, but converted issues were weaker.

	July 18, 1934	July 23, 1934	July 25, 1934	July 18, 1934	July 23, 1934	July 25, 1934
Reichsbank	154.25	155.60	153.00	A. E. G.	23.40	25.50
D.D. Bank	82.25	82.75	83.00	Siemens & Halske	148.25	149.75
Dresdner (New)	65.00	65.50	65.50	A. K. U.	62.25	60.50
I. G. Farbenindustrie	149.25	149.75	149.50	Hamburg-Amer.	26.75	27.00
Norddeutscher Lloyd (New)	30.25	30.25	30.25	("Hapag-New")	26.75	26.50

AMSTERDAM

The market continues to exhibit a weak tone. Unilever has led this week's movement to lower levels, owing to the introduction of an excise duty on vegetable oils, and on Wednesday the shares fell to a low record of 59½ compared with 67½ at the end of the previous week. Rubber shares, under the lead of Amsterdam Rubber, were reactionary, while sugar, tobacco and industrial issues were unable to resist the weak trend of the market.

	July 18, 1934	July 23, 1934	July 25, 1934	July 18, 1934	July 23, 1934	July 25, 1934
2½% Dutch Loan	79½	76½	76½	Steel Common	24½	22½
5½% German	32½	30½	28½	A. K. U.	35	33½
Unilever N.V.	68½	65½	59½	Fort Motor	20½	20½
Phillips' Lamps	212	211½	211	DeliBatavia Tob	72	72½
Netherlands Ship Union	32½	32½	32½	Royal Dutch	153	151½
				Handels Ams	169	166½

CANADA

Stock markets are experiencing their usual summer dullness owing to holidays. Business in Toronto has been much brisker than in Montreal on account of the popularity of the mining stocks. Market movements, however, have been irregular, and the price trend has been downward. Interest has recently been concentrated on Canadian Industrial Alcohol "A" stock. Difficulties concerning the new stock issue led to a suspension of dealings, while rumours that the selling arrangement with the American National Distillers Company had been cancelled caused heavy selling of the old stock. Other brewery and distillery stocks have been weaker. Power stocks have been poor, while adverse Western crop reports have had a bearish influence upon implement stocks like Massey-Harris. After showing a downward trend during the latter half of June, the bond market has recovered considerably during the first half of July, and the whole gilt-edged market is now firm. The *Financial Post's* average price of 7 gilt-edged bonds on July 10th was \$109.89 as compared with \$108.84 on June 29th. Western provincial bonds have moved up two points in this period on improved revenue prospects. The mining market has been reasonably active; the seasoned gold stocks have been firm and the silver stocks have improved. There is, however, a good deal of rather shady wildcat speculation in new mining issues which pools try to boost upward. The Bureau of Statistics' Investors' index for all stocks on June 28th was 93.0 as compared with 96.3, 95.7 and 93.1 on June 21st, 14th and 7th respectively.

	Price, June 27, 1934	Price, July 25, 1934	Price, July 25, 1934	Price, June 27, 1934	Price, July 25, 1934	Price, July 25, 1934
Bell Telephone	118	116	116½	Dominion Glass	88	85
Canadian Car and Foundry	6½	5½	5½	International Petro	27½	26
Do. pref.	13½	12½	12½	Brazil Traction	8½	8½
Power Corporation	10½	8½	8½	British Columbia	26½	26½
Dome Mines	45½	39½	39½	Power "A"	26½	26½
Hollinger	17½	17½	17½	Do. "B"	5	5½
McIntyre	48½	44½	45	Canada Cement	7½	5½
Bank of Montreal	186	193	194½	Do. pref.	40½	38½
Bank of Nova Scotia	254	255	256½	International Nickel	25½	24
Royal Bank of Canada	147	160	160½	Massey Harris Com.	4½	3½
Canadian Bank of Commerce	147	151	151½	Montreal Light	35½	33½
Canadian Pacific Ry.	14½	12½	12½	Ogilvie Flour Mills	198	185
Cocksbutt Flow	9½	6½	6½	Quebec Power	16½	15
				Shawinigan Water, etc.	20½	19½
				Steel Co. of Canada	35½	33½

† Calculated \$4.97 to £.

CAPITAL ISSUES

This week's prospectuses will appeal mainly to the speculatively minded, rather than the conservative investor. Two further gold issues for reopening old properties have appeared—*New Robinson Gold Mining* and *Murchison Gold Development*. The former will work the lower grade main reef of the famous Robinson mine, and, if the apparently cautious technical expectations are realised, should have speculative possibilities. The second is a Great Boulder subsidiary, and will therefore be assured of competent technical management. The short cabled reports and extracts, however, give a minimum of information, and the consulting engineers state that they have not examined the mines personally. The preferred ordinary shares of *Airspeed (1934)* must be regarded as essentially speculative, since the vendor company has only recently completed development work. The liaison with Swan, Hunter and Wigham Richardson, however, should assure financial support, which is essential in this highly competitive field. *Burtol Cleaners* acquire a relatively undeveloped business for £100,000, of which £59,934 is in respect of goodwill. Individual units have been acquired at from 4 to 10 years' purchase for goodwill, on the latest profit figures, and prospects clearly depend on the achievement of the directors' estimate of profits. The only "introduction" is *Allied Industrial Services*, whose profits have shown considerable growth during the last four years.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to July 21, 1934, excluding conversions, £110,294,132.
Total recorded, January 1 to July 21, 1934, including conversions, £283,267,213.

National Savings Certificates.—Net receipts, week ended July 21, 1934, £50,000.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
New Robinson Gold Mining	300,000	—	337,500	75,000	262,500
Burtol Cleaners	190,000	—	190,000	38,000	152,000
Airspeed (1934)	100,000	—	100,000	20,000	80,000
Murchison Gold Development	200,000	—	200,000	100,000	100,000
Total	790,000	—	827,500	233,000	594,500

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To Shareholders only					
Henrietta Rubber, 6% Pref. 2½ at par	55,000	—	55,000	6,875	48,125
London Brick Co., etc., Ord. £1 at par	200,000	—	200,000	200,000	—
Rhodesia Minerals Concession, 2½	49,312	—	49,312	19,724	29,588
Southern Areas Electric, Ord. £1 at 2½	110,500	—	121,550	60,775	60,775
Stanton Ironworks, 6% Cum. Pref. £1 at 2½	461,895	—	577,369	230,947	346,422
Total	876,707	—	1,003,231	518,321	484,910

Total Offered for Subscription—			Total Offered for Subscription—		
	Including Conversions	Excluding Conversions		Including Conversions	Excluding Conversions
Jan. 1 to date—			Whole year—		
1934	285,147,944	112,174,863	1933.....	467,921,560	244,780,500
1933	208,610,973	114,188,008	1932.....	2,699,684,265	188,909,963
1932	291,297,490	162,472,825	1931.....	114,200,666	102,644,294
1931	106,871,099	95,984,114	1928.....	693,100,038	369,058,073
1928		272,750,156			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

	Nature of Borrowing			
	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	70,929,085	11,537,606	29,708,172	112,174,863
1933	101,225,709	7,104,345	5,857,954	114,188,008
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

	By Stock Exchange Introduction	Approximate Capital Introduced	Price Began	Cash Involved
Amount previously recorded	18,260,032	—	—	22,005,707
Second Anglo-Celtic Trust, £100,000 4% Deb. at 89	99,000	—	—	99,250
Tarkwa Gold Mines, 400,000 shares 5/-, at par	100,000	10/-	—	200,000
Smart Brothers, £600,000 4½% Deb., at 98½%	591,000	101	—	606,000
Total to date, 1934	17,050,032	—	—	22,910,957
Total to date, year 1933	25,494,051	—	—	27,995,835

PUBLIC OFFERS

New Robinson Gold Mining Company, Ltd.—Issue of 600,000 shares of 10s. each at 11s. 3d. per share. Company acquires properties on Turfontein No. 21 district, worked by old company of similar name to 1926, including approximately 170 mining claims and freehold of 70 acres. Company will work lower value main reef, containing estimated 2,000,000 tons ore of 5 dwts. Consideration, £250,000—£150,000 in cash and 200,000 10s. shares. Proposed to equip for 120,000 tons per annum, at cost of £70,000, working capital being £149,850. Estimated working profits, with gold at 135s. per ounce, £97,500 per annum. 365,000 shares will be allotted in respect of firm applications already received.

Murchison Gold Development, Ltd.—Issue of 800,000 shares of 5s. at par. Company acquires from Great Boulder Pro-

CALLS DUE JULY 30 TO AUGUST 4, 1934

The grand total of calls falling due in July, 1934, is £38,114,125, which compares with £8,108,501 which fell due in July, 1933. The following calls fall due from July 30, 1934, to August 4, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
£1	Cory (Wm.) and Son, Ltd. (1,500,000 Ordinary Shares, at 73/6)	40/- p.s.	July 31	All
5/-	Dalsholm Paper, Ltd. (35,820 Ord. Shares, at par)	2/- p.s.	July 31	All
10/-	Do. (8,090 62% Cum. Pref. Shares, at par)	5/- p.s.	July 31	All
Stock	Galloway Water Power (£1,350,000 4% Deb. 1957-94, at £101½%)	£51½	July 30	All
2/6	Hickman (1928), Ltd. (£8,800 6% Deb., at £95%)	2/- p.s.	July 31	All
Debs.	Inch Kenneth Kajang Rubber, Ltd. (partly-paid Shares)	£20%	July 31	All
£1	Lancashire United Transport (300,000 5½% Cum. Pref. at par)	2/- p.s.	Aug. 1	All
£1	London and Rhodesian Mining (£38,462 shares, at par)	15/- p.s.	Aug. 1	All
5/-	Marston Valley Brick (52,900 Ord., at a premium of 15/-)	2/6 p.s.	July 31	2/6 p.s.
£1	San Nicolas Gold Mines, Ltd. (360,000, at par)	10/-	July 31	25/-
5/-	Southern Areas Electric Corporation, Ltd. (offer to Shareholders, of 110,500 Ordinary Shares, at 22/- per share, in the proportion of one new share for every two shares held on July 16th, fractions of a new share being disregarded. (See Rights, July 23rd))	2/- p.s.	July 31	All
£1	Walsall Corporation 3½% Red. Stock, 1954-1964 (£500,000, at £100%)	9/- p.s.	July 31	9/- p.s.
Stock	Welsh Associated Collieries, Ltd. (500,000 5½% Cum. Pref., at 21/-)	2/- p.s.	July 30	2/- p.s.
£1		£30%	July 30	£55%
		15/- p.s.	Aug. 2	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, July 18, 1934	Price, July 25, 1934
Alicombe Estates 5% Deb.	100	50	1-1 pm	1-1 pm
Argentine 4½%	93	—	90½-90½	90½-90½
Australia 3½%, 1954-59	97	Fypd	98½-98½	98½-98½
Booth Pure Drug New Ord. 5/-	15/-	Fypd	43/9-44/9	44/3-45/-
Bowater's Paper New 4½% Deb.	100	Fypd	103½-104½	104-105
British Aluminium Ord.	27/6	11/6	4½d-4½d pm	4½d-4½d pm
Do. do. 6% Cum. Pref.	24/6	10/-	1½d-1½d pm	1½d-1½d pm
Do. do. 4% Deb.	99	30	1½-2½ pm	2-2½ pm
British Ropes 4½% Deb.	99	Fypd	par-1 pm	99-99½
Brookes (W. J.) and Sons Ord. 5/-	—	—	5/10½-6/3	5/10½-6/3
Canada 3½%, 1954-64	96½	61½	21/--21/3	21/--21/3
Carlton Main Colliery 4½% Deb.	102½	27½	1½-1½ pm	1½-1½ pm
Central Mining 5% Pref.	22/6	Fypd	1/11-1/7½ pm	24/-24/6
Cory (Wm.) and Son Ord. £1	73/6	33/6	33/3-33/9	32/6-33/-
County of London 4½% Cum. Pref. £1	21/-	8/-	par-3d pm	par-3d pm
Criterion Restaurants 4% Deb.	98½	10	1½-1½ pm	1½-1½ pm
Dale (John) 5½% Pref.	—	—	20/9-21/3	20/9-21/3
Economic Insurance £1 (5/- paid)	—	—	43/6-44/6	43/6-44/6
Flettons New Ord. 5/-	14/-	Fypd	15/3-15/9	15/4-15/10½
Green Stabel Mines £1	—	—	3/3-3/9	3/3-3/9
Greenwood (John) Millers, 1934, Ord.	5/-	Fypd	6/9-7/14	7/14-7/14
Do. do. 5½% Pref.	5/-	Fypd	21/10½-22/11	22/11-22/11
Griffiths Hughes Prop., Ord.	—	—	39/9-40/-	39/9-40/-
Do. do. 5½% Cum. Pref. £1	20/6	10/6	1/6-1/8½ pm	1/4½-1/7½ pm
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	Fypd	5/11-5/4½	5/-5/4½
Do. do. 5% Deb.	100	Fypd	98½-99½	98½-99½
Heath (G. H.) Ord.	20/-	Fypd	2-2½	1½-2½
Do. do. 6% Pref.	20/-	Fypd	22/3-23/3	22/6-23/6
Jackson Brothers 6½% Pref.	—	—	22/9-23/3	22/9-23/3
Jones (A.) and Sons Ord. 1/-	par	Fypd	1/3-1/6	1/3-1/6
Do. do. 6½% pref. £1	par	Fypd	20/10½-21/4½	20/10½-21/4½
Kent Gold (10/-)	12/6	Fypd	12/6-12/9	12/6-12/9
Kierksdorp Cons. 5/-	5/-	Fypd	5/-5/3	4/9-5/-
Mersey Docks 3½% Deb.	98	23	1½-1½ pm	1½-1½ pm
Mount Morgan 5/-	7/6	Fypd	20/4½-20/10½	20/3-20/9
Mufilra 5½% Deb.	101	66	1-1½ pm	1-1½ pm
New Brunswick Rty. 4% Deb.	85-90	—	—	85-90
New London Properties 4½% Deb.	98	Fypd	99-99½	99½-99½
Pittman (Sir I.) 5½% Pref.	21/6	Fypd	—	22/-22/6
Powell Duffryn Pref. Ord. 5/-	20/9	4/-	1½-1½ pm	4½d-4½d pm
South Bank Areas 2/-	2/-	Fypd	2/7½-2/10½	2/7½-2/10½
Somerset 3½%, 1954-64	100	55	1½-1½ pm	1½-1½ pm
S. African Distilleries	21/-	Fypd	4/7½-5/1½ pm	25/9-26/3
S. Rhodesia 3½%, 1955-65	97½	—	1½-1½ pm	1½-1½ pm
Stanton Iron, New 6% Pref. £1	25/-	10/-	9d-1/3 pm	9d-1/3 pm
Stewarts and Lloyds 4% Deb.	100	25	1½-2 pm	2-2½ pm
Stockport 3½%, 1954-64	100	50	1½-1½ pm	1½-1½ pm
Thistle Etia Gold	5/-	2/-	9d-9d dis	1/3-9d dis
Trust Houses 3½% Deb.	93½	20	1-1½ pm	1-1½ pm
Tunnel Portland Cement B Ord. 10/-	—	Fypd	37/9-38/3	37/9-38/3
United Steel Co., £1	21/6	Fypd	21/9-22/-	21/-21/6
Welsh Ass. Collieries 5½% Cum. Pref. £1	100	25	1½-1½ pm	1½-1½ pm
Do. do. 4½% Deb.	100	25	—	1/6-1/- dis
West (Butchers) Ord.	12/6	Fypd	10/9-11/3	10/7½-11/-
Do. do. 6% Pref.	—	—	22/3-23/-	22/3-23/-
Whiteways Cyder Ord. £1	25/-	Fypd	39/6-40/6	40/6-41/6
Do. do. 6% Pref.	21/-	Fypd	25/3-25/9	25/3-25/9

PRELIMINARY NOTICE

THE COMING AMERICAN BOOM

by L. L. B. Angas

Publication expected 1st August. Price 5/-

Publishers:—ST. CLEMENTS PRESS, Kingsway, LONDON

(Continued on page 184)

Zinc Corporation, and Austral Trust. 1,800,000 shares will be issued at par on July 30, of which vendors have applied for 900,000 shares. Issue has been underwritten by vendors free of commission, and present Australian quotations of shares acquired are considerably in excess of cash consideration of £375,000, which includes no promotion profits.

Ideal Boilers and Radiators, Ltd.—An issue of 750,000 5 per cent. redeemable cumulative preference shares of £1 will be made on July 31 at 20s. 6d. per share. The prospectus will show net profits for 1932 and 1933 of £157,329 and £196,576 respectively, and for half-year to June 30, £115,358. Part of proceeds will be used for factory extensions.

Oceana Development Company.—The directors propose to increase the capital to £150,000 by the creation of 100,000 shares of 5s. It is proposed to offer to shareholders the right to subscribe for one new share for every five held on bonus terms to be announced.

Watende Mines (Kenya).—Subscription list will be open on July 31st for an issue at par of 460,000 shares of 5s.

RESULTS OF ISSUES

Airspeed (1934).—Lists for the issue of preferred ordinary shares closed at 9.25 a.m. July 25th. The issue was heavily oversubscribed.

Burtol Cleaners.—Allotment letters in connection with the issue of ordinary shares 5s. at par were posted July 25th. It is understood that a substantial proportion of the issue was left with the underwriters.

Murchison Gold Development Company.—Subscription lists for the issue of 800,000 shares of 5s. each at par were closed at 9.5 a.m. July 26th.

New Robinson Gold.—The list was closed at 10.15 a.m. July 24th.

REPORTS AND NOTICES

BANKS

CHEMICAL BANK AND TRUST COMPANY, NEW YORK.—The statement of assets and liabilities dated June 30, 1934, shows that total assets amounted to \$490,276,726.78. United States Government securities amounted to \$143,640,078.73. Cash and due from banks stood at \$90,685,006.23. Loans and discounts amount to \$81,163,447.70. State and municipal bonds stand at \$35,116,134.07. With regard to liabilities, deposits amount to \$386,207,544.60. Capital stock stands at \$20,000,000.00. Surplus amounts to \$40,000,000.00 and undivided profits to \$8,945,281.42.

MISCELLANEOUS

ALPHA CEMENT, LTD.—The share capital of the Thames Portland Cement Company, Ltd., has been acquired by Alpha Cement, Ltd. Arrangements are being made to increase production and by the construction of a new jetty the company will be able to ship cement to all the coastal ports of England.

BRITISH ROPES, LTD.—At special meetings of the preference and ordinary shareholders, held on July 24th, the capital reorganisation scheme was approved.

CABLES AND WIRELESS LTD. (INDEX NUMBERS).—The June, 1934, Index Number is 70.1 the same as for June, 1933, but compares with 73.1 for May, 1934.

COLTNESS IRON COMPANY, LTD.—It is proposed to reduce the capital from £1,287,500 to £1,090,625, the reduction to be effected by cancelling the uncalled capital of 5s. per share on £1 ordinary shares, and reducing the 787,500 ordinary shares from £1 to 15s. nominal.—Meetings, August 10, 1934, at Glasgow.

COPESTAKE, CRAMPTON AND CO., LTD.—Special resolutions have been passed for the reduction of the capital from £800,000 to £600,000, by returning 2s. 6d. on each £1 share, by writing off a further 2s. 6d. per share, and the consolidation of the new shares into shares of £1 each, were duly passed by the necessary majority.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation				Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit
					Prefce.	Ordinary	Rate			
					Amount	Amount	Rate			Dividend
Banks										
Hibernian Bank	June 30*	£ 30,825	£ 41,986	£ 72,811	£ ...	£ 27,500	5½	£ 15,000	£ 30,311	£ 43,313
Queensland National Bank	June 30	21,684	67,411	89,095	...	70,000	4	...	19,095	75,539
Breweries										
Threlfall's Brewery	June 30	334,872	237,470	572,342	26,514	206,254	15	...	339,574	220,804
Financial Land, etc.										
City of Aberdeen Land	June 30	1,996	9,326	11,322	...	9,389	17½	...	1,933	9,802
Covent Garden Properties...	June 30	44,913	127,991	172,904	48,038	28,975	8a	5,000	53,110	138,739
Finance and Industrial Trust	June 30	Dr. 4,717	Dr. 50	Dr. 4,767	...	37,781	7½b	...	Dr. 4,767	Dr. 1,814
Great Northern Telegraph Co.'s (Holding Company)	June 30	570	85,137	85,707	...	84,978	23½	...	729	79,504
Iron, Coal and Steel										
Bengal Iron Co.	Mar. 31	Dr 162,005	Dr. 2,742	Dr 164,747	...	...	...	50,765	Dr 215,512	Dr 12,637
Beyer, Peacock and Co.	Dec. 31	7,388	Dr 43,879	Dr 36,491	...	...	...	...	Dr 36,491	Dr 47,735
Wood (Edward) and Co.	May 31	242	Dr. 858	Dr. 616	2,000	...	...	Dr. 3,000	384	Dr 11,436
Rubber, etc.										
Craigielea Rubber	Mar. 31	8,905	10,165	19,070	...	8,877	3	...	10,193	Dr. 395
Jeram Rubber	Mar. 31	324	871	1,195	...	...	...	...	1,195	Dr. 3,038
Kalidjerok Rubber	Mar. 31	Dr. 4,906	6,619	1,713	...	...	...	...	1,713	Dr. 2,722
Malayan Rubber Loan, etc.	June 30	2,729	Dr. 404	2,235	...	...	...	...	2,235	Dr. 538
Merlimau Pegoh	Mar. 31	8,697	32,188	40,885	...	30,489	5	...	10,396	Dr. 5,411
Port Dickson Lukut (F.M.S.)	Mar. 31	29,285	7,193	36,478	...	10,270	4½	...	26,208	3,002
Tea										
Dhamai Tea	Dec. 31	10,061	17,294	27,355	840	10,226	20b	10,000	6,289	4,320
Trusts										
British Industries & General	June 30	11,952	5,973	17,925	5,812	...	...	...	12,113	3,476
British Steamship Investment Trust	June 30	292,184	78,416	370,600	13,725	68,850	5	...	288,025	88,120
Electro Trust	June 30	9,530	13,149	22,679	8,235	3,720	4	...	10,724	6,353
Other Companies										
Asquith (William)	Mar. 29	18,774	Dr. 14,393	4,381	4,990	...	...	...	Dr. 609	5,090
Cropper and Co.	June 30	5,722	31,872	37,594	11,003	13,650	10	7,000	5,941	22,146
Hoffnung (S.) and Co.	Mar. 31	9,523	18,682	28,205	16,875	...	...	1,997	9,333	1,008
Hutchinson and Co. (Publishers)	Dec. 31	9,677	28,127	37,804	26,200	...	...	...	11,604	26,995
McDougall's Trust	June 30	...	102,848	102,848	25,000	23,230	2	44,057	10,561	...
Manchester Dock and Warehouse Extension	June 24	2,250	32,003	34,253	17,789	14,375	5½	...	2,089	32,106
Manchester Ship Canal Warehousing	June 24	2,458	9,556	12,014	4,861	4,581	6	...	2,572	9,298
Meyer (Montague L.)	Mar. 31	...	53,851	53,851	6,100	1,453	5	42,693	3,605	...
Millars' Timber and Trading	Dec. 31	Dr 264,737	Dr. 36,714	Dr 301,451	...	...	...	79,596	Dr 331,047	Dr 85,231
National Drug Industries	Mar. 31	646	4,266	4,912	1,879	...	...	309	2,724	...
Santa Rosa Milling	Dec. 31	532	Dr. 15,800	Dr. 15,268	...	...	...	9,000	Dr 24,268	Dr 65,193
Tea Corporation	Jan. 31	3,542	7,941	11,483	...	5,250	6	2,000	4,233	388
Tilbury Contracting, etc.	Mar. 31	21,801	114,787	136,588	...	60,000	15	45,404	31,184	118,351
Vitamins, Ltd.	Mar. 31	12	66	78	...	...	...	...	78	12

* For half year.

(a) Preferred ordinary.

(b) Deferred ordinary.

COMPANY MEETINGS, &c.

THE STANDARD BANK OF SOUTH AFRICA LIMITED

OPENING OF A NEW ERA FOR THE UNION OF SOUTH AFRICA

GOLD MINING THE MAINSPRING OF REVIVING ACTIVITY

COMPREHENSIVE REVIEW BY THE EARL OF ATHLONE

The one hundred and twenty-first ordinary meeting of shareholders of the Standard Bank of South Africa, Limited, was held at Southern House, London, E.C., on July 25, 1934. The Rt. Hon. The Earl of Athlone, K.G., in the chair.

The Secretary (Mr T. D. Williams) having read the notice convening the meeting, the Chairman authenticated the correctness of the register of transfers by impressing thereupon the seal of the company.

The directors' report and accounts were taken as read, and the Secretary read the report of the auditors.

The Chairman then addressed the meeting as follows:—Ladies and Gentlemen,—Before proceeding with the business of the meeting I must refer to the death last week of Mr William Smart, who had been a director of this bank for nearly 20 years.

Mr Smart was appointed to the bank's staff in 1875 and immediately proceeded to South Africa.

As you know the bank was established in 1862, so that he was associated with it from its early years, and right up to his death he was devoted to its interests. He served the bank with distinction in many important posts during his long residence in South Africa. In 1900 he was appointed to the management of London Office, and in 1915 he joined the board.

Possessed of a strong personality and a high sense of duty, his wide experience made him an invaluable colleague, and he will be much missed not only by the directors but by the staff, in whose welfare he took the warmest interest.

It gives me great pleasure to preside at our meeting to-day, for it affords me an opportunity of expressing my admiration of the courage and faith of the people of South Africa during years of adversity and of paying a warm tribute to the statesmanship which has welded the nation into a powerful entity able to present a united front to the difficulties and problems which continue to perplex a disturbed and distressed world.

Perhaps I may also be permitted to make reference to the recent visit to Africa of H.R.H. Prince George, which was followed with close interest in this country. The enthusiastic welcome he received throughout the Union, the Rhodesias, and in the territories of the Belgian and Portuguese Governments was very gratifying. I know that it was especially pleasing to His Royal Highness that his tour coincided with an improvement in the general outlook.

It may be said with confidence that 1933 marked the opening of a new era for the Union of South Africa. The improvement in business conditions may be attributed both to political and economic influences, the chief of which are the restoration of confidence as a result of the formation of the Coalition Government; a definite upward movement in world prices of certain of South Africa's staple farm products; the stimulus to gold mining, including the opening up and development of new areas due to the premium accruing on gold; and the advantages of a stabilised rate of exchange between Union currency and sterling.

These and other factors combined have successfully dispelled the feelings of nervousness previously in evidence, and the march of events during the year may well be regarded as an indication that in South Africa a definite step has been taken on the road to recovery.

The improved conditions are reflected in the national accounts which, after the liquidation of a deficit of nearly £2,000,000 brought forward from the previous year, revealed a net surplus of over £4,500,000, while further welcome features were a substantial remission of taxation in many directions and measures for the rehabilitation of the farming community and the alleviation of unemployment.

Unfortunately the hopes entertained for a successful outcome of the World Economic Conference were not fulfilled and the temporary abandonment of the main objects for which it was

assembled again delayed the reorganisation of international trade, upon the expansion of which South Africa so largely depends for the marketing of its primary products. The problems of disarmament, war debts, tariffs and general trade restrictions are still unsolved, and though the difficulties confronting individual countries are now better understood the position remains clouded with uncertainty.

In directing your attention to the accounts now before you I will briefly refer to the principal changes in the figures.

You will observe that deposits, current and other accounts exceed £55,000,000, an increase of approximately £2,200,000 as compared with the figures appearing in our last balance sheet.

On the assets side cash in hand and at call and short notice amounts to £19,600,000, an increase of over £4,000,000, while investments at just under £10,000,000 show an increase of £1,000,000. Bills of exchange are £600,000 higher. Bills discounted and advances to customers at £25,200,000 reflect a reduction of £3,000,000, but this is mainly in connection with accounts outside the Union.

My predecessor last year referred to the rapid increase in the bank's resources brought about by the flow of funds to South Africa, and he also drew attention to the difficulty experienced in finding employment for these funds in our ordinary commercial business.

These factors still obtained in the period now under review, and you will bear them in mind when considering the result of the year's working.

The balance of profit for the year, after making an appropriation to contingencies account, is £433,180, which, with the amount of £154,400 brought forward, leaves for disposal the sum of £587,580. The interim dividend paid in January absorbed £125,000, and, after appropriating £75,000 to writing down bank premises, there is available a balance of £387,580, which your directors recommend be disposed of by adding £100,000 to the pension fund and by the payment of a final dividend of 5s. per share, making a total distribution of 10 per cent. for the year, and carrying forward the sum of £162,580, an increase of £8,180 on last year's figure.

In connection with the allocation to pension fund, I may say, in response to a letter received from a shareholder, that while the sum so set aside appears high in relation to profits your directors are satisfied, after taking expert advice, that the appropriation is the lowest that can be made.

Climatic conditions generally in South Africa were bad throughout the greater part of the year, the country being ravaged by a drought of almost unprecedented duration and severity, and the farming section, which had already borne the brunt of the depression, was further hit by poor crops and heavy stock losses, with the result that the position became critical, necessitating emergency relief measures by the State. In November the drought was broken by heavy, widespread rains, followed in many areas by damaging floods and hailstorms. The veld once again made a remarkable recovery; grazing is now abundant, crop prospects are good, and the outlook may be considered generally favourable.

The gold mining industry of the Transvaal, which in years of adversity has been the one strong pillar of the country, is now the mainspring of its reviving activity, and, through the taxation of excess profits, it provides the chief source for financing the Government's schemes of economic reconstruction. A largely increased supply of native labour was available during 1933, and to this may be attributed the substantial increase of 1,982,760 tons in the ore milled as compared with the previous year's figure. Although the gold recovered therefrom was less in weight by 536,069 fine ounces the

declared value was greater by over £18,500,000 and reached the record total of approximately £67,600,000.

Numerous schemes are in hand for the resuscitation of old mining ventures, extended development of operating mines, and the opening up of new areas, while it is estimated that the ore reserves of existing mines have been increased by about 57 per cent. Indications of gold in payable quantities are reported to have been obtained for many miles beyond the previous extremities of both the East and West Rand, but the actual extent thereof can only be determined as development continues. The capital expenditure involved in carrying out the various programmes in hand and in contemplation is estimated to run into several million pounds.

The value of the external trade of the Union for 1933, inclusive of an estimated premium of £20,643,000 on gold exported, showed the large increase of £41,269,000 over the figures for 1932, exports having risen by £24,764,000 and imports by £16,505,000. Of the exports, apart from gold, wool reflected a satisfactory rise in value of £2,270,000.

Imports showed increases under every heading, the largest being textiles, £5,134,000; metal manufactures and machinery, £3,877,000; raw materials and articles mainly unmanufactured, £1,709,000; vehicles and parts, £1,485,000; and it is interesting to record that in each of these important classes 1933 has actually, or nearly, made good the shrinkage of 1932.

In Southern Rhodesia the value of the mineral production was approximately £5,000,000, constituting a record in the annals of the Colony. Gold mining is still the mainstay of the territory, but the base mineral industry recovered strongly during the year. Deposits of base minerals are considered practically unlimited and are expected to play an important part in the economic development of the country.

The future progress of Northern Rhodesia is dependent upon the growth of the copper mining industry, in which a vigorous development policy is being pursued. The low cost of production is an important factor, and prospects are favourable.

The trade of Nyasaland rests upon the products of the soil, the chief of which is tobacco. As a result of a poor tobacco season trade has been dull, but an improved outlook in the main industries of the territory gives promise of an early revival.

South-West Africa is practically dependent upon farming, and last year is described as the worst ever experienced by the farming community in that area. Although the serious effects of the drought will be felt for some time to come the recent abundant rainfall and the rapid recovery of the veld have gone far towards the restoration of confidence for the future.

Statistics show that the fall in trade in East African territories has not only been checked, but that there is an upward movement. Exports from Kenya, Uganda, and Tanganyika increased in value from £8,442,804 to £10,033,174, while imports at £6,845,409 showed a small increase on the previous year's total.

A considerable amount of exploration work in connection with minerals is in progress, attention being mainly centred on gold.

Mr Gilliat, whose appointment to the board was confirmed at our last meeting, has lost no time in acquiring by personal investigation a closer knowledge of conditions affecting our business, and his observations during an exhaustive tour he has made of South and East Africa will be of much assistance to the board.

Some particulars in regard to the chief industries of South and East Africa will be available to shareholders in the printed report of the proceedings of the meeting, and I need not occupy your time by reading them now.

I will conclude by moving the first resolution, viz.:—
“That the report and balance sheet to March 31st, 1934, now presented, be adopted.”

Mr William Reiersen Arbuthnot, to second it.
Mr William Reiersen Arbuthnot: I have much pleasure in seconding that resolution.

The Chairman: Has anyone any remark to make on the report? (A pause.) As there are, apparently, no remarks, I will now put the resolution to the meeting.

Mr Murray: Before you do that, Mr Chairman, I should like to ask whether the £100,000 placed to the officers' pension fund is likely to be permanent at that figure, and for how long a period, if you can tell me?

The Chairman: I am unable to add anything to the remarks

I have already made regarding the pension fund, but I am sure you will agree that proper provision should be made for officers retiring from the active service of the bank. I will now put the resolution to the meeting.

The resolution was carried unanimously.

DECLARATION OF DIVIDEND

The Chairman: I will now make a formal declaration of dividend by reading the following to the meeting:—

“As empowered by the Articles of Association, on behalf of the board, I now declare a dividend for the six months ended March 31, 1934, of 5s. per share payable in British currency on 500,000 shares, as a final dividend for the 12 months ended on that date (making, with the interim dividend, a total distribution at the rate of 10 per cent. per annum), subject to income tax, to be paid to those shareholders whose names appeared on the Register on the 4th day of July, and to become payable on the 28th instant.”

Mr R. E. Dickinson: Gentlemen, I beg to propose:—
“That Stanley Christopherson, Esq., the Rt. Hon. the Earl of Athlone, K.G., and William Reiersen Arbuthnot, Esq., be re-elected directors of the company.”

Mr Horace Peel: I have much pleasure in seconding the resolution.

The motion was put to the meeting by Mr Dickinson and unanimously adopted.

The Chairman: Thank you very much, ladies and gentlemen, on behalf of my colleagues and myself.

Mr Joseph Nissim: My Lord Chairman, my Lords, Ladies and Gentlemen,—I beg to propose the usual resolution in regard to the auditors:—

“That A. T. Turquand-Young, Esq., F.C.A., Roderick M. Peat, Esq., F.C.A., and Sir Nicholas E. Waterhouse, K.B.E., F.C.A., be reappointed auditors of the company for the ensuing year at a remuneration of 400 guineas each.”

I shall only permit myself to make one observation. The auditors definitely represent three of the best-known firms of chartered accountants in the City of London, and I feel sure that, on their collective skill and up-to-date experience, the bank, with its ten thousand shareholders, may confidently rely. (Hear, hear.)

Mr C. N. Daniels: I shall have very much pleasure in seconding that resolution.

SERVICES OF THE STAFF

The Chairman: Ladies and gentlemen, I have now much pleasure in proposing the following resolution:—

“That the thanks of the meeting be given to the general managers, the London manager, and other officers for their valuable services.”

During my residence in South Africa and in the course of my return journey to England through Central and East Africa, I came into contact with many of our officers and was impressed by the high standard of efficiency which prevailed.

Latterly in London I have been in the position to observe the good work done by the staff here, and a few months ago, when passing through New York, I was able to meet members of our Institution in that city.

Since our last meeting we have re-established our own agency in Hamburg.

To Mr King, our general manager in South Africa, and his colleagues—we are pleased to see Mr Frost, one of our deputy general managers, with us to-day—to Mr Lowndes, our London manager, Mr Williams, the bank's secretary, and to the staff in all the spheres I have referred to, you will, I am sure, wish me to extend our warm thanks for their services. (Applause.)

Mr B. A. Glanville: My Lord Chairman, my Lords and Gentlemen, it gives me great pleasure to second the resolution which has been proposed by the Chairman. I think everything in connection with the officers and staff of this bank can be summed up in one word, and that is “courtesy.” The chairman has spoken of their ability, and we all know their ability from a banking point of view, and the results are seen in the report which has been put before us. I have had twenty-three years' experience as a shareholder and as a friend of the bank, and have visited the principal offices both in South Africa and here in London, and I say that from the general managers and the London manager down to the messengers “courtesy” is the word which describes what one receives, and therefore I have much pleasure in seconding the resolution.

The resolution was cordially approved.

Lt.-Col. Sir John Chancellor, G.C.M.G., G.C.V.O., D.S.O.: My Lords, ladies and gentlemen, it is my privilege to propose a vote of thanks to the chairman and directors. We have all listened

with very great pleasure to the report of a successful year's working of the bank, and it is very gratifying to hear of the return of prosperity to South Africa, in which I include my old friend, Southern Rhodesia. It is also very gratifying to think that the return of prosperity is likely to be permanent, thanks to the increase in the price of gold, which I think most economists believe is going to last for some considerable time. It was only a few days ago that I was talking to a man of some eminence in the City, who expressed the opinion that South Africa was at the present time the most prosperous and economically the most stable country in the world. Everyone who loves South Africa—and that means everyone who has ever been there—will rejoice to hear that. (Hear, hear.)

It is a special pleasure to me to propose a vote of thanks to Lord Athlone for his conduct in the chair. During the five years in which I was Governor of Southern Rhodesia I had the pleasure of being associated with him, because he, in some measure, controlled my activities as Governor of Southern Rhodesia, for, in addition to being Governor-General and High Commissioner of South Africa, he was also High Commissioner of Southern Rhodesia in respect of certain native affairs. I always valued the great privilege of my association with him in that work.

You all know very well what great services Lord Athlone rendered to South Africa. (Hear, hear.) Those services cannot be measured and will never be forgotten. When I talk of his great services I do not mean merely the wise counsel and ready support that he was always prepared to give to his Ministers, but I refer also to those imponderabilia which are difficult to define but of which we who came in contact with him are all so very much aware, and it is owing to those imponderabilia that Lord Athlone and H.R.H. Princess Alice earned the affection and respect of everybody in South Africa. (Applause.)

It is especially appropriate, I am sure you will all agree, that Lord Athlone should be in the chair to-day. Since his return to England he has been most extraordinarily energetic in the number of activities and public services which he has undertaken, but, knowing as I do his affection for and interest in South Africa and South Africans, I do not think there is any one of his many and varied activities, probably, which gives him more pleasure and greater interest than his work for the Standard Bank of South Africa. (Applause.)

THANKS VOTED TO DIRECTORS

I have much pleasure in proposing the following resolution:—
“That the cordial thanks of the meeting be accorded to the directors for their attention to the affairs of the bank and to the chairman for his conduct in the chair.”

(Applause.)
Mr T. L. Gilmour: My Lord Chairman, my Lords and gentlemen,—A year ago the then chairman, Sir Roy Wilson, in responding on behalf of himself and his colleagues to a resolution worded precisely as the resolution which is now before us, said that he and the other directors regarded that resolution as something more than a perfunctory compliment, and I want, if I may, just to emphasise that aspect of this resolution. There is always a risk that when a resolution is submitted year after year it may come to be looked upon as something in the nature of a formality. Speaking, I think, on behalf of the 10,000 shareholders and upwards—as we are told—who are interested in this great bank, I may assure Lord Athlone and his colleagues that there is nothing perfunctory in the resolution which has been proposed and which, I am sure, will be carried to-day. (Hear, hear.)

We can divide this resolution into two portions. One is the portion which embraces the whole of the board, and, as year passes and year succeeds, I think the feeling of the shareholders must be one of increasing satisfaction that their affairs are in the hands of so competent a board of directors. (Hear, hear.) If I may be allowed, I should like to take this opportunity, speaking on behalf of the shareholders, I am sure, and certainly on my own behalf, to say with what regret I heard that since our last meeting, and obviously quite recently, we had lost the services of Mr William Smart, whose devotion to the bank requires no eulogy from me.

The circumstances of to-day are such as to make it more than ever important that our affairs should be controlled by men in whom we have the utmost confidence, and, so far as that part of the resolution is concerned, I am quite sure it will be unanimously passed. (Hear, hear.)

Nor will there be any less unanimity, certainly, in reference to the second part of the resolution. It has been, I think, to all the shareholders of the Standard Bank a matter of the greatest satisfaction that Lord Athlone has taken such an interest in the bank as to become one of our directors—(hear, hear)—and, as

this is the first occasion on which he has presided over our annual meeting, I think we ought to take the opportunity of saying to him how gratified we are that he should be with us to-day and how grateful we are to him for his conduct in the chair. (Hear, hear.) Sir John Chancellor has told you from personal experience in South Africa something of the esteem and affection in which Lord Athlone is held out there. We are benefiting not only by reason of that esteem and affection, but also by his intimate knowledge of South African affairs, and, in seconding this resolution, which I do with the greatest pleasure, I am sure that it will receive your unanimous support. I beg to second the resolution. (Applause.)

The resolution was put to the meeting by Sir John Chancellor and carried with acclamation.

The Chairman: Sir John Chancellor, Mr Gilmour, ladies and gentlemen,—My colleagues and I thank you very much for the cordial vote of thanks which you have accorded to us. To myself personally it is a very great pleasure to see here to-day Sir John Chancellor, who is an old colleague of mine in South Africa, and I thank both Sir John and Mr Gilmour for their very kind words in regard to myself—wholly undeserved, but, naturally, one always appreciates even the most flowery words said about oneself. I can assure you, ladies and gentlemen, that my colleagues and myself very much appreciate what has been said about us, and you may rely upon it that we shall continue to take every possible care of the interests of the shareholders of this bank. (Applause.)

The proceedings then terminated.

PARTICULARS IN REGARD TO THE CHIEF INDUSTRIES OF SOUTH AND EAST AFRICA FOR THE PERIOD UNDER REVIEW

MINERALS

The value of the mineral production of the Union for 1933, excluding the premium on gold, was £52,335,155, as compared with £54,234,839 in 1932. Including the gold premium the value was £73,131,073.

Operations in the diamond industry were further restricted and the large mines remained closed throughout the year. Exports of rough and uncut diamonds showed a fall in value from £1,176,204 to £991,540, but the value of cut and polished stones increased from £779,319 to £1,138,618.

Tin, platinum and asbestos mining showed some revival. In Southern Rhodesia the output of asbestos increased in value from £197,092 to £555,993.

FARMING INDUSTRIES

The maize yield in the Union, which in the previous year had totalled over 19,000,000 bags, fell to about 8,400,000 bags, or about two-thirds of the quantity required for internal consumption. Crop estimates indicate considerably greater production than was the case last year, a preliminary estimate being 19,417,000 bags. The condition of the crop generally is good. Wheat cultivation in the Union has increased considerably in recent years and an equilibrium between demand and production has been nearly attained.

Livestock

Owing to the drought, losses of livestock throughout the Union were extremely heavy. Hundreds of thousands of cattle are reported to have died, whilst among small stock the mortality is officially stated to have reached 7,000,000.

During the year attention has been given to the development of a regular export trade in beef. Considerable quantities have been shipped, and despite the depression of the overseas markets receipts have so far been satisfactory and there is every prospect of a lucrative trade being established when price levels return to normal. Much depends, however, upon efficient organisation with a view to ensuring continuity of supply and the maintenance of the quality demanded by the overseas consumer. In 1933 exports of fresh and frozen meat were valued at £270,472, as compared with £159,482 in 1932.

Wool

The 1932-33 wool season as a whole proved more favourable than either of its immediate predecessors. An abnormal carry-over and heavy clips were practically cleared. The great importance to the Union of the recovery in the wool industry is illustrated in the value of exports, which fell from £17,118,000 in 1927 to £5,700,000 in 1931 and rose to £8,831,000 in 1933.

The average export price from July to December, 1933, was 10½d. per lb., as compared with 4½d. per lb. for the corresponding period of 1932.

Wool markets in the Union are at present depressed, chiefly owing to the German embargo on imports and the disturbed political situation in Europe. Prices have again fallen and unsold stocks are high.

Mohair

The mohair market remained dull until towards the middle of the year when, following a revival in overseas demand, prices rose sharply. Although the number of Angora goats has been greatly reduced the industry is considered fundamentally sound and with a return to normal times should recover lost ground. Exports from the Union rose in value from £95,451 to £330,118, the average price improving from 3½d. to 5d. per lb.

Hides and Skins

Hides and skins have shared in the general improvement, and though erratic at times the market has been conducted on a more level basis. A considerable quantity of hides is now used in Union tanneries. Exports during 1933 were valued at £444,785, as against £252,701 in 1932. Prices for sheepskins fluctuated in sympathy with wool, and although offerings were greater than in recent years, stocks were readily absorbed. The value of exports of sheep and goat skins rose from £512,818 to £1,156,070.

Sugar

Last season's production of sugar in the Union amounted to 391,173 short tons, as against 358,905 in the previous season. Exports totalled 191,000 tons, of which 118,000 were shipped to Canada and 73,000 to the United Kingdom. The new crop is expected to reach, if not to exceed, last season's figure.

The output of sugar in East Africa is approximately 20,000 tons, of which about 14,000 tons are consumed in the country.

Fruit

Exports of deciduous fruit from the Union during 1933 were valued at £965,983, as against £645,306 in the previous year, while the value of exports of citrus fruit rose from £942,047 to £1,111,681. There was a considerable increase in the quantity of dried fruits exported, but owing to depressed prices the value of £317,520 showed only a small improvement.

Tobacco

The Union tobacco crop for the 1933-34 season, excluding the production in native locations and reserves, is estimated at 13,100,000 lbs., as compared with a yield last season of 9,300,000 lbs. The crop is reported to be of good quality.

In Southern Rhodesia the quantity produced, viz., 14,170,000 lbs., was approximately the same as in the preceding season.

Nyasaland exported last year 10,400,000 lbs., as against 15,100,000 in 1932.

Wattle Bark and Extract

The value of the exports of wattle bark and extract increased from £492,860 to £525,869.

Wine

Exports of wine from the Union in 1933 were valued at £164,100, as compared with £104,665 in 1932. Last year's shipments constituted a record for the industry.

Sisal

Sisal prices have been steadier and the value of exports from Tanganyika rose from £608,202 to £881,772, and in respect of Kenya from £186,574 to £249,868.

Cotton

In Uganda, where cotton is the principal crop, the season was a successful one, the value of the output rising from £1,584,172 to £2,682,210. The Tanganyika figures improved from £183,747 to £276,864.

Coffee

Coffee production in East Africa was adversely affected by dry conditions during the year. Exports from Kenya and Uganda declined from £1,436,877 to £1,041,835, and those from Tanganyika from £463,397 to £429,523.

RECORD BONUS RECORD

WHOLE - LIFE BONUS
INCREASED to: **45/- %**
per annum . . .

ENDOWMENT ASSURANCE
BONUS MAINTAINED **40/- %**
at: per annum . . .

INTERIM BONUS, 1934,
same rates

CARRY FORWARD INCREASED
from £483,159 to £674,364

THE LIVERPOOL & LONDON & GLOBE

INSURANCE COMPANY, LTD.

Head Office: 1, Dale Street, Liverpool, 2. | (Chief Office) 1, Cornhill, E.C.3. London:

Whaling and Fishing Industry

An improvement was shown in the value of exports of whale oil and fish from the Union, the figure increasing from £318,288 to £516,485.

Manufacturing Industries

The year 1933 witnessed a consistent and rapid expansion of industrial activity in the Union. Building programmes, which had been kept in abeyance during the depression, were again taken in hand, and many important fresh schemes have been undertaken.

The improvement reported in the clothing and footwear factories towards the end of 1932 continued steadily throughout 1933. Mining material trades, foundries and engineering shops have all benefited directly from the activity on the gold mines, and having regard to the prospect of considerable further development and ample capital available for sound enterprises, the outlook for the manufacturing industries of the Union is good.

EGYPTIAN DELTA LIGHT RAILWAYS, LIMITED

CURRENT YEAR'S PROSPECTS

The annual general meeting of the Egyptian Delta Light Railways, Limited, was held on the 20th instant, at Winchester House, London, E.C.

Sir Montagu Sharpe, K.C. (the chairman), said that at the time of the last meeting the company's position had shown some improvement. An exceptionally large cotton crop was then anticipated, and the price of cotton had risen. Although the cotton harvested was a record, the tendency towards improvement was not maintained during the year under review, largely, he believed, owing to the setback which occurred in cotton prices soon after the meeting.

There were now signs of a definite, though slow, improvement in conditions in Egypt, and the general economic situation was adjusting itself to conform with the lower prices of agricultural produce.

Another factor which disturbed the anticipated improvement was the more severe competition during the past year. There was a decrease in the number of passengers carried and in the goods tonnage lifted, but working expenses were again lower. The net earnings from all sources amounted to £12,151, and the directors recommended a dividend of 1 per cent. on the preference shares, £46,683 being carried forward.

With reference to the current year, the price of cotton had improved again during the last few months, and, provided this was maintained and a good crop was harvested, some increase in the company's receipts might reasonably be expected.

Reports received from Egypt estimated the cotton acreage under cultivation as being in the neighbourhood of 2,190,000 feddans this year, against the official figure of acreage planted last year of 1,804,000 feddans, with consequent expectations of a larger crop.

It was recently reported, however, that leaf worms had attacked the crops in the Delta, and, although they understood that energetic measures were now being taken by the Egyptian Government to deal with the trouble, it was not possible to obtain an opinion at this stage as to what effect it would have on the yield.

The receipts of the company to date show an increase of £1,172 as compared with the previous year.

The report and accounts were unanimously adopted.

BRAZILIAN WARRANT AGENCY & FINANCE COMPANY, LIMITED

CAPITAL REORGANISATION PROPOSALS

MR ARTHUR WHITWORTH ON COFFEE POSITION

The annual general meeting of this company was held, on the 24th instant, at Winchester House, Old Broad Street, London, E.C.

Mr Arthur Whitworth (chairman of the company) presided.

The Chairman, in the course of his speech, said:—The contingency reserve has been reduced by some £66,000 owing to our decision to clear from the asset side a fictitious asset which has appeared for some years past in the form of capital exchange account. This year we have closed our accounts at the official rate ruling at December 31st—namely, 4 7-256d. per milreis.

Last year you will remember that we did not close our books at the official rate, which then stood at 5½d., because it was purely a nominal rate, and, if we had taken it it would have given us a fictitious profit in exchange over and above the rate adopted at the end of 1931—namely, 4 35-64d.—which rate we continued to apply for the 1932 accounts. The event has shown the wisdom of our decision, because by applying the official rate of 4 7-256d. for the balance sheet before you the provision necessary for the fall in exchange has not been more than our profits can conveniently carry.

At the same time, having in view the writing down of our ordinary capital, as mentioned in the report, we thought we would take the opportunity of clearing from our assets the fictitious capital exchange account. We have done this by crediting the whole of the contingency reserve as it stood at December 31, 1932, to the appropriation account and debiting that account with the total amount required to write down our exchange to the official rate at the end of the year by an additional provision of, say, £30,000 out of profits. When, therefore, we come later on in the year to consider the provision to be made out of capital by writing down the value of the ordinary shares, we shall have to consider only the over-valuation to which the auditors refer, that is placed on our land and buildings, and on our interests in subsidiary companies and any further provision for a lower exchange that we may feel justified in making on the net currency floating assets in Brazil.

Our operating profits are better by nearly £5,000 than in 1932, due to our having had the advantage of a full year's trading instead of one interrupted as it was in 1932 by the civil war in Sao Paulo. We are thus able out of our available balance of £55,852 to recommend the payment of a final dividend of 3½ per cent. on the preference shares, which will take £17,500, leaving £38,352 to carry forward to the current year.

E. JOHNSTON AND COMPANY, LIMITED

Our principal subsidiary, E Johnston and Company, Limited, had a very active year, shipping from Santos over 750,000 bags of coffee. This was to some extent due to the dollar going off gold, which encouraged speculations in coffee as a commodity in the U.S.A. This company delivered exchange to the Bank of Brazil for the equivalent of £1,550,000, which was all controlled by the Bank of Brazil, and shows that our company played a substantial part in providing the foreign exchange required by Brazil for their Government and other financial obligations abroad.

The year 1933 was a most difficult one throughout owing to the continual fluctuations in the sterling, dollar and milreis exchanges, and was further complicated owing to the economic dispute between France and Brazil, which for a time prevented imports into France.

This has happily been settled, but a further complication of our Continental business has since arisen by the special action on the part of Italy in establishing a quota for coffee imports, which is seriously affecting our sales to that country. The position in Germany, though business was active in 1933, is now most difficult owing to their foreign exchange position. All these difficulties have thrown a great burden upon our departmental staff, and I am happy to confirm what I said last year, that we are fortunate in possessing a staff fully qualified and able to conduct this business in these chaotic times.

THE ROTHSCHILD REMITTANCE SCHEME

At our meeting last year I spoke hopefully of the improvement which might be expected to take place in the exchange position in Brazil through what has become known as the Rothschild Remittance Scheme. Our balance sheet shows the extent of our participation in it, and our report gives expression to our disappointment that we were not allotted a larger share. I do not suggest that we received any worse treatment than others, but I think it must be admitted that the total provision made for the accumulated arrears of exchange fell far below the expectations of the sponsors of the scheme.

Since that date I find a general impression among those not intimately acquainted with trade in Brazil that the exchange position has improved. It is true that the authorities have maintained a comparatively stable official rate and that the outside or "bootleg" market has had withdrawn from it the stigma of illegality, but this does not, I am afraid, mean that there is in any sense an open market. Permission has to be obtained from the Banco do Brasil to make use of the open market, and in considering the eligibility of applications the bank are exercising a close scrutiny as to the origin and destination of what is offered.

In reality, not only is it impossible to remit money at the official rate, but control over the open market is so close that the facilities which outwardly appear available are in truth negligible. I make these remarks in no spirit of criticism of the Brazil authorities in imposing regulations for the protection of the country's exchange position. The low level to which the price of coffee, upon which Brazil is so dependent for paying for her imports and meeting her foreign commitments, has dropped during the past few years has beyond doubt necessitated and justified the exercise of some such control. Otherwise the decline in the exchange value of the milreis might have been so great as to be disastrous to the interests of all foreign undertakings operating in Brazil. This and other prominent companies have under existing conditions generally speaking been able to meet their interest and dividends in prior charges and preference stocks, whereas these would have undoubtedly fallen into arrears if drastic provisions had had to be made for further exchange losses.

During the whole of 1933 the National Coffee Council of Brazil maintained its control and continued with the destruction of surplus stocks. The 1933-34 crop was estimated to be 29,880,000 bags for the whole of Brazil. The corresponding figure for the State of San Paulo was 20,500,000 bags. The 1934-35 crop for the whole of Brazil is estimated to be 14,102,000, i.e. less than half of its predecessor. The State of San Paulo crop for 1934-35 is estimated to be only 8,388,000 bags, a reduction of 60 per cent. These figures exclude any remainders of the previous crop retained on plantations, estimated at about 1,750,000 bags.

CAPITAL REDUCTION PLANS

I pass now to what is probably the most interesting part of our report to you—namely, our plans for the reduction of the capital of the company foreshadowed in the autumn and to our proposed acquisition of the preference shares of the Cambuhy Coffee and Cotton Estates, Limited, of which, as you know, this company owns the whole of the ordinary capital.

The general meeting of the Cambuhy Company was held in this room immediately prior to this meeting, and the accounts presented to that meeting showed that the arrears of dividend on the cumulative participating preference shares of that company were, at the end of 1933, £196,000, and that in addition the company owed us, its financial agents, £111,285 at the end of the year. Despite therefore the fact that there is a credit balance in the profit and loss account of that company of £35,877, no arrears of dividend can be paid, as there is no cash in London available to pay out, and it is impossible to remit any of the large milreis balances lying in Brazil with the financial agents, the sterling equivalent of which is, as shown in the balance sheet, £133,420.

It was in similar circumstances that I, as chairman of the company, asked for a committee of the preference shareholders to be appointed last November to confer with the board. The outcome of that committee's deliberations has been communicated to you, and though this meeting is not called to deal specifically with the proposals, we have thought it right that you should be fully acquainted with the position. All, therefore, that I propose to do to-day is to answer to the best of my ability any questions that may be put to me, because it is important that none of you should leave this room and ponder over these proposals in the interval before they will be formally presented to you in October labouring under any misapprehension as to their terms or as to the reasons which have prompted the boards of both companies and the committee of preference shareholders of the Cambuhy Company unanimously to recommend them for acceptance. The Chairman concluded by moving the adoption of the report and accounts.

Mr Alexander Macdonald seconded the resolution and, after the Chairman had replied to questions and comments by shareholders, it was carried, an amendment to postpone the payment of the preference dividend until the autumn being defeated on a show of hands.

Mr Hildred Carlisle, chairman of the committee of preference shareholders, then addressed the meeting at the request of the Chairman on the committee's proposals, which would form the subject of resolutions to be placed before meetings in the autumn.

The Chairman having replied to questions on the matter, the proceedings terminated with a vote of thanks to him and to the board, the secretary and the staff.

FURNESS, WITHY AND COMPANY, LIMITED

THE GOVERNMENT'S ASSISTANCE

LORD ESSENDON'S VIEWS

The forty-third annual general meeting of Furness, Withy and Company, Limited, was held on the 25th instant, at Furness House, Leadenhall Street, London, E.C.

The Lord Essendon, who presided, said that it was with great regret that they had made the decision not to recommend the payment of any dividend on the ordinary share capital, more particularly as this was the first occasion for more than forty years on which they had failed to pay an ordinary dividend, a record of which they had been most proud, and which consequently was broken with the greatest reluctance. At the same time, it was in the interests of the shareholders themselves that the company's resources should be conserved in view of the fact that the long-looked-for improvement in the shipping industry had not yet materialised and the outlook remained uncertain. Their past record was the best possible justification of the conservative policy they had always pursued, and of which shareholders had had the benefit, but obviously such benefits could not continue indefinitely in the face of continued severe depression.

The profit for the year was £378,164, compared with last year's figure of £379,674. With the amount brought forward from the previous year there was a total available balance of £523,362. The usual half-yearly dividends on the preference share capital had been paid, and they proposed to transfer £300,000 to depreciation, leaving £166,174 to be carried forward. Their subsidiary and associated companies had contributed substantially to their profits, and on the whole had emerged from a difficult year with reasonably satisfactory results.

THE PACIFIC TRADE

The Pacific trade to the United Kingdom had been disappointing. They had upwards of £2,000,000 capital employed in that trade in ships specially built for the service and partly owned by the company and partly by a subsidiary. They provided a regular service outwards and homewards throughout the year to and from London, Liverpool, Manchester and Glasgow to Los Angeles, San Francisco, Portland, Puget Sound ports and Vancouver, B.C. They were associated in that trade by agreement with the Royal Mail Lines and Holland-America Line, and together they were willing to provide all the facilities that were necessary to cater for the traffic which was available. The volume of traffic was restricted by the import tariff on fresh fruit, which in itself had resulted in part of their specially provided refrigerated space being left vacant. They had, however, also been subjected to competition which he could only describe as unwarranted and unfair. Continental lines which had had no part in originally developing the trade had established services primarily to certain Continental ports, but had used the United Kingdom trade as the foundation on which to build their services, and were thus reaping the fruits of our early work and filching our natural heritage, safeguarded by the knowledge that we were unlikely to attack them in their own ports as there was not sufficient traffic to justify our doing so.

ASSISTANCE TO TRAMP SHIPPING

It was common knowledge that a section of the shipping industry had been compelled to seek assistance from the Government in the same way as many other industries had had to seek protection. The President of the Board of Trade had announced the Government's intention to set aside a sum of £2,000,000 primarily for the assistance of the tramp section of the industry. The grant was for one year, and it was left to the industry to prepare a scheme of administration for the approval of the Government, subject to certain guiding principles, the chief of which were that the grant was not to be dissipated in competition between British ships, and that it was to be used as a defence fund against subsidised competition. It would be unwise for him to make any further comment on the subject, inasmuch as discussions were proceeding between the industry and the Government, which discussions must precede the passing of the necessary legislation. He could, however, state that the industry was appreciative of the help which was thus offered, and would do its utmost to comply with the conditions imposed.

FOREIGN SUBSIDISED COMPETITION

Cargo liners, and indeed passenger liners as well, were suffering from very intense foreign subsidised competition, and the protection derived from the existence of conferences in liner trades was by no means sufficient to enable the liners to continue indefinitely fighting for their maintenance. His Majesty's Government had also

announced a scheme for granting financial aid to modernise the Mercantile Fleet by scrapping old tonnage and building new, in the proportion of 3 tons of old shipping for one of new. The scheme was to take the form of loans advanced or guaranteed by the Treasury. He was ready to admit that those proposals might be of assistance to the shipbuilding and kindred trades, and might have some political value as well as stimulating employment, but he was afraid they would not be of much assistance to the shipping industry itself, and, in fact, might even aggravate the situation.

DIFFICULT CONDITIONS

Shareholders in shipping companies had very painful knowledge of the extremely difficult conditions under which they had laboured during the past few years, but the general public must find it most difficult to appreciate the many different angles to the problem. The competition of foreign vessels which were subsidised was easy to explain and understand, but they had had to contend with more insidious difficulties which had arisen out of the nationalistic policies of various governments, including their own, all of which had tended to reduce the volume, and the natural flow, of international traffic. They were pioneers in the transportation of chilled beef from the Argentine. Unfortunately, the Government had introduced a series of restrictive quotas, with the result that their shippers were compelled to restrict their output, and the ships were consequently unable to obtain the cargoes which they had hitherto carried. If the policy achieved its purpose of increasing the price of home-grown meat and it was merely a question of the farmer reaping advantages commensurate with the injury inflicted upon the shipping industry, then he imagined it would resolve itself into a matter of deciding whether the advantages outweighed the disadvantages. The position was, however, that, without doing any good whatever to the farmer, grave injury had been done to other industries, and the measure of the injury suffered by the shipping industry could be estimated from the fact that the restrictions imposed, and announced, would represent a loss of freight in the first two years of controlled imports of over £500,000 sterling. That was only part of the injury, as the restrictions had also involved loss of employment for officers, engineers, and seamen, and the export manufacturers had suffered from the reduced buying power of the Argentine.

THE NEW BEEF SUBSIDY

The Government's new beef subsidy policy did nothing to ease the situation so far as shipping was concerned. On the contrary, the position was aggravated by retention and possible extension of the restrictive quotas during the short-term subsidy period. The point that should be borne in mind was that the whole object of the Government's agricultural policy was to enable the farmer to secure higher prices for his product. In the process of achieving its object the Government was to spend £3,000,000 of the taxpayers' money, an amount which, in itself, was 50 per cent. more than the sum which was to be set aside to subsidise British tramp shipping—a subsidy in which the South American refrigerated ships would not participate. It was obvious that the Government's agricultural policy had admittedly not achieved the advantages which it was designed to achieve. The disadvantages, however, were being severely felt by the shipping industry.

After listening to his remarks, he was sure shareholders would not wonder at the statement in the report that the outlook for international trade remained uncertain. Possibly they were facing the darkest hour before the dawn.

Several shareholders congratulated the directors on the results achieved during a very difficult year.

In the course of his remarks, Sir John Latta said that one could not help feeling that even had the board been gifted with second sight they could hardly have anticipated the present position to greater advantage than they had done.

Referring to the nationalistic tendency with which he said the Government was becoming infected, he expressed the hope that they would take some notice of what had been said by the chairman in his speech in regard to the difficulties with which the shipping industry was faced arising out of such a policy.

Sir R. Burton Chadwick complimented the chairman on his courageous and powerful criticism of the Government in various directions, particularly in regard to the effect on the shipping industry of its agricultural policy.

The report and accounts were unanimously adopted.

The chairman, in responding to a vote of thanks, said that for the last four or five years he had never come to the office on any day and found anything favourable to the shipping industry. There was one indication which was more favourable. The drought was going to cause a shortage of crops in some parts of the world, and it was estimated that nearly 2,000,000 tons of extra wheat would have to be carried.

RICHARD THOMAS AND COMPANY, LIMITED

FINANCIAL POSITION MUCH IMPROVED

RECONSTRUCTION PROPOSALS OUTLINED

SIR WILLIAM FIRTH'S REVIEW

The eighty-fifth ordinary general meeting of Richard Thomas and Company, Limited, was held, on the 20th instant, at River Plate House, London, E.C.

Sir William Firth (chairman and managing director) said that, excluding debentures, their combined bank and loan indebtedness, which was £606,000 at the commencement of the year, had been reduced by the end of that year to £506,000, after paying for the whole of the ordinary and preference share capital of W. Gilbertson and Company, and adding that company's bank indebtedness to their own. On the previous day, after paying for the Cardonnell Works and stocks and the whole of the ordinary capital, 92.6 per cent. of the preference capital of the Melingriffith Company, and adding this company's bank indebtedness to theirs, and after paying one year's arrears of preference dividends, their total loan indebtedness to bankers, discount houses, and others, was £797,000, or, excluding the Redbourn mortgage for £500,000, a total of only £297,448.

STEEL AND TINPLATE CAPACITY

The three competitive businesses they had purchased had brought their steel capacity up to 1,000,000 tons per annum, and their tinplate and sheet capacity up to 470,000 tons and 230,000 tons per annum respectively, giving them ownership of approximately 8½ per cent. of the entire steel capacity of the country, 41½ per cent. and 12 per cent. respectively of the entire tinplate and sheet capacity of the country. World conditions indicated that it was doubtful if they would be able to operate their steel plant more than 65 per cent. of capacity, and their tinplate and sheet plant more than 60 per cent. and 45 per cent. respectively.

As the financial standing of the company had much improved during the year, the directors decided last May to pay one year's arrears of preference dividends, and, unless something unforeseen happened between now and March next, they expected to be in a position to pay a full year's preference dividend at the end of the present financial year, but they could not yet contemplate half-yearly payments.

RECONSTRUCTION PROPOSALS

With reference to any scheme for the reconstruction of the company, the board were as convinced as ever that the preference shareholders must not be asked to make a sacrifice. The improvement in the financial position of the company had been made possible by withholding dividends from the preference shareholders, and liquidation of the company's indebtedness to them was a binding obligation. The problem was to find an equitable way of liquidating that without injustice to any class of shareholder, and he was not of the opinion that writing down their capital would serve any useful purpose in that connection. He suggested that, instead of wasting money on valuing the company's property, they should assume the capital was intact and concentrate on finding an equitable method of dividing the available earnings between the preference and ordinary shareholders without encroaching upon the just rights of the preference shareholders, and he thought a way could be found with advantage to both classes if the ordinary shareholders would offer payment of the arrears of preference dividend in ordinary shares, transferring to the preference shareholders two out of every three ordinary shares held.

AN EQUITABLE SCHEME

As a test of whether his suggestion was equitable he, the chairman, had possessed himself of both classes of shares in exact ratio to the capital issued, namely, 100 preference shares to 90 ordinary, and he found that if his proposal was accepted his holding remained unchanged, as he would transfer two-thirds of his ordinary shares from his left hand, so to speak, to his right hand holding the preference shares.

Proceeding, the chairman gave illustrations as to how, in such an event, the scheme would benefit all classes of holders, whether preference, ordinary, or both classes, and an improvement in profits, which was not improbable, would substantially increase the benefit. The snag, he said, quite obviously was the uncertainty of receiving a dividend on the ordinary shares, but last year the company had earned a net profit of £420,000 before charging income-tax, and during the current year they hoped to

earn approximately the same amount; after paying the 6½ per cent. dividend income-tax free on the preference shares there would be left £158,294, as against the £139,528 required to pay 5 per cent. on the 2,790,560 ordinary shares. He invited both classes of shareholders carefully to examine his proposal, in which, he confidently thought, they would see an immediate and important advantage. From the company's point of view the improved market value of the ordinary shares would enable the board in time to issue additional shares for the purchase of additional competing businesses instead of being compelled, as at present, to issue debentures for the payment of new acquisitions.

AN INTERESTING NEW PROCESS

In the profit and loss account there was an amount of £25,711, representing extraordinary expenditure and capital losses written off, and including money spent during the past three years investigating a patent method of manufacturing iron by the electrolytic process. A test of the process had yielded highly satisfactory results, and the board had decided to form a separate company to continue the investigation on a commercial scale, but on terms which put a limit to the risk of their own company. If the process proved successful the new company would earn very substantial profits, but it was too early to say definitely that it would be a commercial success, though it looked extremely promising.

Shareholders would wish him to explain his attitude to the reorganisation scheme of the steel industry, and why he sought temporary Government intervention while many steel manufacturers were so loud in their praise of the scheme. The explanation was the very simple one that the steel industry was a wide description, covering manufacturers of all classes of steel products, and trade conditions in various sections were not comparable. To their company protection and the reorganisation scheme were a mixed blessing. They had been enabled to re-open the Redbourn Works, hitherto costing them £20,000 to £30,000 per annum to keep idle, which works, in the year under review, had contributed to the profits some £35,000, and next year would probably contribute some £100,000. That benefit, they gladly admitted, was directly due to protection, but, in Wales, the picture was very different.

CONTINENTAL COMPETITION IN TINPLATE

Continental steelmakers, no longer able to send such large quantities of steel into this country, had increased their output of tinplate, and during the past nine or twelve months had been selling tinplates in all parts of the world in competition with this company, in ever-increasing quantities, at prices that had yielded to their own company little or no profit, despite the fact that their quotations were in depreciated currency, while those of the Continent were on the gold standard. The tonnage which foreign competitors—in some cases subsidised—were taking away had caused this company to reduce operations by at least 10 per cent.—yet they were expected, because of protection, to reorganise.

INTERNATIONAL ASSOCIATION ADVOCATED

He asked what reorganisation meant; he understood it to mean centralisation of manufacture and the elimination of uneconomic competition, but others in the industry seemed to hold the view that all it meant was the formation of an association for the purpose of raising the selling price. He readily agreed that price associations, wisely run, were infinitely better than chaotic suicidal competition, but experience had taught him that in many sections of the industry there were individuals who worked for their own selfish ends rather than for the general good of the section of the industry in which they were engaged.

He would like to see the majority in an industry given the power to control the selfish minority. He understood the Government contemplated introducing an Enabling Bill with that object in view. Only by co-operation could they create prosperity in the world, and believing that to be true, internationally and domestically, he had for many months past been occupied in endeavouring to form an international association of tinplate manufacturers. He was glad to be able to report some substantial measure of success, but at the same time success was dependent upon absence of encroachment from newcomers to the industry.

The report and accounts were unanimously adopted.

THE DISTILLERS COMPANY, LIMITED

CHAIRMAN ON COMPANY'S PROSPERITY

MANAGING DIRECTOR DEALS WITH AMERICAN INTERESTS

The fifty-seventh annual general meeting of the Distillers Company, Limited, was held, on the 20th instant, in the North British Station Hotel, Edinburgh, when Mr William H. Ross (chairman of the company) presided.

The Chairman said:—My Lord, Ladies and Gentlemen,—I presume that I have your permission to hold the directors' report and statement of accounts as read. I think you will agree with me that the outstanding feature of the present report is the recommendation of the directors to restore the cut in the dividend, which was reduced two years ago to 17½ per cent. and has now been brought back to 20 per cent., the rate paid in each of the seven preceding years. This has been accomplished by an increase of profit, and not by any scaling down of the sums allocated to depreciation or placed to reserve. As a matter of fact, a special allocation has this year been made to the superannuation and provident fund to bring it more into line with the present obligations of this scheme. Further, it will be seen that the amount carried forward to next year has been increased by nearly £53,000.

THE INCREASED PROFITS

It would be easy for me to dogmatise as to the reasons for this improved result, but these, I think, may be summarised under the following heads:—

- (1) The improvement arising from the former conservative methods of dealing with the accounts.
- (2) Economies arising through rationalisation and development of our works nearest to our markets.
- (3) The advantages arising from the repeal of Prohibition in the U.S.A.
- (4) The improvement in the industrial spirit trade.

Little may be said as to the first two reasons assigned for the improvement. These must be apparent to all those who have followed our system of accounts in past years. As regards the third reason assigned, this is, perhaps, not such an important factor as some writers in the Press would have you suppose. I do not wish to understate the importance of the American market, but it is meantime limited on account of two reasons, namely, the obvious shortage of money on the "other side" to pay for their commitments, and the desire of the American Government to foster its own industry. We are thankful, however, for the moderate increase in business which has come to us during the past few months, and will strive to ensure a continuance of this on safe lines.

INDUSTRIAL SPIRITS

Perhaps the most productive increase in our business last year was in the domain of industrial spirits. I indicated last year that that was a branch of our business which was likely to increase. For the year ended March 31, 1933, the total trade of the country in industrial spirits for all purposes was 22,160,000 proof gallons, while for the year ended March 31, 1934, the trade had reached a total of 32,860,000 proof gallons, or an increase of over ten million proof gallons. Had such an increase been recorded on the potable side of our business, we would have looked for a much more substantial increase in our profits, but, as I pointed out in my last year's address, the margin of profit on industrial spirits is much smaller than that on spirits for beverage purposes on account of our endeavour to foster new business and add to the trade of this country. A considerable proportion of this new business arises from the manufacture at Hull of solvents by our own subsidiary company, the British Industrial Solvents, Limited, in which other interests are conjoined with our own. Another new outlet recently opened up is in the sale of a new motor fuel known as Cleveland Discol, which has been placed on the market by the Cleveland Petroleum Products Company of London. Although we have no interest in the profits of that concern, we have given them the right to use our trade mark "Discol" in return for the exclusive contract from them for the alcohol contained in the mixture. We hear nothing but good reports of the product, which we accordingly recommend to the motor-car users among our stockholders.

HOME CONSUMPTION STILL DECLINING

I have reserved any reference to our sales of Scotch whisky in the home markets until the last, as I wish to refer again to the abnormal taxation from which our trade is suffering. Last year I was hopeful that we had reached the bottom of our downward path, but the official figures of the consumption of British-made

spirits for beverage purposes in Great Britain and Northern Ireland in the year ended March 31, 1934, show a further drop of over 220,000 proof gallons as compared with the previous year.

We can derive a modicum of comfort from the fact that our distributing companies have more than maintained their proportion of the total trade. It is disturbing, however, to think that a trade which stood at over 26 million proof gallons in 1914 should now have shrunk to 8,601,223 proof gallons in 1933-34.

NO TAXATION RELIEF

It was with great disappointment that we learned the Chancellor of the Exchequer did not see his way to grant us the much-needed relief, for which we have been petitioning annually for the last fifteen years. It is somewhat consoling, however, that even five Scottish Members of Parliament saw fit to speak during the passage of the Finance Bill in favour of a reduction in the duty. Their claim was answered by the Chancellor, who admitted that the duty was too high and would warrant the granting of some relief at the first favourable opportunity. I think it well to provide the Chancellor, when he is of this mind, with additional reasons why this relief should not be further postponed. I think I have previously pointed out that the present duty works out at 25 to 30 times the original value of the article, but I wish to quote the corresponding duties charged in some of the more important English-speaking countries as compared with the present duty ruling in this country of 72s. 6d. per proof gallon.

In Australia and New Zealand the duty charged on imported spirits is 40s. per proof gallon, while spirits produced within the Commonwealth only pay 26s. per proof gallon. In Canada, imported whisky and gin pay 8 dollars, or, say, 32s. per proof gallon, while domestic spirits pay only 7 dollars, or, say, 28s. per proof gallon. In South Africa, the duty on imported spirits is 45s. per proof gallon. There is no local manufacture of whisky or gin, but the Cape brandy with which the imported spirits compete is only subject to a duty of 12s. 6d. per proof gallon. In the United States the import duty is 5 dollars per American proof gallon, but is subject to a further 2 dollars of internal tax, thus making in all 7 dollars, or, say, 28s. per American proof gallon, while domestic spirits only pay the internal duty of 2 dollars, or 8s. per American proof gallon.

From the above it would appear that America, which has just thrown off the shackles of Prohibition and has still an unbalanced Budget, is content to tax its own domestic spirit at a rate equal to 8s. per gallon, or about one-ninth of the rate exacted by our Government on our own domestic spirits.

ANALYSIS OF BALANCE SHEET

Coming now to an analysis of the balance sheet, you will find on the liabilities side the additional sums placed to reserve and superannuation funds, as referred to in the report, making these £3,250,000 and £400,000 respectively. The subsidiary and associate companies' current and loan accounts together show an increase of slightly over £500,000, and this sum represents the surplus cash of these companies.

Sundry creditors, reserves for taxation and contingencies, etc., is roundly £230,000 up at £1,799,367. During the year under review certain sales have taken place between subsidiary and/or associate companies, the profits on which your directors have thought it advisable to make provision for in the accounts of the parent company. This suspended profit, in addition to the provision made on sales of new whisky by the parent company to its subsidiaries, will, as explained in my address last year, come into the accounts as the goods involved go into consumption. These largely account for the increase referred to.

The capital of the company remains unaltered—and this also applies to the debenture debt.

Turning to the assets side, you will find that land and buildings have decreased by £80,000, and plant and utensils increased by about £10,000, and the total of these items makes the property account about £969,000, or £70,000 less than last year, notwithstanding that considerable additions were made, more particularly to plant. Sundry investments show an increase of over £840,000, which is principally due to an increase in our holding of British Government securities.

AUGMENTATION OF CASH RESOURCES

The only other items calling for comment are investments in subsidiary companies and cash. These investments, taking into

consideration the purchases and sales during the period, which including the sale of our holding in Distillers Corporation-Seagrams, Limited, Canada, show on balance a decrease of fully £450,000. This Canadian transaction, along with the liquidation of loans in connection therewith and the surplus moneys supplied by the home companies, largely accounts for the augmentation of our cash resources. Last year I said your directors were watching for an opportunity of investing some of our surplus funds, and, as stated in the report, an outlet is being found by our entry into the U.S.A.

Dealing now with the profit and loss account, the gross revenue, including registration fees, is £2,219,157 os. 11d., and after deducting therefrom the debits for charges, debenture interest and directors' fees, there remains a net profit of £2,140,621 15s. 2d., which compares with £1,724,127 17s. 6d., or an increase for the year of £416,493 17s. 8d.

APPRECIATION OF STAFF'S EFFORTS

Having now completed my review of the year's accounts, this is an opportune time for me to voice the appreciation of the directors of the untiring zeal and ability shown by the members of the staff, from the highest to the lowest, both at home and overseas, which has done so much to bring about the successful results of the past year. I am quite sure the stockholders will join in this expression of appreciation.

Ladies and gentlemen, in the report reference has been made to the retirement from the board of Mr Archibald Walker, and the directors have expressed their grateful thanks for his valuable work during the thirty-two years in which he was a member of our board. I cannot allow this occasion to pass without making personal reference to him as a colleague and friend. I had the privilege of being his senior as a director by two years, and during the whole of the period of our association his assistance and advice on matters affecting the interests of the company have been freely given. He leaves our board with the friendship and best wishes of every member, and with the hope that he will be long spared to enjoy a well-merited retirement. (Applause.)

CONFIDENCE IN THE FUTURE

And now, ladies and gentlemen, it only remains for me to express my confidence in the future of the company. It is true that there are rocks ahead in the international situation which give cause for uneasiness, but, against this, we have reason for thankfulness that this country has apparently weathered the storm, and is mastering its difficulties in a way which is the envy of most other countries.

In this improvement our own company cannot fail to participate, as our financial position was never stronger than it is to-day. For this reason I have very great pleasure in moving the adoption of the report, which recommends a final dividend on the preference stock of 3 per cent., less tax, making 6 per cent., less tax, for the year, also a final dividend on the ordinary stock of 12½ per cent., less tax, making, with the interim dividend of 7½ per cent., already paid, a dividend for the year of 20 per cent., less tax, and carrying forward to next year a balance of £316,339 6s. 1d.

MANAGING DIRECTOR'S REVIEW

Mr Thomas Herd, managing director, in seconding, said:—Mr Chairman, my Lord, ladies and gentlemen, in rising to second the motion for the adoption of the report and accounts put to you by the chairman, I would first of all associate myself with all that he has said as to the valuable services rendered to the company by Mr Archibald Walker over a long period of years. Mr Walker's technical knowledge of the distilling industry is unrivalled, and his considered advice will be sorely missed by his colleagues on the board. I join most sincerely in wishing for Mr Walker many years in which to enjoy his leisure.

DISPOSAL OF CANADIAN INTERESTS

As it is only on the occasion of the annual meeting that an opportunity presents itself of affording the stockholders an outline of the company's activities and policy, I would venture to trespass a little on your time with that end in view. Last year I had not the pleasure of being present at the annual meeting, as I was then in Canada in connection with the negotiations which eventually resulted in an agreement providing for the sale of the company's interest in the Distillers Corporation-Seagrams, Limited, which was engaged in the production and sale of spirituous liquors in that market. It is probably unnecessary for me to go into the considerations which decided your board to dispose of that interest, but it will be obvious to you that the then clearly impending repeal of prohibition in the United States rendered advisable a very

careful review of our position and policy in the North American continent. It might be well to explain that the disposal of the company's interest in Distillers Corporation-Seagrams, in no way prejudices our arrangements for the sale of our well-known brands of Scotch whisky in the Canadian market, these being in the very capable hands of our subsidiary company, the Distillers Company of Canada, Limited, which was specifically incorporated for the supervision of such sales.

THE NEW AMERICAN INVESTMENT

As stockholders can well imagine, the repeal of Prohibition in the United States is a matter which has called for our close attention, and no effort has been spared by my colleagues or myself in exploring every possible avenue to ensure that the company secures an adequate share of this re-legitimatised, if not altogether new, market. Along with several of my colleagues, I spent a considerable time in the United States during the early part of this year, and, after careful investigation, initiated negotiations which have resulted, as you would see from the report, in an agreement for the acquisition of 337,000 shares of no par value in the National Distillers Products Corporation at a price not to exceed 25 dollars a share. Here, again, it should be clearly understood that this is purely an investment in the production and sale of American liquor, and is not in any way concerned with the sale of our Scotch whiskies in the United States.

Your directors have decided to erect two gin-producing distilleries at Linden, in the State of New Jersey, and have obtained the necessary permit from the Federal Government through our subsidiary company, the Distillers Company, Limited, of Delaware. Our friends, the National Distillers Products Corporation, are interested with us in this venture, and have undertaken to purchase a 40 per cent. interest in the Distillers Company, Limited, of Delaware, for a sum of 5,000,000 dollars. At those distilleries, we will produce, among others, the world-famous Gordon, Burnett, Boord and Vickers gins, for which we confidently anticipate in the United States the same generous measure of popular favour which they now enjoy in other parts of the world.

Those distilling plants are already in process of erection, and we hope to be producing and marketing gin by the end of the present year. The chairman has referred to the shipments of Scotch whisky to the United States, and the difficulty of developing this side of the business under present conditions, partly by reason of the natural desire of the American Government to foster the domestic production of spirituous beverages. Your board are confident that, whatever the probably transient conditions of the immediate future may be, Scotch whisky will, by reason of its fine quality and unrivalled maturity, eventually establish a solid market for itself in the United States, despite the keen competition of American and other spirituous beverages. On the other hand, the obviously prudent course for your company was to secure a participation in that comparative security which it is believed to be the object of the Administration to set up in America for its producers. In this we may be taking a long view, but we believe it is a sound one.

It will be readily appreciated that the American Administration requires time to surmount the many difficulties and complications that have arisen, and which may be quite fairly described as the aftermath of Prohibition, but that they have the will to regularise the manufacture and sale of liquor and give all the competing interests a fair field is our firm belief. If I may speak in this respect on behalf of the Scotch whisky trade as a whole, I should like to take this opportunity of acknowledging the very valuable assistance rendered by the Board of Trade and other British Government authorities in London, Washington and New York, and of expressing our thanks for the readiness which they have invariably displayed to help wherever possible.

WHISKY PRODUCTION AND EMPLOYMENT

The chairman has referred to the disappointment of the whisky consumer and the trade that the Chancellor of the Exchequer has not seen his way to reduce the present unduly high rate of the Spirit Duty, although he admitted recently that the duty is unreasonably high. In view of this, it seems passing strange that the unfortunate distiller should find himself pressed to use Scotch barley in preference to the imported article, which may be, and generally is, cheaper and equally suitable for his purpose. Now, as I think has been amply evidenced time and again, the Scotch distillers yield to no one in their patriotism, and, accordingly, twelve months ago their association undertook to give a preference to home-grown barley wherever possible. This is a vital matter to the Scottish barley-grower, whose most important market for barley is the distilling trade, and much of whose land is best suited for the raising of this crop. The farmers realise to the full that, if the extinction of the whisky trade by high taxation is

proceeded with, they will be unable to cultivate profitably a very substantial portion of their land, with disastrous results to all classes of the community in districts where alternative employment is difficult to find.

Last season, as a result, partly, of a speculative demand for new malt whisky, created by the repeal of Prohibition in the United States, and, partly, of the almost complete suspension of distilling in the preceding season, a large number of Highland distilleries, including many of those belonging to your company, were enabled to resume distilling, with marked benefit to the farmers and the districts generally. The two facts above mentioned, however, can only be regarded as temporary, and cannot permanently offset the depressing effect upon production of the declining consumption due to the high spirit duty. In view of these circumstances, the farmers have again approached the Pot Still Malt Distillers' Association of Scotland to renew their undertaking in the forthcoming season to use Scotch barley in preference to foreign barley. This undertaking the distillers have readily given, although it must inevitably add to their cost of production, and they do this only with the view of supporting the Scotch farmers and those dependent upon them until the hoped-for reduction of the spirit duty by the Chancellor of the Exchequer will so far increase the consumption as to assure a permanently steady demand for Scotch barley.

THE COMMITTEE ON BARLEY

The Secretary for Scotland, at the end of last year, appointed a Committee to enquire into and report upon the supply of and demand for Scottish barley for use by Scottish distilleries, and to make recommendations regarding the steps to be taken by the growers and distillers to improve the quality and condition and methods of sale of barley, so as to facilitate its use by distilleries. This Committee has reported that they are of opinion that no material increase in the distilling of malt whisky for home consumption, and consequently in the demand for barley, can be looked for while the spirit duty remains at its present level. The trade awaits with interest, not to say expectation, what the Government now proposes to do in the interests of the farming community, which it professes to have so closely at heart.

SCOTCH WHISKY EXPORTS

The chairman has dealt in his speech with the home consumption of British beverage spirits, showing that this is still declining as a result of the high spirit duty. Happily, in the export branch, the shipments, so far as your company is concerned, have been more than maintained, without taking into consideration the increased business which the repeal of Prohibition in the United States has brought us. The increase in the shipments, after eliminating those to the U.S.A., is not large, but it is none the less welcome, in view of the many difficulties which beset our export trade under the existing conditions and the persistent decline in the home consumption. The exports of home-made spirits are still far below what they were just before the outbreak of war, when they amounted to over 10,000,000 proof gallons per annum. In 1933 they amounted to 4,848,000 proof gallons and in the first six months of the current year they amounted to 3,440,000 proof gallons, or at the rate of 6,880,000 proof gallons per annum, which, as you will see, still leaves a great deal of leeway to make up.

I sometimes wonder if the Government, when, in the interests of employment, it suggests that the Scotch whisky distillers should use home-grown barley in preference to foreign, appreciates that this proposal involves an increase in the cost of production of whisky intended for export as well as of whisky for home consumption. This export trade in British spirits has been of very substantial advantage to the country at a time when the maintenance of our international trade balance was so necessary, and it has been built up entirely by the unaided efforts of the industry itself. It seems rather illogical, if not unreasonable, therefore, that the distillers should be asked to concede part of the hardly-earned profit on those exports to provide the farmers and those dependent upon them with a living, which the Government itself has, deprived them of by over-taxation of that part of the distillers' product which is consumed at home.

IMPORTANCE OF LABORATORY RESEARCH

Other important branches of our trade are those in yeast and malt extract, the turnover in which has been fairly maintained in spite of severe competition at home and from the Continent. This is due in large measure to the very high standard of quality we are able to maintain through the zealous co-operation of our works department and research laboratories. The latter are situated at Great Burgh, near Epsom, and may be justly regarded as among the most efficient and best equipped in the country. Laboratory research is of necessity done very largely in the background, and,

consequently, its importance is rather apt to be overlooked by stockholders, but I can assure you that it finds its reflection in practically all branches of our business. As a result of the co-operation just referred to, the bakery trade is being supplied with a quality of yeast never before attained. The research department also keeps us in close touch with the latest developments in science relating to alcohol derivatives and those other aspects of the distilling and allied industries which are of paramount importance to the company.

NEW "GYPROC" FACTORY

For a number of years our subsidiary company, Honeywill and Stein, Limited, which is mainly engaged in general chemical and industrial development work, acted as agents for the sale in this country of a Canadian-produced plaster board called "Gyproc" and other products. These met with such a large degree of success that we were encouraged to enter into an agreement with Gypsum, Lime and Alabastine, Canada, Limited, to incorporate a new company to meet the growing demand for this material by manufacturing it in this country. We have accordingly taken a 60 per cent. interest in this new company, Gyproc Products, Limited, the remaining 40 per cent. being held by our Canadian friends. Production on a substantial scale has now begun at the new factory at Rochester, and, having great confidence in the superiority of our product, we look forward to a growing and profitable business.

In conclusion, I have much pleasure in associating myself with the chairman in his expression of thanks to the staff, both at home and overseas, for their continued loyal and assiduous efforts in the company's interests.

I now formally second the adoption of the report and accounts. (Applause.)

STOCKHOLDERS' QUESTIONS

The chairman having invited questions, Mr W. W. Radford asked if the National Distillers Corporation of America were acting as agents for the sale of the company's Scotch whisky in America. He could not make out from the speech whether they were going to deal with the company's exports or not. Secondly, they appeared to have put a good deal of money into the trade in America. Were they only manufacturing gin or were they going to manufacture American whisky? Thirdly, he noticed that the price of the shares of National Distillers Corporation of America seemed to be going steadily down. Might he take it that the board had full confidence in this American investment?

Mr Herd, replying, referred the questioner to his speech, in which he made it clear that the investment in National Distillers was purely an investment in the production and sale of American liquor. The company was meantime only to make gin in America. In answer to the third question, the price paid for National Distillers shares would not exceed 25 dollars per share, and they were fully protected as to the issue price.

The report was unanimously adopted.

SELECTED LAND AND PROPERTY COMPANY, LIMITED

IMPORTANT BUILDING AGREEMENT

The sixth ordinary general meeting of this company was held, on the 24th instant, at 126 Bishopsgate, London.

Mr Harold W. Batty, F.S.A.A., F.C.I.S. (the chairman), in moving the adoption of the report and accounts, said that shareholders would no doubt share the satisfaction of the directors that the accounts for the year to March 31, 1934, showed a considerable improvement in profit on the previous year. The agreement recently concluded with the building contractor was a matter of great importance to the shareholders. Not only had it beneficially affected the profits shown in the present accounts, but it would have a considerable effect on the profits of future years, as it provided for a considerable reduction in the contract price of future building. The consideration given by the company for those revised terms provided for the builder to have the option to take up at 12s. per share at any time to March 31, 1936, the whole of the 80,000 unissued ordinary shares. As it was computed that the total amount surrendered by the building contractor under the revised agreement was not less than £20,000, shareholders could form an idea as to the value the builder attached to the option.

There had been an increasing demand for business premises on satisfactory terms. The company owned practically the only land in the neighbourhood that was available for business premises, most of the remainder of the land being town-planned for residential purposes. The needs of the growing population were having their effect on the value of business property on the Redway

estate. He had stated last year that a considerable increment in value would be shown on the portion of the land set aside for business premises. That was borne out during the year by the sale of about 90 feet at a price three times that at which the land stood in the company's books. They also had inquiries for 80 feet at three and three-quarter times the cost price, and 50 feet at four times the cost price.

The business of building and selling houses showed a satisfactory improvement on last year. Sales so far this year had run to three times the figure of last year, and, if that continued throughout the year, quite satisfactory profits on their modest capitalisation would be secured, even without the sale of business sites. Had the altered scale of payments to the building contractor been in force throughout the past year, the gross profit would have been 40 per cent. higher, while if the sales had also been three times as much, he calculated that the net profit would have been not less than £15,000.

The report and accounts were unanimously adopted.

IDEAL BUILDING AND LAND DEVELOPMENT COMPANY, LIMITED

HIGHLY SATISFACTORY PROGRESS

The statutory meeting of the Ideal Building and Land Development Company Limited, was held, on the 24th instant, at 1 Broad Street Place, London, E.C.

Mr John S. E. Todd (the chairman) said that the company owned the estates mainly in the outer suburbs of London, and it was their intention gradually to encircle the whole of the outer Metropolis so that purchasers could enjoy the benefits of becoming one of the company's satisfied owner-occupiers, irrespective of neighbourhood requirements. New districts had been selected at Harrow, Ilford, Edmonton, Ewell, Bromley and Woolwich. The board considered that the company was rendering a very valuable service in the fight against any spread of dangerous communistic ideas. Citizens who through ownership of their own houses had something definite to lose by the unsettlement of existing constitutional conditions, were, in consequence of that stake, reluctant to listen to subversive propaganda.

Shareholders would have noticed that the Government had realised the tremendous shortage of good housing accommodation. This company's board were fully alive to the importance of watching political developments in this sphere, and would do everything in their power to see that in any Government schemes the company reaped the full advantage of their unique organisation, and their ability to handle the mass production of good houses capable of being let at economic rentals. As such a large proportion of their sales were from personal recommendations of satisfied owner-occupiers, he would ask all shareholders to bear in mind the desirability of each using his influence to promote further sales of the company's houses by drawing the attention of possible intending purchasers to the advantages to be gained by buying an Ideal House, built by Britain's Biggest Builders, as they described themselves.

Shareholders would doubtless like to know how the first half of the year compared with the first half of the preceding year. He could at least say that the number of houses sold compared not unfavourably with the preceding year, and prices had been more than maintained. The board therefore looked forward with every confidence, and in the expectation that at the close of the first financial year they would be able to present figures the net profit of which shareholders would consider very satisfactory. With Mr Shephard and Mr Meyer to guide the company's destinies, he personally had no fear for the future for some years ahead.

OFFER TO NEW READERS

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

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PROVINCIAL BANK OF IRELAND, LIMITED

A DIFFICULT YEAR

TAXATION IN THE FREE STATE

The half-yearly general meeting of the Provincial Bank of Ireland was held, on the 25th instant, at the chief Irish office of the bank, College Green, Dublin.

Mr R. Durant Trotter (chairman) presided, and the other directors present were Messrs Gabriel Brock, F.C.A.; John C. Denton Carlisle, J. Marmion Carroll, R. Ashurst Gradwell, H. S. Howard Guinness and Alexander B. Leslie-Melville. The secretary of the bank, Mr F. S. Forde, was in attendance.

The annual report, which was submitted, disclosed a profit for the half-year ending June 30th last of £69,703 14s. 9d. Out of this the directors declared a dividend for the half-year of 12½ per cent. per annum, less income tax.

In moving the adoption of the report, the Chairman said that their reserve fund now stood at £485,000. Notes in circulation kept at the high figure of £934,974, and showed an increase of over £20,000 on the figure of a year ago. Deposits, however, showed a substantial decline in the twelve months past, but in existing conditions it was a matter of difficulty to increase, or even maintain, the same amount of what were very largely savings of the community at large. That was the general experience of all the Irish banks. The past year had been a difficult one for farmers, graziers and shopkeepers generally.

However, advances to customers and bills discounted showed an increase of some £180,000 on the figures of this time last year, which indicated their readiness to provide facilities, where these could be profitably employed and judiciously allowed.

Their immediate realisable assets, including investments, stood at the figure of over 9½ millions, and showed the high percentage of 61 per cent. to meet their liabilities to the public. They believed that full provision had been made for all bad and doubtful debts. They distributed the same dividend as before, and while shareholders got the benefit of the reduction in income tax from 5s. to 4s. 6d., it, of course, cost the bank a little more. They were placing £10,000 to reserve and were carrying forward £33,547 as against £33,336 brought into the account.

INCREASED TAXATION

Continuing, the Chairman said:—"I have referred before to the difficulty we, as bankers, find in maintaining profits, due mainly to three factors, viz.: Increased taxation in the Free State, the incidence of an increasing scale of salaries under the award, which must continue to increase for the next few years, and the continued low rates in the money market.

"Of course we will get the benefit of the reduction in income tax, and in regard to salaries a new and somewhat reduced scale for future entrants has been agreed upon by all the Irish banks, which will in course of time be to our advantage.

"We are all satisfied that, even on this reduced scale, the positions the bank offers compare very favourably with other professions. I think this is evidenced by the number of applications we have received, and are still receiving, in respect of an examination we propose holding in September next to fill a comparatively few vacancies.

"There remains the difficulty in obtaining a satisfactory return on our money at call, etc. Rates in the money market continue low, and it is not an easy matter to say when any upward tendency is to come. The general opinion seems to be that cheap money is likely to remain for a considerable time.

"Statistics taken over a long period of years show that while a 3 per cent. rate has been more often in actual operation, the 2 per cent. rate has continued applicable for far longer periods at a time, and it is not easy to see what influence is likely to alter this position for some time to come.

"It is always a pleasure on such an occasion as this to be able to say a word about our staff. My colleagues on the board pay frequent visits to our branches, and as a result we are able to keep an eye on promising men, with a view to their more rapid promotion than in former times. Many excellent suggestions for improving efficiency have also been made by the staff on these occasions.

"In the present state of world unrest, banking, like so many other professions, is not free from anxiety and calls for the exercise of tact and ability on the part of our staff of all grades. To them our present strong position is largely due, and I feel sure you would wish to join the board in thanking them for their services."

Mr Leslie-Melville seconded the adoption of the report, and the motion was carried.

ZINC CORPORATION, LIMITED

INCREASED PROFIT AND DIVIDEND

SIR ROBERT HORNE ON DEVELOPMENTS

The twenty-third ordinary general meeting of the Zinc Corporation, Limited, was held, on the 24th instant, at River Plate House, London.

The Right Hon. Sir Robert Horne, M.P. (the chairman), in the course of his speech, said:—The gross value of the mine production in Australian currency of £933,511, compares with £908,517, the increase being due chiefly to the larger output from the mine, which, as recorded in the report, was 363,540 tons, compared with 350,100 tons in 1932. The expenditure at £814,390 is lower by £21,952, despite the larger tonnage of ore raised and treated. I note with equal pleasure the reduction in costs effected by the Broken Hill Associated Smelters, which has been reflected in a lower returning charge for smelting and refining.

The net profit for the year was £120,225, an increase of £25,387 on the preceding year. (Hear, hear.) The cumulative preference dividends were paid on the usual dates, and the total distribution out of the profits of the year 1933, by way of participating dividends on both classes of shares, was 1s. 3d. sterling per share, as compared with 9d. per share for the preceding year 1932. (Hear, hear.) The balance sheet discloses a gratifying improvement in the liquid position of the company, the surplus being £107,712, as compared with £1,425 in 1932.

MINE DEVELOPMENTS

Your two main assets are your mine at Broken Hill and your interest in the lead smelting and refining works at Port Pirie, which is entirely owned by our associates the North Broken Hill, Broken Hill South and ourselves. Market conditions precluded development for nearly four years, but in 1932 it was resumed and carried forward to the extent of a little over 1,000 feet. In 1933 the footage was doubled, and it is gratifying to know that this more intensive policy has been rewarded by results of a highly encouraging nature. (Applause.) The work on the No. 12 level has shown a continuous run of favourable ore of good width for a length of about 1,500 feet. This has had a marked effect on the maintenance of a satisfactory ore reserve, so much so that it is confidently expected that when No. 13 level is completed any lag in development will have been fully overtaken. (Hear, hear.) Mine costs show another welcome reduction for the past year, denoting a high degree of attainment. The smelter and refinery at Port Pirie are doing excellent work, and their metallurgical records deserve the highest praise. Our share interest is at present 185,000 shares of £1 each out of a total issue of 730,000 shares.

AUSTRALIAN GOLDMINES

At previous meetings I have emphasised to you how essential it was in your interests for us to do all in our power to extend the mining industry in Australia. I informed you that in association with the Imperial Smelting Corporation, Limited, the Central Mining and Investment Corporation, Limited, the Union Corporation, Limited, and New Consolidated Goldfields in London, together with the other Broken Hill companies in Australia and with certain important American interests we have been taking steps to promote the exploration and development of goldmining areas in Australia. Many of the projects embarked upon bear a most promising aspect, and the market value of the interests held by the Zinc Corporation is appreciably higher than the price paid for them. The time has now arrived to erect a central organisation which will take over on reasonable terms the interests which have been acquired. For this purpose there will shortly be issued the prospectus of a new company in which full details will be made available. In respect of the assistance given by the Zinc Corporation and the Imperial Smelting Corporation in the initiation of this work, it will be provided that preference will be given—up to 200,000 of the issued shares—to applications made by shareholders of the Imperial Smelting Corporation and of this company. No promotion profits will be charged, and the vendor interests will underwrite the whole of the issued capital without commission.

THE FUTURE

There are so many disturbing factors in the world to-day, both political and economic, that it would be unwise to prophesy. All we can say is that we have an excellent mine with an expert staff and industrious employees; that we have used this period of depression to tune up every branch of our service and to increase efficiency in every possible way; that our financial position is absolutely sound; and that if the price for our metal and its consumption are maintained at a reasonable level we shall prosper. The report and accounts were unanimously adopted.

THE VICTORIA FALLS AND TRANSVAAL POWER COMPANY, LIMITED

SATISFACTORY INCREASE IN SALES

FURTHER REDUCTION IN CHARGES

Mr Arthur E. Hadley, C.B.E. (the chairman and managing director), presiding, on the 26th instant, at the general meeting of shareholders held in London, said he had to present a satisfactory account of the company's business for the year 1933.

The net profit, after allowing for taxation and all other requirements, amounted to £360,959, the decrease, compared with the previous year, being occasioned by reduced prices charged for the year. The board had again paid the maximum dividend of 10 per cent. on the preference shares, a dividend of 15 per cent. on the ordinary shares and a bonus of 5 per cent. had been paid for the year out of the balance of exchange earned up to the end of 1932. A further sum of £50,000 was added to the reserve fund, bringing it to £800,000, and £285,437 was carried forward. A further £259,040 of the company's debentures had been drawn for redemption during the year.

NEW AGREEMENTS WITH CONSUMERS

At the last two annual general meetings the chairman had indicated that a modification of the company's charges was under consideration, and he mentioned that negotiations had now been completed between the mining industry and the company, which met with the approval of the consumers and were satisfactory to the company. The agreements for sale of power had been extended from 1942 to 1950, and provided that the charges varied up or down according to whether the results were greater or less than those for 1933. This arrangement, although involving a reduction in profits for the year 1933, added considerably to the stability of the business by providing supply on terms which were satisfactory to existing and prospective consumers. In the year 1933 the units sold showed a satisfactory increase over the previous year, such increase continuing during the current year.

As a result of the increasing demands for power from the mining groups, of which approximately 70,000 kw. had still to be met, large extensions of plant were decided upon, and it was considered necessary to erect a new power station. The difficult problem of finding a new site, where coal and water were available at reasonable costs, was successfully solved after prolonged investigations and negotiations, and arrangements were made for a site to be acquired in the Vereeniging district. A station, which would be known as the Klip Station, had been designed for an original capacity of 100,000 k.w., with an ultimate capacity of 350,000 k.w., and the main contracts for its construction had already been placed. Owing to mining activities outside the company's area of supply, negotiations were entered into with the Electricity Supply Commission of South Africa with a view to arriving at the best method of furnishing supply in these outside areas. The negotiations had resulted in a very satisfactory agreement between the Commission and the company. The principal provisions of the agreement were that the Commission would own the new Klip Station, which the company would operate, and take the entire output at cost price, including the Commission's capital charges and certain administration expenses. The Commission would obtain and cede to the company the licence for supplying the new areas, who would also operate all the Commission's transmission system in such areas. These arrangements would continue for so long as the company held the licence for the supply of electricity.

ENCOURAGING OUTLOOK

The power requirements demanded during the present year were being satisfactorily met and continued to increase, the additional units sold for the six months to the end of June showing an increase of about 10 per cent. over the same period last year. The directors therefore looked forward with confidence to a satisfactory year.

Regarding the new draft agreement for the use of the Victoria Falls, which had been approved by the Government of Northern Rhodesia, this had been referred by the Colonial Office to the Crown Agents for the Colonies. The Crown Agents and the company had come to an agreement upon all points, and the Crown Agents had forwarded their report to the Colonial Office.

Mr Hadley concluded by expressing on behalf of the board and the shareholders the continued confidence in the very marked ability of the staff and the board's appreciation of the enthusiasm shown from the highest to the lowest in the interests of the company.

The report and accounts were unanimously adopted, and the retiring directors, Sir Henry Birchenough, Bt., K.C.M.G., and Major W. A. Wills, were re-elected.

CITY OF SAN PAULO IMPROVEMENTS COMPANY, LIMITED

A PROGRESSIVE YEAR

The twenty-second ordinary general meeting of this company was held on the 26th instant, at the Institute of Chartered Accountants, Moorgate Place, London.

Mr Herbert Guedalla, F.C.A. (chairman), said that they had kept accrued debenture interest in a separate account, and the moratorium with regard to the debenture sinking fund ran until December 31, 1935. The company had obtained permission to remit £44,800 under the "Rothschild" scheme and £20,000 over a period of four months at the official rate of exchange; this had enabled them to pay the half year's debenture interest to August 31, 1932, and they would continue to reduce this liability as and when they could get remittances.

The assets and liabilities in Brazil had been taken at the fixed rate of 6d. per milreis. Exchange in Brazil was strictly controlled by the Government. The directors had carefully considered the whole exchange position and had come to the conclusion that the time had not arrived for dealing with this in the balance sheet. The valuation reserve account had increased to £537,660.

The profit and loss account started with a balance of £259,229. The board deducted £63,338 in respect of profit on sales on previous years which were cancelled during the year, also expenses of the Fontaine action, £2,747, and £2,353 loss for the year, leaving £190,789 to be carried forward. The surplus on trading amounted to £61,235, compared with £38,637 in the previous year.

Freehold land stood at £2,325,216, showing an addition of £36,108, being re-purchases and land returned in cancelled sales, less book value of land sold. Taking the milreis at 6d., sale prices showed an appreciation of about 35 per cent. over the 1925 valuation. The valuation reserve account was a very real reserve. It might not be unfair to compute that, if a new valuation were taken, with exchange at the official rate, the land would come out at the balance-sheet figure in sterling. Sales were slow during the first few months of the past year, but improved towards the end. The improvement had been more than maintained during the current year. The year under review had not been without difficulty, but conditions in Brazil showed distinct improvement.

The report and accounts were adopted.

BRITISH ROPES, LIMITED

The twelfth ordinary general meeting was held on Tuesday, July 24th, and was followed by special meetings of preference and ordinary shareholders and an extraordinary general meeting to consider

THE CAPITAL REORGANISATION SCHEME

In a general review of the company's position, Col. J. J. Gillespie (chairman) stated *inter alia* :—

1. **Distinct improvement has taken place in the Company's trade** not only as indicated at the last meeting in December, but since that date.

2. **Trade recovery has been most gratifying.** Improved outlook in shipping and fishing industries, aided by Government schemes of assistance, should further benefit the company. On the export side, also, the company's activities have shown distinct and encouraging improvement.

3. The company's financial year will be altered to end on December 31st, and the accounts will be presented in March. It is hoped that by then dividends will be resumed on the preference and the preferred ordinary shares.

4. Improved profit figures recently achieved justified the capital reorganisation scheme now presented and the hope for satisfactory dividends in future years on the reorganised capital.

5. The new issue of 4½ per cent. debenture stock, replacing the existing 6 per cent. issue due for repayment on November 5, 1935, will render the company's cash resources adequate for future requirements.

THE SPECIAL RESOLUTIONS GIVING EFFECT TO THE CAPITAL REORGANISATION SCHEME WERE CARRIED.

ANGLO-SPANISH CONSTRUCTION

AMOUNTS DUE FROM THE SPANISH GOVERNMENT

The ninth ordinary general meeting of the Anglo-Spanish Construction Company, Limited, was held, on the 25th instant, at 1 London Wall Buildings, London, E.C.

Mr David McAdam Eccles (the chairman), after first paying a high tribute to the late chairman, Sir Evelyn Wallers, K.B.E., who died in January last, said that as funds had become available, further repayments of 10 per cent. had been made on the outstanding debentures, which were now 40 per cent. repaid.

The delays and restrictions imposed by the Spanish Government had greatly increased the company's financial charges. During the year the authorised transfers of funds had been reduced from £10,000 to £5,000 per week. The most important item in the balance sheet was the company's shareholding in the Santander-Mediterranean Company, whose assets consisted of three main items: the exploitation, which showed steady improvement in 1933, and of which the receipts had exceeded the running expenses during the first six months of 1934; an exploitation deposit valued at some £315,000; and debts due by the Spanish Government in respect of clearly defined obligations, equivalent to over 60,000,000 pesetas, or £1,600,000 at the present rate of exchange.

It was clear that at some future date the railway would reach Santander, and the exploitation should then acquire a considerable value. The board was confident that the Government would eventually meet its obligations to the Spanish company; and, although it would still be necessary to exercise patience, the value of the assets should exceed the debenture liability by a large margin.

The debts due by the Spanish Government were all supported by judgments and orders given in the company's favour by the highest Courts of Appeal in Spain, and in order that their nature might be fully appreciated a statement of them had been prepared and would be circulated to all debenture holders and shareholders of the company.

Attention was drawn to the Foreign Secretary's reply to a question asked about the Spanish company's claims in the House of Commons on Monday last. Sir John Simon said that representations had been made on more than one occasion to the Spanish Government, and that his Majesty's Government intended to press the matter.

The report was unanimously adopted.

TANGANYIKA CONCESSIONS, LIMITED

THE RECENT GOLD DEVELOPMENTS

The ordinary general meeting of Tanganyika Concessions, Limited, was held, on the 26th instant, at River Plate House, London.

Sir Reginald Wingate, Bt. (the chairman) explained that Sir Robert Williams, the managing director, had undergone a serious operation, and, although now quite restored to health, had been advised not to undergo the strain of attending the meeting.

A statement of the company's affairs, prepared by Sir Robert, was read to the meeting by Mr G. C. Hutchinson, assistant managing director, and this stated that the Union Minière du Haut-Katanga had reduced its stock of copper and been forced by growing demands to increase its production substantially. The cost of producing copper had been reduced below the prevailing price. The Benguela Railway had operated at a small profit, its agricultural and other local traffic having increased, as well as its mineral traffic. Settlement along its line was increasing. Detailed information of the gold discoveries in Kenya Colony and Tanganyika Territory was given, the first subsidiary, Kimingini Gold Mining Company, was to erect a mill of 100 tons daily capacity immediately to work exceptionally rich ore. It was expected that this mill would soon be doubled in capacity.

The following summary of a cable just received from Africa was read at the meeting: In Comet Star No. 1 shaft, crosscut at 50 ft. Depth at 45 ft. from the shaft had cut reef with 7 dwts. over 47 inches width. In the same crosscut at 79 ft. from shaft had exposed the following values in a mineralised zone parallel to above: 21.4 dwts. gold over 36 inches width, 1 dwt. gold over 12 inches width of dyke and 11.6 dwts. gold over 48 inches width. The crosscut face was still in ore.

In Comet Star No. 2 shaft the crosscut had exposed 60 inches width assaying 3.5 dwts. gold per ton and was still in ore. In the Lone Cone No. 2 shaft the west drive from the crosscut had exposed

the following values: 30 feet length assaying 8.85 dwts. over 50 inches width; 45 feet length assaying 5.5 dwts. over 50 inches width and 55 feet length assaying 2.8 dwts. over 52 inches width. Some very good values had been exposed in trenches along 1,700 feet length of strike in new ore body 1,200 feet N.E. of Lone Cone No. 3 shaft. Sir Robert Williams expressed the belief that 1933 would prove the culmination of a series of very bad years.

The report was unanimously adopted.

ANGLO-DUTCH PLANTATIONS OF JAVA, LIMITED

IMPROVED RESULTS

The twenty-fourth ordinary general meeting of the Anglo-Dutch Plantations of Java, Limited, was held, on the 20th instant, at Southern House, London.

Mr W. H. Dankes (deputy-chairman and managing director), who presided in the absence through illness of the chairman of the company, Col. Sir Robert Williams, Bt., said that although their published accounts still showed a small loss, the results for 1933 were a marked improvement on those for 1932, and actually the final result showed a profit because the large stock of tea unsold and valued at December 31st had since realised more than the valuation, the advantage of which would be reflected in the current year's accounts. The depreciated value of sterling had caused a loss to the company of £207,641 on exchange.

With regard to the revenue account, they had received from the local company a sum, taken at par of exchange, equivalent to £58,084, compared with a loss for the previous year of £107,074. It was satisfactory to note that gross profits on tea amounted to over 3½ million guilders and on rubber to over half a million guilders, while gross profits had also been made on quinine, sisal, tapioca and rice, losses being confined to coffee and kapok.

The acreage under tea amounted to 26,515, the whole of it being in production with the exception of some 500 acres. The main feature of interest last year was the institution of the scheme for the regulation of output brought about by the co-operation of British India, Ceylon and the Netherlands East Indies and carried out under Government control. The recovery in the fortunes of tea-producing companies was a testimony to the initial success which had attended the scheme, and they could claim for it that that had been brought about without placing any severe burden on the consumer.

Their rubber crop of 15,454,094 lbs. was considerably larger than that for 1932, though falling just short of the record crop obtained in 1931.

The directors fully realised the shareholders' claim to consideration as soon as possible, and they had in view various ways to facilitate the payment of a dividend for the current year. If the present improvement did continue the directors would be in a position to consider the payment of a small interim dividend in January next.

The report and accounts were carried unanimously.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended July 21, 1934, amounted to £15,227,000, against ordinary expenditure of £11,387,000. After allowing for an increase in Exchequer Balances of £95,325 the operations for the week, as shown below, decreased the National Debt by £3,744,000 to approximately £8,073 millions.*

(000's omitted)			
Public Department Advances	+ £50	Treasury Bills	- £144
National Savings Certificates	+ 50	N. Atlantic Shipping Issues	- 25
3% Funding Loan	+ 25		
	+ 425		- 4,169

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to July 21, 1934	April 1, 1933, to July 22, 1933	Week ended July 21, 1934	Week ended July 22, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	26,687,000	25,096,000	2,849,000	1,920,000
Sur-tax	50,000,000	8,130,000	6,990,000	330,000	360,000
Estate, etc., Duties	76,000,000	29,210,000	22,890,000	1,900,000	1,170,000
Stamps	25,000,000	4,620,000	3,730,000	230,000	240,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	130,000	130,000	10,000	...
Total Inland Revenue	372,500,000	66,777,000	58,746,000	5,319,000	3,690,000
Customs and Excise—					
Customs	183,650,000	57,133,000	54,066,000	4,121,000	3,323,000
Excise	106,350,000	31,600,000	33,800,000	4,604,000	5,400,000
Total Customs and Excise	290,000,000	88,733,000	87,866,000	8,725,000	8,723,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	2,498,000	1,619,000	102,000	Dr 252,000
Post Office (Net Receipts)	14,000,000	6,000,000	5,050,000	1,000,000	1,100,000
Crown Lands	1,220,000	270,000	210,000	...	...
Receipts from Sundry Loans	3,800,000	2,152,622	2,458,756	...	...
Miscellaneous Receipts	20,000,000	4,008,412	12,288,016	80,723	1,864
Total Ordinary Revenue	706,520,000	170,439,034	168,237,772	15,226,723	13,262,864
SELF-BALANCING REVENUE					
Post Office	60,463,000	15,600,000	15,850,000	750,000	650,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	4,100,000	4,281,000	...	252,000
Total Self-Balancing Revenue	84,718,000	19,700,000	20,131,000	750,000	902,000
Total	...	190,139,034	188,368,772	15,976,723	14,164,864

EXPENDITURE	Estimate for the year 1934-35	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to July 21, 1934	April 1, 1933, to July 22, 1933	Week ended July 21, 1934	Week ended July 22, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	86,725,113	84,706,179	237,398	455,891
Payments to Northern Ireland Exchequer	6,500,000	1,574,497	1,769,372	...	422,000
Other Consolidated Fund Services	3,700,000	944,123	1,274,450	...	10,000
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	89,243,733	87,750,001	237,398	887,891
Total Supply Services (excluding Post Office)	461,924,000	129,255,000	127,065,000	11,150,000	8,300,000
Marginal Provision (Restoration of Cuts)	7,600,000	...	...	...	...
Total Ordinary Expenditure	705,724,000	218,498,733	214,815,001	11,387,398	9,187,891
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	705,724,000	218,498,733	216,656,217	11,387,398	9,187,891
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	15,600,000	15,850,000	750,000	650,000
Road Fund	24,255,000	4,100,000	4,281,000	...	252,000
Total Self-Balancing Expenditure	84,718,000	19,700,000	20,131,000	750,000	902,000
Total	...	238,198,733	236,787,217	12,137,398	10,089,891

The aggregate revenue and expenditure to July 21, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO JULY 21, 1934 (000's omitted)			
Expenditure	£ 218,499	Revenue	£ 170,439
Increase in balances	138	Gross increase in borrowing	£ 49,523
		Less—	
		New Sinking Fund	1,325*
		Net borrowing	48,198
	218,637		218,637

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT				
Ways and Means Advances Out-standing	July 22, '33	Mar. 31, '34	July 21, '34	Movement, week ended July 21, '34
Advances by Public Departments	28,720,000	44,900,000	23,950,000	+ 350,000
Treasury Bills outstanding	987,325,000	799,810,000	836,655,000*	- 4,145,000
Total Floating Debt	1,016,045,000	844,710,000	860,605,000	- 3,795,000

* Includes £5,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on July 20, 1934, and the total amount applied for was £59,570,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 15s. 2d., and above in full; Saturday, at £99 16s. 3d., and above in full. The average rate per cent. was 15s. 0-14d. The amount allotted was £31,220,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				£ s. d.
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,880,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-88
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
June 15	35,000,000	63,845,000	33,395,000	0 17 0-19
June 22	35,000,000	59,840,000	35,000,000	0 16 8-61
June 29	35,000,000	84,265,000	35,000,000	0 16 11-64
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
July 13	35,000,000	65,405,000	32,000,000	0 15 7-72
June 8	35,000,000	59,570,000	31,220,000	0 15 0-14

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended July 7, 1934	670,727	£ 536,582
Week ended July 14, 1934	659,779	£ 526,633
February, 1916, to July 14, 1934	1,191,556,367	£ 938,954,860

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,033,273.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, July 25th, 1934

ISSUE DEPARTMENT	
Notes Issued:—	£
In Circulation	383,948,994
In Banking Department	67,631,151
Government Debt	11,015,100
Other Government Securities	245,209,078
Other Securities	311,828
Silver Coin	3,463,994
Amount of Fiduciary Issue	260,000,000
Gold Coin and Bullion	191,580,150
	451,580,150

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	83,467,071
Reserve	3,589,475	Discounts and Advances	£ 7,531,738
Public Deposits*	10,939,003	Securities	£ 10,745,845
Other Deposits	£ 104,788,388		18,277,583
Bankers' Accounts	£ 36,093,551	Notes	67,631,151
Other Accounts	140,881,839	Gold and Silver Coin	574,277
7-day and Other Bills	6,665		
	169,950,082		169,950,082

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

OTARD'S

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THE BRANDY WITH A PEDIGREE

Both Departments	Amount, July 25, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	£ 383,948,994	+ £ 60,381	+ £ 6,728,647
Public deposits	10,939,003	- 9,708,470	- 8,197,411
Bankers' deposits	104,788,388	+ 7,906,910	+ 6,277,646
Other deposits	36,093,551	+ 284,117	+ 21,865,688
Seven-day bills	6,665	+ 250	+ 5,341
Total outside liabilities	535,776,609	+ 1,453,812	+ 11,751,445
Capital and rest	18,122,478	+ 40,248	+ 11,417
Government debt and securities	339,691,249	+ 383,421	+ 5,756,434
Discounts and advances	7,531,738	+ 69,025	+ 3,711,558
Other securities	11,037,673	- 1,941,197	- 2,862,085
Silver coin in issue department	3,464,994	- 673	- 184,274
Coin and bullion (bank's reserves)	192,154,427	- 24,146	+ 774,293
Reserves of notes and coin in banking department	68,205,428	- 84,521	- 5,954,354
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	44-9%	+ 0-4%	+ 1-4%
(b) Gold stocks to deposits and notes ("reserve ratio")	35-9%	-	+ 0-9%

(000's omitted)									
Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate		
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits				
1934									
June 20	451,460	£ 377,378	21,739	99,554	35,700	49 in	% 2		
27	451,460	331,690	17,630	96,309	36,517	Nil	2		
July 4	451,461	385,793	26,650	94,880	37,497	Nil	2		
" 11	451,524	384,626	17,433	97,235	36,178	62 in	2		
" 18	451,580	383,889	20,644	96,881	35,809	56 in	2		
" 25	451,580	383,949	10,939	104,788	36,093	Nil	2		

(000's omitted)										
Date	Issue Department		Both Depts.		Banking Department					
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Dis-counts & Advances	Other Securities	Reserve and the "Proportion"		
1934										
June 20	254,778	1,760	192,150	35%	81,093	5,877	13,204	74,772	47%	
27	254,899	1,635	192,144	36%	81,006	6,080	10,904	70,454	46%	
July 4	255,331	1,206	192,151	35%	82,827	17,062	10,818	69,337	41%	
" 11	255,657	881	192,153	35%	82,647	7,832	10,938	67,529	44%	
" 18	256,120	414	192,179	35%	83,187	7,463	12,484	68,290	44%	
" 25	256,224	312	192,154	35%	83,467	7,532	10,746	68,205	44%	

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the *Economist* for September 10, 1932. Chile in August 12, 1933. National Bank of Egypt, in June 9. Bulgaria, Lithuania and Danzig, in June 30. Estonia, Roumania, Finland, Latvia, Japan in July 7. International Settlements, Norway, Denmark, in July 14. Netherlands, Hungary, Czechoslovakia, Jugoslavia, Poland, Greece, Turkey in July 21.

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

Resources	July 26, 1933	July 4, 1934	July 11, 1934	July 18, 1934	July 25, 1934
Gold Certificates on hand and due from the Treasury	4,782,680	4,810,690	4,847,630	4,873,170	4,873,170
Total cash reserves	3,817,770	5,019,520	5,069,980	5,103,120	5,103,120
Total bills discounted	269,110	211,610	231,320	228,820	235,330
Total bills on hand	161,360	28,990	22,680	23,250	21,300
Bills bought in open market	9,620	5,320	5,260	5,260	5,270
Total bills on hand	170,980	34,310	27,940	28,510	26,570
Total U.S. Govt. securities	2,027,570	2,431,790	2,431,780	2,431,790	2,432,050
Total bills and securities	2,200,410	2,466,610	2,460,200	2,460,780	2,458,090
Total resources	6,518,970	8,087,860	8,084,470	8,150,330	8,120,970
LIABILITIES					
Federal Reserve notes in actual circulation	3,004,050	3,121,700	3,098,270	3,084,820	3,060,240
Federal Reserve Bank notes in circulation	122,640	44,850	41,040	38,560	33,740
Deposits—Memberbank—reserve account	2,306,370	3,745,740	3,902,100	3,987,310	4,020,030
Government deposits	81,790	152,150	63,140	21,340	47,800
Total deposits	2,377,710	4,129,660	4,188,140	4,230,630	4,287,570
Capital paid in and surplus	124,850	285,690	285,690	285,690	285,690
Total liabilities	6,518,970	8,087,860	8,084,470	8,150,330	8,120,970
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	68.4%	69.2%	69.5%	69.7%	69.9%

* Reserves other than gold.

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

Resources	July 26, 1933	July 4, 1934	July 11, 1934	July 18, 1934	July 25, 1934
Total gold reserves	901,580	1,584,970	1,651,530	1,684,030	1,701,490
Total bills discounted	49,180	13,680	13,180	11,990	11,900
Bills bought in open market	3,700	2,050	1,990	1,990	2,010
Total U.S. Govt. securities	755,870	780,250	777,750	777,750	777,750
Total bills and securities	810,030	786,020	792,960	791,730	791,760
Deposits—Memberbank—reserve account	955,090	1,473,340	1,532,800	1,589,960	1,603,960
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	60.0%	69.2%	70.6%	71.0%	71.2%

FEDERAL RESERVE MEMBER BANKS
In \$'s (000,000's omitted)

Resources	July 12, 1933	July 13, 1934	June 20, 1934	June 27, 1934	July 3, 1934	July 10, 1934
Loans	8,642	8,080	8,055	8,014	8,038	8,006
Investments	8,082	9,281	9,608	9,723	9,723	9,745
Demand deposits	10,709	16,661	12,375	12,504	12,551	12,641
Time deposits	4,521	4,450	4,492	4,501	4,495	4,512
Government deposits	1,581	1,554	1,554	1,554	1,554	1,554
Due from banks	1,276	1,621	1,574	1,569	1,636	1,666
Due to banks	2,771	3,770	3,623	3,628	3,784	3,870
Federal reserve borrowings	21	5	6	5	10	5

STATEMENT OF CANADIAN BANKS—In \$'s (000's omitted)

Assets	April 29, 1933	Jan. 31, 1934	Feb. 28, 1934	Mar. 31, 1934	April 30, 1934
Cash and bank balances	334,882	321,811	329,545	315,318	338,883
Bank balances abroad	95,095	80,158	80,101	86,139	81,708
Call and short loans	176,281	189,884	197,979	209,312	220,062
Securities	805,893	831,648	833,025	834,640	837,411
Loans in Canada	1,101,754	1,025,747	1,042,953	1,042,543	1,057,689
Loans abroad	136,431	136,339	140,827	138,541	136,759
Other assets	154,917	158,281	160,163	158,498	158,554
LIABILITIES					
Note circulation	134,272	121,219	125,708	140,910	133,083
Deposits—Government	69,179	94,587	85,949	96,044	96,612
Public in Canada	1,883,764	1,826,678	1,842,128	1,836,711	1,886,032
Foreign	308,585	316,072	319,415	320,785	322,228
Bank balances—Canadian	11,513	10,863	12,479	11,527	14,816
Foreign	41,993	31,278	32,709	32,968	32,293
Due payable, etc.	47,185	52,671	54,201	52,107	52,190
Capital and res.	306,500	277,000	277,000	277,000	277,000
Other liabilities	3,193	3,293	4,810	2,989	3,304

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

Assets	July 21, 1933	June 1, 1934	June 8, 1934	July 13, 1934	July 20, 1934
Gold coin and bullion	16,605	19,233	19,596	19,871	20,933
Subsidiary coin	390	313	293	297	308
Bills discounted: Domestic	13	13	13	14	56
Foreign	19,491	22,455	20,996	17,026	14,873
Investments	2,005	1,725	1,725	1,725	1,725
Capital	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880
Notes in circulation	9,448	11,059	12,363	12,018	11,407
Government deposits	1,830	3,229	2,398	1,978	2,485
Bankers' deposits	27,552	29,287	28,895	24,487	23,971
Liabilities to public	39.7%	39.4%	40.1%	45.3%	48.3%

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

Assets	June 30, 1933	June 1, 1934	June 8, 1934	June 15, 1934	June 22, 1934	June 29, 1934
Total securities	39,73,62	54,05,36	51,40,00	46,96,75	44,98,25	39,10,71
W's and means ad-vances	1,00,00	2,26,13	2,55,96	3,50,00	4,50,00	9,50,00
Loans	3,62,55	2,55,58	3,01,31	2,63,02	3,12,28	2,35,33
Cash credits	18,62,01	16,21,58	16,46,96	16,05,93	15,77,73	15,77,73
Inland bills	2,08,34	2,55,58	3,01,31	2,63,02	3,12,28	2,35,33
Foreign bills	16,80	33,78	31,67	35,98	33,43	32,06
Dead stock	2,57,16	2,55,19	2,55,22	2,55,09	2,54,59	2,52,56
Bal. with other banks	19,96	18,39	18,39	18,39	18,39	18,39
Cash	23,07,77	17,79,73	16,48,11	17,75,98	19,86,63	22,14,90
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,17,50	5,22,50	5,22,50	5,22,50	5,22,50	5,22,50
Total deposits	79,42,47	84,29,33	81,08,91	80,45,97	81,35,12	82,41,79
The above includes:						
Deposits in London	948	915	994	943	907	869
Advances in London	952	1,482	1,696	1,610	1,607	1,560
Cash, etc., at other Banks in London	153	142	45	46	19	56

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

Assets	July 13, 1933	June 29, 1934	July 6, 1934	July 13, 1934	July 20, 1934
Gold	81,728,872	79,547,792	79,653,056	79,739,354	79,992,185
Foreign assets—Sight deposits	2,572,893	15,338	14,569	14,522	15,177
Bills, etc.	1,402,909	1,141,801	1,141,449	1,141,255	1,141,255
Home bills	2,965,628	4,355,978	3,892,160	3,834,772	3,937,203
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,684,203	3,076,089	3,154,870	3,123,317	3,089,011
Negotiable Bonds, Sinking Fund Dept.	6,467,594	5,929,025	5,929,025	5,918,025	5,918,025
Other assets (excluding forward exch.)	5,363,020	5,077,982	5,158,771	4,989,733	...
LIABILITIES					
Notes in circulation	82,253,696	82,057,929	81,892,015	81,482,274	80,696,467
Public deposits	2,634,491	3,290,646	3,333,893	3,411,767	3,427,487
Private deposits	19,005,681	14,889,387	14,889,387	14,927,204	15,872,232
Other liabilities	2,491,251	2,074,799	1,998,604	2,139,731	...
Ratio of gold reserve to sight liabilities	78.5%	79.1%	79.5%	79.7%	79.8%

THE REICHSBANK—In Reichsmarks (000's omitted)

Assets	July 22, 1933	July 7, 1934	July 14, 1934	July 23, 1934
Gold	228,387	70,122	72,171	74,709
Silver and other coin	27,681	17,916	17,916	23,638
Of which deposited abroad	84,040	6,850	5,591	3,169
Reserve in foreign currencies	2,972,648	3,326,561	3,324,670	3,130,171
Bills of exchange and cheques	302,612	218,175	239,804	293,542
Notes of other German banks	13,101	8,989	12,237	13,350
Advances	59,571	72,839	60,613	59,127
Investments	319,830	694,395	701,542	709,180
Other assets	479,722	579,821	570,952	593,778
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,261,162	3,631,890	3,595,717	3,472,216
Other daily maturing obligations	395,843	557,582	603,615	620,223
Other liabilities	179,755	165,493	165,493	165,493
Cover of note circulation	9.6%	2.1%	2.2%	2.2%

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

Assets	Position, May 28, 1934	July 18, 1934	June 28, 1934	July 5, 1934	July 12, 1934	July 18, 1934
Gold	222,650	66,546	66,546	66,546	66,546	66,546
Silver and other coin	697,600	740,973	656,519	668,552	662,458	661,178
LIABILITIES						
Notes in circulation	934,150	3,614,468	3,481,656	3,527,561	3,527,815	3,507,921
Deposits: Govt.	40,993	88,286	43,850	77,883	83,979	83,979
Other	283,461	228,634	237,447	178,575	195,227	195,227

(a) In thousand francs.

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

Assets	Position, May 30, 1934	July 22, 1934	June 30, 1934	July 7, 1934	July 14, 1934	July 21, 1934
Gold	22,971	99,879	141,330	142,050	141,050	140,530
Silver	29,785	43,140	43,140	43,140	43,140	43,140
Advances, discounts and other investments	77,567	67,293	72,850	77,390	76,210	75,650
Foreign bills	4,724	610	1,180	990	1,280	1,280
Other assets	24,208	10,630	10,260	9,900	11,830	11,830
LIABILITIES						
Notes in circulation	109,499	198,492	184,870	188,980	189,000	185,060
Deposits and bills payable	11,250	28,557	27,720	28,690	27,940	32,990

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

Assets	Position, May 31, 1934	July 22, 1934	June 30, 1934	July 7, 1934	July 14, 1934	July 23, 1934
Gold	171,175	1,819,507	1,636,913	1,636,913	1,636,913	1,636,913
Foreign gold and silver	283,024	106,674	106,674	107,188	107,188	107,188
Other gold and silver	2,689	9,248	10,730	11,276	11,895	11,895
Discounts	16,475	66,331	53,161	40,540	24,924	24,924
Bills of the Confederation	21,036	24,472	23,822	23,722	23,222	23,222
Advances	103,000	53,738	100,385	77,499	69,354	69,014
Securities	69,649	54,621	54,604	54,597	54,575	54,575
Notes in circulation	275,925	1,384,385	1,376,003	1,341,038	1,323,401	1,311,745
Deposit	33,750	542,113	455,031	450,510	450,584	453,617

BANK OF ITALY—In lire (000's omitted)

	July 10, 1933	June 10, 1934	June 20, 1934	June 30, 1934	July 10, 1934
ASSETS					
Gold, coin and bullion	6,788,000	6,627,200	6,552,300	6,468,400	6,436,100
Foreign bills and balances abroad	329,000	337,700	34,200	34,300	35,300
Other cash	325,200	313,600	318,600	319,900	315,700
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,638,400	3,913,300	3,879,600	3,748,400	3,390,700
Advances	469,700	714,300	816,200	1,553,900	1,113,300
Credit with "Industrial Reconstruction"	1,138,300	1,171,300	1,172,500	1,188,200	1,076,300
Government securities	1,372,100	1,384,600	1,371,700	1,382,900	1,385,800
LIABILITIES					
Notes in circulation	13,206,700	12,817,700	12,481,300	12,887,300	12,987,300
Public deposits	1,285,600	1,372,500	1,496,200	2,423,200	1,321,500
Other deposits and drafts	1,505,100	1,232,100	1,462,600	984,800	1,061,000
Ratio of reserves to notes and sight deposits, combined	47.41%	46.42%	46.24%	45.88%	45.10%

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Pesos to £	13-33	90 days	20-10
Colombia	Pesos to £	5	Bogota (sight)	9-04½
Ecuador	Sucres to £	24-3325	Sight London	52-89½
Nicaragua	Cordobas to £	4-8665	"	"
Salvador	Colonos to £	9-73	"	12-80
Venezuela	Bolivares to £	25-2215	"	15-40
Guatemala	Quoted in New York	...	"	5-13

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate.

The Anglo-South American Bank has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period July 11th to July 20th at 138-34 per cent. The previous rate was fixed as from July 1st at 138-37 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

London on Australia and New Zealand				Australia and New Zealand on London*			
Buying		Selling		Buying		Selling	
Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand
T.T.	126½	126½	125½	124½	124½	125½	125½
Sight	126½	126½	125½	124½	124½	125½	125½
30 days ..	127½	127½	126½	125½	125½	126½	126½
60 days ..	127½	127½	126½	125½	125½	126½	126½
90 days ..	128½	128½	127½	126½	126½	127½	127½

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

There were no remittances from the Government of India to the Secretary of State for India in the week ending July 21, 1934.

BULLION

The following statistics of imports and exports of gold and silver for week ended July 26, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended July 26, 1934			Gold Exported from Great Britain and Northern Ireland, week ended July 26, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	797,558	£	Poland	£	£ 2,500
Belgium	2,787	...	France	15,853	3,000
France	75,901	...	Switzerland	...	1,200
Switzerland	31,920	14,066	U.S.A.	2,721,460	...
Portugal	289,812	...			
Iraq	4,394	...			
St. Domingo	3,509	625			
Venezuela	4,184	...			
Peru	21,135	...			
Uruguay	81,955	...			
British W. Africa	128,275	...			
British S. Africa	1,009,465	...			
Tanganyika Territory	10,192	...			
Uganda	3,248	...			
Protectorate Anglo-Egyptian	3,180	...			
Sudan	994,119	...			
British India	13,125	...			
Australia	265,757	...			
New Zealand	20,477	...			
British Guiana	6,631	...			
Other countries	2,105	1,165			
Total	3,967,729	15,856	Total	2,737,313	6,700

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended July 26, 1934			Silver Exported from Great Britain and Northern Ireland, week ended July 26, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Un. (Russia)	56,810	£	Sweden	£	£
Germany	...	200	France	1,172	...
France	23	72	French Possessions	8,358	...
United States	85,465	...	in India	1,601	546
British India	14,900	1,924	Other countries	...	...
Australia	8,762	24			
New Zealand	9,232	14,000			
Canada	...	135			
Other countries	...	...			
Total	175,192	16,355	Total	14,131	546

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	1934	WITHDRAWALS
July 20 Bar gold	Nil	July 20	Nil
" 21	Nil	" 21	Nil
" 23 Bar gold	Nil	" 23	Nil
" 24	Nil	" 24	Nil
" 25	Nil	" 25	Nil
" 26	Nil	" 26	Nil
Total	Nil	Total	Nil

Movement July 20, 1934, to July 26, 1934 (inclusive) Nil
 Movement during year 1933 £71,094,900 in
 Movement during 1934 (January 1 to July 19, inclusive) £849,879 in
 Movement April 29, 1925, to July 19, 1934 (inclusive) £23,220,026 in
 Movement September 21, 1931 (gold standard suspended), to July 19, 1934 (inclusive) £55,585,539 in

GOLD

Messrs. Samuel Montagu and Company write on July 25, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,579,997 on the 18th instant, as compared with £191,523,825 on the previous Wednesday. Business in the open market has been on a moderate scale, the amount disposed of during the week being about £2,000,000. There has been no special feature and prices have ruled at, or slightly above dollar parity.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
July 19	137s. 10d.	12s. 3-93d.
" 20	137s. 10½d.	12s. 3-88d.
" 21	137s. 9½d.	12s. 3-97d.
" 23	137s. 10½d.	12s. 3-88d.
" 24	137s. 11d.	12s. 3-84d.
" 25	137s. 11½d.	12s. 3-79d.
Average	137s. 10-50d.	12s. 3-88d.

The s.s. "Mooltan" which sailed from Bombay on the 21st instant carries gold to the value of about £665,000, of which £534,000 is consigned to London and £131,000 to New York.

SILVER

The market continued to show an easier tendency, due largely to a lack of support. China has sold and there has been some liquidation of bull contracts, but buyers have shown hesitation in making fresh commitments. There was more resistance at the lower level where China was more inclined to buy and there was also a demand from the Indian bazaars, the latter being fairly consistent buyers. Although the decline in rates attracted a little inquiry from New York, this quarter has shown little interest and the market has generally been quiet, the tone at the moment appearing rather dull.

Quotations during the week:—

IN LONDON			IN NEW YORK		
Bar Silver per oz. std.	Cash	Two Months' delivery	Bar Silver per oz. std.	Cash	Cents per ounce
July 19	20 1/8d.	20 3/8d.	July 18	46 1/8	999 fine
" 20	20 1/8d.	20 3/8d.	" 19	46 1/8	...
" 21	20 1/8d.	20 3/8d.	" 20	46 1/8	...
" 23	20 1/8d.	20 3/8d.	" 21	Closed	...
" 24	20 1/8d.	20 3/8d.	" 23	46 1/8	...
" 25	20 1/8d.	20 3/8d.	" 24	46 1/8	...
Average	20-312d.	20-437d.			

The highest rate of exchange on New York recorded during the period from the 19th instant to the 25th instant was \$5-04½ and the lowest \$5-03½.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	July 15	July 7	June 30
Notes in circulation	18,210	18,158	18,087
Silver coin and bullion in India	9,809	9,787	9,716
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,038	3,008	3,018
Securities (British Government)	1,208	1,208	1,198

The stocks in Shanghai on the 21st instant consisted of about 109,400,000 ounces in sycee, 371,000,000 dollars and 30,400,000 ounces in bar silver as compared with about 112,400,000 ounces in sycee, 374,000,000 dollars and 30,800,000 ounces in bar silver on the 14th instant.

GOLD AND SILVER PRICES

	Gold per Ounce		Silver—Per Ounce		Date	Silver Cash
	Cash	Forward	Cash	Forward		
1934	s.	d.	d.	d.		
July 20	137 10½	20 3/8	20 3/8	20 3/8	July 31, 1928	31 1/8
" 21	137 9½	20 3/8	20 3/8	20 3/8	Aug. 1, 1929	24 1/8
" 23	137 10½	20 3/8	20 3/8	20 3/8	July 31, 1930	16
" 24	137 11	20 3/8	20 3/8	20 3/8	July 30, 1931	13 1/8
" 25	137 11½	20 3/8	20 3/8	20 3/8	" 28, 1932	17 1/8
" 26	138 0	20 3/8	20 3/8	20 3/8	" 27, 1933	18 1/8

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended July 22, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 29 weeks (£000)					
(b) Week ended July 20, 1934	(c) Week ended July 21, 1934	Miles Open	Passenger, &c.	Merchandise, &c.	Coal and Coke	Total	Receipts	Passenger, &c.	Merchandise, &c.	Coal and Coke	Total	Receipts	Total
Great Western	1934	3,750	256	180	90	270	526	5,349	5,148	2,875	8,023	13,372	12,970
Western	1934	3,755	255	174	93	267	522	5,389	4,738	2,843	7,581	12,970	12,830
(c) L. & N. Eastern	1934	6,339	404	287	198	485	889	8,303	8,924	6,603	15,527	23,310	23,310
L. M. & Scottish	1934	6,940	609	421	171	592	1,201	8,227	8,088	5,995	14,083	32,384	32,384
Scottish	1934	6,941	593	465	175	580	1,173	12,919	12,847	6,618	19,467	30,859	30,859
Southern	1934	2,177	345	65	26	91	436	7,958	1,811	907	2,718	10,676	10,676
1933	1933	2,181	341	64	29	93	434	7,847	1,726	846	2,572	10,419	10,419
Total	1934	19,208	1,614	953	485	1,448	3,052	34,619	28,730	17,003	45,733	80,262	80,262
1933	1933	19,216	1,588	928	493	1,421	3,009	34,225	26,315	16,018	42,333	76,558	76,558
(b) Belfast & Co. Down	1934	80	4-7	...	...	0-5	5-2	...	...	...	15-2	84-1	84-1
(b) Great Northern	1934	562	16-0	...	...	6-9	22-9	...	...	...	233-9	495-5	495-5
(b) Great Southern	1934	562	13-2	...	...	7-5	20-7	...	...	...	163-9	342-4	342-4
1933	1933	2,158	32-0	...	...	29-3	61-3	...	...	...	868-0	1489-0	1489-0

COMPARISONS WITH CORRESPONDING PERIODS, 1932 AND 1933 (000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1933, compared with first half-year 1932:				
Gross increase or decrease	— 459	— 1,224	— 981	— 91
Net increase or decrease	— 177	— 300	— 154	+ 280
Second half-year 1933, compared with second half-year 1932:				
Gross increase or decrease	+ 546	+ 914	+ 984	+ 202
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Second half-year 1934, compared with second half-year 1933:				
Gross increase or decrease	+ 4	+ 103	+ 41	+ 25
3 weeks to July 22, 1934				
Gross increase or decrease	+ 1½	+ 34½	+ 13½	+ 8½
Latest week 1934 compared with 1933				
Gross increase or decrease	+ 4	+ 28	+ 9	+ 2

LONDON TRANSPORT

	Great Western	L.M.S.	L.N.E.R.	Southern
Week ending July 21, 1934	£28,000	£44,500	£1,617,200	£146,200
Aggregate 3 weeks ending July 21, 1934	£84,000	£133,500	£4,851,600	£438,600

* For an explanation of the manner in which the figures are made up see the Economist, March 17, 1934, page 610.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or —
				1934	+ or —
INDIAN					
Assam Bengal	12	June 23	Rs. 3,32,800	+ 35,221	44,06,000
Barsi L. Ry.	13	June 30	1,200	36,200	5,38,500
Bengal & N. Western	13	June 30	2,113	6,82,070	56,626
Bengal-Nagpur	12	June 23	3,269	15,07,000	27,960
Bombay, Bar. & C.I.	14	July 14	3,089	17,48,000	1,45,000
Madras & S. Mahr.	12	June 23	3,230	14,95,000	1,78,469
Rohilk'd & Kumaon	13	June 30	572	1,09,475	12,079
South Indian	12	June 23	2,520	11,39,507	36,553
				1,34,03,272	5,34,746

CANADIAN

	1934	1933	1934	1933
Canadian National	28	July 14	237,748	3,282,912
Canadian Pacific	29	July 14	217,018	2,510,000

SOUTH AMERICAN

	1934	1933	1934	1933
Antofagasta (Chili and Bolivia)	24	July 22	830	14,280
Argentine N.E.	3	July 21	753	7,688
B.A. and Pacific	2	July 14	2,806	71,273
B.A. Central	50	June 10	...	10,284
B.A. Gt. Southern	3	July 21	5,085	131,555
B.A. Western	3	July 21	1,926	43,373
Central Argentine	3	July 21	3,700	137,952
Central Uruguay	3	July 21	273	13,335
C. Arg. (East Ext.)	3	July 21	311	2,708
C. Arg. (N. Ext.)	3	July 21	185	1,5

OVER ONE HUNDRED YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
 INSURANCE COMPANY
 ASSETS - EXCEED - £16,000,000
 FIRE LIFE ACCIDENT MARINE
 Edinburgh: 35 St. Andrew Square
 London: 5 Walbrook, E.C.4, and 4, St. James's Street, S.W.1

aised this week, in spite of a further increase in cold-store holdings. Bacon prices are lower, but quotations for meat re generally unchanged. Increased supplies of new potatoes met with a rather less active inquiry, and prices have fallen to a lower level. Coffee, sugar and tea show little change on the week, but New York quotations for cocoa have declined appreciably.

The market for coal—especially house coal—was again dull, although best steams, which are reported to be rather scarce, show a slight price rise this week. Demand for blast-furnace coke has been well maintained, and substantial sales ahead are reported. French import quotas for coal have been further reduced, but this is not expected to have any important repercussions in South Wales. Shipments of pig iron from the Tees showed a heavy decline during July, but the market is reported firm, and rather better business has been done in manufactured and semi-manufactured steels. Business is being resumed in Scotland, following the close of the holiday period, and prospects are considered to be definitely brighter than at this time last year. Sales of Sheffield products show little sign of reduction and plants are generally working almost to capacity, with export prospects showing an improvement. Following the agreement announced last week, tinplate prices in South Wales continued firm and more active business is reported. On the other hand, non-ferrous metals still meet a dull trade and copper prices touched a new low level last Tuesday. Quotations for tin moved upwards.

Last week's advance in the price of raw cotton has not been held, and wool prices were also marked down this week. Sales of cotton piece-goods have not been very satisfactory and export business is poor.

Moody's index of the dollar prices of staple commodities (December 31, 1931 = 100) stood at 142.2 on July 25th, against 144.7 on the previous Wednesday and 135.2 at the corresponding date of last year.

COAL

SHEFFIELD.—Extreme dullness characterises most branches of the coal trade, particularly house coal, stocks of which have accumulated. Merchants are being pressed to take greater tonnages at cut rates. Nominal quotations for best sorts are 20s. to 21s. at pits. Best steams are scarce and some difficulty is being experienced in keeping up deliveries for export, while prices have been advanced 6d. a ton lately. To-day's quotations are 16s. 6d. and 17s. f.o.b. Washed doubles and singles are also in short supply. Little new export business is coming forward. Good tonnages of fuel are going to industrial works and the output of blast-furnace coke is promptly absorbed. F.o.b. prices range from 16s. to 20s., but these do not satisfy producers.

NEWCASTLE-ON-TYNE.—The North-East coal market, as a whole, is quiet, but during the last few days the Northumberland screened steam position has shown a slight improvement, there being a good arrival of tonnage at Blyth, and also a slightly better inquiry for prompt shipment. Collieries continue to book trade for shipment from the autumn onwards. The Durham position in every section is quiet, and idle time is frequent, particularly among the best gas collieries. The demand for coke of all descriptions is maintained, there being substantial sales ahead to Scandinavia and a good demand from inland sources.

Current f.o.b. prices for export: **NORTHUMBERLAND.**—D.C.B. screened, 13s. 6d.; smalls, 10s. 6d.; Howards, Bentinck, Newbiggin, screened, 13s.; smalls, 10s.; Tyne Prime, large, 12s. 9d.; smalls, 10s. 6d.; Hartley Main, large, 13s.; smalls, 10s. 6d. **DURHAM.**—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special unscreened gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—The market is only just getting back to normal after the holiday, and so far little new business has been arranged. The Lanarkshire and Fifeshire collieries resumed this week, and reports indicate that production is now back to normal, but the Lothians collieries have been on holiday. Prices generally remain firm, with first-class steam in Fife a strong feature.

Export prices are approximately as follows:—**LANARKSHIRE.**—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 3d. to 14s. 6d.; navigation, unscreened, 12s. 9d.; 13s. 3d.; Hartley, 14s. 6d., all per ton f.o.b. Glasgow; steam,

12s. 6d.; trebles, 13s. to 13s. 6d.; doubles, 12s. 6d.; singles, 12s. 6d. to 13s.; pearls, 11s. to 11s. 6d.; dross, 9s. 9d., all per ton f.o.b. Grangemouth. **FIFE.**—Best unscreened navigation, 12s. 9d. to 13s.; unscreened navigation, 12s. 3d.; first-class steam, 13s. 6d.; third-class steam, 12s.; trebles, 14s. to 16s.; doubles, 12s. 6d. to 13s.; singles, 13s.; pearls, 10s., all per ton f.o.b. Burntisland or Methil. **LOTHIANS.**—Prime steam, 12s. 6d. to 13s.; secondary steam, 12s.; unscreened navigation, 12s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 12s. 3d. to 12s. 6d.; singles, 12s. 3d.; pearls, 10s. 9d. to 11s., all per ton f.o.b. Leith. **AYRSHIRE.**—Best unscreened navigation, 13s. 6d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d. to 14s.; doubles, 13s.; singles, 12s. 6d.; pearls, 11s. 6d. to 12s.; dross, 10s., all per ton f.o.b. Ayr or Troon.

CARDIFF.—There was no material change on the coal market this week. Dry large classes are able to realise prices slightly above the scheduled figures, but for practically all other grades quotations are at the minimum. Business continues inactive and on Sunday last the French Government announced a further 10 per cent. reduction in its coal import quota. The quota of 59.5 per cent., which has been in operation since December, 1933, represents approximately 1,454,000 tons monthly, and on this basis a 10 per cent. reduction is equal to 145,000 tons, or 80,000 tons in respect of Great Britain. During the first half of the current year, however, imports from Great Britain have been reduced in spite of an unchanged nominal quota, and in view of this fact, and of the recent deal by which a monthly quantity of 40,000 tons of Welsh coal is to be exchanged for 20,000 tons of French pitwood, it is anticipated that the effect of the reduction in the quota on the South Wales coalfield will be negligible. It was reported on the Cardiff Exchange on Tuesday that the Buenos Aires electricity works' contract for 140,000 tons had been placed with London exporters for South Wales coals.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; coking smalls, 13s. 6d. to 14s.; best small steams, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 25s. 6d. to 26s.

IRON AND STEEL

MIDDLESBROUGH.—Shipments of all classes of pig iron from the Tees from July 1st to July 23rd amounted to 5,879 tons as compared with 10,337 tons in the corresponding period of June. This reduction is chiefly accounted for by reduced shipments to Scotland, but the holidays in that area will terminate at the end of this week and a resumption of deliveries is expected immediately. This has not made any real alteration in the position. The market is firm, and makers are confident that buyers will shortly come into the market for their autumn requirements. For home use, quotations are based on the official price minimum of 67s. 6d. per ton for Cleveland No. 3, and for East Coast hematite the minimum is 68s. per ton for No. 1; in both cases the price includes delivery to local users with the usual differences to buyers further away.

Export trade in pig iron is small, and is confined to regular buyers of special brands. Foreign ore prices tend higher for forward delivery, but for early shipment sellers are asking 17s. per ton for best Bilbao rubio c.i.f. Tees. Blast furnace coke is quoted at 20s. per ton, delivered to furnaces, and coke makers are talking freely of higher prices for delivery later in the year. A little more business has been done in semi-manufactured steel and shipments of manufactured steel have recently been good. The sheet trade for export is very quiet, and the market for heavy steel melting scrap is easier.

SHEFFIELD.—Conditions in the local steel trade have undergone little change for a couple of months, but reports generally are favourable and there is no sign of a reduction in the high level of turnover. In all the important sections of the industry plants are employed nearly to capacity and orders are replaced by new business as they are delivered.

Slackness is only to be found in buying and selling of materials. Makers of special steels are not so busy as earlier in the year, but have little cause for dissatisfaction. The pressure for deliveries of rolling-mill products has eased and consumers' requirements are now being met with fair promptitude. All the basic open-hearth furnaces are fully employed in producing semi-manufactured material. The leading firm in the stainless steel branch is installing an additional electric furnace of large capacity. Prospects for the export trade are believed to be improving. Tool makers are busy for this time of the year, but very quiet conditions prevail in the market for cutlery and electro-plate.

GLASGOW.—The resumption of work is not yet quite general in the West of Scotland. A number of plants will not re-start until Monday of next week. Where operations have been resumed a good start was made and generally the accumulation of orders is very satisfactory and the prospects considerably brighter than at the same period last year.

Two important shipbuilding orders are announced this week, viz., two cargo steamers to be built, one by Messrs. Lithgows, Ltd., of Port Glasgow, and one by Messrs. Barclay, Curle and Company, Ltd., of Whiteinch, Glasgow. Orders have also been received for several smaller vessels by Clyde shipbuilders and there are a number of inquiries on the market at the moment. Marine and other engineering firms in this district have a good deal of work on hand and new business is coming in regularly. Steel makers are also experiencing a steady demand and have a fairly heavy tonnage on books to start on at the conclusion of the holiday period. The home trade in black and galvanised sheets continues to expand.

CARDIFF.—On the Swansea Metal Exchange on Tuesday it was reported unofficially that, under the international agreement provisionally arranged in Paris recently, the quota of the world export trade allotted to Great Britain is 55 per cent., the United States 22 per cent., Germany 16 per cent., and Italy and France the remaining 7 per cent. The British quota of 55 per cent. compares with 70 per cent. under the Anglo-American agreement of 1929-31, and with about 70 per cent. claimed by Great Britain last year, 8 per cent. by the United States, and nearly 20 per cent. by Germany. Tinplate prices are firm at 18s. per basis box and business is a little more active. Galvanised sheets are unchanged at from £11 5s. to £11 15s. per ton, and steel bars at £5 per ton delivered. There was an improvement last week in shipments of tinplates at Swansea, the total being 92,230 boxes, compared with 62,948 boxes the previous week, and 92,663 boxes a year ago.

OTHER METALS

The market tendency has been almost unchanged this week. The continuance of selling pressure from the U.S.A. and a poor demand in Germany, coupled with heavy production, has caused a downward trend in copper prices, which reached the new low level of £28 16s. 3d. per ton last Tuesday. If, as seems probable, the American copper industry is willing to grant the long-term credits which Germany is now trying to secure, the market may show some improvement; for such an agreement would considerably reduce the present export pressure in the United States.

The tin market was dull earlier this week, industrial demand being small and speculators inactive. However, the "group" continued to support the market. Aggregate purchases by the "group" during recent weeks are believed to total well over 5,000 tons, whilst Thursday's *Daily Telegraph* puts the figure as high as 7,000 tons; this affords some indication of the strength of the recent downward tendency on the market. On Wednesday, however, the publication of the buffer pool details and the rumour of a reduction of production quotas after the end of September, led to an upward movement, and at one point quotations showed an advance of £3 per ton over the previous day. Prices subsequently declined slightly, and it is not anticipated that this temporary improvement will be maintained.

The markets for lead and spelter showed no new features this week, and trade continues dull.

Developments during the past week appear to justify our recent forecast that tungsten producers would be willing to supply the market at lower prices than hitherto. Quotations have been reduced to 38s. per unit, and the peak level appears to have been passed, although the Chinese monopoly still has the market in its hands. The market in manganese is now becoming more interesting. For the first time for some years, Russian prices were slightly advanced a few months ago, which gave some advantage to her chief competitors. Increasing production, and heavy shipments of manganese from South Africa have been reported during the past few days, the principal purchasers being Great Britain and Canada. If competition from other countries should become severe, however, Russian prices are likely to be reduced once again, so that no radical change in world markets is to be looked for at present.

TIN.—Sales on the London Metal Exchange: 100 tons on Monday, against 530 tons last week; 640 tons on Tuesday, against 285 tons last week; 570 tons on Wednesday, against 430 tons last week. The New York quotation on Wednesday was 52.40 cents per lb., against 51.90 cents a week ago and 51.00 cents a month ago. Wednesday's official closing quotation in London for standard cash was £233 7s. 6d. to £233 10s., compared with £230 10s. to £230 12s. 6d. last week. Stocks in London and Liverpool at the end of last week were 3,606 tons, an increase of 113 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,150 tons on Monday, against 2,000 tons last week; 2,400 tons on Tuesday, against 3,600 tons last week; 950 tons on Wednesday, against 1,900 tons last week. Domestic spot was quoted at 7.02½ cents per lb. in New York on Wednesday, against 7.20 cents a week ago and 8.37½ cents a month ago. Wednesday's official closing price for standard cash in London was £28 17s. 6d. to £29, compared with £29 10s. to £29 12s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 28,444 tons, show an increase of 2,654 tons, and stocks of rough copper, at 7,162 tons, show a decrease of 99 tons.

LEAD.—Sales on the London Metal Exchange: 100 tons on Monday, against 650 tons last week; 700 tons on Tuesday, against 450 tons last week; 650 tons on Wednesday, against 700 tons last week. The New York quotation on Wednesday was 3.85 cents per lb., against 3.75 cents a week ago and 3.85 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 15s. for shipment during the current month, compared with £10 18s. 9d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 575 tons on Monday, against 600 tons last week; 650 tons on Tuesday, against 550 tons last week; 800 tons on Wednesday, against 550 tons last week. Wednesday's quotation in East St. Louis was 4.30 cents per lb., against 4.30 cents the week before, and 4.20 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 6s. 3d., for shipment during the current month, against £13 7s. 6d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver, at £11 10s. to £11 12s. 6d. per flask of 76 lbs., remains unchanged. Foreign antimony was quoted at £35 to £36 per ton, as against £35 to £35 10s. per ton last week. Chinese wolfram was quoted at 40s. to 41s. per unit, c.i.f., as against 40s. to 42s. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—**Manchester.**—The tone of the market has been more nervous, due to fluctuations in raw-cotton prices. American rates have been easier, chiefly owing to weakness on the New York Cotton Exchange, a poor dry goods outlook in America and the unsettled conditions on the Continent, especially in Germany. There has been a fair amount of inquiry for piece-goods, but only isolated sales have taken place. Merchants have reported that dealers abroad are sending offers which are fully 5 to 10 per cent. below current rates.

COTTON PRICES

	1934				Corresponding Date	
	July 4	July 11	July 18	July 25	1932	1933
Raw Cotton—Mid. American	d. 6-76	d. 6-89	d. 7-14	d. 6-93	d. 4-57	d. 6-18
Sakellaridis Fully Good Fair Egyptian.....	8-34	8-41	8-51	8-39	6-95	8-31
Yarns—32's twist.....	10½	10½	10½	10½	8½	9½
" 40's twist	10½	10½	11	10½	8½	10½
" 60's twist (Egyptian)	16½	16½	17	16½	13½	16½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 18 7½	s. d. 18 9	s. d. 19 4½	s. d. 19 0	s. d. 15 9	s. d. 17 0
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	23 6	23 7½	24 4½	24 0	18 9	21 3
38-in. ditto, 58 yds., 18 by 18, 10 lb.	10 11	11 0	11 2	11 1	10 0	10 7
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	9 9	9 10	10 0	9 11	8 10	9 5

Moderate transactions have taken place for India, chiefly in light bleaching styles and fancies, but there has been no support forthcoming from China. Buyers for Egypt, South America and the Continent have not been altogether idle, and some useful sales have taken place in rayon fabrics and mixture cloths for the Dominions and the home trade. The immediate prospects, however, are not cheerful, and although there has been a fair amount of price testing in the yarn section, the aggregate turnover has not been important. The feature of interest in the American section has been the revival of the price-fixing agreement amongst Royton spinners, which should finally put an end to the price cutting which has been in operation since the scheme broke down some weeks ago. Only a sorting up trade has been done in Egyptian yarns and export business is still affected by conditions on the Continent.

GRAIN MARKETS

WHEAT.—The market has continued very active this week and prices have been firm. Another week of high temperatures and small rainfall has caused further damage to crops in certain districts of Canada. Trading on the Liverpool futures market has been heavy. It is believed that much has been bought in expectation of a further price rise. Crop reports from European countries are variable.

According to Mr G. Broomhall, total shipments during the past week were 1,349,000 quarters, against 1,233,000 quarters in the preceding week. On Wednesday, "July" futures were quoted in Chicago at 98 cents per bushel, against 98½ cents the week before and 92 cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 33s. 9d. per 496 lbs., against 33s. 6d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 32s., against 32s.; No. 3 Northern Manitoba, Vancouver, ex ship, 31s. 9d., against 31s. 9d.; Australian, ex ship, 27s. to 28s., against 26s. 9d. to 27s. a week ago.

FLOUR.—North American shipments were 103,000 sacks in the past week, as compared with 110,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 26s. 6d. per 280 lbs., against 25s. 6d. last week; delivered London, 25s. 6d., as compared with 24s. 6d. a week ago. Manitoba patents, ex store, 25s. 6d. to 27s., against 25s. 6d. to 27s.; Australian, ex store, 18s. to 19s., against 18s. to 19s.

BARLEY.—"July" futures were 47½ cents per bushel in Winnipeg on Wednesday, against 46½ cents last week and 44½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 27s. to 30s., against 27s. to 30s. a week before.

OATS.—On Wednesday, "July" futures were quoted at 44½ cents per bushel in Chicago, against 44½ cents a week ago, and 41½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 20s. 6d. per 320 lbs., against 20s. a week ago; "Chilean White," landed, 21s. to 22s., against 21s. a week earlier.

MAIZE.—"July" futures were quoted on Wednesday at 64½ cents per bushel in Chicago, against 61½ cents a week ago and 57½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 22s. per 480 lbs., compared with 21s. 6d. last week; "Plate," ex ship, 21s., as against 20s. 6d. "Plate," July, 21s., as against 20s. 6d. Yellow maize meal, ex wharf, was quoted £6 to £6 2s. 6d. per ton, against £5 15s. to £5 17s. 6d. per ton a week ago.

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COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to July 14	Cwts. 31,618	Cwts. 28,451	Cwts. 27,471	Cwts. 77,712
47 weeks to July 21	4,856,258	3,726,810	3,483,648	6,197,505
Average price of English wheat per cwt.	s. d. 6 5	s. d. 6 6	s. d. 6 8	s. d. 5 4

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
July 14, 1934	Cwts. 59,590	Cwts. 6,874	Cwts. 11,071	s. d. 5 6	s. d. 7 3	s. d. 6 4
July 21, 1934	77,712	8,253	12,087	5 4	7 7	6 4
July 19, 1930	64,237	3,141	6,287	8 3	6 4	6 1
July 18, 1931	31,037	1,764	6,163	6 4	5 7	6 11
July 23, 1932	28,451	2,031	4,487	6 6	8 8	7 10
July 22, 1933	27,471	4,003	10,089	6 8	6 7	5 10

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	July 26, 1933	Jan. 3, 1934	July 18, 1934	July 25, 1934
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	62½	46½	83½	65½	85½	84½
Chicago, (No. 2 Winter) —Cents per 60 lb.	55½	46½	96½	84½	98½	98

The visible supply of wheat in Canada, at 98,662,000 bushels, shows an increase of 205,000 bushels. Supplies a year ago stood at 104,122,000 bushels.

OTHER FOODS

SUGAR.—After a decline earlier in the week, spot quotations on the New York market advanced on Wednesday, and trade was firm at the close. The market for futures closed easy, prices being somewhat lower than of late. The spot price of raw sugar in New York on Wednesday was 3-20 cents per lb., as compared with 3-17 cents per lb. last week and 3-15 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 8½d. to 4s. 9½d., against 4s. 9d. to 4s. 9½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

Imports		Deliveries		Stocks		
	1933	1934	1933	1934	1933	1934
London	2,185	16	1,070	1,558	33,429	31,322
Liverpool.....	1,471	7,548	15,620	14,388	156,076	143,312
Total tons	3,656	7,564	16,690	15,946	189,505	174,634
Last week ...	7,676	10,597	27,661	16,596	198,631	186,924

COFFEE.—Trade has been rather quiet in New York, but was steady at the close, with prices mainly unchanged. On Wednesday Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9 cents per lb. last week, and 9½ cents per lb. a month ago. Trade in London has been quietly steady, with quotations showing little change on the week. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 1 bag; exported, 10 bags; stocks, 29,212 bags, against 28,926 bags a year ago. Central American, landed, 607 packages; delivered, for home consumption, 3,710 packages; exported, 450 packages; stocks, 110,836 packages, against 101,584 packages last year. Other kinds: landed, 668 packages; delivered, for home consumption, 1,502 packages; exported, 436 packages; stocks, 106,875 packages, against 95,385 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, July-August, was 21s. per 50 kilos, c.i.f. Continent, as against 21s. 9d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 1,468 bags; delivered, for home consumption, 3,967 bags; exported, 3,204 bags; stocks, 256,855 bags, against 172,698 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 12,717 packages of Indian and 36,847 packages of Ceylon tea. Quotations were irregular earlier in the week, but demand showed an improvement later, and prices generally became firmer in tendency. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.					
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land
July 20, 1933	d. 10-46	d. 10-36	d. 12-53	d. 8-59	d. 8-47	d. Nil
June 21, 1934	12-93	13-01	13-21	11-18	10-75	12-38
June 28, "	12-96	13-02	13-24	11-60	10-98	12-47
July 5, "	12-01	12-85	13-28	11-13	11-06	12-47
July 12, "	13-02	12-74	12-93	10-79	10-61	12-36
July 19, "	12-80	12-31	12-76	10-67	10-41	11-84

RICE.—The "spot" price was 8s. per cwt. on Wednesday as compared with 7s. 9d. per cwt. a week ago, while the forward quotation, at 7s. 5½d. per cwt., shows a rise of 2½d. on the week. Movements in London during the past week were as follows: Landed, 12 tons; delivered, 74 tons; stocks, 964 tons, against 5,810 tons a year ago.

POTATOES.—Trade has been rather less active, and, with arrivals on a liberal scale, prices have further declined this week. At the London Borough Market on Tuesday new crop "King Edward" sold at 7s. 6d. to 8s. 6d. per cwt., as compared with 9s. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 4½d. per lb. on Wednesday, against 4½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 10 tons; delivered, 22 tons; stocks, 216 tons, against 322 tons a year ago. White, landed, 116 tons; delivered, 39 tons; stocks, 6,259 tons, against 958 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. 8d. to 4s. per 8 lbs., as compared with 3s. 2d. to 3s. 8d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. 2d. per 8 lbs., against 3s. 6d. to 4s. 2d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 8,023 tons, against 8,411 tons in the corresponding week last year. Imported beef, principally Argentine, formed 86.3 per cent. of the beef supplies, against 84.9 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 84.2 per cent. of the total supply of mutton and lamb, against 80.4 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OIL AND OLSEEDS.—Very quiet conditions rule in most sections. Demand for oilseed products is only small, although some slight improvement in oilseeds is reported, with rather firmer prices. Crushers' requirements, however, are easily satisfied and with a continuance of good supplies assured there is no disposition to buy for forward delivery. The market for linseed continues steady and prices are subject to only slight fluctuations, favourable crop reports, as a rule, being the dominant factor, offset by the firmness in wheat prices. Argentina has still an unsold balance equal to that of a year ago, but rather less is expected from India. Nevertheless, there would appear to be ample for current requirements, including extra needs of the United States. The current price of Plate for shipment to October is around £10 10s. per ton. Calcutta is firmly held and, to London, is quoted around £12. The quantity afloat for Europe, at 84,900 tons, is approximately the same as last week, while that for the United States has increased to 32,500 tons. Cottonseed meets a slow trade and old crop Egyptian is quoted up to £4 15s. per ton for August loading, while for new crop September, £4 17s. 6d. is asked.

Trade in vegetable oils does not expand. Trade for linseed oil is easier and raw oil for July delivery and to the end of the year is quoted £21 per ton, naked, ex Hull mill, and for January-April, £20 15s. Cotton oil meets a dull trade. Crude Egyptian ex Hull is offered at £12 and common edible at £14 per ton.

RUBBER.—A rather dull tone has been evident this week, but the position on the London Market remains sound. Such speculation as exists is mainly in the nature of investment buying by people with money, who are prepared to hold on for a considerable time. Most of the professional operators would welcome a decline in prices, to enable them to replenish their stocks. It is considered that a slight reduction would considerably stimulate buying. In New York, Wednesday's spot price for rubber, at 14½ cents per lb., compared with 14½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7d. per lb., the same as on the corresponding day last week. In forward positions, business has been done at 7½d. to 7¼d. for October-December, 1934, as against 7½d. to 7¼d. a week ago. Stocks in London and Liverpool at the end of last week, at 105,403 tons, show an increase of 1,354 tons as compared with the preceding week.

TIMBER.—Heavy imports of Canadian and European building and joinery woods last month and in the first half of the year left supplies on hand at the beginning of July considerably above those of a year ago. All branches of the building and joinery woods market are experiencing a larger turnover, but prices for the common varieties have not risen to trade expectations. In forward business also, shippers' prices have remained fairly firm, with weakness here and there; but the majority seem ready to wait until U.K. importers and merchants have cleared more of their stocks into consumption. Overseas shippers think that U.K. importers are holding off too long—and that it would be to their advantage if they came into the buying market more freely now, rather than wait until later on, when freight rates are likely to be higher. The softwood consuming trades are all in a more satisfactory position compared with a year ago. Housebuilding is still proceeding at high pressure, and the basic industries are doing better. Besides heavier receipts of sawn and planed woods, there are more softwood logs coming forward this year. Russian supplies are large, and there are fair shipments of American and Canadian logs. Deliveries from dock ponds have been much larger than a year ago, and dock stocks are moderate, consumption considered—especially stocks of American pitchpine, the price of which is very firm. Imports of pitwood are well in advance of those of the past two years. It is worth noting that shipments from France are lower than for the past two years, that the Dominions are not keeping up with their 1933 export to the U.K., and that receipts of Russian props are much larger. Teak is increasing in imports and demand, especially British Indian. The U.K. shipbuilding industry is busier with larger tonnage on the stocks, but has still a long way to go.

The common hardwoods for furniture and cabinet work are coming in fairly freely, but imports of the most popular of all—oak—declined last month on account of smaller supplies from the United States. As, however, spot stocks of U.S. oak are large, the smaller June imports came as a relief to holders. Purchases of oak from Poland are larger than usual, and are likely to increase. Meanwhile, the import of Canadian hardwoods is increasing, as well as British Empire mahogany logs and sawn wood, so that hardwood consumers are able to wait until N.R.A. code regulations and prices are adjusted more to their liking. The fancy woods are in limited

demand, and stocks are small. Plywood imports for the half year totalled just over five million cubic feet, as against 3.3 millions in the corresponding period of last year, but stocks at London docks are lighter than a year ago, deliveries having been exceptionally good. The outstanding feature of this branch of the trade is that Empire countries have not adopted manufacture for export seriously, from which it must be presumed that they do not yet see their way to compete with the foreign products on this market. This, however, is well worth consideration, for there is room for considerable expansion in the consumption of plywood, both in this country and abroad.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON July 25th		POTATOES—		WOOL—		INDIGO—	
CEREALS AND MEAT		Good English, net 7		English Southdown, greasy, per lb. 12½		Bengal gd. red-vio. to	
Wheat—	s. d.	per cwt. 7 6	8 6	Queensland, scd. super cmbg. 25	s. d. s. d.	fine..... per lb. 5 6	
No. 2, N. Man. 496 lb. 32 0		Pepper, per lb.—		N.S.W. greasy, super cmbg. 12½			
Eng. Gaz. av., per cwt. 5 4		Muntok, fair White..... 0 8½		N.Z., grey, half-bred 50-56 11½			
Barley, Eng. Gaz. av..... 7 7		Black Lampong 0 4½		Tops—			
Oats, 6 4		Cinamon—1st sort, per lb. 0 6		Merinos 70's 29			
Maize, La Plata, landed, 480 lb. 22 0		Cloves—Zanzibar per lb. 0 5½		64's 27			
Flour, Lon. stan. ex mill, 280 lb. 24 3		Ginger—per cwt.—		Crossbred 48's 11			
Rice, No. 2 Burma, per cwt. 7 5½		African..... 29 0		46's 10			
Tapioca, per cwt.—		Jamaica, ord. to good. 70 0	95 0	MINERALS			
Fair Flake, Singapore.. 13 0		Nutmegs, 65/- per lb. 0 7	1 9	COAL—	s. d. s. d.		
MEAT—				Welsh, best Ad'ty., ton 19 6			
Beef, per 8 lbs.—		SUGAR—		Durham, best gas, f.o.b. 14 8			
English long sides 4 10 5 0		(Duty, 11/8 per cwt.)		Tyne 20 0	21 0		
Argentine chilled hinds 3 8 4 0		Centrifugals, 96", prpt. shipm., c.i.f. U.K./Cont. 5 0		Sheffield, best house, at pits 20 0			
Mutton, per 8 lbs.—		B.W.I., crystallised 17 6	19 6	IRON AND STEEL—			
English wethers 5 4 7 0		Java, white, c. & f. India May-June 6 0		Pig, Cleveland No. 3, d/d. ton 67 6			
N.Z. frozen 3 6 4 2		OTHER FOODS		Bars, M'brough 192 6			
Lamb, per 8 lbs.—		RAZIN—London—		Steel Rails, heavy 170 0			
Pork, English, per 8 lbs. 4 8 5 2		Cubes 22 11 22 7½		Tin plates per box 18 0			
BACON—		Crushed 19 10½ 20 4½		METALS—	s. d. s. d.		
English 84 0 88 0		Granulated 18 6 21 10½		Copper, Electrolytic, ton 29/10/0 29/12/6			
Irish 80 0 95 0		Home Grown 18 0 18 3		Sheets (strong) 60/0/0			
Danish 83 0 85 0		Molasses, in bond 1 3		Standard 28/17/6 29/0/0			
Dutch 78 0 80 0		TEA—		Lead, Eng. pig ... per ton 12/0/0			
HAMS		Indian—per lb.—		Sok Foreign 10/15/0 10/18/9			
Canadian 102 0		Pekoe 11½ 1 0½		Spelter G.O.B. 13/6/3 13/8/9			
American 98 0 100 0		Broken Pekoe 11½ 1 1		Tin—English ingots 234/10/0			
BUTTER—		Broken Orange Pekoe... 1 0 1 2½		Standard cash 233/7/6 233/10/0			
Australian 73 0		Ceylon—per lb.—		MISCELLANEOUS			
New Zealand 78 0		Pekoe 11½ 1 3½		CHEMICALS—	s. d. s. d.		
Danish Nominal		Broken Pekoe 1 0 1 1½		Ald, citric, per lb., less 5% 0 8½ 0 9			
CHEESE		Orange Pekoe 11½ 1 1½		Nitric 0 2½ 0 4			
Canadian per cwt. 53 0 58 0		Broken Orange 1 0 1 3½		Oxalic, net 0 0 0 5			
New Zealand 46 6 47 0				Tartaric, English, less 5% 1 0 1 0½			
English Cheddars 63 0 90 0				Alcohol, Plain Ethyl..... 12 0			
Dutch 39 0 50 0				Alum, lump per ton 8 15 9 0			
COCOA—				Ammonia, carb. ton 27 10 28 0			
(Duty, British grown, 11/8; foreign, 14/- cwt.)				Sulphate 7 5 7 10			
Accra, f.f. per cwt. 22 6 23 6				Arsenic, lump ... per ton 35 0 40 0			
Trinidad 38 0 46 0				Bleaching powder, per ton 9 0 9 10			
Grenada 30 0 34 0				Borax, gran. per cwt. 13 0			
COFFEE—				Nitrate of Soda... per cwt. 7 10½ 8 0			
(Duty, British grown, 4/8; foreign, 14/- cwt.)				Potash—Chlorate, net 0 4½ 0 5			
Santos supr. c. & f. cwt. 47 0				Nitric 12 2½ 12 4			
Colombian, good 60 0 70 0				Sal-Ammoniac ... per cwt. 42 6 45 0			
Costa Rica, med. to good 72 0 96 0				Soda Bicarb. per cwt. 10 0 11 0			
East Indian 60 0 90 0				Crystals per cwt. 5 0 5 3			
Kenya, medium 60 0 75 0				Sulphate of Copper, per ton 15 0 15 5			
BGGs—				CEMENT, best Eng. Portland, d.d. site, Liondon area, jute sacks, 11 to ton (charged and credited at 1/6d each) or paper bags (free, non-returnable) 4 ton loads and upwards 38/- per ton 1 and up to 4 ton loads 40/- per ton			
English per 120 11 6 12 0				COPRA—	s. d. s. d.		
Danish 8 3 8 6				S.D. Straits c.i.f., per ton 9/2/6			
FRUIT—Oranges—				Smoked South Sea 6/12/6			
Denia cases 14 0 16 6							
Lemons, Sicilian boxes 17 0 22 0							
" cases 19 0 27 0							
" Naples boxes 18 0 25 0							
Apples: Amer. (var.) bris.							
(var.) boxes							
" Australian 10 0 15 6½							
Onions—							
Valencia, case 4 6 5 0							
Egyptian, bags							
Grapes, Lisbon, ½ boxes							
Almeria ... bris.							
LARD—							
Irish bladders pr. cwt. 40 0 46 0							
U.S. 56 lbs. boxes .. 25 6 28 0							

† Exclusive of Government tax of 1d. per gallon.

UNITED STATES

(New York quotations, unless otherwise stated.)

	July 26, 1933	June 27, 1934	July 17, 1934	July 24, 1934		July 26, 1933	June 27, 1934	July 17, 1934	July 24, 1934
	Cents	Cents	Cents	Cents		Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel...	96½	92	98½	98	Sugar, Cuban Centrifugals, 96 deg., spot, per lb.....	3-50	3-15	3-17	3-20*
Maize, nearest future, Chicago, per bushel	53½	57½	61½	64½	Cotton, middling, spot, per lb...	10-65	12-35	13-35	12-85
Oats, nearest future, Chicago, per bushel	40½	41½	44½	44½	Rubber, smoked sheet, spot, per lb.	8-55	13½	14½	14½
Rye, nearest future, Chicago, per bushel	74	64½	71½	72½	Petroleum, Pennsylvania crude standard grades, per barrel...132-152	207-222	207-222	207-222	207-222
Barley, nearest future, Chicago, per bushel	63½	51½	56½	59½	Copper, "Electrolytic," Do- mestic, spot, per lb.....	8-75	8-37½	7-20	7-02½
Coffee, Rio No. 7, cash, per lb. 7½	9½	9	9	9½	Copper, "Electrolytic," Export, prompt, per lb.....	8-62½	7-85	7-40½	7-25
" Santos No. 4, cash, per lb. 9	11	10½	10½		Spelter, East St. Louis, spot, per lb.....	4-95	4-20	4-30	4-30
Cocoa, Accra, nearest future, per lb.....	5-00	5-20	4-96	4-73	Lead, spot, per lb.	4-50	3-85	3-76	3-85
					Tin, " Straits " spot, per lb.....	45-60	51-00	51-90	52-40

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"TWENTY YEARS AFTER"

TWENTY years ago to-day England's ultimatum to Germany expired, and we entered a war which shook Western civilisation to its foundations. To the great majority in this country that war was a calamitous necessity—the inevitable consequence not merely of our international obligations, but also of our determination to save all that was most worth saving in a world threatened with destruction by militarism and national jealousies. Alexandre Dumas made his Three Musketeers meet again "Twenty Years After", to find that their military ardour had in no wise cooled. A Rip van Winkle returning to the European capitals twenty years after 1914 would find that, in 1934, much the same military considerations and political complexes sway the counsels of Europe's rulers. Once again, fear stalks through the inner chambers of Western civilisation. The statesmen of Europe have one and all bowed the knee to this implacable Baal. Once again, all eyes are fixed with apprehension on the cockpit of Europe. And there is talk of another European war.

How, if at all, has the background of the European drama been changed in the last twenty years? What have the scene-shifters accomplished? What must be England's rôle in the acts of the play about to take place? These are questions which agitate not only Englishmen, but lovers of peace all over the world.

Clearly, the hope of substituting a scene of homely peace and plenty for that of battle, murder and sudden death has not been achieved. All, however, has not been lost. A war which was fought "to make the world safe for democracy" has, at least for the moment, bequeathed to us a Europe in which—apart from Scandinavia, the Low Countries, Switzerland, France, and this country—democracy lies beneath the heel of dictators. Yet, while "authoritarianism" denies direct control by the people of their governors, the people of Europe have, since 1914, not only a fuller awareness of their interest in peace, but also greater facilities for

making that interest vocal. Even the most dictatorial of the dictators finds that he has to pay attention both to the wishes of his own followers and to the great imponderable of world opinion. As examples, we may point to the damaged prestige of Japan and Germany. In the former case, the military dictators of foreign policy flouted the world's opinion; and although the League of Nations also suffered in prestige as a result, the extent to which Japan's unilateral action in Manchuria, overriding international obligations, has isolated her in the world's counsels is yet to be felt. So with Germany. Herr Hitler's Nazi Party vowed to make of Austria, an independent State safeguarded by international obligations, part of the Third Reich; and no effort of propaganda and of incited opposition to the late Chancellor Dollfuss's Government was spared by the German Nazis. Yet, in the face of last week's tragic events, Herr Hitler has bowed before the storm of public opinion in the world at large, and has had not only to disavow official Nazi aims, but also to deny any official connection between the events in Austria and the notorious Nazi activities of the last eighteen months.

So far as this power of opinion is effective, it is the product of the efforts made to realise in the League of Nations the lofty ideal of a comity of nations living under a rule of law. The love of national sovereignty, like that of individual freedom, dies hard. But the most passionate adherent of individual liberty, unless he be a resolute Anarchist, would admit that the guarantee for individual liberty is a common rule of law to restrain the "strong man armed" from working his will. The League was lamed from the first by vagueness and reservations on the matter of sanctions; and to-day the League stands in this vital regard at the crossroads. Yet, even if its power to enforce peace is as yet a very insecure shield, the League has changed diplomacy, and for the better. The statesmen of Europe have had, and still have, to justify their policies at

the bar of public opinion. Exchanges of views, which before 1919 were carried on within the framework of alliances, now take place within the League framework or with specific regard to the League as the instrument of world opinion.

If the statesmen have not produced an effective device for guaranteeing security since 1919, they have at least sketched a design for it; and it remains for all "good Europeans" to complete the structure. In that task, Great Britain has a responsibility commensurate with her traditions, her world-wide influence and her own selfish interests. An earnest of her intentions has just been given, in the declaration of sympathy by the Foreign Secretary with the aims of the proposed "Eastern Locarno" security pacts and guarantees adumbrated by the Foreign Ministers of France and Russia. Other clear pronouncements have been our participation in the declaration by Italy, France and this country last February, reaffirmed last week by Sir John Simon, that these Three Powers "take a common view as to the necessity of maintaining Austria's independence and integrity in accordance with the relevant treaties"; and the reaffirmations by various Cabinet Ministers that we "wholeheartedly stand by our (Western) Locarno undertakings." If we have decided to bring our air armaments into line with those borne by other European countries, we have also emphasised that we shall not relax our efforts to press for a comprehensive Disarmament Convention, and for a binding Air Armaments Convention. His Majesty's Government are even prepared to give up their reservation of air-bombing in remote regions for police purposes, if only a comprehensive Air Armaments Convention can be reached which will include control and supervision of military aircraft and of the use of civil aircraft for war purposes. France, to her credit, has gone even further, and proposed the utter abolition of air armaments; and in their Note of April 16th the German Government do not demand greater air armaments than a force of short-range machines (not bombers) equal to 30 per cent. of the combined air fleets of her neighbours or to 50 per cent. of the French air fleet, whichever is the less.

The year 1934 has, so far, heaped disaster after disaster upon the lovers of peace; but the moral force of the collective system has never enjoyed so much approbation as it now receives. Even in Germany, which quitted the League—precipitately we think—because in Germany's view it was not calculated to achieve her just claims, the Government, and certainly the people, are turning anxious eyes to their isolated frontiers and to the black prospect before a Europe sinking into complete anarchy. International Socialism—if "international" it now be—has been deeply moved by the emergence of the political thug's rule in Europe; and the Socialist parties of Scandinavia, Holland, and of this country itself have dropped their uncompromising resistance to war, substituting for it a willingness to engage in war "if waged in defence of the collective system" or "in fulfilment of League obligations." And Russia, once anathema to the Western Powers, has come out as an ardent defender, for her own purposes, of the collective system, and is desirous of entering the League. The dramatic revelation on June 30th that the Nazi State was not so very "totalitarian," and the apotheosis of political gangsterdom in Austria last week, provide fresh proofs that the collective system of security is the only guarantee of external and internal peace for the suffering and distraught nations of Europe. In the face of such considerations, and prompted by the realisation of our narrow link with the Continent in these days of winged death, no far-sighted Englishman can doubt where our true security lies.

That evils may come again in Europe, the same far-sighted Englishman will admit. He will, then, probably find himself, as a realist and much to his surprise, agreeing with Machiavelli that "we should never submit to an evil to prevent a war; in fact, we do not thereby avoid it but only defer it to our great injury." But he will also bend his energies to the practical realisation in Europe of that oft-neglected other maxim of Machiavelli, "There is a medium between a foolish security and an unreasonable distrust." In so doing, he will be working at once for the peace of Europe and for the security of England. That is the lesson of twenty years ago. Whether it has been taken to heart, the peoples of Europe and their governors must, in these recurring fateful days, decide.

OUR AGRICULTURAL POLICY.—II

IN the first article of this series we dealt with three methods of assistance to agriculture—viz. tariffs, quotas and processing taxes or levies. The fourth method of assistance that has been adopted is that of subsidy from the Exchequer.

The earliest, and hitherto the costliest, of these direct subsidies is that for beet-sugar granted in 1925. The subsidy was granted without limit of quantity and was to be sufficient to make the cultivation of sugar-beet remunerative. As a consequence, a number of beet-sugar factories have been erected in different parts of the country, and the acreage under sugar-beet has risen from virtually nil to 366,000 acres. Subsidy payments have amounted to almost £30 millions, and in addition the Exchequer has lost nearly another £10 millions by remitting half the excise duty. The total cost to February 13, 1934, was £39,631,000; the cost in 1933-34 was £6,250,000. The net market value of sugar produced from British beet was only £2,900,000 in 1933-34; the rate of subsidy in 1932 was exactly half the price paid to the growers (£7 4s. out of £14 8s. per ton), and has subsequently increased. There is thus no sign whatever of the industry becoming self-supporting.

The other subsidies have arisen out of the marketing schemes shortly to be described. The greatly increased supply of milk which has to be disposed of at the unremunerative "manufacturing" prices has led the Treasury to grant advances sufficient to guarantee a minimum "manufacturing" price of 5d. a gallon in summer and 6d. in winter for the two years beginning April 1, 1934. These advances—which are estimated to amount to about £1½ to £1¾ millions in the first year—are repayable after April 1, 1936, only if the manufacturing price is then higher than 6d. a gallon in summer and 7d. in winter, and in view of the uncertainty of this increase, the advances are properly classified as a subsidy. In addition grants of up to £1,750,000 have been promised to assist in campaigns for purer milk and for publicity.

The most recent subsidy is that for beef producers, which has been granted for six months at an estimated cost of £3,000,000. The declared policy of the Government is to restrict beef imports while also imposing an import levy for the assistance of the home producer. They are hampered in the execution of this policy, however, first by the Ottawa Agreements with Australia and New Zealand, which prevent any levy being imposed, without the consent of those Governments, before 1937; and secondly by the Argentine Agreement, which stipulates that any restriction of imports from the Argentine must be accompanied by restrictions of Empire imports. The subsidy is intended to prevent the collapse of the market while negotiations are continued in the attempt to surmount these difficulties.

It remains to consider *seriatim* the various schemes under the Agricultural Marketing Acts, which are the centre of the Government's policy. The first to be enacted was the Hops Scheme, which came into force in September, 1932. The industry is small and localised, and has only one customer, the brewing industry. These circumstances have enabled a very rigid organisation to be built up. The Hop Marketing Board has a monopoly of the sales of hops, and was able in 1933-34 to secure a price almost double that of the first year of its operation. As the scheme now stands, after the amendments approved last month, the Board is to estimate each year the total demand for hops and to allot quotas to individual producers on the basis of their average annual production in 1928-32 (thus establishing a monopoly for the existing producers). All hops must be sold to the Board. The brewers have agreed to a price of £9 per cwt. for the next five years, and have agreed to take from the Board at least two-thirds of their requirements. Any balance of production unsold is to be bought from the Board by a Permanent Joint Committee (appointed by the Board and the Brewers' Society) out of the proceeds of a levy of ros. per cwt. added to the price of all hops sold by the Board. This surplus is to be disposed of by the Committee. Imports are to be limited to 15 per cent. of the total requirements of the brewers. The scheme, especially as amended, has given rise to numerous protests, particularly on the score of the monopoly it creates.

The Potatoes Scheme came into effect in December, 1933. The Marketing Board in this scheme, unlike the others, is not a party to the sales of potatoes, but confines itself to the determination of prices and of the volume of sales. The potato crop is highly variable, and as the demand is inelastic and foreign competition small, prices in the past have fluctuated widely. Under the scheme acreage quotas are allotted to the individual producers and fines of up to £5 per acre can be exacted for excess planting. The yield per acre, however, varies considerably from year to year, and the Board regulates the volume of sales by fixing a minimum size, determined by "riddle," below which potatoes may not be sold. Of all the schemes, this is the least complicated in structure, but it is of a very drastic character. The period of its operation has been too short for any opinion on its value to be possible.

The two largest and most complicated of the marketing schemes already in force are those for bacon pigs and for milk. The salient fact of the pig-breeding industry is that the supply of pigs is highly variable both seasonally and also from year to year. This "pig cycle" is due in the main to the rapid maturity and prolific breeding of the pig. Low prices for foodstuffs and high prices for pig products (themselves probably the effects of under-production) quickly lead to a very rapid increase in the number of pigs bred, resulting in turn in scarcity prices for foodstuffs and unremunerative prices for pigs. The seasonal fluctuation is in part a matter of custom and in part related to the other operations of a mixed farm—for example, to the abundance of skimmed milk and whey in the summer months. A further difficulty is that pig-breeders supply two markets, that for bacon, where home supplies are only a small part of the total, and that for pork, where the home producer has a virtual monopoly. The majority of pigs bred in Great Britain have been of a type suitable for sale in either market, and consequently perfect for neither. The supply of pigs to the bacon curing factories is consequently erratic and poor in quality.

The Reorganisation Commission, which reported in October, 1932, decided that an attempt should be made to separate the bacon and pork markets and to expand the share of home production in the bacon market. This involved, on the one hand, higher prices and restriction of imports and, on the other, greater regularity of deliveries and better quality. The scheme, as it finally came into operation in September, 1933, was mainly based on the Commission's recommendations, although it omits some of them. Two Boards have been set up, a Pigs Marketing Board, representing the breeders, and a Bacon Marketing Board, representing the curers; each has a monopoly in its own field, and price negotiations are conducted between them. Breeders enter into contracts specifying their deliveries twelve months ahead, while a system of premiums encourages the production of good quality pigs. National consumption was taken as 10,000,000 cwt. per annum, and imports were to be restricted by quota to the amount not contracted for by domestic producers. For the preliminary contract period (November, 1933-February, 1934) the price was fixed at a standard figure, varying according to the grade of pig and also in accordance with changes in the prices of feeding stuffs. Attracted by this price, no less than 620,000 pigs were contracted for, a rate of production nearly double that of 1930. It was assumed that the estimates had been made on an optimistic basis, but actual deliveries were well up to the contracts. Consequently, imports had to be still further restricted, while the curers, finding themselves quite unable to sell this large quantity of bacon at the contract price, had to be assisted by a loan from the Treasury, which is now being repaid out of the proceeds of a levy on all sales during the present contract period. More recently, deliveries have been much below contract, deliveries in February, for instance, being only 98,146 out of 148,197 contracted. The explanation of these fluctuations is, of course, that the bacon and pork markets have not been separated, and that the deliveries of pigs to the Pigs Board are still influenced by the competition of the pork market. The contracts still show a very marked seasonal fluctuation, March being only 25 per cent. of October, but it seems likely that these fluctuations are to be still further accentuated by the effects of a relatively

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C. LOVIOZ }

Correspondents to the Italian Treasury

fixed bacon price and a fluctuating pork price. In an attempt to meet these difficulties, the contract price in the second period, now current, varies not only with changes in the price of foodstuffs, but also in accordance with movements in the price of bacon and in the realisation value of pig offals. In this way the profits—and losses—of the curers are being "shared" with the producers.

The milk scheme was also faced with the problem of a fluctuating supply and a divided market. Liquid milk is virtually immune from foreign competition, but milk which is sold for manufacture meets the competition of imported cheese, butter and other products. The "manufactured" price has in recent years fallen so low that it is unremunerative to the producer. Moreover, before the inception of the scheme, there was a growing danger that milk sold for manufacture would find its way into the liquid market and undermine the liquid price. The Reorganisation Commission, which reported in January, 1933, proposed to meet this situation by enforcing a rigid separation between the two markets, while subsidising the manufactured price out of the liquid price. All milk was to be sold through a Producers' Board, the prices received for it, whether liquid or manufacturing, being pooled and distributed equally to producers. A national pool would unduly penalise those districts the bulk of whose production went to the liquid market, while separate district pools would fail to meet the growing claim of the more remote districts to share in the liquid markets of the populous centres. It was consequently decided to have eleven regions, each with its separate pool, but with a provision for a compensation levy on each gallon of milk sold for liquid consumption, the proceeds of the levy to be distributed to the districts in proportion to the volume of milk sold for manufacture. There were also to be premiums for clean milk, etc. Producer-retailers (i.e. those retailing their own milk) were to pay their share in the administrative expenses of the scheme, and also the compensation levy. These proposals were adopted in the scheme, which came into force in October, 1933. Further proposals of the Commission, however, were rejected; these included, in particular, a Dairymen's and Manufacturers' Board which, with the Producers' Board and three appointed persons, were to form a Joint Milk Council, among whose duties was to be the fixation of prices. In the scheme as adopted, prices are to be determined, in default of agreement, by arbitrators, but this provision lapses on October 9th next, after which date the Milk Marketing Board will presumably be in a position to dictate prices.

One effect of the scheme has been to encourage an increase in the production of milk. Since the Ottawa Agreements prevent any restriction of imports until November, 1935, the Board has been faced with the problem of a growing surplus of milk which has to be disposed of at unremunerative prices that are likely to weaken still further. To meet this situation the Treasury is making the advances referred to above. There have been loud complaints from producers

of the low prices paid under the scheme, but it appears to be working well, in a technical sense. Its difficulties are likely to arise partly from the dangers attaching to price-fixing by a Board subject to dismissal by vote of the producers and partly from the inherent absurdity of encouraging the growth of a surplus which has to be sold at a loss.

These four are the only marketing schemes actually in operation. Two more, for sugar and for sugar-beet, have reached the stage of public inquiry. Considerable surprise has been expressed that sugar, as distinct from sugar-beet, is considered to be an agricultural product. The two marketing schemes, taken together, appear to be a device by which, in return for a monopoly, and assisted by an import levy, the sugar refiners would take the burden of the sugar-beet subsidy off the shoulders of the Treasury and impose it on all sugar consumers. A Reorganisation Commission for Fat Stock has reported, recommending a marketing scheme, but the present indication is that it has been shelved in favour of the "processing-tax" method of approach. Another Reorganisation Commission for Eggs and Poultry is now sitting under the chairmanship of Dr. Addison, who, as Minister of Agriculture in the Labour Government, passed the first Agricultural Marketing Act in 1931; the report is expected shortly.

In a third article we propose to discuss the principles raised by, or the consequences of, these various schemes.

GANGSTER POLITICS IN EUROPE

IF Herr Hitler's desperate "clean-up" of the German Nazi Brownshirts on June 30th marked the zenith of Nazi arbitrary rule in Germany, the barbarous murder of Chancellor Dollfuss in Austria last week marked the apogee of Nazi methods—the limit of their remoteness from normal political conduct.

Ever since the phenomenal rise of the Nazi star in the elections of August, 1932, a tide of political murder, terrorism and savagery has engulfed the Continent. Apart from the chronicle of persecution in Germany, a Prime Minister of Roumania has been assassinated by members of an organisation inspired by Nazi methods and modelled on them. A Polish Minister of the Interior has suffered a similar fate at the hands of murderers nurtured in the same school. *Coups d'Etat* in all three Baltic States have been necessitated or frustrated by reason of similar organisations. Finally, last week's appalling events in Austria are the inevitable outcome of Nazi methods, which have not only been copied from the German Nazis themselves but have for nearly eighteen months been sedulously fostered by them. Despite Herr Hitler's reported assurances to Signor Mussolini at Venice in June, and despite his summary execution of seventy-four Nazi leaders in Germany at the end of that month, the agitation and incitement, directed mainly from Munich, against the late Austrian Chancellor's Government, was not abated. Only last week the Swiss Government decided to protest strongly to Berlin against the recently discovered munition-running from Germany into Austria through Swiss waters on the Lake of Constance—a discovery which establishes, more even than the discovery of the words "Reichswehr Weapon Office" on the remains of bombs exploded in Austria, the responsibility of German Nazi authorities for much of the unhappy episodes which have just reached their climax in Austria.

That the Dollfuss regime was not solidly founded on the popular will is probably true. Caught between Nazis, Socialists and Heimwehr Fascists, Dr. Dollfuss—and indeed anyone else—would have been attempting the impossible, and making his country over to warring factions as much as it now is, if he had tried to determine what the popular will of Austria was. That is the vicious dilemma with which fifteen years' of impotence in the face of economically nationalistic neighbours faced Austria. But that Dr. Dollfuss did not dare, in the circumstances, to hold free elections is no justification for the rule of murder and terrorism. If elections had been held they might have engendered open civil war between the factions; and they would certainly have given free play to just those Nazi methods of terroristic pressure against which the League of

Nations itself, in June, took steps to protect the inhabitants of the Saar during the plebiscite next January. So, invoking the plea of dictatorship in Austria, the malcontent Nazis fell to their political gangsterism in the hope that a combination of political instability and loss of tourist income would cause the Austrian State to fall into their lap, and so into the lap of Nazi Germany.

In the event, the level of political and social life in Central Europe has degenerated to a lower level than that of Florence under a mediæval prince. As *The Times* admirably summed up the situation last Friday:—

There has been nothing for centuries like the vogue of political assassination which threatens, if it goes any further, to submerge the civilisation of a continent. The ordinary decencies of public life, the conventions which raise human society above the life of animals, the bonds of family relationship—all these are being swept away by political desperadoes who respect no laws and recognise none of the common obligations of humanity, but who choose to consider that their own particular purpose may and should be achieved by any methods, however barbarous or inhuman. . . . The full story (of Dr. Dollfuss's assassination) is making the name of Nazi to stink in the nostrils of the world. A system which flourishes on such methods inspires loathing and disgust everywhere.

If such are to be the methods of the new *Machtpolitik* in Europe, and if that is the level of political conduct upon which the vexed questions of European security are to be debated in future, the immediate question arises: What can be done to save Europe from such a catastrophe?

Happily, last week's events in Austria have acted as a cold douche on the frenetic apostles of might. The immediate problem of Austria's future may not have been solved; but Signor Mussolini's telegram to President Miklas has left no doubts as to Italy's attitude; and the massing of Italian army corps on Austria's frontiers during the recent fighting between Nazis and Heimwehr is an earnest of that attitude. Moreover, the French Press is virtually unanimous in declaring that Austrian integrity must be upheld, and in urging that Italy and France, together with France's associates in Central Europe, should maintain a common policy with regard to Austria. This fortunate conjuncture of French and Italian views in a major issue may reassure those who think they see a European war developing from the long post-war friction between Italy and France's associate, Yugoslavia. Finally, Herr Hitler, with discretionary zeal, has hastened to disavow any official German connivance or connection with Austrian Nazi activities. He has recalled the German Minister to Vienna for "intervention" between the rebels and the Austrian authorities; he has arrested Herr Habicht, the official Nazi "Inspector-General for Austria," whose broadcast agitation against the Dollfuss regime did as much as anything to incite the Austrian Nazis to terrorism—but only after eighteen months of encouraging Herr Habicht; he has prevented the renegade Austrian Nazi Legion, which has long been bivouacked inside the German frontier, from joining their fellows in Austria; and he has refused asylum to fleeing Nazis who thought that Germany, the spiritual home of the Nazis, would take them to its bosom.

It remains to be seen, however, what transpires inside Austria. The sceptre of power, though nominally in the hands of Dr. Schuschnigg, in reality dangles between three or four men. Those who command the forces in Austria to-day control politics, as the captains of Legions did in the last days of the Roman Empire. Prince Starhemberg, the Vice-Chancellor, is Chief of the Heimwehr, which he created. He is young—only thirty-six—and impulsive; and it is reported that, when Chancellor Dollfuss made overtures to the Nazis in Berlin last Christmas, he found, to his surprise, that Prince Starhemberg had been there before him through the intermediary of Count Alberti, who, it is rumoured, was shot in the "clean-up" in Germany on June 30th. Thus, the relations between the Heimwehr High Command and the German Nazis are by no means clear. Then there is Major Fey, the Chief of the Vienna Heimwehr, who passed on the mantle of Vice-Chancellorship to Prince Starhemberg only three weeks ago. While he has been called "Austria's strong man," his following in the Heimwehr as opposed to that of its supreme chief is not clear either. Next comes Dr. Schuschnigg, lately Minister for Education, and now Chancellor—a Christian-Socialist, Catholic, Monarchist; favourable to the restoration of Otto

of Habsburg; and controlling the Ostmärkische Sturm-scharen, a militant Catholic youth organisation as numerous as the Heimwehr. But Dr. Schuschnigg is as near to the late Dr. Seipel's views, and to the views of the present Austrian Cardinal Innitzer, as anyone available. And it should not be forgotten that Austria is now once again a Holy Catholic, if corporate, State, under a new Constitution which derives its sanction "from Almighty God." Finally, there is the drafter of that Constitution himself—Dr. Ender of the peasant Landbund, and virtual head of the Province of Vorarlberg. Although Dr. Schuschnigg has taken nominal command of Austria's destinies, all these men are interdependent; interdependent, that is, as long as any one of them does not eventually compromise with the Nazis and with Berlin. This consideration lends significance to the Austrians' conditions for their *agrément* to Herr Hitler's nomination of Herr von Papen as Minister to Vienna.

Whatever transpires now in Austria, the situation throughout Europe was never more complicated or in greater need of statesmanlike vision. If the new Austrian Government admits the thin end of the Nazi wedge, then the *Anschluss* is, in fact if not in form, accomplished. And in that case it is only a matter of time before one of two things happens. Either Italy will be involved in war against a Nazi bloc which will slowly but surely engulf Hungary, with her revisionist claims, and surround Czechoslovakia. Or Italy will be driven to make common cause with Germany in Europe, as she has already been within an ace of doing, in order to safeguard—for a season—her Central European-Adriatic foreign policy and the South Tyrol which she gained from the last war. That means a re-alignment of political forces in Europe, now that Russia and France are linked, which opens up alarming prospects for the Continent. On the other hand, if the Archduke Otto returns as Emperor of Austria, we have Dr. Benesh's and M. Yev-titch's words for it that there will be bloodshed in Central Europe. Indeed, Dr. Benesh is reported to have said that Czechoslovakia would rather come to terms with an Austro-German Nazi Reich than see again the union of Austria and a revisionist Hungary under the hated Habsburgs. To this dilemma Italy's Central European policy has largely contributed. After espousing Hungary's revisionist claims, she has attempted to revive Austria and Hungary economically by the Protocols of last March. But the economic future of Austria and Hungary is bound up with that of the Succession States; and no durable solution can be achieved in Central Europe until Italy and France induce their satellites to be reasonable and to conclude political and economic agreements which will permit prosperity to return to Austria, Hungary and the Little Entente together.

In these circumstances the rôles of France and of England are all-important. On France rests the responsibility for restraining her Little Entente allies and of supporting Signor Mussolini in maintaining an independent Austria, if he can do so. On this country rests the responsibility for seeing that counsels of resolute moderation prevail, both on the German and on the Italo-French sides of Austria. Those who talk of this country's interest in being "isolated" from the Continent would do well to remember that in 1908 an Austrian Foreign Minister, Aehrenthal, fostered sedition in Bosnia-Herzegovina, and, in defiance of a Council of Great Powers, annexed it. Therewith he sowed the seeds of Serb irredentism which sprouted into the most calamitous war Europe has ever known. "The wheel has come full circle." The annexation of Austria herself, by whatever name it is called, can hardly fail to unleash an even worse cataclysm in Europe, from which no Great Power would be immune. France, Germany, Italy and this country are, in fact, even if against their will, the Consuls of Europe. "Let the Consuls see to the safety of the State."

THE GAS INDUSTRY TO-DAY

The Board of Trade Returns give the total energy output of the Gas Undertakings in Great Britain as 148,481,280,000 B.Th.U.'s. The Report of the Electricity Commissioners gives the total output of the Electrical Undertakings of Great Britain—excluding traction—as 47,790,041,086,408 B.Th.U.'s. Both these figures refer to

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1932, the figures for 1933 not being yet available. The energy output of the Gas Undertakings of Great Britain in 1932 was, therefore, more than 3½ times as great as that of the Electrical Undertakings.

The Electrical Industry, however, is rapidly increasing in Great Britain, and raises far-reaching issues concerning the future of the gas industry. As developments in the electricity industry have somewhat overshadowed the steady progress of the older source of light, heat and power, we have invited Sir David Milne-Watson, LL.D., D.L., Chairman of the Gas Light and Coke Company, to contribute the following article on the situation and prospects of an industry on which he is specially qualified to speak.

HAPPY is the industry that has no history! The gas industry has a long and useful history; and from a psychological point of view this is a positive disadvantage. The casual observer is accustomed to associate long service, however useful, with declining efficiency, however gradual. In the gas industry's case this is a dangerous fallacy. Judged from a realist's standpoint, the gas industry to-day is as new as the radio industry. In the last few years the industry as a whole has installed new plant on an immense scale. It has adopted new methods of research. It has revolutionised its marketing policy. In short, it has little in common with the old gas industry, except an honourable tradition and a number of antiquated legal restrictions which are now being removed.

This rapid development can be illustrated most easily in the domestic sphere, which accounts for about 70 per cent. of the gas sold. Active research has brought the efficiency of domestic gas appliances to a high pitch, and as a result their consumption of gas has been much reduced. At the same time, the precise regulation of heat supply by tap control has been supplemented by the use of thermostats. Thermostatic control is to-day a standard feature of gas cookers. In the new types of water heater, the gas is lighted when the appliance is installed and is afterwards left alight under thermostatic control, which ensures that the gas consumed is precisely balanced against the amount of hot water used. In the case of gas-fired central heating, the temperature may be automatically regulated by a thermostat placed in one of the rooms.

Simultaneously new appliances have been introduced to meet new needs; the automatic gas refrigerator provides a ready example. The range of appliances has been steadily augmented to make possible a complete heat service for the home; for instance, all the operations of domestic laundry work can be accomplished by the gas washing machine, the gas iron, and the gas drying cabinet.

Most of the appliances which the gas industry puts out to-day embody new principles. Ten years ago the gas refrigerator, the panel fire and the automatically-controlled cooker were not on the market. They were all new products; and as such they raised new sales problems. These problems were met by a vigorous commercial policy. Improvements were effected in the design and finish of all appliances. Easy payment terms were arranged. At the

same time, the recruitment and training of sales staff was thoroughly reorganised.

Of the ten million consumers of gas, more than half receive their supplies from the prepayment meter. Many of these have been directly affected by recent housing schemes. The gas industry has played a remarkable part in promoting the better living conditions which are the aim of all housing policy. An overwhelming proportion of the new houses built under local schemes have been piped for gas and fitted with up-to-date labour-saving appliances. In Birmingham, for instance, the Corporation has completed the building of over 40,000 houses since 1919. All these have been piped for gas. In each "parlour" type of house points are provided for a gas cooker, a wash boiler, two gas fires in bedrooms and one in the parlour. In the majority of the "non-parlour" type of houses points have been provided for a gas cooker, wash boiler, and two bedroom gas fires.

In the industrial field, the main use of gas is for heat-processes requiring accurate control, reliability and convenience. Industrial consumers account for about one-fifth of the total sales of gas, and the proportion is steadily growing as industry is reorganised on modern lines. In Sheffield practically one-half of the sales of gas are to industrialists.

The non-technical mind sometimes confuses the meaning of the words "power" and "heat" as applied to industry. The following quotation from a report of the Fuel Research Board draws the distinction: "The sheet anchor of the gas industry in the future must necessarily be its possession of the cheapest known means of distributing potential heat energy in a convenient form. For lighting and power production the electricity supply of the future may seriously contest the field with the producers of gas, but for the supply of heat, gaseous fuel ought to remain supreme if its production and use are developed on sound lines."

This report was issued shortly after the war. Since that time the industrial uses of gas have been multiplied. Scientific research in the industrial laboratories of gas undertakings has contributed to the solution of many heat problems in industry. A degree of control of industrial gas appliances, unattainable by hand regulation, is now provided by automatic controllers for maintaining temperatures, oxidising and reducing atmospheres, and humidity. Thus conditions important to many industries may be varied by clock controllers to any predetermined cycle.

The work of the industrial laboratories established by individual gas undertakings has recently been co-ordinated in a national scheme. Ten industrial development centres are now in operation in various parts of the country, with a central office and information bureau in London. Their representatives regularly exchange information on the industrial problems which they are handling. By means of the centres, up-to-date technical information and skilled assistance is made available to the smaller gas undertakings which could not be expected to maintain an industrial laboratory out of their own resources.

It would be hard to overstate the importance of the gas industry in our national economy. In point of size, it is second only to the railways among public utilities. In point of efficiency, it is second to none.

The gas industry carbonises annually about eighteen million tons of coal, the getting of which keeps seventy thousand miners at work. The community receives 26 per cent. of the coal energy as gas, and over 80 per cent. of the energy when coke (which represents half the total heat value) and tar products are included. No other method of coal-treating handles our national asset with comparable efficiency. A comparison is inevitable. From the coal consumed for electrical generation, the public receive at most about 20 per cent. of the potential energy and there are no by-products like coke, tar, benzole and sulphate.

There are more than ten million gas consumers in the British Isles. This means that practically every family in an area of gas supply uses gas for at least one purpose. Three thousand branches of trade are known to use gas for an average of seven processes in each trade.

No statistics are available as to the saving of human energy effected by the substitution of gas for 18 million

tons of coal in the homes and workshops of the country; but no one who keeps abreast of social change can doubt that this substitution has been responsible for a silent revolution in the habits of the community, leading to more leisure and healthier and cleaner conditions of life. In this connection it will be remembered that the use of gas and gas coke is responsible, more than any other individual agency, for the gradual abatement of the smoke problem.

Nearly 115,000 are employed in the gas supply industry, apart from those engaged in ancillary trades. The relations between employers and employed are of the happiest nature. For many years most of the larger company undertakings have adopted co-partnership schemes whereby the employees receive a bonus, a considerable part of which is invested in the undertaking. To-day about 45,000 gas employees have an interest amounting to three million pounds in their undertakings. They have every inducement to further the common interest of consumers and shareholders, for they themselves belong to both classes. Works committees, composed of employers and employees, function in complete harmony to secure the best conditions for efficient and healthy work.

It is safe to say that the industry has never been better managed than it is to-day. Its officials, on both the technical and the commercial sides, are highly qualified men, and the standard of recruitment to the industry has been raised in recent years. Special systems of training have been organised within the industry itself. The supply undertakings willingly co-operate to support the central bodies which deal on a national scale with legal, technical, educational, and commercial problems affecting the industry. The tendency towards unification of administration over wide areas and to the amalgamation of undertakings should (in the case of well-conceived schemes executed under skilled and experienced management) yet further encourage and expedite the development of the industry.

The welfare of the gas industry is intimately bound up with the prosperity of the nation. In the years of depression, while maintaining its volume of sales, it has reorganised itself for a great expansion. By means of painstaking research it has been able to tap new sources of business. All the signs point to a new period of intense and rapid development and of increased usefulness.

OUR CRIMINALS

A BANK was once defined as "any concern engaged in bona fide banking business." With equal clarity a crime may be defined as any offence punishable by the police and criminal courts, which does not involve a civil action. The definition includes all offences against local bye-laws, breaches of statutes of the realm and of Departmental Orders, delinquencies over licences, revenue, etcetera, and goes far to establish the truth—in this country at all events—of Cato's pronouncement that no one lives without once committing a "crime."

The recent publication by the Home Office of the criminal statistics of England and Wales in the year 1932* affords abundant evidence of the catholic nature of "crime" in this country. Out of a total of 567,170 persons found guilty of criminal offences of all kinds in England and Wales in 1932, 502,211 were guilty only of non-indictable offences. But of these, 265,673 were guilty of offences under the Highway Acts, a significant comment on the importance of the motor car in "crime"; 34,796 of offences against the revenue laws—mostly for failure to take out licences for a car or a dog—and 30,432 were guilty of Sunday trading. Only 64,959 persons were guilty of indictable offences, i.e. of the more serious crimes; and 43,124 of these criminals were dealt with by Courts of Summary Jurisdiction.

From a study of the non-indictable offences not included as Highway, Revenue or Sunday Trading offences, it is possible to trace the effect of a continuous "improvement in social habits and social conditions." For example, drunkenness as an offence is on the decline, the number of

* Cmd. 4608. "Criminal Statistics": England and Wales, 1932. H.M. Stationery Office. 3s. 6d. net.

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offences having fallen from an average of 68,491 over the years 1925-29 to 58,609 in 1930, 46,846 in 1931, and only 33,858—or less than half the 1925-29 average—in 1932. This decline is doubtless due not only to an improvement in social habits, but also to the concurrence of economic depression with increased taxation on alcoholic beverages. Assaults averaged 29,000 in the earlier period, falling to 26,001 in 1930, 22,317 in 1931, and 19,299 in 1932. Even prosecutions for begging and for sleeping-out without visible means of subsistence declined by roughly 20 and 10 per cent. respectively. It should be noted, however, that these figures are of actual cases before the courts; the authorities may not have proved so strict in haling culprits before the law in the years of depression; but their lenience, if any, cannot have been of an order sufficient to vitiate the conclusion that, as a people, we are becoming more law-abiding; and this despite the recent considerable increase in the categories of "crimes" under the multifarious new statutes and Orders. Nevertheless, all these are mainly "technical" crimes.

Indictable offences formed only 14 per cent. of the total of crimes in 1932, but they are more indicative of criminal tendencies. Of the 64,959 persons found guilty in 1932 of indictable offences not less than 43 per cent. were under the age of 21 and 21 per cent. were under the age of 16. This is easily the most disturbing feature of the Report, though the increasing proportion of serious crimes committed by youthful criminals is a tendency observable in all Western countries. In this country, however, as in France and Germany, the proportion of our population under 21 is decreasing; and this makes the evidence of our criminal statistics the more disturbing. In the indictable offences group, female offenders accounted for 9 per cent. of those under 21 and for 12 per cent. of those over 21. Of all these offenders, 20 per cent., or 12,867 offenders, were dealt with by Juvenile Courts, which are empowered to try all indictable offences except homicide, committed by persons under 16 who elect to be tried by them; and 66 per cent. were tried by ordinary Courts of Summary Jurisdiction, leaving only 9 per cent. to Quarter Sessions and 5 per cent. to the Assizes. No less than 66 per cent. of the 52,092 offenders coming before the Adult Courts were dealt with by fines, recognizances or under Probation Orders; only 15 per cent. of the cases received sentences of imprisonment for more than three months; and only 1 per cent. received penal servitude.

In the different categories of crime committed by these 52,092 adult criminals, larceny accounts for 79 per cent. of the cases, and housebreaking and shopbreaking for a further 9 per cent.; sexual offences for 2 per cent.; and other offences against the person (mostly assaults) another 2 per cent. If we take the 12,867 children and young persons found guilty of indictable offences in Juvenile Courts, larceny accounts for 79 per cent. and housebreaking and shopbreaking 17 per cent., these two categories together forming 96 per cent. of all the juvenile cases; while sexual offences account for only 1 per cent.

The predominance of larceny and breaking-in offences among juvenile criminals is extraordinary. Of the grand total of 6,701 persons found guilty of house and shopbreaking, etc., 33 per cent. were under 16 and 55 per cent. under 21. As the Report points out, the opening of an unlocked door or an unfastened window constitutes breaking-in; and many young persons enter small houses temporarily unoccupied and take small sums of money—"often a few shillings from the gas meter." Larcenies also include minor offences, such as thefts of bicycles, bicycle lamps and pumps, thefts from automatic machines, etc. The category of offences against property continues to account for a greater proportion of crimes. This is hardly surprising when an economic depression is at its worst, and when so many people live at the bare subsistence level and even below it.

The figures of "crimes known to the police" are naturally very much higher than those of actual cases brought before the Courts. The proportion of crimes "cleared up" to the total of those known was a trifle over one-third in the period 1925-29; and it rose slightly in 1930 and in 1931; but in 1932, largely owing to the alteration in recording of crimes in the Metropolitan Police District, it declined once

more. In 1932, 5,180 offences against the person were known to the police, while in 1930 and 1931 the numbers were 5,669 and 5,283 respectively. In 1932 there were 1,046 cases of malicious wounding, against 1,174 in 1931 and 1,251 in 1930; and 1,590 cases were of indecent assault on females, against 1,668 in 1931 and 1,871 in 1930. In the latter group 745 persons were proved guilty, and of these 22 per cent. were persons under 16 dealt with by Juvenile Courts. There were 385 known cases of murder, attempts, threats and conspiracies to murder, manslaughter, infanticide and child destruction, against 377 in 1931 and 391 in 1930. The 141 manslaughter cases formed the largest item; of which 91 were connected with motor vehicles, and of these only 22 resulted in convictions. There were 78 murder cases, involving 93 victims; in 28 cases, involving 35 victims, the murderer or suspect committed suicide; and in 45 cases, involving 53 victims, 46 persons were arrested, the subsequent cases resulting in 8 persons being discharged and acquitted, 7 persons found insane on arraignment, 21 persons found guilty but insane, and 10 convicted and sentenced to death, of whom only 4 were actually executed. The number of suicides and attempted suicides continues to increase—of suicides, from 3,715 in 1921 to 4,909 in 1929 and to 5,657 (the record) in 1932; and of attempts, from 1,380 in 1921 to 3,094 in 1929 and to 3,299 (the record) in 1932. The figures of indictable offences and of persons convicted of them show that crimes against property are increasing considerably and are perpetrated to an alarming extent by youthful criminals; that sexual crimes and crimes of violence against the person are diminishing; that the number of murders is stable in an increasing population; that suicides are rapidly increasing; and that crimes of a "social" nature, e.g. drunkenness (always excepting the technical crimes arising from motoring, licence obligations, etc.), are on the wane.

It is interesting to note that 86 per cent. of persons found guilty of indictable offences were dealt with by the Courts of Summary Jurisdiction—i.e. Police Courts, Petty Sessions and Juvenile Courts, but no Quarter Sessions and the higher Courts—of which there are about a thousand in England and Wales. In these Courts there is no jury; magistrates decide both as to law and to fact; and though their decisions in most cases are subject to appeal, only 289 appeals to Quarter Sessions out of 545,335 convictions or orders for all offences, indictable and non-indictable, were lodged, of which 74 were quashed. Of the 43,124 persons found guilty of indictable offences in Summary Courts, 42 per cent. were dealt with under the Probation Act (8 per cent. dismissed after charge proved, 15 per cent. bound over without supervision, and 19 per cent. with supervision); 31 per cent. were fined; and 25 per cent. were sentenced to imprisonment without the option of a fine. Of the 12,867 children and young persons found guilty in Juvenile Courts (included in the summary jurisdiction totals), 85 per cent. were dealt with under the Probation Act—22 per cent. being dismissed after charge proved, 10 per cent. being bound over without supervision and 53 per cent. with supervision.

Finally, the Report for 1932 includes one study of great social value. The Commissioner of the Metropolitan Police in 1933 examined the records of persons over 16 first convicted of criminal offences in 1927 and again found guilty of such offences in the period 1927-32. The results proved both striking and disturbing. Of the males, 30.3 per cent. of those between 16 and 21 in 1927 were reconvicted, and 24.3 per cent. of those between 21 and 30. Of the females,

23.6 per cent. of those between 16 and 21 in 1927 were reconvicted, and 26.4 per cent. of those between 21 and 30. From a comparison of the percentages of reconvictions for each sex it would seem that the female of the adult criminal species is more deadly than the male!

The proportion of "reconvictions" is even higher in the case of persons "bound over" or whose charges were dismissed—the proportion being highest of all in the case of persons under 21. This prompts the uncomfortable reflection, reinforced by the figures quoted earlier showing the leniency of magistrates in Juvenile and Summary Courts, that our criminal youth is proving recalcitrant both to kindness and to severity. And this leads us to conclude that reforms are needed more in social conditions which engender criminal tendencies than in the ways of dealing with the young person once he, or she, has become a criminal.

The problem of crime in this country therefore appears to centre upon three main issues: the incentives to theft of property; the incentives to evade the growing number of revenue and administrative rules, laws and bye-laws; and the incentives to youth to commit crime, or the lack of resistance among the young to criminal tendencies. It is clear from the 1932 figures now published that the administration of justice in this country is neither inhuman nor vindictive, but rather sympathetic, at any rate towards the youthful or first offender. Many will ask, however, if "a still more excellent way" with beginners in crime is not now indicated, which will keep the enterprising young burglar from a-burgling. Such a reform, it would appear, needs to be of a broadly social nature. It would go far to allay those fears of a growing population of persistent criminals which the present figures tend to arouse.

NOTES OF THE WEEK

The Death of President Hindenburg.—Less than twenty years ago, in the days of the wooden statue and of the famous line of trenches, the name of Hindenburg symbolised "the enemy," and the Prussian militarism which the rest of the Western world had set out to destroy. In the last decade a turn of the wheel has given to the old Prussian soldier the opportunity of serving his country in quite a different sphere, and the world has come to look on him with kindlier eyes. During his eight years as President of Germany we have come to recognise in General von Hindenburg—now that his personality is no longer dimmed or distorted by wartime prejudices—a man of simple character, of a high-minded sense of public duty and of loyalty. While his best friends would not claim for him great distinction as a diplomatist or a high place in intellectual fields, his phlegm and character have been a great stabilising influence in the difficult times through which post-war Germany has passed. Though he may at times have been misled into serious errors of judgment—the most fateful of which was his breach with Dr. Brüning two years ago—his position at the head of the State has been a source of comfort to millions of Germans of sober and moderate opinion. The whole world expresses its sympathy to-day with the German people and pays tribute to a brave soldier and a great German. To the famous general succeeds the unknown corporal of the Great War; and clearly if the presidency is the proper office for the most outstanding figure of the nation there is no one to challenge Herr Hitler's claim to the succession. But in combining the offices of President and Chancellor, Herr Hitler is assuming for himself a position of sole and isolated authority which may flatter his ambitions but which he may live to regret. It was open to the "Leader"—by the appointment of a new Chancellor combined with a modification of the present constitutional position—to place himself above the rough and tumble, and by delegation of authority to free himself from being involved in the inevitable setbacks and discredits of day-to-day politics. The future of the Nazi movement in Germany is extremely obscure; its prestige is tarnished; and the economic difficulties that lie ahead of it are ominous and perplexing. By fusing the two offices, Herr Hitler has not strengthened his position or enhanced his prestige, but has, in effect, swept aside an institution which might prove to be (as last week's events in Austria illustrated in a different sphere) a valuable defence for national unity in time of crisis and difficulty. Of the future political repercussions in Germany of the passing of the octogenarian Field Marshal it is too soon to speak; for the moment it is sufficient to record not only that it marks the end of a long and honourable career, but also that it may usher in a new phase of Germany's rapid and incalculable internal evolution.

The Air Debate.—The chief characteristics of the debate in the House of Commons last Monday on the Government's programme for rearmament in the air were

the mildness of the party controversy over a question recognised on all sides as extremely grave, and the pointedness of the references made, from all parts of the House, to Germany. The edge was taken off the Opposition's criticism of the Government's plan by three points. In the first place, the Government's figures for total construction, total expenditure and length of period (five years) over which the increase is to be spread are obviously a compromise between the feelings of the Opposition that the moment is inopportune for starting to rearm at all, and the intemperate demands of representatives of the fighting Services and the "die-hards." In the second place, there was the Government's pledge that the programme can and will be cut down if at any moment the prospects for either an Air Armaments Convention or for a general reduction of armaments seriously improve. In the third place, there was Mr Baldwin's acceptance of the principle that the form of national defence for which not only these additional British air armaments, but all British armaments, are to be used, is the support of the system of collective security by the honouring of our British commitments. On this last point we do not doubt Mr Baldwin's own personal conviction and sincerity; but we are left wondering whether there is not still a majority in his party that believes in isolation as a foreign policy and in anarchic competition as the principle (if it can be so called) that is to govern our armaments. If it came to a struggle of wills, we are not sure that this element in the Conservative Party might not prevail. On the other hand, it is not impossible that the alarm at present tendencies in Germany, which seems the Government's real ground for embarking on rearmament in the air, may also secure that, if and when the programme is carried out, the additional force placed in our hands will be used in a constructive way; for it would be futile to suppose that we could stand aside from a conflict which we should have helped to bring on if we merely threw ourselves into an unregulated armaments race. The most striking sentence in the whole debate was Mr Baldwin's statement that our frontier has shifted from the cliffs of Dover to the Rhine. Did he mean simply that Great Britain is within range of attack by air from any Continental air bases within that distance of our coast? Or was he referring to Locarno? And, if so, was he saying, in effect, that if we were going to have an enemy in the air, that enemy was going to be Germany? Sir John Simon's remarks on the subject, on winding up the debate, point strongly to the last of these possible interpretations of Mr Baldwin's arresting but cryptic remark. So we come back to the fundamental question: For what purpose is this increased British air power going to be used? If as a contribution towards an invincible European air police, then the Government may succeed in making good their at first sight paradoxical claim that they are helping and not hindering the cause of peace. On the other hand, if we are giving the send-off to an unregulated competition in air armaments, then this is the prelude to that destruction

of Western civilisation which Mr Baldwin himself has repeatedly predicted as the outcome of another Great War. In the event, the Government's attitude to disarmament and to the collective security system from now on will be the test of their present avowed motives.

Parliament Adjourns.—After six months of Parliamentary session distinguished (apart from the usual budgetary proceedings) by much debate but little legislative achievement, the House of Commons adjourned on Tuesday for the summer recess, leaving two important Government measures in varying stages of incompletion to be polished off in the autumn, viz. the Betting Bill and the Sedition Bill. The first of these is, taken as a whole, a useful measure, though some of its provisions are highly debatable, and it has shown itself susceptible of improvement by amendments. But the last has nothing whatever to be said in its favour. Though some of its most vexatious features have already been removed in Committee—precisely those features, one may suspect, which inspired its origin—it still contains provisions of a sufficiently obnoxious character to be highly dangerous, and the Government would be well advised to take this opportunity of giving it a decent interment. No one, except a handful of reactionaries, really likes it, or is prepared to defend the principles on which it is based. These reactionary principles have aroused the keenest opposition, not merely from the more radical elements but even on the part of Conservative lawyers like Sir William Holdsworth. The supposed danger against which it is intended to guard seems to be little more than a bogey, and in any case the law as it stands provides any sensible Government with ample powers for dealing with seditious activities, whether in connection with the armed forces of the Crown or otherwise. The Government's prestige has already suffered considerably from the amendments it has been forced to concede. We hope, therefore, that it will have the good sense to abandon a piece of legislation which must exasperate everyone to whom the "liberty of the subject" is still precious.

Drought in England.—The Water Supply Emergency Conference called by the Ministry of Health reviewed the general position in the country on Tuesday, and the statement subsequently issued by the Ministry of Health paints a fairly reassuring picture. Of 221 larger undertakings which have reported, only 27 reveal present shortage, and all of them have measures in hand for dealing with the situation, 12 of them under the Emergency Water Shortage Act passed this year. Out of 721 smaller urban authorities, 677 report no serious shortage, present or prospective, while 34 report serious shortage, of which 29 have schemes for new supplies in hand, the remaining five being content to rely on economies in consumption. The situation of the rural district councils is distinctly less favourable. Out of 510 replies only 260 report no serious shortage, present or prospective, and 179 report serious shortage already existing in some part or other of their districts. Fortunately the position seems to be fairly well in hand; in 31 areas alternative supplies are already available and in 144 special action has been taken for arranging carriage, deepening wells, etc. There are, however, 74 areas which report that they may suffer shortage if enough rain does not fall by the end of September. Permanent schemes of improvement are in preparation in 38 urban and 180 rural areas, and 28 applications have been received (of which 17 have already been granted) for special emergency powers. The measures taken by the Government appear to have had some effect in improving the position, but it seems highly probable that the grant of £1,000,000 under the Rural Water Supplies Act is, as we expected, quite insufficient. Applications have already been received for schemes of permanent improvement which will, it is estimated, cost £2,299,000, and it is clear that a considerably larger sum will be required to place the rural water supply of the country on an efficient basis. This year's scare has served to impress upon the Government the urgency of a problem which has been too long and too complacently ignored.

Railway Labour Negotiations.—The parallel negotiations between the railway companies and the unions on conciliation machinery and the restoration of wage-cuts have taken a fresh turn, after the virtual deadlock on the wages question which was reached the week-end before last. Discussions on negotiating machinery, which had been suspended since the rejection by the unions in February of the companies' proposals, have now been resumed; and there seems to be good reason to hope that an agreement on this exceedingly important question will be reached. If that is so, it is clear that the negotiations on the wages question will be very much facilitated. There is good reason to suppose that neither side is inclined at present to force the issue to any desperate conclusion, and the reconstitution of the Wages Board should be a big step towards agreement. At the same time, it must be remembered that the companies are not likely to yield easily to the unions' demands, which can scarcely be justified on economic grounds. Railway revenues have not yet attained anything like the 1929 level (which was itself below the standard fixed under the Railways Act), though they have shown some recovery from the intense depression of 1932, when no less than £260 millions of railway capital went without dividend. Moreover, as the interim statements published by the companies show, the increase in gross receipts since last year has been absorbed to the extent of nearly half by an increase in labour and other costs. The case for an all-round restoration of cuts is therefore, to say the least of it, not established, whatever justification there may be for adjustments in certain special cases. Indeed, the railway shareholder, who has borne the brunt of the depression, may with justice urge some restoration of his dividends as a prior claim on the fruits of recovery.

The F.B.I. is Uneasy.—The business forecast of the Federation of British Industries for the third quarter of this year betrays a certain uneasiness about the prospects of this country's industrial recovery. The grounds for such uneasiness, when adduced by the F.B.I., merit careful attention. Indeed, the Federation, which was foremost among those organisations which demanded thoroughgoing protection for British industry, is beginning to see the limitations of that universal nostrum for all our ills. So much is clear from its own diagnosis:—

It is, however, becoming increasingly clear that so far from British trade being, as many still believe, at the beginning of a recovery, it is probably already back to normal, having regard to the limitations of the international situation. That situation shows few signs of improvement, and in some directions has deteriorated. Apart from the many outbreaks of social and political unrest, and the exacerbation of trade and exchange restrictions, the condition of certain of the countries still on an operative gold standard is giving cause for anxiety.

"Any further recovery," as far as this country is concerned, says the covering letter accompanying the F.B.I.'s Business Barometer, "must depend on improvement in the international situation, the signs of which are at present very problematical." We agree; and we would venture to refer those who share the F.B.I.'s anxiety to an article in the *Economist* of March 24th, entitled "The Limits of Recovery," which concluded with these words:—

Are we to direct our policy towards the restoration of an international regime, in which our industrial experience and geographical position will entitle us to a leading place, or are we to throw up the sponge and devote ourselves to making the best of our own limited natural resources? If we choose the former we may reasonably assume that we are at the beginning of a long period of expansion and economic development; but if the latter, we may as well reconcile ourselves to the fact that we are already nearing the limits of recovery.

It is reassuring to note that, on all hands, there is evidence of renewed concern among the business men, bankers and merchants of this country for the future of our international trade. Despite the meagre signs of recovery in this field which Mr Runciman was able to adduce in his defence of our Trade Agreements in the House on Friday of last week, an obstinate mass of over 2,000,000 unemployed persists, centred largely upon our heavy export industries. We, like

Mr Runciman, see no sign of any serious reduction of this still formidable figure, and in the absence of any plan for dealing with the situation that has created it, the F.B.I.'s concern is only too well founded.

* * *

Marshal Lyautey.—Marshal Lyautey was a soldier whose declared, and steadily practised, principle in warfare was "The enemy of to-day is the collaborator of to-morrow." When the Germans invaded France, the French Government ordered their Resident-General in Morocco to send the bulk of his forces back for the defence of the mother country and to retire to the Moroccan coast. He sent the troops, but refused to evacuate the territory in the interior of the protectorate which he had pacified in the course of four strenuous years; and his audacity was completely successful. Though his armed forces were still further depleted as the Great War moved towards its crisis in 1918, and though the people of Morocco were to some extent aroused against the French by German propaganda, the Armistice of November, 1918, actually saw the zone under effective French control in Morocco slightly extended in area as compared with its limits in August, 1914! The secret of Lyautey's miracle was that he offered the Moors foreign rule in a form which they did not feel was intolerable or humiliating. With extreme originality, he broke away from the previously prevalent French tradition of "assimilation"—a tradition which had turned Algeria into a bundle of French *départements* on the wrong side of the Mediterranean. In Morocco, under Lyautey's guidance, French rule took the form of working through native institutions and native authorities—a method which has, of course, been pursued, with similar results, by the greatest of our British colonial administrators in Africa. With this policy of respecting, and co-operating with, the Moors, Lyautey contrived to combine a rapid and vigorous process of material improvement and "modernisation": equipping Morocco with new harbours and railways, motor roads and cities. Fortunate in his latter days, he was able to save his work from being wrecked by the disasters of the Spaniards in their zone of Moroccan territory. After the fall of Abd-al-Karim, Lyautey was able to retire with his mind at rest; and he just lived to see his life-work completed by the surrender of the last "dissidents" in the Southern Atlas this summer. In the world as it has come to be, the modern Western "empire builder" has possibly become an anachronism; but history will remain to prove that Lyautey was a magnificent representative of a type which served its generation well.

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Poland and the Baltic States.—At a time when everyone is waiting to see whether the Franco-Russian plan for an "Eastern Locarno" takes practical shape, much interest attaches to the visits which the Polish Foreign Minister, Colonel Beck, has just been paying to the capitals of Estonia and Latvia. Even more remarkable, in view of the bad relations between Poland and Lithuania since Poland seized Vilna, is the visit of a senior Polish diplomatist to the capital of Lithuania. From Polish accounts of Colonel Beck's mission, it would seem as though the Latvian and Estonian Governments were in a mood to follow the non-committal "wait-and-see" policy towards the Franco-Russian project, which was the Polish Government's own attitude at first. Meanwhile, however, the Estonian Foreign Minister, Mr Seljamaa, as well as the Lithuanian Foreign Minister, has travelled to Moscow, and last Sunday Mr Seljamaa, together with the Latvian Minister in Moscow, handed to M. Litvinov an identical Latvian-Estonian declaration announcing that the two Governments had favourably considered the idea of a regional pact for mutual assistance for Eastern Europe, with the participation of the U.S.S.R., Poland, Germany, Czechoslovakia and the four Baltic States—reserving a right to propose amendments and additions after seeing a draft text. Whatever Poland's real attitude may be, Colonel Beck was undoubtedly correct in drawing attention, as he did in his speeches at Tallinn and Riga, to the pronounced recent tendency towards a constructive policy of solidarity in Eastern Europe. The identical acceptance, in principle, of the Franco-Russian plan by Estonia and Latvia is one of the first-fruits of the treaty

setting up a common council for the conduct of their foreign affairs which they concluded in February, on the lines of the Statute of the Little Entente. Recent tendencies in Lithuania, too, are significant. In March an attempted coup at Kovno by the *ci-devant* dictator, Professor Valdemaras, miscarried; and, since the professor was the incarnation of implacable enmity towards Poland, his failure on this occasion has doubtless smoothed the way for the Lithuanian-Polish *détente* which seems happily to be in progress at this moment. On April 26th, Lithuania made overtures to Latvia and Estonia for entering the system of solidarity in foreign affairs which they had reached between themselves; and, since the Lithuanian feud with Poland has been really the sole obstacle to this, we may perhaps now look forward to seeing the formation of a tripartite Little Entente in the Baltic region. All this looks favourable for the policy of MM. Litvinov and Barthou—but it would be ungenerous on their part if they failed to acknowledge their debt to Herr Hitler. The *Führer* has done wonders in composing the quarrels between Germany's neighbours, and if he really intimidates Poland and Lithuania into reconciliation with one another, that will be his diplomatic *chef d'œuvre*—up to date.

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Transport in Northern Ireland.—Sir Felix Pole, chairman of Associated Electrical Industries, Limited, and formerly general manager of the Great Western Railway, has presented a series of interesting recommendations to the Government of Northern Ireland for the future control of transport in that country, and the Minister of Home Affairs has accepted the general principles of the scheme. In the first place, it must be noted that the area of Northern Ireland is rather less than that of the county of Yorkshire, and the population not materially greater than the city of Birmingham. This comparatively small country is served by nine railway systems, the total route mileage in Northern Ireland being 754 miles; and, in addition, there are road facilities to the extent of 12,997 miles, as well as coastal transport. Large towns are non-existent with the exception of Belfast and Londonderry, both of which are situated on the seaboard. There are comparatively few villages, and owing to the system under which land is held the population is widely scattered, thus facilitating the development of road transport with consequent adverse effects on the railway position. In these circumstances, Sir Felix Pole proposes the establishment of a Road Transport Board to take over all road motor services, including those operated by the railway companies and the Belfast Corporation transport department, but excluding the road goods-vehicles owned by ancillary users. It is not intended that all road transport undertakings should be amalgamated as from some appointed day, but that in the first instance the larger concerns should be consolidated, power also being given to the Board to acquire the smaller operators to whatever extent may subsequently be deemed necessary. The railway companies and the Board should then be required to enter into an agreement for pooling their receipts, and this pool should be administered by a standing joint committee somewhat similar to that set up under the London Passenger Transport Act of 1933. There are numerous contingent recommendations, notably that the railways should be freed from all restrictive legislation, and in particular that the statutory enactment of a classification of goods and of maximum schedules of rates and charges should be abolished. Sir Felix Pole states that the solution which first occurred to him was to advise the creation of a Board with power to acquire all existing transport organisations by means of an issue of stock in exchange for the securities of the rail and road companies on the basis of a valuation. But the peculiar circumstances of Northern Ireland presented grave obstacles to the constitution of such an authority, largely because six of the nine railways operate partly in Northern Ireland and partly in the Free State, and railway amalgamation was therefore impracticable. As an alternative, the railway companies asked for powers to become sole providers of public transport in their respective areas, but Sir Felix wisely came to the conclusion that this would not be in the interests of the community. It is to be hoped that the co-ordination of rail and road on the lines suggested will

not lead to the undue restriction of road transport, particularly as the railways are to be authorised to invest in the capital of the Road Board. Careful supervision will obviously be necessary in administering the new system, for Sir Felix recognises that portions of railway may no longer be commercially justifiable. One safeguard against any monopolistic pressure in connection with goods traffic will be the ancillary user, who, as already mentioned, is untouched by the scheme.

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Sterling and International Prices.—Commodity prices both here and abroad have remained subject to conflicting influences. On the one side there is the drought factor, which explains the recent increases in cereals and cotton prices. Against this the virtual disappearance of Germany as an importer of raw materials is a leading cause of the heavy and continued fall in wool prices and, during the past fortnight, in non-ferrous metal prices. On balance, sterling prices are slightly lower than a fortnight ago, though still higher than at the beginning of July. American prices, on the contrary, continue to advance, for during the past fortnight, the *Economist* primary products index number has risen by 2.0 per cent., while the general Irving Fisher index number had up to July 25th risen by 0.4 per cent. On the Continent the fall in French prices has for the moment been checked. German prices continue to rise.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
	British Complete Index (sterling)	Primary Products (sterling)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	93.8	140.9	93.5	95.8	91.8
Apr. 20th	103.8	105.4	83.6	129.5	89.6	87.0	85.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	88.1
Oct. 19th	103.1	112.3	84.0	143.8	88.6	92.7	86.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	83.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	89.7	86.8
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	85.1
1934							
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	88.5
Feb. 14th	109.3	119.9	128.6	161.7	106.3	87.0	88.4
Mar. 14th	109.1	121.3	128.0	161.3	107.9	86.1	88.0
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	88.1
Apr. 11th	108.4	120.2	128.6	158.7	106.4	86.1	87.9
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	87.7
May 9th	108.2	121.7	129.4	160.0	106.0	85.6	88.0
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	88.5
June 6th	108.2	122.3	134.4	162.3	110.1	84.1	88.9
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	89.6
July 4th	107.7	123.2	133.4	161.7	112.8	82.0	89.1
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	91.1
August 1st	109.2	124.7	139.4	162.5	112.8*	81.6*	91.3*

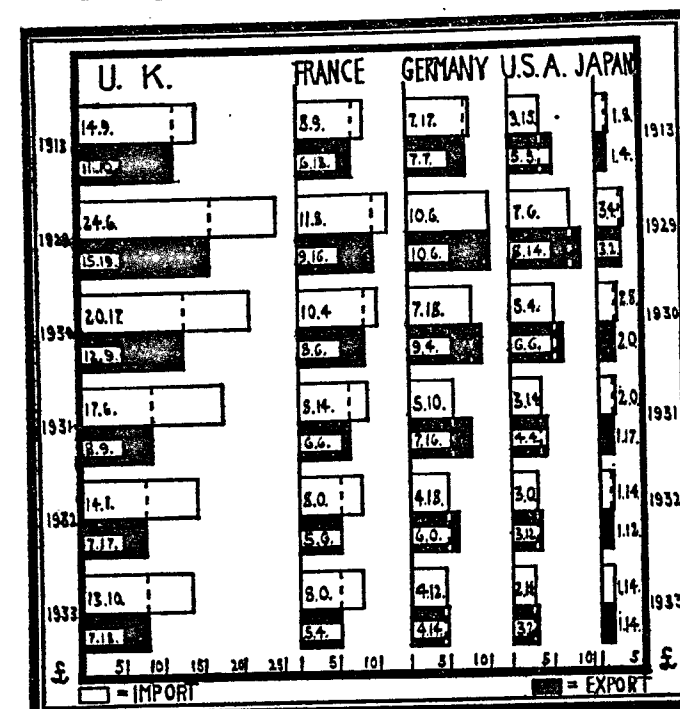
* These figures refer to July 25th.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX (1927 = 100)			
	Sept. 18, 1931	July 4, 1934	July 18, 1934	Aug. 1, 1934
Cereals and meat	64.5	67.8	73.0	73.3
Other foods	62.2	58.7	58.0	58.3
Textiles	43.7	52.9	53.3	52.6
Minerals	67.4	76.6	76.6	75.0
Miscellaneous	65.8	69.2	69.4	69.9
Complete index	60.4	65.1	66.2	66.0
1913 = 100	83.1	89.5	91.0	90.8
1924 = 100	52.2	56.2	57.2	57.0

In the cereals and meat group most grain prices were higher, and rice continues to advance. Beef is dearer, but mutton and bacon have fallen. New potatoes are beginning to become cheaper. Among other foods, there was a decline in tea, and advances in cheese and refined sugar. Cotton prices were irregular, but there was a further heavy fall in wool. Jute is dearer. In the minerals group non-ferrous metals were all cheaper, while among miscellaneous materials, petroleum, linseed oil, tallow, rubber and sulphate of ammonia all advanced, but there was a reaction in hides.

Foreign Trade per capita.—The accompanying diagram shows graphically the value of foreign trade *per capita* in the five greatest trading nations in 1913 and in each of the five latest years. The white rectangles represent imports into the countries concerned, the black rectangles exports; the figures are in pounds and shillings.



Several facts of interest emerge from this diagram. The first is the long lead of the United Kingdom. In imports, the lead of the United Kingdom over the other countries was roughly the same in 1933 as in 1913. Comparing 1933 with 1929, however, imports have been restricted in greater proportion in the United Kingdom than in France, but in smaller proportion than in the other three countries. In exports, the United Kingdom did not quite retain its pre-war lead in the later years. The decline since 1929, however, has been less pronounced than in the other countries, except France. The fact that French trade has apparently held up better in the depression than the trade of the other countries illustrates the statistical danger of "converting" trade statistics from one currency to another. French trade, being valued in the undepreciated franc, will tend to have a higher value in sterling, and it cannot be assumed that the declines in total sterling value stand in all cases in the same relation to the declines in actual volume. These comparisons must consequently be received with caution. Perhaps the most surprising results of the diagram relate to Japanese trade, which is both small in volume and, apparently, not increasing. Such facts as these help to put the problem of Japanese competition in the proper perspective. The diagram may be supplemented by the following table, which shows the share of each country in the total export and import trade of the world in recent years:—

	Imports			Exports		
	1929	1931	1932	1929	1931	1932
United Kingdom	15.2	17.2	16.6	10.7	9.4	10.4
British Empire (including U.K.)	29.4	29.4	28.8	26.3	23.8	27.2
United States	12.2	10.0	8.9	15.6	12.6	11.0
Germany	9.0	7.7	8.0	9.7	12.1	9.9
France	6.4	7.9	9.0	6.0	6.3	6.2
Japan	2.8	2.8	3.0	2.9	2.9	3.1

These figures reinforce the conclusions drawn from the diagram. In particular they illustrate the comparatively small volume of Japanese trade. Among the movements of the two later years the recovery in Empire exports and the decline in German exports are particularly noticeable.

* * *

The Volume of Overseas Trade.—Last week's issue of the *Board of Trade Journal* contained the usual quarterly article on the volume of our overseas trade in the second quarter of 1934, after the elimination of price changes.

The figures do not reveal any very striking general movements, but there have been interesting changes in individual classes of foods. The following table gives some comparative figures over a series of years:—

Period	Retained Imports				Exports of Domestic Produce			
	Declared Values	Index of Average Values	Values in terms of 1930 Values	Index of Volume	Declared Values	Index of Average Values	Values in terms of 1930 Values	Index of Volume
	Million £	1930 = 100	Million £	1930 = 100	Million £	1930 = 100	Million £	1930 = 100
1924	1,137	135.0	842	88.0	801	120.8	683	116.2
1930	957	100.0	957	100.0	571	100.0	571	100.0
1931	797	81.0	984	102.8	391	89.4	437	76.5
1932	632	75.3	857	90.3	365	83.3	438	76.9
1933	627	71.4	878	91.7	367	82.1	447	78.4
1931								
1st quarter	192.5	84.5	227.7	95.2	103.3	93.2	110.9	77.7
2nd "	189.6	82.0	231.2	96.6	95.8	90.8	105.6	74.0
3rd "	191.0	79.1	241.5	100.9	93.2	87.8	106.2	74.4
4th "	224.3	79.0	283.9	118.6	98.2	86.1	114.1	80.0
1932								
1st quarter	177.3	78.4	226.1	94.5	92.3	84.2	109.7	76.9
2nd "	153.4	75.3	203.9	85.2	94.7	84.3	112.3	78.7
3rd "	150.5	72.7	207.1	86.5	84.1	82.0	102.5	71.9
4th "	171.0	74.5	229.5	95.9	94.0	82.5	113.9	79.8
1933								
1st quarter	146.6	70.1	209.3	87.4	89.7	81.7	109.2	76.9
2nd "	148.5	70.2	211.5	88.4	85.6	81.2	105.4	75.9
3rd "	155.5	71.5	217.4	90.9	93.1	82.4	113.0	79.2
4th "	176.2	73.5	239.7	100.0	99.0	82.6	119.9	84.1
1934								
1st quarter	168.9	72.4	233.4	97.6	94.7	82.1	115.4	80.9
2nd "	164.2	72.4	227.0	94.9	95.0	82.6	115.0	80.6

Thus the volume of imports has declined further from the high level of the end of 1933, but this is to some extent a seasonal movement. In the food, drink and tobacco group, the volume of imports has remained almost constant throughout the depression and is now a little above the average level for 1930; but while dairy products and feeding stuffs show an increase of 7 and 30 per cent. respectively as compared with a year ago, imports of live animals fell by a further 10 per cent. to 51 per cent. of the 1930 level, owing to the restrictions on imports from the Irish Free State. As regards average values in the food group, the level last quarter was about 70 per cent. of the 1930 level and showed a continued fall in all categories, except meat, which con-

stitutes over one quarter of the whole group. This fall in import prices is in some measure due to the attempt to raise British agricultural prices by restriction of the market and the consequent competitive cutting of prices by producers whose other markets are for various reasons increasingly restricted. Average values of raw materials, on the other hand, show a slight tendency to rise even as compared with last quarter. The volume of imports of raw materials, which is a sure indication of industrial activity, and of the most important manufactured goods (non-ferrous metals, iron and steel products, machinery and chemical products) which are mostly raw materials for finishing industries, is greater than a year ago—except in the case of woollen and worsted yarns, which have fallen by 31 per cent. if the second quarters are compared, and by 9 per cent. if the first six months of each year are compared. It must be remembered, however, that the woollen industry experienced a revival before any other. The largest increases in imports were in iron ore and scrap (93 per cent.) and wood and timber (59 per cent.), due in the latter case largely to the building boom. In the case of exports there is a more marked tendency to a rise in average values, particularly in woollen and worsted yarns and manufactures and in coke and manufactured fuel, but also to some extent in iron and steel manufactures, cotton goods, vehicles, and in the whole class of raw materials. The volume of exports as a whole shows a slight fall compared with the first quarter of 1934, but it is well above the level of a year ago, and there has been welcome and continued expansion in our staple exports, coal, iron and steel manufactures, and machinery by 6, 16 and 24 per cent. respectively as compared with a year ago. Cotton goods alone show a small decline of 2 per cent. The first impact of the recovery in business activity was naturally reflected in increased imports; but it is now showing some small effect on the export side. A real revival, however, may easily be hampered by too high a level of prices. It should be noted that, while average import values stand at 72, as compared with 100 in 1930, export values are already at 82. The favourable effect of our devaluation of sterling in 1931 is thus apparent. We are, however, left with the query: when, and how, will the purchasing power of our clients abroad be increased? On the answer to this depends the future of our export trades.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

FRANCE

AUSTRIAN DISORDERS

THE murder of Chancellor Dollfuss and the Austrian riots have had an unsettling effect again on the Paris Stock Exchange, which had already been disturbed previously by the Tardieu-Chautemps quarrel. In such circumstances stocks reacted nervously and the price of many public funds fell two points in one session. To the public, the Vienna disorders seem to prove conclusively that in spite of the recent meeting between Hitler and Mussolini at Venice, the Reich has not abandoned its plan of promoting the *Anschluss*. The murders of July 25th following those of June 30th at Munich and Berlin, show that German policy is entering definitely on an era of violence which may provoke serious complications in Europe if the peaceable countries content themselves with a policy of indolence and passivity. Finally, the nomination of Herr von Papen as Ambassador of the Reich in Vienna was not thought to indicate any relaxation of this policy, but was considered rather as an effort on Germany's part to obtain by diplomacy and if necessary by stratagem, what she could not obtain by the *Putsch* of July 25th.

The capital market, then, remains uneasy and business is inactive. Hoarding was never so prevalent, though the fact that it is mainly of paper money proves that confidence in the franc remains intact. Its persistence, however, is an obstacle to business activity and to the increase of fiscal receipts.

This being the case, M. Germain-Martin, Minister of Finance, launched an appeal for national confidence, in which he denounced the excess of pessimism which had grown up and summed up the work achieved in the last five months: the Budget has been almost balanced, the Treasury is liquid, owing to its short-term loan policy and is in a position to launch a long-term loan if necessary, fiscal reform is being put into operation. Lastly the 1935 Budget will not exceed 47,000 millions and will be reduced to this level by economies, while the current Budget attains a "ways and means" total alone of more than 50,000 millions.

FRANCO-GERMAN COMMERCIAL AGREEMENT

The Franco-German negotiations, which began on June 22nd, resulted on July 28th in an agreement which will come into force on August 1st. This arrangement includes:—

1. A treaty covering commercial and shipping relations.
2. An agreement regulating Franco-German trade relations.
3. An agreement providing for a commercial clearing.
4. An arrangement for the payment of the coupons on the French share of the Dawes and Young Loans for the period under moratorium from July 1st to December 31, 1934. This arrangement applies to:

- (a) The whole French share of the Dawes and Young Loans.

(b) The bonds of the Dawes Loan and the bonds of foreign tranches of the Young Loan which were on June 15, 1934, the property of French citizens or of corporate bodies residing in France.

The clearing agreement, which is the basis of the whole, will work as follows:—This agreement takes into account the present balance of Franco-German trade, which leaves a credit balance in favour of the Reich. For the first six months of 1934, for instance, German exports to France amounted to 1,227,348,000 francs, while French exports to Germany reached 918,755,000 francs only. The balance in favour of Germany is more than 300 million francs. The clearing agreement set up in the new Treaty provides that from August 1st the payment of the commercial debts between France and Germany will be made through the offices of the Reichsbank in Germany and in France at the Office Franco-Allemand as a department of the Chamber of Commerce of Paris. Every debtor who has to make payments in Reichsmarks to discharge commercial debts to France must deposit the sums at the Reichsbank as they fall due. Every debtor who has to make payments in French francs to discharge commercial debts to Germany, must deposit, when due, the sums he has to pay at the Office Franco-Allemand. Out of the total which will be paid at the Office Franco-Allemand by the importers of German goods, a fraction of 15.75 per cent. will be credited every day to an account opened for the Reichsbank in the books of the Office Franco-Allemand. In order to estimate the value of this fraction of 15.75 per cent., the negotiators have predicted that German exports to France will reach nearly Frs. 2,600 millions. The deduction of 15.75 per cent. will then realise about 400 millions. Out of these 400 millions, a sum of 144 millions will be used for the payment of the coupons of the Dawes bonds and the Young bonds (reimbursement excluded). Other sums will be reserved to pay certain other German debts (notably the interest on the Standstill credits), that is 50 millions. A balance of Frs. 200 millions will remain at the disposal of the Reichsbank.

The payment for French exports to Germany must be made with the remaining 84.25 per cent., after the deduction of the 15.75 per cent. If the active balance of Franco-German trade should fall below the level which the negotiators have chosen as a base, the amount of francs available may not be sufficient to pay the French exporters and arrears for German commercial debts may reappear. In such a case, both Governments will meet again to examine the situation. This agreement after all has been concluded for a period of five months only. Both Governments will enter on new negotiations on November 15th and decide, on December 1st at the latest, on the renewal of the present agreement.

The main point of these negotiations was for the French delegation to afford to the French exporters a guarantee of payment for their goods. On the other hand, a few mutual concessions on the quotas have been granted in order to develop Franco-German trade. These concessions concern mainly worsted, colonial woods, wood articles, slates, Thomas scoria, thread, etc. As regards Morocco and the mandatory countries the *status quo* is maintained.

It should be observed that as a consequence of the new agreement, the French importers have lost the advantage of paying for German goods with blocked marks. They must pay with Reichsmarks which will be sold to them "at the average daily rate on the Berlin market." German dumping is thus counteracted, but a check is placed at the same time on the selling in Germany of French goods.

PARIS, August 1.

GERMANY

THE PRESIDENT'S ILLNESS

THE illness of President Hindenburg, which first became publicly known on Tuesday, caused considerable alarm and led to a sharp decline in securities. For years past the President has taken little real initiative in political matters. In the dismissal from the Chancellorship of Dr. Brüning,

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the first event of the militarist-political reaction, he was believed to have acted on the advice of personal friends; and after that he merely endorsed governmental actions, at times, however, showing a personal aversion to the provocation of conflicts in the Church. According to present practice, the German nation is not allowed to show its interest in the question of a successor should the President not recover; discussion of that problem in the Press is forbidden, even to the extent of suspending an incautious newspaper. The loss of the President would probably cause no immediate change in the now serious internal political situation, unless, indeed, the Reichswehr is destined to prove the determining factor, in which case the personality of its titular chief might play a deciding rôle. But Germany's damaged reputation in the international world would suffer further from the disappearance of the only politically prominent citizen who has an established reputation for real achievements and whose character enjoys general respect.

FOREIGN EXCHANGE

For the fourth week in succession (return of July 23rd) the Reichsbank's total reserve is practically unchanged. The gold holding, in consequence of a purchase from Russia, has recovered to Rm. 75 millions, but the foreign exchange holding is down to Rm. 3 millions, the lowest so far. German gold exports in the first half of this year totalled Rm. 451 millions and imports Rm. 162 millions. The net loss of gold in the last five and a half years is Rm. 2,442 millions. Gross exports of gold (omitting imports) were to France Rm. 2,088 millions, to Holland Rm. 832 millions, to Great Britain Rm. 662 millions (imports from the latter being Rm. 681 millions) and to Switzerland Rm. 314 millions. Russian deliveries of gold, in part for payment of commercial debts, in part paid for with foreign exchange, totalled Rm. 757 millions. On the question of Germany's balance of foreign payments under the latest transfer moratorium, a Berlin bank estimates that exchange proceeds from shipping services and foreign investments—less Rm. 150 million register mark withdrawals—will amount to some Rm. 250 millions a year, which would more than suffice to cover transfer on the basis, for all countries, of the new British, Swiss and French agreements, and also to cover interest at Rm. 90 millions on the standstill credits. There would remain only the deficit in the balance of payments caused by the import surpluses, which in the first half-year totalled Rm. 217 millions. Export in the first half-year was at the rate of Rm. 4,200 millions a year, which is almost exactly the value of imports in 1933. Against this must be set a loss of foreign exchange arising from the additional export process. Although no official figure is available, it is affirmed that 40 per cent. of total exports is now being conducted under this process, and that the resulting exchange loss is Rm. 400 millions a year. If this estimate is correct, a decline of imports below the 1933 figure by Rm. 400 millions would produce equilibrium in the balance of foreign payments. But naturally it cannot be assumed, as the official organs assume, that an enforced cutting of imports by any such fixed sum would

yield a corresponding net saving in foreign exchange. It can be shown from concrete German examples that enforced restriction of imports automatically reduces exports.

NEW CLEARING AGREEMENTS

New clearing agreements have been concluded with Switzerland and France. The Swiss agreement prescribes that all payments on account of goods, tourist traffic, and investments shall be made through the respective central banks. The Reichsbank will be credited with the German active balance. This agreement is to hold good until June 30, 1939, with the right of denunciation before then in special circumstances. The French clearing agreement is supplementary to a new commercial treaty, based on that of 1927. Instead of one treaty there are a treaty of commerce and navigation and an "agreement concerning Franco-German trade," the object of the division being to prevent permanent mutual obligations being upset every time difficulties arise in regard to tariffs, quotas and payments. (See the preceding letter from our Paris correspondent.) Germany is, with France, as with Switzerland, assured a free surplus of foreign exchange after deduction for the service of the Dawes and Young loans. On both sides certain quota concessions are made.

CONTROL OF IMPORTS

The Cotton Control Board has decreed that from August 1st spinners of raw cotton or linters may consume not more than 70 per cent. of their average consumption in the first quarter of this year. This measure supplements last week's restriction of working hours in the spinning mills to 36 per week. Shares of textiles companies have consequently heavily depreciated on the Bourse.

The outlook for such industries as are dependent upon imported raw materials is becoming more unsatisfactory. It seems likely that the policy of depleting the Reichsbank's reserves in order to produce a plausible ground for repudiating the debt service, including here the unnecessary repayment in the spring of last year of the two international credits, may revenge itself in a way not foreseen by the Government and the Reichsbank. In the name of *Autarky*, the Government last year took special measures to impede the purchasing of English yarns. The cotton spinners are now faced with a British refusal to sell further yarns on credit. It is stated that German debts on this account already reach £500,000. The cotton spinners are incensed with the Government. They complain that last year when its measures against imports were taken, and in particular before the fatal debts default, they could have got liberal British credit, and they add, further, that out of the exchange yield of their textiles exports they could have met these credits. The trouble here, as in other industrial branches, is not inability of German borrowers to pay in foreign currencies. Nearly all the industries that have borrowed, whether on long or short term, including steel, shipping and textiles, could easily transfer interest and also capital, where so contracted, out of their own export receipts, if only they were allowed to do so. The real trouble is that the insolvent Reichsbank, in violation of the Bank Law, has assumed the right to expropriate foreign currency belonging to private undertakings. The position of foreign creditors and of German borrowers would be better if there were no Reichsbank at all.

CREDIT AND FINANCES

Money for the month-end settlements was in relatively great demand, bank acceptances were heavily sold, and the marketing of Reich short-term paper temporarily ceased. By the third week of July only 72 per cent. of the June month-end loans had been repaid, so that the Reichsbank again enters a new month carrying unrepaid credits. Money rates in July were steadily somewhat above those of June. It seems that this was not entirely seasonal, but was connected with industrial developments and with the State's credit-creation programme. The official Konjunkturinstitut accuses the banks of not financing the industrial revival sufficiently. In fact, the Reichsbank, in order to be able to take over from the commercial banks a large sum (estimated at Rm. 1,200 millions) of "work-creation bills," restricted its rediscounting of commercial bills; so that while deposits in the banks have fallen, their commercial bill

portfolios have increased. The banks reject the Institute's complaint. Total deposits in the five chief commercial banks in June were practically unchanged; if foreign withdrawals are allowed for, a slight increase in home deposits appears. Savings bank deposits have for two months been declining, after a rapid recovery from the depletion that followed the 1931 credit crisis. This decline is probably connected with the rise in the cost of living. The Bank für Deutsche Industrie-Obligationen is embarking on the financing of consumption, apparently through the Commercial Investment Trust A.G., taken over from Americans. This company, known as "Citag," was started in 1926 as a daughter concern of the Commercial Investment Trust Company of New York.

Reich tax revenue in June totalled Rm. 710 millions, against Rm. 604 millions in June 1933. The first quarter of the financial year brought in Rm. 1,885 millions, against Rm. 1,618 millions in the same quarter of 1933. After certain tax-law changes (affecting slaughtering, fats, motor cars and champagne) are allowed for, an actual increase of Rm. 213 millions is claimed. Measured absolutely, the quarter's yield is the highest since 1930, but taxation has since then been materially increased. Among official optimistic comments on the financial outlook is the estimate of State-Secretary Reinhardt, Nazi Party deputy in the Finance Ministry, that (deducting yields of the new slaughtering and fats taxes) revenue in the current financial year will exceed that of last year by Rm. 800 millions.

PRODUCTION RISING

The wholesale price index for July 25th is 99.3, as against 99.1 on July 18th. The prices of building materials, and, as in former weeks, of livestock have risen sharply. In the rules under which exceptions from the general prohibition against opening retail shops are permitted, the Reich Minister of Economy has practically introduced concessioning, on a test of personal qualifications and "reliability." Industry in June was occupied to 59.6 per cent. of capacity, as against 58.7 per cent. in May. The production goods branches rose from 57.9 to 59.2 per cent.; consumption goods from 59.7 to 60.1 per cent. The building, motor-car and food-products branches benefit most. The home pig-iron market is active. Export of heavy iron and steel in the first half-year was 66 per cent. higher than in the same half of 1933. The Steel Trust (Vereinigte Stahlwerke) reports for the business year ending March 31st a net profit of Rm. 8½ millions. The change in the date of the business year and the fusion with Gelsenkirchen make it impossible yet to determine the real extent of the improvement in the Trust's finances. Some of the other big steel companies seem to be about to resume dividend payments. Import of iron ore in the first half-year was 3,622,000 tons, as against 2,113,000 tons in the same half of 1933.

BERLIN, August 1.

HOLLAND

ACUTE GENERAL DEPRESSION

GENERAL depression is still dominant in Holland, according to the June issue of "De Nederlandsche Conjunctuur," the official publication of the Central Statistical Bureau. Such improvement as can be recorded is of slight importance. At the end of April 320,000 applicants for work were registered at the labour exchanges, of whom 310,000 were unemployed; a year before 312,000 of the 336,000 registered applicants were unemployed. Actually, January, February and March made a better showing this year than April. The few encouraging signs now discoverable are to be found mostly in non-industrial trades, such as transport, fishing and agriculture. Industrial statistics perhaps show a very slightly improved tendency, but in the last few months stagnation has set in and the situation continues extremely precarious. The financial results of recent industrial operations are in general very discouraging. There has accordingly been little improvement in the Stock Exchange prices of industrial securities.

Foreign trade continues to be very depressed, although, if anything, there has been a little improvement recently in the volume of imports and exports. In value, however, they show a slight decline. The figures for the last five years are summarised in the following table:—

First half yr.	Imports		Exports		Import Surplus	
	1,000 tons	mill. gldrs.	1,000 tons	mill. gldrs.	1,000 tons	mill. gldrs.
1930	15,698	1,277	8,049	880	7,649	397
1931	14,280	988	8,273	677	6,007	311
1932	11,737	677	6,857	418	4,880	259
1933	11,055	563	6,246	355	4,807	208
1934	11,205	538	6,581	339	4,624	199

The import surplus dropped from 108.6 millions (last year 102) in the first quarter of 1934 to 91 millions (105) in the second quarter, so that in the first half of the year the adverse balance of 199.45 million guilders was about 8 millions lower than in January-June, 1933.

The Government has now introduced into Parliament the long-awaited Bill empowering it to declare certain industrial agreements binding. The Bill aims at making it impossible for a minority in an industry to prevent a majority from coming to agreements which it considers to the benefit of the industry. In fact the Government wants to restrict open competition for the benefit of the majority of firms engaged in any industry. The proposed legislation also provides for authority to declare agreements invalid in certain cases, if they are considered contrary to the interests of the community.

WAGE AND UNEMPLOYMENT PAY CUTS

The threatened strike in the Dutch collieries was averted at the last moment. The employers' proposal of a wage cut of 10 per cent. was modified, in consultation with the Government, to a reduction of 5 per cent., but this too was declared unacceptable by the employees. The strike notices for July 1st, however, were withdrawn provisionally, and at last the final concession of the employers was submitted, viz. a wage cut of 3 per cent., coupled with some reductions in house rents and a lower price for the fuel supplied to the miners, while the hope was expressed that within two or three months the mines would again be working five days a week. Agreement was reached on this basis, an additional inducement being the fact that the Government now appears to be contemplating measures for the benefit of the Dutch collieries.

The State finances are still causing great concern. The revenue is steadily declining, and remains considerably below the estimates. The new sales tax in particular, as well as the dividend coupon tax, has proved a great disappointment. The Prime Minister, Dr. Colijn, declared recently that the Budget situation for 1935 is giving rise to great anxiety. In 1935, he stated, the national debt will again be up to the high level reached immediately after the war, when the financial capacity of the country was so much greater. But even though the public debt will have risen by 235 million guilders in a year and a half, and will have been increased by another 200 millions by the end of 1935, an increase in the burden of taxation cannot be considered. Seeing that the Budget for the Dutch Indies for 1935 will close with a deficit of 75 million guilders, despite the numerous economies and the benefits of conversion, a big deficit is also being mentioned in Parliamentary circles for the new Dutch Budget of this country. The railways show a loss of 30 million guilders, and the State floating debt has already risen to 800 million guilders. Fiscal burdens have reached their utmost limits.

Economies will have to be enforced, if the Budget is to be balanced and the gold standard maintained. But how? The reduction in unemployment benefits has led to discontent and serious disturbances, which have had to be suppressed by armed force. And there are numerous branches of industry which are pressing the Government for additional or new assistance. The only satisfactory financial sign is the still declining rate of interest prevailing on the capital market. Numerous conversion loans have already come on to the market, but now for the first time a 3½ per cent. loan has appeared. The Province of South Holland has just issued a 3½ per cent. loan of 1.8 million guilders at 98½ per cent., followed by the Province of North

Holland with a 3½ per cent. loan of 56.3 millions at 97½ per cent. In addition, a few 4 per cent. municipal loans have been already offered above par. But from January to the end of May issues aggregated only 79,259,000 guilders, against 175,277,000 guilders in the corresponding period of 1933.

The downward trend of interest rates enabled the State to undertake the big 4 per cent. conversion loan some time ago, and now it is the turn of a large conversion of the Dutch loan. The great liquidity of the capital market has, however, not been exploited so far for the purpose of consolidating the big floating debt of the State.

AMSTERDAM, July 25.

JUGOSLAVIA

A POLICY OF PACIFICATION

M. BARTHOUS' visit to Yugoslavia during his East European tour has revealed some interesting political implications. It is true that both popular affection and official friendship for France have shown themselves unshaken, yet, at the same time, neither of them gave vent to uncritical outbursts such as in Roumania. Yugoslavia, in short, seems to be rapidly emerging from political adolescence as a result of her recently initiated Balkan policy. She seems to realise increasingly that, while friendship with France may remain the dominant feature of her foreign policy, this in no way precludes her from supplementing it by a policy of her own. It is maintained, for instance, that Yugoslavia has hinted to France that she would be in no way averse to a Franco-Yugoslav-Italian pact which would supplement her policy of pacification with her neighbours. And in this connection the great *rapprochement* with Bulgaria is by no means devoid of significance. Only last week, at a gathering of the Yugoslav-Bulgarian League, where a great number of influential people from both countries were present, a former Bulgarian Minister exclaimed: "Nevertheless shall there be war between our two brotherly nations," and this was acclaimed with the most tumultuous enthusiasm.

No less significant is the attitude of collective expectancy Yugoslavia has assumed towards Germany since the recent signs of a coming internal collapse. Popular rumour, in fact, has it that, just as at the beginning of 1933 the advent of Hitler strengthened authoritarian feeling in the country, now there may be a reversion towards a more liberal internal regime in Yugoslavia. Events, of course, will show how far popular feeling is correct.

The trade figures for April and May are of more than usual interest. They read:—

	Exports		Imports	
	Tons	Mill. dinars	Tons	Mill. dinars
April, 1934.....	260,000	263.2	67,800	282.6
April, 1933.....	205,000	225	50,700	208.4
Increase in 1934.....	55,000	37.8	17,100	74.2
May, 1934	263,000	257	103,800	327.7
May, 1933	257,000	244.2	64,000	237.8
Increase in 1934.....	6,000	12.8	39,800	8.9
In percentages.....	2.49%	3.13%	62.37%	37.80%
Jan.-May, 1934....	1,276,000	1,350.9	360,700	1,428.1
Jan.-May, 1933....	1,052,000	1,181.9	269,900	1,045.3
Increase in 1934....	223,000	168.9	90,800	382.8
In percentages	21.27%	14.29%	33.64%	36.62%

A RISE IN AGRICULTURAL PRICES

The obvious feature is, of course, the improvement both in the quantity and value of imports as well as of exports. But the deeper significance of the figures lies in the relation of the percentage value of the two, which should be read in conjunction with the index of prices.

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Hitherto, throughout the crisis, agricultural and export goods have been falling more rapidly in value than industrial and imported goods. This has meant not only that the peasant had to buy his requirements dearer and dearer as measured by the goods he had to offer, but also that his impoverishment was beginning to cut at the root of the deflationary policy initiated by the Government. Nor were there any signs of a reversal of this tendency till the beginning of this year, since when the index of prices read (1926 = 100):—

	Agricultural	Industrial	Total	Export Goods	Import Goods
December, 1933	52.7	68.4	62.3	59.2	73.5
March, 1934	54.4	69.2	63.3	58.1	71.8
June, 1934	64.8	68.5	65.6	60.5	70.7

Agricultural goods have thus not only begun to fetch more on the internal market since March, but, if we are to judge by May figures, when the rise in value was for the first time greater than the rise in quantity, they are also beginning to fetch more in external trade. This should indeed become of decisive importance should the complementary decline in the price of imported goods, which was very pronounced in May, also continue at least till a time when a balance between the value of imported and exported goods can be struck.

This rise in agricultural prices was, of course, brought about chiefly by the unsatisfactory harvest expectations. Thus, the 1934 harvest estimate is 19,800,000 metric cwts. of wheat, as against 26,350,000 in 1933 and an average harvest for the period 1924-33 of 21,500,000 metric cwts. But other forces have also contributed. Not least has been the Government's realisation that industrial "autarky" is impossible for such a small area as Yugoslavia, and that industry cannot benefit from protection and rising prices when there is no purchasing power among the real masses, i.e. the agricultural population. Already a declaration has been made by the Minister of Trade and Commerce that Yugoslavia is prepared to change her foreign trade policy and grant commercial privileges to importing as well as to exporting countries. This is supplemented by a more liberal policy in the granting of foreign currency for imports. Instead of trying to unfreeze all frozen dinars, the Government is using most of the money from export trade for import purposes.

Industry at home has also begun to benefit from the increased purchasing power of the peasant, as indicated by the rapid drop of unemployment from the peak figures in February of 29,000 to 11,700. Its profitability is however less, and for the moment industry is trying to make up for it by greater exploitation of labour, which in a number of cases has roused public indignation.

BELGRADE, July 24.

CANADA

UNFAVOURABLE CROP CONDITIONS

THE latest Crop Report of the Bureau of Statistics (published on July 11th) is not very optimistic, and declares that the condition of field crops changed very little in June. The rains in the first half of June came too late to help winter-sown grain and hay in Eastern Canada, but they revived pastures and gave a chance for spring-sown grain, roots and potatoes to produce average yields. The Report states that in the West the improvement in crop conditions was "not nearly as great as might have been expected from the generous June rainfall and moderate temperatures." The crops in the greater part of Alberta are quite promising, but in a large area of Manitoba and Saskatchewan they had been too badly damaged by early drought to make any real response to the improvement in weather conditions. Moreover, since July began there have been severe crop losses from hailstorms in the prairie country. The prospects of the crops in British Columbia declined slightly during June, but are still almost up to the average. Expressed numerically in percentages of the long-term average yields, the condition of field crops for all Canada on June 30th, as compared with May 31, 1934, and June 30, 1933, was reported as follows.

Fall wheat, 45 (45, 90); spring wheat, 82 (79, 77); all wheat, 82 (78, 77); oats, 87 (85, 84); barley, 84 (83, 84); fall rye, 57 (59, 74); spring rye, 80 (75, 73); all rye, 63 (63, 74); peas, 95 (91, 93); beans, 82 (—, 86); buckwheat, 94 (—, 92); mixed grains, 89 (89, 88); flaxseed, 78 (—, 69); corn for husking, 76 (—, 89); potatoes, 96 (—, 95); turnips, etc., 89 (—, 91); hay and clover, 82 (83, 88); alfalfa, 72 (66, 94); fodder corn, 87 (—, 89); sugar beets, 74 (—, 94); pasture, 86 (81, 89).

A SLIGHT SETBACK IN BUSINESS

There was a slight setback in business conditions at the end of June and the Bureau of Statistics' index of the physical volume of business for the week ending June 30th was 93.1, as compared with 93.9 for the previous week, while it was only 3 per cent. above the figure for the corresponding week of 1933. But for the first six months of this year this index has averaged 92.2, as compared with 77.4 in the first half of 1933. The last detailed indices cover May and, with the comparative data for April, 1934, and May, 1933, added, they are as follows:—

	May, 1933	April, 1934	May, 1934
Physical volume of business	76.4	92.6	99.6
Industrial production	72.7	91.4	99.9
Mineral production	110.8	160.2	146.3
Forestry production	75.7	94.2	103.6
Construction	15.1	28.9	35.1
Electric power	138.9	176.7	188.5
Distribution	86.7	96.0	98.5
Agricultural marketings	95.4	56.9	130.6

The car-loading figure for the fortnight ending July 6th at 91,081 cars showed a gain of 15,965 cars over the figure for the corresponding period of 1933; and the aggregate for the half-year at 1,094,453 cars showed a gain of 21.6 per cent. Bank clearings for the first half-year at \$7,507 millions showed a gain of 16 per cent. The weakest spot in the economic situation is the dearth of new construction, and building permits issued for May in 61 leading cities, although higher by 31.0 per cent. than the April figure and by 42.4 per cent. than the figure for May, 1933, were only valued at \$2,942,096, which is less than one-eighth of the total for May, 1930, the last boom year. The Government's programme of public works should in due course stimulate the construction industries, but it is unlikely to come into full operation until next spring. Meanwhile, factory industry is reasonably prosperous, and most plants have sufficient orders in hand. The output of pig iron for the first five months of 1934 was 120,521 long tons, compared with 35,353 tons in the same period of 1933; and for steel the corresponding figures were 353,509 and 88,862 long tons. The forestry and mining industries are steadily expanding their production and affording more employment, but the price of newsprint is still too low to yield adequate profits.

FOREIGN TRADE STILL INCREASING

The foreign trade returns for May were encouraging and with the comparative data for a year ago are as follows:—

	May, 1933	May, 1934
Imports	\$ 32,926,630	\$ 52,886,861
Exports	\$ 45,576,337	\$ 57,899,511

Commodity prices show a tendency to rise, and the Bureau's wholesale price index for June (base 1926 = 100) was 72.1, compared with 71.1 in May. As many as 112 quotations were higher, 78 lower, and 378 unchanged. The index for June, 1933, was 67.5; and for the first half of 1934 the average level of the monthly index has been roughly 10 per cent. above the figure for the same period of 1933. Retail prices have not experienced a parallel upward movement, the June index being 78.4, as compared with 78.7 for May and 77.0 for June, 1933.

Federal revenues continue to show encouraging advances. During the first five months of 1934 the combined yields of customs duties and excise taxes totalled \$61,499,507, as compared with \$47,399,160 in the same period of 1933. It is expected that the Government some time during the autumn will float a domestic loan of about \$500 millions, chiefly for the purpose of meeting obligations which mature in the near future.

OTTAWA, July 12.

MONEY AND BANKING

TRADE UNDER EXCHANGE CLEARINGS

(BY A CORRESPONDENT)

DURING the past twelve months responsible opinion in this country has travelled far on the road towards international trade by exchange clearing. This new idea has even become embodied in a number of trade agreements, and at the time of writing a delegation is discussing in Berlin its usefulness for liquidating the German debts due to British creditors. All this is hailed as progress, particularly by those who wish to replace the former "chaotic" conditions of international trade by a system in which goods will flow in well-ordered quantities planned wisely in advance by some omniscient board of experts. But what is new to England has been in existence on the Continent for some years past. Since 1930 an elaborate system of international clearing agreements has sprung up in Central Europe for the alleged purpose of liquidating international indebtedness and the promotion and regulation of inter-State trade. In this development Czechoslovakia and Hungary have played a prominent rôle, the former rather unwillingly as a creditor and exporting country which has seen the major part of its foreign balances blocked by exchange restrictions, and the latter as one of the leading debtor countries of Central Europe which has found itself unable to meet the demands of its foreign creditors. The reports covering 1933 just published by the central banks of these two countries afford an excellent insight into the operation of clearing agreements and their influence upon exports and the liquidation of international debts.

Hungary may best be considered first. She is still officially on the gold standard, but since 1931 she has suspended the complete transfer of her public and private foreign indebtedness. To-day 50 per cent. of the sums due on the League Loan coupons is being transferred, but all other external debts are met in pengös deposited with the Foreign Creditors Fund. Owing to the action taken by a number of Hungarian creditor countries and by the leading consumers of Hungarian products, clearing agreements were resorted to some time ago. These agreements have gradually been extended and tightened up, so that they now entirely control trade with Czechoslovakia, Austria, Italy, Germany, the Balkans and several other countries.

Under these agreements the foreign exporter of goods into Hungary is credited with pengös at varying rates, and under certain conditions he can use these pengös for the purchase of Hungarian goods. Some of the creditor countries are entitled to intercept a certain proportion of the sums paid in their currencies for Hungarian exports and to use these sums for the reduction of Hungarian indebtedness. In all other cases, the foreign creditor can only obtain repayment in the form of pengö credits, which can only be used as payment for Hungarian "additional exports." As a new stimulus to exports the Hungarian Government has also recognised the "black bourse" so that Hungarian exporters may sell part of their foreign currency receipts to importers at market rates instead of transferring them to the National Bank at the official rate.

Compared with 1932, exports for 1933 rose from P. 334 to P. 395 millions, while imports fell from P. 328 to P. 314 millions. The export surplus thus increased from P. 6 to P. 81 millions. The foreign currency receipts of the National Bank only amounted to P. 218 millions, or 55.1 per cent. of the total value of the exports. There was some increase in exchange allotments to importers, and the funds available at the Bank for debt services and other purposes decreased from P. 57 millions in 1932 to P. 54 millions a year later. Judging from the fact that "other liabilities" in the accounts of the National Bank—the item embodying the Foreign Creditors Fund—showed no change during 1933, it would appear that the rate at which new maturities were accruing kept pace with that of actual repayments.

It is difficult to assess the cost of these schemes to the foreign creditors, but some indication of the loss incurred by

them in financing exports of Hungarian produce is shown by the wide margin between the price of wheat in Budapest and Liverpool. The cost of the various export bounties and minimum price schemes to the Hungarian State is also unknown, but the National Bank was compelled to grant the Government a special credit of P. 100 millions for the financing of the Government Agricultural Debts Settlement Scheme.

The credits granted to the State under this scheme will not only add to the State's indebtedness to the Bank but will further affect the liquidity of the bills and securities held by the Bank. The foreign Creditors' Fund has re-lent nearly the total of its deposits to the State and its undertakings, and the acceptances of these undertakings and of institutions guaranteed by the State form a large part of the total bill circulation of the country. It must be assumed, therefore, that although no change has taken place in the total volume of bills held by the National Bank (apart from the P. 127 millions of bills returned to the National Bank by the B.I.S. under the Debt Settlement Scheme), their liquidity has still further decreased.

On the liabilities side public and private deposits have increased from P. 85 millions to P. 103 millions over the year, and there is a new liability of P. 119.7 millions on the cash certificates under the settlement with the B.I.S. There was also a rise in the note circulation from P. 329.9 millions to P. 368.6 millions. Against a fall in the metal reserves of more than P. 18 millions over the year, there has been a rise of more than P. 30 millions in the total volume of credits.

Let us compare the position of Czechoslovakia. To-day the country's external trade is largely covered by bi-lateral trade pacts and agreements under which foreign exporters of goods to Czechoslovakia are credited with Czechoslovakian crowns at the National Bank. This procedure has enabled the Bank to collect a greater part of foreign currency resulting from exports in 1933 than in 1932, but it has not prevented a fall in the Bank's gold and foreign currency holdings, despite the replacement of the passive 1932 trade balance of Kc. 139 millions by an active balance of Kc. 21.1 millions in 1933. To avoid excessive gold losses it was even necessary for the National Bank to take over privately-owned foreign balances and securities. This reduced by 20 per cent. the net foreign credit balance of the commercial banks. While the total volume of credit granted by the National Bank had been reduced by the end of 1933, there was some evidence of a loss of liquidity. In part this must be attributed to short-term financing by the Government to cover the deficit and its assistance to agriculture, to the bond market and to the commercial banks.

Superficially the Czechoslovakian position is much less desperate than that of Hungary. Statistics, however, do not tell the whole story, and during 1933 Czechoslovakia has adopted most of the measures for the regulation of production, agricultural prices and wages which have placed other countries on the road to destruction. As a richer country the effects of these measures upon the balance sheet of the National Bank and the Commercial Bank will not become apparent for some time.

In Czechoslovakia statistics are published showing the development of trade with countries enjoying stable currency, with countries under foreign exchange restrictions, and countries with depreciating currencies. Compared with the fall of 70 per cent. in imports from all sources since 1929 and in total exports of 71 per cent., imports from stable currency countries fell by 64 per cent. and exports to them by 55 per cent. Imports from depreciated currency countries declined by 61 per cent. and exports to them by 71 per cent. For the trade with countries under foreign exchange and other forms of trade restrictions, the figures are 72.5 per cent. and 78.7 per cent. Similar information is not available for Hungary, but the Hungarian National

Bank reports that of the nominal export surplus of P. 81 millions, P. 44 millions was derived from the clearing agreement with Austria and P. 35 millions were the result of exports against pengö; in other words, of special exports against blocked accounts or under some special licence.

To sum up, experience of these clearing arrangements shows that there is no room for the repayment of old debts out of the debtor's accumulated savings, and so far as repayments are being made they are only possible at a sacrifice to the creditor. No benefit accrues to the central bank from any increase in the country's export surplus, and there is no hope of any benefit in the future. It is implicit in the practical working of clearing agreements that the quotas which they contain must be allotted for certain commodities, and since these quotas are fixed by political bargaining they do not go to the highest bidder, but to those sections of the body economic which are considered politically most important. International trade by clearing deprives foreign trade of one of its most important functions, namely, the maintenance of the competitive standards of a country. The indirect subsidy granted to industries and agriculture under the clearing delays internal adjustment and therefore weakens the economic structure of the country. It is not argued that all clearing agreements must necessarily be administered in the same way as has been the case in Czechoslovakia and Hungary, but it is very difficult to believe that their fundamental effects will be different elsewhere.

FINANCIAL NOTES

The Money Market.—Heavy applications from special quarters drove the Treasury bill tender rate down from 15s. 0.15d. to 13s. 9.92d. per cent. last week, and the market in consequence largely missed the tender. This means that there were few bills to be paid for this week, and so the market was very well supplied with funds. Short money has been freely available at $\frac{1}{2}$ per cent., which is a lower "outside" rate than has obtained for a long time. It is not known who took last week's Treasury bills, but it may be some central bank of a sterling area country which has to keep part of its reserves in sterling. This would account for the lowness of the rate, for sterling assets held as part of a central bank's reserves are in a sense equivalent to gold and so the yield upon them is of comparatively minor importance.

	July 12, 1934	July 19, 1934	July 26, 1934	Aug. 2, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate :—				
Clearing banks	1	1	1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates :—				
Treasury bills :—				
(a) Clearing banks.....	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$
(b) Others.....	$\frac{11}{16}$	$\frac{11}{16}$	$\frac{11}{16}$	$\frac{11}{16}$
Three months' bank bills	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

The discount market is very inactive. There were no hot Treasury bills available in the market, and so the "outside" rate has been nominal. Last week's Treasury bills were quoted at $\frac{11}{16}$ per cent., but holders are reluctant to sell. The clearing banks are quoting $\frac{7}{8}$ per cent. for October and November Treasury bills and $\frac{1}{2}$ per cent. for earlier dates. On Thursday afternoon it was expected that Friday's Treasury bills would go at a higher rate than in the previous week, but much depends on whether further special tenders are made.

The Bank Return.—Holiday withdrawals of currency by the public have now begun, and as a result the note circulation has expanded by £5.4 millions, while the reserve has fallen by the same amount. Largely for the same reason, bankers' deposits have contracted by £8.3 millions, but this last movement is also due to the slight

increase of £1.0 millions in public deposits and a decline of £2.3 millions in Government securities.

	Aug. 2, 1933	Dec. 27, 1933	July 18, 1934	July 25 Aug. 1, 1934	Aug. 1, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold.....	190.2	190.7	191.6	191.6	191.6
Note circulation.....	382.2	392.0	383.9	383.9	389.3
Banking Department :—					
Reserve	69.3	59.7	68.3	68.2	62.8
Public deposits.....	21.5	22.2	20.6	10.9	11.9
Bankers' deposits	89.5	101.2	96.9	104.8	96.5
Government securities ...	90.0	88.0	83.2	83.5	81.2
Discounts and advances	11.2	16.8	7.5	7.5	8.9
Proportion	42.0%	37.3%	44.5%	44.9%	43.2%

Compared with a year ago, the note circulation has increased by the very moderate amount of £7.1 millions, while bankers' deposits have risen by £7.0 millions. In interpreting this last movement it must be remembered that exactly a year ago public deposits had been swollen at the expense of bankers' deposits by the Ellerman Estate Duty payment. This makes it difficult to obtain a normal comparison this week.

The Foreign Exchanges.—This week a certain amount of bidding for dollars against sterling has been noticeable, offset early each morning by sales of dollars against American gold purchases in the London bullion market. Some of this bidding may represent commercial buying, but it is more likely to be due to American repatriation of European balances. In consequence the dollar rate has been very firm, and as the dollar is now back on gold and linked to the gold currencies, francs have become firmer as well. To counteract this last movement the British control has been a fairly consistent seller of francs, but as it never operates in dollars, the franc has tended to depreciate against the dollar—simply because the British control is holding the franc down while allowing the dollar to ride free. By Thursday afternoon the New York-Paris cross rate was up to Frs. 15.19 per dollar, or nearly to the point where it pays to ship gold from Paris to New York. Other gold currencies have been offered slightly against forward purchases of gold. The Italian lira remains weak and continues to receive official support in Paris. At one time it was impossible to deal in forward lire, and the three months' rate was as wide as $1\frac{1}{2}$ lire discount—equivalent to nearly 12 per cent. per annum. Registered marks weakened slightly to $34\frac{1}{2}$ per cent. discount, on Thursday afternoon. American selling remains in evidence.

New York Money and Banking.—Money remains very easy, and New York rates are unchanged. Brokers' loans were returned at \$1,008 millions on July 25th, against \$1,031 millions in the week before. The National City Bank points out in its latest review that bank reserves have mounted to new high levels, and that demand for accommodation remains restricted. Gold imports for June are returned at \$70.3 millions, making the total for the half-year \$852.4 millions. Exports are negligible. Silver imports for June were only \$5.4 millions, and imports \$2.4 millions. Gold continues to arrive in the country, imports for the week ended July 25th being \$8.8 millions, of which \$4.5 millions came from England. The price of silver has stiffened during the past week from $45\frac{1}{2}$ to $46\frac{1}{2}$ cents per ounce. It is announced from Ottawa that the Canadian Government has successfully negotiated with the Chase National Bank and an associated New York banking group a one-year loan of \$50 millions bearing interest at only 2 per cent. This is believed to be a record low rate for Canadian financing. The proceeds will be used to redeem 4 per cent. Treasury notes falling due in New York in October, and the saving in interest amounts to \$1,000,000. During June the number of depositors at American mutual savings banks rose to 13,687,000, or a new high record. During the first six months of this year deposits have risen from \$9,594 to \$9,720 millions.

THE STOCK EXCHANGE

IRON AND STEEL GROUPS

THE decision of the Government to make absolute the British iron and steel industry's tariff *decree nisi* has come opportunely for investors at a moment when the industry has been staging the most remarkable revival in profits of any "depressed" trade. In recent articles the *Economist* has discussed the efforts of the Government and the Import Duties Advisory Committee to induce a wider measure of co-ordination among the industry's various producing units. Investors have an intimate interest in this question; for the level of future profits and dividends will be directly affected by the success or failure of efforts to raise the industry's average efficiency, from within or from without. The main outlines of the plan of campaign which secured the Government's indefinite extension of the import duties were set out in the *Economist* of May 26, 1934 (page 1135). Not all shareholders in iron and steel companies, however, may have a clear perception of the point from which the industry's reorganising endeavours are starting. Though the tendency towards grouping within the iron and steel trades, since the war, has not produced any single amalgamation of interests with an output capacity approaching that of the largest concerns of America or Germany, the spur of endemic depression, from the post-Armistice period onwards, has expedited the formation of a number of important groups with a complexity of financial ramifications. Through the courtesy of an important Stock Exchange firm, whose researches have been carried out over a period of many years, we have been enabled to compile the chart and tables on the next page, which show the identity and inter-connections of the parent and subsidiary companies in ten of these groups which, our readers will observe, extend in some instances beyond iron and steel proper into steel-consuming trades like engineering and electrical equipment manufacture.

The largest and most complex grouping of interests is in large measure associated with the reorganisation of Vickers from 1926, and of Sir W. G. Armstrong Whitworth in 1929. Vickers is now a holding company, its counterpart on the "Armstrong" side being Armstrong Whitworth Securities. Cammell Laird, whose direct interests are now mainly in shipbuilding, has two connections with the group—through the pooling of its wagon interests with those of Vickers in the Metropolitan-Cammell Carriage in 1929, and the transfer of its Sheffield and Penistone steel businesses in the same year to the English Steel Corporation, which also took over the Sheffield and Openshaw steel undertakings of Vickers-Armstrongs. The latter company, formed in 1927, acquired the armament and shipbuilding interests of Vickers and Sir W. G. Armstrong Whitworth. The Vickers and Armstrong interests have another meeting point in the Lancashire Steel Corporation, formed in 1930, to take over the iron and steel interests of Pearson and Knowles, Partington Steel and Wigan Coal and Iron, and the entire share capital of Rylands Brothers. The Corporation's field extends from pig iron through a wide range of steel products to wire manufacture, with an interest in the coal industry through Wigan Coal Corporation. Finally, Vickers has an interest in Associated Electrical Industries, formerly Metropolitan-Vickers Electrical Company, which in 1928 entered into an agreement with the International General Electric Inc. for the purchase of a controlling interest in the British Thomson-Houston and two smaller companies. The result of the reorganising efforts within this ramified and powerful "federation," which have been carried out over the last six years with considerable skill and foresight, has been, broadly, to effect the simultaneous segregation and consolidation of interests on "functional" lines. There are few important products in which steel is used which do not come within the purview of some company in the "group."

The companies which, for convenience, we have designated Group B on the chart, are less a group than three separate major concerns with important working interests.

The United Steel Companies was a post-Armistice amalgamation of a number of North-East of England and Lincolnshire steel interests which now, incidentally, produce approximately one-sixth of the British output of steel ingots. The capital has been reorganised since 1929, and the conditions attending a recent offer of the company's shares to the public, under the auspices of a powerful group, were set out in the *Economist* of May 19th last (page 1094).

The history of Stewarts and Lloyds, specialists in tube manufacture, and the implications of the company's epoch-making decision to erect a new plant for the large-scale production of basic Bessemer steel at Corby, Northampton, have also been fully dealt with in these pages (*vide* especially the *Economist* of March 4, 1933, page 470). Stewarts and Lloyds has, on the one hand, a "liaison" agreement with Tube Investments, a large and prosperous Midland concern, and on the other a working agreement (made in 1932) with United Steel, providing for co-operation in the avoidance of uneconomic duplication of plant and in sales policy and research. Stewarts and Lloyds has a point of contact with Group F (see below) through Colvilles, to which the company transferred its steel plate business in Scotland and in export markets from January last, under terms which insured to Stewarts and Lloyds, for a period of years, a supply of plates from the Clydebridge Works at Colville.

The Oxfordshire Ironstone Company, jointly controlled by Stewarts and Lloyds and Baldwins, affords a meeting place between Groups B and C. The latter grouping has resulted from the decision, in 1930, to form a separate private company, British (Guest Keen Baldwins), to take over the blast furnaces, steel works, rolling mills, etc., of Baldwins and Guest Keen and Nettlefolds in South Wales.

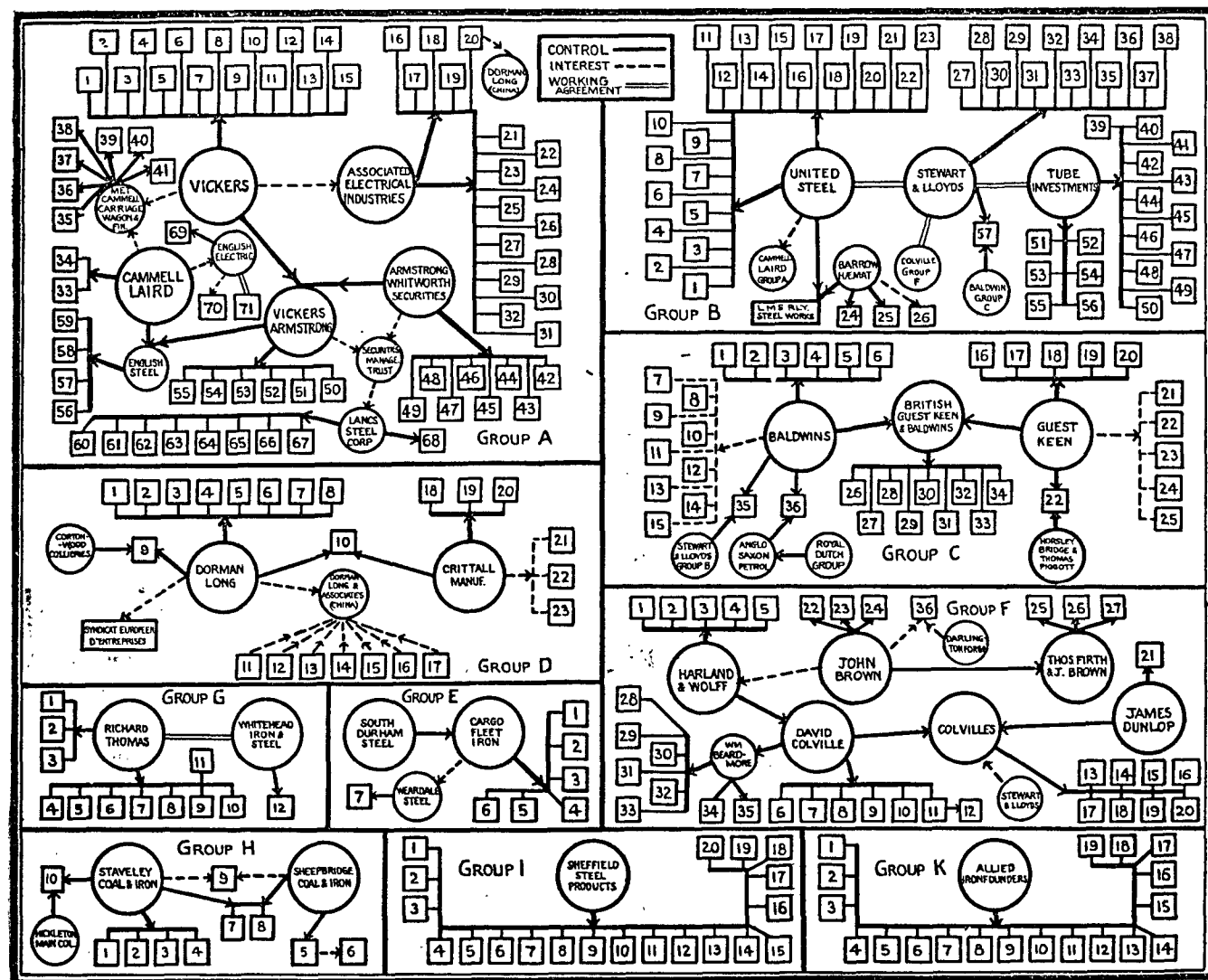
Groups D and E are mainly localised on the North-East Coast. Dorman Long (whose position was considered in the *Economist* of April 1, 1933, page 696) all but succeeded, a few months ago, in effecting a much-desired amalgamation with the two leading companies of Group E (the "Furness" group)—namely, South Durham Steel and Cargo Fleet Iron. The negotiations, however, broke down on a legal question, and are in much the state of suspension of Mahomet's coffin pending the clarification of Dorman Long's financial position.

Group F, similarly, is localised, mainly in Scotland, though its interests extend (through Thomas Firth and John Brown) as far south as Lincolnshire, while the dominant controlling concern, Harland and Wolff, which controls David Colville and Sons (which in turn holds joint control, with James Dunlop, of Colvilles Limited), has its seat in Belfast. Though the products of this group range from coal to stainless steels, it is heavily interested on the shipbuilding side.

The remaining groups are all localised. In Group G, Richard Thomas, with works in Lincolnshire and South Wales, has a large iron and steel capacity, and specialises in tinplate and sheet bars, billets, black plates and castings. Whitehead Iron and Steel, under a working agreement, takes steel from Richard Thomas's Redbourne Works. A Whitehead strip mill is being transferred to Redbourne, and will be operated by a separate company owned jointly by the two concerns, under the title Whitehead Thomas Bar and Strip Company. Staveley and Sheepbridge (Group H) are prosperous concerns, interested mainly in the coal, iron and by-product trades. Sheffield Steel Products (Group I) is a post-Armistice amalgamation of manufacturers of files, drills, cutlery, electro-plate, stampings, iron-mongers' supplies, etc. Allied Ironfounders (Group K) is a 1929 merger of companies, situated in various parts of the country, producing cast-iron goods, mainly for use in the building trades.

Outside these groups are important companies like Stanton, Consett, Hadfields, and Pease and Partners. In a subsequent article, we propose to examine the investment prospects of the leading companies.

BRITISH IRON AND STEEL GROUPS



- GROUP "A"**
- Vickers Ltd., controls—
 - Vickers (Aviation).
 - Vickers (Crayford).
 - Robert Bobby.
 - Electric Holdings.
 - Airship Guarantee Co.
 - Cooke, Troughton and Simms.
 - Manufacturers' Estate and Assets Co.
 - Vickers Train Lighting.
 - Ioco Rubber and Waterproof.
 - British Separators.
 - Supermarine Aviation (Vickers).
 - Isle of Walney Estates.
 - Walney Housing Co.
 - Vickers Commercial Steel.
- GROUP "B"**
- Sir W. G. Armstrong Whitworth (Shipbuilders).
 - Sir W. G. Armstrong Whitworth (Ironfounders).
 - Armstrong Construction.
 - Craven Bros. (Manchester).
 - Pearson and Knowles Coal and Iron.
 - 50 per cent. of Armstrong Saurer Commercial Vehicles.
 - Vickers and Armstrong Whitworth own Vickers Ammunition Works.
 - Variable Speed Gear.
 - Vickers (Ireland).
 - Whitehead Torpedo.
 - Placencia de las Armas.
 - Internal Combustion Locomotives.
 - Cammell Laird and Vickers Armstrongs control—
 - English Steel Corp., which controls—
 - Taylor Bros.
 - Industrial Steels.
 - Darlington Forge.
 - also associated with John Brown (Group F) in
 - Carnforth Hematite Iron.
 - Armstrong Whitworth and Vickers Armstrongs—
 - per Securities Management Trust have large shareholding in—
 - Lancashire Steel Corp., which controls—
 - Wigan Coal Corp.
 - Wigan Coal and Iron.
 - Rylands Bros.
 - Pearson and Knowles.
 - Partington Steel and Iron.
 - U.K. Ferro-Manganese.
 - Whitcross Co. (Warrington).
 - Pearson and Knowles Engineering.
 - William Robertson.
 - Cammell Laird have interests in—
 - English Electric, which controls
 - Willans and Robinson and interests in English Electric Co. of Canada,
 - and recently a large foreign contract was taken by
 - Metropolitan Vickers, which is associated with
 - Dorman Long (Group "D") in—
 - Dorman Long and Associates, China.
- GROUP "C"**
- United Steel Companies, Ltd., controls—
 - Harrington Iron and Coal Co., Ltd.
 - Moss Day Haematite Iron and Steel Co., Ltd.
 - Sir W. G. Armstrong Whitworth (Engineers).

- Workington Iron and Steel Co., Ltd.
- Appleby Iron Co., Ltd.
- Alhambra Collieries, Ltd.
- Backermere Mining Co., Ltd.
- Bierley Mining Co., Ltd.
- Frodingham Iron and Steel Co., Ltd.
- Moresby Coal Co., Ltd.
- Samuel Fox and Co., Ltd.
- United Coke and Chemicals Co., Ltd.
- The Rothervale Collieries.
- Daniel Doncaster and Sons, Ltd.
- N. Lincolnshire Iron Co., Ltd.
- Riseholme Colliery Coking and By-Product Co., Ltd.
- Cumberland Storing Co., Ltd.
- United Steel Coys, India, Ltd.
- Steel Peach and Tozer, Ltd.
- United Strip and Bar Mills.
- Stockbridge Rly. Co.
- Stockbridge Gas Co.
- Stewarts and Lloyds and United Steel Coys., agreement for close co-operation, June, 1932.
- Barrow Haematite Steel Co., Ltd., controls—
- Barrow Housing Co., Ltd.
- Ulcoats Mining Co., Ltd.
- and are interested in—
- Barnsley Main Collieries.
- Barrow Haematite Steel Co., Ltd., and United Steel Co., Ltd., bought goodwill L.M.S. Rly. Steel Works at Crewe, in 1932. Large proportion of L.M.S. Rly's steel requirements to be rolled by these companies for ten years.
- Stewarts and Lloyds transferred their steel plate business in Scotland and in export markets of the world from January, 1934, to Colvilles, Ltd. (Group "F"). The agreement ensures to Stewarts and Lloyds for a period of years a supply of plates from the Clydebridge works of Colvilles, Ltd.
- Stewarts and Lloyds, Ltd., owns—
- Stewarts and Lloyds (Australia), Ltd.
- Edwardsdale Tube Co., Ltd.
- Lloyds Ironstone Co., Ltd.
- N. Lincolnshire Iron Co., Ltd.
- Prothero Steel Tube Co., Ltd.
- John Russell and Co., Ltd.
- Scottish Tube Co., Ltd.
- N.C. Metal Co., Ltd.
- Stewarts and Lloyds S. Africa, Ltd.
- Victaulic Co., Ltd.
- Ernest N. Wright, Ltd.
- New large Bessemer plant and tube works, etc., at Corby, under construction at cost of £3,000,000.

- GROUP "D"**
- British Structural Steel Co., Ltd.
 - Wade and Dorman, Ltd.
 - Redpath Brown and Co., Ltd.
 - Australian Iron and Steel, Ltd.
 - Tees Side Bridge and Engineering Works, Ltd.
 - Pearson Dorman Long, Ltd.
 - Union Construction Co. Proprietary, Ltd. Acquired in 1929 undertaking and assets of—
 - Bolckow Vaughan and Co., Ltd.
 - Dorman Long and Co., Ltd., interested in—
 - Upton Colliery Co., Ltd.
 - Darlington Rolling Mills Co., Ltd.
 - Dorman Long and Associates, Ltd. (China)—
 - Formed in 1932 to foster British trade in China in the heavy industries.
 - Other Companies interested—
 - Metropolitan Vickers Electrical Export Co., Ltd.
 - Balcock and Wilcox, Ltd.
 - Callenders Cable and Construction Co., Ltd.
 - Tilbury Contracting and Dredging Co., Ltd.
 - John Thornycroft and Co., Ltd.
 - Edgar Allen and Co., Ltd.
 - Beyer Peacock and Co., Ltd.
 - Crittall Manufacturing Co., Ltd., controls—
 - Crittall Manufacturing Co., South Africa, Ltd.
 - Crittall Manufacturing Co., India.
- GROUP "E"**
- South Durham Steel and Iron Co., Ltd., controls—
 - Cargo Fleet Iron Co., Ltd.
 - Ormesby Rolling Mills, Ltd.
 - Weardale Steel, Coal and Coke Co., Ltd., which controls—
 - Tudhoe and Sunderland Bridge Gas Co.
 - Cargo Fleet Iron Co., Ltd., controls—
 - Irchester Ironstone Co., Ltd.
 - Furness Rolling Mills, Ltd.
 - South Bank Basic Slag Co., Ltd.
 - South Bank Chemical Co., Ltd.
 - Wensley Lime Co., Ltd.
 - Steel Developments, Ltd.
- GROUP "F"**
- Harland and Wolff, Ltd., controls—
 - David and William Henderson and Co., Ltd.
 - A. and J. Inglis, Ltd.
 - Caird and Co., Ltd.
 - Burnmeister and Wain (Diesel System) Oil Engine Co., Ltd.
 - Ocean Transport Co., Ltd.
 - and—
 - David Colville and Sons, Ltd., which controls—
 - Galvanised Steel Co., Ltd.
 - Clyde Alloy Steel Co., Ltd.
 - Fulwood Foundry Co., Ltd.
 - Carnlough Line Co., Ltd.
 - Smith McLean, Ltd.
 - Archibald Russell, Ltd., which controls—
 - Tilbury Contracting and Dredging Co., Ltd.
 - Colvilles, Ltd., which is controlled jointly by David Colville and Sons, Ltd., and James Dunlop and Co., Ltd., took over from—
 - James Dunlop and Co., Ltd.
 - Crittall Manufacturing Co., Ltd., controls—
 - Crittall Manufacturing Co., South Africa, Ltd.
 - Crittall Manufacturing Co., India.
- GROUP "G"**
- Baldwins, Ltd., controls—
 - Baldwins and J.C.M. Australia Prop. Ltd.
 - Baldwins S. Africa, Ltd.
 - Fairwood Tin Plate Co., Ltd.
 - Brymbo Steel Co., Ltd.
 - Wern Tinsplate Co., Ltd.
 - Baldwins Montreal, Ltd.
 - and are interested in—
 - Australian Iron and Steel, Ltd.
 - Basic Slag and Phosphate Cos., Ltd.
 - Mannesmannrohren-Werke.
 - South Wales Basic Slag Co., Ltd.
 - British Mannesmann Tube Co., Ltd.
 - Canadian Mannesmann Tube Co., Ltd.
 - Solent Engineering Co., Ltd.
 - United Tube Corporation, Ltd.
 - R. B. Byass and Co., Ltd.
 - Guest Keen and Nettlefolds, Ltd., controls—
 - Welsh Associated Collieries, Ltd.
 - John Lysaght, Ltd.
 - Bayliss, Jones and Bayliss, Ltd.
 - James Mills, Ltd.
 - Meiros Collieries.
 - and is interested in—
 - Joseph Sankey and Sons, Ltd.
 - Guest Keen and Piggotts, Ltd.

- Stenman and Co., of Sweden.
- Nut and bolt works in Brazil.
- Screw factory at Melbourne, etc.
- British (Guest Keen Baldwins) Iron and Steel Co., Ltd., formed March, 1930, to combine heavy iron and steel sections of the firms. Took over from—
- Baldwins.
- Coke Oven By-Products.
- Blast furnace steel melting shop at Margam.
- Limestone quarry at Cornely.
- Steel works and rolling mills at Port Talbot.
- Guest Keen.
- Dowlais Iron Steel Works.
- East Moors Works, Cardiff.
- Coke ovens at Cwm Bran Works.
- Limestone and silica quarries.
- Baldwins, Ltd., and Stewarts and Lloyds, Ltd. (Group "B") jointly control—
- Oxfordshire Ironstone Co., Ltd.
- Baldwins, Ltd., and Anglo-Saxon Petroleum Co., Ltd. (Royal Dutch Group) jointly control—
- Elba Tinsplate Co., Ltd.
- Guest Keen, Ltd., and Horsley Bridge and Thomas Piggott, Ltd., jointly own—
- Guest Keen and Piggotts, Ltd.
- Dorman Long and Co., Ltd., controls—
- British Structural Steel Co., Ltd.
- Wade and Dorman, Ltd.
- Redpath Brown and Co., Ltd.
- Australian Iron and Steel, Ltd.
- Tees Side Bridge and Engineering Works, Ltd.
- Pearson Dorman Long, Ltd.
- Union Construction Co. Proprietary, Ltd. Acquired in 1929 undertaking and assets of—
- Bolckow Vaughan and Co., Ltd.
- Dorman Long and Co., Ltd., interested in—
- Upton Colliery Co., Ltd.
- Darlington Rolling Mills Co., Ltd.
- Dorman Long and Associates, Ltd. (China)—
- Formed in 1932 to foster British trade in China in the heavy industries.
- Other Companies interested—
- Metropolitan Vickers Electrical Export Co., Ltd.
- Balcock and Wilcox, Ltd.
- Callenders Cable and Construction Co., Ltd.
- Tilbury Contracting and Dredging Co., Ltd.
- John Thornycroft and Co., Ltd.
- Edgar Allen and Co., Ltd.
- Beyer Peacock and Co., Ltd.
- Crittall Manufacturing Co., Ltd., controls—
- Crittall Manufacturing Co., South Africa, Ltd.
- Crittall Manufacturing Co., India.
- Crittall Casement Window Co. of Detroit.
- Dalzell Steel and Ironworks, Motherwell.
- Clydebridge Steel Works, Cambuslang.
- Glenarnock Iron and Steel Works.
- and controls—
- Colville Construction Co., Ltd.
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who take, by contrast, a rosy view of Wall Street's potentialities, bases his case on the inflationary factors which have dismayed other commentators. Mr L. L. B. Angas, in the latest of his major prophecies ("The Coming American Boom," St. Clements Press, 5s.), is convinced that *in hoc signo* President Roosevelt has conquered depression, and prepared the way for a boom of anything up to four years' duration. According to Mr Angas, "strictly scientific investment principles" demand the purchase of common stocks of a country in the early stages of inflation, which has begun its second year of revival with cheap money, unstrained bank reserves and a not over-valued exchange. The market, he declares, has reacted from its recent high level by a normal amount for a normal period, and the Government, having declared its intention of raising prices, has unlimited power to carry it out. British readers of Mr Angas's book will agree that there is a good deal of inflationary material to the American Government's hand, and that any widespread loss of internal confidence in America's currency might well be calculated to project a slump in bonds and a "flight" into commodities and common stocks. These, however, are troubled waters for British investors to fish.

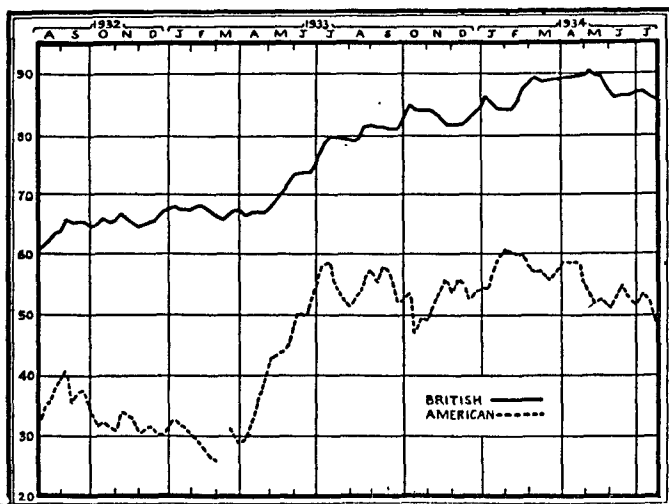
* * *

Course of Share Values.—Last month saw industrial share prices in retreat, but the movement in London was a well-defended rearguard action, while in America a sullen if dogged retirement threatened to become disorderly towards the end of the month. The Standard Statistics price indices, last week, actually broke new low ground for the year, but the liquidation induced by the Austrian tragedy, though heavy, was not, happily, of long duration. London's downward trend of the past two months has been in the nature of a recoil from high prices rather than an expression of distrust in the outlook. The view, rightly or wrongly, has gained currency that the recovery in British industrial activity, having lost its first impetus, will henceforth proceed along more sedate lines, and there has been a certain closing of market commitments

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES OVER THE PAST TWO YEARS.

(1928 = 100)

British: "Financial News" Index of 30 Ordinary Shares.
American: "Standard Statistics" Index of 50 Common Stocks.



before the holiday month. The American investor's attitude, in regard both to industrial and Stock Exchange possibilities, has been much more distrustful. As will be seen by our customary monthly chart, British industrial share values are still appreciably above the levels of a year ago, while the trend of the American index has been absolutely stationary, or even slightly downward, since the "Rooseveltian revival" was checked in July, 1933. Current views

on the American outlook are summarised in the preceding Note. Meanwhile, British Gilt-edged stocks have attracted fresh interest on the mild recession in equities, as the following extracts from the Actuaries' Index show:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Year Ago (July 25, 1933)	Month Ago (June 26, 1934)	Present (July 31, 1934)	Year Ago (July 25, 1933)	Month Ago (June 26, 1934)	Present (July 31, 1934)
Fixed Interest						
British Government (2) ..	121.2	129.0	129.9	3.55	3.34	3.32
Miscellaneous Industries, debenture (12) ..	117.0	121.8	121.0	4.57	4.13	4.15
Miscellaneous Industries, preference (42) ..	105.3	115.1	113.6	4.75	4.44	4.48
Ordinary						
Banks and Discount Companies (12) ..	98.8	110.1	111.9	4.75	4.26	4.19
Building Materials (4) ..	68.8	82.4	80.1	3.87	4.10	4.21
Electric Light and Power (14) ..	120.6	127.3	129.3	4.21	3.92	3.85
Oil (5) ..	64.1	63.0	59.6	3.79	4.70	4.93
Electric Supplies (8) ..	100.0	91.9	93.6	4.75	4.60	4.52
Home Rails (4) ..	68.2	77.3	69.7	2.10	1.50	1.57
Breweries and Distilleries (16) ..	84.0	110.3	110.2	5.04	3.87	3.93

The total Actuaries' Index of 144 industrial equities now stands at 69.3, as compared with 70.8 a month ago and 67.0 a year ago, the corresponding yield figures being 3.76, 3.70 and 3.69 per cent. respectively.

* * *

Home Railway Earnings.—The interim dividend statements have induced further selling of home railway stocks, for although all the four main lines have shown increased net earnings, as compared with the first half of 1933, all but one (the Great Western) have refrained from declaring proportionate interim dividends. The insistence of all four statements on the wages factor suggests a common objective. The half-year's showing may thus be summarised:—

FIRST HALF 1934, COMPARED 1933

	(000's omitted)			
	London Midland and Scottish	London and North Eastern	Great Western	Southern
Increase in gross receipts...	1,900	1,840	631½	280
Increase in costs	900	1,154	261	190
Percentage of increased receipts taken by higher costs	47.4	62.7	44.0	67.9
Amount of increase due to wages and salaries	600	450	*	†
Increase in total net revenue	1,000	686	370	90
* Increased expenditure "largely due to employment of additional staff to provide for growth of traffic."				
† Increase "mainly due to increased payments for salaries and wages."				
‡ Including interest. Increase in railway and ancillary receipts was £593,000.				

The percentage increases in expenditure on the L.M.S. and Great Western reflect the normal incidence of direct costs on a higher traffic movement. The L.N.E., however, follows an accounting policy under which maintenance charges vary more closely than on the other lines with the volume of current traffic. Actually, some 78 per cent. of the half-year's total railway expenditure increase came under the heading of maintenance. The Southern's high percentage, however, requires some other explanation which the directors have not seen fit to give. As a large proportion of increased railway outgoings, under any category, necessarily take the form of higher wage payments to someone or other, the "wage and salary" figures are significant, not in themselves, but for the light they throw on the directors' conservatism in the distribution of interim dividends. The following table shows how dividends compare

with earnings, for the half-year, and the indicated earnings yields on the "marginal" stocks, at current prices:—

Stock	Earnings required for Full Half-Year's Payment (% actual)	Earnings First Half of 1934 (% actual)	Interim Dividend declared, First Half of 1934 (% actual)	Highest Price of Stock, 1934	Price, Aug. 1, 1934	Yield per annum on Half-Year's Earnings Basis
L.M.S.						£ s. d.
4% 1st Pref.	2	Full	1½	86½	78½	5 2 0
5% Red. Pref.	2½	Full	1½	104½	99	5 0 0
4% 1923 Pref.	2	1	Nil	64½	43½	4 12 0
Ord.	...	Nil	Nil	30½	21	Nil
L.N.E.						
4% 1st Pref.	2	1½	Nil	76	61½	5 5 8
5% Red. Pref.	2½	2½	Nil	94½	82	4 19 0
4% 2nd Pref.	2	Nil	Nil	46½	27½	Nil
5% Pfd. Ord.	2½	Nil	Nil	24½	14½	Nil
Debt. Ord.	...	Nil	Nil	11½	7½	Nil
G.W.						
5% Pref.	2½	Full	Full	117½	113	4 8 6
5% Red. Pref.	2½	Full	Full	115	110½	4 10 6
Ord.	...	½	½	86½	50	2 0 0*
SOUTHERN.						
5% Pfd. Ord.	2½	1½	Nil	90	71	4 15 0
Debt. Ord.	...	Nil	Nil	32½	20½	Nil

* Company paid 3% (from reserves, etc.) for 1932 and 1933.

There is a strong presumption that the railways, which have always disclaimed concern with intermediate fluctuations in market values, have (with the exception of the generous Great Western) postponed consideration of "marginal" dividend possibilities till the end of the year to avoid prejudicing their case, directly or indirectly, against the higher wage demands of the trade unions, with which we deal on page 217. From now onwards, gross railway receipts will afford comparison with increasingly favourable returns of 1933. When every allowance is made, however, for the probability of relatively small net revenue increases in the second half of the year, it would appear that the market is valuing the senior preference stocks of the L.M.S. and L.N.E. on a less generous price basis, in relation to earnings, than the junior stocks of any of the four lines.

* * *

London Transport Results.—The provisional statement for the first financial year of the London Passenger Transport Board, to June 30, 1934, shows an estimated balance of revenue of £4,778,782, of which, after meeting various items, including interest on "A," "T.F.A.," "L.A.," and "B" stocks, some £708,738 is available for a 3 per cent. dividend on the "C" stock. The provisional figures for 1933-34 compare as follows with the *pro forma* estimates compiled before the passing of the Act:—

	<i>Pro Forma</i> Figures	Provisional 1933-34 Figures
Issued Capital	£	£
"C" Stock	24,339,027	23,624,607
Other Stocks	87,031,030	85,743,204
Estimated Net Revenue	5,798,602	4,778,782
Of which, available for "C"	1,620,020	708,738

The 1933-34 balance is struck after making provision for contingencies, for any sums which may become payable to the main-line railways under the pooling scheme, and for any Transport stock which may subsequently be issued by the Board (e.g. to Thomas Tilling). Though the Board may have been prudently generous in estimating eventual liabilities under these heads, there is no suggestion that the final revenue figures, so far as they affect stockholders, will differ materially from those now presented, or that "C" holders have much hope of a further dividend on account of 1933-34.

* * *

Fixed Trust "Reserves."—In a leading article on page 71 of our issue of July 14th, we suggested that potential buyers of fixed trust sub-units should inquire whether any adequate "reserve" had been made, out of the initial loading charge, for the running expenses of the management company during the life (usually twenty



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years) of the trust. We are informed by the Municipal and General Securities Company, Limited, who are managers of the "British" group of fixed trusts, that they have actually made provision under which approximately one-third of the total loading charge (after deducting brokers' commission, trustees' fees, etc.) is set aside in "a kind of reserve fund." The provisions are contained, not in the respective trust deeds, but in letters written by the company to the trustees, Lloyds Bank, Limited. We quote, *in extenso*, the relevant provisions in regard to the First British Fixed Trust, which, we are informed, apply equally to the "Second," "Third" and "Fourth" British Trusts.

This letter will confirm our agreements with you in respect of the First British Fixed Trust as to the matters not covered in the Trust Deed, dated April 22, 1931.

Reserve for Managers' Compensation:

We further confirm that we shall set aside with you 1½ per cent. of the price before "Accumulations" received upon the sale of the Sub-Units of the Trust, to constitute a fund for the semi-annual payment to the managers for their continuing services during the life of the Trust. This fund shall be administered as follows:—

- (1) At the end of each six months' period (to correspond with the Coupon dates of the Sub-Units) you shall pay from such fund to the managers for the time being for compensation for their services during such six months an amount equal to the sum arrived at by dividing the total fund remaining in this deposit by the number of semi-annual periods, including the period in question, required to complete the twenty years' maximum life of the Trust.
- (2) Any interest allowed by you upon the money deposited in this fund shall be payable semi-annually to the Municipal and General Securities Company, Limited.
- (3) Should the Trust terminate before the entire fund is so paid by you, any balance remaining, beyond the current payment due the managers, shall be returned to the Municipal and General Securities Company, Limited.

The effect is that the managers receive, each half-year, one-fortieth of 1½ per cent. of the price received for the sale of sub-units before "accumulations," and cannot anticipate these payments. If all the fixed trust managements had made similar arrangements (which, unfortunately, does not appear to be the case), sub-unit holders would at least have the assurance that, if the managing companies ceased to function, for any reason, before the end of the trust's life, some regular payments would, nevertheless, be available for the protection of their position. Even, however, if this method were more widely adopted, questions regarding the size of the "reserve" would doubtless arise. The four "British" trusts together, for example, have about £6,000,000 at stake. 1½ per cent. of this sum comes out at £75,000. Thus the "reserve," available for payments to the managers and "protection" of the sub-units, during any given six-monthly period, is £1,875. In this case, however, a single company is managing a group of trusts. In the case of groups with only a single trust (and, possibly, a small sale of sub-units), it may be asked whether a reserve of only a few hundred pounds, available at any given moment, would suffice to cover more than inevitable clerical and office expenses.

* * *

Total Value of "Listed" Securities.—We show on page 232 a table, based on information officially compiled and published, some time ago, in the *Stock Exchange Weekly Official Intelligence*, which may be of service to economic

students desirous of knowing the total par value of securities dealt in on the London Stock Exchange. The compilation is not quite complete, since it is based only on the "Official List," and excludes those securities which are "Not Officially Quoted," and appear in the so-called "Supplementary List." In some instances, notably rubber and mining companies, these "unofficial" securities are important. On the whole, however, the figures give a reasonably comprehensive idea of the total nominal amount of capital at stake in the various markets:—

	As at December 31, 1933	No. of Different Securities	Nominal Amount Outstanding
British Funds, etc.	53	6,526,137,220	
Banks and Discount Companies	94	232,455,625	
Breweries and Distilleries	404	187,963,697	
Canals and Docks	28	31,783,449	
Commercial, Industrial, etc.	1,450	1,215,651,637	
Corporation and County Stocks—British	342	172,141,988	
Corporation Stocks—Dominion, Indian and Colonial	219	105,644,165	
Corporation Stocks—Foreign	83	81,669,057	
Dominion, Provincial and Colonial Government securities	194	908,076,147	
Electric Lighting and Power	198	189,117,651	
Financial Trusts, Land and Property	275	178,290,635	
Foreign Stocks, Bonds, etc.	298	2,868,527,656	
Gas	105	96,604,842	
Indian Native Raj and Zemindary Loans	3	736,700	
Insurance	66	32,607,166	
Investment Trusts	423	240,184,007	
Iron, Coal and Steel	232	369,978,054	
Mines	55	76,118,030	
Nitrate	17	17,836,289	
Oil	33	148,266,362	
Public Boards—British	64	258,498,759	
Railways—British	66	1,125,351,322	
Indian	49	137,503,149	
Dominion and Colonial	95	263,297,043	
American	249	1,418,921,305	
Foreign	267	845,340,718	
Rubber	93	34,206,043	
Shipping	76	101,064,962	
Tea and Coffee	91	24,863,783	
Telegraphs and Telephones	38	447,194,622	
Trade Facilities Acts—Securities	18	35,358,069	
Tramways and Omnibus	113	78,971,018	
Water Works	72	25,593,744	
Total	5,863	18,475,954,914	
Shares of no par value		43,717,752	

The totals have been very stable over the last two years. At the end of December, 1931, some 5,927 securities were quoted, to a nominal amount of £18,458,136,202, while at the end of 1932 the corresponding totals were 5,959 securities, aggregating £18,371,459,742. The figures are the resultant of a ceaseless process of addition and attrition. In 1931 permission to deal was granted in securities to a nominal value of £258,874,960, in 1932 to a total of £782,589,141, and in 1933 to a total of £811,449,873. In addition, dealings were allowed in shares of no par value to a total of 6,920,630 in 1931, 1,724,666 in 1932, and 3,709,080 in 1933.

Port of London Authority.—London dock activity maintains its position, despite the low level to which international trade has shrunk, largely owing to London's highly organised marketing organisation for primary commodities. The balance transferred to the net revenue account of the P.L.A. for the year to March 31st last, was £1,452,653, against £1,326,716, while total net revenue amounted to £1,516,092, compared with £1,437,486 for 1932-33. Interest on the Port stocks required £1,411,711, against £1,432,524, but during eight months of the current year the conversion of the £13 millions 4 per cent. "B" stock to a 3½ per cent. basis will be fully effective, resulting in a saving of some £43,200. Capital expenditure now amounts to £39,907,552, against which there is a net balance

on capital redemption account of £3,531,986. The Authority has a general reserve of £1,000,000, represented by Government and railway stocks at less than market prices, while the insurance fund amounts to £600,036. Pending publication of the full accounts, details of total revenue and operating expenditure are not available, but the Authority has balanced its income and expenditure to a nicety, the amount carried forward being £395,422, against £397,180. The new 3½ per cent. registered stock is quoted at 101 to yield £3 9s. per cent.

Indefinite Tea Control?—Tea company shareholders will read with mixed feelings the first report of the International Tea Committee, covering the nine months from July 1, 1933, to March 31, 1934. The industry's earning power has improved appreciably during this period, and share values are 50 per cent. higher, on the average, than they were twelve months ago. The Committee has already raised the industry's export quota for 1934-35 from 85 to 87½ per cent. of standard, but a recent speech by its Chairman, Mr R. Graham, at the annual meeting of the Indian Tea Association (London), seems to indicate the belief, surely somewhat premature, that the industry will be unable to discard its body belt even after 1938. If this is indeed the Committee's view, the stress laid, in the Report, on the advisability of restricting extensions of planted areas and of securing the adhesion of companies outside the scheme is readily comprehensible. In the twelve months ended March 31, 1933, countries within the present scheme exported 86 per cent. and outside countries 14 per cent. of total world tea exports of 959 million pounds, while in the year to March 31, 1934, the respective proportions were 82 and 18 per cent. of total gross exports of 797 million pounds. Experience of other restriction schemes suggests that the power of an initially small minority increases with the duration of the control. The Committee is on less debatable ground in prosecuting the examination of ways and means of increasing the world's tea consumption. A propaganda "drive" is to be made, for instance, in the principal countries of Continental Europe, in co-operation with Dutch tea producers. Tea consumption has fallen off less than that of most other primary commodities during the depression, the world's absorption figure, maintained in the neighbourhood of 900 million pounds from 1929 to 1931, having declined only to 855 millions and 865 millions respectively in the years ended March 31, 1933 and 1934. The Report shows, however, that Great Britain and the Empire accounted for at least 72 per cent. of the total world consumption in 1933-34. Most of the industry's problems would automatically disappear if the rest of the world could be persuaded to follow Great Anna's example.

American Oil Situation.—The earnings of American oil companies this year have reflected the general improvement in the economic conditions of the oil industry. The Shell Union, for example, has reported second quarter's earnings of \$47,876,496, against \$38,149,501 for the comparable period of 1933, and after expenses, depreciation, etc., the net loss is reduced from \$4,865,838 to \$897,592. Several companies resumed dividend payments in the first quarter of the year. The total dividends paid by twenty-four representative oil companies in that quarter came to \$14,200,000, against nearly \$9,900,000 in the first quarter of 1933. The Standard Oil of California was conspicuous in reducing, and the Pan-American in passing, its dividend. It may be said that selling prices are now on a remunerative level, especially on the Pacific Coast, where the trade has been "cartelised." No further improvement, however, can be expected until the excess production of crude oil has been eliminated. The present daily average production for the whole of the American oilfields is still 62,500 barrels above the "allowable" fixed by the Administrator of the Oil Code. With the exception of Texas all the important States are producing in excess of their "allowables." This is not so dangerous a factor in the oil situation now that consumption is steadily increasing. In the first six months of the year gasoline consumption increased by about 10 per cent.

The figures of the U.S. Bureau of Mines for the first five months (the latest available) are as follows:—

UNITED STATES MOTOR FUEL. UNITED STATES BUREAU OF MINES (Thousand barrels)			
	January-May 1933	1934	Per cent. Increase or Decrease
Supply:—			
Production	159,680	169,336	+ 6
Imports	5	1	—
Total	159,685	169,337	+ 6
Demand:—			
Domestic consumption	142,224	155,868	+ 9.6
Exports	12,233	11,135	— 9
Total	154,457	167,003	+ 8
Stocks (end of month)	59,033	61,628	+ 4.4
Increase	5,228	2,334	
Day's supply	58	56	

An increase in consumption is, after all, a more satisfactory solution of the American oil problem than the artificial restriction of supply.

COMPANY NOTES

Patent Medicine Companies.—In several important respects the business of patent medicine manufacture differs from that of patent food. In the majority of cases a patent food does not claim to be more than a proprietary brand of some standard product—say, salt, suet or gruel—differing from the standard product in excellence and refinement, but not otherwise. In times of depressed purchasing power, therefore, the patent foodstuff is liable to suffer from the substitution of cheaper qualities. The patent medicine, on the other hand, claims to be unique. The "substitution risk" is thus sensibly diminished. Moreover, as the popular patent medicine is usually sold in small units at a low price, it may continue to be bought even when money is short. A trusted remedy for a pain or disease is not easily foregone.

(Profits in £'000.)						
Company	1929	1930	1931	1932	1933	1934
Beechams Pills (March 31):						
Earned for Pref. Ord.	168.4*	150.4	135.6	179.5	181.6	193.9
Earned for Def. Ord.	83.6*	55.0	39.8	38.1	49.5	60.9
Earned (%)	41.9*	28.0	20.6	19.2	26.4	31.7
Div. (%)	32*	35	15	15	17½	22½
Tenaxosian (June 30):—						
Earned for Ord.	N.A.	27.4	28.2	20.9	46.0	...
Earned (%)	N.A.	36.0 f.t.	37.1 f.t.	20.8 f.t.	49.7 f.t.	...
Div. (%)	N.A.	35 f.t.	35 f.t.	35 f.t.	35 f.t.	...
Milton Prop. (Dec. 31):—						
Earned for Ord.	20.9	20.0	21.5	29.1	34.1*	...
Earned (%)	25.3	24.4	25.1	38.1	42.9*	...
Div. (%)	15	15	15	15	15*	...
Phosferine (Apr. 30):—						
Earned for Ord.	52.3*	52.0	35.6	33.0	37.6	38.0
Earned for Def. Ord.	19.4*	13.4	2.4	0.6	3.7	4.0
Earned (%)	22.6*	14.9	3.1	0.9	3.7	4.0
Div. (%)	6*	6	Nil	Nil	4	4
Veno Drug (Mar. 31):—						
Earned for Pref. Ord.	50.1*	46.2	4.0	87.0	85.6	91.4
Earned for Def. Ord.	4.7*	0.6	Nil	17.9	22.9	28.4
Earned (%)	11.7*	1.4	Nil	47.7	61.0	73.4
Div. (%)	Nil	Nil	Nil	40	60	70
Yeast-Vite (Dec. 31):—						
Earned for Pref. Ord.	58.0	57.6	56.2	58.4	51.9	...
Earned for Def. Ord.	19.4	19.5	19.1	20.2	↑	...
Earned (%)	40.4	41.9	42.8	44.3	↑	...
Div. (%)	15	15	46½	46½	↑	...

* Broken periods equated to 12 months by simple proportion.
† Preferred ordinary shares converted and consolidated into ordinary shares.
Note.—Beechams Pills controls Veno Drug and Yeast-Vite. The capitalisation of all three companies is "high-gear."

The patent medicine manufacturer, once he has established his product, thus enjoys some of the elements of a monopoly, particularly in the matter of prices. His medicine may be little different from one of the cheapest of standard salts or drugs. The very fact, however, that the product has been popularised under a trade mark enables its manufacturer to fix the price at "what the traffic will bear," without close reference to his cost of manufacture. The profits of patent medicine manufacture may therefore be large and should show resistance to depression. The figures in the table above confirm both these conclusions.

To achieve this comfortable position, however, the manufacturer must build up his custom by an expensive and skilful advertising system, and must have a product which fulfils at least the more general claims made for it. The purely quack remedy can have only a fleeting success at best. For some established medicines there is a seasonal risk to take into account; for example, a mild winter may bring fewer coughs and colds than usual. For others, there is a fashion risk. Where are the preparations of yesteryear for promoting a pleasing roundness of the human figure or a glossy luxuriance of the beard? It would appear reasonable to conclude that patent medicines offer a potentially profitable and, subject to the capital gearing, a fairly stable form of investment, provided that they minister to a general weakness or complaint and not to a passing fashion. On any sign of a declining trend in profits, however, not explicable by general depression, the shares should be avoided. Such a trend would indicate a diminution of goodwill, which is inestimably the most important and expensive of the assets of such a business. In any case, the investor labours under the disadvantage of lack of knowledge regarding amounts spent on advertising, the goodwill creator, which is usually the heaviest item of expenditure. Reduced advertising may mask a falling tendency in profits, at the risk of making the fall irrecoverable.

Further Rubber Reports.—We set out, in the following table, the results of nine rubber companies whose reports have been published in recent weeks. Restriction (in prospect) and further operating economies have increased or restored the profitable production of rubber, the apparent contraction in Chersonese profits being due primarily to difficult conditions in the copra market. Rubber directors, it will be seen, have not been ungenerous to their shareholders, for in only three cases have the dividend payments been fully earned:—

Company and Date Accounts	Rubber Crop	Estate or Trading Profit	Earned for Ordinary	Paid on Ordinary	Price per Share Aug. 1, 1934	Yield (%)
Bertam (Mar. 31):	Thous. lbs.	£	%	%		£ s. d.
1932	3,264	3,884	1.6	Nil		
1933	1,597	9.4	0.4	Nil		
1934	3,331	20,625	6.2	7	4/3*	3 5 4
Bukit Rajah (Mar. 31):						
1932	1,392	Dr. 3,384	Nil	Nil		
1933	1,452	Dr. 2,292	Nil	5	24/4†	4 2 1
1934	1,372	6,799	1.7	5		
Changkat Salak (Dec. 31):						
1931	1,513	5,705	Nil	Nil		
1932	1,800	5,395	Nil	23	3/-	1 6 9
1933	1,905	11,332	2.6‡	23		
Chersonese (Dec. 31):						
1931	1,118	6,521	2.1 f.t.	2.08 f.t.		
1932	1,120	11,502	3.2 f.t.	34 f.t.	3/-	2 1 8 f.t.
1933	1,068	10,071	2.7 f.t.	34 f.t.		
Craigielea (March 31):						
1932	2,135	Dr. 317	Nil	Nil		
1933	2,345	1,113	Nil	3	2/4‡	2 10 6
1934	2,177	11,781	3.6	3		
East Asiatic (Mar. 31):						
1932	3,343	Dr. 1,124	Nil	Nil		
1933	3,179	1,612	0.8	Nil	3/1‡	1 18 3
1934	2,965	21,293	3.0	3		
Merlimau Pegoh (March 31):						
1932	3,311	Dr. 5,301	Nil	Nil		
1933	3,425	Dr. 1,057	Nil	5	3/1‡	3 4 0
1934	3,708	20,098	3.8	5		
Straits Rubber (Dec. 31):						
1931	2,800	Dr. 9,729	Nil	Nil		
1932	2,985	Dr. 7,142	Nil	Nil	18/6†	2 13 4
1933	3,002	10,839	1.3	2.5		
United Sua Betong (Dec. 31):						
1931	6,522	4,054	1.0	Nil		
1932	7,523	11,443	2.6	2.5	60/-†	1 13 3
1933	6,295	26,402	4.5	5.0		

† £1 shares where indicated thus, 2s. shares in other cases. § Deferred shares.

The plantation industry is evidently budgeting on favours to come from restriction during this current year, and the higher prices which prevailed before the restriction scheme was formulated. The impact of rubber restriction, which takes effect in successive cuts of 10 per cent. in basic quotas in August, October and December, promises to be fairly mild. World stocks of crude rubber have risen steadily, despite an improvement in world consumption,

during the first five months of the year, from 306.4 million tons to 412.7 million tons. Moreover, since immature areas receive preferential treatment, a further expansion of consumption could no doubt be cushioned by tapping of trees as they mature. The indications, therefore, favour no rapid rise in the price of the commodity under existing arrangements, but, as we suggested on July 14th (page 74) there is some possibility that Dutch interests will press for the achievement of a higher price when the present allotments fall due for revision. There is, however, no indication that responsible British interests are dissatisfied with a price about three times the cost on efficient estates, although plantation expenses will no doubt show some increase as a result both of restriction and of restored profitability. Current quotations show that the market is exercising considerable discrimination, although conditions during the second half of the year will probably afford little justification for any considerable further rise.

Electrical Equipment Shares.—The market, having noted the cautious optimism of recent chairmen's speeches, has given leading equipment shares more attention during the past six weeks. The recent announcement that the Electricity Commissioners have approved contracts worth £5,000,000 for extension of selected stations follows a steady improvement in home orders for heavy equipment which set in from March. Reference to the B.E.A.M.A. index of new orders (see the July 28th *Economist* Monthly Trade Supplement, page 2) reveals that export business has been very satisfactory during the last seven months. Associated Electrical Industries, Ltd., has been awarded a £3,000,000 contract for electrification of Central Brazilian Railway, and has recently announced an increase of 65 per cent. in orders received at the end of June, compared with the first six months of 1933, export orders being 77 per cent. and home orders 43 per cent. higher than last year. This improvement is impressive, but from the investor's viewpoint it is subject to two qualifications. First, profits in the "heavy" section, particularly on home "grid" orders, have often been restricted by intense competition for contracts, although the conversations between leading manufacturers may alleviate this factor in the future. Secondly, the construction of large equipment requires from twelve to eighteen months, so that current orders will be mainly reflected in 1935-36 revenues. On the small equipment and accessories side the outlook is somewhat more promising. Units generated by authorised undertakers during the first half of the year showed an increase of 17.5 per cent. over the corresponding period of 1933. Normal growth has been assisted by the building boom, although intense competition still prevails in the very individualistic accessories branch. Where installations have been carried out by local supply undertakings, however, centralised purchasing by the parent groups has resulted in improved standards, which has been of benefit to the leading manufacturers. Moreover, there are signs that the "ring" lamp manufacturers are regaining a considerable proportion of their sales on considerations of quality. We show in the following table the record of earnings and share quotations for some leading producers:—

Company (and Date of Accounts)	Earnings for Ordinary (%)		Quotations			Yield, based on Last Dividend (%)
	Previous Year	Latest Year	High., 1934	Low., 1934	July 25, 1934	
Aron Electricity Meter (11)	30.3	26.8	58½	50½	52½	£ s. d. 3 16 2
Associated Electrical Ind. (11) (Dec. 31)	4.1	3.0	22½	15½	18½	3 4 9
high insulated Cables (11) (Dec. 31)	25.5	19.8	75½	67½	70½	4 4 9
modular Cable (11) (Dec. 31)	15.1	15.1	65½	56½	63½	4 14 0
account Parkinson (5/-)	36.6	34.9	27½	22½	25½	2 9 0½
£1,452,650 (11) (Dec. 31)	Nil	Nil	9½	5½	5½	Nil
1932-33. Ir (11) (Mar. 31)	16.2	13.9	46½	39½	45½	3 10 0
against £1,432 (11)	28.1	31.0	6½	5½	6½	4 18 0
year the convey (11)	3.6	6.6	24½	18½	22½	4 8 11
stock to a 3½ per cent.	7.0	3.9	22½	16½	17½	4 11 6
in a saving of 50						
amounts to £39,907, including capital bonus of 5 per cent.						

In view of the excess capacity which undoubtedly exists in the industry, and of the difficulty of eliminating "weak sellers" the level of quotations appears sufficiently high. Secondary "grid" transmission systems, wiring installations, and telephone equipment business should enable the shares of efficient producers to earn their keep, but a pronounced upswing in profits is not yet assured.

Guinness and Watney.—The reports of important brewery concerns, whose accounts are made up to June 30th last, reflect the benefits which the industry continues to derive from reduced taxation, increased beer strengths, greater national trade activity, enhanced spending power, and prolonged dry weather. The report of Arthur Guinness shows that the company has covered, with an ample margin, a 27 per cent. ordinary dividend, which, a year ago, was short-earned. Watney, Combe, Reid, the London brewers, disclose a net profit increase of £169,926 which, by reason of the company's high-grade capital structure, is sufficient to raise earnings on the deferred stock from under 22½ per cent. to over 28 per cent., and to enable a board, whose financial prudence is proverbial, to recommend an increase in dividends from 10 per cent. to 13 per cent. The results of the two companies are summarised below.

Years to June 30	1932	1933	1934
ARTHUR GUINNESS:—			
Net profit	1,605,979	1,468,903	1,745,174
Preference dividend (net)	89,906	90,000	91,500
Ordinary { Earned (net)	1,516,073	1,378,903	1,653,674
Paid (net)	1,629,844	1,518,750	1,548,750
Earned (%) (gross)	27.0	24.5	23.4
Paid (%) (gross)	29	27	27
Total carried forward	846,647	706,800	811,724
WATNEY, COMBE, REID:—			
Net Profit	1,204,961	1,098,076	1,268,002
Debiture interest	276,985	272,702	268,136
5% Preference dividend	84,247	84,247	84,247
4% Prefd. ord. dividend	127,416	127,416	127,416
Deferred { Earned	716,313	613,712	788,203
Paid	477,812	318,541	414,103
Earned (%)	25.0	22.4	28.1
Paid (%)	15	10	13
To reserve	300,000	300,000	350,000
Total carried forward	282,380	277,551	301,651

The trading profit of Arthur Guinness, after taxation, is £1,701,131, against £1,389,712 for 1933. Income from investments, however, continues to fall, having declined from £246,129 for 1932 to £232,567 for 1933 and £197,674 for 1934. The balance sheet position, as always, is a model of strength. The company holds marketable investments (mainly gilt-edged), valued below market price at £4,643,569, and cash to a total of £1,895,229, the excess of current assets (including stock-in-trade) over liabilities being no less than £7,165,575. The ordinary stock units, which are still slightly under the Irish political weather, are quoted at 111s., to yield 5 per cent. The trading profits of Watney have risen from £1,680,404 to £1,901,071. The company holds £1,661,089 of British Government securities, with a market value of £1,730,622. The market has not been slow to point out that earnings would have covered a higher rather than a lower dividend than was paid for 1932, and the board's decision to retain enhanced liquid resources will doubtless be explained at the meeting. The deferred ordinary stock units are quoted at £3, to yield £4 8s. 6d. per cent.

Other Company Results.—The approach of the close season for company balance-sheet publication is reflected in the shortness of the list of companies whose results are given in our "Summary of Company Profit and Loss Accounts" on page 252. Of the 25 companies, the most important are, the brewing concerns of Guinness and Watney, whose figures are discussed in the preceding Note. Five rubber

companies show aggregate profits of £12,059, against a loss of £5,669 in the previous year. Among textile concerns, Fras. Hinde and Hardy, the Norwich silk manufacturers, report a gratifying rise in net earnings from £17,360 to £30,478. Trust company earnings still have a downward trend. Edinburgh and Dundee Investment, for example, show net profits after debenture interest for the year to June 30th last, of £43,239, against £53,296 for the previous year, and pay only 6 per cent. against 8 per cent. Among miscellaneous companies, the results of Benn Brothers are almost identical with those of last year. The earnings trend of companies in other industries, from coal mining to the gramophone trade, shows only a very slight upward tendency.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Union Bank of Australia, Gold Options Syndicate, Gold Fields Rhodesian Development, Craigielea Rubber Plantations, Kalidjereok Rubber, Millars' Timber and Trading, Threlfall's Brewery, and Covent Garden Properties. The chairman of the Union Bank of Australia described the substantial improvement in Australia's economic position during the past year, but declared that the heavy discount in the currency, and that of New Zealand, continued to make exchange business difficult. The tone of the chairman's speech of the Gold Options Syndicate, naturally, was confident. The company's interests were enumerated and an increase of capital was announced, with a suggestion that the company might later apply for permission to deal on the Stock Exchange. The chairman of Gold Fields Rhodesian Development showed that the company's gold interests represented nearly 45 per cent. and its industrial share interests about 11 per cent. of its total assets. At the Craigielea Rubber Plantations meeting, the chairman described the results of a personal visit to the properties as entirely satisfactory, and declared that the company was looking forward with confidence to a remunerative return on its capital. The chairman of Kalidjereok Rubber, similarly, described prospects as materially better and estate conditions as favourable. At the Millars' Timber meeting, Dr James White expressed a hope that by the end of the year, when the company's profit was known, the directors would be able to frame a scheme of capital readjustment. Major C. M. Threlfall informed shareholders of Threlfall's Brewery that a steady and reassuring increase in sales was continuing, and the company had obtained its share of increased business. At the Covent Garden Properties meeting, the chairman declared that the fall in income from rents was largely attributable to temporary factors.

revival. India loans followed a similar course, but Dominion issues as a whole were steadier. Although underwriters of the New Zealand 3½ per Cent. Loan, 1955-60, were relieved of their commitments, the scrip opened at a discount.

Among foreign bonds, German continued their downward course, broken by a modest upward reaction on Thursday. The market generally professed inability to foretell the political implications of Hindenburg's death, though the assumption of the dual office, with control of the Reichswehr, by Hitler, was regarded as strengthening the stability of the Nazi regime. Brazilian bonds improved after a dull start, but Argentine stocks lost ground on the fall in the exchange. Chinese bonds were out of favour, but Japanese obtained moderate support.

After renewed heavy selling, home rails took an upward turn in mid-week for no better reason than a change of "sentiment." The week's traffic "pluses," which were appreciable on the L.M.S., satisfactory on the L.N.E.R., and negligible on the other two lines, were merely on all fours with the averages for earlier weeks since the turn of the half-year. London Transport "C" stock improved slightly before the announcement of a provisional dividend of 3 per cent., but the market looked in vain for evidence of a further dividend after future "adjustments." A slightly harder tendency in Argentine rails derived little encouragement from the week's traffic figures, which showed that improved peso takings were being more than nullified by the lower exchange rate.

Although the industrial markets shared in the better mid-week feeling, business generally remained quiet and irregular. The brewery dividends aroused, possibly, less enthusiasm than they deserved, for leading companies like Guinness and Watney (whose reports are considered on page 234), showed a marked increase in earning power. Transatlantic counters were undecided at first, but subsequently responded to more encouraging news from Wall Street. Iron and steel shares were steady, Staveley being in fair demand. In the motor group, Humber were firmer and Ford advanced on Wednesday, but other shares were easier. Rayon shares, after a dull start, showed fair strength under the lead of American Celanese. Patons and

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET
August 14

ACCOUNT
August 16

THE markets, reversing last week's procedure, opened dull and became firmer with the progress of the week. Pre-holiday quietude was accentuated, initially, by the pessimism of Mr Baldwin's international political survey, on Monday, and by the news of President Hindenburg's grave condition, on Tuesday. Next day, however, with a characteristically swift change of mood (usually attributable to technical conditions), the market decided that the downward tendency in prices had been somewhat overdone. Without any marked increase in the volume of business, quotations became firmer for gilt-edged, international counters and gold shares.

British Government securities lost ground early in the week on a moderate amount of selling. The market, recently, has shown temporary sensitivity to all unfavourable political developments, combined with strong recuperative powers once the pressure has subsided. In the middle of the week Old Consols and Local Loans led a



You can be sure
of
Shell

Baldwins showed a recovery tendency and Woolcombers were firmer on the interim dividend announcement. J. and P. Coats, however, tended to lose further ground, and textile shares as a whole had an undecided appearance. The leading tobacco shares came back into partial favour, after a long period of neglect. Little interest was taken, however, in departmental store shares. The maintenance of interim dividends failed to stimulate buying in electric supply issues, and the firmer tendency of electrical equipment shares was checked. Bank shares showed little change, but insurance shares obtained slight investment support.

Speculative interest in oil shares showed no signs of revival. Paris and Amsterdam were sellers and New York gave no consistent support. Shell, exceptionally, benefited from a small London demand, but Royal Dutch were on offer from the Continent. Although the price of rubber had a harder tendency, early indications of a slight revival in demand for the shares were not borne out. The tone of the tea share market was less settled, though the stronger demand for Ceylon teas in Mincing Lane brought in buyers in the middle of the week.

The gold-mining market, as always, mirrored every change in general market sentiment. Opening dullish on Monday, prices became firm, on a sizeable speculative interest, on Wednesday and Thursday. Johannesburg started a search for "cheap" Kaffirs. West African shares recovered after a spell of weakness, and Western Australian shares were firm. The tin share market, however, remained depressed, fears being entertained of a fall in the price of the metal after the completion of "buffer pool" buying. Rhodesian copper shares were quiet and irregular.

"FINANCIAL NEWS" DAILY BARGAIN INDEX

(Approximate number of Bargains recorded in Stock Exchange Lists)

	July 26, 1934	July 27, 1934	July 28, 1934	July 30, 1934	July 31, 1934	Aug. 1, 1934	Aug. 2, 1934
Government and Municipal Loans	1,063	1,104		1,189	1,183	1,194	1,104
Transport, Communications, and Public Utilities	763	979		884	881	907	891
Commercial and Industrial*	2,684	2,589	Closed	2,469	2,297	2,629	2,605
Banks, Insurance and Financial	472	549		468	472	571	579
Mines (including Nitrates)	1,329	1,176		1,089	1,065	1,067	1,215
Oils	153	127		171	107	129	101
Rubber, Tea and Coffee	441	514		502	484	478	427
Total	6,910	7,038		6,772	6,489	6,975	6,922
Corresponding day in 1933	7,259	7,236		9,589	6,717	6,607	7,455

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	July 26, 1934	July 27, 1934	July 28, 1934	July 30, 1934	July 31, 1934	Aug. 1, 1934	Aug. 2, 1934
90.4	83.5	85.3	85.2	Closed	85.0	84.7	85.0	85.3

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (May 17)	Lowest of 1934 (Jan. 2)	July 26, 1934	July 27, 1934	July 28, 1934	July 30, 1934	July 31, 1934	Aug. 1, 1934	Aug. 2, 1934
132.5	128.8	132.3	132.5	Closed	132.4	132.3	132.3	132.4

FOREIGN STOCK EXCHANGES

NEW YORK

HEAVY selling in the latter part of last week, on the news from Austria, suggested that the stagnant and restricted trading of previous weeks had been underlain by a serious absence of confidence. The disappearance of the "war scare" headlines of the newspapers, however, came quickly enough to prevent a slump on the grand scale, and the markets settled down into their former condition of unenterprising quietude. Prices, indeed, began slowly to regain some of their lost ground, and by the middle of the week the tone was definitely stronger. Domestic news, from

various points, contributed to the improved tendency. Grain prices continued to advance. The significance of a slight drop in freight car loadings and in steel activity was discounted, while importance was attached to an increase in power output as compared with last year. A relatively satisfactory second quarter's statement by the U.S. Steel Corporation proved as encouraging to the markets as the General Motors figures had been discouraging, though some commentators were apt to overlook the effect of fears of labour troubles in expediting steel orders during part of the period. Food company shares were prominent in the recovery in view of the higher prices these companies were expected to realise as a result of the drought. Bonds returned to partial favour, after several days of steady recession. On the whole, however, the markets, with the rest of the country, are awaiting the return of the President, who may or may not give the "new lead" desired by a country whose faith in the virtue of bold expedients is ineradicable, but is certainly the one man capable of giving it.

	July 25, 1934	Aug. 1, 1934	Aug. 2, 1934		July 25, 1934	Aug. 1, 1934	Aug. 2, 1934
Lb. Ln. 3 1/2 % '32-47	104 1/2	104	103 1/2	Natl. Biscuit	33 1/2	33 1/2	33 1/2
Do. 4 1/2 % '32-47	103 1/2	102 1/2	102 1/2	Phelps Dodge	15	15	14 1/2
Do. 4 1/2 % '33-38	103 1/2	103 1/2	102 1/2	Pullman	45	44 1/2	44
Atchafalpa	56	51 1/2	50 1/2	Sears-Robuck	39 1/2	36	35 1/2
Eric	13	12 1/2	12 1/2	Studebaker	3	2 1/2	2 1/2
Illinois Central	17	16	15 1/2	Un. Fruit	68 1/2	68 1/2	68 1/2
N.Y. Central	22 1/2	21 1/2	21 1/2	U.S. Leather	6	6	5 1/2
Pennsylvania	25 1/2	24	23 1/2	U.S. Rubber	13 1/2	14	13 1/2
Southern Pacific	18 1/2	17 1/2	17 1/2	U.S. Steel	36	35 1/2	35 1/2
Southern Ry.	15	14 1/2	14 1/2	Westinghouse	32	31 1/2	31 1/2
Union Pacific	108	101 1/2	100 1/2	Woolworth	48 1/2	48 1/2	48 1/2
Am. Can.	95	94 1/2	94 1/2	Am. Tel. and Tlg.	112	110	109 1/2
Amer. Smelting	35 1/2	33 1/2	33 1/2	Interboro R.T.	7	6 1/2	6 1/2
Anaconda	11 1/2	11 1/2	11 1/2	Int. Tel. Teleg.	9 1/2	9 1/2	9 1/2
Bethlehem Steel	28 1/2	28 1/2	28 1/2	Radio Corp.	5	5 1/2	5 1/2
Chrysler Motor	36 1/2	35 1/2	34 1/2	Utilities P. and L.	2	2 1/2	2 1/2
Corn Produce Rf.	64	62 1/2	62 1/2	W. Union Tlg.	35 1/2	34 1/2	34 1/2
Eastman Kodak	97	98	97 1/2	Associated Gas "A"	1	1	1
Gen. Electric (New)	18 1/2	18 1/2	18 1/2	Shell	20 1/2	20 1/2	20 1/2
Gen. Motors	28 1/2	28 1/2	28 1/2	Shell Union	7 1/2	7 1/2	7 1/2
Int. Harvester	27 1/2	27 1/2	27 1/2	Std. California	32 1/2	32 1/2	32 1/2
Mont. Ward	24 1/2	23 1/2	23 1/2	Do. N.J.	42 1/2	42 1/2	42 1/2

† Calculated at \$5.03 to £.

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

	1933		1934		1934		1934		1934	
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	38.7	86.8	74.9	90.5	79.6	81.4	75.5	74.9	74.9	74.9
33 Rails	23.9	54.5	35.5	51.4	40.6	41.9	37.3	35.5	35.5	35.5
37 Utilities	66.8	101.0	64.4	83.4†	66.4	69.4	65.9	64.4	64.4	64.4
Total, 421 stocks	40.9	83.4	66.6	82.1	70.8	72.7	67.5	66.6	66.6	66.6
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.59%†	3.17%	3.29%	3.56%	3.59%	3.59%	3.59%

† February 7th.

(s) Aug. 1.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	July 25, 1934	July 26, 1934	July 27, 1934	July 28, 1934	July 30, 1934	July 31, 1934	Aug. 1, 1934
105.0	76.0	82.5	76.0	78.7	79.8	79.2	79.5	82.0

TOTAL DEALINGS IN NEW YORK

	July 26, 1934	July 27, 1934	July 28, 1934*	July 30, 1934	July 31, 1934	Aug. 1, 1934
Stock Exchange—Shares (Thous.)	3,340	2,210	470	810	590	780
Bonds (Value Thous. \$)	21,210	18,960	6,270	9,350	8,160	10,600
Curb—Shares (Thous.)	508	377	88	146	108	133

* Two-hour Session.

PARIS

The markets opened irregular on Monday, and relapsed into general heaviness, mainly as a result of month-end liquidation. The undertone was not unsatisfactory, fears of European political complications having quickly subsided, but speculative interest was almost non-existent. Government stocks lost ground, and bank shares were easier, with short-lived rallies. Industrial shares attracted little atten-

tion, Thomson-Houston, in particular, showing weakness on Wednesday. Gold-mining shares, however, were in slightly increased demand in the middle of the week.

	July 25, 1934	July 30, 1934	Aug. 1, 1934		July 25, 1934	July 30, 1934	Aug. 1, 1934
Banque de France	11,200	10,770	10,600	Wagons Lits	79 1/2	77	77
Crédit Lyonnais	2,020	1,968	1,940	Mexican Eagle	32	30	30 1/2
Suez Canal	18,680	18,675	18,580	"Chartered"	8 1/2	7 1/2	7 1/2
Chargers Réunis	144	141	135	Ford	55 1/2	54 1/2	55
Rio Tinto	1,300	1,266	1,244	De Beers	330	311	297
Royal Dutch	15,410	14,750	14,880	"Johnnies"	272	265	263

BERLIN

The share market suffered a sharp general reaction last week, falls of 4 to 6 points occurring among the higher-priced issues on the day after the Vienna outbreak. The week-end, however, witnessed a moderate recovery. Dealing in the "cash" stocks, which, early in the week had reached the highest volume of the year, fell off heavily. The heaviest losses were recorded in engineering shares, but potash, electrical and heavy industrial issues also lost considerable ground. This week opened with an undecided tendency, and on Tuesday the news of the President's illness caused a further decline. Expectations of devaluation of the reichsmark led to heavy buying of foreign currency securities, some of which were quoted as much as 100 per cent. over the equivalent prices in the countries of issue. On Wednesday the opening was firmer, but subsequent changes were again, for the most part, adverse.

	July 25, 1934	July 30, 1934	Aug. 1, 1934		July 25, 1934	July 30, 1934	Aug. 1, 1934
Reichsbank	153.00	150.75	148.00	A. E. G.	25.50	24.50	23.50
D.D. Bank	63.00	62.50	60.50	Siemens & Halske	149.75	145.00	140.50
Dresdner (New)	65.50	65.50	64.50	A. K. U.	60.50	57.00	60.25
I. G. Farbenindustrie	149.50	148.90	145.10	"HapagNew"	26.50	26.25	26.25
Norddeutscher Lloyd (New)	30.25	30.50	29.60				

AMSTERDAM

The Bourse opened weak, became slightly firmer, and relapsed again into dullness. The leading industrial shares remained out of favour, Philips Lamps in particular being offered, though Unilever were fairly steady. Royal Dutch dropped 3 points on Monday. Rubber shares improved slightly after a weak start. The news regarding President Hindenburg imposed a significant check on business. Almost the only section which showed any strength was the bond market, where quotations consistently improved.

	July 25, 1934	July 30, 1934	Aug. 1, 1934		July 25, 1934	July 30, 1934	Aug. 1, 1934
2 1/2 % Dutch Loan	76 1/2	76 1/2	77 1/2	Steel Common	27 1/2	21	21 1/2
5 1/2 % German	28 1/2	25 1/2	28	A. K. U.	32 1/2	29 1/2	33
Unilever N.V.	59 1/2	58 1/2	59 1/2	Ford Motor	200 1/2	198 1/2	199
Philips' Lamps	211	198 1/2	197 1/2	DeliBatavia Tob	135	134	137 1/2
Netherlands Ship Union	32 1/2	30	30	Royal Dutch	150 1/2	145 1/2	146
				Handels Ams	166 1/2	159 1/2	159 1/2

CAPITAL ISSUES

THOUGH a large number of borrowers have hastened to cover their requirements before the holiday season, the market's attitude has been slightly uncertain and irregular. New mining propositions appear to retain their speculative appeal, but issues of relatively high-grade stocks may be little less easy to place than a week or two ago. The most notable of the week's operations has been the offer of 3 per cent. stock to holders of 4 1/2 per cent. guaranteed debenture stock in *North Wales Power Company*. This is the first "Trade Facilities" stock to be converted under the terms outlined by the Chancellor in this year's Budget. The new stock has a "life" broadly corresponding to that of 3 per cent. Conversion Loan. Industrial issues to the public include the redeemable preference shares of *Ideal Boilers and Radiators*, which acquires an old-established business in the recovery stage after a somewhat marked setback during the depression. The preference shares are well covered, but the company's power to repay them at 23s., after 1940, may prevent any considerable future rise in their market quotation. *Allansons Stores* is a Birkenhead business, with fairly steady profits, but the margin for the preference shares is not generous, the company's capitalisation having taken the form of high denominational preference and low denominational ordinary shares. The *Mayfair and General Property Trust* prospectus sets a good example

by showing net revenue separately for each group of properties to be charged for the issue of first mortgage debenture stock. The profits of the company, however, have been falling somewhat rapidly in the last three years. Of the week's mining propositions, *Gold Exploration and Finance Company of Australia* is formed under most eminent auspices, and should be in a position to exploit all the opportunities Western Australia may offer. *Watende Mines (Kenya), Limited*, takes over a producing mine, and numerous claims, regarding some of which "individual assays would be misleading as visible gold is frequent." These shares will appeal to a specialist clientèle. *Marlu Gold Mining Areas* is an offshoot of three West African companies, which acquires concessions on the Prestea reef. The company's prospects should be read in the light of our article on "Gold in West Africa," in last week's *Economist*. Particulars of another speculative African gold issue, *Kassala (Sudan) Gold Mines*, have also been advertised for public information. The week's "placings" also include issues by a confectionery business, a South African colliery company, a multiple shop enterprise, and the cotton spinning concern, John Bright and Brothers. *Nestlé and Anglo-Swiss Condensed Milk Company* has

(Continued on page 240)

This is not an invitation to subscribe for the shares but is advertised for public information.

Application will be made in due course to the Committee of the Stock Exchange, London, for permission to deal in the Shares of the Company.

MARLU GOLD MINING AREAS LTD.

CAPITAL - - - - - £2,000,000
Divided into 8,000,000 Shares of 5/- each.

Offer for Subscription at par of 2,000,000 Shares of 5/- each.

As of right to Shareholders of :—	
Gold Coast Selection Trust Ltd. ...	1,600,000 Shares
Tarkwa Banket West Ltd. ...	200,000 "
Kwahu Mining Company (1925) Ltd. ...	200,000 "
	2,000,000 Shares

Applications must be received by the Bankers not later than Monday, the 13th August, 1934.

The Subscribers will be granted an Option available to the 31st July, 1936, to take up at 6/- per Share One further Share for every Four Shares allotted to them, and Option Certificates to Bearer in respect of such right will be issued after Allotment.

The Subscription of the whole of the 2,000,000 shares now offered has been underwritten in consideration of an option up to 31st July, 1936, to subscribe at 6/- per share for 1,500,000 shares of the Company.

4,000,000 shares of 5/- each will be allotted, credited as fully paid, to the Vendors to the Company, in full satisfaction of the purchase consideration.

DIRECTORS.

HERBERT GEORGE LATILLA (Chairman of Gold Coast Selection Trust Ltd.) (Chairman).

JOHN ALEXANDER AGNEW (Chairman of The Consolidated Gold Fields of South Africa Ltd.).

FRANCIS ALLEN (Chairman of Ariston Gold Mines (1929) Ltd.).

JAMES HENLY BATTY (Chairman of Ashanti Goldfields Corporation Ltd.).

The Hon. KENNETH HALLYBURTON CAMPBELL (Director of Gold Coast Selection Trust Ltd.).

CARL RAYMOND DAVIS (Mining Engineer).

OLIVER VAUGHAN GURNEY HOARE (Director of The Consolidated Gold Fields of South Africa Ltd.).

JULIUS SIGISMUND WETZLAR (Director of Anglo-American Corporation of South Africa, Ltd.).

BROKERS.

ROWE, SWANN & CO., 24, Old Broad Street, London, E.C.2.

CONSULTING ENGINEERS.

WEST AFRICAN GOLD CORPORATION LTD., 49, Moorgate, London, E.C.2.

SECRETARY AND REGISTERED OFFICE.

JOHN WILLIAM PRICE, Finsbury Pavement House, Moorgate, London, E.C.2.

The Company was incorporated for the purpose of acquiring from Gold Coast Selection Trust, Ltd. and Tarkwa Banket West, Ltd. and Kwahu Mining Co. (1925), Ltd., the undermentioned Gold Mining Concessions situated on the Prestea-Ashanti line of reef in the Gold Coast Colony, West Africa, together with certain equipment, plant and buildings.

The four Concessions which will be held under recently granted 99-year leases are as follows :—New Bogosu, 2,980 acres; New Assekukessi, 1,918; Boppo No. 1, 826.5; Boppo No. 2, 826.5. Total, 6,551 acres.

The Concessions comprise areas formerly known as Bogosu, Dumassie, Mansabaie and Bogosu North, now renamed New Bogosu, and Assekukessi, North, and South and Kukrokuro North and South, now renamed New Assekukessi together with Boppo No. 1 and Boppo No. 2 and embrace a length of approximately 6 1/2 miles of the Prestea-Ashanti Gold belt. The centre of the properties is roughly 10 miles north-east of Prestea station.

The areas have been selected by the Technical Staff of Gold Coast Selection Trust Limited, after an intensive examination which included topographic and geologic surveys, surface prospecting and underground development.

The properties have been favourably reported upon by Messrs. C. B. Brodigan, A.R.S.M., M.Inst.M.M., and R. A. Barry, Joint Consulting Engineers to West African Gold Corp. Ltd., and Major D. Gilchrist, M.C., M.Sc., and Mr. F. L. Thomas, General Manager and Assistant General Manager respectively of Gold Coast Selection Trust Ltd.

LONDON ACTIVE SECURITY PRICES AND YIELDS

Note—Shares with a New York quotation or with definite American interest are distinguished by italics

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum. div." shares.

Prices Year 1933		Prices Year 1934 (Jan. 1 to Aug. 1)		Name of Security		Price, July 25, 1934	Price, Aug. 1, 1934	Rise or Fall	Yield
High	Low	High	Low						
77 1/2	70 1/2	82 1/2	73 1/2	Consols 2 1/2%	80 1/2	79 1/2	—	—	3 2 1/2
110 1/2	105 1/2	113 1/2	109 1/2	Do. 4% Red. at par on or after Feb. 1957 (n)	112 1/2	112	—	—	3 4 9
94 1/2	92 1/2	97 1/2	92 1/2	Conversion 2 1/2% 1944-49	97	97	—	—	2 15 0
101 1/2	97 1/2	105 1/2	97 1/2	Do. 3%, 1948-53	102	100 1/2	—	—	2 18 7
111 1/2	107 1/2	114 1/2	108 1/2	Do. 3%, 1948-53 (after 1961 (a))	105 1/2	111	—	—	3 16 0
118 1/2	114 1/2	119 1/2	116 1/2	Do. 3%, 1944-64	119	118 1/2	—	—	2 17 6
113 1/2	108 1/2	111 1/2	111 1/2	Funding 4% 1960-90	115 1/2	115	—	—	3 3 9
100 1/2	98 1/2	100 1/2	99 1/2	2% Treasury Bds. 35-38	100 1/2	100 1/2	—	—	1 18 0
102 1/2	102 1/2	102 1/2	102 1/2	3% Treasury Bds. 33-42	103 1/2	103	—	—	2 17 6
102 1/2	102 1/2	102 1/2	102 1/2	Victoria Bds. 24% (a)	103 1/2	103 1/2	—	—	3 10 6
102 1/2	102 1/2	102 1/2	102 1/2	War 3 1/2% after 1952 (n)	104 1/2	104 1/2	—	—	3 10 6
89 1/2	82 1/2	90 1/2	86 1/2	Local Loans 3%	93 1/2	91 1/2	—	—	3 5 6
101 1/2	101 1/2	101 1/2	101 1/2	Austria 3% 1933-53	100 1/2	100 1/2	—	—	2 19 0
55 1/2	55 1/2	72	61	India 2 1/2%	68 1/2	68	—	—	3 13 6
78 1/2	77 1/2	81	74 1/2	Do. 3%	80 1/2	80	—	—	3 14 9
101 1/2	101 1/2	101 1/2	101 1/2	Do. 3 1/2%	92 1/2	92 1/2	—	—	3 15 9
107 1/2	102 1/2	105 1/2	103 1/2	U.K. & Am. A (1947)	115 1/2	115 1/2	—	—	3 10 9
111 1/2	107 1/2	108 1/2	105 1/2	Dom. & Colonial Govts.	105	105	—	—	3 9 9
106 1/2	101 1/2	105 1/2	103 1/2	Australia 5% 1945-75	108	108	—	—	4 1 6
114 1/2	109 1/2	113 1/2	113 1/2	Canada 4% 1940-60	104	104	—	—	3 5 9
111 1/2	106 1/2	110 1/2	108 1/2	Gold Coast 4 1/2% 1956	114	114	—	—	3 11 9
104 1/2	101 1/2	102 1/2	102 1/2	Nigeria 5% 1950-60	115	115	—	—	3 14 6
112 1/2	106 1/2	110 1/2	109 1/2	N.S. Wales 3 1/2% 1955	103 1/2	103	—	—	3 13 9
107 1/2	102 1/2	109 1/2	106 1/2	N. Zealand 5% 1946	110	110	—	—	3 18 9
114 1/2	107 1/2	111 1/2	108 1/2	Queensland 5% 40-60	107	107	—	—	3 18 0
105 1/2	99 1/2	105 1/2	100 1/2	S. Africa 5% 1935-53	113	113	—	—	3 11 0
94 1/2	89 1/2	98 1/2	89 1/2	Argentina 4% Resc. 1952	98 1/2	98 1/2	—	—	4 6 0
105 1/2	99 1/2	105 1/2	100 1/2	Austrian 6% 1923-43	102	101 1/2	—	—	5 15 0
75 1/2	54 1/2	84 1/2	69 1/2	Do. 7% Int. red. by 1957	73 1/2	73 1/2	—	—	9 10 6
50 1/2	29 1/2	51 1/2	37 1/2	B. Aires Prov. 4% 1935	47 1/2	47 1/2	—	—	6 4 0
115 1/2	108 1/2	113 1/2	109 1/2	Belgian 7% red. by 1956	110	110	—	—	9 8 8 1/2
30 1/2	18 1/2	30 1/2	20 1/2	Bulgaria 7% Loan	26 1/2	26 1/2	—	—	10 16 0
78 1/2	62 1/2	81 1/2	72 1/2	Brazil 5% Fund. 1914	78	77 1/2	—	—	6 5 10
66 1/2	61 1/2	66 1/2	61 1/2	Chili 6% (1929)	18 1/2	18 1/2	—	—	30 27 1/2
66 1/2	61 1/2	66 1/2	61 1/2	China 5% (1912)	72 1/2	72 1/2	—	—	7 1 0
91 1/2	87 1/2	91 1/2	87 1/2	China 5% (1913)	72 1/2	72 1/2	—	—	5 6 0
105 1/2	96 1/2	103 1/2	101 1/2	Czechoslovakia 8%	104 1/2	104 1/2	—	—	7 13 0
85 1/2	76 1/2	85 1/2	76 1/2	Danish 3%	84 1/2	84 1/2	—	—	3 11 0
89 1/2	81 1/2	85 1/2	82 1/2	Danish 6%	84 1/2	84 1/2	—	—	7 13 0
104 1/2	95 1/2	111 1/2	104 1/2	Egypt Unified 4%	107	107	—	—	3 14 0
89 1/2	80 1/2	89 1/2	80 1/2	Estonia 7% 1927	79	78 1/2	—	—	8 17 9
106 1/2	101 1/2	106 1/2	101 1/2	Finland 6% 1923	102	102	—	—	5 18 0
26 1/2	21 1/2	28 1/2	23 1/2	France 4% (British)	26 1/2	26 1/2	—	—	5 2 0
100 1/2	91 1/2	95 1/2	83 1/2	Germany 7%	57 1/2	57 1/2	—	—	10 18 9
92 1/2	80 1/2	92 1/2	80 1/2	Do. 5 1/2% St. Deb. 1930	45 1/2	45 1/2	—	—	13 8 3
84 1/2	73 1/2	84 1/2	73 1/2	Greek 6% Stab. Ln.	30 1/2	30 1/2	—	—	18 16 1/2
41 1/2	29 1/2	43 1/2	37 1/2	Do. 7% Refugee	39 1/2	39 1/2	—	—	24 20 1/2
58 1/2	34 1/2	58 1/2	34 1/2	Hungary 4%	49 1/2	49 1/2	—	—	7 4 9
89 1/2	80 1/2	89 1/2	80 1/2	Japanese 5% 1936-53	79 1/2	79 1/2	—	—	7 5 6
89 1/2	80 1/2	89 1/2	80 1/2	Do. 6% (1934) red. 1959	89 1/2	89 1/2	—	—	14 13 1/2
107 1/2	97 1/2	103 1/2	98 1/2	Norwegian 4% 1911	111	111	—	—	3 12 3
63 1/2	55 1/2	63 1/2	55 1/2	Peru 7 1/2% 1922	30 1/2	30 1/2	—	—	22 21 1/2
87 1/2	79 1/2	87 1/2	79 1/2	Poland 7%	80 1/2	80 1/2	—	—	9 8 1/2
129 1/2	124 1/2	129 1/2	124 1/2	Romania 4% 1922	115 1/2	115 1/2	—	—	15 16 1/2
101 1/2	91 1/2	101 1/2	91 1/2	Swedish 3 1/2% 1908	113 1/2	113 1/2	—	—	3 10 10
105 1/2	100 1/2	111 1/2	102 1/2	U.K. & Argentine 1933	108	108	—	—	4 16 0
62 1/2	53 1/2	70 1/2	54 1/2	Do. C. Certs. (3% Max.)	67 1/2	67 1/2	—	—	4 9 3
73 1/2	32 1/2	52 1/2	31 1/2	Corporation Stocks	34	32	—	—	2
118 1/2	112 1/2	117 1/2	114 1/2	Birmingham 5% 1946-56	117 1/2	117	—	—	3 7 0
118 1/2	112 1/2	117 1/2	114 1/2	Bristol 5% 1948-58	117 1/2	117	—	—	3 9 0
123 1/2	118 1/2	123 1/2	118 1/2	Do. 5% 1952-55	122 1/2	122	—	—	3 17 0
113 1/2	105 1/2	110 1/2	103 1/2	Do. 5% 1952-55	109 1/2	109	—	—	3 17 0
107 1/2	102 1/2	107 1/2	102 1/2	Edinburgh 5% 1930-70	120	120	—	—	3 15 6
111 1/2	107 1/2	108 1/2	105 1/2	Johns. & Co. 5% 1937-52	102 1/2	102 1/2	—	—	3 6 9
111 1/2	107 1/2	108 1/2	105 1/2	L.C.C. 3%	92 1/2	92 1/2	—	—	4 6 0
111 1/2	107 1/2	108 1/2	105 1/2	Seine 7% 1935-52	106	106	—	—	4 6 0

Prices Year 1934 (Jan. 1 to Aug. 1)										Prices Year 1934 (Jan. 1 to Aug. 1)									
Last two Half-yearly Dividends		Name of Security		Price, July 25, 1934	Price, Aug. 1, 1934	Rise or Fall	Yield	Last two Half-yearly Dividends		Name of Security		Price, July 25, 1934	Price, Aug. 1, 1934	Rise or Fall	Yield				
High	Low	(a) %	(b) %				£ s. d.	High	Low	(a) %	(b) %				£ s. d.				
12 1/2	8 3/4	Nil	Nil	Iron, Coal, &c.—cont.				27 1/4	24 1/2	5 1/2	5 1/2	Miscellaneous							
36 1/2	31 1/4	Nil	Nil	Huddfields 11	12 1/2	12 1/2	—	33 1/2	19 1/4	11 1/2	11 1/2	Aerated Bread 11	26 1/2	26 1/2	—				
22 1/2	17 1/2	23 1/2	15 1/2	Har. & W.V. 6% Cpn. Pl.	14 1/4	19 1/4	—	12 1/2	8 1/2	15 1/2	Nil	Amal. Dental Def. 11	9 1/2	9 1/2	—				
24 1/2	17 1/2	25 1/2	15 1/2	Lambert Bros. 11	18 1/2	19 1/2	—	17 1/2	13 1/2	3 1/2	4 1/2	Amal. Metal. 11	18 1/2	18 1/2	—				
14 1/2	10 1/2	11 1/2	11 1/2	Ocean Coal & Wilsons	13 1/2	12 1/2	—	22 1/2	18 1/2	5 1/2	6 1/2	Amal. Press 110 1/2	19 1/2	18 1/2	—				
5 1/2	3 1/2	Nil	Nil	Pease and Partners 10 1/2	4 1/2	4 1/2	—	31 1/2	26 1/2	4 1/2	5 1/2	Army and Navy 10 1/2	28 1/2	29 1/2	—				
23 1/2	16 1/2	14 1/2	14 1/2	Powell Duffryn 11	18 1/2	17 1/2	—	26 1/2	20 1/2	20 1/2	20 1/2	Assoc. Newsp. Dt. 5 1/2	23 1/2	23 1/2	—				
25 1/2	20 1/2	21 1/2	21 1/2	Sheepbridge Cl. & In 11	21 1/2	21 1/2	—	30 1/2	24 1/2	8 1/2	8 1/2	Assoc. P. News 11	23 1/2	23 1/2	—				
26 1/2	20 1/2	21 1/2	21 1/2	S. Durham 11	22 1/2	22 1/2	—	36 1/2	27 1/2	5 1/2	5 1/2	Barrat Bros. 11	68 1/2	68 1/2	—				
14 1/2	9 1/2	Nil	Nil	Steel & Iron 11 B Ord. 11	10 1/2	10 1/2	—	38 1/2	29 1/2	3 1/2	3 1/2	Barry & Staines Lino	36 1/2	36 1/2	—				
51 1/2	43 1/2	44 1/2	44 1/2	Stanton Ironworks 11	48 1/2	48 1/2	—	47 1/2	39 1/2	23 1/2	23 1/2	Boots' Pure Drug 5 1/2	45 1/2	45 1/2	—				
36 1/2	31 1/2	32 1/2	32 1/2	Staveley Coal, & Co. 11	32 1/2	32 1/2	—	12 1/2	12 1/2	Nil	Nil	Borax Deferred 11	12 1/2	12 1/2	—				
27 1/2	22 1/2	23 1/2	23 1/2	Stewart & Lloyd 11	25 1/2	25 1/2	—	28 1/2	18 1/2	6 1/2	6 1/2	Borax Deferred 11	18 1/2	18 1/2	—				
17 1/2	14 1/2	15 1/2	15 1/2	Swan, Hunter 11	16 1/2	15 1/2	—	34 1/2	27 1/2	5 1/2	5 1/2	Brit. Aluminium 11	26 1/2	26 1/2	—				
30 1/2	22 1/2	23 1/2	23 1/2	Thomas (Richard) 11	4 1/2	3 1/2	—	37 1/2	31 1/2	12 1/2	12 1/2	Brit. Match 11	33 1/2	33 1/2	—				
19 1/2	14 1/2	15 1/2	15 1/2	8 1/2 Cn. Tax free Pl. 11	29 1/2	29 1/2	—	6 1/2	5 1/2	12 1/2	12 1/2	Brit. Amer. Tobacco 11	5 1/2	5 1/2	—				
22 1/2	17 1/2	18 1/2	18 1/2	Thornycroft, John, 11	12 1/2	12 1/2	—	74 1/2	43 1/2	2 1/2	2 1/2	British Oxygen 11	70 1/2	68 1/2	—				
22 1/2	17 1/2	18 1/2	18 1/2	U. States Steel 1100	35 1/2	35 1/2	—	8 1/2	7 1/2	15 1/2	15 1/2	Caracas "A" Ord. 11	7 1/2	7 1/2	—				
11 1/2	8 1/2	9 1/2	9 1/2	United Steel Co. Ord. 11	35 1/2	35 1/2	—	28 1/2	17 1/2	12 1/2	12 1/2	Chinese Eng. 11	20 1/2	18 1/2	—				
33 1/2	28 1/2	29 1/2	29 1/2	Vickers 11	11 1/2	10 1/2	—	32 1/2	24 1/2	8 1/2	8 1/2	Critical Manag. 11	10 1/2	7 1/2	—				
64 1/2	52 1/2	53 1/2	53 1/2	Weardale Steel & Cl. 11	30 1/2	30 1/2	—	17 1/2	13 1/2	7 1/2	7 1/2	Davidson & Aitken 11	61 1/2	61 1/2	—				
				Whitehead Iron & Steel	64 1/2	63 1/2	—	54 1/2	39 1/2	4 1/2	4 1/2	Dunlop 11	45 1/2	44 1/2	—				
								55 1/2	34 1/2	5 1/2	5 1/2	Eastwoods Ord. 11	52 1/2	51 1/2	—				
								36 1/2	17 1/2	Nil	Nil	Elec. & Musical Ind. 11	26 1/2	26 1/2	—				
								30 1/2	23 1/2	10 1/2	10 1/2	Ever Ready Co. 5 1/2	29 1/2	28 1/2	—				
								35 1/2	27 1/2	11 1/2	11 1/2	Fairley Aviation 11	31 1/2	30 1/2	—				
								73 1/2	50 1/2	5 1/2	5 1/2	Galbraith & Co. 11	73 1/2	73 1/2	—				
								76 1/2	50 1/2	3 1/2	3 1/2	Gallagher Ltd. Ord. 11	75 1/2	75 1/2	—				
								14 1/2	11 1/2	7 1/2	7 1/2	Gaumont Brit. (10 1/2)	11 1/2	12 1/2	—				
								13 1/2	9 1/2	3 1/2	3 1/2	Glasswall & Co. (10 1/2)	11 1/2	11 1/2	—				
								130 1/2	92 1/2	7 1/2	7 1/2	Harrisons & Cross Def. 11	127 1/2	125 1/2	—				
								8 1/2	5 1/2	10 1/2	10 1/2	Harrods (B.A.) 15 1/2 Ord. 11	7 1/2	7 1/2	—				
								76 1/2	50 1/2	10 1/2	10 1/2	Leather & Laidlaw 11	76 1/2	76 1/2	—				
								7 1/2	4 1/2	6 1/2	6 1/2	Home Col. Stores 4 1/2	9 1/2	9 1/2	—				
								32 1/2	24 1/2	3 1/2	3 1/2	Imperial Airways 11	38 1/2	38 1/2	—				
								39 1/2	24 1/2	2 1/2	2 1/2	Imperial Ord. 11	35 1/2	35 1/2	—				
								10 1/2	7 1/2	11 1/2	11 1/2	Chemical Def. (10 1/2)	8 1/2	8 1/2	—				
								15 1/2	10 1/2	11 1/2	11 1/2	Imperial Smelt. Ord. 11	11 1/2	10 1/2	—				
								24 1/2	17 1/2	11 1/2	11 1/2	International Holdings	5 1/2	5 1/2	—				
								22 1/2	15 1/2	10 1/2	10 1/2	Inter. Nickel of Can.	23 1/2	23 1/2	—				
								12 1/2	8 1/2	18 1/2	18 1/2	International Tea 5 1/2	31 1/2	30 1/2	—				
								30 1/2	21 1/2	10 1/2	10 1/2	Lever 7 1/2 Cum. 11	30 1/2	30 1/2	—				
								31 1/2	28 1/2	4 1/2	4 1/2	Brow. 1 1/2 Cum "A" Pl. 11	30 1/2	30 1/2	—				
								8 1/2	5 1/2	18 1/2	18 1/2	Do. 20 1/2 Cum "A" Pl. 11	67 1/2	67 1/2	—				
								15 1/2	10 1/2	20 1/2	20 1/2	Leather & Laidlaw 11	76 1/2	76 1/2	—				
								6 1/2	4 1/2	18 1/2	18 1/2	Lyons (J.) 11	6 1/2	6 1/2	—				
								9 1/2	6 1/2	18 1/2	18 1/2	Manbre and Garton 11	53 1/2	53 1/2	—				
								56 1/2	50 1/2	9 1/2	9 1/2	Marke & Spencer A 10 1/2	22 1/2	21 1/2	—				
								148 1/2	10 1/2	25 1/2	25 1/2	Maypole Dairy 2 1/2	21 1/2	21 1/2	—				
								3 1/2	2 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/2	3 1/2	3 1/2	Pinchin Johnson 10 1/2	38 1/2	38 1/2	—				
								2 1/2	1 1/										

(Continued from page 237)

made an offer to preference shareholders for conversion of their holdings into ordinary shares. This will appeal mainly to majority holders of Swiss nationality, rather than to minority British holders, who do not desire to assume either an equity risk or a currency risk.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to July 28, 1934, excluding conversions, £112,174,883.
Total recorded, January 1 to July 28, 1934, including conversions, £285,147,944.

National Savings Certificates.—Net receipts, week ended July 28, 1934, Dr. £100,000.

To the Public	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Allansons Stores, 120,000 ord. 5s., at par	30,000	...	30,000	15,000	15,000
Do. 50,000 6% cum. red. pref. £1 at par	50,000	...	50,000	6,250	43,750
Gold Exploration and Finance Company of Australia (10s.)	900,000	...	900,000	225,000	675,000
Ideal Boilers and Radiators, 750,000 5% red. cum. pref. £1 at 20s. 6d.	750,000	...	768,750	93,750	675,000
Watende Mines (Kenya) (5s.)	115,000	...	115,000	57,500	57,500
Mayfair and General Property Trust (to repay £78,420 6½% deb. stk. at 104 of Duchess Property Co.)	200,000	81,557	118,443	10,000	190,000
North Wales Power Co., £1,468,100 3% guar. deb. stk., 1946-1953 (to repay 4½% guar. deb. stk.)	1,468,100	1,468,100	...	...	...
Total	3,513,100	1,549,657	1,982,193	407,500	1,656,250

Total Offered for Subscription	Including Conversions	Excluding Conversions	Total Offered for Subscription—Including Conversions	Excluding Conversions
Jan. 1 to date—				
1934	288,579,794	114,057,056	467,521,560	244,780,500
1933	223,945,973	129,523,008	2,699,684,265†	188,909,963
1932	290,587,490	161,842,825	114,200,666	102,644,294
1931	107,313,599	96,436,614	693,100,058	369,058,073
1928	281,630,913	...	...	...

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

January 1 to date—	Debentures	Preference	Ordinary	Total
1934	70,947,528	12,356,356	30,753,172	114,057,056
1933	116,290,709	7,319,345	5,912,954	129,523,008
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,900	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

Amount previously recorded	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Allied Industrial Services, 130,000 6% cum. pref. shares £1	17,050,032	...	22,910,957
Total to date, 1934	17,180,032	...	23,057,227
Total to date, year 1933	25,494,051	...	27,395,835

PUBLIC OFFERS

Gold Exploration and Finance Company of Australia, Ltd.—Issue of 1,800,000 shares of 10s. each at par. Formed to acquire holdings, loans and options in the Australian gold-mining companies from Austral Trust, Central Mining, Imperial Smelting, New Consolidated Goldfields, Union Corporation and Zinc Corporation. Interests acquired are prospecting and developing companies in established fields, except for Western Mining, which is exploring an area of 85,000 square miles in Western Australia. Purchase consideration £375,000 in cash, vendors subscribing for 900,000 shares of above issue, of which further 200,000 will be offered preferentially; working capital, £525,000.

Ideal Boilers and Radiators, Ltd.—Issue of 750,000 5 per cent. redeemable £1 cumulative preference shares at 20s. 6d. Company acquires assets (with certain exceptions) of National Radiator Company, manufacturers of Ideal boilers, radiators, etc. Proceeds will repay bank advances and extend business. Profits shown for 10½ years separately, ranging between £313,171 for 1929 and £157,329 for 1932. For the half-year ended June 30, 1934, £115,358. Total net assets, £1,412,452. Purchase price, £970,000, satisfied by £21,000 cash, 250,000 preference shares, and 699,000 ordinary shares. Goodwill in purchase consideration, £257,548.

Allansons Stores, Ltd.—Acquires (from July 1, 1934) general drapery store business in Birkenhead, founded 1860. Issue at par of 50,000 £1 6 per cent. cumulative redeemable preference shares and 120,000 5s. ordinary shares, preference being redeemable at 22s. 6d. per share at company's option. Profits shown for six years, maximum £13,371 for 1928-29, latest £11,323 for 1933-34. Net assets acquired (exclusive of goodwill), £76,700. Purchase price £90,000 in cash, of which £13,300 attributable to goodwill.

Mayfair and General Property Trust, Ltd.—Issue of £200,000 5 per cent. first mortgage debenture stock at par, with final redemption August, 1969, to repay £86,774 mortgages, and make advance to redeem £78,420 debenture stock and £15,000

mortgage on the Duchess Property Company. Holders of 6½ per cent. Duchess Property debenture stock offered exchange into £104 new debenture or £100 new and £4 cash for every £100. Net value of properties, £426,567. Profits: 1930-31, £30,346; 1931-32, £26,008; 1932-33, £19,691.

Watende Mines (Kenya), Ltd.—Issue of 460,000 shares of 5s. each at par. Property situated in South Kavirondo area of Kenya Colony. During four months to March 31, 1934, output of Kihancha Mine was 912 ounces of fine gold from roughly 500 tons of ore. Preliminary expenses estimated at £10,000 and payable by company. Purchase consideration, payable to British East African Mining Syndicate, 440,000 fully paid 5s. shares.

BY STOCK EXCHANGE INTRODUCTION

Austin Reed, Ltd.—Issue of 200,000 5 per cent. "A" cumulative redeemable preference shares £1 each ranking after existing 8 per cent. cumulative preference shares. Redeemable at 22s. after August 30, 1944. Messrs. W. A. Simpson and Company have agreed to subscribe for whole issue at 20s. 4½d. per share, for broker's fee of 500 guineas.

Kassala (Sudan) Gold Mines, Ltd.—Share capital £50,000 in 2s. shares, of which 100,000 issued at 2s. 6d. cash, 300,000 credited as fully paid for purchase consideration and 100,000 held in reserve. Properties situated in Sudan. Purchase price for all properties (including plant, machinery and equipment) £30,000, no portion in cash. Preliminary expenses estimated at £1,500.

Marlu Gold Mining Areas, Ltd.—Offer at par of 2,000,000 5s. shares to shareholders of Gold Coast Selection Trust, Tarkwa Banket West and Kwahu Mining (1925), from which company acquires gold-mining concessions. Subscribers given option, to July 31, 1936, to take up, at 6s., one further share for every four allotted. Purchase price payable to vendors is £1,000,000, to be satisfied by the allotment of shares in the capital of the company. Preliminary expenses estimated at £20,000.

Springfield Collieries, Ltd.—Issue at par of £160,000 5 per cent. first mortgage debentures of £100. Principal and interest guaranteed by African and European Investment Company. Repayable August 1, 1970, with company's right to redeem on August 1, 1942, or after at 103. Incorporated March 12, 1934, in South Africa. Preliminary expenses estimated at £900. Messrs. E. S. Marcus and Company, of 5 and 6 Great Winchester Street, London, have agreed to purchase whole present issue at par, less cash commission of £2,000.

ISSUES TO SHAREHOLDERS ONLY

Van Dyk Proprietary Mines, Ltd.—With regard to the right of shareholders to subscribe for one 10s. share at par in the new company for each share held by them in this company, owing to unavoidable delay, the issue must be further postponed. It will be impossible to adhere to the date for closing the offer, viz., July 31st. Shareholders registered on July 7th will be notified in due course of the dates during which the offer will remain open.

PRIVATE PLACING

Caley (A. J.) and Son, Ltd.—Issue at par of 150,000 5 per cent. cumulative preference shares £1 unconditionally guaranteed for capital and dividend by John Mackintosh and Sons, Ltd. Incorporated 1898 and carries on chocolate and confectionery business. Proceeds of present issue will repay bank advances, with interest, of £135,000. Net profits of John Mackintosh, Ltd., shown for ten years, between £130,295 for 1923-24, and £12,426 for 1926-27, to £79,122 for 1932-33. John Mackintosh net assets, £522,733. Results of A. J. Caley for past three years: 1931-32 (loss), £20,290; 1932-33 (loss), £105,438; 1933-34 (profit), £14,972.

CONVERSIONS AND REPAYMENTS

North Wales Power Company, Ltd.—Offer of £1,468,100 £3 per cent. guaranteed debenture stock, 1946-1953, in exchange for holdings of North Wales Power Company, Ltd., £4 10s. per cent. guaranteed debenture stock, 1930-1953, to be repaid on November 1, 1934. A trustee security guaranteed as to principal and interest by His Majesty's Treasury. Repayable 1935 to 1953, by cumulative sinking fund by drawings so arranged that annual percentage payable during last fourteen years is larger than the annual percentage during first five years. Power reserved to the company to redeem at par on November 1, 1946, or on any half-yearly interest date thereafter. Company owns and operates three hydro-electric generating stations.

Bank Line, Ltd.—Holders of 5 per cent. guaranteed debentures are informed that the company will redeem the whole of the £1,264,000 outstanding stock on February 1st next at par.

Nestlé and Anglo-Swiss Condensed Milk Company.—An extraordinary meeting will be held at Cham, Switzerland, on

September 11th, to consider proposals for conversion of 2,000,000 8 per cent. cumulative preference shares of £1 each into ordinary (bearer) shares of Sw. Frs. 10 each. Preference shareholders will be offered the alternative of £2 in cash and one ordinary (bearer) share of Frs. (Swiss) 10 in exchange for every two preference shares. A holder who so desires may dispose of the ordinary shares of Frs. 10 each for £2 4s. per share offered by a group.

Austrian Government International Loan 1930 7 per cent. Sterling Bonds.—In carrying out the operation of the sinking fund for the year ended June 30, 1934, bonds amounting to £87,400 have been purchased and cancelled.

RESULTS OF ISSUES

Gold Exploration and Finance Company of Australia.—Issue of shares to the public, including applications from Australia and the United States, was subscribed 15 times.

Ideal Boilers and Radiators.—The subscription list for issue of preference shares at 20s. 6d. per share was closed at 9.10 a.m. on July 31st owing to heavy oversubscription.

Mayfair and General Property Trust.—Investment Registry announces that the list in connection with the issue of debenture stock at par for the Mayfair and General Property Trust was closed at 9.5 a.m., August 1st. The issue was oversubscribed.

Newfoundland Loan Conversion.—On July 31st Mr Chamberlain stated, in the House of Commons, that, as regards the offer last December to holders of Newfoundland stocks (see *The Economist* December 30, 1933, page 1290), that up to date non-trustee securities to the value of £15,133,310, or approximately 99 per cent., had been converted. In addition, holders of trustee securities to the value of £497,117 (out of £2,014,000) had converted into guaranteed stock.

New Zealand 3½ per cent. Stock.—Underwriters of the £3,989,100 of New Zealand Government 3½ per cent. stock of 1955-60 have been relieved of their commitments. Applicants up to £10,000 received a full allotment and those for larger amounts 96 per cent.

Watende Mines (Kenya).—The subscription list for shares of 5s. each at par was closed at 9.5 a.m., July 31st. The issue was oversubscribed.

LONDON NEW ISSUE PRICES

Stock or Share	Issue Price	Am't. paid	Price, July 25, 1934	Price, Aug. 1, 1934
Airspeed (1934) Pref. Ord. 5/-	5/-	2/6	3d-4½d. pm	4½d. pm
Alconite Estates 5% Deb.	100	50	1-1 pm	1-1 pm
Argentine 4½%	93	...	89½-90½	89½-90½
Australia 3½%, 1934-59	97	Fy pd	98½-98½	98½-98½
Boots Pure Drug New Ord. 5/-	15/-	Fy pd	44½-45/-	45/-
Bowater's Paper New 4½% Deb.	100	Fy pd	104-105	105-106
British Aluminium Ord.	27/6	11/6	44d-44d dis	44d-44d dis
Do. do. 6% Deb. Pref.	24/6	10/-	1½d-1½d pm	1½d-1½d pm
Do. do. 4% Deb.	89	30	2-2½ pm	2-2½ pm
British Ropes 4½% Deb.	99	Fy pd	99-99½	99-100
Brookes (W. J.) and Sons Ord. 5/-	...	...	5/10½-6/3	6/-
Do. 6% Cum. Pref. £1	...	...	21/-	21/-
Burtol Cleaners 5/-	5/-	...	1/6-1/-	1/-
Caley (A. J.) and Son 5% Pref.	...	...	94½-1/-	94½-1/-
Canada 3½%, 1934-64	96½	61½	1-1 pm	1-1 pm
Carlton Main Colliery 4½% Deb.	102½	27½	1-1 pm	1-1 pm
Cory (Wm.) and Son Ord. £1	73/6	Fy pd	72/-	72/-
County of London 4% Cum. Pref. £1	21/-	8/-	1½d-1½d pm	1½d-1½d pm
Criterion Restaurants 4% Deb.	98½	10	1-1 pm	1-1 pm
Dale (John) 5½% Pref.	...	...	20/9-21/3	20/9-21/3
Economic Insurance (1/- paid)	...	...	43/8-44/6	43/8-44/6
Fleetons New Ord. 5/-	14/-	Fy pd	15/4½-15/10½	15/-
Green Stabell Mines £1	...	...	3/3-3/9	3/3-3/9
Greenwood (John) Millers, 1934, Ord.	5/-	Fy pd	7/11-7/4½	7/3-7/7½
Do. 5½% Pref.	5/-	Fy pd	22/11-22/1½	22/-
Griffiths Hughes Prop. Ord.	20/-	10/6	38/9-39/3	38/9-39/3
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	Fy pd	5/-	5/-
Do. 5% Deb.	100	Fy pd	98½-99½	98½-99½
Heath (G. H.) Ord.	20/-	Fy pd	1½-2½	1½-2½
Do. 6% Pref.	20/-	Fy pd	22/6-23/6	22/-
Jackson Brothers 6½% Pref.	...	...	22/9-23/3	23/-
Jones (A.) and Sons Ord. 1/-	par	Fy pd	1/3-1/6	1/3-1/6
Do. 6½% Pref. £1	par	Fy pd	20/10½-21/4½	20/10½-21/4½
Kent Gold (10/-)	10/-	Fy pd	12/6-12/9	11/3-11/6
Klerksdorp Cons. 5/-	5/-	Fy pd	4/9-5/-	5/-
Mersey Docks 3½% Deb.	98	23	1½-1½ pm	1½-1½ pm
Mount Morgan 5/-	7/6	Fy pd	20/3-20/9	20/-
Mufuria 5½% Deb.	101	66	1-1 pm	1-1 pm
Murchison Gold 5/-	5/-	Fy pd	99½-99½	99½-99½
New London Properties 4½% Deb.	98	Fy pd	94½-100	94½-100
New Zealand 3½%, 1935-66	100	5	...	...
Pitman (Sir L.) 5½% Pref.	21/6	Fy pd	22/-	22/-
Powell Duffryn Pref. Ord. 5/-	20/9	4/-	4½d-1½d dis	4½d-1½d dis
Reed (Austin) 5% A Pref.	...	...	27½-27/10½	27½-27/10½
South Bank Areas 2/-	100	Fy pd	1½-1½ pm	1½-1½ pm
Somerset 3½%, 1939-64	21/6	Fy pd	25/3-26/3	25/3-26/3
S. African Distilleries	97½	5	1-1 pm	1-1 pm
S. Rhodesia 3½%, 1935-65	25/-	10/-	9d-1/3 pm	1/-
Stanton Iron, New 6% Pref. £1	100	25	2-2½ pm	2-2½ pm
Stewarts and Lloyds 4% Deb.	100	50	1-1 pm	1-1 pm
Stockport 3½%, 1934-64	100	50	1-1 pm	1-1 pm
Thistle Etna Gold	5/-	20	1/3-9d dis	1/3-9d dis
Trust Houses 3½% Deb.	93½	2	1-1 pm	1-1 pm
Tunnel Portland Cement B Ord. 10/-	21/6	Fy pd	21/-	21/-
United Steel £1	100	55	1-1 pm	1-1 pm
Walsall 3½%	100	25	1/6-1/-	1/6-1/-
Welsh Ass. Collieries 5½% Cum. Pref. £1	21/-	6	3½-4½	3½-4½
Do. 4½% Deb.	100	25	10/7½-11/-	10/-
West (Butchers) Ord.	12/6	Fy pd	22/3-22/3	21/6-22/3
Whiteways Cyder Ord. £1	25/-	Fy pd	40/6-41/6	40/6-41/6
Do. 6% Pref.	21/-	Fy pd	25/3-25/9	25/3-25/9

CALLS DUE AUGUST 6 TO AUGUST 11, 1934

The grand total of calls falling due in August, 1934, is £6,367,141, which compares with £7,270,599 which fell due in August, 1933. The following calls fall due from August 6, 1934, to August 11, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
5/-	International Tea Company's Stores, Ltd. (549,752 new ordinary shares at 20/-)	5/- p.s.	Aug. 10	5/- p.s.
5/-	London and Rhodesia Mining and Land, Ltd. (538,462 shares, at par)	2/6 p.s.	Aug. 7	All
Stock	Metropolitan Ground Rents, Ltd. (£650,000 4% 1st mort. deb. stock, at 99%)	£89%	Aug. 8	All

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash * Interim div. † Final div.			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Great Western Railway Ord.	1½*	Aug. 15	Unchanged	%	%
London & North Eastern 4% 1st Guar. Stk.	2½*	Aug. 14	Unchanged	...	...
London & North Eastern 4% 2nd Guar. Stk.	2½*	Aug. 14	Unchanged	...	...
Metropolitan Railway (Surplus Lands)	1½*	...	...	...	...
Swansea and Mumbles Railway	...	...	...	9½	9½
BANKS					
Bank of New South Wales	5/- p.s.	Aug. 29	Unchanged	...	...
Commercial Bank of Australia ...	2½†	...	Unchanged	5	5
Commercial Banking of Sydney ...	...	...	...	5	5
TEA AND RUBBER					
Semenyih Rubber	...	...	...	10	Nil
MINING					
Anglo-Burma Tin	7½*	Aug. 15	Nil	...	...
Broken Hill South	1/6 p.s.*	Sept. 15	...	...	...
East Pool and Agar (Pref.)	5%	Aug. 30	Nil	...	...
Iphoh Tin Dredging	1/3 p.s.†	...	...	2/- p.s.	1/- p.s.
Kramat Tin	1/6 p.s.*	Aug. 10	...	...	...
OTHER COMPANIES					
Bournemouth and Poole Electricity	6%*	Sept. 15	Unchanged	...	...
Bridgewater Estates	2%*	...	Unchanged	...	...
Canning (W.) and Co.	5%*	Sept. 12	2½	...	...
Charing Cross Electricity	3½*	...	Unchanged	...	...
Chester Waterworks	3%*	Aug. 1	Unchanged	...	...
Christy Brothers	...	...	...	10	10
City of Buenos Aires Trams	1/3 p.s.	Aug. 15	Unchanged	...	...
City of London Electric	3½*	Sept. 30	Unchanged	...	...
Clifford Motor Components	5%†	...	Nil	...	...
Clontarf and Hill of Howth Tramroad	1½*	...	Unchanged	...	...
Compass Investment	2½*	...	Unchanged	...	...
County of London Electric	3%*	Sept. 29	Unchanged	...	...
Dublin United Trams	1%*	...	Unchanged	...	...
East End Dwellings	12½*	...	Unchanged	...	...
Electrical Distribution of Yorkshire	4½*	Aug. 1	Unchanged	...	...
English Association of American Bond and Shareholders	3%*	Aug. 16	Unchanged	...	...
E.N.V. Engineering	21%*	Aug. 24	Unchanged	...	...
Fleming Reid and Co.	5%*	Sept. 1	Unchanged	...	...
Flettons	7½*	Aug. 29	...	...	...
Frinary Holroyd and Healy's Breweries	6%†	Aug. 16	4½	10	7½
Fuller Smith and Turner	1%*	...	Unchanged	5	Nil
Fulton (William) and Sons	...	...	Unchanged	4	5
Gaskell and Chambers	3%*	...	Unchanged	...	...
Gas Light and Coke Co.	21%*	...	Unchanged	...	...
Goulding (W. & H. M.)	...	...	...	6	6
Grand Canal (Dublin)	1%*	...	Unchanged	5	Nil
Grayson (J.) Lawford and Co.	16%†	...	Unchanged	27	27
Guinness (Arthur)	11%*	...	...	15	11
Hall and Woodhouse	3%*	Sept. 1	Unchanged	...	...
Harrogate Gas	2%*	Sept. 1	Unchanged	...	...
Holborn and Frascati	3%*	Sept. 1	Unchanged	...	...
Holden (Isaac)	16½†	Sept. 1	7½	11½	110
Hunter & The Tamen	16½†	...	...	10½	11½
Improved Wood Pavement	3%*	Aug. 17	Unchanged	...	...
Jones Sewing Machine	3%†	...	Unchanged	6	6
Lamat (Belgium)	...	...	...	7½	Nil
Lancashire Electric	21%*	Sept. 30	Unchanged	...	...
Liverpool Daily Post and Echo ...	2/- p.s.*	Aug. 15	Unchanged	...	...
Lotus Limited	2½*	July 31	Unchanged	...	...
Madison Gas	3%*	Sept. 1	Unchanged	...	...
Merchants Trust	3%*	Sept. 1	Unchanged	...	...
Morris (B.) and Sons	2%†	Aug. 28	Unchanged	...	...
Newcastle and Gateshead Gas ...	21%*	Aug. 9	Unchanged	...	...

COMPANY MEETINGS, &c.

GOLD OPTIONS SYNDICATE, LIMITED

SOUND POSITION AND GOOD OUTLOOK

DIVIDEND OF 35 PER CENT.

MR. W. A. WILLS ON CAPITAL INCREASE

The annual ordinary general meeting of the Gold Options Syndicate, Limited, was held on Tuesday, July 31, 1934, at Winchester House, Old Broad Street, London, E.C., Mr W. A. Wills (chairman and managing director of the company) presiding.

The Secretary (Mr S. Staveley Briggs, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his speech, said: Ladies and Gentlemen,—With regard to our capital, it stands at a moderate figure. At June 30th the issued capital was £41,770, and there were in reserve or under option 167,080 shares, representing £8,230, making our total capital £50,000. The profit for the fourteen months ending June 30th last amounted to £21,222 15s. Cash in hand at June 30th stood at the relatively satisfactory figure of £80,013 ros., being nearly twice the whole amount of the issued capital, and there were no liabilities except as regards (temporary) sundry creditors, which showed an excess of £8,699 over debtors. The amount under sundry debtors is for shares sold, but not yet delivered and paid for, but £22,000 has been received since the date of the balance sheet. As these sums are received they will be paid out again in reduction of the "Sundry Creditors" item. The balance of approximately £8,700 is in our favour and includes an unrealised profit which should accrue shortly. Incidentally, since the date of the report, cash—and cash assets—has increased from £80,013 to about £88,000.

We paid, as you remember, an interim dividend of 10 per cent. on the then issued capital in October last, and you are now recommended to take a further 25 per cent., making a total of 35 per cent. for fourteen months' trading. (Applause.) As to the reserve fund, there is a clause in the articles which forbids us to distribute more than 75 per cent. of our earnings. The remaining 25 per cent. goes into a permanent reserve fund, which, however, is available for the general purposes of the business. The fund at the moment stands at the amount of £5,305 13s. 9d. The idea of a permanent reserve fund is an innovation of our own which we hope will commend itself to you. I think that as yet no other company has employed it. We hope in a few years' time it may assume important dimensions. Finally, after making a reserve of £6,000 for income tax, etc., there will be a balance of £3,840 8s. 9d. of unallocated profit to be carried forward. I may tell you that ultimately about three-quarters of that income tax comes back to us. Unfortunately, we have to deduct it from our dividends.

Our main object has been to operate the syndicate as a co-operative association for the direct and indirect benefit of shareholders. With this idea before us, soon after formation we acquired fairly large lines of Wilunas at 45s. 6d. and upwards, Lace Props. at £3 12s., East Rand Consols at 11s. 6d., and recommended you to participate. We took a very small commission on these participations, reserving a small interest for the syndicate itself, and I think I may say that the shareholders who followed our advice made individually ten or more times the profit we made as a syndicate, but it is all kept in the family.

NIGEL VAN RYN REEFS

Our first subsidiary was Nigel Van Ryn Reefs, Limited. At the beginning of the year we took in hand the reconstruction of the Nigel Van Ryn Reefs. This was a company then without cash resources and in debt to the extent of over £22,500, while the shares were unmarketable. On June 30th it had over £100,000 cash in hand, or more than the whole issued capital, and all debts had been paid off. In addition, the company's assets had been written down to £2 against the share premium account. These assets include 257 claims on the Nigel Reef, contiguous to the Nigel Company, in relation to which the company has already received overtures for purchase. Whether they will amount to anything remains to be seen, but in any case the claims are there and, in my opinion, are of value.

Another asset consists of half interest, with the Oroville Dredging and Camp Bird Companies, in about 9½ miles of deep lead in the Avoca Valley in Victoria. This ground has recently been formed into a company with the title of the Lamplough Gold Mining Company, Limited, with a capital of £150,000 in 2s. shares. Of this capital £100,000 is to be paid to us and the other vendors for the property and £50,000 is to be issued for working capital. The first directors will be Mr Douglas Christopherson and Mr Robert Annan, directors of the Consolidated Goldfields. Mr Christopher-

son will be chairman and the other directors will be Mr Richard Humble, assistant managing director of the Nigel Van Ryn Reefs, Limited, and Colonel Watson, of the Oroville Dredging Company, who is, I am told, a most capable engineer, and is resident in Melbourne. Mr David Melvin, part vendor of the properties, will be managing director in Melbourne, and Mr F. G. Bryant, who has, I believe, a considerable reputation as an expert on deep leads, will be consulting engineer in Australia.

Gold Corporation, Limited.—We formed this company in April last with a capital of £250,000 in 2s. 6d. shares, placing 1,000,000 shares at par and a second million at 3s., the premium enabling us to write off the preliminary expenses. The capital was found without advertising or underwriting among our own shareholders and business friends. Here again a very large participation was taken by Johannesburg, where we have established a local transfer agency and where we intend, when the capital is more or less paid up, to apply for permission to deal, as also in London.

PROJECTED INCREASE OF CAPITAL

The business of the Gold Options Syndicate was started in a very small way, with a capital of £10,000, as a sort of co-operative institution of friends dealing in gold shares who desired expert advice, or what we claim to be expert advice, which is not always the same thing, of course. (A voice: "Pretty nearly.") Thank you. We have been successful, not only for ourselves, but much more so for our shareholders and business connections. The capital was soon afterwards increased to £50,000, and the business has grown so much that the time has now come when we think we must look forward to a much larger future than was contemplated a year ago.

The syndicate was originally a private one, and my arrangement with it was that I should have the right to subscribe for one-half of the capital at par. There are now only 32,420 shares out of the 100,000 originally under option still unexercised. We have so many shareholders now, some of them with large holdings—especially my own family—that we think we ought to apply for permission to deal on the Stock Exchange, but the capital is still too small for that, and it is proposed therefore to double it and to offer the new shares to shareholders *pro rata* on easy terms of payment, so that the capital of the company may, as far as possible, be retained in the ownership of its original supporters. (Hear, hear.)

In these conditions I feel that I must—rather reluctantly, I must confess—relinquish my preferential right to subscribe for half the new issue, in the interest of our friends who have entrusted us with their money, and for whose confidence we are grateful, and I am prepared to do so on the condition that any of the shares not applied for by the other shareholders shall revert under option to me in terms of my original founder's agreement. (Applause.)

It will be proposed that the new issue of 200,000 shares shall be offered to shareholders *pro rata* at the current price of 10s. per share, which, we submit, is more than justified by the dividends, cash position and prospects of the company. These, it is proposed, shall be payable 2s. 6d. on application and the remainder in calls of 2s. 6d. at three-monthly intervals. These terms will make it easier for the members who are not plutocrats and who wish to avail themselves of the offer.

THE FUTURE

Of course, our future is concentrated on gold and depends on the future of gold. As you know, every country in the world is strenuously competing to increase its gold resources. France has already brought her gold reserve up to the equivalent of over a thousand millions sterling, in addition to which the French Finance Minister not long ago said that about £500,000 in gold bars was hoarded by private French owners. In America the gold reserves at the Federal Bank have reached the imposing total of £334 millions, and so much importance is attached to this central hoard of gold that the private ownership of raw gold in the U.S.A. is forbidden by law. From time to time one hears that the paper dollar is to be de-valued to 50 cents, which would still further increase the dollar price for gold and certainly react on or increase the sterling price for gold.

Sooner or later, therefore, we expect to see gold at a higher price. But unless and until the dollar is de-valued there is, perhaps, not likely to be much change in the sterling price, though it may go to 140s. or possibly more before the end of this year.

In the meantime, as far as we can see, this company, unless something unexpected happens, should be able to maintain the rate of dividends now being paid. Much important business is in prospect, provided always that the gold share market maintains its present activity, as we believe it will do for a long time.

Probably many will regard the profits as incredibly small for the difficult work of reconstruction or finding capital. Undoubtedly that is so, but we do not regret it. It was the wide-

spread knowledge that we were aiming to share profits with our supporters and with the ultimate public that gave us such an extensive credit and enabled us to carry through these considerable financial transactions without the expense of underwriting and advertising, which so many companies of the great gold groups and themselves obliged to resort to. The result is, speaking generally, that the buyers of Nigel Van Ryn Reefs made shillings where we made pennies, and we hope it will be the same with other companies we bring out. (Applause.)

The report and accounts were unanimously adopted.

GOLD FIELDS RHODESIAN DEVELOPMENT COMPANY, LIMITED

SUBSTANTIALLY IMPROVED POSITION

The twenty-second ordinary general meeting of The Gold Fields Rhodesian Development Company, Limited, was held, on the 30th ultimo, at the Institute of Chartered Accountants, Moorgate Place, London, E.C. Mr O. V. G. Hoare (chairman of the company) presided.

Mr Jas. W. Clark, for the secretaries (The New Consolidated Gold Fields, Limited), having read the notice convening the meeting and the report of the auditors.

The Chairman, in the course of his speech, said: Last year when I had the pleasure of occupying this chair at our general meeting I congratulated myself on having a much more agreeable task than had fallen to my lot before. I am glad to say that to-day the duties that fall to me are more pleasant still. We have to deal to-day with accounts for the year up to May 31st last, showing results very much more satisfactory than any experienced by this company before.

Our total income from dividends, realisations, and sundry receipts amounted to the record figure of £307,000; this is a figure of £130,000 over that of last year, which, as you may remember, we considered an extremely good year for profit earning. I am glad to say our dividend income is on the increase, and, having been only £22,000 two years ago, £27,000 last year, in the accounts before you it was nearly £62,000.

Turning to the balance sheet, the item, reserve account £50,000, is a new one. In the past this company has never had a reserve account and has, roughly speaking, divided among its shareholders the full extent of its profits. Your directors think, and feel sure you will agree with them, that it is most desirable for a company such as this to build up a substantial reserve, on which it can draw if bad times come again. If we have other good years, as I hope we may, it will be our intention, so far as we can, to add to this figure, to build up the position of the company, making it stronger, and we believe the shareholders will find as a result of this policy that their shares will be a more valuable investment to them.

VALUE OF INVESTMENTS

Investments at cost less amounts written off stand at £1,216,035. This is an increase of £257,550 resulting from an excess of purchases of investments over sales. In past years where there was depreciation, the auditors naturally insisted on this depreciation being stated. Last year we stated the appreciation that existed so that we might emphasise the increased value of our assets as we were afraid shareholders might not realise how much the position of the company had improved during that year unless this point was particularly marked. In view of the fact that there was still a considerable debit on profit and loss, your board were anxious to explain to shareholders that although this debit existed, there were unrealised profits more than enough to clear it up if and when they were realised. Now that we have, I am thankful to say, a substantial credit balance on profit and loss, the need for this pointer disappears, but you can rest assured that there is a very substantial appreciation still on our investments.

The balance on profit and loss account is £120,000. We propose to submit for your approval the resolution that a final dividend of 7½ per cent., less tax, should be paid, making 12½ per cent. for the year, leaving roughly £25,000 to be carried forward to the new account. We have given a good deal of thought to the question of dividend policy and we have considered that the present proposal meets the requirements of a rather exceptional state of affairs. The shareholders have had to go without a dividend for four years and we are now dealing with an exceptional year's profit, which possibly may not be repeated. Your directors realised that the profit for the year amounted, in gross, to nearly 24 per cent. on the issued capital, and that after making good the debit balance carried forward from last year there still remained a surplus of 20 per cent., and so in fact the proposal to distribute 12½ per cent. means that only about 55 per cent. of the profit

earned and realised is being distributed. We are all convinced that it is in the best interests of the shareholders to strengthen the position of the company, and if our proposals are adopted the company will start the new year with £25,000 to the credit of profit and loss and £50,000 to reserve, as against last year's debit of £55,000 with which it had to start operations. (Hear, hear.)

COMPANY'S INTERESTS

I will now deal with some of the more important interests of your company. I will first turn to the gold interests. These comprise a value of nearly 45 per cent. of the total assets of the company at the date of our balance sheet. The largest of these is our holding in the Wanderer Mine. During the year, under the supervision of the Johannesburg office of New Consolidated Gold Fields, great progress has been made in increasing the efficiency of the organisation. We are, as you know, concentrating to the utmost on development so as to increase the ore reserves. At present, I am glad to say, in spite of milling some 190,000 tons per annum, we have more than held our own, and have brought into the category of fully proved reserves a substantial tonnage, which before was only problematical.

We are at present charging out no less than 5s. a ton on development, but in spite of this charge I am glad to say our costs are reaching a satisfactory figure. Last year they were approximately 17s. 7d. a ton, and it looks as if to-day the figure is certainly 1s. less than that. I do not think this is the place to go into the details of the development work, more especially as the general meeting of the Wanderer Company will be held in the early autumn, but I think it will interest shareholders to know that apart altogether from developing the mine as we know it, we have been doing prospecting work on another part of our property, with, I am glad to say, hopeful results, and we have recently secured an option on an adjoining property about which at present we can say very little more than that indications warrant our spending money to prove its real value. In the meanwhile, our interest in Wanderer yields us a very handsome return, as the company has been paying dividends at the rate of 10 per cent. per annum.

Our next largest holding is in Ashanti Goldfields Corporation, which has proved a very profitable investment for us. As regards the mine itself, at last there are some indications of better development at depth. We have had to wait a long time for this, but we have always had confidence that our patience would ultimately be rewarded. Apart from its own mine Ashanti, as you probably know, holds shares in other mining companies on the West Coast. These shares look to-day to be a very satisfactory holding, as they were acquired at prices very much lower than those at present ruling. In addition to this, Ashanti is opening up some of the old mines and prospects on its property which were worked for various periods in the past, and so far in more than one direction these appear to be promising.

Our next largest holding is in Sub Nigel. We look upon this holding as a very sound dividend-producing investment.

We still have a holding, though smaller, in Ariston Gold Mines, Lake View and Star and New Modders, and are still interested in West Witwatersrand Areas and Gold Fields Australian Development Company. During the year we have bought an interest in the Simmer and Jack Mine, and in addition a substantial holding in the Oroville Dredging. We are in close touch with the Oroville Company and we believe that this holding will prove a profitable one to our company, both from the point of view of revenue and capital appreciation.

Our holdings in mines other than gold amount to nearly 19 per cent. of our total assets. These still consist primarily of our holding of Roan Antelope, Rhodesian Selection Trust, and Bwana M'Kubwa.

In oil companies we still have our holding in Apex (Trinidad) Oilfields, which is a good income producer, and also have a small holding in Orinoco Oilfields, a company which has recently been formed to exploit oil in Venezuela and with which we are very well satisfied. These oil holdings only account for 1 per cent. of our assets.

Our holdings in industrial shares represent about 11 per cent. of our total assets and consist principally of our various holdings in the Celanese group, though during the year we have purchased a holding in Richard Thomas and Company preference, to secure income.

There are good reasons for anticipating that there will be good opportunities for profitable business for our company during the current year, in spite of the still chaotic financial and political condition of the world around us. I can only end by expressing the hope that this year will be one to give us as much satisfaction as the past year under review, even if we do not attain quite the same record figures of profit. (Applause.)

The report and accounts were unanimously adopted.

KALIDJEROEK RUBBER COMPANY, LIMITED**IMPROVED RESULTS—SOUND FINANCIAL POSITION**

The twenty-fourth ordinary annual general meeting of the Kalidjeroek Rubber Company, Limited, was held, on the 30th ultimo, at 3, 4 and 5 Rood Lane, London, E.C., Mr Vernon Wethered (chairman of the company) presiding.

Mr R. F. Burt, representing the secretaries (Messrs Burt, Taylor and Company, Limited), read the notice convening the meeting and the auditors' report.

The Chairman, in the course of his speech, said: It is pleasant to see a debit of £4,906 in the last balance sheet converted into a credit of £1,712, and a loss of over £2,596 into a profit of £5,213, while in the year 1931-32 the loss was over £4,000.

I have explained on previous occasions how adversely the delayed assessments of the Java Verponding tax affected our accounts owing to the heavy loss on exchange caused by that delay. Now, the way being clear before us, the three years' arrears of preference dividend have been paid. This charge does not figure in these accounts, as it has been met since the end of the financial year.

Rubber sold at 3.56d. per lb. net as against 1.49d.; coffee realised 21s. 1d. against 29s. 10d., calculated at par of exchange. Whereas in 1932-33 coffee sales contributed £9,597, rubber contributed only £3,378. This year the position was reversed, and rubber realised £12,736 against £10,349 for coffee.

The gross price for rubber now being about 7d. while coffee has been fetching very low prices—though there are signs of improvement—the prospects over the current year are very materially better.

The estates have been reported on by Mr Taylor, who paid a visit to the East last year. Kalidjeroek, as always, gives a satisfactory account of itself under its very able management. How satisfactory is well illustrated by the fact that Ayer Dingin up to now has been disappointing, and yet the company has been able to show an excellent profit-earning capacity.

As regards finance, there are liquid assets of just about £20,000, and to this may be added another asset—viz., the value of your holding in Tanah Estates (1931), Limited, which at the market price of 9d. would be equivalent to £7,000 more.

The report and accounts were unanimously adopted.

THRELFALL'S BREWERY COMPANY, LIMITED**STEADY INCREASE IN SALES**

The forty-seventh annual general meeting of Threlfall's Brewery Company, Limited, was held, on the 1st instant, at Southern House, London, E.C.

Major C. M. Threlfall, J.P. (the chairman), in the course of his speech, said:—Since I last had the pleasure of addressing you a distinct and beneficial change in trade has been experienced both in regard to your company and to the brewing industry generally throughout the country. The past year has witnessed an expansion in our business, and, in addition, the year has been singularly free from disturbing factors which have previously prevailed. The general and welcome return to improved conditions of employment, coinciding with the reduction in the price of beer by 1d. per pint, stimulated demand and created a much more hopeful atmosphere. Your company has naturally derived its share of this increased business, and your board are, therefore, in the happy and fortunate position of presenting results to you which show a gratifying increase in profits compared with those of last year. (Hear, hear.)

I think you will agree that the accounts now before you are highly satisfactory, and that they disclose a sound and strong financial position. I am also pleased to inform you that the steady and reassuring increase in sales is continuing, and it seems a reasonable assumption that, provided no unforeseen economic conditions arise, the lowest point of the depression is gradually receding and the future outlook is more encouraging after a long period of uncertainty.

It has always been the policy of your board to use products of the finest quality only in the manufacture of the company's beverages, and this will be continued, although the prices of malt and hops are now at an exceptionally high figure. However, an agreement has been arrived at whereby an average and more reasonable price for hops has been fixed for the next five years, as included in the amended Hops Marketing Scheme, which has recently been approved by Parliament. During the year under review the gravities of all our beers have been increased in accordance with the undertaking given by the Brewers' Society when the duty was reduced, and our customers are now receiving the additional benefit of an improved commodity at a decreased price.

The report and accounts were unanimously adopted.

CRAIGIELEA RUBBER PLANTATIONS, LIMITED**EXCELLENT RESULTS AND GOOD PROSPECTS**

The eighth annual general meeting of Craigielea Rubber Plantations, Limited, was held on the 27th ultimo, at Winchester House, Old Broad Street, London, E.C.

Mr A. M. Sellar (the chairman) said that the accounts presented a welcome change in the financial position of the company, showing a working profit of £10,164, against a loss for the previous year of £395. Those results were obtained on an average selling price for their crop of 3.72d. per lb. c.i.f., so that they did not reap the full benefit of the higher prices ruling just prior to and since the closing of the accounts under review.

Their agents reported the position with regard to the condition of their properties to be entirely satisfactory, and he could confirm that as a result of a personal visit to the estate in February, when he was particularly struck with the improvement that had taken place since his inspection two years previously. Practically the whole of their planted area was of uniform growth, producing a high average yield.

As to the scheme for the control of production, it must be obvious that without such regulation the company would not be in its present position and they could now look forward with some security to a remunerative return on the capital invested in an industry supplying a commodity universally used and essential to the requirements of modern civilisation. The improved financial position of the company was alone evidence of the altered circumstances, and the directors recommended a dividend at the rate of 3 per cent. Everyone concerned in the production of rubber owed a great debt of gratitude to those who had worked so strenuously to bring about the scheme of international control. There appeared to be reasonable grounds for expecting that better times were in store. It would, however, be very unwise to assume that their difficulties were over, and to allow the lessons of the last few years to be forgotten. The directors realised their responsibilities in safeguarding the shareholders' interests, and they might be relied upon to see that the company's properties were maintained in first-class order and that the utmost value for money spent was obtained. They would also continue to use whatever influence they possessed in supporting any proposition having for its object the further use of rubber, and he would ask all members of the company to do what they could, individually, in that respect.

The report and accounts were unanimously adopted.

COVENT GARDEN PROPERTIES COMPANY, LIMITED**PROSPECTS OF INCREASED REVENUE**

The annual general meeting of the Covent Garden Properties Company, Limited, was held, on the 2nd instant, at the Hotel Victoria, Northumberland Avenue, London, W.C.

Mr Philip E. Hill (the chairman) said:—Ladies and Gentlemen, —The profits for the year, before providing for directors' fees, taxation and debenture interest, are £256,000 in round figures—some £19,000 less than those of the previous year. The profit on the sale of properties and investments is higher at some £59,000 odd, whilst the income from rents, tolls and interest is £79,000 less than in the previous year, largely attributable to reconstruction developments, tenancy disturbances and temporary unremunerative expenditure of capital, including our investment in the Second Covent Garden Property Company, Limited, upon which we shall receive our first dividend in the early part of next year. The position is a temporary one, and will improve from time to time.

The reconstruction of the Tavistock Hotel block has now been completed, as has also Princess House, Oxford Street. The reconstruction and reconditioning of the Royal Opera House has been practically completed and will be wholly completed within the next two or three months, and should provide us with a further increase of revenue. With the completion of this work, our development programme for some time to come may be regarded as finished. While the revenue position has been temporarily adversely affected, our capital values have been substantially increased.

THE OUTLOOK

At our last meeting I stated that normal revenue might be expected in 1936. Whilst I am of opinion that the accommodation we have provided should all be occupied in 1936, it would, I think, be prudent to point out that we may not be in receipt of the full revenue thereof until 1937, but a substantially increased revenue

may be expected in 1935 and again in 1936, and shortly after that—as far as one can reasonably foresee—a sum in excess of our present dividend requirements will be available from revenue alone.

The report and accounts were unanimously adopted.

UNION BANK OF AUSTRALIA, LIMITED**DIFFICULT CONDITIONS**

The annual general meeting of the Union Bank of Australia, Limited, was held on the 30th ultimo, at 71, Cornhill, London, E.C.

The Hon. Edmund W. Parker (the chairman) said that during the past year Australia had seen a substantial improvement in her general economic position, chiefly owing to the considerable rise in the value of the wool clip, but the prices of her other primary products still remained at a low and unremunerative level. The Commonwealth, too, had gained materially by the conversion of her various borrowings in this country. The business of the bank had continued to be very difficult and profits hard to earn. The continued reduction in the rates of interest charged to borrowers still cut heavily into their earning powers. The heavy discount at which the Australian and New Zealand currencies still stood in comparison with sterling continued to make exchange business difficult, while intensive competition had reduced the margin of profit on such business to an insignificant percentage.

He ventured to hope that the balance sheet now presented would be considered as not unsatisfactory. The net profit amounted to £203,509, and the directors recommended a dividend of 3 per cent. for the half year, making 5 per cent. free of tax for the year. The general business of the bank had expanded, the total figures having increased by £3,352,000 as compared with a year ago.

Shareholders would have noticed that certain particular parties in Australia had put in the forefront of their programmes proposals to nationalise the banks. These proposals must be opposed by all the banks with the utmost vigour, for if they were carried through he honestly believed that it would be disastrous to the country as well as to the shareholders of the banks.

The report was unanimously adopted.

Mr W. A. Leitch (general manager) said that, except for wool, it could not be said that any of their industries were in a better state than two years ago, when he was last present at an annual meeting of the shareholders, and the man on the land was still failing to get a return sufficient to cover his costs. Climatic and economic conditions were not the only troubles with which they had to contend in Australia and New Zealand, but during the whole period of stress it could be claimed for the banks that they had buttressed the financial position in such a way as must have commanded the approval of the community as a whole. In the impending Federal Election he believed that any political party with "Nationalisation of the Banks" for its election cry would soon find that sanity of the people a difficult obstacle to contend against, but it was a cry which the banks could not afford to ignore.

MILLARS' TIMBER & TRADING COMPANY, LIMITED**MORE PROMISING OUTLOOK**

The annual general meeting of Millars' Timber and Trading Company, Limited, was held, on the 27th ultimo, at Winchester House, Old Broad Street, London.

Dr. James White, LL.D., who presided, said that two or three days ago he had hoped that instead of telling the shareholders of trading losses he would be able to say with some confidence that prospects for 1934 were good enough to warrant the statement that they would make some profit. The barbaric murder of Dr. Dollfuss in Vienna was, unfortunately, something which might change the whole aspect of trade, not merely of Continental Europe, but possibly of the world. They could not say what the effect of that deed would be, but subject to that the board believed that 1934 would mark the turning point in the fortunes of the company and a return to profit-making.

In the last four years they had cut down overhead expenses to the absolute minimum, costs of production had been reduced very largely, stocks, which were tending to become frozen assets, had been reduced very largely, and the bank loans which at December 31, 1930, had stood at a net figure of £325,513, on June 30 last stood at the very small net sum of £62,730.

The position of the company to-day was that its credit stood high, that the goodwill was a most valuable asset, that the organisation had been maintained, and that their bankers were anxious for trade to grow, so that the company might take up further

finance from them and enable them to use some of the funds accumulating in the bankers' hands.

The board's expectation of profits for 1934 was based upon their experience of the last six months of 1933 and of six months of 1934, and on their knowledge of the company's commitments for the last half of the year. Subject to world conditions there was a fair prospect of a trading profit for 1934.

With regard to the readjustment of capital the board were hopeful that by the end of the year the company's profit would be known, and their expectations of future profit would be sufficiently firm to enable them to frame a proper scheme. The board would deal with the question immediately they had a reasoned basis upon which to put a scheme forward.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.**NATIONAL ACCOUNTS**

The total ordinary revenue for the week ended July 28, 1934, amounted to £9,955,000, against ordinary expenditure of £13,401,000. After allowing for a decrease in Exchequer Balances of £142,848 the operations for the week, as shown below, increased the National Debt by £3,448,000 to approximately £8,076 millions.*

(000's omitted)

Public Department Advances	+ 9,450	Treasury Bills	— 5,527
		N. Atlantic Shipping Issues	— 25
		P.O. and Teleg. cap. expen.	— 350
		National Savings Certificates	— 100
	+ 9,450		— 6,002

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to July 28, 1934	April 1, 1933, to July 29, 1933	Week ended July 28, 1934	Week ended July 29, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	29,543,000	26,843,000	2,856,000	1,847,000
Sur-tax	50,000,000	6,240,000	7,200,000	110,000	210,000
Estate, etc., Duties	76,000,000	30,300,000	24,180,000	1,090,000	1,390,000
Stamps	25,000,000	5,260,000	4,280,000	640,000	550,000
Excise Profits, Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	130,000	130,000	...	...
Total Inland Revenue	372,500,000	71,473,000	62,743,000	4,696,000	3,997,000
Customs and Excise—					
Customs	183,650,000	61,060,000	57,828,000	3,927,000	3,762,000
Excise	106,350,000	32,401,000	34,424,000	801,000	624,000
Total Customs and Excise	290,000,000	93,461,000	92,252,000	4,728,000	4,386,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	2,239,000	1,641,000	Dr 259,000	22,000
Post Office (Net Receipt)	14,000,000	6,550,000	5,650,000	550,000	600,000
Crown Lands	1,220,000	460,000	400,000	190,000	190,000
Receipts from Sundry Loans	3,800,000	2,156,440	2,558,073	3,818	99,317
Miscellaneous Receipts	20,000,000	4,054,407	12,292,811	45,995	4,785
Total Ordinary Revenue	706,520,000	180,393,847	177,536,884	9,954,813	9,299,112
SELF-BALANCING REVENUE					
Post Office	60,463,000	17,250,000	17,400,000	1,650,000	1,550,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	5,000,000	4,931,000	900,000	650,000
Total Self-Balancing Revenue	84,718,000	22,250,000	22,331,000	2,550,000	2,200,000
Total	...	202,643,847	199,867,884	12,504,813	11,499,112

EXPENDITURE	Estimate for the year 1934-35	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to July 28, 1934	April 1, 1933, to July 29, 1933	Week ended July 28, 1934	Week ended July 29, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	87,253,290	84,954,790	528,177	248,611
Payments to Northern Ireland Exchequer	6,500,000	1,801,140	1,985,765	226,643	216,393
Other Consolidated Fund Services	3,700,000	984,314	1,282,900	40,191	8,450
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	90,038,744	88,223,455	795,011	473,454

EXPENDITURE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to July 28, 1934	April 1, 1933, to July 29, 1933	Week ended July 28, 1934	Week ended July 29, 1933
Total Supply Services (excluding Post Office) Balance of Marginal Provision (Restoration of Cuts)	466,296,000	141,860,650	139,079,350	12,605,650	12,014,350
Total Ordinary Expenditure	5,257,000	...	...	...	...
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	231,899,394	227,302,805	13,400,661	12,487,804
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	17,250,000	17,400,000	1,650,000	1,550,000
Road Fund	24,255,000	5,000,000	4,931,000	900,000	650,000
Total Self-Balancing Expenditure	84,718,000	22,250,000	22,331,000	2,550,000	2,200,000
Total	...	254,149,394	251,475,021	15,950,661	14,687,804

The aggregate revenue and expenditure to July 28, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO JULY 28, 1934

(000's omitted)

Expenditure	Revenue
231,899	180,394
	Decrease in balance
	Gross increase in borrowing £5,970
	Less—
	New Sinking Fund
	Net borrowing
231,899	231,899

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding	July 29, '33	Mar. 31, '34	July 28, '34	Movement, week ended July 28, '34
Advances by Public Departments	31,820,000	44,900,000	33,400,000	+ 9,450,000
Treasury Bills outstanding	988,700,000	799,810,000	831,130,000	- 5,525,000
Total Floating Debt	1,020,520,000	844,710,000	864,530,000	+ 3,925,000

* Includes £7,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on July 27, 1934, and the total amount applied for was £79,430,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 16s. 3d., about 16 per cent., and above in full; Saturday, at £99 16s. 4d., and above in full. The average rate per cent. was 13s. 9-92d. The amount allotted was £35,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 s. d.
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
June 22	35,000,000	59,840,000	35,000,000	0 16 8-61
June 29	35,000,000	84,265,000	35,000,000	0 16 11-64
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
July 13	35,000,000	65,405,000	32,000,000	0 15 7-72
July 20	35,000,000	59,570,000	31,220,000	0 15 10-14
July 27	35,000,000	79,430,000	35,000,000	0 13 9-82

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended July 7, 1934	670,727	536,582
Week ended July 14, 1934	658,279	526,633
February, 1918, to July 14, 1934	1,191,556,387	938,954,860

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,035,273.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited

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

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

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, August 1st, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	11,015,100
In Circulation	389,309,715	Other Government Securities	245,279,714
In Banking Department	62,311,449	Other Securities	241,523
		Silver Coin	346,683
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	191,621,164
			451,621,164

BANKING DEPARTMENT

Proprietors' Capital	£14,553,000	Government Securities	81,248,781
Reserve	3,587,960	Other Securities:—	
Public Deposits	11,859,984	Discounts and Advances	£8,868,748
Other Deposits		Securities	£10,475,915
Bankers'	£96,506,961		
Other Accounts	£36,926,722	Notes	19,344,663
		Gold and Silver Coin	62,311,449
7-day and Other Bills	6,915		536,629
			163,441,522

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

Both Departments	Amount, August 1, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	389,309,715	+ 5,390,716	+ 7,125,542
Public deposits	11,859,984	+ 920,961	+ 9,657,059
Bankers' deposits	96,506,961	+ 8,281,427	+ 7,059,565
Other deposits	36,926,722	+ 833,171	+ 16,983,132
Seven-day bills	6,915	+ 250	+ 5,854
Total outside liabilities	534,610,277	+ 1,166,329	+ 12,359,229
Capital and rest	18,140,960	+ 18,482	+ 11,641
Government debt and securities	337,543,595	+ 2,147,654	+ 7,337,193
Discounts and advances	8,868,748	+ 1,337,010	+ 2,303,181
Other securities	10,717,438	+ 340,235	+ 3,167,919
Silver coin in issue department	3,463,663	+ 331	+ 176,500
Coin and bullion (bank's reserves)	192,157,793	+ 3,366	+ 636,605
Reserves of notes and coin in banking department	62,848,078	+ 5,357,340	+ 6,488,937
Proportion of reserve to outside liabilities			
(a) Banking Department only ("proportion")	43-2%	- 1-7%	+ 0-6%
(b) Gold stocks to deposits and notes ("reserve ratio")	35-9%	...	+ 0-9%

(000's omitted)

Date	Issue Department		Banking Department				Gold in or out of Bank	Total
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits			
1934								
June 27	451,460	381,690	17,630	96,309	36,517	Nil	2	2
July 4	451,461	385,793	26,650	94,880	37,497	Nil	2	2
" 11	451,524	384,626	17,433	97,283	36,178	62 in	2	2
" 18	451,580	383,889	20,644	96,831	35,809	58 in	2	2
" 25	451,580	383,849	10,939	104,783	36,093	Nil	2	2
Aug. 1	451,621	389,310	11,860	96,507	36,927	41 in	2	2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				Reserve and the "Proportion"
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Dis- counts & Ad- vances	Other Securities		
1934									
June 27	254,399	1,635	192,144	35%	81,006	6,080	10,904	70,454	46%
July 4	255,331	1,208	192,151	35%	82,827	17,062	10,815	68,357	41%
" 11	255,657	881	192,155	35%	82,647	7,832	10,958	67,529	44%
" 18	256,120	414	192,179	35%	83,187	7,463	12,484	68,290	44%
" 25	256,224	312	192,154	35%	83,467	7,532	10,746	68,205	44%
Aug. 1	256,295	241	192,158	35%	81,249	8,869	10,476	62,848	43%

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to July 18	17,234,049	982,787	1,660,733	19,877,569
Week ended July 25	493,442	32,816	52,185	578,443
Week ended August 1	579,323	33,496	52,773	665,592
Total to date, 1934	18,306,809	1,049,099	1,765,691	21,121,599
Total to date, 1933	16,096,696	990,505	1,624,257	18,711,458
Increase or decrease in 1934	+ 2,210,113	+ 58,594	+ 141,434	+ 2,410,141
	+ 13-7%	+ 5-9%	+ 8-7%	+ 12-9%
Total for year 1933	27,714,480	1,658,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,687,919	32,111,959
Increase or decrease in 1933	+ 119,153	+ 46,268	+ 98,552	+ 25,667
	+ 0-4%	+ 2-8%	+ 3-6%	+ 0-07%

PROVINCIAL

(000's omitted)

	Week ended July 28		Month of July			Aggregate Totals, January 1 to July 28	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days	26	26					
BIRMINGHAM	2,212	1,950	11,527	9,973	- 13-4	67,973	70,280
BRADFORD	1,155	1,017	4,123	3,485	- 15-4	24,418	27,581
BRISTOL	1,060	1,103	5,012	4,935	- 1-5	32,438	35,503
DUBLIN	3,951	4,142	...	...	...	156,999	156,332
HULL	616	626	3,057	3,279	+ 7-2	21,203	21,944
LEEDS	785	724	4,016	4,093	+ 1-9	26,331	28,489
LIVERPOOL	716	485	3,021	2,844	- 5-8	18,938	19,366
MANCHESTER	6,749	5,701	29,082	27,658	- 4-8	174,269	179,972
NEWCASTLE	8,228	8,710	41,664	42,255	+ 1-4	227,024	239,699
NOTTINGHAM	1,247	1,198	5,940	6,261	+ 5-4	42,398	45,037
SHEFFIELD	369	372	2,028	1,986	- 2-0	12,900	13,322
	624	632	3,430	3,595	+ 4-8	22,617	25,008
	27,712	26,671	112,900	110,364	- 2-2	877,528	912,533

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. Bulgaria, Lithuania, and Danzig, in June 30. International Settlements, Denmark, in July 14. Greece, in July 21. Canada, Federal Reserve Member Bank, Switzerland, Sweden, Spain, Portugal, Java, in July 28.

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

Resources	Aug. 3, 1933	July 11, 1934	July 18, 1934	July 25, 1934	Aug. 1, 1934
	1933	1934	1934	1934	1934
Gold Certificates on hand and due from the Treasury	4,810,600	4,810,600	4,810,600	4,810,600	4,810,600
Total reserves	3,811,290	5,066,980	5,101,460	5,133,120	5,155,500
Total cash reserves	251,780	231,320	225,820	235,330	225,890
Total bills discounted	183,540	22,680	22,680	21,300	21,370
Bills bought in open market	8,210	5,260	5,260	5,270	5,210
Total bills on hand	171,750	27,940	28,510	26,570	26,580
Total U.S. Govt. securities	2,037,930	2,431,780	2,431,790	2,431,790	2,431,780
Total bills and securities	2,211,530	2,460,200	2,460,780	2,459,980	2,458,830
Total resources	6,531,080	8,084,470	8,150,330	8,120,970	8,178,210
LIABILITIES					
Federal Reserve notes in actual circulation	3,004,600	3,098,270	3,084,820	3,060,240	3,078,820
Federal Reserve Bank notes in circulation	126,630	41,040	38,560	33,740	33,860
Deposits—Memberbank—re-serve account	2,319,240	3,902,100	3,987,310	4,020,030	3,914,810
Government deposits	56,230	63,140	21,340	47,800	159,590
Total deposits	2,563,920	4,188,140	4,230,630	4,287,570	4,293,250
Capital paid in and surplus	424,850	285,830	285,690	285,670	284,930
Total liabilities	6,531,080	8,084,470	8,150,330	8,120,970	8,178,210
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	68-4%	69-5%	69-7%	69-9%	69-9%

* Reserves other than gold.

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

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

Assets	July 23, 1933	June 30, 1934	July 7, 1934	July 15, 1934	July 23, 1934
Cash reserve	193,333	241,369	241,369	241,429	241,478
Gold coin and bullion	39,039	35,602	36,099	31,975	35,851
Foreign exchange	235,044	253,720	247,226	249,061	244,621
Other foreign exchange	658,944	624,444	624,444	624,444	624,444
Liabilities					
Share capital	43,200	54,960	54,960	54,960	54,960
Reserve fund	11,096	11,280	11,280	11,280	11,280
Notes in circulation	823,426	855,276	902,049	900,102	888,785
Deposits	265,523	156,164	213,484	216,601	222,856

* In dollar and sterling only.

† In accordance with Art. 53 of the Statutes.

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

Assets	July 23, 1933	June 30, 1934	July 7, 1934	July 15, 1934	July 23, 1934
Metal reserve	96,570	78,891	78,891	78,891	78,932
Gold coin and bullion	11,994	11,383	11,549	12,275	10,162
Drafts and notes	11,691	11,499	11,740	12,731	13,544
Silver coin and bullion	425,102	569,459	533,263	525,257	515,302
Inland bills, warrants and securities	50,300	48,032	47,450	47,450	47,450
Advances to Treasury	34,756	34,756	34,756	34,756	34,756
Share capital (gold crowns 30,000,000*)	320,186	363,916	336,552	324,264	309,190
Notes in circulation	78,428	69,186	61,665	67,282	73,108
Current accounts, deposits, etc.	117,722	117,722	117,722	117,722	117,722
Cash certificates	195,737	171,133	169,705	170,709	170,645
Other liabilities					

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

Assets	July 23, 1933	June 30, 1934	July 7, 1934	July 15, 1934	July 23, 1934
Gold	1,706,759	2,662,579*	2,662,579*	2,662,579*	2,662,579*
Balances abroad and foreign currency	952,406	12,590	20,134	25,856	25,326
Discounts and advances	1,727,415	1,448,507	1,549,892	1,599,644	1,470,196
State notes debt balance	2,619,075	2,128,143	2,127,148	2,126,858	2,126,333
Other assets	663,633	707,000	723,189	635,646	690,693
Liabilities					
Bank notes in circulation	5,769,268	5,523,614	5,559,439	5,361,149	5,097,777
Check account balances	1,097,368	629,605	707,328	969,730	1,134,706
Other liabilities	353,313	353,590	364,453	267,967	290,919

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

Assets	July 22, 1933	July 7, 1934	July 15, 1934	July 22, 1934
Cash reserve	1,797,277	1,783,370	1,785,243	1,787,743
Gold at home and abroad	101,049	80,736	95,623	104,378
Foreign exchange	9,538,306	8,248,634	8,199,155	8,000,000
Other foreign exchange	2,250,061	1,814,375	1,809,379	1,814,486
Bills and advances against security	1,815,503	1,719,032	1,719,051	1,719,144
Government advances				
Liabilities				
Notes in circulation	4,265,552	4,120,028	4,112,653	4,085,250
Sight deposits	1,114,181	1,123,899	1,176,837	1,234,826
Time deposits	1,300,281	914,186	885,736	878,386

NATIONAL BANK OF ROUMANIA—In lei (000's omitted)

Assets	May 20, 1933	Apr. 28, 1934	May 5, 1934	May 12, 1934	May 19, 1934
Gold and gold exchange	9,681,172	10,033,805	10,041,596	10,050,970	10,056,262
Commercial bills	9,538,306	8,248,634	8,199,155	8,000,000	8,000,000
Free foreign exchange	3,285,464	3,142,919	3,141,113	3,333,201	5,104,725
Agricultural bills					
State debt, advances to State, etc.	5,726,448	5,681,087	5,681,087	5,681,087	5,681,087
Liabilities					
Notes in circulation	21,435,977	21,257,625	21,187,161	21,018,221	20,975,954
Other sight liabilities	7,711,899	7,353,449	7,478,474	7,585,033	7,602,753
Long term liabilities	4,067,431	3,727,977	3,718,634	3,771,808	3,807,977

CENTRAL BANK OF TURKEY—In ₺ (000's omitted)

Assets	July 20, 1933	June 28, 1934	July 5, 1934	July 12, 1934	July 19, 1934
Gold coin and bullion	15,339	18,490	18,559	18,588	18,645
Other coin and notes	22,329	17,408	17,063	17,188	17,846
Free foreign exchange	475	3,890	4,584	4,584	4,136
Treasury bonds	152,578	149,369	149,264	149,264	149,264
Bills	34,416	31,099	31,101	31,110	31,111
Securities	4,500	4,500	4,500	4,500	4,500
Liabilities					
Capital	15,000	15,000	15,000	15,000	15,000
Note issue					
Ordinary	152,578	149,369	149,264	149,264	149,264
Supplementary	8,688	8,688	8,688	8,688	8,688
Sight liabilities	28,931	22,295	22,473	22,698	21,791

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

Assets	July 20, 1933	June 20, 1934	June 30, 1934	July 10, 1934	July 20, 1934
Gold	472,724	489,011	490,065	490,614	491,161
Foreign exchange and balances	80,393	43,482	43,249	44,144	41,378
Bills discounted	614,026	573,090	602,846	588,624	581,858
Loans against securities	105,776	59,292	68,165	61,920	55,570
Reserve fund securities	91,696	92,106	92,097	91,662	91,662
Advances to State	90,000	90,000	90,000	90,000	90,000
Liabilities					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	114,000	114,000	114,000	114,000	114,000
Notes in circulation	980,959	880,626	938,458	906,981	879,403
Current accounts	181,965	215,734	190,941	190,028	214,959

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

Assets	Position, May 30, 1914	July 15, 1933	June 30, 1934	July 7, 1934	July 14, 1934
Gold	35,091	322,577	322,642	322,644	322,642
Balance abroad and foreign bills	90,379	1,080,590	1,230,189	1,256,395	1,250,860
Finnish and Foreign Government securities		21,826	290,798	400,636	394,093
Discounts and loans		105,151	991,298	912,375	903,374
Liabilities					
Notes in circulation	123,941	1,064,986	1,199,120	1,216,820	1,190,553
Deposits at notice	21,225	270,250	366,102	380,421	388,785

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

Assets	July 15, 1933	June 23, 1934	June 30, 1934	July 7, 1934	July 15, 1934
Gold coin and gold bullion	19,238	20,464	20,473	20,482	20,484
Net foreign exchange	652	6,553	7,581	7,295	8,261
Finnish and Estonian coin	2,178	1,610	1,719	1,702	1,711
Home bills discounted	8,050	8,440	8,554	8,210	8,181
Loans and advances	10,472	7,225	7,807	6,065	4,821*
Thereof loan to Government	4,100	2,500	2,500	2,000	1,000
Liabilities					
Notes in circulation	28,945	33,072	32,183	51,478	31,354
Sight deposits and current accounts	13,577	14,394	16,619	15,115	14,997
Ratio of reserve to current liabilities	46.78%	57.55%	57.48%	59.62%	62.83%

* Includes Ekr. 2,230 guaranteed by the Government.

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

Assets	July 24, 1933	June 25, 1934	July 2, 1934	July 9, 1934	July 16, 1934	July 23, 1934
Gold bullion and coins	47,191	44,104	44,106	44,107	44,108	44,246
Silver coin	16,849	16,429	16,511	16,576	16,610	16,641
Balance abroad	2,221	5,996	4,187	4,352	4,448	4,516
Treas. notes and small change	22,004	17,482	17,734	18,645	18,458	18,721
Short-term bills	66,904	64,664	64,784	63,842	63,763	63,175
Loans against securities	47,408	62,628	62,662	62,648	62,325	62,418
Liabilities						
Notes in circulation	31,120	32,145	31,983	31,193	31,609	31,337
Capital paid up	19,717	20,426	20,426	20,426	20,426	20,426
Reserve	18,627	18,463	18,518	18,515	18,550	18,602
Deposits	75,749	90,982	91,188	92,933	93,190	93,576
Current accounts	67,451	56,712	56,969	56,405	54,742	54,648
Government accounts						

BANK OF JAPAN—In yen (000's omitted)

Assets	Position, June 30, 1914	July 8, 1933	June 16, 1934	June 23, 1934	June 30, 1934	July 7, 1934
Gold coin and bullion	221,320	425,070	454,196	454,760	453,505	455,752
Other coin and bullion		51,259	47,929	47,536	47,587	47,684
Discounts	41,740	613,590	580,502	589,828	577,237	595,132
Advances	70,540	52,486	80,621	81,323	82,238	82,550
Govt. bonds		471,779	477,340	450,661	498,219	400,290
Liabilities						
Notes	362,270	1,108,207	1,093,119	1,167,146	1,294,505	1,136,378
Govt. deposits	87,340	298,002	252,484	235,933	185,366	206,698
Other deposits	11,440	96,116	116,589	73,870	122,791	74,885

NATIONAL BANK OF EGYPT—In £E. (000's omitted)

Banking Department	June 30, 1933	Apr. 30, 1934	May 31, 1934	June 30, 1934
Capital	2,925	2,925	2,925	2,925
Reserves	2,925	2,925	2,925	2,925
Government deposits	5,230	5,697	5,519	5,514
Other deposits	19,175	18,910	17,851	16,318
Other accounts	2,917	2,903	2,591	2,863
Assets				
Cash: Notes	1,019	934	1,052	926
Gold, silver, etc.	942	866	871	854
Money at call and short notice	819	1,725	1,482	1,404
Investments	22,561	22,441	21,814	20,585
Advances	4,618	4,103	3,664	4,017
Bills	1,117	1,447	961	888
Other accounts	2,095	1,838	1,765	1,871
Liabilities				
Notes issued		18,800	20,200	19,800
Notes in circulation		6,241	6,241	6,241
British Treasury Bills		3,472	4,730	4,330
British War Loan at par		7,587	7,730	7,730
Egyptian Government securities at market price		1,500	1,500	1,500

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

LONDON RATES

	July 26, 1934	July 27, 1934	July 28, 1934	July 30, 1934	July 31, 1934	Aug. 1, 1934	Aug. 2, 1934
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2
Market rates of discount—							
90 days' bankers' drafts	1½	1½	1½	1½	1½	1½	1½
3 months' do.	1½	1½	1½	1½	1½	1½	1½
4 months' do.	1½	1½	1½	1½	1½	1½	1½
6 months' do.	1½	1½	1½	1½	1½	1½	1½
Discount Treasury Bills—							
2 months'	1½	1½	1½	1½	1½	1½	1½
3 months'	1½	1½	1½	1½	1½	1½	1½
4 months'	1½	1½	1½	1½	1½	1½	1½
6 months'	1½	1½	1½	1½	1½	1½	1½
Loans—Day-to-day	1½	1½	1½	1½	1½	1½	1½
Short	1½	1½	1½	1½	1½	1½	1½
Deposit allowances: Bank	1½	1½	1½	1½	1½	1½	1½
Discount houses at call	1½	1½	1½	1½	1½	1½	1½
At notice	1½	1½	1½	1½	1½	1½	1½

Comparison with previous week—

		Bank Bills			Trade Bills		
Short Loans		3 months	4 months	6 months	3 Months	4 Months	6 Months
1934	%	%	%	%	%	%	%
July	5	4-1	4-1	1	2-2	2-2	2-3
"	12	4-1	4-1	1	2-2	2-2	2-3
"	19	4-1	4-1	1	2-2	2-2	2-3
"	26	4-1	4-1	1	2-2	2-2	2-3
Aug.	2	4-1	4-1	1	2-2	2-2	2-3
		4-1	4-1	1	2-2	2-2	2-3

BULLION

The following statistics of imports and exports of gold and silver for week ended August 2nd, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended August 2, 1934			Gold Exported from Great Britain and Northern Ireland, week ended August 2, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Netherlands	£ 2,785	£ 1,333	Poland	£	£ 6,200
Belgium	22,000	...	France	8,169	12,252
France	21,201	2,697	Switzerland	2,206	7,000
Switzerland	1,118	902	U.S.A.	615,196	...
Iraq	4,775	...			
U.S.A.	6,430	...			
British S. Africa ..	1,710,448	...			
Anglo-Egyptian	...	...			
Sudan	2,705	...			
British India	1,494,723	...			
Australia	290,871	6,296			
New Zealand	20,284	...			
Other countries	7,062	345			
Total	3,584,562	11,573	Total	625,571	25,452

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended August 2, 1934			Silver Exported from Great Britain and Northern Ireland, week ended August 2, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Un. (Russia) ..	£ 23,200	£	Denmark	£ 1,220	£
Belgium	6,650	34	France	712	...
France	22,392	290	Channel Islands	...	1,000
U.S.A.	2,450	...	British India	23,030	...
Irish Free State	...	2,500	Straits Settlements ..	2,150	...
Australia	20,610	7,719	Other countries	1,602	956
New Zealand	22,484	10,000			
Canada	205	...			
Other countries	...	...			
Total	97,971	90,725	Total	28,714	1,956

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	£	1934	WITHDRAWALS	£
July 27	Nil	Nil	July 27	Nil	Nil
" 28	Nil	Nil	" 28	Nil	Nil
" 30 Bar gold	41,014	Nil	" 30	Nil	Nil
" 31	Nil	Nil	" 31	Nil	Nil
Aug. 1	Nil	Nil	Aug. 1	Nil	Nil
" 2	Nil	Nil	" 2	Nil	Nil
Total	41,014	Nil	Total	Nil	Nil
Movement July 26, 1934, to Aug. 2, 1934 (inclusive)					
Movement during year 1933					
Movement during 1934 (January 1 to Aug. 2, inclusive)					
Movement April 29, 1925, to Aug. 2, 1934 (inclusive)					
Movement September 21, 1931 (gold standard suspended), to Aug. 2, 1934 (inclusive)					

GOLD

Messrs. Samuel Montagu and Company write on August 1, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,580,150 on the 25th ultimo, as compared with £191,579,997 on the previous Wednesday. During the week the Bank of England announced the purchase of £41,014 in bar gold. Business in the open market has been fairly active, and during the week the amount disposed of was about £2,000,000. Prices ruled about dollar parity, and it will be noticed that there has been very little variation.

Quotations during the week:—

	Per fine ounce	Equivalent value
July 26	138s. 0d.	12s. 3.75d.
" 27	138s. 0½d.	12s. 3.70d.
" 28	138s. 0½d.	12s. 3.70d.
" 30	138s. 0½d.	12s. 3.70d.
" 31	138s. 0½d.	12s. 3.70s.
Aug. 1	138s. 1d.	12s. 3.66d.
Average	138s. 0.50d.	12s. 3.70d.

Gold shipments from Bombay last week amounted to about £993,000. The s.s. "Rajputana" carries £872,000, of which £569,000 is consigned to London and £303,000 to New York, and the s.s. "President Monro" carries £121,000 consigned to New York.

SILVER

After declining to 20½d. for cash and 20¾d. for two months' delivery on the 27th ultimo, prices made some recovery, and the market has since shown a firmer tendency. During the week business has been fairly general; there has been further re-selling by speculators, and sales have been made on Continental account, whilst China has both bought and sold. Support from the Indian Bazaars has continued, and America has shown more interest, purchases on New York account having been made in the latter part of the week during which the undertone of the market appeared rather firmer.

Quotations during the week:—

IN LONDON		IN NEW YORK	
Bar Silver per oz. std.	Cash Two Months' delivery	Bar Silver per oz. std.	Cents per Ounce
July 26	20½d.	July 25	46½
" 27	20½d.	" 26	46½
" 28	20½d.	" 27	46
" 30	20½d.	" 28	Closed
" 31	20½d.	" 30	46
Aug. 1	20½d.	" 31	46½
Average	20.229d.		20.333d.

The highest rate of exchange on New York recorded during the period from the 26th ultimo to the 1st instant was \$5.04½, and the lowest \$5.03.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	July 22	July 15	July 7
Notes in circulation	18,285	18,210	18,158
Silver coin and bullion in India	9,844	9,809	9,787
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,078	3,038	3,008
Securities (British Government)	1,208	1,208	1,208

The stocks in Shanghai on the 28th ultimo consisted of about 108,300,000 ounces in sycee, 369,000,000 dollars and 30,300,000 ounces in bar silver, as compared with about 109,400,000 ounces in sycee, 371,000,000 dollars and 30,400,000 ounces in bar silver on the 21st ultimo.

Statistics for the month of July last are appended:—

Bar Silver per Ounce Std.		Bar Gold	
Cash delivery	Two Months' delivery	per ounce fine	
Highest price	21½d.	138s. 0½d.	
Lowest price	20½d.	137s. 5d.	
Average	20.5120d.	20.6298d.	137s. 10.75d.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.	Aug.	d.
July 27 ...	138 0½	20 ½	20 ½	5, 1928	29 ½
" 28 ...	138 0½	20 ½	20 ½	" 5, 1929	25 ½
" 30 ...	138 0½	20 ½	20 ½	" 9, 1930	27 ½
" 31 ...	138 0½	20 ½	20 ½	" 6, 1931	13 ½
Aug. 1 ...	138 1	20 ½	20 ½	" 4, 1932	17 ½
" 2 ...	138 2	20 ½	20 ½	" 3, 1933	17 ½

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 27, 1934	Miles Open	Gross Receipts, week ended July 29, 1934 (£000)					Aggregate Gross Receipts 1934 compared with 1933, 30 weeks (£000)				
		Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total Goods Receipts	Total Receipts	Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total Goods Receipts	Total Receipts
Great Western 1934	3,750	287	188	90	278	565	5,636	5,336	2,965	8,301	13,937
Western 1933	3,755	295	179	91	270	565	5,644	4,917	2,934	7,851	13,535
(c) L. & N. 1934	6,339	428	299	190	489	917	8,731	9,223	6,793	16,016	24,747
Eastern 1933	6,339	422	290	187	477	899	8,649	8,378	6,182	14,560	23,209
L. M. & S. 1934	6,940	674	420	185	605	1,279	13,593	13,267	6,803	20,070	33,663
Scottish 1933	6,941	649	411	179	590	1,239	13,411	12,174	6,513	19,697	32,098
Southern 1934	2,177	382	67	28	95	477	8,340	1,878	335	2,813	11,183
Southern 1933	2,181	385	63	28	91	476	8,232	1,789	874	2,663	10,895
Total	19,206	1,771	974	493	1,467	3,238	36,300	29,704	17,496	47,200	83,500
Total	19,216	1,751	943	485	1,428	3,179	35,976	27,258	16,503	43,761	79,737
(b) Belfast 1934	80	4.7	...	...	0.5	5.2	73.6	...	...	15.7	89.3
& Co. Down 1933	80	4.5	...	...	0.6	5.1	74.0	...	...	15.9	89.9
(b) Great 1934	562	14.6	...	...	8.2	22.7	276.2	...	...	242.0	518.2
Northern 1933	562	12.8	...	...	7.7	20.5	191.3	...	...	171.5	362.8
(b) Great 1934	2,158	32.3	...	...	28.4	60.7	679.8	...	...	956.8	1,636.7
Southern 1933	2,158	32.2	...	...	26.9	59.2	654.0	...	...	894.9	1,549.0

COMPARISONS WITH CORRESPONDING PERIODS, 1932 AND 1933 (000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1933, compared with first half-year 1932:				
Gross increase or decrease	- 459	- 1,224	- 991	- 91
Net increase or decrease	- 177	- 300	- 154	+ 280
Second half-year 1933, compared with second half-year 1932:				
Gross increase or decrease	+ 546	+ 914	+ 984	+ 202
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Second half-year 1934, compared with second half-year 1933:				
4 weeks to July 29, 1934	+ 4	+ 143	+ 59	+ 26
Weekly average second half 1934	+ 1	+ 35½	+ 14½	+ 6½
Latest week 1934 compared with 1933	...	+ 40	+ 18	+

LONDON TRANSPORT

Week ending July 28, 1934	*Takings	Compared with 1933
Aggregate 4 weeks ending July 28, 1934	£21,800	+ 100
	£2,139,000	+ 31,800

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks Ending	Present Receipts	Gross Receipts for Week	Gross Aggregate Receipts
			1934 + or -	1934 + or -

INDIAN

	1934	Rs.	Rs.	Rs.	Rs.
Assam Bengal	13	June 30	1,330	3,76,300	+ 58,780
Barsi L. Ry.	14	July 7	202	25,400	- 83,900
Bengal & N.Western ..	14	July 7	2,113	6,16,577	+ 82,178
Bengal-Nagpur	13	June 30	3,269	14,25,000	+ 34,081
Bombay Bar & C.I.	15	July 21	3,089	17,22,000	+ 1,19,000
Madras & S. Mahr.	13	June 30	3,230	19,91,000	- 1,80,135
Rohilk'd & Kumaon	14	July 7	572	1,04,360	+ 6,055
South Indian	13	June 30	2,520	11,13,732	+ 8,067

CANADIAN

	1934	\$	\$	\$	\$
Canadian National	29	July 21	21,701	3,188,785	+ 217,194
Canadian Pacific	29	July 21	21,701	2,510,000	+ 97,000

SOUTH AMERICAN

	1934	£	£	£	£
Antofagasta (Chili and Bolivia)	25	July 29	830	16,870	+ 4,510
Argentine N.E.	4	July 28	753	18,427	+ 2,332
B.A. and Pacific	4	July 28	2,806	68,427	+ 17,561
B.A. Central	50	June 10	...	10,284	+ 35
B.A. Gt. Southern	4	July 28	5,085	132,032	+ 31,138
B.A. Western	4	July 28	1,926	43,628	+ 8,975
Central Argentine	4	July 28	3,700	133,430	+ 8,846
Central Uruguayana ..	4	July 28	273	14,222	+ 405
C. Urug. (East Ext.) ..	4	July 28	311	2,668	+ 49
C. Urug. (N. Ext.) ..	4	July 28	185	1,686	+ 40
C. Urug. (W. Ext.) ..	4	July 28	211	1,077	+ 41
Cordoba Central	4	July 28	1,218	36,170	+ 7,700
Entre Rios	4	July 28	810	10,850	+ 2,833
G. Westn. of Brazil ..	30	June 28	1,082	5,500	+ 400
Leopoldina	30	June 28	1,918	34,366	+ 6,525
Leopoldina Termul.	30	June 28	...	Ms277,000	+ 7,000
Nitrate	61½	July 15	411	7,619	+ 82
Paraguay Central	4	July 28	274	4,950	+ 1,270
Salvador	4	July 28	100	11,690	+ 5,010
San Paulo	29	July 21	154	30,225	+ 5,588
United of Havana	4	July 28	1,365	18,706	+ 2,473

* Converted at average official rate during week ended July 28—17.42 pesos to £1.
† Months.

OTHER OVERSEAS

	1934	£	£	£	£
Egyptian Delta Light Railways	17	July 10	622	5,839	+ 642
Egyptian Markets	30	June 26	...	1,862	+ 91
Gr. Southn. of Spain ..	4	July 28	104	40,033	+ 7,070
Mexican Railway	3	July 21	483	£201,600	+ 27,100

† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Deben- ture Interest	Amount Available for Distri- bution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Deprecia- tion, &c.	Balance Forward	Net Profit	Divi- dend
					Prefce.	Ordinary					
						Amount	Amount				
		£	£	£	£	£	%	£	£	£	%
Banks											
Bank of New Zealand	Mar. 31	344,795	523,814	868,609	150,000	375,000	10	...	343,609	545,052	11½
Breweries											
Guinness (Arthur) Son and Co.....	June 30	706,800	1,745,174	2,451,974	120,000	1,520,250	27	...	811,724	1,468,903	27
Nuttall's Breweries	June 30	...	33,126	33,126	42,000	...	...	Dr. 8874(1)	...	14,001	...
Watney Combe Reid and Co.	June 30	277,551	999,867	1,277,418	211,664	414,103	13	350,000	301,651	825,376	10
Financial Land, etc.											
Rio De Janeiro Land, etc.....	Dec. 31	Dr.16,652	Dr.3,813	Dr.20,645	...	...	...	...	Dr.20465	Dr.3,839	...
Iron, Coal and Steel											
Old Silstone Collieries	Mar. 31	99,485	8,315	107,800	...	...	...	...	107,800	12,939	...
Rubber, etc.											
Alluta Rubber and Produce	Mar. 31	Dr.1,023	Dr.129	Dr.1,152	...	...	...	...	Dr. 1,152	Dr. 1,046	...
Harewood Rubber	Mar. 31	Dr.793	1,674	881	...	...	...	...	881	Dr. 1,342	...
Prye Rubber and Coconut...	Mar. 31	Dr.1,216	510	Dr.706	...	...	...	...	Dr.706	Dr.441	...
Semenyih Rubber	April 30	8,831	5,257	14,088	...	4,726	10	...	9,362	Dr.611	...
Sennah Rubber	Dec. 31	37,790	4,747	42,537	...	...	...	25,448	17,089	Dr.2,229	...
Tea											
Bowlana Tea	Mar. 31	662	1,778	2,440	...	...	...	2,000	440	Dr. 3,653	...
Surmah Valley Tea	Dec. 31	803	11,319	12,122	...	6,000	20	2,500	3,622	421	...
Textiles											
Fulton (William) and Sons...	June 30	4,891	11,316	16,207	3,279	2,666	4	8,000	2,262	16,306	5
Hinde (Fras) and Hardy ...	June 30	17,956	30,478	48,434	24,445	...	...	9,500	14,489	17,360	...
Trusts											
Eastern International Rub- ber & Produce Trust ...	June 30	3,135	3,697	6,832	...	...	...	...	6,832	1,533	...
Edinburgh & Dundee Invest.	June 30	13,638	43,239	56,877	22,569	18,713	6	...	15,595	53,296	8
Other Companies											
Benn Brothers	June 30	18,013	42,749	60,762	4,805	{ 21,334 2,250 300(b) }	15(a) 4 (b) }	14,000	18,373	41,855	{ 15 a 300 b }
Dublin (South) City Market	June 30*	7,759	4,080	11,839	...	3,050	4	500	8,289	3,879	4
Dulcetto-Polyphon, Ltd.	Mar. 31	Dr. 37,767	3,726	Dr. 34,041	...	...	...	...	Dr.34041	Dr.15579	...
Goulding (W. & H. M.)	June 30	3,646	32,105	35,751	6,874	18,900	6	6,000	3,977	32,375	6
Jones' Sewing Machine Co.	May 31	3,487	9,440	12,927	2,974	4,117	6	2,000	3,836	8,876	6
North Central Wagon	June 30	9,570	41,642	51,212	9,912	17,212	15	15,000	9,088	40,570	15
Sena Sugar Estates	Dec. 31	9,636	31,631	41,267	...	...	...	30,000	11,267	34,789	...
United Kingdom Tobacco...	Mar. 31	...	(s) 7,612	7,612	7,500	...	...	...	112	...	...

* Half-year. (a) Ordinary shares. (b) Deferred shares. (s) Nine months.
(t) This represents the sum received from Messrs. Matthew Brown and Co. under the guarantee.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

MOVEMENTS in the principal commodity markets this week reveal extreme sensitivity. Reports from Sheffield state that disturbed conditions abroad are exerting an adverse effect upon the export trade for coal, while shipments from South Wales are far below the capacity of the docks. Business on the London Iron and Steel Exchange has suffered a contraction on the approach of the holiday period, but, except in Cumberland, there has been considerable activity at works in order to get deliveries away. Semi-finished steel has encountered a rather better demand, most of the business being taken by British works. Moderately good orders have been taken for finished steel and export business is showing a slight tendency to increase. Little change has taken place in the markets for non-ferrous metals, but, with the exception of silver, prices are tending downwards.

There has been a slight upward tendency in raw cotton prices, but the trade is anxiously awaiting the publication of the U.S. Government's crop report. An early settlement between England and Germany, whereby Lancashire exporters will be able to obtain payment for their supplies, is still awaited. Although shipments of wool showed a decline in the season just ended, the carry-over is heavier than a year ago, and production is expected to show an increase this season. On the other hand, demand from the principal European buyers seems likely to contract, and uncertainty with regard to continental events has led to a fall in prices this week.

Reports regarding the rubber trade indicate that, here too, market conditions have been affected by recent disturbances in Europe. Germany has ceased for the time being to demand rubber, and it is possible that her tyre factories may have to close down unless they are able to obtain fresh supplies soon. As regards foodstuffs, world wheat prices have shown a further appreciation this week, prices of flour and other grains moving in the same direction. The prices of other foods are mainly unchanged.

Moody's daily index of the prices of staple commodities

in America (December 31, 1931 = 100) stood at 144.1 on August 1st, as against 142.2 on the corresponding day of the previous week and 134.8 at the same date last year.

COAL

SHEFFIELD.—Coal trade conditions are unaltered. Owing to the curtailed output there is a scarcity of best steams and smalls, and export deliveries under contract are not readily executed. Prices of steams are firm at 16s. 6d. to 17s. f.o.b. Tonnages of fuel going to factories and works are large, but rather less than formerly. House coal trade is badly depressed. The consumption of blast furnace coke is maintained, and there is no surplus output.

NEWCASTLE-ON-TYNE.—Shipment figures show an improvement compared with last year, but the coal market is still quiet, and buying is on a small scale. Disturbed financial conditions abroad are having their effect upon the North East, and are particularly affecting trade with Germany, which has been partially suspended. Screened steam qualities are steady in price, but there are abundant supplies of all classes of unscreened bunkers, coking and gas. Patent oven coke of all descriptions meets a firm trade, and although production is being increased, supplies are readily absorbed, and the outlook continues to be good.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B. screened, 13s. 6d.; smalls, 10s. 6d.; Howards, Bentinck, Newbiggin screened, 13s.; smalls, 10s.; Tyne Prime, large, 12s. 9d.; smalls, 10s. 6d.; Hartley Main, large, 13s.; smalls, 10s. 6d. **DURHAM.**—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special, unscreened gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

CARDIFF.—The recent improvement in the volume of coal shipments at South Wales ports was maintained last week, when exports totalled 396,800 tons, compared with 328,900 tons the previous week, and 353,813 tons in the corresponding week last year. The volume of current business is, however, greatly below the capacity of the docks, and as from Monday this week a number of berths at Cardiff, Penarth, Barry and Newport were put indefinitely out of commission. Foreign demand shows little, if any, sign of expansion. In the case of France, a slight curtailment is feared during the next two months, when the 10 per cent. reduction in the import quota will be operative. South Wales, however, will probably suffer less from this "cut" than any of the other exporting districts of the United Kingdom, because of the operation of the barter agreement providing for the exchange, up to the end of the present year, of monthly quantities

of 40,000 tons of South Wales coal for 20,000 tons of French pitwood. Prices are nominally unchanged, and with few exceptions are ruling at the minimum schedule figures. The new draft scheme for the regulation of output and prices in the coalfield is now under consideration by the local Executive Board, and is likely to introduce some important changes in the system which has been operating during the past three and a-half years.

Approximate current quotations:—Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams, 13s. 6d. to 14s.; seconds, 12s. 6d. to 13s.; coking smalls, 13s. 6d. to 14s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 23s. 6d. to 24s.

WORKINGTON.—The coal trade has slumped, and with production in excess of requirements, most of the collieries are losing a shift a week. The landsale market is lifeless, and business in the Irish market is poor; even industrial fuel is now in adequate supply for the coking plants. After the holidays, however, considerable contracts are to be placed, and the industry will be in full swing again by mid-September. Prices have, of course, been adversely affected. Nominally, best round are quoted at 21s. 6d.; washed doubles, 20s.; washed singles, 18s., all f.o.b.; smalls, 15s. 6d. per ton; best house coal, 30s. 8d.; and house nuts 29s. per ton at station; gas coal 27s. per ton; West Coast coke 15s. 6d. to 16s. 6d. per ton.

GLASGOW.—The Scottish coal market is making a slow return to normal after the holidays, and business generally is quiet. In the main, the features are the same as those obtaining before the stoppage. Large coal is, as a rule, freely offered, but first steam in Fifeshire is well placed, and Lanarkshire prime splint is none too plentiful. Washed smalls are generally firm in price, while single nuts meet a strong demand.

Shipment prices (f.o.b. district ports):—**LANARKSHIRE.**—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 3d.-14s. 6d.; navigation, unscreened, 12s. 9d.-13s. 3d.; Hartley, 14s. 6d.; steam, 12s.-12s. 6d.; trebles, 13s.-13s. 6d.; doubles, 12s. 6d.; singles, 12s. 6d.-13s.; pearls, 11s.-11s. 6d.; dross, 9s. 9d. **FIFE.**—Best unscreened navigation, 12s. 9d.-13s.; unscreened navigation, 12s. 3d.; first-class steam, 13s. 6d.; third-class steam, 12s.; trebles, 14s.-16s.; doubles, 12s. 6d.-13s.; singles, 13s.; pearls, 10s. 6d. **LOTHIANS.**—Prime steam, 12s.-12s. 6d.; secondary steam, 11s. 6d.-11s. 9d.; unscreened navigation, 12s. 6d.; trebles, 14s.-14s. 6d.; doubles, 12s. 3d.-12s. 6d.; singles, 12s. 3d.; pearls, 10s. 9d.-11s. **AYRSHIRE.**—Best unscreened navigation, 13s. 9d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.-14s.; doubles, 13s.; singles, 12s. 6d.; pearls, 11s. 6d.-12s.; dross, 10s.

IRON AND STEEL

MIDDLESBROUGH.—Production of pig iron continues steady and now that the holidays in Scotland are over shipments to that district have already been resumed. Foundries locally are busy and are taking good deliveries of Cleveland pig iron, so that makers are not experiencing any substantial increase in stocks. No. 3 Cleveland foundry pig iron is based on 67s. 6d. per ton delivered locally for home use. East Coast hematite continues in good demand for home use, the price being based on a minimum of 68s. per ton delivered locally for No. 1 quality. The prices for overseas are not fixed, but very little business is being transacted, although a further shipment has recently been made to Italy. Shipments of all classes of pig iron from the Tees during July amounted to 7,735 tons, against 12,776 tons for the month of June. Foreign ores are firmer in price and sellers are expecting advanced prices to be paid for forward delivery. Meantime for odd cargoes of best Bilbao rubio sellers ask 17s. per ton c.i.f. Tees.

Blast furnace coke is in good demand, the price being 20s. per ton delivered at the furnaces, but here again there are indications of higher prices being required by makers. Manufactured iron and steel departments continue busy and shipments abroad are satisfactory.

SHEFFIELD.—In consequence of the pressure of work, most of the steel firms have curtailed the holiday stoppage and resumption will be general on Wednesday. However, in spite of the continued activity of the principal sections of the steel trade, several authorities predict some contraction in the near future. Bookings of new business have certainly fallen off lately, especially in seasonal lines, but there is little or no short-time working in the city. Builders of commercial motor vehicles are buying increased quantities of special steels and tools. Export trade tends slightly upwards but the movement is checked by currency restrictions in overseas markets. The holidays are responsible for extreme quietude in the markets for raw materials, including ferro-alloys used in special steels. The two branches are active but the seasonal quietude is pronounced in cutlery and table plate.

WORKINGTON.—Makers are doing little more than marking time in the North-West Coast hematite pig-iron trade. Business has for many weeks represented a tonnage smaller than is being produced, and the disappointingly poor turn it has taken means the postponement for an indefinite period of the expansion of output that was confidently anticipated earlier in the year. As, however, smelters were well sold, no stocks have yet accumulated and probably the whole of the make will continue to be absorbed until mid-September. There is no improvement in the Scottish or Continental demand, and headway has been made only in the Midland market. East Coast competition is severe, the difference between the rival hematite and that made here being 5s. per ton. Nevertheless, prices are unaffected and Bessemer mixed numbers are quoted firmly at 23 9s. 6d. per ton at Glasgow, 24 0s. 6d. at

Manchester, 24 3s. 6d. at Sheffield, and 24 4s. 6d. at Birmingham; while special qualities are an additional 2s. 6d. to 5s. per ton. Malleable iron meets a steady trade at 25 15s. per ton delivered at Birmingham, and ferro-manganese, the smelting of which is to be resumed in early winter, stands at from 210 15s. to 211 5s. per ton home. The steel trade is quiet, and new business hard to obtain, but contracts represent a tonnage that will occupy the rolling mills at Barrow and Workington for some months ahead. A large proportion of the steel being rolled is for tube-makers. Native ore, at from 13s. 6d. to 14s. 6d. per ton, is in good local request, but little is required by East Coast and Scottish smelters. Imports of North African and German ore at Workington have been very heavy during the past six months.

GLASGOW.—Plants generally are very busy this week. The position at the Clyde shipyards continues to improve and at several of the yards there are now quite a number of vessels under construction. In the early part of this week it was announced that the Fairfield Shipbuilding and Engineering Company, Ltd., of Govan, had received an order for a paddle steamer from the L.M. & S. Railway Company. Steelmakers have commenced operations with a considerable amount of work on hand—sufficient to keep plant employed for some time to come. Tubemakers also have a large amount of work on hand at the moment. Sheet makers, while still unable to secure much export business, continue to do a steady home trade and although unable to keep all mills employed have slightly increased the number in operation this week. There is no improvement yet in the iron and steel bar rolling trade and plant is only partially employed. Carriage and wagon builders are particularly busy.

CARDIFF.—On the Swansea Metal Exchange on Tuesday prices of tinplates ruled firmly at from 18s. to 18s. 3d. per basis box, but there was little new buying at these figures and apparently there are still available cheaper second-hand parcels. On the whole, however, shipments are improving, totalling nearly 92,000 boxes last week, compared with 103,071 boxes during the corresponding week last year. Galvanised sheets meet a quiet trade and are unchanged in price at from 211 5s. to 211 15s. per ton, with local steel bars at 25 per ton delivered.

OTHER METALS

No important developments occurred in the markets for non-ferrous metals this week, the most interesting event being the publication of the new tin statistics. According to A. Strauss and Company, total visible stocks of tin at the end of July showed an increase for the first time in eighteen months, and amounted to 18,352 tons, while another estimate puts the increase at an even higher figure. Deliveries declined by 471 tons during July and totalled 7,004 tons—the lowest figure since February. Although this information was not entirely unexpected, the market reacted slightly on Wednesday and tin prices declined by 2 per cent. Further reductions appear improbable, for active endeavours are being made to keep the price at about 230 per ton and these seem likely to prove successful, notwithstanding a rather poor industrial demand for the metal.

The trend of copper prices is still downwards. Exports from the United States during the first six months of the current year amounted to 107,934 short tons, against 50,331 short tons in the corresponding period of last year, but shipments declined during July. This export pressure from the States has been accompanied by a poor Continental demand, and the position in Germany shows no improvement.

The output of lead and spelter is contracting, but the market position has remained practically unchanged this week. World production of refined lead amounted to 120,800 short tons in June, against 132,300 short tons in May, while the output of spelter declined during the same period from 108,200 to 98,900 short tons. In spite of this reduction, however, stocks are showing an increase on account of small deliveries, although it is anticipated that the autumn will bring some improvement.

The silver market has been more steady during recent weeks. Contrary to anticipations, imports into the United States during the first half of this year have been below last year's level, while

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exports from that country have shown an increase. The trade returns just published show that the value of the United States' imports of silver in the period January to June was \$19.4 millions, against \$26.6 millions in the same period of 1933; whereas exports increased in value from \$2.8 millions to \$7.7 millions over the same period. This appears to be convincing proof that the influence of United States silver policy on prices elsewhere has been over-estimated.

TIN.—Sales on the London Metal Exchange: 350 tons on Monday, against 100 tons last week; 340 tons on Tuesday, against 640 tons last week; 285 tons on Wednesday, against 570 tons last week. The New York quotation on Wednesday was 51.70 cents per lb., against 52.40 cents a week ago and 51.30 cents a month ago. Wednesday's official closing quotation in London for standard cash was £229 to £229 5s., compared with £233 7s. 6d. to £233 10s. last week. Stocks in London and Liverpool at the end of last week were 3,445 tons, a decrease of 161 tons on the week.

COPPER.—Sales on the London Metal Exchange: 500 tons on Monday, against 1,150 tons last week; 1,025 tons on Tuesday, against 2,400 tons last week; 1,350 tons on Wednesday, against 950 tons last week. Domestic spot was quoted at 7.02½ cents per lb. in New York on Wednesday, against 7.02½ cents a week ago and 7.60 cents a month ago. Wednesday's official closing price for standard cash in London was £28 13s. 9d. to £28 15s., compared with £28 17s. 6d. to £29 a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 28,752 tons, show an increase of 308 tons, and stocks of rough copper, at 1,161 tons, show a decrease of 1 ton.

LEAD.—Sales on the London Metal Exchange: 200 tons on Monday, against 100 tons last week; 700 tons on Tuesday, against 700 tons last week; 550 tons on Wednesday, against 650 tons last week. The New York quotation on Wednesday was 3.75 cents per lb., against 3.85 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 17s. 6d. for shipment during the current month, compared with £10 15s. a week ago.

SPELTER.—Sales on the London Metal Exchange: 75 tons on Monday, against 575 tons last week; 300 tons on Tuesday, against 650 tons last week; 250 tons on Wednesday, against 800 tons last week. Wednesday's quotation in East St. Louis was 4.30 cents per lb., against 4.30 cents the week before, and 4.35 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 7s. 6d., for shipment during the current month, against £13 6s. 3d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver, at £11 10s. to £11 12s. 6d. per flask of 76 lbs., remains unchanged. Foreign antimony was quoted at £36 to £36 10s. per ton, as against £35 to £36 per ton last week. Chinese wolfram was quoted at 37s. 6d. to 38s. 6d. per unit, c.i.f., as against 40s. to 41s. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester.—There has been little change in raw cotton prices, but the tendency if anything has been upwards. Great interest is being taken in the American Government report on the crop due next week. As usual, private firms are publishing varying estimates of the yield, but the market expects a forecast of about 9,250,000 bales. The drought in the Western section of the belt is still unrelieved, but rather more attention is now being centred on the poorer outlook for consumption. There has been no increased activity in piece goods for export; a miscellaneous demand has been experienced, but buyers in all quarters have limited their purchases. The offtake for India remains disappointing, although an improved demand has come through in light bleaching descriptions for Madras and Karachi, with fair sales. There seems to be no hope of larger business for China just at present. Cloths for printing and dyeing have attracted some attention for Egypt, South America and the Dominions, but Continental trade has been at a low ebb. Only necessary buying has taken place in home trade fabrics. Order lists of many manufacturers are running down rather rapidly, and there is more nervousness with regard to finance. Complaints from spinners of yarn have tended to increase. In American qualities more difficulty is being experienced in clearing the output, and spindles are stopping. A dragging state of affairs has prevailed in the Egyptian section.

COTTON PRICES

	1934				Corresponding Date	
	July 11	July 18	July 25	Aug. 1	1932	1933
Raw Cotton—Mid. American	d. 6-89	d. 7-14	d. 6-93	d. 7-04	d. 4-61	d. 6-31
Sakellaris Fully Good Fair	d. 6-89	d. 7-14	d. 6-93	d. 7-04	d. 4-61	d. 6-31
Egyptian	d. 8-41	d. 8-51	d. 8-39	d. 8-62	d. 7-00	d. 8-36
Yarns—32's twist	per lb. 10-4	10-4	10-4	10-4	8-1	9-1
" 40's twist	per lb. 10-1	11	10-1	10-1	8-1	10-1
" 60's twist (Egyptian)	per lb. 10-1	17	10-1	17	13-1	16-1
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 18 9	s. d. 19 4	s. d. 19 0	s. d. 19 3	s. d. 16 0	s. d. 17 0
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	23 7	24 4	24 0	24 3	18 10	21 3
38-in. ditto, 58 yds., 18 by 18, 10 lb.	11 0	11 2	11 1	11 2	10 0	10 7
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	9 10	10 0	9 11	10 0	8 10	9 5

WOOL.—Bradford.—The past fortnight has seen no improvement in the wool textile industry. Indeed, if anything, rather the reverse has taken place, prices generally having been pushed lower by the

uneasiness created by Continental events. These lead many to believe that when the new wool is offered in Australia this month there will be only poor support from the three major European buyers, and that, in consequence, prices will suffer. Germany is obviously not in a position to buy anything more than very limited quantities; Italy has officially stated that she is to reduce her purchases in Australia by a half of their former volume, and France has certainly no great need for wool, as has been indicated by the stoppage of combing. It was previously announced that the French combing establishments were to close down indefinitely, but it now appears that there was some resumption of combing last Tuesday, and with this later report "futures" at Roubaix and at Antwerp moved slightly upwards, though the Bradford market was unaffected. But the size of stocks of tops in France and her depleted overseas trade are very discouraging factors which point to limited wool buying in the primary markets. Conditions at the supply end of the industry are no less unsatisfactory. This season's Australian clip is a large one, and the carry-over of unsold wool from last season is considerable. With so many unsettling factors the opening of the wool-selling season in Australia this month is eagerly awaited, so that some indication may be given on the price question. Bradford has suggested that the best time for such an opening is August 27th, in view of the holiday period in the West Riding. Until these sales take place, no business of any importance is expected in the Bradford market; at the same time there is a growing feeling that prices have touched the bottom for the time being. A settlement of financial difficulties in Germany would soon lead to a marked improvement in the wool trade. Exports from Australia and New Zealand in the season ended June 30, 1934, showed a decline of 302,000 bales compared with the previous season, and amounted to 3,547,000 bales.

JUTE.—Dundee.—Holidays interrupted business last week, and the majority of the works have been closed for ten days. The market during the interval has ruled quiet, with prices mainly unchanged, the raw material fluctuating only to a very slight extent. Sellers of the fibre are showing some reserve, which is considered to be due to the fact that the heavy stocks of old crop jute are now becoming smaller; but according to the first forecast of the new crop, there is a plentiful supply in view to meet requirements during the coming season. Trade in yarns and cloth continues so quiet that spinners have no incentive to make extensive purchases of the raw material, even though the price of the latter is low and reasonable. To date, there has been much less jute of the new crop bought than usual at this period of the season. Imports of raw jute into Dundee for the season from August 1, 1933, to July 31, 1934, were 937,000 bales, compared with 792,000 bales for the previous season.

The price of Daisee assortment has ruled round about £14 2s. 6d. to £14 5s. per ton for good single marks of old crop, and fours are quoted at £13 7s. 6d., while new crop full group is quoted at £14 7s. 6d. and £13 17s. 6d. per ton respectively. First Marks are more or less nominal at £16 15s., and good Lightnings, after being sold at £15 10s., are named at £15 12s. 6d., with Hearts at from £14 15s. for SCC to £15 5s. for Ram, August-September. Jute yarns are quiet, with little business to test prices. Common 8 lb. cops are still quoted at 1s. 8½d. and 8 lb. and spools at 1s. 9½d., but some sellers of the latter would accept 1s. 9d., as they are not so well foreseen in spools as in cops. Twist rules firm at from 3½d. to 3½d. for 3 ply 8 lb., and sacking yarns are unchanged in price at 2½d. for 24 lb. web and 3d. for 8 lb. chains. Rove is steady at from £17 for 48 lb. and £14 for 200 lb., while some inquiries are made for the Rio yarns, which have hitherto met an extremely quiet trade. Some carpet yarn business has been done at from 2½d. to 2½d. for 14 lb. warp. Only small quantities of jute cloth are being bought, the buyers usually stipulating quick delivery, but in some widths and weights this cannot be easily obtained. Prices are very steady at from 2½d. for 10½ oz. 40 in. hessians and 1½d. for 8 oz. Linoleum hessians are still very slow, and only a trifling business is being carried through in sacking, bagging and tarpauling.

The Calcutta goods market is quiet, but prices are fairly well maintained at 19s. for 10 oz. 40 in. and 15s. 3d. for 8 oz., August-September, 18s. 10½d. and 15s. for October-December, and 18s. 7½d. and 14s. 10½d. for January-March, Liverpool twills being quoted at 49s. 3d. and "B" twills at 43s. 9d., August-September, and 3d. less for later shipment.

GRAIN MARKETS

WHEAT.—After some moderate fluctuations the wheat market is again firm, and has been influenced by continued dry weather in North America, and by a report that Germany wishes to make a barter agreement with Argentina. Europe has had more rain, but drought still prevails in certain areas in the West. Prices in America have shown a further advance this week, but there was a reaction on the Winnipeg exchange on Tuesday, following the promise of lower temperatures with possible thunderstorms in the prairie provinces. Quotations at London and Liverpool are all higher than a week ago.

According to Mr G. Broomhall, total shipments during the past week were 1,146,000 quarters, against 1,349,000 quarters in the preceding week. On Wednesday "September" futures were quoted in Chicago at 103½ cents per bushel, against 98 cents the week before and 87½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 34s. 9d. per 496 lbs., against 33s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 33s., against 32s., No. 3 Northern Manitoba, Vancouver, ex ship, 31s. 9d., against 31s. 9d.; Australian, ex ship, 28s. 6d. to 29s., against 27s. to 28s. a week ago.

FLOUR.—North American shipments were 99,000 sacks in the past week, as compared with 103,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 27s. per 280 lbs., against 26s. 6d. last week; delivered

London, 26s., as compared with 25s. 6d. a week ago. Manitoba patents, ex store, 26s. to 27s. 6d., against 25s. 6d. to 27s.; Australian, ex store, 19s. to 20s., against 18s. to 19s.

BARLEY.—"October" futures were 50½ cents per bushel in Winnipeg on Wednesday, against 47½ cents last week and 43½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 27s. to 30s., against 27s. to 30s. a week before.

OATS.—On Wednesday, "September" futures were quoted at 46½ cents per bushel in Chicago, against 44½ cents a week ago, and 43 cents last month. Quotations in London, Wednesday: "River Plate," landed, 20s. 6d. per 320 lbs., against 20s. 6d. a week ago; "Chilean White," landed, 21s. 6d. to 22s., against 21s. to 22s. a week earlier.

MAIZE.—"September" futures were quoted on Wednesday at 71½ cents per bushel in Chicago, against 64½ cents a week ago and 57½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 22s. 6d. per 480 lbs., compared with 22s. last week; "Plate," ex ship, 21s. 6d., against 21s. "Plate," July, 21s. 6d., as against 21s. Yellow maize meal, ex wharf, was quoted £6 to £6 2s. 6d. per ton, against £6 to £6 2s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to July 28	Cwts. 25,067	Cwts. 29,662	Cwts. 15,157	Cwts. 131,394
48 weeks to July 28	4,881,325	3,756,472	3,498,805	6,328,589
Average price of English wheat per cwt.	s. d. 6 5	s. d. 6 5	s. d. 6 10	s. d. 5 1

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
July 21, 1934	Cwts. 77,712	Cwts. 8,253	Cwts. 12,087	s. d. 5 4	s. d. 7 7	s. d. 6 4
July 28, 1934	131,384	7,108	16,823	5 1	7 10	6 5
July 26, 1930	84,620	3,524	10,055	8 3	6 5	6 0
July 25, 1931	31,618	2,343	8,438	8 5	6 4	6 8
July 30, 1932	29,662	3,017	3,580	6 5	6 8	7 6
July 29, 1933	15,157	8,797	6,174	6 10	6 9	5 11

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Aug. 2, 1933	Jan. 3, 1934	July 25, 1934	Aug. 1, 1934
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	62½	46½	85½	65½	94½	88½
Chicago (No. 2 Winter) —Cents per 60 lb.	55½	46½	100½	84½	98	103½

The visible supply of wheat in Canada, at 100,750,000 bushels, shows an increase of 2,088,000 bushels. Supplies a year ago stood at 103,204,000 bushels.

OTHER FOODS

SUGAR.—Quotations, both spot and forward, are rather higher in New York this week, while in London a fairly good demand has been encountered at mainly unchanged prices. The spot price of raw sugar in New York on Wednesday was 3.23 cents per lb., as compared with 3.20 cents per lb. last week and 3.18 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 8d. to 4s. 8½d., against 4s. 8½d. to 4s. 9½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	910	2	1,609	1,525	32,730	29,699
Liverpool	16,492	11,220	12,546	7,600	160,022	146,932
Total tons	17,402	11,222	14,155	9,125	192,752	176,631
Last week	7,564	3,656	16,690	15,946	189,505	174,634

COFFEE.—In New York, demand has ruled steady during the past few days at the rather higher rates. On Wednesday Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London spot market has been quietly steady during the first three days of this week. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 5 bags; exported, 2 bags; stocks, 29,205 bags, against 28,926 bags a year ago. Central American, landed, 1,643 packages; delivered, for home consumption, 1,265 packages; exported, 334 packages; stocks, 110,880 packages, against 98,871 packages last year. Other kinds: landed, 10 packages; delivered, for home consumption, 1,713 packages; exported, 433 packages; stocks, 104,739 packages, against 92,618 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, "August-September," was 20s. per 50 kilos, c.i.f. Continent, as against 21s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 2,125 bags; delivered, for home consumption, 2,943 bags; exported, 461 bags; stocks, 255,576 bags, against 167,571 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 10,860 packages of Indian and 36,467 packages of Ceylon tea. The Indian grades met with keen competition and quotations occasionally advanced. The Ceylon also encountered a good market. Strong competition for the better sorts was a feature and any price changes were in favour of sellers. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

AVERAGE PRICE PER LB.

Week ending	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
July 27, 1933	d. 10-89	d. 10-54	d. 11-79	d. 8-86	d. 8-11	d. 9-43	d. 11-50
June 28, 1934	12-96	13-02	13-24	11-30	10-98	12-47	12-94
July 5, "	12-01	12-85	13-28	11-13	11-06	12-47	12-89
July 12, "	13-02	12-74	12-83	10-79	10-61	12-36	12-57
July 19, "	12-80	12-31	12-76	10-67	10-41	11-84	12-38
July 26, "	12-71	12-20	12-82	10-75	10-29	12-06	12-31

RICE.—"The spot" price was 8s. per cwt. on Wednesday as compared with 8s. per cwt. a week ago, while the forward quotation, at 7s. 5½d. per cwt., shows no change on the week. Movements in London during the past week were as follows: Landed, 478 tons; delivered, 104 tons; stocks, 1,338 tons, against 6,312 tons a year ago.

POTATOES.—With supplies about equal to demand prices for most varieties show little change on the week. At the London Borough Market on Tuesday new crop "King Edward" sold at 7s. 6d. to 8s. 6d. per cwt., as compared with 7s. 8d. to 8s. 6d. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5d. per lb. on Wednesday, against 4½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, nil; delivered, 13 tons; stocks, 203 tons, against 320 tons a year ago. White, landed, 79 tons; delivered, 33 tons; stocks, 6,305 tons, against 930 tons a year ago.

MEAT.—Trade at Smithfield was quiet for all descriptions of fresh meat on Wednesday and also for frozen mutton and lamb. There was a fair demand for chilled beef. Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. 8d. to 4s. 2d. per 8 lbs., as compared with 3s. 8d. to 4s. last week. New Zealand frozen mutton was 3s. 6d. to 4s. 2d. per 8 lbs., against 3s. 6d. to 4s. 2d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 8,036 tons, against 7,439 tons in the corresponding week last year. Imported beef, principally Argentine, formed 86.8 per cent. of the beef supplies, against 86.1 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 81 per cent. of the total supply of mutton and lamb, against 80.5 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Only quiet conditions prevail in the markets for oilseeds and their products. Crushers are experiencing a slightly better demand for oilcake, but trade in these and in oils is only normal or less than normal for the season of the year. The Continent has shown some interest in Plate linseed, but demand here is hardly existent, attention being directed to Indian qualities. Prices, however, remain steady. Plate for all positions to October is quoted around £10 15s. per ton, and Calcutta (to London), £12 2s. 6d. Shipments from the Plate are heavier, and the quantity afloat for Europe has increased to 110,200 tons (including 24,100 tons from India) or 23,000 tons more than last week; and for the United States 26,000 tons. Crop prospects in both South and North America remain good. Cottonseed is steady, but only a small business is reported in old crop Egyptian, which is offered at £4 15s., while new crop September loading is quoted £4 17s. 6d.

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Trade in vegetable oils is on quiet lines, with only small fluctuations in prices. Linseed oil ex Hull mill for July-August delivery is quoted £20 15s. per ton naked, and September-December a fraction over this figure. Cotton oil is easier, for refined Egyptian crude ex Hull is available at £12 and common edible at £13 15s. per ton. Oilcakes are in improved demand and are a shade dearer.

RUBBER.—Following a slump, due to political influences on the Continent, rubber prices have recovered during the past few days, and now show little change on the week. The first actual cut in exports of rubber, to 90 per cent. for August and September, came into force on Wednesday. Germany has dropped out of the market for the time being, and it is feared that her tyre factories may have

to close down. But it seems improbable that this will be allowed to occur, since the present Government is aiming at the development of motor transport, and the export of tyres has become an important item. In New York, Wednesday's spot price for rubber, at 14½ cents per lb., compared with 14½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., as against 7d. on the corresponding day last week. In forward positions, business has been done at 7½d. for October-December, 1934, as against 7½d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 105,390 tons, show a decrease of 13 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON August 1st				POTATOES—				WHEAT—				GRAIN, &c.—			
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.				Dry and Dried Salted Cape...			
				per cwt.				Lincoln hog, washed				Market Hides, Manch'tr			
				7 6 8 6				24				0 4 1/2 8 5 1/2			
								12				0 4 1/2 0 5 1/2			
								11				0 4 1/2 0 5 1/2			
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expenditure is not functioning. In the last weeks of the session of Congress an Act was passed to encourage the building or repair of dwelling houses, but here, again, there has been a strange hiatus between legislation and execution. The rate of building construction other than public works is still close to the lowest figure of the depression. In view of the influence of the building boom in Great Britain upon our recovery of the past twelve months, it would be difficult to exaggerate the influence of continued stagnation in this industry in the United States upon the fortunes of the whole community.

The issues raised by these considerations have been brought to a head by Mr Roosevelt's return to the mainland after a month's cruising holiday to the island possessions of the United States. The mainspring of the New Deal appears to be running down, and the country is naturally looking to the man whom it still regards as the chief author of recovery to wind it up again. Mr Roosevelt, for the moment, is feeling his way. The pronouncements he has made in his progress across the North-Western States have shown him still determined to defend the long-range philosophy of the New Deal, with its emphasis on the protection of the community from the rapacious exploitation of those whom Theodore Roosevelt called malefactors of great wealth; but they have revealed little or nothing of what he proposes to do here and now to relieve the present discontents.

The economic policies of the New Deal have been directed to a twofold objective. In the first place various devices have been tried to increase the monetary circulation of the country and restore the pre-depression price level. In the second place, an endeavour has been made to redistribute the available national income. These two policies have not been clearly distinguishable. Redistribution of the national income, for example, has been advocated not only for its own sake but also as a means of securing an increase in the total income to be distributed. This is shown by the constant recurrence of the notion that it was insufficient spending by the poor, rather than by the community as a whole, which produced the depression and has hampered recovery. Both lines of policy, however, have been brought almost to a standstill during the present year. Since the devaluation of the dollar in January monetary experiment has been not only abandoned but forsworn, and the President has let it be known that he is disappointed with the results of previous experiments and opposed to any more in the future. N.R.A. has almost entirely lost its character as a mechanism for redistributing incomes, and the much more tepid support now given by the Administration to the claims of Labour is evidence of some change of heart on this second aspect of policy also.

The present recession is, of course, explicable in accordance with the beliefs of the explainers. Some ascribe it to the failure to continue the policies of 1933; others to the fact that the New Deal has been in some measure arrested but not reversed. Inflation still has its attractions to the inflationists: they are talking of a further devaluation of the dollar; and a project for nationalising and centralising the Federal Reserve system, which appears to have a semi-official origin, is taken as indicating that Washington has not entirely abandoned the idea of further monetary interventions by the Government. On the other hand, those who have consistently called for the restoration of confidence and the freeing of private enterprise from the shackles of regulation have not changed their mind, and they have succeeded in driving N.R.A. into full retreat.

The President will have to make his choice between these schools of thought, and to make his choice soon. Moreover, the choice will have to be followed by action. The New Deal must either advance or retreat; it cannot stand still. The necessity, indeed, is more political than economic; even if Mr Roosevelt were inclined to wait and see, his prestige is so intimately bound up with continuous recovery, and the Congressional elections are so close, that he must once more redeem his inaugural pledge of "action and action now." Will he sing the New Deal song twice over, in order, like Browning's thrush, to show the world that he can recapture its first fine careless rapture? Or will he change the tune? The economic history of the next few months, in the outside world as well as in America, depends very largely on the answer.

OUR AGRICULTURAL POLICY—III

THE two previous articles of this series described the main lines of agricultural policy pursued in Great Britain during the last five years. In the present article, which concludes the series, we propose to discuss some of the issues raised by this policy.

Before judgment can be delivered on any form of agricultural policy it is necessary to know the objects such a policy envisages and the place which it accords to agriculture in the economic life of the country. To many people the proper aim of agricultural policy is merely to increase the incomes of farmers, and this attitude undoubtedly explains much of the indignant surprise with which criticisms of a policy of subsidies and import restrictions are frequently received. To others, the real objective should be to increase the rural population; and any price, whether it be back-breaking toil by smallholders or expensive food for slum dwellers, is worth paying for the maintenance of a class of yeomen. To a third group, again, the object should be to increase the home-grown food supply, whether for safety in war or for the pride of being self-sufficient.

All three points of view are undoubtedly met in the present British policy, although the smallholdings movement necessarily has less appeal than higher profits and self-sufficiency to a Party in which the landowner and the large farmer have always been powerful. No one can have any objection in theory to a thriving countryside or an expanding agricultural production; and most people, other things being equal, would probably prefer to have all our food grown at home. But other things are not equal, and the agricultural problem cannot be contemplated in a vacuum. A prosperous and expanding agriculture can be secured only at a price, and the price, of course, will have to be paid by the 93 per cent. of the population which does not depend on agriculture for its livelihood. The fundamental defect of the present policy is that the 93 per cent. is being forced to pay the price without being adequately informed as to its amount, or invited to agree to pay it. If the price is too high the majority may revolt and their reaction may deprive agriculture of even the assistance it deserves to get.

If the object of agricultural policy be merely to increase agricultural prices, the social cost of that policy will be paid in the decline of the standard of living of the poorest classes of the population. In view of the alarming extent of destitution, that would already be an excessive price for the community to pay. But when agricultural policy has the second objective of increasing the size of the industry, which involves deliberate restriction of our purchases of agricultural products from foreign countries, it adds economic dislocation to social injustice. The extent to which this is true is frequently not realised. Supporters of the present policy, following the lead of the Minister of Agriculture, usually speak as if the only effect of restricting agricultural imports would be to reduce "the income of the City of London" from foreign sources. That is in itself a large enough item. It is probable that more than half of the national income from overseas investments, amounting in normal times to some £250 millions, comes from countries whose economies would be violently damaged by the restriction of food imports by Great Britain; and it is, of course, foolish to talk as if the receipt of this money, and the economic effects of its receipt, were confined to a few rich gentlemen in the City of London.

But this is less than half the story, for our purchases of food are the ultimate source of the demand, and of the payment, for a large part of our exports. Even if we confine ourselves to the products with which British agricultural policy is most concerned—wheat (including wheat flour), meat (including live cattle and bacon) and milk products—our imports of these commodities in 1929 were valued at £255 millions. If in the future we are going to refuse to take these commodities, the countries from which we purchase them will have £255 millions a year less to spend on British goods and British services—unless, indeed, we are prepared first of all to lend them this number of pounds sterling each year and then allow them to default upon the payment of their debts. As it is certain that we shall not lend again on this scale or on these terms, we

must accept the fact that the stoppage of imports will involve a corresponding fall in the expenditure in Britain by residents in countries overseas. What the effect upon employment of the disappearance of this expenditure would be cannot be exactly measured, but, directly and indirectly, a sum of this magnitude probably provided employment in 1929 for a million persons, whose chance of a livelihood will disappear except to the extent that they may find alternative employment, to which they can be speedily transferred, arising out of the increased prosperity of our own agricultural community.

To demonstrate that a reduction of food imports would have a disastrous effect upon the national economy is not, however, to demonstrate that nothing can be done for British agriculture. Farmers are accustomed to speak as if nothing was done for them by the State before the advent of the present Government. In point of fact, there is no other industry which has been treated nearly as generously for decades past. Dr. J. A. Venn has calculated* that in direct grants, in relief from central and local taxation and in indirect assistance (such as tithe legislation), the value of State assistance amounts to over £45 millions per annum, or 15s. a week for every one of the 1,150,000 persons gainfully occupied in farming. In no other industry has the State given financial relief equal to more than half the standard rate of labourers' wages. Nevertheless, most people would be willing for the State to go even further—for example, by lending its assistance for the improvement of productive efficiency, particularly as regards the quality of the product. Protection of the market from overseas competition is a more contentious matter, but it would probably be possible to find a substantial degree of agreement that the farmer is entitled to protection against such unfair devices as export subsidies and exchange dumping. The clearest example of exchange dumping at the present is that of New Zealand. The New Zealand pound, as is well known, is kept artificially low in the interest of the primary producer. As a result, imports of mutton and lamb from New Zealand have increased from 1,449,152 cwt. in the first half of 1929 to 1,976,218 cwt. in the first six months of this year, while imports of butter and cheese have increased in the same period from 2,198,712 cwt. to 2,918,566 cwt. This is clearly unfair competition, and there is no reason why the British farmer should be exposed to it.

• But if this concession is made to the gospel of protection it should be realised that it is temporary and that it confers no mandate for deliberately restricting imports below their normal level. Moreover, agricultural policy cannot be one-sided. If the farmer is to receive benefits, he must also assume obligations. If the State is to provide cash and protection, it must be in a position to dictate the steps that shall be taken to improve efficiency and to standardise quality. In particular, the State should obviously apply its assistance only to those branches of agriculture which are particularly suited to the conditions of British farming. Stockbreeding and dairy farming, for example, are worth encouraging; the cultivation of cereals and sugar-beet is not.

The present Government's policy should be judged by the criteria which have been briefly sketched. Some parts of it are obviously bad. No one who is not an interested party has a good word to say for the sugar-beet subsidy. It is wrong in principle, faulty in technique and ruinously costly. There is no shadow of reason for believing that the sugar-beet industry is worth an annual sum large enough to pay for our aerial rearmament one and a half times over, or nearly large enough to pay the net cost of raising the school-leaving age to 15. The Wheat Act is better only in two small particulars, namely, in that wheat is a more important commodity than sugar-beet (though almost equally unsuited to these islands) and in that some limit is set to the expenditure of public money. It is worse in that the levy on the public is not honestly displayed as a tax in the Budget, but hidden in special accounts to which not one person in ten thousand gives a glance.

On the other hand, the principle of organised marketing is undoubtedly right. Farmers have too often suffered from inequality of bargaining rights, and co-operation is none

* In his Presidential address to the Agricultural Economics Society, July, 1933.

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the less beneficial if it is enforced on the minority. As expressed in the first Agricultural Marketing Act, the idea was one of an honest bargain between the community and the farming industry. The State was to lend its powers of coercion, while the industry undertook to increase its efficiency. But in the Act of 1933 the terms of the bargain were altered; the industry would only organise in return for the restriction of imports. In view of the vital importance to the nation of cheap food, this can only be described as a bribe to do something which the nation is entitled to require its agriculturists to do in any case. Moreover, the bribe remains, while the counterpart has not been forthcoming. None of the Marketing Boards has shown much willingness of its own initiative to attempt to improve the efficiency of the industry. The milk industry has even demanded, and received, a special subsidy for doing what it should have done in its own interest long ago—namely, improve the quality of its product. Again, the case of fat stock is most instructive. The original idea was to bargain restriction of imports against improvement of efficiency, and a Reorganisation Commission was appointed to draft a Marketing Scheme. But the opposition of farmers to any interference with their accustomed methods is so strong that the Marketing Scheme has been pigeon-holed and a subsidy has been granted free, gratis and for nothing. In the last thirty months farmers have been given selling monopolies and import restrictions, but they still demand special subsidies before any *quid pro quo* in the way of reorganisation or improved efficiency is forthcoming. This is altogether too arrogant behaviour for a minority of 7 per cent. to adopt to the overwhelming majority; in the vernacular, it is asking for trouble.

There are other objections to the present tendencies. The mania for an increasing domestic production is difficult to defend on economic grounds. The lack of any serious attempt to co-ordinate the activities of the different Boards is likely to prove very fruitful of difficulties. There is already some risk of the beef subsidy upsetting the operations of the Milk Board, and the reactions of the uncontrolled pork market on the controlled bacon market were mentioned in the second article of this series. The narrow range of the schemes is also open to criticism. There is no reason why organisation should stop short at the sale of agricultural produce to the wholesaler; there is as much room for rationalisation in the distribution as in the production of foodstuffs. Several of these points, however, are suggestions for future legislation rather than criticisms of present endeavours. The main objection to agricultural policy as it has developed under Mr Elliot must be that stated in the preceding paragraphs, namely, that an instrument which might have served as the basis for a partnership, beneficial to both parties, between the community and agriculture has been perverted into a purely one-sided policy of subventions, not indeed for the whole industry of food production, but for those sections of it, the landlords and the large farmers, whose political representatives are most vociferous.

FRANCE IN THE DEPRESSION

(BY A CORRESPONDENT)

THE most contradictory statements are being made concerning the situation in France. It is indeed equally true to speak of increasing difficulties, of stability, or of improvement, provided these terms are applied to different elements in the nation's activity.

The general business trend is beyond doubt downwards. The real improvement registered in 1933 in the world situation helped to bring about a temporary pick-up in France; but when the recovery abroad seemed to halt for a time—during the first months of 1934—French industry experienced a serious setback. This was due in part to internal political troubles—perhaps also to the deflation policy, although it is difficult to believe that the modest budgetary measures taken in April have had much more than a psychological effect. In the main, however, it is due to persistent price discrepancies and to the commercial policy of all nations—including France herself. The difficulties of the tulle industry in Calais and Caudry and of the wool combers in Roubaix-Tourcoing are typical. Equally clear are the indications given by statistics of failures, railroad traffic, production figures, etc. Retail trade—as far as can be ascertained from partial data—is not more satisfactory. Official unemployment figures (315,000 persons) remain higher than a year ago by about 60,000 and the seasonal decline at the beginning of the summer period seems to have been less than normal. The actual number of unemployed is generally estimated at around one million, about the 1932 level. Imports are 16 per cent. under last year—the bulk of the decline being represented by food-stuffs which were directly affected by the new quotas. On this point, however, the trend may change, in view of the recent settlement of trade disputes with Great Britain, Germany and Denmark.

Some encouraging factors are, however, worth noting. French prices have not lost all their elasticity, and their decline since January has been important, French national goods falling more than imported commodities. While retail prices only experienced slight reductions, the unweighted general wholesale index fell by 10 per cent. during the first seven months of 1934. This has allowed exports to stand at the same level as last year in value, and even to increase in volume by over 10 per cent.

For agriculture, the term "stability" seems best to define its position. Quotas have done their part, but so has Nature. At least one element of fear—and a very serious one—has been greatly allayed, namely the wheat situation. The sums involved in the financing of the carry-over at the end of the season will amount to over 3,000 million francs, which have been advanced directly or indirectly by the State, the Bank of France, the Caisse des Dépôts, etc. All forecasts concerning the yield of this year's crop indicate that it will be insufficient for consumption needs. In other words, no additional financing should be necessary, and some of the money thus frozen will possibly be released in the course of next winter. This, of course, does not imply that the present disorganisation of the wheat market will soon be remedied. The price-fixing policy meets with growing opposition from the millers and even from some producers, and the official price—108 francs per quintal—remains distinctly above the black market quotations, which hardly reach 100 francs at present. At any rate, this year's crop will certainly contribute to the balancing of the market.

The wine-growing districts have also been depressed by heavy stocks, but there are indications that the vine crops also may be well under normal. Should this prove true, the balance of the market would be easier to restore.

In contrast to the general economic situation, the financial position of France has distinctly improved since the beginning of the year. The Budget for the current year has, it is true, not been fully balanced. Economies—which did not cover the total estimated deficit—have been introduced during April only, and their result can only be felt progressively. Furthermore, a part of the work achieved in April is likely to be undone by the latest fiscal measures.

These entail the loss of 2,000 million francs of annual revenue, while only 600 millions are expected from new taxes, the balance to be met by the more active prosecution of fraud. Although the new taxes apply to 1934, while some of the important reductions (e.g., those relating to income tax) will only come into force in 1935, the new deficit envisaged for the current year may be said to amount to about 3,000 or 4,000 million francs. But this is an improvement if compared with the 1933 deficit (6,832 million francs). Moreover, disappointing budgetary receipts had been taken into account by M. Germain-Martin when he drafted his decree-laws, and therefore do not aggravate the situation.

The Treasury also seems to be in a better position. The storm of the month of March has been weathered. Treasury bills and National Defence bonds are being freely renewed, while the funds withdrawn from the savings banks at a rapid pace until late April are slowly flowing back to them. This does not mean that the task of the Treasury is easy. Its charges for 1934—in addition to the Budget deficit—total 17,000 million francs, of which over 8,000 millions are refunding operations, the bulk of which should be carried out by November 1st; 5,500 millions of advances to railroads, the Post Office, etc., to be reimbursed out of funds borrowed by these departments; and 3,500 millions of direct Treasury expenses, to be financed by its own issues. The way for the refunding operations has been prepared by the issue of 4 per cent. Treasury bonds in July, and, provided the market is not shaken by new internal or external political events, there is little doubt that the necessary issues can be placed without undue strain. The Treasury issue floated in July met at first with a fairly favourable reception—until M. Tardieu's unexpected intervention—thanks to the strong tone of the rente market. A serious lowering of the interest rate is not, however, within sight as long as the Budget is not fully balanced.

In fact, the Budget question threatens to arise again soon. The Minister of Finance has announced that total credits for the general Budget will not exceed 47,000 million francs in 1935 (about the present figure, allowing for the April economies). This involves a new and serious contraction of expenditure, since the automatic increases of public expenditure should raise it by another 2,500 millions next year and since tax receipts are affected by the business recession. A favourable factor, however, is that the Treasury has no important maturities falling due in 1935.

Thus the French situation—in spite of the inherent solidarity of all branches of the nation's economy—may perhaps be summarised as follows: aggravated depression in industry, trade and, probably, consumption; decline in prices; stability in agriculture; and a real, but not final, improvement in public finance. If it be recalled that in France anxiety about monetary stability has, up to the present, been mainly due to the threat of inflation for the purpose of covering the Budget deficit, it is easy to understand why the deflation policy has as yet met with so few obstacles, in spite of illogical protection measures, which make price adjustments so much more painful. Surprising as it may appear, the decline in prices—as long as industrial prices only are concerned—is not considered a national calamity, but an advantage. That is why M. Paul Reynaud's speech in the Chamber, presenting devaluation as the only way out of depression, has encountered a cool reception from the Press and public opinion. Not one French paper—even among the industrial journals—has taken up his opinions to defend them. The chief pre-occupations of public opinion remain of a political nature: the future of the Doumergue Government, and Europe's tranquillity. Even when reflecting on monetary policy, the French are less afraid of their own position—which does not as yet look desperate—or of France's apparent isolation, than of Mr Roosevelt's impending decisions, the future of the pound sterling, or the fate of Germany, which threaten them as much as the rest of the world. As long as France is not left entirely alone in the gold bloc, as long as the 25,000 million francs hoarded in notes of the Bank of France are considered as equivalent to gold by their owners, as long as the depression does not turn into a national disaster, a psychological background for devaluation will remain almost entirely lacking.

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MOTORS FOR THE MILLION

(BY A CORRESPONDENT)

THE total number of private cars in use this year shows an increase of some 8.8 per cent. from last year, and it is expected that the peak registrations for the year will total 1,308,000 during the third quarter, an increase of 105,000 vehicles over 1933. This compares with an increase of 75,000 between 1932 and 1933, and of 44,000 between 1931 and 1932; and it even equals the level of the increases in the years of rapid expansion which culminated in 1929, when the annual growth in the number of cars in use averaged some 100,000.

One of the first effects of returning prosperity has been to raise the effective demand for private car ownership, a demand which undoubtedly goes hand in hand with the building boom and the progressive suburbanisation of city populations. But, even allowing for the influence of factors of this kind, the growth of motor ownership is certainly extraordinary. It has been estimated that about 25 per cent. of the private cars registered represents purely business ownership, while a further 100,000 may be taken as representing multiple ownership, i.e. the ownership of more than one car by a single family. Even after making these corrections, however, there remain nearly 900,000 car-owning families who use their vehicles partly or wholly for private purposes, a figure which is very substantially in excess of the number of incomes known to the Inland Revenue authorities of £400 a year and upwards. The economics of motor ownership in some of the lower income grades constitutes a puzzle; for the cost of running a small car, even if the mileage be very moderate, must be an extremely heavy item in a family budget of £400 a year, while the indirect expenses on meals and refreshments taken away from home and the generally higher standard of week-end entertainment induced by the ownership of a private car must also be very considerable in the aggregate.

Registration of new cars for the eight months October, 1933-May, 1934, numbered 152,730, an increase of 21.8 per cent. over the total of 125,414 for the corresponding period of the previous year. On the not unreasonable assumption that the last four months of the current motor year will show a 15 per cent. increase (the reduction compared with the first eight months being due to the fact that the comparison is with a much better period), total new registrations in Great Britain for the year will be of the order of 214,000, which, if allowance be made for exports, imports and new registrations in Northern Ireland, corresponds to a gross production of cars by the British motor industry of 255,000 units, compared with 220,000 last year and some 183,000 in 1928-29, the pre-depression record.

There is not the slightest doubt that all previous records will easily be beaten this year. Exports for the nine months ended June 30, 1934, amounted to 34,809 units, valued at £4,449,938, compared with 34,208 units valued at £4,184,743, in the previous year; while imports increased to

5,479 units, valued at £860,763, as against 2,351 units, valued at £443,285, a year ago. The increase in imports is of course a reflection of the greater purchasing power of the class of motorist who can afford to buy American cars. It has, however, been intensified by the fall of the dollar exchange and the improved appearance and performance of the American product. Exports, although at a slightly better level than ever before, do not, upon analysis, make such a promising showing. There is no doubt that, although our total has increased by 1.8 per cent., we are doing a smaller proportion of the available export trade than has been the case for the last two or three years, and, more important still, British manufacturers are losing ground in the Continental markets such as Holland, in which they obtained a foothold during the years of acute depression. This is also probably due to the cheapness of American cars following on the devalued dollar. While exports to Empire countries since January show an increase of 34.6 per cent. compared with last year, exports to foreign countries have fallen by 28.5 per cent.

One of the ways in which improved purchasing power in the home market is making itself apparent is in the proportion of demand going to the different horse-power categories. In 1932-33 new registrations of cars of over 10 h.p. accounted for only 40.7 per cent. of all new registrations; the corresponding percentage for the seven months ended April, 1934, was 42.9 per cent., while for May, which is the first complete month in which car purchasers could be affected by the Chancellor of the Exchequer's decision to reduce the horse-power tax from £1 to 15s. per h.p. as from January, 1935, it was 44.2 per cent. There are indications that the change in popular taste revealed by the trend of demand during May will have important effects on the production policy of the chief manufacturers and on the allocation of the market between them. Further, it will give added encouragement to imports of American cars. Ford, who has been markedly successful in increasing his share of the 8 h.p. market this season, is making a bid to popularise his 30 h.p. V.8 model by his recently announced reduction in prices, which definitely puts this car within the reach of the motorist of limited means. Vauxhall, whose 12 h.p. and 14 h.p. models have won a considerable popularity this year, may be expected to make an even more direct appeal to the class of motorist who up to now has been satisfied with a model in the 10 h.p. category. It may be expected that the manufacturers who have suffered from Ford encroachments in the 8 h.p. class and Vauxhall competition in the 12 h.p. and 14 h.p. classes, but for whom the position has been somewhat masked by the large increase in the demand for new cars as a whole this year, will make their reply when the models for next season are announced. If they do not find a successful reply, rather far-reaching changes may be predicted in the order of importance of the chief firms catering for the British private car market.

Taking the British motor industry as a whole, the outlook is definitely good. Nevertheless, it may be accepted as inevitable that the American car will make further inroads in the large-car category, both in the home market

and abroad; while competition for the Continental markets from German, French and Italian manufacturers will become more acute. There is every indication, however, of still further expansion in the home market; while there should be no difficulty in maintaining exports at their present volume, if we remember that this represents a decreasing percentage of the total available trade. Quite apart from any increase in the number of motorists in Great Britain, on the assumption of an average life for private cars of eight years, the maintenance of a fleet of 1,300,000 vehicles means that in normal years the replacement demand will amount to some 163,000 cars per year. In times of trade depression this figure may be somewhat reduced by reason of potential buyers postponing the purchase of new cars until times are better, and, conversely, it may be somewhat inflated in times of good trade. In any case, this figure gives a fairly certain minimum production on the basis of which the motor industry's policy can be reasonably organised. In addition, past experience has shown that even in bad times new motorists are still recruited, albeit in diminished numbers. The present tendency towards the making of trade agreements with the chief countries catering for the British market for foodstuffs and raw materials, which are not for the most part themselves motor-manufacturing countries, should ensure at any rate a basic minimum of British car exports. With these advantages it should be possible for a moderate further expansion to take place in the British motor industry, and, with a general increase of purchasing power, this may be looked for with some confidence.

"SHY TRAFFICKERS"

Opium smoking became a curse in China from small beginnings early last century, and largely through the misplaced enterprise of Europeans. Since then the curse has not only ravaged China but has recoiled, as a social vice, upon the whole world. From opium the curse extended its grip to heroin and other narcotics; and by 1912, when the Hague Opium Convention was drawn up on American initiative, the Western world was seriously alarmed at this threat from the Far East.

But, although the 1912 Convention envisaged manufacture of opium and its derivatives only under licence, together with control of imports and exports and limitation of opium production in China, by 1913 only thirteen countries had ratified it, and the war supervened before it entered into force. The Peace Treaties contained a clause automatically setting it in work for all signatories; and to-day it is applicable in 58 States—the most widely ratified Convention administered by the League of Nations. Every year the Assembly has to review the progress made. Nevertheless, the continued activity of illicit narcotics producers both inside and outside the 58 ratifying States, and their ingenuity as "shy traffickers," brought forth other drugs for illicit purposes. This led to the 1925 Geneva Convention, which, despite the withdrawal of China and the United States owing to the absence of control of Chinese production, was much more comprehensive, and 50 States ratified it. Greater powers were given to the League's Health Committee to schedule new substances; a permanent, independent Central Board was set up, to which compulsory returns of production of drugs had to be made; and the use of import certificates was made compulsory. Application of this 1925 Convention steadily widened; and it was felt that strong support would be given for direct limitation of manufacture of narcotics. The British Government in 1930 therefore requested the League to call another Conference. This met in 1931, and a Convention resulted, ratified by 44 States, which dovetailed with the 1925 Convention, and provided that imports of scheduled drugs should be regulated by reference to official estimates of needs for legitimate purposes. Control of the movement of the raw material into, and of drugs out of, the factories was tightened up; a check was provided by perfecting an accountancy system; and the limitation of production in accordance with legitimate needs was facilitated by combining the provisions of both the 1925 and the 1931 Conventions. Turkey and Persia, to which the "shy

traffickers" had recourse before 1931, acceded to the 1931 Convention; and between 1931 and the present day the efforts of the world to deal with the illicit drug traffic were rewarded with greater success. The League Council in 1933, however, drew attention to the dangers of the illicit traffic, and in view of their warning it is of interest to describe the position with which the League, and the vast majority of countries who are trying to stamp out so grave a social evil, are faced to-day.

The object of the 1931 Convention was to limit total world production of narcotics to the quantity needed for medical and scientific purposes. The 44 States ratifying the Convention undertook to keep the production within these bounds by the limitation of national manufacture. The following example will show how necessary it was to limit the world production of narcotics as a means of combating the abuse of these drugs. A few years ago the Opium Commission, in co-operation with the League Health Committee, compared the amount of narcotics produced and the actual consumption throughout the world for medical and scientific purposes; it was discovered that even the most generous estimate of world figures indicated an amount which was less than one-tenth of the actual quantity produced. But now the statistics of production and legitimate trade as reported by States Members (see League publication, Document O.C. 1530), show that in recent years (1928-32) there has been a remarkable decrease towards the level of legitimate needs. In general the decrease during this period amounts to 50 per cent. or even more.

The production of raw material for the manufacture of narcotics, however, must also be considered. The statistics of the Opium Commission show a general decrease; exports also tend to diminish. As, however, the decrease of production is considerably less than that of demand, there has been a great increase in stocks. The total world stock of raw opium (not counting China) has increased from 2.3 tons in 1929 to nearly 3 tons at the close of 1932. This means that the world stock of raw opium would be sufficient to satisfy the legitimate demand for narcotics for the space of a whole year. Such an increase of stocks is a constant menace, since it involves a serious temptation to transfer quantities to the illicit market.

Until quite recently, therefore, one might justifiably have been satisfied with the results achieved by the League of Nations in its campaign. But the abuse of drugs in China has led to the opening up of new sources of supply. Moreover, a menace has arisen in the shape of important secret manufacture in Bulgaria, which was revealed about a year ago by Russell Pasha, the representative of Egypt on the Consultative Opium Commission. The reports submitted at the last session of the Commission (May to June, 1934) by Russell Pasha, by Colonel Sharman, the Canadian delegate, and by Mr Fuller, the delegate for the United States, disclosed the following details on the state of affairs in Bulgaria.

This country has ten secret factories and laboratories which are busy producing heroin for the illicit market. (The factories were mentioned by name at the session, as were their proprietors, and the amounts produced were also indicated.) The proprietors and organisers include two individuals who are well known as international smugglers. Two circumstances have drawn attention to this Bulgarian production, namely, various seizures by the Customs authorities, and the importation of large quantities of acid acetic anhydride. This substance is needed for the manufacture of aspirin, dyestuffs and artificial silk; but since Bulgaria does not manufacture these substances we are bound to conclude that it has been used for the manufacture of heroin. The following quantities of acid acetic anhydride were imported into Bulgaria in recent years: 1930, 70 kilos.; 1931, 70 kilos.; 1932, 3,500 kilos.; 1933, 6,000 kilos. This means that the amount imported in 1933 would suffice for the production of 3,000 to 6,000 kilos. of heroin. The legitimate world needs of heroin are only 1,500 kilos.; it follows that in 1933 Bulgaria was in a position to produce four times the amount needed for world consumption. Besides the manufacture of narcotics, the production of opium has been greatly increased in Bulgaria in recent years. Reliable information which reached the Canadian Government indicates the amount of opium produced as follows: 1931, 4,000 kilos.; 1932, 45,000 kilos.; and 1933, 65,000 kilos.

It is not in Bulgaria alone, however, that developments in recent years have become menacing. The state of affairs in the Far East also gives rise to anxiety. At the meeting of the Consultative Commission in November, 1933, the American representative reported on the enormous increase of opium production in Jehol and in Manchuria. According to the estimate of a high Chinese official, the annual illicit production of opium in China now amounts to 12,000 tons—that is to say, seven times the amount produced in the rest of the world. Far more dangerous still, apparently, is the illicit manufacture of narcotics, which has made great progress in China recently. Here, too, the large quantity of acid acetic anhydride imported has drawn attention to increased manufacture. China, too, has no factories for aspirin, dyestuffs or artificial silk. The only possible conclusion is that these imports were used for the manufacture of heroin. The quantities of acid acetic anhydride imported would allow the production of twice the quantity of heroin normally required for world needs.

To sum up, the campaign against opium and other

noxious drugs undertaken by the League of Nations chiefly in Central and Western Europe, that is to say in the countries which transform the raw materials, has been successful. To-day, however, the transformation of opium is being largely carried out in the producing countries themselves, namely, in Bulgaria, China, Japan and Manchuria. Means will have to be found to combat this menace. These countries, with the significant exceptions of Manchuria and Japan, are all parties to the 1931 Convention. It can be assumed that energetic action on the part of the Government would prevent the manufacture of narcotics in Bulgaria for illicit purposes. In China the question is more difficult; owing to disturbed political conditions in that country, special means will be necessary to put an end to illegal production and manufacture there; but there is no reason to doubt that, as the authority of the Central Government extends and becomes consolidated, adequate measures will be taken.

Not until the "shy traffickers" become shy even of the less administratively competent countries will this menace to civilisation be effectively controlled.

NOTES OF THE WEEK

The Week in Austria.—In circumstances of extraordinary difficulty, Herr Schuschnigg's Government has started well. As between Austria and Germany, the outstanding question during the last few days has been whether the Austrian Government would give its *agrément* to Herr Hitler's designation of Herr von Papen as German Minister in Vienna. In his haste to get rid of Herr von Papen and to make a display of "good neighbourliness" towards Austria (after a tragedy for which, in the eyes of the world, Herr Hitler himself had been so gravely to blame), the *Führer* exposed himself to an Austrian rebuff by committing one technical error and one indiscretion. The technical error was to appoint Herr von Papen as his own personal representative—to report directly to him instead of to the Reich Minister for Foreign Affairs in the ordinary way. The indiscretion was to announce this somewhat irregular proceeding publicly without having first sounded the Austrian Government on the subject. Herr Hitler has since retreated to the extent of declaring that Herr von Papen's status, *vis-à-vis* his own Government, would be that of any ordinary diplomatic representative. And the Austrian Government, on their side, have decided to accept Herr von Papen on these terms—more or less on probation. Herr Hitler seems to have reckoned that Herr von Papen's religion would commend him to a Catholic Government. But this was evidently a miscalculation. In Catholic circles Herr von Papen seems now to be regarded as a Catholic who has betrayed his own Church in allowing himself to be used as a stalking-horse by a political movement which is pagan in policy and in spirit. From the Catholic standpoint his record has been unsatisfactory in the matters of the dissolution of the Zentrum, of the Catholic interest in the Saar (for which he has been Herr Hitler's Reichskommissar), and of the negotiations for the Concordat between the Reich and the Vatican. However, Herr von Papen's tenure of his new post will presumably depend on how the Reich behaves towards Austria during this next chapter in their relations. During the past week the German wireless propaganda has been attacking the "Dollfuss" governmental system again, and giving highly coloured and "patriotic" accounts of the way in which Dr. Dollfuss's Nazi murderers met the death penalty. Outside observers, now that Herr Hitler has undisputed sway—and undisputed responsibility—in Germany, will scrutinise more closely than ever the Nazi attitude to Austria for at least a few practical signs of that "good neighbourliness" which Herr Hitler appears to desire.

Anglo-German Exchange Agreement.—The negotiations for exchange clearing between England and Germany, which were initiated by the transfer agreements of July 4th, have now been completed. It is understood that an arrangement has been reached whereby the Reichsbank will provide sterling up to 5 per cent. of the value of British goods imported into Germany. Payment of the remaining 95 per cent. will be made in reichsmarks to the credit of a special account to be opened by the Bank of England at the Reichsbank. The Bank of England will pay the British exporter the sterling equivalent of this 95 per cent., and will reimburse itself by selling its reichsmarks to British importers of German goods. As the balance of trade is substantially in favour of Germany, the scheme should be practicable. There are several points left outstanding and complete details must be awaited. There is no suggestion that it will be compulsory for British importers of German goods to use the scheme; and if they pay direct in sterling, the Bank of England may have difficulty in disposing of its reichsmarks. It may be assumed that the maintenance of this scheme is conditional upon there being no substantial increase in British exports to Germany, as otherwise its whole basis would be destroyed. Nor will its introduction necessarily modify the stringent control now exercised by the German Government over certain raw material imports, and British exporters of controlled commodities would be well advised to make certain that they can secure payment in sterling. No mention is made of re-exports from Great Britain, nor does the scheme apparently embrace Colonial goods. Finally, it apparently only relates to future transactions, leaving the problem of sums now due for British exports made during recent months still unsettled. This will be of particular concern to British cotton spinning and coal interests who already have large amounts due to them, and it will be recalled that the British cotton spinners have threatened to suspend further shipments, while the opinion is expressed in Germany that it is no longer necessary to rely so much upon Lancashire for supplies of fine cotton yarn. A new problem, which though of minor importance is a serious matter to those directly concerned, is raised by the decision of the Reichsbank to suspend from October 1st the issue of registered marks to foreign diplomats and journalists permanently resident in Germany. This decision will involve them in a loss on exchange equivalent to about 35 per cent. of their income from foreign sources. It is questionable if the amount at issue is sufficient to warrant

so oppressive a change in procedure, and this shows that the position of the Reichsbank is still very acute. Until the full details of the agreement have been published it is not possible to judge whether it will facilitate a rise of Anglo-German trade from its present attenuated level.

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Naval Ratios.—What is the Japanese Government's policy for the now fast approaching naval conference of 1935? The question is of capital importance; for, if it ever came within Japan's power to attain naval parity with the British Empire and the United States, she would be supreme over the British and American navies jointly in Far Eastern waters. An unchallengeable Japanese naval supremacy in those waters would render possible a Japanese domination over the whole of China and the Far East under the specious title of a Far Eastern Monroe Doctrine. In a statement made at Tokyo, on July 31st, to the foreign Press, the Japanese Prime Minister, Admiral Okada, announced that his Government did not expect to achieve parity between Japan and the two other principal naval Powers at the 1935 Conference; but any relief we may derive from this declaration must be tempered by the Admiral's accompanying declaration that Japan did not intend to accept, any longer, the principle of naval limitation by ratios. This Japanese statement promptly drew, on August 1st, an answering statement from the United States Secretary of the Navy, Mr Swanson, who declared emphatically that he was personally opposed to any alteration of the present agreed ratios between the three Powers, which stand for capital ships exactly, and for other ships approximately, in the relation of 5-5-3. Mr Swanson stated at the same time that he was in favour of a 20 per cent. reduction in all categories, upon the present treaty figures. On this, the Japanese naval authorities are reported to have commented informally to the effect that Japan will insist on repudiating the present ratios, whatever opposition she may encounter; that the proposal for a proportional reduction all round is unreasonable; and that the American naval construction programme under the Vinson Bill and the N.I.R.A., though it is, of course, perfectly legitimate under the existing treaties, is calculated *de facto* to give the United States an important advantage. Since then, it has been reported that the United States naval authorities are to build new naval bases in the Aleutian Islands and elsewhere in the Pacific. What are the Japanese after? They seek to justify their proposed repudiation of the ratio both on grounds of national security and on grounds of national prestige; but the plain fact is that naval parity with the British Empire and the United States would give Japan the dominion over China. Another certain fact is that the United States will never acquiesce in Japanese naval parity with herself *de facto*, and that, if Japan denounces the present treaty ratio, she will be giving the signal for a naval building race in which the United States would assuredly have the will, as well as the means, to outbuild her to any extent. Is Japan bluffing? And is Italy doing the same in publishing, on August 2nd, a decree definitely authorising the construction of two 35,000-ton battleships? For the Powers with slender resources, this appears to be dubious policy.

* * *

"Our Daily Bread."—The operations of our restrictionist saviours of British agriculture are bearing rich fruit—for their protégés, at least. We described, in the first of our three articles on British agricultural policy, the last of which appears in this week's issue, the process by which the wheat-grower in this country receives an indirect subsidy from all consumers of bread, in the shape of a wheat levy imposed on all flour milled or imported. This additional levy, which recently equalled the cost of wheat on the free world market, is naturally passed on by the millers to the consuming public in the price of flour and bread. Thus, prior to the rapid rise of the last few days, the free price of wheat was about 5s. per cwt., whereas under the 1932 Wheat Act a standard price of 10s. per cwt. was guaranteed to registered British wheat-growers, up to the limit of the "anticipated (home) supply" for each year. The "anticipated supply" is generally exceeded—which is only natural when the State guarantees a minimum price for any product—and the

receipts of registered growers per cwt. of their wheat production are therefore generally slightly less than the exact difference between the free price and the standard price. But this is small comfort to the consumer. In the last five weeks the London millers have raised the price of standard grade flour from 24s. 6d. per 280-lb. sack to 28s. Adding to this the wheat levy—which was progressively raised, as world wheat prices fell, from the Wheat Act's original 2s. 3d. per sack to 3s. 6d., and then to the present 4s. 6d.—the present price of the sack comes to 32s. 6d. As, however, the Food Council's limit for the 7½d. quarter loaf is 31s. per sack of flour, certain conclusions are evident. Clearly, the present levy, which is mainly a burden on the mass of poorer consumers, may soon involve a rise in the price of bread. Equally clearly, it should automatically fall as prices rise. As the free price of wheat is rising, the levy, if we must suffer it, should be scaled down nearer to its original figure of 2s. 3d. per sack of flour. But that, say our restrictionists, would frustrate the expectations of a flourishing new industry—the costly cultivation of British wheat in a wheat-choked world out of levies paid by consumers! It will be extremely interesting, and crucial for many housewives, to observe what will happen next. Will the levy fall, or will the price of bread rise to maintain the levy intact? A joint meeting of the London Master Bakers' and Confectioners' Protection Society and the Principal and Wholesale Retail Bakers' Society is to be held next week to decide on the price of bread. Events will show for whose welfare our restrictionists have been chiefly concerned.

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Transport Wages.—Last week the National Joint Conciliation Board for the road transport (goods) industry adopted an important report on wages and conditions of work, the purpose of which is to give effect to the "fair wages" clause of the Road and Rail Transport Act, 1933. Minimum scales of wages for drivers and mates or attendants are laid down for different kinds of services and vehicles, varying for drivers from 70s. a week down to 45s. a week, and from 56s. to 48s. for attendants. The report also recommends a 48-hour guaranteed week, special rates for overtime and Sunday duty, minimum scales for casual employment, and payments for rest periods and holidays—including a week in the summer, Christmas Day, Good Friday and the four Bank Holidays. The setting up of a joint conciliation board consisting of representatives of employers and workmen in each of the Traffic Commissioners' areas is also suggested. These provisions, which are obviously based on the analogy of the conditions on the railways, will certainly go a long way to remove one of the great anomalies in our national transport system—namely, the disparity of conditions of employment on the railways and the roads. The real difficulty will be to enforce them on the small employer—a task which will need the closest co-operation between the industry and the licensing authorities. Meanwhile, the attitude of the Unions in the negotiations with the railway companies over the restoration of the "cuts" is definitely hardening. The railwaymen have instructed their leaders not to take a negative answer—an ominous phrase which seems likely to foreshadow a deadlock. As we pointed out last week, the economic argument for a restoration of the "cuts" at the present moment is not strong. Railways are still far from earning anything like their "standard revenue," and the interests of the railway shareholder who has borne the brunt of the depression are certainly entitled to some prior consideration. And from the narrow standpoint of the workers themselves it would certainly be a short-sighted policy to force the companies into a permanent condition of financial embarrassment by attempting to maintain an uneconomic wage level, since in the long run the final adjustment would express itself in unemployment.

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Germany's Economic Dictator.—Dr. Schacht, the President of the Reichsbank, has added to his present duties the responsibility for the management of the Ministry of Economy. The titular Minister, Dr. Schmitt, is ill,

and, according to our Berlin correspondent, it has apparently been decided after and in consequence of the June 30th massacre that he will not return when his theoretical six months' leave is ended. Since the disappearance of the Reparations control-mechanism, the Reichsbank has never been independent of the Government, as was originally intended. It was as a politician that Dr. Schacht replaced Dr. Luther. The new change need not involve any modification of current policy. It is indeed taken in some quarters to mean that Dr. Schacht, for the moment, has put through, against other Nazi Ministers, his policy of maintaining the gold-parity of the reichsmark, or rather of some of the reichsmarks. This is not certain. The general expectation that the mark will be devalued has expressed itself in sharp advances of foreign-currency securities on the Bourse. Dr. Schacht's declarations that no devaluation is intended do not necessarily indicate that he is really pledged to maintain the mark. For entirely legitimate reasons a Government cannot admit devaluation intentions; it can only announce devaluation. Dr. Schacht's appointment to the Ministry of Economy has been favourably received in manufacturing circles. The Schmitt Administration was a failure. This Minister had absorbed the cruder Nazi doctrines; and his repeated interventions against new private undertakings, designed to provide employment, were ill received, and aroused the suspicion that existing manufacturers were successfully intriguing for State-created monopolies for themselves. As a banker of big experience, Dr. Schacht is familiar with many important sides of business; he is reasonable and accessible, and as an old "Manchester-Liberal," also formerly in close connection with "Marxist" administrators, he can have no excessive respect for Nazi economics. It is now hoped that a slackening of the harmful official intervention in enterprise will take place.

* * *

Alarums and Excursions at Foochow.—The alarm which was sounded at the end of last week at the important Chinese treaty port of Foochow, in the Province of Fukien, appears to have been a false alarm. A "Communist" army from the "Red" domain in the interior of the province was reported to be descending upon the city in search of supplies; but the raiders are now believed to have retired, after having come within some fifteen miles of their supposed objective. This abortive raid, which superficially appears to advertise the Nanking Government's weakness, is really, perhaps, an indirect testimony to their growing strength; since the systematic blockading tactics which the Government forces are now adopting against this "Red" area from the landward side are probably the cause of this attempt, on the part of the beleaguered insurgents, to break out in the opposite direction. We may perhaps infer that the blockade is proving itself effective in wearing the insurgents down; and the Nanking Government's prospects of gradually restoring its authority throughout the "Red" regions of Central and South-Eastern China are decidedly improved by the fact that their policy is now no longer just negatively repressive. The military blockade is accompanied by a serious attempt to ameliorate the lot of the peasantry on the Government's side of the front; and nothing is so likely to sap the strength of Chinese agrarian "Communism" as a reasonable expectation of a not intolerable existence for the cultivator under the aegis of the Kuomintang. So much for the alarum of Foochow; but the excursions of British, American and Japanese warships, which it has elicited, raise other and wider questions. Not that it was superfluous to send the ships; for Foochow contains a considerable foreign mercantile and missionary community; and the foreign residents in China, as well as the Chinese peasantry, have had their unpleasant experiences of Chinese civil war—for example, at Nanking itself in 1926. When the report of the "Communist" foray arrived, the despatch of foreign warships could hardly have been avoided; and so long as the ships of three different naval Powers pay a simultaneous visit, their presence is not likely to be prolonged nor to constitute a danger of any further encroachment upon China's territorial integrity. If, however, the Japanese Far Eastern Monroe Doctrine had

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been applied and backed up by a Japanese navy outnumbering the British and American, would Chinese integrity have been so secure?

* * *

A Minorities Problem for the League.—When great crises in high politics dominate the stage, public attention usually has little energy to spare for less urgent problems. It is therefore not surprising that the pressing preoccupations of recent events in Central Europe should have diverted Western opinion from the affairs of national minorities. This fact doubtless accounts for the comparative disregard of recent developments in the long drawn-out controversy between the administration of Prince Henry of Pless in Upper Silesia and the Polish revenue authorities, which has already formed the subject of numerous petitions to the League. The question at issue nominally concerns the amount of taxes payable by the Pless undertaking in respect of the financial years 1925 to 1930, and involves such disputable matters as allowance for amortisation and the method of calculating profits during periods of currency depreciation. The sum in dispute is large and amounts to some £250,000. These are problems which should be soluble by normal methods of discussion and adjustment, particularly as the Pless administration has made repeated and substantial offers with a view to achieving a settlement. The Polish authorities, however, have so far apparently been unwilling to reach a settlement; they have cut short the discussions, and they finally resorted, on May 18th, to the violent measure of dispatching bailiffs to the various Pless businesses, seizing such moneys as were available, sequestrating banking accounts, and generally making it wellnigh impossible for the Pless concern to pay wages or carry on day-to-day administration. These proceedings are bound to raise grave anxieties abroad. If the Polish authorities desire the fiscal weal of Poland, their policy in ham-stringing one of the most important and reliable revenue-producing enterprises in Upper Silesia can hardly justify itself as wise administration. If, on the other hand, the financial issue, as is widely rumoured, is a mere pretext for unfair discrimination against a member of the German minority, then the problem is more serious. It is due for deliberation by the League in September. In the meantime it is essential that no action should be taken in Poland which might further aggravate an already grave situation.

* * *

A Bull Point for Raw Cotton.—The official American estimate of the forthcoming cotton crop was published on Wednesday. The estimate, which is based on the position in the cotton fields on August 1st, is for a crop of only 9,195,000 bales (1 bale = 500 lbs.). This compares with an estimate on August 1, 1933, of 12,314,000 bales and an actual crop last year of 13,043,110 bales. With the excep-

tion of the abnormally bad cotton crop of 1921, the present estimate is the lowest since 1896. Even so, it did not surprise the market; for the general opinion expected a cotton crop of about 9,000,000 bales. Nevertheless, prices bounded up in New York on Wednesday by 43.47 points, and in Liverpool by over 30 points, per lb. The New York price reached the highest figure since 1931; and the Liverpool price the highest since July, 1930. The rise in prices was obviously due to traders' expectations that the low crop would permit inroads to be made on stocks, and so improve the prospects of the cotton industry as a whole. A few days ago the New York Cotton Exchange estimated that world consumption of American cotton during the season now ending was 13,564,000 bales; and for the coming year it estimates that the same quantity will be required. As the carry-over of United States cotton this year is estimated at 10,836,000 bales, against 11,754,000 bales a year ago, the carry-over a year hence should be only about 6,500,000 bales—assuming, of course, that world consumption of United States cotton in 1934-35 and the actual crop remain at the above figures. This would mean a reversion, a year from now, to almost normal conditions in the United States cotton situation, after years of severe crisis. It is hardly surprising that traders have marked up cotton prices.

The World's Sugar.—The International Sugar Conference which opened in Brussels last week has been adjourned until September without achieving any positive results. Meanwhile, a sub-committee is to try to work out a basis of discussion for the adjourned Conference; and, in particular, it will have to enter into negotiations with the countries which are at present outside the Chadbourne Plan, in order to get them into a wider international sugar convention. The Chadbourne Plan of 1931, which comprised the most important sugar-exporting areas of the world (Cuba, Java, Peru, Germany, Czechoslovakia, Hungary, Poland, Belgium), expires on September 1, 1935. Its prolongation is not, therefore, a matter of urgency. But the present world sugar situation has so stultified the hopes based on the Plan, that a new and more comprehensive Plan is necessary. While sugar production of the Plan countries during the last five years has fallen from 12.5 million tons to 6.9 millions, production by countries outside the Plan, largely by reason of State assistance and tariffs on imports of cheap sugar, in the last six years has risen from 14.7 million tons to 19.3 millions. Import requirements of the world market, as a result of increased production by the countries outside the Plan, have therefore fallen in the last six years from 5.9 million metric tons to 3.1 millions (F. O. Licht's figures). Thus, the Chadbourne Plan, which was drawn up by and embraced only the chief exporting areas, has been made relatively of no avail. In view of these trends, the second sub-committee of the 1933 World Economic Conference requested the Bureau of the Conference to work for a general unification of the world's sugar industry; and in March of this year the Chadbourne Plan members attempted to widen the scope of their agreement. In the meantime, the United States has accorded Cuba, the largest sugar producer, more favourable quotas for imports into the United States. But Java, whose cane production is most cheap and efficient, has seen her export markets continually curtailed; and if only Java could benefit by an increase in world demand for raw sugar, it might not be impossible to secure the agreement of the countries outside the Plan, who are still extending their own artificially assisted sugar production, to a more comprehensive plan. Without such a new world sugar convention, the present difficulties of the Plan countries, caused mainly by costly and uneconomic national sugar production in formerly sugar-importing States, can hardly be solved at the adjourned Conference in September.

Employment in July.—The Ministry of Labour estimates that there were approximately 10,136,000 insured persons aged 16-64 in employment in Great Britain on July 23rd, a decrease of 27,000 since June 25th, following the previous fall of 24,000 during the month of June.

Compared with July, 1933, an increase of 394,000 is reported. The number of unemployed persons on the registers of employment exchanges was 2,126,260 on July 23rd, 1934, of whom 1,553,747 were wholly unemployed, 492,872 temporarily stopped and 79,641 registered as "normally in casual employment," a decrease altogether of 315,915 compared with a year ago, and of 301,500 in the first category alone. There has, however, been an increase of 26,700 in the number of women temporarily stopped, and of 1,700 in the number of girls under 18 who are out of work, owing to the deterioration in the textile situation, and particularly in the woollen and worsted section. Compared with a month ago, there has been a net increase of only 33,674 in the numbers of unemployed on the registers, despite a rise of 45,500 in the number of those temporarily stopped. This is partly due to local holidays in Lancashire, Yorkshire and Scotland, during which about 20,000 workers were so registered. The sharp rise in unemployment in Scotland and the North-Western districts, and the apparent set-back in all textile industries shown in the following table, are all partly, but unfortunately by no means entirely, attributable to these same causes:—

	Increase (+) or Decrease (—) compared with			
	June 25, 1934	July 24, 1933	June 25, 1934	July 24, 1933
	Number	%	Number	%
Coal mining	26,378	7.4	64,078	16.2
General engineering	3,358	4.2	69,512	53.6
Metal goods manufacture	3,600	5.3	28,005	28.2
Shipbuilding & repairing	2,383	3.2	22,645	22.6
Iron & steel manufacture	1,136	2.6	23,492	34.0
Shipping service	2,644	5.9	7,676	15.5
Building	13,369	9.7	25,434	14.4
Public works contracting	3,321	2.8	2,505	2.0
Motor vehicles, cycles and aircraft	2,844	10.8	15,327	34.8
Distributive trades	154	...	20,547	9.2
Tailoring	8,971	38.2	1,973	6.1
Boot & shoe manufacture	5,459	20.0	7,248	28.7
Cotton	11,966	11.1	11,555	8.8
Woollen and worsted	6,733	13.7	25,522	85.0
Jute	11,711	104.0	4,117	21.7
All industries	33,674	1.6	315,915	13.2

There has been a very large drop in the numbers of coal miners unemployed, which partly counteracts the unusual increase in June of 65,000; and there has been further improvement in all the metal industries. There are now only 3,000 more iron and steel workers unemployed than in July, 1929. On the other hand, building activity has slowed down to a serious extent; and there are now still 273,500 insured persons out of work in building and public works contracting, as compared with 102,800 in 1929. There has also been a very marked decline in all consumption goods industries—textiles, boot and shoe, tailoring and motor vehicles—even when due allowance is made for North Country holidays. This is no doubt partly seasonal, but it is also some indication that the limits to recovery by expansion of the home market are soon reached. The following table gives changes between June and July in the numbers unemployed in the various administrative divisions of the country:—

London	+ 992	North-East	5,656
South-East	+ 1,226	North-West	+ 11,408
South-West	+ 2,977	Scotland	+ 20,321
Midlands	+ 8,803	Wales	6,397

Improvement in coal mining and metal industries is reflected in the decreased unemployment in Wales and the North-Eastern division.

Juvenile Unemployment.—One of the most serious aspects of the present unemployment problem in this country is the growing extent of juvenile unemployment. The number of juveniles (aged 14-18) wholly unemployed increased by 12,200 during July, to 77,839. This is due, as the Ministry of Labour points out, to the fact that schools in many northern areas had already broken up by the date of the returns, and such end-of-term unemployment is a normal temporary phenomenon. But over twelve months there has been a reduction of only 2.5 per cent. in the numbers of juvenile unemployed on the registers as com-

pared with an average reduction of 13 per cent. in the total of unemployment. It must be remembered that the effects of the very high post-war birth rate are just beginning to be felt on the juvenile labour market. During this year, approximately 570,000 boys and girls over 14 will enter insured industries in search of work, as compared with 466,000 last year, 590,000 in 1935 and 500,000 in 1936; while vacancies were filled during the first six months of this year at the rate of only 436,000 per annum through juvenile and ordinary labour exchanges—and that in a period of fairly rapidly expanding employment. There will clearly be a large surplus, and no palliatives in the way of providing instruction centres for young persons who are out of work can take the place of the regular discipline and hours of work which they would get from an extension of the school-leaving age. Instead of such an extension, the only measure taken in view of this problem is the section of the new Unemployment Bill providing for the insurance of juveniles between the ages of 14 and 16 which will come into force on September 3rd. From that date all children who are in employment other than agriculture or domestic service, except apprentices receiving no wages, will be insured. Employers are to pay a weekly contribution of 4d., of which 2d. may be deducted from wages, but benefit will not be paid until the child has attained the age of 16. Parents entitled to their own unemployment benefit, however, will be able to secure dependants' benefit as at present if the young person is still receiving full-time instruction, or if he or she is unemployed through no fault of his or her own. The Bill also makes provision for juveniles under 16, who voluntarily continue in whole-time education beyond the school-leaving age, whereby they may receive free credit for as many as 20 contributions. This provision, however, does not come into force until September, 1935. There will not necessarily be any large addition to the figures of juvenile unemployment by this extension of insurance as over one-third of the total of juveniles already on the unemployment registers are under 16.

Shipping Freight Index.—As measured by our monthly index number, the general level of whole cargo shipping freights rose by 1.8 per cent. during July, following a rise of 0.4 per cent. during June. The current figure of 85.3 compares with 84.4 in July last year and 80.1 in July, 1932. Details of the index number are as follow:—

	(1898-1913 = 100)				
	Average, 1913	July, 1933	May, 1934	June, 1934	July, 1934
European waters	110.0	85.8	85.2	86.7	89.5
North America	113.1	74.7	78.7	76.5	75.7
South America	123.4	80.8	78.2	80.5	83.7
India	106.3	90.5	89.8	88.0	88.3
Far East and Pacific	117.4	87.3	83.2	86.3	87.3
Australia	127.9	87.2	85.4	84.6	87.2
Total	116.3	84.4	83.4	83.8	85.3

Most British ports state that the freight market is improving. There is a steady demand for outward coal tonnage, especially for South America and the Mediterranean, and Scotland also reports a good demand for boats to load coal for Denmark and Finland. The North American trade is disappointing and the coastwise market is inactive. Apart from these sections, the general tone is better. Movements of the various sections of our index number are shown in detail below:—

	Index No.	Inc. or Dec. Points		Index No.	Inc. or Dec. Points
Home Trade	78.8	- 0.7	South America—		
Bay—outwards	102.7	+ 5.5	Outwards	70.0	+ 4.1
Bay—homewards	96.8	+ 4.9	Homewards	97.4	+ 2.2
Mediterranean—			India—outwards	75.1	- 0.7
Outwards	96.0	+ 9.4	India—homewards	101.5	+ 1.3
Homewards	83.5	- 1.9	Far East, etc.	87.5	+ 1.0
North America	75.7	- 0.8	Australia	87.2	+ 2.6

Expressed as a percentage of the average for 1913, the total figure of our index number for July is 73.3, compared with 72.0 for June, and 72.5 a year ago.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

FRANCE

FRENCH REVENUE AND TRADE

M. GERMAIN-MARTIN, Minister of Finance, has just decided that from now on the fiscal returns will be published every three months, instead of every month as in the past. He produced at the same time the figures for the quarter ended June 30th. For this period, receipts which concern the ordinary Budget reached Frs. 8,894,429,450, of which Frs. 8,760,540,100 were normal receipts, as follows:—

Direct taxes	1,815,837,000
Indirect Taxes and monopolies	6,914,477,000
Estate duties	30,226,100

Compared with published estimates, tax revenue shows a deficit of Frs. 874,016,900, of which Frs. 871,028,000 is a shortfall on indirect taxes and monopolies and Frs. 2,988,900 on estate duties. (For direct taxes, no comparison between estimates and receipts is available.) For the preceding quarter, the deficit reached only Frs. 687 millions. The deterioration is obvious. A *communiqué* of the Ministry of Finance declares that these results are not surprising, as they initiated the recent policy of decrees-laws for economies and fiscal reform. The Government ascribed the shortfall in receipts to three causes:—

(1) *Diminution in Customs Receipts.*—Total receipts of the Customs during the second quarter show a shortfall of Frs. 390 millions, that is, 44 per cent. of the aggregate deficit. Import duties show a diminution of only Frs. 316 millions, which is a consequence of depression, increased quotas, total prohibition of wheat imports, and, lastly, abolition of the exchange supertax on imports from countries with devalued currencies.

(2) *Exaggerated Estimates.*—The method by which estimates are drawn up in the Finance Department often leads to miscalculations. This method takes the past as a basis for forecasting the future. The consequence is that in times of prosperity the estimates are minimised; while in a crisis they are inevitably exaggerated. When in the summer of 1933 the estimates were calculated for the 1934 Budget, the Administration took the experience of 1932 as a basis for receipts estimated in comparison with the previous year, and the receipts of the twelve months (July 1st-June 30th) for the receipts which were to be directly estimated. This method consequently ignored the increasing incidence of the crisis.

(3) *Persistence of the Crisis.*—This is notably demonstrated by increasing unemployment figures and bankruptcies. The Finance Department believes that out of the total revenue deficit in the second quarter of this year, Frs. 250 millions may be imputed to the intensified crisis. It is particularly noticeable that the turnover tax, for instance, produced during the second quarter Frs. 1,606,029,000, a sum which is Frs. 137,109,000 lower than the Budget estimates, and Frs. 80,422,000 lower than receipts for the second quarter of 1933.

As a whole, these figures correspond with the image of the crisis which the French public has drawn for itself. Business as a whole is quieter than a year ago, and taxation reform does not appear to be a great stimulus to renewed business activity. But during the present period of recess revenue figures are not very often discussed. Public opinion is now particularly attentive to the latest events in foreign politics, above all, to the evolution of the Hitler Government in Germany, and to the rumours from America which forecast further depreciation of the dollar, sooner or later. This latter rumour, if it becomes a fact, may entail disturbances to the Continental currencies.

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COAL MINES

According to the statistics published by the Comité Central des Houillères de France, the production of French coal mines during June, 1934, totalled 3,960,366 tons in 26 working days, against 3,959,355 tons in May in 24 working days, and 3,896,035 tons in June, 1933, in 25 working days. The average daily production was therefore 152,322 tons in June, 1934, against 164,973 tons in May and 155,841 tons in June, 1933. The number of men employed was 235,838 at the end of June, 1934, against 238,200 at the end of May and 248,735 at the end of June, 1933. The production of coke in the coke plants of the coal mines was 332,131 tons in June, against 334,913 tons in May and 301,927 tons in June, 1933. For the half-year 1934, coal production reached 24,667,010 tons, against 23,945,222 tons for the first six months of 1933. The production of coke in the coke plants of the coal mines, was, for the same period, 2,034,485 tons, against 1,851,068 tons; and the production of briquettes was 3,103,501 tons, against 2,756,159 tons.

PARIS, August 8.

GERMANY

EFFECT OF HINDENBURG'S DEATH

THE disappearance of Hindenburg from the political scene brought no real increase of power to the National-Socialist Party, which since it attained office has always done as it liked. But the President's death was an event of vast emotional importance, and with the ensuing ceremonies and demonstrations, has helped to obliterate the impression of Herr Hitler's extermination of opponents on June 30th and of the Nazi fiasco in Austria. This influence seems not to have been confined to the home public. The Nazi stage-managers foresaw this, for them fortunate, effect; and the ceremonies and demonstrations were consequently pushed to extravagant lengths, and were indeed in certain details and in their general spirit contrary to the President's wishes and temper. While Hindenburg still lay unburied, Herr Hitler's Government proclaimed that the way to honour him was to honour Herr Hitler. Before Herr Hitler became Chancellor he was regarded by President Hindenburg with aversion and distrust; and he himself had demonstratively expressed his contempt for the President. To discerning Germans the events following President Hindenburg's death have therefore merely emphasised the already obvious glaring contrast between the spirit and bearing of the Prussian military aristocracy and of Hitlerism. Increasing opposition between these political elements is visible, which makes the Nazi dictatorship look not altogether secure. In particular, Nazi blunders in foreign policy, the fiasco in Austria, and the alienation of Italy, upon which Herr Hitler had counted as an ally in his promised war against France, have displeased a class which formerly claimed a monopoly

in foreign policy; and the latest exaggerated protestations of peaceful intentions, which so surprisingly belie the antecedents of Hitlerism, seem to critics of this class amateurish and clumsy, and likely to increase foreign distrust.

RAW MATERIALS CRISIS

The question of regulating industry has ceased to be a mere matter of ideas. Recent interferences with private business have not been inspired by Nazi doctrines of the State competence to plan, but by the foreign exchange and raw materials crisis. If the Reichsbank is not responsible for this crisis, as many believe, it has at least shown lack of foresight. It justified the partial default on the bonds of service of July, 1933, not so much by the insufficiency of the reserves for the service as by the alleged need for replenishing them. Its utterances at that time indicate that it expected that default would result in replenishment. Increase to a figure of Rm. 1,500 millions was mentioned as Dr. Schacht's ambition. The failure to realise this ambition—the reserves under Dr. Schacht's administration have fallen 90 per cent.—illustrates once more a manner of German reasoning which is never justified by fact and is, presumably, theoretically false. If Rm. 1,000,000 is saved by defaulting on a debt, so the reasoning runs, the reserves will be exactly Rm. 1,000,000 higher. This reasoning is a counterpart to the false theory, to which reference has been already made in this correspondence, that, if one saves Rm. 1,000,000 by reducing the import of a commodity to that extent, the reserves will be automatically Rm. 1,000,000 higher. These false notions have aggravated the bad effect on Germany's balance of foreign payments already caused by her narrow foreign-trade policy. No improvement in the reserves situation can be counted on with certainty from mere restriction of imports.

The position of industries that consume foreign raw materials is getting worse. There are reports that whole branches and many individual concerns have discharged workmen owing to this cause. The 36-hour week in textiles, though in part it merely suspended production for stock, reduced the quantity of effective employment. The Chemnitz textiles industry is embarrassed in some of its branches, in particular in fabric gloves, by the difficulty of obtaining English fine yarns. The official handling of this problem is irresponsible. The Press, which says only what the Government tells it to say, harps on vicious foreign tariff policies and on a universal world-desire to ruin Germany; and reports exaggerate with *Schadenfreude* the punishment that has fallen upon evil-minded foreigners in the shape of reduced activity in their raw material industries.

CREDIT AND FINANCE

Money became easier after the turn of the month. Day loans for first-class borrowers were around 4 per cent. The banks are cautious in expectation of a considerable demand for cash this month for harvesting and business purposes. The market for Reich short-term paper has been lifeless. The Finance Ministry's budgetary return for the first quarter of the financial year shows:—*Ordinary*: Revenue, Rm. 1,725 millions; expenditure, Rm. 1,569 millions; surplus, Rm. 156 millions. *Extra-ordinary*: Revenue, nil; expenditure, Rm. 2½ millions. The deficit carried over from the financial year 1933 is Rm. 1,797 millions.

The Reich debt, which at the end of the financial year 1933 was Rm. 10,227 millions, had fallen by March 31st to Rm. 9,938 millions, whereof Rm. 1,795 millions were in foreign currencies. Outstanding Dawes Loan is returned at Rm. 408 millions and Young Loan at Rm. 1,072 millions; all figures are on the basis of exchange rates on March 31st. Reports are published of increasing consumption of beer and of other exciseable commodities.

INDUSTRY

The wholesale price index for August 1st was 99.7, against 99.3 on July 25th. The agricultural products index rose 0.7 per cent. Manufactured consumption goods show a new tendency to rise. Bankruptcies in July numbered 191, the lowest figure so far, against 223 in June. The Ministry of Economy has forbidden the creation of new undertakings for production of rolled or pressed lead articles and the expansion of existing undertakings, the usual

reason, misinvestment of capital, being given. Department store sales in June were 8½ per cent. higher than in June, 1933. This shows a considerable improvement; in the first half-year of 1934 sales were 6 per cent. below those of the same half of 1933. All retail sales in June were 14 per cent. higher than in June, 1933, and in the first half-year were 10 per cent. higher. A small part of the increase is due to a rise in prices. Goods unloaded in Hamburg in the first half-year were 6,800,000 tons, which is 5 per cent. more than in the same half of last year; goods loaded were 3,200,000 tons, which is 2 per cent. less. The home steel market remains active; and the last returns show a moderate increase in export. The West German engineering and ironware industries are better occupied. Exports of textiles machinery have sharply increased, also of motor cars. The Solingen cutlery industry has had a propaganda week, "One Thousand Years of Solingen Wares," during which measures for furthering exports were discussed. Export of cutlery last year recovered to 4,360 tons, as against 3,950 tons in 1932 and 5,950 tons in 1913. The share taken by Europe since 1913 has much increased; that of America has fallen to one-half.

BERLIN, August 8.

AUSTRIA

POLITICAL DISTURBANCES AND TRADE

THE recent political tragedy has exercised little influence upon economic affairs. In contrast to the February disturbances, there has been no strike, and no interruption of production worthy of mention has taken place. Orders received from abroad have maintained their normal level. In foreign tourist traffic, which is now at the height of the season, there was a decline in some parts immediately after the attempted *Putsch* owing to sudden departures, but this did not last long, and the stream of foreigners to Austria is now steady again. Again, in contrast to February, withdrawals of savings deposits have been very slight. In the whole of July the reduction amounted to only 8 million schillings. Moreover, a reduction of savings is to be expected at this season, as people take money out of the banks for holiday purposes and also to pay the quarter's rent due in Austria on August 1st. Indeed, in July, 1933, withdrawals of savings deposits amounted to 17 million schillings. In view of the earlier increase in savings deposits and of the reserve practised in according credits, the banks and savings banks had an abundance of cash at their disposal and were able to satisfy all demands with the greatest ease. This may be seen from the very slight tension at the National Bank at the end of July. The bill portfolio rose by only 3.2 million schillings to 247.8 million schillings, while the increase registered at the end of July, 1933, was 4.2 millions, which then brought the total up to 239.3 millions. It is therefore clear that there was no special call upon the Austrian National Bank in connection with the political events.

It is true, however, that big changes have taken place in the National Bank figures. A reduction in discount commitments has been counterbalanced by an increase of the fiduciary circulation by 119.7 million schillings—a change-over within the total circulation which had not occurred to such an extent in recent years, if ever. On the other hand, the difference in the total circulation, namely, an increase of five million schillings, must be regarded as very moderate, especially as actual cover has really increased by reason of a marked increase in forward exchange holdings. The economic aspect of recent political events can therefore be regarded as reassuring.

HALF-YEAR'S BUDGETARY SITUATION

No definite idea can yet be formed of the effects of political events on the Budget. The cost of the increased public security service will undoubtedly mean expenditure in excess of estimates, as was also the consequence of the February revolt. But this extra expense has already been taken into account. As appears from the recently-published report of the League of Nations representative in Austria,

in the first half-year of 1934 the expenditure for national defence, police, and defence corps was greater by 23 million schillings than for the same period of 1933, while the special tax to cover this excess (the security tax) had already brought in 6.5 million schillings. This tax had only been collected since the second quarter, so that a considerable portion of the excess expenditure for security service must have been covered. It is, of course, difficult to say how far it will go towards covering the unforeseen requirements, or what new sources of revenue will have to be tapped. The State Budget for the first half-year, 1934, appears as follows:—

	ORDINARY BUDGET	
	1933 (In millions of schillings)	1934
Staff salaries	351.91	351.64
Materials	608.76	657.45
Total expenditure	960.67	1,009.09
Total revenue	881.41	933.44
Deficit	79.26	75.65

The deficit on the ordinary Budget is therefore 3.61 million schillings lower than last year. It is surprising that the increased expenditure appears almost wholly under materials, whereas, in view of extra expenditure on security services, one would expect the burden to fall on staff salaries. The supplementary Budget, which is to cover public works, called for 40.74 million schillings in the first half-year, against an estimate for the whole of 1934 of 103.06 million schillings. This was met chiefly by the proceeds of the Lottery Loan of 1933.

This year the finances of the Federal States are rather better. It should be noted that the expenditures of these bodies are a very considerable addition to that of the State. They are estimated for 1934 at 597 million schillings. Compared with their high level of 1931, namely 854 million schillings, a big saving has already been effected. Apart from the Budget of the City of Vienna, which closed with a deficit of 45 million schillings as a result of the February troubles and their effects, it will be seen that the Federal State Budgets, which previously gave rise to much anxiety, have already been put into fairly good order. This is the more striking as these bodies have lately contracted no new loans, as opposed to their former practice. By converting their dollar loans into schilling loans they are effecting a slight saving. Styria has already made such a conversion, and it has now been decided by Lower Austria to offer conversion of the 7½ per cent. Dollar loan of 1925 into 6½ per cent. schilling bonds, whereby, however, for 100 dollars an exchange of 600 schillings is offered, whereas the current rate is actually about 535 schillings. The City of Salzburg has succeeded in converting its 7½ per cent. Swiss Franc loan into 5 per cent. bonds, also in Swiss francs, and has also gained easier amortisation conditions. This is a straightforward conversion, while in most of the other cases the main purpose was to get the debt changed from dollars to schillings.

The financial position of many corporations is still dreary. Several towns have lately reported financial embarrassment not confined merely to meeting debt services, but extending to inability to pay for goods, etc. Several municipalities have been obliged to declare themselves bankrupt. It is hoped, however, that the new financial constitution, which came into force on August 1st and gives the State departments extensive powers to intervene and to control the Budgets of States and municipalities, will introduce order in these matters in the near future.

VIENNA, August 6.

SWITZERLAND

AMENDING THE CONSTITUTION

THERE has recently been much discussion in the Swiss Press and political circles regarding the opportunity of modifying the Federal Constitution—which dates from 1874—and of adapting it to modern conditions. It seems that the Government as well as public opinion have agreed on the necessity of such revision.

Switzerland is a Confederation of 22 Cantons or virtually sovereign States. The supreme legislative power is vested in a Parliament of two Chambers, while the executive power rests with the Federal Council formed of seven members elected by the two Chambers of Parliament. The Federal Council is supreme in matters of peace, war and treaties, it regulates the army, railways, post, telegraph and Customs systems, money, the issue and repayment of banknotes, and weights and measures. But, in past years, there has been a general tendency to centralise all important services and to leave all questions of general interest in the hands of the Federal Council, which was even granted full powers in the economic domain. The Cantons thereby lost the greater part of their rights and privileges, and it is now felt that it would be wise and profitable for the country to abandon excessive centralisation and to return to Federalism. It is too early to say what the future Constitution is likely to be, but it is probable that it will restrict the powers of Parliament, which has acquired too much authority, particularly in financial matters, and that it will empower the Federal Government to take certain action against revolutionary movements. It will furthermore enable the Cantons to recover part of their sovereignty, and lay down a new organisation for the Federal Railways, which are to be freed of political influences.

TRADE AND EMPLOYMENT

There has been no great change in the economic situation of Switzerland during the past months. During the first half-year imports totalled Frs. 712.7 millions, compared with Frs. 770 millions in the first half of 1933, the drop being due to import quotas and restrictions. On the other hand, exports aggregated Frs. 405 millions, as against Frs. 416 millions in the first half of 1933, a decrease of nine millions, which can partly be ascribed to the continued fall in prices, for an increase of 7 per cent. was recorded in the volume of goods exported. The import surplus, which was about 46 per cent. in 1933, was 43 per cent. in 1934.

Total exports of the four chief industries were satisfactory, as an increase was recorded in watchmaking (+ Frs. 4,000,000), cotton goods (+ Frs. 2,000,000), machinery (+ Frs. 3,000,000), but silk exports fell by Frs. 5,000,000 compared with the figures for the first half of 1933.

Trade with Great Britain showed an improvement over last year, as imports from Britain reached Frs. 45.4 millions, as against Frs. 42.1 millions in the first half of 1933, and exports to Britain totalled Frs. 43.7 millions, compared with Frs. 42 millions the previous year. Trade with the five principal countries was as follows, compared with 1933:—

SWISS FOREIGN TRADE: FIRST HALF-YEARS

(In millions of Swiss francs)

Country	Imports from		Exports to	
	1933	1934	1933	1934
Germany	264	196	72	79
France	127	110	66	63
Italy	62	59	41	32
Great Britain	41	45	41	43
U.S.A.	40	40	29	26

Up to the end of June the labour market showed an improvement, mainly owing to seasonal increases in employment in agriculture and the building and hotel industries. At the end of June persons in search of employment totalled 46,900, as against 99,147 in January and 44,087 in May, and against 53,860 in June, 1933. The rise in unemployment recorded since the end of May—continued in July—is probably due to reduced industrial activity in consequence of unsettled political conditions in Europe.

NEW BANKING LAW

The winding up of the Geneva "Banque d'Escompte Suisse"—which was compelled to close down last April—is likely to begin within a few weeks, as the Committee of Administration appointed by the Court has terminated its preliminary work. It is said that creditors will be repaid at least 80 per cent. of their claims, and more if suffi-

cient time is allowed for a gradual winding-up of the bank. The Federal Government has decided to help small-savings depositors, who will get 80 per cent. when their deposits exceed 300 francs, and who will be repaid in full if their deposits are less. Meanwhile the Parliamentary Committee elected for that purpose has examined and approved the new law on banking proposed by the Federal Government, which will be discussed by Parliament in September. The law is to apply to all financial concerns which receive funds from the public and operate with them. The accounts and balance sheets are to be drawn up according to certain definite rules. When the balance sheet exceeds 100 million francs the bank will be compelled every month to submit a summary balance sheet to the National Bank, and a detailed one every year. When the balance sheet does not exceed 20 millions the bank will have to publish provisional balance sheets during the year. A bank, before investing important sums abroad or before issuing a loan abroad or for another country or a foreign industry, will have to "advise" the National Bank. The limit for all foreign investments and loans is likely to be fixed at 100 million francs.

The law also contains drastic provisions as to the relation between funds held by the banks and their total commitments, as well as to the relation between liquid assets and short-term engagements. The law further provides for the protection of savings, and it makes the creation of any new bank conditional upon the approval of the Federal Government.

In the past twenty years Swiss banks have invested and lent enormous sums abroad, with the result that they suffered heavy losses—which caused the failure of some banks—when foreign currencies depreciated. The new law is therefore intended, on the one hand, to prevent excessive export of capital, and on the other hand to protect investors by a continuous and drastic State control of the banks.

GENEVA, August 5.

JAPAN

A NEW MINISTRY

THE Saito Ministry resigned *en bloc* early in July through a scandal in connection with high Treasury officials, and on July 8th Admiral Keisuke Okada formed the second "National Government," appointing some of his Ministers from the leading members of the two major political parties, though one of the parties refused to give official support. Headed again by an admiral, the Ministers for Army, Navy and Foreign Affairs remaining in their respective posts, the Minister for Agriculture transferred to the Home Office, and the Under-Secretary of the Treasury promoted to Finance Minister, the general character and policy of the new Ministry are not expected to be much different from those of the preceding Ministry. Especially with regard to financial policy, it is believed that its predecessor's policy will be faithfully followed, the new Finance Minister being the nominee of Mr Takahashi. Without the immense personal prestige of Mr Takahashi, however, it remains to be seen whether the young Minister can be as adamant to the increasing claims of the fighting services as was the veteran financier. This is what is generally feared in financial circles.

FOREIGN TRADE

The preliminary figures of our foreign trade in June show an increase in both imports and exports, as compared with June, 1933. Though the percentage increase in imports is considerably higher than that in exports, this is mainly due to a heavy belated arrival of raw cotton. For the first six months of the year the percentage increase in imports, in comparison with the corresponding period of last year, is substantially lower than that in exports. The tables following give a comparison of the

value figures for June and of the first six months of this year and last:—

	(000's omitted)		Increase (+) or	
	Month of June		Decrease (–) in 1934	
	1933	1934	Yen	%
Imports	137,010	201,507	+ 64,497	+ 47.1
Exports	162,689	183,804	+ 21,115	+ 13.0
Total	299,699	385,311	+ 85,612	+ 28.6
Import surplus	— 25,679	17,703	...	...

	First Six Months		Increase (+) or	
			Decrease (–) in 1934	
	1933	1934	Yen	%
Imports	1,016,341	1,158,511	+ 142,170	+ 14.0
Exports	829,873	1,003,588	+ 173,715	+ 20.7
Total	1,846,214	2,162,099	+ 315,885	+ 17.1
Import surplus	186,468	154,923	— 31,545	— 16.9

Exports of cotton piece-goods during the first half of this year set a record for all time. According to the statistics of the Cotton Traders' Association, exports of cotton cloth during the first six months of this year amounted to 1,262,974,000 sq. yds. at 232,350,000 yen, as against 1,034,424,000 sq. yds. at 183,639,000 yen in the January-June period of 1933.

BUSINESS MAINTAINED

Bank deposits are on the increase, and the weight of idle money forced the "B" class, or lesser banks, among the Tokyo clearing banks to reduce their deposit rate from 4.2 per cent. to 4 per cent. as from June 25th. Clearing banks in many provincial towns followed suit. The Bank of Japan's index number of wholesale prices for June registered a further drop of 1 per cent. on the month. The aggregate value of all shares listed on the Tokyo Stock Exchange on July 2nd recorded a fall of 28.1 million yen, as against a month ago. Industrial production, on the other hand, maintains in general an upward tendency. The output of cotton yarn during June set another record at 286,000 bales.

The Department of Agriculture and Forestry's forecasts of the wheat and allied grain crops for the country, excluding Hokkaido, on June 10th placed the year's wheat crop at 8,682,000 koku, or an increase of 11.3 per cent. upon the actual yield of last year, and the barley and rye crops, at 6,640,000 koku and 5,744,000 koku, increased by 3.6 per cent. and 10.6 per cent. respectively. According to the report of the same Department, the output of spring cocoons for the country, excluding Hokkaido and North-Eastern provinces, is estimated at 40,959,000 kamme, or a decrease of 3,418,000 kamme (7.7 per cent.) upon last year.

POPULATION INCREASE SLOWING DOWN

The yearly natural increase in the Japanese population, which reached the million mark in 1932, was apparently arrested during last year. According to the report of the Bureau of Statistics recently published, the natural increase in 1933 was 927,209, or 13.79 per 1,000 of the population, the number of births and deaths being respectively 2,121,125, or 31.55 per 1,000 and 1,193,916, or 17.76 per 1,000. In 1932 the natural increase was 1,007,868, or 15.20 per 1,000, the birth-rate and death-rate being 32.92 and 17.72. The smaller natural increase in 1933 was thus accounted for by a lower birth-rate rather than a higher death-rate; and this factor is of special significance.

TOKYO, July 9.

ARGENTINA

BUSINESS AND FOREIGN TRADE IMPROVING

THE general improvement in the Argentine's prospects that became noticeable three months ago may be said to have been advanced by the drought and the short grain crops in the United States. Prices of cereals have risen considerably, wheat being quoted at \$6.55 per 100 kilograms for spot shipment, while maize is at \$5.90. Linseed has not responded to the same extent, but of this there is compara-

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tively little in hand, while there are at least 2 million tons of wheat and 3½ million tons of maize at the present moment ready for sale if not for shipment. Chartering during the next three months shows 1,800,000 tons taken for cereals alone, so that the trade figures by the end of the year should show a substantial advance in the favourable trade balance, which has been steadily growing month by month. As regards Argentine trade with Great Britain the improvement, on balance, as compared with last year, is reasonably certain, judging by the figures for the first six months, which are as follows:—

	Estimated Real Values		Estimated Real Values	
	First Six Months (in \$ paper)		First Six Months (in \$ paper)	
	Imports	Exports	Imports	Exports
	1933	1934	1933	1934
Dutiable	324,857,584	375,117,635	1,632,011	206,666
Duty-free	105,608,036	130,002,863	579,071,245	716,973,592
	430,465,620	505,120,498	580,703,256	717,180,258
Balance	+ 149,937,636 + 212,059,780			

	Tariff Values		Estimated Real Values	
	First Six Months (in \$ paper)		First Six Months (in \$ paper)	
	Imports from		Exports to	
	1933	1934	1933	1934
United Kingdom	98,656,718	104,392,730	207,847,712	224,131,050
U.S.A.	51,395,325	67,679,448	28,207,566	41,382,418
Germany	48,556,986	51,605,561	43,503,366	55,475,736
Italy	46,218,702	36,351,975	26,967,182	27,666,505
France	25,900,189	24,324,418	41,909,543	46,794,645
For orders*	...	...	...	116,258,614

* The item "for orders" has been allocated to the various final destinations of the produce in the 1933 figures. For first six months 1934 it represents 16.3 per cent. of total shipments. At least 6 per cent. will consist of shipments to U.K.

It must nevertheless be remembered that, as regards imports, the statistics based upon market values are swollen to the extent of the depreciation of the peso. Comparing market with tariff values the difference is close upon 10 per cent., market values being the greater.

What is important, both to the national Treasury, which has its debt services to meet, and to the would-be remitters of funds held here in Argentine pesos, is the probable effect of this steady improvement upon exchange quotations. At the present time it seems obvious that the peso is being deliberately kept at about the level of twenty to the pound sterling. This is presumably due to some form of Government intervention, but inasmuch as no information of an exact nature is published concerning the operations of the Exchange Control Bureau this is only surmise. It is hinted in some quarters that a foreign reserve fund is being built up on Government account, but if this be so the proceedings have been most carefully concealed. Nor is anything known as to how much the Government has made out of exchange, or where the money lies. On the most conservative calculation, the gains obtained are at least \$150 millions. These gains were

to be used to subsidise the prices of cereals if they fell below certain specified levels. But no such payments have been necessary, nor are any in prospect as prices are now well above the minima fixed. The Government should have plenty of ready money to-day, yet its position will not be easy to gauge unless and until the Minister of Finance makes a clear and categorical statement; always assuming that he considers it advisable to do so.

TRANSFER PROBLEM

There has been no further information vouchsafed concerning outstanding exchange for funds awaiting remittance prior to November 28, 1933. There has been no statement as to the amount of five-year bonds in foreign currencies actually taken up, and the local impression is that the proposal fell flat, even with respect to Italian funds. The official belief seems to be that, little by little, everyone wishing to remit will have to go to the open market when in a hurry. Certain it is that permits are now being granted with a sparing hand. It is also possible that the official world holds the opinion that foreign funds, held here in pesos and earning next to no interest, will be available for local investment, widening the market for Government requirements, which tend to increase. As yet the proposed expenditure of important sums on public works, foreshadowed in the Presidential address to Congress in May, has not taken shape; but both in the Municipality of Buenos Aires and in certain provinces important financial operations are foreshadowed. The former is issuing 6 per cent. bonds to an amount of \$40 millions, and, pending their placing, an arrangement has been made whereby some \$20 millions cash may be obtained from local banks, against \$25 millions in bonds as collateral guarantee; the bonds being held and marketed gradually by the Banco de la Nación to meet the loan. Viewed as one of the world's greatest capitals, the city of Buenos Aires is far from having over-borrowed, while receipts from rates and taxes rise year by year.

Provincial operations are quite another matter, inasmuch as the national Government is in no way responsible for the debts of the provinces. Local investors, roughly speaking, rate provincial bonds at 1 to 2 per cent. worse than national bonds, judging by current quotations; and, where certain provinces, such as Santa Fé, are concerned, the fact that modification of prior contracts and temporary suspension of services has taken place naturally lowers quotations. It is, however, unlikely that provincial issues will be offered in the foreign market for some time to come, and local lenders are usually well able to form their own judgment as to the advisability of increasing or diminishing their commitments in this line.

Buenos Aires, July 28.

URUGUAY

THE URUGUAYAN EXCHANGE SITUATION

In Uruguay, although the general situation is undoubtedly improving, the exchange problem is becoming daily more and more complicated. There is a considerable amount of deferred exchange awaiting settlement, and throughout the first fortnight of July the Finance Minister, the Minister for Foreign Affairs and the directors of the Bank of the Republic have held almost daily meetings, having as their object an equitable distribution of such foreign exchange as is at present available. Governmental requirements take first place, and during the month of June all necessary funds were remitted abroad for the purpose of meeting debt services due on July 1st, while further sums, amounting to approximately £120,000, have since been transferred in anticipation of payments falling due in August and November. Amortisable bonds in circulation at the end of May represented the following amounts:—

Currency	At 5 %	At 6 %
French francs	25,591,600	31,664,700
U.S. dollars	2,184,120	4,435,785
Sterling	515,700	1,085,329

Down to May 31st some 5,000 applications for bonds had been liquidated, for a sum equivalent to 35,750,000 Uruguayan pesos. To cover the quarterly interest and the

second amortisation of 15 per cent. which fell due on these bonds on June 30th, remittances have been made to London, Paris and New York for the following amounts: £293,175, 12,465,000 French francs and 1,198,000 United States dollars. Figures were also published showing that between January and May, 1934, exchange equivalent to French Frs. 230,453,000 had been distributed. Of this amount, Frs. 172,868,000 had been handled at the official rate, Frs. 57,585,000 being "compensated" exchange. This compensated exchange, when it is a matter of selling export paper, may be disposed of at 40 per cent. above the official rates, but it is also provided that the resultant exchange must be used to purchase goods from the country whither the Uruguayan produce exported is shipped. In the majority of cases this means the United Kingdom. The provisions which established a compensated market came to an end on June 30th, but they have been extended to September 30th, when the matter will be discussed anew.

Sluggish movement in the export market, and above all the fall in the price of wool, coupled with Germany's prohibition regarding imports of that staple, have undoubtedly caused some anxiety in the Uruguayan market; in June to all intents and purposes the meat packing houses have been the only suppliers of export paper. This means that the Banco de la Republica has been forced to meet market requirements by drawing against its foreign reserves, nor is there much likelihood of any real improvement in Uruguayan exchange until the middle of October next, when the wool season may be said to begin. Even then much will depend on the price of wool in the international market; therefore it would be folly for persons abroad, having interests in Uruguay which in the ordinary course of events call for the regular remittance of funds, to assume that an increase in receipts from this quarter may soon be expected. Quite the contrary is the case. For, judging by the speech of the Minister of Finance to the Senate last month, economy on external debt services has unfortunately been more than offset by the increased charges called for by the internal debt, plus the diminution in actual revenues, which, for 1933, amounted in round figures to 4,000,000 Uruguayan pesos. As regards the first half of 1934, there is already a deficit of some 2,000,000 Uruguayan pesos; that is, taking both the completed and estimated figures from January to June. There is a heavy floating debt, round about 30 million Uruguayan pesos, and though the figures of imports and exports for 1933 show a balance favourable to Uruguay, the inclusion of invisible imports results in a debit balance of payments well over 10 million Uruguayan pesos.

Such figures may seem to contradict the former opinion regarding an improvement in the general position of affairs in Uruguay. It must, however, be remembered that the position, as represented by these figures, is akin to that of the firm which has substantially written down its bad and doubtful debts. Private commerce in Uruguay is on all hands admitted to be more brisk, with a slightly better turnover and a decidedly more optimistic feeling in the air than that prevailing twelve months ago. Provided that a strict policy of economy is adhered to by the Government, and that present taxation is faithfully collected, any improvement in international prices for Uruguayan exports will be at once reflected in a stronger cash position, also in an upward movement in exchange. It ought to be clearly understood by all who hold credits in Uruguayan pesos that stabilisation, if and when it does come, is unlikely to be at any point above 60 per cent. of the present nominal value of the peso.

Montevideo, July 21.

SOUTH AFRICA

THE UNION AND PORTUGUESE EAST AFRICA

On July 11th the negotiations for a revision of the Treaty between the Union of South Africa and the territory of Portuguese East Africa (the "Mozambique Convention") opened at Lourenço Marques. The new Convention, when agreed, will replace that of 1928 which has been denounced by the Union Government. In one form or another a

convention between the two Territories, governing importation of native labour, Customs duties at the borders, and railway traffic to Lourenço Marques and the use of the harbour there, has been in force for more than 30 years. Some such working arrangement is so natural as to be inevitable. In normal times native labour from the Union and the neighbouring British Protectorates is insufficient for the requirements of the mines as well as for farming and South African industries, whereas there is a surplus of labour in Portuguese territory and the local Exchequer is in need of the emigrants' pass fees; Lourenço Marques is the natural port of the Transvaal, whatever Durban may say to the contrary—and Natal's only arguments on the point are based on patriotism; as regards Customs duties, the boundary between Union and Portuguese territory is purely political and national and in no sense natural—the Union has industrial advantages and Mozambique has low production costs in agriculture. It is to be feared, however, that many of the ideas prevalent on the matter are based on local and individual prejudice rather than on reason or knowledge.

At the present time the number of Portuguese natives in the Transvaal is considerably below the figure permitted by the expiring convention, since for the time being there is an exceptionally large supply of natives available from local sources. This position is already changing owing to improvements in general business all over the Union. The Portuguese natives have some traditional claim on employment in the gold mining industry, as their employment therein long ante-dated the employment of Union natives in large numbers. At present the 244,000 natives in Transvaal gold mines include only some 50,000 Portuguese natives. The clauses in the convention which deal with railway goods traffic may be said to represent an attempt at a compromise between the large proportion of the "competitive area" traffic which would naturally go through Lourenço Marques, and the insignificant fraction which the Union Government, the Railway and Harbour Administration, and the Union coastal population are prepared to recognise as inevitable.

The ultimate outcome of the "fusion" negotiations has been the formation of a large centre party headed by General Hertzog and General Smuts, and much smaller parties on opposite wings led on the one hand by Dr. Malan, who objects to the maintenance of connection with the British Commonwealth, and on the other hand by Colonel Stallard, who rejects the right conceded to individual members of the centre party to work for a Republic if they so desire. The impartial looker-on can only wonder that men, otherwise intelligent, should think it worth while to quarrel with old friends over a question so patently theoretical, in the case of the Union of South Africa, as "full sovereign independence" in the sense which the Nationalists profess to desire.

WILD-CAT KAFFIR COMPANIES

The Stock Exchange "boom" in Kaffirs continues. At the recent dinner of the Chemical Metallurgical and Mining Society of South Africa Mr. John Martin, President of the Chamber of Mines, and two prominent Cabinet Ministers delivered warnings on the undue optimism of speculators at the present time. There is no doubt that the ample supply of idle money and the shortage of outlet for investors, has led to the flotation of a number of ill-conceived companies, and that some whose shares stand (at the moment) at substantial premiums will never be the subjects of any serious attempts at production. The Stock Exchange wits are exchanging a story of a chairman of one of the wild-cat companies who warned his technical colleagues against undue enthusiasm by saying "Many a good mine has been entirely ruined by shaft sinking!"

Examination of the June dividend declarations of the producing members of the Chamber of Mines shows that established companies with ample ore reserves yield only about six per cent. at to-day's prices—although that figure can be regarded as fairly secure under present conditions. It does not seem to be widely appreciated that the increase in prices in the case of such companies is the result of two factors—the fall in interest rates and the increase in profit-making capacity of gold mining companies at the present time. Dividends declared by companies whose figures appear in the Chamber of Mines' Monthly Analysis of

Gold Production have reached the following totals in the last three half-years:—

January-June, 1933.....	6,454,000
July-December, 1933.....	7,146,000
January-June, 1934.....	7,310,000

The total for the year 1932 was almost exactly £9,000,000.

The trade returns for May reveal a continued improvement in imports, although the active balance is still largely in excess of the amount necessary to provide for the foreign commitments of the Union. For the five months to the end of May imports were £24,700,000, and exports £29,500,000, with gold at standard value and £39,700,000 at estimated realised value. Needless to say, there is still an excessive supply of money, but the South African Reserve Bank has altered its buying rate for sterling to par from 2s. 6d. discount, the "spread" thus becoming 17s. 6d. per cent. in place of £1 as formerly. This is a move in a desirable direction, although the 17s. 6d. "spread" still seems rather wide.

The tendency towards a very slight rise in prices shows no sign of acceleration, and at times and in certain areas seems to be arrested. The Union experience has therefore falsified the prediction of the gold standard protagonists. The improvement in business activity continues.

Johannesburg, July 18.

NEW ZEALAND

BUSINESS IMPROVEMENT

The effects of higher prices for wool and meat are now being felt throughout the Dominion, and a definite improvement in business can be recorded. For the last six-month period, total debits of all bank accounts are 20 per cent. higher than a year ago and 19 per cent. below the corresponding period of 1928-29. The rise has become steeper more recently. Increases are also recorded in building permits, land transfers, mortgages registered, and railway and coastal shipping tonnage. Money is abundant and cheap; the share price index has risen by 35 per cent. in the last two years; while gilt-edged securities have improved from 94 two years ago to 108 in May last, despite conversions last year from 4½ to 4 per cent. Imports have been increasing slowly but steadily for the past nine months, and there has recently been a marked expansion in imports of motor vehicles, about three-fourths of which now come from Britain.

For the year ended March last, total exports amounted to £N.Z. 46.4 millions, as compared with £N.Z. 34.5 millions in 1931-32, and £N.Z. 38.8 millions in 1932-33. Expressed in sterling the year's exports were £37.2 millions, and imports £21.3 millions. The active balance is thus nearly £16 millions sterling, from which must be taken at least £8 millions sterling to pay interest overseas on State, local and private debt, etc. But it is officially stated that the accumulation of surplus exchange funds in London since the exchange rate was raised on January 20, 1933, which are taken over by the Government under the Banks Indemnity Act, exceed £20 millions sterling. It appears that, owing largely to the uncertainty about the future of the exchange rate, every effort has been made to transfer as much money as possible to New Zealand, and to transfer as little as possible from New Zealand. Under the exchange standard operating, the result is a heavy excess accumulation of funds in London, and a similar large excess of bank deposits over advances in New Zealand. In April, bank deposits reached the highest level ever recorded, over £N.Z. 64 millions, while advances, which in the recent past have often exceeded deposits, were below £N.Z. 40 millions. This abundance of money is depressing interest rates. The Government has issued Treasury bills on the open market at 2½ per cent., compared with over 5½ per cent. paid to the banks about a year ago; a local body has recently floated a small loan at below 4 per cent.; and private mortgages have been recorded as low as 4 per cent., compared with the usual rates of 5½ to 6½ per cent. in 1925-30.

THE EXCHANGE RATE

Some efforts have been made to remove the widespread uncertainty about the exchange rate, and the Government

has made repeated statements that the present rate is likely to remain for some time to come. But the public generally thought that the accumulation of exchange funds in London, financed by Treasury Bills in New Zealand, would force a reduction of the rate. Now it has been explained that the surplus funds will be sold to the Reserve Bank when it opens on August 1st. The Government will receive funds in New Zealand in exchange, and will use these to pay off the Treasury bills by which money was raised in New Zealand to buy surplus exchange in London. This will relieve the Budget of the burden of interest on Treasury bills, now exceeding £N.Z. 20 millions, and give the Reserve Bank substantial assets to start business with. It will also make a large addition to the commercial bank's unemployed resources in the Dominion; and it is expected that interest rates will fall further in consequence.

Parliament meets towards the end of June and will have to deal with the reports of several investigating bodies. A Tariff Commission sat last year and its report is to be presented and, presumably, acted upon. A Commission is now inquiring into the administration of native affairs, with which the Government auditor was dissatisfied; another into the methods by which companies finance development schemes; and a third into the dairy situation. Dairy production has increased greatly since 1928 and now constitutes 20 per cent. of total production and 40 per cent. of total exports. Prices have been very low for the past two seasons and it is feared that quantitative restrictions will be imposed in the British market when the Ottawa agreement runs out in 1935. A conference of the industry, called by the Government, rejected restriction, whereupon the Government took charge of negotiations with Britain and set up a Royal Commission to inquire into the whole question of production and marketing.

THE BUDGET POSITION

The audited figures for revenue and expenditure during the financial year ending March 31st last have now been published and disclose a welcome improvement. Revenue exceeded estimates by £N.Z. 1.2 millions, while expenditure fell short of the estimate by £N.Z. 0.2 million. As a result, the deficit (after bringing £N.Z. 2 millions of reserves into revenue) has been reduced from the estimated £N.Z. 2.1 millions to £N.Z. 0.7 million actual. Since the estimates were presented in October last the improvement is substantial. Should it continue, as it promises to do, a balanced Budget may be expected for 1934-35; and it may be possible to give some relief to taxpayers and others before the general election, which is anticipated towards the end of 1935.

CHRISTCHURCH, June 14.

LETTER TO THE EDITOR

THE IRISH BALANCE OF PAYMENTS

TO THE EDITOR OF THE ECONOMIST

SIR,—Under the above heading, your Irish Correspondent in your issue of July 21st says that "the external trade situation is beginning to cause anxiety among thoughtful observers"; and, suggesting that the total balance of payments has already become unfavourable, concludes that "even if trouble is averted to-day, it will not be averted for long, unless, of course, a settlement is reached with Great Britain and the export trade revived." On the other hand, and with great fairness, he admits that the Minister for Industry and Commerce is optimistic, and, even more significant, that "the best-informed bankers in Dublin are of opinion that no drain is taking place, and refuse to regard the situation with any anxiety." Will you permit me to range myself on the side of the latter and to indicate some of the major grounds for my opinion?

I agree, of course, that economic peace is much better for all concerned than economic war and that Ireland has suffered grievous, though rapidly lessening, losses. But she has shown by unmistakable evidence that she is prepared to "stick it," and to take full advantage of the almost ideally stimulating conditions for proceeding with an intensive industrial development which she has long desired. Her buoyancy, in obviously most embarrassing conditions, has

caused great bewilderment, not merely to political Jeremiahs but to many experienced and dispassionate observers—so much so, indeed, that they begin, like your Dublin correspondent, to doubt the evidence of their senses.

I, too, like him, was for a long time depressed by the Irish balance of payments, until I was driven, some years ago, to conclude on grounds which I cannot enter into here that it did not, and does not, tell the whole story. It is difficult enough to attain anything approaching precision about the British balance of payments: in the Irish case it is much more difficult. But I venture to suggest to him that he has given insufficient attention to the movements of capital—movements which explain much. Thus, he draws gloomy inferences from a decrease of £10 millions in the "net sterling reserves of the banks" between the first quarters of 1933 and 1934. Is not this the same thing as the corresponding decrease in "deposits" which, as the best of the Irish bankers volunteered to me at balance-sheet time in February last, was due to the withdrawal of American money which came here when the dollar was at a premium over sterling and which left here when, on the devaluation of the dollar, it could return home at a further profit?

Again, there has been an unquestionable repatriation of an unknown quantity of Irish-owned capital for investment in Irish industrial development—and a parallel influx into the Irish Free State of an unknown quantity of British and foreign capital for the same purpose. The latter has been so real that it has been thought necessary to introduce legislation preventing the non-Irish ownership of more than 49 per cent. of the capital in new industrial enterprises. Much of this capital comes to Ireland as capital goods in the guise of imports of constructional materials, machinery and other equipment, electrical appliances, etc. A further element to be borne in mind is that it may well be that this repatriation of Irish capital has left undiminished the total of Irish-owned capital in Britain, inasmuch as the amount repatriated quite possibly does not exceed the amount by which British recovery has enhanced the realisable values of the gilt-edged and good-class British investments held by Irish owners.

How much capital these unknown quantities represent I am not prepared to estimate, but they must be very substantial having regard to the progress made with electrical development, flour milling and sugar production and the creation of factories, large and small, for the manufacture of boots and clothing, confectionery, hosiery, cement and slates, and with tanneries, food canning enterprises, etc. They are probably sufficient, and more than sufficient, to account for the increased margin of imports over exports.

If your Dublin Correspondent will take these capital elements into account, I suggest that he will find little cause to disagree with "the best-informed bankers in Dublin" who are aware that last Christmas was the best season which the metropolitan and provincial shopkeepers have had for several years and that the railway earnings for the January-June period, 1934, show a marked improvement. Their practical experience of what is happening does not appear to conflict with the inferences to be drawn from a comprehensive survey of all the ascertainable financial and economic factors. No "drain," in fact, can be shown to be taking place, and no depletion of capital resources.

And does not the steadiness of the local government electorate (with a property qualification) at the elections last month point to the same conclusion?

I am, Sir, Yours faithfully,

HENRY HARRISON.

Dublin, August 3, 1934.

[Our Dublin correspondent writes in reply to the above letter:—

"I do not find anything in Mr Harrison's letter with which to disagree. The whole point of my remarks on the Irish balance of payments was that the published statistics apparently do not explain the facts as otherwise observed. My reason for neglecting capital movements was the impossibility of obtaining even approximately accurate estimates of their amount, but I agree that the Free State has gained a good deal on capital account in the last two years, owing to the rise in Stock Exchange values, and that the gap shown by the published figures may still continue to be bridged by favourable capital movements. I must repeat, however, that the trend shown in the balance of payments is such as to cause anxiety regarding the future, and that there are underlying weaknesses in the position of the Free State that render the continuance of its present strong creditor status somewhat precarious. Any substantial reduction of the country's invisible income from abroad would produce the most serious consequences to the balance of payments and the revenue, and would considerably deflate that buoyancy to which Mr Harrison quite correctly draws attention. Such a disaster might, it is suggested, be precipitated by any political or financial measure that would weaken the confidence of Irish capitalists."—ED., *Econ.*]

MONEY AND BANKING

SOUTH AMERICAN EXCHANGES

THE severe exchange restrictions introduced into the South American markets during the past few critical years were primarily due to the endeavours to maintain economic equilibrium as far as possible in face of dwindling world markets and low prices for primary products. In like manner, the tendency recently observable to relax these restrictions in varying measure can also be traced to the fact that, even allowing for depreciated currency values, the export trade of the principal Republics—as also the vital export surplus—shows a degree of betterment this year. Nevertheless, recent developments have not entirely followed normal lines, mainly by reason of the spread of economic nationalism and the policy of unilateral trade agreements, as well as internal factors of a politico-fiscal nature, such as protection for national industries which had been fostered by the crisis.

While the above considerations apply generally, there have been individual orientations of policy dependent upon local circumstances. The case of the Argentine is particularly interesting from the British point of view, having regard to the important and reciprocal nature of the trade between the two countries, the recognition of which forms the basic principle of the Roca Agreement—one of the first, and certainly the most important, of the exchange agreements. By a combination of skilful management of fiscal affairs and fortuitous circumstances—principally the drought in other grain-producing countries—an exchange system adopted to combat adverse circumstances has brought an unforeseen accretion of funds to the Argentine Government. The adverse trade balance of September-November, 1933, combined with low world grain prices on the eve of the grain exporting season, induced the Argentine Government to adopt at the end of last November a comprehensive system, based on their past experience of exchange control. This was designed to assist the grain exporter by depreciating the peso, and, at the same time to control the inflow of imports. Approximately 99 per cent. of export exchange must be sold to the Exchange Commission, and such exchange—after providing for Government requirements—is re-sold by tender to importers and others. The original intention was to transfer such funds as accumulated from the margin between buying and selling rates to the Grain Regulating Board as compensation for any losses suffered through buying grain from the farmers at certain fixed minimum prices. The recent heavy advance in grain prices, however, suggests that the fund may not be required for its professed purpose.

While the Minister of Finance has refused to disclose the size of the fund, an approximate idea may be gained from the trade returns. For the six months December, 1933, to May, 1934, exports totalled 727 million paper pesos, the export exchange for which would be delivered to the Exchange Control. After deducting about 75 million pesos for six months' service on the foreign debt, there would remain 652 millions for disposal at an average tender rate of, say, 17 pesos per £. As the exchange had been bought by the control at a rate of 15 pesos, there would result a profit of some 87 million pesos. This would be even higher if, as seems almost certain, some of the exchange were sold at the "free" rate of, say, 20 pesos per £. Indeed, any normal factors governing Argentine exchange are mainly superseded by the policy of the Government, which has admitted operations in the "free" market. The position may be viewed with mixed feelings by importers and others, especially by those who are forced to resort to the "free" market to remit or who have large accumulated funds unremitted. Still there should at least be satisfaction on the part of holders of Argentine Government Bonds in view of the further apparent reserve, beyond the expanding export surplus (212 million paper pesos for January-June, 1934) and the large gold holding (246 mil-

lion gold pesos) of the Conversion Office. The ultimate goal of the Government is a free exchange market, but although the margin between the free and official rates has recently narrowed, the Government will probably proceed very cautiously in the direction of a free exchange market.

Following the example of the Argentine, Brazil officially recognised at end-May last the "free" or quondam "black" exchange market, and by a further Decree of June 20th certain minor export products may be freely exported and the proceeds negotiated in the "free" exchange market. While, therefore, exchange in the official market—controlled by the Bank of Brazil—is still pegged to sterling at about 60 milreis per £, there are also in existence the "free" and the "grey" exchange markets. The "free" market deals in exchange other than export bills, which remain (with the exception of bills covering certain minor exports, and representing about 1 per cent. of the total) a monopoly of the Bank of Brazil, the rate in that market being about 80 milreis per £ sterling. In the "grey" market, the Bank of Brazil sells to such parties as are indicated by exporters and hold the necessary permits, a proportion varying from 50 to 70 per cent. of export bills, except those covering coffee. Such operations are effected at the official rates, but a premium of 20 to 25 per cent. on the official rate is collected by the exporters from the buyer. The premium in the "grey" market is thus approximately 12 milreis per £ over the official rate. So far as concerns the distribution of available exchange, the procedure is to classify imports in three categories: (1) Raw materials; (2) approved imports; and (3) non-essential imports. These receive, respectively, 50 per cent., 30 per cent., and 20 per cent. of the funds available for remittance, but exchange will not be provided for drafts received after June 15th, until all previous bills for collection have been liquidated.

In the absence of gold reserves, the key to the Brazilian exchange position must continue to be the export surplus. The export surplus up to May 31, 1934, was £4,291,000 (gold), against £3,459,000 last year, and the export surplus for the whole of 1934 is hardly likely to be very much more than that of 1933, namely, some £8,000,000 (gold). Under the Debt Service Decree of November 5, 1933, the Brazilian Federal Government took over the payment of the service on all the foreign loans of the Federal Government, the States and Municipalities—at reduced rates in many cases—and payment in 1934 of the service under this scheme was estimated to cost the Federal Government about £6,700,000, while payment under the Frozen Credits Agreement would absorb another £1,300,000. Whilst the export surplus shows some slight expansion, it is doubtful whether there will be any revision of the debt funding scheme before its expiration, even allowing for the depreciation in sterling and dollars against gold.

There has been a steady, if slow, improvement in the position in Chile, and a certain degree of guarded optimism is justifiable compared with the position a year or so ago. Owing to an expansion in exports, the surplus over imports for the first five months of this year is 141.8 million pesos of 6d. (gold), compared with 68.3 millions in the corresponding period of 1933. This expansion is largely due to the "Compensation" Agreements concluded with many European Continental nations. While these assist in the marketing of Chilean products—principally nitrate—they also operate to set off a percentage of the proceeds—averaging something like 30 per cent.—towards liquidating the blocked foreign debts in Chile. Further, in pursuit of the universal policy of bilateral trade, the import of goods from Chile is compensated by exports to that country, and when it is remembered that even in normal times the greater part of the proceeds of Chile's principal exports do not return thereto, it is doubtful if Chile's real balance of pay-

ments is such as to enable serious proposals to be advanced for the funding of the foreign debt. Nevertheless, the path has at least been cleared for future discussions as a result of the recent adjustment of the nitrate position, as well as of the short-term foreign debt; and, with the real improvement in the basic position, there are hopes of stabilisation of the peso with at least some relaxation in the strict exchange control. Official supervision of the import and export trade, however, is likely to continue.

The signature of the Peace Pact between Colombia and Peru should remove the drain upon exchange for armaments. Peru has avoided exchange control, while in Colombia 85 per cent. of export exchange may now be negotiated in the open market. In Ecuador, 75 per cent. of exchange may also be freely dealt in, whilst both Guatemala and Venezuela have avoided control. In general there are welcome signs of an improvement in the South American exchange position.

FINANCIAL NOTES

The Money Market.—Money was fairly easy on Tuesday and Wednesday, but it is believed that the market secured most of last week's Treasury bills, and payment for these, together with holiday currency withdrawals, made money less plentiful on Thursday. Calling by one of the clearing banks was also in evidence on that day. As a result outside money was a firm $\frac{1}{2}$ per cent., and some clearing bank money was borrowed at one per cent.

	July 19, 1934	July 26, 1934	Aug. 2, 1934	Aug. 9, 1934
Bank rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate :—				
Clearing banks	1	1	1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates :—				
Treasury bills :—				
(a) Clearing banks.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
(b) Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

The discount market has been inactive. The clearing banks continue to quote $\frac{1}{2}$ per cent. for August and September Treasuries and $\frac{1}{2}$ per cent. for October and November. No clearing bank buying of bills was reported, but there was some outside dealing in hot Treasury bills at around $\frac{3}{4}$ per cent. Last week's tender rate was 14s. 4.76d. per cent., against 13s. 9.92d. per cent. the week before. Only £37.0 millions of bills were allotted, so that the supply of bills issued by tender was reduced from £457.3 to £454.3 millions. It is now just below the level of March 31st, which seasonally is the lowest point of the year.

The Bank Return.—Holiday currency withdrawals have raised the note circulation to £392.8 millions. This figure is a high record since the amalgamation of the note issues. The Reserve has fallen to £59.4 millions.

	BANK OF ENGLAND				
	Aug. 9, 1933	Dec. 27, 1933	July 25, 1934	Aug. 1, 1934	Aug. 8, 1934
Issue Department :—	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Gold.....	190.2	190.7	191.6	191.6	191.7
Note circulation.....	385.0	392.0	383.9	389.3	392.8
Banking Department :—					
Reserve	66.6	59.7	68.2	62.8	59.4
Public deposits.....	19.4	22.2	10.9	11.9	23.9
Bankers' deposits	92.8	101.2	104.8	96.5	82.0
Government securities ...	88.3	88.0	83.5	£1.2	83.3
Discounts and advances	11.0	16.8	7.5	8.9	7.0

Proportion 41.0% 37.3% 44.9% 43.2% 41.9%
The only other change of importance since a week ago is the temporary transfer of £12 millions from bankers' deposits to public deposits. This is probably fortuitous, being due partly to summer income tax payments but mainly to the incidence of Treasury bill payments and maturities.

The Foreign Exchanges.—Owing to the weakness of the dollar, which is discussed in the following Note, the London foreign exchange market has been rather more

active this week. There were heavy sales of both spot and forward dollars, and the spot rate weakened to \$5.07 and the three months' rate to $\frac{1}{2}$ cent discount. A more interesting movement was that foreign sellers of forward dollars were simultaneously buying their own currencies forward against sterling, with the result that both forward Holland and Switzerland rose to a fractional premium for the first time for many months. Both the British and French authorities were sellers of spot francs at Frs. 76 $\frac{1}{2}$, and the Banque de France continues to support the lire. The discount on three months' lire has now narrowed to 1-1 $\frac{1}{2}$ lire, but this is still equivalent to over 8 per cent. per annum. Most South American currencies have been firmer on United States drought reports and the consequent increase in the demand for South American produce. The Monte Video rate has weakened slightly, owing to the relaxation of exchange restrictions.

New York Money and Banking.—Money rates remain unchanged, with the official call rate at 1 per cent. and 90-day bankers' acceptances at $\frac{1}{2}$ per cent. The week ended August 1st witnessed another decline in brokers' loans from \$1,008 to \$885 millions. Heavy foreign sales of both spot and forward dollars were made during the early part of the week, and on Tuesday French francs appreciated to 6.63 $\frac{1}{2}$ cents, against 6.59 cents the previous Wednesday. There were several reasons behind this sudden foreign attack on the dollar. The first month of the new financial year recorded a Federal deficit of \$248 millions, against \$107 millions a year ago. Again, the silver interests, led by Senator Thomas, have complained that the Treasury is treating the Silver Purchase Act as a dead-letter. The Treasury reply is that silver certificates and bills are being put into circulation as fast as they can be printed. Meanwhile the Treasury is an active buyer of silver, and during the past week the free New York price has stiffened from 46 $\frac{3}{4}$ to 48 cents an ounce and on Thursday afternoon it was announced that the Treasury would buy compulsorily at 50.01 cents an ounce all silver held in the United States. Finally the sharp rise in the prices of many primary products as a result of the drought has inspired apprehensions of a further devaluation of the dollar under the powers which the Administration possesses to devalue down to a limit of 50 per cent. of its former gold parity.

The Bank of New Zealand.—The accounts of this bank for March 31, 1934, resemble those of the other New Zealand trading banks in that the main movement during the preceding year was the increase in the bank's holdings of New Zealand Government securities. This was partly due to the acquisition by the Government of the bank's London balances in exchange for Treasury bills, and it will be noted that the Bank of New Zealand's London assets have been reduced since 1933 by £2,100,000. The bank's accounts are summarised below:—

	1932	1933	1934
Liabilities :—	£'000	£'000	£'000
Capital.....	6,858	6,858	6,858
Reserve fund	3,575	3,575	3,575
Note circulation	4,063	4,339	4,259
Deposits	31,566	32,573	34,328
Bills payable and other liabilities, (including contingencies)	3,643	3,530	3,356
Assets :—			
Cash.....	7,697	8,305	7,599
Call money and securities held in London	4,314	6,266	4,163
Bills receivable	1,515	1,632	2,484
New Zealand Govt. securities	4,683	3,454	8,715
Australian Govt. securities	3,647	3,975	4,945
Other securities	682	520	459
Bills discounted	792	594	594
Advances, etc.	24,861	24,485	21,962
Gross profits	1,771	1,746	1,570
Expenses.....	1,162	1,131	976
Net profits	609	615	594
Ordinary dividend	14 $\frac{1}{2}$ %	11 $\frac{1}{2}$ %	10%

Gross profits are reduced by £176,000, but against this must be set a contraction of £155,000 in expenses. General expenses are a little higher, but rates and taxes are lower by £163,000. The ordinary dividend is reduced from 11 $\frac{1}{2}$ to 10 per cent.

THE STOCK EXCHANGE

IRON AND STEEL FINANCE

THE rise in the Actuaries' Index of iron and steel shares, over the last twelve months, from 43.2 to 51.3 (December 31, 1928 = 100), epitomises the industry's investment history in its "recovery" phase. Recent monthly output figures have been the best of all publicity agents, but average share values are only half what they were five and a half years ago, because, in far too many cases, the tide of recovery has still a long way to flow before reaching the equity shareholder. No other British industry to-day offers such wide contrasts in the quality of its investment wares, from the water-logged debenture to the sound ordinary share. It may be relevant, therefore, to supplement our last week's analysis of the structure of ten leading groups of companies (see the *Economist*, August 4th, page 227) by an examination of recent financial results.

The rapidity of the industry's revival in productivity since 1929 may be gathered from the following table, which traces the course of a number of significant indices:—

	Pig-Iron Production	Steel Ingot Production	Econ- omist's Steel Con- sumption Index	Price of Cleve- land G.M.B. No. 3 (per ton)	Foreign Trade in Iron and Steel and Manufactures	Steel Unem- ploy- ment
	Tons = 100	Tons = 100	1929 = 100	£ s. d.	Exports (Tons)	Imports (Tons)
Monthly average :—						%
1929	632	803	100	3 10 6	365	235
1930	516	610	76	3 6 11	263	243
1931	314	434	54	2 18 7	165	237
1932	298	438	55	2 18 6	157	132
1933	344	584	73	3 2 6	160	81
Jan.-May, 1934	477	750	83	3 6 6	167	122
June, 1934	516	758	84	3 7 6	204	98

Recovery (which began to gather momentum about half-way through 1933) produced only a moderate upward movement in indices based on last year's average results. Investors should, therefore, bear in mind that any conclusions suggested by iron and steel company reports made out to December 31st last are subject to the proviso that they reflect only the first phase of recovery, whose effects may have been partly neutralised by earlier months of depression. Reports drawn up on March 31st last, however, should include at least nine months of increased activity. Reports to the end of last June, which will be published in the next few weeks, should cover twelve "recovery" months, but may not necessarily afford an adequate measure of current earning power. With this caveat, we may consider the tabular summary, at the head of the next column, of profits of twenty-seven iron and steel companies for the last five years, arranged on the "group" lines suggested in our last article.

Hair-splitting comparisons cannot be made between the results of individual companies. Although the figures are shown in every case before debenture interest, if any, they are not always given after provision for depreciation, for some companies, in the depths of depression, have made none. It is clear, nevertheless, that there has been a broadly similar trend in the earning power of the majority of companies, which has corresponded fairly closely with the movements of the leading production indices. For example, if the aggregate profits of the companies are compared with the steel ingot production index, for every year since 1929, the following results emerge:—

	1929	1930	1931	1932	1933
Steel Ingot Production Index	100	76	54	55	73
Profits Index—					
27 Companies.....	100	91	59	53	83
25 Companies.....	100	94	70	60	94

* Omitting Harland and Wolff, and Cammell Laird, with heavy shipbuilding interests.

The "recovery appeal" of iron and steel shares is based entirely on the last column of this table. The revival in earnings, so far, has been more than proportionate to increased production, partly because the latter has been largely localised in the profitable home market, and partly

	Financial Year Ends	Profits in £'000				
		1929	1930	1931	1932	1933
<i>Group A.</i>						
Vickers	Dec. 31	1,271.0	1,173.3	943.8	811.6	816.4
Vickers Armstrongs	Dec. 31	424.4a	591.2a	565.3a	425.7a	492.0
Armstrong Whitworth Secs.	Dec. 31	109.0	109.8	67.8	41.1	4.7
Cammell Laird	Dec. 31	89.9	110.2	32.8	17.0	89.8
English Steel	Dec. 31	Dr. 128.2	85.4	14.7	Dr. 198.4	181.6
Lancashire Steel	Dec. 31	...	16.3	53.9	58.6	168.1
<i>Group B.</i>						
United Steel Co.'s	June 30	361.4	231.8	130.8b	330.3	506.0
Stewarts and Lloyds	Dec. 31	709.8	555.6c	332.3	287.0	555.9d
Tube Investments	Oct. 31	227.6	251.9	249.3	212.1	231.3
Barrow Haematite	Dec. 31	27.2	17.7	Dr. 4.6	Dr. 19.1	20.3
<i>Group C.</i>						
Baldwins	Dec. 31	352.0	300.9	174.1	190.6	358.5
Guest, Keen and Nettlefolds	Mar. 31e	1,042.7	512.5	304.8	236.8	377.7f
<i>Group D.</i>						
Dorman, Long	Sept. 30	443.3	494.6	404.3	166.5	226.1
<i>Group E.</i>						
South Durham Steel	Sept. 30	95.5	85.0	56.4	49.1	43.4
Weardale Steel	Sept. 30	58.2	90.1	83.6	76.8	70.6
<i>Group F.</i>						
Harland and Wolff	Dec. 31	674.9	367.9	Dr. 280.9	Dr. 117.2	Dr. 161.4
Thos. Firth and John Brown	Dec. 31	142.9	42.6	9.9	Dr. 18.0	161.0
<i>Group G.</i>						
Richard Thomas	Mar. 31	231.1g	391.6g	180.1g	288.1h	470.3h
Whitehead Iron	Mar. 31e	74.0	56.0	67.8	98.9	114.7
<i>Group H.</i>						
Staveley	June 30	306.1	408.2	432.1	372.3	404.8
Sheepbridge	June 30i	52.1	93.7	74.3	82.7	88.2
<i>Group I.</i>						
Sheffield Steel Products ...	May 31	54.6	71.3	36.0	12.0	Dr. 13.7
<i>Group K.</i>						
Allied Ironfounders	Mar. 31e	93.1	135.0	140.2	95.0	241.6
<i>Other Companies.</i>						
Stanton Ironworks	Mar. 31e	240.5	264.2	295.2	200.2	322.3
Consett Iron	Mar. 31e	477.0	295.6	93.2	98.7	203.7
Hadfields	Dec. 31	113.1	43.1	23.2	17.3	91.0
Pease and Partners	Mar. 31e	146.2	11.5	Dr. 16.9	109.1	179.4

(a) Including amounts receivable under guarantee policy. (b) After reorganisation, which brought in United Strip and Bar Mills. (c) After charging £50,000 income tax reserve. (d) After £85,000 income tax reserve and £10,000 employees' benefit. (e) Figures shown to March 31st of following year in each case, e.g., "1929" shows results to March 31, 1930. (f) After £50,000 depreciation. (g) Years to September 30th. (h) To March 31st of following year. For six months to March 31, 1932, profits were £105,300. (i) Earned for dividends in each year.

owing to the efforts of individual companies and groups to improve their internal finances and technique during the period of depression. The purchase of any iron and steel shares at present Stock Exchange values is a gesture of confidence in the ability of the industry, with a quasi-permanent tariff, to maintain, and even improve upon, its current level of production and prices.

The financial position of the separate companies, however, varies so widely that no judgment on the merits of any share can be formed without an initial segregation of those companies, whose securities have a wide public holding, into separate categories, according to the extent to which their capital requirements are covered by their latest available earnings. Such a grouping is indicated in the table on the following page.

It will be seen that many of the companies whose ordinary shares are of immediate interest to the investor are numbered among the smaller or more specialised concerns. Examples are Whitehead, who are re-rolling specialists; Staveley, who have recently developed the pipe-manufacturing side of their business; and Allied Ironfounders, who have benefited from the boom in the building trades. Among the "heavier" companies, the greatest measure of recovery appears to have been secured by those who have gone out to meet it half-way—United Steel Companies, for example, by effective internal reorganisation, and Stewarts and Lloyds by a carefully-worked-out "production strategy," based on the new Corby works. Vickers, with its heavy interests in engineering, etc., has been slower to feel the effects of revival.

Among the larger companies whose equity shares were still outside the earnings zone at the date of their last report, Guest, Keen and Nettlefolds have shown an appreciable recovery in earning power. The position of this company's junior securities, however, could be more readily assessed

Company (and Group)	Proportion of 1933 Net Earnings taken by			Ordinary Shares		Market Position		
	Deb. Service	Pref. Divs.	Ord. Divs.	Earned	Paid	Security (£1 Shares)	Price, Aug. 7, 1934	Yield
Substantial Equity Earnings	%	%	%	%	%	s. d.	%	%
Vickers (A)	1-22	23-82	83-100	4.1	4	Ord.	10 6	2 10 1
United Steel (B) ..	a	a	...	2.05	Nil b	Ord.	21 9	5 1 1c
Stewarts & L.L. (B)	d	1-28	29-57	6.2	21	Def.	26 0	1 18 5
Tube Invest. (B)	e	1-19	20-86	9.6	8	Ord.	45 0	3 11 1
Weardale St. (E) h	1-17	18-62	63-82	9.6	6	Def.	30 0	4 0 0
Whitehead (G) h	1-10	...	11-78	21.3	15	Ord.	63 9	4 14 1
Staveley (H)	e	...	1-77	6.54 t.	54 t.	Ord.	35 0	2 17 0 t.
Sheepbridge (H) ..	1-27	28-34	35-83	7.1	4	Ord.	21 3	15 3
Allied Iron (K) h	1-23	24-48	49-75	14.8	71	Ord.	38 13	3 18 9
Stanton h	1-15	16-23	24-84	13.3	10	Ord.	48 11	4 3 3
Preference Approximately Covered:								
Guest, Keen (C) (h)	1-26	27-113g	...	...	...	5% t.f. 2nd. Pref. 6% Pref.	23 9	4 12 0 i
South Durham (E)	1-52	53-121	...	...	...	61% t.f. Pref.	21 3	5 13 0
Rd. Thomas (G) h	1-19	20-82 j	...	...	...	41% Pref. (£10)	30 0	6 9 2 i
Hadfields	1-57	58-75k	...	...	...	...	...	...
Debentures Not Covered:								
Baldwins (G)	1-80	...	...	...	...	6% 1st Deb. f	105 1	5 13 10
T. Firth & J. Brown (F)	1-81	...	...	...	...	41% Deb. f	95	4 14 9
Consett h	1-109	...	...	...	...	8% Deb. f	95 1	6 5 2
Pease & Partners h	1-59	...	...	...	...	4% Deb. f	75	5 6 8
Debentures Not Covered:								
Armstrong Whit- worth Sec. (A) ..	...	...	...	...	...	4% Deb. m	83	4 16 6
Cammell Laird (A)	...	...	...	...	...	6 1/2% Deb. n f	55	...
Barrow Hm. (B)	...	...	...	...	...	...	...	...
Dorman Long (D)	...	...	...	...	...	...	...	...
H. & Wold (F)	...	...	...	...	...	...	...	...
Sheffield Steel (I)	...	...	...	...	...	...	...	...

(a) No debentures or preference shares. (b) Prospectus estimates profits for year to June 30, 1934, at not less than £850,000, sufficient for ordinary dividend of 5% per cent. (c) On 5% per cent. dividend basis. (d) £2,550,000 4 per cent. debenture stock issued since date of last report. (e) No debentures. (f) No preference shares. (g) First preference covered. Second preference £31,772 short of annual requirement of £235,732. Two years' dividends in arrears. (h) Year to March 31, 1934. (i) After allowing for preference dividend arrears. (j) Seven years' preference arrears outstanding. (k) No preference dividend paid. Three years' arrears outstanding. (l) Three years' arrears on 6 per cent. first preference paid July 2, 1934. (m) Interest paid to date. (n) Interest unpaid since 1928. Payable only out of profits to June, 1935. (o) Moratorium to September, 1934, on 5% per cent. first mortgage redeemable debenture stock. (p) Scheme of arrangement. (q) Debenture interest to 1935, payable only if without detriment to the business.

if the company's accounts, as regards its subsidiary concerns, were more detailed. It is clear that a not unimportant part of the recent increase of earnings, both in the case of this company and of Baldwins, has resulted from the improved position of the "heavy" South Wales subsidiary, British (Guest Keen Baldwin). In the case of Richard Thomas, whose tentative reorganisation proposals for the satisfaction of preference arrears were discussed in the *Economist* of July 28, 1934, page 173, much depends on the ability of the largest British tinplate manufacturing concern, whose "raw material" is subject to the British tariff and whose world-market is shared among leading producing countries by an international agreement, to secure a relatively high international price level for its products.

The contemporary appeal of the securities of the remaining companies in the table, even under a recovery regime, is limited to a narrower circle of investors. The debentures of companies in the penultimate group, whose interest is being earned, may not be unreasonably priced, in view of the current trend of profits in the industry as a whole. Even the senior stocks of companies in the last group must be regarded as speculative, in varying degree, pending the re-establishment of earning power at a level sufficient to permit the replacement of temporary schemes of arrangement by definite plans for capital reconstruction.

For the whole industry, indeed, the future turns on ability to consolidate the ground recently gained. In this respect, investors may regard the possibility of far-reaching plans for regrouping and concentration of productive effort, on which the Government and its advisers have hitherto laid more stress than certain representatives of the industry itself, as of greater potential significance than any endeavour to maintain high prices, in a protected home market, on the upward curve of a production cycle.

INVESTMENT NOTES

"Kaffir" Share Activity.—The market for South African gold-mining shares, which last month showed mildly reactionary symptoms, has developed noteworthy activity this week. Substantial inquiry in London has been supplemented by buying from Johannesburg and Paris, and prices have quickly responded, with few exceptions. Numerous inter-connected factors have combined to produce unusual interest in what is normally a quiet week. Despite the rise in grain and cotton prices, accumulating evidence suggests that the effects of the drought may be little short of disastrous for the American farmer. The American dollar has been weak, and the London price of gold on Wednesday showed a premium of as much as 10d. over the American shipping parity. Despite Mr. Roosevelt's latest silver move, market publicists may be premature in suggesting that the Administration will be forced, by way of "relief" measures, into new semi-inflationary commitments in the autumn, involving a further reduction of the dollar's gold content and/or the replacement of the Federal Reserve system by a Government-controlled institution. Commentators who discount alarmist and extreme views, however, admit that the outlook for the dollar may be less easy to estimate than a few weeks ago. The possibility that a decline in its exchange value may involve a certain sympathetic movement in sterling is at least a sufficiently plausible "risk" to appeal to some "Kaffir" operators. Meanwhile, the market's technical position makes for firmness. Nervous selling by outside holders having ceased, dealers' books are being depleted of the stock which was willingly acquired during the last reaction, and institutions controlling substantial quantities of stock, whose policy so often determines the immediate course of the market, are indisposed to increase its floating supplies. The absence of opportunities for profitable placing in other markets has lent attraction to "Kaffirs" as a haven for funds for which the Gilt-edged market offers too little speculative scope. As interests with important new gold-mining issues in prospect, in the near future, may be presumed to desire as favourable an environment as possible, the continuance of firm conditions is not improbable.

New Issues in July.—The capital market last month showed modest signs of expansion, suggestive of a re-awakening of new investment activity which is invariably associated with the upward swing of the recovery phase. We set out the usual analysis below:—

(000's omitted)				
Monthly Average	United Kingdom	British Possessions	Foreign Countries	Total
1930	14,220	5,121	2,975	22,316
1931	4,542	3,209	761	8,512
1932	13,589	2,129	24	15,742
1933	17,520	2,429	449	20,398

Monthly Total	Govt.		Other	Total
	May, 1933	June, 1933		
May, 1933	19,001	8,037	5,547	32,585
May, 1934	Dr. 450	10,518	9,546	19,688
June, 1933	3,150	11,355	783	15,288
June, 1934	Dr. 150	3,857	3,683	90
July, 1933	Dr. 200	3,369	212	3,881
July, 1934	Dr. 300	13,624	3,753	17,077

The total under non-government United Kingdom issues largely reflects an increase in new capital requirements for British heavy industry. The William Cory "sale" provided the P. & O. with funds for its shipbuilding programme. Other prominent borrowers include Welsh Associated Collieries and Stanton Ironworks. Elsewhere, at home, new offers have been made for conversion of existing business, of which the most spectacular was the preference issue of Griffiths Hughes Proprietaries. The total under "British Possessions" consists almost entirely of new gold mine financing, opportunely undertaken with gold at 137s. per ounce. The month's figures suggest the long-awaited inception of a revival in new long-term industrial investment. As current events in America are showing, a satisfactory volume of voluntary investment can do more to stimulate the industrial monetary circulation than the most

free-handed policy of Government subventions. If these present indications are maintained when the capital market resumes normal activity after the holiday weeks, they should strengthen hopes of a resumption of economic progress during future months.

Coal Company Earnings.—Although recent reports from the iron and steel companies reveal considerable recovery in earning power, coal companies as a whole have been unable to achieve such satisfactory improvement. Output during 1933 continued the declining trend from 1929, being 207.0 million tons, compared with 209.2 million tons for 1932. Exports and bunker coal were again slightly lower during 1933, and although some improvement in industrial demand for small coking coal was evident during later months, it was insufficient to compensate for reduced domestic consumption caused by abnormally mild weather. Individual collieries experienced considerable handicaps arising from the quota provisions of the 1930 Act, which led to serious price-cutting between districts owing to the sluggishness of the export market. Complaints were expressed by some chairmen at recent meetings that trade connections had been maintained only by purchase of quotas from other pits. The favourable features in an extremely difficult year are limited to a further increase in output per man-shift from 22 to 22.5 cwt., indicative of further mechanisation, and a slight increase in working profit per ton, largely contributed by the fourth quarter of the year. We show in the following table the aggregate and distributable profits of 18 mining and 3 factoring concerns whose reports have appeared recently:—

Company and Date of Accounts	Total Profits (in £ thous.)			Available for Dividends (in £ thous.)		
	1931-2	1932-3	1933-4	1931-2	1932-3	1933-4
Miners						
Amal. Anthracite (Dec. 31) ..	471.0	571.2	326.0	289.5	313.4	74.1
Bolsover Colliery (Dec. 31) ..	419.9	428.7	393.4	317.8	317.8	299.6
Butterley (Mar. 31)	192.5	153.4	141.6	92.9	95.3	80.6
Carlton Main (Mar. 31)	121.9	155.1	168.0	41.4	57.1	66.3
Denaby & Cadeby (Dec. 31) ..	54.2†	91.3	86.8	6.8†	Dr 3.1	9.5
Ebbw Vale (Mar. 31)	204.1	135.1	174.4	Dr 308.3	Dr 139.6	Dr 101.9
Lothian Coal (Feb. 28)	49.7	30.9	35.6	47.2	28.8	33.5
Ocean Coal & Wilsons (Dec. 31)	180.9	81.0	233.8	170.0	70.1	222.9
Pearson & Knowles (Dec. 31) ..	2.5	3.9	3.1	1.6	2.6	Dr 1.9
Pease & Partners (Dec. 31)	Dr 16.9	109.1	179.4	Dr 176.5	Dr 4.4	30.0
Powell Duffryn (Mar. 31)	304.5	403.4	618.6	1.0	53.1	286.5*
Shireoaks (Dec. 31)	38.9	30.2	40.1	15.8	9.4	17.2
Tredgar Iron & Coal (Mar. 31)	97.6	63.3	97.2	87.6	53.3	87.2
United Collieries (Dec. 31)	85.6	118.7	129.4	Nil	Nil	Nil
Welsh Associated (Dec. 31)	303.2	241.6	307.9	44.2	18.5	68.3
Welsh Navigation (Dec. 31)	5.9	5.1	11.0	1.0	0.1	6.9
Wigan Coal (Dec. 31)	35.0	25.9	31.9	4.5	3.7	7.3
Yorke Amalgamated (Mar. 31) ..	27.9	14.2	19.4	14.5	1.3	7.6
Total, 18 companies	2388.4	2662.1	2997.6	635.6	878.4	1203.7
Factories						
Charrington Gardner (Mar. 31) ..	68.8	66.3	64.7	52.8	50.8	49.2
Cory (Wm.) (Mar. 31)	601.9	654.5	643.5	554.6	607.5	594.5
Settle Speakman (Dec. 31)	58.8	59.7	58.5	23.8	22.1	22.0
Total, 3 companies	729.2	780.5	766.7	631.2	680.4	665.7

† Six months' figures.

* Fifteen months.

The increase in total profits of 18 mining companies is of the order of 12.6 per cent., while the available profits of the companies have increased by 37 per cent. This apparently gratifying increase reflects the low level from which profits must rise before any considerably improved return can be expected on colliery shares. As the total preference and ordinary share capital of the 18 companies is approximately £50.1 millions, the overall return is only 2.4 per cent. Moreover, many companies have arrears of depreciation to overtake, and considerable cutting out of dead wood among the assets will be necessary before the fruits of renewed dividends are justifiable. The unenviable experience of the Ebbw Vale Company, whose iron and steel plants have been closed since 1931, has shown a slight improvement during the year to March last, but, for Welsh collieries as a whole, revival in the European market can only follow a considerable reduction of the restrictions on the entry of coal. Moreover, as Canadian demand for anthracite is showing some decline, the immediate outlook for Amalgamated Anthracite is less encouraging than a few months ago. In other districts the

outlook is somewhat brighter. Exports to Scandinavia from the North-Eastern coalfields show considerable improvement for the first six months of this year, resulting from trade agreements, while total output and average prices for the first half of the year were somewhat higher than for the corresponding period of 1933. The voluntary marketing scheme submitted by the owners, which provides for co-ordinated district prices and separation of export trade from domestic quotas, has received authoritative approval. This scheme should prevent any further reduction of the already exiguous profit margins in the home market, which suffered last year as a result of inter-district competition, and if industrial demand maintains its present increase coal earnings should benefit appreciably. Technical efficiency is showing further improvement, being 23 cwt. per shift during the first quarter of the year, while numbers employed also increased, especially in the Northern and Midlands fields. Investors who recall the vigorous statement of the Coal Mines Reorganisation Commission that higher efficiency can be obtained only by concentration of production and full-time working in already efficient pits may regard the prospects of the industry as at present organised, even granted the present degree of industrial recovery, as less certain than many would desire.

Insurance Share Index.—During the second quarter of this year the market quotations for insurance shares showed in most cases a continued improvement. This satisfactory tendency is well illustrated by the following table, which portrays the course of an investment in 1913 of £1,000 in the ordinary shares of each of the 24 leading insurance companies.

SHARE INDEX
(1913=1,000 in each case)

	1920	1929	1932	1933	Mar. 29, 1934	June 29, 1934
Alliance	1,018	1,675	1,638	1,979	2,121	2,142
Atlas	2,059	3,532	3,000	3,182	3,397	3,333
Caledonian	1,776	5,700	4,183	4,655	4,780	4,718
Commercial Union	2,453	4,545	3,352	3,918	4,310	4,245
Employers Liability	3,558	2,725	1,775	2,162	2,252	2,252
Equity & Law	922	2,009	2,076	2,784	3,526	3,705
General Accident	2,650	8,133	7,250	9,114	8,933	9,599
Gresham Fire	2,869	2,872	2,118	3,238	4,286	4,762
Guardian	1,731	2,596	2,538	3,158	3,282	3,102
Legal & General	1,443	6,536	5,678	7,580	8,743	10,273
Life Assn. of Scotland	1,009	1,989	2,080	2,669	2,948	3,043
London & Lancashire	1,801	4,548	3,808	4,409	4,462	4,616
London Assurance	1,832	2,126	1,783	2,280	2,474	2,765
N. British & Mercantile	1,338	4,514	3,990	4,666	4,650	4,936
Northern	2,067	2,011	1,904	2,078	2,090	2,149
Phoenix	1,429	1,945	1,666	1,945	1,894	1,894
Prudential	730	2,163	2,146	2,740	2,974	3,117
Royal Exchange	2,325	3,227	2,896	3,664	3,573	4,128
Royal	1,379	2,882	2,464	2,656	2,688	2,731
Scottish Life	1,129	2,680	2,583	3,174	3,371	3,371
Scot. Union & Nationa	2,764	5,213	3,803	4,335	4,363	4,584
Sun Fire	1,159	2,853	2,364	2,889	2,933	3,156
Sun Life	645	2,237	2,040	2,349	2,519	2,620
Yorkshire	2,293	3,041	2,731	3,212	3,298	3,401
Average	1,766	3,406	2,911	3,535	3,744	3,943

The figures are based on the mean of the highest and lowest prices in each year, except in the case of the quarterly quotations for 1934, which relate to the middle market prices on the respective dates. In all cases where an issue of bonus shares has been offered, due allowance has been made by assuming that the rights have been sold and the proceeds utilised to purchase an additional holding in the original shares. It will be seen that seventeen quotations show a net rise in the June quarter of this year, that of the Legal and General being particularly noteworthy.

Actuaries' Investment Index.—The improved tone in the security markets, from the middle of last week onwards, has been well maintained since the holiday. Almost all groups in the Actuaries' Index show a slight advance, though values have still only partially made up the leeway of the preceding three weeks. The combined index of 144 ordinary shares (December 31, 1928 = 100) stood at 69.9

on August 7th, compared with 69.3 a week earlier and 70.9 a month earlier. The corresponding yield figures were 3.74, 3.76 and 3.72 per cent. Movements in various sub-groups are shown below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928=100)			Yields (%)		
	July 10, 1934	July 31, 1934	Aug. 7, 1934	July 10, 1934	July 31, 1934	Aug. 7, 1934
Insurance Co.'s (24).....	108.9	109.6	110.0	3.85	3.82	3.81
Coal (6).....	93.0	88.6	89.5	3.86	4.01	3.97
Cotton (6).....	46.0	44.4	45.1	2.27	2.27	2.26
Iron and Steel (6).....	51.6	50.9	51.3	1.25	1.22	1.22
Oil (5).....	63.9	59.6	61.4	4.60	4.93	4.78
Home Rails (4).....	83.4	69.7	74.5	1.43	1.57	1.51
Miscellaneous (30).....	61.9	60.2	61.0	3.96	4.04	4.00

The recovery, whose causes have been largely "technical," has been well spread. Home rails, incidentally, have continued to deserve their reputation of being the most volatile group in the domestic equity market.

COMPANY NOTES

Boot and Shoe Companies.—Boots and shoes are articles of durable consumption, whose replacement, postponed over a considerable period when purchasing power is low, may produce a strong accumulated demand on any improvement of conditions. Last year showed the first signs of such a demand. Retail sales of footwear improved by 1.6 per cent; the Board of Trade's index of production for the industry rose from 96.4 to 106.2; employment improved; and the long fall in leather prices appeared to have been checked. The manufacturers' accounts, published during the early part of 1934, showed better earnings—with the important

PROFITS IN £'000					
Company	1929	1930	1931	1932	1933
J. Darnell (Dec. 31):					
Earned for div.	...	35.3	27.8	25.6	25.4
Earned %	...	17.8	14.6	17.1	16.9
Div. %	...	16	12½	15	15
Freeman, Hardy & Willis (Dec. 31):					
Earned for def. ord.	130.9	128.0	119.7	107.0	101.1
Earned % (tax free).....	55.0	53.9	50.5	45.1	42.6
Div. % (tax free).....	55	55	50	45	42.5
Lotus (Dec. 31):					
Earned for ord.	24.3	35.7	31.3	32.5	33.1
Earned %	4.5	6.8	6.0	6.4	6.5
Div. %	5	5	5	5	5
Public Benefit (Dec. 31):					
Earned for ord.	6.2	23.2	0.4	Dr. 10.5	Dr. 13.3
Earned %	5.1	17.1	0.3	Nil	Nil
Div. %	Nil	10	Nil	Nil	Nil
H. E. Randall (Dec. 31):					
Earned for ord.	30.3	26.3	21.8	14.5	18.5
Earned %	19.2	16.2	13.8	9.2	12.1
Div. %	15	15	11½	7½	8½
J. Sears (Dec. 31):					
Earned for ord.	154.2	180.4	168.7	115.9	60.9
Earned %	27.7	32.4	30.5	20.8	10.9
Div. %	22½	22½	20	16.67	12½
Stead & Simpson (Dec. 31):					
Earned for ord.	40.9	35.7	35.5	16.3	17.4
Earned %	34.0	30.0	30.4	12.2	12.4
Div. %	10	10	10	10	12½
Wm. Timpson (Dec. 31):					
Earned for ord.	7.6	51.1	49.4	46.0	49.4
Earned %	3.2	22.7	22.7	21.1	22.7
Div. %	1½	15	15	15	15
Weber & Phillips (Dec. 31):					
Earned for ord.	19.3	22.2	21.9	13.4	18.0
Earned %	10.4	11.9	12.3	7.2	10.2
Div. %	12½	12½	10	7½	8

* All free of tax.

exception of the J. Sears-Freeman, Hardy and Willis group, which is the largest unit in the industry. A five-years' earnings survey, for numerous representative concerns, is given in the attached table. The improvement, however, was less decided than might have been expected. In the autumn of 1933 an attempt was made to raise selling prices to cover higher raw material costs. The effort, however, was not successful, and there has subsequently been no strong

buying movement to overtake arrears of replacements. The index of production was higher for the first quarter, and the retail sales returns have been somewhat better, but employment has not improved, and demand for leather has been limited. It is generally assumed that the drought is having the effect, invariably associated with dry weather, of checking the demand for shoe replacements. If so, a wet spell might be calculated to produce an excellent autumn-winter sales season. Meanwhile, with turnover roughly maintained and leather prices down, the older manufacturers should presumably be able to make at least as good profits as last year. One difficulty, however, faces them. Rapid improvement in bootmaking machinery has enabled manufacturers in country centres to produce fully saleable competitive footwear, by the employment of non-union labour at almost an "agricultural" wage. Not unnaturally, the old-established members of the Federation have objected, and for some time past attempts have been made to reach a trade agreement to exclude such differential wage rates. At the moment both masters and men are negotiating on the point. The omens may be, possibly, unfavourable to an early solution to this problem. Investors, on the other hand, are aware that the industry has an excellent record of industrial peace and reasonable compromise. The strike risk, therefore, is small, and with a return to normal conditions of demand the appeal of cheapness in itself may well diminish. It may be suggested, therefore, that the industry still offers "recovery" possibilities, combined with fair security, particularly in the case of those concerns dealing direct with the public through their own chain of retail shops.

Tootal Broadhurst Lee.—The accounts of this old-established spinning and cotton manufacturing company suggest that its branded products continue high in public esteem. Trading profit for the year to June 30th last is £11,103 lower at £116,647, but the amount earned for the ordinary and employees' shares shows little change at £66,830 owing to reduced provision for income tax and the disappearance of debenture interest charges following the redemption in March, 1933. The dividend of 10 per cent. is again earned with a small margin:—

	Years to June 30,		
	1932	1933	1934
Trading profit, after depreciation	95,089	127,750†	116,647†
Income tax reserve	25,000	39,000	30,000
Loan interest	1,823	2,301	4,567
Debenture interest	8,900	6,000	...
Preference dividend.....	14,750	15,000	15,250
Ordinary and Paid	44,616	65,449	66,830
Employees' Earned (%)	47,790	63,720	65,844
Shares Paid (%)	7.0	10.3	10.1
	7½	10	10
Carried forward	16,057	17,786	18,773

† After employees' bonus of £20,000, based on dividend payments.

The steady recovery from 1930-31, with its precipitate fall in earnings to 1.4 per cent., has thus been consolidated. The balance sheet reveals that stocks are higher by £104,000 at £834,741, but cash holdings have, nevertheless, advanced from £177,072 to £227,455. Provision for depreciation is of usual adequacy, and a hidden reserve of considerable value is suggested by the auditors' statement that "no value is included for patents, trade marks or goodwill." The report is silent on the trading conditions experienced during the year, regarding which the chairman's speech will be eagerly awaited. A quotation of 48s. 9d. for the £1 ordinary shares, yielding £4 5s. 6d. per cent., appears reasonable in view of the profit potentialities of the anti-crease processes now being exploited and, on the reverse of the medal, the possibility of further reduction in the value of individual orders, to which the chairman referred last year.

Financial Newspaper Proprietors.—The directors of Financial Newspaper Proprietors, Limited, announce an agreement under which the company's organisation has, in effect, been pivoted on The Financial News, Limited. The latter has taken over all the assets of the parent company

in return for the allotment to the latter of additional shares, the assumption of all liabilities, the discharge of a debt of approximately £127,000 due from the parent, and the making over to the latter of an assignable option to subscribe for cash, at par, up to 650,000 additional ordinary 2s. shares of The Financial News, Limited. As a result of this transaction, Financial Newspaper Proprietors holds 525,000 (out of 525,500) of the 2s. ordinary shares of The Financial News, Limited, now in issue, and thus retains the whole of its original equity in the combined assets. The agreement, however, requires the cession of certain rights vested in the holders of management shares in Financial Newspaper Proprietors, whose representatives have expressed their willingness to concur. The arrangement makes possible certain administrative and clerical economies, for the parent concern will henceforth have no separate staff, no expenses and no directors' fees. The circular states that net earnings and prospects have been so far improved, partly as a result of a recent increase in financial advertising, that a preliminary survey shows earnings and dividends receipts of more than 12½ per cent. on the ordinary share capital of The Financial News, Limited, for the year to June 30th last (after allowing for preference dividends but excluding certain non-recurring receipts and payments). The Financial News, Limited, has an issued capital comprising £150,000 in 5 per cent. cumulative £1 preference shares, £50,639 in 6 per cent. cumulative second preference £1 shares, and £52,550 in 2s. ordinary shares. The capital of Financial Newspaper Proprietors comprises £525,000 in £1 ordinary shares and £25,000 in £1 management shares, the latter ranking for a 6 per cent. dividend after 6 per cent. has been paid on the ordinary.

Midland Housing Corporation Affairs.—The affairs of the Midland Housing Corporation Ltd. (which, three months ago, issued 200,000 6½ per cent. 10s. cumulative preference shares and £150,000 4½ per cent. redeemable first mortgage debenture stock, both at par), were discussed at length last Tuesday at the statutory meeting. The company's legal adviser informed shareholders that, after allotment on May 8th, the customary examination of titles had been supplemented by a visit to the places where the various properties were situated. These comprised 495 houses and five shops in the Birmingham district. The prospectus had stated, *inter alia*, that the properties were let at what might be regarded as minimum rentals, payable in advance, and that the company, therefore, commenced with immediate revenue which should be well maintained. A report by a firm of valuers on the Birmingham properties declared that, with three exceptions, all the properties were let on monthly tenancies, and that the possibility of loss from voids might be considered negligible. The inspection *in situ*, however, revealed that 178 out of 500 properties were apparently unoccupied. Examination of the rent books, it was declared, had substantially confirmed this result. Inquiries of the vendor's solicitors thereupon elicited the explanation that the matter was covered by an agreement under which the vendor had leased the unoccupied properties to his son for a period of three months. This agreement (which had not previously been seen by the company's solicitors) was dated May 4, 1934, two days after the issue of the prospectus and two days after the accountants' and surveyors' reports, but four days before the opening of the subscription list. After taking counsel's opinion, the company's solicitors wrote to the vendor's solicitors repudiating the contract. The latter responded with a writ against the company for specific performance. In the course of discussion at Tuesday's meeting, a shareholder, described as the vendor's legal adviser, drew a distinction between "unoccupied" and "unlet" houses, and declared that the document, of whose existence the company was apparently ignorant when the prospectus was prepared, had, in fact, been in the possession of the company's secretaries. The vendor, also addressing the shareholders, declared that a hundred of the unoccupied houses had subsequently been let, and applications had been received for practically the whole of the balance. The company's spokesman, however, was not in a position to confirm this. It was announced that certain gentlemen, who had no con-

nection with the formation of the company, had been appointed directors, representing large debenture and preference shareholders. It was also suggested that any person who felt he had a right to rescission, and gave notice to that effect, without taking steps to embarrass the company, would be preserving his position.

Other Company Results.—Our usual summary table of profit and loss accounts on page 286 is of holiday dimensions, for only ten reports have been received from companies not discussed above. Two brewery results to June 30th indicate that the improved conditions in the industry have been well maintained during the first six months of the year. Friary, Holroyd and Healy's profits have shown a vigorous advance from £74,284 to £123,134, the ordinary dividend being increased from 7½ to 10 per cent., and £40,000 transferred to general reserve. Clarkson's Old Brewery, Barnsley, reports net earnings of £13,967, compared with £10,039, the ordinary dividend being maintained at 10 per cent. Among hotels, Grosvenor House has shown satisfactory recovery during the year to June. Profits of £45,129 (against £14,115) have been earned, but the dividend of 5 per cent. involves a draft on carry-forward after provision for debenture issue expenses. In the miscellaneous group, Wilson Bros. Bobbin Company profits have fallen from £22,820 to £18,830, but the dividend has been increased from 4 to 5 per cent. Salter and Salter, the Pudsey bootmakers, report a further loss, the debit balance forward now amounting to £38,509.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS	
TICKET August 14	ACCOUNT August 16

BULL and bear being both on holiday, the natural resilience of the markets again revealed itself in August Week. The tone of the "House," from the Consol market to the Dome, was brighter. Though price movements were measurable only in a limited number of cases, changes were practically all in the right direction. The causes of the improvement were mainly "technical," for the preceding recession showed that a fair number of orders had been placed just "below the market." The July unemployment figures suggested that British industrial recovery was still losing some of its early impetus. Some speculative demand, again, was traceable to causes which would not bear close inspection—the rise of South American stocks on higher grain prices and the activity in Kaffirs on hopes of a higher gold price, for example, being both ultimately traceable to the disastrous American drought.

Gilt-edged stocks were very firm, their advance being led by Old Consols and Local Loans at the outset and by 2½ per cent. Conversion stock later. Irredeemable India stocks followed a similar course and Dominion issues were good, though business was not active.

The feature of the foreign bond market was the demand for South American issues, particularly those of Argentina and Brazil. Investors, resigned though not reconciled to the Brazilian debt scheme, argued that any sustained rise in world grain prices would, *pro tanto*, improve the exchange balances of almost every South American republic. German bonds were quiet and uneventful. Among Far Eastern stocks, Chinese showed improvement, except in the case of the Boxer Loan, which, as always, followed the trend of the dollar.

Home rails were hesitant at first, but the pre-Bank Holiday traffic figures were unexpectedly favourable, particularly on the L.M.S., and a firm tone was reinstated. The market, however, had an undercurrent of caution, partly owing to reports of "light" Bank Holiday traffic and partly to the impression that the week's momentous conferences on the wages question might result in a partial concession by the companies to the men's point of view.

London Transport "C" stock recovered its setback on the publication of the provisional earnings and dividend statements. Argentine rails were buoyant on the improving prices of wheat and maize, the higher peso, and the smaller decline in "sterling equivalent" traffic figures.

Though relatively little business was passing in the industrial market, the tone was indubitably cheerful. The provinces were buyers, on balance, particularly of tobacco shares, on the resuscitation of rumours regarding an arrangement between Imperial Tobacco and Gallaher. "Commodity shares" were in request on the trend of the produce markets, the net being cast sufficiently wide to bring in shares like Sudan Plantations, Hudsons Bay and Rio Flour Mills. Coal and steel shares were irregular, apart from a little buying of William Cory and Richard Thomas Preference. Electric supply shares again attracted little interest, and electrical equipment issues were a shade easier. Among motor shares, however, Ford continued their advance. The brewery share market, having digested the reports of Watney and Guinness, was inclined to take a more favourable view of earnings prospects. Taylor Walker responded to the increased interim dividend. Conditions were quiet in the textile group, but Whitworth and Mitchell, exceptionally, were in demand, on rumours that the company's trading had improved appreciably after its setback last year. Courtaulds hardened slightly, but American Celanese remained dull. Tootal Broadhurst were easier on the slight fall in trading profits shown in the report, which is discussed on page 280. British Oxygen rose on buying from the north of England. Bank shares remained quiet but firm, and fair investment support was in evidence for leading insurance shares.

London and the Continent tended to take a favourable view of developments in the oil trade, but the upward movement in the shares was checked by the lack of support from New York. Rubber shares, however, responded to the upward trend of the commodity in the first half of the week. The tea share market also had a better appearance, though the promise of Tuesday's opening was not fully borne out.

The Kaffir market was one of the most active in the "House," for reasons set out in a Note on page 278. Paris and Johannesburg gave steady support, and floating supplies of stock were found anything but ample. Attention was directed particularly to the newer shares, like Van Dyk and South African Lands. Activity in West African shares was more restricted, the market being somewhat upset by the report of possible litigation, on a question of title in connection with a recent issue. West African gold shares again obtained considerable attention. Dealings in Gold Exploration and Finance shares were done at an increasing premium on the issue price. Rhodesian shares showed evidence of awakening activity. Dealings in tin shares, however, remained limited, the future course of the metal being still regarded as difficult to forecast.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Aug. 2, 1934	Aug. 3, 1934	Aug. 4, 1934	Aug. 6, 1934	Aug. 7, 1934	Aug. 8, 1934	Aug. 9, 1934
Government and Municipal Loans	1,104	1,146			1,239	1,101	1,108
Transport, Communications, and Public Utilities	891	932			977	1,004	879
Commercial and Industrial	2,905	2,758			2,557	2,820	2,542
Banks, Insurance and Financial	579	542			713	575	588
Mines (including Nitrates)	1,215	1,266			1,204	1,231	1,409
Others	101	104			137	120	118
Rubber, Tea and Coffee	427	454			527	603	559
Total	6,922	7,202			7,454	7,454	7,203
Corresponding day in 1933	7,455	6,633			7,615	6,855	7,100

* Including iron and steel and breweries.

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

	Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Aug. 2, 1934	Aug. 3, 1934	Aug. 4, 1934	Aug. 6, 1934	Aug. 7, 1934	Aug. 8, 1934	Aug. 9, 1934
90-4	83.5	85.3	85.7	Closed	Closed	85.7	85.7	85.9	

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

	Highest of 1934 (May 17)	Lowest of 1934 (Jan. 2)	Aug. 2, 1934	Aug. 3, 1934	Aug. 4, 1934	Aug. 6, 1934	Aug. 7, 1934	Aug. 8, 1934	Aug. 9, 1934
132-5	128.8	124.4	132.6	Closed	Closed	132.8	132.9	133.0	

FOREIGN STOCK EXCHANGES

NEW YORK

THE President has returned to find severe difficulties confronting the Administration in its task of promoting economic recovery. The rainless West, where temperatures over 100 degrees have been suffered daily for the past month, is reported to be in privation, the grain crop being disastrously affected and cattle, starved of grass and water, being slaughtered in desperation. The hectic scenes in the Chicago wheat pit were not allowed to obscure the effects of greatly reduced agricultural purchasing power on rails, agricultural machinery and mail order shares. Wall Street, which was dull and irregular early in the week, took a firmer tone on Wednesday, but the market was more inclined to surmise the possible directions of Presidential policy for the relief of the situation than to undertake speculative business. Reports have been bruited of further large Government expenditure, fresh credit inflation, and devaluation of the dollar to a 50 cents basis. Senator Thomas has given the foreign exchange market ample evidence of his enthusiasm, and the state of farming and business, labour relations and the approaching elections make some such move highly probable, for the inflationary materials already at the President's hand have not yet proved inflammable. The market has proved erratic in response to these reports, although mining and metal shares have shown some life. Rails, after touching new "lows," have subsequently recovered, while tobacco and food shares have shown some slight improvement. Dealings in the bond market have become more active as the week has progressed, but interest remains confined chiefly to high-grade issues, foreign bonds being mainly unchanged, and rails and second-grade issues weak in tone. The market has found the tactics of this week's "silver move" easier to understand than its strategy.

	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934
Lb. Ln. 3 1/2, 32-47	104	103 1/2	102 1/2	Natl. Biscuit	33 1/2	32 1/2
Do. 4 1/2, 32-47	102 1/2	103 1/2	102 1/2	Phelps Dodge	15	15 1/2
Do. 4 1/2, 33-38	103 1/2	103 1/2	102 1/2	Pullman	44 1/2	39 1/2
Atchafalpa	51 1/2	47 1/2	46 1/2	Sears-Roebuck	36	33 1/2
Erie	12 1/2	12 1/2	12 1/2	Studebaker	2 1/2	3 1/2
Illinois Central	16	16	15 1/2	Un. Fruit	68 1/2	68 1/2
N.Y. Central	21 1/2	21	20 1/2	U.S. Leather	6	5 1/2
Pennsylvania	24	22	21 1/2	U.S. Rubber	14	14 1/2
Southern Pacific	17 1/2	17	16 1/2	U.S. Steel	35 1/2	34 1/2
Southern Ry.	15	14 1/2	14 1/2	Westinghouse	31 1/2	30 1/2
Union Pacific	101 1/2	93	92 1/2	Woolworth	48 1/2	48 1/2
Am. Can.	94 1/2	93 1/2	92 1/2	Am. Tel. and Tlg.	110	109 1/2
Amer. Smelting	33 1/2	35 1/2	35 1/2	Interboro R.T.	8 1/2	8 1/2
Anaconda	11 1/2	11 1/2	11 1/2	Int. Tel. Teleg.	9 1/2	9 1/2
Bethlehem Steel	28 1/2	27 1/2	26 1/2	Radio Corp.	5 1/2	5 1/2
Chrysler Motor	35	30 1/2	30 1/2	Utilities P. and L.	3 1/2	3 1/2
Corn Produce Rf.	62 1/2	57 1/2	56 1/2	W. Union Tlg.	34 1/2	34 1/2
Eastman Kodak	98	97 1/2	96 1/2	Associated Gas "A"	2 1/2	2 1/2
Gen. Electric (New)	18 1/2	18 1/2	18 1/2	Shell	20 1/2	20 1/2
Gen. Motors	28 1/2	28 1/2	28 1/2	Shell Union	7 1/2	6 1/2
Int. Harvester	27 1/2	25 1/2	25 1/2	Std. California	32 1/2	32 1/2
Mont. Ward	23 1/2	21 1/2	21 1/2	Do. N.J.	42 1/2	42 1/2

† Calculated at \$5.05 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Aug. 8	Be- ginning of Year	July 25, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934	
351 Industrials	38.7	86.6	74.9	90.5	79.6	75.5	74.9	74.4	
33 Rails	23.9	54.5	35.5	51.4	40.6	37.3	35.5	34.1	
37 Utilities	66.8	101.0	64.4	83.4†	66.4	65.9	64.4	63.8	
Total, 421 stocks	40.9	83.4	66.6	82.1	70.8	67.5	66.6	65.9	
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.59%	3.17%	3.56%	3.59%	3.62%	

† February 7th.

(5) Aug. 1.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

	Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Aug. 1, 1934	Aug. 2, 1934	Aug. 3, 1934	Aug. 4, 1934	Aug. 6, 1934	Aug. 7, 1934	Aug. 8, 1934
105.0	76.0	82.0	82.4	81.5	80.0	79.9	79.9	81.1	

TOTAL DEALINGS IN NEW YORK

	Aug. 2, 1934	Aug. 3, 1934	Aug. 4, 1934*	Aug. 6, 1934	Aug. 7, 1934	Aug. 8, 1934
Stock Exchange—Shares (Thous.)	560	460	300	780	610	690
Bonds (Value Thous. \$)	7,110	8,050	3,670	8,400	14,120	14,040
Curb—Shares (Thous.)	110	80	58	125	123	127

* Two-hour Session.

PARIS

The Bourse opened in quiet and hesitant fashion, on a scaling-down of professional commitments as a result of Wall Street uncertainties. Although business remained small, a better tone developed in later sessions, but some mid-week selling of Rentes led to irregularity. International issues, such as Suez Canal and Royal Dutch, showed slight improvements, but 5 1/2 per cent. German Loan receded further. On the Coulisse, rubber shares were well supported, and a sustained inquiry for leading gold mining shares put most quotations higher. Oil shares remained dull.

	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934
Banque de France	10,600	10,710	10,950	Wagons Lits	77	77 1/2
Crédit Lyonnais	1,940	1,995	1,995	Mexican Eagle	30 1/2	31 1/2
Suez Canal	18,580	18,740	18,880	"Chartered"	76	80
Chargeurs Réunis	135	137	129	Ford	55	54
Rio Tinto	1,244	1,255	1,270	De Beers	297	312
Royal Dutch	14,880	15,120	15,325	"Johnnies"	263	267 1/2

BERLIN

In consequence of the President's death the Bourse was closed from August 2nd to August 7th inclusive. On the three preceding days of trading shares declined sharply, chief losses falling to active stocks and popular favourites. Reichsbank, Deutsche-Disconto, Siemens and Halske, and Continental Gummi were some of the heaviest losers among leading issues. Minor shares were neglected and many were not quoted at all. Home bonds reacted moderately, the main declines occurring on Tuesday and Wednesday. Dollar bonds were irregular and predominantly weaker, but towards the end certificates were steady. At the re-opening on Wednesday this week substantial buying led to a general advance in quotations, leading industrial issues and Reichsbank being particularly strong.

	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934
Reichsbank	148.00	151.25	151.25	A. E. G.	23.50	24.60
D.D. Bank	60.50	62.00	62.00	Siemens & Halske	140.50	144.00
Dresdner (New)	64.50	64.75	64.75	A. K. U.	60.25	64.50
I. G. Farbenindustrie	145.10	149.40	149.40	Hamburg-Mer.	26.25	26.60
Norddeutscher Lloyd (New)	29.60	31.00	31.00	("HapagNew")		

AMSTERDAM

Dealers were unable to take a definite view of American developments, and the trend of the week's market was somewhat erratic. Commodity shares were generally better, rubber issues being in active demand, although quotations showed little tendency to advance after Tuesday. Sugar and tobacco shares also became stronger after a weak opening. Leading industrial issues fluctuated during the first half of the week without showing any appreciable net change.

	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 9, 1934
2 1/2% Dutch Loan	77 1/2	78	78 1/2	Steel Common	21 1/2	20 1/2
5 1/2% German	28	29 1/2	30 1/2	A. K. U.	33	33 1/2
Unilever N.V.	59 1/2	61 1/2	61 1/2	Ford Motor	189	201 1/2
Philips' Lamps	197 1/2	200 1/2	204 1/2	DeliBatavia Tob	137 1/2	141 1/2
Netherlands Ship Union	30	29	30 1/2	Royal Dutch	146	147 1/2
				Handels Ams	159 1/2	164 1/2

CAPITAL ISSUES

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to August 4, 1934, excluding conversions, £114,057,056.
Total recorded, January 1 to August 4, 1934, including conversions, £288,579,794.

National Savings Certificates.—Net receipts, week ended August 4, 1934, £59,000.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public	£	£	£	£	£
To Shareholders only	£	£	£	£	£
New Machavie Gold, 5s. ord. at par ...	330,000	...	330,000	330,000	...
Total	330,000	...	330,000	330,000	...

	Total Offered for Subscription—Including Conversions	Excluding Conversions	Total Offered for Subscription—Including Conversions	Excluding Conversions
Jan. 1 to date—	£	£	£	£
1934	288,909,794	114,387,056	1933	467,921,560
1933	228,279,605	133,856,640	1932	2,699,684,265†
1932	290,409,990	161,665,325	1931	114,200,666
1931	107,973,599	97,096,514	1930	693,100,058
1929	...	281,860,913	1928	369,058,073

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—	£	£	£	£
1934	70,947,528	12,356,356	31,083,172	114,387,056
1933	120,624,341	7,319,345	5,912,954	133,856,640
Whole year—	£	£	£	£
1932	212,917,900	45,062,600	111,177,600	369,158,100
1931	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	£	£	£
A. J. Caley, 150,000 5% Pref. £1	17,180,032	...	23,057,227
150,000	...	20/9	155,625
Marin Gold, 2,000,000 5s. Ord.	500,000	5/11	512,500
Austin Reed, 200,000 5% "A" Pref. £1	200,000	21/1 1/2	211,250
Total to date, 1934	18,030,032	...	23,936,602
Total to date, year 1933	25,714,051	...	27,600,435

BY STOCK EXCHANGE INTRODUCTION

Bright (John) and Brothers, Ltd.—£300,000 5 per cent. debenture stock secured by trust deed in favour of the Prudential Assurance Company as trustees. The stock will be redeemed on or before December 1, 1971, by means of a cumulative sinking fund of 1 per cent. per annum, commencing in the year ending December 1, 1935.

Kimingini Gold Mining Company, Ltd.—Particulars of issued capital, 1,200,000 shares of 10s. each. Company, promoted by Kentan Gold Areas, will acquire reef and alluvial mining claims, timber and mining interests over 10 square miles in Kakamega district of Kenya. Purchase consideration, £340,000 in cash. Kimingini reef now warrants production programme, samples averaging 15 dwts. over 3 feet, payable length of strike 1,200 feet. 12,200 feet underground work and considerable diamond and Banka drilling has been done. Mill erection will be commenced on delivery, and development to 500 foot level is in progress.

TO SHAREHOLDERS OF NEW WITWATERSRAND AREAS

New Machavie Gold Mining Company, Ltd.—Issue of 1,320,000 shares of 5s. each at par, as of right in proportion of 145 shares to 100 shares held on June 30, 1934. Company acquires properties of Old Machavie Company, and 2,305 adjoining claims for £370,000, satisfied by allotment of 1,480,000 shares. New company will liquidate old companies' debts to vendors of £48,000. 75 per cent. of all sections sampled have been found payable of average value 7.9 dwts. over 52 inches. Four compartment shaft commenced, estimated depth 550 feet.

(Continued on page 286)

THE COMING AMERICAN BOOM

By L. L. B. Angus

The long-promised inflation has at last begun. Millions will be made on the New York Stock Exchange. It is not impossible, the Author says, for Shares to regain their 1929 levels.

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THE ECONOMIST

THE ECONOMIST

[illegible]

IRON, COAL, &c.—cont.										Miscellaneous									
13/4	8/3	Nil	Nil	Haddfields 11	12/-	11/9	-3d	Nil	27/41	24/3	5/6	5/6	Aerated Soda	26/3	26/3	...	3 15	3	...
7/3	3/3	Nil	Nil	Har. & Wld. 6% Cm. Pt.	3/9	3/6	-3d	Nil	27/11	19/41	4/6	5/6	Allied Newspapers	22/3	22/6	...	4 8	10	...
24/3	18/71	24/6	14/6	Horn Collieries 11	19/41	19/41	...	3 17	3	12/71	8/9	15/6	Amal. Dental Def. 11	9/6	9/3	-3d	Nil	Nil	...
14/3	10/6	11/6	5/6	Humbert Bros.	18/9	17/6	-1/3	5	14	0	3	10/6	Amal. Press (10/-)	18/6	18/6	...	4 5	4	...
5/3	3/71	Nil	Nil	Pease and Partners 10/-	4/-	4/-	...	4	16	0	0	6/6	Army and Navy 10/-	29/41	29/41	...	5 19	0	...
21/3	16/9	14/6	5 (b)	Powell Duffryn 11	17/6	18/11	...	5	14	10	26/3	20/11	Assoc. P. Cement 11	33/6	34/-	+6d	4 2	2	...
25/3	20/6	34/6	14/6	Sheepbridge Cl & In 21	21/3	21/3	...	Nil	3/7	28/9	8/6	7/6	Barker (John) 11	68/9	68/9	...	4 7	6	...
26/10/1	21/9	3/6	Nil	S. Durham Ford. 11	22/6	22/6	...	Nil	76/7	5/6	10/6	10/6	Barry & Staines Lino	36/101	37/6	+71d	4 0	0	...
14/3	11/6	Nil	Nil	Steel & Iron B. Ord. 11	10/6	10/6	...	Nil	39/6	22/3	5/6	5/6	Boat's Pure Grid 5/-	45/3	46/-	+9d	3 3	0	...
36/1	5/9	43/4	4 (a)	Staveley Coal, &c. 11	32/6	35/-	+2/6	2	17	0	16/3	35/6	Boritt Defered 11	18/1	18/-	...	3 6	6	...
27/1	22/6	Nil	2 (a)	Stewarts & Lloyds 11	25/9	26/-	+3d	1	18	5	28/3	16/6	British Aluminium 11	28/-	28/-	...	3 10	0	...
17/41	4/9	24/6	Nil	Swan, Hunter 11	15/7	15/7	...	Nil	34/-	27/6	5/6	5/6	British Match 11	34/3	34/6	+3d	3 9	7	...
2/3	22/-	Nil	Nil	Thomas (Richard) 11	30/9	30/9	...	+3d	Nil	38/-	33/101	12/4	Brit. Amer. Tobacco 11	51	51 1/2	...	3 7	10	...
19/3	10/71	Nil	Nil	Thornycroft, John 11	12/6	12/6	...	+3d	4	8	8	120/6	British Oxygen 11	68/9	70/-	+1/3	2 13	5	...
6/61	33/41	Nil	Nil	U. States Steel 1000	33/41	33/41	...	Nil	8 1/2	7/6	20/6	20/6	Carreras "W. Ord. 11	51/3	51/3	...	2 11	7	...
22/3	20/71	...	...	United Steel Co. Ord 11	20/9	21/9	+1/-	7	28/6	17/-	171/6	121/6	Chinese Eng'g. 11	18/9	19/41	+71d	2 11	7	...
11/31	33/3	4/6	4 (c)	Vickers (6/8)	10/9	10/9	...	2	10	1	0	13/9	Crittall Manufg. 11	7/6	7/6	...	Nil	Nil	...
64/41	52/-	5 (a)	10 (b)	Whitehead Iron & Sd 11	63/9	63/9	...	4	14	1	0	55/6	DeHavilland Aircraft	61/3	61/3	...	2 9	0	...
7/-	4/9	5 (c)	5 (c)	B. Ctn. Wool Ds 5s	5/3	5/-	-3d	5	0	0	36/6	17/1	Dunlop 11	44/4	46/-	+2/-	3 9	7	...
13/6	6/71	Nil	Nil	Bleachers 11	6/101	7/6	+71d	3	6	10	30/6	28/3	Elec. & Musical Ind. 11	26/-	26/9	+9d	Nil	Nil	...
16/9	10/41	Nil	Nil	Bradford Dyers (11)	11/101	12/6	+71d	Nil	35/9	25/71	110/6	110/6	Fairley Aviation 10/-	30/-	30/-	...	3 6	9	...
14/6	8/81	Nil	Nil	Brit. Calender Co. (10/-)	8/9	8/9	+71d	Nil	76/7	50/6	30/6	30/6	Finlay (James) & Co. 11	76/3	76/3	...	2 7	6	...
56/41	42/4	121 (c)	133 (c)	Calico Printers 11	65/-	65/71	+71d	4	3 10	14/101	11/3	7/6	Gaumont-Brit. (10/-)	12/-	12/-	-71d	2 19	0	...
68/41	42/4	11 (a)	11 (a)	Coats, J. and P. (11)	45/-	46/101	+1/101	2	11	2	13/4	9/6	Goodlass Wall & Co. (10/11)	11/3	11/3	...	4 0	0	...
46/1	24/6	24/6	24/6	English Swg. Ctn. 11	42/6	42/6	...	4	15	0	130/-	92/6	Harrisons & Cros. Def. 11	125/-	125/-	...	2 0	0	...
13/9	6/3	24/6	24/6	English Wret. &c. 11	42/6	42/6	...	4	15	0	130/-	92/6	Harrods (B.A.) 15/- Ord	7/6	7/6	...	Nil	Nil	...
16/13	8/71	Nil	Nil	Fine Cotton Spinning 11	8/9	8/9	...	Nil	8/-	5/101	Nil	Nil	Horrods 11	73/9	72/6	-1/3	4 2	10	...
15/6	10/71	Nil	5 (c)	Henry (A. & S.) Ord. 11	10/71	10/101	+3d	9	4	0	10/9	7/9	Homers & Sons 11	38/9	38/9	...	2 11	3	...
13/6	27/9	3 (a)	3 (a)	Lincoln Thread Sd. (11)	28/101	26/101	...	4	9	3	42/6	3/6	Imperial Airways 11	35/6	35/9	+3d	4 3	11	...
12/6	7/9	Nil	Nil	Listers (11)	8/13	8/13	...	5	7	10/12	7/71	Nil	Imperial Ord. 11	8/11	8/11	...	3 1	1	...
7/43	9/9	Nil	Nil	Patons & Baldwins 11	46/9	46/9	+6d	Nil	39/11	21/6	21/6	21/6	Chemical J. Def. (10/-)	8/41	8/71	...	3 1	1	...
76/3	5/76	6 (c)	7 (c)	Patons & Baldwins 11	46/9	46/9	+6d	Nil	39/11	21/6	21/6	21/6	Chemical J. Def. (10/-)	8/41	8/71	...	3 1	1	...
42/6	28/9	5 (b)	5 (a)	Whitehead Iron & Sd 11	31/101	31/101	...	+1d	7/6	5/6	5/6	5/6	Imperial Snelg. Ord. 11	10/6	10/9	+3d	Nil	Nil	...
22/3	16/101	4 (c)	3 (c)	Associated Elec. (11)	18/-	18/-	+6d	3	4 11	32/8	32/8	10 cts.	Inter. Nickel of Can.	\$23	\$24	+1 1/2	...	...	...
75/41	56/9	5 (c)	10 (b)	British Insulated (11)	20/6	20/6	...	4	6	0	32/8	27/6	International Tea 5/-	30/9	30/9	...	4 18	0	...
27/41	22/9	6 (b)	6 (a)	Crompton Parkinson 5/-	25/6	25/6	...	4	14	0	30/111	27/101	Lever 7% Cum. 11	30/-	30/-	+3d	4 12	6	...
9/4	5/6	Nil	Nil	English Electric 11	5/71	5/71	...	Nil	68/9	62/-	10	10	Do. 20% Ft. H. Ord. 11	30/9	30/9	...	5 3	3	...
46/6	39/9	8 (c)	8 (c)	General Electric 11	45/71	45/-	-71d	3	11	1	98/-	78/71	London Brick 11	95/-	95/-	+1/3	4 0	0	...
6/13	18/6	7 (a)	22 (b)	Henleys (W. T.) (11)	6 1/2	6 1/2	...	4	19	0	6 1/2	15/6	Lyons (J.) 11	61	61	...	3 5	0	...
22/3	16/11	6 (c)	5 (c)	Johnson & Phillips 11	21/101	21/101	-11d	4	11 1/2	56/3	50/-	9 (b)	Manbre and Garton 11	53/9	54/41	+71d	4 15	7	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3	16/3	...	4	18	6	229/41	148/9	Marcks & Spencer A 10/-	219/9	225/-	+6d	1 11	1	...
8/41	18/6	5 (c)	5 (c)	Siemens 11	16/3														

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Cash bonus from capital accretions. (e) Including bonus 5% free of tax.
(f) Dividend for 15 months yield worked on a 5½ per cent. basis. (g) Based on a dividend of 15 per cent. (h) Yield worked on a 12½ per cent. basis. † Free of Income Tax.

(Continued from page 283)

CALLS DUE AUGUST 13 TO AUGUST 18, 1934

The grand total of calls falling due in August, 1934, is £6,367,141, which compares with £7,270,599 which fell due in August, 1933. The following calls fall due from August 13, 1934, to August 18, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
5/-	Marlu Gold (2,000,000 shares at par) ...	2/6	Aug. 13	2/6 p.s.
£100	Mufulira Copper (£1,000,000 5½% Deb. Stock at £101½) ...	£35	Aug. 17	All
2/-	Ratanui Rubber (offer of six new, credited £1/8 pd.) ...	2d.	Aug. 14	1/10 p.s.
5/-	Van Emden (40,000 shares at par) ...	1/-	Aug. 15	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Aug. 1, 1934	Price, Aug. 8, 1934
Airspeed (1934) Pref. Ord. 5/-	5/-	2/6	3d-4½d pm	4½d-7½d pm
Alicombe Estates 5% Deb.	100	50	1-1 pm	1-1 pm
Argentine 4½%	93	...	89½-90½	90½-91½
Boots Pure Drug New Ord. 5/-	15/-	Fypd	45/-45/6	45/9-46/3
British Aluminium Ord.	27/6	11/6	7½d-4½d dis	6d-3d dis
Do. do. 6% Cum. Pref.	24/6	10/-	par-3d pm	3d-6d pm
Do. do. 4% Deb.	99	Fypd	2½-2½ pm	10½-102½
British Ropes 4½% Deb.	99	Fypd	99-100	99½-100½
Brookes (W. J.) and Sons Ord. 5/-	...	...	6½-6½	6½-6½
Do. do. 6% Cum. Pref. £1	...	...	21/-21/4	21/11-21/4
Burtol Cleaners 5/-	5/-	3/-	1/6-1/- dis	1s-6d dis
Caley (A. J.) and Son 5% Pref.	...	10/-	9d-1/- pm	3d-9d pm
Canada 3½%, 1934-64	96½	6½	1-1 pm	1-1 pm
Carlton Main Colliery 4½% Deb.	102½	27½	1-1 pm	1-1 pm
Criterion Restaurants 4% Deb.	98½	10	1-1 pm	1-1 pm
Dale (John) 5½% Pref.	...	...	20/9-21/3	20/9-21/3
Gold Ex. & Finance Aust. Ord.	...	...	7/3-7/7½	7/3-7/7½
Greenwood (John) Millers, 1934, Ord.	5/-	Fypd	22/-22/6	22/-22/6
Do. do. 5½% Pref.	5/-	Fypd	39/3-40/3	39/3-40/3
Griffiths Hughes Prop., Ord.	...	...	1/4½-1/7½ pm	1/7½-1/10½ pm
Do. 5½% Cum. Pref. £1	20/-	10/6	5/11-5/4½	5/11-5/4½
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	Fypd	98½-99½	98½-99½
Do. do. 5% Deb.	100	Fypd	10/6	10/6
Ideal Bolders & Radiators 5% Pref. £1	20/6	10/6	23/-24/-	23/-24/-
Jackson Brothers 6½% Pref.	...	...	20/10½-21/4	20/10½-21/3
Jones (A.) and Sons Ord. 1/-	par	Fypd	11/3-11/6	11/3-11/6
Do. do. 6½% Pref. £1	par	Fypd	5/-5/3	5/-5/3
Kentian Gold (10/-)	10/-	5/-	5/11-5/4½	5/11-5/4½
Kierksdorp Cons. 5/-	5/-	Fypd	1-1 pm	1-1 pm
Marlu Gold 5/-	100	15	1-1 pm	1-1 pm
Mayfair & Gen. Prop. 5% Deb.	98	23	1-1 pm	1-1 pm
Mersey Docks 3½% Deb.	7/6	Fypd	20/-20/6	20/-20/6
Mount Morgan 5/-	5/-	Fypd	4/4½-4/10½	4/4½-4/10½ op
Murchison Gold 5/-	88	Fypd	99½-100	100-101
New London Properties 4½% Deb.	100	5	1-1 pm	1-1 pm
New Zealand 3½%, 1935-60	21/6	Fypd	23/3-23/9	23/3-23/9
Pitman (Sir L.) 5½% Pref.	20/9	4/-	9d-3d dis	6d dis-par
Powell Duffryn Pref. Ord. 5/-	...	...	20/9-21/3	21/-21/6
Reed (Austin) 5% A. Pref.	2/-	Fypd	2/7½-2/10½	2/6-2/9
South Bank Areas 2/-	100	55	1½-1½ pm	1½-1½ pm
Somerset 3½%, 1935-64	21/-	Fypd	25/3-25/9	25/3-25/9
S. African Distillers Ltd.	...	...	1-1 pm	1-1 pm
S. Rhodesia 3½%, 1935-65	25½	10/-	1/-1/6 pm	1/11-1/7½ pm
Stanton Iron, New 6% Pref. £1	100	25	2-2½ pm	1½-2½ pm
Stewarts and Lloyds 4% Deb.	100	50	1-1 pm	1-1 pm
Stockport 3½%, 1934-64	5/-	20	1-1 pm	1-1 pm
Thistle Etna Gold	93½	20	1-1 pm	1-1 pm
Trust Houses 3½% Deb.	...	...	37/9-38/3	21/8-22/9
Tunnel Portland Cement B Ord 10/-	21/6	Fypd	20/-21/-	20/-21/-
United Steel £1	100	55	1-1 pm	1-1 pm
Walsall 3½%	5/-	Fypd	3d dis-3d pm	3d dis-3d pm
Watende Mines (Kenya) 5/-	21/-	Fypd	2/-1/6 dis	19/3-19/6
Welsh Ass. Collieries 5½% Cum. Pref. £1	100	25	3½-3 dis	3½-3 dis
Do. do. 4½% Deb.	12/6	Fypd	10/-10/6	9/3-9/9
West (Butchers) Ord.	25/-	Fypd	21/6-22/3	21/6-22/3
Whiteways Cyder Ord. £1	25/-	Fypd	40/6-41/6	40/6-41/6
Do. do. 6% Pref.	21/-	Fypd	25/3-25/9	25/3-25/9

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation			Corresponding Period Last Year	
					Dividend		Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit
					Prefce.	Ordinary			
					Amount	Amount	Rate		Dividend
Breweries		£	£	£	£	£	%	£	%
Clarkson's Old Brewery, Barnsley	June 30	4,610	13,967	18,577	3,900	6,500	10	3,000	10,039
Friary Holroyd & Healy's...	June 30	23,487	123,134	146,621	20,936	59,245	10	40,000	74,284
Gas									
Malton Gas	June 30*	5,573	1,757	7,330	...	1,500	6½	5,830	1,377
Hotels, Restaurants, etc.									
Grosvenor House (Park Lane)	June 30	66,236	45,129	111,365	15,000	25,000	5	17,685	14,115
Honywood Hotels	Apr. 30	13,754	5,679	19,433	...	...	...	19,433	3,780
Shops and Stores									
Owen and Robinson	May 31	11,002	5,596	16,598	2,100	1,050	6	13,448	...
Textiles									
Tootal Broadhurst Lee	June 30	17,786	82,080	99,866	15,250	65,844	10	18,773	100,449
Other Companies									
Buell Combustion Co.	Dec. 31	Dr. 18,470	Dr. 5,315	Dr. 23,785	...	...	...	Dr. 23,785	1,110
Frank Mason and Co.	Mar. 31	126	1,949	2,075	...	...	...	2,075	1,947
Salter & Salter (1900)	June 30	Dr. 37,736	Dr. 773	Dr. 38,509	...	...	...	Dr. 38,509	2,230
Wilson Bros. Bobbin Co.	July 15	6,931	18,830	25,761	...	14,250	5	7,000	22,820

* Six months.

† Free of income tax.

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash		Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
	Interim div.	Final div.					
Bent's Brewery	5%*	...	...	...	Unchanged	...	...
Boddingtons' Breweries	2%*	...	...	Aug. 31	Unchanged	...	...
Bushell, Watkins and Smith	10%*	...	...	Aug. 11	Unchanged	...	...
Clarkson's Old Brewery, Barnsley	5%*	...	...	...	Unchanged	...	...
Clyde Valley Electrical	3%*	...	...	Sept. 20	Unchanged	...	...
Courage and Co.	6%*	...	...	...	Unchanged	...	...
Derby Gas Light	3½%*	...	...	...	Unchanged	...	...
Du Bois and Co.	4%*	...	...	Aug. 13	...	...	...
Friary Holroyd and Healy's	...	...	...	...	...	...	...
Grosvenor House (Park Lane)	...	...	...	...	...	...	...
Henry Briggs, Son and Company	5%*	...	...	Aug. 23	...	...	...
Huletts S. Afr. Refineries	...	...	...	...	...	...	...
Hyde's Bird Seeds	...	...	...	...	...	...	...
Irrawaddy Flotilla	12½%*	...	...	Sept. 14	...	...	...
John Bolding and Sons	4%*	...	...	Aug. 21	...	...	...
Law Land	...	...	...	...	Unchanged	...	...
Northampton Electric Light	4%*	...	...	Aug. 27	...	...	...
Northern Corporation	6%*	...	...	...	Unchanged	...	...
Openshaw Brewery	4%*	...	...	...	Unchanged	...	...
Owen and Robinson	14%*	...	...	...	Unchanged	...	...
Oxford and District Gas	5%*	...	...	...	Unchanged	...	...
Pries, Tailors	...	...	...	...	Unchanged	...	...
Richmond (Surrey) Electric	4%*	...	...	Sept. 15	Unchanged	...	...
Romford Gas	12½%*	...	...	Sept. 29	Unchanged	...	...
Rowton Houses	12½%*	...	...	Sept. 29	Unchanged	...	...
Ryder and Son	...	...	...	...	Unchanged	...	...
Sandown Park	2½%*	...	...	Aug. 8	Unchanged	...	...
Saxone Shoe	2½%*	...	...	...	Unchanged	...	...
Shawinigan Water	13 Cts. ps.	...	...	Aug. 15	Unchanged	...	...
Sheffield Pure Ice	5%*	...	...	...	Unchanged	...	...
Sheppy Gas	2½%*	...	...	Sept. 1	Unchanged	...	...
South London Electric	3%*	...	...	Sept. 29	Unchanged	...	...
South Shields Gas	2½%*	...	...	...	Unchanged	...	...
South Staffordshire Waterworks	3%*	...	...	Sept. 1	Unchanged	...	...
Spratt's Patent	5%*	...	...	Aug. 11	Unchanged	...	...
Sunderland and South Shields	...	...	...	...	Unchanged	...	...
Water	3½%*	...	...	Sept. 1	Unchanged	...	...
Swansea Gas Light	2½%*	...	...	...	Unchanged	...	...
Taylor Walker and Co.	3½%*	...	...	Oct. 4	...	...	...
Third Guardian Trust	1%*	...	...	...	Unchanged	...	...
Timpson (William)	5%*	...	...	July 31	Unchanged	...	...
Totol Broadhurst, Lee	...	...	...	...	Unchanged	...	...
Tottenham, etc., Gas	3½%*	...	...	Aug. 9	Unchanged	...	...
United States and General Trust (Def.)	2%*	...	...	Aug. 14	Unchanged	...	...
Wandsworth and District Gas	3½%*	...	...	Sept. 1	Unchanged	...	...
Watney Combe Reid and Co.	8%*	...	...	Aug. 18	Unchanged	...	...
Western Wagon and Property	5%*	...	...	Aug. 2	Unchanged	...	...
Woolcombers	15%*	...	...	Aug. 24	Unchanged	...	...
Yardley and Co.	12½%*	...	...	...	Unchanged	...	...
Yorkshire Dyeing and Proofing	...	...	...	...	Unchanged	...	...
Yorkshire Electric Power	3%*	...	...	Aug. 1	Unchanged	...	...

† Free of income tax.

BURMA CORPORATION, LTD.—The board of directors have declared a final dividend of 2½ annas per share for the year ended June 30, 1934, payable on October 10th to shareholders registered on September 11, 1934, free of Indian and British income taxes. Shareholders on the London register will be paid at an exchange rate of 1s. 6d. per rupee (equal to 2½d. per share).

LONDON TRANSPORT "C" STOCK.—In order to prepare the warrants for interest payable September 10, 1934, a balance of the stock will be struck on the night of Friday, August 10, 1934. On and after Saturday, August 11th, the stock will be transferable ex-dividend.

NATIONAL FIXED INVESTMENT TRUST, LTD.—Midland Bank Executor and Trustee Company, Ltd., announce that the second half-yearly income distribution upon National Fixed Trust certificates of Unit "B" will be paid to registered certificate holders at the rate of 7-64/10d. net per sub-unit on the due date, August 15, 1934.

WILLIAMS DEACON'S BANK, LTD., give notice that in order to prepare the interest warrants, due September 1, 1934, on Wolverhampton Corporation 3% Stock, 1924-54, the books will be closed from August 18th to August 31st, inclusive.

COMPANY MEETINGS, &c.

GROSVENOR HOUSE (PARK LANE), LIMITED

STEADY IMPROVEMENT IN RESULTS

The 6th ordinary general meeting of Grosvenor House (Park Lane), Limited, was held, on the 9th instant, at Grosvenor House, Park Lane, London.

Mr Arthur O. Edwards (chairman and managing director) said that the total profit for the year amounted to £102,533, and the net profit was £52,393. Their trading throughout the year under review had been very steady and the indications were that the forthcoming year would be at least as good as the one which had just ended. Having regard to those facts the directors proposed the distribution of a dividend of 5 per cent. on the ordinary shares. That left to carry forward to next year the substantial balance of £53,679.

The results for the past financial year had not been due to any special cause, but their income had steadily improved throughout the year and showed increases month by month on the corresponding months of the previous year. The consensus of opinion among the leading economists was that Great Britain had fared better than most countries in the depression through which they had passed and that they were emerging from the depression better than most. In his view the emergence was of the slow and sure type, and that comparatively satisfactory position of Great Britain was a sound background for the company's business.

They could not, of course, estimate the effect of the turmoil and economic eruption which had taken place, and still was taking place, abroad, but there was no doubt whatsoever in his mind that the general position was much better to-day than it had been a year ago. The number of visitors showed a general increase, and it was gratifying to note that the increase was derived from foreign countries—including the United States—and Dominions and Colonies, as well as from Great Britain. They were constantly improving their rooms and service, and the proportion of returning guests was indicative of the satisfaction that they succeeded in giving.

The demand on their accommodation for banquets and receptions had been good, and they had decided to convert their ice rink into a magnificent ballroom. That ballroom would be

the only first-class ballroom in London which could accommodate from 1,000 to 2,000 guests.

The report and accounts were unanimously adopted, and the proposed dividend of 5 per cent. on the ordinary shares was approved.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 4, 1934, amounted to £13,838,000, against ordinary expenditure of £17,008,000. After allowing for an increase in Exchequer Balances of £253,015 the operations for the week, as shown below, increased the National Debt by £3,423,000 to approximately £8,079 millions.*

(000's omitted)

Public Department Advances	+ 6,200	Treasury Bills	— 2,813
National Savings Certificates	+ 50	N. Atlantic Shipping Issues	— 25
Land Settlement Repayments	+ 11		
	+ 6,261		— 2,838

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Aug. 4, 1934	April 1, 1933, to Aug. 5, 1933	Week ended Aug. 4, 1934	Week ended Aug. 5, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	34,625,000	30,659,000	5,082,000	3,686,000
Sur-tax	50,000,000	6,400,000	7,490,000	1,600,000	200,000
Estate, etc., Duties	76,000,000	31,720,000	33,880,000	1,420,000	9,690,000
Stamps	25,000,000	5,510,000	4,680,000	250,000	400,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	130,000	130,000	...	...
Total Inland Revenue	372,500,000	78,385,000	76,819,000	6,912,000	14,076,000
Customs and Excise—					
Customs	183,650,000	64,627,000	60,997,000	3,567,000	3,169,000

The aggregate revenue and expenditure to August 4, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO AUGUST 4, 1934

(000's omitted)			
	£	Revenue	194,232
Expenditure	248,907		
Increase in balances	248		
Less—			
New Sinking Fund	1,470*		
Net borrowing	249,155		249,155

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Aug. 5, '33	Mar. 31, '34	Aug. 4, '34	Aug. 4, '34
Advances by Public Department	37,820,000	44,900,000	39,600,000	+ 6,200,000
Treasury Bills outstanding	982,850,000	799,810,000	828,315,000*	- 2,815,000
Total Floating Debt	1,020,670,000	844,710,000	867,915,000	+ 3,385,000

* Includes £5,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 in Treasury bills were opened on August 3, 1934, and the total amount applied for was £47,695,000. Tenders were accepted for Treasury bills at three months, dated Tuesday to Friday, at £99 16s. 3d., about 26 per cent., and above in full; Saturday, at £99 16s. 4d., and above in full. The average rate per cent. was 14s. 4-76d. The amount allotted was £37,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1932	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
January 1933	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
January 1934	35,000,000	76,280,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
June 29	35,000,000	84,285,000	35,000,000	0 18 11-64
July 6	35,000,000	62,745,000	32,000,000	0 18 4-14
July 13	35,000,000	65,405,000	32,000,000	0 15 7-72
July 20	35,000,000	59,570,000	31,220,000	0 15 0-14
July 27	35,000,000	79,430,000	35,000,000	0 13 9-92
August 3	40,000,000	47,695,000	37,000,000	0 14 4-76

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended July 14, 1934	658,279	526,833
Week ended July 21, 1934	639,672	511,737
February, 1916, to July 21, 1934	1,192,231,749	939,395,149

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,033,273.

FOR BANKING IN FINLAND

KANSALLIS-OSAKE-PANKKI

ESTABLISHED 1889

Head Office: HELSINGFORS

OUR NETWORK OF BRANCHES,
BY FAR THE LARGEST IN
FINLAND, COMPRISING

189 BRANCHES

ENSURES PROMPT AND EFFICIENT
EXECUTION OF YOUR

COLLECTIONS AND PAYMENT ORDERS

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, August 8th, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£
In Circulation	392,806,331	Other Government Securities	244,777,596
In Banking Department	53,870,629	Other Securities	741,930
		Silver Coin	3,465,374
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	191,676,960

BANKING DEPARTMENT

Proprietors' Capital	£	Government Securities	£
Rest	3,538,227	Other Securities	83,253,781
Public Deposits	23,832,943	Discounts and Advances	£6,985,141
Other Deposits	35,680,031	Securities	£10,072,569
Bankers' Accounts	£82,001,205		
Other Accounts	£35,680,031		
7-day and Other Bills	117,661,236		
	6,683		
	159,692,089		159,692,089

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

Both Departments	Amount, August 8, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	392,806,331	+ 3,496,616	+ 7,831,819
Public deposits	23,832,943	+ 12,022,979	+ 4,470,856
Bankers' deposits	82,001,205	- 14,505,750	- 10,792,502
Other deposits	35,680,031	- 1,266,691	- 12,239,292
Seven-day bills	6,683	+ 232	+ 5,112
Total outside liabilities	534,357,193	+ 253,084	+ 10,723,007
Capital and rest	18,141,227	+ 267	+ 14,955
Government debt and securities	339,046,477	+ 1,502,882	+ 4,002,631
Discounts and advances	6,985,141	+ 1,883,807	+ 4,050,724
Other securities	10,814,499	+ 97,061	+ 3,167,365
Silver coin in issue department	3,465,374	+ 1,711	+ 174,250
Gold and bullion (bank's reserves)	192,186,929	+ 29,136	+ 657,008
Reserves of notes and coin in banking department	59,380,598	- 3,467,480	- 7,174,811
Proportion of reserve to outside liabilities			
(a) Banking Department only ("proportion")	41-9%	- 1-3%	+ 0-9%
(b) Gold stocks to deposits and notes ("reserve ratio")	36-0%	...	+ 0-9%

(000's omitted)

Date	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits	Gold in or out of Bank	Ratio
1934							
July 4	451,461	385,793	26,650	94,880	37,497	Nil	2 2
" 11	451,524	384,626	17,433	97,285	36,178	62 in	2 2
" 18	451,580	383,889	20,644	96,681	35,809	58 in	2 2
" 25	451,580	383,949	10,839	104,788	36,093	Nil	2 2
Aug. 1	451,621	389,310	11,860	96,507	36,927	41 in	2 2
" 8	451,677	392,806	23,883	82,001	35,680	56 in	2 2

(000's omitted)

Date	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Dis- counts & Advances	Other Securities	Reserve and the "Pro- portion"
1934							
July 4	255,331	1,206	192,151	35 1/2	82,827	17,062	10,818
" 11	255,657	881	192,155	35 1/2	82,847	7,832	10,958
" 18	256,120	414	192,179	35 1/2	83,187	7,463	12,484
" 25	256,224	312	192,154	35 1/2	83,467	7,532	10,746
Aug. 1	256,295	241	192,158	35 1/2	81,249	8,869	10,478
" 8	255,793	742	192,187	36	83,254	6,985	10,073

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to July 25	17,727,491	1,015,603	1,712,918	20,456,012
Week ended August 1	578,323	33,496	52,773	665,592
Week ended August 8	418,496	35,262	60,458	515,216
Total to date, 1934	18,726,305	1,084,361	1,826,149	21,636,815
Total to date, 1933	16,503,387	1,022,166	1,679,203	19,204,756
Increase or decrease in 1934	+ 2,222,918	+ 62,195	+ 146,946	+ 2,432,059
	- 13-5%	+ 6-1%	+ 8-7%	- 12-7%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 46,268	+ 98,552	+ 25,667
	- 0-4%	- 2-8%	- 3-6%	- 0-07%

PROVINCIAL (000's omitted)

No. of working days...	Week ended Aug. 4		Month of July				Aggregate Totals, January 1 to Aug. 4	
	1933	1934	1933	1934	Inc. # Dec.	%	1933	1934
BIRMINGHAM	3,194	3,181	11,527	9,973	-13-4	-11-67	73,461	73,461
BRADFORD	1,091	1,011	4,123	3,485	-15-4	-25-59	28,592	28,592
BRISTOL	1,371	1,297	5,012	4,935	-1-5	-33-89	36,800	36,800
DUBLIN	4,661	4,918	3,657	3,279	-10-3	-161-660	161,247	161,247
HULL	742	788	4,016	4,093	+1-9	-21-944	22,730	22,730
LEEDS	821	1,027	2,028	1,986	-2-0	-27-152	29,216	29,216
LEICESTER	678	747	3,021	2,844	-5-8	-19-636	20,113	20,113
LIVERPOOL	7,143	6,289	29,082	27,658	-4-8	-181-412	186,261	186,261
MANCHESTER	10,874	11,061	41,664	42,255	+1-4	-287-898	300,760	300,760
NEWCASTLE	1,624	1,662	5,840	5,261	-9-8	-44-022	46,700	46,700
NOTTINGHAM	605	608	2,028	1,986	-2-0	-15-808	19,930	19,930
SHEFFIELD	1,109	1,147	3,430	3,595	+4-8	-23-726	26,155	26,155
	33,913	33,731	112,900	110,364	-2-2	-911-441	946,265	946,265

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. Canada, Portugal, Java, in July 28. Italy, Norway, Roumania, Latvia, Finland, Turkey, Egypt, in August 4.

BANK FOR INTERNATIONAL SETTLEMENTS.

(In Millions of Swiss Francs)

Assets	July 31, 1933	Apr. 30, 1934	May 31, 1934	June 30, 1934	July 31, 1934
Gold in bars	5-1	28-2	26-0	16-0	14-8
Cash	8-5	4-6	10-4	5-6	5-0
Sight funds	32-5	11-8	12-0	10-2	10-8
Bills and acceptances:—					
Commercial bills	231-3	161-0	163-1	150-0	139-0
Treasury bills	178-5	195-2	196-2	185-6	208-1
Time funds:—					
Not exceeding 3 months	106-2	98-6	41-4	37-7	38-2
Sundry bills and investments	152-9	220-5	222-1	228-8	227-5
Other assets	1-2	9-8	9-6	10-1	10-0
LIABILITIES					
Capital paid up	125-0	125-0	125-0	125-0	125-0
To the State	13-7	13-7	17-3	17-3	17-3
Special deposits:—					
Annuity trust account	154-4	153-6	153-6	153-6	153-6
German Government deposit fund	77-2	76-8	76-8	76-8	76-8
French Government guarantee fund	49-8	40-4	40-8	40-8	40-8
Time deposits of Central Banks:—					
Not exceeding 3 months:—					
For their own account	128-4	106-1	107-2	107-0	109-0
For account of others	...	...	...	...	...
Other sight deposits	...	...	...	...	...
Sight deposits of Central Banks:—					
For their own account	101-4	45-8	57-2	31-3	39-2
For account of others	12-0	9-3	9-2	6-5	14-7
Other deposits	3-2	1-0	1-0	1-0	0-9
Sight deposits—gold	5-1	28-2	25-7	15-6	14-7
Miscellaneous items	46-0	69-7	57-6	59-6	61-4
Profits for distribution on July 1	...	...	...	...	9-4

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

RESOURCES	Aug. 11, 1933	July 13, 1934	July 25, 1934	Aug. 1, 1934	Aug. 8, 1934
Gold Certificates on hand and due from the Treasury	3,826,620	4,847,630	4,873,170	4,906,010	4,929,550
Total reserves	5,101,460	5,133,120	5,155,900	5,173,870	5,173,870
Total cash reserves	248,850	228,620	235,330	225,630	219,990
Total bills discounted	156,270	23,250	21,300	21,370	20,550
Bills bought in open market	2,640	5,260	5,270	5,210	5,200
Total bills on hand	163,910	28,510	26,570	26,580	25,750
Total U.S. Govt. securities	2,048,280	2,431,790	2,432,050	2,431,780	2,431,760
Total bills and securities	2,214,040	2,460,780	2,459,920	2,458,830	2,457,980
Total resources	6,506,190	8,150,330	8,120,970	8,176,210	8,134,980
LIABILITIES					
Federal Reserve notes in actual circulation	2,999,240	3,084,820	3,060,240	3,078,820	3,085,330
Federal Reserve Bank notes in circulation	126,560	38,560	33,740	33,860	33,180
Deposits—Memberbank—re-serve account	2,375,870	3,987,310	4,020,030	3,914,810	4,059,070

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

Assets	July 29, 1933	July 7, 1934	July 14, 1934	July 23, 1934	July 31, 1934
Gold reserve	249,694	275,003	275,623	276,023	276,563
Government securities—Swedish	260,296	151,062	151,062	151,062	151,062
Foreign	37,230	37,230	37,230	39,104	39,104
Gold abroad not included in the gold reserve	86,845	94,868	94,775	94,715	94,634
Bills payable in Sweden	36,852	11,537	11,252	10,400	9,728
" " abroad	4,116	351,501	351,427	351,381	351,368
Balance abroad	303,438	55,896	57,050	62,253	66,558
Advances	36,202	33,723	34,163	34,264	27,488
LIABILITIES					
Notes in circulation	530,042	594,073	581,785	558,137	611,763
Government deposits	151,992	160,182	151,281	146,766	130,406
Private deposits	281,188	280,190	312,464	339,558	308,268

NATIONAL BANK OF DENMARK—In kroner (000's omitted)

Assets	Position, May 30, 1934	July 31, 1933	Apr. 30, 1934	May 31, 1934	June 30, 1934	July 31, 1934
Coin and bullion	76,644	133,178	133,157	133,152	133,150	133,147
Loans & discounts	88,470	107,586	145,564	149,700	159,176	127,658
Debtors abroad	24,102	34,436	5,250	4,605	4,492	3,865
Securities	11,988	111,850	152,817	158,851	170,360	149,714
LIABILITIES						
Circulation	157,266	327,931	366,170	357,679	379,555	358,973
Deposits	6,698	115,830	110,526	118,293	136,384	133,253

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

Assets	Position, May 30, 1934	Aug. 5, 1934	July 14, 1934	July 21, 1934	July 28, 1934	Aug. 4, 1934
Gold	521,775	2,258,757	2,263,650	2,263,863	2,263,979	2,264,220
Silver	728,600	639,501	678,942	681,231	683,539	681,656
Loans & Discounts	800,725	2,692,188	2,456,419	2,639,792	2,577,232	2,568,449
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,474
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES						
Notes in circulation	901,550	4,843,766	4,619,632	4,560,525	4,535,284	4,617,497
Deposits	477,500	897,424	993,370	829,510	905,119	884,824

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

Assets	July 31, 1933	July 7, 1934	July 15, 1934	July 23, 1934	July 31, 1934
Cash reserve	149,683	241,396	241,429	241,478	241,525
Gold coin and bullion	39,039	36,099	31,975	35,851	40,413
Foreign exchange	7,982	247,226	249,061	244,621	247,816
Other foreign exchange	239,802	658,944	624,444	624,444	624,444
Bills discounted	558,944	624,444	624,444	624,444	624,444
Federal debt	558,944	624,444	624,444	624,444	624,444
LIABILITIES					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	364,260	336,552	324,264	309,190	363,630
Current accounts, deposits, etc.	72,162	61,665	67,282	73,108	44,704
Cash certificates	150,000	117,722	117,722	117,722	117,722
Other liabilities	200,027	169,705	170,709	170,645	174,121

* In dollar and sterling only.

† In accordance with Art. 53 of the Statutes.

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

Assets	July 31, 1933	July 7, 1934	July 15, 1934	July 23, 1934	July 31, 1934
Metal reserve	96,570	78,891	78,891	78,932	78,932
Gold coin and bullion	11,168	11,549	12,275	10,162	12,575
Drafts and notes	9,080	11,740	12,731	13,644	10,626
Silver coin and bullion	468,187	533,263	525,257	515,302	546,465
Inland bills, warrants and securities	50,300	47,450	47,450	47,450	47,450
Advances to Treasury	50,300	47,450	47,450	47,450	47,450
LIABILITIES					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	364,260	336,552	324,264	309,190	363,630
Current accounts, deposits, etc.	72,162	61,665	67,282	73,108	44,704
Cash certificates	150,000	117,722	117,722	117,722	117,722
Other liabilities	200,027	169,705	170,709	170,645	174,121

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

Assets	July 31, 1933	July 7, 1934	July 15, 1934	July 23, 1934	July 31, 1934
Gold	1,706,755	2,662,867*	2,662,852*	2,662,864*	2,662,857*
Balances abroad and foreign currency	932,481	20,134	25,856	25,326	26,393
State notes and advances	1,717,557	1,949,892	1,899,644	1,470,196	1,397,855
Disposals and advances	2,618,900	2,127,148	2,126,858	2,126,333	2,125,430
Other assets	655,626	723,189	635,646	690,693	716,235
LIABILITIES					
Bank notes in circulation	6,253,407	5,559,439	5,361,149	5,097,777	5,220,815
Check account balances	555,055	707,328	969,730	1,134,706	926,839
Other liabilities	373,518	364,453	287,967	290,919	329,106

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

Assets	July 31, 1933	July 15, 1934	July 22, 1934	July 31, 1934
Cash reserve	1,797,330	1,785,243	1,787,743	1,791,601
Gold at home and abroad	97,617	95,623	104,378	104,051
Foreign exchange	40,750	22,828	20,039	19,439
Other foreign exchange	2,251,901	1,809,879	1,814,436	1,817,659
Bills and advances against security	1,815,818	1,719,051	1,719,144	1,719,306
Government advances	1,815,818	1,719,051	1,719,144	1,719,306
LIABILITIES				
Notes in circulation	4,305,579	4,112,653	4,035,250	4,169,967
Sight deposits	1,037,309	1,176,837	1,234,826	1,160,298
Time deposits	1,312,501	885,736	878,386	865,894

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

Assets	July 15, 1934	June 22, 1934	June 30, 1934	July 7, 1934	July 14, 1934
Gold and silver holdings	1,520,908	1,546,675	1,546,675	1,546,675	1,546,675
Balances abroad and foreign currencies	137,707	76,952	80,025	79,351	90,822
Discounts and advances	859,642	1,040,454	1,059,980	1,034,670	1,031,291
Advances to the Treasury	2,872,872	2,732,898	2,782,525	2,782,525	2,782,525
LIABILITIES					
Capital paid up	500,000	500,000	500,000	500,000	500,000
Reserves	1,192,542	1,237,282	1,237,454	1,237,657	1,237,657
Bank notes in circulation	2,609,303	2,557,592	2,604,791	2,670,189	2,621,546
Sight liabilities	1,639,011	1,678,124	1,645,442	1,540,439	1,619,357
Deposits	201,244	144,659	143,843	143,587	143,587

BANK OF GREECE—In drachmae (000's omitted)

Assets	July 23, 1933	June 30, 1934	July 7, 1934	July 15, 1934	July 23, 1934
Gold and gold exchange	3,119,977	4,209,054	3,359,152	3,398,175	3,461,943
State Gold Bonds	653,754	640,507	640,507	640,507	640,507
Other foreign exchange	2,639	2,759	2,545	2,717	2,702
Bills discounted	202,581	217,789	218,944	222,068	228,590
Advances	2,259,445	3,936,747	4,201,644	4,253,423	4,278,220
Debt to the State	2,714,111	2,714,111	2,714,111	2,714,111	2,714,111
LIABILITIES					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	4,692,156	5,130,883	5,176,352	5,140,082	5,096,714
Deposits and current accounts	4,504,897	7,012,974	6,150,891	6,256,139	6,330,333
Foreign exchange liabilities	224,808	55,994	62,033	64,986	82,740

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

Assets	July 31, 1933	June 30, 1934	July 10, 1934	July 20, 1934	July 27, 1934
Gold	472,781	490,065	490,134	491,161	491,703
Foreign exchange and balances	81,157	43,249	44,144	41,378	40,109
Bills discounted	633,260	602,846	588,624	581,858	612,777
Loans against securities	119,355	68,165	61,920	55,570	64,555
Reserve fund securities	91,141	92,097	91,662	91,662	91,662
Advances to State	90,000	90,000	90,000	90,000	90,000
LIABILITIES					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	114,000	114,000	114,000	114,000	114,000
Notes in circulation	1,007,523	938,458	906,981	879,403	907,611
Current accounts	173,932	190,941	190,026	214,959	222,956

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

Assets	July 23, 1933	June 30, 1934	July 7, 1934	July 15, 1934	July 23, 1934
Gold coin and gold bullion	19,239	20,473	20,482	20,484	20,489
Net foreign exchange	1,132	7,581	7,295	8,261	8,864
Subsidiary Estonian coin	2,000	1,719	1,718	1,711	1,555
Home bills discounted	7,883	8,354	8,210	8,181	7,923
Loans and advances	10,797	7,807	6,065	4,821	5,119*
Theor. loan to Government	4,100	2,500	2,000	1,000	1,000
LIABILITIES					
Notes in circulation	30,541	32,183	31,478	31,354	35,421
Sight deposits and current accounts	12,221	16,619	15,115	14,397	12,778
Ratio of reserve to current liabilities	47-64%	57-48%	59-62%	62-83%	63-54%

* Includes Ekr. 2,240 guaranteed by the Government.

BANK OF LITHUANIA—In Lt. (000's omitted)

Assets	July 31, 1933	May 31, 1934	June 15, 1934	June 30, 1934	July 15, 1934	July 31, 1934
Gold	49,825	54,237	55,249	55,254	55,273	55,277
Silver and other coins	4,534	4,034	4,070	4,013	3,936	4,096
Foreign currency	10,933	11,944	9,851	9,308	9,193	8,868
Discounts	71,516	68,740	68,311	72,402	72,217	71,237
Advances	9,301	10,726	10,777	10,779	10,624	10,674
LIABILITIES						
Capital	12,000	12,000	12,000	12,000	12,000	12,000
Reserve	4,130	2,230	2,230	2,230	2,230	2,230
Bank notes in circulation	92,134	82,601	79,841	83,593	81,278	83,867
Current accounts	21,398	24,371	33,411	27,467	40,319	32,966
Deposits	25,002	37,259	29,493	35,423	24,562	27,865

BANK OF DANZIG—In Danzig gulder (000's omitted)

Assets	July 31, 1933	May 15, 1934	May 31, 1934	June 15, 1934	June 30, 1934	July 14, 1934
Gold coin and bullion	35,050	25,987	26,984	26,984	26,984	26,984
Danzig subsidiary coin	3,773	4,063	3,811	4,054	3,537	3,751
Balances abroad & foreign bills	7,595	20,061	19,554	16,992	20,549	14,604
Advances	677	10	178	238	55	8
Discounts	8,627	13,725	15,561	13,829	16,906	13,592
Other bills	48	54	47	61	100	57
LIABILITIES						
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	37,531	37,311	40,706	37,311	41,675	38,845
Deposits on demand	8,863	13,339	13,674	13,103	14,332	14,030

BANK OF JAPAN—In yen (000's omitted)

BALANCE SHEET OF THE UNITED STATES SAVINGS BANK, NEW YORK, (See Summary)						
Assets	Position, June 30, 1914	July 15, 1933	June 23, 1934	June 30, 1934	July 7, 1934	July 14, 1934
Gold coin and bullion	221,320	425,070	454,760	453,505	455,752	456,059
Other coin and bullion		51,797	47,536	47,587	47,684	48,714
Discounts	41,740	610,068	589,828	577,237	595,132	596,047
Advances	70,540	52,508	81,323	82,238	82,550	82,885
Govt. bonds	...	444,865	450,661	493,219	400,290	519,539
LIABILITIES						
Notes	362,270	1,080,631	1,167,146	1,294,505	1,138,378	1,109,910
Govt. deposits	87,340	281,197	235,933	185,366	206,698	382,749
Other deposits	11,440	112,940	73,870	122,791	74,885	60,818

BULLION

The following statistics of imports and exports of gold and silver for week ended August 9th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended August 9, 1934			Gold Exported from Great Britain and Northern Ireland, week ended August 9, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Belgium	£ 612	£	France	£ 5,556	£ 190,480
France	198	22,505	U.S.A.	3,031,270	...
Switzerland	11,370	3,335	Other Countries ..	222	510
Egypt	2,712	...			
Iraq	528	2,220			
U.S.A.	235	...			
St. Domingo	2,556	133			
Venezuela	34,830	...			
British W. Africa ..	124,456	...			
British S. Africa ..	1,984,978	...			
British India	939,275	...			
Hong Kong	9,436	...			
Australia	303	...			
New Zealand	15,949	...			
Trinidad and Tobago ..	3,610	60			
British Guiana	5,413	...			
Other countries	3,843	1,952			
Total	3,140,294	30,205	Total	3,036,048	190,990

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended August 9, 1934			Silver Exported from Great Britain and Northern Ireland, week ended August 9, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Un. (Russia) ..	£ 15,400	£	Sweden	£ 2,050	£
Belgium	1,806	34	Denmark	1,440	...
France	8	75	France	885	...
U.S.A.	6,161	...	U.S.A.	185,530	...
Mexico	134,834	...	Other countries ..	270	263
British S. Africa	29,475	187			
Hong Kong	17,500	...			
Australia	11,149	1,200			
New Zealand	1,923	...			
Canada	11,515	...			
Other countries	850	685			
Total	230,621	2,181	Total	190,175	263

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	1934	WITHDRAWALS
Aug. 3	Nil	Aug. 3	Nil
" 4	Nil	" 4	Nil
" 6	Bank Holiday	" 6	Bank Holiday
" 8	Nil	" 8	Nil
" 9	Nil	" 9	Nil
Total	Nil	Total	Nil
Movement Aug. 3, 1934, to Aug. 9, 1934 (inclusive)			
Movement during 1934 (January 1 to Aug. 9, inclusive)			
Movement April 29, 1933, to Aug. 9, 1934 (inclusive)			
Movement September 21, 1931 (gold standard suspended), to Aug. 9, 1934 (inclusive)			
£71,094,909 in			
£946,689 in			
£23,316,836 in			
£55,682,349 in			

GOLD

Messrs. Samuel Montagu and Company write on August 8, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,621,164 on the 1st inst., as compared with £191,580,150 on the previous Wednesday.

During the week the Bank announced the purchase of £55,796 in bar gold.

The open market has been fairly active and about £2,200,000 of bar gold was disposed of during the week. Quotations ruled at about dollar parity until the 4th inst., when following weakness of the dollar in terms of sterling, there was a good demand for gold from the Continent, as a result of which prices have since been fixed above the parity.

Quotations during the week:—

	Per fine ounce.	Equivalent value of £ sterling
August 2	138s. 2d.	12s. 3.57d.
" 3	138s. 1½d.	12s. 3.61d.
" 4	138s. 0½d.	12s. 3.70d.
" 7	137s. 10d.	12s. 3.93d.
" 8	138s. 0½d.	12s. 3.70d.
Average of above five days...	138s. 0½d.	12s. 3.70d.

Gold shipments from Bombay last week amounted to about £729,000. The s.s. "Chitral" carries £722,000, of which £529,000 is consigned to London and £193,000 to New York; the s.s. "Elysia" has £7,000 destined for London.

Since 1931 the export of gold from Newfoundland had been prohibited, but an Act was signed yesterday by which the free export of gold from that country is now permitted.

SILVER

The firmer tone apparent at the end of last week has been maintained and prices have shown a steady advance. Although China has sold and there has been some selling on Continental account, America and the Indian Bazaars gave good support so that offering were readily absorbed. Speculators have made re-sales, but these have been only moderate.

The market appears steady at the present level and the undertone good.

Quotations during the week:—

IN LONDON			IN NEW YORK		
	Bar Silver per oz. std.	Cents per Ounce		Bar Silver per oz. std.	Cents per Ounce
	Cash	Two Months'		Cash	Two Months'
August 2	20½d.	20½d.	August 1	46½	47½
" 3	20½d.	20½d.	" 2	47½	47½
" 4	20½d.	20½d.	" 3	47½	47½
" 7	20½d.	20½d.	" 4	47½	47½
" 8	20½d.	20½d.	" 6	47½	47½
Average of above	20.700d.	20.800d.	" 7	48	48

The highest rate of exchange on New York recorded during the period from the 2nd inst. to the 8th inst. was \$5.07½ and the lowest \$5.02½.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	July 31	July 22	July 15
Notes in circulation	18,380	18,285	18,210
Silver coin and bullion in India	9,939	9,844	9,809
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,065	3,078	3,038
Securities (British Government)	1,221	1,208	1,208

The stocks in Shanghai on the 4th inst. consisted of about 108,300,000 ounces in sycee, 370,000,000 dollars and 30,300,000 ounces in bar silver as compared with about 108,300,000 ounces in sycee, 369,000,000 dollars and 30,300,000 ounces in bar silver on the 28th ulto.

GOLD AND SILVER PRICES

		Gold per Ounce		Silver—Per Ounce		Date		Silver Cash	
		Cash		Forward					
1934	s. d.	d.	d.	d.	d.	Aug. 6, 1928	29½		
Aug. 3 ...	138 1½	20½	20½	20½	20½	" 5, 1929	25½		
" 4 ...	138 0½	20½	20½	20½	20½	" 9, 1930	27½		
" 6 ...	137 10	20½	20½	20½	20½	" 6, 1931	13½		
" 8 ...	138 0½	20½	21	21	21	" 4, 1932	17½		
" 9 ...	138 1	21½	21½	21½	21½	" 10, 1933	18½		

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

Gross Receipts, week ended Aug. 5, 1934 (£000)										Aggregate Gross Receipts 1934 compared with 1933, 31 weeks (£000)					
(b) Week ended Aug. 3, 1934 Aug. 4, 1934		Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts			
Great Western	1934	3,750	398	185	89	274	672	6,034	5,521	3,054	8,575	14,609			
	1933	3,755	383	182	92	274	657	6,067	5,099	3,026	8,125	14,192			
(c) L. & N.	1934	6,339	526	292	196	488	1,014	9,257	9,515	6,989	16,504	25,761			
	1933	6,339	507	284	189	473	980	9,156	8,662	6,371	15,033	24,189			
L. M. & S.	1934	6,940	921	418	197	615	1,336	14,514	13,685	7,000	20,685	35,199			
	1933	6,941	866	407	196	603	1,459	14,277	12,581	6,709	19,290	33,567			
Scottish	1934	2,177	483	65	29	94	577	8,823	1,943	964	2,907	11,730			
	1933	2,181	475	63	27	90	565	8,707	1,852	901	2,753	11,460			
Southern	1934	19,206	2,328	960	511	1,471	3,799	38,628	30,664	18,007	48,671	87,299			
	1933	19,216	2,231	936	504	1,440	3,671	38,207	28,194	17,007	45,201	83,408			
Total	1934	19,206	2,328	960	511	1,471	3,799	38,628	30,664	18,007	48,671	87,299			
	1933	19,216	2,231	936	504	1,440	3,671	38,207	28,194	17,007	45,201	83,408			
(b) Belfast	1934	80	3.7	...	...	0.5	4.2	77.4	...	...	16.2	93.5			
& Co. Down	1933	80	3.9	...	...	0.5	4.4	77.9	...	...	16.4	94.3			
(b) Great	1934	562	15.6	...	...	9.7	25.2	291.8	...	...	251.7	543.4			
	1933	562	14.6	...	...	8.2	22.7	205.9	...	...	179.7	385.5			
(b) Great	1934	2,158	34.3	...	...	31.2	65.6	714.1	...	...	1018.2	1702.3			
	1933	2,158	37.7	...	...	27.9	65.5	691.8	...	...	922.8	1615.6			

COMPARISONS WITH CORRESPONDING PERIODS, 1933 AND 1934
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933: ...	£	£	£	£
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease*	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933: ...				
5 weeks to August 5, 1934 ...	+ 19	+ 210	+ 93	+ 38
Weekly average second half 1934 latest week 1934 compared with 1933	+ 3½	+ 42	+ 18½	+ 7½
.....	+ 15	+ 67	+ 34	+ 12

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending August 4, 1934	*Takings	Compared with 1933
Aggregate 5 weeks ending August 4, 1934	£515,900	+ 1,900
	£2,654,900	+ 33,700

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
	13	1934		Rs.	Rs.	Rs.	Rs.
Assam Bengal	13	June 30	1,330	3,76,300	58,780	47,99,972	+ 10,04,518
Baru L. Ry.	15	July 14	202	33,900	800	6,06,000	+ 1,05,800
Bengal & N. Western	15	July 14	2,113	5,86,113	55,619	1,07,33,457	+ 3,89,405
Bengal-Nagpur	13	June 30	3,269	14,25,000	34,081	2,07,25,809	+ 20,73,584
Bombay, Bar.&C.I.	16	July 28	3,089	17,52,000	+1,49,000	3,63,53,000	+ 15,90,000
Madras & S. Mahr.	14	July 7	3,230	13,96,000	+1,43,081	2,23,30,767	+ 3,67,188
Rohilk'd & Kumaon	15	July 14	572	99,715	5,889	21,14,943	+ 67,889
South Indian	14	July 7	2,520	11,09,968	+42,862	1,56,26,972	+ 5,85,675

CANADIAN

Canadian National		1934	1933	1934	1933	1934	1933
July 31	237,488	4,493,883	245,667	93,490,022	12,732,555		
Canadian Pacific	30	31,170,181	13,435,000	178,000	67,927,000	7,061,000	

† 10 days.

SOUTH AMERICAN

Antofagasta (Chili and Bolivia).....	26	Aug. 5	830	£ 7,220	+ £ 6,000	£ 419,440	+ £ 103,260
Argentine N.E.	5	Aug. 4	753	* 8,235	+ 2,073	39,311	+ 13,103
B.A. and Pacific	5	Aug. 4	2,806	* 70,845	+ 18,155	353,437	+ 89,957
B.A. Central	50	June 10	...	10,284	+ 35	466,193	+ 7,728
B.A. Gt. Southern	5	Aug. 4	5,085	* 132,317	+ 12,221	626,344	+ 219,857
B.A. Western	5	Aug. 4	1,926	* 46,578	+ 1,884	222,189	+ 63,868
Central Argentine	5	Aug. 4	3,700	* 131,685	+ 8,357	649,853	+ 108,321
Central Uruguayan	5	Aug. 4	273	13,674	+ 306	69,850	+ 2,090
C. U. (East Ext.)	5	Aug. 4	311	3,029	+ 616	13,951	+ 1,155
C. U. (N. Ext.)	5	Aug. 4	185	1,680	+ 295	8,499	+ 35
C. U. (W. Ext.)	5	Aug. 4	211	1,174	+ 207	5,472	+ 671
Cordoba Central	5	Aug. 4	1,218	* 36,220	+ 6,070	180,140	+ 36,760
Entre Rios	5	Aug. 4	810	* 11,921	+ 2,617	52,787	+ 17,612
G. West. of Brazil	31	Aug. 4	1,082	5,800	+ 400	237,800	+ 69,900
Leopoldina	31	Aug. 4	1,918	38,079	+ 8,958	721,114	+ 45
Leopoldina Terminal	31	Aug. 4	...	Ms 318,000	+ 18,000	9,214,000	+ 525,000
Nitrate	71	July 31	411	9,993	+ 6,118	155,376	+ 89,766
Paraguay Central	5	Aug. 4	274	4,770	+ 610	22,960	+ 2,880
Salvador	5	Aug. 4	100	Col. 9,221	+ 4,259	52,041	+ 20,866
San Paulo	30	July 29	1532	28,882	+ 2,154	919,352	+ 10,477
United of Havana	5	Aug. 4	1,355	18,176	+ 3,980	87,587	+ 12,488

TOCUYO OILFIELDS OF VENEZUELA LIMITED.—Oil produced during July, 514 tons.

TRINIDAD LEASEHOLDS, LTD.—Oil produced during June 39,950 tons; oil purchased during June from other companies, 58,700 tons. Oil produced during July, 41,750 tons. Oil purchased during July from other companies, 60,792 tons.

PHENIX OIL AND TRANSPORT COMPANY, LTD.—The gross production of crude oil of the Phoenix group of companies for July was 79,292 tons.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE event of the week has been a fresh advance in wheat prices, following further reports of drought damage in the producing areas of North America. The U.S. crop is expected to be the smallest for some forty years, and a smaller output from other areas will help to reduce the carry-over from previous seasons. Flour is also dearer this week, while the prices of other cereals have moved upwards in sympathy with the advance in wheat. Sugar and cocoa have risen in value, but the London tea market has been closed this week. Butter prices show a further advance, but other foodstuffs are mainly unchanged on the week.

Official statistics published on Wednesday indicate that the American cotton crop is likely to be one of the smallest for many years. Publication of this estimate caused a jump in world cotton prices and it is reported from Lancashire that the demand for piece-goods shows a slight expansion. Raw jute also tends to appreciate in value, but the market for yarns and cloth in Dundee is quiet. According to Messrs. Dalgety and Company, the total Australasian production of raw wool in the season just ended showed a decrease of 167,800 bales (or 72,467,000 lbs.) compared with the previous season, while the carry-over is 71,760 bales in excess of last year's total. Prices have shown a tendency to weaken in the past few days.

Quiet conditions have prevailed in the markets for iron and steel and coal, following the holidays; while, with the exception of nickel, the markets for non-ferrous metals have been dull. The rubber market opened firm after the holiday break, and prices have been marked up this week in response to the news that shipments from the chief producing countries have been unexpectedly small during the past month or so. Linseed and linseed oil have advanced in price, while cotton seed and cotton-seed oil are meeting with steadier trade than of late.

Moody's daily index of the prices of staple commodities in the United States (December 31, 1931 = 100) recorded a sharp advance from 144.1 on August 1st to 149.5 on August 8th, the rise in cereals and cotton being mainly responsible for the upward movement. On the corresponding date of last year the index stood at 133.6.

COAL

SHEFFIELD.—Supplies of steam and small coals are short, and prices firm. More coal has been released for export, but little new business is coming forward. Quotations for best steams vary from 16s. 9d. to 17s. 3d. f.o.b. The August output quota is the same as in July—55 per cent. of standard tonnage. Demand on forward account for blast furnace coke is experienced owing to the strong tone in the iron and steel industry, and higher prices are foreshadowed. The position of industrial fuel continues strong. Washed singles are not so difficult to obtain, but prices are firm. House coal is in poor demand with prices weak.

NEWCASTLE-ON-TYNE.—Shipments from the North-East ports are maintained and compare favourably with last year, and there is a little more foreign inquiry circulating for shipment ahead. The prompt position, apart from screened steam, is quiet, and most grades are being offered freely at schedule minimums. All classes of coke are firm, and makers have little difficulty in disposing of supplies.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B., screened, 13s. 6d.; smalls, 10s. 6d.; Howards, Bentinck, Newbiggin screened, 13s.; smalls, 10s.; Tyne Prime, large, 12s. 9d.; smalls, 10s. 6d.; Hartley Main, large, 13s.; smalls, 10s. 6d. **DURHAM.**—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d. Wear Special, unscreened gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened or smalls, 13s. 2d.; prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District Gas coke, 20s. 3d.

GLASGOW.—The Scottish coal market is making a slow return to normal after the holidays, and most varieties of fuel are obtainable with little difficulty. First steams in Fife, however, are well booked for some weeks ahead, and Lothian prime steam and Lanarkshire prime splint command a fairly ready market. Among washed

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended July 21, 1934, was: Bolivar District, 653,927 barrels; Maracaibo District, 37,857 barrels; total, 691,784 barrels. Production for the week ended July 28, 1934, was Bolivar District, 665,963 barrels; Maracaibo District, 36,005 barrels; total, 701,968 barrels. Well L.S. 251 at Lagunillas has been brought in, producing 690 barrels per day through a $\frac{1}{2}$ -inch flowplug. Production for the week ended August 4, 1934, was: Bolivar district, 675,310 barrels; Maracaibo district, 37,343 barrels.

smalls, singles remain firm, and pearls fully steady, but the larger sizes are still easy in trend, doubles especially being affected by the reduction in business with Germany.

Shipment prices (f.o.b. district ports):—**LANARKSHIRE.**—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 6d.—14s. 9d.; navigation, unscreened, 12s. 9d.—13s. 3d.; Hartley, 14s. 6d.; steam, 12s.—12s. 6d.; trebles, 13s. 6d.; doubles, 12s. 3d.; singles, 13s.; pearls, 11s. 6d.—12s.; dross, 9s. 9d. **FIFE.**—Best unscreened navigation, 12s. 9d.—13s.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 6d.; third-class steam, 12s.; trebles, 13s.—15s. 6d.; doubles, 12s.—12s. 3d.; singles, 13s.; pearls, 10s. 9d. **LOTHIANS.**—Prime steam, 12s.—13s.; secondary steam, 11s. 6d.—11s. 9d.; unscreened navigation, 12s. 6d.; trebles, 14s.; doubles, 12s.; singles, 13s.; pearls, 10s. 9d.—11s. **AYRSHIRE.**—Best unscreened navigation, 13s. 9d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.—14s.; doubles, 13s.; singles, 12s. 9d.; pearls, 11s. 6d.—12s.; dross, 10s.

IRON AND STEEL

MIDDLESBROUGH.—Actual business in the local iron market is very small and an increase is unlikely until the end of the present month, after the foundries have had their annual holidays. Meantime local ironmasters are shipping fair quantities of foundry pig iron to Scotland and have orders on their books which will continue to absorb production. Stocks in makers' hands are not increasing to any extent. The price of Cleveland No. 3 foundry iron is maintained at 67s. 6d. per ton delivered at local foundries, whilst the price of East Coast hematite iron is based on No. 1 at 68s. per ton delivered locally.

Small cargoes of foreign ore continue to change hands on the basis of 17s. per ton c.i.f. Tees for best Bilbao rubio, whilst good Durham blast furnace coke is maintained at 20s. per ton delivered at the furnaces here. In the semi-finished steel departments it is understood that a few more orders have been received, whilst in the heavy steel departments manufacturers are chiefly busy on constructional steel and railway material. The scrap market is quiet, and heavy steel melting scrap is obtainable at 50s. per ton delivered at the works.

SHEFFIELD.—The holidays are responsible for curtailed activity in the raw and semi-material markets. Nevertheless most of the steel works are well supplied with orders. Prospects for the autumn appear to be favourable, although some authorities predict a reduction of turnover. The output capacity of the steel and tool works has been increased considerably during the last eighteen months. The future of overseas business is uncertain and development is still hampered by the inability of exporters to obtain prompt payment of their accounts. In view of currency restrictions abroad, it is surprising that exports of steel goods are so large. Engineers' and mechanics' small tools are meeting with a substantial demand, but trade in cutlery and plate is depressed.

GLASGOW.—There is little change in the situation in the West of Scotland this week. While plants are being employed to much the same extent as during recent months, in some branches orders have not been quite so plentiful—largely on account of the holidays. Steel makers are running plants to very near capacity. Sheet-makers are working steadily on home orders and there is no further decline in the export demand. Tube makers are in the main very well employed. In the manufacturing trades work in the West of Scotland is fairly plentiful and nearly all shops are able to give regular employment to workers and to keep plant steadily employed.

OTHER METALS

Copper rallied a little early this week on rumours of a new world copper conference, but the prospects of such a conference being held are remote and United States producers are shipping heavy supplies to Europe in an effort to regain some of the market lost during the past two years to African and Canadian sellers. Further price cutting may therefore be in prospect and Tuesday's slight gain was not held.

Tin prices have been maintained at the level reached immediately after the publication of the July statistics, while lead and spelter show little change on the week. During the first half of July there was a further increase in stocks held by the spelter cartel, but it is suggested that this may have disappeared during the second half of the month. It is worth noting that the difference between the prices of lead and spelter, which was recently almost £4 per ton in favour of spelter, is narrowing; this may well give rise to an increased use of spelter at the expense of lead.

The International Nickel Company of Canada, which enjoys a world monopoly, increased its dividend for the second quarter of this year to 15 per cent. This reflects the recent improvement in the market situation—an improvement which seems likely to continue in the near future.

TIN.—Sales on the London Metal Exchange: 85 tons on Tuesday, against 340 tons last week; 225 tons on Wednesday, against 285

tons last week. The New York quotation on Wednesday was 51.75 cents per lb., against 51.70 cents a week ago and 51.87½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £227 5s. to £227 10s., compared with £229 to £229 5s. last week. Stocks in London and Liverpool at the end of last week were 3,704 tons, an increase of 259 tons on the week.

COPPER.—Sales on the London Metal Exchange: 750 tons on Tuesday, against 1,025 tons last week; 800 tons on Wednesday, against 1,350 tons last week. Domestic spot was quoted at 7.02½ cents per lb. in New York on Wednesday, against 7.02½ cents a week ago and 7.20 cents a month ago. Wednesday's official closing price for standard cash in London was £28 12s. 6d. to £28 13s. 9d., compared with £28 13s. 9d. to £28 15s. a week ago. Stocks of refined copper in British official warehouses at the end of last week at 29,430 tons, show an increase of 678 tons, and stocks of rough copper, at 7,142 tons, show a decrease of 19 tons.

LEAD.—Sales on the London Metal Exchange: 250 tons on Tuesday, against 700 tons last week; 550 tons on Wednesday, against 550 tons last week. The New York quotation on Wednesday was 3.75 cents per lb., against 3.75 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 15s. for shipment during the current month, compared with £10 17s. 6d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 200 tons on Tuesday, against 300 tons last week; 250 tons on Wednesday, against 250 tons last week. Wednesday's quotation in East St. Louis was 4.30 cents per lb., against 4.30 cents the week before, and 4.35 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 11s. 3d., for shipment during the current month, against £13 7s. 6d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver, at £11 10s. to £11 12s. 6d. per flask of 76 lbs., remains unchanged. Foreign antimony at £36 to £36 10s. per ton also remains unchanged. Chinese wolfram was quoted at 37s. to 38s. per unit, c.i.f., as against 37s. 6d. to 38s. 6d. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—**Manchester.**—The event of importance with regard to the raw cotton situation has been the publication of the United States Government statistics relating to the new crop. The estimate was less than expected and prices in New York and Liverpool have advanced. On the other hand, world consumption of American cotton tends to fall off compared with a year ago and it remains to be seen whether the advance in prices will be maintained.

COTTON PRICES

	1934				Corresponding Date	
	July 18	July 25	Aug. 1	Aug. 8	1932	1933
Raw Cotton—Mid. American	7-14	8-93	7-04	7-15	5-22	5-99
Sakellaridis Fully Good Fair Egyptian.....	8-51	8-39	8-62	8-66	7-65	8-04
Yarns—32's twist.....	10½	10½	10½	10½	8½	9½
" 40's twist.....	11	10½	10½	10½	8½	9½
" 60's twist (Egyptian).....	17	16½	17	17	14½	16
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	19 4½	19 0	19 3	19 3	16 6	16 9
38-in. ditto, 38 yds., 16 by 16, 10 lb.	24 4½	24 0	24 3	24 3	19 4½	21 0
38-in. ditto, 38 yds., 16 by 16, 10 lb.	11 2	11 1	11 2	11 2	10 3	10 6
38-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 0	9 11	10 0	10 0	9 1	9 4

The general inquiry in piece-goods has shown some expansion. Rather more business has been offering for India and fair sales have been arranged in light whites for Karachi and Madras and dyed goods for Amritsar and Delhi, but offers for Calcutta have been rather poor. No improvement can be recorded in the turnover for China. Bleaching cloths have attracted attention for Egypt and useful lines have been secured in finishing styles for South America and West Africa, but home trade buyers have restricted their purchases. The position of spinners remains very unsatisfactory. It is reported that the Master Spinners' Federation is about to consider the question of organised short time in the American section. Users of Egyptian cotton continue to be harassed by the situation in Germany, and there is a tendency for more spindles to stand idle in Bolton and district.

AMERICAN COTTON CROP.—On Wednesday last the United States Department of Agriculture issued important statistics relating to the cotton crop for the season 1934-35. The estimate of the output was 9,195,000 bales, against a growth for last season of 13,047,000 bales. The condition was given as 60.4 per cent., as compared with 74.2 per cent. at the same time last year, whilst the yield per acre was stated to be 160.9 lb. against 208.5 lb. for last year's crop. These figures were below expectations and prices in New York and Liverpool advanced about ½d. per lb. From the point of view of supply, the American cotton situation is undoubtedly bullish. The carry-over from last season was about 10,500,000 bales, so there should be available during the next twelve months about 19,700,000 bales. It is estimated that world consumption during the past season was about 13,500,000 bales, but the tendency at the moment is for less American cotton to be used by spinners, the demand from buyers for cottons from other countries having been a market factor for some time.

OTARD'S
ESTABD 1795

THE BRANDY WITH A PEDIGREE

American cotton is relatively dear compared with "outside growths," such as Brazilian, Egyptian and East Indian. It is reported that, early this week, quite a number of Manchester traders took a view of the market and bought yarn and cloth before the crop statistics were published. It is feared, however, that if the upward movement is maintained it will be difficult to sell manufactured goods freely, unless there is an early improvement in the purchasing power of Lancashire's chief customers.

JUTE.—**Dundee.**—On account of small imports into up-country markets in India and the deterioration of the new crop as the result of recent flooding and immature cutting, sellers of raw jute are reserved and are holding for higher prices. An improved business in manufactured goods in Calcutta has also helped the firmer tendency in raw jute prices and the position has assumed rather brighter prospects during the past few days. Buyers of yarns and cloth, however, have shown little disposition to purchase on broader lines and business remains quiet, notwithstanding the fact that prices of Dundee goods are again cheaper than those of Calcutta. Spinners and manufacturers are fairly well engaged, but there is a dearth of fresh orders. The Gunny Trade Association in Calcutta has requested the Indian Jute Mills Association to reconsider their decision to unseal the 2½ per cent. of the hessian looms at present sealed up, which should take effect as from November 1st; but so far there is no indication as to how this request has been treated. Trade has not warranted the increase in output intended, but prices all round have been remarkably well maintained.

Old crop Shiva Daisee-2/3 has been sold at £14 7s. 6d. per ton and the full group of new crop is now quoted at £14 10s., with fours at £13 12s. 6d. and £14 respectively. Tossa-2/3 is quoted at £14 17s. 6d. per ton for old crop and £15 5s. for new, with fours at £14 2s. 6d. and £14 7s. 6d. respectively. Good First Marks are named at £17 and Lightnings at from £15 17s. 6d. for Circle SSL to £16 7s. 6d. for Green Circle Ram, while Hearts are quoted at £14 17s. 6d. for SCC to £15 2s. 6d. for Ram-D/E, August-September. Only trifling lots of jute yarns are being bought at 1s. 8½d. for common 8 lb. cops and at 1s. 9d. for 8 lb. spools, but spinners are now asking 1s. 9½d. again for the latter. Twist is steady in price at 3½d. to 3¾d. for 3 ply 8 lb., and sacking yarns are unchanged at 2½d. for 24 lb. weft and 3d. for 8 lb. chains. Rio yarns are still more or less neglected and rove meets a quiet trade at unchanged prices. Carpet yarns are steady at from 2½d. for 14 lb. warp. Business in jute cloth remains quiet on the whole, but prices are very steady at from 2½d. for 10½ oz. 40 in. and 1½d. for 8 oz.

Calcutta goods have advanced in price as the result of good business from consuming centres, principally the River Plate. The price of 10 oz. 40 in. was increased to 19s. 8d. and 8 oz. to 15s. 7d., August-September, and 19s. 7d. and 15s. 6d., October to March. Liverpool twills are now quoted at 50s. and "B" twills at 44s. 7d., August-September, and 49s. 9d. and 44s. 6d. for October-March.

GRAIN MARKETS

WHEAT.—Trading in wheat has been very active during the past few days, and prices showed a further rise. This appreciation may be traced to a variety of causes, including the strong upward movement in Argentina, the extremely small crop of Spring wheat in the United States, the deterioration of the Canadian crop and reports of poor crops in Russia, with rumours of impending famine in that country. Following considerable fluctuations, prices in Chicago show a significant gain on the week, while heavy buying at Liverpool has led to a marked advance there.

According to Mr G. Broomhall, total shipments during the past week were 1,305,000 quarters, against 1,146,000 quarters in the preceding week. On Wednesday, "September" futures were quoted in Chicago at 109 cents per bushel, against 103½ cents the week before and 92½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 37s. per 496 lbs., against 34s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 36s., against 33s.; No. 3 Northern Manitoba, Vancouver, ex ship, 31s. 9d., against 31s. 9d.; Australian, ex ship, 32s., against 28s. 6d. to 29s. a week ago.

FLOUR.—North American shipments were 112,000 sacks in the past week, as compared with 99,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 28s. per 280 lbs., against 27s. last week; delivered London, 27s., as compared with 26s. a week ago. Manitoba patents, ex store, 27s. to 28s., against 26s. to 27s. 6d.; Australian, ex store, 19s. to 20s., against 19s. to 20s.

BARLEY.—The market for feeding barley has again ruled firm, and quotations have been advanced this week. "October" futures were 57½ cents per bushel in Winnipeg on Wednesday, against 50½ cents last week and 45½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 28s. to 31s., against 27s. to 30s. a week before.

OATS.—Quotations for oats have been advanced together with other grains, but forward trading in imported produce has been very

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quiet. On Wednesday, "September" futures were quoted at 51½ cents per bushel in Chicago, against 46½ cents a week ago, and 45½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. 6d. per 320 lbs., against 20s. 6d. a week ago; "Chilean White," landed, 24s., against 21s. 6d. to 22s. a week earlier.

MAIZE.—Plate maize has enjoyed another week of active trading, with steadily advancing prices. "September" futures were quoted on Wednesday at 76½ cents per bushel in Chicago, against 71½ cents a week ago and 60½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 26s. 3d. per 480 lbs., compared with 22s. 6d. last week; "Plate," ex ship, 25s. 3d. as against 21s. 6d. "Plate," August, 25s. 3d., as against 21s. 9d. Yellow maize meal, ex wharf, was quoted £6 to £6 2s. 6d. per ton, against £6 to £6 2s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales, of home-grown wheat—				
1 week to August 4	Cwts. 21,284	Cwts. 26,830	Cwts. 24,053	Cwts. 102,879
49 weeks to August 4	4,902,609	3,763,302	3,522,853	6,431,768
Average price of English wheat per cwt.	s. d. 6 6	s. d. 6 7	s. d. 6 8	s. d. 5 0

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
July 28, 1934	Cwts. 131,384	Cwts. 7,108	Cwts. 18,823	s. d. 5 1	s. d. 7 10	s. d. 6 5
Aug. 4, 1934	102,879	4,314	16,563	5 0	8 5	6 4
Aug. 2, 1930	68,712	5,238	10,800	8 3	6 6	6 0
Aug. 1, 1931	25,067	1,499	7,136	6 5	6 4	6 8
Aug. 6, 1932	26,830	1,786	4,088	6 7	6 8	7 10
Aug. 5, 1933	24,053	6,061	17,447	6 8	7 1	5 10

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Aug. 9, 1933	Jan. 3, 1934	Aug. 1, 1934	Aug. 8, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	87	65½	88½	94½
Chicago (No. 2 Winter)	55½	46½	100½	84½	103½	109
Cents per 60 lb.						

The visible supply of wheat in Canada, at 103,302,000 bushels, shows an increase of 2,552,000 bushels. Supplies a year ago stood at 102,223,000 bushels.

OTHER FOODS

SUGAR.—The spot market in New York has been firm, while home refined has met with fair request in London, with prices showing some advance on the week. The spot price of raw sugar in New York on Wednesday was 3-32 cents per lb., as compared with 3-23 cents per lb. last week and 3-18 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 9d., against 4s. 8d. to 4s. 8½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
London	927	135	1,459	1,778	32,198	28,056
Liverpool	6,690	7,246	10,697	12,663	156,015	141,515
Total tons	7,617	7,381	12,156	14,441	188,213	169,571
Last week	17,402	11,222	14,155	9,125	192,752	176,631

COFFEE.—After a dull opening early in the week, the coffee market closed firm in New York on Wednesday with Rio No. 7 (cash) quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. Trade in London has been quietly steady, and public auctions will be resumed next Tuesday. Last week's movements of coffee in London were as follows: Brazilian, landed, 1 bag; delivered, for home consumption, 642 bags; exported, 120 bags; stocks, 28,437 bags, against 28,109 bags a year ago. Central American, landed, 1,376 packages; delivered, for home consumption, 2,223 packages; exported, 726 packages; stocks, 109,299 packages, against 97,818 packages last year. Other kinds: landed, 507 packages; delivered, for home

consumption, 2,445 packages; exported, 779 packages; stocks, 101,823 packages, against 90,906 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Acgra, "August-September," was 20s. 6d. per 50 kilos, c.i.f. Continent, as against 20s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 6,465 bags; delivered, for home consumption, 7,355 bags; exported, 743 bags; stocks, 251,617 bags, against 165,715 bags a year ago.

TEA.—The Tea Market is closed for the August holiday, but public auctions will be resumed on Monday next. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.		Ceylon	Java	Sumatra	Nyasa-land	Total
	Northern India	Southern India					
Aug. 3, 1933	d. 11-11	d. 10-92	d. 14-78	d. 9-18	d. 8-91	d. 12-08	
July 5, 1934	12-01	12-85	13-28	11-13	11-06	12-47	12-89
July 12, "	13-02	12-74	12-93	10-79	10-61	12-36	12-57
July 19, "	12-80	12-31	12-76	10-67	10-41	11-84	12-38
July 26, "	12-71	12-20	12-82	10-75	10-29	12-06	12-31
Aug. 1, "	13-29	12-49	12-99	(a)	(a)	12-00	12-94

(a) No sales.

RICE.—The "spot" price was 8s. 3d. per cwt. on Wednesday as compared with 8s. per cwt. a week ago, while the forward quotation, at 7s. 9d. per cwt., shows a rise of 3½d. on the week. Movements in London during the past week were as follows: Landed, 739 tons; delivered, 94 tons; stocks, 1,983 tons, against 6,241 tons a year ago.

POTATOES.—The fair supplies meet with a steady demand, but quotations have shown a tendency to decline. At the London Borough Market on Tuesday new crop "King Edward" sold at 6s. 6d. to 7s. 6d. per cwt., as compared with 7s. 8d. to 8s. 6d. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5d. per lb. on Wednesday, against 5d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 17 tons; delivered, 1 ton; stocks, 219 tons, against 312 tons a year ago. White, landed, 52 tons; delivered, 40 tons; stocks, 6,321 tons, against 932 tons a year ago.

MEAT.—There has been a fair demand for beef, veal, mutton and lamb, but trade for pork tends to be quiet. Wednesday's quotation for Argentine beef, chilled hindquarters, was 4s. to 4s. 4d. per 8 lbs., as compared with 3s. 8d. to 4s. 2d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. 2d. per 8 lbs., against 3s. 6d. to 4s. 2d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 7,991 tons, against 8,133 tons in the corresponding week last year. Imported beef, principally Argentine, formed 86.0 per cent. of the beef supplies, against 87.0 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 80.4 per cent. of the total supply of mutton and lamb, against 77.4 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OLSEEDS.—Resumption of business after the holiday brought a sharp advance in the price of linseed in sympathy with Argentine options and the firmness of wheat. Prices on Tuesday, however, closed below the highest, but little actual business with consumers was reported. Linseed is affected to some extent by crop conditions in the United States, and varying estimates of the balance of the old Plate crop left for shipment. The outlook for the new crop in Argentina, however, continues satisfactory. It is considered probable that the United States, already a substantial buyer, may have to resume importation from India in the near future. The quantity at present afloat for Europe is 111,600 tons (including 23,000 tons from India), rather more than last week; and for the United States and Canada 24,900 tons, against 45,000 tons a year ago. Current quotations for Plate for shipment are around £11 12s. 6d., and for Calcutta to London £12 15s. per ton. Cottonseed is steadier, with a fair trade demand. Old crop Egyptian is quoted £5 2s. 6d., and new £5 7s. 6d.

Linseed oil is firmer and dearer, following the rise in seed prices. Raw oil, ex Hull, August and September-December delivery, is quoted £21 15s. per ton naked. Cotton oil is steadier, Egyptian crude, ex Hull, being held for the advanced figure of £13, and common edible £15. Oilcakes are in improving demand, and some advance in quotations is noted.

HIDES AND LEATHER.—Business in the hide and leather markets has been quiet, owing to the intervention of the August holiday. Prior to the break, a moderate amount of business was forthcoming for the completion of orders for footwear in hand but, generally speaking, demand was concerned mainly with the cheaper lines of both sole and upper leather. Few fresh sales are expected this week, but indications point to a renewal of interest as soon as normal working conditions are resumed; inquiries are already going around for autumn supplies, and are usually for a rather better type of leather than has been in request during the past month or so.

The hide market is quiet and, if anything, inclined to be slightly weaker. No sales of domestic hides and skins will be held this week, supplies for a fortnight having been disposed of at the last auctions. The foreign hide market exhibits practically no change in values, with only a very small amount of business passing for tanners in this country.

RUBBER.—The market in both New York and London opened firm after the holidays, and values have appreciated this week. Unexpectedly small shipments in June and July from Malaya, Ceylon and the Dutch East Indies have exerted a bullish influence. Tapping in Malaya may have been temporarily interrupted by the exceptionally heavy rains, but it seems likely that some increase in stocks may have taken place. This cannot continue, however, for the Regulation Scheme makes provision against the accumulation of stocks either by producers or dealers in the controlled areas. It is now believed that the Dutch East Indies will have no difficulty

in enforcing the restriction scheme, since the native producers are convinced that it is in their own interests. In New York, Wednesday's spot price for rubber, at 15½ cents per lb., compared with 14½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., as against 7½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for October-December, 1934, as against 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 106,327 tons, show an increase of 937 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON August 8th				POTATOES—				WOOL—				Dry and Dried Salted Capes...			
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.				s. d. s. d.			
GRAIN, &c.				per cwt.				s. d. s. d.				s. d. s. d.			
Wheat—				SPICES—				COAL—				INDIGO—			
No. 2, N. Man. 496 lb.				Pepper, per lb.—				Welsh, best Ad'ty., ton 19 6				Bengal gd. red.-violet			
Eng. Gaz. av. per cwt.				Muntok, fair White.....				Durham, best gas, f.o.b.				fine..... per lb.			
Bulley, Eng. Gaz. av.				0 9 1/2				Tyne				5 6			
8 5				0 9 1/2				Sheffield, best house, at							
Oats,				Cinnamon—1st sort, per lb.				20 0 21 0							
6 4				0 6				Pig, Cleveland No. 3, d./d.							
Maize, La Plata, landed,				Cloves—Zanzibar per lb.				ton 67 6							
480 lb.				0 5 1/2				Bars, M'brough							
26 3				Ginger—per cwt.—				292 6							
Flour, Lon. stan. ex mill,				28 0				Steel Rails, heavy							
25 9				0 95 0				170							
Rice, No. 2 Burma, per cwt.				Mace				Tie-plates, per box							
7 9				0 9 1 10				METALS—							
Tapioca, per cwt.—				Nutmegs, 65/-				s. d. s. d.							
Fair Flake, Singapore..				0 10				f. s. d. f. s. d.							
13 6								Standard							
MEAT—				SUGAR—				28/12/6 28/13/9							
Beef, per 8 lbs.—				(Duty, 11/8 per cwt.)				Lead, Eng. pig ... per ton							
English long sides				Centrifugals, 96% prpt				10/15/0 11/2/6							
4 2 5 0				shippn., c.l.f. U.K./Cont.				Soft Foreign							
Argentine chilled hinds				4 10 1/2				Spelter G.O.B.							
0 0 4 4				17 6 19 6				13/11/3 13/13/9							
Mutton, per 8 lbs.—				Java, white, c. & f. India				Tin—English ingots ..							
English wethers				May—June				228/10/0							
5 8 7 0				6 0				Standard cash.....							
N.Z. frozen				RAPPED—London—				227/5/0; 227/10/0							
3 8 4 2				Yellow Crystals				CHEMICALS—							
Lamb, per 8 lbs.—				18 0				s. d. s. d.							
N.Z. frozen				22 1/2 22 7/2				Acid, citric, per lb., less 5%							
Pork, English, per 8 lbs.				19 10 20 4/2				0 8 0 9							
4 10 5 4				Crushed				Nitric							
OTHER FOODS				Granulated				0 2 0 4							
BACON—				18 6 21 10 1/2				Oxalic, net							
English				18 0 18 3				0 5							
Irish				1 3				Tartaric, English, less 5%							
Danish								1 0 1 1/2							
Dutch								Alcohol, Plain Ethyl..							
HAMS—								12 0							
Canadian				TEA—				Alum, lump							
104 0				Indian—per lb.—				s. 15 9 0							
American				Broken Pekoe				Ammonia, carb.							
94 0 98 0				Orange Pekoe				ton 27 10 28 0							
BUTTER—				Broken Orange Pekoe...				Sulphate							
Australian				Ceylon—per lb.—				7 5 7 10 0							
New Zealand				Pekoe				Arsenic, lump ... per ton							
81 0 82 0				Broken Pekoe				35 0 40 0							
Danish				Orange Pekoe				Bleaching powder, per cwt.							
106 0				Broken Orange				s. d. s. d.							
CHEESE—				TOBACCO—				Borax, gran. per cwt.							
Canadian				(Duty, 9/8-10/8½ per lb.,				13 0							
New Zealand				Empire growth, 7/5½				Do., powder							
46 6				8/34 per lb.)				14 6							
English Cheddars				Virginia leaf				Nitrate of Soda... per cwt.							
70 0 75 0				Common to fine				7 10 8 0							
Dutch				Rhodesian leaf				0 12 9 0							
COCOA—				0 9 1 6				Sulphate Chlorate, net							
(Duty, British grown,				0 8 2 6				0 4 0 5							
11/8; foreign, 14/- cwt.)				Nyasaland leaf				Sulphate							
Accra, f.f. per cwt.				0 8 2 6				Sal-Ammoniac ... per cwt.							
38 0 42 0				East Indian leaf				12 6 45 0							
Trinidad				0 5 1 8				Soda Bicarb. per cwt.							
30 0 34 0				strips				10 0 11 0							
GRENADA				0 5 1 8				Crystals							
COFFEE—				COTTON—				Sulphate of Copper, per ton							
(Duty, British grown,				d.				13 1/2							
4/8; foreign, 14/- cwt.)				7-15				CEMENT, best Eng. Portland, d.d. site,							
Santos supr. c. & f. cwt.				8-66				London area, jute sacks, 11 to ton							
48 6				Yarns, 3's twist				(charged and credited at 1/6d each) or							
Colombian, good				17				paper bags (free, non-returnable)—							
60 0 70 0				60's twist				4 ton loads and upwards 38/- per ton							
Costa Rica, med. to good				FLAX—				1 and up to 4 ton loads 40/- per ton							
72 0 98 0				Livonian ZK per ton				COPRA—							
Best Indian				66 0 67 0				S.D. Straits c.f.f., per ton							
Keggs, medium				Nom.				9/11/3							
60 0 75 0				Slano Medium 1st sort... 71 0 72 0				Smoked South Sea							
EGGS—				HEMP—				6/12/6							
English				Italian P.C. per ton				DRUGS—							
15 0 15 6				55 0				Camphor							
Danish				Manilla, July-Sept. "J" ..				Japan, refined .. per lb.							
10 9 11 6				14 15				2 2							
FRUIT—Oranges—				Sisal, African				Ipecaacuanha .. per lb.							
South African 4 boxes				13 0 14 5				4 6							
11 0 16 0				JUTE—				Peppermint, Wayne Co.							
Lemons, Sicilian 4 boxes				Native 1st mks. per ton				HIDES—							
14 0 20 0				Native 1st mks. per ton				Wet salted—Australian							
17 0 23 0				Sept.-Oct. £15/6/3				13 6 14 0							
" Naples ... boxes				Daisee 2/3 c.f.f. Dundee				West Indian.....							
15 0 25 0				Oct.-Nov. £14/10/0				0 3 0 4 1/2							
Apples: Amer. (var.) brls.				SILK—				Cape							
(var.) boxes				Canton				0 3 0 4							
" Australian				Tussah				0 3 0 4							
8 0 9 0				4 6 5 6				0 3 0 4							
ONIONS—				lian—raw, fr. Milan				0 3 0 4							
Valencia, case				JUTE—											
7 0 8 0				Sept.-Oct. £15/6/3											
Egyptian, bags				Daisee 2/3 c.f.f. Dundee											
Grapes, Lisbon, ½ boxes				Oct.-Nov. £14/10/0											
Almeria ... brls.				SILK—											
LARD—				Canton											
Irish bladders pr. cwt.				Tussah											
40 0 46 0				4 6 5 6											
U.S. 56 lbs. boxes ..				lian—raw, fr. Milan											
30 6 32 6				4 6 5 6											

† Exclusive of Government tax of 1d. per gallon.

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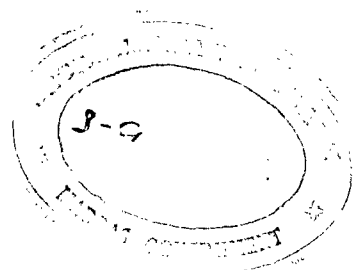
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A BID FOR PEACE

THERE seems to be no doubt that the Soviet Government intends to apply for admission to membership of the League of Nations when the League Assembly meets next month. If this decision has been taken and been made public, we may infer that the Russians have ascertained that the risk of their application being rejected is so slight as to be negligible. Russia's admission ought, indeed, to be assured, since both Germany and Japan—the two neighbouring Great Powers against whose possibly aggressive designs Russia is seeking the safeguard of League membership—have both debarred themselves from obstructing Russia's admission to the League by having given notice of their own intention to secede from it.

The fact that the Soviet Union should wish to join the League, and that this wish should have good prospects of being fulfilled, is an important entry on the credit side of the balance sheet of international affairs; and it should give encouragement to all the forces of peace and reconstruction throughout the world. In any circumstances, it would be a great event that, in the fifteenth year of the League's existence, one of the two empty chairs at the Council table should be occupied at last by its intended incumbent; for the absence, from the beginning, of Russia and the United States has always lamed the League by advertising its initial failure to achieve that comprehensive world-wide membership which is an indispensable condition of its ultimate success. One half of that original gap will now be filled by Russia's accession this autumn; and this auspicious event is doubly welcome now, as an offset to the abandonment of the League by Japan, who was an original member, and by Germany; who was admitted to membership, with such high hopes, as a consequence of the Pact of Locarno.

Thus, Russia's prospective entry into the League this year would be extremely good news in itself, even if there were nothing more to follow. But, as a matter of fact, this Russian application for membership is bound up, like Germany's application in 1926, with a concrete plan for international appeasement and security in Europe. If Ger-

many's application and admission were corollaries of the conclusion of the original "Western" Locarno Pact, the Russian application is intended to be a first step towards the achievement of that "Eastern Locarno" which is the present goal of Russian and French statesmanship in Europe. If Russia duly enters the League next month, definite and active negotiations for the conclusion of this "Eastern Locarno" pact may be expected to follow during the winter. If these succeed in bringing about, between Germany and her neighbours in Eastern Europe, an arrangement which is genuinely analogous to its prototype of 1926, then we may perhaps look forward to a notable increase, throughout Europe, of a sense of security, and to a fresh and more successful effort to attain an agreed limitation and reduction of European armaments.

What, then, is the outlook for this new attempt to save Europe, in which Russia's application at Geneva next month is to be the opening move? Manifestly, Franco-Russian statesmanship holds a number of very strong cards. France and Russia themselves, who are the originators and the sponsors of the project, account for two out of the five Great Powers that are immediately concerned. Two others—the United Kingdom and Italy—have signified their benevolent acquiescence in the plan, while praying to be excused from promoting it actively by taking any fresh commitments upon their own shoulders. Among the smaller countries, Franco-Russian diplomacy is now assured of the active participation of all three Baltic States, as well as of the three Little Entente States. There remain two countries that have expressed a distaste for the scheme—that is to say, Germany and Poland. That is the crux; for the opposition of either of these two countries alone would be a serious obstacle; and the seriousness is immensely increased by the apparent inclination of the German and Polish Governments to make common cause. Germany's distaste for the Eastern Locarno, in her present mood, is understandable. What needs some explanation is the fact that Poland should have the same feelings, and should actually feel so

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strongly as to play with the notion of parting company with France and of throwing herself into Germany's arms.

As for Germany's attitude, it is human—though, we think, shortsighted—for the rulers of Germany, with their preoccupations, to take the line that the element of reciprocity and equality in the proposed Eastern Locarno is a pious fraud, or, at any rate, an empty form, and that the project is really a plan for effecting the "encirclement" of Germany in so respectable and gentlemanly a fashion that Germany herself may be inveigled into setting her own signature to the warrant for immuring her alive. If we are to be "encircled" in any case, the Germans may argue, let us at any rate strip the hypocritical mask off the face of this Franco-Russian policy, and expose the hostile face beneath in all its ugly nakedness. To British minds, this attitude is shortsighted, because, in our belief, "the Eastern Locarno," if it once comes to pass, will become very much what the contracting parties choose to make of it. If Germany enters into it with a good grace, and loyally acts up to its spirit and boldly challenges the other parties to do the same, we firmly believe that it will be morally impossible for France and Russia and their friends to turn the arrangement into the veiled "encirclement" which Germany fears. More than that, we believe that, if they become aware of a sincere goodwill on Germany's side, they will never feel any temptation to misuse the arrangement by turning it into an instrument for holding Germany down. For these reasons we sincerely hope—in Germany's interests as well as in our own—that Germany will take the long and statesmanlike view and will throw all her weight into making "the Eastern Locarno" project a success.

It is Poland's attitude which is, at first sight, puzzling. On a rational objective view of Polish interests, Poland might be expected to jump at the Franco-Russian project as spontaneously as Germany, on her side, might be expected to shy away from it. Here, for the first time since the restoration of her political unity and independence after the war, Poland is offered an opportunity of escaping from the nightmare of being at enmity with both Germany and Russia simultaneously. So long as she has to fear that both her mighty neighbours, at whose expense she has been reconstituted, are nursing a grievance against her and are waiting for the first opportunity to carry out a fifth partition, she naturally cannot feel secure. Why, then, is she not enthusiastic for a project which, at the best, will secure her against both a German and a Russian *revanche*, and at the worst will assure her of Russian support in the event of German aggression? Why does she hesitate to come to terms with Russia, who manifestly now harbours no designs upon Poland's Ukrainian and White-Russian provinces, but is simply concerned to preserve the territorial integrity of the Soviet Union within its present frontiers? Why is Poland ready to coquet with Germany, who, in spite of the ten-years' German-Polish Pact, has certainly not renounced her ambition of eventually recovering the Corridor? Considerations of prestige, no doubt, play a part, for Poland has certainly not renounced her desire for recognition among the Great Powers by securing a permanent seat on the League Council. This means far more to a country with long history and proud traditions, but whose independence has only recently been recovered, than we perhaps can readily understand. Yet it is not to be believed that a plan which is of really vital importance should be sacrificed for the mere sake of "saving face." Whatever may be the inducements—expressed or implied—of her "understanding" with Germany, it cannot possibly be to Poland's interest to substitute a series of rival groupings among the countries of Europe for the alternative of a genuine collective agreement.

The decision, however, really rests with Germany, for if her adhesion is secured, all that is hoped from the proposal will be within reach. If Germany refuses, we shall go back to the system of alliances—however the fact may be camouflaged or explained away. If Germany is to fulfil the hopes of her late President and to take her place as an equal among the Powers, now is her opportunity. Let us hope that she will not throw away the chance through a feeling of soreness and of soured mistrust.

PROVIDENCE TAKES A HAND

ONLY a short while ago the farmers of the world were floundering in a sea of super-abundance. On all sides we were assured that the science of economics, laboriously built up on "the economics of scarcity," must now give way to the "economics of glut." Large stocks of coffee, sugar and wheat were destroyed, or perverted to extraordinary uses; cattle and pigs were slaughtered; acreage-restriction schemes were evolved; standing cotton was ploughed back into the soil; and price-manipulation practised under benevolent State legislation became a fine art. The only thing that was *not* done was to make efforts to increase consumption and lay plans for absorbing surpluses at lower prices. Shakespeare's porter must surely have been looking forward to 1934—"Here's a farmer that hanged himself in the expectation of plenty."

But in a moment the scene is changed. It had seemed that the huge stocks overhanging the world's raw commodity markets would, like the poor, be "always with us." Providence, however, has stolen a march on the restrictionists, and by a judicious combination of drought and floods has shown—at the cost of widespread suffering and distress—what may happen at any moment to the best laid schemes of mice and men. Whether the markets were justified in swinging so suddenly from one extreme to the other is altogether another matter.

Let us turn to the facts. Except in Poland, where the recent torrential floods have wrought such havoc, the 1934 summer seems to have been one long drought. This has reached catastrophic proportions in the United States, where the President is reported to be considering the special convocation of Congress to decide on relief measures. The spring wheat crop in the U.S.A. was estimated by experts on August 2nd at only 78 million bushels, as against an average spring crop of 210 millions. The winter crop estimate is also down to 402 million bushels, giving a total of 480 million bushels, against the low figure of 527 million bushels actually harvested in 1933-34, and an average harvest of about 800 millions. The drought has taken heavy toll in Canada, and in parts of Australia, though estimates of their crops are not yet available.

The Russian harvest, according to reliable forecasts,* may be so low as to cause a recurrence of the 1932 famine; and there is only a faint expectation that Russia will be an exporter of wheat on any scale this year. The July monthly Crop Report and Agricultural Statistics of the Institute of Agriculture, Rome, shows that for eight European wheat-producing countries† the total harvest estimates in July work out at 577 million bushels, against 669 millions in July, 1933, and an average total production from 1928 to 1932 of 628 millions. But the four Danubian wheat-exporting countries in this group (Hungary, Roumania, Yugoslavia, Bulgaria) expect a total crop of scarcely 240 million bushels, as against last year's July estimate of 327 millions and a realised total of 371 millions. Consequently no exports from this usual area of supply are expected. Finally, owing to a combination of Nature and bad transport, China expects poor crops of rice and wheat, and will probably need imports of the latter.

On the brighter side—or the gloomier, if one be a restrictionist—the Argentine crop will probably be of average dimensions and yield, though even here drought has occurred. France has a harvest this year which is barely enough for her own consumption, but the carry-over will be 110 million bushels; while her North African territories, Morocco and Algeria, expect harvests this year well above their average, despite decreased sowings, so that they will have a surplus, which France does not need, of between 25 and 32 million bushels. And in the East, India, Japan, Palestine, Syria and Turkey show estimates which are larger than last year's figures.

Thus the crop reports, on the whole, indicate a smaller world harvest than last year, and an appreciable increase this cereal year in the world's import needs of wheat. But the legacy of former Plenty, in the shape of stocks carried

* Broomhall; † International Institute of Agriculture, Rome.

† Germany, Finland, Spain, Netherlands, Bulgaria, Hungary, Roumania, and Yugoslavia.

over, must be considered. On June 1st, the world's exportable wheat surplus was 645 million bushels, and the balance to be exported under the London Wheat Agreement by July 31st, the end of the cereal year, was 109 millions. But, although the U.S.A., Australia and the Danubian exporters will not have been able to fulfil their export quotas, and although Argentina, Russia and other exporters have already exceeded theirs, the world's import needs in the year which ended on July 31st last will probably prove to have been less than was forecast in London. A total carry-over, of between 525 and 575 million bushels on August 1st, therefore, would not seem wide of the mark. This is borne out by the official Canadian figures for July 31st, which show visible stocks of 193 million bushels, plus 10 millions stored in or afloat to the U.S.A., against 212 and 7.7 millions, respectively, the preceding year. And Australia's estimated visible supplies on August 1st were 58 million bushels, against only 30 millions the preceding year. Moreover, certain normally importing countries had stocks on hand on August 1st—e.g. France herself carried over about 110 million bushels—though these cannot be properly included as exportable surpluses.

We can therefore pass to the world's estimated supplies and requirements in the cereal year which has just begun:

I: WHEAT AND FLOUR: IMPORTERS' REQUIREMENTS

Countries	(Thousand bushels)		
	1932-33 Actual	1933-34 Approximate	1934-35 Estimate
Great Britain and Ireland	237,600	236,000	232,000
France, Italy, Germany	52,000	20,000	56,000
Belgium, Holland	66,400	66,400	64,000
Scandinavia, Denmark	24,000	23,200	24,000
Greece	20,000	10,400	16,000
Other European countries	55,200	38,400	56,000
Total Europe	455,200	394,400	448,000
Ex-Europe	166,400	124,000	128,000
Grand total	621,600	518,400	576,000

II: WORLD WHEAT EXPORTS: INCLUDING FLOUR

Countries	(Thousand bushels)		
	1932-33 Actual	1933-34 Approximate	1934-35 Estimate
Canada	257,600	180,000	288,000
United States	37,600	40,000	8,000
Argentina	126,400	140,800	160,000
Australia	154,400	89,600	96,000
Russia	17,600	26,400	?
Danube and France	27,200	37,600	24,000
Grand total	620,800	514,400	576,000

Source: Broomhall's *Corn Trade News*, August 7, 1934.

The exportable surpluses of the 1934 crop were estimated in July by the International Institute of Agriculture at 360 million bushels. If the world's import needs are about 576 millions, 216 millions will have to be supplied from the stocks carried over. As this carry-over is probably about 550 millions, the exportable surpluses at the end of the year 1934-35 will probably be reduced to about 325 million bushels, against about 550 millions on August 1, 1934, 683 millions at the corresponding date in 1933, 588 millions in 1932, 564 millions in 1931, 502 millions in 1930, 512 millions in 1929, 319 millions in 1928, and 249 millions in 1927.

But the estimates above are early and very tentative; and the nervousness at present shrouding the world's wheat markets is due to three major uncertainties. First, the estimates of available supplies in the new cereal year depend on the final harvest figures in Canada, Argentina and Australia. The Canadian harvest should soon be known; but those of the other two of the four chief wheat-exporting countries (the fourth, the United States, will most probably make virtually no exports at all this year) cannot be known before November-December. Secondly, the harvests actually realised in importing countries will affect import requirements. These cannot yet be established, though it is reasonably certain that Germany, Italy, Greece and the minor European importing countries will this year need increased imports owing to their own bad harvests (see Table I above). Thirdly, the declared intention of the United States authorities to proceed with wheat acreage restriction this year, and the efforts of the Wheat Advisory Committee may clearly be of less importance than the intervention of Providence.

The figures quoted by the secretary of the Wheat Advisory Committee at the meeting which began in London on Wednesday are on a somewhat different basis from those given above; they confirm, however, the general conclusion that a big inroad will be made on stocks this year, but if things go normally with the Southern Hemisphere harvests in the spring of 1935, the stocks a year hence will still be a little above normal—if we take as "normal" the average of the years 1922-28.

Two comments suggest themselves in connection with these figures. The first is that the recent violent fluctuations in the price of wheat on the various produce markets are largely unjustified in view of the large stocks that still exist. The second is that if Nature continues in unfriendly mood and behaves as harshly to the growing crops of 1935 as she has behaved this year, the world's consumers might well be threatened then, if not now, by a much sharper rise in the price of bread than has hitherto been imagined, even by the restrictionists.

But whatever fate may be in store in this connection, the story of the world's wheat supply in recent years points some very important morals in these days of attempted regulation of the processes of production. Even if the plan for limiting the sown area is put into force, we are still very far from stabilising production of a commodity where Nature plays so large a part. Secondly, a very small variation in the supply of a commodity like wheat may cause a great disturbance of the market unless it is, at least in part, corrected by an adjustment in consumption resulting from a change of prices. Restrictions which prevent this from happening quickly magnify the difficulties and lead to a crisis. Finally, if price movements such as we have recently witnessed can occur in a world market where there are so many sources that can compensate one another, it is obvious that countries which attempt to shut themselves in behind a tariff wall must be prepared to face far greater fluctuations in the price of the staple food of the people whenever the even tenor of production is disturbed by the act of God. The Advisory Wheat Committee has endeavoured to legislate for an emergency. It will have to probe much deeper if it is to help in restoring a really balanced method of meeting the world's essential food requirements.

BRITISH OVERSEAS TRADE

THE overseas trade figures for the month of July, which were published on Wednesday, show that the rising tendency of imports of raw materials still continues, but that it is now being offset by increasing exports. We give first of all the figures of our foreign trade in the first seven months of the current year, compared with the corresponding figures for the same months in the last two years:

I.—BRITISH OVERSEAS TRADE—FIRST SEVEN MONTHS

	Jan.- July, 1934	Increase (+) or Decrease (–) as compared with			
		January–July, 1933		January–July, 1932	
Imports.....	£'000	£'000	%	£'000	%
British exports	419,867	+46,067	+12.4	+7,177	+1.7
Re-exports	223,049	+17,821	+8.7	+6,722	+3.1
Total exports	33,136	+3,625	+12.3	+501	+1.5
Total imports	256,185	+21,446	+9.1	+7,223	+2.9
Excess of imports over total exports	163,682	+24,621	+17.7	–46	...
Transshipments under bond	13,639	+397	+3.0	+1,703	+14.3

While there is an increase in the visible import surplus of 17.7 per cent. over the corresponding figures in 1933, this import surplus is only back to the 1932 figure. On the other hand, exports of British manufactures show a 3.1 per cent. increase over the 1932 figures, and re-exports of imported goods an increase of 1.5 per cent. over the 1932 figures; while total exports are 2.9 per cent. above the 1932 figure, against an increase of only 1.7 per cent. in imports. Compared with last year's figures for the first seven months, imports are up by £46.1 millions, or 12.4 per cent.; exports have risen £17.8 millions, or

8.7 per cent.; and re-exports have increased by a welcome £3.6 millions, or 12.3 per cent., so that total exports show an expansion of £21.4 millions, or 9.1 per cent. This revival of activity in re-exports is paralleled by a further 3 per cent. increase over the 1933 figures in transshipments under bond, and of 14.3 per cent. over those of 1932. To a country so concerned in maintaining its entrepôt trade and the "invisible exports" to which that trade gives rise, such a revival in re-exports and transshipments under bond is an encouraging feature. The *caveat*, which we have entered before in interpreting the growing figures of imports and of the import surplus, must be repeated. It takes as long as six months, and more in some cases, for increased imports of raw materials, necessitated by an expanding order-book, to be reflected in the obverse—expanding exports and contracting imports. Moreover, the welcome increase in total foreign trade, imports and total exports together, must bring in its train an increase in our invisible exports on shipping, banking, insurance and merchanting account. When we turn to the figures for July alone, the tendency for increasing exports to overhaul the increase in imports is more evident:—

II.—BRITISH OVERSEAS TRADE—MONTH OF JULY

	1934		Increase (+) or Decrease (—) compared with	
	July, 1933		July, 1932	
Imports	£800	£800	%	%
British exports	33,230	+ 4,311	+ 8.0	+ 6,126
Re-exports	4,129	+ 195	+ 4.5	+ 824
Total exports	37,358	+ 3,087	+ 9.0	+ 4,760
Excess of imports over total exports ...	20,668	+ 1,224	+ 6.3	+ 1,366
Transshipments under bond	1,745	— 100	— 5.5	+ 134

The latest figures are much above the figures for July, 1932, in all groups—re-exports are as much as 25 per cent. up, and British exports are £3.9 millions up, or 13.4 per cent., against a rise of only £6 millions, or 11.8 per cent., in imports. Comparison with July of last year shows that British exports in July this year have risen by a further £3.3 millions, or 11 per cent., though re-exports have fallen slightly. Imports, however, are only £43 millions, or 8.0 per cent., up. Thus the import surplus in July was only £1.2 millions, or 6.3 per cent., greater than in July, 1933, and roughly the same amount above July, 1932; so that the greatly increased import surplus in the first seven months, shown in Table I, is not being maintained. Our analysis of the July figures for various important commodities follows:—

III.—UNITED KINGDOM TRADE IN IMPORTANT COMMODITIES—MONTH OF JULY

Category and Measure	1932	1933	1934
Imports:			
Iron ore and scrap	thous. tons	140	236
Raw cotton	thous. cents	683	1,331
Sheep's and lambs' wool	mill. lbs.	41	51
Rubber, raw	thous. cents	165	124
Exports:			
Coal	thous. tons	3,334	3,271
Iron and steel manufactures	thous. tons	158	156
Machinery	thous. tons	27	24
Cotton yarn	thous. lbs.	9,528	10,412
Cotton piece goods	mill. sq. yds.	198	155
Wool tops	thous. lbs.	2,380	4,282
Woolen yarns	thous. lbs.	635	704
Worsted yarns	thous. lbs.	3,080	3,527
Woolen tissues	thous. sq. yds.	5,133	5,593
Worsted tissues	thous. sq. yds.	2,485	3,319
Linen piece goods	thous. sq. yds.	4,212	5,722
Locomotives	tons	115	514
Motor vehicles and chassis	number	2,414	3,541
Re-exports:			
Raw cotton	thous. cents	46	71
Sheep's and lambs' wool	mill. lbs.	18	26
Rubber	thous. cents	74	35

From this table it is clear that greatly increased imports of rubber and of iron ore and scrap are important elements in the adverse balance in July. Cotton and wool imports are down, following the set-back in the textile industries; but exports of woollen tissues, woollen yarn, and cotton piece goods are more than in July last year. The heavy imports in recent months of iron ore and scrap are already reflected in the largest July export figure for iron and steel manufactures, machinery and motor vehicles and

chassis that has been achieved for three years. The rise in iron and steel and motors is quite remarkable. Coal exports, though at the highest July figure for three years, were still far below normal. Under re-exports, as might be expected from Germany's import restrictions and non-payment for previous shipments, cotton and wool show sharp declines in July from the figures a year ago. On the other hand, 25 per cent. of our rubber imports in July, which were treble our imports in July of last year, was re-exported.

Thus, on the whole, the July overseas trade figures may be said to present a moderately encouraging picture. The increased employment figures up to the end of June, are reflected, save for the badly hit textile trades, in increased exports; and there is clearly greater activity so far this year in the raw materials of industry, both in imports and re-exports. It should not be forgotten, however, that the crisis has lasted for almost five years; that our present fiscal policy was inaugurated before the first date in any of the above tables; and that, in consequence, comparison of any of these 1934 figures with their opposite numbers in, say, 1928 or 1929, would severely shake that complacency with which many of our politicians seem to view the economic prospects of this country.

LIFE AND DEATH ON THE ROADS

(BY A CORRESPONDENT)

Is it really possible to diminish the total of persons killed on the roads? The nation has taken to the roads in increased numbers for its summer holiday again this year; and at the same time the rising total of fatal accidents has suddenly gained first-class news value. A greater number of accidents is naturally to be expected when the total of cars on the road is rising; and it would appear that the unwonted prominence given to the figure of 150 or so deaths a week is due to the desire of the authorities to shock public opinion and so restrain the motorist. Possibly our new Minister of Transport's recent remark about "mass murder" on the road, and his subsequent well-reported adventures, with traffic lanes, red lights and bicycles, were inspired by the same motive.

Whether or not the figure of 150 deaths a week can be termed a national scandal, most discussions of the question strike the average motorist as seriously divorced from reality—like debates on the speed limit. It is clear, first of all, that on the great majority of roads on the great majority of days there are no accidents whatever. It is clear, again, that there are a great many accidents which should never take place at all. Given these two self-evident facts, the real practical problem is to discover what are the principal causes of these accidents and how far they are preventable. It is a mistake to suppose that this question must be answered entirely by a *post mortem* statistical analysis of actual accidents. The average motorist's experience of incidents which might have led to accidents is equally important.

Such experience establishes beyond doubt that there are a few definitely murderous drivers on the road. The only question with these is whether, when once detected, they should ever be allowed to drive again. In general, however, experience seems to suggest that there are three main causes of preventable accidents:—(1) Pedestrians (often children) stepping out from behind stationary vehicles; (2) wrongly judged attempts at overtaking; (3) collisions at cross roads. The blame for the first class of accident might on first thoughts be laid wholly on the pedestrian, and the attempt made to abolish it by adjuring the pedestrian to curb his rash incursions onto the road. In fact, however, motorists can do a great deal to prevent this kind of accident. It is perfectly feasible for every driver to form the habit of *assuming* that a pedestrian will step out from behind every stationary vehicle he passes. If he assumes this, and also fixes his eye on the crucial spot, gives it a wide berth, and sounds his horn, he can make sure of avoiding all but the most suicidal of pedestrians.

If the truth were known, the vast majority of accidents not involving pedestrians would probably turn out to be due to faulty overtaking. There is a two-mile flat, straight, junctionless stretch of the London-Basingstoke main road

near Camberley which is said by local doctors to account for more accidents than any other stretch of road in the district. This is sometimes regarded locally as evidence that accidents are due to excessive speed. Actually it shows nothing of the kind; for people do not collide head-on on a wide arterial road. It is plain evidence that a great many accidents are due to faulty overtaking—the only possible general cause of accidents on such a stretch of road. To some extent, of course, the whole dispute whether accidents are due to speed or bad driving is artificial; for bad driving principally consists in going at the wrong speed in the wrong place. Unfortunately there can be no other remedy for faulty overtaking than to instil into every motorist the following maxim: Do not overtake unless you can see as far down the road as it will take you to do so. The observance of this maxim naturally requires some judgment, presence of mind and skill; and if a driver does not possess these qualities, as some human beings clearly do not, the question certainly arises whether he (or, possibly, she) should be allowed to drive at all. At any rate, the rule "never overtake on blind corners" should be constantly forced on every motorist's attention.

The inadequate treatment of cross-roads by the authorities must have disappointed many drivers who are sincerely anxious to make the roads both convenient and safe. At present practically all cross-roads are marked with a cross (underneath the usual red triangle). This is perfectly satisfactory on the few great main roads, like the Great North Road or the Bath Road, where the main road traffic obviously has precedence over the side road. But there are innumerable cross-roads and junctions throughout the country where it is difficult or impossible to say which is the major road. In these cases ideal prudence would require a walking pace from every driver. Actually, however, there is probably little traffic on the road; and the average cautious driver consequently slows down to, say, 25 m.p.h., sounds his horn, and hopes for the best. If two drivers do this at once, there is probably an even chance of a collision. A very large number of accidents must certainly be due to this cause. Any experienced motorist could point to a dozen "indeterminate" cross-roads on a single inch-to-a-mile ordnance survey map.

Surely a very simple reform would almost wholly abolish these accidents. Let the Ministry of Transport devise two simple signs—say, a cross and a circle—meaning (1) you are approaching a major from a minor road; and (2) you are approaching a minor from a major road. At all "indeterminate" cross-roads the Ministry (or local authority) would make an arbitrary decision which was the major road. This system has been adopted in a very few places already. If it were adopted universally, none but suicidal drivers would dart out on to main roads, while the traffic on the "main" road could proceed safely, securely and at a reasonable speed.

Doubtless not all preventable accidents are due to these three causes. Some are due to rare and unpredictable concatenations of circumstances, and some, without doubt, to bicyclists. Most motorists would probably agree, however, that bicyclists, though they unquestionably move in an eccentric fashion, and often sideways, nevertheless do not habitually travel more than two abreast. Admittedly, in

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some towns, such as Cambridge, bicyclists proceed in tadpole-like shoals which turn the most level-headed motorist's life into a bad dream. The question of women drivers is an even more controversial one. Some motorists declare that they are the cause of all the trouble; others as stoutly maintain that they are the safest drivers on the road. At any rate there seems no doubt that women drivers have a distinct character of their own. On the whole this would seem to be a certain thoughtless timidity rather than criminal negligence; and its consequence would seem to be exasperation rather than physical injury among normal drivers.

Fortunately, however, there is more life than death on the roads. A tour of England and Wales during the height of the holiday season leaves the gratifying impression that enormous progress has been made by the State and private enterprise together in bringing the benefits of travel, fresh air and the countryside into the lives of an ever-increasing number of people. Some will be disconcerted at first to find wide, straight arterial roads where ten years ago there were only winding lanes. But the volume of traffic on these outlying roads conclusively justifies the ambitious building policy pursued by the Ministry of Transport since the war.

Some parts of England seem almost to have been laid out to please the pleasure-seeking motorist. There are wide areas in such beautiful counties as Cumberland, Hereford and Gloucester where the roads are admirable and practically no excesses of advertisement or "ribbon" building offend the traveller's eye.

Undeniably the blot on all this is the scandalous failure of the State to tax enhanced land-values and control ribbon development on these new arterial roads, particularly in the London area. If only we could amend this failure while there is yet time, and if, above all, we could so frame our fiscal and general economic policy as to bring the road within the reach of the workers as well as the upper and middle classes, we should have very solid grounds for gratification at the revolution in life on the roads.

NOTES OF THE WEEK

Mr Roosevelt Back in Washington.—President Roosevelt has lost no time in clearing up the uncertainty that prevailed as to the mood in which he would return from his month's holiday. Even before reaching Washington he had served notice on the public that the New Deal is to be intensified rather than amended. In a speech in Wisconsin he derided the cry for more confidence and less Governmental interference, and pledged himself that there would be no return to what he chose to call "the old law of tooth and claw." The proclamation ordering the so-called "nationalisation of silver," on which we comment in an article on page 313, was issued on the same day, and the two pronouncements taken together started a brief

but violent inflationary scare. From Washington the Treasury did its best to counteract this impression and succeeded in rallying market opinion, though its action in licensing gold for export probably had more effect than its soothing words. The indications still seem to be against any immediate further reduction in the gold content of the dollar, but the sickly condition of business is an argument of increasing potency for inflation, and the propagandists who have had so much success in the past in influencing the President's policy are working up a new agitation. For the present, however, the emphasis is still laid on Government expenditure, and the combined needs of drought relief, public works and the new housing project

seem likely to maintain the deficit at substantial proportions, despite the news that the Reconstruction Finance Corporation continues to receive more in repayments than it pays out in loans. The fact that Congress is not in session lessens the efficacy of inflationary propaganda, and if Mr Roosevelt can hold out until the November elections his personal prestige may be so enhanced by them that he will be able to impose his own policy. But this assumes that his personal inclination will be to avoid a further devaluation of the dollar, and it would be hazardous to suppose that he has not changed, and will not change, his mind on the subject in the future as he has in the past. The November elections, at which the House of Representatives and a third of the Senate are to be elected, will be interesting from the political standpoint as well as for their influence on economic policy. Mr Roosevelt has given the clearest indication that he rates loyalty to the New Deal above loyalty to his party, and in the States of Wisconsin and California he has gone out of his way to support the candidatures of Senators La Follette and Johnson, even though these gentlemen have hitherto been classed as Republicans and are opposed by "regular" Democratic nominees. This is one more indication of the fact that Mr Roosevelt has the ambition of recasting American politics on the lines of a conflict of policies rather than maintaining the present largely geographical distinctions of parties.

Hindenburg's Political Testament.—On Wednesday night the late President Hindenburg's long-awaited political testament "To the German People and its Chancellor" was broadcast from all principal transmitters in Germany. This document which was known to be in existence for some time is dated May 11th of this year and contains a eulogy of Herr Hitler and of the Nazi movement which will come as a surprise to some and as not so much of a surprise to others. The late President recalls at the outset, by citation of the last chapter in his "From My Life," published in 1920, his belief in "that Reich to which the hopes of our fathers once clung, and on which half a century ago the future of the Fatherland was confidently founded: *das deutsche Kaisertum*." The reiteration of that phrase is a strong hint that Herr Hitler should not forget that Germany is one day again to be a monarchy—but perhaps the monarchical dynasty will differ from that envisaged by the late President. His last public utterance goes on in a remarkably revealing passage:—

I was aware that the fundamental State laws and the form of Government which the nation had chosen in the hour of greatest need and inner weakness did not meet the real requirements and characteristics of our people. The hour had to come when this knowledge would be common property. Therefore, it seemed to me a duty to lead the country, without imperilling its existence, through the valley of external oppression and humiliation, of internal want and self-laceration, until this hour dawned.

The symbol of and firm support for this structure had to be the guardian of the State, the Reichswehr. In it had to repose the old Prussian virtues of unquestioning devotion to duty, simplicity and comradeship as the solid foundation of the State. The German Reichswehr, after the collapse, carried on in an exemplary way the lofty tradition of the old army. Always and at all times must the Wehrmacht (Services) remain the instrument of the supreme State-leadership, able to do justice to its task of defending the country irrespective of all inner political developments.

So Hindenburg affirmed his continuous fundamental disbelief in the fitness of the Weimar democratic system for the "real requirements and characteristics of" the German people. He then refers to "a decisive step of first importance" which "my Chancellor, Adolf Hitler and his movement" contributed "in the great aim of leading the German people together, above all differences of caste and class, to inward unity." But, as if recognising that the movement to which he gave power on January 30, 1933, could only take one step and not travel the whole road to Germany's "inward unity," Hindenburg continues:—

I know how much remains to be done, and I wish from my heart that behind the act of the national uprising and

of the national unification the act of reconciliation may stand, which will comprise the whole German Fatherland.

To one who happened to hear this passage broadcast from Berlin, the juxtaposition of "unification" and "reconciliation" seemed most apt upon its hour, just before the vote next Sunday, and at a time when amnesties were being proclaimed in Germany. The late President's testament is certainly political capital for the new President-and-Chancellor; but it should also provide him with searching questions as to the future of the German *Kaisertum*, and as to the Nazi ways and means of securing that future.

* * *

Cold Comfort for Consumers.—Last week we drew attention to the rise in the price of the 280-lb. sack of flour, apart from the wheat levy, from 24s. 6d. six weeks ago to 28s. On Friday of last week it was further raised to 28s. 6d., plus the wheat levy of 4s. 6d., making the final price of the sack 33s., or 2s. above the Food Council's limit for the 7½d. quarter loaf. We then asked if the levy on flour to aid British wheat growers would be reduced, in view of the recent sharp rise in wheat prices on the free market which had caused the equally sharp rise in the price of flour; or if the price of bread would rise to maintain the levy intact. The first query was answered by the Minister of Agriculture last Monday, when it was announced that the levy per sack of flour milled or imported would be reduced by 6d. to 4s. per sack of 280 lbs. from Sunday, August 12th. This is comfort for the consumer; but it has quickly proved to be very cold comfort. For our second query was answered on Thursday by the announcement that the quarter loaf will cost 8d. from next Monday, instead of 7½d. Moreover, the Minister for Agriculture has issued an Order under the powers conferred on him by the 1932 Wheat Act which gives rise to misgivings. In this order he fixes the "anticipated supply" of home-grown wheat eligible for deficiency payments from the Wheat Fund at 29 million cwt.—an increase of 2 million cwt. over last year, and of 10.8 million cwt. over 1932-33. This means that more of our wheat requirements will be met under the costly system of indirect subsidy from necessitous consumers, and implies that more deficiency payments must be made from the Fund. It is true that if wheat prices continue to rise the gap to be filled by the levies will fall—but that will be still colder comfort, for it means that the consumer will have to find the wherewithal to pay more for the whole wheat supply. The Minister apparently does not fear this general rise, for in a second order he estimates that the "free" price obtainable by registered growers in 1934-35 will continue to be 5s. per cwt. We hope he may be right; but by legislating for a steadily increasing proportion of home-grown wheat he is seeking to bring it about that the "average" cost of all wheat milled in this country will slowly approximate to 10s. per cwt.

* * *

Railway Wage Agreement.—At the end of last week the danger of a wage dispute on the railways, which seemed to be threatening, was fortunately arrested. The union leaders accepted the companies' offer and a new wage agreement was signed under which part of the "cuts" made by the award of the Railway Wages Board at the beginning of 1931 will be restored. The cost to the railway companies of the concessions now agreed on is estimated at about £1,100,000—which is equivalent to about one quarter of the "savings" effected three and a-half years ago. As the new agreement will not come into full operation until next January the effect on the companies' finances during the current year will be comparatively small. The main feature of the new agreement is the abolition of the additional 2½ per cent. cut on all earnings over 40s. a week made 3½ years ago; the basic reduction of 2½ per cent. is also remitted in the case of the lowest grade workers. It was clear from the beginning that the companies were reluctant to face the prospect of a permanent loss of traffic to the roads which would have been entailed by a strike, and, in the circumstances, the union leaders showed considerable forbearance in refraining from pressing more exorbitant demands. Nevertheless, it is far from certain

that the addition of an extra million a year to the companies' wages bill will ultimately benefit the recipients. In spite of the marked improvement in earnings which took place during the latter half of last year, the railways are still far from being even moderately prosperous. Net revenue in 1933 amounted to only £28.8 millions—which is equivalent to about 2.6 per cent. on the total capital of the four companies, of which more than £300 millions had to go without any dividend at all. During the first half of the present year net receipts were up by about £2,000,000, and in spite of the improvement which has continued throughout the summer, it is by no means certain that the second half of the year will show that this rate of advance has been maintained. (See Investment Note on page 318.) Though the new proposals for wage scales and conditions of service laid down by the National Conciliation Board of the road transport industry may do something to mitigate the pressure of road competition, which is still acute, there does not seem to be any immediate prospect of the restoration of railway earnings to anything like the 1929 level. It may be doubted therefore whether the action of the unions in forcing up wages even to the tune of only a million a year will, in the long run, prove of permanent benefit to the workers. It is at least as probable that the ultimate effect of action of this kind will result in a reduction of the volume of employment in this branch of transport by delaying any reduction of charges that may be needed to enable the railways to ward off the competition of the roads.

* * *

The F.B.I. Mission to Manchukuo.—On August 10th it was announced that the Federation of British Industries had decided to send an industrial mission to Manchukuo to study conditions in that country and to ascertain whether British industry can co-operate with local interests in its development. It is added that the mission will also pay a short visit of courtesy and good will to Japan to establish friendly contact with the representative organisations of Japanese industry and commerce. In this announcement two objectives are put forward which are admirable in themselves, and would therefore be beyond controversy—if they were free from complications. Every sensible person in this country is anxious to take any legitimate and effective action for the opening of new markets for British trade, and equally to seek ways and means of ending the virtual economic war which is at present being waged between British and Japanese industry. Since the two Governments have shown themselves hitherto more peacefully inclined in handling the thorny problems of economic competition than British and Japanese private economic interests, it is highly desirable that these interests should take steps to settle their own quarrels. But if a private "good will tour" to Japan has now been taken up by the F.B.I. as one of the tasks which it is its duty to carry out, there seems no reason why this immensely important business should be tacked on to a trade mission to Manchukuo; for the total trade of Manchuria is a drop in the bucket compared with the volume of the trade for which British and Japanese exporters are competing in more important parts of the world market. On the other hand, if the opening of a new British market in Manchuria is to be taken as the major object of the mission, the local prospects seem poor, in view of the Manchukuo Government's project (reported in *The Times* of last Saturday) for establishing State monopolies of staple imports. It is notorious that one of the functions of the so-called Manchukuo Government is to monopolise the trade of Manchuria for the benefit of Japan; hence the economic advantage which Great Britain may expect to derive from this F.B.I. mission to Manchukuo is less easy to discern than the political advantage which will accrue to Japan. For the Japanese, the F.B.I. mission offers an opportunity of obtaining what may be called "a semi-official British recognition" for the *de facto* regime which Japan has illegally set up in Manchuria. The F.B.I. (like the Third International in a similar situation) may protest that they are not the Government, and that (in the words of a leading article in *The Times* of August 10th) "the Federation could not allow itself to be deterred from investigating [the field of Manchuria] by irrelevant and extraneous considerations." But are they irrelevant? For example, are we to believe that the F.B.I. would have made a public announcement

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of this projected mission without first having obtained the British Government's blessing? As it is, the mission cannot be free from unfortunate political implications.

* * *

Prince Starhemberg at Ostia.—Prince Starhemberg's flying visit to Ostia last Saturday, where he conferred with Signor Mussolini and Suvich, is slightly disturbing. It may be interpreted as meaning that Dr. Schuschnigg's Government is doubtful about its ability to hold its own without more direct Italian support. Alternatively it may mean that the Italian Government is anxious to increase its control over Austria in order to forestall some further Nazi offensive. Any tightening of Italy's grip upon Austria is bound to put an additional strain upon the peace of Europe; and this will be so *a fortiori* if Italian policy takes the course of promoting some kind of reconstruction of the pre-war Austro-Hungarian Dual Monarchy under a restored Habsburg Dynasty. For, while it is true that post-war Austria and Hungary, united, would no longer constitute a Great Power within their present frontiers, their union would immensely enlarge the power of their patroness Italy; and any such development, under Italian auspices, would be dreaded intensely, and resisted violently, by the three States of the Little Entente. They would all agree in regarding it as a first—and a formidable—step in the direction of territorial treaty revision in South-Eastern Europe. The truth is that, if the Little Entente had to choose between a Habsburg restoration in a reunited Austria-Hungary under an Italian protectorate, or a frustration of this supposed Italian plan by an *Anschluss* of Austria to Germany, they would opt for the latter as the lesser evil. This applies not only to Yugoslavia, who has much to fear from Italy and nothing to fear from Germany, but equally to Czechoslovakia, who so dreads a Habsburg restoration at Vienna and Budapest that she would prefer the fate of being three-quarters encircled by a Greater Germany, which included Lower Austria as well as Upper Silesia. As for France, her choice of evils, if she had only herself to consider, would be the opposite. But, of course, France has the goodwill of her allies to consider. In the circumstances, it is unfortunate that the rumour of a Habsburg restoration should have revived. Perhaps, after all, this is simply an unwarranted inference from the fact that Chancellor Schuschnigg, with his known personal sympathies for the Habsburg Dynasty, happened to be visiting Budapest at the moment when his Vice-Chancellor flew to Ostia. It is greatly to be hoped that Dr. Schuschnigg's Government may prove strong enough to stand its ground as an independent Power. Its internal position will be strengthened by the release from prison, on August 9th, of Herr Seitz, the former Social-Democratic Burgomaster of Vienna. The release of other imprisoned Social-Democratic leaders is foreshadowed. Meanwhile, on the Bavarian side of the frontier, Herr Hitler has at last taken the step of disbanding the legion of renegade Austrian Nazis, whose numbers are now estimated at something between 30,000 and 50,000. The maintenance of these, misled and disillusioned exiles will remain a charge upon the finances of the Reich; but that is Germany's funeral.

* * *

The Russo-Japanese Railway Dispute.—The long-drawn-out Russian negotiations for the sale of the half-Russian-owned Chinese Eastern Railway to the Government of "Manchukuo" have ended in a deadlock. Nominally

Russia has been dealing with "Manchukuo" through the Japanese Government as intermediary. Actually, of course, the negotiations are with Japan, whose creation and puppet the "Manchukuo" Government is; and the Japanese military occupation of Manchuria, including the C.E.R. railway zone, since the autumn of 1931 is the cause of the negotiations. Being neither able nor willing to fight the Japanese in order to prevent Northern Manchuria from falling into their hands, and having lost, already, the strategic and political value of the C.E.R. as the short cut between Vladivostok and the main body of the Soviet Union, the Russian Government has wisely set itself to sell out its own half-share in the commercial ownership of the railway to the new military masters of the country through which the railway runs. The stumbling block in the negotiations has been the vast discrepancy between the lowest price which the Russians have been willing to take and the highest which the Japanese have been willing to instruct "Manchukuo" to offer. A final Japanese offer, on July 25th and a final Russian counter-proposal on the 31st have left this gulf unbridged; and the Japanese Government have now announced their intention of retiring from their rôle of mediator and leaving the Russians to deal with "Manchukuo" direct. No doubt "Manchukuo," with its Japanese bayonets, can be trusted by Tokyo to sustain the dragon-like rôle of Jorkins; and it is already announced that, if the "direct" negotiations break down, the Manchukuo authorities will treat the C.E.R. in future as an ordinary commercial concern, subject to the common law of the land, and no longer as an international entity with a semi-political status. What this is likely to mean in practice may be gathered from the allegations of malicious and systematic sabotaging of the C.E.R., on the part of the Japanese military authorities in Manchuria, which have just been published (from a safe retreat in Russian territory) by the Russian manager of the railway, Mr Rudy. The intention of the Japanese, if they fail to obtain legal possession at their own derisory price, is evidently to make the Russian interest in the railway as unprofitable commercially as it has already become politically and strategically.

The German Protestants Dissent.—The breach between the German Protestant Reichsbishop Müller, "appointed" by Herr Hitler, and the broad mass of German Evangelical pastors has been widened this week. On August 9th a "snap" convocation of the so-called National Synod of the Evangelical Church, which the Reichsbishop had set up, took place. No fewer than 21 legally appointed representatives were absent, and the Reichsbishop nominated 21 other persons to preserve his two-thirds majority. The Synod then proceeded to pass a law ratifying, retrospectively, all the measures taken by the Nazi Church administration since the Reichsbishop's appointment, thus confirming his suspension of pastors and even giving him powers to change the Church constitution. The Synod even prescribed a new oath, which, although not published at the time in Germany, was quoted in *The Times* of August 10th, and its main provisions are as follows:—

I . . . swear before God as a preacher of the Gospel in my present and in every other spiritual office to observe loyalty and obedience to the Führer of the German nation and State, Adolf Hitler, as befits a servant of the Evangelical Church, and to devote myself to the German nation with every sacrifice and effort befitting a German Evangelist.

Hard on the heels of such proceedings came a striking protest from their pulpits last Sunday by most of the 7,000 pastors of the dissenting Pastors' Emergency League. This declaration, which succeeds the unequivocal declarations of opposition to the Reichsbishop's procedure made by the Opposition Free Reich Synod at Barmen in May, was confirmed at Barmen on Sunday, when 1,800 representatives of 400 parishes in Westphalia and the Rhineland declared all the actions of last week's so-called National Synod at Berlin to be wholly illegal. Thus the opposition in the entire Protestant Churches of Germany to the authority of an appointed Reichsbishop has reached formidable dimensions. Happily, there are signs that the Nazi authorities recognise the dangers of a Protestant *Kulturkampf*. The head of the dissenting Confessional

Synod is understood to have discussed the breach in the Church with certain Nazi Cabinet Ministers. Herr Frick, the Minister of the Interior, in a speech at Cologne on Monday, actually declared that it was the business neither of the State nor of the Nazi Party to attack the Christian Churches or to promote a new faith movement. Next Sunday's vote seems to have forced the State authorities in Germany to take more account of quite another "communion of the spirit" than Nazism. Julian the Apostate tried to impose State paganism throughout his Empire, which was even greater than the Third Reich. But we are reminded that his last words were "*Vicisti Galilee!*"

Russia and Bulgaria.—Diplomatic relations between the Soviet Union and Bulgaria have been restored in a protocol signed at Constantinople at the end of last month. The instrument provides, in those comprehensive terms which have become common form in recent Russian agreements with foreign countries, for a reciprocal abstention from intervention or propaganda, direct or indirect—including the recruitment or incitement, or aiding or abetting, of private armies or militant or terrorist organisations in the territory of the other contracting party, and the active participation or passive acquiescence in the conveyance of supplies to organisations of the kind. Such provisions, in instruments signed by the Soviet Government, are interesting and important in a general way. They are evidence of that Government's earnest desire to prove itself a "good neighbour" in a world whose good will, now that Russia is conscious of certain rather bad neighbours hanging threateningly upon her own far-flung frontiers, she can no longer afford to spurn. A particular interest also attaches to this Russo-Bulgarian protocol if it may be regarded as one further stone laid in place in the large and ambitious structure which Russian and French diplomacy is now busily erecting in Eastern Europe. The protocol is significant in relation to the Balkan Pact and the Little Entente. On the one hand, Yugoslavia has long been anxiously concerned to secure a reconciliation with Bulgaria, with an eye to covering her rear in the event of serious trouble in the Adriatic. This was the more urgent, in that Italo-Yugoslav relations have long been bad, and Bulgaria, until the recent *coup d'état*, was closely linked to Italy. On the other hand, Russia is on intimate terms with one of Yugoslavia's Balkan partners, Turkey, and she has also recently obtained recognition from Czechoslovakia, who is Yugoslavia's partner in the Little Entente, and from Roumania, who is doubly bound to Yugoslavia by Pact and Entente alike. The Russo-Bulgarian protocol may become a bridge both for a reconciliation between Bulgaria and Yugoslavia and for a resumption of diplomatic relations between the latter country and the Soviet Union itself; and this would go a long way towards consolidating the political situation in South-Eastern Europe. Twenty-two years ago, on the eve of the First Balkan War, the diplomacy of a previous Russian regime succeeded momentarily in bringing Bulgaria and Serbia into partnership to Russia's advantage. It would be a curious illustration of the continuity of history if the Soviet Government were to consolidate this achievement on a more permanent basis.

Sterling and International Prices.—The sharp rise in the prices of primary products such as wheat and cotton, due to more unfavourable drought reports from the United States, is reflected in our index numbers for August 15th. Sterling prices of primary products have risen during the past fortnight by 3.6 per cent. and dollar prices by 4.0 per cent. These are both very big increases for a single fortnight, and both figures have now established new high records since their compilation was begun in September, 1931. The British complete index, which includes a certain number of semi-finished products, has been affected by this movement, for it has risen by 1.6 per cent. The Irving Fisher index number for the United States, which includes a larger range of finished products, has remained immune. The net result is that those American farmers who have any produce left to market have substantially improved their position, and the same applies to farmers in more fortunate parts of the world. Even French and

Italian prices have been apparently affected by the drought, for a fractional increase is recorded by both these index numbers. The general impression left by the latest figures is that the world is now experiencing a rise in prices due to growing scarcity, or rather to a disappearance of its excessive stocks of commodities. There is no evidence of any increase in consumption, and indeed the German restrictions on raw material imports point in the opposite direction. The present rise in prices is not therefore as favourable a sign as it appears to be on the surface.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
	British Complete Index (sterling)	Primary Products (sterling)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	93.8	140.9	93.5	93.6	91.6
Apr. 20th	103.8	105.4	83.6	129.5	89.6	97.9	90.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	88.1
Oct. 15th	103.1	112.3	84.0	143.8	88.6	92.7	86.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	89.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	88.4
July 28th	108.1	120.6	124.7	145.7	100.9	89.7	86.6
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	88.1
1934							
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	88.5
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	88.0
Mar. 14th	109.0	122.5	129.8	160.3	108.2	85.6	88.1
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	88.1
Apr. 11th	108.4	120.2	128.6	158.7	106.4	86.1	87.9
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	87.7
May 9th	108.2	121.7	129.4	160.0	109.0	85.6	88.0
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	88.5
June 6th	108.2	122.3	134.4	162.3	110.1	84.1	88.8
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	89.6
July 4th	107.7	123.2	133.4	161.7	112.8	82.0	90.1
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	91.1
Aug. 1st	109.2	124.7	139.4	162.5	113.0	81.4	91.6
Aug. 15th	111.1	129.2	145.0	162.8	112.8*	81.8*	92.0*

* These figures refer to August 8th.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX			
	(1927 = 100)			
	Sept. 18, 1931	July 18, 1934	Aug. 1, 1934	Aug 15, 1934
Cereals and meat	64.5	73.0	73.3	76.8
Other foods	62.2	58.0	58.3	59.8
Textiles	43.7	53.3	52.6	53.2
Minerals	67.4	76.6	75.0	75.2
Miscellaneous	65.8	69.4	69.9	69.9
Complete index	60.4	66.2	66.0	67.1
1913 = 100	83.1	91.0	90.8	92.3
1924 = 100	52.2	57.2	57.0	58.0

The past fortnight witnessed a general increase in cereals and meat prices. Among other foodstuffs there was a sharp advance in butter. In the cereals group, cotton, silk, flax and jute were all higher, and the fall in wool prices has for the moment been checked. Non-ferrous metals were slightly higher. In the miscellaneous group, declines in hides and sulphate of ammonia were neutralised by advances in rubber, linseed oil and tallow.

Tin Quota Reduction.—The International Tin Committee at its meeting on Monday reduced production quotas by 10 per cent., to 40 per cent. of the standard tonnage; the reduction is to come into force from October 1st. This decision is, unfortunately, not surprising. It would probably have been put into force earlier had not the 10 per cent. increase in the quota arranged in May been expressly fixed until September 30th. There has been an unusually large drop in tin purchases since June, considerably larger than can be accounted for as a seasonal decrease. From this it is to be concluded that the International Tin Committee's price policy is tending more and more to restrict consumption. The use of substitutes for tin, which right up to recent months was of no great importance owing to the greater economy of using tinplate, is now becoming more serious. For some time past, to quote one example only, large placards have appeared all over England pointing out the advantages of the "new hygienic aluminium food containers." Even in the preserving industry, which has hitherto been undeniably the largest user of tin, competition with tinplate has begun to stir. This should really give food for thought to the International Tin Committee. The new reduction in the quotas which is to rule from October 1st, despite the expected autumn lull at this

period, would seem to indicate that the Committee are bent on doing everything in their power to maintain the present dangerously high price of about £225 per ton.

Cotton Weavers' Wages.—Although some little time ago the Government passed the Cotton Manufacturing Industry (Temporary Provisions) Bill for the purpose of legalising wage lists in the weaving section of the cotton industry, there seems, according to our Manchester correspondent, little prospect at the moment of employers and operatives coming to any agreement on a new list. Joint conferences took place rather more than a month ago which ended in a deadlock. The employers put forward certain proposals which meant a reduction in the earnings of the workpeople and these were definitely rejected. At the end of last week it was announced, at the close of a meeting of the General Council of the Weavers' Amalgamation, that steps would be taken for the resumption of negotiations with the employers. It is understood, however, that the representatives of the workpeople will have their hands tied and that any agreement reached with the employers will have to be ratified by a delegate meeting of the operatives. It is admitted that there are many anomalies in wage rates at the present time; but the employers in their suggested revision are undoubtedly endeavouring to obtain a reduction in wages, and this attitude is being strongly resisted by the workpeople in the several Lancashire weaving towns. It is probable that discussions between the two sides will be reopened next week. Owing, however, to the radical cleavage of opinion which exists, an early settlement is improbable.

Iron and Steel Production in July.—Iron and steel production continues to be well maintained. Although, owing to the "Fair" holidays in Scotland, the country's total production of steel fell from 757,500 tons to 718,200 tons, production of pig iron rose from 514,000 tons in June to 527,200 tons in July, thus returning to the level of May, which was the previous 31-day month.

	BRITISH IRON AND STEEL			
	(Thousand tons)			
	Production	Imports	Exports	
	Steel	Pig Iron	Iron & Steel	Iron & Steel
July, 1933	567.5	487.5	63.4	156.1
June, 1934	757.5	514.9	98.0	204.1
July, 1934	718.2	527.2	126.4	197.1

The principal rise in imports occurred in pig iron, billets, blooms and slabs, and steel bars, rods and shapes. Pig iron imported amounted to 10,980 tons, of which 8,784 tons came from India: 2,052 tons was special pig iron "wholly smelted with charcoal," probably from Sweden. Of the 66,950 tons of pig iron imported this year India has contributed 57,748 tons. Imports of raw materials for the industry have naturally risen considerably with the increase in production. Imports of scrap iron and steel, which amounted to 47,152 tons in the first seven months of last year, have in the corresponding period this year amounted to 235,035 tons: the corresponding figures for iron ore being 1,501,972 tons and 2,457,346 tons, and for manganese ore 59,462 tons and 121,750 tons. (See the Leading Article on July Overseas Trade.) The chief items of exports were tinplates and sheets (34,800 tons), tubes (32,200 tons), galvanised sheets (21,600 tons), steel bars, rods and shapes (14,600 tons), and plates and sheets (14,100 tons). Of the 14,115 tons of plates exported, 10,247 tons went to "other foreign countries," probably Russia. The employment figures issued last week showed that the numbers unemployed in the iron and steel industry at the end of July were 23,492 less than at the end of July, 1933.

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OVERSEAS CORRESPONDENCE

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UNITED STATES

AGRICULTURE AND BUSINESS "UNDER THE WEATHER"

MIDSUMMER is rarely a period of optimism; but this year sentiment is extremely depressed. The sharp severity of the slump in productive activity since June is now generally recognised. It is realised that, despite higher prices for agricultural products, the drought and its crop failure can only be rated as national misfortune and local disaster. In the security markets, there is growing consciousness of the fact that the volume of rail traffic has not increased rapidly enough to support higher prices of materials and increased labour charges, especially new pension costs; while public utility companies are squeezed between rising taxes and costs and falling rates imposed by the regulating commissions. Few industries are doing as well as a year ago, and the Federation of Labour still rates unemployment at 10 millions. In this setting, the remarks of Mr William Green, President of the American Federation of Labour, provided small cheer for the business community: "Will it be necessary for society to take over the means of production? Will the Government be forced . . . to invite the eager and willing workers to march into the idle shops . . . ? These are questions which industry must ponder now before it is too late. The crisis is on us." No partisan opponent of the Administration has voiced such discouragement; yet his sentiment is echoed, in other terms, of course, by the financial and business community.

In part this gloom reflects the realisation of the severity of the drought. The curtailment of crops, by Nature and by the A.A.A., has had a strong influence on agricultural prices.

PRICES OF AGRICULTURAL COMMODITIES*

(Cents per unit)

	April 16, 1934	August 1, 1934
Wool	79.18	71.82
Cotton	11.80	13.20
Flaxseed	172.00	188.00
Eggs	18.00	18.50
Maize	43.00	71.00
Oats	27.88	47.75
Wheat	80.50	106.13
Cattle	6.30	6.65
Butter	23.50	25.50
Rye	52.75	77.50
Hogs	3.90	4.30

* Excluding processing taxes.

It will be noted that wool and flaxseed, which are largely imported, have changed little, and that cotton has risen only slightly, although the western part of the Cotton Belt is drought-stricken. Eggs, butter, hogs and cattle have shown only negligible price advances; but cereal grains have spectacularly advanced. From these figures, it is quite clear that the drought has been only partially compensated by higher prices. For example, most maize is marketed in the form of hogs; and it is no benefit to the typical Corn Belt farmers if maize goes from 43 cents to 71 cents a bushel, if at the same time hogs advance only from \$3.90 to \$4.30. When considering farm income, it is, of course, necessary to consider the bounties derived from the processing taxes. Furthermore, it must be remembered that the drought has been irregular in its incidence, and that in the driest areas literally nothing has been produced. In such regions, the farmers are this year totally or almost totally dependent upon Federal bounties. Farm income is likely to be less this year than last; although more liberal Government bounties may make up the difference. The Department of Agriculture actually forecasts a farm income *higher* this year than last. Moody's daily index of primary commodities now stands at 147, showing an advance of about 20 per cent. since December. The present figure is approximately back at the highest point touched in mid-July, 1933. The Bureau of Labour index at 75 (against 60 in the early part of 1933) has maintained its advance intact.

"SETBACK IN PRODUCTION"

The Federal Reserve figures for June show that in that month, although there was some recession, there was still little evidence of the slump which was to come in July.

FEDERAL RESERVE BOARD BUSINESS INDICES

(1923-5 = 100. Seasonally Adjusted)

	June, 1933	April, 1934	May, 1934	June, 1934
Industrial production	91	86	86	84
Manufactures	93	85	86	83
Minerals	84	90	89	88
Construction contracts (total)	18	32	26	29
Residential	13	12	11	12
Urban	23	49	39	43
Factory employment	67	82	82	81
Factory payrolls	47	67	67	65
Freight car loadings	62	62	63	64
Department store sales	68	77	77	73

The sudden decline in steel operations from about 60 per cent. of capacity in June to below 30 per cent. of capacity in July is hardly typical of industry in general. The advance in cartelised prices in April and the threat of strikes had offered a special incentive to fill steel requirements before the end of the quarter. Nevertheless, the July setback seems fairly widespread. With the present low level of money rates there is strong inducement for a concern to convert working capital from its cash equivalent into raw material; and, as far as can be ascertained, raw material stocks are generally fairly heavy.

With the disappointments of the summer there has come from the usual quarters a demand for "inflation." The Committee for the Nation has energetically revived its campaign for a 50-cent dollar; the silver interests urge greater activity; while others advocate a revival of the C.W.A. or an amplification of the P.W.A. As the business community has largely lost faith in any and all of these devices, this renewed agitation has contributed to general discouragement. In the last few days the rumour that the dollar would be further devalued has revived, and these rumours have received sufficient credence to have had visible effects in certain markets, and notably on the foreign exchange value of the dollar. The somewhat anomalous coincidence of a sharp rise in commodities and an equally sharp fall in securities is not, however, to be explained on such terms. The commodities that have risen have done so primarily because of reduced supplies occasioned by drought. The decline in securities is to be attributed to the deterioration of the business situation and to waning hopes of an autumn recovery.

NEW YORK, August 8.

FRANCE

FOREIGN AFFAIRS

PUBLIC opinion continues anxious about political developments in Central Europe. The latest Nazi manoeuvre brought relief; but no one here dares to take the *Führer's* declaration of pacifism at its face value. It is conceded, however, that economic difficulties may create a more conciliatory attitude in German foreign policy for the next few months at least. As to the recent "silver utterances" in America, not much importance is attached to the latest prophecy of Senator Thomas, that nationalisation of silver means the end of the gold *bloc*. This measure, however, even if it does not entail immediate depreciation of the dollar, is not considered as a factor making for confidence in the stability of that currency.

GOVERNMENT AND THE NATIONAL FINANCES

The Doumergue Government is proceeding with its measures for bringing order into the national finances. At the last Cabinet Council, M. Germain-Martin declared that preparation of the 1935 Budget was being pushed forward

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under favourable conditions and that the task will be ended by September 15th. He confirmed that the next Budget will not exceed 47,000 million francs, against 50,000 millions for the current Budget. This reduction will be effected by economies, and a large slice has already been secured as the result of earlier measures. On the same lines, a recent Decree considerably reduces the percentage grants-in-aid accorded by the State to Departments and Communes for public works. Excessive grants in the past have stimulated the smaller local authorities to lavish money on schools and municipal works, as a result of which their local budgets and rates increased enormously.

This policy of economies is causing "increasing returns" of confidence. The subscription lists for the last issue of 4 per cent. Treasury bonds were closed last Saturday and it was officially announced that the total amount taken up was approximately 5,000 million francs, despite various internal and external disturbances unfavourable to public confidence. Out of these 5,000 millions, 3,000 millions were, as was expected, subscribed in new money, which renders the Treasury situation easy until at least the end of October. The other 2,000 millions were paid in "Clémentel" bonds, which are due for redemption in October. As the amount of these bonds outstanding at that date is about 6,000 millions, the conversion issue which must then be offered will thus be reduced to about 4,000 millions. Confidence in the Government restoration programme appears elsewhere, notably in the steady increase in the Bank of France's gold reserve, which reached 80,486,581,000 francs in the last return, against a note circulation of 81,717,825,000 francs, i.e. a cover of nearly 100 per cent. The cover against sight liabilities reached 79.91 per cent., a ratio which was only once exceeded in the past, at 79.95 per cent. last November.

SAVINGS BANKS AND CONFIDENCE

The Savings Bank of Paris has just published its annual report, which contains valuable information on French saving during 1933. Deposits in the Savings Bank of Paris reached 483,960,000 francs, which is 68 millions less than in 1932. Withdrawals were 440,714,733 francs. The French ordinary savings banks also registered a slackening in the increase of new accounts and new deposits. Deposits were 7,862,413,000 francs, a sum nearly 2,000 millions less than in 1932. Withdrawals, on the contrary, reached 7,834 million francs, or 534,600,000 francs more than in 1932. The balance is still in favour of deposits, but only by 28 million francs, instead of 2,500 millions in 1932. At the end of the year total deposits reached 34,535 million francs, i.e. an increase of 876 million francs (interest included), against an increase of 3,000 millions at the end of 1932. In the Postal Savings Bank the same tendency is evidenced; on December 31st total deposits reached 24,133 million francs, i.e. an increase in deposits of 515 millions instead of 3,000 millions in 1932. The reasons for this trend are numerous: the crisis, which curtails the reserves of the public, the continuous recourse by the State to the money market, the political crisis and events in Germany,

etc. This review of saving activity during 1933 invites a guess at what it has been in the first few months of the current year. From January 1st till May 15th the returns of the savings banks have shown heavy withdrawals, which amounted to 250 million francs in two weeks (February 16th-February 28th). Although since then these returns again show regular deposit surpluses, the latter have never been above 74 millions (second two weeks of July), so that the net results for the first seven months of the year still leave a surplus of withdrawals of 508 million francs.

INDUSTRIAL PRODUCTION IN JUNE

The Statistique Générale has just published its monthly figures showing industrial production in France. These statistics compare the June figures with those of the two preceding months and with June, 1933:—

1913 = 100

	June, 1933	April, 1934	May, 1934	June, 1934
General index	111	103	101	99
Engineering	113	100	99	98
Iron and steel	91	79	80	80
Textiles	75	69	66	61
Mines	100	103	103	102
Building (adjusted figures)	92	87	84	81
Leather (" ")	111	101	99	98
Paper (" ")	142	154	158	159
Rubber (" ")	995	974	940	892
Motors (" ")	476	460	456	454

In the motor industry, 15,902 automobiles and 1,937 lorries have been put on the road, compared with 15,026 and 2,046 in May, 1934, and with 14,903 and 2,475 in June, 1933. The figures for the cotton industry are as follows:—

	March	April	May	June
Spinning (average per spindle in kilograms):				
Production	1,841	1,552	1,593	1,453
Deliveries	1,847	1,520	1,608	1,411
Stocks	2,615	2,626	2,634	2,423
Unfulfilled orders	5,618	5,373	5,126	4,568
Weaving (average per loom in pieces of about 100 metres):				
Production	5.65	5.18	5.00	4.95
Deliveries	5.03	4.43	4.43	4.85
Stocks	8.24	8.88	9.62	9.09
Unfulfilled orders	15.44	14.51	12.75	12.63

The figures of bankruptcies register a slight decline compared with the preceding month. Bankruptcies were 860 in July, against 1,036 in June, and bankruptcies and judicial liquidations were 1,212 against 1,414 in June.

PARIS, August 14.

GERMANY

NEXT SUNDAY'S PLEBISCITE

ACCORDING to official statements the result of the voting on August 19th "is already established." Although by this, as appears from other official utterances, is meant that "all" Germans will vote for the fusion of the Presidency with the Chancellorship as already enacted by a law which came into force on August 2nd, it also means that the Government will be in a position to announce just the result that it considers advisable. The circumstance that in the last appeal to the nation Herr Hitler received over ninety per cent. of votes might conceivably raise difficulties, for it would be difficult for a Nazi government to admit that its popularity had abated, and even a slight increase of its election popularity must bring it within sight of a 100 per cent. vote, so that a few more elections would raise a dilemma. The appeal is officially described as a "free election." It is not an election, there being no choice, and it is not free, for no person without risking his life would publicly express opposition. The formal purpose of the election (though the Minister for Propaganda affirms that an election is necessary only in order to impress foreigners) is not clear. It is not admitted that a disapproving vote, which is at least theoretically possible, would cause the revocation of the fusion law. The legal position is, indeed, in other respects unsatisfactory. The "enabling Act" of May 24, 1933, which in general conferred authority to

deviate from the Constitution, specially excepted presidential rights. The assumption of presidential powers by the Chancellor is a breach of this provision. In general, the appeal to the nation seems intended for extensive official propaganda and agitation, which is to "prove," what observers know is contrary to fact, that Herr Hitler and his Government have not lost supporters by the massacre of June 30th, and by the fiasco in Austria, with their harmful effects on Germany's international position.

CONTROL OF RESERVES AND RAW MATERIALS

The exchange agreement with Great Britain has not caused unqualified satisfaction. It had been expected that the agreement, by covering old debts, would have made possible the resumption of import of English yarns, or at least that a simultaneous private agreement settling the old debts question would have been reached. Further, an agreement which is dependent on the non-endangering of the Reichsbank's precarious reserves hardly promises permanence. The Reichsbank's reserves depend partly upon measures which may be taken by other Governments than the British. This fact is brought out by Holland's decision to put into force against Germany, on August 15th, her compulsory-clearing law, in consequence of the failure of negotiations for regulating payments. Any creditor country that resorts to compulsory clearing can always, if its trade balance with Germany is sufficiently passive, exact payments in excess of those agreed on between Germany and other creditor countries; and if Holland chose to retain the full trade surplus the German reserves situation would be aggravated. It is, however, likely that the Dutch compulsory clearing measure will prove as effective as were the mere threats of clearing by other countries, and that an agreement will ultimately be reached.

The delivery of gold for industrial purposes has been restricted. Non-ferrous metals will henceforth be supplied to industrial undertakings only upon proof of individual need. The control board for these metals has fixed prices. On the basis of the law of March 22nd, authorising control of industrial raw materials, a board has been established for iron ore, manganese, scrap iron, pig iron, ingot steel, semi-products, and the usually listed rolling-mill products. The Ministry of Economy announces that priority in the supply of raw materials will be conceded for execution of export orders. The Ministry states that export now constitutes 10 per cent. of total industrial production, which is less than during the last good trade period. The ordinance of May 16th against the raising of prices of necessary articles of daily consumption without official permission has been extended to all goods.

AGRICULTURAL SUPPLIES

It is officially stated that the food supply of the population in the new crop year is assured, and that resort to rationing or substitutes or synthetic foods will not be necessary. The crop estimates for August 1st show for wheat, rye, barley and oats slight increases in the yield per hectare as compared with July. The estimated bread-cereals production is 11,540,000 tons, as against the 11,380,000 tons of the July estimate. The average of 1924-33 was 11,400,000 tons, in the earlier years of which decade, however, production was very low. The estimated oats production is 21 per cent. below the decade average; early potatoes only 1,870,000 tons, against 2,910,000 tons; hay, first cutting, only 11,690,000 tons, against 23,370,000 tons. The estimates therefore point rather to a fodder than a food shortage, except for potatoes. An ordinance regulating the sale of potatoes has been issued. The Finance Minister has been empowered to give further guarantees of Rm. 46 millions for regulating the cattle market and Rm. 1,000,000 for fostering home production of fodder.

MONEY AND CREDIT

The demand for money this week increased in consequence of quarterly tax liabilities, and bank acceptances were offered. The Reichsbank's return for August 7th shows that only 35½ per cent. of the July month-end credits had been repaid, as against 63 per cent in the same period of 1933. Discounts and Reichsmark note circulation are only slightly higher than a month ago; total circulation

Rm. 5,564 millions, against Rm. 5,388 millions a year ago. The question of the valorised mortgages has come up for discussion. The last regulation, under which 25 per cent. of the original gold value of mortgage claims, which had depreciated during the inflation, was restored, was that repayment of capital could be claimed on April 1, 1935. The total mortgage sum is Rm. 13 milliards. As the interest borne by the valorised mortgages is lower than the current market rate there would be little prospect of their prolongation in 1935. The creditors are insurance companies, banks, savings banks, and private capitalists. A new legislative regulation, which could only take the form of a new postponement of repayment, is expected.

EMPLOYMENT, INDUSTRY AND FOREIGN TRADE

The number of unemployed in July fell by only 54,000; in the two months June and July by 100,000. In July, 1933, the unemployment decreased by 240,000. The occupational census of June 16, 1933, shows, with a practically unchanged total since 1925 (32,296,000, as against 32,009,000), a decline in the number engaged in industry from 13,487,000 to 13,051,000, whereas the number engaged in trade and communications rose from 5,255,000 to 5,931,000. In 1907, out of 25,156,000 total employed only 9,848,000 were engaged in industry; it seems therefore that, independently of the depression, the pace of industrialisation slackened in the second census period. The number of persons engaged in agriculture, which rose between 1907 and 1925 from 8,556,000 to 9,762,000, had fallen by 1933 to 9,343,000. The number of persons with independent occupations shows, contrary to general belief, a sharp rise.

The industrial position has changed little. The share of the total coal turnover sold in the "contested area" (subject to British competition) has increased. Coal dumps have slightly declined. The home steel market is active. Export of heavy iron and steel in the first half-year was 1,233,200 tons, import 924,000 tons, as against 978,900 and 660,800 tons respectively in the same half-year of 1933; the export surplus of iron and steel has therefore been maintained, and in rolling-mill products substantially increased. The first balance-sheet total of the reconstructed Steel Trust (Vereinigte Stahlwerke A.G.) is Rm. 1,740,355,000, whereof Rm. 969,757,000 represents land, buildings and plant; Rm. 371,716,000 participations in other concerns; and Rm. 221,859,000 claims on other concerns. On the liabilities side are capital Rm. 549,469,000 (formerly Rm. 775,000,000) which is to be raised to Rm. 560,000,000; long-term debts in foreign currencies Rm. 142,569,000, in marks Rm. 170,859,000; bank debts in foreign currencies Rm. 71,881,000, in marks Rm. 69,329,000. From the profit and loss account it appears that gains of Rm. 71 millions resulted from the conversion of German-held dollar bonds into mark bonds and from amortisation of foreign-currency debts over the exchanges.

The foreign-trade return for the first half-year shows with Europe an active balance of Rm. 425 millions, as against Rm. 768 millions in the same half of 1933, and in Europe without Russia Rm. 469 millions, against Rm. 679 millions; with America a passive balance of Rm. 353 millions, against Rm. 244 millions. Only with Asia has the passive balance declined. Increased imports of raw materials made for greater passivity with overseas countries. The chief declines in exports were to France, Switzerland, Holland, Belgium, Austria, and Poland; whereas exports to Italy, Denmark, Greece, and Great Britain increased.

BERLIN, August 15.

SWEDEN

BUSINESS EXPANDING

ECONOMIC developments in Sweden during the last few months have been characterised on the one hand by a marked increase in the tempo of production in the large export concerns of the mechanical industry, which had previously, unlike other export industries, shown comparatively unsatisfactory export figures; and, on the other hand, by the increased employment which is now also visible in

most industries. Practically all statistics show a progressive improvement in the situation. Nevertheless the tendency of the volume of credit to increase which was noticeable during April and May has ceased, and the demand for credit has actually declined. It is as yet too early to see whether this development is or is not a seasonal phenomenon.

In Industriförbundet's seasonally corrected index of industrial production this increased employment finds expression in the rise of the index number from 107 in March this year to 110 in April and 111 in May. Indeed, the last figure represents the average level for the good year 1929. In June, 1933, the figure was 85, and the highest position was reached in the beginning of 1930 with the figure of 118. Just as in the earlier part of the year, it is the industries working for the home market which have caused the rise, and among them principally the consumption industries.

DECLINING UNEMPLOYMENT

As has already been remarked, this increased production is also reflected in a considerable decline in the number of unemployed. Whereas previously the increase in the quantity of production was only faintly reflected in the number of workers employed, the saving of labour effected by rationalisation no longer offsets the increased demand for labour. The number of applications for work per 100 vacancies has fallen from 560 in January and 401 in April to 317 in May and 298 in June, while the May and June figures a year ago were respectively 458 and 451. The number of unemployed in the trade unions amounted at the end of May to 15 per cent. of their registered members, as against 19.5 per cent. a month earlier and 21.1 per cent. at the same time last year. These figures are absolutely the best since the late autumn of 1931, but relatively they are somewhat less favourable than those for the corresponding months of 1931. The number of unemployed reported to the State Unemployment Commission amounted at the beginning of June to 116,300, as against 145,600 a month earlier. On June 1st last year the figure was 156,200. The improvement during the last months in the metal and iron industry is reflected in the scarcity of skilled and specialised workers. This favourable development in the labour market is all the more striking since it has taken place in spite of the unemployment policy of the Social-Democratic Government, which in a high degree tends to restrain the unemployed from seeking work in the open market, where wage conditions are frequently less advantageous.

FOREIGN TRADE IMPROVING

Whereas increased employment in domestic industry during the first five months of this year has brought down considerably the total of unemployed, the favourable development of export industries (especially in the mechanical industries) will almost certainly have contributed in a high degree during June to a more than seasonal reduction of the number of unemployed. The volume of foreign trade during June was larger than in any preceding year since 1930, and exports were especially large. This development has resulted in an export surplus equal to that of the same month of 1929, and for the first half of this year the import surplus amounted to only 31 million kronor, or the lowest amount to be found in any first half-year since the end of the war. The quantity of timber shipped during June was the highest monthly figure reached since 1929, both as regards sawn and planed woods. Exports of pulp for the second quarter reached a particularly high level, and there is as yet no tendency to decline. The same is true of exports of paper. The increase in the export value of the products of the mechanical industries is especially striking in the case of electrical machinery and separators. The marked improvement in the sales of the iron and steel industry is still continued. Exports of iron ore are still roughly three times as great as during the same period last year. Exports for the first half-year exceeded those of the whole of last year. Imports of raw materials and semi-manufactures for the heavy industries maintained a high level. The June figures are the highest monthly figures for the year. Imports of cotton are still considerable, but on the other hand import requirements of wool were covered to a very large extent in the first four months of the year. The June figure is lower than any monthly figure in this or last year. The imports of this commodity for the half-year are 50 per cent. larger than for the corresponding period last year.

DEMAND FOR CREDIT WANING

The increased tempo of production in the various branches of industry would lead one to expect an increased demand for credit from the banks. This has not occurred, however. Payments for foreign shipments usually result, in the month of June, in a reduction in the volume of credit of the banks, while the banks instead acquire the foreign exchange from exporters. The shrinkage in the volume of credit is, however, considerably greater this year than in previous years. Compared with the increase during the two immediately preceding months this changed tendency appears very clearly. It would appear that it has its cause in the unusually abundant flow of foreign exchange during recent months and does not reflect any decreased capital requirements of industry. The exchange holdings of the commercial banks increased during June by 41 million kronor and during the whole of the second quarter by a total of 94 million kronor. The exchange holdings of the Riksbank and the commercial banks exceeded 550 million kronor at the turn of the month, and if we add to this the gold reserves we reach a total holding of about one milliard kronor of short-dated resources. About 80 per cent. of this amount is calculated at gold value. The export abroad of securities by the banks and stockbrokers amounted in June to 8,830,000 kronor and imports at the same time to 6,800,000 kronor. The balance of payments was thus improved by 2,030,000 kronor.

Naturally the Stock Exchange could not fail to be strongly influenced by the drastic alteration in Germany's commercial policy which preceded the last political crisis in that country, and which has since been intensified. The vexed problem of transfer is naturally reflected in the general tone of the Stock Exchange, and the uncertainty of the position in Germany and of the future of trading relations with that country has affected Stock Exchange activity as well as certain Swedish exporting industries unfavourably. As compared with the position at the beginning of the year, how-



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ever, there was at the end of the half-year still a rise of 1.4 per cent. in industrial production. The last two months have especially affected the Grängesberg company, despite its increased shipments of iron ore in recent months. Germany is, of course, its largest market, and the outcome of the transfer negotiations must be of decisive importance for its activities. The relatively sharp fall in bank shares is due to the same cause, since the yield on the comparatively large holdings of German bonds by certain banks must considerably affect their profit-earning capacity.

STOCKHOLM, July 24.

CANADA

OTTAWA has now relapsed into the usual post-session torpor. The work of organising the new central bank and of setting up the machinery necessary for the operation of the Central Marketing Board is going ahead, while the Finance Minister has been conferring with leading bankers about plans for a new conversion loan in the autumn. A Victory Loan of about \$233 millions matures on November 1st, and as some other obligations have to be provided for it is expected that there will be a domestic offer of \$250 or \$300 millions at a rate below 4 per cent.

Their political fortunes are also occupying the attention of Ministers, and a miniature general election to fill four vacant seats in the Federal Parliament, all in Ontario, is due to take place on September 24th. At least two of the three seats held by the Conservatives are shaky, and if they are lost, as is not improbable, the Liberals will renew their demand for a general election. But it will be impossible to have the new registration system, created last session, in operation before the end of the year, and so the common forecast in Ottawa is that the Government will summon Parliament in November instead of January and let it sit through the winter. According to this prediction it will introduce industrial reform legislation based on the recommendations of the Stevens Committee, which has been investigating price spreads, wage conditions and correlated problems; and after passing another Budget will go to the country in April or the first half of May. By this course it will be possible for Canada to send representatives armed with a proper mandate to the gathering of the statesmen of the Commonwealth which is due to take place at the time of the silver jubilee celebrations in London next June, and an unpleasant squabble on this subject which has been looming up will be avoided.

POOR OUTLOOK FOR WHEAT

There is little good to report about the all-important Western wheat crop, and the surveys, official and unofficial, continue their pessimistic tone. The Bureau of Statistics' latest bulletin, published on July 24th, says that another week of high temperature and limited rainfall has caused further damage to the Western crop, and describes the drought as more severe in the areas previously affected, extending into districts where the crops appeared good. There has also been much heavier loss from hailstorms than usual, but the grasshoppers, although thick in many areas, are not causing much damage. In a large part of the West the crop is ripening prematurely and the harvest promises to be early. Alberta is faring better than the other provinces, and one authoritative expert forecasts that its wheat yield will be about 135 million bushels, but that the total yield of the prairies will only be 288 million bushels. The Western pastures have been badly burned, and there is serious concern about the prospects for autumn and winter feed for livestock. The price of wheat has risen; but the volume of export demand remains disappointing, and on July 13th visible stocks of Canadian wheat were still 187 million bushels, as compared with 200 million bushels at the same date last year. Milling interests protest that their export business is being seriously impaired by the marketing policy of the Government's grain agent in Winnipeg, in maintaining a substantial spread between the domestic price for wheat and the world price.

BUSINESS STILL IMPROVING

The foreign trade returns for June were again satisfactory, and are, with the comparative data for June, 1933, as follows:—

	June, 1933	June, 1934
Exports	\$ 45,967,773	\$ 58,045,528
Imports	\$ 33,618,905	\$ 46,185,892

Exports to the United Kingdom rose in value from \$18 to \$26½ millions, a gain of 47.4 per cent.; and imports from the United Kingdom from \$8 to \$9½ millions, a gain of 19.1 per cent. Imports from the United States (\$26½ millions) rose by 45.1 per cent., and exports to the United States (\$16 millions) rose by 7.4 per cent.

Business conditions maintain an upward trend, and the general economic index of the Bureau of Statistics for the week ending July 14th was 96.2 as against 95.3 for the previous week—a new “high” for the present year. The total car-loading figure for the first two weeks of July, 85,336 cars, showed a gain of 5,024 cars over the corresponding figure for 1933.

Wholesale trade has been active and seasonal merchandise has moved in satisfactory volume, while retailers report substantially better business than a year ago, together with a greater influx of summer visitors. In industry, cotton, woollen and hosiery mills are mostly working full time; but the clothing industry in Quebec is dislocated by a strike for higher wages. The boot and shoe plants are also well supplied with orders; and the rubber, electrical appliance and meat-packing plants are also busy. In the heavier industries there has been evidence of the usual midsummer recession; but output in the majority is at a higher level than a year ago. The June production of pig iron was 37,306 tons as compared with 38,189 in May; and of steel 64,013 tons compared with 71,437 in May. In the primary products industries there has been a decline in the export demand for lumber, and prices have fallen slightly. The newsprint industry, without being able to make reasonable profits, is keeping up its output; and exports for June, although below the May figure, were valued at \$6,816,158—more than \$1 million above the figure for May, 1933. There is steadily increasing activity in all mining camps, and several new gold mines have recently come into operation; the more important new discoveries being in British Columbia and Manitoba. The early run of salmon in British Columbia has been heavy, and the fishing industry on both coasts has better prospects than for some time. But new construction still lags everywhere; and the June figure, valued at \$12 millions, was very low, being little more than one-third of the figure for the average of pre-depression years.

The latest bank statement, to the end of June, shows that current loans in Canada are \$874½ millions, \$12 millions less than at end-June, 1933. Call loans at \$103 millions are up by \$5 millions; and savings deposits are down by \$22 millions. There was an increase of \$14 millions in the note circulation during the month of June.

OTTAWA, July 27.

BOOKS RECEIVED

- China and Japan.* By G. Gothein. (London) Hamilton Press. 32 pages. 1s. net.
- The Plight of the Bituminous Coal Miner.* By H. L. Morris. (London) H. Milford. 253 pages. 12s. 6d.
- Between Two Worlds.* By Nicholas Murray Butler. (New York) C. Scribner's Sons. 450 pages. \$3.00.
- The Diary of a Governing Director.* By H. Jefferson. (London) John Miles, Publisher, Ltd. 190 pages. 5s.
- Quo Vadimus.* By A. E. Zimmern. (London) H. Milford. 43 pages. 2s. net.
- Sell's Directory of Registered Telegraphic Addresses of the Commonwealth of Australia, 1934.* (London) Business Dictionaries, Ltd. 116 pages. 20s.
- British Trade with Holland.* By John de La Valette. (London) East and West, Ltd. 96 pages. 5s.
- Moneta internazionale.* G. Raldi. (Rome) Rassegna Numismatica. 24 pages.

MONEY AND BANKING

AMERICAN SILVER POLICY

PRESIDENT ROOSEVELT'S proclamation of August 9th, calling on all holders of silver bullion in the United States to sell their stocks to the Treasury, has fluttered the monetary doves to an extent far greater than its intrinsic importance would indicate. The proclamation contains no new statement of policy, it adds nothing to the President's message to Congress of last May, and is issued merely in execution of the Act passed as a result of that message. Moreover, the amount of money involved is very small in comparison with the huge totals in which American public finances are now expressed. Nevertheless, the proclamation was sufficient to induce a depreciation of several points in the exchange quotation of the dollar, driving it below the gold export point and abruptly reversing the westward tendency of gold movements that has prevailed for some months past. More than that, the New York market in United States Government bonds suffered a sharp relapse, in spite of supporting purchases undertaken by the Stabilisation Fund of the Treasury, and an issue of Treasury-guaranteed securities of the Home Owners' Loan Corporation met with such an unfavourable reception that the Treasury had to accept bids below par for part of the issue and itself to take up another part.

This flurry was not, of course, entirely caused by the decision to purchase the existing stocks of silver. But the implication was read into the decision that the President had returned from his holiday more favourably inclined to further monetary experimentation than he has previously been this year. The Treasury, with an eye to its refinancing programme, has tried hard to combat this view, and the apprehensions of the market have been lessened but not entirely laid to rest, particularly since the voice of Senator Thomas has been heard from the Middle West advocating an immediate further reduction of the gold content of the dollar.

It is idle to attempt to foretell anything so inherently unpredictable as Mr Roosevelt's intentions. But it will be useful to review the silver legislation itself, apart from its connection with the resurgent inflationary agitation. The root of the silver agitation lies, of course, in the heavy fall in the price of silver which had been apparent ever since 1920, but was very greatly accentuated during the early years of the depression. The falling price was naturally little to the liking of silver producers, whether in the United States or elsewhere, who provide the bulk of the support for a policy of remonetising silver or raising its price in other ways. But because of the past history of silver as a money metal in the West and its present use as currency in China, the bare appeal for assistance for the silver producers has been overlaid with two economic arguments. The first, which is almost peculiar to the United States, goes back to the controversy of the '90s. Advocacy of bimetallism has always been the vehicle through which the Agricultural States of the American West have expressed the age-old demand of the agrarian debtor for an increase in the currency. Memories of William Jennings Bryan and the “cross of gold” have succeeded in perpetuating the attachment to silver of the Western section of the Democratic Party, while in the eyes of the East silver legislation and unsound inflation are still almost synonymous terms.

The second argument has a wider following. Since silver is the currency of China, an increase in the price of silver raises the value of Chinese currency, and this, according to the silver advocates, increases the power of China to purchase Western goods. This argument, which is demonstrably false, has been propagated with a cynical inconsistency by precisely those people who have most vigorously insisted on lowering the value of their own currency. That what is sauce for the American or British goose is sauce for the Chinese gander has been shown by the course of events since 1931. Since September, 1931,

the price of silver has been rising, and the quotation of the Chinese dollar has risen from 10d. to 1s. 4½d. in London and from 21 cents to 33 cents in New York. The result for China, as demonstrated in Sir Arthur Salter's report on “China and the Depression,” which was published as a Supplement to the *Economist* of May 19th, has been falling prices, dwindling trade and depression. The forcibly expressed views of the Chinese Government have consistently been that the price of silver should be neither raised nor lowered, but stabilised. A third element in the problem is the position of the Indian Government, which, having demonetised silver after the war, has large stocks of silver to sell.

An attempt was made at the World Economic Conference last year to reconcile these conflicting forces, the Americans and the producers aiming for a rise in the price of silver, the Chinese Government wanting stabilisation and the Indian Government anxious to dispose of its holding. The Agreement concluded at the Conference provided that the Indian Government was to restrict its sales to 35 million ounces a year, while four other Governments, of which the American was the chief, agreed to purchase an equal amount, the American share being 24 million ounces. This Agreement could fairly be interpreted as a stabilisation measure. Indian Government sales were to be offset by other Governmental purchases, leaving the implication that the market was to be relieved on balance of all Governmental intervention. China, in ratifying the Agreement in March, made the specific reservation that her ratification would be cancelled if the spirit of the Agreement were departed from. India had ratified the Agreement in November, and although no reservations were made, emphasis was laid in the Finance Member's speech on the stabilising effect which it would have on the market.

President Roosevelt ratified the Agreement on December 21, 1933, at the same time announcing that the American Government would purchase all domestically-mined silver at the price of 64½ cents an ounce. As American domestic production was about 22 million ounces in 1933 this could be interpreted as an implementation of the Agreement, although the high price offered is likely to stimulate a greater production.

The American silver interests, however, were far from being satisfied with ratification of the London Agreement. Their pressure on the President continued, and in May he consented to the introduction of a Silver Purchase Bill. This measure declares it to be the intention of the United States Government to purchase silver until its monetary reserves consist as to three-quarters of gold and as to one-quarter of silver. As it was made clear that there was no intention of exchanging any of the gold reserve for silver, this involved the purchase of about \$2,600 millions of silver. Assuming that silver would be valued at the old mint price of \$1.29½ an ounce, this meant buying 1,600 million ounces in addition to the 400 million ounces already in the Treasury. The free stocks of silver bullion in America do not exceed 250 million ounces, the total stocks in Shanghai and India are only about 700 million ounces, and the world production of silver—out of which the demands of the East and of industry have to be met—has never exceeded 270 million ounces and has recently been about 160 million ounces a year. The programme is thus a very long-range one. As a preliminary step, the President was consequently authorised compulsorily to purchase all silver in the United States.

This is the step he has now taken. The silver is being purchased at 50.01 cents an ounce, but it will be coined into silver dollars at the rate of \$1.29½ an ounce. The Secretary of the Treasury has, however, announced that only sufficient of these silver dollars—or, more precisely, silver certificates based on them—will be issued to cover the purchase price of the silver. Taking the official estimate

of 200 million ounces likely to be bought, the addition to the currency will consequently be only some \$100 millions. These notes will presumably be deposited in banks and will form no net addition to the circulation. In any case, the amount is trifling in comparison with the \$5,300 millions of currency in circulation or with the \$1,900 of excess reserves of the member banks of the Federal Reserve system. Any inflationary effect in the United States, other than a purely psychological reaction, will clearly be very small.

The effect of the policy on the price of silver is of greater interest. If purchases are restricted to silver already in America, the effect will be small. But they will not be, and are not, so restricted. The American Treasury has been buying silver in London for some time past, and its purchases are undoubtedly responsible for the strength of the market. The price of silver has risen this year from 19½d. and 45 cents on January 2nd to 20½d. and 48 cents on August 7th. The quotation of the Chinese dollar is now nearly 10 per cent. higher than at the time of the London Agreement, and there is talk in Shanghai of an embargo on exports of silver. The American Government should realise that its policy of bribing the silver miners of the West is the direct cause of quite unnecessary economic dislocation in a country which not only has no margin of endurance for further disasters but is also the largest untapped market remaining in the world for those products of Western industrialism in which America herself excels.

FINANCIAL NOTES

The Money Market.—At the end of last week the market secured the bulk of the new Treasury bills, and as a result there was a fair demand for funds. Outside money was very firm at ½ per cent., and the clearing banks lent a little fresh money at one per cent. A fair amount was called by one of the clearing banks on Thursday.

	July 26, 1934	Aug. 2, 1934	Aug. 9, 1934	Aug. 16, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short Loan rate:—				
Clearing banks	1	1	1	1
Others	½	½	½	½
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	7	7	7	7
(b) Others.....	½	½	½	½
Three months' bank bills	6	6	6	6

The discount market remains very idle. Only £31 millions of Treasury bills were allotted on August 10th, the average tender rate being 16s. 11.06d. per cent., against 16s. 4.76d. per cent. the week before. The clearing banks have not been ready buyers of bills, and their purchases have been mainly limited to bills maturing at the end of September. This is a convenient date, as it puts holders of bills in funds with which to pay for new bills maturing at the end of the year. As a result of this demand, market supplies of bills maturing towards the end of September are becoming limited, and some houses are now quoting to outside buyers rates as low as ½ per cent. The clearing banks' buying rates are unchanged at ½ per cent. for October and November Treasury bills and ¾ per cent. for earlier dates, but brokers were not willing to sell hot Treasury bills at more than ½ per cent., and at this rate there were few buyers. The total of outstanding Treasury bills issued by tender has now fallen to £450.3 millions, while during the week ended August 11th the total of bills issued through the tap rose from £371.0 to £377.8 millions. Against this must be set a fall of £7.4 millions in Ways and Means advances from Public Departments, so that what has really occurred is a change in the character of the Departments' floating assets.

The Bank Return.—The return of notes from circulation after the holidays has now begun, and as a result the circulation has fallen by £8.7 millions and the Reserve has risen by the same amount. In the absence of any appreciable changes in the composition of the Bank Return, the

banks have obtained most of the benefit of this return of currency, and bankers' deposits have risen by £7.5 millions. A further return of currency may be anticipated next week.

BANK OF ENGLAND					
	Aug. 16, 1933	Dec. 27, 1933	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934
Issue Department:—	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Gold.....	190.2	190.7	191.6	191.7	191.7
Note circulation.....	379.4	392.0	389.3	392.8	384.1
Banking Department:—					
Reserve	72.1	59.7	62.8	59.4	68.1
Public deposits.....	17.3	22.2	11.9	23.9	23.5
Bankers' deposits	98.2	101.2	96.5	82.0	89.5
Government securities ...	82.3	88.0	81.2	83.3	84.1
Discounts and advances	10.1	16.8	8.9	7.0	5.5

Proportion 45.7% 37.3% 43.2% 41.9% 45.4%
Public deposits remain at the relatively high figure of £23.5 millions. No immediate decrease is to be expected, as next week the monthly Excise payments are due. The Government has heavy disbursements to make on September 1st, including the 3 per cent. Conversion Loan dividend and the half-yearly Victory Bond redemption. The present size of public deposits may therefore be due to preparations for these payments, and in any case money is so plentiful that there is no harm in this amount being withdrawn temporarily from use.

The Foreign Exchanges.—Operations in dollars made the foreign exchange market rather more active this week, but the general trend of the Continental exchanges was slightly against sterling. The New York spot rate stood on Thursday at \$5.07½ after having touched \$5.11½ earlier in the week. Three-months' dollars simultaneously strengthened from ¾ to ⅞ cents discount. The recovery was due to gold shipments from the United States, but it is believed in London that Continental bears of dollars had previously made substantial profits. The Paris rate at one time fell to Frs. 76½, but it has since recovered fractionally to Frs. 76¼ on intervention by the British control. Purchases of forward francs against sales of dollars sent the three-months' Paris rate temporarily to a slight premium, but it has since reacted to par. Many operators are very chary about committing themselves very far ahead in Continental currencies. The depreciation in the dollar has naturally put an end to American gold purchases in London, but heavy purchases of gold have continued, and the London price has been at a premium over both the franc and dollar parity. It is thought that the general uncertainty is leading to a renewal of purchases for hoarding. This week there has been a heavy tourist demand for registered marks, but this has been countered by American selling, and the rate has weakened from 34 to 40 per cent. discount. The Rio exchange has weakened slightly from 3½d. to 3¼d. on the further relaxation of the Brazilian exchange restrictions, including the abolition of the "grey" market. The movement, however, is small enough to show that this greater freedom was justified.

New York Money and Banking.—The Administration's decision to purchase all American stocks of silver at once gave rise to rumours of impending inflation, and these received a further stimulus from the unfavourable position of the national finances. These untoward developments came at a time when many operators had come to think that the immediate outlook for the dollar was favourable, and they had therefore been going short of dollars. The result was a sharp appreciation of foreign currencies, and by Monday sterling had risen to \$5.11½ and the French franc to 6.69½ cents. These movements apparently alarmed the authorities, for the Secretary to the Treasury at once announced that silver certificates would only be issued up to the price paid for the Treasury's new silver acquisitions, while on Wednesday licences to export gold to France—which had become a profitable operation—were at once forthcoming. Only one small shipment of \$1,000,000 has actually been made, though several arrivals

of gold from Europe were at once shipped back again, for the fact that gold shipments were permitted at once had a favourable psychological reaction on the foreign exchange market. By Wednesday sterling had relapsed to \$5.07½ and the franc to 6.65½ cents, or to within the export gold point, and the market had become convinced that, notwithstanding the uncertain financial outlook, the Administration intended to operate the gold standard for the present, upon the basis of \$35 per ounce of gold. Meanwhile credit remains very plentiful and money rates are unchanged. During the week ended August 8th brokers' loans were reduced from \$885 to \$827 millions, while member banks' excess reserves have risen to a new high record of \$1,950 millions. It is announced that Mr Eugene Black has resigned the Governorship of the Federal Reserve Board, and is returning to his former post as Governor of the Atlanta Federal Reserve Bank. His successor has not yet been appointed.

July Clearing Bank Averages.—The July returns of the nine English clearing banks bear further evidence of the present redundancy of credit. There is a very slight increase in advances, which is encouraging in that it suggests that the general demand for bank accommodation is well maintained in the face of the pre-holiday recession in trade. The further reduction in tender issues of Treasury bills is reflected in a decline of £3.1 millions in discounts, and the banks are still disinclined to add much more to their investments. Call and short loans are reduced by £3.1 millions, while the fall in the omnibus item including cheques in the course of collection suggests that with the approach of the holidays cheques as distinguished from currency are circulating less freely.

	(£ millions)				
	July, 1933	April, 1934	May, 1934	June, 1934	July, 1934
Capital and reserves.....	123.3	123.4	123.4	123.4	123.4
Acceptances, etc.	107.9	112.2	109.9	109.0	106.7
Deposits (including undivided profits, etc.).....	1,934.8	1,814.5	1,820.1	1,832.2	1,832.9
Total liabilities	2,166.0	2,050.1	2,053.4	2,064.6	2,063.0
Cash	201.6	218.9	214.8	196.0	207.1
Cheques, balances and items in transit	46.5	52.0	48.4	54.1	47.2
Money at call	91.9	128.7	127.1	137.0	133.9
Discounts	360.2	209.8	220.7	225.8	222.7
Investments	535.5	516.3	524.1	531.7	533.0
Loans and advances	753.3	743.5	739.6	742.1	743.4
Investments in affiliated banks.....	24.8	24.6	24.6	24.6	24.6
Cover for acceptances, premises, etc.	152.2	156.3	154.1	153.3	151.1
Total assets	2,166.0	2,050.1	2,053.4	2,064.6	2,063.0

The result of these changes is that the banks have had to allow their cash to expand by £11.1 millions, and the ratio of cash to deposits has risen from 10.7 to 11.3 per cent. A year ago the cash ratio was 10.4 per cent., and deposits and discounts were over £100 millions higher. Thus the intervening redemption of Treasury bills has both reduced deposits and has also left the banks with greater potential—as distinguished from actual—reserves of credit in hand.

Anglo-German Exchange Agreement.—A White Paper and an official explanatory circular were published at the week-end giving further details of the agreement. The scope is confined to German firms who hold a general exchange permit, and it excludes goods subject to import licences, controlled raw materials, and goods falling under the German agricultural monopolies. A special account is to be opened at the Reichsbank by the Bank of England, and in so far as allocation of foreign exchange proves insufficient, importers of British goods may make payments in Reichsmarks into this account. The Bank of England will sell the Reichsmarks in this account at its discretion, subject to the provision in the agreement that the Bank of England may dispose of its Reichsmarks for the purpose of paying for German exports to Great Britain, or for covering other payments in Germany approved by the Reichsbank. Payment to British creditors will only be



made as and when Reichsmarks are sold, and creditors will be dealt with in chronological order. British exporters are officially advised to arrange that any exchange losses or loss of interest due to delay shall fall on the German importer, and the agreement provides that where debtor and creditor both accept such an arrangement these losses may be made good by subsequent payments into the special account. The Bank of England will notify British exporters when payment is made by the German importer into the special account and again when the Reichsmarks have been sold. The agreement provides that it is only the sale of the Reichsmarks which constitutes the discharge of the German importer's debt. Two provisions are made to prevent the special account from growing to an unwieldy size. In general, if the agreement leads to a substantial alteration in the existing proportion between British and German exports, it shall at once be reconsidered. It is more specifically provided that if the special account comes to exceed Rm. 5,000,000, further payments into the account may be suspended by the Reichsbank until the account sinks below this limit. The fact that the scheme does not cover British imports of German goods will add to the difficulties of the Bank of England in disposing of its reichsmarks. According to City opinion it may have to quote a competitive rate, which will add to the exchange loss arising from the scheme.

German Imports from the Colonies.—A special article in the Anglo-German exchange agreement deals with goods not of British origin and also with goods shipped direct to Germany from any British colony, overseas territory, protectorate or mandated territory. It does not cover Dominion goods, which are excluded from the agreement. Where non-British goods are bought through a British firm the German importer must prove that he bought these goods in appreciable quantities and regularly prior to January 1, 1933. Similar proof must be afforded in the case of goods bought from a firm established in the British overseas territories as defined above. In both these cases the importer may make payment into the special account of the Bank of England up to a limit of 10 per cent. of the basic exchange allocation originally granted to the importer in 1931, and apparently this 10 per cent. allocation may be added to such allocations of exchange as he receives under the general exchange regulations to-day. In the event of any increase in the percentage limit up to which the imported basic exchange allocation may be used, the 10 per cent. allocation may be increased by twice the amount of the increase in the general percentage limit. It will be seen that under present conditions this concession is only of limited value, but it is at least a gesture which recognises the importance of our entrepôt and colonial trade.

THE STOCK EXCHANGE

GOLD IN WESTERN AUSTRALIA

THE devaluation of the pound has profoundly modified the outlook for gold producers in the sterling area, and encouraged a large-scale movement of new capital into the industry, helped by the Treasury's willingness to waive the "embargo" on "Imperial" issues. We have already discussed the scope and prospects of the movement in the Union and in West Africa (see the *Economist* of July 7 and 28, 1934, pages 21 and 171). We now propose to examine its implications in Western Australia, whose potential importance as a gold producer was attested by the flotation, last month, of a new finance company, backed by some of the most powerful names in the mining world.

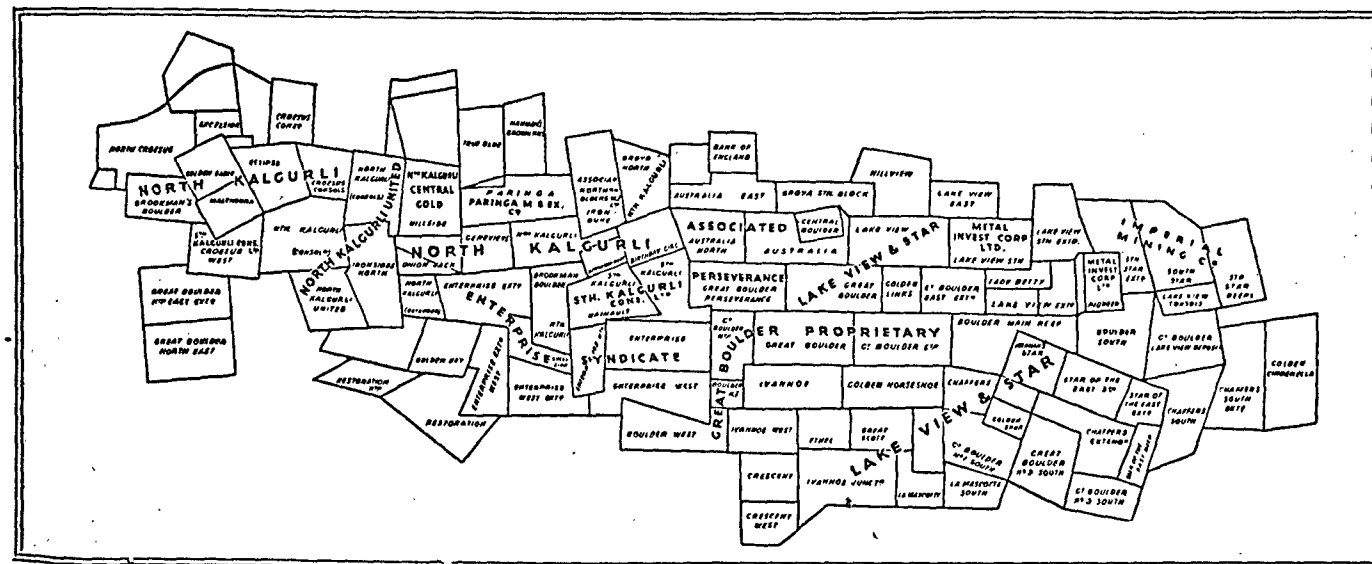
The recognition of Australia's potentialities as a gold producer is not a matter of yesterday. Portuguese explorers, early in the sixteenth century, may have been aware of the metal's existence in the new continent, but they made few efforts to exploit it, and for three more centuries Australia's gold lay undisturbed. In 1833 a discovery of the metal was reported in New South Wales, but that State was soon eclipsed as a gold producer by Victoria. Both Queensland and South Australia were subsequently added to the list of producers, but as late as the eighteen-sixties the President of the Royal Geographical Society categorically denied the existence of gold in Western Australia. The discoveries of 1885, however, at Hall's Creek, in the Kimberley district, confuted the authorities, and heralded a series of finds destined to eclipse all previously made in Australia. The Kimberley district was abandoned, after some £1,000,000 of gold had been extracted, but more spectacular discoveries followed. Australia resounded with reports of fortunate prospectors at Coolgardie and Kalbarri, who picked up in a few days hundreds of ounces of gold, including such famous nuggets as "Big Ben," worth £3,500, and "Golden Eagle," valued at £6,500.

As in all "pioneer" gold fields, many fortunes were made—and lost. "Prospects," for which large sums were paid on the strength of surface indications, frequently petered out at depth. By the beginning of the present century, however, Western Australia had settled down to serious mining. Between 1890 and 1900 the population of the State was quadrupled. Altogether Western Australia, from 1890 to the end of 1933, has produced gold to the value of £177,677,722—a record excelled so far only by Victoria. To-day Western Australia accounts for some 75 per cent. of the annual gold output of the Commonwealth, though the peak of its production was achieved as far back as the first decade of this century. It has been left to recent prospecting and development, fostered by

changed world conditions, to provide the industry with a new lease of life, and to transform its immediate outlook.

The gold mining industry of Australia has benefited from world conditions, in the last few years, to a far greater extent than that, for instance, of South Africa. The Union, having long depended on gold as her chief export and major source of wealth, felt depression far less acutely than other primary producing countries or most manufacturing nations. While the value of all other commodities was falling, the price of gold remained stable, and South Africa was able to postpone the devaluation of her currency for fifteen months after Great Britain had been compelled to take that step. Australia's economy, however, was primarily dependent upon wool and wheat, whose heavy fall in price threatened to make her debt burden intolerable and overset her whole economic structure. An adverse balance of payments encouraged her to devalue the Australian pound relatively early in the depression, and producers of gold received an immediate benefit. Moreover, while the South African Government has always appeared to view the increased profits of gold mining, after currency devaluation, with a somewhat jealous eye, the Commonwealth, anxious to stimulate the production of the one commodity with an apparently unlimited external market at a fixed price, followed devaluation with a subsidy. Though the latter, in its original form, has now been abandoned, the Commonwealth is still prepared to guarantee a price of £5 10s. per ounce, in Australian currency, for all gold produced in excess of 451,432 ounces per annum, with a limit of £1 per ounce on the amount of the bounty. Australia, further, has studiously avoided the heavy discriminatory taxation imposed in South Africa. At present, with a London price around 138s. per ounce, the Australian producer is receiving 172s. 6d. in his local currency. The prospects of an early return of the Australian pound to par, which would eliminate his exchange differential advantage, are not seriously regarded. Unless the prices of such commodities as wheat and wool rise to a spectacular degree, Australia's external debt obligations must continue to weigh somewhat heavily upon her currency, despite her recent conversion operations. Meanwhile gold mining costs have not, so far, appreciably reflected the fall in the gold value of the Commonwealth's currency. Australian labour, which in the past has enjoyed a reputation for a certain intransigence, not wholly unearned, is reputed as likely to maintain its present more conciliatory attitude, as indeed it has every inducement to do, for the present outlook promises very substantial benefits to owners and miners alike.

"THE GOLDEN MILE"

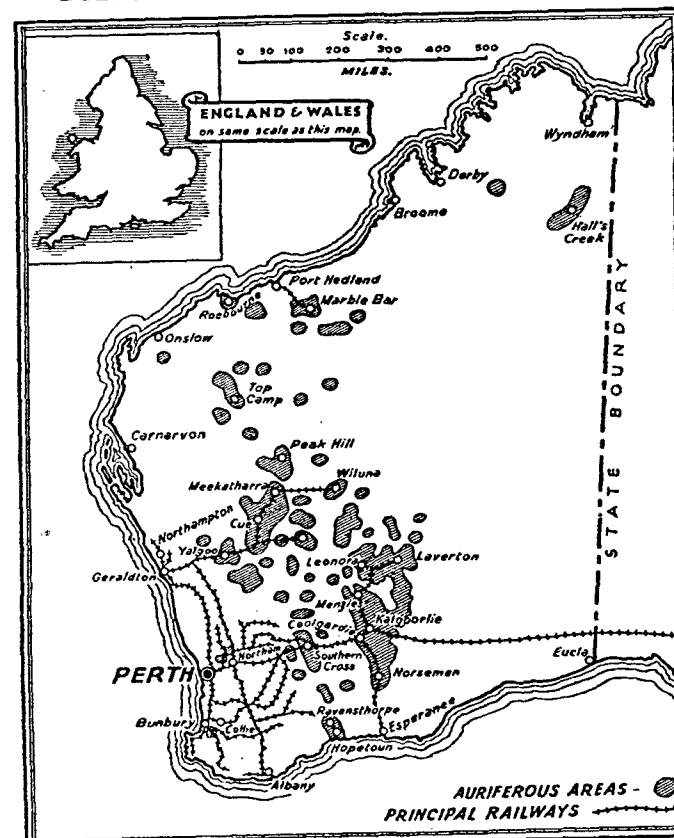


The increased readiness of British speculative investors to subscribe capital for new enterprises in the Western Australian field needs no further explanation. The famous "Golden Mile" at Kalbarri has of itself provided a sufficiently powerful advertisement of the effect of the higher gold price on the dividends of companies already operating, as the following summary suggests:—

DIVIDENDS PAID	
Boulder Perseverance, Ltd.—1926, 10 per cent.; 1928, 10 per cent.; 1931, 20 per cent.; 1932, 30 per cent.; 1933, 30 per cent.	
Great Boulder Proprietary Gold Mines, Ltd.—1924 to 1928, nil; 1929, 12½ per cent.; 1930, 12½ per cent.; 1931, 25 per cent.; 1932, 25 per cent.; 1933, 37½ per cent.	
Lake View and Star, Ltd.—1921–22 to 1931–32, nil; 1932–33, 50 per cent.	
North Kalbarri (1912), Ltd.—50 per cent. for 1933.	
South Kalbarri Consolidated, Ltd.—1920–21 to 1930–31, 2s. 6d. per share per annum; 1931–32, 2s. 6d. per share and 2s. 6d. per share return of capital; 1932–33, 2s. 6d. per share and 2s. 6d. per share return of capital; 1933–34, 5s. per share.	

The annexed maps (reproduced by permission of the *Financial News*) show the position of Western Australia's auriferous areas and the distribution of claims on the

GOLDFIELDS OF WESTERN AUSTRALIA



Mining and Union Corporation groups to join with the "pioneer" group, already mentioned, and the Imperial Smelting and Zinc Corporations in a pooling of interests through the medium of a new concern, Gold Exploration and Finance Company of Australia, Ltd. Some 1,800,000 of the latter's 10s. shares, offered at par at the end of last month, were readily taken, and are now quoted at a premium of 4s. 6d. In Western Australia the new company operates chiefly through the Western Mining Corporation, which holds mining reservations over areas scattered among practically all the promising districts of the State. Intensive prospecting is now being carried on by a field staff and by aerial survey. In addition, the associated Champagne Syndicate has acquired leases over some 670 acres in the Kalbarri district.

Another important group, at present engaged in Western Australian prospecting, was responsible for the flotation of Anglo-Australian Gold Development, Ltd., in 1933 and Commonwealth Mining and Finance, Ltd., this year. Among the companies already "floated off" by this group are North Kalbarri United Gold Development, Ltd. (formed to take up leases adjoining the North Kalbarri mine), Southern Cross Gold Development, Ltd. (whose properties are about one hundred miles to the west), and Murchison Gold Development, Ltd. (operating at approximately the same distance to the north of Kalbarri).

The following table shows the issued capital, present share quotations and recent results (where available) of the companies mentioned in this article:—

Company	Issued Capital	Denomination of Shares	Present Quotation	Latest Report		
				Date of Accounts	Earned (%)	Paid (%)
<i>Established Producers :</i>						
Great Boulder Propy.	£ 233,332	2s.	s. d. 12 3	Dec. 1933	35.4	37.5
Boulder Perseverance	124,793	1s.	3 4½	Dec. 1933	26.2	30
Lake View & Star	580,000	4s.	28 0	June, 1933	57.1	50(a)
North Kalgurli (1912)	100,000	2s.	17 3	Dec., 1933	50.7	50
Stn. Kalgurli Consol.	62,502	5s.	25 6	Mar., 1934	134.9	100
Wiluna.....	1,558,392	£1	65 6	Mar., 1934	(b)	(b)
<i>Other Companies referred to in Text:</i>						
Gold Exp. & Fin. of Austr.	900,000	10s.	9 9(c)	...	...	...
Anglo-Aus. Gold Devel....	200,712	5s.	10 9	Feb., 1934	...	...
Commonwealth Mng. and Finance	775,000	5s.	5 10½	...	...	...
N. Kalgurli Utd. Gld. Dev.	200,000	5s.	10 0	...	...	...
Southern Cross G.D.	360,000	5s.	7 0	...	...	...
Murchison G.D.	300,000	5s.	4 9(c)	...	...	...

(a) Three interims of 12½ per cent. paid for current year. (b) Accounts not yet issued. Interim dividend of 10 per cent. declared in December, 1933. (c) Shares 5s. paid. (d) Ex options.

From the viewpoint of the speculative investor, whose co-operation will remain indispensable in the opening up of Western Australia's gold resources, a certain importance attaches to the fact that many of the prospective new mines are surface propositions, and may consequently reach the production stage in a shorter period than the new deep-level properties on the Rand. It is generally admitted, however, that the gold-bearing formation is less regular than that of the famous South African field, and some proportion of disappointments may be inevitable. The investor who is willing to adventure his money in this field may be advised chiefly to follow the big groups, which enjoy the benefit of the best available technical advice and possess the financial resources necessary to overcome initial difficulties. The history of Wiluna is the best commentary on the soundness of this advice.

INVESTMENT NOTES

Foreign Lending—New Style.—This week's "placing," in London, by Hambros Bank of approximately £1,150,000 of 5½ per cent. first mortgage debentures of the Aktieselskapet Union (Union Company) of Oslo, at 98, is not the first "foreign" issue made since the Treasury laid its embargo on the London market. In April, 1933, permission was given for a loan of £1,000,000 to the Danish Government, in 4½ per cent. bonds, issued at 96½, in connection with the building of the Seeland-Falster Bridge with British steel. This week's offer, nevertheless, is of historic interest as the first under the enabling provisions

"Golden Mile." Further "publicity" for Western Australia, in the London market, has been provided by the discovery and opening up of Wiluna, a company formed, under the auspices of the Consolidated Gold Fields and Associated Mining and Finance Corporation groups, as long ago as 1927. As a result of initial difficulties with the treatment process, and of doubts as to continuance of the formation, the price of the company's shares fell to a low level towards the end of 1931. During the following year, however, the company surmounted its difficulties, and the added advantage of the increased gold price produced a rapid rise in the shares. It became apparent that Wiluna, situated some three hundred miles north of Kalbarri, was less an isolated mine than a fresh goldfield. The company has now entered the dividend list. The group responsible for its exploitation holds options on the ground to the north of its area through a company known as Gold Fields Australian Development, Ltd., formed in 1932.

Other mining finance houses have followed the example of Consolidated Gold Fields. A most important development in this direction was the decision of the Central

announced by the Chancellor on July 19th last. It produces no "direct benefit to British industry," but permits a country within the sterling bloc to increase its sterling assets. The proceeds will be used to refund Kr.21,500,000 of the company's 6½ per cent. first mortgage debenture stock held by the Bank of Norway, and will be credited to the latter's account in London. The company reduces its interest charge, Norway ratifies her membership of the sterling club, by putting herself under at least an indirect "obligation" to London, and British investors obtain a reasonably sound stock, giving a higher yield than that obtainable on most domestic debentures. The implications of the offer, presumably, have been carefully considered. Norway's credit is excellent—the Norwegian Government's 4 per cent. Sterling Loan of 1911 stands at 111 in London—and the Union Company is the largest producer of newsprint and mechanical pulp in the country. From an earnings standpoint, the "cover" for the debentures is not over-generous, for interest alone will take £60,000 a year at the outset, while available profits have been as low as £110,627 in a recent year. The security for the debentures, however, is not earnings, but exports, for the company will instruct its foreign buyers to pay their entire proceeds direct to the debenture holders' agents in London, who will keep in sterling each month one-twelfth of the amount required for the service of the debentures. In the last ten years the company's output—which is practically all exported—has been as high as £1,519,185 in a single year, but depression reduced the total for 1933 to £618,933. For the first seven months of 1934 output has been running at the rate of approximately £730,000 for a full year. This form of security is clearly designed to obviate the disadvantages which have been proved to attach to other methods of safeguarding bondholders' interests in depression. It is by no means novel, for the twenty-five-year Sinking Fund gold bonds of the Potash Syndicate of Germany are similarly secured, *inter alia*, on the proceeds of the sale of potash to countries outside Germany. The "exchange transfer risk" is not eliminated, for the Union Company is apparently under no obligation to invoice all its foreign sales in sterling—though, in fact, its exports are largely made to countries inside the British Empire. Meanwhile, subscribers to the loan are secured in the near future, by the Anglo-Norwegian Trade Agreement, against discriminatory treatment as regards imports of the company's chief products into their most important market. One may speculate over the Treasury's attitude had the company's products, in addition to being "competitive" with those of Empire countries, been subject to the British tariff. Should one traffic with the Devil, even to increase his sterling assets?

Australian Prospects.—The Australian wool sales which start on Monday of next week have traditional importance in setting the pace of Australian economic activity during the ensuing season. Last year's sales were highly favourable, but advance indications this year are less promising. Demand from the gold bloc has deteriorated, and the control of raw material imports into Germany has led to definite weakness in prices. Offerings to be made at Brisbane have consequently been reduced from 1,600,000 bales to 1,350,000 bales. It is possible, however, that the commercial concordat with Japan may encourage Japanese demand, and the effects of a possible fall in wool may be mitigated by the improvement in wheat prices. Meanwhile holders of Australian bonds have a September "election risk" to consider. Although the tenor of Mr Lyon's opening speech in the campaign is of good omen for Commonwealth bonds, some Australian political observers question the return of his party to power and are canvassing the possibility of a composite Government of the United Australia Party and the Left-Centre. In either case, adequate surveillance of the rights of bondholders seems assured. The latter now have more to fear, in the long run, from the trend of Australian tariff policy, evidenced by this month's increased duties on certain classes of piece-goods and yarns which have excited protest in Lancashire. Current quotations on the Mel-

bourne Stock Exchange show the redemption yield on ten 4 per cent. issues at no more than £3 6s. 3d. per cent., but it may be significant that the average net quotations have fallen from £109 2s. 10d. to £107 6s. 9d. from August 7th to August 14th. We set out in the following table the course of London quotations of Commonwealth stocks during this year, with current prices and yields:—

Stock	Redemption	Quotations				Yield to redemption (%)
		Jan. 31	Mar. 28	June 28	Aug. 14	
5 per cent.	1935-45	102½	103½	102	102½	£ 4 18 6†
4½ per cent.	1940-60	105	107	104	105	3 18 0
5 per cent.	1945-75	108½	111	108	108	4 2 7
3½ per cent.	1936-57	102	103	102	102	2 16 6
4 per cent.	1935-70	105	108	106	106	3 12 3
4 per cent.	1943-48	102	103	102	102	3 17 6
3½ per cent.	1948-53	100	103	100	100	3 15 0
3½ per cent.	1937-38	101	102	101	101	3 3 9
3½ per cent.	1946-49	(a)	103	100	101	3 15 3
3½ per cent.	1951-59	(a)	(a)	98	98	3 13 3

(a) Not issued.

† Flat yield.

The stocks were carried upward by the falling trend of interest rates during the first quarter of the year, but the March 28th level has not been maintained. The Commonwealth made a prompt start with debt conversion, and apart from the 5 per cent. 1935-45 loan, of which £22,384,000 is outstanding, the scope for further operations is restricted for six years. The restoration of Australian credit to a 3½ per cent. basis is a tribute to measures of financial rehabilitation, but the yields inevitably take into account the dependence of the Commonwealth upon primary products.

Stockholders and Railway Wages.—The railway wage settlement, whose terms are discussed in a Note on page 304, involves the relinquishment by the companies of about one-fourth of the total savings in their annual wages bill, effected under all heads as a result of reductions and adjustments under the National Wages Board award of March, 1931. Its cost in a full year is stated to be in the neighbourhood of £1,100,000. The distribution of this amount between the four railways cannot be exactly ascertained. On the occasion of the original award, however, we estimated that the then saving would be distributed between the four companies (in order of magnitude) in the approximate proportions of 7, 5, 3 and 2, respectively. Assuming that these ratios are still broadly operative, the following table gives a rough picture of the incidence of the new agreement, in 1934, and in a full year:—

	(000's omitted)			
	London Midland and Scottish	London and North Eastern	Great Western	Southern
Approximate cost of new agreement, Oct.-Dec., 1934.....	£ 55	£ 40	£ 25	£ 16
Approximate cost in full year...	450	325	195	130
Increase of net revenue in first half 1934, compared 1933.....	1,000	686	370	90

The increased amounts falling on the current year, it will be seen, are moderate. The cost of the concessions, from the stockholders' point of view, however, can perhaps best be expressed by the statement that, on the basis of the above estimates for a full year, the L.M.S. has passed on to its workers about 45 per cent. of the recovery in net earnings secured in the first half of this year—whose repetition, in the second half, is highly unlikely. The corresponding figures for the other railways are:—L.N.E. 47 per cent., G.W. 52 per cent., and Southern 145 per cent. A full year's concessions are equivalent to 1.1 per cent. on L.M.S. 1923 Preference stock; 0.6 per cent. and 0.75 per cent., respectively, on L.N.E. 4 per cent. First Preference and 5 per cent. Redeemable Preference; 0.45 per cent. on Great Western Ordinary; and 0.47 per cent. on Southern Preferred Ordinary.

Tin Quota Cut.—With strangely light heart, the market seized on Monday's *communiqué* from the International Tin Committee as justification for putting tin shares to higher levels. The Committee agreed to recommend to the signatory Governments that, during the period from October 1 to December 31, 1934, the quota should be fixed at 40 per cent. of the standard tonnages, against 50 per cent. for the six months expiring on September 30th. The tin market had shown a falling trend during this month, towards the figure of £225 per ton which, it is rumoured, the sponsors of restriction "have in mind." It is stated by some dealers that the maintenance of prices in recent weeks was due solely to the purchase of nearly 10,000 tons by a group during June and July. The sharp fall in American and European purchases, indeed, had no visible effect on quotations, although business, with the exception of home demand for plates, was reduced to extremely low levels. This fall, although occasioned in part by seasonal influences in America, and exchange difficulties in Europe, is also related to the quest for substitutes which has been encouraged by the sharp rise in the price of the metal under restriction. The increase in the quota to 50 per cent. from April was interpreted as a sign that the interests favouring restriction would, in the future, consider the claims of the consumer more adequately. This week's proposed change is less reassuring for the tinplate industry, and it is difficult to see how producers are likely to benefit. With its eye on the improvement in the metal on Monday, the share market evidently overlooked the effect on mining revenues of a 20 per cent. reduction in the rate of output, and the inevitable increase in operating costs per ton. Meanwhile, the accumulation of the special 5 per cent. "buffer" quota proceeds. The equilibrium of supply and demand at reasonable price levels, as we have previously suggested, would constitute a more valid bull point for the shares of low-cost producers than the present artificial regimentation of supply. In Malayan quarters, it is feared that the accumulation of the "buffer" pool implies the attempted perpetuation of control, despite authoritative statements that the pool stocks will only be used to eliminate short-period market fluctuations. The pressure to reduce supplies to "amenable" proportions continues, but the resultant price has not only involved the accumulation of a vast potential output, if and when restriction is abandoned, but also threatens to involve a dangerous spiral of reduced output—higher prices—reduced demand. To the independent observer, it still appears that a freer market would be of common advantage to producers, consumers and shareholders.

Actuaries' Investment Index.—The tone of the industrial share market has remained firm this week, though the volume of business has tended to fall off since the beginning of the new account. The computations of the Actuaries show that average values have now fully recovered the ground lost in the second half of July. The index for 144 industrials of all classes (December 31, 1928 = 100) stands at 70.5, against 69.9 a week ago and 70.4 a month ago. The corresponding yield figures are 3.72, 3.74 and 3.71 per cent. The rise over the past week has been well distributed among the component groups, as the following figures suggest:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	July 17, 1934	Aug. 7, 1934	Aug. 14, 1934	July 17, 1934	Aug. 7, 1934	Aug. 14, 1934
Higher this Week:						
Home Rails (4)	80.1	74.5	80.5	1.48	1.51	1.46
Breweries and Distilleries (16)	109.3	110.4	111.4	3.91	3.92	3.95
Oil (5)	62.6	61.4	62.5	4.69	4.78	4.70
Building Materials (4)	81.7	80.4	81.9	4.13	4.19	4.25
Electric Supplies (8)	94.2	93.1	93.7	4.50	4.55	4.52
Lower this Week:						
Iron and Steel (6)	51.5	51.3	51.0	1.24	1.22	1.21
Investment Trusts (15)	50.8	50.1	49.6	3.76	3.81	3.84

Considerable bear closing in home rails followed the announcement of the wages agreement, though second and third thoughts were less favourable, and prices reacted. Brewery shares have remained active, on the moderately cheerful tone of chairmen at recent annual meetings. The



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popularity of building material shares is undiminished. The further mild recession in investment trust stocks reflects the continuance of a downward trend in published earnings figures. Coal, iron and steel shares have been slightly affected by fears that the South Wales wages situation may involve the danger of a general "sympathetic" stoppage in the autumn.

Industrial Profits in July.—We received 197 company reports last month, showing an aggregate rise in profits of 27.1 per cent. by comparison with the previous year. Figures for recent months are shown below:—

Reports Published in	No. of Companies	Rise or Fall in Profits*	Reports Published in	No. of Companies	Rise or Fall in Profits*
1933—		%	1934—		%
May	209	+ 2.26	January	122	+ 3.27
June	214	+ 1.46	February	209	+ 5.02
July	160	+ 3.20	March	216	+ 6.34
August	45	+ 11.62	April	188	+ 12.96
September	102	+ 4.06	May	251	+ 23.43
October	121	+ 17.06	June	201	+ 20.44
November	185	+ 79.64	July	197	+ 27.1
December	138	+ 13.04			

* After payment of debenture interest.

The reports of the month disclose net profits of £9,747,289, as compared with £7,670,499 in the preceding year. The feature of the month's reports is the vigorous upswing in rubber and tea company earnings. Forty-four rubber companies disclosed net profits of £160,100, representing a net improvement of £383,445 by comparison with the previous year, while 26 tea companies showed net earnings of £510,283, against total losses of £36,122 for 1932-33 working. These two groups contribute 45 per cent. of the total improvement of £2,076,790, while 11 brewery concerns are responsible for 43 per cent. The miscellaneous group of 43 companies shows an improvement from £793,098 to £1,122,356, but other sections show small and irregular

changes. We set out in the following table the results of nine important companies:—

	Net Profits for Financial Years ending in		Change %
	1933	1934	
Anglo-Argentine Tramways	Dr. 263,307	Dr. 584,003	...
Armstrong-Whitworth Secs.	Dr. 246,856	Dr. 531,214	...
Distillers	1,724,128	2,140,621	+ 24.2
Furness Withy	379,675	378,165	- 0.4
Guinness'	1,468,903	1,745,174	+ 18.8
International Tea	614,729	645,860	+ 5.1
Patons and Baldwins	409,273	330,300	- 19.3
Richard Thomas	111,440	263,063	+ 136.0
Watney, Combe, Reid	825,376	999,867	+ 12.1
Total, nine companies ...	5,023,361	5,387,833	+ 7.3

Although these companies account for over 55 per cent. of the total profits, the heavy losses of Anglo-Argentine Tramways and Armstrong-Whitworth Securities have materially reduced their share in the month's improvement.

COMPANY NOTES

Wireless Companies.—The fallacy that rapidly expanding profits are a necessary consequence of rapidly expanding output has nowhere been better exposed than in the wireless manufacturing industry. Between 1924 and 1927 the number of licences outstanding doubled, only to double again by the end of 1931, when the total of receiving licences in force was 4,329,400. The depression, far from checking the expansion of the wireless habit, has seen the absolute rate of increase hastened. By the end of 1932 the licences in force were 5,973,800. They

(Profits in £'000)					
Company	1930	1931	1932	1933	1934
British Radio Gramophone (Dec. 31) :— Earned for Pref.	Dr. 2.8	Dr. 1.4	Dr. 0.4	...	...
Celestion (Mar. 31) :— Earned for Pref.	...	...	0.5	Dr. 8.6	...
E. K. Cole (May 31) :— Earned for Ord. Earned %	...	105.2 244.4	102.8 40	Dr. 26.6* Nil	88.6 55.5
Dividend %	...	100	40	Nil	20
Electric and Musical	(See below)				
Kolster-Brandes (Dec. 31) :— Earned for Div. Earned %	21.2* 2.4	6.9 1.1	86.5 9.9	Dr. 26.7* Nil	Dr. 150.1 Nil
Dividend %	Nil	Nil	Nil	Nil	Nil
Lissen (Dec. 31) :— Earned for Ord. Earned %	...	38.3 12.8	134.4 40.6	77.1 21.5	...
Dividend %	...	Nil	12½	12½	...
Pye Radio (March 31) :— Earned for Div. Ord. Earned %	35.1 150.9	42.5 182.7	85.4 379.4	71.3 316.8	14.0 60.2
Dividend %	100	100	125	125	125

* Broken periods equated to 12 months basis by simple proportion.
Note.—As Electric and Musical Industries, Ltd., is the largest concern in the industry its name is included above. But no trading figures are yet available on which sound conclusions can be based.

are now over 6,400,000. Despite this bounding expansion of their market, however, the manufacturers of wireless sets and components have in many cases had to face substantial trading losses, as the accompanying table shows. Even successful and relatively stable concerns, such as Pye Radio, have not been able to maintain their earnings at the levels of a few years ago. The business, like other trades exploiting modern inventions, has attracted new participants whose technical qualifications have been sounder than their business experience. Further, as a small local business may support itself largely by the assembling of sets from standard components bought at trade discounts, the industry has suffered from the disadvantages of a multiplicity of small units. In consequence, production has run ahead even of the soaring demand, and price cutting has been rampant, particularly since November, 1932. At the beginning of this year the leading manufacturing company reduced the price of its

standard set from £15 15s. to £12 12s.—a substantial cut—only to see the new price immediately undercut by smaller concerns. Such chaotic conditions are hardly likely to be permanent in any industry, but may be of fairly long life. Even if its major disadvantages were overcome, other elements of instability would persist. As the present exhibition at Olympia so clearly demonstrates, the wireless industry is still making rapid technical advances. The example of the motor and aeroplane industries shows that technical progress, however advantageous for the industry as a whole, produces violent fluctuations in the earnings of industrial concerns. Now one, and now another, takes the lead or falls behind. Intense competition necessitates heavy selling expenses; while the goodwill established by advertisement depends precariously on the fortunes of the latest model. Finally, the rush to secure a share in the rapidly expanding market has allowed a somewhat faulty distribution system to be built up in the radio industry. This has absorbed liquid assets, otherwise available for research and development, into the somewhat stagnant pool of hire-purchase finance. It may be that the dominating size and resources of Electric and Musical Industries, Ltd., will allow it gradually to assume control of the industry in somewhat the same way as Courtaulds, Ltd., has assumed control of rayon production. Owing to the prevalent opening for the very small unit, however, the task of consolidation will be difficult and slow. Meanwhile the shares of individual wireless manufacturers may provide handsome profits for specialists with inside knowledge as to which companies are selling their products. At present, however, their appeal to the general investor is somewhat narrowly limited.

Guinness (of London).—The £1 units of Arthur Guinness ordinary stock have enjoyed a net rise from 112s. to 118s. 6d. since the chairman, the Earl of Iveagh, disclosed at the annual meeting, on August 10th, that the company had decided to establish an English branch at Park Royal, on the north-western side of London. The business has been established in Ireland for 175 years, but the distance from its principal market has threatened recently, through conditions outside its control, to become considerably wider than the Irish Sea. The company, in fact, may be giving notice to the Fianna Fail Government of its preparedness against the fiscal possibilities of Irish "independence"—with a hint, possibly, that good conduct may earn some remission of the sentence, in the statement that the company intends to "open slowly" in England and may have profitable Irish "sidelines" to replace some of the work transferred to Great Britain. The plan was first mooted in 1913, when a site was purchased near Manchester, but was postponed on account of the war and the subsequent increase in building costs. In the meantime, the proportion of the company's trade done in England, especially in Southern England, has steadily increased. Exhaustive tests have confirmed the view that the quality of the Guinness product will be unaffected by a change of location. The "Liffey water" legend will doubtless die hard, but it has been suggested—not, perhaps, in entire seriousness—that as the company has, in fact, drawn its Dublin water, not from the river, but from the neighbouring Grand Canal, the (English) Grand Union Canal Company (which has recently passed its interim dividend owing to the drought) may be induced to provide similar facilities at Park Royal. There should be no necessity for an early increase in the company's issued capital, for it already holds Government and other securities valued, below market prices, in the last balance sheet at £4,644,000. Whether stockholders may look for increased dividends, in the near future, is more doubtful. The new arrangements may be calculated ultimately to check, or to reverse, the downward trend of earnings of recent years (trading profits were £1,701,131 last year, against £3,099,548 in the year ended June 30, 1925), but the directors may well elect to follow a conservative distribution policy during the period of transition. That the position of the brewing industry generally, however, has improved over the past year is admitted by practically all its spokesmen. At the Watney, Combe meeting, Colonel Serocold, the chairman, confirmed this view, and discussed the working of the "control" scheme for hops.

Initial Services.—This Company distributes toilet requisites and teas to business houses, and also manufactures and supplies tricycles and motor vans on maintenance contracts. Its trading results continue satisfactory. After being stabilised at approximately £210,000 for the previous three years, trading profits have advanced to £222,566. Three years' comparative results are set out below:—

	Years to June 30,		
	1932	1933	1934
Trading and other income.....	218,331	218,293	226,929
Fees, depreciation and taxation...	56,577	54,571	58,560
Preference dividends	32,000	32,000	32,000
Ordinary shares { Earned	129,754	131,722	136,369
Paid	84,375	84,375	86,250
Earned %	76.9	78.1	79.1
Paid %	50	50	50
General reserve	45,000	45,000	50,000†
Carried forward	17,688	20,035	20,154

† Includes £40,000 written off goodwill.

A first allocation has been made to reducing goodwill, which in earlier years was the largest asset in the balance sheet, and which now stands at £160,000. Apart from an increase of £90,000 in investments in subsidiary companies which is not explained in the directors' report, the balance sheet shows little change. At 66s. the 5s. ordinary shares yield £3 17s. 9d., but the very satisfactory profits record, in a field which is little explored, may conceivably attract competition from new entrants.

"Chartered" Prospects.—A half-yearly interim statement of dividend policy is due to be made by the British South Africa Company ("Chartered") in September. It may be opportune therefore to bring up to date our survey of the company's position, made in the *Economist* of January 20th last, page 128, and our further reference to copper interests later (in our issue of May 12, 1934, page 1033). The company's income can be put under four headings: (a) fixed interest investments; (b) shareholdings; (c) royalties; (d) financial operations. From division (a) revenue should increase this year to an equivalent of royalties received from Southern Rhodesia last year which were exchanged for Government stock. From division (b) not much improvement in returns for the past half-year is to be anticipated, since the two chief holdings are copper and Rhodesia Railways Trust shares. Although the Rhokana company, in which "Chartered," as shareholders, are mostly interested, showed a modest profit in its last balance sheet, the trend of price for copper has been disappointing, and the current profits of the Rhodesian copper producers cannot be handsome. On the other hand, the progress of the Rhodesian railways has been marked. Traffics for eight months to May last have improved by 40 per cent. over the corresponding period a year ago, the respective figures being:—1932-33, £1,418,479; 1933-34, £1,966,293. This result has enabled the companies to pay already part of arrears of interest on their various debentures. All outstanding balances will be repaid as soon as certain formalities are adjusted. The immediate benefit to the "Chartered" company will be two-fold. Railway earnings have been sufficient to repay its advances in respect of interest on debentures which it had guaranteed. Any further liabilities under this guarantee now become contingent. The distribution of fresh dividends by the railways on their ordinary shares, however, is likely to be deferred for some time to come, since proposals have been agreed upon by the three Colonial administrations concerned and the railways to provide for the replenishment and maintenance on a new basis of a Statutory Reserve Fund. The required accumulation approximates to a sum of about one million pounds. Probably, therefore, no early increase of revenue from the important investment in Rhodesia Railways Trust will be forthcoming. Prospects, however, have indubitably improved. As regards division (c) of "Chartered's" profits—income from royalties—the output of minerals for January-June, 1934, compared with the preceding six months, shows little change in the minor products. Copper production has risen by some 7,000 tons to 64,709 tons, and the only remarkable alteration has been a rise in the out-turn of cobalt from 251,468 lbs. in July-December, 1933, to 678,386 lbs. in January-June, 1934. On the whole, revenue from royalties may have moderately increased. Profits from (d)

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—financial operations—must necessarily be a matter of surmise. The "Chartered" company is not directly interested in the gold-mining market, which has been so active. No transactions of great importance have taken place in the copper section. On the whole, the omens suggest an interim distribution on "Chartered" corresponding to that of last September.

Other Company Results.—Owing to the holiday "close season," only eight reports have been received from other companies. The usual summary table appears on page 335. Henry Briggs, the Yorkshire colliery company, shows a slight improvement in profits from £48,713 to £51,131. Kelsall and Kemp have published accounts covering six months to June owing to a change in the accounting date from December 31st to June 30th. Profits amount to £33,657, and the dividend of 3½ per cent. actual is half the previous year's full rate. In the Trust group, Continental and Industrial reports a further fall in net revenue from £93,913 to £75,333, and the dividend is reduced from 6½ to 4 per cent. For the Third Scottish American, the fall is slight (£37,160, against £38,857), and the dividend is reduced by 2 per cent. to 17 per cent. The usual quarterly dividends of 6 and 2½ per cent. have been announced by Boots Pure Drug and J. and P. Coats.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

TICKET	SETTLING DAYS	ACCOUNT
August 28		August 30

THE tone of the markets remained firm, but the volume of business tended to decline. Those who were bears, three weeks before, closed their positions last week-end, and few operators had sufficient optimism to open substantial commitments on the other tack. Generally, those who had a profit—as in home rails—cashed in on the first signs of a check. Prices advanced, nevertheless, for the market, having been cleared of its floating supplies of stock, marked up quotations on every appearance of a buyer. Generally, emphasis shifted from both the gilt-edged and the mining markets towards industrial shares.

Quiet conditions obtained in gilt-edged, and prices eased slightly as the week progressed, both irredeemable and short-term stocks being affected. India loans moved in sympathy. Among Dominion issues, Australians were somewhat easier on the conditions described in a Note on page 318.

Despite the reaction in American wheat prices, South American bonds—particularly Brazilian—remained firm. European bonds again attracted little or no interest. Chinese issues were steady, but Japanese declined on the heavy military appropriations forecast in the Budget figures.

Home railway junior stocks had a sharp rise on the announcement of the wages agreement, reflecting oblivion of all its implications except its avoidance of a possible strike. The weekly figures, however, were a damper on enthusiasm,

since they suggested that Bank Holiday traffic had been relatively light. The two "northern" lines continue, however, to reflect improvement in the industrial areas, while the other two companies are merely maintaining their position at this time last year. The interruption of the rise in wheat prices produced speedy profit-taking in Argentine rails. Canadian Pacific were similarly marked down.

The course of prices somewhat flattered the amount of business in industrial shares, for stock in many cases was in rather short supply. Breweries again attracted considerable attention. Guinness were bought for the reasons described in a Note on page 320. Expectations of an increased dividend induced provincial inquiries for Bass. Tobacco shares were fairly active, particularly Imperial and Carreras. Among motor shares, Austin were strong on the chairman's favourable statement which accompanied the disclosure of the company's programme of new models. Woolworth were bought on dividend hopes. Electric supply shares remained steady, and electrical equipment shares were quietly firm. Coal and steel shares, however, were affected by talk of a possible future stoppage, arising out of the wages disagreement in South Wales. Business in textile shares was quiet, a moderate rise in Courtaulds being quickly followed by profit-taking. Unilever were stronger than for some time past. Dunlop continued to advance, on nebulous rumours of a resumption of interim dividends. Imperial Chemical also showed a steadily rising tendency. Bank shares were irregular, particularly those of institutions operating in the East. Insurance shares were quiet, but fully held their ground.

The oil share market made a disappointing start, but became brighter as the week progressed. Business was largely professional, but moderate demand for any share usually revealed the absence of any considerable supplies. Rubber shares opened firm, investment demand being stimulated by hopes of a fresh rise in the price of the commodity. Quieter mid-week conditions in Mining Lane, however, were quickly reflected in the share market. Tea shares were dull, owing to disappointment with the prices realised at the auctions for new season's Indian teas.

The carry-over disclosed only a small bull account in Kaffirs. New business started under cheerful auspices, but Washington's disclaimer of any intention further to devalue the dollar brought an easier tendency in mid-week. This was not altogether unwelcome, for the market was anxious to increase its floating supplies. West Africans remained quiet but firm. Western Australian shares were in good demand at the outset, but became quieter later, in sympathy with other markets. Business in Rhodesians was on a very small scale, Paris showing little interest in "Chartered," whose prospects are discussed on page 321. A number of tin shares were marked up on the announcement of a forthcoming reduction in the quota (criticised on page 319), and remained steady despite Wednesday's fall in the price of the metal.

"FINANCIAL NEWS" DAILY BARGAIN INDEX
(Approximate number of Bargains recorded in Stock Exchange Lists)

	Aug. 9, 1934	Aug. 10, 1934	Aug. 11, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 15, 1934	Aug. 16, 1934
Government and Municipal Loans	1,108	1,074		1,224	1,008	1,142	1,080
Transport, Communications, and Public Utilities...	879	1,147		1,326	1,027	993	753
Commercial and Industrial...	2,542	2,547		2,471	2,280	2,775	2,650
Banks, Insurance and Financial...	588	659		586	603	517	383
Mines (including Nitrates)...	1,408	1,860		1,598	1,320	1,805	1,267
Oils	118	90		153	91	204	118
Rubber, Tea and Coffee	559	630		810	632	713	525
Total	7,203	8,007		8,168	6,961	8,149	6,778
Corresponding day in 1933	7,100	7,055		8,392	6,674	7,153	6,595

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Aug. 9, 1934	Aug. 10, 1934	Aug. 11, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 15, 1934	Aug. 16, 1934
90.4	83.5	85.9	86.3	Closed	86.6	87.1	87.4	87.3

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (May 17)	Lowest of 1934 (Jan. 2)	Aug. 9, 1934	Aug. 10, 1934	Aug. 11, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 15, 1934	Aug. 16, 1934
132.5	128.8	133.0	133.0	Closed	133.1	133.1	133.1	133.2

FOREIGN STOCK EXCHANGES

NEW YORK

Indications that the Administration intends no further devaluation of the dollar during the autumn were welcomed in the bond market this week, although the evidence was unofficially obtained in a circuitous fashion, quite unbecoming to its importance. For the moment, therefore, the financial community has been relieved of its growing distrust of the implications of the silver policy, although it would be ill-advised to rule out the possibility of further devaluation to the 50-cent limit until the Treasury has spoken after its Conversion operations have been completed. Government bonds, which had been heavily sold at the end of last week, rallied sharply on Monday, and remained firm on later days. The slump in grain prices led to somewhat irregular movements in stocks, but trading was quiet and principally concentrated on shares likely to benefit from higher commodity prices. Leading industrial issues on Tuesday were slightly weaker, but some investment buying of preferred stocks was in evidence. The possibility of a building revival was canvassed in some quarters of the market, but the shares made little response. Motor shares, on the other hand, were firm, and expectations of a favourable crop encouraged the demand for leading tobacco issues. The tone of the week's trading has reflected its steady investment character. Although speculative interest shows little sign of returning to the market, quotations have maintained their week-end recovery during this week's quiet sessions. Business news shows no indication of a change in recent trends. Current steel mill activity, according to the Iron and Steel Institute, is at 22.3 per cent. of capacity, compared with 25.8 per cent. last week. Retail trade activity, however, remains favourable. The new Stock Exchange rules, which were published this week, were deemed rigorous but not oppressive, and were welcomed as an indication of the Commission's intention to encourage a free market.

	Aug. 8, 1934	Aug. 15, 1934	Aug. 15, 1934	Aug. 8, 1934	Aug. 15, 1934	Aug. 15, 1934
Lb. Ln. 3 1/2% '32-47	103 1/2	103 1/2	102 1/2	Natl. Biscuit	32 1/2	32 1/2
Do. 4 1/2% '32-47	103 1/2	103 1/2	101 1/2	Phelps Dodge	39 1/2	40 1/2
Do. 4 1/2% '33-38	103 1/2	103 1/2	102 1/2	Pullman	39 1/2	40 1/2
Atchafalpa	47 1/2	47 1/2	46 1/2	Sears-Roebuck	33 1/2	34 1/2
Erie	12 1/2	12 1/2	12 1/2	Studebaker	2 1/2	2 1/2
Illinois Central	16 1/2	15 1/2	15 1/2	Un. Fruit	69 1/2	71 1/2
N.Y. Central	21 1/2	21 1/2	20 1/2	U.S. Leather	14 1/2	16 1/2
Pennsylvania	22 1/2	22 1/2	21 1/2	U.S. Rubber	34 1/2	33 1/2
Southern Pacific	17 1/2	16 1/2	16 1/2	U.S. Steel	31 1/2	31 1/2
Southern Ry.	14 1/2	14 1/2	14 1/2	Westinghouse	31 1/2	31 1/2
Union Pacific	93 1/2	95 1/2	93 1/2	Woolworth	48 1/2	49 1/2
Am. Can.	93 1/2	94 1/2	94 1/2	Am. Tel. and Tlg.	109 1/2	110 1/2
Amer. Smelting	35 1/2	37 1/2	36 1/2	Interboro R.T.	11 1/2	11 1/2
Anaconda	11 1/2	12 1/2	12 1/2	Int. Tel. Teleg.	9 1/2	9 1/2
Bethlehem Steel	27 1/2	26 1/2	26 1/2	Radio Corp.	5 1/2	5 1/2
Corn Produce Rf.	57 1/2	56 1/2	55 1/2	Utilities P. and L.	2 1/2	2 1/2
Eastman Kodak	97 1/2	98 1/2	96 1/2	W. Union Tlg.	34 1/2	33 1/2
Gen. Electric	18 1/2	18 1/2	18 1/2	Associated Gas "A"	20 1/2	22 1/2
Gen. Motors	28 1/2	29 1/2	28 1/2	Shell	6 1/2	7 1/2
Int. Harvester	25 1/2	26 1/2	25 1/2	Shell Union	6 1/2	7 1/2
Mont. Ward	21 1/2	22 1/2	22 1/2	Std. California	33 1/2	34 1/2
				Do. N.J.	43 1/2	43 1/2

† Calculated at \$5.08 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	88.7	86.6	74.4	51.4	79.6	74.9	74.4	76.6
83 Rails	23.9	54.5	34.1	51.4	40.6	35.5	34.1	34.5
37 Utilities	66.8	101.0	63.8	83.4	66.4	64.4	63.8	64.1
Total, 421 stocks	40.9	83.4	65.9	82.1	70.8	66.6	65.9	67.5
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.62%	3.17%	3.59%	3.62%	3.52%

† February 7th.

(a) Aug. 8th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Aug. 8, 1934	Aug. 9, 1934	Aug. 10, 1934	Aug. 11, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 15, 1934
105.0	76.0	81.1	84.1	82.2	82.6	84.2	84.2	83.6

TOTAL DEALINGS IN NEW YORK

	Aug. 9, 1934	Aug. 10, 1934	Aug. 11, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 15, 1934
Stock Exchange—Shares (Thous.)	1,420	770	310	810	530	570
Bonds (Value Thous. \$)	30,130	16,550	15,880	17,280	13,050	13,360
Curb—Shares (Thous.)	202	146	58	170	136	101

* Two-hour Session.

PARIS

The set-back in commodity prices in America over the week-end caused general hesitancy on the Bourse on Monday, which was in turn assisted by the dull tendency of Government issues. Gold mining shares were well maintained, but internationals, such as Royal Dutch, Rio Tinto and Canadian Pacific, were noticeably weaker. A better tone developed on Tuesday, when Renten hardened in view of the settlement, and most industrials and international favourites improved. The gold mining group registered further gains, and Crown Mines continued in favour. The market was closed on Wednesday for the Feast of the Assumption.

	Aug. 8, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 8, 1934	Aug. 13, 1934	Aug. 14, 1934
Banque de France	10,550	10,800	10,735	Wagons Lits	79	77
Crédit Lyonnais	1,995	1,975	1,971	Mexican Eagle	31 1/2	32 1/2
Suez Canal	18,880	19,040	19,020	"Chartered"	81 1/2	83 1/2
Chargeurs Réunis	129	133	135	Ford	53 1/2	55 1/2
Rio Tinto	1,270	1,301	1,296	De Beers	288	294
Royal Dutch	15,325	15,500	15,700	"Johnnies"	271	270 1/2

BERLIN

On the reopening of the Bourse on August 8th, after a six days' suspension, the share market was strong, gains of four to five points being common; but thereafter the market became quiet, with a slight reaction of prices. Steel, potash, engineering and rayon shares showed largest gains last week, while this week lignite and electric cable shares and certain special favourites, including Mannesmann Tubes, were bought. The home bond market last week had a substantial rise, but this week the market was dull, and certificated and converted dollar bonds weakened.

	Aug. 8, 1934	Aug. 13, 1934	Aug. 15, 1934	Aug. 8, 1934	Aug. 13, 1934	Aug. 15, 1934
Reichsbank	151.25	152.00	153.75	A. E. G.	24.60	24.00
D.D. Bank	62.00	63.10	64.50	Siemens & Halske	144.00	142.75
Dresdner (New)	64.75	65.50	67.00	A. K. U.	64.50	64.10
I. G. Farbenindustrie	149.40	148.40	146.90	Hamburg - Amer.	26.60	25.60
Norddeutscher Lloyd (New)	31.00	29.75	29.00	("Hapag New")	26.60	25.60

AMSTERDAM

Trading this week relapsed to small dimensions, rubber shares in particular showing marked dullness under the lead of Amsterdam Rubber. Industrials, on the whole, were maintained, Philips' Lamps showing some recovery in early sessions, while Unilever N.V. were strong, against the trend of the market, on Wednesday. Sugar shares were slightly lower on balance, and Royal Dutch, despite some purchasing on Tuesday, failed to hold the rise. German 5 1/2 and 7 per cent. loans fell steadily during the first three days.

	Aug. 8, 1934	Aug. 13, 1934	Aug. 15, 1934	Aug. 8, 1934	Aug. 13, 1934	Aug. 15, 1934
2 1/2% Dutch Loan	78 1/2	77 1/2	77 1/2	Steel Common	20 1/2	20 1/2
5 1/2% German	30 1/2	30	29	A. K. U.	20 1/2	20 1/2
Unilever N.V.	61 1/2	62	66	Ford Motor	20 1/2	20 1/2
Philips' Lamps	20 1/2	20 1/2	20 1/2	Deli Batavia Tob	146 1/2	147 1/2
Netherlands Ship Union	30 1/2	34	35 1/2	Royal Dutch	149 1/2	152 1/2
				Handels Ams	168 1/2	169 1/2

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CAPITAL ISSUES

THE Salford Corporation has had the freedom of the market this week for its issue of £1,000,000 3 1/2 per cent. stock at par. The strength of the gilt-edged market before the issue ensured a favourable reception for the loan, which offered no concession in price. Any increase in the floating supply of suitable investment media, however, is welcomed in the market. The only "introduction" of the week is Abbey Lodge (Regent's Park) 4 1/2 per cent. debenture stock, which is reasonably covered as to capital and income. The first foreign loan, under the relaxed Treasury requirements, is discussed in an Investment Note on page 317.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to August 11, 1934, excluding conversions, £114,387,056.
Total recorded, January 1 to August 11, 1934, including conversions, £288,909,794.

National Savings Certificates.—Net receipts, week ended August 11, 1934, £150,000.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
Salford Corporation, £1,000,000 3 1/2% Stock at par	1,000,000	...	1,000,000	50,000	950,000
Total	1,000,000	...	1,000,000	50,000	950,000
To Shareholders only					
London Brick, 200,000 £1 Ord. at par	200,000	...	200,000	200,000	...
Total	200,000	...	200,000	200,000	...

	Including Conversions	Excluding Conversions	Including Conversions	Excluding Conversions
Total Offered for Subscription—				
Jan. 1 to date—				
1934	115,787,056	290,309,794	467,521,560	244,780,500
1933	228,179,605	133,756,640	2,699,684,265	188,009,983
1932	290,659,990	161,915,325	114,200,666	102,644,294
1931	108,351,099	97,474,114	693,100,058	369,058,073
1928	280,698,712	190,577,481		

This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

(Continued on page 326)

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933										Prices Year 1934 (Jan. 1 to Aug. 14)		Last two Half-yearly Dividends		Name of Security		Prices, Aug. 7, 1934		Prices, Aug. 14, 1934		Rise or Fall		Yield	
High	Low	High	Low	High	Low	High	Low	High	Low	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
77 1/2	70 1/2	82 1/2	73 1/2	80 1/2	80	80 1/2	80	80 1/2	80	80 1/2	80	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	
110 1/2	105 1/2	113 1/2	109 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	
Public Funds																							
Consols 2 1/2% 1950-50																							
Do. 4% Red. at par on or after Feb. 1957																							
Conserv. 2 1/2% 1944-49																							
Do. 3% 1948-53																							
Do. 3 1/2% after 1951																							
Do. 4% 1940-44																							
Do. 5% 1944-46																							
Funding 4% 1980-90																							
2% Treasury Bds. 35-38																							
3% Treasury Bds. 33-42																							
3% Treasury Bds. 41-45																							
War Lns. 3 1/2% after 1952																							
Local Loans 3%																							
Austria 3% 1933-53																							
India 2 1/2%																							
Do. 3%																							
Do. 4% 1958-68																							
U.K. & Arg. 4% (1947)																							
Dom. & Colonial Govts.																							
Australia 5% 1945-75																							
Canada 4% 1940-60																							
Gold Coast 4 1/2% 1956																							
Nigeria 5% 1950-60																							
N.S. Wales 5% 35-55																							
N. Zealand 5% 1946																							
Queensland 5% 40-60																							
S. Africa 5% 1945-75																							
Foreign Governments																							
Argentina 4% Resc. 1952																							
Austrian 6% 1923-43																							
Do. 7% Int. red. by 1957																							
B. Aires (Prov.) 3 1/2%																							
Belgian 7% red. by 1956																							
Bulgaria 7 1/2% Loan																							
Brazil 5% Fund. 1914																							
Chili 6% (1929)																							
China 5% (1912)																							
Czechoslovakia 8%																							
Danish 3%																							
Danish 6%																							
Egypt Unified 4%																							
Estonia 6% 1927																							
France 6% (1913)																							
French 4% (British)																							
German 7%																							
Do. 5 1/2% Stg. Bds. 1930																							
Greek 6% Stab. Ln.																							
Hungary 7%																							
Japanese 5% 1936-65																							
Do. 6% (1924) red. 1959																							
Norwegian 4% 1911																							
Peru 7 1/2% 1922																							
Poland 8%																							
Rumania 4% 1928																							
Sweden 3 1/2% 1908																							
U.K. & Argentine 1933																							
5 1/2% B. Certs. (1951)																							
Do. Certs. (3% Max.)																							
Corporations																							
Berlin 6% 1932-57																							
B'ingham 5% 1946-56																							
Bristol 5% 1948-58																							
Danzig 7 1/2% 1935-45																							
London 5 1/2% 1937-52																							
Johannsb. 5 1/2% 1937-52																							
L.C.C. 3%																							
Seine 7% 1935-52																							
British Railways																							
G. Western Ord. Stk.																							
L. & N.E. Stn. Def. Stk.																							
Do. 5% Pref. Ord.																							
Do. 5% Pref. 1955																							
Do. 4% 2nd Pref. Stk.																							
L.M.S. Ord. Stk.																							
4% Pref. Stk. 1923																							
4% Pref. Stk.																							
Southern Def. Stk.																							
Do. 5% Pref. Ord. Stk.																							
Do. 5% Pref. Stk.																							
Foreign Ryas.																							
Antofagasta Ord. Stk.																							
B.A. & Pacific Ord. Stk.																							
B.A. & G. Stn. Ord. Stk.																							
B.A. Western Ord. Stk.																							
C. Argentine Ord. Stk.																							
C. Uruguay Monte £25																							
Can. Pacific Corp. £25																							
Can. Nat. 1927 Guar. 2%																							
Costa Rica Ord. Stk.																							
Entire Rios Ord. Stk.																							
Do. 6% Cum. Pref. Stk.																							
Leonora Ord. Stk.																							
Nitrate Rlys. £100																							
San Paulo Ord. Stk.																							
Taltal Rly. Ord. £5																							
Utd. Havana Ord. Stk.																							
Banks																							
Anglo S. A. £10 1/2% pd.																							
American B. 1 1/2% fy pd.																							
Bank of N. Zealand £1																							
Bank of Eng. Stk.																							
Barclay B. (£1)																							
Bard. (Dom. & C.) £1																							
Bk. of Australasia (£5)																							
Bk. of Montreal (£100)																							
Bk. of N.S. Wales (£20)																							
British Overseas £5																							
Hambros £10, £2 pd.																							
Hong, and S. (£125)																							
Lloyds £5, with 1 1/2% pd.																							
Martins £20, £2 pd.																							
Midland £1, fully pd.																							
Nat. of Egypt £10																							
Nat. of India £25, £12 pd.																							
Nat. Prov. £20, £1 pd.																							
Royal Bk. of Scotland																							
St. of S. Af. £20, £5 pd.																							
Westminster £1, £1 pd.																							
Discount Cos.																							
Alexanders £2, £1 pd.																							
National A £2, £1 pd.																							
B. 7 1/2% £2 pd.																							
Union, £5, £2 pd.																							
Insurance																							
Alliance £1, fully pd.																							
Atlas £5, £1 pd.																							
Com. Un. £1, fully pd.																							
Gen. Accident £5, £1 pd.																							
Lon. & Lanc. £5, £2 pd.																							
N. Brit. & Merc. £5, £1 pd.																							
Northern £10, £5 pd.																							
Pearl (£1), fully pd.																							
Phoenix £1, fully pd.																							
Prudential £1 A																							
Do. £1, with 4% paid																							
Royal Exchange (£1)																							
Royal Ind. £10, £5 pd.																							
Sea Insur., £1 fully pd.																							
Sun Insur., £1 with 5% pd.																							
Sun Life Assur., £1 fy pd																							
Yorkshire £1, fully pd.																							
Investment Trusts																							
Anglo-American Deb.																							
Anglo-Celtic Ord.																							
Atlas Electric, etc. £1																							
Brit. Assets Trust £5																							
Debutenture Corp. Stk.																							
For. Asset, etc. Def.																							
Guardian Investment																							
Indus. and Gen. Ord.																							
Invest. Trust Def.																							
Lake View Invest. 10%																							
Mercantile Investment																							
Metropolitan Trust Ord.																							
Nineteen Twenty-eight																							
Nineteen Twenty-nine																							
Scottish Investment (£5)																							
Scottish Mortgage, etc.																							
Trust Corp. £100																							
United States Debenture																							
Financial Trusts																							
Argentine Land, etc. £1																							
Australian Estates, etc.																							
Brit. Ntl. Borneo £1																							
Brit. S. Africa £5 fy pd																							
Charterhouse Inv.																							
Chosen Corporation £1																							
C. of London R. Pty. £1																							
Dalgety £20 £5 pd.																							
Fosterland Land £1																							
Hudson Bay Co. £1																							
Do. 5% Cum. Pref. £1																							
Java Invest, etc. £1																							
Peruvian £1 Ord. Stk.																							
Corp. Pref. Stk.																							
Premises Holdings £1																							
Stavros £1																							
Sudan Plantations £1																							
Breweries, &c.																							
Barclay Perkins £1																							
Bass Rationing £1																							
Benskins Watford £1																							
City of Lond. Def. 5%																							
Courage Ord. £1																							
Distillers Co. Ord. £1																							
Guinness (A) Ord. Stk.																							
Hunt. Corp. & Allsopp £1																							
Mell's Ord. £1																							
Mell's & Butlers £1																							
Obolson's Cape £1																							
S. African Bws. £1																							
Taylor Walker Ord. £1																							
Hudson's Bomb. Def. £1																							
Iron, Coal and Steel																							
Allied Ironfounders £1																							
Amal. Anthracite £1																							
Babcock Wilcox £1																							
Barrow Hematite (£1)																							
Baldwins £1																							
Bengal Iron £1																							
Bolsover Colly Ord. £1																							
Brown (John) Ord. £1																							
Consett Iron £1																							
Cory, William, £1																							
Dorman Long £1																							
Gest. Kern & Co. £1																							

(Continued from page 323)

Nature of Borrowing				
	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	72,147,828	12,356,356	31,283,172	115,787,056
1933	120,524,341	7,919,945	5,912,954	133,756,640
Whole year—				
1928	212,117,900	45,062,600	111,177,600	368,357,100
1932	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	18,030,032	...	23,936,602
Springfield Collieries, £160,000 5% Debenture	160,000	105	168,000
Kimington Gold, 1,200,000 10s. shares	600,000	15/-	900,000
Total to date, 1934	18,790,032	...	25,004,602
Total to date, 1933	25,714,051	...	27,600,435

PUBLIC OFFER

Salford Corporation.—Issue of £1,000,000 3½ per cent. stock, 1954-64, at par. Assets of Corporation at March 31, 1934, £11,793,600, surplus assets being £5,997,200. Gross income from revenue-earning property for last financial year exceeded £1,450,000. Rateable value, £1,113,757, and present rates are 16s. 6d. in the £. Net debt at March 31, 1934, £4,944,205, £2,049,319 in respect of reproductive undertakings and £1,131,311 in respect of house property. Stock will be redeemed at par on September 1, 1964, or after September 1, 1954, on three months' notice. Proceeds will be used to repay short-term mortgage loans and for expenditure on municipal undertakings. Holders of mortgage bonds maturing before March 31, 1935, desiring to convert will receive preferential allotment.

BY STOCK EXCHANGE INTRODUCTION

Abbey Lodge (Regent's Park), Ltd.—Particulars of £180,000 4½ per cent. first mortgage debenture stock. Secured by specific first charge on leasehold property and floating charge on undertaking and repayable on various terms by August 6, 1974, or at company's option after August 6, 1949, at par on three months' notice. Company holds 73 years' unexpired Crown lease of property comprising 56 flats, valued at April 30, 1934, at £385,752. Profits for years to April 30: 1933, £17,077; 1934, £18,566. £100,000 indebtedness to creditors has since been cancelled, and written off property account and present issue will be applied to repayment of advances.

ISSUE TO SHAREHOLDERS ONLY

London Brick Company and Forders.—Offer of 200,000 unissued ordinary £1 shares at par to ordinary stockholders registered August 1st in the proportion of one new ordinary share for every £7 of ordinary stock, fractions to be sold. New shares will rank for dividends hereafter declared on the ordinary capital and as soon as practicable will be converted into ordinary stock ranking *pari passu* in all respects with the present ordinary stock.

PRIVATE PLACING

Aktieselskapet Union.—£1,150,000 5½ per cent. first mortgage debentures at £98 per cent. It is understood that Hambros Bank has undertaken to place the above issue, which will be secured by first charge on proceeds of the company's exports, which have not been less than £600,000 per annum during last ten years. Debentures will be redeemed at par by September 1, 1957, and net proceeds of issue will be utilised to repay 6½ per cent. kroner debentures outstanding in Norway.

BY TENDER

Lyme Regis District Water Company.—Offer by tender of £4,000 10 per cent. ordinary stock at minimum price of par, made on August 9, 1934. Proceeds required for repayment of redeemable debentures and capital extension. Company supplies Lyme Regis in bulk under 99 years' agreement at minimum charge of £860 per annum. Average price of twenty-eight tenders accepted, 22s. 0½d. per £1 stock.

CONVERSIONS AND REPAYMENTS

Stuttford and Company, Ltd.—Notice has been given to the debenture holders of Stuttford and Company, Ltd., that the £100,000 outstanding in 5 per cent. debenture bonds of £100 each will be paid off on February 1, 1935, at a premium of 10 per cent.

Ferreira Estate Company, Ltd. (incorporated in the Union of South Africa).—The directors have decided to recommend to shareholders that a further reduction of capital be made by refunding 7s. per share out of the proceeds of realisation of assets. In consequence of lengthy legal and other formalities, the refund cannot be paid to shareholders until approximately February, 1935.

Village Deep, Ltd. (incorporated in the Union of South Africa).—The directors have decided to recommend to shareholders that a further reduction of capital be made by refunding

1s. per share out of the proceeds of realisation of assets. In consequence of lengthy legal and other formalities the refund cannot be paid to shareholders until approximately February, 1935.

Henrietta Rubber Estate.—Holders of 7 per cent. first mortgage debenture stock, of which £49,950 is outstanding, are informed that the bonds will be repaid on October 15th next at 105 per cent., plus accrued interest as from July 1st.

Isaac Holden and Sons.—The directors have decided to redeem £150,000 of outstanding 4 per cent. first mortgage debenture stock at par.

Cawnpore Electric Supply Corporation, Ltd.—The company proposes to apply part of its surplus funds in the redemption before maturity of some of its outstanding 5 per cent. debentures at £107. Holders desiring redemption may obtain application forms from the company's office. Applicants will be notified in due course of the number of the debentures which the company intends to redeem, and payment will be made on November 19th, plus interest accrued to November 15.

FORTHCOMING ISSUE

South African Land and Exploration Company, Ltd.—An issue of 550,000 shares of 3s. 6d. will shortly be made to shareholders at 45s. per share in the ratio of 4 shares for every 10 shares registered on September 6.

RESULT OF ISSUE

Salford 3½ per cent. Stock.—Lists closed at 9.5 a.m. on Wednesday, owing to over-subscription.

CALLS DUE AUGUST 20 TO AUGUST 25, 1934

The grand total of calls falling due in August, 1934, is £6,367,141, which compares with £7,270,599 which fell due in August, 1933. The following calls fall due from August 20, 1934, to August 25, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Debs.	Bermuda Development (£450,000 4% Debs. at £98%)	£94	Aug. 20	All
£1	London Brick & Forders (200,000 Ord. Shares at par)	£20/-	Aug. 24	All
10/-	New Robinson Gold (600,000 Shares at 11/3)	5/-+1/3pm	Aug. 24	All
£1	Powell Duffryn Steam Coal (1,000,000 5% Prefd. Ord. at 20/9)	6/-	Aug. 22	10/-
Stock	W. Gloucestershire Power (£550,000 4% Deb. Stock at par)	£40	Aug. 20	All

† On acceptance of allotment.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Aug. 8, 1934	Price, Aug. 15, 1934
Airspeed (1934) Pref. Ord. 5/-	5/-	2/6	4½d-7½d pm	9d-1/- pm
Alconbie Estates 5% Deb.	100	50	1/-	1/-
Argentine 4½%	93	...	90½-90½	90½-90½
British Aluminium Ord.	27/6	11/6	6d-3d dis	7½d-4½d dis
Do. do. 6% Cum. Pref.	24/6	10/-	3d-6d pm	4½d-7½d pm
Do. do. 4% Deb.	96½	61½	10½-10½	10½-10½
Do. do. 5% Deb.	99	...	99½-100½	99½-100½
British Ropes 4½% Deb.	...	...	6½-6½	6½-6½
Brookes (W. J.) and Sons Ord. 5/-	...	...	21½-21½	21½-21½
Do. do. 6% Cum. Pref. £1	...	...	15-6d dis	15-6d dis
Burtol Cleaners 5/-	5/-	3/-	3d-6d pm	4½d-7½d pm
Caley (A. J.) and Son 5% Pref.	...	...	1½-1½	1½-1½
Canada 3½%, 1954-64	102½	61½	1½-1½	1½-1½
Carlton Main Colliery 4½% Deb.	102½	27½	1½-1½	1½-1½
Criterion Restaurants 4% Deb.	98½	10	1½-1½	1½-1½
Dale (John) 5½% Pref.	...	...	20½-21½	20½-21½
Gold Ex. & Finance Aust. Ord.	10/-	5/-	8½-9/-	9/-10/-
Greenwood (John) Millers, 1934, Ord.	...	...	7½-7½	7½-7½
Do. do. 6% Deb.	...	...	22½-22½	22½-22½
Griffiths Hughes Prop., Ord.	...	...	39½-40½	39½-40½
Do. 5½% Cum. Pref. £1	20/-	10½	17½-17½	17½-17½
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	...	5½-5½	5½-5½
Do. do. 5% Deb.	100	...	98½-99½	98½-99½
Ideal Boilers & Radiators 5% Pref. £1	20½	10½	1½-1½	1½-1½
Jackson Brothers 6½% Pref.	...	...	1½-1½	1½-1½
Jones (A.) and Sons Ord. 1/-	...	...	1½-1½	1½-1½
Do. do. 6½% Pref. £1	...	...	20½-21½	20½-21½
Kentian Gold (10/-)	10/-	...	12½-12½	12½-12½
Kimington Gold	10/-	...	14½-15½	14½-15½
Klerksford Cons. 5/-	5/-	...	5½-5½	5½-5½
London Brick New Ord.	...	...	63½-64½	63½-64½
Marlu Gold 5/-	...	...	6½-7½	6½-7½
Mayfair & Gen. Prop. 5% Deb.	100	15	1½-1½	1½-1½
Mersey Docks 3½% Deb.	98	23	1½-2½	1½-2½
Mount Morgan 3/-	7/6	...	20½-20½	20½-20½
New Machinist 3½%, 1955-64	5/-	...	12½-12½	12½-12½
New Zealand 3½%, 1955-64	100	...	1½-1½	1½-1½
Pitman (Sir I.) 5½% Pref.	21½	...	23½-23½	23½-23½
Powell Duffryn Pref. Ord. 5/-	20/9	4/-	6d dis-par	10½-4½d dis
Reed (Austin) 5% "A" Pref.	...	...	21½-21½	21½-21½
South Bank Areas 2/-	2/-	...	2½-2½	2½-2½
Somerset 3½%, 1955-64	100	55	1½-1½	1½-1½
S. African Distillers	21½	...	25½-26½	25½-26½
S. Rhodesia 3½%, 1955-65	97½	5	1½-1½	1½-1½
Stanton Iron, New 6½% Pref. £1	25/-	10/-	1½-1½	1½-1½
Stewarts and Lloyds 4% Deb.	100	25	1½-2½	1½-2½
Stockport 3½%, 1954-64	100	50	1½-1½	1½-1½
Thistle Etina Gold	95½	2/-	1½-3d dis	1½-3d dis
Trust Houses 3½% Deb.	93½	20	4½-4½	4½-4½
Tunnel Portland Cement "B" Ord. 10/-	...	...	37½-38½	37½-38½
United Steel £1	21/6	...	21½-22½	21½-22½
Walsall 3½%	100	55	1½-1½	1½-1½
Watende Mines (Kenya) 5/-	5/-	...	3d dis-3d pm	4½-5½
Welsh Ass. Collieries 5½% Cum. Pref. 1½	21/-	...	19½-19½	19½-19½
Do. do. 4½% Deb.	100	25	3½-3½	3½-3½
West (Butchers) Ord.	12/6	...	9½-9½	10½-10½
Do. do. 6% Pref.	...	...	21½-21½	21½-21½

COMPANY MEETINGS, &c.

WATNEY COMBE REID AND COMPANY, LIMITED

IMPROVED RESULTS

The annual general meeting of Watney Combe Reid and Company, Limited, was held, on the 18th instant, at the Windsor Castle Restaurant, London.

Colonel O. P. Serocold, C.M.G. (chairman of the company), presided, and, in the course of his speech, said:—We are steadily pursuing the policy outlined to you on former occasions of bringing our houses up to date. I am glad to be able to tell you that the magistrates are showing themselves more favourable to such improvements, evidently realising that it is for the benefit of the public at large that beer should be sold under good conditions and that facilities for catering should also be provided. We now have an increasing number of houses where the sale of food at reasonable prices is an important factor, and we are glad to know that the public appreciate the excellent value offered.

The brewing industry has during the past year been much exercised over its raw materials. You are aware that Parliament passed two Marketing Acts in 1931 and 1933. These Acts conferred powers by which particular branches of agriculture were enabled to set up Marketing Boards to deal with the particular products. As a result hops are now controlled.

HOPS

We did not feel particularly encouraged by the act of the new Board, which established what we consider to have been an exorbitant price for last year's hop crop. Incidentally, we estimate that the excessive price above normal cost our company between £30,000 and £40,000. Following that, further proposals were made that a quota, or controlled production, should be established.

Before the quota was approved by Parliament the Minister of Agriculture set up a joint committee to advise on the working details. I was myself a member of that committee, and am glad to be able to tell you, although brewers are even now not reconciled to the main principles of the quota, which involve the disappearance of the free market which had previously existed through the centuries, that nevertheless the committee, by friendly co-operation, succeeded in elaborating a report by which methods are recommended to render possible its working with a minimum of friction. I understand that the Minister of Agriculture has accepted that report. As a first result the price of hops will be fixed for five years at something like 33 per cent. below the exorbitant price of last year, but nevertheless at a very remunerative rate of profit to the growers. How the control of quantity to be produced will work still remains to be seen.

BARLEY

There have also been questions over the barley from which we make our primary raw material, malt. In deference to the farmers' representations, brewers were requested by the Chancellor of the Exchequer to increase their use of home-grown barley to the utmost, and a gentlemen's agreement was given to that effect. At the same time, the increasing output of beer encouraged greater freedom in purchases. As a result, the 1933 crop of English barley fit for malting was cleared in record time and at a price remunerative to farmers.

I can say without hesitation that we shall do the same this year as we did last, and I do not doubt but that other firms will do the same, and I trust the Board of Agriculture will appreciate what the brewers have done for British barley, and recognise that compulsory methods are as unnecessary as they are undesirable.

So far as the balance sheet is concerned, we have a profit balance of £970,191 to deal with this year, against £832,383, which, I think you will agree, is satisfactory, remembering that we brought in a smaller "carry-forward" than in the preceding year. We have drawn down by £75,000 our carry-forward in the three years 1931, 1932 and 1933, but this year we propose to put back £24,000, leaving it at £301,000.

The trading profit at £1,901,071 compares with £1,680,403 a year ago. Rents receivable amount to £432,223 against £447,721 a year ago and £502,475 in 1930. This big drop of £70,000 is an indication of the assistance we have found it necessary to give to our licensees who have been passing through difficult times.

Now a word in regard to the dividend: last year I finished my speech by saying that things were improving and that your board hoped for better results in the year ahead. Well, here we are paying you 13 per cent. on the deferred stock instead of 10 per cent.; so my forecast has proved to have been justified.

The report and accounts were adopted.



GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 11, 1934, amounted to £10,866,000, against ordinary expenditure of £6,912,000. After allowing for an increase in Exchequer Balances of £111,255 the operations for the week, as shown below, decreased the National Debt by £3,697,000 to approximately £8,075 millions.*

(000's omitted)			
Treasury Bills	+ 3,828	Public Department Advances	- 7,400
National Savings Certificates	+ 150	P.O. & Teleg. Capital Issues	- 250
		N. Atlantic Shipping Issues	- 25
	+ 3,978		- 7,675

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Aug. 11, 1934	April 1, 1933, to Aug. 12, 1933	Week ended Aug. 11, 1934	Week ended Aug. 12, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	38,268,000	32,590,000	3,643,000	1,951,000
Sur-tax	50,000,000	6,520,000	7,670,000	120,000	180,000
Estate, etc., Duties	76,000,000	32,860,000	34,910,000	1,140,000	1,030,000
Stamps	25,000,000	6,090,000	5,120,000	580,000	440,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	130,000	160,000	...	30,000
Total Inland Revenue	372,500,000	83,868,000	80,450,000	5,483,000	3,631,000
Customs and Excise—					
Customs	183,650,000	67,854,000	64,305,000	3,227,000	3,308,000
Excise	106,350,000	34,000,000	36,019,000	832,000	810,000
Total Customs and Excise	290,000,000	101,854,000	100,324,000	4,059,000	4,118,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	3,375,000	2,641,000	264,000	Dr. 9,000
Post Office (Net Receipts)	14,000,000	9,200,000	8,450,000	1,000,000	1,350,000
Crown Lands	1,220,000	460,000	400,000	...	...
Receipts from Sundry Loans	3,800,000	2,225,348	3,057,708	...	428,055
Miscellaneous Receipts	20,000,000	4,115,140	12,345,383	58,747	25,244
Total Ordinary Revenue	706,520,000	205,097,486	207,668,091	10,865,747	9,543,299
SELF-BALANCING REVENUE					
Post Office	60,463,000	18,450,000	18,500,000	600,000	550,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	5,750,000	5,710,000	250,000	269,000
Total Self-Balancing Revenue	84,718,000	24,200,000	24,210,000	850,000	819,000
Total	...	229,297,486	231,878,091	11,715,747	10,362,299

EXPENDITURE	Estimate for the year 1934-35	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Aug. 11, 1934	April 1, 1933, to Aug. 12, 1933	Week ended Aug. 11, 1934	Week ended Aug. 12, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	95,612,395	95,044,778	434,492	238,765
Payments to Northern Ireland Exchequer	6,500,000	2,027,782	2,203,157	...	1,000
Other Consolidated Fund Services	3,700,000	1,014,243	1,320,597	...	...
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	98,654,420	98,568,532	434,492	239,765
Total Supply Services (excluding Post Office)	466,296,000	157,165,150	155,161,350	6,478,000	5,182,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	255,819,570	253,729,882	6,912,492	5,421,765
Payments to U.S.A. Govt	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	255,819,570	255,571,098	6,912,492	5,421,765
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	18,450,000	18,500,000	600,000	550,000
Road Fund	24,255,000	5,750,000	5,710,000	250,000	269,000
Total Self-Balancing Expenditure	84,718,000	24,200,000	24,210,000	850,000	819,000
Total	...	280,019,570	279,781,098	7,762,492	6,240,765

The aggregate revenue and expenditure to August 11, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO AUGUST 11, 1934 (000's omitted)			
Expenditure	255,819	Revenue	205,097
Increase in balances	359	Gross increase in borrowing £52,697	
		Less—	
		New Sinking Fund	1,615*
		Net borrowing	51,081
	256,178		256,178

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Aug. 12, '33	Mar. 31, '34	Aug. 11, '34	Movement, week ended Aug. 11, '34
Advances by Public Department	32,000,000	44,900,000	32,200,000	- 7,400,000
Treasury Bills outstanding	985,295,000	799,810,000	832,140,000*	+ 3,825,000
Total Floating Debt	1,017,295,000	844,710,000	864,340,000	- 3,575,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on August 10, 1934, and the total amount applied for was £58,340,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 16s 2d., and above in full; Saturday, at £99 16s 2d., about 18 per cent., and above in full. The average rate per cent. was 14s. 11.06d. The amount allotted was £31,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 s. d.
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	89,390,000	38,000,000	0 17 9-01
July 6	35,000,000	82,745,000	32,000,000	0 18 4-14
July 13	35,000,000	65,405,000	32,000,000	0 15 7-72
July 20	35,000,000	59,570,000	31,220,000	0 15 0-14
July 27	35,000,000	79,430,000	35,000,000	0 13 9-92
August 3	40,000,000	47,695,000	37,000,000	0 14 7-46
August 10	35,000,000	58,340,000	31,000,000	0 14 11-06

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended July 28, 1934	608,147	486,518
Week ended August 4, 1934	740,659	596,527
February, 1916, to August 4, 1934	1,193,580,555	940,474,194

At the end of May, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,033,273.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, August 15th, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£
In Circulation	384,108,627	Other Government Securities	11,015,100
In Banking Department	67,568,333	Other Securities	244,729,363
		Silver Coin	841,908
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	191,676,960
	451,676,960		451,676,960

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By L. L. B. Angus
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BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	84,138,781
Rest	3,628,377	Other Securities	
Public Deposits	23,495,660	Discounts and Advances	£5,506,820
Other Deposits		Securities	£10,139,504
Bankers'	£89,458,940	Notes	15,646,324
Other Accounts	£36,724,279	Gold and Silver Coin	67,568,333
7-day and Other Bills	6,215		513,033
	126,183,219		167,866,471

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

Both Departments	Amount, August 15, 1934	Inc. or Dec. Last Week	Inc. or Dec. Last Year
Note circulation	384,108,627	- 8,697,704	+ 4,866,194
Public deposits	23,495,660	- 387,283	+ 6,238,834
Bankers' deposits	89,458,940	+ 7,457,735	- 8,709,222
Other deposits	36,724,279	+ 1,084,248	- 5,544,611
Seven-day bills	6,215	- 468	+ 5,135
Total outside liabilities	533,793,721	- 563,472	+ 3,343,670
Capital and rest	18,181,377	+ 40,150	+ 1,942
Government debt and securities	339,883,244	+ 836,767	+ 2,807,298
Discounts and advances	5,506,820	- 1,478,321	+ 4,593,307
Other securities	10,981,412	+ 166,913	- 1,999,833
Silver coin in issue department	3,413,629	- 51,745	- 227,430
Coin and bullion (bank's reserves)	192,189,933	+ 3,064	+ 671,544
Reserves of notes and coin in banking department	68,081,366	+ 8,700,768	- 3,994,650
Proportion of reserve to outside liabilities—			
(a) Banking Department only	45.4%	+ 3.5%	- 0.4%
(b) Gold stocks to deposits and notes ("reserve ratio")	36.0%	...	+ 0.7%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934		£	£	£	£	£	%
July 11	451,524	384,626	17,433	97,285	36,178	62 in	2
" 18	451,580	383,889	20,644	96,881	35,809	56 in	2
" 25	451,580	383,949	10,939	104,338	36,093	61 in	2
Aug. 1	451,621	389,310	21,886	96,507	36,927	41 in	2
" 8	451,677	392,806	23,883	82,001	35,660	56 in	2
" 15	451,677	384,109	23,496	89,459	36,724	Nil	2

(000's omitted)

Date	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"
1934							
July 11	255,657	881	192,155	35 1/2	82,647	7,832	10,958
" 18	256,120	414	192,179	35 1/2	82,647	7,832	10,958
" 25	256,224	312	192,154	35 1/2	82,647	7,832	10,958
Aug. 1	256,295	241	192,158	35 1/2	82,647	7,832	10,958
" 8	255,793	742	192,187	36	82,647	7,832	10,958
" 15	255,744	842	192,180	36	82,647	7,832	10,958

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to August 1	18,306,814	1,049,099	1,765,691	21,121,604
Week ended August 8	419,496	35,262	60,458	515,216
Week ended August 15	513,385	+ 29,961	53,405	596,751
Total to date, 1934	19,239,690	1,114,322	1,879,554	22,233,566
Total to date, 1933	16,985,054	1,049,820	1,729,201	19,764,075
Increase or decrease in 1934	+ 2,254,636	+ 64,502	+ 150,353	+ 2,469,491
	= 13.2%	= 6.2%	= 8.7%	= 12.5%
Total for year 1933	27,714,480	1,458,675	2,768,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 46,268	+ 98,552	- 25,667
	= 0.4%	= 2.8%	= 3.6%	= 0.07%

PROVINCIAL

(000's omitted)

	Week ended Aug. 11		Month of July			Aggregate Totals, January 1 to Aug. 11	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days...	£	£	26	26	%	£	£
BIRMINGHAM	1,244	1,131	11,527	9,973	- 13.4	72,411	74,592
BRADFORD	783	627	4,123	3,485	- 15.4	26,292	29,219
BRISTOL	744	712	5,012	4,935	- 1.5	34,553	37,312
DUBLIN	3,551	3,651	...	...	...	165,210	164,899
HULL	540	578	3,057	3,279	+ 7.2	22,491	23,307
LEEDS	487	443	4,016	4,093	+ 1.9	27,639	29,960
LEICESTER	357	296	3,021	2,844	- 5.8	19,993	20,410
LIVERPOOL	4,520	4,942	29,082	27,658	- 4.8	185,932	191,203
MANCHESTER	7,131	7,298	41,664	42,255	+ 1.4	295,029	308,058
NEWCASTLE	1,169	1,126	5,940	6,281	+ 5.4	45,192	47,826
NOTTINGHAM	293	258	2,028	1,986	- 2.0	13,890	14,189
SHEFFIELD	489	536	3,430	3,595	+ 4.8	24,215	26,691
	21,308	21,598	112,900	110,364	- 2.2	932,757	967,866

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. Canada, in July 28, 1934. Egypt, in August 4, 1934. International Settlements, Reichsbank, Spain, Greece, Poland, Denmark, Estonia, Lithuania, Danzig, in August 11.

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

RESOURCES	Aug. 18, 1933	July 27, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934
Gold certificates on hand and due from the Treasury	3,823,110	4,873,170	4,906,010	4,929,550	4,961,370
Total reserves	5,133,120	5,155,900	5,173,870	5,210,140	5,210,140
Total cash reserves	240,940*	235,330	225,890	219,960	224,460
Total bills discounted	165,890	21,300	21,370	20,550	20,210
Bills bought in open market	7,460	5,270	5,210	5,200	5,200
Total bills on hand	173,350	26,570	26,580	25,750	25,410
Total U.S. Govt. securities	2,058,850	2,432,050	2,431,780	2,431,780	2,431,460
Total bills and securities	2,234,050	2,458,990	2,458,930	2,457,990	2,457,990
Total resources	6,600,430	8,120,970	8,178,210	8,134,980	8,265,160
LIABILITIES					
Federal Reserve notes in actual circulation	2,996,310	3,060,240	3,078,820	3,095,330	3,102,370
Federal Reserve Bank notes in circulation	128,190	33,740	33,860	33,180	32,650
Deposits—Memberbank—reserve account	2,370,870	4,020,030	3,914,810	4,059,070	4,064,270
Government deposits	48,380	47,800	159,590	24,590	57,890
Total deposits	2,616,470	4,287,570	4,293,250	4,292,920	4,333,570
Capital paid in and surplus	424,780	285,670	284,930	284,930	284,810
Total liabilities	6,600,430	8,120,970	8,178,210	8,134,980	8,265,160
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	68.1%	69.9%	69.9%	70.0%	70.1%

* Reserves other than gold.

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

	Aug. 18, 1933	July 27, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934
Total gold reserves	934,700	1,701,490	1,773,310	1,791,360	1,796,290
Total bills discounted	47,570	11,900	11,890	11,930	11,650
Bills bought in open market	2,320	2,010	1,940	1,930	1,930
Total U.S. Govt. securities	759,070	777,750	777,750	777,750	777,750
Total bills and securities	810,200	791,690	791,620	791,670	791,380
Deposits—Memberbank—reserve account	967,770	1,603,960	1,605,980	1,701,180	1,688,710
Ratio of total res. to dep. and Federal Res. note liabilities combined	60.5%	71.2%	72.1%	72.2%	72.1%

FEDERAL RESERVE MEMBER BANKS

In \$'s (000,000's omitted)

	Aug. 2, 1933	July 3, 1934	July 10, 1934	July 17, 1934	July 25, 1934	Aug. 1, 1934
Loans	8,546	8,038	8,006	7,961	7,938	7,873
Investments	8,011	9,723	9,745	9,796	9,790	9,889
Demand deposits	10,475	12,551	12,641	12,697	12,755	12,745
Time deposits	4,533	4,495	4,512	4,501	4,488	4,488
Government deposits	1,354	1,353	1,353	1,353	1,296	1,296
Due from banks	1,118	1,636	1,666	1,685	1,644	1,562
Due to banks	2,560	3,784	3,870	3,883	3,845	3,770

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

MONTHLY STATEMENT OF LONDON CLEARING BANKS

(000's omitted)

Average Weekly Balances JULY, 1934	Barclays Bank, Limited	Count and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited	Martins Bank, Limited	Midland Bank, Limited	National Bank, Limited	National Provincial Bank, Limited	West- minster Bank, Limited	Williams Deacon's Bank, Limited	Aggregate
ASSETS.											
Coin, bank notes and balances with the Bank of England.....	37,542	1,681	2,791	37,038	7,966	58,103	3,144	29,694	29,042	3,254	210,255
Balances with and cheques in course of collection on other banks in Great Britain and Ireland.....	8,674	621	840	8,355	1,984	7,756	172	6,034	7,926	1,391	43,753
Items in transit.....	...	...	...	2,999	621	...	...	...	...	...	3,620
Money at call and short notice... ..	22,565	3,111	4,500	23,393	4,555	22,595	3,842	19,666	28,143	5,405	137,775
Bills discounted.....	52,599	996	396	46,644	2,963	47,653	1,771	35,088	34,750	1,562	224,422
Investments.....	102,577	7,742	9,409	95,686	32,462	107,086	17,041	77,115	90,874	10,061	550,053
Advances to customers and other accounts.....	154,718	8,028	11,514	141,437	31,534	166,470	15,281	112,771	105,052	11,940	758,745
Liabilities of customers for accept- ances, endorsements, etc.	6,496	661	1,602	39,325	4,033	16,152	148	5,404	30,576	2,425	106,822
Bank premises account.....	7,693	412	740	7,858	2,959	10,696	761	7,418	5,574	1,032	45,143
Investments in affiliated banks and subsidiary companies.....	6,704	...	...	4,985	...	7,380	...	2,514	2,993	...	24,576
	399,568	23,252	31,792	407,720	89,077	443,891	42,160	295,704	334,930	37,070	2,105,164
Ratio of cash to current, deposit and other accounts.....	10.23	8.16	9.85	10.75	10.23	14.45	8.24	10.88	10.10	10.18	11.24
LIABILITIES.											
Capital paid up.....	15,858	1,000	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	74,310
Reserve fund.....	10,250	1,000	530	8,000	3,000	11,500	1,060	8,000	7,500	800	51,640
Current, deposit and other ac- counts.....	366,964	20,591	28,345	344,579	77,868	401,991	38,164	272,821	287,520	31,970	1,870,813
Acceptances, endorsements, etc.	6,496	661	1,602	39,325	4,033	16,152	148	5,404	30,576	2,425	106,822
Notes in circulation.....	...	...	255	...	...	...	...	...	...	...	1,324
Reduction of bank premises account	...	...	...	...	...	...	...	...	...	...	255
	399,568	23,252	31,792	407,720	89,077	443,891	42,160	295,704	334,930	37,070	2,105,164

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

Assets	Aug. 5, 1933	July 14, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Gold reserve.....	250,094	275,623	276,023	276,563	277,069
Government securities—Swedish	255,285	151,062	151,062	151,062	151,062
Foreign.....	...	37,230	39,104	39,104	42,097
Gold abroad not included in the gold reserve.....	102,497	94,775	94,715	94,634	94,558
Bills payable in Sweden.....	29,683	11,252	10,400	9,728	9,204
abroad.....	4,347	351,427	351,381	351,368	351,560
Balance abroad.....	286,537	57,050	62,253	66,558	69,529
Advances.....	36,259	34,163	34,264	27,488	27,365
LIABILITIES					
Notes in circulation.....	531,739	581,785	558,137	611,763	590,891
Government deposits.....	144,513	151,281	146,766	130,406	124,274
Private deposits.....	281,460	312,464	339,558	308,268	340,280

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

Assets	Position, May 31, 1934	Aug. 7, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Coin and bullion—Gold.....	44,224	118,249	118,389	118,389	118,389
Balance abroad and foreign bills	28,533	15,476	6,392	6,475	6,719
Funds provisionally placed in gold not included in the gold reserve	...	32,576	16,379	16,379	16,379
Norwegian and Foreign Govern- ment securities.....	8,816	38,625	30,874	30,874	30,874
Discounts and loans.....	76,911	225,143	275,240	275,847	276,407
LIABILITIES					
Notes in circulation.....	113,484	303,178	322,135	323,406	320,158
Deposits at sight.....	7,188	69,482	59,669	58,592	62,193

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

Assets	July 19, 1933	June 20, 1934	June 27, 1934	July 4, 1934	July 11, 1934	July 18, 1934
Gold.....	708,042	891,000	892,205	893,413	895,143	876,956
Balances abroad.....	397,273	354,420	350,405	337,175	327,946	322,613
Discounts.....	324,691	316,170	314,502	307,412	309,497	310,905
Government loans.....	1,052,736	1,050,761	1,050,761	1,050,761	1,050,761	1,050,108
LIABILITIES						
Notes in circulation.....	1,896,660	1,908,675	1,931,618	1,983,714	1,949,049	1,932,769
Government deposits.....	278,320	285,649	255,057	241,939	263,238	272,727
Bankers' deposits.....	331,300	471,596	482,047	426,879	443,568	437,308
Other deposits.....	41,584	52,321	50,992	63,357	52,020	61,311

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

Assets	Aug. 7, 1933	July 15, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Cash reserve.....	149,694	241,429	241,478	241,525	241,567
Gold coin and bullion.....	39,308	...	...	...	...
Foreign exchange.....	7,998	31,975	35,851	40,413	40,895
Other foreign exchange.....	222,112	249,061	244,621	247,816	248,290
Bills discounted.....	658,944	624,444	624,444	624,444	624,444
Federal debt.....	...	...	...	...	...
LIABILITIES					
Share capital.....	43,200	54,960	54,960	54,960	54,960
Reserve fund.....	11,096	11,280	11,280	11,280	11,280
Notes in circulation.....	852,352	900,102	868,758	898,504	932,638
Deposits.....	238,228	216,601	252,856	138,121	205,503

* In dollar and sterling only.

† In accordance with Art. 53 of the Statutes.

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

Assets	Aug. 7, 1933	July 15, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Metal reserve.....	96,570	78,891	78,932	78,932	78,932
Gold coin and bullion.....	10,572	12,275	10,162	12,575	14,108
Drafts and notes.....	8,734	12,731	13,644	10,626	15,258
Silver coin and bullion.....	448,502	525,257	515,302	546,465	539,300
Inland bills, warrants and securities.....	50,279	47,450	47,450	47,450	47,450
Advances to Treasury.....	34,756	34,756	34,756	34,756	34,756
Share capital (gold crowns 30,000,000*)	349,256	324,264	309,190	363,630	348,967
Notes in circulation.....	65,105	67,282	73,108	44,704	51,848
Current accounts, deposits, etc.	...	...	...	...	...
Cash certificates.....	117,722	117,722	117,722	117,722	117,722
Other liabilities.....	201,349	170,709	170,645	174,121	176,183

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

Assets	Aug. 7, 1933	July 15, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Gold.....	1,706,626	2,662,852*	2,662,864*	2,662,857*	2,663,146*
Balances abroad and foreign currency.....	933,910	25,856	25,326	26,393	27,356
Discounts and advances.....	1,765,585	1,599,644	1,470,196	1,397,855	1,551,075
State notes debt balance.....	2,616,174	2,128,858	2,128,333	2,125,430	2,123,298
Other assets.....	573,158	635,646	690,693	716,235	711,240
LIABILITIES					
Bank notes in circulation.....	6,076,903	5,361,149	5,097,777	5,220,815	5,299,288
Check account balances.....	793,092	969,730	1,134,706	926,839	968,235
Other liabilities.....	276,119	267,997	290,919	329,106	356,582

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

Assets	Aug. 8, 1933	July 22, 1934	July 31, 1934	Aug. 7, 1934
Cash reserve:—				
Gold at home and abroad.....	1,797,353	1,787,743	1,791,601	1,800,555
Foreign exchange.....	103,456	104,378	104,051	103,804
Other foreign exchange.....	45,684	20,039	19,439	34,274
Bills and advances against security.....	2,235,075	1,814,486	1,817,659	1,820,527
Government advances.....	1,816,079	1,719,144	1,719,306	1,719,449
LIABILITIES				
Notes in circulation.....	4,304,482	4,085,250	4,169,967	4,177,169
Sight deposits.....	1,048,860	1,234,826	1,160,298	1,178,319
Time deposits.....	1,315,061	878,386	865,894	861,294

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

Assets	July 31, 1933	July 7, 1934	July 15, 1934	July 23, 1934	July 31, 1934
Gold and silver holdings.....	1,521,064	1,546,675	1,546,675	1,546,675	1,546,675
Balances abroad and foreign currency.....	128,755	79,351	90,822	115,200	96,821
Discounts and advances.....	893,683	1,034,670	1,031,291	975,445	973,854
Advances to the Treasury.....	2,872,872	2,782,525	2,782,525	2,782,525	2,782,525
LIABILITIES					
Capital paid up.....	500,000	500,000	500,000	500,000	500,000
Reserves.....	1,192,579	1,237,657	1,237,657	1,237,657	1,237,657
Bank notes in circulation.....	2,531,439	2,670,119	2,621,546	2,546,687	2,509,223
Sight liabilities.....	1,747,538	1,540,439	1,619,357	1,683,777	1,731,289
Deposits.....	201,039	143,587	143,587	143,398	143,898

CENTRAL BANK OF TURKEY—In ₺T (000's omitted)

Assets	Aug. 3, 1933	July 12, 1934	July 19, 1934	July 26, 1934	Aug. 2, 1934
Gold coin and bullion.....	15,675	18,588	18,645	18,686	18,736
Other coin and notes.....	22,571	17,183	17,464	18,347	18,667
Free foreign exchange.....	319	4,136	4,136	4,278	3,971
Treasury bonds.....	152,520	149,264	149,264	149,264	149,264
Bills.....	34,427	31,110	31,111	31,120	31,127
Securities.....	4,500	4,500	4,500	4,500	4,500
LIABILITIES					
Capital.....	15,000	15,000	15,000	15,000	15,000
Note issue:					
Ordinary.....	152,520	149,264	149,264	149,264	149,264
Supplementary.....	8,688	8,688	8,688	8,688	8,688
Sight liabilities.....	30,385	22,698	21,791	24,486	22,151

BANK OF JAPAN—In yen (000's omitted)

Assets	Position, June 30, 1934	July 22, 1933	June 30, 1934	July 7, 1934	July 14, 1934	July 21, 1934
Gold coin and bullion.....	221,320	425,070	453,505	455,732	456,059	456,417
Other coin and bullion.....	...	...	...	...	...	...
Advances.....	41,740	610,566	577,237	595,132	596,047	592,189
Discounts.....	70,540	51,993	82,238	82,530	82,885	83,862
Govt. bonds.....	...	422,285	498,219	400,290	519,059	471,570
LIABILITIES						
Notes.....	362,270	1,089,191	1,294,505	1,136,378	1,100,910	1,097,922
Govt. deposits.....	87,340	287,620	185,366	206,698	382,749	381,959
Other deposits.....	11,440	92,014	122,791	74,885	60,818	61,169

LONDON RATES

	Aug. 9, 1934	Aug. 10, 1934	Aug. 11, 1934	Aug. 13, 1934	Aug. 14, 1934	Aug. 15, 1934	Aug. 16, 1934
Bank rate (changed from 2½% June 30, 1932).....	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts.....	2-18	2-18	2-18	2-18	2-18	2-18	2-18
3 months' do.....	2-18	2-18	2-18	2-18	2-18	2-18	2-18
4 months' do.....	2-18	2-18	2-18	2-18	2-18	2-18	2-18
6 months' do.....	2-18	2-18	2-18	2-18	2-18	2-18	2-18
Discount Treasury Bills.....	1	1	1	1	1	1	1
2 months'.....	2-18	2-18	2-18	2-18	2-18	2-18	2-18
3 months'.....	2-18	2-18	2-18	2-18	2-18	2-18	2-18
Loans—Day-to-day.....	2-1	2-1	2-1	2-1	2-1	2-1	2-1
Short.....	2-1	2-1	2-1	2-1	2-1	2-1	2-1
Deposit allowances: Bank.....	2	2	2	2	2	2	2
Discount houses at call.....	2	2	2	2	2	2	2
At notice.....	2	2	2	2	2	2	2

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	90 days	20-10
Colombia	Pesos to £	5	Bogota (sight)	9-34½
Ecuador	Sucres to £	24-3325	Sight London	60-51½
Nicaragua	Colonos to £	4-8655	"	"
Salvador	Bolivos to £	9-73	"	12-72
Venezuela	Bolivares to £	25-2215	"	15-40
Guatemala	Quoted in New York	...	"	5-13

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate.

The Anglo-South American Bank has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period August 11th to 20th at 138-47 per cent. The previous rate was fixed as from August 1st at 138-57 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

London on Australia and New Zealand				Australia and New Zealand on London*			
Buying		Selling		Buying		Selling	
Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand
T.T.	125½	125½	125½	125½	124½	125½	124½
Sight	125½	125½	125½	125½	124½	125½	124½
30 days ..	125½	125½	125½	125½	124½	125½	124½
60 days ..	125½	125½	125½	125½	124½	125½	124½
90 days ..	125½	125½	125½	125½	124½	125½	124½

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the From Apr. 1
week ending to Aug. 11,
Aug. 11, 1934 1934

Sterling purchased in India 1,045,000 9,922,000
Net transfer to Home Treasury:—

(a) From Paper Currency Reserve in
England 2,250,000
(b) From Gold Standard Reserve in
England against Gold transferred
in India from Paper Currency
Reserve to Gold Standard Re-
serve

Net remittance to Home Treasury 1,045,000 7,672,000
India Office, S.W.1,
Aug. 15, 1934.

INDIAN GOLD STANDARD RESERVE

Statement showing the form in which the balance of the Reserve was held on July 31, 1934:—

In India:		£	Nil
Gold		Nil	
In England:		£	
Cash at the Bank of England	4,431		
Gold	2,152,334		
British Treasury bills: Value as on July 31, 1934	15,862,794		
Other British and Dominion Govern- ment securities: At market value on July 31, 1934	21,980,441		
		40,000,000	
		£40,000,000	

BULLION

The following statistics of imports and exports of gold and silver for week ended August 16th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended August 16, 1934			Gold Exported from Great Britain and Northern Ireland, week ended August 16, 1934		
From	Bullion*	Coined	To	Bullion*	Coined
Netherlands	£ 3,943	£ 11,500	Poland	£ 11,500	£ 11,500
Belgium	26,000	16,715	Netherlands	607,230	47,135
France	14,368	296,407	France	548,846	289,812
Switzerland	11,365	3,116	Switzerland	33	1,825
Egypt	13,272	182,200	Austria	126,769	
Iraq	6,021	49,632	United States		
Venezuela	14,266	2,478	Newfoundland		
Bolivia	182,200	3,116			
British South Africa	49,632	6,987			
Tanganyika Terr.	3,116	664,739			
Kenya	664,739	138,357			
British India	138,357	2,528			
Australia	2,528	4,046			
New Zealand	4,046	1,923			
British Guiana	1,923				
Other countries					
Total	1,112,563	151,058	Total	1,869,097	77,175

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended August 16, 1934			Silver Exported from Great Britain and Northern Ireland, week ended August 16, 1934		
From	Bullion*	Coined	To	Bullion	Coined
Soviet Union (Russia)	47,672	...	Denmark	1,025	...
Belgium	4,400	...	France	304	...
France	...	184	French Possessions	...	...
Austria	...	11,000	In India	13,300	...
Japan	36,879	...	Bulgaria	...	2,655
U.S.A.	4,519	...	U.S.A.	388,770	...
British S. Africa	...	200	Straits Settlements	4,300	...
Canada	3,637	963	Fiji Islands	...	1,863
Other countries	169	2,413	Other countries	1,085	581
Total	97,276	14,760	Total	408,784	6,799

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934 ARRIVALS		1934 WITHDRAWALS	
Aug. 10	£ Nil	Aug. 10	£ Nil
" 11	Nil	" 11	Nil
" 13	Nil	" 13	Nil
" 14	Nil	" 14	Nil
" 15	Nil	" 15	Nil
" 16	Nil	" 16	Nil
Total	Nil	Total	Nil
Movement Aug. 10, 1934, to Aug. 16, 1934 (inclusive)		Nil	
Movement during year 1933		£71,094,909 in	
Movement during 1934 (January 1 to Aug. 16, inclusive)		£946,689 in	
Movement April 29, 1925, to Aug. 16, 1934 (inclusive)		£23,316,836 in	
Movement September 21, 1931 (gold standard suspended), to Aug. 16, 1934 (inclusive)		£55,682,349 in	

GOLD

Messrs Samuel Montagu and Company write on August 15, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,676,960 on the 8th instant, as compared with £191,621,164 on the previous Wednesday. Considerable amounts of gold have been offered in the open market during the past week. Following upon the American nationalisation of silver and the weakening of the dollar, the price of gold has been fixed at a large premium over the dollar parity, and the demand for the metal has sprung up again from Continental sources. As a consequence of the further depreciation of the dollar in terms of francs, the gold export point was reached at the end of the week and a shipment of \$1,000,000 bar gold has been made from America to Paris. The demand for gold from Continental sources remains strong and the price shows a premium over the exchange parities.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
August 9	138s. 1d.	12s. 3-66d.
" 10	138s. 1d.	12s. 3-66d.
" 11	138s. 1½d.	12s. 3-61d.
" 13	138s. 3d.	12s. 3-48d.
" 14	138s. 2½d.	12s. 3-52d.
" 15	138s. 4d.	12s. 3-39d.
Average	138s. 2-17d.	12s. 3-55d.

Only a small shipment of gold was made from Bombay last week; the s.s. "Ranchi" carries £11,000, consigned to London.

The Transvaal gold output for July, 1934, amounted to 876,094 fine ounces, as compared with 868,129 fine ounces for June, 1934, and 923,671 fine ounces for July, 1933.

SILVER

The week under review has seen a great deal of activity in the market and opened on the 9th instant with a rise of ½d. in the cash and ¾d. in the two months' quotations, 21 ½d. being fixed for both deliveries, a level which has since been well maintained.

The firmness was due to heavy buying by America and the demand being largely for prompt delivery, cash silver on the 10th instant was quoted at a premium of ½d. over the price for two months (this is particularly noteworthy, as hitherto the last occasion on which cash silver had commanded a premium was on November 18, 1931). The difference widened to ¾d. on August 11th, but narrowed to ½d. on the 13th, the next working day.

There has been a further development in the United States plan for the acquirement of silver in the shape of an executive order signed by President Roosevelt on August 9th nationalising all silver in that country; under the order all supplies must be delivered to the Treasury through the mints within 90 days. The price paid for this silver will be 50-01 cents per fine ounce. There are certain exemptions from the order, such as foreign and domestic silver coins, silver ore, silver in fabricated articles and silver owned by foreign Governments and foreign central banks.

It was reported that on receipt of the news, dealings in silver futures on the New York commodity exchange were suspended.

The announcement caused some speculative demand in the London market, but this and the American buying was offset to a good extent by China sales, which have been of considerable importance. The higher prices attracted profit-taking sales and the Indian Bazaars also made re-sales, but buying by the latter quarter has been less in evidence.

The market has a firm appearance but is dependent on a continuation of American support, failing which the present level might be difficult to maintain in the face of further China sales.

Quotations during the week:—

IN LONDON		IN NEW YORK	
Bar silver per oz. std.		Cent per Ounce	
Cash	Two Months'	-999 fine	
delivery	delivery		
August 9	21 ½d.	August 8 ...	49
" 10	21 ½d.	" 9 ...	49 ½
" 11	21 ½d.	" 10 ...	50 (nominal)
" 13	21 ½d.	" 11 ...	50
" 14	21 ½d.	" 13 ...	50
" 15	21 ½d.	" 14 ...	50
Average	21-562d.	21-500d.	

The highest rate of exchange on New York recorded during the period from the 9th instant to the 15th instant was \$5-11½ and the lowest \$5-04½.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Aug. 7	July 31	July 22
Notes in circulation	18,367	18,380	18,285
Silver coin and bullion in India	9,895	9,939	9,844
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,085	3,065	3,078
Securities (British Government)	1,232	1,221	1,208

The stocks in Shanghai on the 11th instant consisted of about 107,400,000 ounces in sycee, 370,000,000 dollars and 30,900,000 ounces in bar silver, as compared with about 108,300,000 ounces in sycee, 370,000,000 dollars and 30,300,000 ounces in bar silver on the 4th instant.

GOLD AND SILVER PRICES

1934	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
Aug. 10 ...	138 1	21 ½	21 ½	Aug. 16, 1928	27 ½
" 11 ...	138 1 ½	21 ½	21 ½	" 15, 1929	24 ½
" 13 ...	138 3	21 ½	21 ½	" 14, 1930	16 ½
" 14 ...	138 2 ½	21 ½	21 ½	" 13, 1931	12 ½
" 15 ...	138 4	21 ½	21 ½	" 12, 1932	18 ½
" 16 ...	138 1 ½	21 ½	21 ½	" 17, 1933	17 ½

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Aug. 10, 1934	(c) Week ended Aug. 11, 1934	Miles Open	Gross Receipts, week ended Aug. 12, 1934 (£'000)					Aggregate Gross Receipts 1934 compared with 1933, 32 weeks (£'000)				
			Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total	Total Receipts	Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total	Total Receipts
Great Western 1934	3,750	335	123	58	181	516	6,369	5,644	3,112	8,756	15,125	14,711
Western 1933	3,752	341	122	56	178	519	6,408	5,221	3,082	8,303	14,711	14,711
(c) L. & N. 1934	6,339	491	251	180	431	922	9,749	8,766	7,169	16,935	26,683	26,683
Eastern 1933	6,339	476	256	169	425	901	9,832	8,918	6,540	15,458	25,090	25,090
L. M. & S. 1934	6,941	739	350	147	497	1,233	15,247	14,035	7,147	21,182	36,429	36,429
Scottish 1933	6,941	739	350	147	497	1,233	15,017	12,908	6,838	19,746	34,763	34,763
Southern 1934	2,176	440	52	19	71	511	9,263	1,995	983	2,978	12,241	12,241
1933	2,181	437	51	22	73	510	9,144	1,903	923	2,826	11,970	11,970
Total	19,208	1,999	776	404	1,180	3,179	40,677	31,440	18,411	49,851	90,478	90,478
1933	19,213	1,994	756	376	1,132	3,126	40,291	28,950	17,383	46,333	86,534	86,534
(b) Belfast 1934	80	3-7	...	...	0-4	4-1	81-0	...	...	16-6	97-6	97-6
& Co. Down 1933	80	4-4	...	...	0-5	4-9	82-3	...	...	16-8	99-1	99-1
(b) Great 1934	562	18-2	...	...	7-9	26-1	310-0	...	...	259-5	569-5	569-5
Northern 1933	562	16-8	...	...	8-1	24-9	222-7	...	...	107-7	410-4	410-4
(b) Great 1934	2,158	40-8	...	...	24-9	65-7	754-9	...	...	1043-1	1768-0	1768-0
Southern 1933	2,158	44-8	...	...	24-8	69-4	736-3	...	...	947-6	1683-9	1683-9

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

		(000's omitted)			
		Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:					
Gross increase or decrease		+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease		+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933:					
Gross increase or decrease		+ 16	+ 244	+ 114	+ 39
Net increase or decrease		+ 23	+ 403	+ 19	+ 63
Weekly average second half 1934 compared with 1933		- 3	+ 34	+ 21	+ 1

* Including receipts from ancillary businesses.

LONDON TRANSPORT

	* Takings	Compared with 1933
Week ending August 11, 1934	£517,800	- 1,200
Aggregate 6 weeks ending August 11, 1934	£3,172,700	+ 32,500

* For an explanation of the manner in which the figures are made up see the Economist, March 17, 1934, page 610.

Note.—The

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	* Interim div. † Final div.			Latest Year	Previous Year
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year		
BANKS					
Imperial Bank of India	12%*	...	Unchanged	%	%
MINING					
Rawang Tin Fields	3d. ps	Aug. 29	...	...	...
Zaaplaats Tin	...	...	...	10	...
OTHER COMPANIES					
Aberdeen Grain Warehousing	...	...	...	7½	7½
Albion Greyhounds Ord.	10½%	...	...	30	55
Asprey and Company	...	...	...	4	4
Barnet and District Gas and Water	3½%*	Sept. 1	Unchanged	...	5
Belfast Ropework	...	...	...	5	5
Chester United Gas	2½%*	Aug. 15	Unchanged	...	...
Carter and Company	3½%	Sept. 1	...	10	7½
Charles Roberts and Co. Pref.	3½%	Sept. 1	...	...	...
Continental and Ind. Trust	2½†	...	...	4	6½
Crowborough District Ord.	3½%	Sept. 1	Unchanged	...	...
Do. New Ord.	2½%*	Sept. 1	Unchanged	...	...
Croydon Gas Mar. Div. Stock	3½%	Sept. 1	Unchanged	...	...
Do. Sliding Scale Stock	3½%	Sept. 1	Unchanged	...	...
Davis and Timmins	2½%*	...	Nil	...	...
D. H. Evans	15%*	Sept. 21	Unchanged	...	...
D. Smith and Sons	10%*	Sept. 1	Unchanged	...	...
Dover Gas	3½%	Sept. 5	Unchanged	...	...
East Worcestershire Water	4½% (a)	...	Unchanged	...	...
Equitable Loan of Scotland	2½†	...	...	4	4
Frederick Braby	...	...	...	2½	2½
Frederick Goringe	7%*	...	Unchanged	...	...
Felixstowe & Dist. Water, Additional Shares	2½%*	Sept. 1	Unchanged	...	...
Do. Original Shares	2½%*	Sept. 1	Unchanged	...	...
Gabriel Wade and English	...	...	...	...	...
Greengate and Irwell Rubber	...	...	...	9d. ps	6d. ps
Harrods	10%*	Sept. 15	Unchanged	...	...
Henry Briggs, Son and Co. (Trust)	3½%†	Aug. 23	3½	6½	7
Hine, Parker and Company	2½%*	Aug. 25	Unchanged	...	...
Hornsey Gas 5% Standard	3½%	Sept. 1	Unchanged	...	...
Do. 9½ Standard	3½%	Sept. 1	Unchanged	...	...
Initial Services	...	...	...	50	50
International Investment Trust Def	1½%*	Sept. 1	Unchanged	...	...
John Oakley	2½%*	Sept. 1	...	...	...
Leyland Gas	...	...	...	5	6
Limmer and Trinidad Asphalt	...	...	...	...	...
Part's Pref. Ord.	16%*	Sept. 8	Unchanged	...	...
Do. do. Ord.	16%*	Sept. 8	Unchanged	...	...
Liverpool Gas	3½%*	...	Unchanged	...	...
London and Edinburgh Shipping	10%†	Aug. 23	(b) Unchanged	...	...
Lowestoft Water & Gas Ord.	3½%*	Feb. 1	changed	...	...
Do. New Ord.	2½%*	Oct. 1	Unchanged	...	...
Mecano	...	...	Unchanged	2½†	2½†
Oxendale and Co. (Proprietors)	...	...	...	...	...
Pref. Ord.	2½%*	Sept. 1	Unchanged	...	...
Oxford Canal Navigation	2½%*	Sept. 1	Unchanged	...	...
Paterson Engineering	...	...	...	10	...
Phillips Rubber Soles	5%*	Aug. 31	Unchanged	...	...
Planters Stores and Agency	10%*	...	5	...	...
Plymouth Breweries	2½%*	Aug. 30	Unchanged	...	...
Red Tower Lager	...	...	...	6	...
Scottish Iron and Steel	2%*	...	Nil	...	2
Scottish Northern Inv. Trust	2%*	Sept. 7	Unchanged	...	...
Second Scottish American Trustee	...	...	...	6	7
Spratt's Patent (America)	1s. ps	Aug. 25	Unchanged	...	...
Strand Water "B" Ord.	3½%*	Sept. 14	Unchanged	...	...
Swindon United Gas	2½%*	Sept. 1	Unchanged	...	...
Third Scottish American Trust	11½%†	...	Unchanged	17	19
Tilling (Thomas)	7½%*	Oct. 1	Unchanged	...	...
Toogood and Sons	...	Sept. 1	...	4	2½
Triplex Glass	...	...	...	25	25
United Carlo Gatti	4%*	Sept. 3	Unchanged	...	...
Waste Heat and Gas	2½%*	Aug. 31	Unchanged	...	...
Waygood-Otis	12½%*	...	Unchanged	...	...
Westminster Electric Supply	2½%*	Sept. 1	Unchanged	...	...
Whitworth, Son, and Nephew	14½%†	...	...	6½	3½†
W. B. Dick and Company	...	...	...	5½	58
Yorks. Dyeing and Proofing	...	...	...	7½	6

† Tax free. § Plus bonus 2½ per cent. tax free.
(a) For half-year to June 30, 1934. (b) 5 per cent. at each date.

WM. FRANCE FENWICK AND COMPANY, LTD.—The directors of this company have decided that the preference dividend for the six months ending June 30, 1934, shall be paid on September 1, 1934. The transfer books for the preference shares will be closed from August 16 to 29, 1934, both days inclusive, for preparation of dividend warrants payable to shareholders appearing on the register on August 15, 1934.

GRAND UNION CANAL.—The directors have informed stockholders that they consider it expedient in view of the unprecedented drought to defer the question of payment of an interim dividend on the capital stock until the final accounts are available at the end of the year. This decision has been arrived at in view of the additional expenditure involved by continuous pumping and other measures occasioned by the present drought.

BRITISH EMPIRE FIXED TRUST CERTIFICATES.—The first half-yearly income distribution on British Empire Fixed Trust Certificates, Series "B," due on September 1, 1934, will be paid to all certificate holders registered before the close of business on August 10, 1934. The share register of series "B" will be closed from August 13, 1934, to September 1, 1934, both days inclusive.

EASTMAN KODAK COMPANY.—The following dividends have been declared, payable on October 1, 1934, to stockholders of record on September 5, 1934: Regular dividend of one dollar per share on common stock; regular dividend of 1 dollar 50 cents per share on preferred stock.

RYLANDS AND SONS, LTD.—The directors have declared an interim dividend at the rate of 6 per cent. per annum, less income tax, on the cumulative preference shares for the half year ended June 30, 1934, payable on the 25th instant. It has been decided to defer consideration of dividend on the ordinary shares until the result of the year's trading has been ascertained.

SECOND BRITISH FIXED TRUST.—Municipal and General Securities Company announces a fourth distribution of the Second British Fixed Trust of 7d. per sub-unit, free of tax (compared with 3½d. for the previous half-year and 6d. for the corresponding period last year) payable against Coupon No. 4 on September 15th in respect of the half-yearly period ended August 11th. An earned balance of 0.099d. per sub-unit is carried forward to Coupon No. 5.

THOMAS WALLIS AND COMPANY.—The directors announce that no interim dividend is being paid on the ordinary shares for the six months ended July 31st last. The interim distribution on the 6 per cent. and 7 per cent. second preference shares will be paid as usual on September 1st.

REPORTS AND NOTICES

MISCELLANEOUS

COLTNESS IRON COMPANY, LTD.—At an extraordinary general meeting held at Glasgow on August 10th, it was resolved to reduce the capital of the company by cancelling the uncalled liability of 5s. per share on each of the existing £1 ordinary shares, making these shares 15s. each, fully paid. As the sanction of the Court, however, must now be obtained, it will be some considerable time before this reduction of capital can take effect. A further intimation will be made in due course. It was further resolved to increase the capital of the company to the present authorised amount of £1,287,500 by the creation of 262,500 ordinary shares of 15s. each to be issued on such terms and conditions as the company may subsequently determine. It was explained that the directors are merely taking advantage of these special meetings to create the shares in order that there may be some unissued capital in reserve, and that it is not the intention of the board to propose in the immediate future any issue of the shares so created.

EDMUNDSONS ELECTRICITY CORPORATION, LTD.—The results of the operations of the Edmundson group of companies during the month of July, 1934, as compared with the corresponding month of 1933, show an increase of 17 per cent. of units sold.

GREEK DEBT.—The Council of Foreign Bondholders issues the following information, compiled from figures published by the International Financial Commission at Athens, with regard to the revenues assigned under the Law of Control for the service of the Greek debt from January 1 to June 30, 1934, compared with those for the same period of 1933:—

	* Monopolies, Tobacco, Stamps, and Stamped Paper (Applicable to Plus Values)	Piraeus Customs Drachmae
Gross receipts, June, 1934...	19,086,966.60	83,997,820.50
Gross receipts, June, 1933...	16,031,930.80	60,138,566.00
Estimated receipts for six months (Law of Control)	14,450,000.00	5,350,000.00
Actual receipts for six months, 1934	114,705,594.50	425,734,278.20
Actual receipts for six months, 1933	103,503,404.60	407,601,994.80
Difference between estimated and actual receipts for six months:—		
1934	+100,255,594.50	+420,384,278.20
1933	+89,053,404.60	+402,251,994.80

NOTE.—Of the surplus over the estimated receipts from the monopolies, tobacco, stamps and stamped paper, 49½ per cent. is applicable towards increasing the minimum rates of interest and sinking fund on the External Gold Loans of 1881 to 1893.

* Exclusive of increases in duties and selling prices not subject to the system of plus-values.

KARRIER MOTORS.—Roote's Securities, Ltd., who control Humber, Ltd., Hillman Motor Car Company, Ltd., of Coventry, and Commer Cars, Ltd., of Luton, announce that they have acquired the assets and goodwill of the business of Karrier Motors, commercial vehicle manufacturers, of Huddersfield.

MEXICO TRAMWAYS COMPANY (incorporated under the laws of Canada with limited liability).—At the adjourned meeting of the holders of the general consolidated first mortgage 50-year 5 per cent. gold bonds of the Mexico Tramways Company held on August 10th to consider and pass the extraordinary resolutions adopting the arrangement and compromise recommended by the committee representing the bondholders, on a poll being taken by the direction of the chairman, the holders of \$4,874,100 par value of the bonds voted in favour of the resolutions and only one holder of \$20,000 par value voted against. The chairman accordingly declared the resolutions carried.

REPUBLIC OF NICARAGUA 5 PER CENT. STERLING LOAN, 1909.—The Council of Foreign Bondholders have received advice that the sum of £1,984 17s. 9d., the equivalent of 10,000 gold cordobas, has been received in respect of the August instalment of the service of the above loan.

THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LTD.—A cablegram has been received from the head office in Johannesburg notifying that the company has been advised that their application for the lease of the undermining rights of the remaining extent of its portion of the Farm Witpoortje No. 2 has been accepted by the Government.

UNION COLD STORAGE COMPANY.—The company does not intend to appeal against the judgment given last month in favour of preference stockholders, who claimed a declaration that the resolutions and agreements reducing the rate of preference dividend were invalid. Official intimation has been received to that effect by the solicitors for the plaintiffs.

WILLIAM HULLINS AND COMPANY, LTD.—It is announced by William Hullins and Company, Ltd., that Sir Frederic Alfred Aykroyd, Bart., has been appointed chairman and director of the company.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary					
					Amount	Amount	Rate				
Iron, Coal and Steel		£	£	£	£	£	%	£	£	£	%
Briggs, Henry, Son, and Co.	June 30	47,306	51,131	98,437	...	49,181	7½	...	49,256	48,713	7½
Textiles											
Kelsall and Kemp	June 30*	34,023	33,657	67,680	10,850	13,078	3½	2,500	41,252	...	...
Trusts											
Continental and Industrial	May 31	97,646	75,333	172,979	41,937	30,625	4	...	100,417	93,913	6½
Third Scottish American ...	July 2	50,431	37,160	87,591	9,150	26,050	17	...	52,391	38,857	19
Waterworks											
East Worcestershire	June 30*	6,688	5,742	12,430	545	3,357	9	1,250	7,278	4,845	9
Other Companies											
Albion Greyhounds	May 31	3,139	15,274	18,413	...	{ 10,067d 3,429d	{ 30 88½	...	4,917	34,504	{ 55d 309½d
Initial Services	June 30	20,034	219,792	239,826	32,000	95,625	50	92,048	20,154	210,937	50
Merchants Warehousing Co.	June 30	22,103	15,620	37,723	...	4,492	12½	9,000	24,231	12,885	11

* Half-year. o Ordinary. d Deferred. † Including 6 per cent. bonus.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

A SHARP break in world wheat prices occurred last week-end as a result of more favourable crop reports in Canada and the United States. The decline continued on Monday, and, although the markets have since developed a steadier tone, the fall on the week is considerable; wheat is now cheaper than at the beginning of the month. With the exception of barley, other grains have also shown a tendency to weaken in price, although quotations for flour have been advanced during the past few days. Last week's rise in raw cotton prices has not been maintained, for attention is now being concentrated on the unsatisfactory state of demand, and increased output from areas other than the United States is a possibility. The cloth market in Lancashire is reported as being adversely affected. Quotations for raw wool show little change, but the trade is anxiously awaiting the opening of the Australian sales next Monday. A report from Bradford states that the outlook at the present time does not appear unfavourable.

Non-ferrous metals have been dull this week. The decision of the Tin Committee to reduce production quotas from October 1st next led to a temporary spurt in tin prices, but this advance has not been fully held. The markets for copper, lead and spelter have all been quiet, and price fluctuations have been small. Stocks of zinc underwent a further reduction during July, but there are indications of an increased output of aluminium in the near future. The British iron and steel industry is in a fairly favourable position, considering the time of year, and exports are well up on last year's figures; in certain areas the coal trade is also showing signs of improvement.

In spite of the decline in cereals and cotton, Moody's index of the dollar prices of staple commodities (December 31, 1931 = 100) advanced from 149.5 on August 8th to 150.5 on August 15th, as compared with 129.6 at the same date of last year.

COAL

SHEFFIELD.—Conditions in South Yorkshire continue as depressed as ever. Large steams for export are still scarce owing to the reduced output, and the recent increase of price appears to have checked forward business, which is extremely quiet. Prices vary from 16s. 9d. to 17s. 3d. f.o.b. Industrial requirements are becoming normal again after the holidays and are likely to continue on a large scale. The scarcity of small fuel (also due to the low production of the pits) is proving a handicap to the blast furnace coke trade. The output of the ovens barely meets the present consumption of the iron works. Prices of coke, however, remain comparatively low. Depression is acute in the house coal trade and prices are being cut.

NEWCASTLE-ON-TYNE.—Shipments from Blyth continue to show an increase compared with last year, whilst at other ports on the North East figures remain at about the same level. During the past week there has been a more active trend in foreign inquiry

for screened, and the prospects after the end of this month are good for all classes of Northumberland screened steam coal. Durham fuel, particularly unscreened gas and coking, is being offered freely, and collieries producing these grades are considered fortunate to secure a full week's work. Unscreenered bunkers are slightly better placed, the prime brands being in good demand. Current f.o.b. prices for export: NORTHUMBERLAND—D.C.B. screened, 13s. 6d.; smalls, 10s. 6d.; Howards, Bentinck, Newbiggin screened, 13s.; smalls, 10s.; Tyne Prime large, 12s. 9d.; smalls, 10s. 6d.; Hartley Main large, 13s.; smalls, 10s. 6d. DURHAM—Lambton-South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special unscreenered gas, 15s.; Holmside, Ryhope, Boldon unscreenered gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreenered or smalls, 13s. 2d.; prime unscreenered bunkers, 13s. 6d.; second-class unscreenered bunkers, 13s. 3d.; prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—Improved conditions prevail on the Scottish coal market, a reflection of which is the fact that last week shipments aggregated 283,000 tons, fully 40,000 tons higher on the week. First Five steams remain a strong feature among large coals, and as regards washed material doubles are firming up, following a resumption of shipments to Germany, and pearls are in good demand on London account.

Shipment prices (f.o.b. district ports): LANARKSHIRE—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 6d.—14s. 9d.; navigation, unscreenered, 12s. 9d.—13s. 3d.; Hartley, 14s. 6d.; steam, 12s.—12s. 6d.; trebles, 14s.; doubles, 12s. 3d.; singles, 13s.; pearls, 11s. 6d.—12s.; dross, 9s. 9d. FIRE—Best unscreenered navigation, 12s. 9d.—13s.; unscreenered navigation, 12s. 6d.; first-class steam, 13s. 6d.—13s. 9d.; third-class steam, 12s.; trebles, 13s. 6d.—15s. 6d.; doubles, 12s. 3d.—12s. 6d.; singles, 12s. 6d.—13s.; pearls, 11s.—11s. 6d. LOTHIAN—Prime steam, 12s.—13s.; secondary steam, 11s. 6d.—11s. 9d.; unscreenered navigation, 12s. 6d.; trebles, 14s.—14s. 6d.; doubles, 12s.; singles, 12s. 6d.—13s.; pearls, 11s.—11s. 6d. Ayrshire—Best unscreenered navigation, 13s. 9d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.—14s.; doubles, 13s.; singles, 12s. 9d.; pearls, 11s. 6d.—12s.; dross, 10s.

CARDIFF.—Although there has been little activity in the steam coal market during the past week there have been one or two bright features and buyers requiring particular brands have not been able to cover their requirements very easily. Sized coals are particularly firm, notably those of the drier qualities, and peas and beans are able to command approximately about 1s. per ton above the minimum scheduled prices. Large coals, however, continue in excessive supply, but patent fuel and coke are steady. As a result of the recent economies of the G.W.R. the number of berths available for use has been reduced to 78, and of these 59 were occupied on Wednesday. The decision of the Executive Council of the Miners' Federation to convene a delegate conference towards the end of the month to consider a recommendation for the termination of the 1931 wages agreement at the end of September is more a matter of procedure than a threat of a stoppage, and hopes are confidently entertained that the parties will be able to adjust their differences over the terms of a new agreement.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best dries, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; seconds, 12s. 6d. to 13s.; coking smalls, 13s. 6d. to 14s.; anthracite best large, 36s. to 38s. 6d.; Red Vein large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 22s. 7½d. (French), 23s. (Portuguese).

IRON AND STEEL

MIDDLESBROUGH.—Although only small parcels of pig iron are changing hands, the market continues steady. The output continues to go into consumption and good shipments are being made to Scotland, while it is noticeable that more small parcels are being shipped to foreign destinations. Next week, most of the foundries will close down for the local holidays. This may cause a slight increase in stocks of pig iron in makers' hands, but is not sufficient to affect the market position, and prices for home use are based on 67s. 6d. per ton delivered locally for No. 3 Cleveland foundry pig iron, and 68s. for East Coast Hematite No. 1 delivered to firms in the Middlesbrough zone, with the usual extras for delivery further away.

Shipments of all classes of pig iron from the Tees to August 14th amounted to 5,826 tons, against 4,312 tons to July 14th. Odd cargoes of foreign ore continue to change hands on the basis of 17s. per ton c.i.f. Tees for best Bilbao rubio, and good Durham blast-furnace coke remains at 20s. per ton delivered at the furnaces. In the semi-manufactured steel departments a good output is being maintained, whilst in the finished steel departments shipbuilding and sheets remain quiet. Other sections are fairly busy on orders already on the books. Heavy steel melting scrap is plentiful and can be obtained at 50s. per ton delivered at the works. There will be no market on Tuesday next.

SHEFFIELD.—The majority of the steel workers who were suspended for the holiday have now resumed work, and the position is much the same as before the stoppage. As regards billets and other part-manufactured material, orders for some time past have been on a reduced scale compared with the first quarter of the year, but suffice to maintain the working of plants at almost full capacity. Complaints are heard of delays in delivering orders for certain kinds of special steels and steel goods, and to some extent this is due to scarcity of suitable skilled labour. Buying of ferro-alloys used in special steels has been meagre for several months, and prices of tungsten have been reduced this week by 3d. per pound. The recent substantial advances of this material brought sales almost to a standstill. Demand for stainless steel is as brisk as ever, and valuable orders are on hand for large hollow forgings intended for chemical works. Files and various tools are selling freely. Export trade is still handicapped by difficulties of finance, and business with Germany has been suspended because buyers have defaulted for the time being. Cutlery and plate meet an extremely quiet trade.

GLASGOW.—The situation in the iron and steel trades is regarded very hopefully, and opinion seems to be general that the improvement which has been noticeable for some time will be maintained and probably bettered during the autumn and winter months. Buyers have not been quite so numerous just of late, on account of holiday influences, but business placed shows an increase upon that of recent years at this season. At the steel works tonnage on order books is considerable and plants are well employed. Makers of semis, although not so well placed, have also a fair amount of work on hand at the moment. The export demand for sheets shows some improvement, and home demand continues on a very satisfactory scale. In nearly all branches export business seems to be on the up-grade, and the number of enquiries on the market is encouraging. It is announced this week that Messrs Fleming and Ferguson of Paisley have received an order for a dredger for service in British Guiana.

CARDIFF.—Pending the completion of detailed arrangements regarding the International quota and price agreement, South Wales tinplate manufacturers are not booking orders beyond September, with the result that a big volume of inquiry is stated to have developed from overseas buyers. Meanwhile, prices are very firm at from 18s. to 18s. 3d. per basis box, and Welsh steel bars have been advanced from £5 to £5 7s. 6d. per ton. Galvanised sheets are also in slightly better demand, but quotations are unaltered at from £11 5s. to £11 15s. per ton. Shipments of tinplates at Swansea last week totalled 78,357 boxes compared with 58,855 boxes the previous week, and stocks have consequently been reduced by about 20,000 to 130,677 boxes.

OTHER METALS

The chief event of the week was the meeting of the International Tin Committee on Monday, when it was decided to reduce production quotas by 10 per cent. to 40 per cent. of standard tonnage as from October 1st next. This announcement was followed by a jump in tin prices, but the advance has not been fully held; and since the market is completely controlled, little practical result is to be expected. The aim of the Committee appears to be the stabilisation of prices at present levels, but any expansion of consumption at these rates appears doubtful.

The copper market has exhibited no new features this week and prices have fluctuated only within narrow limits. Rumours regarding a world copper conference have again been current, but there is no prospect of this materialising at present—especially in view of the fact that Rhodesian producers know nothing about the proposal, save what is contained in the daily press.

Trade in lead and spelter has also been quiet and prices show little change. The statistical position of both metals, however, continues to improve and in July stocks held by the Zinc Cartel (for countries outside the United States) were reduced by 4,702 metric tons to 106,319 tons—as against a holding of 139,892 metric tons at the end of last January. According to the American Bureau of Metal Statistics, the world production of refined lead amounted to 733,146 short tons during the first six months of this year, an increase of 119,278 short tons compared with the corresponding period a year ago. The improvement, however, was largely in

the earlier months of the year and by June production had fallen below last year's level. By the end of the year, therefore, the excess over 1933 may be reduced to small proportions.

We have alluded several times to the efforts of certain countries to establish their own aluminium industry, and in this connection it is interesting to note that, during the first half of 1934, Germany imported no less than 108,360 tons of bauxite, as compared with only 75,880 tons in the same period last year. During the same period, Italy produced 6,290 metric tons of aluminium, against 4,770 tons a year ago, although exports from Italy declined from 3,690 to 890 metric tons. It would appear that this development must lead to grave difficulties for the world's aluminium industry.

TIN.—Sales on the London Metal Exchange: 800 tons on Monday; 260 tons on Tuesday, against 85 tons last week; 75 tons on Wednesday, against 225 tons last week. The New York quotation on Wednesday was 52.35 cents per lb., against 51.75 cents a week ago and 51.90 cents a month ago. Wednesday's official closing quotation in London for standard cash was £229 15s. to £229 17s. 6d., compared with £227 5s. to £227 10s. last week. Stocks in London and Liverpool at the end of last week were 3,853 tons, an increase of 149 tons on the week.

COPPER.—Sales on the London Metal Exchange: 200 tons on Monday; 925 tons on Tuesday, against 750 tons last week; 1,000 tons on Wednesday, against 800 tons last week. Domestic spot was quoted at 7.07½ cents per lb. in New York on Wednesday, against 7.02½ cents a week ago and 7.20 cents a month ago. Wednesday's official closing price for standard cash in London was £28 7s. 6d. to £28 10s., compared with £28 12s. 6d. to £28 13s. 9d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 32,490 tons, show an increase of 3,060 tons, and stocks of rough copper, at 7,142 tons, remain unchanged.

LEAD.—Sales on the London Metal Exchange: 250 tons on Monday; 300 tons on Tuesday, against 250 tons last week; 150 tons on Wednesday, against 550 tons last week. The New York quotation on Wednesday was 3.75 cents per lb., against 3.75 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 17s. 6d. for shipment during the current month, compared with £10 15s. a week ago.

SPELTER.—Sales on the London Metal Exchange: 150 tons on Monday; 350 tons on Tuesday, against 200 tons last week; 150 tons on Wednesday, against 250 tons last week. Wednesday's quotation in East St. Louis was 4.30 cents per lb., against 4.30 cents the week before, and 4.30 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 13s. 9d., for shipment during the current month, against £13 11s. 3d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 7s. 6d. to £11 12s. 6d. per flask of 76 lbs., as against £11 10s. to £11 12s. 6d. last week. Foreign antimony was quoted at £36 15s. to £37 10s. per ton, as against £36 to £36 10s. per ton last week. Chinese wolfram was quoted at 39s. to 41s. per unit, c.i.f., as against 37s. to 38s. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester.—Raw cotton prices, after advancing about ½d. per lb. following the bullish American crop estimate, have given way on liquidation of contracts and the rise has been lost. Although it is recognised that only limited supplies will be available this season, increased attention is being centred on the unsatisfactory outlook for consumption and the possibility of a larger output from other sources. The cloth market has been somewhat adversely affected by the fall in raw material rates and buyers have been cautious in making offers. The general inquiry, however, for India continues rather more encouraging and moderate orders have been secured in dhooties for Calcutta, mulls for Karachi and dyed goods for Amritsar and Delhi. Operations for China and the Straits Settlements have been confined to sorting up lots in specialities. Shippers to Egypt and the Near East have given some attention to bleaching and dyeing cloths without much being done. Irregular buying has taken place in finishing styles for South America and West Africa. Only occasional sales have been mentioned for the Dominions and home-trade reports have given very little satisfaction. Quotations in the yarn market have been easier and more irregular. Home users have purchased sparingly and export demand remains dull.

COTTON PRICES

	1934				Corresponding Date	
	July 25	Aug. 1	Aug. 8	Aug. 15	1932	1933
Raw Cotton—Mid. American per lb.	6-93	7-04	7-15	7-19	5-75	5-52
Sakardilla Fully Good Fair						
Egyptian..... per lb.	8-39	8-62	8-66	8-69	8-05	7-52
Yarns—32's twist..... per lb.	10½	10½	10½	10½	9½	9½
40's twist..... per lb.	10½	10½	10½	10½	9½	9½
60's twist (Egyptian)..... per lb.	16½	17	17	17	14½	15½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
50-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	19 0	19 3	19 3	19 6	17 6	16 5
38-in. ditto, 38 yds., 18 by 18, 10 lb.	24 0	24 3	24 3	24 6	20 3	20 8
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	11 1	11 2	11 2	11 3	10 7	10 8
	9 11	10 0	10 0	10 1	9 5	9 2

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended July 31		Seven Months ended July 31	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and flour.....	4,465,279	3,961,690	31,517,450	28,658,656
B. Feeding-stuffs for animals	402,511	448,657	3,207,900	3,730,737
C. Animals, living, for food	340,285	290,807	3,455,539	2,712,929
D. Meat.....	6,823,071	7,258,873	45,655,734	48,593,844
E. Dairy produce	4,100,798	4,573,581	31,021,119	31,407,671
F. Fresh fruit and vegetables	3,177,968	3,105,985	23,472,412	23,001,689
G. Beverages and cocoa preparations	2,298,805	3,156,541	20,800,678	23,997,167
H. Other foods	3,932,181	3,407,971	25,638,028	25,522,638
I. Tobacco	772,961	568,774	5,523,207	6,187,568
Total, Class I.....	26,313,257	26,771,959	190,292,067	193,812,899
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	1,778	1,622	8,229	15,026
B. Other non-metalliferous mining and quarry products and the like	309,236	334,710	1,915,388	2,120,892
C. Iron ore and scrap	214,476	333,146	1,411,307	2,645,215
D. Non-ferrous metalliferous ores and scrap	730,712	581,005	3,628,924	5,406,383
E. Wood and timber.....	3,412,925	5,291,535	11,654,091	19,582,603
F. Raw cotton and cotton waste	3,685,292	2,608,288	19,395,983	21,101,736
G. Wool, raw and waste, and woollen rags	2,025,863	1,614,036	24,281,132	29,781,688
H. Silk, raw, knubs and noils	64,437	67,233	711,839	823,695
I. Other textile materials	539,264	456,073	4,358,189	5,209,813
J. Seeds and nuts for oil, oils, fats, resins, and gums	1,436,553	1,598,548	12,723,360	12,811,879
K. Hides and skins, undressed	1,075,190	1,013,548	8,114,237	9,614,482
L. Paper-making materials.....	795,919	1,000,320	5,145,570	6,438,538
M. Rubber	186,524	1,025,323	1,721,920	5,401,703
N. Miscellaneous raw materials and articles mainly unmanufactured	391,775	435,019	3,496,326	4,117,360
Total, Class II.....	14,869,944	16,640,406	98,566,495	125,071,013
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	1,862	1,060	15,385	21,983
B. Pottery, glass, abrasives, etc.	521,475	594,823	2,899,532	3,693,336
C. Iron and steel and manufactures thereof	432,073	847,846	3,252,835	5,575,962
D. Non-ferrous metals and manufactures thereof	1,503,434	1,868,678	8,191,657	11,998,690
E. Cutlery, hardware, implements, and instruments	422,932	446,507	2,754,246	3,287,187
F. Electrical goods and apparatus	176,335	268,949	1,143,034	1,631,550
G. Machinery	607,186	987,627	4,716,184	6,528,753
H. Manufactures of wood and timber.....	378,697	415,196	2,537,606	3,267,466
I. Cotton yarns and manufactures.....	167,161	185,574	1,128,654	1,317,382
J. Woollen and worsted yarns and manufactures.....	141,877	177,264	1,211,653	1,491,553
K. Silk yarns and manufactures.....	225,187	234,542	1,763,145	1,871,708
L. Manufactures of other textile materials	546,374	498,270	4,261,580	4,251,651
M. Apparel.....	578,074	550,786	4,295,731	4,799,519
N. Chemicals, drugs, dyes, and colours	778,362	909,306	5,357,330	6,544,195
O. Oils, fats, and resins, manufactured	2,513,203	2,787,250	18,238,093	18,209,417
P. Leather and manufactures thereof	617,901	556,548	4,263,070	4,587,984
Q. Paper, cardboard, etc.	986,555	1,090,324	6,307,297	7,167,834
R. Vehicles (including locomotives, ships and aircraft) ..	165,702	381,031	1,398,705	2,061,591
S. Rubber manufactures	118,551	90,152	920,397	831,932
T. Miscellaneous articles, wholly or mainly manufactured ..	1,172,371	1,428,409	8,166,357	9,543,146
Total, Class III.....	12,055,312	14,320,142	82,822,491	98,782,839
IV.—Animals, not for food	40,490	130,583	381,125	694,404
V.—Parcel Post	435,755	163,128	1,738,102	1,505,857
Total	53,714,758	58,026,218	373,800,280	419,867,012

COTTON TRADE REORGANISATION.—About two months ago the Master Cotton Spinners' Federation put forward another scheme for the reorganisation of the spinning section of the industry, but it was realised that there was little probability of any reorganisation until something was done to deal with the question of redundant machinery. A special committee was therefore appointed, with Lord Colwyn as independent chairman, to go into this matter; it is now stated that the report is completed. This is about to be considered by the State of Trade Committee and the General Committee of the Federation. No details of the proposals have yet been published, but a more serious attempt is undoubtedly about to be made to deal with this problem. Compared with a year or two ago, there are many more people in Lancashire who realise that united action is necessary to relieve the depression and to place the industry on a sounder footing, but whatever scheme is put forward, a good deal of criticism must be expected. The opposition, however, is likely to be less than on former occasions when such proposals have been made.

WOOL.—Bradford.—The entire industry on this side of the equator is anxiously awaiting the opening of a new selling season at Brisbane next Monday. Commercial conditions throughout Europe during the past three months have been such as completely to disorganise the wool markets of the world, and the exercise of patience in opening a new selling season has been the right policy. The cessation of sales in Australia and South Africa has meant a much larger

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED*

KINGDOM (Value F.O.B.)

	Month ended July 31		Seven Months ended July 31	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and flour	£ 141,405	£ 127,906	£ 1,187,742	£ 932,231
B. Feeding-stuffs for animals	57,688	43,210	529,620	371,290
C. Animals, living, for food	1,693	4,594	21,199	10,092
D. Meat.....	53,301	45,437	439,479	421,321
E. Dairy produce	90,323	84,521	484,905	494,238
F. Fresh fruit and vegetables	11,116	12,358	91,571	107,795
G. Beverages and cocoa preparations	463,405	602,088	3,628,345	5,647,687
H. Other food.....	1,049,253	994,420	6,275,604	6,358,529
I. Tobacco	353,297	415,946	2,390,029	2,563,964
Total, Class I.....	2,221,481	2,330,480	15,048,494	16,907,047
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	2,633,528	2,742,547	17,883,201	18,222,095
B. Other non-metalliferous mining and quarry products and the like	72,987	104,559	552,169	590,619
C. Iron ore and scrap	36,074	38,320	265,037	296,151
D. Non-ferrous metalliferous ores and scrap	113,988	82,549	545,895	735,000
E. Wood and timber.....	6,655	6,634	45,214	63,475
F. Raw cotton and cotton waste	37,602	62,351	238,246	346,093
G. Wool, raw and waste, and woollen rags	539,655	350,733	2,670,789	3,739,812
H. Silk, raw, knubs and noils	961	459	7,163	10,818
I. Other textile materials	28,732	26,222	217,739	200,375
J. Seeds and nuts for oil, oils, fats, resins and gums	132,282	122,226	969,621	858,548
K. Hides and skins, undressed	62,314	48,880	387,368	448,398
L. Paper-making materials.....	82,264	83,176	544,262	670,100
M. Rubber	7,523	8,358	48,517	54,658
N. Miscellaneous raw materials and articles mainly unmanufactured	124,753	123,436	1,519,736	1,658,702
Total, Class II.....	3,879,318	3,800,450	25,894,957	27,894,844
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	200,544	221,243	1,370,311	1,395,896
B. Pottery, glass, abrasives, etc.	569,694	682,877	3,944,347	4,302,626
C. Iron and steel and manufactures thereof	2,441,187	3,154,248	16,443,274	19,101,767
D. Non-ferrous metals and manufactures thereof	1,435,547	1,263,532	6,171,195	7,036,578
E. Cutlery, hardware, implements and instruments	504,059	650,520	3,586,192	4,125,967
F. Electrical goods and apparatus	479,618	621,287	3,663,132	4,237,228
G. Machinery	2,247,091	2,794,886	15,452,943	18,127,474
H. Manufactures of wood and timber.....	94,537	87,483	548,079	591,334
I. Cotton yarns and manufactures.....	4,695,773	5,161,958	34,959,291	34,104,874
J. Woollen and worsted yarns and manufactures	2,319,060	2,594,205	13,846,785	16,988,558
K. Silk yarns and manufactures.....	62,572	85,268	494,384	562,999
L. Manufactures of other textile materials.....	1,110,281	1,271,534	7,627,670	8,855,088
M. Apparel.....	791,612	860,874	5,841,728	6,094,300
N. Chemicals, drugs, dyes and colours	1,447,158	1,552,315	10,515,315	11,288,824
O. Oils, fats and resins, manufactured	352,374	484,924	2,540,834	2,740,611
P. Leather and manufactures thereof	388,921	265,904	1,967,634	1,892,102
Q. Paper, cardboard, etc.	498,168	501,408	3,378,370	3,513,804
R. Vehicles (including locomotives, ships and aircraft) ..	1,676,612	1,883,726	13,031,083	13,451,286
S. Rubber manufactures	138,225	146,976	947,980	980,376
T. Miscellaneous articles, wholly or mainly manufactured ...	1,508,513	1,762,875	11,574,735	12,469,734
Total, Class III.....	22,959,546	26,048,068	157,905,282	171,861,426
IV.—Animals, not for food	45,573	94,406	243,485	374,022
V.—Parcel Post	839,433	956,217	6,135,858	6,011,628
Total	29,947,351	33,229,621	205,228,076	223,048,967

GRAIN MARKETS

WHEAT.—A sharp break in wheat prices occurred last week-end, when it was found that official reports of crops in North America were better than many people had anticipated. The decline continued on Monday, when there were heavy realisations on the Liverpool futures market, but trade subsequently became much steadier. The decline on the week is, however, substantial, and prices are now lower than at the beginning of August. According to Mr G. Broomhall, total shipments during the past week were 1,465,000 quarters, against 1,305,000 quarters in the preceding week. On Wednesday, "September" futures were quoted in Chicago at 101½ cents per bushel, against 109 cents the week before and 98½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 35s. 9d. per 496 lbs., against 37s. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 34s. 6d., against 36s.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted; Australian, ex ship, 31s. 6d., against 32s. a week ago.

FLOUR.—North American shipments were 119,000 sacks in the past week, as compared with 112,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 28s. 6d. per 280 lbs., against 28s. last week; delivered London, 27s. 6d., as compared with 27s. a week ago. Manitoba patents, ex store, 26s. to 27s., against 27s. to 28s.; Australian, ex store, 20s. to 21s., against 19s. to 20s.

BARLEY.—Although trading has been rather less active during the past week, the undertone of the market for imported feeding barley continues very firm. Little trading has been reported in English barley and quotations are largely nominal. "October" futures were 55½ cents per bushel in Winnipeg on Wednesday, against 57½ cents last week and 46½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 448 lbs., 35s. to 50s., against 28s. to 31s. a week before.

OATS.—Stocks in the United Kingdom are being reduced owing to smaller imports and quotations showed a slight advance in London this week. American prices have, however, declined. On Wednesday, "September" futures were quoted at 49½ cents per bushel in Chicago, against 51½ cents a week ago, and 44½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. 6d. per 320 lbs., against 22s. 6d. a week ago; "Chilean White," landed, 24s., against 24s. a week earlier.

MAIZE.—Quotations for this cereal generally show little change on the week. "September" futures were quoted on Wednesday at 75½ cents per bushel in Chicago, against 76½ cents a week ago and 61½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 26s. 3d. per 480 lbs., compared with 26s. 3d. last week; "Plate," ex ship, 25s. 3d., as against 25s. 3d. "Plate," August, 25s. 3d., as against 25s. 3d. Yellow maize meal, ex wharf, was quoted £7 to £7 5s. per ton, against £6 to £6 2s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to August 11	Cwts. 25,824	Cwts. 28,217	Cwts. 51,628	Cwts. 85,463
50 weeks to August 11	4,928,433	3,811,519	3,574,486	6,517,231
Average price of English wheat per cwt.	s. d. 6 6	s. d. 6 7	s. d. 6 0	s. d. 5 0

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Aug. 4, 1934	Cwts. 102,879	Cwts. 4,314	Cwts. 16,563	s. d. 5 0	s. d. 5 5	s. d. 6 4
Aug. 11, 1934	85,463	3,305	16,502	5 0	5 2	6 7
Aug. 9, 1930	75,560	3,906	11,495	8 4	6 4	5 11
Aug. 8, 1931	21,284	1,156	4,314	6 6	6 9	6 9
Aug. 13, 1932	28,217	1,752	4,466	6 7	6 9	7 7
Aug. 12, 1933	51,628	7,407	18,782	6 0	9 7	5 6

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Aug. 16, 1933	Jan. 3, 1934	Aug. 8, 1934	Aug. 15, 1934
Winnipeg (No. 1 Manitoba) Cents per 60 lb.	62½	46½	70½	65½	94½	87½
Chicago (No. 2 Winter) Cents per 60 lb.	55½	46½	67½	84½	109	101½

The visible supply of wheat in Canada, at 101,673,000 bushels, shows a decrease of 1,629,000 bushels. Supplies a year ago stood at 100,326,000 bushels.

OTHER FOODS

SUGAR.—The market for raw sugar in New York has been easier, and prices have fallen. In London, home refined has been in fair demand at rather lower rates. The spot price of raw sugar in New York on Wednesday was 3.27 cents per lb., as compared with 3.32

cents per lb. last week and 3.17 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 4s. 9d., against 4s. 9d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
	Tons	Tons	Tons	Tons	Tons	Tons
London	1,292	65	1,080	961	32,410	27,160
Liverpool ...	11,638	10,253	8,575	6,613	159,078	145,155
Total tons....	12,930	10,318	9,655	7,574	191,488	172,315
Last week ...	7,617	7,381	12,156	14,441	188,213	169,571

COFFEE.—The market has been quietly steady this week, with prices showing little change. In New York on Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9 cents per lb. a month ago. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 4 bags; exported, 20 bags; stocks, 28,413 bags, against 28,130 bags a year ago. Central American, landed, 68 packages; delivered, for home consumption, 1,721 packages; exported, 292 packages; stocks, 107,354 packages, against 95,898 packages last year. Other kinds: landed, 1,025 packages; delivered, for home consumption, 1,455 packages; exported, 667 packages; stocks, 100,726 packages, against 87,887 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, "August-September," was 20s. per 50 kilos, c.i.f. Continent, as against 20s. 6d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 3,168 bags; delivered, for home consumption, 1,515 bags; exported, 3,753 bags; stocks, 249,517 bags, against 169,416 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 39,527 packages of Indian and 26,670 packages of Ceylon tea. Demand was not too active and quotations were regarded as being rather disappointingly low. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

AVERAGE PRICE PER LB.								
Week ending	North India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total	
Aug. 3, 1933	d. 11-11	d. 10-92	d. 14-78	d. 9-18	d. 8-91	d. Nil	d. 12-08	
July 12, 1934	d. 12-01	d. 12-85	d. 13-28	d. 11-13	d. 11-06	d. 12-47	d. 12-89	
July 12, "	d. 13-02	d. 12-74	d. 12-93	d. 10-79	d. 10-61	d. 12-36	d. 12-57	
July 19, "	d. 12-80	d. 12-31	d. 12-76	d. 10-67	d. 10-41	d. 11-84	d. 12-38	
July 26, "	d. 12-71	d. 12-20	d. 12-82	d. 10-75	d. 10-29	d. 12-06	d. 12-31	
Aug. 1, "	d. 13-29	d. 12-49	d. 12-99	(a)	(a)	d. 12-00	d. 12-94	

(a) No sales.

RICE.—The "spot" price was 8s. 3d. per cwt. on Wednesday as compared with 8s. 3d. a week ago, while the forward quotation, at 7s. 10½d. per cwt., shows a rise of 1½d. on the week. Movements in London during the past week were as follows: Landed, 237 tons; delivered, 120 tons; stocks, 2,068 tons, against 6,061 tons a year ago.

POTATOES.—A steady demand has been experienced for the ample supplies coming forward and prices have remained steady at generally unchanged rates. At the London Borough Market on Tuesday new crop "King Edward" sold at 6s. 6d. to 8s. per cwt., as compared with 6s. 6d. to 7s. 6d. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5d. per lb. on Wednesday, against 5d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 13 tons; delivered, 13 tons; stocks, 213 tons, against 303 tons a year ago. White, landed, 40 tons; delivered, 35 tons; stocks, 6,326 tons, against 902 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hind quarters, was 4s. 6d. to 5s. per 8 lbs., as compared with 4s. to 4s. 4d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. 2d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 7,170 tons, against 6,487 tons in the corresponding week last year. Imported beef, principally Argentine, formed 88.0 per cent. of the beef supplies, against 88.3 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 80.6 per cent. of the total supply of mutton and lamb, against 76.0 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets have a decidedly quieter tone and business is small in volume. Linseed is slow and demand is chiefly from the Continent. With the probability of ample supplies between now and the readiness of the new Plate crop, crushers are only buying to cover their immediate requirements to meet the cake demand. The needs of the United States are still problematical. In the past few days old crop Argentine linseed has lost 10s. to 12s. 6d. per ton and is now offered at £11 2s. 6d. for all positions to October, with new crop for January-February shipment quoted around £10 15s. Indian seed is not so firm and Calcutta to London is lower at £12 10s. Shipments from the River Plate are on a firm scale. The quantity now afloat for Europe has increased to 117,100 tons (including 28,200 tons from India) and for the United States 19,400 tons. The crop situation is unchanged. Cottonseed is easier and black Egyptian old crop is available at £5 5s. and new crop (October) £5 7s. 6d.

Demand for vegetable oils is only moderate. Linseed oil has still to meet Dutch offers. The current quotation ex Hull for August delivery is £21 and for September-December the same. Cotton oil is dearer in sympathy with United States and seed, Egyptian crude being on offer at £14 and common edible at £16 per ton ex Hull. The demand for oilcakes is steadily improving and quotations firmly held.

RUBBER.—Following the announcement of President Roosevelt's silver nationalisation policy, world rubber prices temporarily advanced. Subsequently, however, operators appear to have become doubtful and the upward movement was not maintained. Quotations show little change on the week, although rubber is now a little

dearer than at the beginning of the present month. This appreciation is taken to be a further indication of the soundness of the market position, and there appears to be no dangerous speculation at the present time. In New York, Wednesday's spot price for rubber, at 15½ cents per lb., compared with 15½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., as against 7½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for October-December, 1934, as against 7½d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 107,236 tons, show an increase of 909 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON August 15th				POTATOES—				WOOL—				Dry and Dried Salted Cape...			
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.				Market Hides, Manch't			
GRAIN, &c.—				per cwt.				Lincoln hog, washed				Best heavy ox and heifer			
Wheat—				s. d. s. d.				Queensland, scd. super cmg.				Best cow			
No. 2, N. Man. 496 lb.	34 6			Pepper, per lb.—				N.S.W. greasy, super cmg.	11			Best calf	0 4 0	5 ½	
Eng. Gaz. av. per cwt.	5 0			Muntok, fair White.....	0 9 ½			N.Z., grey, half-bred 50-56	10 ½				0 4 0	5 ½	
Barley, Eng. Gaz. av.	8 2			Black Lampong	0 5 ½			Tops—							
Oats,	6 7			Cinnamon—1st sort, per lb.	0 6			Merinos 70's	28						
Maize, La Plata, landed,	26 3			Gloves—Zanzibar per lb.	0 6			64's	27						
480 lb.				Ginger—per cwt.—	0 6			Crossbred 48's	11						
Flour, Lon. stan. ex mill,	26 3			African	28 0			46's	10						
280 lb.	26 3			Jamaica, ord. to good...	70 0	95 0									
Rice, No. 2 Burma, per cwt.	7 10 ½			Mace	0 9	1 10									
Tapioca, per cwt.—				Nutmegs, 65/-	0 10										
Fair Flake, Singapore..	13 0														
MEAT—				SUGAR—				MINERALS				INDIGO—			
Beef, per 8 lbs.—				(Duty, 11/8 per cwt.)				Coal—	s. d. s. d.			Bengal gd. red.-vio. to			
English long sides	4 4	5 0		Centrifugals, 96", prpt				Welsh, best Ad'ty... ton	19 6			fine.....	per lb.	5 6	
Argentine chilled hinds	4 6	5 0		ship, c.i.f. U.K./Cont.	4 9			Durham, best gas, f.o.b.							
Mutton, per 8 lbs.—				B.W.V., crystallised ..	17 6	19 6		Tyne	14 8						
English wethers	6 0	7 0		Java, white, c. & f. India				Sheffield, best house, at	20 0	21 0					
N.Z. frozen	3 6	4 0		May-June	6 0			pits							
Lamb, per 8 lbs.—				REFINED—London—				Bars, M'brough	192 6						
N.Z. frozen	4 6	5 4		Yellow Crystals	17 10 ½			Steel Rails, heavy	170 0						
Pork, English, per 8 lbs.	5 0	5 10		Cubes	22 0	22 6		Tin plates	per box 18 0						
OTHER FOODS				Crushed	19 9	20 3		METALS—	s. d. s. d.						
BACON—				Granulated	18 4 ½	21 9		Copper, Electrolytic, ton	28/15/0	28/16/3					
English	88 0	92 0		Home Grown	17 10	18 ½		Sheets (strong)	58/0/0						
Irish	86 0	94 0		Molasses, in bond	1 3			Standard	28/15/0	28/16/3					
Danish	90 0							Lead, Eng. pig	per ton 12/15/0						
Dutch	86 0			TEA—				Soft Foreign	10/18/9	11/5/0					
HAMS—				Indian—per lb.—				Spelter G.O.B.	10/18/9	11/5/0					
Canadian	100 0	102 0		Pekoe	0 11 ½	1 2		Tin—English ingots	230/15/0						
American	94 0	96 0		Broken Pekoe	0 11 ½	11 ½		Standard cash	230/12/6	230/15/0					
BUTTER—				Orange Pekoe	0 11 ½	2 2 ½									
Australian	76 0			Broken Orange Pekoe...	0 11 ½	3 3									
New Zealand	80 0	81 0		Ceylon—per lb.—				Alum, lump	per ton 8 15	9 0					
Danish	105 0			Pekoe	0 11 ½	1 5		Ammonia, carb.	ton 27 10	23 0					
CHEESE—				Broken Pekoe	1 0	1 2		Sulphate	per ton 35 0	40 0					
Canadian	54 0	56 0		Orange Pekoe	0 11 ½	1 6 ½		Tartaric, English, less 5%	1 0	1 0 ½					
New Zealand	46 6			Broken Orange	1 0	1 7		Alcohol, Plain Ethyl... ..	12 0						
English Cheddars	74 0	78 0		TOBACCO—				Alum, lump	per ton 8 15	9 0					
Dutch	46 0	53 0		(Duty, 9/8+10/8 ½ per lb.,				Ammonia, carb.	ton 27 10	23 0					
COCOA—				Empire growth, 7/5 ½				Sulphate	per ton 35 0	40 0					
(Duty, British grown,				8/3 ½ per lb.)				Arsenic, lump	per ton 9 0	9 10					
11/8; foreign, 14/- cwt.)				Virginia leaf—				Bleaching powder, per ton	9 0	9 10					
Accra, f.f.	22 0	22 6		Common to fine	0 10	3 6		Borax, gran.	per cwt. 13 0						
Trinidad	38 0	46 0		Rhodesian leaf	0 10	2 6		Do., powder	14 6						
Grenada	30 0	34 0		Nyasaland leaf	0 9	1 6		Nitrate of Soda, per cwt.	7 10 ½	8 0					
COFFEE—				" strips	0 8 ½	2 6		Potash—Chlorate, net	0 4 ½	0 5					
(Duty, British grown,				East Indian leaf	0 2 ½	1 0		Sulphate	per cwt. 12 3	12 6					
4/8; foreign, 14/- cwt.)				" strips	0 5	1 8		Sal-Ammoniac	per cwt. 42 6	45 0					
Santos sup. c. & f. cwt.)	50 0			TEXTILES				Soda Bicarb.	per cwt. 10 11	11 0					
Colombian, good	60 0	70 0		COTTON—				Crystals	per cwt. 5 0	5 3					
Costa Rica, med. to good	70 0	95 0		Mid-American	per lb.	7 19		Sulphate of Copper, per ton	15 0	15 10					
East Indian " "	60 0	90 0		Sakellaris, f.g.f.	8 59			CEMENT, best Eng. Portland, d.d. site,							
Kenya, medium	58 0	72 0		Yarns, 32's twist	10 ½			London area, fute sacks, 11 to ton							
EGGS—				60's twist	17			(charged and credited at 1/6d each) or							
English	16 0	16 6		FLAX—				paper bags (free, non-returnable)							
Danish	12 0	12 6		Livonian ZK	per ton 67 0			4 ton loads and upwards 38/- per ton							
FRUIT—				Pernau HD	Nom.			1 and up to 4 ton loads 40/- per ton							
Oranges—				Slanets Medium 1st sort.	72 0			COPRA—							
South African	11 0	15 6		HEMP				S.D. Straits c.i.f., per ton	9/8/9						
Lemons, Sicilian	13 0	17 0		Italian P.C.	per ton 55 0			Smoked South Sea	6/17/6						
" cases	14 0	20 0		Manilla, Aug.-Oct. "J "	14 10			DRUGS							
" Naples	15 0	18 0		Sisal, African	13 0	14 5		Camphor—	s. d. s. d.						
Apples: Amer. (var.) brls.				JUTE—				Japan, refined per lb.	2 2						
(var.) boxes				Native 1st mks.	per ton			Ipecacuanha	per lb.	4 6					
" Australian	8 0	9 0		c.i.f. H.A.R.B.				Hydrius Mahg. logs	c. ft.	0 10 6					
Onions—				Sept.-Oct. (New crop)	£15/5/0			Amer. Oak Barks		0 6 6					
Valencia, case	8 0	9 0		Daisee 2/3 c.i.f. Dundee				" Ash		0 6 6					
Egyptian bags				c.i.f. Nov.	£14/15/0			English Oak Planks		0 6 0					
Grapes, Lisbon,				SILK—	s. d. s. d.			" Ash		0 7 0					
Almeria				Canton	per lb.	4 0	6 6								
LARD—				Tussah	3 0	3 6		West Indian	0 3 ½	0 4 ½					
Irish bladders pr. cwt.	40 0	46 0		Japan	4 9	5 9		Cape	0 3 ½	0 4					
U.S. 56 lbs. boxes	33 0	35 0		Italian—raw, fr.	Milan	5 9	6 3								

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THE WILL OF THE PEOPLE

If the plain man were a philosopher and tried to express in words what he requires of the society in which he lives, his first demand would probably be that he should be permitted to live in peace and quiet with his neighbours. For the plain man wants tranquillity, so that he may get on with that business which most appeals to him—the business of living. Sustenance, shelter, the opportunity to bring up a family, and, if possible, leisure for amusement and the spice of mild adventure—these are his primary needs. The idea of the Social Contract is that he owes duties to the State in return for the liberty and security it can guarantee him for the pursuit of these needs. And, fundamentally, the economic needs of the plain man form the basis of the social order.

But the world has evolved and grown more complex since the days of Rousseau; and other considerations than the plain man's needs have emerged. Security involves not merely internal order in the State and the assurance of some measure of personal rights, but also protection against external aggression. With the growth of the sense of social solidarity in the State there have come into being all those influences which have made of the idea of nationality one of the strongest political forces—if not the strongest—of modern times. So that when "the nation" is threatened or the sense of national pride rebuffed, the peoples of the world are capable of heroism and sacrifice to the point of self-destruction.

There is, however, yet another motive which is capable, in given circumstances, of overriding all others—namely, the urge for freedom and the determination to retain some measure of liberty to choose for one's self. Politically, this fundamental urge may declare itself in a fight for democracy or in revolution against an oppressive or mechanical economic system which reduces the plain man to a cog in the machine.

These three ingredients—the desire for economic security, the appeal to the pride of nationality, and the urge for freedom—seem to be mixed in most varying proportions in the popular sentiment of the peoples of the world to-day; and if the nations have difficulty in understanding one

another it is largely because differing circumstances have resulted in such great variations in the motives which go to fashion the will of the people. Not only so, but this will of the people can only be declared through some form of political machinery allowing for its expression; and the forms of this machinery to-day vary widely from country to country, ranging from the absolute denial of free expression to so great a degree of political liberty as we possess in this country.

That is, perhaps, why we find it hard to understand the overwhelming figures of the German plebiscite last Sunday. Of the total qualified electorate of 45,473,635 persons, 43,529,710 voted—a striking testimony to the personal interest of the German voter in recording his vote, in comparison with the apathy of the electorate in many of the remaining democracies. Of the votes cast in Germany last Sunday 38,362,760 were in favour of Herr Hitler's designation as Chancellor and President; 4,294,654 were against it; and 872,296 ballot papers were spoiled. Thus, in comparison with the referendum of last November, the percentage of valid votes in favour of the Nazi regime has fallen from 95.1 to a little under 90; and that of the unfavourable votes has risen from 4.9 to a little over 10; while the high percentage of non-valid votes, after so much official instruction in the art of voting, must in the main be taken as increasing the proportion of unfavourable votes.

No doubt, in Hitlerite Germany it is not very profitable to be known as a voter against the regime. This, coming on top of an unparalleled Governmental campaign of propaganda in which adverse voters were stigmatised as traitors before the event, heightens the significance of the increase in votes adverse to Herr Hitler. But when due allowance is made for all this, the figures show a vast acquiescence in Herr Hitler's regime, comparable only to the overwhelmingly favourable plebiscites held by Napoleon III prior to, and during, the Second Empire in France. By comparison with last Sunday's figures in Germany, the poll for the National Government in this country in 1931, which was 67 per cent. of the votes cast, but less than half the total electorate, amounts to a miserable vote of no confidence!

Nevertheless, the doubling of the minority adverse to the Nazi regime in nine months is at least as significant as the still overwhelming size of the majority. But of what is it significant, and to what causes can it be ascribed? First in importance among the factors making for this growth in the adverse vote was, without a doubt, the reactions of many Germans to the profoundly disturbing events of June 30th. The feeling in Germany was undeniably one of relief when Herr Hitler took action to remove those of his followers who had abused their great influence at the expense of the community. But the measures taken to "remove" them were, in the nature of an extremist movement, extremist. The German citizen could hardly view the ruthless extermination of the Leader's followers by the Leader himself with anything but the gravest misgivings for the future of Germany. Secondly, economic difficulties have been exerting a steadily increasing pressure upon the industrial workers, for the reasons given in our Berlin correspondence this week; and the proportion of votes against the regime was significantly greater in the industrial districts than elsewhere. Thirdly, after June 30th, and since the death of Hindenburg, there has been a pronounced swing to the Right in Nazi policy, evidenced not only in the Leader's speeches, but also in the press. There is evidence, indeed, that the regime, after June 30th, has been more inclined to drop the "Socialist" and concentrate on the "National" elements in its composition. One need only recall the continuous references to the paramount rôle of the Reichswehr, that *cadre* of army officers and Junker landlords; the damping down of demands by Left-wing Nazis for the State control of industry; the disbandment and reduction of the S.A. Brownshirts; the extraordinarily ill-advised Nazi policy aiming at the subjection of both Catholics and Protestants, at one and the same time, to the dictates of the State; and, last but not least, the blow to Nazi policy and prestige in the abortive Nazi revolt in Austria, in the dastardly murder of Herr Dollfuss, in the consequent "loss" of Austria, and in the very real loss of Italian friendship, which now leaves Germany virtually isolated in a charmed circle of her own making. Finally, the high hopes in the first flush of a "unified" Nazi Germany have given way to disillusionment—disillusionment over an economic Utopia for the plain man, disillusionment over the vast plans for a Third Reich incorporating Austria, disillusionment even over the incidence of Nazi Government on the ordinary citizen.

Here is matter enough for heart-searchings by Germans themselves. Against it all, the Nazis appealed to the plain man's pride of nationality. All Germany's difficulties and discontents were laid at the doors of foreign countries. "We have evil foes in the world," said Herr Hitler, in his election address at Hamburg, which was broadcast all over Germany. These foes willed the destruction of Germany, as they had willed it at Versailles. That was all. But Germany would be great again, and then all would be well.

It would be rash to draw any definite conclusion as to the will of the German people from last Sunday's plebiscite. The plebiscite is only one among many devices for expressing the will of a people; but like all such devices, it can only be a true test under freedom and with adequate knowledge on the part of the voters of the issues at stake. Under pressure of propaganda, it can be little more than farcical. "You can fool all the people some of the time, and some of the people all the time." The result of Herr Hitler's latest referendum is a warning that "you can't fool all the people all the time." Herr Hitler based his appeal to the German electorate last Sunday upon the need to demonstrate to foreign countries the unity of Germany behind the Nazi Government. Truly, disunity in Germany would be deplorable. Is it too much to hope that the unity of Germany may yet be achieved on better foundations than propaganda and intimidation? The desire for "Peace at home and peace abroad" is without doubt the highest common factor in the will of other peoples than the German. The prestige of Herr Hitler, of his Government, of Germany herself, would be immeasurably greater if such votes as that of last Sunday expressed the will of a free and well-informed people. And the first need of the plain man, at least in Europe, would be immeasurably nearer realisation.

HEALTH AND HOUSING

THE fifteenth annual Report of the Ministry of Health which was published recently is, like its predecessors, an interesting and informative document. This year, besides the usual statistical returns and reports on the multifarious activities of the department, it contains an instructive special survey of the public health services, with special reference to the progress—such as it is—which has been made in the co-ordination of the former Poor Law medical services under the Local Government Act of 1929 with the other branches of public health administration. In the historical introduction to this special section there is quoted the following passage from the Report on the Sanitary Conditions of the Labouring Population of Great Britain which was published in 1842. The first finding of the Report states "That the various forms of epidemic, endemic and other disease caused or aggravated or propagated chiefly amongst the labouring classes by atmospheric impurities produced by decomposing animal and vegetable substance, by damp and filth, and close and overcrowded dwellings, prevail amongst the population in every part of the kingdom, whether dwelling in separate houses in rural villages, in small towns, in the larger towns—as they have been found to prevail in the lowest districts of the Metropolis."

The close connection between health and housing pointed out in this Report may well stimulate us to some reflections. During the century which has almost elapsed since that date sanitary conditions, speaking generally, have improved beyond recognition, and the epidemics of diseases such as cholera which visited this country as late as the 'sixties of last century have fortunately been banished. Increasing knowledge of sanitary conditions and the steady growth of other public health services has enormously increased the life of the individual citizens. Indeed, the progress that has been made in the last generation is startling. Since 1871-80 the average expectation of life—in spite of efforts to the contrary by the internal-combustion engine—has increased by no less than fifteen years. Few, however, would venture to say that the progress made in the matter of housing has been anything like as significant. "Damp, filth and close overcrowded dwellings" still characterise urban and rural areas alike. We are still more than 800,000 houses short of anything like a decent standard of accommodation, and Sir Ernest Simon has estimated that at least four million houses are for various reasons more or less unfit for human habitation. When the lamentable condition of so much of our housing is taken into account, the improvement that has taken place in public health generally during the last decade is sufficiently remarkable. In spite of the widespread conditions of want and poverty which have prevailed during the past four or five years in some of our industrial areas, the health of the public shows no statistically visible sign of deterioration. A slight increase during 1933 in the number of deaths from pulmonary tuberculosis is explained by influenza, but there is also a definite though small rise in the maternal mortality rate which needs explanation.

We have no space in this article to comment in detail upon the various administrative problems raised by the transfer of medical services and accommodation from the Poor Law to the public health services. Reading between the lines of the report, it is clear that, while considerable progress has been made by the county boroughs, the councils of the administrative counties have met with considerable difficulties, some of them, it would appear, of their own making. One of the chief objects of the Act of 1929 was to improve the general standard of municipal hospital accommodation through the absorption of Poor Law hospitals and the more efficient co-ordination of existing resources. In the county boroughs the position as regards hospital accommodation is, on the whole, regarded as satisfactory by the Ministry, but the situation in many of the counties calls for improvement: "in at any rate a number of counties some material expenditure will be necessary as an urgent public health requirement in order to achieve a reasonable standard of efficiency in this service." More particularly there seems to be a shortage of tuberculosis accommodation on the North-East Coast—a problem which

can only be solved by co-operation among the different municipalities. Unfortunately, so far, attempts to arrive at an agreed scheme have broken down. As the report clearly shows, more co-operation is wanted not only among the separate local authorities themselves—and not least perhaps among the separate committees of the same authority—but also between the local authorities and the voluntary hospitals, if public health services are to develop along the most efficient and economic lines.

The sage tone of reasoned criticism and judicious advice which characterises the section on public health is notably absent in the portion of the report which deals with housing. Here the tone is, to say the least of it, rather unjustifiably optimistic. The report mentions, for instance, the belief that the statistics since the abolition of the Wheatley subsidy "give reason to believe that the Government's reliance upon private enterprise as the main source of the future supply of working-class houses was not misplaced." But the evidence given to support this conclusion is hardly convincing. It is true that the number of houses built without subsidy during the twelve months ended March 31st of this year was no less than 207,869—a record figure. But how many of these houses were really of the type most urgently required? Since last autumn the statistics do give us some light on the kind of houses built. Of the 120,781 houses constructed in the half-year ended March 31, 1934, only 44,754 came into the Class "C" category, and of these only 13,014 were to let. Unfortunately, the category "C," which is no doubt adequate for the purposes for which it was originally designed, namely, rent restriction, is not very relevant to the statistical evaluation of the real housing problem, since Class "C" includes houses to let at an all-in-rent of as much as 11s. 6d. in the provinces and 16s. in the Metropolis—a rent quite considerably above the means of the poorest-paid workers (to say nothing of the intermittently or permanently unemployed), whose need forms the real measure of the housing problem. Until the Ministry of Health produces some figures to show how many houses are being built to let at 10s. and under it will be impossible to gain any accurate idea as to how far the Government policy is really succeeding in doing what it professes to set out to do.

Meanwhile, notwithstanding the fall which has taken place in the cost of building since the incidence of the world depression, it still remains true that local authorities, except in specially favoured areas, are unable to build without subsidy houses to let at 10s. and under, in spite of the advantage which they enjoy over private enterprise and the building societies, owing to the longer period over which the repayment of loans can be spread. It may readily be admitted that in the past enormous sums have been wasted through the various housing subsidies—we are still spending from the Exchequer alone some £13½ millions under the various housing Acts since the war—but that is no argument for abolishing the Wheatley subsidy altogether. What is needed is a more modest form of subvention, which will not be misapplied, but will be appropriated exclusively for the benefit of those who really need it; perhaps in connection with some scheme of differential renting on the lines attempted by the municipality of Leeds.

It may perhaps legitimately be inferred that the Government has recognised its initial mistake, since in framing its slum clearance plans it has decided to reintroduce the subsidy by the back door, by the assistance which has been promised for tenement building in the over-crowded urban centres. The exact nature of the Government's proposals in this connection will not be revealed till the autumn, but Lord Irwin's speech in the House of Lords just before the summer recess seemed to encourage the belief that the necessity for vigorous action has to some extent, at any rate, been recognised. Here the danger appears to lie in the fact that unless the new tenement building is planned on a sufficiently large scale it will be ruinously expensive. The Dudley Committee came to the conclusion that, given a sufficiently radical reorganisation of present methods of building and a proper degree of standardisation, financial assistance on the scale of the present rehousing subsidy should be amply sufficient to supply the type of accommodation required at reasonably low rents. But it is clear

enough from their report that, in order to attain the economies which they advocate, something very like a revolution in building technique will be required. It is for reasons such as these that we believe a National Housing Commission, as recommended by the Amulree Committee, to be essential. The Dudley Committee (which was largely a body of technical experts) did, it is true, reject this proposal, but on grounds which were anything but convincing. Administrative considerations point unmistakably to the conclusion that the degree of planning and co-ordination required to solve the housing and slum clearance problem on a national scale and on really economic lines can only be obtained through the creation of some such supervisory body endowed with adequate powers. The proper demarcation in each area of the appropriate spheres for the private builder, the building society, the public utility societies and the local authorities can only be effected by nation-wide planning—to say nothing of the effective mobilisation of the credit as well as the material resources of the community. We believe that such a commission, if it were set to work on sound lines and on a really long-range programme, could achieve very important results by way of reducing costs of construction, through the reorganisation of the building trade—including a revision of present trade-union practices, as well as a control of price-rings—in addition to the modernisation of constructional technique. The Government, it is true, has promised an inquiry into the costs and methods of tenement building, but that is not enough. What we envisage is a much more thorough-going planning of building activities over the next ten, twenty or even thirty years—for, in spite of the many misapplications of that now fashionable term, house building remains one of the industries to which planning on a large scale is appropriate. Only by some such method will it be possible to attain the real goal towards which the efforts of the nation should be directed—namely a condition in which the normal housing needs of the community can be supplied without any special form of State assistance.

THE DIRECTION OF OVERSEAS TRADE

THE Board of Trade's quarterly analysis of the direction of our foreign trade is gradually affording the necessary information for estimating the effect of various influences—our own and other people's commercial policy, monetary policy, restrictive legislation, trade agreements, etc.—on the distribution and amount of our imports and exports. The total turnover for the second quarter of 1934, at £273½ millions, is some £27 millions more than in the corresponding quarter of 1933. This improvement over 1933 is almost exactly the same as was shown by the spring figures in comparison with a year ago. It is true that the gross figure is a few millions less than in the first quarter of the year, but it is not unusual to find a slight seasonal fall in the total turnover. The broad fact is that there has been a rather more than 10 per cent. recovery from the trough of the depression and that the improvement is being maintained. The total, however, still makes a very poor showing compared with 1929, when the corresponding turnover amounted to £476 millions.

The improvement is spread in slightly differing proportions over all the three chief groupings of trade. The following table, for example, shows quarter by quarter our imports from Europe, from foreign countries outside Europe and from the Empire respectively:—

	TOTAL IMPORTS (£000,000)								
	From Europe (including Dependencies)			From Other Foreign Countries			From the Empire		
	1929	1933	1934	1929	1933	1934	1929	1933	1934
1st quarter	99.9	51.9	58.8	107.9	45.5	53.0	98.2	61.8	72.1
2nd quarter	115.0	55.7	62.6	91.9	43.0	47.2	91.9	62.4	68.6
3rd quarter	124.4	64.9	...	87.2	45.1	...	79.8	57.5	...
4th quarter	127.1	68.9	...	108.5	51.2	...	89.5	67.7	...

The figures indicate that imports from Europe rose more than from any other source and that they exceeded those

for the first quarter of the year. But this follows a quarter when the Empire scored most heavily—the net result for six months being that the increase from the Empire has been at about the same rate as the rise in foreign imports. Similar figures for exports tell a slightly different tale:—

BRITISH EXPORTS (£000,000)									
Exports to	Europe (including Dependencies)			Other Foreign Countries			Empire		
	1929	1933	1934	1929	1933	1934	1929	1933	1934
1st quarter	56.6	32.7	35.0	42.9	17.5	17.9	81.7	39.5	41.9
2nd quarter	59.2	30.7	33.9	41.1	17.0	17.5	77.2	37.8	43.5
3rd quarter	59.7	32.4	...	43.1	19.9	...	82.0	40.9	...
4th quarter	60.0	35.2	...	42.3	18.5	...	83.6	45.3	...

In this case the Empire market has shown the largest increase in the past three months—the least satisfactory figure in the table being our sales to foreign countries outside Europe.

Export statistics, however, always reflect a very definite time lag, and in any case the figures for three months are liable to be affected by transient or seasonal influences. In the detailed analyses which follow we have taken the entire first half-year. The first of the tables relates to the countries of Europe:—

TRADE WITH EUROPEAN COUNTRIES—FIRST HALF-YEAR
(000's omitted)

From or to	Imports				British Exports			
	1913	1929	1933	1934	1913	1929	1933	1934
Soviet Union	14,992	8,738	5,092	7,708	7,162	1,715	2,182	1,694
Finland	...	4,931	4,280	5,199	...	1,856	1,148	1,584
Estonia	...	1,108	439	889	...	191	136	141
Latvia	...	2,510	1,038	1,210	...	561	324	480
Sweden	5,913	10,740	6,181	7,921	3,901	5,019	3,113	4,293
Norway	3,865	6,924	3,323	3,973	3,268	4,325	2,521	3,103
Denmark*	11,326	25,809	17,280	15,923	2,968	4,906	5,668	6,204
Poland	...	2,976	2,954	3,582	...	2,123	1,255	1,332
Germany	39,410	31,960	13,415	15,249	19,285	18,528	6,877	7,971
Netherlands*	13,510	29,273	15,650	17,913	12,188	15,918	7,550	7,550
Belgium	11,654	21,426	5,981	7,011	6,594	10,310	7,330	4,868
France	25,835	32,198	10,093	11,100	16,628	18,631	11,516	10,358
Switzerland	5,741	6,626	2,444	2,777	2,093	3,327	1,869	2,214
Portugal*	1,684	2,286	1,295	1,539	3,260	4,131	2,571	3,242
Spain	8,200	11,927	7,484	7,796	5,515	6,719	2,958	3,031
Italy*	4,210	8,087	4,374	4,320	7,691	8,207	4,552	4,618
Austria	4,094	1,147	547	793	2,262	1,273	411	528
Hungary	...	164	452	608	...	516	123	278
Czechoslovakia	...	3,048	1,150	1,643	...	1,119	395	635
Greece & Crete	591	812	631	1,133	2,373	968	1,340	1,340
Roumania	611	777	2,049	1,781	886	1,194	1,200	1,630
Turkey in Europe	558	361	128	120	895	1,181	810	469
Other European countries	86	1,058	1,359	1,752	181	1,180	1,010	1,373
Total	152,283	214,896	107,639	121,351	96,308	115,821	63,419	68,931

* Including dependencies.

We have reduced our purchases only from Italy, Roumania, Greece, Turkey and Denmark. In the last case the reduction has not prevented a continued expansion of our exports to above the 1929 level. On the other hand, we have increased our imports from Russia by 50 per cent. (including an increase of £1.5 millions of wood and timber), while she has reduced her purchases considerably. The only other countries which are actually buying less from us than in 1933 are France and her dependencies and Turkey; the trade war with France this year partly accounts for this; but the Belgian and Dutch markets are also showing very small signs of expansion. Thus, while our trade with the Baltic States and our exports to Scandinavian countries have almost risen to the level of 1929, trade with the countries of the gold bloc is less than half what it was before the depression. An interesting feature of the above table is the fact that our trade with Germany in both directions has increased as compared with the first half of 1933 in spite of exchange difficulties and debt negotiations.

Turning to foreign countries outside Europe, we find that while our purchases have grown, their buying of British goods has not shown the same elasticity as that of countries nearer home. This is brought out in the following table.

TRADE WITH FOREIGN COUNTRIES OUTSIDE EUROPE—
FIRST HALF-YEAR
(000's omitted)

From or to	Imports				British Exports			
	1913	1929	1933	1934	1913	1929	1933	1934
Turkey-in-Asia	1,507	551	194	258	2,479	327	169	234
Egypt	11,547	13,302	5,798	6,822	4,721	6,464	3,131	3,138
Iraq	...	697	121	137	...	1,284	1,028	772
Persia	238	4,301	3,900	3,528	350	1,093	421	656
China	2,149	5,458	2,036	2,323	7,102	7,474	3,206	2,981
Japan	2,139	4,307	3,394	4,491	6,183	6,423	2,537	1,970
United States*	70,579	100,897	34,778	40,441	14,529	22,639	7,770	9,524
Cuba	1,828	3,240	1,440	1,570	1,123	1,170	341	453
Mexico	1,230	1,409	1,461	1,494	1,263	1,214	698	798
Colombia	493	1,293	558	720	872	1,915	1,177	839
Peru	1,246	2,043	1,568	1,544	730	1,012	374	582
Chile	3,164	5,581	1,973	3,032	3,255	3,853	258	887
Brazil	6,288	3,009	2,411	3,562	6,711	7,299	3,170	2,529
Uruguay	1,667	3,328	1,700	1,943	1,545	1,704	805	950
Argentina	23,554	40,983	21,922	22,958	11,267	14,014	6,352	6,560
Other non-European foreign countries	3,983	9,427	5,247	5,367	3,374	6,138	3,092	2,709
Total	131,617	199,816	88,499	100,190	65,504	84,023	34,529	35,282

* Including dependencies.

Our imports from the above countries have increased by a slightly higher proportion than those from the rest of the world (13.2 per cent., as against 13 per cent.), and this increase has been fairly evenly spread as between individual countries, but exports have hardly risen at all. The influence of currency depreciation in Japan is seen in the increase in our purchases by one-third, accompanied by a fall of over 25 per cent. in our sales to her. Of the Latin-American countries, Brazil and Mexico are already selling us as much as in 1929, but imports from the Argentine are still very low owing to our restrictions on imports of meat and wheat; they still form, however, a considerably higher proportion of our total imports from foreign countries than before the war. Trade with the United States has recovered somewhat from its very low level of a year ago, the increase of our imports being largely due to the improved competitive power of American goods owing to the depreciation of the dollar. On the other hand, increased American buying is a welcome sign of recovery from the depths of the depression. Except in the case of America, however, there has been no very marked increase in the purchase of British goods. Japan and Brazil, in particular, have reduced their imports from us by 25 and 20 per cent. to less than one-third of the pre-depression level.

Lastly we come to Imperial trade, which is analysed in the following table:—

TRADE WITH BRITISH COUNTRIES—FIRST HALF-YEAR
(000's omitted)

From or to	Imports				British Exports			
	1913	1929	1933	1934	1913	1929	1933	1934
Irish Free State	...	19,480	8,140	8,005	...	17,212	9,119	9,790
West Africa ...	2,478	6,983	9,747	9,574	2,908	3,932	3,134	2,942
South Africa ...	6,836	12,959	7,839	6,585	10,754	16,244	10,587	13,846
India & Ceylon	24,604	36,155	18,876	25,986	36,167	43,250	17,476	18,227
Straits Settlements	8,539	6,171	1,769	3,390	2,914	6,499	2,118	2,568
Australia	19,913	32,853	25,974	27,552	17,137	25,241	9,991	11,729
New Zealand ...	14,475	32,709	22,212	26,119	5,451	9,551	4,351	5,048
Canada	10,938	21,666	20,414	22,115	12,007	17,903	7,204	9,268
West Indies	1,293	2,582	2,743	3,229	937	2,251	2,222	2,210
Other Possessions	5,784	18,244	12,518	14,101	6,955	14,815	11,159	10,462
Total	94,860	190,062	124,231	140,666	95,248	158,898	77,341	85,390
Excl. Free State	...	170,582	116,091	132,661	...	141,686	68,222	75,600

The effect of our preferential system still tends to be one-sided, for an increase of £16 millions in our imports is balanced by an increase of only £8 millions in our exports. This increase, while it compares favourably with the growth of our trade with other parts of the world, reflects the considerable measure of recovery—even prosperity in the case of South Africa—that is being enjoyed by the Dominions rather than any marked preference given to our producers. While our increased demand for wool from Australia and New Zealand and for non-ferrous metals and timber from Canada are also a direct result of reviving industrial activity, a large part of our increased importation of meat and dairy produce from the Dominions has been at the expense of foreign countries, Denmark and the Argentine.

The large rise in the value of our imports from India and Ceylon is partly accounted for by the rise in the price of tea owing to export restrictions and partly to increased imports of cotton and shellac. The Irish Free State figures tell a sorry story when it is recalled that in 1931 the export figures were bigger than for any other single British country. The figures for the Empire other than Ireland bring out the interesting fact that our trade balance with the Empire has changed from a tiny positive one in 1913 to a heavy negative one in 1934.

The next table records changes in the direction of our re-export trade over the past few years:—

RE-EXPORTS TO ALL COUNTRIES—FIRST HALF-YEAR
(000's omitted)

	1913	1927	1929	1931	1933	1934
Soviet Union	5,142	5,511	1,064	971	475	1,220
Germany	11,396	5,656	14,258	8,014	5,112	6,203
Netherlands*	2,786	2,416	2,424	1,677	1,065	1,094
Belgium*	3,687	4,788	5,462	2,814	2,547	2,707
France*	6,417	9,831	11,207	5,835	4,611	4,304
United States*	16,535	10,623	9,111	4,344	3,515	3,444
Other foreign countries	6,071	6,516	5,950	3,713	3,161	4,586
Irish Free State	...	4,762	4,941	4,462	2,190	2,472
Other British Possessions	7,037	6,117	6,145	3,878	2,527	2,986
Total	59,051	66,220	60,562	35,708	25,203	29,016

* Including dependencies.

The movement of our re-exports has, with two exceptions, followed the same direction as exports of British goods. A substantial increase, almost entirely of rubber (£400,000) and tin (£60,000) has occurred in our sales to the Soviet Union, which, however resolute in cutting down imports of manufactured goods, cannot do without certain essential raw materials. There has been a general falling off in re-exports to the United States, in spite of a rise of £470,000 in beverages since the end of last year. *Entrepôt* trade with the gold bloc has expanded only slightly, but, as has already been seen above, Germany has shown a remarkable capacity to absorb an increasing quantity of imports, particularly, in this case, of raw wool, and is now the only country which takes considerably more re-export goods from us than in 1927, though still far less than in 1929, when credits were more plentiful and industry expanding without restraint.

The preceding comparisons have illustrated on the one hand the development of trade as compared with a year ago, and on the other the long distance which practically every branch of our foreign commerce has fallen from the peak of the prosperous year 1929. If 1932 is brought into the story the figures reveal the extent of the effect produced by the preferences granted by the Import Duties Act of March, 1932, and the Ottawa Agreements reached in the autumn. We have no space for a full analysis; but the gross figures for British and foreign countries respectively give an indication of the general trend of trade:—

TRADE WITH ALL COUNTRIES (£000,000)

	Imports from			British Exports to		
	Foreign Countries	Irish Free State	Other British Countries	Foreign Countries	Irish Free State	Other British Countries
1st half of—						
1932	230.4	14.5	115.5	103.2	15.5	68.4
1933	196.1	8.1	116.1	97.9	9.1	69.2
1934	221.5	8.0	132.0	104.2	9.8	75.5

It is clear from these figures what has happened. In 1933—the first year after the preferences came into effect—Empire trade (other than that with the Free State) just contrived to hold its own, whereas foreign trade continued to sag. The further fall in this latter category was most marked in the case of imports—a result that would be expected in view of the depreciation of the £, which must have hit our imports while giving some assistance to our hard-pressed exports. The net result was to strengthen the relative position of our Imperial trade in relation to our trade as a whole. The proportionate change, however, has not been a very great one, and in 1934, though there is a slightly greater increase in Empire trade than in foreign trade, there has been a recovery in both directions. Irish trade is, of course, suffering from the trade war; but even here there is some recovery of our exports—though the figures are lamentably low as compared with the position in 1932.

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THE GERMAN STEEL TRUST—I

In recent years the iron and steel industries of almost all countries have been more and more co-ordinated and brought into closer relationship with the State. In two articles, of which the following is the first, Herr Richard Kühlmann, a former Secretary of State at the German Ministry of Foreign Affairs, describes the development of the German Steel Trust.

In the spring of 1932 the world was startled by the news that the German Finance Minister, Herr Dietrich, had purchased control of the German Steel Trust from Herr Flick, a leading industrialist. In Germany more branches of industrial life are Government-owned and Government-operated than in any other country, apart from Soviet Russia. The State owns and operates practically all the railways. It controls much of German shipping and a large proportion of Germany's coal and potash; operates all the telegraphs, cables and telephones; considerably influences production and distribution of electricity; and was forced in the latest crisis to acquire a controlling interest in most of the big banks. The acquisition of control in the German Steel Trust which added to all the above the control of most of Germany's coal, iron and steel production, appeared the last link in a chain leading ultimately to State Socialism. Such an interpretation of this last deal may seem plausible; but it is not borne out by the facts.

To understand the situation we must examine what led to the founding of the Steel Trust and trace the origins of the combines forming that Trust. The four sections of the first Steel Trust (Vereinigte Stahlwerke or Stahlverein) have their home in Westphalia. The Westphalian industry is infinitely more important than the steel business both in the Saar Valley and in Silesia, and the tendency to create big mergers has, broadly speaking, been confined to Westphalia.

Let us look first at the Gelsenkirchener Bergwerks A.G., one of the four great companies composing the original Steel Trust, and called upon to play a more prominent rôle in the recently reconstructed Steel Trust. Gelsenkirchen was founded in 1873. For a long time it was only a coal-mining company, and it was only reluctantly that its owner, Emil Kirdorf, allowed Gelsenkirchen to take up iron and steel manufacture. In 1893 Kirdorf was one of the chief promoters of the Rhenish Westphalian Coal Syndicate, which from that time became most efficient in maintaining order and prosperity in the German coal trade. Emil's brother, Adolf Kirdorf, founded the Steel Syndicate (Stahlwerksverband), which played an equally beneficent rôle in iron and steel.

One of the prominent leaders in the industrial field was August Thyssen. In 1871 he established Thyssen and Company in Hamborn, a big plant comprising blast furnaces, Thomas steel works, and open-hearth steel works. Germany was at all times fairly rich in coal, but very badly off for iron ore. It is only in former Western Germany, Alsace-Lorraine and Luxemburg, that iron ore,

called "minette," is plentiful. Before the war there was in Germany a tendency to build modern blast furnaces on the "minette" to supply pig iron and high-grade half-finished products to those factories on the Ruhr and Rhine which transformed them into finished products. Thyssen established before the war a huge modern plant in Alsace-Lorraine at Hagendingen, hoping to secure for the rest of his mills large quantities of cheap pig iron. Like all German companies which had plants in Alsace-Lorraine he lost them when the Treaty of Versailles was signed. Thyssen's works, enormously prosperous before and during the war, suffered severely, and in 1919 Thyssen remodelled his concern. The iron-producing plants were amalgamated under the name of August Thyssen Hütte, and the machine factory became Thyssen and Company. The mines were combined into the Gewerkschaft Friedrich Thyssen. When in 1926 the Steel Trust was founded, Thyssen transferred the whole of his property to the new trust, in which his share was 26 per cent.

Hugo Stinnes belongs to a younger generation than these "big men." The limited company, Hugo Stinnes G.m.b.H., was founded in 1893. Stinnes was particularly interested in securing control of the Deutsch-Luxemburgische Bergwerks- und Hütten A.G., Bochum. He became president of this company in 1907, and succeeded in persuading Emil Kirdorf to make a combine between the Gelsenkirchener Bergwerks A.G. and the Deutsch-Luxemburgische Bergwerks- und Hütten A.G. Both companies established a central holding company, called Rheinelbe Union. This was the first great combine of powerful, independent works in the Westphalian area, and it paved the way for the Steel Trust. Stinnes bought for the Rheinelbe Union the control of the old-established Bochumer Verein für Bergbau und Guss-stahlfabrikation; and he persuaded the leader of the Siemens electrical establishments to join the Rheinelbe Union, which was extended by the important electrical undertaking of Schückert and Company in Bavaria. But co-operation between the two electrical companies and the Rheinelbe Union never really materialised. After the death of Hugo Stinnes in 1925, and the collapse of the sky-scraper he had tried to erect, Siemens and Schückert retired from the combination, while remaining on friendly terms with the Rheinelbe Union. No attempt has since been made to renew a partnership between electrical and heavy industries in Germany.

Stinnes was one of the few who realised the great opportunities offered by the German inflation. He was able to buy control for a song, at values calculated in gold; and he operated on such a scale that, when the mark was stabilised, he found himself at the head of a host of ill-assorted companies and undertakings—e.g. big shipping lines, newspaper factories, and great newspapers (manufacturing, as one of his critics said, public opinion wholesale as a by-product of the pulp industry!), banks, cinema combines, automobile factories, hotels, etc. Consequently, very soon after his death, the top-heavy structure came down with a crash.

After this sketch of the great personalities responsible in the main for the almost fabulous increase of Germany's strength in coal, iron and steel, let us examine Germany's position in the field of heavy industry before the beginning of the World War.

PRODUCTION OF COAL, IRON AND STEEL IN 1913
(Million tons)

Country	Coal	Pig Iron	Steel
Germany*	277.3	16.8	17.1
United States	517.0	31.5	31.8
United Kingdom	292.0	10.4	9.0

* Pre-war: including Alsace-Lorraine, Saar and Upper Silesia.

Since about the year 1906 Germany had beaten England both in production of pig iron and steel. For the reasons already given, a large percentage of her iron ore had to come from overseas. Sweden contributed a lot, Spain added her quota, Tunis became dependent on German demands, even South-American deposits were found useful for supplying the Westphalian market. But the great minette deposits in Luxemburg and Lorraine were the most valuable, being within the boundaries of the Reich. With the exception of the two great family establishments, Krupp in Essen and

Haniels (Gute Hoffnungshütte), all other big interests bought mines and built blast-furnaces on the minette deposits of Alsace-Lorraine and Luxemburg. Consequently, after 1919 German industries lost both their iron-ore reserves and their most modern plants. The leading Saar firms, Stumm and Roehling, were badly hit; Thyssen received a heavy blow; Deutsch-Luxemburg had to sell out all their Luxemburg establishments. It was inevitable, therefore, that many of the big steelmakers should combine to secure what, individually, they could no longer obtain.

In 1926, therefore, the Vereinigte Stahlwerke A.G. was founded in Düsseldorf. The four groups who sold out to Vereinigte Stahlwerke were, first the Gelsenkirchener Bergwerks A.G., the Deutsch-Luxemburgische Bergwerks- und Hütten A.G., and the Bochumer Verein für Bergbau und Guss-stahlfabrikation. This group secured 39.5 per cent. of the total share holdings. Next, the Thyssen concern joined with 26 per cent., as noted above. Then the Phoenix A.G. für Bergbau und Hüttenbetrieb, Düsseldorf, and the Vereinigte Stahlwerke van der Zypen und Wissener Eisenhütten A.G., Köln-Deutz, together obtained another 26 per cent. Finally, the Rheinische Stahlwerke A.G., Duisburg-Meiderich, obtained 8.5 per cent. According to the statutes, purchase, building and exploitation of mines, iron-producing plants, steel works and rolling mills, and trade in all their products, were the aims of the new company. The new Trust was particularly rich in coal, having a capacity of 37 million tons. The capacity for coke was 9 million tons, for pig iron 9 million tons and for steel 7.8 million tons. The Vereinigte Stahlwerke held majority and minority interests in numerous other undertakings. They held, for instance, 56 per cent. of the Austrian Alpine Montangesellschaft, Vienna, which was originally acquired by Stinnes. The capital stock in 1930 was Rm. 800 millions; and the total bonded debt amounted to about Rm. 500 millions. Most of this debt was payable in American dollars, and a large number of the mortgage bonds had, mostly through the banking house of Dillon Read and Company, New York, been marketed in the United States. The prospectus of the Stahlverein's mortgage bond issue dated June 1, 1926, arranged with the American banks, stated, under the heading "The Company":—

"United Steel Works Corporation, which has contracted to acquire the principal fixed assets (except certain coal properties), the good-will and business of four leading coal, iron and steel concerns in Germany, viz., Rheinelbe Union, Thyssen, Phoenix and Rheinstahl, will be the largest industrial unit in Europe and one of the largest manufacturers of iron and steel in the world, ranking in productive capacity second only to United States Steel Corporation. Its coal properties will be among the largest in the world with respect to reserves and present productive capacity. United Steel Works Corporation has operated these properties since May 7, 1926, and is at present producing approximately 40 per cent. of the entire German steel production and employs about 164,000 persons."

The organisation of the 1926 Steel Trust and the changes effected, mostly in 1933, will be described in the concluding article.

AGRICULTURAL PROGRESS

THE rising volume of agricultural disputation is necessarily conducted in a sort of statistical twilight. Partly for natural reasons, partly because of the diversified and individualistic nature of the industry, accurate information on the production of foodstuffs in this country is very difficult to collect. Even when it is possible to make an estimate of the production of the past, prediction of the future or even assessment of the present is out of the question. The Marketing Boards have had this difficulty to contend with; the unpredictable variations in the supply of bacon pigs, for example, is much the most formidable obstacle to the successful working of the pigs scheme.

The Ministry of Agriculture, however, makes a creditable effort to supply the deficiency of statistics, and two interesting returns have been issued in the last few days. On June 4th each year a census is taken of the acreage

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under different crops and of the numbers of livestock, and these figures are published within a couple of months. After the farming year is concluded estimates are made, firstly of the crop raised on the acreage ascertained by the census and of the livestock and livestock products resulting from the number of animals shown, and secondly of the value of this output. These estimates for 1933 have also been issued recently.

So far as 1934 is concerned, then, we can only speak of acres and numbers. The results of the census are summarised in the following table:—

ACREAGE UNDER CROPS AND GRASS AND NUMBER OF LIVESTOCK ON HOLDINGS ABOVE ONE ACRE IN EXTENT IN ENGLAND AND WALES ON JUNE 4, 1932-34

(000's omitted)					
	1932	1933	Change	1934	Change
	Acres	Acres	%	Acres	%
Arable land	9,367	9,250	- 1.2	9,248	...
Permanent grass	15,839	15,870	+ 0.2	15,777	- 0.6
Total acreage	25,206	25,120	- 0.3	25,025	- 0.4
Wheat	1,288	1,660	+28.8	1,759	+ 6.0
Other grains	2,680	2,370	-11.6	2,377	+ 0.3
Peas and beans	280	290	+ 3.6	294	+ 1.4
Potatoes	504	519	+ 3.0	488	- 6.1
Sugar beet	255	364	+42.7	397	+ 8.9
Other rootcrops	810	793	- 2.1	766	- 3.4
Vegetables	115	121	+ 5.2	126	+ 4.1
Hops	17	17	...	18	+ 5.3
Fruit	310	310	...	316	+ 1.9
Fodder and miscellaneous crops	214	222	+ 3.7	241	+ 7.9
Clover and rotation grasses	2,410	2,074	-13.9	2,072	- 0.1
Bare fallow	434	458	+ 5.5	340	-25.8

	No.	No.	%	No.	%
Cattle	6,358	6,620	+ 4.1	6,659	+ 0.6
Sheep	18,495	18,090	- 2.2	16,518	- 8.7
Pigs	3,185	3,069	- 3.6	3,319	+ 8.1
Horses	917	903	- 1.6	886	- 1.9

The returns also show the number of agricultural workers employed, which rose from 697,481 in 1932 to 715,546 in 1933 and fell again to 687,700 in 1934.

The most interesting changes shown by these returns are the increases in the acreage devoted to the two "subsidised" crops, wheat and sugar beet, though in each case the increase is less than in the preceding year. The increase in the total under grain crops other than wheat is entirely due to barley, which shows an increase of 14.6 per cent., while the others all show considerable decreases. Oats and rye also declined between 1932 and 1933; the increase in barley is a reversal of the tendency of 1932-33, when barley acreage declined by nearly 22 per cent. The increase in the number of pigs is connected with the marketing scheme; it is noticeable that the number of breeding sows shows an increase of 10.9 per cent., while the number of pigs under two months old is 18.0 per cent.

higher. This seems to indicate that the seasonal variation in pig deliveries is likely to be accentuated this year rather than diminished.

These figures can be supplemented by the final estimates based upon the 1933 returns. The interesting comparison here is that of the value of the net output of the agricultural industry. This is shown in the following table; the figures include only the value of crops and livestock sold off the farms, and consequently exclude the value of fodder crops:—

ESTIMATED VALUE OF THE AGRICULTURAL OUTPUT OF ENGLAND AND WALES

	1930-31 £'000	1931-32 £'000	1932-33 £'000
Livestock, etc.—			
Livestock	64,960	58,210	56,450
Milk and Dairy Produce	54,970	49,440	52,280
Poultry and eggs	21,010	20,000	20,760
Wool	1,310	1,230	1,820
Total Livestock, etc.	142,250	128,880	131,310
Farm crops—			
Corn	9,850	9,770	8,910
Potatoes	11,680	15,900	9,060
Sugar beet	6,760	3,100	4,220
Hops	950	890	1,610
Hay, straw, etc.	3,980	3,300	2,560
Total Farm Crops	33,220	32,960	26,360
Fruit and vegetables—			
Fruit	7,800	5,600	7,100
Vegetables	12,270	15,150	12,940
Total Fruit and Vegetables	20,070	20,750	20,040
Grand total	195,540	182,590	177,710

The figure for corn in 1932-33 does not include deficiency payments made by the Wheat Commission, which amounted to £4,510,000 in that year. The net income of the agricultural community, consequently, appears to have amounted to £182,220,000 in 1932-33, compared with £195,540,000 in 1930-31, a drop of 6.8 per cent. In the same period our index of business activity showed a decline of 4.2 per cent., while an average of our index of wholesale prices and of the Ministry of Labour index of the cost of living fell by about 10½ per cent. Correcting the fall in the physical volume of business by the fall in the price level, the decline in the whole national income for the period 1930-31 to 1932-33 can be estimated at from 12½ to 15 per cent. Against the above fall of 6.8 per cent. in the net income of agriculture, this fall of 12½ to 15 per cent. in the whole national income would seem to support the conclusion we reached in our issue of June 23rd, in commenting on the figures of the more comprehensive agricultural census carried out in 1931, that "agriculture has been for some time one of our more prosperous industries."

NOTES OF THE WEEK

Ministerial Prophecies.—Mr Walter Runciman defended the economic policy of the National Government in a speech in Scotland on Saturday. Few would quarrel with what he said, for he recited the admittedly impressive evidences of trade revival in this country. But objections can be taken to what he did not say. Mr Runciman mentioned his thirteen trade agreements, for example. He was probably inhibited by the presence on the same platform of Mr Walter Elliot from adding that the Government is doing more to destroy trade with its left, or Elliot, hand than it is doing to restore it with its right, or Runciman-Colville, hand. But he might have explained why there should be any reason for complacency over the trifling achievements of bilateral negotiation when the Government has so far deliberately neglected its opportunity of organising a large-scale revival of international commerce between all those countries which are prepared to return to elementary principles of sanity in treating each other's trade. Mr Runciman mentioned the 19,000 who had returned to work in Glasgow and the 73,000 in Greater London. But he said nothing of the 63,000 who have been thrown out of work in the Public Works Contracting industry during the period of office of the National Government. The portion of the speech which has attracted the greatest attention was that in which he forecast a further reduction in income-tax "if only to make up for the conversion of War Loan into cheaper national security." Since our trade relations are now settled in the Ministry of Agriculture, there can be little objection to a President of the Board of Trade predicting the Budget, even though it is far too early for any prophecy to be more than a guess. And since the open season for Budget prophecies has thus been officially inaugurated two remarks may perhaps be made. In the first place, it is unwise to encourage War Loan holders to believe that the conversion of their holdings from 5 per cent. to 3½ per cent. gives them any moral claim to a reduction of income-tax, for even 3½ per cent. interest now represents a far higher real return, if measured in terms of the cost of living, than 5 per cent. represented at the time the Loan was raised. And in the second place, if there is to be any reduction of income-tax in the next Budget it is imperative, on grounds both of economics and of equity, that it shall be given in the shape of a restoration of the exemptions and allowances to the pre-1931 level. Mr Chamberlain took the alternative course of "6d. off" on the ground that it "would confer most direct benefit upon the country, would have the greatest psychological effect, and would impart the most immediate and vigorous stimulus to the expansion of trade and employment." Since Budget Day, the previous promising trade recovery has been halted, while the trend of Stock Exchange values has been definitely downward. The "psychological effect" argument can therefore be regarded as exploded, and there is no continuing reason why the smaller income taxpayer should continue to bear four-fifths of his "crisis" burden, while the larger income taxpayer has had two-thirds of the increase remitted.

Quite Another "Test Match."—Mr Runciman has decided to take up with the Australian Government the question of the increased duties placed upon certain British cotton goods, which amount in some cases to 100 per cent. *ad valorem* and over. Though the Australian Government can claim to have acted on the advice of the Tariff Board, there is every reason to suspect that the increase in duties has been timed with a view to the Federal elections, as a bid for support from the Queensland cotton manufacturing interests. The Lancashire cotton industry, not without good reason, regards these increased duties as a contravention of Articles 9 and 10 of the Ottawa Agreement, and sent a deputation to London last week to protest against them, which was received on Wednesday by Mr. Bruce, the Australian High Commissioner, and also by Lieut.-Colonel Colville, at the Board of Trade. Although the actual quantity of trade

affected by the increased duties is comparatively trifling—only about £200,000 a year—a principle of the highest importance is involved, namely, the interpretation of Articles 9 and 10 of the Ottawa Agreement. For if Australia is to be entitled to place duties of 100 per cent. on British products, then it is plain that the Agreement, so far as this country is concerned, is a mere farce. If, on the other hand, the words of the Agreement are to bear their plain meaning, it is difficult to defend the action of the Australian Government, which to all fair-minded observers must appear as a plain breach of faith. For how can a 100 per cent. tariff "give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production"? However much we may deplore the unfortunate outburst of resentment in Lancashire, which has taken the form of a boycott of Australian produce, the motive which has inspired it is intelligible enough. The Australian Government would do well to realise that it cannot have it both ways; and that if Ottawa is to remain a reality, it must be understood to imply obligations as well as privileges. Such are the difficulties besetting the paths of a policy of Imperial preference which attempts to reconcile on a protectionist basis interests which are fundamentally incompatible.

American Agriculture.—Agricultural matters still appear to fill the centre of the stage at Washington. An official estimate of the cash income of the farming population, which was issued last week, throws a more favourable light on the plight of agriculture than might be expected. The cash income from crops and livestock during 1934 will amount, according to this estimate, to about \$5,450 millions, compared with about \$5,000 millions in 1933. In addition the Administration is expected to pay out about \$500 millions in benefits of various sorts, most of them in return for restriction of production. The \$525 millions which are to be spent on drought relief will be a further addition to income. The purchasing power of the farmer has been adversely affected by the rise in the prices of the goods he buys, but on the other hand nearly \$1,700 millions of farm mortgages have been refinanced with a considerable saving to the farmer in interest payments. Regarded in the aggregate there is little doubt that the American farmer is recovering, but the drought has produced the greatest variations in the condition of different regions, and the Administration will be busy for some time in relieving the distress. Rising prices and local shortages have not made the policy of restriction any more popular, and though the Government still professes to believe in it, the pressure of farming opinion shows signs of forcing a retreat, especially in view of the importance of the farming vote at the November election. Political considerations probably also lie behind the preferential treatment that is again being accorded to cotton. Mr Roosevelt has announced the Government's readiness to make advances of 12 cents a pound to the cotton growers on this year's crop, in spite of the fact that a similar offer last year resulted in heavy stocks being left on their hands. This year's crop is short, so that the prospect of avoiding loss is possibly greater.

Revising N.R.A.—Agricultural politics also have some bearing on the movement for reform of the N.R.A. A rising income is of little use to the farmer if the prices of the articles he buys rise even more rapidly, and N.R.A. codes have obviously had the effect of increasing the "spread" between the cost of raw materials and the price of the finished product. Attention is being increasingly concentrated upon the rise in the prices of manufactures since N.R.A. came into effect. A large part of the continued paralysis in the construction industry is probably due to the rise in the cost of building, which is now equal to or above the inflated 1929 level. But the "buyers' strike" is not restricted to building; the low level of retail sales has

been one of the most disappointing factors in the whole eighteen months of recovery. Public opinion is being encouraged to throw the blame on the price-fixing provisions of many codes, but this resuscitation of the trust bogey is not the full explanation, as the enforced increase in labour costs is probably a far more potent cause of higher prices than monopoly. How far this fact is from being generally realised is illustrated by the demand of the American Federation of Labour for higher wages to meet the increased cost of living. The "economics of glut" can thus still maintain the delusion that all can consume more while producing less. Meanwhile business continues to decline. It is officially estimated that during June and July the numbers of the employed declined by 359,000 and the total of weekly wages paid by \$10,460,000. Even after allowing for the fact that the population of the United States is three times as great as that of Great Britain, this is still a considerable fall and the Secretary of Labour must have been expressing official optimism in saying that there was no reason to conclude from these figures that business was getting generally worse. The wave of labour disputes continues, nearly all of them being concerned with the famous and much-misinterpreted section 7 (a) of the National Industrial Recovery Act. At the moment, the most critical dispute is in the cotton textile industry, which threatens to involve over a million workers if it leads to a stoppage on September 1st. But this is only the largest of a very great number of disputes, many of them attended with violence, which cover the whole country.

After the Referendum in Germany.—We comment in a leading article on the results of last Sunday's referendum in Germany, and on the reasons for those results. The effects of the increased adverse vote upon Nazi policy and methods are much more difficult to estimate. Will the Nazi Party now intensify its hold over the lives of German citizens and over the State machine, or will it relax that hold? Exactly how serious is the opposition recorded in the adverse votes of over four millions? Although a casualty list of 10 per cent. of the troops in the firing line would be regarded as almost negligible by any really up-to-date modern general in a real battle, such a percentage is far more serious in the sham battle of a plebiscite, especially when the general is an absolute dictator, the weapon propaganda, and the combatants apprehensive voters. It is one of the—perhaps salutary—paradoxes of all the post-war dictatorships that, the more nakedly the dictator resorts to brute force, the more acutely sensitive he becomes, not exactly to public opinion, nor even to public sentiment, but to popular superstition or hypnotism. So long as the dictator's star is felt to be in the ascendant, he can dictate for the most part by strong personal appeals. But if once the populace begins to lose its blind faith in him, he may be driven to depend on force alone, and then the dose of repression which he will have to administer will be so terrific that the most docile nation in the world may prove incapable of standing it. Herr Hitler has long since committed himself to a periodical measurement of the altitude of his personal star in terms of election statistics, and it is therefore very serious for him to see his stellar kite droop and sag, even though it may still be very far from trailing on the ground. The proportion of those who had the courage to vote "No" has slightly more than doubled; and this is really a portent, for the Nazi rolling-and-pressing machine surpassed itself this time in its efforts not only to drive voters to the polling booths, but also to impress upon them the disagreeable consequences that might follow for them if they voted wrongly. The adverse votes have been particularly heavy in the industrial districts, and heaviest of all in the port of Hamburg, which has been well-nigh ruined by dwindling trade. In spite of the Führer's strenuous personal campaign in Hamburg, the percentage of "Noes" there was 20.5; and in Berlin it was 18.5. In his Monday morning manifesto to the German nation, the Chancellor-President announced that his next task will be "to win the last remnants of our people for the National-Socialist idea and doctrine in a campaign as skilful as it will be resolute and inflexible. The plan of this campaign has already been decided during last night; it will be carried out with Nazi

celerity and thoroughness." Will this mean a renewal of terrorism? The world can only judge the quality of the support for Herr Hitler in Germany by the measures taken by the Nazis in the coming months.

Dr. Schuschnigg in Florence.—At Florence, last Tuesday, the Austrian Chancellor, Dr. Schuschnigg, had that meeting with Signor Mussolini which Dr. Dollfuss was to have had if he had lived. In the official *communiqué* the conversations are stated to have ranged over the political, economic and cultural spheres and to have resulted in effective decisions. The cultural side of the arrangements seem to have provided for an increase in the number of Italian tourists in Austria. Italian tourists, however, can hardly fill the void in Austria's national economy deliberately caused by the prohibitively costly German visa, which, despite Herr von Papen's professions of economic goodwill towards Austria, is still in force to prevent German tourists from visiting Austria. In the economic field proper an attempt seems to have been made to increase the effectiveness of the Protocols of Rome, signed in March, which provide for tripartite economic collaboration between Italy, Austria and Hungary. But, here again, the basis is not wide enough, and the grouping of countries too artificial, to afford a genuine solution of Austria's economic problems. Signor Mussolini seems, therefore, to be faced with the alternatives of renouncing his Italian plan for stopping the *Anschluss*, or else of giving some kind of political dole on a scale which would assuredly place an unbearable strain upon Italy's financial resources. Incidentally it would also make a mockery of that "independence and integrity and complete internal autonomy" of Austria which Signor Mussolini and Dr. Schuschnigg have just reaffirmed their intention of maintaining. What is to be the next stage in Austria's unhappy post-war history? Dr. Schuschnigg started on his return journey to Vienna from Florence at one o'clock on Wednesday morning, travelling through the night by car on a circuitous route through Genoa and thence by sea to Nice. It has inevitably been suggested—and just as inevitably denied—that this convinced Austrian monarchist was going to pay a call on the ex-Empress Zita at Viareggio. It has also been suggested that, at Nice, he may be called on himself by some representative of the French Government. Whatever grains of truth may be hid in such rumours, Austria's present position in Europe is not a permanently possible state of affairs, and sooner or later there is bound to be some rather far-reaching rearrangement in Central Europe in one direction or another. A reunion of post-war Austria with post-war Hungary under a Habsburg crown and an Italian aegis seems hardly possible in face of the united opposition of Germany, France and the Little Entente. On the other hand, if the scope of the March Protocols is not enlarged by the adherence, in some form, of the Little Entente States, so as to allow Austria—and, indeed, each of the five Danubian States—to become part of a wider economic area of freer trade, Italy's efforts for Austria are likely to be stultified by desperate remedies in Central Europe.

Preparing for the Saar Plebiscite.—The Chairman of the Saar Governing Commission, Mr Knox, is showing determination and enterprise in carrying out a difficult and thankless task. In virtue of a resolution which was passed by the League Council on June 4th, he has now announced a decision, on the Governing Commission's part, to recruit 2,000 additional police to serve in the Saar during the plebiscite period, and to recruit them outside the frontiers of the Saargebiet and the Reich in some neutral German-speaking country which is a State member of the League. In practice, this can only mean Switzerland; since Switzerland is the only country with a German-speaking population that has so ancient and so decided a national feeling of its own that it could be trusted to be truly "above the battle" in any question of Pan-German politics. The task is not one which can be agreeable to the Swiss; but we may assume that the public announcement would not have been made unless it were known that the

Swiss Government intended to place no obstacle in the way of the Saar Governing Commission's plan. The decision has been supported by an effective documentation, which brings out the political unreliability of the present locally-recruited Saarland police force, as well as the obstacles which the Nazi *Deutsche Front* in the Saargebiet has placed in the way of the Governing Commission's attempt to strengthen that force by drawing upon more reliable elements in the territory itself. In the circumstances no impartial observer can doubt that the Governing Commission's decision is unavoidable if the plebiscite is to be a free and genuine expression of opinion. And it is now more important than ever that the freedom of the vote should be ensured, because the result of the voting is no longer the foregone conclusion that it was before January 30, 1933, and even down to June 30, 1934. The reason for this remarkable change in the local situation is the indignation of the Saarland Catholics—who amount to more than 70 per cent. of the whole population of the territory—over the killing of Dr. Klausener, and other eminent and blameless leaders of the Catholic community in the Reich, at the time of the "clean up." These positive acts of unpardonable and unexplained atrocity have brought to a head a previously germinating disapproval of the Nazi regime, and this feeling among the Saarlander Catholics has evidently been intensified by the strange conduct of the Bishop of Trier, who came to the Saar on July 29th to speak at a meeting of protest against the murders of June 30th, and then blessed Nazidom instead of denouncing it. This week, the Governing Commission in the Saar has asked the Landsrat to approve the dissolution of the local Nazi labour organisation, the "Volunteer Labour Corps," on the grounds that it sent "volunteers" into Germany for "training" in German camps. The firm hand which the Commission is showing seems likely to ensure for the Saargebiet the benefits of free thought and speech. Many in the Saar may be constrained next January to vote for their retention.

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The World's Wheat.—The Wheat Advisory Committee, which has been deliberating in London on the working of the International Wheat Agreement in the 1934-35 cereal year, is making rather heavy weather. The cereal year, which ended on July 31st last, was the first in which the International Wheat Agreement was operated. The Wheat Advisory Committee had fixed export quotas for each exporting country sufficient to cover their estimate of the world's import needs. But these needs in the year 1933-34 have not come up to estimate; and while some export quotas have not been fulfilled—notably those of the United States, Australia, and the Danubian exporters—Argentina and Russia have exceeded theirs. Even so, the world's carry-over of wheat has not been much below that of 1932-33; stocks are considerable; and the incidence of the drought this year will not probably do more than necessitate a moderate cut into stocks this year if consumption cannot be levered up. To obviate the difficulties besetting the fixed allocation of annual export quotas for 1934-35, the drafting sub-committee of the Advisory Committee have proposed variable quarterly export quotas. If these should have to be reduced by reason of deficient harvests, it is proposed that compensation should be paid to those countries whose export quotas are reduced, by those whose quotas are increased. This compensation could be in cash or in kind—i.e. in the shape of a quota increment for the succeeding quarter or season. Another proposal is that a portion of the world's estimated demand for wheat should remain unallocated, and should be doled out later when harvests and import needs are more definitely established. There is great support in the Committee for the continuation of the export quota system. The representative of France is reported to have stated that, failing such a system, his country could not guarantee to absorb its own wheat surplus. In fact, this is an example of the difficulties brought about by agrarian protectionism in the normally wheat-importing States of Europe. While stocks in the exporting countries most fitted to raise wheat have mounted, owing to the rise in European import duties, and while acreage has been cut

down in those countries, acreage, production and yields have vastly increased in Europe. So far, there is no indication that the Advisory Committee is tackling the world's wheat problem at the root, viz., the progressive curtailment of uneconomic, tariff-protected wheat production in the normally wheat-importing countries, and the expansion of world trade by the increase of cheaper wheat exports from lands most naturally adapted to its cultivation. If the Committee do not try to stop the margin of wheat cultivation from being fixed by reference to the costs of the highest protected national producers, its schemes for allotting shares in a strangled world wheat market are not likely to benefit either the world's exporters or the world's consumers.

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The Herring Industry: Diagnosis.—The Sea-Fish Commission, which was appointed last December, has presented a most interesting and competent interim report on the herring industry. That the herring fisheries are in a state of extreme depression has been well known for some time past, but the causes of the distress are now set out in the most succinct and impressive way. The source of the trouble is the shrinkage of the market. Compared with 1913 the average catch landed in the years 1925 to 1930 was nearly 30 per cent. lower; in 1931 to 1933 it was less than half, and in 1933 only 43½ per cent., of the 1913 figure. Exports have declined by about 55 per cent. and domestic sales by about 45 per cent. The factor of price may be partly responsible for this decline, as the average level of prices in 1925-30 was 35 per cent., and in 1931-33 21 per cent. above the 1913 level, but there can be little doubt that the major factor was a falling off in demand. The export markets were affected by protection in Germany, by much smaller purchases by Russia (average sales in 1921-28 were only 6 per cent. of the 1911-13 average), and by competition from the Icelandic and Norwegian fleets; but the almost equal decline in home consumption shows that the explanation cannot be entirely found in a shrinkage of export markets. The Commission had the enterprise to conduct a survey among home consumers, and found that more than a third of the families approached had formerly served herrings in some form, but had ceased to do so. The shrinkage in the market has not been accompanied by any corresponding reduction in the number of drifters. The result has been the appearance of the familiar phenomena of surplus capacity: weak selling, universal losses, disorganisation and financial exhaustion. The position has been particularly distressing, since most of the fishermen are paid on a share basis and are not eligible for unemployment insurance benefit. In recent years their net earnings have almost disappeared. The condition of the drifters has steadily declined and the seaworthiness of many of them is doubtful. Nets have not been replaced and many are now worn out. The salesmen at the ports have to a certain extent carried the industry financially, but their resources are now exhausted, while the drifters are very heavily in debt. The Commission finds that no section of the industry has been guilty of taking an excessive share of the income of the whole industry, except possibly the merchants who supply coal to the drifters. Most sections, however, are organised on a basis of excessively expensive individualism. The present condition of the industry is desperate, in a far more literal sense of the word than applies to the better-known depressed industries.

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—and Prescription.—The remedy proposed is that of "an overriding authority and a basic structure." The overriding authority is to be provided by a Herring Board, located at Edinburgh. The Board, which is to consist of eight members—three of them, including the Chairman, appointed from outside the industry, and the remainder representative of, but not elected by, the different sections of the industry—is to operate in the main through a system of licensing which is to apply to every section of the industry and be coupled with insistence upon higher and more uniform standards of quality. So far as the actual fishing is concerned, the number of boats licensed

is to be reduced, seaworthiness being the elimination test in the first instance, boats are to be allocated to areas, close seasons are to be fixed, and the size of nets and methods of fishing regulated. The present condition of the industry makes it impossible to make a levy for the laying-up of boats, and it is suggested that the Treasury should make a grant of £50,000 for the purpose. The Board is also to provide credit facilities for the replacement of old vessels by a smaller number of new ones. The Board is to act as agent for the industry in the export trade, where at present small and weak sellers face powerful foreign trusts. Finally, the Board is to engage in advertising and research. Eventually it will raise its funds by a levy on sales, but it is recommended that the Treasury should grant £125,000 for the expenses of the first two years. In addition, the Treasury should guarantee the borrowings of the Board up to £800,000; this sum will be mainly used for extending credit to the industry. These proposals seem to meet the circumstances of the case. Apart from a hint of future protection against imports from Norway there is little of the "restrictionism" which is ruining the agricultural schemes; indeed, the Commission goes out of its way to emphasise the necessity of higher quality and lower prices. The efficiency of the Herring Board will depend entirely upon the character of the independent members, but given the necessary combination of tact and firmness there is no reason why it should not do very useful work. The principle of subsidies to private interests out of the public Treasury is never attractive, but the amounts involved are very small compared with the large sums lavished on the farmer, they have a good prospect of being temporary, and they can be regarded as in some measure a tardy compensation for exclusion from the unemployment insurance scheme to a body of men who, in peace and in war, have always deserved very well of the community.

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Socialising Iron and Steel.—The T.U.C. General Council's report this year contains a scheme for the socialisation of the iron and steel industry which goes considerably further than the statement of the Executive Council of the Iron and Steel Trades Confederation issued in May, 1931. There is no longer talk of running the industry as a public utility corporation with local and central managerial boards; the private owner is to be expropriated altogether—not, however, without compensation in the form of redeemable stock, terminable annuities or Government bonds bearing fixed interest. The basis of compensation is to be the "net maintainable revenue" of the undertakings concerned, minus the financial benefits conferred by the Government by way of protection. The control of the industry is to be vested in a (State-owned) iron and steel corporation, the management of which is to be exercised by a central board of ten persons appointed by the President of the Board of Trade after consultation with the trade unions. Under the central board, the industry is to be articulated into sections, each of which will be controlled by a sectional board, also appointed by the Minister, which will be responsible, among other matters, for marketing arrangements covering all sections' products. The central board is to act as the co-ordinating body with the ultimate responsibility of price-fixing in conjunction with a body representing the interests of consumers of iron and steel products. It is plain that the compilers of this scheme have abandoned the regional principle of organisation advocated by the unions in 1931 in favour of a sectional organisation on the lines of the original scheme proposed by the National Committee, while the emphasis laid on marketing bears traces of the influence of the P.E.P. report on the industry. Taken as a whole, the organisation for the industry laid down in the scheme (apart from the question of ownership) resembles fairly closely that advocated by the more far-sighted and progressive leaders of the industry itself, except for the method of appointment and the emphasis laid on consultation with the trade unions. But it goes a good deal further along the lines of centralised monopoly than even the most ardent "rationalisers" would be prepared to advocate. And though it may be doubtful whether so complicated a congeries of industries is really a suitable subject for public

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monopoly of this character, the lamentable history of the attempt to reorganise the iron and steel industry on its present basis, in return for protection, seems to indicate that very wide measures of public control will be necessary if the badly-needed work of rationalisation is ever to make any real progress.

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British Industrial Production.—The latest Board of Trade index number of industrial production in the second quarter of 1934 shows an increase of 0.7 per cent. as compared with the first quarter, and of 14.1 per cent. compared with the second quarter of 1933. If mining and quarrying are excluded, the percentage increases are 3.2 and 14.7 respectively. The following table shows comparative figures in various industrial groups, covering in all about two-thirds of the total mining and manufacturing of Great Britain:—

INDEX OF PRODUCTION (1924=100)

Group	Year 1932	Year 1933	June Quarter, 1933	March Quarter, 1934	June Quarter, 1934
1. Mines and quarries	77.5	76.9	71.5	89.0	78.8
2. Iron and steel and manufactures thereof	66.2	82.2	78.5	104.7	104.3
3. Non-ferrous metals	96.3	101.9	104.5	117.1	142.1
4. Engineering and shipbuilding	88.6	96.0	97.0	108.1	114.4
5. Textiles	85.1	89.8	86.9	96.3	91.1
6. Chemical and allied trades	98.1	101.0	101.3	107.9	109.8
7. Leather and boots and shoes	96.4	106.2	114.2	110.7	108.1
8. Food, drink and tobacco	97.6	99.2	102.3	99.7	107.6
9. Gas and electricity	147.0	156.2	(a)	(a)	(a)
Total of manufacturing industries (2-9)*	97.2	103.9	103.2	114.7	118.4
Total of all groups (1-9)*	93.3	98.6	96.7	109.5	110.3

* Includes also various industries not specified above.
(a) Complete information regarding gas production in 1933 and 1934 is not yet available; a provisional estimate of the quantity made has been used for the calculation of the group index for the year 1933, but no information is available as to the quantities made in each quarter. The available data for electricity have been included in the general index.

The present physical volume of output of the United Kingdom is 0.8 per cent. greater than in the last quarter of 1929, the highest previous figure reached; and if the figures for the building trade were included the increase would probably be considerably larger. But it must be remembered that no allowance is here made for the increase in productivity which should normally accompany a growing population and developments in industrial technique and organisation. Compared with the corresponding quarter of 1933, all the groups shown above, except leather and boots and shoes, show considerably increased activity, amounting in the case of iron and steel, and engineering and shipbuilding, to as much as 32.9 and 17.9 per cent., respectively. The heavy and constructional industries, which in the main provide industry with its capital equipment, are, in fact, still maintaining their relative advantage in the "recovery," which is a normal feature of the first upward phase of the business cycle. If the figures of the first and second quarters of this year are compared, however, the only substantial increase recorded is in non-ferrous

RUBBER.—The market in rubber has been a little more active; and prices recorded an appreciable rise on the week. In New York Tuesday's spot price for rubber, at 14½ cents per lb., compares with 13½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., against 6½d. per lb. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7¾d. for October–December, 1934, as against 6½d. to 7d. a week ago. Stocks in London and Liverpool at the end of last week, at 99,872 tons, show an increase of 1,487 tons as compared with the preceding week.

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

(New York quotations, unless otherwise stated.)

NEW YORK, August 14.

INCREASED GOLD HOLDINGS

M. Germain-Martin, Minister of Finance,* recently decided that the fiscal returns are to be published henceforth every three months, instead of every month as in the past. Consequently the next three-monthly return will only be published in October. Nevertheless, official figures have been produced for July. They show a better revenue than in the former month. Compared with the estimates, the receipts show, in fact, a deficit below the average monthly deficit in the second quarter, which was 291 millions. The revenue from direct taxes is nearly the same as in July, 1933. There has been a marked increase in the revenue from the income tax on securities. The revenue from stamp and registration duties together is about level. Revenue from the turnover tax shows, as compared with July, 1933, a diminution of only 2 per cent., against one of 5 per cent. for all three months of April, May and June. On the other hand, Customs revenue shows a fresh contraction, as a consequence of import restrictions. The imports restriction policy raises many objections from French economists, who reject the devaluation which M. Reynaud recently advocated in his speech in the Chamber as the only way out of the depression. These critics maintain that the French monetary position is the only sound and right one, but that this policy cannot be pursued solely by random and conflicting measures, which make price adjustment so much more difficult. They ask for an active policy to reduce the cost of living, and a policy of capital export.

DEFLATION IN PRACTICE

Supporters of a deflationary policy draw attention to the fact that the decline in prices, from which they hope for a renewal of business activity, is pursuing itself regularly, as the following table shows:—

(1913 = 100)

	July, 1933	December, 1933	July, 1934
Wholesale Prices	397	389	361
General index	431	436	400
Home products.....	335	304	291
Imported products	418	415	386
Foodstuffs	396	360	358
Vegetable food	418	448	380
Animal food	469	465	466
Sugar, coffee, cacao	379	367	340
Industrial products	378	362	347
Ores and metals	281	263	252
Textiles	440	433	389
Sundries			
Retail prices (Paris index)	467	514	478
Cost of living (Paris index)	507	520	489

The evidence of the figures is striking, particularly since the beginning of the year; but the state of trade in general offers very little sign of any "renewal of business activity."

PARIS, August 22.

GERMANY

ELECTION RESULTS

THE election result of August 19th is not likely to have much influence on home politics. In present conditions, the Government can achieve any electoral result it considers desirable, and that it has admitted a somewhat less overwhelming success than that of November, 1933, probably means that it realises how much more public opinion has in the meantime moved against it than the figures show. The pre-election agitation was notable mainly for the exploitation of President Hindenburg's prestige, which was carried on in all conceivable ways, and for an extreme anti-foreign propaganda, which took the form of asserting that many foreigners and even foreign countries desired failure and anarchy in Germany, a view expressed in Herr Hitler's Hamburg speech, in an appeal by Herr Rosenberg, head of the Nazi Party "Foreign Office," by many agitators, and by the official Press. The election success was correspondingly presented to the public mainly as a triumph over foreign jealousy and enmity. Although designed merely for electioneering purposes, these misrepresentations have the same effect as incitements against the non-German world.

THE EXCHANGE SITUATION

The Cabinet is holding no ordinary meetings, and legislation is suspended. Since Dr. Schacht took over the Ministry of Economy, prohibitions against new industrial enterprises, on the ground of excessive production-capacity, which created monopolies for existing concerns, have ceased. In its return of August 15th, the Reichsbank's reserves show practically no change. Decrees further regulating foreign exchange and the consumption of imported raw materials continue to appear. The prohibition in the first decree, against expansion of production in textile industries by longer working hours, has been extended to all textile branches with the exception of embroidery and manufacture of garments. For control of cotton yarns a special board has been established at Berlin. The use of copper and tin and their alloys, and also of quicksilver, has been prohibited in many manufacturing branches. The Board for Foreign Exchange Control has issued a decree regulating the repayment of foreign raw material credits out of foreign exchange yielded by export; this is allowed in cases where the export of goods containing such materials is sufficient, after providing exchange for repayment of the credit, to yield to the Reichsbank 20 per cent. of the total exchange proceeds. The general quota of foreign exchange for import for September is again fixed at 5 per cent., and acceptance credits may again be utilised only up to 10 per cent.

The Reich has denounced from August 31st the clearing agreement concluded with Finland in June. Finland's balance at the Reichsbank was to rise at most to Rm. 1 million, but it has reached nearly double that sum owing, apparently, to the failure of Finnish importers to buy sufficient German goods. According to the Amsterdam press, the application of the Dutch clearing law to Germany was caused by the increase in the last weeks of the Bank of the Netherlands' deposits in the Reichsbank to Rm. 22 millions, which sum could not be liquidated by the methods provided. The Reichsbank had withdrawn the authorisation to sell the "bank marks" in the free market, and as there was insufficient demand for them in payment for German goods, they could only have been realised at a depreciation of 7 per cent. The effect of the Dutch clearing is to stop direct payments for Dutch imports from Germany, and the Bank of the Netherlands thus obtains gulden with which its "bank marks" may be liquidated. The large increase in the Reichsbank's deposits, which stand about 50 per cent. higher than in August, 1933, seems to represent to a great extent deposits on account of foreign central banks under the clearing agreements.

Money was in demand last week for property tax and industrial assessment payments, but this week the market was easy, with day loans about 4 per cent. The fall in stocks of industrial raw materials and the consequent

tendency to reduce production for stock tend to reduce the loans and deposits of commercial banks.

RISE OF PRICES

The cost-of-living index for July was 122.9, as against 121.5 in June and 118.7 in July, 1933. While rents in the past twelve months have been stable, the food item has risen from 110.5 to 117.8, and clothing from 110.9 to 115.7. The index for January, 1933, when the Nazi Party attained power, was 117.4 (food being 107.3 and clothing 112.1), but fell at first, in April, to 116.6. Wages have not risen, being according to the last (out-of-date) statistics about 1 per cent. lower than at the beginning of 1933; the rise in the cost of living is therefore severely felt by the industrial working class. On August 8th, the wholesale price index regained, at 100.1, the pre-war (1913) level, and it advanced further to 100.2 on August 15th. The wholesale price index reached its recent peak figure of 141.6 in July, 1928, and had fallen by April, 1933, to 90.7. The movements of the various groups since the high point have been:—

WHOLESALE PRICE INDEX: GERMANY
(1913 = 100)

	July, 1928	Aug. 15, 1934
Agricultural products	136.6	100.0
of which—		
Vegetable products	149.6	116.7
Livestock	114.6	74.1
Animal products	135.2	103.8
Industrial, raw and semi-finished goods	135.1	92.5
Manufactured goods	159.6	115.3
of which—		
Instruments of production	137.6	113.9
Consumption goods	176.1	116.7

Officially, this is a gold price index; in reality, since 1931 it has been an internal paper mark index. Even in its bearing on Germany's competitive power in foreign trade it cannot be considered a gold index, inasmuch as a great part of export is subsidised with blocked marks for the specific purpose of counteracting the depreciation of foreign currencies.

FOREIGN TRADE

The foreign trade returns for July show:—

	June, 1934	July, 1934	Jan.—July, 1934
		(Rm. millions)	
Imports:—			
Livestock	2.5	2.4	21.0
Foodstuffs	84.1	98.9	593.2
Raw and semi-finished materials	224.3	199.2	1,623.7
Manufactured goods	64.3	62.3	425.5
Total	375.2	362.8	2,663.4
Exports:—			
Livestock	0.3	0.2	2.7
Foodstuffs	11.8	8.8	79.9
Raw and semi-finished materials	59.6	61.9	469.3
Manufactured goods	267.1	250.4	1,855.6
Total	338.8	321.3	2,407.5

Imports declined from the June totals by 3 per cent., both in volume and value. The decline in raw materials imports, which conflicts with the usual seasonal tendency of July, was due to restriction. The heaviest decline, by Rm. 13 millions, was in wool. Exports declined 5 per cent. This decline also is contrary to the usual seasonal tendency, and may be explained by the fact that in June, contrary to rule, exports were maintained. Exports to Great Britain and to France increased; but to the Netherlands, the United States, Japan, British India, and Denmark they declined substantially. The passive balance in July was Rm. 42 millions, and that for the whole seven months is Rm. 256 millions.

INDUSTRY

The Reich Bureau of Statistics estimates that the "volume of work" equivalent of German industry in the middle of 1934 was only 20 per cent. below the highest post-war level reached in 1928-29. Konjunkturinstitut estimates the national income from wages and salaries in the second quarter of 1934 at Rm. 7,500 millions, as against Rm. 6,900 millions in the first quarter. It estimates that, seasonal fluctuations being eliminated, income from these two sources in the fourth quarter of 1933 was 6 per cent. higher than in the first, and in the second quarter of 1934 17 per cent. higher. In the third quarter of 1929 this

income reached nearly Rm. 12,000 millions, having risen from Rm. 8,000 millions since the first quarter of 1926, just before the 1926-29 industrial boom. The movement of the national income from wages and salaries is practically identical with that of the whole national income.

The railway corporation's gross receipts in the January-June period were Rm. 203 millions higher than in the same months of 1933, and Rm. 1,015 millions lower than in the same half of 1929. Generation of electricity is 15 per cent. above that of a year ago. Pig-iron production in July was 767,200 tons, against 440,100 tons in July, 1933, and production in the first seven months respectively 4,663,200 and 2,821,200 tons. Corresponding figures for ingot-steel production are: for the months of July, 1,036,000 and 1,003,800; and for the first seven months, 6,580,100 and 4,075,500 tons. The engineering industry in July was occupied to 58 per cent. of capacity, as against less than 30 per cent. at the bottom of the depression, but of late the improvement has been slow.

BERLIN, August 21.

ITALY

HOME AND FOREIGN POLITICS

PUBLIC opinion in Italy is centred wholly on the international situation. In consequence of the murder of the Austrian Chancellor Dollfuss, the outlook and attitude of the Italian Press became sharply critical of German policy. To the unanimous opposition voiced against the *Anschluss*, there is now added a less marked but significant criticism of Hitlerism in its bearing on the Saar question, the German labour problem and the handling of Germany's economic crisis. A recent decree authorising expenditure for the fiscal years commencing in 1934-35 of the sum of 1,200 million lire for renovation of the air fleet and replenishment of stores, had been already announced in Signor Mussolini's speech of May 26th, but it was published on August 7th, when the international situation had become more tense.

A sensation has been caused by the expulsion from the Fascist Party of Signor Arpinati, former Under-Secretary of State for Home Affairs under Signor Mussolini, and also of a score of his Bolognese friends. Later Signor Arpinati was condemned to five years of deportation to the Islands (*confino*).

NEW INDEX OF PRODUCTION

For the first time the Corporations Department is able to publish a comprehensive index number of production, which can be compared with those published by the *Economist* for Great Britain, and with other indices in foreign countries. A special committee presided over by Professor Amoroso has recently approved the report written by Professor Cianci, in which are laid down criteria for compiling five special indices for textile, metallurgical and engineering, paper, building, and light and heat industries. On the basis of 1928, the general index works out as follows:—

1928	100.00	1934—January	72.20
1929	109.15	February	77.31
1930	100.31	March	84.45
1931	84.72	April	86.92
1932	72.93	May	88.88
1933	80.49		

The bottom seems to have been touched in 1932. A 10 per cent. increase from that date for the year 1934 may be deemed certain.

A comparison between unemployment totals in different industries in May, 1933, and May, 1934, gives the following results:—

	Decreases May, 1933 May, 1934		Increases May, 1933 May, 1934
Agriculture	297,039 157,949	Iron & steel, engineering	105,079 108,602
Mining	34,360 30,756	Gas and electricity	9,398 10,390
Food	27,442 19,632	Building and roads	274,839 309,607
Textiles and clothing	128,880 92,590	Furniture and woodwork	48,160 52,959
Chemical and glass	28,440 22,119	Paper and printing	11,705 12,014
Hotels and other public establishments	34,679 24,978	Entertainments	11,136 18,423
Transport (private)	27,504 25,899	Commerce	51,467 55,339

The greatest reduction in unemployment has taken place in agriculture, food, textiles, hotels. Constructional indus-

tries, producing mainly goods for capital equipment, have not fared so well.

CONTROL OF NEW INDUSTRIES

That recovery is in progress may also be deduced from the number of applications considered at the last session of the Ministerial Committee which is called to grant licences to start new industrial plants or to enlarge old ones. Out of a total of 102 applications, the Committee gave its assent to 68, negated 25, and called for further information for 9. The official *communiqué* only gives the numbers in broad categories of industry. Since one of the postulates of planned economy aiming at the prevention of crises is Government control of new industries, it would be more helpful if fuller data on the interesting Italian experiment were forthcoming. Ex-Minister De Stefani has repeatedly hinted in the *Corriere della Sera* at unforeseen consequences of this "licence" system: for instance, the rise of a sort of market for concessions granted by the Committee. It appears that some people have asked for authorisations to start new plants, without any real intention of starting them, hoping instead that *entrepreneurs* already on the job would be willing to purchase those rights for the sake of avoiding competition. Signor De Stefani, with good reason, asks for publicity in the preliminary stages. Third parties should have the right to intervene. How, it may be asked, can consumers be protected against monopoly? According to Signor De Stefani the decision should be made by a truly judicial body. It is difficult, however, to imagine how a Court, juridically minded, can reach decisions on such things as inventions, better organisation, ability of untried men, etc. How are we to discover a Ford among hundreds of young applicants? Senator Agnelli, at present the big man in the motor-car industry, was, when quite a young man, a lieutenant in the army. What chance would he have had of being selected by a Court among the many would-be motor makers in the adventurous days when the automobile was deemed a crazy invention? Perhaps these and other doubts may be dispelled by the publication of the full reports laid down before the Committee on each application, and of the full technical and economic reasons for the decisions of the Committee.

FALL IN THE GOLD RESERVE, AND CREDIT POLICY

The continued fall of the gold reserve of the Bank of Italy has given rise to some misgiving. Between December 31st and July 31st the figures have changed as follows:—

	Dec. 31, 1932	July 31, 1933	+ or -	Dec. 31, 1933	July 31, 1934	+ or -
Gold and gold devisen res....	7,144	7,337	+ 193	7,397	6,399	- 998
Notes issued ...	13,672	13,329	- 343	13,243	13,330	+ 87
Advances and discounts ...	6,539	5,001	- 1,538	4,693	4,389	- 304
Official rate of discount (%)	5	4	- 1	3½	3	- ½

The dates selected are arbitrary, as all selections are; but being the same in the two years the arbitrary factor is perhaps reduced to a minimum. Certainly the decrease by 998 million lire of the gold reserve in the first seven months of 1934, as against an increase of 193 millions in the corresponding period of last year, is remarkable; and the general public will compare it with the inverse movement in the notes issued: 87 millions more in 1934, instead of a 343 millions decrease in 1933. Perhaps, however, the most important variation relates to advances and discounts, on which the attention of the public is not focussed. There is usually a big decrease in demand for advances and discounts between December 31st and July 31st. The decrease was 2,267 millions in 1930, 1,220 millions in 1931 and 1,538 millions in 1933. In the current year it was only 304 millions, a figure comparable with the even smaller decrease of 28 millions in 1932. Presumably the notes brought to the Bank of Italy, to obtain exchange for foreign payments, were re-issued to meet internal trade demand. Presumably also the internal demand was favoured by the low official rate of discount. The hardening of foreign exchanges and the export of gold, instead of provoking a stringency in the internal credit market, left it untouched.

If the above analysis be correct, the Bank of Italy will

possibly be driven in self-defence to put up the official rate of discount and to make a more drastic selection of commercial paper offered for discount. This is apparently the only way of making effective the strict control now exercised on the foreign exchanges.

TURIN, August 17.

AUSTRIA

LEAGUE LOAN CONVERSION

IN September the League of Nations will probably deal thoroughly with Austrian questions. On the financial side, a prominent point will be the proposal to convert the League of Nations loan. In official circles in Vienna it is stated that English influence is working for alleviation of the debt service of this loan. In consequence of the loan treaties, and especially of the various guarantee provisions, conversion cannot easily be effected. But the French Government has been empowered by Parliament to take such a step, and the negotiations with England, Italy and Czechoslovakia are progressing favourably; the four States mentioned above participate to an extent of 94 per cent. in the guarantee for the amount issued. Preparations are already being made to utilise the option of notice on December 1, 1934. It has lately been stated that it is not merely a question of prolonging the redemption term, which lapses in 1943, by about ten years, but also of a reduction in the 6, 6½ and 7 per cent. rates of interest. Quotations of the loan on the various markets are very steady, but opinions whether the time is ripe for the conversion differ. For the Austrian Budget relief of this kind is highly desirable. There is also talk of direct loan negotiations by the City of Vienna in Paris, but no definite report has yet been published.

Whether or not the Austrian section of the League of Nations loan will be converted is not yet known. Attention is still concentrated on conversion of dollar loans, of which that of the Province of Lower Austria is now in progress, while that of the 8 per cent. dollar bonds of the City of Graz is being prepared. Bonds bearing 8 per cent. have probably become rareties in Europe. The effective rate of interest, at Vienna quotations, is possibly still higher. On the basis of prices on August 14th, the American section of the 7 per cent. International Federal Loan of 1930 (whose service is guaranteed by the revenue from customs and tobacco monopoly) was paying 11.12 per cent., the already converted 6½ per cent. Styrian Loan (in schillings) 10.57 per cent., and the 7½ per cent. Tiwag dollar bonds 13.05 per cent. But the Tyrol Communal bonds, which are in Swiss francs, and the interest rate of which was compulsorily converted by last year's gold clause regulation from 6½ to 4½ per cent., yield 10.85 per cent. The lowest effective rate yielded by the stocks on the Vienna Stock Exchange is that of the English section of the League of Nations loan, namely, 5.92 per cent., which means that it is above par. The stock market has lately been weaker, owing to fears in relation to the stability of the dollar. Still, there is a lively turnover in fixed-interest scrip, while share business is stagnant. In spite of the political events, the index of Austrian shares only fell from 513 to 511 in July.

TOTAL VALUE OF SHARES LISTED: VIENNA

	(Millions of Schillings)			
	1929	1933	1934	July
Total	1,070.0	497.0	486.0	486.0
Building and building materials	43.1	22.4	21.2	21.2
Breweries	87.8	42.1	40.9	40.9
Electricity and gas	173.3	57.1	56.6	56.6
Coal and mining	60.9	25.5	29.8	29.8
Metals and metal industries	288.3	105.6	92.9	92.9
Paper, printing, publishing	57.1	15.6	15.4	15.4
Textiles	56.7	19.3	20.3	20.3
Sugar	15.6	19.8	20.3	20.3

The 1929 quotations were already only a fraction of those previously ruling and a further depreciation of about 55 per cent. has taken place. But from last year onwards the steadiness has been notable, especially if one considers

the wiping out of various bank shares due to the banking consolidation measures.

INDUSTRY STEADY

No particular change has taken place in the state of industry. Labour statistics at the end of the month were as follows:—

	July, 1933	June, 1934	July, 1934
In receipt of the dole (Austria)	300,762	263,883	257,213
In receipt of the dole (Vienna)	126,282	123,032	121,472
In search of work (Vienna)	177,560	187,597	183,413

The development in Vienna is therefore less favourable than in the rest of Austria. For this, there are two main reasons. Public works have been almost exclusively in the provinces, and the City of Vienna is only now beginning them on any scale. By the end of the year, the Vienna programme should give employment to 15,000 persons, as against 7,000 at present. The Federal programme, which gives work to about 50,000 persons, hardly touches Vienna.

Again, the rise in exports, which is the most important factor in the real improvement in Austrian economy, benefits the Vienna labour market very little, because finished-product industries need not immediately engage more workers in order to cope with increased output, and because in these industries the wage bill is a much less significant item than in timber, magnesite, paper, etc. Exports are well maintained, which is apparent not only from the reports of most branches of industry but also from the continued supply of foreign exchange. This latter fact is the more remarkable in view of the July events. Export propaganda is now working intensively for more distant and overseas markets. Unfortunately, foreign trade is not bringing about a corresponding improvement in domestic business, although foreign tourist traffic at the end of July was not unsatisfactory after the temporary disturbances in that month.

VIENNA, August 20.

HOLLAND

COAL PROBLEMS IN HOLLAND

THE difficulties involved in marketing the output of the Netherlands collieries and the threatening wage disputes have induced the Government to intervene. With the object of safeguarding the home market for the mines, it has now imposed quota restrictions on foreign coal. From July 15th to December 31st the import of coal, coke and patent fuel from all countries is limited to 60 per cent. of the average quantity imported for 5½ months in 1933. Of the imports of coal and coke into the Netherlands in 1933, totalling about 7,000,000 tons, England supplied about 1,307,045 tons; while in pre-war times England's share was fully 2,000,000 tons. Holland's imports of coal have been declining steadily since 1929, in which year they were over 10 million tons. On the basis of England's share of 1,307,045 tons in 1933, England will only be able to export during the stated period about 360,000 tons, i.e. 60 per cent. of eleven-twenty-fourths of 1,307,045 tons. The new regulations do not apply to exports of coal from countries with which Holland has a trade agreement, as is the case with Germany. As the treaty with Germany does not expire till the end of the year, German coal will not be liable to restrictions until then.

UNSATISFACTORY TREND OF EXPORTS

Despite—or perhaps because of—quota restrictions and relief measures for Dutch industries and agriculture, the desired fall in prices and an all-round readjustment to the world price level have failed to materialise. In order to ensure the maintenance of the gold standard, the Netherlands need to pursue a deflationary policy to cope with foreign competition. But, instead of a decline in prices, an actual rise is recorded, as will be seen from the following indices of wholesale prices, compiled by the Central Statistical Bureau.

	General Index 48 articles 1913 = 100	Index of Foodstuffs 28 articles 1913 = 100
1913	100	100
1919	304	296
1920	292	252
1921	182	187
1922	160	160
1923	151	143
1924	156	156
1925	155	155
1926	145	144
1927	148	153
1928	149	157
1929	142	149
1930	117	119
1931	97	101
1932	79	84
1933	74	76
1933 July	73	73
1934 June	76	81
1934 July	77	82

The competitive strength of Dutch industries in foreign markets has naturally been seriously impaired by this advance of prices, and exports from Holland continue downwards. The balance of trade of the Netherlands for July is set out in the following table issued by the Central Statistical Bureau (gold and silver bullion omitted):—

	July		Jan.-July		June
	1933	1934	1933	1934	1934
Imports	104	86	667	624	89
Exports	56	58	412	397	59
Percentage of imports covered by exports	54.1	67.7	61.7	63.6	66.7

The imports of gold and silver were in July, 1934, 16,757,229 guilders and exports 2,435,061.

It is hardly surprising that complaints as to lack of orders are generally expressed, not only from the collieries, but also from the woollen textile and shoe industries.

ECONOMIC IMPROVEMENT IN THE DUTCH INDIES

An encouraging feature is that the economic situation in the Netherlands East Indies is improving. In view of the close financial and economic relationship between the Motherland and the colonies, it is significant that various signs of recovery, and of some degree of stability, are perceptible in the Indies. The rising prices of colonial products, e.g. tea, rubber, tin, etc., contribute to this improvement. The Indies have, in fact, managed to maintain a favourable trade balance which for the years of crisis may be termed considerable; and their export surplus shows a pronounced rise for the first quarter of 1934.

TRADE NEGOTIATIONS WITH JAPAN

For the economic situation in the Indies great importance is attached to the commercial negotiations now being conducted in Batavia with Japan, with the object of concluding a trade treaty with that country. Former suppliers of the requirements of the Netherlands Indies are being supplanted by Japan to an increasing extent, and this course of events calls for preventive action for three reasons.

First, however much the interests of the Indies are served by importing at the lowest price, there is no denying the axiom that imports can only be paid for by exports. Under the trade policies which are now well-nigh universal, the maintenance of the colonies' economic structure, which is based upon export, makes it imperative to marshal the colonies' buying powers as a means to increasing their exports. Secondly, the colonies' few, and comparatively recently established, branches of industry are being seriously menaced by the inordinately low prices at which Japanese products are quoted in the Indies. After a voluntary agreement with Japanese manufacturers had failed to yield satisfactory results, the Government of the Indies enforced in June, 1933, a quota system for cement, which ensured a reasonable market for the only cement works in the Indies. In December, 1933, the two breweries newly established in the Indies were afforded similar protection; and, finally, in February, 1934, the native weaving industry was safeguarded by a quota on imports of coloured textiles. This last measure has stimulated activity in the weaving industry of the Indies. Thirdly, not only Japan's ambition to supply the merchandise required by the Indies, but also her efforts to effect her own shipping and distribution, entirely ignored

the old-established and naturally well-adapted shipping, import and *entrepôt* concerns in the Indies.

It will thus be seen how complex and important the present negotiations at Batavia are, and how difficult it will be to arrive at a solution satisfactory to both parties.

AMSTERDAM, August 10.

BELGIUM

BANKING SYSTEM AND CREDIT EXPANSION

THE Government has a series of Bills in hand which will be enforced by Royal Decree. They concern Belgium's banking structure and credit system, and are cast in a bold way.

As a result of the Cabinet crisis, Count de Broqueville introduced into the Government two Ministers without portfolios who are specialists on financial questions: M. van Zeeland, Vice-Governor of the National Bank, and Senator Ingenbleek. M. Francqui, Governor of the Société Générale de Belgique, who had been officially invited to enter the Cabinet, declined. This change was evidence that the Government was going to tackle Belgian financial difficulties. Indeed, it asked for emergency powers, which belong normally to Parliament. After much discussion, the Chambers granted the powers at the end of July. The Socialists, who hold 40 per cent. of the seats, voted against the Bill, but their opposition was not as keen as usual. The powers granted to the Government for six months enable it to change the fiscal system, to cut wages, salaries and pensions, to take measures necessary to protect savings. Moreover the Government has power to compel dissident producers to enter a cartel if a majority of industrialists in that branch are already members.

A first block of economy measures, in one Bill, is ready at present and will be published this week in the *Moniteur*. It has special reference to credit and the banking system, as measures are overdue in those fields. The big Belgian banks have stood up to the crisis very well; they have no assets frozen in Germany or elsewhere. They have suffered losses through clients' insolvencies, and the market value of their industrial participations has fallen considerably. But they have been able to write down out of their reserves. Small provincial banks have on the contrary been more seriously affected. The most important failure was that of the Belgian Labour Bank; its paid-up capital amounted to 100 million francs and its deposits to about 300 millions (about £3 millions).

The Government's intervention has arisen from the difficulties of secondary banks and from the fact that other banks, forced to strengthen their cash reserves, have compelled industry to repay a portion of current account advances, and have avoided granting new advances. The total volume of credit has been continuously contracted in Belgium; this contraction is, of course, a hindrance to commercial and industrial recovery. Part of the current account advances are more or less frozen.

BANKING REFORM

The Government's plan sets out, in the first place, to reform the banking system with a view to protecting savings and deposits. Since the beginning of the industrial epoch Belgium has had big banks of the German "mixed" type (*Beteiligungs- und Finanzierungsgesellschaften*); they accept deposits and are interested both in commercial and other short-term operations, and in industrial participations. The Société Générale de Belgique was the first, and is the most important institution of this kind. It has deposits amounting to 4,155 million francs and controls a third of the coal output, more than a half of the Congo industry, etc. The Société Générale is now to abandon this mixed form, which she adopted nearly a century ago. A royal decree with force of law will enforce the division of the bank into two juridically independent companies; one will be a holding company, the other a joint-stock bank of the British type; this division of the mixed banks is to be completed by December 31, 1935. It is understood that the Société Générale will be divided immediately. The activity of the deposit banks will be strictly regulated; discounts or

advances and Government securities and similar bonds and debentures will be the only authorised objects of day-to-day operations. Industrial participation will be forbidden. There are also provisions as to bank accounting, and monthly balance-sheets are to be published. Foreign banks operating in Belgium will have to conform to the new system.

The second financial Bill admits of credit expansion through the National Industrial Credit Society, a private bank patronised by the State, which has a paid-up capital and reserves amounting to 200 million francs. The banks' advances to industry will be transferred to it, and it will pay for them with 3 per cent. debentures guaranteed by the State. The banks can secure loans against these debentures at the National Bank up to 80 per cent. of their face value.

The intervention of the Central Bank in this field must not be regarded as a first step towards inflation: the only aim is the enlarging of a too narrow credit mechanism for industrial purposes. The special powers granted to the Government formally exclude monetary devaluation. The members of the Cabinet all favour the classical school in economics, and refuse to indulge in "adventures." The banks will probably only have recourse on a narrow scale to the National Bank; it is often sufficient to know that the banks will be able to get liquid funds to have no, or little, need for such funds. The credit granted in Belgium by the discounts of the Central Bank shows an appreciable reduction in comparison with the pre-war period. Business men dislike drawing or accepting bills. This explains why recourse is more frequently had to advances on current account. The mobilisation of these advances, therefore, is based on normal activity by the Central Bank in the control of credit.

Theorists assert that, in consequence of unforeseen circumstances, the balance of payments became unfavourable; the gold bullion reserve of the National Bank would have to play its normal function. The National Bank of Belgium has a gold reserve amounting to 13,000 million francs, and therefore a cover of about 70 per cent. of all its sight liabilities. If a gold export of 1,000 millions takes place from now on, it would be a very small price paid by Belgium for unfreezing and enlarging the credit mechanism.

The Government's intervention aims not only at credit expansion but also at the reduction of its cost. The rate of interest is high in Belgium, though capital is in abundant supply. Commercial credit is granted through discounts at a rate of 4 or 5 per cent., but discounts and bills are not abundant enough. For advances on current account, however, 6 to 8 per cent. is charged. The reform aims at reducing the rate to 4½ per cent. for current account advances; the National Society for Industrial Credit (S.N.C.I.) will operate on this basis.

The Government hopes to enlarge the mortgage credit market, and to stimulate a general conversion movement by allowing anticipatory repayments, even when a longer maturity has been provided for in the agreement. Fiscal and registration taxes will not be exacted on such transactions.

Thus, the Government's financial policy is wide in scope and daring in conception. It has been approved by press and public opinion.

LOUVAIN, August 20.

CZECHOSLOVAKIA

POLITICS AND AGRICULTURE

AMONG the political events of importance we have to mention the re-election of M. Masaryk as the President of Czechoslovakia for the fourth time.

The special law which has given the Government full powers to take speedy measures in economic matters has lately been supplemented. Owing to the secession of the National Democratic Party from the Government the Agrarian and Socialist parties have become now the deciding factors. This feature is clearly reflected in the economic measures of the Government for the safeguarding of

agrarian interests and in its social policy. With regard to the latter a decree has been issued prohibiting the cessation of work in industrial undertakings or dismissal of employees without the consent of the Government. The validity of existing collective Labour agreements has been prolonged, social insurance revised and a law improving the status of clerical employees has been passed. The Government tried to introduce a 40-hours' week for Labour, but this question has been left open for negotiation between workers' and employers' organisations, according to conditions in the various trades. The tendency towards compulsory association in industry and agriculture has so far met with strong disapproval.

The obvious preponderance of the Agrarian Party enabled them to carry through important measures for the benefit of agriculture. In Czechoslovakia, as in other countries, autarky has been greatly sponsored in recent years. Imports of cereals, cattle and animal products have been hindered by Custom prohibitions and quotas, and the regulation of imports and exports was entrusted to Corn and Animal Products Syndicates. These measures stimulated extensive corn and animal production and resulted in such a situation that it was not possible to hold up home prices merely by import restrictions. Last year, relief was sought by purchases on account of the Government. There are still some 45,000 trucks of wheat and rye left from last year's harvest. Before the current harvest, agriculturists again demanded that agricultural profitability should be assured, as purchases by the official syndicates were not deemed sufficient. Thus a corn monopoly has been established by a Government decree of July 13th. Administration has been entrusted to a Corn Syndicate composed of representatives of the farmers', consumers', millers' and traders' organisations. This chartered company is to buy up, sell, import and export cereals, fodder, and to import flour. This adjustment has been carried out despite the strong opposition of certain political parties and non-agricultural circles, who see in it a much too far-reaching hold of the State on private enterprise, and who fear its effects on commercial policy and prices. The Corn Syndicate, however, has already begun to operate by purchasing newly-harvested corn.

With regard to animal products, agrarian policy proceeded on the same lines. Imports—especially those of pork—were radically limited and farming extended, with the result that prices fell heavily. The tendency was further strengthened by the insufficiency of fodder due to the great drought. Under these circumstances the Government tried to relieve the situation by restricting pig-farming in proportion to the fodder at hand. The output of artificial fats has also been limited by certain quotas, shared among manufacturers. The milk trade has been regulated, and a Timber Syndicate formed. Moreover, agriculture has been granted certain reliefs in respect of social insurance; a moratorium for farmers' debts in districts stricken by bad harvest; and a special relief fund for these districts has been voted. Finally, the Government has under consideration a scheme to relieve farmers of some of their burden of indebtedness.

PRODUCTION

The number of unemployed persons at the end of June was 586,730, which is less by 38,080 than a month ago, and by 89,203 than a year ago. In industry a slight revival has been noticeable and some improvement in certain sections has set in. Those industries, however, that cater for export are still suffering from export difficulties. The output of coal has not risen proportionately. In the first half of the year it was 5,061,000 tons, and the output of lignite was 7,246,000 tons. Production of iron and steel was better and amounted, for the same period, to 291,000 tons of iron and to 478,000 tons of steel. In comparison with the previous year the output of iron almost doubled and that of steel rose by about 40 per cent. Building activity has been weak on the whole, chiefly owing to the impossibility of obtaining long-term credits.

Prices are showing a rising tendency; partly in sympathy with the world movement; partly owing to the devaluation of the Czechoslovak crown, which made the import of raw materials and of semi-manufactured goods dearer; partly owing to the drought and bad harvest. The complete

wholesale price index in July stood at 701, that of agricultural products rose from 639 in June to 721 in July, while the index of manufactured goods declined from 684 to 679, so that for the first time the agricultural was higher than the industrial price index and the spread between these two components of the general index disappeared.

MONEY MARKET

The long-term credit situation has not improved, and it is still difficult to obtain such credit. Also savings deposits have been weak. The Rediscount Institute, which was established to support the market in gilt-edged securities, has started operations. Business on the Stock Exchange has been limited. State revenues have improved on the whole. The Government is preparing the Budget Bill for the autumn session. Further economies in public administration are expected, as this problem is being discussed by the Parliamentary Economy Commission.

FOREIGN TRADE

Imports for the first half-year amounted to 3,053 million Cz.K., against 2,683 million Cz.K. a year ago; exports amounted to 3,151 million Cz.K., against 2,699 million Cz.K., so that there is an active balance of 98 million Cz.K. for the half-year.

In comparison with last year, export trade has improved with Great Britain, Italy, Germany, Netherlands, Switzerland, Scandinavia, Greece, and with the Overseas category. The rise in the nominal export values is due to devaluation, and if we reduce the nominal value of exports to the previous value of the Cz.K. the increase in comparison with last year is substantially less. It would be premature to estimate the effects of the devaluation. It seems, however, that it has not brought any marked results, as it could only promote exports in free markets, whereas in the majority of countries imports are still hampered by restrictions on trade and by difficulties of securing payment. On the other hand, despite great efforts by the Government to prevent a rise of prices, the increase of prices in the home market for raw materials and semi-manufactured goods imported from abroad is obvious, and this offsets the premium upon exports secured by devaluation.

New supplementary trade agreements have recently been concluded with Finland, France, Yugoslavia, Belgium and Hungary. Negotiations were also begun with Roumania to revise the quota agreement. With regard to the economic relations of the Little Entente States, the proposal for economic preferences is being considered. Negotiations were also begun with Austria, but the effects of the Italo-Austro-Hungarian preferences on trade relations between Czechoslovakia, Austria and Hungary have not yet been elucidated. Relations with Russia being now on a regularised diplomatic basis, a commercial treaty is being prepared to replace the present interim measures.

PRAGUE, August 8.

ROUMANIA

FOREIGN DEBT AGREEMENT

THE representatives of the Roumanian Government and of the holders of Roumanian bonds, who have been negotiating since February last, have reached an agreement which is to be ratified by both parties before August 15th. The bondholders of the following countries, namely, France, Belgium, Holland, Switzerland, England, America and Italy, are included in the arrangement, which is concluded for a period of three years and comprises the 4 per cent. and 5 per cent. unified loans, the 4½ per cent. loan of 1913, the 4 per cent. consolidated loan of 1922, the 6 per cent. loan of 1925, as well as the two issues of the Monopolies Institutes, i.e., the 7 per cent. stabilisation loan of 1929 and the 7½ per cent. development loan of 1931. The redemption of the five Government loans remains suspended until March 31, 1937, and their coupons maturing during the three years from April 1, 1934, are payable as to 25 per cent. in the first year, 35 per cent. in the second and 42 per cent. in the third year. The balance is can-

celled. The 75 per cent. still unpaid on coupons due during the second half of the financial year 1933-34 will be paid in bonds of a new consolidation loan bearing interest at 4½ per cent. as from November 1, 1934, and redeemable by drawings or by purchase in 15 years from November 1, 1938. The redemption of the stabilisation and development loans is also suspended for the period of the agreement, and the coupons are payable as to 50 per cent., 53 per cent. and 55 per cent. in the first, second and third year respectively. The balance due on these coupons will be deposited at the National Bank in the shape of Treasury bonds, which, however, will be cancelled if the terms of the agreement are carried out. Of the coupons on the loans of the Monopolies Institute payable during the second half of the financial year 1933-34 there remains an unpaid portion of 50 per cent. which will be settled by allocation of new consolidation loan bonds.

The normal funded debt service, external and internal, amounted to 5,840 million lei in 1932. By the agreements made with the foreign bondholders in 1933 the yearly charge was reduced to 4,553 million lei. The economy realised by the Roumanian Exchequer as a consequence of the new arrangement amounts to 5,300 million lei spread over three years; but it will not be easy to meet even these reduced commitments, in view of the decrease in Treasury receipts and the difficulty of transfer arising from unsatisfactory foreign trade.

PROPOSED INTERNAL LOAN

The Ministry of Finance is now occupied with preparations for the new internal loan, by which it is intended to liquidate the floating debt and to create funds to meet expenses for national defence, agriculture, road construction and other public works. According to the details furnished by the Minister of Finance on the occasion of his last Budget, the floating debt is made up as follows:—

	Million lei
Remainder of payments due for supplies	12,358
Receipts from provisional deposits	2,742
Treasury bonds	1,076
Debt to the National Deposit Banks	1,524
Temporary advance from National Bank	2,000
Advance on metallic currency	1,001
Swiss advance	1,769
Sundries	652
Total	23,122

It is probable that the unfortunate firms who supplied the State with equipment in past years and have waited in vain for payment will accept bonds of the new loan in settlement. This will mean a loss for them, considering the low prices at which other Government issues stand. The 12,300 million lei due on this account, therefore, as well as the 3,818 million lei due for provisional deposit receipts and Treasury bonds representing similar debts, are likely to be taken as subscriptions to the new loan. To pay the remaining 6,000 million lei, however, cash must be made available by public subscription to the new loan, and it is doubtful if the terms can be made sufficiently attractive for the general public to come forward, despite indications that there are large amounts of idle money. The chances of obtaining a surplus for fresh expenditure are very problematical; and it seems that part of the floating debt will remain in existence, as the Government will be unwilling to abandon its plans for further national defence.

HARVEST PROSPECTS

The harvest figures are being examined with particular anxiety this year in view of the precarious foreign trade balance of the first six months. The grain harvest will probably be well below average. The production of wheat varies considerably from one district to another, the figures reported ranging from 600 kgr. to 1,300 kgr. per hectare. Total production is estimated at 200,000 wagons, which, with the stock in hand, will be sufficient for internal consumption. Export of wheat is prohibited. The commission which is entrusted by the Government with the valorisation of cereals, and has received 300 million lei for this purpose, has fixed the price of standard wheat at 435 lei per 100 kgr., which is considered too low by producers. The exportable quantity of barley is expected to be 400,000 tons, and that of rye, oats and vegetables 300,000 tons. The prospects of the maize harvest appear better than a month ago. The

probable yield per acre is given as 1,000 kgr., and the harvest is expected to reach 400,000 wagons, of which 100,000 wagons should be available for export. All figures given are estimates and are subject to revision. As regards maize, the result depends on the weather during the current month.

FOREIGN TRADE REGULATIONS

The new quota system for imports, fixed for the three months beginning July 1st, is based on imports during the year from July 1, 1933. This reduces the proportionate amounts allowed for the three months by 20 per cent., with the exception of equipment required by the petroleum industry. On account of the exceptional increase in the amount of goods imported from England during the year, imports from Britain are to be reduced by 40 per cent. At the same time, all permits given for exports in compensation for imports or in payment for old debts are cancelled as from August 1st. This unexpected decision will play havoc with a number of industries dependent on imports of raw material or semi-manufactured articles. It will also break the "compensation agreements" for the export of large quantities of cereals and timber; and in the absence of any plan to replace these, no new business can yet be concluded by exporters. The sudden decision, communicated to the firms concerned by the authorities only in the second half of July, caused great consternation. Exports and imports on the basis of "compensated trade" have developed to a very high pitch during the last twelve months; and the commission paid by the importer—varying between 12 and 25 per cent. according to the goods exported, the country of destination and the season—enabled the exporter to carry on his business with a fair amount of profit; although cereal prices in this country are considerably higher than those ruling in world markets. In this connection, information from reliable sources states that 80 per cent. of the exports of cereals during the last season was only possible under the compensation system. The authorities are credited with the intention of re-introducing an export premium. In view of the experience in 1931, when a large amount of export premiums granted by the Government remained unpaid, this plan is dubiously regarded by exporters. On the other hand, importers lose prompt and practical means of payment for their goods; and they will have to go to the National Bank for their foreign exchange, suffering all the delays and vexations caused by the notorious shortage of foreign currency.

BUCHAREST, August 3.

CHILE

GOVERNMENT POLICY

DURING the twenty months that the present Government has been in office, apart from small local disturbances, the country has been free from political turmoil. In April, however, there was a minor political crisis. Colonel Marmaduke Grove was elected Senator for Santiago on a Socialist ticket, with the support of a section of the Radical Party organisation—and this in spite of the fact that its own party was represented in the Cabinet. The four Radical ministers, finding their position untenable, had no alternative to resignation. This move to the Left on the part of the Radicals undoubtedly represented the feeling in the country and was inspired in part by fear of a small but growing Fascist movement. The President dealt adroitly with the situation by forming a new Cabinet including two Democrats (a party of the Left, between the Radicals and Socialists) where before there was one, while retaining the support of the Right and Centre parties. The new Government was thus of a slightly more Left-wing complexion than its predecessor.

Present indications suggest that political peace and economic recovery will continue, though a return to the conditions of pre-depression years is scarcely possible without a real revival in international trade. The Government programme of concluding reciprocal trade treaties with European countries as well as with other republics of the American Continent has already produced beneficial results and should in the future go far to restore the prosperity of export trade. The Chilean Government has made clear its

desire to honour its foreign obligations as soon and as far as conditions permit. In this connection the fact that the favourable visible trade balance rose to 94 million gold pesos (of 6d.) in the first quarter of the present year, compared with 42 millions in the same period of 1933, and only 27 millions in 1932, is of good augury. It must, however, be remembered that, as the Chilean exporting industries are mostly foreign-owned, in many cases only the costs of production and not the full invoice values are actually spent in Chile.

A GRADUAL RECOVERY

Although Chile is still a very long way from the prosperity of the pre-depression years, all the economic indices confirm that the worst of the depression has been passed. The activity of Chilean home industry has again increased after the short set-back which followed the cessation of uncontrolled inflation in the summer of 1933. At the end of March last sales were slightly higher and production only just below the figures of a year earlier. Gold production which, prior to the depression, was relatively insignificant, has now become a factor of first-class importance in Chilean economic life. There has been an enormous increase alike in the quantity of gold obtained from mines and alluvial washings as well as that found in other minerals. In the first quarter of 1934 Chilean gold production from all sources amounted to 1,771 kilograms against 820 kilograms in the same period of 1933 and only 645 kilograms in the whole twelve months of 1930. The improvement in export trade only became apparent in the second half of 1933. This is chiefly the result of the Compensation Treaties concluded between Chile and various European countries, by which the frozen assets of those countries in Chile are released in return for larger purchases of Chilean products, especially nitrate.

With the general increase of economic activity there has been, apart from seasonal fluctuations, a pronounced decline in unemployment. At the end of March last the workless numbered 38,953, of whom 27,588 were classified as labourers and the remainder employees and domestic servants, the corresponding figures a year earlier being 74,770 and 52,559. These statistics are especially significant in view of the fact that, more remunerative work being available, there are to-day some ten thousand men fewer engaged in gold washing than a year ago. The reduction of unemployment has been one of the main considerations which influenced the Government in the framing of its general policy, and even in dealing with the monetary question.

CREDIT AND THE EXCHANGES

From the middle of 1933, when uncontrolled inflation, after lasting for approximately two years, suddenly came to an end, until October, there was a short period of deflation, the volume of currency in circulation declining from 886.7 million pesos to 850.5 millions. Thereafter there was a slow but steady increase to 902.9 millions in March. This new inflation caused a moderate decline in the external value of the peso and a rise in wholesale prices. It has so far been scarcely sufficient, however, to affect materially the cost of living. But as a fresh departure from the principles of orthodox monetary policy it naturally met with strong disapproval from the authorities of the Central Bank. The explanation was supplied by President Alessandri in his message to the Congress on May 21st last. A slight rise of the Chilean peso above its existing level in terms of gold would, he said, be sufficient to render unremunerative the working of the lower grade gold mines and those of the washings which yielded but small returns. And this would result in increased unemployment. He added that with any appreciable rise in the external value of the peso the export of agricultural produce would cease to be a paying proposition. He definitely attributed the general resurrection of the country to the premium on gold and foreign currencies. It would thus appear that the Government has resolved upon a policy of a mildly inflationary tendency. Public opinion in Chile is predominantly influenced by the fact that the country began to emerge from its troubles at a time when inflation was still in progress and that the short deflation of July-October, 1933, led to a set-back in trade and even a slight renewed rise in unemployment.

SANTIAGO DE CHILE, July 10.

MONEY AND BANKING

THE GERMAN EXCHANGE AGREEMENT

THE publication of the terms of the Anglo-German Exchange Agreement has given rise to a certain amount of confusion, and also speculation how the agreement will work in practice. Admittedly the whole scheme is experimental, and it is difficult to tell at present how it will operate; but there are certain broad inferences which can already be safely drawn, and certain misconceptions which can be corrected.

To begin with, it is necessary clearly to distinguish an exchange agreement from exchange clearing. Clearing is compulsory in the sense that all traders of both countries are bound to settle their debts through the clearing. It also works in both directions, including in its scope the imports and exports of both countries. An exchange agreement is permissive. No trader is bound to make use of it if he thinks he can obtain or make payment more conveniently through whatever channels remain open. Again, it only works in one direction, for whereas the exports from the country in the stronger exchange position to the country in the weaker position may be paid for under the scheme, the converse does not apply.

The Anglo-German Agreement probably originates from the gradual shrinkage of the foreign exchange allocations to German importers to virtually zero. The idea is not new, and agreements between Germany and other European countries have been operating—in many cases quite successfully—for a considerable time. So long as even a small amount of foreign exchange was forthcoming for the financing of British exports to Germany, we were under no incentive to resort to artificial measures, which might or might not be successful. Latterly, however, it became apparent that unless some new machinery could be devised, British exports to Germany would not be paid for at all. This made the experiment of an exchange agreement justifiable, for at the worst we could lose nothing more, and at the best we might save something from the wreck. Moreover, we were able to draw upon the experience gained from other exchange agreements, while the discussions over the Dawes and Young Loan interest payments provided a convenient opportunity for initiating discussions on this question as well. It is a fair assumption that the Reichsbank is willing to collaborate with the Bank of England in the operation of the Agreement, for representatives of the Reichsbank must have taken part in the negotiations, and without some assurance of Reichsbank co-operation the Agreement could not have been signed.

The *modus operandi* of the Agreement seems to be much as follows: the German authorities have agreed that payments for imports from Great Britain may—except for the infinitesimal amounts of foreign exchange released to importers—be earmarked primarily to cover payments due from Great Britain. In return they have asked that this traffic shall be centralised under official British control—that is, under the Bank of England, acting as the British Government's agent. This has been agreed, and the Bank of England has opened a special account at the Reichsbank into which German importers may make reichsmark payments for their British goods. These marks are to be known as sondermarks. Here the first point of distinction emerges, for under the German exchange regulations a foreign exporter who accepts payment in reichsmarks finds that those marks are blocked inside Germany, and that they may not as a general rule be used as payment for German exports. In return for the surrender of this principle, the German authorities have obtained the canalisation of these payments under the ægis of the Bank of England. Incidentally, as the Bank of England acts as the British Government's agent, it may be inferred that the Bank is relieved of any risk of ultimate loss under the scheme.

The next step is for the Bank of England to sell its sondermarks, and to reimburse British exporters out of the sterling proceeds of its sales. Here it remains to be seen

how the scheme works out in practice, but Continental experience affords some guide. It may be assumed that the Bank of England will on the whole offer its sondermarks as it receives them, and notwithstanding recent suggestions to the contrary, will not try to adjust its sales from day to day so as to obtain the best possible rate. On the other hand, it must have assured the Reichsbank that it will not force sondermarks on to the market to a point at which the value of the reichsmark would be seriously affected. The sondermark is not a "free mark" in the strict sense of the term. The Agreement provides that sondermarks may only be used in payment for German exports to Great Britain, or for other purposes approved by the Reichsbank; and so the Bank of England will only sell to other banks domiciled in Great Britain, and will presumably require evidence that the reason for the purchase of the sondermarks conforms to the terms of the Agreement. The British banks, in fact, have agreed that where a customer applies for sondermarks which are not to be used in payment for German goods he shall give information as to the nature of the payment, and shall also quote the number and date of his Reichsbank permit. This throws the whole onus upon the general public, but it is conceivable that the Reichsbank will give a wide interpretation to the use which may be made of sondermarks.

The vital points are the discount at which sondermarks will be sold, and the extent of the demand for them. At first sight, it would appear that they would have to compete with the various kinds of blocked marks released to cover German "additional exports." On the other hand, there is also a natural desire on the part of both German exporters and the Reichsbank to receive payment in sterling. The Reichsbank, however, will have to countenance payments in sondermarks if the scheme is to work, and there are indications that it is ready to do so. Also, notwithstanding a recent German estimate that 40 per cent. of Germany's export trade consists of additional exports, there is reason to believe that applications for leave to use additional export facilities are rigorously scrutinised, and that a large part of the normal exports to Great Britain can be financed by sondermarks.

Foreign experience supports this view. In many cases similar Agreements have worked smoothly. There has been a regular demand for marks, and foreign central banks have been able to dispose of their marks at discounts of the order of 1 per cent., and with a delay of only five days after their receipt. When the Agreement has broken down, some special cause can usually be found. Thus the Dutch allowed their Agreement to embrace a new and abnormal transit trade, and foreign exporters to Germany naturally seized the opportunity to slip through Holland. Hence the Dutch authorities found themselves overwhelmed with marks which they could not possibly realise. A similar *contretemps* cannot occur under the British Agreement, for its terms provide that it only includes re-export trade within narrow limits, that payments of sondermarks into the Bank of England's account are automatically suspended whenever the size of the account exceeds Rm. 5 millions, and that the whole Agreement can be ended if it is found seriously to have affected the Anglo-German balance of trade. Here we have profited by past experience.

It therefore looks as if the Agreement may operate smoothly with a minimum of loss or delay to traders who make use of it; and the initial inquiry for sondermarks which has sprung up in London is a distinctly hopeful sign. There are, of course, one or two gaps. Outstanding debts due to British exporters have had to be excluded, or the scheme would have been over-weighted from the start and would never have had a chance. A more serious obstacle is the exclusion of controlled raw material imports into Germany. It was found impossible to include them without a fundamental recasting of the whole German exchange

control system. Still, the position of these two important groups of traders has been made no worse by the introduction of the scheme, and the exporter of goods outside the German control is now free to resume trading with a better hope of receiving payment for future shipments. The whole scheme, of course, is an experiment, and in one sense is to be regretted in that it involves a further constriction of international trade and the creation of a new species of blocked mark. On the other hand, we stand to lose nothing more by our signature of the Agreement, and we may gain a little.

FINANCIAL NOTES

The Money Market.—Monday and Tuesday of this week fell exactly three months after Whitsun, and so there were no Treasury bill maturities on those days. As a result there has been a fair demand for funds, which was accentuated by some fresh Stock Exchange borrowing, and the clearing banks had to lend a little new money at 1 per cent. The rate charged by other lenders was a firm $\frac{1}{4}$ per cent.

	Aug. 2, 1934	Aug. 9, 1934	Aug. 16, 1934	Aug. 23, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{7}{16}$	$\frac{7}{16}$	$\frac{7}{16}$	$\frac{7}{16}$
(b) Others.....	$\frac{11}{16}$	$\frac{11}{16}$	$\frac{11}{16}$	$\frac{11}{16}$
Three months' bank bills	$\frac{11}{16}$	$\frac{11}{16}$	$\frac{11}{16}$	$\frac{11}{16}$

The discount market has been very idle. Only £30 millions of Treasury bills were allotted last Saturday, which reduces the total tender issue from £450.3 to £445.3 millions, but even so, the average rate improved from 14s. 11.06d. to 15s. 5.6d. per cent. The clearing banks' buying rates are unchanged at $\frac{1}{2}$ per cent. for September Treasury bills and $\frac{3}{4}$ per cent. for later dates, but their purchases have been confined to a few late September bills. There is no demand for October bills, which are not a useful maturity. The outside rate for Treasury bills of all dates is now $\frac{3}{16}$ per cent.

The Bank Return.—More of the holiday notes have returned, and as a result the note circulation is now lower than it has been since June 20th. It may be assumed that the return of the holiday currency is complete.

BANK OF ENGLAND					
	Aug. 23, 1933	Dec. 27, 1933	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934
£ mill.	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.2	190.7	191.7	191.7	191.7
Note circulation.....	374.6	392.0	392.8	384.1	379.4
Banking Department:—					
Reserve.....	76.9	59.7	59.4	68.1	72.8
Public deposits.....	32.2	22.2	23.9	23.5	37.4
Bankers' deposits.....	90.5	101.2	82.0	89.5	82.1
Government securities ...	84.9	88.0	83.3	84.1	84.5
Discounts and advances	10.1	16.8	7.0	5.5	5.8
Proportion	46.5%	37.3%	41.9%	45.4%	46.9%

There has been a big increase in public deposits to an unusually high figure. To a large extent this is due to the absence of Treasury bill repayments on the first two days of the week, but the mid-month Excise payments provide a further explanation. In consequence, bankers' deposits are lower.

The Foreign Exchanges.—The London market has again been active. There has been a persistent demand for francs, and as the British control has been less active, the spot rate has fallen to Frs. 76 $\frac{3}{4}$. Three months' francs are also quoted at a slight premium. The dollar has also depreciated to the export gold point against the franc, and on Thursday afternoon it was stated in London that gold shipments from New York were being arranged. Seasonal commercial buying of dollars has now begun, however, and

this may help to steady the rate. Still there is a persistent opinion that further devaluation may take place once the September financing is complete. The strength of the franc against sterling is not easy to understand, as the repatriation of French balances from London must be practically complete. One theory is that the pressure on the pound comes not from London but from elsewhere in the sterling area. The official reichsmark rate has appreciated sharply to Rm. 12.85 $\frac{1}{2}$. No sondermarks are yet available, and many people who had been holding back for sondermarks have had to buy free marks instead. Registered marks remain weak at 40 per cent. discount. The London price of gold remains at an appreciable premium. The South African Reserve Bank has held back over £1,000,000 of gold in South Africa, and less gold has lately arrived from India. The result is that only small amounts of gold have been on offer in the London market.

New York Money and Banking.—Money remains very easy, and New York rates are unchanged. Brokers' loans for August 15th were returned at \$821 millions, against \$827 millions the week before. Notwithstanding last week's fall in the dollar to the export gold point, gold arrivals for the week ended August 15th were returned at \$22.2 millions, of which \$8.8 millions came from England and \$7.6 millions from India. This gold was, of course, already on its way when the weakness in the dollar developed. Exports were returned at \$1,279,000, while ear-markings on foreign account increased by \$2,147,000. This week's gold arrivals have, of course, been insignificant, but the rally in the dollar caused foreign ear-markings to be reduced at the week-end by \$525,000. During the last few days, however, the dollar has again depreciated against the French franc towards the export gold point, and there have been rumours of fresh impending gold shipments. The Budget outlook remains unsatisfactory. A Federal deficit of \$4,000 millions is envisaged for the current financial year, which will raise the accumulated deficit to \$10,000 millions. In view of the cost of the new relief expenditure, which will have to be covered by fresh borrowing, some increase in taxation is thought to be inevitable.

China and Silver.—The news that late last week the largest single silver shipment on record, amounting to \$6,350,000, reached New York from London shows that the United States Administration's decision to purchase American-owned silver at 50.01 cents an ounce is already exercising a powerful attraction on the world's silver supplies. Meanwhile, the Chinese authorities are already showing their perturbation at recent developments. Since the passage of the American Silver Purchase Act, about 60 million Chinese dollars of silver have been exported, and a further 30 millions is in Shanghai awaiting shipment. Regulations have now been issued forbidding the melting down of silver coins, and a conference took place this week between General Chiang Kai-Shek, the Finance Minister, the Governor of the Central Bank, and a foreign adviser. Shanghai bankers are urging the imposition of an embargo on the export of silver, but Government opinion is divided, and probably no decision will be taken before a further conference to be held at the end of this week. Since the end of May, the Chinese dollar has appreciated from 15 $\frac{1}{2}$ d. to 16 $\frac{3}{4}$ d., or by about 7 per cent., and this has intensified the over-valuation of the Chinese currency with serious results to internal and external trade. A year ago the dollar stood at only 15d., so that it has since appreciated by about 11 per cent. It is now entirely at the mercy of the price fixed by the United States Administration for the purchase of silver, but were a further rise in silver to occur, the Chinese authorities might be forced to consider either the devaluation of the Chinese dollar in terms of silver, or else the abandonment of the silver standard. In the latter event, silver would be free to appreciate in terms of Chinese currency, and the effect of silver shipments would become similar to that of the recent gold exports from India. Admittedly, it would be difficult, and in many ways undesirable, for China to sever the link with silver, but she cannot remain indefinitely at the mercy of American policy.

THE STOCK EXCHANGE

CHINA AND THE BRITISH INVESTOR

WHETHER or no interest rates have reached their lowest point, investors are evincing a disposition to explore the highways and byways of the security markets in search of increased yields, since the demand for liquidity during and after the crisis is no longer urgent. To many the average yield on representative industrial shares already appears to discount domestic recovery, and signs have lately been evident of a tentative reawakening of interest in foreign bonds. That China, harried by banditry in the South, subject to the conflicting terrors of flood and drought, and suffering from the loss of Manchuria, should earn even momentary consideration at this juncture testifies to her efforts, during the depression, to maintain her financial integrity so far as her limited powers have permitted. Sheltered by the fall in silver from 1929 to 1931, her internal price level gave her considerable advantage in world markets still determined by the gold currencies. But the subsequent devaluation of sterling and the rupee exchange, with the depreciation of the yen and the American dollar, have since involved her in the deflationary spiral of falling prices and trade, whose effect is well exemplified by the following table of foreign trade values (which exclude Manchurian trade throughout):

FOREIGN TRADE (AFTER ADJUSTMENT FOR MANCHURIAN TRADE):
1929-1932

(Millions of standard dollars)				
	Net Imports	Exports	Total Value	Import Surplus
1929	1,620	1,070	2,690	550
1930	1,723	944	2,667	779
1931	2,002	915	2,917	1,087
1932	1,524	569	2,093	955
1933	1,345	612	1,957	733
Five months, Jan.-May				
1933	661	246	907	415
1934	484	219	703	265

China's exports, by value, were 33 per cent. lower last year than in 1931, and the fall in net imports was of the same proportions. The Shanghai index of wholesale prices declined in that period from 126.7 to 103.8 (1926 = 100). There has clearly been a substantial fall in the volume of China's international trade. Nevertheless, the adverse "visible balance of trade" is tending to diminish, the figure for the first five months of this year being no more than \$265 millions, compared with \$415 millions for the corresponding period of 1933.

The elasticity of the Customs revenues appears surprising at first sight. The following figures include Manchurian receipts to June, 1932, and exclude them subsequently:—

	\$ millions
1929	338
1930	281
1931	383
1932	*312.5
1933	339.5

* Excluding \$19.5 millions of Manchurian Customs, this figure would be \$293 millions.

The maintenance of the revenue, however, despite the loss of the Manchurian Customs, has resulted from increased duties and surtaxes since 1931, while the calculation of duties on the basis of Customs gold units has protected the revenue from exchange losses. China has made use of her tariff autonomy to reform and simplify the taxation system under an established Civil Service, but the drive for increased revenue and an element of "infant industry" protectionism culminated in the new tariff introduced in May last year, which provided for increases of 50 to 100 per cent. on many classes of textiles. In some cases, such as sugar, this policy has been largely defeated by increased smuggling, and in others by reduced consumption. The duties on certain classes of imported foodstuffs and clothing have again

been increased in July this year. Moreover, the interior is occasionally called on to pay the impositions of independent war lords.

The appreciation in the external value of silver has been reflected in the internal currency situation. Coupled with military expenditure and general political insecurity, especially in the provinces of Szechwan, Kiangsi and Fukien, the rise in price has encouraged a large drain of silver from the provinces to Shanghai. The reformation of the silver currency by the creation, in March, 1933, of the standard dollar, both as the unit of account and the circulating medium, which should have promoted enterprise and confidence, has thus unfortunately coincided with a deflationary movement. That this has assumed serious dimensions is shown by the fact that the Hongkong "Treasure Tables" now reveal a net export of silver:—

(Thousands of standard dollars)

	Gold			Silver		
	Imports	Exports	Net Export	Imports	Exports	Net Import
1929	1,566	4,637	3,071	189,188	24,311	164,877
1930	4,012	29,773	25,761	159,788	55,393	104,395
1931	16	50,043	50,027	118,233	47,430	70,803
1932	251	109,582	109,331	96,539	106,934	10,395
1933	268	69,635	69,367	80,432	94,855	14,423

Exports of gold are still subject to embargo, and the table refers to officially sanctioned transactions from the free Hongkong market. Silver exports are subject to an export tax of 2 $\frac{1}{2}$ per cent. In fact, the smuggling of both metals has proceeded on a considerable scale, to the serious detriment of the monetary stocks. Those high quarters who have stated, in connection with the American silver policy, that "it is obvious . . . that a rise in silver increases the potential purchasing power of the Far East" have completely ignored the fact that this fresh accentuation of the internal and external drain is calculated still further to hamper all transactions in China, to drive down internal prices afresh, and to enhance the pressure for local issues of inconvertible notes. Chinese currency stability, in fact, depends on an adequate silver import, and not on the petty advantage of an exchange premium. It would, indeed, be difficult to devise any expedient more harmful to China's economic interests than the raising of the price of silver. Although her share of world trade in 1929 was only 2 per cent. and her exports and imports \$U.S.1.34 and \$U.S.1.67 per head respectively, her external trade is of greater proportionate significance in her economy than is America's. Unless, therefore, the international price level for China's exports rises proportionately to the rise in the price of silver, the vicarious altruism of the American silver interests may prove costly to China.

This factor may be of prime importance in the near future. As Sir Arthur Salter pointed out in his report to the Chinese Government last February (of which a full summary was published as a supplement to the *Economist* of May 19, 1934), China is one of the few major regions ripe for capital development. At present the country is suffering from the severe depletion of its capital resources. The position has not been improved by the declaration, in April, of Japan's "Monroe Doctrine," which warned foreign powers that concerted operations undertaken by foreign powers, even in the name of technical and financial assistance, were bound to acquire political significance, and that Japan must object to such undertakings, and others . . . "detrimental to the peace in East Asia," as a matter of principle. As China, in the past, has almost invariably raised her foreign loans by simultaneous issues in a number of centres, this declaration presents the British investor with the possibility that further investment, however urgently necessary it may appear for development

Loans	Amount outstanding at present	Interest in Default, Jan. 2, 1934	Sinking Fund in Default at present	Quotations, 1934			Flat Yield (%)
				High	Low	Aug. 21	
Secured on Customs.	£	£	£				£ s. d.
4½% Gold Bonds, 1898.....	3,035,550	Nil	Nil	103½	100	103	4 9 3
5% Reorganisation, 1913.....	6,379,940	Nil	Nil	97½	87½	95	5 6 0
5% Gold Bonds, 1925 (Boxer)...	334,786,900	Nil	Nil	91½	80	87	5 10 3
Secured on Salt Gabelle.							
4½% Gold Loan, 1908.....	625,000	Nil	125,000	96	88	92½	4 19 3
5% Gold Loan, 1912 (Crisp Loan)	3,802,140	Nil	782,020	75½	60½	73	7 1 0
5% Hukuang Rly. 1914.....	1,100,080	303,580	302,580	44	28	40	6 5 0d
Railway Loans.							
5% Imperial Rly. Gold Loan.....	575,000	Nil	Nil	100	94½	99½	5 0 9
5% do. (Shanghai-Nanking) St.Bds.	2,204,000	208,800	580,000	70½	55	69	Nil
5% do. (Canton-Kowloon) St.Bds.	342,000	472,387	769,500	24	14	19	Nil
5% Tientsin-Pukow Rly. Loan.....	370,000	463,652	786,250	41½	21½	31½	Nil
5% Tientsin-Pukow Supplementary Loan.....	333,000	377,400	555,000	31	19	22½	Nil
5% Shanghai-Hangchow → Ningpo Rly. Loan.....	300,000	Nil	Nil	99½	92½	100	5 1 3
5% Honan Rly. Gold Loan, 1905	61,100	185,887	434,600	33	21	28	Nil
5% Lung-Tsing-U-Hai Rly. Ln.1913	4,000,000	c	b	19½	12	18	Nil
Unspecified Security.							
8% 10-yr. Treasury Bills, 1924-8 (Marconi).....	600,000	...	600,000	9½	7	8	Nil
8% 10-yr. Sterling Treasury Notes, 1925-9 (Vickers)j	1,803,200	...	1,803,200	9½	7	8	Nil

a Partly secured on Salt Gabelle and likin. Terms of issue provide for security on Customs revenue on the abolition of likin, but provisions have not been implemented. b Redeemable by equal annual drawings from 1923 to 1952, but no drawings have been made. c Coupons in default from July, 1925. d Half interest being met. Latest payment June, 1934, in respect of June, 1929 coupon. e Particulars given are for English issue only. f Payable out of surplus salt revenues only. g Interest outstanding at present.

purposes, or for the restoration of assets such as railways and rolling stocks, may be obstructed by considerations of *haute politique*.

For the moment, therefore, the railway bondholder in particular can see little prospect either of opening up new avenues of Chinese investment or of obtaining an increased return for his present holdings, the large majority of which have been in complete default for several years. In 1932 the Ministry of Railways assessed the total liability of the Government lines at \$1,033 millions. It is evident that even the interest charge is not being earned to-day, though steps towards unification of control are being taken which may increase efficiency and restore some semblance of credit-worthiness. As the British investor, at the beginning of 1933, had £15½ millions at stake, of which £8½ millions of principal and interest were in default, obvious importance attaches to the question of liquidating outstanding debt, and securing adequate compensation to the Railways Department for military freights, damage, and diversion of funds for military expenditure. Between 1929 and 1932 construction was largely at a standstill, and only 346 kilometres of new lines were completed. The important Canton-Hankow line still has a gap of over 200 miles, which is to be completed out of the British share of the Boxer Indemnity at a cost of £4,700,000. The recent policy of the managements has aimed at the reduction of European and other engineers, and the working condition of tracks and rolling stock has deteriorated considerably. The recruitment of competent *personnel*, the compounding of past debts, and raising of fresh funds—not merely for extension, but also for restoring lines, which are adequately profitable in themselves, to a reasonable state of efficiency—are all urgently necessary.

The bearing of adequate communications upon administration and economic life in China cannot be overstressed. The efficiency of transport, for example, closely affects the authority of the Government, which at present tends to be apoplectic at the centre and anæmic in the interior provinces. An improvement in economic conditions, making possible the avoidance of unbalanced budgets and expensive temporary borrowing, is necessary to pave the

way towards the internal provision of new capital on a reasonable basis. Successful exploitation of China's natural resources, indeed, would show how small are her present heavy obligations in relation to her economic potentialities. It is unlikely, however, that China, unassisted by the technique and capital of other countries, can herself secure adequate development of her resources, or that her future industrialisation will follow the ambitious lines of the 1931 ten-year plan of the Ministry of Industries. But the establishment of small industries, serving the agricultural population with simple equipment for intensive cultivation, mainly rural in scope, together with an expansion of coal mining and an increase in power supplies for pumping and irrigation, may be calculated to increase China's exports, to restrict her dependence upon imported foodstuffs, and to furnish a margin of agrarian purchasing power to provide for further gradual industrialisation.

Within the limits imposed by internal and external conditions, China appears to have endeavoured to maintain at least the nucleus of her credit in being against the advent of better times. As the annexed table shows, the loans secured on the Customs have been faithfully served, while the Salt Gabelle loans are in partial default only in respect of repayment. Most of the railway bonds, however, continue to be drawn, but not repaid, and the fact that London dealings in undrawn bonds are at the same quotations as for drawn bonds augurs complete uncertainty as to prospects of repayment.

For the moment the outlook for Chinese economic recovery is not auspicious. The export of silver continues, and a record shipment from Shanghai this week brings the total export to \$90 millions for this year. The Government has declared against an embargo on silver, presumably for the reason that clandestine trade would outstrip even the present heavy drain. There have been alternative rumours that a devaluation of the new silver currency is in prospect. These, if widely spread, would add to the difficulties of maintaining the integrity of the currency. China has a larger proportionate stake in a rising international price level than any other country, and, in the absence of contrary factors, the present upward trend of primary commodities would be calculated sensibly to assist her position. On a longer view, however, a country which is painfully learning the arts of decentralised government, is attempting to mitigate its exposed position on international account, and recognises the dangers of an over-rapid industrial development, may eventually—high politics permitting—be expected to provide a not unprofitable field for investors who are prepared to accept a fair degree of risk for a proportionately high return.

INVESTMENT NOTES

Industrial Share Outlook.—The latest figures of our Index of Business Activity, published in this week's *Economist* Trade Supplement, are of special significance to holders of British industrial equities, on the threshold of another autumn and winter. They suggest that the trend of the "recovery" curve has shown indubitable signs of flattening out in the last month or two, and that the summer seasonal recession is at least "normal" this year, whereas twelve months ago it was much less than normal. Not all investors, however, may have realised that British industrial share values have been discounting precisely this factor for the last eight months. Throughout the "recovery" period, indeed, changes in average market values have ante-dated changes in business activity by an appreciable interval. The *Financial News* daily index for 30 ordinary shares (1928=100) touched its lowest point of 51.3 on May 31, 1932. By the end of last year, it stood at 84.0. Its present level is 88.0. In other words, the index, which rose by nearly 33 points between the middle of 1932 and the end of 1933, has risen only a further four points in the last eight months. The "three months' moving average" curve, on the Business Activity Chart given on the first page of our Monthly Supplement, definitely began its upward movement in the second quarter of 1933, and its

ascent was interrupted only a month or two ago. Though it may be premature, as yet, to postulate a purely stationary trend for the Activity Index in coming months, industrial shareholders may certainly be well advised to make provision for the possibility that the market will obtain much less assistance from industrial events this autumn than last. There are, however, other important factors which may tend to support market values. The first is the absence, as yet, of any sign of a break in the cheap money regime. So long as the return on gilt-edged stocks and sound industrial prior charges is low, no ordinary share offering a reasonable security will be allowed to fall to a level at which it offers a return out of line with the rest of the market. The shares of companies in industries whose "recovery" prospects are still regarded as being above the average, such as the steel and building trades, will be specially sought after. The "yield factor" is of particular importance in view of the fact that an upward movement in profits and dividends may be looked for in coming months, even if the activity curve shows no marked rise, since the *current* level of industrial operations is higher than the *average* for the last twelve months. Investment demand, however, under these conditions, may well be selective rather than general, and market attention may veer from one group of shares to another, on short-term and "specialised" grounds. Recent examples of this tendency have been the activity of motor shares, on the advertising of new models by leading manufacturers, this month, and the buying of certain tobacco shares on the resuscitation of nebulous rumours regarding amalgamations. Similarly, the market may show increased sensitivity to unfavourable news. America's influence, at the moment, is not healthy. The danger of at least a temporary increase of competition for British industry, if one or more of the remaining Continental outposts of the gold standard is compelled to surrender during the coming winter, is also occupying the minds of some investors. In general, industrial shareholders would welcome more tangible prospects of a revival in international trade.

Wall Street and "Control."—Since Mr Kennedy, chairman of the Securities Exchange Commission in America, broadcast his mollifying speech (during the President's absence abroad) the Control has pursued a cautious path which, on account of its very tentativeness, has done little to reassure Wall Street that its intentions are to interfere only in cases of definitely undesirable practice. The rules for registration of securities, concerning which the market had indulged its most morbid fears, turned out, on their publication last week, to be disciplinary, although they avoided any appearance of harshness. The principal feature requires the filing of individual holdings amounting to over 10 per cent. of any class of registered security, which is to commence from November. It is not clear how nominee holdings are to be affected under this rule, which seems likely to encourage some division of existing holdings to avoid the necessity for registration of changes in interests. So far, no requirements for the conduct of business have been published, but Mr Kennedy's statement that safeguards for investors will come later, when the Commission has examined the data received, may be read in the light of the Commission's demand for statistics of trading. Reform without disturbance would appear to be the main objective, but the ability of the Commission to prevent manipulation seems likely to be seriously limited by its powerlessness to interfere with foreign orders. It is reported that steps are being taken to avoid the diversion of business from American markets to foreign centres, but in the meantime Wall Street itself is languishing in anticipation of new margin regulations, the announcement of which is declared to be imminent. Meanwhile, the President has this week studied the plans for the reform and co-ordination of all sections of the recovery programme. In some quarters it is thought that some relaxation of Administrative control over business will be effected, but in view of the President's statements on his return from holiday, it would be unwise to anticipate the announcement which is expected this week-end. Such a

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development, however, would not be surprising in view of the President's readiness to change his tactics in emergency, for the present recession in economic activity is causing serious concern, and might well be countered by some extension of *entrepreneurs'* freedom, especially in the financial sphere.

* * *

B.I.D. Policy.—It has been disclosed this week that the British (Guest Keen Baldwins) Iron and Steel Company has placed £2,032,000 of 4 per cent. debenture stock with the Bankers' Industrial Development Company. The latter will provide financial facilities, as and when required, for the construction of the British (G.K.B.) new steel works at Cardiff. The debenture is charged on various South Wales properties and other assets of the company, present and future, and takes precedence of all other charges which may be created. The announcement suggests that the Bankers' Industrial Development Company is in process of solving, by trial and error, the problem of its proper function in the London capital market. The B.I.D. was formed four years ago, under the ægis of the Bank of England, the banks and important issuing houses, to provide finance for developments in "key" industries, for which existing capital market facilities were inappropriate. At the outset it was confronted with the difficulty that whereas "rationalisation" loans could normally be "placed" through the ordinary machinery of the market when the borrowers' position was satisfactory, they threatened to be largely "unplaceable," however august the issuing authorities, when the borrowers' credit was uncertain. In the first offer made under its ægis (that of the National Shipbuilders' Security) the B.I.D. overcame this difficulty by securing the loan, in effect, on the gross turnover of the industry. The problem of transforming "doubtful" into "good" risks became more apparent, however, with the B.I.D.'s next issue. Its offer of Lancashire Cotton Corporation debenture stock was made on a prospectus showing net losses. Neither a redemption yield of 7 per cent. nor a five-year guarantee of interest by an insurance company sufficed to secure a favourable reception for the stock, which fell to a heavy discount. More recent operations, however, have suggested that the B.I.D. has studiously avoided "unacceptable" risks, and is tending increasingly to concentrate on the "carrying" of large capital projects, involving a lengthy constructional period, pending their eventual placing on their own investment merits. Thus the Corby extension of Stewarts and Lloyds, for the manufacture of basic Bessemer steel, was based on an arrangement with the B.I.D., under which £2,550,000 of 4 per cent. debenture stock has been successfully placed this year, out of a total authorised issue of £3,300,000. The British (G.K.B.) scheme appears to have been conceived on similar lines. The full amount will not be advanced immediately, but will be paid as the work at Cardiff progresses. Presumably, the permanent "placing" of the stock, given a continuance of favourable market conditions, will not be

undertaken until the work is sufficiently far advanced to permit of the debentures "paying their way" out of earnings. Incidentally, a testimony to the improving position of the Guest, Keen group is afforded by the report of another important subsidiary, John Lysaght, which shows a net profit for 1933 of £199,892, against £76,878, covering a total dividend of 8 per cent., tax free (against nil) on the £2,000,000 of ordinary capital, which is held as to more than 99 per cent. by Guest, Keen and Nettlefolds.

South American Railways.—The recent upward trend in the prices of primary commodities, especially grains, has stimulated interest in the stocks of railways operating in South American countries which, having no deficiency in their own crops, are thought likely to secure a clear gain. The "currency" receipts of practically every South American railway, indeed, are at present running ahead of last year. In some cases, however, the market does not appear clearly to have grasped the significance of exchange movements in the meantime. The Brazilian and Chilean railways are not greatly troubled by this factor, for their exchange (once they have obtained it) shows only moderate variation as compared with last year. The Argentine railways, however, are in a very different position, for the Argentine Government has, in the last few months, adopted various measures to stimulate the national export trade, which have involved a significant depreciation in the rate at which the railways can obtain sterling for homeward remittances. The effect on their sterling receipts for the twelve months to June last has yet to be disclosed. Since the beginning of July, however, the railways have adopted the policy of giving, in their weekly traffic returns, both peso receipts and their sterling equivalents, at "official" rates. Although this method gives a misleading impression of shareholders' ultimate exchange losses, it forcibly reveals the seriousness of the exchange problem from the investor's viewpoint. The peso figures for the first seven weeks of this year are eloquent of improving traffic conditions. The gross "currency" receipts of the four chief Argentine railways, in fact, already show an increase of 3,606,000 pesos, or 8.9 per cent., over last year. The sterling equivalents, however, are down by £536,000, or 17.2 per cent. The following table summarises the latest information regarding the position of seven important South American railways:—

Railway	Financial Year ends	Gross Receipts—Last complete Year compared previous Year	No. of Weeks so far	Current Year			
				Gross Receipts compared same Weeks previous Year		Change compared previous Year	
				Currency	Sterling equivalent	Currency	Sterling
B.A. Gr. Southern ...	June 30	£'000 - 42*	7	+ 391	- 263	+ 2.7	- 23.2
B.A. Western ...	June 30	+ 9*	7	+ 444	- 72	+ 8.9	- 18.4
Central Arg. ...	June 30	- 376*	7	+ 2,691	- 102	+ 20.1	- 10.0
B.A. Pacific ...	June 30	+ 109*	7	+ 862	- 100	+ 11.2	- 16.7
Leopoldina ...	Dec. 31	- 301	33	+ 8,055	+ 17	+ 20.5	+ 2.2
San Paulo ...	Dec. 31	+ 70	33	+ 1,902	+ 17	+ 3.3	+ 1.8
Antofagasta ...	Dec. 31	+ 71†	33	+ 113	...	...	+ 33.4

* At par of exchange. † Railway receipts only.

Whether or not Argentine railway labour is successful in its pressure for increased wages, it is doubtful how far the fruits of an admittedly improving economic situation will reach stockholders on this side. Meanwhile, the 1933-34 reports, due at the end of September, may exert a chastening influence on the market. The two Brazilian railways, Leopoldina and San Paulo, are facing improved conditions, particularly as regards coffee, but have little ground for satisfaction with the policy of the Brazilian authorities, evidenced by the abolition of the system of sliding scale tariffs (varying with the rate of exchange), by the law enacting compulsory holidays at full pay for workers, and by the levying of a heavy tax on coal imported by the railways, coupled with a 10 per cent. "quota" for native coal,

which is quite unfit for locomotive purposes. The outlook for the Antofagasta (Chile) and Bolivia railway is, possibly, more encouraging. Part of last year's increased passenger receipts reflected the transportation of troops in Bolivia, but this year's further rise is, in the main, an economic movement. The greatest contemporary problem is the inadequacy of exchange facilities.

The "Kruschen" Placing.—In the *Economist* of July 28th last (page 173), we discussed certain questions in connection with the "placing" of 500,000 £1 ordinary shares of Griffiths Hughes Proprietaries, Limited. The latter acquired the issued capital of a business whose proprietary products included, *inter alia*, the famous "Kruschen Salts." A firm of London stockbrokers, Messrs Cazenove, Ackroyds and Greenwood, exercised an option to take up these shares at par, in return for underwriting an issue of preference shares. The eventual market price established itself around 39s. (the present quotation being 40s.), and the London Stock Exchange Committee ordered the expunging from the "Supplementary List" of all dealings below 37s. 6d., on the ground that these were in respect of placings effected before the granting of facilities. A Parliamentary sequel was a question, put down in the House of Commons, by Captain A. H. M. Ramsay, Member for the Peebles and Southern Division of Midlothian, asking for a report of the details of the issue, to permit the preparation of "a clause for inclusion in any amendment of the Companies' Act, 1929, designed to prevent issuing houses and others from exploiting the public by the use of introduction methods in lieu of a prospectus." The question was withdrawn in order to give time to the Board of Trade to consider the facts. The *Financial News* has now published a letter, dated August 9th, from Dr. Leslie Burgin, Parliamentary Secretary to the Board of Trade, to Captain Ramsay, declaring that there was nothing unusual in the method of introduction of the ordinary shares, and that the Committee of the Stock Exchange were satisfied that neither the vendors nor the brokers to the issue were in any way concerned or connected with the rapid rise in price. The latter "was due solely to the supply of shares being insufficient to meet the demand of the public." The Board of Trade, very properly, disclaims any official concern with the procedure of the Stock Exchange, but makes it clear that the Stock Exchange Committee are fully alive to their responsibilities. It would appear, therefore, that certain parties may have been guilty of an error of judgment—for it is one of the functions of a broker to estimate the probable "state of the market"—but that the incident admits of no other construction.

Actuaries' Investment Index.—Although the volume of business has shown a further tendency to fall off this week, industrial share values remain firm. The 144 ordinary shares comprised in the Actuaries' Investment Index (December 31, 1928 = 100) stood at 71.0 on August 21st, against 70.5 a week earlier and 70.1 a month earlier. On July 31st, the index was as low as 69.3. The corresponding yield figures are 3.69, 3.72 and 3.73 per cent., with a "high" of 3.76 per cent. on July 31st. The increase in the latest week's figures, though unspectacular, is well distributed, as the following table suggests:—

Group, and No. of Securities	Prices (Dec. 31, 1928=100)			Yields (%)		
	July 24, 1934	Aug. 14, 1934	Aug. 21, 1934	July 24, 1934	Aug. 14, 1934	Aug. 21, 1934
	1934	1934	1934	1934	1934	1934
Higher this week:						
Building materials (4).....	82.7	81.9	82.7	4.08	4.25	4.21
Cotton (6).....	45.0	45.6	46.8	2.26	2.27	2.27
Electric supplies (8).....	94.1	93.7	94.4	4.50	4.52	4.49
Stores and catering (15) ...	79.6	79.8	80.4	4.15	4.15	4.11
Breweries & distilleries (16)	110.3	111.4	112.8	3.91	3.95	3.90
Lower this week:						
Coal (6).....	90.1	89.1	88.4	3.92	3.99	4.03
Home rails (4).....	78.7	80.5	77.0	1.49	1.46	1.52

The largest gain over the past month has been secured by the brewing and tobacco groups, the latter of which is not separately shown in the Index. Home rails, despite considerable weekly vicissitudes, are now a little lower than they were a month ago.

COMPANY NOTES

Furniture Companies.—Though there are a few public companies which manufacture furniture, the investor's main interest in the furniture trade is through the distributive side of the business. Actual manufacture is carried on, in the main, by small private concerns working independently. This, in the past, has tended to introduce an element of instability into the industry. In periods of difficulty some manufacturers have been accused of serious price-cutting to obtain distributors' orders, of lowering labour conditions to reduce costs, and of resorting to unseasoned and inferior materials and workmanship, with skilful varnishing to conceal defects. However this may be, as furniture is a form of "capital goods" for which demand may contract sharply in times of depression, ability to cut prices, with a corresponding variation in quality, is capable of producing particularly difficult trading conditions, the more so since purchases of furniture are not made by habit at a given shop but, usually, after comparison of prices at several shops. A concern holding large stocks of the higher quality products at the beginning of a depression may be faced with a considerable falling-off in custom. To intensify these elements of instability there is the now highly important factor of hire-purchase trading. Inevitably, this increases the temptation to purchase when the public is in a buying mood. In this country,

(Profits in £'000)						
Company	1929	1930	1931	1932	1933	1934
British and Colonial Furniture (June 30):						
Earned for ord.	36.1	60.7	80.1	45.2	57.6	...
Earned %	*	65.4	93.8	48.1	66.5	...
Div. %	*	20	10	20	10	...
Drages (Dec. 31):						
Earned for ord.	72.0	55.9	0.4	Dr. 79.4	Nil	...
Earned %	90.0	55.9 f.t.	0.5	Nil	Nil	...
Div. %	62½	25 f.t.	Nil	Nil	Nil	...
F. Lawrence (Jan. 31):						
Earned for ord.	8.7†	8.8	3.5	4.8	3.1†	18.3
Earned %	37.5†	26.1	16.2	19.5	15.5†	52.1
Div. %	20	15	8	8	8	8
Maple (Jan. 31):						
Surplus 	299.6	215.4	109.6	97.6†	†	111.9
Ord. earned %	11.6	8.6	4.4	3.9	†	4.2
Div. %	12½	9	5	5	†	5
Smart Bros. (Dec. 31):						
Surplus 	132.9	85.2	32.3	Dr. 6.6	71.4	...
Ord. earned %	33.2	20.0	8.2	Nil	18.1	...
Div. %	15	12½	5	Nil	10	...

* Capital bonus only distributed on old capital. † Broken period equated to 12 months.
† Accounts date changed from Dec. 31st to Jan. 31st. 13-month accounts are 1932-33 equated to 12 months.
|| Surplus available for ordinary shares and management or other participation rights.

however, it has not so far produced the volume of bad debts during depression which many of its critics professed to fear. During the last four years, however, almost every one of the large public furniture retailing companies has been compelled to write off sufficiently large sums to have a "serious effect on profits. In most balance sheets "hire-purchase debtors" is much the largest asset, and is equivalent to, perhaps, twenty times (or over) the net profits. A relatively small default can therefore be a serious burden on earnings. Instability, however, is accompanied by the possibility of very substantial profits in favourable conditions. In the first place, the special accounting necessary to hire-purchase trading gives a cumulative effect to profits in a series of good years. In the second place, the new uses of plywoods and veneers have permitted a substantial reduction of costs in a business where demand is decidedly elastic, with a consequent increase in the trade's turnover. Thirdly, new furnishing must accompany the present wave of new building. As volatile "recovery" securities the

PATENT PAPER PACKING (Foreign) LIMITED

Share Capital £150,000 Divided into 600,000 Shares of 5/- each

The Subscription List for an Issue of 360,000 Ordinary Shares of 5/- each at par will open on Tuesday next, the 28th day of August, 1934.

DIRECTORS

ERNEST EDWARDS (Chairman, J. Lemoine Ltd., Champagne, Rheims France), Chairman.
The VISCOUNT MASSERENE and FERRARD, D.S.O. (Director, Northern Counties Committee, London, Midland & Scottish Railway).
ANDRE LOUIS SIMON (President of the Wine and Food Society).
CAPT. REGINALD CORFIELD (Director, Corfields Ltd.).

BROKERS

HENRY J. GARRATT & CO., 5 Great Winchester Street, London, E.C.2, and Stock Exchange.

The Prospectus will show (inter alia) that:—

- (1) The Company acquires and exploits under licence in thirty-one Foreign Countries the Rights of the invention known as Patent Paper Packing for protecting bottles, eggs, electric bulbs and other fragile articles.
- (2) The Packing has already been successfully utilised in France and Germany, and its manufacture has recently been started in England at an up-to-date factory.
- (3) Firm offers for the purchase of the Rights for four countries alone amount to £52,000, and the Directors have no doubt that the remaining Rights can be disposed of for a sum considerably exceeding the Company's capital.
- (4) In addition, a large and increasing revenue should accrue from Royalties on the output of the Companies operating abroad under licence, and it is anticipated that the income from American Royalties alone will be sufficient to pay dividends ranging from 25 to 40 per cent. on the issued capital, apart from those received from other countries.
- (5) The surplus cash working capital of £19,000 provided by this issue is considered ample, as the Company will be primarily concerned with the disposal of Patent Rights under licence and will not be engaged in manufacture.
- (6) The Directors are men of proved business capacity and international experience.

APPLICATION FOR PROSPECTUS

Telegrams: Dustris, Piccy, London. Telephone: Regent 1557-1558

To The Shirland Investment Trust Ltd., 157-161, Regent Street, LONDON, W.1.

Please send copy of the full Prospectus (with Application Form) of the above-mentioned issue to

33 Name
Address

shares of furniture distributors may be of interest to the skilled investor. They are, however, less suitable for the more conservative, long-period investor, to whom stability of earning power is a prime consideration. This view is borne out by a study of the figures of the five important companies whose recent results appear in the annexed table.

Calico Printers' Profits.—Investors have become accustomed to the expectation that little good can come out of Lancashire, in view of the cotton textile industry's difficulties. The preliminary figures of the Calico Printers' Association show that this view may be both short-sighted and unjust, for the Association reports an increase in working profits, in the year to June 30th last, of 7.2 per cent., which has restored earnings to their highest level since 1929-30. Though the net profit is insufficient to permit a payment on the Association's £2,010,736 of ordinary capital, the preference dividend is fully covered, whereas a year ago it was short-earned by £26,879:—

Years to June 30		1932	1933	1934
Working profit		£656,228	£629,516	£674,935
Depreciation, renewals, etc.		359,970	366,790	371,263
Directors' fees		10,800	10,800	10,800
Debt interest		128,000	128,000	128,000
Preference dividend		150,805	150,805	150,805
Ordinary {				
Earned		6,653	Dr. 26,879	14,067
Paid		Nil	Nil	Nil
Earned (%)		0.4	Nil	0.9
Paid (%)		Nil	Nil	Nil
Reserve		...	Dr. 50,000	...
Total carried forward		10,476	33,596	47,663

The allowance for depreciation, renewals, etc., is higher than in either of the preceding years, though still well short of the £501,607 allowed in 1929-30. Comment on the

balance sheet position must await the full report. The Association has made every effort to secure maximum efficiency without sacrificing the quality of its fabrics. The chairman at the meeting may have something to say regarding the results of the company's dyed silk and rayon department, which was established two years ago, and also on the all-important topic of Japanese competition. The 5 per cent. cumulative preference stock is quoted at 15s. 7½d., to yield 6½ per cent. The ordinary stock is dealt in at 10s. 7½d.

* * *

Midland Counties Electric.—The Midland Counties Electric Supply Company deserves congratulation on its enterprise in publishing an attractive and informative brochure on its history and activities. The company is a "Balfour-Beatty" concern, incorporated in December, 1912, whose share and loan capital has subsequently grown from £572,659 to £6,000,000. Post-war development has been particularly rapid, as the following table shows:—

Year	Consumers	Units Sold	Connected Load K.W.
1919	2,567	9,783,000	12,490
1922	4,172	23,806,863	30,984
1925	8,657	60,409,436	54,239
1928	20,577	133,596,226	105,303
1931	41,860	175,432,547	163,840
1933	62,885	236,531,870	202,121

The progress revealed by this table is the more encouraging since the company's area (excluding three boroughs in which supply is given), has the relatively low density of population of approximately 440 per square mile, while the large cities which are within its area, but are excluded from supply, have a density varying between 10,000 and 17,000 per square mile. Broadly, its area covers the four counties of Warwick, Leicester, Derby and Nottingham, but excludes such important places as Birmingham, Coventry, Leicester, Derby, Nottingham, Newark and Chesterfield. In the last ten years the earnings for the ordinary shares have increased from £45,862 to £157,500, but in the meantime the issued ordinary capital has been trebled, so that the rate of earnings has risen only from 7.9 to 8.5 per cent. The dividend has been stabilised for the last five years at 7 per cent. At the present price of 37s. 6d. the shares yield 13½ per cent.

* * *

Vickers' Grouping.—In connection with the tables and diagram published in the *Economist* of August 4th last, page 228, showing the organisation of British iron and steel groups, it may be helpful, for those studying the organisation of the industry, to point out that the grouping employed in our chart includes the connections of the main companies in each "constellation," even where this amounts to an investment interest only. It follows that the use of a dotted link between any two companies, in the chart, does not imply any interest of either with the subsidiaries and sub-subsidiaries of the other. Thus, the relationship between Vickers and Associated Electrical Industries, as indicated in our diagram, is limited to an investment interest. The subsidiary companies of the latter concern are shown for the sake of logical completeness, without any implication that they are minor satellites in a planetary system of which Vickers, Ltd., is the sun. Where "interest" shades into "control" is a matter for judgment in individual cases, for a large shareholding, assisted by representation on the board, may in certain conditions constitute effective economic control, even if legal sanctions are lacking. We are assured, however, that Vickers, Ltd., exercises no control over the policy of Associated Electrical Industries. Similarly, although Armstrong Whitworth Securities holds one-third of the ordinary shares in Vickers-Armstrongs, the latter company has no interest in the Lancashire Steel Corporation or in other companies controlled by Armstrong Whitworth Securities. We take this opportunity of adjusting and amplifying our analysis as regards Group A in the light of the latest available information. Vickers (Crayford) (No. 3) has been taken over by Vickers-Armstrongs, and wound up. Supermarine Aviation (No. 12) is a subsidiary of Vickers (Aviation) (No. 2). British Separators (No. 11) is a subsidiary of Cooke, Troughton and Simms (No. 7). We also understand that no company now exists named Vickers Commer-

cial Steel (No. 15). Electric Holdings (No. 5) controls Manufacturers' Estates and Assets (No. 8), the latter, in turn, controlling Isle of Walney Estates (No. 13). Airship Guarantee (No. 6) is now moribund, and Walney Housing (No. 14) has been liquidated. A further subsidiary of Electric Holdings, viz. Steel Investments, may be added to complete the record, but it is small and inoperative. Vickers and Cammell Laird have a joint controlling interest in Metropolitan Cammell Carriage and Wagon, and of the subsidiaries, Blake Boiler and Leeds Forge (Nos. 36 and 38) are no longer active, while Newlay Wheel (No. 41) has been wound up, leaving Patent Shaft and Midland Railway Carriage (Nos. 39 and 40) as the principal operating subsidiaries. In the Vickers-Armstrongs group, Internal Combustion Locomotives (No. 55) is in course of being wound up. Finally, Darlington Forge (No. 58) is entirely controlled by English Steel and, according to our latest information, is not associated with John Brown in Carnforth Hematite (No. 59). These small amendments may throw additional light on the present economic (as opposed to the "legal") organisation of the Vickers' interests. These are set out in an informative booklet issued by the company, which also describes the principal products of the active units in the group.

* * *

Oil Companies' Liquidity.—A slip circulated by a leading firm of jobbers in the oil share market sets out, in striking fashion, the extraordinarily liquid position of 15 large oil companies. The total liquid assets of the group are shown at £68,794,798, which, after deduction of current liabilities amounting to £21,738,024, gives a surplus of liquid assets of as much as £47,056,774. Among the leading companies Anglo-Persian shows a surplus of £5,459,061, Burmah Oil £9,266,236, Royal Dutch £10,690,605 and Shell £10,701,285. These large figures are a striking testimony to the industry's resources, and in view of the international ramifications of the leading companies, they will clearly afford ample protection from the worst effects of impediments to international commerce and exchange difficulties. This insurance, naturally, involves the payment of a premium. The majority of oil directors and shareholders would obviously welcome an improvement in conditions which would employ the large surplus funds at present invested outside the business. The "Shell" Transport investment holding of £10,198,966, for instance, which is mainly in gilt-edged stocks, may be regarded as a capital reserve against the far-distant day when the wells dry up, but in the meantime it must inevitably reduce the average return on the capital considerably. In matters of internal finance, however, oil company directors wield a benevolent despotism behind whose authoritarian barriers the inquisitive are rarely allowed to penetrate. To judge from these figures, the powers-that-be have adequately achieved their *fiat* for liquidity.

* * *

Other Company Results.—Our weekly summary of profit and loss accounts, which will be found on page 381, contains results of seven other companies which have been published during the week. The Tyne-Tees Steam Shipping results show a slight improvement at £20,394, compared with £19,841 for the year to June, 1933, and the dividend of 5 per cent. has been earned except for a slight short-fall. Compass Investment Trust net revenue is lower (£20,136, against £25,233), but the dividend of 2 per cent. is maintained, although it requires a draft of £3,320 upon carry-forward. In the miscellaneous group, Carter and Company, the tile and pottery manufacturers, report a satisfactory improvement in profits, from £16,793 to £22,809 for the year to May 31st last. Meccano net earnings for the year to February 28th are £17,817, comparing with £16,258 for the previous year. Toogood and Sons' net profits have improved from £5,670 to £9,821, and the dividend of 4 per cent. is at twice the previous year's rate. The Empress Brewery shows a considerable increase in profits (£34,258, against £20,610 for the year to June 30, 1933), and the surplus after preference dividend (£28,258) is distributed to ordinary shareholders, following the practice of the previous year.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET	ACCOUNT
August 28	August 30

So far as actual business was concerned the week honoured the August tradition more than either of its predecessors. There were, however, even fewer sellers than buyers, and prices consequently had a firm tone everywhere. Speculation, possibly, concerned itself with foreign bonds rather than gilt-edged securities, and with industrials rather than gold-mining shares. So far, the holiday month's business has suggested that there is rather more optimism than opportunity for its exercise. There would be more buying if there were more bargains in the basement.

Gilt-edged stocks opened quiet and a little dull, but showed firm symptoms in the middle of the week, when Victory Bonds were in demand after going ex dividend. The prowess of the Commonwealth's representatives in another place did not prevent a slight weakness in Australian issues on Wednesday, on election rumours and the prospect of official disagreement over the textile duties. In the foreign bond market, Japanese stocks were harder, the market refusing to take an alarmist view of the political implications of the Chinese Eastern railway dispute. A slightly harder tendency occurred in Chinese bonds, whose prospects are discussed in a leading article on page 363. South American bonds continued in demand on the improving exchange situation, but Brazilians were subject to sporadic profit-taking as the week progressed. The market for German bonds continued in a state of complete stagnation.

Home rails opened dull, but became demonstrably active with the mid-week publication of traffic figures well above market anticipation, despite the fact that the figures afforded comparison with a relatively good week's takings in 1933. London Transport "C" stock remained steady, despite the decreasing tendency of current receipts. South American rails were supported on the improvement in the peso and milreis exchanges. The importance of the "exchange" factor is stressed in a Note on page 366.

Trading was of comparatively small dimensions in the industrial share markets, but cheerful conditions were maintained. Buyers moved by faith rather than sight, and the explanations furnished for some of the week's prominent rises were frequently nebulous and unconvincing. Further buying of tobacco shares in the "Imperial" group, for example, was put down to vague rumours regarding the continued benefits of the abolition of coupon trading. When Woolworth encountered profit-taking, after a rise which appeared to discount much more than a prospective increase of dividend, attention was turned to Great Universal Stores, on the company's decision to open a chain of stores, which, inevitably, must involve competition at some points with Woolworth. Motor shares were firm, but interest was transferred from the private car companies to the heavy commercial vehicle manufacturers. Business in coal and steel shares remained on a small scale, and prices showed a tendency to decline, to which Guest Keen were an exception, on the improved results of the John Lysaght subsidiary. A little profit-taking in breweries was quickly absorbed. Textile shares were steady under the lead of Calico Printers, whose increased earnings are set out on page 367. Rayon shares, however, were neglected. Shipping shares remained dull. Bank shares were irregular and, on the whole, easier. Only a small business was done in insurance shares, mainly at unchanged prices.

The oil share market failed to maintain its initial firmness. Although selling from the Continent had spent itself by the middle of the week, operators showed marked reluctance to open new commitments, in view of the uncertain American position. The rise in the price of rubber to 7½d. was associated with a semi-revival of interest in the shares, accompanied by prognostications of a possible rise to 9d. in the autumn. The tea share market, however, remained depressed, the course of

prices for the new season's Indian teas being disappointing.

The mining markets had much more of a "holiday" appearance than in any earlier week. The unexpected movement of gold currencies against the £, however, promised greater activity when the market was "in the mood." For the greater part of the week neither London, Johannesburg nor Paris showed any disposition to increase "Kaffir" commitments, though the rise in the sterling price of gold induced a little more activity in the later sessions. West African shares were dull at the outset, but became more active later, and signs of increasing interest were evident in Western Australian mines. Rhodesian copper issues were steady, after a dull start. Despite reports of a potential shortage of tin supplies in America, tin shares continued to reflect the downward trend of the London price of the metal.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Aug. 16, 1934	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934	Aug. 23, 1934
Government and Municipal Loans	1,080	929		1,056	1,097	959	973
Transport, Communications, and Public Utilities	753	640		798	780	1,063	888
Commercial and Industrial	2,650	2,609		1,986	2,883	2,713	2,820
Banks, Insurance and Financial	385	414	Closed	410	381	559	508
Mines (including Nitrate)	1,267	1,062		1,322	1,118	1,038	1,173
Dis.	118	93		134	90	85	121
Rubber, Tea and Coffee	525	524		451	578	1,011	1,294
Total	6,778	6,271		6,157	6,927	7,428	7,777
Corresponding day in 1933	6,595	7,470		8,962	7,630	7,242	8,190

* Including iron and steel and breweries.

THE STANDARD BANK OF SOUTH AFRICA LIMITED

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

CAPITAL Authorised and Subscribed	£10,000,000
CAPITAL PAID UP	£2,500,000
RESERVE FUND	£2,500,000
CAPITAL UNCALLED	£7,500,000
	£12,500,000

BOARD OF DIRECTORS

William Releas Arbutnot, Esq.	Robert E. Dickinson, Esq.
Rt. Hon. the Earl of Athlone, K.G.	J. F. G. Gilliat, Esq.
Rt. Hon. Lord Balfour of Burleigh	Horace Peel, Esq.
Stanley Christopher, Esq.	Rt. Hon. the Earl of Selborne, K.G.
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Assistant General Managers in South Africa

James Bremner, Robert William Normand

London Manager—Bertram Lowndes Secretary—T. D. Williams

Head Office: 10 CLEMENTS LANE, LOMBARD STREET
and 77 KING WILLIAM STREET, LONDON, E.C.4
London Wall Branch: 63 LONDON WALL, E.C.3

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

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Aug. 16, 1934	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934	Aug. 23, 1934
90.4	83.5	87.3	87.5	Closed	87.5	87.8	88.0	88.2

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Aug. 21)	Lowest of 1934 (Jan. 2)	Aug. 16, 1934	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934	Aug. 23, 1934
133.4	128.8	133.2	133.2	Closed	133.3	133.4	133.4	133.4

FOREIGN STOCK EXCHANGES

NEW YORK

AFTER running at record low levels since 1922 on Monday, the market has subsequently been roused to activity this week. An expansion in turnover from 270,000 shares on Monday to 1,300,000 shares on Wednesday cannot be wholly attributed to Major Angas's influence, although his pamphlet is reported to be enjoying a wide circulation in market circles and has assisted sentiment, despite some authoritative criticisms. Public interest, which was entirely lacking on Monday, has returned to the market with considerable effect, for gains of 1 to 3 points were registered in most stocks on the two following days. Business has been mainly concentrated, possibly in accordance with the precepts of the chronicler of the coming boom, in motor, amusement and farm equipment issues, but rail stocks have been generally firmer in anticipation of an improvement in traffic receipts. Second-grade speculative bonds have received considerable investment attention, but a reaction has occurred in Government bond quotations on indications that future Treasury issues will be more widely offered to the public, since the banks fear the consequences of any rise in interest rates on their present large holdings. Some foreign bonds have been active, Argentine issues in particular reaching new high levels. The market has suffered no immediate disadvantage from the indications of possible labour trouble in the textile industries, but the industrial situation is not regarded with great confidence, although fears of a postponement of the autumn upswing until next spring are not widely entertained. Current steel mill activity is at 21 per cent. of capacity, against 22 per cent. last week, but power output is somewhat higher. The market is awaiting with interest the outcome of this week's discussions on the reform of the "New Deal" on the assumption that it will secure greater co-operation between the various sections, and will reinforce the application of the Anti-Trust laws.

	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934
Lb. Ln. 3 1/2%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Atchafalpa	47 1/2	51 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2
Erie	12 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Illinois Central	15 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
N.Y. Central	21 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2
Pennsylvania	22 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2
Southern Pacific	16 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
Southern Rly.	14 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
Union Pacific	95	101 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2
Am. Can.	96	99	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2
Amer. Smelting	37	38 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2
Anacosta	12 1/2	13 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Bethlehem Steel	26 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
Chrysler Motor	32 1/2	35 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Corn Producers Rf.	56 1/2	60 1/2	59 1/2	59 1/2	59 1/2	59 1/2	59 1/2	59 1/2
Eastman Kodak	98	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2
Gen. Electric	18 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2
Gen. Motors	29 1/2	31 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2
Int. Harvester	26 1/2	28 1/2	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2
Mont. Ward	22 1/2	25 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2

† Calculated at \$5-10 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Aug. 15	Lowest	Highest	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934
351 Industrials	38.7	86.6	74.4	90.5	79.6	74.4	78.6	79.1
33 Rails	23.9	54.5	34.1	51.4	40.6	34.1	34.5	37.0
37 Utilities	66.8	101.0	63.8	83.4	66.4	63.8	64.1	65.7
Total, 421 stocks	40.9	83.4	65.9	82.1	70.8	65.9	67.5	69.9
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.62%	3.17%	3.62%	3.52%	3.61%

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Aug. 15, 1934	Aug. 16, 1934	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934
105.0	76.0	83.6	84.2	83.7	83.3	82.8	85.0	86.8

TOTAL DEALINGS IN NEW YORK

	Aug. 16, 1934	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934
Stock Exchange—Shares (Thous.)	610	480	160	270	580	1,300
Bonds (Value Thous. \$)	9,410	8,420	3,220	6,340	13,710	23,210
Curb—Shares (Thous.)	114	106	38	82	117	181

* Two-hour Session.

PARIS

The Bourse presented a fairly quiet appearance this week, but, on the whole, quotations improved slightly as the week progressed. Uncertainty on Wall Street gave no encouragement in early sessions, when Rentes were easier on the Parquet. International counters improved on Wednesday, including Rio Tinto, which had been very heavy on Monday owing to the fall in copper prices. On the Coudisse, diamond shares continued weak, and gold-mining issues failed to maintain a half-hearted improvement on Tuesday. Rubber and oil shares attracted little attention.

	Aug. 14, 1934	Aug. 20, 1934	Aug. 22, 1934		Aug. 14, 1934	Aug. 20, 1934	Aug. 22, 1934
Banque de France	10,735	10,725	10,765	Wagons Lits	32 1/2	33 1/2	33 1/2
Credit Lyonnais	1,971	1,971	1,960	Mexican Eagle	32 1/2	33 1/2	31 1/2
Suez Canal	19,020	19,020	19,120	"Chartered"	83 1/2	85	78 1/2
Chargeurs Reunis	135	133	130	Ford	55 1/2	85	55 1/2
Rio Tinto	1,296	1,266	1,270	De Beers	302	277	271
Royal Dutch	15,700	15,450	15,350	"Johannes"	272	269	267

BERLIN

After a decline in quotations early last week, shares were firm, but material advances were confined to certain favourites, in particular paper and pulp shares. Among steel issues Mannesmann was bought, but Hoesch sharply reacted. Reichsbank advanced four points. On a rumour that the system by which foreign currency securities may be exchanged against dollar bonds would be changed, Continental Linoleum, Compania Hispaniola, I.G. Chemie, and other issues in this group declined considerably. This week's share market opened steady, but on Tuesday became weaker but irregular, with a reaction in some pulp shares and a sharp advance in Westdeutscher Kauffhof (Tietz department stores). Domestic bonds were dull, dollar bonds being unchanged or slightly weaker.

	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934
Reichsbank	153.75	155.50	154.75	A. E. G.	23.75	25.60	26.10	26.10
D.D. Bank	64.50	65.75	65.25	Siemens & Halske	142.00	144.00	144.50	144.50
Dresdner (New)	67.00	68.50	68.50	A. K. U.	59.50	62.25	61.00	61.00
L. G. Farbenindustrie	146.90	147.50	147.00	Hamburg-Amer.	25.00	25.40	25.75	25.75
Norddeutscher Lloyd (New)	29.00	29.00	30.25					

AMSTERDAM

Business continued very quiet in all departments of the Bourse this week, although a firmer undertone which developed in mid-week was a welcome corrective to some wilting in prices arising from earlier lack of supporting business. Rubber shares were somewhat firmer on Wednesday, and leaders in the industrial market, including Philip's Lamps and Unilever, checked a reactionary tendency as the week progressed. Royal Dutch were merely steady on Wednesday, while the rest of the oil market continued its

gradual decline. Sugar shares opened dull, but recovered part of their fall, but home and Dutch East Indies bonds were slightly lower on Tuesday owing to the D.E.I. conversion report. German loans, after a weak opening, were slightly stronger in mid-week trading.

	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 15, 1934	Aug. 22, 1934
2 1/2% Dutch Loan	77 1/2	77 1/2	77 1/2	77 1/2	77 1/2	77 1/2
5 1/2% German	29	27 1/2	29 1/2	29 1/2	29 1/2	29 1/2
Unilever N.V.	66	64	63 1/2	63 1/2	63 1/2	63 1/2
Philips' Lamps	209 1/2	207 1/2	207	207	207	207
Netherlands Ship Union	35 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2

CAPITAL ISSUES

THE new issue market has again been quiescent, though there are signs of activity on the horizon. An issue of £500,000 3 1/2 per cent. stock will shortly be made at par on behalf of *Stretford Corporation*. This is the first venture of the Corporation to the London market, and the terms are identical with those of recent successful operations by corporation borrowers. The lists will open next week for an issue of 600,000 5s. shares of *Patent Paper Packing (Foreign)* at par. This company acquires foreign rights in a patent process which is being exploited in this country by Compressed Paper Packing, whose position vis-à-vis the London Stock Exchange Committee was dealt with in our issue of August 5, 1933, page 285. The parentheses in the title inevitably recall certain features of the 1928 new issue boom. The prospectus states that application for permission to deal will be made "as soon as the directors deem it expedient to do so."

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to August 18, 1934, excluding conversions, £115,787,056.
Total recorded, January 1 to August 18, 1934, including conversions, £290,309,794.

National Savings Certificates.—Net receipts, week ended August 18, 1934, Dr. £50,000.

To the Public	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Nil	Nil	Nil	Nil	Nil	Nil
Total Offered for Subscription—Including Conversions	Excluding Conversions	Total Offered for Subscription—Including Conversions	Excluding Conversions		
Jan. 1 to date—		Whole year—			
1934	290,259,794	115,737,056	1933	467,921,540	244,780,500
1933	228,178,605	133,756,640	1932	2,699,684,255	188,909,963
1932	290,659,990	161,915,325	1931	114,200,666	102,644,294
1931	108,351,099	97,474,114	1928	693,100,058	369,058,073
1928	280,698,712	190,577,481			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	72,097,528	12,356,356	31,283,172	115,737,056
1933	120,524,341	7,319,345	5,912,954	133,756,640
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,084,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealing Began	Cash Involved
Amount previously recorded	18,790,032	...	25,004,602
Abbey Lodge (Regent's Park), £180,000 4 1/2%	180,000	101	181,800
Deb. Stk.	18,970,032	...	25,186,402
Total to date, 1934	25,714,051	...	27,600,435
Total to date, 1933	25,714,051	...	27,600,435

BY STOCK EXCHANGE INTRODUCTION

Neil Gwynne (B.M.L.) Mines (no Liability).—Particulars of issued capital, 300,000 shares of A. 10s. each. A. 1s. paid; 55,000 shares of A. 10s. each allotted to vendors. Company acquires from Bendigo Mines mining rights over 250 acres for consideration as above. Development programme is now in preparation. Issue underwritten by vendors, who guarantee calls up to 2s. 6d. per share, in consideration of option up to August, 1938, over 60,000 shares at 2s. 6d. premium. Calls are limited to 6d. per month, and will be made as necessary.

CONVERSIONS AND REPAYMENTS

Aberthaw and Bristol Channel Cement.—The directors have decided to repay £212,844 6 per cent. first mortgage debenture stock at 105 and to create £300,000 4 1/2 per cent. debenture stock in its place, of which it is proposed to issue £230,000 forthwith. Holders of 6 per cent. stock may exchange their

security at par and receive the premium of £5 per cent. in cash, or exchange their holdings, including the premium, at the rate of £105 of new stock for each £100 of existing stock.

Anglo-Dutch Plantations of Java, Ltd.—The company and its subsidiary, the Anglo-Dutch Utilities Company, Ltd., have decided to bring up to date the sinking funds of the debenture stocks, which have been in suspense since January 1, 1933, and July 1, 1933, respectively. The amounts necessary for the redemption of the stocks for the years 1933 and 1934 will be paid to the trustees on September 1st.

Clan Line Steamers.—The directors have considered redemption of the 7 per cent. debenture stock at an early date, of which £925,000 was outstanding at the end of 1933. To provide part of the funds it is proposed to issue 500,000 5 1/2 per cent. redeemable first "B" preference shares of £1 each, ranking for dividend *pari passu* with the existing first preference shares, together with £225,000 additional ordinary shares. A capital redemption reserve fund will be established, to which 1 1/2 per cent. of the nominal amount of the redeemable shares in issue will be carried out of the profits available for ordinary dividends. Redemption of the "B" shares will be permissible on various terms to December 31, 1935.

Tai Tak Plantations.—It is proposed to reduce the capital to £145,474, by cancelling 1s. of capital paid up on each of the 2s. shares numbered 239,483 to 1,330,000, and to consolidate the shares into 545,259 ordinary shares of 2s. each. All special rights attaching to the preference shares (including all arrears of dividend) are to be cancelled, and the shares converted into ordinary shares.

FORTHCOMING ISSUES

Bowmaker, Ltd.—It is proposed to increase the capital of the company to £400,000 by the addition of 50,000 6 per cent. preference shares of £1 each and 200,000 ordinary shares of 5s. each. It is proposed immediately to issue 12,500 preference shares of £1 each at 21s. per share, and 50,000 ordinary shares of 5s. each at par. The proceeds of this issue will be used for the purpose of financing a subsidiary company, which has recently been acquired, to be known as Bowmaker Industrial Trust, Ltd. The directors ask that the placing of the new capital be left entirely in their hands under the Articles.

Patent Paper Packing (Foreign), Ltd.—Issue of 360,000 ordinary shares of 5s. each at par. Company acquires rights of invention of similar name in thirty-one States, including France and Germany and British Empire, but including United States. Applications for acquisition of rights have been received from would-be purchasers in twenty-five countries. The anticipated return in cash and shares from disposal of rights is in excess of £150,000, and potential royalty income from American rights is estimated at equivalent to 25 to 40 per cent. on the issued capital. Purchase consideration £120,000, cash £60,000, and 240,000 ordinary shares. Vendors underwrite 240,000 shares free of commission. Issue will be made Tuesday, August 28th.

Stretford Corporation.—Underwriting has been completed for £500,000 of Stretford Corporation (Lancs.) 3 1/2 per cent. stock 1935-65, at par.

(Continued on page 374)

MANCHESTER
36 Charlotte St.
NEW YORK



Bank of London
&
South America
Limited

BRADFORD
33 Hurlergate
PARIS

Estd. 1863
Affiliated to Lloyds Bank Ltd.

**6, 7 & 8 Tokenhouse Yard,
London, E.C.2**

Branches in
**ARGENTINA — BRAZIL
COLOMBIA — CHILE
PARAGUAY — URUGUAY
PORTUGAL**

NOTE—Shares with a New York quotation or with definite American market are quoted at par. Where stocks are not quoted at par, the market price is given. In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is given. The return on ordinary stocks and shares is calculated by reference to the latest dividend payment, when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividend payment, when the stock stands at a discount and the earliest date when the quotation is above par. Allowance is made for accrued dividends in calculating the yield on "cum div." shares. Dividends, account being taken of any enhancement or reduction of interim dividends.

Prices Year 1933		Prices Year 1934 (Jan. 1 to Aug. 21)		Name of Security	Price, Aug. 14, 1934	Price, Aug. 21, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to Aug. 21)		Last two Half-yearly Dividends			Name of Security		Price, Aug. 14, 1934	Price, Aug. 21, 1934	Rise or Fall	Yield	
High- est	Low- est	High- est	Low- est						High- est	Low- est	(a)	(b)	(c)	High- est	Low- est					(a)
British Funds																				
77 1/2	70 1/2	82 1/2	73 1/2	Consols 2 1/2 %	80	80 1/2	+	3	2	3	7/8	5 1/2	dis	Nil	Nil	Anglo S. A. 10 1/2 % pd.	5 1/2	5 1/2	+	Nil
110 1/2	105 1/2	113 1/2	109 1/2	Do. 4 % Red. at par on or after Feb. 1, 1937 (p)	112 1/2	112 1/2	...	3	4	9	8 1/2	4 7/8	Nil	Nil	American B. 1 1/2 % pd.	4 1/2	4 1/2	...	3 1/2	
94 1/2	92 1/2	98 1/2	92 1/2	Do. 3 1/2 % 1948-53	101 1/2	101 1/2	+	1	1	1	5 1/8	4 7/8	(a) 5 1/8	(b) 5 1/8	(c) 5 1/8	Bank of India 10 %	4 1/2	4 1/2	...	3 1/2
89 1/2	87 1/2	90 1/2	87 1/2	Do. 3 1/2 % after 1961 (s)	105	105	...	2	14	5	3 1/2	2 1/2	6 1/2	6 1/2	6 1/2	Bank of Eng. Stk.	36 1/2	36 1/2	...	3 5/8
111 1/2	107 1/2	111 1/2	108 1/2	Do. 4 1/2 % 1940-44	111	111	...	3	12	0	34/100	69/41	7 1/2	7 1/2	7 1/2	Barclay B. (L.)	72 1/2	72 1/2	-3d	3 17/10
118 1/2	114 1/2	119 1/2	115 1/2	Do. 5 1/2 % 1944-48	115 1/2	115 1/2	...	2	18	6	10 1/2	8 1/2	3 1/2	3 1/2	3 1/2	Barcl. (Dom. Ec.) A 1	33 1/2	33 1/2	...	2 14/20
113 1/2	108 1/2	115 1/2	111 1/2	Funding 4 1/2 % 1926-40	103 1/2	103 1/2	...	2	8	0	30 1/2	22 1/2	5 1/2	5 1/2	5 1/2	Bk. of Australasia (L)	83 1/2	83 1/2	...	4 5/8
100 1/2	98 1/2	102 1/2	99 1/2	3 % Treasury Bds. 35-38	103 1/2	103 1/2	...	2	18	0	16 1/2	14 1/2	7 1/2	7 1/2	7 1/2	Bk. of Montreal (L) 10	33 1/2	33 1/2	-1 1/2	4 10/20
103 1/2	100 1/2	103 1/2	102 1/2	3 % Treasury Bds. 33-42	114	114	...	3	4	4	18 1/2	12 1/2	8 1/2	8 1/2	8 1/2	Bk. of S. Africa 10 %	33 1/2	33 1/2	...	3 1/2
102 1/2	97 1/2	104 1/2	101 1/2	Victory Bonds 4 1/2	92 1/2	92 1/2	...	3	5	0	80 1/2	70 1/2	8 1/2	8 1/2	8 1/2	British Overseas A 5	15 1/2	15 1/2	...	8 0/10
89 1/2	82 1/2	89 1/2	86 1/2	WarL'n 3 1/2 % after 1932 (p)	102	102	...	2	19	0	53 1/2	48 1/2	5 1/2	5 1/2	5 1/2	Chtd. of India (L) 10	13 1/2	13 1/2	...	4 8 1/10
...	...	...	...	Local Loans 3 1/2	68	68	...	3	14	0	5 1/2	4 1/2	2 1/2	2 1/2	2 1/2	Comcl. Bk. of Aus. 10	77 1/2	77 1/2	...	3 0 1/10
65 1/2	55 1/2	61 1/2	58 1/2	Austria 3 % 1935	108	108	...	3	15	2	61 1/2	55 1/2	6 1/2	6 1/2	6 1/2	Dist. A 5 1/2 % pd.	33 1/2	33 1/2	...	4 6 1/10
...	...	...	...	India 2 1/2 %	80	80	...	3	14	0	10 1/2	9 1/2	3 1/2	3 1/2	3 1/2	Do. B 1 1/2 % pd.	33 1/2	33 1/2	...	3 10 1/10
65 1/2	55 1/2	61 1/2	58 1/2	Do. 3 %	80 1/2	80 1/2	...	3	14	0	10 1/2	9 1/2	3 1/2	3 1/2	3 1/2	Eng. Scot. & Aust. 10	43 1/2	43 1/2	...	4 10 1/10
60 1/2	52 1/2	59 1/2	56 1/2	Do. 3 1/2 %	83 1/2	83 1/2	...	3	14	0	10 1/2	9 1/2	3 1/2	3 1/2	3 1/2	Hambros (L) 10 1/2 pd.	43 1/2	43 1/2	...	4 10 1/10
111	102	115 1/2	108 1/2	Do. 4 1/2 % 1938-68	115 1/2	115 1/2	...	3	10	1	8 1/2	7 1/2	7 1/2	7 1/2	7 1/2	Hong. and S. (1125)	113 1/2	113 1/2	...	4 0 5/10
107 1/2	105 1/2	107 1/2	105	U.K. & Arg. A. (1947)	108	108	...	3	10	1	88 1/2	81 1/2	8 1/2	8 1/2	8 1/2	Lloyds (S. with 1 pd.	59 1/2	59 1/2	+3d	4 0 5/10
...	...	...	...	Dom. & Colon. Govts.	...	...	...	...	...	...	...	...	...	...	...	Martins (20, 12 1/2 pd.	82	82	...	4 4 9/10
110 1/2	103	111 1/2	107 1/2	Canada 5 % 1945-75...	108	108	...	4	2	7	38 1/2	34 1/2	4 1/2	4 1/2	4 1/2	Midland (L) 10 1/2 pd.	87 1/2	86 1/2	-6d	3 19/10
114	108 1/2	115 1/2	113	Australia 5 % 1940-60	105	105	...	3	6	0	84 1/2	74 1/2	11 1/2	11 1/2	11 1/2	Nat. of Egypt (100...	37 1/2	38	+	3 19/10
116	111 1/2	117	113	Gold Coast 4 1/2 % 1955...	114	114	...	3	14	10	47 1/2	44 1/2	10 1/2	10 1/2	10 1/2	Nat. of India (25, 12 1/2 pd.	49 1/2	49	-1 1/2	5 2 0/10
116	111 1/2	117	113	Nigeria 5 % 1950-60	115	115	...	4	18	6	14 1/2	12 1/2	5 1/2	5 1/2	5 1/2	Nat. Prov. (20, 12 1/2 pd.	14 1/2	14 1/2	...	4 2 7/10
104 1/2	101 1/2	105 1/2	102 1/2	N.S. Wales 5 % 35-55...	102	103	...	3	17	8	90 1/2	83 1/2	9 1/2	9 1/2	9 1/2	Royal Bk. of Scotland	463	461	-2d	3 13 10/10
112 1/2	106 1/2	111 1/2	109 1/2	N. Zealand 5 % 1935-55	107	107	+	3	19	2	...	...	...	...	...	St. of S. At. (20, 13 1/2 pd.	13 1/2	13 1/2	...	3 12 3/10
114 1/2	107 1/2	114 1/2	111 1/2	Queensland 4 1/2 40-60...	113	113	...	3	12	1	84 1/2	74 1/2	10 1/2	10 1/2	10 1/2	Westminster (24 1/2 pd.	89 1/2	89	-3d	4 0 11/10
...	...	...	...	S. Africa 5 % 1945-75...	113	113	...	4	9	11	6 1/2	6	5 1/2	5 1/2	5 1/2	Alexanders (22, 11 pd.	78 1/2	79 1/2	+7 1/2d	4 15 10/10
...	...	...	...	S. Africa 5 % 1945-75...	113	113	...	4	9	11	6 1/2	6	5 1/2	5 1/2	5 1/2	National A 2 1/2 fly pd.	6 1/2	6 1/2	...	4 10 10/10
94 1/2	60	98 1/2	89	Austrian 4 % Resc. 1952	101	101	...	5	19	3	11 1/2	10 1/2	7 1/2	7 1/2	7 1/2	Union, S. 2 1/2 pd.	11 1/2	11 1/2	...	4 6 5/10
105 1/2	99	106 1/2	100	Argentine 6 % 1923-43	108 1/2	102	...	10	8	11	23 1/2	20 1/2	5 1/2	5 1/2	5 1/2	Alliance (L) 10 1/2 pd.	28	28	...	3 4 7 1/10
74	54	85	69 1/2	Do. 7 % Int. Red. 1937	101 1/2	71 1/2	...	10	8	11	12 1/2	13 1/2	13 1/2	13 1/2	13 1/2	Atlas (S. 5, 1 1/2 pd.	13 1/2	13 1/2	...	2 18 2 1/10
50 1/2	29	58 1/2	39 1/2	Do. 7 % Int. Red. 1937	50	50	...	7	1	0	10 1/2	12 1/2	13 1/2	13 1/2	13 1/2	Com. Un. (L) 10 1/2 pd.	10 1/2	10 1/2	...	4 0 10/10
112 1/2	108 1/2	114 1/2	109 1/2	Belgian 7 % red. by 1956	109 1/2	109 1/2	...	6	6	5	10 1/2	20 1/2	20 1/2	20 1/2	20 1/2	Gen. Accident (S. 1 1/2 pd	18 1/2	18 1/2	...	3 16 10/10
30 1/2	18 1/2	30 1/2	20 1/2	Bulgaria 7 % Loan...	26 1/2	26 1/2	...	9	12	37	18 1/2	16	24 1/2	24 1/2	24 1/2	Lon. & Lanc. (S. 5, 2 pd	31	31	...	3 4 6 1/10
78	62 1/2	81	72 1/2	Brazil 8 % Fund. 1914...	78	78	...	6	8	7	3 1/2	27 1/2	25 1/2	25 1/2	25 1/2	N.Brit. Amer. (S. 1 1/2 pd.	40	40	...	4 3 3/10
67	51 1/2	67 1/2	47 1/2	Chili 6 % 1923	72	73	+	6	19	11	40 1/2	35 1/2	12 1/2	12 1/2	12 1/2	N.Brit. Amer. (S. 1 1/2 pd.	18	18	...	4 3 3/10
84 1/2	76 1/2	84 1/2	73 1/2	China 5 % (1913)	85	85	...	5	5	11	18 1/2	16	35 1/2	35 1/2	35 1/2	Pearl (L) 1 1/2, fully paid...	18	18	...	2 14 0/10
85 1/2	76 1/2	85 1/2	73 1/2	Do. 5 % (1913)	85	85	...	5	5	11	18 1/2	16	35 1/2	35 1/2	35 1/2	Phoenia (L) 1, fully paid...	15 1/2	15 1/2	+	3 16 10/10
104 1/2	95 1/2	111 1/2	104	Czechoslovakia 8 %	110	110 1/2	...	3	7	2	16 1/2	14 1/2	30 1/2	30 1/2	30 1/2	Prudential (L) A ...	32 1/2	32 1/2	...	2 16 0/10
80 1/2	51 1/2	85 1/2	73 1/2	Danzig 6 1/2 %	84 1/2	84 1/2	...	3	11	3	30 1/2	26 1/2	30 1/2	30 1/2	30 1/2	Do. (L) with 4 1/2 paid ...	90 1/2	90 1/2	...	1 13 3/10
104 1/2	95 1/2	111 1/2	104	Egypt Unified 4 1/2 %	104 1/2	104 1/2	...	3	17	10	17 1/2	7 1/2	10 1/2	10 1/2	10 1/2	Royal Exchange (L)...	8 1/2	8 1/2	...	4 1 3/10
83 1/2	60	88 1/2	76	Poland 7 % 1927	102 1/2	79 1/2	...	5	19	9	8 1/2	7 1/2	3 1/2	3 1/2	3 1/2	Sun. Insur. (L) 10 1/2 pd.	4 1/2	4 1/2	+	3 11 10/10
101 1/2	72 1/2	108 1/2	82 1/2	France 4 1/2 % 1923	102 1/2	102 1/2	...	5	13	10	90 1/2	77 1/2	15 1/2	15 1/2	15 1/2	Sun. Insur. (L) fully paid...	4 1/2	4 1/2	...	2 17 0/10
100	61	95 1/2	53	Germany 7 %	53	54	-1	13	8	0	18 1/2	15 1/2	18 1/2	18 1/2	18 1/2	Sun Life Assur. (L) 1 1/2 pd	6 1/2	6 1/2	...	2 10 6/10
92	40	69 1/2	39 1/2	Do. 5 1/2 % Stg. Bds. 1930	41	40	-1	14	1	10	18 1/2	16 1/2	11 1/2	11 1/2	11 1/2	Yorkshire (L) 1, fully pd.	18	18	...	2 12 3/10
34 1/2	23	36 1/2	31	Greek 6 % Stab. Ln.	33 1/2	33 1/2	...	...	...	...	...	...	...	...	...	Investment Trusts	232 1/2	232 1/2	...	4 6 0/10
41	29 1/2	43 1/2	37 1/2	Do. 7 % Refuge	41 1/2	41 1/2	...	...	...	...	24 1/2	20 1/2	31 1/2	31 1/2	31 1/2	Anglo-Celtic Ord. ...	54 1/2	54 1/2	...	2 15 1/10
58 1/2	49 1/2	59 1/2	50 1/2	Hungary 7 %	41 1/2	41 1/2	...	...	...	...	56 1/2	51 1/2	51 1/2	51 1/2	51 1/2	Atlas Electric, etc. (L)...	6 1/2	6 1/2	...	Nil
97	59	86 1/2	77	Japanese 5 1/2 % 1936-63	79	78	-1	7	7	11	9 1/2	5 1/2	1	1	1	Brit. Assets Trust 5 1/2	8 1/2	8 1/2	...	1 11 0/10
89	57	93	84	Do. 6 % (1924) red 1959	89 1/2	85 1/2	-1	7	6	5	14 1/2	7 1/2	15 1/2	15 1/2	15 1/2	Debenure Corp. Stk.	21 3/4	21 3/4	...	4 13 8/10
107 1/2	95	114	99	Norwegian 4 1/2 1911 ...	111	111	...	3	12	8	22 1/2	21	6 1/2	6 1/2	6 1/2	Gen. Accident (S. 1 1/2 pd	18 1/2	18 1/2	...	3 16 10/10
63	35	44 1/2	25	Peru 7 1/2 % 1922	91 1/2	91 1/2	...	7	15	3	98	65	14 1/2	14 1/2	14 1/2	Or. Anier. & ...	125 1/2	125 1/2	...	3 18 4/10
87 1/2	69	95 1/2	84	Poland 7 % 1927	120	120	...	8	16	1	155	120	20 1/2	20 1/2	20 1/2	Guardian Investment...	125 1/2	125 1/2	+2	3 18 4/10
101	71	116 1/2	87	Roumania 7 1/2 % 1922	116	116	...	3	2	0	316	268	5 1/2	5 1/2	5 1/2	India, and Gen. Ord.	222	222	...	4 1 1/10
107 1/2	95	114	99	Swedish 3 1/2 % 1908...	113	113	...	4	16	4	16 1/2	12 1/2	2 1/2	2 1/2	2 1/2	Invest. Trust Fed. 10 1/2	13 1/2	13 1/2	...	4 7 3/10
105 1/2	100 1/2	111 1/2	102	U.K. & Argentine 1933	109	109	...	4	16	4	16 1/2	12 1/2	2 1/2	2 1/2	2 1/2	Lake View Invest. 10 1/2	13 1/2	13 1/2	...	4 7 3/10
...	...	...	...	5 1/2 B Certs. (1951)	89	89	...	4	7	11	263	215	6 1/2	6 1/2	6 1/2	Mercantile Investment	243	243	...	4 2 4/10
62 1/2	53 1/2	70 1/2	54 1/2	Do. C Certs. (3 % Max.)	69	69	...	4	7	11	274	228	5 1/2	5 1/2	5 1/2	Merchants Trust Ord.	159 1/2	159 1/2	...	5 3 3/10

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand Currency. (e) Allowed for rate of exchange.

(f) Flat yield without allowing for redemption. (g) Yield based on dividends totalling 2 7/8 per share.

(n) Yield worked on redemption at par on Feb. 1, 1921. (o) Based on interest payment of 2 1/2 per cent. (p) Yield worked on redemption at par on December 1, 1924.

(q) Yield worked on redemption at par on April 1, 1921. (r) Second interim dividend. Accounts: future being made up to September 30. † Free of Income Tax.

[illegible]

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on last year's dividend, viz., 12½ per cent. free of tax. (h) Ex rights.
(e) Cash bonus from capital accretions. (m) Including bonus 5% free of tax. (n) Dividend for 13 months yield worked on a 5% per cent. basis. (p) Based on a dividend of 15 per cent. (o) Yield worked on a 12½ per cent. basis. † Free of Income Tax.

(Continued from page 371)

CALLS DUE AUGUST 27 TO SEPTEMBER 1, 1934

The grand total of calls falling due in August, 1934, is £6,367,141, which compares with £7,270,599 which fell due in August, 1933. The following calls fall due from August 20, 1934, to August 25, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
1/-	Allansons Stores (50,000 6% cum. pref. at par)	10/-	Aug. 31	All
1/-	Anglo-Java Rubber (7,396,750 shares, credited 9d. paid)	1d.	Aug. 31	11d. and 7/6 pm.
£1	British Aluminium (998,966 ord. at 27s. 6d.)	8/-	Sept. 1	12/- and 7/6 pm.
£1	Do. (500,000 6% cum. pref. at 24/6)	7/6	Sept. 1	13/- and 4/6 pm.
Stock	Do. (£1,000,000 4% deb. stk. at 99%)	£35%	Sept. 1	All
5/-	Burtol Cleaners (760,000 ord. at par)	2/-	Sept. 1	All
£1	Caley (A. J.) and Son (150,000 5% cum. pref. at 99%)	£35%	Aug. 27	All
Stock	Canada (Govt. of Dom. of) (£10,000,000 3½% stk. at 98½%)	£75%	Aug. 30	All
Stock	Carlton Main (810,900 4½% stk. at 102½%)	£75%	Aug. 31	All
£1	East Java Rubber (99,995 shares, credited 16/- paid)	1/-	Aug. 31	All
2/6	Gold Corporation (1,000,000 shares at 6d. pm.)	2/6	Aug. 31	All
£1	Lewis (John) and Co. (117,956 5% 1st pref. at 22/-)	15/-	Sept. 1	All
Stock	Piccadilly Hotel, Ltd. (£200,000 4% deb. stk. at 99%)	£90%	Aug. 31	All
2/6	Rhodesia Minerals (394,494 shares, with opt. at par)	1/-	Sept. 1	All
Stock	Salford Corporation (£1,000,000 3½% stk. at 100%)	£25%	Aug. 27	£30%
2/-	Semrah Rubber (partly paid shares)	1d.	Aug. 27	All
£1	South Areas Electric (10,500 ord. at 22/-)	11/-	Aug. 31	All
Stock	Southern Rhodesia (£2,750,000 3½% stk. at 97½%)	£92½%	Aug. 31	All
Stock	Stewarts and Lloyds, Ltd. (£350,000 deb. stock, at par)	£25%	Aug. 31	£50%
Stock	Stockport Corporation (£750,000 3½% stk. at 100%)	£50%	Aug. 31	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Aug. 15, 1934	Price, Aug. 22, 1934
Airspeed (1934) Pref. Ord. 5/-	5/-	2/6	9d-1/- pm	1/--1/3 pm
Alicombe Estates 5% Deb.	100	50	1/-	1/-
Argentine 4½%	93	50	90-100	90-100
British Aluminium Ord.	27/6	11/6	7½d-1½d dis	7½d-1½d dis
Do. 6% Cum. Pref.	24/6	10/-	4½d-7½d pm	6d-9d pm
Do. 4% Deb.	99	Fy pd	102-102½	103-103½
British Ropes 4½% Deb.	99	Fy pd	99½-100½	100½-101½
Brookes (W. J.) and Sons Ord.	102½	27/1	6½-6½	6½-6½
Do. 6% Cum. Pref. £1	102½	27/1	21/3-21/6	21/3-21/6
Burtol Cleaners 5/-	5/-	3/-	1/--6d dis	1/--6d dis
Caley (A. J.) and Son 5% Pref.	10/-	10/-	4½d-10½d pm	4½d-10½d pm
Canada 3½%, 1934-64	98½	61½	1½-1½ pm	1½-1½ pm
Carlton Main Colliery 4½% Deb.	102½	27/1	1-1 dis	1-1 dis
Criterion Restaurants 4% Deb.	98½	10/-	1 dis-par	20/9-21/3
Dale (John) 5½% Pref.	10/-	5/-	4/6-5/- pm	4/--4/6 pm
Gold Ex. and Finance Aust. Ord.	10/-	Fy pd	7/4½-7/7½	8/6-9/-
Greenwood (John) Millers, 1934, Ord.	5/-	Fy pd	22-22½	22½-22½
Do. 5½% Pref.	5/-	Fy pd	39½-40½	39½-40½
Griffiths Hughes Prop. Ord. £1	20/-	10/6	1/6-1/9 pm	1/6-1/9 pm
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	Fy pd	5/1½-5/4½	5/--5/3
Do. 5% Deb.	100	100	98-99	98½-99
Ideal Boilers & Radiators 5% Pref. £1	20/6	10/6	1½d-3d pm	1½d-3d pm
Jackson Brothers 6½% Pref.	100	5	23-24½	22½-23½
Jones (A.) and Sons Ord. 1/-	par	Fy pd	1½-1½	1½-1½
Do. 6½% Pref. £1	par	Fy pd	20/9-21/3	20/10½-21/3
Kentian Gold (10/-)	10/-	Fy pd	11/10½-12/1½	12/1½-12/4½
Klimgint Gold	10/-	Fy pd	14/6-15/-	14/3-14/9
Kleiskorp Cons. 5/-	5/-	Fy pd	5/4½-5/7½	5/10½-6/1½
London Brick New Ord.	100	5	63½-64½	63½-64½
Maru Gold 5/-	100	5	67½-71½ pm	67½-71½ pm
Mayfair and Gen. Prop. 5% Deb.	100	15	1½-2½ pm	1½-2½ pm
Mount Morgan 5/-	7/6	Fy pd	20/6-21/-	20/4-20/10½
New Machine Gold	5/-	Fy pd	12/--12/6	13/9-14/3
New Zealand 3½%, 1935-60	100	5	1-1 pm	1-1 pm
Pittman (Sir L.) 5½% Pref.	21/6	Fy pd	23/6-24/-	23/6-24/-
Powell Duffryn Pref. Ord. 5/-	20/9	4/-	10½d-4½d dis	9d-3d dis
Read (Austin) 5% "A" Pref.	100	5	21/--21/6	21/6-22/-
Salford Corp. 3½%, 1934-64	100	5	2/10½-3/1½	3/--3/3
South Banker Areas 2/-	21/-	Fy pd	2½-3½ pm	2½-3½ pm
Somerset 3½%, 1935-64	100	5	2½-2½	2½-2½
S. African Distilleries	97½	5	1-1 pm	1-1 pm
S. Rhodesia 3½%, 1935-65	25/-	10/-	1/6-2/- pm	1/3-1/9 pm
Stanton Iron New 6½% Pref. £1	100	25	2-2½ pm	2½-2½ pm
Stewarts and Lloyds 4% Deb.	100	50	1-1 pm	1-1 pm
Stockport 3½%, 1934-64	100	50	1/3-9d dis	1/3-9d dis
Thistle Etna Gold	5/-	2/-	1/3-9d dis	1-1½ pm
Tunnel Portland Cement "B" Ord. 10/-	93½	20	1-1 pm	38/3-38/9
United Steel £1	21/6	Fy pd	21/6-22/3	21/6-22/6
Walsall 3½%	100	55	4/--5/-	4/--5/-
Watende Mines (Kenya) 5/-	5/-	Fy pd	4/9-5/3	5/4-5/10½
Welsh Ass. Collieries 5½% Cum. Pref. £1	21/-	Fy pd	18/3-18/9	17/3-17/9
Do. 4½% Deb.	100	25	31-3 dis	31-3 dis
West (Butchers) Ord.	12/6	Fy pd	10/3-10/9	11/9-12/3
Do. 6% Pref.	100	5	21/--21/9	21/6-22/6

REPORTS AND NOTICES

MISCELLANEOUS

WM. BEARDMORE AND COMPANY, LTD.—It is officially announced that by arrangement with National Shipbuilders Security, Ltd., Messrs. Wm. Beardmore and Company, Ltd., will cease to build main propelling machinery for ships when their present contracts

at Dalmuir have been completed, towards the end of next year. This arrangement does not in any way affect the other industries which are still to be carried on in the company's establishment at Dalmuir.

BRANDEIS, GOLDSCHMIDT AND COMPANY.—For family reasons it has been decided to convert this business, which has been carried on since 1875 under the style of Brandeis, Goldschmidt and Company into a private limited company retaining the name of Brandeis, Goldschmidt and Company, Ltd. The capital will be £600,000 and the management and conduct of the company will remain the same.

BRAKPAN MINES, LTD. (Incorporated in the Union of South Africa.)—A cablegram has been received from the Head Office in Johannesburg, stating that subject to the approval of the Government, the Board has accepted an offer by The South African Land and Exploration Company, Limited, to purchase 715 claims on the Company's Witpoort Section, for a consideration of 250,000 shares in South African Land and Exploration Company, Limited. The claims are situated to the south-east of a line starting from the north beacon of the South African Land Company's area and drawn at right angles to its north-eastern boundary.

RHODESIAN ANGLO AMERICAN, LIMITED.—It is announced that 83·8 per cent. in value of the outside shareholders in its subsidiary, the Bwana M'Kubwa Copper Mining Company, Ltd., have accepted the offer to purchase their shares for shares in Rhodesian Anglo American, Ltd. The directors are aware of further acceptances in transit from abroad and these will be considered upon arrival.

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
BANKS						
British Linen Bank	8%*	...	...	Unchanged	%	%
Dominion Bank (Toronto)	2½%*	...	...	Unchanged	10	10
MINING						
Sungei Way Dredging	5%*	...	...	...	10	7½
Witbank Colliery	6½%†	Sept. 25	...	...	10	7½
OTHER COMPANIES						
Adelaide Electric 6% Pref.	3%*	Sept. 1	...	...	...	...
Aplin and Barrett	5%*	Sept. 4	...	Unchanged	...	...
Barlow and Jones	2½%*	Sept. 1	...	Unchanged	...	...
Boots Pure Drug	1%*	Sept. 1	...	Unchanged	24	24
Caledonian Trust	2½%*	Sept. 1	...	Unchanged	...	...
Cartier and Co.	...	...	...	...	10	7½
Chamberlain, King and Jones	2½%*	Oct. 1	...	Unchanged	...	...
Coats (J. and P.)	2½%*	Sept. 29	...	Unchanged	10	10
Compass Investment	...	...	...	...	2	5
Cowans, Sheldon and Co.	...	...	...	...	5	5
Dickins and Jones	2½%*	...	...	Unchanged	...	7½
D. Smith and Sons	10%*	Sept. 1	...	...	...	...
European Gas	12½%*	...	...	Unchanged	...	...
Field, Sons and Co.	5%*	Sept. 1	...	Nil	15	15
Groves and Whitnall	5%*	Aug. 23	...	Unchanged	4½	12½
Hawthorn Leslie and Co.	...	...	...	...	...	...
Home and Colonial Stores	...	...	...	...	...	...
6% Pref.	3%*	Oct. 1	...	Unchanged	...	...
15% Pref.	7½%*	Oct. 1	...	Unchanged	...	...
15% Cum. Ord.	7½%*	Oct. 1	...	Unchanged	...	...
Hugon	5%*	Sept. 28	...	Unchanged	3½	2½
Hurst, Nelson and Co.	...	...	...	...	3	3
Industrial Finance and Investment	...	...	...	...	...	...
J. G. Mooney and Co.	7½%*	...	...	Unchanged	...	...
J. Sears & Co. (True Form Boot)	15%*	...	...	Unchanged	16½	12½
John Barker and Co.	5%*	Oct. 1	...	Unchanged	15	15
John Lysaght	5%*	...	...	Unchanged	18	Nil
John Oakey and Sons	2½%*	Sept. 1	...	Unchanged	12½	10
Keeble (Ireland)	6½%†	...	...	Unchanged	12½	10
M. B. Foster and Sons	4½%*	Oct. 1	...	Unchanged	12½	12½
Mecano	4½%*	Sept. 1	...	Unchanged	...	...
Melbourne Electric 8% 1st Pref.	4½%*	Sept. 29	...	Unchanged	...	...
North-Eastern Electric Co.	2½%*	...	...	Unchanged	2½	2½
Paterson, Simons and Co.	...	...	...	...	10	5
Planters Stores and Agency	2½%*	Oct. 31	...	Unchanged	...	...
Rangoon Electric	3d.*	...	...	Unchanged	...	...
Ranks (Ireland)	...	...	...	Unchanged	...	...
Reckitt and Sons	5%*	Aug. 25	...	Unchanged	...	...
Royal Brewery, Brentford	4%*	...	...	Unchanged	6	6
Scottish General Investment	5%*	Sept. 1	...	Unchanged	...	...
Scottish Western Investment	3%*	...	...	Unchanged	...	...
Sheffield Gas	3%*	...	...	Unchanged	...	...
Sherratt's 8% Pref. Ord.	3%*	...	...	Unchanged	...	...
Stephen Smith and Co.	7½%†	...	...	Unchanged	12½	12½
Toogood and Sons	...	...	...	Unchanged	4	2½
Tyneside Investment Trust 5% Pref.	2½%*	Sept. 30	...	Unchanged	...	...
Tyne-Tees Shipping	4%*	...	...	Unchanged	5	5
United River Plate Telephone	2½%*	...	...	Unchanged	7	5
Walsend Shipway and Engineering	2½%*	...	...	Unchanged	...	...
Winterbottom Book Cloth	2½%*	...	...	Unchanged	1½	...

† Tax free.

GROUP UNITS INVESTMENT TRUST, LTD.—The company announces income and rights distribution for half-year ended June 30, 1934, on the following fixed trust certificates: "Deposit Receipts" (First Series), 9·03d.; "Deposit Receipts" (Second Series), 6·97d.; "Rand Certificates", dividend, 5·72d.; and Rights, 1·5d.

BRITISH EMPIRE FIXED TRUST "B" CERTIFICATES.—The first half-yearly distribution will be paid to holders on September 1st at the rate of 2·4283d. per sub-unit, free of tax, in respect of dividends received by the Trust for the half-yearly period ended August 10th.

WILLIAM HOLLIS AND COMPANY, LTD.—Pending the receipt of the recommendations of the Shareholders' Consultative Committee, it is not considered desirable to pay the interim quarterly dividend on the 5 per cent. cumulative preference shares up to June 30, 1934, until the results of the current year have been ascertained.

COMPANY MEETINGS, &c.

INITIAL SERVICES, LIMITED

INCREASED TRADING PROFIT

The sixth ordinary general meeting of the Initial Services, Limited, was held, on the 22nd instant, at Winchester House, Old Broad Street, E.C.2., Mr. A. P. Bigelow (chairman and managing director) presiding.

The Chairman, in the course of his speech, said:—The trading profit is approximately £11,000 greater than that of the previous year, being £222,566 os. 9d., against £211,483 ios. 8d. Owing to the lower rates of interest receivable on cash balances and gilt-edged investments, the interest figure shows a reduction of nearly £2,500, so that the profit carried to the balance sheet is £219,792 6s. 3d., as against £210,937 6s. 2d. for the previous year, an increase of nearly £9,000. The only substantial alterations in the balance sheet on the assets side are the increase in "Investments in subsidiary companies" by £90,000, to £255,000, and the reduction of "Amounts due by subsidiary companies" from £30,521 19s. 9d., to £1,630 2s. 5d. The directors decided to increase the capital of your main subsidiary company, Initial Laundry, Limited. This additional capital has enabled us to acquire laundries in centres where we considered it advisable to handle our own work, and where previously it had been contracted out.

We are satisfied that the further funds invested will prove remunerative, and will increase the efficiency of the organisation.

We now come to the profits available for distribution. The balance brought forward from last year was £20,034 12s. 7d., to which must be added the net profit for the year of £219,792 6s. 3d., giving a total of £239,826 18s. 10d. The directors propose to transfer £10,000 to general reserve, increasing that account to £200,000, and to utilise a further sum of £40,000 to write down the item of goodwill from £200,000 to £160,000. The directors recommend that a final dividend be paid on the ordinary shares of 1s. 8d. per share, less tax, payable on October 1st, and we shall have £20,154 3s. 1d. to carry forward, as compared with £20,034 12s. 7d. brought in.

At recent meetings, when dealing with our profits, which for the previous two or three years had remained almost stationary, I explained that our business is one which does not show violent fluctuations in its results, and which responds slowly to either depressed or buoyant conditions of trade.

I hope that if conditions continue to be favourable during the coming year, we shall be able to show even more satisfactory results.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 18, 1934, amounted to £12,908,000, against ordinary expenditure of £8,728,000. After allowing for a decrease in Exchequer Balances of £344,879 the operations for the week, as shown below, decreased the National Debt by £4,525,000 to approximately £8,070 millions.*

(000's omitted)

REVENUE	Estimate for the year 1934-35	April 1, 1934, to Aug. 18, 1934	April 1, 1933, to Aug. 19, 1933	Week ended Aug. 18, 1934	Week ended Aug. 19, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	218,500,000	40,939,000	35,190,000	2,671,000	2,660,000
Sur-tax	50,000,000	6,630,000	7,880,000	110,000	190,000
Estate, etc., Duties	76,000,000	33,760,000	36,620,000	900,000	1,710,000
Stamps	25,000,000	6,380,000	5,300,000	290,000	160,000
Excise Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	160,000	10,000	...
Total Inland Revenue	372,500,000	87,849,000	85,130,000	3,981,000	4,680,000
Customs and Excise—					
Customs	183,650,000	71,257,000	68,965,000	3,403,000	2,660,000
Excise	106,350,000	40,900,000	42,940,000	6,000,000	6,021,000
Total Customs and Excise	290,000,000	112,157,000	109,005,000	9,403,000	8,681,000

RECORD BONUS RECORD

WHOLE - LIFE BONUS INCREASED to: **45/- %** per annum

ENDOWMENT ASSURANCE BONUS MAINTAINED **40/- %** at: per annum

INTERIM BONUS, 1934, same rates

CARRY FORWARD INCREASED from £483,159 to £674,364

THE LIVERPOOL & LONDON & GLOBE

INSURANCE COMPANY, LTD.

Head Office: 1, Dale Street, Liverpool, 2. (Chief Office) 1, Cornhill, E.C.3.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Aug. 18, 1934	April 1, 1933, to Aug. 19, 1933	Week ended Aug. 18, 1934	Week ended Aug. 19, 1933
Motor Vehicle Duties (Exchequer Share)	£ 5,000,000	£ 1,388,000	£ 1,990,000	Dr 198,700	£ Dr 600,000
Post Office (Net Receipt)	14,000,000	10,100,000	8,250,000	900,000	Dr 200,000
Crown Lands	1,220,000	460,000	400,000		
Receipts from Sundry Loans	3,800,000	2,790,221	3,198,343	561,875	140,633
Miscellaneous Receipts	20,000,000	4,161,150	14,347,424	46,010	2,002,041
Total Ordinary Revenue	706,520,000	218,005,371	222,320,767	12,907,885	14,652,676
SELF-BALANCING REVENUE					
Post Office	60,463,000	19,950,000	19,950,000	600,000	1,450,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,737,000	6,361,000	1,997,000	651,000
Total Self-Balancing Revenue	84,718,000	26,787,000	26,311,000	2,587,000	2,101,000
Total		244,792,371	248,631,767	15,494,885	16,753,676

POSITION OF THE FLOATING DEBT

	Aug. 19, '33	Mar. 31, '34	Aug. 18, '34	Movement, week ended Aug. 18, '34
Ways and Means Advances Outstanding—				
Advances by Public Department	23,550,000	44,900,000	28,550,000	+ 3,650,000
Treasury Bills outstanding	986,335,000	799,810,000	831,340,000	- 800,000
Total Floating Debt	1,009,885,000	844,710,000	859,890,000	- 4,450,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on August 17, 1934, and the total amount applied for was £58,565,000. Tenders were accepted for Treasury bills at three months, dated Monday to Friday, at £99 16s. 1d., about 63 per cent., and above in full; Saturday, at £99 16s. 2d., and above in full. The average rate per cent. was 15s. 5-6d. The amount allotted was £30,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	59,320,000	48,000,000	5 s. d.
April 1	45,000,000	61,660,000	43,000,000	8 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,430,000	45,000,000	0 12 8-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
October 7	35,000,000	59,570,000	31,220,000	0 15 0-14
July 27	35,000,000	79,430,000	35,000,000	0 13 9-82
August 3	40,000,000	47,695,000	37,000,000	0 14 4-76
August 10	35,000,000	58,340,000	31,000,000	0 14 11-06
August 17	35,000,000	58,565,000	30,000,000	0 15 5-60

NATIONAL SAVINGS CERTIFICATES

Total Sale of Savings Certificates	No. of Certificates	Value
Week ended August 4, 1934	740,659	596,527
Week ended August 11, 1934	505,847	404,678
February, 1919, to August 11, 1934	1,194,086,402	940,878,872

At the end of July, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,593,938.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, August 22nd, 1934
ISSUE DEPARTMENT

Notes Issued:—		
In Circulation	379,370,305	Government Debt 11,015,100
In Banking Department	72,306,655	Other Government Securities 244,995,321
		Other Securities 627,521
		Silver Coin 3,361,353
		Amount of Fiduciary Issue 260,000,000
		Gold Coin and Bullion 191,676,960
		451,676,960

BANKING DEPARTMENT

Proprietors' Capital	14,533,000	Government Securities 84,504,709
Reserve	3,652,598	Other Securities 10,283,835
Public Deposits	37,393,340	Advances 5,770,557
Other Deposits	82,099,542	Securities 1,010,283,835
Other Accounts	35,701,668	Notes 16,054,392
7-day and Other Bills	117,601,210	Gold and Silver Coin 539,967
	5,575	
	173,405,723	

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

Both Departments	Amount, August 22, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation			
Public deposits	379,370,305	- 4,738,322	+ 4,814,367
Bankers' deposits	37,393,340	+ 13,897,680	+ 5,150,486
Other deposits	82,099,542	- 7,359,393	+ 8,443,678
Seven-day bills	35,701,668	- 1,022,611	- 6,699,663
Total outside liabilities	5,575	- 4,245	- 4,245
Capital and reserve	534,570,430	+ 776,709	+ 5,174,243
	18,205,598	+ 24,221	+ 5,579
Government debt and securities			
Discounts and advances	340,515,339	+ 632,086	+ 913,740
Other securities	5,770,557	+ 263,737	+ 4,288,987
Silver coin in issue department	10,911,356	- 70,056	- 2,226,338
Coin and bullion (bank's reserves)	3,361,858	- 51,771	- 2,806,086
	192,216,927	+ 26,934	+ 719,006
Reserves of notes and coin in banking department	72,846,822	+ 4,765,256	- 4,095,360
Proportion of reserve to outside liabilities			
(a) Banking Department only	46-9%	+ 1-5%	+ 0-4%
(b) Gold stocks to deposits and notes ("reserve ratio")	36-0%	...	+ 0-5%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
July 18	451,580	383,889	20,644	96,881	35,809	56 in	2-2
" 25	451,580	383,849	10,939	104,788	36,093	Nil	2-2
Aug. 1	451,621	389,310	11,860	96,507	36,927	41 in	2-2
" 8	451,677	392,806	23,883	82,001	35,660	56 in	2-2
" 15	451,677	384,109	23,496	89,459	36,724	Nil	2-2
" 22	451,677	379,370	37,393	82,099	35,702	Nil	2-2

(000's omitted)

	Issue Department				Both Depts.		Banking Department			
Date	Govt. Debt and Securities		Other Securities		Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Dis- counts & Advances	Other Securities	Reserve and the "Proportion"
" 384	£	£	£	%	£	%	£	£	£	%
July 18	256,120	414	192,179	351	83,187	7,463	12,484	68,290	44	44
" 25	256,224	312	192,154	351	83,467	7,532	12,674	68,348	44	44
Aug. 1	256,295	241	192,158	351	81,249	8,869	10,476	62,848	41	41
" 8	255,793	742	192,167	36	83,254	6,985	10,073	59,381	41	41
" 15	255,744	842	192,190	36	84,139	5,507	10,139	63,081	45	45
" 22	256,011	627	192,217	36	84,505	5,771	10,284	72,847	46	46

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to August 8	18,726,310	1,084,361	1,826,149	21,636,820
Week ended August 15	29,961	29,961	59,922	59,922
Week ended August 22	526,350	29,152	51,744	607,246
Total to date, 1934	19,768,045	1,143,474	1,931,298	22,840,817
Total to date, 1933	17,777,162	1,077,590	1,776,779	20,631,531
Increase or decrease in 1934	+ 1,990,883	+ 65,884	+ 154,519	+ 2,201,296
	+ 13-0%	+ 6-1%	+ 8-7%	+ 12-4%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 46,268	+ 98,552	- 25,667
	- 0-4%	+ 2-8%	+ 3-6%	- 0-07%

PROVINCIAL

(000's omitted)

No. of working days...	Week ended Aug. 18		Month of July		Aggregate January 1 to August 18
	1933	1934	1933	1934	
BIRMINGHAM	1,476	1,560	11,327	12,973	75,887
BRADFORD	442	397	4,123	3,485	29,616
BRISTOL	1,106	1,182	5,012	4,935	35,659
DUBLIN	5,300	4,327	17,051	14,935	169,226
HULL	670	678	3,057	3,279	23,145
LEEDS	791	926	4,016	4,093	28,370
LIVERPOOL	455	479	3,021	2,844	38,604
LIVERPOOL	6,421	5,806	29,082	27,658	204,888
MANCHESTER	7,806	8,162	41,664	42,255	302,836
NEWCASTLE	1,295	1,396	5,940	6,261	46,487
NOTTINGHAM	423	401	2,028	1,986	14,223
SHEFFIELD	707	805	3,430	3,595	24,921
	26,832	26,219	112,900	110,364	959,574

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. Canada, in July 23. Roumania, Egypt, in August 4. International Settlements, Denmark, Lithuania, Danzig, in August 11. Portugal, Bulgaria, Latvia, Norway, Java, in August 18.

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

	Aug. 25, 1933	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934
Resources					
Gold Certificates on hand and due from the Treasury	3,833,060	5,155,900	4,929,550	4,961,370	4,963,360
Total reserves	243,580*	225,890	219,960	224,460	228,660
Total bills discounted	150,140	21,370	20,550	20,210	18,820
Bills bought in open market	7,350	5,210	5,200	5,200	5,110
Total U.S. Govt. securities	157,490	26,580	25,750	25,410	24,930
Total bills and securities	2,094,010	2,431,780	2,431,760	2,431,460	2,431,520
Total resources	2,253,360	2,458,320	2,457,980	2,457,500	2,457,180
	6,571,960	8,178,210	8,134,980	8,265,160	8,267,730
Federal Reserve notes in actual circulation	2,984,980	3,078,820	3,095,330	3,102,370	3,105,030
Federal Reserve Bank notes in circulation	129,300	33,860	33,180	32,850	32,300
Deposits—Memberbank—reserve account	2,431,910	3,914,810	4,059,070	4,064,270	4,072,320
Government deposits	49,170	159,590	24,590	57,890	43,770
Total deposits	2,481,080	4,074,400	4,083,660	4,122,160	4,116,090
Capital paid in and surplus	424,790	284,990	284,990	284,810	284,900
Total liabilities	6,571,960	8,178,210	8,134,980	8,265,160	8,267,730
Ratio of total reserves to total liabilities	67-9%	69-9%	70-0%	70-1%	70-2%
Ratio of Federal Reserve notes in circulation to total liabilities	45-7%	37-6%	37-0%	37-5%	37-5%

* Reserves other than gold.

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

	Aug. 25, 1933	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934
Total gold reserves	995,060	1,773,310	1,791,360	1,796,290	1,820,440
Total bills discounted	42,860	11,890	11,930	11,650	11,800
Bills bought in open market	2,480	1,940	1,930	1,930	1,850
Total U.S. Govt. securities	763,350	777,750	777,750	777,750	777,750
Total bills and securities	809,940	791,620	791,620	791,620	791,580
Deposits—Memberbank—reserve account	1,036,930	1,605,980	1,701,180	1,688,710	1,706,740
Ratio of total reserves to total liabilities	61-8%	72-1%	72-2%	72-1%	72-5%

FEDERAL RESERVE MEMBER BANKS

In \$'s (000,000's omitted)

	Aug. 9, 1933	July 10, 1934	July 17, 1934	July 25, 1934	Aug. 1, 1934	Aug. 8, 1934
Loans	8,538	8,006	7,961	7,938	7,873	7,827
Investments	7,886	9,745	9,798	9,790	9,889	9,856
Demand deposits	10,495	12,641	12,697	12,755	12,745	12,721
Time deposits	4,537	4,512	4,510	4,501	4,488	4,491
Government deposits	560	1,353	1,353	1,296	1,296	1,296
Due from banks	1,136	1,666	1,683	1,644	1,562	1,538
Due to banks	2,588	3,870	3,883	3,845	3,770	3,766

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

	Aug. 18, 1933	July 20, 1934	July 27, 1934	Aug. 3, 1934	Aug. 10, 1934	Aug. 17, 1934
Assets						
Gold coin and bullion	16,255	20,933	20,933	20,230	20,227	20,537
Subsidiary coin	397	308	297	291	290	278
Bills discounted: Domestic and Union Govt. Treas.	63	56	56	58	59	53
Bills discounted: Foreign	18,091	14,873	13,491	12,555	13,440	13,955
Investments	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	4,948	8,391	8,373	8,335	8,091	8,279
LIABILITIES						
Capital paid up	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	9,517	11,057	11,560	12,225	11,679	11,230
Government deposits	1,714	3,208	3,263	1,084	1,258	2,064
Bankers' deposits	26,503	23,971	23,478	23,542	24,224	25,010
Ratio of cash reserves to liabilities to public	40-6%	48-3%	49-9%	50-2%	49-5%	49-1%

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

	July 28, 1933	June 29, 1934	July 6, 193
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NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K.

(000's omitted)

Assets	Aug. 14, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934	Aug. 14, 1934
Gold	1,706,528	2,662,864	2,662,857	2,663,146	2,663,049
Balance abroad and foreign currency	929,855	25,326	26,393	27,356	29,992
State notes and advances	1,578,656	1,470,196	1,397,855	1,551,075	1,589,495
Discounts and bills	2,616,064	2,126,333	2,125,430	2,123,298	2,122,267
Other assets	586,179	690,693	711,240	711,240	712,720
LIABILITIES					
Bank notes in circulation	5,866,206	5,097,777	5,220,815	5,299,288	5,344,349
Check account balances	809,062	1,134,706	926,839	968,235	954,014
Other liabilities	292,675	290,919	329,106	356,582	367,150

* Gold previously booked under "Balances Abroad" now shown under "Gold" at net parity.

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

Assets	Aug. 15, 1934	July 31, 1934	Aug. 8, 1934	Aug. 15, 1934
Cash reserve	1,797,396	1,791,601	1,800,555	1,802,227
Gold at home and abroad	1,797,396	1,791,601	1,800,555	1,802,227
Foreign exchange	50,497	19,439	103,804	122,856
Other foreign exchange	2,248,437	1,817,659	1,820,527	1,827,283
Bills and advances against security	1,816,320	1,719,306	1,719,449	1,719,573
Government advances	4,270,788	4,169,967	4,177,169	4,151,799
Notes in circulation	1,082,527	1,180,298	1,178,319	1,260,994
Sight deposits	1,316,191	865,594	861,294	861,294
Time deposits				

BANK OF GREECE—In drachmae (000's omitted)

Assets	Aug. 7, 1934	July 15, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Gold and gold exchange	3,146,148	3,398,175	3,461,943	3,511,914	3,542,506
State Gold Bonds	653,754	640,507	640,507	640,507	640,507
Other foreign exchange	2,872	2,717	2,702	2,528	2,699
Bills discounted	201,846	222,009	228,590	230,117	232,715
Advances	2,399,300	4,233,423	4,278,220	1,548,506	1,631,940
Debt to the State	2,714,111	2,714,111	2,714,111	2,714,111	2,714,111
LIABILITIES					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	4,772,738	5,040,882	5,040,882	5,143,389	5,176,935
Deposits and current accounts	4,645,156	6,256,139	6,330,333	3,523,368	3,564,617
Foreign exchange liabilities	142,899	64,986	92,740	107,752	100,080

CENTRAL BANK OF TURKEY—In ₺ (000's omitted)

Assets	Aug. 10, 1934	July 19, 1934	July 26, 1934	Aug. 2, 1934	Aug. 9, 1934
Gold coin and bullion	15,746	18,545	18,586	18,738	18,775
Other coin and notes	22,829	17,846	18,347	18,667	19,139
Free foreign exchange	350	4,136	4,278	3,971	3,733
Treasury bonds	152,505	149,264	149,264	149,264	149,263
Bills	34,438	31,111	31,120	31,127	31,137
Securities	4,500	4,500	4,500	4,500	4,500
LIABILITIES					
Capital	15,000	15,000	15,000	15,000	15,000
Note issue					
Ordinary	152,505	149,264	149,264	149,264	149,263
Supplementary	8,688	8,688	8,688	8,688	8,688
Sight liabilities	29,659	21,791	24,486	22,151	22,698

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

Assets	Aug. 10, 1934	July 10, 1934	July 20, 1934	July 31, 1934	Aug. 10, 1934
Gold	472,882	490,614	491,161	491,703	492,046
Foreign exchange and balances	81,491	44,144	41,376	40,109	41,658
Bills discounted	615,762	588,624	581,858	613,777	621,579
Loans against securities	112,409	61,920	55,570	64,555	67,783
Reserve fund securities	91,071	91,662	91,662	91,662	91,657
Advances to State	90,000	90,000	90,000	90,000	90,000
LIABILITIES					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	114,000	114,000	114,000	114,000	114,000
Notes in circulation	1,001,890	906,981	879,403	907,611	913,919
Current accounts	161,784	190,026	214,959	222,956	228,551

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

Assets	Position, May 30, 1934	Aug. 15, 1934	July 31, 1934	Aug. 8, 1934	Aug. 15, 1934
Gold	35,091	322,570	322,640	322,641	322,627
Balance abroad and foreign bills	90,379	1,132,672	1,287,143	1,319,281	1,334,094
Finland and Foreign Government securities	21,826	277,548	409,417	410,321	415,026
Discounts and loans	105,151	906,063	855,541	849,823	840,790
LIABILITIES					
Notes in circulation	123,941	1,038,333	1,200,064	1,195,413	1,177,131
Deposits at notice	21,225	321,579	433,894	461,791	489,888

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

Assets	Aug. 7, 1934	July 15, 1934	July 23, 1934	July 31, 1934	Aug. 7, 1934
Gold coin and gold bullion	19,240	20,484	20,489	20,490	20,494
Net foreign exchange	713	8,261	8,864	9,114	8,896
Subsidiary Estonian coin	2,044	1,711	1,555	1,576	1,537
Home bills discounted	7,592	8,181	7,923	7,749	7,558
Loans and advances	10,722	4,821	5,119	5,594	4,588
Thereof loan to Government	4,100	1,000	1,000	1,000	1,000
LIABILITIES					
Notes in circulation	29,199	31,354	33,421	32,815	31,802
Sight deposits and current accounts	12,788	14,397	12,778	14,465	13,979
Ratio of reserve to current liabilities	47.52%	62.83%	63.54%	62.61%	64.20%

* Includes Ekr. 2,182 guaranteed by the Government.

BANK OF JAPAN—In yen (000's omitted)

Assets	Position, June 30, 1934	July 29, 1934	July 7, 1934	July 14, 1934	July 21, 1934	July 28, 1934
Gold coin and bullion	221,320	425,070	455,752	456,059	456,417	456,889
Other coin and bullion	50,517	47,684	48,714	48,214	47,741	47,741
Discounts	41,740	612,810	595,132	596,047	592,189	602,606
Advances	70,540	52,892	82,550	82,885	83,862	84,948
Govt. bonds		425,224	400,290	519,059	471,570	466,276
LIABILITIES						
Notes	362,270	1,178,414	1,136,378	1,100,910	1,097,922	1,186,272
Govt. deposits	87,340	240,175	206,698	382,749	381,959	323,956
Other deposits	11,440	84,523	74,885	60,818	61,169	75,311

LONDON RATES

	Aug. 16, 1934	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934	Aug. 23, 1934
Bank rate (changed from 12% June 8, 1932)	2	2	2	2	2	2	2
Market rates of discount—							
60 days' bankers' drafts	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
3 months' do.	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
4 months' do.	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
5 months' do.	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Discount Treasury Bills—							
3 months'	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
5 months'	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Loans—Day-to-day	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Short	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Deposit allowances: Bank	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Discount houses at call	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
At notice	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Comparison with previous week—

Short Loans	Bank Bills			Trade Bills		
	3 months	4 months	5 months	3 months	4 months	5 months
1934						
July 23	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Aug. 2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
" 9	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
" 16	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
" 23	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

LONDON RATES OF EXCHANGE

1.—Spot Rates

(Range of the day's business)

London on	Par of Exch. per £.	Aug. 17, 1934	Aug. 18, 1934	Aug. 20, 1934	Aug. 21, 1934	Aug. 22, 1934	Aug. 23, 1934
New York, \$	24.88	5.084-104	5.094-091	5.084-091	5.084-091	5.084-091	5.084-091
Montreal, \$	4.864	4.96-97	4.96-97	4.96-97	4.96-97	4.96-97	4.96-94
Paris, Fr.	124.21	21.40-44	21.40-44	21.40-44	21.39-43	21.35-43	21.32-39
Brussels, Bel	35.00	21.40-44	21.40-44	21.40-44	21.39-43	21.35-43	21.32-39
Milan, Li.	92.46	58 1/2-2	58 1/2-2	58 1/2-2	58 1/2-2	58 1/2-2	58 1/2-3
Zurich, Fr.	25.221	15.40-43	15.40-43	15.40-43	15.39-43	15.35-41	15.34-39
Athens, Dr.	375	523	525	525	525	525	525
Helsinki, Mk.	193.23	2261-2271	2261-2271	226-2271	226-2271	226-2271	226-2271
Madrid, P.	25.224	361-1	361-1	361-1	361-1	361-1	361-1
Lisbon, Esc.	110	1092-1101	1093-1101	1093-1101	1093-1101	1093-1101	1093-1101
Amst'dm, Fl.	12.107	7.411-431	7.411-431	7.411-431	7.411-43	7.39-42	7.39-41
Berlin, Mk.	20.43	12.83-894	12.79-841	12.70-832	12.62-722	12.67-791	12.73-804
Vienna, Sch.	34.581	26-28	26-28	26-28	26-28	26-28	26-28
Bu'pest, Pen.	27.82	171-1	171-1	171-1	171-1	171-1	171-1
Prague, Kc.	110	121-121	121-121	121-121	121-121	121-121	121-120
Danzig, Gul.	25.00	151-1	151-1	151-1	151-1	151-1	151-1
Warsaw, Zl.	43.38	261-2	261-2	261-2	261-2	261-2	261-1
Riga, Lt.	25.221	15-16	15-16	15-16	15-16	15-16	15-16
Bucharest, Lei	813-6	494-514	494-514	495-514	494-514	492-512	492-512
Const'ple, Pst.	110	620	620	620	620	620	620
Belgrade, Din.	276-32	216-226	216-226	216-226	216-226	216-226	216-226
Kyovo, Lit.	48.66	291-301	291-301	291-301	291-301	291-301	291-301
Sofia, Lev.	673-66	410-440	410-440	410-440	410-440	410-440	410-440
Tallinn, E.Kr.	18-159	171-181	171-181	171-181	171-181	171-181	171-181
Oslo, Kr.	18-159	19-85-95	19-85-95	19-85-95	19-85-95	19-85-95	19-85-95
Stockholm, Kr.	18-159	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45
Cop'n'ghen, Kr.	18-159	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45
Alex'ndria, Pst.	978	971-1	971-1	971-1	971-1	971-1	971-1
Bombay, Rup.	181	181-1	181-1	181-1	181-1	181-1	181-1
Calcutta, Rup.	181	181-1	181-1	181-1	181-1	181-1	181-1
Madras, Rup.	181	181-1	181-1	181-1	181-1	181-1	181-1
Hong Kong, \$	24.58d.	134-1	144-1	164-1	164-1	164-1	164-1
Kobe, Yen.	24.58d.	134-1	144-1	164-1	164-1	164-1	164-1
Shanghai, \$	24.58d.	134-1	144-1	164-1	164-1	164-1	164-1
Singapore, \$	24.58d.	134-1	144-1	164-1	164-1	164-1	164-1
Batavia, F.	12.11	7.381-411	7.381-411	7.38-41	7.38-41	7.36-40	7.36-40
Rio, Mil.	5.89d.	31-1	31-1	31-1	31-1	31-1	31-1
B. Aires, \$	147.62d.	291-291	29-291	29-1	29-1	29-1	29-1
Valparaiso, \$	147.62d.	291-291	29-291	29-1	29-1	29-1	29-1
M'video, \$	51d.	(a)	(a)	(a)	(a)	(a)	(a)
Lima, Sol.	17-18	21-85a	21-85a	21-85a	21-85a	21-85a	21-85a
Manila, Pes.	9-76	171-181	171-181	171-181	171-181	171-181	171-181
Manila, Pes.	124.66d.	23-23	23-23	23-23	23-23	23-23	23-23
Moscow, Rub.	9-45d.	5.794-811	5.798-811	5.798-811	5.798-811	5.798-811	5.798-811
Bangkok, Bahr.	121-82d.	211-221	211-221	211-221	211-221	211-221	211-221

SILVER

Although prices have shown very little change during the week, the market has again been very active. Buying for America has been on a large scale, but demand has been offset by China sales. The Indian Bazaars and speculators have supported the market, but both have made some re-sales.

In view of the very large shipments of silver being made from China, there were rumours of the likelihood of an embargo being placed on exports, but it was announced by the Chinese Finance Minister on August 20th that no such action was contemplated.

The market has a steady appearance, as the demand for America is likely to continue, and this, with China selling, form the chief features for the time being.

Large shipments of silver purchased on American account continue to be made to New York.

Quotations during the week :-

IN LONDON				IN NEW YORK			
Bar silver per oz. std.		Cents per ounce		Bar silver per oz. std.		Cents per ounce	
Cash	Two Months'	delivery	delivery	Cash	Two Months'	delivery	delivery
August 16	21½d.	21½d.	21½d.	August 15	50	50	50
" 17	21½d.	21½d.	21½d.	" 16	50	50	50
" 18	21½d.	21½d.	21½d.	" 17	50	50	50
" 20	21½d.	21½d.	21½d.	" 18	50	50	50
" 21	21½d.	21½d.	21½d.	" 20	50	50	50
" 22	21½d.	21½d.	21½d.	" 21	50	50	50
Average	21·604d.	21·552d.					

The highest rate of exchange on New York recorded during the period from the 16th instant to the 22nd instant was \$5·10½ and the lowest \$5·07½.

The stocks in Shanghai on the 18th instant consisted of about 100,400,000 ounces in sycee, 368,000,000 dollars and 31,200,000 ounces in bar silver, as compared with about 107,400,000 ounces in sycee, 370,000,000 dollars and 30,900,000 ounces in bar silver on the 11th instant.

GOLD AND SILVER PRICES

1934	Gold per ounce		Silver—Per ounce		Date	Silver Cash
	s. d.	d.	Cash	Forward		
Aug. 17	138	3½	21½	21½	Aug. 30, 1928	26½
" 18	138	4	21½	21½	" 29, 1929	24½
" 20	138	3	21½	21½	" 28, 1930	16½
" 21	138	2½	21½	21½	" 25, 1931	12½
" 22	138	7	21½	21½	" 25, 1932	18½
" 23	138	7½	21½	21½	" 24, 1933	17½

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended Aug. 19, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 33 weeks (£000)					
(b) Week ended Aug. 17, 1934		Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	
(c) Week ended Aug. 18, 1934													
Great Western	1934	3,750	292	175	100	275	567	6,661	5,819	3,212	9,031	15,692	
(c) L. & N. E.	1933	3,752	288	164	98	262	550	6,696	5,385	3,180	8,565	15,261	
Eastern	1933	6,339	408	283	222	518	947	10,177	10,062	7,391	17,453	27,630	
L. M. & S.	1934	6,940	659	227	217	644	1,303	10,040	9,201	6,739	15,940	25,880	
Scottish	1933	6,941	636	404	207	611	1,247	15,906	14,462	7,364	21,826	37,732	
Southern	1934	2,176	397	67	28	95	492	9,660	2,062	1,011	3,073	12,733	
	1933	2,181	387	65	29	94	481	9,531	1,968	952	2,920	12,451	
Total	1934	19,208	1,777	965	567	1,532	3,309	42,404	32,405	18,976	51,383	93,797	
	1933	19,213	1,719	916	533	1,449	3,168	41,920	29,866	17,916	47,782	80,702	
(b) Belfast & Co. Down	1934	80	3·2	...	0·4	3·7	84·3	...	...	...	...	101·3	
(b) Great Northern	1934	562	14·6	...	8·4	23·0	324·6	...	...	...	...	17·2	
(b) Great Southern	1934	562	14·3	...	7·9	22·2	237·0	...	...	...	...	195·8	
(b) Great Southern	1934	2,158	35·4	...	33·1	68·5	790·3	...	...	...	...	1,076·2	
(b) Great Southern	1934	2,158	35·9	...	29·5	65·4	792·2	...	...	...	...	1,077·2	

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year, 1933:				
Gross increase or decrease	+ 33	+ 300	+ 271	+ 50
Net increase or decrease	+ 4½	+ 42½	+ 38½	+ 7½
Latest week 1934 compared with 1933	+ 17	+ 56	+ 57	+ 11

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending August 18, 1934.....	498,800	2,100
Aggregate 7 weeks ending August 18, 1934.....	£3,671,500	+ 30,400

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
				Rs.	Rs.	Rs.	Rs.
Assam Bengal	16	July 21	1,330	3,40,500	+ 44,880	57,84,572	+ 10,86,914
Barsi Lt. Ry.	17	28	202	88,400	+ 64,000	7,62,400	+ 1,200
Bengal & N. Western	17	28	2,112	5,47,423	- 31,798	1,19,88,446	+ 4,77,685
Bengal-Nagpur	16	21	3,269	13,80,000	+ 2,81,124	2,50,43,809	+ 27,83,230
Bombay, Bar.&C.I.	18	Aug. 11	3,072	15,62,000	+ 94,000	3,96,40,000	+ 18,80,000
Madras & S. Mahr.	14	July 21	3,230	14,69,000	+ 72,723	2,51,87,767	- 3,93,631
Rohilk'd & Kumaon	17	28	572	92,470	+ 3,804	23,09,562	+ 65,480
South Indian	16	21	2,526	10,49,638	+ 81,538	1,77,83,210	+ 7,22,246

CANADIAN

Canadian National.....	32 Aug. 14	23748	\$ 2,830,053	+ 77,449	99,205,689	+ 128,330,441
Canadian Pacific.....	32 Aug. 14	17018	\$ 2,265,000	+ 108,000	72,578,000	+ 7,466,000

SOUTH AMERICAN

Antofagasta (Chili and Bolivia).....	28 Aug. 19	830	\$ 15,250	+ 4,010	450,300	+ 112,750
Argentine N.E.	7 18	753	\$ 128,300	- 5,700	946,200	- 21,700
B.A. and Pacific.....	7 18	2,806	\$ 7,420	- 2,951	54,382	- 19,995
B.A. Central.....	52 June 24	...	\$ 11,191,000	+ 298,000	8,571,000	+ 882,000
B.A. Gt. Southern	7 Aug. 18	5,085	\$ 68,884	- 234	492,615	- 89,572
B.A. Western.....	7 18	1,926	\$ 10,362	- 79	486,263	- 6,925
Central Argentine ..	7 18	3,700	\$ 12,053,000	+ 174,000	15,157,000	+ 391,000
Central Uruguayana	7 18	273	\$ 118,738	- 26,694	5,472,000	+ 44,000
C. Urug. (East Ext.)	7 18	111	\$ 46,270	- 2,492	314,515	- 71,618
C. Urug. (N. Ext.) ..	7 18	185	\$ 12,221,300	+ 664,100	15,949,850	+ 269,0750
C. Urug. (W. Ext.) ..	7 18	211	\$ 128,473	+ 7,947	916,754	- 101,663
Cordoba Central.....	7 18	1,218	\$ 12,530	- 1,127	96,337	- 3,009
Entre Rios.....	7 18	810	\$ 2,376	+ 248	19,760	+ 2,179
G. Westn. of Brazil	33 18	1,082	\$ 1,614	- 138	11,563	- 59
Leopoldina.....	33 18	1,915	\$ 1,109	- 108	7,812	- 810
Leopoldina Termnl.	33 18	...	\$ 550,000	+ 35,000	4,308,000	+ 390,000
Nitrate.....	7½ 15	401	\$ 31,810	- 8,050	247,590	- 53,450
Paraguay Central ..	7 18	274	\$ 179,800	+ 4,500	1,277,100	+ 1,100
Salvador.....	7 18	100	\$ 10,399	- 3,169	73,404	- 24,636
San Paulo.....	32 12	1531	\$ 5,800	- 2,300	249,500	- 72,100
United of Havana	7 18	1,365	\$ 39,960	- 10,461	796,650	- 16,658
			\$ 282,000	+ 15,000	9,792,000	+ 553,000
			\$ 10,480	+ 6,242	165,856	+ 96,008
			\$ 4,400	+ 250	31,820	+ 2,700
			\$ 8,019	+ 1,322	71,787	+ 27,459
			\$ 27,706	+ 2,244	974,971	+ 16,942
			\$ 18,803	+ 5,066	122,244	+ 35,052

* Converted at average official rate during week ended August 18—17·29 pesos to £1.
† Months. ‡ Receipts in Argentine Pesos.

OTHER OVERSEAS

Egyptian Delta Light Railways.....	21 July 31	622	\$ 16,323	+ £ 900	£ 58,178	+ £ 3,398
Egyptian Markets.....	33 Aug. 16	...	\$ 1,372	+ 61	54,624	+ 3,619
Gr. Southn. of Spain	32 11	104	\$ 58,794	+ 5,248	1,648,164	+ 61,636
Mexican Railway.....	7 14	483	\$ 211,700	+ 27,700	1,409,000	+ 230,600

† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

Anglo-Argentine ...	33 Aug. 19	328	\$ 50,997	- £ 4,070	£ 1,746,523	- £ 162,790
B. Aires Lacroze ...	52 June 24	...	\$ 5,217	- 577	319,022	- 107,522
Burnley, Colne and Nelson Jt. Trmpt.	1 Aug. 18	76	\$ 4,850	+ 74	...	...
Calcutta Tramways	7 18	...	\$ 1,19,805	+ 8,331	...	...
Isle of Thanet Elec.	30 8	...	\$ 6,284	+ 62	95,575	+ 2,674
Liverpool Corp.....	20 15	...	\$ 28,122	- 558	564,172	- 9,308
Madras Electric....	7½ July 31	...	\$ 51,484	+ 1,611	7,30,973	+ 5,011

† Months.

MONTHLY TRAFFICS

Company	Months Ending 1934	Description	Receipts for Month		Receipts to Date	
			1934	+ or -	1934	+ or -
Brazilian Traction ...	7 July 31	Gross	\$2,659,814	+ 165,921	17,110,262	+ 726,048
British Columbia	12 June 30	Gross	\$1,446,026	+ 14,810	8,794,432	- 174,334
		Net	\$1,008,509	+ 804	6,609,703	- 190,577
Costa Rica.....	12 June 30	Gross	\$326,204	+ 32,127	4,028,419	+ 161,911
Manchester Ship Canal	7 July 31	Gross	\$20,297	- 7,045	218,120	- 22,553
Mashonaland.....	1 June 30	Gross	\$95,459	+ 6,119	698,354	+ 34,085
Midland of W. Australia	12 June 30	Gross	\$109,112	- 35,582	...	...
Rangoon Electric Tramway	6 June 30	Gross	\$12,031	- 599	158,207	+ 1,502
		Net	\$4,722,561	+ 20,566	26,79,169	+ 4,209
Rhodesia.....	1 June 30	Gross	\$2,31,148	+ 32,112	12,14,235	+ 77,094
Santa Fe.....	1 July 31	Gross	\$289,846	+ 7,045	...	...
Winnipeg Electric.....	6 June 30	Gross	\$115,849	+ 8,954	...	...
		Net	\$398,452	+ 2,596	2,675,183	- 2,230
			\$131,624	+ 1,629	1,018,155	+ 35,162

TRANSVAAL JULY, 1934, OUTPUTS, &c.

Note.—Value of gold calculated at £8 17s. per ounce in all cases.

The Johnnies Group	Tons milled, July, 1934	Estimated Value, July, 1934		Estimated Costs per ton, July, 1934	Estimated Profit including Sundry Revenue, July, 1934	June, 1934, Profit at £8 17s. per fine ounce
		Gross	Per ton			
Government Areas (Modderfontein) ...	208,000	£ 521,560	s. d. 50 2	17 9	£ 340,161	£ 345,102
Langlaagte Estate ...	83,000	112,192	27 0	19 3	33,210	33,057
New State Areas.....	91,000	248,870	54 8	21 0	155,159	155,161
Randfontein Estates	335,000	430,605	25 8	19 7	105,030	103,215
Van Ryn Deep	81,000	124,635	30 8	18 7	50,167	52,270
Witwatersrand	82,000	87,564	21 4	18 10	12,544	12,679
Totals	880,000	1,525,426	...	19 1	696,271	701,484
The Central Mining Company Rand Mines Group	Tons Crushed, July, 1934	Yield in Fine Gold, Ounces, July, 1934	Value, July, 1934	Profit, July, 1934	Profit, July, 1934	Working Cost per ton, July, 1934
City Deep, Limited	105,000	19,501	£ 133,711	£ 26,686	s. d. 20 4	6
Consolidated Main Reef Mines and Estate, Ltd.	104,000	23,715	162,320	50,420	21 6	2
Crown Mines, Limited.....	303,000	83,335	571,421	278,266	21 6	2
Durban Rooodepoort Deep, Ltd.	53,700	12,909	88,494	22,934	24 0	5
East Rand Proprietary Mines, Ltd.	179,000	40,198	275,657	63,185	21 6	1
Goldenhuis Deep, Ltd.	85,000	13,563	93,034	20,649	17 0	4
Modderfontein B. Gold Mines, Ltd.	86,000	16,367	112,511	49,112	14 8	9
Modderfontein East, Ltd.	88,000	49,417	136,628	48,053	20 6	1
New Modderfontein Gold Mining Co., Ltd.	181,000	46,211	317,027	186,427	14 5	2
Nourse Mines, Ltd.	72,500	17,226	118,124	30,517	24 2	0
Rose Deep, Ltd.	65,000	11,613	79,654	14,828	19 11	4
Anglo-American Corporation Group	Tons Milled, July, 1934	Total Revenue, July, 1934	Working Costs, July, 1934 Per ton	Profit, May, 1934	Profit, June, 1934	Profit, July, 1934
Brakpan Mines, Ltd.	123,000	222,775	£ 123,015	£ 108,254	£ 103,282	£ 97,760
Daggafontein Mines, Ltd.....	81,000	189,703	88,781	87,340	94,961	100,522
Spring Mines, Ltd.	85,500	234,480	89,485	146,401	144,998	144,995
West Springs, Ltd.	90,500	95,890	70,838	27,022	27,638	25,052

OVER ONE HUNDRED YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
 INSURANCE COMPANY
 ASSETS - EXCEED - £16,000,000
 FIRE LIFE ACCIDENT MARINE
 Edinburgh: 33 St. Andrew Square
 London: 5 Walbrook, E.C.4, and 4, St. James's Street, S.W.1

COAL

SHEFFIELD.—Rather more interest is being shown in best steams for export, but is confined so far to inquiries. Shipments are limited. There is a scarcity of medium-sized coal. Prices continue firm at 16s. 9d. to 17s. 3d. f.o.b. Owing to approach of the period of higher prices, merchants are giving attention to house coal and many contracts are expected to be placed shortly. Since the quota was lowered, stocks of house coal at the pits have nearly disappeared. Prices of best qualities are round about 20s. per ton at pits. The output of small coal barely meets the consumption of the coke ovens, and when the winter demand for coke for heating purposes sets in the supply may fall short. The iron works are taking a large tonnage. Prices at 18s. to 20s. f.o.b. are regarded as inadequate and efforts to get them up to a higher level are proceeding.

NEWCASTLE-ON-TYNE.—Whilst this is one of the duller periods of the year in the North-East coal trade, it is satisfactory to note that from the Tyne 305,500 tons were shipped last week, an increase of 56,550 tons compared with last year. Screened steam coals are a very strong feature, Northumberland collieries being well sold until the Spring of next year. The Durham market remains quiet, with all the many classes of unscreened gas and coking offering freely at schedule minimum prices.—Current f.o.b. prices for export: NORTHUMBERLAND—D.C.B. screened, 13s. 9d.; smalls, 11s. 3d.; Howards, Bentinck, Newbiggin screened, 13s. 3d.; smalls, 11s.; Tyne prime large, 13s.; smalls, 11s.; Hartley Main large, 13s.; smalls, 11s. DURHAM—Lambton/South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear special unscreened gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; prime foundry coke, 20s.; Newcastle and district gas coke, 20s. 3d.

GLASGOW.—The varieties of coal recently in demand maintain their strength, and the market in general is fairly satisfactory, the seasonal expansion in business being near at hand. First Fife steams are well booked, and prime splint in Lanarkshire and navigation fuel are none too plentiful. The smaller sizes of nuts command a ready market, but the position of trebles and doubles is irregular, these being freely obtainable in some areas.

Shipment prices (f.o.b. district ports): LANARKSHIRE—Ell best, 13s. 6d.; splint best, 15s.; splint second, 13s. 3d.; navigation, screened, 14s. 6d.–14s. 9d.; navigation, unscreened, 12s. 9d.–13s. 3d.; Hartley, 14s. 6d.; steam, 12s.–12s. 6d.; trebles, 14s.; doubles, 12s. 3d.; singles, 13s.; pearls, 11s. 6d.–12s.; dross, 9s. 9d. FIRE—Best unscreened navigation, 12s. 9d.–13s.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 6d.–13s. 9d.; third-class steam, 12s.; trebles, 13s. 6d.–15s. 6d.; doubles, 12s. 3d.–12s. 6d.; singles, 12s. 6d.–13s.; pearls, 11s.–11s. 6d. LOTHIAN—Prime steam, 12s.–13s.; secondary steam, 11s. 6d.–11s. 9d.; unscreened navigation, 12s. 6d.; trebles, 14s.–14s. 6d.; doubles, 12s.; singles, 12s. 6d.–13s.; pearls, 11s.–11s. 6d. Ayrshire—Best unscreened navigation, 13s. 9d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 13s. 6d.–14s.; doubles, 13s.; singles, 12s. 9d.; pearls, 11s. 6d.–12s.; dross, 10s.

CARDIFF.—Indications of Autumn improvement are still absent in the Welsh steam coal trade. Since the holidays new business has been developing slowly and in view of the severe price cutting by Poland and Germany in the leading export markets, particularly in Italy, Welsh exporters are finding it difficult to make progress. Hopes are expressed in South Wales, however, that an agreement will shortly be reached between Great Britain and Italy under which an improved outlet will be secured for the coals of this district. Meanwhile all grades of large are excessive and smalls are irregular, but there has been some revival of business in sized coals, the smaller grades of which are scarce. Coke is quieter and briquettes active, while a further fall has taken place in pitwood prices.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; seconds, 12s. 6d. to 13s.; coking smalls, 13s. 6d. 14s.; anthracite best large, 36s. to 38s. 6d.; Red Vein large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 22s. 7½d. (French), 23s. (Portuguese).

IRON AND STEEL

MIDDLESBROUGH.—Owing to local holidays business is practically suspended, there being no iron market this week. There is no reduction, however, in the local production of pig iron, and prices are well maintained. Shipments so far during August show a considerable improvement over last month, the quantity of all kinds of pig iron shipped from the Tees to August 21st being 10,091 tons against 5,819 tons to July 21st. Merchants who have

contracts for pig iron with German buyers are, however, unable to effect shipment owing to the difficulties in arranging payment, but it is noticeable that parcels of pig iron have been sent recently to Italy, Australia, and smaller parcels to other European countries. Most of the steelworks are closed down this week, when opportunity is taken to effect necessary repairs. The coke position remains strong, and for good Durham blast-furnace coke 20s. per ton is obtainable for delivery locally. Foreign ore continues to be based on 17s. per ton for best Bilbao rubio, and it is understood that further business has been done in iron ore for delivery over next year.

SHEFFIELD.—The overseas trade returns for July revealed a very substantial increase in shipments of tools, cutlery, and several other of Sheffield's steel goods. As regards iron and steel and their manufactures, the tonnage exported was less than in June, but well up on July last year. Special alloy steels also make a good showing. Local steel firms report that orders coming in are for reduced quantities compared with the first quarter of the year, when consumers were eager to replenish their depleted stocks, but it is anticipated that work for some time to come will suffice to keep plants running regularly. In certain departments plants are working at full capacity. Firms building railway stock have been almost at a standstill as regards export account for several years, but one or two valuable contracts have lately been booked and better conditions for the trade in the future are assured. A good home demand exists for the better kinds of engineers' small tools.

GLASGOW.—There is more activity in the iron and steel markets this week, the number of enquiries showing a considerable advance and orders placed covering a greater tonnage. At the shipyards there is a good deal of repair work on hand, and while only one small order is reported as having been placed this week, there are a large number of tenders out at present. At the steel plants there is still a large amount of work on hand. Makers of semis also have sufficient work to keep plants fairly well employed and are securing a good share of the requirements of local users. In the sheet trade there is a slightly better export demand, particularly for galvanised sheets, while home trade remains satisfactory. In the tube trade the situation is unchanged. Wagon and carriage builders, machinery makers and many branches of the engineering trade are all busy in this district.

CARDIFF.—Firm conditions continue in the Welsh steel and tin-plate trades. Tinplates are ruling at 18s. to 18s. 3d. per basic box, and new business has been booked with Australia, South America and Russia. In the Far East business is difficult and Japanese competition has extended. Uncertainty prevails over the instructions of the international agreement committee in regard to prices. Sales are permitted for three months, but beyond this the permission of the international committee has to be secured. Welsh bars are quoted at £5 7s. 6d. delivered, while trade in galvanised sheets remains slack.

OTHER METALS

The metal markets have been quiet this week, only tin and silver exhibiting interesting developments. Despite the reduction in the quota, tin prices have declined considerably, for industrial demand is at present small and speculators are inactive. It is difficult to say whether this decline will be more than temporary, since the restrictionists are in a position to maintain prices at their previous levels. A further reduction would therefore indicate a change in official policy, but no news of such a change has so far been reported. That such a revision of prices is necessary, however, is clearly indicated by the remarks made in the discussion before the Foreign Committee of the United States House of Representatives last Tuesday; it was then stated that in the United States—by far the most important tin-consuming country—every effort would be made to find substitutes for tin.

Copper prices further declined to a lower level this week, while dull conditions prevailed in the markets for spelter and lead. The silver market, however, was naturally much affected by the new wave of American purchases and an increase in prices was almost compensated by increased Chinese offerings. There have been rumours of a Chinese silver embargo, but these do not seem to be well founded. The Chinese Government has considered the question but no decision has yet been reached. These heavy offerings would, however, seem likely to lead to sharp deflation in that country, and it is very doubtful whether China could steer clear of an embargo in such an event. Until a prohibition of exports takes place, however, it is unlikely that the price of silver will rise much higher than at present.

TIN.—Sales on the London Metal Exchange: 100 tons on Monday, against 800 tons last week; 175 tons on Tuesday, against 260 tons last week; 225 tons on Wednesday, against 75 tons last week. The New York quotation on Wednesday was 52-00 cents per lb., against 52-35 cents a week ago and 52-40 cents a month ago. Wednesday's official closing quotation in London for standard cash was £226 5s. to £226 10s., compared with £229 15s. to £229 17s. 6d. last week. Stocks in London and Liverpool at the end of last week were 3,802 tons, a decrease of 51 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,400 tons on Monday, against 200 tons last week; 1,450 tons on Tuesday, against 925 tons last week; 1,300 tons on Wednesday, against 1,000 tons last week. Domestic spot was quoted at 6-87½ cents per lb. in New York on Wednesday, against 7-07½ cents a week ago and 7-02½ cents a month ago. Wednesday's official closing price for standard cash in London was £27 18s. 9d. to £28, compared with £28 7s. 6d. to £28 10s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 32,610 tons,

show an increase of 120 tons, and stocks of rough copper, at 7,142 tons, remain unchanged.

LEAD.—Sales on the London Metal Exchange: 350 tons on Monday, against 250 tons last week; 500 tons on Tuesday, against 300 tons last week; 600 tons on Wednesday, against 150 tons last week. The New York quotation on Wednesday was 3-75 cents per lb., against 3-75 cents a week ago and 3-85 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 15s. for shipment during the current month, compared with £10 17s. 6d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 400 tons on Monday, against 150 tons last week; 200 tons on Tuesday, against 350 tons last week; 150 tons on Wednesday, against 150 tons last week. Wednesday's quotation in East St. Louis was 4-25 cents per lb., against 4-30 cents the week before, and 4-30 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 15s. for shipment during the current month, against £13 13s. 9d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 7s. 6d. to £11 12s. 6d. per flask of 76 lbs. Foreign antimony was quoted at £36 to £36 10s. per ton, as against £36 15s. to £37 10s. per ton last week. Chinese wolfram was quoted at 40s. to 41s. per unit, c.i.f., as against 39s. to 41s. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—MANCHESTER.—There have been no important developments in the Lancashire cotton industry. The fluctuations in raw cotton prices have been disconcerting, while cloth buyers have not been prepared to place orders of weight. India has provided a fair demand but the turnover has been disappointing. There has been rather more business, however, for South America and certain smaller outlets. Scattered sales have been reported in home trade fabrics, but spinners have had another unsatisfactory week. Stocks are increasing in first hands and order lists are becoming lighter. A restricted turnover has been done in Egyptian yarns and at the time of writing no agreement has been reached with regard to outstanding German debts, although there is a possibility of an early settlement.

COTTON PRICES

	1934				Corresponding Date	
	Aug. 1	Aug. 8	Aug. 15	Aug. 22	1932	1933
Raw Cotton—Mid. American per lb.	7-04	7-15	7-19	7-16	5-98	5-71
Sakellaridis Fully Good Fair Egyptian..... per lb.	8-62	8-66	8-69	8-73	8-20	7-68
Yarns—32's twist..... per lb.	10½	10½	10½	10½	9½	9½
" 40's twist..... per lb.	10½	10½	10½	10½	9½	9½
" 60's twist (Egyptian)..... per lb.	17	17	17	17	15	15½
32-in. Printers, 116 yds., 16 by 16, 32's and 60's.....	19 3	19 3	19 6	19 6	18 0	16 5
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	24 3	24 3	24 6	24 6	20 9	20 8
36-in. ditto, 88 yds., 18 by 18, 10 lb.	11 2	11 2	11 3	11 3	10 10	10 4
36-in. ditto, 97½ yds., 16 by 15, 8½ lb.	10 0	10 0	10 1	10 1	9 7	9 2

JUTE.—Dundee.—Prices of all commodities in the jute trade are being well maintained. There is a tendency in the up-country markets in India to withhold supplies pending the outcome of plans for the restriction of the cultivation of raw jute, while there is also reported to be a big "bear" account to cover the new crop in Calcutta. The quality of the fibre this season, and especially of white jute, is said to be poor and jute of good colour will be difficult to obtain. Demand on the whole is very quiet and users of the raw material are in no haste to purchase, having large stocks carried forward from previous seasons. The value of Daisce-2/3 is still round about £14 10s. per ton for both old and new crop, and fours are offered at £13 10s. for old and £14 for new, while Tossa-2/3 is quoted at £14 17s. 6d. for old and £15 5s. for new, and fours at £14 2s. 6d. and £14 7s. 6d. respectively. First Marks are more or less nominal at £17 and good Lightnings are mentioned at from £15 17s. 6d. to £16 2s. 6d., with Hearts at £14 12s. 6d. for Balchand to £15 2s. 6d. for Ram and SCC, August–September.

Jute yarns are very quiet and only trifling lots are being bought. Spinners, however, are fairly comfortably situated and nothing less than 1s. 8½d. would be accepted for common 8 lb. cops and 1s. 9½d. for 8 lb. spools, though buyers are attempting to purchase at ½d. less. The rates demanded by spinners are insufficient to meet the cost of production. Twist is steady at from 3½d. to 3½d. for 3 ply 8 lb., and sacking yarns are occasionally in request at from 2½d. for 24 lb. weft and 3d. for 8 lb. chains. Rove remains unchanged and quiet at £17 for 48 lb. and £14 for 200 lb., while carpet yarns meet a slow trade.

Manufacturers have recently transacted very good business in the narrow widths of jute cloth and are adhering firmly to their prices of 2½d. for 10½ oz. 40 in. and 1½d. to 2d. for 8 oz., though the market is again quieter at the moment. The wide widths have not been in much demand and orders for these would be welcomed at 2½d. for 10½ oz. The narrow widths were largely purchased by the home trade in view of the fact that prices of Calcutta goods have been higher than those of Dundee goods. Heavy goods and linoleum hessians are in little demand. Calcutta has ruled fairly strong for both hessians and heavy goods and a good business has been done at that centre, raising prices to 20s. 1d. for 10 oz. 40 in. and 15s. 9d. for 8 oz., August–September, and

19s. 9d. and 15s. 8d. for October–December, with Liverpool twills and "B" twills ruling at 50s. 9d. and 45s. respectively, August–December.

GRAIN MARKETS

WHEAT.—Lower prices have been quoted on the main export markets this week, due in some measure to the somewhat better estimates of crops in the United States and Canada, and to rains in Argentina and Australia. European buyers have reduced their demands, while holders of futures have sought to realise and to secure what profits they could, thus accentuating the downward movement. In Chicago, however, September futures ruled rather higher than a week ago. According to Mr G. Broomhall, total shipments during the past week were 1,333,000 quarters, against 1,463,000 quarters in the preceding week. On Wednesday, "September" futures were quoted in Chicago at 104½ cents per bushel, against 101½ cents the week before and 98 cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 35s. per 496 lbs., against 35s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 33s. 6d., against 34s. 6d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 30s. 3d. to 31s. 3d., against 31s. 6d. a week ago.

FLOUR.—North American shipments were 109,000 sacks in the past week, as compared with 119,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 27s. 6d. per 280 lbs., against 28s. 6d. last week; delivered London, 26s. 6d., as compared with 27s. 6d. a week ago. Manitoba patents, ex store, 25s. 9d. to 27s. 9d., against 26s. to 27s.; Australian, ex store, 20s. to 21s., against 20s. to 21s.

BARLEY.—The demand for imported feeding barley is expanding and the market has been firm, with higher prices quoted. Trading in English barley, however, still continues slow. "October" futures were 60½ cents per bushel in Winnipeg on Wednesday, against 55½ cents last week and 47½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 48 lb. lbs., 35s. to 50s., against 35s. to 50s. a week before.

OATS.—Chicago quotations for futures are higher on the week although prices in London have weakened somewhat. On Wednesday, "September" futures were quoted at 50½ cents per bushel in Chicago, against 49½ cents a week ago, and 44½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. per 320 lbs., against 22s. 6d. a week ago; "Chilean White," landed, 23s., against 24s. a week earlier.

MAIZE.—Trading in Plate maize has shown some reduction this week and Danubian supplies have increased. London quotations show slight reductions compared with a week ago. "September" futures were quoted on Wednesday at 76½ cents per bushel in Chicago, against 75½ cents a week ago and 64½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 26s. per 480 lbs., compared with 26s. 3d. last week; "Plate," ex ship, 25s., as against 25s. 3d. "Plate," August, 25s., as against 25s. 3d. Yellow maize meal, ex wharf, was quoted £6 17s. 6d. to £7 per ton, against £7 to £7 5s. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930–31 to 1933–34:—

	1930–1931	1931–1932	1932–1933	1933–1934
Estimated sales of home-grown wheat—				
1 week to August 21	Cwts. 24,780	Cwts. 28,233	Cwts. 283,433	Cwts. 71,825
51 weeks to August 21	4,953,219	3,837,752	3,837,919	6,589,056
Average price of English wheat per cwt.	s. d. 6 4	s. d. 6 7	s. d. 5 4	s. d. 5 1

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Aug. 11, 1934	Cwts. 85,463	Cwts. 3,305	Cwts. 16,502	s. d. 5 0	s. d. 8 2	s. d. 6 7
Aug. 21, 1934	71,825	21,556	23,715	5 1	10 6	6 7
Aug. 16, 1930	62,816	4,818	11,133	8 5	6 8	6 5
Aug. 15, 1931	25,624	1,866	6,427	6 6	7 6	6 5
Aug. 20, 1932	26,233	3,518	7,667	6 7	6 6	7 6
Aug. 19, 1933	263,433	21,384	33,138	5 4	10 4	5 4

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AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Aug. 23, 1933	Jan. 3, 1934	Aug. 15, 1934	Aug. 22, 1934
Winnipeg (No. 1 Manitoba)	82½	46½	70½	65½	87½	84½
Chicago (No. 2 Winter)	55½	46½	88½	84½	101½	104½
Cents per 60 lb.						

The visible supply of wheat in Canada, at 99,501,000 bushels, shows a decrease of 2,172,000 bushels. Supplies a year ago stood at 100,031,000 bushels.

OTHER FOODS

SUGAR.—Spot quotations have been easier this week, and futures have declined under liquidation by trade and producing interests and on selling in the new crop months, owing to more liberal offerings on the spot market. The spot price of raw sugar in New York on Wednesday was 3.24 cents per lb., as compared with 3.27 cents per lb. last week and 3.20 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August delivery" at 5s. 4½d., against 4s. 8d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
London	2,073	3,750	1,577	1,320	32,906	174,745
Liverpool	10,794	...	15,086	13,075	154,786	132,080
Total tons	12,867	3,750	16,663	14,395	187,692	306,825
Last week	12,930	10,318	9,655	7,574	191,488	172,315

COFFEE.—Spot quotations in America have been fairly steady this week, but have declined a little. In New York on Wednesday, Rio No. 7 (cash) was quoted at 9 cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. Trade in London has been quiet at slightly reduced rates. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 15 bags; exported, 40 bags; stocks, 28,358 bags, against 28,130 bags a year ago. Central American, landed, 1,325 packages; delivered, for home consumption, 1,720 packages; exported, 613 packages; stocks, 102,194 packages, against 94,399 packages last year. Other kinds: landed, 390 packages; delivered, for home consumption, 2,011 packages; exported, 1,393 packages; stocks, 97,712 packages, against 85,393 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, "August-September," was 20s. 3d. per 50 kilos, c.i.f. Continent, as against 20s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 1,202 bags; delivered, for home consumption, 3,534 bags; exported, 1,187 bags; stocks, 245,998 bags, against 168,791 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 43,840 packages of Indian and 28,501 packages of Ceylon tea. A fairly active general demand has been experienced and the better qualities have been firm in price; quotations for inferior grades have, however, shown some reduction this week. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

AVERAGE PRICE PER LB.

Week ending	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
Aug. 17, 1933	11-30	11-50	14-89	9-36	8-33	10-40	12-25
July 12, 1934	13-02	12-74	12-93	10-79	10-61	12-36	12-57
July 19, " "	12-80	12-31	12-76	10-67	10-41	11-84	12-38
July 26, " "	12-71	12-20	12-82	10-75	10-29	12-06	12-31
Aug. 1, " "	13-29	12-49	12-99	(a)	(a)	12-00	12-94
Aug. 16, " "	13-59	12-23	12-90	10-28	9-89	11-58	12-78

(a) No sales.

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 3d. per cwt. a week ago, while the forward quotation, at 8s. 4½d. per cwt., shows a rise of 5d. on the week. Movements in London during the past week were as follows: landed, 104 tons; delivered, 111 tons; stocks, 2,061 tons, against 6,046 tons a year ago.

POTATOES.—A steady demand has been experienced for the liberal supplies on offer, but prices have shown little change on the week. At the London Borough Market on Tuesday new crop "King Edward" sold at 6s. 6d. to 7s. 6d. per cwt., as compared with 6s. 6d. to 8s. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5½d. per lb. on Wednesday, against 5d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, nil; delivered, 11 tons; stocks, 202 tons, against 312 tons a year ago. White, landed, 93 tons; delivered, 24 tons; stocks, 6,395 tons, against 920 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hind quarters, was 4s. 2d. to 4s. 6d. per 8 lbs., as compared with 4s. 6d. to 5s. last week. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. a week ago. According to the Smithfield official market report, supplies during last week amounted to 8,137 tons, against 8,328 tons in the corresponding week last year. Imported beef, principally Argentine, formed 55.2 per cent. of the beef supplies, against 86.5 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 78.5 per cent. of the total supply of mutton and lamb, against 74.5 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Quieter conditions again rule, and in certain directions there has been some reaction in prices from recent high levels. Trade in linseed is very slow, and so far as this country is concerned is almost negligible. Plate is hardly in demand at all, and for Indian there are very few buyers. Shipments from Argentina are not so heavy, and the quantity of linseed afloat for Europe is rather less at 104,800 tons (including 24,600 tons from India) and for the United States and Canada 26,000 tons. Although the anticipated yield in North America is disappointing, good news of the crop in Argentina continues. South America has still around 383,000 tons for export and 143,000 tons is expected from India, the total being only 35,000 tons less than that actually shipped in the remainder of last year. This is considered ample to supply world needs until the new Plate seed is ready. Current quotations for old Plate are £11 2s. 6d. per ton, and new for January-February shipment £10 12s. 6d., and Calcutta £12 7s. 6d. Cottonseed is easier and old Egyptian has dropped back to £5 2s. 6d., while £5 5s. is required for the new seed, October loading.

Demand for vegetable oils is only poor. Linseed oil is steady but inactive, and raw oil for August and September-December delivery quoted around £21 per ton naked ex Hull mill. Cotton oil is neglected. Egyptian crude ex Hull is offered at £14, and refined at £16, without attracting buyers. Oilcakes are in improved demand dearer.

RUBBER.—The market has shown no new features this week, and price fluctuations have been confined within narrow limits. Buying has been on a restricted scale, but offerings from the East have been light, so that prices are a trifle higher than a week ago. According to the statistics of the Malayan Information Agency, total stocks of rubber in the Straits Settlements at the end of July amounted to 76,417 tons, a reduction of almost 6,000 tons on the month. In New York, Wednesday's spot price for rubber, at 15½ cents per lb., compared with 15½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., as against 7½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for October-December, 1934, as against 7½d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 107,397 tons, show an increase of 161 tons as compared with the preceding week.

TIMBER.—For this holiday month, spot trading in European and Canadian deals, battens and boards has been comparatively good, but imports of softwoods during July were 28.5 per cent. above those of July, 1933, and as much as 47.6 per cent. in advance of those for the corresponding month of 1932. Nevertheless, stocks here are not too heavy, and there are signs this month of a decline in the volume of importations. It must also be remembered that, whilst the Russian shipments for the U.K. this full year are to be about the same as those in 1933, to the end of last month 556,600 loads (of 50 cubic feet) had already come to hand, whereas for January-July last year only 73,970 loads were received from Russia. Canada's exports to the U.K. this year have risen to 602,977 loads, against only 213,043 loads in the corresponding period last year, and it is questionable whether that rate of increase can be maintained. It would appear, therefore, that whereas the weight of imports in 1933 fell in the last five months of the year, this year it is falling on the first seven months.

Spot prices have been firm for the higher-class goods and steady for the inferior grades. Shippers' prices for the latter have shown occasional weaknesses, but might recover should imports decline and the better spot consumption be maintained. Industries are consuming more timber this year, although the building industry had an unemployment roll of 17.2 per cent. in July. Imports of hardwoods are larger this year, but they are going steadily into consumption. Teak and mahogany from Empire countries are in better demand, while more Canadian and American hardwoods are coming forward. The plywood trade is also receiving larger imports this year and business is active.

HIDES AND LEATHER.—It is not yet possible to say that there has been any definite improvement in the markets for hides, leather and leather goods since the holidays, although the more frequent enquiry in some directions tends to show that consumers of leather, particularly boot and shoe manufacturers, are taking stock of their autumn requirements. But buyers of footwear are loth to enter into commitments for bulk quantities, so that the majority of purchases are confined to sample parcels for the making of further specimens wherewith to tempt purchasers. The inactive demand for leather is reflected in the market for raw hides and skins. In view of the conditions mentioned above, tanners are not inclined to enter into negotiations for large quantities; consequently, the market is dull with prices for both home and foreign goods tending lower.

At the auctions for domestic hides held this week, ox and heifers were unchanged to from ½d. to ½d. per lb. lower in price for both clear and warbled descriptions, while cows and bulls were ½d. per lb.

cheaper all round. The calfskin market was fairly steady at Manchester, but at the Leeds auctions reductions of from ½d. to ½d. per lb. were registered. Although there has been little change in quotations for imported hides, no large amount of business has been negotiated, and the position of the market is weak. B.A. frigorific ox, at 3½d. per lb., are ½d. per lb. cheaper, and a slightly easier tendency is noticeable also in the case of dry hides from the same origin. African hides are all unchanged in price except for unbathed Adis Abebas, which at 4½d. per lb. are ½d. per lb. lower. The market for Australians also is weaker, wetsalted Queensland meats at from 3½d. to 4½d. registering a decline of ½d. per lb., while

dry salted show a slightly larger reduction. The limited number of sales made in connection with sole leather have been confined chiefly to medium and heavy weight English and wetsalted bends and light weight dry hide types. Other descriptions of bends have ruled quiet, as has also the market for offal with the exception of pinned bellies, for which there was a fair call. Producers and distributors of upper stock have made only small sales, mainly in connection with calf and glacé kid, and to a lesser degree patent and reptile leathers. The demand for cheap types of suede and split leather has fallen to very small dimensions, and there is no great activity amongst producers of carried upper stock.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON August 22nd				POTATOES—				WOOL—				Dry and Dried Salted Cape...							
GRAIN, &c.				Good English, new				English Southdown, greasy, per lb.				Market Hides, Manch'tr—							
Wheat—				per cwt.				" Lincoln hog, washed				Best heavy ox and heifer							
No. 2, N. Man. 496 lb.	33	6		6 6 7 6				Queensland, scd. super cmbg.				Best cow							
Eng. Gaz. av., per cwt.	5	1		0 9½				N.S.W. greasy, super cmbg.				Best calf							
Barley, Eng. Gaz. av.	10	6		0 5½				Tops—				Crossbred 40-44							
Oats	6	7		0 6				Merinos 70's				29							
Maize, La Plata, landed, 480 lb.	26	0		0 6				Crossbred 48's				11							
Flour, Lon. stan. ex mill, 280 lb.	25	3		28 0 95 0				Mace				0 9 1 10							
Rice, No. 2 Burma, per cwt.	8	4½		0 10				Nutmegs, 65/-				0 10							
Tapioca, per cwt.	12	6		(Duty, 11/8 per cwt.)				SUGAR—				INDIGO—							
Fair Flake, Singapore.	12	6		Centrifugals, 96% prpt ships, c.i.f. U.K./Cont. B.W.I., crystallised				Java, white, c. & f. India Aug-Sept.				Bengal g. red-vio. to fine.							
MEAT—				17 6 19 6				6 1½				10 11/8 per cwt.				per lb. 5 6			
Beef, per 8 lbs.	4	2	1 0	17 10½				0 22 6				0 10				Sole Bends 8/12 lb.—			
English long sides	4	2	4 6	19 0 20 3				18 4½ 21 9				17 10½ 18 1½				per lb. 0 10 1 8			
Argentine chilled hinds	4	2	4 10	17 6 19 6				0 11½ 1 3½				0 11½ 1 2½				Bark Tanned Sole			
Mutton, per 8 lbs.	5	4	6 8	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Shoulders fm DS Hides			
English wethers	5	4	6 8	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Do. Eng. or WS do.			
N.Z. frozen	3	6	4 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Bellies from DS do.			
Lamb, per 8 lbs.	4	4	5 4	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Do. Eng. or WS do.			
N.Z. frozen	4	4	5 4	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Dressing Hides			
Pork, English, per 8 lbs.	5	4	5 8	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Ro. Eng. Calf, 20/30 lb.			
OTHER FOODS				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Aust. Bends			
BACON—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Vegetable Oils—			
English	98	0	99 8	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Linseed, naked, p. ton net			
Irish	98	0	100 8	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Rape, refined			
Danish	96	0		0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Cotton-seed, crude			
Dutch	94	0		0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Coconut, crude			
HAMS				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Palm			
Canadian	100	0	101 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Oil Cakes, Linseed, Eng.			
American	94	0	96 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				per ton 8/10 0			
BUTTER—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				La Plata, p. ton			
Australian	75	9	76 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Aug-Sept. per ton			
New Zealand	80	0	82 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Calcutta—per ton			
Danish	106	0	108 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Turpentine, per cwt.			
CHEESE—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Motor spirit, No. 1, London			
Canadian	54	0	56 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				1 4			
New Zealand	46	0	46 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Petroleum, Amer. rid.			
English Cheddars	74	0	80 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				bri. London ... per gal.			
Dutch	46	0	53 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Fuel oil, in bulk, for contracts, ex instal.			
COCOA—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Thames			
(Duty, British grown, 11/8; foreign, 14/- cwt.)	21	6	22 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Furnace ... per gall.			
Accra, f.i. per cwt.	38	0	46 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Diesel ... per gall.			
Trinidad	38	0	46 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				ROBIN—			
Grenada	30	0	34 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				American ... per ton			
COFFEE—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				14/0 15/10 0			
(Duty, British grown, 4/8; foreign, 14/- cwt.)	50	0		0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				RUBBER—			
Santos sup. c. & f. cwt.	58	0	70 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				St. ribbed smoked sheet			
Colombian, good	70	0	80 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				per lb. 0 7½			
Costa Rica, med. to good	80	0	80 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Fine Hard Para			
East Indian	80	0	80 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				per lb. 0 5½			
Kenya, medium	80	0	80 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				SHELLAC—			
EGGS—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				TN Orange ... per cwt. 95 0 99 0			
English	15	0	15 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				SHELLS—			
Danish	11	9	12 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				W. Aust. M.-o.-P. ... 2 10 8 0			
FRUIT—Oranges—				0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				TALLOW—			
Lemons, Sicilian boxes	13	0	17 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				London Town ... per cwt. 18 6			
Lemons, Sicilian cases	14	0	20 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				TIMBER—			
Naples ... boxes	15	0	18 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Swedish u/s 3 x 8 ... per std. 19 0 0			
Apples: Amer. (var.) brls.	5	6	7 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				2 4 x 7 ... 17 15 0			
(var.) boxes	5	6	7 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				2 4 x 4 ... 17 0 0			
Australian	5	6	7 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Can'dn Spruce, Dis. ... 22 0 0			
Onions—	7	6	8 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Pitchpine ... per load 8 0 0			
Valencia, case	7	6	8 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Rio ... per std. 30 0 0			
Egyptian, bags	8	0	12 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Teak ... per load 25 0 0			
Grapes, Lisbon, boxes	8	0	12 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Honduras Mahg. logs ... c. f. 0 10 6			
Almeria ... brls.	8	0	12 6	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				African ... 0 6 6			
IRD—	40	0	46 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Amer. Oak Boards ... 0 6 6			
Irish bladders pr. cwt.	40	0	46 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Ash ... 0 6 6			
U.S. 56 lb. boxes	36	0	38 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				English Oak Planks ... 0 6 0			
	36	0	38 0	0 11½ 1 2½				0 11½ 1 2½				0 11½ 1 2½				Ash ... 0 7 0			

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FEARS IN THE WAY

ALARMS and excursions in Austria and Yugoslavia; "ancestral voices prophesying war" in Italy; an exasperated Note from Russia to Japan, inviting Japan to "make the necessary inferences"; the French Government's decision to build its last line of fortresses on the Eastern frontier with all speed; a big jump in the new American naval estimates—here is pretty week-end reading for the peaceful citizens of the world. While most of them are holiday-making, the Ministries of War and of Foreign Affairs take no respite; and the world wags on, but hardly towards peace.

Nor can the publication in Geneva this week of the League of Nations' tenth *Armaments Year-Book* reassure those who are concerned to seek peace and ensue it. The exigencies of national defence in a world which is hag-ridden by fears of war have led the seven Great Powers—France, Germany, Italy, Japan, Russia, the United States and this country—considerably to increase their appropriations for armaments. For the majority, this tendency was already evident in their 1933-34 budgets; and it is markedly so in the 1934-35 estimates of all seven of them. Moreover, the dictates of fear and distrust have become so cogent that Budgets have been mortgaged for years ahead. In France, Italy, Japan, and in this country, the defence estimates for the current year are being increased by expenditure on supplementary defence programmes starting this year and extending from three to five years.

Thus, over and above the ordinary Budget appropriations for defence, and despite a still uncovered budgetary deficit, France has her "Frontier Defence Organisation," started in 1931, out of which about 2,000 million francs still remain to be spent; and she makes further expenditure of a military character under the special Treasury Account, called *Outillage National*, of December, 1931. In Italy, Signor Mussolini announced at the end of May that an additional 2,000 million lire (£33 millions) would be shared equally by the Navy and Air Force between 1934 and 1940 inclusive; and this despite a deficit in 1933-34 of 4,000 million lire and a prospective deficit this year of about 3,000 million lire. In Japan, the 1933-34 Budget deficit had to be covered by an internal loan; but the new naval, military and air programmes for

1935 will raise the defence estimates, for the fifth year in succession, to an unprecedented level; and here, too, the increase in the "extraordinary" defence Budgets and in "special accounts" is most marked. In Germany, the 1934 estimates for the Reichswehr were increased by a third, those for the Air Ministry (covering all air transport as well as "the organisation of protection against air attacks") were increased by one-half, while the total defence appropriations show an increase over 1933-34 of more than one-third, and constitute one-sixth of the total Budget. The Russian defence estimates for 1934 show a 15 per cent. increase to the record Soviet level of 1,800 million roubles. In this country, the 1934-35 defence estimates were £4,765,000 more than last year's; those for all three services were increased; and over and above this there is, for this and the next four years, the new Air Force programme, at an estimated total cost of £20 millions, which was announced by Mr Baldwin on July 19th.

What is doubly disquieting is the steady relative increase in the real cost of national armaments. This emerges from a comparison of the actual defence expenditure of nearly all countries in the last three or four years with the downward trend of wholesale prices in those countries. When wholesale prices became comparatively stable in the "off-gold" countries after 1931, increased expenditure on armaments carried the process on; while increased expenditure in the countries still on gold represents a much greater relative burden on their tax-paying citizens. Thus, the citizens of the world are bearing upon their backs a steadily increasing burden of armaments. The economic activity of the nations is being increasingly diverted to that most uneconomic and unproductive of all activity—the piling up of capital, in the form of armaments, against the eventual and complete destruction not only of that capital itself, but also of the human labour which, in a saner world, would have been its counterpart in increasing the world's material well-being.

We are, in fact, back in the international anarchy of "the Great Illusion"—every nation the armed guardian of its receding security. This is, without doubt, the world's reaction to the deadlock in the combined endeavours of all the nations to achieve a comprehensive

system of collective security which could admit of a real measure of disarmament. Must we, then, resign ourselves to the writing-off of all hopes of "disarmament with security"? Within a fortnight the League Council will be meeting at Geneva in an international atmosphere of insipid gloom. What has been done since the Disarmament Conference split up into four special Committees in June? What are the prospects that something may be salvaged from the wreckage of great international hopes, to allay the equally great fears and obsessions of the nations to-day?

The four special Committees charged in June with the resolution of the deadlock were on (I) regional security agreements, (II) supervision and guarantees of execution of a Disarmament Convention, (III) air armaments, and (IV) manufacture of, and trade in, arms. Of these, the first reported on June 25th, having adopted the Model Treaty of Mutual Assistance of 1928 as the basis for security agreements, and having provided for definition of the aggressor. But its report waits upon the outcome of the protracted negotiations for the "Eastern Locarno" pact. The Committee on guarantees of execution has only forwarded a statement of possible solutions to the President of the Conference. The Committee on manufacture of, and trade in, arms has approved a draft text on inspection and supervision, providing that States should enact measures to ensure, "in the strictest manner," inspection, supervision and control of the manufacture of, and trade in, arms.

But the Air Committee, whose work would have been of cardinal importance as holding out hope of an international air armaments convention, has done nothing. Truly, the times were hardly opportune. But Germany's demands of April 16th for immediate re-armament in the air were moderate. The reported readiness of the British Government to waive their reservation on air-bombing if a comprehensive air convention could be secured, which ruled out bombing and provided for combined action against any State which practised it, was surely a basis for action. And France had made far-reaching proposals, extending even to the internationalisation of civil and military air forces. It is hard, therefore, to see why nothing has been done on a crucial matter which is likely to affect more closely than anything else the lives of the world's peaceable citizens.

Thus, the immediate prospects of an international agreement on the limitation of armaments—to say nothing of disarmament itself—are not encouraging. Mutually distrustful nations are striving to outdo each other in an armaments race in which the richest forge ahead, but stand to lose most. Any initiative from Geneva is frustrated by two great perplexities: the last-minute uncertainty of Russia's entry into the League, and the absence of Germany from the deliberations of the nations upon the peace of the world. If nothing is done, and done soon, to remove these two lowering uncertainties from the international horizon, the peoples of the world can hardly escape the storm.

ALIGNMENT IN AMERICA

THE lines of political battle are being drawn up in the United States in preparation for the November elections. The date of the election is laid down in the Constitution, and the formal machinery of nomination has already been set in motion. The whole House of Representatives and one-third of the Senate are to be chosen, as well as 300,000 legislators, officials, judges and minor office-holders in the forty-eight States. The President himself is not affected, but the European observer may be forgiven for supposing that his policies will be the only issue of the election.

The European observer would, nevertheless, be mistaken. National politics are rarely the deciding factor in American elections, and except when there is a President to elect, the electors give far more attention to local matters. The New Deal is, of course, an important issue, and this year's election will perhaps approximate more closely to the European conception of a verdict on national policies than most "mid-term" Congressional elections.

But even so the resemblance will not be close. If the conflict were a straight fight between Democrats and Republicans it would still be difficult to interpret the result. American parties are not held together by their adherence to one set of policies or by their opposition to another. The Republican Party is at present in Opposition; but that does not necessarily mean that it is opposed to the President's policies or to anything about the present Administration except that it is Democratic. The Republican Governor of Pennsylvania is one of Mr Roosevelt's firmest supporters, while the Democratic Governor of Nebraska is one of his most vociferous critics. It is generally expected that the Democrats will lose between thirty and forty seats in the House of Representatives, but this does not imply that Congressional support of the New Deal will be any weaker in the next Congress than in the last.

Mr Roosevelt has himself contributed to the confusion. Some of his most loyal supporters in Congress have been nominal Republicans. In Europe these men would be expected to change their party and become Democrats, but such changes are almost unknown in the United States. Indeed, some of the President's best supporters are being opposed by candidates of the President's own party. The most interesting case is in Wisconsin, where Senator La Follette is up for re-election, while his brother is a candidate for the State Governorship, both being opposed by "regular" Democrats. Mr Roosevelt, speaking in Wisconsin on his way back from the Pacific, blessed both sides impartially, cursing only the third, or "regular" Republican, angle of the triangle. In California there is an even more remarkable situation, for Senator Hiram Johnson, hitherto a Republican, has secured nomination as candidate of the Republican, Democratic, Progressive and Commonwealth Parties, with the President's support on all four counts.

Cross-currents such as these are unusual, but they do not wholly explain the difficulty of extracting a clear issue from the confused campaign. In many States one party is normally dominant, and nomination by the dominant party is virtually equivalent to election. This, and the fact that since there is no agreement within each party on policy there is equally little agreement on who should represent the party in office, mean that the fiercest fights are waged within the parties. The primary elections, in which the parties select their candidates, are regulated by law and conducted by public officials. These primary elections are now taking place throughout the country, and the results should be a better guide than the ultimate election in November to the popularity of the President's policies, for here, if anywhere, the fight is between New Dealers and Old Dealers. Unfortunately, even in the "primaries," local squabbles cannot always be separated from national issues. In the Nebraska Democratic Senatorial "primary," for example, Mr Charles Bryan, the present Governor of the State, brother of William Jennings Bryan and an opponent of the New Deal, was badly defeated by a New Dealer. But the New Dealer happened to be the candidate of the Democratic "boss" of the State, and his victory may demonstrate little more than the strength of the "machine" in the city of Omaha. In Ohio, the candidate supported by Mr Roosevelt was beaten, but the winner owed his success to his activities as a road-builder during a previous term as Governor of the State, and not to any opposition to the New Deal.

For these reasons it will be impossible in November to judge the President's popularity by the Democratic majority in Congress. It has been obvious for some time that he is trying to broaden the basis of his political support, and he probably has many millions of followers who will vote Republican in November. At the outset of his Administration he made a bid for the adherence of the Republican Progressives—the remnant of President Theodore Roosevelt's "Bull Moose" Party—by appointing two of his Cabinet, Secretaries Ickes and Wallace, from their ranks; and his present support of Senators La Follette and Johnson is another step in the same direction. He has also consistently courted organised Labour, hitherto inclined to be Republican, and there are signs that this particular alliance is being further cemented. Whether the President will go so far as to organise a new Party is doubtful, at least so long as he can keep control

of the Democratic machine. But it has become clear in the last few weeks that in gaining the Progressives and the unions he is losing some Democrats. A group of conservative Democrats, together with some Republicans, have founded a body to which they have given the name of the Liberty League. Though its declared objects are platitudinous and above reproach, being confined to support of the Constitution and of freedom of enterprise, it is generally recognised as intended to lead the opposition to the New Deal. Among its sponsors are, on the Democratic side, ex-Governors Alfred E. Smith and John W. Davis, Democratic candidates for the Presidency in 1928 and 1932 respectively, and, on the Republican side, ex-Governor Miller of New York and Mr J. W. Wadsworth. Mr Wadsworth is a former Senator and now a member of the House of Representatives whose name is frequently mentioned as a candidate for the Governorship of New York this year and for the Presidency in 1936. It is doubtful whether the Liberty League will carry very much weight; its leaders are known to be personally antagonistic to the President; they are too closely allied to "Wall Street"; and they have failed to secure the support of such conservative Democrats as Senators Glass and Tydings. But its formation is undoubtedly a portent of more opposition to come.

In this confusion of party politics the President stands out as the dominating figure in the national life. There is not, either in Congress or elsewhere, any other public figure who attracts nearly as much popular interest or popular acclaim. His personal popularity is still immense. Even in the drought regions he was received as a public hero, and a population which was superstitious enough to believe that the drought was Divine retribution for the restriction of crops has not failed to draw its own conclusions from the fact that wherever he went he brought rain. There is also little doubt that a majority of the nation accepts his policies. An interesting test of opinion has recently been made by the *Literary Digest*, whose "straw votes" have predicted the results of past elections with remarkable accuracy. In the present poll 1½ million persons were asked to say whether they approved "on the whole the acts and policies of Roosevelt's first year." The affirmative vote amounted to just over 60 per cent. of the total. Each voter was also asked to state for whom he voted in 1932, and the changes in voting provide even more interesting material than the final percentage. The President has gained in the West and in the North-East. In the South he appears to have lost heavily, but this is of little importance, as Democratic strength in that region is overwhelming. In the Middle West he is losing ground. Seven of these States—Ohio, Indiana, Illinois, Iowa, South Dakota, Nebraska and Kansas—voted for him by narrow margins in 1932, and in five out of the seven he appears to have lost supporters in the ensuing two years.

In fact, the Middle West is likely once more to become the battleground of political ideals. It is a region which cannot be swayed by political bribes, for its interests are varied and conflicting. Farmer and industrialist, capital and labour, Democrat and Republican, are all fairly evenly balanced. This is the region which more than any other broke President Wilson's "New Freedom," and it is here that President Roosevelt's New Deal will win or lose its fight for survival—but not until 1936.

FURS COME TO LONDON

THE first British "National Fur Week" begins on September 24th of this year. During that week "the importance of England as the centre of the world's fur industry" will be advertised to the public in a multitude of ways. England, which means in this instance London, has always played an important part in the industry, but it was not until quite recently that it obtained world pre-eminence.

Apart from New York, which has always been of importance in the fur trade, firstly as a market for American products (mainly raccoon, opossum, silver foxes, skunks, mink, musquash, otter and beaver), and secondly as the focal point of the important internal American demand, the

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three large international trading centres which have grown up during the past century are London, Leipzig and Paris. London owes its position mainly to the importance of British territories, Canada and Australia, as producers of the raw materials of the industry. (Canada delivers chiefly silver foxes, red foxes, mink, musquash, beaver, raccoon, skunks, otter and lynx; while Australia specialises in rabbit, opossum, ringtail foxes, and wallaby.)

"The Company of Adventurers of England trading into Hudson's Bay"—its dignified title—which was founded in 1670, held its first public sale of beaver skins in London in 1672. The sales of this company have gained steadily in importance, so that to-day they constitute one of the most significant events for the international fur trade. London's position as an auction centre was further developed during the first half of last century, when the Hudsons Bay Company was joined by C. M. Lampson and Company in 1830 and by Frederick Huth and Company in 1911; and it has naturally been strengthened by the importance of London as a financing centre. Paris and Leipzig developed for different reasons. The large fur business in Paris is due to her position as the leading fashion centre of the world; while Leipzig's position as the meeting place of the great mediæval highways across Europe gave her a peculiarly favourable situation as a place of exchange. The reason Leipzig was able to maintain her position as leading fur trading centre even after the shifting of the trade routes by the invention of steamers and railways, and indeed right down to a year or so ago, was that a very efficient finishing industry (dressing and dyeing) had developed there during the nineteenth century. The peculiar characteristics of the various centres are largely determined by these historical facts. London is mainly a market for raw furs; Leipzig takes the skins and in most cases treats them before selling; while Paris buys finished skins and makes them up.

The following tables show the development of British and German trade in dressed and undressed furs:—

FOREIGN TRADE IN UNDRESSED FURS				
(Germany in million marks; United Kingdom in million £)				
	Imports		Exports	
	Germany	U.K.	Germany	U.K.
1913	124.6	4.6	54.4	3.6
1925	122.4	9.2	32.0	9.1
1929	252.4	10.6	114.5	9.0
1930	173.2	7.2	68.7	7.0
1931	134.9	5.4	55.2	6.7
1932	86.1	6.5	26.9	5.6
1933	69.1	7.5	28.2	5.9

FOREIGN TRADE IN DRESSED FURS				
(Germany in million marks; United Kingdom in million £)				
	Imports		Exports	
	Germany	U.K.	Germany	U.K.
1913	66.0	1.6	183.2	1.0
1925	35.3	3.4	126.0	2.0
1929	78.4	5.9	253.4	2.1
1930	64.1	4.3	204.3	1.5
1931	52.1	5.8	148.6	1.2
1932	34.2	2.0	79.5	0.9
1933	26.5	1.4	62.3	1.1

Until the war Leipzig's position as the international fur centre was unchallenged. No fur-dressing concerns of note existed outside the Leipzig district. Almost every skin had therefore to pass through Leipzig at least once. But during the war Germany was a closed market, and several countries set up their own finishing industries. In the United States and Italy, in particular, a large number of concerns grew up behind high tariff walls. During the post-war period this movement was extended, and now almost all countries with any considerable market for furs have set up fur-dressing factories. Although this industry requires experience, so that no country has yet attained Leipzig's standard of quality, tariffs are so high in some of the most important consuming countries (notably Poland) that no dressed furs can enter. On the other hand, a few of the newly-developed dressing concerns already enjoy some export trade. Exports of dressed furs from the U.S.S.R. (which is only surpassed by Canada and the United States as a fur-producing region) have expanded enormously, although they only started in 1929. This is not altogether surprising, since Russia sometimes sells the dressed furs cheaper than the raw furs, and her products are continually improving in quality.

In the long run, the development of dressing industries in all important consuming countries would have put Leipzig in the shade. And this was only postponed during the first post-war decade by a complete change in methods of fur production. Until quite recently furs were secured by hunting and trapping. In some parts hunting had reached such dimensions that whole species (e.g. the chinchilla and the Russian sable) had been exterminated. It became, therefore, imperative to restrict hunting in certain regions, with the result that the supply of furs was reduced. It was this reduction which stimulated the breeding of animals on farms and the rearing of domestic animals (lambs, foals, cats and calves, etc.) for skins and furs. Fur farms were already being run on an economic basis in the 'nineties, but the rearing of domestic animals, except Persian lambs, for their skins only began during the present century and has only attained large proportions since the war. This development has, in fact, only been made possible by the great advance in the art of dyeing and dressing, particularly in Germany, and has in return to some extent counteracted the damage done to Leipzig by the erection in so many countries of competing industries.

In 1930 it seemed that the position of New York and Paris would not alter very much in the long run. On the other hand, it was fairly certain that London would play a more and more important part, while Leipzig was expected gradually to retire into the background. Political and economic events in Germany during the past few years have precipitated this decline. The German credit crisis and the introduction of exchange restrictions hit the fur trade particularly hard. Already by 1931 a steady emigration of the leading fur dealers from Leipzig had set in. This increased enormously with the coming of the Nazis, partly because the greater part of the fur business is carried on by Jews or other non-Germans. These emigrants mostly went to London, Paris, Warsaw and Cracow, and while Leipzig's position as a fur centre thus deteriorated, London's position correspondingly improved, with the result that London is now the chief fur trading centre. In the last two years alone rather more than 30 fur firms have moved their headquarters from Leipzig to London, thus raising the number of establishments here by 15 per cent. And the actual transfer of business has been even greater, for since the beginning of the Nazi regime firms which had representatives in London have been gradually transacting an increasing proportion of their business through these representatives. Moreover, it is almost certain that Leipzig will not recover the large volume of direct Russian trade which was formerly transacted there. After the war a large part of the Russian trade came to London, but with the Arcos dispute it returned to Leipzig; and from 1927 the great Russian auctions were held in that town. But the tide is already turning again, and it is certain that in the near future London will once more become the main centre even for Russian fur trade.

Another factor has been at work recently to increase London's influence as an international fur centre. The earliest fur farms were started in Canada in 1874; and

the culture of furs has been most highly developed in that Dominion. But it was not until after the war that the supply of furs from farms showed any substantial increase, as shown in the following table:—

NUMBER OF PELTS SOLD FROM CANADIAN FUR FARMS		
	Total	Of which Silver Foxes
1921	4,997	3,922
1925	12,468	8,988
1929	38,311	26,867
1930	77,657	60,326
1931	133,248	95,851
1932	135,718	98,677

Source: Dominion Bureau of Statistics. Reports on Fur Farms of Canada. Ottawa, 1934.

Production is expanding rapidly, for the breeding of animals for furs is a paying proposition, giving an average profit of about 100 per cent. At the same time, the quality of the silver fox pelts is very high, and with increasing production the price has been driven down, so that new levels of demand are now tapped. A silver fox, which before the war would have cost about £300 and a few years ago could still not be bought for much less than £100 to £150, can now be had for £15 to £35. By far the greater proportion of the Canadian farm production and also large quantities of silver fox from the other chief fur-farming countries (U.S.A., which produces nearly as much silver fox as Canada, and Norway, whose output is about one-third of that of Canada) go through London. Russia may be expected in the near future to put considerable quantities of silver fox on to the market, and, judging by the present tendency of her exports, she is likely to choose London as her market. This indicates a further extension of London's activities as a trading centre for farm produced furs, for which she is already predominant, as shown by the following figures of auctions:—

OFFERINGS AT LONDON SILVER FOX AUCTIONS			
	Hudson's Bay	Lampson	Huth
1928	9,852	9,175	23,540
1929	11,207	13,780	35,186
1930	15,749	21,000	55,175
1931	24,092	38,585	42,040
1932	47,481	63,445	51,802
1933	63,367	35,940	34,238
1934 (to date).....	39,364	36,000	54,035

While London's position is likely to be improved by the extension of production on farms, that of Leipzig will probably be adversely affected, because these farm products, and in particular silver foxes, do not need dyeing. So that no great loss of quality is risked by having the furs dressed elsewhere than in Leipzig. It would seem that the position of London as the greatest fur trading centre is now so well established that even a radical change in political or economic tendencies in Germany could hardly challenge it.

THE GERMAN STEEL TRUST—II

AFTER 1926, companies like Phoenix and Gelsenkirchen owned no longer any iron-making or steel-producing plant. In fact, the four companies forming the Stahlverein were nothing more than four giant safes containing in the main so many millions of Vereinigte Stahlwerke shares. They continued under their own management, paying individual dividends. This was by no means satisfactory; it was nothing but an interim stage, during which final amalgamation of all these plants could be worked out. Clearly there were too many producing plants in the Trust, too many plants turning out the same products under different conditions. The efforts of those directing the Stahlverein, therefore, were concentrated on developing only those plants which could produce at the lowest costs and have the most ready access to foreign sources and markets. As to the other plants, most of them were scrapped, which meant heavy writing-down of assets. When the merger was made, each participating party claimed compensation in shares of the Trust up to the full value of what it brought into the Trust; so that the process of elimination was bound permanently to destroy a good deal of those values which, though "real" in the individual plants, became redundant and fictitious in the Trust.

By developing the most efficient plants in the new merger, the pre-existing plants were greatly reduced. For instance, when the Steel Trust was formed, it had 48 coal pits in operation. By 1934 these were reduced to 25. As to the iron and steel plants, they were reduced from 145 to 66. The number of blast-furnace systems by drastic rationalisation decreased from 23 to 9; of open-hearth steel works from 20 to 8; of rolling mills from 17 to 10; of tube factories from 8 to 3, and of wire-making plants from 9 to 4.

When the German State in 1932 purchased the majority holding in the Trust, complete reconstruction was inevitable, and the task was handed over to Herr von Flotow, formerly a departmental chief in the Prussian Ministry of Commerce and now managing director of a private banking firm. Herr von Flotow, in collaboration with the Ministries of Finance and Commerce and the leading managers of the Steel Trust, evolved a reconstruction scheme. The Hitler Government, early in 1933, confirmed Herr von Flotow's authority; and the plan was adopted and made definite by the overwhelming majority of the shareholders in Vereinigte Stahlwerke and carried out down to its minutest details. The plan seems complicated at first glance, for certain familiar names have been taken from the entities which they have designated for generations, and applied to new ones.

The main object of the reconstruction scheme was to do away with almost all the former holding companies composing the old Stahlverein, by merging them into one single company. Briefly, one of the big safes filled with Vereinigte Stahlwerke shares was made to contain all the other safes filled with those shares. The holding company controlling the largest number of Vereinigte Stahlwerke shares was the Gelsenkirchener Bergwerks A.G. Its capital was increased from Rm. 263 millions to Rm. 644 millions; Gelsenkirchener shares were exchanged for Phoenix, and so on. Rm. 48 millions of these shares were created to secure the old Gelsenkirchener notes. Later on, after redemption of these notes, this number of shares will be cancelled. The proportions of these share-exchanges varied from company to company and were based on a very accurate and complicated estimate of what the gold value of the shares was, taking each constituent company's holdings of Stahlverein shares as a basis.

Thus almost all the holding companies have disappeared. There is only one central holding company—Gelsenkirchen. Moreover, the share capital of the companies forming the Stahlverein, which had been nominally Rm. 1,232 millions, was by the new process reduced to Rm. 536.5 millions—that is a reduction of Rm. 700 millions, a sum considerably larger than the present share capital of the holding company. As a rule, nominal capital is increased in a merger. In this particular case it has been decreased by an enormous sum. The water has been squeezed out to a degree scarcely attained in a going concern in normal times. If a Gelsenkirchener share be taken as 100 an old Stahlverein share would work out at 60, a Phoenix share at 80.5, and a Van der Zypen share at 126. The capital of the Stahlverein, which was first reduced in 1931 from Rm. 800 millions to Rm. 774 millions, has been further reduced to Rm. 560 millions.

As to organisation, it was decided to divide the property of the new Stahlverein into groups of individual companies. Each individual company could then concentrate on what it was naturally adapted to produce. All the coal mines actually needed for the iron and steel works have been concentrated in one section, "mining," which has its seat in Essen. The capital of this mining company will in the future be Rm. 450 millions—Rm. 255 millions in shares, Rm. 195 millions in bonded debt. A limited company, called the Rohstoffbetriebe der Vereinigten Stahlwerke G.m.b.H., comprises all the iron-ore properties and other raw materials. Then there is August Thyssen-Hütte A.G., in Hamborn, which is to be the centre of a group comprising all iron and steel plants in the region of the Rhine. Around Thyssen's plant will be the same group, Hütte Ruhrort Meiderich, Niederrheinische Hütte, Hütte Vulkan, and the blast-furnaces of the Hüttenbetriebe Meiderich. This group will be able to produce four million tons of steel a year. (In the years 1927 and 1928 this production was actually achieved.) The share capital will be Rm. 200 millions, that is to say, capacity to produce one ton of steel

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will take about 50 marks in capital. This is an extremely low capitalisation, for even in the last years of an acute crisis this group of works, running at no more than one-third of capacity, was able to earn its fixed charges and the sums needed for depreciation.

The next group is Dortmund-Hörder Hüttenverein A.G., a limited company with a capacity of two million tons of steel, and the Bochumer Verein, specialising in high quality steel with a capacity of 1.2 million tons. After that comes the Deutsche Röhren-Werke A.G., Düsseldorf, comprising a number of tube-producing plants; the Hüttenwerke Siegerland A.G., in Siegen, and the Westphälische Union A.G. für Eisen-und Drahtindustrie, in Hann., comprising all the wire-making factories. All these three groups are the principal customers of the steel-producing plants mentioned above. A further group is Deutsche Eisenwerke A.G., in Mülheim. The whole, rather unwieldy mass of Steel Trust Works has been organised into independent companies, controlling coal, iron ore, the big steel-making plants, and the plants for producing tubes, wires, and sheet-iron. Each of these groups will be an independent shareholding company, owning its own plants and having to carry a proportion of the mortgage debt originally incurred by the Steel Trust property. The aggregate share capital of all these individual companies is to be about Rm. 584 millions, while Rm. 418 millions will be the approximate bonded debt. It should be noted that in giving the bonded debt as Rm. 418 millions the dollar is taken as Rm. 4.20. If the dollar were taken at its quotation to-day, Rm. 2.55, the bonded debt would be considerably reduced.

The Vereinigte Stahlwerke, soon after its foundation, incurred a bonded debt of Rm. 523.6 millions—the state of its indebtedness on September 30, 1927. For this bonded debt special mortgages were secured on fixed assets valued (in the opinion of the directorate) at \$538 millions. Negotiations have since been started to rearrange this mortgage debt so that it could be split up, and each of the new shareholding companies allotted a proportionate share of the general debt of the old Stahlverein. These negotiations have so far been unsuccessful, and, therefore, the official and legal establishment of the new companies, according to the Government plan outlined, has not been carried out, but there is hope that, within reasonable time, this difficulty will be overcome, and that, while fully securing the rights of bondholders, the division of the former Stahlverein's mortgage debt into tranches among the new participating companies can be accomplished.

To make the picture complete we have to consider one aspect of the matter which has proved confusing to casual observers. We have seen that the original Gelsenkirchen company, by increasing its capital from Rm. 263 millions to Rm. 644 millions, acquired the shares of the other holding companies, so that, in reality, Gelsenkirchen is the only big holding company left. But now the plan takes away from the *new* Gelsenkirchen the name of "Gelsenkirchen," and calls Gelsenkirchen "Vereinigte Stahlwerke A.G. in Düsseldorf." Moreover, the time-honoured name of

"Gelsenkirchener Bergwerks A.G." under the present scheme is given to a new coal-mining group established in Fssen to control the coal mines which remain under the new trust. An equally new combine, comprising all that has to do with bridge-building, is called the "Dortmunder Union Brückenbau A.G." to secure the prestige of the name of "Dortmunder Union."

In conclusion, we have to deal with a most important aspect of this reconstruction, which is raised by the general tendencies of the National-Socialist Government of Germany. A German Government, possessing a clear majority of the shareholding capital, and, therefore, absolute control of the Steel Trust, ordered the reconstruction of the Trust. But when the official scheme sees the light of day it is discovered that, owing to the squeezing out of a vast amount of water, the shareholding of the Government has dwindled from 52 per cent. to less than 25 per cent. Now, under the German law of limited companies the holder of a minority of 25 per cent. or less has no privilege at all. He is treated exactly like any ordinary shareholder, while anybody holding more than 25 per cent. enjoys certain privileges. A minority of more than one-quarter of the total of the shares is called a *Sperr-Minorität*, as it can successfully oppose measures proposed by the majority. It seemed eminently desirable for the Reich that it should at least retain a protected minority. The reconstruction of the Stahlverein and the transfer of all these valuable properties to new companies would have cost a lot of money in taxes. An arrangement was therefore made between the Steel Trust and the German Government whereby, instead of paying for these taxes in cash, the Steel Trust handed over to the Government an amount in shares sufficient to cover all the taxes, allowing the Government at the same time to increase its shareholding to a little more than 25 per cent., so that it could become a privileged minority. If any proof be needed that Herr Hitler's Government does not dream of completely controlling German national industries, the reconstruction of the second largest joint-stock company in Germany (the largest is the Chemical Dye Trust, I.G. Farben Industrie A.G.) should be conclusive proof of the wisdom shown by the present Government in transforming its strong majority holding into a minority of one-quarter.

RETAIL DICTATORS

(BY A CORRESPONDENT)

IF Lord Nuffield were to announce to-morrow that, as a result of economies and improvements effected in his organisation, he was able to reduce the price of his Morris cars by 20 per cent., the statement would be received with general acclamation. "Great triumph of British engineering!" "Boon to the motoring public!" would be the inevitable headlines. But if Mr Selfridge at the same time announced that as a result of economies and improvements effected in his great retail organisation he was able to reduce all prices, especially those of proprietary articles, by 20 per cent., a first-class row would ensue. Why, it may be asked, should it be praiseworthy for Lord Nuffield to pass on a reduction in costs to the public in the form of lower prices and blameworthy for Mr Selfridge to do the same thing? Does anyone (except, perhaps, a Government perpetrating an arbitrary and illogical De-rating scheme) see any fundamental difference between the economic services rendered by a manufacturer and those by a retailer? Would Lord Nuffield allow the suppliers of his raw materials to insist that his selling price should represent a definite percentage on the value of the incorporated materials? Is not a motor car emerging from a factory the raw material on which a distributor works?

These reflections are provoked by a study of the manifesto just issued by the Society of Motor Manufacturers and Traders which contains the usual denunciation of price-cutting and outlines the measures which the industry intends to take in order to check the supposed evil. The industry, we are informed, has long been troubled by the activities of those on the fringe of the trade who have been indulging in a practice of price-cutting and unfair trading

which is obviously detrimental to the interests of the buying public and of the manufacturer.

In what way is it detrimental to the interests of the public to obtain something at a lower price? In what way is it detrimental to the manufacturer? The history of the motor industry is a stock example of the increase in consumption which follows a reduction in price—a text-book illustration of elasticity of demand. Why should the manufacturers worry if they obtain larger orders at their factory price? The Society does not explain this, but doubtless it genuinely believes that the whole industry would be thrown into confusion if manufacturers confined themselves to the results of their own operations and left individual distributors to do the same. If the final price were not strictly regulated from the manufacturers' end a savage war of price-cutting would ensue and develop to the stage when it was worth no one's while to sell cars; production would cease and the public would have to go back to horse cabs. So we are told on every occasion of this kind. It is really time that this hoary argument was buried. It is amazing that it should persist in face of the obvious fact that innumerable commodities continue to be supplied to the public without any regulation of final price by the producers at the early stages. No one has attempted to regulate the final price at which a cup of tea is sold. There is no list of authorised dealers in cups of tea. Anyone can open a shop or stall and dispense tea at any price he chooses. He can give cups of tea away if he likes. These cups of tea are sold up and down the country at any price from ½d. at a stall to a shilling in a luxurious hotel. Has the tea industry collapsed as a result of this "chaos"? Is it on the point of collapsing? Has there been a progressive deterioration in the quality of cups of tea supplied to the public? On the contrary, more tea is consumed per head than ever before, and the British public takes good care that its quality is up to the desired mark. The consuming public does not allow the tea growers to decide in what circumstances and environment it shall purchase its cup of tea. It is able to enforce satisfaction of its tastes and suppliers are sensible enough to conform.

But the Society of Motor Manufacturers and Traders is concerned because some of the public is willing to purchase cars from traders who have neither premises with suitable accommodation for cars, nor repair and service facilities, but whose function in the trade is often confined to the supplying of petrol and oils. Such traders, therefore, evade the "overhead expenses of properly qualified dealers." What, one may ask with exasperation, has this to do with the manufacturers? What are the overhead expenses of one trader to do with another trader? As well complain that all suppliers of cups of tea do not provide Louis XV surroundings, an orchestra and a mannequin parade.

What the Society is attempting to apply is the vicious principle of compulsory joint supply. If you buy a car you must buy as well extraneous products such as elaborate showrooms, suave attendance, after-service and facilities. But if a member of the public purchases a car in less pretentious surroundings and without guarantees of after-service he presumably is satisfied to dispense with these trimmings in return for a saving in the purchase price, just as he is free to choose between the amenities of the luxury store and the more austere service of the chain shop; or whether he will see the same play from the gallery or the stalls. To the argument that the more humble establishments will perpetrate abuses on the public which will discredit the industry there is the simple reply that the public does not need the dry-nursing of the manufacturers nor of other traders. It can, or will learn to, look after itself just as it does in most of its shopping when the onus is thrown upon it. Those members of it who want guarantees will pay for them voluntarily.

Moreover, the capacity to undercut may come not from the humbler establishments but from the skilful ones which are able to attract custom and justifiably prefer the greater aggregate profits which come from a larger turnover at a reduced margin of profit. A single member of the public buying a dozen cars at once would expect a discount from the trader; so should the public in general if it swells the turnover of a particular dealer.

Nor is it the concern of anyone but the trader himself how much profit he makes on a transaction or what value he sets upon his services. Again, if Lord Nuffield announced that in future he would only draw from the business remuneration at the rate of £4 per week this would be hailed as a noble act of self-abnegation and opponents of private enterprise in particular would hold him up as an example to other *entrepreneurs*. There would be no talk of unfair competition with other motor magnates with greater overhead expenses for country houses and yachts, and no suggestion that a firm of chartered accountants should

assess the real value of Lord Nuffield's service to be incorporated in the price of every Morris car.

It is to be feared that not only do such devices as discriminating discounts, blacklisting, officially assessed second-hand values prove futile, but *contrary* to the belief of the proponents they are detrimental both to the manufacturers and the buying public. Retail price maintenance is but one more example of those rigidities which are largely responsible for the present level of unemployment in so many Western countries.

NOTES OF THE WEEK

Silence in London.—Mr Hore-Belisha, our brave new Minister of Transport, is to be heartily congratulated on his order prohibiting the use of motor-horns in Central London at night. A marked mitigation of noise has been noticeable in the first week of the experiment. It is only extraordinary that no attempt to diminish London's nocturnal uproar has been made before. Compared with Paris, no doubt, London can hardly be called noisy; and, compared with Rome, it is almost as silent as the grave. But that is not to deny for a moment that in many districts within five miles of Charing Cross sleep is rapidly becoming a luxury to the healthy as well as to the sick. The injury done by noise in the last few years to the health and efficiency of the population of Central London must certainly have been enormous. Mr Hore-Belisha's selection of the motor-horn as the first point of attack is probably wise on the whole, since hooting is admittedly one of the worst of London's noises, and the experience of Paris has shown that prohibition need not lead to any increase in accidents. Experience in London, however, will have to establish the same thing before the new prohibition is finally justified. Obviously a sudden transition from a system in which it may be a legal offence *not* to sound one's horn to one in which it is an offence to sound it must give rise to some anxiety—and there may even be moments of emergency when motorists will be compelled to break the law in order to save life. It must also be remembered that motor-horns are by no means the one outstanding form of nocturnal noise in London as they are in Paris and Rome, where horns with an appallingly high note unknown in England are still in general use. In London there are plenty of other forms of gratuitous noise which Mr Hore-Belisha might investigate. There are clocks, for instance, which still chime and strike all night and interrupt the would-be sleeper's rest with an intermittent, irrelevant and peculiarly exasperating insistence on the flight of time. And motor-bicycles, notoriously and unquestionably, make a din far more hideous than all other noises put together—sharp, sudden, raucous and deafening. The survival of this species of noise is particularly indefensible, since no technical or legislative obstacle exists to the effective silencing of motor-bicycles. If Mr Hore-Belisha could really silence motor-bicycles too he would assuredly deserve well of the community.

A Turning Point in India.—The Central Legislature of India met on Wednesday to hear the Viceroy's review of the political and economic situation in India. After summarising the Indo-Japanese and Indo-Lancashire trade negotiations, Lord Willingdon stated that the Government of India "attached the highest importance to the creation of closer ties between the industrialists of India and the United Kingdom." He then passed to the improvement in factory conditions, in the social services and in agriculture, and foreshadowed the time when broadcasting services all over India would give the provinces the opportunity to express "their own culture in their own literary languages, with the added element of English programme matter." By far the most auspicious part of his address was that concerned with the suspension by the Congress Party of civil disobedience, and with that Party's entry into the constitutional fold. Since the Working Committee of the Congress Party agreed with Mr

Gandhi that he alone should exercise and be responsible for any civil disobedience, the Congress Party as a whole, though not without some internal dissensions, is committed to the attainment of Swaraj by constitutional paths through the Legislatures. The Viceroy stated that, owing to connections which still subsisted between terrorists and revolutionary organisations, as well as to "cowardly attacks on persons wholly unconnected with the Government, with the object of obtaining funds to keep the [Bengal terrorist] movement alive," the Government was retaining the special powers given to it by the Legislatures to combat outrages. But Lord Willingdon was certainly justified in saying: "The curtain has fallen, I hope finally, on the civil disobedience movement. That happy result I do not attribute so much to Government action as to the sturdy good sense of the mass of India's people." And a tribute to that sturdy good sense followed in the timely Government recognition that "legislation and police action could not by themselves eradicate this hideous evil" of terrorism. The Viceroy's general impression from his visit to England that "my countrymen are full of goodwill and sympathy for the natural aspirations of Indians in regard to political advance" had its counterpart in a tribute to the work of the Parliamentary Committee and in his promise that he would not permit any time to be lost in fulfilling the intentions of the new Government of India Act. This is a welcome, if indirect, assurance that the British Government's attitude on India has not been swayed by the Diehard campaign. The address, and the enthusiastic reception accorded to it, are evidences of a real turning-point in the Indian situation. If the Governments of this country and of India can convince Indians of their goodwill, in practical terms, it should be easy for all three parties, in Lord Willingdon's phrase, to "believe in each other's sincerity of purpose to continue working towards the fulfilment of our cherished hopes for the welfare and advancement of this country."

* * *

Signor Mussolini on War.—On August 24th, after the close of the Italian army manoeuvres, Signor Mussolini made a speech at Bologna to a gathering of Italian generals and foreign military attachés. This speech was not confined to military technicalities. It contained the following passages:—

Nobody in present-day Europe deliberately seeks war; . . . none the less, war is a possibility and may break out unexpectedly from one minute to the next. In Europe, at the end of July, there arose, unforeseen and dramatically, a situation recalling in a particular manner 1914. It may be added that, if we had not as a precautionary step promptly sent divisions to our eastern and northern frontiers, there would have been a danger of those complications arising which, at a given moment, are not to be solved except by armed intervention. . . . It is therefore necessary to be prepared for war not to-morrow, but to-day. We are becoming—and shall become so increasingly because this is our desire—a military nation. A militaristic nation, I will add. . . . To complete the picture, warlike. . . . War has been described as the court of appeal between nations. . . . Nothing has yet been discovered which can take the place of that which is the clearest, most tangible and most decisive expression of the strength of an entire people—that is to say, the size, the prestige, the power of its arms on land, on the sea, and in the air.

This is perhaps the most bellicose of all the bellicose declarations Signor Mussolini has made, and it compels comment. In the first place, Signor Mussolini claims that he has just averted a war by a show of force which may be taken to indicate that he does not himself intend to play the part of an aggressor. In the second place, the warning was addressed to the German or the Yugoslav, and not the French, military attaché in his audience—as is shown by the Duce's remark, in another part of the speech, that the *terrain* on which the foregoing manoeuvres had been held was remarkable for its resemblance to the *terrain* on Italy's eastern frontier. In the third place, all the passages above quoted were originally "released" only for publication abroad, and were not at first allowed to appear in the Italian Press. In consequence of the sensation abroad which the foreign edition of the speech has produced, the full text has now been published at Rome. But the original differentiation between the home and foreign versions represents the Italian Government's intentions, and the difference is illuminating. In itself, of course, the differential editing of the home and foreign versions of the same speech is an old Mussolinian device; but it is noteworthy that hitherto the home version has always been bellicose while the foreign version has been pacific. This time, the usual practice has been reversed. Does this mean that Signor Mussolini intended to give a serious warning to Germany and Yugoslavia without generating a corresponding wave of chauvinism in Italy? If so, we may perhaps conclude that, while Signor Mussolini regards the European situation as grave, he is still working—and hoping—for peace. *Si vis pacem, para bellum*, in fact. It is a pertinent comment on the prospects of collective action to maintain peace that the Duce should have been driven to such a dubious policy.

* * *

—And Herr Hitler on the Saar.—Last Sunday's giant demonstration at Ehrenbreitstein in token of National-Socialist Germany's "loyalty to the Saar" was a mass display of the familiar Nazi type. It remains to be seen what impression the 150,000 Saarlanders who participated took back with them. Will they have caught the infection of Nazi mass-enthusiasm-to-order, as the *Führer* so amiably takes for granted? Or will they have been more impressed by the disagreeableness of regimentation, the fatigue of parading through the livelong day, and the significant "absence" of Herr von Papen, whose mouth was officially reported to have been closed by an injury to his foot, though he was sighted, apparently alive and well, by a number of spectators? There were symptoms of embarrassment in Herr Hitler's speech, which, incidentally, lasted for no longer than thirty minutes, instead of the customary ninety. The most remarkable feature of the speech was an omission. The speaker did not give the Saarlander Catholics, who form the vast majority in the Saar, any assurance that, if they voted themselves back under the Government of the Reich, they would find conditions in Nazi Germany any more tolerable after January next than they are to-day for Catholics. Herr Hitler contented himself with a declaration that the Nazis had "made a clean cut between politics and religion" and that the National-Socialist State protected religion "if religion is not exploited for political purposes." As for the Saarlanders who belong to the non-Nazi German political parties, which now survive in the Saargebiet alone, they were simply told that, if they voted themselves into the Nazis' power, they could count upon "reconciliation without regard to former [*sic*] party membership": i.e. the non-Nazi parties will be abolished in the Saar as they have already been abolished in the Reich, but Saarlanders will not be penalised for having remained true to their previous party loyalties. Herr Hitler also showed an anxiety to soothe the Saarlanders' fears that reunion with the Reich may hit them hard economically by depriving them, without compensation, of their present French market. But Herr Hitler's greatest embarrassment was the difficulty, in the same breath, of telling the French that he meant to be a good neighbour and telling his own followers that

they must continue to struggle heroically against a world of enemies. To the French Herr Hitler repeated that, if the Saar returns to Germany in January, the last possible source of conflict between Germany and France will have been removed. In saying this, he is, we believe, sincere. But how can he harmonise this policy of friendliness towards France with the necessity of telling Germany that her fast approaching economic crisis is due to the machinations of a world of foreign enemies? Dilemma seems to be the nemesis of dictatorship.

* * *

The Fanö Conference.—Fundamental questions concerning the relations between religion and politics are being raised, at a timely moment and in a salutary way, in a joint conference of three international Christian organisations which is being held in Denmark, on the Island of Fanö. The three bodies are the Universal Christian Council for Life and Work, the Management Committee of the World Alliance for Promoting International Friendship through the Churches, and the Youth Conference; and the delegates are reported to include, among them, the nationals of seventeen countries. The issue before the Conference is the ultimate duty of a Christian who finds himself the citizen of a "totalitarian" state; and this is, of course, already a burning question in Germany. The situation in Germany to-day may be reproduced in other countries to-morrow; and it is therefore not unnatural that, at Fanö, the Third Reich should be in the centre of interest. To begin with, the Christians of Germany are represented at Fanö exclusively by "the German Christians"—which is not at all the same thing. Reichsbishop Müller has his representative there in the person of Dr. Heckel; but there are no representatives of the German Evangelical Pastors' Emergency Committee, nor of the dissenters' Confessional Synod. It is reported that the German Ministry of Foreign Affairs would have liked to see the Pastors represented at Fanö, as being an independent-minded and at the same time law-abiding element in German public opinion which is particularly well qualified for maintaining intellectual and moral contact between the Third Reich and world opinion. The Wilhelmstrasse, however, has been weakened by the death of President Hindenburg; and it was only able to authorise the Pastors to send a delegation subject to Bishop Müller's approval—which was, of course, withheld. So Dr. Heckel has the field to himself, but is not, apparently, finding it easy to plough. The public discussions at the Conference have revealed a general sense that, in the present struggle in Germany over the status of the Evangelical Church, the existence of Christianity is at stake; and the German situation has been taken explicitly as the touchstone of the world situation. The Youth Conference has put on record the opinion that, while it is a Christian's duty to be a good citizen, the Christian can only be true to his faith by putting first his duty to his Church if the State denies him freedom of religious expression; and that in such a situation he ought to receive the support of all Christians throughout the world. Is this one of those ripples that signify the turn of the tide of authoritarianism?

* * *

Japan, Russia and the World.—While Russian concessions have whittled down to a moderate figure the once formidable gulf between the Russian and Japanese valuations of the Russian interest in the Chinese Eastern Railway, the tension arising from the controversy has been increasing instead of diminishing. The Soviet Government has addressed to Japan a strongly worded note of protest against the arrest, on August 13th and 14th, in Manchurian territory, of nineteen Soviet citizens who are employees of the C.E.R. The note roundly denies the Japanese allegation that these Russian employees have been committing or inspiring acts of sabotage or fomenting banditry; and calls for satisfactory measures by Japan. If these are not forthcoming, Russia expects Japan to "draw the necessary inferences." The Japanese Foreign Office maintains its accusations, and—to show that the charge has not simply been trumped up as an excuse for applying pressure to Russia since the breakdown, last month, of the railway

transfer negotiations—it declares that the misdemeanours began as early as May. At Moscow, there seems to be a fresh wave of uneasiness in regard to Japanese intentions. Indeed, the fear of an imminent Japanese attack upon the territories of the Soviet Union is perhaps livelier, at this moment, than at any time since the strengthening of Russia's international position through her *rapprochements* with the United States and France. And the strange solidarity of Germany and Poland in opposition to the Franco-Russian proposals for an "Eastern Locarno" has increased Russia's fears of being beset, in some not too distant future, on both her European and Asiatic frontiers at one and the same moment. At the same time, it seems unlikely that the Japanese, who are particularly susceptible to Arctic rigours, are proposing to choose autumn as their season for making war upon their Russian neighbours. Nor, surely, would they wish to have so grave an embarrassment on their hands at a moment when they are on the point of entering into delicate preliminary conversations in preparation for next year's Naval Conference. It is reported this week that, if she cannot achieve parity with U.S.A. and this country, Japan will propose a naval disarmament programme which will ensure, very soon, her *de facto* parity. This will involve extremely delicate negotiations with both the United States and the British Commonwealth. Even the Generals and Admirals of Japan will surely shrink from quarrelling with the whole world at once; and we therefore hope that the Russians' fears are exaggerated. At the same time, we can neither feel surprise that they are entertained, nor doubt that they are entertained sincerely.

* * *

Results of N.R.A.—An official estimate of the first year's working of the National Recovery Administration has been issued at Washington over the signature of Mr Donald R. Richberg, who is both General Counsel of the N.R.A. and also Director of the National Emergency Council. Mr Richberg's report details the record of America's recovery. Employment has risen from 36,060,000 in March, 1933, and 37,860,000 in June, 1933 (immediately before the advent of N.R.A.) to 40,180,000 in June, 1934. The total of weekly wages rose by 34.5 per cent. between June, 1933, and June, 1934, while the average weekly income of the workers in work increased by 8.5 per cent. The cost of living, meanwhile, rose by 9.6 per cent., so that the standard of living of the workers in work was slightly reduced. In the same period both profits and production increased, so that an increase in Labour's share of the national income from 58.3 per cent. to 62.5 per cent. did not necessitate any absolute reduction in the incomes of other sections of the community. Mr. Richberg is, of course, unable to establish that these impressive facts are due to N.R.A., but he declares that the "coincidence of business improvement with N.R.A. codification and the obvious direct effects of N.R.A. in preventing destructive price cutting, in stabilising business operations, in improving total purchasing power by providing increased employment without reduction of compensation, and in increase of prices from loss levels to profit levels, demonstrate the dominant influence of N.R.A. in this industrial advance." But the demonstration is really not very convincing. It is true that N.R.A. "has succeeded in greatly spreading work without the individual worker suffering any material loss in real wages." But another way of saying the same thing would be that N.R.A. has made sure that recovery shall be used in increasing the total of men employed, so as to lift the burden from the relief funds—i.e. ultimately the taxpayer—at the cost of keeping down the average real wage to its 1933 level, which was 30 per cent. below the 1929 level. Furthermore, to establish that an increase in employment has followed N.R.A. is not to prove cause and effect. Many other causes were working in the same direction—threats of inflation, the depreciation of the dollar, heavy public expenditures and the return of banking confidence. The increase in employment has not been strikingly greater in the United States than in Great Britain; from the worst month to June, 1934, the increase was 11.4 per cent. in

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* * *

Labour Troubles in the U.S.A.—In spite of the official apology, the N.R.A. is, for the moment, nobody's friend. A dispute has arisen within the ranks of the Administration over General Johnson's leadership. The opposition, led by Mr Richberg and Miss Perkins, the Secretary of Labour, wished to subordinate General Johnson to a Board of Directors in order to make N.R.A. less complaisant to cartel-forming Capital and more encouraging to union-forming Labour. General Johnson appears to have won the struggle to keep his position, but possibly only at the cost of conceding the point of principle. It is not unlikely that N.R.A. will now once more become what it was in the beginning, the ally of the Labour Unions. Disputes over the famous Section 7 (a) of the National Recovery Act still continue with increasing bitterness, and a strike involving the whole cotton textile industry will break out over the week-end unless a last minute intervention by the President is successful. Section 7 (a) reads as follows:—

Every code of fair competition . . . shall contain the following conditions: (1) That employees shall have the right to organise and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labour, or their agents, in the designation of such representatives or in self-organisation or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organising, or assisting a labour organisation of his own choosing; and (3) that employers shall comply with the maximum hours of labour, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

It will be noticed that this does not ban the company union; it merely prevents employers from forcing their workers into company unions. The American Federation of Labour has hitherto been very weak in American industry. In the cotton textile industry, for example, it had in 1929, on its own showing, only about 6 per cent. of the workers. Nevertheless it is now claiming not only to be accepted as a representative of the workers, but as the exclusive representative, a claim which the employers resist. Anyone familiar with European conditions can hardly avoid taking the view that the labour union will eventually oust the company union, but there is no justification for the view that the National Industrial Recovery Act gave such a substitution the force of law. The N.R.A. cannot do more than adopt an attitude of neutrality benevolent to labour—but the neutrality angers the unions as much as the benevolence infuriates the employers.

* * *

A Strike Threat in South Wales.—Once again we are reminded of the low wages and precarious economic conditions obtaining in the coal industry. A serious dispute over

wages has broken out in South Wales. A delegate conference of the South Wales Miners' Federation has decided to tender on September 1st one month's notice to terminate the existing wage agreement with the coal-owners. According to the official report of the Miners' Federation, the accuracy of which has not apparently been questioned by the owners, the history of the dispute is as follows. Wages in the South Wales and Monmouth coalfields were reduced in March, 1931, by an award of Mr Schiller, chairman of the Conciliation Board. This award was to remain in force until January, 1934, after which either side might give one month's notice to terminate it. There was a meeting in January this year between owners and men, but no settlement was reached. The men then suggested the reference of the dispute to the Coal Mines National Industrial Board; the owners refused. The men next proposed the appointment by the Ministry of Labour of an arbitration board consisting of persons experienced in industrial disputes. This offer was also declined by the owners. The workers' representatives then referred the dispute to the Industrial Board, but the owners refused to submit their view to the Board to assist it in making its report. The Board subsequently reported in favour of a restoration of the wage cuts made in March 1931. On the issue of the report the men asked for a joint meeting with the owners, but the latter refused to consider the question before September 18th. The Miners' Federation thereupon decided to tender notices on September 1st to terminate the existing agreement. It is no doubt true that as long as surplus capacity and uneconomic working prevail in the coal industry, and as long as international trade is depressed, there is little room for increases in wages. But the owners hardly seem to have acted in this case in a way likely to range public opinion on their side. A full month still remains in which to avert the disastrous folly of a strike. The Minister of Mines should certainly see to it that three weeks of that month are not wasted in obstinate inaction.

* * *

Dearer Milk.—The Milk Marketing Board and the distributors have managed to come to an agreement on milk prices for the twelve months beginning on October 1st next without recourse to the "appointed persons" whose award aroused such indignation among farmers in the spring. The prices fixed vary from 1s. 5d. a gallon in winter to 1s. in summer. The chief change is that the low-price summer season is to be two months shorter, and the consumer will thus have to pay the winter price for eight months of the year. The distributors have further induced the Board to guarantee their margins by fixing minimum retail prices. Thus the milk industry is still perpetrating its paradox of raising prices in the face of an increasing supply. It is true that the rise is a very small one, and that it will probably not reduce the demand for liquid milk, but the only way to encourage that increase in milk-drinking which alone will put the dairy industry on a sound footing is to make milk cheaper to the consumer. To raise the price to the farmer, who is already over-producing, and to guarantee distributors' existing generous margins is hardly the right way to go about it. There is something wrong about a system which enables two vested interests to fix their prices, and to clothe their decisions with legal force, without there being, at any stage of the price-fixing process, any consideration of the public interest. The Grigg Commission, it will be remembered, recommended that the three "appointed persons" should have a veto on any price-fixing agreements which they considered contrary to the public interest. The dairy industry may yet regret that it rejected this part of the report.

* * *

British Wheat Finances.—The British Wheat Fund figures for the cereal year ended July 31st last were published too late to permit of comment in last week's *Economist*. In the cereal year just ended, the Minister of Agriculture has laid down 4s. 7.63d. per cwt. as the "ascertained average ['free'] price" at the farm of home-grown millable wheat obtained by registered growers

in 1933-34, as against 5s. 4.46d. in 1932-33. The difference between 4s. 7.63d. and the standard price of 10s. per cwt. is 5s. 4.37d.; and, other things being equal, this amount would have been paid from the Fund—less a charge of 0.52d. per cwt. in 1933-34 for administrative expenses, against 0.68d. in 1932-33—as "deficiency payment." Since the Wheat Act entered into operation in May, 1932, however, acreage and production of British wheat have expanded by about 33½ and 50 per cent., respectively. The Act fixed the maximum home production eligible for "deficiency payments" at 27 million cwt. until 1935; but the quantity certified as sold in 1933-34 is 29.57 million cwt., against only 20.4 millions in 1932-33. Registered growers will, therefore, only receive 91.308 per cent. of 5s. 3.85d. per cwt.—namely 4s. 10.3d. per cwt. of their certified sales, against 4s. 6.86d. in 1932-33. It is noteworthy that the Commission estimated the total net supply of all flour for the country in 1933-34 at 83.6 million cwt., whereas the actual figure is about 84.9 millions. The levy on this total quantity has been raised so as to provide £7,180,000 (at an average levy of 4s. 2½d. per 280-lb. sack), against £4,774,208 for the 14 months of 1932-33, when home production was so much smaller. The increase in the Fund by more than 50 per cent. in a year has been necessitated by the almost parallel increase in British wheat production; and the levy on each sack of flour milled or imported was therefore raised to increase the Fund sufficiently to enable it to meet claims for "deficiency payments" on a vastly greater home production of wheat. The Minister of Agriculture may feel satisfied at so speedy a jump in home wheat production for a guaranteed price, exceeding even the "guarantee" limit within a year. But the high levy on flour, rendered necessary by the rapid increase in British wheat producers' claims on the Fund, took over £7,000,000 from British consumers in 1933-34, and handed it to the British wheat farmers. This increased levy was reflected in the increased price of bread in October, 1933, which, despite the further rise and fall of ½d. this month, still obtains. On this showing, the beet-sugar subsidy will soon have to bear a brother near the throne of economic inanity. What would happen to our real incomes if all industries lodged claims for comparable munificence at the public's expense?

* * *

Still More Import Duties.—The new batch of import duties, issued on August 28th by the Treasury on the recommendation of the Import Duties Advisory Committee, indicates that the holiday season has not lessened the activity of the bricklayers of our tariff wall. The Additional Import Duties (No. 29) Order, 1934, which came into force on August 30th, provides for an increase in the Customs duties on articles manufactured wholly or partly of certain non-ferrous metals, circular saws and segments, certain bolts, nuts and screws, wire nails and staples, and certain cork disks. An increase from 5 per cent. to 15 per cent. in the duty on articles manufactured wholly of aluminium, or of alloys containing more than 50 per cent. by weight of aluminium, is justified by the Committee on the ground that imports of these articles have increased at prices with which British manufacturers are finding it difficult to compete, and because the productive capacity in this country has been strengthened considerably in recent years. This duty does not, however, affect aluminium cans containing fish or other preserves, for it is the practice of the Customs authorities to charge duty on the contents of containers. The duty on articles manufactured wholly of copper, or of alloys containing more than 50 per cent. by weight of copper, was similarly increased, for the Committee was satisfied that the progress of the British industry was prejudiced by an increase in foreign imports of plates, sheets and strip "at very low prices." The same argument is put forward for increased duties on segmental saws and segments of metal, certain bolts, nuts and screws, wire nails and staples and certain cork disks. The grounds on which the Committee feels justified in raising import duties demonstrates that it is distributing favours more and more lavishly. The case of aluminium in particular shows that extension of activity behind our new tariff, however uneconomic, is sufficient

to warrant further increases in the tariff itself—*usque ad coelum*? On this showing, what will happen to the iron and steel duties if activity continues to expand and if prices rise? In fact, tariffs create the "uneconomic competition" which, in its term, brings more tariffs.

* * *

Sterling and International Prices.—British wholesale prices have remained practically unchanged during the past fortnight, but the advance in American prices continues. Primary products have risen in the United States by a further 3.9 per cent., and their total increase since the end of April is 20.2 per cent. The Irving Fisher complete wholesale price index number has also risen by a whole point, after having remained stationary since the middle of June. The past fortnight's advance in American prices has been very irregular. Wheat has moved by very little, and cotton is slightly cheaper. The rise is mainly confined to maize and its derivatives, the latter including bacon and lard. On the Continent, there has been another fractional advance in French prices, and the decline there seems to have been definitely checked. Italian prices are a shade lower, while the slow rise in German prices has for the moment been arrested.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices				U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Gers many, Statistisches Reichsamt
	British Complete Index (sterling)	Primary Products		Price of Gold (sterling)				
		British (sterling)	American (dollar)					
1932								
Jan. 27th	108.3	115.7	83.8	140.9	93.5	93.6	95.8	91.6
Apr. 20th	103.8	105.4	83.6	129.5	89.6	87.6	95.3	90.3
July 27th	99.5	103.5	84.1	136.9	83.3	81.3	88.5	88.1
Oct. 19th	103.1	112.3	84.0	143.8	83.6	85.8	92.7	86.8
1933								
Jan. 25th	101.3	107.7	78.0	142.6	80.5	85.1	90.2	83.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	88.2	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	89.7	86.2	86.6
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	84.6	89.1
1934								
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	84.4	88.5
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	84.1	88.0
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	84.2	88.1
Apr. 11th	108.4	120.2	128.6	158.7	106.4	86.1	84.2	87.9
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	83.2	87.7
May 8th	108.2	121.7	129.4	160.0	109.0	85.6	83.9	88.0
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	83.9	88.5
June 6th	108.2	122.3	134.4	162.3	110.1	84.1	83.8	88.9
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	83.9	89.6
July 4th	107.7	123.2	133.4	161.7	112.8	82.0	83.7	90.1
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	83.2	91.1
Aug. 1st	109.2	124.7	139.4	162.5	113.0	81.4	83.3	91.6
Aug. 15th	111.1	129.2	145.0	162.8	112.8	81.8	84.0	92.1
Aug. 29th	111.1	129.1	150.6	164.0	113.8*	82.0*	84.0*	92.0*

* These figures refer to August 22nd.

Details of the group indices comprising the complete *Economist* index number are given below:—

"ECONOMIST" INDEX (1927 = 100)				
	Sept. 18, 1931	Aug. 1, 1934	Aug. 15, 1934	Aug. 29, 1934
Cereals and meat	64.5	73.3	76.8	76.8
Other foods	62.2	58.3	59.8	59.3
Textiles	43.7	52.6	53.2	53.5
Minerals	67.4	75.0	75.2	76.1
Miscellaneous	65.8	69.9	69.9	69.4
Complete index	60.4	66.0	67.1	67.1
1913 = 100	83.1	90.8	92.3	92.3
1924 = 100	52.2	57.0	58.0	58.0

In the cereals and meat group there were slight declines in wheat, flour and maize, and heavier falls in oats, potatoes and beef. All these declines, however, were offset by sharp advances in barley, rice and bacon. Among other foods, there were moderate reductions in tea and coffee. In the textiles group, raw cotton was slightly cheaper, but there was a further recovery in wool tops and jute was also dearer. In the metals group, small declines in copper, tin and lead were balanced by a larger advance in spelter. Among miscellaneous materials rubber was again dearer, but hides, linseed oil and sulphate of ammonia were all cheaper.

* * *

Sweets in the Shop Window.—What a sweet-eating nation we are! The sum of £50 millions is spent in Great Britain every year on sweets, and 73,590 insured persons

are directly employed in the manufacture of chocolate, cocoa and sugar confectioneries. This is almost half as many as are engaged in making bread and allied products, the staple foods of the masses of the people, and this figure takes no account of the large numbers indirectly involved in distributing and machine making. The confectionery industry, which is holding an exhibition at Olympia, has reason to congratulate itself both on the quality of its products, which, judging from reports from the public analysts, are probably the purest in the world, and on its relative prosperity. It now employs more people than at any time since 1929. At the opening of the exhibition at Olympia, Mr Morrison, president of the Manufacturing Confectioners' Alliance, drew attention to the very unfortunate reactions of the proposed sugar marketing scheme on the sweet trade, which uses more than one-quarter of the sugar annually consumed in the country. He said that the probable increase of ½d. per lb. in the price of sugar would cost the industry over £1,000,000, and would have to be passed on to the consumer in higher prices. This would almost certainly lead to reduced consumption and employment. So our agricultural "planners" penalise an efficient industry for the sake of a group of monopolists and of a notoriously uneconomic beet sugar industry, and the net result for the consumer is less "sugar and spice and all things nice."

* * *

Retail Sales in July.—The recovery in retail distribution in this country, which began in the autumn of 1933, was maintained during July. According to an article in this week's *Board of Trade Journal*, the value of retail sales in July was 3.1 per cent. higher than in the corresponding month a year ago, and the number of persons employed in the concerns reporting increased by 2.6 per cent. The following index numbers of changes in the value of sales make no allowance for the normal spurt in demand before Christmas and for other seasonal influences:—

INDEX OF VALUE OF RETAIL SALES, GREAT BRITAIN
(Average Daily Sales in 1933 = 100)

Period	Food	Other Merchandise	Total
1932	102	99	101
1933	100	100	100
1933—January	95	99	97
February	98	78	88
March	99	89	94
April	103	105	104
May	96	104	100
June	102	100	101
July	94	105	99
August	95	75	86
September	97	88	93
October	99	105	102
November	102	105	104
December	118	146	131
1934—January	98	104	101
February	101	80	91
March	104	95	99
April	102	100	101
May	103	113	108
June	103	103	103
July	98	107	102

The inverse movement of the indices for food and for other merchandise between June and July may be ascribed to seasonal influences. As compared with July, 1933, the value of retail sales of food and perishable articles in the past month showed an increase of 4.3 per cent., and sales of other merchandise rose by 1.9 per cent. The improvement was again well spread both geographically and as between different categories of merchandise. Suburban London continued to lead with an increase of 6.1 per cent. in total sales. The percentage increases of

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total sales in other districts as compared with July, 1933, were:—South of England, 3.2 per cent.; Scotland, 3.0 per cent.; Wales and North of England, 2.3 per cent.; and London (Central and West End), 2.1 per cent. With the exception of piece-goods and fancy articles, the value of sales of all classes of merchandise was higher than a year ago. Sales of men's and boys' wear increased by 6.3 per cent., and the figure for the furnishing departments is 4.9 per cent. higher than a year ago. The value (at cost)

of stocks of foodstuffs and perishables at the end of July was 4.3 per cent. higher than a year ago, but stocks of other merchandise rose by only 0.8 per cent. Total sales in the first half of the current trading year (February-July) were 3.0 per cent. higher than those in the corresponding period of 1933, which in turn were 1.9 per cent. below the figure for 1932. Although business in general has been "marking time" since the beginning of July, there are no indications of an early setback in retail trade.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

FRANCE

M. REYNAUD'S DEVALUATION CAMPAIGN

THE suggestion of M. Paul Reynaud, the ex-Finance Minister, that France should approach the United States with a view to a general stabilisation of the exchanges has met with disapproval. The proposal would entail a devaluation of the franc, and this has aroused the same objections as M. Reynaud's similar proposal a month ago. M. Reynaud argues that either prices must be deflated or else the currency must be devalued, and he emphasises the difficulties of deflation. It is contended in reply that devaluation of the franc would be a bad prologue to a general stabilisation of currencies, since it would mean a disturbance of contracts, a rise of prices, the ruin of creditors and rentiers, and a wave of speculation. Doubts are also expressed whether President Roosevelt would or could stabilise the dollar on gold in the near future. The fresh decline in sterling and the persistent rumours of a new devaluation of the dollar are creating the feeling here that opinion favouring depreciation is still strong in Great Britain and America.

M. Reynaud's campaign, however, has not been entirely without effect, since it has compelled his critics to face the problem of the resistance of prices to deflation. Leaders of the export industries have been studying the price factor in detail. They are quoting as an example the price of coffee, the cost of production of which represents only 11 per cent., the charges and transport in Brazil 13 per cent., and the taxes and duties 73 per cent. The conclusion is that the factors which are keeping up prices are transport and taxes, and that the solution of the French crisis lies in Customs and Budget reform.

FOREIGN TRADE STILL DIMINISHING

The foreign trade figures for the first seven months of the year show a new diminution in the value of both imports and exports. Imports reached 14,328,754,000 francs and 27,124,230 tons, a diminution of 2,991,506,000 francs and 1,526,685 tons compared with the preceding year. Exports were 10,150,846,000 francs and 14,354,293 tons, a diminution of 280,865,000 francs and an increase of 1,659,363 tons.

The following table shows foreign trade in July, compared with June, 1934, and with July, 1933:—

	(000 francs)		
	July, 1934	June, 1934	July, 1933
Imports:			
Foodstuffs.....	544,345	— 87,012	— 196,170
Raw materials.....	840,530	— 128,289	— 240,710
Manufactured goods.....	329,420	— 33,944	— 60,990
Total	1,714,295	— 249,345	— 497,870
Exports:			
Foodstuffs.....	171,535	— 10,820	— 2,708
Raw materials.....	380,141	— 35,283	— 42,522
Manufactured goods.....	799,377	— 54,243	— 69,817
Total	1,351,053	— 100,346	— 115,047

The two worst symptoms which this table shows are the contraction of raw materials imports—which indicates a slackening of French industrial activity—and the reduction of the exports of manufactured goods. Actually total im-

ports have diminished more than total exports, with the result that the passive balance has been reduced to 363 millions, the lowest since the beginning of the crisis. At this level the passive balance for the whole year 1934 will not attain the 6,000 million francs which the Minister of Commerce recently claimed as an improvement on the 10,000 million francs of last year. Nevertheless, the total turnover of French foreign trade in July was 259 millions lower than in May, which was itself the worst month since the stabilisation of the franc. French critics are pointing out that, if these tendencies continue, imports and exports may one day balance at zero.

EFFECTS OF PROTECTING THE WHEAT GROWER

The *Journal Officiel* has just published the approximate results of the wheat crop for 1934. This year's crop will attain nearly 83,594,240 quintals, against 98,611,200 quintals in 1933. The whole area sown was 5,305,010 hectares, against 5,464,390 in 1933. The yield per hectare (2.471 acres) is estimated at 15.75 quintals, against 18.04 in 1933; but the average weight per hectolitre should be higher, nearly 77.88 kilogs. against 77.24 in 1933. The figures for earlier years were as follows:—

	1930	1931	1932
Area (hectares).....	5,374,070	5,196,090	5,434,410
Yield per hectare (quintals) ..	11.55	13.83	16.57
Weight per hectolitre (kgs.) ..	71.66	73.46	75.33
Production (quintals)	62,080,660	71,881,710	90,771,340

It appears from this table that the final crop is bigger than the latest forecast. M. Queuille, Minister for Agriculture, declares, nevertheless, that the market situation has improved, as the following official table suggests:—

	Situation in	
	July, 1933	July, 1934
Carry over.....	15	21
Crop in France.....	98	83
Crop in Africa	3	3
Total	116	107
Consumption	88	88
Surplus	28	9

These estimates appear to many critics as too optimistic. Some declare that the figure of 88 million quintals for consumption is exaggerated; others that the carry-over, which is estimated by the Minister at 21 millions, reaches in fact 30 millions. The conclusion is that the present disorganisation of the wheat market will not be quickly remedied. The fixed price of 108 francs per quintal is undoubtedly still above the black market quotation, which is between 80 and 86 francs. Since the official price of bread cannot be based on these black market quotations, the real fall in the price of wheat has no effect on the price of bread and does not assist the general price deflation policy. Nor does it stimulate consumption.

In order to placate the agitation which still continues among producers and millers, the Government has just issued new regulations designed to stimulate the export of wheat, which is the only way of getting rid of the surplus as long as the price is kept at an artificial price in order to subsidise the farmer.

PARIS, August 29.

GERMANY

DR. SCHACHT ON THE OUTSIDE WORLD

At the opening of the Leipzig Autumn Fair the Reichsbank President, Dr. Schacht, now also in charge of the Ministry of Economy, delivered a speech on currency, foreign trade and foreign policy, in the course of which he foreshadowed reforms in the import payments system and announced that the campaign for self-sufficiency in raw materials would be continued. As justification for these measures he painted a picture of the history of foreign debts and international credits which differs very much from reality and from his own earlier utterances. He also reproved the non-German world, depicting its shortcomings in the "lurid hues of the romantic novelist." "Systematically depriving the third greatest foreign trade country of its possibility of existence"; "egotism of the Governments and the desire to keep Germany down"; "foreign Powers always overwhelming Germany with threats"; "forcing a philosophy of life (*Weltanschauung*) on us," were phrases heard with surprise by visiting foreign business men, who were used on such occasions to hearing inoffensive platitudes about the community of interest of the business world.

Dr. Schacht reported the breakdown of his system of controlling foreign exchange and imports, and attributed it to international dishonesty and malice. Under the clearing agreements, he complained, the unusable central bank deposits in the Reichsbank had unreasonably increased, rising from Rm. 68 to Rm. 130 millions between March and July. He complained of the abuse of the clearing agreements, circuitous imports of goods from countries which were not parties to it, and also of their abuse for the imports of half-manufactured and manufactured goods instead of raw materials.

Dr. Schacht also referred to the bureaucratisation of the control. In fact, tens of thousands of persons, official and private, are kept busy administering, or trying to master the intricacies of, the system which compels the commercial banks to keep many otherwise superfluous employees. The main changes promised by Dr. Schacht are the abolition of the rigid exchange rationing system which he introduced in July and a new rule that no importer will get foreign exchange unless he has in advance obtained an official "exchange certificate," which will be given only on proof of the desirability of the transaction contemplated. In future, therefore, the foreign seller will know in advance whether his account will be promptly settled. A German who is refused an exchange certificate may nevertheless (subject to the general import restrictions) buy foreign goods; but in such cases the foreign seller will have had warning that he cannot expect prompt payment; and such transactions could be financed, if at all, only by foreign long-term credits, which Dr. Schacht does not oppose.

THE IMPOSSIBILITY OF AUTARKY

Dr. Schacht declared that Germany would be compelled to aim at greater self-sufficiency in commodities at present imported; and duly emphasised the punishment that this would inflict on the offending foreigner. His implication that autarky has been forced on Germany by the outside world in connection with the currency troubles which arose in 1931 is, however, not correct history. Long before 1931, and independently of currency troubles, autarky was preached and practised as desirable in itself by Reich Ministers (e.g. the Food Minister, Dr. Schiele). The Nazis merely popularised the word "autarky," proclaiming "national economy" also to be desirable in itself.

The autarky agitation now under way has very little substance in it, and is mainly propaganda. According to the Nazi programme, self-sufficiency is to be attained by increasing the production by natural means of natural raw materials, by increasing the production of other natural products by new scientific or technical processes, or by the production of substitutes proper. Instances of the first class are flax and oilseeds, of the second benzene, of the third numerous substitute textile materials. The technical and economic possibilities of such production in no wise equal the inflated official propaganda. By bounties, it is true,

the Government this year nearly doubled the area under flax and nearly quintupled the area under rape and other oilseeds; and at a recent congress of chemists it was affirmed that Germany might grow soya beans, which she imports annually to the value of Rm. 100 millions. But plans for any material increase of production in this class are impracticable. Land is not available. A newly-issued report shows that the total area under cultivation (within the present frontiers) has fallen very considerably since 1913, and also that the wheat area has increased only at the expense of other crops. Last year, when wheat production threatened to exceed the demand, an official plan for curtailing it in order to provide room for flax and other plants was mooted; but this year's record wheat crop shows that even with the present increased area self-sufficiency cannot be infallibly counted on. Any considerable increase of production of wool, of which 90 per cent. of the consumption is imported, is for the same reason out of the question. In the second class the production of light oils is the only promising item, but there are natural limits to this.

The replacement of imported raw materials by synthetic substitutes, the subject of the loudest propaganda, promises nothing. The new textile materials are technically inferior and very dear. Most are products of the rayon industry, which has to import wood, and which cannot nearly supply the home demand for rayon itself, with the consequence that the import surplus this year has greatly increased. Expansion of this industry would require a vast investment of capital, which would not be justified by the production of an inferior raw material, for which also there would be no export market. In general, the production of substitutes would require technical adaptations which would absorb new capital and destroy old. The high prices of these artificially produced materials would tend to raise the general price level, to impede general export, and to reduce the German standard of living. As Germany's export of manufactured goods is based primarily on imported materials, iron ore, non-ferrous metals, wool, cotton and rubber, she could not attain autarky in the present limited official sense of interdependency of import without sacrificing nearly her whole export trade.

Further, the autarky movement is based, like most Nazi economics, on erroneous assumptions of rigidity in demand. Only a year ago the coming German independence of foreign light oils was officially proclaimed; but though the home output of benzene has meanwhile considerably increased the import has also increased (by about one quarter), and the demand for foreign exchange with which to import this commodity is greater than ever. The autarky movement, in fact, derives from certain primitive fallacies, chief of which is the belief that if import is forcibly reduced export remains unchanged. The *reductio ad absurdum* of this belief is the wheat situation. Self-sufficiency in wheat was preached on the ground that it would save Rm. 700 millions a year in foreign payments. By the time the Rm. 700 millions had been saved by increasing home wheat production at great cost the foreign payments position was worse than ever.

THE ROUND TABLE

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INDUSTRIAL ACTIVITY SLACKENING

The wholesale price index for August 22nd was 100.1, against 100.2 for August 15th. The raw materials group is unchanged, while manufactured goods prices continue to advance. The Sickness Insurance Board returns 15,532,000 insured employed at the end of July as against 15,529,683 at the end of June. From the Leipzig Fair are reported declines in activity in the textiles and toys branches, continued good business in leatherwares, furs and paper. For iron and steel wares the demand exceeds that of last year's autumn fair. A move towards the introduction of compulsory labour has been taken by issuing "labour service passports" to persons born before January 1, 1915, who have performed voluntary work services for half a year, and to younger persons who have served a whole year. Industrial activity seems to be slackening. Coal production in the first seven months was 70,086,500 tons, against 61,494,900 tons in the same months of 1933. The pig iron market is active, and export has increased. Export of heavy iron and steel in July was 130,150 tons, against 83,980 tons in July, 1933. Export of semi-products, joists, bars and thick sheets shows large increases, sometimes exceeding 100 per cent.

Money became normally stiffer towards the approach of the month-end, day loans rates advancing on Tuesday to 4½ per cent. As bank preparations for the demand had begun somewhat earlier than usual, cash realisations by sale of bank acceptances were hardly noticed this week. Again, this month the Reichsbank's credits of the last week of the preceding month were not fully repaid by the end of the third week. The Reichsbank's deposits continue to rise rapidly in connection with the non-transfers for debt service and the exchange agreements with foreign countries. The five chief commercial banks' balance sheets for the end of July show a decline of deposits of Rm. 107 millions, of which, according to unofficial estimates, about two-thirds is accounted for by register-mark payments and reduction of foreign acceptance credits. Loans also declined. Reich revenue from taxation in July totalled Rm. 685 millions, against Rm. 579 millions in July, 1933; in the first four months of the financial year revenue totalled Rm. 2,570 millions, against Rm. 2,197 millions. Rm. 85 millions of the increase are due to taxation changes (mainly slaughtering and fats taxes). Expenditure by municipalities on poor law and unemployment relief in 1933-34 fell by Rm. 230 millions to Rm. 1,886 millions.

BERLIN, August 28.

HUNGARY

REDUCED BUDGETARY DEFICIT

THE budgetary situation has considerably improved in the fiscal year 1933-34. The cash deficit of the Administration for the financial year, ended June 30th last, amounted to 38.1 million pengő, as against 87.8 million pengő for 1932-33. These figures include the advances to State undertakings (railways, etc.). Provisional results for 1933-34, compared with 1932-33, are as follows:—

EXPENDITURE	Million pengő	
	1932-33	1933-34
Actual budgetary.....	733.0	717.0
Actual extra budgetary	70.7	86.3
Total	803.7	803.3
RECEIPTS		
Actual budgetary.....	708.9	758.6
Actual extra budgetary	7.0	6.6
Total	715.9	765.2
Deficit	-87.8	-38.1

For neither of these two years, however, does expenditure include the non-transferred foreign debt service, except for the 1924 Reconstruction Loan in 1933-34. Actual budgetary expenditure was less than the estimate by 47.9 million pengő. Full details as to the composition of this amount are not yet available, but it certainly includes 20.4 million pengő of Treasury bills deposited in the

foreign creditors' fund in lieu of the pengő equivalent of the non-transferred debt service; 9.6 million pengő in respect of a payment due to the British Clearing Office (for the settlement of pre-war debts) which has been deferred by agreement; certain other non-transferred debt items; and the exchange difference resulting from dollar and sterling depreciation.

The most striking change from 1932-33 to 1933-34 is an increase of 49.7 million pengő in actual budgetary receipts. This does not mean, however, that taxation in the fiscal year just ended produced 49.7 million pengő more than it did in 1932-33, for the 1933-34 receipts include 26.1 million pengő which do not come from taxation, but from profits on coinage, to the extent of 5.1 million pengő and from repayment of debts and increased dues from the State railways, amounting to 21 million pengő. Thus, in order to obtain a budgetary receipts figure for 1933-34 which is comparable with the 708.9 million pengő in 1932-33, 26.1 million pengő must be deducted from 758.6 million pengő, leaving 732.5 million pengő. The increase from last year is therefore only 23.6 million pengő. Moreover, a number of taxes were increased, and new ones were imposed during the second half of 1932-33. These new taxes were only productive during four or five months of 1932-33. Thus the increase attributable to improved economic conditions is relatively very small. Finally, it should be noted that in 1933-34 the Boletta Fund (wheat and rye bounty), which is outside the Budget, incurred a loss of 11.9 million pengő, while the year before it made a small profit.

LEAGUE REPORT ON THE ECONOMIC SITUATION

The recent quarterly report of Mr Tyler, the representative of the Financial Committee of the League of Nations, points out that the improvement in the 1933-34 Budget does not warrant the assumption that fundamental economic conditions are correspondingly better. The trade agreements recently concluded with Italy and Austria secure the marketing of a large part of Hungary's normal wheat surplus, but Hungary's other agricultural exports, such as cattle and pigs, the importance of which in foreign trade has in recent years been greater than that of wheat, are encountering continual marketing difficulties, with the result that production is falling off. Hungarian industry cannot make good the fall in agricultural exports. Where it succeeds in exporting, it is in many cases only able to do so by keeping internal prices of its products at too high a level for the purchasing power of Hungarian consumers, which seriously impairs, in its turn, the competitive capacity of Hungarian agriculture. In general, the economic position is stagnant.

Exports continue to increase in value, however, and the export surplus for the first half of 1934 was slightly larger than for the first half of 1933. However, that proportion of exports from which the National Bank derives no foreign exchange is steadily increasing, so that the freely convertible currency available for imports of necessary raw materials and for payment of the foreign debts service does not increase. Comparative trade figures are as follows:—

	January-June	
	1933	1934
In million pengő		
Exports	159.0	186.0
Imports	144.2	168.4
Export surplus.....	15.2	17.6

The volume of transactions under the compensation scheme, initiated in December, 1932, continues to increase. Under it, exporters receive a premium in pengő over and above the equivalent, at "official" rates, of foreign exchange surrendered by them to the National Bank, this premium being provided from surcharges paid by importers for foreign exchange allotted to them. The average premium on exports amounted to 16.6 per cent., and the surcharge paid by importers to 20.7 per cent., over the "official" rates.

It is significant that the balance of trade with Austria, which the commercial treaty is designed to maintain at 1.5 to 1 in Hungary's favour, has in the last six weeks changed to Hungary's disadvantage, having become 1.3

to 1. It has not yet proved possible to negotiate a commercial treaty between Hungary and Czechoslovakia. On July 4th a new compensation scheme was arranged between the two countries for two and a half months, during which time Hungary may export to Czechoslovakia articles to a total value of 52 million Czech kronen, and Czechoslovakia may export to Hungary to a total of 36 million Czech kronen, the balance of 16 million Czech kronen being applied to the reduction of outstanding merchandise debts. This agreement will not greatly change the volume of Hungarian-Czechoslovak trade. The Hungarian articles which benefit by it are fruit, vegetables, pigs, lard and semi-manufactured textiles.

The yield of recent years' crops compares with the last estimate of the Ministry of Agriculture as follows:—

	Average, 1926-1930	1932	1933	Estimate, July 22, 1934
In million quintals				
Wheat	22.3	17.5	26.2	16.6
Rye	7.4	7.7	9.6	5.0
Barley	6.0	7.2	8.4	4.4
Oats	3.5	3.1	3.5	2.2
Maize	16.3	24.3	18.1	Prospects so far good.
Potatoes	18.7	15.6	18.6	

This year's grain harvest is poor, and consequently prices are considerably higher.

BUDAPEST, August 20.

ARGENTINA

RAPIDLY IMPROVING TRADE PROSPECTS

WITH Argentine prospects showing such rapid improvement as in the first half of August, it is difficult to avoid being carried away on the wave of optimism that daily gathers strength. Cereal prices, coupled with the knowledge that Argentina actually has grain and linseed on hand and, furthermore, has sown both under favourable conditions, are powerful arguments against pessimism. Below are shown current grain prices contrasted with those of nine months ago, and the figures need no comment. They also explain the recent appreciation of the Argentine peso, and invite the query why its rise is not more accentuated.

CEREAL PRICES IN PAPER PESOS PER 100 KILOS.
(Spot in Buenos Aires)

	November 28, 1933	August 10, 1934
Wheat	5.00	8.10
Maize	3.78	7.25
Linseed	10.40	15.15
Oats	4.00	6.50

For the moment the two negative factors in the export position are tacitly ignored. Poor hide prices and considerable doubt as to what wool will fetch when the October sales begin, are at present considered unimportant. It is true that the sum total of the value of wool and hides exported barely equals the increase in value of the exportable surplus of grain and seed in hand at the end of July, taking the 1933 figures as the basis of comparison; and it is always possible that, despite the threatened reduction of purchases of wool by Germany and Great Britain and the cessation of hide shipments to the United States, Argentina's trade balance at the year-end will still be far beyond expectation. There is unquestionably much greater commercial movement all round; heavier traffics on the railways, better business in the Buenos Aires shops, and immeasurably better returns in the collection of debts throughout the provinces, with the single exception of Mendoza. All this means a healthier and decidedly more cheerful movement.

There is, however, no reflection of it in the public finance returns. Argentina's total indebtedness on June 30, 1934, shows an increase which is well over 190 million pesos, while practically nothing has yet been accomplished in the way of budgetary economy, notwithstanding the imposition of new taxation and the likelihood that this will be yet further increased. Moreover, the increased indebtedness relates entirely to external obligations created through the unfreezing of blocked exchange and, although improvement

in the peso rate will help towards meeting the services thereon, such improvement cannot well be rapid. It is restricted by the expedient of handing out permits very sparingly, notwithstanding that exporters are offering their paper freely to banks, who hesitate to take it lest they be overbought in foreign currencies on a falling market.

ARGENTINE PUBLIC DEBT (CONSOLIDATED AND FLOATING)
(In thousands of paper pesos)

	June 30, 1933	June 30, 1934
National	3,797,815	4,021,610
Provincial	1,219,101	1,195,183
Municipal	480,188	471,987
	5,497,104	5,688,780

(Foreign currencies converted to paper pesos at par; compiled by Argentine Bondholders' Corporation.)

Included in the figures for June 30, 1934, are the following:—

INTERNAL CONSOLIDATED DEBT

	Pesos Paper
Converted loans (national).....	1,601,132,350
Not yet converted	214,571,145
Grand total	1,815,703,495

(These last figures are issued by the Ministry of Finance.)

THE TRANSFER PROBLEM

The present transfer situation is one that cannot be regarded as permanent; something will have to be done to protect at one and the same time both import and export interests. It seems that the Government is loth to forgo the handsome profit it at present receives from exchange. This is between 15 and 21 per cent., according to the class of export paper bought and sold; and no information is vouchsafed as to what is being done with the funds thus, daily received in current cash. It is common talk that before the present month is out some official declaration will be made, presumably on the return of the Minister of Finance after his two months leave of absence. Then it may be possible to find out whether there is anything in the rumour that substantial funds have been placed abroad to meet debt services due at the end of the year, so that, when the 1935 Budget estimates are published, it will be possible to show a decided saving as far as the figures of the Ministry of Finance are concerned. At the same time excessive optimism is to be deprecated. Humanly speaking there is nothing to check the successful sale, not only of the cereals which Argentina has in hand, but also of whatever she may be able to grow between this winter and the next harvest, i.e. November-December for linseed, January-February for wheat and oats, and March to May for maize. Given sound economic measures, such a condition of affairs should suffice to wipe out a large proportion of the losses occasioned by unfavourable conditions from 1930 to 1933.

If through the improvement in exchange the Government can find some way whereby legitimately earned profits accruing to foreign capital can be remitted abroad at successive intervals, not too far apart, it will go far towards removing the last vestiges of complaint which are still audible. In their zeal, Argentine nationalists sometimes write as if they held the view that foreign capital, once it arrives on these shores, must either be prepared to re-invest its earnings, giving all the usufruct to Argentina, or be sternly forbidden to make any profit at all. That is emphatically not the view of the Government, and improve-

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ment in exchange conditions will enable them to testify to their views by assisting in the remittance of funds that have every right as well as every reason to be transferred abroad.

Just what form official intervention will take one cannot say. It is probable that when the free market rate more closely approximates to the rates that are bid by importers day by day—and the difference has been narrowed to \$1.15 on the quotations for sterling—exchange control will be completely reorganised. Rumour has it that the rate of purchase for export paper will be dropped to \$13.50 to the £, and that an official rate, applicable to all remittances whatsoever, will be fixed somewhere in the neighbourhood of \$15.50; all exchange being brought within the scope of State control. There is much to recommend this course, but it involves several questions which would arouse criticism, and is here recorded merely as a current rumour of possible, but not necessarily certain, intentions attributed to the Government.

BUENOS AIRES, August 11.

SOUTH AFRICA

POLITICS ON HOLIDAY

IN July, which is one of South Africa's main holiday seasons (in a country where there are several), political activities are not usually of any importance. Colonel Stallard and Dr. Malan have held meetings for their respective diehards and have met with some support. It has been pointed out that the two extremist leaders ought to appreciate each other, as in each case the attitude of the one is the main justification for that of the other. The position of the "fusion" policy and its supporters has been consolidated by General Hertzog's great success at the Free State Nationalist Party Congress at Bloemfontein. His motion in support of fusion was carried by 107 votes to 27, while the Malanite speakers were greeted with laughter and interruption. It cannot be said, however, that citizens as a whole care for politics in July. Those of them who are able to leave their various businesses are on the Natal Coast, in the Game Reserve, or touring the country. Moreover, a fair amount of winter rain has provided the farmers with occupation.

TRADE, EMPLOYMENT AND PRICES

There has been a change of some importance in the figures shown in the weekly statement of the South African Reserve Bank. Until June, 1934, the item "Bankers' deposits"—which stood at £4 millions at the beginning of 1933—had stood at about £29 millions for many months, the actual peak being £32½ millions on February 23rd. During July this figure has fallen by £5½ millions (from £28.9 millions on June 29th to £23.5 millions on July 27th). In the same month "Foreign Bills discounted" fell from £21 millions to £13.5 millions. On July 4th, the buying rate for sterling was raised from £99½ to par, and again on July 30th to £100½ South African to £100 sterling. The selling rate has remained at £100½, so that the spread is now 15s. per cent. instead of £1. In "normal" times the spread was usually 10s. The change in rate is an indication of a move towards normal conditions, of which further evidence is obtainable from the increase in imports.

	Six months ended June 30	
	1933	1934
	£m.	£m.
Grand total of imports	21.7	29.8
Grand total of exports (with gold at par)	36.2	35.3
Premium	9.7	12.8
	45.9	48.1

Imports during the month of June were £5.1 millions, compared with £3.9 millions last year.

The Monthly Bulletin of Union Statistics has just published a "General Index of Industrial Employment," from which the undernoted figures are taken. The base is 1,000 in July, 1925.

INDUSTRIAL EMPLOYMENT INDEX NUMBERS, BASE JULY 1925 = 1,000

Average	European	Other	1934	European	Other
1927	1,092	1,070	January...	1,097	1,077
1928	1,126	1,093	February ..	1,119	1,102
1929	1,159	1,108	March	1,131	1,113
1930	1,129	1,090	April.....	1,136	1,118
1931	1,084	1,041	May	1,147	1,129
1932	1,015	985			
1933	1,047	1,014			

In spite of the continued and increasing prosperity, there has so far been no serious rise in retail prices, the figure for food, fuel, light, rent and sundries for the Union being 16.4 per cent. increase on 1914 in June last and 14.6 per cent. in December, 1932, the last month South Africa was on the gold standard. There has been some slight increase in working costs on the gold mines, but this is probably due in great measure to the undertaking of work ordinarily reserved for periods of prosperity and not immediately remunerative.

There has been much agitation based on, but not confined to, the affairs of one company, on the part of groups of ordinary shareholders in gold-mining companies who consider that they should have a larger share of ground-floor participation when their properties are reorganised on a producing basis. It is difficult to say, in the absence of figures, which in several important cases are not available, whether the agitation has a reasonable foundation, but some of the methods associated therewith appear unwise. It is not often that such large sums of money are available as there are at present in the hands of the general public, and a controlling house which supports a moribund venture through bad times naturally expects, when times improve, its remuneration for so doing.

The Stock Exchange boom in gold-mining shares continues unabated. The twofold cause is the improved intrinsic prospects of the companies and the difficulty of investing money. The July issue of the Monthly Bulletin of Union Statistics contains a table, based on calculations by Professor C. S. Richards (vide "The Boom in Kaffirs," *S.A. Journal of Economics*, September, 1933) showing index numbers for the Stock Exchange prices of thirty producing gold-mining companies from January, 1923, to June, 1934.

The following figures, extracted from this table, tell their own story:—

January, 1923	Index Number	Date	Index Number
1923	1,145	June, 1931.....	1,134
1924	1,191	January, 1932	998
1925	1,257	June, 1932.....	929
1926	1,292	Week ending—	
1927	1,363	December 31, 1932 ...	1,290
1928	1,387	January 28, 1933	1,616
1929	1,209	February 25, 1933.....	1,900
1930	1,031	March 25, 1933	1,891
1931	1,000	April 29, 1933.....	2,050
		June 24, 1933	1,866

Date (monthly average) Index Number.

July, 1933	2,057
August, 1933	2,267
September, 1933	2,331
October, 1933	2,234
November, 1933	2,250
December, 1933	2,217
January, 1934	2,258
February, 1934	2,355
March, 1934	2,415
April, 1934	2,529
May, 1934	2,607
June, 1934	2,777

During the past eighteen months 201 new mining companies have been registered with authorised capital of nearly £17 millions.

JOHANNESBURG, August 17.

MONEY AND BANKING

THE OUTLOOK FOR STERLING

A CERTAIN amount of interest and excitement was roused at the end of last week by a sharp relapse of sterling against both the franc and the dollar. On August 1st the pound was quoted at Frs. 76½ and \$5.03½, and both forward francs and dollars were at a discount. Then came the American decision to purchase all silver stocks held in the United States, and the dollar ran up to \$5.11½. A slight rally followed, as a result of gold shipments from the United States, but the dollar-franc rate continued to hang near the export gold point, and meanwhile sterling developed weakness against the franc. By Thursday the pound had fallen to the new low point of Frs. 75½, while arbitrage operations caused the dollar to appreciate to \$5.03½. Forward francs also went to a slight premium.

This depreciation, which was accompanied, if not occasioned, by some relaxation of the British Control's support of sterling, gave rise to all sorts of rumours. Some of these may be dismissed at once. There is no foundation for the suggestion that the Exchange Equalisation Account has exhausted all its reserves of gold and foreign exchange, and if it had, it still has as a final reserve the gold which it sold to the Bank of England early last year. Some indication of the limited magnitude of the Exchange Account's summer operations can be deduced from the floating debt returns. Between March 31st and August 25th the floating debt increased by £12.5 millions. Tender issues of Treasury bills were reduced by £11.3 millions, so that the floating assets of Public Departments rose by £23.8 millions. This last figure gives a very approximate indication of the amount of fresh Treasury bills taken up by the Exchange Equalisation Account since March 31st, and therefore of the extent of its sales of gold and foreign exchange. This figure appears very small in comparison with the total size of the Account, which is £375 millions. It is therefore inconceivable that it has even approached the exhaustion of its gold and foreign exchange reserves. Moreover this very rough calculation makes no allowance for the sales of Funding Loan and acquisitions of Treasury bills by other Public Departments during the last three months.

There are two possible explanations of last week's depreciation of the pound. The first is commercial purchases of dollars to finance autumn produce shipments. We shall return to this point later, but reports from the London exchange market state that these purchases have already begun, though they have not yet assumed any great volume. Some of these purchases of dollars may well have been made through Paris as a straightforward arbitrage operation, induced by the pronounced weakness of the dollar against the franc. The other explanation arises from a general view on the Continent that once the September financing is complete a further devaluation of the dollar will take place. Continental opinion holds that Great Britain will not be able to remain indifferent to such a move with its consequent intensification of American competition, and that therefore the pound will be allowed to depreciate as well. Hence speculative sales of sterling against Continental currencies are already beginning, and this accounts for the premium on forward francs as well as the appreciation of spot francs against the pound.

Another possibility is that recent sales of pounds really emanate not from Great Britain but from somewhere else in the sterling area. The British trade balance is rather more adverse than it was a year ago, and this is a factor which ought not to be overlooked. Still, it is difficult to decide what is the balance of payments of the sterling area with the rest of the world, and in the absence of any information on this point, it is unwise to dogmatise too closely regarding current commercial, as distinguished from speculative, offerings of sterling.

For a "long run" view of sterling, there are again several factors to be considered. Firstly, there is the American drought and its effect upon sterling. This year

the United States will be a negligible exporter of wheat. Cotton exports show no sign of reaching last year's figures, but Canada, which is linked to the dollar and not to sterling, can dispose of much of her surplus wheat. Moreover, wheat, cotton and other American produce as well will have to be paid for at higher prices than were ruling a year ago. Another pertinent point was made by Sir Herbert Robson in a letter to *The Times* on Monday last. So long as there was a glut of wheat, he explained, European dealers let their stocks run down practically to zero, but now that there are prospects of a shortage and of higher prices, they are likely to reconstitute their stocks. This will add to European wheat purchases from Canada and elsewhere and so will increase the autumnal commercial pressure upon the pound. It would, therefore, be unwise to ignore the seasonal factor when considering the outlook for sterling.

As regards the value of the pound against the dollar and franc, it is again impossible to be precise. When the dollar was revalued last winter, its new parity with the franc constituted a serious undervaluation of the dollar and rendered it impossible for the pound to find a single point of equilibrium, in terms of purchasing power, against both currencies at once. Since then this unstable position has to some extent been redressed, for French wholesale prices have fallen, American wholesale prices have risen, and the British price-level shows little net change. Even so the pound is still poised in a highly unstable position between the two alternative equilibrium points of dollar prices and franc prices. At first sight, it is more likely to gravitate towards the dollar, which is of greater commercial importance than the franc, and this might suggest an impending depreciation of the pound. Such a train of inference, however, is nebulous in the extreme.

The fact is that almost everything depends on future American monetary policy. Does President Roosevelt intend to maintain the present gold parity of \$35 an ounce against all economic and political pressure, or is he only awaiting the completion of his autumn financing before he gives the dollar another downward thrust? That is a question which he alone can answer, and even he probably does not know the answer yet. Even if he does further devalue the dollar, it must not be lightly assumed that this will automatically necessitate a further depreciation of sterling against the gold currencies. In our own interests, we cannot be indifferent to the likely effect of such depreciation upon the gold currencies, both blocked and free. But all that we can say at present is that if the dollar should undergo a further depreciation, we shall have been given yet another pretty problem to solve.

Meanwhile it may be assumed that France will remain on gold at least until there is a political upset. The present Government is irrevocably committed to the gold standard, and French gold reserves are so strong that France cannot be driven off the gold standard except as the result of a deliberate act of policy. Even if the elections replace M. Doumergue with another Government, it is more than likely that the new Government will equally adhere to gold. M. Reynaud is still a voice crying in the wilderness; and again, this week, his advocacy of devaluation has been flatly countered by M. Germain-Martin, the French Finance Minister. The average Frenchman still regards a stable gold currency as his sheet-anchor. Moreover, the exchange position of many of the other gold bloc countries has become stronger. There is less anxiety about the Dutch exchange, and Switzerland has lately been recovering her previous gold losses. Belgium is removing the weakness in her banking system, and this week has felt justified in lowering her bank rate. Only in Italy does the currency need official support.

We may, therefore, dismiss any likelihood of an early break-up of the gold bloc, and it seems safe to assume that

the *status quo* will be preserved in the United States until the end of September. Further than that it is impossible to foresee. President Roosevelt may let loose some further change in monetary policy upon the world, while the pendulum of French confidence is always liable to sudden and wide swings, reflected in the movement into and out of London of French floating balances. Still in the short run there seems no justification for the recent weakness of sterling, and to judge from the foreign purchases of British gilt-edged stocks during the last two or three days, foreign opinion is now coming round to that view. Fundamentally, the pound is still a strong and stable currency, while the British Control still has ample resources at its disposal. If foreign operators choose to make "bear raids" on the pound, they must not be surprised if they have to rush, incontinent, to cover.

FINANCIAL NOTES

The Money Market.—Money remains comfortable at $\frac{1}{2}$ per cent. but some calling on Wednesday and Thursday's Stock Exchange settlement slightly affected supplies, and a certain amount of 1 per cent. money has been borrowed from the clearing banks late on most afternoons of the week.

	Aug. 9, 1934	Aug. 16, 1934	Aug. 23, 1934	Aug. 30, 1934
Bank rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Clearing banks' deposit rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
(b) Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

Bill rates are really unchanged, but now that a new month is beginning the clearing banks have reduced their rate for October Treasuries from $\frac{1}{2}$ to $\frac{1}{4}$ per cent. The banks have been buying October bills, and outside discount rates hardened slightly on Wednesday and Thursday with the firmer tendency of money. Business has been done in hot Treasury bills at $\frac{1}{2}$ per cent., and the rate for three months' bank bills is now $\frac{1}{2}$ to $\frac{1}{4}$ per cent.

The Bank Return.—The usual end-of-the-month increase in the note circulation has this month been prevented by the further return of holiday currency.

	BANK OF ENGLAND				
	Aug. 30, 1933	Dec. 27, 1933	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934
Issue Department:—					
Gold.....	190.3	190.7	191.7	191.7	191.8
Note circulation.....	374.0	392.0	384.1	379.4	379.3
Banking Department:—					
Reserve.....	77.7	59.7	68.1	72.8	73.0
Public deposits.....	42.0	22.2	23.5	37.4	34.0
Bankers' deposits.....	79.4	101.2	89.5	82.1	83.7
Government securities ...	83.2	88.0	84.1	84.5	83.2
Discounts and advances	10.0	16.8	5.5	5.8	5.6

Proportion 47.2% 37.3% 45.4% 46.9% 47.7%
Public deposits remain at a high level. The Treasury has to find about £10 millions on September 1st for dividend payments and the half-yearly redemption of Victory bonds. It is also possible that this week Treasury bill maturities were concentrated towards the end of the week. If so, this would explain the accumulation of funds in public deposits in the middle of the week.

The Foreign Exchanges.—After a slight recovery earlier in the week sterling fell to a new low record level of Frs. 75 $\frac{1}{2}$. Forward francs have gone to a premium of 8.5

centimes, while the London price of gold has touched a new high record of 140s. 3d. an ounce. Dollars have also strengthened to \$5.03 $\frac{1}{2}$, but the forward rate remains at a slight discount. The reason for these movements are discussed in the leading article on the previous page. Free marks have strengthened to Rm. 12.63, while registered marks are also slightly better at 36 $\frac{1}{2}$ per cent. discount. Dealings in sondermarks opened last week at 3 pf. over the spot rate, but now that the initial demand has been met, the margin has widened to 13 pf. Even so, this only represents a discount of one per cent.

New York Money and Banking.—Money rates remain at their recent low levels. During the week ended August 22nd brokers' loans were reduced from \$821 millions to \$810 millions. The dollar has displayed renewed weakness against the gold bloc currencies, and at the end of last week an additional \$6,000,000 of gold was shipped to Paris, and \$1,460,000 to Brussels. An important announcement on the use of the Administration's profit on the revaluation of the dollar was made on August 28th by the Secretary to the Treasury. For the moment the profit, estimated at \$2,800 millions, is to remain in the Stabilisation Fund, but ultimately it will be applied to the reduction of the National Debt. Mr Morgenthau also pointed to the increase since March, 1933, of \$1,600 millions in the Treasury's cash balances, and to the increase of \$1,090 millions in the net assets of agencies owned and financed by the Government, and from this he deduced that the actual net increase in the National Debt due to the "New Deal" was only \$500 millions. These calculations have evoked considerable scepticism on Wall Street, where it is argued that the profit due to the revaluation of the dollar is equivalent to a concealed tax upon the nation. It was also pointed out that the statement that this profit would "ultimately" be applied to the reduction of the National Debt was vague in the extreme. It is, however, pertinent to point out that only this week heavy sales of Government bonds have been met by official support of the market, presumably out of the resources of the Stabilisation Fund. Thus the gold profit is already being used to reduce the National Debt in a very practical manner.

A Flood of Finance Bills?—The money market has received with some surprise the suggestion put forward in one quarter recently that the moderate increase in the volume of inland acceptances during the last few months has been accompanied, owing to lack of discrimination on the part of some acceptance houses, by a decline in the quality of these bills so severe as to cause "the authorities" some uneasiness. It might well be that a bill market which has subsisted for years on Treasuries (and the virtual promissory notes euphemistically called standstill "bills") should have lost all sense of the proper basis for a bill of exchange, and be prepared to take credit for financing anything remotely connected with current trade. Yet, according to a correspondent who writes to us on the subject this week, an examination reveals little which might shock the financial purist. Certain types of bills calculated to arouse misgivings—shipbuilding paper and hire-purchase drawings, for example—can seldom have been scarcer. It is therefore assumed that the criticism relates to cases where the granting of acceptance credits has enabled firms to reduce their bank overdrafts. This may or may not be bad finance. Overdrafts are certainly granted for purposes, such as the advance of wages, for which bills of exchange cannot appropriately be employed; but the bulk of the new inland bills must have replaced overdrafts used to finance the movement of goods, and must thus be drawn against documents or other good commercial security. In any case, it is not thought that the acceptance houses are so anxious to increase their business that they would consent to the creation of "typical finance bills" in large quantities. Meanwhile any increase in the number of legitimate inland bills would be welcome in more ways than one, and it is to be hoped that criticism will not proceed to the point where it may check such a growth.

THE STOCK EXCHANGE

BUILDING TRADE SHARES

THE shares of companies concerned with the building trades have run an excellent race in the Recovery Stakes during the fifteen months since their prospects were last reviewed in these columns (see the *Economist*, May 20, 1933, page 1080). Over that period "the field"—as measured by the Actuaries' Index of 144 industrial ordinary shares—has advanced by 16 per cent., from 61.2 to 71.2 (December 31, 1928 = 100), but the shares of "building materials" companies have risen by 30 per cent., from 65.0 to 84.5. But whereas "the field" has found the pace a little hot, and has recently shown signs of flagging—the total Actuaries' Index figure is no higher to-day than it was early last January—building material shares have exhibited substantial staying power, for practically the whole of their net rise has been concentrated on the last eight months. Their contemporary popularity with speculative and "solid" investors alike is based largely on this showing. While revival in industry generally has lately tended to slow down, and may, in the next few months, become increasingly contingent on an improved international situation, the market believes that domestic factors in themselves will be sufficient to ensure a continuance of increased production, profits and dividends in the building trades.

The grounds for this belief demand careful scrutiny. The activity of the building industry, as measured by the number of new buildings erected in Great Britain, advanced rapidly from 1925 to 1928, the total rising in three years from 143,764 to 261,588 (years to March 31st). Thereafter, however, the movement showed a definite sign of hesitation, the total new buildings erected in the year to March 31, 1929, falling to 187,858, with a partial recovery to 220,192 in the following year. General economic depression reduced the total once more to 196,804 in the following year, with a fresh but limited recovery to 214,466 in 1931-32 and 216,570 in 1932-33. From this point, however, revival began to make rapid headway. The total for the twelve months to March 31st last was 265,522. Other evidence of increased activity is given in the following table, which is based on data collated by Moody's-Economist Services:—

	Value of Building Plans approved in 146 Towns	Index of Activity (1924 = 100)		Percentage of Registered Workers Unemployed
		Dwelling Houses	Other Buildings and Alterations	
1928 (monthly average).....	5,617	106.5	133.1	12.4
1929 " " ".....	6,092	117.5	140.5	13.3
1930 " " ".....	6,217	124.1	135.7	16.4
1931 " " ".....	5,258	107.5	109.8	22.5
1932 " " ".....	5,525	124.5	84.8	29.2
1933 " " ".....	6,975	165.4	104.2	24.6
1934—				
January.....	14,500	87.6	93.7	32.8
February.....		103.3	86.2	32.5
March.....		121.8	93.3	26.0
April.....	18,100	125.8	93.8	27.0
May.....		132.2	108.5	26.4
June.....		159.5	88.0	26.1
1933—				
January.....		136.2	108.3	37.7
February.....	19,900	129.0	135.0	34.5
March.....		173.8	98.2	27.2
April.....		159.5	74.6	29.1
May.....	21,900	204.9	119.6	20.5
June.....		163.1	118.3	20.5
1934—				
January.....	23,492	158.4	127.6	26.2
February.....		191.8	110.0	23.2
March.....		194.7	136.0	20.3
April.....		192.8	118.7	17.2
May.....	26,246*	199.9	145.3	15.5
June.....		224.4*	138.3*	15.6*

* July figures, 8,842, 199.6, 150.8, and 17.2 respectively.

For the first six months of this year the value of building plans approved in 146 towns of Great Britain has been 20 per cent. higher than in the corresponding period of 1933, and 53 per cent. above the comparable figure for the same period of 1932. The "index of activity" for the first half of this year, compared with the same periods, has shown increases of 20 per cent. and 59 per cent. respectively as regards dwelling-house construction, and increases of 18 $\frac{1}{2}$ per cent.

LAST THREE YEARS' RESULTS (£'000)

Company	Total Profits	Ordinary Shares		Profits "Retained in the Business"	Total "Free Reserves"	Total Net Current Assets	Cash and Liquid Securities	Stock-in-Trade
		Earned	Paid					
Building Materials:								
Associated Portland Cement (Dec. 31):		%	%					
1931.....	1,025	8.1	8	2.5	163	923	331	561
1932.....	1,077	7.1	7	3.3	167	1,417	1,007	435
1933.....	1,040	7.1	7	3.9	171	1,017	581	343
London Brick (Dec. 31):								
1931.....	491	20.0	20	0.9	223	334	401	122
1932.....	421	15.1	15	1.1	224	468	552	86
1933.....	491	20.1	20	0.6	225	655	609	90
Eastwoods (Mar. 31):								
1932.....	66	12.7	7	11.7	118	228	103	128
1933.....	62	11.1	7	8.1	136	213	112	103
1934.....	92	23.4	12	25.4	161	255	150	91
Contracting:								
John Mowlem (Dec. 31):								
1931.....	119	30.8	12	52.1	254	419	115	...
1932.....	119	31.7	12	55.4	295	377	145	...
1933.....	101	26.1	12	39.2	334	416	148	...
Bovis (Dec. 31):								
1931.....	51	20.6	10.4	13.6	27	153	282	50
1932.....	53	20.9	10.4	13.8	41	127	209	59
1933.....	52	20.5	10.4	13.8	55	170	231	61
Paints, Varnishes, etc.: Pinchin Johnson (Dec. 31):								
1931.....	275	14.1	17	Dr. 41.1	851	1,575	752	578
1932.....	224	11.0	15	Dr. 48.7	802	1,499	696	571
1933.....	254	15.1	15	1.3	803	1,419	594	557
International Paint (Dec. 31):								
1931.....	200	15.8	9	27.2	145	198	258	112
1932.....	196	18.2	9	36.7	168	273	312	105
1933.....	202	15.7	9	26.8	186	291	244	107
Lewis Berger (July 31):								
1931.....	67	0.7	Nil	3.0	144	220	65	148
1932.....	76	5.7	5	3.0	146	190	109	132
1933.....	96	9.2	7	6.9	153	198	144	134
Pipes, etc.: Stanton Ironworks (Mar. 31):								
1931.....	295	16.8(a)	10 (a)	76.5	801(c)	Dr. 127	31	336
1932.....	200	8.0(b)	10 (b)	Dr. 30.2	836(c)	221	113	328
1933.....	322	13.3(b)	10 (b)	39.7	874(c)	501	141	330
Interior Decoration: Wall Paper Manufacturers (Aug. 31):								
1931.....	593	15.8(d)	10(d)	68.8	1,273	1,907	1,241	758
1932.....	608	16.1(d)	10(d)	91.2	1,264	2,047	1,628	716
1933.....	635	17.9(d)	11(d)	96.2	411(d)	2,330	2,012	666

* Including profit on sale of investments. (a) Free of tax. (b) Before tax. (c) Including capital reserve of £440,000. (d) Deferred stock. (e) After using £850,000 of reserve to write down goodwill, etc.

Note.—"Total Profits" are shown before debenture interest, if any, and before depreciation, where shown separately. "Profits retained in the business" include amounts carried forward. These are also included in "Total free reserves," but the latter exclude reserves for taxation, and other advance provision for future liabilities. "Total net current assets" are the surplus of current assets (including stock-in-trade) over current liabilities.

and 38 per cent. respectively as regards other forms of building, alterations, etc. Although the number of insured workers in the industry has appreciably increased over the last two years, the average proportion unemployed was only 19.7 per cent. in the first half of this year, against 28.2 per cent. in the first six months of last year and 29.0 per cent. in the first half of 1932.

Among the contributory causes of this gratifying revival may be mentioned cheap money, sustained building society activity, lower "all-in" prices to house purchasers, increased general employment and purchasing power, and, more recently, a tendency, among private individuals, industrial companies and local authorities alike, to catch up arrears of construction, equipment and reconditioning, accumulated during the depression. Obviously, building activity has still a very considerable way to go, on the dwelling-house side alone, before the nation's housing facilities are adequate to the needs of its citizens under modern standards of well-being.

What are the investment implications of these conditions? The erection of dwelling houses and many commercial properties is mainly in the hands of small localised

individuals and firms, or of private companies whose securities are not dealt in on any Stock Exchange. The British investor is interested chiefly in the shares of public companies supplying building materials and products for exterior or interior furnishing and decoration. The table at the head of the preceding column summarises the last three years' figures of ten such companies.

The profits and dividend figures, unfortunately, have a limited utility, since they refer, for the most part, to conditions, not in recent months of rapid revival, but in the period immediately preceding them. They suggest that the chief building trade companies in which the investor is interested succeeded in maintaining a very satisfactory average level of earnings and dividends during the depression, and, in most instances, were already exhibiting signs of improved earning power before the latest revival in building activity began to gather momentum. Such pointers to the trend of recent profits as are available are encouraging. A rise in earnings which has doubled the amount available for the ordinary shares of Eastwoods, for the year to March 31st last, is attributed by the directors to "expansion of trading in all departments." An increase in Pinchin Johnson's interim dividend, for the current year, from 6 per cent. to 7½ per cent., has been coupled with the announcement of a "record" tonnage output.

If the share market, therefore, has reason to discount higher profits for 1934, special interest attaches to the figures in the above table, which bear on the question how far the leading companies will be able to finance higher activity out of their own resources. The conclusions suggested are, on the whole, reassuring. The past financial policy of the majority of companies has been conservative, if allowance be made for the fact that holding companies, like Associated Portland Cement and London Brick, may tend to leave a certain proportion of "group" earnings in the accounts of their subsidiaries. During the last three years "free reserves" have shown a gradual but perceptible tendency to expand, and improving profits, in the latest period, have not been accompanied by a corresponding reduction in net current assets. The value of stock-in-trade has tended, for the most part, to fall rather than to rise. It may be concluded that the position of most companies is sufficiently liquid to permit of further expansion in trading without recourse to considerable external accommodation.

Although the equity shares of these companies are standing at prices, to-day, which are anything from twice to four times as high as those touched in the nadir of depression, they are slightly below the highest points reached during the last seven years:—

ORDINARY SHARES

Company	Share and Denomination	Highest Price, 1928-34	Lowest, 1928-34	Price, Aug. 29, 1934	Yield at Present Price (%)	
					On Last Div.	On Last Earnings
Assoc. Portland Cement	Ord. £1	37/-	19/-	36/-	5 8/8	5 8/8
London Brick	Ord. £1	98/9	27/9	87/-	4 12/0	4 13/0
Eastwoods	Ord. £1	55/0½	13/9	51/3	5 1/6	9 10/0
John Mowlem	Ord. £1	75/-	30/-	65/-	3 16/8	8 0/6
Bovis	Ord. 1s.	4/7½	1/0½	2/7½	3 18/0	7 16/3
Pinchin Johnson	Ord. 10s.	8 3/4 (1)	2 1/2	3 11/8	3 12/6	3 12/6
International Paint	Ord. £1	51/10½	22/6	43/9	4 4/9	7 4/0
Lewis Berger	Ord. £1	56/10½	12/3	41/3	3 12/9	4 8/0
Stanton Ironworks	Ord. £1	52/-	28/1½	47/6	4 4/3	5 12/0
Wall Paper Manufacturers	Debt. £1	71/3	34/9	63/9	3 12/0	5 12/0

(a) (1928) Right to one new share in four at £2. (1929) Bonus, one new for three held and £1 shares subdivided into 10s. shares. (1930) Bonus one new for ten.
(s) Based on dividend of 15 per cent. Interim dividend of 7½ per cent. just declared against an interim dividend of 6 per cent. a year ago.

Public interest is concentrated mainly on the probable level of forthcoming dividends. In view of the encouraging results so far announced, the admittedly strong showing of the indices of production, and the relatively satisfactory "earnings yield" still obtainable on many shares, it may be arguable that equity quotations for the best companies are not unreasonable, at a time when sound dividend-paying shares in other industries are on little more than a four per cent. basis. Values may even rise further between now and the publication of forthcoming reports, if the market for industrial shares as a whole remains firm in the meantime.

Without disparagement, however, of the very satisfactory progress of the building trades during recent months, the prudent investor may find it advisable to enter more than one caveat against unbridled optimism. In the first place, the building industry has been helped by abnormally dry weather during the last two summers and the intervening winter. In the second place, the strong organisation of certain industries producing materials for building and decoration is scarcely paralleled by the building trade itself. The buying of materials by many local builders is notoriously unscientific, and eagerness to replenish depleted stocks (which produced in certain areas, for example, something like a brick famine, earlier this year), may have tended to give an exaggerated impression of the permanent dimensions of future demand. Thirdly, conspicuous prosperity invariably encourages new competitive producers who may ultimately, under a regime of "over-production," become weak sellers. The chairman of London Brick took occasion, a few months ago, to warn shareholders that the plethora of new brick company flotations might have as its sequel a period of unsettled conditions. The cement industry, whose history since the beginning of this century has been a record of successive attempts to overcome endemic competition by integration of production, has lately achieved a measure of price control, which has certainly improved its profit-earning outlook in the near future. Whether it has permanently solved the industry's perennial problem, however, may be questioned. Finally, it remains to be seen if the due adjustment of the volume of building to the national needs, particularly of small dwellings to be let at a low economic rent, can be achieved without an ultimate reduction in the prices of essential materials.

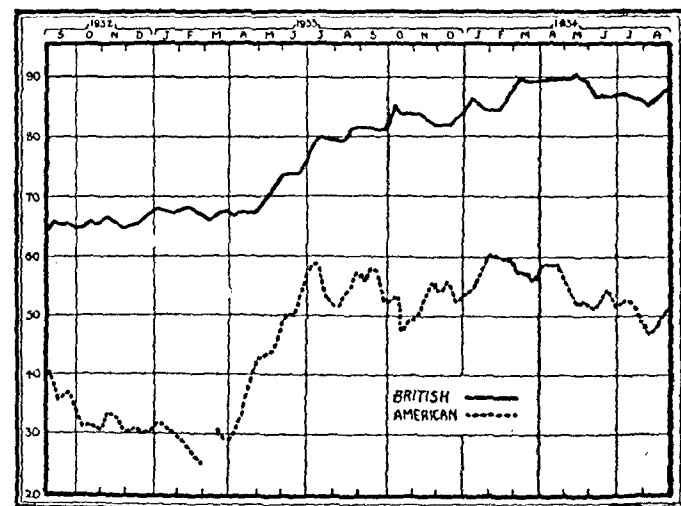
INVESTMENT NOTES

Course of Share Values.—Externally and superficially the course of share values in London and New York was broadly similar during the past month. Though the volume of dealings was strictly limited in both countries the downward tendency in quotations was definitely arrested. By the end of the month, average quotations had more than regained the ground lost during the July

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES OVER THE PAST TWO YEARS.

(1928 = 100)

British: "Financial News" Index of 30 Ordinary Shares.
American: "Standard Statistics" Index of 50 Common Stocks.



recession in London, and had recovered the greater part of their July losses in New York, as the annexed chart reveals. The underlying conditions in the two centres, however, were by no means identical. As we suggested in our review of British industrial share prospects a week ago (see the *Economist*, August 25th, page 364), the market has been influenced by the view that revival in industrial activity during the last couple of years has lately been

checked, but not completely arrested. Meanwhile, the pressure of low interest rates, and the realisation that the fruits of increased activity have yet to be reaped in higher dividends, have sufficed to restore share values, after a technical reaction, to what, since the beginning of this year, has appeared to be the point of "dead-centre." In America, by contrast, the trend both of industry and equity share values has recently been unmistakably downward, and the August recovery, such as it has been, appears to reflect hope rather than conviction of an autumn trade revival. The President's silver policy has encouraged the expectation in some market quarters of fresh currency experiments, which, as Major Angas has insisted *ad nauseam*, would be calculated to drive "currency-quakers" into equity shares. Whatever may be ultimately decided on, however, present indications suggest that the Administration will be on good behaviour until its heavy autumn refinancing arrangements have been carried through. Meanwhile, there is little prospect that American industry will be relieved of its heavier cost burden under N.R.A., or will be in a position to make any spectacular dividend showing. In Great Britain there is no sign of any break in the cheap money regime. Yields on fixed-interest securities tend, if anything, still to fall, while demand for particular equity shares or groups of shares is mainly determined by "specialised" considerations, as the following table suggests:—

Group (and No. of Securities)	Prices (Dec. 31, 1928=100)			Yields (%)		
	Year Ago (Aug. 29, 1933)	Month Ago (July 31, 1934)	Present (Aug. 28, 1934)	Year Ago (Aug. 29, 1933)	Month Ago (Aug. 29, 1934)	Present (Aug. 28, 1934)
Fixed Interest:						
British Government (2)	121.6	129.9	130.2	3.54	3.32	3.31
Miscell. Indus. Debenture (12)	116.9	121.0	122.1	4.58	4.15	4.12
Ditto, Preference (42)	107.4	113.6	115.1	4.66	4.48	4.42
Ordinary:						
Building Materials (4)	70.7	80.1	84.5	3.76	4.21	4.12
Cotton (6)	57.5	44.4	46.6	2.18	2.27	2.27
Iron and Steel (6)	49.2	50.9	51.2	1.89	1.22	1.22
Oil (5)	67.6	59.6	62.6	3.46	4.93	4.69
Home Rails (4)	88.9	69.7	77.6	1.31	1.57	1.54
Stores and Catering (15)	78.8	79.5	80.7	4.42	4.15	4.09
Breweries and Distilleries (16)	85.8	110.2	113.4	4.81	3.93	3.89

The index for the whole 144 ordinary shares in the Actuaries' sample stands at 71.2, against 69.3 a month ago, and 69.0 a year ago. The corresponding yield figures are 3.68, 3.76 and 3.62 per cent., respectively.

British Firms and American Taxes.—Despite press headlines, the demand of the United States Treasury from British financial houses and institutions for a return of income obtained in the United States, between 1929 and 1933, is unlikely to provoke even a mild storm in the City teacup. Under the American tax law, income derived from security market operations is liable to tax, whether the recipient is domiciled in America or not—though in the latter case, naturally, collection at the source may be impossible. Since the "crash" of 1929 the Washington Treasury's rights in this respect have been allowed to fall into desuetude, for obvious reasons. During the last few weeks, however, the officials, apparently out of departmental zeal, have been transmitting requests for returns to overseas banks, trust companies, insurance companies, stockbrokers, etc., with the object of catching up arrears. The legal right of the Treasury is indubitable, but whether the results of this stirring of the waters will be at all commensurate with the trouble involved for both parties may be questioned. The labour of analysing the nature and results of every transaction undertaken by an arbitrage house, a stockbroking business, or a "bank" (in the widest sense of the term), during the last five years, on behalf of itself and every one of its clients, will be immense. Whatever "jobbing profits" may have been made in the interim, the fact that American share values, which, according to the Standard Statistics Index, touched 228 in 1929 (1926 = 100), are now standing at only 69, suggests that the "set off" by way of capital losses may well deprive the American Treasury of any commensurate



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return. In any case, the institutions concerned, and their British clients, are outside the penal sanctions of the American tax system. They cannot, like Al Capone, be compelled to meditate on their misdeeds in a penitentiary, and any widespread endeavour to collect the money from their New York connections and agents would produce a good deal of friction and very little cash. It might also tend to drive future dealings, to an appreciable extent, from New York to London. Meetings of interested members of the London Stock Exchange have been held, with the object of arriving at a common policy, and it remains to be seen whether friendly discussions with the American authorities will produce agreement on a line of policy satisfactory to both parties. In some quarters, indeed, the action of the American Treasury is regarded largely as a gesture to maintain an unquestioned legal right for possible future action, without undue insistence on what is past and gone.

Drawings of I.F.S. Land Bonds.—Some little concern has been caused in the gilt-edged market by the announcement, a few weeks ago, by the Irish Free State Ministry of Finance, of an unexpectedly large drawing (to take place on October 15th) of Irish Free State 4½ per cent. Land Bonds, which are guaranteed as to principal and interest by the British Government and are therefore a trustee investment. These bonds were issued to the amount of £25,297,463 (of which £24,875,732 were outstanding on January 4, 1934) in 1926 and subsequently, under the Land Act of 1923, the Land Bond Act of 1925 and the Land Acts of 1927, 1929 and 1931, in consideration of the purchase of tenanted holdings in the Free State. Under the terms of issue, as stated on the certificates, the bonds are redeemable by means of a Sinking Fund (understood to amount to ¼ per cent.) sufficient to provide for the redemption of the whole issue not later than December 18, 2004. The Sinking Fund was to be applied by drawings at par about October 15th in each year from 1926 for repayment in the following January, but the Ministry of Finance has the option of redemption at any time after the expiration of thirty years from the date of issue. No drawings have yet taken place, the reason, it is understood, being that sufficient bonds have hitherto been surrendered in satisfaction of death duties or in redemption of land purchase annuities. Now, however, has come the announcement of a drawing, on October 15th next, of no less than £300,000 to £350,000 of bonds. It has further been intimated by the National City Bank (Dublin), the paying agents, that the drawing will be applied, not to the whole £24,875,000 bonds outstanding, but only to about £14,000,000 bonds in the hands of the public. These two pieces of information suggest several perplexing queries, to which the London market is unable to give satisfactory answers. How is it, in the first place, that the Sinking Fund available is so large? The National City Bank, in a

letter to a firm of stockbrokers, say that the sum available "is made up out of the Sinking Fund accrued in 1933 and 1934, together with moneys received from purchasers on sales of Land Bonds and for redemption of annuities." They add that, in the coming four or five years, the drawings should average £110,000 to £120,000. According to the Stock Exchange Official Year Book, however, bonds surrendered in satisfaction of death duties or in redemption of land purchase annuities must be redeemed before any drawn bonds. How, then, are there proceeds of such surrenders available to meet the forthcoming drawing? And why is the drawing to be applied to only £14,000,000 of the £24,875,000 bonds outstanding? A full explanation of these points by the Free State Ministry of Finance would be welcome, since the holders of drawn bonds suffer a capital loss and are naturally desirous of knowing, both as regards this and future years, the exact procedure to be followed. The bonds, which have been as high as 112 this year, have fallen to 107. The latter figure is some 6 points lower than the current price of the similar Northern Ireland 4½ per cent. bonds, which are immune from drawings but are only guaranteed as to interest (not as to principal) by the British Government. As even this year's exceptional drawing represents no more than 2 to 2½ per cent. of the bonds subject to it (involving a risk of loss worth only a few shillings per cent.), the fall is certainly overdone, but that is a common result of uncertainty. The issue, incidentally, is one whose service the Free State Government has not questioned. It is one of the queer ironies which are not infrequent in the world of investment, that holders appear to be coming off worse than if default had occurred and the British Government been called upon to implement its guarantee.

* * *

Rubber Share Activity.—The maintenance of the London price of rubber around 7½d. per lb. has been associated with sustained demand for rubber shares, which has been concentrated mainly on the issues of the larger and better-known companies. The market is not particularly well supplied with shares, and for the present all stock which is likely to become available will probably be readily taken up. At the current level of values, many shares offer a meagre income return even on the basis of 7½d. rubber, and the market would appear to be looking for a considerably higher price during the winter of 1934-35. The International Committee has fixed export quotas at 90 per cent. for August and September, 80 per cent. for October and November, and 70 per cent. for December. Whether the price will lengthen as restriction strengthens, however, has yet to be seen. The present quotation is standing at approximately the level described as reasonable by Mr J. G. Hay immediately after the announcement of the scheme. If it has risen, say, to 9d. by the end of this year, the policy of the International Committee as regards quotas for 1935 will be particularly significant. Will the Committee be content with a price of 7d. to 8d., which is approximately two to three times the cost of production on efficient estates, or will they follow the example of the International Tin Committee and seek to maintain a level which has no relation to economic costs? All calculations for the immediate future, however, must necessarily be tentative. The absorption of rubber by America, who is still the world's largest consumer, is in the main a function of the national prosperity, and America's trade position has shown indubitable signs of deterioration in recent weeks. Though it is early as yet to rule out the possibility of an autumnal recovery in the United States, the International Rubber Committee may well decide to proceed with caution, if they continue to regard the encouragement of maximum rubber consumption, at a fair price to the grower, as the main object of the scheme.

* * *

Building Society Policy.—The "bad money" problem, which threatened the majority of building societies with unwanted and volatile funds when interest rates fell abruptly during 1932, has become less formidable

during the current year. The building boom (which is discussed in a leading article on page 405) has been staged largely on decreasing costs of dwelling houses, and the attractive prices now prevailing have apparently tapped a new stratum of demand. It would appear that the societies are transacting an increased proportion of mortgage business in the £400-£600 classes, which make considerable appeal to the artisan. Something resembling at least a temporary equilibrium has thus been achieved between the influx of new funds and the level of advance business, and the majority of societies have taken steps to relax the more stringent provisions which were forced upon them by the rapid increase in investment receipts two years ago. The present position for thirteen leading societies is set out in the following table:—

Society	Interest Rates			Restrictions on New Business	
	Paid to Depositors	Paid to Shareholders	Charged to Mortgagees	Deposits	Shares
Halifax—Abbey Road—London Group	(%)	(%)	(%)		
Halifax	3	3½ (a)	5 (b)	Maximum £4,500	Maximum £100 (in £10 shares)
Abbey Road	3	4 (c)	5 (c)	Maximum £5,000	Maximum £50 new, £250 old shareholders (f)
Co-operative	3	3½	5 (e)	Maximum £5,000	Up to £5,000.
National	...	3½ (h)	5 (b)	No deposit business	Maximum £500 new, £1,000 old members.
Westbourne Park	3	4	5	£4,975 limit	Issue suspended.
Woolwich	3 (j)	3½ (i)	5	£3,000 limit Savings Bank Dept. Deposit Bonds now closed	£1,000 new shares (Class D2). Old shares (Class D) now closed.
Other Societies:					
Bradford Third	3	3 (r)	5	£500 per annum	£100 per annum.
Huddersfield	3	3½	5	Up to £5,000 only	Temporarily closed (u).
Leicester Permanent	3 (s)	3½	5	Up to £4,750	Issue suspended.
Burnley	3	4 (o)	5	Up to £500	New accounts £250. Old accounts closed.
Bradford Second	3	3½ (p)	5	Up to £100	£100 only.
Leeds Permanent	3	3½ (q)	5	Up to £2,500 in any one month, with maximum £4,850	(g)
Northampton	3	3½	4½ (t)	Maximum £4,750	New and existing shareholders limited to £20 per month.

(a) On regular savings—subscriptions for £120 shares, at 10s. every four weeks—3½ per cent. is paid, plus any bonuses declared at general meeting. (b) To occupier-purchasers of private dwelling-houses only. (c) On payments received before March 31, 1934. (d) On payments received after March 31, 1934. (e) From June 1, 1933, for owner-occupiers of private dwelling-houses only. Others pay 5½ per cent. (f) Members with accounts opened before July 11, 1932, may invest not more than £200. (g) On new mortgages to owner-occupiers. (h) On receipts after June 1, 1933. (i) On receipts after June 1, 1933. (j) On Savings Bank balances. (k) On Deposit Bonds, now closed. (l) On new D2 shares. (m) On old D shares. (n) Subscription shares at 3½ per cent. and yearly bonus restricted to 5 shares only. (o) On old shares. (p) On new shares, plus bonus if declared. (q) £1,000 may be invested in any one month at 3½ per cent. (r) Maximum rate allowed to limited companies is 2½ per cent. (s) Where security is within County of Northampton or 25 miles of head office. (t) Where security is outside this area. (u) Where security is outside this area.

The table shows that the London societies have increased the amount which they are prepared to accept on deposit towards the limit of £5,000, although in the case of Woolwich Equitable investments received in the savings bank department are restricted to £3,000. Among the provincial societies there is some irregularity of practice, and the Burnley society has recently reduced its limit on deposits from £1,000 to £500. At the present level of interest rates, a return of 3 per cent. free of income tax is undoubtedly attractive to investors, but in view of the continued restrictions on share receipts, which carry a higher rate, the interest differential of 2 per cent. on current business should be adequately remunerative.

* * *

Tea Share Outlook.—The impending sales of the new Ceylon tea crop in London are awaited with unusual interest in the market. Advices received from Colombo indicate that this season's crop will be sold at considerably better prices than those which prevailed last year. As we suggested in a Note in the *Economist* of May 26, 1934 (page 1152), the "concertina" feature is becoming increasingly evident. Common teas, which met a brisk demand last season, have made no further headway, the average for all Northern India sorts to date being 1s. 1.49d., compared with 1s. 3.56d. for the corresponding period last season. The averages for high-grade Ceylon growers are still running below last season's level, but the new sales

should help to restore the price differential between the common and good grades. Weather conditions this year have been very favourable, whereas heavy rains considerably affected the quality of last season's leaf. Although common to medium producers seem likely to maintain their revenues, blending teas should also begin to enjoy the fruits of restriction. There are signs that the public palate is increasingly rejecting coarse teas in favour of blends retailed from 2s. 4d. per lb. upwards, and this insistence upon quality should sensibly improve the demand for high-quality blending kinds. If, as seems probable, the export "allowables" are maintained at 87½ per cent. when the restriction provisions come up for consideration in November, earnings of producers in this class should show definite expansion in the future. On a long-term prospect the investment attractions of sound tea companies appear not unfavourable. Demand is steadily expanding from lower depression levels, and there are indications that consumption may improve in overseas markets. It is understood that important interests in the industry are once again concerning themselves with the potentialities of the Russian market, which in pre-war years consumed large quantities of high-grade teas. The achievement of satisfactory financial arrangements would be a bull point for tea shares, which have been a disappointing market for some weeks past.

* * *

Gold Shares and Sterling.—The weakness of sterling against the franc, and the consequent rise in the sterling gold price to over 140s. an ounce, have provided fresh opportunities for speculators in the Kaffir market. The reasons for this week's break in sterling and the future trend of the exchanges are discussed in a leading article on page 403. Until the exchanges achieve some semblance of stability, gold shares are bound to be a volatile market. To the extent that present activity "under the Dome" is dependent upon a falling pound, the possibility of a sudden reversal of the trend must be a bugbear to the hardest of short-term operators. For the long-period investor, the ultimate sterling price of gold is a matter of

crucial importance. That sterling has been subjected to speculative bear operations is indicated by the premium established on three months' francs, and a sharp reaction might follow a well-timed "bear squeeze" by the "Control." Moreover, short supplies of the metal from South Africa (as from India) in the bullion market have accentuated the weaker tendency of sterling, since the sterling proceeds of sales have usually been retained in London. This week's movements suggest that investors should pay even closer attention to the dollar than to the franc. Much of the speculative selling of sterling has been carried out on the assumption of an eventual devaluation of the dollar to the 50 cent limit, in which case, it is presumed, sterling would be allowed to follow the dollar and to depreciate in terms of the franc. The benefits of such a contingency for gold shareholders would be, partially at least, offset if a deterioration of the French political and economic situation during the winter were to induce a movement of funds from Paris to London. Altogether, while the market for gold-mining shares may be an intriguing field for the speculator, investors may prefer to avoid heavy new commitments until the fog has cleared in the foreign exchange market.

COMPANY NOTES

Domestic Appliance Companies.—The domestic appliance business covers a heterogeneous group of products varying from electrical and gas apparatus to baby carriages, and including a variety of patent devices for saving domestic labour. It is possible, nevertheless, to distinguish certain principles which should govern investment in the group. Potentially, every manufacturer of domestic appliances enjoys the advantage of the widest of markets—that of the housewife. Provided that the appliance is a genuine saver of labour, the pressure of the domestic servant problem provides adequate inducement to buy. In practice, however, a number of conditions

This notice is not an invitation to the Public to subscribe, and is issued for the purpose of giving information to the Public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given. Permission to deal in the shares of this Company has been granted by the Johannesburg Stock Exchange and application for leave to deal on the London Stock Exchange is being made to-day.

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(Incorporated in the Union of South Africa.)

Authorised capital: £2,500,000 in 5,000,000 shares of 10/- each nominal value.
Issued capital: £1,275,000 in 2,550,000 shares of 10/- each nominal value.

DIRECTORS.

PETER MALTITZ ANDERSON (Chairman), Manager of Union Corporation, Limited, Johannesburg.
VERNON JOSEPH RONKETTI, Assistant Manager of Union Corporation, Limited, Johannesburg.
JAMES SCOTT SINTON, Secretary of Union Corporation, Limited, Johannesburg.
BANKERS.—BARCLAYS BANK (Dominion, Colonial and Overseas), Johannesburg.
SOLICITORS.—MESSRS. WEBBER, WENTZEL, SOLOMON & FRIEL, Johannesburg.
AUDITORS.—MESSRS. WHITELEY BROTHERS, Johannesburg.
BROKERS.—MESSRS. KEITH BAYLEY & RIGG, London Stock Exchange.
SECRETARIES AND REGISTERED OFFICE.—UNION CORPORATION LIMITED, Johannesburg.
LONDON SECRETARIES AND TRANSFER OFFICE.—UNION CORPORATION LIMITED, Princes House, 95, Gresham Street, London, E.C.2.

AREA.—The total number of claims which will be held by the Company will be as follows:—

On lease from the Government	3,666 claims
Purchased for cash	1,664 "
Total consolidated area	5,330 claims

LEASE TERMS.—The Company is to carry on preliminary operations for five years or until £300,000 is exhausted if earlier, but such operations may be abandoned at any time, and the Company also has the right to abandon any part of the leased area. The share of the profits payable to the Government in respect of the leased area is to be calculated according to the following formula:—

$$Y = 19.06 \frac{381.30}{X} \text{ (minimum 5\%)}$$

where X is the ratio of profits (less amortisation of capital expenditure) to recovery expressed as a percentage and Y is the percentage payable to the Government. The working of the formula for the consolidated area is illustrated in the following examples:—

Ratio of profit (X)	Percentage of net profit payable to Government (Y)
Up to 25%	5.0%
25% to 30%	6.3%
30% to 40%	9.5%
40% to 50%	11.4%
50% to 60%	12.7%

The share of profits payable to the Government is reducible by any amount which may become payable as a result of any increase in the existing scale of taxation. The operations of the Company will be divided into two stages, the first or preliminary stage comprising the equipment and completion of some of the existing Vertical Shafts, the sinking of Incline Shafts and the carrying out of prospecting operations by means of ordinary development. If these preliminary operations justify the erection of a reduction plant, the second stage would comprise the carrying out of further development and the full equipment of the property, including the erection of a reduction plant of suitable capacity, which at present is estimated at about 800,000 tons per annum.

WORKING CAPITAL.—The financial arrangements will provide the Company with a working capital of approximately £711,900, which sum is considered to be sufficient to carry out preliminary operations.

MANAGEMENT.—The Union Corporation have been appointed Head Office Secretaries, London Secretaries, and Technical Advisers, with power to carry on the technical management of the Company.

must obtain before these advantages can be enjoyed to any large extent. Not only the appliance itself, but also its uses, must be known and appreciated before the market can be said to exist. "Selling the idea" to the "housewife market" is an expensive process. Secondly, since the simplest means of increasing sales appeal is, normally, to reduce the cost to the consumer, there is frequently strong pressure to cut prices, even when competitors are not numerous. Thirdly, since a large number of domestic appliance manufacturers do not specialise on one product,

(Profits in £'000)						
Company	1929	1930	1931	1932	1933	1934
Radiation (Dec. 31)—						
Earned for Ord.	243.8	244.7	244.8	239.8	251.0	...
Earned %	13.4	13.9	14.4	14.1	14.8	...
Div. %	13	13	13	13	13	...
United Gas Industries (Mar. 31)—						
Earned for Ord.	...	58.8*	48.8	58.0	58.0	68.2
Earned %	...	13.7	10.4	8.5	11.3	14.0
Div. %	...	10	8½	8½	8½	11
British Vacuum Cleaner (Sept. 30)—						
Earned for Ord.	6.6	1.3	9.3	6.4	11.8	...
Earned %	27.9	5.5	37.7	24.7	47.3	...
Div. %	Nil	Nil	12½	12½	16½	...
W. J. Harris (Dec. 31)†—						
Earned for Ord.	23.1	16.9	14.5	8.6	4.9	...
Earned %	23.7	14.8	11.2	7.7	4.4	...
Div. %	10	7½	7½	7½	7½	...
Hitchings (June 30)†—						
Earned for Ord.	Dr. 3.1	2.8	3.2	2.7	2.5	...
Earned %	Nil	18.2	18.2	18.2	16.9	...
Div. %	10	10	10	10	10	...
Jones Sewing Machine (May 31)—						
Earned for Ord.	14.8	12.6	7.2	3.5	6.0	6.3
Earned %	16.5	14.0	8.0	5.1	8.8	9.1
Div. %	10 f.t.	10 f.t.	8 f.t.	8 f.t.	6 f.t.	6 f.t.

* Broken period equated to 12 months. † Baby carriages, wringers, sewing machines etc. ‡ Baby carriages.

but are constantly seeking to increase turnover by marketing new lines, the success of a new idea rapidly attracts competition. A domestic appliance share can be attractive to the conservative investor only when it is issued by a company working in a reasonably well organised trade, whose product and "idea" are well established. This narrows the choice so greatly that little is left outside the gas and electrical industries. In the case of the latter, the larger apparatus is usually a side-line of one of the great electrical manufacturers, while the smaller apparatus may include many profitable products, but is usually subject to considerable price cutting. Possibly, when a new product with obvious appeal is marketed by an affiliate of a powerful group (as in the case, say, of the Aga cooker) success and stability may be achieved early in the company's history. Such a conjuncture, however, is exceptional. On the whole, the domestic appliance trades are a *terrain* in which the investor would do well to tread with caution. Well-established companies like Radiation, Ltd., and United Gas Industries have shown successful dividend-paying ability, but the returns of most other companies, summarised in the annexed table, are eloquent of the liability of profits to wide annual variation.

* * *

Debenhams' Report.—The reconstruction scheme for the Debenhams group appears to have been both well planned and well timed. Broadly, it re-pivoted the whole organisation on a single concern, cut out much dead wood and cross-holdings, and reduced the total fixed-interest payments. As the scheme was sanctioned by the Court only on January 30th last, the apparent improvement in earning power disclosed by the report for the twelve months to July 31, 1934, must be attributed almost entirely to better trading conditions. The directors confirm this view by their reference to an increased volume of sales and profits. The scheme, however, has placed the company in a decidedly more comfortable position as regards its appropriation policy. The balance of profit and loss account for the year (after income tax) is £585,229, and the net amount available for shareholders, after adding transfer fees and deducting debenture service, is £439,740. The 6½ per cent. cumu-

lative first and second preference stocks take £270,000 between them, and are thus well covered. Of the balance, the 7 per cent. cumulative third preference shares would normally require £119,000 gross, but as these shares rank for dividend only from August 1, 1934, the company has carried forward £119,740, which is virtually the equivalent of one year's dividend on them, and placed £50,000 to reserve. On the basis of a normal year's dividend on all the preference stocks, the £500,000 of ordinary capital (in rs. shares) has earned the equivalent of 15½ per cent., gross. The present market price of 3s. 6d. for the rs. shares, therefore, appears to discount a further recovery in profits. The capital structure is still very highly geared, for £8,610,646 of debenture and cumulative preference capital ranks in front of £500,000 of ordinary shares. Every additional £10,000 in profits, before tax, is, in fact, equivalent to a further 2 per cent. on the ordinary shares. The company is adequately supplied with liquid resources, for investments and cash total £1,005,593, while debtors and creditors are approximately in balance. The company recently placed 600,000 £1 5 per cent. cumulative preference shares of its subsidiary Harvey, Nichols and Company, privately at 21s. 6d. per share. As shares in and current accounts with subsidiary companies account for £4,915,350 of a balance-sheet total of £11,479,751, the provision of a consolidated balance sheet would be appreciated.

* * *

Eastwoods' Results.—Increases of approximately 100 per cent. and 50 per cent. in the trading profits of Eastwoods Cement and Eastwoods Flettons (which were discussed in the *Economist* of July 21st last, page 125) prepared the market for a satisfactory report by the parent company, Eastwoods Limited, for the twelve months to March 31st last. Results bear out anticipation, for trading profit, at £91,871, shows a rise of 47 per cent. as compared with the previous year, while earnings available for the £300,000 of ordinary share capital have more than doubled. The increased total dividend of 12½ per cent. (against 7½ per cent.) is covered by earnings of nearly 23½ per cent.

Years to March 31			
	1932	1933	1934
Trading profit, less depreciation	66,178	62,490	91,871
General expenses, bad debts, fees, etc.	20,178	16,132	15,976
Taxation	1,287	5,220	2,500
Net profit.....	44,713	41,138	73,395
Preference dividend	10,500	10,500	10,500
Ordinary {			
Earnings	34,213	30,638	62,895
Paid	22,500	22,500	37,500
Earnings (%)	12.7	11.1	23.4
Paid (%)	7½	7½	12½
To general reserve	10,000	10,000	22,500
To investment reserve	1,638	...	1,411
Total carried forward	11,151	9,289	10,773

The directors' report contains the satisfactory intimation that the recovery in profits is due to expansion of trading in all departments of the company's activities. In other words, it reflects the increased *tempo* of the building trades as a whole, whose implications for "supply" companies are discussed in a leading article on page 405. The price agreement in the cement trade came too late to affect the results for last year. The expansion in the parent company's activities has not involved any reduction in liquidity, but rather the reverse. Holdings of cash and gilt-edged securities have increased from £122,000 to £150,000, but "current" items show a rise commensurate with the higher volume of activity, debtors having increased from £98,000 to £143,000, while creditors (including taxation and sundry reserves) stand at £120,000, against £87,000. The balance sheet position grows stronger each year as a result of the steady ploughing back of profits. Following the example of other progressive concerns, the directors have supplemented their report with an informative booklet describing the company's history and activities. The shares have risen from 49s. 6d. to 51s. 3d. on the publication of the report. At the latter price, allowing for a final dividend of 10 per cent., they yield £5 rs. 6d. per cent. on the last dividend, and as much as £9 10s. per cent. on earnings.

Other Company Results.—Excluding Eastwoods and Debenhams, whose results are discussed in preceding notes, only five profit and loss accounts are summarised in our usual table on page 423. Of these, Wardle and Davenport, in the textile section, have shown a satisfactory recovery in profits during the year to June 30th. Net earnings are shown at £22,786, compared with £13,855 for the previous year, and the dividend has been increased from 3½ to 4 per cent. tax free. J. and F. Stone Lighting and Radio, Limited, which was formed in February this year, has reported net profits of £8,004 for the half-year to June. The prospectus showed profits for the previous six months of £15,383, but this figure was subject to bank interest, proprietors' remuneration, depreciation and leasehold amortisation. The first dividend of 2d. per share is equivalent to 10 per cent. per annum. This week's dividend announcements testify to the rising trend of industrial profits. Pinchin, Johnson have announced an interim of 7½ per cent., less tax, comparing with 6 per cent. a year ago, and it is stated that sales for the first six months of this year show a substantial increase, while tonnage output constitutes a record, and net profits reveal a satisfactory increase. The directors of Staveley Coal and Iron recommend a final dividend of 4 per cent., making 6½ per cent., tax free, for the year to June 30th, the highest dividend since 1926-27, when 7½ per cent. was paid. Wiggins, Teape and Company (1919), who adopt the commendable practice of issuing quarterly results, have announced estimated profits, after depreciation, of £174,385 for the half-year to June, which compares with £162,589 for the first half of 1933. The net balance, which is struck after debenture interest and preference dividends and provision of £17,776 for subsidiary companies' losses, amounts to £74,029, compared with £80,009 last year. This week's Stores interim dividends, like earlier declarations, are unchanged; Peter Robinson are to pay 1 per cent., and Maple 2½ per cent. "Ye Mecca" profits for fifteen months to March 31, 1934, at £61,716 compare with £62,516 for 1932. Leigh Mills profit for year to July 31, 1934, was £30,382, compared with £22,829, and the dividend is raised from 7½ per cent. to 10 per cent., tax free.

the Southern, but showed the expected falling away on the two "heavy" lines. Little interest was taken in London Transport stock, despite a good week's traffic takings. Foreign rails were quiet, but Argentines held their ground. The latest traffic figures were interpreted more encouragingly, the Central Argentine achieving a "plus" in its "sterling equivalent" receipts for the first time. Brazilian rails were steady, with a strong demand for Leopoldina 4 per cent. debentures.

The industrial share market experienced no appreciable increase of business, but the appetite for increased dividends, present and to come, produced a little semi-professional activity in individual shares. Companies concerned with the building trades (whose prospects are considered in a leading article on page 405) were a prominent example of this tendency. Pinchin, Johnson were firm on the increased interim dividend, which was up to best market expectations, and other paint shares were in request. The Eastwoods results (summarised on page 410) stimulated interest in brick and cement propositions. The increased Staveley dividend performed the same service for iron and steel shares. Allied Ironfounders, being concerned both with the iron and building trades, were in demand in mid-week. Electrical equipment shares gained a little ground on favourable trade reports, while electric supply shares were quiet but steady. Motor shares showed some irregularity. Store shares were moderately favoured, though Woolworth, exceptionally, were depressed by profit-taking after their recent sharp rise. Textile shares were a quiet market, with a firm undertone. J. and P. Coats advanced, and buyers of Patons and Baldwins were in evidence on the firmer tendency of wool prices. Rayon shares became easier after a firm opening, though Wardle and Davenport improved on the moderate increase in dividend. Brewery shares had an easier appearance, and tobacco shares attracted less interest than in previous weeks. Bank shares showed few changes, but were firm generally. Insurance shares continued to receive quiet investment support.

The oil share market opened quietly, but showed increased strength in mid-week, despite the fact that Paris was a seller of many leading issues. Royal Dutch succeeded

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

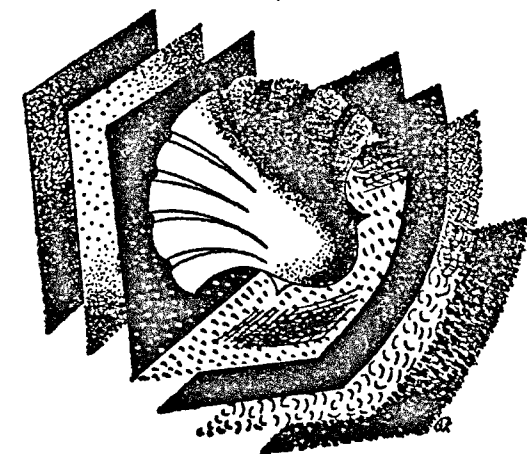
TICKET September 11	ACCOUNT September 13
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To the August mixture of holidays, American uncertainties and European politics was added another market ingredient this week, viz. sterling weakness. Gilt-edged, abandoning traditions of the days when the pound was on gold, were firm. Industrial shares pursued their even tenor, with a few "features" but no general advance or decline, and no increase in the volume of business. The market for gold-mining shares, however, after looking its latest gift horse in the mouth for the best part of a week, could not resist a sterling price, on Thursday, of 140s. 3d. for gold, and displayed sizeable activity.

Though the turnover in the gilt-edged market was comparatively small, prices had a strong appearance during the greater part of the week. Four per cent. Funding Loan, which is free of British income tax to foreign holders, reached a new high record, and War Loan was well supported. Canada 3½ per cents. made a sharp advance, and Australians improved after a shaky start on nebulous fears regarding the elections.

Brazilians again opened firm and strong, but later became subject to profit-taking. German bonds were weak, and Central European issues generally were affected by the occurrence of political "scare" news. Japanese bonds were neglected and Chinese also tended to lose ground.

Home railway stocks were easier, partly owing to fears of the implications of a deadlock in South Wales. The week's traffic returns maintained the satisfactory showing of the previous week's figures on the Great Western and



You Can Be
Sure of
Shell

in holding a fairly sharp rise, but Shell tended to ease after initial strength. Rubber shares opened cheerfully, weakened slightly on Tuesday, and subsequently resumed their upward movement. Buying was concentrated mainly on the so-called "investment" shares, and was limited by the conspicuous absence of floating supplies in the market. Tea shares remained dull in sympathy with disappointing conditions at the Mincing Lane auctions. Though liquidation was not heavy, prices proved sensitive, particularly in the Indian group.

Although Kaffir shares were firm from the outset, dealings were not extensive during the first two days of the week, when the sterling price for gold actually declined by a few pence. Wednesday's weakness of the pound against the franc, however, resulted in a gold price, next day, above the £7 touched last February, and Kaffir prices quickly responded to professional demand. Most shares of producing companies made a satisfactory showing, but the newer undertakings claimed the lion's share of speculative interest. In the West African market Ashanti continued to advance, and Wiluna were higher in the Western Australian section. Rhodesian shares were steady on a few buying orders. Although the decline in the price of tin was arrested, business in tin shares was on a meagre scale, and no important price changes were recorded.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
Government and Municipal Loans	973	905		1,177	954	1,055	1,095
Transport, Communications, and Public Utilities	888	801		851	739	854	860
Commercial and Industrial	2,820	2,489	Closed	2,900	2,378	2,571	2,826
Banks, Insurance and Financial	508	402		568	442	512	519
Mines (including Nitrates)	1,173	1,583		1,498	1,558	1,354	1,563
Oils	121	114		118	101	143	122
Rubber, Tea and Coffee	1,294	1,318		1,463	1,209	1,113	891
Total	7,777	7,612		8,575	7,381	7,602	7,876
Corresponding day in 1933	8,190	7,668		9,926	8,381	8,536	7,910

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
90.4	83.5	88.2	88.0	Closed	87.8	88.0	88.0	88.0

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Aug. 30)	Lowest of 1934 (Jan. 2)	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
133.8	128.8	133.4	133.5	Closed	133.6	133.6	133.7	133.8

FOREIGN STOCK EXCHANGES

NEW YORK

THE market has made little progress this week, under the influence of N.R.A. rumours and counter-rumours, and the serious situation in the textile industry. The reported victorious emergence of General Johnson from last week's discussions on the future of the Recovery Administration has caused little stir in Wall Street, although it apparently implies the re-grouping of the administration in order to secure more efficient supervision of the Codes. Market sentiment has, accordingly, continued bearish. Stocks fell two points on Monday, rallied somewhat on Tuesday, but reacted later. Rail stocks have fallen slightly owing to anticipation that the petition for advances of rates will receive a hostile public reception. Government bonds have been slightly reactionary on balance, despite Mr Morgenthau's announcement that devaluation profits were ultimately to be used for debt reduction, and the President's emphatic denial that inflation was in immediate prospect.

The course of the bond market is being eagerly studied in view of the large refunding operations on September 15th and October 10th. Among foreign bonds, German issues have again fallen on Dr. Schacht's speeches, but South American issues have enjoyed some speculative support. Steel activity has declined from 21.3 to 19.1 per cent. of capacity and the market is not disposed to commit itself, one way or the other, on the prospects for the autumn revival, although it is showing increasing concern regarding the labour situation. It was officially announced on Tuesday that the merger of Republic Steel Corporation and Corrigan, McKinney Steel Company had been approved. The total assets will amount to \$323 millions, and the steel ingot capacity will total 6,000,000 tons annually.

	Aug. 22, 1934	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
Lb. Ln. 3 1/2%, '32-47	103 1/2	103 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2
Do. 4 1/2%, '32-47	103 1/2	103 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2
Do. 4 1/2%, '33-38	103 1/2	103 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2
Atchafalpa	51 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2
Erie	14 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2
Illinois Central	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
N.Y. Central	22 1/2	22 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2
Pennsylvania	24 1/2	24 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2
Southern Pacific	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
Southern Ry.	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
Union Pacific	101 1/2	101 1/2	100 1/2	100 1/2	100 1/2	100 1/2	100 1/2	100 1/2
Am. Can.	99 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2
Amer. Smelting	38 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2
Anacosta	13 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Bethlehem Steel	28 1/2	29 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
Chrysler Motor	35 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2
Corn Produce Rf.	60 1/2	61 1/2	60 1/2	60 1/2	60 1/2	60 1/2	60 1/2	60 1/2
Eastman Kodak	99 1/2	99 1/2	98 1/2	98 1/2	98 1/2	98 1/2	98 1/2	98 1/2
Gen. Electric	19 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
Gen. Motors	31 1/2	30 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2
Int. Harvester	28 1/2	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2	27 1/2
Mont. Ward	25 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2
Natl. Biscuit	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2
Phelps Dodge	16 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2
Pullman	41 1/2	42 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2
Sears-Robuck	37 1/2	38 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2
Studebaker	2 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Un. Fruit	72 1/2	73 1/2	73 1/2	73 1/2	73 1/2	73 1/2	73 1/2	73 1/2
U.S. Leather	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
U.S. Rubber	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
U.S. Steel	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Westinghouse	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2
Woolworth	50 1/2	49 1/2	49 1/2	49 1/2	49 1/2	49 1/2	49 1/2	49 1/2
Am. Tel. and Tlg.	113 1/2	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2
Interboro R.T.	12 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2
Int. Tel. Tel.	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
Radio Corp.	6 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Utilities P. and L.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
W. Union Tlg.	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2
Associated Gas "A"	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2
Shell	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Shell Union	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Std. California	45 1/2	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2
Do. N.J.	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2	44 1/2

† Calculated at \$5.03 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	38.7	66.6	34.1	90.5	79.6	79.1	78.3	78.3
30 Rails	23.9	54.5	34.1	51.4	40.6	34.5	37.0	36.7
37 Utilities	66.8	101.0	63.8	83.4	66.4	64.1	65.7	65.2
Total, 421 stocks	40.9	83.4	65.9	82.1	70.8	67.5	69.9	69.2
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.62%	3.17%	3.52%	3.61%	3.68%

† February 7th.

(s) Aug. 8th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Aug. 22, 1934	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934
105.0	76.0	86.8	86.1	87.5	87.6	86.2	85.9	85.2

TOTAL DEALINGS IN NEW YORK

	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934
Stock Exchange—Shares (Thous.)	750	750	440	510	400	760
Bonds (Value Thous. \$)	13,470	9,020	6,430	9,100	8,170	9,400
Curb—Shares (Thous.)	172	168	83	102	110	175

* Two-hour Session.

PARIS

Business expanded as the week progressed, and Wednesday's lists showed satisfactory improvements in most sections. Renten and bank shares were well supported, and favourite international counters, such as Royal Dutch and Suez Canal met with steady inquiry. In the industrial section, considerable selling of Chargeurs Réunis occurred. On the Parquet, diamond shares made small signs of recovery, but the market evinced little interest in gold shares.

	Aug. 22, 1934	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934
Banque de France	10,765	10,750	10,920	10,920	10,920	10,920	10,920
Créd. Lyonnais	1,960	1,970	1,985	1,985	1,985	1,985	1,985
Suez Canal	19,120	19,300	19,450	19,450	19,450	19,450	19,450
Chargeurs Réunis	130	125	118	118	118	118	118
Rio Tinto	1,270	1,272	1,277	1,277	1,277	1,277	1,277
Royal Dutch	15,350	15,840	16,100	16,100	16,100	16,100	16,100
Wagons Lits	77	77	77	77	77	77	77
Mexican Eagle	31 1/2	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2
"Chartered"	78	80	80	80	80	80	80
Ford	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2
De Beers	271	273	273	273	273	273	273
"Johnnies"	267	269 1/2	269 1/2	269 1/2	269 1/2	269 1/2	269 1/2

BERLIN

Sharp advances in industrial shares took place late last week and early in the present week. Potash, engineering, paper and steel shares in the Vereinigte Stahlwerke group were most favoured. Feldmühle Paper reached 120. Heavy buying was recorded in Westdeutscher Kaufhof (formerly Tietz), which recovered to 27 (lowest level 10), on report of better department-store business. Stoehr Wool and some other textiles gained substantially, and Mannesmann was also bought. Tuesday's share market brought further gains, with some reactions towards the close. Home bonds improved somewhat, while certificated and converted dollar bonds were steady.

	Aug. 22, 1934	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934
Reichsbank	154.75	155.40	156.00	156.00	156.00	156.00	156.00
D.D. Bank	65.25	66.00	66.00	66.00	66.00	66.00	66.00
Dresdner (New)	68.50	68.50	69.00	69.00	69.00	69.00	69.00
L. G. Farbenindustrie	147.00	148.25	148.25	148.25	148.25	148.25	148.25
Norddeutscher Lloyd (New)	30.25	30.75	30.50	30.50	30.50	30.50	30.50
A. E. G.	26.10	26.10	26.75	26.75	26.75	26.75	26.75
Siemens & Halske	144.50	147.00	149.00	149.00	149.00	149.00	149.00
A. K. U.	61.00	65.00	65.40	65.40	65.40	65.40	65.40
Hamburg-Amer. ("Hapag New")	25.75	26.75	26.40	26.40	26.40	26.40	26.40

AMSTERDAM

A steady opening developed into cheerful trading on Tuesday, but thereafter the Bourse became irregular and uninspired. Among industrials, Philips' Lamps and Unilever N.V. were in good demand, although the former reacted in later dealings on Wednesday. Tobacco shares were active on favourable crop indications, and rubber shares, under the lead of Amsterdam Rubber, maintained a consistently firm tone. A keen demand for Royal Dutch was reported on the somewhat opportunist reason that good profits would be realised on the group's silver holdings. Sugar shares were firm, but Billiton Tin fell steadily.

	Aug. 22, 1934	Aug. 22, 27, 29, 1934	Aug. 22, 27, 29, 1934		Aug. 22, 1934	Aug. 22, 27, 29, 1934	Aug. 22, 27, 29, 1934
2½% Dutch Loan	77 7⁄8	77 1⁄2	76 3⁄4	Steel Common ...	20 3⁄4	21 1⁄2	21 1⁄2
5½% German ...	29 1⁄2	28 1⁄2	28 1⁄2	A. K. U.	34	36 1⁄2	36 1⁄2
Unilever N.V.	63 1⁄2	66 1⁄2	68 1⁄2	Ford Motor	199	201	203 1⁄2
Philips' Lamps...	207	215	217 1⁄2	Dei Batavia Tob...	181	181 1⁄2	181 1⁄2
Netherlands Ship Union.....	33 1⁄2	36	36	Royal Dutch	150	154 1⁄2	157 1⁄2
				Handels Ams ...	168 1⁄2	173 1⁄2	174 1⁄2

(Continued from page 413)

BY STOCK EXCHANGE INTRODUCTION

Gabriel Wade and English, Ltd.—Particulars of issued capital, 250,000 6½ per cent. cumulative preference shares of £1 and £331,000 ordinary stock. Formed April, 1919, to acquire timber merchants' businesses in London and provinces. Net profits for years to May 31st have been: 1932, £37,347; 1933, £35,359; 1934, £75,831. Total assets at May 31, 1934, £830,417, include goodwill £50,000, properties and plant £237,596, subsidiary companies investments and loans £57,518, stocks £235,742, debtors £197,146.

Rand Leases (Vogelstruisfontein) Gold Mining Company, Ltd.—Issued capital, 2,900,000 ordinary shares of 10s. each and 100,000 management shares of 10s. each, fully paid. Company formed September, 1933, in South Africa, to acquire compact mining area of 1,933 claims, 1,422 being leased from Government. Contracts being placed for plant and shaft equipment for output of 100,000 tons per month. The estimated life is twenty years, and on minimum recovery of 5 dwts. per ton, with gold at 136s., return would be 34s. per ton. Costs estimated at maximum of 20s. per ton, and gross profits at £840,000 per annum. Properties acquired for £140,000 and undertaking to retransfer approximately 57 claims to a vendor without payment if abandoned.

Van Dyk Consolidated Mines, Ltd.—Issued capital, 2,550,000 shares of 10s. each, fully paid. Incorporated in South Africa on June 30, 1934, and acquires benefit of agreements to acquire (1) 973 claims from Van Dyk Proprietary Mines for £251,500 cash, subject to vendors subscribing for 500,000 shares at par, and to right to offer 500,000 shares to its shareholders; (2) Government mining lease, over 1,808 claims; (3) Cancellation of debt of Van Dyk Proprietary to Union Corporation of approximately £250,000, and of share option against payment of £125,000 to Union Corporation; (4) 691 claims and Government mining lease over 1,858 claims from East Vogelfontein Exploration (Proprietary) for £150,000 in cash, subject to subscription of 300,000 shares and right to subscribe for further 300,000 shares; (5) Union Corporation guarantees subscription of shares as above, and subscribes for 950,000 shares at par. Preliminary vertical and incline shaft sinking is being carried out, and reduction plant of 800,000 tons p.a. capacity will be erected if preliminary work is satisfactory.

ISSUES TO SHAREHOLDERS ONLY

Hevea (Johore) Rubber Plantations, Ltd.—Hevea (Johore) Plantations, Ltd., is about to offer to its shareholders 422,040 ordinary shares of 2s. each for subscription by way of "rights" at the price of 2s. 6d. per share. The list of subscriptions will close on September 5, 1934, after which date the right to subscribe lapses and no application for shares can be accepted.

Oceana Development.—The directors have decided to offer, in the proportion of one share for every five shares held on August 8th, 87,880 shares of 5s. each at 20s. per share. The full amount may be paid up on application. Fractions of shares will not be dealt with.

Rhodesian Corporation, Ltd.—Rhodesian Corporation, Ltd., is offering for subscription 1,466,666 shares of 5s. at 7s. 6d. per share, payable in full on application to shareholders registered August 3rd, in the proportion of one share for every three held. Application forms must reach Barclays Bank (Dominion, Colonial and Overseas), Circus Place, Finsbury Circus, E.C., not later than September 8th.

Gold and General Investment Trust.—The directors have authorised an issue to shareholders registered on August 31st of 55,000 £1 shares at 22s. 6d. per share, in the proportion of one new share for every share held on that date. Letters of right will be posted to shareholders on August 31st, and the list of applications will close on September 29th.

OFFERS ABROAD

Province of Ontario.—A loan is being offered in Canada by a syndicate for \$37,500,000 in the form of 2½ per cent. internal bonds maturing one year to five years inclusive, yielding from 2.60 per cent. to 2.95 per cent. respectively, according to term.

CONVERSIONS AND REPAYMENTS

New Crocodile River (Selangor) Rubber.—This company proposes to redeem the £50,000 outstanding 7 per cent. debenture stock on November 30, 1934.

Pullman Car Company.—This company is to redeem the whole of the outstanding 6 per cent. notes on November 23rd at 102 per cent.

Santa Marta Railway.—Outstanding 6 per cent. debentures will be redeemed at par on December 1st.

Odham's Properties.—It is proposed to replace the existing £679,015 of 7 per cent. first mortgage debenture stock by an issue of £736,000 5 per cent. debenture stock at par, redeemable at 102½ per cent. on or after January 1, 1933, the company having the option to redeem at 102½ per cent. after January 1, 1942. The old stock is redeemable on or after January 1, 1937, at 102½ per cent., and, if the proposal is accepted, the stock will be redeemed on or after January 1st next at 106½, the extra 4 per cent. being compensation to holders.

Proprietors of Fletcher's (Meat Importers).—Holders of the first mortgage debenture stock, of which £68,195 is outstanding, have been notified that the company intends to redeem all the stock on March 1, 1935. The company is prepared forthwith to purchase any holding of debenture stock at par. The offer is open for acceptance up to September 30, 1934.

FORTHCOMING ISSUES

Northern Industrial Dwellings.—It is expected that a new issue of capital will be made during the next few days.

John Ismay and Sons.—An extraordinary meeting is to be held on September 5th to consider a resolution to increase the capital to £300,000. This is to be effected by the creation of 100,000 6½ per cent. cumulative preference shares of £1 and 1,000,000 ordinary of 1s. It is not proposed to issue the whole of the new shares in the near future.

RESULTS OF ISSUES

Patent Paper Packing (Foreign) Ltd.—The list was closed on August 29th, and allotment letters have been despatched. 226,000 shares have been applied for.

Stretford Corporation 3½ per cent. Loan at par.—List closed 10 a.m. on August 27th.

CALLS DUE SEPTEMBER 3 TO SEPTEMBER 8, 1934

The grand total of calls falling due in September, 1934, is £4,766,761, which compares with £25,747,684 which fell due in September, 1933. The following calls fall due from September 3, 1934, to September 8, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
5/-	Airspeed (1934), Ltd. (400,000 Preferred Ord. Shares, at par)	2/6 p.s.	Sept. 7	All
Stock	Durham County Water Board (250,000 3¼ Red. Stock, 1954-59, at £101½)	£40%	Sept. 3	All
£1	Griffiths Hughes Proprietary, Ltd. (1,000,000 5¼ Cum. Pref. Shares, at 20/6)	10/- p.s.	Sept. 3	All
5/-	Luttrell Gold Areas, Ltd. (192,000 Ord. Shares, at par)	1/3 p.s.	Sept. 4	3/9 p.s.
Stock	Mersey Docks and Harbour 3¼ Red. Deb. Stock, 1975-85 (£500,000, at £98½)	£75%	Sept. 6	All
5/-	Rhodesian Corporation, Ltd. (1,466,666 Shares, at 7/- per share)	7/6 p.s.	Sept. 8	All
Stock	Trust Houses, Ltd. (£630,000 3¼ Deb. Stock at £93¼)	£30%	Sept. 4	£50%

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Aug. 29, 1934	Price, Aug. 29, 1934
Airspeed (1934) Pref. Ord. 5/-	5/-	2/6	1/- 1/3 pm	1/8-1/9 pm
Alconby Estates 5% Deb.	100	50	1-1 1/2 pm	1-1 1/2 pm
Argentine 4½	93	...	90½-90½	90½-90½
British Aluminium Ord.	27/6	11/8	7½d-4½d dis	7½d-4½d dis
Do. do. 6% Cum. Pref.	24/6	10/-	6d-9d pm	4½d-7½d prem
Do. do. 4% Deb.	98½	Fy pd	103-104½	103-104½
Brookes (W. J.) and Sons Ord. 5/-	...	...	6/3-6/6	6/3-6/6
Do. do. 6% Cum. Pref. £1	...	Fy pd	21/3-21/6	21/3-21/6
Caley (A. J.) and Son 5% Pref.	...	Fy pd	4½d-10½d pm	20/6-21/-
Carlton Main Colliery 4½ Deb.	102½	10	1-1 dis	1-1 dis
Criterion Restaurants 4% Deb.	98½	...	1-1 dis-par	1-1 dis-par
Dale (John) 5½ Pref.	...	...	20/9-21/3	20/9-21/3
Gold Ex. and Finance Aust. Ord.	10/-	5/-	4/- 4/6 pm	4/4½-4/10½ pm
Greenwood (John) Millers, 1934, Ord.	5/-	Fy pd	8/6-9/-	7/9-8/3
Do. do. 5½ Pref.	...	Fy pd	22/3-22/9	22/- 22/6
Griffiths Hughes Prop. Ord.	...	...	39/10½-40/4½	40/6-41/-
Do. 5½ Cum. Pref. £1	20/-	10/6	1/6-1/9 pm	1/6-1/9 pm
Grosvenor Caterers (Glasgow) Ord. 5/-	...	Fy pd	5/- 5/3	4/10½-5/3
Do. do. 5% Deb.	100	Fy pd	98½-99x	98½-99
Ideal Boilers & Radiators 5% Pref. £1	20/6	10/6	1½d-3d pm	1½d-3d pm
Jackson Brothers 6½ Pref.	...	...	22/9-23/9	23/- 24/-
Kentana Gold (10/-)	10/-	Fy pd	12/1½-12/4½	11/10½-12/1½
Kimimindi Gold	10/-	Fy pd	14/3-14/9	14/- 14/6
Mayfair and Gen. Prop. 5% Deb.	100	15	1-2½ pm	1-2½ pm
Mount Morgan 5/-	7/6	Fy pd	20/4½-20/10½	21/- 21/6
New Machavie Gold	...	...	13/9-14/3	14/3-14/9
New Zealand 3½, 1955-60	100	5	¾-¾ pm	¾-¾ pm
Powell Duffryn Pref. Ord. 5/-	20/9	10/-	8d-3d dis	1/- 6d dis
Reed (Austin) 5% "A" Pref.	...	...	21/6-22/-	21/6-22/-
Salford Corp. 3½, 1954-64	100	30	1 dis-1½ pm	1 dis-par
Somerset 3½, 1959-64	100	55	2½-3½ pm	2½-3½ pm
S. African Distilleries	21/-	Fy pd	27/- 27/6	29/6-30/-
S. Rhodesia 3½, 1955-65	97½	5	¾-¾ pm	¾-¾ pm
Stanton Iron, New 6½ Pref. £1	25/-	10/-	1/3-1/9 pm	1/3-1/9 pm
Stewarts and Lloyds 4% Deb.	100	25	2½-2½ pm	2½-2½ pm
Stockport 3½, 1954-64	100	50	¾-¾ pm	¾-¾ pm
Stretford 3½, 1955-65	Par	5	1-1 dis-par	1-1 dis-par
Thistle Etna Gold	5/-	2/-	1/3-9d dis	9d-1/3 dis
Trust Houses 3½ Deb.	83½	20	1-1½ pm	1½-2 pm
Tunnel Portland Cement "B" Ord. 10/-	...	Fy pd	38/3-38/9	38/9-39/3
United Steel £1	21/6	Fy pd	21/6-22/6	22/3-23/3
Walsall 3½	100	55	¾-¾ pm	¾-¾ pm
Welsh Steel Collieries 5½ Cum. Pref. £1	21/-	Fy pd	17/3-17/9	17/3-17/9
Do. do. 4½ Deb.	100	25	3½-3 dis	3½-3 dis

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 25, 1934, amounted to £10,411,000, against ordinary expenditure of £6,546,000. After allowing for an increase in Exchequer Balances of £193,092 the operations for the week, as shown below, decreased the National Debt by £3,527,000 to approximately £8,067 millions.*

(000's omitted)	
Public Department Advances.....	+ 10,700
Treasury Bills.....	- 13,402
National Savings Certificates ...	- 100
P.O. and Telegraph capital expenditure	- 200
N. Atlantic shipping issue.....	- 525
	- 14,227
+ 10,700	

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Aug. 25, 1934	April 1, 1933, to Aug. 26, 1933	Week ended Aug. 25, 1934	Week ended Aug. 26, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	44,208,000	37,628,000	3,269,000	2,438,000
Sur-tax	50,000,000	6,510,000	8,010,000	180,000	150,000
Estate, etc., Duties	78,000,000	35,040,000	38,280,000	1,280,000	1,680,000
Stamps	25,000,000	6,430,000	5,650,000	50,000	350,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	160,000	...	...
Total Inland Revenue.....	372,500,000	92,628,000	89,728,000	4,779,000	4,598,000
Customs and Excise—					
Customs	183,650,000	74,869,000	71,343,000	3,612,000	4,378,000
Excise.....	106,350,000	41,100,000	42,484,000	1,100,000	444,000
Total Customs and Excise	290,000,000	115,969,000	113,827,000	4,712,000	4,822,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	1,388,000	1,890,000	...	...
Post Office (Net Receipts)	14,000,000	9,450,000	7,900,000	...	...
Crown Lands	1,220,000	570,000	500,000	...	...
Receipts from Sundry Loans	3,800,000	2,790,221	3,198,343	...	...
Miscellaneous Receipts.....	20,000,000	5,621,192	15,362,186	1,460,042	1,014,762
Total Ordinary Revenue	706,520,000	228,416,413	232,205,529	10,411,042	9,884,762
SELF-BALANCING REVENUE					
Post Office	60,463,000	20,950,000	21,900,000	1,900,000	1,950,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,737,000	6,361,000	...	...
Total Self-Balancing Revenue	84,718,000	28,687,000	28,261,000	1,900,000	1,950,000
Total	...	257,103,413	260,466,529	12,311,042	11,834,762

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Aug. 25, 1934	April 1, 1933, to Aug. 26, 1933	Week ended Aug. 25, 1934	Week ended Aug. 26, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	96,205,501	95,634,667	319,307	298,554
Payments to Northern Ireland Exchequer.....	6,500,000	2,254,425	2,419,550	226,643	216,393
Other Consolidated Fund Services	3,700,000	1,018,208	1,324,375	...	...
Post Office Fund.....	2,000,000	...	...	...	...
Total	236,200,000	99,478,134	99,428,592	545,950	514,947
Total Supply Services (excluding Post Office)	466,296,000	171,615,150	167,706,350	6,000,000	5,645,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	271,093,284	267,134,942	6,545,950	6,159,947
Payments to U.S.A. Govt.,	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	271,093,284	268,976,158	6,545,950	6,159,947
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	20,950,000	21,900,000	1,900,000	1,950,000
Road Fund	24,255,000	7,737,000	6,361,000	...	...
Total Self-Balancing Expenditure	84,718,000	28,687,000	28,261,000	1,900,000	1,950,000
Total	...	299,780,284	297,237,158	8,445,950	8,109,947

The aggregate revenue and expenditure to August 25, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO AUGUST 25, 1934

(000's omitted)

Expenditure	271,093	Revenue	228,416
Increase in balances.....	207	Gross increase in borrowing.....	44,644
		New Sinking Fund	1,760
		Net borrowing	42,884
	271,300		271,300

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Aug. 26, '33	Mar. 31, '34	Aug. 25, '34	Movement, week ended Aug. 25, '34
Advances by Public Department	17,000,000	44,900,000	39,250,000	+ 10,700,000
Treasury Bills outstanding.....	989,825,000	799,810,000	817,940,000*	- 13,400,000
Total Floating Debt	1,006,825,000	844,710,000	857,190,000	- 2,700,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £30,000,000 in Treasury bills were opened on August 24, 1934, and the total amount applied for was £59,320,000. Tenders were accepted for Treasury bills at three months, dated Monday to Thursday, at £99 16s. 4d., and above in full; Friday and Saturday, at £99 16s. 4d., about 34 per cent., and above in full. The average rate per cent. was 14s. 3-26d. The amount allotted was £30,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1.....	40,000,000	50,320,000	38,000,000	5 3/4
April 1	45,000,000	61,860,000	43,950,000	2 3/4 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6.....	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-88
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
July 27	35,000,000	79,430,000	35,000,000	0 13 9-02
August 3	40,000,000	47,695,000	37,000,000	0 14 4-76
August 10	35,000,000	58,340,000	31,000,000	0 14 11-06
August 17	35,000,000	58,565,000	30,000,000	0 15 5-60
August 24	30,000,000	39,320,000	30,000,000	0 14 3-26

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	83,184,709
Reserves	3,683,882	Other Securities	1,934,138
Public Deposits	33,991,138	Advances	5,615,506
Other Deposits	83,746,689	Securities	19,343,717
Bankers'	118,962,714	Notes	14,959,223
Other Accounts	5,325	Gold and Silver Coin	72,478,371
7-day and Other Bills	171,196,059		573,756
			171,196,059

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

Both Departments	Amount, August 29, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	379,263,726	- 86,579	+ 5,280,367
Public deposits	33,991,138	+ 3,402,202	+ 7,968,702
Bankers' deposits	83,746,689	+ 1,647,147	+ 4,322,130
Other deposits	35,216,025	+ 485,643	+ 7,714,391
Seven-day bills	5,325	- 259	+ 3,714
Total outside liabilities	332,242,932	+ 2,327,527	+ 6,078,832
Capital and rest	18,236,882	+ 31,234	+ 23,762
Government debt and securities	339,426,015	- 1,089,315	+ 1,695,254
Discounts and advances	5,615,506	- 155,051	+ 4,357,535
Other securities	9,757,826	+ 1,123,530	+ 3,735,245
Silver coin in issue department	3,314,585	+ 47,273	+ 325,174
Coin and bullion (bank's reserves)	192,335,853	+ 118,926	+ 669,610
Reserves of notes and coin in banking department	73,052,127	+ 205,505	- 4,610,757
Proportion of reserve to outside liabilities—			
(a) Banking Department only	47.7%	+ 0.8%	+ 0.5%
(b) Gold stocks to deposits and notes ("reserve ratio")	36.1%	+ 0.1%	+ 0.5%

(000's omitted)

Date	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits	Gold in or out of Bank	Bank Rate
1934							
July 25	451,580	383,949	10,939	104,788	36,093	Nil	2 1/2
Aug. 1	451,621	389,310	11,860	96,507	36,927	41 in	2 1/2
" 8	451,677	392,806	23,883	82,001	35,660	56 in	2 1/2
" 15	451,677	384,109	23,496	89,459	36,724	Nil	2 1/2
" 22	451,677	379,370	37,393	82,099	35,702	Nil	2 1/2
" 29	451,762	379,284	33,991	83,747	35,216	85 in	2 1/2

(000's omitted)

Date	Govt. Debt and Securities	Other Securities	Gold and Bullion and Reserve Ratio	Govt. Securities	Discounts and Advances	Other Securities	Reserve and "Proportion"
1934							
July 25	256,224	312	192,154	353	83,467	7,532	68,205
Aug. 1	256,285	241	192,158	353	81,249	8,869	62,348
" 8	255,793	742	192,187	36	83,254	6,985	59,381
" 15	255,744	842	192,190	36	84,139	5,507	63,081
" 22	256,011	627	192,217	36	84,505	5,771	72,847
" 29	256,241	444	192,336	36	83,185	5,615	75,052

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to August 15	19,239,695	1,114,322	1,879,554	22,233,571
Week ended August 22	29,152	29,152	51,744	60,748
Week ended August 29	458,832	26,528	44,594	529,954
Total to date, 1934	20,224,677	1,170,002	1,975,892	23,370,771
Total to date, 1933	17,923,623	1,103,270	1,819,927	20,846,820
Increase or decrease in 1934	+ 2,301,054	+ 66,732	+ 155,965	+ 2,523,751
	+ 12.8%	+ 6.0%	+ 8.6%	+ 12.1%
Total for year 1933	27,714,480	1,658,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 48,268	+ 98,552	- 25,687
	- 0.4%	+ 2.6%	+ 3.6%	- 0.07%

PROVINCIAL

(000's omitted)

	Week ended Aug. 25	Month of July	Aggregate Totals, January 1 to Aug. 25
	1933	1934	1933
No. of working days	26	26	26
BIRMINGHAM	1,764	1,647	11,527
BRADFORD	746	580	4,123
BRISTOL	1,083	1,534	5,012
DUBLIN	5,404	4,910	27,579
HULL	587	720	3,057
LEEDS	740	778	4,016
LIVERPOOL	434	413	3,021
MANCHESTER	5,206	5,662	29,082
NEWCASTLE	7,471	7,505	41,664
NOTTINGHAM	1,244	1,220	5,940
SHEFFIELD	319	322	2,028
	25,522	25,408	112,900
			110,364
			- 2.2
			985,112
			101,9491

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. International Settlements, Denmark, Lithuania, Danzig, in August 11. Bulgaria, Java, in August 18. Federal Reserve Members, Italy, Greece, Turkey, Finland, Estonia, Japan, in August 25.

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

	Sept. 1, 1933	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934
Resources					
Gold Certificates on hand and due from the Treasury	3,827,930	4,929,550	4,961,370	4,963,360	4,979,480
Total reserves	239,930*	5,173,870	5,210,140	5,216,050	5,239,690
Total bills discounted	153,220	219,960	224,460	228,660	235,920
Bills bought in open market	6,900	20,550	20,210	19,820	21,010
Total bills on hand	160,120	5,200	5,200	5,110	5,250
Total U.S. Govt. securities	2,128,770	2,431,760	2,431,460	2,431,520	2,431,800
Total bills and securities	2,290,750	2,457,980	2,457,500	2,457,180	2,459,260
Total resources	6,595,440	8,134,980	8,265,160	8,207,730	8,232,850
LIABILITIES					
Federal Reserve notes in actual circulation	2,974,180	3,095,330	3,102,370	3,105,030	3,103,290
Federal Reserve Bank notes in circulation	131,240	33,180	32,650	32,300	31,930
Deposits—Memberbank—reserve account	2,426,590	4,059,070	4,064,270	4,072,320	4,126,570
Government deposits	57,990	24,590	24,590	24,590	24,590
Total U.S. Govt. securities	2,697,040	4,292,920	4,335,770	4,327,380	4,360,830
Capital paid in and surplus	424,750	284,990	284,910	284,910	284,910
Total liabilities	6,595,440	8,134,980	8,265,160	8,207,730	8,232,850
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	67.5%	70.0%	70.1%	70.2%	70.7%

* Reserves other than gold.

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

	Sept. 1, 1933	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934
Total gold reserves	990,990	1,791,360	1,796,290	1,820,440	1,830,900
Total bills discounted	46,070	11,930	11,650	11,900	12,420
Bills bought in open market	2,300	1,930	1,930	1,850	1,980
Total U.S. Govt. securities	774,150	777,750	777,750	777,750	777,750
Total bills and securities	823,770	791,670	791,670	791,580	792,240
Deposits—Memberbank—reserve account	1,027,160	1,701,180	1,688,710	1,706,740	1,742,370
Ratio of total res. to dep. and Federal Res. note liabilities combined	61.2%	72.2%	72.1%	72.5%	72.5%

STATEMENT OF CANADIAN BANKS—In \$'s (000's omitted)

	May 31, 1933	Feb. 28, 1934	Mar. 31, 1934	April 30, 1934	May 31, 1934
ASSETS					
Cash and bank balances	340,586	329,545	315,318	338,883	353,783
Bank balances abroad	84,516	80,101	86,139	81,708	83,580
Call and short loans	189,998	197,979	209,312	220,062	225,132
Securities	836,193	833,025	834,640	837,411	830,063
Loans in Canada	1,086,962	1,024,958	1,042,543	1,057,689	1,050,876
Loans abroad	148,357	140,827	138,381	136,759	138,372
Other assets	154,707	160,163	158,498	158,554	158,400
LIABILITIES					
Deposits	123,365	125,708	140,910	133,083	127,348
Government	92,103	85,949	96,044	96,612	102,475
Public in Canada	1,895,737	1,842,128	1,836,711	1,886,032	1,900,044
Foreign	306,123	319,415	320,785	322,228	323,089
Bank balances—Canadian	12,185	12,479	11,527	14,816	15,304
Foreign	36,201	32,709	32,968	32,293	29,852
Bills payable, etc.	46,940	54,201	52,107	52,190	51,788
Capital and res.	306,500	277,000	277,000	277,000	277,000
Other liabilities	4,642	4,810	2,989	3,304	4,848

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

	Aug. 25, 1933	July 27, 1934	Aug. 3, 1934	Aug. 10, 1934	Aug. 17, 1934	Aug. 24, 1934
ASSETS						
Gold coin and bullion	15,421	20,933	20,230	20,227	20,537	20,107
Subsidiary coin	401	297	291	290	278	283
Bills discounted: Domestic and Union Govt. Treas.	64	56	55	59	53	38
Bills discounted: Foreign	17,482	13,491	15,357	13,440	13,955	12,300
Investments	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	17,45	8,373	8,355	8,091	8,279	10,097
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	9,383	11,560	12,223	11,679	11,230	11,033
Government deposits	1,735	3,263	1,084	1,258	2,064	2,417
Bankers' deposits	24,079	23,478	23,542	24,224	23,010	23,952
Ratio of cash reserves to liabilities to public	40.7%	49.9%	50.2%	49.5%	49.1%	48.3%

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

	Aug. 4, 1933	July 6, 1934	July 13, 1934	July 20, 1934	July 27, 1934	Aug. 3, 1934
ASSETS						
Total securities	42,47,49	37,98,74	36,33,32	34,86,74	33,41,45	34,31,15
Ways and means	3,29,73	13,50,08	14,50,00	13,50,00	11,50,00	12,50,00
Cash credits	16,78,91	15,50,08	15,33,57	15,15,58	15,17,66	15,00,50
Inland bills	1,98,10	2,34,53	2,40,11	2,60,25	2,39,14	1,99,37
Foreign bills	24,37	27,80	22,07	23,16	23,38	26,59
Dead stock	2,57,43	2,49,63	2,49,73	2,49,65	2,49,83	2,49,87
Balance with other banks	17,45	18,88	19,74	18,49	12,94	7,49
Cash	24,80,00	20,87,76	22,04,51	24,52,42	26,59,74	25,82,23
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,20,00	5,22,50	5,22,50	5,27,50	5,27,50	5,27,50
Total deposits	81,02,68	83,58,08	83,81,53	83,60,79	82,31,04	82,80,90
The above includes—						
Deposits in London	848	933	905	924	917	903
Advances in London	851	1,574	1,578	1,578	1,580	1,579
Cash, etc., at other Banks in London	134	144	151	142	100	58

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

	Aug. 25, 1933	Aug. 3, 1934	Aug. 10, 1934	Aug. 17, 1934	Aug. 24, 1934
ASSETS					
Gold	82,226,713	80,486,582	80,813,729	81,317,828	81,759,496
Foreign assets—					
Sight deposits	1,290,655	12,756	14,271	12,851	12,856
Bills, etc.	1,361,252	1,141,237	1,125,817	1,124,380	1,110,294
Home bills	3,207,398	3,703,827	3,527,701	3,460,482	3,921,598
Advances against sec. To the State	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Other advances	2,687,723	3,175,426	3,122,334	3,107,841	3,049,572
Negotiable bills	6,416,967	5,913,404	5,913,404	5,913,404	5,913,404
Sinking Fund Dept. Other assets (excluding forward exch.)	5,342,753	5,189,664	5,324,232	5,070,340	5,095,460
LIABILITIES					
Notes in circulation	81,142,564	81,717,825	80,999,733	80,470,340	79,971,020
Public deposits	2	3,259,258	3,429,405	4,057,439	3,999,318
Private deposits	17,754,451	15,527,168	16,995,325	16,615,487	18,161,301
Other liabilities	2,360,980	2,346,647	2,217,025	2,041,076	1,891,043
Ratio of gold reserve to sight liabilities...	79.4%	79.6%	80.0%	80.2%	80.0%

NATIONAL BANK OF EGYPT—In £E. (000's omitted)

Banking Department :—	July 31, 1933	July 31, 1934	June 30, 1934	July 31, 1934
LIABILITIES				
Capital	2,925	2,925	2,925	2,925
Reserves	2,925	2,925	2,925	2,925
Government deposits	4,201	5,519	5,514	4,894
Other deposits	18,971	17,851	16,318	16,282
Other accounts	3,225	2,591	2,863	2,551
Cash : Notes	967	1,052	926	1,110
Gold, silver, etc.	938	871	854	1,453
Money at call and short notice	21,832	21,814	20,585	19,454
Investments	4,362	3,864	4,017	3,865
Advances	1,209	961	888	923
Bills	2,130	1,765	1,871	1,892
Other accounts				
Assets				
Notes issued	17,900	19,800	19,500	18,900
Gold	6,241	6,241	6,241	6,241
British Treasury Bills	2,765	4,330	4,030	3,623
British War Loan at par	7,395	7,730	7,730	7,536
Egyptian Government securities at market price	1,500	1,500	1,500	1,500

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

LONDON RATES

Bank rate (changed from 2½% June 30, 1932)	Aug. 23, 1934	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
Marked rates of discount—							
60 days' bankers' drafts	1½	1½	1½	1½	1½	1½	1½
3 months' do.	1½	1½	1½	1½	1½	1½	1½
4 months' do.	1½	1½	1½	1½	1½	1½	1½
6 months' do.	1½	1½	1½	1½	1½	1½	1½
Discount Treasury Bills—							
2 months'	1½	1½	1½	1½	1½	1½	1½
3 months'	1½	1½	1½	1½	1½	1½	1½
Loans—Day-to-day	1½	1½	1½	1½	1½	1½	1½
Short	1½	1½	1½	1½	1½	1½	1½
Deposit allowances : Bank	1½	1½	1½	1½	1½	1½	1½
Discount houses at call	1½	1½	1½	1½	1½	1½	1½
At notice	1½	1½	1½	1½	1½	1½	1½

Comparison with previous week—

Short Loans	Bank Bills			Trade Bills		
	3 months	4 months	6 months	3 months	4 months	6 months
1934	%	%	%	%	%	%
Aug. 23	1½	1½	1½	1½	1½	1½
Aug. 24	1½	1½	1½	1½	1½	1½
Aug. 25	1½	1½	1½	1½	1½	1½
Aug. 27	1½	1½	1½	1½	1½	1½
Aug. 28	1½	1½	1½	1½	1½	1½
Aug. 29	1½	1½	1½	1½	1½	1½
Aug. 30	1½	1½	1½	1½	1½	1½

LONDON RATES OF EXCHANGE

I.—Spot Rates

(Range of the day's business)

London on	Par of Exch. per £	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
New York, \$	14.864	5.061-084	5.061-075	5.051-063	5.051-051	5.031-064	5.011-041
Montreal, \$	4.864	4.91-924	4.911-921	4.911-921	4.91-92	4.891-91	4.871-91
Paris, Fr.	124.21	75½-78	75½-78	75½-78	75½-78	75½-78	74½-75½
Brussels, Bel	35.00	21.25-31	21.25-31	21.25-31	21.25-31	21.16-30	21.05-23
Milan, Li.	32.46	53½-54	53½-54	53½-54	53½-54	53½-54	53½-54
Zurich, Fr.	25.221	15.25-36	15.27-32	15.26-33	15.26-33	15.20-32	15.14-24
Athens, Dr.	375	520*	517*	520*	517*	517*	517*
Helsinki, M.	193.23	226-227½	226-227½	226-227½	226-227½	226-227½	226-227½
Madrid, Ptas.	25.221	361-1	361-1	361-1	361-1	361-1	361-1
Lisbon, Esc.	110	109½-110½	109½-110½	109½-110½	109½-110½	109½-110½	109½-110½
Amst'dm, Fl.	12.107	7.36-38	7.36-38	7.36-38	7.36-38	7.36-38	7.36-38
Berlin, Mk.	20.43	12.75-80½	12.74-79½	12.73-80½	12.73-80½	12.60-80½	12.55-67½
Vienna, Sch.	34.581	26-28	25½-27½	25½-27½	25½-27½	25½-27½	25½-27½
Bu'pest, Pen.	27.82	17½	17½	17½	17½	17½	17½
Prague, Kcs.	164½	120-120½	119½-120½	119½-120½	119½-120½	118½-119½	118½-119½
Danzig, Gul.	25.00	15-15½	15-15½	15-15½	15-15½	15-15½	15-15½
Warsaw, Zl.	43.38	26½	26½	26½	26½	26½	26½
Riga, Lat.	25.221	15-16	15-16	15-16	15-16	15-16	15-16
Bucharest, Lei	813-6	490-510	488-508	488-508	488-508	488-508	488-508
Const'ple, Pst.	110	615*	615*	615*	615*	615*	615*
Belgrade, Din.	276-32	215-225	214-224	213-223	213-223	213-223	213-223
Kovno, Lit.	48-66	297-307	297-307	297-307	297-307	297-307	297-307
Sofia, Lev.	673-66	410-440	410-440	410-440	410-440	410-440	410-440
Tallinn, E.Kr.	18-159	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½
Oslo, Kr.	18-159	19-35-05	19-35-05	19-35-05	19-35-05	19-35-05	19-35-05
Stockholm, Kr.	18-159	19-35-05	19-35-05	19-35-05	19-35-05	19-35-05	19-35-05
Cop'ngen, Kr.	18-159	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45
Alex'dria, Pst.	97½	97½	97½	97½	97½	97½	97½
Bombay, Rup.	18½	18½	18½	18½	18½	18½	18½
Calcutta, Rup.	18½	18½	18½	18½	18½	18½	18½
Madras, Rup.	18½	18½	18½	18½	18½	18½	18½
Hong Kong, \$	18½	18½	18½	18½	18½	18½	18½
Kobe, Yen.	124.58d.	14½-15	14½-15	14½-15	14½-15	14½-15	14½-15
Shanghai, \$	28½	28½	28½	28½	28½	28½	28½
Singapore, \$	12-11	7-35-37	7-35-37	7-35-37	7-35-37	7-35-37	7-35-37
Batavia, F.	15-89d.	31-1½	31-1½	31-1½	31-1½	31-1½	31-1½
Rio, Mil.	147-62d.	29½-30	29½-30	29½-30	29½-30	29½-30	29½-30
Valparaiso, \$	40	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½
Mvideo, \$	17-38	21-25½	21-25½	21-25½	21-25½	21-25½	21-25½
Lima, Sol.	9-76	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½
Mexico, Pes.	124-66d.	23-23½	23-23½	23-23½	23-23½	23-23½	23-23½
Manila, Pes.	9-458	5.790-797	5.752-769	5.752-769	5.752-769	5.752-769	5.752-769
Moscow, Rbls.	121-82d.	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½
Bangkok, Bht.							

Usance : T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). Pence per unit of local currency. † Par, 8-23½ since dollar devaluation on February 1, 1934. (a) Nominal. (b) Official Rate. (c) Sellers. (d) Official rate is 36½d. sellers. (e) Official rate is 38½d. sellers. (f) Official rate is 38½d. sellers. (g) Official rate is 4½d. sellers. (h) Registered marks quoted at a discount of 37-42 per cent.

II.—Forward Rates

(Closing quotations)

London on	Aug. 24, 1934	Aug. 25, 1934	Aug. 27, 1934	Aug. 28, 1934	Aug. 29, 1934	Aug. 30, 1934
New York, cent	(b) 1 Month par ½	(b) 1 Month par ½	(b) 1 Month par ½	(b) 1 Month par ½	(b) 1 Month par ½	(b) 1 Month par ½
Paris, cent	(a) 1 Month 6-2	(a) 1 Month 8-2	(a) 1 Month 4-2	(a) 1 Month 7-2	(a) 1 Month 10-5	(a) 1 Month 8-3
Holland, cent	(a) 1 Month 1-par	(a) 1 Month 1-par	(a) 1 Month 1-par	(a) 1 Month 1-par	(a) 1 Month 1-par	(a) 1 Month 1-par
Brussels, cent	(b) 1 Month 1-2	(b) 1 Month 1-2	(b) 1 Month 1-2	(b) 1 Month 1-2	(b) 1 Month 1-2	(b) 1 Month 1-2
Zurich, cent	(a) 1 Month 2-par	(a) 1 Month 2-par	(a) 1 Month 2-par	(a) 1 Month 2-par	(a) 1 Month 2-par	(a) 1 Month 2-par
Italy, lira	(b) 1 Month 1-par	(b) 1 Month 1-par	(b) 1 Month 1-par	(b) 1 Month 1-par	(b) 1 Month 1-par	(b) 1 Month 1-par

(a) Premium, i.e. "under spot." (b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed	From	To	Changed	From	To
Albania	Nov. 16, 1933	6%	Madrid	Oct. 26, 1932	6½
Amsterdam	Sep. 18, 1933	3	Oslo	May 22, 1933	3
Athens	Oct. 14, 1933	7½	Paris	May 31, 1934	3
Batavia	July 1, 1934	4	Prague	Jan. 25, 1933	4½
Belgrade	July 16, 1934	6½	Pretoria	May 15, 1933	4
Berlin	Sep. 22, 1932	5	Tallinn	Jan. 28, 1932	6½
Brussels	Aug. 23, 1934	3	Riga	Jan. 1, 1933	6
Bucharest	Apr. 5, 1933	7	Rome	Dec. 11, 1933	3½
Budapest	Oct. 17, 1932	5	Sofia	Jan. 3, 1934	3
Calcutta	Feb. 16, 1933	4	Stockholm	Dec. 1, 1933	3
Copenhagen	Dec. 1, 1933	3	Swiss Bank		
Danzig	May 6, 1933	4	places	Jan. 22, 1931	2½
Helsingfors	Dec. 20, 1933	5	Tokio	July 2, 1933	4-38
Kovno	Jan. 1, 1934	7	Vienna	Oct. 26, 1933	5
Lisbon	Dec. 8, 1933	8	Warsaw	Oct. 26, 1933	5
New York Fed.	Feb. 1, 1934	2	Irish	June 30, 1932	3½

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
 5½% applied to banks and credit institutions.
 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York :—

Call money	Aug. 30, 1933	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934
Time money (90 days' mixed coll.)	1	1	1	1	1	1
Bank acceptances :—						
Members—eligible, 90 days	1	1	1	1	1	1
Non-mem.—eligible, 90 days	1	1	1	1	1	1
Ineligible, 90 days	1	1	1	1	1	1
Commercial accept., 90 days	1	1	1	1	1	1

Rates of Exchange, New York on—	Par Level	Aug. 30, 1933	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934
London—					
60 days	Old par 4.8666	4.5087	5.0625	5.08	5.0162
Cable	New par 4.8666	4.5225	5.08	5.0875	5.0337
Cheques	8.2397	8.2397	8.2397	8.2397	8.2397
Paris	Cents for 1 franc	6.63	5.55	6.66	6.6950
Brussels	Cents for 1 Belg.	23.54	19.85	23.72	23.80
Switzerland	Cents for 1 franc	32.67	27.35	33.00	33.12
Italy	Cents for 1 lira	8.91	7.45	8.675	8.72
Berlin	Cents for 1 mark	40.33	33.90	39.65	40.09
Vienna	Cts. for Austr. shg.	23.82	16.00	19.15	19.18
Madrid	Cents for 1 peseta	32.67	11.85	13.81	13.86
Amsterdam	Cents for 1 guilder	68.06	57.20	68.50	68.82
Copenhagen	Cents for 1 kroner	45.37	20.35	22.70	22.50
Stockholm	Cents for 1 drachma	2.20	22.85	25.54	25.31
Athens	Cents for 1 drachma	0.81	0.81	0.81	0.81
Montreal	Cents for Can. \$1	169.31	95½	102½	102½
Yokohama	Cents for 1 yen	84.40	26.87½	30.10	30.06
Shanghai	Cents for 1 dollar	...	...	35.50	35.37
Calcutta	Cents for 1 rupee	61.80	34.15	38.35	38.00
Buenos Aires	Cents for 1 peso	...	...	33.85	33.55
Rio de Janeiro	Cents for 1 milreis	11.96	...	8.56	8.48

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

London on—	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

London on—	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange :—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	90 days	20-26

In spite of the threat of a stoppage, the view is held that a settlement will be reached before the end of the month. Meantime, however, it is feared the uncertainty may prejudice forward trade. Prompt business for steam coals is fair, but apart from the low volatile grades all classes are plentiful. The anthracite trade mainly volatile grades all classes are plentiful. The anthracite trade mainly volatile grades all classes are plentiful. The anthracite trade mainly volatile grades all classes are plentiful.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; seconds, 12s. 6d. to 13s.; coking smalls, 13s. 6d. to 14s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 10s. 6d. to 11s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 22s. 7½d. (French), 21s. 9d.-22s. (Portuguese).

IRON AND STEEL

MIDDLESBROUGH.—Work has been resumed at the foundries and steel works this week, and the demand for pig iron shows signs of improving. A large portion of the pig iron produced locally is for consumption in producers' own steel works, whilst for foundry pig iron there is a better demand both locally and by Scottish consumers. Prices are maintained to home users on the basis of 67s. 6d. per ton delivered locally for Cleveland No. 3. East Coast hematite is being sold to home users on the basis of 68s. delivered Middlesbrough for No. 1 quality.

In spite of the exchange difficulties, further parcels of iron have been sold for export, shipments having been made this week to Sweden and Denmark. Makers have free hands to quote for export business, but are not inclined to reduce prices to too low a level.

Shipments of all classes of pig iron from the Tees between August 1st and August 28th amounted to 13,217 tons against 7,385 tons to the same date in July.

Blastfurnace coke is firm at 20s. per ton delivered at the furnaces here, whilst foreign ore remains based on best Bilbao rubio ore at 17s. per ton c.i.f. Middlesbrough for prompt delivery, and there are more enquiries for forward delivery, for which sellers are asking higher prices.

The steel departments have accumulated a fair number of orders during the holiday last week, and are fairly well employed, but more orders would be welcomed in the shipbuilding department.

Heavy steel scrap remains at 50s. per ton delivered works here.

SHEFFIELD.—The position in most departments of the steel trade is less favourable. A considerable number of operatives who were suspended at the August Bank Holiday are still unemployed. Firms report some shrinkage in the volume of orders, and plants are not working nearly so actively as before the stoppage. The unemployment

position is not so good as a year ago. The trade as a whole, however, is confident of an ultimate revival, the lull being attributed to the fact that more time is being devoted by responsible works officials to holidays than was the case last year and the previous year.

Several sections of the trade are maintaining full capacity. There is a better outlook for rolling stock for overseas markets. Requirements of the home railways have fallen off. Good business is being done in steel and tools with builders of commercial motors. This is the quiet season in the construction of touring motors, but sales at home and abroad keep at a high level. Business with shipbuilders remains as stagnant as ever. Expansion is still the rule in special corrosion-resisting steels, and valuable orders are on hand for hollow forgings of large capacity. The tool factories are fully employed on files, engineers' small tools and mechanics' tools of all kinds, exports tending to expand. The cutlery and plate trades are moderately employed. Exports of Sheffield goods to India, Scandinavia and Holland are growing, but shipments to most other foreign countries are down.

GLASGOW.—While there is no marked improvement in conditions in the West of Scotland iron and steel trades, the tendency is towards betterment. During the present week buyers are more numerous and more disposed to place orders for forward delivery. Nearly all the steelmaking plants are fully employed and have work on hand to keep them so for some weeks. Makers of semis, though not so well placed, are continuing operations at recent levels, and there is a steady demand. Sheet makers are still unable to find sufficient work to keep all mills running, but home demand continues to be highly satisfactory and export business shows signs of revival. Tube makers are also busy in most sections. Business is still scarce in the steel bar re-rolling industry and operations are continued on a very restricted scale.

CARDIFF.—The Welsh tinplate market remained firm, with prices ruling at 18s. per basis box, but makers are not pressing sales pending the receipt of revised conditions for trading under the international agreement. Order books are satisfactory over the next three months, and indications point to production remaining at 70 per cent. of capacity. Galvanised sheets are a shade better at £11 5s. to £11 15s. per ton, while Welsh bars are steady at £5 7s. 6d. per ton. Shipments last week amounted to 66,503 boxes as against 89,931 boxes in the previous week and 100,375 boxes a year ago.

OTHER METALS

The metal markets showed no important change during the week. Tin prices remained weak, but a further appreciable decline in quotations appears unlikely. Despite the increasing substitution of tin which is reported from various parts of the world, the International Tin Committee has the market still in its hands, and the policy of the restrictionists suggests that they are not anxious to see prices fall to a lower level. The United States as well as the Continent did not buy much this week, but new purchases will have to be made before long. In consequence of the small purchases during August, prospects for the new tin statistics, which are not available at the time of writing, are not good, but September should bring some improvement, as the stocks of consumers are now almost absorbed. On October 1st the reduction in the quota by 10 per cent. to 40 per cent. of the standard tonnages will come into force. It seems therefore that towards the end of the year there may be a shortage of tin on the market, the more so as the buffer-pool will become active during the next months.

The copper market was very quiet and prices moved within narrow limits. They are now a little over their lowest level, but as the price-depressing factors are not yet removed, the outlook remains rather obscure.

The market in lead and spelter did not change during the week, but there are some new features of long-term importance. According to the Metallgesellschaft (Frankfurt) the spelter output of the United States during July amounted to 22,628 metric tons, compared with 22,809 tons in June and 28,115 tons in May. The monthly average of 1933 was 24,547 metric tons. The refined lead production of the United States, which declined already during the last few months, showed in July (according to American reports) again a reduction from 33,200 to 31,900 short tons. Lead and spelter ores are the chief silver-bearing ores. It was therefore generally thought, towards the beginning of this year, that the silver policy of the United States would increase appreciably the lead and spelter output (at least in the United States). Developments indicate, however, that these fears were not well founded. The recent silver nationalisation order of the United States brings no new advantage to the silver mines. It is therefore not very probable that the silver policy will increase the lead and spelter production in future more than in the past. Of less favourable influence on the lead and spelter market are the German endeavours to increase her spelter and lead production. The increased subsidies have already led to an increase of the German spelter output during the first seven months of the present year. Production in this period amounted to 36,900 metric tons compared with only 27,900 metric tons during the corresponding period a year ago. During the next few weeks the new German zinc refinery of Giesche in Magdeburg will start production. The first ores are already on the way from Upper Silesia to the refinery. Moreover, from September 1st, Germany will pay a bonus (the height of the bonus is not yet fixed) to her producer for the increase if the home spelter and lead output. It is not yet possible to give a final judgment about the probable results of this new stimulus, as the result will depend on the height of the bonus. Theoretically, however, there must be an increase, despite the fact that the German spelter and lead capacity which is not used now is rather limited. From the point of view of the International Cartel

(Germany is a member of the International Zinc Cartel), this policy may lead to difficulties.

TIN.—Sales on the London Metal Exchange: 225 tons on Monday, against 100 tons last week; 185 tons on Tuesday, against 175 tons last week; 255 tons on Wednesday, against 225 tons last week. The New York quotation on Wednesday was 51.45 cents per lb., against 52.00 cents a week ago and 51.70 cents a month ago. Wednesday's official closing quotation in London for standard cash was £226 15s. to £227, compared with £226 5s. to £226 10s. last week. Stocks in London and Liverpool at the end of last week were 3,741 tons, a decrease of 61 tons on the week.

COPPER.—Sales on the London Metal Exchange: 525 tons on Monday, against 1,400 tons last week; 650 tons on Tuesday, against 1,450 tons last week; 475 tons on Wednesday, against 1,300 tons last week. Domestic spot was quoted at 6.87½ cents per lb. in New York on Wednesday, against 6.87½ cents a week ago and 7.02½ cents a month ago. Wednesday's official closing price for standard cash in London was £28 1s. 3d. to £28 2s. 6d., compared with £27 18s. 9d. to £28 a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 32,683 tons, show an increase of 73 tons, and stocks of rough copper, at 7,042 tons, a decrease of 100 tons.

LEAD.—Sales on the London Metal Exchange: 250 tons on Monday, against 350 tons last week; 450 tons on Tuesday, against 500 tons last week; 1,100 tons on Wednesday, against 600 tons last week. The New York quotation on Wednesday was 3.70 cents per lb., against 3.75 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 13s. 9d. for shipment during the current month, compared with £10 15s. a week ago.

SPELTER.—Sales on the London Metal Exchange: 200 tons on Monday, against 400 tons last week; 300 tons on Tuesday, against 200 tons last week; 50 tons on Wednesday, against 150 tons last week. Wednesday's quotation in East St. Louis was 4.25 cents per lb., against 4.25 cents the week before, and 4.30 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 13s. 9d., for shipment during the current month, against £13 15s. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 5s. to £11 10s. per flask of 76 lbs., as against £11 7s. 6d. to £11 12s. 6d. per flask of 76 lbs. last week. Foreign antimony was again quoted at £36 to £36 10s. per ton. Chinese wolfram, at 40s. to 41s. per unit, c.i.f., remains unchanged. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester.—There has been very little change in raw cotton prices during the past week. Demand from spinners has continued limited and the small sales have to some extent been accounted for by the Oldham holidays. Rather varied advices have been received with regard to the progress of the new crop in the United States. In certain districts the situation seems to have improved slightly, but the weather on the whole has not been favourable to the plants. It is anticipated that the United States Government estimate of the yield due on September 8th will be rather smaller than a month ago.

Although inquiry in piece-goods has been of fair extent, actual business has not broadened. According to mail advices from India, selling prices in the bazaars are below Manchester rates and replacement buying is therefore very difficult. Very little has been done for Calcutta, but some useful lines have been mentioned in light whites for Karachi and dyed goods for Amritsar. Operations for China have been confined to trifling lots of fancies. A miscellaneous business has been reported in bleachers for Egypt, finishing styles for South America and dress materials for South Africa. The Australian tariff question continues to excite considerable interest. Buying for the home trade has been restricted. Employers in Lancashire with narrow looms are badly in need of fresh orders.

In the yarn market the event of importance has been the agreement amongst spinners of coarse American counts. Rather more demand has been experienced in coarse wefts. Medium numbers in Egyptian yarns have been sold in moderate lots for home consumption. The outlook for a settlement of the German debts question is by no means bright, but it is hoped that the Lancashire delegation to Germany at the end of this week will achieve some success.

COTTON PRICES

	1934				Corresponding Date	
	Aug. 8	Aug. 15	Aug. 22	Aug. 29	1932	1933
Raw Cotton—Mid. American per lb.	7.15	7.19	7.16	7.12	6.72	5.69
Sakellariadis Fully Good Fair Egyptian per lb.	8.68	8.69	8.73	8.73	8.90	7.60
Yarns—32's twist per lb.	10½	10½	10½	10½	10½	9½
" 40's twist per lb.	10½	10½	10½	10½	10½	9½
" 60's twist (Egyptian) per lb.	17	17	17	17	15½	15½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's s. d.	19 3	19 6	19 6	19 6	19 0	16 5
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's s. d.	24 3	24 6	24 6	24 6	21 6	20 8
38-in. ditto, 88 yds., 18 by 18, 10 lb. s. d.	11 2	11 3	11 3	11 3	11 1	10 4
38-in. ditto, 37½ yds., 16 by 15, 8½ lb. s. d.	10 0	10 1	10 1	10 1	9 10	9 2

COTTON YARNS PRICE AGREEMENT.—There was some surprise in Lancashire cotton trade circles at the end of last week when it was announced that spinners of coarse American yarns had signed an agreement which places the previous arrangement on a legal basis and provides for severe penalties if the minimum prices decided upon by the committee are broken. The owners of 31 mills, controlling about 3,000,000 spindles, are included and the agreement will remain in operation for 18 months. It covers all yarn productions of counts of 26's and below. The meeting also decided to increase the basic price of 2½d. to 2½d. per lb. above current month cotton futures. The agreement consists of a preamble and three schedules. It provides that any resolution shall be binding on all the members if supported by two-thirds of the members present and voting. An independent accountant is to be appointed by the general committee and all members undertake to provide full facilities and assistance in order that he may investigate sales made by the members. Investigations will be made regularly and not only after complaints. Complaints of breaches are to be made direct to the accountant and after investigation he will report to the general committee, whether the complaint is justified or not. If a breach has been committed, the executive committee will assess the amount of damage which the other members have suffered from the breach, and the secretary will be instructed to proceed by legal methods for the recovery of the damages assessed. This may be considered a revolutionary development in the spinning trade of Lancashire. The Royton spinners who are affected have a reputation for the traditional individualism of Lancashire, and it is certainly a striking change in attitude on trade affairs for these spinning employers to arrive at the conclusion that united action is preferable to internal competition.

WOOL.—Bradford.—Wool users continue to show keen interest in the course of values at the Brisbane sales in Australia, which opened last week. Reports from that centre indicate that raw wool is in good demand at slightly hardening prices. Bradford and Japanese buyers are still giving most support. During the first week Japan took 60 per cent. of the offerings, and Bradford also bought considerable quantities; very little support was forthcoming from France, and there was practically no German buying. How long the present strength of buying from England and Japan is likely to continue is difficult to say, but it is significant that prices in the "futures" markets fell when it was learnt that there was very little Continental buying in Australia.

It is evident, however, that the trend of prices will depend largely on developments on the Continent. In this connection it may be noted that the uncertainty over future German policy is as acute as ever. Reports from that country say that certain firms are experiencing difficulty over the question of raw wool supplies, and it is therefore hoped that the time is not far distant to the reopening of German activity in world markets. Figures relating to stocks and imports of raw wool in Germany, however, do not support these reports of shortage. Stocks are down, it is true, but wool imports have increased on last year, despite the five months' ban. This, in conjunction with the recent threats of Dr. Schacht, seem to suggest that the reopening of German wool buying on anything approaching normal proportions may be delayed longer than many people hope. Certain it is that if there were to be a modification in restrictions on German imports the wool trade in this and other wool-consuming countries would be placed on a much sounder basis.

Meanwhile, trade in Bradford is closely following the Australian sales. No secret is made of the fact that the establishment of a price basis of 28d. to 29d. for good warp tops bought out of Brisbane came as an agreeable surprise to most firms in the industry. Prices as a whole in this market have been revised to higher levels, and although no great weight of business has been brought out, it is believed that if the present level of prices in Australia is maintained during the next few weeks, a great deal of the business at present being withheld on account of lack of confidence will be booked. Spinners report a little more demand for yarns, and by-products have improved in sympathy with the tops market.

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GRAIN MARKETS

WHEAT.—The past week witnessed a reaction to the speculative rise in wheat prices, partly because increasing supplies of new wheat are now becoming available. As regards Canada, the harvesting of the crop is now almost completed in Manitoba and a substantial proportion of the grain crops of the southern and central districts of Saskatchewan has been cut. Some damage has, however, been suffered by drought in all the three provinces. France's crop appears to be nearly sufficient for home requirements, but some of the other European importing countries will have to purchase larger quantities of foreign wheat. According to the *Corn Trade News*, the world's visible supply of wheat on August 1st was 477,190,000 bushels, as compared with 459,660,000 bushels a year ago.

According to Mr G. Broomhall, total shipments during the past week were 1,532,000 quarters, against 1,333,000 quarters in the preceding week. On Wednesday, "September" futures were quoted in Chicago at 102½ cents per bushel, against 104½ cents the week before and 103½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 34s. per 496 lbs., against 35s. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 33s. 6d., against 33s. 6d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 30s. to 31s., against 30s. 3d. to 31s. 3d. a week ago.

FLOUR.—North American shipments were 144,000 sacks in the past week, as compared with 109,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered, country, 27s. 6d. per 280 lbs., against 27s. 6d. last week; delivered London, 26s. 6d., as compared with 26s. 6d. a week ago. Manitoba patents, ex store, 25s. 3d. to 27s. 3d., against 25s. 9d. to 27s. 9d.; Australian, ex store, 20s. to 21s., against 20s. to 21s.

BARLEY.—"October" futures were 58 cents per bushel in Winnipeg on Wednesday, against 60½ cents last week and 50½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 448 lbs., 35s. to 55s., against 35s. to 50s. a week before.

OATS.—On Wednesday, "September" futures were quoted at 51½ cents per bushel in Chicago, against 50½ cents a week ago, and 46½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. per 320 lbs., against 22s. a week ago; "Chilean White," landed, 23s., against 23s. a week earlier.

MAIZE.—The market in maize was active and quotations rose further owing to smaller crops of this grain and other feeding stuffs in Europe and North America. "September" futures were quoted on Wednesday at 79 cents per bushel in Chicago, against 76½ cents a week ago and 71½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 26s. per 480 lbs., compared with 26s. last week; "Plate," ex ship, 25s., as against 25s. "Plate," "September," 25s. 6d., as against 25s. 3d. Yellow maize meal, ex wharf, was quoted £7 to £7 2s. 6d. per ton, against £6 17s. 6d. to £7 per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1930-31 to 1933-34:—

	1930-1931	1931-1932	1932-1933	1933-1934
Estimated sales of home-grown wheat—				
1 week to August 28	Cwts. 71,825	Cwts. 21,558	Cwts. 23,715	Cwts. 21,500
52 weeks to August 28	5,129,773	4,178,569	3,878,606	4,974,713
Average price of English wheat per cwt.	s. d. 5 3	s. d. 5 0	s. d. 6 2	s. d. 6 3

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Aug. 21, 1934	Cwts. 71,825	Cwts. 21,558	Cwts. 23,715	s. d. 5 1	s. d. 10 6	s. d. 6 7
Aug. 28, 1934	176,562	29,743	30,706	5 3	10 5	6 4
Aug. 23, 1930	76,956	9,001	17,126	8 5	6 9	6 3
Aug. 22, 1931	24,780	935	7,250	6 4	8 5	6 2
Aug. 27, 1932	40,854	9,003	16,148	6 2	7 5	6 11
Aug. 26, 1933	340,650	63,649	46,420	5 0	11 0	5 5

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Aug. 30, 1933	Jan. 3, 1934	Aug. 22, 1934	Aug. 29, 1934
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	62½	46½	71½	65½	84½	81½
Chicago (No. 2 Winter) —Cents per 60 lb.	55½	46½	86½	84½	104½	102½

The visible supply of wheat in Canada, at 98,257,000 bushels, shows a decrease of 1,244,000 bushels. Supplies a year ago stood at 100,902,000 bushels.

OTHER FOODS

SUGAR.—Following the recent decline in quotations, the market in raw sugar was firmer in the past week. The spot price of raw sugar in New York on Wednesday was 3-28 cents per lb., as compared with 3-24 cents per lb. last week and 3-23 cents per lb. a

month ago. Wednesday's sales of raw sugar in London included "August delivery" at 5s. 2½d., against 5s. 4½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
London	437	4,139	2,264	2,370	31,079	176,514
Liverpool	9,063	8,261	15,473	13,396	148,376	126,945

Total tons	9,500	12,400	17,737	15,766	179,455	303,459
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Last week	12,867	3,750	16,663	14,395	187,692	306,825
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COFFEE.—The New York coffee market has been dull, and prices tended to decline. In New York on Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. No auctions were held in London on Tuesday, and the spot market remained quiet during the past week. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 15 bags; exported, 12 bags; stocks, 28,331 bags, against 28,130 bags a year ago. Central American, landed, 2,254 packages; delivered, for home consumption, 1,220 packages; exported, 590 packages; stocks, 102,638 packages, against 92,948 packages last year. Other kinds: landed, 378 packages; delivered, for home consumption, 2,218 packages; exported, 285 packages; stocks, 95,587 packages, against 83,011 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, "August-September," was 19s. 9d. per 50 kilos, c.i.f. Continent, against 20s. 3d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 3,134 bags; delivered, for home consumption, 3,465 bags; exported, 2,165 bags; stocks, 243,502 bags, against 163,827 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 49,513 packages of Indian and 27,751 packages of Ceylon tea. Quotations for common and low medium grades declined further during the past week, but prices for best qualities remained firm. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

AVERAGE PRICE PER LB.							
Week ending	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
Aug. 24, 1933	d. 14-96	d. 10-90	d. 15-41	d. 9-27	d. 9-61	d. 14-24	
July 19, 1934	12-80	12-31	12-76	10-67	10-41	11-84	12-38
July 26, "	12-71	12-20	12-82	10-75	10-29	12-06	12-31
Aug. 1, "	13-29	12-49	12-99	(a)	(a)	12-00	12-94
Aug. 16, "	13-59	12-23	12-90	10-28	9-89	11-58	12-78
Aug. 23, "	13-16	11-85	12-63	9-98	9-56	11-47	12-38

(a) No sales.

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 8s. 6d. per cwt., shows a rise of 1½d. on the week. Movements in London during the past week were as follows: landed, 307 tons; delivered, 99 tons; stocks, 2,269 tons, against 5,939 tons a year ago.

POTATOES.—As supplies were somewhat excessive in relation to demand, prices tended to decline. At the London Borough Market on Tuesday new crop "King Edward" sold at 6s. to 7s. per cwt., as compared with 6s. 6d. to 7s. 6d. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5½d. per lb. on Wednesday, against 5½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, nil; delivered, 8 tons; stocks, 194 tons, against 327 tons a year ago. White, landed, 91 tons; delivered 42 tons; stocks, 6,444 tons, against 893 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hind quarters, was 4s. 4d. to 4s. 10d. per 8 lbs., as compared with 4s. 2d. to 4s. 6d. last week. New Zealand frozen mutton was 3s. 4d. to 4s. per 8 lbs., against 3s. 6d. to 4s. a week ago. According to the Smithfield official market report, supplies during last week amounted to 7,762 tons, against 8,069 tons in the corresponding week last year. Imported beef, principally Argentine, formed 86.5 per cent. of the beef supplies, against 85.4 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 80.9 per cent. of the total supply of mutton and lamb, against 71 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OIL AND OILSEEDS.—Trade is not very active and prices generally have an easier tendency or are maintained with difficulty. Linseed is in poor demand owing to crushers' small needs, and Plate has again declined. Indian remains steady at a somewhat lower level of values. Crushers faced with difficulty in disposing of the oil product at a remunerative price are only concerned to buy seed to cover their trade in oilcake. Plate to Hull dropped to £10 15s. per ton for old crop, shipment to October, and new to £10 7s. 6d. November-January, Calcutta to London, is offered at £12 10s. or less. Shipments are comparatively heavy and the quantity afloat for Europe has increased to 112,100 tons (including 19,800 tons from India), or 7,300 tons more than last week; while that for North America is 28,500 tons, against 34,000 tons a year ago. Argentina has still 358,000 tons (estimated) of the old crop available for export, or 20,000 tons more than was

actually shipped in the remainder of last season, and 133,000 tons is expected from India, or 60,000 tons less. Cottonseed is in rather better demand and new crop Egyptian, September-October, has been sold at £5 6s. 3d.

Linseed oil is in fair demand from consumers and is easier in sympathy with seed. Raw oil ex Hull mill for delivery to the end of the year is quoted around £20 10s. per ton naked. Cotton oil is slow and unchanged. Egyptian crude ex Hull is offered at £14 and refined at £16 prompt. Oilcakes are in better demand and firm.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON August 29th		CEREALS AND MEAT		POTATOES—		WOOL—		DRY AND DRY-SALTED CATTLE...	
GRAIN, &c.—		s. d. s. d.		Good English, new		English Southdown, greasy, per lb.		Market Hides, Manch'tr	
Wheat, No. 2, N. Man.	496 lb.	33 6		per cwt.	6 0 7 0	12½		Best heavy ox and heifer	0 4½ 0 5
Eng. Gaz. av., per cwt.		5 0				6½		Best cow	0 4½ 0 5½
Barley, Eng. Gaz. av.		11 0		Pepper, per lb.—				Best calf	0 3½ 0 4½
Oats, " "		5 5		Muntok, fair White.....	0 10				
Maize, La Plata, landed,				Black Lampung.....	0 5½				
480 lb.		26 0		Cinamon—1st sort, per lb.	0 6				
Flour, Lon. stan. ex mill,				Cloves—Zanzibar per lb.	0 6				
280 lb.		25 3		Ginger—per cwt.—	28 0				
Rice, No. 2 Burma, per cwt.		8 6		African.....	28 0				
Tapioca, per cwt.—				Jamaica, ord. to good.	0 9 95 0				
Fair Flake, Singapore.		12 6		Nutmegs, 65/-	0 10				
MEAT—				SUGAR—		IRON AND STEEL—		LEATHER—	
Beef, per 8 lbs.—				Centrifugals, 96%, prpt		Bar, M'brough.....		Sole Bends 8/12 lb.—	
English long sides	4 2 5 0			shipm., c.i.f. U.K./Cont.	4 9	Steel Rails, heavy.....		per lb.	0 10 1 8
Argentine chilled hinds	4 4 4 10			B.W.I., crystallised.....	17 6 19 6	Tin plates per box		Bark Tanned Sole	2 0 3 0
Mutton, per 8 lbs.—				Java, white, c. & f. India		Do. Eng. or WS do.		Shoulders fm DS Hides	0 7 0 10
English wethers	6 0 7 0			Aug.-Sept.....	6 1½	Belles from DS do.		Do. Eng. or WS do.	0 11 1 4
N.Z. frozen	3 4 4 0			Refined—London—		Do. Eng. or WS do.		Dressing Hides.....	0 6½ 0 9½
Lamb, per 8 lbs.—				Cubes.....	17 10½	Ro. Eng. Calf, 20/30 lb.		Aust. Bends	0 10 1 3½
N.Z. frozen	4 4 5 4			Broken Pekoe	22 0 22 6				
Pork, English, per 8 lbs.	5 4 6 0			Crushed	19 9 20 3				
OTHER FOODS				Granulated	18 4½ 21 9				
BACON—				Home Grown	17 10½ 18 1½				
English	98 0 102 0			Molasses, in bond	1 3				
Irish	96 0 100 0			TEA—					
Danish	98 0			Indian—per lb.—					
Dutch	94 0			Pekoe	0 11 1 6½				
HAMS—				Pekoe	0 11½ 2 2				
Canadian	100 0 101 0			Orange Pekoe	0 11½ 3 0½				
American	90 8 94 0			Broken Orange Pekoe...	0 11½ 3 1				
BUTTER—				CEYLON—					
Australian	74 0 76 0			Ceylon—per lb.—					
New Zealand	78 0 79 0			Pekoe	0 10½ 1 10½				
English Cheddars	74 0 80 0			Broken Pekoe	0 11 2 4½				
Dutch	46 0 53 0			Orange Pekoe	0 11½ 1 11				
COCOA—				TOBACCO—					
(Duty, British grown,				(Duty, 9/6-10/6 per lb.,					
11/8; foreign, 14/- cwt.)				Empire growth, 7/5½					
Accra, f.i.	20 6 21 6			8/3½ per lb.)					
Trinidad	38 0 46 0			Common to fine	0 10 3 6				
Grenada	30 0 34 0			Rhodesian leaf	0 10 2 6				
COFFEE—				Nyasaland leaf	0 9 1 6				
(Duty, British grown,				" strips	0 8 2 8				
4/8; foreign, 14/- cwt.)				East Indian leaf	0 3 0 10				
Santos sup. c. & f. cwt.	50 0			" strips	0 4½ 1 6				
Colombian, good	58 0 70 0			TEXTILES					
Costa Rica, med. to good	70 0 90 0			COTTON—					
East Indian " "	62 0 90 0			Mid-American	d.				
Kenya, medium	58 0 70 0			Sakellaridis, f.g.f.	8-7½				
EGGS—				Yarns, 32's twist	10½				
English	13 9 14 3			60's twist	17				
Danish	11 6 11 9			FLAX—					
FRUIT—Oranges—				Livonian ZK	per ton 67 0				
South African ½ boxes	12 0 17 3			Pernau HD	Nom.				
Lemons, Sicilian	13 0 17 0			Slanetz Medium 1st sort...	72 0				
" Naples	14 0 20 0			HEMP—					
Apples: Amer. (var.) bris.	...			Italian P.C.	per ton 55 0				
" (var.) boxes	...			Manilla, Aug.-Oct. "J" ..	14 10				
" Australian	...			Sisal, African	13 0 14 0				
Onions—				JUTE—					
Valencia, case	7 0 8 0			Native 1st mks.	per ton				
Egyptian, bags	...			Sept.-Oct. (New crop)	£15/12/6				
Grapes, Lisbon, ½ boxes	7 6 11 6			Daisee 2/3 c.i.f. Dundee					
" Almeria .. bris.	...			Oct.-Nov.	£15/5/0				
LARD				SILK—					
Irish bladders pr. cwt.	40 0 46 0			Canton	per lb. 4 6 6				
U.S. 56 lbs. boxes	40 0 41 9			Tussah	3 0 3 6				
				Japan	4 9 5 9				
				Italian—raw, fr.	Milan 5 9 6 3				

† Exclusive of Government tax of 1d. per gallon.

Bank of New Zealand

Incorporated with Limited Liability in New Zealand by Act of the General Assembly, 29th July, 1861.

BANKERS TO THE GOVERNMENT OF NEW ZEALAND.

REPORT OF THE DIRECTORS

Presented at the Ordinary General Meeting of the Proprietors, held at the Head Office of the Bank, Lambton Quay, Wellington, on 15th June, 1934.

The Directors submit herewith the Balance-sheet and Profit and Loss Statement of the Bank for the year ended 31st March last. The profits, after providing for expenses of management, and for all bad and doubtful debts, and other contingencies, and after making provision for the annual donation to the Provident Fund, are £594,231 19 0. From this has to be deducted:—

Interest on Guaranteed Stock.....	21,199 9 1
Leaving Balance of Profit for the year.....	573,032 9 11
To which has to be added:—	
Balance brought forward from last year.....	344,795 1 5
	917,827 11 4

From which has been paid:—	
Dividend on Preference A Shares.....	£50,000 0 0
Interim Dividend on C Long-Term Mortgage Shares.....	7,031 5 0
Interim Dividend on D Long-Term Mortgage Shares.....	17,578 2 6
Interim Dividend on Preference B Shares.....	31,250 0 0
Interim Dividend on Ordinary Shares.....	187,500 0 0
	293,359 7 6

Leaving available for distribution.....	£624,468 3 10
---	---------------

This the Directors propose should be disposed of as follows:—

Dividend on C Long-Term Mortgage Shares at 6 per cent. per annum.....	£7,031 5 0
Dividend on D Long-Term Mortgage Shares at 7½ per cent. per annum.....	17,578 2 6
Dividend on Preference B Shares (making £100,000 for the year).....	68,750 0 0
Dividend at rate of 5 per cent. on Ordinary Shares (making £375,000 for the year, equal to 10 per cent.).....	187,500 0 0
Leaving Balance to be carried forward...	343,608 16 4
	£624,468 3 10

Such dividends to be paid in New Zealand Currency.

During the year Agencies at Clevedon, Drury, New Lynn, and Okato have been closed. Apiti Agency has been re-opened.

H. BHAUCHAMP, Chairman.

BALANCE SHEET AT 31ST MARCH, 1934.

LIABILITIES.		ASSETS.	
£	s. d.	£	s. d.
CAPITAL—		Coln. Cash Balances, and Deposits with	
4 per cent. Guaranteed Stock.....	529,988 10 6	Bankers.....	7,598,540 17 1
Preference A fully-paid £1 Shares issued to the New Zealand Government.....	500,000 0 0	Government Notes—Commonwealth, Fijian, and Samoan Administration.....	117,278 5 0
C Long-Term Mortgage fully paid £1 Shares issued to the New Zealand Government.....	234,375 0 0	Notes of Other Banks (Legal Tender).....	17,062 0 0
D Long-Term Mortgage fully-paid £1 Shares.....	468,750 0 0	Balances Due by Other Banks.....	26,510 9 9
Preference B fully-paid £1 Shares issued to the New Zealand Government.....	1,375,000 0 0	Bullion on Hand and in transit.....	5,975 13 7
Ordinary fully paid £1 Shares.....	3,750,000 0 0	Money at Call and Short Notice, Government Securities and other Securities in London.....	4,163,347 9 5
	6,858,113 10 6	Bills Receivable in London and in transit.....	2,483,957 3 1
Reserve Fund.....	3,575,000 0 0	New Zealand Government Securities.....	8,715,532 16 0
Long-Term Mortgage Debenture Stock.....	607,050 0 0	Australian Government Securities.....	4,948,225 13 6
Notes in Circulation.....	4,259,149 0 0	Municipal and Other Local Bodies' Securities.....	458,630 12 1
Deposits.....	34,328,904 9 1	Remittances in transit between Branches.....	1,439,409 12 0
Balances Due to Other Banks.....	81,828 11 5		29,971,470 11 6
Bills Payable and other Liabilities (including provision for contingencies).....	3,355,783 13 10	Bills Discounted.....	408,186 18 9
Reserve for Taxes.....	426,000 0 0	Other Advances and Securities and Debts due to the Bank, after deducting provision for Bad and Doubtful Debts.....	21,962,154 2 8
London Office Acceptances under Credits.....	37,310 10 0	Landed Property, Premises, &c.....	667,489 16 5
Transfers from Long-Term Mortgage Department.....	204,079 0 8	Liabilities of Customers for Acceptances, per contra.....	37,310 10 0
Balance of Profit and Loss.....	624,468 3 10	Long-Term Mortgage Department.....	1,310,175 0 0
	£54,356,786 19 4		£54,356,786 19 4

LONG-TERM MORTGAGE DEPARTMENT.

LONG-TERM MORTGAGE FUND—		Loans.....	
£	s. d.	£	s. d.
Capital.....	703,125 0 0	Transfers to Bank.....	1,106,095 19 4
Debenture Stock.....	607,050 0 0		204,079 0 8
	£1,310,175 0 0		£1,310,175 0 0

PROFIT AND LOSS.

£	s. d.	£	s. d.
Dividend on C Long-Term Mortgage Shares.....	7,031 5 0	Balance at 31st March, 1933.....	641,279 8 11
Dividend on D Long-Term Mortgage Shares.....	17,578 2 6		
Dividend on Preference B Shares.....	84,375 0 0		
Dividend on Ordinary Share Capital.....	187,500 0 0		
	296,484 7 6		
Balance carried down.....	344,795 1 5		
	£641,279 8 11		
Twelve Months' Interest on Guaranteed Stock.....	21,199 9 1		
Dividend paid 9th December, 1933:—			
On Preference A Shares.....	50,000 0 0		
On C Long-Term Mortgage Shares.....	7,031 5 0		
On D Long-Term Mortgage Shares.....	17,578 2 6		
On Preference B Shares.....	31,250 0 0		
On Ordinary Shares.....	187,500 0 0		
	293,359 7 6		
Balance, being Profit for the year.....	573,032 9 11		
To which has to be added:—			
Amount brought forward from last year...	344,795 1 5		
	917,827 11 4		
Less Dividend paid, as above.....	293,359 7 6		
	624,468 3 10		
	£939,027 0 5		

RESERVE FUND.

£	s. d.	£	s. d.
Balance.....	3,575,000 0 0	Balance per last Statement.....	3,575,000 0 0
	£3,575,000 0 0		£3,575,000 0 0

A. HEMPTON, Chief Auditor.

F. W. DAWSON, General Manager.

A. W. HALL, Accountant.

LONDON OFFICE: 1, Queen Victoria Street, E.C.4.

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THE GREAT DEPRESSION

In the course of his presidential campaign nearly two years ago Mr. Roosevelt boldly declared himself an experimentalist. In the grievous economic plight of the United States, he asked for a mandate to act, and, if he found his measures ineffective, to try and try again. This frank attitude awakened a sympathetic response far outside the boundaries of his own country, for everywhere there was a despairing feeling that the policy of "letting well alone" was allowing the world to sink deeper into poverty. So we have all been experimenting, each according to our inclinations or prejudices and within the limits of our various national circumstances. Surely it is not true that matters can no longer be controlled even if they are handled resolutely and with decision? If this question is to be intelligently answered, it is imperative to recover a sense of direction and to form a conception of the kind of world which statecraft must set itself to recreate.

In formulating such a conception it is clearly a first essential to understand what are the forces which have produced the present setback to the forward march of civilisation. In the compass of a couple of hundred pages* Professor Robbins has outlined his views of the origin and course of the crisis and of the necessary conditions if we are to emerge from it. Though the reader may not share his emphasis and may differ from his conclusions, there is no one who will not find this compact and brilliant sketch unusually stimulating and provocative.

Professor Robbins attributes the immediate cause of the crisis—namely, the American crash in the autumn of 1929—to the character of the inflation boom which preceded it; but in describing this episode he tilts vigorously at certain common assumptions about the monetary history of the preceding decade. In particular, he is a severe critic of the policy of this country—not for the reason so often urged that our policy was deflationary and constituted a heavy handicap to recovery—but because our policy was not deflationary enough. America and France, which together received so much of the world's gold, did not "sterilise" it, but created currency or allowed the volume

of bank money to expand. It was in this country, which—for apparently good reasons—had returned to gold at a parity which proved too high, that wages, costs and prices were out of equilibrium with those in the world at large; and it was for us to correct this situation and restore our prices to a competitive level, and thus, if the gold standard functioned properly, to draw back an adequate gold reserve.

Naturally, Professor Robbins does not attribute the whole blame to the monetary policy of this country only. He bluntly criticises the American banking authorities for their failure to prevent the development of inflation in the United States in the years preceding the crash. He recognises also that the crash developed into the greatest depression in history because of the many causes, political and economic, which during and after the war have created a chaotic lack of order and balance in the world's economic structure. Opinions will certainly differ about the weight to be attached to the influence of the war, to faulty statesmanship in drawing up the Peace, to economic nationalism and to underlying changes in world population, industrial knowledge, etc. But it is interesting to find Professor Robbins criticising the policies adopted after as well as before the crash. He thinks, for example, that the attempt of the creditors of Germany to secure repayment, and the invention of a "standstill" arrangement which failed to distinguish between good and bad debts, was a mistake and delayed recovery; and again that this country was seriously at fault in not seizing the opportunity to return to gold at the beginning of 1933, when feelers were being put out from the United States and when we were regarded as the chief obstacle to stabilisation at new levels. At that time, the pound sterling was at a favourable parity, and an agreement would have prevented the American experiments in currency depreciation. In Professor Robbins's view, we awoke to the possibilities too late.

But surely this American "kite" was not a genuine opportunity; for so far-reaching an issue, together with the debt and other problems associated with it, could not have been settled in a "lame duck" session of Congress; and events thereafter raced along too rapidly for conference or reflection. Regrets are natural to one who sees in the

* "The Great Depression." By Lionel Robbins. Macmillan and Co. 200 pages. 8s. 6d. net.

collapse of the gold standard the great tragedy of recent times—since it marked the breakdown of the post-war attempt to reconstruct an international world system and revived in their most active form all the devices of economic nationalism. These, in turn, rendered far more difficult the processes of recovery, accentuated impoverishment, and so pushed us deeper into political troubles which have threatened to destroy the whole system of democracy. So impressed, indeed, is Professor Robbins with the danger of war and the instability of the modern world that in looking to the future he reaches the gloomy conclusion that "the probability of peace and progress in the next half-century is not very great."

The course of statesmanship, then, according to our author, is to put in the forefront the restoration of a stable basis for international trade. He is realist enough to see that we cannot jump back forthwith to a full gold standard, but he would like to see some provisional plan of stabilisation, to be followed as quickly as possible by a full restoration of the gold standard, with all its implications in the matter of adjustability of costs by any nation that may find itself out of balance with the world. If the people are told the truth, and if they realise the unpleasant alternative of a decline in the standard of civilisation, democracy should be as capable as dictatorship of accepting even that which may seem at first unpleasant, but is for the ultimate good of each nation.

For Professor Robbins nothing but the full gold standard will suffice. That an easier way may be found in the device of a system of variable parities changed from time to time as conditions vary, he does not admit. Such a system, he would allow, might circumvent the serious difficulty of bringing about equilibrium by a general disturbance of wages and prices within the country. But the rules in accordance with which changes could be made would be hard to define, and in the absence of rules the exchange would be at the incalculable discretion of the controlling authority. The exchange rate would become a political issue and inflation might ensue; its uncertainty would create trouble with foreign countries and make impossible long-term trading agreements; long-term international loans would be almost, if not quite impossible, and the chance of speculative profit would even encourage those large-scale transfers of short-term capital which has been so disturbing a factor in recent years.

We have no space to follow Professor Robbins into many other matters of diagnosis or of policy, but the points we have mentioned are sufficient to show that he lacks neither courage nor force in challenging many accepted doctrines of the day. With many of his judgments we agree, and we are most certainly at one with him in his insistence on the need of finding the way to restore a world economic and financial system.

But on two major points we find ourselves in disagreement on matters which affect policy. In the first place, both in his critique of British monetary policy before 1929 and in his comment on the possibility of modifying exchange parities instead of trying to adjust the internal equilibrium of a country, Professor Robbins seems to underrate the economic, social and political difficulties of bringing about general and equitable changes in wages and prices. The difficulties in the way of a movable parity system are formidable, but they should be soluble with time and experience. Certainly, the technical and diplomatic problems which such a plan propounds would be child's play compared to the task of bringing about an adjustment of wages sufficient to counteract such great economic changes as those which have upset the world's economic equilibrium in the past decade.

This leads us to our second and more general reflection. Professor Robbins attaches enormous importance to an international monetary system. We agree. But the breakdown of the post-war standard was not primarily due to the way that standard was handled by the world's banking authorities. True, inexperience in many countries, the novelty of a system where gold is the standard but not in active circulation, differences of banking tradition in a world with several centres instead of a single dominating monetary centre, and some important errors of judgment undoubtedly played their part. The root cause of the collapse—as the *Economist* has repeatedly argued—was the fact that, for

reasons which had nothing to do with the monetary system, the economy of the world, already rent and turned upside down by the war, was pieced together again under conditions which did not permit of a quick return to a new and stable equilibrium in international economic relations. An international standard was set up on the assumption that it would facilitate the necessary adjustments as it did the much smaller changes of pre-war days. But the facts were too obdurate, the political background too unstable, the changes too rapid, the new features—such as reparations and war debts—on too great a scale, and the barriers to the free movement of goods too numerous and obstructive to permit a new harmony to be brought about merely by setting up afresh an international monetary system. In short, the gold standard was called upon to right all the wrongs and remove all the debris of faulty statecraft, national ignorance and jealousy, and conflicting social ambitions. It failed. It cannot be expected to succeed until the conditions have been recreated under which an international system can work.

Professor Robbins recognises that political and economic disorder were responsible for the fact that the American crisis developed from a more or less normal fluctuation of pre-war type into "the great depression." But it is equally true that, until all the major world disorders are corrected, any attempt to restore an automatic international standard will almost certainly fail. If we are to avoid a second failure, we must attack the problem on the broadest possible front. In the meantime we have no option but to pursue on a provisional basis a monetary policy which will as far as possible eliminate exchange fluctuations, and endeavour step by step to rebuild international trade over the widest possible area and up to the limits which circumstances permit.

A NOTABLE ASSEMBLY

CHAUVINISTS, as well as those who seek to capitalise "the old Adam" in humanity, have drawn strength from the deadlock over disarmament. They foretell the imminent demise of the League of Nations. But the League has not lost much, if any, vitality. Nor has it needed much officious striving to keep it alive, for, with the tide of the world's security at its lowest post-war ebb, the League's Fifteenth Assembly which opens on Monday promises to be a notable gathering of national delegates. And the Council, which began its deliberations on Friday, has an agenda which still shows evidence of the world's recourse to its greatest international forum.

The blows which the League has already received, and the factors which are still working against it, are, of course, not only manifest but conspicuous. There is the world-wide movement towards re-armament, on which we commented last week. There are the special local danger-points, like Austria in Europe and Manchuria in the Far East, where sparks are flying—and any one of these sparks might explode the world's powder-magazine. There is the tension between Russia and Japan and between Italy and Germany. There is the equivocal position of countries like Yugoslavia and Poland, which are officially in a French camp, but are persistently reported to be coquetting with "the Third Reich." And, finally, there is the secession of both Germany and Japan, who have both served notice of their intention to resign from the League, and have both actually ceased to take part in League activities, though judicially their notice does not take effect until next year.

If these were all the items to be entered on our balance sheet, the upshot would not be at all obscure. The heavy losses which we have indicated would have taxed the League's strength to the uttermost and have brought it within sight of bankruptcy. Happily, however, there are other items, of not less importance, to be brought into the reckoning on the credit side.

If Germany and Japan are receding from the League, Russia and America are moving towards it. It was the very crisis in the League's fate, over the Sino-Japanese dispute, that started America on this auspicious course. It is a vital interest of the United States that the Sino-Japanese dispute should receive a just and peaceful solution; and although the efforts of the League to bring about such a solution have so far failed, they have nevertheless

brought home to American public opinion, more forcibly than anything else that has happened since the war, the value of an international institution for the maintenance of some kind of world order under a collective system. This increase of American cordiality towards the League, which first became apparent over the Sino-Japanese affair, has been manifested again in the cordiality with which the United States has welcomed the intervention of the League in the Peruvian-Colombian and Bolivian-Paraguayan conflicts, without any tendency to resist this intervention as a European infringement of the Monroe Doctrine. The American Government has also come into line with other Powers in taking authority to control or prohibit the sale of armaments to the two belligerents in the Chaco war and, indeed, to control the private manufacture of, and trade in, arms. Taken together, these developments in American policy are significant and encouraging.

While the United States has been making this cautious advance, the U.S.S.R. has been moving much faster and farther. From an attitude of dogmatic and militant hostility towards the League, the Soviet Government has now come to the point of applying for membership.

It now seems virtually certain that, at the present sessions of the Council and Assembly, the Soviet Union will forthwith apply for admission to membership in the League, and for that permanent seat on the Council which was deliberately reserved for Russia, as well as for Germany and the United States, when the constitution of the League was originally drafted. If the Russian Government does make this application, we may assume that it has good reason to believe that it will not meet with a rebuff. Thus, if no last-minute objections are raised, the entry of Russia into the League will not only be the outstanding event of this session; it will be one of the great landmarks in the League's history.

An application for admission is, of course, a delicate and uncertain business; for, while the general sense of the existing members is normally in favour of strengthening the League by an accession—especially when the applicant is a Great Power—there will always be individual States members which think they stand to lose by a general gain. This obstacle presented itself, rather disconcertingly, in 1926, when the Power seeking admission was Germany. On that occasion Poland was the key country; and, now that the applicant is Russia, Poland will be the key country again, as far as the Council is concerned. While mere admission to the League requires no more than a two-thirds majority in the Assembly, the grant of a permanent seat on the Council requires unanimity among existing Council members, and a bare majority in the Assembly as well. In 1934, as in 1926, Poland is a Council member; and it is therefore in her power to blackball Russia now, as she could have blackballed Germany then.

In 1926, Poland's affirmative vote had to be purchased by granting her a "semi-permanent" seat on the Council for herself—that is, a seat which is temporary in theory but permanent in practice. Poland, apparently, will content herself with proposing that the obligations of the minorities treaties shall henceforward be assumed by all States members of the League; and this proposal is incontrovertible in abstract justice. But, as the Polish Government knows, it has only the slenderest chance of being accepted in practice, and it is to be feared that, in putting this proposal forward, Poland is not so much hoping for success as seeking a plausible pretext for a subsequent repudiation of her own existing obligations. If so, it is unfortunate; for, though Poland's contractual obligations, in this matter of minorities, may be an anomaly, this anomaly is certainly a salutary one. The protection of minorities is a good thing as far as it goes, even though it may not be universal; and the concrete interests of some ten million Ukrainians, White Russians, Jews and Germans in Poland ought not to be sacrificed on the altar of the abstract principle of "the equality of States."

Another question with which the Council and Assembly will have to deal is the Chaco war, which has hitherto defied the peace-making endeavours of the League, the Pan-American Union, the United States and the *états limitrophes*. Nowadays, the world simply cannot afford to allow any war to burn itself out—even in a relatively remote and isolated region—when there is so much inflammable material lying about everywhere. It is

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supremely important that the fighting between the Bolivians and Paraguayans should be brought to a stop by international action; and, since both countries are land-locked, and neither of them is capable of manufacturing its own munitions, this is a clear case for applying an international armaments embargo. Already, great progress in this direction has been made by the individual action of the armaments-producing countries (including, as we have mentioned, the United States). Public opinion, all over the world, is interested and favourable; and the League now has an opportunity of systematising and confirming an embargo which may not only put an end to a local war in South America, but may also establish an invaluable precedent for ending, or even preventing, other wars hereafter.

Finally, the Council will have to consider the work of the Committee of Three on the situation in the Saar. The revelations made public this week (which will be found in a Note on a later page) are such as to disturb those who had hoped for a fair and free plebiscite next January. The Council, Baron Aloisi's Committee of Three, and the Saar Governing Commission are faced with a problem upon the solution of which depend the personal liberties, property and, perhaps, persons of all those many Saarlanders who, till now, have not succumbed to the threats, blandishments and propaganda of the Nazis.

From this necessarily cursory survey it will be seen that the League's work this autumn is as important as ever, and that, given bold leadership and a unity of purpose, it has a good chance of raising its stock very high. No doubt, we must be careful not to build too great hopes on the favourable items in the balance sheet before the account is cast up. Yet, "if hopes are dupes, fears may be liars." The moral, surely, is that, at this crisis in our post-war history, every people and every Government ought to throw itself into the struggle in order to make sure that the forces of peace, order and reconstruction "possess the field."

RUBBER UNDER CONTROL

THE extraordinary rise in the price of crude rubber during recent months demonstrates the dangers of replacing competition by monopoly, especially in the case of essential raw materials. It is therefore opportune to examine the development of this latest attempt at "planning." So far it is not altogether reassuring.

In the spring of last year the price of crude rubber began slowly to rise, following an improvement in consumption. Towards the end of 1933 the rise in prices gained momentum, not as a result of a further improvement in the rubber situation, but because of the expectation of a restriction scheme. Consequently, output again jumped ahead of consumption, and a disastrous setback in prices and in the position of commercial estates was only prevented by the inauguration, on June 1st last, of the second rubber control plan, which was analysed in the *Economist*

of May 5th. Since then prices have continued in an upward direction, and the current quotation of "smoked sheet" in London, at 7.50d. per lb., compares with an average price of 6.47d. per lb. in May and of 2.12d. per lb. in March, 1933. In New York the quotation rose from 2.90 cents per lb. in March, 1933, to 13.15 cents per lb. in May, 1934, and 15.50 cents per lb. at the beginning of September.

The development of exports, consumption, stocks and prices is summarised in the following table, compiled from the statistics of the Rubber Growers' Association:—

EXPORTS, CONSUMPTION, STOCKS AND PRICES OF RUBBER

Period	Exports of Crude Rubber			World consumption of crude rubber	Stocks of crude rubber in Malaya, U.K. and U.S.A. end of year	Re-claimed production in U.S.A.	Average price in London (smoked sheet)
	World	Malaya	Dutch East Indies				
	(Thous. tons)	(Thous. tons)	(Thous. tons)	(Thous. tons)	(Thous. tons)	(Thous. tons)	Per lb. d.
1921	300.2	151.0	71.0	270.6	...	132.9	9.56
1922	518.5	210.0	189.0	559.9	...	180.6	35.06
1923	621.9	286.0	204.0	544.6	...	189.1	23.75
1924	607.4	242.0	229.0	593.9	...	189.1	18.44
1925	656.8	299.0	229.0	680.4	167.6	208.5	10.69
1926	861.4	456.0	255.0	807.0	275.6	218.8	10.25
1927	819.8	442.0	241.0	716.0	406.5	167.2	5.91
1928	796.8	422.0	257.0	678.2	547.7	141.9	3.17
1929	708.3	406.0	211.0	549.2	74.7	74.7	2.34
1930	851.2	445.1	281.4	813.6	540.0	99.5	3.24
1931	62.3	35.9	17.3	50.9	553.3	13.8*	2.12
1932—March ...	56.7	30.8	17.8	61.1	544.8	...	2.37
April	66.3	32.3	24.4	75.2	537.2	23.4	2.97
May	64.0	28.9	25.3	77.1	520.6	...	3.37
June	74.6	38.9	25.8	77.5	516.7	...	3.87
July	74.9	38.1	26.2	70.1	518.5	34.1	3.81
Aug.	86.1	47.7	26.7	69.1	518.8	...	3.78
Sept.	79.4	39.3	27.4	64.5	528.7	28.2	3.97
Oct.	90.6	43.6	31.0	67.8	540.0	...	4.19
Nov.	81.6	38.8	30.2	78.6	541.2	28.9	4.44
Dec.	81.6	38.8	30.2	78.6	541.2	28.9	4.91
1934—Jan.	81.6	38.8	30.2	78.6	541.2	28.9	5.16
Feb.	81.6	38.8	30.2	78.6	541.2	28.9	5.69
March	81.6	38.8	30.2	78.6	541.2	28.9	6.47
April	81.6	38.8	30.2	78.6	541.2	28.9	6.47
May	112.5	43.2	33.8	85.4	544.5	10.81	6.50
June	73.1	32.4	27.4	84.9	560.5	10.81	7.06†
July	72.3	32.3	27.4	68.3	574.5	...	...

* January–March, 1933. † Provisional.
sheet, August, 1934, 7.44 pence per lb.

The International Rubber Regulation Committee, which is administering the scheme, started off with a moderate turn of the restriction screw. The proportion of the allotted quotas which the various countries might export was fixed at 100 per cent. for June and July, at 90 per cent. for August and September, at 80 per cent. for October and November, and at 70 per cent. for December. No decision has apparently yet been made regarding next year's export quotas. The difficulty of controlling native production in the Dutch East Indies has been temporarily overcome by the imposition of an export tax. Although detailed statistics for July are not yet available, exports from Malaya and from the Dutch East Indies in June and July were well below the allotted quotas. The deficiency was at first attributed to the unwillingness of growers to engage additional labour in view of the reduction in export quotas from August onwards. But with the publication of the stocks held in Malaya at the end of July it became abundantly clear that supplies had been held up in the expectation of higher prices.

This inference was confirmed by a report, according to which the Controller of Rubber at Singapore had warned producers regarding the carry-forward condition of the Restriction Agreement. The Controller pointed out that the maximum carry-forward of export rights from one year to another is limited to 12 per cent. of the quota and that, unless the estates used their provisional credits on a more generous scale and dealers ceased to hold up rubber, it would become necessary to curtail the extent to which export rights can be carried forward, and to limit the stocks held by individual dealers. The Controller is to be commended for his prompt intervention in order to stop growers in Malaya from running a little restriction scheme on their own.

Since stocks in consuming countries remain heavy, this incident caused little damage, but in the absence of large supplies a sharp and unjustified rise in prices could hardly have been prevented. Consumption was well maintained in May and June, but declined sharply in July to a figure well below that of the corresponding month a year ago.

This decline in demand, coupled with heavy shipments in the month before restriction came into force, was responsible for an increase in stocks in the principal centres from 544,500 tons at the end of May to the record level of 574,500 tons at the end of July. This increase was largely due to heavy shipments in the month before the restriction came into force.

The aim of the rubber plan, like that of similar schemes, is "to regulate the production and export of rubber in and from producing countries, with the object of reducing existing world stocks to a normal figure and adjusting in an orderly manner supply to demand, and maintaining a fair and equitable price-level which will be reasonably remunerative to efficient producers." As only three months have passed since the inception of the scheme, it is as yet too early to pass judgment on its results. As the sharp increase in prices has not yet led to a reduction in stocks, there is a danger that extremists may press for a short cut to a lower level of stocks by more drastic restriction. Such a policy would undoubtedly drive up prices to an unreasonable level. A rise in the prices of raw materials is usually justified by claiming that their cost represents only a small proportion of the cost of the manufactured product. This argument was, in fact, used by the former chairman of the Rubber Growers' Association in his address to the annual meeting of the Association on June 7th. Mr W. J. Gallagher pointed out that the cost of crude rubber represented only 6 per cent. of the selling value of all articles, other than tyres, in the United States in 1933, and that the average cost of crude rubber in a tyre was about 12 per cent. of the selling price. Moreover, Mr Gallagher assured the members of the Association, "on good authority," that the belief "among some producers and perhaps other people" that "manufacturers desire to get rubber at as low a price as possible" was "entirely ungrounded."

Now it is true that manufacturers prefer stable prices of raw materials at a level slightly above the average of fluctuating quotations. But the increase in the price of rubber since March, 1933, from 2.12d. per lb. to 7.50d. per lb. is scarcely a moderate rise, especially as many estates can make a reasonable profit at 4d. per lb. A statement by the Secretary of State for the Colonies, in the House of Commons on July 12th, did not help to dispel fears of a rapid and undue rise in prices. "We are satisfied," said Sir Philip Cunliffe-Lister, "that we have a scheme administratively possible to work, and elastic in its readiness to respond to increased demand." The question of prices was not mentioned at all. Messrs Charles Hope and Son, the London rubber merchants, stated, in a circular issued on July 6th, that in their view a fair and equitable price was "one that will enable rubber companies to reinstate, at pre-slump salaries, all those employed in the production and marketing of their rubber, maintain their estates in good order, allow for amortisation, not only of buildings and machinery, but also of trees and finally make not less than 6 per cent. on the money invested in the estates." Messrs Charles Hope and Son reach the conclusion that for the time being a fair and equitable price is not less than 9d. per lb. This is an ominous conclusion, not only for consumers but also for the fortunes of the industry as a whole.

We imagine that many will be found who hope that the International Rubber Regulation Committee will take a more reasonable view of what is fair and equitable, for the success or failure of the scheme ultimately depends on its price policy. If that policy is directed solely to secure higher prices, consumption will suffer, and the production of reclaimed rubber and of substitutes will advance. Such a policy, indeed, is not at all calculated to employ all the plantations and operatives in the industry. It is perhaps opportune to point out that "the equating of production with consumption" can be more profitably achieved, for the industry as a whole, by a price policy aiming at increasing consumption to the potential level of production. It is the demerit of most restriction schemes that, in the interests of a few high-cost producers, high prices are allowed to outweigh the possibilities of increased consumption. It may be that, in the case of rubber, the new Manufacturing Consumers' Panel will make its claims heard. Till now, however, theirs has been a very "still, small voice."

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CO-OPERATORS IN CONFERENCE

(BY OUR CO-OPERATIVE CORRESPONDENT)

THIS week the delegates of 141 co-operative organisations in 39 countries have met in London at the fourteenth International Co-operative Congress. They represented 95,000 societies with an aggregate membership of over 100,000,000, and with a trade turnover of £4,260 millions. Owing to the enforced amalgamation of the four German consumers' co-operative organisations into a federation under State-appointed "administrators," the co-operatives' vital principle of free democratic control has been ruptured; and German co-operators have consequently had to withdraw from the International Co-operative Alliance. But the representative nature of this week's meeting is striking enough. The increased scope of international co-operation by co-operators themselves since the last International Co-operative Conference in Vienna in 1930 is impressive in a world which seems to have set its face against sanity in international affairs.

The Conference has had as president Mr Vaino Tanner, former Premier of Finland. This is fitting recognition of the solidarity of co-operators, both consumers and producers, in Scandinavia. Of the 100,000,000 and more co-operators represented, 73,000,000 are Russian; and Russian co-operatives are steadily expanding their trade with other co-operatives through Centrosoyus—the Central Bureau of Russian Co-operatives. Recent accessions to the International Co-operative Alliance include national co-operative federations in Roumania, India, Bulgaria and Korea, as well as societies in Mongolia, South Africa and the French West Indies.

M. Albin Johansson, a director of the Swedish Co-operative Union, outlined the rôle of international co-operation in present-day economic development. Recalling the confidence with which the Geneva Conference of 1927 was welcomed as promising a reduction of the world's tariffs, he quoted a statement in the *Economist* of June 18, 1927, that "whatever arguments may be brought forward for artificial methods for stimulating our home market, protectionists and free traders alike would be agreed that much the quickest and most direct route to the recovery of our depressed industrial districts, as well as the expansion of our commerce and shipping, would be by an enlargement of foreign trade." But foreign trade became restricted by increased tariffs. Of fifteen of the larger European countries only six during 1925–29 made such tariff reductions that the general level of protective tariffs had been lowered—by between 5 per cent. and 43 per cent.; while nine countries had instead raised their tariffs—by between 4 per cent. and 112 per cent. All attempts to lower tariffs, M. Johansson pointed out, have been abandoned; and ingenious methods of quotas, licences, the rationing of currency and other ways of constricting the

circulation of goods have resulted in a world commercial war.

Contrasted with this is the development of international co-operation implying free intercourse between the peoples of the world with the view to the establishment of "real international co-operative economy." That has been the main discussion of the Congress.

Since the war imitations of co-operative societies have become so insistent in various countries, including our own, that the 1930 Congress at Vienna decided to institute an inquiry with a view to a definition of the principles of Rochdale Co-operation. This has been entrusted to a committee representative of the leading nationalities which asked the London Congress to approve the view that the "standard" essential features of voluntary co-operation are:—(1) Open membership; (2) democratic control; (3) dividend on purchases; (4) limited interest on capital. Further, it is suggested that co-operation should recognise political and religious neutrality, maintain cash trading, and promote education. These are recommendations which reveal that in Britain, the home of co-operation, the modern generation has strayed from political neutrality by its association with the Labour Party, and from the security of cash trading by popularising credit clubs among its members. Hence the International Congress may prove of value to the British movement by giving it the opportunity of returning to the old ideals which made it such a stimulating force to the newer forms of co-operation in Europe and elsewhere. The reaction of the British co-operators to these proposals will be interesting to observe.

On the international side of co-operative trading the Congress learned that the International C.W.S., formed twelve years ago, has made a beginning with joint purchases of American dried fruit through the New York branch of the C.W.S. These purchases have been made for the past three seasons, and an increasing volume of business resulted each year. The turnover of the national wholesale societies for 1932 in sixteen countries (not including Estonia, Germany, Poland and Russia, which, in 1929, had an aggregate trade of £152,900,000) was £150,266,293, to which England contributed £82,247,740 and Scotland £16,147,828. Sweden followed with over £8,000,000, Denmark and Finland with £7,000,000 each, France and Switzerland with £6,000,000 each, Czechoslovakia with £5,000,000 and Austria with nearly £2,500,000. The imports of the national wholesale societies of fifteen countries were £41,180,034 in 1932, a drop of £12,000,000 compared with 1930, attributable to currency restrictions and tariff and quota barriers. Among the classes of goods imported, one-fourth were cereals, grain products and sugar; another quarter were tropical and Colonial products, fruit and fish (fresh, tinned or canned). Animal fats and meats, dairy produce, vegetable and mineral oils accounted for nearly £19,000,000; while textiles and manufactured goods to the value of only £1,573,471 were imported by the co-operative organisations of the fifteen countries—excluding Russia.

In order to foster inter-co-operative trading relations between the producers and consumers in the various countries, a joint committee has been set up, following conferences between the International Co-operative Alliance and the International Commission of Agriculture to consider the technical problems involved. Mr Henry J. May of the Alliance, M. A. Borel of the Commission, and Mr Harold Butler of the International Labour Office constitute the executive bureau, which has begun its work by inquiring into the participation of agricultural and consumers' co-operative organisations in the trade in eggs and in butter. This is the beginning of research work intended to provide guidance for the development of the import and export trade of the various national co-operative bodies. So far they have come to the conclusion that the most useful example of a joint undertaking is the New Zealand Produce Association, which is a joint concern of the English C.W.S. and the New Zealand farmers.

Along with this progress of international trading relations is the endeavour eventually to establish an International Co-operative Bank. This has been delayed by the economic crisis, but its realisation is recognised as essential to the practical realisation of the full "planned international economy" policy which the Congress has declared to be essential for the recovery of world prosperity. Thus the various national co-operative movements are bringing the weight of their national trading importance to bear upon the problem of resuscitating international trade. There is certainly great scope for their endeavours.

RUSSIA'S PLANNED ECONOMY—I THE PROFIT AND THE LOSS

(BY A CORRESPONDENT)

FOR the world at large nothing that the Soviet regime has yet achieved can exceed in significance its attempt to plan and direct the national economy of a country which extends over a sixth of the land surface of the globe, with a population of over 160 millions. Russia is certainly a large enough laboratory to afford a thorough testing of the proposition, which Communists hold as a dogma, that planned economy in the hands of an authoritarian State, involving the wiping out of the last vestiges of private capitalist ownership, is a panacea for the world's economic ailments and the road to greater material prosperity.

Most national economic systems, to be sure, are to-day subjected to a degree of State control inadmissible in pre-war times. The trend of the numerous Fascist Governments in Europe is towards greater regimentation, in economic as well as in political and intellectual life. President Roosevelt's New Deal is an interesting, if inchoate, effort to achieve economic security without eradicating private ownership of the means of production, and without discarding democratic forms. Even in countries which have best weathered the world crisis and where the impulse to change is therefore weakest, e.g. England and France, the State is forced to intervene very far in economic life by its efforts to regulate foreign trade, to manipulate the internal price level, and to foster home industries and agriculture. In short, the question now before the world, which every country seems disposed to answer in its own way, is not *whether* there shall be State planning of economic life, but *who* is to do the planning and how is it to be done?

The Soviet regime inaugurated with the Five Year Plan a fascinating problem for students of economics, simply because that Plan is the most complete available exhibit of Planned Economy. The directors of the Soviet economic concern have no profit-seeking business men, no recalcitrant labour unions, no farmer proprietors who obstinately insist on planting more or less than planners think they should, no independent voters to turn them out of office if the shoe of economic hardship pinches too tightly. The Soviet Government is the oldest, and in some respects the most smooth running, of the three major party dictatorships in Europe—the other two being Italian Fascism and German National Socialism. During the first years of the Revolution it destroyed such typical representatives of the system of private property as the big landowner and the industrial

magnate, the banker and the wealthy merchant. During more recent years it has "liquidated," to use a familiar Russian word, those classes which could still be regarded as small capitalists; the small shopkeepers who were able to carry on, in a limited way, after the introduction of the New Economic Policy in 1921; and, still more important, the great mass of small peasant holders. The majority of the latter are now enrolled in collective farms, where they must work according to plans prescribed by the State. The more well-to-do and the more incorrigibly individualistic have been driven from their homes and sent to forced labour in timber camps and on new construction enterprises. The minority of peasants who still retain individual holdings are subjected to much economic discrimination, and seem destined to be swallowed up in the collective farms within the next few years.

So the directors of the Soviet system of planned economy, who are, in actual practice, the high officials of the Communist Party and of the Soviet Government, need only fear such a state of universal misery that the population will be moved to armed rebellion. But the Soviet technique of government (subsequently imitated with conspicuous success by Mussolini and Hitler), in which propaganda and terrorism are skilfully combined, makes it possible to strain public endurance beyond what might seem breaking point in most other countries.

The first Five Year Plan was officially declared at an end after four and a quarter years, at the close of 1932, although actually many of its aims were very far from realised at that time. The year 1933 was one of respite from the terrific pace of new building which had been kept up in 1931 and 1932—a year of tentative redressing of the more glaring failures and discrepancies in the first Plan. It was only in 1934 that a second Five Year Plan, scheduled to run until 1937, was issued. So, while it is too early to pass final judgment on a new and unprecedented economic system, some tentative conclusions on the basis of Russia's experience can be ventured.

On the positive side of planned economy one has to place a substantial increase of output in many branches of industry, especially in metallurgy, machine building, chemicals and other potential war industries; the avoidance of unemployment; and a very considerable spread of education, so that universal elementary education is now compulsory in the Soviet Union, and the number of students in the higher and middle schools has greatly increased.

On the negative side one has to recognise a sharp decline in a standard of living which was already low in 1927 and 1928; the officially admitted loss of about half the country's livestock, as a result of ruthless measures to force collectivisation upon the peasants; a very considerable extension of terrorism against real or supposed "class enemies" and a great increase in the number of persons employed as forced labour in timber camps and mines, and in the construction of canals and factories. In the summer of 1933, 71,000 persons were officially reported to have received amnesty or reduction of sentence on *one* Soviet forced-labour enterprise: the canal linking up the Baltic and the White Seas.

The first Five Year Plan laid down in minute details the movement of prices, costs, nominal and real wages. In this respect, however, its predictions went astray as sadly as the frequent promises of returning prosperity of ex-President Hoover. Prices, instead of falling according to plan, soared higher; costs of production rose instead of declining; and, while nominal wages increased faster than the Plan had specified, real wages sharply declined as the cost of living rose more steeply. The stability of the Soviet rouble was a conspicuous, if unacknowledged, sacrifice on the altar of industrialisation.

There was an enormous discrepancy between the figures of the Plan and the actual results in agricultural production. The grain harvest of 1932, even according to probably exaggerated official figures, was 30 per cent. below the Plan estimate. In livestock the Plan called for a substantial increase; actually there was a decrease of about 50 per cent. The food supply of the population, which was supposed to improve, deteriorated to the point of serious malnutrition in the towns and famine in some country districts. To the town dwellers of the Soviet Union the first years of planned economy brought more sustained and widespread deprivation than one would find in other countries during the crisis. The workers' standard of living as regards food, housing

and clothing was closer to that of the unemployed of Western Europe and America than to that of the employed. This is attributable to a variety of causes. Food supply was curtailed to some extent by the policy of forcing exports of food in order to get foreign currency to pay for imports of machinery and equipment, and much more by the temporary breakdown of agricultural production. This was a natural, if unforeseen, result of destroying the most competent individual farmers, the so-called kulaks, and forcing collective farming upon the other peasants. Manufactured goods ran short because almost all imports were restricted to things which could neither be eaten nor worn, such as excavators, blast-furnace equipment, metals, etc., while the domestic industries which produced for the immediate consumer were neglected in favour of the so-called heavy industries (iron and steel, oil and coal, metallurgy and electrical equipment) which were considered more important for strategic purposes and for making the country more self-

sufficient. Tremendous overcrowding persisted in most Soviet towns because the influx of new inhabitants, fleeing from starving small towns and country districts, swamped the available new buildings.

At the same time it must be recognised that the severe deprivations were not aggravated by ostentatious contrasts of wealth and poverty, that almost everyone had work, so that the psychological hopelessness which comes from unemployment was spared; and that part of the population, especially the Soviet-minded youth, found compensation for short commons in an exhilarating sense of being part of a country in process of creation, a sense of possessing wider opportunities for education and promotion. But so far as country districts are concerned, nothing that European peasants and American farmers suffered as a result of price maladjustments can reasonably be compared with the famine of 1932-33 which marked the climax of Russia's agrarian crisis.

NOTES OF THE WEEK

The American Textile Strike.—The long-threatened strike in the American cotton textile industry began last Saturday. The intervention of the week-end and of Labour Day on Monday has made it difficult to estimate to what extent the strike is succeeding in closing the mills. In the Southern States a majority of the mills have been closed, but the strike appears to have been less successful in New England, and the sympathetic strikes in the silk and woollen industries appear to be making little headway. Unfortunately, the violence and bloodshed which seem to be inseparable from labour troubles in the United States have already broken out, and in some places the dispute is already degenerating into the usual bitter and bloody struggle between the employers attempting to protect their employees who remain at work and the unions attempting to intimidate them into joining the strike. Much will depend upon the attitude of the Federal Emergency Relief Administration. The earlier policy of "seeing that nobody starves" has been modified, and relief payments are being withheld until the Department of Labour or the National Labour Relations Board declares the strike "justifiable." Without this help the strike will probably collapse, but with it a long struggle is possible. The National Labour Relations Board, considering itself to be a semi-judicial body concerned with interpreting the famous and ambiguous Section 7 (a) of the National Industrial Recovery Act (which we quoted last week), has refused to intervene, but the President has appointed a Board of Mediation of three members. The cause of the strike, which is being rather lost from sight in the confusion of political manoeuvres to which it has given rise, was the rejection by the employers of the following demands:—(1) Reduction of hours from 40 to 34 without reduction of weekly wages; (2) reinstatement of all workers discharged for union membership in contravention of N.I.R.A.; (3) recognition of the United Textile Workers' Union; (4) appointment of an arbitration tribunal; and (5) abandonment of the "more looms to a weaver" movement. "Recognition" is the centre of the dispute, but the exact connotation of the word is obscure. In the mouths of the Unions it means acceptance of themselves as sole collective bargaining representatives of the workers, and this interpretation has been supported by a ruling of the National Labour Relations Board that any union that can enrol 51 per cent. of the workers in any industry is to be recognised as the representative of all the men. But because the United Textile Workers' Union can close half the mills, it does not follow that it can enrol half the workers, since picketing, peaceful and unpeaceful, always plays a large part in American strikes. The whole confused position can only be cleared up by an unambiguous statement by the President of his attitude to the claims of the unions. He is naturally reluctant to come off the fence, but it looks as if the present dispute will force him to do so.

Empire Free Trade.—There still seems to be a slight chance that Australia may honour the Ottawa Agreements and remove the 100 per cent. duties recently imposed on certain Lancashire cotton goods. The Federal Cabinet met a week ago and decided that no decision could be taken until after the election on September 15th. At the same time, a trivial and temporary concession was granted by the admission duty-free into Australia of all goods actually on order on August 2nd. Here, as far as Australia was concerned, the matter seemed likely to rest. But it was announced on Tuesday that certain Lancashire firms are willing to consider a contract to buy for a period of years either a fixed quantity of Australian-grown cotton or the surplus crop over local requirements, provided that quality is satisfactory and that the goods made in Lancashire from such cotton are admitted on favourable terms into Australia. This quasi-barter scheme—such is the plight even of inter-Imperial trade to-day—seems to offer the best hope of a cut in the Australian duties. For the principal object of the duties was to please, not the cotton manufacturers of Sydney and Melbourne, but the primary producers of Queensland. The Ottawa Agreements and the British market were being jeopardised for the sake of a small and uneconomic industry! There seems no doubt that Mr Lyons's Government is determined to fight the election on the issue of high protection. Dr. Page, the leader of the free trade Country Party, has already attacked the duties fiercely and effectively. He describes them as a "body-line attack" on Ottawa. The Government, however, apparently calculates that it will gain more seats in Queensland by the duties than it will lose to Dr. Page in other country districts. Nothing, it appears, but a bargaining concession from Lancashire can preserve any semblance of Empire Free Trade in cotton. For one can hardly believe Mr Lyons's Government will adopt quite so cynical an attitude towards the Queensland growers as to promise them a tariff before the election and remove it afterwards—unless it has something to offer in return. It will accordingly be due to the initiative of Lancashire if the Ottawa Agreements are not to turn out in the case of Australia, as well as Canada, to be a piece of empty verbiage.

The Policy of the T.U.C.—The tide in the Labour movement is now running very strongly against dictatorship and the advocacy of violence. Indeed, it would appear that recent Hitlerite excesses in Europe have been almost as embarrassing to the Socialist League as they have been to Sir Oswald Mosley. The Trades Union Congress, meeting this week at Weymouth, in appropriate proximity to Tolpuddle, gave decisive expression to the present democratic temper of the Labour movement. Mr Conley, in his presidential address, compared the Tolpuddle "martyrs" to

the "men and women who fought for freedom in the streets of Vienna" in February, and denounced dictatorships in the following terms:—

The rise of political dictatorship is a direct answer to organised labour's growth in power and its steady progress towards a new social and economic order. Democracy is under attack not because it has failed but because of its success in the sphere of government and the development of social and economic policy.

Mr Conley also attacked the whole "restrictionist" policy of the National Government, "the policy," as he called it, "of restriction, regulation and control," which "has led to a sabotage of productive capacity and the wilful destruction of actually available wealth." The wanton subsidising of agriculture at the expense of the rest of the community and the creation of "State-protected and State-subsidised monopolies" were also condemned. We would like to take all this as a welcome sign that the T.U.C. is looking to an increase and not a decrease of general production as the best way out of depression. But our confidence on this point is not enhanced by the practical policy which Mr Conley advocated in the second part of his speech. The whole trade union movement, he urged, should organise a concerted pressure on employers for shorter hours and higher wages. How far is this policy to be carried? It is necessary, of course, for all trade unions to keep up a periodic pressure of this kind to ensure that the wage-earner receives a fair reward; and the upswing of the trade cycle is the appropriate time for such pressure. But if the capitalist is squeezed beyond a certain point, there will be little hope of that general increase in production by which alone, as the T.U.C. seems to realise, the standard of living of the whole working class can be substantially raised. Mr Citrine, in a later address, explicitly rejected the Socialist League's plan for the immediate abolition of capitalism:—

Let us see that our programme is of such a character that, instead of waiting for the social millennium, we shall progressively raise the standard of life.

We think that Mr Citrine is wise, and we would suggest to him that such a programme is likely to be found in the reform, rather than in the abolition, or even the squeezing, of capitalism.

* * *

Labour and Fascism.—The Trades Union Congress's resolution on Fascism has special importance in view of Sir Oswald Mosley's intention to hold a Fascist demonstration in Hyde Park this Sunday. A joint report prepared by the National Council of the T.U.C., the Labour Party and the Co-operative Union was endorsed by a heavy majority at the Congress. This report describes Fascism and Nazism as "in essence a monstrous and savage dictatorship" and calls for a united opposition to Fascism from every section of the Labour movement. Mr Citrine, in a speech introducing the resolution on Tuesday, made it clear that the T.U.C. advocates the immediate "demilitarisation" of the Mosley Fascists, but opposes any attempt to resist Fascism by the adoption of Fascist methods. The Labour Party, by its refusal to participate in a counter-demonstration in Hyde Park this week, has shown itself resolved to pursue the same prudent and sensible policy. Unfortunately, the British Fascist movement is organised on military lines and drilled to "keep order" at its meetings by the brutal methods whose employment at Olympia last June so profoundly shocked public opinion. The methods and organisation of this body have, unhappily, provoked a small but active number of Communists to organise a counter-demonstration against the Fascists at the same place and time. Here we have the spectacle, painfully familiar from the experience of Germany, of a clash between extreme Left and extreme Right. The vociferousness and ill-advised actions of an insignificant Communist minority—which, as is noted above, are roundly condemned by the Labour Party—should not blind us to the undeniable provocativeness of the Fascists. In such circumstances the drafting of almost the whole of London's regular police force into Hyde Park is a necessary precaution against an outbreak of violence. But, whatever may happen in Hyde

Park this week-end, is it not high time the Government awoke to the dangers, so apparent in other countries, of tolerating drilled and uniformed political bands in a free democracy? Such bodies are more likely to jeopardise our liberties, law and order than the rantings of a few Communists. In compelling the Fascists to adopt the normal procedure and methods of political parties in this country the Government would remove, at the same time, the existing provocation to the Communists. And it would have on its side, we are confident, not only the already evident support of Labour opinion, but of Conservative and Liberal as well.

* * *

The Armaments Industry.—The inquiry into the American armaments industry instituted by a Committee of the United States Senate is revealing some very disturbing facts. The only witnesses so far have been officials of the Electric Boat Company, owners of many of the patents governing submarine construction. It has been shown that this company worked in close concert with Messrs Vickers, Ltd., from whom it received royalties. The world's markets appear to have been divided between the two companies, and evidence was given of one occasion on which the American company passed an order from Chile to the British company, with the advice not to be "too modest about the price." This story is not rendered any more savoury by the allegations that at the time of the transaction the American company was executing an order for Peru, that Peru and Chile were on the verge of hostilities, and that there are strong hints of corruption in securing the orders from both countries. Moreover, the Committee elicited the interesting fact that orders to the Electric Boat Company from Peru greatly increased after the visit of an American Naval Mission, one member of which advised the company on its method of securing orders. At the same time, Chile was favoured with a British Naval Mission, and the Committee appeared to believe that this had some connection with the placing of orders for naval armaments by Chile in Great Britain. Senatorial investigations are frequently mere "muck-raking"; but the present inquiry has fully justified itself in the first two days. The state of affairs revealed by the evidence is so alarming, and the threads leading to this side of the Atlantic so numerous, that there is a very strong case for a parallel inquiry, with similar powers of compelling evidence, in Great Britain.

* * *

The Salvos of Dr. Schacht.—In two speeches within a week—the first at the opening of the Leipzig fair a fortnight ago, and the second at Bad Eilsen, at the end of last week—Dr. Schacht has fired off two salvos of highly explosive argument. In the first, he reverted to the contention that Germany's large imports of capital had been solely on reparations account, and that Germany had lost by the process. As we have previously pointed out, this is only true in a very limited sense. Foreigners by 1930 had participated in German firms up to Rm. 4,000 millions, and held real estate in Germany up to Rm. 2,000 millions. From 1924 to 1931 inclusive the net investment in German industry increased each year, despite the cessation of foreign long-term lending after 1929. From 1926 to 1930 inclusive, Germany was making considerable investments abroad. Moreover, if all Germany's foreign borrowing were only for reparations—in the case of the Young Loan this was clearly not so, for one-third went to the German railways—it is hard to square the figures above with the mounting gold reserves of the Reichsbank during these years. Finally, Dr. Schacht's contentions reflect his divergence from the views of official German economists themselves in 1930, when the official *Wirtschaft und Statistik* (1930, page 895) wrote:—"Germany's long-term foreign loans have been raised to enable Germany's industries to reorganise their productive processes on her re-entry into the world's economic system, and in part also to commercialise German reparations." Dr. Schacht's Leipzig salvo, however, sounds feeble compared with the broadside delivered at Bad Eilsen on Thursday of last week. In that speech, Dr.

Schacht ventured a long way on to the political terrain. Germany's present grave position was due to the Versailles "Treaty"—his own quotation marks—to the relentless treatment of Germany by encircling, highly-armed neighbours, and to their still persisting intent to deprive Germany of her means of existence. This seems like persecution mania. Dr. Schacht did not even offer the world the alternatives he had previously brought forward—the scaling-down of Germany's debts, or the increased buying of German goods. Instead, he issued an ultimatum.

Nothing remained but to grant her a full moratorium of many years for recuperation. Simultaneously, the burden of her foreign indebtedness would have to be reduced to such dimensions that it could be borne after the lapse of the moratorium. . . . Germany would then automatically obtain those trading credits which would enable her to exercise her normal purchasing power in the world's market.

Automatically, indeed! Dr. Schacht appears ingenuous. His proclamation amounts to the contention that Germany will not deflate, will not devalue, but also will not abate her internal public expenditure and inflationary programme which has been, and still is, raising her costs beyond the effective level at which the maintenance of the gold mark would be commercially possible. In fact, the official gold mark is only held where it is by the paraphernalia of special marks, at bewilderingly various discounts, most of which have been used to further "additional exports" or to increase investments in Germany. Dr. Schacht appears to claim that Germany should make her own terms so that she can have it every way at once. With a semi-moratorium now in force, and with her industries incomparably well-equipped on imported capital, a complete moratorium is now demanded for a term of years absolute, after which, we are assured, Germany would be in a sound enough economic position, there being no more reparations and there having been no interest on all this capital equipment in the interim, *automatically to obtain trading credits again*. This time, we think, Dr. Schacht doth protest too much.

* * *

The Saar Revelations.—The documents which have just been forwarded to the Secretary-General of the League of Nations by the chairman of the Saar Governing Commission, Mr Knox, are as discreditable to the moral character of "the Third Reich" as they are destructive of any reputation for intelligence which may still be left to the National-Socialist regime. The Nazis have boasted to the world that the whole population of the Saar is longing to come to the bosom of "the Third Reich." Now the party that has made this boast is revealed to be arranging for measures of severe coercion in order to produce a result which, they profess to believe, will produce itself spontaneously. The Nazis may or may not win their majority in the Saar four months from now; but they have already ensured that, even if they do win, the world shall be left incredulous of the genuineness of their victory. The documents now published show that between 10,000 and 16,000 young men from the Saar have been drafted into "voluntary labour camps" in the Reich. The sites for these camps have been chosen outside those territorial limits within which the carrying out of military training is prohibited by the Treaty of Versailles. The young men are being detained, beyond the normal period of "voluntary labour camp" service, in order that they may be thrown into the Saar, as a highly organised force, at the moment when the plebiscite is being held. Individuals who demur to being kept on for this purpose are being, and are to be, bullied and maltreated. In publishing the documentary information of which this is the gist, the Saar Governing Commission announces that it has prepared—as a preliminary preventive measure—a draft ordinance banning the voluntary labour organisation in the Saar and requiring the young men who were enrolled in it to report to the police, with liability to be placed under surveillance. The same measures are to be applied to Saarlanders who have been members of the S.A. and the S.S. Mr Knox and his colleagues are valiantly doing the duty which the League of Nations has laid upon them, despite the obloquy to which they are subjected in the official Nazi Press of

TRADING ABROAD

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Germany. It is now the duty of the Council and Assembly of the League to see that their agents and representatives in the administration of the Saar receive—and this promptly—both the moral and the material support which they urgently require if they are to be enabled to carry out their duties effectively to the end. The neutral police and gendarmerie must be enrolled in adequate numbers and given adequate powers; and the neutral Plebiscite Commission must take all the steps that it can against the deliberate attempts, of which it is now forewarned, to make the plebiscite a farce. Organised Nazi agitation and intimidation beyond Germany's frontiers, after its tragic climax in Austria, seems to have shifted to the Saar. It is fortunate that the League has the authority and the power to withstand such measures aimed at the population under its care.

* * *

Consolidation in the Baltic.—On August 30th the three Baltic States—Estonia, Latvia and Lithuania—took the wise and constructive step of forming a Baltic entente, which is to have immediate effect. The "Treaty of Entente and Collaboration," in which this agreement is embodied, follows the lines of the Statute of the Little Entente which was enacted at the beginning of last year. There is to be a common foreign policy, to be decided at periodic meetings of the three Foreign Ministers, and this solidarity in the conduct of foreign affairs is to go the length of a pooling of the three countries' diplomatic and consular representation. This last arrangement, which goes beyond anything that has yet been done in the Danubian entente, is a common-sense measure which is powerfully recommended by the small size and scanty resources of each of the Baltic States in isolation. On the other hand, the Baltic entente has not yet gone so far as the Danubian entente in collectivising the military defence of its members. It is reported, however, that a military convention is to follow. This Baltic *rapprochement* has been contemplated for a long time past, but hitherto it has been checked by the obstacle of the Lithuanian-Polish dispute over Vilna. Latvia and Estonia—being happy in having no quarrel with Poland themselves, and being anxious that their relations with Poland should remain friendly—have hesitated to tie themselves up with a neighbour who was inclined to make her feud with Poland into the *grande passion* of her international life. This obstacle has at last been surmounted by a clause in the new three-Power agreement which excludes "specific problems" from its scope. A representative of the Lithuanian Government has interpreted this clause by stating that only one "specific problem," in the sense intended, was in evidence, and that, for the settlement of this problem, freedom of action was reserved by the State concerned. Ostensibly this means that Lithuania's attitude towards

Poland is still officially intransigent. Recently, however, there have been indications that Lithuanian intransigence is becoming platonic; and it seems probable that Lithuania's two neighbours would not have concluded the present agreement with her—notwithstanding the saving clause—unless they had good reason to believe that the Lithuanian-Polish feud would not, in fact, break out again dangerously in the future. In any case, the formation of the Baltic entente is one more indication of regional security groupings provoked by fears of Nazi Germany's intentions in Eastern Europe. But it is, none the less, an important step towards political stabilisation in North-Eastern Europe, and is therefore auspicious for the Eastern Locarno and the European peace.

The Law and the Church in Germany.—The German Evangelical Reichsbishop, Dr. Müller, goes on getting himself into trouble. Not content with having forbidden the dissenting Evangelical Pastors to participate in the international religious conference at Fanö, he has published a polemical reply to the very moderate and gentle references which were made to religious conditions in Germany in the Conference's report. He has also chosen this precise moment for enacting a church law re-applying to the pastors of the German Evangelical Church the "Aryan Paragraph" which excludes any German subject with a Jewish wife or grandparent from eligibility for the public service of "the third Reich." The original application of this "Aryan Paragraph" to the Church was the enormity which gave the opposition in the Evangelical Church its dynamic force. Last November Dr. Müller revoked these original "Aryan" church laws in the hope of thereby securing the opposition pastors' submission. His re-introduction of this odious and arbitrary ecclesiastical decree, and his new law on Wednesday, applying his decrees to the dissident Evangelical Churches of Bavaria and Württemberg, may land him in further trouble. It remains to be seen whether, in the ecclesiastical as opposed to the political field, either of these decrees is really valid; for this week Dr. Müller's whole legal position has been called in question by a courageous, and exceedingly important, judgment delivered by the Berlin High Court in the case of Dr. Buchholz, pastor of the Tempelhof parish. Last March Dr. Buchholz was retired by the Consistory of the Brandenburg Church Province in virtue of a decree issued on February 3rd by Dr. Müller in his capacity, not as Reichsbishop, but as State Bishop of Prussia. And this decree was based in turn upon an earlier decree of January 20th, in which the Reichsbishop had vested in himself, as Prussian State Bishop, all the powers of the Prussian Church Synod, and had annulled all provisions of the Prussian Church Constitution with which these measures were inconsistent. The Court has now ordered the Tempelhof Parish Council to pay Dr. Buchholz's arrears of salary, to go on paying his full salary, to leave him in possession of his dwelling-house and to pay the costs of litigation, on the ground that his retirement is inoperative. This judgment rests on the finding that Dr. Müller's decree of January 26th was invalid. The Court points out that the constitution of the German Evangelical Church (which has, of course, been enacted since Herr Hitler came into power, and may be presumed to have his approval) clearly states the limits of the Primate's powers, and that it does not give him the right to alter the constitution of the State Churches. If the Primate's action is meant to be an application of the "principle of leadership" in the ecclesiastical sphere, that, the Court declares, does not suffice to give it legal validity. The Court expresses the opinion that, in a *Rechtsstaat* (a State based on the rule of Law) there can hardly ever have been a decree which was so gross an infraction of the law as this. The Court insists that an emphatic protest against Dr. Müller's action is necessary in order to preserve the respect for law in the German people's minds. Here speaks, with no uncertain sound, the voice of Civilisation. It will be heard beyond the bounds of the Evangelical Church, and not in Germany alone, with relief.

The Rising Cost of Subsidies.—The main article in the current issue of the *Monthly Review* of the Midland Bank is an interesting and informative discussion of the sub-

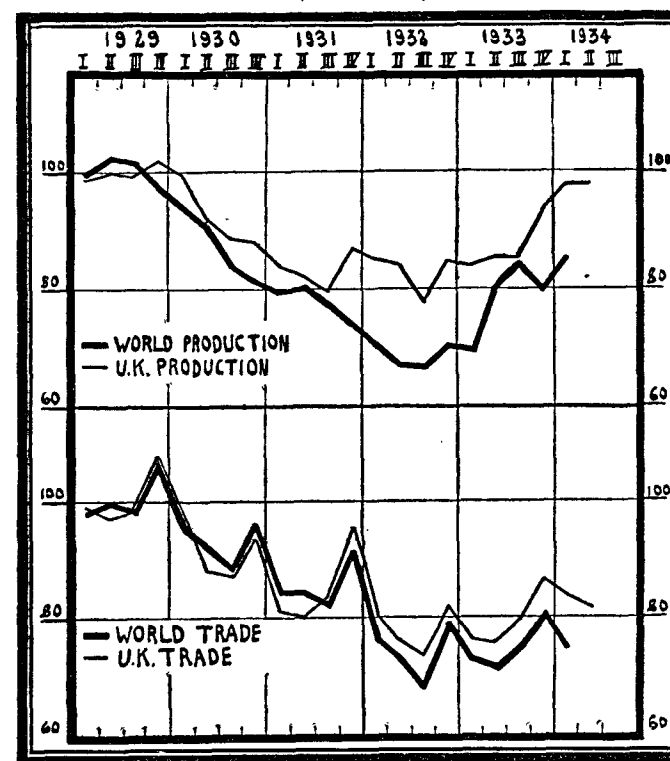
sidies which are now being so lavishly granted—mainly at the instance of the present Government—to private interests. The origin and cost of each of these subsidies is described in turn. Most of them are connected with agriculture, but the subsidies for shipping and for petrol produced from domestic coal are not forgotten. Housing subsidies are excluded as being in a rather different category. At the end of the article the writer appends a few, regrettably brief, comments on the cost of these payments. The startling result emerges that the subsidies announced since the Budget—that is, in four months—will cost over £8,000,000, the bulk of which is to fall on the current Budget. In some cases there is provision for ultimate repayment, but the Midland Bank, together with most other observers, doubts whether these repayments will ever materialise. Even if they do, it will only be because an artificial scarcity will have raised prices. It will be the consumer, not the private interests to whom the subsidies have been granted, who will repay the taxpayer. This £8,000,000 is additional to the £3,250,000 of beet sugar subsidy, which is already provided for. It is also additional to the wheat subsidy, which never comes into the Budget, but is estimated to cost the public the sum of £6,750,000 in the year 1934-35. The annual cost of these doles is therefore already in the neighbourhood of £18 millions, and is steadily rising. Meanwhile, the monopolies set up by the Agricultural Marketing Boards are beginning to subsidise themselves at the consumers' expense by raising the prices of their products, and the host of protective duties will inevitably have the same effect. Nobody will disagree with the Midland Bank when it concludes that "the relative disposition of effective taxation as between direct and indirect is disturbed, the relationships are no longer clearly indicated in the nation's Budget, and discussion of the best apportionment, in the interests of the nation as a whole, is rendered more difficult." "Sooner or later," the article concludes, "the whole subject will need to be investigated thoroughly and comprehensively." We would suggest that "sooner or later" is altogether too weak a phrase; the need for an inquiry is urgent.

Wages and Losses in South Wales.—The publication of the results of the July quarter's working in the South Wales coalfield does not, on the face of it, brighten the prospect of a settlement of the current wage dispute. The joint audit, published on Saturday, shows an aggregate loss of £31,609, or .93d. a ton, compared with a profit of £34,190, or .94d. a ton, in the previous quarter. Proceeds at the pit-head amounted to £5,473,508; the surplus being £3,541,613, after deducting costs of production other than wages, which totalled £3,573,222. It must be remembered, however, that owing to the close financial relationship now existing between the collieries and the much more prosperous distributing companies, these figures do not prove quite as much as might appear. Furthermore, the loss on the July quarter is seasonal, and is normally counterbalanced by the results of the other quarters; and the quarterly ascertainment have, up to the present return, shown a marked improvement. On other grounds the case for an increase in wages is very strong. South Wales, alone of all the coalfields, suffered a cut in wages in 1931; and, even if the cut were now restored, real wages of the lowest-paid men would be lower to-day than in 1914. Without a revival of international trade there can be no return of substantial prosperity to South Wales. Even in existing circumstances, however, the miners' claim for a restoration of the 1931 cut merits more serious attention than the owners yet appear to have given it.

Production and Trade.—The following chart shows the comparative development of industrial production and foreign trade in this country, and in the world as a whole, since 1929. The index of world industrial production is that of the Institut für Konjunkturforschung, Berlin, and the chart showing British production is based on the index calculated by the Board of Trade. The index of the volume of world trade is calculated quarterly by the Economic Intelligence Service of the League of Nations and its con-

struction was explained in the July number of the *Monthly Bulletin of Statistics*. The index of the volume of British foreign trade is based on the quarterly indices published in the *Board of Trade Journal*.—

BRITISH AND WORLD PRODUCTION AND FOREIGN TRADE
(1929 = 100)



Between 1929 and the second quarter of 1931 the downward movement in British industrial production and foreign trade corresponded closely to the course of world economic activity as a whole. The third quarter of 1931 marked a turning point. As a result of an expansion in business activity in this country, the index of industrial production rose well above that of world production. In 1933 the divergence between the two lines of production became narrower, owing to the marked, but only temporary, improvement in the United States and France. Similarly, in the third quarter of 1931, the line representing the volume of British foreign trade rose above that of world trade, and the divergence of the two lines has since become wider; but the almost parallel movement of our overseas trade curve with that of the world's foreign trade shows the identity of our commercial fortunes with those of the world as a whole. Finally, the chart shows that the increased industrial production in 1933, especially in this country, was accompanied by only a moderate improvement in the volume of foreign trade. The final recession in the curves of foreign trade may prove to be only of a seasonal nature.

Employment in August.—The Ministry of Labour estimates that there were approximately 10,170,000 insured persons aged 16-64 in employment in Great Britain on August 20th, an increase of 34,000 compared with July, as against a decrease of 27,000 between June and July. Compared with a year ago 376,000 more persons were in employment. The number of unemployed persons on the registers of employment exchanges was 2,136,578 on August 20th, of whom 1,598,338 were wholly unemployed, 456,841 temporarily stopped, and 81,399 registered as "normally in casual employment." The increase in total unemployment during the month was 10,318, and the decrease since a year ago was 274,559. This monthly increase in unemployment was more than wholly accounted for by the abnormally high total of boys and girls now leaving school. There was actually an increase of 31,088 in the number of unemployed boys and girls in the month. There was a decrease of 20,770 in the number of men and women on the registers. The following are the decreases

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or increases in unemployment on August 20, 1934, compared with earlier dates:—

	Increase (+) or Decrease (—) compared with			
	July 23, 1934		August 21, 1933	
	Number	%	Number	%
Iron and steel manufacture	+ 3,307	+ 7.1	— 18,048	— 27.0
Distributive trades	+ 3,286	+ 1.7	— 18,071	— 8.3
Boot and shoe	+ 3,145	+ 10.0	+ 8,690	+ 32.6
Tailoring	+ 2,654	+ 8.4	+ 817	+ 2.4
Motor vehicles, cycles and aircraft	+ 2,327	+ 8.2	— 13,109	— 29.9
Hosiery	+ 1,928	+ 13.4	+ 5,706	+ 54.1
Pottery	+ 1,658	+ 9.7	+ 4,007	+ 17.6
Cotton	+ 1,548	+ 1.3	+ 5,675	+ 4.5
Coal mining	— 24,309	— 7.3	— 81,212	— 20.9
Jute	— 13,308	— 57.7	— 658	— 6.6
Building	— 4,235	— 2.9	— 19,788	— 12.2
Shipbuilding and ship-repairing	— 1,852	— 2.6	— 22,726	— 24.5
Woollen and worsted	— 1,600	— 2.9	+ 25,176	+ 87.9
Shipping service	— 1,240	— 3.0	— 6,842	— 14.7
All industries	+ 10,318	+ 0.5	— 274,559	— 11.4

In comparison with a month ago the jute industry shows the remarkable decrease of nearly 60 per cent. in employment, due chiefly to an increase in raw jute prices. There has also been a slight fall in unemployment in the building and coal industries, the latter fall counterbalancing the exceptional rise earlier in the summer; and an appreciable rise in the boot and shoe, hosiery and pottery trades. Compared with a year ago there has been a heavy increase in the woollen and worsted, boot and shoe and hosiery trades, and a substantial fall in the iron and steel, shipbuilding, and the motor industry. The following table shows the changes between August 20, 1934, and July 23, 1934, in the total numbers unemployed in the various administrative divisions:—

London	+ 447	North Eastern	+ 5,618
South Eastern	+ 2,936	North Western	+ 17,365
South Western	+ 1,464	Scotland	— 16,572
Midlands	+ 7,121	Wales	— 8,061

The improvement in the coal-mining situation is reflected in the falling-off in unemployment in Scotland and Wales.

A Tale of Maize.—A decidedly piquant situation has arisen over the price of maize in South Africa. According to our South African correspondent, it bids fair to have widespread repercussions. The Central Agency for Co-operative Societies is a limited liability company whose main function is to dispose of maize produced by members of the various rural co-operative societies. The company has been in existence for 25 years, and last season handled some five or six million bags of 200 lbs. each. The South African Government's policy has, for many years past, been the encouragement of co-operation, and the Agency is widely regarded as having some unofficial backing from, if not official association with, the Government. Unfortunately, a large number of farmers looked to the Agency to market their maize only in bad times, but not in good, when they could secure better prices privately. This

monetary matters, as well as on the broader aspects of economic policy, were imbued with a practical common-sense, derived from almost forty years' association with the great banking concern over which he presided. Mr Goodenough's speeches at the annual general meetings of Barclays Bank furnished abundant evidence of a mind which always fastened upon the broad, long-run principles of finance and trade, especially the basic requirements of a world monetary and economic system. In banking policy he has been classed as a conservative; but it would be more appropriate to say that he favoured the gradual progress of banking technique rather than financial or monetary experimentalism. This attitude was reflected in his consistent advocacy of an "improved" gold standard rather than of currency or exchange manipulation. The loss of his personality will be long evident—not only in the City, but also in the broader social and educational fields where his advice and generosity had achieved so much.

Supplementary despatches from Washington, while less detailed than those describing the change in N.R.A. organisation, indicate that the price-fixing policy is to be modified. It is intimated that certain industries based on natural resources will be assimilated to public utilities, and that in these some sort of price control will be continued; but that in other industries price-fixing will be abandoned, except in emergency cases.

The whole co-operative policy to which the Government has pinned its faith is therefore in danger of breaking down.

The figures for July show only modest increases in output as compared with the corresponding month a year ago. The improvement was most marked in Germany, where output rose by 16 per cent. during this period. The percentage increases in the other countries were as follows:—Belgium, 11 per cent.; Saar District, 11 per cent.; Poland, 10 per cent.; United Kingdom, 9 per cent.; United States, 5 per cent. and France, 2 per cent. Output showed a seasonal decline between May and June in the United Kingdom and

FAR-REACHING EFFECTS OF THE DROUGHT

Opinions of the effects of the drought continue to conflict. The official data indicate that except in cereals and in cotton, crops will generally not be materially lower than those of last year. These data confirm the official assurances that there is no prospect of a food shortage, and hence no cause for public concern; but it is hard to reconcile these views with the strong and even violent advances in the prices of primary foods within the last few weeks, particularly in livestock and dairy products. Indeed, so strong have been these recent price rises as to necessitate a revision of opinion about farm income. Assuming that crops are as large as the official estimates, and assuming that current prices hold, it seems likely that total farm income will be higher this year than last.

To illustrate these changes, a table is given showing the price changes between August 1st and August 15th. Current prices are above those of the latter date:—

PRICES OF AGRICULTURAL COMMODITIES

	Cents per unit			
	Sept. 1, 1933	Apr. 16, 1934	Aug. 1, 1934	Aug. 15, 1934
Wool	72.27	79.18	71.82	66.96
Cotton	9.45	11.80	13.20	13.60
Flaxseed.....	178.00	172.00	188.00	196.75
Eggs.....	15.75	18.00	18.50	21.00
Maize	49.75	43.00	71.00	76.50
Oats	37.00	27.88	47.75	51.13
Wheat	85.75	80.50	106.13	106.25
Cattle	5.90	6.30	6.65	6.65
Butter	23.00	23.50	25.50	28.00
Rye	71.13	52.75	77.50	87.38
Hogs	3.85	3.90	4.30	5.60
Lard	5.45	5.33	7.35	8.28
Cottonseed oil	4.80	5.25	6.05	6.60

The condition of the cattlemen has been extremely serious. Their prices have remained low, their pastures have dried up, and the cost of feeding has become almost prohibitive. The Government has purchased about 3,500,000 head of distressed cattle; removing some to other areas for feeding, and slaughtering some for food for persons on relief.

Comparing prices not only with the pre-drought period, but with a year ago, the changes are enormous, and with few exceptions (the most striking being cotton and cattle) would seem in the aggregate to compensate, or more, for the reduction in crops. As for cotton, the States east of the Mississippi are compensated for their smaller crop; but west of the river, this is not true. For the cattle raisers, the drought has been a calamity and as yet the prices of eggs and dairy products hardly cover the increased costs of feeding. The conclusion is that the price advances since August 1st have made it almost certain that, at present, the indicated farm income in the aggregate appears higher than it was a year ago; but that in the drought area, the income, even with relief and bounties, will be substantially lower.

While the rise in farm prices is gratifying to the Administration, whether attributed to monetary policy, the drought or to the A.A.A., the reverse of the shield—the rise of retail food prices—is clearly disturbing. Bulletins of the Department of Agriculture are endeavouring to reassure the public. But, although the vicinity of New York may not be typical, retail food prices about New York have risen sufficiently to be a matter of real concern to family budgets.

The net result is a paradox. If the official data on supply are correct, price rises based upon the public's expectation of scarcity are mistaken. On the other hand, it is difficult to reconcile the official figures of supply with the stream of warnings from Washington intimating the establishment of various forms of control over food distribution. The second strongest impression is that of the productive capacity of American agriculture. The drought is apparently the most widespread and severe in American history; and yet, on official estimates, it (combined with the A.A.A.) has merely reduced American farm output a trifle below the computed needs of domestic consumption.

Rumours of an early devaluation of the dollar persist, but are generally doubted in view of the heavy programme of Government financing between now and the middle of

October. The market for Government securities, in spite of or because of intermittent Treasury intervention, is nervous and rather heavy. It is understood that the Treasury is actively purchasing silver in foreign markets, but the magnitude of the amount required under the law is so large that it is questionable if enough can be secured on the present monetary valuation of \$1.29 an ounce. It is also pointed out that the price of \$1.29 maintained the ratio of 16 to 1 only with gold at \$20.67, and that the current monetary value should be \$2.18 an ounce.

NEW YORK, August 29.

FRANCE

"CONFIDENCE" AND THE DOUMERGUE CABINET

FRANCE must face two "maturities" in October: the one is financial, and consists in the reimbursement of the "bons Clementel," while the other is political—the maintenance or otherwise of the political truce by the Radical-Socialist Congress at Nantes. At the annual meeting of the Radical-Socialist Congress of the Department of Allier, M. Lamoureux, Minister of Commerce in the Doumergue Cabinet, contended that these two October maturities were inseparable. The reimbursement of the bonds, he said, would necessitate the placing of a loan, and this meant the preservation of the confidence of rentiers, which was impossible without the continuance of the "Union Nationale." In the present Chamber two majorities only were possible: the "Cartel" (Socialists and Socialist-Radicals), or the "Union Nationale," and the Cartel was unrealistic since the Radical-Socialists have adopted a hostile attitude towards the "Front Commun," the alliance of Socialists and Communists. The dissolution of the Chamber, M. Lamoureux said, would be dangerous for the Party, for Parliamentary institutions and for the country. After listening to M. Lamoureux's speech, the Congress unanimously passed a resolution urging the national Congress of Nantes to maintain its confidence in the present Cabinet so that M. Doumergue could act with "increased energy."

Recent events consequently seem favourable to the Doumergue Cabinet. Nevertheless, the confidence of rentiers may be affected by the persistent campaign for a devaluation of the franc. The Government has therefore issued two *communiqués* as answers to M. Paul Reynaud's devaluation proposals. First, M. Germain-Martin, the Finance Minister, has declared his intention of continuing the policy of "economies." Expenditure in the 1935 Budget, M. Germain-Martin said, which would be laid before the Chamber before September 20th, would not exceed 47,000 millions, against 50,162 millions in 1934, and the Budget would be balanced without new taxation by further cuts in State expenditure, particularly military expenditure, on which the Cabinet had already agreed. M. Germain-Martin argued that the present disparity between internal and external prices was principally due to excessive interest rates, which were the result of too numerous calls from the State on the money market. The balancing of the Budget should remedy this situation.

DEFLATION OR DEVALUATION

To M. Paul Reynaud's contention that either prices must be deflated or else the currency devalued, the Government has replied in another *communiqué*, in which it claims to have already obtained results in its efforts to reduce the cost of living. It quotes many examples, such as meat, milk, butter, heating and lighting. M. Germain-Martin has given up the idea of a special tax on electrical consumption, holding that such a tax would raise the costs of industrial production. The *communiqué* concluded by saying that the Government hopes to see in the near future a general reduction in prices.

The *communiqué* issued after the last Cabinet meeting also referred to the limitation of the stipulated interest rate. It announced that the Minister of Justice had informed the Cabinet of his intention to re-establish the former limitation of interest and that the Ministers of Justice and Finance had been entrusted with the task of

studying the measures to be taken on this subject. The "stipulated" interest rate was limited to a maximum of 5 per cent. by the law of September, 1807, which was suspended by a law of April, 1918. There is at present no limitation in France of the rate of interest, and the interest rate is always legal whatever the "stipulated" rate may be. It is now suggested that this liberty may be unfortunate, since it favours an excessive interest rate—often as high in France as 8 and 9 per cent. But it is also pointed out that compulsory regulation of the interest rate would not have much significance, since the interest rate is determined by the situation of the money market and the confidence of the public.

Production at French coalmines in July totalled 3,836,594 tons in 25 working days, against 3,960,366 in June (26 working days), and 3,815,058 in July, 1933 (25 working days). The average daily production, which was 152,322 tons in June, was 153,464 in July, against 152,602 in July, 1933. The number of men employed has fallen from 235,838 in June to 234,599 in July, against 248,069 in July, 1933. These figures show an improvement in mining methods, since the average daily production has increased by 862 tons, while the number of men employed has diminished by 13,470. If the figures of July, 1934, are compared with those of January, 1932—a very active winter month—the average production is the same, while the number of men employed is lower by 40,000.

PARIS, September 5.

GERMANY

COMPULSORY DISMISSAL OF YOUNG WORKERS

UNDER an authorisation decree promulgated on August 10th the Reich Board for Labour Exchanges and Unemployment Insurance has issued an ordinance for the drastic redistribution of employed and unemployed labour which in principle prescribes that persons of both sexes aged under 25 years in public and private occupations are to be dismissed and replaced by older persons at present unemployed. The ordinance does not apply to agriculture, domestic service, or shipping, or to married persons and persons with obligations to support others, former members of the defence forces, persons belonging to the various "private armies," and old adherents of the Nazi Party. Exempted also from dismissal are persons who have already done voluntary service in the work camps or as helpers to farmers. The ordinance contains other minor exceptions and exemptions and certain qualifications. Its chief aim is social, but it also involves the now habitual discrimination in favour of Nazi stalwarts.

Such discrimination extends even to direct monetary imposts. Membership of the Labour Front, for instance, is in general compulsory and involves contributions from employees which rise to nearly 7 per cent. of income, but it costs nothing except a small fee to members of the Nazi Party who have "red" cards or to members of Nazi military and similar associations. In most measures of this kind "old" attachment to Nazism is the qualification for the privilege. The effect is therefore to create not only a Nazi class permanently privileged in official esteem and material opportunities, but also to create varying grades of permanent privilege within the Nazi Party itself. This system conflicts with Herr Hitler's claim to have united the nation and to have furthered its social equalisation. The system, however, is a necessary outcome of the dissatisfaction of the Nazi rank and file with the conferment of high official and well-paid private posts on Party magnates, most of whom have done very well for themselves materially, while great numbers of humbler supporters have been so far ignored.

The present ordinance compels every employer to render a return of the ages of employees in his concern, etc. The Labour Exchanges will make the substitute appointments. The dismissed persons are to be given a certain priority in finding new work, in particular in agriculture and forestry; and a Reich subsidy will be paid for necessary new housing. The Reich Board will further pay subsidies of

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Rm. 50 per month in cases of persons over forty years old who have been long unemployed, to make good their inferior efficiency, this being, however, confined to private employment.

The organisation of business under the "Law for Preparation of the Organic Reconstruction of the German Economy" of February 27th has made further progress. Group No. I, "Steel and Iron," which will in future be the only competent representation of this branch, has been subdivided into groups for steel overhead constructions, steam machinery and plant of all kinds, railway cars, field railway materials, shipping, and central heating and ventilation. Organisation of a similar kind in the electrical, chemicals, and paper and pulp branches has been undertaken. All persons, firms and companies engaged in these industries are compulsorily members of the Group, and must report themselves. The ordinances, which are issued by the Leaders of the Groups concerned, contain prohibitions against "measures for market regulation."

On September 1st there came into force a law for "assistance to petty rentiers," under which pensions will be granted to old persons and persons unable to work and in need who can prove that they had capital property of at least Rm. 12,000 or an income from capital of at least Rm. 500, and that their capital or income was lost through the currency depreciation. The pensions will somewhat exceed existing charitable municipal allowances.

RECOVERY IN STEEL EXPORTS

The business situation is little changed. The wholesale price index for August 29th was 100.1, unchanged. The Railway Corporation's July report shows a decline of 2.7 per cent. in car-loadings as compared with June. This decline was seasonal; loadings were 9.7 per cent. higher than in July, 1933, but 11.4 per cent. lower than in July, 1930. The Corporation's gross takings in the first seven months were Rm. 241 millions higher than in the same months of 1933 and Rm. 1,216 millions lower than in the same months of 1929. Consumption of certain goods affected by the depression is recovering; and the total retail sales turnover, which fell from Rm. 36.3 milliards in 1928 to Rm. 21.7 milliards in 1933, is increasing. The recovery, however, is irregular. This year both the quantity and the value of textiles sold show sharp rises, but whereas the value of the foodstuffs turnover has risen, the quantity has slightly fallen, and is 13 per cent. lower than in 1929.

The home steel industry continues active, and the export of pig iron is increasing. Tinplate production in the first seven months was 136,500 tons, as against 112,700 tons in the same months of 1933; exports were 84,400 tons, against 69,400 tons. Imports from Great Britain fell from 4,100 to 2,040 tons. Japan, Holland, Belgium and Switzerland are heavy buyers. In consequence of good home and foreign orders the tinplate mills are fully occupied; and a financial improvement is stated to have followed the conclusion of the International Cartel in July. The trade Press expresses doubt of Great Britain's coming accession to the

International Steel Cartel, and denies the report that this question will be formally handled by the Direction Committee of the Cartel when it meets in Paris at the end of September. Doubt is expressed whether British producers would agree to grant a fixed import quota to the Cartel, which would be a necessary condition if British exports were to be spared the organised competition of the Cartel.

TRANSFER, MONEY AND CREDIT

The Gold Discount Bank has withdrawn its undertaking to purchase bond scrip at a fixed price, which since the negotiations of February was at 67 per cent. of the nominal price, and was formerly (except for the privileged countries Switzerland and Holland) 50 per cent. The Bank will henceforth buy only in accordance with changes in the foreign exchange situation. Outstanding scrip of the Conversion Office totalled a month ago Rm. 23 millions; but a great part of the scrip for the first half of this year has not yet been issued, in particular for the United States, in consequence of obstacles and delays. This measure does not concern the alternative offers of the Reichsbank for partial transfer after July 1st this year. Provisional arrangements for payment have been made with Holland and Finland. It is denied here that the new agreement with Sweden gives the same treatment to interest on the Kreuger Loan as to that on the Dawes and Young Loans, but details of the new treatment of the Kreuger Loan are lacking. The Norwegian Press reports conclusion of a new clearing agreement, under which the existing special account of the Norwegian National Bank with the Reichsbank is to be dissolved and replaced by a reichsmark account into which German importers will pay. The Reichsbank is to open a crown account in the National Bank in Oslo for payments by Norwegian importers, reichsmarks being booked against crowns at latest official quotation.

The month-end money demand was rather below normal. Day-loan rates began to weaken on September 1st after not fully reaching the level of the end of July. Average August day-loan rates were a little lower than in July, but offers of bank acceptances exceeded the demand; and the Konjunkturinstitut once again describes the money market as being somewhat strained. Bankruptcies in August slightly increased. Loans by the commercial banks show a declining tendency, which is apparently due to the consolidation of municipal short-term debts. The Reichsbank's credits and investments in the last week of August increased by Rm. 420 millions, as against Rm. 355 millions in the last July week. Deposits have again increased, and now reach Rm. 717 millions, the highest figure since the end of 1931, as against Rm. 415 millions a year ago. The total circulation rose sharply, and is Rm. 5,769 millions. The Reichsbank again received Russian gold, but as payments abroad reduced its gold holdings in foreign central banks, the gold reserve (as also the foreign exchange reserve) is practically unchanged.

BERLIN, September 5.

POLAND

DIFFERENCES WITH FRANCE

THERE is a great deal of concern in Poland over the differences with France which have attracted so much attention of late. Public opinion here is not in conflict with the efforts of the Government to foster good relations with Germany, nor with the Government's determination minutely to examine the Franco-Soviet proposals for an Eastern European pact of mutual assistance before giving a definite answer. But the public mind is at a loss to understand why the attitude of the French Press towards Poland has undergone such a complete change during the past six months, and why Poland, who was never consulted about the Western Locarno or the Four-Power Pact, should be expected to swallow the proposed Eastern Locarno, without even knowing precisely what it means, merely because it is sponsored by France and Soviet Russia and blessed by Great Britain. France clearly has failed to comprehend the great feeling of relief from 15 years of incessant tension with Germany which the signing of the non-aggression pact brought about on January 26th last.

There has, unfortunately, been a tendency to connect divergences of views in the political field with misunderstandings over trade and finance, and for this the Polish Press is no less to blame than the French. The sequestration by the Polish authorities last March of the Zyrardow textile mills, which were controlled by French capitalists, and the recent arrest of two directors who are French citizens—with a murder, a suicide and a duel, all involving prominent people, to enliven the proceedings—have magnified to the point of national honour an incident that is trivial in the affairs of nations. But the Poles see in it, as in the failure to improve commercial relations between the two countries, an inclination on the part of France to treat Poland rather as a colony than as an equal; and it is this state of mind, even more than the matters actually in dispute, that needs to be corrected.

The floods in Western Galicia in the latter part of July, besides leaving at least 50,000 families destitute, did a great amount of damage to the railway lines and bridges, the roads, buildings, waterways and even to the soil in many places. The property damage—including the loss of grain, fruit trees, cattle, poultry and farming equipment—was probably not less than £10 millions. The response so far, both in Poland and abroad, to the appeal for relief contributions has been very generous, but most of the destitute families will have to be provided for until next year's harvest, and it cannot be expected that private charity will be able to carry the entire load. No estimate has yet been published of the extra burden which will be placed on the Budget in consequence of the floods, but it will be considerable. The area mainly affected is not an important grain-producing region, and in a normal year the amount of grain lost would not have been of much consequence to the nation as a whole. This year, however, the crops were adversely affected by the spring drought, so that the flood loss becomes a serious matter, and may even mean that very little grain from the present crop will be available for export. This situation has already been reflected in the price of rye, the principal crop, which has risen from 14.00 to 17.50 zlotys per quintal since the floods. The crops other than cereals appear to be quite satisfactory, but they are not an important element in foreign trade. More than 400,000 tons of cereals were exported in the first seven months of 1934, as compared with 255,000 tons in the same period of 1933, which indicates that the carry-over is not large.

TRADE RECOVERY NOT MAINTAINED

The spring improvement in trade has not been maintained, and the production index is again falling. The textile industry, which led the improvement, is now leading the set-back. Cotton and wool imports in the first seven months of 1934 were 39,255 and 13,470 tons respectively, as compared with 31,327 and 12,324 tons in 1933, but stocks of finished goods on hand are now uncomfortably large. The coal industry is also in trouble both at home and abroad.

Despite growing economic tension within the country, which is accentuated by the continuous conflict between the Government and organised industry over price reductions, and the increasing difficulties in foreign markets, the surplus of exports over imports has been maintained during recent months at a level sufficient to check further drain on the exchange reserves of the Bank of Poland. During the first seven months of 1934 exports amounted to a value of 554.5 million zlotys and imports to 461.9 millions, leaving a visible active balance of 92.6 millions. In the same period of 1933 exports were 517.1 millions, imports 449.9 millions and the active balance 67.2 million zlotys. Trade with the principal countries on a percentage basis was as follows:—

	January-June			
	Exports to		Imports from	
	1933	1934	1933	1934
Great Britain	20.1	20.0	9.3	10.0
Germany	16.9	17.4	19.1	12.1
France	6.2	4.5	6.4	6.1
Soviet Russia	5.4	4.8	1.7	1.8
United States	1.0	2.4	13.5	15.4

The export figures afford a partial explanation of the shift in political sentiment away from France and in the direction of Germany. Poland is heavily indebted to France on capital account, but the French so far have shown no disposition to take this fact into account in granting import quotas or tariff preferences. The Franco-German commercial

JAPAN

FARMERS AND LOW COCOON PRICES

THE abnormally low price of cocoons is distressing the agricultural community. The summer cocoons, which are now arriving at the markets, are quoted at 1.90 yen on an average, as against a mean of 4.87 yen a year before. This is far less than half the cost of cocoon-raising as estimated by the Imperial Agricultural Association. The farmer's sad plight, after he sold his spring crop at a substantial loss, may be easily imagined. As an emergency relief measure the Government has again resorted to a stock-carrying policy, and has decided to allow three million yen to co-operative warehouses for carrying stocks. But the depression in the cocoon market is largely attributable to the huge amount of surplus spring crop being held by co-operative warehouses under the Government measure of support. It is obvious that such a continuation of the stocks-carrying policy would not only fail to bring about recovery in cocoon prices but would only make matters worse. Dissatisfied with a mere sop, the National Federation of Cocoon-raisers' Guilds and other similar bodies demand more thoroughgoing and "permanent" relief measures, and their clamour becomes increasingly vehement.

The trade returns for July created a somewhat unfavourable impression, since both imports and exports were smaller than in June. Compared with July, 1933, however, imports, at 169,430,000 yen, increased by 28.3 million yen, or 20.1 per cent.; and exports, at 179,306,000 yen, rose by 20.5 million yen, or 12.9 per cent. Raw cotton imports were down by 26 million yen as against the previous month, but 5.3 million yen larger than a year ago. Certain other imports, such as raw wool, petroleum and machinery, were also on a larger scale than in July last year. On the export side, cotton piece-goods, silk fabrics and rayon manufactures have done better, whereas raw silk recorded the heavy decline of 22.7 million yen.

SIGNS OF A CHECK TO THE INDUSTRIAL BOOM

There are signs of a setback in other economic indices, although they are mostly seasonal. The output of cotton yarn during July, at 112,989,000 lbs., shows a decrease of 1,421,000 lbs. as against that of June. The production of rayon yarn, at 11,822,000 lbs., also discloses a decline of 223,000 lbs. The Bank of Japan's index number of wholesale prices for July recorded a further slight drop of 0.2 per cent. on the month, reducing the total to 138.4, the lowest since October, 1932. The aggregate value of all shares listed at the Tokyo Stock Exchange on August 1st registered a fall of 111.9 million yen, or 1.85 per cent., as compared with a month ago. The deposits and advances of the Tokyo clearing banks for last month declined by 6.1 million yen and 6.9 million yen respectively, as against the previous month, while investment holdings increased by 45 million yen.

The first half of this year witnessed a further rapid expansion in the rayon industry. The output of rayon yarn in the first six months of this year amounted to 64,367,000 lbs., as against 40,347,000 lbs. in the corresponding period of last year. Exports of rayon yarn and tissues in the January-June period of 1934 totalled 11,746,000 yen and 50,296,000 yen respectively, compared with 2,650,000 yen and 32,801,000 yen in the same period of 1933. The total productive capacity of eight companies belonging to the Rayon Manufacturing Association was 190 tons a day at the end of June, 1934, compared with 111 tons a year ago; and it will be increased to nearly 270 tons by the midsummer of 1935. Encouraged by such marked activity in the trade, sixteen new companies have so far been promoted with an aggregate productive capacity of 85 tons per day, and their shares have even been sold at a premium. It is feared, however, that such a mushroom growth of rayon concerns may prove a cause of disturbance to the trade in general.

Some big business interests are following the example set by the Mitsui family in the disposal of company shares exclusively owned by them with a view to evading the charge of monopoly. The Mitsubishi family has disposed of 400,000 shares out of 1,100,000 of the Mitsubishi Heavy Industries Company, a ship and aircraft building concern. The Asano family has also sold 50,000 shares out of 110,000 of the Asano Kokura Steelworks. The South Manchuria Railway is to dispose of large blocks of shares of the South

treaty negotiations, which have been carried on intermittently for several years, still appear to be at a deadlock. The negotiations with Great Britain for a tariff agreement to supplement the commercial and navigation treaty of 1923 began in London late in June and are now adjourned for further study. It is expected that the negotiations will be resumed in October, and that in the meantime representatives of the British coal industry will visit Warsaw to continue the discussions with the Polish industry on prices and marketing which began in London in April.

WARSAW, September 1.

TURKEY

PROGRESS OF INDUSTRIALISATION

THE Prime Minister, Ismet Pasha, broke his holiday recently, to open, or lay the foundation stones of, a number of new industrial works and factories connected with the five-year plan announced last year. His object was to mark the keenness of the Government about the plan and to show that it was being carried into execution according to schedule. All the works inaugurated were in the neighbourhood of Istanbul. A first paper mill was laid down at Ismidt, the Turkish naval base on the Sea of Marmara; a bottle and glass factory at Pasha-Bagtche, on the Asiatic side of the Bosphorus; a semi-coke factory at Zoungouldak, the Black Sea coal area; and a large linen-producing works was added to a factory near Istanbul, on the European side. These enterprises indicate the variety and practical character of the industrialisation which is being started, all of them utilising Turkish raw materials and meeting primary needs which till now were met by imports. The most ambitious undertaking is the semi-coke and coal-product factory, which, according to the Prime Minister, is to be the beginning of a metallurgical industry in Turkey.

A considerable exodus of foreigners is being brought about by the application of the law banning the employment of foreigners in small concerns. A year's delay had already been granted at the request of the Greek Government, which did not want to see her refugee problem intensified by a flood of exiles from Turkey. But although there is now no unemployment in Turkey and many of the trades which are banned to foreigners cannot be carried on as yet by Turks and workers are badly needed, the veto has been put into force this summer. Numbers of foreigners are quitting the country with their families; several thousands have been shipped to Greece.

ANTI-SEMITIC AGITATION SUPPRESSED

There has also been a dislocation of economic life in Thrace due to an alarm among the Jewish population there. An emigration movement started, and over 3,000 Jews took refuge in Istanbul. Apparently it had been suggested that they would be accused of spying in the areas of the Dardanelles and Chanak, where they had their homes. It had also been rumoured that they were going to be removed by the authorities. Their economic rivals took advantage of these rumours, and even attacked their shops and pillaged their homes at Kirkklar-Eli, in Thrace. The attackers seem really to have believed at first that the Government had some anti-Semitic policy in mind. They soon found that they were mistaken. The Government stepped in energetically, punished the anti-Semitic agitators and encouraged the frightened Jews to go back and resume their place in the economic life of Thrace.

Meanwhile, a very general round-up of the foreign concessionary companies is being carried out, and they are being forced into a corner and obliged to liquidate their rights in favour of the Government. The foreign-owned and managed railways have been reduced from over 2,000 to under 1,000 kilometres, and those that remain, such as the Smyrna-Aidin Railway—a British interest, the first railway to be constructed in Turkey—are being squeezed out. This new attack on foreign companies has been extended from the railways to the Smyrna Docks, the Istanbul Docks, the Istanbul Telephone Company, the Istanbul Tramway and Electricity Company.

ISTANBUL, August 23.

Manchuria Chemical Company and those of the Korea Railway Company: in the disposal of shares, the S.M.R. will retain a controlling power over the chemical concern, but will sever its connection with the Korean railways.

TOKYO, August 11.

CANADA

RUMOURED CABINET CRISIS

OTTAWA has been full this week of rumours of an acute Cabinet crisis and the impending dismissal or resignation of Mr H. H. Stevens, the Minister of Trade and Commerce. The trouble arose from publication in the Press of summaries of a pamphlet written by Mr Stevens, in which, after reviewing the evidence submitted to the Parliamentary Committee on price spreads, wage conditions and correlated problems, he proceeded to attack various business and financial interests, whom he named explicitly, for indefensible wage-cutting, stock-watering and other unethical business practices. He further declared that he would not rest until the abuses which had been revealed were remedied, and that the task would probably involve a departure from the traditional policies of the Conservative Party. A flood of protests descended upon Mr Stevens's Ministerial colleagues. Mr Stevens, in an interview in Winnipeg, explained that the pamphlet was an expansion of an address delivered privately to a group of Conservative members at the close of the session and had never been intended for public circulation. But the aggrieved business leaders have not been appeased and are insisting that Mr Stevens must not be allowed to function as Chairman of the Royal Commission into which the Parliamentary Committee has been transformed.

An Inter-Provincial Conference on the subject of unemployment and its relief was held in Ottawa on July 30th and 31st. The Provincial Premiers were confronted with the considered decision of the Bennett Ministry that, while it would continue to maintain the Federal labour camps now in operation and succour indigent farmers in the West, it would discontinue on August 15th the Federal Treasury's contribution of one-third of the cost of direct relief, which the Federal Government has for the past three years been sharing equally with the Provinces and Municipalities. Most of the Provincial Premiers protested strongly against this decision, and argued that, if the whole burden of the cost of direct relief was thrown upon the shoulders of the Provinces and Municipalities, they would not have funds to meet their debt obligations. Eventually, the Bennett Ministry agreed that it would continue to make some contribution to direct relief, but on a smaller scale and on the basis of proven needs, provided that the Provinces would tighten up the administration of relief and eliminate abuses revealed in a report of the Auditor-General.

1,133,000 STILL UNEMPLOYED

In the first half of the year expansion of industry absorbed a certain number of the unemployed, but according to official figures there were still 1,133,000 people, or more than one-tenth of the population, in receipt of State assistance of some kind on June 30th, and the number was only about 100,000 less than the figure for the corresponding date in 1933. Moreover, the drought has not only devastated the grain crop over a wide area but has made it very difficult to feed livestock in many districts. The Government of Alberta is now asking the Federal Ministry to finance a scheme for slaughtering and processing 75,000 or more head of cattle in the Province. The Government of Saskatchewan declares that 50,000 head in that Province will have to be killed or shipped to areas where feed is available.

THE GOVERNMENT'S WHEAT PROFITS

The latest western crop report of the Bureau of Statistics, published on August 8th, is again pessimistic, and reports a further deterioration of all grain crops in the absence of adequate rains. Only in Northern Manitoba, East-Central and Northern Saskatchewan and Northern Alberta is the crop situation reasonably good. In the Southern area the meagre crops have ripened prematurely, and harvesting is now in full swing. In the last two weeks there have been heavy

rains in Manitoba and Alberta, but they will only help late-sown crops. Wheat prices have mounted above the dollar level, and it is unofficially stated that the Federal Government has now a profit of about 20 million dollars on its transactions in the wheat market.

The debt problem is still worrying all public authorities, and Mr Mitchell Hepburn, the new Liberal Premier of Ontario, recently expressed the view that legal powers already available would probably have to be invoked to force the creditors of a number of municipalities in Ontario which are in default, and at present have their finances administered by Government boards, to consent to a composition and accept lower rates of interest. The Finance Department at Ottawa is busy with plans for another conversion loan in the early autumn, and it recently succeeded in placing with the Chase National Bank of New York and associated houses a loan of \$60 millions on the security of Treasury notes for a year at 2 per cent., the lowest rate at which a Canadian public loan was ever placed.

Business conditions are somewhat stagnant, and gains in some directions have been balanced by setbacks in others. The tourist traffic is substantially larger than it was a year ago, but the crops are below the average in most sections, and, with rural purchasing power remaining at a low level, it may be difficult to maintain the business recovery of the first half of the year. The mining and forestry industries are still doing very well, but the lumbermen want still larger foreign markets, and the three Provinces of Quebec, New Brunswick and Nova Scotia have agreed to subsidise jointly a special agent to push their export trade in lumber in Europe. Railway earnings are reasonably satisfactory compared with a year ago, but Mr Beatty, the President of the C.P.R., is continuing his campaign for a merger of the two systems. Commodity prices have been rising slightly, and the last weekly index of wholesale prices (for August 3rd) was 72.4, compared with 72.2 for the previous week and 71.9 on July 13th.

OTTAWA, August 27.

LETTER TO THE EDITOR

OUR AGRICULTURAL INCOME

TO THE EDITOR OF THE ECONOMIST

SIR,—In the article on "Agricultural Progress" in your issue of August 25th it is assumed that the net income of the agricultural community is equal to the net value of agricultural output. By further comparison of the fall in the latter with the fall in the whole national income the conclusion is reached that "agriculture has been for some time one of our more prosperous industries"!

This sort of reasoning in the mouth of the Minister of Agriculture was condemned—and rightly so—by you, sir, in a recent issue. I did not expect to find it in the *Economist*.—

I am, sir, your obedient servant,

Isle of Muck, Isle of Eigg, LAURENCE MACEWEN.
Inverness-shire, August 31, 1934.

[We apologise for not making our meaning clearer. By "the agricultural community" we meant all those concerned, directly or indirectly, in this country in the production of agricultural commodities. The net value of agricultural output is neither the gross income of the agricultural community nor, strictly speaking, its net income. But, since we are dealing with England and Wales, for which there are no import and export figures, it is the closest approximation that can be made to the net income. In strict logic, purchases from abroad of fertilisers, feeding-stuffs, animals for breeding or fattening, etc., and purchases of machinery, etc., at home should be deducted. This, however, cannot be done, so that, in estimating the fluctuations in the net income of the agricultural community, we are forced to use the figures of net output. If the deduction could be made, it would probably strengthen rather than weaken our argument, for, taking the whole of the United Kingdom, imports of the more important agricultural "raw materials" declined by 36 per cent. between 1930-31 and 1932-33. It is therefore probable that the "net income of the agricultural community" declined by even less than the 6.8 per cent. we quoted. It is, of course, possible that the incomes of farmers were reduced by a larger proportion—but farmers are not "the agricultural community."—Ed. *Econ.*]

MONEY AND BANKING

THE FEDERAL RESERVE SYSTEM: 1914-1934

THE twentieth anniversary of the Federal Reserve system falls this autumn. It is being celebrated in the United States by talk of converting the present system of twelve regional banks, owned by their member banks but largely controlled by a Federal Reserve Board appointed by the President, into a single Central Bank under the undisputed ownership and control of the Federal Government. This plan, it is believed, has not yet secured the approval of the President, but it is obviously a possibility that legislation of this character will be introduced into the next session of Congress.

The present is consequently an appropriate time for reviewing the operations of the system in its first twenty years. Dr. S. E. Harris of Harvard University has lightened the task by his recently published monumental study on the subject.* For the industry and profundity which have gone to the preparation of this book it is impossible not to have the highest respect, and it will undoubtedly be regarded for many years to come as the *locus classicus* on the subject. But it is legitimate to add the regrettable fact that the book is written in a style which first confuses, and then maddens, the reader. In spite of analytical contents, tables and copious summaries it is frequently impossible to be sure what Dr. Harris is writing about. It is a very great pity that a work of such great scholarship on a subject of such paramount importance should have been enveloped in a linguistic fog.

Much of Dr. Harris' work is historical, and his second volume is entirely devoted to an extended discussion of the monetary crisis of 1927 to 1933, which will be of particular interest to all students of the monetary history of the past six years. But this is a controversial and well-ploughed field, and the more original part of the book deals not with the history but with the technique of Central Banking control. Those who look forward to the growth of Central Banking as the chief hope of controlling the Trade Cycle will find very much to interest them in Dr. Harris' conclusions.

Dr. Harris distinguishes four main methods by which the Federal Reserve system can control the credit structure: bank rate policy, open-market operations, moral suasion and qualitative discrimination. He takes each in turn and subjects it to examination, and we may conveniently follow his example.

Bank rate policy in the United States has from the start been emasculated by the impossibility of imposing a penalty rate. This is largely due to the fact that the member banks borrow directly from the Reserve Banks, without the intermediation of a money market. In England if Bank rate is sufficiently above the market rate of discount, bill brokers are forced to reduce their borrowings from the Bank on pain of bankruptcy. But in the United States, even if the rate of Reserve rediscount is above the yield on the actual collateral pledged, it may be—and probably is—below the average rate of earnings on the banks' total assets. Thus to force a reduction of borrowings, Bank rate would have to be very high indeed, and such high rates are prohibited by the force of public opinion, always clamorous for cheap money, and by the belief of the member banks that since they own the Reserve Banks they are entitled to accommodation at reasonable rates. In point of fact, however, the system has made very little attempt to test the power of its Bank rate. The rate of rediscount has consistently been kept below the yield on the collateral deposited, so that borrowing has imposed no penalty upon the borrowing member bank.

Throughout the history of the Federal Reserve, bank rate policy has been thrust into the background by open market operations, which, in their modern application, are

almost a Federal Reserve invention. Dr. Harris, however, believes that they "have proved to be a weapon of second-rate effectiveness." The main reason he ascribes for this is that the Reserve authorities have concentrated their attention upon the volume of Federal Reserve credit outstanding, and in particular upon the size of their portfolio of Government securities. The important figure to be watched is the size of the member banks' reserve balances. Purchases and sales of Government securities by the Reserve Banks affect the size of member banks' reserve balances only if other things are equal. But other things never have remained equal. When the Reserve Banks sell Government securities, member banks may maintain their balances by selling acceptances (bankers' bills) to the Reserve. Alternatively, they may increase their borrowings. But even if both acceptances and borrowings are included, the total of Federal Reserve credit outstanding does not determine the size of member banks' reserve balances, for the import and export of gold and the movement of currency into or out of circulation or hoarding will also have to be considered. Thus, member bank reserve balances increased rapidly between 1922 and 1927, although there was no substantial increase in Reserve Bank Credit. Conversely, a very large increase in Federal Reserve credit in 1932 failed to increase member banks' reserve balances. Dr. Harris might, indeed, have gone further and questioned whether control of the reserve balances, even if it were established, would be of much assistance. In 1928-29, for example, reserve balances were not increasing, but there was an obvious inflation of credit. And in 1933-34 reserve balances have been increased until there are \$2,000 millions of excess reserves without any notable tendency to expansion of credit.

Moral suasion has always been the favourite weapon of politicians, and it was the only policy upon which the Federal Reserve Board and the Federal Reserve Banks could agree in 1928-29. Its attraction arose out of the dilemma in which the authorities found themselves as the great inflation gathered way. To have pursued a vigorous policy of making money dear would have killed speculation on the Stock Exchange, but it would have inconvenienced general business. There is a curious unwillingness in America, even to-day, to admit that Wall Street was not the only speculator in 1928-29, and at the time it was regarded as axiomatic that money rates must not be raised throughout the country. Hence the policy of keeping money cheap but "morally persuading" member banks not to increase their speculative loans. The events of 1928-29 effectively demonstrated that credit cannot be departmentalised, and the surprising thing is not that the policy of moral suasion failed but that it was persisted in for so long and that it still retains its adherents in high places.

Qualitative discrimination in extending credit arises out of the same fallacy as moral suasion. At the beginning the Reserve Banks had an elaborate system of differential rates, but it had to be abandoned shortly after the war and each Reserve Bank established a single rediscount rate. Acceptances, however, have always been favourably treated, and the low buying rate for this variety of paper has frequently interfered with the operations of bank rate or open-market policy. In the early years of the system an attempt was also made to establish elaborate rules of eligibility of paper presented for rediscount, with the object of encouraging certain sorts of transactions. The net result was that member banks took care to have a certain amount of eligible paper on hand, but otherwise went their way undisturbed. Eligibility is now being gradually abandoned in favour of the rival principle of security—that is, judging a loan by its safety rather than by its purpose.

Dr. Harris' main conclusion is, then, that the Federal Reserve system never succeeded in establishing an effective control of credit. It sometimes contrived to expand credit,

* "Twenty Years of Federal Reserve Policy." By S. E. Harris, Ph.D. Harvard Economic Studies, No. XLI. (Cambridge, Mass.) Harvard University Press; (London) Humphrey Milford. Two Volumes. 865 pages. 37s.

but never to contract it. Its policy has consequently had a constant inflationary bias. This conclusion holds very little comfort for the future. The system is now dominated by an inflationary Government; its actual and potential gold reserves are enormously greater and the member banks' reserve balances are 75 per cent. higher than in August, 1929. To ward against these inflationary possibilities the Reserve system has, it is true, one new weapon to its hand, namely, the power to decree an increase in the minimum reserve percentages of member banks. But the usual fatal solicitude for the small country bank will probably prevent its being used, even if the Federal Reserve Board, with its predominantly political composition, can make up its mind early enough. All the indications point to the belief that the American banking system has learned nothing from the results of its inflationary bias in the years before the crisis.

FINANCIAL NOTES

The Money Market.—Market conditions were easy this week; money was in good supply at $\frac{1}{2}$ per cent. on Tuesday; Stock Exchange borrowing on Wednesday hardened rates, but the usual clearing bank was "calling" on Thursday, and there was some borrowing from other clearing banks.

	Aug. 16, 1934	Aug. 23, 1934	Aug. 30, 1934	Sept. 6, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{7}{16}$	$\frac{7}{16}$	$\frac{7}{16}$	$\frac{13}{16}$ — $\frac{7}{16}$
(b) Others.....	$\frac{1}{16}$	$\frac{3}{16}$	$\frac{1}{16}$	$\frac{1}{16}$ — $\frac{1}{16}$
Three months' bank bills	$\frac{1}{16}$	$\frac{1}{16}$	$\frac{1}{16}$ — $\frac{1}{16}$	$\frac{1}{16}$

The discount market was very dull. Bill rates were lower, but hardened towards the end of the week. One or two of the banks were buying October and November Treasuries; but market activity was centred on the September-October Treasuries at $\frac{1}{2}$ per cent. The outside discount rates were weaker, hot Treasuries being about $\frac{1}{16}$ — $\frac{1}{8}$ per cent. Three months' bank bills have weakened to $\frac{1}{8}$ per cent.

* * *

The Bank Return.—This week's bank return does not show any changes of particular import:—

	Sept. 6, 1933	Dec. 27, 1933	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.3	190.7	191.7	191.8	191.8
Note circulation.....	375.2	392.0	379.4	379.3	381.3
Banking Department:—					
Reserve.....	76.4	59.7	72.8	73.0	71.0
Public deposits.....	21.5	22.2	37.4	34.0	29.6
Bankers' deposits.....	97.4	101.2	82.1	83.7	88.9
Government securities ...	83.5	88.0	84.5	83.2	85.0
Discounts and advances	9.7	16.8	5.8	5.6	6.9

Proportion 46.6% 37.3% 46.9% 47.7% 45.6%

The note circulation has increased by £2.0 millions, but this has been more than offset by increases of £1.8 millions in Government Securities, of £1.3 millions in Discounts and Advances and of £1.5 millions in Other Securities. Public deposits are £4.4 millions lower than last week, which is a smaller reduction than was expected in view of the high level at which this item has been standing and the disbursement of approximately £10 millions on September 1st for dividends and the redemption of Victory bonds. As a result of these changes bankers' deposits have increased by £5.2 millions.

* * *

The Foreign Exchanges.—The fall in sterling continued on Friday until the franc rate touched 74½ and the dollar rate 4.98½. At this point, owing, it was supposed, to

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the intervention of the control, a slight recovery began. On Saturday, however, in spite of "bear" covering and further control operations, the franc rate did not rise above 74½. The record low level for sterling was reached on Monday, with a franc rate of 74½, a dollar rate of 4.98½, and a gold price of 141s. 7d. an ounce—a high record for all time. Forward francs were in demand at the end of the day, and the premium stood at 8½ cents. Until Wednesday the tendency of sterling was then upwards, both against the gold currencies and the dollar. On Wednesday and Thursday, however, there was a further relapse, the franc rate touching 74½ and the dollar rate 4.99½ on the latter day. The mark also weakened against sterling until the middle of the week, and then recovered. The rate for free marks on Wednesday was 12.55; register marks were then at a discount of 33.38 per cent. and Sondermarks were quoted at 12.75-12.80.

* * *

New York Money and Banking.—Money rates have remained about their recent low levels, with a faint tendency to go lower. Bank clearings of the leading 47 cities for the week ending August 29th totalled \$3,643.6 millions, against \$3,999.4 millions for the corresponding week a year ago. Bank loans of members of the New York Stock Exchange in August decreased by \$48 millions to \$874 millions. Monday was a public holiday in the United States; and conditions have been dull almost the whole week. The economic uncertainties overhanging American business are apparently making the market hesitant. During the next two months the Treasury will have to undertake new financing to a total of \$1,725 millions, including the raising of \$1,200 millions to redeem the Fourth Liberty Bonds, which have already been "called"; but despite Treasury support for the market, Government issues are pronouncedly weak. On Friday of last week gold to the value of \$2,800,000 was exported to Europe; on Tuesday \$4,988,000 of gold was withdrawn from the Federal Reserve Bank on French account; and on Wednesday \$3,497,000 of gold were shipped to France, and \$499,000 to Holland. On Friday of last week, 8,800,000 ozs. of silver, valued at \$4,175,000, were shipped from Southampton to New York. The new Montreal silver exchange has allotted eleven seats to members of the New York Stock and Commodity Exchanges. It is reported that a conference may shortly take place at which the officials will discuss the resumption of trading in silver futures in New York, which was suspended on August 9th, in consequence of the Government's decree nationalising silver stocks. On Wednesday, Mr Secretary Morgenthau confirmed the resignation of Mr W. R. Stark, chief economist at the Treasury, and one of the last "conservative" officials remaining in Mr Morgenthau's entourage. This comes hard on the heels of the resignation, at the week-end, without explanation, of Mr Lewis Douglas, Director of the Budget—the last of the "sound money men" in President Roosevelt's Administration. These resignations have perturbed financial circles.

THE STOCK EXCHANGE

AUSTRALASIAN BOND PROSPECTS

BONDHOLDERS, as a class, are shy of elections. To this trait, rather than to any widespread anxiety over the result of the Commonwealth voting on September 15th, is probably due the net fall in the average price of ten Australian internal loans in Melbourne from £109 2s. 10d. on August 7th to £106 15s. 9d. on August 28th, with a proportionate change in average yield from £3 3s. 4d. per cent. to £3 7s. 7d. The electoral pendulum normally swings fast in Australia, and the present Government may well lose some traditionally Labour seats gained at the last election under the stress of a national anxiety which Mr Lyons has himself removed by the subsequent fulfilment of his own mandate. A Labour Government is possible, but not probable, and the heaviest odds are being laid on a joint Government of the United Australia Party and the United Country Party—i.e. the Right and the Centre, including, possibly, part of the Labour Right Wing, which has previously co-operated in not altogether dissimilar circumstances. Such a development would hold few terrors for Australia's oversea bondholders. Even a Labour administration would probably meet its external debt service promptly, completely and without question, though it might well embark on a course of disturbing experimentation with the internal banking system.

The Lyons Government, to its credit, leaves the country in a position to meet its overseas obligations without hardship. In the eight years to June, 1930, when Australia was a heavy importer of capital, her "visible" balance of trade was passive to the extent of about £8½ millions per annum. In the twelve months to June last there was an active balance (including "commercial gold" movements) of £38 millions sterling. Present external interest requirements are £22 millions sterling. Since October, 1932, the authorities have effected loan conversions in London covering £110 millions of stock with a total saving in interest of £1,827,000 sterling, equivalent to £2,283,000 Australian. The Commonwealth Budget has been balanced, after the making of substantial remissions of taxation, and though there is still an aggregate deficit in the State Budgets, its net total is less than the aggregate Commonwealth and States sinking fund allocations.

Possibly the strongest claim of the Lyons Government to a vote of thanks from overseas bondholders is summed up in the statement that Commonwealth 5 per Cent. Bonds, 1945-75, which touched 58 in 1931, are now standing at 108, and New South Wales 5½ per Cent. Bonds, 1947-57, which were as low as 50, are quoted at 111. This result has owed something to the export stimulus conferred by an exchange rate of £125 Australian for £100 London in a period during which sterling has itself shown considerable depreciation in terms of gold. Australia has also been indebted to higher sterling wool prices, exemplified by a rise in the index of the Bradford "Weekly Wool Chart" from a low "depression" figure of 49 (July, 1914 = 100) to 102 in January last, with a subsequent reaction to 70. This rise has played a decisive part in the increase in the estimated Australian national income from £438 millions (Australian) in 1931-32 to £458 millions in 1932-33 and £497 millions in 1933-34 (years to June 30th in each case). Nevertheless, Australia's internal efforts to reduce her burden of interest rates and costs have been sufficiently vigorous, far-reaching and successful to have exercised a decisive influence on her immediate destiny. Interest on all internal loans, by the Commonwealth States and public bodies, and on company debentures, has been reduced by anything up to 22½ per cent. Mortgage interest rates and rents have been similarly reduced and drastic cuts have been made in salaries and pensions. The declining tendency in wage rates, in industries where cost of living scales are in operation, has been reinforced by a cut of 10 per cent. in real wages under the jurisdiction of the Federal Arbitration Court.

It is, in a sense, unfortunate that the moment chosen for ascertaining the verdict of the Australian people on these achievements has coincided with a less favourable phase in

world conditions outside Australia's control, and with the inception of a somewhat gratuitous fiscal controversy with British textile interests. The relationship of the latest scale of cotton textile duties to the Ottawa Pacts is a question which only indirectly concerns bondholders, but the outlook for the wool and wheat industries is of crucial significance. The wheat crop of 1933-34 was below average, and as farmers tended to hold back supplies, exports fell well below Australia's quota under the World Wheat Agreement. Sowings for the 1934-35 crop have been estimated at the lowest figure for thirty years, and the drought bogey has not even now been exorcised in all areas. Wheat exports in the coming season, however, will in all probability be helped by higher prices, whereas the extent of the forthcoming "wool cheque" has been threatened by a significant reaction in the world price level. Reduced demand from France, raw material import restrictions and prohibitions in Germany and exaggerated bargaining-threats from Italy were largely responsible for the original postponement of this season's sales. The auctions eventually held at Brisbane, and this week at Sydney, however, have been partially reassuring. Buying from Bradford, Japan and local mills has been brisk, and the nature of the bidding on behalf of European interests has suggested that the German regulations may leave important loopholes for those who are prepared to seek them. The current level of prices is about 20 to 25 per cent. below that of the opening sales last year, and it is uncertain to what extent marketing offerings, at this stage, are deliberately conservative. On present indications, however, the decline in wool prices, though significant, may fall a long way short of the calamitous dimensions recently prophesied.

Broadly, there is little danger that Australia's export balance will decline sufficiently in coming months to jeopardise her ability to remit her full interest service, though until electoral and economic uncertainties are resolved, there may be no widespread recovery in London quotations which, as the following table shows, are below the highest levels for this year:—

AUSTRALIAN LOANS

Stock	Amount Outstanding	Redemption	Quotations, 1934			Redemption Yield (%)
			High	Low	Sept. 5	
Commonwealth 5%	22,384,000	1935-45	104½	101½	102½	4 3 6(d)
" 5%	68,507,792	1945-75	111½	107½	108	4 3 0
" 4%	9,322,446	1955-70	108	104	105	3 13 9
" 4%	17,221,191	1943-48	105½	101½	102	3 18 9
" 3½%	19,841,225	1948-53	104	99½	100	3 18 0
" 3½%	16,288,349	1946-49	103½	99	99	4 1 0
" 3½%	21,636,550	1954-59	98½	97½	98	3 13 3
New South Wales 5½%	15,678,500	1947-57	114½	111	111	4 4 0
" 5%	14,130,000	1945-65	111½	107½	108	4 3 9
" 5%	21,657,000	1935-65	105½	102½	101	4 9 4(t)
" 4%	10,392,396	1942-62	104	100½	101	3 18 3
" 3%	12,420,113	1935	102½	100½	100½	2 19 8(t)
Queensland 5%	18,178,800	1940-60	109½	104	104½	4 4 9
" 4%	6,000,000	1940-50	103½	100½	101½	3 16 3
" 3%	4,271,413	1922-47	96½	90½	93	3 15 0
South Australia 5%	7,224,819	1945-75	111½	106½	107	4 5 0
" 4%	3,721,165	1916-36	104	101	101½	3 15 0
" 3½%	2,517,800	1939	102½	99½	101	3 8 0
Victoria 5%	11,738,684	1945-75	111½	107	107	4 5 0
" 4½%	5,999,000	1940-60	107½	103	104	4 3 6
" 3½%	6,082,195	1929-49	100	96½	97	3 15 3
Western Australia 5%	6,368,271	1945-75	111	106½	107	4 5 0
" 4%	4,964,083	1942-62	103½	100	101	3 18 6
" 3½%	3,250,240	1935-55	99½	96½	97	3 14 3(t)
Tasmania 5%	600,000	1945-75	111	107½	107	4 5 0
" 4%	2,800,000	1940-50	103½	100½	101	3 18 0
" 3½%	4,156,500	1920-40	102	100	101	3 8 0

† Allowing for net accrued interest. (t) Based on redemption at par in two years, x Ex dividend.

There may be room for varying opinions on the question whether a difference of about $\frac{1}{2}$ to $\frac{3}{4}$ per cent. in the average yield on British and Australian Government stocks is a correct index of the permanent economic relationship of the two classes of securities. That future Australian Governments, however, have every incentive to maintain the national credit overseas is suggested by the table given in a Note on pages 451-2, which shows that Australia has optional or compulsory maturities in London during the next five years to a total of £137½ millions, of

which £70 millions are now costing under 4 per cent., while £67½ millions are costing 4 per cent. or more.

So much for Australia. We may complete our review of the prospects of Australasian bondholders by a brief summary of conditions in New Zealand. After a succession of hard years, New Zealand appears to be achieving something of her old prosperity. Holders of New Zealand loans in this country will be first to congratulate the Dominion, whose economic improvement is well summed up in Mr Coate's Budget proposals, which were announced on August 23rd. To replace a deficit of £709,000 for 1933-34—itsself £1,291,000 lower than the Budget estimate—the Finance Minister proposed estimates for 1934-35 which give an indicated surplus of £8,000. The Dominion is now experiencing the benefits of higher export prices for wool and meat, coupled with low interest rates. The burden of mortgage indebtedness, which had become severe as a result of the slump in agricultural prices, was eased by the Mortgage Relief Act in 1931, which was extended to 1933. The necessity for this moratorium relief has largely passed away, but the opportunity is being taken, now that ample mortgage credit is available at 4½ per cent. or lower, to establish a National Mortgage Corporation. This will bridge the gap between private investors, who, it is anticipated, will readily subscribe to mortgage bond issues at 4 per cent., and the mortgagors, who have paid from 6½ to 7 per cent. for accommodation. The rearrangement of mortgage finance is rightly regarded by the Finance Minister as one of the first tasks in the financial rehabilitation of the Dominion. The Reserve Bank, which has just commenced operations, should assist in the stabilisation of lower interest rates.

Although all the economic indices reflect the improvement in New Zealand's position, the figures for overseas trade are particularly impressive:—

OVERSEAS TRADE (Thousands of N.Z. £'s)

Years ended December 31 :	Exports	Imports	Export Surplus
1930	44,941	44,340	601
1931	34,951	26,498	8,453
1932	35,610	24,646	10,964
1933	41,006	25,581	15,425
Seven months ended July :			
1933	26,739	14,329	12,410
1934	34,349	16,623	17,726

An average rise of 20 per cent. in export prices since 1932, as the Finance Minister pointed out, has restored equilibrium between farming costs and prices, but this improvement must be attributed largely to the deliberate New Zealand exchange policy. The alteration in the pegged rate from £N.Z.110 to £N.Z.125 for £100 sterling has been hotly debated by those who have to meet obligations in London, on the ground that the rate is unwarranted by the active balance of trade, while some quarters have not hesitated to describe this policy as exchange dumping. Moreover, there is considerable uncertainty as to the maintenance of the rate, despite authoritative assurance that it will be maintained until the end of the produce season. The Reserve Bank is to acquire the surplus London funds which have accumulated under this policy, and will provide funds in New Zealand for the redemption of £N.Z.20 millions Treasury bills by which the London deposits were purchased.

The London market rates New Zealand's credit high, the average yield obtainable on her sterling loans being about 3½ per cent.:—

NEW ZEALAND LOANS

Stock	Amount Outstanding	Redemption	Quotations, 1934			Redemption Yield (%)
			High	Low	Sept. 5	
Per cent.	£					£ s. d.
3½	17,172,191	1940	102½	100	102	3 4 9
3½	9,657,480	1945	99	95½	98½	3 4 3
4	10,505,989	1943-63	104	100½	103	3 12 2
5	5,869,988	1936-51	107½	105	106	2 17 9
4	10,135,800	1935-45	103½	101	102	4 18 3½
5	3,989,100	1933-43	103½	100½	101	3 19 5½
4½	7,339,656	1944	108½	105½	107½	3 13 1
4½	7,580,908	1945	108½	105½	107½	3 14 3
5	12,886,110	1946	111½	109	111	3 17 9
4½	11,221,609	1947	108½	106	108	3 16 0
4½	19,225,465	1948-58	108½	105½	107½	3 18 9
5	7,500,000	1949	115½	112½	114	3 16 6
5	5,000,000	1950-71	118½	115	118	3 17 0
3½	5,000,000	1949-54	101	97½	100	3 10 9

* Ex dividend. † Bearer bonds. Other issues are inscribed. ‡ Flat yield.

The table suggests that little opportunity will be found for conversion operations during the present phase of low interest rates. Active borrowing during the twenties on a twenty-year term has resulted in redemption dates which, unlike Australia's, can be turned to little purpose. Present quotations are close to this year's high levels, but the future trend will have an intimate connection, not merely with long-term interest rates, but also with the consequences of British agricultural policy. The sheep-farming and dairy industries are apprehensive of import regulations in the British market on the expiration of the Ottawa Agreements in 1935. Stockholders who recognise that New Zealand has presupposed a free British market for her produce, and has borrowed £161 millions in the London market out of a total debt of £280 millions, will trust that British policy will recognise the mutual dependence, and the mutual obligations, of debtor and creditor.

INVESTMENT NOTES

Boom Symptoms in the Capital Market?—Certain critics, with a lively memory of the 1928 "prospectus boom" and its aftermath, are asking whether the new capital market in 1934 is not exhibiting some of the symptoms of that distressing period. The number of company prospectuses, admittedly, is very much less to-day than six years ago. The flotations of 1934 are mostly new mining propositions, which were almost unrepresented in 1928, or established industrial enterprises with a satisfactory record under private auspices. Mining issues are in a class by themselves. Some of the methods adopted for financing the development of the West African goldfields, for example, may be open to serious criticism, but gold prospecting is a speculative business, and those who take a hand may be credited with knowledge of the rules of the game. In the refinancing of established industrial businesses, however, there is no room for expedients which aggrandise "the market" at the expense of the outside investor. The adoption of a capitalisation which places heavy preferential requirements before a relatively small amount of low-denominational ordinary capital impairs the value of priority rights and makes ordinary dividend and earnings rates over-sensitive to fluctuations in total profits. It also lends itself to market manipulation. In some recent instances a relatively small number of ordinary shares has been available for the public, the remainder being retained for judicious unloading, when limitation of supply has produced a high premium, by "the shop." What would be the position if conditions unexpectedly deteriorated, as in 1929? An even more objectionable feature is the coupling of subscriptions with the grant of free options on future capital, an instance of which occurred this week. "Option certificates" have been defended on the ground that they may facilitate the raising of further capital when necessary. But under conditions which make an option worth exercising a company, *ipso facto*, can obtain a better price by direct issue, while under opposite conditions it will obtain none, for options will not be exercised. Companies which issue option certificates, in fact, merely create a convenient gambling counter. The discovery, this week, of certain forged allotment letters in connection with a recent issue—Airspeed (1934), Limited—though happily of small moment owing to the alertness of the brokers who discovered the fraud, is an instance of the temptations which high premiums may offer to individuals whose self-regard exceeds their social sense. The market should need no reminding that widespread or prolonged departure from the principle that new issues should secure maximum resources for borrowers, with a minimum *douceur* for the market, will bring Nemesis, sooner or later.

German Bonds and Dr. Schacht.—We deal on page 436 with Dr. Schacht's latest demand on Germany's external creditors for a moratorium for several years, a scaling down of the principal of the loans, and new credit

to restore her exporting capacity. The effect upon the market value of the threatened bonds has, naturally, been unfavourable. The annexed table gives the prices ruling on Wednesday, together with those of May 30th (the day succeeding the break-up of the Berlin debt conference), June 15th (the day after the moratorium announcement), July 5th (the day after the signing of the Clearing Agreement under which Germany undertook to pay in full the "Dawes" and "Young" coupons falling due in the second half of 1934), on August 31st (the day following Dr. Schacht's Bad Eilsen speech), and the highest prices recorded this year:—

	1934	High	May 30	June 15	July 5	Aug. 31	Sept. 5
"Dawes" 7%	95½	75½	62½	67	47½	49	49
"Young" 5½%	69	54½	43½	49	36	36½	36½
Potash 7%.....	93½	80	73	74½	60½	59½	59½
Potash 6¼% ...	90	75½	71	68½	55	55	55
Berlin City 6%	52½	36½	39½	36	27	26½	26½

The table shows that Germany's "premier" security, the "Dawes" 7 per cent. loan—which has "absolute priority of transfer," besides being hedged about by all the "safeguards" of pledged assets and revenues that financial ingenuity could devise in 1924—has now attained the unenviable distinction of a 15 per cent. yield. Both "Dawes" and "Young," together with the municipal issues (of which Berlin City 6 per cent. is a sample), have in the past six months lost half the value which the first year of Nazi rule had left them. On the other hand, the two Potash loans, whose service is collected outside Germany from the gross proceeds of all German potash sold in foreign countries, have fallen less severely, and now stand above the Reich loans. There has been much discussion in the market as to whether this superiority of the Potash over the Reich loans is justified by their respective merits or demerits. The two main arguments on the point tend in opposite directions. On the one hand there is, in favour of the Potash issues, the fact that the German Government cannot by any purely financial procedure intercept the proceeds of the potash sales and withhold them from the trustees for the bondholders; though the Government might, conceivably, requisition the potash from the Syndicate and attempt to sell it abroad on its own account. On the other hand, there is, in favour of the Reich loans, the fact that in June the British Government was on the eve of establishing clearing machinery against Germany with the main object of compelling Germany to continue paying interest on the Dawes and Young Loans. If Germany, at the end of the current six months, attempts to put Dr. Schacht's threat into force against those two loans, the British Government will be bound to take all reasonable action to protect its bondholders. It is under no special obligation, however, to the holders of the Potash bonds. We do not claim to decide the relative values of the two arguments. It is impossible to be certain that any German Government which decided on unilateral action in the matter of the Potash loans could not find a way of destroying their special security. We should hesitate to say that at the present relative prices the Potash issues are necessarily a better gamble than the "Dawes."

Outlook for Primary Commodity Shares.—What is the outlook, in the coming months, for companies engaged in the production of the basic foodstuffs and raw materials—wheat, copper, tin, rubber, tea and the like? In the present phase of the trade cycle investors may naturally look for a further general advance in prices. There are, however, many complicating factors which render any confident expectation of a continuous rise distinctly hazardous. Is it reasonable, in the first place, to look for a fresh expansion of demand in the face of the ominous creakings, or worse, of the economic machine in two such enormously important consumption areas as the United States and Germany? On the supply side, while expansion in the output of many commodities has been checked, in some instances this result has been due to artificial and arbitrary measures, the product of "restriction schemes" of one kind or another. Among the leading commodities, only in one case, wheat (and other cereals), is natural restriction of supply a dominant factor. The estimate of the Inter-

national Institute of Agriculture for the current wheat crop of the Northern Hemisphere (excluding Russia and China) indicates that the total yield will be some 10 per cent. below the 1933 record, though still slightly above the 1928-32 average. With a poor crop promising in Australia, there is little prospect of the Southern Hemisphere's redressing the balance. The carry-over is ample, and nothing like actual scarcity is in sight, but the odds, nevertheless, are fairly heavily on a further rise in price, especially as wheat is subject also to such "artificial" control as the International Wheat Agreement may contrive to make effective. Much the same remark applies to cotton, which is subject to the combined influence of natural and artificial restriction. In the purely artificially restricted class are tin, rubber and tea. Of these tin is in what may be called the advanced stage of restriction. As restriction is really drastic and has recently been aggravated, there has been a big rise in price. There are now signs that price is having a deterrent effect on demand, and that, unchallengeable as the determination of the International Tin Committee may be, a further advance may not be easy of achievement. At the other end of the restriction class is rubber, which is only just entering upon its course of rigorous treatment. The decisive issue here is whether or not the International Committee will live up to its early professions of moderation. On economic considerations the present price, of 7½d., certainly appears sufficiently high, but many producers are agog for 9d. or more, and moderating influences on the Committee may have a hard task to control the more ambitious spirits. In the case of tea restriction has been administered with restraint, but is nevertheless meeting with difficulties. Consumption has not expanded as much as had been hoped, and in recent months prices have come back sharply. Plans are afoot for a "drink more tea" campaign which may help demand—but only if prices are not raised again. Finally, there is the select band of the unrestricted, of which oil (despite Mr Ickes) and copper are the leading members. Oil has been depressed by the great expansion of Russian output since the inception of the original "Five Year Plan," and by the development of "hot oil" production in America. Copper has been hampered by the German crisis and flagging American demand, by American sales and by expanding output from the low-cost African mines. International agreements to restrict are a bare possibility in both the oil and copper industries. Failing them, there is little reason confidently to look for a material rise in prices in the near future.

Roumania and Her Creditors.—In view of the announcement of M. Slavescu, the Roumanian Minister of Finance, that his Government intends to raise internal loans for consolidating public debt and meeting Budget needs, Roumanian bondholders will read with enhanced interest the report made by M. Roger Auboin to the Governor of the National Bank of Roumania, whose findings are discussed in a Note of the Week on page 440 of this issue. Roumania's external creditors have shown a praiseworthy forbearance which has redounded greatly to Roumania's advantage. They have consented to agreements which have reduced the annual external debt service from a "normal" total of 5,700 million lei, to 2,710 million lei for 1933-34 and an estimated 1,398 million lei for 1934-35. In return for this sacrifice of three-fourths of their service, the external creditors have a moral right to urge that Roumania will, at least, ensure that her internal finances are put into a sound condition. Instead, M. Auboin's report reveals that there is still a permanent deficit in the Budget, which, by necessitating the putting into circulation of an amount of purchasing power greater than that received as tax revenue, prevents the establishment of a natural equilibrium. Until this situation has been corrected, Roumanian bondholders can scarcely look for a sensible amelioration of their present unsatisfactory position.

Australia's Conversion Opportunities.—Although the Australian Government, during the current low interest regime, has succeeded in converting as much as £109,849,000 of bonds in London, at a total interest saving

of £1,827,000 sterling (equivalent to £2,283,000 Australian), she has still a large field of optional or compulsory refinancing before her. The following table sets out all her loans, issued in London, which have definite or optional redemption dates during the next five years:—

Date	Stock	Maturity	Rate of Interest	Amount Outstanding
1934—December 1 ...	South Australia.....	1934	3½	£ 789,400
1935—January 1	Tasmania	1935	4½	137,750
April 1	South Australia.....	1916-35	4	1,559,150
May 1	Western Australia.....	1915-35	3½	463,110
"	"	1920-35	3½	2,496,711
June 1	"	1915-35	3	2,235,007
"	Commonwealth	1935-45	5	3,744,864
July 1	Western Australia.....	1935-65	4½	2,659,665
Oct. 1	New South Wales.....	1935-45	4½	10,984,700
"	Victoria	1935-55	5	21,657,000
"	New South Wales.....	1935-45	5	1,049,868
"	"	1935	3	12,420,113
				81,791,938
1936—February 19 ...	Western Australia.....	1936	5	140,000
April 1	South Australia.....	1917-36	4	2,175,815
July 1	Western Australia.....	1926-36	3½	2,368,141
December 1	"	1916-36	3	597,497
				5,281,453
1937—November 1 ...	Commonwealth for New South Wales.	1936-37	3½	12,360,958
1938—February 1 ...	Commonwealth for States	1937-38	3½	11,409,965
1920-1940	Tasmania	1920-40	3	450,000
"	"	"	3½	4,156,500
"	"	"	4	1,000,000
				5,606,500
1922-1947	Queensland	1922-47	3	4,274,213
"	West Australia.....	1927-47	3½	1,443,600
				5,717,813
1930-1950	New South Wales.....	1930-50	3½	12,067,428
1935-1955	West Australia.....	1935-55	3½	3,345,804
Grand Total:				138,371,259

Of the total of £138,371,259, some £67,492,812, carrying interest of 4 per cent. or more, may be convertible to a lower level if cheap money endures, while £70,878,447, bearing interest under 4 per cent., will be convertible into long-term stock "at a profit" only if interest rates fall further in the meantime. Of the former total only £4,012,715 represents compulsory maturities, against £63,480,097 callable at the Australian Government's option. Of the "under 4 per cent." stocks, some £45,140,902 fall into the "compulsory" category before 1939. Only £789,400 of stock reaches its definite maturity date during the remainder of this year, but in 1935 some £19,311,841 will fall due for repayment (of which £17,614,941 is costing 3½ per cent. or less), while £62,480,097 of stock (all costing 4½ per cent. or 5 per cent.) will become "callable" at the Government's option. The figures bear out the conclusion, suggested in a leading article on page 449, that the Commonwealth Government which will take office after this month's election, whatever its political colour, will have every incentive to retain the good will of overseas bondholders.

Building Society Policy.—In a "Note" under this heading in last week's issue of the *Economist* we set out the interest rates paid and charged by a number of British building societies, and summarised their regulations limiting new business as regards deposits and shareholdings. The National Building Society, which was included in our list, has now made a certain relaxation in its restrictions affecting investment. New members—i.e. those who open accounts on and after September 1, 1934—may now invest amounts in the society's shares up to £600 in all. Shareholders who were on the society's books at August 31st may increase their holding by an amount not exceeding £600, subject to the condition that total balances must not exceed £4,980, accounts in the names of husbands and wives being treated as one account. The interest rates paid to shareholders remain as set out in our "Note" last week. The company, as we suggested, does not accept money on deposit account, all balances being held in the form of shares.

"Digest" Australian Year Book.—The sixth edition of this year book* will be welcomed by English finance houses and investors who are interested in the Australian and New Zealand markets. The change in the date of publication from the autumn to the spring has enabled the latest information to be included. The editor's intention has been to give particulars of all investment companies listed on Commonwealth and New Zealand Stock Exchanges. Apart from certain recalcitrant companies which refuse to publish any information—and who incur the editor's merited criticism—the record is detailed and comprehensive. The volume includes a Directory of Directors. A welcome innovation sets out the domicile of the share registers of each company. As a record of personnel, capital and dividends the volume deserves to rank as the "Burdett" of the Antipodes.

New Issues in August.—The capital market did homage to Augustan traditions last month, the total new issues being only £2,021,000, as compared with £19,614,000 in August, 1933. We set out our usual analysis below:—

(000's omitted)					
Monthly Average	United Kingdom	British Possessions	Foreign Countries	Total	
1930	14,220	5,121	2,975	22,316	
1931	4,542	3,209	761	8,512	
1932	13,589	2,129	24	15,742	
1933	17,520	2,429	449	20,398	
Monthly Total	Govt.	Other			
June, 1933	3,150	11,355	783	Nil	15,288
June, 1934	Dr.150	3,857	3,683	90	7,480
July, 1933	Dr.200	3,369	212	Nil	3,381
July, 1934	Dr.300	13,624	3,753	Nil	17,077
August, 1933	Dr.250	485	15,045	4,334	19,614
August, 1934	50	1,500	471	Nil	2,021

British Government borrowing was confined to £50,000 net sales of National Savings Certificates. The only issues for use in the United Kingdom were the Salford and Stretford Corporation Loans, both by way of 3½ per cent. loans at par. Other borrowings were frankly speculative, the New Machavie Gold Mining Company making an offer of shares totalling £330,000, and Patent Paper Packing (Foreign) an issue of £90,000.

Actuaries' Investment Index.—The return of investors from holiday has not brought any marked accession of business to the industrial share markets as yet. Prices, however, have been well sustained, the 144 shares in the Actuaries' Investment Index (December 31, 1928 = 100) having an average value of 71.4 on Tuesday of this week, against 71.2 a week earlier and 69.9 a month earlier. The corresponding yield figures are 3.67, 3.68 and 3.74 per cent. Net fluctuations over the last four weeks have been small even in the component group indices, as the following table suggests:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Month Ago (Aug. 7, 1934)	Week Ago (Aug. 28, 1934)	This Week (Sept. 4, 1934)	Month Ago (Aug. 7, 1934)	Week Ago (Aug. 28, 1934)	This Week (Sept. 4, 1934)
Building Materials (4)	80.4	84.5	84.6	4.19	4.12	4.12
Coal (6)	89.5	88.1	89.6	3.97	4.06	3.98
Cotton (6)	45.1	46.6	45.4	2.26	2.27	2.28
Oil (5)	61.4	62.6	62.7	4.78	4.69	4.68
Electric Supplies (8)	93.1	94.7	96.8	4.55	4.48	4.41
Home Rails (4)	74.5	77.6	77.7	1.51	1.54	1.54
Breweries and Distilleries (16)	110.4	113.4	113.3	3.92	3.89	3.90

A progressive tendency was shown last month by building material, electrical equipment and brewery shares, while home rails, after numerous ups and downs, finished slightly higher on balance. As we showed in our chart on page 406 of last week's *Economist*, the slight August rise in values merely compensated for the decline during July, the general trend since the beginning of this year having been stationary.

* Published by Jobson's Publications. Sydney, N.S.W. Price £A.1 is. 6d. post free.

This notice is not an invitation to the public to subscribe for Shares

FILLERYS TOFFEES LIMITED

(Incorporated under the Companies Act, 1929.)

Authorised

SHARE CAPITAL:

Issued

£100,000 divided into 400,000 Ordinary Shares at 5s. each - - £100,000

390,000 Ordinary Shares have been issued credited as fully paid up, pursuant to contract No. 4 mentioned below. The remaining 10,000 Ordinary Shares have been issued for cash at par and in respect thereof there has been paid to the Company in cash the sum of 5s. per share

There are no Debentures, Mortgages or Loan Capital outstanding

DIRECTORS:

SIR HERBERT EDWARD MORGAN, K.B.E. (Chairman, Smith's Potato Crisps (1929), Limited), 21, Cockspur Street, S.W.1 (Chairman).

ROBERT HAROLD MAYHEW, Solicitor (Director, New Hudson, Limited), Prospect House, Solihull, Warwickshire (Vice-Chairman).

MAURICE LOVELL WELLS, A.C.A., Old Dog Kennel Cottage, Chiddingfold, near Godalming, Surrey (Managing Director).

WILLIAM CLIFFORD ATKINS, M.A., LL.B. (Cantab.), Solicitor (Chairman of King's Norton Brick Company, Limited), "Trenance," Alderbrook Road, Solihull, Warwickshire.

BROKERS:

PIDGEON & STEBBING, 3, Copthall Buildings, E.C.2, and Stock Exchange, London, E.C.2.

BACON, TEDD & SCRIBBANS, Waterloo House, 20, Waterloo Street, and Stock Exchange, Birmingham, 2.

BANKERS:

MARTINS BANK LIMITED, 68, Lombard Street, London, E.C.3.

SOLICITORS:

HAROLD MAYHEW & CO., 47, Temple Row, Birmingham.

AUDITORS:

PRICE, WATERHOUSE & CO. (Chartered Accountants), 3, Frederick's Place, Old Jewry, London, E.C.2.

KIMBERLEY, MORRISON & CO. (Chartered Accountants), 55, Temple Row, Birmingham.

SECRETARY AND REGISTERED OFFICE:

NORMAN THOMAS ATKINS, M.A. (Cantab.), Wilders Drive, Greet, Birmingham.

TRANSFER OFFICE:

52, Coleman Street, London, E.C.2.

OBJECTS.—The Company was incorporated in England on the 3rd August, 1934, with the objects set out in its Memorandum of Association, and in particular to acquire as a going concern the undertaking, property and assets of Fillerys Toffees Limited, of Birmingham, now in voluntary liquidation, and hereinafter referred to as "the Vendor Company," subject to its liabilities.

HISTORY AND BUSINESS.—The business, which is that of manufacturers of Toffees, Caramels and Confectionery, was founded in 1923 by Mr. R. H. Mayhew and three others associated with him as a Private Limited Company (the Vendor Company) on the 20th August of that year. At the date of going into voluntary liquidation, namely, 30th July, 1934, the Vendor Company had an authorised capital of £15,000, of which £10,952 had been issued and paid up.

The business is done with large wholesalers, distributors and general stores on a cash and one month credit basis.

PROFITS.—The following is a copy of a Report which has been received from Messrs. Price, Waterhouse & Co., Chartered Accountants, of 3, Frederick's Place, Old Jewry, London, E.C.2:—

29th August, 1934.

The Directors, FILLERYS TOFFEES LIMITED, Wilders Drive, Greet, Birmingham.

Gentlemen,—In accordance with instructions we have examined the books and accounts for the three years and ten months ended 2nd June, 1934, of the business which you have acquired from Fillerys Toffees Limited (the Vendor Company).

We report that the profits of the business for the respective financial periods were as set out below:—

Financial year ended 25th July, 1931	...	£28,811
" " " 30th July, 1932	...	£23,535
" " " 29th July, 1933	...	£11,326
Ten months ended 2nd June, 1934	...	£15,520

These profits have been arrived at after charging all expenses of working and management, except Directors' fees, and after making such adjustments as are in our opinion appropriate, including:—

- Provision for depreciation on the basis of a valuation of the fixed assets by Messrs. Frank Wilde & Glover, dated 31st July, 1934, and
- Provision for the remuneration of the Managing Director on the basis of his proposed agreement with your company, but without charging income tax.

We are, Gentlemen, Yours faithfully,
(Signed) PRICE, WATERHOUSE & CO.

ASSETS.—The assets to be acquired, as shown in the case of the land, buildings, plant, machinery and furniture by a Valuation dated 31st July, 1934, by Messrs. Frank Wilde & Glover, and the remaining assets and liabilities on the basis of

the audited Balance Sheet of the Vendor Company as at the 2nd June, 1934, are as follows:—

Net Current Assets:—

Cash at Bank and in Hand £9,945
Sundry Debtors, Deposits, etc., less Reserves 14,860
Advances to Directors (since repaid) 5,837

Less: Sundry Creditors, Provisions for Accruing Expenses and Income Tax 30,642

10,724

19,198

Stocks of Raw Materials, Finished Goods, Tools, Utensils, etc., as valued by Managing Director 9,636

29,554

Freehold Land, Buildings, Plant, Machinery, Office Furniture and Transport 37,981

TOTAL NET ASSETS (EXCLUSIVE OF GOODWILL) £67,535

VALUATION.—The following Report and Valuation has been received from Messrs. Frank Wilde & Glover, Valuers:—

38, Waterloo Street, Birmingham 2

To the Directors of FILLERYS TOFFEES LIMITED, Greet, Birmingham.
Messrs. Fillerys Toffees Limited.

Dear Sirs,
In accordance with your instructions, we have attended at the premises known as National Works, Wilders Drive, Greet, Birmingham, and inspected the plant and machinery, utensils of trade, fixtures and fittings, furniture, etc., and now beg to report as follows:—

The property is well situated at two miles from the centre of the City and at close proximity to the Great Western Railway. The location is an excellent one for an industrial property and plentiful labour, both male and female, skilled and unskilled, can be obtained.

The layout of the building is in accordance with the requirements of your product and there is ample concrete space for extension of the premises.

We have inspected the whole of the plant and machinery and found it in excellent order.

We value the whole as a going concern at the sum of £37,981 (thirty-seven thousand nine hundred and eighty-one pounds) made up as under:—

Freehold Manufacturing Premises £11,000
Machinery, plant and office furniture, and transport, detailed in the accompanying inventory 26,981

Yours faithfully,
(Signed) FRANK WILDE & GLOVER.

PURCHASE CONSIDERATION.—The purchase price (apart from the assumption of liabilities) payable by the Company to the Vendor Company under Contract No. 4 was £97,500, to be satisfied by the issue to the Liquidator of the Vendor Company or his nominees, being shareholders of the Vendor Company, of 390,000 Ordinary Shares of 5s. each in the capital of this Company, credited as fully paid up, and such shares have accordingly been duly issued. The proportion of the purchase price attributable to goodwill is £29,965.

The preliminary expenses of the Company, including cost of formation, capital duties, legal and accountancy expenses, are estimated at £2,500 and up to that amount are payable by the Company.

The available working capital is £29,554, which in the opinion of the directors is sufficient.

None of the borrowing powers of the Company has been exercised, and there are no debentures. No mortgages or charges are subsisting on any part of the Company's assets.

No Share or Loan Capital of the Company is under option, or agreed to be put under option.

No sums have been paid or agreed to be paid to any Director or to any firm of which a Director is a member by any person to induce him to become or to qualify him as a Director or otherwise (except as mentioned below) for services rendered in connection with the promotion or formation of the Company.

No commission, discounts, brokerages or other special terms have been granted by the Company to any person in connection with the issue of any of its shares.

No cash, shares or securities have been paid or proposed to be paid to any promoter.

A copy of the Memorandum and Articles of Association of the Company and of the above mentioned Report Valuation Certificate and Contracts may be inspected at the Transfer Office of the Company, 52, Coleman Street, London, E.C.2, on any day during usual business hours up to and including the 11th September, 1934.

Dated 30th August, 1934.

COMPANY NOTES

Agricultural Machinery Companies.—The position of the agricultural implement manufacturer during the depression has been particularly difficult. Unlike the general engineer, he has been directly dependent on a primary industry for his custom; and the primary industry of agriculture has been in a state of greater or less depression since the brief post-war boom. The manufacturer of agricultural machinery and implements has thus found himself at the very intersection of the "agricultural shears," with agricultural prices constantly falling in relation to prices of manufactured goods. If the implement manufacturer worked on the American system he attempted (with some temporary success) to solve his difficulty by lavish credits, many of which have since deteriorated into bad debts. If he followed British principles, he had to work on an inadequate turnover even before the depression. No doubt as recovery spreads to include agriculture and the colonial plantation businesses, agricultural implement manufacturers will benefit, as other producers of capital goods benefit in recovery. The latest profits of Ruston and Hornsby and of Ransomes, Sims and Jefferies show distinct improvement, and their chairmen report better conditions. The agricultural engineer makes capital

	1929	1930	1931	1932	1933	1934
British						
Ruston & Hornsby (Mar. 31) (£'000)—						
Earned for pref.	82.7	29.6	Dr. 62.3	Dr. 119.3	Dr. 76.1	45.3
Earned for ord.	59.2	6.1	Nil	Nil	Nil	Nil
Earned %	3.0	0.4	Nil	Nil	Nil	Nil
Div. %	2½	Nil	Nil	Nil	Nil	Nil
Ransomes, Sims & Jefferies (Mar. 31) (£'000)—						
Gross profit	42.5	30.9	Dr. 17.6	Dr. 7.3	Dr. 15.3	25.9
Earned for pref.	21.1	20.1	Dr. 28.3	Dr. 18.0	Dr. 27.1	13.9
Earned for ord.	Full	Full	Half	Nil	Nil	Full
Pref. div. paid						
R. A. Lister (Sept. 30) (£'000)—						
Prospectus profits	96.9	79.2	24.1	50.2	66.3*	---
Canadian						
Cockshutt Plow (Nov. 30) (£'000)—						
Earned net	926†	167	Dr. 494	Dr. 551	Dr. 870	---
Massey-Harris (Nov. 30) (£'000)—						
Earned for pref.	2,673	Dr. 923	Dr. 4,043	Dr. 3,828	Dr. 3,306	---
Earned for com.	1,947	Nil	Nil	Nil	Nil	---
Earned \$ per share	2.68	Nil	Nil	Nil	Nil	---
Foreign						
A/B Separator (Dec. 31) (£'000 kr.)—						
Earned for ord.	7,833	3,634	1,669	Dr. 535	1,277‡	---
Earned %	9.6	4.5	2.0	Nil	Nil	---
Paid %	9	6	2	Nil	Nil	---
International Harvester (Dec. 31) (£'000)—						
Earned for pref.	36,780	25,703	1,347	Dr. 7,583	Dr. 1,886	---
Earned per com. share \$	7.1	4.6	Dr. 1.0	Dr. 3.1	Dr. 1.8	---

* If one year's pref. div. not been paid, and neglecting arrears, earnings for the ordinary shares would have been £21,835 or 1.1 per cent. † Profit as shown in accounts, possibly not comparable with prospectus profit. ‡ Broken period equated to 12 months. § Applied to special depreciation.

goods for a market which is notoriously lacking in capital, and recovery can scarcely be as vigorous as in the case of engineers supplying equipment to large industrial concerns with ample capital resources. Moreover, the British agricultural engineer is faced with a home market in which the long-term tendency has been away from laboured land towards grass land (which requires much less machinery to the acre), while in the export market he is faced by barriers and price competition. Exports of agricultural machinery remain at a very low level. Possibly the wheat subsidy may bring some increase in the home demand for machinery; but that can hardly be a decisive factor for the agricultural engineering industry. In the face of its difficulties, the industry has carried out a considerable centralisation of control under the leadership of Ruston and Hornsby. The latter controls Ransomes, Sims and Jefferies, has bought up several of the businesses of the former Agricultural and General Engineers group, and has formed a close alliance with R. A. Lister and Company. Besides extending its ramifications in this way, this group

has prudently extended its market by developing engineering products, such as Diesel engines and power excavators, outside the strictly agricultural market. The group is now, in effect, a general engineering business with an agricultural department and tradition. Outside the group, as is indicated by the receiverships of Marshall, Sons and Company (controlling Clayton and Shuttleworth) and of Robey and Company, the field is being cleared of competitors. With patience, therefore, Ruston shareholders may in time find their earnings restored. For the present, however, the "equity" still lies with the dividendless preference shares. That the intensified effects of depression are not confined to the British group is shown by the figures for Canadian and foreign companies given in the accompanying table.

* * *

Recent Steel Reports.—Recent steel and coal company announcements afford satisfactory—in the case of the steel companies even more than satisfactory—confirmation of expectations based on the improved output figures. The United Steel Companies' showing, this week, was, indeed, so good as to take the market completely by surprise. At the time of the sale of the banks' 4,500,000 shares in this great combine, last May, the profit for the year to June 30th was officially estimated at not less than £850,000. The actual figure of £947,680 shows the prospectus estimate to have been more than commendably cautious. The promised 5½ per cent. dividend, now declared, will, of course, be shown by the full report to have been covered by a margin even more ample than the prospectus give subscribers any right to expect. The shares sold in May at 21s. 6d. now stand at 23s., so that the option held by the issuing group, to purchase at 23s. the remaining 2,077,000 shares of the Steel Companies' holding, begins to have an interesting appearance. We show in the following table the last three years' net profit figures for five companies whose results have recently become available:—

	1932	1933	1934
Henry Briggs (June 30)—			
Net Profits	48,082	48,713	51,131
Ordinary dividend %	5	5	5
Lochgelly (May 31)—			
Net profits	Dr. 80,802	Dr. 41,450	14,375
Ordinary dividend %	Nil	Nil	Nil
John Lysaght (Dec. 31 of previous year)—			
Net profits	100,721	26,964	184,224
Ordinary dividend %	Nil	Nil	8
Staveley (June 30)—			
Net profits	...	...	...
Ordinary dividend %	5*	5*	6½*
United Steel (June 30)—			
Net profits	187,354	351,438	947,680
Ordinary dividend %	Nil	Nil	5½

* Free of tax.

The dividend of Staveley Coal and Iron is the largest since 1927. For details of this company's experience the full report must be awaited. John Lysaght's increase in profit is striking—the more so since it relates to the calendar year 1933, when steel activity was running well below the current level. The Lochgelly Iron and Coal Company, whose interests are largely in coal, has broken an unenviable record of losses by a net profit of £14,375 for 1933-34. This turn of the tide enables the directors to tackle the problem of the balance sheet and the preference dividend arrears. They propose to write down 827,750 £1 ordinary shares to 8s. each and to use the £496,650 thus obtained to write off the accumulated loss of £166,882, to write down assets by £291,384 and to provide £38,384 in ordinary shares in commutation of the preference arrears. The arrears amount to 6s. per share on the 191,920 shares and the proposal is, in effect, to reduce this figure to 4s. a share and, in satisfaction thereof, to allot one 8s. ordinary share for every two preference shares. In all the circumstances the cut is perhaps not more than is reasonable.

D. Gestetner.—This company, which manufactures duplicating machines and accessories, has shown gratifying recuperative power, its profits for the year ended August 31st last, published with customary promptitude, being the highest since 1930. The result is attributable partly to the company's success in catering for the office requirements of British business revival (its new electric and hand models, placed on the market in 1932, having obviously been a sound selling proposition), and partly to a partial but gratifying revival in export trade. The company, very wisely, decided to shut down its American branch three years ago, and thus eliminated a possible drain on its profits. Last January a return of capital was made to shareholders, one-fourth of the preference and half the issued capital being repaid. Each shareholder was then allowed to subscribe at par for one 5s. ordinary share for every five shares of either class. The net effect was to reduce the annual preferential requirements, in a full year, by £6,125. The 1933-34 ordinary dividend of 30 per cent. on the reduced capital, against 12½ per cent. on the old capital, requires £63,752, against £40,625, and a substantial allocation is made to general reserve:—

		Years to August 31,		
		1932	1933	1934
Issued Capital	7% Cum. Pref.	350,000	350,000	262,500*
	Ordinary	325,000	325,000	212,500*
Total profits		87,993	89,415	140,456(a)
Depreciation		9,567	10,110	11,378
Tax, fees and staff funds		19,536	11,523	12,713
Net profit		58,890	67,782	116,365
Preference dividend		24,500	24,500	20,473
Ordinary	Earned	34,390	43,282	95,892
	Paid (%)	32,500	40,625	63,752
	Earned (%)	10.8	13.6	45.5
	Paid (%)	10†	12½	30(b)
To general reserve		122‡	Nil	32,367
Total carried forward		16,703	19,360	19,134

* 5s. on each £1 preference, and 5s. on each 10s. ordinary repaid to shareholders on January 2, 1934, with option to subscribe one 5s. ordinary for every five preference or ordinary held. † And capital bonus of 5 per cent. from profit on sales of investments, etc. ‡ And £19,878 from profit on sales of investments, etc. (a) Including £2,244 profit on sale of British Government securities. (b) And capitalised bonus of one 5s. share for every five held.

The company is capitalising £42,500 of general reserve, i.e. about £10,000 more than this year's reserve allocation. In view of its capital policy in recent years, the company's ordinary shares have a certain interest for investors liable to supertax, apart from their excellent earnings record and prospects. Balance-sheet assets are conservatively valued, and the current financial position is strong and liquid. The 5s. ordinary shares are quoted at 36s. 6d. cum dividend and bonus. The Industrial Finance and Investment Corporation, which offered to purchase, at £1 per share, the rights of holders entitled to subscribe for new ordinary shares under the scheme of last January, has had no reason to repent of its bargain.

* * *

Other Company Results.—On pages 468 and 469 respectively we summarise the latest profit-and-loss figures and dividend announcements of other companies, disclosed this week. The experience of companies in different branches in the engineering industries has generally (though not invariably) been favourable. R. and W. Hawthorn, Leslie show net profits, to June 30th last, of £16,157, against a net loss in the previous year of £1,970, and pay an ordinary dividend of 4½ per cent., against 2½ per cent. Renold and Coventry Chain discloses a highly satisfactory increase in profits from £46,932 to £85,942, and raises its dividend rate from 3 per cent. to 6 per cent. In the textile industry, Leigh Mills has covered a 10 per cent. tax-free dividend (against 7½ per cent. tax free) by net earnings of £30,382, against £22,829. The experience of John G. Murdoch, musical instrument traders, has been less favourable. Generally, however, this week's smallish sample of results confirms the impression that earnings from British domestic industry are still on the upgrade. The week's divi-

dend announcements include those of a number of overseas mining companies. A "Kaffir" finance house, General Mining and Finance, has declared an unchanged interim dividend. The largest of the Indian gold-mining companies, Nundydroog Mines, has, however, somewhat disappointed its market followers by reducing its interim from 3s. 6d. to 2s. 9d. per share—payable at a reduced rate of tax. The dividend declarations of important tin-mining companies show the expected effect of higher metal prices, cum restriction. Thursday's unchanged interim dividend of Imperial Chemical Industries was below market expectation.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET | ACCOUNT
September 11 | September 13

THE firmer tendency of sterling influenced stock market movements as little as last week's weakness. Gilt-edged stocks continued their dogged rise, and once again the market began to think in terms of a possible 2½ per cent. yield level for British Government securities by Christmas. At the other end of the House there was no tendency to discount the probable establishment of the sterling price for gold at over 140s., for the revival of confidence in the franc, which had helped to depress sterling, suggested a reason for the sale of Kaffirs in Paris. Meanwhile, industrial shares continued to make an almost imperceptible advance, on a moderately small business. The market was satisfied, for the time being, with the prospect of the maintenance, rather than the further rapid advance, of general industrial activity, and was more concerned with the harvesting of this season's crop of dividend increases than with future conditions of growth.

Although gilt-edged stocks were quiet at first, prices were very firm. Three and a half per cent. War Loan rose above 105. India stocks made further headway, second thoughts on Lord Willingdon's speech being decidedly favourable. Among Dominion loans, Canada 3½ per cents. were in demand, and a recovering tendency was seen in Australian bonds, whose prospects are discussed in a leading article on page 449. In the foreign bond market Japanese issues showed strength, on growing evidence that a Soviet-Japanese clash was less imminent than had been imagined. South Manchurian issues rose in sympathy. Bear covering produced a rally in "Dawes" Loan on Monday, but scattered selling subsequently put the price down again. Potash bonds, whose position *vis-à-vis* the Reich Loans is discussed in a Note on page 450, had a slightly downward tendency. Among South American stocks, Argentine issues were higher on the satisfactory seven months' trade figures.

A particularly good week's traffic figures infused only a little activity into the Home Rail market. In the London Transport group, however, Metropolitan Assented obtained attention on the declaration of a 3½ per cent. dividend. Little business was done in the foreign rail market, though Argentine issues were steady in mid-week on the continuing improvement in peso receipts.

Business in industrial shares tended slightly to increase in volume as the week progressed, and prices were well maintained, though a semi-holiday atmosphere still prevailed. The unexpectedly large profit figures of United Steel served to check a rather irregular tendency in iron and steel shares. I.C.I. were easier on the unchanged interim. Demand for motor shares was intermittent, Leyland being in request at the beginning of the week, while Ford continued their recovery. Only slight attention was given to electrical supply shares, but a moderate inquiry for electrical equipment shares continued. Brewery shares were well maintained, but tobacco shares showed a further slight tendency to recede. The reduction in the ordinary dividend of Cohen Weenen caused selling of Godfrey Phillips. Textiles were steady, with relatively few dealings. Unilever showed further recovery. Special demand sprang up for British Oxygen on dividend

expectations. Bank shares were steady on a small volume of business, and few quotable changes were recorded in insurance shares.

Professional interest in oil shares was at a low ebb, the uncertainties of the American situation tending to check speculative enterprise. "Shell" received a little attention on nebulous rumours of the possibility of an interim dividend declaration in the autumn, which obtained little credence in the market. The week opened with a profit-taking tendency in rubber shares, and the movement was only partially checked by a slight mid-week recovery in the price of the commodity. The tea share market opened depressed, but became steadier on the drying up of the persistent stream of selling.

The gold share markets have so far derived little benefit from the fall in sterling. Trading was on a restricted scale at the beginning of the week, and though prices were steadier subsequently, demand failed to develop on the lines expected. Kaffirs lost ground, with few exceptions, of which Daggafontein were the most noteworthy. The West African market followed a similar course, and little interest was taken in Australians. Nundydroog were somewhat easier on the reduced interim dividend. The quietude of the Rhodesian market was unbroken. Tin shares were irregular, though the market was helped by the satisfactory dividends declared by well-known Malayan companies.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Aug. 30, 1934	Aug. 31, 1934	Sept. 1, 1934	Sept. 3, 1934	Sept. 4, 1934	Sept. 5, 1934	Sept. 6, 1934
Government and Municipal Loans	1,095	1,077		1,175	995	1,114	1,247
Transport Communications, and Public Utilities...	880	847		853	741	891	999
Commercial and Industrial*	2,826	2,470	Closed	2,802	2,439	2,537	2,260
Banks, Insurance and Financial ...	519	512		610	490	437	413
Mines (including Nitrates)	1,565	1,551		1,501	1,106	1,238	1,920
Oil	122	113		118	95	95	98
Rubber, Tea and Coffee	891	796		852	717	685	628
Total	7,376	7,366		7,911	6,583	6,997	7,565
Corresponding day in 1933	7,910	8,341		8,778	7,819	6,300	7,722

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Aug. 30, 1934	Aug. 31, 1934	Sept. 1, 1934	Sept. 3, 1934	Sept. 4, 1934	Sept. 5, 1934	Sept. 6, 1934
90.4	83.5	88.0	88.1	Closed	88.4	88.3	88.5	88.3

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Sept. 6)	Lowest of 1934 (Jan. 2)	Aug. 30, 1934	Aug. 31, 1934	Sept. 1, 1934	Sept. 3, 1934	Sept. 4, 1934	Sept. 5, 1934	Sept. 6, 1934
134.0	128.8	133.8	133.8	Closed	134.0	134.0	134.0	134.0

FOREIGN STOCK EXCHANGES

NEW YORK

WALL STREET has been quiet, with a slight upward "kick" on Wednesday, after Monday's Labour Day holiday had been preceded by the smallest Saturday morning turnover since 1918. The dominant feature in the outlook is the uncertainty which shrouds every important part of the national life. The textile strike may find a basis for settlement in the respect both parties profess for the personality and views of the President, but so long as the main question of the national status of trade unionism remains unsettled the attitude of Labour bodes ill for future harmony in industry. Activity in the capital goods industries is still sluggish. Steel mill activity is put at 18.4 per cent. of capacity, against 19.1 per cent. last week, and construction contract awards make a gloomy picture. Government policy is still an enigma. The improvement in commodity prices has been halted. The railroads, like many other industries,

are feeling the burden of higher costs, while some of the lines situated in the drought areas, which were not among the strongest in the country, may be unable to avoid the intervention of the courts. On the other hand, hopes of some autumnal upswing in business have not been abandoned. These were mainly responsible for the tentative professional attention given to metal, automobile, chemical and railroad shares in the middle of this week. One factor prolonging the summer dullness has been the disposition of merchants and traders to place minimum buying orders, to tide over the period of uncertainty, with the intention of replenishing their stocks later, when the outlook is clearer. The country generally appears to be waiting for a *deus ex Hyde Park*.

Aug. 1934	Sept. 1934	Sept. 5, 1934	Aug. 1934	Sept. 1934	Sept. 5, 1934
Lb. Ln. 31% 32.47 103 102 102 102	Do. 41% 32.47 103 102 102 102	Do. 41% 33.38 103 103 103 103	Natl. Biscuit	33	32 1/2
Atchafalpa	50 1/2	51 1/2	Phelps Dodge	15 1/2	16
Erie	13 1/2	13 1/2	Fullman	42	41 1/2
Illinois Central	17 1/2	17 1/2	Sears-Roebuck	38	38 1/2
N.Y. Central	22 1/2	22 1/2	Studebaker	3	3
Pennsylvania	24 1/2	23 1/2	Un. Fruit	73 1/2	73 1/2
Southern Pacific	18 1/2	18 1/2	U.S. Leather	6 1/2	6 1/2
Southern Ry.	16 1/2	16 1/2	U.S. Rubber	17	16 1/2
Union Pacific	10 1/2	9 1/2	U.S. Steel	34 1/2	34 1/2
			Westinghouse	33 1/2	33 1/2
			Woolworth	49	48 1/2

Aug. 1934	Sept. 1934	Sept. 5, 1934	Aug. 1934	Sept. 1934	Sept. 5, 1934
Am. Can.	97 1/2	98 1/2	Am. Tel. and Tlg.	111 1/2	112 1/2
Amer. Smelting ..	37 1/2	37 1/2	Interboro R.T.	13 1/2	13 1/2
Anaconda	12 1/2	12 1/2	Int. Tel. Telegr.	10 1/2	10 1/2
Bethlehem Steel...	29 1/2	29 1/2	Radio Corp.	5 1/2	5 1/2
Chrysler Motor ...	33 1/2	33 1/2	Utilities P. and L. ...	2	2
Corn Produce Rf. ..	61 1/2	61 1/2	W. Union Tlg.	36 1/2	36 1/2
Eastman Kodak ..	99 1/2	99 1/2			
Gen. Electric	18 1/2	18 1/2	Associated Gas "A" ..	2 1/2	2 1/2
Gen. Motors	30	29 1/2	Shell	21 1/2	21 1/2
Int. Harvester ...	27 1/2	26 1/2	Shell Union	7 1/2	7 1/2
Mont. Ward	24 1/2	24 1/2	Std. California	34 1/2	34 1/2
			Do. N.J.	44 1/2	44 1/2

† Calculated at \$5.00 to £.

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

	1933		1934		1934		1934		1934	
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials ...	38.7	86.6	74.4	90.5	79.6	79.1	78.3	77.6	77.6	77.6
33 Rails	23.9	54.5	34.1	51.4	40.6	37.0	36.7	36.4	36.4	36.4
37 Utilities	66.8	101.0	83.8	83.4	66.4	65.7	65.2	64.9	64.9	64.9
Total, 421 stocks .	40.9	83.4	65.9	82.1	70.8	69.9	69.2	68.6	68.6	68.6
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.62%	3.17%	3.61%	3.68%	3.72%	3.72%	3.72%

† February 7th.

(s) Aug. 8th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Aug. 29, 1934	Aug. 30, 1934	Aug. 31, 1934	Sept. 1, 1934	Sept. 3, 1934	Sept. 4, 1934	Sept. 5, 1934
105.0	76.0	85.2	84.4	84.3	84.1	↑	83.6	84.9

† Labour Day.

TOTAL DEALINGS IN NEW YORK

	Aug. 30, 1934	Aug. 31, 1934	Sept. 1, 1934	Sept. 3, 1934	Sept. 4, 1934	Sept. 5, 1934
Stock Exchange—Shares (Thous.)	650	400	110		310	480
Bonds (Value Thous. \$)	12,020	12,940	3,990	Closed	18,510	14,260
Curb—Shares (Thous.)	115	99	52		78	102

* Two-hour Session.

† Labour day.

OFFER TO NEW READERS

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

To Publisher, "Economist Newspaper Ltd.,"

8 Bouverie Street, E.C.4.

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

Name

Address

.....

PARIS

Although business was limited, the tendency of bears to take cover produced a slightly better tone all round. Rentés were weak at the outset, but became appreciably firmer as the week progressed. Industrial shares were quiet, with a slightly improved undertone. The market was at first a seller of gold-mining shares, but became stronger on the favourable reception accorded to the August mining returns.

Aug. 1934	Sept. 1934	Sept. 5, 1934	Aug. 1934	Sept. 1934	Sept. 5, 1934
Banque de France	10,920	10,700	10,760	Wagons Lits ...	81 1/2
Crédit Lyonnais...	1,995	1,980	1,974	Mexican Eagle	32 1/2
Suez Canal	19,450	19,415	19,350	"Chartered" ..	79 1/2
Chargeurs Réunis..	118	122	123 1/2	Ford	55 1/2
Rio Tinto	1,277	1,243	1,225	De Beers	279
Royal Dutch	16,100	15,700	15,810	"Johnnies" ...	266 1/2

BERLIN

The share market closed firm last week, with a sharp advance in a number of favoured issues. The new week opened with a general rise. Kloeckner and Mannesmann were prominent in the steel group. Rhenish-Westphalian Electricity also advanced, and the majority of electrical and public utility shares were firm. Electrical cable shares reflected favourable accounts of progress in the industry. Banks were also firm. Tuesday's market was irregular, though most electrical shares gained further ground. The domestic bond market was dull and undecided. The new Reich Loan was quoted for the first time at 95. Dollar bonds showed little change in spite of their sharp decline on the foreign stock exchanges. On Wednesday the Bourse was irregular, though bank shares again improved.

Aug. 1934	Sept. 1934	Sept. 5, 1934	Aug. 1934	Sept. 1934	Sept. 5, 1934
Reichsbank	156.00	156.10	155.90	A. E. G.	28.25
D.D. Bank	69.00	70.50	73.00	Siemens & Halske	149.00
Dresdner (New) ..	72.00	75.00	76.00	A. K. U.	65.40
I. G. Farbenindustrie	148.25	149.00	148.00	Hamburg-Amer.	69.25
Norddeutscher Lloyd (New)	30.50	31.40	30.60	("Hapag New")	26.40

AMSTERDAM

The Bourse opened dull, became firmer, and turned reactionary again. Tobacco shares were depressed by the temporary prohibition of imports into Germany. Among industrial shares *Aku* were sold from "special" quarters. Unilever, however, continued to gain ground, helped by the recovery in sterling. Rubber shares were quiet, in sympathy with the slight downward tendency in the commodity price at the early part of the week. Oil shares were neglected. Home Government bond prices were maintained, but an increasingly pessimistic view was taken of German bond prospects after a temporary rally at the beginning of the week.

Aug. 1934	Sept. 1934	Sept. 5, 1934	Aug. 1934	Sept. 1934	Sept. 5, 1934
2 1/2% Dutch Loan	76 1/2	76 1/2	76 1/2	Steel Common ...	214
5 1/2% German	28 1/2	27 1/2	28 1/2	A. K. U.	36 1/2
Unilever N.V.	68 1/2	68 1/2	69 1/2	Ford Motor	203 1/2
Philips' Lamps...	217 1/2	215 1/2	218 1/2	Deli Batavia Tob.	163
Netherlands Ship Union	36	35 1/2	35 1/2	Royal Dutch	157 1/2
				Handels Ams ...	174 1/2

CAPITAL ISSUES

THE only public issue of the week was made by *James and Shakspeare, Limited*, an old-established firm of metal brokers, which is taking over the metal and produce departments of another business, with an option to acquire a majority interest in a third. The capitalisation is high-gear, £300,000 of redeemable preference shares ranking ahead of £125,000 of ordinary shares, issued or to be issued. To obtain one ordinary 5s. share at 7s. 6d., applicants must subscribe for a £1 redeemable preference share at par, but will be granted an option, available to December, 1937, to take up an additional ordinary share at 7s. 6d. We comment upon this feature in a "Note" on page 450. Although pre-depression figures are not furnished, the two main businesses have shown a progressive tendency in profits from 1931 onwards. The vendors of the Bishirian business show noteworthy conservatism by agreeing to sell to the company, for a purchase price of £33,000 in ordinary

OTARD'S

ESTABD 1795

THE BRANDY WITH A PEDIGREE

shares, a business which has produced average profits of £19,285 per annum over the last three years. The week's advertisements in connection with Stock Exchange placings include particulars of the debentures of the *Union Company of Oslo*, whose introduction, with Treasury permission, was discussed in the *Economist* of August 18th, page 317. Another advertisement relates to an issue of ordinary shares of *Fillerys Toffees, Limited*. This company has acquired a Birmingham confectionary business, founded in 1923, which appears to be recovering from the effects of technical reorganisation and re-equipment on contemporary profits.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to September 1, 1934, excluding conversions, £116,167,691.
Total recorded, January 1 to September 1, 1934, including conversions, £290,690,429.

National Savings Certificates.—Net receipts, week ended September 1, 1934, Dr. £100,000

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
James and Shakspeare, 300,000 ord. 5s. at 7s. 6d.	75,000	...	112,500	75,000	37,500
Do. 300,000 5 1/2% cum. red. pref. £1 at par	300,000	...	300,000	150,000	150,000
Total	375,000	...	412,500	225,000	187,500
To Shareholders only					
Leethams (Ireland) 6,550 ord. shares, £1 at 27s. 6d.	6,550	...	9,004	9,004	...
Offin River Gold, 141,480 5s. shares at par	35,365	...	35,365	17,682	17,683
Rhodesian Corporation, 1,466,666 5s. shares at 7s. 6d.	366,666	...	549,999	549,999	...
Van Dyk Consolidated Mines (500,000 10s. shares at par to shareholders of Van Dyk Proprietary Mines)	250,000	...	250,000	250,000	...
Total	658,581	...	844,368	826,685	17,683

	Total Offered for Subscription—Including Conversions	Excluding Conversions	Total Offered for Subscription—Including Conversions	Excluding Conversions
Jan. 1 to date—				
1934	291,847,297	117,324,559	Whole year—	
1933	231,027,427	133,801,861	1933	467,921,560
1932	291,409,990	162,665,325	1932	2,699,684,265
1931	108,621,099	97,744,114	1931	114,200,666
1928	456,647,587	284,546,694	1928	693,100,058

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	72,197,528	12,656,356	32,470,675	117,324,559
1933	120,524,341	7,329,566	5,947,954	133,801,861
Whole year—				
1934	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,733,800	5,563,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	18,970,032	...	25,186,402
Gabriel Wade and English, £250,000 6 1/2% cum. pref. £1	250,000	24/3	304,166
Van Dyk Consolidated Mines, 500,000 shares, 10s. at par	250,000	41/9	1,043,750
Rand Leases (Vogelstruisfontein) Gold, 2,900,000 ord. shares, 10s.	1,450,000	38/9	5,618,750
Total to date, 1934	20,920,032	...	32,153,068
Total to date, 1933	25,714,051	...	27,600,435

PUBLIC OFFER

James and Shakspeare, Ltd.—Issue of 300,000 5 1/2 per cent. cumulative redeemable preference shares of £1 at par and 300,000 ordinary shares 5s. each at 7s. 6d. Preference shares redeemable out of profits at 22s. per share by a 2 per cent. sinking fund. Founded 1844; London metal dealers and brokers. Is taking over metal and produce departments of Bishirian, and after allotment, will purchase shares of Williams Henry and Company and subscribe for latter's unissued capital at aggregate cost of £162,250. Total assets, after present issue, valued at £405,469, excluding goodwill. Subscribers to ordinary given option to December, 1937, over 300,000 additional ordinary at 7s. 6d.

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933		Prices Year 1934 (Jan. 1 to Sept. 5)		Name of Security	Price, Aug. 29, 1934	Price, Sept. 5, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to Sept. 5)			Last Two Half-yearly Dividends			Name of Security	Price, Aug. 29, 1934	Price, Sept. 5, 1934	Rise or Fall	Yield				
High-est	Low-est	High-est	Low-est						High-est	Low-est	(a)	(b)	(c)	(a)						(b)	(c)		
British Funds																							
77½	70½	82½	73½	Consols 2½	80½	80½	+	3 2 1	7/6	5½	dis	Nil	Nil	Anglo S. A. 10½ pd.	5 dis	5 dis	...	Nil					
110½	105½	113½	109½	Do. 4% Red. at par on or after Feb. 1957 (a)	112½	113	+	3 4 0	4/7½	Nil	Nil	Nil	Nil	American B. 1½ pd.	6/10½	6/10½	...	Nil					
94½	92½	98½	92½	Do. 3½ 1948-53.	101½	101½	+	2 17 3	385	345	6	(a)	(b)	Bank of N. Zealand 1	42½	43	+1/3	3 14 3					
99½	97½	103½	101½	Do. 3½ after 1961 (a)	103½	104	+	3 5 5	73½	71½	2	(a)	(b)	Bank of Eng. Stk.	37½	37½	+	3 4 9					
107½	107½	111½	108½	Do. 4½ 1940-44.	111½	111½	+	2 11 6	30½	30½	24½	(a)	(b)	Barclay's (11)	72½	72½	...	3 17 0					
118½	114½	119½	115½	Do. 5½ 1944-64.	119½	119½	...	3 0 11	10½	8	4	(b)	(c)	Barcl. (Dom. & C.) A. 1	33½	33½	...	2 14 2					
...	...	...	...	Funding 3½ 1935-69.	116	116	...	3 3 0	32½	31½	5½	(c)	(c)	Bk. of Australasia (5)	9½	9½	...	4 3 3					
113½	108	116½	111½	2% Treasury Bds. 35-38	100½	100½	...	2 0 0	50	33	6	(c)	(c)	Bk. of Montreal (100)	139½	140½	+1/4	4 5 0					
100½	97½	103½	102½	3% Treasury Bds. 39-42	102½	102½	+	2 18 9	167	164	3	(c)	(c)	Bk. of N.W. Wales (200)	24½	24½	...	3 8 3					
103½	102½	104½	102½	Victory Bonds 4%	112½	112½	...	3 11 0	18½	12½	24½	(a)	(b)	Brit. Overseas A 5	31	31	+	7 10 0					
102½	97½	105½	101	War L'n 3½ after 1952 (p)	104½	105	+	3 10 6	53½	48½	5	(b)	(b)	Brit. Overseas B 5	31	31	+	7 10 0					
89½	82½	89½	83½	Local Loans 5½	102	102	...	2 19 0	8	7½	7	(a)	(a)	Brit. Overseas C 5	31	31	+	7 10 0					
...	...	...	...	Austria 3½ 1935-53	88	88	...	3 13 6	112½	112½	6½	(a)	(a)	Brit. Overseas D 5	31	31	+	7 10 0					
...	...	...	...	India 2½	80½	81½	+1/4	3 14 1	112½	112½	6½	(a)	(a)	Brit. Overseas E 5	31	31	+	7 10 0					
...	...	...	...	Do. 3%	80½	81½	+1/4	3 14 1	112½	112½	6½	(a)	(a)	Brit. Overseas F 5	31	31	+	7 10 0					
...	...	...	...	Do. 3½	81½	81½	...	3 14 1	112½	112½	6½	(a)	(a)	Brit. Overseas G 5	31	31	+	7 10 0					
...	...	...	...	Do. 4%	81½	81½	...	3 14 1	112½	112½	6½	(a)	(a)	Brit. Overseas H 5	31	31	+	7 10 0					
...	...	...	...	Do. 4½ 1958-68	115½	115½	...	3 10 3	88½	81½	7	(b)	(b)	Brit. Overseas I 5	31	31	+	7 10 0					
...	...	...	...	U.K. & Arg. 4½ (1947)	108	108	...	4 2 0	38½	34½	4	(b)	(b)	Brit. Overseas J 5	31	31	+	7 10 0					
...	...	...	...	Dom. & Colonial Govts.	108	108	...	3 11 0	50½	44½	10	(b)	(b)	Brit. Overseas K 5	31	31	+	7 10 0					
...	...	...	...	Australia 5½ 1945-75	108	108	...	3 11 0	14½	13½	7	(b)	(b)	Brit. Overseas L 5	31	31	+	7 10 0					
...	...	...	...	Canada 4½ 1940-60	106	106	...	3 5 3	47½	44½	8½	(b)	(b)	Brit. Overseas M 5	31	31	+	7 10 0					
...	...	...	...	Gold Coast 4½ 1956-60	116	116	...	3 12 0	14½	12½	5	(b)	(b)	Brit. Overseas N 5	31	31	+	7 10 0					
...	...	...	...	Nigeria 5½ 1950-60	116	116	...	3 12 0	14½	12½	5	(b)	(b)	Brit. Overseas O 5	31	31	+	7 10 0					
...	...	...	...	N.S. Wales 5½ 1955-60	116	116	...	3 12 0	14½	12½	5	(b)	(b)	Brit. Overseas P 5	31	31	+	7 10 0					
...	...	...	...	N. Zealand 5½ 1946-60	111	111	...	3 17 8	90½	83½	9	(b)	(b)	Brit. Overseas Q 5	31	31	+	7 10 0					
...	...	...	...	Queensland 5½ 40-60	106	106	...	4 4 9	8½	7½	7	(b)	(b)	Brit. Overseas R 5	31	31	+	7 10 0					
...	...	...	...	S. Africa 5½ 1945-75	113	113	...	3 12 1	84½	74½	10	(b)	(b)	Brit. Overseas S 5	31	31	+	7 10 0					
...	...	...	...	Foreign Governments	98	98	...	4 3 11	11½	10½	12½	(b)	(b)	Brit. Overseas T 5	31	31	+	7 10 0					
...	...	...	...	Argentina 4½ Resc. 1952	102	102	...	5 19 3	28½	25½	40	(a)	(a)	Brit. Overseas U 5	31	31	+	7 10 0					
...	...	...	...	Austrian 6½ 1923-43	72	73	+1	9 13 3	13½	12½	13½	(a)	(a)	Brit. Overseas V 5	31	31	+	7 10 0					
...	...	...	...	Do. 7% Int. red. by 1957	50	50	...	7 1 0	13½	12½	13½	(a)	(a)	Brit. Overseas W 5	31	31	+	7 10 0					
...	...	...	...	B. Aires (Prov.) 3½	50	50	...	7 1 0	13½	12½	13½	(a)	(a)	Brit. Overseas X 5	31	31	+	7 10 0					
...	...	...	...	Belgian 7% red. by 1956	110	110	...	6 5 0	13½	12½	13½	(a)	(a)	Brit. Overseas Y 5	31	31	+	7 10 0					
...	...	...	...	Bulgaria 7½ Loan	26½	26½	...	9 12 3	18½	16½	24	(a)	(a)	Brit. Overseas Z 5	31	31	+	7 10 0					
...	...	...	...	Brazil 5% Fund. 1914	80	80	...	6 5 0	31	27½	25	(a)	(a)	Brit. Overseas AA 5	31	31	+	7 10 0					
...	...	...	...	Chili 6% (1929)	73	73	...	7 1 0	40½	35½	12½	(a)	(a)	Brit. Overseas AB 5	31	31	+	7 10 0					
...	...	...	...	Do. 5% (1912)	20	20	...	6 5 0	31	27½	25	(a)	(a)	Brit. Overseas AC 5	31	31	+	7 10 0					
...	...	...	...	Do. 5% (1913)	95	95	...	5 5 11	18½	17½	12½	(a)	(a)	Brit. Overseas AD 5	31	31	+	7 10 0					
...	...	...	...	Czechoslovakia 8%	110	110	...	7 8 2	18½	17½	12½	(a)	(a)	Brit. Overseas AE 5	31	31	+	7 10 0					
...	...	...	...	Danish 3%	84½	84½	...	3 11 3	14½	13½	14½	(a)	(a)	Brit. Overseas AF 5	31	31	+	7 10 0					
...	...	...	...	Danish 6%	84½	84½	...	3 11 3	14½	13½	14½	(a)	(a)	Brit. Overseas AG 5	31	31	+	7 10 0					
...	...	...	...	Egypt United 6½	108	108	...	3 14 9	91½	75½	137½	(a)	(a)	Brit. Overseas AH 5	31	31	+	7 10 0					
...	...	...	...	Finland 6% 1923	102	102	...	5 19 3	8½	7½	3½	(a)	(a)	Brit. Overseas AI 5	31	31	+	7 10 0					
...	...	...	...	French 4% (British)	26½	27	+1/4	4 13 0	99½	89½	8½	(a)	(a)	Brit. Overseas AJ 5	31	31	+	7 10 0					
...	...	...	...	German 7%	52	49	-3	14 11	90½	77½	119½	(a)	(a)	Brit. Overseas AK 5	31	31	+	7 10 0					
...	...	...	...	Do. 5½ Stg. Bds. 1930	39	39	...	7 19 1	18½	16½	17½	(a)	(a)	Brit. Overseas AL 5	31	31	+	7 10 0					
...	...	...	...	Greek 6% Stab. L'n	33½	33½	...	...	18½	16½	17½	(a)	(a)	Brit. Overseas AM 5	31	31	+	7 10 0					
...	...	...	...	Do. 7% Refuge	39½	39½	...	...	244	201	3½	(a)	(a)	Brit. Overseas AN 5	31	31	+	7 10 0					
...	...	...	...	Hungary 5½	41	41	...	7 9 9	60½	55	15	(a)	(a)	Brit. Overseas AO 5	31	31	+	7 10 0					
...	...	...	...	Japanese 5½ 1936-65	77	77	...	7 4 9	14½	13½	7½	(a)	(a)	Brit. Overseas AP 5	31	31	+	7 10 0					
...	...	...	...	Do. 6% (1924) red 1959	85	86	+1	7 12 2	98	65	1½	(a)	(a)	Brit. Overseas AQ 5	31	31	+	7 10 0					
...	...	...	...	Norwegian 4% 1911	111	111	...	...	155	120	2½	(a)	(a)	Brit. Overseas AR 5	31	31	+	7 10 0					
...	...	...	...	Peru 7½ 1922	32½	33½	+1/4	7 12 2	263	210	2½	(a)	(a)	Brit. Overseas AS 5	31	31	+	7 10 0					
...	...	...	...	Poland 7½	89	89	...	...	212	185	15½	(a)	(a)	Brit. Overseas AT 5	31	31	+	7 10 0					
...	...	...	...	Romania 4% Cons. 1922	16	15	-1	155 120	263	210	2½	(a)	(a)	Brit. Overseas AU 5	31	31	+	7 10 0					
...	...	...	...	Swedish 3½ 1908	113	113	...	3 2 0	263	210	2½	(a)	(a)	Brit. Overseas AV 5	31	31	+	7 10 0					
...	...	...	...	U.K. & Argentine 1933	109	109	...	4 16 0	167½	126	2½	(a)	(a)	Brit. Overseas AW 5	31	31	+	7 10 0					
...	...	...	...	5½ B. Certs. (1951)	69½	71	+1/4	4 5 0	263	210	2½	(a)	(a)	Brit. Overseas AX 5	31	31	+	7 10 0					
...	...	...	...	Do. C. Certs. (3% Max.)	69½	71	+1/4	4 5 0	174	128	5	(b)	(b)	Brit. Overseas AY 5	31	31	+	7 10 0					
Corporation Stocks														294	265	7	(b)	(b)	Brit. Overseas AZ 5	31	31	+	7 10 0
73½	52	53	25	Berlin 6% 1932-57	30	26½	-3½	...	294	265	7	(b)	(b)	Brit. Overseas BA 5	31	31	+	7 10 0					
116	112	117½	114½	Birmingham 5% 1946-56	117	116½	-1/4	3 7 0	294	265	7	(b)	(b)	Brit. Overseas BB 5	31	31	+	7 10 0					
116½	113	118½	115½	Bristol 5% 1948-58	116	116	...	3 10 6	294	265	7	(b)	(b)	Brit. Overseas BC 5	31	31	+	7 10 0					
87½	80	86½	78	Danish 7% 1935-45	90½	87½	-2½	8 16 6	294	265	7	(b)	(b)	Brit. Overseas BD 5	31	31	+	7 10 0					
107½	95	114	98	E. London 5% 1950-70	120	120	...	4 2 8	294	265	7	(b)	(b)	Brit. Overseas BE 5	31	31	+	7 10 0					
87½	69	95½	84	Johannesburg 5½ 1937-52	104	104	...	3 5 3	294	265	7	(b)	(b)	Brit. Overseas BF 5	31	31	+	7 10 0					
29	15½	20	15	L.C.C. 3%	91½	92	+	3 5 3	294	265	7	(b)	(b)	Brit. Overseas BG 5	31	31	+	7 10 0					
101	91	116½	97	Met. Wat. Bd. "B" 3%	94	94	...	3 11 4	294	265	7	(b)	(b)	Brit. Overseas BH 5	31	31	+	7 10 0					
105½	100½	111½	102	P. of Lond. 5% 1950-70	118	118	...	...	294	265	7	(b)	(b)	Brit. Overseas BI 5	31	31	+	7 10 0					
62½	59	71	54	...	...	...	...	...	294	265	7	(b)	(b)	Brit. Overseas BJ 5	31	31	+	7 10 0					
73½	52	53	25	...	...	...	...	...	294	265	7	(b)	(b)	Brit. Overseas BK 5	31	31	+	7 10 0					
116	112	117½	114½	...	...	...	...	...	294	265	7	(b)	(b)	Brit. Overseas BL 5	31	31	+	7 10 0					
116½	113	118½	115½	...	...	...	...	...	294	265	7	(b)	(b)	Brit. Overseas BM 5									

(Continued from page 457)

BY STOCK EXCHANGE INTRODUCTION

Aktieselskapet Union (Union Company), Oslo.—Particulars of £1,150,000 5½ per cent. first mortgage debentures repayable by 1957. Founded 1873. Proceeds will permit repayment of Kr. 2,150,000 6½ per cent. debentures to Bank of Norway. Owns twelve mills, with yearly capacity of 190,100 tons of pulp and 133,600 tons of paper; also 30,000 acres of forest land, and waterfalls producing 40,000 horse-power. Net assets equivalent to £2,003,649. Profits: 1930, Kr. 2,713,192; 1931, Kr. 3,240,152; 1932, Kr. 2,748,803; 1933, Kr. 2,527,423. Hambros Bank have purchased at 94, paying all expenses.

Fillerys Toffees, Ltd.—Issue of 400,000 ordinary shares of 5s. each. Incorporated August 3, 1934, to acquire property and assets of Fillerys Toffees of Birmingham, founded in 1923, now in voluntary liquidation. Profits are shown as follows: Financial years ended July 25, 1931, £28,811; July 30, 1932, £23,535; July 29, 1933, £11,326; ten months ended June 2, 1934, £15,520. Total net assets (exclusive of goodwill), £67,535. Valuation of the property, £37,981. Preliminary expenses estimated at £2,500. Available working capital, £29,554.

ISSUES TO SHAREHOLDERS ONLY

Leethems (Ireland).—This company is issuing 6,550 ordinary shares of £1 each to ordinary and preference shareholders in the proportion of one in five at 27s. 6d. per share.

Offin River Gold.—In connection with the reorganisation scheme, Offin River Gold Estates is offering for subscription at par 141,460 shares of 5s., payable 2s. 6d. on application and 2s. 6d. on allotment to shareholders registered August 21st in proportion of one for every two held. Arrangements have been made with F.P.H. Finance Trust to subscribe at par for such of the shares as shall not be subscribed for by members, and also to subscribe at par for 258,540 further shares of 5s. As consideration, the trust has been granted an option up to September 30, 1935, on a further 400,000 shares as to 200,000 shares at par and 200,000 shares at a premium of 2s. 6d. each.

CONVERSIONS AND REPAYMENTS

Gold Coast Government 3 per Cent. Inscribed Stock, 1927-52.—This stock, amounting to £1,098,000, will be repaid at par on March 1, 1935.

Northern Electric Company.—The Northern Electric Company will, on December 1, 1934, redeem the outstanding first mortgage 5 per cent. sinking fund gold bonds at 105, plus interest.

OFFERS ABROAD

Government of India.—Issue of 3 per cent. rupee bonds, at 99 per cent., unlimited in amount, repayable at par on September 15, 1941. Subscriptions will be received in 4½ per cent. bonds, 1934, or in cash. No subscriptions in London.

Swedish Government 3½ per Cent. Loan.—Offer of 70,000,000 kronor (£3,880,000) at 99 per cent. during September 6th to 15th. Amortisation will be by equal annual drawings between 1945 and 1974. The issue was oversubscribed in twenty minutes.

FORTHCOMING ISSUES

Bursledon Brick Company.—Offer of 25,000 ordinary shares to shareholders at 15s. per share. One for each four held.

Camp Bird, Ltd.—The Camp Bird issue of 6,000,000 shares of 1s. at par to shareholders and debenture holders is to be made on September 15th. Lists will be closed on September 29th. Underwriting has been completed. The new capital, after adjustments in connection with the reorganisation, will be available for financing business already investigated by the company.

Wall Paper Manufacturers.—Shareholders in Wall Paper Manufacturers may expect to receive shortly details of the company's proposed issue to finance acquisitions made earlier this year.

United Steel Companies.—It is understood that the United Steel Companies will in the autumn make a debenture issue for about £2,300,000 at a lower rate of interest than on existing debentures. Company has issued £1,300,000 of 6 per cent. 15-year debentures to bankers as security for loan, repayable at 105 before July 1, 1935, on six months' notice. There is about £2,600,000 of loan capital in the group of companies.

RESULTS OF ISSUES

North Wales Power 3 per Cent. Debenture Stock.—Holders of the company's 4½ per cent. stock were invited to convert into the new issue, but cash subscriptions were not sought. The underwriters have to take up about 67 per cent. of the issue.

Hevea (Johore) Rubber.—Issue fully taken up by share* holders. Allotment letters posted.

James and Shakspeare, Limited.—The list for the issue by James and Shakspeare closed at 10 a.m., September 6th.

CALLS DUE SEPTEMBER 10 TO SEPTEMBER 15, 1934

The grand total of calls falling due in September, 1934, is £4,766,761, which compares with £25,747,684 which fell due in September, 1933. The following calls fall due from September 10, 1934, to September 15, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	Alicoombe Estates, Ltd. (£110,000 5% Deb. Stock, at par)	£50%	Sept. 15	All
Stock	Bournemouth and Poole Electricity (£400,000 3½% Deb. Stock, at 99%)	£35%	Sept. 10	£64%
Stock	Huddersfield 3% Red. Stock, 1960 (£1,500,000, at 95%)	£60%	Sept. 15	All
5/-	International Tea Company's Stores, Ltd. (549,752 Ordinary Shares, at 20/-)	5/- p.s.	Sept. 10	10/-
5/-	Oceana Development, Ltd. (87,880 Shares, at 20/-)	5/- p.s.	Sept. 10	5/- p.s.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Aug. 29, 1934	Price, Sept. 5, 1934
Airspeed (1934) Pref. Ord. 5/-	5/-	2/6	1/6-1/9 pm	1/10½-2/1½ pm
Alicoombe Estates 5% Deb.	100	50	1-1½ pm	1-1½ pm
British Aluminium Ord.	27/6	19/6	7½d-4½d dis	6d-3d dis
Do. do. 6% Cum. Pref.	24/6	17/6	4½d-7½d prem	7½d-10½d prem
Do. do. 4% Deb.	99	103½-104½	103½-104½	103½-104½
Brookes (W. J.) and Sons Ord. 5/-	...	...	6/3-6/6	6/3-6/6
Do. do. 6% Cum. Pref. £1	...	...	21/3-21/6	21/3-21/6
Caley (A. J.) and Son 5% Pref.	...	...	20/6-21/-	20/3-20/9
Carlton Main Colliery 4½% Deb.	102½	102½	1-1½ dis	101½-102½
Criterion Restaurants 4½% Deb.	98½	10	1 dis-par	1 dis-par
Dale (John) 5½% Pref.	...	...	20/9-21/3	20/9-21/3
Gold Ex. and Finance Aust. Ord.	10/-	5/-	4/4½-4/10½ pm	3/9-4/3 pm
Greenwood (John) Millers, 1934, Ord.	5/-	...	7/9-8/3	8/4½-8/7½
Do. do. 5½% Pref.	5/-	...	22/-22/6	22/4½-22/10½
Griffiths Hughes Prop. Ord.	...	...	40/6-41/-	41/-41/6
Do. do. 8½% Cum. Pref. £1	20/-	...	1/6-1/9 pm	22/-22/9
Grosvenor Caterers (Glasgow) Ord. 5/-	6/-	...	4/10½-5/3	4/6-5/-
Do. do. 5% Deb.	100	...	98½-99	98-98½
Ideal Boilers & Radiators 5% Pref. £1	20/6	10/6	1½d-3d pm	par-3d pm
Jackson Brothers 6½% Pref.	...	...	23/-24/-	23/-24/-
Kentian Gold (10/-)	10/-	...	11/10½-12/1½	11/7½-11/10½
Kimington Gold	10/-	...	14/10-14/6	13/9-14/3
Mayfair and Gen. Prop. 5% Deb.	100	15	1½-2½ pm	1½-2½ pm
Mount Morgan 5/-	7/6	...	21/-21/6	23/9-24/3
New Machavie Gold	5/-	...	14/3-14/9	13/-13/6
New Zealand 3½, 1935-60.	100	5	¾-¾ pm	¾-¾ pm
N. Wales Power 3% Debts.	100	5	...	1-1½ pm
Powell Duffryn Pref. Ord. 5/-	20/9	10/-	1/-1½ dis	1/1½-7½d dis
Reed (Austin) 5% "A" Pref.	100	55	21/6-22/-	21/6-22/-
Salford Corp. 3½, 1954-64	100	30	1 dis-par	par-1 pm
Somerses 3½, 1959-64	100	55	2½-3½ pm	2½-2½ pm xd
S. African Distilleries	21/-	...	29/6-30/-	29/6-30/-
S. Rhodesia 3½, 1955-65	97½	...	¾-¾ pm	98½-98½
Stanton Iron. New 6½% Pref. £1	25/-	10/-	1/3-1/9 pm	1/11-1/7½ pm
Stewarts and Lloyds 4% Deb.	100	50	2½-2½ pm	2½-2½ pm
Stockport 3½, 1954-64	100	50	¾-¾ pm	¾-¾ pm
Stretford 3½, 1955-65	Par	20	1 dis-par	par-1 pm
Trust Houses 3½% Deb.	93½	20	1½-2 pm	1½-2 pm
Tunnel Portland Cement "B" Ord. 10/-	...	...	38/9-39/3	40/6-41/-
United Steel £1	21/6	...	22/3-23/3	22/6-23/6
Van Dyk Consolidated	10/-	...	1½-2½	1½-2½
Walsall 3½	100	55	¾-¾ pm	¾-¾ pm
Welsh Ass. Collieries 5½% Cum. Pref. £1	21/-	...	17/3-17/9	16/9-17/3
Do. do. 4½% Deb.	100	25	3½-3 dis	3½-3 dis

FOR BANKING IN FINLAND

KANSALLIS-OSAKE-PANKKI

ESTABLISHED 1889

Head Office: HELSINGFORS

OUR NETWORK OF BRANCHES,
BY FAR THE LARGEST IN
FINLAND, COMPRISING

189 BRANCHES

ENSURES PROMPT AND EFFICIENT
EXECUTION OF YOUR

COLLECTIONS AND PAYMENT ORDERS

COMPANY MEETINGS, &c.

RAND LEASES (VOGELSTRUISFONTEIN), GOLD MINING COMPANY, LIMITED

LARGE ORE RESERVES

STRONG FINANCIAL POSITION

At the first ordinary general meeting of shareholders of Rand Leases (Vogelstruisfontein) Gold Mining Company, Limited, held in Johannesburg, the deputy chairman, Mr W. Patrick Jones, stated, *inter alia*:—Ladies and gentlemen,—The property account reflects the transaction referred to at the statutory meeting, namely, the purchase from Mr Arthur Pratt of the freehold portion of the farm "Vogelstruisfontein" No. 62, together with other mining rights equivalent in all to 355 claims thereon, and further mining rights on the farm "Roodepoort" No. 43. The purchase price for these rights amounted to £125,000. The purchase was made after the Government's consent in terms of the usual mining lease had been obtained. As a consequence of these readjustments the profit accruing to the Government from the working of the joint area was reduced by 10 per cent.

In the case of gold mines which have not yet reached the producing stage, all expenditure on underground equipment—shaft sinking and development—is allowed to accumulate at 5 per cent. interest and can be set off against the profits assessable to excess profits taxation. I may point out that our lease with the Government provides that the company will pay only 50 per cent. of any excess profits taxation—an additional benefit in favour of the company.

CONSIDERABLE PROGRESS

The consulting engineer's report discloses considerable progress made during the short period under review in the dewatering and reconditioning of the several shafts which will serve a considerable portion of the company's mining area. A scheme for the conservation of water has been started and excavations for the foundations are almost complete. The scheme when finished will impound over 200 million gallons of water; it is hoped to have this completed before the next rainy season.

The site for the reduction works has been fixed and the flow-sheet decided upon. Considerable work has been done in the design of the works themselves. By the courtesy of the Johannesburg Consolidated Investment Company, Limited, the co-operation of their Metallurgical Department has been obtained for this work.

A recalculation of the ore reserves of the mine has been made from existing assay plans, and indicates that with gold at 85s. per ounce there are 1,163,000 tons of payable ore developed of an average value of 5.4 dwt. over 40 in. on the Main Reef Series. With gold at 135s. per ounce, an additional 685,000 tons valued at 3.3 dwt. over 43 in. become available.

ENERGETIC DEVELOPMENT PROGRAMME

The work done on the old shafts, which will serve the outcrop of the Main Reef Series, has revealed particularly satisfactory conditions. The development of the Bird Reef, which outcrops from the centre of the Lease Area, has shown very encouraging values. These two factors, coupled with the benefits to be derived from the purchase of the ground from Mr Arthur Pratt, have led your board, acting on the advice of its technical advisers, to proceed forthwith with a programme for the laying-out and equipping of the mine for an ultimate crushing capacity of 100,000 tons per month. This programme will involve the placing of large orders for the importation of plant and equipment so that the work may be expeditiously carried out. In view of these developments the board considered it necessary to take steps to increase the capital of the company to £1,500,000.

The result is that the company's liquid resources are over £1,000,000, a sum which, in the opinion of our technical advisers, will see us through to the production stage, which, so far as can be seen now, should be early in 1936.

The energetic development of the mine received a considerable impetus on the 26th of last month, when the first sod was turned in the sinking of the No. 11 Central Shaft, from which the whole of the Southern Section of the company's mining area will be developed and worked. This shaft will be a vertical 7-compartment shaft of an ultimate depth of 4,600 ft., and has been designed to give the maximum efficiency throughout the life of the mine.

In conclusion, I wish to express your board's warm appreciation of the valuable services of your consulting engineer, Mr J. D. MacKenzie; the mechanical engineer, Mr W. S. Carr, the technical adviser, Mr G. J. V. Clarence; and the secretaries and their respective staffs for the excellent service rendered by them all to the company during the arduous period under review.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 1, 1934, amounted to £8,588,865, against ordinary expenditure of £16,130,924. After allowing for a decrease in Exchequer Balances of £235,503 the operations for the week, as shown below, increased the National Debt by £7,557,444 to approximately £8,075 millions.*

(000's omitted)

Public Department Advances.....	+ 11,200	Treasury Bills.....	— 209
		National Savings Certificates	— 100
		Other Debt under War Loan	— 1,753
		Acts 1914 to 1919	— 1,556
		New Sinking Fund (1928)	— 25
		N. Atlantic shipping issue.....	— 3,643
	+ 11,200		

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Sept. 1, 1934	April 1, 1933, to Sept. 2, 1933	Week ended Sept. 1, 1934	Week ended Sept. 2, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	47,339,000	40,042,000	3,151,000	2,414,000
Sur-tax	50,000,000	6,920,000	8,150,000	110,000	140,000
Estate, etc., Duties	76,000,000	36,130,000	39,180,000	1,090,000	900,000
Stamps	25,000,000	7,050,000	5,920,000	620,000	270,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	160,000	...	...
Total Inland Revenue.....	372,500,000	97,579,000	93,452,000	4,951,000	3,724,000
Customs and Excise—					
Customs.....	183,650,000	78,034,000	74,308,000	3,165,000	2,965,000
Excise.....	106,350,000	41,862,000	43,275,000	762,000	791,000
Total Customs and Excise	290,000,000	119,896,000	117,583,000	3,927,000	3,756,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	1,388,000	1,736,000	...	Dr. 254,000
Post Office (Net Receipt).....	14,000,000	9,150,000	8,200,000	Dr. 300,000	600,000
Crown Lands	1,220,000	570,000	500,000	...	...
Receipts from Sundry Loans	3,800,000	2,790,221	3,271,427	...	73,084
Miscellaneous Receipts.....	20,000,000	5,632,057	16,414,618	10,865	1,052,432
Total Ordinary Revenue	706,520,000	237,005,278	241,157,045	8,588,865	8,951,516
SELF-BALANCING REVENUE					
Post Office	60,463,000	22,350,000	22,450,000	1,400,000	550,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,737,000	6,615,000	...	254,000
Total Self-Balancing Revenue	84,718,000	30,087,000	29,065,000	1,400,000	804,000
Total		267,092,278	270,222,045	9,988,865	9,755,516

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Sept. 1, 1934	April 1, 1933, to Sept. 2, 1933	Week ended Sept. 1, 1934	Week ended Sept. 2, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	103,898,359	103,848,182	7,692,858	8,163,515
Payments to Northern Ireland Exchequer.....	6,500,000	2,254,425	2,419,550	...	...
Other Consolidated Fund Services.....	3,700,000	1,033,105	1,350,092	14,897	25,717
Post Office Fund.....	2,000,000	...	...	...	...
Total	236,200,000	107,185,889	107,617,824	7,707,755	8,189,232
Total Supply Services (excluding Post Office)	466,296,000	180,038,319	177,095,576	8,423,169	9,389,226
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	287,224,208	284,713,400	16,130,924	17,578,458
Payments to U.S.A. Govt.....	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	287,224,208	286,554,616	16,130,924	17,578,458
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	22,350,000	22,450,000	1,400,000	550,000
Road Fund	24,255,000	7,737,000	6,615,000	...	254,000
Total Self-Balancing Expenditure	84,718,000	30,087,000	29,065,000	1,400,000	804,000
Total		317,311,208	315,618,616	17,530,924	18,382,458

The aggregate revenue and expenditure to September 1, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO SEPTEMBER 1, 1934 (000's omitted)

Expenditure	Revenue
287,224	237,005
	Gross increase in borrowing 53,508
	Less—
	New Sinking Fund 3,317*
	Net borrowing 50,191
	Reduction in balances 28
287,224	287,224

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Sept. 2, '33	Mar. 31, '34	Sept. 1, '34	Movement week ended Sept. 1, '34
Advances by Public Department	25,050,000	44,900,000	50,450,000	+11,200,000
Treasury Bills outstanding	991,500,000	799,810,000	817,735,000*	+205,000
Total Floating Debt	1,016,550,000	844,710,000	868,185,000	+10,995,000

* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 in Treasury bills were opened on August 31, 1934, and the total amount applied for was £60,000,000. Tenders were accepted for Treasury bills at three months, dated Monday to Saturday, at £99 16s. 5d., in full. The average rate per cent. was 14s. 4-7d. The amount allotted was £33,900,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,880,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
August 3	40,000,000	47,695,000	37,000,000	0 14 4-76
August 10	35,000,000	58,340,000	31,000,000	0 14 11-06
August 17	35,000,000	58,565,000	30,000,000	0 15 5-60
August 24	30,000,000	59,320,000	30,000,000	0 14 3-26
August 31	35,000,000	60,000,000	33,900,000	0 14 4-47

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended August 18, 1934	569,206	£ 455,385
Week ended August 25, 1934	594,621	£ 467,697
February, 1916, to August 25, 1934	1,195,240,229	£ 941,801,933

At the end of July, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,593,938.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, September 5th, 1934.

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£
In Circulation	381,283,577	Other Government Securities	245,447,712
In Banking Department	70,478,635	Other Securities	278,015
		Silver Coin	3,259,173
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	191,762,212
	451,762,212		451,762,212

BANKING DEPARTMENT

Proprietors' Capital	£	Government Securities	£
Rest	14,553,000	Other Securities	85,029,164
Public Deposits*	3,702,260	Discounts and Advances	£6,935,180
Other Deposits	29,635,051	Securities	£10,763,506
Bankers	£88,946,917	Notes	17,698,686
Other Accounts	£36,930,438	Gold and Silver Coin	70,478,635
7-day and Other Bills	125,877,355		566,231
	5,070		
	173,772,736		173,772,736

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

Both Departments	Amount, Sept. 5, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	381,283,577	+ 1,999,851	+ 6,057,616
Public deposits	29,635,051	+ 4,356,087	+ 8,180,854
Bankers' deposits	88,946,917	+ 5,200,228	+ 8,475,761
Other deposits	36,930,438	+ 1,714,413	+ 8,047,482
Seven-day bills	5,070	— 255	+ 3,766
Total outside liabilities	536,801,053	+ 4,558,150	+ 2,281,017
Capital and rest	18,255,260	+ 18,378	+ 24,310
Government debt and securities	341,491,976	+ 2,065,961	+ 3,874,642
Discounts and advances	6,935,180	+ 1,319,674	+ 2,759,712
Other securities	11,041,321	+ 1,253,695	+ 3,660,039
Silver coin in issue department	3,259,173	+ 55,412	+ 380,795
Coin and bullion (bank's reserves)	192,328,463	+ 7,390	+ 669,197
Reserves of notes and coin in banking department	71,044,886	+ 7,390	+ 5,388,419
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	45-6%	— 2-1%	— 1-0%
(b) Gold stocks to deposits and notes ("reserve ratio")	35-8%	— 0-3%	+ 0-2%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
Aug. 1, 1934	451,621	389,310	11,860	96,507	36,927	£ 41 in	2 2
" 8	451,677	392,806	23,883	82,001	35,660	56 in	2 2
" 15	451,677	384,109	23,496	89,459	36,724	Nil	2 2
" 22	451,677	379,370	37,393	82,099	35,702	Nil	2 2
" 29	451,762	379,284	33,991	83,747	35,216	85 in	2 2
Sept. 5	451,762	381,284	29,635	88,947	36,930	Nil	2 2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Dis- counts & Advan- ces	Other Securities	Reserve and the "Pro- portion"	
1934	£	£	£	%	£	£	£	£	%
Aug. 1	256,295	241	192,158	35 1/2	81,249	8,869	10,476	62,848	43 1/2
" 8	255,793	742	192,187	36	83,254	6,985	10,073	59,381	41 1/2
" 15	255,744	842	192,190	36	84,139	5,507	10,139	63,081	45 1/2
" 22	256,011	627	192,217	36	84,505	5,771	10,284	72,847	46 1/2
" 29	256,241	444	192,336	36 1/2	83,185	5,615	9,344	73,052	47 1/2
Sept. 5	256,463	278	192,328	35 1/2	85,029	6,935	10,764	71,045	45 1/2

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to August 22	19,766,045	1,143,474	1,931,298	22,840,817
Week ended August 29	458,832	26,528	44,594	529,954
Week ended September 5	588,969	33,123	57,243	679,335
Total to date, 1934	20,813,846	1,203,125	2,033,135	24,050,106
Total to date, 1933	18,491,962	1,135,988	1,877,355	21,505,305
Increase or decrease in 1934	+2,321,884	+ 67,137	+ 155,780	+2,544,801
	= 12-6%	= 6-0%	= 8-3%	= 11-8%
Total for year 1933	27,714,480	1,658,675	2,768,471	32,137,626
Total for year 1932	27,838,633	1,610,407	2,667,913	32,117,953
Increase or decrease in 1933	-119,153	+ 46,268	+ 98,552	+ 25,667
	= 0-4%	= 2-8%	= 3-6%	= 0-07%

PROVINCIAL

(000's omitted)

No. of working days..	Week ended September 1		Month of August		Aggregate Totals, January 1 to September 1	
	1933	1934	1933	1934	1933	1934
BIRMINGHAM	2,521	1,825	8,461	8,012	- 5-3	78,172
BRADFORD	1,033	769	3,461	2,934	- 15-2	28,513
BRISTOL	1,040	1,046	4,944	4,834	- 0-2	36,742
DUBLIN	3,502	4,907	—	—	—	179,416
LEEDS	704	619	2,800	2,964	+ 5-8	24,419
LIVERPOOL	5,260	5,068	25,234	24,727	- 2-0	202,819
MANCHESTER	9,665	8,307	36,831	36,825	- 0-01	319,971
NEWCASTLE	1,475	1,299	5,868	5,891	+ 0-3	49,206
NOTTINGHAM	493	321	1,783	1,671	- 6-2	15,034
SHEFFIELD	749	629	3,007	3,356	+ 11-6	26,191
	27,855	26,035	97,549	96,855	- 0-7	1,011,893
						1,044,479

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1932. Chile in August 12, 1933. Denmark, in August 11. Poland, Hungary, Spain, Canadian Bank, and Egypt in September 1.

BANK FOR INTERNATIONAL SETTLEMENTS.

(In Millions of Swiss Francs)

ASSETS	Aug. 31, 1933	May 31, 1934	June 30, 1934	July 31, 1934	Aug. 31, 1934
Gold in bars	193-8	193-4	16-0	14-8	13-8
Cash	4-3	10-4	5-6	5-0	13-3
Sight funds	22-9	12-0	10-2	10-8	8-7
Bills and acceptances:—					
Commercial bills	234-5	163-1	150-0	139-0	146-6
Treasury bills	167-8	196-2	185-6	208-1	203-1
Time funds:—					
Not exceeding 3 months	123-6	41-4	37-7	38-2	44-4
Sundry bills and investments	160-0	222-1	228-8	227-5	233-7
Other assets	1-7	9-6	10-1	10-0	9-7
LIABILITIES					
Capital paid up	125-0	125-0	125-0	125-0	125-0
Reserves	13-7	17-3	17-3	17-3	17-3
Special deposits:—					
Annuity trust account	154-2	153-6	153-6	153-6	153-6
German Government deposit fund	77-1	76-8	76-8	76-8	76-8
French Government guarantee fund	48-0	40-8	40-8	40-8	40-2
Time deposits of Central Banks:—					
Not exceeding 3 months	128-8	107-2	107-0	109-0	111-7
Sight deposits of Central Banks:—					
For their own account	103-8	57-2	31-3	39-2	56-3
For account of others	11-5	9-2	6-5	14-7	14-7
Other deposits	3-1	1-0	1-0	0-9	1-2
Sight deposits—gold	5-1	25-7	15-6	14-7	13-7
Miscellaneous items	49-5	57-6	59-6	61-4	62-8
Profits for distribution on July 1	...	...	9-4	...	...

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

RESOURCES	Sept. 8, 1933	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934
Gold Certificates on hand and due from the Treasury	...	4,961,370	4,963,360	4,979,480	4,960,080
Total reserves	3,809,520	5,210,140	5,216,050	5,239,690	5,193,080
Total cash reserves	221,140*	224,460	228,660	235,920	209,110
Total bills discounted	144,790	20,210	19,820	21,010	23,640
Bills bought in open market	6,970	5,200	5,110	5,220	5,220
Total bills on hand	151,760	25,410	24,930	26,260	28,860
Total U.S. Govt. securities	2,166,370	2,431,460	2,431,520	2,431,800	2,431,810
Total bills and securities	2,320,080	2,457,500	2,457,180	2,459,260	2,461,940
Total resources	6,640,930	8,265,160	8,207,730	8,232,850	8,233,500
LIABILITIES					
Federal Reserve notes in actual circulation	3,010,950	3,102,370	3,105,030	3,103,290	3,149,660
Federal Reserve Bank notes in circulation	132,690	32,650	32,300	31,930	31,430
Deposits—Memberbank—reserve account	2,499,390	4,064,270	4,072,320	4,126,970	3,907,170
Government deposits	55,690	57,890	43,770	29,940	162,990
Total deposits	2,673,040	4,333,570	4,327,380	4,360,830	4,273,500
Capital paid in and surplus	424,630	284,810	284,900	284,910	284,940
Total liabilities	6,640,930	8,265,160	8,207,730	8,232,850	8,233,500
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	67-0%	70-1%	70-2%	70-7%	70-0%

* Reserves other than gold.

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

	Sept. 8, 1933	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934
Total gold reserves	888,130	1,796,290	1,820,440	1,830,900	1,732,330
Total bills discounted	43,760	11,650	11,900	12,420	10,040
Bills bought in open market	2,180	1,930	1,850	1,980	1,950
Total U. S. Govt. securities	774,800	777,350	777,580	777,500	777,580
Total bills and securities	822,080	797,300	791,580	792,240	797,930
Deposits—Memberbank—reserve account	1,016,670	1,688,710	1,706,740	1,742,370	1,583,590
Ratio of total res. to dep. and Federal Res. note liabilities combined	61.1%	72.1%	72.5%	72.5%	71.3%

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

ASSETS	Sept. 2, 1933	Aug. 7, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 31, 1934
Gold reserve	251,269	277,069	277,338	277,444	278,308
Government securities—Foreign	255,271	151,062	176,062	176,062	176,062
Gold reserve included in the		42,097	46,559	46,559	46,559
Bills payable in Sweden	120,531	94,558	94,518	94,465	94,372
" abroad	12,522	9,204	9,372	9,330	9,443
Advances	3,323	351,560	351,560	351,560	360,560
Balance abroad	302,420	69,529	68,952	72,638	63,744
LIABILITIES					
Capital paid up	36,859	27,365	27,481	27,475	27,414
Notes in circulation	570,408	590,891	580,219	588,162	642,841
Government deposits	155,777	124,274	149,904	157,914	135,865
Private deposits	262,664	340,280	355,062	363,699	314,956

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

ASSETS	Position, May 31, 1934	Aug. 31, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 31, 1934
Gold and bullion—Gold	44,224	118,249	118,389	118,389	118,389
Balance abroad and foreign bills	28,533	22,319	7,083	7,545	7,548
Funds provisionally placed in gold not included in the gold reserve	...	28,169	16,379	16,379	16,379
Norwegian and Foreign Government securities	8,816	42,459	30,874	30,929	31,584
Discounts and loans	76,911	217,791	274,388	270,328	273,009
LIABILITIES					
Notes in circulation	113,484	304,104	317,149	315,574	321,346
Deposits at sight	7,188	69,010	63,668	61,699	59,475

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

ASSETS	Aug. 16, 1933	July 18, 1934	July 25, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934
Gold	719,307	876,656	878,266	878,266	898,751	898,067
Balances abroad	402,048	322,613	322,301	350,799	351,085	358,461
Discounts	329,230	301,905	306,682	309,636	310,922	313,821
Government loans	1,052,738	1,050,106	1,050,106	1,050,106	1,050,106	1,050,106
LIABILITIES						
Notes in circulation	1,883,303	1,932,769	1,907,554	1,919,841	1,903,364	1,894,308
Government deposits	298,157	272,727	298,057	370,515	373,366	380,606
Bankers' deposits	327,335	437,308	438,896	434,134	437,238	437,238
Other deposits	59,654	61,311	58,280	45,940	39,805	50,284

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

ASSETS	Aug. 31, 1933	Aug. 7, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 31, 1934
Cash reserve—Gold coin and bullion	149,702	241,567	241,569	241,564	241,665
Foreign exchange	39,039	...	...	...	...
Other foreign exchange	7,998	40,895	35,321	39,394	44,032
Bills discounted	187,744	248,290	253,193	253,228	253,252
Federal debt	654,444	624,444	624,444	624,444	624,444
LIABILITIES					
Share capital	43,200	54,960	54,960	54,960	54,960
Reserve fund	11,096	11,280	11,280	11,280	11,280
Notes in circulation	900,155	932,638	932,929	887,444	965,259
Deposits	103,928	205,503	198,426	250,294	174,915

* In dollar and sterling only. † In accordance with Art. 53 of the Statutes.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

ASSETS	Aug. 31, 1933	Aug. 7, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 31, 1934
Gold	1,707,635	2,663,146*	2,663,049*	2,663,029*	2,663,262*
Balances abroad and foreign currency	904,702	27,356	29,992	42,816	52,954
Discounts and advances	1,806,850	1,551,075	1,589,495	1,379,436	1,381,106
State notes debt balance	2,813,949	2,123,298	2,122,267	2,120,510	2,119,804
Other assets	637,333	711,240	712,720	787,702	803,421
LIABILITIES					
Bank notes in circulation	6,168,316	5,299,288	5,344,349	5,135,617	5,384,217
Check account balances	415,815	968,235	954,014	1,002,145	758,083
Other liabilities	336,999	356,582	367,150	403,721	426,237

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

ASSETS	Aug. 31, 1933	Aug. 7, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 31, 1934
Cash reserve—Gold at home and abroad	1,797,471	1,802,227	1,805,897	1,813,157	1,813,157
Foreign exchange	71,841	122,557	94,121	98,304	98,304
Other foreign exchange	81,967	22,856	54,703	57,930	57,930
Bills and advances against security	2,247,366	1,827,283	1,831,548	1,844,537	1,844,537
Government advances	1,716,854	1,719,573	1,719,724	1,719,824	1,719,824
LIABILITIES					
Notes in circulation	4,314,374	4,151,799	4,105,705	4,105,705	4,232,558
Sight deposits	845,832	1,260,994	1,238,264	1,140,973	1,140,973
Time deposits	1,319,041	851,594	853,994	845,694	845,694

NATIONAL BANK OF ROMANIA—In lei (000's omitted)

ASSETS	July 15, 1933	June 24, 1934	June 30, 1934	July 7, 1934	July 14, 1934
Gold & gold exchange	10,382,236	10,087,086	10,096,812	10,107,441	10,107,472
Commercial bills	9,383,530	6,128,715	6,108,091	5,936,946	5,746,772
Agricultural bills	3,045,549	5,182,522	5,271,620	5,212,451	5,197,279
Advances to State, etc.	5,704,047	5,681,087	5,668,269	5,668,163	5,668,269
LIABILITIES					
Notes in circulation	21,479,509	20,977,533	20,959,714	20,796,423	20,832,474
Other sight liabilities	7,509,132	7,490,013	7,611,416	7,606,721	7,509,603
Long term liabilities	3,551,063	3,904,689	3,931,300	3,912,206	3,974,847

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

ASSETS	Aug. 15, 1933	July 23, 1934	July 31, 1934	Aug. 7, 1934	Aug. 15, 1934
Gold and silver holdings	1,521,163	1,546,675	1,546,675	1,546,675	1,546,675
Balances abroad and foreign currencies	104,966	115,200	96,821	120,224	116,634
Discounts and advances	890,961	975,445	973,854	1,036,108	1,034,566
Advances to the Treasury	2,872,872	2,782,525	2,782,525	2,782,525	2,782,525
LIABILITIES					
Capital paid up	500,000	500,000	500,000	500,000	500,000
Reserves	1,193,130	1,237,806	1,237,806	1,237,806	1,238,289
Bank notes in circulation	2,602,109	2,546,687	2,509,223	2,502,955	2,689,742
Sight liabilities	1,610,756	1,693,777	1,731,289	1,722,433	1,670,273
Deposits	200,346	143,398	143,898	143,398	142,790

BANK OF GREECE—In drachmae (000's omitted)

ASSETS	Aug. 23, 1933	July 31, 1934	Aug. 7, 1934	Aug. 15, 1934	Aug. 22, 1934
Gold and gold exchange	3,212,878	3,511,914	3,542,506	3,564,002	3,590,756
State Gold Bonds	640,507	640,507	640,507	638,542	638,542
Other foreign exchange	2,599	2,599	2,599	2,599	2,599
Bills discounted	201,162	230,117	232,715	236,150	239,756
Advances	2,406,629	1,548,506	1,631,940	1,577,265	1,511,072
Debt to the State	2,714,111	2,714,111	2,714,111	2,714,111	2,714,111
LIABILITIES					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	4,736,881	5,143,389	5,176,935	5,207,059	5,227,751
Deposits and current accounts	4,739,311	3,523,368	3,564,617	3,425,621	3,376,698
Foreign exchange liabilities	134,915	107,752	100,080	84,172	60,089

CENTRAL BANK OF TURKEY—In ₺T (000's omitted)

ASSETS	Aug. 24, 1933	Aug. 2, 1934	Aug. 9, 1934	Aug. 16, 1934	Aug. 23, 1934
Gold coin and bullion	15,933	18,736	18,778	18,728	18,735
Other coin and notes	23,565	18,667	19,159	20,117	20,592
Free foreign exchange	310	3,971	3,733	4,107	4,289
Treasury bonds	152,484	149,264	149,263	149,264	149,264
Bills	34,701	31,127	31,137	31,150	31,118
Securities	4,500	4,500	4,500	4,500	4,500
LIABILITIES					
Capital paid up	15,000	15,000	15,000	15,000	15,000
Note Issue					
Ordinary	152,484	149,264	149,263	149,264	149,264
Supplementary	8,688	8,688	8,688	8,688	8,688
Sight liabilities	31,265	31,238	31,540	31,630	34,049

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

ASSETS	Position, May 30, 1914	Aug. 23, 1933	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934
Gold	35,091	322,571	322,641	322,627	322,617
Balance abroad and foreign bills	90,379	1,138,885	1,319,281	1,334,094	1,325,154
Finland and Foreign Government securities	21,826	281,820	410,321	415,026	421,242
Discounts and loans	105,151	885,813	849,823	840,790	839,736
LIABILITIES					
Notes in circulation	123,941	1,030,126	1,195,413	1,177,131	1,150,898
Deposits at notice	21,225	358,626	461,791	489,888	490,485

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

ASSETS	Aug. 23, 1933	July 31, 1934	Aug. 7, 1934	Aug. 15, 1934	Aug. 22, 1934
Gold coin and gold bullion	19,242	20,490	20,494	20,497	20,502
Net foreign exchange	805	9,114	8,898	9,275	9,029
Subsidiary Estonian coin	1,829	1,576	1,537	1,604	1,434
Home bills discounted	7,638	7,749	7,558	7,379	7,331
Loans and advances	10,966	5,594	4,583	4,772	4,630*
Thereof loan to Government	4,100	1,000	1,000	1,000	1,000
LIABILITIES					
Notes in circulation	30,661	32,815	31,802	31,358	33,365
Sight deposits and current accounts	11,327	14,465	13,979	14,920	12,727
Ratio of reserve to current liabilities	47.75%	62.61%	64.20%	64.33%	64.07%

* Includes Ekr. 2,118 guaranteed by the Government.

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

ASSETS	Aug. 23, 1933	July 31, 1934	Aug. 6, 1934	Aug. 13, 1934	Aug. 20, 1934	Aug. 27, 1934
Gold bullion and coin	47,194	44,246	44,250	44,248	44,250	44,251
Silver coin	16,797	16,717	16,723	16,804	16,765	16,736
Balance abroad	2,362	4,602	4,465	4,465	4,465	4,465
Treas. notes and small change	21,647	18,729	18,492	18,185	18,432	18,249
Short-term bills	66,807	63,075	63,083	62,783	62,572	62,459
Loans against securities	46,533	61,920	61,770	61,189	61,039	60,968
LIABILITIES						
Notes in circulation	32,046	31,521	31,337	30,961	31,285	31,593
Capital paid up	20,044	20,426	20,426	20,426	20,426	20,426
Reserve	4,876	5,029	5,029	5,028	5,028	5,029
Deposits	18,610	18,595	18,631	18,650	18,652	18,593
Current accounts	76,460	92,888	93,193	93,655	93,350	93,401
Government accounts	66,931	84,520	83,897	82,931	82,784	82,120

BANK OF LITHUANIA—In lit. (000's omitted)

	Aug. 15, 1933	June 15, 1934	June 30, 1934	July 15, 1934	July 31, 1934	Aug. 1, 1934
ASSETS						
Gold	47,673	55,249	55,254	55,273	55,277	55,280
Silver and other coins	4,415	4,070	4,013	3,936	4,096	4,096
Foreign currency	12,435	9,851	9,308	9,193	8,868	7,188
Discounts	70,876	68,311	72,402	72,717	71,237	71,935
Advances	9,253	10,777	10,779	10,624	10,674	10,434
LIABILITIES						
Capital	12,000	12,000	12,000	12,000	12,000	12,000
Reserve	2,130	2,230	2,230	2,230	2,230	2,230
Bank notes in circulation	89,841	79,841	83,993	81,267	83,867	81,127
Current accounts	33,411	32,411	27,468	27,468	28,868	28,868
	20,149	79,841	83,993	74,582	76,867	76,867

INDIA: REMITTANCES TO THE HOME TREASURY

	During the week ending Sept. 1, 1934	From Apr. 1 to Sept. 1, 1934
Sterling purchased in India	890,000	12,192,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	...	-2,250,000
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	...	...
Total remittance to Home Treasury.....	890,000	9,942,000

India Office, S.W.1.

Sept. 4, 1934.

BULLION

The following statistics of imports and exports of gold and silver for week ended September 6th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended September 6, 1934			Gold Exported from Great Britain and Northern Ireland, week ended September 6, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	551,118	...	Netherlands	112,900	14,846
Netherlands	36,745	...	Belgium	85,200	...
France	6,351	...	France	626,020	67,180
United States	377,862	...	Switzerland	45,228	...
Venezuela	20,700	...	Austria	5,610	...
British West Africa	107,102	...			
British South Africa	180,140	5,000			
Tanganyika Territory	3,135	...			
British India	17,661	...			
Hong Kong	10,198	...			
New Zealand	18,895	...			
Canada	342,860	...			
Newfoundland and Coast of Labrador	...	62,392			
Trinidad & Tobago	7,117	...			
British Guiana	3,845	26			
Other countries	5,811	196			
Total	1,689,540	67,614	Total	874,958	82,026

* At current market price.

† At par.

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended September 6, 1934			Silver Exported from Great Britain and Northern Ireland, week ended September 6, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Un. (Russia)	50,498	...	Sweden	1,930	...
Germany	2,857	358	Norway	1,824	...
Netherlands	1,535	...	Netherlands	3,090	...
Belgium	3,250	...	France	792	...
France	3,160	72	United States	1,098,517	...
China	93,148	241,437	Other countries	740	...
Japan	30,020	...			
United States	5,070	...			
Mexico	50,965	...			
British W. Africa	...	2,766			
British India	15,677	...			
Hong Kong	25,592	...			
Australia	...	2,369			
Fiji Islands	...	12,100			
Other countries	1,850	190			
Total	283,625	259,292	Total	1,106,893	...

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

ARRIVALS		WITHDRAWALS	
1934	£	1934	£
Aug. 31	Nil	Aug. 31	Nil
Sept. 1	Nil	Sept. 1	Nil
" 3	Nil	" 3	Nil
" 4	Nil	" 4	Nil
" 5	Nil	" 5	Nil
" 6	Nil	" 6	Nil
Total	Nil	Total	Nil
Movement Aug. 31, 1934, to Sept. 6, 1934 (inclusive)		Nil	
Movement during year 1933		£71,094,909 in	
Movement during 1934 (January 1 to Sept. 6, inclusive)		£1,031,827 in	
Movement April 29, 1925, to Sept. 6, 1934 (inclusive)		£23,401,974 in	
Movement September 21, 1931 (gold standard suspended), to Sept. 6, 1934 (inclusive)		£55,767,847 in	

GOLD

Messrs. Samuel Montagu and Company write on September 5, 1934, as follows:—
The Bank of England gold reserve against notes amounted to £191,762,097 on the 29th ultimo as compared with £191,676,960 on the previous Wednesday.

The continued appreciation of the gold currencies in relation to sterling caused a succession of fresh record prices daily until Monday, when the high record of 141s. 7d. was established. Yesterday and to-day exchanges reacted and prices declined by 8½d. and 4d., respectively. Offerings have been slightly heavier, totalling some £2,600,000 during the week, and quotations have tended to move closer to the parity of the gold currencies.

Quotations during the week:—

		Per fine ounce	Equivalent value of £ sterling
August 30	140s. 3d.	12s. 1.38d.	
" 31	140s. 11½d.	12s. 0.65d.	
September 1	141s. 5d.	12s. 0.18d.	
" 3	141s. 7d.	12s. 0.01d.	
" 4	140s. 10½d.	12s. 0.73d.	
" 5	140s. 6½d.	12s. 1.07d.	
Average	140s. 11.25d.	12s. 0.67d.	

The Southern Rhodesian gold output for July, 1934, amounted to 57,403 fine ounces, which compares with 58,333 fine ounces for the preceding month and 54,561 fine ounces for July, 1933.

SILVER

At the outset of the week under review the fall in the value of the £ sterling was reflected in higher Eastern advices, and silver prices advanced in consequence. Both prices rose ½d. on the 30th ultimo, and on the following day quotations at 21½d. for cash and 21½d. for forward delivery showed a further rise of ½d. and 1d. for the respective positions.

Heavy China selling was countered by large speculative and some Indian buying.

Since then prices have on balance tended to sag a little, and a fall of ½d. to-day leaves quotations at 21½d. and 21½d. The market has been more active throughout the week, and is firm at to-day's level, at which large purchases have been made by America and by speculators, much of the former being for prompt shipment.

In spite of the continuation of heavy selling by China, we consider the undertone to be good, and unless some new factor emerges we would expect such changes as may occur to be in the upward rather than in the downward direction.

Quotations during the week:—

IN LONDON		IN NEW YORK	
	Bar silver per oz. std. delivery		Cents per ounce
August 30	21½d.	August 29	49½
" 31	21½d.	" 30	49½
September 1	21½d.	" 31	49½
" 3	21½d.	September 1	49½
" 4	21½d.	" 3	Holiday
" 5	21½d.	" 4	49½
Average	21.740d.	" 21.792d.	

The highest rate of exchange on New York recorded during the period from the 30th ultimo to the 5th instant was \$5.02½ and the lowest \$4.98½.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Aug. 31	Aug. 22	Aug. 15
Notes in circulation	18,489	18,437	18,394
Silver coin and bullion in India ...	9,915	9,897	9,893
Gold coin and bullion in India ...	4,155	4,155	4,155
Securities (Indian Government) ...	3,151	3,127	3,114
Securities (British Government) ...	1,268	1,258	1,232

The stocks in Shanghai on the 1st instant consisted of about 78,400,000 ounces in sycee, 347,000,000 dollars and 30,400,000 ounces in bar silver, as compared with about 80,600,000 ounces in sycee, 348,000,000 dollars and 29,700,000 ounces in bar silver on the 25th ultimo.

Statistics for the month of August last are appended:—

	Bar Silver per oz. std. delivery	Two months' delivery	Per fine oz.
Highest price	21½d.	21½d.	140s. 11½d.
Lowest price	20½d.	20½d.	137s. 10d.
Average	21.3774d.	21.3750d.	138s. 7.15d.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.		d.
Aug. 31 ...	140 11½	21½	21½	Sept. 6, 1928	26½
Sept. 1 ...	141 5	21½	21½	" 12, 1929	23½
" 3 ...	141 7	21½	21½	" 11, 1930	26½
" 4 ...	140 10½	21½	21½	" 10, 1931	12½
" 5 ...	140 8½	21½	21½	" 8, 1932	18½
" 6 ...	140 8	21½	21½	" 7, 1933	18½

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Aug. 31, 1934	Miles Open	Gross Receipts, week ended Sept. 2, 1934 (£000)					Aggregate Gross Receipts 1934 compared with 1933, 35 weeks (£000)				
		Passenger	Merchandise	Coal and Coke	Total	Total Receipts	Passenger	Merchandise	Coal and Coke	Total	Total Receipts
Great Western	1934	3,750	267	189	104	293	7,203	6,189	3,420	9,609	16,812
(c) L. & N.	1934	3,752	264	178	98	276	7,231	5,738	3,374	9,112	16,343
Eastern	1934	6,339	400	320	233	553	10,979	9,057	7,845	18,502	29,481
L. M. & S.	1934	6,339	382	303	207	510	10,809	9,787	7,158	16,945	27,754
Scottish	1934	6,940	581	446	229	675	17,061	15,354	7,812	23,166	40,227
Southern	1934	2,176	383	71	38	109	16,798	14,168	7,465	21,633	38,431
Total	1934	19,206	1,631	1,026	604	1,630	45,669	34,398	20,159	54,557	100,226
	1933	19,213	1,605	980	547	1,527	45,123	31,792	19,017	50,809	95,932
(b) Belfast	1934	80	3.5	...	0.5	4.0	91.3	...	...	17.9	109.2
(c) Co. Down	1934	80	3.4	...	0.4	3.8	93.0	...	...	18.1	111.1
(b) Great	1934	562	15.8	...	10.2	26.0	354.2	...	...	257.1	641.3
(c) Northern	1934	562	13.4	...	9.9	23.3	261.2	...	...	214.4	475.6
(b) Great	1934	2,158	31.7	...	32.6	64.3	853.4	...	...	1,140.4	1,963.8
(c) Southern	1934	2,158	31.9	...	31.8	63.7	836.3	...	...	1,037.5	1,873.8

COMPARISONS WITH CORRESPONDING PERIODS, 1933 AND 1934
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:—				
Gross increase or decrease ...	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease*	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year, 1933:—				
9 weeks to September 2, 1934	+ 71	+ 374	+ 348	+ 70
Weekly average second half 1934	+ 7½	+ 41½	+ 38½	+ 7½
Latest week 1934 compared with 1933	+ 20	+ 39	+ 61	+ 9

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending September 1, 1934	£523,200	+ 4,400
Aggregate 9 weeks ending September 1, 1934	£4,713,900	+ 46,900

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
Assam Bengal	18	1934 Aug. 4	1,302	Rs. 3,67,300	Rs. + 89,383	Rs. 64,92,820	Rs. +12,41,523
Barsi Lt. Ry.	19	11	202	23,400	+ 1,400	8,12,200	+ 100
Bengal & N. Western	19	11	2,112	5,11,326	+ 52,792	1,30,16,066	+ 3,39,328
Bengal-Nagpur	18	4	3,269	12,72,000	+1,54,780	2,76,26,010	+27,60,650
Bombay, Bar. & C.I.	21	25	3,072	16,08,000	+1,40,000	4,24,88,000	+17,92,000
Madras & S. Mahr.	11	3	2,230	13,04,000	+ 83,185	2,94,24,213	+ 1,04,746
Robilch'd & Kumaon	19	11	546	9,92,773	+ 2,669	25,11,749	+ 82,140
South Indian	18	4	2,526	9,92,924	+ 6,795	1,97,87,913	+ 7,83,421

CANADIAN

Canadian National	34	1934	Aug. 31	237,488	\$4,886,852	+ 48,925	107,022,440	+128,882,177
Canadian Pacific	34	1934	Sept. 1	170,181	\$3,948,000	+ 422,000	78,858,000	+8,049,000

† 10 days.

SOUTH AMERICAN

Antofagasta (Chili and Bolivia)		35	1934 Sept. 2	830	£	£	£	£
					18,800	+ 6,670	489,790	+ 127,650
Argentine N.E.		9	1	753	{ \$144,300	+ 2,300	1,239,400	+ 13,700
B.A. and Pacific ...		9	1	2,806	{ 8,404	3,001	71,428	+ 25,515
B.A. Central		7	19	...	{ 1,184,000	+ 336,000	10,962,000	+ 1,489,000
B.A. Gt. Southern		9	1	5,085	{ 68,957	845	631,624	+ 100,070
B.A. Western		9	1	1,926	{ 132,100	+ 3,900	916,700	+ 8,700
Central Argentine .		9	2	273	{ 11,533	341	80,630	+ 21,875
Central Uruguayan		9	2	185	{ 2,073,000	+ 448,000	19,416,000	+1,179,000
C. Arg. (East Ext.)		9	2	311	{ 120,734	+ 9,949	1,118,768	+ 289,779
C. Arg. (N. Ext.)		9	2	211	{ 680,000	+ 130,000	6,832,000	+ 670,000
C. Arg. (W. Ext.)		9	2	185	{ 39,604	+ 4,573	383,585	+ 82,241
Cordoba Central....		9	1	1,218	{ 12,209,500	+ 687,000	20,485,500	+ 1,414,900
Entre Rios		9	1	810	{ \$128,700	+ 6,337	1,110,024	+ 81,457
G. Westn. of Brazil		35	1	1,082	{ 14,560	211	25,041	+ 2,806
Leopoldina		35	1	1,918	{ 1,339	301	14,543	+ 125
Leopoldina Termal.		35	1	1	{ 1,433	67	10,464	+ 882
Nitrage		84	Aug. 31	401	{ Ps 527,000	+ 11,000	5,374,000	+ 380,000
Piraguay Central .		9	Sept. 1	274	{ 300,690	12,520	309,560	+ 76,620
Salvador		8	Aug. 23	156	{ 202,700	+ 13,000	1,676,800	+ 35,400
San Paulo		34	26	1531	{ 7,700	3,375	96,642	+ 30,327
United of Havana		8	25	1,365	{ 11,805	700	263,200	+ 72,700
					{ 38,896	+ 1,313	865,719	+ 19,594
					{ Ms. 195,000	+ 88,000	10,219,000	+ 432,000
					{ 1,827	+ 148	174,783	+ 95,160
					{ 4,010	+ 1,240	41,000	+ 5,189
					{ 8,920	+ 6,682	82,407	+ 38,400
					{ 28,546	+ 5,521	1,031,184	+ 15,037
					{ 20,966	+ 7,142	143,210	+ 42,194

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash		Dividend for Whole Years	Latest Year	Previous Year
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year		
BANKS					
Anglo-Palestine Bank	...	...	...	6	Nil
Commercial Bank of Australia	...	...	...	5	5
National Bank of India	9%*	Sept. 27	10%	...	...
MINING					
Amalgamated Zinc (De Barys)	5	Oct. 5	Unchanged	...	...
Central Provinces Manganese Ore	7 1/2%	Oct. 1	4%	...	...
General Mining and Finance	20%	Sept. 18	Unchanged	...	...
Kamat Puli	2 1/2%	Sept. 26	...	...	...
Kualar Lumpur Tinfields	2 1/2%	Sept. 17	2 1/2%	...	...
Malayan Tin Dredging	2 1/2%	Oct. 5	6 ps	...	...
Nundyrong Mines (10/-)	2 1/2%	Sept. 11	5% (b)	...	...
Southern Kinta Consolidated	5%	Sept. 15	...	...	...
Southern Malayan Tin	5%	...	...	...	...
Ulu Klang Tin	...	...	...	...	...
TEA AND RUBBER					
Kampong Kuantan Rubber	8%*	Oct. 1	...	...	...
OTHER COMPANIES					
Alexander Duckman and Co.	4%*	Sept. 13	Unchanged	22	20
Allsopp Brewery Investments	7%*	...	5%	...	...
Antwerp Waterworks	6%*	...	...	2	2
Associated Co-operative Investm't	...	...	...	5	5
Associated Fire Alarms	...	Oct. 17	...	...	...
British Columbia Power "A"	38 cts ps	Oct. 15	50 cts ps	...	...
British Tobacco (Australia)	1 1/2%	Sept. 29	Unchanged	...	...
Brown Brothers, Ltd.	2 1/2%	Oct. 1	Unchanged	...	...
Canadian Celanese 7% Pref.	1 1/2%	Sept. 30	...	...	...
Do. Further Dividend	75 cts ps	Sept. 30	...	...	...
Celanese Corporation of America	7% Pref.	Oct. 1	...	...	...
City Offices Company	6 1/2%	Oct. 15	6 1/2%	...	...
Commonwealth and Southern Corporation	1 1/2%	Oct. 1	...	...	...
Daily Mirror Newspapers	3 1/2%	Oct. 5	Unchanged	...	...
Dunhill (Alfred)	2 1/2%	Sept. 17	Nil	...	...
Ecuadorian Corporation	2 cts ps	Oct. 1	Nil	6	6
Ellis and McHardy	...	Sept. 7	...	5	Nil
Erith and Company	1 1/2%	...	...	...	...
Fuller, Smith and Turner	1 1/2%	Oct. 1	...	...	...
Gestetner (D.)	1 1/2%	Oct. 1	7 1/2% (b)	30 (c)	12 1/2 (d)
Globe Telegraph and Trust	1 1/2%	Oct. 1	Unchanged	...	...
Gosport District Gas	3 1/2%	Sept. 30	3 1/2%	...	...
Harvey, Nichols and Company	...	Sept. 29	4 1/2%	...	...
Hickleton Main Colliery	1 1/2%	Sept. 29	Unchanged	...	...
Imperial Tobacco of Canada	3%	Sept. 29	Unchanged	...	...
Jones and Higgins	3 1/2%	...	Unchanged	...	...
Leigh Mills	...	...	...	10	17 1/2
Lion Mill (Royton)	1 1/2%	...	...	...	...
London Labour Dwellings	3%	Sept. 14	Unchanged	...	...
Maidstone and District Motor	5%	Oct. 1	Unchanged	4	2 1/2
Manvers Main Collieries	...	Oct. 1	...	...	...
Margate Estates	5%	Oct. 1	...	...	...
Maynards, Ltd.	...	Oct. 8	...	7	6
Odham's Properties	2 1/2%	Oct. 1	Unchanged	...	...
Rhymney and Aber Gas	3%	Aug. 31	Unchanged	...	...
River Plate Loan, etc. "A"	5%	Oct. 1	2%	...	...
Do. "B"	1%	Oct. 1	2%	...	...
Scott's Restaurant (5% Pref.)	3 1/2%	Sept. 30	Unchanged	18	22
Second Alliance Trust	9%*	...	Unchanged	...	...
Second Scottish Investment Ord.	4%	...	3%	Nil	6
Do. 6% "A" Pref.	4%	...	3%	...	...
Slough Estates	6 1/2%	Oct. 1	Unchanged	...	...
Southern British Investment Trust	3 1/2%	Oct. 2	3 ps	...	...
Southern Motor Services	5%	Oct. 1	Unchanged	...	...
Sunday Pictorial Newspapers	3 1/2%	Oct. 5	Unchanged	...	...
Sweats and Wells	2 1/2%	Oct. 15	Nil	...	...
Tennant Brothers	6 1/2%	Sept. 15	4%	8 1/2	6
Tor Investment Trust	...	Sept. 18	Unchanged	2 1/2	2
United Glass Bottle	2 1/2%	Sept. 14	Unchanged	...	...
United Rubber and Coffee	4%	...	...	5 1/2	Nil
United Steel Companies (South) Ord. and Deferred	16 1/2 ps*	...	Unchanged	...	...
Upsons, Ltd.	5%	Sept. 29	Unchanged	...	...
Weldons, Ltd., 10% Pref.	3 1/2%	...	Unchanged	11 1/2	...
Whiteley (William)	10%	Oct. 1	Unchanged	...	...
Yarra Falls	1 1/2%	Oct. 19	...	...	...

(a) On 850,000 5/- shares. (b) On 650,000 10/- shares. (c) On new capital. (d) On old capital. (e) Paid in December. * Free of income tax.

CHOSEN CORPORATION, LTD.—The board have decided to pay on October 2nd an account of the new financial year commencing July 1, 1934, a first dividend for the quarter July-September of 10 1/2d. per share, which is equivalent to a rate of 17 1/2 per cent. Since the new board took over control of the Corporation in May, 1933, the quarterly dividends have been continuously increased by 1d. per share from 6d. up to 9d. per share—the rate paid for the final quarter April-June, 1934, of the last financial year. The above dividend is independent of any final dividend which may be declared in respect of the financial year ending June 30, 1934, when the final accounts are to hand. The annual meeting will probably be held during October.

COHEN, WEENEN AND COMPANY, LTD.—The directors announce that the net profit for the year ended June 30, 1934, after charging income tax, depreciation and directors' fees, amounts to £70,376. The directors have decided to add £5,000 to reserve, making this figure £22,500, and will recommend a dividend of 18 per cent. (eighteen per cent.) actual on the ordinary shares, and a final dividend of 4 per cent. (four per cent.) actual on the 7 per cent. cumulative participating preference shares, making 8 per cent. (eight per cent.) for the year. This will leave £41,789 to be carried forward.

SOUTHERN KINTA CONSOLIDATED, LTD.—With reference to the dividend announcement shown in above table, this dividend was only payable to the former shareholders of Kampong Malaya Tin Dredging, Ltd. (in liquidation), Southern Kampong Tin Dredging, Ltd. (in liquidation), and Kinta Tin Dredging Company, Ltd. (in liquidation), and is not an additional dividend to that of 5 per cent. declared on August 16th.

SWEATS AND WELLS (FURRIERS, ETC.)—Interim dividend on the ordinary shares of 2 1/2 per cent., payable on October 15th. The directors state that the results of the company's business for the half-year were most satisfactory. No interim distribution was made a year ago, but a payment of 5 per cent. was announced in the annual report. Last April the company absorbed S. and M. (1928), Ltd., the London Fur and General Trust, Henry Dodgson, Ltd., and Gooch's (1928), Ltd.

UNITED STEEL COMPANIES.—The directors of the United Steel Companies announce that profit for the year to June 30, 1934, after charging directors' fees, loan interest and income tax, but before providing for depreciation, amounts to £947,680, and that they will recommend a dividend of 5 1/2 per cent., less tax. The profit compares with £351,438 for 1932-33, £187,354 in 1931-32, and £41,321 in 1930-31. This is also the first payment to be made on the issued capital of £8,616,385 since formation in 1930. The meeting will be held on October 4th. Day.

AMERICAN RAILROADS

MONTHLY GROSS AND NET RECEIPTS

Company	Month	Ending	Description	Receipts for Month ended June 30, 1934, compared with Month of June, 1933		Aggregate Six Months 1934 compared with Six Months 1933	
				\$	%	\$	%
Alabama Gt.	5	May 31	Gross	423,846	+ 22,606	2,015,487	+ 390,047
Southern	6	June 30	Nett	45,263	- 27,930	278,505	- 254,556
Atlantic Coast Line	6	June 30	Gross	2,980,004	- 233,733	23,012,271	- 1,103,572
Atchafalaya	6	June 30	Nett	16,044	- 360,288	3,376,034	- 11,377
Baltimore and Ohio	6	June 30	Gross	11,817,977	+ 596,865	60,072,616	+ 5,598,921
Boston & Maine	6	June 30	Nett	2,309,537	+ 297,929	5,197,573	+ 13,050,672
Central of New Jersey	6	June 30	Gross	12,640,365	+ 1,024,116	69,704,759	+ 13,050,672
Chicago and North Western	6	June 30	Nett	2,846,181	- 649,348	11,575,558	- 536,893
Chicago, Burlington and Quincy	6	June 30	Gross	3,526,796	- 262,159	21,713,924	- 1,958,402
Chicago Great Western	6	June 30	Nett	2,622,696	- 187,036	4,990,526	- 219,913
Chicago, Rock Island and St. Paul	6	June 30	Gross	2,425,855	- 119,307	14,881,667	- 1,951,567
Delaware and Hudson	6	June 30	Nett	282,690	- 76,491	2,302,558	- 956,047
Denver & Rio Grande Wn.	6	June 30	Gross	9,587,109	- 289,086	55,094,786	- 7,393,168
Erie Railroad	6	June 30	Nett	3,251,740	- 45,142	18,404,726	- 3,673,844
Great Northern	6	June 30	Gross	6,813,198	- 233,518	36,271,016	- 3,620,676
Gulf Coast Lines	6	June 30	Nett	80,225	- 1,006,730	919,286	- 1,361,850
Illinois Central	6	June 30	Gross	6,416,673	- 438,870	37,276,148	- 3,121,165
Lehigh Valley	6	June 30	Nett	419,182	- 1,027,565	3,935,322	- 671,543
Louisville and Nashville	6	June 30	Gross	1,207,427	- 167,310	7,133,001	- 540,833
Missouri Pacific	6	June 30	Nett	66,316	- 190,176	271,697	- 273,215
Mexican National	6	June 30	Gross	7,057,347	- 1,399,558	40,952,214	- 1,461,025
Min. St. Paul and Sault	6	June 30	Nett	226,178	- 1,613,846	2,588,429	- 338,149
Missouri, Kansas & Texas	6	June 30	Gross	6,185,677	- 195,445	32,620,388	- 1,765,017
New York Central	6	June 30	Nett	455,318	- 511,435	4,411,529	- 935,198
Norfolk and Western	6	June 30	Gross	1,928,943	- 94,409	12,381,060	- 2,693,462
Ohio	6	June 30	Nett	165,531	- 73,149	1,369,576	- 2,054,502
Pennsylvania Railroad	6	June 30	Gross	1,351,713	- 31,366	8,071,097	- 1,067,888
Reading	6	June 30	Nett	55,529	- 141,000	832,104	- 250,256
Seaboard Air Line	6	June 30	Gross	6,558,630	- 111,058	38,557,115	- 5,362,349
Southern Railway	6	June 30	Nett	1,130,197	- 422,783	7,480,314	- 210,691
Texas & Pacific	6	June 30	Gross	6,503,543	- 1,004,727	29,801,671	- 5,069,813
Union Pacific	6	June 30	Nett	1,102,137	- 499,367	3,175,720	- 1,719,202
Wabash	6	June 30	Gross	1,026,445	- 206,392	4,903,016	- 1,058,695
Western	6	June 30	Nett	195,498	- 98,084	891,477	- 565,426
Yonkers and Hudson	6	June 30	Gross	7,526,966	- 420,084	44,181,598	- 3,454,644
Yonkers and Westchester	6	June 30	Nett	959,907	- 1,261,898	6,507,477	- 193,930
Yonkers and Westchester	6	June 30	Gross	1,053,048	- 327,008	6,304,868	- 266,147
Yonkers and Westchester	6	June 30	Nett	149,935	- 105,855	809,588	- 160,823
Yonkers and Westchester	6	June 30	Gross	3,269,565	- 132,585	21,078,521	- 3,445,721
Yonkers and Westchester	6	June 30	Nett	162,372	- 522,448	3,291,547	- 2,270,307
Yonkers and Westchester	6	June 30	Gross	5,717,140	- 208,851	35,645,775	- 5,411,960
Yonkers and Westchester	6	June 30	Nett	670,658	- 382,308	6,953,101	- 2,765,479
Yonkers and Westchester	6	June 30	Gross	2,010,102	- 98,386	10,696,100	- 915,985
Yonkers and Westchester	6	June 30	Nett	167,938	- 178,354	Dr. 81,870	- 518,416
Yonkers and Westchester	6	June 30	Gross	2,386,744	- 101,483	13,089,569	- 1,785,197
Yonkers and Westchester	6	June 30	Nett	7,151	- 46,875	Dr. 142,340	- 844,933
Yonkers and Westchester	6	June 30	Gross	6,161,261	- 207,920	36,066,084	- 4,721,328
Yonkers and Westchester	6	June 30	Nett	619,250	- 515,625	3,891,970	- 1,441,213
Yonkers and Westchester	6	June 30	Gross	25,409,974	- 384,775	151,520,643	- 20,648,981
Yonkers and Westchester	6	June 30	Nett	3,129,717	- 1,306,339	17,167,694	- 4,350,262
Yonkers and Westchester	6	June 30	Gross	5,876,552	- 133,344	35,791,554	- 4,027,190
Yonkers and Westchester	6	June 30	Nett	634,889	- 417,297	3,704,274	- 907,417
Yonkers and Westchester	6	June 30	Gross	6,361,099	- 505,861	36,897,117	- 6,857,973
Yonkers and Westchester	6	June 30	Nett	1,913,230	- 195,298	11,595,209	- 3,093,717
Yonkers and Westchester	6	June 30	Gross	4,263,938	- 364,489	22,735,256	- 2,362,023
Yonkers and Westchester	6	June 30	Nett	509,463	- 529,616	2,102,163	- 2,925,057
Yonkers and Westchester	6	June 30	Gross	31,092,110	- 4,719,998	145,029,179	- 25,842,493
Yonkers and Westchester	6	June 30	Nett	5,800,223	- 394,158	25,438,931	- 7,531,129
Yonkers and Westchester	6	June 30	Gross	4,203,823	- 81,141	28,606,338	- 5,593,552
Yonkers and Westchester	6	June 30	Nett	881,908	- 455,797	7,374,698	- 1,981,344
Yonkers and Westchester	6	June 30	Gross	2,394,939	- 6,362	18,715,126	- 1,898,930
Yonkers and Westchester	6	June 30	Nett	Dr. 26,233	- 153,020	1,834,374	- 358,024
Yonkers and Westchester	6	June 30	Gross	14,280,811	- 2,136,987	71,170,894	- 11,999,775
Yonkers and Westchester	6	June 30	Nett	2,685,894	- 977,606	6,116,475	- 6,600,584
Yonkers and Westchester	6	June 30	Gross	6,007,653	- 852,613	39,742,393	- 2,919,206
Yonkers and Westchester	6	June 30	Nett	661,883	- 1,069,512	6,762,090	- 493,012
Yonkers and Westchester	6	June 30	Gross	3,755,059	- 78,598	20,836,495	- 1,968,119
Yonkers and Westchester	6	June 30	Nett	440,978	- 203,946	1,521,076	- 776,328
Yonkers and Westchester	6	June 30	Gross	1,892,400	- 48,366	10,717,797	- 990,598
Yonkers and Westchester	6	June 30	Nett	439,241	- 21,233	2,191,314	- 706,922
Yonkers and Westchester	6	June 30	Gross	9,224,739	- 747,605	54,694,620	- 6,949,617
Yonkers and Westchester	6	June 30	Nett	867,365	- 1,282,699	6,233,841	- 967,229
Yonkers and Westchester	6	June 30	Gross	3,221,466	- 75,879	19,493,859	- 2,396,147
Yonkers and Westchester	6	June 30	Nett	276,136	- 235,054	2,366,448	- 2,098,782

† Net operating income.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Dividend of Interest</
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15s.; steam, 12s. 6d.; trebles, 14s.; doubles, 13s.; singles, 13s.; pearls, 11s. 6d.—12s.; dross, 10s. FIVE.—Best unscreened navigation, 13s. 3d.; unscreened navigation, 12s. 9d.; first-class steam, 13s. 9d.; third-class steam, 12s.; trebles, 14s.—15s. 6d.; doubles, 12s. 9d.—13s.; singles, 12s. 6d.—13s.; pearls, 11s.—11s. 6d. LOTHIAN.—Prime steam, 12s.—13s.; secondary steam, 11s. 6d.—11s. 9d.; unscreened navigation, 12s. 9d.; trebles, 14s.—14s. 6d.; doubles, 12s. 6d.; singles, 12s. 6d.—13s.; pearls, 11s.—11s. 6d. AYRSHIRE.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 11s. 6d.; trebles, 14s.; doubles, 13s.; singles, 12s. 9d.; pearls, 11s. 6d.—12s.; dross, 10s.

CARDIFF.—Apart from a slight improvement in the demand for sized coals, conditions on the Cardiff coal market are unchanged. The tonnage supply has continued fairly satisfactory, and on Wednesday morning 67 tips were occupied and three vessels were waiting their loading turns at Swansea. Last week total shipments in the foreign and coastwise trades amounted to 424,000 tons, compared with 381,000 tons the previous week and 345,000 tons in the corresponding week last year. If items continue good, there are prospects that last week's improved shipments will be maintained. Large classes are in excess of demand and stocks are heavy, but washed grades are moving off easily and for some of these grades current quotations are above the minimum schedule. The pitwood position has been complicated by a decision of the Portuguese Government fixing a minimum price of 21s. 6d. c.i.f. for deliveries during September and October, and it is considered by importers that this decision may lead to a revision of the conditions of the Anglo-French coal-pitwood agreement under which 22s. 7½d. c.i.f. has been fixed for French pitwood.

The South Wales Miners' Federation has given notice to terminate the wages agreement of 1931, but the Conciliation Board will meet on September 18th, and it is believed in well-informed circles that the negotiations will lead to a settlement without any interruption of work.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. to 18s. 6d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams, 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; best anthracite, large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; French nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, 19s. 3d. to 19s. 6d., Portuguese, and 22s. 7½d. French.

IRON AND STEEL

MIDDLESBROUGH.—Interest in the local market is broadening, as is usual after the August holiday period, and makers are doing further business in both foundry and hematite pig iron, at the fixed prices to home consumers. Production of pig iron and steel in this area for July was 150,300 tons and 167,200 tons, respectively. Shipments of all classes of pig iron, manufactured iron and steel from the Tees during August amounted to 52,254 tons.

Business in pig iron for export continues to expand despite exchange difficulties. During August quantities have been shipped to Belgium, Denmark, Sweden, Norway and Italy. A parcel of about 1,000 tons of ferro-manganese was shipped to Australia, and it is understood that a further parcel will follow shortly.

The recent orders for steel placed in this country for China are reflected in last month's figures. A quantity of over 8,000 tons was despatched to that country. A new outlet has been found in Canada, a quantity of about 1,100 tons of manufactured steel having been sent there. Russia also continues to take steel, a further shipment having been made in August, and this has been followed by another parcel in September.

Foreign ore is tending firmer, and although best Bilbao rubio is quoted at 17s. per ton c.i.f. Middlesbrough for prompt, sellers are asking higher prices for forward. Blast-furnace coke continues firm at 20s. per ton delivered at furnaces here, whilst good heavy steel melting scrap is 50s. per ton delivered.

At the end of August there were 27 blast furnaces in operation in the North-East area, of which four were producing Cleveland foundry pig-iron, ten hematite, and thirteen basic and other irons.

DER OESTERREICHISCHE VOLKSWIRT

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SHEFFIELD.—Business in finished steel is picking up again after the holiday lull, and most of the works are well employed and booking new orders freely. The outlook for the autumn has improved. In certain important special lines makers report steady expansion of demand, and cases are to be found of deliveries falling into arrear. Much new plant has been installed during the last two years which accelerates production of wire, wire goods, strip and tools, and the present capacity of these sections is much greater than formerly. In spite of this factor, unemployment of steel workers continues to shrink. Export trade, although patchy, is maintained at a substantial level, losses in Eastern markets being offset by increased sales to Scandinavia, Holland and Empire countries. Prices of iron and steel material continue steady. The hand tool branches are very busy, notably on saws, files and engineers' small tools. Cutlery and plate sales are recovering after the dull season, and more cutlery is going abroad.

GLASGOW.—There were no outstanding developments in market conditions in the West of Scotland this week. Business is proceeding at much the same levels as during the past few weeks. Steel makers are all well employed with specifications coming in at a fairly steady rate, and present outputs are likely to be maintained for some time. Sheet makers, while still finding export business quiet, are receiving a considerably increased number of enquiries for export, and these for several overseas markets. Tubemakers continue to be in the main fully employed and have a good quantity of work on books. In the Glasgow district engineering shops and makers of machinery are all busy. Structural engineers who have had a long dull period are finding business more plentiful, and the tonnage placed recently in the West of Scotland is quite important. The material for these structures is largely of British—indeed local—manufacture.

CARDIFF.—On the Swansea Metal Exchange on Tuesday tinplates were firm at 18s. 2d. per basis box f.o.b. for export and at 17s. 9d. f.o.r. for the home market. The position is more stable than it has been for some months past and the industry is now operating at approximately 65 per cent. of capacity. The arrangements connected with the new international agreement provide for the systematic adjustment of prices to exchange fluctuations, as well as for the delimitation of markets. It is reported that the smaller independent units in South Wales which are at present marketing their tinplates through merchant houses are considering the advisability of the adoption of methods of sales centralisation. Galvanised sheets are steadier but are nominally unchanged at from £11 5s. to £11 15s. per ton, while steel bars remain firm at £5 7s. 6d. per ton delivered.

OTHER METALS

The general tendency on the metal markets was practically unchanged this week, only tin prices showing wider fluctuations. It was generally anticipated that the latest statistics would reveal a slight increase in tin stocks but, according to A. Strauss and Co., these declined during August by 637 tons, to a new low level of 17,715 tons, as against 38,944 tons and 56,766 tons at the corresponding date in 1933 and 1932, respectively. This reduction was chiefly due to an increase of almost 500 tons in American deliveries; but it must be pointed out that deliveries to the U.S.A. during the twelve months just ended were much lower than in the previous year—47,685 tons, compared with 51,890 tons. This contraction is surprising in view of the fact that American tin-consuming industries were busier during the past year than they had been in the previous twelve months. The reduction in deliveries of tin is therefore regarded with disappointment. Upon receipt of the August statistics early this week, tin prices showed some improvement, but the market later reacted, and the gain was not held.

Copper has remained almost unchanged in price during the whole week. Some more buying orders were forthcoming, but supplies are large, and some producers (mainly in the U.S.A.) are anxious to sell. The situation in Germany has improved a little, for recent orders led to a better distribution of copper stocks in that country. But from the international point of view this is not encouraging, since it will probably prevent the early removal of the existing restrictions. The German ban is likely to affect the markets in the future more than in the past, for the large German forward contracts seem to be exhausted. Imports of metals into Germany first showed a sharp reduction in July, and when the August figures are available there is no doubt that a further decline will be recorded.

Lead and spelter have exhibited no new features this week, but the wolfram market showed a tendency to harden again. The autumn demand may result in a further price rise, especially since it is learned from Germany—one of the chief consuming countries—that substitutes for wolfram cannot be found.

TIN.—Sales on the London Metal Exchange: 245 tons on Monday, against 225 tons last week; 265 tons on Tuesday, against 185 tons last week; 200 tons on Wednesday, against 255 tons last week. The New York quotation on Wednesday was 51.45 cents per lb., against 51.45 cents a week ago and 51.75 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 15s. to £229, compared with £226 15s. to £227 last week. Stocks in London and Liverpool at the end of last week were 3,596 tons, a decrease of 145 tons on the week.

COPPER.—Sales on the London Metal Exchange: 575 tons on Monday, against 529 tons last week; 450 tons on Tuesday, against 650 tons last week; 900 tons on Wednesday, against 475 tons last week. Domestic spot was quoted at 6.82½ cents per lb. in New York on Wednesday, against 6.87½ cents a week ago and 7.02½ cents a month ago. Wednesday's official closing price for

standard cash in London was £27 18s. 9d. to £28, compared with £28 1s. 3d. to £28 2s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 32,169 tons, show a decrease of 514 tons, and stocks of rough copper, at 7,042 tons, remain unchanged.

LEAD.—Sales on the London Metal Exchange: 500 tons on Monday, against 250 tons last week; 1,050 tons on Tuesday, against 450 tons last week; 900 tons on Wednesday, against 1,100 tons last week. The New York quotation on Wednesday was 3.75 cents per lb., against 3.70 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 10s. for shipment during the current month, compared with £10 13s. 9d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 300 tons on Monday, against 200 tons last week; 800 tons on Tuesday, against 300 tons last week; 500 tons on Wednesday, against 50 tons last week. Wednesday's quotation in East St. Louis was 4.20 cents per lb., against 4.25 cents the week before, and 4.30 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £13 3s. 9d., for shipment during the current month, against £13 13s. 9d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 10s. to £11 12s. 6d. per flask of 76 lbs., as against £11 5s. to £11 10s. per flask of 76 lbs. last week. Foreign antimony was quoted at £36 10s. to £37 per ton, as against £36 to £36 10s. per ton last week. Chinese wolfram was quoted at 40s. to 43s. per unit, c.i.f., as against 40s. to 41s. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester.—Although no striking change took place in the level of prices for raw cotton in the past week, the tendency, if anything, has been towards a lower level. It is a long time since trade demand for American cotton was so poor, and most of the business has been in outside growths, especially Brazilian. The mill strike in the United States is considered a bearish factor. Some uncertainty exists as to the effect of the Government crop report due at the end of this week.

The turnover in piece goods for abroad was again of limited dimensions. Buyers for all outlets have displayed very little enterprise. There have been loud complaints of the restricted demand for India, and particularly Calcutta. Miscellaneous orders have been booked for Karachi, Madras and up-country in light whites and dyed goods. Trifling lots of fancies have been put through for China. Scattered sales have occurred for Egypt and South America in bleaching and finishing qualities. A few more contracts have been arranged in dyed goods for the Dominions, chiefly Australia and South Africa. Necessary buying has taken place in home trade fabrics. More looms are stopping in certain weaving districts. The yarn market has been generally slow. Limited quantities of American and Egyptian descriptions have been booked for home use and export demand remains dull.

COTTON PRICES

	1934				Corresponding Date	
	Aug. 15	Aug. 22	Aug. 29	Sept. 5	1932	1933
Raw Cotton—Mid. American per lb.	7-19	7-16	7-12	7-09	7-00	8-34
Sakellaridis Fully Good Fair Egyptian..... per lb.	8-69	8-73	8-73	8-67	9-40	7-23
Yarns—32's twist..... per lb.	10½	10½	10½	10½	10½	9
" 40's twist..... per lb.	10½	10½	10½	10½	11	9½
" 60's twist (Egyptian)..... per lb.	17	17	17	17	16½	15½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	19 6	19 6	19 6	19 6	19 9	16 3
38-in. ditto, 38 yds., 16 by 16, 10 lb.	24 6	24 6	24 6	24 6	22 3	20 6
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	11 3	11 3	11 3	11 3	11 5	10 3
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 1	10 1	10 1	10 1	10 3	9 1

COTTON YARN PRICE AGREEMENTS.—Following the recent agreements in the Lancashire cotton industry amongst spinners of coarse American yarns with regard to minimum prices, an attempt is now being made to arrange a similar agreement on a legal basis for ring yarns. This section covers about 120 companies owning about 7,000,000 spindles. After a preliminary meeting by a Special Committee, all the firms affected have been asked to reply to a questionnaire not later than September 17th. Spinning employers are being asked whether they are agreeable to the fixing of minimum prices for ring yarns, to the appointment of an independent chartered accountant with free entry to the books of the mills, to the acceptance of provisions for substantial penalties for breach of regulations and for legal recovery of penalties, to the appointment of an arbitration board to settle matters of quality and to the payment of a levy per mill. The success of this movement will depend upon the replies received, but so far the support given has been encouraging. It is believed that this method is the only way by which price cutting, which has meant heavy financial losses, can be stopped.

COTTON CONSUMPTION AND STOCKS.—The International Federation of Master Cotton Spinners' and Manufacturers' Associations has published statistics relating to the cotton season ended July 31st last. It is stated that the consumption of American cotton during the twelve months was 13,539,000 bales, against 14,170,000 bales in the previous year, a decline of 631,000 bales. On the other hand,

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during the same period there was an increase in the amount of East Indian cotton used of 550,000 bales and an increase of 174,000 bales of Egyptian, whilst sundry cottons showed an increase of 649,000 bales. It is significant that last season compared with the previous year, the consumption of American cotton decreased by 4 per cent., whilst there was an increase of 13 per cent. in the use of cotton grown in other countries. Leading authorities are convinced that this movement has been largely due to the efforts in the United States to restrict supplies and force prices on to an uneconomic level, thus bringing about a bigger demand for competitive cotton.

World mill stocks of all kinds of cotton on July 31, 1934, were 5,331,000 bales, against 5,050,000 bales at the end of July, 1933. Spindles in all the countries of the world on July 31, 1934, were 156,882,000, as against 157,718,000 in January last and 157,755,000 twelve months ago. The Federation has also published valuable information relating to short-time working in the mills of the world. In the half-year ended July 31st last the curtailment in Great Britain amounted to 8.14 weeks, against 7.38 weeks in the previous six months. There were 63 firms with 3,776,343 spindles in the American section in Great Britain completely stopped during the period under review, whilst in the Egyptian section seven firms with 620,544 spindles were completely stopped during the six months. It is recorded that firms with 114,972 spindles have closed down indefinitely during the past half-year.

JUTE.—Dundee.—The first effects of the final Government forecast published yesterday were an easier tone in the raw jute and gunny markets. The figures were rather larger than had been anticipated by the industry. Last year the forecast figures were 7,933,200 bales, which have now been revised by the Director of Agriculture to 8,012,000 bales, but the actual outturn of the last crop was 8,946,000 bales. For the present season 7,963,800 bales have been forecast, but the conditions under which the crop was grown have not been so satisfactory this year and there is not the same likelihood of the estimate being exceeded to any great extent. Statistically, the position may be in favour of the maintenance of low prices for raw jute, but it must be borne in mind that the quantity forecast is insufficient to meet the requirements of the world, which last season were 8,865,000 bales and are estimated to be at least 9,000,000 bales for the present season. Fears of any scarcity of the fibre, however, are counteracted by the fact that users of raw jute have stocks in hand amounting to about 6½ million bales. The acreage figures this season have been revised to 2,517,000 acres, compared with 2,419,500 acres given in the first forecast in July.

There was a general decline in values of raw jute following the forecast, new crop Daisee-2/3 falling to £14 15s. per ton for full group and fours to £14, while Tossa-2/3 dropped to £15 5s. and fours to £14 10s., October-November. First Marks are quoted at £17 10s. to £18 and good Lightnings at from £16 to £16 5s., with Heart Ram-D/E at £15 5s., September-October. Business in the fibre has only been possible where low prices have been accepted.

Jute yarns have ruled quiet, but spinners are determined to adhere to their prices, as they are fairly comfortably situated with orders meantime. Common 8-lb. cops are named at 1s. 9d. and 8-lb. spools at 1s. 10d. lowest, while twist is generally held for 3½d. for 3-ply 8-lb. Sacking yarns are very steady at 2½d. for 24-lb. web and 3d. for 8-lb. chains, and the Rio yarns have been in demand, 2s. 2½d. being paid for third quality 8-lb. warp and 1s. 11½d. for fourth. Buyers of carpet yarns occasionally enter the market at 2½d. for 14-lb. warp.

Inquiries for jute cloth are freely made, but buyers are not very keen to go on operating in view of the uncertainty of raw jute prices. Prices are steady at from 2½d. for 10½-oz. 40-in. and 1½d. for 8-oz., the latter being at 2d. for 40-in. width for delivery within two to three months. Linoleum hessians are dull, but heavy goods have displayed more movement recently.

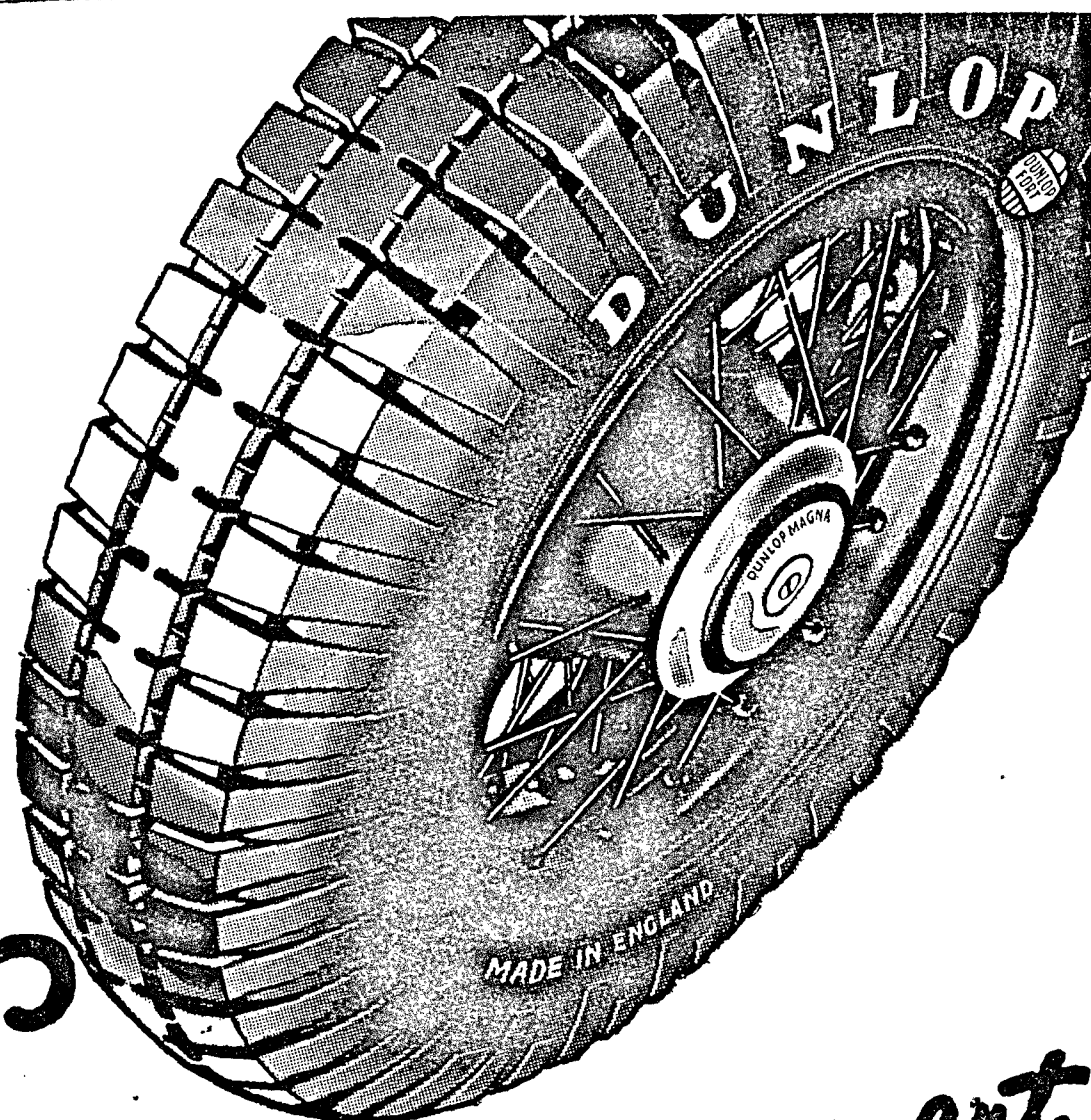
Stocks of hessians in Calcutta at the end of August were reduced by about three million yards to 111,700,000 yards, but stocks of heavies were increased by 2½ million yards to 109 million yards, compared with end of July. Prices were easier yesterday at 20s. for 10-oz. 40-in. and 15s. 8d. for 8-oz., September, 19s. 7½d. and 15s. 7½d. for October-December, and 19s. and 15s. 4½d. for January-March, with Liverpool twills at 51s. 6d. and "B" twills at 45s. 4½d., September, 51s. and 45s. 3d., October-December, and 50s. 9d. and 45s. January-March.

GRAIN MARKETS

WHEAT.—The past week was an uneventful one in the wheat market. Prices fluctuated within narrow limits. The market is still dominated by crop reports. The latest estimate of the United States crop indicates a yield of 484 million bushels, as compared with 527 million bushels harvested in 1933, and 851 million bushels in 1932. The situation in the United States and in Canada is aggravated by the small yield of other grain crops. Thus, the yield of the maize crop in the United States is estimated at 1,446 million bushels, as against 2,339 millions bushels harvested in 1933 and 2,580 million bushels in 1932. The yield of oats, barley and rye is also much lower than in the past two years. The latest reports of the condition of the wheat crop in Argentina are favourable, but Australia is still in need of rain.

† Exclusive of Government tax of 1d. per gallon.

	Sept. 6, 1933	Aug. 8, 1934	Aug. 29, 1934	Sept. 5 1934		Sept. 6, 1933	Aug. 8, 1934	Aug. 29, 1934	Sept. 5 1934
	Cents	Cents	Cents	Cents		Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel...	84½	109	102½	104½	Sugar, Cuban Centrifugals, 96 deg., spot, per lb.....	3-60	3-32	3-28	2-86
Maize, nearest future, Chicago, per bushel	47½	76½	79	79½	Cotton, middling, spot, per lb...	9-30	13-75	13-30	13-35
Oats, nearest future, Chicago, per bushel	36½	51½	51½	53	Rubber, smoked sheet, spot, per lb.	7-09	15½	15¼	15½
Rye, nearest future, Chicago, per bushel	68	87	84½	85½	Petroleum, Pennsylvania crude standard grades, per barrel...	182-202	207-222	207-222	207-222
Barley, nearest future, Chicago, per bushel	49	70	81½	85½	Copper, "Electrolytic," Domestic, spot, per lb.....	8-75	7-02½	6-87½	6-82½
Coffee, Rio No. 7, cash, per lb.	7½	9½	9½	9½	Copper, "Electrolytic," Export, prompt, per lb.....	8-00	7-30	7-12½	7-00
" Santos No. 4, cash, per lb.	9	11½	11½	11½	Spelter, East St. Louis, spot, per lb.....	4-65	4-30	4-25	4-20
Cocoa, Accra, nearest future, per lb.....	4-43	4-77	4-74	4-81	Lead, spot, per lb.	4-50	3-75	3-70	3-75
					Tin, " Straits," spot, per lb....	45-375	51-75	51-45	51-45



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THE ECONOMIST

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COMMERCE AND TRADE

AS THE WORKER SEES IT

LAST week's meeting of the Trade Union Congress at Weymouth was remarkable chiefly for its cautious reaffirmation of the principle of "gradualism." While the usual lip service was paid to Socialism as an ideal, the principal speeches were carefully calculated to damp the excessive ardour of the adherents of the Socialist League—not to mention the National Executive of the Labour Party. The only concrete piece of "Socialism" finally adopted was a scheme for the nationalisation of the iron and steel industry, and more than one word of warning was given against visionary plans for a Socialist millennium.

Indeed, it is impossible not to suspect that the remarks both of the President, Mr Conley, and of Mr Citrine, the General Secretary, were deliberately intended to correct the impression made on the public by some of the more startling features of the Labour Party's programme of action, as expounded in the recent brochure entitled "For Socialism and Peace"—for example, in the following passage:—

Banking and credit, transport, electricity, water, iron and steel, coal, gas, agriculture, textiles, shipping, ship-building, engineering—in all of these the time has come for drastic reorganisation, and for the most part nothing short of immediate public ownership and control will be effective.

This marked difference of emphasis—to put it no higher than that—illustrates very characteristically the divergence in outlook between the trade union leaders and the "intelligentsia" of the Party, which distinguishes British "Socialism" from the Continental Marxian brand. Indeed, it may be doubted whether at heart the average trade unionist is a Socialist in any intelligible sense of the word which would distinguish it at all clearly from what used to be known as Radicalism. For, as Mr Conley's presidential address well showed, the trade union wing of the Labour Party is not really interested—as are the handful of intellectuals of the movement—in destroying the so-called capitalist system, but rather in the much more practical task of increasing the workers' share in the national dividend by pushing up wages and stimulating the more eleemosynary "social" services.

And herein lies at once its strength and its weakness. For the instinctive avoidance of revolutionary courses is counterbalanced by a certain lack of clear thinking in formulating a constructive programme. There are dangers, as

we suggested last week, in the policy of pressing for high wages, regardless of economic conditions. And Mr Conley did not give any precise indication of the form of co-ordination which he envisaged in his wage-raising campaign, but he made it plain enough that he was certainly not thinking in terms of a general strike. It is also significant that the proposal made by Mr Yates, of the Typographical Association, for a general levy on all unions of £100,000 a year, during the progress of any dispute sponsored by the T.U.C. was referred back, after some pointed comment by Mr James Jones.

Though the Congress by an overwhelming vote approved the report of the General Council condemning association with Communists on trades councils, Mr Conley welcomed the entry of Russia into the League, and, after blessing the project of an Eastern Locarno, advocated the extension of long-term credits to the Soviet Government, from which he expected the very exaggerated return of £100 million of orders annually. He was on much firmer ground when he condemned the Government's decision not to raise the school age, because it would cost the State another £8,000,000. It is certainly difficult to understand how an administration that is willing, out of the blue, to subsidise beef to the tune of £6,000,000 a year—to mention only one item on a growing list—can seek refuge in the plea of economy for its refusal to effect such an obviously desirable reform.

In addition to a number of resolutions dealing with matters of economic or social interest, two very significant resolutions of a political character were passed by the Congress, one on dictatorship and the other on war. The former, though aimed directly at Fascism and the dictatorship by the Right, was very wisely made to include dictatorship by the Left. The Congress has shown great wisdom in thus definitely repudiating unconstitutional action even when masquerading in the dress of Socialism, for by doing so it has rescued the bulk of the Labour movement from the somewhat sinister imputations cast upon it by the indelible cretins of Sir Stafford Cripps and the Socialist League.

Even more significant in some ways is the new attitude revealed in the resolution on peace and war. Here the sentimental pacifism implied in the resolutions of earlier Congresses is definitely abandoned in favour of a much more realistic and constructive attitude. Though recon-

to a general strike against war in certain circumstances is not ruled out, the Congress has committed itself wholeheartedly to the collective system of security with sanctions under the League of Nations which is the essence of the Liberal Party's foreign policy, and to the support of a "League" war. It is to be hoped that the lesson of this almost startling change of front will be appreciated not only in this country, but also by the rulers of Germany, whose ambiguous policy has been responsible for this very healthy reaction.

The scheme for the nationalisation of the iron and steel industry adopted by the Congress, which was briefly described in the *Economist* of August 25th, is a much less promising venture in trade union thinking. The scheme is evidently a rehash à la Russe of the original plan put forward by the National Committee, not very thoroughly thought out. It contemplates the creation of a Government-owned iron and steel monopoly organised on sectional lines with a central co-ordinating body to be appointed by the President of the Board of Trade, solely on grounds of professional competence. The sectional boards, on the other hand, are to be appointed after consultation with the trade unions. It needs no great stretch of the imagination to realise how thoroughly bureaucratic such an organisation would in practice become—even though it was not formally under the control of a Government department. Of all our many industries the iron and steel industry—which is not a single trade but a vast and delicate complex of highly specialised interrelated industries working largely for the foreign market—seems one of the least suitable for this type of treatment, which might, indeed, be perfectly appropriate, for example, to a transport service. It is quite true that the industry in its present condition needs drastic reorganisation—but not on the lines of this kind of bureaucratic monopoly. What the industry most requires is a new type of leadership armed where necessary with compulsory powers to prevent a recalcitrant and over-individualistic minority from impeding that natural process of concentration and integration which the more far-sighted employers recognise as indispensable.

A similar criticism applies to the proposed socialisation of the cotton trade under a Cotton Control Board—a scheme for which the Joint Council was directed to prepare. How in practice it is going to be possible to "control" an exceedingly specialised industry running into many hundreds of separate units, the Council will probably find it easier to imagine than to describe. The Council was also called upon to prepare a "plan" for the coal industry of which the object is to be "to secure the complete unification of the industry under public ownership and control." But it would probably be wise not to attach too much importance to these paper schemes, which have yet to see the light.

The antagonism aroused by the Government's Unemployment Bill seems to have aroused feelings of most surprising violence, and the Congress so far forgot itself as to pass a resolution describing it as a "Slave and Black-leg" Bill—a piece of absurd exaggeration for which it was deservedly rebuked by Mr Citrine, who brought the meeting back to a sense of reality by his reference to the German labour camps.

Apart from rather superficial aberrations of this kind, the general impression left by the Congress is certainly encouraging. It shows that the trade unions, which form after all the bulk of the Labour movement, are increasingly alive to their responsibilities, national and international, and there is every reason to hope and to believe that the Weymouth meeting will exercise a steadying influence on the councils of the Labour Party. The Conference was true to type and reflected beyond any doubt the sound common sense—decked out, according to tradition, with a few favourite dogmas and served up with a little high falutin'—of the British working class. Talk of workers' control, representation on Central Management Boards and the like was used without very much conviction, for the Conference delegates were well aware of the deep gulf that yawns between a resolution and a policy. At the same time it would be a mistake to brush aside altogether these "hardy annuals" as of no significance. They show in what direction the workers' aspirations lie, and if democracy is to win through, it is with these aspirations that the community must sooner or later come to terms.

ITALY AND FRANCE

At the end of last week it was reported that a Franco-Italian understanding had been reached on questions at issue between the two countries and the ground thus prepared for closer political co-operation. From both Paris and Rome it has been quite clearly indicated that this report of a *rapprochement* is, at least, premature, and it is obvious that there are many awkward adjustments to be made before the ground is clear; but even though the recent reports are no more than "intelligent anticipation" there is good reason for thinking that events are tending in this direction. If so ambitious a project is achieved it would be one of the most important events for good or evil—and we hope for good—of any that have happened since the war in the field of international politics. It is, therefore, worth considering what such an agreement would imply.

The prophets of evil will point out that such an arrangement would be ominously similar in type to the Anglo-French arrangement of 1904 and the Anglo-Russian arrangement of 1907. Two Great Powers, long alienated from one another by chronic friction over a number of apparently intractable points of dispute, deliberately make up their minds to compose their differences because they have each come to the conclusion, simultaneously, that they have more to fear from a certain third Power than they have to fear from one another.

In the present instance, it is suggested that an entente between France and Italy would be based on two fundamental points. On the one hand, there must be no equalisation of Germany's armaments with those of the heavily-armed Continental European Powers; and on the other there must be no impairment of Austria's independence of Germany—neither Anschluss nor Customs Union nor even a virtual Gleichschaltung of a Nazified Austria remaining nominally sovereign. In the present European situation these two points are of paramount importance for France and Italy alike; and, by comparison, these two Powers' own controversies with each other are luxuries which can and must be sacrificed. Of these controversies the two most important are the settlement of an agreed ratio of strength between the French and Italian navies, and the adjustment of claims in North-West Africa. On the naval question, we may conjecture that Italy might rest content with something less than formal parity, and France with less than the superiority of force which would assure her of being able to protect her lines of communication across the Western Mediterranean against an Italian attack. On the North-Western African question, it may well be that France might agree to cede to Italy a sufficient slice of Tunisia to constitute what Italian diplomacy calls a *parecchio*, and that some compromise might be reached on the vexed question of the ultimate citizenship of the Italian population in the French protectorate.

Such a Franco-Italian *rapprochement* would obviously derive greatly increased importance from the fact that each of the two parties has friends and satellites whom it will do its utmost to carry with it. France must try to bring in Poland and the Little Entente, Italy to bring in Hungary as well as Austria—and perhaps also Bulgaria, Albania, Greece and Turkey. When we take into account the new Franco-Russian friendship, and the policy of the lately formed "Little Entente Number Two" in the Balticum, we see that, if the Franco-Italian understanding could be made to bear its full theoretically possible fruits, the effect would be to marshal against Germany every country in Europe except the Continental States which were neutral in the last war and the two European members of the British Commonwealth of Nations!

For reasons which we discuss below, a new anti-German combination is unlikely to be quite as comprehensive as all that. But even if part only of this programme were carried out it would represent an astonishing change, in Germany's disfavour, from the division of camps which appeared to be taking shape in Europe before Herr Hitler's advent to power. Down to January, 1933, it looked as though France and her East European allies were in danger of seeing their post-war military predominance in Europe challenged by a combination of no less than three Great Powers: Germany, Italy and Russia. Two years ago, no one would have dreamed that, by the present date, Russia,

Italy and France would be in process of ranging themselves together again on the same side as they were during the late war. The only thing that has made so astonishing a transformation of the international landscape a possibility is the behaviour of Nazi Germany since the beginning of last year, and of militarist Japan since the autumn of 1931. It is the German and the Japanese war-dance that has driven Russia into the arms of the anti-revisionist bourgeois Powers. Nor is Russia the only lover of isolation who has been impelled in this anti-Japanese and anti-German direction. We have seen the United States co-operating with the League of Nations in the Far Eastern crisis and giving the Soviet Government diplomatic recognition. We have seen the Government of the United Kingdom actually lifting a finger to give its blessing to the project of an Eastern Locarno. In fact, we have seen the beginnings of a world-wide drift of all the Powers with great possessions into a defensive combination against the two Powers that have broken from the world system of co-operation.

How far is this movement likely to go? How long is it likely to last? What effect is it likely to have upon the prospects of war and peace?

On the Machiavellian principle that a common enemy provides the surest bond of international friendship, we might congratulate ourselves on seeing the peace of the world secured by the encirclement of Germany and Japan in an "iron ring." But this is one of those clever half-truths that are apt to betray those who put their trust in them. In real life, such "iron rings" are formed only to be broken; for either the encircled animal will prove to have strong enough teeth to gnaw through the encompassing metal, or else he will appear so pitifully impotent that his captors will sooner or later relax their grip and give him an opportunity to escape by returning to the congenial occupation of bickering with one another.

The ring now growing round Germany and Japan is certainly not equally strong in all its sectors. Yugoslavia, for instance, might repudiate a French alliance which would require her to be on good behaviour towards Italy; Poland a French alliance which would involve a similar bearing towards Russia; and Hungary an Italian alliance which implied a renunciation of Hungarian claims against the Little Entente. Again, neither Yugoslavia nor Roumania is afraid of Germany, while neither of them cares to have Russia for their official friend. Thus a new Pan-European combination against Germany might soon find itself deprived of Polish, Hungarian, Yugoslav and Roumanian support; and if all, or even any, of these countries did gravitate towards Germany, the "iron ring" round the Third Reich would be seriously weakened. So it is, likewise, with the ring round Japan. When the Japanese statesmen feel blue at seeing the Soviet Government recognised by the United States and admitted to membership in the League of Nations, the Japanese militarists and navalists may encourage their civilian colleagues by pointing out that there can be no effective encirclement of Japan without the participation of the British Empire; that the British Conservative Party still hates the Bolsheviks, while the British Admiralty is still jealous of the American Navy; and that the present Government in the United Kingdom may therefore be trusted to play Japan's game as accommodately as Germany's game is being played by a Polish Colonel Beck.

No doubt, such Japanese and German calculations may err in being too clever on their side. The British nation, for example, would certainly turn out of office a Government whose pro-Japanese policy went so far as to make mischief between this country and the United States. Nor could Poland afford to find herself left stranded as Germany's sole friend in face of a hostile Franco-Russo-Italian alliance. Yet it remains fundamentally true that any balance of mutually hostile forces is in its nature unstable and ephemeral, and that there is, therefore, no security in any mere combination of forces, however overwhelming the combination may be to begin with.

What is the moral? Certainly not that we should denounce or discourage any *rapprochement* between any group or pair of Powers. A *détente* between France and Italy, or, for that matter, between Poland and Germany, is pure good in itself; and even the "iron ring" of a defensive combination against Germany or Japan may be

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not pure evil as a temporary makeshift; for undoubtedly the worst thing that can happen is that countries in the present mood of Japan and Germany should succeed in achieving their ambitions by force. The "iron ring" has its temporary and contingent value if it convinces the Powers who are momentarily in a truculent frame of mind that militancy defeats its own ends. Our first object must be to make them despair of gaining their ends by violent means; but this negative policy offers no permanent safeguard for the peace of the world unless we also hold out to Powers with a grievance a reasonable hope of obtaining justice as soon as they have renounced the use of force. Reconciliations such as those which seem to be taking shape between France and Italy can and should be crowned by a "peace of mutual understanding" between the two recalcitrant Powers and the rest of the world.

IS IT PROGRESS?

THE advancement of science seems to be one of the few human activities which remain unretarded by economic depression. It is natural, therefore, that this year's meeting of the British Association should have given expression, as usual, to the satisfaction and pride of our scientists in the continued advancement of learning. A certain note of doubt, however, was noticeable this year in the confidence with which the scientific world is accustomed to expect improvements in knowledge to solve or alleviate the world's practical difficulties. Is the influence of scientific thought on the economic world as entirely harmless as the influence of the economic world on scientific thought? May not the rapid advance of theoretical science even have contributed something to the present world-wide economic chaos? In many of the discussions, from Sir James Jeans's Presidential address onwards, these uneasy questions seem to have been implicit.

Sir James Jeans's address—brilliant, eloquent and erudite though it could not have failed to be—was the kind of speech which is apt to win the praise both of scientists and philosophers, because the scientists think it philosophical and the philosophers think it scientific. Once more Sir James told us the story of the supersession of the old "materialist" atomistic physics by the "wave picture," and of the "wave picture" in its turn by the purely mathematical conceptions of to-day. And leaping therewith to the conclusion that reality consists of "waves of knowledge" or "constructs of our minds," he proceeded to argue as follows:—

The photons are no longer distinct individuals each going its own way, but members of a single organisation or whole—a beam of light. . . . The biologists are beginning to tell us, although not very unanimously, that the same may be true of the cells of our bodies. And is it not conceivable that what is true of the objects perceived may be true also of the perceiving minds? . . . It is only a step from this to a solution of the problem, which would have commended itself to many philosophers, from Plato to Berkeley. . . .

Not a few uncritical readers of these words must have gained the impression that modern science, by some miraculous dispensation, had succeeded where both Abelard and Descartes failed, and "proved," by mathematics, the existence of an all-knowing Providence.

Is it really in the true interest of the advancement of learning that this impression should be allowed to get abroad? Modern physics and mathematics have surely not advanced the ultimate philosophical problem a step further than it was left by Berkeley. What modern science has done is to destroy the so-called "materialist" conception of reality, as consisting of nothing but physical bodies in space, which science had itself invented. It has also shown that the phenomena of the sensible world, which were once thought to be determined by the movements of physical atoms, are, in fact, partially at any rate, determined by mathematical principles intelligible to our minds. Philosophically, this surely leaves us with the very problem which puzzled Berkeley: how can it be that the objects of our knowledge appear, on analysis, to be wholly dependent for their existence on the minds that know them? Perhaps philosophy has made some little progress in answering this question since Berkeley's day. But in face of the problem as Berkeley saw it and as modern physics now presents it, may it not be that the scepticism of the 18th-century philosophers was more scientific than the ambitious speculations of Sir James Jeans? Nevertheless the success of natural science in thus systematising the whole range of physical phenomena in terms of consistent mathematical principles remains one of the greatest achievements of human thought.

Have the effects of scientific discovery on the practical world worked so certainly to the benefit, or even to the credit, of mankind? Sir James Jeans rightly refused to endorse the shallow pessimism of those who believe that the progress of mechanical technique is obviously bound to increase the total of the world's unemployment. In the short run, and particularly in times of depression, Sir James admitted, the invention of labour-saving devices may swell the number of the unemployed. Not only, however, do these inventions themselves tend to raise the general standard of living; there is another economic consequence of science which Sir James emphasised: "the more fundamental discoveries which originate as pure science, but may ultimately lead to new trades and new popular demands providing employment for vast armies of labour." How much "employment," we may ask with Sir James Jeans, has been provided by the "labour-saving devices" discovered by Edison and James Watt? It is the very existence of the labour and purchasing power released from the satisfaction of old demands which enables the new to be satisfied.

Nevertheless Sir James was right in reiterating the truism that a failure of human organisation rather than of scientific technique is cheating the world of prosperity today. It would be very superficial, however, to accept the common inference that it is the more intractable problem which we have solved and merely the easier which still confronts us. The supremely difficult technique of physical production, we are often told, has been mastered; and only the simple problem of distribution remains. Is it really a simple problem, however, so to organise and distribute all the land, labour, capital and raw materials of a nation or the whole world that the products of each and all together are available in exactly the right place, at the right time and in the right quantities to satisfy the infinite and ever-changing tastes and fancies of millions of persons who enjoy the inestimable benefit of free consumers' choice? The building of a locomotive may be a far easier problem than the organisation of a time-table which will enable every line and every train to be fully used and every demand to be met. And the organisation of the whole world's economic system is a myriad times more complicated than the organisation of a single time-table. Is there really any wonder that the price mechanism has not yet solved the problem to perfection? Is it not really more wonderful that it has ever come near to solving it at all?

The immediate practical difficulty, as it confronts us today, is the task of transferring labour and capital from the production of goods and services no longer in demand to the production of those goods and services for which the de-

mand is expanding. Ultimately the solution of this problem must largely depend on general monetary and commercial policy; but there are a great many supplementary expedients which may be of use, as Sir Josiah Stamp pointed out in his interesting paper on "The Need for a Technique of Economic Change." Sir Josiah went so far as to suggest that aid might be given to the declining industries at the expense of the more prosperous ones. He also emphasised, however, the danger of actually retarding transfer by such schemes; and he insisted that financial aid of this kind should be "on a tapering scale," while assistance to workers in old industries should be made conditional on their seeking employment in new ones.

It would be as foolish to underrate the difficulties of adjusting our economic system to changes in demand and scientific inventions as it would be to assume that such changes and inventions are bound to break that system in pieces. We must expect shocks and convulsions as the consequence of the impact on the economic system of new influences, some of an economic and some of a non-economic kind. These shocks, convulsions and adjustments are bound to involve some measure of human distress. The essential task before us is to reduce that distress to a minimum by an intelligent understanding and a skilful handling of the new forces that confront us. The economic problem, the problem of adjustment set by the ever-more-rapid advance of science, is of enormous difficulty and complexity. But it is not insuperable.

RUSSIA'S PLANNED ECONOMY—II

THE PROFIT AND THE LOSS

(BY A CORRESPONDENT)

RUSSIA'S experience would indicate that the main danger of a Socialist planned economy is precisely the reverse of that which Conservative critics predicted at a time when Socialism was purely a matter of academic discussion. The familiar argument of some theoretical economists was that a Socialist community would consume everything it produced immediately, without making due provision for obsolescence and future construction. Very different has been the actual course of events in Russia. There the population has been compelled to endure the greatest deprivations, to eat less food, wear shoddier clothes, go without countless little comforts, to say nothing of luxuries which are taken for granted in most other countries—all for the sake of creating national industries. There is a very real causal connection between such apparent paradoxes as the erection of an enormous hydro-electrical power plant on the Lower Dnieper and the existence of hunger, and in some cases famine, in the villages within a hundred miles radius around it. These peasants, along with the population in general, had simply been called on to pay the price for an enormous investment of capital in new enterprises, which can only begin to pay their way after a term of years.

How the Soviet Union has been "starving itself great" during the first years of its planned economy is evident if one compares two tables, both based on Soviet official figures, one showing the progress of industry during the first Five-Year Plan, the other the decline of livestock and of food consumption. The industrial production figures are as follows:—

INDUSTRIAL PRODUCTION IN U.S.S.R.

	(000's)	
	1927-1928	1932
Coal	35,400 tons	64,200 tons
Oil	11,600 "	21,400 "
Pig iron	3,300 "	6,160 "
Steel	3,900 "	5,890 "
Copper	28 "	47 "
Cotton thread	2,871,000 metres	2,540,000 metres
Superphosphates ...	151 tons	613 tons

Everywhere, except in cotton thread, there are substantial gains, although these gains in several cases fall far short of the more ambitious figures of the Plan.

One gets a very different picture in the field of livestock

and food supply. Here the corresponding table reads as follows:—

LIVESTOCK IN U.S.S.R.				
	(In million head)			
	1929	1930	1931	1932
Horses	34	30.2	26.2	19.6
Big horned cattle	68.1	52.5	47.9	40.7
Sheep and goats	147.2	108.8	77.7	52.1
Pigs	20.9	13.6	14.4	11.6
	1927-28		1932	
Consumption of meat	4,210,000 tons		2,871,000 tons	
Consumption of eggs	10,000,000,000 eggs		4,100,000,000 eggs	
Consumption of milk products	310,000 tons		185,000 tons	
Consumption of sugar per head	7.7 kilograms		5.3 kilograms	

The reason why the prophets went so far astray in suggesting that a Socialist regime would save too little is that originally Socialism was regarded as an extension of democracy, in which the voice of the masses would determine the course of economic policy. Actually Socialism was established in Russia as a result of civil war; all vestiges of political democracy were annihilated and a system of cast-iron dictatorship was set up, under which a small group of men in the Kremlin can decide what is good for the masses without worrying overmuch whether the masses really want it.

Nothing in Communist criticism of the private capitalist economy is more justified than their denunciation of such practices as dumping milk in rivers, throwing coffee into the ocean, burning grain and ploughing up cotton, all at a time when there are undernourished and underclothed people. If one imagines as a suitable monument to the follies and weaknesses of private capitalism, a vast mountain of wheat, coffee and cotton, ready for destruction, one can with equal ease erect a rival mountain out of the spoiled and wasted food products in the Soviet Union which have been destroyed not deliberately, but as a result of carelessness and inefficiency, which, in turn, are certainly not unconnected with the drastic elimination of the private profit motive and the wholesale bureaucratisation of economic life. How many potatoes, wrested from the reluctant peasants, have then been left to rot in damp and unsuitable cellars? How many tomatoes and other vegetables have spoiled from poor packing and dilatory shipment? How much meat has been wasted for lack of proper refrigerators? One can find plenty of testimony on these questions in such picturesque headlines as are apt to appear in Soviet newspapers in the summer months:—"Breach after Breach on The Vegetable Front—Cars with Decayed Vegetables Arrive Daily in Moscow—Carloads of Rotting Vegetables Advance on Leningrad." If private capitalism cannot escape the responsibility for the wanton destruction of foodstuffs, the Soviet system is equally responsible for the abnormally large losses in Moscow and in the Soviet provinces which are attributable to mismanagement, inefficiency and carelessness, to say nothing of the immense losses of machinery and capital equipment due to lack of skill and of technical knowledge. It must be remembered, however, that inefficiency was a traditional characteristic of the Russian people long before the Soviet Revolution.

The Soviet Union has furnished repeated evidence that mistakes and miscalculations in the operation of a closely centralised State-controlled economic system may be quite as disastrous as the failures and breakdowns of an individualist system. When the makers of Russia's first Five-Year Plan did not provide for the necessary expansion of the country's transportation facilities, they were preparing the way for a chronic crisis of the Soviet railroad system, which has resulted in frequent wrecks, immense losses of perishable freight and delays in important building projects. Still more serious were some of the mistakes in the application of planned economy to Soviet agriculture. Leaving aside the question whether collectivisation itself was a desirable policy, one can scarcely fail to recognise, in retrospect, two major blunders of execution which increased enormously the human and material costs of carrying out this gigantic agrarian transformation. The first of these was the attempt in 1929 and in the first months of 1930 to socialise the peasants' livestock without giving them any

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compensation. By the time Stalin had recognised the harmfulness of this policy and had published his famous "Giddiness from Success" message the damage was done. A large part of Russia's cattle had been destroyed by the peasants, whose desperate slaughtering of their beasts suggested the tactics of the Russian generals who laid waste their country before Napoleon's invasion.

The other great mistake of agrarian policy—closely linked up, incidentally, with a definite miscalculation of planning (the far too rapid pace which was set for new industrial building)—was in making, year after year, irregular requisitioning forays on the peasants, forcing them to sell an undefined surplus of their crops at arbitrarily fixed prices in increasingly worthless paper roubles. This mistake seems all the more inexcusable because a similar requisitioning policy, made necessary to some extent at that time by the exigencies of civil war, led to a steady contraction of peasant production and to the ultimate crisis of food supply which brought about the adoption of the New Economic Policy in 1921. Now the more reasonable system of a fixed tax in kind has been introduced. But this occurred only after the former practice, under which the peasant came to feel that the more he raised the more would be taken away from him, had led to the widespread neglect of the fields in 1932 and to the subsequent famine.

The implications of one curious paradox of Soviet life during recent years do not seem to have been fully grasped in some quarters outside the Soviet Union. Mass unemployment has disappeared in the Soviet Union. The numbers of unemployed in Western Europe and in America have been reckoned in many millions. But what might have seemed a natural expectation, a vast migration of the unemployed of America and Great Britain and Germany to the Russian "workers' republic," has most conspicuously not taken place. A few thousand Americans, mostly of Russian origin, have come to Russia as permanent immigrants. There has also been an almost imperceptible trickle of working-class immigrants from other countries. But it is doubtful whether the number of immigrants to Russia during the "boom" years of the Five-Year Plan exceeds the number of those who have legally or illegally left the country. And even this comparison is misleading, because the unemployed American or Englishman who wants to try his fortune in Russia can leave his own country without difficulty, whereas the Soviet Government is most rigorous in keeping its citizens within their country, especially if it suspects that their sentiments are not enthusiastic. If it were as easy to leave Russia as it is to leave the United States and most European countries, there can be little doubt that the migration balance, even during the years when the capitalist world was in the grip of a severe crisis, would have been greatly against the Soviet Union.

In completing this survey of the practical results of Soviet planned economy one may say that an absolutist state, possessing a firm grip on all the natural resources and labour power of the country, has been able to achieve remarkable results in certain fields of industrial construction and development. It has not, however, been able to bring about an all-round rise in the standard of living, or to banish the elements of crisis and maladjustment from the national economic life, or to overcome such familiar economic laws as the inevitability of high prices, legal or illegal, when there is scarcity. So far it has not even reached the point where the problem of smooth distribution of a large surplus of foodstuffs and other consumers' goods arises. If, there-

fore, any country, in the thick of its present problems, is inclined to copy Russia, perhaps the outstanding lesson is that "planned economy" minus any opportunity for criticism or control from below—criticism not only of details of execution, but of the main propositions of the planned economy—has all the elements of first-rate tyranny. The State which is out for "efficiency" can be a more ruthless exploiter, because it is more powerful and more inescapable than a private concern.

BEEF

THE Intelligence Branch of the Imperial Economic Committee has recently published a "Cattle and Beef Survey" which maintains the high standard of information and interest which the previous publications of the Committee have set. The Survey deals with the cattle and beef industry in 21 separate countries, and although emphasis is naturally laid upon the trade of the British Empire countries, the chapters on foreign countries are also uniformly informative. The whole volume is a model of what such a piece of economic research should be.

The cattle population of the 21 countries most important for the meat trade amounted last year to some 297,700,000 head, of which 65.6 millions were in the United States, 48.6 millions in the British Empire, 47.5 millions in Brazil, 32.2 millions in Argentina and 38.6 millions in the U.S.S.R. The total is about 9 per cent. higher than in 1913, but it has been declining in recent years and is some 3½ per cent. lower than in 1925. The decline has been—with the exception of the Soviet Union—entirely concentrated in the overseas meat-exporting countries, and particularly in South Africa and the Argentine. In the meat-importing countries the cattle population has been increasing, frequently as the result of protection.

Cattle population, however, is not a sure guide to the available supply of beef. The quantity of beef produced per head of cattle varies considerably; moreover, in many countries, particularly Australia, New Zealand and Great Britain, the proportion of the total cattle population which is bred for the dairy industry has been increasing. The production of beef has consequently been declining at a faster rate than the figures of cattle population would indicate. The estimated production of beef and veal, together with consumption *per capita*, are shown in the following table:—

PRODUCTION AND CONSUMPTION OF BEEF AND VEAL

	Production					Consumption <i>per capita</i> , 1932
	1909-13 (average)	1925	1928	1931	1932	
Great Britain	000 tons 571	000 tons 544	000 tons 579	000 tons 524	000 tons 519	lbs. 63
Australia	(a)	(a)	(a)	(a)	(a)	93(d)
Canada	(a)	309	309	270	265	56
New Zealand ..	(a)	149	132	109	132	130
South Africa ..	(a)	156	182	171	131	40
United States ..	3,118	3,637	3,078	3,120	3,348	60
U.S.S.R.	(a)	1,130	1,498	(a)	(a)	33(e)
Argentina	(a)	1,885	1,628	1,460	1,470	204
Germany	963(b)	886	1,038	1,047	1,074	37
France	(a)	(a)	889	705	755	42
Italy	(a)	269	366	281	292	18
Uruguay	(a)	(a)	243	212	176	110
Belgium	165(c)	95	119	107	126	39
Netherlands ..	(a)	103	130	106	130	37
Austria	(a)	86	89	79	76	30
Total (excluding U.S.S.R.)....	(a)	7,994	7,580	7,117	7,447	...

(a) Not available. (b) Year 1913. (c) Year 1912. (d) Year 1931. (e) Year 1930.

The decline in the total from 1925 to 1932 was 7 per cent., and, as most of it was accomplished by 1928, it cannot be ascribed to the depression. Indeed, the depression seems to have made remarkably little difference to the consumption of meat. The table illustrates the predominance of the United States in volume of production, although the *per capita* consumption of the United States is not unduly high. The United States is now almost entirely self-sufficient so far as her meat supply is concerned and is

* "Cattle and Beef Survey." Published by H.M. Stationery Office. 5s.

not an important factor in the international trade in cattle or beef.

International trade in cattle and in fresh beef is restricted to groups of adjacent countries. Far the largest element in the cattle trade is the export from the Irish Free State to Great Britain. There is also some trade from Canada and Mexico into the United States, from Argentina to the adjacent countries, from Denmark into Germany (before the recent imposition of restrictions) and Belgium, and from Hungary and Yugoslavia into Italy, Austria and Czechoslovakia. The trade in fresh beef is very small, the only considerable elements being the exports from Denmark to Holland, Belgium and Germany, and from China to Japan. Broadly speaking, international trade in beef relates to frozen and chilled beef. The trade of the main exporting and importing countries is set out in the next table:—

TRADE IN FROZEN AND CHILLED BEEF

(Thousand tons)

	1909-13 (average)		1928		1933	
	Frozen	Chilled	Frozen	Chilled	Frozen	Chilled
Exporting Countries:—						
Australia	58.0	—	84.6	—	70.7	0.1
New Zealand ..	17.9	—	37.9	—	46.5	0.1
South Africa ..	0.5	—	7.5	—	10.0	0.3
Canada	1.6	—	19.5	—	3.7	1.0
Argentina	117.7	174.8	122.7	376.9	30.9	344.4
Uruguay	13.8	—	39.7	33.1	28.8	28.9
Brazil	—	—	41.5	16.5	10.7	25.8
Importing Countries:—						
United Kingdom	407.8	—	665.7	—	607.7	—
Italy	2.4	—	51.3	—	38.3	—
Belgium	7.9	—	21.5	—	26.7	—
France	(a)	—	8.0	—	23.0	—
United States ..	(a)	—	55.3	—	12.2	—
Japan	(b)	—	16.4	—	11.6	—
Austria	(b)	—	37.4	—	6.9	—
Germany	23.6	—	104.3	—	0.6	—

(a) Export surplus.

(b) Not available.

The picture presented by these figures is comparatively simple. The United Kingdom is far and away the largest importer of beef, and she gets her supplies of chilled beef exclusively from South America and her supplies of frozen beef very largely from the British Dominions in the Southern Hemisphere. Hitherto, the South American countries have had the chilled beef trade entirely to themselves, but recent experimental shipments from Australia and New Zealand have been successful, and it is believed that the Dominions will shortly be able to compete in this trade. This will very considerably affect the conditions of the market, for the demand for frozen beef is declining, while that for chilled beef is expanding. Of the other importing countries in the table, Italy gets fresh beef from Denmark and frozen beef from South Africa and Argentina; Belgium imports frozen beef from South America, and France from Uruguay and Madagascar. Great Britain is the only market for chilled beef. The table excludes the trade in tinned meat, which is now of importance only in Argentina, Uruguay and Brazil as exporters and Great Britain as an importer, although there was some trade from Australia to Great Britain before the war.

British imports of beef have recently been declining, the total falling from 700,000 tons in 1925 to 608,000 tons in 1933. This fall is not entirely due either to the depression or to the protection of the home market, although both have doubtless played a part. The influence of Ottawa is perceptible. Imports of chilled beef from South America have fallen by only 3,000 tons between 1925 and 1933, whereas imports of frozen beef have fallen by 60,000 tons. Within this category, however, there has been some shift from foreign to Empire supplies, since the former fell by 55,000 tons and the latter by 4,000 tons only. The net result has been that imports from British countries have risen from 15.4 per cent. of the total (by weight) in 1925 to 18.8 per cent. in 1933. Domestic production fell in approximately the same period from 537,000 tons in 1924-25 to 518,800 tons in 1932-33. The domestic share in the total supply has increased from 51 per cent. in 1923-28 to 50 per cent. in 1932-33.

There has been, in fact, a perceptible decline in the consumption of beef in this country. This has not, however,

meant a decline in the consumption of meat as a whole, as the following table shows:—

Per Capita MEAT CONSUMPTION IN GREAT BRITAIN

Year	Beef and Veal (a)	Mutton and Lamb (a)	Pigmeat (b)	Total	Proportion of Beef and Veal
	Lbs.	Lbs.	Lbs.	Lbs.	%
1910-14 (average)	65.8	30.7	33.1(c)	129.6	50.8
1924	69.4	23.8	43.9	137.1	50.6
1925	71.2	23.8	41.7	136.7	52.1
1926	72.4	25.6	37.8	135.8	53.3
1927	71.3	26.8	39.9	138.0	51.7
1928	70.6	28.0	43.1	141.7	49.8
1929	69.9	28.0	40.2	138.1	50.6
1930	69.8	28.6	41.4	139.8	49.9
1931	66.9	28.6	47.4	142.9	46.8
1932	64.4	30.9	49.2	144.5	44.6
1933	62.8	33.7	47.8	144.3	43.5

(a) Twelve months ended May 31st of the year stated.

(c) Average 1909-13.

(b) Calendar years.

The increase in mutton and lamb and in pigmeat is quite impressive, as is the fact that total consumption has increased throughout the depression and is now at a record level. The declining popularity of beef is usually ascribed to a change of taste, and the authors of the Survey apparently subscribe to this view. But it is possible from the statistics of prices included in the Survey to supply another and more probable reason. Between 1927 and 1933 the price of fresh beef fell by 14 per cent. and the price of imported beef by 16 per cent. In the same period the price of fresh mutton and lamb fell by 20 per cent. on the average, the price of imported mutton and lamb by 28 per cent. and the price of pork by 29 per cent. In view of the ease of substitution of one meat for another, such differences of price are probably decisive. The Survey shows that the price of beef, in spite of its fall, has risen sharply relatively to the average of all prices, and draws the commendable conclusion that the only way to secure an increase in beef consumption and beef prices is to raise the purchasing power of the population.

The Survey also contains a great deal of interesting information on the consumption of meat in other countries. The figures of beef consumption *per capita* have already been given in the first table. The consumption varies all the way from 204 lbs. in Argentina to 18 lbs. in Italy. The consumption of Great Britain is not very high in the list; it is less than half that of New Zealand and less than one-third that of Argentina. Consumption in a meat-producing country, however, is obviously not of quite the same significance as in countries where practically the whole is marketed. For six countries the Survey gives figures for the consumption of other varieties of meat, which are given in the following table:—

Per Capita MEAT CONSUMPTION IN VARIOUS COUNTRIES, 1928

Country	Beef and Veal	Mutton and Lamb	Pigmeat	Total
	Lbs.	Lbs.	Lbs.	Lbs.
Great Britain	70.6	28.0	43.1	141.7
United States ..	58.5	5.6	73.9	138.0
Germany	40.1	1.5	73.2	116.3(a)
France	48	6	17	73 (b)
Belgium	39.2	1.6	39.2	84.2(c)
U.S.S.R.	23.2	10.8	19.6	53.6

(a) Including 1.5 lbs. *per capita* of other meat.

(b) Including 2 lbs. *per capita* of horse-meat.

The total consumption is highest in Great Britain, but it is not our consumption of beef so much as of mutton and lamb that stands out. In pigmeat, in spite of the British breakfast, we are a long way behind the United States and Germany.

THE FATE OF THE SAAR

AMONG the many critical problems of Europe, the decision that will shortly be made regarding the fate of the Saar is one of the most complicated, and there is no achievement that would do more to re-establish confidence in European statesmanship than the finding of a solution that would at once satisfy the inhabitants, ensure tranquillity in the territory itself, and remove any sense of soreness or grievance. Is this too much to hope for?

France's views on the subject have now been laid on the table in a Memorandum to the League of Nations published last Tuesday. This document lays it down that the coming change in the Saar regime, after fifteen

years of international co-operation in that centre under League auspices, should be free from violence or injustice, and that the Saar population should be given an outline of the future regime and of their status under it to enable them to vote advisedly in the plebiscite of January 13th. The French Government are ready to guarantee equality before the law, liberty of person and property, and the same civil and political rights as French citizens enjoy, "without distinction of language, race or religion," to Saarlanders if the whole or part of the territory is united to France.

The Memorandum goes on to urge upon the League, whatever the future of the Saar may be, the necessity for ensuring "respect for rights acquired under its administration; in particular, the right of ownership, the guaranteeing of legal, administrative and fiscal decisions taken during the League's administration, the right of foreigners to keep their property in their respective currencies, and the respect for contracts made in foreign currency or gold." With these suggestions few would, we imagine, disagree.

With regard to the Saar coal mines, which are French property while the Saar is under League administration, the Memorandum states that, should the territory continue under the *agis* of the League, the French Government "would be prepared to surrender a large part of the deposits on equitable terms to the territory." Should, however, the territory unite with Germany, "the French Government wish to leave no doubt as to their determination to be paid the full value of the mines"; and they recall the provision that Germany must in that case repurchase the mines at a price payable in gold. As the provisions for action after the plebiscite include the fixing of a price by a committee of three experts, the fixing by the League Council of a time-limit for payment, and then, in the event of default, the giving of "instructions" by the Council; and as until payment in gold is effected the mines would remain the property of the French State under German sovereignty, the French Government suggests that the Council should take steps, in co-operation with France and Germany, for the conclusion of a Franco-German agreement before the plebiscite is held. Then Germany could propose methods of payment. The Memorandum also draws attention to the debts incurred, when the Saar seemed secure under the League, by Saarlanders and Saarland concerns to foreign lenders. If the Saar unites with Germany, the French Government says: "It would be inadmissible that the francs circulating in the Saar should be withdrawn and claimed by the Reichsbank without being employed for the settlement of foreign and private debts for which Germany would have to assume responsibility." In view of Germany's exchange restrictions this is a point of practical significance.

Such financial considerations, however, though of importance, are subordinate to the tragic dilemma presented to a great many inhabitants of the Saar who cannot bear to vote their homeland definitely out of Germany, whereas, as Catholics, Democrats, Jews, Socialists or Communists or merely as civilised human beings, they dread and loathe the prospect of coming under the Nazi regime. It has been said for some time that if only the Peace Treaty provided for repeating the plebiscite in another five or ten years, in case the League *status quo* were chosen, there would be no doubt of a majority for that solution. The most significant feature of the French Memorandum is that it is precisely this alternative which the French Government now suggests that the League should offer. It points out that under paragraph 35 (a) of the Saar Annex to the Versailles Treaty, the Council has the power, in case the inhabitants opt for remaining under the League, to adapt the present provisional regime "to the permanent welfare of the territory and the general interest." The French Government now suggests that this adaptation should include taking account "of the desires already expressed by the population, that possibilities of modifying this status

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should be reserved." In plain language, this means that the Council should promise the inhabitants that if they choose to remain under the League, they will be given the chance at some future date to vote once more for returning to Germany.

Moreover, it is strongly hinted that the wishes of the population itself would be a primary factor in determining that date, for another "adaptation" proposed by the French Government is that "a large place should be given to the co-operation of the Saar population" in the government of the territory—that is to say, the regime should be made democratic. To such a regime the French Government would be prepared to surrender the mines on favourable terms.

According to the Peace Treaty, all matters connected with the Saar are to be settled in the Council by a majority. But, in any case, it is inconceivable that Germany or any other State on the Council would attempt after the plebiscite to oppose the granting of democratic rights to the population,

including the right of self-determination on some future date to be settled by the League at the instigation of the population itself. France's suggestion will arouse a very considerable response in the territory itself and will be difficult to combat.

Meanwhile, stories of personal pressure and even of outrage continue to be reported, and Mr Knox has informed the Council that he must avail himself of the right granted him last June to strengthen the Saar police force for the plebiscite period by recruitment outside the territory, and has backed this request by a number of extracts from the correspondence of the Nazi "Voluntary Labour Service" that show just how much reliance may be placed on Nazi promises. The President of the Council has circularised the Members of the League, urging them to give the fullest support to the Saar Governing Commission's recruiting campaign. Thus, willy nilly, the League is being compelled to set up an *ad hoc* international police force in order to enable it to carry out one of its most inescapable responsibilities.

NOTES OF THE WEEK

Russia on the Threshold.—The delicate business of shepherding Russia into the League has proceeded steadily at Geneva this week, but not quite as smoothly as had been hoped—nor, be it said, with much credit to the members generally, who are making almost as heavy weather of a matter of world-wide importance as they did on the occasion of the admission of Germany nearly a decade ago. Switzerland, the principal source of the opposition, is understood to have been troubled by religious scruples. Two other dissenting or at least reluctant Powers, Portugal and Argentina, are concerned about the extension of the system of permanent seats on the Council; while Poland is restless regarding her own obligations under the arbitration and minority clauses. Eventually, after much coming and going and pulling of strings, the French delegation, the chief sponsor of Russia's introduction, satisfied itself that the necessary two-thirds majority in the Assembly and a permanent seat on the Council were assured; and a letter of invitation was accordingly drafted. A little later, however, another snag appeared. The words of Article 1 of the Covenant, providing that a State should give guarantees of its intention to fulfil its international obligations, were omitted from the letter in order to obtain the greatest possible number of signatures. This twist in the negotiations did not commend itself to M. Litvinoff, who was observing the proceedings, it appears, from somewhere in Savoy. And a final embarrassment was provided by Mr De Valera, who protested, understandably but tactlessly, against the backstairs method of diplomacy used at Geneva this week. While the British and French delegations have been executing these manoeuvres at Geneva, a not very convincing attempt has been made in this country to work up opposition to Russia's entry on grounds of political and even quasi-religious prejudice. We are confident, and glad, that this attempt has no chance of success. Whatever may be thought of Communism and labour camps and the methods of the Comintern, the most practical way of furthering the cause of peace and civilisation to-day is to strengthen the League. And the most practical way of strengthening the League is to ensure the adherence of Russia.

The League Council.—The three temporary members leaving the League Council this year are Spain, Panama and China. Spain will get the requisite two-thirds majority for re-eligibility and be immediately re-elected without any question. Chile and Colombia are so far the candidates for the South American seat vacated by Panama. Chile has the better claims on her international merits, and would, with Argentine and Mexico, who are already members, make a strong Latin-American contingent on the Council. But Chile has previously been on the Council and Colombia has not. Nevertheless, Chile's chances would seem to be the

brighter. China vacates the only seat specifically reserved for Asiatic Powers. Persia has put in a claim, but was on the Council only three years ago. There are strong rumours that Turkey will become a candidate. It is pointed out, however, that the Turks have uniformly asserted that they are a European State, and have even claimed a semi-permanent seat on the ground of being both European and Asiatic. These claims would have to be abandoned if they competed for the sole Asiatic seat. They may postpone their candidature to the Council for a year or even two years, when they could take Portugal's place—unless in the meantime the reorganisation of the Council, which may be discussed after Russia has come in, results in some new opportunity for Turkey. China is standing for re-election, which would require a preliminary declaration of re-eligibility by a two-thirds majority. The arguments put forward by the Chinese and those who are backing their candidature are as follows:—(1) Since Japan left Geneva, China is the only Far-Eastern representative of the League; (2) China stands for the idea of co-operation between East and West through the League, and has done her best to uphold the principles of the Covenant; (3) China is being subjected to the strongest Japanese pressure to abandon the League and the whole idea of co-operation with the West and throw in her lot with Japan. If her candidature to the Council failed, the fact would be exploited with enormous effect by the Japanese and bypro-Japanese groups in China; (4) The war danger in the Far East is becoming greater and more urgent every day. China is a vital factor in the whole situation, and should therefore be on the Council (which already comprises Australia, Great Britain and the U.S.S.R., all of whom are likewise directly concerned). These arguments will undoubtedly carry very great weight.

U.S. Election Omens.—The election in the State of Maine on Monday is interesting on several grounds. Maine is the only State to hold its election in September, and there is an old proverb "As Maine goes in September, so the nation goes in November." This was certainly true in 1932, for the election of Democrats to the Governorship and to two out of three seats in the Federal House of Representatives was the first indication of the landslide two months later. Curiously enough, in November, 1932, Maine itself voted by a small majority for Mr Hoover. This time the Governor has secured re-election with a very much larger majority, and the Democrats have retained their two Congressional seats. Mr Hale, the retiring Republican Senator, has secured re-election only by the skin of his teeth. It is difficult to assess the importance of this election. It proves that the Democrats can repeat their successes of 1932 in a "rock-ribbed Republican" State. Moreover, local politics appear to have been subordinated to national issues, and several of the defeated Republican

candidates based their campaign on opposition to the New Deal, so that the result can be interpreted, much more clearly than in other States, as a verdict of the electorate on Mr Roosevelt's policies. On the other hand, Maine is a small and, in spite of the proverb, not a typical State. It is probable that the American electorate is still in a radical frame of mind. The Republicans have been trying to fasten the Socialist label on to the President by identifying him with the extreme views of Mr Upton Sinclair, the Democratic candidate for the Governorship of California. But it is quite possible that their efforts will only heighten his popularity with the general public. The cotton textile strike is, meanwhile, still raging; violence seems to have been growing more widespread, and a number of strikers have been shot by the police. The unions have shown their power to close more mills than was expected, but the latest reports show some drift back to work. The President has appointed a strong Board of Mediation, but the employers have refused to agree to arbitration.

More Armament Secrets.—The second week of the United States Senate inquiry into the munitions industry has brought to light a crop of disclosures no less disturbing than the first. There must be many people who, though they have never regarded armament firms as philanthropic institutions, have nevertheless been surprised to learn of episodes that are as strange as what they had previously regarded as fiction. At last Thursday's sitting the dealings of the American Electric Boat Company with various European countries were unearthed. It was revealed, among other things, that the company had an agent who founded the "Navy League of Holland," himself being the only honorary member, and subsequently offered a prize for the best essay on the submarine. This gentleman was also the agent of a firm which, as he himself admitted, was turning out sub-machine guns for the German Government in contravention of the Versailles Treaty. On Friday, Mr Louis L. Driggs, of the Driggs' Ordnance and Engineering Company of New York, admitted that his firm had, in the words of a member of the Committee, "used an officer of the United States Navy as sales agent in South America." It was later elicited that not merely an American officer, but a whole cruiser was used to advertise to the Turkish Government the merits of Mr Driggs's guns. Mr Driggs also described the relations between himself, a certain London company and the notorious Mr Shearer, of Geneva Naval Conference fame. At Monday's session letters from the managing director of a British armament firm to the American Armament Corporation were read at length. One of these letters contained the following words:—

In spite of all the dreams of the idealists who imagine that *homo sapiens* is filled with honour, justice, love and self-sacrifice, Japan is going to take a larger slice of China; and comparatively shortly; while the getting is good.

The very character of the language here used shows that careful sifting of the evidence elicited by the American inquiry will be necessary before the bare truth can be disentangled from a mesh of irresponsible assertion; and it is not surprising that much of the "testimony" which has been "put on the record"—though obviously poppycock—has given rise to diplomatic protests from countries which have been lightheartedly brought into the picture. Nevertheless, beneath all this smoke, there is certainly at least some fire. Indeed, the public conscience is now so keenly aroused on the whole subject that nothing but the abolition of private armament manufacture can prevent the occurrence of such scandals as have already been proved—and the suspicion of even worse ones.

Our Agricultural Policy.—Some admirably pertinent and informative comments on the present and future of British agriculture were made by Professor J. A. S. Watson and Sir Daniel Hall, Chief Scientific Adviser to the Ministry of Agriculture, at the British Association on Monday. Mr Watson protested most effectively against the protectionist devices which are encouraging agricultural

and particularly cereal production in the old European countries of the world and so ruining the far more efficient producers in the great prairies of the newer countries overseas. We are blinded even to-day, Mr Watson pointed out, by obsolete and pernicious ideas about the moral superiority of agriculture, and specially of wheat production, to all other economic pursuits. "It is somehow more honourable to plough a field than to let it lie in grass." Yet demand is not static, but changing, and technical progress goes on. Mr Watson also had the courage to state in plain language the unpopular but undeniable truth that an increase in the number of persons employed in British agriculture must not be looked for, since it could "be achieved only at a real and considerable cost to the consumer" and would "imply a displacement of cheap production overseas by relatively dear production at home." Nevertheless, Mr Watson added, there are signs of increased specialisation, greater productivity and consequently higher wages among British agricultural labourers owing to the enhanced importance of pig, dairy and poultry production. "There is a growing tendency to fit the land and capital to the man rather than the man and capital to the land." In only one respect, perhaps, can exception be taken to Mr Watson's address; and that is to his talk of "the determination of farming costs on which, under a planned economy, prices must be based. . . ." Does not Mr Watson here forget that costs are themselves partly determined by demand, and that demand is dependent upon price? The use of land, labour and capital must be controlled and directed by demand in agriculture, as in all other trades.

Meat, Milk, Wheat and Sugar.—Sir Daniel Hall began his address by reminding us that British agriculture can only hope for stability if it organises itself for the service, and not at the expense, of the other nine-tenths of the community. This means, he rightly pointed out, that our agriculture must concentrate on increasing the production of those commodities for which our soil and climate is best fitted. "We should specialise on meat, milk, and all the range of livestock products, fruit and vegetables, leaving the cheap sources of energy, like cereals and sugar, to be imported." This is sound advice, and it inevitably led Sir Daniel to a severe criticism of the policy of encouraging uneconomic wheat and sugar production in this country:—

Scientific research has so greatly increased the output of sugar cane that it is difficult to see how beet can ever compete on equal terms unless some entirely unpredictable break occurs in either the sugar beet itself or in the methods of manufacture, both of which have been the subject of intensive research, and seem to be near the limits of improvement.

Let Mr Elliot take note of that. The march of science is not always, as he seems fondly to imagine, in the direction of self-sufficiency. Nor is it likely that our restrictionists are going to get away much longer with the pretence that their policy has had no effect in raising the price of food. The Board of Trade index of wholesale food prices, just published, shows a rise from 82.0 in July to 87.3 in August. What this means in practice was graphically illustrated by the testimony of Mr John Gregory, president of the Northern Council of the Retail Grocers' Federation, at Leigh on Wednesday. One result of restricting bacon imports, Mr Gregory said, was that

Many grocers in working-class districts who had built up a bacon trade on mild-cured Continental bacon at a reasonable price have been deprived of their supplies, and their customers could not afford to buy bacon at the price now ruling.

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The Nuremberg Rally.—This year's celebration of the annual Nazi Party Rally at Nuremberg illustrates the besetting difficulty of dictators—the problem, from which they are never free, of reconciling incompatibles. On this occasion, Herr Hitler has had to do his best, on the one hand, to keep up the affection and enthusiasm of his Brownshirts, and on the other hand to rub in the fact that the Nazi Revolution is definitely at an end, and that any Brownshirt who tries to carry it further will meet the fate of Captain Roehm. This is, of course, the kind of problem in which Herr Hitler is an adept, and he seems to have handled it at Nuremberg in a masterly way. The stage-management is reported to have been, if possible, even better than usual; the flags, lights, bands and swastikas were superb; and the show of enthusiasm was duly evoked. At the same time, the S.A. were not, this time, given the centre of the stage. The performance opened with a parade of the Labour Corps (a harbinger, it is rumoured, of universal compulsory labour-service), and it closed with a parade of the Reichswehr, in which Herr Hitler slipped out of the rôle of demagogue and into that of a kind of *Ersatz* King of Prussia. A touch of unintentional humour was given to the proceedings by a display of reproductions of the regalia of the Holy Roman Empire; for it has been pointed out that the figures in the Imperial Crown represent non-Aryan worthies. We may presume, however, that the princes whose patrimony Herr Hitler was intending to claim were not King Solomon or Judas Maccabeus, but rather those medieval Maximilians and Ottos who exercised a shadowy suzerainty over what is now Austria, as well as over what is now the Third German Reich. The Imperial insignia, however, were kept in the background. Perhaps Herr Hitler remembered that it was only a few weeks before Julius Cæsar's death that the crowd offered him a crown and sceptre and saluted him as "King." Dr. Goebbels, meanwhile, had been lecturing on Propaganda as a creative force, and Herr Rosenberg announcing that this force was to be used for the re-writing of German history in the Nazi spirit. A more serious question which was being canvassed at Nuremberg behind the scenes was "Who shall be Herr Hitler's deputy?" In his capacity as Führer of the Nazi Party, Herr Hitler already has a perfectly good, and long-established, deputy in the person of Herr Hess; and the popularity of this genuinely modest and loyal lieutenant was demonstrated by the ovations which the crowds at Nuremberg gave him. But apparently the Führer is one thing and the Chancellor-President another. Who is to be Herr Hitler's deputy in this second and more sumptuous capacity? There have been rumours that this other deputyship is to be put into commission between Herr Hess, General Göring and General Blomberg. Is this to be the bone of contention in the next internal struggle in the Nazi body politic? In spite of the impressiveness of the Nuremberg display, the present masters of Germany have poor prospects unless they manage to stand together against the ordeal of the coming winter.

Scandinavian Solidarity.—Last week, on the eve of the meeting of the League Assembly, a preliminary meeting of Scandinavian Foreign Ministers was held at Stockholm under the chairmanship of the Swedish Foreign Minister, Dr. Sandler (whom the Assembly has since elected as its President). Such regional preliminary meetings are now an established institution not only in Scandinavia, but in other parts of Europe, e.g. in the Balticum, and also in the Danubian area as between the members of the Little Entente. At the Scandinavian meeting this year the distinguishing feature was the addition of the question of economic co-operation to the political agenda. On a statistical showing, the prospects for Scandinavian economic solidarity are not promising; for at present the trade of each of the four Scandinavian countries with its three Scandinavian neighbours amounts to only a fraction of its total foreign trade. In fact, the economy of the Scandinavian countries, like that of the United Kingdom, is still based on the nineteenth-century regime of world-wide economic relations. This does not mean, however, that the Scandinavian countries may not achieve a considerable measure

of economic co-operation in the future. If freer trade is to be found by regional economic groupings, the Scandinavian countries are bound to form such a group, or at least part of such a group. For groupings of this kind will be largely determined by geographical, political and cultural affinities; and, in these non-economic fields, the *rapprochement* between the Scandinavian countries has been remarkable. To gauge its strength, we have simply to remind ourselves that, down to the eighteenth century, Sweden and Denmark were political enemies who invariably ranged themselves on opposite sides in every European war; that in the twentieth century Sweden and Norway all but went to war over the secession of Norway from the union of 1815; and that at the present day the Norwegians are still fighting a sort of *Kulturkampf* against the "Danification" of their language. Against this background the strength of the modern tendency towards Scandinavian solidarity is very striking; and it does not seem extravagant to suppose that this tendency may eventually extend itself to the economic field. In fact, there has already been an earnest of this in the common behaviour of the Scandinavian exchanges since the pound went off gold. On this showing the Scandinavian Governments, when they put economic co-operation on the agenda of their meeting at Stockholm last week, were making wise provision against an uncertain future.

Germany's Economic Dilemma.—Germany is in the paradoxical position of trying at one and the same time to stimulate economic recovery by credit inflation and to remain on the gold standard at an over-valued parity. The recently published report of the Reichs-Kredit-Gesellschaft, of Berlin, makes it clear that the revival of last year is entirely due to the Government's expenditure of Rm. 5,500 to 6,000 millions on public works, which have been wholly financed by the issue of comparatively short-term paper. This volume of new credit naturally stimulated the demand for consumption goods. Consequently there was a rapid rise in imports which, beginning in April, 1933, reached its peak twelve months later; and although there has since been a fall of nearly 10 per cent., the figure is still higher than it was a year ago. The expansion of credit also caused a rise in prices, which was enhanced by the Government's agricultural policy. Between April, 1933, and June, 1934, the wholesale price index rose from 90.7 per cent. (1913=100) to 97.5 per cent., the agricultural index from 81.8 per cent. to 94.6 per cent. and the index of manufactured goods from 111.3 per cent. to 115 per cent. In a world of falling gold prices this movement reduced the competitive power of Germany abroad and there was a constant fall in exports; a fall which has, no doubt, been aggravated by tariff wars and the anti-German boycott. As a result the active trade balance of 1933 became a passive one. Within Germany Government expenditure has brought about a rapid rise in production which was at first confined to consumption goods, but later spread to production goods. There was a consequent rise in the number of persons employed from 12,600,000 in April, 1933, to 15,500,000 in May, 1934. But despite this increase of nearly 25 per cent. in the number of people employed, the total income from wages and salaries only shows an estimated rise of 12 per cent. Compared with 1933 there was a fall in the consumption of sugar, beer and cigarettes. Only meat, which is being sold to the poor at special prices, showed any increase. The effect of this attempted credit expansion on the gold standard is also clearly revealed by the statistics of the banks. The gold and foreign exchange holding of the Reichsbank has fallen to Rm. 76 millions, and the note issue is now chiefly covered by bills, more than 50 per cent. of which have been drawn under the Government public works programme. Deposits of the savings banks, whose liquidity in 1931 was a source of concern, increased by nearly 25 per cent.; but debtors fell by 30 per cent., and investments, Treasury bills and other Government paper increased by over 40 per cent. It is apparent from the report that the Government has now assumed control over the whole economic life of Germany and that the policy of arbitrarily stimulating or curtailing various branches of production must seriously affect the value of the bank's assets. These measures also interfere

with the adequate supply of raw materials on which, according to the report, the present structure of industry entirely depends. It is obvious from the trend of the statistics and the information given in the report that, since a further rise in German internal prices seems inevitable and the continuation of interference must necessarily make production more costly, Germany will find it more difficult still to purchase these raw materials in the near future. Devaluation or famine may be Germany's dilemma before long.

Dr. Schacht's New Plan.—Dr. Schacht, however, is still bravely trying to direct the storm. Details were announced this week of the extension of the control of German imports which was foreshadowed in his recent speech at Leipzig. The new plan (which is described in detail on page 488) amounts to full State control of all imports by an extension of the present system of Control Boards, which will be increased from 11 to 25 covering both industrial and agricultural commodities. The Boards will issue foreign exchange certificates for all the classes of goods which come under their control and these certificates will have to be presented to the Customs authorities. That the new scheme represents a further step in the direction of autarky seems undeniable and it is obvious that it provides Dr. Schacht with a very powerful instrument for restricting international trade. But apart from this restrictive effect, it has at any rate one advantage, inasmuch as it is intended to remedy the anomalies of the present position under which German importers are not limited in the quantities of uncontrolled goods which they can order, but are limited in the means of payment by the foreign exchange control. Thus the accumulation of unpaid debts, like those of German importers of cotton yarns to Lancashire spinners, for example, should in the future be prevented, and that at any rate is all to the good. Proposals have also been made, with Dr. Schacht's sanction, for the repayment of these debts, amounting to £267,000, in twelve monthly instalments, on condition that deliveries of yarn are immediately resumed. Security for new commitments is to be arranged by the deposit of Reichsmarks, which will subsequently be transferred within six months under guarantee of the Reichsbank, and arrangements for this type of deferred transfer are included in Dr. Schacht's new plan for import control. At the time of writing Lancashire had not yet accepted this offer, which, in view of the extended credit demanded for new transactions, naturally gives some food for reflection; but the general view seems to be that in the circumstances these proposals represent the best terms that can be expected.

—But Trouble over Clearing.—Meanwhile the Anglo-German Exchange Agreement, which only came into force on August 20th, has not made a very auspicious start, for on Wednesday the Treasury had to announce that, in accordance with Article 2 of the Agreement, the Reichsbank had temporarily suspended payments into the special account opened by it in the name of the Bank of England. Article 2 provides that when the balance of this special account, which is fed by the payments in marks of the German importers reaches Rm. 5,000,000 the Reichsbank has the right to refuse to accept further credits until the demand for these "sondermarks" from British importers has again reduced the balance below this limit. Some such arrangement was almost essential, since the British exporters can only receive payment as and when the sondermarks have been actually sold by the Bank of England. The contingency which has now occurred was from the beginning regarded as probable, since the use of the clearing machinery is virtually obligatory on the German importer from Great Britain whilst it is optional to the British importer from Germany. The deficiency in the demand for "sondermarks" by the latter has been due partly to ignorance of the facilities offered and partly to the fact that the small discount below the official reichsmark rate at which the Bank of England was willing to sell sondermarks has not been deemed a sufficient inducement to disturb previous remittance practice. Still, the demand for sondermarks has shown a tendency to increase, and it is

understood that on the day preceding the suspension the Bank of England sold a larger quantity than on any previous day. There is therefore some chance of the clogged machinery clearing itself given a little time, though actually the Rm. 5,000,000 limit had been well exceeded before the Reichsbank stopped the account. Certainly, British importers, who do not take too short-sighted a view of their own interests, have an incentive to use the machinery, since to do so is to facilitate our export trade to Germany, whilst the consequence of a complete breakdown of the present voluntary arrangement is almost certain to be the establishment of a compulsory clearing with all its attendant delays and inconveniences.

Sterling and International Prices.—An examination of the movement of wholesale prices in this country during the past fortnight reveals an appreciable setback in the quotations for a number of primary products, despite a decline in the gold value of the pound. The decline was almost confined to imported materials. In view of the recession in activity in the United States, the stagnation of business in France, and the restrictions on raw material imports into Germany, this downward movement is scarcely surprising. The fall in our Complete Index was less marked, as it includes a number of semi-manufactured products which have remained unchanged in price. Our index of the prices of American primary products also shows a slight fall, despite a further advance in quotations for cereals. But the Irving Fisher index, which includes a substantial proportion of semi-manufactures and finished materials, continued to rise. The index for France showed a further advance, but this was due entirely to a rise in the prices of home-produced foodstuffs. The indices for industrial raw materials and for imported goods are appreciably lower than a fortnight ago.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
	British Complete Index (sterling)	Primary Products British (sterling) American (dollar)	Price of Gold (sterling)				
1932							
Jan. 27th	108.8	115.7	93.8	140.9	93.5	93.6	91.6
Apr. 20th	108.8	105.4	83.6	129.5	89.6	97.0	90.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	88.5
Oct. 19th	103.1	112.3	84.0	143.8	88.6	92.7	88.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	83.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	83.4
July 28th	108.1	120.6	124.7	145.7	100.9	89.7	88.6
Oct. 18th	106.4	112.6	109.1	155.4	103.7	87.5	88.1
1934							
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	88.5
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	88.0
Mar. 28th	108.8	121.4	127.5	160.4	107.3	85.9	88.1
Apr. 25th	108.2	118.8	125.3	159.5	106.0	85.4	87.7
May 9th	108.2	121.7	129.4	160.0	109.0	85.6	88.0
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	88.5
June 6th	108.2	122.3	134.4	162.3	110.1	84.1	88.9
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	89.6
July 4th	107.7	123.2	133.4	161.7	112.8	82.0	90.1
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	91.1
Aug. 1st	109.2	124.7	139.4	162.5	113.0	81.4	91.6
Aug. 15th	111.1	129.2	145.0	162.8	112.8	81.8	92.1
Aug. 29th	111.1	129.1	150.6	164.0	115.6	82.0	92.0
Sept. 12th	110.0	127.7	150.3	165.3	116.3	82.7	92.4

* These figures refer to Sept. 5th.

Details of the group indices comprising the complete *Economist* index number are given below:—

"ECONOMIST" INDEX (1927 = 100)				
	Sept. 18, 1931	Aug 15, 1934	Aug. 29, 1934	Sept. 12, 1934
Cereals and meat	64.5	76.8	76.8	76.0
Other foods	62.2	59.8	59.3	58.7
Textiles	43.7	53.2	53.5	52.1
Minerals	67.4	75.2	76.1	75.6
Miscellaneous	65.8	69.9	69.4	69.5
Complete index	60.4	67.1	67.1	66.4
1913 = 100	83.1	92.3	92.3	91.4
1924 = 100	52.2	58.0	58.0	57.4

With the exception of the figure for miscellaneous materials, all the groups indices show a decline. Among cereals and meat, the prices of bacon and oats rose sharply, but the quotations for foreign wheat, flour, maize, rice, beef and English mutton were all marked down during the past fortnight. In the "Other Foods" group, declines in the

quotations for refined sugar and cheese were partially offset by a further substantial increase in the price of Danish butter. The fall in the index for textiles is due to the marking down of quotations for jute, silk and wool. Among minerals, copper, lead and spelter showed a decline, but tin, tinplates and house-coal were dearer.

* * *

U.S. Cotton Crop.—Quotations for American raw cotton declined sharply at the beginning of this week, following the publication, on September 8th, of the third official report on the condition of the crop. According to the United States Department of Agriculture, the cotton crop is expected to yield 9,252,000 bales of 500 lbs., as compared with a yield of 9,195,000 bales forecast on August 8th, and an actual yield of 13,047,000 bales in 1933, 13,002,000 bales in 1932, and 17,095,000 bales in 1931. The acreage remaining for harvest is estimated at 27,241,000 acres, against 29,978,000 acres picked in 1933, 35,939,000 acres in 1932, and 38,705,000 acres in 1931. The latest estimate indicates a yield per acre of 162.6 lbs., compared with 208.5 lbs. in 1933, 173.3 lbs. in 1932, and 211.5 lbs. in 1931. The forecast took the market by surprise, for it was generally believed that the crop had suffered further deterioration during August and that the September estimate would therefore be lower than that issued a month ago. While the strike in the United States undoubtedly contributed to the fall in quotations, it has long been evident that prices of American cotton had risen in relation to those of other cotton as a result of the price-raising policy adopted in the United States. This view was confirmed by the statistics recently issued by the International Federation of Master Cotton Spinners' and Manufacturers' Associations. As compared with the season ended July 31, 1933, consumption of United States raw cotton in the past season showed a decline of 4 per cent., as against an increase of 13 per cent. in the use of cotton grown in other countries. The American cotton market will, of course, remain under the influence of crop reports in the near future, but prices of United States varieties are not likely to rise very much in the absence of a substantial improvement in demand.

* * *

Shipping Freight Index.—As measured by our monthly index number, the general level of whole cargo shipping freights rose by 5.0 per cent. during August, following a rise of 1.8 per cent. during July. The current figure of 89.6 compares with 81.4 in August last year and 81.7 in August, 1932. Details of the index number are as follows:—

(1898-1913 = 100)					
	Average, 1913	August, 1933	June, 1934	July, 1934	August, 1934
European waters	110.0	83.7	86.7	89.5	91.1
North America	113.1	72.8	76.5	75.7	77.4
South America	123.4	73.2	80.5	83.7	85.4
India	106.3	90.9	88.0	88.3	96.1
Far East and Pacific	117.4	84.3	86.3	87.3	91.4
Australia	127.9	83.7	84.6	87.2	96.1
Total	116.3	81.4	87.8	85.3	89.6

Rates for outward tonnage have, on the whole, remained firm, and Newcastle reports that the recent improvement in the Mediterranean market has been maintained. At Liverpool the River Plate market is also steady; although shippers are inclined to hold back, owners are not pressing tonnage. The North Atlantic trade is dull, but there is a good tone in the Far Eastern and Australian markets. Movements of the various sections of our index number are shown in detail below:—

	Index No.	Inc. or Dec. Points		Index No.	Inc. or Dec. Points
Home trade	79.3	+ 0.5	South America—		
Bay—outwards	113.8	+ 11.1	Outwards	69.2	— 0.8
Bay—homewards	85.2	— 1.6	Homewards	101.6	+ 4.2
Mediterranean—			India—outwards	74.4	— 0.7
Outwards	94.7	— 1.3	India—homewards	117.7	+ 16.2
Homewards	84.2	+ 0.7	Far East, etc.	91.4	+ 4.1
North America	77.4	+ 1.7	Australia	96.1	+ 8.9

Expressed as a percentage of the average for 1913, the total figure of our index number for August is 77.0, compared with 73.3 for July and 70.0 for August last year.

* * *

Transvaal Output in August.—The output of gold by the mines of the Transvaal during August amounted to 881,861 ounces of fine gold at a value for purposes of declaration of £6 18s. per ounce, as compared with 876,094 ounces in July at £6 17s. and 934,714 ounces in August last year at £6 5s. In the following table we show the monthly output since the beginning of 1928:—

Month of	1928	1929	1930	1931	1932	1933	1934
January ...	Fine Ozs. 845,857	Fine Ozs. 876,432	Fine Ozs. 882,601	Fine Ozs. 914,576	Fine Ozs. 936,784	Fine Ozs. 967,457	Fine Ozs. 907,641
February ...	816,133	815,284	818,188	839,937	914,012	883,145	826,363
March ...	877,380	865,529	889,370	910,998	960,035	946,869	874,112
April ...	825,907	872,123	868,508	882,357	949,796	895,097	865,822
May ...	886,186	897,598	916,213	910,279	965,644	944,604	898,418
June ...	862,363	856,029	887,867	897,750	959,011	918,633	868,129
July ...	867,211	889,480	912,652	916,843	981,160	923,671	876,094
August ...	891,863	889,601	921,081	916,425	991,322	934,714	881,861
September ...	857,731	849,553	903,176	916,024	961,501	901,799	...
October ...	897,720	888,690	926,561	945,113	974,965	908,888	...
November ...	872,484	861,593	884,753	900,510	978,716	899,468	...
December ...	859,761	851,134	908,492	923,353	980,618	894,156	...
Total ...	10,358,596	10,414,066	10,719,760	10,874,145	11,553,564	11,017,485	6,998,440

The following table shows the number of natives employed at the mines during the past nine months:—

	Dec., 1933	Jan., 1934	Feb., 1934	Mar., 1934	April, 1934	May, 1934	June, 1934	July, 1934	Aug., 1934
Gold mines	235,739	239,871	242,594	242,577	243,059	243,579	244,857	245,918	248,436
Coal mines	11,686	11,661	12,120	12,434	12,452	12,481	12,800	12,845	12,745
Total...	247,425	251,532	254,714	255,011	255,511	256,060	257,657	258,763	261,181

The number of natives employed at the gold mines has shown a notable expansion since the beginning of the year.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE TEXTILE STRIKE ISSUE

CURRENT reports on the textile strike indicate that about one-third of the workers are out in New England and a larger proportion in the South. The points at issue are stated to be: the 30-hour week with no reduction in wages; graduated wages based upon skill required; uniform limitation of machine load; recognition of the United Textile Workers as the collective bargaining agency; and the institution of an arbitration board. The contention of the

employers is that the N.R.A. codes have already increased labour costs greatly, and that this, combined with the rise in raw materials, plus the processing taxes, has already lifted the prices of finished goods to a level beyond which the consumer cannot meet further advances. The earnings of textile companies are characteristically erratic, but at the present time there are certainly no profits capable of absorbing any increase in costs.

The market is well stocked with textiles, and has shown itself apathetic to the strike; the funds of the union are small in proportion to the demands to which they are liable. The probability would, therefore, seem to be a

short, violent and unsuccessful strike, except for the possibility of Federal intervention. This is quite uncertain; for example, Federal relief funds have been promised to strikers, but the Relief Administrator has specifically declared that the Treasury will not "underwrite the strike."

The resignation of Mr Lewis Douglas, Director of the Budget, came as something of a shock, although it had not been unexpected for months. The correspondence of the resignation was not made public. Following his resignation, however, news dispatches from Washington began to intimate that the idea of balancing the next Budget (for the fiscal year July, 1935-June, 1936), as announced in the President's message of last January, was being abandoned. The reasons are obvious—the business recovery has failed to materialise, and the burdens of relief, instead of diminishing, are growing heavier. In June, 1934, 3,716,755 families and 512,701 single persons were on Federal relief rolls. These figures do not include those who are employed under certain special administrations. The average relief is stated to be \$23 a month, having risen about 50 per cent. in the past year largely because of the increased cost of living. The distribution of these relief funds does not follow publicly defined principles: in some States the entire relief programme falls on the Federal Treasury; in others, as in New York, the heavier part of the burden is borne locally.

THE COST OF RELIEF

It seems to be impossible to obtain a comprehensive synoptic view of Federal relief expenditures, as grants are made under numerous Congressional appropriations, quite confusing to an outsider. The Federal Emergency Relief Administration was created in May, 1933; its appropriations have totalled \$1,231 millions and are virtually exhausted. But these figures do not include appropriations under Public Works Administration, nor the special agricultural appropriations. It is now believed that relief expenditures must rise, and an estimate of 5,000,000 families on relief is officially predicted for the winter. As a remedy, organised labour advocates the 30-hour week and a revival of Civil Works Administration; but the present policy seems to be to find work for the unemployed in Government-operated factories. A considerable endeavour has already been made in this direction by F.E.R.A.; and the idea is the basis of Mr Upton Sinclair's E.P.I.C. (End Poverty in California) campaign.

Appraisals of the drought are still uncertain, the recent weather having been more favourable to such crops as are still unharvested. One thing, however, seems to be clear. The failure is most severe in those crops which are principally consumed on the farm, such as hay, oats and maize. Higher prices for these commodities benefit the farmer only if the added costs are recovered from higher prices for livestock, dairy products, eggs, etc. Except for hogs, the prices of such products are rather laggard; there is further some danger that livestock will be sacrificed because of the high cost of feeding. The present indication, largely because of the recent advance in hogs, is that farm income exceeds last year's in the aggregate; but it is too early to speak with positive assurance.

An important ruling was made regarding N.R.A. during the week, when it was decided that in any industrial concern a labour organisation representing a majority of the workers was solely entitled to represent them in collective bargaining. This reverses certain other decisions, in which schemes of proportional representation were permitted; and it is regarded as a victory for the American Federation of Labour.

The condition of N.R.A. becomes increasingly obscure. Last week's letter reported the refusal of the cotton garment industry to accept the Executive order to raise wages and reduce hours by 10 per cent., although the President was presumably within the authority of the Recovery Act. No further action on this matter has been reported, but a strike is threatened. This week another episode has occurred which raises important questions of enforcement. The Retail Solid Fuel Code permits local price-fixing arrangements in emergencies, but the Code Authority has resigned in a body, claiming that it could not secure from N.R.A. sufficient help in enforcing com-

pliance. The N.R.A. answer is that it must establish the existence of an emergency. It is officially stated that this is not to be interpreted as a dissolution of the Retail Solid Fuel Code. Meanwhile the papers carry reports both of concerns which surrender their Blue Eagle voluntarily and of others which are deprived of them as penalties; and also of suits to enforce code compliance even from concerns which have refused to sign codes.

Business news continues uniformly discouraging. Steel operations are at 18 per cent. of capacity—almost as low as during the banking holiday of 1933. There are fitful reports of better retail trade in localities, but as yet nothing has appeared which can be taken as evidence of seasonal upturn.

NEW YORK, September 5.

FRANCE

M. HERRIOT AND M. TARDIEU

M. HERRIOT, Minister of State and leader of the Left-wing parties in the Doumergue Cabinet, delivered a speech on Sunday before the members of the Radical-Socialist Federation of the Rhône. M. Herriot contended that "the crisis was a liquidation of the errors, the excesses and frantic imprudences of the post-war period"; that with its 47,000 million francs the 1935 Budget would reach the limit of the capacity of the French tax-payer; and that prices were falling. He also emphasised the necessity of preserving the confidence of rentiers by the maintenance of the Doumergue Cabinet on the eve of the funding of the Clementel bonds which mature in October. The Federation passed a resolution asserting that "the public interest calls for unity in the effort towards financial restoration and the solvency of the Treasury" which are the condition of any public work scheme and of any relief to the victims of the crisis. On the same day M. Tardieu, who is also Minister of State but leader of the Right parties, made a speech attacking what he called selfish and material views of life, which, he said, have always brought on the ruin of nations. He extolled the merits of the political "truce" and the "Union Nationale."

The next political event will be a broadcast speech of M. Doumergue on September 21st, followed by two others. These speeches will have very great significance, because they will be given on the eve of the Departmental elections (the first ballot for the Senatorial elections), which have just been fixed for October 7th. It has been announced that in these speeches the Prime Minister will discuss the hotly debated problem of Parliamentary and administrative reform.

RECORD UNEMPLOYMENT TOTAL

These reforms have become urgent, because the difficulties created by the economic crisis and the resulting public discontent are rapidly increasing. These difficulties are principally connected with wheat and unemployment. M. Sarraut, Minister of the Interior, has asked M. Queuille, Minister of Agriculture, to assist the farmers to sell their 1933 wheat crop. At present they have received no money for this crop, while they are compelled to pay the costs of cultivation. Meanwhile M. Marquet, Minister of Labour, has sent to M. Doumergue a letter in which he states that the number of unemployed is the highest since the war. The following table, which is extracted from his letter, shows that in comparison with 1932 the figure of unemployment is lower in Paris but higher by 14 per cent. in the suburbs and by 44.9 per cent. in the departments.

UNEMPLOYED (official figures)

(Third week of August)

	1932	1934	Per cent.
Paris	90,123	88,372	— 1.9
Suburbs	59,876	68,269	+ 14
Departments	116,724	169,082	+ 44

In the light of these figures, M. Marquet urged the necessity of accelerating the application of his plan of Public Works, which was adopted by Parliament in July, but held up by alleged financial difficulties.

French financial markets are disturbed by the recent fall of sterling and the rumours of a new devaluation of the dollar, the possibility of which has been frequently deplored as dangerous for the franc. French supporters of franc devaluation, however, appear to be losing ground. In a recent reply to M. Reynaud, M. Duchemin, President of the General Federation of French Industries, contended that the exchange premium which benefits the industries of countries with erratic currencies is of an ephemeral nature. "As soon as world prices rise," M. Duchemin added, "retail prices will follow suit in every country, but with an accentuated tempo in the countries which have abandoned the gold standard, so that the difference which exists between industrial costs in different countries will be considerably narrowed in the future." This view, which is accepted by most French business men, does not prevent the instability of the dollar and the pound from disturbing the French situation; monetary uneasiness, while bringing new gold to Paris, engenders a lack of confidence on the Stock Exchange, notably in Government bonds, as the following figures show:—

	Feb. 6, 1934	July 6, 1934	Sept. 6, 1934
3% irredeemable bonds	65.70	77.55	73.05
4½% 1932, "FB" bonds.....	80.20	89.90	88.15

The instability of the Anglo-Saxon currencies explains why French public opinion is keenly interested in the recent evolution of French foreign policy which is designed to achieve freer commercial relations, notably with the countries of the gold bloc. But it is recognised that some time must elapse before these hopes are realised.

PARIS, September 12.

GERMANY

THE NEW IMPORT CONTROL SYSTEM

THE new "Plan" for foreign trade control recently announced by the Ministry of Economy, to be based on the Law for Trade in Industrial Raw and Half-Finished Materials of March 22nd (the first general import control statute), consists essentially in an extension of the control system to numerous industrial commodities hitherto excluded and to agricultural products. Import and internal distribution of all these will be regulated on the principle (to be applied to each individual transaction) that only such goods shall be imported as can be paid for in view of the current reserve position. To the already existing eleven import control boards for different classes of industrial materials are added ten new ones, plus four for agricultural products, so that henceforth there will be 25 boards. The older control system is also defined further and in altered detail. The new system is embodied in an "Ordinance for Trade in Commodities," which contains the general and wide empowering clause: "The Reich Minister of Economy is authorised to supervise and regulate trade in commodities, and in particular to issue regulations concerning their provision, distribution, storage, sale and consumption." For such purposes the Minister may require the reporting of transactions and the keeping of books. The Minister of Economy will appoint a Reich Commissioner to direct and represent each board.

The boards already existing are for tobacco, industrial fats, wool, cotton, cotton yarns, bast fibres (flax, etc.), hides and pelts, rubber, soot, non-ferrous base metals, and iron and steel. The newly-created boards are for wood, horticultural products, coal and salt, mineral oil, chemicals, silk with rayon and clothing, furs, paper, technical articles, and "various commodities." The four agricultural control boards are for grain (with fodder), live-stock and animal products, milk (with oils and fats), and eggs.

The effect of all these measures is to subject imported goods of every kind to public control both as regards their purchase from abroad and their distribution at home. There is no limit to the Ministry of Economy's power to take measures for ensuring the distribution it desires. From September 24th the control boards will replace the present exchange boards (Devisenstellen) in regulating payment (supply of foreign exchange) for import. The

general import exchange rationing will cease. The boards will issue "exchange certificates" for import payments, which must be produced to the Customs authorities; and only these certificates, together with a Customs certificate of the actual import, will authorise payment to the foreign seller. The import of goods for which exchange certificates are refused is not prohibited; but the purchaser will not be able to count on his ability to pay within a reasonable time; and in order to prevent evasion of the exchange law, imports of this last class must be reported to the competent board. The present free limit for import payments is reduced from 50 to 10 marks. While in general the "exchange certificates" will authorise immediate payment, certificates guaranteeing payment at a later time will also be granted. The Ministries of Economy and Food and the Reichsbank will from time to time jointly determine the amount of exchange certificates to be issued. Certificates will also be necessary for payment in reichsmarks. In considering applications for certificates, a sufficient supply of materials for the export industries will in all circumstances be ensured. The new regulations, it is officially added, will be used in order to further the conclusion of compensation agreements. A new agreement of this kind with Bulgaria is announced.

The control system is a step, in so far as mere import is concerned, towards a State foreign-trade monopoly of the Russian type. The main difference—that the goods imported into Germany will remain private property—hardly affects the matter in its international bearing. It seems likely that a similar control of export will follow. Already official measures are being taken to force particular kinds of export by refusing foreign exchange for the import of materials to firms which show too much zeal to sell at home at higher than foreign prices. The rule that exchange certificates will always be granted for import of raw materials necessary for the export industries provides a new leverage for export control. Under the new system the State, acting through the boards, may easily, on political or other grounds, direct trade to particular countries, as is done by Russia.

New decrees limiting the use of pure tin and encouraging by bounties the home production of zinc and lead, have been issued. For certain purposes alloys of 40 per cent. tin content are prescribed. It is estimated that by means of various State subventions a supplementary output of 20,000 tons of fine zinc, 7,500 tons of raw zinc and 1,100 tons of soft lead will be achieved before the end of the current financial year. Some mines and works now closed will be re-opened.

UNEMPLOYMENT STILL FALLING

The number of unemployed at the end of August was 2,398,000, which is 28,000 fewer than at the end of July. The small decline is officially considered satisfactory in view of the discharge of 23,000 emergency employees and of the termination of the harvest. The number of employed (Sickness Insurance registration) at the end of July was 15,533,000, i.e. the number was practically unchanged during the month. The monthly reports of the Chambers of Commerce for August are moderately favourable. Except locally and for particular branches, textile mills have not suffered from shortage of materials, and most have orders for months to come. Heavy iron and steel developed well, but the steel-goods industry has reacted unfavourably.

A law forbidding the foundation of new banks, banking branches or agencies, has been promulgated. Only the Reichsbank, Gold-Discount Bank, Reichspost and Building Savings Banks, with some similar undertakings, are exempted. This measure is provisional, pending a general State regulation of banking. It seems directed more against public than private bank expansion. Since 1913, the number of private banks has risen from 2,506, of which 551 were "big banks," to 3,125, of which 1,258 were "big banks." But State banks have increased from 31 to 116, "Landesbanken" from 2 to 288, and all public banks from 52 to 415. The State and "Landesbanken" compete directly with the private banks. The savings banks, which now number 10,500 as against 8,425 in 1913, have, since the war, embarked on short-term credit business in competition with the private banks.

Money is this week stiffer in consequence of the quarterly income-tax liability; day-loan rates are around 4-4½ per cent. The wholesale prices index number for September 5th was 100.5, as against 100.1 on August 29th. The agricultural products and manufactured goods groups have risen sharply. The September estimate of the year's crops shows improvement on August. The whole grain crop is now estimated at 20,520,000 tons, which is 900,000 tons higher than the August, and 1,300,000 tons higher than the July, estimate. Wheat is estimated at 4,510,000 tons, rye 7,560,000 tons, and all bread grain 12,070,000 tons, which is 500,000 tons above the August estimate. The oats crop is heavily behind the ten years' average. The flax crop was badly damaged by drought, but owing to increase in the area sown (by 79 per cent.) exceeds last year's by 66 per cent.

BERLIN, September 12.

SPAIN

POLITICAL PROSPECTS

THERE are signs that a regrouping of political forces has been taking place in anticipation of the reopening of Parliament, and that the Socialists, in view of their disastrous defeat at the last elections, are disposed to make concessions to the extreme Left in order to reinforce their numbers, but the general opinion is that Sr. Gil Robles, of the Acción Popular (Moderate Right), will not delay much longer taking over the Government. Several of the present Ministers have proved very efficient and are very popular, but there are problems ahead which involve responsibilities too heavy for a minority government to take. This is especially the case with respect to the separatist agitation in the Basque Provinces and the constant friction between autonomous Catalonia and the rest of Spain. Recently much feeling has been stirred up by a Catalan decree prohibiting the entrance of wheat from the rest of Spain into Catalonia, and Catalan politicians are being accused of actively favouring the bid for autonomy of the Basque Provinces in order to support their own pretensions.

Harvest reports are, in general, excellent, and it is hoped that no imports from the Argentine will be necessary for the carry-over next year. The olive crop will probably be up to average, and fruit has also been plentiful.

Trade, on the other hand, shows no signs of recovery, nor is there much optimism to be found in industrial circles. The number of protested drafts in the hands of the banks continues very high and a protest has lost some of its moral significance in consequence.

The Stock Exchange was naturally very calm during the past month on account of the summer holidays, and, apart from the small amount of business done, quotations were, in general, weak; even Government securities lost some ground. There have been no new issues during August, nor is it customary to go to the public for capital until the beginning of October, when holiday-makers are all back from the North. One exception to this rule is the Lozoya Water Supply Company (the Madrid Water Company) which has been authorised to make an issue of 5 per cent. bonds, free of tax, for a total of Pts. 101 millions. The proceeds of this issue will be used to provide a further supply of water, which is urgently needed, to the city and its suburbs. There are one or two important Government and municipal issues to be made in the autumn, but until the political situation is more stable, industry cannot hope for any help from the market and must continue its hand-to-mouth existence as at present.

The increase of 15 per cent. on all railway rates, recently authorised by the Government, has had its effect on receipts, which have risen in comparison with the same period of last year. The quotation of the companies' shares has improved in consequence. As a result of general depression, the big store "Madrid-Paris" has had to close down. Part of the ground floor having been taken by a fixed-price store of the Woolworth type (an innovation in Spain) the success of the new venture has been so remarkable as to cause considerable perturbation among Madrid shopkeepers. The service of "telefonemas," or 'phoned telegrams, has

been taken over from the Telephone Company by the State in virtue of the terms of the original charter, and the company's shares fell somewhat in consequence, as it was thought, until the last moment, that the Government would not avail itself of the right to take over this service.

MADRID, September 1.

FINLAND

EXCHANGE DISPUTE WITH GERMANY

At the end of July payment difficulties arose between Finland and Germany. According to a clearing agreement dating from January, 1933, the Reichsmarks received by Finnish exporters for goods delivered to Germany are accumulated on a special account in the Reichsbank and are utilised in making payments for Finnish imports from Germany, which are as a rule appreciably larger than the exports from Finland to Germany. As German exporters demanded payment in other currencies, the balances of Finnish exporters on this account began to rise and threatened to assume considerable proportions to the detriment of exporters, who had to wait for payment and to run the risk of a possible depreciation of the German currency.

In order to relieve these conditions negotiations were started by the Finnish Government with the German authorities, principally with a view to Finnish importers being entitled to make their payments in Reichsmarks. But the clearing agreement was denounced by the Germans on August 31st. To protect the interests of Finnish exporters the Finnish Government was forced on August 20th to issue an order that for goods of German origin or purchased in Germany payment should be made in German marks through the medium of a Finnish bank. By this means a liquidation of the large special account in the German Reichsbank will probably be achieved. The stipulations contained in the ordinance may be relaxed by order of the Finnish Ministry of Finance, as soon as equilibrium has been established. Renewed negotiations between both parties have been begun.

PRODUCTION AND FOREIGN TRADE INCREASING

Industrial production increased considerably during the second quarter of the year. The index of production (1926=100) was as follows during the second quarter:—

1930	102	1933.....	97
1931	80	1934.....	112
1932	83		

The improvement is partly due to higher prices, but the volume of production has also increased very much, especially in the exporting industries.

Foreign trade has been lively during the summer, as the following figures indicate:—

	Imports June-July Mill. mks.	Exports June-July Mill. mks.
1932	615.0	992.2
1933	703.1	1,279.6
1934	863.9	1,524.4

As usual during the summer months, in which shipments of sawn timber are principally concentrated, the surplus

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of exports has been large. For the seven completed months of this year the surplus of exports was 524.3 million marks. This result is favourable in itself, yet it falls short of the brilliant results for the corresponding months in 1933 and 1932, which were 636.8 and 754.1 million marks, respectively.

The money market is extremely easy, chiefly on account of the favourable state of foreign trade. This is clearly illustrated by the following figures regarding the position of the Bank of Finland:—

	Aug. 15, 1932	Aug. 15, 1933	Aug. 15, 1934
	Million marks		
Reserve of foreign currency ...	327.2	649.1	1,032.2
Note reserve	583.9	712.3	781.6
Total credits.....	1,008.6	906.1	840.8
Re-discounted bills	140.8	25.2	...

The unusually easy state of the market is also shown by the fact that the credits granted by the joint stock banks have fallen below their deposits, whereas the reverse is usually the case. In July the credits of the banks were reduced by 143.4 million marks and thus reached a lower figure than at any time since 1927. Deposits have grown, though slowly.

The plentiful supply of money would have been even larger if some foreign credits had not been redeemed in the course of this year. The Industrial Mortgage Bank of Finland, Limited, has called in and entirely redeemed its dollar loan, of which about 6 million dollars were outstanding. Moreover, purchases of Finnish bonds have been made abroad for sinking fund purposes. Altogether it is estimated that over 500 million Finnish marks have been employed for the redemption of Finnish bonds abroad. Some time earlier, during 1931-33, the net Finnish indebtedness to other countries had been reduced from about 8,000 to 5,100 million marks, calculating the foreign currencies at the par rate of exchange. This proved possible thanks to the unusually active balance of payments.

HELSINKI, September 6.

IRISH FREE STATE

THE PATH TO AUTARKY

THE official estimate of the balance of international payments in 1932 has been prepared. The following is a summary of its principal results:—

CREDITS		DEBITS	
	£2,000		
Exports	25,920	Imports.....	41,497
Income from investments abroad	10,100	Remittances on Irish investments held abroad	5,740
Emigrants' remittances	4,000	Miscellaneous	686
Pensions, sweepstakes, etc.	6,592		
Miscellaneous.....	931		
Total.....	47,543	Total	47,923

Assuming these figures to be reasonably accurate, it would appear that the Free State external balance was satisfactory in 1932. Since then, the passive visible balance has increased by about £2,000,000, but income from investments abroad has probably increased substantially as a result of improved company results and increased dividends. Although the material available for forming an opinion is inadequate, it may reasonably be estimated that no serious drain has yet appeared in spite of the economic war, and this is the opinion of the best-informed Dublin bankers.

What gives rise to anxiety among more thoughtful observers is the future rather than the present, or, perhaps we should say, the distant rather than the immediate future. The Free State is obviously a strong creditor country, and is in the position of a private individual who is able to weather a period of great depression in his earnings because of the possession of a large "unearned" income. So long as the Free State continues to enjoy these favourable conditions, political follies and measures of

economic unwisdom can be indulged in without any marked effect on the general standard of living. But if once the country's "private means" were to disappear, the gap between visible imports and exports could no longer be bridged, and a drastic reduction of imports would at once become a matter, not of proud choice, but of stern necessity.

Such a reduction of imports would unquestionably be reflected in a lowering of the general standard. The Free State is not endowed with a rich variety of resources, as are the United States, nor with a tradition of chemical and engineering ability, as is Germany, where synthetic products may replace imports to some extent; and the path to "Autarky" would be indeed a thorny one. Of course, different people hold different views regarding the importance of comforts and luxuries to human happiness, and there are some leaders of opinion in Ireland who would like nothing better than a dense population of peasants living in rather simple, not to say primitive, conditions. But to those of us who do not wish to deprive our fellow countrymen of the fruits of human progress, such a picture appears bleak and depressing.

DANGERS TO THE BALANCE OF PAYMENTS

The danger of such a collapse in Irish civilisation is slight so long as the country can retain its creditor status, and it therefore behoves every responsible politician in Ireland constantly to observe the external balance of payments, to do nothing to depress it, and to attempt to improve it. One fact that should be borne in mind is that many of the credit items will tend to diminish with the passage of time. Pensions are essentially terminable incomes, while emigrants' remittances and sweepstake receipts have probably seen their best days. One would think that wisdom would dictate the building up of new visible exports to replace these invisible ones as they gradually decline, but apparently export markets are considered unimportant, and recourse is being had, in the time-honoured manner, to reducing imports rather than increasing exports. It is only fair, however, to observe that Messrs Thomas and Elliot have made exports from the Free State very unprofitable.

The decline in the invisible income to which we have so far referred is inevitable, but it will be gradual, perhaps almost imperceptible. But there might come about a further decline, which, while by no means inevitable, would be sudden and catastrophic. A large percentage—how large we have no statistics to show—of the income from investments abroad is concentrated in the hands of a relatively small number of rich families, who are very mobile and reside in Ireland mainly for pleasure or for sentiment, but not for business, professional or official reasons. Any severe political or financial shock that had the result of causing these families to cease to reside in the Free State would substantially reduce the credit side while adding to the debit side (on account, for example, of rents remitted abroad) of the country's external balance sheet. Such a shock to the nation's creditor position (and incidentally, it may be added, to the public finances) would expedite the downward readjustment of the people's standard which appears to be regarded with such unconcern by some of our politicians.

DUBLIN, September 10.

CHINA

TRADE DEPRESSION IN HONGKONG

THE Governor of Hongkong has appointed a Commission "to inquire into the causes and effects of the present trade depression in Hongkong and make recommendations for the amelioration of the existing position and for the improvement of the trade of the Colony." The Commission is composed of twelve members, of whom two are Chinese, under the chairmanship of one of the senior Government officials. Banking, shipping and property interests are represented and H.M. Trade Commissioner is a member. In the opinion of some people a smaller commission might

prove more effective, and it certainly seems as if some of the members of the Commission would be more useful in the witness box than in the seat of judgment. However, the Commission begins its work this week and it is to be hoped that it will be presented with a wide range of views on the present depressed state of trade.

The consensus of opinion is still strongly in favour of maintaining free trade here. Hongkong has no primary products, and its prosperity in the past has been entirely derived from its services as a clearing house for the trade of South China. There is, therefore, a general reluctance to run the risk of hampering the trade of the port by the institution of a system of tariffs, and for that reason opinion here is definitely opposed to the quota system, which other Crown Colonies have been forced to adopt. The Imperial Government agreed to exempt Hongkong from the scheme, but recently the reply of the Secretary of State for the Colonies to a question in the House of Commons hinted that Hongkong might be asked to adopt a modified quota system, under which goods destined for South China would be given through clearance. Such a suggestion would be found to be impracticable because imports, especially piece-goods, may remain here many months before being re-exported to South China, and it is quite impossible to declare at entrance which goods will be retained here.

Inquiries amongst importers about the proportion of piece-goods retained for sale in the Colony resulted in varying estimates from 5 per cent. to 20 per cent. The statistics for the past 3½ years show that exports of cotton piece-goods in 1931 and 1932 were 70 per cent. of the imports, for 1933 they were 82 per cent., and for the first half of this year they were 90 per cent. This percentage is really no guide to the quantity of piece-goods retained, as the statistics do not take into account stocks carried over from one season to another, nor do they show the large quantities which are smuggled from here to South China. It appears therefore that the institution of a quota to check the imports of Japanese cottons would only result in hampering trade, and if the imports for 1931 are taken as a basis it will be found that Japanese trade in piece-goods has fallen off very considerably. This is partly due to the boycott of 1931-32 and partly to diminished purchasing power. There has probably been an appreciable increase in demand for cottons from the Shanghai mills on the part of South China consumers, but this is only partially shown in the Hongkong trade statistics as the bulk of such goods would be shipped direct to Canton from Shanghai. In this connection the following table may be of interest:—

IMPORTS OF COTTON PIECE-GOODS INTO HONGKONG

(000's omitted)

	Approximate Quantities		
	From United Kingdom	From N. China	From Japan
1931	45 million yds. ... 19,071	32 million yds. ... 6,912	76 million yds. ... 18,800
1932	59 " " ... 19,290	42 " " ... 8,594	28 " " ... 4,566
1933	23 " " ... 7,453	40 " " ... 8,024	33 " " ... 5,225
1934 (to 30 June)	18 " " ... 1,482	18 " " ... 2,673	20 " " ... 2,816

Artificial silk goods show a large falling off in imports from Japan, the value in 1931 being \$2,382,000, as compared with \$480,000 for the first half of this year.

CANTON AND NANKING

The political situation in Canton is far from stable. Marshal Chan Chai Tong has full control of the military party, but he leaves civil affairs in the hands of subordinates, most of whom are quarrelling with one another. The efforts of the Nanking Government to arrive at a closer working arrangement with Canton have so far proved fruitless, although two important missions have visited the South during the past few months. Each mission has, of course, paid its respects to the veteran Kuo-mintang leader, Hu Han Min, but, despite urgent requests to go to Nanking, the latter remains in Hongkong criticising and deploring, but never giving a hand to help in the work of reconstructing China.

Recent visitors to Mr Hu include Dr. Wellington Koo, who passed through *en route* from Europe to Nanking, and

Dr. Wang Chung Hui, of the Court of International Justice at The Hague. The latter is spending a few days in the South before going on to Nanking, and he has been in touch with the leading officials in Canton. The return of Dr. Koo, Dr. Wang, Dr. W. W. Yen and one or two other prominent Chinese in the diplomatic service is not without significance, and their wide experience of world politics may have some influence in the conferences which are to be held in the North very shortly. Closer co-operation between Canton and Nanking is badly needed, and it is to be hoped that the representatives from the South will attend the conferences in a more reasonable frame of mind than has been the case during the past year or two.

HONGKONG, August 1.

LETTERS TO THE EDITOR

CONTROLLING RETAILERS' MARGINS

TO THE EDITOR OF THE ECONOMIST

SIR,—In your issue of September 1st you published an article criticising the Manifesto issued by the Society of Motor Manufacturers. The arguments of your correspondent are, however, not confined to motor-cars, and he suggests that the cutting of prices of all proprietary articles is an unmixed blessing to consumers and manufacturers. The scheme put forward by the Society of Motor Manufacturers may or may not be the best possible scheme for regulating the position in the motor industry, but the denunciation of all systems of regulating retailers' margins is open to criticism. * Your correspondent compares cups of tea with motor cars, Mr Selfridge with Lord Nuffield. The distribution of proprietary articles is far too complicated a matter for such simple comparisons. In the first place, a cup of tea is seldom a proprietary article, although the packet of tea from which it is made may be branded. The distributor sells far more than the tea in the cup—there is milk, sugar, boiling water, and a clean

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cup and saucer. A Morris car is the same wherever it is sold. There are, however, many other factors which complicate the issue. Some articles are bought on impulse—cigarettes or chocolates—and a large number of selling points are essential if sales are to be maintained. Price-cutting tends to limit the number of selling points. It is true that there are redundant selling points for some commodities, but the price-cutter hardly affects these. He operates in the best streets and tends to eliminate the more important shops.

In any trade the distributing margins generally allowed for wholesaling and retailing are determined by the nature of the product and the circumstances governing its use. The cost of distribution varies according to the density of population in various areas, for example, it is cheaper to wholesale in London than in South Wales.

Manufacturers are alive to the importance of widening the market of the product they sell. In the main, therefore, their interests are linked up with the interests of the community and such regulations as to price maintenance as they are able to enforce are not unduly restrictive.

A price-cutter is successful if he can secure some of the business done by his competitors while he himself is free from the competition of more severely cut prices. It is a fundamental rule that you cannot succeed as a price-cutter if you charge more than the lowest price. This results in very fierce and uneconomic competition where there is no system of restriction, and in several trades there have been a series of bankruptcies which, quite apart from the money lost in the individual failures, have seriously disorganised the distribution of the commodities affected.

Your correspondent points out that the history of the motor industry is a stock example of lower prices greatly stimulating demand. All would agree with him on this point, and most that our rigid internal price level was largely responsible for the continuously heavy unemployment in this country in the years before the world depression. But surely he carries his argument much too far in suggesting that the maintenance of retailers' margins played a more than minor part in fixing the level of our internal costs and prices.

Everyone would agree that the distributor is entitled to some reward for the undoubted service he performs. That the margin is in some cases so high that consumption is restricted is also probably true. In these cases price-cutting inevitably springs up. Some methods of restriction may be unwise, but the problem is extremely complex, and varies very much from trade to trade. Trades or groups of manufacturers within the different trades have worked out methods of control to suit their own conditions. In some cases these have broken down; in other cases they have worked well for a number of years. In the words of the 1931 Report of the Departmental Committee on the Restraint of Trade, of which Mr Wilfrid Greene was Chairman:—

"We do not regard the price maintenance system as free from disadvantages from the public point of view, but we are not satisfied that if a change in the law were made there is any reason to think that the interests of the public would be better served. . . . Though the withholding from retailers of goods in which they wish to deal may cause grievances and in some cases no doubt hardships, we do not consider that any compelling reason for a change in the law has been established."—Yours truly,

PAUL S. CADBURY.
Bournville, Birmingham.
September 10, 1934.

IRISH FREE STATE LAND BONDS

TO THE EDITOR OF THE ECONOMIST

SIR,—I have to inform you that my attention has been directed to the note which appeared in your issue of the 1st instant with regard to the drawings of Irish Free State Land Bonds. In order to clear up any misconceptions which may be prevalent with regard to the approaching drawing of Land Bonds, I should be glad if you would publish the following information. The total amount of Land Bonds created and issued under the Land Acts, 1923–31, is approximately £25,000,000. These bonds were issued not only for the purchase of tenanted land but also for the purchase of untenanted land. The total amount of registered bonds in the hands of the public is approximately £15,000,000, but this figure is likely to be increased to an appreciable extent before the date of the drawing. The remainder of the issue consists of inscribed bonds which have not as yet, pending proof of title, been allocated to individuals by the Judicial Commissioner, but stand in the name of the Irish Land Commission to the credit of the several estate accounts.

Under the Land Acts, 1923–31, all purchase moneys and all claims against the purchase moneys must be paid in Land Bonds. It would be impossible to comply with this legal

obligation if inscribed bonds were included in the drawings. Every effort is being made, however, to speed up the distribution of the purchase moneys and thus secure that shortly all 4½ per cent. Land Bonds will be registered and capable of participating in the annual drawings.

In the meantime, in order to meet all reasonable objections, the Minister for Finance is providing in the drawing regulations that the amount to be drawn at the first annual drawing will be the "sums set aside" in the Land Bond Fund as at May 1st last for the redemption of bonds. The normal course would have been to draw bonds for redemption to the full amount calculated at the date of the drawing to be available at the date of redemption (January 1, 1935). The effect of the Minister's decision is that only approximately £255,000 will be available for the first drawing instead of an amount between £300,000 and £350,000.

As the sinking fund portion of annuities in respect of inscribed bonds included in the amount available for redemption on May 1st last did not exceed £42,000, it is considered that the new arrangements should meet all reasonable requirements of holders of registered bonds.

The large amount available in the sinking fund for the first drawing is due to two factors. The first factor is that the normal sinking fund derived from the sinking fund portion of the purchase annuities was not used in 1933 or 1934 to redeem bonds drawn for immediate redemption; the second factor is due to the operation of the Land Act, 1931. That Act was passed in order to expedite the vesting of lands, and under its provisions the purchase moneys of estates were fixed at a provisional figure, subject to subsequent adjustments. This procedure necessarily led to an over-issue of bonds in some cases and an under-issue in others. In cases where it is found that there has been an over-issue of bonds there is paid into the Land Bond Fund a sum sufficient to redeem the excess bonds issued, and this sum is added to the sums set aside for the redemption of Land Bonds (see Sections 3, 19 and 20 of the Land Act, 1931). The over-issues have exceeded expectations and account for the major portion of the sums available for redemption of bonds as at May 1st last.

I am to point out that the sinking fund for the redemption of bonds consists of the ½ per cent. paid by purchasers in their annuities, any moneys received from purchasers on sales of land or for redemption of annuities and any moneys paid into the Land Bond Fund under the provisions of the Land Act, 1931, already referred to.

It is not possible to calculate the amounts that will be paid into the sinking fund in the next few years under the Land Act, 1931, but it is expected that for the next few years after the 1935 drawing the amount available for drawings will not exceed £120,000 in any one year.—I am, Sir, your obedient servant,

T. J. KIERNAN,
Secretary.

The High Commissioner for the Irish Free State,
33–37 Regent Street, London, S.W.1.
September 8, 1934.

[We comment on this letter on page 497.—Ed. Econ.]

BOOKS RECEIVED

OFFICIAL PUBLICATIONS

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

Parliamentary Papers: List of the Bills, Reports, Estimates and Accounts and Papers. Session 1932–33. 2s. net.

Guide to Current Official Statistics of the United Kingdom. Vol. 12. 1933. 1s. net.

Colonial Report, No. 1661. Bahamas, 1933. 1s. net.

Department of Overseas Trade: Economic and Trade Conditions in Australia to December 1933. 4s. 6d. net. *Economic Conditions in Greece (1932–33).* 2s. net. *Economic Conditions in the Netherlands, March, 1934.* 3s. net. *Economic Conditions in France, June, 1934.* 7s. net. *Economic Conditions in Germany, June, 1934.* 3s. 6d. net. *Economic Conditions in East Africa, April, 1932–March, 1934.* 3s. 3d. net. *Economic Conditions in Yugoslavia, June, 1934.* 2s. net.

Air Ministry: Memorandum by the Secretary of State for Air on the Report of the Committee on Control of Private Flying and other Civil Aviation Questions. Cmd. 4654. 1s. 3d. net.

Report of the Legal Education Committee. Cmd. 4663. 3d. net.

Report on the Administration, Finances and Condition of the Sudan in 1933. Cmd. 4668. 2s. 6d. net.

Kenya Colony and Protectorate—Native Affairs Department. Annual Report, 1932. 3s. net.

MONEY AND BANKING

THE FALL IN BANK DEPOSITS

THE August returns of the London clearing banks give further interesting evidences of the present tendency in British joint-stock banking. For some months the movement of credit expansion, which began in the early months of 1932 and received a large impetus from the War Loan Conversion scheme in July of that year, has appeared to have halted and there are even some signs of contraction. It is therefore particularly opportune at the present moment to examine the causes of this apparent change of trend.

We give below our customary monthly table of the figures of nine London clearing banks, omitting the National Bank, the bulk of whose business is in Ireland.

NINE LONDON CLEARING BANKS
(£ millions)

	Aug., 1933	May, 1934	June, 1934	July, 1934	Aug., 1934
Capital and reserves.....	123.3	123.4	123.4	123.4	123.4
Acceptances, etc.	105.5	109.9	109.0	106.7	108.7
Deposits (including undi- vided profits, etc.).....	1,927.3	1,820.1	1,832.2	1,832.9	1,818.5
Total liabilities	2,156.1	2,053.4	2,064.6	2,063.0	2,050.6
Cash	205.1	214.8	196.0	207.1	193.4
Cheques, balances and items in transit	43.4	48.4	54.1	47.2	43.4
Money at call	86.7	127.1	137.0	133.9	135.2
Discounts	357.1	220.7	225.8	222.7	220.0
Investments	544.9	524.1	531.7	533.0	540.2
Loans and advances.....	744.3	739.6	742.1	743.4	740.7
Investments in affiliated banks.....	24.8	24.6	24.6	24.6	24.6
Cover for acceptances, pre- mises, etc.	149.8	154.1	153.3	151.1	153.1
Total assets	2,156.1	2,053.4	2,064.6	2,063.0	2,050.6

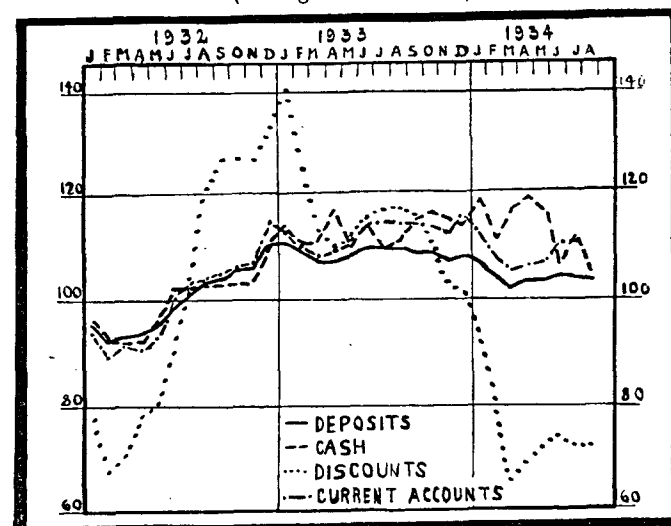
There has been a sharp fall in both cash and deposits, cash falling to the lowest figure since November, 1932, and deposits to a level only slightly above that of March and April of this year, which were the lowest since the autumn of 1932. Advances have also declined slightly, although there has been no perceptible tendency either to increase or decrease in the past twelve months. Investments are higher than in recent months, but slightly lower than in August, 1933. The balance sheet total is more than £100 millions less than a year ago.

These facts are evidence of some credit contraction. It may, however, be said at the outset that they are not also evidence of a deflationary monetary policy. The figures of deposit turnover and of bank clearings show no sign of restriction. London clearings, for example, are nearly 12 per cent. and provincial clearings about 3 per cent. higher this year than last. The increased use that is being made of the available supply of credit is apparently outweighing any contraction of the total volume of credit that may be going on. Nevertheless, a contraction of credit, if it were continued, might in time impose a check on the expansion of business enterprise and in the present delicate stage of economic convalescence it would be as well to avoid any suspicion of deflation.

The accompanying charts have been drawn in an attempt to shed a little light on the causes of the present decline in bank deposits. The first chart shows the movements of the clearing banks' deposits (both total and current accounts), cash and discounts since the beginning of 1932. Each of these items has been expressed, from month to month, as a percentage of its average figure for 1932, so that their relative movements can be easily seen. It will be noticed that from April, 1932, until the end of the same year cash and deposits increased in almost exactly the same proportion. From January to July, 1933, the increase was halted, but the parallel movement of the two lines continued, although there was the usual seasonal decline in deposits in the spring. For the past twelve months, however, the lines have been diverging. Deposits have tended to fall, while cash has been well maintained, except in the last three months. Current accounts have held up better than total deposits, though they appear to have been heavily drawn upon for tax payments in the spring. Dis-

counts have varied very widely, rising rapidly in 1932 and since then falling. The decline in discounts was most rapid in the period between October, 1933, and March, 1934, when the decline in deposits was most noticeable, and it has been suggested that this was no mere coincidence, but the clue to the whole movement.

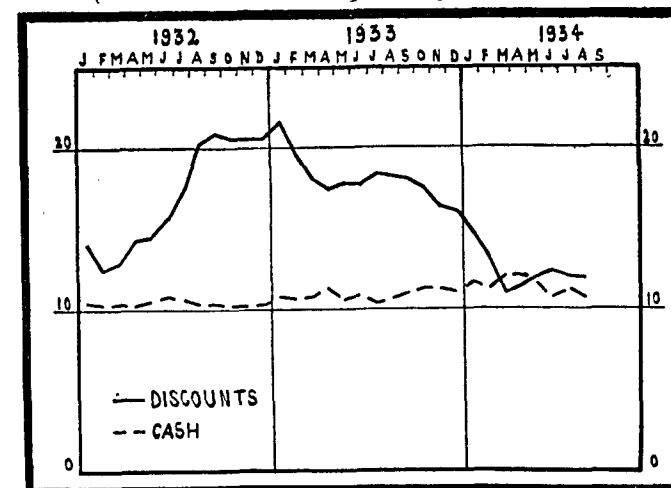
(1) FLUCTUATIONS OF DEPOSITS, CASH AND DISCOUNTS
(Average of 1932 = 100)



The cash ratio is not the only proportion which bankers try to preserve, though it is normally much the most rigid. Advances, for example, should traditionally be neither much more nor much less than 50 per cent. of deposits. Depression, however, has forced the banks to be content in recent months with an advance ratio of 40 per cent., while investments have moved up from below 20 per cent. at the beginning of 1932 to 30 per cent. at present. It is sometimes argued, however, that particular importance attaches to the ratio of discounts to advances. Bankers, according to this argument, are unwilling to let their bill portfolios fall below a certain proportion, since they regard them as a second line of reserve. This school of thought would explain the recent decline in deposits by pointing to the restricted supply of bills, due to the low level of international trade, so far as bankers' bills are concerned, and the funding operations of the Treasury, so far as Treasury bills are concerned.

The second chart has been drawn to illustrate this argument. It shows the movements of the cash ratio and discount ratio since January, 1932.

(2) CASH AND DISCOUNT RATIOS
(Cash and Discounts as a percentage of total deposits.)



Thus, the discount ratio has shown considerable fluctuations. The cash ratio, on the other hand, was comparatively stable until the middle of the year 1933. Since that time—with the exception of the last three months—the

cash ratio has tended to rise. Since March of this year, the discount ratio has been, if anything, the more stable of the two. There is, therefore, some *prima facie*, but not conclusive, evidence for the theory that the available supply of bills is now playing as large a part as the available supply of cash in determining the volume of deposits.

Much can obviously be said on both sides of this subject, for which we have no space here. No attempt has been made in this article to reach any conclusions applicable to monetary policy, but only to present the statistical evidence. The reflection is, however, suggested that the very small dimensions to which the London discount market has been reduced are beginning to exercise a restrictive influence on the volume of the banks' deposits.

FINANCIAL NOTES

The Money Market.—Conditions have continued easy during the week; money has been freely offered at $\frac{1}{2}$ per cent.

	Aug. 23, 1934	Aug. 30, 1934	Sept. 6, 1934	Sept. 13, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$	$\frac{7}{8}$
(b) Others.....	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$
Three months' bank bills.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

Discount rates have eased definitely following the result of the Treasury bill tender of a week ago. The rate for three months' Treasuries is barely better than $\frac{1}{8}$, and though the banks are still standing out for $\frac{1}{16}$ per cent., they are getting no bills at that figure. The enhanced plethora of money evidenced by the increase in bankers' deposits shown in the Bank return and referred to in the following Note has no doubt been a factor in the discount market, but the principal reason for the weakening of rates is the near approach of the time when the three months' bill becomes the coveted end-December maturity.

The Bank Return.—The expansion of the note issue over the turn of last month is shown by this week's returns to have been purely temporary, for the active circulation is now back to its previous level:—

	Sept. 13, 1933	Dec. 27, 1933	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.4	190.7	191.8	191.8	191.8
Note circulation.....	372.5	392.0	379.3	381.3	379.0
Banking Department:—					
Reserve.....	79.2	59.7	73.0	71.0	73.4
Public deposits.....	12.3	22.2	34.0	29.6	16.5
Bankers' deposits.....	109.6	101.2	83.7	88.9	103.2
Government securities ...	83.7	88.0	83.2	85.0	84.9
Discounts and advances	9.2	16.8	5.6	6.9	6.3

Proportion 47.7% 37.3% 47.7% 45.6% 46.8%
The actual contraction in the note circulation is £2.3 millions and the reserve in the Banking Department is up by almost the same amount to £73.4 millions. Apart from that the only movement of any significance is a sharp fall in public deposits by over £13 millions reflected in a somewhat larger increase in bankers' deposits to the rather unusually high figure of £103.2 millions. These movements are no doubt accounted for by the incidence of the Treasury Bill repayments and renewals.

The Foreign Exchanges.—After its sudden and dramatic fall a fortnight ago, sterling has been comparatively steady this week. Though the tendency has been upward, however, both against the franc and the dollar, it looks as if sterling were settling down not much above its record low level of last week—and the Exchange Account again this

week has been operating in favour of sterling. Nevertheless (see page 485), sterling prices have fallen in the past fortnight, which suggests, either, that the fall in sterling is purely ephemeral or else that the franc will soon feel an even heavier deflationary pressure than it has yet. It must be remembered, of course, that money rates are appreciably higher in Paris than London at the moment. The franc rate moved up from 74 $\frac{1}{2}$ on Friday last week to 74 $\frac{1}{4}$ on Thursday, and the dollar rate rose simultaneously from 4.99 $\frac{1}{2}$ to 5.00 $\frac{1}{2}$, the sterling price of gold sinking meanwhile from its historic record of 141s. 7d. an ounce last Monday to 140s. 6 $\frac{1}{2}$ d. on Thursday. Meanwhile the premium on forward francs has faded away, and the New York-Paris cross-rate has fallen comfortably below gold export point. The "free" mark showed some tendency to appreciate against the pound last Friday. On Wednesday the rate for free marks was 12.39; register marks were at a discount of 38.43 per cent.; and sondermarks were quoted at 12.65.

New York Money and Banking.—There has again been no change in the low money rates in the New York market. The "official" call loan rate is 1 per cent., with "outside" money available at $\frac{1}{2}$ to $\frac{3}{4}$ per cent. Brokers' loans increased by \$31 millions in the week ended September 5th and now total \$824 millions. Prime paper is quoted at $\frac{3}{4}$ to 1 per cent. Treasury bills to the amount of \$75 millions were sold on Tuesday at an average price of \$99.886 per cent. The monthly currency return shows that currency in circulation at the end of August amounted to \$5,396 millions, which is \$80 millions more than at the end of July. Of this increase, \$38.8 millions was contributed by silver certificates issued against silver bought by the Treasury. Twelve National Banks with "frozen" deposits amounting to \$9 millions were reopened in August, reducing the number of National Banks still unlicensed to 50. The dollar has had a weak tendency against the gold currencies. In the week ended September 5th, \$12,684,000 of gold was exported to France and \$500,000 to Holland. It is understood that the Stabilisation Fund was supporting the dollar at the end of last week.

Chile's Debt Service.—The latest report of the Central Bank of Chile confirms the suggestion made in an article in the *Economist* on August 11th that it is doubtful if Chile's balance of payments would yet permit the funding of her foreign debt. The internal position, the report shows, is undoubtedly better; local manufacturing industries have increased their production at the expense of imports, while there has been a sharp fall in unemployment. Wholesale prices continue upward, but this, the Bank states, is no longer the consequence of monetary inflation, but the result of commercial recovery. In fact, the supply of money has been maintained during the past half-year at the relatively stable level of approximately 900,000,000 pesos. The present general recovery, however, is only relative, and the economic situation, while better than eighteen months ago, is still far worse than it was before the crisis. The only source of income which in the course of this year will yield a figure equal to that for the year 1929 will be direct taxation, which the people will have to pay to finance a Budget that is one-third less than that for 1929, and to ensure that there will be no further inflation. The volume of business still stands at a very low level, but the depreciation of the currency has come to an end. The fictitious recovery represented by the inflation of values has been replaced by a real recovery reflected in an increase in the purchasing power of domestic wages, an increase in the physical volume of business, and the appearance of profits in trade and industry. The Central Bank points out, however, that, even though this recovery should continue steadily, the question when the taxable capacity of the nation will develop sufficiently to enable a part of the newly created income to be used for the service of the foreign debt is and will be problematical. In any case the service of the external debt could only be resumed, even partially, out of the proceeds in foreign currency of exports of nitrate and copper, if disturbance of the foreign exchange market is to be avoided.

THE STOCK EXCHANGE

OUTLOOK FOR TEA SHARES

THE tea share market is a one-way road, whose wayfarers have usually but a single objective at any given moment. For the last few weeks the market has been registering frank disappointment over the discovery that the International Restriction Scheme has not, within a little over a year, solved every problem in the industry once and for all. A rise in the tea share index of *The Investors' Chronicle* (December, 1923 = 100) from 43.5 at the end of 1932 to 105.6 at the end of 1933 discounted the effects of a stable and enhanced price level for two or three years ahead. The subsequent ebb in share values has been partly a reaction from the market's previous desire to eat its cake too quickly, and partly a reflex of the disappointing course of the commodity market in the last three or four months. The International Tea Committee will decide, in November, on their policy for 1935. As the immediate course of the share market is largely a speculation on their decision, it may be well to examine the economic background with which they will be concerned.

Administratively the scheme has worked well, with much less internal friction and more mutual "give and take" than might have been imagined. As a price-raising agency, both in prospect and in being, it attained such a measure of success that at the end of last year teas sold in the London market were fetching an average price of 1s. 1 $\frac{1}{2}$ d. per pound, against under 8d. per pound a year earlier. This rising tendency was maintained, broadly, until the beginning of last May, but it was even then perceived that the scheme involved certain complicating factors outside its avowed aim of restoring a profitable average level. In particular, limitation by quantity and not by quality was tending to disturb a traditional balance between the higher and lower grades, and to bring all teas closer to a lowest common denominator. Since the beginning of May low-priced tea has fallen from 1s. 1 $\frac{1}{2}$ d. to 10 $\frac{1}{2}$ d. On the current statistical basis even the latter price may be high, but it is broadly true to say that low-priced tea is *en route* for its true economic relative level. During its downward course, however, it has adversely affected the value of the medium to good qualities ranking above it, and has involved insistence upon a particularly high standard of quality in the "fine" class. Tea is not, like rubber, a standard commodity. It has a wide geographical and qualitative distribution. Between different types of tea, even in one area, such as Northern India, there may be differences of as much as

6d. a pound in costs, according to the type of tea produced. At present the producer of low-quality tea can make a fair profit at around 10 $\frac{1}{2}$ d. per pound, while the grower of the good to fine qualities may be unable to cover his costs at 1s. 1d. or even more.

The price "concertina" has far-reaching effects, for the distributive side of the industry has for the last few years been basing its calculations on a much lower level of costs for low-quality teas than now prevails. Every encouragement deserves to be given to the efforts of the industry to extend tea consumption by propaganda, and still more by a suggested guarantee scheme for exports to a potentially important market like Russia. The International Committee, in November, however, will have much more immediate matters of concern. In addition to the discovery of means, if any, of inducing a wider "spread" of prices, it will be faced with the implications of the fact that whereas, up to a few months ago, the industry was steadily reducing its surplus stocks—the reduction, as compared with twelve months earlier, was 24 million pounds at the end of April and as much as 34 $\frac{1}{2}$ million pounds at the end of June last—this process has recently been reversed. By the end of July the "gain" over 1933 had fallen to 21 million pounds, and the August showing is not expected to be favourable. Consumption has fallen off somewhat—London deliveries for the first eight months of this year were 287 $\frac{1}{2}$ million pounds, against 303 million pounds in the same period of 1933—and increased supplies have reached London from China and through shrinkage in offtake by outside markets (including markets on the gold standard) whose domestic absorptive powers have been less than was anticipated. Finally, India and, to some extent, Ceylon are tending to send their tea to London more quickly this season than last.

The omens, indeed, suggest that the International Committee, in November, may be disposed to recommend a reduction in the exportable percentage under the Restriction Scheme. Such a decision would probably produce an instant response both in the commodity and the share markets, which have always been ready to discount major changes speedily. It is difficult to see, however, how practical means can be devised of helping the high-grade as distinct from the low-grade producer, for a mere reduction in the total exportable quantities may tend to bring the two ends of the "concertina" still closer. For the present,

	Financial Year Ends	Earned for Dividends			Earnings per Ordinary Share			Dividends per Ordinary Share			Average Tea Selling Price, per lb., Season to Date*		Ordinary Shares				
		1931	1932	1933	1931	1932	1933	1931	1932	1933	Last Season	Present Season	De-nomination	High Price, 1927-29	High, 1934	Sept. 12, 1934	Yield on Last Dividend (%)
Northern India:—											s. d.	s. d.	£				£ s. d.
Assam Co.	Dec. 31	Dr. 16,143	Dr. 13,956	55,372	Nil	Nil	5.7	Nil	Nil	5	1 6-65	1 2-19	1	50/-	34/-	23/0	4 6 0
Budha Beta.....	Dec. 31	30,258	36,862	14,754	11.4	13.6	4.9	6	8	6	2 4-25	1 7-97	1	157/6	55/7 $\frac{1}{2}$	41/3	2 18 2
Jhazie	Dec. 31	10,845	14,902	30,937	2.6	3.8	7.4	4	3	8	1 7-84	1 2-66	1	122/3	53/6	40/-	4 0 0
Jokai	Dec. 31	10,057	33,233	79,542	0.7	4.9	12.8	2 $\frac{1}{2}$	4	12 $\frac{1}{2}$	1 9-52	1 5-14	1	119/4 $\frac{1}{2}$	61/-	51/6	4 19 0
Jorehaut	Dec. 31	23,108	1,423	59,838	6.0	0.5	15.0	5	Nil	15	1 8-53	1 1-82	1	106/-	67/6	57/6	5 4 0
Southern India:—																	
Kanan Devan	Nov. 30	125,563	71,766	145,601	12.3	5.2	15.0	12 $\frac{1}{2}$	7 $\frac{1}{2}$	15	0 11-66	1 0-33	10	57 $\frac{1}{2}$	38 $\frac{1}{2}$	30 $\frac{1}{2}$	4 19 0
Mixed Districts:—																	
Amalgamated	Nov. 30	13,549	6,046	87,685	Nil	Nil	7.1 $\frac{1}{2}$	Nil	Nil	6 $\frac{1}{2}$	0 10-17	1 0-35	10	56 $\frac{1}{2}$	19 $\frac{1}{2}$	14	4 14 0
Cons. Tea and Lands	Nov. 30	Dr. 12,103	40,214	268,413	Nil	Nil	16.1 $\frac{1}{2}$	Nil	Nil	15	0 10-10	0 11-26	10	43 $\frac{1}{2}$	30 $\frac{1}{2}$	26 $\frac{1}{2}$	5 12 0
Ceylon (tea only):—																	
Nuwara Eliya.....	Dec. 31	116,891	82,154	62,011	43.0	30.8	22.5	38	25	21	1 8-29	1 6-11	1	144/4 $\frac{1}{2}$	100/7 $\frac{1}{2}$	87/6	4 16 0
Scottish Tea and Lands	Aug. 31	42,067	14,639	22,591	12.3	4.3	6.2	12	5	6	1 0-62	1 2-72	1	74/9	50/6	45/-	2 13 3
Ceylon (Mixed Producers):—																	
Ceylon Tea	Dec. 31	68,622	23,491	57,937	15.6	3.4	12.6	15	5	12 $\frac{1}{2}$	1 1-67	1 1-75	1	133/9	82/6	72/6	3 9 0
Eastern Produce	Dec. 31	34,158	Dr. 10,110	56,632	10.3	Nil	17.6	10	Nil	15	1 0-02	1 1-38	1	118/9	68/-	63/-	4 15 0
Lunava	Dec. 31	51,120	16,403	54,319	10.8	3.5	9.7	10	Nil	10	1 0-13	1 1-28	1	61/7 $\frac{1}{2}$	49/6	45/-	14 9 0
Java and Sumatra:—																	
Anglo-Dutch	Dec. 31	Dr. 142,779	Dr. 146,176	Dr. 737	Nil	Nil	Nil	Nil	Nil	Nil	0 8-85	0 10-76	1	52/9	29/-	26/9	Nil

* Northern India tea sales start in second half of each calendar year, others at beginning of calendar year. † After charging provision for replacement of buildings, &c.
‡ See our "Capital Issue" columns for details of new share offer.

therefore, investors may find it advisable to differentiate between the shares of common tea producers, who are making profits at current prices, and some of the higher grade companies, who may be threatened with difficulty in covering their costs. The average London tea prices for the calendar year 1934 to date are anything from 2d. to 4½d. above the corresponding average for 1933. The market, however, is more concerned with the fact that the current level for all teas from Northern India and Ceylon is about 4d. below that prevailing at this time last year.

That the basic position of the industry has greatly improved since 1932 is unquestioned. The extent of the 1933 revival in profit-earning power is strikingly revealed in the following table, which shows total earnings and dividends for the last three years of 178 companies, subdivided according to producing areas. The figures are reproduced from the latest edition of an invaluable handbook on "Tea and Coffee Producing Companies," published by a leading firm of stockbrokers:—

District (and No. of Companies)	Earnings (after depreciation and fixed charges) (£'000)			Per cent. earned on Ordinary			Per cent. paid on Ordinary		
	1931	1932	1933	1931	1932	1933	1931	1932	1933
INDIA.									
Assam (45) ...	301.5	82.0	930.8	4.5	1.2	13.7	5.2	2.9	9.7
Cachar and Sylhet (19) ...	Dr. 101.4	21.7	270.5	Dr. 7.0	1.5	18.7	0.7	2.2	9.2
Darjeeling (4) ...	61.6	13.8	40.9	17.5	9.9	11.6	14.1	2.4	8.5
Dooars (11) ...	43.8	109.6	405.9	2.7	8.9	25.4	6.0	4.4	14.9
S. India (5) ...	119.8	43.0	207.2	8.1	2.9	14.0	7.7	4.6	9.6
Mixed Dist. (14) ...	Dr. 227.3	Dr. 53.3	849.9	Dr. 4.6	Dr. 1.4	17.3	1.5	1.6	8.3
Total India (88)	108.0	218.8	2,705.3	1.2	1.2	16.3	4.2	2.8	9.7
CEYLON.									
Tea only (34) ...	663.9	294.8	445.6	21.2	9.4	14.2	15.8	7.9	10.4
Mixed (39) ...	311.4	Dr. 11.7	513.3	4.7	Dr. 0.2	7.8	4.6	0.8	5.8
Total Ceylon (73)	975.3	283.1	958.9	10.0	8.0	9.8	8.3	3.1	7.4
Java & Sum. (7)	Dr. 248.4	Dr. 198.5	Dr. 9.4	Dr. 6.7	Dr. 5.4	Dr. 0.25	0.1	0.1	0.6
All Coys. (178)	924.9	301.4	3,654.7	3.1	1.01	12.2	5.0	2.5	7.8

Note.—Throughout the above table, 1931 includes results of 1930-31, 1932 includes 1931-32, etc., where accounting dates overlap calendar years.

The table confirms the impression that the largest relative gains have been secured by companies in districts producing mainly low-priced teas, like Cachar and Sylhet, while earnings and dividends of 1933 were still below those of 1931 in a "fine" district like Darjeeling and among the Ceylon companies which produce tea alone. This impression is borne out by the table at the foot of the preceding page, in which the position of a number of representative individual companies is set out. Broadly, improvement in earnings so far has been in direct proportion to the importance of low-priced tea in the output of particular companies. The present trend of prices appears to be accentuating this tendency, for the current season's selling averages shown in the table (reproduced from the *Financial News*), so far as they go, suggest that the companies making chiefly the lower-priced teas have obtained, in some cases, higher average prices this season than last, while the producers of high-priced teas, without exception, have secured a lower average price. In a concluding table (which appears at the head of the next column) we set out various figures relating to crops, costs, selling prices, etc., on the basis of the last accounts. Investors should be cautious in applying the ordinary share percentage equivalents given in the last column to current sales averages, particularly in the case of the Northern Indian companies, for the latter's "averages" apply only to the first few weeks of the current season, while the companies make up their accounts for the calendar year.

While reference to the table on the preceding page shows that the highest prices reached by tea shares this year were well below those of the last "prosperity period" before the great depression, the substantial reaction which has since occurred still leaves income yields at no more than a moderate level. The inference is that a decision by the International Committee to reduce the exportable percentage figure would probably stimulate market interest, but that a prolonged recovery in share values would presuppose a new upward movement in Mincing Lane quotations and a widening of the range of prices between the lower and the finer grades of tea. It is much too early to rule out these possibilities, for there has so far been no

	1933 Accounts (Tea)		Total Tea Crop (000 lbs.)		Id. per lb. on Latest Tea Crops, equivalent to following percentages on Ordinary
	Cost per Lb.	Sale Price per Lb.	1932	1933	
Assam Co.	s. d. 11-25	s. d. 1-16	8,219	7,329	3-1
Budla Beta	13-41	1-5-37	2,712	2,424	3-4
Jhazlie	10-85	1-1-29	4,026	3,491	3-5
Jokai	11-25	1-1-79	9,415	8,403	6-0
Jorehaut	10-25	1-2-07	7,165	5,684	5-9
Kanai Devan	...	1-0-41	13,182	11,698	6-4
Nawara Eliya	10-95	1-8-23	2,149	1,922	2-9
Scottish Tea and Lands	10-40	1-1-12	3,594*	...	3-4
Ceylon Tea	8-14	1-0-77	5,881	4,919	5-5
Eastern Produce	7-75	11-75	6,385	5,764	7-2
Lunuvu	9-10	1-0-42	5,377	4,518	3-0

* 1932-33.

fundamental disturbance of equilibrium between world supply and demand, despite the recent downward tendency of Mincing Lane prices. That the Committee, however, will be disposed to tighten rather than to loosen the restriction screw seems likely in view of their knowledge of recent estimates, which suggest that in March, 1938, when the present scheme comes to an end, the total potential supplies from producing countries will be about 250 million pounds above the present "standard production" figure, of which as much as 150 million pounds will be located in India. Whether world demand will have sufficiently expanded in the meantime to absorb this potential surplus, time must be left to show. As the figures, however, will indubitably be in the background of the minds of most members of the Committee next November, the Committee's decision is unlikely to err on the side of over-generous production.

INVESTMENT NOTES

America's Refinancing.—The United States Government is now facing the delicate task of refunding an appreciable proportion of its debt whilst running a huge current deficit and being credited, rightly or wrongly, with at least a flirtation with the idea of depreciating by 16 per cent. the currency in which its debt is expressed. This week terms have been announced for the conversion of \$1,200 millions of Fourth Liberty 4½ per cent. Bonds, which have been called for redemption on October 15th, and of \$525 millions United States Treasury certificates, due September 15th. Within the next three months there are even larger maturities to be dealt with in the shape of \$1,933,200,000 long-term 3½ to 4½ per cent. War Bonds. The holders of the Treasury Certificates immediately due are being offered conversion into 1½ per cent. two-year Treasury Notes, whilst the Liberty Bond holders are offered the alternatives of exchange either into 3½ per cent. 10 to 12-year bonds or 2½ per cent. 4-year notes. This option has given rise to some controversy in the New York financial district, some commentators having criticised the Treasury for weakness in offering a short-term alternative when what is really needed is conversion into a long-term issue. Other critics have condemned the terms of the longer bonds as extravagant and the sharp fall in Government bonds this week lends colour to the criticism. It seems clear, however, that the banks who hold the bulk of the maturing Liberty Bonds are showing no great enthusiasm for the longer issue, and that the bulk of the conversions will be into the 4-year notes. There is no cash offering of the new bonds, but as the Treasury has a large cash balance—some \$2,000 millions—at its disposal, while, if need be, the services of the Stabilisation Fund, which has so far operated on only a modest scale, can be called in aid, there is no immediate risk involved in this course.

Argentine Conversion.—Last April it was announced that outstanding amounts of the Buenos Aires 5 per cent. Water Supply Loan of 1892 and of the 5 per cent. debentures of the Port of Buenos Aires were to be called for redemption on October 1st. Further negotiations have subse-

quently been in progress, and have culminated, this week, in the disclosure of arrangements for calling in three other loans, viz., the 5 per cent. Internal Gold Loans of 1907, 1909 and 1910. To comply with the wishes of the British Treasury, the tranches of the Internal Loans of 1907 and 1909, originally issued in centres other than London, are to be repaid in cash. Holders of the British issues of all five loans, however, are offered conversion into new 4½ per cent. Sterling Bonds. They have the choice of taking £100 of the new bonds plus £6 10s. of capital repayment, or £107 of bonds per £100 of existing stock, with an interest adjustment in each case, as shown in the following table:—

	Amount Outstanding	Date when called for Redemption	Interest Adjustment per £100		Market Prices		
			(A)* offer	(B)† offer	Low-est, 1929-33	Low-est, 1934	Price Sept. 11, 1934
British Issues	£		£ s. d.	£ s. d.			
5%, 1907 ...	2,409,760	Dec. 15, 1934	0 4 2	0 5 9	55	81½	101
5%, 1909 ...	2,795,920	Mar. 1, 1935	1 15 0	1 16 7	56	83	100½
5%, 1910 ...	716,620	Jan. 1, 1935	..	0 1 7	55	84	100½
Port of Buenos Aires 5% Deb. B. A. Water Supply, 5%, 1892 ...	242,800	Oct. 1, 1934	1 2 6	1 4 1	45	100	99
	606,780	Oct. 11, 1934	2 8 2	2 9 9	68	100	101½

* £100 of 4½ per cent. Sterling Bonds plus £6 10s. capital repayment, per £100 of "called" bonds. † £107 of 4½ per cent. Sterling Bonds per £100 of called bonds.

Altogether a total of £6¼ millions of outstanding "London" stock is being converted, and approximately £3,400,000 of foreign tranches is being repaid. Although the maximum total of the new 4½ per cent. conversion stock which may be required is £7,250,000, the Argentine Government has arranged London underwriting only for £4,500,000, at 93½, while the repayment of the foreign portions of the two internal loans will be made out of funds in its own possession. Though the news is not unexpected, the steady rise in Argentine bond prices, which has made the operation possible, is, in the main, a tribute to Argentina's proud record as the only South American Government which has made no default on interest or sinking funds throughout the depression. Argentina's interest saving will be of less significance than her relief from sinking fund charges, for all the "called" securities carried a cumulative annual sinking fund of 1 per cent., while the new 4½ per cent. conversion stock has a cumulative sinking fund of only ½ per cent., to be applied half-yearly from 1935. The date of final redemption of the new stock is 1986. Bonds must be lodged for conversion by noon on September 29. London's prompt recognition of Argentina's excellent debt record is wise and salutary, since any measure which is calculated to encourage the "will to pay" among debtors as a whole is obviously to this country's advantage. It may be hoped that the cessation of the need for special financial provision, on the Argentine side, for this large-scale operation, as well as the reduction in the total overseas remittances which will follow its consummation, will permit of the granting of more generous exchange facilities to other authorities, operating in the Argentine, who are desirous of remitting funds to this country. In this connection the railways appear to have a strong moral claim to liberal treatment, for the depreciation of the peso since the beginning of this year, and the policy of exchange control generally, has greatly prejudiced their ability to pay sterling dividends.

Irish Free State Land Bonds.—Our note in the *Economist* of September 1st (page 407) on the question of the drawings of Irish Free State 4½ per cent. guaranteed Land Bonds has evoked an explanatory letter from the Secretary to the High Commissioner for the Free State, which we print on page 492. Our correspondent conveys the information that instead of £300,000 to £350,000, as originally announced, the Minister of Finance has now decided that only £255,000 bonds will be drawn—in other words, somewhere about 1½ per cent. of the total amount of the bonds (£15 millions or more) which will rank for the drawing instead of the 2 to 2½ per cent. which the original decision

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involved. That much is satisfactory, as is also the fact that the Minister of Finance is anxious to meet the "reasonable requirements" of the holders of the bonds. What is still not clear, however, is how cash received in respect of bonds found to have been over-issued can fairly be applied to the redemption of bonds other than the actual bonds "over-issued." The market continues to protest against the discriminatory procedure of excluding a large portion of the bonds from the drawing and insists that the drawings should be suspended until all the "inscribed" bonds have been allotted. Meanwhile the market price of the Loan has recovered from 107 to 109½. It is still, however, 4½ points (or about 4 allowing for difference of interest date) below the similar Northern Ireland 4½ per cent. loan. This is not, as was suggested, entirely immune from drawings, but is subject to annual drawings of roughly ½ per cent. of the amount outstanding in August. No drawings have, however, yet taken place.

Austrian League Loan Conversion.—The news from Geneva that the representatives of Great Britain, France, Czechoslovakia, Italy and the other guaranteeing States have assured the Austrian Government of their warm support of its efforts to refund its 6 per cent. League Loan on a lower interest basis promises an interesting extension of the "cure by conversion," which has proved so satisfactory within our shores. The Austrian Government Guaranteed Loan, 1923-43, was the first and largest of the series of League of Nations issues in pursuance of the treatment of "cure by loan" which was so much in vogue ten years ago. Despite all that has happened since, who shall even now say that the prescription, in Austria's case, was unsuccessful? The loan was originally for a total of £32,831,000 (at par value of the £). It carried interest at 6 per cent., 6½ per cent. and 7 per cent., and was issued in ten different countries. The British tranche was £14 millions (now reduced to £8 millions) in 6 per cent. bonds, offered in June, 1923, at 80, and yielding 7½ per cent. apart from redemption. The bonds are now redeemable at any time on six months' notice, and no doubt the Austrian Government will hope to be able to complete the arrangements so as to give notice by December 1st and make the conversion effective at the date of the June interest payment. As regards the basis of the conversion, it is a difficult matter to assess the value of a bond whose principal security is the joint guarantee of several different countries, whose individual "credit rating" varies from 3 per cent. to 6 per cent. or over. On an arithmetical average of the credit of the guarantees the rate for the conversion bonds would hardly work out at under 5 per cent., but throwing in Austria's own credit and the prestige of the League of Nations, it may be possible to carry through the operation on a somewhat more favourable basis.

Industrial Profits in August.—We received 30 company reports last month, showing an aggregate rise in profits of 35.47 per cent. by comparison with the previous year. Figures for recent months are shown below:—

Reports Published in	No. of Companies	Rise or Fall in Profits*	Reports Published in	No. of Companies	Rise or Fall in Profits*
1933—		%	1934—		%
January.....	214	- 1.46	January.....	122	+ 3.02
February.....	160	- 3.20	February.....	209	+ 5.02
March.....	45	-11.62	March.....	216	+ 6.34
April.....	102	- 4.06	April.....	188	+12.96
May.....	121	+17.06	May.....	251	+23.43
June.....	185	+79.64	June.....	201	+20.44
July.....	138	+13.04	July.....	197	+27.10
August.....			August.....	30	+35.47

* After payment of debenture interest.

The reports of the month disclose net profits of £1,610,918, as compared with £1,189,186 in the preceding year. The steady rise in earnings continues unchecked, particularly in brewing (where three companies show an increase in profits of 63.2 per cent.), and in iron, coal and steel, where three companies record a rise of as much as 166.3 per cent. Ten companies in the miscellaneous group, however, show a slight reduction in profits of 2.7 per cent. The trend of investment trust profits is still downward. We set out in the following table the profits of five important companies, whose figures have materially contributed to the total results:—

	Net Profits for Financial Years ending in		Change
	1933 £	1934 £	
Friary Holroyd and Healy's			
Breweries.....	74,284	123,134	+ 65.8
John Lysaght.....	76,878	279,892	+264.1
Debenhams, Ltd.....	298,063	439,740	+ 47.5
Eastwoods, Ltd.....	46,359	75,895	+ 63.7
Initial Services.....	210,937	219,792	+ 4.2
Total, five companies.....	706,521	1,138,453	+ 61.1

The results, in four of the five cases, are well above the average for the whole 30 companies in this month's sample.

* * *

Scottish Steel Groups.—In view of the recent steps to secure the concentration of the Scottish steel industry, it has been suggested that the details of Group "F" in our article on Iron and Steel Groups (see the *Economist* of August 4th, page 228) might be expanded to include the connections of the Lithgow group. Lithgows, Ltd., is a very large shareholder in James Dunlop and Company, Ltd., and may be said to link the Colville group to the Lithgow group of shipyards. Lithgows, Ltd., is associated with Wm. Hamilton and Company and Robert Duncan and Company, both of Port Glasgow, and David Rowan and Company, of Glasgow, and James Dunlop and Company. The latter company is associated with David Colville and Sons, Ltd., in the control of Colvilles, Ltd. Lithgows, Ltd., hold a controlling interest in Steel Company of Scotland, Ltd., which has works at Hallside (Newton) and Blochairn (Glasgow), and owns Govan Shafting and Engineering Company, Ltd. Sir James Lithgow is chairman of Steel Company of Scotland, and Mr Peter Baxter, of James Dunlop and Colvilles, Ltd., is also on the board. Colvilles, Ltd., took over the Mossend works of Wm. Beardmore last May. The importance of the relation between Colvilles and the Steel Company of Scotland was stressed in a Company Note on Scottish Steel Rationalisation in the *Economist* of June 30th, page 1443.

* * *

A Dictionary of Finance.—"Close over," "Blister copper," "Recission bond," "Statement in lieu," "Tap rate," "Call of more," "Devisen," "Great hundred," "Table A." How many people who earn their living in the City could honestly say that they knew the exact significance of all these terms? They are in everyday use, but many, at least, are terms on which, before the publication of a "Concise Dictionary of Finance" (Pitman,

406 pages, 12s. 6d. net), a man might spend in surreptitious research a good deal more time than he cared to. The author of this much-needed addition to the financial bookshelf is Mr Collin Brooks, whose reputation as a writer in finance and other fields is sufficient proof that he brings to his arduous task ample resources of knowledge, accuracy and literary craftsmanship. Mr Brooks is, fortunately, not one of those lexicographers who disdains to notice the slang or colloquial term. His dictionary contains, side by side with such forbiddingly technical terms as "Bill of sale," "Consolidation of mortgages," "Letter of indemnity," "Preliminary expenses," and the like, many of those vigorous, racy and even impudent phrases with which every live market enriches its vocabulary. Thus, next to "Fourths of the month" we have "Fourteen hundred," the cry raised when a stranger intrudes into the Stock Exchange. Next to "Heritable bonds" we have "Hidden hand" and next to "Official seal for use abroad" we have "Old Lady of Threadneedle Street," who, Mr Brooks thinks, owes her origin to a speech in which Sheridan, in the House of Commons in 1797, referred to the Bank of England as "an elderly lady in the City of great credit and long standing who had . . . unfortunately fallen into bad company." A dictionary inevitably challenges the reviewer to try to discover errors and omissions. As Mr Brooks specifically asks to be informed of them, we venture to point out one or two. The amount of the "Exchange Equalisation Account" (not "Fund") is £375 millions and not £350 millions as stated. The Dictionary has no entries for "Confirmed credit," "Exchange clearing" and "Equities." If currency units like zloty and leva deserve inclusion as separate items, other units, such as leu, pengo and schilling should equally be given.

* * *

Actuaries' Investment Index.—Ordinary shares have been firm this week, with signs of a possible broadening of the market, on hopes of an autumnal "re-recovery" in British trade. The Actuaries' Index of 144 industrials continues its slow but persistent upward trend, the index on Tuesday last standing at 71.6 (December 31, 1928 = 100), against 71.4 a week earlier and 70.5 a month earlier. The corresponding yield figures are 3.67, 3.67 and 3.72 per cent. The movement is well distributed among component groups, as the following table shows:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Month Ago (Aug. 14, 1934)	Week Ago (Sept. 4, 1934)	This Week (Sept. 11, 1934)	Month Ago (Aug. 14, 1934)	Week Ago (Sept. 4, 1934)	This Week (Sept. 11, 1934)
Building Materials (4)	81.9	84.6	83.8	4.25	4.12	4.25
Coal (6).....	89.1	89.6	90.2	3.99	3.98	4.11
Gas (7).....	135.5	135.7	136.6	4.45	4.45	4.42
Iron and Steel (6).....	51.0	51.2	53.8	1.21	1.22	1.22
Electric Supplies (8).....	93.7	96.8	97.8	4.52	4.41	4.38
Stores & Catering (15).....	79.8	81.2	81.6	4.15	4.07	4.06
Miscellaneous (50).....	61.7	62.7	62.9	3.94	3.89	3.88

Apart from a slight fall in the value of building material shares, due mainly to profit-taking, group indices have been unchanged, or have shown a slight rise, over the past week. Gas shares—the highest group in the Index—have further appreciated, after remaining largely unchanged for some weeks past.

COMPANY NOTES

Fertiliser and Feeding Stuffs Companies.—Since fertilisers and feeding stuffs are among the most important of the farmer's material costs, it is almost inevitable that greater prosperity among farmers, whether natural or induced by special legislation, should result in better custom for the fertiliser and feeding stuff manufacturers. The chairmen of several companies have recently testified to the improved purchasing power of the farmer and have held out hope of higher profits as a result. The manufacturer of feeding stuffs, however, must expect considerable, and largely unpredictable, fluctuations in his profit from year to year. In the case of oilseed and molasses products, he is

OFFER OF CONVERSION

to Holders of Bonds of the following Argentine Government Loans:—

**Port of Buenos Aires 5% Debentures,
Buenos Aires Water Supply and Drainage Works 5% Loan, 1892,
5% Internal Loan of 1910,
5% Internal Loan of 1907 (British Issue),
5% Internal Loan of 1909 (British Issue).**

The proposal to issue in London Bonds of the Conversion Loan has been referred to His Majesty's Treasury who, so far as they are concerned, raise no objection.

Application will be made to the Committee of the Stock Exchange, London, for permission to deal in and, in due course, for an official quotation for the Bonds.

Argentine Government Conversion Loan

ISSUE OF

4½ per cent. Sterling Bonds

(being a second issue of Bonds of the above Loan)

Sanctioned by Decree dated 11th September, 1934, authorising an issue of up to £7,600,000 nominal of Bonds pursuant to Law No. 11821 of the 10th October, 1933, authorising the conversion of Argentine Government Loans.

*Interest payable 1st January and 1st July
Six months' interest payable 1st July 1935*

The Bonds are the direct obligation of the Argentine Government and will be repaid in sterling in London by the 1st July, 1936, by means of an accumulative sinking fund of ½ per cent. per annum to be applied half-yearly in the purchase of Bonds at a price not exceeding par (exclusive of accrued interest but inclusive of expenses) or, to the extent to which Bonds are not so obtainable, in the redemption at par of Bonds to be selected by drawings. The first operation of the sinking fund will be in respect of the half-year ending 1st July, 1935.

The Argentine Government reserves the right on three months' previous notice to redeem at par on any interest payment date the whole or any part (to be determined by drawings) of the Bonds outstanding. The Argentine Government also reserves the right to accelerate redemption of the Bonds at any time by increase of the sinking fund.

Principal of and interest on the Bonds are exempt from all Argentine taxes or impositions present or future.

In the event of the Argentine Government creating any obligations secured by a charge on any of its revenues or assets, the Bonds of the Conversion Loan shall (in common with any existing obligations of the Argentine Government entitled to the benefit of a similar provision) be secured equally and rateably with such obligations.

BARING BROTHERS & CO., LIMITED, and MORGAN GRENFELL & CO., LIMITED, are authorised by the Government of the Argentine Republic to offer to holders of Bonds of the following Argentine Government Loans:—

Port of Buenos Aires 5% Debentures (notice of redemption of which on the 1st October, 1934, has been published)

Buenos Aires Water Supply & Drainage Works 5% Loan 1892 (notice of redemption of which on the 11th October, 1934, has been published)

5% Internal Loan of 1910 (notice of redemption of which on the 1st January, 1935, has been published)

and also to holders of Bonds of the British Issues of the following Argentine Government Loans:—

5% Internal Loan of 1907 (notice of redemption of which on the 15th December, 1934, has been published)

5% Internal Loan of 1909 (notice of redemption of which on the 1st March, 1935, has been published)

conversion into

4½ per cent. Sterling Bonds of the Conversion Loan on either of the following bases, namely:—

1. £100 nominal of such 4½% Bonds together with a capital payment of £6 10s. 0d. and an adjusting interest payment in exchange for £100 nominal of Bonds surrendered

or

2. £107 nominal of such 4½% Bonds together with an adjusting interest payment in exchange for £100 nominal of Bonds surrendered.

HOLDERS OF BONDS WHO CONVERT WILL RECEIVE IN RESPECT OF EVERY £100 NOMINAL BONDS SURRENDERED:—

Port of Buenos Aires 5% Debentures (the coupon due 1st October, 1934, having been detached for encashment in the usual way) either

£100 nominal 4½% Bonds, a capital payment of £6 10s. 0d. and an adjusting interest payment of £1 2s. 6d.

or

£107 nominal 4½% Bonds and an adjusting interest payment of £1 4s. 1d.
Buenos Aires Water Supply & Drainage Works 5% Loan 1892 (with all unmatured coupons attached) either

£100 nominal 4½% Bonds, a capital payment of £6 10s. 0d. and an adjusting interest payment of £2 8s. 2d.

or

£107 nominal 4½% Bonds and an adjusting interest payment of £2 9s. 9d.

5% Internal Loan of 1907 (the coupon due 15th December, 1934, having been detached for encashment in the usual way) either
£100 nominal 4½% Bonds, a capital payment of £6 10s. 0d. and an adjusting interest payment of £0 4s. 2d.

or

£107 nominal 4½% Bonds and an adjusting interest payment of £0 5s. 9d.

5% Internal Loan of 1909 (with all unmatured coupons attached) either
£100 nominal 4½% Bonds, a capital payment of £6 10s. 0d. and an adjusting interest payment of £1 15s. 0d.

or

£107 nominal 4½% Bonds and an adjusting interest payment of £1 16s. 7d.
5% Internal Loan of 1910 (the coupon due 1st January, 1935, having been detached for encashment in the usual way) either

£100 nominal 4½% Bonds and a capital payment of £6 10s. 0d., no interest adjustment being necessary

or

£107 nominal 4½% Bonds and an adjusting interest payment of £0 1s. 7d.

On the above basis a holder who converts will receive interest at the rate of 4½ per annum on the new Bonds from the 1st October, 1934, together with the difference between that rate and 5 per annum to the respective dates of redemption on the Bonds surrendered for conversion. In the case of the 1892 and the 1909 Loans, where the current coupon has to be surrendered, interest at the full rate of 5 per annum to the 1st October, 1934, has been allowed for in the adjusting interest payment.

Holders of Bonds of the Argentine Government 5% Internal Loans of 1907 and 1909 should note that the offer of conversion applied to Bonds of the British Issues only of such Loans. The British Issues comprised, in the case of the 1907 Loan, Bonds quoted on the Stock Exchange, London, numbered:—

120501 to 167500 of £20
179201 to 183500 of £100
189701 to 192250 of £200
192251 to 192750 of £1000

and in the case of the 1909 Loan, Bonds quoted on the Stock Exchange, London, numbered:—

1 to 560 of £1000
11586 to 31585 of £100
42986 to 62985 of £20

Holders accepting the offer of conversion must lodge their Bonds, together with the appropriate forms of acceptance, at the Counting House of Baring Brothers & Co., Limited, 8, Bishopsgate, London, E.C.2 or of Morgan Grenfell & Co., Limited, 23, Great Winchester Street, London, E.C.2, not later than 12 noon on Saturday 29th September, 1934.

On acceptance, Holders will receive fully paid Letters of Allotment (to which will be attached a voucher in respect of the adjusting interest payment) exchangeable in due course for Provisional Scrip Certificates to Bearer with a coupon attached for six months' interest at the rate of 4½ per cent. per annum, payable 1st July, 1935.

Provisional Scrip Certificates will be exchangeable in due course for Definitive Bonds to Bearer, which will be issued in denominations of £1,000, £200, £100 and £20.

Fractional Certificates will be issued for amounts of less than £20 and these Fractional Certificates may afterwards be consolidated and exchanged for Scrip Certificates in amounts of £20 and multiples thereof, a further Fractional Certificate being issued for any balance. Arrangements will be made for dealing in the Fractional Certificates.

Brokerage at the rate of 5s. for every £100 nominal of Bonds converted will be paid to Bankers and Stockbrokers in respect of conversions comprised in forms of acceptance bearing their stamp.

Forms of acceptance may be obtained from Baring Brothers and Company, Limited, 8 Bishopsgate, London, E.C.2, or Morgan Grenfell and Company, Limited, 23 Great Winchester Street, London, E.C.2.
London, 14th September, 1934.

working on a raw material which is itself subject to violent movements in price. The farmer himself may also use a larger proportion of natural feeding stuffs if the price of grains falls. It is not surprising, therefore, that the leading oil cake company (British Oil and Cake Mills) has earned

Profits in £'000						
	1929	1930	1931	1932	1933	1934
Feeding Stuffs						
British Oil and Cake (Dec. 31)	178.8	Dr. 249.4	362.8	210.9	19.7	...
Earned for Ord.	5.6	Nil	13.8	8.0	0.7	...
Earned %	3	Nil	10	8	Nil	...
Div. %						
Crosfields Oil and Cake (Mar. 31)	19.5	16.9	7.5	28.3	5.4	6.2
Earned for div.	24.3	21.8	9.7	27.1	7.1	8.0
Earned %	12½	12½	10	15	10	10
Div. %						
Molassine Co. (Mar. 31)	2.5	3.4	3.9	3.8	2.2	2.7
Earned for Ord.	13.6	18.4	22.2	21.8	13.4	15.1
Earned %	10.9	17.2	17.2	14.8	7.7	10.9
Div. %						
United Premier Oil and Cake (Dec. 31)	Dr. 0.7	Dr. 40.1	19.4	8.3	Dr. 0.8	...
Earned for Ord.	Nil	Nil	3.4	1.5	Nil	...
Earned %	Nil	Nil	Nil	Nil	Nil	...
Paid %						
Fertilisers						
Anglo-Continental Guano (June 30)	16.9	16.3	Dr. 1.5	Dr. 0.7	12.7	...
Earned for Ord.	8.4	8.2	Nil	Nil	6.4	...
Earned %	Nil	Nil	Nil	Nil	Nil	...
Div. %						
Fison, Packard and Prentice (June 30)	N.A.	N.A.	9.9	35.7	44.4*	...
Earned for Ord.	N.A.	N.A.	3	11.8	14.7	...
Earned %	N.A.	N.A.	3	5	5	...
Div. %						
W. & H. M. Goulding (June 30)	19.3	20.3	17.9	17.5	19.5	19.2
Earned for Ord.	6.2	6.6	5.7	5.6	6.3	6.1
Earned %	6	6	6	6	6	6
Div. %						
Scottish Agricultural Industries (June 30)	34.0	Dr. 8.2	1.3	1.3	1.6	...
Earned for Ord.	9.1	Nil	Nil	0.2	0.3	...
Earned %	6	Nil	Nil	Nil	Nil	...
Div. %						

Note.—Though Imperial Chemical Industries is much the largest British fertiliser manufacturer, it has not been included above since its many other interests prevent its profits being representative of the fertiliser business itself.

* Broken period equated to 12-month basis. N.A.—Not available.

its lowest and highest profits of the last decade in two consecutive years (£249,191 in 1930 and £854,082 in 1931). Though the fertiliser companies have a rather steadier record, they, too, are exposed to the risk of considerable price fluctuations so long as the Chilean and the synthetic nitrate producers continue to wage price war on each other. In the home market the risks of this "war" are largely reduced by the protection of home-produced nitrate which has been part of our post-war chemical high policy. Nevertheless, the depression has seen a steep fall in nitrate prices even within this country, with consequent ill effects on fertiliser profits. These features are exemplified by the figures for a number of representative companies, given in the annexed table. Both the feeding stuff and fertiliser trades, however, enjoy one stabilising influence. Each is headed by a large group (Unilever and Imperial Chemical Industries respectively). It is possible, therefore, that the smaller members of the trades, which are mainly concerned with the home market, may benefit from a well-organised home business fostered by governmental support of the farmer.

Union Cold Storage.—Stockholders in the Union Cold Storage Company, in whom the directors' scheme of last November (subsequently declared invalid by the Court) for a reduction of interest on the preference issues may have aroused natural fears for the financial results of the past year, happily find no warrant for their misgivings in the accounts for 1933 now issued. The high level of profits of the preceding few years has not been absolutely maintained, but as the reduction in the net is only from £826,857 in 1932 (and similar figures in 1930 and 1931) to £820,060 after providing the usual £125,000 for depreciation, the shrinkage is almost negligible, and the usual 10 per cent. dividend or £100,000 allocated to the privately held ordinary stock is once again forthcoming. It is evident, therefore, that the

directors' business acumen has not deserted them, and that they have been able to cope as successfully as ever with the notorious difficulties of the meat trade.

	Years to December 31,		
	1931	1932	1933
Profit	999,707	985,999	962,172
Mortgage interest	45,450	32,069	14,712
Depreciation	125,000	125,000	125,000
Directors' fees	2,400	2,400	2,400
Preference dividends	720,000	720,000	720,000
Ordinary {			
Earned	106,857	106,530	100,060
Paid	100,000	100,000	100,000
Earned %	10.7	10.7	10.0
Paid %	10	10	10
Carried forward	197,007	203,538	203,597

In addition to the usual allocation of £125,000 from profits to depreciation reserve there is again an allocation representing surplus on sale of assets and an amount transferred from provision for contingencies. This special allocation is £388,751, making a total allocation of £513,751, against which £364,083 is applied in actual writing-down of assets. Thus the total of the reserve has risen from £1,540,934 to £1,690,602. In the two previous years the writings down, £574,688 in 1932 and £833,063 in 1931, exceeded the allocations to the fund, which at the end of 1930 stood at £2,000,000. It would seem from the smaller amount applied in specific writings down this year that the directors are now more satisfied with the book valuation of the various classes of assets. The auditors' certificate, however, again qualifies the valuation of the shareholdings in subsidiary companies at £6,627,929.

Second Alliance Trust.—Although recent investment trust returns suggest that the tide of lower earnings may be about to turn, the results of this Dundee company have been affected by the progressively unfavourable tendency of the rate of exchange for dollar remittances. Receipts have fallen by a further £14,825, and the 22 per cent. dividend, which the company has heretofore paid throughout the depression, is no longer covered. The dividend is reduced to 18 per cent., and £25,000 is placed to contingent reserve, largely by a draft on the carry-forward.

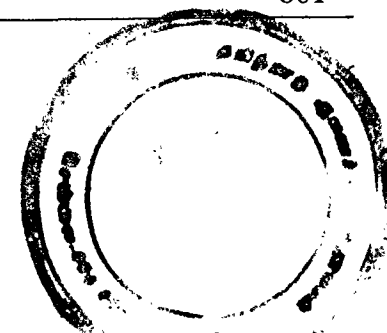
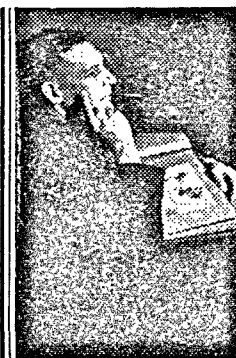
(Years to July 31)			
	1932	1933	1934
Revenue from investments*	203,403	190,474	175,649
Expenses and directors' fees	8,014	8,407	8,194
Taxes	40,012	31,788	30,340
Interest on borrowed money	60,863	60,026	58,649
Preference dividend	23,724	23,822	24,216
Ordinary {			
Earned	70,790	66,432	54,250
Paid	57,991	58,231	48,431
Earned (%)	26.9	25.3	20.0
Paid (%)	22	22	18
To contingent reserve	Nil	Nil	25,000
Debt issue expenses	817	946	994
Total carried forward	24,369	31,624	11,449
Book value of investments	3,464,784	3,497,030	3,483,966
Depreciation	20½%	12%	8½%

* Including transfer fees, £38, £47 and £44, in 1932, 1933 and 1934, respectively.

Despite the reduction in dividend, stockholders will agree that the Second Alliance has weathered the storm in gratifying fashion, and has a record of which its directors may well be proud. Although the board do not commit themselves, this year, to any prediction, the absence of last year's warning of a further reduction in revenue may be significant—subject to the future behaviour of the dollar. The company's bond and stock investments, which now represent 95½ per cent. of its invested funds, have shown further appreciation. Over the last two years, depreciation in market value has been reduced from 20½ per cent. to 8½ per cent. of book cost. But for the latest fall in dollar investment values, the company's portfolio might well have reached "par" this year.

Wall Paper Manufacturers.—The Wall Paper Manufacturers, Ltd., have called a shareholders' meeting for Tuesday, September 18th, to authorise an increase of capital to £5,800,000 by the creation of 400,000 new preference and 400,000 new ordinary shares. The directors have helpfully used the occasion to present an *apologia* for the company's policy since the amalgamation of 1915. Between 1915 and 1919 the company's success in securing "a very large proportion" of the wallpaper trade of Great Britain was due partly to a war-time absence of imports and partly to "a friendly understanding" with manufacturers outside its orbit. In 1920 the company was overtaken by the exceptional trade slump, which may have powerfully influenced the board's decision, from 1921 onwards, to follow a policy of consolidation. The company reorganised its business, re-equipped its factories, inaugurated pension schemes, developed overseas markets, and steadily strengthened its financial position. On the production side, however, this policy, as the directors admit, tended to make the business static. The company, in other words, concentrated on the maintenance of prices and quality, and, either *post hoc* (the directors seem to suggest the latter), did not participate in the increased consumption resulting from general building and housing activity. The history of trade amalgamations which have followed a price maintenance policy suggests numerous precedents for the decision of the Wall Paper Manufacturers, at the end of last year, to absorb various competitors whose number, quality and range had increased. After negotiations which the circular describes as "short but intensive," it was agreed to acquire the following companies, all of which had valuable sale connections, a large "rollage" turnover and a satisfactory earning capacity: Cunliffe and Ward, of Blackburn; Derby Paper Staining Company, Limited, of Derby; T. Fairbrother of Rochdale; and Lees Paper Staining Company, Limited, of Oldham. The company has also acquired two small factories at Leicester, manufacturing specialities, whose production will be transferred elsewhere. The total purchase price has not been disclosed. The greater part (though not the whole) of the additional capital for which shareholders' sanction is sought will be issued in part consideration, but unspecified amounts are also being paid in cash, deferred stock and debenture stock. The latest developments have been discounted in the share market, where the £1 units of the company's deferred stock declined from 65s. to 62s. 6d. on its publication, and are now quoted to yield £3 19s. 3d. per cent. on the 11½ per cent. dividend paid for 1932-33. The report for the year to August 31st last, which is expected to be favourable, is due in November.

Other Company Results.—The reports and dividend statements of other companies, summarised on pages 515 and 514, are, with few exceptions, favourable. Textile company reports show an unspectacular but tangible tendency to improve. Whitworth and Mitchell, for instance, returns net profits of £74,648 against £69,623, though the ordinary dividend is reduced from 12½ to 10 per cent. The balance sheet of the Calico Printers' Association (whose profit figures were summarised in the *Economist* of August 25th, page 367) suggests an appreciable enhancement of activity, for stock-in-trade has increased from £795,468 to £870,506, while cash has fallen from £430,168 to £304,022. In the "miscellaneous" group, Murex, which works in close connection with Imperial Chemical Industries, has raised its total dividend (on a larger capital) from 30 per cent. to 35 per cent., and is making (a) an issue to shareholders of one 10s. share in five, at £4, and (b) a bonus issue of 100 per cent. by capitalisation of reserves. The report of Triplex Glass shows a trading profit of £130,787 against £97,225 and an unchanged dividend of 25 per cent. Under the auspices of the present management, gross trading profits have increased since 1929 by over 800 per cent. The company has purchased the goodwill of Protectoglass, Ltd., for £37,500. This transaction has been financed entirely out of last year's revenue. The expenses of new plant for manufacturing "Toughened" glass have similarly been met out of liquid reserves. The



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week's record of dividend declarations is noteworthy for the decision of Godfrey Phillips, tobacco manufacturers, to pay an interim of 2½ per cent.—despite the reduced net profit of its subsidiary, Cohen Weenen—for the first time since 1930. The Scottish Power Company has declared an interim, also of 2½ per cent., for the first time in its history. The report of the Ardath Tobacco Company, to June last, shows net profits of £460,206, against £454,532. The dividend is unchanged at 12 per cent., tax free.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET
September 25

ACCOUNT
September 27

THOUGH the new Account coincided with the Jewish New Year holiday at the beginning of the week, markets were firm. Gilt-edged stocks did not maintain last week's strength, but industrial shares continued their slow but steady rise. The market, indeed, showed signs of broadening. Speculative investors, at the moment, are well disposed towards the views of popular economists, who assure them that the apparent halt in the upward movement of British industry is being succeeded by "re-recovery." On the whole, however, the week's chief honours go to the foreign bond market. The Argentine conversion (described on pages 496-7 had been foreseen, but its terms had a beneficial effect on many South American bonds—even those of countries like Brazil, whose debt-paying achievements have fallen far short of Argentina's. The opinion is gaining ground in the market that, in the recovery cycle, it is now the turn of primary producing countries overseas,

whose status is unclouded by "political" difficulties, to benefit. The strength of Japanese bonds has, similarly, a politico-economic basis, for their yield appears attractive to speculative buyers in proportion as the prospect of an early breach with the Soviet recedes.

Business in the gilt-edged market was on a smaller scale than last week, and prices eased slightly. India stocks were a quiet market. Among Dominion issues, Canadian 3½ per cents. remained firm. The Nigerian Loan was received with somewhat "dutiful" favour. All Argentine bonds were strong on the conversion announcement, the "Roca" Loan, in particular, advancing steadily. Buying of Brazilians was helped by a further slight relaxation of the milreis exchange regulations. Chilean bonds were also in demand. Chinese bonds were featureless, but Japanese showed rises of 1 to 2 points a day. Apart from scattered offerings of Dawes and Young on Germany's rejection of the "Eastern Locarno," very little business was done in European issues.

The home rail market loyally responded to Sir Josiah Stamp's favourable diagnosis at the beginning of the week, but a generally satisfactory batch of traffic figures did not satisfy the optimists who, in the face of history, expected the London and North Eastern to repeat the previous week's exceptionally large gain. Metropolitan Assented were firm after the deduction of the dividend. The market in Argentine rails chose to disregard a disappointing week's traffic returns, and to put up quotations, particularly of prior charges, in the hope that the railways would secure improved exchange facilities on the conclusion of the Government's conversion operations. Among Brazilian rails, San Paulo were particularly firm.

After a quiet start the industrial markets showed fresh evidence of improving "psychology." Unfavourable news from America was largely neglected, even in the market for "Internationals," which made a good recovery in mid-week after a doubtful start. Motor shares were again in keen demand, Austin 5s. shares being quoted at over £6. Rolls-Royce were bought and Ford continued to gain ground. Standard were another strong feature. Iron and steel shares became steady after opening irregular. Electrical equipment shares were somewhat out of the picture, though quotations generally were maintained. In the brewery group Bass made a new "record," by reaching £5, and tobacco shares were firm after the Godfrey Phillips interim dividend. Textile shares were in increased favour from the provinces, Patons and Baldwins rising on encouraging reports of the Australian wool sales. Imperial Chemical threw off the influence of last week's unchanged interim dividend, and favourite counters like Dunlop, Turner and Newall, and London Brick were in demand. J. Lyons followed in the train of Bass, with a new "high for all time." The market was inclined to write down Wall Paper deferred, on the contents of the circular summarised on page 501. Unilever were bought from Amsterdam, as a guilded devaluation "hedge." Bank shares were quiet and uninteresting.

The dullness of oil shares, under American influences, was relieved by a little speculative buying from the Continent in mid-week, Shell improving on demand from Paris and Royal Dutch on Amsterdam buying. The rubber share market relapsed into a quiet and reactionary state, the market looking in vain for a lead from Mincing Lane. Tea shares certainly were given a sign from that quarter, but its unfavourable nature produced some weak selling in a market where support was conspicuously absent. The outlook for tea shares is examined in a leading article on page 495.

Gold shares opened quiet, the Johannesburg Stock Exchange being closed on Monday for the Jewish New Year. Subsequently the tone became slightly harder, though dealings were mainly "professional." Among Kaffirs, Anglo-American were in strong demand on Johannesburg account, possibly because of the company's interest in South African Lands, which have been a persistently firm feature for some weeks past. East African shares developed conspicuous activity on progress reports from the Kentan and Kimingini properties. West Africans, however, were quiet and West Australians on the whole lost ground. Tin shares continued to show scattered declines, despite the rise in the price of the metal. Slightly enhanced

interest, however, was taken in copper shares, the commodity outlook being viewed rather more favourably.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Sept. 6, 1934	Sept. 7, 1934	Sept. 8, 1934	Sept. 10, 1934	Sept. 11, 1934	Sept. 12, 1934	Sept. 13, 1934
Government and Municipal Loans	1,247	1,068		1,156	1,037	1,179	1,140
Transport, Communications, and Public Utilities	999	850		871	740	1,051	823
Commercial and Industrial	2,260	2,764		2,801	2,661	2,937	3,375
Banks, Insurance and Financial	413	476		544	582	494	406
Mines (including Nitrate)	1,920	1,407		1,211	930	1,030	1,079
Oil	98	142		125	105	88	101
Rubber, Tea and Coffee	628	599		650	428	593	474
Total	7,565	7,306		7,358	6,481	7,372	7,398
Corresponding day in 1933	7,722	8,194		8,489	7,078	7,137	7,571

* Including iron and steel and breweries.

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

	Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Sept. 6, 1934	Sept. 7, 1934	Sept. 8, 1934	Sept. 10, 1934	Sept. 11, 1934	Sept. 12, 1934	Sept. 13, 1934
	90.4	83.5	88.3	88.3	Closed	88.4	88.5	88.8	89.0

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

	Highest of 1934 (Sept. 6)	Lowest of 1934 (Jan. 2)	Sept. 6, 1934	Sept. 7, 1934	Sept. 8, 1934	Sept. 10, 1934	Sept. 11, 1934	Sept. 12, 1934	Sept. 13, 1934
	134.0	128.8	134.0	134.0	Closed	133.8	133.8	133.8	133.8

FOREIGN STOCK EXCHANGES

NEW YORK

THE Treasury's refinancing proposals could scarcely have been launched at a less opportune moment. The bond market was weak on the eve of their announcement. The terms were criticised on the grounds suggested in a Note on page 496. After temporary firmness on Monday, there was a definite break in prices for Treasury obligations on Tuesday and Wednesday, despite evidence of official support. The stock market was highly irregular, mining—particularly silver—shares being widely offered on Monday. U.S. Smelting slumped by over 8 points on the same day. Although steel mill activity is reported at 19.5 per cent. of capacity this week, against 19.0 per cent. last week, the business community is exercised over the apparent lack, so far, of normal signs of a seasonal upturn in business. Wall Street itself can scarcely have been expected to view the result of the Maine election with favour. The deadlock, and growing bitterness, of the textile stoppage is another depression factor. Electric power output for the week ended September 8th was 3.8 per cent. below that of the previous week and 1 per cent. below that of the corresponding week of 1933.

	Sept. 5, 1934	Sept. 12, 1934	Sept. 12, 1934 Eng. equiv.†		Sept. 5, 1934	Sept. 12, 1934	Sept. 12, 1934 Eng. equiv.†
Lb. Ln. 3½%	102½	102½	102½	Natl. Biscuit	32½	31½	31½
Do. 4½%	102½	102½	102½	Phelps Dodge	16	14½	14½
Do. 4½%	103½	102½	102½	Pullman	41½	40	39½
Atchafalpa	51½	48½	48½	Sears-Roebuck	38½	39	38½
Erie	13½	11	11	Studebaker	3	3	3
Illinois Central	17	16	16	Un. Fruit	73½	73½	73½
N.Y. Central	22½	20½	20½	U.S. Leather	6½	6½	6½
Pennsylvania	23½	21½	21½	U.S. Rubber	16½	15½	15½
Southern Pacific	18½	17	17	U.S. Steel	34½	32½	32½
Southern Ry.	16½	15	15	Westinghouse	33½	31½	31½
Union Pacific	99½	95½	95½	Woolworth	48½	47½	47½
Am. Can.	98½	96	95½	Am. Tel. and Tlg.	112½	112½	112½
Amer. Smelting	37½	34½	34½	Interboro R.T.	13½	14½	14½
Anacosta	12½	11½	11½	Int. Tel. Teleg.	10½	8½	8½
Bethlehem Steel	29½	27½	27½	Radio Corp.	5	5	5
Chrysler Motor	33½	31½	31½	Utilities P. and L.	2	2	2
Corn Produce Rf.	61½	58½	57½	W. Union Tlg.	36½	33	32½
Eastman Kodak	99	96½	96½	Associated Gas "A"	21½	21½	21½
Gen. Electric	18½	17½	17½	Shell	2½	2½	2½
Gen. Motors	29½	28½	28½	Shell Union	34½	31½	31½
Int. Harvester	26½	25½	25½	Std. California	44½	42½	42½
Mont. Ward	24½	23½	23½	Do. N.J.	44½	42½	42½

† Calculated at \$5.01 to £.

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

	1933	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Sept. 12	Lowest	Highest	Beginning of Year	Aug. 29, 1934
351 Industrials	38.7	86.6	74.3	90.5	79.6	78.3	77.6
33 Rails	23.9	54.5	34.1	51.4	40.6	36.7	34.1
37 Utilities	66.8	101.0	82.9	83.4†	66.4	65.2	64.9
Total, 421 stocks	40.9	83.4	65.7	82.1	70.8	69.2	68.6
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%†	3.17%	3.68%	3.72%

† February 7th.

(a) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

	Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Sept. 5, 1934	Sept. 6, 1934	Sept. 7, 1934	Sept. 8, 1934	Sept. 10, 1934	Sept. 11, 1934	Sept. 12, 1934
	105.0	76.0	84.9	83.2	82.4	82.1	80.3	80.5	81.0

TOTAL DEALINGS IN NEW YORK

	Sept. 6, 1934	Sept. 7, 1934	Sept. 8, 1934*	Sept. 10, 1934	Sept. 11, 1934	Sept. 12, 1934
Stock Exchange—Shares (Thous.)	600	690	210	670	630	400
Bonds (Value Thous. \$)	14,000	16,250	6,970	12,690	14,710	16,720
Curb—Shares (Thous.)	111	115	34	139	153	136

* Two-hour Session.

PARIS

Business opened dull, but the tone became somewhat firmer as the week progressed. Rentes were generally steady, but other Government issues became irregular. Liquidation of industrial shares on Monday and Tuesday was absorbed with rather less difficulty than had been expected, and the market had a much better appearance on Wednesday. Little interest was taken in gold or diamond shares.

	Sept. 5, 1934	Sept. 10, 1934	Sept. 12, 1934		Sept. 5, 1934	Sept. 10, 1934	Sept. 12, 1934
Banque de France	10,760	10,500	10,440	Wagons Lits	77	77	77
Crédit Lyonnais	1,974	1,960	1,930	Mexican Eagle	31½	30½	30½
Suez Canal	19,350	19,310	19,325	"Chartered"	78	77½	77
Chargeurs Réunis	123½	125	117	Ford	55½	54½	53½
Rio Tinto	1,225	1,186	1,192	De Beers	275	280	282
Royal Dutch	15,810	15,550	15,530	"Johnnies"	263	264	261

BERLIN

Though the share market was moderately active last week, quotations tended to decline slightly. Public utilities, however, were in demand. Among steel shares Mannesmann and Kloeckner were bought. Potash issues were also firm. This week's market opened quietly, though a number of coal stocks were better. Tuesday's market was relatively firm. There was a fair demand for lignite and certain brewery shares. Most electrical shares, however, were easier. Reichsmark bonds gained slightly during the week. Dollar bonds showed little change. Downward movements predominated on Wednesday.

	Sept. 5, 1934	Sept. 10, 1934	Sept. 12, 1934		Sept. 5, 1934	Sept. 10, 1934	Sept. 12, 1934
Reichsbank	155.90	152.00	154.75	A. E. G.	27.90	27.10	27.25
D.D. Bank	73.00	75.00	72.25	Siemens & Halske	148.00	147.50	149.00
Dresdner (New)	76.00	77.50	75.00	A. K. U.	67.90	66.00	67.50
I. G. Farbenindustrie	148.00	147.00	146.40	Hamburg-Amer.	26.90	26.40	25.90
Norddeutscher Lloyd (New)	30.60	29.10	29.00				

AMSTERDAM

Amsterdam, like Paris, opened dull and irregular—partly on account of the Jewish holiday—but became firmer subsequently. Unilever were particularly strong. Tea shares, however, lost ground steadily. Although little interest was taken in rubbers, prices were generally maintained. Philips' Lamps were active on the improved export figures.

	Sept. 5, 1934	Sept. 10, 1934	Sept. 12, 1934		Sept. 5, 1934	Sept. 10, 1934	Sept. 12, 1934
2½% Dutch Loan	76½	76½	76½	Steel Common	20½	19½	19½
5½% German	28½	25½	25½	A. K. U.	34	35½	34½
Unilever N.V.	69½	70½	70½	Ford Motor	199½	201	199½
Philips' Lamps	218½	215½	218½	Dei. Batavia Tob.	152½	150½	155
Netherlands Ship Union	35½	35	35½	Royal Dutch	154½	151½	152
				Handels Azns	172½	167½	170

CAPITAL ISSUES

THE autumn season in the issue market has been given a notable send-off by two major conversion operations. The Nigerian offer of a 3 per cent. stock for a 3½ per cent. issue, with the same final redemption date, may appeal to Trustee investors anxious to secure below-par holdings. Nigeria will have no other conversion opportunities before 1936. As regards the Argentine offer, it says much for the strength of Argentina's position that, at a time when other South American States are insufficiently credit-worthy to be able to borrow in London on any terms, Argentina is able to dispense with underwriting for part of an issue, on a redemption yield basis of £4 17s. 6d. per cent. Of the week's "industrial" offers, *Monsanto Chemicals, Limited*, follows a "Kruschen" issue and precedes an "Eno" issue. The investing public is thus having ample opportunity to participate in the chemical manufacturing business. The present company, however, has an established position, a successful record and important American connections. Its board is "departmental"—an unusual feature in this country. *Odham's Properties, Limited*, has issued a 5 per cent. mortgage stock in conversion of 7 per cent. first mortgage debenture stock. The prospectus shows net assets of £1,196,454, but, of this total, £663,393 represents the valuation of the copyright-litence of a weekly newspaper, at cost. The revenue cover, however, appears ample for interest and sinking fund. A resumption of borrowing by British corporations is expected shortly. Arrangements are in progress for an issue of £1,500,000 of 3½ per cent. stock 1955-65 by the Stoke-on-Trent Corporation. An important "proprietary" issue is forecast by the announcement that the London and Yorkshire Trust has acquired the control of J. C. Eno, Limited, and its associated companies, from Mrs Harold F. Ritchie, of Toronto.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to September 8, 1934, excluding conversions, £117,324,559.
Total recorded, January 1 to September 8, 1934, including conversions, £291,847,297.
National Savings Certificates.—Net receipts, week ended September 8, 1934, Dr. £50,000.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
Odham's Properties, £736,000 5% First Mortgage Debenture Stock at par (to redeem £679,015 7½% Deb. Stock at 102½%)	736,000	693,490	42,510	36,800	699,200
Monsanto Chemicals Limited 400,000 5½% Red. Cum. Pref. £1 at 20/6	400,000	...	410,000	50,000	360,000
Total	1,136,000	693,490	42,510	86,800	1,059,200
To Shareholders only					
Camp Bird, Ltd. 6,000,000 shares 1s. each	300,000	...	300,000	300,000	...
Fisher and Ludlow, 150,000 Ord. shares 10s. at 20s.	75,000	...	150,000	150,000	...
Total	375,000	...	450,000	450,000	...

	Including Conversions	Excluding Conversions	Whole year—	Including Conversions	Excluding Conversions
Jan. to date—					
1934	293,393,297	118,177,069	1933	467,921,560	244,780,500
1933	254,589,943	136,413,111	1932	2,699,684,265†	188,909,963
1932	291,409,990	162,665,325	1931	114,200,666	102,644,294
1931	108,471,099	67,594,114	1928	693,100,058	369,058,073
1928	457,732,317	285,631,694			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	72,190,038	13,066,356	32,920,675	118,177,069
1933	122,394,341	7,329,566	6,689,204	136,413,111
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	5,963,400	188,910,000	
1933	222,064,300	12,733,700	9,982,500	244,780,500

(Continued on page 506)

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LONDON ACTIVE SECURITY PRICES AND YIELDS

NOTE—Shares with a New York quotation or with definite American interest are distinguished by italics. Where stocks are in calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933				Prices Year 1934 (Jan. 1 to Sept. 12)				Name of Security				Price, Sept. 12, 1934				Price, Sept. 12, 1934				Rise or Fall				Yield			
High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low		High-Low			
1933		1934		1933		1934		1933		1934		1933		1934		1933		1934		1933		1934		1933			
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1933		1934		1933		1934		1933		1934		1933		1934		1933		1934		1933		1934		1933			
1933		1934		1933		1934		1933		1934																	

(Continued from page 503)

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded.....	20,920,032	7/9	32,153,068
Fillerys Toffees, 400,000 Ord. 5s.....	100,000	7/9	155,000
Aktieselskapet Union (Union Co.), Oslo, £1,150,000 5½% Deb. at 94.....	1,081,000	99½	1,144,250
Total to date, 1934.....	22,101,032	...	33,452,318
Total to date, 1933.....	26,434,051	...	28,432,935

PUBLIC OFFERS

Nigeria Government.—Issue of 3 per cent. Inscribed Stock, redeemable 1955, at 97½. Holders of £4,045,593 Southern Nigeria (Lagos) Government 3½ per cent. Inscribed Stock, repayable March 15 next, offered conversion into new stock. Arrangements already made to convert £1,420,000. Conversion lists close September 28. Sinking Fund not less than 1 per cent. per annum will apply.

Monsanto Chemicals, Ltd.—Issue of 400,000 5½ per cent. £1 redeemable cumulative preference shares at 20s. 6d., redeemable at 22s. between January, 1938, and January, 1940; thereafter till January, 1970, at 21s. 6d. Incorporated 1940; September 10, 1934, to acquire Monsanto Holdings, Ltd., chemical manufacturers. Profits, before income tax: 1931, £31,449; 1932, £90,073; 1933, £104,573; six months to June 30, 1934, £61,994. Total net assets £685,09. Purchase price £10,000 cash and £299,000 ordinary shares.

Odham's Properties, Ltd.—Incorporated March 9, 1932. Issue of £736,000 5 per cent. first mortgage debenture stock at par to repay £679,015 7 per cent. first mortgage debenture stock at £106½ of new stock or £100 of new stock and £6 10s. in cash. New stock redeemable by January, 1933, by sinking fund commencing 1936, and callable after January, 1942, at 102½. Net assets, March 31, 1934, £1,196,454. Profits after charging all expenses are: Three months to March 31, 1932, £29,247; years to March 31, 1933, £115,849; 1934, £115,901. Underwritten by Investment Registry, Ltd.

BY STOCK EXCHANGE INTRODUCTION

Lampert and Holt Line, Ltd.—Incorporated 1865. Balance sheet dated June 30, 1934, shows deficit for half-year of £27,779, before depreciation. Statement of trading shows: 1931, loss £38,035; 1932, loss £33,355; 1933, loss £27,959; half-year to June 30, 1934, loss £38,029. Total valuation of fleet, end of 1933, £635,347, but independent valuation, July 26, 1934, states value at £413,750.

ISSUES TO SHAREHOLDERS ONLY

Fisher and Ludlow, Ltd.—Issue of a further 150,000 ordinary shares of 10s. each at 20s. per share to ordinary shareholders registered on August 30, 1934, in the proportion of three new ordinary shares for every ten ordinary shares then held. Underwritten for a commission of 6d. per share, the underwriters paying all expenses.

Kepong (Malay) Rubber Estates.—The directors announce that a further issue of shares will be made in the course of a few days to holders on the register on September 14, 1934. Shareholders will be entitled to apply for one new share of 2s. in respect of very five shares held. The price of issue of the new shares will be 3s. 6d. per share.

Lunuvu (Ceylon) Tea and Rubber Estates, Ltd.—This company is offering to shareholders 64,335 £1 shares at 42s. 6d. per share in the proportion of one new share for every ten held. This issue is being made in order to provide the purchase money for estates recently acquired and to strengthen the company's financial position.

BY TENDER

Bognor Gas and Electricity Company.—The directors are offering for sale by tender an amount of 4½ per cent. redeemable debenture stock (1954), which will not exceed, including premiums, £7,695. The stock will be redeemed at par on September 30, 1954. Minimum price of issue is £105 per £100, yielding £4 2s. 2d. per cent. per annum.

CONVERSIONS AND REPAYMENTS

Argentine Government.—For particulars of conversion offer to holders of five "called" loans, see pages 496-7.

Baldwins, Ltd.—The directors of Baldwins, Ltd., announce their intention to repay the 6½ per cent. non-convertible income debenture stock in terms of the trust deed.

OFFERS ABROAD

Compagnie Générale Transatlantique.—New bond issue in order to acquire funds for the building of liner "Normandie." Unconditionally guaranteed by French Government and offered at Frs. 905 per 1,000 franc bond carrying 5½ per cent. interest. Total amount Frs. 120,500,000. Free of present and future taxation. Redeemable within twenty years at par by annual drawings.

FORTHCOMING ISSUES

Amarilla Gold Mines.—The first report of Amarilla Gold Mines states that in order to complete the contract recently made with the Selection Trust, it is proposed to increase the capital from £150,000 to £250,000 by the creation of 400,000 5s. shares. The Selection Trust, in consideration of financial and technical assistance, will be entitled to subscribe for the whole of the new share capital, when created, at varying premiums.

Murex, Ltd.—It is proposed to offer rateably to the ordinary shareholders a further 90,000 ordinary shares of 10s. each at an issue price of £4 per share. As soon as the final instalment of this new issue has been paid, it is intended to make a bonus issue of fully paid ordinary shares of 10s. each to the ordinary shareholders on a share for share basis, sufficient of the company's reserves being capitalised for the purpose, and subsequently to consolidate the whole of the then existing 10s. ordinary shares into shares of £1 each fully paid.

Stoke-on-Trent Corporation 3½ per cent. Stock, 1955-65.—Arrangements are in progress for an issue of £1,500,000 of Stoke-on-Trent Corporation 3½ per cent. stock of 1955-65. The issue price has not been fixed.

Wall Paper Manufacturers, Ltd.—It is proposed to increase the capital for business expansion to £5,800,000 by the creation of 800,000 shares of £1, of which 400,000 are to rank as preference and 400,000 as ordinary shares. The objects of these proposals are set out in a Company Note on page 501. An extra-ordinary meeting will be held at the Holborn Restaurant, W.C., on September 18, 3 p.m., to consider the proposals.

Simmer and Jack Mines.—An extra-ordinary meeting will be held at Johannesburg on November 7th, at noon, for the purpose of authorising an increase of the capital from £625,000 to £750,000 by the creation of 1,000,000 shares of 2s. 6d. each. The new shares will rank pari passu with the 5,000,000 existing shares. The directors propose to offer the 1,000,000 new shares for subscription by shareholders at 7s. 6d. per share in the proportion of one new share for every five shares held. Fractions will be disregarded.

RESULTS OF ISSUES

Indian Rupee Loan.—The lists of the new 3 per cent. Rupee Loan, 1941, which were only open for two days, closed September 11th. Subscriptions, which could be made in the form of the 4½ per cent. Bonds, 1934, maturing on September 15th, or in cash at 99, totalled about Rs. 10.6 crores.

James and Shakespeare, Ltd.—Underwriters of the recent issue by James and Shakespeare have had to take up about 80 per cent. of each class of share.

Odham's Properties.—Investment Registry announces that the subscription list in connection with the issue of £736,000 5 per cent. first mortgage debenture stock at par was closed at 9.5 a.m. September 12th, owing to heavy over-subscription.

CALLS DUE SEPTEMBER 17 TO SEPTEMBER 22, 1934

The grand total of calls falling due in September, 1934, is £4,766,761, which compares with £25,747,684 which fell due in September, 1933. The following calls fall due from September 17, 1934, to September 22, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
5/-	Gold Options Syndicate, Ltd. (200,000 Shares, at a premium of 5/- per Share)...	2/6 p.s.	Sept. 24	2/6 p.s.
£1	Ideal Boilers and Radiators, Ltd. (750,000 5% Red. Cum. Pref., at 20/6).....	10/- p.s.	Sept. 17	All
5/-	Odin River Gold Estates, Ltd. (141,400 Shares, at par).....	2/6 p.s.	Sept. 17	2/6 p.s.
Stock	Somerset County Council, 3½% Red. Stock, 1959-64 (£690,000, at £100%).....	£45%	Sept. 17	All
10/-	Van Dyk Proprietary Mines, Ltd. (offer, to shareholders registered July 7th, of one Share in the Van Dyk Consolidated Mines, Ltd., in respect of each Share held in Van Dyk Proprietary Mines, Ltd.).....	10/- p.s.	Sept. 17	All
Stock	Welsh Associated Collieries, Ltd. (£1,500,000 4½% 1st Mort. Deb. Stock, at par).....	£75%	Sept. 19	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Sept. 5, 1934	Price, Sept. 12, 1934
Airspeed (1934) Pref. Ord. 5/-.....	5/-	Fy pd	1/10½-2/1½ pm	7/-7/3
Alconome Estates 5% Deb.	10/-	50	1½-1½ pm	4½ dis-1½ dis
British Aluminium Ord.	27/6	19/8	6d-3d dis	10½d-1½ pm
Do. do. 6% Cum. Pref.	24/6	17/6	7½d-10½d pm	10½d-1½ pm
Do. do. 4% Deb.	99	Fy pd	103½-104½	103½-104½
Brookes (W. J.) and Sons Ord. 5/-.....	...	...	6/3-6/6	6/3-6/6
Caley (A. J.) and Son 5% Pref. £1	...	...	21/3-21/6	21/3-21/6
Carlton Main Colliery 4½% Deb.	102½	Fy pd	101½-102½	102-103
Criterion Restaurants 4% Deb.	98½	10	1 dis-par	1 dis-par
Dale (John) 5½% Pref.	...	...	20/9-21/3	20/9-21/3
Fisher and Ludlow 10/- New Ord.	20/-	5/-	3/9-4/3 pm	1/6-2/- pm
Greenwood (John) Millers, 1934, Ord.	10/-	5/-	3/4-8/7½	3/4-8/7½
Do. do. 5½% Pref.	5/-	Fy pd	22/4½-22/10½	22/3-22/7½
Griffiths Hughes Prop. Ord.	...	...	41/-41/6	41/-41/6
Do. do. 5½% Cum. Pref. £1	200/-	Fy pd	22/-22/9	22/3-23/-
Grosvenor Caterers (Glasgow) Ord. 5/-.....	100/-	Fy pd	4/6-5/-	4/6-5/-
Do. do. 5% Deb.	100/-	94	98-99	98-99
Ideal Boilers and Radiators 5% Pref. £1.....	20/6	10/6	par-3d pm	par-3d pm
Jackson Brothers 6½% Pref.	...	...	23/-24/-	23/-24/-
James and Shakespeare New Ord. 5/-.....	7/6	Fy pd	7/8-8/3	7/8-8/3
Do. do. 5½% Pref. £1.....	£1	Fy pd	17/6-18/6	17/6-18/6
Mayfair and Gen. Prop. 5½% Pref. £1.....	£1	Fy pd	1½-2½ pm	1½-2½ pm
Mount Morgan 5/-.....	7/6	Fy pd	23/9-24/3	26/9-27/3
New Machavie Gold	5/-	Fy pd	13/-13/6	13/-13/6
New Zealand 3½%, 1955-60.....	100	5	½-½ pm	½-½ pm
N. Wales Power 8% Deb.	100	5	½-½ pm	½-½ pm
Olo Union Co. 5½% Deb.	100	5	½-½ pm	½-½ pm
Powell Duffryn Pref. Ord. 5/-.....	20/9	10/-	1/1½-7/1d dis	6d dis-par
Reed (Austin) 5% "A" Pref.	...	...	21/6-22/-	21/6-22/-
Salford Corp. 3½%, 1954-64.....	100	30	par-½ pm	par-½ pm
Somerset 3½%, 1955-64.....	100	55	2½-2½ pm x d	2½-2½ pm
S. African Distillers	21/-	Fy pd	29/6-30/-	29/6-30/-
S. Rhodesia 3½%, 1955-65.....	97½	Fy pd	99½-99½	99½-99½
Stanton Iron. New 6½% Pref. £1	25/-	10/-	1/1½-1/7½ pm	1/-1/6 pm
Stewart and Lloyds 4% Deb.	100	50	2½-2½ pm	3½-4½ pm
Stockport 3½%, 1954-64.....	100	50	½-½ pm	½-½ pm
Stretford 3½%, 1955-65.....	Par	20	par-½ pm	par-½ pm
Thistle Elina Gold 5/-.....	5/-	2/-	1½-2½ pm	1½-2½ pm
Trust Houses 3½% Deb.	93½	50	1½-2½ pm	1½-2½ pm
Tunnel Portland Cement "B" Ord. 10/-.....	21/6	Fy pd	40/6-41/-	41/-41/6
United Steel £1	21/6	Fy pd	22/6-23/6	22/6-23/- x
Van Dyk Consolidated	10/-	Fy pd	1½-2½ pm	2½-2½ pm
Walsh 3½% Deb.	100	55	½-½ pm	½-½ pm
Welsh Ass. Collieries 5½% Cum. Pref. £1	21/-	Fy pd	16/6-17/3	16/6-17/3
Do. do. 4½% Deb.	100	25	3½-3 dis	4-3½ dis

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

Gross Receipts, week ended Sept. 9, 1934 (£000)										Aggregate Gross Receipts 1934 compared with 1933, 36 weeks (£000)												
(b) Week ended Sept. 7, 1934		Miles Open											(c) Week ended Sept. 8, 1934									
Passen- ger, &c.	Merchandise, &c.		Coal and Coke	Total	Total Goods	Total Receipts	Passen- ger, &c.	Merchandise, &c.	Coal and Coke	Total	Total Goods	Total Receipts										
Great Western	1934 3,750	245	184	104	288	533	7,448	6,373	3,524	9,897	17,345	1933 3,752	242	179	92	271	513	7,473	5,917	3,466	9,383	16,856
(c) L. & N.	1934 6,359	357	236	215	511	868	11,336	10,953	8,060	19,013	30,349	1933 6,359	351	292	197	489	840	11,160	10,079	7,355	17,434	28,594
(c) Eastern	1934 6,940	536	459	225	684	1,220	17,597	15,813	8,037	23,850	41,447	1933 6,941	535	432	206	638	1,173	17,333	14,600	7,671	22,271	39,604
(c) Scottish	1934 2,176	355	63	24	87	442	10,781	2,261	1,106	3,567	14,148	1933 2,181	350	60	26	86	436	10,635	2,159	1,046	3,205	13,840
(c) Southern	1934 2,176	355	63	24	87	442	10,781	2,261	1,106	3,567	14,148	1933 2,181	350	60	26	86	436	10,635	2,159	1,046	3,205	13,840
Total	1934 19,206	1,493	1,002	568	1,570	3,063	47,162	35,400	20,727	56,127	103,289	1933 19,213	1,478	963	521	1,484	2,962	46,601	32,755	19,538	52,293	98,894
(b) Belfast	1934 80	3-8	...	...	0-4	4-2	85-1	...	...	...	113-4	1933 80	3-8	...	...	0-5	4-3	86-8	...	...	...	115-4
(c) Co. Down	1934 562	13-4	...	...	6-7	20-1	367-5	...	...	...	293-8	1933 562	12-2	...	...	7-6	19-8	273-3	...	...	...	222-0
(c) Northern	1934 2,158	32-9	...	...	32-9	65-8	886-5	...	...	...	1,143-1	1933 2,158	37-1	...	...	31-0	68-1	873-3	...	...	...	1,068-5
(b) Great Southern	1934 2,158	37-1	...	...	31-0	68-1	873-3	...	...	...	1,068-5	1933 2,158	37-1	...	...	31-0	68-1	873-3	...	...	...	1,068-5

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease*	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year, 1933:				
10 weeks to September 9, 1934	+ 91	+ 421	+ 376	+ 76
Weekly average second half 1934 Latest week 1934 compared with 1933	+ 9½	+ 42½	+ 37½	+ 7½
	+ 20	+ 47	+ 28	+ 6

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending September 8, 1934.....	529,904	Compared with 1933
Aggregate 10 weeks ending September 8, 1934	£5,243,800	+ 6,300
		+ 53,200

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Rating	Present Average	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
Assam Bengal	19	Aug. 11	1,311	Rs. 3,23,700	+ 48,275	Rs. 68,16,520	+ 12,89,798
Bani L. Ry.	18	Aug. 11	202	25,800	+ 1,500	8,38,800	+ 2,000
Bengal & N. Western	20	Aug. 11	1,178	5,30,778	+ 35,834	1,35,46,244	+ 3,15,917
Bengal-Nagpur	19	Aug. 11	3,289	12,17,000	+ 44,539	2,88,43,010	+ 28,05,189
Bombay, Bar. & C.I.	22	Sept. 1	3,072	16,34,000	+ 1,33,000	4,41,22,000	+ 19,25,000
Madras & S. Mahr.	20	Aug. 18	3,230	13,68,000	+ 9,951	3,07,92,213	+ 1,14,697
Rohilk'd & Kumaon	20	Aug. 18	548	90,907	+ 240	26,02,656	+ 72,900
South Indian	19	Aug. 11	2,525	10,70,523½	+ 76,100	2,08,58,436½	+ 8,59,521

CANADIAN

Canadian National	35½	Sept. 7	2,374,488	3,194,469	+ 245,123	110,216,909	+ 13,133,345
Canadian Pacific	35½	Sept. 7	1,701,018	2,751,000	+ 374,000	81,609,000	+ 8,423,000

SOUTH AMERICAN

Antofagasta (Chili and Bolivia)	36	Sept. 9	830	£ 17,040	+ 4,920	£ 506,830	+ 132,570
Argentine N.E.	10	Aug. 8	753	{ 135,200	+ 5,800	1,374,600	+ 7,900
B.A. and Pacific	10	Aug. 8	2,806	{ 77,883	+ 2,995	79,311	28,110
B.A. Central	8	Aug. 26	..	{ 212,000	+ 112,000	12,174,000	+ 1,601,000
B.A. Gt. Southern	10	Sept. 8	5,085	{ 70,671	+ 13,398	702,285	+ 118,468
B.A. Western	10	Sept. 8	1,926	{ 12,301	+ 288	92,231	1,047
Central Argentine .	10	Aug. 8	3,700	{ 1,929,000	+ 85,000	21,345,000	+ 1,264,000
Central Uruguayean	10	Aug. 8	273	{ 112,478	+ 35,834	1,231,246	326,613
C. Urg. (East Ext.)	10	Aug. 8	311	{ 630,000	+ 37,000	7,462,900	727,000
C. Urg. (W. Ext.) ..	10	Aug. 8	185	{ 430,735	+ 9,627	4,930,325	91,300
C. Urg. (W. Ext.) ..	10	Aug. 8	218	{ 1,923,600	+ 251,900	22,419,100	+ 4,398,800
Cordoba Central....	10	Aug. 8	1,218	{ 112,163	+ 23,197	1,293,187	105,171
Entre Rios	10	Aug. 8	273	{ 14,640	+ 370	138,643	1,975
G. Westn. of Brazil	36	Sept. 8	1,082	{ 3,077	+ 497	28,118	3,303
Leopoldina.....	36	Sept. 8	1,918	{ 185	+ 1,736	16,029	+ 41
Leopoldina Termpl.	36	Sept. 8	1,918	{ 1,272	+ 107	12,725	772
Nitrate	8	Aug. 31	401	{ 538,000	+ 35,000	5,912,000	345,000
Paraguay Central .	10	Sept. 1	274	{ 31,370	+ 15,030	340,930	91,650
Salvador	10	Aug. 8	810	{ 206,200	+ 30,900	1,883,000	66,300
San Paulo	35	Sept. 2	1,531	{ 12,303	+ 2,171	108,685	32,498
United of Havana	10	Aug. 8	1,365	{ 610,000	+ 21,000	10,531,000	493,000
	10	Aug. 8	1,365	{ 108,800	+ 188,000	64,222,000	1,655,250
	10	Aug. 8	1,365	{ 431,065	+ 5,042	1,062,038	11,410
	10	Aug. 8	1,365	{ 17,332	+ 4,092	175,734	49,678

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 8, 1934, amounted to £9,353,000, against ordinary expenditure of £10,521,000. After allowing for an increase in Exchequer Balances of £174,247 the operations for the week, as shown below, increased the National Debt by £1,487,000 to approximately £8,076 millions.*

(000's omitted)	
Treasury Bills	+ 4,738
Land Sett. repayments	+ 24
	+ 4,762
Public Department Advances	3,200
National Savings Certificates	50
N. Atlantic shipping issues	25
	3,275

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Sept. 8, 1934	April 1, 1933, to Sept. 9, 1933	Week ended Sept. 8, 1934	Week ended Sept. 9, 1933
ORDINARY REVENUE					
Inland Revenue	219,500,000	48,707,000	40,815,000	1,368,000	773,000
Income Tax	50,000,000	7,050,000	8,350,000	200,000	200,000
Sur-tax	76,000,000	37,230,000	40,820,000	1,100,000	1,840,000
Estate, etc., Duties	25,000,000	8,300,000	7,460,000	1,250,000	1,540,000
Stamps	1,200,000	...	...	...	...
Excess Profits Duty and Corporation Profits Tax	800,000	140,000	170,000	...	10,000
Land Tax and Mineral Rights Duty	372,500,000	101,427,000	97,615,000	3,848,000	4,183,000
Total Inland Revenue	183,650,000	82,116,000	78,123,000	4,082,000	3,815,000
Customs and Excise	106,350,000	42,698,000	44,300,000	836,000	1,025,000
Excise	290,000,000	124,814,000	122,423,000	4,918,000	4,840,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	1,530,000	1,704,000	142,000	Dr. 32,000
Post Office (Net Receipts)	14,000,000	9,400,000	8,500,000	250,000	300,000
Crown Lands	1,220,000	570,000	500,000	...	...
Receipts from Sundry Loans	3,800,000	2,862,000	3,271,427	71,787	...
Miscellaneous Receipts	20,000,000	5,755,061	16,414,618	123,004	...
Total Ordinary Revenue	706,520,000	246,358,069	250,428,045	9,352,791	9,271,000
SELF-BALANCING REVENUE					
Post Office Services	60,463,000	23,100,000	23,100,000	750,000	650,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,737,000	6,775,000	...	160,000
Total Self-Balancing Revenue	84,718,000	30,837,000	29,875,000	750,000	810,000
Total	...	277,195,069	280,303,045	10,102,791	10,081,000

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Sept. 8, 1934	April 1, 1933, to Sept. 9, 1933	Week ended Sept. 8, 1934	Week ended Sept. 9, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	104,927,549	104,400,179	1,029,190	551,997
Payments to Northern Ireland	6,500,000	2,481,068	2,635,943	226,643	216,393
Other Consolidated Fund Services	3,700,000	1,033,105	1,350,092	...	...
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	108,441,722	108,386,214	1,255,833	768,390
Total Supply Services (excluding Post Office)	466,296,000	189,303,319	184,858,576	9,265,000	7,763,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	297,745,041	293,244,790	10,520,833	8,531,390
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	297,745,041	295,086,006	10,520,833	8,531,390
SELF-BALANCING EXPENDITURE					
Post Office Services	60,463,000	23,100,000	23,100,000	750,000	650,000
Road Fund	24,255,000	7,737,000	6,775,000	...	160,000
Total Self-Balancing Expenditure	84,718,000	30,837,000	29,875,000	750,000	810,000
Total	...	328,582,041	324,961,006	11,270,833	9,341,390

The aggregate revenue and expenditure to September 8, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO SEPTEMBER 8, 1934 (000's omitted)

Expenditure	297,745	Revenue	246,358
Increase in balances	146	Gross increase in borrowing	54,995
		Less—	
		New Sinking Fund	3,462*
		Net borrowing	51,533
	297,891		297,891

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding	Sept. 9, '33	Mar. 31, '34	Sept. 8, '34	Movement week ended Sept. 8, '34
Advances by Public Department	24,950,000	44,900,000	47,254,000	3,200,000
Treasury Bills outstanding	991,270,000	799,810,000	822,470,000*	+ 4,735,000
Total Floating Debt	1,016,220,000	844,710,000	869,720,000	+ 1,535,000

* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on September 7, 1934, and the total amount applied for was £54,370,000. Tenders were accepted for Treasury bills at three months, dated Monday to Saturday, at £99 16s. 8d., about 43 per cent., above in full. The average rate per cent. was 12s. 10-98d. The amount allotted was £32,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1, 1932	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7, 1933	55,000,000	100,325,000	50,000,000	0 16 11-24
January 6, 1934	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-88
January 5, 1934	35,000,000	76,260,000	30,000,000	0 18 11-5
April 5	40,000,000	60,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
August 10	35,000,000	58,340,000	31,000,000	0 14 11-06
August 17	35,000,000	58,565,000	30,000,000	0 15 5-60
August 24	30,000,000	59,320,000	30,000,000	0 14 3-28
August 31	35,000,000	60,000,000	33,900,000	0 14 4-47
September 7	35,000,000	54,370,000	32,000,000	0 12 10-98

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended August 18, 1934	569,206	455,365
Week ended August 25, 1934	584,621	467,697
February, 1916, to August 25, 1934	1,195,240,229	941,801,933

At the end of July, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,593,938.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, September 12th, 1934.

ISSUE DEPARTMENT

Notes Issued:—		Government Debt	11,015,100
In Circulation	379,045,961	Other Government Securities	244,927,534
In Banking Department	72,775,547	Other Securities	851,884
		Silver Coin	3,205,482
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	191,821,508
	451,821,508		451,821,508

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	84,884,164
Reserve	3,701,661	Other Securities	...
Public Deposits	16,523,524	Advances	£6,263,099
Other Deposits	...	Securities	£10,224,135
Bankers' Accounts	£103,170,079		16,487,234
Other Accounts	£36,810,498		72,775,547
7-day and Other Bills	139,980,577	Notes	616,887
	5,070	Gold and Silver Coin	...
	174,763,832		174,763,832

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

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the *Economist* for September 10, '32. Chile in August 12, 1933. Canadian Banks and Egypt in September 1, International Settlements, Portugal, Czechoslovakia, Jugo-slavia, Bulgaria, Estonia, Lithuania, Danzig and Java in September 8.

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

Resources	Sept. 15, 1933	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 15, 1934
Gold Certificates on hand and due from the Treasury	4,963,360	4,979,480	4,960,080	4,961,000	4,961,000
Total reserves	3,828,170	5,216,050	5,239,690	5,193,080	5,212,350
Total cash reserves	238,120	228,660	235,920	209,110	228,310
Total bills discounted	133,230	19,820	21,070	23,640	23,340
Bills bought in open market	7,350	5,110	5,250	5,220	5,200
Total bills on hand	140,580	24,930	26,280	28,860	28,540
Total U.S. Govt. securities	2,202,660	2,431,520	2,431,900	2,431,810	2,431,810
Total bills and securities	2,345,000	2,457,180	2,458,280	2,461,940	2,461,480
Total resources	6,738,320	8,207,730	8,232,850	8,233,500	8,267,220
LIABILITIES					
Federal Reserve notes in actual circulation	2,989,120	3,105,030	3,103,290	3,149,680	3,148,450
Federal Reserve Bank notes in circulation	133,640	32,300	31,930	31,430	31,130
Deposits—Memberbank—reserve account	2,541,740	4,072,320	4,126,970	3,907,170	3,948,300
Government deposits	46,000	43,770	29,940	162,990	138,730
Total deposits	2,745,050	4,327,380	4,360,830	4,273,080	4,300,960
Capital paid in and surplus	424,490	284,900	284,910	284,940	285,050
Total liabilities	6,738,320	8,207,730	8,232,850	8,233,500	8,267,220
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	66-8%	70-2%	70-7%	70-0%	70-0%

* Reserves other than gold.

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

	Sept. 15, 1933	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934
Total gold reserves	996,500	1,820,440	1,830,900	1,732,330	1,723,570
Total bills discounted	41,000	11,900	12,420	14,040	14,390
Bills bought in open market	2,330	1,850	1,980	1,950	1,930
Total U.S. Govt. securities	780,290	777,750	777,750	777,750	777,750
Total bills and securities	824,860	791,580	792,240	793,830	794,180
Deposits—Memberbank—reserve account	1,070,640	1,706,740	1,742,370	1,583,590	1,572,160
Ratio of total res. to dep. and Federal Res. note liabilities combined	61-0%	72-5%	72-5%	71-3%	71-0%

FEDERAL RESERVE MEMBER BANKS

In \$'s (000,000's omitted)

	Aug. 23, 1933	July 25, 1934	Aug. 1, 1934	Aug. 8, 1934	Aug. 16, 1934	Aug. 23, 1934
Loans	8,505	7,938	7,873	7,827	7,825	7,814
Investments	8,100	9,790	9,880	9,856	9,907	9,911
Demand deposits	10,378	12,755	12,745	12,721	12,825	12,818
Time deposits	4,516	4,501	4,488	4,491	4,505	4,513
Government deposits	875	1,296	1,296	1,296	1,255	1,236
Due from banks	2,448	1,844	1,562	1,533	1,538	1,550
Due to banks	2,529	3,845	3,770	3,766	3,821	3,741

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

Assets	Sept. 8, 1933	Aug. 18, 1934	Aug. 17, 1934	Aug. 24, 1934	Aug. 31, 1934	Sept. 7, 1934
Gold coin and bullion	14,727	20,227	20,537	20,107	18,058	18,056
Subsidiary coin	394	290	278	283	268	274
Bills discounted: Domestic and Union Govt. Treas.	143	59	53	39	85	142
Bills discounted: Foreign	18,056	13,440	13,955	12,300	9,760	9,916
Investments	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	...	8,091	8,279	10,097	7,082	7,118
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	10,027	11,679	11,230	11,033	12,446	11,929
Government deposits	2,016	1,258	2,064	2,417	1,249	1,275
Bankers' deposits	23,886	24,224	25,010	23,952	20,448	21,236
Ratio of cash reserves to liabilities to public	40-2%	49-5%	49-1%	48-3%	51-0%	50-1%

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

ASSETS	Aug. 18, 1933	July 20, 1934	July 27, 1934	Aug. 3, 1934	Aug. 10, 1934	Aug. 17, 1934
Total securities.....	44,92,98	34,86,74	33,41,45	34,31,15	36,06,44	36,20,90
Ways and means advances		13,50,00	11,50,00	12,50,00	9,50,00	10,50,00
Loans	3,20,71	2,09,83	2,05,78	2,06,56	2,04,49	2,27,28
Cash credit	15,52,53	15,15,89	15,17,66	15,00,50	14,74,23	14,46,85
Inland bills	1,87,67	2,60,25	2,36,14	2,99,37	2,10,00	2,10,00
Foreign bills	26,11	23,16	23,38	39,59	33,28	37,59
Dead stock	2,57,80	2,49,65	2,49,83	2,49,87	2,49,91	2,49,97
Bal. with other banks	41,08	18,49	12,94	7,49	9,19	7,22
Cash	27,24,26	24,15,42	26,59,74	25,82,23	25,94,20	27,14,86
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,20,00	5,27,50	5,27,50	5,27,50	5,27,50	5,27,50
Total deposits	84,88,08	83,60,79	82,31,04	82,80,80	81,55,11	83,91,86
The above includes—						
Deposits in London	938	924	917	903	902	883
Advances in London	816	1,573	1,580	1,579	1,580	1,578
Cash, etc., at other						
Banks in London	311	142	100	53	72	56

MONTHLY STATEMENT OF LONDON CLEARING BANKS

(000's omitted)

Average Weekly Balances August, 1934	Barclays Bank, Limited	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited	Martins Bank, Limited	Midland Bank, Limited	National Bank, Limited	Provincial Bank, Limited	West- minster Bank, Limited	Williams Deacon's Bank, Limited	Aggre- gate
ASSETS	£	£	£	£	£	£	£	£	£	£	£
Coin, bank notes and balances with the Bank of England.....	36,944	1,699	3,112	39,444	7,926	43,411	3,012	28,702	28,791	3,399	196,440
Balances with and cheques in course of collection on other banks in Great Britain and Ireland	7,590	526	760	7,047	1,820	8,265	179	6,505	6,667	1,265	40,624
Items in transit	...	...	...	2,403	563	...	...	...	...	...	2,966
Money at call and short notice ..	21,946	2,765	5,522	24,709	4,327	22,796	3,302	20,771	26,843	5,563	138,544
Bills discounted	52,298	1,066	388	42,978	2,864	54,334	1,748	34,361	30,578	1,081	221,696
Investments	103,108	7,746	9,035	97,311	33,112	110,311	17,008	78,183	91,341	10,094	557,249
Advances to customers and other accounts.....	154,645	7,997	11,332	140,881	31,095	165,032	15,430	112,214	105,663	11,811	756,100
Liabilities of customers for accept- ances, endorsements, etc.	6,653	675	1,582	40,105	4,065	16,160	147	5,313	31,980	2,182	108,862
Bank premises account	7,693	412	740	7,864	2,963	10,704	761	7,429	5,577	1,036	45,179
Investments in affiliated banks and subsidiary companies	6,704	...	...	4,985	...	7,380	...	2,514	2,993	...	24,576
	397,581	22,886	32,471	407,727	88,735	438,393	41,587	295,992	330,433	36,431	2,092,236
LIABILITIES											
Ratio of cash to current, deposit and other accounts.....	10.13	8.41	10.71	11.47	10.23	10.95	8.02	10.51	10.22	10.76	10.58
Capital paid up	15,858	1,000	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	74,310
Reserve fund.....	10,250	1,000	530	8,000	3,000	11,500	1,070	8,000	7,500	800	51,650
Current, deposit and other ac- counts	364,820	20,211	29,044	343,806	77,494	396,485	37,578	273,200	281,620	31,574	1,855,832
Acceptances, endorsements, etc.	6,653	675	1,582	40,105	4,065	16,160	147	5,313	31,980	2,182	108,862
Notes in circulation	...	...	...	6	...	...	...	...	...	...	1,327
Reduction of bank premises ac- count	...	...	255	...	...	...	...	...	...	...	255
	397,581	22,886	32,471	407,727	88,735	438,393	41,587	295,992	330,433	36,431	2,092,236

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

ASSETS	Sept. 8, 1933	Aug. 17, 1934	Aug. 24, 1934	Aug. 31, 1934	Sept. 7, 1934
Gold	82,269,648	81,317,821	81,759,496	82,036,783	82,098,928
Foreign assets—					
Bills	1,290,483	1,285,181	1,285,181	1,285,181	1,285,181
Sight deposits	1,345,765	1,124,980	1,110,294	1,068,510	1,067,005
Sight etc.	2,799,529	3,460,482	3,921,598	3,116,421	2,284,750
Home bills	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Advances against sec.	2,735,706	3,107,841	3,049,572	3,140,368	3,126,946
To the State	6,412,567	5,913,404	5,913,404	5,913,404	5,898,204
Other advances	5,344,975	5,076,934	5,095,460	5,859,998	5,292,609
LIABILITIES					
Notes in circulation	82,036,811	80,470,340	79,971,020	81,732,266	81,016,752
Public deposits	5,151,944	4,015,430	3,999,318	3,883,784	3,701,370
Private deposits	17,815,920	16,687,475	17,980,231	16,659,328	17,087,033
Other liabilities	2,394,000	2,041,076	2,112,113	2,073,401	2,173,566
Ratio of gold reserve to sight liabilities.....	79.7%	80.2%	80.0%	80.0%	80.5%

THE REICHSBANK—In Reichsmarks (000's omitted)

ASSETS	Sept. 7, 1933	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934
Gold	325,442	74,878	74,907	74,937
Of which deposited abroad	78,779	16,932	14,449	20,851
Reserve in foreign currencies	71,119	3,400	3,630	3,777
Bills of exchange and cheques	3,125,872	3,188,894	3,542,766	3,444,402
Silver and other coin	214,636	308,662	212,911	219,540
Notes of other German banks	3,559	16,554	4,870	9,872
Advances	68,707	69,833	128,207	96,110
Investments	320,156	732,058	737,187	739,734
Other assets	507,200	609,182	649,492	604,280
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,420,431	3,502,022	3,523,908	3,708,940
Other daily maturing obligations	379,356	701,518	716,589	667,526
Other liabilities	239,510	174,134	190,676	193,389
Cover of note circulation	11.6%	2.23%	2.05%	2.12%

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

ASSETS	Position, May 28, 1934	Sept. 7, 1933	Aug. 16, 1934	Aug. 25, 1934	Aug. 30, 1934	Sept. 6, 1934
Gold	163,092	827,052	863,398	863,410	863,410	863,409
Silver	8,436	27,000	26,934	26,934	26,934	26,934
Other coin	232,650	64,964	65,624	67,004	67,547	67,547
Securities	697,600	751,985	674,059	2,644,761	2,644,761	2,644,761
LIABILITIES						
Notes in circulation	934,150	3,595,677	3,525,845	3,506,416	3,531,441	3,557,714
Deposits: Govt.	...	97,012	92,709	79,165	65,283	45,029
Other	...	263,322	214,896	252,030	214,816	220,904

NETHERLANDS BANK—In florins (000's omitted)

ASSETS	Position, May 30, 1914	Sept. 11, 1933	Aug. 20, 1934	Aug. 27, 1934	Sept. 3, 1934	Sept. 10, 1934
Gold	163,092	827,052	863,398	863,410	863,410	863,409
Silver	8,436	27,000	26,934	26,934	26,934	26,934
Other coin	232,650	64,964	65,624	67,004	67,547	67,547
Securities	697,600	751,985	674,059	2,644,761	2,644,761	2,644,761
LIABILITIES						
Notes in circulation	934,150	3,595,677	3,525,845	3,506,416	3,531,441	3,557,714
Deposits: Govt.	...	97,012	92,709	79,165	65,283	45,029
Other	...	263,322	214,896	252,030	214,816	220,904

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

ASSETS	Position, May 31, 1934	Sept. 7, 1933	Aug. 15, 1934	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934
Gold	171,175	1,815,562	1,680,886	1,680,886	1,734,308	1,754,274
Foreign gold valuta	...	283,034	117,321	127,458	142,638	149,244
Discounts	...	8,066	22,147	34,386	21,191	17,595
Bills of the Confederation	...	22,494	36,397	36,202	51,525	40,183
Advances	...	25,186	12,847	12,547	11,875	11,875
Securities	103,000	70,472	70,218	69,623	74,633	76,955
LIABILITIES						
Notes in circulation	275,925	1,372,788	1,321,764	1,313,123	1,369,524	1,346,953
Deposit	33,750	573,568	499,720	533,577	519,155	547,200

BANK OF ITALY—In lire (000's omitted)

ASSETS	Aug. 31, 1933	July 30, 1934	Aug. 10, 1934	Aug. 20, 1934	Aug. 31, 1934
Gold, coin and bullion	7,032,500	6,362,400	6,338,000	6,340,000	6,343,500
Foreign bills and balances abroad	318,000	36,400	37,000	37,000	37,100
Other cash	320,000	308,400	306,600	302,700	301,600
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,588,300	3,290,400	3,217,600	3,212,200	3,274,000
Advances	514,300	1,098,600	1,058,800	1,135,200	1,406,700
Credit with "Institute for In- dustrial Reconstruction"	1,165,700	1,076,300	1,075,700	1,075,700	1,075,700
Government securities	1,370,700	1,364,900	1,362,600	1,384,200	1,381,600
LIABILITIES					
Notes in circulation	13,256,100	13,330,300	13,274,600	13,025,500	13,194,000
Public deposits	1,748,100	843,400	910,800	978,700	1,365,600
Other deposits and drafts	1,310,000	1,050,200	1,016,900	1,322,300	1,164,900
Ratio of reserve to note and sight liabilities combined.....	49.43%	43.59%	43.69%	43.54%	43.53%

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

ASSETS	Sept. 9, 1933	Aug. 15, 1934	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934
Gold reserve	251,899	277,338	277,694	278,308	278,748
Government securities—Swedish	255,271	176,062	176,062	176,062	176,062
Foreign	...	46,559	46,559	46,559	46,557
Gold abroad not included in the gold reserve	125,201	94,518	94,465	94,372	94,306
Bills payable in Sweden	13,145	9,372	9,330	9,443	9,657
Balance abroad	3,291	351,569	351,569	360,560	360,825
Advances	37,334	27,481	27,475	27,414	27,617
LIABILITIES					
Notes in circulation	530,667	580,219	568,162	642,841	614,860
Government deposits	167,056	149,804	157,914	135,865	132,754
Private deposits	305,527	335,062	363,699	314,956	355,318

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

ASSETS	Position, May 31, 1914	Sept. 7, 1933	Aug. 22, 1934	Aug. 31, 1934	Sept. 7, 1934
Coin and bullion—Gold.....	44,224	118,248	118,339	118,389	118,411
Balance abroad and foreign bills Funds provisionally placed in gold not included in the gold reserve	28,533	22,468	7,545	7,548	18,419
Norwegian and Foreign Govern- ment securities	...	28,169	16,379	16,379	16,379
Discounts and loans	8,816	42,238	30,929	31,584	42,840
LIABILITIES					
Notes in circulation	113,484	299,653	315,574	321,346	316,970
Deposits at sight	7,188	74,438	61,699	59,475	65,745

NATIONAL BANK OF DENMARK—In kroner (000's omitted)

ASSETS	Position, May 30, 1914	Aug. 31, 1933	Aug. 18, 1934	Aug. 25, 1934	Sept. 1, 1934	Sept. 8, 1934
Coin and bullion	76,644	133,175	133,152	133,150	133,147	133,144
Loans and discounts	88,470	107,920	148,590	159,176	157,568	151,014
Debtors abroad	24,102	14,585	158,851	150,360	149,714	131,339
Securities	11,988	123,421	5,732	100,352	137,678	...
Emergency Fund	...	...	...	...	...	...
LIABILITIES						
Circulation	157,266	329,785	357,679	379,555	358,973	365,232
Deposits	6,698	93,820	118,259	136,384	133,253	127,173

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

	Position, May 30, 1914	Sept. 9, 1933	Aug. 18, 1934	Aug. 25, 1934	Sept. 1, 1934	Sept. 8, 1934
ASSETS						
Gold	521,775	2,260,068	2,264,442	2,264,560	2,264,726	2,264,934
Silver	728,600	640,032	679,937	683,956	684,209	679,372
Loans and Discounts	800,725	2,659,657	2,479,829	2,456,468	2,507,616	2,510,749
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES						
Notes in circulation	901,550	4,819,424	4,581,289	4,542,381	4,587,462	4,646,874
Deposits	477,500	937,947	947,399	896,406	930,468	823,165

II.—Forward Rates (Closing quotations)

London on	Sept. 7, 1934 Per £	Sept. 8, 1934 Per £	Sept. 10, 1934 Per £	Sept. 11, 1934 Per £	Sept. 12, 1934 Per £	Sept. 13, 1934 Per £
New York, cent.	1 Month 1-1/8	1-1/8	1-1/8	1-1/8	1-1/8	1-1/8
Paris, cent.	1 Month 4-2	5-2	3-par	3-1	2-par	3-par
Holland, cent.	1 Month 1-par	1-par	1-par	1-par	1-par	1-par
Brussels, cent.	1 Month 1-3	1-3	1-3	1-3	1-3	1-3
Zurich, cent.	1 Month 3-1	2-1	2-par	2-par	2-par	2-par
Italy, lira	1 Month 1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2

a) Premium, i.e. "under spot."

(b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed	From	To	Changed	From	To
Albania	Nov. 16, 1933	6 1/2	Madrid	Oct. 26, 1932	6 1/2
Amsterdam	Sep. 18, 1933	3 1/2	Oslo	May 22, 1933	3 1/2
Athens	Oct. 14, 1933	7 1/2	Paris	May 31, 1934	3 1/2
Batavia	July 1, 1934	4 1/2	Prague	Jan. 25, 1933	4 1/2
Belgrade	July 16, 1934	4 1/2	Pretoria	May 15, 1933	4 1/2
Bombay	Aug. 23, 1934	5 1/2	Tallinn	Jan. 26, 1932	6 1/2
Brussels	Apr. 5, 1933	7 1/2	Riga	Jan. 1, 1933	6 1/2
Bucharest	Oct. 17, 1932	5 1/2	Rome	Dec. 11, 1933	3 1/2
Budapest	Feb. 16, 1933	4 1/2	Sofia	Jan. 3, 1934	8 1/2
Calcutta	Dec. 1, 1933	3 1/2	Stockholm	Dec. 1, 1933	3 1/2
Copenhagen	May 6, 1933	4 1/2	Swiss Bank		
Danzig	Dec. 20, 1933	5 1/2	places	Jan. 22, 1931	2 1/2
Helsingfors	Jan. 1, 1934	7 1/2	Tokyo	July 2, 1933	4-38 3-65
Kyovo	Dec. 8, 1933	8 1/2	Vienna	June 27, 1934	5 1/2
Lisbon	Feb. 1, 1934	2 1/2	Warsaw	Oct. 26, 1933	6 1/2
New York Fed.			Irish	June 30, 1932	3 1/2
Central Reserve					

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
 5 1/2% applied to banks and credit institutions.
 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Sept. 13, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934
Call money	1/2	1/2	1/2	1/2	1/2	1/2
Time money (90 days' mixed coll.)	1/2	1/2	1/2	1/2	1/2	1/2
Bank acceptances:						
Members—eligible, 90 days	1/2	1/2	1/2	1/2	1/2	1/2
Non-members—eligible, 90 days	1/2	1/2	1/2	1/2	1/2	1/2
Ineligible, 90 days	1/2	1/2	1/2	1/2	1/2	1/2
Commercial accept., 90 days	1/2	1/2	1/2	1/2	1/2	1/2

Rates of Exchange, New York on—	Par Level	Sept. 13, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934
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London—	Old par	4-5775	5-0162	4-9812	4-9925
80 days	4-5666	4-5887	5-0337	5-00	5-01
Cable	4-5897	4-5887	5-0337	5-00	5-01
Cheques	4-5897	4-5887	5-0337	5-00	5-01
Paris—cheques	6-63	5-63	6-6950	6-6825	6-6775
Brussels	23-54	20-25	23-80	23-81	23-78
Switzerland	32-67	27-90	33-12	33-12	33-08
Italy	8-91	7-565	8-71	8-7025	8-695
Berlin	40-33	34-20	39-87	39-94	40-36
Vienna	23-82	16-25	19-18	19-20	19-18
Madrid	32-67	11-69	13-86	13-87	13-84
Amsterdam	68-06	58-00	68-71	68-65	68-63
Copenhagen	20-50	22-50	22-34	22-39	
Oslo	23-10	25-31	25-13	25-18	
Stockholm	23-70	25-98	25-80	25-85	
Athens	2-20	0-91	0-96	0-96	
Montreal	160-31	95	102	102	
Yokohama	84-40	26-75	30-06	29-96	
Shanghai	...	...	35-37	35-62	
Calcutta	61-80	34-50	38-00	37-75	
Buenos Aires	...	...	33-55	33-33	
Rio de Janeiro	11-90	...	8-48	8-43	

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on—		
Rhodesia	£ 8 15 0	£ 8 15 0
South Africa	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	90 d/s	20-26
Colombia (Bogota)	Pesos to £	5	Sight	8-69 1/2
Ecuador	Sucres to £	24-3325	"	(1)53-36
Nicaragua	Cordobas to £	4-8665	"	"
Salvador	Colones to £	9-73	"	12-61
Venezuela	Bolivares to £	25-2215	"	19-87
Guatemala	Quetzales to £	25-2215	"	5-12

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate. (t) "Free" Market Rate.

THE ANGLO-SOUTH AMERICAN BANK, LTD., has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period 11th to 20th September at 138.43 per cent. The previous rate was fixed as from 1st instant at 138.69 per cent.

OVERSEAS DOMINION RATES COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London			
	Buying		Selling		Buying		Selling	
	Aus.	New	Aus.	New	Aus.	New	Aus.	New
T.T.	126 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
Sight	126 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
30 days	126 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
60 days	127 1/2	126 1/2	126 1/2	125 1/2	126 1/2	125 1/2	126 1/2	125 1/2
90 days	127 1/2	127 1/2	127 1/2	126 1/2	127 1/2	126 1/2	127 1/2	126 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the From Apr. 1 week ending to Sept. 8, Sept. 8, 1934

Sterling purchased in India	868,000	13,060,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	...	-2,250,000
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	...	...

Total remittance to Home Treasury..... 868,000 10,810,000
 India Office, S.W.I.,
 Sept. 11, 1934.

INDIAN GOLD STANDARD RESERVE

Statement showing the form in which the balance of the Reserve was held on August 31, 1934:—

In India:	Nil
Gold.....	Nil
In England:	
Cash at the Bank of England	£ 437
Gold.....	2,152,334
British Treasury bills: Value as on August 31, 1934	15,895,384
Other British and Dominion Government securities: At market value on August 31, 1934	21,951,845
	40,000,000

India Office,
 Sept. 12, 1934.

BULLION

The following statistics of imports and exports of gold and silver for week ended September 13th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended September 13, 1934			Gold Exported from Great Britain and Northern Ireland, week ended September 13, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	11,701	1,695	Netherlands	6,125	20,250
Netherlands	...	30,726	France	251,173	99,355
Belgium	16,627	20,992	Switzerland	...	400
France	15,331	11,245	Palatinate	...	5,000
Spain	2,000	...			
Egypt	7,672	...			
Iraq	5,455	...			
United States	267,700	...			
Venezuela	15,512	...			
Argentine Republic	12,700	9,306			
British South Africa	47,890	1,500			
Tanganyika Territory	8,382	...			
Kenya	2,100	...			
Australia	113,176	313			
New Zealand	34,884	...			
Canada	340,212	...			
Trinidad & Tobago	4,373	...			
British Guiana	4,856	...			
Other Countries	5,486	87			
Total	916,057	81,120	Total	257,298	125,005

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended September 13, 1934			Silver Exported from Great Britain and Northern Ireland, week ended September 13, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Un. (Russia)	24,700	£	Netherlands	60	£
Belgium	22,139	...	France	320	...
France	8	60	French Possessions in India	7,000	...
British South Africa	100,000	...	Switzerland	...	14
Aden and Dependencies	...	3,615	Bulgaria	282,500	6,151
Canada	60,773	...	United States	11,951	...
Other countries	1,400	1,100	Peru	2,481	...
			Bombay via other Ports	2,142	...
			Other countries	...	248
Total	109,020	104,775	Total	308,454	6,413

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934 ARRIVALS		1934 WITHDRAWALS	
Sept. 7	Sept. 7	Sept. 7	Sept. 7
...	59,295	...	Nil
" 8	Nil	" 8	Nil
" 10	Nil	" 10	Nil
" 11	Nil	" 11	Nil
" 12	Nil	" 12	Nil
" 13	Nil	" 13	Nil
Total	59,295	Total	Nil

Movement Sept. 7, 1934, to Sept. 13, 1934 (inclusive) £59,295 in
 Movement during year 1933 £71,094,909 in
 Movement during 1934 (January 1 to Sept. 13, inclusive) £1,031,122 in
 Movement April 29, 1925, to Sept. 13, 1934 (inclusive) £23,461,269 in
 Movement September 21, 1931 (gold standard suspended), to Sept. 13, 1934 (inclusive) £55,827,142 in

GOLD

Messrs Samuel Montagu and Company write as follows on September 12, 1934:—

The Bank of England gold reserve against notes amounted to £191,762,212 on the 5th instant, as compared with £191,762,097 on the previous Wednesday. During the week the Bank announced the purchase of £59,295 in bar gold. In the open market business has been on a moderate scale, about £1,750,000 being dealt with during the week. There was a fair general demand for the amounts offered and prices were maintained at a slight premium over the gold exchange parties.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
September 6	140s. 8d.	12s. 0-95d.
" 7	140s. 9 1/2d.	12s. 0-82d.
" 8	140s. 9d.	12s. 0-86d.
" 10	140s. 11 1/2d.	12s. 0-65d.
" 11	140s. 3 1/2d.	12s. 1-33d.
" 12	140s. 5 1/2d.	12s. 1-16d.
Average	140s. 7-83d.	12s. 0-96d.

No gold shipments were reported from Bombay last week.

SILVER

There has been little change in prices during the past week, but the market has continued to be active. Further purchases have been made for America and additional support has been given by the Indian bazaars and speculators. Demand has again been met by sales on China account, whilst there has also been some re-selling by speculators. News was received that on the 9th instant the Chinese Government had issued an order imposing restrictions on dealings in foreign exchange, but whilst this has caused some uncertainty, no effect on the silver market has yet been apparent. The undertone of the market remains good.

Quotations during the week:—

IN LONDON		IN NEW YORK	
Bar silver per oz. std.	Cash	Bar silver per oz. std.	Cash
September 6	21 1/2d.	September 5	49 1/2
" 7	21 1/2d.	" 6	49 1/2
" 8	21 1/2d.	" 7	49 1/2
" 10	21 1/2d.	" 8	49 1/2
" 11	21 1/2d.	" 10	49 1/2
" 12	21 1/2d.	" 11	49 1/2
Average	21-792d.		21-854d.

The highest rate of exchange on New York recorded during the period from the 6th instant to the 12th instant was \$5.01 1/2 and the lowest \$4.99 1/2.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Sept. 7	Aug. 31	Aug. 22
Notes in circulation	18,450	18,489	18,437
Silver coin and bullion in India	9,876	9,915	9,897
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,151	3,151	3,127
Securities (British Government)	1,268	1,268	1,258

The stocks in Shanghai on the 8th instant amounted to about 64,700,000 ounces in sycee, 349,000,000 dollars and 31,200,000 ounces in bar silver as compared with about 78,400,000 ounces in sycee, 347,000,000 dollars and 30,400,000 ounces in bar silver on the 1st instant.



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GOLD AND SILVER PRICES

		Gold per Ounce		Silver—Per Ounce		Date	Silver Cash
				Cash	Forward		
1934							
Sept. 7 ...	s.	d.	d.	d.		Sept. 20, 1928	d.
" 8 ...	140	9 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$		" 19, 1929	26 $\frac{1}{2}$
" 10 ...	140	9	21 $\frac{1}{2}$	21 $\frac{1}{2}$		" 18, 1930	23 $\frac{1}{2}$
" 11 ...	140	11 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$		" 17, 1931	17 $\frac{1}{2}$
" 12 ...	140	3 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$		" 15, 1932	12 $\frac{1}{2}$
" 13 ...	140	5 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$		" 14, 1933	15 $\frac{1}{2}$
	140	6 $\frac{1}{2}$	21 $\frac{1}{2}$	21 $\frac{1}{2}$			18 $\frac{1}{2}$

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash		Dividend for Whole Years	Latest Year	Previous Year
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year		
RAILWAYS					
Barsi Light Railway	3½%	...	Unchanged	6	6
BANKS					
Chartered Bank of India, Australia and China	7½%	Sept. 19	Unchanged	...	...
Eastern Bank	3½%	Sept. 29	Unchanged	...	...
Guaranty Trust of New York	5%	Oct. 1	...	...	...
Yokohama Specie Bank	10	...	Unchanged	...	...
INSURANCE					
Sea Insurance	8½%	Oct. 4	Unchanged	...	...
TEA AND RUBBER					
Banlam (Java) Rubber	...	Sept. 27	...	10	Nil
Bukit Lintang Rubber	...	...	...	7½	Nil
Chembong (Malay) Rubber	2½%	Oct. 22	Nil	...	...
Deviturai Rubber and Tea	3%	Sept. 14	...	...	...
Langkapora (Sumatra) Rubber	...	Sept. 27	...	3	Nil
Rosevale Rubber	1½ p.s.*	Sept. 29	Unchanged	...	...
Seaport (Selangor) Rubber	...	...	...	5	Nil
Tismoda Estates	...	...	...	10	5
MINING					
Ashanti Goldfields	(n)20%	Sept. 28	50%	...	...
Idris Hydraulic Tin	2½%	Sept. 28	Unchanged	...	...
Kamuning (Perak) Rubber and Tin	...	...	...	5	2½
Kinta Tin Mines	2½%	Sept. 28	...	...	...
Renong Tin Dredging	...	...	...	10	2½
Tronoh Mines	2½%	Sept. 29	...	...	...
Ulu Klang Tin	5%	Sept. 28	2½%	...	...
West African Diamond	2½%	Sept. 29	Unchanged	...	...
OTHER COMPANIES					
A. Boake Roberts and Co.	12½%	...	11%	...	...
Alliance and Dublin Gas	...	...	Unchanged	...	...
Birmingham and District Investment	7	Oct. 1	Unchanged	...	...
Bolover Colliery	14½%	Oct. 12	Unchanged	...	...
British Insulated Cables	5%	...	Unchanged	...	...
British Portland Cement	5%	Oct. 15	Unchanged	...	...
Bursledon Brick	10½%	...	Unchanged	15	11½
Carriek's (Caterers)	3%	Oct. 1	Unchanged	...	...
Clarendon Property	3½%	...	...	6	...
C.L.R.P. Investment	1½%	...	Unchanged	...	...
Constable, Hart and Co.	5%	...	...	7½	...
Dalduine-Talisker Distilleries	...	...	...	6	Nil
Fernant, Ltd.	...	...	...	8	...
Fleming and Ferguson	...	...	...	4	...
Genatosan	20%	...	Unchanged	35	5
Home and Colonial Stores	4%	Oct. 1	Unchanged	...	...
Hulett (Sir J. L.) and Sons	...	...	...	6	2½
Imperial Chemical Industries, ord.	2½%	Nov. 1	Unchanged	...	...
Imperial Smelting 6½% Pref.	3½%	Oct. 1	Unchanged	...	...
Ketton Portland Cement	2½%	...	Unchanged	5	5
Killamash and District Electric	14½%	Sept. 28	Nil	1½	Nil
Latin American Investment	(u)5%	Sept. 27	Unchanged	...	...
London Brick Co. and Folders	5%	...	...	...	...
Maidenhead Brick and Tile (Pref.)	5%	...	...	...	...
Maypole Dairy (def.)	2½%	Oct. 1	Unchanged	...	...
Mellers and Neale	2½%	Sept. 30	Unchanged	...	...
Murex, Ltd.	2½ p.s.*	...	...	(u)5	30
Phillips (Godfrey)	2½%	Oct. 8	Nil	...	...
Pyne Brothers	2½%	...	Unchanged	...	...
Qualcast	15½%	...	10%	20	15
Radiation, Ltd.	3½%	Oct. 13	Unchanged	...	...
Scottish Assets Co.	2½%	...	...	5	7
Scottish Power Co.	3½%	...	...	...	...
Seaford Gas	3½%	Sept. 29	Unchanged	...	...
Selfridge and Co. 10% Pref. Ord.	10%	Oct. 1	Unchanged	...	...
Shanghai Waterworks "A"	15½ p.s.*	Sept. 27	Unchanged	...	...
Do. "B" and "C"	9d. p.s.*	Sept. 27	Unchanged	...	...
South Australian Co.	(s)30 p.s.*	Oct. 1	Unchanged	...	...
South Eastern Gas	3½%	Oct. 1	Unchanged	...	...
Thom (Alexander) and Co.	2½%	Oct. 15	Unchanged	10	10
Tor Investment Trust	...	...	...	2½	2
Triplex Safety Glass	...	...	...	25	25
Union Cold Storage	...	...	...	10	10
Venesta (Pref.)	7	Sept. 29	...	...	...
Whitehall Court	8½%	...	Unchanged	10	10
Whiteley (William) Ord.	25%	Oct. 1	Unchanged	...	...
Whitworth and Mitchell	5%	Sept. 19	5%	10	12½

(*) Paid on a doubled capital. (s) Distribution of assets. (t) Paid on larger capital. (u) Second interim, making 10 per cent. to date, against 9 per cent. The 200,000 ordinary shares issued in July, 1934, rank for this 5 per cent. dividend.
† Free of income tax.

ILLINGWORTH, MORRIS AND COMPANY (WORSTED SPINNERS AND MANUFACTURERS).—The directors announce that owing to the present position of the wool textile industry, due to the severe fall in wool values, the complicated state of foreign political affairs, and the consequent decline in foreign and home trade, they have decided not to pay any dividend on the preference shares on September 30th.

METROPOLITAN ASSSENTED STOCK.—Messrs. Glyn, Mills and Company, 67, Lombard Street, E.C.3, Trustees and Registrar, announce that the interest for the year ended June 30, 1934, on the Metropolitan Assented Stock constituted by Section 89 of the London Passenger Transport Act, 1933, will be paid at the full rate of 3½ per cent. for such year less income tax at 4s. 6d. in the £. to those persons who at the close of business on September 7, 1934, are the registered holders of such stock, and that the warrants for interest will be posted on or about September 21, 1934.

FOREIGN GOVERNMENT BOND TRUST (FIRST DISTRIBUTION ON BOND-UNITS £8 7s. 6d. PER CENT.).—Municipal and General Securities Company, Ltd., announces the initial income distribution by the Foreign Government Bond Trust of £d. per Bond-Unit, free of tax, payable October 1st on presentation of Coupon No. 1, at the City Office of the Trustee, Lloyds Bank Limited, 72, Lombard Street, E.C.3. The distribution covers a period of five months from the commencement of the trust to September 7, 1934, and is derived from the interest received on the Foreign Government Bonds selected from the list of 122 bonds which the Trust is permitted to hold. The distribution includes the proceeds of sales of scrip paid in lieu of interest, and the yield works out at the rate of £8 7s. 6d. per cent. per annum gross, and £8 per cent. net on the initial price of 20s. per Bond-Unit.

LONDON AND SOUTH AMERICAN TRUST.—The board have decided to pay on October 1st a dividend of 3 per cent. per annum on the £500,000 5 per cent. preference capital, thereby satisfying the arrears of dividend to March 31st last. The earnings, while showing an improvement to date upon results known at this time last year, are still affected considerably by the adverse conditions ruling in South America and other centres. In consequence, the board considers it prudent to defer consideration of a payment in respect of the dividend on the preference capital for the current year until the results for the full year are known.

TRANVAAL AUGUST, 1934, OUTPUTS, &c.

Note.—Value of gold calculated at £6 18s. per ounce in all cases.

The Johnnies Group	Tons milled, August, 1934	Estimated Value, August, 1934		Estimated Costs per ton, August, 1934	Estimated Profit, including Sundry Revenue, August, 1934	July, 1934, Profit at £6 17s. per fine ounce
		Gross	Per ton			
Government Areas (Modderfontein) ...	216,000	539,121	49 11	17 4	355,133	340,161
Langlaate Estate ...	87,000	114,048	26 3	18 10	33,055	33,210
New State Areas ...	97,000	254,892	52 6	19 9	160,017	155,759
Randfontein Estates ...	335,000	418,190	25 0	18 9	108,691	105,030
Van Ryn Deep ...	84,000	128,819	30 8	18 5	52,125	50,167
Witwatersrand ...	83,000	90,693	21 10	19 4	12,467	12,544
Totals	902,000	1,545,563	...	18 7	719,488	696,271

The Central Mining Company Rand Mines Group	Tons Crushed, August, 1934	Yield in Fine Gold, Ounces, August, 1934	Value, August, 1934	Profit, August, 1934	Working Cost per ton, August, 1934
City Deep, Limited	107,000	20,009	138,190	26,410	20 10 7
Consolidated Main Reef Mines and Estate, Ltd.	106,300	24,018	165,576	50,724	21 7 3
Crown Mines, Limited	304,000	83,599	577,363	279,521	19 7 1
Durban Roadport Deep, Limited	53,700	12,928	89,351	22,403	24 11 2
East Rand Proprietary Mines, Ltd.	181,000	41,055	288,657	85,506	21 11 0
Goldenhuis Deep, Ltd.	85,500	13,571	93,760	21,048	17 0 1
Modderfontein B. Gold Mines, Ltd.	86,000	15,903	109,944	47,546	14 6 1
Modderfontein East, Ltd.	91,000	20,010	138,207	48,532	19 8 5
New Modderfontein Gold Mining Co., Ltd.	185,000	46,268	319,738	188,086	14 2 8
Nurse Mines, Ltd.	72,500	16,763	115,790	29,018	23 11 2
Rose Deep, Ltd.	64,500	11,416	78,709	14,774	19 9 9

Anglo-American Corporation Group	Tons Milled, August, 1934	Total Revenue, August, 1934	Working Costs, August, 1934	Profit, June, 1934	Profit, July, 1934	Profit, Aug., 1934
Brakpan Mines, Ltd.	127,000	227,187	126,816	103,282	99,760	100,371
Daggafontein Mines, Ltd.	83,000	195,639	90,305	94,961	100,522	105,333
Spring Mines, Ltd.	88,500	239,671	89,330	144,989	144,995	150,341
West Springs, Ltd.	91,600	96,769	71,636	27,638	25,052	25,133

General Mining Group	Tons Milled, August, 1934	Total Revenue, August, 1934	Estimated Costs, August, 1934	Profit, June, 1934	Profit, July, 1934	Profit, Aug., 1934
Van Ryn Gold Mines	56,000	55,052	16 7	12,845	9,076	9,059
West Rand Consolidated	124,000	202,478	17 10	93,089	93,096	93,202

Goldfields Group	Tons crushed, August, 1934	Yield, August, 1934	Value, August, 1934	Profit, July, 1934	Profit, August, 1934	Working Costs per ton, August, 1934
Simmer and Jack Mines	92,100	20,764	143,275	44,284	45,061	21 5 9
Robinson Deep	102,000	24,888	171,726	74,456	75,075	19 0 6
Sub Nigel	42,500	34,679	239,283	163,142	165,078	34 11

Union Corporation Group	Tons crushed, August, 1934	Yield, August, 1934	Value, August, 1934	Profit, June, 1934	Profit, July, 1934	Profit, August, 1934
East Geduld Mines	86,000	28,819	198,770	115,900	118,379	121,376
Geduld Proprietary Mines	95,000	27,280	189,119	116,985	119,159	120,077
Modderfontein Deep Levels	49,000	16,031	110,763	72,671	72,777	74,163

Other Companies	Tons Milled, August, 1934	Total Revenue, August, 1934	Working Costs, August, 1934	Profit, June, 1934	Profit, July, 1934	Profit, August, 1934
Glynn's Lydenburg	7,800	20,438	5 7	7,645	...	7,772
Lulupaarde Vlei Estate	42,500	64,662	29 6	20,756	21,407	22,141
New Kleinfontein Co.	55,300	67,116	22 5	2,728	3,269	5,192
Transvaal Gold Mining	21,300	33,426	19 10 6	12,036	12,346	12,534
Witwatersrand Deep	50,800	68,594	21 9	3,247	12,573	13,296

OIL OUTPUTS

ANGLO-EQUADORIAN OILFIELDS, LTD.—The production for August is cabled as 17,051 tons.

ANGLO-PERSIAN OIL COMPANY, LTD.—Production in Persia for the month of July amounted to 654,000 tons, making a total of 4,363,000 tons for the first seven months of 1934. Production in Persia for the month of August amounted to 698,000 tons, making a total of 5,061,000 tons for the first eight months of 1934.

APEX (TRINIDAD) OILFIELDS, LTD.—The results for the month of August are as follows: Production of oil, 46,280 tons; deliveries, 45,830 tons.

ATTOCK OIL COMPANY, LTD.—Production for August, 8,324 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended August 11th: Venezuela, 18,745 barrels; Trinidad, 29,411 barrels. Production for the week ended August 18th: Venezuela, 18,090 barrels; Trinidad, 32,042 barrels. Production for the week ended August 25th: Venezuela, 17,238 barrels; Trinidad, 31,666 barrels; total, 48,904 barrels. Production for the week ended September 1st: Venezuela, 16,368 barrels; Trinidad, 31,675 barrels; total, 48,043 barrels. Production for the week ended September 8th: Venezuela, 18,014 barrels; Trinidad, 31,163 barrels; total, 49,177 barrels. Production for August: Venezuela, 78,249 barrels; Trinidad, 137,986 barrels; total, 216,235 barrels. Deliveries for August: Venezuela, 93,581 barrels; Trinidad, 142,810 barrels; total, 236,391 barrels.

BRITISH BURMA PETROLEUM COMPANY, LTD.—A cablegram has been received from Burma, reporting the production of crude oil for the month of August as 26,264 barrels.

DACIA ROMANO PETROLEUM SYNDICATE, LTD.—Gross production August: Dacia, 3,664 tons; Perimeter X, 6,690 tons; Starnapha, 445 tons.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of August amounted to 94,907 barrels, or approximately 13,558 tons.

LOBITOS OILFIELDS, LTD.—The production of the Peruvian company for August is cabled as 24,251 tons.

THE MEXICAN EAGLE OIL COMPANY, LTD.—The London financial agents of the Mexican Eagle Oil Company, Ltd., are advised that

the production for the week ended August 4, 1934, was 344,000 barrels. The production for the week ended August 11, 1934, was 345,000 barrels. Production for the week ended August 18th was 347,000 barrels. Production for the week ended August 25th was 356,000 barrels. Production for the week ended September 1st, 1934, was 358,000 barrels.

STEAUA ROMANA (BRITISH), LTD., are advised that the production of the Steaua Romana Company, Bucharest, for the month of July was 108,166 metric tons. Production of the Steaua Romana Company, Bucharest, for the month of August was 108,448 metric tons.

TAMPICO OIL, LTD.—The total production from the company's properties in Mexico during August was 14,305 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 1,073 barrels.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended August 11, 1934, was: Bolivar district, 692,508 barrels; Maracaibo district, 36,487 barrels. Production for the week ended August 18, 1934, was: Bolivar district, 698,594 barrels; Maracaibo district, 36,636 barrels. Production for the week ended August 25, 1934, was: Bolivar district, 704,772 barrels; Maracaibo district, 36,051 barrels; total, 740,836 barrels. Production for the week ended September 1, 1934, was: Bolivar district, 699,830 barrels; Maracaibo district, 36,915 barrels; total, 736,745 barrels. Production for the week ended September 8, 1934, was: Bolivar district, 711,383 barrels; Maracaibo district, 35,846 barrels; total, 747,229 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Deben- ture Interest	Amount Available for Distrib- ution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Deprecia- &c.	Balance Forward	Net Profit	Divi- dend
					Prefce.	Ordinary					
						Amount	Amount				
Financial Land, etc.		£	£	£	£	£	%	£	£	£	%
Clarendon Property Co.	July 31	...	38,819	38,819	15,605	13,762	6	...	9,452	...	...
Gas											
Alliance and Dublin Con- sumers' Gas.....	June 30*	28,635	53,445	82,080	...	54,315	7	...	27,765	54,635	7
Iron, Coal and Steel											
Lochgelly Iron and Coal ...	May 31	Dr 181,257	14,375	Dr 166,882	...	...	...	...	Dr 166,882	Dr 41,459	...
Motor and Cycle											
Halley Motors.....	Mar. 31	Dr. 53,754	Dr. 10,940	Dr. 64,694	...	...	...	...	Dr 64,694	Dr 11,635	...
Rubber, etc.											
Beaufort Borneo Rubber ...	Apr. 30	4,812	3,657	8,469	...	4,500	2½	...	3,967	45	Nil
Pahang Para Rubber	Apr. 30	Dr. 1,490	Dr. 129	Dr. 1,619	...	...	...	...	Dr. 1,619	Dr. 1,360	...
Textiles											
Calico Printers' Association..	June 30	33,596	164,872	198,468	150,805	...	...	...	47,663	123,926	...
Kirklees, Ltd.	June 30	2,597	11,777	13,774	...	...	...	10,000	3,774	2,013	...
Whitworth and Mitchell ...	June 30	4,244	74,648	78,892	30,000	44,375	10	...	4,517	69,623	12½
Trusts											
Capital and National Trust.	July 31	16,084	14,407	30,491	11,562	...	...	...	18,929	14,101	...
Second Alliance Trust	July 31	31,624	77,473	109,097	24,216	48,432	18	25,000	11,449	89,308	22
Tor Investment Trust	July 31	4,888	11,734	16,622	6,911	1,965	2½	2,245	5,501	8,964	2
Other Companies											
Bursledon Brick Co.	June 30	5,960	8,765	14,725	846	5,750	15	1,827	6,302	5,766	11½
Constable, Hart and Co.	June 30	18,226	15,280	33,506	...	15,445	7½	2,000	16,061	2,569	6
"Triplex" Safety Glass Co.	June 30	14,411	75,171	89,582	...	38,750	25	37,500	13,332	55,631	25
Union Cold Storage Co.	Dec. 31	201,137	947,460	1,148,597	720,000	100,000	10	125,000	203,597	951,530	10
Wolseley Sheep Shearing Machine	Dec. 31	5,759	Dr. 1,932	3,827	...	2,500	2½	...	1,327	Dr. 1,905	Nil

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MAIZE.—In Europe, increasing supplies of home grown feeding stuffs are affecting the demand for maize and forward Plate maize has been in less active request this week; quotations show a declining tendency. "September" futures were quoted on Wednesday at 78½ cents per bushel in Chicago, against 79½ cents a week ago and 75½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 24s. 9d. per 480 lbs., compared with 25s. 3d. last week; "Plate," ex ship, 23s. 9d., as against 24s. 3d.; "Plate," "September," 24s. 6d., as against 25s. Yellow maize meal, ex wharf, was quoted £6 15s. to £6 17s. 6d. per ton, against £6 15s. to £7 per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to September 11	Cwts. 64,859	Cwts. 118,467	Cwts. 355,593	Cwts. 476,680
2 weeks to September 11	107,617	208,632	702,462	832,961
Average price of English wheat per cwt.	s. d. 4 9	s. d. 5 8	s. d. 4 9	s. d. 5 1

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Sept. 4, 1934	Cwts. 356,281	Cwts. 110,998	Cwts. 33,883	s. d. 5 2	s. d. 10 10	s. d. 6 5
Sept. 11, 1934	476,680	378,572	36,882	5 1	11 0	6 6
Sept. 6, 1930	129,208	33,625	31,959	7 8	8 4	6 0
Sept. 5, 1931	42,758	22,454	17,859	5 1	10 2	5 9
Sept. 10, 1932	118,467	56,087	45,968	5 8	8 6	6 7
Sept. 9, 1933	355,593	356,831	48,605	4 9	10 10	5 3

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Sept. 13, 1933	Jan. 3, 1934	Sept. 5, 1934	Sept. 12, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	70½	65½	82½	83½
Chicago (No. 2 Winter)	55½	46½	88	84½	104½	105½
Cenit per 60 lb.						

The visible supply of wheat in Canada, at 99,738,000 bushels, shows an increase of 1,574,000 bushels. Supplies a year ago stood at 103,068,000 bushels.

OTHER FOODS

SUGAR.—After exhibiting an easier tendency earlier in the week the New York spot market in raw sugar became firm and, at the close on Wednesday, showed a gain of one point on the previous week. Quotations in London are, however, slightly lower on the week. The spot price of raw sugar in New York on Wednesday was 2.87 cents per lb., as compared with 2.86 cents per lb. last week and 3.27 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 4s. 6d. to 4s. 6½d., against 4s. 7½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	...	...	1,016	1,520	30,204	173,706
Liverpool	5,754	...	14,932	13,402	131,346	108,312
Total tons ...	5,754	...	15,948	14,922	161,550	282,018
Last week	9,155	8,457	16,866	14,976	171,744	296,930

COFFEE.—The New York spot market has been quiet, with prices showing some decline on the week. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The spot market in London, although steady on Wednesday, has also been quiet this week. Last week's movements of coffee in London were as follows: Brazilian, landed, 432 bags; delivered, for home consumption, 174 bags; exported, 18 bags; stocks, 27,795 bags, against 27,638 bags a year ago. Central American, landed, 284 packages; delivered, for home consumption, 1,833 packages; exported, 418 packages; stocks, 98,757 packages, against 90,197 packages last year. Other kinds: Landed, 1,556 packages; delivered, for home consumption, 2,399 packages; exported, 498 packages; stocks, 92,719 packages, against 88,118 last year.

COCOA.—The spot market in New York has exhibited an easier tone and quotations have shown a slight decline. Futures advanced earlier in the week, but the gain was not held and Wednesday witnessed a decline of about 7 points from the previous day's level. The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5½ cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, "October-December," was 21s. 3d. per 50 kilos, c.i.f. Continent, as against 21s. per 50 kilos last week. Last week's

movements of cocoa in London were as follows: Landed, 780 bags; delivered, for home consumption, 4,674 bags; exported, 1,480 bags; stocks, 231,163 bags, against 161,354 bags a year ago.

TEA.—The quantities catalogued for this week's auction comprised 55,712 packages of Indian and 26,482 packages of Ceylon tea. Competition for the former was generally good, but prices are slightly below last week's level. Ceylon varieties met with a less active demand and the market was generally weaker for the lower grades. Superior qualities were, however, still in good request at fully firm prices. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.					
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land
Sept. 7, 1933	d. 17-50	d. 11-24	d. 16-31	d. 9-29	d. 8-96	d. 9-90
Aug. 1, 1934	13-29	12-49	12-99	(a)	(a)	12-00
Aug. 16, "	13-59	12-23	12-90	10-28	9-89	11-58
Aug. 23, "	13-16	11-85	12-63	9-98	9-56	11-47
Aug. 30, "	13-66	11-65	12-45	9-70	9-48	11-41
Sept. 6, "	13-12	11-38	12-40	9-43	9-26	10-95

(a) No sales.

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 8s. 3d. per cwt., shows a rise of 1½d. on the week. Movements in London during the past week were as follows: Landed, 6 tons; delivered, 119 tons; stocks, 2,407 tons, against 5,950 tons a year ago.

POTATOES.—Plentiful supplies on offer met with a fair trade at steady prices. At the London Borough Market on Tuesday new crop "King Edward" sold at 6s. to 7s. per cwt., as compared with 6s. to 7s. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5½d. per lb. on Wednesday, against 5½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 55 tons; delivered, 15 tons; stocks, 279 tons, against 351 tons a year ago. White, landed, 24 tons; delivered, 47 tons; stocks, 6,441 tons, against 922 tons a year ago.

MEAT.—Trade for most descriptions of meat has tended to be quiet this week. Small pigs were in active request on Monday, but heavy pigs have encountered a slow trade, prices showing a slight reduction. Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. 6d. to 4s. 2d. per 8 lbs., as compared with 4s. 4d. to 4s. 8d. last week. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 4d. to 4s. a week ago. According to the Smithfield official market report, supplies during last week amounted to 8,747 tons, against 8,228 tons in the corresponding week last year. Imported beef, principally Argentine, formed 87.0 per cent. of the beef supplies, against 85.4 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 73.0 per cent. of the total supply of mutton and lamb, against 69.7 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Quiet conditions continued, and with demand for both oilseeds and their products slow, quotations generally showed an easier tendency. In regard to linseed, the favourable reports of the new Argentine crop and the prospect of a larger yield by 100,000 tons than previously expected, prices have eased. Old crop Plate is available at £10 10s. per ton shipment to November, while new is quoted £10 January-February. Indian linseed is also easier, with Calcutta to London offered at £11 17s. 6d. per ton, September-November. There is, however, very little trade passing. The quantity of linseed afloat for Europe has increased to 128,300 tons (including 23,500 tons from India), which is 5,400 tons more than last week; and for the United States and Canada 42,600 tons against 32,000 tons a year ago. The final official estimate of the Argentine yield next season is 1,440,000 tons, against 1,337,000 tons for this season. Argentina has an estimated unsold balance of the old crop of 293,000 tons—about the same as a year ago, and India is expected to send 125,000 tons, against 160,000 tons. Cottonseed is firmer on spot, but trade is slow. New crop Egyptian is quoted at about £5 5s. per ton for shipment.

Linseed oil has been in better request from consumers, and prices have been favourable. Raw oil ex Hull mill for delivery to the end of the year is now quoted £20 per ton naked. Cotton oil is quiet and lower in price. Egyptian crude is offered at £13 15s., and refined at £15 15s. ex Hull. Demand for oilcakes and meals is not so good, but prices are steady.

RUBBER.—The market in rubber was dull, and quotations showed an easier tendency. In New York, Wednesday's spot price for rubber, at 15½ cents per lb., compared with 15½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., as against 7½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for October-December, 1934, as against 7½d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 108,034 tons, show an increase of 3,396 tons as compared with the preceding week.

HIDE AND LEATHER.—Trading conditions have become rather more promising than they have been for several past weeks. Hide prices are more steady, and although the amount of business passing in some descriptions leaves much to be desired, more interest is being taken in offers of supplies. Some types of leather have also met with a better demand and quotations are showing a firmer tendency. At the auctions of hides and skins from home-

slaughtered cattle, held this week, demand continued fair. Best clear ox and heifers were generally unchanged to ½d. per lb. dearer, but in regard to other classes of ox and heifers the market was a trifle stronger. There was no alteration in prices for cows, with the exceptions of a slight reduction for those for first clears, while bulls were steady to ½d. per lb. advance. Calveskins were a fairly satisfactory sale and on average made rather more money. The market for foreign hides is in a little better position; although business in some sorts is still on the quiet side, there has been no set-back in prices. In the South American market fractional advances have been recorded both for wetsalted and dry descriptions, B.A. Frigorific ox having sold at an advance of ½d. per lb., while B.A. Americanos have realised rather more. In the African market, Capes command most attention, with sales of drys made

at 5½d. and 4½d. for firsts and seconds and 5½d. and 4½d. for dry-salted. Rather more interest has been taken in Australians, but actual business has not been large.

Business in sole leather has shown a further improvement, the demand for English and wetsalted bends covering most weights. There has also been a better inquiry for medium weight dry hide manufacturing bends, while turnover in the lighter averages has been fair. Pinned offal has been sought after more frequently and there has also been some request for rough sorts. Demand in the upper leather section has again been confined mainly to box and willow calf and glacé kid, but at the same time increased attention has been paid to patent, and in some directions turnover has been larger. Reptile and suede leathers have been sold in limited quantities.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON September 12th				POTATOES—				WOOL—							
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.							
GRAIN, &c.				per cwt.				" Lincoln hog, washed							
Wheat—	s. d.	s. d.		SPICES—	s. d.	s. d.		Queensland, sud. super cmbg.	23			Dry and Dried salted Cape...	s. d.	s. d.	
No. 2, N. Man. 496 lb.	32	9	33 3	Pepper, per lb.—	6	0	7 0	N.S.W. grey, super cmbg.	23			Market Hides, Manch'tr	0	5½	0 5½
Eng. Gaz. av., per cwt.	5	1		Muntok, fair White.....	0	10½		N.Z., grey, half-bred 50-58	10			Best heavy ox and heifer	0	4½	0 4½
Barley, Eng. Gaz. av.	11	0		Black Lampung	0	5½		Tops	10			Best cow	0	4½	0 4½
Oats,	6	6		Cinnamon—1st sort, per lb.	0	7		Merinos 70's	2½			Best calf	0	3½	0 4½
Maize, La Plata, landed,	24	9		Cloves—Zanzibar per lb.	0	6		" 64's	26½						
480 lb.	24	9		Ginger—per cwt.	28	0		Crossbred 48's	11½			INDIGO—			
Flour, Lon. stan. ex mill,	24	9		African—	28	0		" 46's	11			Bengal gd. red.-vio. to			
280 lb.	24	9		Jamaica, ord. to good.	70	0	95 0					fine	5	6	
Rice, No. 2 Burma, per cwt.	8	3		Mace	0	9	1 10	COAL—				LEATHER—			
Tapioca, per cwt.	12	6		Nutmegs, 65/-	0	10		Welsh, best Ad'ty., ton	19	6		Sole Bends 8/12 lb.—			
Fair Flake, Singapore..	12	6		SUGAR—				Durham, best gas, f.o.b.				per lb.	0	10	1 8
MEAT—				(Duty, 11/8 per cwt.)				Tyne	14	8		Bark Tanned Sole	2	0	3 0
Beef, per 8 lbs.				Centrifugals, 96", prpt.	4	6		Sheffield, best house, at				Shoulders fm DS Hides	0	6½	0 9½
English long sides	4	0	4 10	shipm., c.i.f. U.K./Cont.	17	6	19 6	pits	21	0	22 6	Do. Eng. or WS do.	0	11	1 4
Argentine chilled hinds	3	6	4 2	B.W.L., crystallised	17	6	19 6	IRON AND STEEL—				Bellies from DS	0	5	0 6
Mutton, per 8 lbs.				Java, white, c. & f. India	6	0		Pig, Cleveland No. 3, d/d.				Do. Eng. or WS do.	0	6½	0 9½
English wethers	5	8	6 8	Aug.-Sept.	6	0						Dressing Hides	1	2	1 8
N.Z. frozen	3	6	4 0	RYNIP—London—								Ro. Eng. Calf, 20/30 lb.	3	0	4 0
Lamb, per 8 lbs.				Yellow Crystals	17	7½		Bars, M'brough	192	6		Aust. Bends	0	10½	1 8½
N.Z. frozen	4	4	5 0	Cubed	21	9	22 3	Steel Rails, heavy	170	0		VEGETABLE OILS—			
Pork, English, per 8 lbs.	5	4	6 4	Crushed	19	6	20 0	Tin plates	per box 18	2		Linseed, naked, p. ton net	£ s. d. 19/15/0		
OTHER FOODS				Granulated	18	11	21 6	METALS—				Rape, refined	23/10/0		
BACON—				Home Grown	17	6	17 10½	Copper, Electrolytic, ton	30/10/0		31/0/0	Cotton-seed, crude	14/0/0		
English	100	0	102 0	Molasses, in bond	1	3		Sheets	53/0/0		27/8/9	Coconut, seed	17/15/0		
Irish	96	0	100 0	TEA—				Standard	27/8/9		27/10/0	Palm	13/15/0		
Danish	100	0		Indian—per lb.—				Lead, Eng. pig	per ton 11/15/0		10/8/6	Oil Cakes, Linseed, Eng.	8/10/0		
Dutch	94	0		Pekoe	0	10½	1 4½	Soft Foreign	10/11/3		10/8/6	per ton	8/10/0		
HAMS—				Broken Pekoe	0	10½	1 11	Spelter G.O.B.	12/7/6		12/11/3	Oil Seeds—Linseed—			
Canadian	96	0	98 0	Orange Pekoe	0	10½	2 7½	Tin—English ingots	230	0/0		La Plata, p. ton,	10/15/0		
American	88	0	92 0	Broken Orange Pekoe..	0	10½	2 8½	Standard cash	228/17/6		229/2/6	Sept.-Oct.	11/17/6		
BUTTER—				Ceylon—per lb.—				CHEMICALS—				Calcutta—per ton	11/17/6		
Australian	73	0	74 0	Pekoe	0	10½	2 0½	Acid, citric, per lb., less 5%	0	8½	0 9	Turpentine, per cwt.....	41	3	
New Zealand	75	0	77 0	Broken Pekoe	0	10½	1 1½	Nitric	0	2½	0 4	PETROLEUM PRODUCTS—			
Danish	108	0	110 0	Orange Pekoe	0	10½	1 11	Oxalic, net	0	0	0 5	Motor spirit, No. 1, Lon-			
CHEESE—				Broken Orange	0	10½	2 4½	Tartaric, English, less 5%	1	0	1 0½	don	1	4	
Canadian	50	0	52 0	TOBACCO				Alcohol, Plain Ethyl.....	12	0		Petroleum, Amer. rfd.	0	9½	
New Zealand	45	0		(Duty, 9/6-10/6 per lb.)				Alum, lump	per ton 8	15	9 0	brl. London			
English Cheddars	78	0	84 0	Empire growth, 7/5½				Ammonia, carb.	ton 27	10	28 0	Fuel oil, in bulk, for			
Dutch	52	0	57 0	8/3½ per lb.)				Sulphate	7	0	7 5	contracts, ex instal.,			
COCOA—				Virginia leaf	0	10	3 6	Arsenic, lump	per ton 35	0	40 0	Thames—			
(Duty, British grown,				Common to fine	0	10	3 6	Bleaching powder, per ton	9	0	9 10	Furnace	per gall. 0 3½		
11/8; foreign, 14/- cwt.)				Rhodanian leaf	0	10	2 6	Alum, plain	per cwt. 13	0		Diesel	per gall. 0 4½		
Accra, f.f.	21	0	21 3	Nyasaland leaf	0	9	1 6	Borax, gran.	per cwt. 13	0		ROBIN—			
Trinidad	38	0	46 0	" strips	0	8	2 6	Do., powder	14	6		American	per ton 14/5/0	16/5/0	
Grenada	30	0	34 0	East Indian leaf	0	3	0 10	Nitrate of Soda, per cwt.	7	9	8 0	RUBBER—			
COFFEE—				" strips	0	4½	1 6	Potash—Chlorate, net	0	4½	0 5	St. ribbed smoked sheet			
(Duty, British grown,				TEXILES				Sulphate	per cwt. 12	3	12 6	per lb. 0 7½	0 7½		
4/8; foreign, 14/- cwt.)				COTTON—				Sal-Ammoniac	per cwt. 6	45	6	Fine Hard Para	per lb. 0 5½		
Santos supr. c. & f. cwt..	50	0		Mid-American	7	15		Sa Bicar.	per cwt. 10	0	11 0	SHELLAC—			
Colombian, good	58	0	70 0	Sakellaris, f.f.	8	5½		Crystals	per cwt. 5	0	5 3	TN Orange	per cwt. 92	6	97 6
Costa Rica, med. to good	70	0	80 0	Yarns, 32's twist	10½			Sulphate of Copper, per ton	15	0	15 10	SHELLS—			
East Indian	62	0	80 0	60's twist	16½			CEMENT, best Eng. Portland, d.d. site,				W. Aust. M.-o.-P. ..	2	10	8 10
Kenya, medium	58	0	70 0	FLAX—				(charged and credited at 1/6d each) or				TALLOW—			
EGGS—				Livonian ZK	per ton 67	0	£ s. d.	paper bags (free, non-returnable)				London Town	per cwt. 18	6	
English	12	6	13 0	Pernau HD	Nom.			4 ton loads and upwards 38/- per ton							
Danish	11	9	12 6	Sianetz Medium 1st sort..	72	0		1 and up to 4 ton loads 40/- per ton							
FRUIT—Oranges—				HIMP				COPRA							
South African	12	0	18 0	Italian P.C.	per ton 55	0		S.D. Straits c.i.f., per ton	9/2/6						
Lemons, Sicilian	13	0	18 0	Manilla, Sept.-Nov. "J."	14	15		Smoked South Sea	6/17/6						
" Naples ... cases	14	0	18 0	Sisal, African	13	0	14 0	DRUGS—							
" Apples: Amer. (var.) brls.	12	0	25 0	JUTE—				Campor	s. d. s. d.						
Apples: Amer. (var.) boxes	8	0	10 0	Native 1st mks.	per ton			Japan, reamed	2	1					
" Australian	...			c.i.f. H.A.R.B.				Ipeacacuanha	per lb. 4	6					
Onions—				Sept.-Oct. ... (New crop)	£14/13/9			Peppermint, Wayne Co.	per lb. 15	0	15 6				
Valencia, case	8	6	10 0	Daise 2/3 c.i.f. Dundee	£14/5/0			HIDES—							
Egyptian, bags	...			Oct.-Nov.				per lb. 15	0	15 6					
Grapes, Lisbon, "J" boxes	5	0	12 0	SILK—	s. d. s. d.			Wet salting—Austrian	per lb. 0	3½	0 3½				
Almeria ... brls.	8	0	17 0	Canton	per lb. 3	0	3 6	West Indian	0	3	0 3½				
LARD				Tussah	3	0	3 6	Cape	0	3½	0 3½				
Irish bladders pr. cwt.	46	0	52 0	Japan	4	6	5 6								
U.S. 56 lbs. boxes ..	43	0	45 6	Italian—raw, fr. ... Milan	4	9	6 0								

† Exclusive of Government tax of 1d. per gallon.

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THE CONVERSION OF RUSSIA

THE entry of Russia into the League of Nations this week is an event of historic importance. It is a significant coincidence that Russia should have joined the League on the third anniversary of the day on which Japan broke her positive obligations under the Covenant. The day is being celebrated in Japan as one of national self-congratulation. The Japanese would do better to reflect that one of the chief consequences of their lawless action up to date has been this strengthening of the international organisation which Japan has done her best to ruin. The League is not only strengthened materially by the inclusion of a Power which is potentially far stronger than Japan herself. It is strengthened morally—and this is a greater matter—by a profound reversal in the policy of a Government which originally made itself master of one of the great countries of the world with the avowed object of using Russia as an instrument for achieving a world revolution by physical violence.

The entry of the Soviet Government into the League means that the rulers of Russia are converted to the idea that, in the world as it is, no State can preserve its existence, no regime endure, and no political movement continue, except within a framework of international order such as that of which the foundations have been laid in the League Covenant. Some of the critics of the Soviet Government and opponents of Communism have made haste to denounce the implied conversion of Russia's present rulers to the creed of international solidarity as being hypocritical, or at any rate self-interested. But even if this be true, to what conclusion does it lead? Let us consider for a moment the motive that has led to this interested action.

Russia has changed her policy to-day because two powerful neighbours of hers changed their policy yesterday and the day before. The Soviet Union has become eager to enter the League because she believes—and this belief is certainly genuine—that League membership can afford her some measure of security against the danger of a Japanese "and/or" a German attack. She has discovered the snag in her own previous foreign policy of playing the bad neighbour, and discovered it in that practical way in which most people, in most walks of life, do generally sooner or later discover the unprofitableness of

bad behaviour. She has suddenly awakened to find that the policy of Ishmael, which she had been practising, without much success, during the first dozen years of the Soviet regime, was perhaps on the point of being put into practice, with much greater effect, by Japan and Germany against the Soviet Union herself.

If this motive is not of the highest moral order, enlightened self-interest—or, to be more specific, a recognition of the advantages of mutual friendliness—is a good foundation on which to build the tradition and practice of what President Roosevelt calls "the good neighbour." It therefore offers a more substantial guarantee than any paper promises can provide that Russia, once a member of the League, will abide by her undertakings loyally. If the Soviet Union has joined the League for fear of Japan and Germany, can it seriously be supposed that her rulers will be so mad as to go on twisting the tails of France and Great Britain and Italy—or, for that matter, the tinier tails of Switzerland, Portugal and Holland—in order to exasperate her new associates into abandoning her, in disgust, when dangers threaten?

It may still, of course, be argued that, even if Russia, from whatever motives, does genuinely intend to observe her League obligations loyally, this does not justify the existing members of the League in admitting to membership a candidate so "steeped in sin." But this is carrying the conception of the League into fields which are quite beyond its scope and adopting an attitude repudiated by all those countries which have had relations with the largest single territorial unit in the world. While the League, like almost every human association, has an element of religion in the bond that holds its members together, it is on the whole less like a church than like a civil community in which membership is not a privilege but an obligation. For example, the Covenant demands that a non-member shall submit to the obligations of the League in a dispute with a member, just as municipal law demands that an alien shall submit to the law of the land in which he resides. The League's "land," in this sense, is the world, since international relations to-day are *de facto* world-wide. Is Russia to be punished for her sins by being prevented from renouncing her claim to immunity from the obligations of international law? Let those who

are inclined to think of the Soviet Government as a "criminal" reflect upon the implications of their simile. For we do not deal with criminals by placing them outside the law, but by insisting that they shall be under it. If a criminal surrenders to justice, do we kick him out of court and compel him to go on the loose again, on the ground that his presence pollutes the sacred precincts of the Goddess of Justice?

We have dwelt on these pros and cons because they have been aired during the last few days, not only in the Press of the world, but also in the lobbies and hotels of Geneva, where the controversy was accountable, last week, for that hitch in the proceedings for Russia's admission which we recorded in our last issue. By the end of the week, however, the arguments in favour of admission decisively prevailed; and, since then, events have moved rapidly. Unlike Portugal, Switzerland and Holland, the Great Powers did not feel that, in admitting Russia, they were either stultifying the League or contaminating themselves; and, by last Saturday, September 15th, the hitch had been overcome.

On that day, a revised telegram of invitation was addressed to the Soviet Government by the representatives of 30 members of the Assembly; the four Scandinavian countries, who were not among the 30, announced at the same time that they supported the invitation and that they would have signed the telegram if it had come from the Assembly as such, and not from the States individually. Therewith, Russia was assured of securing her two-thirds majority in the Assembly, and accordingly, on the same day, a letter of acceptance was addressed by M. Litvinov to the President of the Assembly. In this letter, the Commissar for Foreign Affairs announced that the Soviet Government was willing "to become a member of the League, occupying therein the place due to itself" [i.e. a permanent seat on the Council], "and undertaking to observe all the international obligations and decisions binding upon members in conformity with Article 1 of the Covenant." The letter also contained a quite reasonable reservation to the effect that Russia's acceptance of the Covenant's procedures for arbitration and judicial settlement should not be retrospective.

After the ground had been thus prepared by the preliminary exchange of communications, the Council met the same night and passed a unanimous vote to give Russia a permanent seat. This unanimity was obtained by the abstention of Argentina, Portugal and Panama, but the Polish vote was cast, and cast in the affirmative. Thereupon the Assembly, on Monday, referred the question of Russia's admission to the Sixth Committee, and on the same afternoon the Committee reported favourably. The Committee—which is coextensive in membership with the Assembly itself—made this recommendation by 38 votes to three. These adverse votes were those of Switzerland, Holland and Portugal; and there were seven abstentions, as well as five absences. As these latter twelve votes do not count, the majority by which Russia was eventually admitted was very much larger than the necessary two-thirds; and its importance is enhanced by its composition; for the "yeas" included the votes of France, Great Britain and Italy, the three members of the Little Entente, the three members of the Baltic Entente, Greece and Turkey, and also Poland, Hungary and Bulgaria (three votes which are perhaps especially significant because the three countries in question are at this moment all particularly restive).

The procedure was completed when the Sixth Committee's recommendation was accepted on Tuesday by the Assembly itself, and when the Soviet delegation, on the same day, took its place in the Assembly.

The discordant note which was struck by M. Motta (Switzerland), and sustained by M. Jaspar (Belgium), in the debate in the Sixth Committee on Monday afternoon, was more than counteracted by the answers which it drew from M. Barthou and Mr Eden. The British representative was undoubtedly expressing the view of his countrymen in welcoming the entry of Russia into the League on the ground that "our objective must always be to make this common council of the world as truly representative as we can."

THE NATION'S HEALTH

THE annual report of the Chief Medical Officer of Health for the year 1933, which was published this week, is an informative, and in some ways an encouraging, document. In spite of industrial depression and prolonged unemployment, the health of the public, even in the depressed areas, appears to show few, if any, signs of deterioration. Infant mortality, "a sensitive index of the general health," continued to show a decrease, and the rate of 64 per 1,000 births is the lowest ever recorded. Though there was a rise in the respiratory diseases group, presumably owing to the increased incidence of influenza, there was a definite decline in the diseases which are usually held to be the most sensitive indicators of debilitated conditions, such as tuberculosis and anaemia. The position is summed up concisely in the following sentences:—

The country has, in fact, passed through a series of lean years of economic depression without any material or exceptional rise in its general or particular mortality rates. That is the first broad fact. The second is this, the death rates which are most sensitive and susceptible of social or physical degeneration of a people remain steady and low—the mortality of women and children and the mortality caused by the diseases due to under-nourishment. Thirdly, there is no general increase of mortality among the unemployed themselves or their dependants, or even in the depressed areas as a whole.

There has, it is true, been a slight rise in mortality in Carmarthen, Glamorgan, Barnsley, Hull, Liverpool, and especially St. Helens, but for the remainder of the depressed areas the death rate remains about the same, or slightly lower, than in 1932. There is no evidence of a falling-off in the standard of nutrition of school children, which in many large towns, e.g. London, shows some improvement. Nor is malnutrition among adults, which is chiefly reported from the Tyneside and other dockyard areas on the north-east seaboard, at all widespread. Indeed, its "almost total absence" is described as "a noteworthy and encouraging feature of the reports from South Wales." The inquiries into the general health of the depressed areas confirms the conclusions reached in last year's report:—

Taking the country as a whole, the evidence appears to point to the conclusion that, except in certain localised areas, and in some special and restricted groups, there has been no general excess of sickness, ill-health or physical incapacity attributable to unemployment.

Gratifying as these results certainly are, they afford no grounds for complacency. Overcrowding, insanitation, and the constant anxiety created by lack of work are all factors conducing to ill-health which should be capable of elimination, and the toll of sickness upon the community is still in all conscience sufficiently startling when expressed in economic terms. Thus, the figures of sickness and invalidity show that during the year in England and Wales among the insured population only, and excluding loss due to sickness for which sickness or disablement benefit is not payable, there was an aggregate loss of 29 million weeks' work, the equivalent of a year's work of more than half a million persons.

In addition to these general conclusions, the report contains several sections of general interest on particular aspects or problems connected with the public health of the nation. Among these the section on tuberculosis is one of the most striking. Since the first national tuberculosis scheme was published twenty-one years ago enormous progress has been made in combating this "white scourge." We have now in England and Wales nearly 400 tuberculosis officers and 26,773 sanatorium beds as compared with fewer than six thousand in 1911. These largely increased facilities, together with improved methods of diagnosis and treatment, and by the application of X-rays, have enabled the number of deaths from pulmonary tuberculosis to be reduced from 33,505 in 1921 to 27,854 in 1933, while the mortality from tuberculosis of bones and joints has actually been halved during the last twenty years. The section on venereal diseases also provides some encouraging evidence on the decline in the incidence of syphilis, especially in the rate of transmission to wives and offspring, largely owing to the work of the V.D. clinics, which have

appreciably lessened the delay between the first appearance of the disease and the first recourse to treatment. The deaths from general paralysis of the insane in 1933 registered the lowest figure ever recorded, and Sir George Newman was able to venture the encouraging conclusion that "altogether it seems reasonable to claim for the V.D. scheme that it is steadily winning the battle against syphilis in this country." Gonorrhoea, on the other hand, unfortunately shows no evidence of decline.

The Report also contains an informative chapter on the co-operation of the public health services with the voluntary hospitals. The figures quoted show the enormous development in our national system of municipal hospitals, which now provide an aggregate total of 143,000 beds, nearly twice as many as those provided by the voluntary hospitals. It is pointed out that, in the opinion of the Ministry of Health, local authorities should have due regard to the facilities provided by the voluntary hospitals and should not duplicate them unnecessarily, and that in most areas it would be advantageous for the local authority and the voluntary hospital to agree on an arrangement whereby all patients requiring a particular form of treatment should be admitted to a particular hospital, especially in cases involving expensive materials, particular apparatus or highly specialised skill. It is clear that neither the municipal nor the public hospitals can by themselves cover the whole field adequately, and in the interests of the nation it is essential that unnecessary overlapping, to say nothing of actual friction, still too common in certain instances, should be avoided. The problem of conducting the two systems is one which will ordinarily have to be solved locally in each area. It is suggested that an important step in this direction would be the creation among the voluntary hospitals in each district of some joint organisation for the purpose of collecting funds, selecting cases, and interchanging staff, equipment and beds, etc.

OUR FOREIGN INVESTMENTS

THE uncertain behaviour of the exchange rates recently has aroused fresh interest in the question of the national balance of payments. Plausible short-term reasons can usually be found for the rise or fall of sterling from day to day, but within these swifter wheels may there not be wheels grinding more slowly, strengthening or weakening the long-term position of the pound? For six years now Sir Robert Kindersley has done economists and financiers the great service of collecting and publishing statistical information on British overseas investments and the income therefrom. His contribution to the September issue of the *Economic Journal*, though terse, is no less interesting than ever. Since the statistics take some time to gather, the detailed figures now published refer to 1931 and 1932, but a number of provisional estimates for 1933 are included, and from the trend we may reach certain tentative conclusions about the present year.

At the end of 1932, according to Sir Robert Kindersley's calculations, this country's investments abroad included £1,109 millions in the bonds of Dominion and Colonial Governments and municipalities, £323 millions in the bonds of foreign Governments and municipalities, £1,204 millions in British companies operating wholly or mainly abroad, and £719 millions in foreign and colonial companies whose securities are dealt in on British stock exchanges. Investments outside these classes—such as mortgages and other "direct" investments—are put at £285 millions. The total of £3,640 millions is £60 millions less than the equivalent figure for December, 1931. This decline in the nominal value of our overseas investments is due to a number of causes: the writing down of capital among foreign and colonial companies, and the lower balance-sheet values of shares of no par value in the same group; the repatriation of certain foreign bonds; and the operation of sinking funds and other normal means of repayment during a period when fresh investment was almost at a standstill. While the total invested in Government and municipal bonds within the Empire rose by £5 millions in the course of 1932, the total in similar foreign bonds fell by £14 millions.

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There has, indeed, been an almost continuous fall in our holdings of foreign bonds since 1928; in the course of four years they dropped by no less than £41 millions.

In spite, however, of defaults and of conversions to lower rates of interest, there has been no great decline in the aggregate receipts from overseas bond investments, as the following table shows. Sir Robert Kindersley explains that the depreciation of sterling against gold has increased the sterling income derived from bonds payable in gold currencies. In view of the great importance of this question for the future of international indebtedness, it would be interesting to hear from Sir Robert what proportion of British holdings of foreign bonds are so payable, and whether this does not affect the capital amounts in a like proportion to the interest.

INCOME FROM BRITISH OVERSEA INVESTMENTS, 1929-33

	1929	1930	1931	1932	1933*
	(£ millions)				
Foreign, Dominion and Colonial Governments and Municipalities	64.7	64.7	65.9	62.4	62.5
Companies registered in the U.K.	86.0	76.5	48.8	42.5	40.6
Companies registered abroad	61.7	51.0	40.8	39.2	39.6
Other investments	18.5	16.8	13.2	12.3	12.2
Totals	230.9	209.0	168.7	156.4	154.9

* Provisional estimates for 1933.

The average rate of return on our overseas investments in 1932 was 4.30 per cent., and in 1933 it is estimated at 4.26 per cent. The universality and depth of the slump make this figure remarkably high; very nearly two-thirds of British capital invested abroad in negotiable securities consists of bonds and debentures, on which defaults, though serious and sometimes spectacular, are a tiny proportion of the amounts regularly paid in spite of all difficulties. From 1931 to 1933, inclusive, British investors in foreign Government and municipal loans were deprived through defaults of only £19.3 millions (£11.1 millions of interest and £8.2 millions of sinking fund). The withheld interest represented only 5½ per cent. of the amounts due on all Government bonds (including those of Dominion and Colonial Governments and municipalities). Whether, outside Germany, there will be further defaults in the near future is a matter for speculation, but none is obviously in the offing.

While repayments to the United Kingdom through sinking funds and maturities totalled £55 millions in 1933 (provisional figure), British subscriptions to new issues for overseas (including issues used for effecting any of the above repayments) totalled only £50 millions. To this credit balance must be added a certain repatriation of foreign and Dominion bonds. It will be recalled that, according to the estimates of the Board of Trade,† this country had a debit balance of £4 millions on all current external transactions last year. This figure should, apparently, be increased; for the Board of Trade raised the estimate of net income

† See *Economist*, February 24, 1934, p. 390.

from overseas investments by £10 millions compared with 1932, whereas Sir Robert Kindersley now calculates that the gross income fell by £1½ millions. As foreign investments in this country actually showed signs of increasing after 1931, the net figure must, presumably, also be reduced by at least £10 millions, and probably more. Thus, even on the most favourable reckoning, our credit balance in long-term capital movements did no more than fill the deficit on current transactions. Nothing but a net inflow of short-term money could therefore have been available to pay for the gold (amounting to at least £100 millions) that was imported in 1933, other than amounts merely held on safe deposit for foreign interests and therefore not affecting the exchanges.

What are the prospects for 1934? The better trading results experienced by overseas concerns, especially in plantation industries, should be reflected in higher average dividend payments on the third of our capital abroad that is in non-fixed interest-bearing securities. On the other hand, the area of default is as wide as ever, the nominal amount of capital outstanding is already less, and the process of conversion to lower rates of interest continues. In sum, our net income from overseas investments may be higher, but not by more than a few millions. Capital repayments, which were somewhat fortuitously high last year, may not prove enough this year to cover new subscriptions to overseas issues, now that the Treasury has been partly relaxed. Can we look for a smaller debit balance in merchandise trade? Sir Robert Kindersley remarks that "the improvement in domestic trade has necessitated larger imports of raw materials, with the result that the balance of payments has probably resumed its adverse tendency." The excess of imports over total exports of merchandise was indeed £28 millions higher in the first eight months of 1934 than in the corresponding period of last year, almost entirely for the reason mentioned by Sir Robert.† We are, obviously, as far as ever from material self-sufficiency, and if that hoard of gold piled up by the Bank of England is to be regarded as unavailable, then the continued weakness of sterling can be explained by long-term as well as short-term factors.

THE POTASH CARTEL

SOONER or later most cartels which attempt to exploit the consumer break down under the weight of an increase in uncontrolled production and substitutes. The Potash Cartel, which was formed at Lugano early in 1926 by the French and German producers, and subsequently joined by Poland in March, 1932, enjoyed a virtual monopoly of this fertiliser for a number of years, a position of which it did not altogether fail to take advantage. But although the cartel was never able to exploit consumers, for the latter represent a fairly powerful political force, its position has recently been weakened by the emergence of Spain as a large-scale and low-cost producer of potash with a limited home market. It is therefore of interest to re-examine the position of the potash industry. The development of production in the principal countries since 1929 is shown below:—

WORLD PRODUCTION OF POTASH

(000 metric tons : K₂O content)

	1929	1930	1931	1932	1933
Germany	1,787	1,608	1,077	871	940
France	531	545	368	326	322
Spain	23	28	28	55	93
Poland	62	54	49	59	30
United States	56	56	58	56	143
Palestine (estimated on 14 per cent. basis) ..	...	...	15	14	18*
Russia	...	...	...	...	20*
Total	2,459	2,291	1,595	1,381	1,566

* Estimated.

† See page 532.

The potash industry in Germany was organised in a compulsory syndicate by the Potash Law of 1910, and ever since the war has been to a considerable extent under Government control. The Reichskalirat, or Potash Council, was formed in 1919. It consisted of 30 members representative of producers, consumers, labour and salaried personnel and State authorities. One of the chief objects of the Potash Law, passed at the end of 1933, is to introduce the leader principle into the industry, and to replace the Potash Council by a Potash Examination Board. The control exercised by the Government is now almost complete, and Government decrees have replaced the more or less democratic decisions of the Council. On the other hand, little has been done to alter the internal structure of the industry, and the existing quotas are to stay unchanged for some time, the prohibition against the opening of new mines being also extended. In spite of intensification of competition in export markets and the resultant fall in prices, the outlook for the industry in Germany is now more favourable than for several years past, chiefly owing to the marked improvement in domestic consumption last year and the recovery in exports since the latter part of 1933, and because of the internal strengthening which would result from the proposed Burbach-Wintershall merger. As far as sales are concerned, these reached 940,000 metric tons (K₂O content) in 1933—an increase of 11 per cent. on the 1932 figure, and approximately up to the 1931 level. Of these, 720,000 tons (77 per cent.) were on the home market, against 640,000 tons in 1932, so that the gain in home sales, of 12.5 per cent., was greater than in exports. Although prices have fallen by about 30 per cent. since 1929, the decline was less pronounced than in the case of many other commodities. Moreover, behind the protection of the rigid quota arrangements a good deal of reorganisation, concentration of production, and reduction of costs has gone on, and there is no doubt that the latest reorganisation scheme, which will leave only three important groups in the field, will be a further contribution in the same direction.

In France, apart from the effects of the intensification of outside competition in the export markets of the cartel and of a contracting home market, in which sales fell by 26 per cent. between 1929 and 1932, the industry has had to face the prospect of increased production owing to the development work carried out by the Mines de Blodelsheim, and sales of Spanish potash on the French market. The French production is divided between the State Mines (Mines Domaniales de Potasse d'Alsace), which in 1933 produced 247,640 metric tons (K₂O content), or 76 per cent. of the total; and the Mines de Kali-Sainte-Thérèse, which produced 78,000 tons. These two concerns have a joint marketing organisation. The first move made to surmount these difficulties was the passage of a Bill in July, 1933, despite considerable opposition from the chemical industry. This Bill provided, among other things, for the nationalisation of all potash mines, and accorded monopoly rights for all future potash discoveries in France or the French colonies to the Mines Domaniales. At the same time, negotiations were entered into between the Monopoly and the Blodelsheim company with a view to the inclusion of the latter. More recently, a second move has been made to protect the French market from Spanish imports by the establishment of a quota from April 28, 1934.

Some interesting figures were recently given by the chief engineer of the Alsatian mines illustrating the increase in technical efficiency which has been achieved in recent years. The output per man underground was 2.27 tons per shift at the end of 1932, against 2.09 in 1929—an improvement of nearly 9 per cent.; while, owing to better separation and washing methods, the content of crude salts extracted rose from 17.09 per cent. to 18.21 per cent. of K₂O over the same period—an increase of 6.5 per cent.

The development of the Spanish potash industry has been very rapid. Production was started in 1925 by the Minas de Potasa de Suria, a company formed in 1920 in which the Belgian Solvay concern and the Kalisyndikat are interested. This company remained the only producer until 1930, when it was joined by the Union Española de Explosivos, in which Imperial Chemical Industries are interested. The third producer, Potasas Ibericas, which is controlled by the French "Péchiney" concern (Cie. d'Alais, Froges et Camargue), but in which the Mines de Kali-Sainte-

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Thérèse also have an important interest, started in October, 1932. It is scarcely likely that these three companies will remain the only producers. Already there are two further concession companies, La Fodina and La Minera, in which German capital is interested, investigating areas north of Sallent, and both are expected to start operations in the current year.

The Spanish Government exercises fairly close control over the potash industry through the Oficina Reguladora de la Producción Fabricación y Venta de Sales Potásicas, and lays down each year a production and price programme, including maximum and minimum production, and maximum domestic and minimum export prices. The potash consumption in Spain is relatively small, and fell from 23,833 metric tons in 1932 to 17,559 tons in 1933 (of which Suria supplied the largest individual share), so that all the companies have to rely chiefly on exports. It is difficult to express any opinion as to the ultimate level of Spanish exports and, hence, production. The deposits are not far from the sea, and production costs are low, partly owing to the fact that the shaft depths are often less than half those in France and Germany, so that it is almost certain that the present rapid growth will continue in the near future. The figures for the first half of the current year are very striking. Total exports of crude salts (the potash content of which is not available) were 65,900 metric tons, valued at 10.1 million gold pesetas, in 1932; 198,600 tons, valued at 19.9 million gold pesetas, in 1933; and 161,400 tons, valued at 11.6 million gold pesetas, in the first half of 1934. An indication of the severity of competition in international markets is given by the figures for average export prices, namely, 154 pesetas per ton in 1932, 100 in 1933 and 72 in January-June, 1934. The United States, which took considerable quantities of Spanish potash in 1933, increased in importance as a market in the first half of 1934 and took 40 per cent. of the total exports, whereas the relative importance of the Dutch market declined.

During February and March prolonged discussions took place at Nice between the Cartel and the Spanish producers with a view to securing the adherence of the latter. The Cartel, when faced with a demand for a larger export quota than they were prepared to agree to, urged that the Spaniards should start a propaganda campaign directed towards expanding their home market and reducing their dependence on exports. The Spaniards, who sent representatives from each of the chief producers, pointed out that in any case no immediate entry into the Cartel would be possible, since they had no national organisation, but the discussions ended in a friendly atmosphere, and it was agreed to resume them after the lapse of a few months, during which the formation of such an organisation would be considered.

There have been two other disturbing factors for the Cartel in Russia and Palestine. Not long ago many experts held that, while it was very doubtful if the production stage would be reached at Solikamsk, export was quite out

of the question owing to transport difficulties. The first Russian export deliveries actually took place towards the end of 1933, and since then considerable progress has been made, not only in Western and Northern Europe, but also in Japan, Canada and the United States. Total exports in the first half of the current year are reported to have reached 50,000 tons of pure potash, equal to about half the Spanish production last year. There is no doubt now that Russian exports are going to play a big part in the world situation. As far as production is concerned, apart from the Solikamsk shaft, a new shaft has recently been completed at Syrjanka, near the Beresniki Chemical Combine. The Solikamsk mine at present has a nominal daily capacity of about 4,500 tons of crude salts, although the actual output probably does not exceed 2,200 tons, which is about equal to the present throughput of the working-up plant (which produces 85 per cent. potassium chloride). On this basis the annual output calculated as pure potash would be about 70,000 tons.

In Palestine the output is in the hands of Palestine Potash, Ltd., and although litigation is at present in progress with regard to the validity of the concession, this company appears to have a fairly assured future. The output of crude salts last year was about 130,000 tons, but it is expected that work carried out at the north end of the Dead Sea will enable the capacity to be doubled during the current year, while considerable survey work has also been done at the southern end of the sea, where an area of 62 sq. kms. has been applied for. It will be remembered that, according to the terms of its concession, the company is committed to increasing output fairly rapidly.

As for the future, much depends on the trend of agricultural commodity prices. During the last few years purchases of fertilisers in all countries have been reduced to a low level, and even the slight general improvement last year led to a marked increase in consumption. If this is continued, there may be less difficulty in absorbing the greatly increased world output of potash than is now the case.

AUSTRALIA SEES IT THROUGH

THE Federal elections in Australia, which were held last Saturday, have resulted in a substantial victory for Mr Lyons, the present Prime Minister, or, rather, to put it more accurately, in a decisive defeat for Labour. The complete returns are not yet available at the time of writing, as the position in several seats, notably in Tasmania, is still uncertain; but it is clear that the United Australia Party retains by far the biggest representation in the Lower House, their probable representation being 34 seats against 17 of Federal Labour, 14 of the Country Party, and 9 Lang Labour. This means that, in a house whose numbers

will be reduced by one member, the United Australia Party has lost 4 seats, the Country Party 2 seats, and Independents 2 seats, while Federal Labour has gained 3 and Lang 4 seats. The gains of the latter party were due mainly to its victory in New South Wales over Federal Labour, which will probably only retain one seat in that State.

The new House will thus have a decidedly anti-Socialist majority, though the United Australia Party has lost its majority over all other parties, and will therefore be more dependent for its security on alliance with the Country Party. As Mr Lyons has two vacancies in his Cabinet to fill, caused by the retirement of Mr Latham, the former Leader of the Nationalist Party, and Senator Lawson, it will be interesting to see whether the understanding reached between the two parties for purposes of the election will ripen into a Coalition. The recent denunciation by Dr. Page of the new cotton duties imposed by Mr Lyons with an eye to the election illustrates the one fundamental difference of principle keeping these two more conservative parties from uniting. But the Country Party will now definitely hold the balance of power in the new House, and Mr Lyons has already promised to review the question when the election is over. Unless, therefore, Dr. Page sets his price too high, the prospects of definite co-operation between the two parties looks much brighter than it has been hitherto.

While Mr Lyons is therefore no longer his own master to the extent that he was after the election of 1931, the position of Mr Scullin in the Labour movement appears to have been distinctly weakened; his party has been decisively defeated in New South Wales by that of Mr Lang, who has proportionately effected a greater improvement in his position in the new House. Moreover, his personal prestige has suffered somewhat from the large increase in the poll of his Communist opponent.

But these are minor details compared with the all-important fact that the Australian elector has once more voted for sound finance, for finance was the chief issue at the election. It might have been expected that after the rapid recovery made in the last three years, and the brighter prospects in store, the voter would have been called back to old party allegiances and seduced by the more glamorous financial policies put forward by the two Labour leaders. But, in spite, or rather, perhaps, because of the superficially attractive proposals for the nationalisation of banking and currency advocated by Mr Scullin—to say nothing of the blandishments exercised by a number of "Douglas credit" candidates who in more than one constituency polled a surprisingly large number of votes, though not a sufficient number to secure election—he has decided to "see it through" on more orthodox lines.

For though Federal finances are once more in order, and Mr Lyons last year was able to remit taxation to the extent of £10 millions and to embark on the restoration of "cuts," State finances have not yet all of them completely recovered from the disorders of the great depression, and there are still the remains of deficits to be extinguished. It is evident that the memories of threatened repudiation, which indeed became momentarily an actual fact under the misgovernment of Mr Lang so far as New South Wales was concerned, have not been forgotten. Moreover, Mr Lyons was able to demonstrate the actual rewards of virtue by pointing to the considerable savings which the Commonwealth has been able to effect through the recent conversion of its sterling loans. He was with justice, too, enabled to claim credit for his success in carrying through the Premiers' Plan and for the very rapid economic recovery which followed its execution, though it should not be forgotten that the stars, especially in Aries, as well as the economists, have been fighting on his side. The rise in the

price of wool, and more recently in that of wheat, has entirely changed the economic picture. His policy has not, perhaps, shown any decisive bearing on the solution of the great long-range questions of Australian politics, such as constitutional reform—an issue raised in a semi-acute form by the secessionist movement in Western Australia—the development of the Northern Territory, or the direction of trade policy. But it has been able to claim some success for its piecemeal achievements, such as the sliding scale for the wheat bounty and the reference to a Commission of the vexed question of State demands for federal subvention, which underlies the secessionist clamour in the Western State. His provision of a "recovery loan" for the relief of rural debtors, of continued fiscal security for the home market, and his undertaking to negotiate commercial treaties for the expansion of the export trade, as well as his approval of Dr. Page's request for an inquiry into the banking system "if Parliament so desired," were all cleverly calculated to secure support from different sections of the community.

It is not at all surprising in the circumstances that this rather humdrum makeshift policy should have been preferred by the electors to the wild irresponsibilities of Mr Lang, which nearly brought the State of New South Wales to disaster, or to the milder inflationism of Mr Scullin. The object-lesson of 1931 was evidently still fresh in their minds, and the success of the skilful (but also lucky) combination of deflation and inflation contained in the Premiers' Plan was too obvious to be ignored. A conspicuous failure might perhaps have reversed the overwhelming verdict of 1931, which reduced Mr Scullin's following from 76 to 14, and that only if the Opposition had been firmly united. But for the last three years Labour has spoken with a divided voice. In spite of the reconciliation patched up between the adherents of Mr Lang and Mr Scullin in South Australia, Victoria and Tasmania, the Labour movement, once the most cohesive force in Australian politics, has been torn by irreconcilable internal conflicts, and the emergence of a Douglasite faction has added to the confusion. The extremism of Mr Lang has been too violent and too unconstitutional to attract more than a comparatively small section of a democracy which in a characteristically Anglo-Saxon fashion is wedded to a *socialisme sans doctrines*; while Mr Scullin has once more found himself uncomfortably falling between two stools. While, therefore, it may be said that Mr Lyons owes his success in some part to the divided counsels of his opponents, he owes far more to the healthy reaction of his compatriots against the extravagances which only three years ago were threatening the economic stability of the Commonwealth.

What influence this comparatively insignificant redistribution of forces will exercise upon Australia's general economic policy must for the moment remain a matter for conjecture. A *prima facie* guess would seem to suggest that Mr Lyons's somewhat increased dependence on the support of the Country Party will tend, if anything, to reinforce the slight downward movement in the Australian tariff, which was noticeable until quite recently, for we may reasonably expect the interests of the primary producer to obtain a rather greater emphasis in the Government's programme. But no very marked change in policy need be anticipated. For since the time of Ottawa Mr Elliot has begun to threaten the Australian producer with restrictions on his exports to this country. It is consequently less likely than it was that Australia will be willing to jeopardise her home industries for the sake of the British market.

Some, no doubt, will be tempted to point the moral for this country of Mr Lyons's victory. Has not the parallel been remarkable between the political history of Great Britain and Australia in the last five years? Will the parallel hold and Mr Macdonald lead a National Government once again to power? This Antipodean analogy is seductive, but in two important respects it is false. In the first place, the British Labour Opposition has not been split in two by the crisis. And in the second place, Mr Lyons's first Government cannot be reproached for basing its legislative programme upon a policy which he had not put fairly before the country. It would consequently be rash to conclude that what Australia thinks to-day of Mr Lyons, England will think of Mr Macdonald to-morrow.

NOTES OF THE WEEK

Deadlock in South Wales.—The danger of a strike in South Wales has become real and urgent. On Monday, October 1st, the miners' notices to terminate the present wage agreement are due to expire. Representatives of the workers and owners met on Tuesday, but failed to reach a settlement. Statements were afterwards issued by each side; and the position is now as follows. The owners assert that the suggested restoration of the 1931 wage cut would mean a heavy loss and that this is shown by the quarterly ascertainties of trading results. The men reply, first, that recent quarterly ascertainties have been better than those which preceded the grant in 1928 of the higher wage level now claimed; and, secondly, that the quarterly ascertainties are now in any case meaningless owing to the close financial connection between the colliery and distributing companies. It is suggested that the companies are really single units and that the collieries sell to the distributing agencies at artificially low prices. The question of arbitration is also at a deadlock. The owners demand an "independent and impartial" body, and the men, not unmindful that it was a lawyer who recommended the 1931 cut, insist on the appointment of persons with industrial knowledge and experience. The strength of the men's case consists in the fact that, on the advice of the Government, they referred the dispute to the National Industrial Board set up by the Coal Mines Act of 1930; and that this Board, on the evidence of the quarterly ascertainties, recommended the restoration of the cut. A very heavy responsibility now rests on both sides, since a strike would admittedly be disastrous. Surely it is not beyond the wit of the miners and the owners, and the Ministry of Mines, to devise a board of arbitration which shall include both independent and experienced members?

Silence, Safety and the Roads.—The prohibition on nocturnal motor horns in built-up areas came into force throughout the country on Sunday night. Undoubtedly the fortnight's test in London has been a success on the whole, though one fatal accident due to the prohibition has been reported. As soon as it is generally known that the regulation allows the sounding of horns at moments of emergency, there should be no accentuation of danger to offset the blessing of increased quiet. Encouraged by his success in creating silence, Mr Hore-Belisha is now turning his attention to safety. The present pedestrians' crossings in London are to be replaced by a combination of reflecting "beacons" and steel studs on the road surface; and it is now stated quite clearly that pedestrians have absolute priority at "uncontrolled" crossings. This regulation should be made known as widely and unambiguously as possible among both pedestrians and motorists. If it is generally known, the number of fatal accidents ought to be reduced—at the inevitable cost of some slowing down of the traffic. If it is not known, the crossings may easily result in an actual increase of danger. Mr Hore-Belisha has not yet tackled the problem of accidents occurring outside built-up areas and not involving pedestrians. The erection of signs at all cross-roads to indicate which is the minor and which the major road would probably do far more to diminish these accidents than anything else, short of a change in human nature. There would be no need to enforce an absolute stop on those approaching the major road. The instinct of self-preservation would be sufficient; and both safety and speed would be increased as a result of the change. At the opening of the new road to the London Docks last week, Mr Hore-Belisha announced that in making grants from the Road Fund he would "give preference to works of utility which have in them the germ of imagination and foresight." It would be too much to hope that this announcement presages any departure from the Government's policy of damping down road development for the sake of "economy." But some more rational treatment of our cross-roads—which would cost practically nothing—may perhaps be expected from the enterprising Minister of Transport.

Wars and Weapons.—The war in the Chaco between Bolivia and Paraguay came up once more for discussion at Geneva on Wednesday. The two countries concerned are prepared to join in the League's deliberations, and they appear to have no great objection to an arms embargo, although Bolivia as a land-locked State considers that she would be somewhat at a disadvantage thereby. Indeed, the absence of modern weapons seems to be accepted as another welcome step on the road back to primitive barbarism which both countries are determined to tread. The one thing they will not do is to suspend hostilities. In the circumstances the only practicable procedure for the outside world is to enforce an absolute arms embargo, and it is an international scandal that this has not yet been brought about. Great Britain, the United States and most other countries have already stopped shipments, but other countries have accepted the embargo "in principle only"—which appears to mean not in fact. Italy, which is one of these acceptors "in principle," has laid it down that "no decision on an international scale about the prohibition of export of war material could be taken so long as no decision had been reached on the responsibilities of the two countries to the conflict"—an *obiter dictum* which appears to bear no precise meaning other than the indefinite continuance in fact of shipments of arms already disapproved of in principle. It almost passes belief that language of this sort can still be talked at Geneva in spite of the disclosures that continue to be made at the American Senate investigation into the arms traffic. On the very day of the Geneva discussion, the Senate Committee in Washington was examining the representatives of a company which has been supplying war material to both Bolivia and Paraguay because they "did not wish to discriminate." Letters were read in which the representative of the company expressed the opinion—unhappily false—that "unfortunately for us it looks as though the trouble they were having is going to be settled amicably." The same individual on another occasion frankly confessed that "the unsettled conditions in Latin-America have been a great thing for me." Testimony of this sort is nauseating, and it is becoming daily clearer that nothing short of the total abolition of this calculating wickedness will satisfy the conscience of the world. We are glad to note that the National Liberal Federation has adopted a resolution calling for a British inquiry "on the same fearless lines and as public as that being carried on in America." We trust that the Government will appreciate the paramount necessity of acceding to this demand.

Eastern Locarno or Austrian Guarantee?—The drift towards solidarity is at this moment the prevailing current in Europe. It has already carried Russia into the League and Italy a long way towards a *rapprochement* with France. It is true that there are counter-currents, the most important being the joint Polano-German opposition to the Franco-Russian scheme for an Eastern Locarno. It looks, however, as though these contrary tendencies would merely modify the shape in which the European situation will crystallise, without being able to bring the process of crystallisation itself to a stop. The Franco-Russian idea was to establish, between Germany of the one part and Poland, Czechoslovakia and Russia of the other, a pact on the same lines as the existing Pact of Locarno which regulates Germany's relations with France and Belgium; and the two pacts were to be linked together by a French guarantee of the Eastern Pact and a Russian guarantee of the Western one (in addition to the British and Italian guarantees that are already in force). This project was never welcomed by Germany, whose present rulers continue to declare their devotion to peace and invariably hold back from committing themselves to any positive arrangements for maintaining it. The German note, on the subject of the Eastern Locarno project, which was addressed last week to the four other European Great Powers, has not yet been published, but it is understood

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to convey a virtual refusal, on Germany's part, to participate. Since a Polish refusal is also virtually certain, this particular project seems likely to fall through. But this Polish and German attitude will certainly strengthen the relations between France, Russia, the Baltic States and Czechoslovakia; and Czechoslovakia will do her utmost to carry with her the other two members of the Little Entente. Meanwhile, the *rapprochement* between France and Italy has opened up the possibility of taking, as the nucleus for crystallisation, not the frontier between Germany and Poland, but the frontier between Germany and Austria. Though the question of the admission of Russia to the League has so far pushed all other topics into the background this year at Geneva, there has already been some informal talk there of a guarantee of Austria's independence. This guarantee is now practical politics; for on the political side it could be effectively given by Italy and France acting in concert, while the necessary economic corollary of breaking down the post-war economic barriers in South-Eastern Europe could be achieved by the co-operation of a majority of France and Italy's present South-Eastern European satellites, even if Hungary were to break away. A re-solidification of South-Eastern Europe into an equivalent of the old Danubian Empire would leave the Polish region as the one outstanding area where a permanent equilibrium has yet to be attained. Germany and Poland may yet come to think differently of the utility of an Eastern pact.

* * *

Colonel Beck and the Polish Minorities Treaty.

The present policy of Poland is difficult to understand. Not content with flying in the face of both France and Russia in the matter of the Eastern Pact, Poland has brought general odium upon herself at Geneva by declaring her intention to repudiate a diplomatic instrument to which Poland is a party, though this instrument is an integral part of the Peace Settlement, and the sacrosanctity of the Peace Settlement is Poland's palladium. On the 13th of this month, in the League Assembly, the Polish Foreign Minister, Colonel Beck, took two steps. He reintroduced, for discussion, a previous Polish proposal that the obligations for the protection of minorities, which are at present binding upon certain States members of the League, should be extended to all other members; and simultaneously he announced that, pending the translation of the minorities protection clauses into a general convention, the Polish Government, for its own part, "finds itself compelled to refuse, as from to-day, all co-operation with the international organisations in the matter of the supervision over the application by Poland of the system of minority protection." This announcement is indefensible, for the facts are these. "International organisations" in this connection mean the League; the League's procedure for dealing with minorities questions has been worked out with the concurrence of the Polish Government; and the League has a *locus standi* because it is expressly entrusted with the task in a treaty signed in Paris, on June 28, 1919, by Poland of the one part and the principal Allied and Associated Powers of the other. In Article 12 of this instrument, the stipulations on behalf of minorities in Poland are defined as "obligations of international concern" and are "placed under the guarantee of the League of Nations"; and it is agreed that "they shall not be modified without the assent of a majority of the Council of the League." The conclusion of this Polish Minorities Treaty is provided for in Article 93 of the Versailles Peace Treaty—an instrument which is itself the charter of Poland's reappearance upon the political map of Europe. Poland has now declared her intention to denounce the treaty of June 28, 1919, by a unilateral act, without the consent of the other parties to the instrument, and this announcement has drawn a severe reproof from Sir John Simon, representing one of these parties, and by M. Barthou and Baron Aloisi, representing two others. Meanwhile, in Poland itself, there have been official celebrations of the country's "release from a national humiliation." There would be much to be said for the "universalisation" of the minorities treaties if it were the case that Poland seriously cared for this object or believed that it was attainable. We fear, however, that she is simply putting it forward as a pretext for repudiating her own national obliga-

tions. The post-war history of Poland's minorities (who amount to one-third of her population) proves their abiding need of all the protection that the existing treaty can afford them. The German minority, among the rest, has suffered severely; yet the Nazi Press has no hard words for Colonel Beck. Even when it is at a German minority's expense, the opening of a fresh breach in the sacrosanctity of the peace settlement is a matter for rejoicing in Nazi eyes. The Poles would be wise to ponder over the significance of this German attitude towards a Polish folly.

* * *

Deflation in France.—M. Doumergue's Government is still looking to deflation to find a way out of the intense depression now prevailing in France. The details of the 1935 Budget, which is to be balanced by new economies, and the Finance Minister's case against devaluation, are summarised by our Paris correspondent on page 534. M. Germain-Martin still believes that a reduction of expenditure, taxation and the cost of living will set recovery going. He was clearly conscious, however, of the fact that recovery has already gone far in the non-gold countries, and he consequently attempted to show that France was in an entirely different position. Japan had been forced to protect her gold reserve; the United States wished to raise prices; and Great Britain's trade was carried on almost entirely with countries dependent on sterling. France, on the other hand, was prepared to lose gold, wished to lower prices, and did not live by international trade. There is some substance in these distinctions of M. Germain-Martin, but we cannot agree with his view that France is no worse off than other countries or that British unemployment is "out of all comparison" with that of France. French unemployment to-day is at a record level—simultaneously with an almost record gold holding; and depression has been intensified in the last six months in France, while in the non-gold countries there has been fairly continuous recovery. The depreciation of the dollar and the pound last January undoubtedly left French costs out of equilibrium with the external value of the franc, and depression and unemployment were intensified. During the spring and early summer French prices fell while sterling and dollar prices rose, and some approach to a new equilibrium may have been made. Lately, however, sterling has again depreciated, and French prices have actually shown a tendency to rise. Almost certainly the franc is again over-valued. Unemployment is increasing, and the consequent pessimism has depressed the price of Government bonds and so interfered with the reduction in interest rates. Will not more, and still more, "economies" be necessary to balance the Budget in these circumstances? M. Germain-Martin wishes to bring French exporters' prices into adjustment with those of their foreign competitors by reducing French costs. And in order to do this he wishes to reduce the cost of living. But the cost of living is the one thing which cannot be reduced, thanks to agricultural protection and indirect taxes generally. If prices were high as a result of strong demand and not of high indirect taxes, trade would be booming and there would be no need for price reductions. If taxation is to remain, however, and prices are to be cut, costs will have to be cut still further. Holland is in the same dilemma, as our letter on page 536 shows. M. Germain-Martin revealed a remarkable confusion of thought in actually arguing that disboarding must not be encouraged, since it would lead to expenditure and so to higher prices. It is indeed a mad world in which the Americans artificially raise prices so high that people cannot buy and the French discourage them from buying in order to reduce prices! Despite all M. Germain-Martin says, we doubt whether anything but devaluation can correct the artificial value of the franc and release the purchasing power necessary to stimulate internal revival.

* * *

Spain in Ferment.—The breakdown of civilised government in Central Europe is alarmingly reflected in the latest developments in Spain. Imitation "Fascism"—the genuine article is no more conceivable in Spain than in France—has kindled the fire of revolution, which is only just below the surface of Spanish "democracy," and

in the first place brought about, again as in France, a "united front," which was strikingly demonstrated last week in the biggest political gathering on record. Some 40,000 persons assembled at the Madrid Stadium to celebrate the new Socialist-Communist alliance, a feature of the meeting being the parading in military fashion of squads of young men and maidens wearing red shirts. The speakers declared that the Second Republic was a broken reed and that only a Marxist regime could now fulfil the just demands of the workers. Moderate members of the Socialist General Union of Workers like Señor Besteiro and Dr. Juan Negrin have now yielded to the clamour from below and authorised the regional alliances of the Left which had sprung up everywhere against the menace of a Catholic-Fascist *coup* similar to that of Dr. Dollfuss last February. What is still more serious, provincial branches (though as yet not the Central Committees) of the anarchist and anarchio-sindicalist organisations have agreed to collaborate. Meanwhile the evidence accumulates that the workers' leaders like Señor Largo Caballero and firebrand Socialists impressed by the fate of their coreligionaries in Austria and Germany have taken steps to arm their followers in readiness for a bloody upheaval. Señor Horacio Echevarrieta, a well-known shipbuilder of Bilbao—who is one of the strongest financial supports of the Republic—has been arrested in connection with a large purchase of arms and ammunition from the semi-official trust which was made some years ago but which, it is said, was intended for a rising of the Left. A number of trade union leaders are also under arrest. But police measures, whether against Right or Left, cannot remove the causes of the threatened clash. Apart from the 60 days of the electoral period, there have only been 33 days since the establishment of the Right Centre regime following upon Señor Azaña's downfall just a year ago on which the normal rules of the Constitution have operated. State of Alarm has followed State of Prevention. And nothing has been done to check the unscrupulous wage-cutting and exploitation of workers, in districts where they are poorly organised, which must be counted against the "moderate" regime. *El Socialista* has been confiscated at least as many times as ever any Catholic or Monarchist sheets were during the rule of the much-abused "Casas Viejas gang." It is just this incapacity for tolerance and for steering a middle course which makes one despair of any escape from violence culminating in a dictatorship of the Right or Left. Señor Gil Robles, the white hope of the Right, seems to appreciate that conditions in Spain, where anti-clericalism is such a strong force all over the country, do not allow of any emulation of Dollfuss. But he is being hard pressed by his followers and seems to be lending an ear to those who would put the clock back and remove the federalising tendencies of the Constitution. The remedy for the present fermentation is, on the contrary, further devolution. And Señor Azaña alone, who is neither Socialist nor crypto-Fascist, seems to be the only Spanish statesman to appreciate this fact.

* * *

Militarism or Grand Guignol?—Many have remarked on the hypocrisy of a German Government which professes a desire for peace and simultaneously instils militaristic doctrines into the minds of children. The militarising of education has now spread to Italy, so infectious is the deterioration in European public life which has set in since the Nazi revolution. A Bill has been approved by the Italian Cabinet which is intended to ensure that, from the age of eight, "all Italians shall be soldiers." Military training is made compulsory. University students will not be allowed to take their degrees if "they have not followed efficiently the military courses"; and for ten years after a man has been discharged from the army he must undergo these practical courses. Special attention is to be given to "moral and spiritual preparation" for war, and boys are expected to become "passionately interested" in military life. They must also be taught that "the function of Italy in the World War was a decisive one." If the rest of Signor Mussolini's new policy is to be taken no more seriously than this last statement, we need not perhaps be too concerned about it. In his militarist interludes the

Duce has always had the air of one whistling to keep his courage up. The present outburst may perhaps be taken as a sign that the Fascist authorities feel uneasy about their hold on the Italian population; or else that they wish to impress one or another of Italy's neighbours by the trumpeting of her "warlike" intentions. Whatever the reason for Signor Mussolini's relapse into militarism, however, there is no excuse for it. It is impossible to conceive a worse crime against humanity than the perversion of children's minds with doctrines which came within an ace of bringing civilisation itself to destruction within the lifetime of young folk who are even now not yet of age.

* * *

German Trade Debts.—We went to press too early last week to be able to report the rejection by the Lancashire cotton spinners of the German offer for the gradual repayment over twelve months of the accumulated debts owed by German firms for goods already delivered. One of the chief objections to the German proposals appears to be the suggestion that future business should be transacted on the basis of six months' credit, whereas it is reported that purchases from Czechoslovakia, for example, which incidentally has a trade clearing agreement with Germany, are being made on the normal thirty days' basis. This form of discrimination is naturally viewed with disfavour by the Government as well as by the British traders, and the Master Cotton Spinners' Federation held a joint meeting on Saturday at Bradford with representatives of the Bradford woollen industry and the coal-exporting and shipping interests on the North-East Coast. As a result of this meeting a joint committee called the British Exporters was appointed and a deputation sent to make representations to the Foreign Office, the Treasury and the Board of Trade. Meanwhile Sir Frederick Leith Ross has gone to Berlin to discuss the future of Anglo-German trade prospects, including among other things the bearing of the new import control introduced by Dr. Schacht upon the recently concluded exchange agreement from which "controlled" imports were expressly excluded. Though the effect of Dr. Schacht's new scheme, as we explained last week, should be to prevent the re-occurrence of the thoroughly unsatisfactory position under which German traders were permitted to order British goods without being assured of the means of paying for them, it is by no means clear to what extent Dr. Schacht intends to use his new powers for the purpose of cutting down British exports to Germany. Should he be driven to measures of this kind, and should he persist in ignoring the legitimate claims by British trade creditors, which already amount in the aggregate to several millions of pounds, public opinion in this country will without doubt insist on the establishment of a trade clearing under the Act hurriedly passed through Parliament in the summer. That would indeed be an unfortunate eventuality, because it would inevitably tend to diminish Anglo-German trade on both sides of the account. But events undoubtedly seem to be driving once more in that direction. Meanwhile Lancashire has probably been wise to reject the German offer, even at the price of continuing the present stoppage of deliveries. For unless a more satisfactory basis can be found for Anglo-German trade, it is plain that there can be no guarantee against the repetition of these unfortunate incidents.

* * *

Monetary Dissensions in New Zealand.—Monetary policy does not appear to be a subject which inspires unanimity. The New Zealand Parliamentary Committee appointed to investigate the monetary system has presented three reports. The main report attributes the New Zealand depression to the fall in overseas prices and not to a failure of the internal monetary system; but the possibility of taking monetary measures to counteract the price fall is also discussed. The report puts forward the following recommendations:—

- (1) Amalgamation of the Government lending departments under a mortgage board financed with mortgage bonds.
- (2) The use of trade and agricultural bills to finance production.

(3) The grant to the Reserve Bank of control over all institutions performing banking operations.

(4) A programme of public works planned by the Government and the banks to mitigate booms and slumps.

The second report, signed by three Labour and one Country Party member, attributes the depression mainly to monetary policy, and proposes State control of credit to maintain price stability regardless of the level of the exchanges. Lastly, Mr Downie Stewart, the former Finance Minister, reports, in splendid isolation, against the adoption of any new monetary measures. The main report is undoubtedly right in attributing the New Zealand depression primarily to the fall in world prices. It is equally right, however, in urging that a country which is dependent like New Zealand on a few primary products can do something by monetary policy to lessen the shock of falling prices. In such circumstances an alteration of the exchange rate is easier, quicker and more equitable than a reduction in costs. But the depreciation of the exchange should not proceed further than is necessary to adjust export prices to the existing level of money costs. Nor should the volume of credit and currency be inflated beyond the point which is appropriate to the new exchange rate. A "raising" of the New Zealand exchange beyond the present level would almost certainly be excessive.

Vital Statistics.—According to the latest report of the Registrar-General 156,636 live births were registered in the second quarter of 1934 in England and Wales in the proportion of 1,057 males to 1,000 females, and 119,034 deaths in the proportion of 1,045 males to 1,000 females. The following table summarises the main findings of the report:—

Year	Marriages		Live Births		Deaths		Natural Increase in Population	Population (Mid-year estimate)
	Number (000)	Annual rate per 1,000 of Population	Number (000)	Annual rate per 1,000 of Population	Number (000)	Annual rate per 1,000 of Population		
1925	296	15.2	711	18.3	473	12.2	238	38,890
1930	315	15.8	649	16.3	455	11.4	194	39,806
1931	312	15.6	632	15.8	492	12.3	140	39,983
1932	307	15.3	614	15.3	484	12.0	130	40,201
1933	317	15.7	581	14.4	497	12.3	84	40,350
1933—1st qr.	44	8.9	149	14.9	170	17.1	21	
2nd qr.	85	17.0	154	15.3	109	10.8	45	
3rd qr.	103	20.2	148	14.5	96	9.4	52	
4th qr.	85	16.7	130	12.8	122	12.0	8	
1934—1st qr.	59	11.8	149	15.0	146	14.7	3	
2nd qr.	85	16.8	157	15.6	119	11.8	38	
10-year ave.	47	10.0	166	16.9	156	14.9	10	
1st qr.	81	16.5	172	17.5	113	11.5	59	
2nd qr.	95	19.0	167	16.8	95	9.5	72	
3rd qr.	95	19.0	167	16.8	95	9.5	72	
4th qr.	80	16.4	153	15.4	117	11.7	36	

The marriage rate has generally been taken as a fairly sure though, judging by the record of the past ten years, a not very sensitive indicator of the general economic condition of the people. Certainly, if the quarterly figures for the past year and a half are compared with the ten-year average for the different quarters, and those for 1934 with those for the corresponding period of 1933, it will be seen that they follow the course of the recovery of last year, with its slowing down in the spring of 1934, fairly closely. As far as its seasonal movements are concerned, the birth rate is a direct function of the marriage rate; but it is also clear that it is still being influenced by the increasing use of artificial methods of birth control. Whether or not this falling off in the birth rate is good or bad, is a matter on which opinions may be divided; but when it comes to the question of the death rate there can be no difference of opinion. Here, in spite of a marked reduction since before the war, we cannot congratulate ourselves very heartily. Deaths last quarter were 10 per cent. more than in 1933, and have only been exceeded in a corresponding quarter during the past ten years in 1929. The infant mortality was also somewhat higher. Taking a longer view, the apparent absence of progress during the past ten years can be attri-

buted in some measure to the rising average age of the population, which must sooner or later cause an increase in the death rate. To the extent that the average age has been raised, science has progressed in her grim struggle against death. But what of the position in other countries? The figures are illuminating and humiliating. The death rates in London, Birmingham, Manchester, Liverpool and Glasgow (which ranged from 11.4 to 15.3 per 1,000 living in the second quarter of 1934) were all higher than in any of the Scandinavian capitals, in Amsterdam, Antwerp, Budapest or Warsaw, in the largest German towns, in the Dominion capital cities, or in Chicago or New York, while the rates in Berlin and Paris were 11.9 and 12.4 respectively. The position with regard to infant mortality was roughly the same. In this respect Glasgow is a notorious offender. The number of infants under one year per 1,000 live births who died in the second quarter of 1934 was 102, as compared with 61 in London and Berlin, 85 in Paris, and figures ranging from 35 for Amsterdam to 80 for Liverpool in the main cities with over 500,000 inhabitants in Europe, North America and the British Dominions. It is hardly a consolation to point to those with even worse records than ourselves, as, for example, India, with infant mortality rates of from 200 to 300 per 1,000 births, and death rates of between 3 and 4 per cent. in Calcutta and Madras.

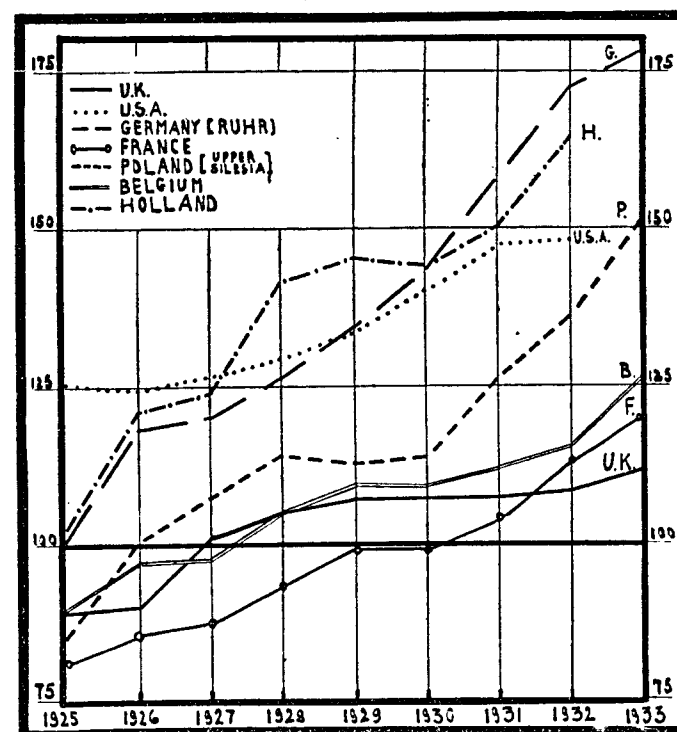
The Gold Clause.—At its recent meeting in Budapest the International Law Association has once again had under discussion the possibility of establishing a uniform international practice in regard to currency in which contractual monetary obligations should be fulfilled. A great diversity of views exists in the different countries on the degree to which freedom of contract can be allowed in this matter. The old German Pandectists held one extreme view, namely that obligations for monetary payments *ipso facto* imply the liability to pay according to gold or silver value. The other extreme opinion was expressed in the Joint Resolution of the United States Congress of June 5, 1933, by which it was declared that every provision contained in any obligation purporting to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the U.S.A. measured thereby, was against public policy. A great variety of intermediate opinions are to be found between these two extremes. The French point of view is that in transactions having no connection with foreign countries the French franc is to be the sole legal measure of value. In this country, the position appears to have been determined by the House of Lords in its recent judgment upholding the validity of the Gold Clause. But the decision is not of general application and our Courts will always examine the circumstances of each case and will construe the language of the contract in every instance to ascertain the real intention of the parties. In Austria, the "Goldklausenverordnung" of March, 1933, fully recognises the validity of terms in a contract as to gold or foreign currency, and in Hungary the Courts will enter judgments for debts in the currency of the contract. The latest report of the Law Association advocates the greatest possible freedom in this matter, and it regards it as one of the conditions of renewed prosperity in international life that there should be no restrictions as to the freedom to express debts in gold or a foreign currency. It even considers that that freedom should be extended to transactions between nationals of the same country, especially where the transactions are economically related to international credit movements. It does, however, concede that, from a practical point of view, it may not be desirable that a considerable part of inland transactions should be determined on the basis of a currency or measure of value different from the national currency. The Association came to the conclusion that it was impossible to adopt an absolutely strict point of view, since whenever vital national interests are involved, the force of legal principles, and arguments based upon them, cannot prevail. The following motion was accordingly presented to the Conference, and after unanimous adoption by those who attended the special session which dealt with this question, was referred to the Executive Council for consideration:—

The Conference declares that (1) it is desirable in the sphere of transactions of international character that freedom of contract should be secured for the parties so as to render possible the contracting of debts in any given currency or in gold. (2) It is desirable that the same freedom should also be secured for credit operations where both parties are residents of the same country. (3) If a Government should find it necessary to restrict the freedom provided in No. (2), it is desirable that these restrictions should not be applicable to such contracts as are in economic connection with credit transactions of an international nature. (4) It is desirable that it should be made possible to perform obligations contracted in gold or foreign currencies by payments to be made in the currency stipulated for payment. The Conference, however, admits that the economic situation in some countries might necessitate the suspension of such payment; in such case it is desirable that the creditor should have an option on whether he requires the settlement of the debt by payments made in the home currency of the debtor or whether he agrees to the postponement of the payment until the restrictive measures have been repealed.

This resolution, calling in effect for the restitution of the gold clause, will, it is hoped, be the starting-point for the reconstruction of a legal basis for international lending.

Productivity in Coal Mining.—The accompanying chart, based on official statistics, shows the trend of the output of coal per man-shift worked in various countries since 1913. It does not, however, afford a comparison of the actual output per man-shift worked in these countries.

OUTPUT OF COAL PER MAN-SHIFT
(1913=100)



The increase in productivity per head through mechanisation since 1913 was most pronounced in Germany, Holland, Poland and in the United States. It was least marked in the United Kingdom, France and Belgium. In an effort to stem the downward movement in the demand for coal and in the profitability of mining since 1929 by a reduction of costs, mechanisation was speeded up in most countries. Progress was more rapid abroad because in most foreign countries the industry is in the hands of relatively large concerns, and the geological structure of the seams lends itself more easily to mechanisation than in this country. Mechanisation has made some headway in the United Kingdom since 1932, but rapid progress is hampered by the existence of a large number of relatively small mines, their geology and advanced development. But in general the chart shows that the world's coal industry has advanced in technical efficiency. Continuous reduction in costs of coal production, coupled with increasing economy in its

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utilisation, will ensure the future of the industry. The chart, however, is a warning to British coal-owners not to fall behindhand in efficiency and thus lose their share of world markets.

Parsimony in Potatoes.—The Board of Trade announced last week that an Order will be issued in due course under the Agricultural Marketing Act, 1933, providing for the regulation of the importation of main crop potatoes. There is already a duty on imported potatoes, and imports of main crop potatoes are at present subject to voluntary regulation. From November 1st onwards no main crop potatoes will be allowed to be imported except under licence. The National Federation of Fruit and Potato Traders' Associations is setting up an association of potato importers, and the Board of Trade have agreed to issue a licence to this association. The quantities to be imported in specified periods will be announced from time to time. In general, imports will be allowed of quantities proportionate to the average quantities imported by each importer during the three years ended August 31st. The absurdity of restriction on foreign supplies of potatoes, and in particular the folly of fixing import by reference to the figures of some arbitrarily chosen period in the past, is evident from the following table, showing the course of imports and home production in recent crop years:—

IMPORTS OF POTATOES INTO THE UNITED KINGDOM
(In thousands of Cwts.)

Imports	1929-30	1930-31	1931-32	1932-33	1933-34
August	332	204	335	321	59
September	138	66	761	104	21
October	87	272	1,833	97	51
November	93	245	2,823	139	72
December	64	297	1,634	70	54
January	36	449	3,044	85	48
February	27	585	1,588	65	31
March	80	543	1,195	125	65
April	163	1,342	2,006	266	208
May	974	1,958	2,157	1,378	1,063
June	2,438	2,835	3,112	1,447	1,356
July	987	1,489	1,744	297	208
Total Imports	5,419	10,285	22,232	4,394	3,236
Home Crop	117,340	89,180	77,040	111,516	110,073
Total Supplies	122,759	99,465	99,272	115,910	113,309

The distribution of imports during the crop year shows that purchases of foreign potatoes are normally insignificant until May, when the supply of home-grown "old crop" varieties begins not only to run short but to deteriorate in quality. Only during the season 1931-32, and to a lesser extent in 1930-31, when the home crop was small, did imports assume substantial proportions earlier in the year. As the following table shows, in no year did the importation of potatoes towards the end of the season result in a collapse of prices. On the contrary, prices tended to be low when the home crop was large and imports were small.

PRICE OF POTATOES (GOOD ENGLISH)
(£'s per ton)

End of	1929-30	1930-31	1931-32	1932-33	1933-34
August	£ s. d. 5 0 0	£ s. d. 5 10 0	£ s. d. 6 0 0	£ s. d. 5 5 0	£ s. d. 4 15 0
September	4 10 0	6 0 0	7 0 0	5 2 6	4 15 0
October	4 15 0	6 0 0	8 5 0	6 2 6	5 0 0
November	4 0 0	6 0 0	9 10 0	5 15 0	5 0 0
December	3 15 0	6 10 0	11 10 0	5 15 0	5 0 0
January	3 15 0	6 10 0	11 10 0	5 10 0	5 0 0
February	3 5 0	7 0 0	12 5 0	5 0 0	5 15 0
March	3 10 0	8 10 0	12 5 0	5 5 0	5 5 0
April	3 10 0	8 10 0	11 15 0	4 0 0	4 15 0
May	3 0 0	9 0 0	10 10 0	4 5 0	8 0 0
June	6 0 0	7 0 0	6 10 0		
July					
Average	4 0 5	6 17 6	9 15 5	5 7 1	5 5 10

The average price of potatoes during the season 1933-34 showed no increase on the previous year owing to an abundant home crop and despite import duties and voluntary regulation of foreign supplies. As a result farmers reduced the acreage under potatoes from 811,000 in 1932-33 to 767,000 in 1933-34, and the total yield of the crop, forecast at 120 cwts. per acre, is estimated at about 92,000,000 cwts. Since this quantity is far below requirements, an attempt is apparently to be made to raise prices by a further turn of the restriction screw.

Iron and Steel Production in August.—Iron and steel production figures for August reflect the usual holiday influences. The number of blast furnaces in operation declined by 2 to 97 during the month, and production of pig-iron declined by 25,000 tons to 503,300 tons. Steel production, which in July amounted to 718,200 tons, fell to 667,000 tons. Compared with August last year, however, pig-iron production showed an increase of 38.7 per cent. and steel production one of 21 per cent. Imports of iron and steel at 102,200 tons were lower than in any previous month except June, while exports at 193,400 tons were higher than in any previous month except June and July. Exports in the three months ended August were 28 per cent. higher than in the corresponding period of 1933. The decline in imports in August as compared with July was due in the main to reductions in the imports of billets, blooms and slabs, and of steel bars, rods, shapes, etc. All but 555 tons of the 11,340 tons of pig-iron imported came from British India, and of this total 511 tons consisted of pig iron smelted wholly with charcoal and 44 tons of vanadium titanium iron produced in an electric furnace. Not only has Continental pig-iron been excluded from the British market, but certain tonnages of British pig-iron are being exported to Continental countries. In August 1,654 tons went to Belgium, 1,173 tons to France, and 2,165 tons to Italy. Of the 193,400 tons of iron and steel exported in August tinplates and sheets accounted for 29,500 tons; rails for 23,300 tons; tubes, pipes and fittings for 27,600 tons; steel bars, rods, angles, etc., for 17,700 tons; galvanised sheets for 16,400 tons, and blackplates and sheets for 15,500 tons. Of the tinplates exported 7,416 tons went to Canada, 3,043 tons to Australia, 2,973 tons to Argentina, and 1,602 tons to Holland. Great Britain's best markets in August for iron and steel taken as a whole were China (23,348 tons), Union of South Africa (17,078 tons), Canada (14,278 tons), Australia (12,958 tons), British India (12,247 tons), and Denmark (11,975 tons). The outlook for the autumn is considered favourable, especially in the home market.

August Overseas Trade.—The trade returns for August, though not as favourable as the figures for previous months, are still moderately encouraging. The percentage increase, both in imports and exports, compared with the corresponding month a year ago was not as marked as earlier in the year. Moreover, both re-exports and transshipments under bond were appreciably lower than in August, 1933. Consequently, the excess of imports over total exports was again substantial. For the first eight months of 1934 this excess amounts to £187,923,000, an increase of £27,714,000 over the corresponding period of 1933, and of £2,987,000 over 1932. When, however, economic activity increases in an industrialised country, it is natural that at first the trade balance should become un-

favourable owing to the time taken in converting materials into manufactures. At the present stage, therefore, there is no reason for regarding the state of the trade balance with anxiety. The tables below give the August figures and the cumulative figures for the first eight months of the year, with comparisons for the two preceding years:—

MONTH OF AUGUST					
	1934	Increase (+) or Decrease (–) as compared with			
		August, 1933	August, 1932		
Imports	£'000 60,027	£'000 + 3,352	% + 5.9	£'000 + 6,701	% + 12.6
British exports	32,090	+ 1,093	+ 3.5	+ 3,538	+ 12.4
Re-exports	3,302	– 999	– 23.1	– 190	– 5.5
Total exports	35,392	+ 94	+ 0.3	+ 3,348	+ 10.4
Excess of imports over total exports	24,635	+ 3,257	+ 15.3	+ 3,352	+ 15.7
Transshipments under bond	2,019	– 330	– 14.0	– 25	– 1.2

FIRST EIGHT MONTHS					
	Jan.–Aug., 1934	Increase (+) or Decrease (–) as compared with			
		January–August, 1933	January–August, 1932		
Imports	£'000 479,444	£'000 + 49,281	% + 11.4	£'000 + 13,504	% + 2.9
British exports	255,089	+ 18,911	+ 8.0	+ 10,211	+ 4.2
Re-exports	36,431	+ 2,657	+ 7.9	+ 305	+ 0.8
Total exports	291,521	+ 21,567	+ 8.0	+ 10,516	+ 3.7
Excess of imports over total exports	187,923	+ 27,714	+ 17.3	+ 2,987	+ 1.6
Transshipments under bond	15,651	+ 59	+ 0.4	+ 1,670	+ 11.9

The value of imports classified as raw materials and articles mainly unmanufactured, rose from £16,426,279 to £17,553,197 and imports of articles wholly or mainly manufactured increased from £13,049,205 to £14,747,087. The latter group, however, includes a substantial proportion of raw materials and articles subject to further processes of manufacture, which are largely responsible for the increase. Thus, the value of non-ferrous metals imported in August, at £1,942,511, showed an increase of £594,585 on the corresponding month a year ago, and imports of oils, fats and resins rose by £541,209. The only manufactured items to show an appreciable increase are machinery (chiefly from the United States and Germany) and motor cars (chiefly from the United States). The relatively small increase in British exports is largely due to declines of £611,798 and of £140,556, respectively, in our sales abroad of non-ferrous metals and manufactures thereof, and of wool (raw, waste and rags). The quantity of imports and exports of certain important products is shown in the next table:—

IMPORTANT COMMODITIES Month of August				
	1932	1933	1934	
Imports:				
Iron ore and scrap	thous. tons	112	240	400
Soft timber (sawn)	thous. loads	565	988	903
Other than planed or dressed	thous. loads	49	100	99
Planned or dressed	thous. loads	956	1,134	1,031
Raw cotton	thous. cents	31	46	23
Sheep's and lambs' wool	mn. lbs.	221	156	395
Raw rubber	thous. cents			
Exports:				
Coal	thous. tons	3,182	3,202	3,269
Iron and steel manufactures	thous. tons	156	155	193
Machinery	thous. tons	20	23	26
Cotton yarn	thous. lbs.	9,132	11,033	11,183
Cotton piece-goods	mn. sq. yds.	181	149	169
Wool tops	thous. lbs.	2,659	3,722	2,650
Woolen yarns	thous. lbs.	665	702	813
Worsted yarns	thous. lbs.	2,855	3,892	2,527
Woolen tissues	thous. sq. yds.	5,319	6,742	7,671
Worsted tissues	thous. sq. yds.	2,878	3,748	3,343
Linen piece-goods	thous. sq. yds.	3,509	6,132	5,354
Locomotives	tons	38	1,796	83
Motor vehicles and chassis	number	2,270	3,212	4,038
Re-exports:				
Raw cotton	thous. cents	40	40	75
Sheep's and lambs' wool	thous. lbs.	21	28	9
Raw rubber	thous. cents	72	59	87

The sharp increase in our imports of iron ore and scrap reflects the improvement in the iron and steel industry. The improvement in exports was most pronounced in the case of iron and steel, machinery and cotton goods, the increase in value exceeding £400,000 in the case of each item.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

DEADLOCK IN THE TEXTILE STRIKE

THE first week of the textile strike developed the expected bloodshed and deadlock. Apparently over half the mills have closed, some owners having locked out their employees because of fear of violence. Several States have called out the National Guard. There is no evidence that the strike is popular with any large proportion of the workers; and it is clearly very unpopular with at least a fair minority. A mediation board of three members has been appointed, under the chairmanship of Governor Winant of New Hampshire, a man who has won a distinguished reputation as a mediator in industrial disputes. The strikers' organisation is willing to accept arbitration on condition that pending decision all mills shall be shut down; but the employers' organisation has declined to accept such a premise. There is therefore a deadlock, with the strikers determined to close the mills now open and the owners intent on reopening the mills now shut, wherever the employees wish to return to work.

Despatches from Hyde Park (the President's vacation home) indicate that discussion of the modification of N.R.A. continues. The only dispatch that throws light upon the trend of policy confirmed the previous impression that price-fixing is not likely to remain as a permanent general feature of N.R.A.; and that in its next phase, the so-called codes of fair competition will be concerned chiefly with the regulation of hours and wages. This is, according to reports, the drift of industry itself, the code authorities having found it difficult to enforce the cartel prices and other features. The National Industrial Recovery Act would expire under Statute next June; but the Press reports that the Administration, which had been expected to ask Congress for permanent legislation, now intends to ask for an extension of only one year. It is hardly correct to speak of N.R.A. as collapsing or disintegrating. Its initial structure has proved too rigid for events and circumstances, and pressure both from inside and out is forcing modification.

GOVERNMENT REFINANCING AND THE DOLLAR

The Government financing, announced on September 10th for September 15th, met the market, but indicated some deterioration of Government credit. A short-term issue of about \$500 millions bearing 1½ per cent. is refinanced by a two-year note at the same rate. Two called series of 4th Liberty Loan 4½ per cent. bonds may be exchanged for a tax-exempt 2½ per cent. four-year note or a 3½ per cent. 10-12 year bond. In June the Treasury was able to sell a 20-year bond at 3 per cent. The weakness in Government securities since the silver announcement in early August has been pronounced, and this weakness was aggravated by the intimations that the intent to balance the Budget in the next fiscal year seemed to be abandoned.

The dollar has rallied smartly against foreign currencies in the past week. In part, this could be explained by the export of about \$12 millions of gold; but it is widely believed that the Stabilisation Fund intervened with an unreported export of about \$6 millions. At the same time, it is said that silver purchases by the Treasury were suspended; although silver imports by individuals for commercial purposes are currently permitted. The most confusing rumours circulate, ranging from opinions that a free market in both gold and silver is to be allowed, to those threatening a complete prohibition of private American transactions in silver. It is also said that the foreign exchange control has tightened perceptibly.

Under these influences it is not surprising that the dollar should have rallied, and the Press has remarked that this gold export gives the first positive test of the intent of the Administration to support the 59-cent dollar. The continued weakness of Government securities, however, reflects not merely Budget uncertainties, but doubt of the

permanence of the present Treasury policy regarding the dollar. The Committee for the Nation is again actively campaigning for further devaluation, and this time hinting that a gold price beyond \$41.34 might be its ultimate objective.

Meanwhile, commodity prices continue to rise, the month of August having been marked by a steep advance. The following table of the groups of the Bureau of Labour Statistics index illustrates the movement during this period:—

BUREAU OF LABOUR INDEXES (1926 = 100)				
Index	July 14, 1934	Sept. 1, 1934	Percent- age In- crease since lowest point in 1934	Percent- age In- crease since lowest point in 1933
All commodities	74.5	77.5	9.2	30.0
Farm products	64.5	73.5	28.0	82.8
Foods	70.8	76.6	22.0	43.4
Hides and leather	87.6	84.5	0.4	25.2
Textile products	71.4	71.3	0.7	40.9
Fuel and lighting	73.8	75.1	3.7	23.5
Metals and metal products	86.4	85.9	3.1	12.0
Building materials	86.9	86.3	0.9	24.0
Chemicals and drugs	75.5	76.3	4.1	7.2
House-furnishing goods	83.1	82.9	1.5	15.6
Miscellaneous	69.9	70.3	6.7	22.0
All commodities other than farm products	78.3	78.4	1.0	19.7

The advance in prices this year, although it has been sufficient to lift a comprehensive index of 784 commodities almost 10 per cent. since June 1, has been mostly concentrated on farm products, and notably on foods. It is the direct consequence of curtailed supplies, the drought superimposed upon the programme of the A.A.A. In a number of the industrial groups the recent tendency, as shown in the table, is slightly downward. The rise in food prices has become a matter of considerable comment in urban households.

No country seems to have experienced a recent rise in prices comparable to that of the United States. From the lowest point the Bureau of Labour index has risen from about 60 to about 78 in some eighteen months, with the index of farm prices, which was the special object of solicitude, almost doubled. An advance of 30 per cent. in so comprehensive an index as that of the Bureau of Labour Statistics, with more sensitive indices of primary commodities doubling in the same period, is an outstanding economic phenomenon, particularly when set against the simultaneous data for industrial activity and unemployment. Eighteen months ago public opinion was apparently unanimous in supporting a policy promising higher commodity prices; at the present time complaint of high prices is fairly vocal, and the resistance of the urban populations to high or higher prices may have some influence on Administration policy.

NEW YORK, September 10.

FRANCE

THE BUDGET FOR 1935

M. GERMAIN-MARTIN, Minister of Finance, has just laid his 1935 Budget before the Chamber. This Budget is made up as follows:—Revenue, 47,022 million francs; expenditure, 46,986 million francs; surplus, 36 million francs. These figures show a large decrease in the Budget, since "ways and means" reached 53,626 millions in 1930-31 and 50,000 millions in 1933.

M. Germain-Martin states in the preamble to the Budget that it is necessary to reduce expenditure, since the revenue has diminished, while it is impossible to increase the burden

of taxation. Since July, 1932, successive Governments have realised economies amounting to 4,500 millions. New taxes have been imposed to yield 3,000 millions, and exceptional efforts have yielded 2,500 millions. These strenuous resources, however, proved insufficient, and the deficit totals 21,082 millions in 1931, 1932 and 1933 inclusive. The 1934 Budget shows—following the latest fiscal receipts—an actual deficit of 2,300 millions. But the decree laws, which have been published between April 4th and June 30th, will wipe out this 1934 deficit, except, perhaps, 500 millions. These decrees, which will realise 4,000 millions of economies in 1935, have allowed the Budget to be reduced to 47,000 millions.

The question is whether the present equilibrium could be safeguarded during the fiscal year. The preamble to the Budget Bill states that this is principally a question of military expenditure. The credits for land and sea defence and Defence of Colonies have been limited for 1935 to the real expenditure of 1934. The preamble also points out that the balancing of the Budget will depend in the future upon business recovery. "We hope," it continues, "that a perfect equilibrium will be insured in the future by a recovery of economic activities which will be assisted by the proposed Reform of the State." The preamble adds that "general protectionism has gradually brought French foreign trade to a stop. In the internal market, consumption has been reduced. And the turnover and profits of companies have proportionately decreased." Reference is also made to tariff barriers which "will lead to material ruin and the gradual disappearance of civilisation itself," a remark which, perhaps, indicates that this policy will be modified. Again, the preamble shows that disbanding and a fall in interest rates should have a decisive influence on fiscal receipts. The movement in the long-term rate which has occurred since the constitution of the present Cabinet is shown by the price of the following bonds:—

	March 31	May 31	August 31
P.L.M. 3% new funding	299	347	340
Union d'Electricité 4½%	732	840	785
Crédit Foncier, 1930, 4½%	740	835	799

Prices, according to the preamble, show a slight decline at the end of August in comparison with May. This falling off "is a consequence of the grave events which characterised European policy during this period from an economic and financial point of view." The French capital market remains very sensitive both for long-term and for short-term money, and foreign policy as well as internal policy are affecting both subscriptions to Treasury bonds and the price of public funds. The preamble concludes by contending that the maintenance of the Doumergue Government is necessary to financial stability.

Public opinion has naturally received with satisfaction a Budget which has been balanced without any new taxes or sacrifices. Special attention has been directed to the promise made that the Government, which has till now concentrated principally on the financial problem, now intends to devote itself to the economic situation. The present excessive protection given to both agricultural and industrial interests is provoking much complaint on the ground that it lies at the root of the high cost of living and the depression of business. It seems evident that if the Finance Minister was at the same time Minister of Agriculture and Trade a lowering of trade barriers might be undertaken for the sake of business recovery and the balancing of the Budget.

THE CASE AGAINST DEVALUATION

M. Germain-Martin also argues in the Budget preamble that the balancing of the Budget, the reduction of expenditure, and the cutting of interest rates constitute a coherently connected policy, which is incompatible with devaluation. "Monetary experience," he says, "urges an opposite policy. The Government has already made its choice with a perfect knowledge of what Parliament and the country wishes." M. Germain-Martin accuses M. Paul Reynaud and other supporters of devaluation of ignoring differences which, he alleges, exist between the French situation and the situation in the countries which have devalued their currencies: Great Britain, United States, Japan, etc. In Great Britain, M. Germain-Martin argues, the deficit on the balance of payments and the burden of the public debt necessitated the devaluation of the pound.

The financial and commercial situation of Great Britain and the Dominions is an exceptional one, with the result that devaluation did not sensibly affect British prices. "In the markets of the whole world," he adds, "prices of raw materials are quoted in British money. As a consequence of the gold-exchange standard, the currencies of numerous export countries were connected with sterling. Lastly, the Dominions export products which are complementary to those of the Mother Country."

The Government of the United States devalued the dollar in order to increase purchasing power and alleviate the burden of internal debts. The devaluation of the dollar was to raise prices, liquidate debts, and induce the public to fly from the currency into the stock and commodities markets. In Japan the gold embargo was imposed to protect the gold stock, which would naturally be used in paying for imports.

"It appears thus," M. Germain-Martin concludes, "that devaluation is an expedient which is used as a last shift, when all other means have failed. If France has been severely hit by the economic crisis, its situation is not more alarming than that of other countries. The number of unemployed is not to be compared with that of Great Britain, or the burden of debt with that of the United States, or the extent of poverty with that of Japan."

The Treasury will have to face two maturities in the near future. On September 30th the maximum authorised issue of Treasury bonds must be brought back from 12,000 to 10,000 millions. Arrangements have been made for this. The Treasury will take the opportunity to reimburse the 500 millions of francs which represent the balance still owed of the 1,000 million francs loan which was launched in Holland last March. On the other hand, 6,000 millions of ten-year bonds are coming to maturity on October 25th. The long-term loan of June last, however, has provided for this maturity, since it both produced 3,000 millions of cash and enabled 2,000 millions of these bonds to be funded beforehand.

INDUSTRIAL PRODUCTION STILL FALLING

The Statistique Générale has just published its monthly figures showing industrial production in France:—
(1913 = 100)

	July, 1933	May, 1934	June, 1934	July, 1934
General index	112	101	99	97
Engineering	114	99	98	99
Iron and steel	90	80	80	80
Textiles	77	66	61	58
Mines	99	103	102	102
Building (adjusted figures) ..	92	84	81	80
Leather (" ") ..	107	99	98	98
Paper (" ") ..	140	158	159	157
Rubber (" ") ..	991	940	892	854
Motors (" ") ..	450	456	454	462

In the motor industry, 14,950 automobiles and 1,751 lorries have been put on the road, compared with 13,229 and 2,231 in July, 1933.

The figures for the cotton industry are as follows:—

	1934			
	April	May	June	July
Spinning (average per spindle in kilograms):				
Production	1,552	1,593	1,453	1,370
Deliveries	1,520	1,608	1,411	1,364
Stocks	2,626	2,634	2,423	2,482
Unfulfilled orders	5,373	5,126	4,568	4,459
Weaving (average per loom in pieces of 100 metres):				
Production	5.18	5.00	4.95	4.49
Deliveries	4.43	4.43	4.85	4.30
Stocks	8.88	9.62	9.09	9.87
Unfulfilled orders	14.51	12.75	12.63	11.74

The figures of bankruptcies show a new slight decline compared with the preceding months. Bankruptcies were 747 in August, against 860 in July and 1,036 in June; bankruptcies and judicial liquidations were 1,096, against 1,212 in July and 1,414 in June.

The sixty-eight largest French producers and distributors of electricity have sold, during the first six months of 1934: 5,248,652,328 kwh. against 4,964,532,676 kwh. for the same period of 1933; of which 1,978,077,663 kwh. (against 2,017,774,729 kwh.) was from thermic plants and 3,270,554,665 kwh. from hydraulic ones.

PARIS, September 18.

GERMANY

THE NEW IMPORT CONTROL SYSTEM

THE new system of State-control of imports which comes into force next week is expounded in some Government newspapers as not necessarily involving any further reduction of total purchases from abroad, but only an improved distribution of the imports of particular goods. Already before the creation of the ten new Supervision Boards, which brought all classes of goods under control, the principle had been put into force that current imports should not exceed the resources available for payment. The new system, it is declared, merely maintains this principle, while also preventing excessive imports of particular goods at a given time with the accompanying risk that the import of other necessary goods might have to be curtailed.

The "exchange certificates," which are henceforth to guarantee payment for imports, will be granted in principle to importing firms which will continue to be the direct debtors to foreign exporters, and will only be granted to consuming manufacturers if these were formerly in the habit of buying directly from abroad. The system threatens to aggravate the bureaucratisation of business which has proceeded ever since the Nazis attained power. Although it is denied that any general reduction of imports, other than what may be caused by increased payment difficulties, is designed, some Press comments treat the Supervision system as a means of punishing foreign countries for their alleged anti-German policies, in particular punishing the long-term creditor countries for enforcing the withdrawal of the complete default announced last summer.

Little progress towards independence from foreign materials is being made as far as substitutes are concerned. The home production of natural materials, however, is still being fostered, mostly at heavy cost to the public. The programme for 57 new petroleum borings in 1934 is being financed as to half the cost by Reich loans. Experts declare that in the next few years the home output of benzol, motor fuel (with admixture of spirits), Diesel oils, and benzine from hydrogenation will reach annually 1,500,000 tons, which is 68 per cent. of the highest recent consumption of 2,200,000 tons, leaving 700,000 tons to be imported. Experiments are being made with wood-generators for automotive vehicles, adaptation to which is being locally encouraged by loans to individuals of up to Rm. 800. The economic effects of these costly processes is officially ignored.

UNEMPLOYMENT AND FORCED LABOUR

Money this week has been somewhat easier. The wholesale-price index for September 12th was 100.3, against 100.5 for September 5th. The rise in the manufactures group continues. The cost-of-living index for August was 123.3, against 122.9 for July. The industrial situation is little changed. The Reich Labour Leader, Herr Hierl, describes the introduction of universal, equal Labour Conscription for one year, as among the most pressing Nazi Party problems. A report of the Konjunkturinstitut shows that unemployment in cities of over 100,000 inhabitants has fallen much less than in the country since March, 1933. The latest (July) Reich average of unemployed is 37.2 per 1,000. In the cities the drop has been from 128.1 to 67.3; in smaller towns and in the country from 67.7 to 23.9. In connection with the recent measure for replacement of young and unmarried by older workmen, it is shown that unemployment has up till now hit the elder more than the young age-classes. Under the redistribution scheme nearly all married persons of over 25 will be given work. Since the announcement of the scheme marriages of young persons have increased.

The iron and steel market reports for August are favourable. Foreign orders for pig-iron, bars and tubes are reported to have increased. Pig-iron production was 798,550 tons, against 767,200 tons in July; in the first eight months 5,461,800 tons, against 3,294,100 tons. Home and foreign orders for the engineering branch increased. The number of automotive vehicles on July 1st was 1,888,000, of which 984,000 were motor cycles and 674,500 private

cars, the total being 12 per cent. higher than a year earlier. The Ford Motor Company, of Cologne, has decided to reduce its capital by 50 per cent. in order to cover operating losses and to restore it to the former level by issuing new shares, which will be taken at par in discharge of debts by the creditors, the American and English Ford Companies. The monthly reports of the Associations of Cotton Spinners and Cotton Weavers are relatively favourable. The former Association mentions attempts to spin finer yarn numbers in consequence of the suspension of imports. The greater part of the textile industry has orders for some months ahead. Retail trade turnover in July was 9 per cent. higher than in the same month of 1933, and the turnover of the department stores was 7 per cent. higher.

The passive trade balance in August declined to Rm. 9 millions, the most active of this year with the exception of March, which had a small active balance. The July passive balance was Rm. 41 millions. The improvement over July was not due to the restriction of imports of raw materials, which declined very little, but to a big seasonal decline in imports of foodstuffs and to a small increase in exports, mainly of manufactured goods. Imports of textile materials, mineral oils, wood and rubber somewhat declined; of other materials, including oil seeds, increased. Imports from Great Britain and Sweden, the United States, the Argentine and Brazil decreased. A probable factor in the increase in exports was the decline, contrary to the seasonal rule, in July. The main increase was to overseas countries, the United States, Japan, Brazil and Turkey. Sales to Europe changed little; they increased, however, to Great Britain, Russia and Italy. In the increase of Rm. 12 millions in export of manufactured goods, the chief factors were: Textiles, Rm. 4.5 millions; chemicals, Rm. 2.5 millions; machinery, Rm. 2 millions; and paper, Rm. 1 million. Exports of potash salts also continued to increase. During the whole of this year the potash export trade has been very active, but export prices have fallen. As the August trade balance was influenced by seasonal factors, it does not necessarily foreshadow a lasting improvement. The following are the complete figures:—

	July	August	Jan.-Aug.
	Millions of Reichsmarks		
Imports:			
Livestock	2.4	2.5	23.6
Foodstuffs	98.9	81.4	674.6
Raw and half-manufactured materials	199.2	194.9	1,818.6
Manufactured goods	62.3	63.7	489.1
Totals	362.8	342.5	3,005.9
Exports:			
Livestock	0.2	0.2	2.9
Foodstuffs	8.8	7.1	87.0
Raw and half-manufactured materials	61.9	64.4	533.7
Manufactured goods	250.4	262.2	2,117.7
Totals	321.3	333.9	2,741.3

The Reichsbank's return for September 15th indicates increased tension. Total investments, contrary to the rule of the second week of the month, did not decline, and even slightly increased. In the first half of the month only 30 per cent. of the credit increase on the last August week was paid off, as against nearly 50 per cent. in the corresponding period of last year. Even advances increased against all precedent in a second week. Deposits have risen to the record high total of Rm. 723 millions, as against Rm. 390 millions at the same date last year. This great increase is an outcome of the restrictions on foreign payments—the Conversion Fund, bookings to the credit of foreign central banks, which it has been impossible to liquidate, and foreign-exchange rationing. The great expansion of deposits is one explanation of the swelling of credits, for

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against funds thus kept idle business is taking Reichsbank credits. That the accumulation of untransferable debt-service money, a contingency envisaged by the Dawes Plan but never tested, would lead to undesirable developments in currency and credit was predicted here by experts soon after the formation of the Conversion Fund.

BERLIN, September 18.

AUSTRIA

RECOVERY IN HEAVY INDUSTRY

THE Austrian Konjunkturinstitut remarks in its report for August that the political events of the last week of July caused no disturbance to the Austrian economy. Figures now available clearly show that the process of consolidation has not been interrupted. Of industrial enterprises which have interest and capital payments to make to the banks only one-third were able to pay in 1933, while this year two-thirds of them have been able to pay. This means greater liquidity in Austrian banking, and especially at the Credit-Anstalt-Bankverein, but it also shows that the business situation is easier.

The Austrian Minister of Finance has informed the Finance Committee that the deficit on the 1934 Budget will amount to about 140 million schillings as a result of the increased expenditure for public safety during the February and July revolts. This is a maximum estimate which would be correct if revenue should not increase and further enhanced expenditure for armaments should be unnecessary. Immediately upon the return of the Minister of Finance from Geneva, negotiations began for fresh retrenchment, and it is believed that about 10 to 15 million schillings of expenditure can be saved.

On the basis of the Lausanne protocol the Government already has the power to issue Treasury bonds to a total of 75 million schillings. Of the deficit of 140 millions 82 million schillings "has been covered out of available cash resources," as was stated in the official Geneva communiqué. These cash resources consist of the remainder of the proceeds of the Lottery Loan, amounting to 27 million schillings, and of the proceeds of the Treasury bonds so far issued, namely 55 million schillings. In the next few months the Government still has the power to issue Treasury bonds amounting to 20 millions in order to bring the total up to the maximum limit of 75 million schillings. This would still leave a gap of 38 million schillings. As stated above, 10 to 15 millions may be saved by economies; for the rest the Austrian Government would have to secure permission to issue short-term Treasury bonds. It is assumed that this permission will be granted as soon as the necessity arises.

For the coming year the conversion of the League of Nations Loan will create a breathing space. At least 35 million schillings per year will be saved Austria through the present decision of the Finance Committee and of the Control Committee. But, if in the individual negotiations which are to be carried on by the Austrian Ministry of Finance in London, Paris, Berne and Rome, the term of the loan is lengthened by 15 instead of 10 years, and the first amortisation payments have to be taken up only after two or three years, the saving for the Austrian Budget would be 60 million schillings per year. This would avoid the necessity of issuing a new international loan.

The question of a new loan for productive investment appears to have been discussed in Geneva. Without such a loan the Government's investment programme could not be continued. For the Federal Railways, the Tobacco Monopoly, the salt works, the Austrian Federal Forests, and for the extension of the telephone system, sums amounting to about 200 million schillings would be necessary, and interest beyond 5 per cent. may not be paid. Only thus could the electrification of the main line from Salzburg to Vienna, and of the line from Vienna to Graz, be executed. That last year's investment policy affected the labour market, is proved by the fact that there are now 43,000 fewer unemployed in receipt of the dole than there were last year, a reduction of more than 20 per cent. Electrification, in particular, ab-

sorbs so many of the unemployed and helps so many branches of industry that a general improvement would be most likely as a consequence. The electrical industry and the building industry, which could be put on full time by the electrification work, are now working at only 30 per cent. of their normal capacity.

GERMAN DEMAND FOR WOOL

In other branches of industry there has been marked improvement within the last year. For example, as a result of large and steady orders from Japan, Russia and Germany, the steel industry has advanced to 80 to 90 per cent. of capacity, the cotton-weaving mills to 80 per cent. and the spinning mills to 70 to 80 per cent. At present nearly the whole of the heavy industry is working up to 50 to 60 per cent. of normal output, and an improvement is to be expected in the near future, as, since the beginning of September, Germany has been taking special interest in Austrian semi-manufactured goods. German industry, which is unable to cover its requirements of raw materials in Western countries on account of the exchange difficulty, is now trying to get either raw products or semi-manufactured goods by way of Austria. As foreign trade with Germany is strongly in Germany's favour, Germany hopes to get these fresh supplies from Austria against deliveries of German goods. Inquiries which have been received within the last 14 days by Austrian firms cover an amount of 40 to 50 million schillings and apply chiefly to rolled goods, yarn, leather, steel, cellulose, kaolin, magnesite and even cotton and wool. Inquiry for wool is so large that it has been resolved to set up new sheep farms with the help of foreign capital.

There has been practically no change in the general price level from May to September. The wholesale trade index (in gold) has remained unchanged at 110. The retail price index, which stood at 142 from December, 1933, to July, 1934, declined in August to 141. This is largely the result of the unusually low price of fruit on the Vienna markets, due to superabundance of supplies during the summer months. The new crisis tax has made some finished goods dearer, but since important articles of food such as bread and pork have recently fallen in price, the general cost of living has declined. Imports in July were down to 85 million schillings, the lowest point since the foundation of the republic. Austria is not buying abroad even one-third of the purchases she made during the boom period. The slow improvement in heavy industry, on the money market and in banking has not yet resulted in a recovery of consumption and trade.

VIENNA, September 16.

HOLLAND

DEPRESSION AND HIGH COST OF LIVING

DEPRESSION still dominates the situation. Although the Central Statistical Bureau's index of industrial unemployment was lower in the first quarter of this year than last, the improvement dwindled in April, and in May last year's figure was surpassed (26.7 and 26.2 per cent. respectively); for June the figures were 27.2 in 1934 and 24.8 in 1933. The index of the net imports of raw materials for the second quarter was 119, compared with 109 last year, although the improvement over 1933 has been vanishing month by month. Exports of manufactured articles were about 8 per cent. less in value in the second quarter of 1934 than in 1933, but there was an increase of about 4 per cent. in volume. The export industries are protesting about the slow progress being made in readjusting production costs to those of other countries.

Judging by the complaints of unremunerative prices also made by manufacturers producing goods for the home market, it seems that their rate of production, bad as it is, actually gives a flattering impression of the real state of affairs. The struggle to find domestic markets to replace those lost abroad has resulted in still fiercer competition in many branches.

Stock Exchange prices are still falling. The following table, compiled by the Central Statistical Bureau, sets forth the official index of Amsterdam Stock Exchange prices:—

	(1921-1925 = 100)				
	April	May	June	July	August
Industrials	38	36	34	34	33
Bank and financing....	68	65	65	65	66
Shipping.....	3.0	2.8	2.4	2.3	2.5
Other branches.....	43	42	41	40	41
Indies.....	38	39	37	37	38
Petroleum	50	49	50	49	48
Average.....	34	33	31	31	31

It is widely pointed out here that Holland is the most expensive country in Europe, apart from France. If the gold standard is to be maintained, deflation needs to be put into execution far more energetically, especially now that foreign competition is again making itself felt still more keenly than before, through the further depreciation of sterling. The cutting of production costs is a prime necessity, if unemployment is to be coped with effectively. Further wage cuts, however, are out of the question, as the high cost of living does not permit it. The cost of living, instead of falling, has again risen in August, as a result of a further rise in the price of food, as the following table shows:—

	General		Food	
	Price Index	Price Index	Price Index	Price Index
	(48 articles)	(28 articles)	(1901-1910=100)	(1901-1910=100)
1913	112	112	112	112
1928	167	176	167	176
1929	159	167	159	167
1930	131	134	131	134
1931	108	112	108	112
1932	87	93	87	93
1933	82	85	82	85
1933, August	81	82	81	82
1934, July	84	90	84	90
1934, August	85	92	85	92

A MOVEMENT FOR DEVALUATION

Because deflation is making such slow progress, voices are now being raised in some quarters advocating the devaluation of the currency as the best means of readjusting production costs. The movement for devaluation, however, must not be exaggerated, as the Netherlands Federation of Employers, in their recent annual report, stated they were opposed to devaluation, as such a policy would signify opposition to the present National Government under the leadership of Dr. Colijn.

The balance of trade for the month of August makes a better showing than has been the case for a long time:—

	(000,000 guilders)		Jan.-Aug.,		July,
	August,	1934	1933	1934	1933
Imports	105	89	773	714	86
Exports	62	69	474	466	58
Percentage of imports covered by exports	58.8	77.0	61.3	65.3	67.4

Imports of gold and silver amounted to 3,304,360 guilders and exports to 6,384,777 guilders.

The investment market is more cheerful, thanks to the falling trend of capital rates. The State has availed itself of this by announcing the marketing of a 4 per cent. Netherlands Indies conversion loan of 485 million guilders at 100. This loan is guaranteed by the Netherlands. Subscriptions open on September 14th.

AMSTERDAM, September 12.

ARGENTINA

GENERAL RECOVERY MAINTAINED

DESPITE easier prices for wheat, Argentine prospects warrant the belief that a sound and cumulative improvement in the general financial and commercial outlook has set in. First estimates for the area sown to wheat, linseed and oats show low figures for both wheat and oats, but are higher than last year for linseed. Current sales of maize and oats have been favourably affected by the decision of the U.S.A. to open its ports to all forage, and there is a fair likelihood

of linseed being also imported freely by the U.S.A. For maize sowing a great increase is confidently expected. Current prices are unusually high; indeed, the last week of August saw maize prices above those of wheat. Latest official figures giving yield of crops this year confirm the private belief that both in wheat and in linseed Argentina harvested more than the quantity officially stated in the final estimates, last year's production being the largest for the past decade. The following are the preliminary crop figures published by the Ministry of Agriculture:—

	Area sown to		Yield	
	Main Crops	Sown	1933-34	1933-34
	1934-1935	1933-34	Hectares	Tons
Wheat	7,480,000	7,957,300	7,480,000	7,787,000
Linseed	2,920,000	2,773,530	2,920,000	1,440,000
Oats	1,350,000	1,443,300	1,350,000	883,000
Barley	745,000	721,370	745,000	784,000
Rye	770,000	715,520	770,000	237,000

Spot quotations at the moment are as follows:—Wheat, \$7.10 per 100 kilos.; maize, \$7; linseed, \$13.55; oats, \$6 (Buenos Aires quotations in paper pesos).

The meat outlook, and that of the cattle trade generally, is also cheerful. Confidence has been strengthened by the substantial advance in prices paid for pedigree stock at the annual Palermo show, where the champion short horn bull fetched \$44,000, as against \$15,000 paid in 1933 and \$22,000 in 1932. Such a price has not been recorded for the past eight years; and that the improved tone is general is shown by the fact that 55 imported bulls were all sold in 24 hours, the average price being \$9,000. Improving traffics on the railways have led to requests by the workers for abolition of the various measures of economy adopted in 1933.

Revenue returns for the first eight months of 1934 show a slight decline of \$2,700,000 on the average, with, however, improvement in Customs, land tax, licences and income tax. Inland revenue returns are also good, totalling \$89,194,545 for the eight months, as against \$83,055,940 last year. The first-named figure is nearly six million pesos above the Budget estimate for the current year. The 1935 Budget estimates have not yet been completed, but may be laid before Congress before it ends its ordinary sessions on September 30th. National expenses are being kept well within revenue receipts, and, although sparing of publicity, the Ministry of Finance has given tangible evidence of a sound position by paying off the £855,000 balance of a short-term loan taken in 1929, and pointing out that short-term indebtedness, which was, roughly, equivalent to £20,000,000 in 1930, has been reduced to something under £5,000,000.

The Minister of Finance has denied the rumours of further conversion of internal indebtedness, which were in circulation at the beginning of August. Any proposition of this nature, he added, would be strongly opposed by the Government. The rumour took its rise from the firmness of quotations for Internal Credit Bonds and Cédulas, now standing about 95 for the various Five per cents. It is thought possible, however, that the Government may be able to convert advantageously certain of the external bonds held in New York; and it is probable that the Government will assist the Province of Buenos Aires to renew sinking fund payments, provided a scheme is arranged for reducing all Provincial bonds receiving more than 6½ per cent. to that figure, additional bonds being given in compensation. Arrangements have at last been made for meeting the cash payments due to those holders of Cédulas of the National Mortgage Bank who refused to convert, the Ministry of Finance having announced that a message will be addressed to Congress asking for the necessary appropriation of funds to be authorised. The amount required is \$22,716,000.

"A MILD FINANCIAL DICTATORSHIP"

The local money market remains easy, with the banks carrying ample funds on deposit and showing substantial cash percentages. Demand by borrowers is not, however, strong enough to be in any way competitive; there is a marked scarcity of trade bills for discount; and no immediate likelihood of Government requirements of any moment. For which reasons rates are low, ranging from 3½ to 5½ per cent. for first-class business, though deposit rates, strangely enough, have not fallen proportionately. There has again been some mention of a possible banking

law, but unless it can be introduced and carried before Congress rises at the end of September, its application this year is improbable. As, however, nearly all the current measures dealing with finance have been the subject of decrees, rather than of Congressional measures, it is thought not improbable that any further amendments to Argentina's financial procedure and technique may well be postponed until Congress is in recess.

Admittedly, such a course is tantamount to a mild financial dictatorship, but, though questionable from the doctrinaire standpoint, it has so far worked well in practice. It certainly would not arouse the least resentment in local financial and commercial circles were it to be continued, provided all abuse is avoided, as has been the case up to the present moment. Certain import interests might object, but though the Government undoubtedly believes in keeping the value of the peso round about its present level, it claims that it acts in the best interests of all, and, more specifically, to the advantage of the Argentine producer and resident; a claim which is not altogether unfounded when comparison is made with the course of currency and exchange in other countries during the past two years.

Buenos Aires, September 4.

CANADA

UNEMPLOYMENT AND THE DROUGHT

THE Bureau of Statistics' figures show that there was an ominous contraction in employment in July and that on August 1st the reporting firms had on their pay-rolls 931,429 persons, as compared with 941,941 on July 1st. This decrease, coming at a time when outdoor farm work is in full swing, indicates that the employment problem will again be serious during the winter, and the Government has now reached agreements with most of the Provinces under which it will continue its contributions to direct relief, but on a smaller scale. The latest report of the Bureau of Statistics about the Western crops, published on September 5th, states that harvesting is now well advanced in the Prairie Provinces despite delays caused in the past week by rains over a wide area. In Manitoba practically all the wheat has been cut, and, while threshing is nearly completed in the Southern part, it is only partially finished in the North. In Saskatchewan and Alberta, cutting is finished, and more than half the threshing has been done in the Southern areas, but in the Northern districts cutting is still in progress. There is evidence of substantial frost damage in Northern Saskatchewan and Central and Northern Alberta, where both yields and grades have suffered. The crop experts still place the Western wheat crop at below 300 million bushels. Pastures have benefited greatly on the Prairies by the recent rains, but the problem of feed for livestock remains acute in many places.

The Federal Minister of Agriculture has been conferring with representatives of the three Prairie Provinces and heads of the meat-packing companies about a plan by which some 125,000 cattle would be killed and processed into some form of low-grade beef. These cattle must either be fed at the public expense or slaughtered; and, if they were forced on the market in the next two months, cattle prices would fall to unprecedentedly low levels. The advocates of the plan assert that if the Federal and Provincial Governments will combine to finance this plan the cheap beef thus produced can be disposed of in Japan and other foreign markets, and the cattle industry saved from complete disaster. The farmers whose cattle were purchased would also get some cash, and relief expenditures would be lessened.

The Federal revenues continue to show improvement, and for the first four months of the present fiscal year ending July 31st the aggregate returns from income-tax, Customs duties, excise duties and taxes and sundry collections amount to \$117,918,070, as compared with \$98,582,603 in the parallel period of 1933-34. The gain in income-tax is less than a million dollars, but Customs duties are up by \$7½ millions and excise taxes by \$9 millions, and Mr Bennett, the Prime Minister, recently predicted that by the end of the fiscal year revenue would be balancing

ordinary expenditure. The Finance Department is preparing a new Dominion loan, which will be offered probably some time in October. It is expected that it will be for at least \$250 millions, as \$223 millions are required to refund the Victory Loan of 1919 now about to mature.

NOTE INFLATION POLICY

The latest Dominion currency returns indicate that the Government has been pursuing a policy of note inflation, for during July the issue of Dominion notes increased by more than \$18½ millions to a total of over \$191 millions. Of this increase about \$2½ millions represented additional advances to the Bank under the operation of the Finance Act, but apparently the rest was deliberately issued by the Government, which wants to encourage easy money and secure a lowering of interest rates generally. The Government is also believed to be anxious to prevent the Canadian dollar going to a higher premium in New York, on the ground that this might injure Canada's export trade.

As first Governor of the new Bank of Canada, the Government has selected Mr Graham F. Towers, Assistant General Manager of the Royal Bank of Canada. His appointment is generally commended. He will leave for Europe shortly to visit central banks, and it is expected that a deputy-governor with practical experience of central banking will be secured from Great Britain. The present plan is that the Bank of Canada should begin operations shortly after the New Year.

While there has been no real reversal of the general upward trend of business, the situation is now more or less static, and, in view of the lowness of the crop yield, the slowing down of industrial operations in some lines and the delicate situation in the United States, the optimism which has been prevalent since the spring has somewhat faded in recent weeks. A recent business survey published by the Bureau of Statistics shows that during the first seven months of 1934 ending July 31st the index of the physical volume of business based on 45 factors covering production and distribution was 92.9, compared with 73.7 in the parallel period of 1933, a gain of 26 per cent.; but there has been a slight recession in August in most lines, except in mineral production. However, one encouraging feature is an expansion of the programme of new building; contracts awarded in August were valued at \$13,543,900, which was an increase of 21 per cent. over the July figure, a rare occurrence. The movement of merchandise is being well maintained, and the carloading figure for the week ending September 5th, 48,220 cars, was the heaviest weekly figure for 1934. Commodity prices show a tendency to decline, and the Bureau's wholesale index (1926 = 100) had fallen on August 31st to 71.8, as compared with 72.2 on August 24th; the chief decline was in the "vegetable products" index. The Western farmers are being cheered by a better export demand for wheat, and wheat exports in August were 14,709,675 bushels, valued at \$12,868,422, compared with 8,652,970 bushels, valued at \$6,656,511, in August, 1933.

Ottawa, September 8.

AUSTRALIA

BUDGET STILL BALANCED

THE Commonwealth Budget for 1934-35 shows that, including Postal and Commonwealth Railway receipts and expenditure on a gross basis, and including total interest and sinking funds on account of the States with corresponding receipts from them, the gross estimated revenue is £95,693,000 and gross estimated expenditure £95,679,190, leaving a surplus of £13,810. The accounts for 1933-34 show a surplus of £1,301,570, against £3,546,608 for 1932-33, and £1,314,091 for 1931-32. But of the total of £6,162,269 for the three years, £4,160,000 is to be spent on defence equipment and £2,000,000 on financial assistance to the States, leaving only £2,269 remaining on account of the three years, to which will be added the "excess receipts" estimated for 1934-35 £13,810, making together £16,079.

The accounts are somewhat complicated owing to constitutional requirements, but the net result is that the Com-

monwealth Government is balancing its Budget after providing for sinking fund. The figures are arrived at after giving effect to the Budget proposals, which include reductions of £400,000 in primage duties and £220,000 in sales tax, and revenue concessions of £210,000 in telephone charges and wireless licence fees, together with more liberal treatment of war and other pensions and a partial restoration of salary cuts.

Loans maturing in London up to the end of December, 1935, amounted to £85,698,552, including £67,156,461 with optional dates, and the Treasurer, Mr Lyons, spoke with confidence of the prospect of conversions. As to loans outstanding in New York, action will be taken if any favourable opportunity arises. The floating debt in Australia and London at June 30, 1934, was £82,094,000, against £83,000,000 at June 30, 1933. The latest amount includes £33,625,000 in London, of which £30,125,000 is held by the Commonwealth Bank, and the remaining £3,500,000 will be taken up by it not later than September 30th.

The total debts of the Commonwealth and States at June 30, 1934, including the floating debt, amount to £1,222,558,798, the annual interest payable thereon being £49,299,637. The internal debt alone is £629,285,016, with interest £23,536,387. The total of £1,222,558,798 shows an increase of £17,900,675 as compared with a year ago, and a total increase of £121,961,600 as compared with June 30, 1930.

The quarterly average returns of the Australian business of the ordinary banks (exclusive of the Commonwealth Bank) show a large increase in deposits as compared with a year ago, with a relatively small increase in advances. Deposits for the quarter ended June 30, 1934, are £206,972,125, or an increase of £22,283,263 on the year; advances, £236,963,201, or an increase of £2,844,066; and Government and municipal securities (including Commonwealth Treasury bills), £52,111,986, or a decrease of £669,653. The figures continue to reflect the lack of enterprise which makes it difficult for the banks to obtain suitable employment for the funds available.

RECOVERY IN FOREIGN TRADE

The trade returns for 1933-34 (to June 30th) show an excess of gross exports over gross imports of £38,324,305, taking both sides in British currency, and including bullion and specie, the net exports of which were £7,333,499. The excess of exports, £38,324,305 gross, compares with £38,843,611 for 1932-33, £40,289,763 for 1931-32, and £27,944,509 for 1930-31, prior to which there was for a number of years an excess of imports. During the last few years the exports have included the current output of gold from the mines, and also the gold formerly held by the banks in addition to most of the gold held by the Commonwealth Bank as reserve against the note issue. This last item, which amounted to £2,001,116 gold pounds in 1931-32 and £7,999,412 gold pounds in 1932-33, does not count in estimating the balance of payments, as the proceeds are held in reserve in London in securities.

The following is a summary of Australian trade (in British currency on both sides) for three financial years:—

	1931-32	1932-33	1933-34
Imports:			
Merchandise	44,042,662	56,842,701	59,707,373
Bullion and specie	670,206	1,171,159	1,278,105
Total imports	44,712,868	58,013,860	60,985,478
Exports:			
Merchandise	74,838,385	78,031,055	90,698,179
Bullion and specie	10,164,246	18,826,416	8,611,604
Total exports	85,002,631	96,857,471	99,309,783

The increase in exports is due to the recovery in the wool market, but against this is a falling off in wheat and flour exports owing to the small wheat harvest of 1933-34 and the reluctance of farmers to sell freely at the low prices obtainable during the period.

The Royal Commission on the Wheat Industry has presented a report in which it recommends the establishment of a home consumption price following the principle observed in most other rural industries (by which is intended

especially such items as dried fruits, sugar and butter). It also recommends assistance to wheat growers during the coming season at a cost of £4,000,000, though arrangements are subject to the result of the harvest, prospects for which are at present uncertain.

One method of providing the money would be an excise tax on flour. The Government has decided to adopt a scheme to assist the growers on the basis of 3s. per bushel at shipping ports, with a sliding scale so that the relief would vary inversely as the price. At the moment, according to the level at which the market stands after the recent improvement, it looks as if the relief would hardly be required. Early this year the Melbourne market ruled at 2s. 5½d. to 2s. 6½d. per bushel, but it is now nearly 3s. 6d.

MELBOURNE, August 2.

BOOKS RECEIVED

- Sir Basil Zaharoff.* By Dr R. Lewinsohn. (London) V. Gollancz. 223 pages. 5s. net.
- The First Workers' Government.* By G. R. Mitchison. (London) V. Gollancz. 528 pages. 5s. net.
- Planning the Modern State.* By F. A. Bland. (London) The Australian Book Co. (Sydney) Angus and Robertson. 230 pages. 4s. 6d. net.
- A Study of History.* By Arnold J. Toynbee. Issued under the auspices of the Royal Institute of International Affairs. (London) H. Milford. Vol. I. 475 pages. 21s. net. Vol. II. 452 pages. 21s. net. Vol. III. 550 pages. 21s. net. Vols. I.-III. £2 12s. 6d. net.
- Co-operation in Changing Italy.* By K. Walter. (London) P. S. King and Son, Ltd. 79 pages. 2s. 6d.
- The Production of Money and its Effect on Industry.* By Hugh Munro. (Dingwall) George Souter. 19 pages. 1s. 6d.
- Don't be Afraid of Poison Gas.* By F. N. Pickett. (London) Simpkin Marshall, Ltd. 41 pages. 1s. net.
- A lively brochure which almost persuades us that poison gas is little more dangerous than the dentist's variety.
- City and Country.* By P. C. Armstrong and F. E. M. Robinson. (London) Macmillan and Company, Ltd. 145 pages. 8s. 6d. net.
- The Money Muddle.* By James P. Warburg. (London) G. Routledge and Sons, Ltd. 272 pages. 7s. 6d.
- A review of the American edition of this book appeared in our Book Supplement of June 9th.
- Democracy and Dictatorship.* By Hugh Sellon. (London) Lovat Dickson, Ltd. 114 pages. 2s. net.
- The Man and the Hour: Studies of Six Great Men of Our Time.* Edited by A. Bryant. (London) Philip Allan and Company. 146 pages. 5s. net.
- The Hop Industry.* By H. H. Parker. (London) P. S. King and Son, Ltd. 327 pages. 15s. net.
- Die Grundlagen des Saarhampfes.* By A. Grabowsky and G. W. Sante. (Berlin) Carl Heymanns Verlag. 394 pages.
- An exhaustive and well documented study of the Saar problem from a German point of view. It has an admirable bibliography.
- Hitlerism: Why and Whither.* By G. Norlin. (Boulder) University of Colorado. 16 pages.
- The Housewife and the Town Hall.* By Mrs H. A. L. Fisher. (London) Ivor Nicholson and Watson, Ltd. 113 pages. 2s.
- Individualism and Socialism.* By Kirby Page. (London) Allen and Unwin. 367 pages. 10s. 6d. net.
- Liberly and Natural Rights.* By W. R. Inge. (Oxford) The Clarendon Press. 38 pages. 1s. 6d.
- Hitler's First Year.* By H. Powys Greenwood. (London) Methuen and Company, Ltd. 58 pages. 1s. net.
- If I were Dictator.* By Lord Raglan. (London) Methuen and Company, Ltd. 122 pages. 2s. 6d.
- If I were Dictator.* By Lord Dunsany. (London) Methuen and Company, Ltd. 107 pages. 2s. 6d.
- Decasualization of Dock Labour.* By W. Hamilton Whyte. (Bristol) J. W. Arrowsmith, Ltd. 132 pages. 5s. net.
- Insurance Shares as an Investment: being an Analysis of the Leading Companies' Reports and Accounts for 1933.* Compiled and edited by T. Wheelock. (London) P. W. Cooper and Company, 11 King Street, Cheapside, E.C.2. 83 pages. 5s. net.
- Brasil, 1933.* Ministry of Foreign Affairs Commercial Service. Rio de Janeiro. 376 pages.
- The Insurance Blue Book and Guide for 1934.* (London) Ritchie and Darling. 516 pages. 10s. 6d. net.
- Annali di Statistica e di economia.* Anno I. Vol. II. (Genoa) Laboratorio di Statistica et di Economia. 247 pages. L.40.

MONEY AND BANKING

THE FUTURE STOCK OF MONETARY GOLD

THE events of the last few years have established a firm connection in the minds of the general public between the gold standard and monetary deflation. The effort to maintain the restored gold standard in Great Britain imposed a certain degree of monetary stringency upon this country for several years before the onset of the world depression. The workings of the gold standard, by draining away the available supplies to Paris and New York, played their part in instituting a restriction of credit in 1929. In more recent months the continuance of deflation in the gold *bloc* has contrasted strongly with the beginnings of recovery elsewhere. In each of the periods into which the last ten years can be divided there have thus been reasons for associating gold with deflation.

These beliefs undoubtedly affect a great deal of the present discussion on the merits of the gold standard. It is frequently assumed, without argument, that rising prices will not be secured if the gold standard is restored. But there is no historical justification for this assumption. Gold has on occasions, as between 1896 and 1914, proved to be a strongly inflationary basis for the currency. It is therefore essential that we should have some idea of the volume of gold that is likely to be available for monetary purposes in the next few years. The adequacy of the supply of gold is not, of course, the only consideration to be borne in mind in considering the advisability of returning to the gold standard. There is, for example, the crucial question whether any international monetary system is possible without at least some approach to an international economic system. But the supply of gold has played a large part in controversy in the past and will doubtless do so again in the future. It is therefore opportune to examine the position.

We may conveniently begin with the end of 1928. At that time there was much talk of maldistribution of gold and some prophecies of an approaching shortage. But it would be difficult to establish that credit was being definitely restricted anywhere through lack of gold. The following table gives the Federal Reserve Board's figures for holdings of gold by Governments and Central Banks on December 31, 1928, in millions of gold dollars. The countries have been arranged in six groups; the "sterling group" includes Great Britain, Scandinavia, Portugal, India, Australia, New Zealand, South Africa and Egypt, and the "gold bloc" includes France, Italy, Switzerland, Holland, Belgium and Poland. The names given to these two groups refer, of course, to events that were still in the future in 1928.

GOLD HOLDINGS OF GOVERNMENTS AND CENTRAL BANKS
(Millions of "old" gold dollars)

	December, 1928	January, 1934
1. U.S.A. and Canada	3,860	4,099
2. Sterling Group	1,230	1,444
3. Gold Bloc	1,994	4,586
4. Other European Countries	1,431	1,189
5. Latin America	895	342
6. Remainder	618	279
Total	10,028	11,951

In addition to these holdings of gold, holdings of foreign exchange played some part in forming the monetary base. The amount of these holdings cannot be accurately ascertained. For Group 4 it apparently amounted to some \$325 millions, and for Group 5 to some \$240 millions.

The depression years brought a considerable increase in gold holdings, for various reasons. Production increased, particularly after the depreciation of the sterling currencies. The estimated world production of gold was \$450 millions in 1929, but \$499 millions in 1932 and \$512 millions in 1933. How much of the total production was available for monetary purposes is not accurately known. But since depression could be expected to reduce the demand for plate and jewellery and since the Eastern countries in these

years were not absorbing but were disgorging gold, the proportion of the total production available for monetary use certainly increased. But the annual production of gold is so small relatively to the total supply that even an increase of more than 25 per cent. in the annual addition to the monetary stock would not have greatly affected the total of that stock. There was, however, a large accession of gold to Western monetary reserves from Eastern private hoards. Exports of gold from British India alone in 1932 and 1933 totalled \$322 millions. Finally there was a certain amount of melting down of gold jewellery, etc., offset by some increase in private hoards of bullion. Whatever the source of the increase may have been, its size is shown in the second column of the above table, which shows the position at the end of January of this year. The figures are still in "old" gold dollars, the metal being valued at \$20.67 an ounce. It will be seen that each of the first three groups had increased its holdings. Group 4, consisting of the "restricted" European currencies, had lost rather less than one-fifth of its gold, and in addition its foreign exchange holdings had fallen from \$325 millions to \$165 millions. The other two groups had lost heavily. The total had increased by no less than 19 per cent.

For many of these countries, however, the figures are purely formal. The official valuation of the Bank of England's gold holding, for example, is less than its market value. It can be taken for granted that many, if not most, of the world's currencies will eventually be devalued. The dollar has already shown the way. The adequacy of the world's gold reserves should therefore be measured not by the "old" value of the bullion, but by the new value which it will eventually be given. What the new parities will be we do not know. But it is instructive to observe what will happen if the average devaluation is the same as that undertaken in the United States, namely 41 per cent. In the second table, accordingly, the world's gold holdings at the end of January, 1934, are revalued. In the first column the assumption (Assumption A) is made that there is no devaluation in the gold *bloc* or in the other European countries other than those in the sterling group, but that all other countries devalue their currencies by 41 per cent. In the second column it is assumed (Assumption B) that the 41 per cent. devaluation is universal.

The figures are in millions of "new" gold dollars, the price of gold being \$35 per ounce, with the exception of Groups 3 and 4 in the first column, which are in "old" gold dollars. The value of the gold holdings of these two groups has, of course, increased in terms of dollars, but for the purpose of assessing their adequacy as a monetary base, it is the value in gold francs, gold guilders, etc., that is important, and this can be represented by "old" gold dollars. The total of the first column is therefore partly in "old" and partly in "new" gold dollars; it is a purely conventional figure for comparison with the totals of the first table.

GOLD HOLDINGS OF GOVERNMENTS AND CENTRAL BANKS,
JANUARY, 1934

	Assumption A	Assumption B
1. U.S.A. and Canada	6,959	6,959
2. Sterling Group	2,445	2,445
3. Gold Bloc	4,586	7,761
4. Other European Countries	1,189	2,012
5. Latin America	579	579
6. Remainder	472	472
Total	16,230	20,228

These figures are quite striking. The American group has nearly twice as much gold—in monetary value, which is what matters from our present point of view—as in 1928, the sterling group almost exactly twice as much. The gold *bloc* shows an increase of 125 per cent. without, and of nearly 300 per cent. with, devaluation. The "restricted" European countries will show an increase of nearly one-

half if they devalue. Their gold holdings after devaluation will be \$400 millions in excess of their combined gold and foreign exchange holdings in 1928. On the other hand, the two last groups have considerably less gold even after devaluation. Nor are the assumptions underlying the figures essentially unreasonable. The dollar is already devalued. It can be taken for granted that the sterling and other non-European currencies will eventually be devalued, some of them, such as the Australian pound, probably to a lower level than the dollar. Some of the European currencies outside the gold *bloc* have already been devalued and others will doubtless follow, though the extent of the devaluation may be less than the 41 per cent. that has been assumed. Even in the case of the gold *bloc* he would be a bold prophet who would prophesy the indefinite continuance of the present parities.

It is clear, then, that there will be no shortage of gold in the immediate future. Indeed, the excess of the probable post-devaluation stock over the actual stock of 1928 is very large. Excessive stocks of gold will not by themselves lead to inflation, as Central Banks may prefer to maintain their reserve ratios at a high figure. But monetary history contains little warrant for the assumption that inflation will be staved off by mere moderation. There will still be maldistribution of gold but, with the important exception of Germany, every major country will start off with more than enough gold to satisfy its legal reserve requirements. It is thus not impossible that the restoration of the gold standard would be the preliminary to a very large gold inflation. It would certainly be a great mistake to assume that automatic dependence upon gold would produce either deflation or stability.

FINANCIAL NOTES

The Money Market.—Credit has been abundant all the week, with short money freely offering at $\frac{1}{2}$ per cent.

	Aug. 30, 1934	Sept. 6, 1934	Sept. 13, 1934	Sept. 20, 1934
Bank rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short loan rate :—				
Clearing banks	1	1	1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates :—				
Treasury bills :—				
(a) Clearing banks.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
(b) Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

The discount market has remained rather inactive and rates have weakened materially, as they almost always do at the end of September. They are now almost certainly at a seasonal nadir, and some recovery must be looked for from now on. Yesterday's Treasury Bill tender was the last at which December bills could be had, and a sharp increase in the rate of allotment is to be looked for next Friday.

The Foreign Exchanges.—The atmosphere of the foreign exchanges for most of the week has been similar to that known to yachtsmen as a butterfly wind; the movements have been as imperceptible as they were off Newport, Rhode Island, on Wednesday. The extreme range of the Paris rate has been between 74 $\frac{1}{4}$ and 75 $\frac{1}{8}$, that of the New York rate between \$4.99 $\frac{1}{4}$ and \$5.01 $\frac{1}{8}$. The tendency of sterling was very slightly upward before the week-end and as slightly downward this week, with the result that there was little change on balance. Indications of tendencies have to be sought in the forward rates. The discount on the dollar is very slightly narrower, being $\frac{1}{4}$ to $\frac{3}{8}$ cent for three months instead of $\frac{1}{2}$ to $\frac{3}{8}$. The forward franc, which was at par at the beginning of the week, has gone to a small premium. The slightly stronger tendency of the franc is ascribed to the announcement that the Budget for 1935 will be balanced. It is reported that the milreis has again

been pegged to sterling. On September 1st it was pegged to the French franc at the rate of 805 reis per franc, but with the recovery of sterling the peg was raised to 802 reis per franc and from the 13th it returned to the peg of 60 milreis to the pound. This is the official rate—the "free" milreis is still rising and is now in the neighbourhood of 70 to the pound. The reichsmark is a shade stronger and is quoted at 12.35-12.40. Security, credit and registered marks are available at 36.95-38.35, 29.70-30.30 and 20.89-21.04, respectively. Sondermarks are quoted at 12.62, which is about 2 per cent. discount, but as payments into the Bank of England's account at the Reichsbank have not been resumed, it is apparent that the demand for sondermarks is still very small. Dealings in forward sondermarks have now begun at par.

The Bank Return.—A further return of notes from circulation after the holiday season is recorded in this week's Bank return. The contraction during last week was £2.6 millions, bringing the active circulation back to £376.4 millions, against £383.9 millions on July 25th. A year ago the circulation was £370.5 millions, compared with £382.2 millions on July 26, 1933, so that the seasonal contraction has been less marked this year than last :—

BANK OF ENGLAND

	Sept. 20, 1933	Dec. 27, 1933	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold.....	190.4	190.7	191.8	191.8	191.8
Note circulation.....	370.5	392.0	381.3	379.0	376.4
Banking Department :—					
Reserve	81.3	59.7	71.0	73.4	76.1
Public deposits.....	18.2	22.2	29.6	16.5	20.5
Bankers' deposits	105.7	101.2	88.9	103.2	99.8
Government securities ...	80.7	88.0	85.0	84.9	81.7
Discounts and advances ..	9.2	16.8	6.9	6.3	6.1

Proportion 48.5% 37.3% 45.6% 46.8% 48.1%

The other changes of note (apart from the £2,700,000 increase in the reserve corresponding to the shrinkage in the note circulation) are a fall of £3,200,000 in Government securities in the Banking Department, a decline in Bankers' Deposits of £3,400,000 from their rather high level of last week and a recovery of £4,000,000 in Public Deposits.

New York Money and Banking.—Money conditions in New York are entirely unchanged. The "official" call loan rate remains at 1 per cent., with "outside" money available at $\frac{1}{4}$ to $\frac{3}{8}$ per cent. There is some evidence of a slow expansion of bank credit; bank clearings in 47 cities for the week ended September 12th, for example, were 5.5 per cent. higher than in the comparable week last year. Bank deposits are also increasing, but the rise is largely due to the continued absorption by the banks of Government securities. The conversion of Liberty Loan has not been an unqualified success, only \$530 millions of the \$1,250 millions called for redemption having been converted as yet. Nervousness is also demonstrated by the fact that the holders of \$386 millions have elected to take in exchange four-year bonds, only \$144 millions preferring the 10-12-year issue. The project of a Government-owned Central Bank has again come to the fore. Professor Jacob Viner is believed to have prepared a report on the subject for the Secretary of the Treasury, which will shortly be published. If the proposed Central Bank were to be merely a centralisation of the cumbrous machinery of the Federal Reserve system, little objection could be taken to it, as the Reserve system, though owned by its member banks, is already dominated by the Government. But it has been assumed that the new Central Bank would compete with the existing commercial banks and that it would be used to finance the Treasury's deficit by printing notes. Both of these assumptions are feeding on nothing more substantial than surmise, but they have been sufficient to induce nervousness in banking circles and to start an "inflation" flurry on the Stock Exchange.

THE STOCK EXCHANGE

ANY HOPE FOR WALL STREET?

For the student of markets scanning the situation in Wall Street and trying to sum up its prospects there is at the moment only one question which it seems profitable to ask: "Can the outlook really be as utterly dismal as it appears to be and as every one (except Mr Angas) seems to think it is?" Before we face up to that question let us examine broadly what are the factors which have been recently influencing Wall Street and have been responsible for the heavy general fall in values which has taken place in the last two months. The most important single factor, beyond doubt, is the drought, which has reduced the wheat harvest to about half its normal figure and the cotton crop to its lowest level for thirty years. A consideration of share price movements in recent months is fairly conclusive on that point. The index numbers for general industrials reached their highest points for the year in February, following the devaluation of the dollar, but after moderate fluctuations they were back not very far below those high points in the second half of April. After that what appeared to be the normal spring recession set in and the market was reactionary almost throughout May. Then a good recovery set in—the general view was that the measure of the summer slackening of trade had been taken, and though the drought was by then commanding attention it was interpreted rather as a bull point by a market besotted with muddled ideas about the need for raising the price level. In the middle of July share values were still well above the level of the early days of January.

Then and not till then came realisation of the true seriousness of the drought. The summer slackening of trade suddenly began to develop into a real depression. The *New York Times* index of business activity dropped abruptly from 83.8 to 76.9 per cent. in the first week of July, and steel production fell off alarmingly, until by the beginning of this month it was very little above the crisis level of two years ago. In the second fortnight of July industrial shares lost almost 10 per cent. in value and rails not far short of 20 per cent.

There can be no doubt that at that period the dominating influence was the drought and the slump in business activity directly due to it. Politically it was the dead season. Congress was in recess and the autumn election, which in any case could hardly make things much worse from Wall Street's point of view, not yet imminent. But other serious troubles were even then visibly brewing. That unwieldy and inharmonious piece of machinery, the N.R.A., was beginning to creak more threateningly than ever. The waterfront strike on the Pacific coast had been dragging on for weeks—a small thing in itself but recognised by the clear-sighted as a symptom of widespread and deepening discontent among American labour in general with the working of the "collective bargaining" clauses of the N.R.A. codes.

In August, however, the July stock market slump flattened out and even gave place to a mild recovery in general industrials, though hardly in rails or utilities; and the re-

newed slump which, this month, has brought down many share prices to levels which they had not touched since they crossed them in the great upward surge of May, 1933, must largely be set at the door of the textile strike, now ending its third week.

In this account of Wall Street's descent to Avernus we have so far made no reference to the Securities Act or to the Securities Exchange Control Commission and its activities in the regulation of new issues and listing and of margin requirements. We do so now, but not to assign to the Commission any great share in the responsibility for the recent movements in Wall Street. The Commission, whatever its effect may be in the future, can hardly be accused of depressing the market by checking bull speculation at a time when all conceivable reasons for bull speculation were so notoriously absent. In any case though the speculator is now definitely shy of Wall Street it does not therefore follow that the average level of values as distinct from the average level of activity will be adversely affected by his absence.

We have now reached the point when we must face the question with which we opened—is the future outlook as dismal as it is generally held to be? Certainly there is no reason to look for any immediate improvement. Some seasonal recovery in trade there should be—and there are already signs of it—but as against that there must be set the effect of the third quarter industrial earnings, which are certain to make depressing reading; and, in any case, the election is now so close at hand as to repress any latent tendency to recovery. But when the election is over, what then? Until the Maine election the best hope seemed to be that the November polls would register some recession of the Democratic tide and that the President would thereafter lose his desire for experiments and "go conservative." Even now that is perhaps the best hope, or, at least, it is regarded as such by Wall Street. But the Maine election certainly opens up another possibility—the possibility of the Democratic tide, so far from receding, surging in with even more boisterous violence than in 1932 and carrying the President forward, willy nilly, to fresh inflationary exploits, to the 50 per cent. dollar and a new wave of public expenditure on drought and unemployment relief. It is far from improbable that Congress may take charge and infuse new momentum into an Administration now showing clear signs of entropy. From any but the very short point of view that would be a disaster. It would bring the danger of complete financial breakdown to the point of real imminence. The failure of the present Treasury bond conversion operation, relatively unimportant as it is in itself, is a warning that cannot be ignored. But from the very short point of view it might well be—almost certainly would be—good for Wall Street. Mr Angas is right on that point.

The alternative—and, after all, no doubt the more probable alternative—is that the electorate, while registering their undiminished confidence in the President (if not in some of his subordinates), will not go to the length of hoisting him shoulder-high and carrying him with them, but will leave him free to determine his policy. In what direction will he move? No doubt he will spend much more money on relief and public works, but he will probably respect the scruples of Mr Morgenthau in his preoccupation with the problems of conversion, leave inflation at least to run its course without artificial "supercharging" and concentrate upon straightening out the tangle of N.R.A. That in the long run is, no doubt, the sensible policy. But it does not follow that in the short run it will be helpful to American industry or to Wall Street. It has been suggested, for example, with some show of authority that the minimum selling price articles of the codes may be abandoned. A step back towards a free economy, and laudable as such; but very awkward for employers, unless other steps towards freedom, as regards hours and wages, are taken. And what would remain of President Roosevelt's electoral platform, what would remain of the New Deal, if they were taken? Nothing or next to nothing. The restoration, in fact, of any substantial measure of industrial freedom seems impossible. All that the President could possibly contemplate would be such "tinkering" with the codes in the hope of easing some of the worst points of friction as may be possible without any radical overhaul. With labour in its present temper, the prospects for the success of such procedure seem limited.

In the end, no doubt, the ship may find itself, but all the evidence goes to suggest that it may be years, rather than months, before that happy consummation is achieved.

But we are perhaps passing rather beyond the bounds of our subject, which is the outlook for Wall Street over the next few months. Wall Street will have its ups and downs, whatever the exact policy of the President; and it may well be that a seasonal pick-up of trade, coupled with the relaxation of tension that normally follows elections, may lead to a sharp recovery before the year is out. But that Wall Street can in the early future again become attractive to the external investor (except for an occasional short-term "flutter") we find it difficult to believe. That view seems to be shared by some of the London houses who not long since were staunch cultivators of the American investment field, but are now confining their recommendations to certain preferred stocks and bonds of attractive yield, with the proviso that the exchange risk must be hedged.

INVESTMENT NOTES

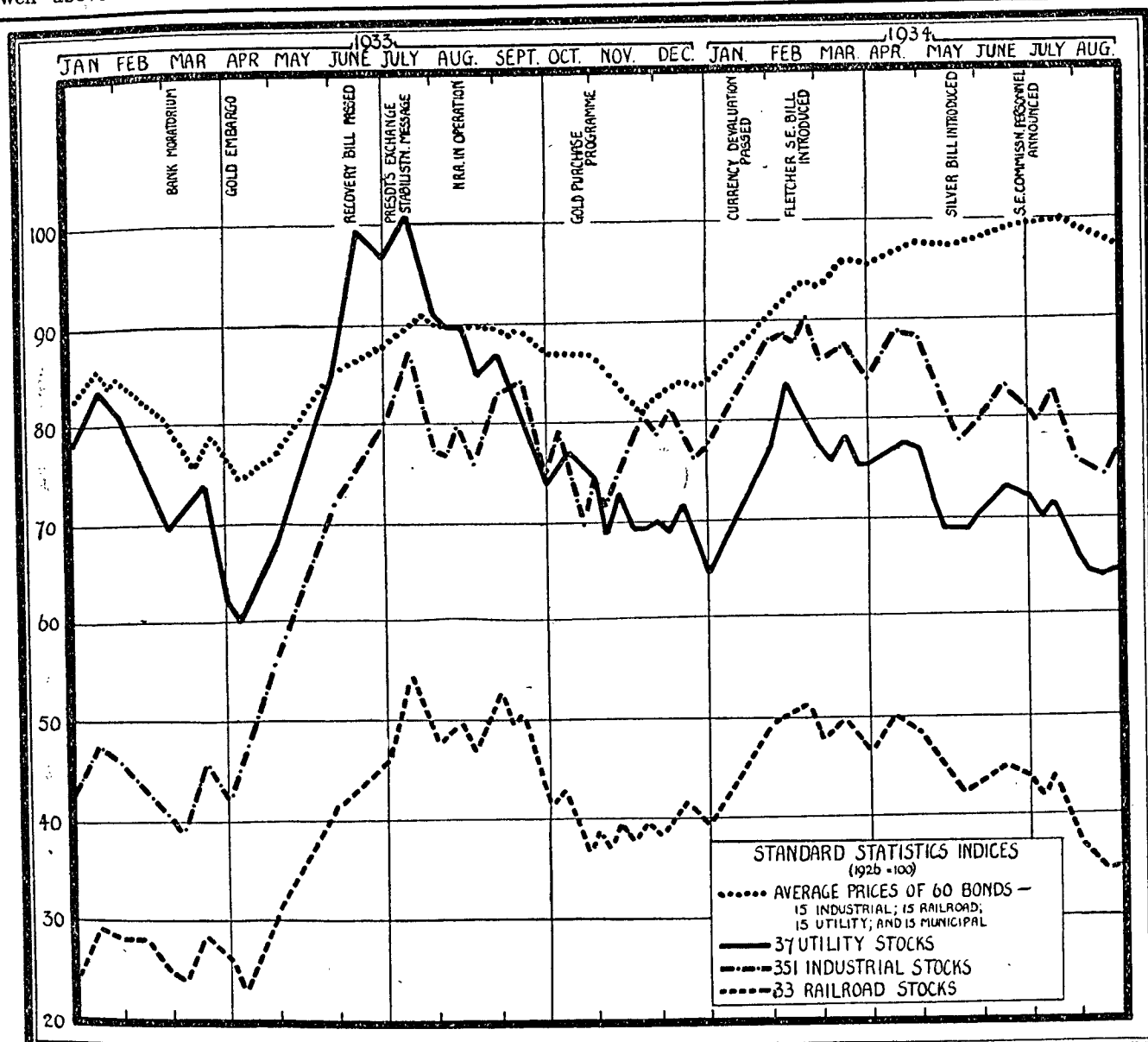
Gilt-edged Outlook.—In the last three months more than once we have suggested that continued firmness must be looked for in the gilt-edged market until it became clear whether the slackening of the trade recovery (which became evident about the middle of the year) was merely seasonal or more than seasonal. The soundness of this view is shown by the following table, giving the prices of a number of leading stocks at June 20th (the day when the post-Budget recession of gilt-edged came to an end), at the end of July and August and on Thursday last. These last are in several instances new high records:—

	Price, June 20, 1934	Price, July 31, 1934	Price, Aug. 31, 1934	Price, Sept. 20, 1934
2½% Consols.....	77½x	80½	80½	81½
4% Consols (1957 or after).....	112½	112½x	112½	113½
3% Conversion, 1948-53	101	101½	101½	102½
3½% Conversion (1961 or after)	102½	105	103½x	104½
4½% Conversion 1940-44	109½	110½	111½	111½
5% Conversion, 1944-64.....	117½	118½	119½	120
3% Funding, 1959-69	98½	98½	99½	98½x
4% Funding, 1960-90	113½	115½	116	116½
4% Victory Bonds	111½	113½	112½x	112½
3½% War Loan (1952 or after)	102½	104½	104½	105½
3% Local Loans	90½x	92½	93½	94½

The season of trade inactivity is, however, nearly at an end and the time of autumnal revival approaching. What is the outlook for gilt-edged *now*? Despite the pronounced buoyancy of the market in the last few days (due partly to possibilities which we discuss in the following note), it is no easier to be positive than it was three months ago. The only reasonable forecast seems to be a continuance of the "light variable winds" which for weeks past have kept the market on a mildly fluctuating but, on the whole, upward course. It is true that in the past month there has been a sharp recovery in industrial equity values—the *Financial News* Index has risen from 85.0 to 88.5 since the beginning of August—and that at this stage of the trade cycle would normally suggest some weakening of fixed interest values. On the other hand neither the tendency of discount rates nor the general impression of autumn trade prospects indicate the imminence of such pressure upon the money market as would appreciably affect gilt-edged stocks. Perhaps the most significant phenomenon of all is that the Clearing Banks, according to their latest monthly return, have re-entered the market as substantial buyers. The total of their investments rose, as between July and August, by as much as £13 millions to £563 millions. The banks, at least, do not appear to be apprehensive of an early setback in British funds.

* * *

A New Chapter in Conversion?—The firmness of the gilt-edged market, the example of Nigeria, and the season of the year—hardly an October has passed since the war but has seen its Government loan operation—have set the market thinking and talking busily of fresh conversion



possibilities. In respect of one at least of its suggestions it is almost certainly on firm ground. There can be very little doubt but that the Chancellor of the Exchequer will decide to call for redemption on April 15th next the outstanding £88 millions of the £110 millions 3 per cent. Treasury Bonds, 1933-42. These bonds are redeemable by annual drawings (in December for payment on April 15th) of "not less than 10 per cent." of the original amount, and as they have recently been standing well above par there is every reason why Mr Chamberlain should equate "not less than 10 per cent." to 80 per cent. (ignoring the foolish plaint of interested parties that that would not be cricket), and replace the issue by one carrying either a lower rate of interest or a longer currency. With the price of the 3 per cent. Funding Loan, 1939-69, at only just below par it is becoming temptingly near possible to substitute this early maturity by a long-term stock without cost to the taxpayer. But the market is hinting at other and more intriguing possibilities. The 5 per cent. Conversion Loan, 1944-64, is less than ten years from its first optional redemption date and stands at a premium of 18 points ex accrued interest. Many private holders are now finding the nearness of redemption and the prospective loss of capital value unattractive, and would be glad to exchange into a longer loan at a lower rate of interest which safeguarded their capital. Why, the market argues, should not the Chancellor oblige them—at a price? Why should he not offer to such holders as chose to take it, say, £118 of a long 3 per cent. stock for £100 of the present 5 per cent. stock? He would thereby effect the handsome saving of almost 1½ per cent. in annual interest on the nominal amount of stock converted, and also insure himself against the risk of having to replace the stock on worse terms than 3½ per cent. in 1944. These are very substantial advantages, but would the Chancellor regard them as compensating for the increase in the nominal value of the national debt which is necessarily involved? Time will show. In addition to the £323 millions of this loan there is £375 millions of 4½ per cent. Conversion Loan, 1940-44, now standing at about 110 (ex accrued) to which similar considerations apply.

* * *

The Stock Exchange and Saturdays.—A "House" correspondent writes: The final result of the petitions to the Committee—the one in favour of, the other against, Saturday opening—has not been announced, but it is clear that a surprisingly high proportion of petitioners have supported the "noes." A majority of the order of ten to one, even in a poll of little more than 50 per cent., on the question of whether, individual comfort and convenience aside, opening on Saturdays is really justified is not lightly to be ignored. It certainly lends weight to the contention that there is not enough Saturday business to give the market working leeway. In the House this week it has been noticeable that opinion among the senior members has been definitely adverse, and not a few of those who pressed for the re-establishment of Saturday markets in 1931 now seem to have changed their views, in the light of the experience afforded during the relatively active period of the past two years. It has now been fully established by experience that that stratum of clients from which the bulk of Stock Exchange business springs is five-day-week minded. And so they are likely to remain until a real revival of the Continental Bourses and Wall Street re-create those pre-war conditions in which week-end trade was substantial and significant. The present petitions do not, of course, necessarily imply that the Committee will decide against re-opening the "House" on Saturdays at the end of the present period of grace, but a result of such an emphatic nature is bound to exercise an influence on the opinions even of those who base their case for opening on the public institutional character of the Stock Exchange.

* * *

Railway Traffic's Trend.—Though the stock market has failed to respond and the leading ordinaries are still below the mid-August peak, the recent trend of railway traffic is not unencouraging. The following table compares the analysed receipts with 1933 figures, for the half-year,

and two four-week and one three-week periods of the third quarter:—

(£'000)					
1934 compared with 1933	Great Western	London Midland and Scottish	London and North Eastern	Southern	Four Companies
Passenger traffic— First half-year	- 31	+ 122	+ 58	+ 84	+ 233
Weeks 27-30	- 17	+ 60	+ 24	+ 24	+ 91
Weeks 31-34	+ 17	+ 78	+ 70	+ 31	+ 196
Weeks 35-37	+ 10	+ 20	+ 40	+ 15	+ 85
Change to date, second half-year	+ 10	+ 158	+ 134	+ 70	+ 372
Merchandise traffic— First half-year	+ 387	+ 1,013	+ 829	+ 80	+ 2,309
Weeks 27-30	+ 32	+ 80	+ 16	+ 9	+ 137
Weeks 31-34	+ 21	+ 78	+ 8	+ 7	+ 114
Weeks 35-37	+ 18	+ 56	+ 23	+ 9	+ 106
Change to date, second half-year	+ 71	+ 214	+ 47	+ 25	+ 357
Coal and Coke— Total for half-year	+ 43	+ 287	+ 592	+ 68	+ 990
Weeks 27-30	- 12	+ 3	+ 19	- 7	+ 3
Weeks 31-34	+ 9	+ 36	+ 50	- 3	+ 92
Weeks 35-37	+ 30	+ 56	+ 58	+ 6	+ 150
Change to date, second half-year	+ 27	+ 95	+ 127	- 4	+ 245
All Traffic— First half-year	+ 399	+ 1,422	+ 1,479	+ 232	+ 3,532
Weeks 27-30	+ 3	+ 143	+ 59	+ 26	+ 231
Weeks 31-34	+ 47	+ 192	+ 128	+ 35	+ 402
Weeks 35-37	+ 58	+ 132	+ 121	+ 30	+ 341
Change to date, second half-year	+ 108	+ 467	+ 308	+ 91	+ 974

Of the total improvement, over eleven weeks, of £974,000, the two northern lines jointly account for £775,000. Both companies shared satisfactorily in the holiday traffic improvement, but the expansion of their coal and coke receipts is more auspicious on a long view. The increase in Great Western receipts under this head in the past three weeks, however, may be connected with the threatened stoppage in South Wales. Merchandise traffic is somewhat sluggish by contrast, and it should be remembered that returns in future weeks will compare with a rising trend which set in, broadly, at this time last year. Both the passenger and coal results reflect a greater seasonal movement this year, and further progress in the merchandise returns will be conditional upon the winter level of industrial activity. Here there are tentative signs of further advance, but the outlook is still inconclusive in a number of centres. Our second table presents the absolute figures for the same periods in comparison with the corresponding averages over the years 1927-30; a period which may be regarded as "normal" in recent years:—

(£'000)				
Four "Group" Lines	Passenger	Merchandise	Coal and Coke	All Traffic
26 weeks, 1934	29,781	25,866	15,535	71,182
Average, 26 weeks, 1927-30	35,885	33,771	17,813	87,469
Weeks 27-30	6,519	3,838	1,961	12,318
Average, corresponding weeks, 1927-30	7,683	5,006	2,479	15,168
Weeks 31-34	7,738	3,669	2,058	13,465
Average, corresponding weeks, 1927-30	8,834	4,788	2,424	16,046
Weeks 35-37	4,564	3,050	1,742	9,356
Average, corresponding weeks, 1927-30	5,407	3,895	2,007	11,309
Total, 11 weeks, second half 1934	18,821	10,557	5,761	35,139
Average, corresponding weeks, 1927-30	21,934	13,689	6,910	42,523

It will be seen that the leeway between the two series is steadily closing up in each class, and given further advance in business activity the outlook for the current year must be regarded as fairly favourable, although operating costs must be influenced by the coming into operation of the new wage agreement from October.

* * *

Actuaries' Investment Index.—The unspectacular upward course of industrial markets as a whole has continued this week, although prices in many directions have become easier owing to slackening of interest. The Actuaries' Index of 144 industrials has again advanced during the week, being calculated on Tuesday's quotations

at 72.0 (December 31, 1928 = 100), compared with 71.6 a week ago and 71.0 a month earlier. The yield figures are 3.66, 3.67, and 3.69 per cent., respectively. The component groups show narrow changes:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yield (%)		
	Aug. 21, 1934	Sept. 11, 1934	Sept. 18, 1934	Aug. 21, 1934	Sept. 11, 1934	Sept. 18, 1934
Investment Trusts (15)	49.4	49.2	50.5	3.85	3.87	3.83
Building Materials (4)	82.7	83.8	82.7	4.21	4.25	4.30
Coal (6)	88.4	90.2	91.0	4.03	4.11	4.11
Cotton (6)	46.8	44.0	46.8	2.27	2.29	2.30
Oil (5)	62.5	62.4	61.2	4.69	4.71	4.80
Home Rails (4)	77.0	77.7	76.1	1.82	1.84	1.85
Miscellaneous (50)	62.3	62.9	63.7	3.91	3.88	3.83

Building material shares have eased, on somewhat larger offerings, to the level of a month ago, and home rails are making ungracious response to reasonably satisfactory traffics. Interest in popular leaders in the miscellaneous group has been extremely selective.

* * *

Trustee Law Anomalies.—An enterprising firm of London stockbrokers has done service to their clients by ventilating the need for revision of the Trustee Act. Like the Stock Exchange itself, trustee investment is hampered by a system of dual control. There are two distinct codes under which trustees are authorised to invest—the Trustee Act of 1925 (largely a codifying measure), which sets forth eighteen categories of securities in which trustees may place funds, and the so-called "Chancery list" of "... securities ... authorised for the investment of cash under the control or subject to the order of the Court." The two codes overlap and, in one serious instance, conflict, for the 1925 Act requires the payment of a 3 per cent. dividend, and the Chancery List of merely "a dividend" for ten years on the ordinary stock of a British railway company whose prior charges are available for trustees. In addition, the authorised range of securities has been extended by local or private Acts, and is not identical in England, Scotland and Northern Ireland. More serious, however, is the divergence of principle between the two codes. Whereas the Supreme Court was originally guided solely by consideration for the safety of invested funds, Parliament has tended to grant trustee status, in some instances, out of consideration for the interests of the borrowers. The Colonial Stock Act of 1900 was designed as a measure of Imperial politics. Trustee status was conferred on the bonds of small local authorities in the housing campaign of 1919, and on the debenture stock of the Agricultural Mortgage Corporation by an Act of 1928. Without reflection on the merits of any particular issue, it is a thoroughly unsound principle that trustee status should be a privilege granted to selected borrowers for reasons which have nothing to do with the safety of the privileged securities. Finally, although the present list of authorised investment is anomalous and illogical, there is no revising authority, apart from the Court of Chancery, which would scarcely lay claim to expert knowledge of the art of investment. The circular from which we have quoted makes the sound suggestion that an expert statutory committee should be set up to review the list and recommend additions or removals, subject to Parliamentary approval by resolution. This committee, it is suggested, might include representatives of the law, the Stock Exchange, the Treasury, the banks, the actuaries, the accounting profession and the Public Trustee. Its decisions should be made on the ground only of investment merit. The writer of the article does not describe any method by which the committee could be protected against further quasi-political incursions into its territory by a Sovereign Parliament at the behest of the Government of the day. So far as its freedom to act on its own principles, however, is unimpeded, such a body would certainly appear to be best fitted to undertake an onerous but overdue task.

* * *

An Investment Primer.—Mr Hartley Withers' new book* arrives opportunely to render useful service to the small investor anxious to acquire the groundwork of investment technique. There must be many in this class to whom low interest rates represent considerable disadvantage. Mr

Withers insists emphatically on the need for an adequate foundation of security for the small man, whose savings are intended primarily as an indispensable provision for his own future. The chapter on life insurance, annuities, savings certificates and other safe investments for the smaller purse is accordingly the keystone of the book. But the restrictions imposed on building society share investments (see the Economist, September 1st, page 408) have severely limited the small investor's income opportunities. The author accordingly has the problem of assisting that growing "new investment public, which is innocent of all connection with stockbrokers or even bank managers" in its quest for more remunerative investment opportunities than the "austere severities of savings banks, savings certificates and building societies." This is a formidable undertaking when, as he points out, equity prospects are largely discounted, when management trust stocks are still regarded uneasily and are in any case difficult to obtain, and when the fixed trusts have yet to win their spurs. Mr Withers has, however, written a book which is both sensible and readable and will be of help to this section of the public.

* "Investing Simplified." Thornton Butterworth. 3s. 6d.

COMPANY NOTES

Light Engineering Shares.—Light engineering, though a well-defined classification in industry itself, does not convey any very definite group of companies to the investor. This is due to several causes which are themselves relevant to the investment qualities of light engineering shares. First, light engineering does not usually demand the same capital investment as heavy engineering, and is therefore largely carried on by small independent and privately-owned units. From this follows the relative lack of organisation in the more generalised branches of light engineering, with the inevitable consequence of serious price-cutting in times of depression. Secondly, a large part of

	(Profits in £'000)					
	1929	1930	1931	1932	1933	1934
Edgar Allen (Mar. 31)— Gross profit	N.A.	50.8	Dr. 16.3	Dr. 8.0	Dr. 29.9	10.7
Earned for ord.	N.A.	2.7	Nil	Nil	Nil	Nil
Div. %	N.A.	2.5	Nil	Nil	Nil	Nil
J. Brockhouse (Sept. 30)— Earned for ord.	32.3	26.7	4.6	5.7	18.1	...
= %	14.1	12.0	2.1	2.7	8.5	...
Div. %	10	10	6	5	7	...
Coventry Gauge and Tool (Aug. 31)— Earned for div.	3.6*	10.0	Dr. 4.3*	Dr. 1.3	Dr. 1.5	...
= %	4.5*	11.4	Nil	Nil	Nil	...
Div. %	Nil	5	Nil	Nil	Nil	...
Darwins (Mar. 31)— Earned for pref.	N.A.	21.1	Dr. 18.1	7.0	Dr. 0.6	10.9
No preference dividends paid since 1930						
John Harper (Mar. 31)— Earned for ord.	N.A.	N.A.	10.8	11.2	9.3	14.7
= %	N.A.	N.A.	9.2	9.9	8.2	12.6
Div. %	N.A.	N.A.	7	7	7	10
J. Keith and Blackman (Mar. 31)— Earned for ord.	36.7	41.6	17.8	0.9	11.2	13.0
= %	22.9	26.9	11.5	0.6	7.5	8.4
Div. %	15	17½	10	5	8	9
Qualcast (June 30)— Earned for ord.	24.0	20.6	25.2	22.0	17.2	28.5
= %	24.0	21.0	26.6	23.4	18.3	29.7
Div. %	12½	12½	15	15	15	20
Renold and Coventry Chain (July 1)— Earned for ord.	N.A.	N.A.	67.0	13.1	29.4	48.2
= %	N.A.	N.A.	10.0	1.9	4.3	6.0
Div. %	N.A.	N.A.	7½	2½	3	6

the light engineering industry has specialised in some one branch and is so closely allied to another industry (motors, for example, or gramophones) as to be included for purposes of investment analysis with that industry itself. The light engineers which remain sufficiently generalised to be independent of any other single trade are distinguishable from the heavy engineers mainly by the fact that they supply goods which are either sufficiently small or sufficiently simple (and therefore cheap) to be covered by normal maintenance expenditure (as opposed to definite new capital expenditure) or alternatively to be covered by current expenditure paid out as part of the material cost of producing something else.

This will include small tool and apparatus makers, makers of springs, axles or specialised parts, makers of chains for transmission of power, and the like. As in most cases such products are either capital goods or the goods of durable consumption, demand for them can be sharply curtailed in times of depression. Furthermore, as many light engineering products are relatively simple to produce, depression may create competition from other under-employed engineering businesses which are normally engaged in a different branch of the trade. Complaints of this type of competition, even coming from former customers, have been heard from several chairmen of light engineering businesses. As is shown by the accompanying table, therefore, depression can bring a sharp fall in profits. Owing to the relative cheapness of light engineering products, however, recovery brings fairly early revival of profits, since customers do not hesitate before making small replacements nearly so long as they would before entering into a large capital commitment. The accompanying table also illustrates this capacity for early revival in profits, though it indicates that recovery has still a long way to go in most cases before the pre-depression earnings are restored.

* * *

Austin Motor Bonus.—The directors of the Austin Motor Company have announced proposals for lowering the "gearing" of the company's capital in a manner extremely pleasing to the ordinary shareholders. For the year ended July 31, 1933, the company paid 100 per cent. on the 5s. ordinary shares (earning 285 per cent.) in the shape of a dividend of 25 per cent. and a cash bonus of 75 per cent. For the year ended July 31st last this cash distribution is to be repeated, but in addition it is proposed to distribute £450,000 out of the reserve in the form of a share bonus of three new 5s. "A" ordinary shares (which will be identical with the existing ordinary shares except that they will not carry voting rights) for each ordinary share now held. Furthermore, the directors are asking the shareholders to agree to the issue of another 100,000 "A" ordinary shares at the price of 10s. a share, of which 50,000 are to be offered to the board and 50,000 to the senior employees of the company. The combined effect of the proposals, if carried, will be to increase the ordinary capital from £150,000 in 600,000 5s. shares to £625,000, divided into 600,000 ordinary and 1,900,000 "A" ordinary shares. Substantially this will restore the original gearing of the capital before the 1927 reconstruction, when the issued capital was reduced from £3,350,000 to £2,150,000 by writing 10s. a share off the 1,500,000 10 per cent. £1 preferred ordinary shares (the future dividend rate on which was, however, correspondingly raised to 20 per cent.) and 15s. a share off the 600,000 £1 ordinary shares. That in itself is a good thing, but to say as much is not to express approval of the method of issue of the 100,000 shares to be offered at 10s. It is undoubtedly just that directors and employees (not merely "senior" employees) should participate in the exceptional prosperity of a company they serve. But failing a comprehensive profit-sharing scheme (which this is not) it would be better that such participation should take the form of a cash bonus or a straightforward increase in salaries. Nor does the amount of the Austin directors' self-sought gift seem unduly modest. Following the dividend announcement the existing ordinary shares rose to £7 a share cum dividend and bonus. This gives an equivalent value of approximately 32s. for the new shares, on which basis the total value of the rights offered is fully £100,000, after making allowance for the slightly lower prospective value of the non-voting "A" as against the ordinary shares.

* * *

Selfridge Provincial Stores.—This subsidiary of Selfridge and Company, Ltd., which now controls six London and eleven provincial businesses, has had a more satisfactory year. The profits of the controlled businesses have expanded by nearly £11,000 (though they are still well below the level of earlier years), and out of the share due to it Selfridge Provincial has appropriated in dividends about £9,000 more. Rents receivable have risen by nearly

£12,500, owing to the purchase of certain properties from subsidiaries, and, while debenture interest has increased for the same reason, the sum remaining for appropriations is getting on for £15,000 higher. The increase enables £25,000 (against £15,000) to be placed to reserve fund and £5,000 (against £4,000) to be written off leaseholds, whilst £13,362 is applied in redemption of debentures. The 2½ per cent. dividend paid for the three preceding years is repeated:—

	Years to August 31		
	1932	1933	1934
	£	£	£
Subsidiaries' profits (<i>less</i> due to outside shareholders)	182,745	153,127	164,302
Subsidiaries' dividends to parent company	138,832	120,483	129,785
Rents receivable, etc.....	402	41,987	54,407
Gross income	139,234	162,470	184,192
Interest, management fees, taxation	40,808	72,577	79,674
Net income	98,426	89,893	104,518
Ordinary shares { <i>Earned</i>	98,426	72,893	85,886
{ <i>Paid</i>	56,250	56,250	58,125
	<i>Earned</i> %.....	3.2	3.7
	<i>Paid</i> %	2½	2½
Reserves, etc.	50,000*	32,000	43,632
Carried forward	1,564	3,207	5,968

* To write off balance of preliminary expenses.

Selfridge Provincial ordinary shares are currently quoted at 9s. 3d. which, allowing for the dividend of 6d. a share, gives a yield of 5½ per cent.

* * *

Three Coal and Iron Reports.—The reports of Staveley Coal and Iron, Sheepbridge Coal and Iron, and Manvers Main Collieries, published this week, largely confirm the general expectation of improved profitability in the "heavy" industries. The Sheepbridge results, exceptionally, are mildly disappointing, for trading profits are barely maintained at the previous year's level. Shareholders, therefore, must find consolation in the company's stability of earning power, for it appears from the directors' report that the handicaps in the coal trade have outweighed the benefits of expanding iron production. As will be seen from the following table, Manvers Main and Staveley have shown very satisfactory improvement during the year to June last:—

		Years to June 30		
		Manvers Main	Sheep-bridge	Staveley
		£	£	£
Total profit	1932	70,986	140,125	372,292
	1933	79,162	148,381	404,820
	1934	142,515	145,415	468,973
Depreciation	1932	24,039	23,106	146,346
	1933	41,584	23,041	177,485
	1934	44,338	23,041	197,748
Earned for dividends	1932	41,084	82,691	219,279
	1933	28,971	88,228	220,668
	1934	64,897	85,870	264,774
Paid ordinary shares		%	%	%
	1932	Nil	5	5†
	1933	2½	5	5†
	1934	4	5	6½†
Quotation, £1 ord.		...	22/-	35/-xd
Yield, per cent.		...	£4/14/0	£3/14/0†

† Tax free.

The advance in Staveley profits had already been foreshadowed by the increase in dividend from 5 to 6 per cent., tax free, and the full report discloses that, after providing over £20,000 more for depreciation, the amount earned for dividend has increased from £220,668 to £264,774, or from 6.5 to 7.8 per cent., tax free, on the issued capital. The balance sheet reflects increased activity, and the programme

of plant development continues. The Manvers Main figures are also gratifying. Trading profit has risen sharply from £79,162 to £142,515, and after special depreciation £64,897 is available to pay the 4 per cent. dividend, compared with £28,971 and 2½ per cent. for the previous year. The distribution policy in the past has been commendably prudent, and this year's results have been partially assisted by the starting up of the new coke ovens, financed out of the company's resources. The report emphasises the failure of the coal industry to participate markedly in trade recovery, but to secure more efficient marketing the company has appointed Stephenson Clarke and Associated Companies as sales agents. Current share quotations and yields for two of the companies are shown in the above table, but no business has been recorded in Manvers Main since March last.

* * *

Other Company Results.—Our summary table on page 563 sets out the results of twenty-five companies in addition to those discussed in preceding Notes. With few exceptions, the profits trend continues upward, particularly for companies in the "heavy" industries, and for those dependent on the price level of primary commodities. Thus, of the latter, eight rubber reports show improvement, with the exception of Bajoe Kidoel, which has suffered from the exceptional decline in coffee prices. The chief feature, however, is the improved profitability of domestic industrial concerns. Results such as Associated British Pictures (£133,933, against £95,860), Leyland Rubber (£50,307, against £35,408), Qualcast (£44,112, against £30,117), and Ferranti (£68,245, against £57,869) are giving pleasing confirmation to the market's expectations. Against this record, the reduction of the Cohen Weenen profits from £80,346 to £70,376, heralded by a reduction in the ordinary dividend from 27 to 18 per cent., is noteworthy in view of the cessation of coupon hostilities. Anglo-Continental Guano, which has resumed dividend payments (7½ per cent.) after a long period, has reported an improvement in net profits from £45,797 to £58,225 during the year to June last, but although its subsidiary, Genatosan, has maintained a 35 per cent. dividend, this company's net profits have fallen from £59,369 to £50,142 over the same period. This week's dividend list reveals that a number of tin mining companies have resumed dividend payments, and among home industrial companies Indestructible Paint has increased the interim payment from 5 to 6½ per cent. Preliminary figures for Malayalam Plantations show a large recovery for the year to March last, the net credit balance amounting to £150,099, against a loss of £67 for the previous year, and a dividend of 8 per cent. is recommended.

* * *

Company Meetings of the Week.—On page 555 will be found reports of meetings of Wall Paper Manufacturers and Industrial Finance and Investment Corporation. At the former meeting, Mr Sugden indicated that the soundest of all ways of meeting competition was to reduce prices and profit margins, and expressed the view that this policy would not diminish total profits. Mr Paul Lindenberg, chairman of the latter company, said that Corporation's assistance had been invoked in connection with the large order to Westinghouse Brake Company for the equipment of Polish rolling stocks, and observed that the benefit would only accrue to them during the next few years.

MINING NOTES

Johannesburg Consolidated.—The preliminary profits statement published in July had already acquainted shareholders with a further large expansion in profits for the year to June 30 last, accompanied by a dividend of 20 per cent. including bonus—a record distribution for nearly forty years. The increase in total earnings amounts to £528,890, representing 62 per cent. on the previous year's figure. The profits total of £1,380,935 requires to be read in the light of paragraph 2 of the directors' report, which points out that substantial profits have been

FOREIGN GOVERNMENT BOND TRUST

Dividend Declared

AT THE RATE OF

£6-7-0%

IN MARCH OF THIS YEAR the Foreign Government Bond Trust was formed and in the introductory pamphlet it was stated that a yield of 5½ per cent could legitimately be anticipated.

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Interested investors can have full details of Foreign Government Bond Trust from their Stockbroker or Bank Manager, or from the Managers:

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realised on certain shareholdings, and that to some extent the profit expansion must be regarded as exceptional. It may be suggested in this connection that some segregation of the component items in the omnibus revenue figure would be helpful to shareholders, but the transfer of £450,000 to reserve fund, which the directors consider prudent, may afford some indication of the magnitude of the quasi-capital profits. A table of significant items in the accounts for the past three years follows:—

	Year ended June 30		
	1932	1933	1934
Stocks and shares	4,325,920	4,896,450	6,454,150
Mining properties and advances...	217,150	151,390	133,871
Real estate and buildings.....	294,390	320,300	223,638
Loans on mortgage.....	178,040	189,570	194,213
Loans at short call	3,470	73,320	222,688
Sundry debtors and dividends ...	445,750	541,720	442,049
Cash	283,960	621,700	301,222
Sundry creditors*	849,150	1,188,220	1,908,026
Net profit	359,680	824,270	1,347,576
Dividends.....	220,710	592,500	790,000
Rate per cent.	7½%	15%	20%
From reserve	...	473,640	...
To Reserve	150,000	700,000	1,550,000
Carried forward	155,650	161,070	168,643

* Including dividend† † Includes £100,000 to staff pension fund.

Despite the realisation of certain holdings, the book value of stocks and shares has risen sharply from £4,896,454 to £6,454,150 (considerably under market value), and now accounts for over 80 per cent. of the total assets. The company has secured large interests in Rand Leases (Vogelstruisfontein), particulars of which were recently advertised "for information," and other new ventures have been acquired. The report gives brief details of some of the operating companies, upon which the incidence of the new taxation provisions is uneven. The diamond trade has failed to pick up, but the production quota, which also covers the Diamond Corporation's stocks, encourages renewed hopes of improved profitability. The directors find evidence of better conditions for copper production, but it is questionable if the long-term interests of the new low cost producers—in which the company is interested via Rhodesian Anglo-American—would best be served by an "agreement between producers to secure some improvement in price," at the possibility of which the report hints. At a current quotation of 3½ d. the £1 shares yield £6 3s. per cent.

* * *

New Modderfontein.—Our mining correspondent writes:—The annual reports of this company and of the associated Modder East undertaking rather strikingly indicate the extent to which the effect of the rise in the price of gold is being counterbalanced by the treatment of lower-grade ore with a view to reducing liability to taxation. Last year New Modder secured an average of 36s. 5d. per ton, or 2s. more than in the preceding period, although the value of the ore treated was 1½ dwt. less. The total working profit increased by over a quarter of a million; but shareholders received only an additional £35,000. Excess profits duty absorbed £337,330, as against £230,240 in 1932-33, when this impost was only operating for one-half the period. The draft made upon the carry-forward twelve months ago is now fully replaced. We contrast the results of the past three years:—

	1931-32	1932-33	1933-34
Ore crushed..... tons	2,000,000	2,082,000	2,122,000
Revenue	33/7	34/5	36/5
Costs	15/4	14/9	14/8
Profit	18/3	19/8	21/9
Total working profit.....£	1,822,050	2,049,469	2,304,860
Dividends	1,505,000	1,435,000	1,470,000
Rate..... per cent.	107½	102½	105
Carried forward.....£	220,250	205,850	224,690
Ore reserves available tons	6,009,500	5,300,700	4,654,600
ie per ton.....dwt.	7.7	7.3	7.1

On the basis of gold at 85s. per ounce the available reserves show a further contraction. For the current year results corresponding to those of 1933-34 can be anticipated; but looking a little further ahead, it seems evident that shareholders must be prepared for a falling off in the profits. The rise in the price of gold, in conjunction with a substantial increase in the tonnage of ore crushed, resulted in a sharp improvement in the earnings of Modder East too. Last year's working profit amounted to £606,550, as against £391,000 in 1932-33, which embraced only six months of the new conditions, and £194,700 in 1931-32, when South Africa was still on the gold standard. Nevertheless, dividends have been only moderately increased, the past year's total of 25 per cent. comparing with 22½ per cent. for 1932-33 and 20 per cent. in respect of each of the four preceding periods. Taxation last year absorbed in all £321,830 as against £191,560. Developments continue to be disappointing. Despite the performance of 66,700 feet of work as against 57,450 in 1932-33, the ore reserves are only about 200,000 tons higher at 2,245,100 tons, while the average value, at 5.8 dwt., is slightly less than before. In the new area of some 630 claims acquired during 1932-33, the values so far exposed have been unpayable. Application has been made to the Union Government for lease of the undermining rights of an additional 108 claims; and just recently negotiations have been initiated with a view to the acquisition of a portion of the Welgedacht company's property. The Modder East's mining property already comprises nearly 4,440 claims; but with development results so erratic, importance attaches to the acquisition of fresh fields for exploration.

* * *

Anglo-Oriental Mining.—The accounts of this leading tin finance company, covering sixteen months to June last, show some recovery from the abysmal profit levels of the previous year. Over the period income has run at the rate of £53,150 per annum, some 57 per cent. higher than for the last complete year. After making due allowance for the effect of the "time lag" between subsidiary companies earnings and their distribution to the principal company, the results are hardly a very striking tribute to the financial advantages of the tin restriction scheme, although current mining revenues are moving at higher levels. Comparative results for the last three accounting periods are set out below:—

	Years to Feb. 28,		Sixteen Months to June 30,
	1932	1933	1934
Income	34,349	33,823	70,871
Expenses, tax and fees	10,796	10,848	15,732
Investment reserve.....	5,000	5,000	5,000
Earned for dividends	18,553	17,975	50,139
Preference dividend.....	Nil	Nil	29,063†
Carried forward	103,412	121,387	142,463

† In respect of half year to February 28, 1931.

An issue of 1,000,000 5s. ordinary shares at a premium of 2s. 3d. per share in May this year has enabled the repayment of loans stated in the previous accounts at £335,773. The directors wisely recognise that the liquidation of outstanding preference dividend arrears, which at June 30th amounted to £222,812 and were covered to the extent of £176,526 by undistributed profits, would entail unjustified new borrowing. The alternative funding method is also rejected in view of the expanding interests of certain affiliated companies. The balance sheet, in which the assets are grouped in only four items, shows little change apart from loan repayments, and the investments, totalling £1,698,152, at cost, are above present market valuation. The development of Anglo-Oriental and General Investment Trust's interests may well enable the gradual liquidation of preference arrears, but until an adequate return is derived from the company's large holding in London Tin Corporation, the outlook for the 5s. ordinary shares, now quoted at 7s. 1½d., must be regarded with circumspection.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS
TICKET September 25 | ACCOUNT September 27

The buoyancy of gilt-edged stocks has monopolised the attention of the market this week, with impressive rises for which a variety of plausible reasons have been adduced, but which bear witness to the fact that institutional investors are taking a confident view that long-term interest rates have yet to reach their turning point. By comparison the industrial markets have appeared laggardly, but the slightly easier trend must be attributed rather to temporary decline in public interest and to the absence of Jewish members on Wednesday, than to any dissatisfaction with recent dividends or to inability to take a view regarding the coming winter.

Gilt-edged stocks commenced the week in good fettle on the result of the Nigerian conversion success, and proceeded vigorously under the influence of unconfirmed rumours of an impending conversion operation, to new high levels on Wednesday. The outlook for gilt-edged is discussed in a Note on page 543. India loans followed the trend of the gilt-edged market, and Australian stocks were a feature among Dominion issues, on the outcome of the elections.

Conditions in the foreign bond market were distinctly active. On the better view of South American prospects, Brazilian issues were prominent, the Funding loans being particularly responsive. Argentine issues, although less active, in most cases improved fractionally. European loans were generally quiet, but firm. German bonds rose several points on Wednesday and Thursday on the new negotiations, the supply of stock being short. Japanese bonds were bought on the revenue surplus.

Home rails were quiet and made a poor response to a very satisfactory batch of profits, the market taking a cautious view of the coal situation. The traffic trend is discussed in a Note on page 544. The foreign rail market was fairly quiet. Argentine issues waned as the week progressed, despite reasonably good traffic returns. Brazilian rails, after quiet firmness, weakened under the influence of San Paulo, which fell sharply on the passing of the interim dividend. Transatlantic counters improved with the better tendency in New York, and Cables and Wireless preference improved on the favourable traffic index.

Business in the industrial markets was restricted on Monday and Tuesday, but improved somewhat on later days. Motor shares were perhaps the principal feature, under the influence of the Austin share bonus, on which we comment on page 546. The shares rose to over £7 on Wednesday, but reacted later. Rolls-Royce were also active, but other aviation issues were generally easier. Electric supply shares reflected some of the glory of the gilt-edged market, and some equipment issues received attention. "Heavy" industrial shares were mainly dull, although support was noticeable for Richard Thomas preference, on the assumption that the ground had been cleared for the capital reorganisation. Some early provincial inquiry for leading brewery issues petered out during the week, and prices became somewhat irregular. Tobacco shares also found public support at low ebb, although Gallaher responded to favourable dividend hopes. Under the influence of slack business textile shares lost most of their early firmness, and rayon issues, with the exception of American Celanese, ruled dull. More interest developed in store shares. Marks and Spencer and Woolworth led the revival, the former rising to over 12 on expectations of a new issue on favourable terms. In the miscellaneous group, attention was directed principally to such "second-string" favourites as Boots Pure Drug, Barry and Staines and British Oxygen, but, as elsewhere, interest followed the news of the moment. Popular speculative counters followed an irregular and less satisfactory course. Insurance shares were little changed, but among bank shares, Australian issues responded satisfactorily to the election results.

In the oil market dull conditions persisted, with Continental business extremely quiet. Turnover was small,

but quotations were little changed. The rubber market became steadier after considerable selling last week-end, but business was small and the tone decidedly cautious. Tea shares continued depressed under the influence of Mincing Lane, although a small inquiry for shares in short supply put some quotations better on Wednesday.

Although the mining market reassembled under cheerful conditions, business dwindled owing to the closing of the Johannesburg market on Wednesday. The Cape, in fact, sold Kaffirs, at somewhat lower prices on Tuesday, and speculative interest in newer flotations remained unwhetted in the absence of progress news. West African issues were fairly quiet, but Kwahu achieved a new high level on reports that a new property had been acquired. West Australian issues were quietly steady. Tin shares remained lifeless, and the falling price of copper prevented any interest in the shares.

"FINANCIAL NEWS" DAILY BARGAIN INDEX
(Approximate number of Bargains recorded in Stock Exchange Lists)

	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934	Sept. 20, 1934
Government and Municipal Loans	1,140	1,311		1,435	1,589	1,727	1,613
Transport, Communications, and Public Utilities...	823	964		703	921	1,076	1,069
Commercial and Industrial.....	3,375	3,507	Closed	3,692	3,410	3,484	3,710
Banks, Insurance and Financial...	406	580		500	707	690	699
Mines (including Nitrate)	1,079	1,522		1,636	1,259	999	1,398
Oils	101	97		150	121	107	130
Rubber, Tea and Coffee	474	572		513	450	540	510
Total	7,398	8,553		8,629	8,457	8,623	9,129
Corresponding day in 1933	7,571	7,457		8,261	7,018	7,864	7,738

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934	Sept. 20, 1934
90.4	83.5	89.0	88.8	Closed	88.7	88.6	88.4	88.6

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Sept. 19)	Lowest of 1934 (Jan. 2)	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934	Sept. 20, 1934
134.2	128.8	133.8	133.8	Closed	133.9	134.0	134.2	134.3

FOREIGN STOCK EXCHANGES

NEW YORK

THE failure of the Treasury's refunding operation and the beginning of the third week of the textile strike were very depressing influences on Wall Street on Monday and further sharp falls both in the share and Government bond market occurred. Share prices, however, closed above the worst and on Tuesday the market was firmer, while on Wednesday a definite and pronounced rally, the first for some weeks, supervened, the Dow Jones index for industrials gaining almost two points at 89.34. Two principal causes were assigned for the movement—our old friend "inflation hopes" fastened this time on to the project for a Central Bank (the subject of a report by Professor Viner shortly to be made public), and certain reassuring statements as to policy made by members of the Securities Exchange Control Commission which has been visiting the financial district. Business news, however, continues unsatisfactory. Electric power consumption last week showed a decline of 1.8 per cent. below 1933, and the absence of seasonal recovery in steel mill activity, estimated by the "Iron Age" at 21 per cent. last week against 19.5 per cent. in the previous week, has created a bad impression.

	Sept. 12, 1934	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934	Sept. 20, 1934
Lb. Ln. 3 1/2%	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Atchafalpa	48 1/2	48 1/2	48 1/2	48 1/2	48 1/2	48 1/2	48 1/2	48 1/2
Erie	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Illinois Central	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
N.Y. Central	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2	20 1/2
Pennsylvania	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2
Southern Pacific	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
Southern Ry.	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2
Union Pacific	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2
Amer. Can.	96	97	96 1/2	96 1/2	96 1/2	96 1/2	96 1/2	96 1/2
Amer. Smelting ..	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Anacosta	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Bethlehem Steel ..	27 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
Chrysler Motor ..	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2
Corn Producers ..	58 1/2	59 1/2	59 1/2	59 1/2	59 1/2	59 1/2	59 1/2	59 1/2
Eastman Kodak ..	96 1/2	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2	94 1/2
Gen. Electric	17 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
Gen. Motors	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
Int. Harvester ..	25 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2
Mont. Ward	23 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2	24 1/2

† Calculated at \$5.00 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Sept. 19	Be- ginning of Year	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934	Sept. 20, 1934
351 Industrials ...	38.7	86.6	74.3	90.5	79.6	77.6	74.3	74.3
33 Rails	23.9	54.5	34.0	51.4	40.6	36.4	34.1	34.0
37 Utilities	66.8	101.0	62.1	83.4	66.4	64.9	62.9	62.1
Total, 421 stocks ..	40.9	83.4	65.6	82.1	70.8	68.6	65.7	65.6
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.72%	3.90%	3.30%

† February 7th.

(a) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Sept. 12, 1934	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934
105.0	76.0	81.0	80.7	78.3	78.9	78.3	79.0	80.9

TOTAL DEALINGS IN NEW YORK

	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934
Stock Exchange— Shares (Thous.)	420	840	340	650	530	560
Bonds (Value Thous. \$)	13,000	17,600	5,530	11,200	11,680	11,810
Curb— Shares (Thous.)	110	200	78	112	112	126

* Two-hour Session.

PARIS

The market has been quiet and price changes in general insignificant. Rentes have hardly been affected by the announcement of a new loan in the form of short-term 4 1/2 per cent. Treasury bonds, redeemable in three years at par, in six years at 103 and in ten years at 106 at the option of the holder, and offered at 97.6 per cent. On the Coulisse Brazilian Bonds have been strong. Gold mining shares and rubbers have been dull.

	Sept. 12, 1934	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934
Banque de France ..	10,440	10,450	10,450	10,450	10,450	10,450	10,450
Crédit Lyonnais ..	1,930	1,932	1,926	1,926	1,926	1,926	1,926
Suez Canal	19,325	19,450	19,445	19,445	19,445	19,445	19,445
Chargeurs Réunis ..	117	120	113	113	113	113	113
Rio Tinto	1,192	1,145	1,145	1,145	1,145	1,145	1,145
Royal Dutch	15,530	15,410	15,350	15,350	15,350	15,350	15,350
Wagons Lits	77	76 1/2	76	76	76	76	76
Mexican Eagle	30 1/2	28	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
"Chartered"	77	75	77 1/2	77 1/2	77 1/2	77 1/2	77 1/2
Ford	52 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2
De Beers	282	293	293	293	293	293	293
"Johnnies"	261	258	255	255	255	255	255

BERLIN

The share market last week was firmish but irregular, with advances in certain steels, including Hoesch and Kloeckner, and in paper issues, Feldmuehle reaching a new highest point. Some steels and the potash group, however, were unchanged, and Reichsbank, Hapag, and Norddeutsche Lloyd declined. The "cash market" for minor stocks was active and there were some sharp advances. Home Government bonds were dull, with prices little changed. Converted dollar bonds mostly advanced somewhat, but certificated issues were weaker. The new week opened firm for shares, with special advances in electric cables, and a new rise of Feldmuehle; and Tuesday saw a sharp advance from which all the leading steels and most other groups profited.

	Sept. 12, 1934	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934
Reichsbank	154.75	150.50	150.50	150.50	150.50	150.50	150.50
D.D. Bank	72.25	73.25	73.25	73.25	73.25	73.25	73.25
Dresdner (New) ..	75.00	76.00	76.00	76.00	76.00	76.00	76.00
I. G. Farbenin- dustrie	146.40	143.25	145.00	145.00	145.00	145.00	145.00
Norddeutscher Lloyd (New) ..	29.00	29.00	29.75	29.75	29.75	29.75	29.75
A. E. G.	27.25	27.40	28.75	28.75	28.75	28.75	28.75
Siemens & Halske ..	149.00	149.00	148.00	148.00	148.00	148.00	148.00
A. K. U.	67.50	62.90	64.00	64.00	64.00	64.00	64.00
Hamburg - Amer. ("Hapag New") ..	25.90	25.25	26.75	26.75	26.75	26.75	26.75

AMSTERDAM

The Amsterdam market has been quiet, but on balance leading industrials like Phillip's Lamps, Unilever, and Royal Dutch have gained ground, and on Wednesday shipping shares were a firm spot on the prospect of Government support for the industry. Rubbers have been dullish all the week.

	Sept. 12, 1934	Sept. 13, 1934	Sept. 14, 1934	Sept. 15, 1934	Sept. 17, 1934	Sept. 18, 1934	Sept. 19, 1934
2 1/2% Dutch Loan ..	76 1/2	76 1/2	76 1/2	76 1/2	76 1/2	76 1/2	76 1/2
5 1/2% German	25 1/2	24 1/2	25	25	25	25	25
Unilever N.V.	76	71 1/2	72	72	72	72	72
Phillips' Lamps	218 1/2	216 1/2	217 1/2	217 1/2	217 1/2	217 1/2	217 1/2
Netherlands Ship Union	35 1/2	34 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2
Steel Common	19 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
A. K. U.	34 1/2	33	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Ford Motor	199 1/2	210 1/2	212 1/2	212 1/2	212 1/2	212 1/2	212 1/2
Deli Batavia Tob. ..	155	151	151 1/2	151 1/2	151 1/2	151 1/2	151 1/2
Royal Dutch	152	151	150 1/2	150 1/2	150 1/2	150 1/2	150 1/2
Handels Ams	170	167 1/2	169 1/2	169 1/2	169 1/2	169 1/2	169 1/2

CAPITAL ISSUES

THOUGH the third week in September sometimes sees the autumn new issue season definitely under weigh the past week has yielded only a single prospectus. This, however, is an interesting one, since it is an addition to the select band of English municipal stocks carrying interest at 3 per cent. The borrower is the ancient *City of Plymouth* (due in five years' time to celebrate the five hundredth anniversary of its incorporation as a borough), which has this week offered £1,000,000 3 per cent. stock due 1954 at 97 1/2, thus closely following, as to price and redemption terms, the example set last week by the Crown Colony of Nigeria. The £1,500,000 *Stoke-on-Trent* 3 1/2 per cent. 1955-65 stock issue, the arrangements for which were made before the latest

spurt in gilt-edged values had finally brought the 3 per cent. interest basis for corporation loans into the domain of practical politics, is to be offered for subscription at par early next week. A statement for information has been published by *Sungei Engun Rubber Estate, Limited*, which was incorporated in December, 1933, and owns an estate in Pahang, Federated Malay States.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to September 15, 1934, excluding conversions, £118,177,069.
Total recorded, January 1 to September 15, 1934, including conversions, £283,393,287.

National Savings Certificates.—Net receipts, week ended September 15, 1934, £50,000.

	Nominal Capital £	Conver- sions £	New Money £	First Payment £	Further Liability £
To the Public					
Argentine Govt. 4 1/2% Ster. Bonds at at 93 1/2 (see <i>Economist</i> , page 497) ..	...	6,771,880	...	...	...
Govt. of Nigeria, £4,045,593 3% Inscribed Stock, 1935, at 97 1/2 (to repay S. Nigeria (Lagos) 3 1/2% Stock, 1930-1935) ..	...	4,045,593	...	...	...
Plymouth Corporation, £1,000,000 3% Stock, 1934, at 97 1/2 ..	1,000,000	...	975,000	50,000	925,000
Total ..	1,000,000	10,817,473	975,000	50,000	925,000

	Nominal Capital £	Conver- sions £	New Money £	First Payment £	Further Liability £
To Shareholders only					
Lunuvu (Ceylon) Tea and Rubber, 64,335 shares £1 at 42/6 ..	64,335	...	136,712	136,712	...
Murex, 90,000 Ord. Shares 10/- at 44 South African Land and Exploration, 440,000 new shares, 3/6 at 45/- ..	45,000	...	360,000	...	360,000
Clan Line Steamers: 500,000 5 1/2% Cum. Red. 1st "B" Pref. Shares £1 at 21/- ..	500,000	(£) 525,000	...	25,000	500,000
225,000 Ord. Shares £1 at par ..	225,000	(£) 225,000	...	...	225,000
General Refractories, 25,000 Ord. Shares 10/- at 18/6 ..	12,500	...	23,125	23,125	...
Advance Laundries, 800,000 New Ord. Shares 2/- at 3/- ..	80,000	...	120,000	60,000	60,000
Total ..	1,003,835	750,000	1,629,837	244,837	2,135,000

(†) To be utilised to repay £223,095 7 per cent. Debenture Stock.

	Including Conversions	Excluding Conversions	Including Conversions	Excluding Conversions
Total Offered for Subscription—				
Jan. to date—				
1934	307,515,607	120,831,906	428,347,513	120,831,906
1933	255,287,443	137,110,611	392,398,054	188,909,963
1932	292,009,990	162,665,325	454,675,315	114,200,666
1931	109,142,104	98,265,119	207,407,223	102,644,294
1928	462,585,817	290,485,194	753,071,011	369,055,073

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—	£		£	
1934	73,215,038	13,066,356	34,550,512	120,831,906
1933	123,091,841	7,329,566	6,689,204	137,110,611
Whole year—				
1934	212,917,900	45,062,600	111,177,600	369,158,100
1933	170,172,800	12,773,800	5,963,400	188,910,000
1932	222,064,300	12,733,700	9,982,500	244,780,500

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Dividends, account of

Prices Year 1933				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 19)				Prices Year 1934 (Jan. 1 to Sept. 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(Continued from page 551)
FORTHCOMING ISSUES

Associated British Picture Corporation.—An extraordinary general meeting will be held on October 2, to sanction proposals for increasing the capital of the corporation to £4,000,000 by the creation of 250,000 6 per cent. first cumulative preference shares of £1 and 1,000,000 5s. ordinary shares. Such extra capital will enable the completion of arrangements for funding subsidiary loans and for general development.

Austin Motor Company, Ltd.—At the annual general meeting of shareholders to be held on October 8th a proposal will be submitted for the issue of 100,000 fully-paid "A" ordinary shares of 5s. each at the price of 10s., of which 50,000 shall be offered to the present directors of the company for subscription and the balance to the senior employees of the company. A condition attaching to these 100,000 shares will be that they cannot be sold before July 31, 1935.

A. T. Hart, Ltd.—An issue of shares is expected to be made by this company.

Kawaran River Gold.—It is understood that 3,100,000 shares at 2s. each will shortly be issued at par.

Nokomai Gold Dredging.—An issue will shortly be made of 2,400,000 shares of 2s. each.

Wall Paper Manufacturers, Ltd.—At an extraordinary general meeting held on September 18, 1934, resolutions were duly approved increasing the capital of the company to £5,800,000 by the creation of 800,000 new shares of £1 each, 400,000 to rank as preference and 400,000 to rank as ordinary. The proposals were outlined in the *Economist* dated September 15th, page 501.

Herbert Green and Company, Ltd.—It is proposed to make an issue on behalf of this company early next week.

National Coke and Oil Company.—An issue is pending on behalf of this company in 5s. ordinary shares and 6 per cent. £1 preference shares, both at par.

Stoke-on-Trent Corporation.—An issue will be made early next week of £1,500,000 3½ per cent. redeemable stock, 1955-65, at par.

RESULTS OF ISSUES

Monsanto Chemicals, Ltd.—The list of subscriptions for 400,000 5½ per cent. redeemable cumulative preference shares of £1 each at 20s. 6d. per share was closed at 9.5 a.m. September 14th, owing to heavy over-subscription.

Nigeria Government 3 per Cent. Loan.—The cash lists for this issue were closed shortly after 10 a.m. September 17th, owing to heavy over-subscription. Conversion lists are open, and will not be closed until September 28th.

Plymouth Corporation.—Issue of £1,000,000 of 3 per cent. stock at £97 10s. of the Plymouth Corporation. Subscription lists were closed at 9.5 a.m., or five minutes after they were opened.

CALLS DUE SEPTEMBER 24 TO SEPTEMBER 29, 1934

The grand total of calls falling due in September, 1934, is £4,766,761, which compares with £25,747,684 which fell due in September, 1933. The following calls fall due from September 24, 1934, to September 29, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Bonds	Argentine Government Conversion (4½% Sterling Bonds)	...	Sept. 29	...
£1	Bovril, Ltd. (500,000 4½% Pre-Preference Shares, at par)	4/- p.s.	Sept. 29	6/- p.s.
1/-	Camp Bird, Ltd. (6,000,000 Shares, at par)	1/- p.s.	Sept. 29	All
£1	Clan Line Steamers (500,000 5½% Cumulative Redeemable First "B" Preference Shares, at 21/-)	1/- p.s.	Sept. 28	1/- p.s.
10/-	Fisher and Ludlow, Ltd. (150,000 Ordinary Shares, at 20/-)	20/-	Sept. 29	All
£1	Gold and General Investment Trust, Ltd. (55,000 Shares at 22/6)	5/- p.s.	Sept. 29	5/- p.s.
5/-	Gold Options Syndicate, Ltd. (200,000 Shares, at a premium of 5/- per Share)	2/6 p.s.	Sept. 24	2/6 p.s.
2/-	Kwalee Rubber Estates, Ltd. (494,483 Shares, credited with 1/8 per Share paid-up)	1d. p.s.	Sept. 29	All
£1	Lunuvu (Ceylon) Tea and Rubber Estates, Ltd. (64,335 Shares, at 42/6 per Share)	22/6 p.s.	Sept. 24	All
£1	Marston Valley Brick, Ltd. (52,900 Ordinary Shares, at a premium of 15/- per Share)	10/-	Sept. 29	All
Stock	Mayfair and General Property Trust, Ltd. (£200,000 5% 1st Mort. Deb. Stock, at par)	£80%	Sept. 25	£75%
£1	Metropolitan Housing Corporation, Ltd. (162,500 Ordinary Shares, at 25/- per Share)	5/- p.s.	Sept. 29	17/6
Stock	Nigeria Government 3% Inscribed Stock, 1955 (Conversion)	...	Sept. 28	...
5/-	Offin River Gold Estates, Ltd. (141,460 Shares)	2/6 p.s.	Sept. 24	2/6 p.s.
5/-	Patent Paper Packing (Foreign), Ltd. (226,000 Ordinary Shares, at par)	2/- p.s.	Sept. 25	All
Stock	Salts (Saitaire), Ltd. (£1,000,000 5% First Mortgage Debenture Stock, at £104%)	£15%	Sept. 29	£40%
Stock	Walsall Corporation 3½% Redeemable Stock, 1954-1964 (£500,000, at £100%)	£45%	Sept. 28	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Sept. 12, 1934	Price, Sept. 19, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	...	11d-41d pm
Airspeed (1934) Pref. Ord. 5/-	5/-	Fypd	7/-7/3	6/3-6/6
Alicombe Estates 5% Deb.	100	50	3-1½ pm	1-1½ pm
British Aluminium Ord.	27/6	19/6	4½d dis-1½d dis	par-3d pm
Do. do. 6% Cum. Pref.	24/6	17/6	10½d-1½d pm	1/--1/3 pm
Do. do. 4% Deb.	99	Fypd	103½-104½	103½-104½
Brookes (W. J.) and Sons Ord. 5/-	...	...	6/3-6/6	6/3-6/6
Do. do. 6% Cum. Pref. £1	102½	Fypd	21½-21/6	21½-21/6
Carlton Main Colliery 4½% Deb.	102½	Fypd	102-103	102-103
Clan Line Steamers New Ord.	21/-	...	...	27/6-28/6 pm
Do. do. 5½% B Pref.	...	...	...	1/--1/3 pm
Dale (John) 5½% Pref.	20/-	...	20/9-21/3	20/9-21/3
Fisher and Ludlow 10/- New Ord.	20/-	...	1/6-2/- pm	3d-9d pm
Gold Ex. and Finance Aust. Ord.	10/-	5/-	3/9-4/3 pm	4/1½-4/7½ pm
Griffiths Hughes Prop. Ord.	20/-	Fypd	47/3-47/9	46/4½-46/10½
Do. do. 5½% Cum. Pref. £1	...	...	22/3-23/-	23/3-24/3
Jackson Brothers 6½% Pref.	7/6	Fypd	7/8-8/3	7/9-8/-
James and Shakespear New Ord. 5/-	...	...	17/6-18/6	17/9-18/-
Do. do. 5½% Pref. £1	...	...	3-1½ pm	1-1½ pm
Mayfair and Gen. Prop. 5% Deb.	100	15	...	1/3-1/6 pm
Monsanto Chemicals 5½% Pref. £1	20/6	10/6	26/8-27/3	26/-26/6
Mount Morgan 5/-	7/6	Fypd	13/3-13/9	15/9-16/3
New Machiev 5/-	100	5	...	1½-1½ pm
New Zealand 3½%, 1955-60	100	5	...	1½-1½ pm
N. Wales Power 3% Dels.	100	15/-	...	3½-4½ pm
Odhams Properties 5% Deb.	100	15/-	...	3½-4½ pm
Oslo Union Co. 5½% Deb.	94	Fypd	99½-99½	98½-99½
Powell Duffryn Pref. Ord. 5/-	20/9	10/-	6d dis-par	9d-3d dis
Reed (Austin) 5% "A" Pref.	100	...	21/6-22/-	21/9-22/3
Salford Corp. 3½%, 1954-64	100	30	par-1 pm	1-1 pm
Somerset 3½%, 1959-64	21/-	Fypd	2½-2½ pm	103½-103½
S. African Distilleries	97½	Fypd	29/6-30/-	29/4½-29/10½
S. Rhodesia 3½%, 1955-65	25/-	10/-	99½-99½	100½-100½
Stanton Iron. New 6½% Pref. £1	100	50	1/-1/6 pm	1/3-1/9 pm
Stewarts and Lloyds 4% Deb.	100	100	3½-4½ pm	3½-4½ pm
Stockport 3½%, 1954-64	100	100	4-4½ pm	10½-10½
Streitfied 3½%, 1955-65	Par	20	par-1 pm	1-1 pm
Thistle Etna Gold 5/-	5/-	2/-	9d-1/3 dis	9d-1/3 dis
Trust Houses 3½% Deb.	93½	50	1½-2 pm	1½-2 pm
Van Dyk Consolidated	10/-	Fypd	2½-2½	2½-2½
Walsall 3½%	100	55	3-4½ pm	1½-1½ pm
Welsh Ass. Collieries 5½% Cum. Pref. £1	21/-	Fypd	16/9-17/-	16/9-17/3
Do. do. 4½% Deb.	100	25	4-4½ dis	4½-4½ dis

REPORTS AND NOTICES

BANKS

BANK OF ENGLAND.—Profits for the half-year ended August, after making provision for all contingencies, were £676,876, making the amount of the "rest" £3,700,897. A dividend of 6 per cent. is declared. Profits for the previous six months were £656,795.

MISCELLANEOUS

CERTIFIED ACCOUNTANTS.—The next examinations of the London Association of Certified Accountants will be held on December 4th, 5th and 6th in Belfast, Birmingham, Bristol, Cardiff, Cork, Dublin, Edinburgh, Glasgow, Hull, Leeds, Liverpool, London, Manchester, Newcastle-on-Tyne, Nottingham, Plymouth and Sheffield. Women are eligible under the Association's regulations to qualify as certified accountants upon the same terms and conditions as are applicable to men. Particulars and forms are obtainable at the offices of the Association, 50 Bedford Square, London, W.C.1.

CABLE AND WIRELESS, LTD.—INDEX NUMBERS.—Monthly figures reduced to working day average: Working day average of comparable receipts year 1929=100. Index number, month of August, 1934, 70.7, against 68.9 for July, 1934, and 65.9 for August, 1933.

MEXICAN GOVERNMENT DEBT PLAN.—In a letter dated September 4th received by the British committee of Mexican Bondholders, the secretary to the Mexican Treasury states: "It is the intention of the Mexican Government very shortly, namely, during this present month, to formulate a complete plan for dealing with the exterior debt. . . ." The letter refers to the report of the Department of Finance, which has not yet been received in London.

"IRISH FREE STATE LAND BONDS."—Under this heading on page 497 of the *Economist* of September 15th, it was stated that no drawings have yet taken place of Northern Ireland 4½ per cent. loan. In an announcement in the *London Gazette* of August 24th, however, it was stated that bonds totalling £31,410 were drawn on August 20th for repayment on November 1st, in accordance with regular procedure.

LISSEN, LTD.—In view of the fact that the month of December falls within the company's busiest period of the year, the directors of Lissen, Ltd., have resolved that in the future the company's accounting year shall run from April 1st to March 31st, and that in order to effect this change the next accounting period will run from January 1, 1934, to March 31, 1935. The above resolution does not affect the rights of the preference shareholders and the dividends on the preference shares continue to be payable on March 1st and September 1st in every year.

THE ANGLO-SIAM CORPORATION, LTD.—The accounts show a net profit of £17,690 for the year ended March 31, 1934. After crediting £45,198 brought forward from the previous year, and transferring £5,000 from the equalisation of dividend fund, the balance at the credit of profit and loss account is £67,888. The directors have placed £3,000 to the staff provident fund, and recommend the payment of a final dividend of 5 per cent. on the ordinary shares, making 7½ per cent. less tax, for the year, leaving £45,338 to be carried forward to the current year. Meeting, September 25th, at 5, St. Helen's Place, London, E.C.3, at 3 p.m.

COMPANY MEETINGS, &c

WALL PAPER MANUFACTURERS, LIMITED

FURTHER BUSINESSES ACQUIRED

INCREASE OF CAPITAL APPROVED

An extra-ordinary general meeting of the Wall Paper Manufacturers, Limited, was held, on the 18th instant, at the Holborn Restaurant, High Holborn, London, W.C., to consider resolutions increasing the capital of the company to £5,800,000 by the creation of 800,000 new shares of £1 each, 400,000 to rank as preference shares and 400,000 as ordinary shares.

Mr Alan V. Sugden, J.P. (the chairman), said:—Ladies and gentlemen.—The circular issued to stockholders explains so fully the circumstances which have led up to the amalgamation proposals that I only propose to make a few comments amplifying them.

Although the last fifteen years have been profitable ones to this company they do quite definitely represent a condition of non-expansion on the sales side of wallpaper, our main interest, in spite of very great efforts to increase our trade.

PRICE POLICY

The policy of price maintenance referred to in my circular letter in all probability negated our exertions in the direction of expansion owing to the existence of such a large assortment of cheap goods obtainable elsewhere.

Our position of influence in the trade (I will not say monopoly, for we have not had nor shall we possess that qualification after this amalgamation) had been lessened and the proper regulation of price scales and discounts and of just and universal trade practices had been weakened.

For extremely good financial and other reasons, referred to in my circular letter, we have put up with such conditions for the time being.

We have, however, been standing still on this particular side of our business, that of rollage, a quite intolerable position as a normal experience for a great company.

In future and as a result of these acquisitions we propose in the interests of all concerned to adjust ourselves to changed conditions and to render it less easy for new competitors with machinery redundant to consumption to commence operations and also less easy for those already in existence to increase their share of the business obtainable.

LARGER TURNOVER ANTICIPATED

It may be urged that this policy, by reducing our margin, may result in decreased profits. I can only say that this is not my opinion or that of my colleagues on the board. We shall have, as we confidently anticipate, a much larger turnover and run nearer to capacity. We also believe it a healthier thing for our future that we should endeavour to increase the volume of our trade rather than that it should stand still.

I may also say that the present proposals have received a hearty welcome from the Labour Unions and from most elements in the trade.

The new mills which are being continued as branches of this company will not, of course, reflect the whole measure of their earning power in our results for the year just closed, as this in their case represents only four or five months' trading, including a period which is the least remunerative in the wallpaper manufacturing year.

The resolutions submitted were duly approved.

OFFER TO NEW READERS

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

To Publisher, "Economist Newspaper Ltd.,"
8 Boulevard Street, E.C.4.

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

Name

Address

INDUSTRIAL FINANCE AND INVESTMENT CORPORATION, LIMITED

The ninth ordinary general meeting of the Industrial Finance and Investment Corporation, Limited, was held, on the 20th instant, at Winchester House, Old Broad Street, London, E.C.

Mr Paul Lindenberg (the chairman), in dealing with the balance sheet, said that the items "Cash at bankers and in hand" and "Short loans, secured" were very much larger than in the preceding year, which meant that the financial position of the Corporation had very much improved. The liquid funds, together with marketable securities, exceeded in amount £1,100,000. The investments included gilt-edged securities amounting to £371,787, and other investments, all quickly realisable, amounting to £435,986. That increase was due to repayments of loans in accordance with the policy outlined at the last meeting.

"Loans and advances," together with "Advances and debtors," amounted to about £720,000, as against £932,287 a year ago. Unfortunately, existing exchange restrictions had made it difficult to transfer the money, and certain losses had encroached on the profits of the year. In spite of that, the board were continuing to reduce the loans outstanding in foreign countries, and since the balance sheet was drawn up there had been further substantial repayments.

The improvement in economic conditions in England made further progress during the last year, and the corporation had been useful in helping British industries by financial assistance and advice. The corporation's assistance had been very useful in connection with the large order to the Westinghouse Brake and Saxby Signal Company, Limited, for the equipment of the Polish railway system with brakes for the rolling stock. The benefit of that transaction would only accrue to them during the next few years.

Reports from industrial centres indicated that the improvement in trade had lately lost some of its impetus and the Board of Trade returns, though progressive, were not anything like as good as could be desired. That, however, was not surprising in view of the very unsettled world conditions, and it seemed as though some considerable time would elapse before it would again be possible to conduct international business with a greater certainty that contracts would be fulfilled and payments effected. At present large sums of capital were idle, and confidence on the part of investors to employ money in new enterprise abroad was still lacking.

The report and accounts were adopted.



The
Anglo-South
American Bank Ltd
OLD BROAD STREET EC2

* The Bank is represented
by Branches and Affiliated
Institutions throughout LATIN
AMERICA and SPAIN and
affords complete facilities for
the transaction of every
description of modern
banking business.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 15, 1934, amounted to £9,111,000, against ordinary expenditure of £13,068,500. After allowing for an increase in Exchequer Balances of £87,421 the operations for the week, as shown below, increased the National Debt by £4,045,000 to approximately £8,080 millions.*

(000's omitted)		N. Atlantic shipping issues	
Treasury Bills.....	+ 2,770	P.O. and Telegraph capital	- 25
Public Department Advances.....	+ 1,500	issues.....	- 250
National Savings Certificates	+ 50		
	+ 4,320		- 275

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Sept. 15, 1934	April 1, 1933, to Sept. 15, 1933	Week ended Sept. 15, 1934	Week ended Sept. 15, 1933
ORDINARY REVENUE					
Inland Revenue.....	£219,500,000	£49,697,000	£41,457,000	£990,000	£642,000
Income Tax	50,000,000	7,160,000	8,570,000	110,000	220,000
Sur-tax	76,000,000	38,440,000	42,030,000	1,210,000	1,210,000
Estate, etc., Duties	25,000,000	8,590,000	7,750,000	290,000	290,000
Stamps	1,200,000	...	...	...	...
Excess Profits Tax and Corporation Profits Tax	800,000	140,000	170,000	...	...
Land Tax and Mineral Rights Duty	372,500,000	104,027,000	99,977,000	2,600,000	2,362,000
Total Inland Revenue.....	183,650,000	85,792,000	81,651,000	3,676,000	3,528,000
Customs and Excise—	106,350,000	43,996,000	45,800,000	1,298,000	1,500,000
Customs.....					
Excise.....	290,000,000	129,788,000	127,451,000	4,974,000	5,028,000
Total Customs and Excise					
Motor Vehicle Duties (Ex- chequer Share)	5,000,000	1,651,000	1,226,000	121,000	Dr. 478,000
Post Office (Net Receipt).....	14,000,000	9,700,000	8,850,000	300,000	350,000
Crown Lands	1,220,000	570,000	500,000	...	...
Receipts from Sundry Loans	3,800,000	2,862,008	3,271,427	...	...
Miscellaneous Receipts.....	20,000,000	6,870,990	16,416,758	1,115,929	2,140
Total Ordinary Revenue	706,520,000	255,468,998	257,692,185	9,110,929	7,264,140
SELF-BALANCING REVENUE					
Post Office	60,463,000	23,850,000	23,750,000	750,000	650,000
Motor Vehicle Duties appor- tioned to Road Fund	24,255,000	7,737,000	7,253,000	...	478,000
Total Self-Balancing Revenue	84,718,000	31,587,000	31,003,000	750,000	1,128,000
Total		287,055,998	288,695,185	9,860,929	8,392,140

EXPENDITURE	Estimate for the year 1934-35 (including Supple- mentary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Sept. 15, 1934	April 1, 1933, to Sept. 15, 1933	Week ended Sept. 15, 1934	Week ended Sept. 15, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	£ 224,000,000	£ 105,296,057	£ 104,599,445	£ 368,508	£ 199,266
Payments to Northern Ireland Exchequer	6,500,000	2,481,068	2,635,943	...	...
Other Consolidated Fund Services	3,700,000	1,033,105	1,350,092	...	...
Post Office Fund.....	2,000,000	...	...	...	...
Total	236,200,000	108,810,230	108,585,480	368,508	199,266
Total Supply Services (excluding Post Office)	466,296,000	202,003,319	196,958,576	12,700,000	12,100,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	310,813,549	305,544,056	13,068,508	12,299,266
Payments to U.S.A. Govt.....	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	310,813,549	307,385,272	13,068,508	12,299,266
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	23,850,000	23,750,000	750,000	650,000
Road Fund	24,255,000	7,737,000	7,253,000	...	478,000
Total Self-Balancing Expenditure	84,718,000	31,587,000	31,003,000	750,000	1,128,000
Total		342,400,549	338,388,272	13,818,508	13,427,266

The aggregate revenue and expenditure to September 15, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO SEPTEMBER 15, 1934 (000's omitted)

Expenditure	£310,813,549	Revenue	£255,468,998
Increase in balances	234	Gross increase in borrowing.....	£59,040
		Less—	
		New Sinking Fund	3,462*
		Net borrowing	55,578
	311,047		311,047

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding	Sept. 16, '33	Mar. 31, '34	Sept. 15, '34	Sept. 15, '34
Advances by Public Department	23,180,000	44,900,000	48,750,000	+ 1,500,000
Treasury Bills outstanding.....	994,025,000	799,810,000	825,240,000*	+ 2,770,000
Total Floating Debt	1,022,205,000	844,710,000	873,990,000	+ 4,270,000

* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £30,000,000 Treasury bills were opened on September 14, 1934, and the total amount applied for was £65,080,000. Tenders were accepted for Treasury bills at three months, dated Monday to Saturday, at £99 17s. 2d., and above in full. The average rate per cent. was 10s. 5-61d. The amount allotted was £29,830,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1.....	40,000,000	50,320,000	38,000,000	£ s. d. 5 8 4
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
August 1	45,000,000	59,945,000	45,000,000	0 18 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 8.....	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	60,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
August 17	35,000,000	58,565,000	30,000,000	0 15 5-60
August 24	30,000,000	59,320,000	30,000,000	0 14 3-26
August 31	35,000,000	60,000,000	30,000,000	0 14 4-47
September 7	35,000,000	54,370,000	32,000,000	0 12 10-98
September 14	30,000,000	65,080,000	29,830,000	0 10 5-61

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended September 1, 1934	634,819	£507,855
Week ended September 8, 1934	640,134	£512,147
February, 1916, to September 8, 1934.....	1,196,515,232	£942,821,936

At the end of August, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,549,108.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, September 19th, 1934.

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£11,015,100
In Circulation	376,379,746	Other Government Securities	244,983,985
In Banking Department	75,441,762	Other Securities	841,119
		Silver Coin	3,159,796
	451,821,508	Amount of Fiduciary Issue.....	260,000,000
		Gold Coin and Bullion	191,821,508
			451,821,508

BANKING DEPARTMENT

Proprietors' Capital	£14,553,000	Government Securities	£81,679,164
Reserve	3,703,641	Other Securities	244,983,985
Public Deposits	20,449,059	Discounts and Advances	£6,137,838
Other Deposits	£99,837,219	Securities	£12,227,965
Bankers'	£37,500,958		
Other Accounts	137,338,177	Notes	18,365,803
7-day and Other Bills	5,060	Gold and Silver Coin	612,208
	176,098,937		176,098,937

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

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the *Economist* for September 10, 1932. Chile in August 12, 1933. Canadian Banks and Egypt in September 1. International Settlements, Lithuania, Danzig in September 8. Austria, Denmark, Latvia, Greece in September 15.

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

RESOURCES	Sept. 22, 1933	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934
Gold Certificates on hand and due from the Treasury	3,821,800	4,979,480	4,960,080	4,961,000	4,957,620
Total reserves	230,830*	5,239,690	5,193,080	5,212,350	5,210,740
Total cash reserves	230,830	235,920	209,110	223,310	229,730
Total bills discounted	130,160	21,010	23,640	23,340	21,970
Bills bought in open market	6,930	5,250	5,220	5,200	5,200
Total bills on hand	137,090	26,260	28,860	28,540	27,170
Total U.S. Govt. securities.....	2,237,780	2,431,800	2,431,810	2,431,310	2,430,720
Total bills and securities	2,376,680	2,459,260	2,461,940	2,461,480	2,459,740
Total resources	6,775,210	8,232,850	8,233,500	8,267,220	8,290,330
LIABILITIES					
Federal Reserve notes in actual circulation	2,986,780	3,103,290	3,149,660	3,148,450	3,146,600
Federal Reserve Bank notes in circulation	137,170	31,930	31,430	31,130	30,630
Deposits—Member bank—reserve account	2,543,330	4,126,970	3,907,170	3,948,300	3,889,360
Government deposits	59,120	29,940	162,990	138,730	210,460
Total deposits	2,766,620	4,380,830	4,273,050	4,300,060	4,294,930
Capital paid in and surplus	424,460	284,910	284,940	285,050	285,050
Total liabilities	6,775,210	8,232,850	8,233,500	8,267,220	8,290,330
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	66.4%	70.7%	70.0%	70.0%	70.0%

* Reserves other than gold.

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

	Sept. 22, 1933	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934
Total gold reserves	1,014,110	1,830,900	1,732,330	1,723,570	1,777,830
Total bills discounted	40,240	12,420	14,040	14,390	13,630
Bills bought in open market	2,030	1,980	1,950	1,930	1,930
Total U.S. Govt. securities	782,120	777,750	777,750	777,750	777,750
Total bills and securities	825,630	792,240	793,390	794,180	793,450
Deposits—Member bank—reserve account	1,046,930	1,742,370	1,583,590	1,572,160	1,581,110
Ratio of total res. to dep. and Federal Res. note liabilities combined	61.4%	72.5%	71.3%	71.0%	71.8%

FEDERAL RESERVE MEMBER BANKS

In \$'s (000,000's omitted)

	Sept. 7, 1933	Aug. 8, 1934	Aug. 16, 1934	Aug. 23, 1934	Aug. 30, 1934	Sept. 5, 1934
Loans	8,538	7,827	7,825	7,814	7,802	7,880
Investments	8,024	9,556	9,907	9,911	9,906	9,877
Demand deposits	10,380	12,721	12,825	12,818	12,926	12,936
Time deposits	4,495	4,491	4,505	4,513	4,510	4,508
Government deposits	865	1,296	1,255	1,236	1,203	1,098
Due from banks	1,160	1,538	1,538	1,550	1,560	1,512
Due to banks	2,521	3,766	3,821	3,741	3,732	3,780

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

	Sept. 15,	Aug. 17,	Aug. 24,	Aug. 31,	Sept. 7,	Sept. 14
Assets	1933	1934	1934	1934	1934	1934
Gold coin and bullion	15,223	20,537	20,107	18,058	18,056	18,053
Subsidiary coin	451	278	283	268	274	266
Bills discounted: Domestic and Union Govt. Treas.	129	53	38	85	142	131
Bills discounted: Foreign ...	18,791	13,955	12,300	9,760	9,916	11,238
Investment	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	...	8,279	10,097	7,082	7,118	6,565
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	9,613	11,230	11,033	12,446	11,923	11,464
Government deposits	2,345	2,064	2,417	1,249	1,275	1,564
Bankers' deposits	25,059	25,010	23,952	20,448	21,236	22,066
Ratio of cash reserves to liabilities to public	40-3%	49-1%	48-3%	51-0%	50-2%	49-7%

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

ASSETS	Sept. 15, 1933	Aug. 24, 1934	Aug. 31, 1934	Sept. 7, 1934	Sept. 14, 1934
Gold	82,261,599	81,759,496	82,038,783	82,098,928	82,153,450
Foreign assets	1,284,266	1,285,566	1,285,566	1,285,566	1,285,566
Sight deposits	1,345,629	1,110,294	1,068,510	1,067,005	1,069,218
Bills, etc.	2,604,900	3,921,598	3,116,421	3,284,750	3,272,201
Home bills	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Advances against sec.	3,200,000	3,049,572	3,140,366	3,126,946	3,128,886
To the State	6,412,567	5,913,404	5,913,404	5,898,204	5,898,204
Other advances	5,296,011	5,095,460	5,859,996	5,292,609	5,090,447
LIABILITIES					
Notes in circulation	81,422,722	79,971,020	81,732,266	81,016,752	80,440,372
Public deposits	3,374,239	3,999,318	3,883,784	3,701,370	3,655,844
Private deposits	17,958,066	17,980,231	16,659,328	17,087,033	17,561,053
Other liabilities	2,411,201	2,112,113	2,073,401	2,173,566	2,105,567
Ratio of gold reserve to sight liabilities	79.9%	80.0%	80.0%	80.5%	80.7%

THE REICHSBANK—In Reichsmarks (000's omitted)

ASSETS	Sept. 15, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934
Gold	338,066	74,907	74,937	74,973
Of which deposited abroad	58,693	14,449	20,851	20,851
Reserve in foreign currencies	58,902	3,630	3,777	3,822
Bills of exchange and cheques	3,062,844	3,542,766	3,444,402	3,428,951
Reserve in foreign currencies	235,832	212,811	218,540	243,378
Silver and other coin	12,210	4,870	9,872	13,410
Notes of other German banks	86,907	128,207	96,110	98,499
Advances	319,915	737,187	739,734	755,296
Investments	507,122	649,492	604,280	597,878
Other assets	150,000	150,000	150,000	150,000
LIABILITIES				
Share capital	473,151	472,797	472,797	472,797
Reserves	3,383,744	3,823,908	3,708,940	3,662,270
Notes in circulation	389,519	716,589	667,526	722,827
Other daily maturing obligations	225,484	190,676	193,389	202,313
Other liabilities	11.7%	2.05%	2.12%	2.15%
Cover of note circulation				

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

ASSETS	Position, May 31, 1914	Sept. 14, 1933	Aug. 25, 1934	Aug. 30, 1934	Sept. 6, 1934	Sept. 13, 1934
Gold	2,700,853	2,644,476	2,647,164	2,649,274	2,650,049	2,650,049
Silver and other coin	237,600	66,432	67,004	67,547	67,743	68,443
Securities	697,600	748,610	67,661	680,391	673,227	669,214
LIABILITIES						
Notes in circulation	934,150	3,537,170	3,506,416	3,531,441	3,557,714	3,539,971
Deposits: Govt.	...	81,122	79,165	65,285	45,029	43,513
Other	...	836,054	252,030	241,816	220,904	225,088

(a) In thousand francs.

NETHERLANDS BANK—In florins (000's omitted)

ASSETS	Position, May 31, 1914	Sept. 18, 1933	Aug. 27, 1934	Sept. 3, 1934	Sept. 10, 1934	Sept. 17, 1934
Gold	163,092	828,968	863,398	863,410	863,409	864,141
Silver	8,436	24,752	23,405	22,259	22,202	22,455
Home bills discont.	...	31,359	26,242	26,468	26,541	25,712
Foreign bills	253,504	1,249	1,154	1,154	1,154	886
Loans and advances	...	144,248	143,734	143,278	145,324	145,401
LIABILITIES						
Notes in circulation	316,632	902,627	894,093	921,988	898,761	886,822
Deposits	5,016	138,895	188,891	164,055	184,418	196,640

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

ASSETS	Position, May 31, 1914	Sept. 16, 1933	Aug. 25, 1934	Sept. 1, 1934	Sept. 8, 1934	Sept. 15, 1934
Gold	22,971	99,927	141,360	141,990	141,950	141,490
Silver	29,785	38,677	72,710	73,060	75,650	75,280
Discounts, advances, and other investments	77,567	80,918	950	1,130	1,230	1,670
Foreign bills	...	13,518	9,480	11,510	11,150	12,810
Other assets	...	109,499	195,027	181,640	182,340	184,190
LIABILITIES						
Notes in circulation	11,250	26,148	31,410	33,890	32,520	35,410
Deposits and bills payable	...	...	...	...	...	...

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

ASSETS	Position, May 31, 1914	Sept. 15, 1933	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934
Gold	171,175	1,824,620	1,699,644	1,734,508	1,754,274	1,773,455
Of which held abroad	...	288,094	127,458	142,638	149,244	149,247
Foreign gold valuta	...	9,341	34,386	21,191	17,595	19,943
Discounts	...	13,396	36,202	51,525	40,183	21,518
Bills of the Confederation	...	23,088	12,547	11,875	11,875	11,375
Advances	103,000	66,569	69,823	74,683	76,955	76,201
Securities	...	65,970	53,528	53,310	53,250	53,155
LIABILITIES						
Notes in circulation	275,925	1,355,869	1,313,123	1,369,524	1,346,953	1,330,581
Deposit	33,750	586,902	533,577	519,155	547,200	566,629

BANK OF ITALY—In lire (000's omitted)

ASSETS	Sept. 10, 1933	Aug. 10, 1934	Aug. 20, 1934	Aug. 31, 1934	Sept. 10, 1934
Gold, coin and bullion	7,035,900	6,338,000	6,340,600	6,343,500	6,327,000
Foreign bills and balances abroad	302,000	37,000	37,000	37,000	31,000
Other cash	316,200	306,600	502,700	301,600	296,500
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,549,500	3,217,600	3,212,200	3,274,000	3,258,700
Advances	460,000	1,058,600	1,135,200	1,406,700	1,270,000
Credit with "Institute for Industrial Reconstruction"	1,163,900	1,075,700	1,075,700	1,075,700	1,073,900
Government securities	1,370,700	1,382,600	1,384,200	1,381,600	1,384,800
LIABILITIES					
Notes in circulation	13,183,000	13,274,600	13,023,500	13,194,000	13,129,100
Public deposits	1,782,500	3,217,600	978,700	1,365,600	1,278,700
Other deposits and drafts	1,350,700	1,016,900	1,322,300	1,164,900	974,800
Ratio of reserve to note and sight liabilities combined	49.47%	43.69%	43.54%	43.53%	44.15%

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

ASSETS	Sept. 16, 1933	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934
Gold reserve	252,327	277,694	278,308	278,748	279,103
Government securities—Swedish	255,261	176,062	176,062	176,062	176,062
Foreign	...	46,559	46,559	46,557	46,557
Gold abroad not included in the gold reserve	125,137	94,485	94,372	94,308	94,253
Bills payable in Sweden	13,675	9,330	9,443	9,657	9,776
Balance abroad	3,041	351,560	360,560	360,625	360,524
Advances	318,817	72,638	63,744	79,780	84,405
LIABILITIES					
Notes in circulation	544,083	568,162	642,841	614,860	620,796
Government deposits	145,388	157,914	135,865	132,754	165,069
Private deposits	326,547	363,699	314,956	355,318	321,494

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

ASSETS	Position, May 31, 1914	Sept. 15, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934
Coin and bullion—Gold	41,224	118,252	118,389	118,411	118,411
Balance abroad and foreign bills	28,533	15,590	7,548	18,419	18,994
Funds provisionally placed in gold not included in the gold reserve	...	35,129	16,379	16,379	16,379
Norwegian and Foreign Government securities	8,816	42,238	31,584	42,840	43,701
Discounts and loans	76,911	217,410	273,009	250,415	251,437
LIABILITIES					
Notes in circulation	113,484	296,780	321,346	316,970	311,843
Deposits at sight	7,188	75,947	59,475	63,745	70,504

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

ASSETS	Position, May 31, 1914	Sept. 16, 1933	Aug. 25, 1934	Sept. 1, 1934	Sept. 8, 1934	Sept. 15, 1934
Gold	521,775	2,260,094	2,264,560	2,264,934	2,264,934	2,265,227
Silver	728,600	642,047	683,956	684,209	679,372	677,825
Loans & Discounts	800,725	2,635,426	2,456,468	2,507,616	2,510,749	2,469,160
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES						
Notes in circulation	901,550	4,778,936	4,542,381	4,587,462	4,646,874	4,609,204
Deposits	477,500	946,018	896,406	930,468	823,182	844,930

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

ASSETS	Aug. 30, 1933	Aug. 1, 1934	Aug. 8, 1934	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934
Gold	721,480	878,996	898,751	899,087	899,292	899,449
Balance abroad	370,153	350,799	351,085	358,461	356,785	357,080
Discounts	329,683	309,636	310,922	312,821	309,941	311,775
Government loans	1,052,736	1,050,106	1,050,106	1,050,106	1,050,106	1,050,106
LIABILITIES						
Notes in circulation	1,909,084	1,919,841	1,903,364	1,894,308	1,881,347	1,921,438
Government deposits	285,923	370,515	373,306	380,606	387,346	353,179
Bankers' deposits	303,759	407,234	434,134	437,235	442,770	457,269
Other deposits	50,250	45,940	39,805	50,284	47,495	40,148

* Calculated at pre-war parity of exchange.

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

ASSETS	Sept. 7, 1933	Aug. 15, 1934	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934
Metal reserve—					
Gold coin and bullion	95,371	78,932	78,932	78,932	78,932
Gold notes and coins	7,207	13,551	14,409	14,803	15,362
Silver coin and bullion	8,367	11,095	11,993	9,305	8,879
Inland bills, warrants and securities	452,722	534,725	536,412	567,036	558,615
Advances to Treasury	50,258	47,400	47,400	47,400	47,323
LIABILITIES					
Share capital (gold crowns 30,000,000*)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	338,271	332,981	315,256	368,914	350,205
Government deposits	77,664	62,913	85,191	59,973	69,994
Current accounts, deposits, etc.	117,722	117,722	117,722	117,722	117,722
Other liabilities	201,291	177,497	177,105	177,103	177,769

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

ASSETS	Sept. 7, 1933	Aug. 15, 1934	Aug. 23, 1934	Aug. 31, 1934	Sept. 7, 1934
Gold	1,707,361	2,663,094	2,663,029	2,663,262	2,663,162
Balance abroad and foreign currency	897,510	29,992	42,816	52,954	54,246
Discounts and advances	1,545,671	1,589,495	1,379,436	1,381,106	1,553,254
State notes debt balance	2,612,267	2,120,510	2,119,804	2,118,966	2,118,966
Other assets	573,406	712,720	787,702	803,421	809,407
LIABILITIES					
Bank notes in circulation	6,049,243	5,344,349	5,135,617	5,384,217	5,571,574
Check account balances	553,214	954,014	1,002,145	758,083	727,843
Other liabilities	284,705	367,150	403,721	428,337	447,606

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Sept. 20, 1933	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934
Call money	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Time money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Bank acceptances:—						
Members—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Non-mem.—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Ineligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Commercial accept., 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Rates of Exchange, New York on—	Par Level	Sept. 20, 1933	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934
London—					
60 days	4-6666	4-78	4-9812	4-9925	4-9862
Cable	4-795	4-795	5-00	5-01	5-0050
Cheques	4-795	4-795	5-00	5-01	5-0050
Paris	6-63	6-065	6-6825	6-6775	6-68
Brussels	23-54	21-70	23-81	23-78	23-79
Switzerland	32-67	30-10	33-12	33-08	33-05
Italy	8-91	8-145	8-7025	8-695	8-685
Berlin	40-33	37-10	39-94	40-36	40-5
Vienna	23-82	17-70	19-20	19-18	19-18
Madrid	32-67	12-96	13-67	13-84	13-85
Amsterdam	68-06	62-60	68-65	68-63	68-7
Copenhagen	21-45	22-34	22-39	22-37	22-37
Oslo	24-15	25-13	25-18	25-17	25-17
Stockholm	24-80	25-80	25-85	25-83	25-83
Athens	2-20	0-89	0-96 1/2	0-96 1/2	0-96
Montreal	168-31	98 1/2	102 1/2	103 1/2	103 1/2
Yokohama	84-40	28-125	29-96	29-97	29-98
Shanghai	61-80	36-20	37-75	37-80	37-73
Calcutta	...	...	33-33	33-39	33-36
Buenos Aires	11-96	...	8-43	8-44	8-44
Rio de Janeiro	...	...	...	...	...

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on:—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 5 0	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on:—		
Rhodesia	99 15 0	99 15 0
South Africa	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-83	90 d/s	(a) 20-26
Colombia (Bogota) ..	Pesos to £	5	Sight	(b) 8-65 1/2
Ecuador	Sucres to £	24-3325	"	(c) 53-36
Nicaragua	Colonos to £	4-8665	"	"
Salvador	Colonos to £	9-73	"	12-61
Venezuela	Bolivianos to £	25-2215	"	19-87
Guatemala	Quoted on New York	...	"	5-12

No rates available for "Free" Market Rate. a) Official Rate.

THE ANGLO-SOUTH AMERICAN BANK, LTD., has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period 11th to 20th September at 138-43 per cent. The previous rate was fixed as from 1st instant at 138-69 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Aus- tra- lia	New Zealand	Aus- tra- lia	New Zealand	Aus- tra- lia	New Zealand	Aus- tra- lia	New Zealand
T.T.	125 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
Sight	126 1/2	126 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2
30 days ..	126 1/2	126 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2
60 days ..	127 1/2	127 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2
90 days ..	127 1/2	127 1/2	125 1/2	124 1/2	124 1/2	123 1/2	125 1/2	124 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the From Apr. 1 week ending to Sept. 15, Sept. 15, 1934 1934

Sterling purchased in India

Net transfer to Home Treasury:—

(a) From Paper Currency Reserve in England

(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve

Total remittance to Home Treasury..... 1,067,000 11,877,000
India Office, S.W.1,
Sept. 18, 1934.

BULLION

The following statistics of imports and exports of gold and silver for week ended September 20th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended September 20, 1934			Gold Exported from Great Britain and Northern Ireland, week ended September 20, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	£ 1,213	£ 1,213	Germany	£ 1,100	£ 1,100
Netherlands	74,000	74,000	Belgium	112,000	112,000
Belgium	225	8,620	France	4,187	424,055
France	5,762	3,943	Switzerland	15,230	17,159
Turkey, European	13,960	...	Czechoslovakia	11,300	...
Egypt	5,003	...	Venezuela	...	326,900
China	12,860	...	Palestine	3,054	...
U.S.A.	362,227	169,830			
St. Domingo	2,661	53,261			
Uruguay	...	288,374			
British W. Africa	98,044	...			
British S. Africa	580,604	...			
Tanganyika Terri- tory	8,180	...			
British Malaya	30,220	...			
Hong Kong	64,280	...			
Australia	85,797	...			
Canada	351,840	...			
Newfoundland	...	22,085			
Trinidad and Tobago	4,500	...			
Other countries	4,373	...			
Total	1,700,100	621,326	Total	146,871	782,614

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended September 20, 1934			Silver Exported from Great Britain and Northern Ireland, week ended September 20, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Union (Russia)	50,400	...	Sweden	2,937	...
Germany	2,070	...	Denmark	2,468	...
Belgium	1,141	...	Belgium	...	38
France	17	60	French Possessions	4,000	...
China	19,554	100,300	in India	...	53
British India	15,813	...	Switzerland	404,415	...
Hong Kong	13,500	...	U.S.A.	6,190	...
Canada	29,350	...	Other countries	653	799
Other countries	575	...			
Total	132,420	100,360	Total	420,660	890

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934 ARRIVALS		1934 WITHDRAWALS	
Sept. 14	Sept. 14	Sept. 14	Sept. 14
15	Nil	15	Nil
17	Nil	17	Nil
18	Nil	18	Nil
19	Nil	19	Nil
20	Nil	20	Nil
Total	Nil	Total	Nil

Movement Sept. 14, 1934, to Sept. 20, 1934 (inclusive)..... Nil
Movement during year 1933

Movement April 29, 1925, to Sept. 20, 1934 (inclusive)..... £71,094,909 in
Movement September 21, 1931 (gold standard suspended), to Sept. 20, 1934 (inclusive)..... £1,091,122 in
£23,461,269 in
£55,827,142 in

GOLD

Messrs. Samuel Montagu and Company write on September 19, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,821,508 on the 12th inst., as compared with £191,762,212 on the previous Wednesday.

In the open market about £1,800,000 of bar gold was disposed of during the week. The demand was again general and sufficient to maintain prices at a premium over the gold exchange parities.

Quotations during the week:—

	Per ounce fine	Equivalent value
September 13	140s. 6 1/2d.	12s. 1-07d.
" 14	140s. 6 1/2d.	12s. 1-07d.
" 15	140s. 5d.	12s. 1-20d.
" 17	140s. 5 1/2d.	12s. 1-16d.
" 18	140s. 6d.	12s. 1-12d.
" 19	140s. 8d.	12s. 0-95d.
Average	140s. 6-25d.	12s. 1-10d.

SILVER

The market has been very steady during the past week and prices have shown little variation. There have been no new features, America and the Indian bazaars continuing to give support, the demand again being met chiefly by China sales; the latter have perhaps been made rather less freely, offerings in many cases being limited to prices slightly above those current. There has been some inquiry from speculators but sales to liquidate bull contracts have also been effected. The tone of the market remains steady.

Quotations during the week:—

IN LONDON			IN NEW YORK		
	Cash	Two Months' delivery		Cents per Ounce	-999 fine
September 13 ...	21 1/8d.	21 1/8d.	September 12 ...	49 1/2	
" 14 ...	21 1/8d.	21 1/8d.	" 13 ...	49 1/2	
" 15 ...	21 1/8d.	21 1/8d.	" 14 ...	49 1/2	
" 17 ...	21 1/8d.	21 1/8d.	" 15 ...	49 1/2	
" 18 ...	21 1/8d.	21 1/8d.	" 17 ...	49 1/2	
" 19 ...	21 1/8d.	21 1/8d.	" 18 ...	49 1/2	
Average	21-750d.	21-802d.			

The highest rate of exchange on New York recorded during the period from the 13th inst. to the 19th inst. was \$5-01 1/2 and the lowest \$5-00 1/2. No fresh Indian currency returns have come to hand.

The stocks in Shanghai on the 15th inst. consisted of about 58,800,000 ounces in sycee, 344,000,000 dollars and 31,500,000 ounces in bar silver as compared with about 64,700,000 ounces in sycee, 349,000,000 dollars and 31,200,000 ounces in bar silver on the 8th inst.

GOLD AND SILVER PRICES

1934	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
Sept. 14 ...	140 5	21 1/8	21 1/8	Sept. 27, 1928	26 1/2
" 15 ...	140 6	21 1/8	21 1/8	" 26, 1929	23 1/2
" 17 ...	140 5 1/2	21 1/8	21 1/8	" 25, 1930	16 1/2
" 18 ...	140 6	21 1/8	21 1/8	" 24, 1931	15 1/2
" 19 ...	140 8	21 1/8	21 1/8	" 22, 1932	18 1/2
" 20 ...	140 9	21 1/8	21 1/8	" 21, 1933	18 1/2

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended Sept. 16, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 37 weeks (£000)					
(b) Week ended Sept. 14, 1934	(c) Week ended Sept. 15, 1934	Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	
Great Western	1934 3,750	232	185	107	292	524	7,680	6,558	3,631	10,189	17,869		
(c) L. & N.	1933 3,752	228	183	95	278	506	7,701	6,100	3,561	9,661	17,362		
Eastern	1934 6,339	355	315	221	536	891	11,691	12,688	8,281	19,549	31,240		
L. M. & S.	1933 6,940	523	456	211	667	1,190	18,120	16,668	8,248	24,517	29,453		
Scottish	1933 6,941	507	442	195	637	1,144	17,840	15,042	7,866	22,908	40,748		
Southern	1934 2,176	330	66	31	97	427	11,111	2,328	1,136	3,464	14,575		
	1933 2,181	322	64	26	90	412	10,957	2,223	1,072	3,295	14,252		
Total	1934 192,061	1,440	1,022	570	1,592	3,032	48,602	34,423	21,296	57,719	106,321		
	1933 192,131	1,396	1,002	523	1,525	2,921	47,997	33,757	20,061	55,818	101,815		
(b) Belfast	1934 8	3.0	...	...	0.5	3.5	98.1	...	...	...	116.9		
& Co.Down	1933 8	3.1	...	...	0.4	3.5	100.0	...	...	...	119.0		
(b) Great	1934 552	11.6	...	...	9.6	21.2	379.1	...	...	...	682.5		
Northern	1933 562	10	...	...	9.2	20.9	384.4	...	...	...	515.9		
(b) Great	1934 2,158	25.8	...	...	32.1	57.9	912.3	...	...	...	2,087.5		
Southern	1933 2,158	28.3	...	...	31.8	60.1	901.6	...	...	...	2,001.9		

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:—				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year, 1933:—				
11 weeks to September 16, 1934	+ 108	+ 467	+ 308	+ 91
Weekly average second half 1934	+ 9 1/2	+ 42 1/2	+ 28	+ 8 1/2
Latest week 1934 compared with 1933	+ 18	+ 46	+ 31	+ 15

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending September 15, 1934..... £531,500
Aggregate 11 weeks ending September 15, 1934

* For an explanation of the manner in which the figures are made up see the Economist, March 17, 1934, page 610.

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	• Interim div. † Final div.			Latest Year	Previous Year
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year		
RAILWAYS					
Manila Railway (Pref.)	...	...	...	3	3
BANKS					
Central Hanover Bank	7½%	Oct. 1	Unchanged	...	...
INSURANCE					
Britannic Assurance	125%*	Sept. 29	Unchanged	...	...
Eagle Star and British Dominions	5%*	...	Unchanged	...	...
General Accident Assurance	6/- p.s.*	Nov.	Unchanged	...	...
Yorkshire Insurance:—					
£2 10s. with 10s. paid	11/9 p.s.*	Oct. 15	Unchanged	...	...
£1 fully paid	13/6 p.s.*	Oct. 15	Unchanged	...	...
5s. (Staff) fully paid	10/10 p.s.*	Oct. 15	Unchanged	...	...
TEA AND RUBBER					
Berang (Selangor) Rubber	...	...	...	3	Nil
Brooklands (Selangor) Rubber	...	Oct. 15	...	5	Nil
Dimbula Valley (Ceylon) Tea	2½%	Oct. 1	4%	...	Nil
Malayalam Plantations	...	...	...	8	Nil
New Dimbula Co.	7½%†	Oct. 23	15%	12	20
Pilmor Rubber	2½%*	Oct. 6	Nil	...	...
Seaford Rubber	2%*	Oct. 4	Nil	...	...
MINING					
Ampat Tin Dredging	5%*	Oct. 12	...	...	...
Champion Reef Gold Mines of India (10s.)	1/3 p.s.*	Oct. 13	Unchanged	...	...
Globe and Phoenix Gold	11/6 ps.*	Oct. 31	Unchanged	...	...
Gopeng Consolidated	4½%†	Sept. 29	1½%	...	...
Mount Morgan	6d. p.s.*	Oct. 10	...	...	...
Mysore Gold Mining (10s.)	9d. p.s.*	Oct. 20	Unchanged	...	...
Pengkalan, Ltd., Ord.	5%*	Oct. 13	...	...	...
Do. Pref. Ord.	8%*	Oct. 13	...	...	...
South Crofty	5%*	...	...	...	...
Tekka-Taping	1½%*	Oct. 20	...	...	...
OTHER COMPANIES					
Aire and Calder Navigation	2%*	Sept. 30	1½%	...	...
Alliance Trust Co.	11%*	Oct. 15	12½%	...	...
American Investment and General Trust (Def.)	2%*	Sept. 29	Unchanged	...	...
Anglo-Continental Guano	...	...	...	7½	Nil
Anglo-Siam Corporation	5%†	...	Unchanged	7½	7½
Arday Tobacco Co.	14%†	...	Unchanged	112	112
Army and Navy Stores	4½%*	...	Unchanged	...	...
Associated British Picture Corp.	...	...	...	6(a)	5(b)
Austin Motor Co.	...	Oct. 31	...	100(a)	100
Barry and Staines Linoleum	4%*	Oct. 19	Nil	...	...
Beechams Pills (Deferred)	7½%*	Sept. 29	5%	...	...
Blythe (William)	3%*	...	Unchanged	...	...
Bombay Gas	3½%*	Nov. 1	Unchanged	...	...
City and International Trust	...	...	...	2	2½
Coltess Iron	4½%*	...	4%	...	...
Cooper, McDougall and Robertson	2½%*	Sept. 29	...	...	...
Cumberland Property Investment	3½%*	Oct. 1	...	...	...
Dickinson (John) and Co.	3%*	Oct. 1	Unchanged	...	...
East Kent District Water	3%*	Sept. 29	Unchanged	...	...
Elder, Smith and Co.	...	...	...	6	4
Electric Supply Corporation	3½%*	Sept. 25	4%	...	...
Electrical Finance and Securities	5%*	Oct. 1	Unchanged	...	...
Frost (S.) and Co.	6%*	...	Unchanged	...	...
Hendon Electric Supply	12½%*	Sept. 25	Unchanged	...	...
Indestructible Paint	6½%*	Oct. 8	5%	...	...
International Automatic Telephone	3%*	Oct. 1	Unchanged	...	...
Liverpool Exchange	6d. p.s.*	...	Unchanged	...	...
London County Freehold and Leasehold Properties	2%*	Nov. 1	...	...	...
McNeill (F.) and Co.	2½%	...	Nil	...	...
Manvers Main Collieries	...	...	...	4	2½
Meux's Brewery	3½%*	Oct. 27	3%	...	...
Mid-Kent Gas Light and Coke	2%*	Sept. 29	Nil	...	...
Natal Land and Colonisation	3%*	...	Unchanged	...	...
Nepean Steel and Tool	10%†	...	...	12½	7½
Nevett, Ltd.	...	Oct. 12	...	6	5
National United Laundries	4½%*	Sept. 29	3½%	...	...
Queen Anne Residential Mansions	5%†	...	Nil	...	...
Residential Properties Improvement	3%*	Oct. 6	...	...	...
Salisbury Electric Light	4%*	...	Unchanged	...	...
Selfridge Provincial Stores	...	...	...	2½	2½
Severn Valley Gas	5%*	Oct. 1	First div.	...	...
Spillers, Ltd., Ord.	2½%*	Nov. 1	Unchanged	...	...
Sun Electrical	...	Sept. 28	...	5	Nil

(d) Also 300 per cent. in "A" shares, £450,000, being met from reserve.
* Free of income tax. (a) Absorbed £72,075. (b) Absorbed £37,500.

BLUEBEL BROS., LTD.—The directors have decided to pay the final dividend on the 7 per cent. preference shares.

SAN PAULO (BRAZILIAN) RAILWAY COMPANY, LTD.—Warrants for an interim dividend of 2½ per cent. on account of the year ending December 31, 1934, on the 3 per cent. non-cumulative preference stock will be posted on October 24, 1934, to the stockholders on the register at this date. In the absence of any adjustment in the tariffs based on exchange below 4d. to the milreis and consequent on the continued low rate of exchange, the directors have decided to await the result of working for the whole year before making any declaration of dividend on the ordinary stock.

THOS. W. WARD.—The directors have decided to pay a further one year's dividend on the first preference shares, thus clearing off the whole of the arrears. They will also pay 1½ years' dividend upon the tax-free second preference and employees' shares. Warrants will be posted on September 29th, and the current quarterly dividend upon the first preference shares will be paid on the same date. One year's arrears of dividend on the first preference shares was paid in June. The payment on the second preference is the first since June 30, 1931.

UNITED MOLASSES.—The United Molasses Company announces that warrants will be posted on September 29th for the half-year's interest to September 30th next on the 4 per cent. cumulative funded income stock and the 6 per cent. cumulative unsecured income debenture stock, together with the half-year's dividend on the 6 per cent. cumulative preference stock.

CORDBO CENTRAL RAILWAY COMPANY, LTD.—(4½ per cent. First Debenture Stock.) Although the net revenue position as at the 30th June, 1934, will show some improvement as compared with that at the 30th June, 1933, the Directors regret that it will not be possible for the Company to meet the instalment of interest payable on the First Debenture Stock on the 1st October, 1934. The Board has decided, with the concurrence of the Trustees, to postpone payment of such instalment of interest for a period of 6 months, or until such later date as may, with the concurrence of the Trustees, hereafter be determined.

AMERICAN RAILROADS

MONTHLY GROSS AND NET RECEIPTS

Company	Months	Ending	Description	Receipts for Month ended July 31, 1934, compared with Month of July, 1933	Aggregate Seven Months 1934 compared with Seven Months 1933
Alabama Gt. Southern	7	July 31	Gross	402,631	2,236,364
Atlantic Coast Line	7	July 31	Net	39,504	63,901
Atchafalaya	7	July 31	Gross	2,302,402	213,538
Baltimore and Ohio	7	July 31	Net	3,317,878	330,945
Boston & Maine	7	July 31	Gross	12,975,796	1,260,944
Central of New Jersey	7	July 31	Net	3,154,719	318,444
Chicago and North Western	7	July 31	Gross	11,654,709	1,806,458
Chicago, Burlington, and Quincy	7	July 31	Net	2,166,003	2,066,305
Chicago Great Western	7	July 31	Gross	3,347,367	533,756
Chicago, Milwaukee, and St. Paul	7	July 31	Net	318,498	601,678
Delaware and Hudson	7	July 31	Gross	2,289,517	47,690
Denver & Rio Grande Wn.	7	July 31	Net	Dr. 47,363	98,142
Erie Railroad	7	July 31	Gross	9,587,109	289,086
Great Northern	6	June 30	Net	3,251,740	45,142
Gulf Coast Lines	7	July 31	Gross	6,743,503	937,526
Illinois Central	7	July 31	Net	551,863	1,251,444
International Gt. Northern	7	July 31	Gross	7,157,271	631,240
Louisville and Nashville	7	July 31	Net	1,570,050	645,817
Min., St. Paul, and Sault.	7	July 31	Gross	1,281,655	176,283
Missouri, Kansas, and Texas	7	July 31	Net	88,470	197,028
Missouri Pacific	7	July 31	Gross	7,583,749	829,311
New York Central	7	July 31	Net	314,738	1,044,405
N. York, New Haven, and Hartford	7	July 31	Gross	5,909,831	397,276
Norfolk and Western	7	July 31	Net	126,463	600,610
Norfolk and Western	7	July 31	Gross	1,694,471	317,356
Pennsylvania Railroad	7	July 31	Net	Dr. 75,676	284,231
Reading Co.	7	July 31	Gross	1,546,264	215,543
Seaboard Air Line	7	July 31	Net	133,389	63,096
Southern Pacific	7	July 31	Gross	6,558,630	111,058
Southern Railway	7	July 31	Net	1,130,197	422,783
St. Louis-San Francisco	7	July 31	Gross	6,094,852	739,349
Texas & Pacific	7	July 31	Net	1,244,967	336,217
Union Pacific	7	July 31	Gross	643,665	19,112
Wabash	7	July 31	Net	Dr. 15,592	16,040

† Net operating income.

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SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation			Corresponding Period Last Year	
					Dividend		Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit
					Prefce.	Ordinary			
					Amount	Amount	Rate		Dividend
Breweries and Distilleries									
Power (John) and Son	June 30	£ 18,274	£ 14,500	£ 32,774	£ 12,000	£ ...	...	£ 7,000	£ 13,774
Hotels, Restaurants, etc.									
Rubens-Rembrandt Associated Hotels	June 30	1,210	Dr. 992	218	...	...	...	...	1,925
Iron, Coal and Steel									
Dorman (W. H.) and Co.	Mar. 31	Dr. 71,493	1,030	Dr. 70,463	...	...	...	Dr. 70,463	Dr. 12,080
Manvers Main Collieries	June 30	19,501	84,897	104,398	11,000	28,000	4	45,000	48,971
Sheepbridge Coal and Iron	June 30	84,327	85,870	170,197	8,368	58,558	5	20,000	83,271
Staveley Coal and Iron	June 30	108,556	274,774	383,330	...	220,048	6½†	60,000	103,282
Rubber									
Bajoe Kidool Rubber	Mar. 31	43,278	13,282	56,560	...	14,937	6	41,623	19,013
Bantam (Java) Rubber	June 30	2,510	15,155	17,665	...	15,000	10	2,665	Dr. 2,114
Banteng (Selangor) Rubber	Apr. 30	9,389	2,127	11,516	...	2,475	2½	9,041	Dr. 759
Chunglun Rubber (1932)	Mar. 31	Dr. 324	1,258	934	...	...	...	934	Dr. 324
Jabi Rubber (1932)	Mar. 31	Dr. 1,296	2,729	1,433	...	...	...	1,433	Dr. 1,296
Langkopoera (Sumatra) Rubber	June 30	4,019	2,758	6,777	199	2,655	3	3,923	Dr. 2,067
Seaport (Selangor) Rubber	June 30	19,782	6,800	26,582	...	7,266	5	19,316	807
Tonghurst Rubber (1932)	Mar. 31	Dr. 922	1,310	388	...	...	...	388	Dr. 922
Shops and Stores									
Maynards, Ltd.	June 30	28,384	34,101	62,485	3,390	27,272	7	2,500	29,323
Selfridge Provincial Stores	Aug. 31	3,207	104,518	107,725	...	58,125	2½	43,632	5,968
Tea									
Hornsey Tea Estates	June 30	630	2,767	3,397	600	1,800	15	...	997
Trusts									
C.L.R.P. Investment Trust	Aug. 31	5,140	18,321	23,461	13,950	2,880	1½	1,000	5,631
Other Companies									
Acetec Safety Glass	June 30	Dr. 55,101	Dr. 4,484	Dr. 59,585	...	...	...	Dr. 59,585	Dr. 12,721
Anglo-Continental Guano Works	June 30	35,538	58,225	93,763	28,125	11,625	7½	16,767	37,246
Anglo-Siam Corporation	Mar. 31	45,198	15,690	60,888	4,550	15,000	7½	Dr. 4,000	45,338
Associated British Picture Corporation	Mar. 31	25,885	133,933	159,818	48,456	72,075	6	39,287	95,860
Cohen, Weenen and Co.	June 30	42,414	70,376	112,790	48,000	18,000	18	5,000	41,790
Dartmoor China Clay	Dec. 31	7,529	124	7,653	...	...	...	...	7,653
Ferranti, Ltd.	June 30	46,414	68,245	114,659	35,000	18,000	6	10,000	51,659
Genatons, Ltd.	June 30	10,663	50,142	60,805	13,320	30,500	35	5,000	11,985
Ketton Portland Cement	June 30	9,193	34,957	44,150	12,380	7,625	5	14,000	10,145

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

REPORT OF DIRECTORS.—To be submitted to the Shareholders at a Meeting to be held in the Board Room, Johannesburg Consolidated Investment Company, Limited, Consolidated Building, Fox Street, Johannesburg, on Tuesday, the 20th November, 1934, at 11 o'clock in the forenoon.

ACCOUNTS.—1. The Company's Balance Sheet as at 30th June, 1934, and Profit and Loss Account for the financial year ended on that date, are submitted herewith.

PROFIT AND LOSS.—2. After making provision for Income Tax and for all charges, including the net amount required to adjust the values of quoted securities to cost or market value, whichever was the lower, at 30th June last, and to provide where considered necessary for possible loss in respect of unquoted securities and other assets, the profit for the year amounted to £1,347,576 0s. 3d.

Advantage has been taken of the opportunity afforded by active markets to realise substantial profits on certain of the Company's shareholdings. To some extent therefore the increase in profit must be regarded as being of an exceptional nature, and in these circumstances the Directors have considered it prudent to add to the Reserve Fund by transferring the amount of £450,000 from Profit and Loss Account.

Steps are being taken to establish a Staff Pension Fund, and for this purpose an amount of £100,000 has been allocated which it has been calculated will be sufficient to start it on a sound basis.

With the amount of £161,066 15s. 2d. brought forward from the previous year there remains an available balance of £958,642 15s. 5d. **DIVIDEND.**—3. On the 11th July, the Directors declared a Dividend of 3s. 0d. and a Bonus of 1s. 0d. per share, both less United Kingdom Income Tax, the gross amount absorbed being £790,000, leaving £168,642 15s. 5d. to be carried forward. The Dividend and Bonus are payable on and after 20th September, 1934, to shareholders registered on the Company's books at 31st July.

RESERVE FUND.—4. Including the amount of £450,000 transferred from Profit and Loss Account the Company's Reserve Fund now stands at £1,950,000.

VALUE OF SHAREHOLDINGS.—5. In cases where market quotations were available the Company's shareholdings appear in the books at cost or market value, whichever was the lower, at 30th June, 1934. Unquoted securities have been valued by the Directors on a conservative basis and in no case above cost. In aggregate the market value of the shareholdings shows a large surplus over the book value.

FINANCIAL POSITION.—6. The strong financial position of the Company has been maintained, and the assets include substantial holdings in British Government securities, so that advantage may be taken of any favourable opportunities for investment which present themselves.

GOLD MINING INTERESTS.—7. The periodical reports issued by the Gold Mining Companies of the Group contain full details of the operations for the year ended 31st December, 1933. A brief summary is given below. Generally speaking these reports show a satisfactory position not only as regards profits earned but also on account of the substantial addition to the lives of the mines resulting from the possibility of working low grade ore.

The Union Government has introduced a modified scheme of taxing the gold mines to take effect as from the 1st January, 1934. The alterations benefit certain of the mines of the Group, though others are adversely affected.

The supply of labour, both white and native, has been adequate for all requirements. An agreement relating to working conditions has been concluded between the mine workers' union and the mining companies which should strengthen the amicable relations with the white employees. The increased prosperity of the industry has enabled the mining companies to initiate a provident fund for the benefit of the white employees. An improved medical service in the native workers has also been inaugurated. During the twelve months ended 30th June, 1934, the total tonnage milled by the mines of the Group was 9,821,000 producing 2,799,600 ounces of fine gold valued at, approximately, £18,500,000.

In the following summaries payable ore reserves are estimated on the basis of gold at 120s. per fine ounce and working costs as during 1933.

GOVERNMENT GOLD MINING AREAS (MODDERFONTEIN) CONSOLIDATED, LIMITED.—The tonnage milled for the year ended 31st December, 1933, amounted to 2,478,000 tons, and a working profit of £4,241,921 was made. The share of profits paid to the Union Government under the terms of the Company's lease was £2,466,298, making a total of £19,851,159 to date. Dividends totalling 12½ per cent. were distributed in respect of the twelve months ended 30th June, 1934.

The ore reserves at 31st December, 1933, were estimated at 11,318,000 tons of an average value of 7.8 dwts. over a stopping width of 57 inches.

NEW STATE AREAS, LIMITED.—New records were created in tonnage milled, revenue and profit during the year ended 31st December, 1933. 1,085,000 tons were treated, resulting in a working profit of £1,938,604, the Union Government's share under its Lease to the Company together with taxation being £1,441,677. Dividends totalling 25 per cent. were distributed for the twelve months ended 30th June, 1934.

The ore reserves at 31st December, 1933, were estimated at 3,860,000 tons of an average value of 7.7 dwts. over a stopping width of 48 inches.

THE LANGLAAGTE ESTATE AND GOLD MINING COMPANY, LIMITED.—The ore crushed during 1933 amounted to 49,000 tons, resulting in a working profit of £2,640,822 of which £368,228 was paid to the Union Government in respect of Income Tax, Excess Profits Duty and share of profit. Dividends totalling 17½ per cent. were distributed for the year to 30th June, 1934.

The ore reserves at the 31st December, 1933, amounted to 1,090,000 tons of an average value of 4.2 dwts. over a stopping width of 42 inches.

The higher price of gold has brought within profitable exploitation large quantities of low grade ore on the two reefs which in the past supplied the great bulk of the tonnage. In addition, the main reef body, which generally is a low grade body underlying the Main Reef Leader, has become of considerable potential importance, and ore is now being won from this source.

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED.—The ore crushed during 1933 amounted to 3,160,000 tons, the resulting working profit being £2,008,813, of which the Union Government received £1,063,376 in respect of Excess Profits Duty and Income Tax. Dividends totalling 10 per cent. were distributed for the twelve months ended 30th June, 1934.

The ore reserves at 31st December, 1933, amounted to 9,019,000 tons of an average value of 5.1 dwts. over a stopping width of 43 inches.

The additions to the reduction works referred to in the previous report have been completed and operations are now on a scale of 4,000,000 tons per annum.

The poor percentage payability met with in the northern portion of the North Vertical Shaft and in No. 2 North Section in 1933 made it advisable to accelerate the shaft sinking programme in the Northern Division where development has been encouraging, and in consequence a new main shaft, named No. 3 North, was started in March, 1934.

VAN RYN DEEP, LIMITED.—During 1933 912,000 tons of ore were crushed resulting in a working profit of £661,763. The Union Government received £357,179 in respect of Excess Profits Duty and Income Tax. The dividends for the twelve months ended 30th June, 1934, totalled 26½ per cent.

The ore reserves at 31st December, 1933, amounted to 3,090,000 tons of an average value of 4.7 dwts. over a stopping width of 48 inches. The future of the Company has been materially affected by the enhanced price now being obtained for gold; large quantities of ore, particularly in the Western Section of the Mine and the Upper Leaders generally, have been brought within profitable exploitation.

WITWATERSRAND GOLD MINING COMPANY, LIMITED.—The ore crushed during 1933 totalled 879,000 tons, resulting in a working profit of £125,916. Dividends amounting to 17½ per cent. were distributed for the year ended 30th June, 1934.

The ore reserves at 31st December, 1933, stood at 954,000 tons of an average value of 3.4 dwts. over a stopping width of 57 inches.

The increased price of gold has made a considerable difference to the prospects of this Company. From a struggling concern, whose efforts to carry on profitable mining operations would have been brought to a close by any adverse circumstance, the Company has been placed in a sound position and is now earning regular profits.

OTHER GOLD MINING INTERESTS.—During the past year the Company has secured a large interest in Rand Leases (Vogelstruisfontein) Gold Mining Company, Limited. This mine is being rapidly opened up and equipped and there is every reason to hope that it will be producing in about two years. The Company is also interested in Vogelstruisfontein Gold Mining Areas, Limited, and East Daggafontein Mines, Limited. More recently interests in the Murchison Range goldfield have been acquired and prospecting is being actively pursued there.

DIAMONDS.—8. The diamond trade is still on a small scale, and it can scarcely be otherwise without a general improvement in business, particularly in the United States of America.

The scheme of reorganization mentioned in the last annual report was successfully completed, and the various South African producers, including the Government, have accepted a quota scheme. The Diamond Corporation's stock will also be liquidated on a quota basis, and all diamonds will be sold through one channel. The contracts with the outside producers terminate at the end of this year, but there is every hope that new contracts will be negotiated. Should this hope be realised the diamond business would be on a sounder basis than it has been for many years past, and any general improvement in trade would be quickly reflected in the industry.

COPPER.—9. The position of copper has much improved during the past year, and the large stocks which overhung the market are no longer a serious menace. The consumption has steadily improved and all that is needed to stabilize the position and secure some improvement in price is agreement between producers; this is difficult to secure, but it hoped not impossible. In the meantime the Northern Rhodesia Mines in which the Company is interested continue to make steady progress towards a higher scale of production.

PLATINUM.—10. The Rustenburg Platinum Mines, Limited, resumed operations in August of last year, since when there has been a regular production of platinum group metals. Constant attention has been paid to the metallurgical side of the operations, resulting in improved extraction. There has been a steady demand for platinum and no difficulty has been experienced in disposing of the output, though the price remains somewhat low.

COAL.—11. Dividends were paid by Consolidated Collieries, Limited, and New Springs Colliery, Limited. The Natal Cambrian Colliery, Limited, is now in a sounder position than ever before owing to the Land Sales Association and the Bunker Association which the Natal Coal owners have formed. The financial position of this Company was substantially improved during the year.

SOUTH AFRICAN BREWERIES, LTD.—12. The South African Breweries, Limited, continue to show satisfactory results and a dividend of 15 per cent., free of income tax, has been declared for the year to 31st March, 1934, being at the same rate as for the preceding year.

SOUTH AFRICAN CARBIDE AND BY-PRODUCTS CO., LTD.—13. This Company has continued to make steady profits. The increasing demand for carbide on the Rand has necessitated adding to the productive capacity. The enlarged plant is now in operation, and the prospects of the Company have considerably improved.

ESTATES AND TOWN PROPERTIES.—14. The improved outlook on the Rand has created an increased demand for stands on the Company's residential estates, and satisfactory sales of building sites have taken place.

DIRECTORS.—15. In terms of the Company's Articles of Association the four following Directors retire by rotation, and being eligible offer themselves for re-election; viz., Messrs. G. Imroth and Walter S. Webber, Sir Willem van Hulsteyn and Dr. J. G. Lawn, C.B.E.

You will also be asked to confirm the appointment of Mr G. H. Beatty, who has been appointed a Director of the Company.

LONDON MANAGER.—16. After over 28 years of service with the Company, Mr W. J. Benson, C.B.E., retired during the year from his position as London Manager.

The Directors wish to record their appreciation of his long and valuable service.

LONDON SECRETARY.—17. Mr A. W. Christie has been appointed London Secretary of the Company.

ELECTION OF AUDITORS.—18. Messrs. S. Thomson and F. Dix, the Auditors of the Company in Johannesburg, and Messrs. Kemp, Chatteris, Nichols, Sendell & Co., the Auditors in London, retire from office and offer themselves for re-election.

By Order of the Board, A. W. CHRISTIE, M. N. NICHOLSON, } Secretaries.

20th September, 1934.

Dr.	PROFIT AND LOSS ACCOUNT for the year ended 30th June, 1934.			Cr.
To Directors' Fees, Salaries and other Expenses, less		s. d.		£ s. d.
Amounts received from other Companies	33,359	2 0	By Profits realised on Stocks and Shares, Dividends, and Sundry Revenue, less provision for Income Tax and Amounts written off	1,380,935 2 3
To Balance carried down	1,347,576	0 3		£1,380,935 2 3
	£1,380,935	2 3		
To Staff Pension Fund	100,000	0 0	By Balance brought down	1,347,576 0 3
To Reserve Fund	450,000	0 0	By Balance of Profit and Loss Account at 30th June, 1933	161,066 15 2
To Dividend No. 42 of 3s. per share and Bonus of 1s. per share, subject to United Kingdom Income Tax, declared 11th July, 1934	790,000	0 0		
To Balance per Balance Sheet	168,642	15 5		£1,508,642 15 5
	£1,508,642	15 5		

We report to the Shareholders that we have audited the accounts of the Johannesburg Office of the Johannesburg Consolidated Investment Company, Limited, dated 30th June, 1934, and have obtained all the information and explanations we have required. The Balance Sheet of the Johannesburg Office of the Company is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs in Johannesburg according to the best of our information and the explanations given to us, and as shown by the books of the Company in Johannesburg. We have also verified the securities in South Africa. The Company has kept proper books and records.

SAM'L THOMSON, Chartered Accountant. FRANCIS DIX, Incorporated Accountant. } Auditors
Johannesburg, 7th July, 1934.

We report to the Shareholders that we have audited the Accounts of the London Office of the Johannesburg Consolidated Investment Company, Limited, dated the 30th June, 1934, and have obtained all the information and explanations we have required. The Audited Accounts of the Johannesburg Office have been properly incorporated in the above Balance Sheet and Profit and Loss Account, and, in our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company. We have also verified the securities in London. The Company has kept proper books and records.

KEMP, CHATTERIS, NICHOLS, SENDELL & CO., } Auditors.
Chartered Accountants.
London, 1st August, 1934.

IRON AND STEEL

MIDDLESBROUGH.—Makers find no difficulty in disposing of their output of pig iron. Home demand for Cleveland foundry iron continues steady. Shipments to Scotland and deliveries to local foundries are well maintained, and consumers are generally showing more disposition to cover their requirements ahead.

Quotations for home use are based on No. 3 Cleveland foundry pig iron at 67s. 6d. per ton delivered locally. East Coast hematite makers decided last week to increase the basis price for delivery locally by 1s. per ton, making the quotation for No. 1 iron now 69s. per ton delivered in the Middlesbrough area. But this increase in price has not affected the demand, and it is reported that business is being done at the advanced figure. For export prices are not fixed, but orders could probably be placed for No. 1 hematite at 62s. per ton f.o.b.

Shipments of all classes of pig iron from the Tees from September 1st to September 18th amounted to 9,454 tons, against 9,153 tons to August 18th.

Blast furnace coke remains at 20s. per ton delivered at the furnaces for good Durham qualities. Foreign ore is firm on the basis of 17s. per ton c.i.f. Middlesbrough for best Bilbao rubio, for prompt, but higher prices are indicated for forward.

In the steel departments production of semi and manufactured material is maintained. A further parcel of steel plates has been despatched to Russia, and good shipments of manufactured steel are being made to South Africa and other destinations abroad. Demand for shipbuilding material is poor, but home requirements for sheets are reported to be improving.

Scrap continues steady with no change in the price of heavy steel melting material.

SHEFFIELD.—The position of the local steel industry continues strong and the tone of the market is distinctly confident. The newer specialised products are in increasing demand. Plants turning out heavy hollow forgings for boiler drums and containers for the chemical industry are scarcely able to cope with the demand. Makers of stainless steels continue to extend their production facilities. The customary autumn expansion in all branches of the steel trade is now in evidence.

The export returns for August were less favourable with respect to Sheffield products than previous ones, reductions being recorded in steel, tool and cutlery, among other commodities. On the other hand the statistics revealed increased imports of such goods. A good deal of the export trade available is being held back by the disturbed economic conditions of a number of markets. There has been a recovery of trade with Australia and New Zealand, but the possibilities of these markets are still restricted and exports thereto continue greatly below the 1929 level.

Business generally is being helped by the steadiness of the prices of iron and steel material. In the tool and other finished products of steel demand is brisk, and makers are securing rather better prices. Business in cutlery and plate is on a moderate scale but order books are improving.

WORKINGTON.—There is a revival of interest in the North-West Coast hematite pig-iron trade, and during the past few weeks makers have sold the output of the eight furnaces in blast between Workington and Barrow for three months to come. The volume of business is steadily increasing, though not in sufficient measure to warrant any expansion of production this year. Local consumption continues to absorb more than half of the make, and needs of the Midlands and South Wales largely account for the spill-over. Scottish requirements are still inconsiderable and those of the Continent meagre.

In spite of the severity of East Coast competition prices are firm and inclined to harden. Bessemer mixed numbers are quoted at £3 9s. 6d. per ton at Glasgow; £4 0s. 6d. at Manchester; £4 3s. 6d. at Sheffield; and £4 4s. 6d. at Birmingham, while special brands are an additional 2s. 6d. to 5s. per ton. Malleable iron is a steady Midland trade at £5 15s. per ton delivered at Birmingham, and ferro-manganese is in improved request at from £10 15s. to £11 5s. per ton home.

Though the steel trade is quiet producers have well-filled order books and it is believed that there will be no diminution of activity this year. Workington, which has completed a new Bessemer plant to increase the maximum weekly output of steel from 5,500 tons to 7,000 tons, is engaged on rails, billets, bars and slabs, and

Dr.	BALANCE SHEET, 30th JUNE, 1934.						Cr.		
CAPITAL AND LIABILITIES.						ASSETS.			
Authorised Capital (Under Resolution of 23rd November, 1905) of which £4,345,000 is Registered Capital.	£	s.	d.	£	s.	d.	£	s.	d.
Capital Issued	4,500,000	0	0	3,950,000	0	0	6,454,150	0	6
Reserve Fund	1,500,000	0	0				133,870	17	5
Transfer from Profit and Loss Account	450,000	0	0				223,637	14	1
				1,950,000	0	0	Office Furniture, etc.	4,839	8
Sundry Creditors including Reserves for Income Tax and Contingencies							Loans on Mortgage and Real Estate	194,212	16
Dividend (No. 42) of 3s. per Share and Bonus of 1s. per Share, subject to United Kingdom Income Tax, declared 11th July, 1934							Loans at Short Call on Market and Other Securities	222,687	12
Profit and Loss Account—Balance							Sundry Debtors and Dividends Accrued	442,048	15
Contingent Liabilities—Uncalled Capital on Investments							Cash at Bankers and in hand	301,221	12
	232,765	0	0						
				£7,976,668	18	2			
						J. B. JOEL, Chairman, } Directors.			
						A. G. BOSCAWEN, t			
						A. W. CHRISTIE, Secretary.		£7,976,668 18 2	

Barrow is on rails, small sections, strips and hoops. Native ore, at from 13s. 6d. to 14s. 6d. per ton, is in only local request. Imports at Workington of German and North African ore during the past thirteen weeks total 70,209 tons.

GLASGOW.—Only one new shipbuilding contract for the Clyde was announced this week—a cargo vessel which Messrs. J. and G. Harrison, Ltd., of London, have placed with Messrs. Lithgows, Ltd., of Port Glasgow—but there are a number of tenders now under consideration and it is hoped that further contracts will be placed at an early date. The position at the steelmaking plants shows no change. Works are fully employed and a considerable amount of work is still on order books. Makers of semis are able to keep more plant occupied and bookings are on a more satisfactory scale. Local sheet makers inform us that export bookings show a further increase this week while the home demand is well maintained. At the tube plants the position is practically the same as during the past few weeks. Demand for wrought iron remains quiet, but tonnage booked showed a slight improvement during recent weeks.

CARDIFF.—On the Swansea Metal Exchange on Tuesday there was little expansion in the current volume of inquiries, but production has been a little more active, and the works are at present engaged up to about 70 per cent. of capacity. Quotations for tinplates have been steady at 18s. 2d. for export and 17s. 9d. for the home market, while Welsh bars are unchanged at £5 7s. 6d. and galvanised sheets at £11 5s. to £11 15s. per ton f.o.b. Shipments of tinplates last week totalled nearly 106,000 boxes compared with 99,885 boxes the previous week, while stocks are estimated at 89,945 boxes compared with 95,711 boxes the previous week, and 117,815 boxes a year ago.

OTHER METALS

Copper prices on the London market moved within narrow limits during the week ended last Wednesday, and the New York quotation for export was also steady. Unofficial statistics for August, published this week, show the effects of the operation of the United States copper code. Although American stocks declined by 14,250 to 490,600 short tons, world stocks were reduced by only 6,150 short tons, on account of increased supplies in countries outside the United States. These changes were due to the recent heavy export of American copper to Europe. Another interesting fact which emerges from the August statistics is that world production is now again considerably in excess of deliveries. Although output in the United States showed a slight decline, this was more than offset by increased production in Canada, the Belgian Congo and Northern Rhodesia. World production totalled 112,616 short tons in August, against only 91,300 in January, whereas August deliveries amounted to about 108,550 short tons, as compared with 97,647 in January. The higher output of the low-cost countries seems dangerous for the market, especially in view of the fact that an increase in German copper imports is unlikely.

The tin market showed an irregular tendency and American purchases continued small. The quantities in the hands of New York merchants now appear to be larger than was previously supposed; some consumers who had ordered for September delivery have extended their contracts until October. But the United States must soon re-enter the market with larger contracts. In Germany, a new order prohibits the domestic consumption of high-grade refined tin and, although consumers must import lower-grade tin, this decree is expected to have an adverse effect on the market.

Lead and spelter were again weak and the price of the latter was lower than for well over two years. This may be traced to the bearish nature of the August statistics. The steady decline in the price of spelter is fraught with danger for the International Zinc Cartel, since it worsens the position of the gold-standard producers—chiefly Belgium, France, Poland and Germany. The currency question has become more topical among the members of the Cartel than ever before, and surprises from this quarter would appear to be quite within the bounds of possibility.

TIN.—Sales on the London Metal Exchange: 175 tons on Monday, against 170 tons last week; 205 tons on Tuesday, against 150 tons last week; 360 tons on Wednesday, against 200 tons last week. The New York quotation on Wednesday was 51.40 cents per lb., against 51.70 cents a week ago and 52.00 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 15s. to £229, compared with £228 17s. 6d. to £229 2s. 6d. last week. Stocks in London and Liverpool at the end of last week were 3,749 tons, an increase of 153 tons on the week.

COPPER.—Sales on the London Metal Exchange: 625 tons on Monday, against 850 tons last week; 450 tons on Tuesday, against 1,350 tons last week; 1,050 tons on Wednesday, against 875 tons last week. Domestic spot was quoted at 6.65 cents per lb. in New York on Wednesday, against 6.65 cents a week ago and 6.87½ cents a month ago. Wednesday's official closing price for standard cash in London was £27 10s. to £27 11s. 3d., compared with £27 8s. 9d. to £27 10s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 31,561 tons, show a decrease of 206 tons, and stocks of rough copper, at 7,042 tons, remain unchanged.

LEAD.—Sales on the London Metal Exchange: 450 tons on Monday, against 680 tons last week; 250 tons on Tuesday, against 1,500 tons last week; no sales on Wednesday, against 200 tons last week. The New York quotation on Wednesday was 3.70 cents per lb., against 3.70 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 6s. 3d. for shipment during the current month, compared with £10 1s. 3d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 325 tons on Monday, against 650 tons last week; 650 tons on Tuesday, against

1,200 tons last week; 450 tons on Wednesday, against 650 tons last week. Wednesday's quotation in East St. Louis was 4.00 cents per lb., against 4.15 cents the week before, and 4.25 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £12 7s. 6d., for shipment during the current month, against £12 7s. 6d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 10s. to £11 12s. 6d. per flask of 76 lbs. Foreign antimony was quoted at £37 5s. to £37 15s. per ton, as against £37 10s. per ton last week. Chinese wolfram was again quoted at 40s. to 42s. per unit, c.i.f., as against 40s. to 43s. per unit c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. — There has not been any decided change in the level of raw cotton prices, but the tendency, if anything, has been towards a lower level. A feature of interest has been the weakness of Egyptian saki, this development being due to heavy hedge selling, chiefly in Alexandria. Prices for American qualities are undoubtedly being held up by the 12-cent. loan plan in the United States. The basis is very stiff, thus making importing exceedingly difficult. Liverpool merchants are considering the question of extending the American futures contract to include outside growths. There continues an active business in Brazilian descriptions.

No change for the better can be recorded in the cloth market. In addition to the scarcity of fresh orders, some cases are being mentioned of buyers wanting to cancel contracts even when the goods cannot be bought to-day at the same price. The absence of practicable demand for India is causing some concern and operations have been confined to odd lots, chiefly in light bleaching descriptions and prints. A few poplins have been sold for China. Very little has been heard of buying for Egypt and the Near East. A fair trade has again been done for the Dominions and South America in cloths for printing and dyeing, and scattered sales have been reported in fine fabrics for the Continent, chiefly Switzerland. Poplins, case-ment cloths and linings have moved off fairly well for the home trade. There has been very little life in the yarn market. Spinners are harassed by declining order lists and increasing stocks. The Egyptian branch is depressed as a result of the German situation.

COTTON PRICES

	1934					Corresponding Date	
	Aug. 29	Sept. 5	Sept. 12	Sept. 19		1932	1933
Raw Cotton—Mid. American per lb.	7-12	7-09	7-15	7-02		5-67	5-67
Sakellaris Fully Good Fair Egyptian..... per lb.	8-73	8-87	8-51	8-12		8-50	7-48
Yarns—32's twist..... per lb.	10½	10½	10½	10½		10	9½
" 40's twist..... per lb.	10½	10½	10½	10½		10½	9½
" 60's twist (Egyptian)..... per lb.	17	17	16½	16½		16	15½
32-in. Printers, 116 yds., 18 by 16, 32's and 50's.....	19 6	19 6	19 6	19 4		19 3	16 6
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	24 6	24 6	24 6	24 4		21 6	20 9
38-in. ditto, 38 yds., 18 by 16, 10 lb.....	11 3	11 3	11 3	11 2		11 3	10 5
39-in. ditto, 37½ yds., 16 by 15, 9½ lb.....	10 1	10 1	10 1	10 1		10 1	9 3

COTTON WEAVERS' WAGES.—After a deadlock lasting over ten weeks, the negotiations between the employers and the operatives in the weaving section of the Lancashire cotton industry have been resumed this week on the weavers' wages question. Last June the manufacturers' association put certain proposals before the trade unions for a new wages list, but these were definitely rejected by the workpeople, as they would mean a reduction in the earnings of the operatives varying from 10 to 40 per cent. In the meantime, quite a number of meetings of operatives have been held, and as a result of informal consultations the two sides met for further discussions on Thursday this week. It is anticipated that the negotiations will be of a protracted character. The trade union officials want the present uniform list of wages to be legalised under the Cotton Manufacturing Industry (Temporary Provisions) Act, but the manufacturers' association contend that such action is impossible, as numerous firms in Lancashire are paying their workpeople less than that list. It is estimated that the workpeople engaged on 120,000 looms come under this category. The problem is a difficult one, and both the employers and the trade union officials will have to be prepared to adopt conciliatory methods if a new list is to be formulated. The general opinion in the trade, however, is that it would be to the advantage of all concerned if wage rates could be legalised and made compulsory upon all employers.

JUTE.—Dundee. — A considerable decline has taken place in prices of raw jute since the issue of the final forecast figures. Apart from the fact that the estimate of 7,963,800 bales was rather in excess of what had been anticipated by the trade generally, several other factors have contributed to the weakness in prices. Imports into Calcutta have increased to a marked extent, while demand for jute goods, especially from the United States, has been curtailed. The cotton strike in the United States is adversely affecting business from that quarter. Dundee spinners and manufacturers are fairly comfortably placed meantime, and particularly the latter, who are unable to give delivery of the narrow widths for a few months. Prices of yarns and cloth are being well maintained, though business is quieter all round than it has been recently.

The Government of Bengal are taking steps to curtail the supply of raw jute for next season, but no definite policy has yet been pro-

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended August 31		Eight Months ended August 31	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	4,447,909	4,446,792	35,958,513	33,101,430
B. Feeding-stuffs for Animals ..	440,652	518,716	3,647,710	4,247,453
C. Animals, Living, for Food ..	441,306	375,371	3,896,835	3,088,303
D. Meat	6,593,961	7,221,569	52,216,667	55,785,980
E. Dairy Produce	4,889,034	4,447,122	35,907,239	35,854,158
F. Fresh Fruit and Vegetables ..	2,551,457	2,594,574	25,880,451	25,391,571
G. Beverages and Cocoa Prepara- tions	3,187,620	3,706,694	23,930,988	27,676,599
H. Other Food	3,853,777	3,179,723	29,468,115	28,677,075
I. Tobacco	469,813	908,323	5,996,672	7,095,891
Total, Class I	26,875,529	27,398,834	216,903,240	220,918,460
II.—Raw Materials and Articles mainly Unmanufactured—				
A. Coal	1,436	1,237	9,665	16,263
B. Other Non-Metalliferous Min- ing and Quarry Products and the like	308,986	355,829	2,224,087	2,477,726
C. Iron Ore and Scrap	223,908	372,927	1,630,505	3,018,546
D. Non-Ferrous Metalliferous Ores and Scrap	717,020	979,153	4,340,595	6,380,869
E. Wood and Timber	4,737,155	5,242,892	16,385,434	24,817,591
F. Raw Cotton and Cotton Waste ..	3,237,272	3,057,466	22,675,229	24,165,186
G. Wool, Raw and Waste, and Woolen Rags	1,860,233	1,046,174	26,126,791	30,805,514
H. Silk, Raw, Knobs and Noils....	73,158	100,889	785,070	924,584
I. Other Textile Materials	445,161	459,400	4,803,439	5,665,638
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	1,733,351	1,966,340	14,772,929	14,772,806
K. Hides and Skins, Undressed....	1,219,969	1,028,883	9,322,641	10,630,337
L. Paper-making Materials	901,248	871,929	6,044,994	7,308,393
M. Rubber	251,758	1,116,545	1,972,898	6,510,423
N. Miscellaneous Raw Materials and Articles mainly Un- manufactured	715,624	953,533	4,211,927	5,067,292
Total, Class II	16,426,279	17,553,197	115,006,204	142,561,168
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel ..	3,255	4,598	18,640	26,581
B. Pottery, Glass, Abrasives, etc.	548,546	649,610	3,449,366	4,345,389
C. Iron and Steel and Manufac- tures thereof	529,589	724,816	3,782,476	6,300,855
D. Non-Ferrous Metals and Manu- factures thereof	1,347,926	1,942,511	9,532,579	13,931,327
E. Cutlery, Hardware, Imple- ments and Instruments	437,908	447,571	3,192,859	3,733,501
F. Electrical Goods and Apparatus ..	235,238	311,184	1,377,756	1,943,701
G. Machinery	773,809	1,079,613	5,488,189	7,595,187
H. Manufactures of Wood and Timber	466,817	414,900	3,024,626	3,675,252
I. Cotton Yarns and Manufactures ..	175,435	176,651	1,304,254	1,495,580
J. Woolen and Worsted Yarns and Manufactures	211,293	166,327	1,422,875	1,658,088
K. Silk Yarns and Manufactures ..	239,682	221,141	2,002,928	2,090,493
L. Manufactures of other Textile Materials	608,326	698,639	4,871,489	4,749,286
M. Apparel	686,790	439,039	4,982,821	5,516,161
N. Chemicals, Drugs, Dyes and Colours	894,548	919,936	6,247,229	7,514,285
O. Oils, Fats and Resins, Manu- factured	2,316,219	2,857,428	20,511,139	20,961,221
P. Leather and Manufactures thereof	745,999	537,334	5,012,188	5,126,144
Q. Paper, Cardboard, etc.	1,154,097	1,169,478	7,454,486	8,349,132
R. Vehicles (including Locomo- tives, Ships and Aircraft) ..	218,200	394,496	1,617,067	2,457,058
S. Rubber Manufactures	139,713	111,715	1,060,314	943,813
T. Miscellaneous Articles wholly or mainly Manufactured	1,295,815	1,480,100	9,456,842	11,023,411
Total, Class III	13,049,205	14,747,087	95,810,123	113,436,465
IV.—Animals, not for Food	59,355	156,102	440,630	850,529
V.—Parcel Post	284,899	171,780	2,003,001	1,677,637
Total	56,675,267	60,027,050	430,163,198	479,444,259

EXPORTS OF PRODUCE and MANUFACTURES of the UNITED KINGDOM (Value F.O.B.)

	Month ended August 31		Eight Months ended August 31	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	178,105	151,404	1,365,586	1,083,635
B. Feeding-stuffs for Animals ..	53,143	41,571	582,611	412,733
C. Animals, Living, for Food ..	3,076	8,200	24,275	18,292
D. Meat	52,676	55,086	492,355	476,188
E. Dairy Produce	86,393	100,671	571,244	594,909
F. Fresh Fruit and Vegetables ..	16,017	12,092	107,588	119,887
G. Beverages and Cocoa Prepara- tions	459,004	595,622	4,087,349	6,243,255
H. Other Food	1,122,131	1,105,906	7,397,515	7,464,677
I. Tobacco	302,129	324,036	2,692,158	2,887,920
Total, Class I	2,272,674	2,394,608	17,320,681	19,301,496
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,565,582	2,581,270	20,448,783	20,803,365
B. Other Non-Metalliferous Min- ing and Quarry Products and the like	100,132	85,561	652,301	676,180
C. Iron Ore and Scrap	40,850	45,197	305,867	341,531
D. Non-Ferrous Metalliferous Ores and Scrap	100,431	66,986	645,837	801,835
E. Wood and Timber	7,049	7,496	52,263	70,977
F. Raw Cotton and Cotton Waste ..	45,295	107,459	283,541	449,896
G. Wool, Raw and Waste, and Woolen Rags	511,128	370,572	3,181,917	4,110,384
H. Silk, Raw, Knubs and Noils....	621	352	7,801	11,170
I. Other Textile Materials	25,128	33,776	242,867	234,151
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	147,445	92,326	1,117,031	949,067
K. Hides and Skins, Undressed....	56,291	48,229	441,381	495,694
L. Paper-making Materials	72,344	83,639	614,680	753,381
M. Rubber	11,126	9,896	59,643	64,554
N. Miscellaneous Raw Materials and Articles mainly Un- manufactured	119,901	109,897	1,639,582	1,762,441
Total, Class II	3,803,323	3,642,656	29,693,544	31,524,620
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel ..	248,026	277,169	1,618,337	1,673,065
B. Pottery, Glass, Abrasives, etc.	623,276	681,156	4,367,144	4,984,021
C. Iron and Steel and Manufac- tures thereof	2,432,994	2,894,342	18,873,983	21,993,167
D. Non-Ferrous Metals and Manu- factures thereof	1,390,115	778,317	7,561,012	7,814,161
E. Cutlery, Hardware, Imple- ments and Instruments	526,058	606,732	4,111,619	4,729,285
F. Electrical Goods and Apparatus ..	543,676	621,100	4,202,238	4,838,106
G. Machinery	2,146,919	2,590,150	17,582,324	20,713,368
H. Manufactures of Wood and Timber	83,489	82,407	627,855	673,741
I. Cotton Yarns and Manufactures ..	4,617,522	5,044,893	39,575,611	39,149,892
J. Woolen and Worsted Yarns and Manufactures	2,671,838	2,824,737	16,519,091	19,813,165
K. Silk Yarns and Manufactures ..	73,314	88,942	567,681	631,941
L. Manufactures of other Textile Materials	1,145,402	1,261,011	8,776,075	10,114,961
M. Apparel	1,013,575	980,456	6,855,338	7,074,688
N. Chemicals, Drugs, Dyes and Colours	1,505,118	1,618,421	12,013,218	12,907,456
O. Oils, Fats and Resins, Manu- factured	428,930	341,002	2,969,405	3,080,846
P. Leather and Manufactures thereof	340,570	253,132	2,307,859	2,145,257
Q. Paper, Cardboard, etc.	519,605	513,757	3,897,652	4,026,889
R. Vehicles (including Locomo- tives, Ships and Aircraft) ..	1,509,881	1,695,877	14,535,982	15,144,108
S. Rubber Manufactures	140,687	137,645	1,087,868	1,118,021
T. Miscellaneous Articles wholly or mainly Manufactured ...	2,011,426	1,793,956	13,586,900	14,262,142
Total, Class III	23,972,421	25,085,202	181,837,192	196,928,280
IV.—Animals, not for Food	39,033	33,382	282,157	389,004
V.—Parcel Post	909,297	934,161	7,045,155	6,945,924
Total	30,996,748	32,090,009	236,178,729	255,089,324

RUBBER.—The announcement, on Friday last week, that the People's Assembly at Bangkok had refused to ratify the International Rubber Regulation Agreement, which allows Siam a quota of 15,000 tons of rubber per annum, came as a surprise to the market, and caused a sharp decline in prices. In New York, Wednesday's spot price for rubber, at 14½ cents per lb., compared with 15⅞ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 7½d. per lb., as against 7½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for October-December, 1934, as against 7½d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 110,502 tons, show an increase of 2,468 tons as compared with the preceding week.

Wool—					d.			a.	c.	s.	d.
Queensland, greasy, per lb.	15½					Dry and Drysalted Cape...	0	5½	0	3½	
" Lincoln bwo, washed	22½					Market Hides, Manch tr.....					
Queensland, s.d., super cmhg.	25					Best heavy ox and heifer	0	4½	0	4½	
N.S.W. grey, super cmhg.	23					Best cow	0	4½	0	5	
N.Z., grey, half-breud 50-56	10					Best calf	0	3½	0	5	
Tops—	Crossbred 40-44	5									
Merinos 70's	27					INDIGO—					
" 64's	26½					Bengal gd. red.-vio. to					
Crossbred 48's	11½					fine.....per lb.	5	6			
" 46's	11										
MINERALS											
COAL—		s.	d.	a.	d.	LEATHER—					
Welsh, best Ad'g.... ton	19	6				Sole Bends 8/12 lb.....					
Durham, best gas, f.o.b.						per lb.	0	10		1	8
Type	14	8				Bark Tanned Sole	2	0		3	0
Sheffield, best house at						Shoulders prin DS Hides	0	6½	0	9½	
pits	21	0	22	6		Do. Eng. or WS do.	0	11		1	4
IRON AND STEEL—						Bellies from DS do.	0	5		0	6
Pig, Cleveland No. 3, d/d.						Do. Eng. or WS do.	0	6½	0	9½	
Bars, M'brough	ton	67	6			Dressing Hides.....	1	2		1	8
Steel Rails, heavy	192	6				Ro. Eng. Calif, 20/30 lb.	3	0		4	0
Tin plates per box	18	2				Aust. Bends	0	10½		1	3½
METALS—	£	s.	d.	£	s.	d.					
Copper, Electrolytic, ton	307/6		30	17/6		VEGETABLE OILS—					
Sheets (strong)	58/0/0					Linsced, naked, p ton net	13/5/0				
Lead, Eng. pig... per ton	12/0/0		27	11/3		Rape, refined	28/10/0				
Soft Foreign	10/6/3		10	0/0		Cotton-seed, crude	13/10/0				
Spelter G.O.B.	12/7/6		12	11/3		Coconut, crude	17/15/0				
Tin—English ingots	230/0/0					Palm.....	13/7/6				
Standard cash.....	228/15/0		229	0/0		Oil co'tea, Linsced, Eng..	8/10/0				
MISCELLANEOUS						Oil Seeds—Linsced					
CHEMICALS—		s.	d.	a.	d.	La Plata, p ton,					
Acid, citric, per lb., less 5%	0	0	4	0		Sept.—Oct.....	10/12/3				
Nitric.....	0	2½	4	0		Calcutta—per ton	11/11/3				
Oxalic, net			0	5		Turpentine, per cwt.....					
Tartaric, English, less 5%	1	0	1	0½			41	3			
Alcohol, Plain Ethyl.....	12	0				PETROLEUM PRODUCTS—					
Alum, lump	per ton	8	£	s.	d.	Motor spirit, No. 1, Lon-					
Ammonia, carb. ton	27	10	28	0		don	1	4			
Sulphate	7	0	7	5		Petroleum, Amer. regd.					
Arsenic, lump	per ton	35	0	40	0	bri. London ... per gal.	0	9½			
Bleaching powder, per ton	9	10	9	10		Fuel oil, in bulk, for					
Borax, gran..... per cwt.	13	0				contracts, exc instal.,					
Do., powder	14	0				Thames—					
Nitrate of Soda... per cwt.	7	9	8	0		furnace... per gall.	0	3½†			
Potash—Chlorate, net	0	4½	0	5		Diesel	0	4†			
Sulphate	per cwt.	12	3	12	6	ROSIN—					
Sal-Ammoniac	per cwt.	42	6	45	0	American	per ton	14/5/0	16/10/0		
Soda Ascarb	per cwt.	10	11	0		RUBBER—					
Crystals	0	5	3			St. ribbed smoked sheet					
Sulphate of Copper, per ton	15	0	15	10		per lb.	0	7½			
CEMENT, best Eng. Portland, d/d site,						per lb.	0	5½			
(charged and aged, jute sacks, 1½ to ton						Shell Lac—					
and bagged and credited at 1/6d each) or						TN Orange	per cwt.	93	0	98	0
paper bags (free, non-returnable to						SHELLS—					
4 ton loads and upwards 38/- per ton						W. Aust. M.-o.-P. ..	£	s.	£	s.	
1 and up to 4 ton loads 40/- per ton											8 10
COPRA—	£	s.	d.			TALLOW—					
S.D. Straits c.s.f. per ton	9/2/6					London Town per cwt.	18	6			
Smol South Sea	7/3/9					TIMBER—					
DRUGS						Swedish i/s 3 x 8 ... per std.	19	0	19	0	
Campbor—		s.	d.	a.	d.	" 2½ x 7	"	17	15	0	
Japan, refined per lb.	2	1				" 2 x 4	"	17	0	0	
Ipecacuanha	per lb.	4	6			Can'dn Spruce, Dia.	"	22	0	0	
Peppermint, Wayne Co.						Fitch Pine	per load	9	0	0	
HIDES						Rio Bals	per std.	30	0	0	
Wet salted—Austral	per lb.	15	0	15	6	Teak	per load	25	0	0	
West Indian	per lb.	0	3½	0	4½	Honduras Mang. logs ..	c. ft.	10	6	6	
Cape	0	3½	0	3½		African	"	0	6	6	
tax of 1d. per gallon.						Amer. Oak Boards	"	0	6	6	
						" Ash	"	0	6	0	
						English Oak Planks	"	0	6	6	
						" Ash	"	0	7	0	

ENGLISH SCOTTISH AND AUSTRALIAN BANK, LTD.

Head Office: 5 Gracechurch Street, E.C.3, and 389 Branches and Agencies in Australia

Subscribed Capital ... £5,000,000
Paid-up Capital ... 3,000,000
Further Liability of Proprietors ... 1,635,000
Reserve Fund ... 1,585,000
Special Current Reserve ... 1,585,000
Letters of Credit and Drafts issued on the Branches and Agencies of the Bank throughout Australia.
Remittances made by Telegraphic Transfer. Bills negotiated or forwarded for collection. Wool and Produce Credits arranged.
Banking and Exchange Business of every description transacted with Australia.
A. A. SHIPSTON, Manager.

BANK OF NEW SOUTH WALES

Established 1817

Incorporated in New South Wales with Limited Liability (With which are amalgamated the Western Australian Bank and the Australian Bank of Commerce Limited)
HEAD OFFICE—Sydney, N.S. Wales
General Manager: A. C. DAVIDSON
Paid-up Capital ... £8,780,000
Reserve Fund ... 6,150,000
Reserve Liability of Proprietors ... 8,780,000

Aggregate Assets to 30th September, 1933: £11,512,000
The London Office issues drafts on demand on its Head Office (Sydney, N.S.W.) and 720 Branches and Agencies in all the Australian States, New Zealand, Fiji, Papua, and Mandated Territory of New Guinea. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application, and conducts every description of Australasian Banking Business.
LONDON OFFICE—29 Threadneedle Street, E.C.2
J. S. CAMPBELL, Manager

THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1855)
Head Office: 4 THREADNEEDLE STREET, E.C.2
West End Office: 17 Northumberland Avenue, W.C.2
Paid-up Capital ... £4,500,000
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WEDNESDAY, September 26.—CHILIAN BONDS, by a Special Correspondent. The outlook for the holder of Chilian Bonds is decidedly more hopeful than for a long time past.

THURSDAY, September 27.—Continuing our series of special articles on "INDUSTRY IN THE PROVINCES," this week's choice falls on STOCKPORT.

FRIDAY, September 28.—GERMAN SELF SUFFICIENCY—No. 3. Iron and Steel and Non-ferrous Metals, by a Special Correspondent.

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(With this issue appears our Monthly Trade Supplement)

THE BIG SHIP

ON Wednesday last the great new Cunarder was launched under the highest auspices, and no sooner was the strapping infant—child of a long and troubled gestation—sent out into the world than the building of a not less glorious sister was foreshadowed in a declaration of the Cunard Company's chairman. The first comment on this event must be one of congratulation to the "Queen Mary's" builders on the successful issue of their tremendous task, which, though doubtless assumed by the marine architect, has for the layman the mystery and fascination of a latter-day miracle.

If the double event materialises there will be added to the volume of the world's shipping over 140,000 new tons, and by the strangest of paradoxes the addition comes at a moment when the fortunes of shipowners are almost, if not quite, at the lowest level they have ever reached, and when the passenger service across the Atlantic in particular is faced with extraordinary difficulties. Trade barriers between the nations and depression on both sides of the ocean have reduced the number of wealthy travellers probably to about one-fifth of the old figure. Emigration is dead. Loss of income and the need for economy have tended to swing traffic away from the very luxurious and expensive liners to the slower but cheaper boats which cater for the man who prefers to spend less money and more time in making the voyage. And there is unhappily at the moment no sign of such a recovery of trade in America as would set the traffic moving and the turnstiles clicking at their former speed. If rumour is correct one heavily subsidised luxurious foreign liner, not it is true in the Atlantic trade although on a very important sea route, reached its destination recently with six passengers, and in holds that could take about 20,000 tons of cargo exactly 40 tons. Is this a moment, it may be asked, for adding another 140,000 tons of luxury—or including the "Normandie" 200,000 tons—to the glutted shipping of the world?

Whatever the answer to the question may be, there is no doubt that the directors of the Cunard Company have been set one of the most perplexing problems that any shipping

board ever had to tackle. It is easy enough to state a case against fresh building of this kind, but the history of shipping and shipbuilding since the war must be considered as a whole if the problem is to be seen in its true light and in correct perspective.

The development of the big ship moves in more or less definitely marked periods, and the periods are usually started by the launching of one boat which for the time out-distances everything else afloat. The "Dreadnought" and the "Lusitania," each in her own sphere, set a new standard for their pre-war competitors and successors, but for some years after the war the old standards of passenger liners held good. The "Berengaria," the "Aquitania" and the "Majestic" provided the fastest and the most luxurious travelling then available, and what is fastest and most luxurious is just good enough for the American millionaire. But Germany, which had seen her proudest tonnage taken from her by the chances of war and the Treaty of Versailles, was nursing a grievance and an ambition. She was determined to come back into the market; she knew that to do this she must surpass the standard of the "Majestic" and the "Aquitania," so in 1929 she went one better with the "Bremen" and the "Europa," while Italy soon followed with the "Rex" and the "Conte di Savoia." In 1925 the Cunard Company had, it is true, added three boats to its fleet, but the largest of them was only 20,000 tons, and they could not challenge the new German liners. Four simple figures may serve to show the situation:—

	Tonnage	Time
"Bremen"	51,656	5 days
"Aquitania"	45,647	6 days

So long as the American millionaire chose the largest and the fastest ship without regard for expense there could be no doubt where his choice would rest, and the Cunard Company decided to take up the challenge and build, counting not merely on capturing lost traffic but on making two very fast boats do the work of three slower ones. This involved a decision to build ships capable of making the

to 26 per cent. in merino qualities. The fall in the quotations for tops and yarns was scarcely less pronounced.

The level of raw wool prices is an important factor in the national income of countries such as Australia, Argentina, New Zealand and South Africa. For example, the value of wool sold in Australia (as calculated by Messrs. Dalgety & Company, Ltd.) rose from £35,043,054 in the year ended June, 1933, to £52,165,778 in the past year, despite a reduction in the quantity sold from 3,059,555 bales to 2,579,789 bales. Similarly, New Zealand's wool proceeds increased from £4,327,692 in 1932-33 to £10,451,565 in 1933-34 and the quantity sold advanced from 576,224 bales to 650,688 bales. Wool growers are, therefore, anxiously asking if the downward movement in prices is likely to continue to a level at which production will once more become unprofitable. The answer turns upon supply and demand during the 1934-35 wool season.

In examining the development of wool production it should be borne in mind that the supply of wool, unlike that of metals, cannot be increased or decreased at short notice. Further, a large proportion of sheep are reared to yield mutton as well as wool, and the price of the latter is, therefore, not the only consideration influencing the size of the sheep population—a notable example of the price mechanism of "joint supply." According to the statistics of the Imperial Economic Committee, the world wool clip increased steadily between 1924 and 1928. Despite the fall in prices, production declined only slightly between 1929 and 1932, but in the following year the delayed effect of the unprofitable level of quotations prevailing in previous years was apparent in a 5 per cent. reduction of the wool clip:—

WORLD WOOL PRODUCTION*
(In millions of lbs., "greasy" basis)

Period	Australia	Argentina	New Zealand	South Africa	United States	United Kingdom	World
1909-13 ...	728	332	171	158	314	136	3,086
1924	777	322	247	176	295	98	3,261
1925	834	326	235	234	315	104	3,467
1926	924	371	256	246	335	110	3,713
1927	888	349	262	276	357	112	3,726
1928	968	353	272	287	384	112	3,875
1929	938	332	273	308	400	110	3,874
1930	912	354	271	299	433	109	3,782
1931	1,007	342	283	308	460	111	3,755
1932	1,061	359	288	322	434	117	3,734
1933	950	368	260	273	450	119	3,547

* The figures for the countries of the Southern Hemisphere refer to the wool season commencing in the year shown.

The six countries shown above are responsible for about two-thirds, and the British Empire alone for about one-half, of the world's wool production. The reduction of the total wool clip in 1933-34 was due chiefly to smaller clips in Australia, South Africa and New Zealand. While it is too early to estimate accurately the probable wool production in 1934-35, the latest information suggests that the combined clips of Australia and New Zealand may show an increase of about 150,000 bales, but that this increase may be partly offset by a further reduction of about 75,000 bales in South Africa. Forecasts of the probable clips of Argentina and Uruguay are not yet available, but no significant change is anticipated. Production in the United States in 1934 is estimated provisionally at 436 million lbs., as compared with 450 million lbs. in 1933. The new world clip is, therefore, not likely appreciably to exceed the output of 1933-34.

But despite the pronounced fall in prices, the smaller clip of 1933-34 was not fully absorbed in that season, and, as the following table shows, stocks at the end of the last season were somewhat larger than a year ago:—

STOCKS OF RAW WOOL AT END OF SEASON
(In millions of lbs.)

	Australia (a)	Argentina (b)	New Zealand (a)	South Africa (a)
	In Store at Selling Centres	All Centres	All Centres	All Ports (sold and unsold)
1928	10.5	9.3	24.0	...
1927	8.0	3.7	20.0	...
1926	9.9	18.5	19.5	7.4
1925	15.7	25.0	28.0	9.9
1924	32.8	19.8	82.8	6.6
1931	16.6	13.2	97.0	17.2
1932	44.5	26.5	117.9	24.0
1933	12.9	9.0	78.6	5.0
1934	65.0	...	49.8	29.0

(a) Season ended June 30th. (b) Season ended September 30th.

Although complete statistics of stocks held in the principal producing countries are not available, there are indica-

tions that they are heavier than a year ago. Stocks in public warehouses, at ports and at railway and canal depots in Yorkshire at the end of August amounted to 204 million lbs., as compared with 188 million lbs. a year ago. Moreover, supplies in the United States are fairly heavy. On the other hand, total stocks of tops at the principal commission combing establishments of Belgium, France, Germany and Italy at the end of August showed little change as compared with a year ago. In general, it appears that supplies of wool during 1934-35 will be only slightly larger than in the past season.

The past year has witnessed an appreciable increase in the demand for wool by some of the leading consuming countries. The following table, compiled by the Imperial Economic Committee, shows approximately the variations in the annual supplies available in the principal countries. Although no allowance could be made for changes in stocks, the figures are sufficiently accurate to indicate the trend of consumption over a period of years:—

RETAINED SUPPLIES OF RAW WOOL
(In millions of lbs.)

Year	United Kingdom	France	United States	Germany	Japan	Italy	Belgium
1924	469	450	530	354	59	129	(a)
1925	451	494	644	323	70	129	77
1926	543	581	620	347	72	132	93
1927	542	604	610	436	98	137	109
1928	521	542	619	386	115	151	110
1929	554	594	675	373	107	164	133
1930	589	606	593	356	115	163	126
1931	676	492	617	329	189	142	104
1932	689	503	486	335	204	198	89
1933 (b) ..	668	590	608	366	239	237	74

(a) Not available. (b) Provisional.

The increase in retained supplies was most marked in France; but Italy, Japan, Germany and the United States also took larger quantities. The United Kingdom remained the leading consumer of this textile fibre. The latest figures of imports of raw wool into the chief consuming countries show a marked decline as compared with a year ago. The reduction was most pronounced in France, whose imports had previously risen more than those of any other country. Thus France's imports during January-July, 1934, were 265.8 million lbs., as against 405.6 million lbs. in the corresponding period a year ago. During the same period Japan's imports fell from 152.3 million lbs. to 124.9 million lbs., and those of Belgium from 56.0 million lbs. to 45.4 million lbs. The United Kingdom imported 399.7 million lbs. in January-August, 1934, as compared with 449.5 million lbs. a year ago. On the other hand, Germany increased her imports during this period from 255.8 million lbs. to 260.2 million lbs. despite the restrictions on imports, and the United States also purchased larger quantities. Exports of wool tissues by the United Kingdom rose from 34.3 million lbs. in January-August, 1933, to 39.8 million lbs. in the corresponding period of 1934. Japanese exports rose from 4.2 million square yards in January-July, 1933, to the record level of 9.3 million square yards in the current year. On the other hand, the exports of France and Germany showed an appreciable decline.

The sharp decline in imports, especially in France and Japan, suggests that these countries had overbought during last year's rise in prices and were holding appreciable stocks at the beginning of 1934. Although activity in the wool textile industries of the leading countries, with the exception of Japan, has tended to decline, it is possible that a large proportion of the previously accumulated stocks has already been worked off. While prices realised at the current London auctions showed a decline of 5 to 15 per cent. as compared with those realised at the end of the last series, the market has shown more resistance, and demand has tended to improve at the lower level. Although the boom of last winter has probably been liquidated, it is unlikely that the trend of quotations will be sharply upwards during coming months. Moreover, present prices are still above the low level prevailing early last year, so that a return to last year's conditions of demand and supply would hardly justify much further increase. They are not unprofitable to growers, and the supply is therefore unlikely to decline. But they are not so high as to encourage an unjustified increase in wool production in the future.

CANADA AND HER PROVINCES

(BY OUR OTTAWA CORRESPONDENT)

ONE effect of the "great depression" upon Canada has been a growing complication of the financial relations between the Dominion Government and the nine Provincial administrations. The problems which have arisen have generated a widespread sentiment that some permanent readjustment of the present arrangements cannot be indefinitely postponed.

The old British colonies in North America, which had considerable autonomy, became the Dominion of Canada in 1867, under the British North America Act. The division of powers, as between the Dominion and the Provinces, which was given legal sanction by the British North America Act, was based upon political rather than administrative considerations. It was found necessary to leave the highly controversial questions of the day, education, civil rights, property, etc., to the exclusive jurisdiction of the Provinces.

But there were many governmental functions which the Central Government, if it was to have any real authority, must assume; and for its expenses it had to secure revenue. So a bargain was struck whereby the Provinces relinquished to the Central Government their right to levy customs duties and excise taxes, and conferred upon the latter exclusive control over such revenues. And by way of compensation for their loss of revenue, the Dominion Government bound itself to pay the Provinces annual subsidies from the Federal Treasury. The terms of the original subsidy arrangements are set forth in Section 118 of the B.N.A. Act, and the scheme came into operation in 1867.

It had been arranged that the Dominion should take over the debt of the four provinces, Ontario, Quebec, New Brunswick and Nova Scotia, which were the original parties to the Pact of Confederation; but instead of assuming the entire debt, the Dominion Government undertook to give a subsidy of 5 per cent. per annum of the amount of the Provincial debts to meet the necessary services. Then each Province was allocated an annual subsidy "for the support of its government and legislature"; and the original amounts of these subsidies, which were intended as compensation for the loss of taxation powers, were: Ontario, \$80,000; Quebec, \$70,000; Nova Scotia, \$60,000; New Brunswick, \$50,000. And over and above these the Dominion agreed to pay the Provinces a *per capita* subsidy at the rate of 80 cents per head of population up to a maximum of 400,000 persons, a limit which was later abandoned. New Brunswick was so reluctant to enter Confederation that to entice her into the fold she was given a special subsidy, based upon no intelligible principle; and she was allowed to retain the right to levy a tax on exports of lumber. Subsequently, British Columbia, Manitoba and Prince Edward Island entered Confederation, as a result of separate subsidy bargains which more or less conformed to the original arrangements; and in 1903 Saskatchewan and Alberta were carved out of the North-West Territories and added as new Provinces. In their case, the Dominion retained ownership of the public domain; and as it also controlled most of the natural resources of Manitoba, a special subsidy on this account was paid to all three Prairie Provinces.

On the whole, these subsidy arrangements worked reasonably well. The next important change was in 1906, when the Laurier Government revised all the subsidy arrangements and conceded more generous terms—British Columbia alone dissenting. Then, after the war, the three Maritime Provinces developed a sense of grievance; and when a secessionist movement showed its head, the King Government, following the report of a Royal Commission headed by Sir Andrew Duncan, added \$1,600,000 to the total of subsidies to these Provinces. This special grant was made on a temporary basis, "pending a revision of the subsidies," and of the total sum Nova Scotia secured \$875,000, New Brunswick \$600,000, and Prince Edward Island \$125,000.

Meanwhile, the Prairie Provinces, as their population grew, came to resent their loss of control over their natural

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resources, and a prolonged agitation resulted in an agreement in 1929, whereby the Dominion Government consented to turn over to these Prairie Provinces control of all "unalienated" resources. The basis of the settlement was that these Provinces secured all unsold lands and other resources, and also retained the subsidy which had been given them on this account. They further claimed compensation for loss of revenue while the resources had been administered at Ottawa, and it was agreed that these claims should be sent to arbitration. The Arbitration Commission which handled the claims of Manitoba awarded that Province nearly \$5,000,000, which was paid in 1930. The claims of Saskatchewan are being heard by another board, and the proceedings in the case of Alberta are about to begin.

The total subsidies paid from the Federal Treasury to the Provinces since Confederation have cost about \$500 millions, and the annual ordinary payment in the last fiscal year reached \$13,686,177, allocated as follows:—

Canadian Federal Subsidy Payments:		\$
Prince Edward Island	381,932	
Nova Scotia	653,048	
New Brunswick	693,040	
Quebec	2,592,014	
Ontario	2,941,424	
Manitoba	1,694,195	
Saskatchewan	2,112,803	
Alberta	1,743,159	
British Columbia	874,561	
	13,686,177	

In addition there had to be added the special subsidy of \$1,600,000 to the Maritime Provinces, which brought the aggregate sum to \$15,286,171. To illustrate how these Provincial subsidies are made up the following detailed statements, covering a Central, a Western and a Maritime Province, are taken from the official accounts:—

Ontario:		\$
Allowance for Government and local purposes	240,000	
Subsidy on population at 80 cents per head for first 2,500,000 and 60 cents per head thereafter	2,559,010	
Debt allowance	142,414	
	2,941,424	
Manitoba:		
Government and local purposes	190,000	
Subsidy on population	560,111	
Natural resources subsidy	562,500	
Debt allowance	381,584	
	1,694,195	
New Brunswick:		
Government and local purposes	190,000	
Subsidy on population	326,575	
Debt allowance	261,465	
Indemnity for loss of export duty on lumber (surrendered for consideration in 1906)	150,000	
	693,040	

In addition, New Brunswick received its special "temporary subsidy" of \$600,000.

Now, as long as Canada was enjoying an era of progressive economic expansion, there was no particular problem

of Provincial subsidies. The issue was rarely heard of in the great Central Provinces of Ontario and Quebec, and even required artificial stimulation in the Maritime and Western Provinces, whose revenues were smaller. However, the termination of the boom faced all the Provincial Governments with a growing demand for social services of a type which were undreamt of at the Confederation. As a consequence, there has been a gradual increase of the demands on Provincial Treasuries and a heavy additional burden has been thrown on them by the cost of unemployment relief. At the same time there has been a sharp shrinkage in revenues and, as the debt obligations which had been contracted at an earlier date had to be met, deficits in the last few years have been chronic in most of the Provinces. So, since the limits of taxable capacity within the Provincial sphere were reached some time ago, it has become the preoccupation of Provincial Governments to secure increases in their subsidies from the Federal Treasury.

Their contention is that, by the terms of the Constitution, they have been loaded with responsibilities whose weight was not foreseen at the date of Confederation; and that in order to meet them they must obtain help from the Dominion Government. The Dominion Government has recognised the serious nature of their difficulties and, anxious to avoid defaults which might impair public credit, has been generous in its "special" monetary grants to the Provinces, which since 1930 have reached a total of over 50 million dollars. But some of the Provinces are not satisfied with this system of intermittent special grants, and some weeks ago the Premiers of the three Maritime Provinces, sinking their political differences, presented a united demand to Ottawa for a complete readjustment of the scale of the subsidies paid to them. The Bennett Ministry agreed to appoint a Royal Commission to investigate the problem. Almost simultaneously, the Liberal administration of British Columbia made a similar demand, and although no formal reply has been made, the probability is that a similar Royal Commission will be appointed. When the reports of these Commissions are available, the Bennett Ministry will have to formulate its policy; and the view prevails in Ottawa that it may seize the opportunity to raise far-reaching constitutional issues, and propose a drastic readjustment of the spheres of Federal and Provincial jurisdiction, giving the Federal Government responsibility for industrial and other problems now under Provincial jurisdiction. In such a measure, two birds could be killed with one stone, as the way would then be open for uniform Federal legislation on social insurance, wage and labour conditions; and the need of the Provinces for additional subsidies would be eliminated, while the powers of the Central Government of the Dominion would be greatly enhanced.

PROPAGANDA

(BY A CORRESPONDENT)

PROPAGANDA, spell-binding, national enlightenment, ballyhoo—or whatever we like to call it—seems to have come to stay in the modern world. Last month there was a Presidential Election in Germany. Dr. Goebbels refuelled his famous publicity machine. The word was given; the dampers were opened; the furnace roared at full blast for ten days; and the finished product, a 90 per cent. vote for Hitler, gave evidence to the world, not so much of the will of the German people, as of the wonderful efficiency of the machine.

The worst and latest perversion of modern democracy has been performed in the name of democracy itself. At the time of the French Revolution the prophets of Liberalism cherished a pathetic belief that the ultimate "General Will" could be discovered by a direct appeal to the assembled mass of the people. In the eyes of Rousseau, Godwin and Shelley it was greed and ambition, not stupidity, that perverted human Government. Strangle the last king with the entrails of the last priest; educate the common man in rational knowledge instead of superstition, and humanity would turn out before long to be perfectly virtuous and perfectly wise. Education and universal suffrage together would create a society of men

"equal, unclassed, tribeless, and nationless." Freedom of opinion was not only a good in itself, but a means to rational government. Such was the intellectual foundation, or rather the faith, of nineteenth-century Liberalism.

The Marxists disagreed. They argued, first that the great mass of mankind, "educated" or uneducated, were too stupid to conceive of ultimate ideals or even in most cases to discern their own self-interest. The only distinction, they said, was between the obtuse masses who were blind or indifferent to ideals and interests alike, and the cunning few who knew their own interests and consequently exploited the deluded masses in the pursuit of them. A cleverly devised sentimental appeal would always defeat reason in the mass mind. The truth would not prevail. Secondly, the Marxists maintained, all the professed ideals which men flaunted in the foreground of their lives were but the hypocritical cloaks of purely interested motives.

In adding this second point the Marxists overstated their case. But on the first point there seems to have been some truth in what they had to say. If you teach the mass of men to read, give them a vote, and leave reason and unreason to fight it out, unreason will only too often prevail. Stupidity is almost as potent a destroyer as greed or ambition. This is the great discovery which has perverted modern democracy more than anything else. Who was it, we may ask, who made this great discovery? Mr Aldous Huxley has suggested that it was the revelations of the psycho-analysts which discredited Shelley's all-too-rational view of human nature. In reality, however, practical rather than theoretical experiment seems to have perfected the modern demagogic art.

Ultimately, perhaps, the great Napoleon was the father of modern propaganda; for it is to him that we owe the device of combining the democratic form of the plebiscite with a censorship of the organs of opinion. Louis Napoleon—an inauspicious omen for Herr Hitler—carried the principle further, and set up a dictatorship in the name of democracy. But it was not till after the passing of the first Education Act in Great Britain and the teaching of the masses to read—in the sacred cause of democracy—that the full possibilities of propaganda were exploited with really triumphant effect. And here, beyond doubt, the palm must be given to the late Lord Northcliffe, as the great originating genius of modern publicity. It was he, above all, who discovered that the newspaper which makes the loudest appeal will usually defeat its rivals. In a different category stands Mr Lloyd George, whose intuitive understanding of mass psychology enabled him to carry the nation successfully through a great war. And now we have Herr Hitler, who tells us explicitly in *Mein Kampf* that he learnt the propagandist art from the example of Mr Lloyd George; finally, there remains Herr Hitler's own associate and collaborator, the inimitable, unshameable Reichsminister for National Enlightenment, Dr. Goebbels himself.

There are, of course, lesser men in the profession: Lord Beaverbrook, Mr Hearst, M. Coty, the Soviet propaganda experts, and, lastly, Mr Roosevelt. But among them all, it is the German exponents who have carried the art to the highest pitch of perfection. They have shown that the people can at one and the same time be fooled and terrorised; and that with a sufficiently subtle admixture of art and cynicism a mass mind can be created to order. As classical examples of the method, one may cite the Zinovieff Letter, the use of the Savings Bank story of 1931, the Reichstag Fire and the Hindenburg Testament. These four instances will doubtless figure prominently in future Nazi textbooks on the subject. They are the perfect examples; for in each case the "news" may quite well have been "true." The Reichstag indubitably caught fire; Zinovieff may very possibly have written a letter; and the Savings Bank resources were certainly borrowed for the Unemployment Fund. Let those who are inclined to under-rate the power of propaganda reflect on that. For it is a great mistake to suppose that it is the dissemination of views which influences the public mind. It is not. The public mind is influenced by the "news," which, as every journalist knows, is the product of selection, emphasis, and interpretation.

What is the sincere but intelligent democrat to do or think about it? In the first place, it is no good his hiding his head in the sand. More education, more sweet reason-

ableness, though we must foster them in every way for their own sakes, must take very much firmer root before they can be relied on to stem the tide of unreason. Schemes like "Education for Citizenship" are excellent; but they will not sweep back the Atlantic. Let the democrat take at least this leaf out of the Marxist's book, while maintaining his own unshakeable belief in the ultimate value of freedom of speech and opinion. About the latter he must not compromise. If there is anything which the reaction to tyranny in Europe has shown, it is the supreme value of the institution of free speech. Had there been no free press in the outside world, it is at least possible that the accused Russians in the Moscow engineers' trial and the Bulgarians in the Reichstag Fire trial might have lost their lives. Dictatorships, which are incapable of justice, are still susceptible to shame; and terrorism still pays to freedom its grudging tribute of hypocrisy.

Thus, in the immediately practical world the intelligent democrat is faced by two alternatives. Either he may adopt a Catonian attitude, preserve unsullied his regard for

truth and rectitude, and allow the causes in which he believes to be overwhelmed by the wiles of the propagandists—

Victrix causa deis placuit, sed victa Catoni.

Surely, however, the democrat who thus invites the displeasure of the gods, is merely saving his own soul at the cost of the ideals of peace and freedom in which he professes to believe. Is it really liberal or even reasonable to suppose that the common people will vote for free trade and disarmament in a world where the Press is largely controlled by industrialists and armament manufacturers?

The other alternative is for the democrat to take a hand in the game, to learn from the devil his own propagandist arts and practise the technique of unreason in the service of truth. Then truth and falsehood will at least be struggling on equal terms, and truth on these terms may as often as not prevail. Is this the better of the two alternatives? There are many sincere and intelligent democrats who have been driven to the conclusion that it is.

NOTES OF THE WEEK

Mines and Miners.—Last Saturday a terrible mine disaster occurred at Gresford Colliery, near Wrexham, in which, following an explosion in the workings, 264 men lost their lives. Despite extreme bravery on the part of rescuers, it was found impossible to reach the imprisoned men. The pit was eventually sealed on Monday, but on Tuesday the seal was blown off, and the work had to be done again. The whole colliery has been closed, thus affecting the livelihood of all the survivors and their dependants; and all that can now be done—the opening of the Lord Mayor of London's Mansion House Fund for the victims' relatives, and the institution of the official inquiry—is being done. Meanwhile, despite so grim a reminder of the risks which the miners run every day, negotiations to end the deadlock between the South Wales miners and employers continued to drag their slow length along. But on Thursday night it was announced that an agreement had been reached which is to be submitted to the constituent bodies for confirmation. The parties have been wise to come to terms at a moment when the public has been deeply stirred by the disaster, when trade generally could easily be given a set-back by industrial strife and when the industry itself is too vulnerable to be able to afford the luxury of a fight.

Gold Bloc Collaboration.—International co-operation to combat the crisis has been conspicuous by its absence since the Lausanne Conference of over two years ago. It is consequently welcome news that the gold bloc countries have agreed to co-operate not only in the monetary but also in the commercial field. A meeting of delegates from Belgium, France, Italy, Luxemburg, Holland and Switzerland was held at Geneva on Tuesday, and a statement of policy was afterwards issued. The statement at first reiterated the intention of the gold countries to maintain their present gold parities—a pronouncement which may be taken as a matter of common form since it is necessity rather than desire that is customarily the mother of devaluation. More interesting was the declaration that the gold countries "recognised that to contribute to the general work of recovery they should adopt as their principal aim the extension of international trade." In order to "arrive at concrete results as speedily as possible" a committee composed of delegates of the various gold countries was formed, and it is to begin its work by considering methods of facilitating trade, "tourism," and transport between the countries concerned. We wish every success to the committee, and trust that its efforts may soon achieve "concrete results." A co-operative relaxation of economic barriers between the gold countries, combined with the existing co-operation between their

central banks, should allow an expansion of mutual trade to take place. Such an expansion should enable cheap money to have its proper effect in stimulating consumption and investment and bringing internal prices into adjustment with costs. If devaluation is rejected—and avoided—it is probable that the fundamental disequilibria still existing in the world's economy are more likely to be corrected by an adjustment of gold prices to gold costs than by a prolonged effort to force down gold costs. If competitive deflation in the gold countries could be checked, the goal of exchange stabilisation would be substantially nearer.

* * *

Constitutional Reforms in France.—The long-awaited constitutional reforms proposed by the French Government were made known by M. Doumergue in a broadcast speech on Monday. Many Englishmen will be surprised, as well as complimented, to learn that British Parliamentary institutions are to be taken as the model for the contemplated French reforms. We have lately grown accustomed to such widespread criticism of our own Parliamentary methods, and in particular to eulogies of the superior efficiency and despatch of the French Committee system, that M. Doumergue's compliments have, on first hearing, an almost ironical note. It is possible, however, that each of the two great European democracies has something to learn from the political experience of the other; and in that case we may be able to return the compliment at a later date. In M. Doumergue's opinion the saving grace of British democracy is the fact that the Prime Minister "is invested with the powers of a leader," and that the Prime Minister and Government "are both assured of a long existence when they take office."

They are certain (he continued) of having the Budget, which contains only the receipts and expenditure provided for by them, adopted within the proper period; and finally they have the security of a body of State servants who are well disciplined, subject to their duties, and whose insurrection against the State would not be lightly tolerated.

The proposed reforms accordingly provide for the right to appeal to the country by a Prime Minister whose Government is defeated, for the withdrawal from Deputies of the right to initiate expenditure, and for the definition of the rights, duties and limitations of public servants. M. Doumergue concluded his speech by appealing for "unity, confidence and patriotism" in support of these reforms. This appeal would have been more effective if he had refrained from attacking the Left-Wing Parties earlier in his speech, if the "fiscal reforms" already carried out by his

Government had not been marred by a strong class bias, and if the Government had succeeded in bringing to justice those implicated in the Stavisky scandals. For it is the suspicion of corruption in high places, rather than any lack of "discipline" in the lower grades, which appears to the Englishman to distinguish the French civil service from the British. Similarly, M. Doumergue's assumption that all who urged devaluation were really aiming at a Communist dictatorship, seems unworthy of a responsible Minister. Whatever the Doumergue Government's record, however, its reform proposals would appear to have been genuinely conceived in the national interest.

* * *

The End of the U.S. Textile Strike.—The strike in the American cotton textile industry was settled at the end of last week. It had lasted three weeks and had been accompanied by the usual incidents, such as riots in Rhode Island and Maine, bloodshed in the Carolinas, tear gas and concentration camps in Georgia. The United Textile Workers' Union has demonstrated its ability to paralyse the industry. Whether it secured the voluntary adhesion of a majority of the workers is more doubtful, in view of the mass intimidation and violence which were apparently necessary to bring the mills to a standstill. The Board of Mediation appointed by the President made three major recommendations. The first was that the conduct of labour relations in the industry should be removed from the National Cotton Textile Industrial Relations Board—a subsidiary organisation of N.R.A.—and entrusted to a new Textile Labour Relations Board subordinate to the Department of Labour. Secondly, a special Board should be set up to regulate the "stretch out" ("more looms to a weaver"); and finally the Department of Labour should inquire into the problem of wages. The Union accepted these terms with an alacrity which contrasted strangely with its previous truculence, and work has been resumed. The Union proclaims the settlement as a victory, but it is difficult to see what it has achieved beyond the promise of an inquiry. Labour relations in the industry are brought within the purview of the Department of Labour, which is considered to be more favourably inclined to the Unions than the N.R.A., but the real struggle for power in the industry remains to be fought out in the elections of collective bargaining representatives which will now presumably be held in every mill. The National Labour Relations Board has ruled that the representatives of the majority of the workers in any firm shall be the exclusive agency for collective bargaining with the employer. This ruling will help a union which has enrolled slightly more than 50 per cent. of the workers in its industry, but it will hinder a minority union. On balance, the decision is considered to be favourable to the unions, and it is presumably the belief that this ruling will now be applied to the cotton industry which has pleased the United Textile Workers. But the ruling is not a legal decision, and it may be upset either by the courts or by the President, who is reported to be impressed by the arguments for proportional representation in collective bargaining. American labour relations are thus still in a state of confusion, and it cannot be said that the textile strike has clarified the issue.

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The Twilight of the N.R.A.—The strike did serve to bring to a head the disputes within the National Recovery Administration. General Johnson had condemned the union leaders in his usual forthright fashion. A strike in the textile industry had previously been threatened in June, and was averted only by his intervention. He now alleges that the recent strike was a breach of the agreement then reached, and declares "with all solemnity that if such agreements with organised Labour are not worth more than this one, then it is not such a responsible instrumentality as can make contracts on which the country can rely." A charge of bad faith of this nature was a direct breach of the elaborate neutrality of the Administration, and it was obvious that General Johnson could no longer preside over the Governmental agency which was responsible for labour relations. Labour questions,

indeed, have been increasingly committed to the Department of Labour, but General Johnson's position had been undermined in other ways, and on Tuesday of this week he resigned. Hugh Johnson has occupied the centre of the American political stage during the past fifteen months almost as consistently as the President himself. A man of enormous energy and restlessness both of mind and of body, he was the ideal person to put over the great concentration of national enthusiasm that the N.R.A. was at first conceived to be. His direct speech and his racy language captured the imagination of the country, and he will take his place among the most picturesque figures in the historical cavalcade of Washington. But as N.R.A. developed from a national crusade for re-employment into an agency for the self-government of industry, the very bluntness and dash which had served him well as a cavalry leader or a crusader became liabilities which in the end ensured his departure. General Johnson's resignation leaves the future of the N.R.A. very open. Labour relations are passing to the Department of Labour, the enforcement of the codes of fair competition is clearly a matter for the courts and the Department of Justice. The traditional antipathy to trusts is reinforcing the opposition to any form of price-fixing, both on the general ground of protecting the consumer and also on the particular ground that high prices are impeding recovery. There does not seem to be a great deal left for the N.R.A. to do. The Chamber of Commerce of the United States has already petitioned for its disappearance when the Act expires in June next, but the idea of planned development of industry is so close to the President's heart that he is unlikely to acquiesce in anything so drastically reactionary. The machinery of the New Deal is being overhauled, but there is no reason to suppose that its supreme engineer has changed his conception of his destination or that he has lost the power to convince the nation of the desirability of pressing forward towards it.

* * *

Planned Marketing and Tinned Milk.—The Milk Marketing Board can only justify its operations if it succeeds in expanding the consumption of liquid milk. Some progress has been made in this direction by the new scheme for the provision of cheap milk in the schools. But only half of the cost of this scheme is being borne by the Exchequer. The other half comes out of the milk publicity fund, and so ultimately out of the retail price. So far the consumer does not on balance gain. Subsidies apart, however, consumption can only be increased by a lowering of production and distribution costs, and a consequent reduction of the retail price. At present prices there is almost certainly a surplus of milk being produced. But the Board, so far from inducing the consumer by lower prices to absorb the surplus, is diverting the surplus to the "manufacturing" market and subsidising the "manufacturing" price out of the liquid price. And, in order to prevent the manufacturing price falling still lower, the price of the manufactured product—butter, cheese, etc.—is being held up by artificial restriction of imports. A new turn of the restriction screw has just been announced. The whole of this policy ignores not only the interests of the consumer but the elasticity of demand for liquid milk. The Board apparently assumes that, however much the liquid price is held up, consumption will not fall off. But experience shows that this is not the case. Already, as a result of farmers being prohibited from selling more than one gallon of milk a day locally without registering as producer-retailers and charging the official retail price, the poorer rural consumers have been driven to drink tinned milk. Now it is announced that farmers are to be forbidden to sell even one gallon of free milk in this way. In effect, the milk diverted from consumption in liquid form owing to the high price is being transferred to the manufacturing market, and the producers' return in this market is being maintained partly by a subsidy from the liquid price and partly by import restriction. English liquid milk is being withheld from consumption and turned into butter and cheese, while we force the consumer to pay more than he need for imported butter, cheese and tinned milk. If this is Mr Elliot's idea of "national" planning it is not ours. An increased subsidy to the poor consumer of liquid milk would be better.

Exit General O'Duffy.—The resignation of General O'Duffy from the leadership of the United Ireland Party signals the victory of experience over immaturity. That nothing in the nature of a "split" has taken place is shown by the fact that he resigned alone. According to our Dublin correspondent, the solidarity of the United Ireland Party remains unimpaired, and it is extremely probable that the League of Youth, popularly known as the Blueshirts, will continue to co-operate fully with the political organisation under the guidance of Mr Cronin, its new chief. The Blueshirts are a disciplined and responsible body who will take orders from headquarters and will conduct their campaign for the preservation of individual liberty on the lines approved by their political leaders. Unfortunately the maintenance of obedience to authority is not so certain in the case of many farmers, who find themselves quite unable to discharge their obligations owing to the continuance of the economic war. If groups of harassed farmers resort to the traditional methods of Irish agrarian warfare under the strain of impossible demands, the blame must be placed upon the politicians whose policy has resulted in acute agricultural distress and not upon their own political leaders, who never cease to deprecate and denounce lawless and unconstitutional action. Mr Cosgrave laboured for ten years under the burden of an unconstitutional opposition, and the temptation to retaliate in kind must have been very strong. He has, however, shown the statesmanship and breadth of vision which his supporters expected of him, and has attempted to educate the politically inexperienced electorate of the Free State in the duty of a democracy to obey the legally constituted authority. The importance of General O'Duffy's resignation has been generally exaggerated in the Press, the truth being that the political situation remains practically unchanged in spite of this latest change in the *personnel* of the opposition.

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Price Fixing for Fine Yarns.—The spinners of Egyptian cotton have decided to follow the example of their Royton colleagues at the coarse end of the trade, and to place their price-agreements on a legal basis. A meeting summoned on Thursday by the Bolton Master Spinners unanimously agreed to the preparation of a scheme of this kind by which the existing "Gentlemen's Agreement" can be reinforced with legal sanctions. Minimum prices are to be calculated by adding a fixed margin to the price of clean cotton, and a scale of penalties is to be drawn up to be exacted from spinners who sell below these rates. In this way it is hoped that weak-selling may be eliminated and the present losses avoided. Whether this arrangement can be made to work is a question which only the future can decide, but the willingness of the Egyptian section to try it is at any rate a welcome sign of a much-needed growth in the co-operative spirit. Meanwhile we may hope that it will not be forgotten that reducing costs rather than maintaining prices is the proper way to recover trade. The elimination of weak-selling may be a preliminary necessity, but it is not a substitute for re-organisation and efficient working.

* * *

Anglo-German Exchange Agreement.—A provisional arrangement has been made with the German Government as regards the working of the exchange agreement, which appeared to be threatened by the new system of import control introduced by Dr. Schacht. Up to the end of October, at any rate, the German Government has agreed to issue exchange certificates authorising payments into the special account of the Bank of England for the import of all goods covered by the exchange agreement made in August, from which imports of "controlled" commodities were specially excluded. This interim arrangement is only to apply to imports from Britain into Germany up to the present level of such imports. Meanwhile a new arrangement is to be negotiated. This means that for another month imports of British goods into Germany can be maintained at their present level, but it seems clear enough that in negotiating the new agreement Dr. Schacht intends to try to cut down British imports if he can. Meanwhile no progress appears to have been made towards the settlement of the outstanding debts of German importers to Lancashire,

Bradford, etc., though the negotiations are continuing. What further results may be expected from Sir Frederick Leith-Ross's exploratory visit to Berlin are not yet known, but all the indications point to the fact that the views of the British and German Governments are still very far apart. This is not at all surprising, seeing that the inflationary policy pursued by the German Government must progressively involve a drastic cutting down of imports if the mark is to be artificially maintained at its nominal parity. From the British point of view the chief danger of the situation is that Dr. Schacht, hemmed in by trade clearings with other countries, will be tempted to discriminate against British imports, in which case he will compel the British Government to institute a clearing also—a step which it would otherwise be reluctant to take, since it must tend to diminish Anglo-German trade on both sides of the account.

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Palestine Potash, Ltd.: A Correction.—In a reference in last week's *Economist* to the potash output of Palestine, which is in the hands of Palestine Potash, Ltd., it was stated that "although litigation is at present in progress with regard to the validity of the concession, this company appears to have a fairly assured future." Our attention has been called to the fact that this reference to "litigation in progress" was incorrect. The action in question came before the High Court of Justice in the King's Bench Division in July last. No evidence or argument was adduced by the plaintiffs, and Mr Justice Roche directed that judgment should be entered for the defendants, Palestine Potash, Ltd., on the claim, with costs. We gladly give publicity to this decision, which removes any qualification as to the future of the company which might be inferred from our article.

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A Russo-Japanese Agreement?—At the beginning of this week it was reported that an agreement was fore-shadowed between the Russian and Japanese Governments over the price and method of payment by "Manchukuo" for the transfer of Russia's interest in the Chinese Eastern Railway to "Manchukuo." Both sides appear to have shown greater readiness to agree on a price than has latterly been apparent; and the agreement is now the subject of last-minute negotiations on details. The coincidence of this reported agreement with Russia's entry into the League may be taken as an indication that the Japanese military authorities have renounced whatever anti-Russian plans they may have been preparing, under the guise of a dispute over the railway, at least for the present; for Russia's position in the West is now relatively secured, and may be even more secure if the Franco-Italo-Russian security projects are realised. Russia's recognition by the United States, and now her membership of the League, have made it impossible to treat her as an international pariah—that is, impossible without involving the State who so treats her in far-reaching international complications. So much must the Japanese militarists realise. But the news from the Far East this week, while holding out hopes of a greater measure of peace and stability in that disturbed region for a season, has evoked much speculation. If the C.E.R. agreement is duly signed, will Russia, a member of the League not bound by League decisions taken prior to her entry, ignore the Lytton Report and the Council's decision over the rape of Manchuria, and recognise Manchukuo? That would provoke a lively situation on the League Council. So far there is no sign that Russia would so mishandle her newly acquired tactical position in the world's councils. But again, the Far East is "in the news"; and this time, we hope, the signing of a Russo-Japanese agreement will not be long delayed, and that it will herald a real improvement in Russo-Japanese relations.

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Anglo-Russian Trade.—It is now just six months since the Anglo-Russian commercial agreement was ratified; and the latest returns of British overseas trade provide some interesting evidence of the way this treaty is working out. It was intended during the present year to establish a ratio of 1:1.7 in Russia's balance of payments with this country. Colonel Colville told the House of Commons in July that the ratio of imports to exports in the first five months of the year was "rather more than five to two in Russia's favour." In the first six months of the year Russia had landed imports to the value of £7,700,000 and taken exports to the value of £2,900,000. The returns for August just published do not give the complete totals; but taking the items separately shown (nearly the whole of the total trade) Russia has shipped some £11,000,000 and taken £4,000,000 in exports. The *trade* ratio is still very much what it was in May; and to keep to the 1:1.7 ratio of *payments* Russia must have spent some £6,500,000 in all. But, in addition to goods shipped (excluding those not paid for), Russia is entitled to count as "payments" repayments of existing credits, charters, purchases of old ships and an amount equal to 6½ per cent. of the import-export turnover (about £1,000,000 up to date) to cover "invisibles." As visibles and invisibles alone account for £5,000,000 out of the necessary £6,500,000, and as charters

Sterling and International Prices.—The downward movement in British wholesale prices, noted a fortnight ago, has continued. Our primary products index number has fallen since September 12th by 1.6 per cent., and is now nearly back at its level of August 1st. Our complete index number has fallen by 1.2 per cent., and is now lower than it has been since early July. The decline is very general, the only exception being the minerals group, and the inference is that, except in the very short-run, the drought factor was not sufficient to overcome the general contraction in the world consumption of the leading commodities. American prices remain much steadier. The primary index number has only fallen by 0.9 per cent., while the Irving Fisher general index number has risen by 0.3 per cent. The maintenance of American prices at their August level suggests that internal influences, including the drought, continue to predominate. Gold *bloc* prices, as represented by France and Italy, have risen fractionally since September 12th. German prices are unchanged.

* These figures refer to Sept. 19th.

Details of the group indices comprising the complete *Economist* index number are given below:—

"ECONOMIST" INDEX
(1927 = 100)

	Sept. 18, 1931	Aug. 29, 1934	Sept. 12, 1934	Sept. 26, 1934
Cereals and meat	64.5	76.8	76.0	74.1
Other foods	62.2	59.3	58.7	57.9
Textiles	43.7	53.5	52.1	51.3
Minerals	67.4	76.1	75.6	76.0
Miscellaneous	65.8	69.4	69.5	69.1
Complete index	60.4	67.1	66.4	65.7
1913 = 100	83.1	92.3	91.4	90.4
1924 = 100	52.2	58.0	57.4	56.8

* "Report on the Progress of Civil Aviation, 1933." H.M. Stationery Office. 5s. net.

Juvenile Employment.—In view of the extension of the new Unemployment Act to cover juvenile unemployed persons, the report for 1933 of the local Committees for Juvenile Employment is of particular interest. In the country as a whole the situation improved very much during the year owing to increased trade activity and to the smaller influx of potential workers between the ages of 14 and 18. The number of boys and girls in this class fell by about 131,000 compared with 1932, and by about 390,000 compared with 1929. But the extent to which juvenile labour was absorbed into industry varied very much in different parts of the country. In some regions, such as London and certain Midland industrial towns, there was actually a shortage of young workers. At the end of December, 1933, there were 4,000 unfilled vacancies in London alone. In the depressed areas, on the other hand, there was no appreciable improvement in the rate of unemployment, as is shown in the following table:—

	INSURED JUVENILES		
	Percentage Unemployed		Number
	Jan., 1933	Dec., 1933	Unemployed Dec., 1933
South East	5·8	1·9	7,700
South West.....	6·8	3·9	5,100
Midlands	6·2	1·8	4,200
North East	9·8	5·4	16,800
North West	9·5	5·9	14,600
Scotland	10·4	8·2	16,500
Wales	11·6	9·3	7,600

The tendency of labour to shift from the heavy, notably coal-mining and textile, industries to distributive trades and lighter consumption industries, which has been apparent during the whole of the past decade, continued during 1933, but was not sufficiently pronounced to counteract the effect of depression in our basic industries. More than a quarter of the boys and girls working in insured industries are employed in the distributive trades, which are in the main dependent on the prosperity of the region they serve. Many districts had returned to pre-slump conditions by the end of 1933, but in other areas the situation was still very serious. What then will be the effect of the large increase in the influx of juvenile labour during 1934 and the three

The Bank was formed to facilitate Exports and Imports
from and to Poland, including Danzig.
INQUIRIES SOLICITED.

succeeding years? It seems probable that areas, such as London and the South-East, which have experienced a real trade revival, will be able to absorb this increased supply, but will not be able to take in additional labour transferred from others parts of the country. And clearly the position in the already depressed areas will be aggravated, particularly as the increase in the number of children leaving school will be concentrated in the large industrial centres. It therefore remains to be seen what effect the new Unemployment Act will have on the unemployed juveniles in these large centres of industrial stagnation. There are three clauses relating to boys and girls; first, the insurance limit has been lowered from 16 to the school-leaving age; secondly, it has been made compulsory on employers to notify their local Juvenile Employment Committee of the dismissal of boys and girls under 18 years of age; and, thirdly, the statutory duty has been imposed on Local Education Authorities to provide, and on the Minister of Labour to require attendance at, instruction centres or classes for all boys and girls under 18 who are unemployed for more than a week, whether they are insured or not. The first two clauses of the new Act should do much to improve the situation. More important, however, is the actual provision to be made for the occupation of unemployed juveniles. For this purpose it may be an advantage that unemployment is largely concentrated in certain clearly defined areas; for the two great difficulties in the way of organisation of centres of instruction for unemployed juveniles are the rapid turnover of unemployment, and changes in the total number to be catered for in any particular district. In the parts of the country where such centres are most needed, experiment will be unhampered by these difficulties. Moreover, it should be very much easier to arrange a satisfactory curriculum to suit different ages and capacities where considerable numbers of children attend the centres or classes regularly.

Poor Relief.—The statement, recently published by the Minister of Health, of the number of persons in receipt of Poor Relief in the quarter ending June 30, 1934, does not make very encouraging reading. It is true that the total relieved on the last Saturday of June was 83,782 (5.9 per cent.) less than on the last Saturday of March, and that the decline was continuous throughout the quarter except for the Easter and Whitsun holidays. But this is largely a seasonal movement. The total of 1,325,307 was 53,249 (4.2 per cent.) higher than that for the end of June, 1933, and the highest recorded for the middle of the year, except in 1922 and 1926. This was mainly due to the increased number of persons normally in regular occupation who received assistance, for the number of persons in institutions was lower than in any year since 1919, and the number of those not coming into the class of unemployed persons was only slightly higher than a year earlier. As compared with March, however, this class of unemployed has fallen the most—from 631,000 to 567,000 (including wives and dependent children)—in large part due probably to the cessation of coal allowances at the beginning of April, and to the fact that at any rate in the class of insured workers it seems to be on the whole the larger families

which have ceased to require assistance, either because of increased employment or because children's allowances become more adequate for the summer. While the average number of insured men assisted during the quarter has fallen by 7,000 as compared with the first quarter of the year, the number of dependants has been reduced by 30,000 during the same period; the average number of dependants of all insured men assisted is only two. The concentration of the burden of poor relief in the distressed areas continues, for in all districts which grant relief to more than 5 per cent. of their inhabitants, except Sheffield, there was an increase in relief during the year; and in Liverpool, where there was an increase of 18 per cent., there was even a considerable rise as compared with the end of March, bringing the percentage relieved up to 10.2 at the end of June. In Cardiff alone, of these heavily burdened areas, there was a substantial decline during the quarter, from 1,102 per 10,000 of the population to 520. In London the number in receipt of relief was greater than in June, 1933, but smaller than in June, 1932. The close connection between the incidence of unemployment and that of poor relief is thus still evident.

The Tin Monopoly.—A fresh rise in the price of tin to £234 and the reduction in production quotas which comes into effect next week have once again directed attention to the tin restriction scheme. It will be recalled that the policy of those in control of the scheme was recently subjected to severe criticism by Mr J. K. Eastham at the meeting of the British Association. Mr Eastham interpreted the tin control scheme as an attempt by those who had invested capital in ways which events had proved mistaken to restore the value of their property. He considered this impossible, because it was probable that a major change in prices had taken place. Substitution was likely to increase, and a prolonged and drastic depression of tin prices would be necessary to reinstate the metal in its old uses. We have always maintained that the International Tin Committee is pursuing a mistaken policy. The only justification for the control of raw-material supplies is the maintenance of a stable and reasonable level of prices. Sharp fluctuations in prices are disadvantageous to consumers owing to the impossibility of planning ahead, and stability, even at a price somewhat above the average of fluctuating quotations, may therefore be of definite advantage to consumers. Unfortunately the idea of a reasonable price as shown by the policy of those in control of the scheme is somewhat inflated. At the beginning of May last the International Tin Committee recommended a substantial increase in production quotas, and it seemed as if the restrictionists had adopted a wiser policy. Unfortunately, however, the Committee, strengthened by the adherence to the scheme of a number of additional countries, decided last August to cancel the increase in production quotas as from October 1st. The latest move seems to indicate that the Committee is anxious to maintain the price of tin at the high price of £225 to £230 per ton. We still hope, however, that wiser councils will prevail before it is too late.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

LABOUR AND N.R.A.

CONFLICTS continue inside N.R.A. There are three distinct schemes of collective bargaining organisation advocated—the craft union, sponsored by the American Federation of Labour; the company union, favoured by employers (the prevalent form of labour organisation); and the vertical industrial union, which seems implicit in the Recovery Act itself. The question of employee representation is also unsettled. Last spring the President

authorised a system of proportional representation; this ruling has now been reversed by the National Labour Board of N.R.A., which prescribes majority rule. For violating this decision, an important engineering concern in Buffalo (N.Y.) has been deprived of its Blue Eagle. This fact is important, as from the character of its work an engineering factory is a supplier of many other industrial plants, none of whom, if they continue to purchase its products, can furnish the "certificate of compliance" required to be eligible to work on Government-financed projects. Since a very large part of American economy is now Government-financed, the situation is complicated.

Some idea of the ramifications of Government activity is given in a Washington dispatch detailing the work of the Public Works Administration. Some \$3,700 millions has been appropriated under P.W.A. in the past eighteen months, distributed over 17,000 projects. It has been claimed that 99 per cent. of all the counties in the United States have received at least one P.W.A. project. Of the total about \$1,000 millions was lent, of which about \$500 millions was to public bodies, \$200 millions to railways, \$140 millions to irrigation and hydro-electric projects, and \$125 millions for housing and slum clearance. The out-right expenditures or grants were not itemised in this statement. It is understood that all or virtually all of the \$3,700 millions appropriated for the P.W.A. has been exhausted; but, of course, activity under these expenditures will continue for some time to come, although on a receding scale.

OPERATIONS OF THE R.F.C.

Mr Jesse Jones, chairman of the Reconstruction Finance Corporation, has given a condensed summary of the operations of that agency over a period of about two and a half years. Loans for all purposes have aggregated \$3,610 millions, and repayments have totalled \$2,060 millions. It now owes the Treasury \$3,100 millions, of which \$1,500 millions has been distributed to other Governmental agencies, leaving \$1,800 millions for the present operations of the R.F.C. itself; against this it now holds \$1,600 millions in loans plus \$800 millions in preferred stock and capital notes of banks; against \$241 millions of the preferred stock it has issued its own notes. Altogether the R.F.C. has made 10,500 loans to more than 5,500 banks, totalling \$1,126 millions; of this 75 per cent. has been repaid, and the greater part of the remainder is owed by 670 banks that closed subsequent to the loans. Some \$600 millions was disbursed to the receivers of closed banks for distribution to depositors, and \$414 millions was lent to railroads, of which \$70 millions has been repaid. The ten-cent cotton-pegging loans of last year took \$140 millions, of which \$100 millions has been repaid; and of last year's 45 per cent. corn loans of \$121 millions about half has been repaid.

Both these summaries mention the sums lent to railways during the depression—\$414 millions (less \$70 millions repaid) by the R.F.C. and \$200 millions by the P.W.A., a total in excess of \$500 millions. These figures emphasise the difficulties of the American railways, most of which will again fail to cover their fixed charges in the current year. This problem comes into the Press intermittently; and so far three partial solutions have been suggested: (1) that the Government introduce a greater measure of regulation over competitive forms of transportation; (2) that voluntary reorganisations be made under the legislation passed by the last Congress; (3) that railway rates be increased, as petitioned by the roads themselves. Meanwhile, continued borrowing by enterprises not at present earning charges on existing debt is far from reassuring. It is rumoured that important and comprehensive legislation will be introduced at the next session of Congress; but the programme probably is still in process of formulation. In extreme circles, one hears talk of Government ownership, particularly for the purpose of validating the railway securities widely held by fiduciary institutions; but there is little evidence of public desire for such a solution.

The drought has completely dropped from discussion, for several reasons. First, since early August the weather has been more favourable, which has saved pastures. Second, the great August rise in prices of farm products was a compensation for the reduced crops. Third, the actual area most affected by the drought, while large in extent, is rather thinly inhabited; and fourth, except in animal foods the reduction in crops did not amount to actual shortage. Taking current prices, aggregate farm income is now estimated at about \$6,000 millions, compared with about \$5,400 millions last year. Reports from agricultural areas speak of retail trade as much better than a year ago. One gets a hearsay impression that the recovery has been quite irregularly distributed; and this is confirmed by the August figures of debits to individual banking accounts.

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DEBITS TO INDIVIDUAL ACCOUNTS

	(\$000,000)		
Federal Reserve District	Aug., 1932	Aug., 1933	Aug., 1934
Boston.....	1,294	1,435	1,455
New York.....	13,929	13,543	12,814
Philadelphia.....	1,080	1,105	1,149
Cleveland.....	1,163	1,255	1,308
Richmond.....	477	457	531
Atlanta.....	545	583	611
Chicago.....	3,039	3,089	3,405
St. Louis.....	538	590	626
Minneapolis.....	410	527	525
Kansas City.....	684	740	846
Dallas.....	340	359	453
San Francisco.....	1,718	1,768	1,984
Total.....	25,215	25,451	25,706

Two facts at once strike the reader. The increase in the total is small considering the increase in bank deposits, the great rise in the price level and the recorded increase in the indices of production. Second, the New York district shows an actual decline, while all other districts show an increase—greatest, proportionately, in the smaller and primarily agricultural districts.

NEW YORK, September 18.

FRANCE

CONSTITUTIONAL REFORM BUT NO DEVALUATION

The Government's proposed "State reforms" (which we discuss in a Note on page 577) were announced by M. Doumergue on Monday. These proposals will necessitate the meeting in Congress of both the Senate and the Chamber in Versailles. Four major constitutional reforms are proposed:—

(1)—The strengthening of the authority of the President of the Cabinet, who would have henceforth powers similar to those of the British Prime Minister;

(2)—The extension of the right of dissolution, which has been used only once since the foundation of the Republic. The fear of dissolution should check those party intrigues, notably in the Chamber. "Political crises," M. Doumergue says, "will be less frequent if the fear exists of an immediate dissolution which will curb the impatient and very often unjustified ambitions which lie at the root of most of these crises";

(3)—A new clause in the Constitution to provide that the Government alone shall have the power to propose new expenditure; the initiative power will thus be removed from the Chamber;

(4)—The introduction into the Constitution of a Statute for civil servants, which will reinforce the "discipline" to which M. Doumergue referred.

After these reforms have been carried through, M. Doumergue believes that new elections will be necessary to ascertain the will of the country. The Prime Minister will employ at once the new right to dissolve the Chamber

which has been embodied in the Constitution. M. Doumergue's speech is an event of great importance, since his Government intends to modify the laws and customs which have guided the Republic for sixty years. The authority of M. Doumergue is certainly great enough to carry the reforms through, although some of them will be opposed by certain political parties. The elections which should follow the reform of the Constitution must have an exceptional significance, since the new Chamber must derive a special importance from the occasion and must be conscious that it is destined to make crucial decisions. It consequently seems likely that, following the "Truce," the country will embark on a period of great political activity.

In the course of the same speech M. Doumergue declared most emphatically against any plan for the devaluation of the franc. He believes that any devaluation will reduce the value of the franc to zero. Consequently, he said, only the Communist Party and its allies could find hope from such a policy. "The ruin of the franc would offer to them the greatest chances to establish their dictatorship," M. Doumergue added, and expressed his astonishment that political leaders such as M. Paul Reynaud, who were neither Communists nor Socialists, should nevertheless associate themselves with the Socialists and urge the devaluation of the franc, which (in M. Doumergue's opinion) would "mean the ruin of all the hundreds of thousands of owners of Government stock; the ruin of all holders of private bonds; the ruin of all pension schemes and of all co-operative schemes; the ruin of all savings bank depositors—and they hold £780 millions; the ruin of the famous French stocking; the ruin of the workmen and the ruin of the peasant."

NEW TREASURY BONDS

The Ministry of Finance is now issuing Treasury bonds for the redemption of the heavy maturities for which preparations have already been made by means of last July's loan. The amount of short-term bonds will be reduced on September 30th from 12,000 to 10,000 million francs. Last year the total of these bonds reached 15,000 millions. On the other hand, a certain amount of Treasury bonds, notably the 5 per cent. 1924-34 bonds, of which a total of nearly 4,000 million francs is still not redeemed, will mature at the end of October and the beginning of November. The Minister of Finance will then issue 4½ per cent. Treasury bonds, 1934, redeemable in three, six and ten years. The issuing rate is 97.60 per cent. and the bonds will be redeemable at option of the subscriber at par on October 5, 1937, at 103 per cent. on October 5, 1940, at 108 per cent. on October 5, 1944. With this premium and the rate of issuing, the yield of the new loan is one of 5.45 per cent. in the case of a reimbursement in 1937, of 5.48 per cent. in 1940 and of 5.50 per cent. in 1944.

These conditions are a consequence of the present situation of the French capital market. Short-term money is superabundant, so that interest rates are very low. On the Stock Exchange the last carry-over rate did not attain ½ per cent. But long-term money remains dear, because capitalists dare not take a risk. The Treasury must therefore offer bonds with an early maturity. The amount of the new issue has not been fixed. It is thought that it will be closed when subscriptions reach 4,000 or 5,000 millions.

HEAVY REDUCTIONS IN IMPORTS

The volume of foreign trade is still dwindling, and imports are falling more quickly than exports, as the following table shows:—

	(000 francs)	
	First eight Months of 1933	First eight Months of 1934
Imports:		
Foodstuffs.....	6,591,683	4,969,147
Raw materials.....	9,413,178	8,079,757
Manufactured goods.....	3,456,266	2,951,729
	19,461,127	16,000,633
Exports:		
Foodstuffs.....	1,509,884	1,538,638
Raw materials.....	3,045,676	3,391,440
Manufactured goods.....	7,326,865	6,611,344
	11,882,425	11,541,422

For the first eight months of 1934 the total trade amounted only to 27,542 millions, compared with 31,343

millions in 1933. Total trade fell in July and August to its lowest since the stabilisation of the franc, the figure being 3,065 millions in July and 3,062 in August. The trade paralysis is thus steadily aggravating itself.

For the first eight months of the year the diminution is 341,003,000 francs only in exports, compared with 3,460,494,000 francs in imports. The import surplus for this period is thus much lower than last year—4,459 millions, compared with 7,579.5 millions.

Export trades are nevertheless complaining bitterly of the decrease in exports. For the period January-August exports of foodstuffs show an increase of 28,754,000 francs and those of raw materials one of 345,764,000 francs, but exports of manufactured goods show a diminution of 715,521,000 francs. M. Lamoureux, Minister of Commerce, has just answered these complaints in a speech before the Chamber of Commerce of Geneva. "As long," he said, "as we are faced by monetary manipulations abroad, France's interest is to remain attached to the quota system." In answer to those critics who are urging a more liberal application of the quotas, he allows that "this policy must be followed with a view to increasing transactions, and not diminishing them, which could lead us progressively towards a sort of autarky more or less avowed, the effects of which would rapidly prove disastrous to the French national economy." But he also observed that the policy of protecting French agriculture was the obstacle to a liberalising of the quota system.

As to the economic agreement with the countries of the gold bloc (discussed in a Note on page 577), it is known that Belgium is urging France to adopt a policy of collaboration. In reply to this suggestion, M. Lamoureux declared that he did not reject it in principle, but he emphasised the difficulties of realisation. He spoke in particular of "the difficulty which the most-favoured-nation clause raises against the grant of preferential accords to certain countries." M. Lamoureux seems to be more impressed by the difficulties than by the advantages of agreements between the countries of the gold bloc on the basis of preferential stipulations. M. Lamoureux favours the maintenance of the *status quo* until the point when new export markets for France can actually be secured. The communiqué, which was issued at the end of the Conference of the gold bloc at Geneva, seems to indicate such a policy.

PARIS, September 26.

GERMANY

THE COST OF AUTARKY

THE provisional arrangement reached in Berlin to ensure against any further reduction of German imports of British goods has been well received here. The negotiations, however, have made clear to the public that in future commercial relations with foreign countries the discretion which Germany will officially exercise in the international distribution of her purchases will play a considerable rôle, all the more so because owing to quota, compensation and other agreements with some countries, Germany herself has not an entirely free hand. Discussing the old, now practically frozen, trade debts to abroad, which are not in the competence of the new import supervision boards, the *Frankfurter Zeitung* estimates the total to all countries at Rm. 500 millions, including the special mark accounts in the Reichsbank.

The supervision boards are already at work. Their methods of procedure are not entirely clear, and although ordinance after ordinance has been issued in the last few days, many questions of detail have yet to be settled. Apparently the Reichsbank will at very short intervals instruct the boards as to the value of the "exchange certificates" they may grant. Payments in foreign exchange and in reichsmarks will be on the same basis. It is surmised that a certain priority will be given if a foreign seller offers favourable terms, and this should tend to increase the amount of certificates for deferred, as distinguished from immediate, payment. The definition of the scope of the 25 boards, which was at first only roughly laid down, has

made progress. The board for "various goods" is to embrace nearly all the fully manufactured articles in which Germany has an export surplus, including toys, jewellery, clocks and watches, firearms, woodwares, glass, stone, etc. A very long ordinance regulates exchange payments in transactions other than the import of merchandise, such as the exchange of services, transportation, storage, travel and insurance, for which the new boards are not competent. The former "general permissions" will be retained in so far as they are necessary in order to maintain German exports and shipping; in other cases only individual permissions will be granted. The principle of control-free payment for goods produced in Russia has been extended to goods in transit through Russia from Afghanistan, Persia, Mongolia and North and West China.

The internal control of wool has been extended to the final manufacturer; and "certificates of need" are to be required for buying in the home market. A new decree forbids the charging of higher prices for imported foreign goods than the world-market price plus outlay and a reasonable profit. As an alleged outcome of the exchange shortage, the Reichsbank has suspended payment of the half-yearly interim dividend on the Reichsbank's shares, which are largely held by foreigners.

Official statements concerning the food and fodder supply outlook are optimistic, despite the bad crops. The Reich Cereals Commissioner declares that it will be necessary at all costs to enforce delivery of rye in order to prevent its being used for fodder; and adds that, at all costs, the fodder deficit must be made up by imports. So far, farmers have been keeping rye out of the market, apparently as a fodder reserve, and fodder cereals have also not been offered. The assurance that bread cereals will not need to be imported is based on the fact that, while this year's cereals crop is 4,000,000 tons below last year's, a reserve of 2,250,000 tons was on hand. The Minister for Food and Agriculture, speaking on "One year of Nazi Agrarian Policy," emphasised the "success" with which prices have been kept up, and made the following comparisons for August, 1934: Rye (per ton), Rotterdam 56 marks, Germany 159 marks; wheat (per ton), Liverpool 69 marks, Germany 199 marks; hogs, Chicago 12 marks, Germany 47 marks per centner (100 metric lbs.); butter, Copenhagen 78 marks, Germany 254 marks; bacon, Copenhagen 107 marks, Germany 184 marks per double centner; eggs, Copenhagen 3½ pf. each, Germany 8 pf. each. Such is the cost of autarky! Actually the disparity between German and world-market prices has been brought about by measures dating from 1925, and the Nazis can claim little of the discredit. The farmers are, however, not much better satisfied to-day than they were nine years ago. They complain in particular of the imposition, this year for the first time, of maximum prices, which prevents their compensating themselves for the decline in volume of crops.

PRODUCTION AND EMPLOYMENT

The number of employed industrial workmen in August is returned at 60.8 per cent. of all available places, as against 60.2 per cent. in July. The highest percentages of employed persons are in the food-products, textiles, and non-ferrous metal branches; lowest in wood manufactures and building; but building has of late improved more than industry as a whole. The index figure for industrial production (1928 = 100; seasonal changes eliminated) was 89.8 in July, as against 70.6 in July, 1933. Since autumn, 1932, it is officially declared, two-thirds of the decline in production during the depression has been made good. The value of industrial production has risen less than the quantity, being Rm. 4,500 millions in August, Rm. 2,850 millions in August, 1932, and Rm. 7,500 millions a month in the spring of 1928. Ingot steel output in August was 1,067,600 tons; and in the first eight months 7,648,100 tons, against 4,782,100 tons in the same months of 1933. Export of heavy iron and steel in August rose to 151,940 tons, against 144,200 tons in July. Export of semi-products trebled, mainly in consequence of increased British and Japanese purchases. Reports from the machine manufacturing branch are favourable. Potash export this year has been 25 per cent. higher than in the same period of 1933, but the monetary yield was lower. The heavy passive trade balance in rayon has begun to

decline, export prices having risen of late much more than import prices.

Reich revenue from taxation in August totalled Rm. 643.5 millions, or Rm. 110 millions more than in August, 1933; the actual improvement, allowing for changes in the tax system, is officially put at Rm. 92 millions. In the first five months of the financial year tax revenue totalled Rm. 3,213 millions, or Rm. 483 millions more than in the same months of the preceding financial year; allowing for changes in the tax system (slaughtering, fats, corporation, and "flight" taxes), the excess amount is put at Rm. 263 millions. The taxes reflecting business conditions—wage and income-tax, corporation, turnover, bills, and traffic taxes—have developed satisfactorily; and there is some rise in receipts from taxes on consumption. An official return shows the indebtedness of municipal undertakings at Rm. 2½ milliards. In 1933 some 585 share companies, limited liability companies, and other independently organised business concerns were wholly or mainly owned by municipalities.

The Reichsbank's return for September 23rd shows again a marked deterioration, only 41 per cent. of the increase in credits and investments of the fourth week of August having been paid off, as against 90 per cent. in the third week of September, 1933. This is the more remarkable because the mid-August increase of credits was abnormally large. Circulation declined by Rm. 93 millions to Rm. 3,569 millions. Total circulation is Rm. 5,419 millions, as against Rm. 5,269 millions at the same date of 1933. Deposits again show a large increase, by 89 millions to Rm. 811 millions. The money market began to harden, in preparation for the month-end settlements, on September 25th, the day-loan rate being 4½ to 4⅞ per cent.

An official return of capital holdings in recent years shows that the lowest point was reached in 1932, and that in 1933 there was a small increase in the total and in most individual items. Public holdings of currency, bank deposits, and tax certificates, that is, short-term forms, at the end of 1933 were Rm. 17,918 millions; long-term claims—savings deposits, insurances, bonds, and private mortgages—were Rm. 43,134 millions; the total being Rm. 61,052 millions, against Rm. 59,725 millions in 1932. The total for 1913 was Rm. 134,476 millions, of which the short-term forms accounted for Rm. 18,875 millions. The latter item has changed little in the twenty years, whereas the long-term claims in 1913 totalled Rm. 115,601 millions. Of this sum savings deposits were 23,342 millions, and are to-day 14,599 millions; while insurances to-day are almost at their pre-war total. The greatest declines are in bonds and mortgages, and are a consequence of the inflation of 1919-23. Company shares are not included in this return.

The wholesale prices index for September 19th at 100.3 is unchanged. Industrial goods for consumption have again risen sharply in price.

BERLIN, September 25.

DENMARK

AGRICULTURAL DEBT CONTROVERSY

THE summer Rigsdag closed on September 7th after a deadlock had arisen in the Landsting (the Upper House). For several weeks it was hoped that a formula satisfactory to

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the Government as well as to the Opposition (which holds a majority in the Landsting) could be found, so that the Bill designed to settle the remaining conversion and funding of the agricultural debts could be carried through. However, the conditions proffered by the Socialist and Radical Government were regarded as unacceptable by the majority of the Landsting. Nothing therefore will be settled till the opening in October of the Rigsdag.

Meanwhile, as bondholders are entitled to three months' notice, any large scale operations to convert the remaining hundreds of millions of unconverted agricultural bonds in the present year have been frustrated. The operations of the Crisis Fund Institution may also be hampered by the size of its present holdings, which already run into more than 150 million kroner. Money, however, is still plentiful, interest rates are low, and minor conversions can still be carried out according to the Act of December, 1933, under which a considerable number of outstanding bonds have already been converted.

The various groups of the committee which has been inquiring whether the Exchange Control Act (import restrictions) should be liquidated or continued have now published their findings. Each group of the committee makes recommendations according to its political standpoint. Although Clause 7 of the relevant Act contemplated the discontinuation of import restrictions at the end of the present year, the Government Parties want the Act prolonged until the end of 1936.

RECORD BUILDING ACTIVITY

In certain quarters it is now believed that building activity is near the point at which the market for new dwellings will be saturated. In 1933 and previous years the construction of new houses proceeded at a considerable rate. A Report issued by the Department of Statistics shows that on July 1st this year the number of new houses under construction had reached record figures, especially in the provincial towns. The following figures may be given:—

	Number of flats under construction Copenhagen with Suburbs	Provincial Towns with Suburbs
July, 1932.....	5,365	1,290
July, 1933.....	8,437	4,953
July, 1934.....	9,674	5,689

These figures, considering the total population and the declining birth rate, leave the impression that sooner or later supply will exceed demand. Construction has been concentrated on small, modern, self-contained flats, and in Copenhagen a gradual depopulation of the residential quarters of the inner town in favour of the new dwellings in the suburbs has been going on. Not only private contractors, but municipal councils and building associations are sponsoring this large-scale construction, and, as long as this continues, unemployment will be kept at a very low figure in the building and allied trades.

The balance sheet of the National Bank as at August 31st shows that 15.1 million kroner of the gold stocks have been transferred to the Bank for International Settlements at Basle. It is believed that this gold deposit has been made for clearing purposes. Liabilities to foreign banks have been reduced from 59.7 to 51.4 million kroner, but at the same time foreign exchange borrowings from Danish banks have gone up from 30.9 to 37.7 million kroner. The net result on the month—when certain minor accounts have been included—is that the foreign exchange reserves of the Bank have been reduced by the modest amount of 0.6 million kroner.

The wholesale price index for August has risen to 134 from 129 in July. The index of imports rose from 136 to 140 only, and the index of exports rose from 98 to 115. The number of unemployed on September 7th was 60,668, or 14,613 less than at the same time last year. Laid-up shipping is down to 16 ships, totalling 37,500 tons, the lowest figure for several years.

Sentiment on the Stock Exchange has been much affected by political uncertainty. Last week, however, there was a renewed outburst of strength on the share market.

COPENHAGEN, September 15.

JUGOSLAVIA

RELATIONS WITH ITALY AND GERMANY

WHILE a certain coldness in Italo-Yugoslav relations cannot be denied, all statements of a Yugoslav-Nazi *rapprochement* may be taken as entirely unwarranted. The facts may be summarised as follows. Without in any way eliminating France as a major factor in her foreign policy, Yugoslavia has more recently displayed a greater personal initiative and followed paths of her own. This had at one time encouraged Germany to make political overtures, all of which have, however, been politely declined. The only *rapprochement* achieved is purely commercial, as Yugoslavia is not blind to the fact that Germany with her need of raw materials is bound to continue a good customer in a market to which she can offer the necessary industrial materials. In addition there is a considerable minority of German colonised farmers in Yugoslavia who ever since Hitler's accession to power have displayed Nazi sympathies. These two facts have been seized by the Italo-Austrian Press in their counter-offensive against the snub administered by Yugoslavia to Mussolini when she declared that the question of Austrian independence was one to be decided not by Italian arms, but by the League of Nations. All pro-Nazi policy in Yugoslavia would be, in fact, impossible owing to the definitely critical attitude of both the public and the Press towards Hitlerism.

The economic recovery of the last few months has been quite notable. The number of officially unemployed, 8,186, is the lowest for the last three years, and that of the employed, 572,000, the highest, being 35,000 above last year's July figures. Industrial reports show equally good advance in practically all branches. Textiles, heavy iron and steel are doing particularly well, and only timber and chemicals show a reaction. Iron mining production during the second quarter increased by 200 per cent. over the first, pyrite by 55 per cent., chrome by 52 per cent., and copper by 22 per cent. Purchasing power appears to have somewhat increased, the fall in average wages from 23.27 dinars per day last year to 22.21 dinars per day this year having been more than compensated by the greater number of men employed. In addition to this there have been no further cuts in salaries, and the index of agricultural produce for exports is practically the same as last year, 57.3 as against 57.4.

The improved purchasing power has made itself felt in import trade also, the half-yearly imports having risen from a value of 1,295,300,000 dinars in 1933 to 1,750,500,000 dinars in 1934, or 35.14 per cent. Against this exports have risen by only 10.84 per cent. from 1,434,100,000 dinars to 1,559,600,000 dinars. This gives a passive balance of 161,000,000 dinars, as against an active balance last year of 139,000,000 dinars. The deficit has been more than compensated, however, by the largely increased tourist traffic, which is about 15 per cent. to 20 per cent. above last year, and which brings in annually about 300,000,000 dinars.

IMPROVED BALANCE OF PAYMENTS

The fact that the balance of payments has turned greatly in favour of Yugoslavia in spite of a passive trade balance may be seen indirectly from the continued firmness of the dinar. The black bourse rate, which has for some time been about 35 per cent., as against the official premium of 28.5 per cent., has for over six weeks now been about 30 per cent., so that the question has been raised whether the Government would allow a strengthening of the dinar below the official premium. This appreciation of the dinar is traceable to several causes: firstly, to the inflow of money from "tourism"; secondly, to the purchase of dinars before the export season, which promises to be very brisk; thirdly, to a considerable purchase of dinars by Austrians during and after the July revolt; and lastly, to the disbursements of foreign exchange by private persons who have hoarded it.

Increased confidence has contributed much to the re-appearance of hoarded money, and for the first time since 1931 saving deposits have begun to rise again since January. In May the sum reached 9,965,000,000 dinars,

about 300 millions above the figure for December, 1933, but has since slightly declined owing to withdrawals for export purposes. It is to be noted, however, that the entire increase is concentrated in Government-guaranteed and municipal banks, the State Mortgage Bank, the Postal Savings Bank, and the Zagreb Municipal Bank being responsible for the bulk of the new deposits, while deposits with private banks have declined by a further 44 million dinars during the second quarter.

This relative abundance of money has enabled the Government to push its policy of cheapening credit one step further. Since the end of August the State Mortgage Bank has lowered its interest charges from 8 per cent. to 7 per cent., the Agrarian Bank from 7 per cent. to 6 per cent., and the private bank rate has been fixed at a maximum of 4½ per cent. above the National Bank rate, making it now 11 per cent., as against the previous maximum of 12 per cent. At the same time the rate at which private people may loan money has been fixed at a maximum of 8 per cent. These measures, naturally, would hardly be effective were it not that the State-guaranteed banks now control more than one-third of all deposits in the country, and certainly the most liquid third.

On the whole, with a balanced Budget, an increasing gold cover at the National Bank, and a promising export season, the stage seems well set for a recovery that ought to last at least until the end of the year.

BELGRADE, September 20.

BULGARIA

ALTERATIONS IN IMPORT CONTROL

THE import quota system has been altered by a new ordinance. Restrictions on imports will no longer be limited to 50 per cent. of the quantity and value of goods imported during 1931, but will depend on the average figure for imports during 1930, 1931 and 1932. Supplementary quotas will also be granted on condition that the export of certain goods precedes the import. The new system, accordingly, involves the system of "compensation," according to which all imports have to be accompanied by corresponding exports. Four lists of articles of import and export have been drawn up for use on a compensation basis, including raw materials, semi-manufactured, fully manufactured goods and luxuries. The ban formerly existing on the import of certain "luxury" goods such as automobiles, wireless-sets, flowers, etc., has been entirely removed, but certain goods, such as coal, otto of roses, wines, lumber, mineral ores, etc., must be exported against them. These compensation deals, however, are being more and more resorted to by importers and exporters, who are extending the system of premiums paid by importers for securing foreign exchange from exporters in order to pay for their imports.

The Debtors' Relief Act, voted on January 1st this year, was not found satisfactory by the new Government, and a new law was passed. According to this law, all debts contracted before January 1st up to the sum of 300,000 leva by agriculturists, artisans and business men will be reduced by 40 per cent., 30 per cent. and 20 per cent., respectively. Whereas in the old law the relief granted to debtors consisted only in a reduction of the rate of interest to 6 per cent. and an extension for payment spread over fifteen years, the new law provides for a reduction of debts and fixes interest at 5 per cent. All debts are transferred to the State Sinking Fund, which takes over the rights of creditors and issues bonds bearing interest at the rate of 3 per cent., redeemable within a period of 20 years. The reductions of the debts are borne by the State, which settles the claims of the creditors in full with interest at the rate of 5 per cent. Relief is granted in each separate case by courts specially set up for the purpose.

SMALL BUDGET DEFICIT

The most recent report of the Commissioner of the League of Nations shows that the Budget for 1933-34 closed with a small deficit of only 250 million leva, which is a success for the Government. The balance of trade, although still

slightly active, does not enable the free supply of foreign exchange to be increased. The decrease in exports, which is mainly due to the delay incurred in the export of tobacco, resulting from the conclusion of a large compensation transaction, has also affected the situation. The new tobacco crop seems to be somewhat better in quality than the average, and rather less in quantity. For this reason the embargo on the export of maize will be removed.

At the beginning of August the Government issued an internal loan repayable within three years and bearing interest at the rate of 6 per cent. for the settlement of long-standing obligations originating from past Budgetary deficits. It was intended that the amount of the loan should be fixed at 150,000,000 leva, but as 473,000,000 leva was subscribed, the Government decided to increase it to 230,000,000 leva. The success of this internal loan, which was subscribed to by private banks and companies, is largely due to the fact that its amortisation is guaranteed by specified State receipts and to the grant of a right to have the bonds discounted by the National Bank of Bulgaria to 80 per cent. of their value.

SOFIA, September 18.

GREECE

THE COMING PRESIDENTIAL ELECTION

BEFORE the end of the year the new President of the Republic has to be elected. Owing to a disagreement between the Opposition Parties and the Government on several vital questions, it is possible that M. Venizelos will be the Opposition's candidate for the presidency. This possibility has raised a storm of protest from the Government's supporters, to which the Opposition reply that, failing an agreement, it is only by putting at the head of the State a strong man like M. Venizelos that the Government will be prevented from violating the constitution, and that the Republican regime itself will be saved. Should an agreement on the electoral law be reached, and the Government abandon its Electoral Bill—which the Opposition believe would destroy the will of the people to the advantage of the Governing Parties—M. Zaimis, the present President, would be re-elected and the principal problem of the moment solved. Otherwise, either M. Venizelos will be elected President, or the Government will dissolve the House at once and hold a general election—an action which the Opposition consider unconstitutional and dangerous.

Budget revenue for the current year is coming in satisfactorily and is conformable to the original estimates. Receipts from April 1st to the end of August exceeded those of last year by almost 200 million drachmas, which suggests that public expenditure for this year, though higher than last year's, will be fully covered. Receipts of revenue for the year ending March 30th were themselves higher, compared with the preceding year, by 700 millions; so that receipts from revenues assigned for the service of the public debt are again larger this year. Nevertheless, the authorities are allowing a difference with the foreign bondholders

Money, Foreign Trade, and Exchange

By H. J. WELCH. 4s. 6d.

By an examination of fundamental principles the author endeavours to simplify some modern problems and to suggest solutions of them.

George Allen & Unwin, Ltd., London, W.C.1

about the application of the London agreement to drag on to the dissatisfaction of the bondholders and the detriment of the credit of Greece abroad.

INCREASED HOME PRODUCTION

Import restrictions and currency depreciation have continued to favour home industry as the figures of industrial output show. In 1933 a new increase was recorded, the volume of manufactured articles having risen by 13.80 per cent. in comparison with 1932. Textiles, chemical, leather and metal industries show the greatest progress. More than three-quarters of the needs of home markets are now supplied by local industry. Imports of manufactured articles are on the decline, goods of a weight of 233,000 tons only having been imported in 1933, as against 258,000 tons in 1932. Exports of Greek products, however, increased from 41,000 tons in 1932 to 65,000 tons in 1933. Barter agreements with neighbouring countries have contributed to this increase. Index numbers of the production and export of industrial articles show a further increase for the first six months of 1934. For the same period, however, imports, particularly of semi-manufactures, show also an increase, due to the rising consuming power of the country.

STATE CONTROL OF INDUSTRY

State control of industry is being gradually introduced in this country. For some years past bureaucracy has been extending its grasp on an ever-increasing circle of activities. Notwithstanding the existence of numerous Governmental departments and services covering all branches of the national economy—which alone should be in a position to exercise whatever official control and provide whatever assistance might be required—semi-official, "autonomous" organisations spring up every day, like mushrooms, their purpose being to protect, superintend, guide and promote production and trade, not only of whole branches of economic activity, but even of isolated products. Some recent additions to these benevolent institutions are the fishing, tobacco and export trade offices or "autonomous" organisations. A comprehensive and compulsory scheme of social insurances has also just been drawn up.

ATHENS, September 17.

LETTER TO THE EDITOR

OUR AGRICULTURAL POLICY

TO THE EDITOR OF THE ECONOMIST

SIR,—Several correspondents have drawn my attention to a statement appearing upon page 259 of your issue of August 11th, where I am quoted as stating that "in direct grants, in relief from central and local taxation and in indirect assistance (such as tithe legislation), the value of State assistance amounts to over £45 millions per annum, or 15s. a week for every one of the 1,150,000 persons gainfully occupied in farming."

My 1933 "Address" to the Agricultural Economic Society, which is the source referred to, contained no such estimate, as you will see from the enclosed copy which I send to you. Your contributor has, I venture to think, failed to differentiate between the weight of *ad hoc* grants and subsidies and remissions of taxation. In regard to the former class, I hazarded the suggestion that in thirteen years some £70 millions have been directly expended upon British agriculture, viz., £6 million per annum, or nearly 5s. per acre of crops and grass. In the other category farmers have been relieved of local rates to the extent of some £16 millions per annum (or 12s. per acre), and there have been considerable remissions under the heading of tithe payments. Such tax reliefs have been equivalent to £40 per farm or over £50 per farmer per annum.

I would, however, emphasise the fact that remission of payment is quite a different thing from the receipt of grants in aid, nor can I agree that the value of State assistance is worth 15s. a week to every person employed in British agriculture.—Yours faithfully,

J. A. VENN.

The Lodge,
Queens' College,
Cambridge.
September 21, 1934.

[Dr Venn's Address gives the details of his estimates but does not add them up to a final total. We apologise for attributing

to him the results of our own addition. And if the value of State assistance to the agricultural industry is £45 millions per annum and there are 1,150,000 persons gainfully occupied in that industry, it follows with inescapable logic that the assistance is equivalent to 15s. per week per head. It is, of course, true that not every one of the 1,150,000 benefits equally; but we do not think that anyone could have drawn such an inference from our statement. We agree, of course, that there is a difference between the receipt of grants and the remission of payments, but the financial value of each is surely the same.—Ed., ECON.]

BOOKS RECEIVED

- A Guide to Modern Politics.* By G. D. H. and M. I. Cole. (London) V. Gollancz. 559 pages. 6s. net.
- The Liberal Way.* Foreword by Ramsay Muir. (London) Allen and Unwin, Ltd. 224 pages. 2s. 6d.
- British Co-operation To-day.* (Manchester) The Co-operative Union, Ltd., Hanover Street. 205 pages. 2s. 6d.
- Plan We Must.* By John Stanfield. (London) Hamish Hamilton, Ltd. 173 pages. 3s. 6d. net.
- The Road to Planned Economy.* By W. F. Bruck. (Cardiff) University of Wales Press. 148 pages. 3s. 6d. net.
- The October Revolution.* By J. Stalin. (London) Martin Lawrence, Ltd. 168 pages. 3s. 6d.
- Britain's Political Future.* Lord Allen of Hurtwood. (London) Longmans Green and Company, Ltd. 192 pages. 6s. net.
- Force.* By Lord Davies. (London) Ernest Benn, Ltd. 242 pages. 21s. net.
- The Financiers and The Nation.* By the Rt. Hon. Thomas Johnston. (London) Methuen and Company, Ltd. 206 pages. 5s. net.
- Understand the Chinese.* By W. Martin. Translated from the French by E. W. Dickes. (London) Methuen and Company. 245 pages. 7s. 6d. net.
- Le Système Bancaire Anglais et la Place de Londres.* By R. J. Truptil. (Paris) Librairie du Recueil Sirey. 293 pages.
- Europe. A Regional Survey.* By M. R. Shackleton. (London) Longmans Green and Company. 430 pages. 15s. net.
- Coal and Men.* By Harold M. Watkins. (London) Allen and Unwin, Ltd. 460 pages. 18s. net.
- The Shorter Working Week.* By H. M. Vernon. (London) G. Routledge and Sons. 201 pages. 8s. 6d. net.
- The New Survey of London Life and Labour.* Volume Eight. London Industries. III. (London) P. S. King & Son. 314 pages. 17s. 6d.
- Imperial Economy.* By C. R. Fay. (London) H. Milford. 151 pages. 6s. net.
- Financial and Commercial Policy under the Cromwellian Protectorate.* By M. P. Ashley. (London) H. Milford. 190 pages. 10s. 6d.
- Democracy and Nationalism in Europe.* By H. L. Stimson. (London) H. Milford. 88 pages. 6s. net.
- Consultation and Co-operation in the British Commonwealth.* Compiled by G. E. H. Palmer. (London) H. Milford. 264 pages. 12s. 6d. net.
- Supply and Trade in the U.S.S.R.* By W. Nodel. (London) V. Gollancz. 176 pages. 3s. 6d. net.
- Letters to Kugelmann.* By Karl Marx. (London) Martin Lawrence. 148 pages. 3s. 6d. net.
- The Witney Blanket Industry.* By Alfred Plummer. (London) George Routledge and Sons, Ltd. 284 pages. 10s. 6d. net.
- Africa: A Social, Economic and Political Geography of its Major Regions.* By Walter Fitzgerald. (London) Methuen and Company. 462 pages. 16s. net.
- Unemployment Funds.* By Hugh H. Wolfenden. (London and Toronto) Macmillan and Company. 229 pages. 8s. 6d. net.

OFFICIAL PUBLICATIONS

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

- Finance Accounts of the United Kingdom for the Financial Year 1933-34.* 1s. 3d. net.
- National Debt: Return showing, for each of the years 1913-14 to 1933-34, the aggregate liabilities of the State, the estimated assets and the Exchequer balances at the close of each year, etc., etc.* Cmd. 4697. 6d. net.
- Department of Overseas Trade: Economic Conditions in Morocco, 1932-33.* 2s. 3d. net; *Economic Conditions in Canada, 1933-34.* 4s. 6d. net.
- Colonial Reports: No. 1665. Nyasaland, 1933.* 2s. net; *No. 1666. Basutoland, 1933.* 1s. 6d. net; *No. 1668. Nigeria, 1933.* 3s. 6d. net.

MONEY AND BANKING

EXCHANGE CLEARING FALLACIES

MANY years ago a famous judge had to explain to a witness the meaning of the word "bankrupt." "Not know what bankrupt means, my good woman," he said. "Why, a man goes bankrupt when he owes more than he can pay, and an accountant and an attorney come in and divide up his property between them." It is not too far-fetched an analogy to suggest that the imposition of exchange restrictions by a country is at least symptomatic of bankruptcy, and that other countries who seek to negotiate exchange clearing schemes with that country are fulfilling the rôles assigned by the judge to two eminent and highly respectable professions.

Exchange restrictions are only imposed when a country is unable to find the foreign exchange needed to discharge its outstanding or immediately impending external obligations. Human nature being what it is, it is only natural that other countries should at once seek to earmark any money going from them to the afflicted country for the discharge of the debts already due or likely to become due to them. This is the real object of an exchange agreement or clearing scheme, to enable each creditor country to steal a march on its neighbours, or at least to make certain that it is not left behind in the race. Exchange agreements and clearing schemes take many forms, some of which are more defensible than others; and in many cases they are supported by extremely plausible arguments. Their real object remains unchanged.

As regards differences in form, there is clearly a radical difference between an Exchange Agreement and an Exchange Clearing. The former is entirely voluntary, and no trader on either side is bound to make use of it. An Exchange Clearing is compulsory and applies equally to traders on both sides. Once such a scheme is in operation, all importers are bound to pay for their goods in their own currencies to the clearing accounts, and it is only to these accounts that exporters can look for payment. Procedure also varies as regards the disposal of any surplus in a clearing account after the claims of exporters have been satisfied. In some of the present schemes, e.g. the Franco-German and Dutch-German schemes, any surplus accruing in a given currency is at the free disposal of the other party to the agreement. In other cases the surplus may be earmarked for special purposes such as the discharge of outstanding indebtedness.

The ostensible motives behind the network of exchange agreements and clearings which has gradually enmeshed the Continent vary widely. In some cases the recovery of past debts may be thrust into the foreground, as in the case of our own threat to impose exchange clearing on Germany to ensure the payment of the Young and Dawes loan interest coupons. In other cases, the avowed object is the development of trade between the countries concerned. Here the argument runs that if each country agrees to apply the proceeds of its own sales to the other country exclusively to buying goods from that other country, then trade between the two countries can within limits be developed between them. Imports cease to be unwanted or harmful competition with home industries, but instead are directly creative of further exports and so of additional activity among industries making for export. Once exchange clearing is in operation, so the argument runs, imports need not be checked, but on the contrary can be encouraged, without damaging home industries. In some cases, indeed, exchange clearing schemes have been linked up with definite Customs rebates to goods imported under the scheme. This is, of course, a way of circumventing the most-favoured-nation clause—and this may indeed be the real object behind the plan. Some of the Central European clearings are of this kind.

Finally, countries may be driven to these schemes by the action of others; for if once some creditor countries begin to conclude agreements and clearings other creditor countries cannot afford to be left out. For in such circumstances the most dilatory of them will go to the wall. It is only because a country is in an unbalanced debtor position that it resorts to exchange restrictions and tempts its creditors to resort to clearings. And once the device is adopted by some of its creditors, its disequilibrium vis-a-vis the remainder becomes automatically increased.

So far these new devices have only met with indifferent success. In certain parts of Central and South-Eastern Europe, where the position had become so desperate as to justify the adoption of any new shift, they have probably proved their worth. A volume of international trade is certainly taking place to-day, which without a clearing scheme behind it might not be taking place at all. The Austrian clearing agreements, for example, on the whole have worked fairly well; but this may have been due to the fact that Austria was able gradually to relax her general exchange restrictions and so to allow her foreign trade to reach a natural equilibrium. Elsewhere, the schemes have not always been successful and some have broken down. This suggests that exchange clearing arrangements are able to increase international exchange of goods only when the financial position of the debtor country is in the milder stages of insolvency.

On the other hand, the system suffers from the disadvantage that it tends to drive trade into unnatural and uneconomic channels. The moment creditor country A concludes a clearing scheme with debtor country B, it is at once under the temptation to take its imports from B rather than from C, D or E, regardless of whether or not such a shift in trade is economically justified. Switzerland has found that in every case the conclusion of a clearing scheme has necessitated the import of commodities at unnecessarily high prices as an essential condition if Swiss creditors and exporters are to obtain any benefit from the scheme. The broad lesson is that once a creditor country enters into a clearing agreement it ceases to buy in the best market, but instead tends to buy where it hopes either to sell or to collect outstanding debts. Moreover, the inconveniences in which private traders can be involved through having to pay into or receive from the clearing accounts, with all the attendant red tape, can be left to the imagination.

There is, however, a far more serious consequence of the spread of the network of exchange agreements and clearings. This is the virtual elimination of all triangular trade and payments, and the replacement of the generally uninterrupted flow of world trade by a number of forced bilateral trickles, each rigorously dammed off from the remainder. Eventually this can only have one result, namely, the limitation of international trade to the extent that purchases and sales between each pair of countries can be precisely balanced. If the business of individuals or of towns were conducted on this basis it is obvious that the complex development of modern production would be largely stultified and we should return to a more primitive stage of economic development. A similar retrograde movement will occur if international trade, lending and finance are straitened by the imposition of this bilateral rule throughout the whole world.

The most, therefore, that can be said for exchange clearing schemes is that they provide breaches in the main wall of exchange restrictions. The breaches, however, are rarely in the right place, and, worse still, each new clearing scheme makes the general freeing of the exchanges and a revaluation of world currencies appear less urgent. As a temporary expedient exchange clearings may at times be

justified, but they cannot be regarded as a permanent or desirable modification of the general mechanism of international finance. In the long run they will divert, distort and finally choke world trade. By that time, so far from the accountant and the attorney dividing up the bankrupts' property between them, there will be little or nothing left to divide.

FINANCIAL NOTES

The Money Market.—With the impending arrival of January Treasury bills the clearing banks have followed their precedent of last year and have raised their buying rates for all maturities. This decision, which was only made after a delay of a few days, was welcomed by the market, but its immediate effect was to check business, which was already limited. Rates for October and November Treasuries have been raised from $\frac{9}{16}$ to $\frac{11}{16}$ per cent., those for Decembers from $\frac{3}{8}$ to $\frac{1}{2}$ per cent., and those for Januarys are fixed at $\frac{11}{16}$ per cent. No January Treasury bills have yet been issued, and this week the end-of-December maturity has been the hot bill. These are now almost entirely held by the clearing banks, and so there has been practically no business in them. Nominally they are quoted in the market at a fraction under $\frac{1}{2}$ per cent. Three months' bank bills are now being dealt in at $\frac{3}{8}$ per cent., against $\frac{5}{8}$ - $\frac{11}{16}$ per cent. last week.

	Sept. 6, 1934	Sept. 13, 1934	Sept. 20, 1934	Sept. 27, 1934
Bank rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate :—				
Clearing banks	1	1	1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates :—				
Treasury bills :—				
(a) Clearing banks....	$\frac{11}{16}$ - $\frac{7}{8}$	$\frac{11}{16}$	$\frac{5}{8}$	$\frac{5}{8}$
(b) Others.....	$\frac{11}{16}$ - $\frac{7}{8}$	$\frac{9}{16}$ - $\frac{5}{8}$	$\frac{1}{2}$	$\frac{3}{8}$ - $\frac{5}{8}$
Three months' bank bills	$\frac{3}{8}$	$\frac{11}{16}$ - $\frac{1}{2}$	$\frac{5}{8}$ - $\frac{11}{16}$	$\frac{3}{8}$

Money has also stiffened in sympathy with the higher clearing bank rate for Treasury bills. The general position remains very easy, but the Stock Exchange has been borrowing a fair amount both from the banks and the discount market.

* * *

The Bank Return.—The only appreciable change in this week's Bank return is a heavy movement of funds from bankers' into public deposits. The transfer amounts to about £17.5 millions. The very slight increase in the note circulation foreshadows the approach of quarter day, and next week's return may show a larger expansion.

	BANK OF ENGLAND				
	Sept. 27, 1933	Dec. 27, 1933	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold.....	190.4	190.7	191.8	191.8	191.9
Note circulation.....	370.8	392.0	379.0	376.4	377.0
Banking Department :—					
Reserve	81.0	59.7	73.4	76.1	75.5
Public deposits.....	16.5	22.2	16.5	20.5	37.9
Bankers' deposits	97.3	101.2	103.2	99.8	82.0
Government securities ...	73.8	88.0	84.9	81.7	81.6
Discounts and advances	9.2	16.8	6.3	6.1	7.2

Proportion 51.3% 37.3% 46.8% 48.1% 48.1%

It may be that payments for Treasury bills have been concentrated in the early part of this week, and this would explain the expansion of public deposits to an unusually high figure. Apart from this, $2\frac{1}{2}$ and $3\frac{1}{2}$ per cent. Conversion Loan dividend payments, due on October 1st, will require nearly £15 millions, and so the Treasury may have been accumulating cash in readiness for these payments. These dividend payments will bring about a substantial reduction of public deposits and increase in bankers' deposits next week. Any increase in bankers' deposits, however, may be neutralised by the expansion in the note circulation foreshadowed above.

Foreign exchange



The Foreign Exchanges.—Interest this week has centred upon the New York rate, which has appreciated from a level \$5 to \$4.96 $\frac{1}{2}$. The settlement of the American textiles strike may have prompted some repatriation of funds, but the main influence has been the steady if limited commercial buying of dollars, coupled with the absence of any sales. This buying, of course, is mainly seasonal. Liverpool has been fairly active, and some tobacco shipments have also been covered. City opinion expects it to last for some time, especially in view of the August improvement in the American trade returns. It is also suggested that the undervaluation of the dollar is beginning to tell. Three months' dollars remain at a slight discount as a result of the uncertainty regarding the future value of the dollar. The Paris exchange moved in sympathy with the dollar from Frs. 74 $\frac{1}{2}$ to Frs. 74 $\frac{1}{2}$, but apart from a few small sales of francs by the Control, there was practically no business. Forward francs are at a small premium, equivalent to about $\frac{3}{8}$ per cent. per annum. It has been suggested that this may lead to a slightly greater demand for French Treasury bills, which already yield a better return than British Treasuries. The rate for free marks is now Rm. 12.30. Further small sales of sondermarks to British importers have been made, but the Bank of England's special account at the Reichsbank remains at its limit of Rm. 5,000,000, so that would-be payers of sondermarks into the account are having to wait their turn. The main obstacle to further sales of sondermarks in London remains the general custom of invoicing shipments of German goods to Great Britain in sterling.

* * *

New York Money and Banking.—New York money rates remain unchanged, and the credit position remains as easy as ever. The week ended September 19th witnessed a further reduction of \$51 millions in brokers' loans to \$745 millions. Bankers' acceptances outstanding at the end of August were returned at \$520 millions, compared with \$515.6 millions at the end of July. This is the first monthly increase to be recorded since January. The R.F.C. reports that new loans and other commitments undertaken during July amount to \$124 millions, of which \$40 millions represented loans to banks. The August trade returns give exports at \$171 millions, against \$162 millions in July and \$131 millions in August, 1933. Imports were \$119 millions, against \$127 millions in July and \$134 millions in August, 1933. For the first eight months of 1934 exports were \$1,369 millions, against \$944 millions in 1933; and imports \$1,110 millions, against \$889 millions. Gold exports for August were \$14.6 millions, and imports \$51.8 millions. On Tuesday Mr Morgenthau announced that of the \$1,250 millions of called Fourth Liberty bonds only \$248 millions had been converted into the new $3\frac{1}{2}$ per cent. 10-12-year bonds, and \$596 millions into the new $2\frac{1}{2}$ per cent. 4-year notes. Thus \$406 millions of bonds remain unconverted. Nevertheless, Mr Morgenthau considers this result to be very satisfactory. But the conversion of long-term debt into short-term debt is not usually accounted sound financing.

THE STOCK EXCHANGE

WOOLWORTH AND MARKS AND SPENCER

THE development of the fixed-price store system has been one of the most significant of post-war economic phenomena. Though the first effective retail store chain dates from about 1865, its offspring, the fixed-price general store, is of comparatively recent date. In Great Britain its rise can be directly traced to the inception of the Woolworth chain in 1909. The latter's remarkable success has encouraged the growth of many similar organisations, which in every commercial country are changing the character of the retail trade structure and exercising an increasing influence over industry.

The fixed-price store, essentially, is the distributive complement of mass production in industry. Its development embodies the view that production and distribution are integral and inseparable parts of one process, through whose agency man's inventive genius is translated into effective consumer's demand. It is a cardinal point in the relationship between the fixed-price retailer and the manufacturer that however closely their respective policies may be co-ordinated there shall be no actual community of ownership or management. The economy lies in the reduced cost effected under both heads, by planning ahead, and by the creation of conditions under which large-scale contracts can be placed and continuous production maintained. Many of the specialised intermediary functions of the wholesaler and the agent are eliminated. The possibilities of standardisation and "Small-Profits-Quick>Returns" are exploited to the full—even where the process involves the giving of financial support by the retailer to his supply firms and the exertion of pressure to secure reorganised methods. Between the retailer and the manufacturer, however, there is a definite rubicon. Co-ordination is seldom or never allowed to merge into financial interlocking or control involving the creation of "tied houses."

The fixed-price stores, having thus been enabled to offer a standard of value to their customers over an increasingly wide field, which cannot be matched by most of the older distributive methods, have claimed a growing proportion of the retail market. In countries like Germany under the Nazi regime, where the authorities have been disposed to limit the operations of the fixed-price stores, in view of the hardship they have imposed on many small retailers, the fact that their operations have invariably tended to increase the quantum of retail trade has been treated with less than due consideration.

Both the leading exponents of the fixed-price chain store in Great Britain are comparatively old established, though their period of geometric expansion has been mainly confined to the last decade. Marks and Spencer was registered, as a company of "Penny Bazaar" proprietors, in 1903, though the present company became public only in 1926. F. W. Woolworth and Company was registered in 1909 as a private company with a share capital of £50,250, and became a public company as recently as 1931. Both

businesses have been built up largely out of their own profits, but the Woolworth organisation had admittedly reached a more advanced stage of geographical development than that of Marks and Spencer before the admission of the public to a share in its equity. This question of relative "maturity" is of importance in considering the recent trend of earnings and dividends, which is summarised in the table at the foot of this page. It will be seen that while the results of F. W. Woolworth still show a perceptible upward movement, the company appears definitely to have reached the end of its period of rapid growth. At the beginning of this year, it had as many as 529 branches in operation. It is thus adequately represented in all the leading centres of the country. Although some 43 new stores were opened in 1933 they were mostly located in relatively small towns. In future, therefore, the increase in turnover per new store may tend to fall off, though there may still be considerable possibilities for expansion by way of increased floor space in existing branches. At present, the company's profits are equivalent to approximately 2s. per head of the entire population of the country. The possibility of a departure from the company's price limit of 6d. per article has not infrequently been canvassed by shareholders. Such a decision, however, may be regarded as unlikely in the extreme. It would strike at the roots of the company's business and might well endanger the maintenance of its hold on its *clientèle*.

The Marks and Spencer business, however, is adolescent rather than mature. Between 1929 and 1933 profits have trebled, whereas those of F. W. Woolworth have increased by only 42 per cent. Even when the company's building programme for 1934-35 has been carried out, the number of stores in operation will be no more than 200, i.e. less than two-fifths of the Woolworth total. The company's estate department is continuously engaged in the search for new sites. *Prima facie*, there appears to be no necessary reason why the total Marks and Spencer stores should eventually be less than those of Woolworth. Further, the company's range of retail prices, 6d. to 5s., may offer a wider field for eventual development of "selling lines" than the 3d. to 6d. of Woolworth. In view of these differences, significance may attach to the fact that, despite the much higher price range of the Marks and Spencer stores, the net profit of the average store is approximately 40 per cent. less than that of the Woolworth store. The long-term speculative appeal of Marks and Spencer shares is based largely on the market's assumption, right or wrong, that there is no necessary reason why the company's profits, given a sufficiently long period, should not eventually overtake, and possibly surpass, those of Woolworth, which, with its narrower field, has been quicker off the mark.

Despite the popular impression to the contrary, the two chains of fixed-price stores are largely non-competitive. It is rare indeed to find competing lines in any branch. The

Year	Gross Profits		Earned for Dividend		% earned for Ordinary		Amounts "Ploughed-back"		% Ordinary Earnings "Ploughed-back"†		Total Share and Loan Capital	
	Woolworth	M. and S.	Woolworth	M. and S.	Woolworth	M. and S.	Woolworth	M. and S.	Woolworth	M. and S.	Woolworth	M. and S.
1929 ...	(£'000) 3,326	438	(£'000) 299	...	...	44.2	(£'000) 124	...	...	48.4	(£'000) 1,010	...
1930 ...	3,684	624	...	422	...	54.8	...	140	...	39.0	...	3,076
1931 ...	4,394	862	3,603	573	104.3	66.4	1,099	188	31.6	40.2	8,750	3,257
1932 ...	4,672	1,041	3,521	679	117.2	75.4	1,327	267	40.2	46.4	8,750	3,580
1933 ...	4,734	1,258	3,398	794	112.8	81.8	923	351	29.1	50.9	8,750	4,166

Note.—Marks and Spencer figures relate to twelve months to March 31st of following year.
† i.e. Proportion of each year's total profits, available for ordinary, retained in the business.

frequent geographical proximity of existing stores is either accidental or the expression of the well-founded view that the *clientèle* which has visited one may be disposed to visit the other. On the other hand, though the two chains are in many respects complementary, suggestions of eventual amalgamation, when unofficially mooted, have been invariably and convincingly denied. So long as the executives of the two groups maintain their present distinctive character and personality, such an occurrence appears most unlikely.

The market has shown no lack of enthusiasm in valuing the equity prospects of either company. The 5s. ordinary shares of F. W. Woolworth, which were offered for sale at £2 in June, 1931, and dipped under 70s. last year, are now quoted at 115s. The 10s. ordinary shares of Marks and Spencer, which three years ago were as low as 68s., are now standing at 236s. 3d. The yield on the Woolworth share, on an 80 per cent. dividend basis, is £3 9s. 9d. per cent., while the yield on earnings of 112.8 per cent. for 1933 is £4 18s. per cent. Marks and Spencer ordinary yield only £1 9s. 9d. per cent. on the 35 per cent. cash dividend which has been paid for the last three years and £3 9s. 3d. per cent. on last year's earnings of 81.8 per cent. A capital bonus has regularly been paid for the last six years, its rate being raised from 10 per cent. to 12½ per cent. this year. Though this series of bonuses cannot legitimately be taken into account in any calculation of the income yield of the shares, it gives them a certain attraction to supertax payers. The operation of the law of compound interest, however, steadily raises the amount which it is necessary to capitalise, year by year, from general reserve for this purpose. The 10 per cent. capital bonus of 1929 required only £60,000, while the 12½ per cent. capital bonus of 1934 required £120,788. The company's bonus policy, in fact, may be regarded as a characteristic and not inappropriate phenomenon of its period of "geometric" expansion, and its duration may be governed by the same consideration. The prices of the two companies' equity shares clearly reflect the distinction drawn by the market between the prospects of an ordinary share of high "industrial" status, whose earnings, over a period, may be fairly progressive, and a share which may still have some years of geometric expansion to come. Will the market's expectations, in this respect, be borne out?

Critics of the rapidity of the rise in quotations, particularly of the shares of Marks and Spencer, in the last few months, have tended to stress two possibilities. The first is the potential growth of new competition. As yet, no potential competitor approaches even remotely the size and scope of either of the two great fixed-priced store companies, but, in any trade, spectacular prosperity affords a standing invitation to competitive enterprise. It was announced, a month ago, that the Great Universal Stores, which had previously confined itself to mail-order business, had decided to establish a chain of retail stores in the industrial areas of the country at an eventual rate of about twelve stores each year. The older fixed-price store companies may, however, enjoy a substantial degree of protection against the activities of new entrants, less on account of the long start they have obtained in the race, than by virtue of the fact that, though their profits may appear large in proportion to their issued capital, their margin per unit of turnover is relatively small. The existing small retailers, in fact, may have more to fear, in this regard, than the well-established chain stores.

A second, and possibly more valid, criticism is concerned with the extent to which the upward trend of chain-store profits in the last few years has been influenced by the abnormal decline in commodity prices as a whole. This factor has not only reduced replacement costs, in a trade which depends on ultra-rapid turnover of stock, but—even more important—has expanded the field of merchandise to which its operations are relevant. If a tendency towards higher price levels were established over the next few years, ingenuity in reducing costs and devising new lines might not necessarily be sufficient to offset its results. Broadly, such an adverse influence might be expected to be most potent in the lower price ranges, while its effects, in the higher ranges, might be sensibly mitigated by the improved purchasing power of customers which would presumably accompany a rise in the general price level.

INVESTMENT NOTES

"Closed on Saturdays."—"The Stock Exchange will be closed on Saturdays until further notice." This laconic announcement by the Assistant Secretary of the London Stock Exchange marks the temporary abandonment of a post-war experiment which, though laudable in intention, was unfortunate in the moment of its inception, and fell through lack of support from those for whose benefit it was primarily designed. It may be taken for granted that considerations of personal convenience influenced only a negligible proportion of the members who decisively voiced their preference for Saturday closing in last week's "petitions." Members have the best of reasons for refusing to quarrel with their bread and butter. If the clients of the Stock Exchange had evinced an unmistakable disposition to take advantage of the facilities of Saturday markets, their retention would never have been in doubt. The volume of Saturday business, however, has been suggestively and sometimes dangerously small, and certain large institutional investors have even gone to the length of insisting that orders placed after the close of dealings on Fridays should not be executed until the following week. A somewhat more helpful attitude on the part of certain ancillary City institutions might possibly have enabled the experiment to be carried out under slightly more favourable auspices. Broadly, however, it may be concluded that seventeen years of Saturday-less markets, before September, 1931, established a settled habit among investors, and the reopening policy has encountered the fate of all efforts to "put back the clock."

* * *

I.F.S. Land Bonds.—We have received from the Secretary to the High Commissioner for the Irish Free State a further letter covering a statement made to the Press under the authority of the Minister for Finance. This statement summarises the contentions made in the Secretary's letter to the *Economist* of September 8th, given *in extenso* on page 492 of our issue of September 15. It shows that the Land Acts render it legally impossible to include the £10 millions of Land bonds, which have not yet been allocated to individuals, in the forthcoming drawing, and confirms the fact that (for reasons described in the original letter) the amount of the drawing has been reduced from £300,000 to £255,000. Pressure has been exerted recently in some quarters for the withdrawal of a quotation from the I.F.S. 4½ per cent. Land bonds in the London Stock Exchange List. After the official explanation, these efforts will presumably be abandoned. Once the drawing has taken place, the price of the bonds may gradually approach somewhat nearer to that of their Northern Irish counterparts.

* * *

Proprietary Medicine Finance.—This week's public offer of 4,000,000 5s. ordinary shares in Eno Proprietaries, at 11s., follows within three months upon an issue by Griffiths Hughes Proprietaries, controlling the manufacture and sale of "Kruschen Salts" and other branded products. Both Montagu and Capulet, the representatives of hot and cold water, have now made their appeal to the highest tribunal. The amounts involved have been substantial. Griffiths Hughes Proprietaries has a total share capital of £2,500,000, worth, at present market valuations, approximately £4,750,000. Eno Proprietaries has a total capital of £2,000,000, worth £3,250,000 on the basis of issue prices. Both companies have taken over old-established businesses. Both are characteristic of the Age of Advertising, and their shares must be judged by somewhat different investment canons from those of companies engaged in most manufacturing industries. Some of these canons were discussed in the *Economist* of August 4th last, page 233. The market valuation of a patent medicine share includes, quite legitimately, a substantial allowance for "goodwill" and quasi-monopoly. Though there is no inevitable secrecy in patent

medicine manufacture, investors in established companies buy "names" protected by heavy past and present expenditure on advertising. "Fixed assets" may be strikingly small. The net total shown in the "Kruschen" prospectus was but £410,140, and in the "Eno" prospectus £624,770—exclusive of goodwill in both cases. A newly-established proprietary article share is, therefore, among the most speculative of all possible propositions. Even a well-established share should be priced to give a yield appreciably above the average, if the product is liable to be affected by changes of public taste. Both the companies under present discussion, happily, exist to provide physiological "satisfactions" which large numbers of people regard as desirable at all times. The price of earnings, however, is eternal vigilance. It is the more regrettable, therefore, that neither prospectus gave any particulars of the amounts spent on advertising during the periods for which profit figures were provided. The latter were themselves eloquent of the liability of patent medicine earnings to wide fluctuation.

EARNINGS, ACCORDING TO PROSPECTUS FIGURES

Financial Year	Griffiths Hughes Prop. Prospectus*	Eno Prop. Prospectus	Five Years' Average = 100	
			Griffiths Hughes Prop. Prospectus	Eno Prop. Prospectus
1929	190,739	307,566	50	104
1930	274,055	291,610	72	99
1931	526,172	326,163	138	111
1932	469,964	301,801	123	103
1933	451,370	242,866	118	83

* Twelve months to March 31st of following year in each case.

Next to total turnover, advertising expenditure is the most important item in the determination of annual profits, and it is not suggested that this item is constant. A company which decided to rest on its oars for a year or two might show a surprising ostensible increase in its net profits, but such a policy might well be literally equivalent to the payment of dividends out of "capital." No critic would suggest for a moment that the able managers of both Griffiths Hughes and Eno are not the best judges of the amount of expenditure, under all headings, calculated to provide a maximum return. It would, however, be distinctly helpful if future "proprietary" prospectuses and annual reports were to disclose detailed figures bearing on this all-important question.

* * *

Tea Scheme For Russia.—In the last few days there have been signs of a reversal of the downward tendency in tea prices and share values, to whose implications we drew attention in an article on page 495 of our issue of September 15th last. Although the welcome phenomenon may have been influenced only indirectly by the publication of details of a scheme drawn up by the International Committee for increasing the consumption of black tea in the U.S.S.R., the latter is regarded as an event of much importance by the industry. It is proposed to form a private company (under some such style as Anglo-Russian Tea Trading Company) to buy tea for cash and re-sell it to Russia on twelve months' credit. It is suggested that the company should have a nominal capital of £125,000, in 2,500,000 shares of 1s., to be issued at 20s., of which 1s. per share would be paid on allotment, and the premium of 19s. would be callable as and when required. The company is to be organised and controlled entirely within the industry. India, Ceylon and the Dutch East Indies are to form holding companies, which will participate in the Anglo-Russian Company in proportion to the standard exports, under the restriction plan, of the companies they represent. The company will buy tea, in auction, at the four main marketing centres—London, Amsterdam, Calcutta and Colombo. Its re-sales to Russian buyers will be designed to realise merely a nominal profit, for the price charged will cover simply costs plus 1 per cent., or some other small figure fixed by arrangement. The Russian buyers, further, will pay interest, at an agreed percentage, on their twelve months' sterling drafts. If the latter are not met on their due dates, the Governments of the three producing areas will levy cesses to the amount of the



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losses. Some of these details have a tentative appearance, and, if the industry accepts the scheme, there is room, possibly, for their modification. The method of selling on twelve months' credit is not new, but experience since the inception of the export regulation scheme has shown that the question is too big to be tackled by individual companies. By pooling the "risk," it is calculated that an increase of Russia's consumption by 40 million pounds of tea per annum, on an average basis of 1s. 3d. per pound, would involve producers in a liability of no more than 3d. per pound of their standard exports, even if Russia were to default on the entire amount. On the other hand, the possibility of adding £2,500,000 to the total value of the industry's annual sales is obviously attractive.

* * *

Rhodesian Copper Outlook.—The recent course of the copper share market has suggested in unmistakable fashion that the market's anticipations regarding the principal Rhodesian mines, whose accounts are expected during coming weeks, are considerably less roseate than original estimates. It is a tribute to their satisfactory mining costs that the shares of these companies have been recessive rather than pronouncedly weaker, but the feeble course of the metal market under the unabating sales of American electro stocks and the failure of consumers' demand to show adequate recovery powers are undoubtedly disappointing hopes of immediate large profits from the new producers. The first factor—a direct consequence of an artificial "code" price of 9 cents—is now less serious, but although the market is looking "sold out," revival in trade demand is yet to seek, owing largely to import restrictions to Germany. In some market circles it is pointed out that producers' sales policy has been unchecked despite the low price, and that tonnage is being sold for a considerable distance ahead with apparent indifference to the further deterioration of quotations. Such statements lend interest to the persistent reports that a meeting of principal producers will take place early next month, when the feasibility of some plan of action will be explored. The prospects for such a project are discussed in a "Note" on page 581 of this issue. The output figures published by the Rhodesia Chamber of Mines reveal that during the year to June last there was no regular trend of growth. It would be rash to interpolate from the tonnages, but the strongly marked quarterly variation may possibly be interpreted as a sign of an informal common policy among Rhodesian producers. As these companies are believed to sell their current mine production forward, implications of a reckless sales policy may be discounted. It is, perhaps, a more likely assumption that the achievement of record low costs by a satisfactory scale of mining gives the new Rhodesian producers greater assurance of profit than a restrictive policy in which higher cost producers would inevitably share the benefit. For these reasons, and with the recollections of the failure of an earlier scheme in the autumn of 1932 fresh in their minds, it would seem that

a change in their heart might be difficult to secure. Undoubtedly the lesson of the tin restriction scheme would ensure caution if restriction discussions were to eventuate. For the moment, the share market is merely disposed to temporise, although current quotations of 85s. and 23s. 6d. for Rhokana and Roan Antelope show appreciable decline from the levels of June. The market is now canvassing maiden dividend possibilities, but the speculative investor should have little to lose by awaiting the full reports in order to appreciate the position under a regime, since the end of their financial year, of lower copper prices.

* * *

Actuaries' Investment Index.—The share markets this week have suggested that speculative investors have reached the conclusion, assisted partly by works, but largely, as yet, by faith, that further earnings expansion is indicated for leading industrial shares. The calculation of the Actuaries' industrial share index at 72.7 on Tuesday last compares with 71.2 a month ago and 67.6 a year ago (December 31, 1928 = 100), the corresponding yield figures being 3.65, 3.68 and 3.61 per cent. respectively. Meanwhile, the gilt-edged market continues its search for Keynesian levels, on the assumption that further economic recovery is not destined to cause a perceptible upswing in long-term interest rates. Comparative movements of important groups are shown below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			(Yields %)		
	Year ago (Sept. 26, 1933)	Month ago (Aug. 28, 1934)	Present (Sept. 25, 1934)	Year ago (Sept. 26, 1933)	Month ago (Aug. 28, 1934)	Present (Sept. 25, 1934)
Fixed Interest						
British Government (2)	123.5	130.2	132.2	3.49	3.31	3.26
Miscell. indus. deb. (12)	117.6	122.1	122.7	4.54	4.12	4.10
Do. Preference (42)	109.0	115.1	117.1	4.61	4.42	4.35
Ordinary						
Building materials (4)	66.8	84.5	84.1	3.79	4.12	4.24
Coal (6)	92.8	88.1	89.2	2.69	4.06	4.17
Iron and steel (6)	41.6	51.2	52.2	2.13	1.25	1.26
Oil (5)	67.4	62.6	62.6	3.47	4.69	4.70
Home rails (4)	79.9	77.6	78.3	1.39	1.54	1.49
Shipping (3)	22.8	15.0	17.3	0.82	...	...
Miscellaneous (50)	58.0	62.5	64.8	3.55	3.90	3.82

The gradual progress of industrial shares towards the Spring "highs" is fairly spread among the main groups, although market interest is selective, owing to speculative caprice. Shipping shares, whose citation in our selection from the Actuaries' Index is something of a *curiosum*, have made sympathetic response to this week's event at Clydebank and to the slight improvement in international trade prospects.

COMPANY NOTES

Textile Machinery Companies.—The profit record of the textile machinery manufacturers during the post-war period corresponds fairly closely with that of the textile finishers. The latter, as a relatively well organised group in, but not of, the textile trade proper, occupy a position similar in many ways to that of the machinery makers. Both the machinery makers and the finishers were able, for a number of years, to avoid the worst of the depression into which the textile trade proper was declining. But both were ultimately overtaken by the same troubles. As the machinery makers supply capital equipment, the collapse in their profits was the more rapid. After two relatively good years in 1928 and 1929, the majority of concerns suffered a sharp fall in profits. As a number of companies, however, had previously been making only meagre profits, and were somewhat weakly financed by bank loans or short-term notes, the deterioration in business brought a temptation to cut prices, which was increased by the competition of second-hand machinery. As the total number of Lancashire's spindles had been falling steadily since 1927, the excess supply had to meet a sub-normal demand. Until the depression opened, a very substantial export business went some

way towards making good the decline in home custom. At the last meeting of Platt Brothers, Sir William Preston recorded that against only £5,000,000 spent by British textile manufacturers on new machinery since the war, foreign countries had spent some £95 millions. Our export of textile machinery for both 1928 and 1929 was valued at over £11.6 millions. In 1930 this fell to £8.6 millions, and for 1931, 1932 and 1933 it was £5.3 millions, £5.5 millions and £5.2 millions respectively. Under pressure of these serious difficulties the machinery manufacturers attempted to form a comprehensive combine by the establishment, in September, 1931, of Textile Machinery Makers, Ltd. The combine, however, failed to secure the adherence of several important units, and serious price cutting continued. It

(PROFITS IN £'000)						
	1929	1930	1931	1932	1933	1934
Textile Machinery Makers, Ltd., Group						
Brooks and Doxey (Mar. 31):						
Earned for div.	4.3	Dr. 16.9	Dr. 22.7	Dr. 15.8	Dr. 3.9	Dr. 2.9
Div. paid %	Nil	Nil	Nil	Nil	Nil	Nil
Dobson and Barlow (June 30):						
Earned for div.	32.9	Dr. 28.1	Dr. 35.8	Dr. 1.5	Dr. 1.9	0.8
Earned %	8.2	Nil	Nil	Nil	Nil	0.3
Div. paid %	9	2½	Nil	Nil	Nil	Nil
J. Hetherington (Mar. 31):						
Earned for pref.	54.6	Dr. 53.3	Dr. 73.9	Dr. 29.2	Dr. 10.0	Dr. 7.3
Earned for ord.	10.7	Nil	Nil	Nil	Nil	Nil
Div. paid %	7½	Nil	Nil	Nil	Nil	Nil
Howard & Bullough (Mar. 31):						
Earned for ord.	46.4	Dr. 23.3	Dr. 66.2	9.6	2.2	Dr. 3.7
Earned %	3.1	Nil	Nil	1.0	0.2	Nil
Div. paid %	8½	2½	Nil	1½	1½	1½
Platt Brothers (Mar. 31):						
Earned for pref.	87.2	25.3	Dr. 138.0	Dr. 60.3	24.2	45.2
Earned for ord.		No ordinary dividends paid.				
Independent Companies						
Fairbairn, Lawson, Combe, Barbour (Dec. 31):						
Earned for pref.	Dr. 13.5	Dr. 99.4	Dr. 56.4	Dr. 90.5	Dr. 84.4	...
Earned for ord.		No preference dividends paid.				
Mather and Platt (Dec. 31):						
Earned for ord.	208.4	82.3	55.1	87.0	47.1	...
Earned %	15.3*	6.0 f.t.*	4.0	6.5	3.5	...
Div. paid %	15*	10*	6	6	6	...
Tweedales and Smalley (April 30):						
Earned for ord.	70.2	55.6	Dr. 3.3	Dr. 15.8	32.1	22.3
Earned %	15.7	13.0	Nil	Nil	7.5	4.9
Div. paid %	15	10	7½	Nil	6	6

* Tax free.

was only in the autumn of 1933 that an agreement was finally reached to put an end to the trouble. Since then there have been indications of steady improvement. Employment reports for the trade have been better, and exports are running ahead of 1933, with £4,388,520 for the first eight months, against £3,392,233. Company chairmen, too, have been expressing better hopes. The considerable revival in orders for linen and jute machinery which accompanied incipient revival in jute and linen textiles suggests that revival in Lancashire should bring similar improvement. There would also seem to be room for further revival in exports. Beyond these general hopes of normal participation in recovery there is the possibility that Lancashire may decide that re-equipment is the only means to survival. The accompanying table indicates that there is, in any case, room for substantial recovery.

* * *

United Steel Report.—In a Company Note of September 8th, page 454, we set out the preliminary figures of this company, which significantly exceeded even the gratifying estimate made in the prospectus issued in connection with a "deal" in 4½ million shares last May. The full report for the year to June 30th, now available, shows that recovery has approached the spectacular. Although the company's output of steel increased only by 50 per cent., from 905,000 tons to 1,351,500 tons, the economies of a higher rate of operation in relation to productive capacity are reflected in an increase in the balance of trading profits of 136 per cent.—from £506,034 to £1,191,665. The

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(Incorporated under the Companies Act, 1929.)

SHARE CAPITAL - - £2,000,000

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Authorised.	Issued and fully paid.
£1,000,000 in 5½ per cent. Cumulative Preference Shares of £1 each	£1,000,000
1,000,000 in 4,000,000 Ordinary Shares of 5/- each	1,000,000
£2,000,000	£2,000,000

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 FREDERICK VANDEN HEUVEL, O.B.E. (British: formerly Italian), *Managing Director, J. C. Eno Limited.*
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 EDGAR STEVENS SPICER, *Director, J. C. Eno Limited.*

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Brokers:

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 WISE, SPEKE & CO., 53, Grey Street, Newcastle-upon-Tyne, and Stock Exchange.
 S. M. PENNEY & MACGEORGE, 24, George Square, Glasgow, C.2, and Stock Exchange.

Solicitors:

To the Offer: ALLEN & OVERY, 3, Finch Lane, Threadneedle Street, London, E.C.3.
 To the Company: SLAUGHTER & MAY, 18, Austin Friars, London, E.C.2.

Auditors:

PEAT, MARWICK, MITCHELL & CO., 11, Ironmonger Lane, London, E.C.2, *Chartered Accountants.*

Secretary and Registered Office:

DOUGLAS WILLIAM HOWARTH, A.C.I.S., 160, Piccadilly, London, W.1.

LONDON AND YORKSHIRE TRUST LIMITED

announce that the List of Applications for the Offer for Sale of the above 4,000,000 Ordinary Shares of 5s. each at 11s. per Share, which opened on Friday, the 28th September, was closed at 9-5 a.m. the same day, the Offer having been heavily over-applied for. The 1,000,000 5½ per cent. Cumulative Preference Shares of £1 each were placed privately by the Trust at 21s. per Share.

company's maiden dividend, under its new auspices, of 5½ per cent., is paid out of earnings of over 9½ per cent. :—

	Years to June 30		
	1932	1933	1934
Balance of trading profits*	330,289	506,034	1,191,665
Directors' fees	6,704	6,770	7,053
Loan and mortgage interest.....	85,522	84,159	83,294
Income tax	50,709	63,667	153,638
Net balance	187,354	351,438	947,680
Central depreciation reserve	175,000	250,000	275,000
Taxation reserve	...	...	150,000
Staff Provident Fund.....	...	...	25,000
£1 shares { Earned	12,354	101,438	497,680
Paid	Nil	Nil	282,023
Earned (%)	0.2	2.0	9.6
Paid (%)	Nil	Nil	5½
Total carried forward.....	128,942	230,380	446,037

* Including gross dividends on shares in subsidiary companies (less reserve for losses of subsidiaries) before providing for depreciation; also including gross income from associated companies and subsidiary investments.

The company, very wisely, has applied a considerable proportion of the year's profits to the strengthening of the internal position. The central reserve for depreciation has been brought up to £900,000, some £150,000 has been placed to taxation reserve, and the "carry-forward" balance has been increased by £215,657. The position will be further improved by the consolidation of the loan capital of the company and its subsidiaries, which the directors propose to carry out at an early date. The amalgamation of the company's two subsidiaries in the North Lincolnshire iron and steel industry, under the name of Appleby-Frodingham Steel Company, will make for economies in management. The £1 shares, which were offered four months ago at 21s. 6d. have now risen to 22s. 6d., and it may be presumed that the issuing group will in due course exercise its option to purchase the remaining 2,077,000 shares at 23s. Although further improvement at the rate of the last two years can scarcely be expected, the possibility of higher dividends, in the near future, is likely to enhance the speculative appeal of the shares, which yield £4 17s. 9d. per cent. on last year's dividend and £8 10s. 9d. per cent. on earnings.

Murex.—After a decade of steady expansion, checked somewhat in 1931, the trading results of this welding and alloy company have shown rapid growth during the year to June last, which is indicative of the successful exploitation of the company's processes during a period of active construction. Total profits have increased by 100 per cent. to £156,812, but the reservation of £15,000 for obsolescence and £36,000 for staff pensions leaves the ordinary earnings little changed at 38.9 per cent. The table summarises the results of the three latest years:—

	Years to June 30		
	1932	1933	1934
Total profits	76,332	78,721	156,812
Depreciation	4,951	5,265	20,567½
Taxation	10,000	8,000	25,190
Pension fund	...	...	36,000
Expenses, bad debts, etc.....	7,125	10,044	6,620
Earned for dividends	54,256	55,412	68,435
Preference dividends	...	3,500	3,500
Ordinary Shares { Earned	54,256	51,912	64,935
Paid	48,960	41,966	58,419
Earned %	38.8	37.1	38.9½
Paid %	35	30	35½
Carried forward	34,204	44,150	50,666

† Including £15,000 to obsolescence reserve. ‡ Earned percentage on new capital 29.2 per cent. 76,966 new ordinary shares ranked for dividend from October 1, 1933, only.

In view of the expansion of the company's existing market, shareholders are likely to give a warm reception to the proposal to issue 90,000 new 10s. ordinary shares at

£4 per share, necessitated by new developments which are under contemplation. Additional zest will be given by the subsequent bonus issue of 540,000 shares, which is conditional upon subscription of the cash issue, since the general reserve fund at June 30th amounted to only £145,680. Although this operation will be in the nature of a return of premium, the wider marketability of the shares, after consolidation to £1 each, will be advantageous. The balance sheet, which is commendably accompanied by a consolidated statement, indicates a strong liquid position, despite considerable expansion of "active" items. The need for new financing, therefore, may be taken to imply that a considerable further increase in fixed assets is in prospect. The 10s. shares are quoted at 6½ ex dividend, and, after deduction of "rights," valued at 10s., the yield is calculated at nearly £3 1s. per cent.

Austin Motor Report.—The report for the year to July 31st last confirms the impression given by the bonus announcement (discussed in our last week's issue) that in all respects 1933-34 has been a banner year in the company's history. The numbers of vehicles and chassis sold showed an increase of 24 per cent. in the home market and of 16 per cent. in the export market, and the gross trading profit was 27 per cent. higher at £1,505,212. The eight-year "profit record" which accompanies the balance sheet is a tribute to the management. On the basis 1927=100, gross trading profits for subsequent years have been as follows:—90 (15 months), 135, 89 (7 months), 143, 112, 123, 157. The total amount put to maintenance and depreciation for 1933-34 is £626,932, which is equivalent to 41½ per cent. of the year's trading profit and more than one-fifth of the balance-sheet valuation of buildings, plant, etc. Over the last eight years, indeed, the company has devoted more than one-third of its gross profits to maintenance and depreciation. The total ordinary dividend of 100 per cent. is four times covered by last year's earnings:—

	Years to July 31		
	1932	1933	1934
Gross trading profit*.....	1,078,145	1,188,440	1,505,212
Directors' fees	2,964	3,000	2,000
Maintenance of buildings, plant, etc.	292,655	365,625	480,218
Depreciation	101,139	116,762	146,714
Income tax	156,000	125,000	160,000
Debt interest	135,000†	71,255	55,000
7% preference dividend	12,906	13,125	13,344
6% "B" pref. dividend.....	60,000	60,000	60,000
Preferred ordinary dividend.....	112,500	112,500	116,250
Ordinary { Earned	204,981	321,173	471,686
Paid	56,250	112,500	116,250
Earned (%)	182.2	285.5	405.7
Paid (%)	50	100	100
To capital reserve.....	...	70,396	50,000
To general reserve	100,000	100,000	300,000
Total carried forward.....	319,220	357,497	362,933

* Including discounts, dividends and interest received. † Interest £80,000 and sinking fund £55,000.

Out of the £450,000 which is to be capitalised by way of a bonus of three new "A" ordinary shares for each existing ordinary share, announced last week, as much as £355,436 has been retained out of last year's earnings alone. The balance sheet is strong, as one would expect. Liquid assets (including stock-in-trade but excluding tools) total £2,690,594, against accrued charges and trade creditors of £762,884. The capital proposals will be considered at an extraordinary general meeting on October 24th. The company has clearly obtained an increasing share of the domestic car market, and the decision to broaden the ordinary capital basis does not involve or infer any departure from the conservative financial policy which has stood it in such good stead in recent years. The shares are now quoted at 7½, cum bonus.

Harrisons and Crosfield.—The report of Harrisons and Crosfield for the year to June 30th last is a statistical discourse on the text of Eastern recovery. Working profit has risen by 22 per cent. from £214,339 to £261,504. This figure, the highest since 1930, is equivalent to a rise of 44 per cent. from the low point touched in 1932. The deferred ordinary dividend is doubled at 20 per cent., out of earnings of approximately 21 per cent. The market, rightly or wrongly, has interpreted this division up to the hilt as a symptom of directorial confidence in the near future:—

	Years to June 30		
	1932	1933	1934
Profit on working*	182,032	214,339	261,504
Directors' remuneration	15,000	15,000	†
Preference dividend	37,800	37,800	37,800
Preferred ordinary dividend	100,000	100,000	100,000
Total deferred ordinary dividend	19,333	38,666	77,333
Total dividend on management shares	1,250	2,500	41,166
Deferred { Earned (%)	6.5	13.5	20.9
Ordinary { Paid (%)	5	10	20
Total carried forward	108,978	129,351	134,556

* After providing for bad and doubtful debts, depreciation and income tax.

† Directors drew £12,500, but refunded this amount, paid on account, pending alteration of No. 92 of company's articles.

The increased tempo of the company's business is reflected in a decline of surplus liquid assets of approximately £165,000. For the first time for some years, the market value of the company's investments in rubber, tea and other produce companies shows an excess of market value over book value, so that the special reserve of £350,000, previously set aside, remains intact. Subject to the absence of a further fall in tea prices, the outlook for the company's activities appears more promising than at any time in the last four years. The £1 deferred ordinary units, at 6½, yield only £2 17s. 9d. per cent. on a 20 per cent. cash dividend. Holders, however, are entitled to subscribe at par for new deferred shares to the extent of half the dividend declared in excess of 10 per cent., less tax, which is at 4s. in the £ in the case of this company. Thus, in the present instance, holders of £100 of deferred stock may obtain, at 20s., four new £1 units of stock with a market value of £27 15s.

Consolidated Main Reef.—Impressive figures are given in the report of this company to June 30th last, writes our mining correspondent. Thanks to alterations and additions to the treatment plant, the tonnage crushed—1,042,000 tons—exceeded the previous year's total by nearly 150,000 tons. This factor was mainly responsible for a reduction of 11d. per ton in costs. As in other cases, the enhancement in the price of gold more than offset a reduction—about 1½ dwts.—in average yield. Last year's operating profit of £601,300 compares with £410,380 in 1932-33 and £180,640 in 1931-32. Dividends, however, have risen only to 17½ per cent., against 13½ per cent. and 12½ per cent. respectively, owing to the incidence of taxation and capital expenditure incurred for additions to the plant. The balance carried forward is £181,420, against £149,840 brought in. The most striking feature of the report is the change revealed in the ore reserve position. Last year's development footage totalled 80,090—an increase of 24,120 feet compared with the total for the preceding year. On the basis of 1932 conditions, the available ore reserves show a small decrease both in quantity and value. After including material payable under present conditions, however, the tonnage (excluding shaft and safety pillars) amounts to 5,787,090 tons, averaging 5.1 dwts., and representing, after allowance for sorting, about five years' supply for the mill. This is a somewhat exceptional position for a Rand company. The portion of farm Klipspruit No. 8 on the dip (owned by the company) having been "proclaimed," the company has been awarded 143 claims and has applied for a lease of the remaining area, equivalent to 521 claims. If this ground is secured—as appears probable—the question of "life" will not assume importance for some considerable time.

Given capital expenditure on a reduced scale, the outlook promises some increase in future dividends. On last year's rate the yield is 6 per cent. gross—a moderate return which is accepted owing to the soundness of the position indicated above.

Nourse Mines.—The report of the Nourse mines, from June 30th last, reflects the results of certain minor interruptions to work, the tonnage crushed having actually fallen slightly below that of the preceding period. The yield averaged 4.9 dwts., against 5.6 dwts., but owing to the rise in the price of gold the revenue was 32s. 6d. per ton, as compared with 28s. 8d., and the gross profit £370,050, against £228,910. Taxation absorbed an increased sum, and a new debit item appeared by way of £16,790 for the Witwatersrand Gold Mines Employees Provident Fund. Dividends totalling 18½ per cent. (against 13½ per cent.) left a somewhat increased balance of £110,290 to go forward. The underground position required a reduction in the development footage, but the ore reserves at the standard price of gold, nevertheless, showed a small rise, their total, including material payable under present conditions, being 3,580,800 tons, averaging 4.9 dwts. The consulting engineer's report suggests the possibility of some falling off in profits, owing to the necessity of conserving ore reserves pending the opening up of the intact south-eastern area of the mine. Shareholders, accordingly, may be prepared for a temporary reduction in the rate of dividend.

Other Company Results.—Our summary table of profit and loss accounts, which is to be found on page 614 of this issue, includes results of 28 companies not discussed in preceding notes. These show a very satisfactory series of "pluses," indicative of increasing spread of rising earnings over a wide range of industries during the first six months of this year. In the miscellaneous list, the slight increase in Ardath Tobacco profits must be regarded as satisfactory in view of the possible effects of the coupon truce upon the company's brands. Net profits amount to £460,206, and the dividend is maintained at 12 per cent., tax free. Good recoveries in this section include Sir J. L. Hulett, the South African sugar growers. Assisted by larger crops, a higher average price and freedom from exchange losses, net profits have advanced from £34,310 to £76,440, and the dividend from 2½ to 6 per cent. Linotype and Machinery profits show a rapid increase from £20,398 to £106,004, and further progress has been made to reduce long-standing preference arrears. London Express Newspaper net earnings of £148,001, in view of the newspaper armistice, are adequate for the payment of 10 per cent. on the ordinary shares. Residential property earnings are showing slight recovery, to judge from Queen Anne Mansions and Whitehall Court results. Clothing company earnings are benefiting from an improvement in replacement demand. Prices, Tailors net profits have risen sharply from £63,587 to £142,672, and the dividend is doubled at 30 per cent. J. Hepworth and Son also show a slight improvement. Further rubber reports continue favourable. The full report of Malayalam confirms the excellent impression of the preliminary figures noted here last week, and a reserve allocation of £35,000 has been made. The week's dividend declarations call for little comment. Marconi International Marine interim is unchanged at 2½ per cent., and Rolls Royce disappointed some optimistic market quarters by maintaining a 5 per cent. payment. Electric and Musical Industries is paying its first dividend of 10 per cent. on the ordinary shares. British Oxygen interim dividend on the ordinary shares is raised from 2½ per cent. to 4 per cent.

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Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Anglo-Siam Corporation, Bajoe Kidool Rubber and Produce, Chungloon Rubber Estate (1932), Gold Exploration and Finance of Australia, Clarendon Property, Associated British Picture Corporation, Anglo-Continental Guano Works, Prices, Tailors, and Kirklees. Presiding at the Anglo-Siam Corporation meeting, Mr William Greaves referred to the satisfactory financial position of Siam, and to signs of more settled conditions in India. At the meeting of Bajoe Kidool Rubber, the chairman declared that the outlook for coffee revenue which had shown marked contraction in the past year, pointed to a steady future price. The chairman of Chungloon Rubber stated that, on the basis of current prices, allowing for a possible restriction of output by 30 per cent., the company would be able to show a further improvement in the current year. At the meeting of Gold Exploration and Finance of Australia, Mr J. A. Agnew described the distribution of the company's interests in Kalgoorlie and other areas of Western Australia, Bendigo, Victoria, etc. At the Clarendon Property meeting, the chairman declared that, although the company had experienced normal changes of tenancies, the number of voids was less than at the time when the purchase was completed. Mr John Maxwell, presiding at the meeting of Associated British Picture Corporation, described the considerable addition to the volume of film production at Elstree made by the output of the Welwyn Studios of British Instructional films. At the Prices, Tailors, meeting, Mr H. P. Price declared that the company had only touched the fringe of its potential *clientèle*. The chairman of Kirklees stated that the company was now deriving full benefit in the increase in its production capacity, and would rely for its profits on ability to achieve a low cost of manufacture and not on higher selling prices.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

TICKET ACCOUNT
October 9 October 11

ENTERPRISING market meteorologists who profess to discern signs of steadier trade winds ensured an auspicious start for the new account. The course of gilt-edged has also continued on the windward tack, so that neither speculative nor institutional investors have had cause for dissatisfaction with the week's movements, despite the activity of the profit-takers in both markets. With business in full swing after the holidays, the industrial market in particular has reflected a more confident interpretation of the trade outlook, in place of recent questionings, and although speculative interest has flitted round the leaders, considerable business of an investment character has been transacted.

The gilt-edged market opened with assurance, following the unequivocal success of the Plymouth issue, but the sustained rise of earlier days tempted a certain number of profit-takers, whose operations persisted to Wednesday, after some recovery in tone at Tuesday's close. Quotations, in fact, were little affected on balance, and War Loan reached a new "high" at 105½ on Tuesday. India Loans were firm and steady, and although business in other Dominion issues tended to decline, interest in Australian loans was fairly sustained. Some home corporation three per cent. stocks were bought following the one point premium for the new Plymouth scrip.

Foreign bonds, which opened in active fashion, failed to maintain their recent firm tone. Brazilian issues were realised on Monday, and a partial recovery on Tuesday was not sustained. Support for Chilean bonds sagged owing to revised prospects of a debt settlement, but Argentine loans were consistently firm. Among Eastern issues, buyers were attracted to Japanese bonds on the Chinese Eastern Railway settlement, although they were less assured about its possible consequences on later days. Chinese loans were quietly firm. German bonds rallied a little in consequence

of the new exchange arrangements, but Roumanian issues provided the main feature in the European market on the debt agreement.

The home rail market remained a prey to strike fears, and an improving tendency early in the week was checked by news of difficulties on Tuesday afternoon. Favourable traffics, however, infused fresh heart into the market, and quotations made further advance on Thursday, on renewed hopes of a settlement in South Wales.

Idle conditions prevailed in the foreign rail market. Argentine issues failed to reflect either poor traffics or an enforced wages settlement. Brazilian issues were firm, and Nitrate Rails received some speculative attention. Canadian Pacific made further advance.

In the industrial markets a confident start was somewhat checked by the cashing of speculative profits, but a solid core of selective investment buying was at all times in evidence. The motor section was particularly active, under the lead of Ford, whose rapid advance was checked by heavy sales on Tuesday and Wednesday. Austin were active but recessionary, and among commercial motors, Leyland displayed strength. Aviation issues were realised after earlier firmness. "Heavy" industrial issues attracted attention, although price movements were only fractional. Electric supply shares were in steady investment demand, and equipment shares in several cases were higher. Business in textile issues remained limited, and if rayon shares were more active, they had no regular trend. In the Stores group, Woolworth (whose prospects are discussed in a leading article on page 591) were prominent on dividend hopes. Apart from a tentative advance in Guinness, brewery shares were not exciting, but interest in tobacco shares prompted an all-round advance led by Imperial Tobacco. Shipping issues derived support from the launching of the new Cunarder. The miscellaneous group was particularly influenced by mid-week profit-taking, but good business was transacted in leading favourites, while active "junior" leaders, such as British Oxygen, Murex (whose results are set out in a Note on page 596) and the cement group made further progress early in the week. Turner and Newall continued strong, and Dunlop were in request on interim dividend hopes.

Business in the oil market was more active than in recent weeks, and quotations showed a favourable, though limited, response. Turnover in the rubber market followed a declining course in sympathy with Mincing Lane, but prices were little affected in the absence of selling. Tea shares maintained a promising opening, under the influence of the Russian scheme outlined on page 593, and activity in low-priced Indian issues spread to Ceylon shares as the week progressed.

In the mining market, "Kaffirs" were maintained at levels which promised little to the hardy speculator, the investment character of the leading issues having been fully exploited at present prices. Professional interest found most opportunity in the West African market, which saw active trading in the more speculative new ventures. Australian gold shares were quiet and irregular. Tin share bargains were sought by professional operators following the rise in the metal, and suggestions of a copper conference (which are reviewed in a Note on page 593) were held to justify a mild rally in Rhodesian shares.

"FINANCIAL NEWS" DAILY BARGAIN INDEX

(Approximate number of Bargains recorded in Stock Exchange Lists)

	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934	Sept. 27, 1934
Government and Municipal Loans	1,613	1,461		1,633	1,240	1,396	1,199
Transport Communications, and Public Utilities...	1,069	1,011		1,251	1,031	924	1,022
Commercial and Industrial*.....	3,710	3,585		4,357	3,821	3,810	3,398
Banks, Insurance and Financial ...	699	664	Closed	673	680	793	562
Mines (including Nitrate).....	1,398	1,621		1,464	1,301	1,244	1,312
Oil.....	130	120		184	185	179	153
Rubber, Tea and Coffee.....	510	466		678	616	413	476
Total.....	9,129	8,928		10,240	8,874	8,759	8,122
Corresponding day in 1933.....	7,738	7,822		9,128	7,030	7,872	8,365

* Including iron and steel and breweries.

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

Highest of 1934 (May 10)	Lowest of 1934 (Feb. 8)	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934	Sept. 27, 1934
90.4	83.5	88.6	89.0	Closed	89.5	90.0	90.2	90.0

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Sept. 27)	Lowest of 1934 (Jan. 2)	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934	Sept. 27, 1934
134.7	128.8	134.3	134.5	Closed	134.6	134.7	134.7	134.7

FOREIGN STOCK EXCHANGES

NEW YORK

THE settlement of the textile strike, and General Johnson's resignation from N.R.A., have had a marked effect on Wall Street. The elusive autumnal trade recovery may once again be only just round the corner. The steel mill activity index has taken a turn for the better, and although power output last week was fractionally below the figure for the corresponding week of 1933, improvement is looked for with the reopening of the textile mills. While conservative opinion continued to stress the fact that labour problems had been shelved and not resolved, market sentiment as a whole showed a disposition towards cautious hopefulness for the first time for some weeks. The share turnover rose from approximately 500,000 on Monday to over 800,000 on Tuesday and Wednesday, and prices showed measurable gains. Retail and "merchandising" shares were particularly firm, the August returns being encouraging. The bond market was featureless. Selling of Government issues ceased, but foreign bonds received a setback early in the week. The most speculative domestic industrial issues, however, were in fair demand, on the view that they would take the first impact of any autumnal recovery which might be experienced. The market is waiting, without visible excitement, to learn the effect of the regulations under which business will be done, by permission of the Securities Exchange Commission. At present, the revival in activity has fallen far short of the point at which "manipulation" finds a *raison d'être*.

	Sept. 19, 1934	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934	Sept. 27, 1934
Lb. Ln. 3½% '32-47 102½	103	103	103	103	103	103	103	103
Do. 4½% '32-47 103½	103½	103½	103½	103½	103½	103½	103½	103½
Do. 4½% '33-38 103½	103½	103½	103½	103½	103½	103½	103½	103½
Atchafalpa.....	48½	50½	50½	50½	50½	50½	50½	50½
Erie.....	10½	12½	12½	12½	12½	12½	12½	12½
Illinois Central.....	15½	16½	17	17	17	17	17	17
N.Y. Central.....	20½	22½	22½	22½	22½	22½	22½	22½
Pennsylvania.....	21½	23½	23½	23½	23½	23½	23½	23½
Southern Pacific.....	17½	18½	18½	18½	18½	18½	18½	18½
Southern Ry.....	15½	16½	16½	16½	16½	16½	16½	16½
Union Pacific.....	97	100	100	100	100	100	100	100
Am. Can.....	97	98	98	98	98	98	98	98
Amer. Smelting.....	34	34½	34½	34½	34½	34½	34½	34½
Anaconda.....	11½	11½	11½	11½	11½	11½	11½	11½
Bethlehem Steel.....	28	28½	28½	28½	28½	28½	28½	28½
Chrysler Motor.....	31½	32½	32½	32½	32½	32½	32½	32½
Corn Produce Rf.....	59½	63	63	63	63	63	63	63
Eastman Kodak.....	94½	98½	98½	98½	98½	98½	98½	98½
Gen. Electric.....	18½	18½	18½	18½	18½	18½	18½	18½
Gen. Motors.....	28½	29½	29½	29½	29½	29½	29½	29½
Int. Harvester.....	26½	29½	29½	29½	29½	29½	29½	29½
Mont. Ward.....	24½	26½	26½	26½	26½	26½	26½	26½
Natl. Biscuit.....	29½	29½	29½	29½	29½	29½	29½	29½
Phelps Dodge.....	14½	14½	14½	14½	14½	14½	14½	14½
Pullman.....	37½	39½	39½	39½	39½	39½	39½	39½
Sears-Roebuck.....	36½	39½	39½	39½	39½	39½	39½	39½
Studebaker.....	2½	2½	2½	2½	2½	2½	2½	2½
Un. Fruit.....	72½	74½	74½	74½	74½	74½	74½	74½
U.S. Leather.....	6½	6½	6½	6½	6½	6½	6½	6½
U.S. Rubber.....	15	16½	16½	16½	16½	16½	16½	16½
U.S. Steel.....	31½	32½	32½	32½	32½	32½	32½	32½
Westinghouse.....	30½	32½	32½	32½	32½	32½	32½	32½
Woolworth.....	47½	48½	48½	48½	48½	48½	48½	48½
Am. Tel. and Tlg.....	110½	112½	112½	112½	112½	112½	112½	112½
Interboro R.T.....	14½	14½	14½	14½	14½	14½	14½	14½
Int. Tel. Teleg.....	9½	10½	10½	10½	10½	10½	10½	10½
Radio Corp.....	5½	5½	5½	5½	5½	5½	5½	5½
Utilities P. and L.....	2	2	2	2	2	2	2	2
W. Union Tlg.....	32½	34½	34½	34½	34½	34½	34½	34½
Associated Gas "A".....	21½	22½	22½	22½	22½	22½	22½	22½
Shell.....	6½	6½	6½	6½	6½	6½	6½	6½
Shell Union.....	32½	31½	31½	31½	31½	31½	31½	31½
Std. California.....	42½	43½	43½	43½	43½	43½	43½	43½
Do. N.J.....	42½	43½	43½	43½	43½	43½	43½	43½

† Calculated at \$4.97 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials ...	38.7	86.6	74.3	90.5	79.6	74.3	74.3	76.7
33 Rails	23.9	54.5	34.0	51.4	40.6	34.1	34.0	35.7
37 Utilities	66.8	101.0	62.1	83.4†	66.4	62.9	62.1	64.9
Total, 421 stocks .	40.9	83.4	65.6	82.1	70.8	65.7	65.6	67.9
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.90%	3.30%	3.80%

† February 7th.

(s) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Sept. 19, 1934	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934
105.0	76.0	80.9	81.2	82.9	82.8	82.1	84.1	83.6

TOTAL DEALINGS IN NEW YORK

	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934*	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934
Stock Exchange—Shares (Thous.)	490	710	280	510	840	800
Bonds (Value Thous. \$)	15,910	14,000	7,840	11,290	10,690	11,820
Curb—Shares (Thous.)	119	128	64	116	153	152

* Two-hour Session.

PARIS

After a cheerful start, market sentiment became uncertain and, at times, heavy. On Tuesday, in particular, Rentes were easier, and offers of bank shares disclosed a paucity of professional support. The weakness of Brussels had an unfavourable influence on Paris. In the middle of the week the market was a little steadier, but dealings lacked vigour and price changes were slight. Industrial shares were in intermittent demand, but the well-advertised decisions of the gold *bloc* countries to maintain the value of their currencies have always tended to diminish the demand for equity shares in general.

	Sept. 19, 1934	Sept. 20, 1934	Sept. 21, 1934	Sept. 22, 1934	Sept. 24, 1934	Sept. 25, 1934	Sept. 26, 1934
Banque de France.....	10,450	10,430	10,300	10,300	76	76	75½
Crédit Lyonnais.....	1,926	1,960	1,890	1,890	28½	28½	29
Suez Canal.....	19,445	19,305	19,105	19,105	77½	75½	76½
Chargeurs Réunis.....	113	114	111	111	54	53	53½
Rio Tinto.....	1,145	1,108	1,117	1,117	293	295	283½
Royal Dutch.....	15,350	15,420	15,390	15,390	255	240½	241
Wagons Lits.....					76	76	75½
Mexican Eagle.....					28½	28½	29
"Chartered".....					77½	75½	76½
Ford.....					54	53	53½
De Beers.....					293	295	283½
"Johnnies".....					255	240½	241

BERLIN

Share quotations changed little last week, minor gains on several days being counterbalanced by a somewhat general decline on Friday. Steel and engineering shares

HERBERT GREEN & COMPANY LIMITED

THE ISSUE OF

£150,000 6 per cent. First Mortgage Debenture Stock at par

290,000 7 per cent. Preferred Ordinary Shares of £1 each at par

and

585,000 Ordinary Shares of 1/- each at par

WAS OVER-SUBSCRIBED

AND THE SUBSCRIPTION LISTS WERE CLOSED AT 9.45 A.M. ON WEDNESDAY, SEPTEMBER 26TH, 1934

Brokers—

CREWS & CO., 30 Throgmorton Street, London, E.C.2
DALTON, LAMBERT & CO., Kingston Chambers, Hull
Registered Office of the Company—
THAMES HOUSE, MILLBANK, LONDON, S.W.1

were, on the whole, firm. The shares of Tietz department stores reached a new high level for the year. Farbenindustrie were lower, however, and most commercial bank shares reacted. The present week opened with a slightly lower level of share values, which was again in evidence on Tuesday. Some electrical issues, however, were better. Reichsbank shares dropped $1\frac{1}{2}$ points on the announcement of the suspension of the interim dividend. The shares subsequently suffered a sharp drop, and closed on Tuesday 143 $\frac{1}{2}$. The home bond market was firm. Among foreign securities Mexicans were strong. Conditions were firmer generally on Wednesday.

	Sept. 19, 1934	Sept. 24, 1934	Sept. 26, 1934		Sept. 19, 1934	Sept. 24, 1934	Sept. 26, 1934
Reichsbank	150.50	145.50	145.75	A. E. G.	28.75	27.75	28.00
D.D. Bank	73.75	72.00	72.00	Siemens & Halske	148.00	146.00	146.00
Dresdner (New)	76.00	74.50	74.50	A. K. U.	64.00	64.90	65.25
I. G. Farbenindustrie	145.00	142.25	143.75	Hamburg - Amer.	26.75	26.25	25.60
Norddeutscher Lloyd (New)	29.75	29.40	28.60	("Hapag New")	26.75	26.25	25.60

AMSTERDAM

The market opened dull, with a tendency to improvement in mid-week, though the volume of dealings remained restricted. The most significant feature was the revival in buying of tea shares, encouraged partly by hopes of a tightening of the restriction screw next year, and partly by the publication of the industry's plan for financing tea sales to Russia. Rubber shares, in contrast, opened better but failed to hold their ground. Industrials were irregular, the tendency to buy equities as a currency hedge being less in evidence. Philips Lamps improved on the publication of results for the sixteen months to April 30th, showing an operating profit of fl. 9,700,453, against fl. 7,312,594 in the preceding year. In the interim, some 25 per cent. of the face value of the share capital has been refunded. The directors ascribe the better results to continued rationalisation, but stress the fact that tariffs, quotas and other trade restrictions have necessitated the migration of an increasing share of the company's productive activities to foreign countries.

	Sept. 19, 1934	Sept. 24, 1934	Sept. 26, 1934		Sept. 19, 1934	Sept. 24, 1934	Sept. 26, 1934
2½% Dutch Loan	76½	77	77½	Steel Common	181	20	20½
5½% German	25	25	25½	A. K. U.	34½	33½	33½
Under N.V.	72	72½	72½	Ford Motor	212	212½	212
Philips Lamps	217½	217½	217½	Deli Batavia Tob.	151½	150½	145½
Netherlands Ship Union	35½	35½	34½	Royal Dutch	150½	150½	149½
				Handels Ams	168½	167½	166½

CANADA

For most of September the Canadian stock markets have been in a sluggish condition, reflecting the underlying weakness of New York. There has been no sharp break in prices, but the trend has been downward, with a small volume of trading. The boom in mining shares, however, has kept the Toronto Exchange much busier. There is evidence that a growing number of American citizens are conducting their stock market operations in Toronto. Distillery shares are still a leading speculative counter, but have recently been weaker. Power and construction stocks have similarly declined. Despite the improvement in grain prices, there is still little enthusiasm for the shares of companies with Western commitments. Though the mining market has been active, a break in one of the leading gold stocks, Teck-Hughes, affected the whole list in the middle of the month. The bond market has been firm but dull, with some shifting by investors from Government into corporation bonds to obtain a higher yield.

	Price, Aug. 29, 1934	Price, Sep. 26, 1934		Price, Aug. 29, 1934	Price, Sep. 26, 1934
Bell Telephone	117½	126	Equiv.†	Dominion Glass	96½
Canadian Car and Foundry	61	61	61	International Petroleum	28½
Do. pref.	141	131	141	Brazil Traction	10½
Power Corporation	10	10	10	British Columbia	27½
Dome Mines	43½	41	42½	Power "A"	27½
Hollinger	191	201	211	Do. "B"	51
McIntyre	46½	45½	47½	Canada Cement	61
Bank of Montreal	196	201	208½	Do. pref.	37
Bank of Nova Scotia	256	251	260½	International Nickel	24½
Royal Bank of Canada	155	162	168½	Massey Harris Com.	4
Canadian Bank of Commerce	149	155	160½	Montreal Light	33½
Canadian Pacific Ry.	141	131	131	Ogilvie Flour Mills	195
Cockshutt Plow	61	61	61	Quebec Power	18
				Shawinigan Water, etc.	19
				Steel Co. of Canada	33½

† Calculated \$4.81 to £.

CAPITAL ISSUES

APPEALS for new capital are now showing a seasonal expansion after holiday quietude, and this catholicity of week's offers is well calculated to appeal both to the conservative investor and to the more speculatively inclined. The issue of a 3½ per cent. stock at par by the *City of Stoke-on-Trent* gave the market an opportunity, infrequent in these days, of acquiring a 21 years' minimum stock on distinctly favourable terms, and a good response was assured some days in advance. The *Eno Proprietaries* offer for sale is discussed in a Note on page 592. The mixed issue by *Herbert Green and Company, Limited*, is in respect of a patent exploitation which would appear to possess speculative possibilities. The Duo-Sol oil-refining process has been developed by large American interests, but it appears that the company's licence for its exploitation in this country is not exclusive, and prospects are closely dependent upon the directors' anticipations of the favourable prices to be obtained from existing oil distributors. The week's "introductions" include a placing of 4 per cent. debenture stock by *Nelson Financial Trust* at 99½ per cent., and particulars of the reorganised capital of *Joseph Terry and Sons*.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to September 22, 1934, excluding conversions, £120,831,906.
Total recorded, January 1 to September 22, 1934, including conversions, £307,615,607.

National Savings Certificates.—Net receipts, week ended September 22, 1934, £150,000.

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To the Public					
Herbert Green and Company, Ltd., £150,000 6½ first mort. deb. stk., at par	150,000	...	150,000	7,500	142,500
290,000 7½ pref. ord. £1 at par	290,000	...	290,000	36,250	253,750
585,000 ord. ls. shares at par	29,250	...	29,250	29,250	...
City of Stoke-on-Trent, £1,500,000 3½ stock red. 1955-65, at par	1,500,000	...	1,500,000	75,000	1,425,000
Eno Proprietaries, Ltd., 4,000,000 ord. shares 5s., at 11s.	1,000,000	...	2,200,000	200,000	2,000,000
Total	2,969,250	...	4,169,250	348,000	3,821,250

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
To Shareholders only					
Ismay (John) and Sons, 50,000 New 6½ pref. £1, at 21s.	50,000	...	52,500	15,000	37,500
Kepong (Malay) Rubber Estates, 1,012,070 2½ shares at 3/6	101,207	...	177,113	50,603	126,510
Broadcast Relay Service, 222,200 ord. 1/- shares at 4/-	11,110	...	44,440	...	44,440
Total	162,317	...	274,053	65,603	208,450

	Including Conversions	Excluding Conversions		Including Conversions	Excluding Conversions
Total Offered for Subscription			Whole year—		
Jan. to date—			1933	467,921,560	244,780,500
1934	312,208,910	125,425,209	1932	2,699,684,258	183,909,963
1933	396,037,443	227,103,611	1931	114,200,666	102,644,294
1932	292,099,990	162,665,325	1928	693,100,058	369,058,073
1931	109,526,179	88,649,194			
1928	469,062,067	296,981,444			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	75,051,038	13,408,856	37,001,315	125,461,209
1933	213,084,841	7,329,566	6,689,204	227,103,611
Whole year—				
1933	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	189,910,000
1931	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	22,101,032	...	33,452,318
Total to date, 1934	22,101,032	...	33,452,318
Total to date, 1933	26,884,051	...	28,899,809

PUBLIC OFFERS

City of Stoke-on-Trent.—Issue of £1,500,000 3½ per cent. stock, 1955-65, at par. Stock redeemable August 15, 1965, and secured on all rates and revenues. Financial statistics: Rateable value, £1,105,854; per head, £3 19s. 11d.; amount of rate in £, 16s. 4d.; net loan debt, March 31, 1934, revenue-producing undertakings, £1,499,120; housing, £2,181,289; other services, £2,086,876. Mortgage loans amounting to £736,000 will be repaid out of this issue.

Herbert Green and Company, Ltd.—Issue of £150,000 6 per cent. first debenture stock, 290,000 7 per cent. preferred ordinary shares of £1, and 585,000 ordinary shares of 1s. at par. Company acquires licence to manufacture lubricating oils by Duo-Sol process, and 99-year lease of site, including

tanks and refining facilities. Additional plant to be erected in eight months, with capacity of 40,000 tons per annum, at cost of £272,550. Annual profit estimated, £120,000, after depreciation, royalties, etc. Consideration: for licence, £32,500 as to £20,000 in cash and balance of 250,000 ordinary shares; for refining site and plant, £70,000, as to £60,000 in cash and balance in preferred ordinary shares.

BY OFFER FOR SALE

Eno Proprietaries, Ltd.—Offer for sale of 4,000,000 ordinary shares of 5s. each at 11s. per share. Acquires business of Eno's Fruit Salt, comprising eleven companies, and capital of Thermogene Company, Ltd., and capitals of associated sales companies. Profits, after adjustment, of all undertakings acquired: 1931, £326,163; 1932, £301,801; 1933, £242,866. Net assets at end of 1933, excluding goodwill, subject to £131,347 dividends declared, £624,770. Consideration is £3,050,000, satisfied by issue of 1,000,000 5½ per cent. cumulative £1 preference shares and 4,000,000 5s. ordinary shares at 10s. 3d. per share.

BY STOCK EXCHANGE INTRODUCTION

Nelson Financial Trust, Ltd.—Particulars of issue of £300,000 4 per cent. debenture stock, 1959. Stock ranks with existing 4½ per cent. issue and will be repaid at par on October 1, 1959. Secured by floating charge on all assets. Stock sold to Cohen, Laming, Hoare at £99½ per cent. less 1 per cent.

Joseph Terry and Sons, Ltd.—Particulars issued capital, 464,370 7 per cent. first £1 preference, 116,040 7 per cent. second £1 preference, 77,360 5s. preferred ordinary and 850,960 5s. ordinary. Voting rights: preference shares (each class) one vote each; ordinary (each class) ten votes per share. By special resolution, dated September 13, 1934, the £1 ordinary shares have been converted into 5s. shares as above. Further particulars are contained in the Stock Exchange Official Year Book.

ISSUES TO SHAREHOLDERS ONLY

John Ismay and Sons, Ltd.—At an extraordinary general meeting, held September 5th, the authorised capital was increased to £300,000 by the addition of 100,000 6½ per cent. preference shares of £1 each and 1,000,000 ordinary shares of 1s. each. The directors have decided to issue 50,000 of the above preference shares to existing shareholders at 21s. per share. No underwriting or other commission has been paid.

Broadcast Relay Service.—The board has decided to issue 222,200 ordinary 1s. shares at a premium of 3s. per share. The new shares will rank *pari passu* with existing shares as from March 31, 1934, and are offered up to October 1st to shareholders registered on September 18th.

Murex, Ltd.—It is proposed to create 90,000 shares of 10s., which will be offered to the ordinary shareholders at £4 per share. They will be offered one new share for every five held on September 18th, payable £1 on acceptance (being as to 10s., the nominal amount of the share, and 10s. on account of premium); the balance of £3 will be payable as to £1 10s. on or before November 22nd, and £1 10s. on or before December 22nd next. As soon as all the new issue has been completed it is intended to capitalise £270,000 of the reserves and to make a bonus issue of fully-paid ordinary of 10s. on a share-for-share basis to ordinary shareholders, and subsequently the whole of the 10s. ordinary shares will be consolidated into shares of £1. The issued ordinary capital will then be £540,000 in 540,000 shares of £1. The whole of these shares will rank equally for dividend from July 1, 1934.

CONVERSIONS AND REPAYMENTS

Christchurch Tramway Board.—The Union Bank of Australia announces that it will pay on and after October 1, 1934, the principal and final half-year's interest due on the £61,400 Christchurch Tramway Board 4½ per cent. loan of 1910.

Baldwins Income Debentures.—Baldwins, Ltd., are notifying holders of 6½ per cent. non-convertible income debenture stock that the stock will be repaid on December 27, 1934. The amount outstanding is about £586,000 and repayment will be at 105, plus accrued interest. No new issue is being made to finance this operation, the amount being provided from the company's cash resources.

Queen Anne Residential Mansions and Hotel Company, Ltd.—The £250,000 5 per cent. first mortgage debenture stock will be redeemed on December 1, 1934, and will be replaced by £200,000 4 per cent. mortgage debenture stock.

The Victoria Falls and Transvaal Power Company.—The whole of the outstanding £5 per cent. first mortgage debentures, whether of Series A, B or C, will be redeemed at the rate of 110 per cent. on January 2, 1935.

Swedish 5½ per Cent. Bonds.—The Swedish 30-year 5½ per cent. gold bonds have been called for redemption on November 1, 1934.

OFFERS ABROAD

Amsterdam Loan.—The City of Amsterdam is to float a 4 per cent. loan, amounting to Fl. 31,600,000, for the purpose of converting a similar amount of the 5 per cent. and 4½ per cent. loans. It is understood that the price of issue will be 98½ per cent.

Canadian Government Refunding Loan.—A Canadian refunding loan of 250 to 300 million dollars (£50,000,000 to £60,000,000) is to be floated early next week. The loan will be in four maturities—of two, five, eight and fifteen years' duration, and bearing interest at 2, 2½, 3 and 3½ per cent. and yielding 2½, 2.90, 3.45 and 3.80 per cent. respectively. The issue will be entirely domestic, though American holders of maturing securities have the privilege of converting. There is \$60,000,000 of 4 per cent. notes due October 1st and \$35,000,000 of 4 per cent. notes due November 1st. On the last-named date the \$222,216,850 of Third Victory Loan 5½ per cents. of 1919 also mature.

Nova Scotia 3 per Cent. Loan.—Bank Montreal, Royal Securities, and Syndicate have offered a new issue \$3,500,000 Nova Scotia 3 per cent., due October 1, 1939, at 100. Issue well received.

Norwegian £2,400,000 Conversion Loan.—The Norwegian Finance Ministry announced the opening of subscriptions on September 27th for the Kr. 44,000,000 (about £2,400,000 at par) 4½ per cent. conversion loan at 97½. The offer is in respect of two 1915 5 per cent. loans, which originally totalled Kr. 47,000,000.

FORTHCOMING ISSUES

Lanarkshire County Council.—The Lanarkshire County Council has decided to redeem the existing £2,500,000 of 5½ per cent. redeemable stock, 1935 to 1955, on January 15, 1935, and to create and issue new redeemable stock, 1954 to 1964, to an amount sufficient to raise a sum of £2,141,677, balance required. The new loan will be floated in October at an issue price of not less than 95 per cent., the rate of interest being 3 per cent. per annum.

Kapala Rubber Estates of Malaya.—Underwriting arrangements have been made for an issue of capital by Kapala Rubber Estates of Malaya, under the auspices of Eastern Industries, Ltd. The capital of the new company is £320,000, divided into £160,000 in 7½ per cent. convertible preference

(Continued on page 604)



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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933		Prices Year 1934 (Jan. 1 to Sept. 26)		Name of Security	Price, Sept. 19, 1934	Price, Sept. 26, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to Sept. 26)		Last Two Half-yearly Dividends			Name of Security	Price, Sept. 19, 1934	Price, Sept. 26, 1934	Rise or Fall	Yield	
High	Low	High	Low						High	Low	(a)	(b)	(c)						
British Funds																			
77 1/2	70 1/2	82 1/2	73 1/2	Consols 2 1/2%	81 1/2	81 1/2	...	3 1/4	4	7/6	5 1/2	dis	Nil	Nil	Anglo S. A £105 pd.	5 1/2	7/6	+2/6	Nil
110 1/2	105 1/2	114 1/2	109 1/2	on or after Feb. 1937 (m)	113 1/2	113 1/2	+	3 3/4	6	11 1/3	4 7/8	(d) 5/4	5 (b) 4/2	Bank of N. Zealand £1	37 1/2	38 1/2	+1/4	Nil	
94 1/2	82 1/2	98 1/2	92 1/2	Conversion, 2 1/2% 1944-49	97 1/2	97 1/2	+	2 13/6	6	51/6	39/9	38 1/2	34 1/2	Bank of N. Zealand £1	37 1/2	38 1/2	...	3 0 0	
101 1/2	97 1/2	105 1/2	101 1/2	Do. 3 1/2% 1948-53	102 1/2	102 1/2	+	2 15/6	3	35 1/2	30 1/2	7 (b)	7 (b)	Barclay D. £1	72 1/2	72 1/2	+6d	3 16 0	
111 1/2	107 1/2	112 1/2	108 1/2	Do. 3 1/2% after 1961 (m)	112 1/2	112 1/2	+	2 10 0	0	34 1/4	30 1/4	2 1/2 (a)	2 1/2 (b)	Barcl. (Dom. Acc.) A £1	73 1/2	73 1/2	...	2 14 0	
116 1/2	110 1/2	120 1/2	115 1/2	Do. 4 1/2% 1944-49	120 1/2	120 1/2	+	2 18 0	0	10 1/2	8 1/2	4 (b)	3 1/2 (c)	Bk. of Australasia (£5)	91	91	...	4 0 0	
113 1/2	108 1/2	118 1/2	113 1/2	Funding 3 1/2% 1939-69	118 1/2	118 1/2	+	3 1 2	2	32 1/2	22 1/2	5 1/2 (c)	5 (c)	Bk. of Montreal (\$100)	£41 1/2	£42 1/2	+	4 2 0e	
103 1/2	102 1/2	104 1/2	101 1/2	Funding 4 1/2% 1960-90	116 1/2	115 1/2	+	3 3 1	30 1/2	22 1/2	11 1/2	6 1/2 (c)	6 (c)	Bk. of N.S. Wales (£20)	27 1/2	27 1/2	+	3 9 9e	
110 1/2	107 1/2	112 1/2	109 1/2	2 1/2% Treasury Bonds 35-42	112 1/2	112 1/2	+	2 19 9	9	18 1/2	15 1/2	3 (c)	3 (c)	British Govt. £1	4 1/2	4 1/2	+	6 10 0	
110 1/2	107 1/2	112 1/2	109 1/2	Victory Bonds 4 1/2%	105 1/2	105 1/2	+	3 3 9	80 1/2	70 1/2	2 1/2 (b)	2 1/2 (b)	Child. of India (£5)	15 1/2	15 1/2	...	4 3 0		
102 1/2	97 1/2	107 1/2	102 1/2	War L'n 3 1/2% after 1952 (p)	102 1/2	102 1/2	+	3 3 8	53 1/2	48 1/2	5 (b)	5 (b)	Comm. Bk. of Ausd. 10/-	14 1/2	14 1/2	...	2 16 0e		
89 1/2	82 1/2	94 1/2	86 1/2	Local Loans 3 1/2%	94 1/2	94 1/2	+	2 19 0	0	5 1/2	4 1/2	2 1/2 (b)	2 1/2 (b)	District A £5, £1 pd.	89 1/2	89 1/2	...	4 3 4	
65 1/2	61 1/2	66 1/2	62 1/2	Austria 3 1/2% 1933-53	62 1/2	62 1/2	+	3 11 3	8	5 1/2	4 1/2	2 1/2 (b)	2 1/2 (b)	Do. B £1 fully paid	52 1/2	52 1/2	...	3 16 2	
65 1/2	61 1/2	66 1/2	62 1/2	India 2 1/2%	69 1/2	69 1/2	+	3 10 1	5	12 1/2	10 1/2	6 1/2 (a)	6 1/2 (a)	Eng. Sect. & Aust. £5, 3pd	4 1/2	4 1/2	...	4 12 3	
90 1/2	87 1/2	93 1/2	90 1/2	N.S. Wales 5% 1946-50	93 1/2	93 1/2	+	3 11 3	8	7 1/2	7 (b)	7 (b)	7 (b)	Lloyds £5, with £1 pd.	59 1/2	60 1/2	+1 1/2	4 7 11	
111 1/2	107 1/2	112 1/2	108 1/2	Do. 3 1/2%	112 1/2	112 1/2	+	3 10 0	0	81 1/2	8 1/2	8 (b)	8 (a)	Martins £20, £2 1/2 pd.	8 1/2	8 1/2	+	4 4 9	
107 1/2	103 1/2	107 1/2	105 1/2	Do. 4 1/2% 1958-68	115 1/2	115 1/2	+	3 10 0	0	74 1/2	12 1/2	15 (b)	9 (a)	Midland £1, fully pd.	87 1/2	88 1/2	+1/6	3 12 0	
111 1/2	107 1/2	112 1/2	108 1/2	U.K. & Arg. 4 1/2% A (1947)	107 1/2	107 1/2	+	3 10 0	0	81 1/2	8 1/2	8 (b)	8 (a)	Nat. of Egypt £10	37	37	...	4 0 3	
107 1/2	103 1/2	107 1/2	105 1/2	Dom. & Colonial Govts.	109 1/2	111 1/2	+2	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)	Nat. of India £25, £12 pd.	46 1/2	46 1/2	+	4 17 0	
111 1/2	107 1/2	112 1/2	108 1/2	Australia 5% 1945-75	112 1/2	112 1/2	+	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)	Royal Bk. of Scotland	460	460	...	3 14 0	
106 1/2	101 1/2	107 1/2	102 1/2	Canada 4 1/2% 1940-60	105 1/2	105 1/2	+	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)	St. of S. At. £20, 5% pd.	133	133	...	3 13 5	
114 1/2	109 1/2	115 1/2	110 1/2	Gold Coast 4 1/2% 1956-60	115 1/2	115 1/2	+	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)	Westminster £4, £1 pd.	89 1/2	89 1/2	+3d	4 0 0	
116 1/2	111 1/2	117 1/2	112 1/2	Nigeria 5% 1950-60	117 1/2	117 1/2	+	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)						
104 1/2	101 1/2	107 1/2	104 1/2	N. Zealand 5% 1946-50	112 1/2	112 1/2	+	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)						
112 1/2	109 1/2	113 1/2	110 1/2	Queensland 5% 40-60	113 1/2	113 1/2	+	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)						
107 1/2	104 1/2	110 1/2	107 1/2	S. Africa 5% 1945-75	114 1/2	115 1/2	+1	3 18 3	3	44 1/2	14 1/2	7 1/2 (b)	7 1/2 (b)						
Foreign Governments																			
94 1/2	89 1/2	99 1/2	89 1/2	Argentina 4 1/2% Resc. 1952	99 1/2	99 1/2	...	4 3 11	11	10 1/2	12 1/2	10 1/2	12 1/2	Alexanders £2, £1 pd.	80 1/2	80 1/2	...	4 15 0	
105 1/2	101 1/2	106 1/2	102 1/2	Austrian 6% 1923-43	104 1/2	104 1/2	...	5 16 10	10	28 1/2	25 1/2	40 (a)	50 (b)	National £10, £5 pd.	6 1/2	6 1/2	+	3 18 0	
74 1/2	69 1/2	79 1/2	74 1/2	Do. 7% Int. red. by 1957	77 1/2	77 1/2	...	5 16 9	6	28 1/2	25 1/2	40 (a)	50 (b)	Nat. of B. £7 1/2 pd.	12 1/2	12 1/2	...	4 12 6	
50 1/2	45 1/2	55 1/2	50 1/2	B. Aires (Prov.) 3 1/2%	57 1/2	57 1/2	+	5 16 9	6	28 1/2	25 1/2	40 (a)	50 (b)	Union, £5, £2 1/2 pd.	11 1/2	11 1/2	...	4 4 6	
101 1/2	97 1/2	105 1/2	101 1/2	Belgian 7 1/2% red. by 1958	111 1/2	111 1/2	...	6 4 0	0	10 1/2	9 1/2	20 1/2 (a)	20 1/2 (b)	Alliance £1, fully pd.	28 1/2	28 1/2	...	3 2 9	
30 1/2	25 1/2	35 1/2	30 1/2	Bulgaria 7 1/2% Loan	27 1/2	30 1/2	+	8 16 1	16	18 1/2	16 1/2	20 1/2 (a)	20 1/2 (b)	Atlas £5, £1 1/2 pd.	13 1/2	13 1/2	...	3 19 9 1/2	
78 1/2	73 1/2	83 1/2	78 1/2	Brazil 5% Fund. 1914-20	87 1/2	87 1/2	+	6 13 0	0	31 1/2	27 1/2	25 (b)	25 (b)	Com. Co. £1, fully pd.	108	108	...	3 14 6	
27 1/2	22 1/2	27 1/2	22 1/2	Chili 6% (1929)	25 1/2	25 1/2	+	5 13 0	0	40 1/2	35 1/2	12 (c)	12 (c)	Gen. Accident £5, £1 pd	31 1/2	31 1/2	+	3 4 6	
66 1/2	61 1/2	66 1/2	61 1/2	China 3 1/2%	72 1/2	72 1/2	+	6 13 0	0	18 1/2	15 1/2	35 (a)	40 (b)	Lon. & Lanc. £5, £2 pd	40	40	...	3 0 0	
91 1/2	86 1/2	96 1/2	91 1/2	Do. 5% (1913)	96 1/2	96 1/2	...	5 4 0	0	18 1/2	15 1/2	35 (a)	40 (b)	N.Brit. & Mer. £5, £1 1/2 pd	18	18	...	4 3 3	
106 1/2	101 1/2	107 1/2	102 1/2	Czechoslovakia 8%	110 1/2	110 1/2	...	5 8 9	16	14 1/2	13 1/2	30 (a)	30 (a)	Northern £10, £1 pd.	15 1/2	15 1/2	+	4 3 3	
85 1/2	80 1/2	85 1/2	80 1/2	Danish 3 1/2%	84 1/2	84 1/2	...	3 11 3	3	32 1/2	30 1/2	30 1/2	30 1/2	Pearl (£1), fully paid	18 1/2	18 1/2	+	3 19 1/2	
80 1/2	75 1/2	85 1/2	80 1/2	Danzig 6 1/2%	84 1/2	84 1/2	...	3 11 3	3	32 1/2	30 1/2	30 1/2	30 1/2	Phoenix £1, fully pd.	15 1/2	15 1/2	+	3 15 0	
104 1/2	101 1/2	107 1/2	104 1/2	Egypt United 4 1/2%	107 1/2	107 1/2	+	3 15 0	0	8 1/2	7 1/2	10 1/2	10 1/2	Prud. £10, £5 pd.	32 1/2	32 1/2	...	4 10 0	
101 1/2	97 1/2	105 1/2	101 1/2	Finland 6 1/2% 1923	103 1/2	103 1/2	...	5 17 0	0	8 1/2	7 1/2	10 1/2	10 1/2	Do. £1, with 4s. paid	91 3/4	91 3/4	+6/3	1 11 0 1/2	
26 1/2	21 1/2	26 1/2	21 1/2	French 4 1/2% (British)	27 1/2	27 1/2	...	4 13 0	0	99 1/2	89 1/2	3 1/2 (a)	3 1/2 (a)	Royal Exchange (£1)	8 1/2	8 1/2	...	3 4 9	
100 1/2	95 1/2	105 1/2	95 1/2	German 7 1/2%	105 1/2	105 1/2	...	5 17 0	0	8 1/2	7 1/2	10 1/2	10 1/2	Royal £1, 10s. paid	8 1/2	8 1/2	+	4 1 0	
34 1/2	29 1/2	34 1/2	29 1/2	Do. 5 1/2% Sig. Bds. 1930	33 1/2	33 1/2	+	4 13 0	0	99 1/2	89 1/2	3 1/2 (a)	3 1/2 (a)	Sea Insur., £1 fully pd.	4 1/2	4 1/2	+1/9	3 11 0	
41 1/2	36 1/2	46 1/2	41 1/2	Greek 6% Stab. Ln.	34 1/2	34 1/2	...	12 19 3	3	90 1/2	77 1/2	13 1/2 (a)	15 (b)	Sun. Insur., £1 with 5% pd	4 1/2	4 1/2	...	2 17 6	
58 1/2	53 1/2	58 1/2	53 1/2	Do. 7% Refugee	34 1/2	34 1/2	...	18 1/2	18 1/2	130 (b)	117 1/2 (a)			Sun. & Lanc. £1, fully pd	18	18	...	2 10 6 1/2	
63 1/2	58 1/2	63 1/2	58 1/2	Hungary 7 1/2%	41 1/2	41 1/2	...	244	201	34 1/2	61 (b)	61 (b)	61 (b)	Investment Trusts	232 1/2	232 1/2	...	4 6 0	
97 1/2	92 1/2	97 1/2	92 1/2	Japanese 4 1/2% 1936-45	83 1/2	86 1/2	+	6 15 0	0	60 1/2	54 1/2	2 (c)	1 (c)	Anglo-American Deb.	54 1/2	54 1/2	...	2 15 1	
107 1/2	102 1/2	107 1/2	102 1/2	Do. 6% (1924) red 1959	101 1/2	101 1/2	+	6 10 0	0	91 1/2	5 1/2	1 (c)	1 (c)	Anglo-Elctric. etc., £1	7 1/2	8 1/2	+7 1/2	Nil	
63 1/2	58 1/2	63 1/2	58 1/2	Norwegian 4 1/2% 1911	111 1/2	115 1/2	+	7 13 10	8	74 1/2	15 1/2	2 (b)	2 (b)	Atlas Electric, etc., £1	7 1/2	8 1/2	...	1 9 0	
29 1/2	24 1/2	29 1/2	24 1/2	Peru 7 1/2%	41 1/2	41 1/2	...	155	120	24 1/2	24 1/2	24 1/2	24 1/2	Brit. Ass. Trust £1	211 1/2	212 1/2	+6d	4 14 0	
101 1/2	96 1/2	106 1/2	96 1/2	Poland 7 1/2%	116	113	...	3 2 0	0	263	210	3 (a)	6 (b)	Debenture Corp. Sdk.	67 1/2	67 1/2	...	5 3 3	
105 1/2	100 1/2	110 1/2	105 1/2	Romania 4 1/2% Con. 1922	116	113	...	3 2 0	0	263	210	3 (a)	6 (b)	For Amer. etc. Def.	125 1/2	125 1/2	...	3 19 8	
101 1/2	96 1/2	106 1/2	96 1/2	Swedish 3 1/2% 1908	113	113	...	3 2 0	0	263	210	3 (a)	6 (b)	Guardian Investment.	228	228	...	3 18 11	
62 1/2	53 1/2	76 1/2	54 1/2	U.K. & Argentine 1933	111	111	...	4 14 0	0	316	268	2 (a)	2 (a)	Indus. and Gen. Ord.	270	275	+5	4 7 3	
73 1/2	63 1/2	83 1/2	63 1/2	5 1/2% B Certs. (1951)	75	75 1/2	+	4 0 0	0	16 10 1/2	12 1/2	5 (a)	5 (a)	Lake View Invest. 10/-	139	139	...	4 0 3	
62 1/2	53 1/2	76 1/2	54 1/2	C. G. Certs. (3% Max.)	75	75 1/2	+	4 0 0	0	16 10 1/2	12 1/2	5 (a)	5 (a)	Mercantile £1, fully pd	157 1/2	157 1/2	...	5 18 6	
73 1/2	63 1/2	83 1/2	63 1/2																

(Continued from page 603)

shares and £160,000 in 2s. ordinary shares. It is expected that the issue will be offered to the public next week.

Associated British Picture Corporation, Ltd. (formerly British International Pictures, Ltd.).—Arrangements are in hand for an early issue of first mortgage debenture stock, secured as a first direct specific charge on about £6,000,000 of properties.

Blackpool 3 per Cent. Loan.—Formal approval for the issue of £750,000 3 per cent. stock, redeemable in 1960, has been given by the Blackpool Council. Arrangements have been made for underwriting with a London firm, and it is expected that the issue will be made the week after next. The issue price has not yet been fixed.

RESULTS OF ISSUES

John Ismay and Sons, Ltd.—The issue to shareholders of 50,000 6½ per cent. preference shares of £1 each at 21s. per share has been heavily over-subscribed.

Stoke-on-Trent Corporation.—The list for applications for the issue of £1,500,000 Stoke-on-Trent Corporation 3½ per cent. redeemable stock, 1955-65, was closed at 9.5 a.m. September 26th, owing to over-subscription.

Herbert Green and Company.—The three issues, all of which were offered at par, were over-subscribed, the lists being closed at 9.45 a.m. September 26th.

CALLS DUE OCTOBER 1 TO OCTOBER 6, 1934

The grand total of calls falling due in September, 1934, is £4,766,761, which compares with £25,747,684 which fell due in September, 1933. The following calls fall due from October 1, 1934, to October 6, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
2/-	Advance Laundries, Ltd. (504,000 new Ordinary shares, at 3/- per share)	1/6	Oct. 1	1/6
1/-	Broadcast Relay Service, Ltd. (220,200 ordinary shares, at 4/- per share)	1/- p.s.	Oct. 1	1/- p.s.
£1	Clan Line Steamers, Ltd. (225,000 new Ordinary shares, at par)	1/- p.s.	Oct. 2	1/- p.s.
£1	County of London Electric Supply, Ltd. (1,825,000 4% Cum. Pref. shares at 21/-) ...	5/- p.s.	Oct. 1	12/- p.s. + 1/- p.s.
5/-	Doolgalla (Ceylon) Rubber Estates, Ltd. (25,356 7% Cum. Conv. Pref. shares, at par)	2/6 p.s.	Sept. 29	All
Stock	Dunlop Rubber, Ltd. (£2,820,200 4% Debenture stock at par)	30%	Oct. 1	£400
£1	Electrical Distribution of Yorkshire, Ltd. (300,000 6% Cum. Preference shares, at 24/- per share)	6/- p.s.	Oct. 1	All
Notes	Fairley Aviation, Ltd. (£250,000 5% Red. Notes, at par)	£25%	Oct. 1	£75%
2/-	Henrietta Rubber Estate, Ltd. (£50,000 6% Cum. Conv. Preference shares, at par)	1/6 p.s.	Oct. 1	All
10/-	Hepworth and Grandage, Ltd. (100,000 Ordinary shares, at 11/-)	2/6 p.s.	Oct. 1	All
£1	Midland Counties Motor Finance, Ltd. (100,000 5% Cum. Pref. shares, at par)	5/- p.s.	Oct. 1	All
£1	Stanton Ironworks, Ltd. (£41,894 6% Cum. Preference shares, at 25/- per share) ...	7/6 p.s.	Oct. 2	17/6 p.s.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Sept. 19, 1934	Price, Sept. 26, 1934
Advance Laundries New Ord. 2/-	3/-	1/8	11d-11d pm	3d-6d pm
Airspeed (1934) Pref. Ord. 5/-	8/-	Fy pd	6/3-6/6	6/--6/4
Alconome Estates 5% Deb.	100	Fy pd	1-1 1/4 pm	100/-101/-
British Aluminium Ord.	27/6	19/6	par-3d pm	6d-9d pm
Do. do. 6% Cum. Pref.	24/6	17/6	1/-1/3 pm	1/4-1/2 pm
Do. do. 4% Deb.	99	Fy pd	103-104 1/2	103-104 1/2
Brookes (W. J.) and Sons Ord. 5/-	...	...	6/3-6/6	6/1-6/4 1/2
Do. do. 6% Cum. Pref. £1	...	...	21/3-21/6	21/1-21/4 1/2
Carlton Main Colliery 4 1/2% Deb.	102 1/2	Fy pd	102-103	102-103
Do. do. 5 1/4% B Pref.	21/-	...	27/6-28/6 pm	30/6-31/6 pm
Do. do. 5 1/4% Pref. £1	...	...	1/-1/3 pm	9d-1/3 pm
Dale (John) 5 1/4% Pref.	...	...	20/9-21/3	20/9-21/3
Fisher and Ludlow 10/- New Ord.	20/-	...	2/9-3/3 pm	2/9-3/3 pm
Gold Ex. and Finance Aust. Ord.	10/-	5/-	4/11-4/7 pm	3/9-4/3 pm
Griffiths Hughes Prop. Ord.	...	...	46/4-46/10 1/2	47/8-47/9
Do. do. 5 1/4% Cum. Pref. £1	20/-	Fy pd	23/3-24/3	23/6-24/6
Jackson Brothers 6 1/4% Pref.	...	...	23/9-24/9	24/-25/-
James and Shakespeare New Ord. 5/-	7/6	Fy pd	7/9-8/-	7/7-7/10 1/2
Do. do. 5 1/4% Pref. £1	£1	Fy pd	17/9-18/-	17/10-18/1 1/2
Mayfair and Gen. Prop. 5% Deb.	100	15	1-1 1/4 pm	1-1 1/4 pm
Monsanto Chemicals 5 1/4% Pref. £1	20/6	10/6	1/3-1/6 pm	1/-1/6 pm
Mount Morgan 5/-	7/6	Fy pd	26/-26/6	25/-26/-x
New Machavie Gold	5/-	Fy pd	15/9-16/3	15/9-16/3
New Zealand 3 1/2%, 1955-60	100	5	1 1/4-1 1/2 pm	2 1/4-2 1/2 pm
N. Wales Power 3% Debs.	100	5	1 1/4-1 1/2 pm	1 1/4-1 1/2 pm
Odams Properties 5% Deb.	100	15	3/-4 1/4 pm	5-6 pm
Oso Union Co. 5 1/4% Pref.	84	Fy pd	98 1/2-99 1/2	98 1/2-99 1/2
Powell Duffryn Pref. Ord. 5/-	20/9	10/-	9d-3d dis	1/-6d dis
Plymouth 3%, 1954	97 1/2	5	...	2-1 1/4 pm
Reed (Austin) 5% "A" Pref.	...	...	21/9-22/3	21/9-22/3
Salford Corp. 3 1/2%, 1954-64	100	30	1-1 1/4 pm	1-1 1/4 pm
Somerset 3 1/2%, 1959-64	100	100	103 1/2-103 3/4	103 1/2-103 3/4
S. African Distillers	21/-	Fy pd	29/4-29/10 1/2	27/9-28/3
S. Rhodesia 3 1/2%, 1955-65	97 1/2	Fy pd	100 1/2-100 3/4	100 1/2-100 3/4
Stanton Iron. New 6 1/4% Pref. £1	25/-	10/-	1/3-1/9 pm	1/7-2/11 pm
Stewarts and Lloyds 4% Deb.	100	50	3 1/2-4 1/4 pm	3 1/2-4 1/4 pm
Stockport 3 1/2%, 1954-64	100	100	100 1/2-101 1/4	101 1/2-101 3/4
Stretford 3 1/2%, 1954-65	Par	20	1-1 1/4 pm	1-1 1/4 pm
Thistle Etna Gold 5/-	5/-	2/-	9d-1/3 dis	9d-1/3 dis
Trust Houses 3 1/2% Deb.	93 1/2	Fy pd	11-12 pm	11-12 pm
Van Dyk Consolidated	10/-	Fy pd	2 1/2-2 3/4	2 1/2-2 3/4
Walsall 3 1/2%	100	55	1 1/4-1 1/2 pm	1 1/4-1 1/2 pm
Welsh Ass. Collieries 5 1/4% Cum. Pref. £1	21/-	Fy pd	16/9-17/3	16/9-17/3
Do. do. 4 1/2% Deb.	100	Fy pd	42-43 dis	96-96 1/2

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash * Interim div. † Final div.			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Darjeeling Himalayan Railway ...	1½%†	Oct. 3	Unchanged	3½	5½
North Eastern of Uruguay Railway	...	...	...	...	...
BANKS					
Bank of England	6%	Oct. 5	Unchanged	...	...
INSURANCE					
British & Foreign Marine Insurance	27/6 ps.*	Oct. 1	Unchanged	...	...
TEA AND RUBBER					
Bandarapola Ceylon Co.	4%*	Oct. 17	Nil	...	...
Ceylon Tea Plantations	5%*	Oct. 31	Unchanged	...	...
Chulsa (Selangor) Rubber	4%*	Oct. 15	...	...	...
Consolidated Malay Rubber	4%*	Oct. 12	Nil	...	...
Ederapolla Tea of Ceylon	2½%*	Oct. 11	Nil	...	...
Federated (Selangor) Rubber	3%*	Oct. 8	5%	2½	...
Highland Tea of Ceylon	3%*	Nov. 2	...	5	2½
K.M.S. (Malay States) Rubber	...	Oct. 31	...	3	Nil
Karner Rubber	10%†	...	...	15	5
Mocha Tea of Ceylon	...	...	...	8	Nil
Sungkap Para Plantations	...	...	...	4	Nil
Tandjong Rubber	...	...	...	...	...
MINING					
Anglo-Burma Tin	22½%†	...	...	30	10
British Tin Investment	21%*	Oct. 10	...	...	...
Renong Tin Dredging	...	...	...	10	2½
Temoh Tin Dredging	7½%†	Oct. 20	...	10	Nil
Transvaal Gold Mining Estates	2½%*	Sept. 29	Unchanged	...	...
Waihi Gold Mining (5/-)	1½/- p.s.*	Nov. 1	Unchanged	...	...
OTHER COMPANIES					
Argentine Land and Investment...	...	Oct. 17	...	2	2
Ashby's Staines Brewery	5%*	...	Unchanged	...	...
Associated Newspapers	4d. p.s.*	Oct. 13	3d. p.s.	...	...
Betts and Co.	12½%*	Sept. 29	...	...	...
British Gas Light	3½%*	Oct. 5	Unchanged	5	Nil
Bucknall (Henry)	1d. p.s.*	Oct. 5	...	...	...
Caribonum Trust (10/-)	5%*	Oct. 17	Unchanged	...	...
Colonbo Gas and Water	3%†	Oct. 6	Unchanged	6	6
Colonial Gas	2½%*	Oct. 1	1½%*	...	...
Criterion Restaurants	8d. p.s.*	Oct. 1	6d. p.s.	...	...
Daniell and Sons (Colchester)	2%*	...	Unchanged	3	2½
Edinburg Investment Trust (def.)	1%*	Oct. 1	Unchanged	...	...
Foister (M.C.) Clay and Ward	2½%*	...	Unchanged	...	...
Friars Investment	4%*	Oct. 1	Unchanged	...	...
Fullers, Ltd.	15%*	...	...	20	10
General Investors and Trustees	5%*	...	...	7½	5
Harrisons and Crosfield (Def.)	...	...	...	50(a)	...
Heiton (Thos.) and Co.	...	...	...	7	5
Henlys	4½%*	...	...	...	...
Herrburger Brothers	41%*	Oct. 10	Unchanged	...	...
Hong Kong and China Gas	3%*	Sept. 29	Unchanged	...	...
International Paint	2½%*	...	Nil	9	9
Lamson Paragon Supply	3½%†	...	...	6	5
Leethems (Twilitt)	...	...	...	5	5
London United Laundries	5%*	Nov. 1	7½%*	...	...
Manchester Liners	2½%*	Oct. 18	Unchanged	...	...
Manley and Regulus	7½%*	Oct. 15	5%	10	9
Marconi International Marine	...	...	...	...	...
Marston Valley Brick	...	...	...	...	...
McEwan (William) and Co.	2½%*	Oct. 16	Unchanged	...	...
Midland Counties Electric	3%*	Oct. 14	Unchanged	...	...
Midland Electric Corporation	20%*	...	...	35	30
Murex, Ltd.	20%*	...	...	...	...
Ogilvie Flour Mills	\$2 p.s.	Oct. 1	Unchanged	...	...
Palestine Electric	...	...	...	5	Nil
Press Caps	...	...	...	7½	2½
Prices Tailors	...	...	...	30	15
Queen Anne Residential Mansions and Hotel	...	...	...	5	Nil
Ramsome and Marles Bearing	...	Oct. 26	...	7½	6
Rolls Royce	5%*	...	Unchanged	...	...
St. James' Court Estate	2%*	Sept. 28	Unchanged	...	...
Ste Madeleine Sugar	...	...	...	5	5
Sun Electrical	5%*	Oct. 1	Unchanged	...	...
Tavside Floorcloth	...	...	...	...	...
United States and South American Investment Trust	2½%*	Oct. 5	Unchanged	...	...
Vulcan Foundry	...	Oct. 15	...	12	2½
Wales, Ltd.	15%*	Sept. 29	Unchanged	...	...
West London and Provincial Electric and General Trust	1½%*	Oct. 1	Unchanged	10	10
Whitehall Court	...	...	...	...	...

(a) On the old ordinary shares.

* Free of income tax.

AMALGAMATED FIXED TRUST, LTD.—Williams Deacon's Bank, Ltd., announce that the first half-yearly income distribution upon Amalgamated Fixed Trust certificates, Series 1, is at the rate of 5-3604d. net per sub-unit. Warrants will be paid to certificate holders on October 15th.

ANTOFAGASTA RAILWAY.—The directors of the Antofagasta (Chili) and Bolivia Railway Company announce that, based on the official rates of exchange, the results for the current year to date show improvement compared with the corresponding period of 1933. Nevertheless, in consequence of the restrictions on exchange operations, the directors have decided to defer consideration of a payment on account of the arrears of dividend on the 5 per cent. cumulative preference stock until about May, 1935, when the final accounts for the year 1934 will be available. Net receipts for the year 1933 were £184,758. The dividend on the £2,000,000 of 5 per cent. preference has been paid to end-December, 1931.

FORESTAL LAND, TIMBER AND RAILWAYS COMPANY, LTD. 6 PER CENT. CUMULATIVE PREFERENCE SHARES.—A dividend of 3 per cent. (less tax) in respect of the six months ending September 30, 1934, being at the rate of 6 per cent. per annum, has been declared, payable on October 1, 1934, to shareholders on the register on September 22, 1934, and to holders of coupon No. 64 attached to preference share warrants to bearer. Coupons are payable at the Anglo-South American Bank, Ltd., 117 Old Broad Street, E.C.2.

STEWARTS AND LLOYDS, LTD.—The following interim dividends for the half-year ended June 30, 1934, are at the rate of 6 per cent. per annum on the cumulative first preference shares, at the rate of 10 per cent. per annum on the cumulative second preference shares, at the rate of 5 per cent. per annum on the cumulative third preference shares, all under deduction of income tax at 4s. 6d. per £, to be paid on October 31st to the shareholders on the register at this date.

COMPANY MEETINGS, &c.

THE ANGLO-SIAM CORPORATION, LIMITED

TRADE CONDITIONS IN THE EAST

IMPROVED INVESTMENT POSITION

The thirty-seventh annual ordinary general meeting of the Anglo-Siam Corporation, Limited, was held, on the 25th instant, at 5 St. Helen's Place, London, E.C.

Mr William Greaves presided in the absence, through illness, of Mr J. M. Ryrie, the chairman of the corporation.

After referring to the unavoidable absence of Mr Ryrie, who had taken the chair at every general meeting since the formation of the corporation, and to the loss the board had sustained through the resignation of Mr Henry Bateson, Mr Greaves reviewed conditions in India, Siam, and British Malaya, the countries in which the corporation operates.

Owing to higher prices ruling for both rubber and tin, there was, he said, a favourable trade balance of over £7,000,000 sterling in Malaya, while Siam had harvested another good crop of rice, but prices continued to fall, and this was reflected in the value of exports and affected the trade of the country generally.

A good feature in India had been the improvement in the credit and financial position of the Government, which had enabled them to pay off maturing loans and issue other loans both in India and in this country at much lower rates of interest.

REVIEW OF ACCOUNTS

Turning to the accounts, Mr Greaves pointed out that a small trading profit had been made at the branches, but that actually there had been no expansion in the volume of general trading. Sales of teak, however, had been larger than during the previous year, but prices were lower and continued to be unremunerative.

The investments stood at about the same figure as the previous year, but embodied a larger proportion of British, Indian and Colonial Government securities, and, apart from the investment depreciation reserve, there was a substantial surplus in the market value at March 31st last as compared with the cost.

As mentioned in the directors' report, the Bombay Woollen Mill had been sold at a price which fully covered the figure at which the written down advances to the Bombay Woollen Manufacturing Company, Limited, stood in the books, but payment was not received until after the close of the financial year.

The final dividend of 5 per cent. on the ordinary shares recommended by the directors was only made possible by the transfer of £5,000 from the equalisation of dividend fund, and as the net balance of profit in the accounts was mainly due to non-recurring items the ordinary shareholders could not look for a larger distribution on this occasion.

SATISFACTORY FINANCIAL POSITION OF SIAM

Mr Greaves then referred to the satisfactory financial position of Siam, and said that, although there had been periodical rumours about and a certain amount of agitation in favour of a devaluation of the tical, the Siamese Government continued to maintain the stability of their currency, and in a statement made last January had declared that the maintenance of the present sterling value of the tical was, in their opinion, the best policy.

Dealing with the Siam-Malay Rubber Company, Limited, in which the corporation had invested close on £50,000, he mentioned that tapping of the unbudded area commenced last May, but that it would not be possible to start tapping the important budded area until next year, and it was unlikely that the whole estate would be in tapping before 1937. The visiting agent continued to give thoroughly satisfactory reports on the estate, and with rubber at its present price the outlook was encouraging.

CURRENT YEAR'S PROSPECTS

As regards prospects for the current year, there was unfortunately no indication at the moment of any improvement in the price of and demand for teak, and sales were being made at under the cost of production. It was, however, proposed to reopen the sawmill next month, and he was glad to say operations would be restarted with practically no unsold stocks of cut teak.

There had been a check to the fall in the price of rice, but the spending power of the Siamese cultivators had been reduced as the result of a long period of acute depression; but any improvement in the value of the main export of Siam would have a favourable bearing on conditions generally.

The rubber restriction scheme had given more confidence in the future of the industry, and this had been reflected in an improvement in business in Malaya.

CONDITIONS IN INDIA

There were signs of more settled conditions in India, and an important agreement had been come to between India and Japan, whereby the latter country had undertaken to purchase certain quantities of raw cotton in consideration of being allowed to export a relative quantity of cotton piece-goods to India, and this should ensure a market for a large portion of the exportable surplus of cotton grown in India.

It was reasonable to expect that the general trading of the corporation would show better results, but until there was a substantial recovery in world trade and a return to more economic prices he did not look for any real improvement, and, failing an advance in the price of teak, he did not anticipate a larger profit for the current year.

The directors' report and statement of accounts for the year ended March 31, 1934, were adopted, and final dividends of 3½ per cent. on the preference shares and 5 per cent. on the ordinary shares were declared, making a total distribution of 7½ per cent., less tax, on the ordinary shares for the year.

Mr J. Mackenzie was re-elected a director, and Messrs Turquand, Youngs and Company were appointed auditors for the current year.

CHUNGLOON RUBBER ESTATE (1932), LIMITED

IMPROVED OUTLOOK FOR THE INDUSTRY

INTERIM DIVIDEND PROSPECTS

MR E. B. RIDSDAL'S SPEECH

The second ordinary general meeting of the members of the Chungloon Rubber Estate (1932), Limited, was held on Tuesday, September 25, 1934, at the registered offices of the company, 411-419 Salisbury House, London Wall, London, E.C., Mr E. B. Ridsdal presiding.

The representative of the secretaries and commercial agents (Messrs E. B. Ridsdal & Co., Ltd.) having read the notice convening the meeting and the report of the auditors,

The chairman said: Gentlemen, the report and accounts having been in your hands for the requisite period, with your permission I will take them as read. From the report it will be observed that during the year we harvested a crop of 257,061 lbs. of rubber, which, compared with the estimate for the year, represents an increase of 7,061 lbs. The output secured is equivalent to a yield of 522 lbs. per acre per annum and, although satisfactory, this is slightly less than that obtained last year, owing to the 1926 plantings not having been tapped for several months—though included in the mature areas—and to no reduction of acreage having been made for other areas rested during a portion of the year. In other words that really means that the actual yield was better than 522 lbs. to the acre.

Turning to the accounts, it will be seen that after allowing for all expenditure, we show a profit for the year subject to tax of £1,258 15s., compared with a loss of £324 3s. 8d. as shown in the previous accounts submitted. I would ask you to remember that the previous accounts only covered a period of approximately six months—that is, from September 19, 1932, the date of incorporation of the company, until March 31, 1933; so that the profit earned during the period under review must be considered very satisfactory, especially as enhanced prices were only secured during the last few months of the year.

current year can be made. I think, however, we can say that on the basis of prices now ruling—even though output may be restricted by 30 per cent. from December onwards—we shall be able to make a still better showing than that submitted in the accounts now before you.

Our cash position to-day, as can be imagined, is stronger than that disclosed by the accounts, and, subject to prices now prevailing being maintained, and to a reasonable assessment and export allowance being secured, it may be possible before long to pay an interim dividend. Having such a small issued capital, 5 per cent., as you will see, would only absorb £1,250, and if we can earn this sum with rubber selling at 3½d. per lb. as we have done, I think you can confidently look forward—with a continuance of existing conditions—to a very good return on the money invested in the company.

CONDITION OF ESTATE

As regards the condition of the estate, the manager in his report has given a satisfactory account of both the mature and immature areas. During the past year a considerable amount of thinning out work has been done—and carried out, I may say, at a very low cost—the benefit of which will be reflected in the future yielding capacity of the estate.

Before putting the resolution to the meeting for the adoption of the report and accounts, I would like to thank Mr Tuke, our manager, and all concerned in the East, for the satisfactory attention given to all estate affairs. I will now formally move that the directors' report and statement of accounts for the year ended March 31, 1934, together with the auditors' report thereon, be and they are hereby approved and adopted. I will ask Mr De la Bere to second this resolution, but before putting it to the meeting I shall be very pleased to answer to the best of my ability any questions you may care to put to me.

Mr R. De la Bere seconded the resolution and, after the chairman had replied to shareholders' questions, it was carried unanimously.

The retiring director, Mr E. B. Ridsdel, was re-elected; the auditors, Messrs Fitzpatrick, Graham and Company, were re-appointed; and the proceedings terminated with a vote of thanks to the chairman and directors and also to the staff at home and abroad.

BAJOE KIDOEL RUBBER AND PRODUCE COMPANY, LIMITED

COFFEE POSITION AND OUTLOOK

The twenty-third ordinary general meeting of this company was held, on the 27th instant, at 2, 3 and 4 Idol Lane, London, E.C.

Mr H. Eric Miller (the chairman), in the course of his speech, said:—The report and accounts incorporate the figures of Macassar Plantations, Limited, which was merged in our company as from April 1, 1933. As you know, this company has consistently worked two cultures, coffee and rubber. We have been very much in the position of the fair proprietor owning both swings and roundabouts, and our dividend record has justified that policy. In the year under review we were faced with a marked contraction in our revenue from coffee, as shown by the accounts of our Eastern companies, whose net profits from this product amounted to Gls. 58,884.61, as compared with a figure of Gls. 338,915.80 from the Bajoe Kidoel estates alone in the previous year. At current rate of exchange the decline is equivalent in round figures to £35,000.

The maintenance of the price of coffee to the producer even at its present low level depends almost entirely on Brazil maintaining her scheme for regulating exports. Her crop for the season 1934-35 is estimated to be a small one of about 14 million bags, whilst supplies of mild coffees from other countries are likely to be between 9 and 10 million bags. On these figures, production for the season would be rather less than consumption, and as the Brazilian scheme continues in force, it seems likely that before the middle of 1935 they will have eliminated all the surplus coffee in their interior warehouses except the 10 or 11 million bags which must be held as security for the 1930 Coffee Realisation Loan. The immediate general outlook for coffee, therefore, seems to point to a steady price with minor fluctuations.

Thanks to the improvement in the rubber market, brought about by the prospect of international regulation of supplies, the proceeds of our rubber crop enabled the local companies to show a balance of Gls. 9,141.29 to the good, against a deficit on this product of Gls. 143,260.08 in the previous year. The provisional standard crop allotted to us is just over 2,400,000 lbs.

The report and accounts were unanimously adopted, and a dividend of 6 per cent., less tax, was approved.

GOLD EXPLORATION AND FINANCE COMPANY OF AUSTRALIA, LIMITED

WIDESPREAD INTERESTS

The statutory meeting of the Gold Exploration and Finance Company of Australia, Limited, was held, on the 26th instant, at River Plate House, London, E.C.

Mr John A. Agnew, who presided, said in the course of his speech: The company was incorporated on July 23rd last. The issue was very heavily over-subscribed, and the directors have allotted the full number of shares offered in the terms of the prospectus. We are very widely interested in Western Australia. First, we hold most of the issued capital of Western Mining Corporation, Limited, a company which is actively engaged in the investigation and prospecting of extensive areas in the more important mining fields of the State. In development its major activities are centred in the Norseman field, where important interests are controlled, which are being actively tested on a large scale.

Secondly, we either own directly or have options to purchase leases on the very important Kalgoorlie field aggregating a substantial area. This we divide into three sections. The Northern Section is considered by our technical advisers to have important prospects of developing into a profitable producer. We are negotiating the purchase of certain properties adjoining this area, and if we are successful we will in all probability at no distant date create a subsidiary company to carry forward the prospecting and development of this section to the point of production. If we succeed in putting our policy into effect the shareholders of Gold Exploration and Finance Company of Australia, Limited, will be offered the opportunity of providing a portion of the necessary capital. The second or more central section of our interests at Kalgoorlie has an important prospective value.

The third section, the most extensive in area, which comprises our southern interest, is of a "long shot" prospecting nature, and our technical advisers will consider means of proving its value at an early date. Generally, we regard our Kalgoorlie interest as having a big prospective value. We also own a not unimportant interest in Triton Gold Mines in Western Australia, which will, we expect, begin profitable production in 1935.

EASTERN AUSTRALIAN HOLDINGS

In Eastern Australia our interests are distributed over three main sections, namely, Bendigo, Deep Lead Alluvials, and our interest in Gold Mines of Australia. In the Bendigo district we are large shareholders in Bendigo Mines, Limited, and indirectly through this company, and also directly by our own holdings, in the Napoleon and Nell Gwynne companies, the first two subsidiaries of Bendigo Mines, Limited. The reports of our expert advisers on this field are very encouraging.

A comprehensive scheme of development of the area under the control of Bendigo Mines, Limited, has been prepared by the technical advisers of that company, and once it is in full swing it should not be long before some definite reward is obtained. Bendigo has been a wonderful producer in the past, and, if the geologists are correct in their opinions, may again very soon become prominent among the goldfields of the world.

Adjacent to the Bendigo district we have also secured the main leases, comprising what has been the most important producing section in the Costerfield area. On the expert advice before us for an expenditure of £50,000 (Australian currency) we have a reasonable prospect of obtaining an annual profit of over £30,000 (Australian currency) from this important gold antimony property.

Outside of Bendigo we have very important interests in the Deep Lead Alluvials of Victoria in our own right and indirectly also through our shareholding in Gold Mines of Australia. The problem of the successful operation of these Deep Leads is admittedly a big one, but we believe it will be solved and that a reasonable reward for our efforts will be forthcoming.

Indirectly through Gold Mines of Australia we are interested in the New Morning Star Mine at Woods Point in Victoria, which has attractive possibilities, and also dredging areas in New South Wales, and also in goldmining in Queensland.

Our interests, you will see, cover a wide area. In the main they are so far exploratory, and therefore speculative, but we are firmly convinced that an excellent opportunity exists of developing a progressive and profitable business.

I am pleased to add that one of the companies in which a substantial interest has been acquired—viz., Gold Mines of Australia, Limited—has recently declared its maiden dividend (6d. per share).

No questions being asked, the statutory report was unanimously adopted.

KIRKLEES, LIMITED

SUBSTANTIALLY LARGER PROFITS

The sixth ordinary general meeting of Kirklees, Limited, was held, on the 21st instant, at River Plate House, E.C.

Mr William Tong, M.C. (the chairman), said that the accounts showed a substantial increase in trading profit, and the directors had greater confidence now in the future of the company than at any previous time. The profits would have been quite satisfactory but for drastic reduction in prices and the fact that the heavy development expenses—amounting to an increase of over 50 per cent. in their production—had been met entirely out of current profits.

The prices of viscose rayon in this country were largely controlled by Messrs Courtaulds, Limited, whose chairman had stated that it was intended to exercise such control of market prices as was possible to prevent margins of profit rising above the present level, which allowed a moderate rate of profit. Bearing that in mind the Kirklees policy was clear. Assuming that any other company could manufacture profitably in this country, under present conditions, they should, and he believed they would, be able to do the same. "Kirkstyl" products commanded as high a price as any in the market. This position had been further considerably strengthened during the year by improvements in organisation and technique, and they were now deriving the full benefit of the increase in their production capacity.

During the year £125,000 Five and a-Half per cent. First Mortgage debenture stock with convertible rights into Ordinary shares was created and £100,000 offered to shareholders and fully subscribed at par. Cash amounted to £27,522, and the liquid assets totalled £83,590, against current liabilities of £33,824.

The trading profit of £37,867 compared with £26,243 in the previous period.

A most encouraging factor, and one of fundamental importance, was the continued growth in the use of rayon. Consumption was keeping pace with record figures of production, and the lowering of the Excise duty to 6d. per pound was bound to increase its use. In his opinion the remaining 6d. ought to be removed. They had a sound business, with many good friends and customers, and did not fear any fair competition, and on that basis had confidence in the company's ability to return satisfactory results.

The report was unanimously adopted.

CLARENDON PROPERTY COMPANY, LIMITED

PROSPECTUS FIGURES EXCEEDED

The first ordinary general meeting of the Clarendon Property Company, Limited, was held, on the 21st instant, at the Hotel Victoria, London, W.C., Mr Louis Nicholas, F.C.A. (the chairman), presiding.

The Chairman, in the course of his speech, said: The net revenue from properties, after deducting expenses, including management and repairs, amounts to the sum of £89,946 16s. 9d., which is slightly in excess of the prospectus figures, but as against this the income covers a period of some three weeks more than a full year.

An interim dividend upon the ordinary shares of 2½ per cent., less tax, amounting to the sum of £8,137 10s., making a total leaving £17,589 9s. 1d., which the directors recommend should be appropriated in payment of a final dividend of 3½ per cent., less tax, amounting to the sum of £8,137 10s., making a total distribution on the ordinary shares of 6 per cent., leaving to be carried forward £9,451 19s. 1d.

The directors are glad to be able to confirm the statements contained in the prospectus as to the character of the company's properties. The advantageous terms upon which the properties were acquired are shown by the revenue statement, while their general condition, structural and otherwise, has been satisfactorily maintained.

In addition, certain capital improvements have been carried out during the period, and the cost of these, some £6,000 odd, has been charged to capital. Further improvements will be made from time to time.

Additional freehold properties and another leasehold property have been acquired during the year, and to finance these purchases a sum of £14,000 has been borrowed upon the leasehold property. Further properties will be acquired as and when the opportunity occurs.

We have had the normal changes of tenancies during the period under review, but the number of voids at the present time is less than when the company completed the purchase.

In conclusion, your directors confidently look forward to a progressive future for the company.

The report and accounts were unanimously adopted.

ANGLO-CONTINENTAL GUANO WORKS, LIMITED

The seventeenth ordinary general meeting of The Anglo-Continental Guano Works, Limited, was held, on the 25th instant, at Southern House, London, E.C., Sir Archibald Mitchelson, Bt., chairman of the company, presiding.

The Chairman, in moving the adoption of the report and accounts, said it was a matter of great satisfaction to the board that they were able to recommend a dividend of 7½ per cent. on the ordinary shares after so long a period without any distribution. The net profit amounted to £72,924, as compared with £61,489 in the previous year. The reserve fund had been brought up to £55,000, and their depreciation reserve to £30,000, while during the year an important financial change had been effected in the redemption of the outstanding £225,000 of 7 per cent. debenture stock and the substitution for it of £250,000 of 5½ per cent. debentures—a rearrangement financially beneficial to the company.

Most of their subsidiary companies had done well, and in the majority of cases the profits had been left in those companies with a view to strengthening their respective positions. As far as Genatosan, Limited, was concerned, the company had enjoyed another very satisfactory year and was again paying its dividend of 35 per cent., and their present holding in the company of some 1,200,000 ordinary shares stood in the books at a figure very considerably below the market value. As to their main business of fertiliser manufacture, they had sold more of their product than in any recent year, and the better showing of their trading account was due to the increased turnover. The high quality of their products was well maintained, and there could be little doubt that their increased sales were largely due to the improvement which had taken place in British agriculture and horticulture.

Their Broadfield superphosphate plant had rewarded them handsomely for the expenditure incurred, and if sales increased at the present rate they would have to duplicate that plant in the near future. They had had to increase their acid plant in order to provide for future requirements and cheapen production costs. In regard to their interest abroad in processes for the extraction of oils from vegetable seeds and from organic matter, the results during the past twelve months had been of an encouraging nature, and if expectations were fulfilled should prove of great importance to their company.

The report and accounts were unanimously agreed to.

ASSOCIATED BRITISH PICTURE CORPORATION

SUBSTANTIAL IMPROVEMENT IN RESULTS

The seventh ordinary general meeting of this Corporation was held, on the 25th instant, at Winchester House, London.

Mr John Maxwell (chairman and managing director) said that the combined figure of trading profit earned by the Corporation and Associated British Cinemas, Limited, amounted to the substantial figure of £573,198. After deducting the charge for interest on mortgages and loans, the reserve required for income tax, and a reserve of £100,000 for depreciation of cinema properties, they were left with a combined net profit for the year, after making full provision of every kind, of £273,591. The trading results of the current year to date showed that the improvement of the past year had been more than maintained, and the most recent figures showed that the further increase of profits had been substantial.

A proposal would be submitted to extraordinary general meetings of shareholders to increase the share capital of the Corporation by the creation of a further 250,000 6 per cent. first cumulative preference shares of £1 each and 1,000,000 ordinary shares of 5s. each. The proposal was made as part of a scheme which the directors had in view for funding the floating loans of the subsidiary companies.

Without exception, their subsidiary companies had done well throughout the past year. They had been able to add to the volume of their film production from Elstree a considerable output from the Welwyn studios of British Instructional Films, Limited. Both at Elstree and at Welwyn much work had been done during the year in the way of improving and extending the technical equipment for production, and he might safely say that their production facilities were as complete and up to date as could be found in any studio anywhere. Their distributing companies, Wardour Films, Limited, and Pathe Pictures, Limited, had both had a successful year's trading and had further established themselves in the goodwill of cinema exhibitors throughout the country. Their export company, B.I.P. (Export), Limited, had shown steadily improving results throughout the past year.

The report was unanimously adopted and the separate general meeting of preference shareholders convened to consider resolutions increasing the capital was, in the absence of a quorum, adjourned until Tuesday, October 2nd next.

RECORD BONUS RECORD

WHOLE - LIFE BONUS
INCREASED to: **45/- %**
per annum . . .

ENDOWMENT ASSURANCE
BONUS MAINTAINED
at: per annum . **40/- %**

INTERIM BONUS, 1934,
same rates

CARRY FORWARD INCREASED
from £483,159 to £674,364

THE LIVERPOOL & LONDON & GLOBE

INSURANCE COMPANY, LTD.

Head Office: 1, Dale Street, Liverpool, 2. London: (Chief Office) 1, Cornhill, E.C.5.

PRICES, TAILORS, LIMITED

DIVIDEND DOUBLED

The annual shareholders' meeting of Prices, Tailors, Limited, was held, on the 27th instant, in London, Mr H. P. Price, managing director, presiding.

The Chairman said:—During the past year we have experienced an improvement in trading conditions, and this has been reflected in our accounts for the year ending June 30th. The trading profit is £255,313, against £141,933 for the previous year. We propose to transfer £50,000 to reserve, making that account £125,000, and leaving a balance of £45,295 to be carried forward to the next account, this being more than one year's interest on the whole of the preference and preferred ordinary shares after deduction of income tax.

We propose to increase the dividend upon the ordinary share capital to 30 per cent., less 4s. 6d. in the £ for the same period. I think you will have every reason to be satisfied with the results of our last year's trading. During the year it has been very gratifying to see the general increase in turnover.

Placed as we are, with depôts throughout the British Isles and the Irish Free State, we have a sure barometer of the state of trade, and from our experience we are now on the upward curve of better trade in our own country.

The conservatism of man, however, in the matter of clothes is proverbial, although, influenced as ever by women, we are not quite so hidebound as formerly. Every man to-day wants good clothes at the lowest possible price, and does not mind from whom he buys them, provided they are right. It is our business to see that as many as possible buy from us, and let me say that no firm is better placed and better equipped to deal with the immense demands which rational tailoring is bringing about than the Fifty Shilling Tailors' depôts, and in my opinion we have as yet only touched the fringe of rational tailoring.

The report was unanimously approved.

At the conclusion of the meeting Mr Price added:—I am sure you will be wondering about our progress during the new financial year to date. I am happy to say that our records are up very considerably, which, of course, is reflected already in increased profits compared with last year, and should nothing untoward happen in national or international affairs I think we can look forward to another record year.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 22, 1934, amounted to £9,547,500, against ordinary expenditure of £5,419,000. After allowing for a decrease in Exchequer Balances of £350,697 the operations for the week, as shown below, decreased the National Debt by £4,334,000 to approximately £8,097 millions.*

(000's omitted)

Treasury Bills	£ 41	Public Department Advances	£ 4,500
National Savings Certificates	£ 150	N. Atlantic shipping issues	£ 25
	£ 191		£ 4,525

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.
† Revised on basis of official figures for March 31, 1934.

A complete analysis of the approximate position of the National Debt at June 30, 1934, appeared in the *Economist* of July 7.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Sept. 22, 1934	April 1, 1933, to Sept. 23, 1933	Week ended Sept. 22, 1934	Week ended Sept. 23, 1933
ORDINARY REVENUE					
Inland Revenue					
Income Tax	219,500,000	49,977,000	42,194,000	280,000	737,000
Sur-tax	50,000,000	8,210,000	8,700,000	1,050,000	130,000
Estate, etc., Duties	76,000,000	39,060,000	43,180,000	620,000	1,150,000
Stamps	25,000,000	8,640,000	7,950,000	50,000	200,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	170,000	10,000	...
Total Inland Revenue	372,500,000	106,037,000	102,194,000	2,010,000	2,217,000
Customs and Excise					
Customs	183,650,000	89,649,000	85,830,000	3,857,000	4,179,000
Excise	106,350,000	49,400,000	51,000,000	5,404,000	5,200,000
Total Customs and Excise	290,000,000	139,049,000	136,830,000	9,261,000	9,379,000
Motor Vehicle Duties (Exchequer Share)	5,000,000	1,451,000	1,226,000	Dr 200,000	...
Post Office (Net Receipts)	14,000,000	8,150,000	7,500,000	Dr 155,000	Dr 135,000
Crown Lands	1,220,000	570,000	500,000	...	...
Receipts from Sundry Loans	3,800,000	2,862,008	3,271,427	...	...
Miscellaneous Receipts	20,000,000	6,897,504	16,591,880	26,514	175,122
Total Ordinary Revenue	708,520,000	265,016,512	268,113,307	9,547,514	10,421,122
SELF-BALANCING REVENUE					
Post Office	60,463,000	26,400,000	26,100,000	2,550,000	2,350,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,937,000	7,253,000	200,000	...
Total Self-Balancing Revenue	84,718,000	34,337,000	33,353,000	2,750,000	2,350,000
Total		299,353,512	301,466,307	12,297,514	12,771,122

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Sept. 22, 1934	April 1, 1933, to Sept. 23, 1933	Week ended Sept. 22, 1934	Week ended Sept. 23, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	105,621,128	105,041,014	325,071	441,569
Payments to Northern Ireland	6,500,000	2,481,068	2,636,943	...	1,000
Other Consolidated Fund Services	3,700,000	1,427,244	1,526,283	394,139	176,191
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	109,529,440	109,204,240	719,210	618,760
Total Supply Services (excluding Post Office)	466,296,000	206,703,319	201,608,576	4,700,000	4,650,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	316,232,759	310,812,816	5,419,210	5,268,760
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	316,232,759	312,654,032	5,419,210	5,268,760
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	26,400,000	26,100,000	2,550,000	2,350,000
Road Fund	24,255,000	7,937,000	7,253,000	200,000	...
Total Self-Balancing Expenditure	84,718,000	34,337,000	33,353,000	2,750,000	2,350,000
Total		350,569,759	346,007,032	8,169,210	7,618,760

The aggregate revenue and expenditure to September 22, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO SEPTEMBER 22, 1934

(000's omitted)

Expenditure	£ 316,233	Revenue	£ 265,017
		Decrease in balances	117
		Gross increase in borrowing	£54,706
		Less—	
		New Sinking Fund	3,607*
		Net borrowing	51,099
	316,233		316,233

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Sept. 23, '33	Mar. 31, '34	Sept. 22, '34	Sept. 22, '34
Advances by Public Department	£ 20,800,000	£ 44,900,000	£ 44,250,000	£ 4,500,000
Treasury Bills outstanding	996,465,000	799,810,000	825,290,000*	40,000
Total Floating Debt	1,017,265,000	844,710,000	869,540,000	4,460,000

* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 Treasury bills were opened on September 21, 1934, and the total amount applied for was £65,585,000. Tenders were accepted for Treasury bills at three months, dated Monday and Tuesday at £99 17s. 8d., and above in full; Wednesday at £99 17s. 7d., about 85 per cent., and above in full; Thursday to Saturday, at £99 17s. 8d., and above in full. The average rate per cent. was 9s. 3.45d. The amount allotted was £35,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1, 1932	£ 40,000,000	£ 50,320,000	£ 38,000,000	5 8 4
April 1	45,000,000	61,860,000	43,950,000	2 3 3.73
July 1	45,000,000	59,945,000	45,000,000	0 16 11.82
October 7	55,000,000	100,325,000	50,000,000	0 16 11.24
January 6, 1933	45,000,000	73,830,000	45,000,000	0 16 10.84
July 7	45,000,000	83,890,000	42,000,000	0 10 4.85
October 6	45,000,000	100,450,000	45,000,000	0 12 9.88
January 5, 1934	35,000,000	76,260,000	30,000,000	0 18 11.5
April 6	40,000,000	80,390,000	38,000,000	0 17 9.01
July 6	35,000,000	62,745,000	32,000,000	0 16 4.14
August 24	30,000,000	59,320,000	30,000,000	0 14 3.26
August 31	35,000,000	60,000,000	33,900,000	0 14 4.47
September 7	35,000,000	54,370,000	32,000,000	0 12 10.88
September 14	30,000,000	65,080,000	29,800,000	0 10 5.61
September 21	40,000,000	65,585,000	35,000,000	0 9 3.45

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended September 8, 1934	640,184	£ 512,147
Week ended September 15, 1934	601,947	£ 491,558
February, 1916, to September 15, 1934	1,197,079,786	£ 943,273,579

At the end of August, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,549,108.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, September 26th, 1934

ISSUE DEPARTMENT		£	£
Notes Issued:—			
In Circulation	377,028,060	Government Debt	11,015,100
In Banking Department	74,858,013	Other Government Securities	244,990,317
		Other Securities	890,511
		Silver Coin	3,104,072
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	191,886,073
			451,886,073
BANKING DEPARTMENT		£	£
Proprietors' Capital	14,553,000	Government Securities	81,634,164
Reserves	3,709,231	Other Securities:—	
Public Deposits	37,858,169	Discounts and Advances	£7,203,539
Other Deposits:—		Securities	£10,597,669
Bankers	£82,039,899		
Other Accounts	£36,767,881	Notes	17,801,208
	118,807,780	Gold and Silver Coin	74,858,013
7-day and Other Bills	5,060		639,855
	174,933,240		174,933,240

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

Both Departments		Amount, Sept. 26, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Notes circulation	£ 377,028,060	+ 648,314	+ 6,274,610	
Public deposits	£ 37,858,169	+ 17,359,110	+ 21,370,129	
Bankers' deposits	£ 82,039,899	— 17,797,320	— 15,294,284	
Other deposits	£ 36,767,881	— 733,077	— 7,188,530	
Seven-day bills	£ 5,060	—	3,637	
Total outside liabilities	£ 533,699,069	+ 522,973	+ 5,165,562	
Capital and rest	£ 18,262,231	+ 5,590	+ 26,783	
Government debt and securities	£ 337,639,581	— 38,668	+ 9,893,780	
Discounts and advances	£ 7,203,539	+ 1,065,701	1,986,754	
Other securities	£ 11,488,180	+ 1,580,904	— 2,935,518	
Silver coin in issue department	£ 3,104,072	— 55,724	— 538,428	
Coin and bullion (bank's reserves)	£ 192,525,928	+ 92,212	+ 759,285	
Reserves of notes and coin in banking department	£ 75,497,868	— 556,102	— 5,515,325	
Proportion of reserve to outside liabilities				
(a) Banking Department only ("proportion")	48.1%	...	— 3.2%	
(b) Gold stocks to deposits and notes ("reserve ratio")	36.1%	+ 0.1%	— 0.2%	

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
Aug. 22	£ 451,677	£ 379,370	£ 37,393	£ 82,099	£ 35,702	Nil	% 2
25	451,762	379,284	33,991	83,747	35,216	85 in	2
Sept. 5	451,782	381,284	29,635	88,947	36,930	Nil	2
12	451,821	379,046	16,523	103,170	36,810	59 in	2
19	451,821	376,390	20,499	99,837	37,501	Nil	2
26	451,886	377,028	37,858	82,040	36,768	64 in	2

Date	Issue Department		Both Depts.		Banking Department			
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion	Ratio	Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"
1934								
Aug. 22	£ 256,011	£ 627	£ 192,217	% 36	£ 84,505	£ 5,771	£ 10,284	£ 72,847
25	256,241	444	192,336	36	83,185	5,615	9,344	73,052
Sept. 5	256,463	278	192,328	35	85,029	6,935	10,764	71,045
12	255,943	852	192,438	35	84,884	6,263	10,224	73,392
19	255,999	841	192,434	36	81,679	6,138	12,228	76,054
26	256,005	890	192,323	36	81,634	7,203	10,598	75,498

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to September 12 ...	21,289,333	1,231,154	2,086,185	24,586,672
Week ended September 19 ...	501,145	28,416	52,263	581,824
Week ended September 26 ...	524,969	27,459	49,171	601,599
Total to date, 1934	22,295,447	1,287,029	2,187,619	25,770,095
Total to date, 1933	20,052,150	1,217,124	2,021,212	23,290,486
Increase or decrease in 1934 {	+ 2,243,297 = 11.2 %	+ 69,905 = 5.7 %	+ 166,407 = 8.2 %	+ 2,479,609 = 10.6 %
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,628
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933 {	- 119,153 = 0.4 %	+ 46,268 = 2.8 %	+ 98,552 = 3.6 %	+ 25,667 = 0.07 %

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

	Sept. 29, 1933	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934
Total gold reserves	993,330	1,732,330	1,723,570	1,777,830	1,851,890
Total bills discounted	41,930	14,040	14,390	13,630	11,860
Total bills in open market	2,030	1,950	1,930	1,930	2,170
Bills bought in open market	791,940	777,750	777,750	777,750	777,750
Total U.S. Govt. securities	837,090	793,890	794,180	793,450	791,920
Deposits—Member bank—re-					
serve account	1,049,400	1,583,590	1,572,160	1,581,110	1,672,240
Ratio of total res. to dep. and					
Federal Res. note liabili-	60.6%	71.3%	71.0%	71.8%	72.6%
ties combined					

FEDERAL RESERVE MEMBER BANKS

In \$'s (000,000's omitted)

	Sept. 14, 1933	Aug. 16, 1934	Aug. 23, 1934	Sept. 5, 1934	Sept. 12, 1934
Loans	8,596	7,825	7,814	7,802	7,855
Discounts	7,984	9,907	9,911	9,908	9,923
Deposits	10,558	12,825	12,818	12,938	13,041
Time deposits	4,484	4,505	4,513	4,510	4,496
Government deposits	875	1,255	1,236	1,203	1,091
Due from banks	1,227	1,538	1,550	1,560	1,514
Due to banks	2,589	3,821	3,741	3,732	3,784

STATEMENT OF CANADIAN BANKS—In \$'s (000's omitted)

	June 30, 1933	Mar. 31, 1934	Apr. 30, 1934	May 31, 1934	June 30, 1934
Assets					
Cash and bank balances	367,776	315,318	338,883	353,789	330,269
Bank balances abroad	82,947	86,139	81,708	83,580	83,617
Call and short loans	201,412	209,312	220,062	225,132	223,966
Securities	880,154	834,640	837,411	830,063	837,107
Loans in Canada	1,070,921	1,042,543	1,057,689	1,050,876	1,032,055
Loans abroad	152,772	138,381	136,759	138,372	146,141
Other assets	153,481	158,498	158,554	158,400	159,710
LIABILITIES					
Note circulation	137,742	140,910	133,083	127,348	141,531
Deposits					
Government	87,215	96,044	96,612	102,475	109,440
Public in Canada	1,921,978	1,836,711	1,886,032	1,900,044	1,850,843
Foreign	324,920	320,785	322,223	323,089	329,569
Bank balances—					
Canadian	14,984	11,527	14,816	15,304	11,825
Foreign	37,573	32,968	32,293	29,852	28,038
Bills payable, etc.	46,109	52,107	52,190	51,788	53,287
Capital and res.	306,500	277,000	277,000	277,000	277,000
Other liabilities	2,854	2,989	3,304	4,848	2,910

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

	Sept. 1, 1933	Aug. 3, 1934	Aug. 10, 1934	Aug. 17, 1934	Aug. 24, 1934	Aug. 31, 1934
Assets						
Total securities	46,33,36	34,31,15	36,06,44	36,20,90	36,91,73	37,22,81
Ways and means	50,00	12,50,00	9,50,00	10,50,00	7,50,00	5,50,00
Loans	2,88,37	2,06,56	2,04,49	2,27,28	1,93,09	2,01,39
Cash credits	15,17,08	15,00,50	14,74,23	14,46,85	14,39,95	14,31,21
Inland bills	1,75,13	1,98,37	2,00,80	2,11,96	1,81,81	1,72,92
Foreign bills	23,77	29,59	33,28	32,59	30,42	23,78
Dead stock	2,57,92	2,49,87	2,49,91	2,49,97	2,50,08	2,50,21
Bal. with other banks	20,28	7,49	9,19	7,22	7,90	19,14
Cash	27,83,64	25,82,23	25,94,20	27,14,86	28,51,20	28,98,27
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,20,00	5,27,50	5,27,50	5,27,50	5,27,50	5,27,50
Total deposits	86,00,36	82,90,80	81,55,11	83,91,86	82,20,05	81,03,96
The above includes—						
Deposits in London	857	903	902	883	881	905
Advances in London	843	1,579	1,580	1,578	1,574	1,542
Cash, etc., at other						
Banks in London	156	58	73	56	62	146

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

	Sept. 22, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 14, 1934	Sept. 21, 1934
Assets					
Gold	82,204,447	82,036,783	82,098,928	82,153,450	82,204,580
Foreign assets					
Bill deposits	1,287,037	1,397	10,278	10,430	9,861
Bills, etc.	1,345,849	1,068,510	1,067,005	1,009,218	980,497
Home bills	3,185,217	3,141,421	3,284,750	3,272,201	3,219,589
Advances against sec.					
To the State	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Other advances	2,737,980	3,140,366	3,126,946	3,128,886	3,104,175
Negotiable Bonds, Sinking Fund Dept.					
Other assets (exclud-					
ing forward exch.)	5,189,820	5,859,996	5,292,609	5,090,447	5,107,236
LIABILITIES					
Notes in circulation	81,016,350	81,732,266	81,016,762	80,440,372	80,059,456
Public deposits	3,501,849	3,883,784	3,701,370	3,655,844	3,544,565
Private deposits	18,572,678	16,659,323	17,087,033	17,561,053	17,999,209
Other liabilities	2,472,038	2,073,401	2,173,566	2,105,567	2,120,880
Ratio of gold reserve					
to sight liabilities	79.6%	80.0%	80.5%	80.7%	80.8%

THE REICHSBANK—In Reichsmarks (000's omitted)

	Sept. 23, 1933	Sept. 7, 1934	Sept. 15, 1934	Sept. 22, 1934
Assets				
Gold	354,220	74,937	74,973	74,993
Of which deposited abroad	73,758	20,851	20,851	20,851
Reserve in foreign currencies	47,758	3,777	3,822	3,875
Bills of exchange and cheques	2,962,115	3,444,402	3,428,951	3,383,859
Silver and other coin	268,496	219,540	243,978	283,098
Notes of other German banks	14,238	9,872	13,410	16,883
Advances	66,787	96,110	98,499	95,084
Investments	319,832	739,734	755,296	753,878
Other assets	536,588	604,280	597,878	597,280
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,307,951	3,708,940	3,662,270	3,568,751
Other daily maturing obligations	407,864	667,526	722,827	811,851
Other liabilities	231,068	193,389	208,313	205,551
Cover of note circulation	12.2%	2.12%	2.15%	2.20%

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

	Position, May 30, 1914	Sept. 21, 1933	Aug. 30, 1934	Sept. 6, 1934	Sept. 13, 1934	Sept. 20, 1934
Assets						
Gold	22,650	2,705,892	2,647,164	2,649,274	2,650,049	2,655,488
Silver and other coin	697,600	69,010	67,547	67,743	68,443	70,269
LIABILITIES						
Notes in circulation	934,150	3,451,297	3,531,441	3,557,714	3,559,971	3,510,377
Deposits: Govt.		282,592	65,285	45,029	43,513	62,387
Other		264,788	241,816	220,904	225,088	243,010

(a) In thousand francs.

NETHERLANDS BANK—In florins (000's omitted)

	Position, May 30, 1914	Sept. 25, 1933	Sept. 10, 1934	Sept. 17, 1934	Sept. 24, 1934
Assets					
Gold	163,092	841,155	863,410	864,141	864,141
Silver	8,436	25,530	22,259	22,455	22,455
Home bills discontd.		31,436	26,463	26,541	25,712
Foreign bills		1,249	1,154	866	866
Loans and advances	253,504	144,092	148,278	145,324	145,401
LIABILITIES					
Notes in circulation	316,632	697,105	921,986	898,761	886,822
Deposits	5,016	157,154	164,055	184,418	196,640

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

	Position, May 30, 1914	Sept. 23, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934	Sept. 22, 1934
Assets						
Gold	171,175	1,835,768	1,734,508	1,754,274	1,773,455	1,786,124
Of which held abroad		296,237	142,638	149,244	149,247	149,247
Foreign gold valuta		14,016	21,191	17,595	19,948	19,887
Discounts		21,917	51,525	40,163	21,518	21,514
Bills of the Confederation		23,086	11,875	11,875	11,375	10,975
Advances	103,000	67,074	76,955	76,201	73,999	73,999
LIABILITIES						
Notes in circulation	275,925	1,350,737	1,369,524	1,330,581	1,323,919	1,323,919
Deposits	33,750	615,544	519,155	547,000	566,629	578,716

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

	Position, May 30, 1914	Sept. 23, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934	Sept. 22, 1934
Assets						
Gold reserve	252,792	278,308	278,748	278,103	279,624	279,624
Government securities—Swedish	245,261	176,062	176,062	176,062	174,837	174,837
Foreign		46,559	46,557	46,557	46,557	46,557
Gold abroad not included in the gold reserve	125,067	94,372	94,306	94,253	94,175	94,175
Bills payable in Sweden	14,145	9,443	9,657	9,776	9,782	9,782
LIABILITIES						
Notes in circulation	2,509	360,500	360,524	360,524	360,524	360,524
Deposits	331,012	63,744	79,780	84,405	88,735	88,735
Advances	36,992	27,414	27,617	27,708	27,899	27,899
LIABILITIES						
Notes in circulation	533,582	642,841	614,860	620,796	605,056	605,056
Government deposits	135,619	135,865	132,754	165,099	160,579	160,579
Private deposits	349,754	134,956	355,318	321,494	343,918	343,918

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

	Position, May 30, 1914	Sept. 22, 1933	Sept. 8, 1934	Sept. 15, 1934	Sept. 22, 1934
Assets					
Coin and bullion	44,224	118,248	118,411	118,411	118,411
Balance abroad and foreign bills	28,533	15,434	18,419	18,994	17,071
Funds provisionally placed in gold not included in the gold reserve		35,081	16,379	16,379	16,379
Norwegian and Foreign Government securities	8,816	42,236	42,840	43,701	45,841
Discounts and loans	76,911	217,074	250,415	251,437	248,284
LIABILITIES					
Notes in circulation	113,484	295,621	316,970	311,843	312,613
Deposits at sight	7,188	76,015	63,745	70,504	66,730

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

	Position, May 30, 1914	Sept. 23, 1933	Sept. 1, 1934	Sept. 8, 1934	Sept. 15, 1934	Sept. 22, 1934
Assets						
Gold	521,775	2,260,123	2,264,726	2,264,934	2,265,227	2,265,414
Silver	728,600	643,871	684,209	679,372	677,825	679,029
Loans & Discounts	800,725	2,631,132	2,507,616	2,510,749	2,469,160	2,464,773
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advcs. to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES						
Notes in circulation	901,550	4,722,131	4,587,462	4,646,874	4,609,204	4,568,092
Deposits	477,500	919,579	930,468	823,182	844,930	832,800

II.—Forward Rates (Closing quotations)

London on	Sept. 21, 1934 Per £	Sept. 22, 1934 Per £	Sept. 23, 1934 Per £	Sept. 24, 1934 Per £	Sept. 25, 1934 Per £	Sept. 26, 1934 Per £	Sept. 27, 1934 Per £
New York, cent	1 Month (b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2
Paris, cent	1 Month (a) 5-3	(a) 5-3	(a) 5-3	(a) 5-3	(a) 5-3	(a) 5-3	(a) 5-3
Holland, cent	1 Month (a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2
Brussels, cent	1 Month (a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2
Zurich, cent	1 Month (a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2
Italy, lira	1 Month (a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2	(a) 2-1/2

(a) Premium, i.e. "under spot."

(b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed From	To	Changed From	To
Albania..... Nov. 16, 1933 8	Madrid..... Oct. 26, 1932 6	6	6
Amsterdam..... Sep. 18, 1933 3	Oslo..... May 22, 1933 3	2	2
Athens..... Oct. 14, 1933 7	Paris..... Jan. 25, 1933 4	3	3
Batavia..... July 1, 1934 4	Prague..... May 15, 1933 4	3	3
Belgrade..... July 16, 1934 4	Pretoria..... Jan. 28, 1932 6	5	5
Berlin..... Sep. 22, 1934 3	Tallinn..... Jan. 1, 1933 6	5	5
Brussels..... Aug. 28, 1934 3	Riga..... Dec. 11, 1933 3	4	4
Bucharest..... Apr. 5, 1933 7	Rome..... Jan. 3, 1934 8	7	7
Budapest..... Oct. 17, 1932 5	Sofia..... Dec. 1, 1933 3	2	2
Calcutta..... Feb. 16, 1933 4	Stockholm..... Dec. 1, 1933 3	2	2
Copenhagen..... Dec. 1, 1933 3	Swiss Bank		
Danzig..... Sep. 21, 1934 3	places..... Jan. 22, 1931 2	2	2
Helsingfors..... Dec. 20, 1933 5	Tokio..... July 2, 1933 4	3	3
Kovno..... Jan. 1, 1934 7	Vienna..... June 27, 1934 5	4	4
Lisbon..... Dec. 8, 1933 6	Warsaw..... Oct. 26, 1933 6	5	5
New York Fed- eral Reserve	Irish..... June 30, 1932 3	3	3

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
 a 5% applied to banks and credit institutions.
 b 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Sept. 27, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934
Call money.....	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2
Time money (90 days' mixed coll.)	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2
Bank acceptances:—						
Members—eligible, 90 days.....	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2
Non-mem.—eligible, 90 days.....	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2
Ineligible, 90 days.....	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2
Commercial accept., 90 days.....	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2	1-1/2

Rate of Exchange, New York on—	Par Level	Sept. 27, 1934	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934
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London— 60 days.....	Dollars for £1	Old par 4-8666	4-71	4-8925	4-8862	4-9412
Cable.....		New par 4-725	4-725	5-01	5-0050	4-97
Cheques.....		8-2397	4-725	5-01	5-0050	4-97
Paris..... cheques	Cents for 1 franc	6-63	5-935	6-6775	6-68	6-6612
Brussels.....	Cents for 1 franc	23-54	21-18	23-73	23-79	23-70
Switzerland.....	Cents for 1 franc	32-67	29-35	33-08	33-05	32-97
Italy.....	Cents for 1 lira	8-91	7-96	8-695	8-685	8-66
Berlin.....	Cents for 1 mark	40-33	38-20	40-36	40-5	40-35
Vienna.....	Cts. for Aust. shg.	23-62	17-20	19-18	19-18	19-10
Amsterdam.....	Cents for 1 guilder	32-67	12-79	13-84	13-85	13-81
Copenhagen.....	Cents for 1 kroner	68-06	61-15	68-63	68-7	68-49
Oslo.....		21-15	22-39	22-37	22-21	22-21
Stockholm.....		23-80	25-18	25-17	24-99	24-99
Athens.....	Cents for 1 drachma	45-37	24-40	25-85	25-83	25-64
Montreal.....	Cents for Can. \$1	2-20	0-87	0-96	0-96	0-95
Yokohama.....	Cents for 1 yen	169-81	97	103	103	103
Shanghai.....	Cents for 1 dollar	84-40	27-375	29-97	29-93	29-66
Calcutta.....	Cents for 1 rupee	61-80	35-70	37-80	37-73	37-50
Buenos Aires.....	Cents for 1 peso	...	...	33-39	33-36	33-12
Rio de Janeiro.....	Cents for 1 milreis	11-98	...	8-44	8-44	8-37

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia.....	£100 5 0	£100 17 8	£101 7 8	£101 17 8	£102 7 8
South Africa.....	£100 17 8	£101 7 8	£101 17 8	£102 7 8	£102 17 8

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on—		
Rhodesia.....	£ 89 15 0	£ 89 15 0
South Africa.....	£ 100 2 6	£ 100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia.....	Bolivianos to £.....	13-33	90 d/s	(a) 20-26
Colombia (Bogota).....	Pesos to £.....	5	Sight	(b) 58-58
Ecuador.....	Sucres to £.....	24-3325	"	(c) 53-56
Nicaragua.....	Cordobas to £.....	4-8665	"	"
Salvador.....	Colones to £.....	9-73	"	"
Venezuela.....	Bolivares to £.....	25-2215	"	"
Guatemala.....	Quoted on New York.....	12-61	"	"

*No rates available. †Nominal. ‡ Rates calculated on basis of New York cross rate (a) Official Rate.
 (b) "Free" Market Rate.

THE ANGLO-SOUTH AMERICAN BANK, LTD., has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period 21st to 30th September at 138.67 per cent. The previous rate was fixed as from 11th instant at 138.43 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand		Australia and New Zealand on London*	
	Buying	Selling	Buying	Selling
T.T.	125 1/2	125 1/2	125 1/2	125 1/2
Sight	125 1/2	125 1/2	125 1/2	125 1/2
30 days	125 1/2	125 1/2	125 1/2	125 1/2
60 days	125 1/2	125 1/2	125 1/2	125 1/2
90 days	125 1/2	125 1/2	125 1/2	125 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the From Apr. 1 week ending to Sept. 22, Sept. 22, 1934 1934

Sterling purchased in India 405,000 14,532,000

Net transfer to Home Treasury:—

(a) From Paper Currency Reserve in England —2,250,000

(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve —

Total remittance to Home Treasury..... 405,000 12,282,000

India Office, S.W.1, Sept. 25, 1934.

BULLION

The following statistics of imports and exports of gold and silver for week ended September 27th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended September 27, 1934			Gold Exported from Great Britain and Northern Ireland, week ended September 27, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	£ 18,706	£	Netherlands	£ 9,100	£ 22,000
France	483	...	Belgium	151,000	89,500
Spain	2,400	...	France	81,336	68,752
Iraq	6,322	...	Switzerland	29,661	5,964
U.S.A.	29,728	...	Italy	1,131	...
Venezuela	3,295	...	Other Countries....	225	600
British S. Africa....	1,063,938	...			
Tanganyika Terri- tory	5,784	...			
Kenya	3,740	...			
Aden and Depen- dencies	600	...			
British India	168,934	...			
Hong Kong†	28,903	...			
Australia	489,693	2,853			
New Zealand	51,165	...			
Canada	426,219	50			
British Guiana	6,809	...			
Salved from S.S. "Egypt"	21,700	5,596			
Other countries ...	2,357	...			
Total	2,330,781	8,499	Total	272,453	184,816

† To amend the Statement for Imports during period 13th to 20th September, 1934, deduct from China—Bullion £69,564, and add to Hong Kong—Bullion £69,564.

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended September 27, 1934			Silver Exported from Great Britain and Northern Ireland, week ended September 27, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Union (Russia).....	51,088	£	Belgium.....	£	£ 62
Germany.....	1,238	£	France.....	436	£
Netherlands.....	11,410	£	Switzerland.....	650	£ 46
France.....	15,800	83	Turkey, European.....	47,100	£
Japan.....	19,108	£	U.S.A.....	230,455	£
Mexico.....	18,386	£	Mauritius.....	41,570	£
Peru.....	3,900	£	Bombay — via other ports.....	36,993	£
Aden and Dependencies.....	2,115	£	Other countries.....	2,245	£
Hong Kong.....	78,233	£			
Australia.....	5,200	£			
New Zealand.....	3,288	£			
Other countries.....	66	£			
Total.....	202,497	26,255	Total.....	317,879	41,678

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	1934	WITHDRAWALS
Sept. 21 Bar gold.....	64,566	Sept. 21.....	Nil
" 22.....	Nil	" 22.....	Nil
" 23.....	Nil	" 23.....	Nil
" 24.....	Nil	" 24.....	Nil
" 25.....	Nil	" 25.....	Nil
" 26.....	Nil	" 26.....	Nil
" 27.....	23,670	" 27.....	Nil
Total.....	88,236	Total.....	Nil

Movement Sept. 21, 1934, to Sept. 27, 1934 (inclusive)..... £88,236 in Movement during year 1933..... £71,094,909 in Movement during 1934 (January 1 to Sept. 27, inclusive)..... £1,179,358 in Movement April 29, 1925, to Sept. 27, 1934 (inclusive)..... £23,549,505 in Movement September 21, 1931 (gold standard suspended), to Sept. 27, 1934 (inclusive)..... £55,915,378 in

GOLD

Messrs. Samuel Montagu and Company write on September 26, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,821,508 on the 19th instant, showing no change as compared with the previous Wednesday.

During the week the Bank announced the purchase of £64,566 in bar gold.

In the open market bar gold to the value of £2,100,000 was disposed of during the week. A good general demand was maintained and the premium over the gold exchange parities tended rather to increase.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
September 20.....	140s. 9d.	12s. 0-86d.
" 21.....	140s. 11 1/2d.	12s. 0-65d.
" 22.....	140s. 10d.	12s. 0-77d.
" 23.....	140s. 11d.	12s. 0-69d.
" 24.....	141s. 2 1/2d.	12s. 0-39d.
" 25.....	141s. 3d.	12s. 0-35d.
" 26.....	140s. 11-83d.	12s. 0-62d.
Average.....		

The s.s. "Corfu," which sailed from Bombay on the 22nd instant carries gold to the value of £205,000 consigned to London.

SILVER

Following stronger advices from the Far East, the market showed a firmer tendency and to-day prices advanced sharply to 22 1/2d. for cash and 22 1/4d. for two months' delivery, the highest quotations recorded since December, 1929.

Reluctance on the part of sellers contributed to the firmness, offerings on China account having been more restricted. There was re-selling by speculators and some sales were made on Continental account, but offerings were well absorbed by demand from the Indian bazaars and speculators. Purchases have also been made for America, but the demand in some cases was limited to slightly lower rates.

The present firmness of the market has been helped somewhat by the weakness of sterling, but the further outlook for silver continues good.

Quotations during the week:—

	IN LONDON	IN NEW YORK
Bar silver per oz. std.		
Cash	Two Months' delivery	Cents per ounce
September 20.....	21 1/2d.	21 1/2d.
" 21.....	21 1/2d.	21 1/2d.
" 22.....	21 1/2d.	21 1/2d.
" 23.....	21 1/2d.	21 1/2d.
" 24.....	21 1/2d.	21 1/2d.
" 25.....	21 1/2d.	21 1/2d.
" 26.....	21 1/2d.	21 1/2d.
Average.....	21-990d.	22-042d.

The highest rate of exchange on New York recorded during the period from the 20th instant to the 26th instant was \$5-00 1/4 and the lowest \$4-96.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Sept. 15	Sept. 7	Aug. 31
Notes in circulation.....	18,450	18,450	18,489
Silver coin and bullion in India.....	9,838	9,876	9,915
Gold coin and bullion in India.....	4,154	4,155	4,155
Securities (Indian Government).....	3,170	3,151	3,151
Securities (British Government).....	1,288	1,268	1,268

The stocks in Shanghai on the 22nd instant consisted of about 56,400,000 ounces in sycee, 339,000,000 dollars and 32,000,000 ounces in bar silver, as compared with about 58,800,000 ounces in sycee, 344,000,000 dollars and 31,500,000 ounces in bar silver on the 15th instant.

GOLD AND SILVER PRICES

		Gold per Ounce		Silver— Per Ounce		Date	Silver Cash
				Cash	Forward		
1934		s.	d.	d.	d.		d.
Sept. 21 ...	140	11	$\frac{1}{2}$	21	$\frac{1}{2}$	Oct. 4, 1928	26 $\frac{1}{16}$
" 22 ...	140	10	10	21	$\frac{1}{2}$	" 3, 1929	23 $\frac{1}{16}$
" 24 ...	140	11		21	$\frac{1}{2}$	" 2, 1930	16 $\frac{7}{16}$
" 25 ...	141	2	$\frac{1}{2}$	22	$\frac{1}{2}$	" 1, 1931	15 $\frac{1}{16}$
" 26 ...	141	3		22	$\frac{1}{2}$	Sept. 29, 1932	16 $\frac{1}{16}$
" 27 ...	141	4	$\frac{1}{2}$	22	$\frac{7}{16}$	" 28, 1933	18 $\frac{7}{16}$

SOUTH AMERICAN

Company	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	9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Special articles due to appear next week on the leader page of **THE FINANCIAL NEWS** are as follows:

MONDAY, OCTOBER 1—"HOW FARES RECOVERY?" Our Statistical Correspondent contributes his monthly survey of the Trend of Business.

TUESDAY, OCTOBER 2—Messrs. A. Strauss and Company contribute their expert Monthly Review of **THE TIN SITUATION**.

WEDNESDAY, OCTOBER 3—Our Special Mining Correspondent "MINOTAUR" in his series of articles on "Mines of the Rand" deals with **BRACKPAN**.

THURSDAY, OCTOBER 4—We recommence our "Stories of Famous British Companies" with the past history, present position and future prospects of **SCHWEPPES**.

FRIDAY, OCTOBER 5—Industry in the Provinces—No. 18. This week's choice falls on **PRESTON**.

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A PATCHWORK RECOVERY

THE world has become so heterogeneous a collection of countries that it would seem extremely hard to say anything of its economic life and activity which would hold true universally. Much the same might be said of a crowd made up of all sorts and conditions of men. Yet, often enough, something "comes over" a crowd which gives it a common impression or a common purpose. In the same way it is obvious that the countries of the world are at times actuated by a common economic impulse. This has been forcefully illustrated in recent times by the engulfing of all nations by the wave of depression which began to surge round the world in 1929. Will some uncontrolled and incomprehensible force subdue the waves for all of them alike? Or will each have to fight its own way to the shore?

Anyone who desires answers to these pertinent questions will derive great help from Professor Condliffe's admirable *World Economic Survey*—the third of its kind—just published by the League of Nations.* The general impression left by his account of the world's economic experiences between July, 1933, and July, 1934, does not differ in its general outline from that which is already familiar to our readers. Through many hundreds of pages of the most valuable economic data, the reader sifts the evidences of recovery. The year 1933 was one of fairly general revival; and it continued into the present year; but recovery now shows some signs of hanging fire, and it has not even yet been translated into the sphere of international trade.

For answering the questions posed above, the significance of Professor Condliffe's Survey is that this hesitancy in recovery is itself the resultant of a number of varied, often conflicting, tendencies in different countries. If there is a general undercurrent of recovery, it is of equal significance, at least, that differences of economic policy have produced different trends in different countries. Much may be learned from examining the rôles which various countries have played. It may come as a surprise to some readers to find Japan and Great Britain bracketed together as the two countries chiefly responsible for the rise in the price of raw

materials, which has begun to lift the primarily agricultural countries, e.g. Australia, out of the depression. In both cases, Professor Condliffe finds the depreciation of the currency to be one of the influences which have contributed to the result.

Another illuminating contrast is provided by an examination of the building industry. In some countries, building activity has powerfully contributed to such recovery as has taken place. Classifying the countries by this criterion, it appears that building activity is attaining new records in Great Britain, but hanging back in the United States; that it is expanding in Italy, and contracting in France. In Britain it is going ahead owing to "cheap money"; in America it is handicapped by the high cost of building, and the almost complete absence of private activity is not compensated by the large, though fluctuating, expenditure of public funds. In Italy, Signor Mussolini has combined a large public works programme with cheap money and a deliberate plan for reducing costs. In France, all efforts are bent on reducing taxation and balancing the Budget; public works have had to be subordinated to these aims in the hope that they will stimulate private expenditure and investment.

These examples show the different ways in which some of the principal countries are tackling their difficulties. Much the most striking contrast, however, is that between the countries that are on and those that are off gold. The *prima facie* evidence is very striking: there is hardly a country which has depreciated its currency but is in some measure better off; while in the gold bloc and the countries with exchange restrictions the maintenance of the former parity seems to be a blight on all forms of enterprise. Professor Condliffe is a little inclined to infer that the relative gains of the former group are matched by the relative losses of the latter; but the recovery in the United States, and even in Great Britain, is demonstrably not the result of exchange stunts affecting the volume of international trade.

These are some of the many contrasts that emerge in this crowded canvas. What can we deduce from it all regarding our own position? How, in particular, are we to explain the fact that Great Britain showed signs of recovery so long before any other large nation, at least in the Northern Hemisphere? And why has our recovery, poor though it

undoubtedly is, proceeded further than in the majority of other countries?

There are some, of course, who would ascribe it all to the vague virtues of the national character, as represented—the vagueness, at least—in the National Government. But the vagueness of very much the same political complexion (if Governments of very much the same political complexion (if not so “national” in name) had not preserved us from doing very decidedly worse than the rest of the world throughout the ten years of chronic depression that preceded 1931, and those who take a less mystical view of events will look for some more tangible cause.

The ten years of chronic depression may, indeed, have a great deal to do with the matter. Inflation never infected the British financial blood-stream with its toxins. By the middle of 1930 there were not in London, as there were in New York, “ugly situations to clear up” before the advance could begin—the international position of the pound sterling always excepted. The importance of this absence of internal financial trouble can hardly be exaggerated. Nobody who has observed the creeping paralysis of financial insecurity in France, in Germany, in Austria, above all in the United States, can doubt the benefits we have enjoyed from the total absence of internal banking trouble.

Fiscal policy has also played a large part in preserving us from the full rigours of the economic storm. Throughout the period when prices were falling most steeply we continued to allow the completely free importation of food-stuffs, with the result that the cost of living was substantially reduced. The level of real wages rose by some 13 per cent. between 1929 and 1933, while even if allowance is made for the increased incidence of unemployment it can be shown that the real income of the working class as a whole increased by some 5 per cent. over the same period. Free Trade in food gave us the unique advantage of maintaining and even increasing the purchasing power of the working class, in spite of a reduction of over 5 per cent. in average money wages.

Since the advent of the present Government we have turned to protection. Restriction of imports—especially the restriction of food imports—will inevitably limit the advance of the standard of living of the population of these islands. But the conjuncture of circumstances at the time of its imposition was such that this disadvantage did not immediately appear. There is no escape from it in the long run, and rising food prices are already heralding its arrival. On the other hand, protection undoubtedly tends to increase employment in the protected industries, while the depreciation of the pound has prevented the usual unfavourable reaction on the export industries from appearing. Great Britain has thus, by great good luck, contrived to enjoy the best of both worlds. For the first two years of the depression we reaped the benefits of free trade. For the past three years we have been getting the advantages of protection without, for the moment, feeling its disadvantages. The reckoning must one day come.

In like manner, we might trace the special circumstances of each of the many countries that constitute the crowd. But these are the individual features. What can we learn of the whole mass movement, which at once influences, and is influenced by, the motion of each of its parts? The “swing of the pendulum” or—to put it another way—the reaction from the excesses of the depression is perhaps a universal influence. Cheap—or at all events cheaper—money is almost universal, while the agricultural price recovery—assisted this year by the drought—has been of great help in restoring a better balance both between the prices of industrial and agricultural products, and between the countries which produce mainly one or the other. These are perhaps the chief of the “unseen” influences at work. They are blocked by the hindrances to trade which are compelling the continuance of a distorted world economy and the prolongation of depression; and these obstacles are powerfully reinforced by political unease. Whether the whole crowd of countries moves forward, depends on the result of the struggle between these rival influences. And the fortunes of each country depend upon the outcome of that struggle. For, though any country may determine its own course, the moral of all recent history is that the extent to which any one of them may go ahead of, or fall behind, the average is limited by the progress of them all.

HIS MAJESTY'S OPPOSITION

THE next General Election can hardly be more than eighteen months ahead. Most of the delegates at the Labour Party Conference at Southport this week seem to have had their eyes already fixed on that Election. And doubtless the gaze of the Conservatives at present assembled at Bristol will be inclined the same way. For the National Government now appears likely to maintain its uneventful course until the end of its term; and if a different Government is then elected it can hardly be drawn from any other source than the Labour Party.

A year ago it seemed possible that the Labour Party might become seriously split by the issue of democracy and dictatorship. The conflict has now ceased to be one of principle, however, and has resolved itself into a dispute over emphasis, detail and tempo. Both in domestic and foreign policy the Southport Conference has given overwhelming support to the policy of the Party Executive and the T.U.C. in preference to that of the Socialist League. A year ago the Socialist League's dubious plans for “reforming” Parliamentary procedure were neither accepted nor rejected, but were referred to the Executive for consideration. This year the amendments embodying the League's policy were withdrawn in return for an undertaking by the Executive to approve in advance a paragraph of their forthcoming policy report on the House of Lords. This paragraph states that “a Labour Government meeting with sabotage from the House of Lords would take immediate steps to overcome it, and would in any event take steps during its term of office to pass legislation abolishing the House of Lords as a Legislative Chamber.”

Sir Stafford Cripps expressed himself satisfied with this amendment to the official policy laid down in “For Socialism and Peace.” But in doing so he seems to have sacrificed the substance of victory to the name. For, as the position now stands, the policy adopted towards the House of Lords by a future Labour Government will obviously depend on its interpretation of the phrases “sabotage” and “as a Legislative Chamber” in the above amendment. And, as Mr Lees-Smith pointed out, the existing Executive is emphatically opposed to the policy of claiming “emergency powers” and so provoking a quarrel with the House of Lords and possibly with the Crown, which might leave the Labour Government in a position of doubtful constitutional propriety. It is worth noting, in this connection, that a local Conservative Association, as if to show that the Socialist League has no monopoly in constitutional manipulation, is moving at the Conservative Conference that “it is better for the Peers to put forward proposals of their own for reform [of the House of Lords] before the next election for submission to the Government than for the Government to attempt to put any such proposals before the country.” At the Labour Conference the Socialist League's amendments were eventually withdrawn despite Mr Lees-Smith's exposition of official policy. The outcome of the whole controversy, therefore, is that although the Labour Party retains its right to revise Parliamentary procedure, it has not conceded one iota of democratic principle to Sir Stafford Cripps's campaign.

In the debate on economic policy the Socialist League's attack was repulsed after what Mr Herbert Morrison described as the “mildest fizzle” in the Party's history. The shining, and detailed, Utopia of Socialism-in-five-years had already, before the discussion began, paled into a mirage of vague generalities; and the amendment actually moved by Sir Stafford Cripps merely asked the Party “to change the whole basis of production and distribution so that productive power may be used to satisfy the needs of the people in accordance with planned economy,” etc., etc. And even this “sparse, skinny skeleton in italics,” as Dr. Dalton called it, was defeated by 2,146,000 votes to 206,000. Another Socialist League amendment to substitute terminable annuities for capital repayment, as compensation to owners of nationalised industries, was also heavily defeated. And it was no doubt principally in the hope of converting valour into discretion that the Conference later elected Sir Stafford Cripps to the Party Executive.

The most complete rout of the extremists came on the issue of foreign policy and peace. The Conference rejected not only the extreme pacifist, non-resistance policy, but also the Socialist League's fantastic and irresponsible proposal to support the League of Nations and at the same time refuse to make war in discharge of League obligations. The overwhelming victory of the principle of collective security at the Conference is remarkable, considering how strongly the tide of extreme pacifism has been running in the Labour Party in the last few years. But the Nazi revolution has done its work, and Mr Arthur Henderson's eloquent defence of the League system left the Conference with no escape from the irrefragable logic of the situation: without a collective system there can be no peace, and without the honouring of treaty obligations there can be no collective system.

Moreover, the Conference clearly realised that the disappearance of trade unions in more than one European country has made nonsense of the old Marxist policy of the international strike, and consequently that to contract out of the collective system is to abandon the rest of humanity, workers and all, to their fate at the hands of militant Fascists. “We cannot wash our hands,” Mr Attlee said, “of responsibility for our Socialist colleagues and the workers all over the world.” The Socialist League's policy of supporting the collective system except in case of war was aptly described by Mr Bevin as “comparable to a man joining a trade union on condition that he will not be expected to come out with his fellows in the event of a strike.” As a result of the Conference's eventual adoption of the official report, Labour's foreign policy has not only been clearly defined, but has been brought into line with that of the T.U.C. and the Liberal Party. Such a policy, we may add, in view of Lord Hailsham's extraordinary attack upon it as “dangerous and foolish,” amounts to no more than a re-affirmation of the League Covenant and the Kellogg Pact, of which Great Britain is a signatory.

Decisive, however, as was the victory of moderate opinion at Southport, it would be a mistake to suppose that the Labour Party has returned to the mild and tentative frame of mind of the 1929-31 Government. “For Socialism and Peace,” still stands, with its proposals for the complete nationalisation of banking, transport, the land and the key industries of the country. And Dr. Dalton made it clear to the Southport Conference that Labour, if elected with a majority, means to carry out that policy. The Executive intended, he said, that in these circumstances the Party would “take such steps within the normal lifetime of the next Parliament as to lay the foundations of the Socialist Commonwealth and to sweep away obstructions wherever found.” The policy is there. Only the timetable is uncertain, and remains to be decided by the Party leaders—whether before or after the General Election. If Labour secured a majority in the House of Commons, that is to say, it would be no more possible for the country to retard that time-table than for the Socialist League to advance it.

THE QUARTER'S NEW CAPITAL

WHILE trade and industry in this country are “marking time” after the improvement of the last twelve months, “cheap money” is no longer exerting so great an influence in lowering the capital cost basis of both State and private enterprise. The figures of the amount of new capital (excluding conversion operations) raised in the London market in the third quarter of the year are not usually as large as those of the first two quarters; but the figures for the quarter just ended are well below those of the third quarters in the last two years, and, apart from the low record of the crisis year, 1931, are the lowest for many years past. The total amount raised was only £28.5 millions, against £116.3 millions in the third quarter of last year—pulling down the nine months' total this year by an even greater reduction from last year's figure for the three quarters. This is almost entirely due to a marked fall in British Government borrowing.

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NEW CAPITAL ISSUES : CLASSES OF BORROWERS (£ millions)

	Total	British Government	Foreign and Colonial Govt.	British Colonial and Foreign Corpns.	Foreign Railways	Mines, Finance, and Exploitation	Rubber and Oil	Balance (Mainly Home Industry)
Whole year, 1927.....	355.1	66.0	67.5	37.9	5.4	33.2	11.0	134.1
“ “ 1928.....	369.0	83.8	56.1	26.4	3.1	49.7	8.7	141.2
“ “ 1929.....	285.2	65.4	30.0	12.1	7.8	41.5	6.4	122.0
“ “ 1930.....	267.8	65.6	70.3	44.7	7.6	11.8	9.3	38.8
“ “ 1931.....	102.1	10.7	32.2	8.0	2.9	12.2	0.2	35.9
“ “ 1932.....	188.9	102.8	23.8	28.9	Nil	2.7	0.8	29.9
“ “ 1933.....	244.8	150.8	29.4	24.6	Nil	6.1	0.2	33.7
1933—1st quarter ...	29.0	8.5	2.1	9.5	Nil	1.2	Nil	7.7
2nd “ “ “ ..	81.8	52.9	5.8	7.5	Nil	1.7	Nil	13.9
3rd “ “ “ ..	116.3	89.4	19.3	3.7	Nil	0.7	0.1	3.1
4th “ “ “ ..	17.7	Nil	2.2	3.9	Nil	2.5	0.1	9.0
Total 1933	244.8	150.8	29.4	24.6	Nil	6.1	0.2	33.7
1934—1st quarter ...	20.1	1.3	1.5	5.7	Nil	3.1	0.2	8.3
2nd “ “ “ ..	76.8	41.6	6.9	6.8	Nil	7.0	0.1	15.0
3rd “ “ “ ..	28.5	Dr. 0.2	Nil	4.0	Nil	7.1	0.8	16.8

The British Government borrowed nothing: indeed, there was a net debit of £200,000, as Savings Certificates were cashed to a total greater by that amount than the total of sales. British, Colonial and foreign corporations, and mining, finance and exploration undertakings borrowed £4 millions and £7.1 millions respectively—the main borrowing in the latter group being for gold-mining purposes; and the category “mainly home industry” accounts for the balance of £16.8 millions.

The geographical distribution of borrowings in the first nine months of this year is as follows:—

	DESTINATION OF NEW CAPITAL					
	First Nine Months					
	1913	1930	1931	1932	1933	1934
United Kingdom—Government	Nil	43,790,000	12,550,000	101,659,200	150,813,600	42,650,000
Other	25,595,200	79,309,200	38,146,900	43,514,100	46,550,400	57,989,300
	25,595,200	123,099,200	50,696,900	145,153,300	197,364,000	100,639,300
British Possessions—Government	20,003,800	27,294,800	30,571,600	16,041,200	21,969,500	8,461,200
Other	36,944,200	10,862,200	7,872,800	1,453,300	2,434,900	15,521,700
	56,948,000	38,157,000	38,444,400	17,494,500	24,404,400	23,982,900
Foreign countries—Government	24,021,500	21,330,000	1,740,000	Nil	5,298,600	Nil
Other	43,756,700	10,003,000	7,383,900	27,000	36,600	1,403,000
	67,778,200	31,333,000	9,123,900	27,000	5,335,200	1,403,000
Grand total..	150,321,400	192,589,200	98,265,200	162,674,800	227,103,600	125,425,200

Here, the outstanding features are the increased proportion of new borrowing now going to undertakings domiciled in this country; the sharp rise in borrowings by concerns in British Possessions, again mainly gold mines; and the falling off this year in borrowing by all Governments, at home and

abroad. The slight rise in borrowings by foreign concerns in the last quarter is only due to an issue by an American trust interested in Mexican gold.

The next table shows the borrowers in their various categories, together with the amounts raised by them in the third quarter of the present year, in the first half of the year, and in the first three quarters of 1933 and 1934:—

ANALYSIS OF NEW CAPITAL APPLICATIONS				
Description	First Half-Year, 1934	Third Quarter, 1934	Total Nine Months to September 30	
			1933	1934
British Government Loans	£42,850,000	Dr. £200,000	£150,813,600	£42,650,000
Colonial Government Loans	8,461,200	Nil	21,969,500	8,461,200
Foreign Government Loans	Nil	Nil	5,298,600	Nil
British Corporation, County and Public Board Loans	11,999,900	3,975,000	20,692,500	15,974,900
Colonial Corporations and Public Board Loans	Nil	Nil	Nil	Nil
Foreign Corporations	Nil	Nil	Nil	Nil
British railways	Nil	178,500	Nil	178,500
Colonial railways	Nil	Nil	Nil	Nil
Foreign railways	635,700	200,000	738,300	835,700
Australasian mines	1,520,600	2,167,500	1,581,200	3,683,100
South African mines	3,472,600	2,617,000	969,400	6,089,600
Other mines	Nil	Nil	358,700	6,661,900
Exploration, financial and investment trusts	4,548,500	2,113,400	4,977,100	1,478,000
Breweries and distilleries	1,478,000	Nil	Nil	Nil
Merchants, importers, etc.	Nil	629,800	1,755,800	629,800
Stores and trading	516,100	224,600	30,000	740,700
Estate and land	299,500	284,900	114,000	884,400
Rubber	Nil	469,300	Nil	469,300
Oil	5,462,500	8,332,400	Nil	13,794,900
Iron, coal, steel and engineering	3,164,700	317,500	1,016,200	3,482,200
Electric lighting, power and telegraph	Nil	Nil	Nil	2,153,600
Tramways, omnibuses, etc.	2,153,600	Nil	Nil	Nil
Motor traction and manufacturing	Nil	607,800	1,847,200	1,027,800
Gas and water	420,000	3,707,500	Nil	3,896,800
Hotels, theatres and entertainments	188,300	Nil	Nil	Nil
Patents and proprietary articles	Nil	Nil	817,000	Nil
Docks, harbours and shipping	9,708,000	2,919,600	14,124,500	12,627,800
Banks and insurance	Nil	Nil	Nil	Nil
Manufacturing and miscellaneous	96,880,200	28,545,000	227,103,600	125,425,200

In these figures, the extent of the drop in Government borrowings is the more evident; but British Corporation, County and Public Boards have also raised less new capital; while the borrowers which once accounted for so much of London's importance as a financial centre—foreign corporations and British and foreign railways—are still absentees from the new capital market, as also are Colonial railways, to all intents and purposes. The continued rise in the price of gold in terms of sterling, reinforced, no doubt, by fears of devaluation in the remaining "on-gold" countries and of a further devaluation in America, accounts for the extraordinarily heavy borrowings by gold-mining concerns. All the South African mines come under this observation; as also all the Australasian mines, and most of "Other mines." In the latter group new borrowings by West and East African gold-mining concerns are noteworthy; and even in the category "Exploration, financial and investment trusts" £1,000,000 at least of the new issues last quarter was for an Australian trust interested in Australian gold mining. The stable nature of the demand for beer may be reflected in the cessation of new issues by breweries and distilleries. And the absence of "Merchants, importers, etc.," from the new capital market is a reminder that, despite our internal recovery, international trading does not yet call for more capital. On the other hand, there is a faint sign of the need for new capital in the rubber group; though this may be little more than the effect of restriction. The effects of our iron and steel tariff and of the coal quota schemes are reflected in the extraordinary increase in borrowings by iron, coal, steel and engineering concerns—composed in the last quarter of issues by Stanton Ironworks, Powell Duffryn Steam Coal, Wm. Cory and Son, Carlton Main Colliery, and Welsh Associated Collieries, and, in addition, in the first two quarters of this year, of issues by Baldwins, Powell Duffryn again, United Steel, and Stewarts and Lloyds. Electric light and power concerns are still increasing their issues; but in the last quarter automobile and cycle manufacturers were absent from the market. Under "patents and proprietary articles" appears the big issue by the Eno concern last quarter, amounting to £2,200,000, and the £1,025,000 preference issue by Griffiths, Hughes Proprietaries. Further evidence of the poor state of international trade is the continued absence

of "Docks, harbours and shipping" from the market. "Manufacturing and miscellaneous" includes mainly home industries; but it is notable that a smaller proportion of total borrowings this year (excluding all Governments' borrowings) has gone to this group than in 1933. Among the new issues in this group during the last quarter are those by London Brick and Ideal Boilers, reflecting the activity in building; and the balance is spread over undertakings engaged in printing and publishing, paper, chemicals, metals, and the £360,000 issue by "Murex."

The distribution of the new capital raised among the different forms of participation in enterprise is shown in the next table:—

NATURE OF BORROWING					
		Debtentures, Bonds, etc.	Preference Stocks and Shares	Ordinary Stocks and Shares	Total
Year	1927 ...	228,958,000	36,836,600	89,371,400	355,166,000
"	1928 ...	212,917,900	45,062,600	111,177,600	369,158,100
"	1929 ...	137,670,300	31,543,400	116,025,700	285,239,400
"	1930 ...	227,658,500	15,548,800	24,593,300	267,800,600
"	1931 ...	74,835,599	6,911,859	20,296,833	102,044,291
"	1932 ...	170,172,800	12,773,800	5,963,400	188,910,000
First nine months	1930	157,669,400	14,817,100	20,102,700	192,589,200
First nine months	1931	75,165,300	6,223,000	16,876,800	98,265,100
First nine months	1932	149,022,000	8,045,700	5,607,100	162,674,800
First nine months	1933	213,084,841	7,329,566	6,689,204	227,103,611
First nine months	1934	75,051,038	13,408,856	36,965,315	125,425,209

After the 1928 and 1929 "equity boom," and dating from the onset of the depression and the fall in interest rates, the Government bond and the industrial debenture tended to absorb more and more of the new capital raised. This tended to increase the amount of industrial capital on which fixed charges had been incurred; and although the rate of interest of these charges has steadily fallen since 1932, the figures for the first nine months of the current year are a welcome sign that industry is redressing the balance, and that equity participation is returning to favour. This is a favourable feature, from the investor's point of view as well as from that of industry; for the latter is constantly tempted, at a time of depression when the investor wants a fixed return secured on specific assets, greatly to increase that proportion of an industry's capital subject to fixed charges. The preference share began its "come-back" a little earlier, as is only natural, for it is in the nature of the case a compromise between the fixed charge and the equity. Some of the increase in the amount raised on equity participation is due to the gold-mining issues, for which the ordinary share is the best adapted form of participation. The revival of speculative interest should also be borne in mind in this connection.

The entry of borrowers on to the public market by the circuitous route of the Stock Exchange "introduction" continues to be a feature of these figures:—

CASH INVOLVED IN ISSUES BY STOCK EXCHANGE INTRODUCTION

	United Kingdom	Dominions and Colonies	Abroad	Total
Year 1931—				
1st Quarter	£2,174,200	£632,900	£Nil	£2,807,100
2nd Quarter	1,121,600	2,366,300	581,900	4,069,800
3rd Quarter	1,289,500	Nil	265,600	1,555,100
4th Quarter	Nil	451,500	Nil	451,500
Total year 1931	4,585,300	3,450,700	847,500	8,883,500
Year 1932—				
1st Quarter	473,800	96,500	Nil	570,300
2nd Quarter	4,866,500	1,515,100	Nil	6,381,600
3rd Quarter	2,200,000	Nil	Nil	2,200,000
4th Quarter	5,851,000	550,000	Nil	6,401,000
Total Year 1932	13,391,300	2,161,600	Nil	15,552,900
Year 1933—				
1st Quarter	4,599,300	3,342,300	Nil	7,941,600
2nd Quarter	11,774,100	2,410,300	Nil	14,184,400
3rd Quarter	6,569,400	Nil	Nil	6,569,400
4th Quarter	8,918,900	1,404,800	Nil	10,323,700
Total Year 1933	31,861,700	7,157,400	Nil	39,019,100
Year 1934—				
1st Quarter	6,995,500	Nil	Nil	6,995,500
2nd Quarter	6,363,300	618,600	Nil	6,981,900
3rd Quarter	7,349,200	10,784,000	1,331,700	19,464,900

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The greatly increased amount raised in this way for the Dominions and Colonies last quarter is once more almost wholly due to gold-mining issues for South Africa, Australia and West Africa. It is clear, however, that more capital is also being raised for the home market by this method.

Apart from the raising of new capital, the process of conversion, by which the previously fixed rates of return on existent capital are reduced, is still going on.

TOTAL CONVERSION OPERATIONS

	Total Conversions		Total Conversions
Whole year 1928	£324,041,983	Whole year 1932	£2,510,774,302 (a)
Whole year 1929	203,525,540	Whole year 1933	223,141,000 (b)
Whole year 1930	187,088,084	First nine months of 1934	188,783,701 (c)
Whole year 1931	12,246,375		

(a) Includes British Government conversions of £2,478,967,382.

(b) Includes British Government conversions of £50,757,000.

(c) Includes British Government conversions of £105,000,000.

Of the £186.8 millions of capital converted to lower rates of interest, British, Dominion, Colonial and foreign Government conversions account for £150.4 millions—including British Government conversions of £105 millions, and Argentine, Australian, Canadian, New Zealand, and Southern Rhodesian conversions; the remainder being on account of corporations and private concerns.

The following table shows the principal issues of the last quarter, with their issue prices and latest quotations:—

PRINCIPAL ISSUES OF THE QUARTER

Month of Issue	Name and Description	Nominal Amount	Issue Price	Price, Oct. 4, 1934
1934				
July	Kentian Gold Areas (10/-)	1,000,000	Par	14/6
July	Cory (Wm.) £1 shares	1,500,000	73/8	74/-
July	Griffiths Hughes Proprietaries 5½% cum. pref. £1	1,000,000	20/6	23/-24/-
July	New Zealand Government 3½% stk., 1955-60	3,989,100*	Par	2½-2½ pm
July	Welsh Associated Collieries 5½% pref., 4½% deb.	500,000	21/8	17/9-18/3
Sept.	Argentine Government 4½% bonds	1,500,000	Par	96-96½
Sept.	Nigeria Government 3% stock 1955	6,771,880*	93½	94-94½ pm
Sept.	Plymouth Corporation 3% stock 1954	1,000,000	97½	1-1½ pm
Sept.	City of Stoke-on-Trent 3½% 1955-65	1,500,000	Par	100-100½ pm
Sept.	Eno Proprietaries 5/- Ord.	1,000,000	11/-	13/-13/3

* For conversion purposes.

The combined effects of continued "cheap money" and of the revival of speculative interest are evident in the generally maintained or enhanced values of the securities concerned.

The history of the new capital market in the first nine months of the current year can therefore be summarised as follows: The continuance of "cheap money" has carried conversion a little further; the borrowings of Governments have been cut down from their recent high levels; concurrently, or perhaps consequently, speculative interest has revived and equity participation is coming back into favour almost exclusively in gold-mining or in home industries; but the total of new borrowing is on a reduced scale, which gives no indication of any rise in the cost of new capital in the foreseeable future.

SHUFFLES AND DEALS

THE diplomatic cards in Europe are being thoroughly reshuffled. As Mr Eden observed in a public statement, recently broadcast from Geneva, the most conspicuous characteristic of the present European situation is its fluidity. There seems to be a regular frenzy, on the Continent, for reversing the post-war alliances, or informal friendships, that have prevailed up to date. The small countries are now following the example of the Great Powers. The two Great Powers that started the movement were Russia and Italy. And these two countries themselves were moved by a growing uneasiness over the policy of Nazi Germany. The National-Socialist revolution in Germany thus seems to be the *primum mobile* to which the whole movement may be traced back. But because Germany has caused the movement, it does not follow that she has gained by it; for to inspire fear and hostility is not the same thing as to acquire strength. If we peer beneath the fluid surface of European politics we may find that the rock of French ascendancy, which has been the key-point of European politics since the withdrawal of the English-speaking countries from active participation in Continental affairs, has not been shifted, nor even seriously battered, by the Nazi flood.

The outstanding change, after all, in the European situation is the alienation of Russia and Italy from Germany and the accord between both these Great Powers and France. And, supposing that France did have to pay for the Russian alliance by losing the Polish, and for the Italian by losing the Yugoslav, can we say that France would be the loser on balance? Would she not rather be converting a pair of exposed and defenceless pawns into a knight and a bishop? As far as the post-war French system of alliances with the East European successor States was ever secure, it was so because France—as British critics of her policy have always rubbed in—was giving a good deal more than she was getting. To secure Polish support she was involving herself in all the grievances against Poland that were felt by Germany and Russia; and in order to have Yugoslav support she was involving herself, similarly, in Yugoslavia's feud with Italy. In fact, two small satellites were purchased at the price of vicarious quarrels with three Great Powers. This was not a good bargain, surely, from the French point of view! In fact, it was rather a bargain of which France might have been glad to be quit, even if the quittance had secured her nothing more than a cancellation of Italian and Russian hostility. If she can convert that hostility into friendship as the price of discarding her Polish and Yugoslav burdens she will have done remarkably well for herself.

If France retains at least the full extent of her former ascendancy, that is one fixed point that has not dissolved in the general European flux. And there is a second fixed point which is unfortunately only too obvious. There has been no change for the better in Franco-German relations. The two greatest Powers of the Continent remain

unreconciled, and now, as before, their enmity governs and poisons the whole European situation.

This gulf between France and Germany is not being bridged by Herr Hitler's repeated declarations of a desire for better relations. These declarations may be sincere; but the French pay more attention to the general spirit and policy of the National-Socialist regime. It may also be strictly true, as Herr Hitler says, that, if and when the Saar question is settled, there will be no territorial issues left outstanding between France and Germany. In this statement, however, there are two catches. The first, and the less serious, of them is that the Saar question has by no means been settled satisfactorily as yet. The second, and fundamental, catch is that the territorial issues are not the only, or even the most vital, question between the two countries. The crux is that, so long as France and Germany exist at all, wherever the precise frontier between them may run, each of them is capable of acquiring a hegemony over Europe; and a French hegemony is as intolerable for Germany as a German hegemony is for France. But it is important to realise that these alternative possibilities of hegemony depend on the general European situation, and not on local territorial arrangements.

Thus the main Franco-German problem will still remain to be solved, even if the Saarland plebiscite goes as well as it can be expected to go in the circumstances. But even this cannot be taken for granted; for the good effect of the Franco-German agreement over the conditions under which the plebiscite is to be held has been very largely undone by subsequent Nazi efforts to do just what, in that agreement, the Nazi Government of the Reich renounced. The persistent Nazi misdemeanours in the Saar have now drawn from the French Government the very plain and serious warning—delivered by M. Barthou in the League Council on September 27th—that France will, if necessary, intervene in order to prevent the plebiscite from being turned into a farce. Since then the Governing Commission of the Saar has had to issue an ordinance to prevent the *Deutsche Front* from securing, by intimidation, a monopoly of the use of all halls suitable for public meetings in the territory. The situation is not auspicious, since force is the only expedient at the Nazis' disposal for recovering the ground, among the population of the Saar, which their use of force in the Reich has lost for them. And since Herr Hitler cannot face the risk of a defeat in the Saar, it is to be feared that he may not desist from the use of his sole weapon, even if this threatens to bring him into a head-on collision with France.

While Franco-German relations are thus, at the moment, unpromising, Franco-Italian relations have been drawn closer by the publication, on September 27th, of a renewal of the declaration of February 17th in support of the independence and integrity of Austria. We advisedly speak of Franco-Italian relations only in this connection, though both the declarations in question have been subscribed to by three Powers. We do not, however, understand the attitude of His Majesty's Government in this Austrian affair; for they are apparently content to use the same form of words as France and Italy on the understanding that they will not take the same action if their bluff is called. If we are not prepared to act in order to uphold the independence of Austria, might it not be better to leave the brave words unsaid? This negativeness of British policy is another fixed point in the European situation, which has not changed.

It remains to take a glance at the "uneasy motion" of the lesser States in Eastern Europe. Hungary is now debating the desirability of enlisting under the German instead of the Italian banner, if Italy has really abandoned the revisionist camp and thrown in her lot with France. Yugoslavia is seeking, more eagerly than ever, to cover her rear, against all eventualities, by establishing a good understanding with Bulgaria. The Yugoslav royal visit to Sofia, in return for the Bulgarian royal visit of last year to Belgrade, is another step along this road. As for the present political crisis in Roumania, it looks as if M. Tatarescu—or, perhaps we should say, the forces behind M. Tatarescu—were seeking a path which leads away from M. Titulescu's foreign policy. And since M. Titulescu is the Roumanian pillar of the French system of alliances, we may infer that this is a gain for the party in Roumania

which favours an imitation of the present Polish policy of relaxing the ties with France.

We may add that a re-orientation of some of the successor States towards Nazi Germany would not at all necessarily have an adverse effect on the prospects of European peace. If Yugoslavia and Hungary, for instance, were both simultaneously to gravitate towards Berlin, the tension between them would tend to slacken. If Roumania did the same, the feud between Roumania and Hungary might be eased. Again, if Poland were to put herself into Germany's pocket, then the vexed question of the Corridor would perhaps become just Poland's funeral instead of Europe's nightmare. Anxious and unpleasant though the general situation may be, much may happen on the European stage before "certain eventualities" need be feared.

THE NATIONAL ACCOUNTS

BOTH taxpayers and beneficiaries of the State generally scan the Exchequer's position halfway through the financial year with care and premonition. They hope for some inkling of the fate they may expect in the following April. It is not possible, however, to base any accurate guess at the final budgetary situation on the results for the first six months of any year. A large proportion of income tax and sur-tax is paid in the second half of the year. Various items on both sides of the accounts, including miscellaneous receipts, death duties and certain supply service expenses, do not fall regularly in each half-year. Moreover, for the interpretation of this year's results to date, the figures for the first half of last year are somewhat misleading, owing to the fact that the usual half of the income tax due under Schedules B, D and E was collected in July, 1934, instead of only one-quarter which had to be collected in July, 1933.

On the whole, the figures are fairly promising. The deficit on September 30, 1934, was £54,643,844; a year earlier it was £48,590,155, but the whole year 1933-34 showed a surplus of some £30 millions. Ordinary revenue for the half-year at £273,883,086 is £1,853,756 less than in the first half of 1933-34; this appears auspicious, considering that total revenue for 1934-35 was expected to fall short of that for 1933-34 by £18 millions, owing to tax remissions in the current year and certain windfall receipts last year. Miscellaneous receipts were lower by £8 millions—though this item may pick up in the next six months. Death duties are down by £4 millions, which roughly corresponds to the rate of fall anticipated for the whole year; Excise by £1.5 millions, as compared with an estimated decline during the whole year of only £650,000; and sur-tax by £400,000, owing to the fact that assessments are based on the still dwindling incomes of 1932-33. On the other hand, income tax, which for the whole year was estimated to fall by £9.4 millions, shows an increase of £7.5 millions over the first six months, largely owing to the return to half-yearly payments in July of this year, while Customs increased by nearly £4 millions, as compared with an estimated increase for the whole year of only £4.5 millions. Receipts from the Post Office rose by nearly £1 million and from stamps by £600,000, as compared with estimated increases for the year of £2.3 millions in both cases.

Over the whole year, then, the income tax yield is likely to be well up to budgetary expectations owing to rising dividends; the expanding yield of Customs indirectly reflects the increase in industrial activity, and there is reason to believe that it will at least be maintained during the rest of the year. There seems little reason to doubt, however, that receipts from Excise duties will continue their downward trend and will show less elasticity than was expected last April. From the above analysis it looks as though by the end of the financial year revenue should exceed estimates. This is hardly surprising; for, as we pointed out in our comments on the Budget, the revenue had almost certainly been under-estimated.

But this is only half the story. Mr Chamberlain's colleagues are already finding plenty of outlets for any possible surplus. By September 30, 1934, ordinary expenditure amounted to £328,526,930—£4.2 millions more than at September 30, 1933, though last year we had paid £1.8 millions

on war debt account to the United States. Supply services alone have accounted for £5,886,743 more than a year ago, as compared with an estimated increase for the whole year of £10.8 millions—of this increase nearly £4 millions is attributable to civil service and revenue expenditure—and presumably expenditure will be still further swollen when the various subsidies to farmers, shipowners and builders, and the first expenditure on the Air Force expansion, for which no provision was made in the Budget, have to be

paid out. Moreover, the restoration of the 1931 unemployed benefit "cuts" will have slightly more effect during the next six months than hitherto.

It may be concluded from the accounts for the first half of the financial year that the Chancellor was by no means optimistic in his estimates of revenue, but that he will have to put a very strong brake on the spending propensities of certain of his colleagues if extraordinary expenditure is not to rob us of the surplus born of his extreme caution.

NOTES OF THE WEEK

Conservatives and India.—The Conservative Party Conference at Bristol met under the shadow of the Churchill and Page Croft Indian campaign, which was already embarrassing the Party Executive at Birmingham a year ago. On Wednesday this week an exchange of letters between Mr Baldwin and Sir Henry Page Croft was published in the Press. From the hint of malice which was discernible beneath the suave tones of this correspondence, it was already apparent that the cleavage in the Party on this issue, if not wide, was deep. At a meeting of the National Union of Conservative Associations some time ago Mr Baldwin had promised "to take counsel . . . with this great body" when the Select Committee on India reported. Sir Henry Page Croft inquired in his letter whether these phrases indicated that the whole body of delegates of the National Union were to be consulted or merely the Council of the Union. He added that if only the Council were meant, he would bring forward at the Bristol Conference a motion attacking the White Paper policy. Mr Baldwin made it clear in reply that "this great body" referred merely to the Council of the Union. He also pointed out that it was possible for a meeting of the larger body to be called at any time by the General Council or summoned on a requisition by 50 constituency associations. This did not imply, however, in Sir Henry Page Croft's opinion, the "complete frankness and freedom on the issues involved" promised by Mr Baldwin; and Sir Henry consequently decided to press his motion, which was debated on Thursday. The official amendment that it was "not in the interests of the Party" to pass any resolution was only carried by 543 votes to 520. This reveals a remarkable growth in the strength of the rebels since a year ago, when the adverse vote was 737 to 344. While it is a tactical victory for the Die-hard group, it means that the Party is still pledged to await the Report of the Joint Select Committee on the Indian reforms. This breathing space may be used to convince the Die-hards of the passions their policy is calculated to rekindle in India.

The Chancellor in the City.—Speaking at the Lord Mayor's annual dinner to the merchants and bankers of the City of London, Mr Neville Chamberlain made some explicit references to the Government's monetary policy and the present weakness of sterling. It was the policy of the Government, he said, for the present to maintain the independence of sterling. The Exchange Equalisation Account was founded for the purpose of ironing out excessive fluctuation in the value of the currency. The Government has never attempted and is not attempting now by means of that fund to fix the exchange at a given point, to maintain it, even within a fixed limit of values, in the face of, and in opposition to, seasonal or other powerful influences. This statement implies that for the moment the pound will be allowed to take its course, and that the control will only intervene on an appreciable scale if the natural fluctuations in the pound become distorted by abnormal operations. Mr Chamberlain proceeded to refer to the growth of the sterling area, which, so he said, was becoming a recognised feature of the international monetary system. He might have added that it also makes for the greater stability of sterling. Both he and the Governor of the Bank of England, who spoke later, welcomed the coming completion of the chain of

Empire central banks, while Mr Norman also referred to the utility of the Bank for International Settlements as an instrument in bringing about the co-operation of world central banks. Mr Chamberlain, on the other hand, was more pessimistic over international economic affairs. He roundly asserted that we could not hope to recover, at any rate for the present, our old international trade, and the Government must do what it could, for example, by the conclusion of commercial treaties, to increase our share of what was going, and to help industries to "help themselves" to meet foreign competition and to expand the home market. Such a statement is so nebulous as to suggest that, as he was speaking in the City, Mr Chamberlain suddenly found he had ventured on very thin ice. Mr Norman later pointed out the City's dependence upon international trade; and the Chancellor's audience would certainly have welcomed more definite evidence of the Government's determination to co-operate with other countries in the removal of trade barriers, of which the Government itself have provided most effective examples, and in the revival of world trade. But did the City really expect it?

Mr Roosevelt's Determination.—Those who regard Mr Roosevelt's radicalism as no more than the ephemeral caprice of a great opportunist are likely to be disappointed. Now, as a year ago, attacks by Conservatives on the New Deal only move the President to a more vigorous and unequivocal defence of his policies. The Federal Advisory Council, which consists of twelve leading bankers, one from each of the Federal Reserve Districts, issued a statement last week containing the following dictum:—

No real or permanent recovery can be had or can reasonably be hoped for until (the United States) has been placed upon a sound financial basis, and such a sound basis implies a standard gold dollar of definitely and permanently fixed gold content with other forms of currency and redeemable at all times in gold bullion in the amount so fixed.

The Council also urged the balancing of the Budget and added some rather sweeping statements of a theoretical character such as the following: "A currency of fluctuating value" (meaning, presumably, gold or exchange value) "will not materially affect the general price level." The whole document was sent by the Council to the Federal Reserve Board; but the Board returned it with the comment that the questions discussed were outside its jurisdiction. Mr Roosevelt, in a broadcast address on Sunday, declared that the American people would "not be frightened by reactionary lawyers or political editors," and proceeded to outline his future policy. He would confer during October, he said, with representatives of capital and labour, and would seek their co-operation in establishing "a specific trial period of industrial peace." He would stand or fall by his refusal "to accept as a necessary condition of our future" a permanent body of unemployed. He was not for a return to the definition of liberty under which "for many years the people were being gradually regimented into the service of a privileged few." He would modify the N.R.A.; but the policy of public works expenditure would be continued on the ground that "the demoralisation

caused by unemployment is our greatest extravagance morally." Finally Mr Roosevelt pointed to England, and claimed that the beginnings of recovery in this country were due, not to "orthodoxy," but to the abandonment of the gold standard and the conversion of the 5 per cent. War loan. In social security and the establishment of collective bargaining, Mr Roosevelt added, America had far to go before she could catch up with England. Almost simultaneously with this notable speech, the announcement was made that Mr Donald Richberg, one of the President's more radical assistants, had been appointed chairman of the new committee which is to supervise the revision of the N.R.A. It seems reasonably certain that Mr Roosevelt is still determined to stake, not only the November elections, but Recovery itself on his faith in the New Deal.

* * *

Contending Forces in Japan.—Ever since Japan ran amok on September 18, 1931, the foreign observer has been able to catch glimpses of a fierce struggle going on inside Japan. The military adventure on the Asiatic Continent was ultimately the work of the junior officers of the Japanese Army. These young men are, through the private soldiers, closely in touch with the difficulties and grievances of the Japanese peasantry; and they sincerely, if misguidedly, believe that a policy of military expansion will cure the peasantry's ills. The outbreak of this powerful element in Japanese life has been directed as much against the Japanese capitalist at home as against the foreigner in Manchuria or at Geneva; for, in the Japanese militarist's mind, anti-capitalism and xenophobia go together. The policy of the Japanese industrialists has been to keep at peace with the world in order to win as large a share as possible of the world market, in the belief that an increase in Japan's foreign trade is the best solution of the problem of providing for Japan's increasing population. But the young militarists, instead of regarding the Japanese industrialist as a national benefactor, denounce him as a vampire who deserves no more mercy than the Chinese or European or American, who is alleged to stand in the way of the Japanese nation's supposed interests. Last week the party which includes the Japanese Foreign Office as well as Big Business got in a telling blow when it came to terms with Russia over the price at which the Chinese Eastern Railway is to be sold to "Manchukuo." For this agreement has much reduced the risk of war between Russia and Japan. The Japanese War Office has promptly replied by issuing a pamphlet which is said to represent the personal views of the War Minister, General Hayashi, and which undoubtedly represents those of the Japanese officers' corps. The pamphlet insists that Japan is in formidable danger from the Russian Air Force and the American Navy; looks forward to an armaments race with both Powers at once; and forestalls the argument that such a policy would break the back of the present Japanese economic system by proclaiming in effect: "So much the worse for Capitalism! If Capitalism cannot meet Japan's military needs, then Capitalism must go!" The pamphlet advocates return to a "moral economy" in Japan, which may mean Fascism, or the revival of the old Japanese feudalism in an unsuitable economic environment. It remains to be seen whether this pamphlet is merely a defiance of Mitsui and Mitsubishi, or whether it is also a defiance of economic realities—a far more formidable antagonist for militarists to tackle. It is distinctly unfortunate that, at this rather tense moment, the Mission of the Federation of British Industries to "Manchukuo" should find itself in Japan and should be giving the occasion, which we feared it would give, for the Mission's Japanese hosts to enlarge upon its political significance.

* * *

Renewed Crisis in Spain.—Pressure from the Right has unhorsed Señor Samper's Government. Spain is once more trying the experiment of a Lerroux Cabinet, whose uneivable task it is to ride sufficiently on the Right to satisfy the agrarian and Catholic representatives in the Chamber, without provoking the Left to violence. Señor

Lerroux's previous performance in so slippery a saddle, which is the only kind of seat any middle Party in Spain can hope for, does not suggest that the new Cabinet will survive for long. When the debate opened last Monday, the Prime Minister's defence of his handling of the dispute between Madrid and Barcelona over the Cultivation Law met with a hostile reception. The Centre Group of the Radical Party commands only about 80 out of 472 votes, and the Samper Government had been kept alive by the support of the *Acción Popular* Party under Señor Gil Robles. The latter announced that to continue that support would be "to falsify the desire of the Spanish people as reflected in the last elections." This was tantamount to a bid for a Gil Robles Ministry, although hitherto the Right Groups had not admitted that they sought office in the present Cortes. The Government consequently had to resign. If the President of the Republic still pins his faith to a middle way, it is as a last resort and in order to avoid violence. Only a few days ago, Señor Martínez Barrios, formerly Señor Lerroux's adjutant, made a speech to the adherents of his new Republican Union Party which threatened "scaffolds—scaffolds which Republican generosity spared on April 13, 1931"—should the Right come into power. The President might, of course, have chosen to dissolve the Cortes and hold new elections, as he was advised to do by many of the Party leaders on Monday. He is unwilling to do so because he can only exercise this prerogative twice, and there is obvious danger in piling a possible Presidential crisis on top of the prevailing tension. The Right Parties would, on the whole, welcome elections in the near future, as it is doubtful whether the various elements claiming the title of "authentic Republicans" could at present show a united front. Meanwhile, all the old vexatious problems remain. If Señor Lerroux now attempts to impose the will of the Central Government upon the Generalitat in Catalonia, anything might happen in Spain.

* * *

Austria and the Nazis.—On Wednesday, the Austrian authorities published the official documents about the Nazi rising in Austria last July. From these documents, the complicity of German Nazi authorities in the July plot is plainly established. It was evident that, when the Reich Government apologised to the Swiss Government for the running by German Nazis of explosives into Austria across Swiss waters on Lake Constance, such complicity had been proved. But the Austrian documents now published reveal a much greater degree of complicity than Nazi apologists had been constrained to admit. For example, one document was taken from a Reich German who attempted to cross into Germany a few hours after the murder of Dr. Dollfuss, and was found to contain detailed instructions for a revolution in Austria. Another document found on the same man was a complete code for sending news of the revolutionary progress back to Germany. The official publication remarks: "It is a unique occurrence in European history that a revolutionary party should at great cost be organised and trained for violent action against a State by the governing party and by the Government of a neighbour State." And it points out that a revolutionary Austrian party was established on German soil, under German leadership, supported by wireless propaganda from German stations; and, finally, an "Austrian legion" was recruited, armed, drilled, equipped, and incorporated under the German Nazi S.A. Administration. The most damning indictment of the German Nazi authorities is the reminder that the Austrian Nazi organisation was incorporated in the German Nazi Party, and that on and after December 1, 1933, the unity of the German Nazi Party with the German Reich was laid down by law. German responsibility cannot be waived after this. The whole German Nazi campaign against the integrity, not only of Austria, but also of Dr. Dollfuss and of his Cabinet, is given in full. After the appearance of this publication, foreign observers both of Austria and of Germany will concentrate their attention on two points: first, on the course of Herr von Papen's Ambassadorship to Vienna and the activities of the Nazis in Austria; secondly, on the activities of the *Deutsche Front* in the Saar.

Overcrowding and the Slums.—The Government housing policy advances gradually under the pressure of public opinion. Lord Halifax officially admitted on behalf of the Government last July that overcrowding was as urgent a problem as slum clearance, and that a subsidy would be necessary if sufficient new houses were to be provided at rents within the means of the poorest workers. Sir Hilton Young has now announced further details of the scheme. A definition of overcrowding will be laid down, and local authorities will be made responsible for providing alternative accommodation by a fixed date. Financial assistance will be given on a scale sufficient to enable the authorities to provide adequate accommodation at appropriate rents; and such assistance will take the form of "an Exchequer subsidy for a term of years for each dwelling provided to reduce overcrowding, with a contribution also from the rates." The need of tenants will be taken into account in allotting these subsidised houses, as in the Leeds housing scheme. In its main outlines this is a practical and progressive policy, on which Sir Hilton Young can be sincerely congratulated. It is the greater pity, therefore, that he still refuses to set up the central housing authority which could undoubtedly help to reduce building costs still further by bulk buying of materials and centralised finance. Some success, however, ought to be attainable by Sir Hilton's present policy, provided he presses it on local authorities with sufficient urgency and determination. The experience of the slum-clearance campaign is not altogether reassuring in this respect. It is true that approved programmes of slum-clearance provide for clearing some 280,000 houses and rehousing 1,250,000 people by September, 1938. Only 25,000 houses, however, have yet been built, by Sir Hilton's own admission, and only 17,500 are at present under construction. Might not this mediocre record have been bettered if a central authority had been set up at the start?

* * *

The People's Bread.—Last century by dint of the export of settlers and capital, Europe fashioned for itself granaries in the world overseas. There, on virtually no-rent lands and under extensive methods of cultivation, the world's finest wheat was sent to feed the growing industrial populations of Europe, who, in return, exported the latest products of industrialism. For both the overseas settlers and the European workers, the growing volume of international exchange meant a rising standard of living. To-day *nous avons changé tout cela*—with the help of apostles of the "new economics." Nothing more points the moral than the entry of France, as an exporter on a considerable scale, into the world wheat market. Almost a decade ago the French Government began to protect the wheat farmer with a milling quota system. But this was not enough to prevent the price of home-produced wheat from falling, and a minimum price was consequently established below which wheat could not be legally sold. Then Nature took a hand and sent a bumper harvest in 1933. Growers obtained handsome profits, owing to a combination of the artificially maintained high price of bread and the indirect subsidy. They promptly, with Gallic foresight, cultivated more intensively for this year; and when the new cereal year opened a few weeks ago it was found that France had a carry-over of her own wheat from the 1933-34 year, as well as better yields than had been anticipated for the current harvest, despite the drought. Moreover, the North African Colonies of France, which are *départements* of the home country, have this year had a bumper harvest. So, the last few days, France is reported to have sold 230,000 tons of her wheat to Germany, Scandinavia, Italy and this country; a good quantity has already been shipped; and a further 220,000 tons is expected to be sold. These figures are not official, but the shipments have been heavy. "The jest is thin"—at least, for the French Government, taxpayers and consumers of bread; for the price fixed by the French Government for wheat in France is about 65s. a quarter, whereas the wheat for export has been sold at about 18s. a quarter, f.o.b. French ports. Thus it has been calculated that every 100,000 tons exported costs the French Government the equivalent, at the ruling rate of exchange, of about £1,250,000! Such is the cost of deprivation of the home consumer, and of benevolence to foreign con-

TRADING ABROAD

The existence of restrictions in a given country may temporarily prohibit dealings in forward exchange, but up-to-date information on this and on all points bearing on Forward Exchange generally may be obtained through any branch of the Westminster Bank. For any who may be unfamiliar with the facility, a very brief outline entitled *Forward Exchange* is always available at its counters

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sumers, if only the Governments of the latter would allow them to get it! Moreover, at such a low price, not only has the world wheat price been brought tumbling down, but also the use of maize for fodder, at 21s. a quarter, has been adversely affected. If the European industrial nations go on maintaining bread and wheat prices in the interests only of farmers—our own Government's efforts are as noxious in principle, though they are limited quantitatively until 1935—the dumb animals will be the residuary beneficiaries of "the new economics"!

* * *

Mr Eden's Tour in Scandinavia.—In the course of this month Mr Eden is to pay successive visits to Denmark, Sweden and Norway. The courteous invitations from the three Scandinavian Governments did not include any suggestion of a fixed programme of discussion, and the Lord Privy Seal will not be accompanied by any permanent officials. The visits appear to be a natural and spontaneous sequel to a friendly intercourse between the representatives of the four countries at Geneva; but this does not mean that the visits are politically unimportant. The crisis of 1931, when the Scandinavian currencies followed the pound in going off the gold standard, and, in doing so, parted company with the Continental currencies, brought out the intimacy of the economic relations between Scandinavia and the United Kingdom. This important economic fact was made little of in this country at a time when extravagant hopes were being entertained about the possibilities of commercial relations within the Empire. And the trade agreements which we concluded with the Scandinavian countries gave little evidence of any appreciation, on our part, of the opportunities for increasing the volume of trade between us and them. Perhaps we are economically wiser to-day; and perhaps, also, it is not fanciful to discern a political as well as an economic aspect of Anglo-Scandinavian relations; for, *vis-à-vis* the Continent, the strategic—and, therefore, the political—situations of Scandinavia and Great Britain are now so similar that it would be only natural if a special political sympathy and understanding were to follow. Sweden and Norway, of course, have always in practice been as much of an island as this country; and even Denmark, in an age of flying, is not much more closely welded on to the Continent by the neck of Jutland than England is by the airways across the Channel. Scandinavia, like this country, is in Europe, but not altogether of it. And the more we realise our uncomfortable proximity to the Continent in the air age, the more acutely we feel a desire to be an *alter orbis*. In all this, Great Britain and Scandinavia have much in common; and, if the worst came to the worst on the Continent, our common interest in the European peace and in taking a more disinterested view of the issues involved might con-

ceivably be served by concerted action. These considerations may seem rather remote, yet they cannot be left out of account, and they certainly lend interest to Mr Eden's forthcoming visits to Copenhagen, Stockholm and Oslo.

* * *

Safety on the Railways.—September was one of the most calamitous months of recent years, and among its disasters must be counted two serious railway accidents, one near Glasgow and the other near Warrington. Full details of the causes of these accidents are not yet available. In Scotland there is no public coroner's inquest, while the evidence at the Warrington inquest, as reported in the daily press, contained at least one obvious technical lacuna. Still, an inspection of the lay-out of the track at the Glasgow accident shows that the main cause must have been that one of the trains ran past a signal at danger, while at Winwick Junction, the scene of the Warrington accident, the signalman admitted at the inquest that under pressure of heavy traffic he forgot the presence of one of the trains involved. For a full explanation of both tragedies we must await the reports of the Ministry of Transport's inspecting officers, who not only investigate every accident, but also make recommendations with the object of preventing a repetition. These reports will not be issued for several weeks, but meanwhile a few general comments are permissible. First, there has been in existence for many years an electric device called a track-circuit, which automatically enables a train to indicate its presence to the neighbouring signalman, and which also prevents the signalman from doing anything calculated to endanger that train. This device is now in extensive, though not universal, use, but its adoption is not compulsory, and it cannot have been in use at Winwick Junction or the accident could not have occurred. Secondly, as the official reports will doubtless point out, both accidents would have been prevented by the adoption of track circuiting plus automatic train control. The latter device renders it impossible for a train to pass a danger signal without the driver being warned and the brakes being partially applied. Certain safety devices, such as continuous brakes on passenger trains, the interlocking of points and signals, and the block system, are compulsory under legislation passed about fifty years ago. Track-circuiting and automatic train control had not then been invented, and quite apart from any technical reasons, their compulsory adoption all over their systems would involve the railway companies in heavy expense. In general, both drivers and signalmen have a fine record behind them, as the microscopic death-roll from railway accidents will prove, and this alone is a strong argument against panic measures. Still, the fact that both disasters were technically preventable must arouse misgivings, to which both the railway companies and the Minister of Transport would be wise to give heed. The railway companies, however, can fairly claim that before they can be compelled to improve their already magnificent record of safety, measures for lowering the appalling death-rate on the roads should be enforced, even if they involved road users in considerable trouble and expense.

* * *

Planning Empire Trade.—Mr Bruce, the High Commissioner for Australia, had some very pertinent things to say in his address to the Bradford Textile Society on Monday night. There were already signs of economic recovery, Mr Bruce said, in the internal trade of various countries. Nevertheless, "unless some steps are taken to bring about an increase in international trade, the present signs will prove a false dawn, and the world will sink back into even worse depression." If the British Empire was to organise its trade on economic principles alone, Mr Bruce admitted, Great Britain would concentrate almost entirely on producing industrial goods and the Dominions on primary products. For various non-economic reasons, however, the Dominions were determined to develop secondary industries; and this had been recognised at Ottawa. What had not been recognised was that Great Britain would set about, within two years, encouraging uneconomic agricultural production by artificial methods. If this policy was really to be continued, Mr Bruce pleaded, "the British

Government should definitely announce its objective." Mr Bruce is perfectly right. If we are to impoverish ourselves by producing at great loss those foodstuffs which we could import much more cheaply from abroad, let us at least decide how far the process of impoverishment is to go. At present we are trying to expand exports, to restrict imports, and to collect interest on our foreign investments all at the same time. But it cannot be done. The control which we have so far imposed on the exchange of goods has not organised but disorganised the course of Empire trade. If free trading is to be abandoned, let us at least have a plan and not a "tessellated pavement" of incoherent and conflicting regulations.

* * *

Retail Sales in August.—According to an article in last week's *Board of Trade Journal* the money value of retail sales in August was 4.8 per cent. greater than in August, 1933, which was the first month in that year to show an increase on the corresponding period of 1932. The improvement in August over the corresponding month a year ago was more pronounced than in any other month in 1934 with the exception of March and May, which reflected the stimulus of Easter and Whitsun respectively. The following index numbers of changes in the value of sales make no allowance for the normal spurt in demand before Christmas and for other seasonal influences:—

INDEX OF VALUE OF RETAIL SALES, GREAT BRITAIN
(Average Daily Sales in 1933 = 100)

Period	Food	Other Merchandise	Total
1932	102	99	101
1933	100	100	100
1933—January	95	99	97
February	98	78	88
March	99	89	94
April	103	105	104
May	96	104	100
June	102	100	101
July	94	105	99
August	95	75	86
September	97	88	93
October	99	105	102
November	102	105	104
December	118	146	131
1934—January	98	104	101
February	101	80	91
March	104	95	99
April	102	100	101
May	103	113	108
June	103	103	103
July	98	107	102
August	100	79	90

The value of retail sales in August of food and perishable articles, which represent about 57 per cent. of the total value of reported sales, showed an increase of 4.6 per cent. on the corresponding month a year ago. Sales of other merchandise increased by 5.1 per cent. The increase in total sales as compared with August, 1933, was most marked in suburban London (6.3 per cent.). The returns for the South of England, where the improvement was least pronounced, showed a rise of 4.3 per cent. With the exception of dress materials, the value of sales of all classes of merchandise was higher than a year ago. In the furnishing departments the percentage increase was 12.2, a reflection of the building boom. Total sales in the period from February to August were 3.2 per cent. higher than a year ago, the percentage varying from 2.1 to 5.0 in the five districts. The value (at cost) of stocks of foodstuffs and perishables at the end of August was 6.1 per cent. higher than a year ago, but stocks of the total of other merchandise are unchanged on the year. The latest indications suggest that the improvement in retail trade is likely to be maintained in the near future.

* * *

The Gas Industry in 1933.—In contrast to the electricity industry, which publishes monthly returns of production, statistics relating to the output of authorised gas undertakings are only issued annually, eight months after the completion of the year to which they refer. The following summary of the latest return shows the development of the industry in recent years.

THE REVENUE

I.—AN ACCOUNT of the TOTAL REVENUE of the UNITED KINGDOM, in the undermentioned periods of the Year ending March 31, 1935, as compared with the corresponding periods of the preceding Year.

	Quarter from July 1 to September 30, 1934, compared with the corresponding Quarter of the preceding Year				Period from April 1, 1934, to September 30, 1934, compared with the corresponding Period of the Previous Year			
	Quarter ending Sept. 30, 1933	Quarter ending Sept. 31, 1934	Increase	Decrease	Period ending Sept. 30, 1933	Period ending Sept. 30, 1934	Increase	Decrease
Ordinary Revenue	£	£	£	£	£	£	£	£
Inland Revenue—								
Income Tax	27,800,000	36,789,000	9,189,000	...	43,969,000	51,485,000	7,516,000	400,000
Sur-tax	2,340,000	3,000,000	160,000	...	8,870,000	8,470,000	...	4,090,000
Estate, etc., Duties	27,320,000	17,570,000	...	9,750,000	44,290,000	40,200,000	600,000	...
Stamps	5,470,000	5,270,000	...	200,000	8,550,000	9,150,000	...	...
Excess Profits Duty and Corporation Profits Tax	...	...	...	20,000	180,000	150,000	...	30,000
Land Tax and Mineral Rights Duty	50,000	30,000	...	...	...	...	...	...
Total Inland Revenue	63,280,000	62,659,000	9,349,000	9,970,000	105,859,000	109,455,000	8,116,000	4,520,000
Customs and Excise—								
Customs	46,090,000	46,961,000	871,000	...	89,299,000	93,291,000	3,992,000	1,500,000
Excise	25,800,000	25,900,000	100,000	...	51,800,000	50,300,000	...	...
Total Customs and Excise	71,890,000	72,861,000	971,000	...	141,099,000	143,591,000	3,992,000	1,500,000
Motor Vehicle Duties (Exchequer share)	468,000	415,000	...	53,000	1,338,000	1,431,000	93,000	...
Post Office (Net receipt)	3,300,000	2,600,000	...	700,000	6,950,000	7,500,000	550,000	...
Crown Lands	330,000	350,000	20,000	...	540,000	620,000	80,000	...
Receipts from Sundry Loans	2,173,861	2,329,212	155,551	...	3,271,427	2,862,008	...	409,419
Miscellaneous Receipts	4,736,487	4,510,050	...	226,437	16,679,415	8,424,078	...	8,255,337
Total Ordinary Revenue	146,178,143	145,724,262	10,495,551	10,949,437	275,736,842	273,883,086	12,831,000	14,684,756
			£453,886 Net Decrease				£1,853,756 Net Decrease	
Self-Balancing Revenue	14,250,000	15,200,000	950,000	...	27,650,000	28,050,000	400,000	...
Post Office	...	...	...	...	...	...	...	...
Motor Vehicle Duties apportioned to Road Fund	3,428,000	3,857,000	429,000	...	7,253,000	7,957,000	704,000	...
Total Self-Balancing Revenue	17,678,000	19,057,000	1,379,000	...	34,903,000	36,007,000	1,104,000	...
Total	163,856,143	164,781,262	11,874,551	10,949,437	310,639,842	309,890,086	13,935,000	14,684,756
			£925,114 Net Increase				£749,756 Net Decrease	

II.—AN ACCOUNT showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the Period ending September 30, 1934, as compared with the corresponding period of the preceding year.

RECEIPTS	Period ending Sept. 30, 1933	Period ending Sept. 30, 1934	ISSUES	Period ending Sept. 30, 1933	Period ending Sept. 30, 1934
Ordinary Revenue, as shown in Account I	£275,736,842	£273,883,086	Ordinary Expenditure	£106,776,976	£106,776,136
Self-Balancing Revenue as shown in Account I	34,903,000	36,007,000	Interest and Management of National Debt	2,853,336	2,707,711
Total Revenue	310,639,842	309,890,086	Payments to Northern Ireland Exchequer	1,598,893	1,500,764
Temporary Advances Repaid—			Other Consolidated Fund Services	...	...
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	...	910,000	Post Office Fund	...	...
Under the Unemployment Insurance Acts, 1920 to 1931	...	1,458,292	Total	110,830,205	110,984,611
Under Section 4 (1) of the Newfoundland Act, 1933	...	...	Supply Services—		
Money Raised by Creation of Debt—			Army, Navy and Air Votes	50,300,000	52,275,000
(a) For Capital Expenditure Issues—			Civil and Revenue Votes (excluding Post Office)	161,355,576	165,267,319
Under the Post Office and Telegraph (Money) Act, 1931	3,550,000	2,850,000	Total, Supply Services (excluding Post Office)	211,655,576	217,542,319
(b) For other Issues—			Total Ordinary Expenditure	322,485,781	328,526,930
By Treasury Bills	2,224,719,000	1,877,514,000	Payments to U.S.A. Government	1,841,216	...
By 2½ per Cent. Conversion Loan, 1944-49	46,935,639	149,243,837	Total (excluding Self-Balancing Expenditure)	324,326,997	328,526,930
By 3 per Cent. Funding Loan, 1959-69	21,300,000	13,800,000	Self-Balancing Expenditure		
By National Savings Certificates	663,770,000	686,610,000	Post Office	27,650,000	28,050,000
(c) Ways and Means Advances			Road Fund	7,253,000	7,957,000
Repayments—			Total Self-Balancing Expenditure	34,903,000	36,007,000
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	72,019	73,955	Total Expenditure	359,229,997	364,533,930
	3,270,986,500	3,042,350,170	Temporary Advances		
Balances in Exchequer on 1st April—	1933	1934	Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	8,612	8,612
Bank of England	5,257,622	2,092,585	Road Fund, under Section 27 of the Finance Act, 1928	1,777,000	160,000
Bank of Ireland	418,203	458,128	Under Section 4 (1) of the Newfoundland Act, 1933	...	21,616
	5,675,825	2,550,713	Under Section 1 (2) of the Cattle Industry (Emergency Provisions) Act, 1934	...	250,000
	3,276,662,325	3,044,900,883	Issues to meet Capital Expenditure—		
			Under the Post Office and Telegraph (Money) Act, 1931	3,550,000	2,850,000
			Unemployment Insurance Acts, 1920 to 1931—	...	910,000
			Repayment of Amounts Borrowed	...	...
			Redemption of Debt—		
			Treasury Bills paid off	2,012,830,000	1,854,235,000
			Principal of 5 per Cent. War Loan, 1929-47, paid off	332,840	...
			Principal of National Savings Certificates paid off	16,700,000	14,350,000
			Principal of Treasury Bonds paid off	11,000,000	116,000,000
			Other Debt under the War Loan Acts, 1914 to 1919	...	1,753,050
			Ways and Means Advances Repaid	665,240,000	682,660,000
			New Sinking Fund (1928) (Finance Acts, 1928 and 1934)	3,485,830	3,606,733
			Issues to Exchange Equalisation Account	200,000,000	...
			Issues under Section 1 (1) of the North Atlantic Shipping Act, 1934	...	1,037,000
				3,274,154,329	3,042,375,941
			Balances in Exchequer—		
			Bank of England	2,058,920	2,034,755
			Bank of Ireland	419,076	490,187
				2,507,996	2,524,942
				3,276,662,325	3,044,900,883

Mem.—Floating Debt, outstanding March 31, 1934, £844,710,000

1933 1934
Sept. 30 Sept. 30

Ways and Means Advances outstanding:—
Advances by Bank of England 33,080,000 48,850,000
Public Departments 987,780,000 823,085,000
Treasury Bills outstanding 1,020,860,000 871,935,000
Total Floating Debt outstanding 27,225,000

* Net increase
* Includes £8,000, the proceeds of which were not carried to the Exchequer within the period of the account.

Treasury, September 29, 1934.

OUTPUT AND SALES OF GAS BY AUTHORISED UNDERTAKINGS

Year	Number of authorised undertakings	Output of Gas	Sales of Gas	Number of Consumers	Length of Gas Mains
		(Mill. cu. ft.)	(Mill. cu. ft.)	(Thousands)	(Miles)
1921	797	250,345	229,077	7,559	39,548
1924	784	279,697	256,892	7,994	41,985
1927	782	303,037	280,202	8,698	45,821
1929	771	316,419	292,598	9,138	48,548
1930	767	313,046	289,991	9,344	50,218
1931	749	313,753	290,693	9,558	51,807
1932	734	309,336	286,988	9,773	53,156
1933	727	309,557	286,144	10,012	54,916

Although the quantity of gas sold by authorised undertakings showed a slight decline between 1932 and 1933, the gas industry made further progress last year. The length of gas mains was increased from 53,156 miles to 54,916 miles, and the total number of consumers rose from 9,773,015 to 10,012,379. The number of ordinary consumers rose only by 5,430 to 3,994,996, but the number of pre-payment consumers increased from 5,783,449 to 6,017,383. The quantity of gas sold to ordinary and power consumers declined from 164,883 million cu. ft. in 1932 to 162,235 million cu. ft. in 1933, presumably owing to a decline in the use of gas as a source of power. On the other hand, sales to pre-payment

consumers rose from 109,974 million cu. ft. to 111,666 million cu. ft., and the quantity sold for public lamps increased from 12,131 million cu. ft. to 12,243 million cu. ft. Among the materials used in the manufacture of gas, the quantity of coal carbonised declined from 17.0 million tons to 16.7 million tons, but the consumption of oil rose from 51.7 million gallons to 54.1 million gallons. The gradual reduction in the number of authorised gas undertakings in recent years is evidence of the steady progress of rationalisation. There is little doubt that the industry would benefit from greater concentration of production. The establishment of a national gas-grid is, however, precluded by the high cost of transmission over long distances, but there is undoubtedly scope for the development of local gas-grids in certain fairly thickly-populated areas. Co-operation with owners of coke-ovens is assuming increasing importance, for the quantity of coke-oven gas purchased by authorised gas undertakings rose from 1,325 million cu. ft. in 1921 to 15,441 million cu. ft. in 1932 and 16,327 million cu. ft. in 1933. The reduction of costs to the lowest possible level is especially important in view of the competition from the electricity industry. In the field of domestic heating and cooking, the challenge of electricity is not yet serious; and if the gas industry maintains its progressive services, its future seems assured.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

RESULTS OF THE TEXTILE STRIKE

At the end of the third week, and following the recommendation of the Board of Inquiry, the textile strike was abandoned. In some localities, however, the mills have not reopened and in others the workers have not yet returned. It was apparently near collapse for other reasons (a) the financial resources of the strikers were limited and, although they had apparently counted upon Federal relief funds, these funds proved not to be available in most of the affected States; (b) the strike never seems to have been effective in closing a large proportion of the mills by the vote of the workers, and with the mobilisation of the National Guard in seven States, attempts to close more mills by violence had but limited success. The Board of Inquiry did not settle the issues of the strike; its report consisted of a survey of the industry, an analysis of the conflicting views, and a series of recommendations for the future.

The following is a summary of its findings:—Before the adoption of the Textile Code, in July, 1933, the working week averaged 53 hours and wages \$8 or \$10 a week. The code provided a 40-hour week, with machine operations limited to two 40-hour shifts. Minimum wages were fixed at \$12 in the South and \$13 in the North. In the first months of the Code average earnings increased 70 per cent. Presently, however, the industry, which had been a chief beneficiary of the boom of May-June-July, 1933, began to slump. In December the Code Authority was allowed to cut production by 25 per cent., without increasing wages, and again in June, 1934. By August, the industry was running about 30 hours. Prior to the adoption of the Code, the United Textile Workers had a total membership of 15,000 or 20,000; but by May, 1934, it claimed about 300,000 in the cotton textile industry alone. A strike called in June was averted; the present strike began on September 3rd. The issues of the strike, briefly, were as follows:—

1. Recognition of the United Textile Workers as the sole bargaining agency of the industry.
2. Effective machinery for enforcing the labour provisions of the Code.
3. The 30-hour week, with the same pay provisions initially applicable to the 40-hour week.
4. Regulation of the "stretch-out."

Briefly, the Board dismissed the first of these with the statement that "an industry-wide collective agreement between the employers as a group and the United Textile Workers is not at this time feasible." For the second count, the report recommended the formation of a Textile Labour Relations Board. For the third, the report asked that the Department of Labour make a study of wages and earnings for the purpose of determining "whether a wage increase based upon reduction of hours can, under the prevailing conditions, be sustained"; and that this report should also cover the question of wage differentials. As for the stretch-out, it recommends that the new Textile Labour Relations Board shall appoint a "textile work assignments control board," but that between now and February 1, 1935, "no employer shall extend the workload of any employee."

The report is not a victory for the strikers, because their cardinal point was the recognition of the United Textile Workers; nor is it a victory for the employers, for the question of wages is virtually taken from them and vested in the Department of Labour, while at the same time the question of work-assignments is also transferred to a quasi-Governmental agency.

One paragraph of the report is so representative of the workers' sentiment in general that it is quoted herewith:—

The union contends that employment in the cotton textile industry has not increased to the extent that was expected under the N.R.A. in approving the forty-hour week and that the work-week should therefore be readjusted to absorb the employees attached to the industry; . . . that weekly *per capita* earnings have failed to increase in accordance with the predictions . . . and are now, particularly during periods of curtailment, too low to afford a living wage; . . . that, although the cost of living is lower than before the depression, workers as a practical matter do not find it true that present weekly wages are equal to the real wages of pre-depression times; that living costs of cotton textile workers . . . have increased since the adoption of the Code; . . . that . . . the minimum wage has tended to become the maximum.

From hearsay, these statements could be true of almost any industry.

The Report of the Board, if adopted, will introduce important changes in industrial relationships generally. The economic history of 1933 could be written in terms of Section 7 (a) of the N.I.R.A., and this strike, with its record of 16 killed and 200 wounded, is merely the most recent phase of the controversy.

THE MILLENNIUM IN KENTUCKY

The reports from various parts of the country indicate diversity of economic conditions. In and about New York sentiment is discouraged because conditions are discouraging. On the other hand, Mr Eugene Black, former Governor of the Federal Reserve Board, after a tour of the Southern States, was quoted in the Press to have said: "In most places I was told business was better than at any time during the last five years. In fact, I was told in Kentucky that if outside newspapers were barred from the State its citizens would believe the millennium had come." Kentucky is an example of an agricultural State which was untouched by the drought. The prevalence of strikes in industrial centres and the growth of extreme radicalism on the Pacific Coast and elsewhere are evidence that the millennium does not obtain in those regions. Broadly speaking, one can say that agricultural sections of the community, except those most stricken by the drought, are far more prosperous than the industrial sections; and that at present prices it appears that farm income is higher than last year or than at any time in the last few years.

Nothing like that can be said of any industrial area. In the middle of September the indices of industrial production were barely above the lowest levels recorded in 1932 or during the period of the bank holiday in March, 1933. This, of course, was directly due to the strike; but apart from the textile industry the indices are hardly above the level of a year ago. There are strong reasons for expecting an early lift from levels which imply industrial prostration. Retail trade has been better in recent weeks, and this suggests an actual increase in the volume of goods sold, since retail prices, except food, have not been rising in recent months. Steel output has been advancing for several weeks, and is currently at about 24 per cent. of capacity. The housing programme is being pushed with vigour, and committees are being appointed in each town and city to urge the work.

As November approaches, attention is focussed increasingly on the elections. It is generally conceded that the party relationships will not be materially affected; but many members of the 73rd Congress will not be returned. At present it is expected that the coming Congress will be considerably more radical than the last, as in several of the States the Democratic Party organisation is in the hands of personalities regarded as of the "Left."

ECONOMICS AND POLITICS

The resignation of General Johnson as National Recovery Administrator had been awaited for some time, as evidence of friction within N.R.A. had been appearing in the Washington despatches. His outspoken criticism of the textile union is, however, regarded as having determined the time and as having been the proximate cause.

The Treasury has characterised the September 15th re-financing as successful. Of \$1,250 millions Fourth 4½ Liberty bonds called, \$844 millions were presented for conversion, of which \$248 millions were exchanged for the long-term 3½ per cent. bonds and the remainder for 2½ per cent. four-year notes. The offer for the long-term bonds remains open. No major financing is now contemplated until December.

The rising cost of living, which was given as one of the causes of the textile strike, is probably responsible for much of the present labour unrest. The index of department store prices shows a rise from early 1933 of about 25 per cent.; the Bureau of Labour Statistics reports that retail food prices have risen 29.3 per cent. since April, 1933. With this advance in the cost of living there has been a distinct cooling, at least in the urban Press, toward the idea of raising the price level, and this change is not unlikely to influence the attitude of the next Congress towards monetary policy.

The silver programme was brought into the news again by a protest from China. In recent days a resumption of silver buying by the Treasury has been rumoured, and there is some concern in the financial district lest the silver programme force China to an embargo, and eventually to an irredeemable paper currency. On the other hand, the Silver Block is quite dissatisfied with the Treasury's slowness, and there is reason to give some credence to the rumours that the next phase of the programme will apply to the domestic price of silver.

NEW YORK, September 26.

THE BRITISH LINEN BANK

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FRANCE

PUBLIC OPINION AND FOREIGN AFFAIRS

FRENCH public opinion is not much encouraged by the diplomatic negotiations connected with the recent Assembly of the League. On the subject of Austrian independence, the delegates confined themselves to a declaration almost identical with that of February 17th. Yet the murder of Dr. Dollfuss and the European crisis which followed were not averted by that declaration. The claims of Italy, however, to obtain in Austria a sort of international mandate, the opposition of the Little Entente to this ambition, the reluctance of Great Britain to undertake any sort of new commitments on the Continent have prevented any more energetic or constructive solution. As to the Saar plebiscite, French public opinion fears new troubles and regrets that any decision has been adjourned until November 13th, barely two months before the plebiscite. Finally, the "Eastern Locarno" Pact has not made much progress since the accord between Poland and Germany restrained Poland from giving its adhesion to the proposed Pact.

Foreign policy, however, is less in the public eye than the Government's proposals for constitutional reform. Some important members of the Senate have shown themselves concerned at the audacity of the projected reforms. It is recalled how similar proposals made by M. Tardieu in the past were rejected by M. Herriot, who is a member of the present Cabinet. This does not appear likely, however, to restrain M. Doumergue, who still supports the proposals as he announced them last week. The departmental elections will take place on October 8th and 15th. Normally these elections have no political significance. This year, however, circumstances will give them a special importance, since their results will certainly have effects on the Radical-Socialist Congress, which will take place in a few days at Nantes, and also on the orientation of the Chamber when it returns from the recess at the beginning of November.

FINANCE COMMITTEE'S FEARS FOR THE BUDGET

The Finance Committee of the Chamber has begun its examination of the Budget Bill. The Budget purports to show a surplus of 36 million francs. The Committee fears, however, that this surplus will not be realised, and the rapporteur, M. Jacquier, rehearsed the series of deficits which have emerged since 1930. Moreover, the deficit for 1934 will be over 3,000 millions. The Committee fears that, for 1935, certain estimates of expenditure are too optimistic (credits for debts, for unemployment, for the revision of pensions, etc.), since the persistent crisis may belie expectations. Much anxiety derives from the fact that since 1930, in spite of the imposition of new taxes, the revenue is lower by 7,000 million francs. And the statistics of economic activity remain very unfavourable: industrial production being down by 15 per cent. since 1930, car-loadings down by 10 per cent., unemployment up by 50 per cent., bankruptcies up by 40 per cent., and foreign trade heavily down even in comparison with August, 1933. Finally, the long-term interest rate is at present rising.

M. Germain-Martin, Minister of Finance, in defence of the estimates, admitted that the balancing of the 1935 Budget was dependent on the evolution of the crisis. But he assured the Committee that the estimates had been calculated with the maximum of prudence, so that the deficit,

if it materialised, should not be higher than 1,000 millions. This figure is much lower than the annual amortisation of the public debt, so that such a deficit would not endanger the Treasury. M. Germain-Martin hoped, on the other hand, that the Budget would be favourably affected by decisions of the Government on measures against fiscal fraud, on its general crisis policy, and through the public works scheme, etc. In conclusion, he reiterated the intention of the Government to maintain Budget equilibrium, while maintaining the stability of the currency. The adjustment of French prices to foreign prices must be achieved, he said, by "reasonable" measures rather than "brutal" changes.

According to the statistics published by the Comité Central des Houillères de France, the production of French coalmines during August, 1934, totalled 3,918,839 tons in 26 working days, against 3,836,594 tons in July in 25 working days and 3,913,807 tons in August, 1933, in 26 working days. The average daily production was therefore 150,725 tons in August, 1934, against 153,464 tons in July and 150,531 tons in August, 1933. The number of men employed was 233,606 at the end of August, 1934, against 234,599 at the end of July and 247,345 at the end of August, 1933. The production of coke in the coke plants of the coalmines was 343,058 tons in August, against 340,152 in July and 331,863 in August, 1933.

PARIS, October 3.

GERMANY

THE NEW IMPORT CONTROL "PLAN"

THE "New (import) Plan," as it is now called, did not come into force effectively on September 24th as was promised. Several days later the Supervision Boards had little knowledge of their functions and competence, and had not the instructions from above, in the absence of which they could not handle applications for exchange-certificates. In spite, or because of, the daily appearance of extraordinarily lengthy, obscure, and in part carelessly compiled ordinances, importers were uninstructed on many material points. The bureaucratisation of the new system is extreme. It imposes, independently of the fees charged for administration on importers and manufacturers, a serious expenditure of money and also time, and requires them, under threat of criminal penalties, to solve problems which belong to metaphysics rather than to business, such as the continuous identity of a substance—e.g. a metal which may have passed through the hands of several independent concerns and undergone many successive industrial processes. During the first days the Supervision Boards, without organisation, instructions, or authority, were obliged to send away applicants. Delay and disorganisation resulted.

The Press is discussing the prospect of a Clearing agreement with Great Britain. It is affirmed that the Reich Government is prepared for this, with the material difference from earlier plans that clearing should embrace the Dominions, Germany's trade balance with the Empire as a whole being passive. The constitutional difficulties of this proposal, even in the unlikely event that London would accept it in principle, are not understood here, still less the difficulties of a homogeneous clearing system involving independent Dominion currencies. It is probable that the Empire Clearing suggestion, if it has been made at all, is merely meant as an obstacle to prevent Clearing with Great Britain only. It has always been a popular German argument that Great Britain, in view of the active Dominion balances, could not venture to insist on Clearing. Germany has now either Clearing or Payment agreements (numbering about twenty) with practically all European countries; and the original sharp distinction between the two forms of agreement is not always maintained. The only important exception is Russia, in whose case there is a special trade-payment agreement. The Clearing system naturally promises no good for Germany's trade balance. In general, export to the countries covered by agreements has declined, and in some cases imports from these countries have increased; in trade with France

and Czechoslovakia there has been a shift towards a passive balance. The German Press prints with great emphasis foreign complaints that this trend must retard the settlement of debt claims against Germany.

The movement of the total German export trade since the sudden change to a passive balance in January has not been as discouraging as is here officially represented and does not confirm the official argument that foreign impediments to import have become increasingly effective. Since the sudden drop in January exports have been almost stable, and since April have somewhat increased, both as a whole and also in the group of manufactures, which is much the largest group. As compared with the same period of 1933, when the whole balance was active, there has been an increased export of heavy iron and steel, tinplates, cables, screws and rivets, potash (quantity only), cement, several kinds of machines, motor-cars, mechanical articles, clocks, radio, apparatus, certain sorts of paper and glass, dyes, hats, etc. The trade balance has been most adversely affected by the decline of sales to Russia, which in the first half of this year took only Rm. 36 millions of imports, as against Rm. 357 millions in the first half of 1932; but the decline of this export trade, which was credit-financed, has not for the time being injured the foreign exchange balance; indeed, it has enabled Russia to reduce her German debts and to deliver gold in the first part of this year to a value of Rm. 187 millions. The German exports of cereals and milling products this year show a very large increase, exports of cereals having risen about 30 per cent., and of flour having nearly doubled.

FOOD SUPPLY FOR THE WINTER

From a new official report on food supply, it seems certain that, while no scarcity in the coming winter is threatened, wheat will have to be imported before the end of the crop-year of 1934-35. The cereals crop is now put at 20.5 million tons, as against 24.9 million tons in the last and best year, 1933. The available supply, including carry-over, will be 21.5 million tons, as against a consumption in the crop-year 1933-34 of 23.9 million tons. The supply of wheat, including carry-over, is put at 5.5 million tons, against 6.5 million tons in 1933-34; rye, 8.26 million tons, against 9.45 million tons. The supply of rye flour will be materially increased by the imposition of a higher milling percentage. The meat supply is expected to exceed the demand. The number of cattle and pigs is the largest since the war.

Dealing in wool has been further restricted by the prohibition, for an unstated term, of purchases in excess of one-third of the quantity fixed in the permits granted in September. Joint action has been taken by the Government and industry for the production of benzine out of lignite. The Ministry of Economy can decree the compulsory combination for this purpose of lignite-producing concerns. This method of producing light oils is already practised by the I.G. Farbenindustrie, and is technically satisfactory; but the new plan, which assumes that a very considerable part of the large benzine import will be dispensed with, requires the construction of large works and a heavy capital investment. The exchange of foreign securities into German foreign bonds has been limited. Instead of 25 per cent. of the resulting exchange receipts being deliverable to the Reichsbank, 35 per cent. is now claimed. These dealings have been of late very active, and the new restriction led to a sharpish fall in the price of various foreign bonds.

The September month-end demand for money was rather smaller than was expected. Buying of Reich Treasury bills and bonds hardly slackened, and day-loan rates declined earlier than usual after the settlements. In September, however, rather strained money market conditions had prevailed; and the Reichsbank return for the last week, while not itself showing any abnormal month-end increase of credits, carries into the new month Rm. 300 millions more of total credits and investments than the preceding month. This is a consequence of the very low credit repayments in the first three September weeks. Apart from the demands of industry and agriculture, the Reichsbank's position is determined by the growth of deposits, which continued, though at a slackened pace, after September 24th, when the "New Plan" came into force, and was due, as before, to payments into the special commercial accounts of foreign central banks.

A provisional official estimate puts the nominal national income in 1933 at Rm. 46,419 millions, as against Rm. 45,266 millions in 1932 (lowest reached) and Rm. 75,949 millions (highest) in 1929. In terms of the 1928 price level, the national income was: In 1913, Rm. 69,326 millions; in 1932, Rm. 56,795 millions; and in 1933, Rm. 59,428 millions.

The wholesale price-index number for September 26th was 100.7, as against 100.3 on September 19th. The agricultural and manufactures groups again show sharp rises. The cost-of-living index number for September was 122.5, as against 123.3 in August.

BERLIN, October 3.

ROUMANIA

POLITICAL PARTIES AND FINANCIAL REFORMS

SINCE Parliament went into recess about two months ago the political scene has been quiet. The National Peasant Party is consolidating its ranks in order to overcome the disorganisation which followed its defeat at the polls last winter and the conflict between its most prominent leaders, M. Maniu and M. Vaida Voevod. The Liberals have also been overhauling their party organisation, and a slight reshuffling in the Cabinet may be expected in the near future. There are already signs, however, of the recommencement of the political struggle which Roumania's financial problems arouse. The reorganisation of the civil service has to be undertaken in the interests of economy, and an internal loan has to be raised to consolidate the floating debt and obtain fresh funds.

The National Peasant Party has adopted currency reform as its official policy. This is naturally embarrassing to the Government's loan policy, and the Minister of Finance has made it known that the capital and interest of the new loan will be payable in gold lei as established by the Stabilisation Act of 1929. The Government is determined to make the loan a success by all means in its power. Its aim is to attract the large amount of hoarded capital now lying idle. It is even hinted that foreign money locked up in this country through exchange restrictions may be invested to advantage in this loan. The Government also states with great emphasis that the currency will be maintained at its established value.

Treasury receipts during August are reported to amount to 1,863,615,950 lei. This is the first time in the present financial year that the monthly receipts have reached a figure corresponding to the Budget estimates. This raises hopes that the deficit on the first four months of the financial year, amounting to close on 1,500 million lei, may be covered after all. Undoubtedly the Government is making great efforts to present balanced accounts at the end of the financial year. This is believed to be the most essential condition for the amelioration of the economic situation of the country.

GROWING PASSIVE TRADE BALANCE

The balances of trade and payments are in a serious position. While imports are very slightly increasing, there has been a steady diminution in exports; the passive trade balance for the first six months of 1934 is more than 3,000 million lei, compared with an active balance of 2,400 millions in 1933, 4,700 millions in 1932 and 6,400 millions in 1931. The following are the full figures:—

	Quantities in tons		Values (000 lei)		Active Balance (000 lei)
	Imports	Exports	Imports	Exports	
1931	560,812	10,047,001	15,753,995	22,196,818	6,440,823
1932	449,980	9,056,959	12,011,377	16,723,152	4,711,775
1933	466,962	8,777,730	11,741,850	14,170,833	2,428,983
1934—					
Jan-June	262,876	4,079,537	6,143,567	6,140,261	— 3,306

These figures explain the increasing scarcity of foreign exchange at the National Bank and the inability of the latter to supply the Roumanian importer with the means of paying his debts in foreign currency, which, through no fault of the debtor, are tending to remain outstanding for a long time beyond the three months stipulated by the foreign exchange regulations. At the same time, old debts

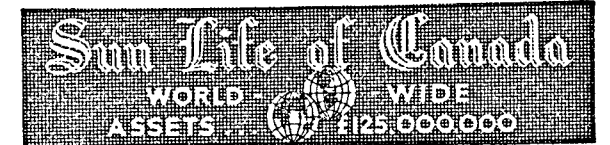
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which originated before 1932 are left entirely aside and can only be settled if the debtor can arrange an export in compensation at considerable expense. The situation is rapidly approaching a deadlock.

The clearing arrangements between Roumania and certain countries seem at first sight to have resulted in an excess of Roumanian exports over imports. Their real effect, however, is to reduce exports. New clearing arrangements have recently been concluded with France and Italy regulating the payment of mutual trade debts. The Italian agreement also includes financial debts. The arrangements provide that part of the proceeds of Roumanian exports to the countries concerned, about 20 per cent., is to be used for the payment of old debts of the Roumanian importer, and another similar part is to be placed at the disposal of the National Bank of Roumania for its own needs in connection with the public debt. The balances of Roumanian trade with these countries during the first six months in 1933 and 1934 were as follows:—

	(in lei)	
	Jan.-June, 1933	Jan.-June, 1934
France	339,074,000	15,440,000 in favour of Roumania.
Italy	12,959,000	6,407,000 against Roumania.

The Government apparently has faith in these agreements, and is credited with the intention of extending them to other countries. Commercial circles, however, look upon them with doubtful eyes. Exports in cereals and timber cannot be effected without the aid of a substantial premium, which must be paid either by the importer or by the Government. The latter has now instituted export premia for maize and barley amounting to 2,800 lei and 3,000 lei per waggon respectively, and payable as from October 1st next on exports to countries with which no clearing or compensation agreements exist. The time limit of August 1st last fixed for permits of compensations has meanwhile been extended to the end of the current month, and it is hoped that the pressure exercised by trade circles will persuade the Government to extend it again for a further three months.

The Association of Petroleum Industries has handed to the Government a memorial containing the complaints of the industry and giving diagrams of price movements. These diagrams show that prices of petroleum products have diminished between January 1st and August 15th of this year to such an extent as to change out of all proportion the relation between the money receipts of the refineries and the taxes charged by the State.

	Price per ton at the refinery, Jan. 1, 1934—Aug. 15, 1934		Taxes as a Percentage of value of product, Jan. 1, 1934—Aug. 15, 1934	
	Lei	Lei	Per cent.	Per cent.
Light petrol	1,683	843	26	41
Heavy petrol	1,080	601	35	49
Kerosene	1,190	472	23	44
Gas oil	949	335	29	54
Residue	340	250	42	52

Allowing for the crude oil, the value of the products obtained from a wagon of petrol amounted on January 1st to 7,750 lei and on August 15th to 3,630 lei only. While, therefore, the value of the products has diminished by more than 50 per cent., the taxes cashed by the State remain unchanged; they amounted to 48 per cent. of the value of the products on August 15th, compared with 31 per cent. on January 1st, 1934.

BUCHAREST, September 27.

ARGENTINA

EXPORTS STILL INCREASING

THE Cabinet is occupied in studying the Budget estimates for 1935. In the Chamber of Deputies there have been long discussions as to whether petroleum exploitation should be monopolised by the State, but no final measure has yet been sanctioned. The news that the conversion of the Argentine foreign debt, amounting to £9,023,220, has been satisfactorily arranged in London has received very favourable comment here. This conversion certainly indicates the faith which foreign investors have in the future of Argentina. The total saving effected will be £1,211,285 a year.

The following figures give exports during the first eight months of this year and last:—

	Quantity in Tons		Per Cent.	Value in Paper Pesos		Per Cent.
	1933	1934		1933	1934	
Total.....	9,914,776	10,598,490	+6.9	787,669,540	980,804,944	+24.5
Grain and linseed	8,387,779	8,981,874	+7.1	452,635,291	538,499,287	+23.4
Dairy products.....	25,589	19,688	-28.9	12,831,510	9,807,576	-22.4
Wool.....	117,749	84,297	-28.4	61,227,368	95,813,131	+56.5

Maize shipments have increased by 826,000 tons (27.4 per cent.) over 1933 figures, but wheat, linseed and rye all show a slight falling off in tonnage this year. The effect of the American drought was very noticeable during August, when Argentine exports increased by 177,712 tons, or 42 per cent. compared with August, 1933. If the present favourable trend of exports continues, there should be a corresponding easing of the exchange situation, with a consequent increase in the amount of exchange available for British-owned public utility companies operating in Argentina. Until the world economic situation improves it is highly improbable that the exchange control will be lifted altogether. It must be remembered that the system of control at present in force is not only proving lucrative to the Government, but is also useful when Argentina wishes to discourage imports from any particular country without raising a definite tariff barrier against that country. The drought in the United States has certainly proved beneficial to Argentina, probably more so than to any other country, as the resultant reduction in the purchasing power of the United States will have little effect here.

The undoubted optimism with which Argentina, at the moment, views the future must not be allowed to blind one to the fact that this year's harvest is not yet assured. It is not until October that a reasonable estimate of crops can be made. It must also be remembered that, even given a good harvest with high prices, the purchasing power of the community will not show a corresponding increase, as many farmers are burdened with debts and mortgages incurred during the crisis which will take the profits of several good harvests to liquidate.

The following are the latest quotations for wheat and maize compared with a year ago:—

	1933	1934
	Per ton	Per ton
Wheat	\$60.48	\$76.84
Maize	\$38.41	\$70.00

The rise is even more marked in the case of maize than that of wheat.

BUENOS AIRES TRAFFIC

The problem of co-ordinating the traffic in Buenos Aires and its environments is one which has been receiving a

considerable amount of attention from both the Municipality and the Government. That some steps must be taken is beyond question; the present modes of transport, apart from the suburban trains, are tramways, underground railways, and omnibuses, the two former being in the hands of five concerns, whereas the buses are run by fifty small companies. A few statistics showing the traffic handled by these concerns will give some idea of the magnitude of the task involved. During the first half of 1933 the electric traction companies (tramways and undergrounds) accomplished approximately three million journeys, covering 62 million kilometres, with gross receipts of \$28 millions, and the buses two and a quarter million journeys, covering 57 million kilometres, with gross receipts totalling \$19,300,000. The majority of transport companies are not doing well. This should simplify the formation of a unified transport board, since those concerns which are doing badly would be assisted by the elimination of competition.

BUENOS AIRES, September 24.

SOUTH AFRICA

THE "fusion" of the two chief political parties is now causing less excitement, owing to the paucity of serious opposition. At the recent Union Congress of the South African Party there were only eight dissentients, in a gathering of 460 delegates, to the proposal to accept the basis of the united party. Colonel Stallard took a formal farewell of his old friends. Among the Nationalists Dr. Malan commands more followers than Colonel Stallard, but the Party as a whole is strongly in favour of fusion, and the Cape extremist's influence is clearly waning. In some political circles an early election, to secure formal public approval of the fusion policy, is considered not unlikely.

A Customs Tariff Commission has been appointed, with the following terms of reference:—"To inquire into and report upon the following:—

- (1) The effect of the existing Customs tariff in so far as it has for its object the development of secondary industries in the Union.
- (2) The principles on which, and the extent to which, protection has been granted to industries, whether by protective duties, free admission of materials, or otherwise, and the extent to which it is necessary to maintain the present scale of duties, or the extent by which it might be deemed advisable to lower or raise the protection granted to particular industries.
- (3) The extent to which it is feasible to differentiate between revenue duties and protective duties."

The chairman of the Commission is Dr. J. E. Holloway, Financial Adviser to the Treasury; while the members are Professor C. S. Richards (University of the Witwatersrand), Mr F. J. Fahey (Board of Trade and Industries), Mr J. D. Heddon (Commissioner of Customs), Mr H. J. Laite (Secretary of Associated Chambers of Industry), and four others. The Commission is official and representative rather than impartial in personnel, and has been criticised as not being on the whole conspicuous for strength or balance, and as being predominantly Protectionist in tone. The chairman and Professor C. S. Richards are, however, prominent professional economists. It will be observed that the terms of reference postulate, by implication, the desirability of secondary industries *per se* even in a territory which must live by the production and export of gold. The chairman pointed out at the first meeting of the Commission that the adoption of the policy of Protection had been decided upon by Parliament—the Commission's duty was confined to its terms of reference.

The Commission of Inquiry into the affairs of the South African Railways and Harbours, for which the Government appointed Sir Guy Granet and others, has issued a report in which criticism is mostly on matters of detail. It suggests reductions in certain of the higher goods tariffs and certain reorganisation, but it is not the revolutionary document expected in some quarters.

CONTINUED EXPANSION OF BUSINESS

The expansion of imports continues, and during the seven months ended July 31st the total value was £35.4 millions, compared with exports of £39.5 millions (to which must be added the gold premium amounting to £14.4 millions). Imports are £10 millions above those of the corresponding period of 1933.

According to a statement of Exchequer receipts and issues, recently gazetted, the Exchequer balance on March 31, 1934, was £2,636 millions and on August 31st £5,234 millions. The Electricity Supply Commission has lately repaid a loan of £5,406 millions.

Business activity in general is still improving. In Johannesburg and the Reef mining towns property prices are very firm, and accommodation very difficult to secure for private or for business purposes. Employment is very good, many classes of artisans being almost unprocureable. Prices have so far shown hardly any rise.

No agreement has yet been reached at the discussions between the Union and Portuguese representatives on the Mozambique Convention. The percentage of the total tonnage of commercial sea-borne goods traffic imported to the "competitive area" via Lourenço Marques is supposed to be limited by the existing convention to a maximum of 55 per cent. and a minimum of 50 per cent. (The competitive area consists substantially of the Witwatersrand and Pretoria.) The percentage of this traffic actually coming through Lourenço Marques at present is admitted by the Portuguese to exceed 60. This matter of railway traffic is an old-standing source of some dissension between the two territories. The Union Government are exercising considerable pressure on their neighbours—the "experimental" admission of tropical labour must be causing the Mozambique Administration a good deal of thought. There is also the rather vague, admittedly arduous, but not impossible proposal to establish a harbour either at Kosi Bay or at St. Lucia; a railway through Zululand to either of these places would be much shorter than the 480 miles to Durban. But most of the country is at present fever-stricken, and this scheme, although it is understood to have had a good deal of serious official consideration, remains in the proposal stage.

JOHANNESBURG, September 20.

LETTERS TO THE EDITOR

GERMAN DEBTS TO LANCASHIRE

TO THE EDITOR OF THE ECONOMIST

SIR,—The report on the German trade debts in your issue of September 22nd does not adequately express the situation. Very strong feeling has been aroused in the minds of all British traders having overdue trade debts with Germany by the "intransigence" of Dr. Schacht in refusing to make any reasonable proposals for their liquidation. The Board of Trade sent out a delegation which returned empty-handed. A private delegation of cotton spinners also went to Berlin and received the same treatment. The Foreign Office sent a Note about August 15th. The Holden delegation went out again at the request of German yarn importers and brought back the ridiculous agreement which has been published. As soon as it was published, the whole of the cotton spinners interested refused to consider the proposed agreement. Germany intended these proposals to be a model for all British industrial debts.

The whole of British industry has now ranged itself in a solid refusal to listen to any conditions for future trade credits on which any liquidation of outstanding debts is to depend and in a demand that the Government take strong measures to safeguard British trade interests, as other countries have done. The Holden delegation, committed to recommend the German proposals, has impeded rather than hastened governmental action, as is now clear from the semi-official information that no better terms are offered to the Government delegation.

The present attitude of British industry is that the outstanding debts can be liquidated in a short period by a proper use of the one-way clearing system for which Germany has all the "mechanism" necessary, if they have the will to work it and agree that the proceeds of sale of goods and services to this country are to be used firstly for that purpose, and secondly to meet current trading and other obligations. It

is obvious that the sterling which ought to be used for payment of outstanding debts is now to be utilised in October or November for payment of Young and Dawes interest, and trade interests are being sacrificed to those of "finance."

There are only two methods available for payment of trade debts—one-way clearing by Germany or full two-way clearing by our use of the Clearing Offices Act; and it looks as though the latter will soon be necessary.—Yours, etc.,

LANCASHIRE EXPORTER.

DEFLATING THE TELEPHONE

TO THE EDITOR OF THE ECONOMIST

SIR,—May one use your columns to protest against the old-fashioned arguments and methods employed by the Postmaster-General in his attempt to secure extended use of the telephone? By reducing his charges he not only fails in his purpose but intensifies the horrific forces of deflation.

The "new economics" (according to Mr Elliot) clearly demonstrate that the correct method is to raise the charges so that the increased remuneration obtained by the telephone workers bestows on them a larger purchasing power for the products of the rest of the community, enabling the latter in turn to buy more telephone services; and so *ad infinitum*! After all, is not a prosperous telephone industry an essential condition of Britain's economic strength? Surely, the higher the prices, the greater the prosperity?

It is difficult to understand why a Government whose avowed object is to bring about a large rise in prices should tolerate the presence of this traitor in the camp. It is to be hoped that the Prime Minister will send Sir Kingsley Wood packing and merge his department with that of the Minister of Agriculture. Then, at least, we shall get something done!—

Yours, etc.,

G. L. SCHWARTZ.

London, N.2.

October 1, 1934.

BOOKS RECEIVED

- Higher Control.* By T. G. Rose. (London) Pitman. 269 pages. 12s. 6d. net.
- Some Relations Between Political and Economic Theory.* By G. D. H. Cole. (London) Macmillan. 92 pages. 4s. 6d.
- Sea Power in the Modern World.* By Admiral Sir Herbert Richmond. (London) Bell. 260 pages. 10s. 6d.
- Kemwerer on Money.* By Edwin Walter Kemwerer. (London) Routledge. 209 pages. 6s.
- La Crise de la Monnaie Anglaise (1931).* By S. J. Catiforis. (Paris) Librairie du Recueil Sirey. 207 pages. 30 francs.
- The Supply and Control of Money in the United States.* By Lauchlin Currie. Howard University Press. 194 pages. \$2.50.
- Codes, Cartels and National Planning.* McGraw Hill. 407 pages. 24s.
- World Economic Survey (Third Year), 1933-34.* League of Nations, Geneva. (London) Allen and Unwin. 355 pages. 6s. paper; 7s. 6d. cloth.
- The I.L.O. Year Book, 1933.* International Labour Office, Geneva. 543 pages. 12s. 6d.
- The New Monetary System of the United States.* (New York) National Industrial Conference Board. 147 pages. \$2.00.
- Spain.* By Sir Charles Petrie. (Modern State Series, No. 5.) Arrowsmith. 129 pages. 3s. 6d.

George Allen & Unwin Ltd.

Money, Foreign Trade, and Exchange

By H. J. WELCH. 4s. 6d.

"Those interested in modern problems relating to national, international monetary and financial practices cannot fail to appreciate Dr. H. J. Welch's new book It is the work of a business man well qualified in his subject."—*Financial Times*.

Museum Street, London, W.C.1

MONEY AND BANKING

THE TREASURY AND LOMBARD STREET

In the current issue of its *Review*, the Midland Bank returns to its former charge that by contracting the issue of Treasury bills the Government has been guilty of forcing the banks to contract their deposits, thereby causing renewed deflation and threatening to arrest the trade revival. Many of the arguments advanced by the Midland Bank were examined by us in our review of the banks' half-yearly statements of accounts, published in our issue of July 21st. There, we reached the conclusion that unless the banks exercised their obvious power to expand credit, a net redemption of Treasury bills held by the banks would involve a contraction in deposits, and this has actually happened during the past eighteen months. Such a contraction, however, was not necessarily deflationary, for it might merely involve the disappearance of idle funds, part of which might be invested in the long-term securities issued in replacement of the redeemed Treasury bills. We added that the banks could easily make good the loss of available credit as soon as a legitimate demand for new credit arose.

While we cannot agree that the Midland Bank has made out its case, it has at least raised two important questions, namely: those of the functions of Treasury bills and the adequacy of the present and future supply. Beginning more conveniently with the second question, there is no doubt that, since the war, Treasury bills have come to occupy a predominant position in the London money market. In pre-war days they were insignificant. The total issue rarely exceeded £30 millions, and £15 millions or less was a far more common figure. These totals also included bills held "inside," so that the amount at the disposal of the money market was often considerably less. The total of commercial bills in existence is much less easy to estimate. At a pure guess, the quantity of London acceptances in connection with international trade was of the order of £250 millions, to which must be added inland bills of exchange which were then still in use. Our own Banking Supplements of that date suggest that the bills held in this country by British and foreign banks ran up to £300 millions and even higher.

By 1929, immediately before the depression, the position had completely changed. The inland bill had disappeared, and the Treasury bill had come to the centre of the stage. At a rough estimate the total of Treasury bills issued by tender in that year varied from £480 to £580 millions, against the negligible totals of before the war. The supply of commercial bills was much the same as in 1913, for the rise in prices, which tended to expand the total volume of bills, had been offset by the entry of New York, Amsterdam and Zurich into the field of international accepting. Even so, the total supply of bills in London had risen from, say, £300 millions in 1913 to about £700 or £800 millions in 1929, and for this growth the expansion in the Treasury bill issue was entirely responsible.

Since 1929 a serious contraction has occurred. By early 1933 the fall in prices and the shrinkage of international trade had reduced the supply of commercial bills from £240 millions to about £120 millions. The Treasury bill tender issue averaged about £600 millions in the spring of 1933, so that up to that time the total supply of bills was well maintained at just over £700 millions. The main contraction has, in fact, occurred during the past eighteen months. Commercial bills have further shrunk to just under £100 millions, of which £32 millions are standstill bills. The Treasury bill tender issue has fallen to about £425 millions. At a very rough guess, the total supply of bills to-day is only £520 millions, against £300 millions in 1913 and £700 to £800 millions in 1929.

So far it may not appear that the banks and the money market can complain that they are being starved of bills. Many new houses, it is true, sprang up in the palmy days immediately after the war, when Treasury bills were inordinately cheap and plentiful, but these hardly performed

an essential function in our economic system, and the disappearance of some of them during the past few years need not be regretted. The money market was badly in need of thinning down. On the other hand, bills of exchange are an integral part of our domestic and international monetary and banking system, and it is essential that the supply of bills should be adequate to enable that system to function smoothly and properly.

In particular there have been two recent developments, of which one is the direct result of Government action, while the other received an official welcome from Mr Chamberlain only this week. The first is the Exchange Equalisation Account, the sterling assets of which consist almost entirely of Treasury bills. Now these bills are not issued by tender, and so are additional to the totals which we have been quoting. On the other hand, the quantity of bills held by the Account varies every time the Account intervenes in the foreign exchange market, and this implies that if the Account is to operate successfully there must be an adequate and continuous demand for Treasury bills from bankers and other non-official sources. A wide and elastic money market is thus essential for the success of our new technique of exchange control, for otherwise passing disturbances would simply be transferred from foreign exchange rates to money and discount rates. This alone is a powerful argument in favour of providing London with enough bills to keep the discount market in active operation.

The second development is the growth of the sterling area. The whole essence of this is that the central banks of countries inside the area should hold a substantial part of these reserves not in gold but in some form of sterling. Their sterling assets must be thoroughly liquid, and in practice this either means balances with London banks or sterling bills. Even if these take the form of bank balances, then the London banks must hold liquid assets against those balances, and this brings us back to bills again. It may, therefore, be said that an adequate London discount market and a sufficiency of sterling bills are essential to the proper functioning of the new monetary system loosely described as the sterling area. It must also be emphasised that the growth of the sterling area means that an entirely new source of demand for sterling bills has come into existence, and that this new demand has by implication recently received an official welcome from the Chancellor of the Exchequer.

To sum up, there are reasons why the Government should make use of the present era of cheap money to fund another slice of the floating debt. The claims of the taxpayer come first, and apart from the obvious saving over a long period of years which should follow the issue of long-term loans under present conditions, it cannot be denied that a large floating debt constitutes a danger to the national finances. Discount rates are not going to remain indefinitely at their present low level, and past experience has shown that an unwieldy Treasury bill issue can offer an undesirable temptation to foreign unstable and volatile money.

On the other hand, our banking system, of which the discount market is an integral part, has definite needs and functions, and in particular it has had new duties thrust upon it during the past three years. To perform its duties it must be protected as far as possible from abrupt changes in the conditions under which it has to operate, and were the supply of bills to be reduced below a certain limit, certain undesirable consequences might easily follow. For one thing, London's position as the world's banking centre might be undermined, and while the presence in London of an excessive amount of foreign panic money is to be deprecated, no one would desire the impression to gain ground that foreigners could not find employment for their money in London. Again, were the supply of bills to be reduced, the banks might well feel diffident about buying fresh

investments as a substitute, and here we find a point of contact with the arguments of the Midland Bank. One result of this might be an undesirable spread between long-term and short-term rates, which would create a new element of instability and would not render easier the problem of Government financing.

In these circumstances the keynote of Government debt funding policy is the avoidance of abrupt or spectacular action. When allowance is made for the existence of the Exchange Equalisation Account of £375 millions, the real size of the Floating Debt is much less than the published returns suggest, and so the need of funding becomes less insistent. Admittedly the needs of the nation must override the narrower needs of the City, but even so the City has important contributions to make to the economic life of the nation, and indeed to that of the whole world. The Government thus has several claims to reconcile, and in formulating its policy for the near future it would be well advised to follow the middle road. Otherwise it can, from a national standpoint, easily do more harm than good.

FINANCIAL NOTES

The Money Market.—Government dividend payments have made money easier, and outside lenders have only been charging $\frac{1}{2}$ and $\frac{3}{4}$ per cent. Bill rates, however, are firm, partly because the contraction in Treasury bills issued by tender has for the moment been arrested. The clearing banks have left their buying rates unchanged at $\frac{1}{4}$ per cent. for January Treasury bills, $\frac{3}{4}$ per cent. for December, and $\frac{1}{2}$ per cent. for earlier rates. They have secured a certain number of November bills, while hot Treasury bills have been dealt in in the market at $\frac{3}{4}$ per cent.

	Sept. 13, 1934	Sept. 20, 1934	Sept. 27, 1934	Oct. 4, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
(b) Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

While some members of the discount market allowed their holdings of bills to contract during August and September and re-lent their surplus funds to the Stock Exchange, the market as a whole has found itself well supplied with bills as a result of last week's tender. The market, therefore, was very hopeful that the tender on October 5th would go at $\frac{7}{8}$ per cent., compared with just under $\frac{3}{4}$ per cent. the week before.

The Bank Return.—Currency demands over the end of the quarter are responsible for the increase of £3.8 millions in the note circulation and for the corresponding contraction in the reserve.

	BANK OF ENGLAND				
	Oct. 4, 1933	Dec. 27, 1933	Sept. 19, 1934	Sept. 26, 1934	Oct. 3, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.4	190.7	191.8	191.9	191.9
Note circulation.....	373.7	392.0	376.4	377.0	380.8
Banking Department:—					
Reserve.....	78.1	59.7	76.1	75.5	71.7
Public deposits.....	9.5	22.2	20.5	37.9	13.7
Bankers' deposits.....	108.6	101.2	99.8	82.0	107.0
Government securities ...	81.1	88.0	81.7	81.6	81.7
Discounts and advances	11.1	16.8	6.1	7.2	12.7
Proportion	47.4%	37.3%	48.1%	48.1%	45.4%

Government dividend payments on October 1st mainly explain the week's sharp contraction in public deposits, which have now returned to a more normal size. There is a somewhat inexplicable rise of £5.5 millions in discounts and advances. It does not reflect money market borrowing, but may reflect operations by one or more of the Bank's private

customers. As a result of these movements, bankers' deposits have expanded by £25 millions.

The Foreign Exchanges.—Commercial buying of dollars has continued on a fair scale, and as a result sterling has been weak against both the dollar and the gold *bloc* currencies. President Roosevelt's week-end broadcast was interpreted by some interests as favouring a strong dollar, and in consequence sterling fell on October 2nd to \$4.90. Forward dollars, however, remain at a slight discount, and this shows that confidence in the future of dollar is still lacking. By Thursday afternoon spot sterling had rallied to \$4.92 $\frac{1}{2}$. The franc and most of the other gold currencies moved in sympathy with the dollar, the Paris rate touching Frs. 73 $\frac{3}{4}$ on Tuesday and recovering by Thursday to Frs. 74 $\frac{1}{4}$. Belgas, however, developed sudden weakness as a result of the political crisis at the end of last week, for the Paris-Brussels cross rate fell from Frs. 355.75 to Frs. 354.25, while sterling appreciated temporarily from Bel. 21 to Bel. 21.18. A fair retail business has been done in sondermarks during this week, but the Bank of England's special account at the Reichsbank remains at its limit of Rm. 5,000,000, and German importers are now paying into an "interim" or "waiting-list" account.

New York Money and Banking.—Money remains easy and rates are unchanged. Brokers' loans stood at \$740 millions on September 28th, against \$745 millions the week before. The chairman of the R.F.C. announces that the corporation has since its foundation authorised the purchase of stock or notes in 6,692 banks to the value of \$1,162 millions, and has actually paid over \$891 millions to 5,392 banks. The Treasury deficit at the end of the first quarter of the current financial year is returned at \$541 millions, compared with a parallel figure of \$237 millions last year. Emergency expenditure during the quarter totalled \$828 millions. The public debt is stated to be \$27,190 millions, offset to some extent by "gold assets" of the Government amounting to \$7,978 millions. Meanwhile banking opinion is becoming even more restive at the trend of the national finances. Late last week it became known that at a recent meeting of the Federal Reserve Advisory Council opinions were expressed that unequivocal fixing of the dollar's gold content must precede recovery, that a fluctuating currency was a deterrent to business, that the steadily mounting Government debt and unbalanced condition of the Budget constituted a threat to confidence and credit, and that the use of Government money in competition with private capital should cease. The Acting Governor of the Federal Reserve Board has rejected these statements on the ground that the council had gone beyond its standing terms of reference, but no doubt they reflect the views of a considerable body of banking opinion.

Australian Interest Rates.—At the general meeting of the Commercial Banking Company of Sydney, which incidentally celebrates its centenary on November 1st next, Mr James Ashton had some interesting information to give regarding the effects of the reduction in interest rates on bank overdrafts. A few years ago the bank's overdraft rate stood at 7 $\frac{1}{2}$ per cent., but it has since been reduced to 5 per cent. The cost of this to the bank is estimated at £850,000 per annum, and to meet this the dividend rate has been reduced from 10 to 5 per cent., fixed deposit rates have been reduced from a range of 4 $\frac{1}{2}$ to 5 $\frac{1}{2}$ per cent. to one of 2 to 2 $\frac{1}{2}$ per cent., directors' fees and staff salaries have been reduced by 10 per cent., and the number of officers and other employees by 12 per cent. Taxation relief received by the bank only amounts to £20,000. Mr Ashton recalls that these reductions in overdraft rates coincided with a general fall in long-term and short-term interest rates affecting both the bank's London and Australian funds, and he points out that in these circumstances the diminution in the bank's profits is hardly surprising. These details of the cost to the banks of reducing interest rates are most illuminating, and Mr Ashton has made a point which is seldom realised by non-banking observers.

THE STOCK EXCHANGE

BRITISH FILM INDUSTRY

As it is unusual for little fish to swallow big fish, the Stock Exchange was somewhat surprised to learn from the *Financial News* this week that Mr John Maxwell, the chairman and managing director of the Associated British Picture Corporation, was negotiating with the Ostrer Brothers for the purchase of control of the Gaumont-British Picture Corporation. The issued share capital of Associated Company is only £2,933,557 (out of an authorised total of £4,000,000), while that of the Gaumont is £6,250,000 (the total authorised issue). The Associated is shortly to issue 5 per cent. debenture stock to the amount of £2,500,000; the issued 4½ per cent. debenture stock of the Gaumont parent company is £5,000,000. The Associated has a circuit of 200 cinema theatres, while the Gaumont group controls 323 houses. The basis of the Gaumont circuit is Provincial Cinematograph Theatres (controlling 112 houses), which was registered as long ago as 1909. The origin of the Associated circuit was the registration of Associated British Cinemas as recently as 1928. The Associated has extensive studios at Elstree, but the Gaumont has laid out even more capital on its studios at Shepherd's Bush. Financially, the Gaumont has been regarded as the strongest group in the British film industry. Since its recent financial reorganisation, however, the Associated group would appear to have obtained further backing, while interests in Gaumont have been willing to consider a change of proprietorship. The occasion calls for some review of the balance of power in the British film industry, which should not be without interest to the investor in cinema theatre securities.

In addition to the 323 theatres of the Gaumont group and the 200 theatres of the Associated, there are over 2,000 independently owned cinemas in this country. Numerically, therefore, the two circuits are dwarfed by the "independents," but as the latter are not organised for the co-operative booking of films they are compelled to pay what they regard as decidedly high prices for the films, both American and British, shown in their theatres. Moreover, the independents may be forced to take—or leave—the entire output, good or bad, of a film-producing company. Their only measure of "protection" against bad films may be to pay their hire price and refrain from showing them. This is sometimes resorted to in the case of the British "quota films" produced by American companies to satisfy the letter of the quota Act at the minimum of cost and trouble. The two circuits, on the other hand, can bargain effectively with the film-producing organisations, and in general are able to buy their films from 15 per cent. to 20 per cent. more cheaply than the independents. There has been a tendency, therefore, for the circuits to expand at the expense of the independents, partly by the purchase of

theatres which have given up the unequal struggle, and partly by the building of new "opposition" theatres.

The circuits, however, are themselves competitive, and the effects of this competition are emphasised when attendances fall in years with exceptionally fine summers. Of the subsidiary circuits of Gaumont-British, the Denman Pictures and General Theatres may possibly have been acquired on a somewhat higher basis than those of the Associated group, while the old-established status of the Provincial Cinematograph Theatres circuit, which has been a particularly profitable part of the Gaumont business, may itself involve, in the future, a considerable rebuilding programme. No circuit can stand still, for the building of new theatres in key positions may be undertaken at any time by any energetic speculator. This consideration may have influenced the parties to the reported negotiations.

As regards production activities, the policy of the Associated group has been to produce "economic" films whose comparatively low costs could be recovered from the box-office receipts of the tied houses. Occasionally "super" films have been produced, and lately the quality of the whole output has been raised. In addition to the productions at Elstree, a supplementary output is available from the Welwyn studios of British Instructional Films, now controlled by the group. The Gaumont group, on the other hand, has spent more heavily on its film productions, "super" films being more frequently turned out at Shepherd's Bush than at Elstree. Whereas the prosperity of Mr Maxwell's production company (British International Pictures) was able to offset the 1933-34 fall in earnings of the theatre circuit (Associated British Cinemas), now the two companies are amalgamated, it appears from a study of the preliminary figures of Gaumont that the Shepherd's Bush studios have not mitigated the decline in earnings of the subsidiary theatre companies. A statement of the combined earnings and distributions of the Associated subsidiaries, together with the earnings and distributions of Gaumont and Provincial Cinematograph Theatres, will be found at the foot of this page.

As regards the abortive negotiations for purchases of control of the Gaumont group, a complicated situation obtains. Of the 3,000,000 ordinary shares of the Gaumont-British Picture Corporation, 65 per cent. is held by the Metropolitan and Bradford Trust. Control of the latter trust is vested in 10,000 voting shares, of which 49½ per cent. is held by the Fox Film Corporation, 49½ per cent. by Messrs Ostrer and 1 per cent. by Lord Lee of Fareham. In spite of the apparent equal division of control between Fox Film and Messrs Ostrer, the articles of association give the Ostrer

Brothers an effective working control of the Trust and, consequently, of Gaumont-British. The Fox Film Corporation never obtained, as Mr William Fox had intended, the Gaumont-P.C.T. theatres as his "front shop-window" in Great Britain, and, being now in the hands of the bankers, it may be willing to sell its holding of 4,950 Metropolitan and Bradford shares at a price below that at which (according to report) Messrs Ostrer are prepared to part with their control. As we go to press we hear that the negotiations which would have brought under one control a group of interests with combined assets of over £20 millions have been broken off. This is to be regretted, for there is no doubt that a merger between the Gaumont and Associated groups would have strengthened the investment status of both groups of securities. The present market prices and yields are as follow:—

	Debentures			Preference			Ordinary		
	Rate	Price	Yield %	Rate	Price	Yield %	Rate	Price	Yield %
Gaumont British ...	4½	99½	£ s. d. 4 11 3 to red. at 102 in 1933	5½	197½	£ s. d. 5 12 0	7	13½ (10/- shs.)	£ s. d. 5 7 9
Provincial Cinematograph	...	...	...	7½	27/9 7½	5 8 9 6 1 3	15 7½	21/8 22/3	7 0 0 6 17 3
General Theatres	6½	82	£ s. d. 8 3 6 to red. at 103 in 1933	7½	6/-	NB	...	...	...
Associated British Picture	...	...	...	6	197½	6 2 3	6	5/9	5 4 3

It is not, of course, known whether the Associated British group intended to absorb the Gaumont-British or allow it to continue its independent existence if the present negotiations had been completed. But, merger or no, the film industry still remains highly speculative, from an investment viewpoint. Apart from the intense competition in film production, there is nothing to prevent the formation, later on, of another circuit of theatres in opposition to both the Gaumont and the Associated groups.

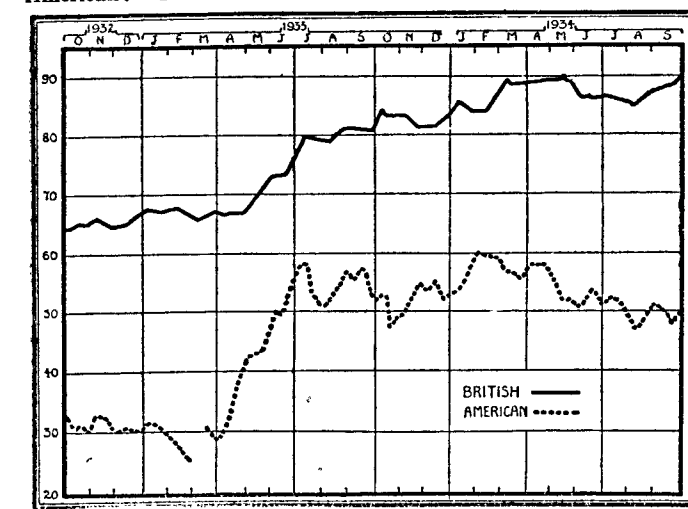
INVESTMENT NOTES

Course of Share Values.—September was the most cheerful month on the London Stock Exchange since February. While gilt-edged stocks were making new high

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES OVER THE PAST TWO YEARS.

(1928 = 100)

British: "Financial News" Index of 30 Ordinary Shares.
American: "Standard Statistics" Index of 50 Common Stocks.



"records" in the course of their advertised journey towards a 2½ per cent. basis, industrial share values, as the annexed chart shows, were making good the remainder of the ground lost in the early summer. The *Financial News* index, for

the third time this year, has reached a point, approximately 90 per cent. of the base figure, which has so far been the high-water mark of recovery. The chart suggests that the revival which has raised the index by nearly 25 points since April of last year has had three distinct phases—a sharp upward movement, which carried the index about 13 points up in the three months May to July, 1933; a much slower ascent, with numerous ups and downs, in the eight months to March, 1934, when the index rose a further 10 points; and a period of stationary trend over the ensuing six months, with a well marked "secondary recession" in the early summer and a recovery in the normally quiet months of August and September. The course of the Wall Street Index has been less encouraging. The initial phase of rapidly rising prices, after the accession of President Roosevelt in March, 1933, culminated at about the same time as its London counterpart, but was succeeded by seven months of wide fluctuations with a stationary trend, and has subsequently been moving unmistakably downwards. The explanation is not far to seek. The curves of industrial activity have closely followed those of equity share values, in both countries, with a moderate time lag. Money has been cheap in both countries, but the abstention of the British Government from a course of experimentation with the currency and with industrial organisation has created a feeling of relative confidence among British investors which has been lacking in America. At a moment when President Roosevelt's Administration appears to be inclining towards a more conservative policy (the prospective new Congress permitting), the British industrial share market appears to be waiting for a lead from industry. The market has recently shown signs of an increased "speculative" disposition, and if industrial re-recovery is tardy, the pressure of money, in a period of demonstrably low income yields, may produce a tendency to substitute capital profits for income considerations as the prime object of investment policy. In the past, such a disposition has frequently been the precursor of a downward movement in values.

* * *

London's Next Lord Mayor.—For the third time in the last 76 years the Stock Exchange has given London a Lord Mayor. The selection of Sir Stephen H. M. Killik, at Guildhall, last Saturday, sets the seal on a life's work of exactly sixty years in and for "The City." An accountant of wide experience, a pioneer in the business application of shorthand, and a felicitous writer and lecturer on financial subjects, Sir Stephen became a member of the Stock Exchange in 1900, and of the Committee for General Purposes in 1916. He has been a member of the Corporation of London for the last twenty-six years, and an alderman, appropriately, of the Stock Exchange Ward of Broad Street since 1927. His success, immediately after the war, in carrying through urgent reforms in the Corporation's finances was one of the greatest achievements of his career. His work for the Stock Exchange is, perhaps, less widely known, for the secrets of the deliberations of the Committee are far more closely guarded than those of the average British Cabinet. To his close friends and colleagues, however, Sir Stephen has always been known as having the educational side of Stock Exchange life deeply at heart. His attitude towards some of the more vexed questions of "House" organisation has been consistently progressive. Among the first advocates of reform of the half-commission system and a constructive supporter of the movement for the removal of some of the more striking anomalies of "dual control," Sir Stephen has always given the weight of his influence to any policy designed to add to the effectiveness of the Stock Exchange in serving the public interest. On the broader subject of Stock Exchange speculation, his views were clearly set out, twenty years ago, in a series of letters to the *Economist*. Legitimate speculation, as an indispensable adjunct to the conduct of modern business, has had no abler defender, and gambling—"the risking of larger sums than a man can afford, on ventures over which his own industry can exercise little or no control"—no more destructive critic. The Stock Exchange finds in him a worthy representative for the highest honour the City can bestow.

	Associated British Picture Corporation (formerly British International Pictures)			Associated British Cinemas		Associated British Picture (Combined Accounts of British International and Associated British Cinemas)			Gaumont British Picture Corporation			Provincial Cinematograph Theatres, Ltd.		
	(Years to March)			(Years to March)		(Years to March)			(Years to March)			(Years to January)		
	1932	1933	1934	1932	1933	1932	1933	1934	1932	1933	1934	1932	1933	1934
Net profit	£ 109,830x	£ 136,306	£ 156,967	£ 371,444x	£ 278,017	£ 445,274x	£ 390,574	£ 573,198	£ 490,301	£ 462,612	£ 485,605	£ 508,648	£ 459,490	
Taxes	Nil	27,777	23,034	Nil	21,640	Nil	49,417	38,025	49,513	34,306	83,000	84,000	84,000	
Depreciation	Nil	14,758	Nil	75,000	100,000†	75,000	114,758	100,000	30,728	28,643	53,000	59,000	55,000	
Loan and mortgage interest	Nil	Nil	Nil	151,891	174,431	151,891	174,431	161,582	83,709	88,687	21,253	22,574	Nil	
Earned for dividends	109,830	93,771	133,933	144,553	81,946	218,383	51,968	273,592	326,351	310,976	328,352	343,074	320,490	
Preference dividends (gross)	20,000	20,000	48,456	54,521	55,429	69,521	70,429	37,553	93,750	93,750	202,500	202,500	202,500	
Earned for ordinary	74,830	73,771	85,477	90,032	26,517	148,862	Dr 18,461	236,039	232,601	217,226	125,852	140,574	117,990	
Earned %	11.3	9.8	7.1	13.7	3.5	14.4	Nil	18.2	10.4	9.3	21.8	23.7	20.7	
Paid %	5.0	5.0	6.0	5.0	Nil	5.0	3.7	6.0	6.0	7.0	15.0	15.0	15.0	
Reserves	65,000†	55,000	Nil	50,000	45,000	102,987	Dr 18,750	151,787	79,833	Nil*	45,000	65,000	42,856‡	
Carried forward	44,614	25,885	39,287	28,522	10,039	73,136	38,013	39,287	87,229	129,455	120,573	121,147	121,281	

* £79,832 was transferred to general reserve from sinking fund, and £954,545 capitalisation of preference and "A" ordinary, together with £375,287 issue expenses written off from general reserve. x After tax. † Including £15,000 investment reserve. ‡ £100,000 transferred direct from general reserve. ** Preliminary figures of the Gaumont-British gave the profit available for ordinary dividend as £344,875, against £334,455 in the previous year; but a larger carry-forward was included. ‡ And £22,144 transferred from Debenture Sinking Fund Surplus.

Wall Street "Margins."—The announcement by the Federal Reserve Board, late last Thursday night, of the promised new "margin" rules caused scarcely a ripple on Wall Street's surface. The regulations authorise extension of credit in security transactions up to 55 per cent. of the current market price or of the lowest price at which the security in question has been sold in the past three years, with a proviso that the credit in no case is to exceed 75 per cent. of the current value. This regulation is designed to afford a permanent basis for "margin" dealings, but until July 1, 1936, the lowest price since July 1, 1933, is to be used where the "low price" method of computation applies. The Federal Securities Exchange Commission has postponed the date of application for these regulations from October 1st to October 15th, to enable the financial community to study their implications. In the present state of semi-suspended animation of the market, the "hardship" involved by the regulations is negligible. A Federal Reserve Survey at the end of July showed, in fact, that more than half the outstanding stock accounts contained at least twice as much collateral as the new requirements demand, and two out of every three stocks to-day, it is understood, are eligible for the minimum 25 per cent. cash margin. Whether an equally complacent view will be taken when the market is in the throes of its next period of intense speculative activity remains to be seen. Meanwhile, the impression, given by the President's week-end speech, that the Administration has no present intentions of embarking on new inflationary experiments has checked last week's incipient revival in Wall Street's activity. Another restraining factor is the tardiness of the Securities Exchange Control Commission in publishing its new trading rules, whose issue has been deferred to the end of this month.

L'Affaire McArthur.—Considerable discussion was aroused in New Zealand and Australia two months ago, when the Premier of New South Wales asked the Assembly to pass an immediate emergency measure, appointing a Royal Commission to enquire into the activities of the Investment Executive Trust of New Zealand, Ltd., and sixteen other companies. This step was taken at the request of the New Zealand Government, which, in the light of facts disclosed during the sittings of a Commission of Enquiry into company methods in the Dominion, had decided to take similar action. Subsequently, the States of Victoria and South Australia decided to make departmental investigations on the same lines. So far, although the New Zealand Commission has issued two interim reports, the results of the Australian enquiries have not been published. The evidence so far disclosed, however, leaves little doubt but that a group of financiers—headed apparently by two gentlemen named McArthur and McInnes—has been obtaining some hundreds of thousands of pounds by methods which would be illegal in Great Britain under the "share-pushing" clauses of the Companies Act. A large number of so-called investment trusts appear to have been formed, with a small share capital, which have issued large quantities of ostensibly high-yielding "debentures." Taking advantage of the high prices, and low income yields, of sound New Zealand and Australian securities, an army of high-pressure salesmen, by domiciliary visits and otherwise, persuaded private investors to part with their holdings in exchange for the debentures of the group's "trust companies" at a nominal figure slightly above the market price of the stocks transferred. No expense was spared in creating an impressive background for the sales campaign. A large and imposing building was purchased in Sydney for £100,000, and there appears even to have been a suggestion, at one time, that a wireless station should be acquired for publicity purposes! Pending the completion of the official investigations, it is impossible to say what action the Crown will take, but civil action is already threatening. The group's activities appear to have been on a wider scale in New Zealand, where they were originally started, than in Australia. The inevitable loss will, unfortunately, fall mainly on small private investors in the two countries. It is unlikely that the repercussions on the Stock Exchanges will be at all serious, though any effort to unload the sound securities which the group has obtained in the course of its

operations might cause a temporary weakening. The Sydney and Melbourne Stock Exchanges, eighteen months ago, issued timely official warnings against share hawking, but the affair may well bring to the front the advisability of strengthening the law on this point.

"Fixed" v. "Management" Trusts: A Suggestion.—We have received from a reader who, as a practising member of the accounting profession, has been closely following the development of the fixed trust movement, a well argued contribution to the growing literature on the economic relationship of the "fixed" to the "investment" trust. Our correspondent lays stress on the inability of the fixed trust, by its constitution, to finance progressive or new enterprises. When new shares are issued for cash by any of the companies whose shares are held in its "units," it has no power to subscribe, but must realise its "rights." On the other hand, its conspicuous merit for the small investor, which prevents its being regarded as a purely parasitic growth, is its property of "spreading" investment risks, in respect of comparatively small individual holdings, over a fair area of any given sector of the investment field, without the "gearing," due to the existence of prior-ranking debentures and preference shares, which has introduced a quite extraneous element of fluctuation into the earnings position of the equity shares of the management trusts. Our correspondent suggests, therefore, that the time is ripe for the building of a bridge between the two types of trust by the creation of what may be conveniently described as "un-gearred" management trusts. The latter, it is suggested, should be companies registered under the Companies Act, with a single class of share capital, prohibited by their articles from incurring debenture debts, sub-dividing their capital into shares with varying rights, or issuing further capital of a different class—but not from increasing their capital as need arises. They might well be formed under the most respectable management trust auspices, and might group, under one central management, various trusts, some of which might possess general powers of investment, while others were limited to particular geographical or other parts of the investment field. In all cases, however, a valuation and revenue statement should be furnished at regular and frequent intervals—say once every quarter, so that investors could appraise the break-up and earnings value of the shares with confidence. For such shares, it is suggested, the normal machinery of the Stock Exchange would provide a free market at a fair price. In this connection it would be useful to have the views of existing investment trust managers on the question whether increased stability in equity earnings and market quotations, resulting from low gearing or no gearing, is worth the sacrifice of the leverage factor in periods of rising receipts.

New Issues in September.—The capital market showed seasonal expansion of activity during September. We set out our usual analysis below:—

Monthly Average	(000's omitted)				Total
	United Kingdom	British Possessions	Foreign Countries		
1930	14,220	5,121	2,975	22,316	
1931	4,542	3,209	761	8,512	
1932	13,589	2,129	24	15,742	
1933	17,520	2,429	449	20,398	
Monthly Total	Govt. Other				
July, 1933	<i>Dr. 200</i>	3,369	212	Nil	3,381
July, 1934	<i>Dr. 300</i>	13,624	3,753	Nil	17,077
August, 1933	<i>Dr. 250</i>	485	15,045	4,334	19,614
August, 1934	50	1,500	471	Nil	2,021
September, 1933 ...	89,843	2,896	563	Nil	93,302
September, 1934 ...	50	6,759	2,148	300	9,257

Comparison with September, 1933, is rendered difficult owing to the large total under British Government resulting from the issue of 2½ per cent. Conversion Loan, which accounted for £90,243,000 a year ago. Home Corporation requirements amounted to £2,475,000, including a successful issue at 97½ of Plymouth 3 per cent. stock. Mining issues were largely restricted to existing shareholders on favourable

PRELIMINARY NOTICE.

ASSOCIATED BRITISH PICTURE CORPORATION LIMITED

SHARE CAPITAL:				Issued or to be Issued
Authorised	£2,000,000	in 6 per Cent. First Cumulative Preference Shares of £1 each	...	£1,383,557
	£2,000,000	in Ordinary Shares of 5s. each	...	£1,550,000
	£4,000,000			£2,933,557
LOAN CAPITAL:				
	£3,500,000	5 per Cent. First Mortgage Debenture Stock	...	£2,500,000

The Subscription List will open on Wednesday next, 10th October, for an

ISSUE OF

£2,500,000 5 PER CENT. FIRST MORTGAGE DEBENTURE STOCK AT 101 PER CENT.

Trustees for the Debenture Stockholders: THE LAW DEBENTURE CORPORATION LIMITED.

The Prospectus will show (inter alia) that:—

- (1) The Business was founded in 1926 by Mr John Maxwell, the Chairman and Managing Director, and is now one of the largest undertakings in Great Britain, operating in all branches of the film industry. It owns or controls 200 Cinema Theatres widely spread throughout the country, which provide entertainment for approximately two million people weekly.
- (2) The Debenture Stock is covered by Net Assets totalling £6,135,446, or over 2½ times, and is secured by a first specific charge on freehold and long leasehold properties valued at £4,159,684, widely spread in key positions throughout the country.
- (3) After charging all working and administrative expenses, Directors' Fees, Depreciation and Amortisation, but excluding Income Tax and interest on loans and mortgages to be repaid out of the proceeds of this issue, the combined profits have been as follows:—

Year to 31st March, 1931	...	...	...	...	£495,452
" " " 1932	...	...	...	...	£394,487
" " " 1933	...	...	...	...	£303,108
" " " 1934	...	...	...	...	£439,686

- (4) Profits for the financial year ended 31st March, 1934, were sufficient to cover the interest on the Debenture Stock now issued over 3½ times. From the figures available for the first six months of the present financial year the Directors are satisfied that the profits will show an appreciable increase over those of the corresponding period last year.

Prospectuses, on the terms of which alone applications will be considered, can be obtained from—

Bankers:
NATIONAL PROVINCIAL BANK LIMITED.

Solicitors:
CLIFFORD-TURNER & CO., 11, Old Jewry, E.C.2.

Secretary and Registered Office:
GEORGE H. GAUNT, Film House, Wardour Street, W.1.

or from the Brokers:
MYERS & CO., 19 Throgmorton Avenue, E.C.2.
PARSONS, MACLACHLAN & MILLER, 49 Bath Street, Glasgow, C.2.

terms. A feature of the month was the increase in proprietary article and patent flotations, such as Eno Proprietaries and Herbert Green, the latter formed to exploit a new oil process. The majority of the month's industrial offers were made to existing shareholders, and a vigorous increase in this class of investment is yet to seek.

* * *

South American Bond Outlook.—The result of the Argentine Conversion offer (discussed in the *Economist* of September 15, page 496) was regarded with satisfaction in the foreign bond market this week. London underwriters are required to take up 15 per cent. of their commitments. In view of her exemplary financial record during depression it is only fitting that Argentina should reap the fruits of recovery. In recent weeks, however, the market has given due recognition to the improvement in neighbouring States whose record, under acute economic stress, has been less satisfactory. Their story this year is encouraging, but is still a somewhat inadequate basis for further speculative operations. The position of Brazil, whose bonds have been a recent feature, shows some improvement. The export surplus for the first six months of the year amounted to 523.3 thousand milreis, against 357.9 thousand milreis for the first half of 1933, but in terms of gold pounds the net improvement has been achieved at the expense of a considerable fall in both imports and exports. Cotton shipments have shown some increase, and the expectation of smaller coffee crops for the 1934-35 season is a moderately favourable omen for the eventual liquidation of the stock carry-over, of which over 31 million bags have been destroyed since 1931. The Coffee Council is now understood to have destroyed all coffee surplus to the Realisation Loan security. The 1935 Budget estimates, submitted on August 30, provide for revenue of 2,170,017 contos and expenditure of 2,599,082 contos, the estimated deficit comparing with one of 268,745 contos for the current fiscal period. The Finance Minister has explained, however, that the Budget "has not been drawn up with the necessary technical accuracy which such a document demands."

	1929-1933		Jan.-Sept., 1934		Oct. 3, 1934	Yields
	High.	Low.	High.	Low.		
Brazil—						£ s. d.
4 per cent. 1889	63	13	24½	16½	22½d	(a)
5 per cent. Funding	95½	50½	100½(d)	87	100½(d)	5 0 0
4 per cent. Rescission	67½	13½	25	16	23	(a)
5 per cent. Funding 1914	90½	42	90	72½	88	5 13 9
6½ per cent. Sterling 1927	102½	28	46	33½	45	(b)
Chile—						
7½ per cent. 1922	108½	10½	26½	16	25½	...
6 per cent. 1926	101½	7	25½	15½	23½	...
6 per cent. Ster. Ln. 1928	101½	7½	24½	15½	23½	...
6 per cent. Ster. Ln. 1929	100	8	24½	16	23½	...
Uruguay—						
3½ per cent. Bonds	72½	27	44½	35	43½	8 1 0

(a) Interest paid in 40-year Funding Bonds, 1931, until October 1, 1934, thereafter included in grade 4 of Debt Scheme.
(b) Interest paid in 20-year Funding Bonds, 1931, until October, 1934, thereafter included in grade 3 of Debt Scheme.

and hopes that reform of the tax collection will reduce the estimated deficit. The position in Chile is outwardly more favourable. The 1935 Budget estimates, which balance revenue and expenditure at 998.9 million pesos, are based on an expected increase in receipts of 142.4 million pesos, which, it is declared, is justified by the tax yield during the course of the current year, in particular from Customs. The trade figures indicate an export surplus of 167.2 million pesos (gold) for January to June, an increase of over 100 per cent. over the corresponding period of 1933. Nitrate exports have doubled in value and trebled in quantity in this period, while bar copper exports have increased from 64,000 tons to 101,000 tons. This definite recovery in the export situation has aroused some expectations of better times among bondholders, but there appears to be weight in the judgment quoted by a Stock Exchange firm (in a detailed and well-documented review, from which certain of the above figures have been extracted), that Chile can scarcely be expected to pay much in the near future. Uruguayan conditions are hampered by

exchange difficulties, although foreign trade, in currency, shows satisfactory expansion for the first six months of the year. The dependence of the State upon meat exports has been recognised by the favourable exchange facilities granted to pastoral export bills, but a rapid recovery in the grazing industry would require considerable alleviation of quotas and restrictions by importing countries. The Brazilian exchange position is improving slowly, and 50 per cent. of export bills (excluding coffee bills) may now be negotiated in the free market. There is no ground whatever for regarding full interest payments on all Brazilian loans as an imminent possibility, but the position will encourage hopes of a satisfactory revision of the debt scheme in 1937. Chile, for her part, is still handicapped by exchange depreciation and low taxable capacity, and the total collapse of the nitrate market during depression has left the exchange position in an illiquid state which will require careful thawing. The accompanying table illustrates the painful course of recovery from the low levels of 1929-33. Present quotations are slightly below this year's high levels.

* * *

Actuaries' Investment Index.—The general firmness of the week's markets is well illustrated by the movements of the Actuaries' Index. On Tuesday's quotations the index for 144 industrial shares is computed at 73.2 (December 31, 1928 = 100), which compares with 72.7 a week ago and 70.9 three months ago. The corresponding yield figures are 3.63, 3.65 and 3.70 per cent. respectively. Competent groups showing significant change are set out below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	July 3, 1934	Sept. 25, 1934	Oct. 2, 1934	July 3, 1934	Sept. 25, 1934	Oct. 2, 1934
Insurance Cos. (24).....	108.5	110.7	111.9	3.86	3.78	3.73
Investment Trusts (15).....	51.8	51.4	52.8	3.73	3.79	3.70
Coal (6).....	93.9	89.2	92.1	3.20	4.17	4.05
Iron and Steel (6).....	51.7	52.2	54.4	1.25	1.26	1.25
Electric Supplies (8).....	93.1	98.1	99.2	4.54	4.37	4.32
Home Rails (4).....	77.2	78.3	80.6	1.51	1.49	1.44
Miscellaneous (50).....	62.1	64.8	65.0	3.97	3.82	3.81

The "heavy industry" groups have staged a renewed advance, and home rail stocks have responded more vigorously to the hopeful trend of traffic receipts. Steady investment demand is still in evidence for insurance and electric supply shares, and there are some signs of stirring among the investment trust stocks. No adequate reasons for renewed buoyancy in the miscellaneous leaders have yet been discovered by speculative inquirers.

COMPANY NOTES

Shipbuilding Companies.—As a "capital construction" industry shipbuilding is unavoidably liable to wide fluctuations in activity, and as its unit of output is larger than in almost any other industry, the intensity of the fluctuations is increased. It is difficult, therefore, for the shipbuilder to organise his works and business with the economy possible to other trades. In addition, the continuing effects of the war have added a special problem during the last decade. The war-time and post-war building boom not only increased the country's shipbuilding capacity beyond what would normally have been required, but crowded into one or two years replacements which would otherwise have been spread over a much longer period. Thus excessive competition, on the one hand, led to price-cutting, while, on the other hand, the existence of an abnormally "young" merchant fleet interfered with the flow of renewal orders which would ordinarily have occurred. It happened that the problem which resulted was somewhat eased by the great expansion of demand for a new class of vessel, the tanker, and by the improvements in design which the shipbuilders were able to offer. Fundamentally, however, the industry was in a weak position and could not expect anything but a disastrous slump in the event of a general depression. It remains to be seen

whether the contraction of international trade which has been one of the salient features of this depression is to become permanent. That, however, is an influence external to shipbuilding itself. Within the industry the situation appears to be appreciably sounder than it was in 1929. By the mere lapse of time the post-war dislocation of replacement demand must have been reduced. At the

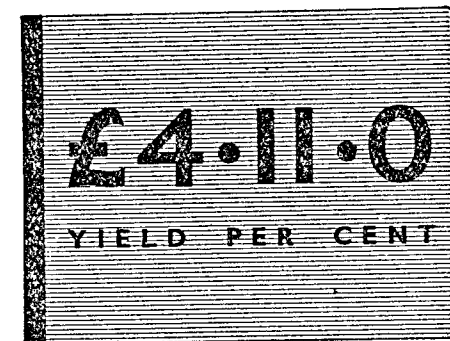
Profits in £'000						
Company	1929	1930	1931	1932	1933	1934
John Brown (March 31)—						
Earned for pref.	87.3	24.2	Dr. 13.2	2.6	2.4	Dr. 63.4
Pref. div. (£87,500) not paid since 1929.						
Harland & Wolff (Dec. 31)—						
Earned for pref.	216.7	105.7	Dr. 280.9	Dr. 117.2	Dr. 161.4	...
1st pref. div. (£192,000) not paid since 1929						
Hawthorn, Leslie (June 30)—						
Earned for ord.	26.6	36.8	35.4	14.4	Dr. 1.2	16.2
Earned %	3.8	5.2	5.0	4.0	Nil	4.5
Div. %	3½	5	5	6	Nil	4½
Smith's Dock (Sept. 30)—						
Earned for ord.	134.2	70.8	Dr. 57.2	Dr. 17.9	Dr. 49.0	...
Earned %	14.8	7.4	Nil	Nil	Nil	...
Div. %	8	6	Nil	Nil	Nil	...
Swan, Hunter (Dec. 31)—						
Earned for ord.	141.0	109.9	103.0	Dr. 43.2	Dr. 78.4	...
Earned %	8.4	6.5	6.4	2½	Nil	...
Div. %	7½	6	5	2½	Nil	...
Walsend Slipway (Dec. 31)						
Earned for ord.	76.6	80.7	28.0	Dr. 6.0	1.0	...
Earned %	13.0	13.5	4.7	Nil	0.2	...
Div. %	7½	7½	7½	5½	5½	...
Yarrow (June 30)—						
Earned for ord.	3.3	9.7	16.2	18.5	20.1	...
Earned %	2.8	6.9	12.7	14.8	16.2	...
Div. %	Nil	5	5	5	5	...

* A distribution of 1½ per cent., tax free, was made from capital profits. † Tax free.

moment there is still an ample supply of serviceable tonnage laid up; but the supply has been falling steadily for some time, both in this country and abroad. Moreover, according to the recent estimate of Lloyd's Register of Shipping, the world's mercantile marine has been reduced from some 70 million gross tons to some 65 million gross tons since 1931—this movement being in direct contrast to the steady growth of world tonnage in previous years. Finally, by the operations of the National Shipbuilders' Security, the excess capacity of the builders themselves has been substantially reduced. The conclusion seems justifiable, therefore, that if international trade is permitted to revive to anything like its old volume the prospect for shipbuilding should be good. Even on a restricted international trade, however, there should be room for a continuance of the shipbuilding revival from its present deep depression. As may be seen from the accompanying table, the investor is, roughly speaking, offered the choice between sound companies and companies which have suffered heavy losses in the past. The sound shares are already highly priced, while the others must be considered speculative. Possibly the wisest course is to take an indirect interest in the industry through the suppliers of marine accessories. Such companies would include Parson's Marine Steam Turbine, Marconi International Marine Communication Company, and Clarke Chapman.

* * *

More Motor Results.—Motor companies have again figured prominently in this week's company news. The Rover Company reports a trading profit of £133,938 for the year to August 4th last, comparing with £47,032 for the previous year. After depreciation (£35,170 against £30,888) and other charges, a net profit of £94,440 is shown, which compares with £12,511 for the previous year and a loss of £340,595 for 1931-32. This improvement has reduced the debit balance carried forward by approximately one-third to £177,073. The reorganisation, on which the chairman dwelt at last year's meeting, has thus borne rapid fruit, and from preliminary indications the directors regard the coming season as likely to be successful. Guy Motors, whose recent experience has been more unenviable, have also reported improved results, although the commercial section of the industry has made considerably less headway than passenger vehicle production. A



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Guest, Keen & Nettlefolds, Ltd., 5% 2nd Cum. Pref.
Richard Thomas & Co., Ltd., 6½% Cum. Pref.
Vickers, Ltd., 5% Cum. Pref.
County of London Electric Supply Co., Ltd., 6% Cum. Pref.
Victoria Falls & Transvaal Power Co., Ltd., 6-10% Pref.
Anglo-Persian Oil Co., Ltd., 9% 2nd Cum. Pref.
Shell Transport & Trading Co., Ltd., 7% 2nd Cum. Pref.
Courtaulds, Ltd., 5% Cum. Pref.
Dunlop Rubber Co., Ltd., 10% 'C' Cum. Pref.
J. Sears & Co. (True-Form Boot Company), Ltd., 7% 'A' Cum. Pref.
Lever Bros., Ltd., 8% 'A' Cum. Pref.
Ranks, Ltd., 6% 'A' Cum. Pref.
Unilever, Ltd., 7% Cum. Pref.
United Dairies, Ltd., 6% Non-Cum. Pref.
Imperial Chemical Industries, Ltd., 7% Cum. Pref.
Morris Motors, Ltd., 7½% Cum. Pref.
Gaumont-British Picture Corporation, Ltd., 5½% Cum. Pref.
Allied Newspapers, Ltd., 8% Cum. Pref.

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trading profit of £9,122 for the year to June 30th compares with a loss of £9,365 in the previous period, and the addition to the debit balance is £23,207 against £69,840 for the year to June, 1933. The report refers to an improving scheme for consolidating the bank overdraft, eliminating the Star Motor guarantee and providing additional working capital. The former liabilities, actual and contingent, amount to £255,704, and as the debit balance carried forward now amounts to £337,493 against an issued ordinary capital of £432,703, the nominal writing down will necessarily be drastic, especially as other items require to be dealt with. The Birmingham Small Arms Company results must be regarded as disappointing. Profit, including total profits of subsidiary companies, has fallen from £252,794 to £135,143, and after meeting debenture service a surplus of £15,182 has been applied to reduce the debit carried forward to £69,714, leaving the preference dividend three years in arrear. This year's trading has been adversely affected by B.S.A. Guns, which experienced a loss compared with a substantial profit for 1932-33. While turnover has been maintained, profit margins have been reduced, a movement which may have significance in view of the company's interest in the Daimler fluid flywheel system. Attention has been directed to the affairs of S.T.D. Motors by an official statement denying the likelihood of receivership threats, and this declaration was confirmed at a meeting of note holders on Tuesday which favoured the acceptance of the company's moratorium proposals. Later reports, however, stated that the trustees for the note holders had decided to oppose the moratorium proposals, and to proceed to receivership. Among ancillary companies, Henlys report gave much satisfaction in view of the increase in trading profit from £132,243 to £177,796, and in the ordinary dividend to 50 per cent. from 7½ per cent. for the period April-August, 1933. The maintenance of the cash distribution on the doubled capital of Joseph Lucas was something of a disappointment to the market, and the £1 ordinary shares were quoted at 65s. on Monday against 70s. at the previous close. The report, however, showed that net profits had increased by £16,956 to £257,383.

United Dairies.—The fortunes of this company have continued their steady advance under the new organisation of the milk industry. In a preliminary profits statement issued this week the directors announce that distributable earnings for the year to June 30th last amounted to approximately £600,400, which is a record in the history of the company. This will doubtless reassure shareholders in view of the chairman's statement at last year's meeting that undercutting had been rampant and that much of the wholesale business had been conducted at a loss. The actual figures for the previous two years and computations for the latest year, from the preliminary announcement, are set out below:—

		Years to June 30,		
		1932	1933	1934
Earned for dividends	£	561,517	583,439	600,400†
Preference dividend.....	£	195,000	195,000	195,000
Ordinary Shares	Earned	366,517	388,439	405,400
	Paid	278,750	280,000	280,000
	Earned	17·8	19·0	19·7
	Paid	12½	12½	12½
Reserve	£	80,000	100,000	170,000
Carried forward	£	101,269	109,708	65,108†

† "Approximate."

The dividend allocation is maintained, but in addition the directors recommend that £224,000 from reserves be capitalised in the form of a 10 per cent. share bonus. This distribution will, in fact, be less than the reserve allocations for the two latest years, and the fund will stand at some £676,000 after the operation. Meanwhile, shareholders may like to undertake the congenial exercise of estimating the contributory factors in this year's improvement, pending the full report. Viewing the results at random, it may not be far from the truth to hazard that ancillary activities to the main business of milk retailing have made their full contribution to profits. The engineering subsidiary was reorganised during 1933, and substantial orders were reported

last October, while the steady expansion of general provision retailing, both by van and shop, will not have escaped the notice of the shareholders. The ordinary stock units are quoted at 68s.

A New Rubber Company.—The issue of £320,000 in preference and ordinary shares, by Kapala Rubber Estates of Malaya, Ltd., particulars of which are summarised on page 650, is of special interest for two reasons. In the first place, it is practically the first new public flotation, so far as our records show, in the rubber plantation industry since 1927. In the boom year 1926 as many as 48 companies obtained £5,602,125 of new capital in the market; while in 1927, 25 companies offered a total of £2,093,988. Between 1928 and the end of September, 1934, however, issues were confined to already existing companies, and were made almost entirely to shareholders only. During the whole six and three-quarter years only 82 offers, aggregating £7,514,776, were made. This week's issue, however, will probably be the herald of numerous others, which are in an advanced state of preparation. A second feature of particular interest in the prospectus is the method adopted for overcoming the difficulty of making estimates of future profits—without which no prospectus in a speculative industry would be worth its cost of printing—in view of the uncertain incidence of the restriction scheme on future prices and production quotas. The device adopted is ingenious and not unreasonable. An expert appointed by the vendors, after visiting the estates, has drawn up various figures of "estimated normal crops," which shows a total rise of 37½ per cent. by 1938-39, and are constant thereafter. The prospectus, having assumed that 75 per cent. of these crops will be exportable, and that a profit of 3d. per pound will be realised, sets out the estimated profit for each year and the equivalent earnings on the ordinary shares, supplementing these figures by a calculation of the additional profit which would accrue for every penny above 3d. Such estimates, of course, may turn out to be little more than pleasant arithmetical exercises, for rubber is notoriously an unpredictable industry. Potential subscribers, anxious to avoid too violent a leap in the dark, however, may obtain, on payment of a premium of 25 per cent., preference shares, with cumulative rights to a dividend of 7½ per cent., and an option to convert into ordinary, at par, on one month's notice, at any time up to December, 1939. The initial "cover" for the preference dividend is not large, and subscribers must needs assume the continued success of the rubber restriction scheme. In other words, the distinction in the speculative appeal of the preference and ordinary shares is of degree, not of kind; but the attempt to forge a new medium, by way of the convertible preference share, to attract a *clientèle* which in the past has tended somewhat to hold aloof from rubber shares, may be a precedent of importance. The issue came out on a falling rubber market, and underwriters were left with a moderate proportion.

"Grade Policy" on the Rand.—The policy of the Rand gold-mining industry with regard to "grade" has tended to diminish public interest in the Kaffir market, writes our mining correspondent. At first sight it certainly seems anomalous that, with gold valued at 140s. per ounce, the profits of the great majority of the companies should be little, if at all, larger than those earned when the metal was valued at 129s. Broadly, as the price of gold has risen, the grade of ore sent to the mill has been reduced. This procedure arises largely from the basis of taxation now in force. From the beginning of this year, excess profits have been levied on the average figures of the two months November-December, 1932, immediately before South Africa's departure from the Gold Standard. Where the excess over the standard rate does not exceed 2s. 6d. per ton, one per cent. of the dutiable amount is payable for each completed penny of such excess. Where the excess is greater than 2s. 6d., the amount payable is "a percentage of the dutiable amount of such excess profits" determined in accordance with a formula. The effect is to induce companies to mill a large—possibly an undue proportion—of the very low-grade ore. We contrast

below the working profits of six of the larger producers, other than lease mines, (a) for December, 1932, with gold at standard value, (b) for January, 1933, with gold at 120s., (c) for January, 1934, and (d) for September, 1934, with gold at 129s. and 140s. respectively. In the case of

	Working Profit			
	Dec., 1932	Jan., 1933	Jan., 1934	Sept., 1934
Crown Mines	104,730	260,620	275,820	279,980
Geduld Propy.	51,690	95,650	108,890	120,010
New Modder	137,120	227,410	181,880	183,160
Randfontein	70,190	190,400	148,070	107,230
Robinson Deep.....	27,610	64,820	75,390	75,830
West Rand Cons.	25,300	71,180	75,150	92,040

the Randfontein there is a reduction of very substantial extent. From a purely actuarial standpoint, the correct procedure, doubtless, would be to strip a property of its richest ore in the shortest possible time. From a mining point of view, however, this policy would be undesirable. It would certainly produce undue fluctuations in share prices. There may, however, be a certain substance in the contention that, on the Rand, treatment of low-grade ore is being carried to an extreme. Some shareholders are inclined to regard themselves as deserving of greater immediate benefit from the rise in the price of the precious metal. Their views, naturally, may vary widely from those of the managements, as regards the point of which the "golden mean" should be struck between handsome present dividends and the continuation of production from any particular property in, say, twenty years' time.

Other Company Results.—Our usual table of profit and loss accounts, which appears on page 654, summarises the trading results of 28 other companies. This week's batch of results includes no large industrial reports, but the trend shows a sustained moderate improvement. The Finance and Land section includes some interesting recoveries by three Argentine estate companies, including Leach's Argentine Estates, whose net profits have increased from £77,939 to £97,570, which, as in recent years, has been transferred in entirety to reserve. Among Iron, Coal and Steel reports, Thos. W. Ward record a net balance of £75,068, against £106. The first preference dividend arrears have been met, and the second preference cleared to 1932. Ransomes and Marles Bearing earnings are nearly 50 per cent. higher at £44,055, and the dividend has been increased from 6 to 7½ per cent. This week's Rubber reports are better without exception, and increased dividends have been declared by Brooklands Selangor, Kamuning (Perak), and Patani Para. Robinson and Cleaver, the linen specialists, show a small reduction in profits at £24,115, but the dividend of 6 per cent. has been comfortably earned. This week's dividend declarations include Gallaher, whose interim dividend has been raised from 3 to 5½ per cent., and Tube Investments, whose directors will recommend, subject to final audit, an ordinary dividend of 10 per cent. (against 8 per cent. for the past three years), and a share bonus of one ordinary for every ten held. British Celanese have decided to pay on October 31st to holders registered at close of business on October 19th a half-year's dividend on the 7 per cent. cumulative first preference shares.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Manila Railway Company (1906), Anglo-Oriental Mining Corporation, Leethems (Twilfit), E. W. Tarry, D. Gestetner, Kuala Muda Rubber Estates, Tarkwa Gold Mines, Morkwa and Malayalam Plantations. At the meeting of the Manila Railway Company the chairman discussed the possible changes in the Philippine sugar situation resulting from the recently granted independence of the Islands. The chairman of the Anglo-Oriental Mining Corporation, Mr John Howeson, expressed confidence in the outlook for tin, and defended the policy of the Tin Control Scheme, in the light of the results achieved. The chairman of Leethems (Twilfit) analysed the reasons for the company's

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increased volume of sales in the home market and the export trade. Sir J. Fortescue Flannery discussed the improvement in the business of E. W. Tarry in South Africa, particularly at Johannesburg. The chairman of D. Gestetner declared that the past year's trading showed that the steps taken to preserve the company's goodwill during past years of difficulty had been justified, and that results in the current period should be at least as satisfactory. The chairman of Kuala Muda Rubber Estates pointed out that the low costs of the past year were unlikely to continue, in view of increased salaries and wages and the incidence of restriction. At the meeting of the Tarkwa Gold Mines, the chairman declared that the board was well pleased with development work to date. The chairman of Morkwa revealed that a lease to work the company's diamondiferous areas had been satisfactorily arranged. At the Malayalam Plantations meeting, Mr Henry J. Welch emphasised the necessity for increasing world rubber consumption.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET
October 9

ACCOUNT
October 11

THE market has been inclined to doze this week, and, although one eye has been kept well open, it has failed to discern much reason for fresh endeavour or for diplomatic retreat. Quotations have consequently been somewhat softer on the whole, and although the Chancellor of the Exchequer's survey of the encouraging features in the domestic trade situation was welcomed, the industrial market regarded it as confirming its own views, which had already been fully discounted. The industrial horizon has yet to reveal the desired signs and portents of increased activity, and, in the meantime, low interest rates are linking most sections of the market in common assurance and stability.

The gilt-edged market accepted the half-year's revenue figures without noticeable comment, but support for recent active issues waned in view of the underwriting of the Sheffield issue and further Corporation financing in prospect. Local Loans and old Consols were fractionally lower, while among redeemable issues, War Loan and 3½ per cent. Conversion were chiefly affected. Indian loans, after maintaining a quietly firm tone early in the week, showed small improvements on Wednesday. The opening premium on the Nigeria scrip set a good tone among Dominion issues, Australia 3½ per cent. stock showing steady fractional improvements, while Canada 3½ per cent. loan was also supported. Home Corporation issues were affected by pending new issues.

German bonds cast a shadow over the foreign bond market, owing to fears of a failure of the Franco-German exchange agreement to secure the service on the French issues. The "Dawes" and "Young" loans were 4 and 6 points lower in mid-week respectively, while the Potash 7 per cent. and municipal issues were weak. Japanese bonds recovered slightly after nervous selling on political news, but Chinese were consistently dull. The South American market provided game for profit-takers early in the week, although there were signs of tentative support on later days. Argentine issues opened firm on the conversion result (detailed in a Note on page 644), but became unsteady on Tuesday.

The South Wales coal agreement gave operators a chance to exploit the satisfactory trend of home rail traffic. L.N.E.R. preference issues were in particular request, while Great Western ordinary also advanced. London Transport "C" stock made further headway. Business in the foreign section remained very quiet, and quotations showed few changes.

Activity in the industrial market ebbed as the week proceeded, and, after profit-takers had played their part, markets settled down to rather humdrum conditions. Attention was somewhat diverted from normal business by the large-scale "staggering" of last week's Eno issue, which opened at the expected premiums. Recent buoyancy in the

motor share market gave way to distinct irregularity on the publication of the Lucas dividend and B.S.A. reports (discussed on page 645), but subsequently Austin and Ford returned to speculative favour. Electrical supply shares met a small investment inquiry, but equipment shares showed irregular movements. Most iron and steel shares were firm, Tube Investments making satisfactory response to the increased dividend. Guinness remained the feature of the brewery section, despite some reaction on Tuesday, while tobacco shares, apart from Gallaher, were undecided in their trend. Little attention was given to store shares, but United Dairies moved up sharply in anticipation of the dividend-cum-bonus announcement. Business in textile shares picked up a little in mid-week, and there were signs of interest in British Celanese in anticipation of a favourable report. Movements among the miscellaneous leaders were rather irregular, although turnover was regarded as somewhat better on Wednesday. Dunlop were neglected, and Imperial Chemical were inclined to ease. Some brick shares received attention, and demand for British Oxygen was well sustained. Gaumont British (whose position is discussed in a leading article on page 640) made progress in anticipation of the full report. Bank and insurance shares were fairly well supported.

The recently improved tone in the oil market was not maintained this week, and interest ran very low. Quotations on the whole were little affected in the absence of selling pressure. The rubber market was dull owing to the weak tendency in Mincing Lane, where the commodity closed under 7d. on Wednesday. The unpromising outlook evoked sales from impatient holders, which, in the absence of any support, were sufficient to cause general recession in prices. Despite satisfactory sales at Mincing Lane, interest in tea shares declined, and sporadic sales depressed prices.

A new record gold price failed to revive a rather enervated Kaffir market. The further de-grading of ore revealed by the September returns gave no prospect of increased profits for the time being, and most of the leading shares were depressed. West African issues opened in active fashion, but interest was mainly professional, and subsided later. Copper shares were sold on the sharp fall in the metal, and the decision of the Roan Antelope directors to conserve the company's resources owing to the uncertain outlook. Tin shares opened with a fairly confident tone, but activity waned later in the week, despite the confident views expressed at the Anglo-Oriental meeting.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Sept. 27, 1934	Sept. 28, 1934	Sept. 29, 1934	Oct. 1, 1934	Oct. 2, 1934	Oct. 3, 1934	Oct. 4, 1934
Government and Municipal Loans	1,199	1,194		1,271	1,262	1,258	1,206
Transport Communications, and Public Utilities...	1,922	1,750		1,112	979	1,097	1,006
Commercial and Industrial*	3,398	3,734		3,541	3,476	3,502	3,582
Banks, Insurance and Financial...	562	680	Closed	737	635	541	509
Mines (including Nitrate)	1,312	1,476		1,473	1,253	1,235	1,597
Oils	153	167		213	149	93	150
Rubber, Tea and Coffee	476	420		437	447	377	417
Total	8,122	9,401		8,784	8,201	8,081	8,470
Corresponding day in 1933	8,365	8,365		9,967	9,083	9,510	9,175

* Including iron and steel and breweries.

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

Highest of 1934 (Oct. 3)	Lowest of 1934 (Feb. 8)	Sept. 27, 1934	Sept. 28, 1934	Sept. 29, 1934	Oct. 1, 1934	Oct. 2, 1934	Oct. 3, 1934	Oct. 4, 1934
90.4	83.5	90.0	90.3	Closed	90.4	90.4	90.4	90.1

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Oct. 2)	Lowest of 1934 (Jan. 2)	Sept. 27, 1934	Sept. 28, 1934	Sept. 29, 1934	Oct. 1, 1934	Oct. 2, 1934	Oct. 3, 1934	Oct. 4, 1934
134.9	128.8	134.7	134.8	Closed	134.9	134.9	134.8	134.8

FOREIGN STOCK EXCHANGES

NEW YORK

THE President's radio speech to the nation last Sunday was disappointing to a large section of the stock market. Though its vague generalities left the Administration's future industrial and financial policy entirely in the air, the inflationary party read deep significance into the absence of any reference to fresh currency experiments. Professor Warren and his naïve theories of varying prices by gold content have finally lost the President's ear. No further devaluation of the dollar is contemplated. The Government is inclining towards an increasingly conservative policy so far as the next Congress will permit. These were the conclusions surmised—doubtless with a hazardous effort of the imagination, for silence, as a medium of expression, is notoriously difficult to interpret. They were sufficient, however, to check speculators, to arrest the incipient revivalist tendency of last week, and to reduce the volume of business to a semi-trickle. The average turnover of 526,000 shares a day during September was the smallest for any month in the last thirteen years, but Tuesday's figure of this week was reduced to 370,000, while Wednesday's was only 410,000 shares. The "margin" rules, issued by the Federal Reserve Board, have caused no stir, though their initial vagueness created a little confusion. There is no suggestion that they will involve hardship to anyone under present conditions. The slow motions of the Securities Exchange Control Commission have been criticised, the issue of the new trading rules having been postponed to the end of the month. A much more unsettling influence, in mid-week, was the weakness of grain prices, which spread from Winnipeg to Chicago. American industry shows no marked revivalist portents, though some branches report a slight gain of ground. Steel mill activity, for example, is put at 24 per cent. of capacity compared with 23½ per cent. last week, but forward buying is conspicuously deficient. Power output in the last week of September was 1.1 per cent. higher than in the previous week. The Treasury bond market has been a little stronger, partly, it is believed, on official operations to help the Treasury's refinancing of Fourth Liberty Bonds. The Secretary of the Treasury announced on Monday that \$890 millions of the \$1,250 millions had been offered for conversion up to that time. The Reconstruction Finance Corporation has reduced the interest rate payable by banks on its preferred stock and capital notes from 5 per cent. to 3½ per cent. for the next four years.

	Sept. 26, 1934	Oct. 3, 1934	Oct. 4, 1934		Sept. 26, 1934	Oct. 3, 1934	Oct. 4, 1934
Lb. Ln. 3½% '32-47	103	104½	103½	Natl. Biscuit	29½	27½	28½
Do. 4½% '32-47	103½	105	103½	Phelps Dodge	14½	14½	14½
Do. 4½% '33-38	103½	104½	103½	Pullman	39½	36½	37½
Atchafalpa	50½	49½	50½	Sears-Roebuck	39½	38½	39½
Erie	12½	11½	11½	Studebaker	2½	2½	2½
Illinois Central	16½	16½	16½	Un. Fruit	74½	74½	75½
N.Y. Central	22½	21½	21½	U.S. Leather	16½	15½	15½
Pennsylvania	23½	23½	23½	U.S. Rubber	16½	15½	15½
Southern Pacific	18½	17½	17½	Westinghouse	32½	31½	31½
Southern Rly.	16½	15½	15½	Woolworth	48½	47½	48½
Union Pacific	100	97	98½	Am. Tel. and Tel.	112½	109½	111½
Am. Can.	98	97½	98½	Interboro R.T.	13½	14½	14½
Amer. Smelting	34½	34½	34½	Int. Tel. Teleg.	10½	9½	9½
Anaconda	11½	10½	10½	Radio Corp.	5½	5½	5½
Bethlehem Steel	28½	26½	27½	Utilities P. and L.	2½	2½	2½
Chrysler Motor	33½	32½	33½	W. Union Tel.	34½	32½	32½
Corn Produce Rf.	63	63	63	Associated Gas "A"	22½	21½	22½
Eastman Kodak	98½	99	100½	Shell	6½	6½	6½
Gen. Electric	181	181	181	Shell Union	6½	6½	6½
Gen. Motors	29½	28½	28½	Std. California	31½	27½	28½
Int. Harvester	29½	29½	29½	Do. N.J.	43½	42½	42½
Mont. Ward	26½	26½	26½				

† Calculated at \$4.98 to £.

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

	1933	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
351 Industrials	38.7	86.6	74.3	90.5	79.6	74.3	75.1
33 Rails	23.9	54.5	34.0	51.4	40.6	34.0	35.0
37 Utilities	66.8	101.0	62.1	83.4	66.4	62.1	62.8
Total, 421 stocks	40.9	83.4	65.6	82.1	70.8	65.6	66.3
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.30%	3.91%

† February 7th.

(s) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Sept. 26, 1934	Sept. 27, 1934	Sept. 28, 1934	Sept. 29, 1934	Oct. 1, 1934	Oct. 2, 1934	Oct. 3, 1934
105.0	76.0	83.6	84.3	83.5	83.7	81.3	81.6	81.3

TOTAL DEALINGS IN NEW YORK

	Sept. 27, 1934	Sept. 28, 1934	Sept. 29, 1934*	Oct. 1, 1934	Oct. 2, 1934	Oct. 3, 1934
Stock Exchange—Shares (Thous.)	800	510	220	620	370	410
Bonds (Value Thous. \$)	11,980	8,620	3,920	8,360	7,870	8,970
Curb—Shares (Thous.)	142	120	39	100	90	93

* Two-hour Session.

PARIS

The Stock Exchange opened irregular and became weak on Monday. Rentes lost ground. Bank shares were marked down, and, among industrials, Citroen were particularly weak. The Belgian position was not regarded with great confidence, and the tendency of Wall Street was unhelpful. In the middle of the week, however, the undertone became firmer, and bears of bank and industrial shares were inclined to take cover. Gold-mining shares made no response to the metal's new record sterling price, early in the week, and rubber shares reflected the fall in the price of the commodity.

	Sept. 26, 1934	Oct. 3, 1934	Oct. 4, 1934		Sept. 26, 1934	Oct. 3, 1934	Oct. 4, 1934
Banque de France	10,370	10,100	10,150	Wagons Lits	75½	76	76
Crédit Lyonnais	1,890	1,857	1,847	Mexican Eagle	29	28½	28
Suez Canal	19,105	19,050	19,050	"Chartered"	76½	73½	71½
Chargeurs Réunis	111	111	101	Ford	53½	51½	51½
Rio Tinto	1,117	1,051	1,001	De Beers	283	284	269
Royal Dutch	15,390	15,300	15,090	"Johnnies"	241	244	240½

BERLIN

After a decline in the early part of last week, the share market advanced, the best gains being recorded by engineering and electric cable stocks. Among steel shares, Mannesmann were firm. Tietz department store shares reached a new high level for the year. Reichsbank recovered most of the loss which occurred after the announcement of the suspension of the interim dividend. In the rayon group, Aku advanced at the beginning of this week. Special interest was shown in steel shares in the Vereinigte Stahlwerke group, but there was little change in the general level of prices. The bond market opened steady and became active and firm on Tuesday, but foreign currency bonds were weak. A firm tone obtained on Wednesday, electrical and mining issues generally showing small advances.

	Sept. 26, 1934	Oct. 3, 1934	Oct. 4, 1934		Sept. 26, 1934	Oct. 3, 1934	Oct. 4, 1934
Reichsbank	145.75	147.25	146.75	A. E. G.	28.00	30.00	30.50
D.D. Bank	72.00	70.75	70.00	Siemens & Halske	146.00	148.25	147.75
Dresdner (New)	74.50	74.00	73.25	A. K. U.	65.25	59.25	62.00
I. G. Farbenindustrie	143.75	144.00	144.25	Hamburg - Amer.	25.60	25.60	27.40
Norddeutscher Lloyd (New)	28.60	27.90	30.40	("Hapag New")	25.60	25.60	27.40

AMSTERDAM

The Bourse was erratic, though the undertone was firm at the outset. Subsequently, however, the volume of business declined and sentiment became much less settled. The fall in the price of rubber was an adverse factor. Offerings of rubber shares were widespread, Amsterdam rubber falling

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2½ points on Tuesday. Tea shares were also easier. Tobacco shares, however, were firm in anticipation of the opening of the autumn auctions, and remained steady as the week progressed. Industrial shares were unsupported, though no widespread price changes occurred.

	Sept.	Oct.	Oct.	Sept.	Oct.	Oct.
	1934	1934	1934	1934	1934	1934
2½% Dutch Loan	77½	77½	78½	20½	21½	19½
5½% German	25½	22½	21½	31½	32½	33½
Unilever N.V.	72½	73	71½	212	213	213½
Philips' Lamps	217½	217	212½	145½	146½	147½
Netherlands Ship	34½	34½	33	149½	149½	148
Union				166½	164½	162½

CAPITAL ISSUES

THE firmness of the gilt-edged market is being progressively reflected in the price at which important gilt-edged issues are being floated. While the *Wolverhampton Corporation* has retained the medium of a 3½ per cent. stock, which has been used for recent issues, for a small "placing" of £250,000, the *Sheffield Corporation* has floated a public issue this week of 3 per cent. stock, with a twenty-year life, at 98½. These terms, favourable as they are to the borrower, are significant in view of the fact that other important corporation and county issues are pending—mainly for the funding of existing indebtedness, as in the case of this week's issues. Of the week's company prospectuses, the preference shares of the *Oxford and Berkshire Cinemas* are fairly well covered as regards their 7 per cent. cumulative dividends, and have speculative possibilities by way of their participating rights up to a further 5 per cent. The properties acquired have a successful record, but the issue should be viewed in the light of contemporary conditions in the industry, which are discussed in a leading article on page 640. The offer by *Kapala Rubber Estates of Malaya* is discussed on page 646. The week's "public notices" include particulars of the *Rubber Regenerating Company*, which carries on a rubber-reclaiming business at Trafford Park, Manchester.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to September 29, 1934, excluding conversions, £125,425,209.
Total recorded, January 1 to September 29, 1934, including conversions, £312,208,910.

National Savings Certificates.—Net receipts, 8 days ended September 30, 1934, Nil.

To the Public	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Kapala Rubber Estates of Malaya, 1,600,000 7½ per cent. cum. pref. 2s. at 2s. 6d.	160,000	...	200,000	80,000	120,000
Do., 1,600,000 ord. 2s. at par	160,000	...	160,000	40,000	120,000
Oxford and Berkshire Cinemas, 150,000 7 per cent. cum. pfg. pref. £1 at par	150,000	...	150,000	18,750	131,250
Sheffield Corporation £3,000,000 3% Stock at 98½	3,000,000	...	2,955,000	150,000	2,805,000
Total	3,470,000	...	3,465,000	298,750	3,176,250

To Shareholders only	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Glen Muir Estates, 287,980 ord. 2s. shares at par	28,798	...	28,798	14,399	14,399
Total Offered for Subscription—Including Conversions Excluding Conversions					
Jan. 1 to date—					
1934	315,702,708	128,919,007	1933	467,921,580	244,790,500
1933	400,695,490	226,911,658	1932	2,699,684,265	188,909,963
1932	307,232,205	163,593,325	1931	114,200,666	102,644,294
1931	109,551,179	98,674,194	1928	693,100,058	369,058,073
1928	474,684,817	302,584,194			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	78,006,038	13,758,856	37,114,113	128,879,007
1933	212,784,841	7,329,566	6,797,251	226,911,658
Whole year—				
1934	212,917,900	45,062,600	111,177,600	369,158,100
1933	170,172,800	12,773,300	5,963,400	188,910,000
1932	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Price Dealings Began	Cash Involved
Amount previously recorded	22,101,032	...	33,452,318
Wolverhampton Corporation, £250,000 3½% Red. Stk., 1934-64, at par	250,000	101	252,500
Joseph Terry and Sons, 464,370 7% 1st Pref. £1, Nelson Financial Trust, £300,000 4% Deb. Stk., 1939, at 99½	464,370	301½	699,457
	298,500	99½	298,500
Total to date, 1934	23,113,902	...	34,702,775
Total to date, 1933	26,884,051	...	26,899,809

PUBLIC OFFERS

Sheffield Corporation.—Issue of £3,000,000 3 per cent. debenture stock, 1934, at £98 10s. per cent. Redeemable at par on October 1, 1954. Stock charged on general rate, and holders of mortgage bonds are offered preferential conversion to new stock. Statistics at March 31, 1934: Rateable value £2,785,199, per head £5 8s. 10d.; average rate, 15s. 7d. in £; total debt, £24,011,896, for productive undertakings, £18,113,841. Proceeds of issue applied to repayment of existing loans.

Oxford and Berkshire Cinemas, Ltd.—Issue of 150,000 7 per cent. cumulative participating £1 preference shares at par. Acquires ten cinemas and lease of theatre to be built valued at £307,780 subject to £39,500 outstanding mortgage, for £200,000 to be satisfied by allotment of 800,000 ordinary shares of 5s. Issue to provide for building and redemption of mortgages, £42,000. Profits after adjustment: 1931-32, £35,689; 1932-33, £45,134; 1933-34, £47,884. After management fee (£2,750), amortisation and depreciation (£1,707), and mortgage interest (£2,275), £41,151 will be available on basis of 1933-34 results. Shares rank for cumulative 7 per cent., and after 7 per cent. on ordinary, for cumulative 5 per cent. from up to one-half of remaining profits.

Kapala Rubber Estates of Malaya, Ltd.—Issue of 1,600,000 convertible 7½ per cent. cumulative preference shares of 2s. each at 2s. 6d. per share, and 1,600,000 2s. ordinary shares at par. Acquires rubber estates totalling 5,574 acres in Kedah, Malay, 5,554 acres planted, 4,146 fifteen to twenty years old, and 1,408 acres eight to ten years old. Profits estimates based on 75 per cent. export of normal crop estimates, and profit of 3d. per lb. are: 1934-35, £22,695, equivalent to 6·68 per cent. on ordinary; 1935-36, £25,298, equivalent to 8·31 per cent. Percentages require adjustment on alteration in crops and conversion of preference shares. Consideration, \$2,472,022 (Straits dollars) payable in cash plus £4,000, total £292,402 at par (£52 13s. per planted acre). Preference convertible to ordinary at par up to December 31, 1939.

BY STOCK EXCHANGE INTRODUCTION

Wolverhampton Corporation.—Particulars of issue of £250,000 3½ per cent. stock, 1934-64. £132,000 of proceeds required to replace mortgage loan, and balance for trading undertakings. Redeemable at par on July 1, 1964, or from July 1, 1954, on three months' notice. Population, 140,000; rateable value, £830,000; rates, 11s. 6d. in the £; net debt, £6,027,724, of which £1,335,935 is for productive undertakings and £2,897,831 for housing. Cohen, Laming, Hoare have purchased the stock at par, for 10s. per cent. commission.

Rubber Regenerating Company, Ltd.—Issued capital, 210,100 shares of £1 and 500 management shares. Incorporated in 1909, and converted to public company September, 1934. Company recently acquired certain inventions and processes, a rubber reclaiming business and other rights by allotment of 80,000 shares. Total assets at December 31, 1933, £171,178; land, £110,590; cash and debtors, £43,913. Dividend since paid, £26,566. Loss for 1933, after £13,215 depreciation, £1,924, leaving £36,357 at credit of profit and loss.

CONVERSIONS AND REPAYMENTS

Canadian Refunding Loan.—The terms of the Canadian Refunding Loan, which is restricted to \$250,000,000 (£50,000,000), are: Two-year 2 per cent. bonds will be sold at 98·90, to yield 25·7 per cent.; the five-year 2½ per cent. bonds at 98·15, giving a yield of 2·90 per cent.; the eight-year 3 per cent. bonds at 97, yielding 3·43 per cent.; and the fifteen-year 3½ per cent. bonds at 96·50, to yield 3·81 per cent. Of the proceeds of the loan \$220,000,000 will be required to meet the Victory Loan 5½ per cent. bonds which mature on November 1st. The lists will close on or before October 13th.

Reckitt and Sons.—All outstanding 4½ per cent. second debenture stock will be repaid on April 1, 1935, at 105.

ISSUES TO SHAREHOLDERS ONLY

Glen Muir Estates.—287,980 ordinary 2s. shares are offered to shareholders registered on September 25th at par, in the proportion of three new shares for every ten shares held, fractions being ignored. The new shares, when allotted and fully paid, will rank *pari passu* with the ordinary shares already issued.

PRIVATE PLACING

Cow and Gate, Ltd.—100,000 new 7½ per cent. cumulative preference shares £1 each have been placed privately.

FORTHCOMING ISSUES

Associated British Picture Corporation, Ltd.—It has been decided that the capital of the corporation be increased to £4,000,000 by the creation of the following additional shares: (a) Two hundred and fifty thousand 6 per cent. first cumulative preference shares of £1 each, ranking *pari passu* with the existing 6 per cent. first cumulative preference shares of the corporation; (b) one million ordinary shares of 5s. each, ranking *pari passu* with the existing ordinary shares of the corporation. An issue of £2,500,000 5 per cent. first mortgage debenture stock will be made on Wednesday next at £101 per cent. The issue is covered by net assets totalling £6,135,446 and will be secured by specific charge on freehold and long leasehold properties valued at £4,159,684. Profit after depreciation, before interest on loan, to be repaid out of proceeds of issue for years to March 31: 1932, £394,487; 1933, £303,108; 1934, £439,686.

Beryl Gold Mines.—The board of the Anglo-Australian Gold Development, Ltd., announce that it is considered sufficient work has now been carried out on the property of Beryl Gold Mines, Ltd., to warrant the provision of substantial capital to further develop and equip the mines for operation on a commercial basis. An issue will shortly be made, and shareholders of Anglo-Australian Gold Development will have special rights of participation. Holders of option certificates who exercise their rights of conversion before the issue is made will be entitled to the same advantages.

Canadian City and Town Properties.—A meeting of debenture stockholders is to be held on October 10th to consider a plan to modify rights involving: Postponement of redemption date from December 31, 1935, to December 31, 1960; allotment of further stock, as fully paid, to the amount of £2 per cent. on holdings; interest from July 1, 1934, to December 31, 1938, not to be payable unless the directors think there are distributable profits available; interest unpaid on December 31, 1938, to be satisfied by the allotment of further stock, fully paid.

P. J. Carroll and Company.—On October 8th P. J. Carroll and Company, the Irish Free State tobacco manufacturers, will offer for sale 388,887 £1 6 per cent. cumulative preference at 21s. per share and 270,116 £1 ordinary at 25s. per share.

City Gold Reefs and Dredging Company.—It is understood that a public issue of the 10s. shares will be made at an early date.

Colvilles, Ltd.—It is understood that arrangements are being made for an issue of preference shares by this company.

English Bricks, Ltd.—Underwriting is taking place for an issue of £175,000 by English Bricks, Ltd., and it is expected that prospectuses will be available shortly. The company will manufacture on the latest principles at Southall, Middlesex, where an extensive property is being acquired.

Gold Exploration and Finance Company of Australia.—We learn that in the near future an influence of the first importance to the Australian gold mining industry will be the flotation by Gold Exploration and Finance Company of Australia, Limited, of the first of two, and possibly three, subsidiaries.

Nottingham Corporation Loan.—The Nottingham Corporation have decided to issue a £2,000,000 loan. It is understood the greater part of the proceeds will be used for conversion purposes.

United Sua Betong Rubber.—It is understood that this company will shortly make an issue of shares.

United Steel Debenture Issue.—An issue will be made of £2,500,000 of 4 per cent. debenture stock. Holders of the existing 6 per cent. 15-year debentures will be offered conversion.

RESULTS OF ISSUES

Argentine 4½ per cent. Loan.—Of the 4½ per cent. bonds to be issued in connection with the conversion offer, £4,500,000 nominal was underwritten in London, and of this amount the underwriters will not be called upon to take up more than 15 per cent.

Broadcast Relay Service, Ltd.—Issue of 222,200 shares of 1s. each at 4s. per share. Allotment letters were posted mid-night on October 2nd in connection with this issue. Owing to the large number of applications from shareholders, the directors regret that they have only been able to allot to shareholders as near as possible in proportion to their existing holdings.

Camp Bird, Ltd.—The issue of 6,000,000 1s. shares of Camp Bird, which were offered to shareholders and debenture-holders with option rights last month, has been fully subscribed, and the allotment letters have been posted.

OTARD'S
ESTABD 1795

THE BRANDY WITH A PEDIGREE

Canadian Conversion Loan.—The Finance Minister, Mr E. H. Rhodes, announced that subscriptions for the \$250,000,000 refunding loan at the end of the second day exceeded \$76,000,000.

Central Bank of Canada.—Nearly 14,000 applicants applied for shares in the \$5,000,000 capital stock offered by the newly created Central Bank of Canada. Their subscriptions total over 232,000 shares for 100,000 shares of \$50 each.

Clan Line New 5½ per cent. Preference Shares.—After satisfying the allotment by way of rights to the debenture stockholders, applications for the residue of the shares were received from debenture and share holders covering the amount available more than six times.

Eno Proprietaries, Ltd.—London and Yorkshire Trust, Ltd., announce that the list of applications for the offer for sale of 4,000,000 ordinary shares of 5s. each at 11s. per share in Eno Proprietaries, Ltd., was closed at 9.5 a.m. September 28th, the offer having been heavily over-applied for.

Fisher and Ludlow, Ltd.—The recent offer of 150,000 10s. ordinary shares at 20s. each to registered holders was oversubscribed by £30,000.

Nigeria 3 per cent. Stock.—Large cash applicants received about 10 per cent. of requirements. A full allotment was made to small applicants.

Kapala Rubber Estates of Malaya.—Subscription lists in connection with the issue of 1,600,000 7½ per cent. cumulative preference shares of 2s. each at 2s. 6d. per share, and 1,600,000 ordinary shares of 2s. each at par were closed at 10.30 on October 3rd. It is understood that underwriters were left with a moderate proportion of both the ordinary and the preference.

Oxford and Berkshire Cinemas, Limited.—Subscription lists for the issue of 150,000 7 per cent. preference shares were closed at 9.5 a.m., October 4th.

South-Western Gas Corporation, Ltd.—Messrs Close Bros. announce that the offer made by the South-Western Gas Corporation to the Blandford Gas Company has been accepted by the holders of over 80 per cent. of the preference and ordinary shares.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Am't. paid	Price, Sept. 26, 1934	Price, Oct. 3, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	3d-6d pm	7½d-10½d pm
Airspeed (1934) Pref. Ord. 5/-	5/-	Fypd	6/-6½d	5½/-5½d
Brookes (W. J.) and Sons Ord. 5/-	...	...	6½/-6½d	6½/-6½d
Do. do. 6% Cum. Pref. £1	102½	Fypd	21½-21½d	21½-21½d
Carlton Main Colliery 4½% Deb.	...	...	102-103	102-103
Clan Line Steamers New Ord. 5/-	...	...	30½-31½ pm	33½-34½ pm
Do. do. 5½% B Pref.	21/-	2/6	9d-1½ pm	1/-1½ pm
Eno Props. Ord. 5/-	11/-	Fypd	12½-13½	12½-13½
Do. 5½% Pref. £1	...	Fypd	23½-24½	23½-24½
Fisher and Ludlow 10/- New Ord.	20/-	...	2/9-3/3 pm	3/-3/6 pm
Gold. Ex. and Finance Aust. Ord.	10/-	5/-	2/9-3/3 pm	2/9-3/3 pm
Green (Herbert) 1/-	1/-	Fypd	2/3-2/8	2/3-2/8
Do. 7% Preferred	20/-	5/-	...	4/-3/- dis
Do. 6% Deb.	100	50	...	10 dis-par
Griffiths Hughes Prop. Ord.	...	...	47/3-47/8	47/3-47/8
Do. do. 5½% Cum. Pref. £1	20/-	Fypd	23½-24½	23½-24½
Jackson Brothers 6½% Pref.	...	...	24½-25½	23½-24½
James and Shakespeare New Ord. 5/-	7/6	Fypd	7½-7½d	7½-7½d
Do. do. 5½% Pref. £1	...	Fypd	17½-18½	17½-18½
Mayfair and Gen. Prop. 5% Deb.	100	15	1-2 pm	1-2 pm
Monasanto Chemicals 5½% Pref. £1	20/6	10/6	1/-1½ pm	10½d-1½ pm
Mount Morgan 5/-	7/6	Fypd	25½-26½	25½-26½
Murex New Ord. 10/-	...	...	34½-35½ pm	34½-35½ pm
New Machavie Gold	5/-	Fypd	15/9-16/3	17½-18½
New Zealand 3½%, 1935-60	100	5	2½-2½ pm	2½-2½ pm
Nigeria 3%, 1935	97½	...	...	2½ pm
Osaka Properties 8% Deb.	100	15	5-6 pm	5-6 pm
Oslo Union Co. 5½% Deb.	94	Fypd	98½-99½	98½-98½
Powell Duffryn Pref. Ord. 5/-	20/9	10/-	1/-6d dis	3d dis-3d pm
Plymouth 3%, 1954	97½	25	1-1½ pm	1-1½ pm
Reed (Austin) 3%	...	...	21½-22½	22½-22½
Salford Corp. 3½%, 1954-64	100	10	1-1 pm	1-1 pm
Somerset 3½%, 1939-64	100	100	103½-103½	103½-103½
Stanton Iron. New 6½% Pref. £1	25/-	10/-	17½-21½ pm	17½-21½ pm
Stockport 3½%, 1954-64	100	50	101½-101½	101½-101½
Stoke 3½%, 1955-65	100	5	...	1½ dis-1½ pm
Stretford 3½%, 1955-65	Par	20	1-1 pm	1-1 pm
Thistle Etina Gold 5/-	5/-	2/-	9d-1½ dis	1/3-9d dis
Trust Houses 3½% Deb.	93½	50	1½-2½ pm	2-2½ pm
Van Dyk Consolidated	10/-	Fypd	2½-2½	2-2½
Walsall 3½%	100	35	1½-1½ pm	1½-1½ pm
Watende Mines	5/-	Fypd	7/-7/3	7/-7/3
Weich Ass. Collieries 5½% Cum. Pref. £1	21/-	Fypd	16½-17/3	17½-18½
Do. do. 4½% Deb.	100	Fypd	96-96½	96-96½
Wolverhampton 3½%, 1954-64	100	Fypd	...	100½-10

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CALLS DUE OCTOBER 8 TO OCTOBER 13, 1934

The grand total of calls falling due in October, 1934, is £3,366,682, which compares with £2,342,678 which fell due in October, 1933. The following calls fall due from October 8, 1934, to October 13, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	City of London Real Property, Ltd. (£600,000 3½% Deb. Stock at 98%)	£80%	Oct. 12	£75%
2/-	Glen Muir Estates, Ltd. (287,990 Ordinary Shares, at par)	1/- p.s.	Oct. 8	1/- p.s.
£1	Hoscote Rubber Estates, Ltd. Ordinary Shares	1/- p.s.	Oct. 12	17/- p.s.
5/-	International Tea Co.'s Stores, Ltd. (£49,752 Ordinary Shares, at 20/- per share)	5/- p.s.	Oct. 8	15/- p.s.
2/-	Pindoeniya Rubber and Tea Estates, Ltd. (Offer, at the rate of four shares in the new company, credited with 1s. 8d. per share paid up, in respect of every five shares held in the old company)	2d. p.s.	Oct. 8	1/10 p.s.

REPORTS AND NOTICES

The City office of the *Morning Post* has been removed to 15 George Street, Mansion House Place, E.C.4. The telephone number will now be Mansion House 3868.

MISCELLANEOUS

GALLAHER, LTD.—Messrs Gallaher, Ltd., announce that they have acquired the whole of the issued share capital of International Tobacco Company, Ltd., and Peter Jackson (Tobacco Manufacturer), Ltd., and that the businesses of these companies, in so far as they are concerned with the home trade, have been amalgamated with their own.

KULIM RUBBER PLANTATIONS.—The first report and accounts for the year ended June 30, 1934, shows that the crop for the year was 1,200,920 lbs., of which 1,161,937 lbs. realised an average price of 4-50d. per lb. London landed terms. The estates have been well maintained, and buildings and machinery are in good order. The profit for the year amounted to £7,828. This is utilised as follows:—Buildings and machinery reserve, £500; income tax reserve, £500; underwriting commission, £525; preliminary expenses, £414. This leaves an available balance of £5,889. A dividend of 3½d. per share equal to 3½ per cent., is paid for the year, absorbing £4,375, leaving £1,514 to carry forward. An interim dividend of 3½ per cent. is also declared on account of the year 1934-35. The annual general meeting will be held on October 12th, at 11.30 a.m., at King William Street House, Arthur Street, London, E.C.4.

KUALA MUDA RUBBER ESTATES, LTD.—The profit on working for the year ended March 31, 1934, amounted to £19,427, which compares with a loss of £4,034 for the year ended March 31, 1933. Debenture interest absorbed £9,450 and note interest £2,536, leaving a net profit of £7,441. Deducting this from the debit balance of £10,089 brought in to the accounts, there is a debit balance of £2,648 to carry forward. Profits earned since the close of the financial year show considerable improvement on the above figures. The average gross price realised for new crop to date is equivalent to 6-84d. per lb. London landed terms, as compared with 4-34d. per lb. for the year under review. The arrangement with the debenture holders, whereby the payment of debenture interest was postponed for three years, came to an end during the year. Payment of interest in cash was resumed on January 1, 1934, and the payment, added to the amount which accrued between that date and the end of the financial year, i.e., a total of nine months interest, has been charged in the accounts. A crop of 3,251,306 lbs. was collected during the year at a cost, f.o.b., of 2-17d. per lb., against 2-61d. for the previous year.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary	Rate				
					Amount	Amount	Rate				
Banks		£	£	£	£	£	%	£	£	£	%
Commercial Banking Co. of Sydney	June 30	119,573	256,731	376,304	...	236,950	5	20,000	119,353	259,078	5
Financial Land, &c.											
Argentine Land and Investment	June 30	25,206	27,585	52,791	...	20,538	2	...	32,253	21,371	2
Borneo Company	Mar. 31	5,540	3,668	9,208	...	...	...	...	...	Dr 56,335	...
Brick Investments	June 30	435 (t)	18,686	19,121	7,395	4,978 (t)	10	...	6,748	...	...
Leach's Argentine Estates	Mar. 31	...	97,570	97,570	...	...	...	97,570	...	77,939	...
Rio Negro (Argentina) Land	June 30	3,252	15,772	19,024	...	12,000	4	...	7,024	1,492	2½
Trafford Park Estates	June 30	65,116	29,995	95,111	...	39,000	6	...	56,111	51,628	5
Iron, Coal and Steel											
Kayser Ellison and Co.	June 30	11,332	30,015	41,347	6,000	12,500	5	10,000	12,847	10,754	1
Parsons Marine Steam Turbine	June 30	30,410	11,124	41,534	...	10,564	5	...	30,970	10,029	5
Ransomes & Marles Brng. Co.	June 30	22,012	44,055	66,067	...	29,062	7½	15,000	22,005	30,482	6
Ward (Thos. W.), Ltd.	June 30	18,394	75,068	93,462	58,740 (s)	...	...	...	34,722	106	...
Motor Cycle and Aviation											
Austin Motor	July 31	357,497	661,280	1,018,777	73,344	116,250 20(a) 116,250 100(b)	...	350,000	362,933	506,798	20(a) 100(b)
Birmingham Small Arms Co.	July 31	Dr 84,896	38,182	Dr 46,714	...	...	...	23,000	Dr 69,714	157,357	...
Guy Motors	June 30	Dr 314,286	Dr 23,207	Dr 337,493	...	...	...	...	Dr 337,493	Dr 69,839	...
Henleys, Ltd.	Aug. 31	8,952	41,451	50,403	14,063	10,000	50	20,000	6,340	22,008	7½
Rover Company	Aug. 4	Dr 271,513	102,268	Dr 169,245	...	...	...	7,828	Dr 177,073	15,311	...
Rubber											
Brooklands Selangor Rubber	June 30	12,962	9,754	22,716	...	8,750	5	...	13,966	3,012	Nil
Kamuning (Perak) Rubber	June 30	27,475	12,138	39,613	...	10,050	5	...	29,563	5,525	2½
Martapoera Rubber	Mar. 31	998	214	784	...	...	...	Dr. 372	1,157	Dr 2,980	...
Merah Rubber	Mar. 31	Dr 1,995	563	Dr 1,432	...	...	...	...	Dr 1,432	Dr 2,022	...
Patani Para Plantations	June 30	6,740	8,592	15,332	...	9,200	10	500	5,632	3,196	2½
Sungei Gettah Rubber	Mar. 31	3,634	2,996	6,630	...	...	...	...	6,650	Dr 1,534	...
Tea											
Gudalur (Nilgiri) Tea, &c.	June 30	Dr 4,812	Dr 2,260	Dr 7,072	...	...	...	...	Dr 7,072	...	...
Maturata Tea and Rubber	June 30	688	1,040	1,728	360	...	...	770	598	Dr 1,165	...
Textiles											
Robinson and Cleaver	July 31	73,507	24,115	97,622	7,499	11,625	6	4,500	73,998	28,583	6
Trust											
First Co-operative Investment	July 31*	7,337	20,011	27,348	...	14,366	1	...	12,982	22,800	1
Monument Property Trust	Mar. 31	2,709	9,146	11,855	4,875	...	...	...	6,980	3,975	...
Other Companies											
Associated Fire Alarms	June 30	499	2,403	2,902	...	2,216	5	...	686	1,721	5
Bucknall (Henry) and Sons	May 31	1,629	22,917	24,546	18,000	4,000	5	...	2,546	382	Nil
Cheshire United Salt	June 30	6,780	2,715	9,495	...	...	...	...	9,495	702	...
François Cementation	Mar. 31	21,303	Dr 9,012	12,291	...	...	...	...	12,291	6,881	...
Lawes' Chemical Manure	June 30	1,789	6,104	7,893	2,686	3,149	2½	1,000	1,058	6,076	2½
Radcliffe's Edible Products	Jan. 31	Dr 282	3,032	2,750	2,250	...	...	...	500	492	Nil

(s) Three years' dividend on first preference shares (less tax) and 1½ years' on second preference shares to end of 1932 (free of income tax).
(t) For fifteen months. (a) Preferred ordinary shares. (b) Ordinary shares. * For half year.

COMPANY MEETINGS, &c.

ANGLO-ORIENTAL MINING CORPORATION, LIMITED

BENEFITS OF TIN CONTROL

The sixth annual general meeting of this company was held, on the 3rd instant, at the Institute of Chartered Accountants, London.

Mr John Howeson (the chairman) said it was perhaps not generally appreciated that the actual curtailment during the 3½ years of statutory tin control amounted to nearly 300,000 tons, or 370,000 tons, including the potential output of plant in process of erection during 1929; and for not one ton of that amount was there any possible market. Those figures illustrated better than any mere words the remarkable results which had been achieved by the control, both in restoring to normal proportions an ever-increasing accumulation of stocks—which at one time amounted to at least three times the utmost requirements of the trade—and also in re-establishing an economic price. Other advantages were the maintenance of a stable price level, the endowment of research work and the very friendly relations that had been established with the principal consuming interests.

The accounts showed a final balance on appropriation account of £176,526, compared with £126,387 at the beginning of the period. An aggregate valuation of the combined assets of the corporation and the Anglo-Oriental Trust, its subsidiary, had been made. To offset the issued capital, plus the balance on appropriation account, that valuation should amount to £1,926,526; actually it exceeded £2,000,000.

After dealing with the investments in Anglo-Oriental (Malaya), which, he said, was by far the largest enterprise of its kind in Malaya; in Anglo-Oriental (India), a regular dividend-payer throughout the depression; and in the Ship Carbon Company, whose products to-day were regarded as the finest manufactured anywhere, the chairman drew attention to their interest in a gold-dredging property on the Tano River in West Africa. It was evident from the exhaustive data already collated that there was a sufficient yardage of rich alluvial to justify the formation of at least one successful gold-dredging concern, and the initial operating company, now in course of preparation, might be followed by others.

Summarising his review of the consolidated assets, he said that the investments had been valued at £1,805,198 and properties and ventures at £165,000, a total of £1,970,000. Cash, debtors and sundries, less creditors, added about £40,000, and it would therefore seem that they were covered as to capital and accumulated profits with a margin approaching £100,000. The directors looked forward to receiving from now onwards further repayments of the funds loaned to the Trust, and they proposed to utilise those repayments in discharging the remaining arrears of preference dividend.

Anglo-African Selected Investments, formed in May with the principal object of holding the Trust's very considerable investments in Lyndhurst Deep Level and Konongo Gold Mines, held marketable shares of a value of approximately £300,000, in addition to undeveloped concessions, and over £30,000 in cash, all of which were expressed by an issued capital of £100,000.

The two greatest dangers that he saw in the situation were the doctrine of national self-sufficiency and the unstable or frozen exchanges. He was convinced that the world would recover its economic health much more rapidly if Governments were to concentrate less on monetary manipulations and more upon the scientific regulation of commodity production.

The principal consumption of tin was in the tinplate industry, and it was to his mind extraordinarily comforting that neither American nor German scientists had been able to find any effective substitute for tinplate. The reason was that, apart from its hygienic advantages, tinplate was the cheapest and most convenient vehicle for preserving and transporting food supplies, and that applied equally whether the price was £100 or £300 per ton. The argument that the present price had stimulated a vast activity in outside countries was equally ill-founded. The increased exports by non-participating countries in 1933 compared with 1929 amounted to 2,322 tons, and there would have been no increase if 1929 had not happened to be a particularly bad year for China. There was no doubt that the demand for canned goods during the coming winter in America would be exceptionally large.

On nearly all sides there was evidence of improvement in the industries which consumed tin, and he believed that they might count upon a greater impetus in the rate of recovery next year and look forward to a substantial increase in the average quota of production allowed for 1935.

The report was unanimously adopted.

MANILA RAILWAY COMPANY (1906), LIMITED

IMPROVEMENT IN RAILROAD OPERATIONS

The meeting of the Manila Railway Company (1906), Limited, was held, on the 28th ultimo, in London, Mr C. B. Orme Clarke presiding.

Mr T. Morris Priestley (managing director) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that the total income for the year was £237,278 and the balance of revenue account was £31,726, out of which the directors recommended a dividend of 3 per cent., less tax, on the preference shares, leaving £3,834 forward.

Shareholders would be interested to hear something about the railroad company. The result for 1933, notwithstanding an extraordinary charge in respect of exchange, was a credit balance of net income of 21,431 pesos, as compared with a debit balance of 97,377 pesos. Good crop yields, particularly in sugar cane, had resulted in a fairly large volume of freight traffic, while the decline in passenger traffic had been less severe than during the previous year.

Sugar, which constituted considerably more than half the total tonnage transported by the railroad in 1933, was the major export of the Philippine Islands, and its chief market was the U.S.A., where it had been received under favourable conditions of importation. A new factor in the Philippine economic situation might therefore be the Customs changes in the U.S.A. for Philippine sugar resulting from the law for complete independence, which the Philippine Legislature had recently accepted from the United States Government. There would be a transitional period of ten years, however, before complete independence was granted.

With regard to the railroad results for the current year, their latest information for the half-year ended June 30th last showed that the revenues were about the same as those for the corresponding period of 1933; in fact, the gross results for the half-year were a little better.

At their last meeting it was proposed that a member of the board should pay another visit to Manila, and he would like to say that Mr Priestley, who visited there in 1932, might probably go out again at the end of this year.

The report and accounts were unanimously adopted, and the retiring director was re-elected.

LEETHAMS (TWILFIT), LIMITED

INCREASED PROFITS

The sixth annual general meeting of Leethams (Twilfit), Limited, was held, on the 2nd instant, at Winchester House, Old Broad Street, London.

Mr C. H. Reynolds (chairman and managing director), in his review of the year's operations, said that it was with pleasure that the directors were able to submit accounts showing a profit for the year of £48,794, compared with £42,714 earned a year ago, an increase of £6,080. Their aim had always been to make their manufactures reliable and to give the best possible service and support to their customers. Their prices were based with a view to maintaining their standard of quality and they were thus able to guarantee what they sold. That policy had brought its reward, and during the past year they had obtained an increase in the volume of sales both in the home market and in their export trade.

They had again placed £10,000 to general reserve, raising that fund to £40,000, and they recommended the payment of a final dividend on the ordinary share capital of 6 per cent., making, with the interim dividend paid in May, 1934, a total of 9 per cent. for the year.

Leethams (Ireland), Limited, had been converted into a public company in January last and a block of shares in that company had been disposed of to persons resident in the Irish Free State. The net profit of that company for the year was £9,534 and dividends had been declared and paid of 6 per cent. on the preference shares and 12½ per cent. on the ordinary shares. A small trading loss had been made by the Belgian subsidiary; the English subsidiary had also made a loss, but the German company's accounts revealed a satisfactory profit.

It would be hazardous to make a forecast with regard to the current year. If the present improved turnover in the home trade was maintained, and they were not further handicapped in overseas markets by higher Customs duties and import restrictions, they might look forward to submitting twelve months hence an equally satisfactory account of trading. He could only assure the shareholders that they would do their best in their interests.

The report and accounts were unanimously adopted.

KUALA MUDA RUBBER ESTATES, LIMITED

SATISFACTORY IMPROVEMENT IN RESULTS

The ninth annual general meeting of the Kuala Muda Rubber Estates, Limited, was held, on the 4th instant, at the Great Eastern Hotel, London.

Sir Francis M. Voules, C.B.E. (chairman of the company), said: The year's working resulted in a profit of £19,427 3s. 2d., a figure reached after making allowance, to the extent of £4,122 12s. 11d., for depreciation of buildings, machinery and plant. Despite the criticism which has been made, we do not consider these figures a very sorry state of affairs. On the contrary, we feel that shareholders will regard them as satisfactory, especially when it is remembered that the increase in the price of rubber had not proceeded very far when our accounts closed at the end of March. Since the end of the financial year the price of rubber has further improved and the debit balance has already been converted into a credit.

The crop for the year amounted to 3,251,306 lbs. The yield on Kuala Muda Estate was at the rate of 773 lbs. per tapped acre. The whole crop was collected at an f.o.b. cost of 2.17d. per lb., compared with 2.61d. per lb. for the previous year. I regard both these figures as highly satisfactory. I must, however, warn you that such exceedingly low costs must not be expected to continue. They were achieved by economies, some of which cannot be maintained under present conditions. During the slump, staff salaries and fees of all kinds were drastically reduced and have since been revised. Coolies' wages also have had to be increased. It is likely that costs for the current year will be around 3d. per lb., but an accurate forecast is impossible until more is known of the effect of the restriction scheme upon our crop.

The transfer of our Tenang Estate to Kepong (Malay) Rubber Estates, Limited, approved by the shareholders on February 12th last, took place on April 1st.

As regards the outlook, I am convinced that, owing to the wise scheme of regulation which is now in force, a cheap and prolific producer like Kuala Muda has a great future before it. Our low costs are a matter of pride and satisfaction to the board and the management.

A resolution proposed by Capt. McCormac to appoint a committee of shareholders was defeated, and the report and accounts were adopted *nem con.*

D. GESTETNER LIMITED

GRATIFYING RESULTS

The annual general meeting of D. Gestetner, Limited, was held, on the 28th ultimo, at the company's works, Tottenham, Mr S. Gestetner (chairman and managing director) presiding.

The Chairman, after referring to the board's proposal to distribute bonus shares in the proportion of one in five to ordinary shareholders, said that he was sure it would be agreed that the results of the company's trading during the past year had been exceedingly gratifying. Such results surely indicated that their products were right, and that their sales organisations knew their job, and that the steps taken to preserve their goodwill in their markets during the difficult years have been justified.

If the spirit which ruled throughout their organisation, taken in conjunction with their current month's business and the fact that their monthly results during the closing months of the last period had been extremely satisfactory, afforded any indication, he thought they were justified in saying that they hoped, and were certainly determined, to do at least as well in the current period as they had done in the year under review.

RECORD HOME SALES

Their sales at home had again reached record figures, and their export sales, too, had shown a very substantial increase. Their research laboratories had been fully engaged, and several important improvements had been made. Their range had been increased by the production of larger-sized machines of the 66 type, which enabled sizes of paper known as Brief and Double Foolscap to be quickly and economically duplicated.

The balance sheet showed considerable changes, due to the repayment of surplus capital at the beginning of 1934. The directors had taken particular pains that the rights of the preference shareholders were fully respected, and he thought they could say that they had been successful in finding a scheme which was of benefit to the company, and as a result of which no one class of shareholders either had to suffer or were allowed to gain disproportionately.

The Chairman, having dealt with the balance sheet items, concluded by paying a tribute to the work of the staff.

The report and accounts were unanimously adopted.

TARKWA GOLD MINES, LIMITED

PROGRESS TO DATE

The statutory general meeting of the Tarkwa Gold Mines, Limited, was held, on the 2nd instant, at Winchester House, London, Mr M. L. Innes Browne presiding.

The Chairman, in the course of his speech, said: The company's properties, the Edua Priem and the Idua Priem Concessions which adjoin, are both well-known gold mining properties on the Tarkwa Goldfield.

These two properties have the Tarkwa banket reef exceptionally well developed, and the workings promise considerable pay ore even under the old gold values. They are situated about 3½ miles distant from Tarkwa railway station, being on the south-west part of the Tarkwa goldfield where the reef formation attains its maximum width, the auriferous conglomerates being here at their maximum.

In 1910-11, Tarkwa Banket West, Limited, expended £30,000 in developing these properties. The main banket reef was proved on the Edua Priem property for a distance of 8,000 feet and several hundred thousand tons of ore carrying good values were reported available by adits above water level. On the Idua Priem property, which adjoins the Edua Priem, a further 2,000 feet of main banket reef was proved, good values being reported. The company was, however, unable to equip the mine with the plant necessary to treat the ore, and work ceased.

In July, 1933, Mr O. A. L. Whitelaw, M.I.M.M., F.R.G.S., F.G.S., made a report to the company on the properties, and as a result of his report the workings were re-opened, the mine re-examined and the new work he advised carried out.

The results obtained from the work were very satisfactory and the company was formed to develop the mine on a larger scale and to equip it with a modern plant.

The board is very pleased with the work to date; plant to assist the development of the mine is being sent out and the staff is being increased.

Both good values and widths of ore are being maintained and we look forward with confidence to the company developing a large successful mine.

After the Chairman had replied to a few questions, the proceedings terminated.

MORKWA, LIMITED

DEVELOPMENT OF DIAMONDFEROUS AREAS

The seventh ordinary general meeting of Morkwa, Limited, was held, on the 2nd instant, at Winchester House, London.

Mr J. M. Laird (the chairman), in the course of his speech, said: The creditors are now only £47 7s. 10d., against £6,700 10s. 11d. last year, and the cash balance is £18,454 3s. 11d., as against £3 4s. 3d. last year.

The sub-lease of part of the diamondiferous areas was granted to a Continental group and we expect they will very shortly be starting to work, as they have recently informed us that their modern plant for winning the diamonds is installed close by our ground, although not on our property.

Some shareholders have asked us why we did not undertake this work ourselves. The answer is a simple one; at the time we had not sufficient capital available to tackle the job effectively and we were, I think, fortunate to find others who were interested in and had faith in the diamond market to take the lease on what seemed fair terms to both parties.

The lease is for two years certain, with the option to the lessees to continue for a further three, but the amount of ground to be handled in each year is limited and the rents we are to receive represent a fair return to us on the probable extraction of stones according to our estimates. Of course, if the diamond market improves, as has been foreshadowed in some knowledgeable quarters recently, the lessors may do very well, but we could then more readily deal with our other proved areas ourselves.

On the gold-mining side, the original dredging proposition in the bed of the River Prah presents some rather serious obstacles, owing to the rocky nature of the bottom, and after preliminary examination we have decided, in the first place, to more carefully examine the alluvial areas which are known to carry gold on the adjoining flats, and some interesting finds have been made, but it is too early yet to give any particulars.

We are also examining, with other companies with whom we are associated, a promising mining area (situated in the direct line on the Preston-Ashanti reef formation) with a view to taking a joint interest with them in its development should the examination prove as satisfactory as we hope.

The report and accounts were unanimously adopted.

E. W. TARRY AND COMPANY, LIMITED

IMPROVED RESULTS AND PROSPECTS

The annual general meeting of E. W. Tarry and Company, Limited, was held, on the 28th ultimo, at Southern House, London.

Sir J. Fortescue Flannery, Bt., D.L. (the chairman), said that the general improvement in trade in South Africa had taken place sooner than in some other of the Dominions, and it was satisfactory to find that the response by their company had been not less prompt than he had ventured to prophesy.

The company's branches in Johannesburg had shown a great improvement over last year, both in sales and profits, and it was gratifying to report that their branches at Kimberley, Port Elizabeth and in Southern Rhodesia had also shown an improvement. For the last two years the company's trading had resulted in losses, but this year they were back again to the happy position of reporting a profit of £18,898, which was more than sufficient to pay two years' dividend on the cumulative preference shares.

There was, however, a debit of £16,190 in profit and loss account at the end of last year, and after wiping out the whole of that amount the directors recommended a dividend of 1½ per cent., payable on January 1st next, on account of arrears of dividend on the preference shares.

Judging from the results of the current year's trading, it seemed possible that in twelve months' time a larger amount of the outstanding dividend on those shares might be paid off. A year ago it was foreshadowed that with a full year's trading, after South Africa had gone off the gold standard, and the higher price being obtained for gold, the advantages to the company would be considerable, and a perusal of the accounts showed that this forecast was correct.

The year's profit of £18,898 compared with a loss of £7,674 for the previous nine months' period, thus indicating a very satisfactory improvement in the company's operations. He believed that they could look forward to a continuance of better trade in South Africa. So far as Tarrys were concerned, they were able to state that the sales for the 5½ months of the current year had not only been maintained, but at some branches an improvement over last year's figures had to be reported.

The report was unanimously adopted.

MALAYALAM PLANTATIONS, LIMITED

PROSPECTS FOR TEA AND RUBBER

The ordinary general meeting of Malayalam Plantations, Limited, was held, on the 5th instant, at 3 Idol Lane, London.

Mr Henry J. Welch dealt with the recent fall in tea prices and the surprising absence of material reduction in the visible stocks in the United Kingdom, and anticipated that owing thereto the International Tea Committee would increase the percentage of restriction from April next. Once again he drew attention to the adverse effect of the British preferential duty on the relative demands for Indian and Ceylon teas as against those for Java, Sumatra and other foreign-grown teas in the out-markets of the world.

The outstanding events in the rubber industry during the past twelve months had been the great increase in world absorption of rubber, the unfortunate growth in world stocks and the introduction of the scheme for the regulation of exports. He thought that the various difficulties encountered in putting the scheme into operation would doubtless be adjusted, but the industry must never lose sight of the fact that its great hopes lay principally in an increasing world consumption and in achieving such a low cost of production to enable successful competition with native and unorganised producers in any part of the world. There now seemed no doubt that the absorption for 1934 would exceed that of any previous calendar year, and the industry could reasonably look forward to moderate profits for at least the next few years.

The accounts showed a credit balance of £150,098, against the debit balance in the previous year, and a dividend of 8 per cent. was proposed. After deducting the net surplus assets, the net cost of the planted areas, including the two new estates recently purchased was under £39 per acre. With the new estates the company now owned 20,873 acres planted with tea, 18,625 acres planted with rubber and 683 acres planted with cardamoms. Only about 5 per cent. of the tea and 10 per cent. of the rubber had not reached the production stage.

Estimates for the current year of tea production for export and local consumption were about 9,600,000 lbs. They expected to produce 4,115,000 lbs. of rubber, and, including forward sales and sales for local manufacture, the sales to date amounted to 1,430 tons and had realised about 4.84d. net.

The report was adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the eight days ended September 30, 1934, amounted to £8,866,500, against ordinary expenditure of £12,294,000. After allowing for an increase in Exchequer Balances of £91,353, the operations for the week, as shown below, increased the National Debt by £3,519,000 to approximately £8,088½ millions.*

(000's omitted)

Public Department Advances	+ 4,600	Treasury Bills.....	- 2,199
P.O. and teleg. capital expenditure + 1,300		Road Fund temporary advances....	- 160
		N. Atlantic shipping issues.....	- 22
	+ 5,900		- 2,381

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.
† Figure for September 22nd should have been £8,085 instead of £8,097.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appears below, with revised figures for March 31, 1934:—

NATIONAL DEBT—(Million £)

	Aug. 1, 1914	Dec. 31, 1919	Mar. 31, 1931	Mar. 31, 1932	Mar. 31, 1933	Dec. 31, 1933	Mar. 31, 1934	June 30, 1934	Sept. 30, 1934
2½ and 2½ Consols	573	300	300	300	300	300	300	300	300
Term Annuities	30	20	12	12	12	12	12	12	12
4% Consolidated Loan	...	...	342	403	401	401	401	401	401
3% Conversion Loan	...	...	770	750	742	742	742	742	742
Other Funded Debt ..	15	15	14	14	14	14	14	14	14
4½% Conversion Loan	...	...	317	373	375	375	375	375	375
5% Conversion Loan	...	...	323	323	323	323	323	323	323
3% Conversion Loan	...	...	...	...	302	302	302	302	302
3% Conversion Loan	...	...	...	...	5	154	206	206	204
3½% War Stock	...	63	...	...	1,920	1,920	1,918	1,918	1,918
3½% War Stock, 1932	...	...	...	...	...	...	...	...	...
4½% War Stock	...	13	13	13	...	...	...	...	...
5% War Stock	2,047	2,087	2,085	...	...	...	...	...	...
National War Bonds	1,509	...	...	...	...	...	...	...	...
4% Funding Loan ..	...	409	374	370	366	366	364	364	364
3% Funding Loan ..	...	...	...	...	...	...	...	134	149
4% Victory Bonds.....	...	360	219	210	207	207	204	204	204
Treasury Bonds	...	...	607	494	416	405	384	268	268
Exchequer Bonds.....	...	223	...	...	...	...	...	...	...
National Savings Certs.	...	287	372	382	388	392	†394	†394	†393
Other Debt*	...	1,306	1,068	1,092†	1,062	1,059	1,038	1,038	1,038
American Loan (Anglo-French)	...	51	...	...	...	...	...	...	...
Treasury Bills	1	1,107	570	604	776	†939	†800	†818	†823
Temporary Advances	...	243	25	8	35	36	45	30	50
Other Capital Liabilities	654	8,033	7,413	7,433	7,644	7,947	7,822	7,873	7,880
	57	46	170	214	216	211	208	208	208
Total Liabilities	711	8,079	7,583	7,647	7,860	8,158	8,030	8,081	8,088

* Includes debt to American Government.

† Includes United States and French credits to British Treasury.

†† Including borrowing of £200 millions for Exchange Equalisation Fund.

††† Includes £4½ millions of National Saving Bonds.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Sept. 30, 1934	April 1, 1933, to Sept. 30, 1933	8 days ended Sept. 30, 1934	Week ended Sept. 30, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	51,485,000	43,969,000	1,508,000	1,775,000
Sur-tax	50,000,000	8,470,000	8,870,000	260,000	170,000
Estate, etc., Duties	76,000,000	40,200,000	44,220,000	1,140,000	1,110,000
Stamps	25,000,000	9,150,000	8,550,000	490,000	600,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	180,000	...	10,000
Total Inland Revenue	372,500,000	109,455,000	105,859,000	3,418,000	3,665,000
Customs and Excise—					
Customs	183,650,000	93,291,000	89,299,000	3,642,000	3,469,000
Excise	106,350,000	50,300,000	51,800,000	900,000	800,000
Total Customs and Excise	290,000,000	143,591,000	141,099,000	4,542,000	4,269,000
Motor Vehicle Duties (Exchequer share)	5,000,000	1,431,000	1,338,000	Dr. 20,000	112,000
Post Office (Net receipt)	14,000,000	7,500,000	6,950,000	Dr. 650,000	Dr. 550,000
Crown Lands	1,220,000	620,000	540,000	50,000	40,000
Receipts from Sundry Loans	3,800,000	2,862,008	3,271,427	...	...
Miscellaneous Receipts.....	20,000,000	8,424,078	16,679,415	1,526,574	87,535
Total Ordinary Revenue	706,520,000	273,883,086	275,736,842	8,866,574	7,623,535
SELF-BALANCING REVENUE					
Post Office	60,463,000	28,050,000	27,650,000	1,650,000	1,550,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,957,000	7,253,000	20,000	...
Total Self-Balancing Revenue	84,718,000	36,007,000	34,903,000	1,670,000	1,550,000
Total	...	309,890,086	310,639,842	10,536,574	9,173,535

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Sept. 30, 1934	April 1, 1933, to Sept. 30, 1933	8 days ended Sept. 30, 1934	Week ended Sept. 30, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	106,776,136	106,377,976	1,155,008	1,336,962
Payments to Northern Ireland Exchequer	6,500,000	2,707,711	2,853,336	226,643	216,393
Other Consolidated Fund Services	3,700,000	1,500,764	1,598,893	73,520	72,610
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	110,984,611	110,830,205	1,455,171	1,625,965
Total Supply Services (excluding Post Office)	466,296,000	217,542,319	211,655,576	10,839,000	10,047,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	328,526,930	322,485,781	12,294,171	11,672,965
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	328,526,930	324,326,997	12,294,171	11,672,965
SELF-BALANCING EXPENDITURE	£	£	£	£	£
Post Office	40,463,000	28,050,000	27,650,000	1,650,000	1,550,000
Road Fund	14,255,000	7,957,000	7,253,000	20,000	...
Total Self-Balancing Expenditure	84,718,000	36,007,000	34,903,000	1,670,000	1,550,000
Total	...	364,533,930	359,229,997	13,964,171	13,222,965

The aggregate revenue and expenditure to September 30, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO SEPTEMBER 30, 1934 (000's omitted)

Expenditure	£ 328,527	Revenue	£ 273,883
		Decrease in balances	26
		Gross increase in borrowing	£ 58,225
		Less—	
		New Sinking Fund	3,607
		Net borrowing	54,616
	328,527		328,527

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Sept. 30, '33	Mar. 31, '34	Sept. 30, '34	Sept. 30, '34
Advances by Public Department	33,080,000	44,900,000	48,850,000	+4,600,000
Treasury Bills outstanding	987,780,000	799,810,000	823,085,000	-2,195,000
Total Floating Debt	1,020,860,000	844,710,000	871,935,000	+2,405,000

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on September 28, 1934, and the total amount applied for was £42,075,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 16s. 3d., about 83 per cent., and above in full; Saturday, at £99 16s. 4d., and above in full. The average rate per cent. was 14s. 2-38d. The amount allotted was £35,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1932	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,880,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
January 6, 1933	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
January 5, 1934	35,000,000	76,290,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
August 31	35,000,000	60,000,000	33,000,000	0 14 4-47
September 7	35,000,000	54,370,000	32,000,000	0 12 5-61
September 14	30,000,000	65,080,000	29,830,000	0 9 3-45
September 21	40,000,000	65,585,000	35,000,000	0 14 2-38
September 28	35,000,000	42,075,000	35,000,000	

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended September 8, 1934	640,184	£ 512,147
Week ended September 15, 1934	601,947	491,558
February, 1916, to September 15, 1934	1,197,079,786	943,273,579

At the end of August, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,549,108.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited

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

Head Office: 38-44 MOORGATE, LONDON, E.C.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, October 3, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£ 11,015,100
In Circulation	380,816,183	Other Government Securities	244,932,402
In Banking Department	71,093,560	Other Securities	992,883
		Silver Coin	3,059,815
	451,909,743	Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	191,909,743
			451,909,743

BANKING DEPARTMENT

Proprietors' Capital	£ 14,553,000	Government Securities	£ 81,694,164
Reserve	3,728,458	Other Securities:—	
Public Deposits*	13,703,066	Discounts and Advances	£ 12,673,920
Other Deposits:—		Securities	£ 10,060,193
Bankers' £107,040,458		Notes	22,734,118
Other Accounts £37,132,530		Gold and Silver Coin	71,093,560
	144,172,988		650,730
7-day and Other Bills	5,060		176,162,572
	176,162,572		176,162,572

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

Both Departments	Amount, Oct. 3, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	£ 380,816,183	+ 3,788,123	+ 7,104,352
Public deposits	13,703,066	- 24,155,103	+ 4,182,645
Bankers' deposits	107,040,458	+ 25,000,559	+ 1,586,615
Other deposits	37,132,530	+ 364,649	+ 9,175,334
Seven-day bills	5,060	...	...
Total outside liabilities	538,697,297	+ 4,998,228	+ 528,935
Capital and rest	18,281,438	+ 19,227	+ 629,759
Government debt and securities	337,631,666	- 7,915	+ 2,583,974
Discounts and advances	12,673,920	+ 5,470,381	+ 1,617,541
Other securities	11,053,081	- 435,099	+ 3,244,867
Silver coin in issue department	3,059,815	- 44,457	- 582,139
Coin and bullion (bank's reserves)	192,560,473	+ 34,545	+ 784,185
Reserves of notes and coin in banking department	71,744,290	- 3,753,578	- 6,320,167
Proportion of reserve to outside liabilities			
(a) Banking Department only ("proportion")	45-4%	- 2-7%	- 2-0%
(b) Gold stocks to deposits and notes ("reserve ratio")	35-8%	- 0-3%	+ 0-2%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934	£	£	£	£	£	£	%
Aug. 29	451,762	379,284	33,391	83,747	35,218	85 in	2
Sept. 5	451,762	381,284	29,635	88,947	36,930	Nil	2
" 12	451,821	379,046	16,523	103,170	36,810	56 in	2
" 19	451,821	376,380	20,499	99,837	37,501	Nil	2
" 26	451,886	377,028	37,858	82,040	36,768	64 in	2
Oct. 3	451,910	380,816	13,703	107,040	37,132	24 in	2

(000's omitted)

Date	Issue Department		Both Depts. Gold Coin and Bullion and Reserve Ratio	Banking Department					
	Govt. Debt and Securities	Other Securities		Govt. Securities	Dis- counts & Advan- ces	Other Securities	Reserve and the "Pro- portion"		
1934	£	£	£	%	£	£	%		
Aug. 29	256,241	444	192,336	36 1/2	83,185	5,615	9,344	73,052	47 1/2
Sept. 5	256,463	278	192,328	35 1/2	85,029	6,935	10,724	71,045	48 1/2
" 12	255,943	852	192,438	35 1/2	84,884	6,263	10,274	73,357	48 1/2
" 19	255,999	841	192,434	36	81,679	6,138	12,728	76,054	48 1/2
" 26	256,005	890	192,525	36 1/2	81,634	7,203	10,598	75,498	48 1/2
Oct. 3	255,947	993	192,560	36 1/2	81,684	12,674	10,060	71,744	45 1/2

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934	£	£	£	£
January 1 to September 19 ...	21,770,478	1,259,570	2,138,448	25,168,496
Week ended September 26 ...	524,969	27,459	49,171	601,599
Week ended October 3 ...	634,071	39,461	57,558	731,090
Total to date, 1934	22,929,518	1,326,490	2,245,177	26,501,185
Total to date, 1933	20,720,300	1,254,150	2,077,043	24,051,493
Increase or decrease in 1934	+ 2,209,218	+ 72,340	+ 168,134	+ 2,449,692
	= 10-6%	= 5-8%	= 8-1%	= 10-2%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 46,268	+ 98,552	+ 25,667
	= 0-4%	= 2-8%	= 3-6%	= 0-07%

PROVINCIAL

(000's omitted)

	Week ended September 29		Month of September			Aggregate Totals. January 1 to September 29	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days..			26	25			
BIRMINGHAM.....	£ 2,001	£ 1,622	8,910	7,788	-12-5	£ 85,747	£ 86,791
BRADFORD.....	965	872	3,530	2,859	-19-0	31,614	33,657
BRISTOL.....	1,125	1,064	4,751	4,501	-5-2	42,161	45,229
DUBLIN.....	4,373	4,666				196,737	197,096
HULL.....	563	601	2,724	2,740	+0-5	26,849	27,915
LEEDS.....	739	832	3,197	3,194	-0-09	32,816	35,463
LEICESTER.....	534	493	2,591	2,300	-11-2	23,752	23,957
LIVERPOOL.....	5,986	6,100	25,170	24,175	-3-9	225,895	231,073
MANCHESTER.....	9,412	8,541	37,859	35,996	-4-9	354,030	366,217
NEWCASTLE.....	1,425	1,272	5,885	5,738	-1-6	54,374	57,141
NOTTINGHAM.....	345	320	1,741	1,517	-12-8	16,492	16,668
SHEFFIELD.....	538	597	2,989	3,037	+1-6	28,763	31,657
	28,006	26,980	99,347	93,895	-5-4	1,119,230	1,152,864

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. International Settlements, Danzig, in September 8. Denmark, in September 15. Roumania, in September 22. Canadian Banks, Egypt, Spain, Norway, Latvia, Lithuania, Finland in September 29.

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

Resources	Oct. 5, 1933	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934	Oct. 3, 1934
Gold Certificates on hand and due from the Treasury	4,961,000	4,957,620	4,958,010	4,958,540	4,958,540
Total reserves	3,811,010	5,212,350	5,210,740	5,216,960	5,191,790
Total cash reserves	219,230*	228,310	229,730	236,650	211,450
Total bills discounted	122,980	23,340	21,970	20,310	15,260
Bills bought in open market	7,200	5,200	5,200	5,810	5,810
Total bills on hand	130,180	28,540	27,170	26,120	21,070
Total U.S. Govt. securities	2,309,220	2,431,310	2,430,720	2,430,130	2,431,160
Total bills and securities	2,441,230	2,461,480	2,459,740	2,458,550	2,455,000
Total resources	6,823,440	8,267,220	8,290,330	8,241,540	8,255,460
LIABILITIES					
Federal Reserve notes in actual circulation	3,999,390	3,148,450	3,146,600	3,134,970	3,175,670
Federal Reserve Bank notes in circulation	160,790	31,130	30,630	30,480	30,190
Deposits—Member bank—reserve account	2,523,410	3,948,300	3,889,360	3,969,520	3,894,630
Government deposits	98,040	138,730	210,460	154,510	156,390
Total deposits	2,780,150	4,300,060	4,294,930	4,309,690	4,233,430
Capital paid in and surplus	424,200	285,050	285,050	285,130	285,180
Total liabilities	6,823,440	8,267,220	8,290,330	8,241,540	8,255,460
Ratio of total res. to dep. and Federal Res. note liabilities combined	65-9%	70-0%	70-0%	70-1%	70-1%

* Reserves other than gold.

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

	Oct. 5, 1933	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934	Oct. 3, 1934
Total gold reserves	961,430	1,723,570	1,777,830	1,851,890	1,812,980
Total bills discounted	40,850	14,390	13,630	11,860	7,280
Bills bought in open market ..	2,190	1,930	1,930	2,170	2,170
Total U. S. Govt. securities ..	798,950	777,750	777,750	777,750	777,750
Total bills and securities	\$48,260	794,180	793,450	791,920	787,330
Deposits—Memberbank—re- serve account	996,900	1,572,160	1,581,110	1,672,240	1,643,730
Ratio of total res. to dep. and Federal Res. note liabi- lities combined	59.3%	71.0%	71.8%	72.6%	72.4%

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

Assets	Position, May 31, 1934	Sept. 30, 1933	Sept. 7, 1934	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934
Gold	171,175	1,845,933	1,754,274	1,773,455	1,786,124	1,808,017
Of which held abroad	---	306,937	149,244	149,247	149,247	149,247
Foreign gold valuta	---	16,139	17,595	19,948	19,887	20,873
Discounts	---	37,336	40,183	21,518	21,514	62,379
Bills of the Confederation	---	23,736	11,875	11,375	10,975	10,975
Advances	103,000	76,955	76,201	73,999	86,429	86,429
Securities	---	65,673	53,250	53,155	53,237	53,365
LIABILITIES	---	---	---	---	---	---
Notes in circulation	275,925	1,419,424	1,346,953	1,330,581	1,323,919	1,399,802
Deposits	33,750	581,586	547,200	566,629	578,716	587,698

BANK OF ITALY—In lire (000's omitted)

Assets	Sept. 20, 1933	Aug. 20, 1934	Aug. 31, 1934	Sept. 10, 1934	Sept. 20, 1934
Gold, coin and bullion	7,041,700	6,340,600	6,343,500	6,327,000	6,268,800
Foreign bills and balances abroad	301,800	37,000	37,100	31,100	26,400
Other cash	315,300	502,700	301,600	296,500	295,800
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,472,200	3,212,200	3,274,000	3,258,700	3,250,200
Advances	417,900	1,135,200	1,406,700	1,270,000	1,227,400
Credit with "Institute for Industrial Reconstruction"	1,187,600	1,075,700	1,075,700	1,073,900	1,073,900
Government securities	1,370,800	1,384,200	1,381,600	1,384,800	1,387,100
LIABILITIES	---	---	---	---	---
Notes in circulation	12,996,300	13,023,500	13,194,000	13,129,100	12,986,000
Public deposits	1,674,900	978,700	1,365,800	1,278,700	1,199,800
Other deposits and drafts	1,495,100	1,322,300	1,164,900	974,500	1,006,200
Ratio of reserve to note and sight liabilities combined	49.65%	43.54%	43.53%	44.15%	44.05%

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

Assets	Sept. 30, 1933	Sept. 7, 1934	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934
Gold reserve	253,274	278,748	279,103	279,624	280,896
Government securities—Swedish	245,250	176,062	176,062	174,837	174,837
Foreign	---	46,557	46,557	46,557	46,557
Gold abroad not included in the gold reserve	124,995	94,308	94,253	94,175	93,229
Bills payable in Sweden	13,850	9,657	9,776	9,782	10,274
Bills payable abroad	323,431	313,821	309,941	307,628	309,410
Balance abroad	339,148	79,780	84,405	88,735	97,818
Advances	37,100	27,617	27,708	27,899	28,195
LIABILITIES	---	---	---	---	---
Notes in circulation	624,647	614,860	620,799	605,056	694,888
Government deposits	121,486	132,754	165,069	160,579	113,975
Private deposits	286,738	355,318	321,494	343,918	281,645

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

Assets	Sept. 15, 1933	Aug. 15, 1934	Aug. 22, 1934	Aug. 29, 1934	Sept. 5, 1934	Sept. 12, 1934
Gold	723,403	899,067	899,292	899,449	899,691	899,853
Balance abroad	350,106	358,461	356,785	357,080	365,407	368,556
Discounts	323,431	313,821	309,941	307,628	309,410	309,410
Government loans	1,052,736	1,050,106	1,050,106	1,050,106	1,050,106	1,050,106
LIABILITIES	---	---	---	---	---	---
Notes in circulation	1,908,213	1,894,308	1,881,347	1,921,438	1,941,367	1,952,999
Government deposits	271,202	380,606	387,346	353,179	330,229	323,623
Bankers' deposits	302,692	437,235	442,770	457,269	459,821	471,040
Other deposits	40,021	50,284	47,495	40,148	54,471	44,778

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

Assets	Sept. 23, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934	Sept. 23, 1934
Cash reserve	193,700	241,665	241,699	241,723	241,778
Gold coin and bullion	19,004	7,968	44,032	44,902	39,329
Foreign exchange	7,968	44,032	44,902	39,329	39,777
Other foreign exchange	195,175	253,252	254,139	254,090	251,162
Bills discounted	624,444	624,444	624,444	624,444	624,444
LIABILITIES	---	---	---	---	---
Share capital	43,200	54,960	54,960	54,960	54,960
Reserve fund	11,096	11,280	11,280	11,280	11,280
Notes in circulation	861,085	965,252	918,131	913,812	885,003
Deposits	130,311	174,915	227,305	224,234	251,133

* In dollar and sterling only. † In accordance with Art. 53 of the Statutes.

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

Assets	Sept. 23, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 14, 1934	Sept. 23, 1934
Metal reserve	---	---	---	---	---
Gold coin and bullion	96,571	78,932	78,932	78,932	78,932
Drafts and notes	5,663	14,803	15,362	16,070	15,105
Silver coin and bullion	10,977	9,305	8,879	9,813	10,740
Land bills, warrants and securities	441,352	567,036	558,615	549,912	551,094
Advances to Treasury	50,258	47,400	47,323	47,323	47,323
LIABILITIES	---	---	---	---	---
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	304,246	368,914	350,205	334,526	321,701
Current accounts, deposits, etc.	103,433	59,973	69,994	78,486	92,957
Cash certificates	---	---	---	---	---
Other liabilities	199,549	177,103	177,769	177,688	177,223

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

Assets	Sept. 23, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 14, 1934	Sept. 23, 1934
Gold	1,707,084	2,663,262	2,663,162	2,663,157	2,663,836
Balance abroad and foreign currency	907,334	52,954	54,246	66,668	74,610
Discounts and advances	1,447,820	1,381,108	1,553,254	1,638,790	1,713,325
State notes debt balance	2,609,463	2,119,804	2,118,964	2,115,377	2,114,156
Other assets	657,375	803,421	809,407	824,960	876,741
LIABILITIES	---	---	---	---	---
Bank notes in circulation	5,614,105	5,384,217	5,571,574	5,461,178	5,259,280
Check account balances	920,901	758,083	727,843	918,046	996,503
Other liabilities	344,731	426,237	447,606	471,718	494,875

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

Assets	Sept. 22, 1933	Sept. 8, 1934	Sept. 15, 1934	Sept. 22, 1934
Cash reserve	---	---	---	---
Gold at home and abroad	1,797,514	1,821,640	1,830,299	1,821,875
Foreign exchange	99,435	110,496	111,974	123,026
Other foreign exchange	61,994	59,631	64,387	55,591
Bills and advances against security	2,217,856	1,838,997	1,835,947	1,830,220
Government advances	1,717,617	1,79,987	1,720,040	1,720,073
LIABILITIES	---	---	---	---
Notes in circulation	4,275,179	4,241,043	4,227,302	4,205,148
Sight deposits	990,176	1,186,909	1,231,219	1,257,567
Time deposits	1,239,017	833,894	832,544	823,479

DR. SCHACHT'S REMEDIES



Herr Hitler has declared that his Government's "economic ideas are something we do not propose to uncover now. They are, if you please, patented." This may or may not account for the fact that the economic policy of the German Government has hitherto been wrapped in mystery.

It has been left to Dr. Schacht, the President of the Reichsbank and a member of the German Cabinet, to reveal the Government's economic and political policies.

Dr. Schacht has now issued an Official Report of the speech he delivered at Bad Eilsen which dealt with Germany's attitude to the economic and political problems which confront the world.

In the course of this extraordinary speech, Dr. Schacht proves to his own satisfaction that holders of the Dawes Loan have really been overpaid.

He demands an indefinite moratorium on all German loans and requires large new credits for Germany.

He discovers the existence of a network of Communist cells in England.

He has knowledge of forthcoming revolutions in what he calls the "richest" countries in the world.

These are but a few of the great discoveries made by Dr. Schacht.

Everyone interested in Germany's industrial and political policies should read the October issue of THE BANKER.

In an article entitled "A Defence of Dr. Schacht" the Official Report of the President of the Reichsbank's speech at Bad Eilsen is subjected to a scathing analysis.

Many of Dr. Schacht's observations are quoted in full in order that their arrogance and absurdity may be properly appreciated.

"A Defence of Dr. Schacht" has been written by one who has had exceptional opportunities of observing Nazi methods in finance and politics.

The best and most recent survey of German policy, it should be read by all who are interested in finance and politics.

THE BANKER

will be sent (post free) for 2/9 to any address in the World on application to The Publisher, 20 BISHOPSGATE, LONDON, E.C.2

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

Assets	Sept. 15, 1933	Aug. 23, 1934	Sept. 7, 1934	Sept. 15, 1934	Sept. 23, 1934
Gold and silver holdings	1,521,642	1,546,675	1,546,675	1,546,675	1,546,675
Balances abroad and foreign currencies	102,994	152,860	193,811	166,891	169,720
Discounts and advances	976,425	1,023,297	1,036,606	1,072,456	1,109,645
Advances to the Treasury	2,872,872	2,782,525	2,782,525	2,782,525	2,782,525
LIABILITIES	---	---	---	---	---
Capital paid up	500,000	500,000	500,000	500,000	500,000
Reserves	1,193,413	1,238,478	1,238,478	1,238,478	1,238,465
Bank notes in circulation	2,664,701	2,684,272	2,667,508	2,687,121	2,675,539
Sight liabilities	1,612,982	1,632,332	1,763,715	1,74,925	1,783,123
Deposits	199,230	142,547	142,547	142,547	142,507

BANK OF GREECE—In drachmae (000's omitted)

Assets	Sept. 23, 1933	Aug. 31, 1934	Sept. 7, 1934	Sept. 15, 1934	Sept. 23, 1934
Gold and gold exchange	3,316,276	3,656,019	3,802,828	3,783,164	3,839,262
State Gold Bonds	640,582	638,542	638,542	638,542	638,542
Other foreign exchange	1,839	2,819	2,488	2,465	2,020
Bills discounted	199,083	240,552	242,948	245,953	244,864
Advances	2,500,518	1,570,908	1,548,761	1,520,525	1,533,929
Debt to the State	2,714,111	2,714,111	2,714,111	2,714,111	2,714,111
LIABILITIES	---	---	---	---	---
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	5,101,711	5,421,360	5,623,726	5,726,723	5,818,400
Deposits and current accounts	4,538,383	3,279,040	3,191,861	3,103,984	3,106,253
Foreign exchange liabilities	106,446	64,707	90,339	88,638	123,196

CENTRAL BANK OF TURKEY—In L (000's omitted)

Assets	Sept. 21, 1933	Aug. 30, 1934	Sept. 7, 1934	Sept. 15, 1934	Sept. 20, 1934
Gold coin and bullion	16,332	18,814	18,868	18,910	18,966
Other coin and notes	21,611	20,546	18,339	17,259	16,135
Free foreign exchange	1,086	5,114	4,838	5,068	4,205
Treasury bonds	152,462	149,264	149,264	149,264	149,264
Bills	33,649	31,141	32,123	32,140	32,268
Securities	4,500	4,500	4,500	4,500	4,500
LIABILITIES	---	---	---	---	---
Capital	15,000	15,000	15,000	15,000	15,000
Note Issue	---	---	---	---	---
Ordinary	152,462	149,264	149,264	149,264	149,264
Supplementary	8,688	8,688	8,688	8,688	8,688
Sight liabilities	29,993	34,244	33,436	33,465	32,044

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

	Sept. 20 1933	Aug. 20, 1934	Aug. 31, 1934	Sept. 10, 1934	Sept. 20 1934
ASSETS					
Gold	473,391	492,332	492,939	493,733	494,147
Foreign exchange and bal- ances	74,908	42,941	45,558	48,299	47,647
Bills discounted	620,106	615,015	647,814	639,642	635,396
Loans against securities	96,981	68,353	65,761	62,338	54,106
Reserve fund securities	92,832	91,637	91,587	91,582	91,583
Advances to State	90,000	90,000	90,000	90,000	90,000
LIABILITIES					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	114,000	114,000	114,000	114,000	114,000
Notes in circulation	965,979	905,521	950,039	948,447	924,283
Current accounts	188,174	204,512	246,624	247,451	289,830

OVERSEAS BANK RATES

Changed From	To	Changed From	To
Albania.....	Nov. 18, 1933 8 7/8	Madrid.....	Oct. 26, 1932 6 1/2
Amsterdam.....	Sep. 18, 1933 3 1/2	Oslo.....	May 24, 1933 4 3/8
Athens.....	Oct. 14, 1933 7 1/2	Paris.....	May 31, 1934 3 1/2
Batavia.....	July 1, 1934 4 1/2	Prague.....	Jan. 25, 1933 4 1/2
Belgrade.....	July 16, 1934 7 1/2	Pretoria.....	May 15, 1933 4 3/8
Bombay.....	Sep. 22, 1932 5 1/2	Tallinn.....	Jan. 28, 1932 6 1/2
Brussels.....	Aug. 28, 1934 3 1/2	Riga.....	Jan. 1, 1933 6 1/2
Bucharest.....	Apr. 5, 1933 7 1/2	Rome.....	Dec. 11, 1933 3 1/2
Budapest.....	Oct. 17, 1933 4 1/2	Sofia.....	Jan. 3, 1934 8 1/2
Calcutta.....	Feb. 16, 1933 4 1/2	Stockholm.....	Dec. 1, 1933 3 1/2
Copenhagen.....	Dec. 1, 1933 3 1/2	Swiss Bank.....	Jan. 22, 1931 2 1/2
Danzig.....	Sep. 21, 1934 3 1/2	Tokio.....	July 2, 1933 4 3/8
Helsingfors.....	Dec. 20, 1933 5 1/2	Vienna.....	June 27, 1934 5 1/2
Kovno.....	Jan. 1, 1934 7 1/2	Warsaw.....	Oct. 26, 1933 6 1/2
Lisbon.....	Dec. 8, 1933 6 1/2	Irish.....	June 30, 1932 3 1/2
New York Fed.....	Feb. 1, 1934 2 1/2		

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.

a 3 1/2% applied to banks and credit institutions.

b 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

Call money.....	Oct. 4, 1934	Sept. 5, 1934	Sept. 12, 1934	Sept. 19, 1934	Sept. 26, 1934	Oct. 3, 1934
Time money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Bank acceptances.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Members—eligible, 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Non-members—eligible, 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Ineligible, 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Commercial accept., 90 days.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Rates of Exchange, New York on—	Par	Oct. 4, 1934	Sept. 19, 1934	Sept. 26, 1934	Oct. 3, 1934
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London.....	Old par	4-75	4-9862	4-9412	4-9112
80 days.....	4-8666	4-75	4-9862	4-9412	4-9112
Cable.....	4-8666	4-75	4-9862	4-9412	4-9112
Cheques.....	4-8666	4-75	4-9862	4-9412	4-9112
Paris.....	6-63	6-045	6-68	6-6612	6-6350
Brussels.....	23-54	21-55	23-79	23-70	23-49
Switzerland.....	32-67	29-80	33-05	32-97	32-84
Italy.....	8-91	8-11	8-685	8-66	8-63
Berlin.....	40-33	36-79	40-5	40-35	40-60
Venice.....	23-82	17-40	19-18	19-10	19-03
Madrid.....	32-67	12-92	13-85	13-81	13-75
Amsterdam.....	68-06	62-30	68-7	68-49	68-22
Copenhagen.....	21-33	22-37	22-21	22-21	22-05
Oslo.....	45-37	23-98	25-17	24-24	24-25
Stockholm.....	24-60	25-83	25-64	25-45	25-45
Athens.....	2-20	0-88	0-96	0-951	0-951
Montreal.....	109-31	98 1/2	103 1/2	103 1/2	102 1/2
Yokohama.....	84-40	28-20	29-93	29-66	28-83
Shanghai.....	61-80	35-86	37-73	37-50	37-17
Calcutta.....	11-98	33-36	33-12	32-86	32-81
Buenos Aires.....	11-98	33-36	33-12	32-86	32-81
Rio de Janeiro.....	11-98	33-36	33-12	32-86	32-81

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

London on—	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
Rhodesia.....	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa.....	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

London on—	Sight	Telegraphic
Rhodesia.....	£ 8 15 0	£ 8 15 0
South Africa.....	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia.....	Bolivianos to £	13-33	90 d/s	(a) 20-26
Colombia (Bogota).....	Pesos to £	5	Sight	(b) 18-39 1/2
Ecuador.....	Sucres to £	24-3325	"	(c) 55-12
Nicaragua.....	Colonos to £	4-8665	"	"
Salvador.....	Colonos to £	9-73	"	"
Venezuela.....	Bolivianos to £	25-2215	"	"
Guatemala.....	Quoted on New York	"	"	19-87

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate.

(b) "Free" Market Rate. (c) Official Rate.

THE ANGLO-SOUTH AMERICAN BANK, LTD., has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period 1st to 10th October at 138-64 per cent. The previous rate was fixed as from 21st September at 138-67 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

London on Australia and New Zealand	Buying	Selling	Australia and New Zealand on London*	Buying	Selling
Aus. tralia.....	126 1/2	125 1/2	Aus. tralia.....	125 1/2	124 1/2
New Zealand.....	126 1/2	125 1/2	New Zealand.....	125 1/2	124 1/2
30 days.....	126 1/2	125 1/2	30 days.....	125 1/2	124 1/2
60 days.....	126 1/2	125 1/2	60 days.....	125 1/2	124 1/2
90 days.....	126 1/2	125 1/2	90 days.....	125 1/2	124 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the week ending Sept. 29, 1934	From Apr. 1 to Sept. 29, 1934
Sterling purchased in India.....	1,486,000
Net transfer to Home Treasury:—	16,018,000
(a) From Paper Currency Reserve in England.....	—
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve.....	—
Total remittance to Home Treasury.....	1,486,000
India Office, S.W.1, Oct. 3, 1934.	13,768,000

BULLION

The following statistics of imports and exports of gold and silver for week ended October 4th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

From	Bullion*	Coit†	To	Bullion*	Coit†
Germany.....	£ 482	£	Netherlands.....	28,460	£
Belgium.....	365		France.....	2,680	121,075
France.....	21,333		Switzerland.....	179,535	31,900
Switzerland.....	27,100	5,647	Other countries.....	649	
Iraq.....	9,372				
United States.....	51,331				
Venezuela.....	5,570				
Argentina.....	7,800	4,080			
British W. Africa.....	104,701				
British S. Africa.....	1,118,137	1,500			
Tanganyika.....	5,087				
Anglo-Egyptian Sudan.....	3,315				
British Malaya.....	6,607				
Hong Kong.....	141,385				
Canada.....	333,803				
Other Br. W. Indian Islands.....	70	32			
Other countries.....	6,613	589			
Total.....	1,827,738	33,181	Total.....	211,324	157,475

IMPORTS AND EXPORTS OF SILVER

From	Bullion*	Coit†	To	Bullion*	Coit†
Germany.....	£ 293	£	Norway.....	£ 2,557	£
Netherlands.....	11,354		Denmark.....	16,320	
Belgium.....	7,182		Belgium.....	3,131	33
France.....	6,400		France.....	943	
China.....	299,862	431,252	French Possessions.....	4,000	
United States.....	6,226		in India.....	205,350	
British W. Africa.....	80		United States.....	4,953	
British S. Africa.....	32,000		S. Rhodesia.....	3,500	
New Zealand.....	14,000		Bombay, via other ports.....	1,233	966
Canada.....	1,000		Other countries.....		
Other Br. W. Indian Islands.....	4,485				
Other countries.....	1,289				
Total.....	362,304	452,319	Total.....	238,334	5,932

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	1934	WITHDRAWALS
Sept. 28.....	Nil	Sept. 28.....	Nil
" 29.....	Nil	" 29.....	Nil
Oct. 1.....	Nil	Oct. 1.....	Nil
" 2.....	Nil	" 2.....	Nil
" 3.....	Nil	" 3.....	Nil
" 4.....	Nil	" 4.....	Nil
Total.....	Nil	Total.....	Nil
Movement Sept 28, 1934, to Oct. 4, 1934 (inclusive).....	Nil		
Movement during year 1933.....	£71,094,909 in		
Movement during 1934 (January 1 to Oct. 4, inclusive).....	£1,179,358 in		
Movement April 29, 1933, to Oct. 4, 1934 (inclusive).....	£23,549,505 in		
Movement September 21, 1931 (gold standard suspended), to Oct. 4, 1934 (inclusive).....	£55,915,378 in		

GOLD

Messrs Samuel Montagu and Company write as follows on October 3, 1934:—
The Bank of England gold reserve against notes amounted to £191,886,073 on the 26th ultimo, as compared with £191,821,508 on the previous Wednesday. Owing to the appreciation of the gold currencies in relation to sterling, the sterling price of gold advanced considerably during the week, the quotation yesterday was 142s. 2 1/2d. establishing a new high record. There was a keen inquiry for the amounts offered in the open market, about £2,100,000 being absorbed by a general demand, which maintained prices at a considerable premium over the gold exchange parities.

Quotations during the week:—

	Per fine ounce of £ sterling	Equivalent value
September 27.....	141s. 4 1/2d.	12s. 0-22d.
" 28th.....	141s. 0 1/2d.	12s. 0-56d.
" 29th.....	141s. 1 1/2d.	12s. 0-47d.
October 1st.....	141s. 6d.	12s. 0-09d.
" 2nd.....	142s. 2 1/2d.	11s. 11-37d.
" 3rd.....	142s. 2 1/2d.	11s. 11-37d.
Average.....	141s. 6-92d.	12s. 0-01d.

SILVER

The market continued to show a firm tendency with a further advance in prices which, yesterday, reached 22 1/2d. for cash and 22 1/4d. for two months' delivery. The weakness of sterling has been a factor, but sellers have been reluctant, although some China selling was in evidence at the advance, which also attracted some profit-taking sales. The Indian Bazaars and speculators have been consistent buyers throughout the week.

The undertone is good, but the market may continue to be influenced to some extent by movements of the exchanges.

Quotations during the week:—

	IN LONDON	IN NEW YORK
Bar silver per oz. std. delivery.....	22 1/2d.	22 1/2d.
" 28.....	22 1/2d.	22 1/2d.
" 29.....	22 1/2d.	22 1/2d.
October 1.....	22 1/2d.	22 1/2d.
" 2.....	22 1/2d.	22 1/2d.
" 3.....	22 1/2d.	22 1/2d.
Average.....	22-469d.	22-469d.

The highest rate of exchange on New York recorded during the period from the 27th ultimo to the 3rd instant was \$4-97 1/2, and the lowest \$4-90.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Sept. 22	Sept. 15	Sept. 7
Notes in circulation.....	18,456	18,450	18,450
Silver coin and bullion in India.....	9,805	9,838	9,876
Gold coin and bullion in India.....	4,154	4,154	4,155
Securities (Indian Government).....	3,197	3,170	3,151
Securities (British Government).....	1,300	1,288	1,268

The stocks in Shanghai on the 29th ultimo consisted of about 52,700,000 ounces in sycee, 337,000,000 dollars and 32,900,000 ounces in bar silver, as compared with about 56,400,000 ounces in sycee, 339,000,000 dollars and 32,000,000 ounces in bar silver on the 22nd ultimo.

Statistics for the month of September last are appended:—

	Bar Silver per ounce std. delivery	Bar Gold per ounce fine
Highest price.....	22 1/2d.	141s. 7d.
Lowest price.....	21 1/2d.	140s. 3 1/2d.
Average.....	21-8875d.	140s. 10-04

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce	Date	Silver Cash
		Cash Forward		
1934	s. d.	d.		d.
Sept. 28.....	141 0 1/2	22 1/2	Oct. 11, 1928	26 1/2
" 29.....	141 1 1/2	22 1/2	" 9, 1929	22 1/2
Oct. 1.....	141 6 1/2	22 1/2	" 9, 1930	16 1/2
" 2.....	142 2 1/2	22 1/2	" 8, 1931	17 1/2
" 3.....	142 2 1/2	22 1/2	" 6, 1932	17 1/2
" 4.....	142 1 1/2	22 1/2	" 5, 1933	18 1/2

COMPANY NEWS

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Sept. 28, 1934	(c) Week ended Sept. 29, 1934	(d) Week ended Sept. 30, 1934	(e) Week ended Sept. 31, 1934
Miles Open	Miles Open	Miles Open	Miles Open
Passenger.....	Passenger.....	Passenger.....	Passenger.....
Merchandise.....	Merchandise.....	Merchandise.....	Merchandise.....
Coal and Coke.....	Coal and Coke.....	Coal and Coke.....	Coal and Coke.....
Other Goods.....	Other Goods.....	Other Goods.....	Other Goods.....
Total.....	Total.....	Total.....	Total.....
Great Western.....	Great Western.....	Great Western.....	Great Western.....
(c) L. & N.	(c) L. & N.	(c) L. & N.	(c) L. & N.
Eastern.....	Eastern.....	Eastern.....	Eastern.....
L. M. & Scottish.....	L. M. & Scottish.....	L. M. & Scottish.....	L. M. & Scottish.....
Southern.....	Southern.....	Southern.....	Southern.....
Total.....	Total.....	Total.....	Total.....
(b) Belfast & Co. Down.....	(b) Belfast & Co. Down.....	(b) Belfast & Co. Down.....	(b) Belfast & Co. Down.....
(b) Great Northern.....	(b) Great Northern.....	(b) Great Northern.....	(b) Great Northern.....
(b) Great Southern.....	(b) Great Southern.....	(b) Great Southern.....	(b) Great Southern.....
(b) Southern.....	(b) Southern.....	(b) Southern.....	(b) Southern.....

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:	£	£	£	£
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease*	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year, 1933:				
13 weeks to September 30, 1934	+ 144	+ 542	+ 420	+ 121
Weekly average second half 1934	+ 11 ¹ / ₃	+ 41 ¹ / ₃	+ 32 ¹ / ₃	+ 9 ¹ / ₃
Latest week 1934 compared with 1933	+ 22	+ 34	+ 78	+ 15

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash • Interim div. † Final div.			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Barsi Light Railway.....	3½%†	...	Unchanged	% 6	% 6
Taitai Railway.....	1½ p.s.†	...	Unchanged	2	2
INSURANCE					
Atlas Assurance.....	3½ p.s.	Oct. 27	Unchanged	...	...
Caledonian Insurance.....	7½ p.s.	Nov. 12	Unchanged	...	...
TEA AND RUBBER					
Bahr (Selangor) Rubber.....	1½ p.s.*	Oct. 20	Nil	...	...
Batu Tiga (Selangor) Rubber.....	2½%*	Oct. 2	Nil	...	...
Brus Rubber.....	5%*	Oct. 26	Nil	...	...
Bukit Cih Rubber.....	1½ p.s.*	Oct. 20	Nil	...	...
Eastern Produce and Estates.....	5%*	Oct. 31	Unchanged	...	...
F.M.S. Rubber.....	2½%*	Oct. 30	Nil	...	...
Galaha (Ceylon) Tea.....	2½%*	Oct. 24	Unchanged	...	...
Kamuning (Perak) Rubber.....	...	...	...	5	2½
Lubok Rubber.....	4%*	Oct. 20	Nil	...	...
Mount Vernon (Ceylon) Tea.....	5%*	Oct. 22	Unchanged	...	...
Pant Brusa (Malay) Rubber.....	5%*	Oct. 22	Nil	...	...
Patani Para Plantations.....	...	...	...	10	2½
Ragalla Tea.....	4%*	Oct. 24	5%*	...	...
Sengat Rubber.....	...	Oct. 19	...	5	Nil
Sungai Salak Rubber.....	4%*	Oct. 29	Nil	...	...
United Sui Beting Rubber.....	6½%*	Oct. 16	Nil	...	...
MINING					
Kaduna Prospectors.....	5%*	Nov. 2	Nil	...	...
Kaduna Syndicate.....	10%*	Nov. 2	Nil	...	...
Minerals Separation.....	5%*	Oct. 26	Unchanged	...	...
Siamese Tin Syndicate.....	10%*	Oct. 18	15%*	...	...
OTHER COMPANIES					
Access Investment.....	2%*	Nov. 1	Unchanged	6	6
Alliance Investment (Debt.).....	...	...	...	9	6
Anglo-Scottish Amalgamated.....	...	...	...	5	5
Associated Fire Alarms.....	...	...	...	...	...
Brick Investments.....	10	(For 15 months = 12½%)*	...	15	20
British Oxygen Co.....	4%*	Oct. 30	2½%*	...	...
British Piston Ring.....	7½%†	Oct. 30	2½%*	...	...
British Xylonite.....	2½%*	Sept. 29	Nil	...	...
Bucknall (Henry) and Sons.....	...	...	...	5	Nil
Canadian Industries (pref.).....	1½%*	Oct. 15	Unchanged	...	...
Capital and Counties Property.....	3%*	Nov. 1	...	...	...
Carpet Manufacturers.....	2½ p.s.†	...	...	3½ p.s.	2½ p.s.

Cash and Co.....	11%*	Oct. 19	11%*	...	...
Cook (James W.).....	2½%*	Oct. 1	2%	...	...
Direct Supply Aerated Water.....	...	...	...	3	3
Dublin and Wicklow Manure.....	...	...	...	3	3
Ebonite Container.....	4%*	Oct. 12	2%	...	...
Electric and Musical Industries.....	...	...	...	10	Nil
Galagher, Ltd.....	...	...	...	...	...
Gaumont British Picture Corp.....	5½%*	Oct. 23	3%	...	...
Goldworthy (Thomas) and Sons.....	4%†	...	...	7	3½
Hardywick Co.....	...	...	...	5	Nil
Henlys, Ltd.....	...	...	...	50	7½
Hodgson's Kingston Brewery.....	8%†	Oct. 25	7%	12	11
Kayser, Ellison and Co.....	...	...	...	2½	2½
Lawes Chemical Manure.....	...	...	...	...	...
Lewis's Royal Polytechnic.....	5%*	Oct. 31	Unchanged	...	...
Lucas (Joseph).....	10%†	...	...	(1)12½	25
Mid-European Corporation.....	2%†	...	2½%	3	4
Newton, Chambers and Co.....	2½%*	Oct. 15	Unchanged	...	...
Northern General Transport.....	4%*	Oct. 15	Unchanged	...	...
Norwich Electric Trams.....	1%†	Oct. 6	...	31	5
Novello and Co.....	...	...	...	10	7
Portsmouth Newspapers.....	1½ p.s.*	Oct. 3	Unchanged	...	...
Rio Negro (Argentina) Land.....	...	...	...	4	2½
Robins and Cleaver.....	3%†	...	Unchanged	6	10
Sneyd Collieries.....	7½%†	Oct. 26	Unchanged	10	10
South London Dwellings.....	2%*	...	Unchanged	...	...
Stock Exchange.....	1½ p.s.*	Nov. 2	Unchanged	...	...
Tennant Brothers.....	6%†	...	...	8½	6
Trafalgar Park Dwellings.....	...	...	...	5	5
Trafalgar Park Estates.....	...	...	...	10(w)	8
Tube Investments.....	...	...	...	...	...
United Cattle Products.....	2½%*	...	2%	...	...
United Dairies.....	7½%†	...	Unchanged	(1)12½	12½
Wallace Brothers.....	3%†	...	...	6	6
Webster (Samuel) and Sons.....	2½%*	...	Nil	...	...

† Free of income tax. (d) Paid on doubled capital.
(t) Also £224,000 from reserves. (w) Also scrip bonus of one in ten (£1 for each £10 held).

PERUVIAN GOVERNMENT 7½ PER CENT. (GUANO) LOAN, 1922.—Baring Brothers and Company, Ltd., and J. Henry Schroder and Company, announce that they have received certain funds from the Peruvian Government together with instructions to apply the amount to the payment of 50 per cent. of the nominal value of the Coupons due June 1, 1934. Such coupons may accordingly be presented to J. Henry Schroder and Company, 145 Leadenhall Street, E.C.3, and, after being marked with the amount paid, will be returned to the holders. Acceptance of such payment will in no way prejudice the rights of the holders under the terms of the General Bond.

ITALO-BELGIAN BANK (BANQUE ITALO BELGE S.A.).—It has been decided to propose at the general meeting to be held on November 29th next for the financial year 1933-34 ending on June 30th last, a dividend per share of Frs. 35 (7 per cent.), free of tax, and to maintain the amount carried forward at over Frs. 10,000,000.

SHANGHAI-NANKING RAILWAY NET-PROFIT SUB-CERTIFICATES.—The Hongkong and Shanghai Banking Corporation, the trustees under the Declaration of Trust of July 19, 1904, notify that a dividend for the year ending December 31, 1931, of 14s. 9d. per sub-certificate, less income tax, will be paid on and after October 12, 1934, at 8, Gracechurch Street, E.C.3.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE feature of the past week was the collapse in the price of wheat and other grains. At this time of year wheat prices normally tend to fall owing to increased supplies of new wheat, but the precipitous decline of last week cannot be explained by seasonal developments. In fact, it was due to a number of developments, including heavy exports of subsidised wheat at low prices by France, heavy liquidation in some of the leading wheat markets, improved crop reports from Argentina and Australia, and a relatively low level of current demand.

The markets in coffee and raw sugar were dull, and quotations showed a sagging tendency. On the other hand, the London tea auctions were characterised by keen competition among buyers at rising prices. Meat prices at Smithfield market were generally lower than a week ago, and bacon prices continued to decline. Eggs rose sharply in price, but quotations for potatoes are practically unchanged on the week.

Among industrial raw materials, copper, lead and spelter showed an appreciable decline in price, and last week's rise in the quotation for tin was not maintained. On the other hand, wolfram was slightly dearer. The market in linseed oil was dull and prices easier, partly owing to favourable crop reports from Argentina. Quotations for rubber also tended to sag, but buyers showed more interest at the lower level of prices.

Some improvement was noticeable in the market for wool during the last week of the London sales, which closed last Wednesday. According to Messrs Balme and Thomas the sales opened with a decline of from 10 to 15 per cent. in the price of all fine wools, as compared with the closing prices of the last series. But the second week witnessed a complete change in the tone of the market, and there was keen competition from Yorkshire and France at rising prices. Reports of the development of wool sales in Australia are also more favourable; this confirms the view expressed in a leading article on wool in last week's *Economist* that the boom of last winter has probably been liquidated. The market in jute was also firmer. On the other hand, raw cotton prices continued in a downward direction.

The trend of the prices of a number of commodities in the United States in the past week was sharply downwards. In view of the continued stagnation of business this is scarcely surprising. The extent of the decline is shown in the fall of Moody's index of the dollar prices of staple commodities from 156.2 (December, 1931 = 100) on August 29th to 149.7 on September 26th, and 143.5 on October 3rd. A year ago the index stood at 131.0. The fall is remarkable.

The news from the principal industrial centres in this country remains moderately encouraging. Production of coal is increasing, but South Wales has suffered from a diversion of orders to other districts owing to fears of a strike. Business in iron and steel is quite active and a further improvement is expected. There has been an appreciable increase in new business secured by the jute industry, but the demand for Lancashire goods failed to expand.

COAL

SHEFFIELD.—More active conditions have developed in all sections of the South Yorkshire coal trade, and pits are working with more regularity. Both inland and export requirements have increased, and house coal is being ordered in larger tonnages. Small coals are scarce owing to the heavy consumption at the coke ovens. A considerable number of colliers have been withdrawn from the unemployment registers since the output quota was increased a month ago. Quotations are: Best steams, 16s. 3d. to 16s. 9d.; f.o.b.; best house, 22s. to 23s. at pits; blast furnace coke, 14s. 6d. at ovens.

NEWCASTLE-ON-TYNE.—The Northumberland steam collieries continue to be in a firm position, and everything points to a brisk trade this winter for all their various grades of coal. A much greater volume of trade has been booked than a year ago, and it is now becoming difficult to obtain supplies of any description for delivery this winter. On the other side of the River, however, the Durham market is quiet, there being ample supplies of unscreened gas and coking. The prime brands of bunkers are in a slightly better position, due to an improved demand from foreign coaling stations. Coke of all descriptions remains a steady market.

Current f.o.b. prices for export:—NORTHUMBERLAND.—D.C.B., screened, 14s. 9d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin, screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. DURHAM.—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—The market has become a little easier in places, due mainly to the drying-up of German business owing to currency difficulties. Germany had previously been taking considerable tonnages of Scottish coal. Washed nuts have been chiefly affected, and most sizes of these can now be had without difficulty. Steam coals are also more plentiful, but navigation sorts, as well as the best grades of splint material, are firm in price. Taken all round, the business passing is satisfactory.

Export prices, f.o.b. district ports:—LANARKSHIRE.—Ell best, 13s. 6d. to 13s. 9d.; splint best, 16s.; splint second, 14s. to 14s. 3d.; navigation, screened, 15s.; navigation, unscreened, 13s. 3d.; Hartley, 15s.; all per ton f.o.b. Glasgow; steam, 12s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 13s.; singles, 13s. to 13s. 6d.; pearls, 12s. to 12s. 6d.; dross, 10s.; all per ton f.o.b. Grangemouth. FIFE.—Best unscreened navigation, 13s. 6d.; unscreened navigation, 13s. to 13s. 3d.; first-class steam, 13s. 6d. to 14s.; third-class steam, 12s. 3d.; trebles, 14s. to 16s.; doubles, 12s. to 12s. 6d.; singles, 12s. 6d.; pearls, 11s. to 11s. 6d.; all per ton f.o.b. Burntisland or Methil. LOTHIAN.—Prime steam, 12s. 6d. to 13s.; secondary steam, 11s. 6d. to 11s. 9d.; unscreened navigation, 12s. 9d.; trebles, 14s.; doubles, 12s. to 12s. 3d.; singles, 12s. to 12s. 6d.; pearls, 11s. to 11s. 6d.; all per ton f.o.b. Leith. Ayrshire.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 12s. to 12s. 6d.; trebles, 15s.; doubles, 13s.; singles, 12s. 9d.; pearls, 11s. 6d. to 12s.; dross, 10s.; all per ton f.o.b. Ayr or Troon.

CARDIFF.—The intervention of the Secretary for Mines in the South Wales coal dispute led to a provisional settlement, and as the terms accepted by the representatives of the two sides have since been ratified by a delegate conference of the miners and by the South Wales Coalowners' Association, there has been no interruption of work in the coalfield. The main points in dispute have been referred to a tribunal of three independent persons to be appointed by the Minister of Labour and the Secretary for Mines, after consultation with the owners' and the miners' leaders. The fear of a stoppage, however, accelerated contract deliveries last month, and possibly also diverted orders to other sources of supply, and so severe has been the reaction that a number of pits have already been compelled to suspend operations owing to the slump in demand; it is feared that the number will increase before the end of the week. Exports from the South Wales ports in September totalled 1,373,395 tons, compared with 1,258,916 tons in August, but the increase compared with the corresponding month last year was only just over 5,000 tons.

Prices have shown no change this week, and with few exceptions have ruled at the minimum schedule figures. Current approximate quotations:—Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams, 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s. 6d.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rully culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s. 1d.; pitwood, ex ship, 22s. 7½d. (French); 19s. 3d. to 19s. 6d. (Portuguese).

IRON AND STEEL

MIDDLESBROUGH.—The tone of the market continues good, although actual transactions are few, most consumers having covered their requirements for some little time ahead. Production is, however, readily disposed of, and it is expected that another blast furnace for the production of basic iron will be put into operation in this district very shortly. Prices of both Cleveland foundry pig iron and East Coast hematite remain unchanged.

Shipments of pig iron from the Tees during September amounted to 12,331 tons, of which, however, only 2,884 tons went abroad. Denmark was the best foreign customer. Since the beginning of October, shipments have been made of over 900 tons of foundry pig iron to Scotland and a parcel of 650 tons of hematite to Italy. Export sales are, however, difficult owing to exchange restrictions and quota schemes abroad.

Blast furnace coke continues at 20s. per ton delivered at the furnaces, whilst foreign ore for prompt delivery is based on 17s. per ton c.i.f. Tees for best Bilbao rubio.

Steel makers were able to effect good shipments during September, the total quantity of manufactured steel shipped from the Tees being 38,809 tons, of which 24,715 tons went abroad. Some parcels have been shipped to Argentina, Canada, China, Russia, and other destinations. The demand for semis is inclined to improve, but shipbuilding demand remains quiet. Prices are all unchanged.

Heavy steel melting scrap is in good supply, but makers are not prepared to offer more than 50s. per ton delivered at the works.

SHEFFIELD.—The open-hearth basic steel furnaces are still working to capacity and booking fresh business regularly. The outlook for this branch is distinctly good. The increase in the use of steel in place of wood in building and ship construction is benefiting steel makers. While demand for some classes of stainless steel has eased, the mills cannot produce sheets and strip of that material sufficient to satisfy current requirements. Demand for best tool steels is less active. Suppliers of ferro-alloys report a poor demand for several materials, notably tungsten. It is reported that Russia has been buying British-made tungsten in large quantities this year for use in her tool steel factories.

The local unemployment figures continue favourable compared with a year ago, as regards the iron and steel and engineering branches. New machinery is still being installed in the city. Overseas trade tends to expand, but the pace is slow; the improvement is mainly with Empire markets. Not much business has been placed in Sheffield by Russia this year. Prices of steel materials continue steady. The tool and machine knife branches are

extremely busy. Apart from scissors and razor blades, trade in cutlery is quieter than twelve months ago. The same remark applies to silver and electro-plated ware.

GLASGOW.—In practically all branches of the iron and steel trades in the West of Scotland business continues to expand and the number of workers in regular employment shows an increase. Steel-making plants continue to operate to full capacity and the tonnage on hand is still quite considerable. Shipbuilding specifications are not coming in freely just now, but structural material, although not involving the same heavy tonnages, is in better demand than for some little time. There have been further bookings of thin black sheets for Japan and the local sheet rolling mills are likely to have all mills at present in operation fully occupied for a number of weeks. There is some expectation that it may be possible to find employment for mills which have been idle for some months. In addition to these Japanese sheets, bookings for other markets show some advance and the home business, both in ordinary and high grade qualities, is very satisfactory. Tube makers are also working almost to output capacity and have some weeks' work assured. In the manufacturing and engineering branches, new business is fairly plentiful and many shops are exceedingly busy. It is announced this week that the Blythswood Shipbuilding Co., Ltd., of Scotstoun, have secured the contract for a turbine steamer from Manchester Liners, Ltd. The machinery will be supplied by the Glasgow firm of David Rowan and Company.

CARDIFF.—On the Swansea Metal Exchange on Tuesday there was an improved inquiry for tinplates and prices were firm at 18s. 2d. per ton f.o.b. for export. Galvanised sheets were quiet but steady at £11 5s. per ton, while steel sheet and tinplate bars were unchanged at £5 7s. 6d. less the usual 5s. rebate. Shipments of tinplates at Swansea last week totalled 98,306 boxes, compared with 101,862 the previous week, but owing to smaller arrivals from works, stocks were nearly 9,000 boxes lower at 79,610. In the corresponding week last year stocks totalled 108,371 boxes.

OTHER METALS

The tone of the metal markets was again unsatisfactory this week, copper, lead and spelter all declining to new low levels. This weakness makes operators more and more nervous and no stimulus sufficiently strong to counteract this tendency is at present in sight. It is hoped that the latest slump in copper will favour the American endeavours to bring about a new copper conference, but up till the middle of this week the Rhodesians had apparently received no official information on the subject. The prospects of a conference being held in the immediate future do not, therefore, appear to be very good. Primary producers in the United States have abandoned the market to the "Customs smelters" until October 15th—a step which will do something to improve the market position, since it will diminish the selling pressure from that country. But since only the blue eagle copper produced by the "Customs smelters" is saleable in the United States, sales of non-blue eagle copper on the European market will not be diminished. Hence, the export price of American copper continues to fall, and reached a new low record of 6.55 cents per lb. this week—the domestic price being unchanged at 9 cents per lb. For the last quarter of the year Germany has introduced new consumption quotas, which amount to only 50 per cent. of the consumption during the first three months of 1934.

The tin market exhibited no new features this week; supplies are good, but purchases are still very restricted. Since October 1st, production quotas have been reduced from 50 per cent. to 40 per cent. of the standard tonnage, but since the last quota allotments have not been fully absorbed, this reduction will be less serious for the market than might at first sight be supposed. According to A. Strauss and Company, whose statistics have just been published, visible supplies declined during September by 96 tons to 15,177 tons. Since the carry-over in the Straits showed a reduction of 700 tons, total visible supplies were reduced by 796 tons to 16,919 tons, as against 34,329 and 56,297 tons, respectively, at the corresponding date in 1933 and 1932. Deliveries during September amounted to 6,648 tons, or 651 tons less than in

BARCLAYS BANK

LIMITED

HEAD OFFICE: 54, Lombard St., London, E.C.3
and over 2,080 Branches in England and Wales

TRUSTEE DEPARTMENT

CHIEF OFFICE: 37, King William St., London, E.C.4

The Bank has power to act as EXECUTOR and TRUSTEE under Wills and Settlements, and as Trustee for Debenture Holders. A Pamphlet stating terms and conditions for transacting business may be obtained from the Manager of the Trustee Department, or from the Manager of any Branch of the Bank.

AGENTS IN CANADA:
BARCLAYS TRUST COMPANY OF CANADA
MONTREAL

the previous month. This is the lowest level of deliveries since the short month of February—a disappointing development after such a long period of restricted purchases.

Prices of lead and spelter showed a further fall, but there are no new developments to report. The International Zinc Cartel has denied the rumours regarding difficulties between its members, but the report of Georg von Giesches' Erben—the big German lead and spelter producers—speaks of the failure of the Cartel's policy.

TIN.—Sales on the London Metal Exchange: 250 tons on Monday, against 220 tons last week; 450 tons on Tuesday, against 260 tons last week; 275 tons on Wednesday, against 100 tons last week. The New York quotation on Wednesday was 50.87½ cents per lb., against 51.60 cents a week ago and 51.45 cents a month ago. Wednesday's official closing quotation in London for standard cash was £231 5s. to £231 10s., compared with £232 17s. 6d. last week. Stocks in London and Liverpool at the end of last week were 3,870 tons, an increase of 189 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,100 tons on Monday, against 1,200 tons last week; 1,050 tons on Tuesday, against 400 tons last week; 2,300 tons on Wednesday, against 1,100 tons last week. Domestic spot was quoted at 6.50 cents per lb. in New York on Wednesday, against 6.65 cents a week ago and 6.82½ cents a month ago. Wednesday's official closing price for standard cash in London was £26 6s. 3d. to £26 7s. 6d., compared with £27 10s. to £27 8s. 9d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 32,537 tons, show an increase of 1,196 tons, and stocks of rough copper, at 7,003 tons, a decrease of 39 tons.

LEAD.—Sales on the London Metal Exchange: 150 tons on Monday, against 300 tons last week; 750 tons on Tuesday, against 800 tons last week; 450 tons on Wednesday, against 50 tons last week. The New York quotation on Wednesday was 3.60 cents per lb., against 3.60 cents a week ago and 3.75 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 2s. 6d. for shipment during the current month, compared with £10 12s. 6d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 750 tons on Monday, against 300 tons last week; 350 tons on Tuesday, against 125 tons last week; 500 tons on Wednesday, against 250 tons last week. Wednesday's quotation in East St. Louis was 3.87½ cents per lb., against 3.95 cents the week before, and 4.20 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 16s. 3d., for shipment during the current month, against £12 10s. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs., as against £11 10s. to £11 12s. 6d. per flask of 76 lbs. last week. Foreign antimony was quoted at £39 10s. to £40 per ton, as against £38 10s. to £39 per ton last week. Chinese wolfram was quoted at 42s. 6d. to 43s. 6d. per unit, c.i.f., as against 42s. to 43s. per unit c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. — Although the movement has not been very pronounced, the tendency of raw cotton prices has again been easier, most of the news from the United States being of a bearish character. It is anticipated that the Washington Government, in its crop report on Monday next, will increase the September estimate of the growth, and many traders believe that the ultimate crop will be around 10,000,000 bales. Exports from America and deliveries to world spinners remain small. On the other hand, there continues an active demand for outside growths, especially Brazilian and East Indian descriptions.

A fair inquiry has been experienced in piece-goods for abroad, but customers continue to send very poor offers, and progress on the part of manufacturers has been slow. Not more than a miscellaneous business has been done for India, chiefly in light whites and fancies. Some advices from China have been slightly better, and more contracts have been arranged in dyed goods for Hong Kong and Singapore. Necessary buying has taken place in printing and finishing styles for South America and the Dominions, but very little has been done for Egypt and the Continent. In certain quarters there has been a little more activity in home trade goods. The outlook for spinners of yarn does not improve. Users of American and Egyptian counts have continued their policy of purchasing from hand to mouth, but some special contracts have been arranged in fine Egyptian qualities for thread manufacturing.

COTTON PRICES

	1934				Corresponding Date	
	Sept. 12	Sept. 19	Sept. 26	Oct. 3	1932	1933
Raw Cotton—Mid. American	d. 7-15	d. 7-02	d. 7-01	d. 6-90	d. 5-86	d. 5-44
Sakellaris Fully Good Fair	d. 8-51	d. 8-12	d. 8-41	d. 8-14	d. 8-35	d. 7-25
Yarns—32's twist	d. 10½	d. 10½	d. 10½	d. 10½	d. 10	d. 9½
" 40's twist	d. 10½	d. 10½	d. 10½	d. 10½	d. 10½	d. 9½
" 60's twist (Egyptian)	d. 16½	d. 16½	d. 16½	d. 16½	d. 16	d. 16½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 19 6	s. d. 19 4	s. d. 19 4	s. d. 19 4	s. d. 19 6	s. d. 18 6
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	d. 24 6	d. 24 4	d. 24 4	d. 24 4	d. 21 9	d. 20 9
38-in. ditto, 58 yds., 18 by 18, 32's and 40's	d. 11 3	d. 11 2	d. 11 2	d. 11 2	d. 11 4	d. 10 5
39-in. ditto, 37½ yds., 16 by 15, 32's and 40's	d. 10 1	d. 10 1	d. 10 1	d. 10 1	d. 10 2	d. 9 3

COTTON YARN PRICE AGREEMENTS.—The movement towards price-fixing schemes in the spinning section of the Lancashire cotton industry is making further progress. Spinners of fine American mule and ring yarns have decided to recommend all firms to enter into a legal agreement binding themselves not to sell their products at less than fixed prices. A voluntary agreement has been in force in this section for nearly twelve months and has, on the whole, been adhered to. If this scheme is carried through it will be the fourth legal agreement arranged. In the meantime, there is increasing interest in the scheme of the Master Spinners' Federation for the reorganisation of the spinning industry, and it is understood that the details will be available some time next week. In the meantime, spinners and manufacturers are striving to make their production and selling departments more efficient.

JUTE.—Dundee. — A big improvement has taken place in the volume of business done in jute yarns and cloth in Dundee in recent days, and both spinners and manufacturers have been able to obtain advances on their prices. Notwithstanding the fluctuations in raw jute prices, buyers of yarns and cloth have purchased freely, placing producers in a very comfortable position for several months ahead. The obtaining of reasonably early delivery is now difficult, and where this can be assured, buyers are required to pay a premium. The improvement is welcomed in view of the depressing period through which the jute industry has had to pass for many months. Sellers of raw jute are showing some reserve, but they find it difficult to raise prices, though the Government of Bengal has stated that they will give every assistance to restrict the cultivation of raw jute next season, in the hope that growers will receive better prices. The Indian Jute Mills' Association has asked its members to support the market to keep up prices, and when they entered the market recently for a quarter of a million bales, there was a decided advance in quotations. When their support was withdrawn, however, practically all the advance was lost, and Daisee assortment has been sold this week at £13 13s. 9d. for full group to £13 17s. 6d. for Shiva, with four's at £13, Tossa assortment at £14 12s. 6d. and four's at £14, October-November. Good First Marks are obtainable at from £16 12s. 6d., and Lightnings at £15 15s., with Hearts at £14 10s., October-November.

Hessian yarns in particular have experienced a good sale, and the price of common 8 lb. cops has risen from 1s. 8d. to 1s. 9d. in a short time, with 8 lb. spools at 1s. 10d. Spinners are busy, and unable to give delivery for a few weeks ahead. Twist is steady at 3½d. for 3-ply 8 lb., sacking yarns at 2½d. for 24-lb. weft and 3d. for 8-lb. chains. Rove at £17 for 48 lb. and £14 for 200 lb., while the Rio yarns are of some little interest at unchanged rates, and carpet descriptions are firm at 2½d. for 14 lb. warp. All widths and weights of hessians have participated in the improvement of business, and linoleum hessians, which have for so long been dormant, have come in for much attention. Prices are firmer all round at 2½d. for 10½ oz. 40 in. and 2½d. for 8 oz. Calcutta goods have shown little change. Stocks of hessians at the end of September were reduced by 21½ million yards to 90,370,000 yards and those of sackings by 15½ million yards to 93,500,000 yards, compared with the end of August.

GRAIN MARKETS

WHEAT.—The decline in wheat prices, which has been in evidence since the middle of August, was accentuated this week, culminating in a sharp fall in quotations on Wednesday. December futures on the Chicago market were about 8 cents lower than a week ago, the slump in London and Liverpool being of even greater proportions. This depression of prices is to some extent seasonal, since new supplies are coming on to the market at this time of the year, but certain special factors were also operative. Crop reports from Argentina continue to be good and exports from that country have been on a large scale recently. Subsidised exports from France are exerting a depressing effect on prices while the demand from the importing countries of Europe is somewhat restricted. The Australian crop promises to be rather larger than was recently supposed.

According to Mr G. Broomhall, total shipments during the past week were 1,358,000 quarters, against 1,180,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 95½ cents per bushel, against 103½ cents the week before and 104½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 32s. 6d. per 496 lbs., against 34s. 3d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 30s. 9d., against 32s. 9d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 27s. 6d. to 29s., against 29s. to 30s. 3d. a week ago.

FLOUR.—North American shipments were 106,000 sacks in the past week, as compared with 136,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 25s. per 280 lbs., against 25s. 6d. last week; delivered London, 24s., as compared with 24s. 6d. a week ago. Manitoba patents, ex store, 24s. 9d. to 26s. 3d., against 25s. to 27s.; Australian, ex store, 20s. 6d. to 21s., against 20s. 6d. to 21s. 6d.

BARLEY.—Imported feeding barley continues to weaken in price, demand in this country and on the Continent being poor. Quotations for the medium and lower grades of English barley have also shown an easier tendency, although prices of first quality have generally been maintained. "October" futures were 48½ cents per bushel in Winnipeg on Wednesday, against 55½ cents last week and 61½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 448 lbs., 32s. to 55s., against 35s. to 55s. a week before.

OATS.—Home-grown oats continue to meet a fair trade and the tone of the market has been steady. Little interest is, however, being taken in imported varieties, while prices in Chicago have been marked down this week. On Wednesday, "December" futures were quoted at 47 cents per bushel in Chicago, against 52½ cents a week ago, and 53 cents last month. Quotations in London, Wednesday: "River Plate," landed, 21s. 6d. per 320 lbs., against 21s. 9d. a week ago; "Chilean White," landed, 23s. 6d. against 23s. 6d. a week earlier.

MAIZE.—After an upward spurt at the end of last week, quotations for maize subsequently reacted, the low estimates for the remaining surplus not being confirmed. Wednesday's prices were rather lower than those of the previous week. "December" futures were quoted on Wednesday at 73½ cents per bushel in Chicago, against 78½ cents a week ago and 79½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 23s. per 480 lbs., compared with 23s. 6d. last week; "Plate," ex ship, 22s., as against 22s. 6d.; "Plate," "September," 22s. 6d., as against 23s. 3d. Yellow maize meal, ex wharf, was quoted £6 5s. to £6 7s. 6d. per ton, against £6 7s. 6d. to £6 12s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to September 29	Cwts. 59,230	Cwts. 188,043	Cwts. 450,462	Cwts. 648,646
5 weeks to September 29	219,233	530,003	1,999,700	2,610,347
Average price of English wheat per cwt.	s. d. 4 6	s. d. 5 8	s. d. 4 11	s. d. 5 2

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933:—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Sept. 22, 1934	Cwts. 596,600	Cwts. 294,021	Cwts. 76,372	s. d. 5 1	s. d. 10 0	s. d. 6 8
Sept. 29, 1934	648,646	354,189	72,248	5 2	9 10	6 8
Sept. 27, 1930	157,614	188,550	48,269	7 2	8 7	6 0
Sept. 26, 1931	59,230	223,719	35,024	4 6	9 5	5 7
Oct. 1, 1932	290,494	324,483	70,617	5 7	9 1	6 5
Sept. 30, 1933	450,462	424,149	62,056	4 11	10 6	5 5

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Oct. 4, 1933	Jan. 3, 1934	Sept. 26, 1934	Oct. 3, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	61½	65½	81½	74½
Chicago (No. 2 Winter)	55½	46½	90½	84½	104½	95½

The visible supply of wheat in Canada, at 110,986,000 bushels, shows an increase of 6,986,000 bushels. Supplies a year ago stood at 106,393,000 bushels.

OTHER FOODS

SUGAR.—The market in raw sugar was quiet during the past week and quotations tended to sag. Last week's advance in the price of British refined sugar was maintained. The spot price of raw sugar in New York on Wednesday was 3.00 cents per lb., as compared with 2.90 cents per lb. last week and 2.86 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 4s. 4½d. to 4s. 5½d., against 4s. 5d. to 4s. 5½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	50	1,010	1,458	1,242	26,901	25,773
Liverpool ...	5,629	10,077	14,960	13,356	97,752	95,506
Total tons....	5,679	11,087	16,418	14,598	124,653	121,279
Last week ...	4,238	15,638	17,167	15,046	135,392	124,790

COFFEE.—The New York coffee market has been dull and prices showed an easier tendency. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. At Tuesday's auctions in London, demand was restricted to Kenya varieties. Last week's movements of coffee in London were as follows: Brazilian, landed, 3 bags; delivered, for home consumption, 560 bags; exported, 253 bags; stocks, 27,048 bags, against 27,090 bags a year ago. Central American, landed, 193 packages; delivered, for home consumption, 1,332 packages; exported, 1,234 packages; stocks, 91,077 packages, against 85,157 packages last year. Other kinds: Landed, 251 packages; delivered, for home consumption, 2,221 packages; exported, 480 packages; stocks, 86,074 packages, against 84,568 last year.

OVER ONE HUNDRED YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
 INSURANCE COMPANY
ASSETS - EXCEED - £16,000,000
FIRE LIFE ACCIDENT MARINE
 Edinburgh: 35 St. Andrew Square
 London: 5 Walbrook, E.C.4, and 4, St. James's Street, S.W.1

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 5 cents per lb. on the corresponding day last week and 5½ cents per lb. a month ago. The London quotation for Accra, "October-December," was 19s. 6d. per 50 kilos, c.i.f. Continent, as against 20s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 1,398 bags; delivered, for home consumption, 10,816 bags; exported, 2,491 bags; stocks, 205,277 bags, against 148,604 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 50,883 packages of Indian and 22,015 packages of Ceylon tea. Last week's improvement in the market for tea was maintained. Competition among buyers was again keen and prices realised were generally higher than a week ago. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.					
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land
Sept. 28, 1933	15-55	12-71	16-84	9-73	9-72	10-36
Aug. 20, 1934	13-66	11-65	12-45	9-70	9-48	11-41
Sept. 6, "	13-12	11-38	12-40	9-43	9-26	10-95
Sept. 13, "	13-09	10-37	12-16	9-29	8-77	10-65
Sept. 20, "	12-25	10-67	12-01	9-30	8-70	10-26
Sept. 27, "	12-95	11-17	12-70	9-85	9-38	11-06

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 8s. 1½d. per cwt., shows a fall of 1½d. on the week. Movements in London during the past week were as follows: Landed, 797 tons; delivered, 79 tons; stocks, 3,914 tons, against 5,567 tons a year ago.

POTATOES.—The market in potatoes was moderately active, but demand and supplies balanced at about last week's level. At the London Borough Market on Tuesday new crop "King Edward" sold at 6s. to 6s. 6d. per cwt., as compared with 6s. to 6s. 6d. per cwt. last week.

SPICES.—"Black Singapore" was quoted at 5½d. per lb. on Wednesday, against 5½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 4 tons; delivered, 12 tons; stocks, 288 tons, against 333 tons a year ago. White, landed, 770 tons; delivered, 76 tons; stocks, 8,000 tons, against 1,260 tons a year ago.

MEAT.—The past week witnessed a moderate decline in meat prices at Smithfield Market. Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. 8d. to 4s. 2d. per 8 lbs., as compared with 3s. 10d. to 4s. 2d. last week. New Zealand frozen mutton was 3s. 4d. to 3s. 10d. per 8 lbs., against 3s. 4d. to 3s. 10d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,068 tons, against 8,815 tons in the corresponding week last year. Imported beef, principally Argentine, formed 83.2 per cent. of the beef supplies, against 81.7 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 73.1 per cent. of the total supply of mutton and lamb, against 65.5 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Quiet and somewhat variable conditions prevail with only a small business passing. Linseed is again easy, and in meagre demand by crushers, both here and on the Continent. Plate is more or less neglected, but is lower for shipment, current quotations for October being £10 2s. 6d. per ton. So far, there is little interest in new crop, which is quoted at £9 10s. per ton, January-February. Some business is reported in Bombay linseed on passage, for which £11 10s. has been paid, while Calcutta to London is quiet at £11 7s. 6d., October-November. Crop reports from Argentina continue on the whole favourable. The quantity of linseed now afloat for Europe is 117,700 tons (including 18,100 tons from India) or 9,000 tons more than last week; and for the United States and Canada 40,300 tons, against 66,300 tons a year ago. Egyptian cottonseed is more active, and a fair trade has been done at £4 17s. 6d. to £5 for shipment.

Trade in vegetable oils is slow. Linseed oil is again easier, with raw oil ex Hull mill quoted £18 10s. for October-December delivery, and £18 15s., January-April, per ton naked. Cotton oil is steadier. Egyptian crude, ex Hull, has advanced to £14 10s., and refined (technical and edible) to £16. There has been some little movement in other seed oils. Oilcakes are in slightly better request, and quotations are steady. Linseed cakes, ex mill, have been reduced 5s. per ton.

THE LONDON FUR AUCTIONS.—The autumn series of London fur sales was opened last Wednesday, with the auctions of the Hudson's Bay Company. On the first day offers amounted to 28,997 beaver skins, 616,916 musquash and 5,175 other skins. The market tendency was weak, on account of restricted demand.

and beaver skins sold at prices which were as much as 50 per cent. below the level of last April and May. Even so, only about half the offers found purchasers. Musquashes met a better trade, prices showing a reduction of only some 5 per cent., and almost the whole supply being disposed of. Only the cheaper varieties of other skins found a market. Buyers of cross-fox skins were not keen bidders and it is noteworthy that no representative from Leipzig was present. A large part of the supplies on offer was not disposed of and prices were 25 to 35 per cent. lower than in the Spring.

This weak opening was not surprising in view of the disappointing tendency in the open market during the past few weeks. Winter business normally begins at the end of July, but this year, political uncertainties, exchange restrictions, and the like, in the chief purchasing countries have prevented any seasonal improvement

in business. Prices of furs during the next few months will be largely influenced by the level of quotations during the current London auctions.

RUBBER.—Rubber prices tended to sag during the past week, partly owing to the weakness of commodity markets in the United States, but buyers showed more interest at the lower level of prices. In New York, Wednesday's spot price for rubber, at 14½ cents per lb., compared with 14½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 7½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7¾d. for January-March, 1935, as against 7½d. to 7¾d. a week ago. Stocks in London and Liverpool at the end of last week, at 113,507 tons, show an increase of 555 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES UNITED KINGDOM

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

LONDON October 3rd				POTATOES—				WOOL—				Dry and Dried Salts Cape...			
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.				Market Hides, Manch'tr—			
GRAIN, &c.—				per cwt.				" Lincoln hog, washed				Best heavy ox and heifer			
Wheat—				s. d. s. d.				Queensland, scd. super cmbg.				Best cow			
No. 2, N. Man. 49b lb.				6 0 6 6				N.S.W. greasy, super cmbg.				Best calf			
Eng. Gaz. av., per cwt.				0 5 1 0				N.Z., gray, half-bred 50-56				Crossbred 40-44			
Barley, Eng. Gaz. av.				9 10				Tops				Merinos 70's			
Oats				6 8				64's				Crossbred 48's			
Maize, La Plata, landed,				23 0				46's				Bengal gd. red.-vio. to			
480 lb.				22 9				SUGAR—				fine—			
Flour, Lon. stan. ex mill,				8 1½				(Duty, 11/8 per cwt.)				Sole Bends 8/12 lb.—			
280 lb.				12 6				Centrifugals, 90%, prpt.				per lb.			
Rice, No. 2 Burma, per cwt.				s. d. s. d.				shipm., c.i.f. U.K./Cont.				Bark Tanned Sole			
Tapioca, per cwt.—				10 10				B.W.I., crystallised				Shoulders fm DS Hides			
Fair Flake, Singapore.				12 6				Java, white, c. & f. India				Do. Eng. or WS do.			
MEAT—				s. d. s. d.				Aug.-Sept.				Do. Eng. or WS do.			
Beef, per 8 lbs.—				3 6 4 8				Ceylon—per lb.—				Dressing Hides			
English long sides				3 8 4 2				Pekoe				Ro. Eng. Calif, 20/30 lb.			
Argentine chilled hinds				5 4 6 0				Broken Pekoe				Aust. Bends			
Mutton, per 8 lbs.—				3 4 3 10				Orange Pekoe				per ton			
English wethers				4 4 5 2				Broken Orange Pekoe				La Plata, p. ton,			
N.Z. frozen				5 4 6 4				Ceylon—per lb.—				Oct.-Nov.			
Lamb, per 8 lbs.—				4 4 5 2				Pekoe				Calcutta—per ton			
N.Z. frozen				5 4 6 4				Broken Pekoe				Turpentine, per cwt.			
Pork, English, per 8 lbs.				4 4 5 2				Orange Pekoe				Motor spirit, No. 1, Lon-			
OTHER FOODS				s. d. s. d.				Broken Orange Pekoe				don			
BACON—				s. d. s. d.				Ceylon—per lb.—				Petroleum, Amer. rfd.			
English—per cwt.				88 0 90 0				Pekoe				brl. London—per gal.			
Irish				84 0 92 6				Broken Pekoe				Fuel oil, in bulk, for			
Danish				86 0 88 0				Orange Pekoe				contracts, ex instal,			
Dutch				81 0 82 0				Broken Orange Pekoe				Thames—			
HAMS—				s. d. s. d.				Ceylon—per lb.—				Furnace—per gall.			
Canadian				94 0 96 0				Pekoe				Diesel—per gall.			
American				84 0 90 0				Broken Pekoe				American—per ton			
BUTTER—				s. d. s. d.				Orange Pekoe				RUBBER—			
Australian				67 0 69 0				Broken Orange Pekoe				St. ribbed smoked sheet			
New Zealand				68 0 70 0				Ceylon—per lb.—				per lb.			
Danish				107 0 108 0				Pekoe				Fine Hard Para			
CHEESE—				s. d. s. d.				Broken Pekoe				per lb.			
Canadian—per cwt.				50 0 52 0				Orange Pekoe				SHELLAC—			
New Zealand				48 0 49 0				Broken Orange Pekoe				TN Orange—per cwt.			
English Cheddars				82 0 83 0				Ceylon—per lb.—				SHELLS—			
Dutch				52 0 53 0				Pekoe				W. Aust. M.-o.-P.			
COCOA—				s. d. s. d.				Broken Pekoe				TALLOW—			
(Duty, British grown,				s. d. s. d.				Orange Pekoe				London Town—per cwt.			
11/8; foreign, 14/-cwt.)				20 0 20 6				Broken Orange Pekoe				TIMBER—			
Accra, f.f. per cwt.				38 0 46 0				Ceylon—per lb.—				Swedish u/s 3 x 8—per std.			
Grenada				30 0 34 0				Pekoe				2 x 7—per std.			
COFFEE—				s. d. s. d.				Orange Pekoe				Pitchpine—per load			
(Duty, British grown,				48 0 50 0				Broken Pekoe				Rio Dais—per std.			
4/8; foreign, 14/-cwt.)				58 0 60 0				Orange Pekoe				Teak—per load			
Santos suptr. c. & f. cwt.				70 0 70 0				Ceylon—per lb.—				Honduras Mahg. logs—c. ft.			
Colombian, good				60 0 68 0				Pekoe				African—per cwt.			
Costa Rica, med. to good				55 0 68 0				Broken Pekoe				Ash—per cwt.			
East Indian				14 6 15 6				Orange Pekoe				English Oak Planks			
Kenya, medium				21 0 32 0				Ceylon—per lb.—				" Ash			
EGGS—				7 0 10 0				Pekoe				" Ash			
English—per 120				14 6 15 6				Orange Pekoe				" Ash			
Danish				12 3 12 9				Broken Pekoe				" Ash			
FRUIT—Orange				s. d. s. d.				Orange Pekoe				" Ash			
South African—boxes				10 0 15 0				Broken Orange Pekoe				" Ash			
Lemons, Walaga—cases				18 0 24 0				Ceylon—per lb.—				" Ash			
" Naples—cases				21 0 32 0				Pekoe				" Ash			
Apples: Amer. boxes				7 0 10 0				Orange Pekoe				" Ash			
(var.) boxes				10 0 15 0				Broken Orange Pekoe				" Ash			
" Australian				10 0 15 0				Ceylon—per lb.—				" Ash			
Onions—				s. d. s. d.				Orange Pekoe				" Ash			
Valencia, case				7 6 8 6				Broken Pekoe				" Ash			
Egyptian, bags				5 5 10 0				Orange Pekoe				" Ash			
Grapes: Lisbon, 1½ crates				8 0 21 0				Ceylon—per lb.—				" Ash			
Almeria " bris.				8 0 21 0				Pekoe				" Ash			
LARD—				s. d. s. d.				Orange Pekoe				" Ash			
Irish bladders per cwt.				46 0 52 0				Broken Pekoe				" Ash			
U.S. 56 lbs. boxes				42 0 43 9				Orange Pekoe				" Ash			

himself, how his feelings towards M. Barthou have changed from exasperation and dismay to respect and even affection during the months that have passed since the French National Government took office. M. Barthou may have had a sharp tongue and a rough hand, but he has proved himself a constructive statesman. The entry of Russia into the League and the growing accord between France and Italy are both his handiwork, as far as they are not the unintentional outcome of the bull-in-the-china-shop foreign policy of Japan and Germany. Can M. Doumergue find another elder statesman to replace his murdered Foreign Minister? And if he cannot, can he prevent a disruption of his Ministry through a scramble for M. Barthou's portfolio between the partisans of M. Herriot and those of M. Tardieu?

The possibilities of political dislocation in Yugoslavia are more difficult to gauge, but manifestly still graver. There is wisdom in the late King's choice of regents who are to govern for the child who now succeeds to the throne. The regency triumvirate consists of Prince Paul and two other civilian members, both of whom are Croats. It is thus free from any association with the post-war Serb military hegemony over the Croats and the Slovenes. This is a Regency which may be willing to give the non-Serb Yugoslavs equal rights with the Serbs—as was, in fact, the ultimate aim of King Alexander himself. And it is reassuring that there has been no immediate insurrection in the Croat and Slovene provinces. At the same time, the internal situation in Yugoslavia is bound to be dangerous owing to the sudden release of the sectional forces that had been impartially repressed by King Alexander's royal dictatorship. The justification for the dictatorship was that the previous parliamentary regime meant, in practice, a Serbian hegemony which was maintained by military force and which was rapidly creating a deadly feud between Serbs and Croats. In Alexander's view—and he had the facts of experience on his side—the parliamentary regime was incapable of overcoming tribal antipathies and welding the old tribes into a new nation. In his mind, a temporary dictatorship was the indispensable crucible for this necessary political alchemy.

But now the crucible has been shattered before the operation is complete; and we are left wondering how these discordant Yugoslav elements—Serb and Croat and Slovene—are going to behave now that they are again at large. One serious danger is that the Serbian corps of officers, foreseeing that the Regency's policy towards the Croats and Slovenes will be conciliatory, may carry out a military *coup d'état* at Belgrade in order to restore a Serb hegemony based on force. That might mean, in the first place, civil war in Yugoslavia, with all the consequent temptations for foreign Powers to intervene. On the other hand, the Serb militarists might prove to be too strong to make it feasible for the Croats to take up arms; and, in that event, they might try to divert Croat minds from their sullen resentment against the Serb yoke by deliberately launching some foreign military adventure.

It is disturbing to learn that the press of Belgrade and Zagreb has been making the preposterous, and criminally provocative, assertion that the Marseilles crime was engineered in Italy, and to hear that there have been anti-Italian demonstrations at Zagreb and Ljubljana. These incitements in the Yugoslav press had their effect in the mobbing of the Italian Consul in Zagreb by an inflamed crowd on Thursday; and the anti-Italian feeling all over the country has reached a dangerous heat. This wicked work presumably comes from the same hand as the recent Yugoslav press-campaign against the Italian Army; and since this was a force in Yugoslavia which even King Alexander could not totally suppress, it is to be feared that it may break out more virulently now that his hand is removed. Of course, a Serb military adventure would mean the end of Yugoslavia; but, unhappily, the recent history of Europe shows that this will not necessarily be a deterrent to megalomaniac militarists. The creation of Yugoslavia has cost the world the war of 1914-18. It cannot afford to pay a similar price for her destruction. Let us hope, therefore, that in Yugoslavia, to-day, the counsels of wisdom and moderation will prevail.

THE CONSERVATIVE OUTLOOK

DISPLAYS of partisan spirit are to be expected at Party Conferences, and in this respect the Conservative Conference at Bristol last week was certainly no exception. Seen in retrospect, the Conference leaves two main impressions on the mind. First, the Party is showing unmistakable signs of that restless desire for a return to "true Conservatism" which preceded the break-up of the Coalition in 1922. Secondly, "true Conservatism" is being interpreted more and more as meaning a reactionary resistance to all constructive and progressive policies. The narrow defeat of Sir Henry Page Croft's attack on the Government's Indian policy was naturally the most spectacular event of the Conference, and the debates that followed, including Mr Baldwin's speech, were something of an anti-climax. They were marked, nevertheless, by the same negative and unconstructive temper that Sir Henry Page Croft exploited so successfully in the debate on Indian policy.

On the first day of the Conference the assembled delegates proved themselves to be chiefly interested in re-armament and the strengthening of the obstructionist powers of the House of Lords. Both debates were frank. Lord Lloyd wanted more warships, and Sir Arthur Steel-Maitland wanted more aeroplanes. The principal argument put forward by Mr Chamberlain in reply was that re-armament must cost something, and that the taxpayer would have to pay. No word appears to have been spoken at the Conference of the threat to the peace of the world involved in the tacit abandonment of the struggle to achieve disarmament. Nor, in the debate on the House of Lords, was any warning raised against the policy of deliberately rigging the Constitution in the interests of one Party without an electoral mandate. Instead, Lord Wolmer moved a resolution—which was passed—asking the Government to "rescue the Constitution from its present dangerous position before a Dissolution takes place." In other words, the Constitution is to be made safe from the expression of the will of the people.

In the debate on slum clearance, the Conference was at its worst. A motion was proposed by a delegate from Leeds protesting against the injury done to landlords by the alleged inadequacy of the compensation provided by the Government's slum-clearance policy. This delegate complained that the Labour City Council at Leeds intended to demolish about one-fifth of the dwelling houses in that city in six years, and he described the treatment being meted out to house owners as an unjustifiable violation "of the principles of sound Government and Conservative policy." It is true that another delegate moved an amendment supporting the Government's "vigorous policy of slum clearance and rehousing." But the amendment was rejected by a huge majority, and the original resolution carried although Sir Hilton Young's speech in reply was almost entirely occupied with a defence of the Government against the charge that adequate compensation was not being granted. Similarly, in the debate on agriculture, the chief accusation against Mr Elliot's policy was not that it exploited the poorer consumer, but that some of the fruits of that exploitation were allowed to accrue to the overseas as well as the domestic farmer.

The only constructive contribution to the Conference was Mr Harold Macmillan's advocacy of his idea of "self-government for industry." But the policy, as he expounded it, though constructive, is unfortunately full of pitfalls. Mr Macmillan wishes to pass an Enabling Act which will permit a majority of producers in any industry to impose industrial agreements on unwilling minorities. Such agreements, as all experience shows, are very liable to become nothing more than price-raising devices or agreements in restraint of trade. What Mr Macmillan is, in fact, proposing, despite the fair words in his motion about "proper safeguards for the public interest," may very easily amount in practice to the piling of monopoly on Protection—so that the consumer may be exploited not once but twice. He defends his proposals with sweeping assertions about technological unemployment and the breakdown of the competitive system. These generalisations go much too far and lead Mr Macmillan into the fallacy of prescribing a

general remedy which is really only appropriate to certain particular cases. Thus, in the coal, cotton and steel industries, where enlightened self-interest has failed to eliminate surplus capacity, concerted action to prevent overlapping and uneconomically low prices has become a necessity. But even in these cases the most stringent powers should be taken to safeguard the consumers', that is the public's, interest; and no price-fixing or other agreements supported by compulsion should be brought into effect without the Board of Trade's approval. The principle of coercing a minority is, on the other hand, quite out of place in most branches of production, as, for example, the motor industry, where competition has had its normal and healthy effect of stimulating efficiency and low prices without destroying profits.

It is noteworthy that the arguments used by Mr Macmillan are being exploited by Signor Mussolini, Sir Oswald Mosley and General Johnson, of N.R.A. fame, to justify a similar policy. As Mr Macmillan quite rightly observed, his policy is "the very opposite of Socialism." Indeed, the tendency to use technological unemployment as an argument for the grant of statutory monopolies is an interesting and significant one. Mr Macmillan's fellow Conservatives at Bristol, however, do not appear to have appreciated its significance, for his policy was attacked on the ground that it was "Socialist," and that it "would stifle initiative and kill competition." In the end the resolution was carried, but the majority of delegates refrained from voting.

Mr Baldwin brought the Conference to a close with one of the moderate, democratic, but unconstructive speeches which he is accustomed to make in a difficult political situation. Such speeches leave him free either to take immoderate action or to take no action at all. On this occasion he treated the Indian issue with masterly silence. He urged industrial employers to shorten working hours, but he offered no hope that the Government would co-operate with the International Labour Office in inducing them to do so. He quoted Disraeli's summary of Tory principles: "The maintenance of religion, the preservation of Empire, and the improvement of the condition of the people." But the words must have had an ironical sound in a Conference which had attacked the Government for clearing the slums and half suspected it of jeopardising the Empire. In effect, Mr Baldwin gave the impression that he is more concerned to keep his Party quiet for the rest of the present Parliament than to worry about what may happen in the next. Sufficient unto the day, he seems to have been reflecting, are the dissensions thereof.

BLOODSHED IN SPAIN

LIKE the great, and older, Republic north of the Pyrenees, the new Spanish Republic has led a precarious existence in the last year or two. As in France, Governments depended on "accords" between Socialists and Radicals, with a strong Right wing waiting for office. But in Spain the very newness of the Republic meant that the Right wing appeared to the Radicals and Socialists as the apostles of reaction, if not of a monarchist then of a Catholic complexion. Moreover, to these complications were added the centrifugal tendencies of the Spanish provinces, now tasting the first-fruits of autonomy in the new Republic. Finally, unlike France, Spain has always had a bewildering variety of "back-stage" parties of the Left—Anarchists, Syndicalists, Communists and political freebooters—who formed a floating population attached to none of the big national parties, though always ready for a dust-up. Recently, differences between Barcelona and Madrid had rallied Spanish Socialists to the support of the anti-Right Catalan autonomists; and it was obvious that a struggle was imminent.

We remarked, in a Note last week, that "if Señor Lerroux now attempts to impose the will of the Central Government upon the Generalitat in Catalonia anything might happen in Spain." What has happened within the last seven days is graphic enough, in all conscience. It has been the most bloody upheaval in the short

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life of the second Spanish Republic. Acting with unexampled energy, the Government of Señor Lerroux, loyally supported by Army and police, has averted civil war; but at a terrible cost. It is no exaggeration to say that, like the French Revolution of 1830, the "democratic republic of workers of all classes" has disappeared, to be replaced by as *bourgeois* a creature as the regime prevailing before April 14, 1931, except that a President now occupies the monarch's position.

At midnight on Thursday, October 4th, the Casa del Pueblo, the trade union headquarters in Madrid, announced a general strike in protest against what they alleged was a Government tending to the Right. A few hours before this the Left Republican leaders in a body, including Martínez Barrios, not long ago Señor Lerroux's henchman, issued a statement of their intention to break off all relations with the President. At first the strike was pacific enough. Party discipline stood the strain. Communist organisations took no part in it. The Syndicalists, on the whole, seemed to be staying out. Some shooting was reported in the mining districts of Asturias, and troops were called in to reinforce the Civil Guard. In Barcelona, as in Madrid, it seemed to be just another Labour demonstration.

On the following day, however, violence took charge. A Catalan newspaper—usually considered the official organ of the Catalan President, Luis Companys—described the formation of the Lerroux Ministry as "a felony and an act of treason which placed the Republic in the hands of its enemies." A garbled version of this declaration seems to have gone the rounds in Madrid and other towns where the workers' organisations are strong, and the general strike became a general insurrection. At 10 p.m. on Saturday night a state of war was proclaimed in Madrid, following rather spasmodic attacks on Government offices.

The Generalitat, or autonomous Government of Catalonia, had been in communication with Madrid early on Saturday, and assurances were given that public order would be maintained. A few hours afterwards, however, pressure from the mob seems to have been too strong for the inexperienced leaders of the Catalan *Esquerra*. Suddenly, the Barcelona broadcasting station announced that the Catalan leaders proposed to exercise the sacred right of rebellion, to sever connection with the Lerroux regime in Madrid, and to set up a Catalan State as the nucleus of a new Spanish Federal Republic.

Feeling had been running high in Catalonia. Although the late Prime Minister, Señor Samper, had "found a formula" for setting at rest the dispute between Madrid and Barcelona over the Law of Land Contracts, there was a shrewd suspicion that the landowners had later applied further pressure in Madrid, and that the advent of Señor Gil Robles and the Right Wing Catholic Agrarians to power at the centre would mean a reopening of the whole question. But it is not likely that the Catalan Government would have chosen this moment to defy the Central Government merely for pleasure. It would appear that Señor Companys' hand was forced by the peasants, for whose

benefit the land contract law had been framed. They were seething with anger at Madrid's "treachery"—itself the result, as we have remarked in the *Economist*, of Señor Cambó's efforts to protect his fellow capitalists—and were proposing to take the law into their own hands. The danger of a Communist Workers' and Peasants' Republic may thus have led to a gambler's throw.

General Batet, Military Governor at Barcelona, was confronted with the alternatives of throwing in his lot with his Catalan comrades or of preferring loyalty to the Centre. He chose the latter; and exactly two hours after the proclamation of Catalan sovereignty regular troops were bombarding the Government building and the Town Hall, where the Catalan leaders were congregated. The rebels had no chance; most of the Generalitat Government were arrested and were then taken off to be court-martialled on a ship in the harbour. But the military had also to search for Señor Azaña, Marcelino Domingo, and other Left Republican leaders, who had assembled to take over the Government in the new Federal Spanish State, which was to arise if the Catalan revolt were successful.

But the trouble did not end with the quashing of the Catalan revolt. Sporadic outbreaks all over Catalonia were not entirely subdued by last Thursday. The violence engendered by the general strike in Madrid has proved even more difficult of suppression. As we go to press, the Spanish capital has been in a state of war for five days; Socialist snipers on housetops have kept up their grim work, and are not yet finally dislodged. In Asturias the strike became an organised rebellion; communications were cut, regular troops were hampered in their movements, the rebels possessed up-to-date weapons, and bombing aeroplanes and warships have had to be used against them. The armed revolt has been concentrated in the north of Spain, in the industrial districts where the Socialists were strongest. But the loyalty of the army to the Central Government spelled eventual suppression; and last Thursday Madrid and Barcelona were resuming their normal life—despite food shortage and transport difficulties—while the crushing of the revolt in the north and in all country districts seemed merely a matter of force and slow attrition. Señor Azaña was found and arrested late on Tuesday; and other Socialist leaders are either in hiding or have contrived to evade the frontier control and escape.

To look upon the rebellion of the Generalitat as another episode in the historic struggle between Castile and Catalonia is to misread the situation. The Second Republic, which has clearly failed in many spheres, has to its credit the one big success of having solved the Catalan question, by the grant of a kind of "Dominion Status" under a constitution which rightly defines Spain as "an integral State of federative tendencies." The members of the Catalan Government were therefore rightly indignant with Señor Lerroux's broadcast on Saturday night when he talked of "separatist madness." The idea of Catalonia breaking away from Spain altogether, and either linking up with France or living an independent life, does not enter any Catalan's head. Nevertheless, a large number of Spaniards brought up in the Bourbon tradition of a centralised administration really believe—or can easily be made to believe—that whenever the Catalans refuse to take orders from Madrid they are wantonly aiming at the destruction of the national unity. The ex-King, Alfonso, added fuel to the flames about a week before by an article in this sense. It will be difficult, in the present instance, for the Madrid Press to get that story believed. For the first action of the new independent Catalan State was to call upon Señor Azaña, the chief architect of the existing constitution, to design the new Federal structure. And Señor Azaña hails from Castile.

There are rumours that the Catholic members of the Government will press for the closing of the Labour Socialist headquarters and harsh measures against those who failed to comply with the orders to return to work. But the President's influence will certainly be exerted towards preventing any undue measures of repression. It will be for Señor Gil Robles's Party to attempt to get sufficient support in the Cortes (a two-thirds majority is required) for a Constituent Assembly to bring about the kind of revision on Conservative and Catholic lines which they are seeking. The fact that the mission to the Vatican

to arrange the terms of a *Concordat* has failed utterly does not suggest that theirs will be an easy task.

But the general situation is bad enough in all conscience. Señor Lerroux is left, alone of all the original Republican-Socialist conspirators who "made" the Revolution of 1931, to survey the ruins of their work. And Spain is left to face the almost impossible task of trying to work a Parliamentary Government, with the mobilised Left forces of the country driven to a condition of despair. The tragic result of sitting on the safety valve in a State composed of widely differing social and linguistic groups is bound to declare itself sooner or later—in Spain as in Yugoslavia, or as in pre-war Austria-Hungary. Some Federal solution sooner or later, whereby local affairs may be dealt with by local assemblies, would seem to be the only way by which Spanish democracy can learn the necessary lessons of responsibility. Most of those who know Spain agree that government from the centre will be as impossible now as it proved before the Dictatorship in 1923.

A QUARTER'S INDUSTRIAL PROFITS

Our annual records of the profits reported by British industrial concerns run from July to June of each year. The profits shown by companies which reported in the quarter just ended, therefore, begin a new series. But generally about two-thirds of the annual total of profits are reported in the first two quarters of the calendar year, while the third quarter's reports are few in number. The experience of those concerns which reported last quarter should not therefore be taken as an indication of the experience of all British industrial concerns which will report in the next nine months.

In the quarter which has just ended, 318 concerns reported total profits of £17.1 millions, against £13.4 millions for the same concerns a year ago—an increase of £3.7 millions, or of 27.7 per cent.

NET PROFITS (AFTER PAYMENT OF DEBENTURE INTEREST, Etc.)

	No. of Companies	Reports published in		Increase (+) or Decrease (—)	
		1932	1933		
Third quarter	307	16,284,606	15,394,560	— 890,046	— 5.5
Fourth quarter ...	464	16,201,909	21,116,780	+ 4,914,871	+ 30.3
1933					
First quarter	547	52,925,902	55,751,307	+ 2,825,405	+ 5.3
Second quarter	642	56,970,575	67,334,795	+ 10,364,220	+ 18.2
Third quarter	318	13,425,013	17,139,932	+ 3,714,919	+ 27.7

A year ago 307 concerns reported a net reduction in their profits of £890,000, or 5.5 per cent., from the figures shown by those concerns in the third quarter of 1932. The increase in profits last quarter over the profits of the same concerns in the corresponding quarter a year ago is in keeping with the trend of each quarter's results over the last five years, as is shown in the next table:—

	1928	1929	1930	1931	1932	1933	1934
First quarter	+15.2	+1.5	+1.9	—10.6	—14.3	—8.9	+5.3
Second quarter	+1.3	—0.7	+9.6	—19.4	—19.4	+3.3	+18.2
Third quarter	—9.7	—3.0	—6.4	—35.5	—28.6	+5.8	+27.7
Fourth quarter	+3.1	+1.4	—18.1	—53.9	—2.9	+30.3	...
Year	+7.2	+0.0	—0.6	—22.5	—18.1	+0.5	...

Here the trends are unmistakable. Concerns reporting in the summer months of the year first recorded the trough of depression. Their losses during its course have been severe and their emergence from it slow; for in the concerns reporting generally in the third quarter are many dependent on British exports and on international trade. Concerns reporting in the first and second quarters showed a smaller decline and a quicker recovery; but it should be remembered that, as they account for two-thirds of each year's total profits, their smaller percentage falls and rises relative to the percentage movements in profits reported in the

third and fourth quarters represent greater absolute declines and rises reckoned in terms of money. The increase now recorded in the profits of those concerns reporting last quarter is the first third-quarter increase for seven years, and it completes the quarterly list of increases. The upward trend of profits is now general.

The next table analyses the experiences of the concerns which reported last quarter, according to their industrial groups:—

NET PROFITS AFTER PAYMENT OF DEBENTURE INTEREST, ETC.

	No. of Reports	Reports published in Quarter ended September 30		Increase		Decrease	
		1933	1934				
Breweries	18	4,915,373	5,915,561	1,000,188	20.3	...	...
Financial, land and investment	25	605,712	800,120	194,408	32.1	...	...
Gas	2	56,012	55,202	...	...	810	1.4
Hotels and restaurants	8	49,209	118,972	69,763	141.8	...	...
Iron, coal and steel	28	785,253	1,731,731	946,478	120.5	...	...
Motor cycle and aviation	2	35,297	75,002	39,705	112.4	...	...
Oil	2	37,893	51,240	13,347	35.2	...	...
Rubber	64	222,106	384,024	161,918	72.9	...	...
Shipping	4	391,493	390,496	...	...	997	0.2
Shops and stores	11	1,374,119	1,741,976	367,857	26.8	...	...
Tea	27	Dr. 55,624	513,050	548,674	...	...	...
Textiles	15	324,654	390,241	55,587	5.9	...	...
Trusts	26	899,760	836,982	...	...	62,778	6.9
Waterworks	1	4,845	5,742	897	1.8	...	...
Building materials	10	132,654	249,021	116,367	87.8	...	...
Food, confectionery and drink	9	214,545	283,227	68,682	32.0	...	...
Electrical equipment	3	76,669	113,592	36,923	48.1	...	...
Newspapers, printing and publishing	7	292,452	401,197	108,745	37.2	...	...
Tobacco	3	515,305	487,475	...	...	27,830	5.4
Warehouse and trading	4	64,937	69,229	4,292	6.6	...	...
Miscellaneous	49	1,852,349	1,925,852	73,503	3.9	...	...
Total	318	13,425,013	17,139,932	3,714,919	27.7	...	...

Breweries have done uniformly better, and as many big breweries reported last quarter the improvement is a good measure of the breweries' experience as a whole. Land and property investment has been more profitable, especially in British properties. The two gas concerns are no indication of the fortunes of the gas industry. The improvement in the hotels group is exaggerated owing to the improved results of one or two big residential-suite concerns. The iron, coal and steel concerns which reported last quarter are important and representative; the increase in their total profits is therefore encouraging; but among both coal and iron and steel concerns experiences of separate undertakings vary widely. The very good Richard Thomas and John Lysaght results are counteracted by the heavily increased debit balance of Armstrong Whitworth Securities. The smaller coal and iron and steel concerns seem to have done uniformly better than their more important fellows. Nevertheless, the improvement is general. Austins and Rovers between them account for the increased profits in the motor and cycle group. A number of rubber companies have reported, and here again improvement is general, debit balances brought forward being wiped out or greatly reduced, following the sharp rise in rubber prices during the last year. In shipping, while the White Star Line increased their debit balance carried forward, Furness Withy maintained their net profits of £378,000, and coastal and smaller shipping lines increased their profits. Every single shop and store, both retail and wholesale, has done better. Owing mainly to the restriction scheme, tea companies in general converted a debit balance into quite a strong profit position. Textile concerns, so greatly dependent on export and on world conditions, only held their own. Trusts reflect the trading experience of other concerns, in which their funds are invested, after a time-lag of anything from six to eighteen months; but the results of the trusts which have now reported show that their finances are fast closing the gap so evident a year ago. Building-material concerns have all done better; so have those undertakings which cater in general for home industry and demand or which minister to our demand for "conventional necessities." We have separated into various industrial groups the vast category hitherto described in these articles as "Miscellaneous"; and from the details now given the extent of our "domestic" recovery in the last eighteen months is apparent. The three tobacco concerns have not done as well as was expected. Among

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The profits made last quarter were distributed as follows:—

DISTRIBUTION OF PROFITS

	Net Profits after payment of Debenture Interest	Ordinary Dividend	Preference Dividend	To Reserve, etc.
1933	£	£	%	£
Third quarter	15,394,560	9,417,000	61.2	5,357,063
Fourth quarter	21,116,780	13,577,825	64.3	4,937,775
1934	£	£	%	£
First quarter	55,751,307	33,144,423	59.4	12,336,342
Second quarter	67,334,795	34,770,452	51.6	18,698,052
Third quarter	17,139,932	9,738,888	56.8	4,228,115
1933	£	£	%	£
Third quarter	15,394,560	9,417,000	61.2	5,357,063
Fourth quarter	21,116,780	13,577,825	64.3	4,937,775
1934	£	£	%	£
First quarter	55,751,307	33,144,423	59.4	12,336,342
Second quarter	67,334,795	34,770,452	51.6	18,698,052
Third quarter	17,139,932	9,738,888	56.8	4,228,115

Out of a greatly increased total of profits over the third quarter's results last year only roughly the same amount went to ordinary dividends; so that the percentage going to those dividends declined. The share of preference dividends declined absolutely, and more so as a percentage share. On the other hand, as against virtually no allocation to reserves this time last year, we now have an allocation of £3.2 millions, or 18.5 per cent., the same percentage allocation as in the first quarter of this calendar year. This continues the tendency, already remarked in recent articles of this series, to replenish the sadly depleted reserves of industrial concerns; and it should be noted that, though the percentage increases are striking, when the absolute increases in reserve allocation are placed alongside the drafts on reserves in recent years, the present greatly increased allocations appear fully warranted. The proportions of profits and reserve allocations to total ordinary and preference capital are shown in the next table:—

PROFITS AND RESERVES

	No. of Companies	Total Ordinary and Preference Capital	Net Profits after Payment of Debenture Interest	Carried to Reserve, etc.
1933		£	£	%
Third quarter	307	296,128,953†	15,394,560	5.2
Fourth quarter	464	417,816,381†	21,116,780	5.0†
1934		£	£	%
First quarter	547	697,704,983†	55,751,307	7.9
Second quarter	642	973,291,329	67,334,795	6.9
Third quarter	318	264,076,256	17,139,932	6.5

† Adjusted figures.

Here, it will be noted, the reserve allocation appears less striking, by reference to the capital involved.

The rates paid on the three forms of capital appear below:—

AVERAGE RATES PAID

	On Debenture Capital				On Preference Capital				On Ordinary Capital			
	1931	1932	1933	1934	1931	1932	1933	1934	1931	1932	1933	1934
1st quarter	4.92	4.30	4.77	4.73	5.8	4.9	5.0	4.9	8.5	8.7	7.5	7.5
2nd "	4.96	5.01	4.97	4.75	5.8	4.9	4.9	5.2	8.3	5.7	5.0	5.7
3rd "	5.24	5.09	4.94	4.88	4.5	3.6	4.4	4.1	5.4	4.3	5.3	6.0
4th "	5.18	5.16	5.04	...	3.8	3.6	3.2†	...	3.9	4.9	5.2	...
Year ...	5.01	5.01	4.99	...	5.2	4.2	4.6	...	7.2	5.9	5.8	...

Adjusted figure.

Debt rates are higher as a class in the concerns reporting in the third and fourth quarters of each year, but it is clear that conversions and/or defaults are still reducing the effective rate of debenture interest. On the other hand, preference dividends are generally lower in the third and fourth quarters, and here again the latest figure shows a sharp decline, not merely as against the previous quarter's figures, but in comparison with a year ago—as a result in part of the "passing" of more preference dividends. The rate of ordinary dividend last quarter shows a sharp jump to 6.0 per cent., absorbing (see Distribution table on page 673) 56.8 per cent. of the net profits, after payment of debenture interest.

From tables given on page 708 it is evident that increases of ordinary dividend in the breweries, motor and cycle, hotels, rubber, shops and stores, tea, and miscellaneous groups account for the rise in the average ordinary dividend. The consumption, construction and home-trade industries now classified separately in the tables on page 708 show how much of the rise in net profits and ordinary dividend reported last quarter is due to our purely internal recovery. For any real measure of recovery in our big exporting industries, in merchanting and in shipping—in which unemployment is mainly centred—we are still waiting. There is little sign of such a recovery in the figures of net profits here analysed. Indeed, taking recent figures of profits and reserve allocations on the one hand and the small amount of new industrial borrowing as revealed by our capital issues figures (see last week's *Economist*) it is evident that, though there is money to put into new enterprise, the demand for it is still limited.

THE BRITISH MOTOR INDUSTRY

I. THE PRIVATE CAR

(BY A CORRESPONDENT)

The British motor industry, whose annual exhibition of new models at "Olympia" opened this week, has just completed another record year. Although final figures will not be available for some weeks, total production of British cars appears to have reached nearly 255,000 for the twelve months October, 1933, to September, 1934, compared with 220,775 last year and 182,347 in 1928-29, the peak year before the depression. There has been a fairly marked change in demand during the past year, which, on the whole, has had the effect of increasing the output in terms of money rather more than proportionately to the increase in the number of cars. The proportion of new registrations of cars over 10 h.p. was 43.3 per cent. during October, 1933, to July, 1934, compared with 40.7 per cent. the previous year; while the average declared value of a British car exported has this year increased from £126 to £140.

The outstanding event of the year was the reduction of the horse-power tax from £1 to 15s. a unit, announced last April to take effect next January. This, combined with the increasing purchasing power of the motor-owning classes, has resulted during the past few months in a definite revival in the popularity of the large car. New registrations of cars of over 20 h.p., which amounted to only 4.0 per cent. of the total from October, 1933, to April, 1934, had increased to 8.4 per cent. by July. On the other hand, new registrations of 8 h.p. cars fell to 22 per cent. of the total for May-July, 1934, after the Budget announcement of the reduction in the H.P. Tax, compared with 26 per cent. in the corresponding months of 1933. The revival in demand for large cars has increased the opportunities of North American exporters. Imports from the U.S.A. for the eight months ending August, 1934, numbered 4,792, compared with 1,031 in 1933; while imports from "British Countries," which in this instance means Canada, increased over the same period from 1,244 to 2,061. The keen competition among American manufacturers for their steadily improving home market, the possibilities of mass-production due to its extent, and the fall in the dollar, have enabled them, in spite of the tariff, to sell vehicles in Great Britain, which in performance and price offer exceptionally good value. It is

very doubtful whether, apart from prohibitive tariffs or discriminatory taxation, the British industry can compete in the market for fairly cheap large cars. Under any sensible economic organisation, where each country specialised in the products it was best able to produce, it certainly would not attempt to do so.

Exports of British cars and chassis for cars amounted to 29,404 units, valued at £3,745,813, for the eight months ended August, 1934, compared with 26,832 units, value £3,270,649, the previous year. Although the increase in exports is substantial, it represents in fact a decreasing share of an expanding world demand. It is moreover one-sided. Apart from some second-hand cars exported in 1934, very largely to the Irish Free State and the Channel Isles, which were not separately analysed in 1933, exports to the Empire increased from 16,315 to 22,537 units, while exports to foreign countries fell from 10,517 to 6,867 units. The worst setback occurred in Holland, which during the depression became the principal Continental market for British cars, where British exports amounted to only 361 vehicles for the eight months ended August, 1934, compared with 2,157 units in 1933 and 2,487 in 1932. The trade has been virtually lost to American and French exporters. Even in the Empire, American sales have been increasing at a greater rate than British. This change is partly due to the gradual easing of the conditions under which the British export trade was built up during the depression, when the demand for small cars was certainly abnormal; but it also seems probable that the extraordinary prosperity of the home market has led British manufacturers to concentrate their efforts upon obtaining as large a share of it as possible to the detriment of the more difficult and less remunerative export business.

There is every indication that the home market for cars will continue to expand during the coming year, though certainly at a somewhat slower rate than in the past year. The total number of cars in use, which in 1929 amounted to 980,886, reached 1,203,245 last year and seems likely to exceed 1,300,000 this year. With an average life of eight years per vehicle, this means that, given a normal age distribution of the cars in use, there will be a steady replacement demand for 160,000 vehicles per annum, which provides a very useful basis on which the industry can operate.

The virtual certainty that demand next year, as in the year which has just concluded, will allow everybody to make a living in the motor industry, is perhaps responsible for a certain lack of originality in commercial policies. Prices are remaining almost unchanged, the only important exception being the Austin "Seven," which has been reduced by £4 8s., presumably in the hope of re-establishing its pre-eminence in the 8 h.p. market, where it must have lost ground rather heavily to the "Ford 8." The old competition in the number of models is continuing, the eight leading manufacturing groups, who are responsible for over 85 per cent. of total production, having 57 different models next year, which is the same number as last year, but with a slightly different distribution. The theory is that, given a sufficient number of models, one at least is bound to be a popular success, and profits on it will be sufficient to reimburse losses on others. There has of late been a tendency to make a virtue of supposed necessity, and base advertisements on the number of different models produced, on the ground that this enables more attention to be paid to individual requirements than is possible with mass-production. The most important change for next season is that Ford is entering the 10 h.p. class, which still remains by far the most popular. There has been no tendency to withdraw from the 8 h.p. class, the popularity of which is almost certainly on the wane, nor has more than one manufacturer taken advantage of the reduction of the H.P. Tax to put on the market a 10 h.p. car at an 8 h.p. price.

With regard to the fortunes of different manufacturers last year, there can be little doubt that Austin, who claims a 24 per cent. increase in home sales, against the average increase of 20.6 per cent., heads the list. The share of the market falling to Vauxhall must, however, have shown the most spectacular increase, although in the last few months the proportion of new registrations in the 12 h.p. and 14 h.p. categories, where Vauxhall is most important, has slightly declined. Apart from Vauxhall's advance, there have

probably been few changes in the order of popularity. Ford has been highly successful in the 8 h.p. class, while in the 10 h.p. class, which accounts for 27 per cent. of all new registrations, the lion's share has fallen to Austin, Hillman, Morris and Standard. In so far as it is possible to generalise, the tendency over the past year has probably been for Vauxhall and Ford to improve their share of the British market at the expense of the Midlands manufacturers, but the expansion in demand has been sufficient to shelter the Midlands from the full force of this competition.

There seems little likelihood of any important change taking place in the organisation of the British motor industry in the near future. No company dare withdraw models for fear of losing a certain, albeit small, amount of business from regular buyers, together with the goodwill of owners who require spare parts and replacements—a feature often overlooked. This, of course, is closely bound up with the question of amalgamation; for there is little in amalga-

tion if the same number of models must still be marketed, and much to be lost from the sales point of view through not having separate organisations whose existence depends on the success of each undertaking. Any agreement to allocate the market through different undertakings agreeing to specialise on particular horse-power categories would be difficult, if not impossible, since the incidence of demand between horse-power categories is closely bound up with the Government's taxation policy, any change in which might, if the market were allocated in this way, have disastrous repercussions on particular companies. It seems therefore probable that costs and prices of British cars will be maintained by the necessity for keeping an increasing number of models in production, a factor which must weigh most heavily on those concerns which have been in the front rank in the British market as manufacturers over the longest period, and which therefore have had the greatest opportunity to acquire a long range of models.

NOTES OF THE WEEK

Town-Planning and Road-Building.—Two important road schemes, at Bristol and at Penistone in Yorkshire, are to be resumed. This is good news, but it must not be taken as betokening a reversal of the Government's general policy of blocking public works schemes. It merely means that the expansiveness of our new Minister of Transport has worn down official resistance in one or two extreme cases. For the two schemes in question were abandoned in 1931, for "economy's" sake, after they had actually been begun; so that the money already spent, as well as the unemployed labour and capital, was being wasted in the intervening period. There are of course many other such half-finished schemes held up; not to mention others which have not been, but ought to be, begun such as the Charing Cross Bridge scheme. Mr Chamberlain's excuse a year ago for banning useful public works was that, though he approved of them in principle, no suitable schemes were available in actual fact. Yet Mr Hore-Belisha has discovered two such schemes not merely available, but only held up by the official ban of 1931. Mr Chamberlain did not allude to the resumption of these schemes in his speech at the Town Planning Institute in Birmingham on Saturday. But he adopted almost as negative an attitude towards town-planning as he has in the past towards road-building.

Some day (he said) the whole of the country will come under control of some kind or another. I shall not live to see it, and before it comes about irreparable damage will have been done, millions of pounds will have been wasted, and probably many thousands of lives will have been lost, for want of orderly and careful planning.

We agree with Mr Chamberlain that the organisation of complete town-planning must take time. But there is no excuse whatever for further delay in preventing the ribbon development and speculation in site values which are still going on all over the country. At present both new and old roads are being spoilt; the area of danger is being increased; and profits due to the enhancement of values by public expenditure are falling into private hands.

* * *

Salving the Cotton Industry.—All attempts to stop the rot in the cotton industry since the war have been blocked by an excess of Lancashire individualism. Last June another scheme, embodied in the report of the Federation of Master Cotton Spinners' State of Trade Committee on "means of improving the conditions of the spinning section," saw the light of day. In a slightly modified form these proposals, together with the report of the committee set up, under the chairmanship of Lord Colwyn, to draft a scheme to deal with surplus spindage, was considered by the General Committee of the Federation of Master Cotton Spinners' Associations on October 9th. Two distinct proposals, which are really inseparable, were approved by the committee for circulation to all members of the trade in Great Britain. The first proposal provides for the

formation of a voluntary association, backed by legally enforceable penalties, administering a quota system to regulate production and prevent sales below cost. It also provides for a pool to which mills exceeding their quota would contribute and from which mills producing less than their quota would receive compensation. The second proposal provides for the reduction of surplus capacity by a board to be set up under Act of Parliament to impose a levy on the trade and buy up mills for break-up or putting in reserve. The elimination of ten million spindles is envisaged. The cost is estimated at £2,500,000, of which £500,000 would be recoverable as scrap value. If the remaining £2,000,000 were paid off in fifteen years the cost in interest and sinking fund, to be met by a levy on the remaining 30,000,000 spindles, would be £180,000 a year. But in submitting the reports to the General Committee of the Federation, Mr W. H. Catterall, the president, pointed out that it was not proposed to establish the association unless the owners of 90 per cent. of the total number of spindles concerned are agreeable to these proposals. "If the association becomes an accomplished fact," Mr Catterall continued,

it will at the inception consist of all spinners of single cotton yarns in Great Britain. . . . It is envisaged that at a later stage it may be found desirable or necessary to include such processes as condenser spinning, doubling, etc., within the provisions of the scheme, as the committee consider that a definite liaison should be established between spinners and doublers for the purpose of assisting in stabilising the trade.

While some of the details of the schemes are open to criticism, they represent, nevertheless, a definite step in the right direction. But will it be accepted by the necessary majority? Past experience has taught us to be sceptical of the ability of Lancashire to unite in a common effort to save the cotton industry. If this scheme goes through, the reorganisation of the spinning section of the industry may prove a milestone on the road to recovery. But any real revival of the industry's fortunes cannot be looked for until all the sections of the industry, including its distributing organisation, are rationalised and costs are brought down to a more competitive level.

* * *

American Monetary Policy.—In an interview with the Press on Wednesday, President Roosevelt appended a sort of postscript to his broadcast speech of last week. This time he was dealing with the aims of monetary policy, but his approach and attitude were the same as those he adopted towards broader problems in the earlier speech. There was no sign, that is to say, of any change in the general direction of his policy, although the final objectives were stated in rather less dogmatic form and the methods to be used in attaining them appear now to be rather less uncompromising than before. The origins of his monetary aims, Mr Roosevelt said, lay in the fact that in 1933 the

country had more "liabilities" (by which he presumably meant debts outstanding) than "assets" (presumably the estimated market value of fixed capital). A country with a large internal debt structure is inevitably in such a position after a severe decline in values. Something had already been done to reduce the liabilities (e.g. by writing down farm mortgages) and to increase the assets by raising prices. Mr Roosevelt thought that the balance was now once more on the right side, but there was need for a larger margin, that is, for a further rise of prices. But the extent of this further rise, and the methods by which it is to be brought about, were left very vague. The price-level of the year 1926 was repudiated as the ideal and it was not admitted that "monetary policy" (presumably in the narrower sense of exchange and gold policy) would be more than "a factor" in the future programme. A great deal of this benevolent imprecision is doubtless to be ascribed to the nearness of the Congressional elections, and we shall probably get a clearer view of Mr Roosevelt's intentions in a month's time, but it begins to look as if the New Deal has emerged from its doctrinaire phase. If this is so, Mr Roosevelt must look for opposition on the Left as well as on the Right. The American Federation of Labour, for instance, is in no mood for compromise. At its convention it has been demanding a universal 30-hour week, the outlawry of company unions and the "closed shop," while its President has fiercely attacked Mr Donald Richberg—once considered an extreme Radical—for suggesting that in some circumstances and in some industries the process of collective bargaining might take some account of the wishes of minorities of the workers. Thus while Mr Roosevelt preaches comparative goodwill to nearly all men, including the capitalist and the banker, Labour is still seized with the notion that the millennium can be achieved by the simple device of demanding higher wages and shorter hours. Mr Roosevelt may yet finish up as the champion of moderation.

* * *

Signor Mussolini's Speech.—The Duce's speech at Milan last Saturday was manifestly intended as an overture to the late King Alexander of Yugoslavia's arrival in France this Tuesday. We ardently hope that the tragic personal sequel will not deprive Europe of the fruition of a constructive act of reconciliation to which the statesmanship of Italy, France and Yugoslavia has made notable contributions—among them, this Italian speech. The most important single thing that Signor Mussolini said was that we may expect to see a Franco-Italian agreement signed at the end of this month; and, considering how emphatically he brushed aside the rumours to this effect which were current a few weeks ago, we may take it that between then and now the last remaining obstacles have been surmounted. Signor Mussolini also declared that "precise *de facto* conditions already exist" for an Italo-Yugoslav understanding. In this connection, he disclaimed any ambition of imposing some kind of Italian protectorate upon Austria as a means of securing Austria's independence against Germany; and his reference to the recent campaign against the Italian Army in the Yugoslav press was as moderate as it was dignified. In Belgrade, Paris and Budapest alike it was noticed, with diverse feelings, that the speech contained no explicit mention of Hungary; and though Signor Mussolini sought to repair this studied omission by telegraphing, next day, to the Hungarian Prime Minister that, in "talking of peace and the justice that should accompany it," he was thinking of, and alluding to, Hungary, this is a very faint echo of a once loud-voiced pro-Hungarian revisionism. While Italy naturally does what she can to salvage her entente with Hungary, it looks as though, if she has to choose between Hungary on the one hand and France and Yugoslavia (or, rather, France and the Little Entente) on the other, she will sacrifice a pawn to win a queen and a bishop—just as France herself is prepared to lose Poland, if necessary, in order to gain Russia. If the disgruntled or discarded satellites of France and Italy make the obvious retort of gravitating towards Germany, the Wilhelmstrasse can hardly congratulate itself upon a reshuffle of alliances which replaces Italy and Russia by Hungary and Poland as Germany's principal European friends.

Germany's Commercial Indebtedness.—When the Agreement with Germany on the Dawes and Young Loans services was concluded last July, Sir Frederick Leith-Ross drew attention to the then "urgent question" of non-payment for goods already delivered to Germany. Since that date a cotton mission has twice visited Berlin and returned empty-handed; a Committee of the Federation of British Industries, under the chairmanship of Sir William Larke, has sent a strong reminder to the President of the Board of Trade; and now, on Tuesday of this week, Sir George Holden, the leader of the trade missions to Berlin, led a joint deputation of representatives of the cotton and woollen textile industries and of the coal and herring trades to the President of the Board of Trade. It is understood that the deputation urged on the Minister the necessity for a settlement of outstanding German commercial debts before the future of Anglo-German trade was considered; but they only obtained the formal and doubtful reassurance that "full consideration" would be given to their demands. If the outstanding British commercial debts are to be covered by a new system, there are two methods. Either a bilateral exchange clearing will be set up, which provides for meeting these debts from a surplus of German export-proceeds over British export-proceeds, perhaps over a two-year period. To this Dr. Schacht may have to agree, in order to keep up German exports and the employment to which they give rise. Such a system may have the effect of reducing British exports to Germany, in order that a German export surplus with this country should emerge. Alternatively, a new exchange agreement can be arranged, providing for a similar surplus of payments to this country to settle the outstanding debts. Here again, however, either British exports to Germany would suffer, or German exports here would have to increase without a corresponding increase in British exports. This plan requires a more complete co-operation by the trading community than the purely voluntary arrangement of July. It is said that in the Cabinet itself there are differences of opinion—as there certainly are outside—as to the choice that should now be made. But apparently one more effort is to be made to avoid the full clearing system. On Wednesday, Mr Runciman sent a letter to all Chambers of Commerce, urging traders to make more use of the *sondermarks* now mounting up in the Bank of England's account at the Reichsbank. To this end he suggests that British importers need not abandon the practice of having their purchases from Germany invoiced in sterling—the practice which caused *sondermarks* to be in over-supply—but that they should get German exporters to accept payment in *reichsmarks* equivalent to the sum due in sterling at the rate on the day of payment. If this attempt is made and proves abortive and if Dr. Schacht proves recalcitrant on the principle of allowing creditors some charge on the proceeds of existing trade, we may be driven unilaterally to impose a clearing in England. That almost inevitably means a shrinking of both sides of the trading account and is manifestly inferior to a co-operative effort to lift the level of trade. It is to be hoped, therefore, that Sir F. Leith-Ross and Mr Hill may have better success next week than heretofore.

* * *

The Naval Outlook in the Pacific.—Unhappily, the omens are becoming increasingly unfavourable to the prospects of the Naval Conference which is to meet next year. The stir produced in Japan by the War Office pamphlet has been hushed up. But it seems certain that Japan will denounce the Washington Treaty anyway; the only question remaining open is whether she will take this grave step before, or after, she has communicated her suggestions for an alternative arrangement to the other naval Powers. This Japanese policy of repudiating the existing 5—5—3 ratio is hard to understand; for the ratio leaves—and was deliberately designed to leave—the Japanese navy supreme in Far Eastern waters; and, at least in the immediate future, it is in the Far East that Japan's ambitions lie. For dominating China in defiance of the United States and the British Empire, the present naval ratio gives Japan all that she needs. Her apparent determination to risk a resumption of unrestricted competition in order to obtain theoretical parity can only be explained as a question of "face." The announcement that the prin-

cipal American representative at the preliminary conversations in London is to be Admiral Standish, the Chief of Naval Operations, is evidence that the "Big Navy" policy, which has been favoured since the beginning of the Roosevelt administration, is to be vigorously maintained. There seems no likelihood that the United States will renounce the existing ratios; and if she cannot keep her existing numerical superiority over Japan by agreement, she will keep it by outdistancing Japan, in open competition, to at least that degree. Nor will she meet Japan by abandoning aircraft carriers and bombing planes—the arms that offer the United States the best chance of fighting Japan in Japanese home waters. She will apparently retort to Japanese suggestions to this effect by making a counter-proposal for the abolition of submarines; and this stroke will be adroit, because it will command the sympathy of the British naval authorities. This brings us to the crucial question of what our British policy is to be if we are confronted with a Japanese-American naval race. That policy must be determined by the Cabinet and Parliament and the country, and not by the Admiralty and the navy. In fact, it must be decided by vital national interests, and not by points in the naval game. Our British admirals have at times felt sore at the decision of 1930, which gave their little American brothers as big a toy to play with as their own set. But these nursery jealousies are no proper foundation for public policies. In this naval question, as in other matters, the alpha and omega of British policy should be the maintenance of a cordial friendship with the United States.

* * *

Poland and Germany.—This week, two important steps have been achieved in the progressive *détentes* between Poland and Germany which has been deliberately and persistently worked for—and this on German initiative—since Herr Hitler's advent to power. A series of consultations set on foot last February, between officials of the Government departments concerned in the two countries, have now resulted in an agreement for the revision of Polish and German school text-books with a view to giving the children of each country a less jaundiced view of the other country than has been presented to them hitherto. This is good news. Indeed, the revision of school books in a reciprocally friendly sense is perhaps the most important single step that can be taken towards attaining that "moral disarmament" for which Polish diplomacy has long pleaded. The other step forward in Polish-German relations is the initialing of a trade agreement which follows the agreement signed on March 7th. In themselves, these steps towards reconciliation are both creditable to the two Governments that have agreed to take them, and also a valuable contribution towards the peace of Europe; for the territories transferred in the peace settlement from Germany to Poland and to the Free City of Danzig have been unfailing sources of hostility during the last fourteen years. Any easing of this friction is, in itself, to be welcomed—especially when it comes from the spontaneous and unaided action of the two protagonists. Unfortunately we cannot consider this Polish-German accord apart from its European setting—especially since both Germany and Poland have refused to enter the "Eastern Locarno." We cannot welcome it from a European point of view unless we can feel assured that, in making this remarkable effort to diminish the tension along their own common frontiers, the two Powers in question have not been actuated by a wish to prepare for a common adventure. When a feud which all the good offices in the world have found intractable for fifteen years suddenly yields to direct treatment by the two adversaries themselves, acting *à deux*, third parties are apt, rightly or wrongly, to look for some hidden motive. In this instance the rumour has been sedulously circulated that the secret of Poland's and Germany's present success in composing their own quarrel is that they have concerted a scheme for burying the hatchet in the flesh of their Russian and Czechoslovak neighbours. Marshal Pilsudski is credited with a readiness to retrocede the Corridor to Germany in exchange for the vast compensation which Poland might hope to derive from a conquest of the Ukraine and a partition of Czechoslovakia. It is now reported that Hungary is

being enlisted in this supposed plot for a gigantic "robbery under arms." The action of Germany and Poland in the wider field of general European diplomacy is the only way by which such rumours can be effectively denied.

* * *

Road Passenger Traffic.—The third annual report of the Area Traffic Commissioners, now published in a Blue Book, shows that the stability of the road passenger transport industry, which had been evident during the last few years, was maintained in 1933. The number of passengers conveyed by public service vehicles totalled 5,418,274,007, compared with 5,344,884,136 in 1932; revenue amounted to £57,916,846, as against £58,207,546 the previous year; and omnibus mileage was 1,309,806,864, compared with 1,323,721,070 in 1932. It will be observed from these results that the difference between the two years was negligible, nor is there any substantial variation from the 1931 figures. The reports of the various Commissioners indicate a tendency for fares to be reduced during the year, and this is confirmed by the average receipts per passenger journey, which fell from 2.61d. in 1932 to 2.57d. last year. It will be recalled that in the spring of 1933 the railway companies introduced "penny-a-mile" fares, and it is interesting to note the effect of these on long-distance coach services. The average receipt for ordinary long-distance services (excluding services run by local authorities) fell from 42.36d. in 1932 to 37.76d. last year. Total receipts from this class of traffic fell from £3,395,424 to £2,650,958—a decrease of £744,466; and the number of passengers conveyed dropped from 19,237,367 in 1932 to 16,850,943 last year—a reduction of 2,386,424. The chairman of the East Midland Traffic Area observes in his report that "it is quite evident that operators of long-distance services are being adversely affected by the issue of the railway companies' 'summer tickets' throughout the year." One of the regular features of this Blue Book is the particularly interesting report prepared by the Metropolitan Area Traffic Commissioner, Mr Gleeson Robinson. He gives a penetrating analysis of the difficulties of the motor coach industry during 1933. He observes that the first reaction of many road operators to the extended cheap travel facilities was to agitate for large reductions of fares, partly to induce the public to travel and partly as a gesture with the idea of endeavouring to prevent reduction of rail fares. "These conditions," the Commissioner adds, "constituted a severe test for the industry and for the machinery which operators had created to assist in the stabilisation of fares." But fortunately the regional fares committees were ultimately able to obtain practically 100 per cent. agreement between operators. Mr Robinson also gives the information that there are approximately 8,130 public service vehicles, 2,475 tramcars and 60 trolley buses in the Metropolitan Traffic Area. Of the public service vehicles 5,870 are operated by the London Passenger Transport Board and 2,260 by independent operators; while the average number of vehicles owned by each of the latter is only 4.8.

* * *

British Tramps v. British Liners.—Last July the President of the Board of Trade declared his readiness to provide a "defensive subsidy" for British tramp ships, not exceeding two million pounds for one year. One condition was that the subsidy should not be dissipated by competition between British ships carrying tramp cargoes. The shipowners were to prepare a scheme to obviate this competition before the subsidy could materialise. In his Parliamentary statement on December 13th, Mr Runciman remarked that competition between the various classes of ships under the British flag is just as keen as between ships sailing under different flags. The British liner, he pointed

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out, often competes with the British tramp. Very promptly the Liverpool Steam Ship Owners' Association, whose members are mainly liner companies, realised this. They expressed their view that the basis must be an equal subsidy for an equal service, whether the service be rendered by cargo liner or tramp. The subsidising of one section of the British Mercantile Marine to the detriment of another section would entail the dissipation of the subsidy without benefit to those whom it was intended to assist, and be a source of weakness in withstanding foreign subsidised competition. This argument was urged by Mr Lawrence Holt, who, speaking in Liverpool the other day, said that to grant a subsidy on cargo carried by tramps and deny it to the same cargo carried by liners would dissipate the subsidy in lower rates of freight and damage the cargo liners by lowering rates. To find more cargoes for British tramps at the expense of British liners would be to strike a grievous blow at the very vitals and authority of British shipping, while to subsidise all British shipping was unthinkable. Our shipping should remain a contributing and not a withdrawing factor in the nation's balance sheet. Speaking almost at the same time, Lord Essendon, as chairman of Manchester Liners, Ltd., said almost the same thing. Liners in many trades are, he pointed out, far more subject to the competition of foreign subsidised vessels than are tramp ships. Thus, no scheme which the Government can say it will accept has yet been evolved; though it was reported this week that a scheme had been put forward which may be the subject of discussion. Lord Essendon, it is worth recalling, has urged a number of times that, apart from an improvement in international trade, the only salvation for the shipping industry is for shipping interests to get together internationally and make it clear that they are determined, for the benefit of all, to get rid of unnecessary barriers to trade and to lower many obstacles which now restrict traffic. In his view (as expressed at the Furness, Withy meeting in July) many nations are prepared to discuss this mode of co-operation with a view to putting the shipping industry on a sounder footing. Mr Runciman himself declared, when making his statement in the House early in July, that the Government would continue their efforts to secure international consideration of means to place shipping generally on an economic footing. Does the Government really intend to make any serious endeavour to translate these words into action?

Sterling and International Prices.—Both British and American prices have fallen during the past fortnight. The *Economist* complete British index has declined by 0.8 per cent., while sterling prices of primary products have fallen by 2.1 per cent. In the United States the reduction in the price of primary products is 1.5 per cent., while the complete Irving Fisher index number has fallen by 0.4 per cent. British and American price movements have been roughly parallel to each other. On the Continent, French prices are lower, but Italian prices show signs of a slow advance. German prices are also continuing their rise.

SEPTEMBER 18, 1931 = 100									
Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Com- merce	Ger- many, Statistik Reichs- amt		
	British Complete Index (sterling)	Primary Products (sterling)	Price of Gold (sterling)						
1932									
Jan. 27th	108.3	115.7	93.8	140.9	93.5	93.6	95.8	91.6	
Apr. 20th	103.8	105.4	83.6	129.5	89.6	97.9	95.3	90.3	
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	89.5	88.1	
Oct. 19th	103.1	112.3	84.0	143.8	88.6	88.8	92.7	86.8	
1933									
Jan. 25th	101.3	107.7	78.0	142.6	80.5	89.1	90.2	89.8	
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	86.2	83.4	
July 25th	108.1	120.6	124.7	145.7	100.9	89.7	86.2	86.6	
Oct. 18th	108.4	112.8	109.1	155.4	103.7	87.5	84.6	88.1	
1934									
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	84.4	88.5	
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	84.1	88.0	
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	84.2	88.1	
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	83.2	87.7	
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	83.9	88.5	
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	83.9	89.6	
July 4th	107.7	123.2	133.4	161.7	112.8	82.0	83.7	91.1	
July 18th	108.5	124.7	139.4	162.5	113.0	81.4	83.3	91.6	
Aug. 1st	109.5	129.2	145.0	162.8	112.8	81.9	84.2	92.1	
Aug. 15th	111.1	129.2	145.0	162.8	112.8	81.9	84.2	92.1	
Aug. 29th	111.1	129.1	145.0	162.8	112.8	81.9	84.2	92.1	
Sept. 12th	110.0	127.7	150.6	164.0	115.6	82.0	84.1	92.0	
Sept. 25th	108.7	125.7	150.3	165.3	115.9	81.8	84.1	92.2	
Oct. 10th	107.8	123.1	146.8	166.2	116.1	81.4	84.3	92.5	
				167.7	115.6	80.7	84.4	92.6	

* These figures refer to Oct. 3rd.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX (1927 = 100)				
	Sept. 18, 1931	Sept. 12, 1934	Sept. 26, 1934	Oct. 10, 1934	
Cereals and meat	64.5	76.0	74.1	72.1	
Other foods	62.2	58.7	57.9	58.7	
Textiles	43.7	52.1	51.3	50.9	
Minerals	67.4	75.6	76.0	75.0	
Miscellaneous	65.8	69.5	69.1	67.8	
Complete index	60.4	66.4	65.7	65.2	
1913 = 100	83.1	91.4	90.4	89.6	
1924 = 100	52.2	57.4	56.8	56.3	

The past fortnight has witnessed sharp declines in most cereal prices, which it is difficult to dissociate from the recent exportation, at subsidised prices, of French surplus wheat. Beef was slightly dearer, but English mutton was cheaper, and there was a further heavy fall in bacon. Among other foodstuffs, there were slight advances in butter and cheese, and an appreciable recovery in tea. In the textiles group, cotton has again cheapened, but wool and jute are firmer. In the minerals group, non-ferrous metal prices are all lower, but there is a further seasonal advance in house coal. Among miscellaneous materials, tallow is dearer, but there was a further decline in rubber.

Shipping Freight Index.—As measured by our monthly index number, the general level of the whole cargo shipping freights rose by 0.4 per cent. during September, following a rise of 5.0 per cent. during August. The current figure of 89.9 compares with 83.3 in September last year and 86.6 in September, 1932. Details of the index number are as follows:—

	(1898-1913 = 100)				
	Average, 1913	September, 1933	July, 1934	August, 1934	September 1934
European waters	110.0	85.3	89.5	91.1	90.3
North America	113.1	76.6	75.7	77.4	79.3
South America	123.4	76.5	83.7	85.4	82.8
India	106.3	92.7	88.3	96.1	98.6
Far East and Pacific	117.4	83.3	87.3	91.4	93.5
Australia	127.9	85.5	87.2	96.1	95.3
Total	116.3	83.3	85.3	89.6	89.9

East Coast rates are steady. At Hull they are slightly firmer, while in Scotland there has been some demand for tonnage from the Baltic coal trade. Liverpool reports a very moderate demand for tonnage from outward coal ports. South American rates, both homeward and outward, are all lower, but the market is not stagnant. North American freights are slightly higher, but demand for tonnage is still limited. The Mediterranean market is on the whole firm. Movements of the various sections of our index number are shown in detail below:—

	Index No.	Inc. or Dec. Points		Index No.	Inc. or Dec. Points
Home trade	82.1	+2.8	South America:		
Bay—outwards	104.6	-9.2	Outwards	67.1	-2.1
Bay—homewards	93.5	-1.7	Homewards	98.5	-3.1
Mediterranean:			India—outwards	74.4	...
Outwards	94.7	...	India—homewards	122.7	+5.0
Homewards	84.6	+0.4	Far East, etc.	93.5	+2.1
North America	79.3	+1.9	Australia	95.3	-0.8

Expressed as a percentage of the average for 1913, the total figure of our index number for September is 77.3, compared with 77.0 for August and 71.6 for September last year.

Employment in September.—The Ministry of Labour estimates that there were 10,233,000 insured persons in employment in Great Britain on September 24th. This figure is higher than at any time since November, 1929, and even higher than the average of 10,220,000 for that year of relative prosperity. The highest recorded number of insured workers in employment was 10,316,000 in September, 1929; the lowest

during the past ten years was 9,144,000 in September, 1932; so that in two years industry has almost recovered to its pre-crisis level, though this takes no account of the increase in population. The present figure shows an increase of 352,000 as compared with a year ago, and of 63,000 as compared with the end of August. As to the unemployed, there were 2,081,987 on the registers at the end of September, of whom 1,647,673 were wholly unemployed, 352,696 temporarily stopped, and 81,618 registered as "normally in casual employment," making a total decrease of 54,591 as compared with a month ago. Changes in different industries have been mainly of a seasonal nature. There has been a substantial falling off in building and public works contracting, in the distributive trades, and in hotel and boarding-house services; while there has been a marked improvement in coal-mining, in woollen and worsted manufacture, in the boot and shoe industry and in pottery manufacture; cotton, iron and steel, and hosiery manufacture also show a diminution in unemployment. These changes are reflected in the decreases in the numbers unemployed in the Midland and North-Eastern districts of 34,313 and 31,618 respectively, with smaller decreases in the North-West and in Wales, and increases in all other administrative divisions. It is noteworthy that the wholly unemployed actually increased during the month by nearly 50,000; since the industries which now record an expansion are those which normally work with short-time arrangements, while building and the distributive trades and services have no such organised arrangements. The

following table shows changes in various industries during the month and year:—

MOVEMENTS IN UNEMPLOYMENT BY INDUSTRIES: SEPTEMBER 24, 1934, COMPARED WITH				
	Aug. 20, 1934	Sept. 25, 1933		
	Number	%	Number	%
Coal mining	-48,648	-15.8	-83,669	-24.4
Iron and steel manufacture	-3,067	-6.3	-12,832	-21.9
Metal goods manufacture	-2,289	-3.2	-19,711	-22.4
Engineering	...	...	-60,407	-36.6
Shipbuilding and repairing	+3,584	+4.9	-21,273	-21.8
Woollen and worsted	-13,543	-25.0	+17,157	+73.6
Cotton	-7,726	-6.4	-1,708	-1.5
Hosiery	-2,920	-17.7	+4,946	+5.7
Boot and shoe	-10,809	-30.4	+1,663	+7.2
Pottery	-6,425	-34.2	-3,340	-21.2
Building	+8,464	+5.8	-17,687	-10.1
Public works contracting	+2,151	+1.8	-4,709	-3.7
Distributive Trades	+12,319	+6.0	-10,617	-4.6
Hotel and boarding houses	+10,007	+20.8	-996	-1.7
All industries	-54,591	-2.5	-254,740	-10.9

Unemployed boys and girls between the ages of 14 and 16 in insured occupations, or whose dismissal has been notified by employers to the exchanges under the new Unemployment Act, will not be included in the figures of registered unemployed persons until next month. Despite this, the figure of unemployed juveniles fell by less than 6,000 between August and September, as compared with a drop of 8,600 over the same period of last year. That is rather a serious matter, owing to the unusually large number of children who left school this summer.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

MR ROOSEVELT AND THE LABOUR ISSUE

THE President devoted a large part of his "fireside talk" over the wireless on the evening of September 30th to two phases of N.R.A. Referring to the numerous and costly strikes which have disturbed industry in the past year, he proposed a sort of truce between employer and employee; and he mentioned the changes now being made in N.R.A. in order to develop the permanent forms which will be presented to Congress against the Statutory expiration of the National Industrial Recovery Act on June 16, 1935.

Both these topics are uppermost in the minds of the business community. The three-weeks textile strike has ended; but there are complaints from labour against the discrimination of employers against participants in the strike, and as usual, there are rumblings of other major strikes—some for the early future, as of certain maritime unions on the Atlantic seaboard, others for mid-winter, as in the steel and motor industries.

As for N.R.A., various changes in form have been already effected; but its general programme or policy has not been clarified. In place of General Johnson, who resigned last week as Administrator, two Boards have been created; one is intended to determine policy, and is composed of Cabinet members and other heads of departments; the other is to be the administrative head of N.R.A. itself. The business community does not consider that it is adequately represented on either Board. Another disputed point is, of course, price-fixing. A great many of the codes authorise price-fixing, and although in some cases it does not appear that the code price has been effective, it exists in others. For example, the fixed price of copper produced under the code (called Blue Eagle copper) is 9 cents; the actual quotation, which is made in the scrap copper market, is a bit over 6 cents. The supply of 6-cent copper is so large that sales of Blue Eagle copper in September were only about 10 per cent. of the much-curtailed production quotas.

It is believed that the new N.R.A. Boards are not so well disposed toward price-fixing as was the former Administrator. The President's address also questioned "the wisdom of extending code requirements suited to the great industrial centres and to large employers to the great number of small employers in the smaller communities." The resignation of General Johnson marks the ending of one concept of N.R.A. and opens the way to a new set of industrial policies.

The first week of October is commonly the high tide of the seasonal autumn upturn. In the current year there has been as yet little lift above the summer depression. Steel operations are about 23 per cent. of capacity compared with a low point of 19 per cent. Retail trade figures, however, are rather encouraging; it is understood that the September trade was the best for months, and this is particularly significant as miscellaneous retail prices (other than food) have been sagging since the spring.

THE SUMMER RECESSION IN BUSINESS

The indices of the Federal Reserve Board for August are now available, and they show production above the extreme low points of 1932, but lower than the summer of 1933 and only a little above the autumn of 1932.

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FEDERAL RESERVE INDEXES

1923-5 = 100 (adjusted for seasonal)

	Aug. 1933	May 1934	June 1934	July 1934	Aug. 1934
Industrial production	91	86	83	75	73
Manufactures	91	86	83	74	72
Minerals	91	89	87	85	80
Construction contracts (total)	24	26	26	27	27
Residential	12	11	12	12	11
Others	33	39	38	39	41
Factory employment	76	82	81	79	79
Factory payrolls	59	67	65	60	62
Freight car loadings	61	63	64	61	59
Department store sales	77	77	74	73	79

It will be noted that the recession from May through August was most marked in manufacturing and consequently in pay-rolls. Building activity was virtually unchanged, and employment fell off remarkably little in comparison with either the index of manufacturing or of pay-rolls. It is rather paradoxical that in so severe a recession in manufacturing activity, department store sales should have declined so little between May and July, and should have risen in August above any figure reached in the spring or in 1933. While the data for September are not yet available, it does not appear that the manufacturing index will be much, if any, higher; while retail trade appears to have been rather better than in August.

The condition of the railways is far from satisfactory, as can be seen from the figure of freight car loadings. The railways, in urging an increase of rates, have presented certain information about their difficulties. On August 1, 1934, twenty-six Class 1 railways, operating 40,565 miles, were in bankruptcy. In 1933 the railways in the aggregate showed a deficit after fixed charges of \$6 millions; in the current year this deficit is estimated at about \$70 millions. This deterioration is due principally to three causes: (1) Wages were increased, (2) increased pension charges were prescribed by legislation, (3) raw material prices have risen largely as a consequence of N.R.A. Two further wage increases have been scheduled for early next year. In meeting the wage increase since July the railways have been remarkably successful in effecting economies, largely by further reductions of their personnel.

For some time no definite principle seems to have determined the proportion contributed by the Federal Treasury to relief expenditure. The question came to the fore in Washington during the past week, with the Relief Administrator increasingly insistent that a larger proportion should be contributed by the localities. There is good reason to believe that abuses could be reduced if the localities had more direct responsibility. In New York City, where relief is mostly at local expense, the problem of municipal finance has become acute, and the City Government, which was elected last year on a retrenchment programme, is finding it difficult, first to compress its Budget within the limits of its predecessor, and, second, to find new sources of revenue for relief. The devices proposed range from a municipal lottery to a municipal income-tax, and as yet no acceptable source has been discovered. The overhead costs of doing business in New York, of which taxes are a major part, are already high, and additional taxation threatens to expel both industry and population from the city.

China's note of inquiry or protest regarding American silver policy has not been made public. But there are rumours that China is considering the abandonment of the silver standard if the price of silver is to be indefinitely advanced. As a substitute, it is said that China contemplates a devaluation of the Yuan dollar to a ratio of five to the American dollar. This threat is viewed with some concern in Wall Street, where it is apprehended that such a move by China might be followed by a further devaluation of the Japanese yen. These apprehensions have been given point by the weakness of the latter currency in the past few days. Under the nationalisation order of August 9 about 90 million ounces of silver had been received by the Treasury up to September 28. It is believed that this transaction is virtually complete, although early unofficial estimates of the silver, in New York and liable to nationalisation, had run to almost twice that figure.

NEW YORK, October 2.

FRANCE

THE ASSASSINATIONS AT MARSEILLES

PUBLIC opinion here was stunned by the shocking crime at Marseilles on Tuesday. The death of M. Barthou will naturally necessitate a change in the Doumergue Cabinet. There is no reason, however, for an alteration in the foreign or domestic policy of the Government.

The Departmental elections, which took place on Sunday, normally have no great political significance, since the issues are purely local. This year, however, the Government invited the electors to give their verdict for or against the Doumergue Cabinet. In his broadcast speech of October 4th M. Doumergue pointed out that France was divided into two blocks—the "Common Front" of Socialists and Communists, and the Government's supporters. The Common Front is conducting a violent campaign throughout the country against the Government. M. Doumergue concluded his speech with an invitation to the friends of the Government to vote against the Common Front. The results of the elections are consequently a distinct success for the Government. Actually the first ballot has not changed the position in the Departmental Councils; the principal political parties have neither gained nor lost. But if one takes into account the sharpness of the economic crisis and the heated electoral campaign which the Common Front has carried on against the Government, the result of the elections suggests that the country remains hostile to the policy of the Common Front. Since in a large number of cases those who headed the poll did not obtain the requisite minimum of votes, the exact situation will not be known until next Sunday, after the second ballot. But it seems certain that the final results of the elections—which are the first held in the country since the riots of February 6th—will strengthen the position of the Government. Such at least was the generally held opinion when the assassinations at Marseilles occurred.

REDUCTIONS IN INTEREST RATES

The Minister of Finance announces that from October 8th there will be reductions in the rates of interest on ordinary Treasury bonds, of which 10,000 millions are actually in circulation. This reduction comes as a proof of the very satisfactory manner in which the new 4 per cent. loan is being subscribed, and of the extent to which the situation of the Treasury has been ameliorated. The reductions are as follows: one month bonds, $\frac{1}{2}$ per cent. instead of 1 per cent.; two months' bonds, 1 per cent. instead of $1\frac{1}{2}$ per cent.; three months' bonds, $1\frac{1}{2}$ per cent. instead of 2 per cent.; one year bonds, $2\frac{1}{2}$ per cent. instead of $3\frac{1}{2}$ per cent. These rates are the lowest since February, 1933. They show the improvement which has taken place on the short money market since 1933. Indeed, the stringency which made itself felt after the riots of February 6th has entirely disappeared. The following table shows how short-money rates have relaxed since the beginning of March:—

	Mar. 7th	May 19th	May 30th*	Oct. 8th
Treasury bonds:	%	%	%	%
(a) One month	2	$1\frac{1}{2}$	1	$\frac{1}{2}$
(b) One to two months	$2\frac{1}{2}$	2	$1\frac{1}{2}$	1
(c) Two to three months	3	$2\frac{1}{2}$	2	$1\frac{1}{2}$
(d) Three months to one year	$3\frac{1}{2}$	3	$2\frac{1}{2}$	$2\frac{3}{4}$
(e) One to two years	4	$3\frac{1}{2}$	3	3
(National Defence bonds)				

* June 8th for (d) and (e).

For many months the weekly returns of the Banque de France have shown a steady increase in the gold stock, which has risen by 8,300 million francs since the beginning of March, after diminishing by 2,889 millions between February 2nd and February 23rd. These gold imports have led to the issue of an equal amount of franc notes, which is a principal cause of the increased easiness on the money market. Dis-hoarding is another cause.

The receipts of the Suez Canal were higher in September than in the same month a year ago. In the three previous months the trend had been the other way. The receipts for the first nine months of 1934 are as follows in comparison with those of 1933.

	(francs '000)	1933	1934
January	71,400	78,230	
February	64,620	66,780	
March	76,220	77,000	
April	72,620	76,370	
May	69,880	73,020	
June	62,070	62,060	
July	65,250	65,210	
August	71,600	69,930	
September	67,320	67,860	
Total	620,980	636,460	

During the first three months of 1934 total receipts were 222,010,000 francs, against 212,240,000 in 1933. The reduction in rates has been in force since April 1st. The receipts for the three months after April 1st were sensibly higher than in 1933. But those of the third quarter show a reduction, which would have been more important if the improvement in September had not occurred.

PARIS, October 10.

GERMANY

CONTINUED EXPANSION OF HEAVY INDUSTRY

THE wholesale price index is still rising. It was 100.8 for October 3rd, compared with 100.7 in the previous week. Railway car-loadings in August were 10.5 per cent. higher than in August, 1933, but 10.9 per cent. lower than in August, 1930. In the first eight months operating receipts were Rm. 277 millions above those of the same months of 1933, but Rm. 1,409 millions below the figure for the same months of 1929. The turnover of the department stores has risen considerably, and in August it was 14 per cent. above that of August, 1933. Consumption of textiles, clothing and household articles has risen sharply. The Chambers of Commerce reports for September indicate a further general increase in industrial activity. The cutlery and small ironwares branches report for the first time some improvement in exports. The Steel Trust reports for the third quarter of 1934 a substantial increase in pig iron production and a small increase in steel. Its steel output rose in the quarter to 1,168,300 tons, as against a highest quarter's figure since the foundation of the trust in 1926 of 1,736,000 tons. Total export of semi-products and rolling-mill materials in the first eight months was 40 per cent. higher than in the same months of 1933. Machinery exports are stagnant, being 20,220 tons in August and 168,200 tons in the first eight months, as against a highest level of 700,000 tons in 1930. The Pig Iron Syndicate agreement, which was to expire at the end of 1934, has been prolonged for another three years.

The new import plan was not yet in efficient working order last week. Numerous doubtful questions, arising mostly out of insufficient definition, continued to hamper traders. The respective competences of the 25 new, or adapted, Supervision Boards and of the old Exchange Boards (*Devisenstellen*) were still not clear. The Supervision Boards, it is now officially declared, are competent in the case of import payments due on or after September 24th. The date of payment is taken as falling before September 24th where provision was made for a contingent later payment on the condition of a fine or the payment of interest; also when payment was to be by bills maturing before September 24th; finally, in cases of agreement for payment against documents before September 24th. Payment contracts with such conditions fall under the new Boards if the date of fulfilment is after September 23rd. The exact date is important to foreign exporters in view of the Reichsbank guarantee to deliver exchange for all transactions falling under the Supervision Boards.

The development of international compensation deals continues, and the newspapers publish long lists of German traders who seek compensation partners. The conclusion of private compensation agreements, however, is proceeding slowly. Development has been checked by an ordinance forbidding the taking or paying of premiums for the conclusion of deals, whereby private incentive has been weakened. The restriction on import of raw materials introduced gradually since March has had the effect in some branches

of increasing imports of manufactured goods. Whereas the total import has fallen off, mainly owing to the sharp decline in imports of raw materials, imports of manufactures have lately been rising. Imports of textile raw materials fell from the high volume of 96,900 tons in April to 49,600 tons in August; but imports of yarn (classed for trade return purposes as manufactures), after declining for several months, rose sharply in August, and imports of cloth also rose in August after a drop in July. Imports of cotton yarns from Switzerland have substantially increased.

THE BALANCE OF PAYMENTS

The official provisional balance of foreign payments for 1933 shows that the export surplus of Rm. 669 millions, plus Rm. 232 millions net from shipping and services, sufficed to cover foreign interest charges of Rm. 700 millions, plus Rm. 149 millions for various payments booked as "Reparations," leaving a surplus on the current liabilities account of Rm. 52 millions. There were available on capital payments account the above Rm. 52 millions, Rm. 524 millions paid out of the currency reserves, and Rm. 300 millions from deals in securities; at the same time there were repaid Rm. 547 millions of short-term credits and Rm. 250 millions long-term, and Rm. 79 millions in payments not specified. Net receipts from shipping, which reached a highest recent point of Rm. 704 millions in 1929, and were Rm. 435 millions in 1931 and Rm. 265 millions in 1932, fell further last year, but the pace of decline slackened.

The money market has been very liquid, largely owing to payments for redemption of Reich "Old-owned" loan and the half-yearly interest payment on municipal conversion loan. Reich Treasury bonds were sold out and a shortage prevailed in the market for Reich Treasury bills. Public interest has of late been concentrated on the markets for rentes and short-term Government securities, while standard high-priced industrial shares have been dull and weak. The official index for bonds of all kinds for September was 88.97, against 87.89 in August, since when there has been a new substantial rise. Official utterances,

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backed by rumours, have led investors to conclude that the policy of pushing up the prices of home bonds, initiated by the adoption by the Reichsbank of the open-market policy in September, 1933, will be continued.

The Reichsbank's return for October 6th shows substantial repayments of September month-end credits, the total of which was reduced in the week by 40 per cent., or by almost as much as the repayments of the first three weeks of September. This movement is connected with a decline of deposits by Rm. 50 millions. The reversal of the recent tendency towards increasing deposits is due not to liquidation of the claims of foreign central banks but to private withdrawals. The gold reserve increased by Rm. 3½ millions, delivered by Russia. Total circulation has fallen below the level of a month ago.

BERLIN, October 10.

AUSTRIA

PASSIVE TRADE BALANCE STILL FALLING

THE passive trade balance in August reached the lowest level recorded since the inflation ten years ago. The actual figure was 13 million schillings, compared with a monthly average of 91 millions in 1929 and 52 millions in 1932. Imports in August amounted to 85 million schillings, the same as in July, and two millions less than in August, 1933; exports were 72 million schillings, or six millions more than in July and three millions more than in August, 1933. Imports of raw materials show a decline, and are the lowest since January, 1933. This is due partly to the easing of the prices of certain raw materials in recent months; the volume of imports amounted to 3.48 million metric centners in August, compared with only 2.54 millions in April. The most remarkable feature of the improvement is still the expansion in exports of finished goods.

The improvement in foreign trade is not yet affecting domestic trade. The slow rise in consumption is due to the many wage and salary cuts that have taken place and the increased burden of taxation. Business improvement, in so far as it exists at all, has certainly not yet become noticeable in the form of an increase in the average earnings of the masses. There is also a serious shortage of capital, owing to the disorganisation of the capital market. The effect of low prices which have lasted for years on the share market is that even now the raising of capital by means of share issues cannot be contemplated. At the present moment, when the erection of new factories, or, at least, the extension of existing factories, is likely to be profitable, the complete impossibility of procuring capital by the issue of shares is felt most keenly.

Conditions are much better on the bond market. Quotations are very firm and last month there was a series of remarkable rises. The demand for bonds, which in most cases still yield about 8 per cent., is fully comprehensible in view of the amount of idle money and the low rates paid on deposits, etc. A further reduction of the bank rate from 4½ (the lowest level since the war) to 4 per cent. is under consideration. The liveliness of the bond market has been partially due to fluctuations in the rate of the dollar.

The savings banks have not yet given so much attention to the purchase of bonds as the actual interest obtainable would have led one to expect. This is because they were quite recently getting still higher rates from other financial institutions, and also because they were already making full use of their available funds. In view of the extraordinary amounts of free money which these institutions now have at their disposal, they do not welcome further increases of deposits since they have no opportunity to invest them profitably. This circumstance has completely changed the situation. Various savings institutions will be obliged to pay more attention to the bond market, particularly as it is proposed to arrange a binding agreement to reduce the rates paid on inter-bank business.

VIENNA, October 10.

JAPAN

DEFICIT ON BALANCE OF PAYMENTS

ACCORDING to a tentative estimate of the balance of payments in 1933, lately published by the Treasury, Japan had a debit balance of 4.9 million yen in her international transactions on income account, as against a credit balance of 56.5 million yen in 1932. While the excess of merchandise imports and net Government payments abroad totalled 225.3 million yen, or 82.3 million yen more than in 1932, the official estimate of invisible exports was put at 220.4 million yen, or 20.9 million yen larger. One of the outstanding features in the official calculation is a marked increase in net Government payments abroad, which is presumably attributable to heavy purchases of arms and ammunition. Invisible items, on balance, are set out below in comparison with the preceding year:—

OFFICIAL CALCULATION OF BALANCE OF PAYMENTS

(000's omitted)			
Debit			
	1932 Yen	1933 Yen	
Excess of merchandise imports (including that of Korea and Formosa)	58,787	77,886	
Net Government payments abroad	84,216	147,437	
Total	143,003	225,323	
Credit			
Net income from overseas investments and business	48,419	34,545	
Net national shipping income	99,701	125,698	
Net insurance premium income	8,899	8,968	
Tourists' expenditure	15,626	20,590	
Other items	26,827	30,584	
Total	199,472	220,385	
Excess of income over expenditure	56,469	— 4,938	

The rising tendency of imports of raw materials still continues, and imports during August gained heavily once more relatively to exports in spite of the usual export season. The August returns show that, in comparison with August, 1933, imports increased by 51.6 million yen, or 39.4 per cent., whereas exports rose by only 25.9 million yen, or 14.2 per cent., the export surplus being thus 25.6 million yen smaller at 26.9 million yen. The tendency is mainly ascribable to the continuous heavy purchases of raw cotton and the uninterrupted decline in raw silk exports. Besides raw cotton, notable increases were recorded in imports of iron and steel, machinery, petroleum and wheat, while raw wool alone showed a substantial decrease. On the export side, cotton piece-goods and all the other textile goods, with the exception of raw silk, fared considerably better, and a marked advance was shown after many months for tinned and bottled provisions.

The statements of the Japanese joint-stock banks for the June half-year make a better showing. The combined net profits of the five leading banks in the first half of this year totalled 26,465,000 yen, as compared with 24,105,000 yen in the preceding half-year and 22,156,000 yen in the corresponding half of 1933. The records of individual banks, however, are not uniform; the largest increase was that of 1,032,000 yen displayed by the Mitsubishi, while the Yasuda exhibited the smallest increase of 58,000 yen, but dividends were maintained in every case. In the absence of scope for remunerative employment of funds in loans, larger profits are generally accounted for by profitable sales of investments. The earnings of the two colonial banks also display a slightly varying experience; the Bank of Taiwan earned 631,000 yen in the past half-year, as compared with 576,000 yen in the December half of 1933, whereas the net profits of the Bank of Chosen were practically unaltered at 925,000 yen, as against 926,000 yen. Both paid their customary dividends.

RISE IN WHOLESALE PRICES

Commodity prices have reversed the downward tendency developed in May last. The Bank of Japan's index number

of wholesale prices for August registered a rise of 1.6 per cent. on the month and regained the loss of the three preceding months. The cereals group contributed mainly to the advance, there being a sharp rise in the price of rice owing to unfavourable crop prospects. There has been a deterioration in prospects for summer and autumn cocoon crops, a decrease of well over 20 per cent. being forecast as compared with a year ago. On the other hand, industrial production continues to be well maintained. The output of cotton yarn during August set another record at 116,036,000 lbs., and that of rayon yarn reached a high record at 12,426,000 lbs. The aggregate value of all shares listed on the Tokyo Stock Exchange on September 1st was 6,001.9 million yen, a rise of 46.4 million yen, or 0.78 per cent., on the month.

Trade disputes of considerable magnitude, which have been very few in recent years, are reappearing. The Tokyo bus and tramway workers' strike, which began on September 5th in protest against the proposed drastic reduction in wages, and is now in progress, involves more than 10,000 workpeople. The Japan Seamen's Union is threatening to call a general strike, demanding advances in wages or a restoration of wage-cuts. This union is the largest labour organisation in the country, with a membership of close on 100,000.

TOKYO, September 21.

LETTER TO THE EDITOR

OUR AGRICULTURAL POLICY

TO THE EDITOR OF THE ECONOMIST

SIR,—Referring to your editorial reply to my letter in the *Economist* of September 29th, may I say that I fear you have misread my original Address, for I cannot agree that the total of grants and remissions of taxation, therein enumerated, amounts to £45 millions per annum. Taking the items seriatim, I gave, for England and Wales, £6 millions per annum as the aggregate of subsidies, etc., £4 millions per annum under the heading of Ministerial expenditure (Education and Research), and £18 millions as the (annual) total of reliefs from local taxation and tithe. This represents a grand total of £28 millions, or rather less than ros. per head per week.

As I had separately enumerated the remissions, viz.: £16 millions upon agricultural land, £800,000 under the general Derating Act, and approximately a million under tithe, it occurs to me that these items may have been included by yourself in addition to the above-mentioned aggregate of £18 millions; if so, the divergence between us would be explained. In any case, I hope we can agree that £28 millions, while a very different sum from £45 millions, nevertheless still represents an enormous contribution by the State to the industry in question.

—Yours faithfully,
The Lodge,
Queens' College,
Cambridge.
J. A. VENN.
October 3, 1934.

[In view of Dr Venn's clarifications, we plead guilty to having made a false addition of his figures. We seem, however, to have erred in good company, for Lord Astor and Dr Keith Murray, in their book "The Planning of Agriculture" (page 17) have made precisely the same mistake. Dr Venn will, we think, admit that the wording of the relevant paragraph on page 19 of his Address is somewhat obscure. The paragraph deals exclusively with tithe and related matters, and mentions in conclusion that "by these combined reliefs a sum of nearly £18 millions per annum has been excused to rural interests in England and Wales alone." Whether this figure included, or was additional to, the £16 millions mentioned some paragraphs previously was not very clear. We were in some perplexity on this point, but finding the larger total to be in general agreement with the figure quoted by Lord Astor and Dr Murray, concluded that it was correct.

It now appears that we were wrong, and we desire unreservedly to apologise to Dr Venn for misrepresenting him. At the same time we are glad to agree with him that, even with a figure of £28,000,000, the contribution of the State to the agricultural industry is truly enormous.—Ed., Econ.]

BOOKS RECEIVED

- Poland. By E. J. Patterson. (Modern State Series, No. 6.) Arrowsmith. 129 pages. 3s. 6d.
- Deutscher Sozialismus. By Werner Sombart. (Berlin) Buchholz and Weisswange. 338 pages. 4.80 marks.
- National Economic Planning. By W. Macmahon Ball, L. F. Giblin, G. V. Portus, Lloyd Ross, E. O. G. Shann, E. R. Walker and R. Wilson. Edited by W. G. K. Duncan. (Sydney) Angus and Robertson. 211 pages. 5s.
- An Historical Basis for Unemployment Insurance. Report by Industrial Relations Counsellors, Inc. (London) H. Milford. 306 pages. 13s. 6d. net.
- British Opium Policy in China and India. By D. E. Owen. (London) H. Milford. 399 pages. 18s. net.
- The Scandinavian Unemployment Relief Programme. By C. J. Ratzlaff. (London) H. Milford. 211 pages. 8s. 6d. net.
- Manuale de Statistica. Vol. I, II. By Felice Vinci. (Bologna) Nicola Zanichelli. 225 pages. L.25 each volume.
- The Small Man and His Money. By A. Emil Davies. (London) Allen and Unwin. 96 pages. 2s. net.
- La Finanza Moderna. Vol. I. By Mario Alberti. (Milan) Dott. Antonino Giuffrè. 336 pages. L.32.
- The Conduct of and Procedure at Public, Company and Local Government Meetings. 14th edition. By Albert Crew. (London) Jordan and Sons, Ltd. 423 pages. 7s. 6d. net.
- The British Year Book of International Law, 1934. Issued under the auspices of the Royal Institute of International Affairs. (London) H. Milford. 240 pages. 16s. net.
- The Foreign Debt of the Argentine Republic. By H. E. Peters. 186 pages. (London) H. Milford. 9s. net. (Baltimore) The Johns Hopkins Press. \$2.00.
- Miners and Management. By Mary Van Kleeck. (New York) Russell Sage Foundation. 391 pages. \$2.00.
- Foreign Trade in the U.S.S.R. By J. D. Yanson. (London) Gollancz. 176 pages. 3s. 6d. net.
- Health Protection in the U.S.S.R. By Semashko. (London) Gollancz. 176 pages. 3s. 6d. net.
- The Soviet Theatre (illustrated). By P. A. Markov. (London) Gollancz. 175 pages. 5s. net.
- Permanent Prosperity and How to Get It. By J. Bauer and N. Gold. (London) Harper and Bros. 251 pages. 12s. 6d. net.
- Port of London, 1909-1934. By Alan Bell. (London) The Port of London Authority, Trinity Square. 74 pages.
- The Legacy of the Rural Guardians. By G. Cattle. (Cambridge) W. Heffer and Sons, Ltd. 384 pages. 15s. net.
- Economic and Social Aspects of Crime in India. By Bejoy Shanker Haikerwal. (London) Allen and Unwin. 237 pages. 10s. net.
- Business Law. By T. S. Kerr. (London) Chapman and Hall. 776 pages. 31s. net.

OFFICIAL PUBLICATIONS

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

- Report from the Select Committee on Estimates, 1934. 11s. net.
- Colonial Report, No. 1667. Federated Malay States, 1933. 4s. net.
- Report on the Administration of the Cameroons under British Mandate for the year 1933. Colonial No. 99. 4s. net.
- Colonial Reports: No. 1671. Johore, 1933. 2s. 6d. net. No. 1672. State of Kelantan, 1933. 3s. net. No. 1674. British Solomon Islands Protectorate, 1933. 1s. 3d. net. No. 1675. Zanzibar Protectorate, 1933. 2s. net. No. 1676. St. Vincent, 1933. 1s. net. No. 1678. Sierra Leone, 1933. 2s. net.

George Allen & Unwin Ltd.

Money, Foreign Trade, and Exchange

By H. J. WELCH. 4s. 6d.

"Those interested in modern problems relating to national, international monetary and financial practices cannot fail to appreciate Dr. H. J. Welch's new book It is the work of a business man well qualified in his subject."—Financial Times.

Museum Street, London, W.C.1

MONEY AND BANKING

AMERICA'S BALANCE OF PAYMENTS

THE preliminary figures of the American Balance of Payments for 1933 were printed in the *Economist* of April 14, 1934. The detailed estimates, which are now available,* enable greater light to be shed on a number of the component items. This annual publication of the Department of Commerce is a most interesting economic document. Its hundred closely printed pages of estimates and discussion put to shame the half-dozen largely inferential figures which constitute the official estimate of the British Board of Trade. Many of the American estimates are doubtless wide of absolute accuracy. But all of them are based on careful sampling and estimation, and the methods of compilation are improved year by year.

This year, particular attention has been devoted to the effects of the depreciation of the dollar, especially its effects on the movement of capital. The results which emerge are interesting and not always in accordance with what might have been expected. The figures of the balance of payments are shown in the following table, to which the figures for 1929 and for 1932 have been added for comparison:—

BALANCE OF INTERNATIONAL PAYMENTS OF THE UNITED STATES
(Millions of dollars)

	1929			1932			1933		
	Cr.	Dr.	Balance	Cr.	Dr.	Balance	Cr.	Dr.	Balance
Merchandise trade	5,241	4,400	+841	1,612	1,323	+289	1,675	1,450	+225
Shipping and freight	206	272	-66	73	118	-45	49	65	-16
Tourist expenditure	183	821	-638	71	446	-375	71	292	-221
Immigrant remittances, charity, etc.	24	288	-265	6	169	-163	3	135	-132
Interest and dividends	979	414	+565	461	68	+393	452	63	+389
War debts	207	—	+207	99	—	+99	20	—	+20
Govt. transactions	60	182	-122	31	101	-70	32	85	-53
Miscellaneous current items (net)	—	—	-105	—	—	+3	—	—	-2
Balance on current account	—	—	+447	—	—	+131	—	—	+210
Gold movements (net)	—	—	-120	—	—	-11	—	—	+173
Currency movements (net)	—	—	-15	—	—	-80	—	—	-90
Total	—	—	-135	—	—	-91	—	—	+83
Long-term capital movement	2,328	2,469	-141	662	645	+217	1,505	1,456	+49
Short-term capital movement (net)	—	—	-80	—	—	-409	—	—	-385
Balance on capital account	—	—	-221	—	—	-192	—	—	-336
Errors and omissions	—	—	-91	—	—	+152	—	—	+43

The totals do not show any very striking change from 1932. The credit balance on current account was rather higher, and there was a net export of gold instead of a net import. The debit balance on capital account was consequently larger, but it was achieved almost entirely by an outward movement of short-term funds. On long-term capital account, indeed, the United States was still importing capital, as in 1931 and in 1932.

The interest of the figures centres on the individual items. Under the head of merchandise trade, for example, the effect of the depreciation of the dollar appears to have been to increase imports more than exports. Imports increased by about 10 per cent. measured either in value or in volume. Exports were unchanged in volume and 4 per cent. higher in value. Several explanations of this apparent paradox can be suggested. In the first place, there were no fresh restrictions—other than the depreciation of the dollar—on imports into America in 1933, while American exports undoubtedly suffered from the crop of restrictions imposed by other countries. In the second place,

* "The Balance of International Payments of the United States: 1933." By Amos E. Taylor. Department of Commerce Trade Information Bulletin No. 819. (Washington) Government Printing Office. 10 cents.

there was during the year a considerable revival of domestic industry which would normally lead to increased imports of raw materials. This inference is supported by an analysis of American trade by continents. The excess of exports to Europe showed little change. In the case of Latin America, the United States diminished her "adverse" balance. The great increase of imports, relatively to exports, came from Canada and the Far East. This result was achieved mainly by a reduction of exports to Canada and by an increase of imports from Japan. A further explanation suggested by the Department of Commerce is that the effects of a depreciating currency are different from those of a depreciated currency. The belief that the exchange value of a currency is going to fall further would lead to "forestalling" by importers, and to holding back by purchasers for export.

The tourist account shows a further sharp contraction. The fall seems to have been less in the case of tourist traffic to Mexico, and there was even a slight increase in expenditure on cruises. In the other divisions, however, there was a universal reduction. There appears to have been curiously little tendency among American tourists to discriminate in favour of those European countries with depreciated currencies. Comparing expenditures in 1933 with those in 1929, those in Switzerland have suffered a heavy reduction of 78 per cent., while the reduction for Germany is 80 per cent. On the other hand, the figures for France and the United Kingdom show almost the same reduction, namely 56 per cent. and 54 per cent. respectively. The reduction in the total is proportionately much the largest since 1929, and since the national income was on the whole higher in 1933 than in 1932, there can be little doubt that the decline in foreign travel was due to the fall of the dollar. The same cause presumably accounts for the fact that tourist expenditures of foreigners in the United States were unchanged for the first time since 1929.

The report states that there is no evidence to connect the decline in immigrants' remittances with the depreciation of the dollar. The report might, however, have mentioned that in some cases (notably the Irish Free State) the banking troubles led to a considerable repatriation of capital funds. Charitable contributions were 19 per cent. lower than in 1932, but it is interesting to note that while the remittances of Protestant and Roman Catholic institutions declined by 32 per cent. and 17 per cent. respectively, Jewish contributions showed an increase of 25 per cent. This fact is probably connected with political events in Europe. Interest receipts declined as expected. Even in 1933, however, the average rate of yield was 4.4 per cent., compared with 5.9 per cent. in 1930. The record of American foreign investments in the past decade is probably far sounder than is generally believed.

A large part of this year's report is devoted to the capital account. The outflow of short-term capital continued, as it has in every year since 1927. In the earlier years of this period the outflow resulted from new American short-term investments abroad exceeding the deposit of funds in New York by foreigners. After the onset of the depression, foreigners withdrew their funds from New York, but American banks were unable to reduce their foreign commitments owing to standstill arrangements, etc. In 1933, both foreigners and Americans were exporting short-term capital from America. Foreign funds in New York were reduced by \$383 millions and stood at the low figure of \$487 millions on December 31, 1933. On the other hand, American deposits with foreign banks and acceptance credits increased by \$135 millions, offset to some extent, but not entirely, by reductions in advances and short-term loans to foreigners. This outflow of capital is ascribed to the depreciation of the dollar, and the information is added that balances abroad have been largely repatriated since the devaluation of the dollar on January 31, 1934.

The changes in the long-term capital account in 1933 can be set out in tabular form:—

	(\$ millions)	
	Inflow (+) or Outflow (−) of Capital	
New foreign issues publicly made in U.S.	— 71	
Less refunding issues, commissions, discounts, etc.	+ 61	— 10
Bond-redemption and sinking fund payments:—		
Received from foreigners	+123	
Paid to foreigners	— 50	+ 73
Direct investments:—		
New direct investments abroad and privately taken foreign issues	— 91	
Direct investments of foreigners in U.S.	+ 7	
Resale to foreigners of direct investments made in previous years	+ 50	— 34
Purchase and sale of existing securities:—		
Purchases by Americans of foreign securities ...	—685	
Sales by foreigners of American securities	—580	
Purchases by foreigners of American securities ..	+760	
Sales by Americans of foreign securities	+565	
Net result of arbitrage transactions	— 40	+ 20
Balance of long-term capital account		+ 49

The net balance is not large, but some of the component items are considerable, and the whole turnover was much larger than in 1932, as can be seen from the first table. Transactions in existing securities dominate the account. The totals approximately balance over the year as a whole, but it would be interesting to know whether there were large movements in one direction in certain months, and reverse movements at other times. Flight of American capital undoubtedly played some part in these movements, as is shown by the large amount involved in purchases of foreign investments by Americans. In 1933 there was a net increase of \$120 millions in American holdings of foreign securities, compared with large declines in the preceding years. There appears, indeed, to have been a conflict of opinion between Americans and foreigners, as foreign holdings of American securities increased on balance by \$180 millions. Moreover, the purchases of foreign securities by foreigners represent largely "repatriation" of the dollar obligations of foreign countries and are, to that extent, not a symptom of foreign fear of the dollar. The report also contains an interesting analysis of foreign holdings in 52 of the largest American corporations. These holdings have been increasing steadily throughout the depression. The interesting fact emerges that more American securities were bought by foreigners in 1932 than in 1933. In 1932, Great Britain and Holland appear to have been the chief buyers; in 1933, France.

The facts here mentioned, together with many others of which space forbids mention, provide an interesting survey of the effects of the fall of the dollar. It is surprising that those effects were not larger. Imports both of goods and of capital offset to a surprisingly complete extent the increases that could be anticipated in exports of goods and capital. The increase in the net credit balance on current account, for example, is more than fully accounted for by the decline in tourist expenditures. The solution of these paradoxes is probably that already suggested, namely that the dollar in 1933 was a depreciating rather than a depreciated currency. If this is true, 1933 was a year of transition, and we shall have to wait until the figures for 1934 or 1935 are published to observe the final effects of the New Deal on the balance of America's international payments.

FINANCIAL NOTES

The Money Market.—Money remains very easy, with loans readily available at $\frac{1}{2}$ per cent. The discount market has perhaps become slightly more active. There is no increase in the total supply of bills, but bills are changing hands a little more freely. At the end of last week the clearing banks raised their minimum rates for October and November Treasury bills from $\frac{1}{8}$ to $\frac{1}{4}$ per

cent., so that they are now quoting $\frac{1}{4}$ per cent. for maturities before the end of the year, and $\frac{1}{8}$ per cent. for January Treasuries. There has been a good market demand for November Treasury bills at $\frac{1}{8}$ per cent. and for the hot bills at $\frac{1}{4}$ per cent. and a shade under. As a result the clearing banks have only secured a few November bills.

	Sept. 20, 1934	Sept. 27, 1934	Oct. 4, 1934	Oct. 11, 1934
Bank rate.....	2%	2%	2%	2%
Clearing banks' deposit rate	1	1	1	1
Short Loan rate:—				
Clearing banks	1	1	1	1
Others	1	1	1	1
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	1	1	1	1
(b) Others.....	1	1	1	1
Three months' bank bills	1	1	1	1

Last week's Treasury bills only went at an average rate of 15s. 9.70d. per cent., against 14s. 2.38d. per cent. the week before. This result was a little disappointing to the market, but the authorities only allotted £31.5 millions out of their original offer of £35.0 millions. This reduces the outstanding volume of Treasury bills issued by tender from £423.9 to £423.4 millions. The volume of bills issued otherwise now amounts to £395.4 millions, against a "low" figure of £360.3 millions on June 23rd. On that date the tender issue total stood as high as £492.1 millions.

The Bank Return.—There is a slight and normal contraction in the note circulation, and as a result the Reserve is £1.3 millions higher. The note circulation is still higher than at the corresponding date last year.

	BANK OF ENGLAND				
	Oct. 11, 1933	Dec. 27, 1933	Sept. 28, 1934	Oct. 3, 1934	Oct. 10, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.4	190.7	191.9	191.9	191.9
Note circulation.....	372.4	392.0	377.0	380.8	379.6
Banking Department:—					
Reserve	79.3	59.7	75.5	71.7	73.0
Public deposits.....	10.7	22.2	37.9	13.7	18.6
Bankers' deposits	111.3	101.2	82.0	107.0	107.6
Government securities ...	81.1	88.0	81.6	81.7	83.4
Discounts and advances ..	10.9	16.8	7.2	12.7	14.0
Proportion	47.7%	37.3%	48.1%	45.4%	44.7%

Public Deposits have risen by £4.9 millions, but the 3 per cent. Funding Loan dividend is due next week, and so a contraction may be anticipated. There is a further small increase in discounts and advances, and Government securities are also a little higher. Bankers' deposits are practically unchanged, but are £3.7 millions smaller than they were a year ago.

The Foreign Exchanges.—The Marseilles assassinations naturally had a disturbing effect both upon Tuesday evening and all Wednesday, but by Thursday a normal atmosphere once more prevailed. The first reaction was pressure from the Continent to sell francs and other European currencies, and it is believed in the market that the British Control became a buyer of francs for a short time. On Thursday, however, when conditions were much quieter, sterling once more became weak, and American purchases of dollars through Paris were noticeable. The British Control promptly reversed its tactics and sold francs on a small scale, but sterling weakened in comparison with Wednesday's highest rates from \$4.92 $\frac{1}{2}$ to \$4.89 $\frac{1}{2}$ and from Frs. 74 $\frac{1}{2}$ to Frs. 73 $\frac{1}{2}$. Three months' francs stood on Thursday afternoon at a premium of 12 centimes. As a result of Thursday's rally in the franc, the London price of gold has risen to a new high record of 143s. 3d. per fine ounce. In view of the recent establishment of the New Zealand Reserve Bank, it is of interest to see that this week's return of gold imports records the arrival of

£500,000 in sovereigns from New Zealand. Pesetas have been a nominal market with no business. Free marks were quoted at Rm. 12.08½, with sondermarks at Rm. 12.37, equivalent to 2.3 per cent. discount. As stated on page 676, Mr Runciman has addressed a letter to all Chambers of Commerce urging that British importers should make increased use of sondermarks. Owing to the further restriction on the use of registered marks, their discount has widened to 47½ per cent.

New York Money and Banking.—New York money rates remain unchanged. Brokers' loans for October 3rd were returned at \$725 millions, against \$750 millions the week before. The Treasury placed this week an issue of \$75 millions of six months' bills at an average tender rate of 99.88½ per cent. This is equivalent to a rate of just under ¼ per cent. per annum. The Reconstruction Finance Corporation states that loans issued by it direct to industry, in furtherance of the Administration's desire to stimulate trade, amount to \$30 millions. Total authorisations and commitments of the R.F.C. up to September amounted to \$8,092 millions; \$4,549 millions of this total sum have been allocated to purposes other than advances to Government agencies and relief, and \$2,166 millions of this \$4,549 millions have been repaid. During September fifteen national banks with deposits of \$15 millions were reopened. The Treasury has let it be known that its silver purchases from abroad are being made in such a way as to facilitate foreign exchange operations, including the financing of American exports. It is estimated unofficially that Treasury purchases amount to about 35 million ounces a month, and that 240 million ounces have been bought to date, including the stocks of silver nationalised when the Silver Purchase Act was passed. \$80.3 millions of silver certificates have been issued by the Treasury, of which about \$57 millions are thought to have passed into circulation. This apparent determination of the Treasury to carry out the terms of the Silver Purchase Act has not been well received on Wall Street.

International Movements of Funds.—Recent comments suggest that some confusion exists in the public mind as to the effect of operations by the Exchange Equalisation Account upon the internal credit structure of the United Kingdom. This confusion largely arises from a failure to realise that the authorities operating the Account rarely initiate a movement of funds but usually counter a movement which has already begun to take place. Let it be assumed that French capitalists transfer the sum of Frs. 75 millions (equals £1 million sterling) from a French to a British joint-stock bank. To cover this movement the French banks may draw partly on their own deposits with the British banks or credit the British banks' franc accounts with them (thereby adding to the British banks' holdings of *devisen*), or even sell directly or indirectly sterling assets such as Treasury bills to the British banks. The net result of a combination of these three courses will be some increase in the grand total of British bank deposits, balanced by increases in the British banks' holdings of sterling assets and *devisen*. Thus, as has been pointed out recently, the net result of an influx of funds into London may be some increase in British bank deposits, but the increase will not necessarily equal the total influx of funds. Conversely, when money leaves London for Paris, all these changes will be reversed, and there may be some decrease in British bank deposits. There are, however, three important points to notice, all of which have been overlooked. Firstly, all these changes, inclusive of changes in British bank deposits, are independent of the operation of the Exchange Equalisation Account. Secondly, only the deposits of foreign banks or private money with the British banks are affected, and this money is rarely engaged actively in British internal trade. Hence it is wrong to regard these changes as inflationary or deflationary in the popular sense of these terms. Thirdly, it is open to the British banks to rectify these movements (for example, to maintain their cash ratios) in any of the well-known

ways. It is important to observe that neither the cash holdings of the joint-stock banks nor the position of the Bank of England are necessarily affected by the movements described above.

The Exchange Equalisation Account.—When the Account intervenes to offset a movement of funds from Paris into London it buys francs and indirectly sells Treasury bills. These operations in combination need not necessarily affect the position of the Bank of England or the cash holdings of the joint-stock banks. All that need happen is for the joint-stock banks to part with some of their *devisen* to the Exchange Equalisation Account and take up Treasury bills in exchange. Such a redistribution of their assets obviously does not affect their total deposits, and this is where several commentators have gone wrong. The same reasoning applies when, to counter an efflux of funds from London, the Account sells francs and takes up fresh Treasury bills. The joint-stock banks regain the *devisen* lost through the efflux, but instead lose Treasury bills to the Account. It is true their deposits may contract, but this is due to the original efflux of funds and not to the subsequent operations of the Account. Finally, it should be emphasised that these examples have necessarily been over-simplified, and in practice it is impossible to distinguish changes in bank assets due to international movements of funds and the operations of the Exchange Equalisation Account from changes due to more mundane developments such as a temporary revenue deficit and an increase in the floating debt. Again, any attempt at deduction based on the total statutory size of the Exchange Equalisation Account and its sub-division between *devisen*, gold and Treasury bills only complicates the argument to an unnecessary and fatal degree. The plain truth is that there is no evidence that operations of the Exchange Account need affect the general credit structure of the country, which is based on the position of the Bank of England and the cash holdings of the joint-stock banks, either one way or the other.

September Clearing Bank Averages.—As was to be expected, September witnessed increases in clearing bank deposits and cash as the result of the repayment to the banks of currency withdrawn for use during the holidays. There was a further increase in acceptances, endorsements, etc. This may reflect the autumn movement of primary products, but may equally represent fresh forward exchange business inspired by the weakness of the pound.

	Sept., 1933	June, 1934	July, 1934	Aug., 1934	Sept. 1934
Capital and reserves.....	123.3	123.4	123.4	123.4	123.4
Acceptances, etc.	105.7	109.0	106.7	108.7	112.1
Deposits (including undi- vided profits, etc.).....	1,919.4	1,832.2	1,832.9	1,818.5	1,821.1
Total liabilities	2,148.4	2,064.6	2,063.0	2,050.6	2,056.6
Cash	211.7	196.0	207.1	193.4	203.9
Cheques, balances and items in transit	41.9	54.1	47.2	43.4	43.2
Money at call	86.0	137.0	133.9	135.2	133.2
Discounts	353.0	225.8	222.7	221.0	210.9
Investments	545.3	531.7	533.0	540.2	545.6
Loans and advances.....	735.7	742.1	743.4	740.7	738.6
Investments in affiliated banks.....	24.8	24.6	24.6	24.6	24.7
Cover for acceptances, pre- mises, etc.	150.0	153.3	151.1	153.1	156.5
Total assets	2,148.4	2,064.6	2,063.0	2,050.6	2,056.6

Balances with other banks and cheques in course of collection were fractionally lower than in August, and it is noticeable that there has also been a decline in provincial bank clearings. In early September, at least, money was not circulating any faster than during the holidays. There has been a further reduction of £9.1 millions in bills, which is easily explained by the reduction of about £20 millions which occurred in tender issues of Treasury bills between August and September. This last movement has driven the banks to add to their investments, which have increased by £5.4 millions. Advances have fallen by £1.9 millions, but are still slightly higher than a year ago.

THE STOCK EXCHANGE

TRUSTEE LAW ANOMALIES

WITHIN the last few months there has been a crescendo of protest against the anomalies of the law relating to investment by trustees. The inconveniences and inequalities of the system have been repeatedly urged in our columns during the last four years (see the *Economist* of September 27, 1930, page 578, and March 12, 1932, page 581). In the interim, the conversion of thousands of millions of eligible stocks to lower interest rates and the considerable rise in the market prices of all fixed-interest securities have resulted in reduced income and straitened circumstances for most beneficiaries, and have tended, significantly and continuously, to reduce the range of investments open to trustees, under the provisions rendering certain redeemable stocks ineligible at a premium of over 15 per cent., or at any premium if redemption may be effected within 15 years. Since Mr Chamberlain floated his War Loan conversion scheme, in June, 1932, an element of urgency has thus been added to the claims of logic and equity for thoroughgoing revision of a system which stands accused of inflicting avoidable hardship on a section of the community which can least afford it—the widow, the orphan and the tenant-for-life.

The mode in which a trustee can invest trust monies is primarily limited by the instrument creating the trust. Subject, however, to any express directions therein contained, a trustee may invest in any manner authorised by law, provided that he uses proper care and discretion in making his selection. The following paragraph describes the various groups of stocks, etc., authorised for investment by Section I of the Trustee Act, 1925—a codifying measure, founded mainly on the provisions of the Trust Investment Act, 1889, and the Colonial Stock Act, 1900:—

(a) Parliamentary stocks, public funds, or Government securities of the United Kingdom; (b) legal mortgages on freehold property in the United Kingdom; (c) Bank of England or Bank of Ireland stock; (d) sterling loans charged on the revenues of India; (e) securities, the interest on which is guaranteed by Parliament; (f) certain Metropolitan and London County Council stocks; (g) prior charge and preference stocks of railways in the United Kingdom which have paid 3 per cent. on their ordinary stocks for ten years; (h) the stock of railway or canal companies leased in perpetuity or for not less than 200 years at a fixed rental to any railway mentioned under (g) above; (i) debenture stock of Indian railways, carrying sterling interest guaranteed by the Secretary of State in Council; (j) certain annuities arising out of the purchase by the State of railways in India; (k) Indian railway stocks guaranteed by the State; (l) prior charge or preference stocks in British water companies which have paid 5 per cent. ordinary dividends for ten years; (m) stocks of British county councils or corporations with a population of over 50,000; (n) stock issued for water-supply purposes by commissioners with compulsory power of levying rates over a population exceeding 50,000; (o) securities authorised under the Colonial Stock Act of 1900; (p) local bonds under the Housing Act of 1919; (q) Northern Ireland Government securities; (r) securities authorised under the Rules of the Supreme Court; in addition, the Agricultural Credits' Act authorises investment in Agricultural Mortgage Corporation 5 per cent. debentures and Scottish Agricultural Securities Corporation stock.

With two nominal exceptions (the stocks of the Bank of England and the Bank of Ireland), all the securities authorised by the Trustee Act are fixed-interest securities. After the events of the last twenty years, no legislature can now retain the impression that fixed-interest stocks, however eminent their status, confer immunity from disturbing fluctuations in capital values, in sympathy with changes in general interest rates. Modern investment opinion is coming increasingly to the view that a "balanced" portfolio, containing both fixed-interest and equity stocks, is the best insurance against capital loss. The experience, however, in the last few years of certain investing institutions with far wider knowledge and discretionary powers than the average trustee, seems strongly to suggest that this "protection" is, to say the least, relative and not absolute. Research will need to be carried a good deal further before responsible public opinion will be prepared to sanction the eligibility of ordinary shares for all trustees. At present,

attention may be more profitably concentrated on the question of reform within the range of fixed-interest securities.

Within this limit the defects of the present law are sufficiently obvious. Some are the accidents of history. The phrase "legal mortgages on freehold property in the United Kingdom," for example, may have appeared to be sufficiently widely drawn to cover all possible contingencies. Earlier legislators, however, had necessarily no premonition that, in the decade from 1924 to 1933, nearly £700 millions of new advances on freehold property would be made by building societies with share and loan investments ineligible for trustees. Other anomalies reflect the failure of the law to "move with the times." The framers of the original Acts were railway-minded. The charmed circle of eligible investments completely excludes the prior charges of gas companies, electricity undertakings (including the Central Electricity Board), port and harbour authorities and the strongest "industrial" concerns. Some of the criteria of security, embodied in the law, are manifestly unsound. The quality of a corporation issue does not vary directly with the rate-paying population, nor is the 5 per cent. consolidated preference stock of the Great Western Railway, whose dividend has been short-earned for the last two years, necessarily sounder than the 4 per cent. debenture of the London, Midland and Scottish Railway, whose interest in the company's worst year has been twice covered by earnings. The former, however, remains a full trustee security, because the Great Western board has chosen to deplete its resources by paying recent 3 per cent. ordinary dividends mainly out of reserves, while the latter is no longer a trustee security because the L.M.S. has ceased to pay ordinary dividends. An even more serious defect in the law has been due to a conflict of aims. The original concept of protection for "those who trust" (*cestuis que trust*), and for trustees themselves, has been overlain by a desire to enable someone to borrow cheaply. The benefits of "trustee status" have been conferred, for quasi-political ends, on the Dominions under the Colonial Stock Act, 1900, on local housing authorities under the Act of 1919, and on British farmers under the Agricultural Credits Acts of 1928 and 1929. Finally, the law authorises the Supreme Court in England in effect to override the terms of a statute, for whereas Section I (g) restricts "trustee" railway prior charge and preference stocks to those of companies which have paid 3 per cent. on their ordinary stocks for ten years, the rules of the Supreme Court render stocks eligible in cases where "a dividend" (i.e. 0.001 per cent.) has been paid for that period.

In the light of these facts, the Committee appointed by the late Lord Cave in July, 1926, "to consider in what securities trustees should be authorised to invest," may appear to have been almost incredibly complacent in its report, after nearly two years' gestation, that "it cannot be suggested that there is any need felt by trustees for a wider range of investment than exists at present." It is but just to the Committee to record that it took strong exception to the anomalies and overlapping powers of the Supreme Court, although, at the time, the extent to which depression in railway earnings would emphasise the conflict between the two codes could not have been foreseen. The entire report, however, was informed by a conviction that any change in the list must necessarily involve "dilution." In view of the emphasis laid on "the very large issues of Government stock which have taken place, particularly since the beginning of the war," it needs no vast effort of imagination to reconstruct the Committee's mental background. Its members were anxious to avoid, at all costs, any queering of the pitch for the Treasury's programme of debt-funding and War Loan conversion. The subsequent metamorphosis of the gilt-edged position has been fundamental. If the Committee were reconsidering the matter to-day, there is no reason to doubt that its members would reiterate their conviction that "the only authority having power to authorise alterations should be

Parliament," but its judgment on the "undesirability" of "adding to the present list of authorised investments" would be seriously modified. Its assumption that any change must be a change for the worse was, from the outset, pure pedantry, which merely showed how far the Committee, which included no representative of the Stock Exchange or the investing public, was out of touch with contemporary financial tendencies.

We venture to suggest that the time is appropriate for the appointment of a Committee to go into the matter *de novo*, without regarding itself as bound in any way by the findings of its predecessor. Its terms of reference might be ample in scope but clearly defined, so as to envisage the presentation of a report laying down a series of sound general principles on which Parliament might be asked to legislate. The system which recommended itself to Lord Cave's Committee, under which every change in the Trustee List would require a new Act of the sovereign body, appears far too rigid, cumbersome and costly in its operation to be well adapted to the conditions of the investment market. The making of additions to or deletions from the list of trustee securities is, by its nature, better exercised by an impartial but expert executive committee, administering certain guiding principles, clearly laid down by Parliament, in the light of changing contemporary conditions. With all due respect, the Supreme Court would not appear the most suitable of all conceivable repositories of such authority. No body could be better qualified to adjudicate upon the legal aspect of the matter. The problem, however, is, at bottom, an investment problem, and its solution postulates specialised knowledge and experience which the most eminent of judges may have no opportunity to obtain. We strongly support the suggestion made in a report, recently issued by a well-known firm of stockbrokers, which emphasised the anomalous provisions governing trustee stocks, that a statutory body should be set up, whose personnel should include a judge or eminent barrister as chairman, together with a representative of the Stock Exchange, a banker, an actuary, an accountant, a Treasury official and the Public Trustee.

However this may be, there is little doubt but that such a personnel would be eminently suitable for an original committee of inquiry charged to devise a new "constitution" for trustee investment. It would be well if such a committee were to begin by deciding, once and for all, whether trustee status were designed for the benefit of investors or of favoured groups of "political" borrowers. If the committee decided against any attempt to make the granting of trustee status a species of Parliamentary "patronage" at the behest of the Government of the day, its next duty would be the discovery of a satisfactory definition of the term "security" in a trustee investment sense. In the process, a good many current anomalies would tend to disappear. It would be surprising if the committee were to find insuperable difficulty in laying down practical lines on which the basis of eligibility for inclusion in the Trustee List might be broadened without being lowered.

An Enabling Act, implementing the findings of such a body, for administration by a permanent statutory committee, whose decisions would be subject to Parliamentary approval by resolution, might well prove the best way of dealing with an intricate and urgent problem. Piecemeal treatment has produced many of the more unfortunate features in the present position. Further tinkering would tend rather to accentuate than to relieve them.

INVESTMENT NOTES

Capital Market Conditions.—Judged by "space-rate" terms, the capital issue market has been demonstrably active since the end of the summer "close season." During the past week alone, direct public offers have been made by borrowers of diverse status, including a county borough, two steel companies, a film concern, a rubber company and a new aircraft venture. The investor has been afforded a choice between fixed-interest stocks

yielding approximately 3 per cent., 4 per cent. and 5 per cent., and between 5s. ordinary shares at par and £1 ordinary shares at 12½ per cent. premium. Speedy and full subscription has been announced in almost all cases. It is, indeed, becoming *de rigueur* that an issue which opens at 9 a.m. should be closed at 9.5 a.m. All this gives a heartening appearance of activity, and investors may learn with surprise that some critics are still complaining that the pulse of the market is sub-normal. Close examination of recent facts and figures, however, lends a certain support to this view. The frankly speculative prospectus, issued by a new company in a new industry or an old company in a notoriously unstable industry, occasionally makes its appearance. One or two recent instances suggest that a high basis of capitalisation deters the gambler no more to-day than in any of the famous booms of the past. Occasional swallows, however, do not make a summer, and, since the end of the last period of gold-mining issue activity, the most striking feature of the "airy" prospectus has been its relative infrequency. At the other end of the scale, the large borrowers of the past are active to-day only on a small scale, or not at all. Since the British Government issued its 3 per cent. Funding Loan last April, it has been out of the market. Since Canada raised approximately £6,900,000 of new money in May, there have been only three Dominion and Colonial Government offers, all for conversion purposes. Iceland, Finland and Argentina have visited London by Treasury permission, but only to convert existing indebtedness. Since April some ten home counties and boroughs have raised £13,220,000 of ostensibly new money, but a considerable part of the proceeds has been used to repay pre-existing private and short-term borrowings. The pristine whiteness of our records, under such headings as "Colonial and Foreign Corporations" and "British and Foreign Railways," is unbroken by a single entry relating to a "public" offer. All these are borrowers whose requirements, in the past, have been measured in millions of pounds, where those of other applicants have been measured in hundreds of thousands. Industrial and commercial prospectuses, though more numerous, have been mainly for "conversion" and "funding," or for transferring the ownership of existing businesses from one set of persons to another. In short, now that ebullience in the mining markets has died down, temporarily at least, it may be no great exaggeration to say that a regime of the lowest borrowing rates for twenty years is mainly stimulating readjustment rather than extension of long-term obligations to-day. Possibly the British Government, or some other favoured borrower, may decide to remedy the deficiency.

Gas Finance Developments.—The recent activity, by way of amalgamation and absorption, in the provincial gas industry evoked timely comment at the British Commercial Gas Association Conference, recently held at Sheffield. The chairman of the Sheffield Gas Company urged that the need for competition with the electricity grid had compelled shareholders in small companies to seek refuge under the wing of larger interests whose resources and experience were an essential safeguard under the new conditions. This argument drew a warning from the chairman of the Croydon Gas Company that, while the movement towards amalgamation had solid technical advantages, certain small undertakings might succumb to "temptation from outside sources that hitherto had not concerned themselves with the gas industry." This caveat against the dangers of over-capitalisation was confirmed by Sir David Milne-Watson, who emphasised that amalgamation unrelated to technical requirements would inevitably engender future difficulties. These considerations deserve endorsement. The finance of gas-producing companies has been hitherto unexceptionable, and it would be regrettable if competition by "undesirable financial interests" (to quote one spokesman) were to result in inflated capital structures, with purely speculative earnings possibilities. The operating companies would retain their statutory protection against maldistribution of earnings, but weakness in holding company finance could not fail to have unfortunate repercussions on the whole of the industry. For purposes of record,

we set out in the following table the particulars of some recent amalgamations, with a caveat that none of the criticisms voiced at the Sheffield Conference necessarily applies to any of the companies mentioned:—

Holding Company	Formed	Interests acquired	
		Company	Stock
Severn Valley Gas Corp.†...	March, 1934	Cheltenham & Dist. Gloucester Gas ...	App. 50% ord. Large propor. 5% cons. ord.
		Ludlow Union ... Stroud	98% pref. and ord. Majority 5% cons. ord.
South Midland Gas Corp.	Dec., 1933	Witney Gas	88% ord.
		Banbury Gas	88% ord.
South Eastern Gas*	Dec., 1932	16 undertakings in Kent, including Broadstairs, Folkestone, Dover, Gravesend, Maidstone, Rochester and Chatham, Tunbridge Wells, and Hastings and St. Leonards.	All controlling interest
South Western Gas	Feb., 1934	Truro	88.6% ord.
		St. Austell	97.8% ord.
		Camborne	86.5% ord.
		St. Blazey	95.5% ord.
		Bude	90% ord.
		Okehampton	94.6% ord.
		Padstow	96.8% ord.
		Blandford	Over 80% pref. and ord.

† Associated with Dawney Day and Co. † From British Gas Light Company. Associated with Gas Light and Coke Company, which owns 42.8 per cent. ordinary shares.

On the whole, the geographical "spheres of influence" appear satisfactorily compact, although contiguity of service areas, where population density is thin, may not, of itself, imply that considerable distribution economies are possible in the absence of further capital expenditure.

The Oil Prospect.—Recent news from America suggests that Mr Roosevelt's Government has virtually confessed its failure to control oil production within the United States. A new method of control is, apparently, being planned, with the object of co-ordinating the oil powers bestowed by Congress on the various Government departments. It may be questioned, however, whether this will be any more effective than its predecessor in dealing with the problem of "hot oil" (illegal production). Mr Ickes, the Secretary of the Interior, produced two schemes for eliminating "hot oil" production in East Texas. The first was to impose a tax of one-tenth of one cent on every barrel of crude oil produced and to send Federal officials into the oilfields to inspect books in order to collect the tax. This was intended to expose the oil "bootleggers," but for some reason it has not been made effective. "Hot oil" production in East Texas has continued to increase and is now in excess of 100,000 barrels a day. The second scheme was intended to induce the big oil companies to buy up the surplus stocks of gasoline in East Texas on the understanding that the refiners would agree not to purchase "hot oil." This plan was dangerous, for as surplus stocks disappeared, it was an encouragement to the "hot oil" producers to increase their output—which they proceeded to do. The purchase of surplus gasoline stocks was therefore suspended, and the result was a prompt reduction in the price of third-grade gasoline in the Mid-Continent refinery market. It is now generally expected that both the crude oil and gasoline price structures will break. Crude oil prices have been pegged for too long at \$1.00 per barrel in the Mid-Continent and East Texas districts. The only certain way to stop "illegal" production is to reduce crude oil prices to an uneconomic level. If "hot oil" could be eliminated, the situation in the American oilfields would be found to be greatly improved. Consumption has increased by more than 10 per cent., and production of legal oil has been declining. The daily average output for the week ending October 6th was 2,379,950 barrels, as compared with 2,402,100 barrels in the previous week, and over 2,500,000 barrels a day in August. The daily average output of crude oil is now at its lowest level since April, and both Oklahoma and California are below their production "quotas." A circular issued by a firm of Stock Exchange dealers calls attention to the relatively high yields return-

Those Children

happy in their care-free days, will soon grow up, when satchel takes the place of rocking horse. Maybe you vaguely think that when those days arrive your income will somehow be adequate to meet the sudden and increasing burden. Why not make certain that a fund will be available sufficient to ensure a sound education whether you are alive or not? Their future prospects depend so much on youthful training—would you risk their opportunities through lack of foresight?

Educational Assurance through the Legal and General means small outgoings in infant years to prevent, perhaps, a crippling drain on your resources later.

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able on oil shares at the present time. Until the American situation has been stabilised, however, investors may be reluctant substantially to increase their stake in the industry. The market, further, has registered disappointment this week with the decision of the Burmah Oil Company to reduce its interim dividend in exact proportion to its recent "bonus" increase of capital.

Industrial Profits in September.—We received 89 company reports last month, showing an aggregate rise in profits of 40.63 per cent. by comparison with the previous year. Figures for recent months are shown below:—

Reports Published in	No. of Companies	Rise or Fall in Profits*	Reports Published in	No. of Companies	Rise or Fall in Profits
1933—		%	1934—		%
July	160	— 3.20	February ...	209	+ 5.02
August	45	— 11.62	March	216	+ 6.34
September	102	— 4.06	April	188	+ 12.96
October	121	+ 17.06	May	251	+ 23.43
November	185	+ 79.64	June	201	+ 20.44
December	138	+ 13.04	July	197	+ 27.10
1934—			August	30	+ 35.47
January	122	+ 3.02	September ...	89	+ 40.63

* After payment of debenture interest.

The reports of the month disclose net profits of £5,766,918, as compared with £4,100,743 in the preceding year. The improvement is well distributed among the component groups, of which only Gas and Investment Trusts show a very small decline in profits. The iron, coal and steel group contributes a spectacular rise in net earnings of eleven companies from £669,103 to £1,461,540. Eighteen rubber companies have reported net profits of £224,748, compared with £7,714 a year ago, while the corresponding figures for five stores companies are £364,064, against £258,580. Miscellaneous industrial concerns continue to show steady expansion of earnings, the total for 27 companies reporting

during the month being £330,605 higher at £2,595,749. Some prominent results are set out in the following table:—

	Net Profits for Financial Years ending in		Change (%)
	1933	1934	
Ardath Tobacco.....	454,532	460,206	+ 1.2
Associated British Pictures ...	95,860	133,933	+ 39.7
Harrisons and Crosfield	199,339	249,004	+ 24.9
Malayalam Plantations.....	Dr. 67	148,676	...
Murex	55,413	119,435	+ 115.4
Prices Tailors	63,587	142,672	+ 124.4
Staveley Coal and Iron	230,668	274,774	+ 19.1
Union Cold Storage	951,530	947,460	- 0.4
United Steel Companies	351,438	947,680	+ 169.8
Total, nine companies.....	2,402,300	3,423,840	+ 42.5

These nine companies contribute nearly 60 per cent. of the total for the month, and show an overall increase of 42.5 per cent. on the previous year's results. Our quarterly analysis of Industrial Profits appears on page 672.

* * *

Actuaries' Investment Index.—The course of share quotations continues to evidence the feeling of hesitation which, for a variety of domestic and international reasons, still besets the markets. The renewed rise in industrial shares, which was a paradoxical feature of the holiday weeks, has been consolidated, but for the moment a halt has been called. The Actuaries' Index of 144 industrial shares, calculated on Tuesday's quotations at 73.2, shows no change during the week, and is only 1.6 points higher than a month ago (December 31, 1928 = 100). The corresponding yield figures are 3.62, 3.63 and 3.67 per cent. respectively. Changes in certain component groups are set out below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928=100)			Yields (%)		
	Sept. 11, 1934	Oct. 2, 1934	Oct. 9, 1934	Sept. 11, 1934	Oct. 2, 1934	Oct. 9, 1934
Higher this week:						
Investment Trusts (15)	49.2	52.8	53.7	3.87	3.70	3.64
Electric Light and Power (14) ..	130.2	131.1	131.7	3.83	3.80	3.79
Gas (7)	136.6	136.6	137.1	4.42	4.42	4.41
Lower this week:						
Oil (5)	62.4	62.6	61.8	4.71	4.69	4.75
Home Rails (4)	77.7	80.6	79.4	1.54	1.44	1.43
Shipping (3)	15.0	17.3	16.8	...	...	...
Stores and Catering (15)	81.6	82.6	82.0	4.06	4.00	4.03

Speculative inquiry for investment trust stocks continues, while electric light and gas shares are finding steady investment favour. Oil shares have registered the general disappointment that illegal production has not been satisfactorily controlled. Recent speculation in shipping shares would appear to be losing much of its force.

COMPANY NOTES

Motor Shares.—Motor shares fall, in one respect, into the same category as aircraft shares and (probably) radio shares. While the progress of the industry is unquestioned, the position of individual participants may be more speculative. The post-war history of the motor industry has shown the demand for motor cars to be highly elastic. A progressive reduction in prices has been accompanied by a steady improvement in comfort and "availability." Maintenance and running costs have been cut impressively. As a result, the "saturation point" of the motor market has been pushed further and further back and does not yet seem to have been reached. Given continued economic recovery, still further expansion seems inevitable in an industry which, to a large extent, provides a popular luxury. It would appear, however, that though the process of price reduction has been retarded, the elasticity of public demand is keenly appreciated by manufacturers, and a species of price cutting is still to be expected. The great success of the 8-h.p. Ford at £120 has demonstrated the attraction of a low price, and has created several competitors among this year's models. The same process was

observed with the success of the Standard 9-h.p., and, in the higher-powered classes, is being demonstrated by the new competition of the Americans. The effect of this instability in prices is rather peculiar in the motor industry. Instead of damaging the profits of all participants, it tends to award bumper profits to whatever concern is fortunate enough to produce the "model of the year." This individual prosperity is counterbalanced by corresponding losses among the most closely competing companies. In the accompanying table there is ample evidence of this

	(Profits in £000)					
	1929	1930	1931	1932	1933	1934
Alvis (Dec. 31):						
Surplus.....	3.9	Dr. 6.0	Dr. 4.3	15.8	24.1	...
Earned % for ord. ...	5.1	Nil	Nil	22.3†	32.3†	...
Ord. div. %	5	Nil	Nil	Nil	7½	...
Austin (July 31):						
Earned for ord. ...	369.3†	469.0§	303.2	205.0	321.2	471.7
Earned %	318.0†	403.5§	269.5	182.2	285.5	405.8
Div. %	20	102.8§	100	50	100	100
Ford (Dec. 31):						
Earned for div.	714.0	790.4	Dr. 134.5	Dr. 725.9	742.2	...
Earned %	12.8	14.6	Nil	Nil	11.4	...
Div. paid %	10	10	Nil	Nil	Nil	...
Humber (July 31):						
Earned for ord.	Dr. 85.8	19.1	Dr. 119.4	Dr. 268.0	Dr. 0.9	...
Earned %	Nil	3.2	Nil	Nil	Nil	...
Div. %	Nil	Nil	Nil	Nil	Nil	...
Morris (Dec. 31):						
Earned for ord.	814.1	730.4	343.9	464.0	135.0	...
Earned % (tax free) ...	40.7	36.5	17.2	23.2	6.8	...
Div. % (tax free)....	10	10	5	10	5	...
Riley (about Aug. 1):						
Earned for div.	63.7	73.2	78.7	66.9	67.9	...
Earned %	55.6	65.9	69.8	58.3	58.0	...
Div. %	10	10	20	20	20	...
Rover (Aug. 4):						
Earned for div.	120.2*	37.1§	Dr. 77.5	Dr. 340.6	12.5	94.4
Earned %	35.7	11.4	Nil	Nil	4.0	29.0
Div. %	5	Nil	Nil	Nil	Nil	Nil
S.T.D. (Aug. 31):						
Earned for pref. ord. ...	135.4	53.0	Dr. 5.2§	Dr. 34.4	37.2	...
Pf. ord. div. %	7	7	Nil	Nil	Nil	...
Singer (Dec. 31):						
Earned for ord.	141.7	93.3	14.5	Dr. 33.9	Dr. 63.0†	74§
Earned %	22.3	18.0	2.2	Nil	Nil	14.8§
Div. %	17½	18.43	Nil	5	Nil	Nil
Standard (Aug. 31):						
Earned for div.	Dr. 17.8	40.2	70.3	160.7	92.0	...
Earned %	Nil	17.3	31.2	71.4	40.9	...
Div. %	Nil	Nil	Nil	15	15	...
Vauxhall (Dec. 31):						
Earned for ord.	Dr. 301.8†	Dr. 106.5†	38.0†	105.3†	443.4†	...
Earned %	Nil	Nil	12.9†	32.5†	132.7†	...
Div. %	Nil	Nil	Nil	Nil	Nil	...

* For ord. shares and pref. participation. † After allowing for one year's pref. div. and (if applicable) participation. § Broken period equated to 12 months.

condition, whose incidence, in any given year, may be largely unpredictable. The particular technique of designing a model for the year, fixing its price, and staking the company's fortunes on its success, produces quite surprising reversals from prosperity to losses and vice versa. The same reversals are traceable in liquid assets. This liability to fluctuation applies particularly to the smaller and medium companies. There is, however, no assurance that the largest concerns are immune from it. Even during its period of ascending prosperity, the Austin Company has seen quite substantial variations in annual profit rates. Similarly, the Morris Company has suffered an annual decline in profits since 1927, which might have received more comment had the company's ordinary shares been publicly held. It would appear, indeed, that a first-class name and an unrivalled distribution and service organisation are no guard against the natural vicissitudes of the trade. For investment purposes, motor shares may well be on a higher yield basis than certain other leading industrials, to allow for the "industrial" risk involved. After recent rises in market quotations, all motor shares do not appear to be conservatively valued.

* * *

Austin Motor Meeting.—The speeches of the chairman and deputy chairman of the Austin Motor Company, at this week's meeting, may be aptly read in the light of the views expressed in the preceding Note. As regards immediate prospects for the company, Sir Herbert Austin

GENERAL AIRCRAFT LIMITED

DIRECTORS:

SIR MAURICE BONHAM-CARTER, K.C.B., K.C.V.O. (Director of O. T. Falk & Company, Ltd.), *Chairman*.

ERIC CECIL GORDON ENGLAND, F.R.Ae.S. (Director of Vacuum Oil Co., Ltd.).

JOHN MACLAGAN FERGUSON, F.C.A. (Director of British Pacific Trust, Ltd.).

CHARLES FLETCHER LUMB (Director of Petroleum Storage & Finance Corporation, Ltd.).

HARRY METHUEN SCHOFIELD, R.A.F.O., *General Manager*.

HELMUT JOHN STIEGER, D.I.C., A.F.R.Ae.S., *Managing Director*.

ISSUE AT PAR OF 1,500,000 SHARES AT 5/- EACH

British Pacific Trust, Limited, of 4, Cleveland Square, S.W.1, announce that the subscription list for the above issue, which was opened on Wednesday, October 10th, 1934, was closed at 9.5 a.m., on the same date, the issue having been over-subscribed.

The Company has acquired the rights in, and the established manufacturing organisation and equipment for, the

MONOSPAR SYSTEM OF AIRCRAFT CONSTRUCTION

The Monospar System permits a saving in structure weight of aircraft of over 30 per cent. without reduction in strength, giving additional payload, increased flying range and greater safety. The significance of these advancements has already been acknowledged by the British Air Ministry, and Foreign Governments, who have purchased Monospar-built machines, and commercial flying organisations have extensively adopted similar machines.

General Aircraft, Ltd., will now acquire the valuable freehold property known as the London Air Park, Feltham, Middlesex, and will operate from this address. Full information will gladly be sent on enquiry to

GENERAL AIRCRAFT LIMITED LONDON AIR PARK, FELTHAM, MIDDLESEX

is indubitably cheerful. "I am still optimistic and I believe that the year 1934-35 will be even better than 1933-34." Last year sales of all models increased (presumably numerically) by 24 per cent. and export figures by 16 per cent. The number of orders in hand for immediate delivery in the home market is 72 per cent. larger than at this time last year, and orders for export show an increase of 100 per cent. These figures may reflect, possibly, certain changes in trade and individual custom as regards the placing of orders before and after the annual Show. Further, the experience of the Austin Company, whose efficiency and enterprise have given it a growing share of the market may, *pro tanto*, afford a somewhat exaggerated impression of demand as a whole, particularly on the export side. Whatever mental allowances investors may care to make, however, the industry has certainly room for confidence, in view of the facts discussed at length in a Leading Article on page 674. The centre of gravity of current home demand clearly remains with the lower horse-power models. The "most popular lines" of the Austin Company are still its seven h.p. and ten h.p. cars, though the company is turning out "many thousands" of commercial vans, and its taxi cabs, supplied in conjunction with another firm, accounted for 86 per cent. of the London registrations of that type of vehicle in 1933. There are, nevertheless, certain features to which the chairman of the Austin Company deems it necessary to make cautious reference. The industry is hedged round with taxes, regulations and restrictions. Since 1930, it has been the object of three major Acts of Parliament and 70 Orders, containing at least 455 individual regulations. The 25 per cent. reduction in the horse-power tax, which will come into force next January, may not, in Sir Herbert's opinion, greatly stimulate sales of the larger models. Sir Herbert is also frankly sceptical of future prospects in foreign markets, the entry into which, he believes, may become more, rather than less, difficult. From the viewpoint of shareholders in all motor manufacturing companies, the remarks of Mr E. L. Payton, the deputy chairman of Austin, are particularly significant. "Wastage of capital"—to borrow Mr Payton's phrase—is higher in this industry than in most. The Austin Company is convinced that if it had not spent, in eight years, some £3,388,427 on maintenance and depreciation—a figure considerably in excess of the present balance sheet valuation of all its land, buildings, plant, machinery and tools—it would have been unable to produce its cars at present prices. Ploughing back of earnings has been the policy on which some of the greatest motor manufacturing businesses, including Austin, Morris and the original Ford company, have been built up.

Royal Mail Group's Future.—The only concrete purpose served by the accounts of the Royal Mail Steam Packet Company for the year to December 31, 1933, is to re-emphasise the hopeless position of the preference and ordinary stockholders and the dubious prospects of many creditors. The deficiency account has now been raised from £9,011,362 to £11,303,114, but this figure includes no allowance for the overvaluation of the investments of three out of five major subsidiary companies, nor for the liability which may ultimately fall upon the company in respect of its guarantee of capital and dividends of £5,000,000 of preference shares of White Star Line, Ltd. Little revenue was received from shipping investments last year. The Royal Mail Lines, Ltd. (in which R.M.S.P. holds £880,000 of a total issued share capital of £4,000,000), made a profit of £409,812, but this was entirely applied towards depreciation of the fleet. Meanwhile, interest continues to accumulate on the R.M.S.P. Company's obligations to its creditors, and the sands are running out, for the Scheme of Arrangement sanctioned by the Court in June, 1932, expires at the end of this year. What will happen then? It is clear that three years, under contemporary world trade conditions, has proved much too short a period for the assessment of eventual possibilities under "normal" conditions. Suppose the creditors, in three months' time, decide that "normality" is too uncertain and distant a conception to be worth waiting for indefinitely? The posi-

tion, to-day, is not on all fours with that of early 1932. The Scheme of Arrangement has been successful in one, at least, of its main purposes, for the Royal Mail and Elder Dempster fleets have been maintained intact, their operations have been rationalised under new and able managements, and their continuance seems assured against all eventualities. In 1935, questions of national interest and prestige will no longer complicate the issue, and many of the interests most closely concerned may well ask themselves whether the prospect of receivership should not be squarely faced. Apart from the virtual impossibility of securing the consent of the representatives of a host of divergent (and in some respects conflicting) interests to a new moratorium, it is questionable whether the continued publication of documents like this year's R.M.S.P. report is likely to help the operating companies in their task of securing remunerative business in the freight market. A liquidation, however, which assumed the character of a general scramble might be injurious and inequitable to the interests of "marginal" creditors. The 4½ per cent. debenture stockholders of the R.M.S.P. might certainly obtain something approaching 20s. in the £, even if the company's assets came under the hammer at "knock-out" prices in a forced sale. The 5 per cent. debenture stockholders, however (not to mention other creditors ranking lower in the scale), might have slight prospect of obtaining anything worth mentioning in such an event. Their interests would be better served by realisation over a longer period, without pressure. The whole question, next year, may in fact tend to narrow down to the possibility of devising arrangements to secure a slow rather than a rapid demise.

S.T.D. Motor Affairs.—Indications of dissension between certain large noteholders of this company and the trustees regarding the desirability of proceeding to receivership were mentioned in last week's *Economist*, page 646. These alarms and excursions have, regrettably, developed into open hostilities. The directors, in conformity with their opinion that receivership should be avoided, circulated a letter to noteholders, dated October 6th, asking for a six months' moratorium for the interest payment due on September 30th. The letter stated that a scheme of reorganisation to separate profitable subsidiaries and to provide for the repayment of the notes and for the working capital had been proceeding for some time, and that its publication awaited the accounts for the year to August 31st last, which were shortly expected. In consultation with a committee of noteholders, the company agreed to call a meeting of noteholders for October 16th, at which proposals in this sense are to be submitted. The circular was supported by a letter from the committee of five, appointed at the informal meeting on October 2nd, which stated that an action which had been commenced by the trustees, claiming the appointment of a receiver and manager, had been "received with dismay by certain of the larger noteholders, particularly as they were neither consulted by the trustees beforehand nor informed that such a state of affairs was impending." The trustees have since forwarded a circular explaining the circumstances of their motion, and criticising the new proposals. They state that, having obtained insufficient information as to the company's activities in general, and as to its intentions with regard to maturing obligations, they decided to instruct a firm of chartered accountants to investigate the financial position of the company and its subsidiaries. Their report, which showed a loss of £40,109 for the nine months ended May 31st, and suggested that assets of £60,000 had been charged to the detriment of the noteholders' security, was placed before the chairman, with the intimation that, in the trustees' opinion, the company should consent to the appointment of a receiver. "No satisfactory reply was received," the statement proceeds, "nor was any undertaking given not to utilise any further assets to provide funds for assisting subsidiary companies." The trustees' motion, which was heard by Mr Justice Clauson on Tuesday, was adjourned until Friday in order to allow the defendants an opportunity of answering the evidence. As we write the matter is *sub judice*, and comment on the features of the dispute must await the outcome of present proceedings.

Colvilles' Issue.—The offer this week by David Colville and Sons, Ltd., of 1,600,000 5½ per cent. £1 preference shares of Colvilles, Ltd., at 20s. 6d. is of particular interest in view of the progress recently made towards the concentration of the Scottish steel industry (see the *Economist*, June 30th, page 1443, August 4th, page 227, and September 15th, page 498). As we suggested on June 30th, the capital structure of Colvilles, Ltd., has been reorganised, from 1,650,000 first preference, 920,000 second preference and 1,930,000 ordinary shares, all of £1, to 2,000,000 5½ per cent. preference and 2,500,000 ordinary shares. The objective, presumably, has been to achieve a convenient basis of marketability, since the whole of the share capital was issued to David Colville and Sons and James Dunlop and Company for the undertakings acquired by Colvilles. Between the company and Steel Company of Scotland a "personal" link exists, through Sir James Lithgow and Mr Henry Lithgow, both of whom are directors of Colvilles. The company, whose works at Clydebridge have an ingot capacity of 1,200,000 tons, has recently acquired Stewarts and Lloyds' Scottish and export plate business. The successful development of the Clydebridge plant has been measured by the rapid expansion in profits, which, before charging depreciation, rose from £103,305 for 1931 to £329,658 for 1933 and amounted to £316,489 for the half-year to June, 1934. A valuation of the fixed assets at £3,504,073 shows a deficiency on book value of £265,347. In view of the company's important position in the Scottish steel industry, the directors' estimate of £500,000 profit for the current year seems reasonable. If depreciation is calculated on the over-all rate of, say, 5 per cent. on the fixed assets at net book value, the balance available for preference dividend and dividend reserves, on the assumption that earnings are achieved and maintained at this level, would amount to over £310,000, giving an estimated earnings cover of nearly three times. Additional security will be afforded by the limitation of ordinary dividends to 2½ per cent. until the equivalent of three years' preference dividends has been specifically reserved. The shares may be regarded as a reasonably secured industrial investment on present earnings indications. There is reasonable likelihood that the reorganisation of the Scottish groups will result in further future economies.

Sub Nigel.—The results of this company for the year to June 30th last, writes our mining correspondent, reflect the increased price of gold for the entire twelve months, while those of the preceding year enjoyed this favourable influence for only six months. The latest figures, therefore, show considerable expansion in profits, and set up a record for the company. Increased efficiency of treatment plant finds expression in higher tonnage and reduced average working costs. Although the value of the ore treated was 1.3 dwts. less than in the preceding period, the yield and profit per ton show almost spectacular increases. Taxation absorbed nearly £600,000, against £368,100, and capital expenditure was £225,350, against £112,700. The amount carried forward, at £56,960, is somewhat reduced. Recent results are summarised below:—

	1932	June 30—1933	1934
Ore crushed..... tons	435,700	447,900	500,130
Yield per ton	72/11	95/9	112/7
Cost per ton	34/11	35/6	34/11
Profit per ton	38/-	60/3	77/8
Issued capital	£750,000	£843,750	£843,750
Total working profit.....	£827,900	£1,348,730	£1,941,590
Dividends, amount	£562,500	£848,440	£1,223,440
Dividends, per cent.	75	105	145
Development footage	61,650	78,350	88,650
Ore reserves..... tons	1,320,000	1,664,000	1,773,000
Average value..... dwts.	17.6	16.7	16.1

The ore reserve tonnage, shown in the table, has been calculated on the basis of gold at 130s. per ounce, with a pay limit reduced to 4.6 dwts., the inch dwts. being 467. In the estimate, as at June, 1933, gold was valued at 120s., and 5.0 dwts. was taken as the pay limit. A further estimate is made of the reserves, as in June last, on the basis employed in 1933, but the differences are not material. A lengthy explanation is given of the reasons for the relatively high ratio of working costs. One of the most striking facts is that, owing to the narrowness of the reef, develop-

Dividend Paid

AT THE RATE OF

£6-7-0%

BY

FOREIGN GOVERNMENT BOND TRUST

THE FIRST HALF-YEARLY DIVIDEND has just been paid by the Foreign Government Bond Trust at the rate of £6-7-0 per cent. on the initial Bond-Unit price of 20/-.

In March of this year, when the Foreign Government Bond Trust was formed, it was announced by the Managers that a yield of 5½ per cent. could legitimately be anticipated.

The dividend just paid exceeds this percentage by a substantial margin and, under present-day conditions, represents a fine yield.

The Managers of Foreign Government Bond Trust are Municipal and General Securities Co. Ltd. (established in 1906 and the pioneers of British Fixed Trusts in this country). Due to the possibility of some measure of recovery in general world conditions, Foreign Government Bonds are already attracting more attention and investors in the Bond-Unit Certificates of this Trust should benefit accordingly. The day-to-day prices of Bond-Units reflect exactly the prices of the securities which they represent. The Trust's investments are selected from 122 published Bonds. Its operation is clearly defined in the Trust Deed, and the "spread" of the Trust's holdings by percentages is made available to the public every half year. The Trustees are Lloyds Bank Limited.

Interested investors can have full details of Foreign Government Bond Trust from their Stockbroker or Bank Manager, or from the Managers:
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(Dept. U)
9 Cloak Lane, Cannon St., London, E.C.4
'Grams: Munigenco, Cannon, London 'Phone: City 5201

ment last year averaged 11s. 6d. per ton milled, as compared with approximately 2s. 6d. per ton for the remaining mines of the Witwatersrand. The first section of the new treatment plant is expected to be in operation during the current month, the full estimated capacity of 50,000 tons per month being due to be reached in January next. On the basis of last year's dividends, the indicated yield on the shares, at the current price, is approximately 6½ per cent. gross. Increased profits for the current year are, however, foreshadowed by the consulting engineer.

* * *

Other Company Results.—This week's company reports have had but limited appeal to the general investor. Reference to our table of company results, on page 709 of this issue, discloses that no fewer than 13 out of the 28 reports not discussed in preceding notes have been issued by rubber and produce companies. The trend of earnings continues satisfactory, although this week's improvements are in few cases spectacular. The rising profits of Argentine land companies which was noticed last week is exemplified by Tecka (Argentina) Land, whose net earnings have risen from £3,258 to £21,743, justifying a dividend of 8 per cent., against 5 per cent. for the previous year. In the heavy industry group, Sheffield Steel Products has transformed a loss of £38,097 into a profit of £25,641, and Vulcan Foundry shows an improvement from £3,577 to £17,358. The Joseph Lucas report evidences the continued popularity of the company's electrical equipment and accessories in an expanding motor market. The net profit of £273,405 (against £250,428), however, failed to appease completely the market's earlier disappointment with the maintained cash distribution on the doubled ordinary capital. The rubber group shows, in general, the substitution of small profits for the previous year's equally small losses, but the improved prospects have, in the case of six companies, encouraged directors to resume the payment of ordinary dividends. Among miscellaneous companies, Burt Boulton and Haywood report net profits of £43,739, against £10,500, but falling earnings are disclosed by Rosario Drainage (£14,789, against £57,454) and Ste. Madeleine Sugar (£53,419, against £71,741). Among this week's dividends, Ranks' payment of 15 per cent. per annum for the period to June 30th last was fully 10 per cent. below the market's earliest and most optimistic estimates, and disappointment was also registered with the Burmah Oil interim dividend of 3½ per cent., which was equivalent to the 5 per cent. payment before the recent bonus issue of one share for three. Babcock and Wilcox interim dividend is raised from 3 per cent. to 4 per cent.

* * *

Company Meetings of the Week.—On a later page of this issue will be found reports of the meetings of the Birmingham Small Arms Company and Thos. W. Ward. At the former meeting the chairman declared that although profits had not maintained the previous year's total, actual sales had not been far short of their previous record. An adverse factor had been the experience of the gun company. Activity on the motor car side of the business remained satisfactory. Mr Joseph Ward referred with satisfaction to the large output of the past year. He pointed out that increased capital expenditure and facilities to customers had rendered the provision of further capital very advisable, and stated that sanction would shortly be asked for an issue of £350,000 5 per cent. preference shares which would enable a reduction of the bank overdraft and a consequent saving in interest.

OFFER TO NEW READERS

Any reader who makes his first acquaintance with this Journal with this week's issue is invited to fill up the attached: To Publisher, "Economist Newspaper Ltd.," 8 Bouverie Street, E.C.4.

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

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THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET ACCOUNT
October 23 October 25

MARKETS withstood, in an exemplary fashion which might well be taken as a pattern in the realm of international politics, the inevitable shock of Tuesday's outrage in Marseilles. Although some defensive lowering and widening of quotations was only to be expected, fears of nervous selling proved wide of the mark, and in the majority of cases prices gained ground during Wednesday's business. The event instilled heightened caution among would-be purchasers, for the new account had opened with a somewhat leaden tone. Such favourable indicators as the September unemployment figures, and the increased electricity returns were duly noted in the industrial markets, but were regarded as a rather narrow basis for estimating the course of activity during the winter.

The gilt-edged market opened in subdued fashion, but activity developed on Tuesday, when Old Consols and Local Loans were especially prominent. Wednesday dealings opened under a heavy cloud, but a confident start kept quotations firm. Indian issues followed the lead of gilt-edged, and Dominion issues showed no significant change. The foreign bond markets displayed no special weakness following the assassinations. Certain Central European issues were marked down, but the falls were in all cases moderate. The announcement of coupon arrangements produced a sharp rise in "Dawes" and "Young" bonds on Thursday. South American bonds—particularly Chilean and Brazilian issues—received support, although the latter showed a dull tendency in mid-week dealings, and Argentine loans hardly maintained their early firmness. Sino-Japanese issues lost favour as the week progressed.

Home rail ordinary stocks excited little interest at the beginning of the week, and a disappointing batch of traffics, after the better tendency of recent weeks, caused a sharp reaction, affecting also the preference issues, which had been fairly well supported. London Transport "C" stock was in steady request. Apart from some interest in Argentine preference stocks, the foreign rail market lacked lustre and quotations drifted to lower levels. Canadian Pacific fell abruptly after hours on Tuesday, but recovered on Wednesday.

The industrial markets were subjected to competition by a substantial increase in new issue business (some implications of which are discussed on page 688). For this reason business was appreciably affected on Tuesday, but prices showed general improvement on Wednesday after a very cautious opening. Purchasing continued selective, and responded to features which were "in the news." The motor group, for instance, was well exploited early in the week, on the Austin speech (reviewed on page 690), and opening of the Motor Show. Speculators, however, were not averse to taking quick profits, and some irregularity of prices ensued. Aviation shares were better supported than of late. Heavy industry shares became easier after a firm start, but South Durham were in consistent demand, while Dorman Long 5½ per cent. debentures also improved. Electricity supply shares were firm on the generation returns, and further activity in equipment issues developed following reports of good orders. Cables and Wireless stocks followed an uncertain course. Provincial demand for brewery shares remained limited, but Distillers were active. Most tobacco shares were uninteresting, but Gallaher continued to find provincial favour. Textile shares were steadier on the Spinners' Association meeting, while rayon issues were dull, British Celanese being rather uncertain. Store shares continued to fluctuate in illogical fashion, but provision shares showed an improving tendency. The miscellaneous favourites attracted specialised attention. British Oxygen, Imperial Chemical and Boots Pure Drug were firm in early dealings, but lost ground on Wednesday. Ranks showed strength in anticipation of the dividend announcement, but relapsed on sales

by disappointed holders. Bank shares showed little change and the insurance group remained firm.

The oil market showed more definite signs of life at the beginning of the week on the somewhat optimistic assumption that "hot oil" production might yet be brought under surveillance (see Note on page 689). The Burmah interim dividend was received with disappointment on Wednesday, and the trend of prices was generally to lower levels. The rubber market failed to stem a small volume of persistent selling orders by holders who saw no immediate prospect of a recovery in the commodity price. Conditions in the tea market were idle.

The Kaffir market opened under cheerless conditions, with considerable liquidation from Johannesburg. Some professional interest put the market in better humour, and as the weakness of the franc late on Tuesday was fully recovered on Wednesday, the market was little affected by this week's tragedy. Fair support was received on Thursday from Johannesburg, where selling by speculators involved in the aftermath of the Dornhoek incident showed signs of having spent itself. Tin shares found no particular favour, and Rhodesian copper issues failed to maintain a firmer start.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Oct. 4, 1934	Oct. 5, 1934	Oct. 6, 1934	Oct. 8, 1934	Oct. 9, 1934	Oct. 10, 1934	Oct. 11, 1934
Government and Municipal Loans	1,209	1,249		1,372	1,152	1,246	1,312
Transport, Communications, and Public Utilities	1,006	933		1,149	905	1,009	1,002
Commercial and Industrial	3,582	3,466		3,685	3,019	3,313	3,661
Banks, Insurance and Financial	509	521	Closed	608	572	536	565
Mines (including Nitrate)	1,597	1,464		1,550	1,148	1,210	1,167
Oils	150	177		127	113	149	111
Rubber, Tea and Coffee	417	452		448	388	296	501
Total	8,470	8,262		8,939	7,297	7,759	8,319
Corresponding day in 1933	9,175	9,885		10,186	9,141	9,662	8,848

* Including iron and steel and breweries.

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

Highest of 1934 (Oct. 11)	Lowest of 1934 (Feb. 8)	Oct. 4, 1934	Oct. 5, 1934	Oct. 6, 1934	Oct. 8, 1934	Oct. 9, 1934	Oct. 10, 1934	Oct. 11, 1934
90.6	83.5	90.1	90.4	Closed	90.4	90.4	90.4	90.6

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Oct. 10)	Lowest of 1934 (Jan. 2)	Oct. 4, 1934	Oct. 5, 1934	Oct. 6, 1934	Oct. 8, 1934	Oct. 9, 1934	Oct. 10, 1934	Oct. 11, 1934
135.0	128.8	134.8	134.8	Closed	134.8	134.9	135.0	134.9

FOREIGN STOCK EXCHANGES

NEW YORK

AFTER fluctuating aimlessly and narrowly for some days, the markets took an upward turn in the middle of the week, after Mr Randolph Hearst, having been at the White House, had roundly rated industry for "hanging back." Wednesday's share turnover was only 10,000 short of the million. Rises up to two points occurred in quotations through a fairly lengthy list, including industrials, rails and merchandising stocks. The movement was, at least, sufficient to encourage the suggestion in some quarters that the overdue revival of market activity might be within sight, provided the Administration refrained from adverse action. The latter phrase, interpreted from the market's viewpoint, is more closely related to interference with the technical machinery of speculative security dealings than to possible currency developments. In quarters where a rise in equity share values, whatever its origin, would be welcome, the suggestion of President Roosevelt, in his conversation with Press representatives this week, that no attempt would be

made to stabilise "the price level" until commodity prices had risen further, was not in itself unwelcome, but it is by no means certain that the entire business world would regard with equanimity any prospect of e.g. a further reduction in the dollar's gold content. In the absence of external stimuli, the current trend of trade and industry does not provide a very encouraging basis for a prolonged upward movement in share values. Some autumn recovery is in evidence, but is not as yet pronounced. Steel operations are put at 23.6 per cent. of capacity, against 23.2 per cent. last week, but there is still a tendency among buyers to hang back for lower prices. The bond market has shown signs of greater firmness, and was only slightly affected by the news from Marseilles this week. It is understood that approximately \$950 millions of Liberty bonds were converted in the recent operation, and that the Government has made all arrangements to redeem the remainder in cash next Monday. Unofficial rumours have been circulating to the effect that a further refunding offer of Liberty bonds will be announced at the same time.

	Oct. 3, 1934	Oct. 10, 1934	Oct. 10, 1934 Eng. equiv.†		Oct. 3, 1934	Oct. 10, 1934	Oct. 10, 1934 Eng. equiv.†
Lb. Ln. 3½% '32-47	104½	103½	105½	Natl. Biscuit	27½	28½	29½
Do. 4½% '32-47	105	103½	105½	Phelps Dodge	14½	14½	14½
Do. 4½% '33-38	104½	103½	105½	Pullman	36½	37½	38½
Atchafalpa	49½	52½	53½	Sears-Roebuck	38½	40½	41½
Erie	11½	12½	12½	Studebaker	2½	2½	2½
Illinois Central	16½	17½	17½	Un. Fruit	74½	74½	75½
N.Y. Central	21½	22½	22½	U.S. Leather	5½	5½	5½
Pennsylvania	23	23½	23½	U.S. Rubber	15½	16½	16½
Southern Pacific	17½	18½	18½	U.S. Steel	32½	33½	34½
Southern Rly.	15½	16½	16½	Westinghouse	31	32	32½
Union Pacific	97	101	103	Woolworth	47½	48½	49½
Am. Can.	97½	100½	102½	Am. Tel. and Tlg.	109½	111½	113½
Amer. Smelting	34½	35	35½	Interboro R.T.	14½	15	15½
Anacosta	10½	11	11½	Int. Tel. Teleg.	9½	9½	9½
Bethlehem Steel	26½	28½	29½	Radio Corp.	5½	6	6½
Chrysler Motor	32½	35½	36½	Utilities P. and L.	2	2	2½
Corn Produce R.	63	65½	66½	W. Union Tlg.	32½	34	34½
Eastman Kodak	99	100½	102½	Associated Gas "A"	21½	21½	21½
Gen. Electric	18	18½	18½	Shell	21½	21½	21½
Gen. Motors	29½	30½	30½	Std. Union	6½	6½	6½
Int. Harvester	29½	31½	32½	Std. California	27½	29½	30½
Mont. Ward	26½	28½	29½	Do. N.J.	42½	43½	44½

† Calculated at \$4.90 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	88.7	86.6	74.3	90.5	79.6	76.7	75.1	76.7
33 Rails	23.9	54.5	34.0	51.4	40.6	35.7	35.0	35.6
37 Utilities	66.8	101.0	62.1	83.4	66.4	64.9	62.8	63.6
Total, 421 stocks	40.9	83.4	65.6	82.1	70.8	67.9	66.3	67.7
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.80%	3.91%	3.79%

† February 7th.

(s) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Oct. 3, 1934	Oct. 4, 1934	Oct. 5, 1934	Oct. 6, 1934	Oct. 8, 1934	Oct. 9, 1934	Oct. 10, 1934
105.0	76.0	81.3	81.2	82.8	82.7	82.3	81.6	83.8

TOTAL DEALINGS IN NEW YORK

	Oct. 4, 1934	Oct. 5, 1934	Oct. 6, 1934	Oct. 8, 1934	Oct. 9, 1934	Oct. 10, 1934
Stock Exchange—Shares (Thous.)	610	870	230	450	770	990
Bonds (Value Thous. \$)	10,980	13,640	7,040	8,420	14,870	11,800
Curb—Shares (Thous.)	115	99	47	84	102	136

* Two-hour Session.

PARIS

The markets opened firm, and showed a strong resistance to the news of the assassination of King Alexander and M. Barthou. Prices were marked down at the opening of business on Wednesday, but in the absence of active selling, confidence was quickly restored. Rentes remained in fair demand, and bank shares were supported. Home industrial shares continued to show a perceptible upward tendency. On the Coudis gold shares were harder on the suggestion that the "de-grading" policy of the mines

would not necessarily preclude an increase in December dividends.

	Oct. 3, 1934	Oct. 8, 1934	Oct. 10, 1934		Oct. 3, 1934	Oct. 8, 1934	Oct. 10, 1934
Banque de France	10,150	10,280	10,300	Wagons Lits	76	75½	76
Crédit Lyonnais	1,847	1,832	1,858	Mexican Eagle	28	28½	28½
Suez Canal	19,050	18,835	18,775	"Chartered"	71½	71	75½
Chargeurs Réunis	101	102	105	Ford	51½	50½	49
Rio Tinto	1,001	988	1,015	De Beers	269	248	261
Royal Dutch	15,090	14,890	15,050	"Johnnies"	240½	238½	238

BERLIN

Share quotations declined last week on rumours that new restrictions on dividend payments were impending and that profits on speculative sales of shares were to be severely taxed. Lignite shares were depressed by the terms of the official plan compulsorily to combine the producing companies for the making of synthetic petrol. A slight recovery occurred, however, at the close of the week. The present week opened with a somewhat firmer tone, commercial banks shares in particular showing substantial advances. Sharp rises occurred in Reich and municipal conversion bonds. Dollar bonds, which had been undecided, became somewhat firmer. The German Loan Liquidation Debt rose over par, but fell back to a small discount on Wednesday. Electrical shares were steady, but rayon and steel shares remained dull, and shipping shares were easier in mid-week.

	Oct. 3, 1934	Oct. 8, 1934	Oct. 10, 1934		Oct. 3, 1934	Oct. 8, 1934	Oct. 10, 1934
Reichsbank	148.75	148.75	148.50	A. E. G.	50.50	29.25	28.75
D.D. Bank	70.00	70.25	73.25	Siemens & Halske	147.75	143.00	143.50
Dresdner (New)	73.25	73.00	78.25	A. K. U.	62.00	64.80	62.25
I. G. Farben-				Hamburg - Amer.			
dustrie	144.25	141.40	142.40	("Hapag New")	27.40	28.10	27.35
Norddeutscher							
Lloyd (New)	30.40	30.00	29.90				

AMSTERDAM

The Bourse was quiet, with a firm undertone, on Monday and Tuesday. Rubber shares were in fair demand, in sympathy with the commodity market, and industrial shares were moderately active. The Marseilles outrage checked speculative interest, though there was practically no liquidation. Prices generally remained steady, but the volume of dealings showed a considerable decline.

	Oct. 3, 1934	Oct. 8, 1934	Oct. 10, 1934		Oct. 3, 1934	Oct. 8, 1934	Oct. 10, 1934
2½% Dutch Loan	78	79½	79½	Steel Common	19½	20½	19½
5½% German	21½	21½	21½	A. K. U.	33	32	32½
Unilever N.V.	71½	69½	70	Ford Motor	213½	214	214½
Philips' Lamps	212½	209½	213½	Deli Batavia Tob.	147½	150	71½
Netherlands Ship				Royal Dutch	148	145½	146½
Union	33	33	32½	Handels Ams	162½	160	160

CAPITAL ISSUES

THE number of prospectuses issued this week has been greater than for some time past. How far this feature is a true reflection of capital market activity, we discuss in an Investment Note on page 688. The suggestion, made here a week ago, that the Sheffield Corporation issue of a 3 per cent. stock at a relatively small discount would be a precedent for other issues of the same character has been quickly borne out. The *Blackpool Corporation*, regarded as among the soundest of corporation borrowers, has issued a 3 per cent. stock, with a twenty-year life, at 98½. Next week the *Lanarkshire County Council* will offer a similar stock, with a twenty-three-year life, at the slightly lower figure of 97½. Both are trustee issues, whose terms guarantee a strong response. Of the two offers made this week by important steel concerns, that of the *United Steel Companies* follows the lines mentioned by the chairman at the recent meeting. Its purpose is to fund and convert almost the entire existing indebtedness of the group as a whole. The stock appears fairly well secured and reasonably priced. Its issue has been followed by an announcement that the group of issuing houses which handled the offer of 4,500,000 shares last May, has exercised its option to purchase the balance of 2,077,233 shares at 23s. The *Colvilles* issue is discussed in a Note on page 693. With the position of the *Associated British Picture Corporation*, which has issued 5 per cent. first mortgage debenture stock this week, we dealt in a Leading Article in last week's *Economist*, page 640. The greater part of the issue will be

used to pay off obligations incurred during a period of active development. Its main security is a first specific charge on cinema properties. Although the film industry has, from its very nature, a permanently speculative element, the company has shown evidence of enterprising management, and its relatively high-yielding debenture stock is a reasonable security in its class. The improved fortunes of the rubber plantation industry have enabled an old-established company, the *Malacca Rubber Plantations*, to obtain a premium of 12½ per cent. for an ordinary share issue designed to repay the balance of a 7 per cent. convertible and redeemable debenture stock. Subscribers are necessarily backing the prospect of a return to something between the 7½ per cent. ordinary dividend paid for 1928 and the 35 per cent. paid for 1925, and in the rubber plantation industry a high yield basis is appropriate. Finally, the 5s. ordinary shares of *General Aircraft* carry the equity in a company formed to exploit the possibilities of the "monospar" system of construction, which is claimed to produce a saving in structure weight of approximately 30 to 40 per cent. This, like all "new process" issues, is intrinsically speculative, and will appeal to a specialised clientele of investors who are prepared to assume an "industrial risk" in the hope of a proportionate reward.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to October 6, 1934, excluding conversions, £128,919,007.
Total recorded, January 1 to October 6, 1934, including conversions, £315,702,708.

National Savings Certificates.—Net receipts, 6 days ended October 6, 1934, Dr. £50,000.

	Nominal Capital £	Conver- sions £	New Money £	First Payment £	Further Liability £
To the Public					
United Steel Companies, £2,500,000	2,500,000	...	2,500,000	250,000	2,250,000
4% Deb. Stk. at par	2,500,000	...	2,500,000	250,000	2,250,000
Associated British Picture Corporation £2,500,000 5% Deb. Stk. at 101½	2,500,000	...	2,525,000	250,000	2,275,000
Malacca Rubber Plantations 120,000 Ord. £1 at £1 2s. 6d. (to repay 7% Deb. Stk. £132,600)	120,000	132,600	2,400	30,000	105,000
General Aircraft, Ltd., 1,500,000 Ord. Shares 5s. at par	375,000	...	375,000	75,000	300,000
Blackpool Corporation £750,000 3% Stk., 1960, at 98½	750,000	...	738,750	75,000	663,750
Colvilles, Ltd., 1,600,000 5½% Cum. Pref. £1 at 20s. 6d.	1,600,000	...	1,640,000	200,000	1,440,000
Total	7,845,000	132,600	7,781,150	830,000	7,033,750
To Shareholders only					
United Sua Betong Rubber Estates 137,202 ord. shares £1 at £2 10s.	137,202	...	343,005	68,601	274,404
Brighton Grand Hotel 21,908 Ord. £1 at par	21,908	...	21,908	10,954	10,954
Total	159,110	...	364,913	79,555	285,358

	Including Conversions £	Excluding Conversions £		Including Conversions £	Excluding Conversions £
Total Offered for Subscription—			Whole year—		
Jan. 1 to date—			1933	467,921,560	244,780,500
1934	323,931,371	137,015,070	1932	2,699,684,265	188,909,963
1933	413,984,870	227,349,785	1931	114,200,668	102,644,294
1932	458,783,877	163,780,575	1928	693,100,058	369,058,073
1931	108,601,179	97,724,194			
1928	490,052,417	317,951,794			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1934	83,719,788	15,398,856	37,896,428	137,015,070
1933	212,574,841	7,827,768	7,147,178	227,349,785
Whole year—				
1934	212,917,900	45,062,600	111,177,600	369,158,100
1933	170,172,800	12,773,800	5,963,400	188,910,000
1932	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced £	Approximate Price Dealings Began £	Cash Involved £
Amount previously recorded	23,113,902	...	34,702,775
Rubber Regenerating Co., 200,000 Ord. £1 at 12s. 8d.	126,668	18/8	185,000
Total to date, 1934	23,240,568	...	34,887,775
Total to date, 1933	28,078,604	...	30,007,167

PUBLIC OFFERS

Blackpool Corporation.—Issue of £750,000 3 per cent. stock 1960 at 98 10s. per cent. (£300,000 already applied for and will be allotted in full). Stock redeemable at par January 1, 1960. Population estimated, 110,000; rateable value, £1,471,000; total current rate, 7s. 6d. in £; assets in excess of outstanding debt, which at March 31st last was £5,829,185, £2,013,727 being for undertakings and £1,136,656 for housing. Proceeds of issue to be used for replacing £476,069 short-term loans, and for general purposes.

ISSUES TO SHAREHOLDERS ONLY

Brighton Grand Hotel.—21,908 ordinary shares £1 at par to shareholders registered September 14th in proportion of one new ordinary share for every £4 stock held.

The United Sua Betong Rubber Estates, Ltd.—The company has acquired further rubber areas amounting to 7,337 acres, situated in Central Johore. The purchase price amounts to £31 15s. per planted acre, and has been paid in cash. It is estimated that £6 7s. per acre will be required to equip the estate and bring it to maturity. The company has also purchased a tea estate, situated in the Kuala Langat district of Selangor, for £2,940 in cash and the allotment to the vendors of 9,429 fully-paid shares of the company of £1 each. The directors have decided to issue 137,202 shares of £1 each at £2 10s. per share to shareholders, in the proportion of one new share for each five shares held.

Gold Coast Associated Companies, Ltd.—The company has a capital of £1,000,000 in 5s. shares, of which 1,200,000 are at present offered at par. Subscribers will be granted an option available to July 31, 1936, to subscribe for one share at 6s. for every two allotted, and the whole issue has been underwritten in consideration of similar option rights on 600,000 shares. The "associated companies" have applied for 400,000 shares of the present issue.

PRIVATE PLACING

Sphere Investment Trust.—A line of £100,000 4 per cent. first charge debenture stock of the Sphere Investment Trust has been placed privately.

CONVERSIONS AND REPAYMENTS

British Moulded Hose Company, Ltd.—This company will redeem the whole of 7 per cent. cumulative preference shares on January 1, 1935, at 22s. per share, together with interest to that date.

Tambora Rubber Estates.—The £30,000 7 per cent. convertible debenture stock outstanding will be redeemed at 106 per cent. on December 31st.

OFFERS ABROAD

Aktiebolaget Separator Debentures.—Stockholm Enskilda Bank and Gothenburg Bank issued on Oct. 6: 8th Kr.5,000,000 (£278,000 at par) of Aktiebolaget Separator Debentures out of the Kr.7,500,000 (£417,000) authorised. The debentures, which were issued at 99, carrying 4½ per cent. interest, were immediately over-subscribed, and the lists closed after 45 minutes.

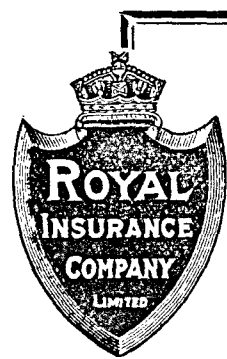
P. J. Carroll and Company, Ltd.—Offer for sale of 388,887 6 per cent. cumulative £1 preference shares at 21s., and 270,116 £1 ordinary shares at 25s. per share. Tobacco business carried on for 110 years at Dundalk and now employs 600 persons. Assets revalued recently, and authorised capital increased to £1,000,000, £384,663 being capitalised from reserve. Profits after depreciation to end February: 1932, £27,170; 1933, £76,253; 1934, £105,620; six months to August 31, 1934, £45,181. Net assets (excluding goodwill), £450,900. Application for permission to deal will be made to Dublin Stock Exchange Committee.

FORTHCOMING ISSUES

Ault and Wiborg, Ltd.—An issue is about to be made of 150,000 5½ per cent. cumulative redeemable preference shares £1 and 200,000 ordinary shares £1, both at par.

East Rand Proprietary Mines, Ltd.—An extraordinary general meeting of shareholders will be convened forthwith for the purpose of considering increasing the capital from £1,500,000 to £1,800,000 by the creation of 600,000 new shares of 10s. each, which will be offered for subscription by shareholders at £2 5s. per share, in the proportion of one new

(Continued on page 700)



SECURITY FIRST

TOTAL FUNDS EXCEED
£44,000,000
CLAIMS PAID, OVER
£200,000,000

Head Offices:

LIVERPOOL
North John St.

LONDON
Lombard St.

United Steel Companies, Ltd.—Issue of £2,500,000 4 per cent. debenture stock at par. Proceeds to repay fixed loan (£1,300,000) and temporary loan (£977,169). Company incorporated 1930, and now controls 16 per cent. of U.K. steel ingot output, 2 million tons coal, and coke and pig iron. Issue secured by specific charge on directly-owned properties, and on issued capitals of Appleby-Frodingham Steel and Samuel Fox and Company (subject to certain exceptions), and floating charge on undertaking. Book value total assets £11,389,929. Profits before depreciation for years to June 30: 1932, £371,237; 1933, £563,048; 1934, £1,208,936. Total depreciation for five years to 1933-34, £1,901,612. Stock redeemable by sinking fund purchases at various rates from September, 1935 to 1964, company having right to repay on three months' notice on various terms.

Associated British Picture Corporation, Ltd.—Issue of £2,500,000 5 per cent. first mortgage debenture stock at £101 per cent. Proceeds to pay off mortgages and bank loans and provide over £200,000 additional working capital. Company founded 1926, and owns 200 cinemas, and 3 producing and 1 distributing subsidiaries. Issue specifically secured on net assets of £5,294,834, and floating charge on remainder of undertaking (£873,752). Profits, after depreciation, for years to March 31: 1932, £394,487; 1933, £303,108; 1934, £439,686. Stock redeemable at £102½ from January 1, 1936, to January 1, 1966, or on three months' notice at £105 before 1940 and thereafter at £103½.

Malacca Rubber Plantations.—Issue of 120,000 ordinary shares of £1 at £1 2s. 6d. per share. Proceeds to be applied to repayment of 7 per cent. debenture stock. Company incorporated 1906. Plantations (book value £1,466,086) amount to 26,609 acres, 21,627 being under cultivation. Profits after expenses, before debenture interest has been paid: 1931, Dr. £1,810; 1932, £6,555; 1933, £22,825. Debenture interest for these years was £17,887, £19,004, and £18,998 respectively. Estimated crop 1934, 6,318,150 lbs.; anticipated assessments 1935-38 average over 8,000,000 lbs. per annum.

General Aircraft, Ltd.—Issue of 1,500,000 shares of 5s. each at par. Formed to acquire assets of company of same name including patent rights for Monospar construction system, designed to lighten structure and to increase pay-load. Also acquires London Air Park, Feltham, Middlesex, of 207 acres, providing factory site and lease to club tenants. Assets valued £243,215 (including £84,000 patents) acquired for £226,525 in cash, vendors having exercised option to subscribe for 400,000 shares. Profits estimate not less than £75,000 for full year.

BY OFFER FOR SALE

Colvilles, Ltd.—Offer for sale on behalf of David Colville and Sons, Ltd., of 1,600,000 5½ per cent. cumulative £1 preference shares at 20s. 6d. Company formed 1930 to acquire Clyde-bridge and other plants of David Colville and Sons and James Dunlop and Company, having capacity of 1,200,000 tons ingots. Has contracts with Harland and Wolff, Lithgows, and Stewarts and Lloyds for steel requirements. Capital recently reorganised to 2,000,000 preference and 2,500,000 ordinary shares. Profits, before depreciation: 1931, £103,305; 1932, £130,924; 1933, £329,658; six months to June, 1934, £316,489. Book values, fixed assets, £3,769,420; physical valuation, £3,504,073.

BY TENDER

Uxbridge, Maidenhead, Wycombe and District Gas Company.—Messrs A. and W. Richards offer for sale by tender £20,000 5 per cent. preference stock, minimum price £123 10s. per cent., yielding £4 1s. per cent., and £19,000 ordinary stock at minimum price £158 per cent., yielding £4 8s. 7d. per cent. on 7 per cent. dividends paid in last six years. Incorporated 1861, and supplies 245 square miles and 44,738 consumers. Ordinary stock subject to sliding scale, standard price being 15.2d. per therm, and present price 11.2d. per therm.

BY PUBLIC INFORMATION

South-Western Gas Corporation.—Issue of £75,000 Four per cent. debenture stock which has been subscribed at 100½ plus interest from 1st July last. The stock is a floating charge on the undertaking and assets.

Willsons (London and Provinces), Ltd.—Particulars of issue of 100,000 5 per cent. cumulative £1 preference shares and registered option certificates for subscription for 100,000 "A" 5s. ordinary shares at premium of 20s. per share before July 31, 1936. Company incorporated 1933 as ladies' costumiers and outfitters. Present issue required for acquisition of freehold properties, new branches and extensions. Profits, years to September 30: 1931, £36,820; 1932, £34,356; 1933, £39,313. Shares have been subscribed at par for £5,000 commission and option certificates as above.

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is definitely stated at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividend when the stock stands at a discount and the earliest date when the quotation is above par. Allowance is made for accrued dividends in calculating the yield on "cum div." shares, dividends, account being taken of any enhancement or reduction of interim dividends.

Dividends, account being taken of the

Prices Year 1933

Prices Year 1934 (Jan. 1 to Oct. 10)

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share for every five shares held. The new shares will rank for dividends declared subsequently to January 1, 1935. The issue will be underwritten jointly by the Central Mining and Investment Corporation, Ltd., and the General Mining and Finance Corporation, Ltd., for a cash commission of 2½ per cent.

Irish Sugar Company.—An issue of 500,000 Irish Sugar 6 per cent. preference shares is expected in a few days.

Tano Gold Dredging.—This company has been formed under the auspices of Anglo-Oriental Mining Corporation with a capital of £750,000 divided into shares of 5s. each. The company will acquire large alluvial gold-bearing areas in West Africa.

Lanarkshire County Council Stock.—The cash list will open and close October 15th for the issue of £2,230,000 of Lanarkshire County Council 3 per cent. redeemable stock, 1954-64. The issue price is 97½. The conversion lists will be closed on or before October 24th.

Thos. W. Ward.—An issue of £350,000 in 5 per cent. first preference shares, ranking *pari passu* with the existing issue, is expected shortly.

RESULTS OF ISSUES

P. J. Carroll and Company.—The lists for issue of ordinary and preference shares were closed shortly after they opened on October 8th, having been over-subscribed.

Malacca Rubber Plantations.—The list for the issue of 120,000 ordinary shares of £1 each, at £1 2s. 6d. per share, in the Malacca Rubber Plantations closed within five minutes of the opening. It was ten times over-subscribed.

Sheffield Corporation 3 per Cent. Stock.—Underwriters of this loan were called upon to take up 43 per cent. of their commitments.

United Steel Companies.—The subscription list for the issue of £2,500,000 4 per cent. debenture stock at par of the United Steel Companies, Ltd., was closed at 9.5 a.m., October 9th. The issue was heavily over-subscribed.

General Aircraft.—The subscription list for the 1,500,000 shares of 5s. each at par was closed at 9.5 a.m. October 10th, the issue being heavily over-subscribed.

Associated British Picture Corporation.—The subscription list for the issue of £2,500,000 5 per cent. first mortgage debenture stock at 101 per cent. was closed at 11.30 a.m. October 10th. Underwriters had to take up 27 per cent.

Blackpool Corporation Stock.—The list for the issue at 98½ of £750,000 3 per cent. redeemable stock, 1960, was closed at 9.5 a.m. October 10th, owing to oversubscription.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Oct. 3, 1934	Price, Oct. 10, 1934
Advance Laundries New Ord. 2½	3/-	1/8	7½-10½ pm	6½-9d pm
Airspeed (1934) Pref. Ord. 5/-	5/-	5/11-5/4	5/11-5/4	5/11-5/4
Argentine 4½ (2nd Series)	80½	13½	...	4-4 dis
Ascofts Pharmacies 5/-	5/-	5/-	2½-3/3	2½-3/3
Do. do. 7½ Pref. 10/-	10/-	10/-	8½-9½	8½-9½
Carlton Main Colliery 10/-	10½	10½	102-103	102-103
Clan Line Steamers New Ord.	...	...	23½-24½ pm	24½-25½ pm
Do. do. 5½ B Pref.	2½	2/6	1½-1/8 pm	1½-1/8 pm
Eno Props. Ord. 5/-	1½	1½	12/10-13/11	12/10-12/7½
Do. 5½ Pref. £1	...	...	2½-2½	2½-2½
Fisher and Ludlow 10/- New Ord. 5/-	20½	...	3½-3/8 pm	3½-3/8 pm
Gold Ex. and Finance Aust. Ord.	10½	5/-	2/9-3/3 pm	3/3-3/3 pm
Green (Herbert) 1/-	1½	1½	2/3-2/9	2/6-2/9
Do. 7½ Preferred	20½	5/-	4½-3½ dis	3/6-2/6 dis
Do. 8½ Deb.	100	50	10 dis-par	38-40
Griffiths Hughes Prop. Ord.	...	...	47½-47/9	46½-46½
Do. do. 5½ Cum. Pref. £1	20½	...	23½-24½	23½-24½
Jackson Brothers 6½ Pref.	7½	7½	7/7½-7/10½	7/4½-7/7½
James and Shakespeare New Ord. 5/-	1½	1½	17/8-18/1½	17/8-17/9
Do. do. 5½ Pref. £1	1½	1½	...	1/8-2/7
Kapala Rubber Ord. 2/-	2/6	2/6	...	2/4½-2/7½
Do. do. 7½ Pref. 2½	...	...	...	1-2 pm
Mayfair and Gen. Prop. 5½ Deb.	100	15	1-2 pm	1-2 pm
Montano Chemicals 5½ Pref. £1	20½	10/6	10½-11½ pm	7½-10½ pm
Mount Morgan 5/-	7½	7½	25/8-26/3	25/8-26/3
Murex New Ord. 10/-	14	...	24½-25½ pm	23½-24½ pm
New Machieve Gold	5/-	5/-	17/6-18/1	15/8-16/8
New Zealand 3½, 1935-60	100	5	2½-2½ pm	2½-2½ pm
Nigeria 3½, 1935	87½	5	1-1 pm	1-1 pm
Odham's Properties 5½ Deb.	100	15	5-6 pm	5-6 pm
Oso Union Co. 5½ Deb.	100	15	98½-98½	98½-98½
Oxford and Berks Cinemas 7½ Pref.	20½	10/-	4½-4/9 pm	4½-4/9 pm
Powell Duffryn Pref. Ord. 5/-	20½	10/-	3d dis-3d pm	7½ dis-1½ dis
Plymouth 3½, 1934	87½	25	1-1½ pm	1½-1½ pm
Rubber Regenerating	20½	10/-	18/6-18/10½	18/6-18/10½
Salford Corp. 3½, 1934-64	100	30	par-1 pm	par-1 pm
Somerset 3½, 1935-64	100	100	100½-103½	100½-103½
Stanton Iron New 6½ Pref. £1	25½	17/6	17½-2½ pm	1/8-2/3 pm
Stockport 3½, 1934-64	100	50	101½-101½	100½-100½
Stoke 2½, 1935-65	100	5	½ dis-½ pm	½ dis-½ pm
Stratford 3½, 1935-65	100	5	par-1 pm	par-1 pm
Trust Etna Gold 5/-	5/-	2½	1/8-1/8 dis	1/8-1/8 dis
Trust Houses 3½ Deb.	93½	50	2-2½ pm	2½-3½ pm
Van Dyk Consolidated	10½	10½	2-2½ pm	1½-1½
Walsall 3½	100	55	1½-1½ pm	1½-1½ pm
Watende Mines	100	5/-	7½-7/8	7½-7/8
Welsh Ass. Collieries 5½ Cum. Pref. £1	2½	2½	17/6-18/1	17/6-18/1
Do. do. 4½ Deb.	100	100	96-96½	96½-97½

CALLS DUE OCTOBER 15 TO OCTOBER 20, 1934

The grand total of calls falling due in October, 1934, is £3,366,662, which compares with £2,342,678 which fell due in October, 1933. The following calls fall due from October 15, 1934, to October 20, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
£1	Lanark Ltd. (30,000 6½ Non-Cum. Part. Pref. Shares, at par)	5/- p.s.	Oct. 16	15/- p.s.
Stock	New Zealand Government 3½ Inscribed Stock, 1935-60 (£3,988,100, at £100%)	£95%	Oct. 15	All
Stock	Nigeria Government 3½ Inscribed Stock, 1935	£25%	Oct. 17	£30%
2/-	Ratanui Rubber, Ltd. (600,000 Shares, credited with 1/8 per Share paid up)	2d. p.s.	Oct. 18	All
Stock	Trust Houses, Ltd. (£680,000 3½ Debenture Stock at 98½%)	£49½	Oct. 18	All
£1	United Sun Betong Rubber Estates, Ltd. (137,202 Shares, at 50/- per Share to shareholders)	10/-	Oct. 15	10/-

REPORTS AND NOTICES

Mr William Favill Take, deputy chairman, has been elected chairman of Barclays Bank Limited, in succession to the late Mr Frederick Crauford Goodenough, and Mr Edwin Fisher, one of the vice-chairmen, has been elected deputy chairman of the bank.

BANKS

CHASE NATIONAL BANK.—The statement of the Chase National Bank for September 29, 1934, shows that the deposits of the bank on that date amounted to \$1,466,322,000, and certified and cashier's cheques amounted to \$22,640,000, the sum of which, \$1,488,962,000, compares with \$1,533,446,000 on June 30, 1934. Total resources of the bank on September 29th amounted to \$1,774,890,000, as compared with \$1,810,699,000 on June 30, 1934; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$318,001,000, as compared with \$412,911,000. The bank's investments on September 29th in United States Government obligations, direct and fully guaranteed, \$491,819,000, include \$46,222,000 of Reconstruction Finance Corporation notes, which were carried as a separate item in the same amount in the statement of June 30th, when the direct obligations of the United States Government owned by the bank amounted to \$417,366,000.

MISCELLANEOUS

COURTAULDS, LTD.—Courtaulds, Ltd., announces that it has come to an arrangement with La Cellophane of France and its allied companies, regarding the erection of a factory in England for the production and marketing of transparent paper under the trade marks "Cellophane" and "Viscagelle."

DORMAN, LONG AND COMPANY, LTD.—It is understood that the reconstitution of the board is nearly completed. The new board will be composed of three members nominated by the committee of 5½ per cent. debenture stockholders, four nominated from the present board—three of whom will be executive directors—and the Rt. Hon. Lord Greenwood, P.C., K.C., who has accepted the position of chairman. In agreement with their colleagues the following directors will retire: The Hon. Roland D. Kitson, who has acted temporarily as chairman, and Messrs C. L. Dalziel, Ivor L. Johnson, J. B. Peat, and Francis Samuelson, who agreed to continue in office pending the completion of a scheme of reconstruction. This is now agreed and will be published as soon as the directions of the Court can be obtained.

GERMAN 7 PER CENT. EXTERNAL ("DAWES") LOAN.—The Bank of England issued the following statement on the payment of the October Coupon of the Dawes Loan on Wednesday:—Pending an announcement by the Trustees of the loan, the Bank of England are authorised by His Majesty's Treasury to give notice that coupons due October 15th detached from those bonds of the above-mentioned loan, which are certified as having been in the beneficial ownership of "British holders," under Article 2 of the Anglo-German Transfer Agreement, dated July 4, 1934, should be lodged as usual with the paying agents of the various issues. Holders of coupons of bonds of the sterling issues in such ownership may obtain payment in full by presenting their coupons at the Bank of England. An announcement will be made in due course with regard to any further steps which may have to be taken by holders of coupons of bonds of other issues in similar ownership in order to obtain payment in full under the terms of the Anglo-German Transfer Agreement.

SUMMARY OF BALANCE SHEETS

	June 30, 1934	Sept. 29, 1934
CHASE NATIONAL BANK		
Assets		
Cash	412,911,000	318,001,000
U.S. Government securities, including stock of R.F.C.	463,588,000	491,819,000
Securities maturing within two years	94,195,000	90,740,000
Other securities	132,887,000	139,469,000
Loans and Discounts	621,566,000	638,363,000
Liabilities		
Capital: preferred	50,000,000	50,000,000
common	100,270,000	100,270,000
Surplus	50,000,000	50,000,000
Undivided profits	16,521,000*	15,803,000*
Deposits	1,512,485,000	1,466,322,000
Certified and cashier's checks	20,961,000	22,640,000
Total resources	1,810,699,000	1,774,890,000

* Not strictly comparable owing to change in dividend dates.

COMPANY MEETINGS, &c.

THOS. W. WARD, LIMITED

RECORD YEAR—PROPOSED NEW ISSUE

BIRMINGHAM SMALL ARMS COMPANY, LIMITED

TURNOVER MAINTAINED AND PROSPECTS GOOD

The annual general meeting of the Birmingham Small Arms Company, Limited, was held, on the 10th instant, at Coventry. Sir Alexander Roger (chairman of the company) said that the profit for the year, which included the total profits of the subsidiary companies, amounted to £127,550, as compared with £145,531 last year and a trading loss of £331,000 in the previous year. All the subsidiary companies except one had made a profit. The loss made by that company had been provided for before arriving at the figure of profit. Their actual sales had not been far short of their record sales of the previous year.

A factor adversely affecting their profit was the fact that they had made a loss in the Gun Company. Exports had been much hampered and reduced by official restrictions, while practically no orders had been or were being placed by the British Government.

Dealing with the activities of the Daimler Company, Limited, the Lancaster Motor Company, Limited, and B.S.A. Cars, Limited, the chairman said that the King had once again honoured the Daimler Company with an order for a new car, which would be delivered next year. In order to maintain the company's position in the market for chauffeur-driven cars, a new car with a Straight Eight engine of 25 h.p. rating had just been introduced. It had been received with approval on the part of the trade and the Press, and already the sales had exceeded their anticipation.

"FAMILY SALOON"

In order to meet the demand for a "Family Saloon"—an owner-driven car capable of carrying five passengers in comfort—a new 18 h.p. Lanchester had been designed and was in full production. It had many new features and dealers were enthusiastic about it. To meet the demand for a 6-cylinder engine in the smaller cars, a 12-h.p. Lanchester and a 12-h.p. B.S.A. had been introduced, and the complete range of cars for 1935 would include three Daimlers of 15, 20, and 25 h.p., three Lanchesters of 10, 12 and 18 h.p., and two B.S.A.'s of 10 and 12 h.p.

TECHNICAL ACHIEVEMENTS

All those models were fitted with the Daimler Fluid Fly Wheel Transmission, which was now as near perfection as a piece of mechanism could be. That and the other technical refinements had enabled them to sell many thousands of cars at a purchase price higher than could be obtained by their competitors for similar power and seating accommodation. Their aim was by improving their designs, their manufacturing processes and their organisation to make their technical successes reflect in profits the commercial achievements which they had made possible. Their motor cars remained the aristocrats of their class. He considered that one of the best auguries for the future was the fact that they again entered a new year with an organisation of dealers who were thoroughly enthusiastic about their products. Their cars were better than ever and offered better value for the money. It had not been considered wise to increase their prices and they were pursuing economy in every possible direction.

They were spending on suitable equipment as wisely as they knew how the money that they had earned and charged by way of depreciation. Shareholders might, therefore, be assured that in that matter they were pursuing a progressive policy, and one which they were confident would steadily improve their position.

In dealing with the activities of the various other subsidiary companies, the chairman said that last year their pedal cycle business, both single and tandem, had experienced the best year in its history. This year they had improved on that record. Continuing, the chairman said that until general conditions enabled them to secure full employment for all their various plants, producing a large variety of products, including motors, cycles, tools, guns, and steel, it was not possible to earn steady and substantial profits on their capital. Shareholders were no doubt disappointed that the results of the year were not so good as last year, but it was a comfort to be able to report that their turnover had been maintained, and that, given a maintenance of present conditions, they should be able to do at least as well next year. The energies of the board and management continued to be devoted to a cautious and steady building up of the business of the group, and it was their hope and belief that they would be able to reward the patience of the shareholders.

The report and accounts were adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the eight days ended October 6, 1934, amounted to £12,242,000, against ordinary expenditure of £27,736,000. After allowing for an increase in Exchequer Balances of £104,504, the operations for the week, as shown below, increased the National Debt by £15,893,000 to approximately £8,104 millions.*

(000's omitted)

Treasury Bills	+ 6,229	Road Fund temporary advances	- 126
Public Department Advances	+ 9,850	N. Atlantic shipping issues	- 22
Land Sett. Repayments	+ 6	National Savings Certificates	- 50
	+ 16,085		- 192

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

FOR BANKING
IN FINLAND

KANSALLIS-OSAKE-PANKKI

ESTABLISHED 1889

Head Office: HELSINGFORS

OUR NETWORK OF BRANCHES,
BY FAR THE LARGEST IN
FINLAND, COMPRISING

189 BRANCHES

ENSURES PROMPT AND EFFICIENT
EXECUTION OF YOUR

COLLECTIONS AND PAYMENT ORDERS

A complete analysis of the approximate position of the National Debt at September 30, 1934 :—

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Oct. 6, 1934	April 1, 1933, to Oct. 7, 1933	Week ended Oct. 6, 1934	Week ended Oct. 7, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	56,276,000	48,468,000	4,791,000	4,499,000
Sur-tax	50,000,000	8,690,000	9,170,000	220,000	300,000
Estate, etc., Duties	76,000,000	41,730,000	45,470,000	1,330,000	1,180,000
Stamps	25,000,000	9,200,000	8,890,000	50,000	340,000
Excise Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	180,000	...	...
Total Inland Revenue	372,500,000	116,046,000	112,178,000	6,591,000	6,319,000
Customs and Excise—					
Customs	183,650,000	97,392,000	93,214,000	4,101,000	3,915,000
Excise	106,350,000	51,300,000	53,050,000	1,200,000	1,250,000
Total Customs and Excise	290,000,000	148,692,000	146,264,000	5,301,000	5,165,000
Motor Vehicle Duties (Exchequer share)	5,000,000	1,687,000	1,489,000	256,000	151,000
Post Office (Net receipts)	14,000,000	7,450,000	6,750,000	Dr. 50,000	Dr. 200,000
Crown Lands	1,220,000	620,000	640,000	...	...
Receipts from Sundry Loans	3,800,000	2,912,186	3,321,965	50,188	50,538
Miscellaneous Receipts	20,000,000	8,517,899	16,685,758	93,821	6,343
Total Ordinary Revenue	706,520,000	286,125,095	287,228,723	12,242,009	11,491,881
SELF-BALANCING REVENUE					
Post Office	60,463,000	29,200,000	28,950,000	1,150,000	1,300,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	7,957,000	7,253,000	...	...
Total Self-Balancing Revenue	84,718,000	37,157,000	36,203,000	1,150,000	1,300,000
Total	...	323,282,095	323,431,723	13,392,009	12,791,881

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Oct. 6, 1934	April 1, 1933, to Oct. 7, 1933	Week ended Oct. 6, 1934	Week ended Oct. 7, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	123,829,088	121,826,736	17,052,952	15,448,760
Payments to Northern Ireland	6,500,000	2,934,354	3,069,729	226,643	216,393
Other Consolidated Fund Services	3,700,000	1,503,061	1,763,981	2,297	165,088
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	128,266,503	126,660,446	17,281,892	15,830,241
Total Supply Services (excluding Post Office)	466,296,000	227,996,319	222,168,576	10,454,000	10,513,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	356,262,822	348,829,022	27,735,892	26,343,241
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	356,262,822	350,670,238	27,735,892	26,343,241
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	29,200,000	28,950,000	1,150,000	1,300,000
Road Fund	24,255,000	7,957,000	7,253,000	...	...
Total Self-Balancing Expenditure	84,718,000	37,157,000	36,203,000	1,150,000	1,300,000
Total	...	393,419,822	386,873,238	28,885,892	27,643,241

The aggregate revenue and expenditure to October 6, 1934, is shown below :—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO OCTOBER 6, 1934 (000's omitted)				
Expenditure	356,263	Revenue	286,125	
		Decrease in balances	26	
		Gross increase in borrowing	74,118	
Increase in balances	78	New Sinking Fund	3,902	
		Net borrowing	70,216	
	356,341		356,341	

POSITION OF THE FLOATING DEBT				
Ways and Means Advances Outstanding—	Oct. 7, 1933	Mar. 31, '34	Oct. 6, 1934	Movement week ended, Oct. 6, '34
Advances by Public Department	4,000,000	...	...	...
Treasury Bills outstanding	39,330,000	44,900,000	58,700,000	+ 9,850,000
Total Floating Debt	866,405,000	799,810,000	828,310,000	+ 6,225,000
	1,029,735,000	844,710,000	888,010,000	+ 16,075,000

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on October 5, 1934, and the total amount applied for was £65,260,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 16s. 0d., and above in full; Saturday, at £99 16s. 0d., and above in full. The average rate per cent. was 15s. 9-702d. The amount allotted was £31,510,000. The following table shows the weekly record at various dates :—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1, 1932	40,000,000	50,320,000	38,000,000	5 s. d.
April 1	45,000,000	61,860,000	43,950,000	2 3 8-73
July 1	45,000,000	69,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
January 6, 1933	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,430,000	45,000,000	0 12 9-88
January 5, 1934	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 18 4-14
September 7	35,000,000	54,370,000	32,000,000	0 12 10-88
September 14	30,000,000	65,080,000	29,830,000	0 10 5-61
September 21	40,000,000	65,535,000	35,000,000	0 9 3-45
September 28	35,000,000	42,075,000	35,000,000	0 14 2-38
October 6	35,000,000	65,260,000	31,510,000	0 15 9-702

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended September 22, 1934	614,804	491,843
Week ended September 29, 1934	704,573	563,658
February, 1916, to September 29, 1934	1,198,399,163	944,329,080

At the end of August, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,549,108.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, October 10, 1934

ISSUE DEPARTMENT

Notes Issued :—	£	Government Debt	£
In Circulation	379,550,625	Other Government Securities	11,015,100
In Banking Department	72,387,921	Other Securities	244,780,778
		Silver Coin	1,190,727
			3,013,395
	451,938,546	Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	191,938,546
			451,938,546

BANKING DEPARTMENT

Proprietors' Capital	£	Government Securities	£
Rest	14,553,000	Other Government Securities	83,384,164
Other Deposits	3,083,721	Discounts and Advances	...
Other Accounts	18,636,485	Securities	£14,032,280
Bankers	£107,598,133	Notes	24,321,504
Other Accounts	£36,866,809	Gold and Silver Coin	72,387,921
7-day and Other Bills	144,464,942		649,619
	5,060		
	180,743,208		180,743,208

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

Both Departments	Amount, Oct. 10, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Public circulation	379,550,625	- 1,265,558	+ 7,126,626
Note deposits	18,636,485	+ 4,933,419	+ 7,950,587
Bankers' deposits	107,598,133	+ 537,675	+ 7,329,110
Other deposits	36,866,809	- 265,721	+ 7,354,683
Seven-day bills	5,060	...	...
Total outside liabilities	542,657,112	+ 3,959,815	+ 3,997,301
Capital and rest	17,636,721	- 644,737	- 28,124
Government debt and securities	339,180,042	+ 1,548,376	+ 4,051,603
Discounts and advances	14,032,280	+ 1,358,360	+ 3,096,664
Other securities	11,479,951	+ 426,870	+ 3,373,539
Silver coin in issue department	3,013,395	- 46,220	- 625,334
Coin and bullion (bank's reserves)	192,588,165	+ 27,692	+ 819,782
Reserves of notes and coin in banking department	73,037,540	+ 1,293,250	- 6,306,844
Proportion of reserve to outside liabilities			
(a) Banking Department only	44.7%	- 0.7%	- 3.0%
(b) Gold stocks to deposits and notes ("reserve ratio")	35.5%	- 0.3%	- 0.1%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934	£	£	£	£	£	£	%
Sept. 5	451,762	891,284	29,635	88,947	36,930	Nil	2
" 12	451,821	879,046	16,523	103,170	36,810	59 in	2
" 19	451,821	876,380	20,499	99,837	37,501	Nil	2
" 26	451,886	377,028	37,858	82,040	36,768	64 in	2
Oct. 3	451,910	380,816	13,703	107,040	37,132	24 in	2
" 10	451,938	379,551	18,636	107,598	36,867	29 in	2

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Govt. Securities	Other Securities	Gold Coin and Bullion Ratio	Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"
1934	£	£	%	£	£	£	%
Sept. 5	256,463	278	192,328	85,029	6,935	10,764	71,045
" 12	255,943	852	192,438	84,884	6,263	10,224	73,392
" 19	255,999	841	192,434	81,679	6,138	12,228	76,054
" 26	256,005	890	192,525	81,634	7,203	10,598	75,498
Oct. 3	255,947	993	192,560	81,684	12,674	10,060	71,744
" 10	255,796	1,191	192,588	83,384	14,032	10,289	73,037

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934	£	£	£	£
January 1 to September 26	22,295,447	1,287,029	2,187,619	25,770,095
Week ended October 3	634,071	39,461	57,558	731,090
Week ended October 10	518,997	37,605	73,277	629,879
Total to date, 1934	23,448,515	1,364,095	2,318,451	27,131,064
Total to date, 1933	21,257,105	1,288,907	2,142,951	24,688,963
Increase or decrease in 1934	+ 2,191,410	+ 75,188	+ 175,503	+ 2,442,101
	= 10.3%	= 5.8%	= 8.2%	= 9.9%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	+ 119,153	+ 46,268	+ 98,552	+ 25,667
	= 0.4%	= 2.8%	= 3.6%	= 0.07%

PROVINCIAL

(000's omitted)

No. of working days..	Week ended October 6		Month of September			Aggregate Totals, January 1 to October 6	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
	£	£	£	£	%	£	£
BIRMINGHAM.....	2,932	2,929	8,910	7,788	- 12.5	88,680	89,720
BRADFORD	1,114	1,060	3,530	2,859	- 19.0	32,728	34,718
BRISTOL	1,376	1,497	4,751	4,501	- 5.2	43,537	46,726
DUBLIN	6,972	5,916	...	...	...	203,709	203,012
HULL	807	891	2,724	2,740	+ 0.5	27,622	28,805
LEEDS	1,052	1,036	3,197	3,194	- 0.09	33,868	36,500
LIVERPOOL	799	748	2,591	2,300	- 11.2	24,551	24,705
MANCHESTER	6,956	7,272	25,170	24,175	- 3.9	232,851	238,345
NEWCASTLE	12,414	13,015	37,859	35,996	- 4.9	366,444	379,232
NOTTINGHAM	1,581	1,617	5,585	5,788	+ 1.6	55,956	58,757
SHEFFIELD	673	664	1,741	1,517	- 12.8	17,166	17,332
	1,601	1,344	2,989	3,037	+ 1.6	30,364	31,901
	38,227	37,989	99,347	93,895	- 5.4	1,157,476	1,190,853

MONTHLY STATEMENT OF LONDON CLEARING BANKS

(000's omitted)

Average Weekly Balances SEPTEMBER, 1934	Barclays Bank, Limited	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited	Martins Bank, Limited	Midland Bank, Limited	National Bank, Limited	National Provincial Bank, Limited	West- minster Bank, Limited	Williams Deacon's Bank, Limited	Aggre- gate
ASSETS	£	£	£	£	£	£	£	£	£	£	£
Coin, bank notes and balances with the Bank of England	37,803	1,670	3,026	43,112	7,725	47,473	3,054	30,780	28,760	3,520	206,923
Balances with and cheques in course of collection on other banks in Great Britain and Ireland	8,357	479	726	7,819	1,887	7,419	168	5,371	6,488	1,371	40,085
Items in transit	21,560	2,721	5,992	24,191	4,090	22,084	3,333	20,759	26,377	5,469	136,556
Money at call and short notice ..	49,742	1,005	388	40,780	2,187	53,621	1,744	30,665	31,042	1,510	212,684
Bills discounted	103,519	7,770	9,089	98,067	33,264	109,213	16,987	80,881	93,312	10,432	562,534
Investments	154,785	7,880	11,178	141,712	31,089	163,796	15,133	111,443	105,022	11,702	753,740
Advances to customers and other accounts	6,514	674	1,652	39,840	3,908	16,829	139	5,603	34,820	2,251	112,230
Liabilities of customers for ac- ceptances, endorsements, etc.	7,692	412	740	7,868	2,968	10,708	761	7,438	5,586	1,036	45,209
Bank premises account	6,779	...	...	4,986	...	7,380	...	2,514	2,993	...	24,652
Investments in affiliated banks and subsidiary companies	396,751	22,611	32,791	411,087	87,671	438,523	41,319	295,434	334,400	37,291	2,097,878
LIABILITIES											
Capital paid up	15,858	1,000	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	74,310
Reserve fund	10,250	1,000	530	8,000	3,000	11,500	1,070	8,000	7,500	800	51,650
Current, deposit and other ac- counts	364,129	19,937	29,294	347,432	76,587	395,946	37,301	272,352	282,747	32,365	1,858,090
Acceptances, endorsements, etc.	6,514	674	1,652	39,840	3,908	16,829	139	5,603	34,820	2,251	112,230
Notes in circulation	...	...	...	5	...	...	...	...	13	...	1,343
Reduction of bank premises ac- count	...	...	255	...	...	...	...	...	...	...	255
	396,751	22,611	32,791	411,087	87,671	438,523	41,319	295,434	334,400	37,291	2,097,878
Ratio of cash to current, deposit and other accounts	10.38	8.38	10.33	12.41	10.09	11.99	8.19	11.30	10.17	10.88	11.14

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

ASSETS	Position, May 28, 1934	Oct. 5, 1934	Sept. 13, 1934	Sept. 20, 1934	Sept. 27, 1934	Oct. 4, 1934
Gold	2,708,591	2,650,049	2,655,488	2,661,055	2,657,903	2,657,903
Silver and other coin	687,600	756,709	669,214	667,922	670,965	667,889
LIABILITIES						
Notes in circulation	634,160	3,492,737	3,539,971	3,510,377	3,519,617	3,568,578
Deposits: Govt.	...	187,109	43,513	62,387	60,972	38,743
Other	...	812,153	225,088	243,010	248,710	220,083

(a) In thousand francs.

BANK OF JAVIA—In florins (000's omitted)

ASSETS	Position, May 31, 1934	Oct. 7, 1934	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934	Oct. 6, 1934
Gold	22,971	97,929	141,490	141,850	142,220	142,156
Silver	29,788	39,708	...	...	...	...
Discounts, advances, and other investments	77,587	78,385	75,280	74,760	75,200	75,910
Foreign bills	...	279	1,570	1,190	750	840
Other assets	...	13,308	12,810	9,400	11,420	11,280
LIABILITIES						
Notes in circulation	109,489	193,091	184,190	187,010	186,200	189,470
Deposits and bills payable	11,250	20,885	35,410	28,490	31,850	29,060

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

ASSETS	Position, May 31, 1934	Oct. 7, 1934	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934	Oct. 6, 1934
Gold	171,175	1,853,354	1,773,455	1,768,124	1,808,017	1,821,565
Of which held abroad	...	318,509	149,247	149,247	149,247	152,384
Foreign gold valuta	...	21,190	19,948	19,887	20,673	20,635
Discounts	...	27,642	21,518	21,514	62,379	49,023
Bills of the Confederation	...	...	...	...	...	...
Advances	103,000	24,219	11,375	10,975	10,975	9,975
Securities	...	59,675	76,201	73,999	86,429	74,441
LIABILITIES						
Notes in circulation	275,925	1,385,665	1,330,581	1,323,919	1,399,802	1,372,623
Deposits	83,750	607,353	566,629	578,716	587,686	582,660

BANK OF ITALY—In lire (000's omitted)

ASSETS	Sept. 30, 1933	Aug. 31, 1934	Sept. 10, 1934	Sept. 20, 1934	Sept. 30, 1934
Gold, coin and bullion	7,045,800	6,943,500	6,327,000	6,268,800	6,213,100
Foreign bills and balances abroad ..	304,200	37,100	31,100	26,400	27,300
Other cash	313,000	301,600	296,500	295,800	293,400
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,495,900	3,274,000	3,258,700	3,250,200	3,274,800
Advances	484,400	484,400	1,270,000	1,227,400	1,471,600
Credit with "Institute for In- dustrial Reconstruction"	1,187,600	1,075,700	1,073,900	1,073,900	1,088,900
Government securities	1,370,800	1,381,600	1,384,800	1,387,100	1,387,600
LIABILITIES					
Notes in circulation	13,303,400	13,194,000	12,986,000	13,455,300	13,455,300
Public deposits	1,525,900	1,365,600	1,278,700	1,199,800	1,062,300
Other deposits and drafts	1,246,500	1,164,900	1,006,200	954,300	...
Ratio of reserve to note and sight liabilities combined	45.49%	43.53%	44.15%	44.05%	42.43%

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

ASSETS	Oct. 7, 1933	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934	Oct. 6, 1934
Gold reserve	253,887	279,103	279,624	280,896	281,213
Government securities—Swedish	245,532	178,082	174,837	174,837	174,887
Foreign	...	46,557	46,557	46,557	46,557
Gold abroad not included in the gold reserve	120,298	94,253	94,175	93,229	93,181
Bills payable in Sweden	14,330	9,778	9,782	10,274	10,497
Reserve fund securities	3,191	360,524	360,534	324,532	320,932
Balance abroad	352,501	84,405	88,735	97,818	102,137
Advances	37,522	27,089	28,195	28,195	28,302
LIABILITIES					
Notes in circulation	570,927	620,798	605,056	694,888	646,740
Government deposits	142,588	185,069	180,579	113,975	117,487
Private deposits	331,320	321,494	343,918	281,645	316,684

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

ASSETS	Position, May 31, 1934	Sept. 30, 1933	Sept. 8, 1934	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934
Gold	321,775	2,280,159	2,284,334	2,265,227	2,265,414	2,265,590
Silver	728,600	646,893	679,372	677,825	679,029	680,022
Loans & Discounts	800,725	2,680,391	2,510,749	2,469,160	2,464,773	2,544,151
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,474
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES						
Notes in circulation	901,550	4,742,824	4,646,874	4,609,204	4,568,092	4,599,411
Deposits	477,500	884,376	823,182	844,930	832,802	825,029

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

ASSETS	Sept. 30, 1933	Sept. 7, 1934	Sept. 15, 1934	Sept. 23, 1934	Sept. 30, 1934
Cash reserve	169,702	241,699	241,723	241,778	241,808
Gold coin and bullion	19,047	...	...	...	...
Foreign exchange	7,998	44,902	39,329	39,777	40,467
Other foreign exchange	224,953	254,139	254,090	251,162	253,806
Bills discounted	624,444	624,444	624,444	624,444	624,444
Federal debt	43,200	54,960	54,960	54,960	54,960
Share capital	11,096	11,280	11,280	11,280	11,280
Reserve fund	942,823	918,131	918,131	885,008	984,535
Notes in circulation	82,768	227,305	224,234	251,133	173,620
Deposits	...	...	...	...	...

* In dollar and sterling only. † In accordance with Art. 53 of the Statutes.

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

ASSETS	Sept. 30, 1933	Sept. 7, 1934	Sept. 14, 1934	Sept. 23, 1934	Sept. 30, 1934
Metal reserve	96,571	78,932	78,932	78,932	78,932
Gold coin and bullion	5,046	15,362	16,070	15,105	14,192
Drafts and notes	7,507	8,879	9,813	10,740	7,923
Silver coin and bullion	476,870	558,615	549,912	551,094	581,960
Inland bills, warrants and securities ..	50,258	47,323	47,323	47,323	47,323
Advances to Treasury	34,756	34,756	34,756	34,756	34,756
Share capital (gold crowns 30,000,000) ..	360,991	350,205	334,526	321,701	372,774
Notes in circulation	78,555	69,994	75,486	92,957	65,061
Current accounts, deposits, etc.	117,722	117,722	117,722	117,722	117,722
Cash certificates	189,393	177,769	177,688	177,223	175,332
Other liabilities	...	...	...	...	...

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K.

(000's omitted)

ASSETS	Sept. 30, 1933	Sept. 7, 1934	Sept. 14, 1934	Sept. 23, 1934	Sept. 30, 1934
Gold	1,707,201	2,663,162	2,663,157	2,663,836	2,665,080
Balances abroad and foreign currency	922,273	54,246	66,688	74,610	88,832
Discounts and advances	1,743,699	1,533,254	1,638,790	1,473,325	1,545,784
State notes debt balance	2,608,470	2,118,964	2,115,377	2,114,156	2,113,695
Other assets	639,595	809,407	824,960	876,741	879,583
LIABILITIES					
Bank notes in circulation	6,310,158	5,571,574	5,461,178	5,259,280	5,589,218
Check account balances	499,997	727,843	918,046	996,503	730,017
Other liabilities	361,744	447,600	471,718	494,875	521,709

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

ASSETS	Sept. 30, 1933	Sept. 15, 1934	Sept. 22, 1934	Sept. 30, 1934
Cash reserve	1,797,544	1,830,299	1,821,875	1,828,505
Foreign exchange	107,260	111,974	123,026	117,071
Other foreign exchange	40,886	84,387	85,591	53,039
Bills and advances against security	2,210,849	1,835,947	1,830,220	1,833,685
Government advances	1,717,893	1,720,040	1,720,073	1,720,149
LIABILITIES				
Notes in circulation	4,371,788	4,227,302	4,205,148	4,297,675
Sight deposits	914,778	1,231,219	1,257,567	1,162,342
Time deposits	1,209,834	832,544	823,479	818,979

BANK OF GREECE—In drachmae (000's omitted)

	Sept. 30, 1933	Sept. 7, 1934	Sept. 15, 1934	Sept. 23, 1934	Sept. 30, 1934
ASSETS					
Gold and gold exchange ...	3,467,808	3,802,828	3,783,184	3,859,262	3,968,350
State Gold Bonds	640,582	638,542	638,542	638,542	638,542
Other foreign exchange	1,910	2,488	2,465	2,465	2,465
Bills discounted		24,985	24,985	24,864	24,952
Advances	2,464,405	1,548,781	1,820,525	1,533,929	1,594,477
Debt to the State	2,714,111	2,714,111	2,714,111	2,714,111	2,714,111
LIABILITIES					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	5,303,827	5,623,726	5,728,723	5,818,400	5,888,775
Deposits and current ac- counts	4,386,391	3,191,861	3,103,984	3,106,255	3,069,053
Foreign exchange liabilities	141,815	90,339	89,638	123,196	165,590

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Oct. 11, 1933	Sept. 12, 1933	Sept. 19, 1933	Sept. 26, 1933	Oct. 3, 1933	Oct. 10, 1933
Call money	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Time money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Bank acceptances:—						
Members—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Non-members—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Ineligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Commercial accept., 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Rates of Exchange, New York on—	Par Level	Oct. 11, 1933	Sept. 26, 1933	Oct. 3, 1933	Oct. 10, 1933
London—					
60 days		4.866	4.842	4.9112	4.8862
Cable		4.866	4.842	4.9112	4.8862
Cheques		4.866	4.842	4.9112	4.8862
Paris—					
60 days		23.54	23.70	23.49	23.45
Cheques		23.54	23.70	23.49	23.45
Switzerland—					
60 days		32.67	32.97	32.84	32.76
Cheques		32.67	32.97	32.84	32.76
Italy—					
60 days		8.91	7.82	8.63	8.60
Cheques		8.91	7.82	8.63	8.60
Berlin—					
60 days		40.33	35.90	40.35	40.44
Cheques		40.33	35.90	40.35	40.44
Vienna—					
60 days		23.82	17.00	19.10	19.00
Cheques		23.82	17.00	19.10	19.00
Madrid—					
60 days		32.67	12.57	19.41	19.75
Cheques		32.67	12.57	19.41	19.75
Amsterdam—					
60 days		68.06	60.70	68.49	68.08
Cheques		68.06	60.70	68.49	68.08
Copenhagen—					
60 days		20.85	22.21	22.05	21.90
Cheques		20.85	22.21	22.05	21.90
Oslo—					
60 days		23.45	24.99	24.80	24.65
Cheques		23.45	24.99	24.80	24.65
Stockholm—					
60 days		24.07	25.64	25.45	25.29
Cheques		24.07	25.64	25.45	25.29
Athens—					
60 days		2.20	0.854	0.954	0.95
Cheques		2.20	0.854	0.954	0.95
Montreal—					
60 days		189.31	97.1	103.3	101.1
Cheques		189.31	97.1	103.3	101.1
Yokohama—					
60 days		84.40	27.66	29.66	28.83
Cheques		84.40	27.66	29.66	28.83
Calcutta—					
60 days		61.80	35.1	36.18	36.37
Cheques		61.80	35.1	36.18	36.37
Buenos Aires—					
60 days		37.50	37.12	37.17	37.00
Cheques		37.50	37.12	37.17	37.00
Rio de Janeiro—					
60 days		11.96	33.12	32.86	32.67
Cheques		11.96	33.12	32.86	32.67

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 7 6
(SELLING RATES PER £100 STERLING)					
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 7 6
(TELEGRAPHIC RATES PER £100 STERLING)					
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 7 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	Sight	(a) 20-26
Colombia (Bogota)	Pesos to £	24-3325	"	(b) 18-12 1/2
Ecuador	Sucres to £	4-8665	"	(c) 55-12
Nicaragua	Colonos to £	9-73	"	12-40
Salvador	Colonos to £	25-2215	"	19-32
Venezuela	Bolivares to £	...	"	5-09
Guatemala	Quetzales to £	...	"	...

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate, (i) Free Market Rate. (ii) Official Rate.

THE ANGLO-SOUTH AMERICAN BANK, LTD., has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period 11th to 20th October at 139-22 per cent. The previous rate was fixed as from 1st October at 138-64 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London			
	Buying		Selling		Buying		Selling	
	Aus.	New	Aus.	New	Aus.	New	Aus.	New
T.T.	125 1/2	125 1/2	124 1/2	124 1/2	125 1/2	125 1/2	124 1/2	124 1/2
Sight	125 1/2	125 1/2	124 1/2	124 1/2	125 1/2	125 1/2	124 1/2	124 1/2
30 days ...	125 1/2	125 1/2	124 1/2	124 1/2	125 1/2	125 1/2	124 1/2	124 1/2
60 days ...	125 1/2	125 1/2	124 1/2	124 1/2	125 1/2	125 1/2	124 1/2	124 1/2
90 days ...	125 1/2	125 1/2	124 1/2	124 1/2	125 1/2	125 1/2	124 1/2	124 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the From Apr. 1 week ending to Oct. 6, Oct. 6, 1934 1934

Sterling purchased in India	924,000	16,942,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	...	...
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	...	...
Total remittance to Home Treasury	924,000	14,692,000
India Office, S.W.1, Oct. 9, 1934.		

BULLION

The following statistics of imports and exports of gold and silver for week ended October 11th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended October 11, 1934			Gold Exported from Great Britain and Northern Ireland, week ended October 11, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	3,008	1,994	Netherlands	11,300	...
Netherlands	39,854	55,534	Belgium	29,800	...
Belgium	340	1,483	France	21,912	27,518
France	21,507	...	Switzerland	3,875	...
Switzerland	22,848	...	Palestine	...	1,182
Iraq	3,233	...	Other countries	301	...
U.S.A.	18,770	...			
Venezuela	24,645	...			
Argentina	7,223	2,180			
British W. Africa	51,336	...			
British S. Africa	1,907,450	...			
Tanganyika Territory	4,211	...			
British India	88,810	...			
Hong Kong	22,727	...			
Australia	62,414	...			
New Zealand	19,268	500,000			
Canada	431,147	...			
Newfoundland and Coast of Labrador	...	14,157			
Other countries	6,588	353			
Total	2,735,379	575,701	Total	37,388	58,500

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended October 11, 1934			Silver Exported from Great Britain and Northern Ireland, week ended October 11, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	18,543	...	Denmark	1,235	...
Netherlands	1,545	...	Netherlands	17,395	...
Belgium	3,020	...	Belgium	...	8
France	...	520	France	663	...
Bulgaria	...	3,959	Italy	3,232	...
China	1,548,770	1,428,380	Austria	3,000	...
Japan	36,770	...	U.S.A.	49,100	...
U.S.A.	141,695	...	Other countries	110	809
Argentina	3,346	...			
Irish Free State	...	2,000			
British Malaya	...	15,891			
Hong Kong	...	500			
Malaya	...	2,100			
Biji Islands	...	9,600			
Other countries	...	80			
Total	1,839,959	1,463,030	Total	74,795	817

* At current market price. † At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934 ARRIVALS		1934 WITHDRAWALS	
Oct. 5 Bar gold	£	Oct. 5	£
" 6	28,803	" 6	Nil
" 8	Nil	" 8	Nil
" 9	Nil	" 9	Nil
" 10	Nil	" 10	Nil
" 11	Nil	" 11	Nil
Total	28,803	Total	Nil
Movement Oct. 5, 1934, to Oct. 11, 1934 (inclusive)	£28,803		
Movement during year 1933	£71,094,909		
Movement during 1934 (January 1 to Oct. 11, inclusive)	£1,208,181		
Movement April 29, 1925, to Oct. 11, 1934 (inclusive)	£23,578,308		
Movement September 21, 1931 (gold standard suspended), to Oct. 11, 1934 (inclusive)	£55,944,181		

GOLD

Messrs Samuel Montagu and Company write on October 10, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,909,743 on the 3rd instant as compared with £191,886,073 on the previous Wednesday. During the week the Bank announced the purchase of £28,803 in bar gold. With a further appreciation of the gold currencies in terms of sterling, the price of gold continued to advance and new high records have been established during the week under review, the highest being 142s. 9d., the quotation of yesterday.

In the open market moderate amounts were available and the demand was keen, general buying maintaining prices at a considerable premium over the gold exchange parties.

Quotations during the week:—

	Per ounce fine	Equivalent value of £ sterling
October 4	142s. 1d.	11s. 11-50d.
" 5	142s. 4d.	11s. 11-25d.
" 6	142s. 3d.	11s. 11-33d.
" 8	142s. 6d.	11s. 11-08d.
" 9	142s. 9d.	11s. 10-83d.
" 10	142s. 6d.	11s. 11-08d.
Average	142s. 4-83d.	11s. 11-18d.

The s.s. "Viceroy of India," which sailed from Bombay on the 6th instant, carries gold to the value of about £575,000, of which £327,000 is consigned to London and £248,000 to New York.

SILVER

The market has been very active during the past week, and prices advanced rapidly. There was a rise of 1/2d. on the 8th instant followed yesterday by a further rise of 1/2d., which carried quotations to 23 1/2d. for cash and 23 1/2d. for two months delivery; to-day, prices again advanced,

cash being quoted at 23 1/2d. and two months at 23 1/2d., the highest since September, 1929.

America has been a buyer, but the strength was caused largely by demand from the Indian bazaars. The weakness of sterling has again been a factor, besides which the market found that sellers were inclined to hold back.

There has been buying on China account, as well as sales from the same quarter; speculators have given good support, but there was some profit-taking at the advance in prices.

Quotations during the week:—

IN LONDON			IN NEW YORK		
	Bar silver per oz. std.	Cash Two Months' delivery		Cents per Ounce	999 fine
October 4	22 1/2d.	22 1/2d.	October 3	50 1/2	
" 5	22 1/2d.	22 1/2d.	" 4	50 1/2	
" 6	22 1/2d.	22 1/2d.	" 5	50 1/2	
" 8	22 1/2d.	22 1/2d.	" 6	50 1/2	
" 9	22 1/2d.	22 1/2d.	" 8	50 1/2	
" 10	22 1/2d.	22 1/2d.	" 9	51	
Average	22-875d.	22-990d.			

The highest rate of exchange on New York recorded during the period from the 4th instant to the 10th instant was \$4-93 1/2 and the lowest \$4-89.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Sept. 30	Sept. 22	Sept. 15
Notes in circulation	18,506	18,456	18,450
Silver coin and bullion in India	9,855	9,805	9,838
Gold coin and bullion in India	4,154	4,154	4,154
Securities (Indian Government)	3,197	3,197	3,170
Securities (British Government)	1,300	1,300	1,288

The stocks in Shanghai on the 6th instant consisted of about 50,500,000 ounces in sycee, 333,000,000 dollars and 34,600,000 ounces in bar silver, as compared with about 52,700,000 ounces in sycee, 337,000,000 dollars and 32,900,000 ounces in bar silver on the 29th ultimo.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.		d.
Oct. 5	142 4	22 1/2	22 1/2	Oct. 18, 1928	26 1/2
" 6	142 3	22 1/2	22 1/2	" 17, 1929	23
" 8	142 6	22 1/2	23	" 16, 1930	16 1/2
" 9	142 9	23 1/2	22 1/2	" 15, 1931	17
" 10	142 6	23 1/2	23 1/2	" 13, 1932	17 1/2
" 11	143 3	24 1/2	24 1/2	" 12, 1933	18 1/2

COMPANY NEWS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

Gross Receipts, week ended Oct. 7, 1934 (£'000)										Aggregate Gross Receipts 1934 compared with 1933, 40 weeks (£'000)									
(b) Week ended Oct. 5, 1934	Miles Open																		
(c) Week ended Oct. 6, 1934	Passen- ger, &c.	Merchan- dise, &c.	Coal and Lime	Coals and Lime	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Lime	Coals and Lime	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Lime	Coals and Lime	Total Goods	Total Receipts	
Great Western { 1934 3,750	189	191	96	287	476	8,304	7,121	3,945	11,066	19,370			8,309	6,600	3,551	10,511	18,820		
(c) L. & N. { 1933 3,752	188	186	97	283	469	8,309	6,600	3,551	10,511	18,820			8,309	6,600	3,551	10,511	18,820		
Eastern { 1933 3,933	293	340	220	560	853	12,643	12,269	8,987	21,286	33,929			12,643	12,269	8,987	21,286	33,929		
Scottish { 1933 6,343	283	324	212	536	824	12,427	11,365	8,209	19,574	32,001			12,427	11,365	8,209	19,574	32,001		
Southern { 1934 6,940	467	467	1,152	1,552	2,689	19,585	17,655	8,518	28,579	46,158			19,585	17,655	8,518	28,579	46,158		
1933 2,176	273	56	22	78	351	19,281	16,835	8,213	27,329	45,179			19,281	16,835	8,213	27,329	45,179		
Total { 1934 12,921	1,216	1,061	555	1,616	2,832	52,534	39,905	23,077	62,685	115,216			52,534	39,905	23,077	62,685	115,216		
1933 1,216	1,029	551	1,580	2,778	51,841	39,833	23,129	58,562	110,403			51,841	39,833	23,129	58,562	110,403			
(b) Belfast { 1934 80	2	...	0	6	2	105	...	...	...	125	6	...	105	...	...	...	125	6	...
& Co. Down { 1933 80	2	...	0	5	2	107	...	...	...	127	7	...	107	...	...	...	127	7	...
(b) Great { 1934 562	10	6	...	20	3	411	...	...	...	332	0	...	411	...	...	...	332	0	...
Central { 1933 552	9	3	...	8	7	412	...	...	...	332	0	...	412	...	...	...	332	0	...
(b) Great { 1934 2,158	27	3	...	66	3	988	...	...	...	253	7	...	988	...	...	...	253	7	...
Southern { 1933 1,258	24	6	...	39	1	977	...	...	...	239	4	...	977	...	...	...	239	4	...
1934 1,258	24	6	...	38	1	977	...	...	...	239	4	...	977	...	...	...	239	4	...

INDUSTRIAL PROFITS

(See page 672)

	Debiture Capital	Rate of Int.	Preference Capital	Rate of Int.	Ordinary Capital	Rate of Div.	Rate of Div. a year
Breweries	12,049,866	4.4	13,149,489	5.0	27,708,170	15.3	13.4
Financial, land & investment ..	8,238,761	4.9	4,589,139	4.1	11,610,860	4.5	4.1
Gas	187,000	4.0	Nil	...	799,934	6.9	6.8
Hotels and restaurants	2,317,515	5.3	1,599,775	3.9	1,753,066	2.9	Nil
Iron, coal and steel	7,394,806	5.9	10,113,785	1.1	29,569,336	3.4	2.2
Motor cycle and aviation	Nil	...	329,325	3.9	1,020,647	4.1	Nil
Oil	Nil	...	600,007	8.0	2,005,000	Nil	5.7
Rubber	1,227,326	6.3	46,064	1.6	13,724,089	2.3	0.2
Shipping	108,963	4.5	6,957,720	1.1	10,854,412	0.3	2.4
Shops and stores	4,121,712	4.9	10,757,391	5.5	7,555,901	9.0	6.5
Textiles	490,307	6.5	496,365	6.8	4,095,299	7.9	2.2
Trams	3,883,360	4.5	6,529,151	5.6	8,399,055	4.2	2.7
Trusts	11,515,618	4.7	13,388,036	3.7	11,813,334	2.6	2.7
Waterworks	46,000	4.6	19,810	2.7	74,600	4.5	6.3
Building materials	Nil	...	945,710	4.1	1,897,583	6.5	(a)
Food, confectionery and drink ..	325,000	5.4	893,000	6.6	1,793,074	7.2	(a)
Electrical equipment	Nil	...	625,000	7.1	545,247	6.3	(a)
Newspapers, printing & publishing ..	863,750	4.5	3,046,795	6.6	2,327,365	4.9	(a)
Tobacco	Nil	...	2,150,000	6.1	3,450,000	10.9	(a)
Warehouse and trading	400,000	3.8	672,445	4.7	510,742	4.6	(a)
Miscellaneous	13,629,215	4.7	25,979,902	4.1	19,769,033	5.1	4.5
Total	66,799,199	4.9	102,889,509	4.1	161,186,747	6.0	5.3

(a) Not classified separately. Included in Miscellaneous figure of 4.5 per cent.
 Note.—The figure in the last column of the above table for the rate of dividend in the third quarter of 1933 does not correspond with the figure given for that quarter in the historical table in the text on page 673, as the number of companies reporting in 1933 was 307 as against 318 in 1934.

	- Net Profits	Ordinary Dividend	Preference Dividend	To Reserve, etc.
Breweries	5,915,561	4,242,306	71.7	661,249
Financial, land & investment ..	800,120	524,882	65.6	189,733
Gas	55,202	55,815	101.1	Nil
Hotels and restaurants	118,972	50,625	42.5	63,342
Iron, coal and steel	1,731,731	999,225	57.7	112,669
Motor cycle and aviation	75,002	42,085	56.1	12,792
Oil	384,024	307,543	80.1	48,000
Rubber	390,496	37,712	9.6	80,074
Shipping	1,741,976	683,906	39.2	589,989
Shops and stores	513,050	325,819	63.5	33,865
Textiles	890,241	354,191	35.7	365,983
Trams	886,932	299,331	33.7	500,270
Waterworks	5,742	3,357	58.9	545
Building materials	249,021	123,940	49.8	38,896
Food, confectionery and drink ..	283,227	123,781	43.7	59,643
Electrical equipment	113,592	34,289	30.2	44,375
Newspapers, printing & publishing ..	401,197	116,000	28.9	200,044
Tobacco	487,475	378,000	77.5	132,000
Warehouse and trading	69,229	23,448	33.8	31,549
Miscellaneous	1,925,852	1,012,543	52.6	1,062,358
Total	17,139,932	9,738,898	56.8	4,228,115

It is announced that Mr Herbert Leslie Melville Tritton, vice-chairman of Barclays Bank (Dominion, Colonial and Overseas), has been elected chairman of that bank, in successions to the late Mr Frederick Craufurd Goodenough.

UNITED STEEL COMPANIES.—Morgan Grenfell and Company, Ltd., and its associates, who last May purchased 4,500,000 shares of the United Steel Companies, Ltd., which were subsequently offered for sale, has exercised its option to purchase the balance of 2,077,223 shares at 23s.

DER OESTERREICHISCHE VOLKSWIRT

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DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Bengal Doonars Railway	4%†	Jan. 1, 35	Unchanged	7%	7%
South Indian Railway	4 1/2%†	...	Unchanged	8	8
BANKS					
Bank of Adelaide	4%*	Oct. 31	Unchanged	...	...
Industrial Bank of Japan	6	...	Unchanged	...	...
INSURANCE					
Economic Insurance	10%*	Oct. 31	...	...	...
Insurance (L2 paid)	13/6 p.s.*	Nov. 15	Unchanged	...	...
Royal Exchange Assurance	11%*	Nov. 6	10%	...	...
Royal Insurance Co. (10/- paid) ..	3/3 p.s.*	Nov. 15	Unchanged	...	...
TEA AND RUBBER					
Ayer Panas Rubber	4%*	...	...	...	...
Batu Rata Rubber	...	...	2 1/2	Nil	...
Bukit Lintang Rubber	...	...	7 1/2	Nil	...
Ceylon Land and Produce	5%†	Oct. 24	...	7 1/2	Nil
Ceylon Proprietary Tea	2 1/2%*	Nov. 10	Unchanged	5	Nil
Kempas, Ltd.	...	...	...	2	Nil
Kenny (Selangor) Rubber	...	...	...	3 1/2	...
Kulim Rubber	...	Nov. 10	...	5	5
Lanka Plantations	...	Oct. 27	7 1/2	...	...
Standard Tea of Ceylon	5%*	Oct. 31	...	5	Nil
Tanjong Malim Rubber	...	...	...	...	...
MINING					
Bisichi Tin (Nigeria)	2 1/2%*	Oct. 29	Nil	...	...
Mount Coolon Gold	1/6 p.s.*	Nov. 23	...	...	...
Mount Morgan	6d. p.s.*	Oct. 10	...	...	...
Temoh Tin Dredging	1/6 p.s.*	Oct. 20	Nil	10	Nil
OTHER COMPANIES					
Adelaide Steamship	3 1/2%†	...	...	6	5
African City Properties Trust	4%*	Nov. 1	Unchanged	...	...
Anglo-American Debenture	3 1/2%†	Nov. 1	Unchanged	...	...
Bryant and May (ord.)	16%*	Oct. 31	Unchanged	...	...
Burmah Oil	(s) 3 1/2%†	Nov. 6	5%	...	...
Burt, Boulton and Haywood	3%†	Oct. 22	...	5	3 1/2
Calcutta Electric Supply	15%*	Nov. 15	5%	...	...
Calcutta Tramways	3 1/2%*	Nov. 1	3%	...	...
City and West End Properties ..	13%*	Oct. 22	Unchanged	...	...
Clyde Paper	...	...	...	2	2
Educational Supply	...	...	...	5	5
English Sewing Cotton	2 1/2%*	...	Unchanged	...	...
Ericsson Telephones	6%*	Oct. 17	Unchanged	...	...
Erinold, Ltd.	11 1/2%*	Nov. 1	Unchanged	...	...
Ever Ready Trust	3%*	Nov. 1	2 1/2	...	...
Foreign, American and General Investments (def.)	1 1/2%*	Oct. 20	Unchanged	...	...
Industrial and General Trust	3%*	Nov. 1	Unchanged	...	...
Lambert Brothers	...	...	2 1/2(a)	5(b)	...
Lawsons, Ltd.	5 1/2%*	Nov. 1	Unchanged	...	...
London Trust (def.)	3%*	...	Unchanged	...	...
London United Landries	3 1/2%†	...	...	6	5
Longmorn-Glenlivet Distilleries ..	2/- p.s.†	...	2/- p.s.†	...	...
Maroc, Ltd.	50%†	Oct. 29	22 1/2	75	35
Metal Agencies	5%*	...	Unchanged	...	...
Mid-European Corporation	2%†	...	...	3	4
Midland Far Distillers	...	...	...	5 1/2	Nil
New Zealand and Australian Land Odhams Press	5%*	Oct. 31	Unchanged	...	...
Pennams (com. stk.)	75 cts. p.s.	Nov. 15	Unchanged	...	...
Ranks, Ltd. (S-1)	5-4d. p.s.	Nov. 6	...	...	...
Rayne (H. & M.)	10%†	...	Unchanged	15	15
Robinson (L.) and Sons	5%*	...	Unchanged	...	...
Scottish and Canadian General Investment	1%*	Nov. 1	Unchanged	...	...
Scottish Investment Trust: 5% pf. Do. 6% "A" pref.	2 1/2%†	Nov. 1	Unchanged	5	5
Serek Radiators	...	...	12 1/2(b)	12 1/2	...
Smith's Potato Crisps	8%*	...	(c)	...	...
St. Anne's-on-Sea Land, etc.	4%*	...	Unchanged	...	...
Tea Share Trust	5%*	Oct. 16	Unchanged	...	...
Tebbit Brothers	...	...	...	2 1/2	5
Tecka (Argentina) Land	3%*	Oct. 22	Unchanged	8	5
Telephone and General Trust	...	...	...	5	5
Tod (John and James) and Sons ..	...	Oct. 15	...	4	4
Trent Motor Traction	7 1/2%†	...	...	10	5
Turton (George) Platts and Co.	...	...	...	10	6
Union Cinema Co.	3%*	Oct. 15	Unchanged	...	...
West London Property	2d. p.s.	Oct. 30	...	...	...
West and Moultons (S-1)	15%*	...	...	...	...
Woking Electric Supply	...	...	...	...	...

(a) Also 4 1/2d. per share from capital accretions. (b) From capital accretions. † Free of income tax. (c) 5 per cent. paid on a smaller capital.
 (d) Also a capital bonus of one share in four, absorbing £30,000 of reserve fund.
 (e) Represents 5 per cent. on the capital as it stood before the recent increase.

THE SECOND EDINBURGH INVESTMENT TRUST, LTD.—The board have resolved to recommend the payment of a dividend on the deferred stock of 5 per cent. actual, less income tax at 4s. 3d. in the £, for the year ended September 30, 1934. While this has not been fully earned on the year, the board feel justified in recommending some encroachment on surplus revenue.

THE LONDON AND LANCASHIRE INSURANCE COMPANY, LTD.—The directors have decided to pay, on November 1st, an interim dividend of 10s. per share, less income tax, being at the same rate as that of the previous year, to shareholders whose names are on the registers on October 15th.

GAUMONT-BRITISH PICTURE CORPORATION, LTD.—The directors announce that the profit for the year ended March 31, 1934, available for ordinary dividend is £344,875 against £304,455 last year. A final dividend of 4 per cent. (actual) less tax on the ordinary shares is recommended, making 7 per cent. (actual) less tax, for the year (the same as last year). Balance to carry forward £134,875, against £129,455 brought in. The annual general meeting will be held on October 29, 1934.

PATERSON, LAING AND BRUCE, LTD.—The trading results for the year ended July 31, 1934, though showing an improvement, do not permit payment of dividends on the 6 per cent. cumulative preference shares and the 6 per cent. cum. "B" preference shares.

DUNLOP RUBBER COMPANY.—The directors announce that the trading results to date compare favourably with those of last year. The dividend on the company's preference shares will be paid on October 31st to shareholders on the register on October 17th. No interim dividend on the ordinary stock will be paid.

FOURTH BRITISH FIXED TRUST.—(First distribution on sub-units).—Municipal and General Securities announces the first distribution by the Fourth British Fixed Trust of 5 1/2d. per sub-unit, free of tax, payable November 15th, on presentation of coupon No. 1 at the City office of Lloyds Bank, Ltd., 72 Lombard Street, E.C.3. The payment is in respect of dividends due between February 6th last, on which date the trust was formed, and October 6th—a period of eight months. An earned balance of 0.125d. per sub-unit is carried forward.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Deben- ture Interest	Amount Available for Distribu- tion	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Deprecia- tion, &c.	Balance Forward	Net Profit	Divi- dend
					Prefce.	Ordinary					
						Amount	Amount				
Breweries and Distilleries		£	£	£	£	£	%	£	£	£	%
Longmorn-Glenlivet Distillrs.	July 31	13,953	8,743	22,696	750	3,000	20†	1,400	17,546	409	10†
Financial Land, etc.											
Egyptian Consolidated Lands	June 30	...	1,448	1,448	...	...	...	1,448	...	2,149	...
Tecka (Argentina) Land ...	June 30	3,782	21,743	25,525	...	16,000	8	...	9,525	3,258	5
Iron Coal and Steel											
Sheffield Steel Products	May 31	Dr. 54,054	25,641	Dr. 28,413	...	...	...	...	Dr. 28,413	Dr. 38,097	...
Vulcan Foundry	June 30	17,044	17,358	34,402	5,000	16,902	2†	...	12,500	3,577	2½
Motor Cycle and Aviation											
Lucas (Joseph)	Aug. 7	64,278	273,405	337,683	10,560	189,739	(s) 12½	60,000	77,384	250,428	25
Rubber											
Bantardawa Rubber.....	June 30	Dr. 9,179	1,981	Dr. 7,198	...	...	...	...	Dr. 7,198	Dr. 1,856	...
Batu Rata (Sumatra) Rubber	June 30	4,842	3,717	8,559	...	3,298	2½	1,000	4,261	323	Nil
Beranang (Selangor) Rubber	June 30	3,208	2,038	5,246	...	2,615	3	...	2,631	Dr. 1,662	...
British Borneo Para Rubber	Apr. 30	Dr. 4,559	28	Dr. 4,531	...	...	...	...	Dr. 4,531	Dr. 1,605	...
British Rubber Estates of											
Java	June 30*	2,078	7,683	9,761	...	...	...	...	9,761	...	...
Bukit Lintang Rubber	June 30	8,403	3,054	11,457	...	2,325	7½	250	8,882	Dr. 1,130	...
Federated (Selangor) Rubber	June 30	Dr. 177	2,136	1,959	...	1,445	2½	329	185	Dr. 1,777	...
Java Produce Co.	Mar. 31	Dr. 12,671	1,061	Dr. 11,610	...	...	...	...	Dr. 11,610	Dr. 12,671	...
Kuala Muda Rubber	Mar. 31	Dr. 10,090	7,442	Dr. 2,648	...	...	...	...	Dr. 2,648	Dr. 10,209	...
Kulim Rubber	June 30	...	7,828	7,828	...	4,375	3½	1,939	1,514	...	...
Monerakelle Rubber.....	June 30	332	1,093	1,425	...	...	...	1,000	425	Dr. 873	...
Sengat Rubber	June 30	5,751	9,163	14,914	...	8,500	5	...	6,414	1,144	Nil
Tebolang Rubber	June 30	188	Dr. 1,594	Dr. 1,406	...	...	...	Dr. 535	Dr. 871	Dr. 1,968	...
Shipping											
Royal Mail Steam Packet...	Dec. 31	...	Dr. 18,752	Dr. 18,572	...	...	...	...	Dr. 18,752	Dr. 55,440	...
Trust											
Mid-European Corporation..	July 31	82,493	60,586	143,079	30,250	28,500	3	...	84,329	75,160	4
Other Companies											
Brown Hopwood and Gilbert	June 30	14,015	17,328	31,343	1,260	14,229	15†	...	15,854	18,104	15†
Burt, Boulton and Haywood	June 30	3,196	43,739	46,935	8,324	21,247	5	8,000	9,364	10,500	3†
Clyde Paper Co.	June 30	16,293	56,840	73,133	16,875	6,000	2	34,972	15,286	51,303	2
Itonia, Ltd.	May 31	...	(s) 5,735	5,735	2,200	...	...	...	3,535	Dr. 7,732	...
Rayne (H. and M.)	Aug. 20	17,032	24,137	41,169	...	15,442	15	3,000	22,727	19,268	15
Rosario Drainage	June 30	137,559	14,789	152,348	7,200	...	...	...	145,148	57,454	...
Ste. Madeleine Sugar.....	June 30	36,907	53,419	90,328	...	34,979	5	10,000	45,347	17,741	5
Union Cinema Co.	Mar. 31	18,983	23,775	42,758	...	8,479	10	...	34,279	17,663	6

keeping up. There are no special features in the market. Nuts are not so strong as they were a week or two ago, but most classes of large coal are firm in price.

Current export prices (f.o.b. district ports): LANARKSHIRE.—Ell best, 13s. 9d. to 14s.; splint best, 16s.; splint second, 14s. to 14s. 3d.; navigation, screened, 15s.; navigation, unscreened, 16s. 3d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 12s. 6d.; singles, 12s. 6d. to 12s. 9d.; pearls, 11s. 6d. to 11s. 9d.; dross, 10s. FIRE.—Best unscreened navigation, 13s.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 6d. to 13s. 9d.; third-class steam, 12s. 6d.; trebles, 14s. to 16s.; doubles, 11s. 6d. to 12s. 6d.; singles, 12s.; pearls, 11s. 3d. to 11s. 6d. LOTHIAN.—12s. 6d.; singles, 12s.; pearls, 11s. 3d. to 11s. 6d. to 11s. 9d.; Prime steam, 12s. 6d. to 13s.; secondary steam, 11s. 6d. to 11s. 9d.; unscreened navigation, 12s. 9d.; trebles, 13s. 6d. to 14s.; doubles, 11s. 6d. to 12s.; singles, 12s.; pearls, 11s. to 11s. 6d. AYRSHIRE.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s.; trebles, 15s. 6d.; doubles, 13s. 6d.; singles, 13s.; pearls, 11s. 6d. to 12s.; dross, 10s.

CARDIFF.—The chief event on the Cardiff coal market this week was the breakdown of the scheme for the exchange of South Wales coal for French pitwood. Under the agreement concluded between the British and the French Governments on July 27th last, France undertook to purchase from this country a monthly quantity of 40,000 tons of coal in exchange for the purchase by this country of two tons of pitwood against three tons of coal. When this barter transaction was provisionally arranged in June, it provided for a c.i.f. pitwood price of between 21s. 9d. and 22s. 9d. The actual figure ultimately fixed for the period of three months ended September was 22s. 7½d., but the French pitwood exporters have been for some time past complaining that the price should be higher in view of the fall in sterling exchange, and in Paris last week the matter was considered by the joint committee of four appointed for the administration of the scheme. At that meeting the French representative asked for an increase in the c.i.f. price to 24s. 9d., but the application was resisted by the representatives of the South Wales coalowners and pitwood importers, and as the agreement contained no provision for dealing with the contingency of such a difference, the issue of pitwood and coal licences under it has been temporarily suspended. It is understood that the dispute is now receiving the attention of the Governments of the two countries. Business on the Cardiff coal market this week was very dull and prices for practically every class of coal ruled at the minimum schedule figures.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams, 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; French nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 22s. 7½d. (French) and 22s. to 22s. 6d. (Portuguese).

IRON AND STEEL

MIDDLESBROUGH.—The tone of the local market continues good; slightly more business is being done with home consumers, but export business continues extremely difficult, although a parcel of hematite iron has been shipped this week to Italy. The official price for Cleveland No. 3 foundry pig iron is based on 67s. 6d. per ton for delivery at Middlesbrough, whilst for East Coast hematite the price is based on No. 1 quality at 69s. per ton delivered at Middlesbrough. Shipments of all classes of pig iron from the Tees from October 1st to 9th amounted to 6,750 tons, against 7,163 tons in the corresponding period of the previous month.

Foreign ore is quiet, but sellers are basing their quotations on best Bilbao rubio at 17s. per ton c.i.f. Tees. Good Durham blast-furnace coke is easier to obtain, but producers are asking 20s. per ton delivered at the furnaces. Semi-finished steel is in slightly better demand and makers have good order books for finished steel, particularly constructional. Shipbuilding demands are poor. Works are still only prepared to pay 50s. per ton delivered for heavy steel melting scrap.

SHEFFIELD.—Activity in the electrical industry is bringing substantial business to the local steel foundries and the output of magnet steel is larger than for several years past. The output of permanent magnets is establishing fresh records owing to the heavy demand for electric meters, telephones and wireless sets. Prices of these components have been greatly reduced by casting them instead of forging them, as was formerly done. Output of steel in Sheffield in August amounted to 87,000 tons. Owing to the holidays, it fell short of the July figures, but was 9,000 tons more than in August last year. The mills rolling steel strip, both hot and cold, are extremely busy, mainly on home account, and a good deal of foreign strip is being imported. Trade in wrought iron keeps steady, but there has been no great increase of late. The output of basic semi-steel, both in the Sheffield and Lincolnshire areas, has been close up to capacity ever since the year began and there are no indications of the demand slackening. As regards expensive special alloy steels, trade is somewhat irregular and orders are smaller than formerly. Business with Russia has been quieter this year, but that country has been buying large quantities of ferro-tungsten in England during the past twelve months. Files and tools are selling freely and seasonal business in cutlery and plate is developing slowly.

GLASGOW.—Steel plants remain active, and while just at present new bookings do not individually cover large tonnages, the aggregate amount of new work placed is considerable, and there seems every

prospect of steelmakers being able to continue at the present rate of production for some time. Makers of semis also are fairly busy at present, with demand showing some expansion. Sheet makers are better employed than they have been for some time past and, although not able to keep all mills in operation, the increased export business has made it possible to add considerably to the number of mills operating and also to increase the length of the working week. Structural engineers have of late experienced a better demand and export business is somewhat more plentiful, although prices are keenly cut. In most of the manufacturing trades around Glasgow shops are busy and there is a good deal of work on hand for forward delivery.

CARDIFF.—There was little activity on the Swansea Metal Exchange on Tuesday. Shipments of tinplates last week were considerably below the recent weekly average figure, and it is stated that unfulfilled orders are down to about 3½ million boxes. Prices have remained unchanged at from 18s. 2d. to 18s. 7½d. per basis box, at 18s. f.o.b. works port for odd sizes, and at from 16s. 3d. to 16s. 9d. for wasters which are uncontrolled. Welsh steel bars are firm at £5 7s. 6d. and galvanised sheets quiet at from £11 5s. to £11 10s. per ton. Exports of tinplates at Swansea last week totalled 63,506, compared with 98,306 boxes the previous week, and 100,724 boxes in the corresponding period last year.

OTHER METALS

The metal markets have again been weak, psychological factors being responsible for a further marking down of prices. The one factor of far-reaching importance was the issue of a new German decree limiting stocks in the hands of dealers and consumers in that country. Stocks of consumers must not exceed their actual consumption during the first quarter of this year, while dealers may not hold more than their monthly average turnover during the first three months of 1934. Hence, considerable supplies of non-ferrous metals will be available to the German Bureau of Supervision and may be placed at the disposal of those consumers who have been unable to secure supplies. Import licences will be granted only to those importers whose stocks are below the above-mentioned level, so that German purchases will be more restricted than hitherto.

The worst setback during the past week occurred in the copper market, and rumours regarding a new conference are no longer current. Until the end of October, the United States market will remain exclusively in the hands of the "Customs smelters," and the primary producers hope that, at the end of this period, selling pressure from the former will be so much reduced that there will be no likelihood of further price cutting. But the European market naturally suffers from this step. Several times during the past few weeks blue eagle primary producers have exported copper to Europe, whereas previous shipments had been mainly of non-blue eagle metal. It is anticipated that these offers will cease after the end of October but, meanwhile, the New York export price has declined to 6-4 cents per lb. and the immediate outlook is not favourable.

Trade in tin has been dull and purchases are still restricted. It is understood that in future the International Tin Committee is to co-operate more closely with consumers. A new advisory panel is apparently to be set up and, so far as is known, the Governments of the main consuming countries (the United States and the United Kingdom) have agreed to collaborate in this direction. It remains to be seen whether any change in price policy will result from this step.

Lead and spelter have again encountered a dull trade and only a sharp increase in consumption can change the unsatisfactory market condition. According to the *Metallgesellschaft*, the world's output of smelter lead amounted to 102,502 metric tons during August, as against 114,520 metric tons in the previous month—the United States figures being 20,864 metric tons in August compared with 24,815 in July. The American Bureau of Metal Statistics reports that the United States output of zinc during September amounted to 26,000 short tons, or 300 short tons more than in August. These statistics demonstrate once again that lead and spelter production remain unaffected by the United States silver buying policy.

TIN.—Sales on the London Metal Exchange: 505 tons on Monday, against 250 tons last week; 195 tons on Tuesday, against 450 tons last week; 210 tons on Wednesday, against 275 tons last week. The New York quotation on Wednesday was 50-50 cents per lb., against 50-87½ cents a week ago and 51-70 cents a month ago. Wednesday's official closing quotation in London for standard cash was £230 5s. to £230 10s., compared with £231 5s. to £231 10s. last week. Stocks in London and Liverpool at the end of last week were 4,425 tons, an increase of 555 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,700 tons on Monday, against 1,100 tons last week; 1,075 tons on Tuesday, against 1,050 tons last week; 1,000 tons on Wednesday against 2,300 tons last week. Domestic spot was quoted at 6-17½ cents per lb. in New York on Wednesday, against 6-50 cents a week ago and 6-65 cents a month ago. Wednesday's official closing price for standard cash in London was £25 12s. 6d. to £25 13s. 9d., compared with £26 6s. 3d. to £26 7s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 32,589 tons, show an increase of 52 tons, and stocks of rough copper, at 6,974 tons, a decrease of 29 tons.

LEAD.—Sales on the London Metal Exchange: 1,050 tons on Monday, against 150 tons last week; 800 tons on Tuesday, against 800 tons last week; 600 tons on Wednesday, against 50 tons last week. The New York quotation on Wednesday was 3-60 cents per lb., against 3-60 cents a week ago and 3-70 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 3s. for shipment during the current month, compared with £10 2s. 6d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 375 tons on Monday, against 750 tons last week; 200 tons on Tuesday, against 350 tons last week; 500 tons on Wednesday, against 500 tons last week. Wednesday's quotation in East St. Louis was 3-80 cents per lb., against 3-87½ cents the week before, and 4-15 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 15s. for shipment during the current month, against £11 16s. 3d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £41 to £41 10s. per ton, as against £39 10s. to £40 per ton last week. Chinese wolfram was quoted at 41s. 6d. to 42s. 6d. per unit, c.i.f., as against 42s. 6d. to 43s. 6d. per unit c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester.—The trend of raw cotton prices remains downwards and it is very difficult at the moment to check this declining tendency. The American Government crop estimate of 9,443,000 bales was less than expected, but the consequent slight rise in prices was soon lost owing to heavy liquidation by long interests and the disturbing effects of the political news from Europe. A substantial business continues to be done in actual cotton, but practically all the buying has been in qualities other than American.

Although general inquiry in piece-goods for abroad has been of fair extent, no increased business can be recorded and the turnover has consisted of odd lots for several outlets. Shippers to India are discouraged by the offers coming through from the other side and most of the buying has been in light whites and fancies. A few more bids have been mentioned for China in bleached shirtings, which have not been bought for a long time back. Further buying has taken place in dyed goods for Hong Kong. Very little support has come from Egypt and the Near East, but miscellaneous sales have been arranged for South America, the Dominions and the home trade. Prices in the yarn market have favoured buyers and home users of American and Egyptian counts have purchased sparingly. Inquiry in bundles for India has been rather better.

COTTON PRICES

	1934				Corresponding Date	
	Sept. 19	Sept. 26	Oct. 3	Oct. 10	1932	1933
Raw Cotton—Mid. American	d. 7-02	d. 7-01	d. 6-90	d. 6-74	d. 5-69	d. 5-37
Sakellaridis Fully Good Fair Egyptian	d. 8-12	d. 8-41	d. 8-14	d. 7-87	d. 8-30	d. 7-14
Yarns—32's twist	101	101	101	104	98	91
" 40's twist	103	103	103	104	101	94
" 60's twist (Egyptian)	161	161	161	16	151	16
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 19 4	s. d. 19 4	s. d. 19 4	s. d. 19 0	s. d. 19 3	s. d. 16 6
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	24 4	24 4	24 4	24 0	21 6	20 6
38-in. ditto, 88 yds., 18 by 18, 10 lb.	11 2	11 2	11 2	11 0	11 3	10 4
39-in. ditto, 87½ yds., 16 by 15, 8½ lb.	10 1	10 1	10 1	9 11	10 1	9 2

AMERICAN COTTON CROP.—At the beginning of this week the Department of Agriculture of the United States Government published its third cotton crop estimate for this season at 9,443,000 bales, against 9,252,000 bales a month ago and 9,195,000 bales in August. The condition of the crop was given as 55-9 per cent., as compared with 53-8 per cent. a month earlier, indicating a yield per acre of 165-9 lb. against 162-6 lb. in September. The crop forecast was below the expectations of market operators by about 200,000 bales, and the report was considered slightly bullish. There was a slight rise in prices in New York and Liverpool, but since then the advance has been lost on selling by long interests and uneasiness with regard to the political situation in Europe. The Government has stated that up to the end of September 4,958,000 bales had been ginned and as this amount is over 50 per cent. of the estimated growth the opinion is held in some quarters that the crop will be larger than at present indicated, with a possibility of the final yield being 10,000,000 bales.

American cotton futures in Liverpool are now around 6½d. a lb. as compared with 7½d. a couple of months ago. Prices in New York this week have fallen below the 12 cent level and reports are being circulated that the Government is now making arrangements for a production next season of between 12,000,000 and 13,000,000 bales. The increasing use of foreign cottons, whilst the American staple is being neglected, is understood to be causing some concern to the officials at Washington. Some authorities are of opinion that world consumption of American cotton this season will not be more than 11,000,000 bales, as compared with 13,500,000 bales last season. This decline is due to the relatively high price of American cotton compared with the rates ruling for competitive growths.

WOOL.—Bradford.—The outlook in the wool textile industry has been improved by the encouraging indications at the fifth series of colonial wool auctions, which closed in London on Wednesday last week. At the beginning of these sales demand was somewhat hesitant, and although support from the home industry was relatively good the weak operations of Continental buyers caused prices gradually to fall. During the latter half of the sales, however, there was a marked revival in the demand from most sources, and quotations took a sharp upward turn. At the lowest point of the sales 64's warp tops were costing no more than 25d., but at the close the same quality top could not be made for less than 26½d.

At the same time, the primary wool markets in Australia have shown a hardening tendency, and although they are rather cheaper than London—as is only natural seeing that spot wool is at a premium—the present situation may be regarded as being quite encouraging and one which may lead to a further development of the upward price movement.

The immediate future, however, is dependent on that very uncertain factor, Continental support, and it is probably this fact which has prevented the Bradford top market from responding more freely to London indications. The majority of topmakers in this district have certainly revised their quotations to levels more in keeping with first costs, but Bradford is still definitely cheaper than either London or Australia. For instance, whereas 64's warp tops are quoted at 25½d. in this market, with occasional selling at prices ½d. below these quotations, the same quality top was costing 1d. more at the close of the sales. Topmakers have, indeed, great difficulty in relating selling prices to first costs, and as there seems to be strong opposition to granting concessions to spinners, especially for immediate delivery, turnover in this market has been small. It was generally believed that when there were some encouraging indications as to the stability of wool prices—such as those now ruling—a good volume of business would be placed; but spinners do not appear to be convinced on the price question, and argue that the strong close of London was chiefly occasioned by many users urgently requiring wool to cover old contracts booked at a time when the market was higher than at present. If the present levels in the Australian selling centres are maintained, however, much of the business that is at present being withheld on account of uncertainty over price will be brought out.

GRAIN MARKETS

WHEAT.—The slump in wheat prices which took place a week ago has been checked by increased buying at the lower level of quotations, and American markets have exhibited greater firmness this week. Quotations for futures in Chicago on Wednesday last ruled well above the level of the previous week, although London rates showed little change. The position of the home crop as revealed by the monthly report of the Ministry of Agriculture is discussed elsewhere in a note of the week. According to an official estimate of crops issued on October 11th, the United States wheat harvest is expected to yield 497 million bushels, as compared with an actual yield of 527 million bushels a year ago.

According to Mr G. Broomhall, total shipments during the past week were 1,526,000 quarters, against 1,358,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 99½ cents per bushel, against 95½ cents the week before and 105½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 32s. 6d. per 496 lbs., against 32s. 6d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 30s. 9d., against 30s. 9d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 27s. to 28s., against 27s. 6d. to 29s. a week ago.

FLOUR.—Trade in home-milled flour shows some improvement at the lower level of prices. North American shipments were 111,000 sacks in the past week, as compared with 106,000 sacks in the previous week. Wednesday's London quotations were: Straigt run, delivered country, 24s. 6d. per 280 lbs., against 25s. last week; delivered London, 23s. 6d., as compared with 24s. a week ago. Manitoba patents, ex store, 24s. 9d. to 27s., against 24s. 9d. to 26s. 3d.; Australian, ex store, 20s. 6d. to 21s., against 20s. 6d. to 21s.

BARLEY.—The tone of the market has been steadier this week and, although London quotations show little change, American prices have moved upward. Medium grades of British feeding barley have been in only moderate request, but the higher grades have attracted considerable attention. "October" futures were 53½ cents per bushel in Winnipeg on Wednesday, against 48½ cents last week and 62½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), i.o.r., per 448 lbs., 32s. to 55s., against 32s. to 55s. a week before.

OATS.—The demand for imported oats has been poor but, in view of the shortage of supplies, last week's quotations have generally been maintained. American prices show a considerable advance

ANGLO AUSTRALIAN GOLD DEVELOPMENT LTD.

NOTICE TO HOLDERS OF OPTION CERTIFICATES TO BEARER

The Company announce that the Directors are proceeding forthwith with the registration of Beryl Gold Corporation, Ltd., with a capital of £400,000 in shares of 5s. each. The issue will be undertaken by Commonwealth Mining and Finance, Ltd., who have agreed to underwrite free of commission all the shares about to be offered in consideration of their being permitted to subscribe for 360,000 shares at the par price of 5s. per share.

The Beryl Gold Corporation, Ltd., is to be formed for the purpose of acquiring from the Anglo Australian Gold Development, Ltd., all the issued shares of the Beryl Gold Mines, Ltd., registered in Australia, for a consideration of £132,000, which is to be satisfied as to £32,000 in cash and 400,000 shares of 5s. each, together with an option to subscribe for a further 200,000 shares at 7s. 6d. per share at any time up to the 31st March, 1936.

An issue of 1,000,000 shares of 5s. each at par is to be made, and of these 640,000 shares will be offered to shareholders in Anglo Australian Gold Development, Ltd., in the proportion of two shares in the Beryl Gold Corporation, Ltd., for every five shares held.

This right to subscribe for shares in the Corporation will apply to all the holders of the fully-paid shares registered in the books of the Company on the 17th October, 1934. The holders of Option Certificates who exercise their right of conversion into shares by 4 p.m. on the 17th October will be entitled to subscribe for shares in the new Company in the same ratio.

Conversion of the Option Certificates may be effected by holders completing the form endorsed on the reverse of the Certificate or Certificates, and sending them to the Registered Office, 8 Great Winchester Street, London, E.C.2, together with a cheque for the amount payable at the rate of 5s. per share.

On Wednesday, December 17, 1933, the market for rubber was quiet. The price of rubber was 17 cents per lb. against 16 cents per lb. a week ago. The price of rubber was 17 cents per lb. against 16 cents per lb. a week ago. The price of rubber was 17 cents per lb. against 16 cents per lb. a week ago.

The demand for rubber in this country is poor. The price of rubber was 17 cents per lb. against 16 cents per lb. a week ago. The price of rubber was 17 cents per lb. against 16 cents per lb. a week ago. The price of rubber was 17 cents per lb. against 16 cents per lb. a week ago.

COMPARATIVE AVERAGE OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35.

Year	1931-32	1932-33	1933-34	1934-35
Estimated sale of home-grown wheat	1,137,232	1,137,232	1,137,232	1,137,232

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks and for the corresponding week in each of the years from 1930 to 1933.

Week ending	1934	1933	1932	1931	1930
Quantities sold	1,137,232	1,137,232	1,137,232	1,137,232	1,137,232
Average price per cwt.	1,137,232	1,137,232	1,137,232	1,137,232	1,137,232

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933.

Year	1934	1933	1932
Wheat	1,137,232	1,137,232	1,137,232

The supply of wheat in Canada at 100,000 bushels shows an increase of 1,000,000 bushels. Supplies a year ago stood at 100,000 bushels.

OTHER FOODS.—The spot market for raw sugar, both in London and New York, was quiet during the past week, with prices fluctuating within narrow limits. Trade in futures has been dull.

The spot price in New York on Wednesday was 3.00 cents per lb. as compared with 3.00 cents per lb. a month ago. The spot price in New York on Wednesday was 3.00 cents per lb. as compared with 3.00 cents per lb. a month ago.

The market for raw sugar in London and Liverpool last week was as follows:

Year	1934	1933	1932
Raw sugar	1,137,232	1,137,232	1,137,232

COFFEE.—Spot quotations in New York are unchanged on the week, and trade has been mainly quiet. Futures have shown an easier tendency. On Wednesday, Rio No. 7 (cash) was quoted at 12.50 cents per lb. as compared with 12.50 cents per lb. a month ago.

The market for coffee in London and Liverpool last week was as follows:

Year	1934	1933	1932
Coffee	1,137,232	1,137,232	1,137,232

Last week's movements of coffee in London were as follows: 1,137,232 bags; delivered, 1,137,232 bags; stocks, 1,137,232 bags; exports, 1,137,232 bags; imports, 1,137,232 bags; consumption, 1,137,232 bags; production, 1,137,232 bags; reserves, 1,137,232 bags; total, 1,137,232 bags.

The "spot" price of coffee in New York on Wednesday was 17 cents per lb. against 16 cents per lb. a week ago. The price of coffee was 17 cents per lb. against 16 cents per lb. a week ago. The price of coffee was 17 cents per lb. against 16 cents per lb. a week ago.

TEA.—The quantities of tea for this week's auctions amounted to 4,334 packages of Indian and 2,100 packages of Ceylon tea. Trade for the former was rather less active, prices showing a tendency to weaken. Competition for the Ceylon grades was generally good, but quotations were irregular and tended to slightly lower levels. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in London during the past week:

Week ending	1934	1933	1932
Tea	1,137,232	1,137,232	1,137,232

RICE.—The "spot" price was 8.50 per cwt. on Wednesday as compared with 8.50 per cwt. a week ago. The price of rice was 8.50 per cwt. against 8.50 per cwt. a week ago. The price of rice was 8.50 per cwt. against 8.50 per cwt. a week ago.

POTATOES.—Ample supplies were on offer at the London Borough Market on Tuesday, and although demand was rather quiet, prices were generally maintained; new crop, "King Edward" sold at 6.00 per cwt. as compared with 6.00 per cwt. a week ago.

SPICES.—"Black Pepper" was quoted at 1.00 per lb. on Wednesday, against 1.00 per lb. a week ago. The price of spices was 1.00 per lb. against 1.00 per lb. a week ago. The price of spices was 1.00 per lb. against 1.00 per lb. a week ago.

MEAT.—Trade for most descriptions was very slow at the beginning of the week, the demand for fresh pork being affected by the weather. Beef and mutton responded to a better market, with prices a shade higher than those ruling a week earlier. Wednesday's quotation for Argentine beef, chilled hindquarters, was 10.00 per cwt. as compared with 10.00 per cwt. a week ago.

According to the Smithfield official market report, supplies of meat amounted to 9,216 tons, against 9,216 tons in the corresponding week last year. Imports of meat, principally Argentine, formed 81.3 per cent of the total supply, against 81.3 per cent a year ago. Imports of meat, principally Argentine, formed 81.3 per cent of the total supply, against 81.3 per cent a year ago.

THE LONDON FUR AUCTIONS.—The tendency of the Hudson's Bay Fur Auction, which started on October 31, showed no important change during the second week. The uncertain international outlook on the one hand, and the absence of Leipzig's

rather better demand is still very restricted. Although the fur trade is improving, traders have only modest requirements, and are content to buy from hand-to-mouth, in view of the satisfactory outlook for supplies. Favorable news continues to be received of the new Argentine sowings, and reports of frost have had very little effect on the market, which on the whole is easy in sympathy with wheat. Shipments from Argentina last week were heavier than for some time past, and the estimated quantity of old crop still available has fallen below 300,000 tons. Shippers, however, have been ready to make concessions. Business in new seed is slow, and for January-February shipments 10.00 is quoted. Old crop, Argentine, is offered at 10.00. The quantity of mixed seed now offered for export is 110,000 tons (including 17,000 tons from India) to 7,500 tons less than last week; and for the United States and Canada 6,400 tons, against 7,100 tons a year ago. Cottonseed has been in good demand, but closer casing. Black Egyptian has been sold at 1.00 to 1.00. and rather less would now be accepted.

At the lower levels, interest in oil was in good demand from consumers and is steady. Current prices of raw oil for October-December delivery are around 1.00, and for January-April 1.00. Cotton oil is not so firm. Egyptian cotton oil is offered freely at 1.00, and refined at 1.00. per ton. Chicago quotations are unchanged.

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COMPARATIVE AVERAGE OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35.

Year	1931-32	1932-33	1933-34	1934-35
Estimated sale of home-grown wheat	1,137,232	1,137,232	1,137,232	1,137,232

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks and for the corresponding week in each of the years from 1930 to 1933.

Week ending	1934	1933	1932	1931	1930
Quantities sold	1,137,232	1,137,232	1,137,232	1,137,232	1,137,232
Average price per cwt.	1,137,232	1,137,232	1,137,232	1,137,232	1,137,232

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933.

Year	1934	1933	1932
Wheat	1,137,232	1,137,232	1,137,232

The supply of wheat in Canada at 100,000 bushels shows an increase of 1,000,000 bushels. Supplies a year ago stood at 100,000 bushels.

OTHER FOODS.—The spot market for raw sugar, both in London and New York, was quiet during the past week, with prices fluctuating within narrow limits. Trade in futures has been dull.

The spot price in New York on Wednesday was 3.00 cents per lb. as compared with 3.00 cents per lb. a month ago. The spot price in New York on Wednesday was 3.00 cents per lb. as compared with 3.00 cents per lb. a month ago.

The market for raw sugar in London and Liverpool last week was as follows:

Year	1934	1933	1932
Raw sugar	1,137,232	1,137,232	1,137,232

COFFEE.—Spot quotations in New York are unchanged on the week, and trade has been mainly quiet. Futures have shown an easier tendency. On Wednesday, Rio No. 7 (cash) was quoted at 12.50 cents per lb. as compared with 12.50 cents per lb. a month ago.

The market for coffee in London and Liverpool last week was as follows:

Year	1934	1933	1932
Coffee	1,137,232	1,137,232	1,137,232

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Hamilton Fish Armstrong, Editor



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THE ECONOMIST

Vol. CXIX

SATURDAY, OCTOBER 20, 1934

No. 4756

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BACK TO THE BLUE WATER

SCARCELY any success has attended the great efforts that have been made in recent years to achieve some measure of control over land armaments. But on the water the world has for twelve years enjoyed the inestimable advantage of an agreed limitation—which has not merely saved the taxpayers of the maritime Powers from a ruinous expense, but has avoided all the friction and ill-will that would inevitably have arisen if attempts to speed up the naval programme here or to steal a march there had constantly figured in the news of the day. Is this great boon to be lost or will the public be able in the next decade to dismiss from its mind, as it has done in the past, all idea of naval rivalry? The naval conversations which start in London this week will give the answer to that vital question.

It is as yet too early to say what are the prospects of success, but the Japanese delegate revealed a little of the mind of his Government in a conference which he held with the press on Wednesday. Japan, he said, should enjoy equal rights so far as provision for naval security is concerned. This means that "every country should be permitted to possess the minimum of armaments necessary for defence, and that the minimum should in no case be so large as to constitute a menace to any other nation." If by equal rights the Japanese spokesman implies that every nation is equally entitled to provide for its defence, the statement is platitudinous, while the reference to fixing armaments in such a way as to avoid the possibility of aggression bears a striking resemblance to the doctrine so much discussed at Geneva. So far so good. But when Admiral Yamamoto came down to detail it emerged that he wished to depart from the 5-5-3 ratio and substitute an agreement on global tonnage. He did not, however, suggest that within this total every country should be free to chop and change at its own discretion, but that the allocation would be the subject of discussion and would vary with the requirements of different countries. Though the Admiral refrained from specifically claiming parity of strength in the sense of parity in the number of capital ships, his proposal involves a departure from the principles of the Washington and the London Conferences and opens up the whole question afresh. Japan, however, will seek a reduction in the tonnage of the

navies of each nation in order to relieve the burden of taxation, and suggests, as a specific proposition, that aircraft carriers, which she regards as offensive weapons, should disappear entirely. She is not, however, ready to agree to the abolition of the submarine.

The reflection which inevitably suggests itself on these statements is that the objection to the present ratio agreement is almost certainly a matter of prestige rather than of security for Japan. Although the Admiral declares that "it had been found by experience that any such simple system . . . could not work out in a way that was satisfactory," this system has, in fact, made Japan the dominant naval power in the China seas. If by security Japan means more than this, and considers that she should be safe not merely against one powerful enemy, but against any possible combination of the powers of the world, she is defining her "right to security" in a way that would be impossible to apply all round. That the United States will accept an agreement which makes Japan her equal in capital ships is in the highest degree improbable. But if Japan is really concerned to avoid heavy naval expenditure and wishes, for reasons of prestige, to have the limitation expressed in a less crude form than the famous 5-5-3, it might be possible to meet her wishes.

As to the main theses of the United States delegation we have as yet no information. But the nomination of Admiral Standley as chief technical delegate suggests that, at all events, America will be out for a big ship policy and will not go far to meet Britain's often expressed desire to restrict further the maximum size and gun calibre of various classes of ships. It is in this respect that the attitude which the United States has so frequently taken up is most to be deplored. This question of size is one on which the last word should not be left to the technicians, but should be decided on more general considerations. The arguments of the experts should, of course, be fully considered. Obviously the distance from their base at which various categories of ships may be called upon to operate, the relationship between speed, striking power and armour, or, on the other hand, the many disadvantages of putting so many eggs into one basket, are matters of great importance. But in the last resort, as Admiral Richmond so clearly points out

in his latest book on "Sea Power in the Modern World,"* the growth in the size of ships does not put one country in the position of greater security against another, but merely ensures that all of them spend more. The monster cruiser, for example, has no justification except that it may possibly be a little bigger and a little faster than any cruiser it may have to meet. The primary purpose of British cruisers is to defend our shipping on the trade routes of the world. Cruisers of a moderate size can be built with sufficient striking power and radius of action to carry out these duties provided there are not on the seas much faster and larger cruisers attacking those lines of communication. If we once admit that no maritime nation will ever be permitted to maintain a fleet of ships which are definitely in a class above those of its rivals, there is no reason why the rule laid down for Germany in the Treaty of Versailles should not apply all round, namely, that armoured ships should be limited to 10,000 tons, and that a very much lower limit should be applied to small ships needed for commerce protection and other duties.

It is too much to hope that there will be an immediate scrapping of the big ships of the world, for in this matter common sense will, we fear, not be permitted to override that intangible but intractable thing—national pride. There is, however, no reason why the building of monster battleships should not henceforth cease and a programme be laid down by which those which at present exist should progressively disappear.

Even this may seem Utopian, but if it comes about it will do so because of the situation revealed in the following figures quoted by Admiral Richmond:—

Year	NAVAL ESTIMATES (in £ millions)				
	Britain	France	Italy	Germany	U.S.A.
1886	13½	7½	3½	2½	3½
1900	27½	12½	4½	7½	10
1912	44	17	8½	22	26
1934	55½	22	15	41½	57½

* Figures negligible.

Thus, if we exclude Germany and Russia, five great Powers have increased their expenditure from £105 millions before the war to nearly £192 millions this year. The startling increase in the past 50 years is, of course, due to the competitive increase in the size of ships. In this race Great Britain has taken a leading part. A courageous and drastic limitation of size would enable the figures to be enormously reduced without imperilling the security of anyone or preventing nations from protecting their essential supplies. Such an arrangement, moreover, would unquestionably make it more likely that the nations would agree to the abolition of the submarine and of aircraft carriers, neither of which aims is very likely to be achieved if navies are kept at their present strength, and still less if the door is opened to further naval expansion.

If the present conversations fail to achieve any substantial result it will be a severe blow to the cause of disarmament generally. But if the influence of the statesmen who have responsibility not only for defence, but for diplomacy and for the economic solvency of their respective countries, can secure a bold limitation of naval armaments, it would be the best possible way to stimulate a fresh effort to tackle the problem on the land and in the air.

THE ROLE OF AUSTRIA

THE assassinations at Marseilles have served forcibly to emphasise the unsettled state of Europe; and if good is to come out of evil the occasion must be seized to underpin the foundations of European peace. Although the latest act in the European drama has not, even indirectly, involved her, it is obvious that Austria is still the centre of the play. Clearly, the present European uncertainty will continue as long as Austria's fate remains obscure. The Austrian problem affects the whole European balance; and there is almost no country which would not be deeply affected by any change in Austria's status. Similarly, scarcely any move takes place on the European stage without producing repercussions on the internal situation of Austria. This sensitiveness to external events has been forcefully illustrated this year by the fact that already

* "Sea Power in the Modern World." By Admiral Sir Herbert Richmond. G. Bell & Sons Ltd. 260 pages. 10s. 6d.

two great civil disturbances have taken place in that country. Yet, paradoxically, the omens are, if anything, slightly more favourable; and it is now more possible to envisage the emergence of a stable State than at any previous time.

This may seem a bold statement when Austria is apparently split into irreconcilable camps suffering from that acute bitterness which is always the aftermath of civil war, and powerful nations across the frontiers seem waiting like beasts of prey to devour the carcass of the enfeebled victim. But the events of the past two years appear to be bringing about a change from the utter defeatism of the 1920's. Indeed, it is not an undue exaggeration to say that where the Allies failed in 1919, Herr Hitler succeeded in 1933. The students of Vienna University and many young men throughout the country are still obsessed with Nazi ideas. Events, however, in Germany, pressure from Munich, and, finally, the callous murder of Dr. Dollfuss, have made the mass of Austrian opinion realise that there is no affinity between the Austrian temperament and Nazi Germany. The Austrian Pan-Germans of former times are still strongly suspicious of Italian influence and determined that Austria's policy must be one leading to the closest friendship with the German people. But even they are disillusioned with the German form of Nazism, and have come to attach importance to the independence of Austria. The Socialists, who were originally anxious for the Anschluss, now fear it more than anything else; while Dr. Dollfuss's efforts to stimulate a national sense through the organisation of the Patriotic Front, have had their effect on the Christian Socialists of the Centre. Outside observers were disposed at first to regard Dr. Dollfuss's efforts as artificial and doomed to failure. Events have rewarded these efforts with some reality.

The two internal upheavals in Austria have also not been without effect. Almost to the surprise of the public, the police and the Army have together proved capable of suppressing both the Socialists in Vienna and the Nazis in the provinces. In spite of the civil war, the country survives. Whether the regime be regarded as rightly entitled to act for the nation or not, it is generally recognised that the forces of the Government are dominant and capable of suppressing any attempt within the country to seize power by force. Austria has discovered some power to act for herself.

What possibility is there that this situation can be turned to account and lead to the evolution of a stable State in the very heart of Central Europe? For this three conditions are necessary.

The first is that the ring must be kept. This a matter of constant anxiety to Austrians, who watch the situation across their borders with a concern which was reflected in the speeches of the Austrian spokesmen at Geneva, and in their very intelligible desire to secure an international guarantee of Austria's integrity. But it would surely seem that, guarantee or no guarantee, the odds are very strongly in favour of the ring being kept, precisely because of the incompatibility of the interests of surrounding countries and the certainty of conflict if any of them intervene. Austria is a body that is kept in position by forces that are bearing against her from opposite directions. It is, however, obvious that her immunity from intervention will increase in proportion to the development of her internal strength. Austria weak and tottering is a temptation to her neighbours, each anxious to forestall a rival from acquiring, overtly or covertly, influence or control. A reasonably strong and stable Austria could set about her own affairs in peace.

This brings us to the second condition of survival. A nation cannot hope to survive for long if it is hopelessly split into three or four warring elements. The essential need, therefore, is to effect a reconciliation between the groups whose quarrels in the last twelve months have had so tragic a result. This is easy to say but very difficult to achieve. The fighting in February and July has left behind very great bitterness. Propaganda and intrigue have been driven underground, and it will require very great gifts of statesmanship to heal the wounds. The task is not made any lighter by the fact that one semi-official armed force still remains at large in the Heimwehr. Some of the main principles of reconciliation are, however, evident. The dictatorship in Austria has in no sense been thrown up from

within by the wish of any important section of public opinion. It has been thrust upon Austria by external events. It is imperative that the Government should once again rest upon the will of the people. One of the key-notes of the Austrian temperament is toleration. The course must be set definitely and squarely towards a restoration of freedom of speech and of the Press, and a measure of democracy in the constitution if the Left is to be reconciled. The Government has not seen its way to make a dramatic gesture by granting a general amnesty to the Socialists who were sent to prison or concentration camp. But most of them have, in fact, been set free, three more of the leaders having been released in the present month. It is typical of the tangled state of affairs that this fact was not made public in Austria itself—presumably for fear of its effect in other quarters. Meanwhile the activists of the Socialist Party have evolved a programme which lays down that the present dictatorship must be superseded by a new dictatorship of the proletariat. There is not the slightest chance that any such ambition can be achieved in the centre of Europe in present circumstances, as the wiser Socialists are well aware. We have little doubt that the mass of the Socialist electorate would welcome a compromise peace.

But if unity is to be sought through greater liberty, terms must also be made with those whose dominant thought is that the Austrians are a German people. While this has no great importance from the point of view of the internal constitution, it requires that the Austrian Government must be free to engage in a foreign policy which does not lead her away from friendship and understanding with Germany. Herr Schuschnigg cannot be expected to ally himself with extreme Nazis who would bring Austria under the direction of an organisation dictating policy from outside her borders, or to agree with those on the Left whose only terms are that they should substitute their dictatorship for his own. But between these extremes there is a large mass of the nation upon whose goodwill it should be possible to draw. The difficulties are immense, for even within the Christian Socialist group there are many cross-currents. The greatest hope is that the Austrian people may at last realise the need to bestir themselves and not look for some solution to descend upon them out of the clouds.

There remains a third condition for the permanent restoration of stability, namely the creation of economic conditions in which the population may find employment. This mainly depends on external economic policy and requires a radical change in European trading relationships. We have no space here to deal with a long-range problem which we have often discussed; but it may be said that, within the limits of the prevailing restrictionism which dominates the world, the omens for Austria are not entirely unfavourable. Austria has to some slight extent felt the benefit of world recovery. In accordance with the ideas expressed at Stresa two years ago, she has been able to make some advantageous trading agreements with certain countries. Her currency position has strengthened; her banking crisis is over; her balance of trade improving; and there are slight signs of fresh enterprise in the internal market. Fairly good tourist traffic with other countries has been some compensation for the loss of German tourists, and the commercial earnings of Vienna have materially assisted her International Payments Account. A Budget swollen by expenditure on the police forces or repairing the damage done in civil war is the chief weakness of her financial position. Economic improvement has occurred in spite of the successive shocks that have been experienced in the political field, and it makes a more satisfactory story than that which many of her neighbours have to tell. It is significant that, of the countries of Central Europe, Austria is one of the very few that have been able to relax exchange control; indeed, she now has rigid Clearing Agreements with only one or two countries.

By no stretch of imagination can it be said that Austria is prosperous, or even that she is on the high road to prosperity. But at least she is no longer the economic Cinderella of Europe; and if the change has been brought about by the descent of the rest of the European family rather than by the exaltation of Austria, it should be a great encouragement to her to feel herself on a footing of greater economic equality with her neighbours—a fact that

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may make it more possible to reach a sane solution of the economic problem of Central Europe.

If it be true that Austria can count on a respite from external interference, that there is a growing sense in Austria herself of a national individuality, and that her economic prospects are—to put it at its lowest—no worse than those of neighbours reduced to poverty by excessive economic nationalism, we have here the basis on which to build a new stability. This will require the goodwill not only of European countries, but of Great Britain. For nothing would be more favourable both to our own interests and to the ideas which we believe are necessary for civilisation than the creation of conditions on the Continent in which a country such as Austria can live.

THE WORKER'S HAZARDS

THE disastrous tragedy at the Gresford colliery a month ago has impressed on the people's imagination the dangers inherent in certain occupations, and the necessity for adequate precautions against them. Mercifully, accidents on such a scale are rare. But, according to the annual report of the Chief Inspector of Factories and Workshops* the numbers injured or killed in accidents of all kinds increased from 106,164 in 1932 to 113,260 in 1933, and the number of fatalities from 602 to 688. This increase he attributes largely to increased activity in certain industries, which involved the re-employment of men who had been out of work for a long time and who were both mentally and physically less alert than those in normal employment earning regular wages. But the Chief Inspector also points out that many of the accidents which occur could be prevented either by employers or by workers themselves.

Three means of increasing security are recommended. First, the introduction of safety organisations in individual factories; secondly, conferences of industrial associations for the discussion of safeguards; and, thirdly, the issue of educational circulars by the factory inspectors or by other bodies, informing workers of the risks to which they are exposed and employers of their obligations. In most factories where safety organisations have been introduced, marked results have been achieved almost at once in the reduction of the accident frequency rate. During 1933, many safety committees were replaced by a full-time officer, usually with good results, and in factories having committees there has been a welcome increase in the number of workers elected to them. It would be of great advantage, however, if employers could be persuaded to form area committees to co-ordinate the work of individual factories. As regards industrial conferences, employers' associations have apparently on the whole been very willing to make experiments and accept suggestions for increasing the security of their employees in specific cases brought to their notice. Action has been taken in the case of three

* "Annual Report of the Chief Inspector of Factories and Workshops for the Year 1933." Cmd. 4657. H.M. Stationery Office. 2s.

particularly dangerous machines—meat-mincing machines, although it is found difficult to enforce any regulations on retail butchers, who are the worst offenders; guillotines used in the printing trade; and hydro-extractors used in laundering. In each case guards have been invented which make accidents almost impossible, and the employers' associations concerned have recommended to all their members the installation of these guards.

But in spite of the fact that more care is being taken for the workers' safety than at any time in history, the incidence of accidents in some industries is still very high. The following table shows the number of accidents in various industries in 1933, and their incidence as a proportion of the total number of workers employed in 1928, the latest year for which such figures are available in most cases:—

INDUSTRIAL ACCIDENTS IN 1933
(Number in 000's)

	Male	Female	Children	Per cent. of No. employed in 1928	No. of Fatalities
Textile	5.1	4.0	1.8	1.3	45
Metal conversion, rolling and tube	9.6	0.2	1.3	10.1	60
Railway, tram and other vehicles	7.0	0.4	1.2	3.3	28
Founding	5.3	...	...	5.4	10
Docks	5.1	...	0.3	8.1	29
Shipbuilding	3.2	...	0.2	4.0	37
Chemicals	2.7	0.3	...	...	90
Building	2.4	...	...	...	...
Total of above ...	40.4	5.0	4.8	...	368
Other	43.4	6.7	12.1	...	320
Total of all industries	83.8	11.7	16.9	...	688

* No figures available because work is not done in factories. The above figures refer to accidents which have prevented a worker for more than three days from earning full wages.

Other trades in which the incidence of accidents is very high, though not producing a high death rate, are engine and locomotive building (8.3 per cent.), boiler making and constructional engineering (9.6 per cent.), and, a war danger which is rarely emphasised, the manufacture of ordnance and munitions (11.4 per cent.). The main causes of accidents during the past year, as also in previous years, have been hoists, especially in textile industries, and the cleaning of moving machinery. There have also been an unusually large number of potentially dangerous fires and explosions.

But while greater trade activity has increased accidents, there has been a further reduction during the past year in industrial disease, although as compared with 1920 there has been no very marked improvement. The following table gives the figures of the two main types of poisoning found in industry:—

	All Cases		Fatalities	
	1920	1933	1920	1933
Lead poisoning	289	168	1	19
Epitheliomatous ulceration ...	45	143	44	40
Total of all cases of poisoning...	532	423	56	61

Lead poisoning is definitely declining owing to careful precautions taken in almost all pottery and paint works, where it is most frequent, but epitheliomatous ulceration, or cancer of the skin, is becoming very prevalent, particularly among those returning to manual work after a long spell of unemployment, which has softened their skins. It can, however, be prevented from becoming dangerous in most cases if the patient undergoes examination at an early stage of the growth; unfortunately workers are very loth to take advantage of opportunities for such examination until it is too late. The other industrial diseases responsible for the largest number of fatalities are infections of the lungs, notably silicosis, which is often associated with tuberculosis. During the past few years 469 deaths have been reported as due to this disease, of which nearly half were in pottery trades. But by far the highest incidence is in sand-blasting, and as it has been found possible and practicable to substitute steel grit for siliceous material in most operations, this danger should be averted.

The ingenuity of man is gradually finding the antidotes for the ills which he himself has created. But, unfortunately,

he continues to create new ills. With the development of the chemical industry, in particular, new diseases are continually being contracted and often have dire results before they are even traced to their source. The Report of the Inspector mentions, for example, a case of so-called dioxan poisoning arising out of some process in the manufacture of artificial silk, which was responsible for a sudden series of deaths. Steps are, however, being taken by Imperial Chemical Industries, Limited, to ensure physiological testing of all new processes, in order to prevent this kind of occurrence.

In the above-mentioned Report there is a short review by Dr. Sybil Horner of the effects of industrial work on women. As 35.6 per cent. of the workers in industry are now women, on whose health depends largely that of future generations, this is clearly a very important question. She points out that women doing factory work, especially the considerable number in heavy industry, probably age more quickly than men owing to the fact that most of them have to work at home in addition; "physical attraction is early attained and quickly lost. But so it is with every group of women workers." On the other hand, factory life improves the personal hygiene of most girls, owing to facilities for medical attention, to regular discipline, to the higher standard of life possible to wage earners and to the comparatively good conditions of work in most factories. On the whole then, the net effect of factory work on women is probably good.

One of the most important tasks of the factory inspectors is the enforcement of regulations with regard to hours of work for women and young persons. It appears that during the past year several scandalous breaches of these regulations have been discovered, mostly in bakehouses, aerated water factories and dry-cleaning works. In one case a small boy was employed for 156½ hours in eleven days, including spells of 22½ and 37½ hours. His employer was fined £15. In another, girls of 14 and 15 were worked for 14 and 15 hours at a stretch with three-quarters of an hour for meals. In another, boys and girls were employed for 89½ hours in a week, exclusive of meals. The whole of this chapter of the Inspector's Report reads like a description of conditions in the first half of the last century; and "trade recovery" is alone made responsible. Apparently in certain areas there has been a shortage of cheap labour, women and juveniles, especially in the new industrial areas, at holiday resorts and in light metal industries round Sheffield. Even where there were no actual breaches of regulations, workers were employed up to the legal maximum. Over the whole of organised industry weekly hours of work average 47 to 48, with a few exceptional industries working only 40 hours.

It is not surprising that, during a quick trade recovery after prolonged depression, the safety of the industrial worker and his working conditions should suffer to some extent. But, by the same token, employers should then be able to afford those improvements in working conditions which are an indispensable condition of economic efficiency and social progress. It is reassuring, therefore, to know that we possess so observant and impartial a body of factory inspectors, whose concern it is to see that an increment of output is not purchased by human suffering.

THE BRITISH MOTOR INDUSTRY

II. THE COMMERCIAL VEHICLE

THE production of commercial vehicles in Great Britain for the year ending September 30th may be estimated at 76,000, an increase of some 16 per cent. on 1932-33, and easily a record year. Production in 1928-29 was only 56,500. The number of goods vehicles in use this year is about 410,000, compared with 387,488 last year and 329,794 in 1929. The omnibus undertakings, which are almost entirely dependent on the policy of the Traffic Commissioners, are somewhat less prosperous, the number in use having apparently again fallen slightly. A year ago the figure was 45,656, compared with 49,889 in 1929 and 52,647 in 1930, the last year before the Traffic Commissioners took over their duties.

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Exports of commercial vehicles reveal the same general trends as exports of private cars. For the first eight months of this year they amounted to 7,565 units, valued at £1,317,392, compared with 6,808 units, valued at £1,043,725 last year. Exports to the Empire increased from 4,227 to 5,409 units, while exports to foreign countries fell from 2,581 to 2,156 units. As in the case of private cars, British exports represent a declining fraction of a rapidly expanding market, the percentage increase this year over last being 11 per cent., compared with an American increase of over 100 per cent. for the first half of the two years. The ratio of American to British exports, which in the first half of 1933 was 3:1, had risen to nearly 6:1 for the first six months of 1934, a great stimulus having been given to American exporters by the fall in the exchange value of the dollar and the improvement in their home market. Nevertheless, in spite of a relative setback in the export trade, the British industry has retained virtual monopoly of the home market, imports being still on a negligible scale.

Probably no industry has received so much attention from Governments in recent years as the road transport industry, and measures such as the Road and Rail Traffic Act of 1933 are bound to have a profound effect on commercial vehicle manufacture. The scale of taxation on the heavier classes of lorry was graded steeply upwards last January, the annual licence duty on a 5-6-ton petrol vehicle with pneumatic tyres, for example, being increased from £48 to £90, and on a 9-10-ton heavy oil vehicle on pneumatics from £48 to £225. The licensing of goods vehicles under the Road and Rail Traffic Act of 1933 has now been virtually completed, and already this is having the general effect of preventing new operators from entering the haulage business and existing operators from enlarging their fleets. It is also possible that, at the end of the two years during which the "A" or public carriers' licences are valid, the number of vehicles actually in operation will be reduced in order to prevent the supply of facilities outrunning the demand.

In the case of omnibuses, the operation of the licensing system under the Road and Rail Traffic Act of 1930 led to a sharp fall in new registrations from 8,398 in 1929-30 to 2,718 in 1932-33, and an estimate of 3,700 for the current year. The reduction in the total number of omnibuses in use by 7,000 in three years led to a glut in the second-hand market, and a level of new registrations for several years considerably below the normal replacement demand on the basis of an eight-years' life, or approximately 250,000 miles per vehicle. There is little likelihood that history will be repeated in such an extreme form on the goods side, as the "C" licence holder, or private carrier, who accounts for at least half of all the goods vehicles on the roads, is not limited under existing legislation as to the number of vehicles he may operate. He will therefore serve as a safety valve against any undue pressure on the second-hand market; while the public carrier, in so far as he allocates vehicles entirely to contract work—a rapidly growing development—will remain free to expand his fleet as much as he wishes. Nevertheless, as, on the whole, public carriers use larger

vehicles than private carriers, it may be expected that the difficulty of finding a market for the heavier types of lorry will increase considerably in the next two or three years, due to a combination of increased taxation and the overloading of the second-hand market.

If we compare the first eight months of 1934, after the new taxation scales came into force last January, with the corresponding period of last year, new registrations of vehicles of over 5 tons unladen weight decreased from 590 to 568, of which 162 were petrol lorries, 286 heavy oil vehicles, 119 steam vehicles, and 1 coal-gas vehicle. Vehicles of 2½-5 tons, which have, naturally, benefited from the reduced sales of heavyweights, increased from 3,021 to 5,136, of which 4,323 were petrol lorries, 775 heavy oil, 9 steam and 29 electric; 1-2½ tonners increased from 20,042 to 25,640, and light vans not exceeding 1 ton from 10,046 to 13,830. The heavy oil lorry, for the eight months for which information is available, has only accounted for 94 new registrations of vehicles under 2½ tons, but for 1,061 over 2½ tons. Of new vehicles of over 2½ tons unladen weight, 19 per cent. were "oilers." The steam lorry, in spite of the advantage given to it in the matter of taxation as against both the petrol lorry and the "oiler," has not fulfilled the expectations aroused by the higher level of registrations in the opening months of the year, when the new models introduced by the Sentinel Company in the Autumn of 1933 coincided with a vigorous sales campaign. New registrations of "steamers" have now dropped to 6 or 8 a month compared with 33 in January, and 36 in March.

On the passenger side the popularity of the heavy oil vehicle has been even more marked. New registrations of passenger vehicles of over 40 seats numbered 999 for the first eight months of this year, compared with 537 in the corresponding period last year, the figure this year including 482 petrol 'buses, 380 heavy oil 'buses and 137 electric vehicles, i.e. trolley 'buses. The increase in the latter is very noticeable, the corresponding figure for 1933 being only 23. New passenger vehicles of 9-40 seats increased from 1,638 to 1,894 over the eight months, the latter figure including 292 "oilers." Heavy oil vehicles thus accounted for 23 per cent. of all passenger vehicles of over 8 seats. Some revival in the taxi business, which should continue with the growing difficulty of using private cars in London on account of the increasing complexity of traffic regulations, is indicated by the increase in new registrations of passenger vehicles of under 9 seats from 725 to 846 in the eight months.

There appear to be two tendencies at work in the commercial vehicle market. In the first place, the prospects are that on the goods side the proportion of new vehicles in the "middleweight" category will increase at the expense of the "heavyweights." This will benefit Bedford, Ford and Morris Commercial, who enjoy the greater part of this trade. In the second place, an increasing proportion of the "heavyweight" and "semi-heavyweight" demand is likely to be for "oilers," both on the goods and passenger sides, and any concern which relies mainly on the

heavier section of the trade, but is not strongly entrenched in the "oiler" field, would seem to have poor prospects. Leyland and A.E.C. are both in a position to secure a large part of such demand as there is for the heavier vehicles, while Gardner are probably the largest manufacturers of heavy oil engines for both buses and lorries, though they largely supply engines for other manufacturers who specialise in making chassis. Any tendency to concentration of control among operators on either the passenger or goods side might be expected to benefit the larger manufacturers, and the indications are that such concentration of control is slowly taking place. There is little doubt that for the immediate future there will be enough work to keep the most makers reasonably busy, and the probability is that, in spite of the spurt in new registrations for goods vehicles, sales next year are likely at any rate to equal those for 1933-34. But, on a longer-run view, the narrowing of the outlets for "heavyweights" and "semi-heavyweights" will tend to encourage manufacturers who have specialised in that category to extend their activities to the smaller vehicles. This may possibly lead to price-cutting in the lower ranges. The companies which already hold the bulk of the "middleweight" market—by far the most important numerically—are, however, by reason of their size, capital and the suitability of their products for mass-production methods, undoubtedly in a strong position to compete with all comers.

TABLE D'HÔTE OR À LA CARTE

(BY A CORRESPONDENT)

WHAT should have been clear from the outset is gradually being realised by the advocates of planning—namely, that, whether applied piecemeal or on a universal scale, it involves a considerable dragooning of the consumer.

The case was frankly put by Sir Josiah Stamp at Aberdeen,* and although he reinforced his argument by relating it to the problem of a stationary population, it represents the general criticism of free enterprise at any time or place. The burden of this criticism is that the caprice of the consumer makes for too great instability in the system. At his or her whim (and perhaps the "her" should come first) industries are called into being and then callously left derelict. The "displacement of labour is an evil and the over rapid destruction of capital assets a social danger": the community *qua* producer would gain if it restrained itself *qua* consumer in the exercise of its choice. If it called for fewer tunes it would get better and, it is implied, more regular music. "The direction of resources and their transfer from one product to another in the interests of producing capital and labour other than in the interests of the consumer would be an integral part of planning. Effort would be given to protect old producers, both the skill of the workers and the capital of the investors, from immediate extinction." A certain amount of change would presumably be permitted, but the pace would be controlled lest it became too hot.

Now it is curious that this type of restriction should develop within the so-called economics of abundance. There might be a case for it in what we are assured is the bygone age of scarcity. Rationing and regulation are logically associated with siege conditions, and in war-time, when the supply of prime necessities is endangered, the consumer may legitimately be asked to narrow the scope of his choice. But why he should restrain himself under technocracy it is difficult to understand. Possibly the critics themselves are a little confused on this point, because occasionally they appear to be nagging the consumer because he is not bright enough to think of new wants or swift enough to adopt the innovations such as air-conditioning which some people believe lead the way out of depressions.

Nevertheless, the general line of argument is fairly obvious. Let the planning authority decide, as the railways

* "The Need for a Technique of Economic Change." Paper before British Association.

apparently decided in the 'fifties, that ham and beef are suitable and sufficient ingredients for the content of a sandwich. This at once places the ham and beef sandwich industry on a stable footing. Long-term ham and beef contracts can be concluded; ham and beef slicing machinery can be confidently ordered and installed. The specialised skill necessary for the composition, care and disbursement of ham and beef sandwiches can safely be acquired. Large stocks can be carried in anticipation of eventual demand. Now the person who heedlessly clamours for a liver sausage sandwich impinges with disruptive force upon this peaceful state of equilibrium. He introduces a disturbance which, applied on a universal scale, makes the economic system what it is—chaos. Only the restraining hand of a planning authority can deal with this anti-social action of the wanton consumer.

An adequate reply to this argument would necessitate a long incursion into economic analysis to demonstrate the continued practicability of meeting free consumers' choice and also the cost of meeting it. Incidentally, it would make clear that not merely in some circumstances, as Sir Josiah Stamp asserted, would the planning of production involve control of the consumer, compelling him to buy more or less than he wanted of a particular commodity, but that any form or degree of planning entails such arbitrary interference with consumers' choice.

Another line of retort would take the form of asking whether there is any savour in a world in which the cravings for liver sausage are authoritatively thwarted in the supposed interests of the ham-slicer who paradoxically enough may himself fancy liver sausage in his off-time. Whether, in short, we want our civilisation *table d'hôte* or *à la carte*.

Again, it could be pointed out that guarantees to producers would involve not only limitation but imposition of choice. The consumer could not be allowed to turn up his nose at ham or beef: he must accept willy-nilly. The sandwiches, for instance, must form part of the purchase price of a railway ticket, even if the traveller promptly throws them out of the window.

But a more immediate criticism, since it is pertinent to current developments, is to inquire on what principle industries are to be selected for this form of protection. It is here that the British practice of compromise is, if not unworkable, at least indefensible. To refer to contemporary experiments in planning, it cannot be denied, for example, that the railways have to some extent been protected against the consumers' tendency to switch over to the use of road transport. The most extravagant demands have been made by the railway representatives on this point; their counsel at one inquiry bluntly asserted that the public could not be permitted to travel by road for pleasure at the expense of the railways. The transport legislation now in force leaves no doubt that "existing producers' proclivities and abilities" have been considered at the expense of the consumer.

But what of the other case quoted by Sir Josiah, the displacement of pianos by radios? Has anything been done to protect the capital and labour associated with the piano industry? Will anything be done? Is it unfair to suggest that the piano industry is not as influential as the railway industry and certainly has not such skilled spokesmen? Can anything be said to justify a state of affairs in which displaced piano workers are forbidden to pool their savings for investment in a new motor-coach service as an alternative occupation? It is not generally realised to what extent the outlets are being stopped to ex-bank clerks displaced by office machinery and to such-like "victims" of technical change by legislation which shelters favoured groups from similar changes in their respective fields. In this extraordinarily law-abiding country such arbitrary legislation is respected, and the remedy of bootlegging is not employed. No desperate unemployed group defies the authorities by putting a bus on the roads, no coalminer, displaced by oil, sabotages the hop-growing monopoly. But if every section of the community were able and determined to enforce a claim for protection against the consequences of economic change, whether initiated from the consumers' side or in any other way, the resulting deadlock would soon teach the persons who so glibly diagnose the system of free enterprise as chaos the real meaning of the term.

NOTES OF THE WEEK

Raymond Poincaré.—A great French statesman died last Monday. Poincaré was one of those rare political figures who sum up in themselves the spirit of an epoch, and this not only for his own country, but for the whole of Europe. As the Russian Emperor Nicholas I incarnated the spirit which triumphed over the French Revolution a century ago, so the French President and Premier, Raymond Poincaré, was an embodiment of the implacable, indomitable force that defeated the Imperial Germany of Kaiser William II. Men could no more ignore or disrespect Poincaré than they could love and cherish him. For all that, he was in many respects a typical modern Frenchman of the highly educated bourgeoisie. This was, no doubt, the secret of his hold on France: he thoroughly understood, and was thoroughly understood by, his countrymen; and so they were ready to place their trust in him again and again, even when the obvious defects of his qualities produced results which were as unfortunate for France as for Poincaré himself. The greatest triumph of his career was his recall to the Premiership in 1926 in order to save the franc, little more than two years after the general election of May, 1924, in which his countrymen had so emphatically signified their recognition of the failure of his policy over the Ruhr. The truth was that the Ruhr policy, as part of the general shock which it gave to a war-weakened world, had actually started the franc on its downward career; and the fall of the French currency continued after the rehabilitation of the mark through Poincaré's grudging acceptance of the Dawes Plan. Yet it was undoubtedly true that the one man who could, and did, save the franc in 1926 was the very man who was the most responsible for its misfortunes. If "the franc in 1926-28" is the chief idea associated with Poincaré's name in French minds, "the Ruhr in 1923" is what he stands for to the rest of the world. His European reputation would have been very different if his life had ended upon the termination of his tenure of the Presidency of the Republic, which he held from 1912 to 1920; for he had taken a decisive part in preparing France for her indomitable resistance to the German attack; he manfully expressed this indomitability in his own bearing during the long ordeal; and he was effaced during the Peace Conference by the Prime Minister of the day, Clemenceau. It was Clemenceau, not Poincaré, who took the blood of the next generation upon his head; yet, if Clemenceau made the peace, Poincaré made it his own. No parent has ever watched more jealously over an adopted child than Poincaré watched over the Treaty of Versailles. As Prime Minister of France during the crucial post-war years 1922-24, he set himself to implement the Treaty to every jot and tittle, with a blind, backward-looking legalism that overbore the apologetic common-sense and the half-hearted generosity of a Briand or a Bonar Law. The Ruhr policy proved futile almost immediately; but France and Europe have not yet ceased paying for that glaring and avoidable error, and we do not yet know when we shall be quit, nor what the total of the account will be. This is Raymond Poincaré's political legacy.

Aftermath of Murder.—A good deal more is known this week about the murders at Marseilles. Whether or not the late French Minister of the Interior, and the officials whom he dismissed before tendering his own resignation, are directly responsible, it is clear that somewhere in the French police organisation someone has gravely blundered. Unfortunately, there seems to be some evidence that the assassin—now identified with a Macedonian revolutionary named Georghiev—had an opportunity for training himself in his murderous craft in a camp for Yugoslav refugee revolutionaries on Hungarian soil. The Hungarian Government must have been aware of this camp before it suppressed it last May, after the scandal of the camp's existence had been ventilated by the Yugoslav Government at Geneva; for the Hungarian Government had flatly denied the existence of the camp on

previous occasions. In justice to Hungary, it should be remarked that Hungary is not the only country in Eastern Europe that lives in a glass house. Yugoslavia, after all, is harbouring, at this moment, the Nazi refugees from Austria. Switzerland, France and Italy have harboured Yugoslav and other "political exiles." But while it is respectable, as well as generous, to give asylum to political exiles, such generosity takes on a very different aspect if the country of asylum becomes a training and jumping-off ground for criminal activities on their part. Meanwhile, both Government and people in Yugoslavia have been showing a praiseworthy self-restraint. Complaints against Hungary have been formulated with moderation; incipient anti-Italian demonstrations have been firmly suppressed; and there has been no outbreak of hostility between Croat and Serb. Evidently the atmosphere in Yugoslavia is heavy with apprehension; but, if the people go on keeping their heads under the present ordeal, the tension ought to relax—especially in view of the equally praiseworthy self-restraint and courteous sympathy with Yugoslavia displayed in Italy. After King Alexander's funeral, Belgrade will be the scene of a meeting of the Little Entente Council; and at the same time the Yugoslav Regency Council and Cabinet are to consult on future policy. Dr. Benesh, who is at this moment in Paris, is to visit not only Belgrade but also Rome; and M. Laval, according to plan, is to pay the visit to Rome that was to have been paid by M. Barthou. On the other hand, the sense of frustration and isolation which is acute just now in Hungary is to receive expression in a visit by General Gombös to Warsaw, following hard upon the visit, for another "hunting expedition," of Herr von Papen to Hungary. However, in spite of the murders of King Alexander and M. Barthou, we still look forward to seeing the policy which they would have set on foot carried through by their successors. The first step is an understanding between France and Italy. But this cannot bear its full fruit unless it is reached with the good will of both Hungary and Yugoslavia, and unless it is followed by an understanding between Hungary and all three members of the Little Entente. If France and Italy act together it is well within their power. It is, moreover, eminently desirable in the interests of Europe.

The French Government.—The full measure of the change that has come over French politics within the last year is shown by the bare fact that the Doumergue Ministry has survived a shock which even in normal times would have severely shaken any Government in France. To-day, French politicians of all parties seem to be aware that the French public will not stand any more political instability, and that the next fall of a parliamentary administration may carry away with it the parliamentary system itself. In any case, the present administration has not been broken up by the gaps made in the ministerial ranks through the tragic death of M. Barthou, the promotion of M. Laval to fill his place, the inevitable resignation of M. Sarraut, the Minister of the Interior, and the by no means inevitable drumming out of M. Chéron, the Minister of Justice. The Doumergue Ministry still stands, with that symmetrically balanced pair of opposites, M. Herriot and M. Tardieu, still holding up the hands of the President of the Council as ministers without portfolio. The most important of the new appointments—that of M. Laval to the Ministry of Foreign Affairs—seems to have met with general assent. M. Laval is profiting from his reputation of being the man who gave French policy towards Germany a stiffer turn after the gentle Briand regime. And M. Laval's promotion raises no questions of "face" or "prestige" in the realm of party politics, since, at the present stage of his career, M. Laval is conveniently unattached—being visibly on the move towards the Right, yet not far enough on his way to have lost touch with the Left from which (like so many Conservative politicians before him) he has sprung. The Radical Socialists have been placated by the appointment of another

of their own number—M. Marchandean, the Mayor of Rheims—to succeed M. Sarraut at the Ministry of the Interior. M. Sarraut's loss thus remains personal to himself, while his party retains a key-post which has almost come to be regarded as its own perquisite. M. Rollin, who succeeds M. Laval at the Ministry of Marine, has held Cabinet office under M. Tardieu. M. Lémyer, an Independent of Right-wing views and a vigorous opponent of the "Briand" foreign policy, succeeds M. Chéron at the Ministry of Justice. Thus everybody is more or less satisfied, and the victimisation of M. Chéron is evidently not enough in itself to overthrow the Government. M. Chéron seems to be the victim partly of a personal animus against him on the part of his late colleague Marshal Pétain, the Minister for War, and partly of the French public's general dissatisfaction at the failure to clear up the Stavisky case. That this failure is M. Chéron's fault is "not proven"; but the public has long been wanting a scape-goat, and the present upheaval has permitted M. Chéron to be cast for that rôle. M. Lémyer must be a bold man, for the Ministry of Justice in France to-day is no sinecure. Meanwhile, M. Doumergue's Government vessel, after two political storms have buffeted its cargo out of place, goes on its way with an ominous list to the Right.

* * *

The Slum Clearance Campaign.—Is any progress really being made with the rehousing of the poorer workers? We expressed doubts a fortnight ago whether, at the present rate of building, the rehousing provided for by the slum clearance campaign was likely to be achieved. Sir Hilton Young hopes to clear 280,000 houses and rehouse 1,250,000 persons in the five years ending September, 1938; but so far only 25,000 new houses have been built. The Building Industries National Council has now published some additional figures which throw further doubt on the building progress so far achieved. The total of houses built under the campaign during the first eleven months was only 12,789, though an average rate of 57,000 houses a year has to be maintained if the five-year plan is to be completed. It is natural that the annual total should be smaller in the earlier years of the campaign, but the rate of building has not been rising very rapidly in the last six months. According to the National Council's figures, the monthly total of completed houses only increased from 1,305 in April to 1,633 in August. More disquieting still is the fact that, though the number of houses built under the slum clearance scheme is increasing, the total of houses for lower-paid workers built with State assistance is decreasing. The actual total of all houses built with State assistance fell from 5,598 houses completed in April to 1,663 houses in August. This strongly suggests that the cancellation of the Wheatley subsidy has more than offset the slum-clearance campaign, since there appears to have been no countervailing increase in the provision of houses for the very poorest workers by private enterprise. It is evident, at any rate, that the real solution of the problem still depends on the Government's forthcoming plans to remedy overcrowding. Unless these plans are effective, neither private enterprise nor the slum-clearance campaign can achieve anything substantial.

* * *

The Port of London.—The Minister of Transport's decision to spend £1,500,000 on road development in the Port of London may at first sight appear paradoxical. Are we to build roads to the docks with one hand, it may be asked, while we do our best to destroy international trade with the other? An effective answer to this criticism, as far as London is concerned, is contained in the full report of the Port of London Authority, just published, for the year ended March 31st. This report reveals the remarkable fact that the total net register tonnage of vessels arriving and departing for the calendar year 1933 was 56,480,004, compared with a record figure of 58,085,598 in 1930. The smallness of the fall since 1930 is, of course, partly due to recovery since 1932, partly to the growing importance of London, and partly to the fact that the volume of international trade

has fallen much less than its value. Between 1932 and 1933 the tonnage of vessels arriving and departing from London rose by 2,576,118 tons. The value of all imports and exports, excluding coastwise goods and transshipments under bond, decreased by 0.8 per cent., compared with a decrease in the whole country of 2.3. In tonnage for the year ending March 31, 1934, there was an expansion of imports and exports under every head. The total movement of goods inwards and outwards showed an expansion of 7.1 per cent. Goods landed for warehousing or immediate delivery were greater by 5.5 per cent., and the export trade handled during the year expanded from 495,589 to 539,878 tons. These figures are eloquent evidence of the growing prosperity of South-East England. They are also a convincing proof of the wisdom of improving the inadequate road communications of the Port of London; and they may perhaps even persuade other Ministers than Mr Hore-Belisha of the advantages of increasing our international trade.

* * *

"One and Indivisible."—The Nazis claim that "the spiritual unity of the German folk" finds spontaneous realisation in the Nazi regime, and that Herr Hitler, the Führer and Chancellor, symbolises in his person and for his lifetime that spiritual unity. On Tuesday the German Nazi Cabinet decreed that all Ministers of the Reich and of the "unified" Regional (*ci-devant* State) Governments must take a personal oath of loyalty to the Führer. The concentration of all power in the hands of the Führer and Chancellor, and, through him, in the hands of the Party which is now the State one and indivisible, culminates in a theory of the State which Kaiser Wilhelm II himself might have shrunk from proclaiming. In an extremely interesting address on the evening before this latest decree Dr. Lammers, Secretary of State at the Chancery, said:—

There was no need for a Constitution regulating the affairs of State; at any rate there was no need for a written Constitution. In the National-Socialist State one thing sufficed: The fanatical will, based on leadership and following of the Führer and those whom he leads, to possess a German State which is the home of all Germans bound together by fate in a national and social community in which leader and following are filled through and through with the principle of National-Socialism—"the common interest before the individual interest." . . . Germany had a Constitution in the material sense; for the National-Socialist State wanted to be a *Rechtsstaat*, a State founded upon law, though not in the liberal sense. . . . Adolf Hitler had received the offices of Reich President and Reich Chancellor for the period of his life, and the one office was inseparable from the other. . . . The concentration of governing power would not be followed by administrative concentration. On the contrary, there must be as much decentralisation of administration as possible.

While all will applaud the aspiration, "the common interest before the individual interest," outside observers may be permitted to point out that this cry was emitted by the puny babe of Liberalism in the eighteenth century; that it was as a guarantee of its realisation that the *Rechtsstaat* and the rule of an objective law, which the Nazis now decry as "liberalism," came into being; and that to-day it is the common creed of Liberals, Communists, Fascists and Nazis. More pertinent are the questions: What is decentralised administration worth, if the final authority issues all orders from the centre? How can "self-government" be reconciled at all with the totalitarian State? What prospects lie before the Regional Governments, in view of the "totalitarianising" of the German Church? What possible law can the Nazi State be founded upon, if the law is the decree of the Party, which is the decree of the Führer? The world will watch with keen interest for the answers to these questions.

* * *

The Two Internationals.—The Spanish revolt seems to have succeeded, where even the Nazi Revolution failed, in producing a *rapprochement* between the Socialist and Communist Internationals. A meeting was held this week in Brussels between representatives of the two Internationals. The meeting was the result of a suggestion

received by the Socialist from the Communist International to arrange for "joint action to be taken immediately on behalf of the Spanish workers." At the time of the Nazi Revolution the Socialist International twice offered to negotiate with the Communists, but it received no reply. Since then much has happened. In Austria, France and Spain the Marxist forces have spontaneously closed their ranks in face of a common danger; and in Austria and Spain they have been in armed conflict with their enemies. More important still, Russia has joined the League. Her action in doing so, if it may be taken as sincere, implies that Soviet foreign policy in the future will not be inconsistent with the aims of the Socialist International. So far, the Comintern's new decision may be taken as evidence of the sincerity of Russia's intentions in joining the League. The whole sequence of events is, of course, the direct effect of the rise of Fascism. Adversity has created a unity out of the scattered forces of Social-Democracy and Communism which twelve years of pious aspiration was unable to achieve. It is of course impossible as yet to say how much this week's meeting in Brussels may portend. There are still many formidable obstacles in the way of Socialist-Communist solidarity. But the *raison d'être* of the Comintern seems to have vanished since Russia's entry into the League.

* * *

Creditors and Debtors of Germany.—Last Saturday the German Government denounced its commercial treaty with the United States. The treaty is to terminate on October 14, 1935. At the same time, Dr. Luther, the German Ambassador in Washington, informed the American Government that his Government would transfer only 50 per cent. of the payments due on October 15th to American holders of Dawes Loan in cash, and that the balance would be paid in Reichsmarks utilisable only in Germany at the current rate of discount—which means, in effect, that American holders of Dawes Loan will get about 75 per cent. of their due, and that only so long as the German authorities buy scrip and blocked marks at the prevailing discounts. This second German declaration to the American Government follows hard on the heels of the American Government's *aide-mémoire* presented in Berlin on October 10th. That Note voiced the American Government's expectation that "no discrimination will be practised against holders of bonds," and its reluctance to believe

that, having made provision for the full payment of all other bondholders, the German Government will either overtly fail to honour its written obligation to treat all tranches of the loan *pari passu* or plead inability to transfer less than \$1,000,000 to honour this obligation.

The German Government's case is, as usual, that, having long pressed in vain for reductions in the American tariff on certain German exports, and being unable to secure sufficient foreign exchange from exports, an unconditional most-favoured-nation treaty must be denounced, and new negotiations started, while Germany must default on her engagements to pay cash on the Dawes Loan services to American holders. But as to the treaty, the Americans themselves have complained of Germany's evasion of its most-favoured-nation clause, in the granting by Germany of certain import quotas to Denmark and Yugoslavia. So that, when the German authorities assert "It is necessary that a new form of exchange of goods be found, rather than that discussion should be carried on in attempts to place the responsibility for existing conditions," it looks as if the present denunciation is designed to facilitate Germany's negotiations with other countries as well as to relieve her from the burden of her debt to Americans. It is not unnatural that the German declarations have caused irritation in America and have increased diplomatic tension. Relations will not be sweetened by the suspicion in America that this decision to discriminate against American bondholders, which blithely ignores the American *aide-mémoire* of October 10th and was announced without even the courtesy of previous discussion, is based solely on the fact that the United States, having an active balance of trade with Germany, cannot retaliate, as Britain and other creditors have threatened to do, by imposing an exchange clearing. Mean-

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while, on our side of the Atlantic, Sir Frederick Leith-Ross left on Monday for Berlin, with instructions from the Cabinet to resume discussions with the German Government representatives on two questions. The new negotiations are to cover not only an agreement on the future of Anglo-German trade but also a settlement of the outstanding German debts to British exporters. It remains to be seen whether Germany will continue to favour those of her bondholders who, on balance, owe her money for current trade.

* * *

Spain Restores Order.—The attempted revolution in Spain has failed, as signally as it deserved to fail, and more egregiously than was expected. The revolutionaries have not only unleashed violence in a country that has already suffered much, but they have also betrayed the cause in whose name they took up arms. If Republicanism in Spain stands for constitutional parliamentary law and order, then the revolutionaries have struck the worst possible blow at this precious and precarious regime, and have given the best possible excuse to the vicious reactionaries for giving Spanish parliamentarianism a *coup de grâce*. They have done all this without adequate excuse, for they have palpably been the aggressors. Unlike the unfortunate Austrian Social-Democrats, the Spanish Syndicalists did not wait to be attacked. They took the offensive on the ground that the Catholic *Acción Popular*, which had received a place in the new Government at Madrid, was anti-Republican—and this in spite of the facts that the Catholics had explicitly declared their intention of respecting the Republic, and that their partial entry into power was a due reward for their perfectly legitimate gains in a parliamentary election. If the Catholics in office had broken their word this would have been another matter; but their opponents did not give them time to prove or disprove their good faith before anticipating their hypothetical treachery to the Republic by a rebellion. Equally wrong-headed and irresponsible has been the attitude of the Catalan leaders in attempting to take advantage of the country's distress in order to increase the local autonomy of Catalonia by a high-handed unilateral act. These misdemeanours have all been visited swiftly by poetic justice. The Catalan independence movement has been snuffed out by a Catalan general commanding Catalan troops; the general strike is petering out, and the working-class revolt in Asturias is being suppressed after grim and stubborn fighting. Now comes the test of the victorious Government's wisdom and strength. Will it accord lenience to the misguided rebels, and make no martyrs? Will it be willing and able to prevent the pendulum from swinging over to the opposite political extreme, and so to avoid giving its defeated assailants reason after the event? If Spain emerges from her present ordeal with parliamentary government intact, and with a reasonable measure of local

liberty and social reform, then she may find herself at the end of her long political fever. What she needs now, above all, is peace and quiet in order to recuperate.

* * *

Milk Prices.—The price-fixing policy of the Milk Marketing Board will be justifiable in so far as it is an attempt to bring order out of chaos in the milk trade and so ultimately to reduce production and distribution costs. It will not be justifiable if it becomes a conspiracy between producers' monopoly and a distributors' monopoly to exploit the consumer. There have lately been unpleasant signs that the Board is inclining towards the latter policy. In the first place, in arranging the new contract prices, the winter period of high prices has been extended at the expense of the summer period of lower prices. The scheme provides for the fixing not only of the wholesale price, but of the "minimum appropriate margin" and consequently of the retail price. But regional reductions in retail prices may be granted by the Board if a majority of retailers in any region recommend such a reduction. Already retailers in 90 districts, mostly in the distressed areas of the North, have asked for a reduction from the new fixed price; and the Board has permitted milk to be sold in these districts at 6d. instead of the official price of 7d. a quart. This very strongly suggests that the Board is trying to fix too high a price, particularly in working-class areas, and that the retailers are experiencing a consequent falling off in demand. Still further evidence comes from the Consumers' Committee's report. The Committee regarded the "margins" as too high during the last contract period; but it reports that they are now "in general even higher." It is possible that a return to free competition in retail prices, which the Committee suggests, would be better than the present system. But in any case, if retail prices are to be fixed, it is a gross anomaly that only farmers, and not distributors, as was originally contemplated, should be represented on the Board.

* * *

September Overseas Trade.—Between January and August of this year the rise in the value of imports into this country was proportionately more marked than the increase in British exports. This was largely due to the expansion in British industrial activity and the consequent increase in the immediate demand for raw materials and partly finished goods, before the rise in industrial activity could show itself on the export side. The value of imports between January and September, 1934, was 10.1 per cent. higher than in the corresponding period a year ago, whereas the percentage increase in British exports over the same period was only 7.7 per cent. In September a reversal of this trend occurred, for the value of imports was practically unchanged as compared with the corresponding month a year ago, while that of British exports rose by 5.4 per cent. Although the evidence of trade development contained in the latest returns is, therefore, slightly less favourable, it would be misleading to conclude from the statistics for one month that expansion has been arrested. The tables below give the September figures and the cumulative figures for the first nine months of the year, with comparisons for the two preceding years:—

MONTH OF SEPTEMBER					
	1934		Increase (+) or Decrease (—) as compared with		
	September, 1933		September, 1932		
Imports	£'000	£'000	%	£'000	%
British exports	57,738	+ 11	+ 0.02	+ 3,475	+ 6.4
Re-exports	33,957	+ 1,731	+ 5.4	+ 7,729	+ 2.9
Total exports	3,250	- 154	- 4.6	+ 348	+ 12.0
Excess of imports over total exports	37,207	+ 1,577	+ 4.4	+ 8,077	+ 27.8
Transshipments under bond	20,531	- 1,566	- 7.1	- 4,602	- 18.2
	1,858	- 174	- 8.7	- 107	- 5.4

	FIRST NINE MONTHS				
	Jan.-Sept., 1934	Increase (+) or Decrease (—) as compared with			
		Jan.-Sept., 1933	Jan.-Sept., 1932		
Imports	£'000	£'000	%	£'000	%
British exports	536,781	+ 49,141	+ 10.1	+ 16,584	+ 3.2
Re-exports	289,048	+ 20,658	+ 7.7	+ 17,940	+ 6.6
Total exports	39,674	+ 2,512	+ 6.7	+ 646	+ 1.7
Excess of imports over total exports	328,722	+ 23,170	+ 7.6	+ 18,586	+ 6.0
Transshipments under bond	208,059	+ 25,972	+ 14.2	- 2,001	- 1.0
	17,504	- 120	- 0.7	+ 1,558	+ 9.7

The value of imports of food, drink and tobacco declined from £29,701,641 in September, 1933, to £29,070,025 last month. The decline was most marked in the case of dairy products, imports of these having fallen from £4,922,158 in September, 1933, to £3,676,483 last month. The value of imports classified as "raw materials and articles mainly unmanufactured" rose from £14,512,912 in 1933 to £15,165,010 in 1934. Imports of rubber alone increased by £1,055,536, but those of raw cotton and wool declined by £406,462 and £244,366, respectively. The decrease in our purchases abroad of these raw materials reflects the stagnation in our two textile industries. The value of imports of wholly or mainly manufactured materials rose from £13,055,828 in 1933 to £13,196,257. This category includes, however, a substantial proportion of articles undergoing further processes of manufacture in this country. Among individual items in this group, the value of imports of non-ferrous metals alone rose by £522,136. The quantity of imports and exports of certain important products is shown in the next table:—

IMPORTANT COMMODITIES				
Month of September				
Commodity and Measure	1932	1933	1934	
Imports:—				
Iron ore and scrap	thous. tons	109	235	403
Soft timber (sawn):—				
Planned or dressed	thous. loads	444	938	744
Other than planned or dressed	thous. loads	38	83	99
Raw cotton	thous. cents	724	1,025	752
Sheep's and lambs' wool	mn. lbs.	34	26	20
Raw rubber	thous. cents	159	134	435
Exports:—				
Coal	thous. tons	2,824	3,418	3,541
Iron and steel manufactures	thous. tons	127	157	198
Machinery	thous. tons	20	25	27
Cotton yarn	thous. lbs.	9,989	11,685	9,510
Cotton piece-goods	mn. sq. yds.	3,341	3,727	2,842
Wool tops	thous. lbs.	498	761	841
Woolen yarns	thous. lbs.	2,530	3,436	2,580
Worsted yarns	thous. lbs.	4,237	5,683	6,327
Woolen tissues	thous. sq. yds.	2,067	2,893	2,518
Worsted tissues	thous. sq. yds.	3,824	7,259	5,501
Linen piece-goods	thous. sq. yds.	41	45	62
Locomotives	tons	2,354	2,470	5,094
Motor vehicles and chassis	number			
Re-exports:—				
Raw cotton	thous. cents	36	41	39
Sheep's and lambs' wool	mn. lbs.	8	8	5
Raw rubber	thous. cents	32	36	183

In the food, drink and tobacco group the value of exports of beverages and cocoa preparations in September showed an increase of £213,741 on the corresponding month last year. The principal items contributing to the increase of £1,639,912 in exports of manufactures are vehicles (£808,878, inclusive of a warship valued at £320,700), iron and steel (£685,093), and machinery (£328,052). The value of exports of cotton and woollen manufactures was slightly higher than a year ago, but sales abroad of non-ferrous metals showed a decline of £335,892.

* * *

Iron and Steel Production in September.—Production of pig iron is proceeding fairly steadily at a rate round about 6,000,000 tons per annum; in September the actual figure was 500,300 tons. Since March the output of pig iron has not fallen below the April figure of 496,300 tons, nor exceeded the July figure of 528,300 tons. The average daily rate since March has been 16,704 tons, and in no month has the daily rate been more than 3 per cent. below this average, nor more than 2 per cent. above. Steel production in September was 734,700 tons, the highest monthly

total since June, and higher by 65,700 tons than in September last year. In comparing September's production with previous months, however, it must be remembered that this year September contained five Saturdays and five Sundays. Imports of iron and steel in September amounted to 89,500 tons, a total lower than in any month since October, 1933 (88,900 tons). The reduction, compared with the previous month's figure of 102,000 tons, took place in spite of an increase in imports of billets, blooms, etc., from 21,200 tons to 26,900 tons, the principal declines occurring in sheet and tinplate bars (from 9,600 tons to 5,400 tons), steel bars, rods, etc. (20,700 tons to 17,200 tons), and girders, joists and pillars (10,500 tons to 5,300 tons). Exports of iron and steel, at 198,000 tons, were the highest since June (204,100 tons). Although there was a decrease, compared with the previous month, of 10,000 tons in the export of rails (to 13,300 tons) and of 4,000 tons (to 7,700 tons) in the exports of pig iron, there was an increase in the case of most other products. The most substantial increases were in tinplates, which rose by nearly 6,000 tons to 35,400 tons; and thick plates and sheets, which rose by nearly 4,000 tons to 14,300 tons. The outlook continues favourable as home demand is well maintained and export demand shows signs of expanding. Japan, for instance, has placed orders for sheets needed for reconstruction following the typhoon disaster; while increased buying is expected from India when the new Indian Tariff becomes operative on November 1st. The following are typical examples of the duties charged under the present and new Indian tariffs:—

	Existing Duties		New Duties as from Nov. 1, 1934	
	British	Non-British	British	Non-British
Angles, channels, tees, etc., not fabricated, not coated with metals.....	Rs. Per ton	Rs. Per ton	Rs. Per ton	Rs. Per ton
	23½	37½	5½	48½
Bars and rods.....	32½	46½	15½	44½
			or 10%	or 10%
Tinplates	60	60	44	65

Note.—When an *ad valorem* duty is given as an alternative to a specific, the higher duty always applies.

The British preference is substantially increased, though the general tariff is not lowered.

* * *

Coal Mining Results.—The quarterly statistical summary issued by the Mines Department reveals an appreciable seasonal decline in the output of coal during the second quarter of this year. Despite this setback, however, the working results showed a slight profit in this quarter for the first time since 1924:—

Period	Tonnage Disposable (Mill.)	Costs per Ton		Proceeds per Ton	Profit per Ton	Output per Manshift	Earnings per Manshift
		Wages	Total net				
1930		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter...	60.0	9 2	13 4	14 5	1 1	21.94	9 3
2nd "...	51.6	9 5	14 1	13 11	- 0 2	21.32	9 3
3rd "...	50.1	9 5	13 11½	13 9	- 0 2½	21.34	9 4
4th "...	52.6	9 3	13 7½	14 1½	0 6	21.84	9 4
1931		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter...	52.2	9 2	13 6	14 3	0 9	21.78	9 2
2nd "...	47.5	9 3½	13 11	13 10	- 0 1	21.44	9 2
3rd "...	45.3	9 4½	14 0	13 10	- 0 2	21.35	9 2½
4th "...	50.9	9 1½	13 6	14 1	0 7	21.86	9 2
1932		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter...	49.6	9 1	13 6½	14 0½	0 6½	21.98	9 2
2nd "...	46.1	9 1½	13 10	13 8	- 0 2	21.78	9 2
3rd "...	40.9	9 3½	14 2½	13 7½	- 0 7½	21.50	9 2
4th "...	48.9	8 9½	13 2½	13 1½	0 9	22.62	9 2½
1933		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter...	49.9	8 9	13 1½	13 11	0 9½	22.67	9 1½
2nd "...	42.8	8 11½	13 9½	13 4½	- 0 4½	22.07	9 1½
3rd "...	42.1	8 11½	13 8½	13 3½	- 0 5	22.05	9 1½
4th "...	50.2	8 6½	12 9½	13 6½	0 9	23.00	9 1½
1934		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter...	53.1	8 5½	12 7½	13 7½	1 0½	23.32	9 1½
2nd "...	46.9	8 8½	13 1½	13 2½	0 0½	22.59	9 1

The commercially disposable tonnage raised during the second quarter of 1934 exceeded that of the corresponding period in 1933 by 4.1 million tons. The rise in output was due chiefly to the increase in home industrial demand, for exports, including coal shipped for the use of steamers, in April-June were only 761,000 tons higher than in the corresponding period last year. Total proceeds in the first

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quarter of 1934 were £30,929,203, compared with £36,202,666 in the previous quarter and £28,649,395 in the corresponding quarter a year ago. Net costs of production amounted to £30,813,163, as compared with £33,476,885 in the first quarter and £29,469,603 in April-June, 1933. Proceeds, therefore, exceeded costs by £16,040, as compared with a profit of £2,725,781 in January-March and a loss of £820,208 in the second quarter of last year. But although the results for the industry as a whole are a little better than a year ago, four of the nine districts shown separately in the return showed a loss. The result in the various coalfields varied from a profit of 6.15d. per ton in the district comprising South Derbyshire, Leicestershire, Cannock Chase and Warwickshire, to a loss of 5.29d. per ton in the groups of coalmines situated in Cumberland, North Wales, South Staffordshire, Shropshire, Bristol, Forest of Dean, Somerset and Kent. The latest information indicates that the output of coal remains well above the level a year ago, but that the need for reorganisation is as urgent as ever, especially in view of the steady increase in the efficiency of the industry in other countries.

Transvaal Output in September.—The output of gold by the mines of the Transvaal during September amounted to 857,442 ounces of fine gold at a value for purposes of declaration of £7 per ounce, as compared with 881,861 ounces in July at £6 18s. and 901,799 ounces in September last year at £6 9s. In the following table we show the monthly output since the beginning of 1928:—

Month of	1928	1929	1930	1931	1932	1933	1934
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January ...	843,857	876,452	882,801	914,576	936,784	967,457	907,641
February ...	816,133	815,284	818,188	839,337	914,012	893,145	828,933
March ...	877,580	866,529	889,370	910,998	960,035	948,863	874,112
April ...	825,907	872,123	868,606	882,337	949,796	895,097	865,822
May ...	886,186	897,598	916,213	910,279	965,644	944,604	898,418
June ...	862,363	856,029	887,867	897,750	959,011	918,633	868,129
July ...	867,211	889,480	912,652	916,843	981,160	923,671	876,084
August ...	891,863	889,601	921,081	916,425	991,322	934,714	881,861
September ...	857,731	849,553	903,176	916,024	961,501	901,799	857,442
October ...	897,720	888,680	926,561	945,113	974,965	908,888	...
November ...	872,484	861,593	884,753	900,510	978,716	898,468	...
December ...	859,761	851,134	908,492	923,353	980,618	894,156	...
Total ...	10,358,596	10,414,066	10,719,760	10,874,145	11,553,564	11,017,485	7,855,882

The following table shows the number of natives employed at the mines during the past nine months:—

	Jan., 1934	Feb., 1934	Mar., 1934	April, 1934	May, 1934	June, 1934	July, 1934	Aug., 1934	Sept., 1934
Gold mines	239,871	242,594	242,577	243,059	243,579	244,857	245,918	248,436	248,024
Coal mines	11,861	12,120	12,434	12,452	12,481	12,800	12,845	12,745	12,879
Total...	251,732	254,714	255,011	255,511	256,060	257,657	258,763	261,181	260,903

The numbers of natives employed at the gold mines and coal mines show little change in the month.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE BUSINESS POSITION

BUSINESS, as the word is used colloquially, is better than the business indices. The following are the separate indices of production:—

INDICES OF MANUFACTURING PRODUCTION (1923-25 adjusted for seasonal)				
	August, 1932	August, 1933	May, 1934	August, 1934
Iron and steel	23	80	84	38
Lumber	23	46	33	36
Cement	48	50	57	48
Automobiles	23	60	78	61
Textiles	90	114	89	80
Food	85	95	98	106
Leather and shoes	84	102	115	95
Petroleum	135	153	153	156 (July)
Rubber	68	111	81	83
Tobacco	133	108	123	128

In the strictly "consumer" industries, the index makes a pretty good comparison with August, 1933, and also with May, 1934; while in steel there has been an extreme decline from either of those dates. From these figures, one readily understands the pessimism that is found in cities which are largely devoted to the heavy industries, and the optimism which one usually encounters among retailers and in the lighter industries.

Probably the simplest way to summarise is to note that the base period (1923-25) was one of great activity in building and consequently in the heavy industries, and that at present, and indeed for the past several years, building activity, except for public enterprises, has been almost non-existent. On the other hand, the demand for consumer goods is influenced by higher farm income and also by the liberal relief expenditures. The number of families on relief is not far from 5,000,000, representing close to 20,000,000 individuals. Hence although the figures of "unemployment" are large, the number of families without current income is comparatively small. The persistent inactivity of building is no longer attributed to an over-supply of buildings. While the country may have been over-built five years ago at the culmination of the nation-wide building boom, it can be statistically, if not conclusively, argued that the growth of population, the shifting of population and the diminution of available buildings by depreciation, fire, etc., have corrected this condition. The absence of building is therefore currently explained almost entirely in terms of the high costs. These high costs also explain the lethargic progress of the House Renovating Programme, which, in spite of energetic efforts, is achieving only mediocre results.

In the last few weeks certain changes have been made in N.R.A., such as the resignation of General Johnson. But on the matter specifically most in question—price-fixing through the limitation of production—the oracles are vague. In his radio address of September 30th, the President questioned the desirability of industrial price-fixing, but went no further than a question. The problem is by no means simple. When the N.I.R.A. was drafted, the idea of higher prices at any cost was very much in the mind of the community; and price-fixing was written into many of the codes. In the interim prices have been lifted, but the attitude of industry toward higher prices purchased by a limitation of markets has been modified. Some of the price cartels have broken down; in others, there is at least divided opinion on the merit of the device; in still others—and this is particularly true of some of the extractive raw materials—the alternatives to price-fixing are not clear, even though there is a good deal of dislike of it. In other words, where eighteen months ago the price cartel was looked upon as an industrial panacea, there is now in industry a varying degree of opposition to it, and among the population a strong opposition to it. Yet once having accepted price-fixing as an integral part of our industrial scheme, it is difficult to abandon it entirely or partially

in those industries which have become more or less habituated to it. Perhaps one could say that the tendency is away from price-fixing, but that no sudden or radical change is in immediate prospect.

CHINA AND SILVER

The text of the Chinese Note (or Notes) on silver has not been made public, and only a limited amount of information on the silver programme has been given to the Press. It will be recalled that Congress passed mandatory legislation, obliging the Treasury to accumulate silver to gold on a ratio of 25-75. The present gold stock is almost \$8,000 millions, hence the required silver is about \$2,700 millions. But the quantity of metal needed for that sum depends upon its valuation, which is left to the President's discretion—it might be 50 cents (current market) or \$1.29 (legal monetary value) or even \$2.18 (which would give a ratio of 16 to 1, with gold at \$35 an ounce). If the last-named value were authorised, the additional requirements of the Treasury would be nominal, as it holds 850 million ounces; at lower valuations they rise proportionately. According to the Press, the Treasury has adopted a policy of utilising the Stabilisation Fund to buy silver in world markets; the amounts, apparently, are related to the current active balance of our merchandise trade. This amounted to about \$250 millions in the first eight months of the current year; and it is understood that recent purchases of silver in foreign markets were at the rate of 40 or 50 million ounces a month. It is not stated that they will continue at that rate, but it is stated that they are designed to prevent our balance of payments causing an import of gold.

The prices of primary commodities have been sagging recently. Moody's index, which reached 156.2 on August 24th, is now about 144. It is reported that the high price of animal foods is forcing the marketing of livestock, but both beef and pork products have retained most of their gain. There have been some imports of rye and barley over the tariff, but the price has fallen substantially.

As the Great Drought of 1934 recedes into history, it is possible to make some appraisal. Broadly speaking, the farmer gained by it; for the increase in prices promises to prove more than compensatory for the decline in output. Second, surpluses have been largely eliminated. Third, cattle and sheep have been greatly reduced in number, and presumably several years will be required to build up flocks and herds. Fourth, the severity of the drought has reduced subsoil moisture in some areas to an extent that promises reduced yields in affected districts for the coming year. But while the drought, combined with the A.A.A. programme, has given the farmer the most prosperous autumn he has known for years, it has not solved the agricultural problem. The combined effects of the A.A.A. and of the drought merely reduced output to the general level of domestic consumption, without producing scarcity, except in animal feed. In cotton the crop still requires an export outlet, although the official loan price encourages foreign growths. The question still remains whether American agricultural policy is to be directed toward foreign markets or toward permanent and schematic reduction of supplies.

The drought has postponed for a year the facing of this question.

NEW YORK, October 9.

FRANCE

PUBLIC OPINION AND THE MURDERS

THIS week's succession of dramatic events has deeply moved French public opinion. Within a few days of the double murder at Marseilles, M. Poincaré died. He had not taken part in political life since 1928, but he was still a Senator and a Departmental Councillor. He died the same night as the counting of the votes in the cantonal

elections (second ballot). These elections have not seriously modified the political situation. They have resulted, however, in a slight increase of the Left and Right extremists; the number of Communist councillors has risen from 17 to 33 (out of a total of 1,518). The Radical-Socialists have lost the seats which were won by the extremists. Finally, the murders of King Alexander and M. Barthou have provoked a reconstruction of the Cabinet (which is discussed in a Note on p. 721).

Public opinion has, on the whole, remained calm, despite these dramatic events. The new Government loan, which was launched three weeks ago by the Finance Minister, has proved a real success. The Minister had three maturities to face which represented a total of 7,500 million francs; including 6,000 millions for the 5 per cent. 1924 bonds, 1,000 millions for the American French Cities (Lyons, Bordeaux, Marseilles), and nearly 500 millions for the Crédit National bonds. Subscriptions, which totalled 8,790 millions, were closed on October 15th. The Treasury has thus acquired the necessary sums for these maturities, with something to spare. As there is no important maturity during 1935 and 1936, the needs of the Treasury will become less pressing. It is hoped that this will facilitate a rise in bond prices and a lowering of the long-term rate of interest, since for the last two years a great part of the community's savings has been absorbed by the Treasury. The 8,500 millions of new short-term bonds, which have just been issued, will also contribute to enlarge the short money market, which has never been properly developed in France.

INDUSTRIAL PRODUCTION IN AUGUST

The Statistique Générale has just published its monthly figures of industrial production in France:—

	(1913=100)			
	August, 1933	June, 1934	July, 1934	August, 1934
General index	111	99	97	97
Engineering	114	98	99	100
Iron and steel	86	80	80	81
Textiles	78	62	58	55
Mines	98	102	102	100
Building (adjusted figures)	91	81	81	80
Leather (" ")	104	98	98	96
Paper (" ")	135	159	157	149
Rubber (" ")	987	892	856	856
Motors (" ")	435	456	463	470

In the motor industry, 11,180 automobiles and 1,540 lorries were put on the road in August compared with 9,135 and 1,777 in August, 1933. Production in the cotton industry, however, was still falling in August. The figures of bankruptcies show a new decline compared with the preceding months. Bankruptcies plus judicial liquidations were 903 in September against 1,096 in August and 1,212 in July.

The following table shows the production of the sixty-eight largest French producers and distributors of electricity during the first eight months of the years 1933 and 1934:—

	1933	1934	Difference
Thermic plants	2,672,574,906	2,602,866,494	— 2.62
Hydraulic plants	3,971,555,381	4,378,966,454	+ 10.25
	6,644,130,287	6,981,832,948	+ 5.08

In August, pig-iron output was 532,000 tons, compared with 511,000 in July and 509,000 in June. This is the highest figure since October, 1933. Ingot steel output was 533,000 tons, compared with 513,000 in July and 512,000 in June. The following table shows the receipts of the French railway system for the first three quarters of 1934 in comparison with the same period of 1933:—

	(⁰ 00 francs)	
	Receipts from January 1st to September 30th	Compared with 1933
Alsace et Lorraine	558,340	— 18,084
Est	1,125,474	— 61,996
Etat	1,309,293	— 43,457
Nord	1,250,750	— 67,489
Orléans et Midi	1,664,999	— 53,840
P.L.M.	2,287,530	— 87,850
Totals	8,196,386	— 332,746

On September 30th, therefore, the total receipts showed a fall of 333 million francs, that is 3.89 per cent., in com-

parison with 1933. This difference is all the more important as passenger fares were raised on November 1, 1933. The total of loaded wagons in the period between January 1 and September 30, 1934, was 11,482,156, compared with 12,233,522 in 1933, a diminution of 6.14 per cent.

PARIS, October 17.

GERMANY

IMPORT CONTROL AND BALANCES OF PAYMENTS

GERMANY's payments abroad and her regulation of imports raise new internal and international difficulties every week. Dr. Schacht's "New Plan" is by no means yet efficient or stable in working. The ports and shipping interests, which live mainly on foreign trade, are perturbed by the ineffective methods so far pursued, and in principle regard the New Plan unfavourably. It is alleged that the international credit of the mere importer is threatened; the foreign seller will never master the intricacies of the German regulations associated with the granting of exchange certificates; and he will hold the nominal importer responsible for defaults due to non-fulfilment of German rules or to official delays. Such objections, contrary to the general rule, are allowed to appear in the Press, probably owing to the fact that Dr. Schacht's elevation to Ministerial position is not welcomed by certain official Nazis, who suspect him of being still a "Manchester Liberal" and are made uncomfortable by his mobile, elastic, and un-Nazi intelligence.

Financial relations with foreign countries have not improved. The latest French Ministry of Commerce report shows a further large increase of exports to Germany, and so a deterioration of Germany's trade balance with France. A Swiss Government communication complains of an abnormal and unsound increase of exports to Germany which may endanger the clearing agreement, and exporters are warned that they may not be able to secure payment. The Dutch Press continues to criticise its own Government's policy. The German-Italian clearing agreement is stated to be working unsatisfactorily as far as it affects such German goods as are taken by small Italian traders and industrialists.

The denunciation by Germany of the most-favoured-nation treaty with the United States was officially declared to be necessary here more than a year ago. The discrimination against the United States in the bond service transfers is also not surprising. It was, indeed, officially implied here last summer, when the British initiative foiled the German plan to default entirely on the Dawes and Young Loans, that no discrimination against American holders would be attempted. But the new German theory that total payments abroad for all purposes, commercial and capital, with individual countries must be made as far as possible to balance, involves discrimination in the matter of debts. It is implied that America, with her heavily active trade balance with Germany, is helpless. German imports from the United States in the first half of this year were very little lower than in the corresponding half of 1933; but the German exports to America fell heavily, especially in the second quarter.

From a new official report on "The German Balance of Payments in 1924-33" it appears that German payments to the United States in 1933 for all purposes—goods, loans service, and capital repayments—exceeded all payments to Germany from the United States by some Rm. 800 millions. On current account, mainly goods, shipping and services, there was a net passive balance of Rm. 594 millions. The balance with Great Britain shows that in 1933 Germany's receipts exceeded outpayments by Rm. 100 millions. On current account there was a balance in Germany's favour of Rm. 49 millions. For raw materials there was a balance against Germany of Rm. 72 millions, for manufactured goods a balance in her favour of Rm. 229 millions, and for interest a balance against her of Rm. 95 millions. The movement of capital (debt repayments in various forms, etc.) involved net payments to Great Britain of Rm. 115 millions. Gold deliveries to Great Britain totalled Rm. 176 millions.

The introduction to this official report maintains that settlement of international accounts by trilateral methods cannot function, in view of official obstacles to international capital movements and impediments to trade. It implies that henceforth the disparities in the balances with individual countries must be reduced as far as possible by dealing direct with these countries. The conclusion apparently is that Germany must default on her debts to countries with which the German current (trade and services) balance is not sufficiently active. This principle, however, applied only when it favours German interests. There is no intention to devote the large surpluses of foreign exchange from such creditor countries as have active trade balances with Germany to the transfer of debt liabilities in full.

Money has been easy, with a day loan rate (Tuesday) of 4-4½ per cent. Demand for short-term securities, in particular Reich Treasury bills, has at times exceeded supply. The number of unemployed declined in September by 115,000 to 2,282,000, as against a decline of 274,000 in September, 1933. Of the present total of unemployed, only 298,000 are receiving insurance benefit, the remainder falling almost equally on "crisis" and municipal relief. Before 1933, September was usually a month of increasing total unemployment, in consequence of seasonal discharges.

INDUSTRIAL PRODUCTION SLACKENING

The latest report on industrial production, which refers to the end of August, is less favourable. It shows as compared with July a decline in the value of industrial production from Rm. 4,400 millions to Rm. 4,310 millions; and the volume index (1928 = 100) shows a drop from 88.8 to 86.6. While output of production goods rose slightly from 82.8 to 83.1, the output of consumption goods fell from 97.9 to 91.9, of which that of textiles fell from 103.2 to 87.9 in consequence of the reduction of hours prescribed in expectation of raw material shortage.

Textiles retail sales in August were 27 per cent. higher than in August, 1933. Pig-iron production in September was 775,517 tons against 798,547 tons in August, a longer working month; in the first three quarters it was 6,237,301 tons against 3,730,706 tons in the corresponding period of 1933. In the engineering industry there has been no material change; but total hours worked in September exceeded those of August. The cutlery industry, for the first time since the depression, reports some improvement in home and export business.

The preliminary work for replacing employees under 25 years of age by older persons progresses slowly; some local authorities complain that employers are delaying their returns, or are resorting to evasions, although these are punishable offences.

The foreign trade returns for September show a decline in the passive trade balance to Rm. 2 millions, against Rm. 9 millions in August. The best report of the year was for March, with an active balance of Rm. 3 millions. The passive trade balance for nine months is Rm. 266.5 millions. Imports in September totalled Rm. 352 millions, against Rm. 343 millions in August; exports, Rm. 350 millions against Rm. 334 millions. As import prices changed little, the value figures represent an approximately proportional increase in volume, which was mainly due to manufactured goods. At Rm. 75 millions, this import group now stands much higher than any monthly figure of 1934 or 1933, and is above the average monthly figure of 1932. The September increase consisted, however, largely of cotton yarn and cloth, leather, furs and iron, in partly manufactured condition.

The increase of Rm. 17 millions in exports consisted almost entirely of manufactured goods, mainly textiles, iron and copper wares, machinery, and toys. Exports of chemicals declined. An increase in total exports and in the exports of manufactured goods is usual in September. The Christmas export of toys is reported to be satisfactory. The decline in exports of pottery seems to have come to an end. Exports of cement, which began the year at under half the quantity in the corresponding period of 1933, have since more than doubled, and exceed the quantity a year ago. The German balance of trade in motor cars is becoming increasingly favourable.

BERLIN, October 17.

ITALY

THE CORPORATIVE STATE

PUBLIC opinion has lately been less focussed on foreign affairs than on the development of the new "Corporative" system. Signor Mussolini's words are eagerly waited. At Milan, on October 6th, after repeating the thesis that the present crisis marked the end of "Liberal capitalistic civilisation," the Duce rejected the alternative of State Socialism, on the ground, among others, that he did not want to multiply State employees by ten. The true solution, he said, was the Corporative one, which entrusted to producers the self-government of industry. This meant guaranteed work, a just wage and a decent home for the worker, as well as a more effective part in the regulation of the productive process. This speech will surely give food for reflection, but not for uneasiness, to the employing and capitalist classes.

The policy of deflation in order to maintain the present gold parity of the lira is being continued. To decrease the debt burden on property, the interest on land and real estate bonds issued by the "Credito Fondiario" Institutes (Land and Real Estate Banks) have been made convertible from 6 per cent., 5 per cent. and 4.50 per cent. to 4 per cent. Bearers were able to ask for reimbursement in the ten days from September 20th to 29th. Bondholders asked for the reimbursement of only 63.2 million lire out of a total of 4,300 million lire. Tax exemptions have been attached to the new loans which the Credito Fondiario Institutes will grant to assist the conversion of onerous private debts into the new 4 per cent. type. The new bonds are exempt from income-tax. On the other hand, the exemption granted in 1926 to bonds issued by joint-stock companies has been suspended. While taxation at 20 per cent. on the interest on industrial bonds will render the issue of new bonds more difficult, it will assist the issue of the securities through public institutes, such as the I.R.I. and I.M.I., which will presumably continue to be tax-exempt.

During the first two months of the current fiscal year (July-August, 1934) public expenditure was 2,420.6 million lire and public revenue was 2,563 millions. The deficit for the period was 315.7 million lire, against 717.7 millions in the corresponding period of 1933. Such a deficit is compatible with a cash surplus. The Italian Budget includes in "expenditure" not only sums paid, but sums which are legally due, but which may be actually paid in the distant future. In view of a decreasing Budget deficit and a surplus of cash, there is no need for the spectacular foreign loan which has been rumoured.

FLOATING DEBT AND GOLD RESERVE

It is possible that in the more or less distant future free conversion of the Floating Debt into a Redeemable or Consolidated security may be arranged. The Floating Debt amounted on August 31st to 11,161.7 million lire, a somewhat unwieldy proportion of the total debt of 103,159 millions. The whole Floating Debt takes the form of an overdraft at the Cassa Depositi e Prestiti, the State bank, which administers the postal office saving deposits. The total Floating Debt is approximately equal to the net amount outstanding of Postal Savings Certificates (11,523.6 million lire on July 31, 1934). These certificates, which have a maximum currency of 15 years, have proved a splendid instrument for the encouragement of savings. The certificate can always be cashed on demand, but as the interest paid increases progressively from 3 to 4.50 per cent., if the certificate is kept until the end of the fifteenth year, they are frequently allowed to run their whole life.

The position of the Bank of Italy continues to give rise to some concern, owing to the fall of the gold reserve (in million lire):—

	Dec. 31, 1932	Dec. 31, 1933	Sept. 30, 1934
Gold and gold devisen reserve.....	7,144	7,397	6,240
Notes issued	13,672	13,243	13,455
Advances and discounts	6,539	4,693	4,746
Official rate of discount	5	3½	3

It is hoped that the outflow of gold may cease, as the passive balance of trade is decreasing. According to the prevalent mercantilist theory, the decrease of the Bank's gold reserves is the effect of the foreign trade deficit. In recent speeches, however, Signor Asquini, Under-Secretary of State for Corporations, warned industrialists not to rely too much on prohibitions, protection and quotas, but on sustained efforts toward a reduction of costs.

TURIN, October 14.

HOLLAND

STILL MORE DEFLATION

THE 1935 Budget is estimated to show a deficit of 93 million guilders. The Budget includes a grant of 12 million guilders to the Netherlands Indies. The financial situation in the Indies is such that direct aid from Holland proved essential, and it was given in the form of a contribution towards the cost of the fleet. The Budget estimates (ordinary service) are as follows:—

	Million guilders
Expenditure	724
Revenue	631
Deficit	93

Proposed economies and new revenue are as follows:—

ECONOMIES	Million guilders
Pensions	3
Education	10
Grants to municipalities	20
Reduction in traffic fund deficit.....	17.5
Invalidity benefits and old-age pensions fund	14
Sundries	5

NEW REVENUE

Conversion of extra tax for municipality fund into extra tax for State income and property tax	19
Tax on mortmain property	3
	92

The Minister of Finances stated in a recent speech that, as the nation's standard of living would indisputably have to be stabilised upon a far lower level than at present, it was imperative to reduce Government expenditure nearer to that level. Expenditure at its present level, he alleged, could only be maintained by increasing the burden of taxation, which, in his opinion, would be detrimental to all branches of trade and industry. The Government were determined to maintain Dutch shipping by subsidies, and in order to obtain the necessary funds, the Minister said, additional retrenchment would be imposed. Many useful services would have to be abandoned. Wherever the Government granted relief or assistance, it would have to be given in such form that a lower standard of living would be obtained. It was only in this way, he said, that the reduction in production costs could be achieved which was essential to assist trade and industry and cope with unemployment.

ANTI-GOLD MOVEMENT GAINING GROUND

As a result of the acute depression the movement against the gold standard is gaining ground. Hitherto the gold standard controversy in this country had been of a purely theoretical and academic character. Now, however, a scheme has been announced for the foundation of a Netherlands Association for Stable Currency. A currency of stable purchasing power is meant. The founders, besides eight professors, include leading figures in Dutch trade and industry, such as Dr. A. Philips, of the Philips Lamps Works, Mr. G. A. Kessler, director of the Royal Dutch Smelting and Steel Works, Sidney J. van den Bergh, of the Board of Unilever, and Dr. H. F. van Leeuwen, director of the Twentsche Bank. The association's aim is to convince public opinion that a currency of stable purchasing power is a prime necessity.

Serious complaints are now being made about the position of exports to Germany and the payment for those exports. The difficulties are now so acute that the liquidity of numerous companies is being seriously menaced. The arrangement with the special account (Sonder-

konto) worked fairly well until the end of May, but not longer, because the German buyers importing foreign goods had their *devisen* rationed to an ever-increasing extent. Abuse was also made of the Sonderkonto by other countries which had no arrangement with Germany, as they also had their payments effected through the Netherlands Sonderkonto. By the agreement dated June 5th, measures were adopted to abolish these abuses, but nothing could prevent the balance on the Sonderkonto growing larger and larger, and the delay in realising claims growing longer and longer. Meanwhile negotiations with the German Government were opened, but failed.

The Dutch Government then instituted a compulsory clearing system. This measure was designed to stimulate the liquidation of the Sonderkonto. This failed to materialise, however, because Dutch imports from Germany underwent a considerable decline in the last few months, while Dutch exports to Germany increased, and the trade balance was consequently altered. Delays and arrears grew greater. Finally, on September 21st, a clearing agreement was signed. The Netherlands had, of course, attempted to get the arrears on the Sonderkonto settled by a lump sum payment from the German Government, but the scarcity of *devisen* in Germany made that impossible. The only solution was accordingly to withhold part of the clearing proceeds for paying off arrears on the outstanding Sonderkonto claims, and 10 per cent. of the payments to the Netherlands Bank is being reserved for this purpose. If payment of the arrears were insisted upon prior to any new transactions, as some dissatisfied parties have demanded, the export trade would necessarily be brought to a standstill.

AMSTERDAM, October 16.

NORWAY

INCREASED TRADE AND PRODUCTION

THE Budget accounts for the financial year ending June 30th have now been published, and reveal a surplus of 10.2 million kroner, compared with the estimates. There was a deficit in the preceding year of about 35 million kroner. The chief reason for this favourable outcome is the fall in the dollar exchange rate, in consequence of which there was a reduction of about 8 million kroner in the amount required for the service of the public debt. Further, there was a reduction of 6.2 million kroner in civil service expenses (salaries) as a result of the agreement in 1933 between the Government and the civil servants. The Government have floated a new 4½ per cent. conversion loan of 44 million kroner at 97½ per cent.

With the exception of the item "Balances abroad," which rose by 11.5 million kroner from August 31st to September 15th, the returns of the Norges Bank indicate only small movements in the course of the past month. Compared with the position in the same month last year, however, there is a considerable rise in the amount of notes in circulation and in loans and discounts, while deposits show a decline of 10 million kroner.

The foreign trade figures for August reveal a slight decrease in the turnover, as compared with the same month last year, but compared with July this year there was an increase of 11.4 million kroner. The following table indicates the figures for the first eight months of this year compared with the corresponding period of 1933 (in million kroner):—

	Imports	Exports	Import Surplus
January-August, 1934.....	479.75	370.3	109.45
January-August, 1933.....	431.45	350.5	80.95

Among imports, there was a remarkable increase in the number and value of private motor-cars. Among exports, paper and paper pulp rank first with an increase of 10 million kroner.

According to the figures published by the Statistical Bureau for foreign trade during the first half-year, Norway's trade with the "sterling" countries has increased substantially, while her trade with the "gold"

countries has receded, especially as regards imports. Great Britain's share amounts to one-quarter of the total turnover.

	Trade in First half-year			
	Imports		Exports	
	1933 Kr. Mill.	1934 Kr. Mill.	1933 Kr. Mill.	1934 Kr. Mill.
Great Britain	71	86	53	70
Germany	66	76	37	37
France	11	10	17	15
Holland	14	10	9	10.5

The index of industrial production rose in August to 106, compared with 98 in July and 91 in August, 1933. For the first eight months of the current year production is approximately 7 per cent. above that of the same period last year. In the last few weeks the large industrial concern, Union Company, has obtained a loan from England. This will enable the Centralbanken for Norges to liquidate its interest in the Union Company, which has been among the largest debtors of the bank.

In most parts of the country weather conditions have been favourable and the crops of grain and hay satisfactory. In the northern districts crops are far above the average, and considerable quantities of hay are being exported to England, Holland and Belgium at remunerative prices.

TRONDHEIM, October 14.

ARGENTINA

EFFECTS OF THE ROCA CONVENTION

In a recent address to the British Chamber of Commerce in Buenos Aires the British Ambassador reminded the Chamber that a year and a-half had now passed since the Roca Convention—at least, as far as the conditions relating to exchange and meat are concerned—began to operate, and he gave a summary of the results obtained. The main consequences have been as follows:—During 1933 the United Kingdom received, out of a total of available exchange amounting to \$1,091,000,000, some \$393,000,000, assigned as follows: 44 per cent. to general imports, 26 per cent. to British-owned public utility companies, 25 per cent. to debt payments to the United Kingdom and other countries in the proportion agreed, and the remaining 5 per cent. to private persons, etc. The exchange so granted covered 89 per cent. of the c.i.f. value of goods supplied from Great Britain. Other countries only received exchange covering 78 per cent. of their shipments.

The following figures are interesting:—

IMPORTS TO ARGENTINA FROM GREAT BRITAIN	
Year ended June 30, 1933	Year ended June 30, 1934
£11,881,000	£13,294,000
EXPORTS FROM ARGENTINA TO GREAT BRITAIN	
£45,629,000	£42,770,000

The decline in exports from this country might have been more marked had the Roca Convention not been signed during the first half of this year. There has been a marked improvement, a continuance of which, combined with an altogether healthier state in the financial condition of the country, should permit Argentina to consider the possibility of removing the 10 per cent. surcharge which the protocol of the Convention provided should be taken off as soon as the financial position of the country warranted. Removal of this surcharge should do much to increase imports from Great Britain.

The proposals for the Budget estimates for 1935 have now been sent to Congress. The 1935 figures are practically a replica of those for 1934, and result in an apparent deficit of \$20,000,000 paper pesos. No mention has been made, however, of one very important source of revenue, i.e. profit derived by the Government on their exchange operations. No figures are available about these operations.

LARGE INCREASE IN EXPORTS AND IMPORTS

The following are foreign trade figures for the first eight months of 1934 compared with those for the corresponding period of 1933.

ARGENTINE IMPORTS (TARIFF VALUES) DURING THE FIRST EIGHT MONTHS OF 1933 AND 1934

Origin	1933		1934		Percentage of Total	
	\$ Paper	\$ Paper	\$ Paper	\$ Paper	1933	1934
United Kingdom	133,258,624	146,060,302	21.4	23.0		
United States of America	74,280,170	96,112,798	11.9	15.1		
Germany	65,896,941	66,146,286	10.6	10.4		
Italy	59,953,009	46,719,440	9.6	7.4		
France	33,593,651	33,476,143	5.4	5.3		
Netherlands	12,015,992	10,724,368	1.9	1.7		

ARGENTINE EXPORTS (MARKET VALUE) DURING THE FIRST EIGHT MONTHS OF 1933 AND 1934

Destination	1933		1934		Percentage of Total	
	\$ Paper	\$ Paper	\$ Paper	\$ Paper	1933	1934
United Kingdom	283,615,928	312,944,984	36.1	32.0		
Belgium	82,992,895	78,341,311	10.6	8.0		
Netherlands	80,651,561	74,341,311	10.2	7.5		
Germany	55,793,607	70,108,252	7.1	7.1		
France	50,846,302	54,951,354	6.5	5.6		
United States of America	60,092,689	51,093,557	7.6	5.2		

TOTAL IMPORTS AND EXPORTS

	1933	1934	INCREASE	
	\$ Paper	\$ Paper	\$ Price	%
Imports ...	580,570,498	700,318,646	+119,748,148	+20.6
Exports ...	787,669,540	980,804,944	+193,135,404	+24.5
	+207,099,042	+280,486,298		

QUANTITIES IMPORTED IN TONS DURING THE FIRST EIGHT MONTHS OF 1933 AND 1934

	1933	1934	INCREASE	
				%
	4,497,576	4,575,791	+78,215	+7.1

These figures show a most satisfactory improvement, even after allowing for currency depreciation. The active balance of trade for the eight-months period exceeds by some \$57,000,000 paper that for the whole of 1933. The import figures, according to origin, demonstrate that Great Britain is getting at least a share of the general increase, but the United States have been even more favoured in this respect.

Attention has been called in the press to the fact that Argentine Government contracts seldom get awarded to British firms, and it is suggested in some quarters that Great Britain is not receiving fair treatment over these contracts. There is nothing, however, to suggest that all tenders are not treated in a strictly businesslike way; and it is possible that the real explanation of the apparent inability of Great Britain to secure such contracts is either that British firms have not tendered or that their tenders were not competitive. The chief difficulty in drawing up tenders for large Government contracts is the question how payment is to be effected. Fluctuations in exchange, and the occasional impossibility of obtaining *devisen* when required, make it most difficult for foreign firms, unless they are backed either by the banks or their own Governments, to quote competitive prices. Should Great Britain desire to obtain a share in such contracts, it would be wise to arrange, either through an industrial development finance corporation or through the banks, that firms tendering for such contracts should receive a guarantee of payment at a fixed date and for a fixed sum in sterling, the guarantors to reimburse themselves, plus commission, from the sums eventually paid by the foreign Government awarding the contract.

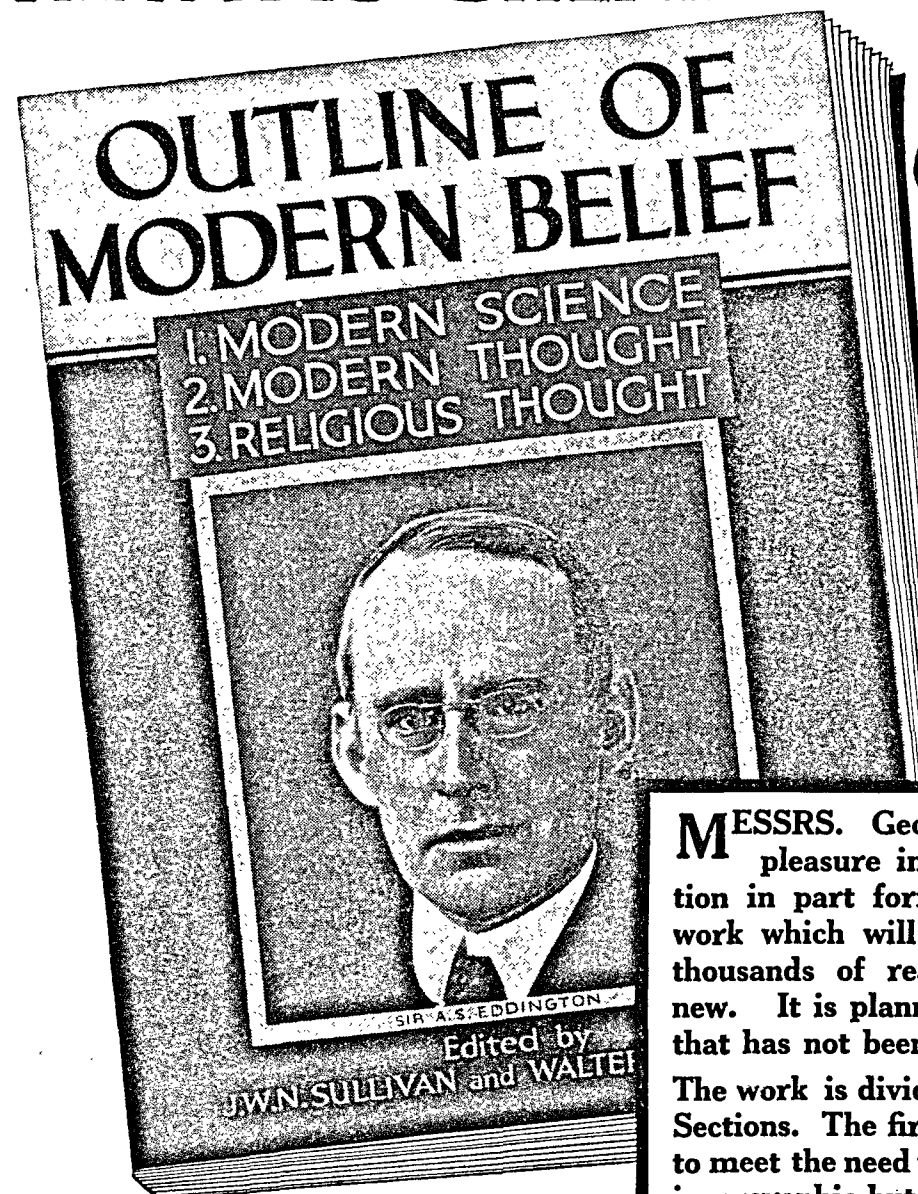
BUENOS AIRES, October 9.

CANADA

MORE CONSERVATIVE ELECTION LOSSES

THE Bennett Ministry suffered another severe reverse in a miniature general election held on September 25th, in which five Federal seats were contested. The Liberals easily retained the two seats which they previously held; they turned one Conservative majority of 398 into a Liberal majority of 3,654, and in a purely rural constituency, which had never before returned a Liberal, they transformed a Conservative majority of 3,371 into a Liberal majority of 2,498. The Government retained their third seat, but the Conservative majority over the Liberal was only about half the votes polled by a candidate of the Co-operative Commonwealth Federation. These results in seats which

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represented a complete cross-section of opinion in Ontario, the great stronghold of Conservatism for the last thirty years, prove convincingly that the tide of public sentiment is running more and more strongly against the Bennett Government. Immediately after the results were known Mr Mackenzie King, the Liberal leader, again demanded the Government's resignation. The Conservatives are laying plans for an ambitious propaganda campaign.

The end of the third quarter of 1934 found Canadian business more or less stagnant. The latest business survey of the Bureau of Statistics covering the period up to the end of August gives the following weighted indices for different factors (monthly average for 1926 = 100):—

	Aug., 1933	Jan., 1934	Aug., 1934
Physical volume of business	89.8	86.8	99.0
Industrial production	89.5	84.5	99.8
Forestry	94.0	96.4	98.4
Mining	110.7	120.6	135.7
Iron and steel	46.4	55.5	66.9
Construction	27.2	47.4	40.7
Electrical power	168.0	162.9	184.8
Distribution	90.5	93.2	96.7
Agricultural marketings	197.2	48.2	172.8

Carloadings, bank clearings, railway earnings, industrial activity and mining and forestry production have all shown an upward trend during the past quarter, and reasonable confidence is felt about autumn and winter business. There was also a welcome spurt in building construction during September, and the value of the contracts placed in 61 leading towns is given at \$12,494,000, compared with \$8,386,900 in September, 1933. On the other hand, the employment index for September stood at 98.8, as compared with 99.9 for August and 88.5 and 86.0 for September, 1933 and 1932 respectively.

The Bureau's index of wholesale commodity prices (1926 = 100), fell to 71.8 for the week ending September 21st. The Federal revenues showed less buoyancy in August and September than in the preceding months, but aggregate revenue for the first half of the current fiscal year ending September 30th was \$162,410,766, compared with \$141,149,235 in 1933.

The gross operating revenue of the Canadian Pacific Railway for the first eight months of 1934 was \$78,908,000, a gain of 11.6 per cent. compared with the same period of 1933, and of the Canadian National Railway \$90,081,000, a gain of 13.4 per cent. There has been a welcome improvement in the export movement of wheat, which in August amounted to 14,709,675 bushels, valued at \$12,868,422, compared with 8,652,970 bushels, valued at \$6,656,511 in August, 1933. Canadian wheat in store on September 14th was reported at 216,863,848 bushels, as compared with 203,607,133 for the previous week and 212,129,649 for the parallel week of 1933.

WHEAT CROPS AND PRICES

The latest crop report of the Bureau of Statistics estimates the 1934 wheat crop of Canada at 277,304,000 bushels, of which the Prairie Provinces contribute 265 millions; this figure is slightly above the unrevised estimate of 269,729,000 bushels for wheat yield in 1933; but the 1934 yield comes from 8 per cent. less acreage. The estimates for the other important grain are: oats, 344,746,000 bushels; barley, 68,800,000; rye, 6,523,000; and flax, 1,096,000. Prolonged wet weather in the Prairie Provinces, however, has been responsible for serious damage to the unthreshed wheat, and the damage is described as so serious that very little of the wheat which was standing in the fields will be fit for anything but feed. If this is correct, a heavy reduction of Canada's exportable surplus would result.

Wheat prices have fallen sharply in the Winnipeg grain market during the past few weeks. During the last half of September wet weather stopped harvesting operations on the Prairies, and grain deliveries by the farmer, which had been averaging three million bushels per day, fell to half that amount. But during the same period wheat "futures" of a volume three or four times as large as the grain delivered were sold on the Winnipeg market, and the support given by Mr. John I. Macfarland, the Government's wheat agent, could not prevent a rapid decline in prices. Now Mr Macfarland, after expressing the view publicly that there is on foot a determined conspiracy on the

part of a group of powerful European importing firms to smash the price structure at Winnipeg when it is showing resistance in face of persistent weakness at Liverpool and Buenos Aires, has demanded a Governmental inquiry into recent operations in the Winnipeg market and suggested that similar investigations should be held at Liverpool and Buenos Aires. Communications are being exchanged with Mr Bennett, who is in London, and it is possible that the Government may close the Winnipeg market temporarily and assume charge of all wheat-marketing operations.

Foreign trade in August, although showing a decline from the July figure, is keeping up well:—

	August, 1933	August, 1934
Imports	\$ 38,747,030	\$ 43,507,331
Exports	\$ 44,723,252	\$ 55,249,375
Total	\$ 83,470,282	\$ 98,756,706

The increase of 10½ million dollars in exports was due entirely to gains in exports to countries of the British Commonwealth. The increase in imports from Britain has been proportionately smaller, but imports of British textiles have increased.

On October 1st the Dominion Government offered to the public a new refunding loan of \$250 millions in four denominations of two-year, four-year, eight-year and fifteen-year bonds bearing interest at 2 per cent., 2½ per cent., 3 per cent. and 3½ per cent. respectively at prices which will yield respectively 2.75 per cent., 2.90 per cent., 3.43 per cent. and 3.81 per cent. The banks have agreed to lend investors up to 75 per cent. of the par value of bonds purchased, and officials of the Finance Department profess themselves well satisfied with the response which, after four days, has already produced almost half the amount sought. Holders of the 5½ per cent. Victory Loan of roughly \$222 millions which matures on November 1st, are converting freely.

OTTAWA, October 8.

BOOKS RECEIVED

Quo Vadimus? A Criticism of the Government's Agricultural Policy. By a Tenant Farmer. (Reprinted with additions by the Author from *The Countryman* of January, 1934). "The Countryman," Idbury, Kingham, Oxfordshire. 8 pages.

A brief but effective attack on Mr Elliot's agricultural policy by a tenant farmer. The author would like to revive British agriculture by expanding demand and not restricting supply.

Outline of Modern Belief. Edited by J. W. N. Sullivan and Walter Grierson. To be completed in about 24 fortnightly parts at 1s. each. (London) George Newnes.

The first of the 24 fortnightly parts, in which this ambitious work is to be published, shows it to be interestingly written, fully illustrated and beautifully printed and produced.

The South Wales Coal Annual, 1934. Edit. A. P. Barnett and T. J. Beynon. (Cardiff) The Business Statistics Company, Ltd. 140 pages. 5s. net.

Becontree and Dagenham. Report made for the Pilgrim Trust by Terence Young. (London) Becontree Social Survey Committee, c/o Sidders and Son, Ltd., 115, Salusbury Road, N.W.6.

Building Societies Year Book, 1934. (London) Reed and Company. 476 pages. 7s. 6d.

The Economist's Handbook. A Manual of Statistical Sources. By G. Verwey. (Amsterdam) Economist's Handbook. Amstel. 20-22. 460 pages.

City of Birmingham. Financial Statement, 1933-1934. (Birmingham) Treasurer's Dept., Council House. 517 pages.

The Sales Tax in the American States. By R. M. Haig, Carl Shoup and staff associates. 833 pages. (London) H. Milford. 22s. 6d. (New York) Columbia University Press. \$4.50.

The Question of the House of Lords. By A. L. Rowse. Day to Day Pamphlets, No. 19. (London) Hogarth Press. 64 pages. 1s. 6d. net.

OFFICIAL PUBLICATIONS

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

Colonial Reports: No. 1673. Hong Kong, 1933. 2s. net. No. 1680. *Turks and Caicos Islands, 1933.* 9d. net.

Bankruptcy, 1933. 51st General Annual Report by the Board of Trade. 9d. net.

MONEY AND BANKING

THE SILVER STRUGGLE

ONCE again silver has appeared on the international scene. The announcement that the Chinese Government has raised the export duty on silver from 2½ to 10 per cent., with the reservation that the duty will be raised still further to counteract any further increase in the price of silver, is the culminating point of a concealed struggle which has developed between China and the United States.

At the end of last year, the American Government, in fulfilment of the London Silver Agreement, undertook to buy newly-mined American silver at the high price of 64½ cents an ounce. Last May, the Silver Purchase Act was passed, and on August 9th President Roosevelt issued a proclamation calling on all holders of silver in the United States to sell their stocks to the Treasury at a fixed price of 50.01 cents an ounce. Since then the American Treasury has also been a consistent buyer of imported silver, and though the price is undisclosed it is significant that the New York market price has risen from 50 cents to 55½ cents an ounce. It has also become clear that President Roosevelt has given way to the American silver interests, and intends to interpret the terms of the Silver Purchase Act in a generous spirit, at least until the Congressional elections.

To China these new American developments meant both a fresh drain of silver from up-country to the ports and thence to the London and New York markets, and also an appreciation of her dollar in sympathy with the rising trend of silver. Her position has also been accentuated by the autumn depreciation of sterling against the dollar, for if since August 13th the New York price of silver had risen by 11.2 per cent. from 50 cents to 55½ cents an ounce, the London price had risen by 15.4 per cent. from 21½d. to 24½d. an ounce. The sterling value of the Chinese dollar, which is the vital factor in China's external economy, had risen from 16½d. to 18½d. (on October 15th). The rise in the price of silver was thus having a serious effect on the Chinese exchange market.

In these circumstances, China imposed an export duty on silver; and City opinion holds that this was her only possible reply to the artificial inflation of the price of silver by American acts of policy. It is easy to see that the purposes of the Chinese Government are, first, to check a drain of silver, and secondly to prevent her dollar from appreciating as a result of purchases of Chinese dollars out of the proceeds, in sterling and American dollars, of the sales of Chinese silver in foreign markets. Make it unprofitable to export silver for sale abroad, so the Chinese Government's argument runs, and silver will cease to be shipped, and there will be no artificial demand for Chinese dollars as a result of silver shipments and sales. Moreover, the export duty can be increased in exact proportion to each successive advance in the London or New York price of silver, and so the Chinese dollar can be prevented from appreciating just as effectively as if the exportation of silver were prohibited. The main risk run is that the new duty may stimulate smuggling, though some London authorities hold that large-scale smuggling is impracticable.

As we have urged before, it is impossible not to feel a considerable degree of sympathy with China. From time to time attempts have been made, in this country as well as in the United States, to prove that a rise in silver and an appreciation of the Chinese dollar would be beneficial to China. Initially, no doubt, such movements would increase her power to import, and would also add to the purchasing power of all Chinese owners of silver treasure. In the long run, an artificial appreciation such as is taking place at present would have a most disastrous effect. It would be akin to a forced appreciation of her currency, imposed upon her from outside, and it could but end in an adverse trade balance, a continued drain of silver, and widespread deflation, bankruptcy, restriction of credit, and disappearance of her chief medium of purchasing power. An appreciation of her dollar as the result of active export trade and a favourable trade balance would no doubt be a healthy symptom. An artificial appreciation, coming at a

time when her external balance of payments is already unfavourable, is quite the reverse.

It is indeed possible to draw a fairly close parallel between China and France. When last January, by a stroke of the pen, President Roosevelt revalued the dollar at \$35 per ounce of gold, he artificially caused the franc to appreciate to 6.63 cents, though the franc was even then over-valued. The result has been exactly what every competent observer foresaw. French wholesale prices have since fallen by 7.4 per cent., and both French internal and external trade have gone from bad to worse. Now President Roosevelt, by artificially forcing up the price of silver, is threatening to bring about precisely the same enforced appreciation of the Chinese dollar. Up to this point the parallel is exact.

In China's case, however, the results are likely to be infinitely worse. France enjoys a stable central Government, and a well-developed currency, credit and banking system. China has none of these advantages. The writ of her Government only runs intermittently, and politically and socially the country is far from homogeneous. Her currency and credit system is over large areas of the country primitive in the extreme. Paper currency, or payments through cheques or other credit instruments, are almost unknown outside the maritime provinces. Even the metallic silver currency is so suspect that payment in weights of silver or even direct commodity barter is in many remote districts the general rule. Devaluation of the silver dollar by the Chinese authorities is, therefore, no remedy. It is clear that a drain of silver, or even the over-valuation of the Chinese dollar against foreign countries, might have the most serious consequences. On the purely economic side it might quickly end in general ruin, the stagnation of trade, and a drastic contraction of purchasing power. Politically it might well weaken the present tenuous hold of the Central Government and bring about a recrudescence of banditry and communism.

These considerations make it imperative for China to check by any means in her power an artificial appreciation of her currency, and it is to be hoped that her weapon of an indefinite export duty on silver will prove effective. It is easy to say that the United States is not playing the part of a good neighbour, and that President Roosevelt is sacrificing China to the clamour of the American silver interests. The latter, however, are only thinking of their own ends, and indeed it is reported that their real objective is the restoration of the old 16:1 ratio of silver to gold on the basis of a gold price of \$35 an ounce. This would raise the American price of silver to the fantastic level of \$2.19 an ounce, or to roughly four times the present New York price. A further point is that if the Chinese export duty successfully checks shipments of silver the world supply of silver will be correspondingly reduced, and a further advance in the price would be the natural consequence. In one sense, therefore, China is playing into President Roosevelt's hands, but in another sense her export duty constitutes just as effective a Chinese suspension of the silver standard as our relieving the Bank of England of its need to sell gold constituted a suspension of the gold standard. At the moment the Chinese dollar is nearly as free in terms of silver as sterling is in terms of gold.

So far the imposition of the new duty is operating in this direction. The immediate result was the cancellation of exports of about 10 million ounces of silver which was already on board in Chinese ports. On Tuesday the sterling quotation of the Chinese dollar lapsed from 18½d. to 17½d., to a discount, presumably, below the true parity with the London price of silver equivalent to the export duty of 10 per cent. The question is whether once it has penetrated the average Chinaman's mind that his currency is virtually divorced from silver, he will continue to have any confidence in his currency at all. For these reasons it is to be hoped that President Roosevelt and his advisers will see reason before irreparable damage is done.

Meanwhile, the rest of the world can do little to assist. The Indian Government is precluded by the terms of the London Agreement from increasing its sales of silver, even though the United States Government has torpedoed the Agreement in spirit, if not in letter. Bazaar sales from India will no doubt increase, and bazaar interests have ample connections in the London market. Even so, there is little prospect of freeing the silver market from American domination. Nor is there any early sign that official American silver purchases will be relaxed. President Roosevelt is still hankering after depreciation of the dollar at home, which in all probability means abroad as well, and even heavy imports of silver are such a very small item, when expressed in terms of dollars or sterling, that it may take him a long time to discover that official silver purchases are an ineffective lever. In these circumstances, China herself has taken the best measures of defence, though at the cost of temporarily divorcing her currency from silver. All we can do is to remind President Roosevelt that he is sacrificing his largest potential foreign market for the sake of his silver interests and to point out the unwisdom of allowing American silver Senators to ride roughshod over the needs of the rest of the world.

FINANCIAL NOTES

The Money Market.—Towards the end of last week the clearing banks unexpectedly reduced their rates for Treasury bills maturing this year from $\frac{3}{4}$ to $\frac{1}{8}$ per cent., thus recognising the difficulty of enforcing higher rates in face of the dwindling supply of bills. This week they have bought a few November bills at $\frac{1}{8}$ per cent., but as other interests have been ready to buy at $\frac{3}{8}$ per cent. and under, the banks' demand for short bills has not been entirely satisfied. Last week's tender rate averaged 14s. 5.74d. per cent., against 15s. 9.70d. per cent. the week before. This fall was disappointing to the market, but not unexpected in view of the reduction in the clearing banks' rates the night before. The supply of Treasury bills issued by tender has been reduced during the week from £423.4 to £422.4 millions, while the total Treasury bill issue has risen from £829.3 to £830.7 millions.

	Sept. 27, 1934	Oct. 4, 1934	Oct. 11, 1934	Oct. 18, 1934
Bank rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Clearing banks' deposit rate	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$
Short Loan rate :—				
Clearing banks	1	1	1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates :—				
Treasury bills :—				
(a) Clearing banks.....	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$
(b) Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

Money has been very easy, and $\frac{1}{2}$ per cent. was the ruling rate, except on Thursday, when clearing bank calling raised the rate to $\frac{3}{4}$ per cent. Money is often a little dearer on Thursdays than on other days of the week.

The Foreign Exchanges.—The week has witnessed a fairly sharp recovery in sterling from \$4.89 $\frac{1}{2}$ to \$4.94 $\frac{1}{2}$ against the dollar and from Frs. 73 $\frac{3}{4}$ to Frs. 74 $\frac{1}{2}$ against the franc. The discount on three months' dollars has weakened from $\frac{3}{8}$ to $\frac{1}{2}$ cents, while three months' francs have receded from 12 to 1 $\frac{1}{2}$ centimes premium. The London exchange market has been very unsettled, and political uncertainties on the Continent and recent news from Washington have both played their part. The main doubt, however, is whether the period of the autumn weakness of sterling is drawing near its end. Here London bankers are pointing out that the autumn is not yet very far advanced. It is quite possible that a further commercial demand for dollars will develop during the next few weeks, especially as there has yet been no evidence of any seasonal increase in dollar acceptances against exports. The mark has weakened to Rm. 12.19 and sondermarks to Rm. 12.41. The first of a series of returns, to be published every Tuesday and Friday, shows that the unsold balance held by the

Bank of England at the Reichsbank on October 13th amounted to Rm. 5,200,000, or Rm. 200,000 in excess of the limit at which payments into the account are suspended. A sum of Rm. 11,400,000 was awaiting payment into the special account on that date. The Anglo-German Exchange Agreement is thus working very slowly.

The Bank Return.—There has been a reduction this week of £2.4 millions in the note circulation, but this movement is parallel to that of a year ago. The Bank's reserve has risen by the same amount. The quantity of silver coin held in the issue department has fallen below £3,000,000, this being due to an increase in the amount of silver in circulation. More active trade and employment is a possible explanation, but the banks may also be keeping silver coin in their tills in readiness for Christmas.

	Oct. 18, 1933	Dec. 27, 1933	Oct. 3, 1934	Oct. 10, 1934	Oct. 17, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold.....	190.4	190.7	191.9	191.9	191.9
Note circulation.....	370.6	392.0	380.8	379.6	377.2
Banking Department :—					
Reserve	81.1	59.7	71.7	73.0	75.4
Public deposits.....	14.5	22.2	13.7	18.6	17.5
Bankers' deposits	109.0	101.2	107.0	107.6	104.5
Government securities ...	81.5	88.0	81.7	83.4	81.3
Discounts and advances	8.5	16.8	12.7	14.0	9.5

Proportion 48.0% 37.3% 45.4% 44.7% 47.2%

The only appreciable change in the banking department has been a decline of £4.5 millions in discounts and advances. This reverses the upward trend of previous weeks, which appears to have been only a temporary movement. These movements have not arisen out of any operations between the Bank and the money market, and possess no special significance.

New York Money and Banking.—New York money rates remain unchanged. The official call rate is $\frac{1}{2}$ per cent., and 90-day bankers' acceptances are quoted at $\frac{1}{10}$ per cent. During the week ended October 10th bankers' loans remained unchanged at \$725 millions. The Treasury sold this week a further \$75 millions of six months' bills at an average price of 99.894 per cent. Acceptances outstanding at the end of September were \$539.4 millions, against \$520.0 millions at the end of August and \$714 millions a year ago. There was therefore a slight seasonal increase during September, due to heavier financing of primary products in domestic warehouses. Acceptances against exports again fell by \$2,000,000 during September. According to the Treasury statement the Government's emergency expenditure for the first 15 weeks of the current financial year has exceeded \$1,000 millions.

American Currency Policy.—The probability of further changes in the currency policy of the United States Government continues to be eagerly canvassed in New York. The continued absence of an autumn recovery in trade and the very heavy burden of unemployment relief are undoubtedly increasing the political attractions of "drastic methods." The presence of Professor Warren at the White House last week and a declaration by a Democratic Senator, on emerging from the Presidential presence, that "the possibility of devaluation cannot be dismissed," gave rise to one of the recurrent but brief inflation scares in Wall Street. The dollar fell and the Stock Exchange boomed. *Démentis* followed quickly, another Democratic Senator declaring roundly that "neither the President at this time, nor the incoming Congress in January, will take steps to further devalue the dollar or resort to inflation, controlled or otherwise." Mr Roosevelt himself, however, was not so definite, answering a question on future policy by the statement that he was neither a prestidigitator nor an astrologer. He is, however, a politician, and politics will dictate future decisions. The indications are that the

President and his advisers are impressed with the demand for certainty and stability and disappointed with the results of previous "money magic" (the phrase is that of the Secretary of Agriculture). The truth probably is that the President would be as pleased as everybody else if he could make a final announcement of future policy. But having bent before the inflationary storm so often in the past, he cannot be sure that he will not have to yield to it once again. Another subject on which political considerations impose hesitant vagueness is that of banking reorganisation. It will be remembered that the last "inflation scare" was started by the forecast of the "nationalisation" of the Federal Reserve system, which was interpreted as foreshadowing an institution for the lavish distribution of Government credit to all comers. It now appears that what was intended was no more than a centralisation of the unduly regionalised Federal Reserve banks, together with an attempt to create one corpus of banking law instead of the 49 now existing. Both these projects are admirable and necessary, but they may be defeated by the small-town particularism which is the bane of Congressional politics.

The Lira's Weakness.—A slow but persistent drain of gold and a slight expansion in the note circulation have reduced the reserve ratio of the Bank of Italy from a normal figure between 47 and 50 per cent. to only 42.43 per cent. As the minimum rate is 40 per cent. it looks as if the Italian Government will very soon be forced to choose between abandoning the 40 per cent. minimum and going off the gold standard. It has been widely rumoured that had the political negotiations between Signor Mussolini and M. Barthou reached fruition, French financial help to Italy would have been forthcoming. M. Barthou's untimely death has delayed matters, and the indications are that within the next few weeks Italy may have to make this choice. For many months past the lira has been one of the weakest of the gold currencies. Last February the discount on forward lire was so great as to equal 17.5 per cent. per annum, while this week it is still equivalent to 4.4 per cent. In Paris the spot quotation is now Frs. 129.95 per 100 lire, against parity of Frs. 134.3. Thus the decline from parity is 3.3 per cent., which is unusually wide for a currency on the gold standard. Also the lira has recently received consistent support in Paris, and doubts have been expressed as to whether the full cost of such support is reflected in the Bank of Italy's statement. The general impression in the London exchange market is that with effective restrictions in force against outward capital movements the lira is in no immediate danger, but the cumulative deterioration of its position must be giving rise to anxiety.

The Italian Exchange Position.—The causes of the lira's weakness are fairly easy to determine. Italy's external debt position is fairly strong. Her main foreign obligation is a \$350 million American bond issue, and most of the bonds have already been repatriated. It is conceivable that the issue will soon be converted into a lira issue bearing a lower rate of interest, as was done with the United Kingdom 5 $\frac{1}{2}$ per cent. dollar bonds. The balance of "Invisibles," such as tourists' expenditure and emigrants' remittances, is still in Italy's favour; but these items have shrunk during the past few years, and in particular the better-class hotels are doing badly. The visible trade position, however, has lately deteriorated. Between 1928 and 1933 the import surplus was successfully reduced from 7,356 million lire to 1,464 million lire, but this year it already amounted to 1,540 million lire for seven months. The Bank of Italy's gold and *devisen* losses during these months amounted to 999 million lire, so that, allowing for invisible items, there is a fair correspondence between Italy's passive balance of payments and her gold losses. Italian exporters must be feeling the effects of the drastic German trade restrictions, for Italy normally does a big trade with Germany. Another source of weakness lies in the financing of the public works programme of the Italian Government, which to some extent resembles the German scheme, and in any case is

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bound to stimulate imports of materials. Since 1930 the national debt has risen from 95,000 million lire to 106,000 million lire, and if the various guarantees undertaken by the State in connection with the recent banking and industrial reorganisation schemes are taken into account, the effective size of the national debt may be as much as 160,000 millions. These circumstances go far to explain the persistent weakness of the lira.

Anglo-South American Bank.—Compared with a year ago, both deposits and the principal assets of the bank are appreciably lower than a year ago, but the shrinkage is more apparent than real. A year ago the South American assets and liabilities were converted into sterling at the official rates of exchange of the countries concerned, but this year in most cases the conversion has been made at free market exchange rates. To illustrate the effect of this change in procedure, it may be instanced that whereas last year about 13 Argentine pesos were taken as equal to £1, this year the ratio is approximately 20 pesos to the pound. Only with Chile has it been necessary to use the official rate, partly because there are prospects of the stabilisation of the currency at well above the free market value. So far as can be told from an examination of the accounts, both deposits and assets, when expressed in their original currencies, have been well maintained, especially as the repatriation of British funds from the Argentine under the Roca agreements must have brought about some diminution in both the bank's cash and deposits. The principal items in the accounts are summarised below:—

	1932	June 30 1933	1934
Liabilities :—	£'000	£'000	£'000
Issued capital.....	6,633	6,633	6,633
Reserve fund	72	96	70
Legal reserves abroad	3,208	2,479	2,410
Acceptances.....	25,564	28,429	24,585
Deposits	4,648	4,222	4,219
Bills for collection			
Assets :—			
Cash.....	4,356	9,228	7,320
British Government securities.....	380	370	875
Foreign securities	1,553	1,513	1,368
Bills receivable.....	4,401	3,367	2,916
Advances.....	15,988	14,723	12,670
Holdings in subsidiary companies	3,143	3,110	2,521
Suspense account, for depreciation of capital employed abroad	1,415	1,350	2,034
Net profits	466	63	61
Contingent liability	7,500	7,500	7,500

Both gross profits and expenses have been reduced somewhat by the change in the method of conversion, but with international business still at a low ebb it must be admitted that the bank's earning capacity remains limited. There are, however, slight signs of more active internal business in the Argentine.

THE STOCK EXCHANGE

TOBACCO SHARES

THE British tobacco industry may be described as a monopolist hierarchy, qualified by the competition of vigorous independent concerns. The financial strength of the leading concerns and the resilience of their earnings in the difficult circumstances of recent years has given their shares an enviable standing with conservative investors. Recent changes in the character of competition, however, within its limited range, may have far-reaching significance. After nine months of the "coupon pact," a review of trends and possibilities may be of interest.

Leading concerns, in the past, have been chary in providing extensive information to shareholders, who have necessarily "invested in names" to an extent unsurpassed in any other industry. Faith has been justified by works, but the element of mystery which shrouds the earning of tobacco profits is making assessment of individual company prospects somewhat hazardous. The demand for tobacco manufactures as a whole is inelastic, but for individual products it retains considerable elasticity. Post-war social changes, which confirmed the cigarette habit and encouraged its rapid growth among women, have earned a steady increase in demand for this most remunerative "line." The upper limit to consumption has probably not yet been reached; for tobacco is regarded, in all strata of society, as a conventional necessity. Makers of popular brands have been reluctant to lower the general price of 6d. for ten cigarettes, but competition by quality has been acute.

Behind the façade of an apparently stable retail price, certain factors which came to a head last year indicated that a change in relative position among the leading manufacturers was in progress. The apparent inability of all companies to enforce price maintenance encouraged a rapid growth of cut-price retailing, in which the brands of the youngest competitors were sold, usually, at the heaviest "discount." This development increased the turnover of the newer firms without making for any reduction of their wholesale profits margin. Simultaneously, "coupon" competition reached a pitch which certain units of the Imperial Tobacco Company could scarcely afford to ignore. Although at that time a packet of cigarettes presented as diverse a bundle of "utilities" as any economist would care to analyse—a large element of indirect taxation, the prestige of a name, the attractions of gifts which were becoming increasingly valuable, and the eventual solace of consumption—there seems little question that coupons were largely determining the demand for the majority of popular brands. Shareholders in the leading non-coupon concerns had every reason for apprehension that their quasi-monopoly powers were being seriously attacked. The rapid growth of the Carreras and Ardath companies—the two leading exponents of the coupon system—was an undoubted challenge to the popular Imperial Tobacco brands.

Although coupon competition never reached the limits achieved in the "newspaper war," its effects on profits were quite appreciable, as the table below suggests. After prolonged discussions, however, under the ægis of the Tobacco Trade Association (including manufacturers, wholesalers and retailers), agreement was reached in November last year to abolish coupon trading from January 1, 1934, to take the utmost precaution to prevent price-maintained brands from reaching the public at cut prices, and to prevent any reduction of minimum wholesale re-selling prices. A system of registration for wholesalers and retailers with the Association was evolved, which exposed non-signatory dealers to direct trading with the manufacturers on unfavourable terms.

Although no official pronouncement has been made, it is understood that the coupon manufacturers, who *prima facie* were likely to lose under such an arrangement, were able to secure the principle of a production quota for individual concerns. Their agreement was reported to be contingent

on the adoption of a compensation pool, to which members whose sales exceeded the basic quotas would contribute a cess, and from which concerns whose sales showed a short-fall would draw corresponding benefit. The cessation of coupon trading has been followed by a reduction of advertising allocations. The following figures, published by courtesy of the London Press Exchange, indicate the decline of display tobacco advertising, computed from their survey of 80 per cent. of the total number of periodicals and newspapers:—

ESTIMATED COST OF TOBACCO ADVERTISING				
Period Jan.-Sept.	Cigarettes	Tobacco	Total	
1933	965,398	197,836	1,163,234	
1934	817,951	167,295	985,246	
Decrease ...	147,447	30,541	177,988	
Decrease (%)	15.4	15.4	15.3	

These figures are calculated at normal position rates, and do not necessarily indicate the absolute change in the period. The proportionate change, however, is obviously important, and if the cost of coupon gifts and the probable fall in outdoor advertising is included, the publicity economies from the pact are likely to be substantial.

The new arrangement has certainly obviated the possibility of aggressive competition, following the negative conclusions of the Board of Trade Committee on coupon trading. It becomes, accordingly, simpler to assess the progress of individual firms from the course of the industry as a whole. The following table, which shows the trend of raw tobacco imports and Customs entries for home consumption, illustrates the fairly moderate impact of depression and the rapid recovery symptoms which, to judge from Customs entries for the first eight months of this year, are steadily continuing:—

UNMANUFACTURED TOBACCO				
	Imports			Entered for Home Consumption
	Quantity	Value	Av. Import Price	
	Thous. lbs.	£'000	d. per lb.	Thous. lbs.
1930	237,028	14,642	14.8	233,642
1931	194,046	10,397	12.9	192,045
1932	174,912	9,523	13.1	187,519
1933	211,234	10,975	12.5	194,177
Nine months to Sept.:				
1932	104,576	5,159	11.9	128,439*
1933	128,738	6,563	12.2	128,076*
1934	143,068	7,998	13.4	138,664*

* Eight months to August in each year.

The trend is also confirmed by the percentage of unemployed insured persons in the industry, which rose sharply from 7.1 to 11.4 between 1930 and 1931, but has since fallen steadily (assisted somewhat by a reduction in numbers insured) to below 6 per cent.

Although the movement of export trade in manufactured tobacco is no longer fully representative of the experience of companies trading overseas, in view of their increased productive capacity in leading consuming countries, the figures show some expansion from the low level of 1932:—

EXPORTS OF MANUFACTURED TOBACCO (EXCLUDING SNUFF)						
	Quantity	Value	Principal Importers—values in £'000			
			British Malaya	British W. Africa	China	Siam
	Thous. lbs.	£'000				
1930	33,127	8,437	2,165	644	906	...
1931	21,154	5,171	1,313	342	637	318
1932	17,146	4,157	1,028	386	220	454
1933	21,460	4,058	1,085	433	113	382
Nine months to Sept.:						
1932	12,929	3,174	808	287	176	326
1933	15,035	2,997	806	291	85	314
1934	20,159	3,215	970	207	83	322

* Nine months' figures of total tobacco exports, less "all other descriptions."

Particular interest attaches to the rapid decline in the Chinese market, which has resulted from the fostering of a domestic industry in which British-American Tobacco has played an important part.

Our next table is designed to show, in summary form, the inter-relationships of the Imperial Tobacco Company group and the recent profits record of these and certain non-combine companies. The organisation of the Imperial group is based on geographical principles, the Imperial company catering exclusively for the home market, while the associated British American Tobacco Company, through its widespread interests, has the rest of the world for its oyster.

Company	Principal Interests	Total Profits (£'000) years ending in		
		1931	1932	1933
IMPERIAL GROUP				
Imperial Tobacco	20 mfg. co.'s; 2 retail co.'s; U.S.A. buying organisation.	9,876	8,647	7,594
has large interest in				
British American Tobacco	100 co.'s in Canada, China, India, South Africa, etc.	5,334	5,438	5,403
whose Associated Co.'s include				
Imperial Tob. of Canada	Canadian Trade Marks of B.A.T.; Tuckett Tobacco; General Cigar.	\$5,914	\$5,471	\$5,670
Brit. Tob. Co. (Australia)	W. D. and H. O. Wills (Aust.) and other subsidiaries.	748	585	586
United Tob. Co.'s (South)	S. African business and 2 subsidiaries.	645	484	548
and an interest in				
Tobacco Securities Trust	Shares in B.A.T. subsidiaries; 47% interest in Tobacco Insurance.	649	677	807
OTHER COMPANIES				
Ardath*	Controlled by Universal Tob. Co.; B.A.T. holds large interest in connection with export trade.	500	455	460
Carreras	Working arrangement with John Sinclair in export trade; owns Melbourne subsidiary and factory in India.	770	787	868
Gallaher	International Tobacco, Peter Jackson and certain American interests.	286	309	329
Godfrey Phillips	11 subsidiary companies	150	125	124
Cohen Weenen*	which controls	108	90	82

* Profits in years ending in 1932, 1933 and 1934. † Believed to amount to £761,489 5 per cent. Pref., £1,473,695 6 per cent. Pref., and £6,526,074 Ord. Stock.

The profits figures for the Imperial group as a whole require to be read with caution. In accordance with holding company policy, it is the practice of these companies to bring into the parent companies' accounts sufficient profits from subsidiary companies to pay the dividend which the board from time to time determines. The omnibus profits figure in the Imperial Tobacco accounts is defined in five lines of description, and the indicated earnings, it is safe to say, are subject to a large element of "policy," and may not necessarily indicate the exact earnings experience of the group in any given year. Subject to this caveat, it will be seen that the indicated earnings of Imperial Tobacco fell by over £1,000,000 during each year since 1931, while the distribution was reduced from 22½ per cent. to 20 per cent. in 1932 and 1933. During this period the B.A.T. Company, for which 1929-30 was also a peak year in recent times, stabilised its declared earnings and dividend, despite exchange difficulties and problems of taxation. A significant feature of the table is the rising trend of certain non-combine firms. Carreras' profits, although well below the 1928-29 record figure of £1,316,945, showed considerable recovery during the year to October, 1933, while Gallaher, whose shares have recently attracted considerable attention on an increased interim dividend and the acquisition of two new subsidiaries, continued its steady growth.

In view of recent exuberant buying of tobacco shares, investors may reasonably inquire if the joint benefits of non-coupon trading and a steady expansion in production are, of themselves, sufficient to justify the anticipated expansion of earnings which is indicated by the return on leading equity shares in the annexed table of quotations. On some grounds it would be rash to budget for a large reduction in costs. The average import price of raw leaf shows an increase from 12.2d. per lb. to 13.4d. per lb. during the first nine months of this year, and although tobacco forms a relatively small proportion of total costs, and fluctuations in its price are in most cases covered by overt or hidden reserves, nevertheless the most recent estimate of the American crop for 1934 (1,043 million lbs.,

against 1,396 million lbs. in 1933 and 1,438 million lbs. for the average of 1928-32) suggests that competition for 1934 leaf will be keen. Present quotations suggest that less is feared on this score than is expected from the signing of peace in the industry:—

Company	Denom.	Dividend Latest Year	Quotations, 1934			Yield %
			High	Low	Oct. 17	
Imp. Tobacco	£1 ord.	20*	£6½	£5½	£6½	£ s. d. 3 0 6*
Brit. American	Ord. stk. (£1 units)	20*	£6½	£5½	£6½	3 0 6*
Imp. Tob. of Canada	£5 ord.	10½	48/9	41/-	48/6	4 6 8
Brit. Tobacco (Aust.)	£1 ord.	20†	£5½	£4½	£5½	3 10 0
United Tobacco	£1 def. ord.	20†	£5½	£4½	£5½	3 12 0
Tobacco Securities	Ord. stk. (£1 units)	19	£5½	£4½	£5½	3 19 0
	Def. stk. (5s. units)	18-29	£6½	£5½	£6½	2 17 9
Ardath	6% cum. pref. £1	6	28/9	25/3	28/-	4 5 10
Carreras	7% "B" pref. £1.	7	33/3	31/4	31/3	4 9 7
	£1 ord.	35	£8½	£7	£7½	4 13 3
	2s. 6d. "B" ord.	35	22½	18/-	18/6	4 14 6
Gallaher	£1 ord.	11	93/1½	50/-	90/-ad	2 8 9
Godfrey Phillips	£1 ord.	7½	39/3	24/9	37/6	4 0 0
Cohen Weenen	7% cum. pref. £1.	8	29/-	23/9	25/-	6 8 0

* Free of income tax.

† Dividends paid free of South African normal income tax.

A yield equivalent to £3 18s. per cent., gross, on Imperial Tobacco ordinary, against £4 13s. 3d. per cent. on Carreras suggests that the market is budgeting, not unreasonably, for a considerable reversion of demand to the popular combine brands, which, by common consent, suffered most severely in the coupon era. Moreover, expectations are widely entertained that Imperial Tobacco may distribute part of a reported, but hidden, "fighting fund" which is no longer required. Two points, however, deserve emphasis. In the first place, any principle of compensation which may have been agreed upon may to some extent tend to stabilise earning power until a vigorous upswing in consumption makes itself felt. Secondly, the limited fall of tobacco earnings during depression has generated a not entirely logical assumption that recovery prospects are necessarily brighter than for other industries whose profits have slumped appreciably. The character of demand for tobacco, however, suggests that the limited falling off during depression is more likely to be followed by a relatively moderate increase when general purchasing power expands. Granted even the partial validity of this assumption, the special investment attention recently given to the tobacco group may well have already discounted recovery possibilities somewhat generously. At present levels the conservative investor is fully entitled to adopt a cautious attitude.

INVESTMENT NOTES

The "Grid's" New Loan.—This week's offer of £6,000,000 Central Electricity 3½ per cent. stock 1974-94 at 93 raises the total amount of stock issued by the Board to £50 millions. The actual proceeds of the issues will amount to £47,172,500, so that the Board will still be a considerable way from having exhausted its maximum borrowing powers of £60 millions. The new loan represents the cheapest borrowing by the "Grid," for it gives a "flat" yield of a penny or so under 3½ per cent., whereas the average rate paid on the previous loans was £4 14s. 9d. per cent. The effect on the average is to reduce it by three shillings to £4 11s. 9d. per cent., which still leaves the interest burden on the Board rather high judged by present-day standards. There is, moreover, some reason to suppose that a larger proportion of the present issue than of the earlier issues will be allocated to standardisation of frequency, in which case the "Grid" itself will benefit only very slightly. However, if the "Grid" has been somewhat unfortunate in having to raise the bulk of its capital in the dear money period of 1929-32 it has, as we pointed out in our full review of the "Grid's" finances in June (the *Economist*, June 16th, page 1320, June 23rd, page 1381), probably been fortunate in the time of its beginning to trade. Its estimates of future consumption of electricity

—and as the "Grid" finances itself by a toll on every unit carried over its transmission lines, it is every unit consumption that counts—were framed in the depth of the depression. It has been officially stated that, in fixing its tariffs, allowance was made "for the retarding effect of the world trade depression." It may be taken as certain, therefore, that the actual expansion of the demand for electricity (as much as 16.1 per cent. in the first nine months of 1934) has considerably outstripped the Board's estimates, and the "Grid's" finances have benefited thereby. The cost of construction of the "Grid," moreover, has come out creditably near the original estimates. The recent increases in the Board's borrowing powers have been due largely to the unexpectedly high cost of standardisation of frequency. This, though financed out of issues of Central Electricity stock, is borne by the supply industry, which repays to the Board the service of loans issued for this purpose. The prospects for the ultimate financial success of the Board have certainly improved in recent months, and the 3½ per cent. yield of the present issue may not be unattractive to the market under current conditions.

* * *

A Silver Boom?—The effect of the Chinese silver restrictions and the *de facto* abandonment of the silver standard is discussed in a leading article on page 733 of this issue. This week's movements in the price of the metal have attracted the attention of the speculative investor, on the assumption that the American silver purchase programme will reinforce the rising price for the metal, in the absence of Chinese selling and arbitrage transactions. Certain factors suggest, however, that the investment possibilities of the present movements can be over-rated. In the first place, part of the recent heavy buying of silver was of a forestalling nature, based on the general expectation that China would be compelled, sooner or later, to impose some check upon the external drain of her monetary stocks. Further, the present price is a direct consequence of the American purchasing policy, announced in May, by virtue of which the United States Government declared its intention to purchase silver up to one-quarter of the total monetary reserve. This essentially long-term programme (which was discussed in a leading article in the *Economist*, August 18th, page 313) is regarded by the Administration as "mandatory as to its general objective." In view of the traditional political influence of the silver interests, it seems at least possible that its vigorous exploitation may not have been unrelated to the imminent November elections, and that the cessation of this special stimulus may be followed by a reduction in purchases. The withdrawal of America's support to the market would undoubtedly cause a sharp fall from the present level. Such a possibility may have been a factor in this week's profit-taking, which put the spot price down to 23½d., against Monday's record of 24½d., per ounce. Moreover, the mining of silver is a classic example of "joint supply," since the ore is almost invariably found in association with lead and zinc. As the price of each of these metals has declined appreciably during the year, the rise in silver, even if it were maintained, would afford no necessary presumption of a rising trend in the earnings of such companies as Burma Corporation, San Francisco, Trepan and Mexican Corporation.

* * *

Rubber Restriction.—No spokesman of the plantation industries carries greater weight than Mr H. Eric Miller, whose speeches from the chair at the annual meetings of Harrisons and Crosfield are backed by a life's experience and an unrivalled knowledge of the inner counsels of the tea and rubber industries. At last Tuesday's meeting, Mr Miller was cautiously optimistic over the prospects of the tea industry, but the larger part of his review was given to the rubber trade. Mr Miller paid due tribute to the gratifying increase in the world's absorption of the commodity. Stocks, he declared, had ceased to exercise a depressing effect on the market, and for the next four years

the industry could look forward to a period of moderate prosperity. It was necessary, however, to take a longer view. The aim should be to have always available "a potential supply . . . in excess of expanding requirements." New plantations would not be effective yielders of rubber for six or seven years at the earliest, and would not really be in their stride for a matter of ten years. From these unchallengeable premises Mr Miller proceeded to draw the decidedly controversial, and in our view dangerous, conclusion that four years was too short a span of time for the existing International Regulation Scheme, and that "uncertainty as to what is to happen after 1938 should be removed at the earliest possible moment." In plain language, this can only mean that, before the present scheme has been in operation for six months, and before it has been brought into "completely efficient and effective working order" (to use Mr Miller's phrase) the influence of the chairman of the largest British agency company is to be thrown into the scale for securing its more or less indefinite prolongation. Rubber consumers the world over may suggest that four years is a sufficiently lengthy period to demonstrate the utility of an experiment whose benefits, so far, have been confined mainly to one side of the industry. When the International Committee has declared its policy for 1935, it may be clearer how far the producing side intends to live up to its ideal of "a potential supply always . . . in excess of expanding requirements," and how far recent advocacy, in some quarters, of higher prices has gained the day. There is much to be said for the view expressed by Sir George Maxwell at this week's meeting of another company—Sengat Rubber Estate—that regulation should be distinguished chiefly by its elasticity. Sir George urged that the objective of any fixed price level should be abandoned. The essential features of restriction he defined as the reduction of world stocks, the adjustment of current supply to current demand, and the ceaseless prosecution of research and propaganda. With this view there will be general agreement. It does not appear compatible, however, with the granting of indefinite powers to fasten regulation on the industry beyond the ample trial period assigned to it, at a moment when the industry itself is uncertain of the terms in which its objectives should be interpreted. As Sir George Maxwell aptly remarked, the world has never yet seen the successful conclusion of a regulation scheme.

* * *

Actuaries' Investment Index.—The recent hesitant tendency of industrial share markets has found its inevitable reflection, this week, in quotations. As the Actuaries' Index of 144 representative industrials suggests, waning support rather than liquidation must be held responsible for the slight decline. Calculated on Tuesday's prices, the index has fallen to 72.8, compared with 73.2 a week earlier, and 72.0 a month ago (December 31, 1933=100). The corresponding yield figures are 3.63, 3.62, and 3.66 per cent., respectively. Although this is the first check to the steady strengthening of prices which has been a feature of the last ten weeks, analysis of certain component groups brings out some special influences:—

Group (and No. of Securities)	Prices (Dec. 31, 1928=100)			Yields (%)		
	Sept. 18, 1934	Oct. 9, 1934	Oct. 16, 1934	Sept. 18, 1934	Oct. 9, 1934	Oct. 16, 1934
Building materials (4)	82.7	84.3	83.9	4.30	4.24	4.25
Coal (6)	91.0	92.0	91.0	4.11	4.05	4.11
Cotton (6)	46.8	45.8	45.1	2.30	2.30	2.32
Oil (5)	61.2	61.8	59.7	4.80	4.75	4.92
Home rails (4)	76.1	79.4	76.5	1.55	1.43	1.45
Stores and catering (15)	81.8	82.0	81.7	4.06	4.03	4.04
Miscellaneous (50)	63.7	65.1	64.9	3.83	3.79	3.79

The home rail market took last week's less favourable traffics rather to heart. Oil shares have been heavy in view of the increasing difficulty of controlling American production. Speculative groups, such as building materials, stores and catering, and the large miscellaneous section have been sensitive to the duller general trend.

The List of Applications will be opened and closed on Friday, the 19th October, 1934

CENTRAL ELECTRICITY BOARD

Issue of £6,000,000

Central Electricity 3½ per Cent. Stock, 1974-1994

Under the Electricity (Supply) Act, 1926, the Central Electricity Board (Increase of Borrowing Powers) Special Orders, 1930 and 1933, and the Central Electricity Board Borrowing Regulations, 1928, pursuant to a Resolution of the Board, dated the 15th day of October, 1934.

Interest will be paid half-yearly on the 1st May and the 1st November
A first payment of £1 per £100 Stock will be made on the 1st May, 1935

PRICE OF ISSUE £93 PER CENT.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised by the Central Electricity Board to receive applications for the above issue of Stock, payable as follows:—

On Application	£5 per cent.
On Friday, 2nd November, 1934	£13 "
On Wednesday, 12th December, 1934	£13 "
On Friday, 18th January, 1935	£25 "
On Wednesday, 20th February, 1935	£35 "
	£93 per cent.

The Stock now issued and the interest thereon rank *pari passu* with £3,000,000 Central Electricity 4 per Cent. Stock, 1938-1988, £10,000,000 Central Electricity 5 per Cent. Stock, 1950-1970, £9,000,000 Central Electricity 4½ per Cent. Stock, 1951-1971, £7,000,000 Central Electricity 5 per Cent. Stock, 1953-1973, £10,000,000 Central Electricity 4½ per Cent. Stock, 1957-1982, and £8,000,000 Central Electricity 3½ per Cent. Stock, 1963-1993, already issued, and are a first charge on the whole undertaking and the net revenues of the Board.

The Board reserve power to issue further Stock ranking *pari passu* with the above Stocks.

The Stock of the present issue will be redeemed by a Cumulative Sinking Fund, commencing not later than the year 1940, sufficient to repay the whole of the Stock by its maturity date. This Sinking Fund will be provided out of the Redemption Funds which the Board are required to provide for the amortisation of their capital expenditure and will be applied in the purchase of Stock or invested temporarily in accordance with the Borrowing Regulations. Any Stock not previously redeemed will be repaid at par on the 1st May, 1994, but the Board reserve the right to redeem by drawings or otherwise at par on the 1st May, 1974, or on any interest date thereafter, all or any part of the Stock then outstanding on giving at least three calendar months' previous notice by advertisement in two London daily newspapers.

The Central Electricity Board were constituted by the Electricity (Supply) Act, 1926, and are acting under statutory powers in adopting and carrying out the Schemes referred to in the Statement appended.

The Board are empowered, with the consent of the Electricity Commissioners, to borrow £60,000,000. Of this sum the Electricity Commissioners have already given consents in respect of £52,320,000 of which £16,725,380 is in respect of standardisation of frequency, and £35,594,620 is in respect of the construction and acquisition of main transmission lines, working capital and other purposes. The proceeds of the Stocks already issued and of that now being issued form part of the sum of £52,320,000 mentioned above.

The proceeds of the present issue will be used to provide further funds for the construction and acquisition of main transmission lines, the cost of standardisation of frequency, working capital and other authorised purposes including payment of interest on the Stocks already issued so far as it is payable out of capital and on the Stock now being issued until the 31st December, 1941, if and so far as the expenditure does not become remunerative at an earlier date.

The Register of the Stock will be kept at the Bank of England. The Stock will be transferable by ordinary Transfer Deed in multiples of one pound.

Applications which must be accompanied by a deposit of £5 per cent. will be received at the Bank of England Loans Office, 3, Bank Buildings, Princes Street, E.C.2. In the case of partial allotment the balance of the amount paid as a deposit will be applied towards payment of the first instalment; should there be a surplus after making that payment such surplus will be refunded by cheque. Default in the payment of any instalment by its proper date will render the deposit and any instalments previously paid liable to forfeiture and the allotment to cancellation.

Applications must be for sums of £100 or multiples thereof. Interest on the Stock will be payable half-yearly on the 1st May and the 1st November. Warrants will be transmitted by post. A first payment of £1 per cent. will be made on the 1st May, 1935.

Scrip Certificates to Bearer in denominations of £100, £500 and £1,000, with Coupon attached for the interest payable on the 1st May, 1935, will be issued in exchange for the allotment letters. Fully paid Scrip Certificates may be registered forthwith.

A Commission of 5s. per £100 will be paid to Bankers or Stockbrokers on allotments made in respect of applications bearing their stamp. Prospectuses and Application Forms may be obtained at the Bank of England Loans Office, 3, Bank Buildings, Princes Street, E.C.2, or at any of the Branches of the Bank; of Messrs. Mullens & Co., 13, George Street, Mansion House, E.C.4; at any Stock Exchange in the United Kingdom; at the Head Office of the Central Electricity Board, Trafalgar Buildings, 1, Charing Cross, S.W.1, or at any of the District Offices of the Board. BANK OF ENGLAND, LONDON, E.C.2.

17th October, 1934.

STATEMENT.

The Central Electricity Board consists of a Chairman and seven Members, appointed by the Minister of Transport pursuant to Section 1 of the Electricity (Supply) Act, 1926. The present Members are:—

SIR ANDREW R. DUNCAN, Chairman.
THE RIGHT HON. THE LORD BARNBY, C.M.G.
SIR JAMES DEVONSHIRE, K.B.E.
MR. FRANK HODGES.
MR. W. WALKER.
MR. DUNCAN WATSON.
SIR RALPH L. WEDGWOOD, C.B., C.M.G.
MR. W. K. WHIGHAM.

The main functions of the Board are to construct main transmission lines (commonly known as "the grid"), to concentrate the generation of electricity at standard frequency in the most efficient stations, to supply electricity in bulk for distribution, and by these means to increase the availability of electricity throughout the country and reduce the cost of production.

The revenues of the Board will be derived from the sale of electricity in bulk and by a levy by the Electricity Commissioners under Section 9 of the Electricity (Supply) Act, 1926, on the whole of the electricity supply industry within Great Britain of annual sums equal to the interest and sinking fund charges in respect of money borrowed for the standardisation of frequency.

The following schemes have been adopted by the Board under section 4 of the Act:—

- (1) Central Scotland Electricity Scheme, 1927;
- (2) South East England Electricity Scheme, 1927;
- (3) Central England Electricity Scheme, 1928;
- (4) North West England and North Wales Electricity Scheme, 1928;
- (5) Mid-East England Electricity Scheme, 1929;
- (6) North East England Electricity Scheme, 1929;

- (7) South West England and South Wales Electricity Scheme, 1930;
- (8) East England Electricity Scheme, 1930;
- (9) South Scotland Electricity Scheme, 1931.

These Schemes cover the whole of Great Britain except North Scotland. The initial grid system, comprising approximately 4,000 miles of transmission lines, has been completed except for a few minor sections the construction of which has been postponed until the load conditions necessitate their use. Some extensions of the initial grid have also been constructed.

Trading on a tariff commenced in Central Scotland and Mid-East England on the 1st January, 1933, in South East and East England and North West England and North Wales on the 1st January, 1934, and in Central England on the 1st April, 1934. In the other areas some of the transmission lines are in service for giving supplies to authorised undertakers who would otherwise have had to install generating plant or for facilitating standardisation of frequency where that work is still in progress.

In fixing a tariff the Board are required under Section 11 of the 1926 Act so to calculate it that, over a period of years to be approved by the Electricity Commissioners, the receipts on income account shall be sufficient to cover the expenditure on income account, including interest and sinking fund charges, with such margin as the Commissioners may allow. The Commissioners have approved 10 years as the period to be taken for the tariff for the areas for which it has been fixed except for Central England, in which case the period is 9½ years. To ensure conservative estimates and an economic basis for the tariff, surveys have been made by the Board of the probable increase in demand for electricity in those areas over the tariff period.

A tariff of the kind prescribed, applied to a growing industry, connotes that, in the earlier years of a budget period, the outgoings will be more than the income and that, in the later years, there will be surpluses sufficient to recoup the earlier deficiencies and leave a margin, the deficiencies being met meanwhile out of working capital.

The rapid growth of the Electricity Supply Industry can be judged from the figures given below which are taken from the Official Returns of the Electricity Commissioners, showing the total amount of electricity generated by all authorised undertakers and railway and tramway authorities in Great Britain; a few non-statutory undertakings are also included, but generation by private plants is excluded.

Year ended	Units Generated
31st March, 1922	4,884,666,093
31st March, 1923	5,738,718,485
31st March, 1924	6,681,524,272
31st March, 1925	7,415,375,529
31st March, 1926	8,122,361,823
31st March, 1927*	8,365,857,198
31st March, 1928	9,927,850,630
31st March, 1929	10,878,980,925
31st March, 1930	11,961,621,965
31st December, 1930†	12,332,849,844
31st December, 1931	12,809,359,246
31st December, 1932	13,652,292,324
31st December, 1933	14,963,649,597

* Year of General Strike.

† The official figures are now published for the calendar year.

The units generated by authorised undertakers during the first nine months of the present calendar year show an increase of 18.1 per cent. on the figures for the corresponding period of the previous year.

Notwithstanding the great and continuous expansion of the Industry shown by the above figures, there still remains a very wide field for growth, and in order to assist more rapid development the Board's tariff provides for progressive reductions in the scale of charges to authorised undertakers as their demands increase.

The Board are satisfied from detailed estimates of the financial operation of the several Schemes that when those Schemes are in full operation the revenue for the respective tariff periods will provide ample margins over and above the amount required to meet the interest and sinking fund charges in respect of the total expenditure on the Schemes.

This Form of Application may be used
CENTRAL ELECTRICITY 3½% STOCK
1974-1994

ISSUE OF £6,000,000 at £93 PER CENT.

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND, E.C.2.

I/We request you to allot to me/us in accordance with the terms of the Prospectus

dated 17th October, 1934, £..... say..... pounds of the above-named Stock, and I/we hereby engage to pay the instalments as they shall become due on any allotment that may be made in respect of this application, as provided by the said Prospectus.

The sum of £.....being the amount of the required deposit (namely, £5 for every £100 of Stock applied for), is enclosed.

Signature.....

Name in full..... (BLOCK LETTERS) (State Title, if any, or whether Mr., Mrs. or Miss.)

Address.....

.....

.....

Date.....1934.

N.B.—Applications must be for £100 or for multiples of £100. Cheques should be made payable to "Bearer" and crossed thus:—

Bank of England,
a/c Central Electricity Loan.

COMPANY NOTES

Commercial Motor Companies.—Though almost every British commercial motor manufacturing company experienced an uncomfortably wide variation in profits between the years 1929 and 1931-33, fluctuations in this group differ essentially from those which we discussed in a Note on private motor shares last week. The movement of commercial motor profits, as the annexed table shows, is consistent and shows a recognisable trend among all companies. The fluctuations of the private motor manufacturers are contradictory and unpredictable. The market for the commercial motor manufacturer is much less subject to the chances of one year's model than that of the private car manufacturer. The losses (or serious reductions in profits) suffered by the majority of commercial manufacturers during the last few years are due partly to the natural effects of depression, and partly to certain special causes. First, depression happens to have coincided with a period of quite exceptional activity in road transport legislation, which has made for hesitation in buying. Further, anticipations of the 1930 Road Traffic Act (which dealt with passenger transport) caused an abnormal swelling of demand in the immediately preceding period, as 'bus proprietors pressed ahead with their development programme in order to establish a claim on given routes before the new restrictions should be introduced. It is possible that the deliberations of the Salter Committee in 1932 and the subsequent legislation had a somewhat similar effect on goods

(Profits in £'000)						
Company	1929	1930	1931	1932	1933	1934
Associated Equipment (Sept. 30):						
Earned for div.	94.6	141.0	150.5	127.5	73.2*	...
Earned %	8.8†	10.5†	10.0†	8.5†	6.5*	...
Div. paid %	8†	10†	10†	7†	6†	...
Dennis (Sept. 30):						
Earned for div.	336.6	286.8	135.7	74.1	74.3	...
Earned %	472.5	410.3	183.0	98.6	98.9	...
Div. paid %	350	283‡	125	66‡	66‡	...
Gifford (Sept. 30):						
Earned for div.	N.A.	26.2*	Dr. 28.3	Dr. 33.6	Dr. 38.4	...
Earned %	N.A.	29.8*	Nil	Nil	Nil	...
Div. paid %	N.A.	15	Nil	Nil	Nil	...
Guy (June 30):						
Earned for div.	66.2	Dr. 119.2*	...	Dr. 173.8*	Dr. 69.8	Dr. 23.2*
Earned %	19.1	Nil	...	Nil	Nil	Nil
Div. paid %	15	Nil	...	Nil	Nil	Nil
Leyland (Sept. 30):						
Earned for div.	504.8	357.9	200.9	65.9	Dr. 30.6	...
Earned %	69.2	51.5	29.8	9.8	Nil	...
Div. paid %	Nil	20	10	10	5	...
Scammell (Sept. 30):						
Earned for div.	38.7	16.0	0.7	Dr. 52.6	Dr. 22.6	...
Earned %	34.3	17.5	0.6	Nil	Nil	...
Div. paid %	20	Nil	Nil	Nil	Nil	...

* Broken period equated to 12 months.

† Tax free.

transport, though the severity of the depression tended to obscure the resulting effect on new registrations. In any case, the passenger section of the road transport industry found itself more than fully equipped at the opening of the depression. Until recent months it has been placing new orders on a scale much less than sufficient to provide for the theoretical maintenance of the existing fleet. The goods transport section has, perhaps, not suffered more than was to be expected in the depression, but it was, nevertheless, faced with a serious check in 1932. Secondly, on top of these difficulties the industry has had to find room for a number of new entrants in the list of manufacturers, as a result of the introduction of the Diesel engine. This new factor has inevitably led to a competitive reduction of prices, while imposing on the existing manufacturers the necessity of new research and multiplication of models. It would appear, therefore, that the industry has been suffering from an abnormal combination of depressing forces. It is highly unlikely that this combination will continue indefinitely. The revival in ordering for both goods vehicles and hackneys in recent months gives hope that the worst of the effects are passing. Moreover, the entry of new manufacturers into the field has, to some extent, been compensated by the elimination of certain

of the smaller units, while the prospects of increasing the market open to the manufacturers are reasonably good. Apart from a probable fresh expansion of road transport in its present form, there is a possibility of further replacing the horse by the new types of "mechanical horse," such as that of the Scammell Company, while experiments being made both in this country and abroad with internal-combustion rail cars indicate another potentially large market. On the whole, prospects for the leading manufacturers would appear reasonably satisfactory.

* * *

British Celanese Improvement.—A summary table of British Celanese results necessarily contains more footnotes than a railway time-table. Before the claims of shareholders to dividends can be considered, the company must make allowance for a wide variety of charges, comprising (1) administrative expenses and overheads (excluding royalties, price adjustments, etc.); (2) research, advertising and patent expenditure. The company writes off its new patent rights each year, but follows a four-year retrospective plan as regards research and advertising; (3) depreciation of fixed assets and reduction of intangible assets; and (4) service of debenture stocks. The list, indeed, has been so lengthy that past annual earnings have not been sufficient to cover it. For the three years to July, 1933, for example, no depreciation was written-off. The results for the year to June 30th last, however, are much the best achieved so far. Trading profits (including, for the first time, dividends receivable from subsidiaries) are 54 per cent. higher than in the previous year. Since the year to June, 1931, they have risen from £995,240 to £2,593,028—an increase of 160 per cent. in three years:—

	Year to July 2, 1932	Year to July 1, 1933	Year to June 30, 1934
Balance of trading account.....	1,471,892	1,685,550	2,593,028*
Total income (including interest, etc.).....	1,496,382	1,690,446	2,598,138
Miscellaneous working expenses†	996,664	1,077,622	1,410,957
Research, advertising and patent write-offs‡	126,577	117,340	127,036
Directors' remuneration	...	...	5,000
Provision for depreciation	...	...	287,462
Commutation of royalties, written off.....	...	...	61,146
Debenture interest and premium redemption.....	303,819	287,612	274,131
Balance	69,322	207,872	432,406
Non-recurring receipts	57,106§	30,000	189,553¶
Special allocations	12,452**	Nil	760,618††
Half year's 1st pref. dividend.....	...	...	54,250
Total carried forward.....	14,591	252,463	59,554

* Including dividends receivable from subsidiary companies.
† "General sales and administrative expenses, royalties, Excise Duty, adjustments of stock values, etc." ‡ Proportion of last three years' research and advertising expenditure, and year's additions to patent rights, written off. § Sundry reserves and provision for contingencies, no longer required. || Income tax provision written back. ¶ £13,602 income tax written back, and £175,951 surplus on realisation of investments. ** New issue expenses, written off. †† Expenses of mortgage debenture issue, £25,072; balance of premium on bond redemption, less special reserve, £8,068; depreciation for three years ended July 1, 1933, £727,478.

In the period covered by the above table the company has three major financial achievements to its credit. First, a debit balance of nearly £100,000 to profit and loss has been replaced by a credit balance of nearly £60,000. Secondly, the burden of debenture charges has been reduced by the conversion of 7½ per cent. second mortgage bonds into a 5½ per cent. stock. Thirdly, arrears of depreciation of plant, etc., have been cleared off with the help of one or two windfalls, including £175,951 surplus on realisation of investments. Provided that the company's present earning power is maintained (or, as the directors hope, improved), the future dividend prospects of the company's shareholders depend on the policy followed by the directors in the clearing away of the remaining debris of earlier times. The balance sheet still includes £3,274,568 of intangible assets, including goodwill, patents, commutation of royalties,

advertising and research expenditure, and debenture issue expenses. The board has made a beginning, this year, with an attack on this intractable mass. Outstanding arrears of dividends, by the end of October, will total £490,000 gross on the 7 per cent. first preference shares and £1,434,375 gross on the second preference shares. In the absence of any past financial legacies, current earnings would now be covering annual dividends on both classes of preference shares, with a little to spare. The prospects of the 7 per cent. £1 first preference shares (quoted at par) depend on the board's policy towards "intangibles," but if this is deliberate rather than heroic, the first preference arrears may be cleared off in a year or two. Arrears on the 7½ per cent. £1 participating second cumulative preference shares (quoted at 13s.) are a tougher proposition, and the practicability of a funding scheme (or cancellation in return, say, for equity rights) in the future will doubtless engage the board's attention. Until this position is cleared up it will be impossible to put any firm price on the 10s. ordinary shares, which are quoted at 10s. 6d.

* * *

Acetate Yarn Trade Conditions.—The prospects of shareholders in British Celanese, whose latest accounts are discussed in the preceding Note, depend ultimately on the answer to a single question. How far can last year's "record" earning power be maintained, or increased? In this connection significance attaches to a review of industrial and marketing conditions during the twelve months in which the company's profits were earned, which has been forwarded to us by a trade correspondent. This suggests that very substantial profits accrued in the first part of the company's year, which runs from July to June. During this period demand for acetate yarns reached record levels, and British Celanese were able to keep running on a high production for about five months. Prices were three times increased, and most of the company's customers were "rationed" with supplies month by month. Subsequent events gave colour to the suggestion, however, that some of the yarn bought at this period did not go immediately into consumption, and later buying in the acetate section has been appreciably more cautious. Viscose prices have been reduced, and, so far as weaving business is concerned, there has been a certain tendency for acetate yarns to lose ground to fine filament viscose. At present, brisk buying of yarns is in progress for the weaving trade, and some of the larger producers are beginning to fall into arrears with their deliveries. How far British Celanese is sharing in this buying movement is not clear. On the other hand, the company is showing its customary enterprise in introducing new products to the market, and the extent of their success may have an important bearing on financial results for the current year.

* * *

Lex Garages Capital Scheme.—The scheme of capital reorganisation put forward by the directors of Lex Garages, Ltd., suffers from an inept method of presentation. The company was registered in 1928 to take over various motor garages and other properties in West London. No dividends have been paid since 1928, and a debit balance of £29,995 has accumulated at profit and loss. Other dead items bring the total to be written off to £62,500. The directors propose to reduce the 7½ per cent. cumulative participating preference capital of £150,000 (in £1 shares) by 25 per cent., and the £50,000 of ordinary capital (in 1s. shares) by 50 per cent. Six years' arrears of cumulative preference dividends, aggregating 45 per cent. gross, are to be wiped out. In addition, the preference shareholders are to relinquish all their preferential rights and to receive three 5s. ordinary shares in lieu of each existing £1 preference share, while the ordinary shareholders will receive two 5s. ordinary for every twenty existing 1s. ordinary shares. Put in this way the offer appears to embody every injustice which can be offered to a preference shareholder in a reconstruction scheme—loss of arrears, loss of income, and loss of preferential status. In fact, it is more equitable to preference shareholders than might be imagined. After reconstruction the company will have a paid-up capital of

£137,500, all in 5s. ordinary shares, of which existing preference shareholders will have £112,500 and existing ordinary shareholders £25,000. Thus, the present preference shareholders will have 81.8 per cent. and existing ordinary shareholders 18.2 per cent. of the equity. At the moment, the preference shares are entitled to rank equally with the ordinary for a further 2½ per cent. dividend, non-cumulative, after the ordinary have received 7½ per cent. in any year. Had the directors appended to their letter a table showing how the two classes of shareholders would fare under the new scheme, by contrast with the *status quo*, in the sharing out of given amounts of profits, it would have been clear to all concerned that whereas on total earnings of anything up to £14,000 the preference shareholders would receive less under the new scheme than the old, they would obtain an increasing differential advantage with every rise of profits over that figure. Their position under the two regimes is shown:—

AMOUNTS ACCRUING TO EXISTING PREFERENCE HOLDERS			
Annual Earnings	Present Position	New Scheme	Change under New Scheme
5,000	5,000	4,090	— 910
10,000	10,000	8,180	— 1,820
13,500	11,250	11,044	— 206
14,000	11,250	11,453	+ 203
20,000	15,000	16,360	+ 1,630
30,000	15,000	24,540	+ 9,540
50,000	15,000	40,900	+ 25,900

The attitude of the preference shareholders will depend entirely on their view of the possibility that future profits will pass the point of "dead centre." On this matter the circular is vague, and, in view of the undistinguished record of the company so far, shareholders may ask for more detailed estimates before sending in proxy forms. The board will have power to issue £62,500 of capital, if required, after the scheme, but is pledged to make such an offer, in the first place, to shareholders.

THE STANDARD BANK OF SOUTH AFRICA LIMITED

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

CAPITAL Authorised and Subscribed	£10,000,000
CAPITAL PAID UP	£2,500,000
RESERVE FUND	£2,500,000
CAPITAL UNCALLED	£7,500,000
	£12,500,000

BOARD OF DIRECTORS

William Reijerson Arbuthnot, Esq. Rt. Hon. the Earl of Athlone, K.G. Rt. Hon. Lord Balfour of Burleigh Stanley Christopher, Esq. Edward Clifton-Brown, Esq. Brigadier General Sir Samuel Herbert Wilson, G.C.M.G., K.C.B., K.B.E.	Robert E. Dickinson, Esq. J. F. G. Gilliat, Esq. Horace Peel, Esq. Rt. Hon. the Earl of Selborne, K.G. Sir Roderick Roy Wilson
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General Manager in South Africa—Francis E. King
Deputy General Managers in South Africa
Herbert G. Hoey, E. C. Frost, Milton Clough
Assistant General Managers in South Africa
James Bremner, Robert William Normand

London Manager—Bertram Lowndes Secretary—T. D. Williams

Head Office: 10 CLEMENTS LANE, LOMBARD STREET

and 27 KING WILLIAM STREET, LONDON, E.C.4

London Wall Branch: 63 LONDON WALL, E.C.2

West End Branch: 9 NORTHUMBERLAND AVENUE, W.C.2

NEW YORK AGENCY: 67 WALL STREET

HAMBURG AGENCY: 49 SCHAUBENBURGER-STRASSE

Over 370 Branches, Sub-Branches, and Agencies in SOUTH, EAST and CENTRAL AFRICA

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Gaumont British Accounts.—The accounts of the largest British film-producing and exhibiting company are hardly presented with the degree of "showmanship" rightly associated with the company's productions. The balance sheet figures show a substantial rise after the debenture redemption and issue in 1933, which reflects the acquisition of Denman Picture Houses and Provincial Cinematograph 5 per cent. stocks. As these, however, represent one-third of the total assets, while shares in subsidiary companies amount to £5,185,410 (against £5,610,298), or nearly 40 per cent. of the total, the advantage of a consolidated balance sheet and income statement would be considerable. The apparent increase in total profits from £462,612 to £692,214, includes an amount of £120,857 for interest on the stocks acquired, while the Corporation has paid a substantially larger sum in debenture interest. Available earnings have increased in approximately the same proportion as the preference and ordinary capital, which is now fully issued. A three-year analysis of profits follows:—

	Years to March 31		
	1932	1933	1934
Profit, including investment income	490,301	462,612	692,214
Income tax and depreciation.....	80,241	62,949	56,173
Debt interest.....	83,709	88,687	216,871
Earned for dividends	326,351	310,976	419,170
Preference dividend	93,750	93,750	163,750
Ordinary			
{ Earned	232,601	217,226	255,420
{ Paid	150,000	175,000	210,000
{ Earned %	10.4	9.3	9.0
{ Paid %	6	7*	7
Reserve	79,833	Nil	40,000
Carried forward.....	87,229	129,455	134,875

* And a capital bonus of 20 per cent. in "A" ordinary shares.

To judge from the experience of the exhibiting subsidiaries, the expansion of earnings comes chiefly from the production side. The Provincial Cinematograph and Denman companies showed a moderate fall in earnings for their latest year, while the General Theatre report has been delayed pending a capital re-arrangement. The Corporation's shareholding in this subsidiary has been written off from reserve, together with commissions and debenture premium, reducing the balance from £1,000,000 to £500,000. The financial co-ordination of the subsidiary company's indebtedness is calculated to effect considerable interest saving in future years, since the subsidiaries' stocks now redeemed carried interest at 6 and 7 per cent. These financial arrangements, and the technical progress of the company, hold promise for the future, but a quotation of 12s. ex dividend for the 10s. ordinary shares, to yield £5 16s. 6d. per cent. on latest dividend, emphasises the speculative element in the film industry.

* * *

R.M.S.P. Meeting.—Sir Arthur Maxwell, reading the speech of Mr P. G. Mylne Mitchell, the chairman of the Royal Mail Steam Packet Company, owing to the latter's absence from Wednesday's annual meeting through illness, finally disposed of any hopes which may have lingered among holders of the company's £8,800,000 of share capital, of any salvage of their interests from the wreck of the company's fortunes. As we suggested last week (page 692), prospects of an extension of the existing Scheme of Arrangement after December 31st next may be regarded as negligible. In Mr Mitchell's words, "it may be necessary very shortly to consider the winding-up of the company." Such an event will not, of course, affect the continuance of the shipping services of the Royal Mail and certain of its associated companies, which have been transferred to a separate concern, Royal Mail Lines, Limited, in which R.M.S.P. holds £880,000 out of a total capital of £4,000,000. That company is making annual trading profits and earning part, at least, of its depreciation charges. The Scheme of Arrangement removed its management from the arena of conflicting creditor interests. A widespread recovery in trade between this country and Latin America would restore some of its old lustre to the Royal Mail flag. If the creditors of the old

Royal Mail Company, however, are to obtain the maximum return from the "carving" of *realisable* assets, it would seem desirable that special measures should be undertaken to avoid forced sales in a general scramble. Time, in fact, is the greatest asset the second-line creditors are likely to possess. The company's shareholding in Royal Mail Lines is almost certain to improve with keeping. Among the company's freehold properties, Royal Mail House, in Leadenhall Street, London, has not as yet found tenants to replace all the accommodation vacated by the company's subsidiaries, but revenue is improving. The company's other freehold properties, in Glasgow, Manchester, Southampton, Jamaica, Rio de Janeiro and Buenos Aires, will command an increasing realisable value in proportion to the rate at which international trade revives. The ultimate value of holdings in major subsidiaries, whose balance-sheet figure has now been reduced to £4½ millions, is more problematical. It is not likely, however, to be very large. Investments in allied companies should have "a substantial value," though the latter is probably below the present book figure of £2,583,592. The right to recover from the White Star Line, in respect of liabilities for preference dividends which have fallen on R.M.S.P., or in respect of the principal of the White Star Line's £5,000,000 preference capital (which will fall on the company in due course), is regarded, unfortunately, as practically valueless. This is a sorry story, which should spell the doom of "autocratic finance" in the British shipping industry. The lesson may be salutary, but experience, in this instance, has been bought at too high a cost.

* * *

S.T.D. Agreement?—This week's developments in the S.T.D. Motors case (whose leading features were outlined in our last issue, page 692) suggest that considerable progress has been made towards closing the breach between certain large noteholders and their trustees. The hearing of the trustees' motion for appointment of a receiver was resumed on Friday, October 12th, when it was intimated, on behalf of the company, that negotiations had been completed for obtaining funds for meeting note interest and redemption due on September 30th, upon which the security became enforceable on October 15th. The arrangement, however, was conditional upon the action being discontinued. On Monday last, specific proposals were discussed by opposing counsel, the motion again being adjourned. The meeting of the noteholders called by the company, at the recommendation of an *ad hoc* noteholders' committee, was held on Tuesday, when it was announced that a group, represented by British and International Investment Trust, had undertaken to provide £50,000 for payment of the note service, conditional upon the withdrawal of the trustee's motion and action, and upon the withdrawal of the proposed modifications of noteholders' rights. The Trust was also to nominate a financial controller and director to the company "with such powers as the Trust might require for him over the finances and expenditure of the company. . . ." Mr Birch Crisp, as a trustee, emphasised that the trustees would not acquiesce in any infringement of noteholders' rights without seeking their consent, and the trustees were accorded a vote of confidence by the meeting. Meanwhile the trustees' motion has been standing over until Friday of this week, and the outcome of the proceedings was not known when we went to press.

* * *

Other Company Results.—This week's reports give scope for an appreciation of the trend of industrial earnings. Of the twenty-six additional companies whose results appear in our summary on page 758, eleven cover a considerable section of miscellaneous industrial and trading activity. The general movement throughout the list is satisfactory, and significant reductions in earnings are restricted to Standard Motor (£106,795, against £131,962), although here the repeated payment of 15 per cent. leaves a satisfactory transfer to reserve and depreciation. The week's rubber reports evidence continued improvement

during the year to June last, and three out of five companies (including Karmen and Central Sumatra) have returned to the dividend list. Among investment trusts, quite small declines in net revenues are shown by British Canadian and Second Broadmount, while Staveley Trust shows an improvement from £16,814 to £17,762. Among the miscellaneous companies not dealt with in earlier notes, chief market interest has centred on Ranks accounts. The available balance of £366,430 somewhat appeased those holders who were disappointed with the 15 per cent. dividend, for the indicated earnings were little short of the prospectus earnings estimate. "Substantial sums," according to the report, have been earned by Joseph Rank, the principal subsidiary, and have been retained in this company's accounts, to constitute, in the opinion of the parent company's directors, an adequate reserve out of profits for the period. Fison, Packard and Prentice, the fertiliser and chemical manufacturers, report an increase in net profits from £46,065 for a broken period to £63,225 for a full year. The dividend is higher at 7½ per cent. Erinoid, which manufactures horn and bone substitutes from separated milk, continues its steady expansion of earnings, which amounted to £45,159 for the year to July, against £41,845. Herbert Morris, who specialise on conveyors for industrial plants, record net profits of £36,141, compared with £29,901. This week's dividend announcements include B.A. Great Southern and B.A. Western Railways. Both companies state that the net revenues for the year to June 30th are lower than for the previous year, but full dividends are to be paid on the 5 and 6 per cent. Great Southern preference and 4½ and 5 per cent. Western preference stocks. The dividends in each case are made possible by drawing on accumulated balances, and by remitting proceeds of bond sales in Buenos Aires through the free exchange market. It was announced on Thursday that the Central Argentine preference dividends would not be paid. Other features of this week's list include some lower tea interim dividends. The report of Wiluna Gold Corporation, received as we go to press, reveals an available profit of £403,427. A final dividend of 2s. 6d. per share, making 22½ per cent. for the year is recommended. Union Corporation have declared an increased interim dividend of 2s. 6d. per share, against 2s. a year ago.

* * *

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Harrisons and Crosfield, British Rubber Estates of Java (1932), and Java Produce Company (1932). Mr H. Eric Miller's review of rubber trade prospects at the Harrisons and Crosfield's meeting, and some of its weighty implications, are discussed in an Investment Note on page 738. At the meeting of the British Rubber Estates of Java, Mr James Davenport declared that each of the company's nine rubber-producing estates had contributed to the year's profits, which had shown a marked improvement on the first period of operation after the company's reconstruction. At the Java Produce Company meeting, Mr G. R. P. Llewellyn declared that the barometer of the rubber industry was at present set fair for better times. In the current year it was hoped that profits from that source would be more than enough to extinguish the company's debit balance on profit-and-loss account.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET | ACCOUNT
October 23 | October 25

MARKETS this week again failed to find their desired lead. Conditions were good-humoured rather than cheerful, with little to show for excessive satisfaction or dissatisfaction. The atmosphere, indeed, was noticeably more easy-going, and the slight deceleration of speculative activity sufficed to encourage a gentle downward drift of quotations. Although markets showed no positive response to the improving export figures, they assisted in preventing any

erosion of the firm tone, but on the whole the week's limited business was no more conclusive than that of its predecessor.

The gilt-edged market was distinctly quieter and easier in tone at the opening, and it was not until late dealings on Tuesday that real activity was seen. This was checked by the underwriting of the Central Electricity Board loan (discussed on page 737) on Wednesday, but Conversion issues recorded fractional gains later, while War Loan, at 105½, achieved a new high record. India loans were quiet in early dealings, but recovered somewhat on Wednesday. Dominion issues attracted little business, but quotations were distinctly firm, particularly for small premium stocks.

Quiet conditions were reported in the foreign bond market. Brazilian issues were dull owing to a revision of recent favourable estimates, but staged a fractional recovery in mid-week. Similar conditions characterised the Chilean market, where dealers were less assured regarding the possibility of an early agreement on the debt service. Argentine loans were well supported on the favourable trade figures. Chinese issues were sold following the silver export restrictions, but Japanese bonds, after two uneventful days, were in moderate demand on Wednesday. Among European issues, German bonds declined irregularly, but other changes were slight.

Home rails were very quiet on the first two days, in consideration of the less favourable traffics of the previous week. This week's improved figures stimulated prices, although business showed no considerable expansion. London Transport "C" stock was in steady demand and was quoted at 87 on Wednesday. In the foreign group, absence of support, particularly for Argentine issues, caused a sagging tendency, and there was some short-lived panic selling of B.A.G.S. 6 per cent. preference, which was promptly reversed in correct anticipation of the dividend statement on Wednesday evening. Brazilian issues were steady.

Restricted business and continued inability to "take a view" were responsible for a slight softening in prices among leading industrial shares. Motor shares were active, but the rather sentimental background for recent buying was insufficient to resist a considerable element of profit-taking, and there was no regular tendency. Air race publicity did little to help the Aviation group, and prices were generally lower. Moderate investment business was transacted in electric supply shares, and equipment shares, such as Enfield Cables and Telegraph Construction, continued to attract steady interest. Activity in the Iron, Coal and Steel group was reasonably satisfactory, but price changes were irregular and limited. Brewing issues were rather languid, and some moderate selling depressed prices to a small extent. Tobacco shares, whose prospects are reviewed in a leading article on page 736, moved in unexciting fashion between narrow limits, and Distillery issues were little changed. In the Stores group, Woolworth were a feature of strength, and support was noticeable for some West-end houses, such as Harrods and Swears and Wells. In the Provision section Unilever issues were easier. Business in Textile shares was restricted, and prices, where changed, were lower. British Celanese were firm, in the Rayon group, on the record profits (upon which we comment on page 740), but Courtaulds declined owing to small selling orders. Narrow movements were seen among specu-

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lative leaders in the Miscellaneous market. Milling issues were firmer on the Ranks results, but Building Material shares were noticeably duller. Imperial Chemicals, Murex, Turner and Newall and British Oxygen experienced fractional declines.

The Oil market was very disappointing. An increase in crude oil production, and the Standard Oil price cut, led to total disappearance of professional and public interest, and although selling was not on a large scale prices were generally easier. The Rubber market opened with a dull tone, and despite some partial support on Tuesday, and a firmer commodity price on Wednesday, interest was never aroused. The Tea share market became more clouded as the week progressed, despite anticipation of a tightening of restriction and the satisfactory tendency in Mincing Lane.

Interest in the Mining markets remained, broadly speaking, in a state of apathy. Some special features, such as Consolidated Main Reef extension and the Springs report, attracted interest, but the tone showed no particular improvement in the absence of authoritative statements regarding the grading problem. West African issues became quieter after fairly active trading on Monday. Ariston were the centre of attention, but other speculative favourites were inclined to recede slightly on Wednesday. The Australian section remained quiet, but there was some rather optimistic support (for which the pros and cons are discussed on page 738) for silver shares in consequence of the Chinese restrictions. Business in tin and copper shares remained at low ebb.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934	Oct. 18, 1934
Government and Municipal Loans	1,312	1,299		1,388	1,265	1,197	1,188
Transport, Communications, and Public Utilities	1,002	932		1,049	925	930	988
Commercial and Industrial	3,661	3,687		3,794	3,363	3,726	3,090
Banks, Insurance and Financial	565	518		623	549	570	527
Mines (including Nitrate)	1,167	1,346		1,449	1,198	1,139	1,490
Oils	111	129		138	112	136	129
Rubber, Tea and Coffee	501	423		485	354	380	362
Total	8,319	8,334		8,926	7,766	8,078	7,774
Corresponding day in 1933	8,848	10,234		9,708	8,671	8,166	8,545

* Including iron and steel and breweries.

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

Highest of 1934 (Oct. 15)	Lowest of 1934 (Feb. 8)	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934	Oct. 18, 1934
90.6	83.5	90.6	90.5	Closed	90.6	90.4	90.3	90.1

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Oct. 18)	Lowest of 1934 (Jan. 2)	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934	Oct. 18, 1934
135.1	128.8	134.9	134.9	Closed	135.0	135.0	135.0	135.1

FOREIGN STOCK EXCHANGES

NEW YORK

ALTHOUGH prophets of a coming Wall Street boom freely announced last week's developments as the signal for "zero hour," the markets were already in two minds, by the end of last week, about the President's alleged re-orientation towards a policy of renewed currency experiments. The week's oracular and somewhat conflicting suggestions from the White House, indeed, left many investors convinced that the President was giving another consummate exhibition of the art of riding two horses at once, whose potential utility was naturally at a maximum before an election. Inflationary sentiment consequently tended to die down, and the announcement by the Treasury of its

intention of repaying another \$1,870 millions of Fourth Liberty Bonds on April 15th was regarded as a confirmation of the honourable nature of the Government's real currency intentions. On Monday, share turnover returned to the half-million level, and all groups were subject to moderate selling, with the exception of silver shares. The tone subsequently became a little firmer, but the market from time to time was subject to bouts of liquidation. There was an impression that, on the whole, the Administration was not likely to go out of its way to be unfriendly to business, but that the latter was unlikely to produce, unaided, any marked revival in the immediate future. Despite occasional rallies, oil shares continued to reflect pessimism regarding the fate of the industry's precarious price structure. The Chinese Government's new duties were interpreted in a sense favourable to silver shares, but the readiness of speculators to take profits in the middle of the week did not augur complete confidence in a situation whose elements of artificiality were only too evident. Although the Bureau of Agricultural Economics predicted higher autumn prices for farm products, the commodity markets were unsettled. The bond market was moderately active, Treasury Threes touching par again, though the volume of business tended to fluctuate appreciably from day to day. General trade news failed to give any definite lead to the markets. Steel mill activity showed a decline at 23.5 per cent. of capacity as compared with 24.5 per cent. last week, but the lost ground was expected to be regained before the end of the month.

	Oct. 10, 1934	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934	Oct. 18, 1934
Lb. Ln. 31%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 4 1/4%	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Atchafalaya	52 1/2	53 1/2	53 1/2	53 1/2	53 1/2	53 1/2	53 1/2	53 1/2
Erie	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Illinois Central	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
N.Y. Central	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2	22 1/2
Pennsylvania	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2
Southern Pacific	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
Southern Rly.	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
Union Pacific	101	102	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2	102 1/2
Am. Can.	100 1/2	103	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2
Amer. Smelting	35	36 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2
Anacosta	11	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Bethlehem Steel	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
Chrysler Motor	35 1/2	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2	36 1/2
Corn Produce Rl.	65 1/2	65 1/2	65 1/2	65 1/2	65 1/2	65 1/2	65 1/2	65 1/2
Eastman Kodak	100 1/2	103	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2	104 1/2
Gen. Electric	18 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2
Gen. Motors	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2
Int. Harvester	31 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Mont. Ward	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
Natl. Biscuit	28 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2
Pheasant Dodge	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Phillips	37 1/2	39 1/2	39 1/2	39 1/2	39 1/2	39 1/2	39 1/2	39 1/2
Sears-Roebuck	40 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2
Studebaker	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2
Un. Fruit	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
U.S. Leather	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
U.S. Rubber	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
U.S. Steel	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2
Westinghouse	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2	32 1/2
Woolworth	48 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2
Am. Tel. and Tlg.	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2	111 1/2
Interboro R.T.	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2
Int. Tel. Teleg.	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
Radio Corp.	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Utilities P. and L.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
W. Union Tlg.	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
Associated Gas "A"	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2
Shell	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Shell Union	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2
Std. California	43 1/2	43 1/2	43 1/2	43 1/2	43 1/2	43 1/2	43 1/2	43 1/2
Do. N.J.	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2	41 1/2

† Calculated at \$4.89 1/2 to £.

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

	1933	Jan. 1 to Oct. 17, 1934	Beginning of Year 1934	Oct. 3, 1934	Oct. 10, 1934	Oct. 17, 1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	38.7	86.6	74.3	90.5	79.6	75.1
33 Rails	23.9	54.5	34.0	51.4	40.6	35.0
97 Utilities	68.8	101.0	62.1	83.4	66.4	63.6
Total, 421 stocks	40.9	83.4	65.6	82.1	70.8	66.3
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.91%
	† February 7th.			(a) Sept. 12th.		

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Oct. 10, 1934	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934
105.0	78.0	83.8	84.9	(a)	84.0	83.1	84.1	84.2

(a) Columbus Day.

TOTAL DEALINGS IN NEW YORK

	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934
Stock Exchange—Shares (Thous.)	1,390		410	510	680	660
Bonds (Value Thous. \$)	13,900	(a)	6,590	10,300	16,190	13,620
Curb—Shares (Thous.)	220		104	103	121	126

* Two-hour Session.

(a) Columbus Day.

PARIS

Markets opened dull, under the influence of political uncertainties and the death of M. Poincaré. The success of the 4 1/2 per cent. Treasury Loan encouraged a firmer tone in the middle of the week, but business continued to be on a reduced scale. Rentes advanced on the loan announcement, but bank shares were undecided. Among utility issues, electrical shares showed weakness. Interest in gold-mining shares strengthened as the week progressed, and diamond shares made a sharp advance on Wednesday. The market was closed on Thursday, which was a day of national mourning for the late King Alexander of Yugoslavia.

	Oct. 10, 1934	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934
Banque de France	10,300	10,296	10,160	10,160	10,160	10,160	10,160
Crédit Lyonnais	1,858	1,857	1,822	1,822	1,822	1,822	1,822
Suez Canal	18,775	18,895	18,870	18,870	18,870	18,870	18,870
Chargeurs Réunis	105	107	102	102	102	102	102
Rio Tinto	1,015	999	1,026	1,026	1,026	1,026	1,026
Royal Dutch	15,050	14,830	14,850	14,850	14,850	14,850	14,850
Wagons Lits	76	75	75	75	75	75	75
Mexican Eagle	26 1/2	26 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2
Chartered	75 1/2	75 1/2	74 1/2	74 1/2	74 1/2	74 1/2	74 1/2
Ford	49	50	46 1/2	46 1/2	46 1/2	46 1/2	46 1/2
De Beers	261	261	271	271	271	271	271
"Johnnies"	238	239	241 1/2	241 1/2	241 1/2	241 1/2	241 1/2

BERLIN

The market had an undecided tendency last week, but quotations on the whole showed little change. The shares of the Reichsbank and the commercial banks were relatively firm. Lignite shares showed some recovery after their recent heavy decline, and a number of steel shares, particularly Mannesmann, were in demand. The present week opened with an easy tendency, though shipping shares, exceptionally, were firm and reichsmark bonds, apart from industrial issues, tended slightly to gain ground. Converted dollar bonds on the whole were weaker, though certificated bonds remained steady. The tone remained dull in mid-week, electrical shares in particular having a heavy tendency. The Official Bourse Index for September (1924-26 = 100) stood at 83.12 for shares and 88.97 for reichsmark bonds.

	Oct. 10, 1934	Oct. 11, 1934	Oct. 12, 1934	Oct. 13, 1934	Oct. 15, 1934	Oct. 16, 1934	Oct. 17, 1934
Reichsbank	146.50	148.00	145.50	145.50	145.50	145.50	145.50
D.D. Bank	73.25	77.00	76.50	76.50	76.50	76.50	76.50
Dresdner (New)	76.25	78.75	78.75	78.75	78.75	78.75	78.75
I. G. Farbenindustrie	142.40	144.00	145.00	145.00	145.00	145.00	145.00
Norddeutscher Lloyd (New)	29.90	31.25	31.10	31.10	31.10	31.10	31.10
A. E. G.	28.75	28.90	28.90	28.90	28.90	28.90	28.90
Siemens & Halske	143.50	142.40	142.50	142.50	142.50	142.50	142.50
A. K. U.	62.25	62.90	62.90	62.90	62.90	62.90	62.90
Hamburg - Amer. ("Hapag New")	27.25	29.25	28.90	28.90	28.90	28.90	28.90

AMSTERDAM

Dull conditions were in evidence at the opening, and only a slight increase of activity occurred as the week wore on. Royal Dutch were subject to fairly heavy liquidation on Monday, and showed no appreciable recovery on subsequent days. Demand for rubber shares, however, tended slightly to strengthen, and sugar shares were firm on expectations of the discontinuance of Java sugar control. Tea shares, however, tended to lose ground, and the tone of tin shares was dull and undecided. A moderate business was done in industrial shares at slightly higher average prices.

	Oct. 10, 1934	Oct. 15, 1934	Oct. 17, 1934		Oct. 10, 1934	Oct. 15, 1934	Oct. 17, 1934
2½% Dutch Loan	78½	78½	77½	Steel Common	191	20	201
5½% German	214	214	21	A. K. U.	321	319	319
Unilever N.V.	70	70½	70½	Ford Motor Co.	211	212	212½
Philips' Lamp	219½	219½	215½	Deft. Batavia	149½	148	146
Netherlands Ship				Royal Dutch	146½	144½	144½
Union Inds.	322	331	33	Handels Ams	160	157½	159½

LONDON ACTIVE SECURITY PRICES AND YIELDS

NOTE—Shares with a New York Quotation or with definite American interest are distinguished by italics

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933				Prices Year 1934 (Jan. 1 to Oct. 17)				Name of Security	Price, Oct. 10, 1934	Price, Oct. 17, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to Oct. 17)			Name of Security	Price, Oct. 10, 1934	Price, Oct. 17, 1934	Rise or Fall	Yield
High	Low	High	Low	High	Low	(a)	(b)						(c)							
British Funds																				
77 1/2	70 1/2	82 1/2	73 1/2	Consols 2 1/2%	82	81 1/2	- 1/2	3 1 3	10/6	5 1/2	Nil	Nil	Anglo S. A. 10 1/2% pd.	7/6	7/6	0	Nil	Nil		
110 1/2	105 1/2	114 1/2	109 1/2	Do. 4% Red. at par on or after Feb. 1935	113 1/2	113 1/2	0	3 3 3	11/3	39/9	51/2	51/2	Bank of New Zealand 10 1/2%	43/9	43/9	0	3 13 3	3		
94 1/2	92 1/2	98 1/2	92 1/2	Convent. 2 1/2% 1914-49	98 1/2	98 1/2	0	2 12 6	3/8	34/3	5/6	5/6	Bank of Eng. Stk.	367 1/2	367 1/2	0	3 5 3	3		
101 1/2	97 1/2	103 1/2	101 1/2	Do. 3% 1948-53	102 1/2	102 1/2	0	2 14 9	37/10	69/4	7/6	7/6	Barclay B. (£1)	73/3	73/3	0	3 14 9	3		
110 1/2	107 1/2	112 1/2	108 1/2	Do. 3 1/2% after 1961(s)	104 1/2	104 1/2	0	2 10 0	37/10	30/3	2 1/2	2 1/2	Barcl. (Dom. c.) A 1 1/2	33/6	33/6	0	2 14 9	3		
116 1/2	114 1/2	120 1/2	115 1/2	Do. 4% 1940-44	112 1/2	112 1/2	0	2 18 0	8 1/2	4/6	3 1/2	3 1/2	Bk. of Australasia (£5) 9	8 1/2	8 1/2	0	4 4 6	6		
113 1/2	108 1/2	116 1/2	111 1/2	Do. 5% 1944-44	118 1/2	118 1/2	0	3 1 0	40 1/2	32 1/2	11 1/2	11 1/2	Bk. of Montreal (\$100) 26	24 1/2	24 1/2	0	3 2 8	8		
100 1/2	98 1/2	101 1/2	99 1/2	Funding 3% 1930-39	115 1/2	115 1/2	0	3 1 0	30 1/2	22 1/2	5 1/2	5 1/2	British Overseas A 5 1/2	4 1/2	4 1/2	0	6 13 3	3		
103 1/2	100 1/2	105 1/2	101 1/2	Funding 4% 1939-40	100 1/2	100 1/2	0	1 19 9	16 1/2	14 1/2	7/6	7/6	Chtd. of India (£5)	15 1/2	15 1/2	0	4 7 0	0		
108 1/2	105 1/2	110 1/2	107 1/2	2% Treasury Bds. 35-42	101 1/2	101 1/2	0	2 10 6	18 1/2	12 1/4	2 1/2	2 1/2	Comcl. Bk. of Aus. 10/-	13/9	13/9	0	2 17 0	0		
110 1/2	107 1/2	114 1/2	109 1/2	Victory Bonds 4%	112 1/2	112 1/2	0	3 3 0	70/8	8 1/2	8 1/2	8 1/2	District A 5 1/2, 1 pd.	80/-	80/-	0	4 3 4	4		
102 1/2	97 1/2	106 1/2	101 1/2	War Loan 3% after 1952(p)	105 1/2	105 1/2	0	3 3 9	55/9	48/6	5/6	5/6	Do. P. 1 fully paid.	93 1/2	93 1/2	0	3 15 9	9		
89 1/2	82 1/2	94 1/2	86 1/2	Local Loans 3%	102 1/2	102 1/2	0	2 19 0	5 1/2	4 1/2	2 1/2	2 1/2	Emp. Scot. & Aust. 5 1/2, 3pd	5 1/2	5 1/2	0	1 12 3	3		
65 1/2	58 1/2	72 1/2	61 1/2	Austria 3% 1933-38	70 1/2	70 1/2	0	3 10 11	9 1/2	8 1/2	6 1/2	6 1/2	Do. P. 1 fully paid.	137 1/2	136 1/2	- 1/2	4 8 0	0		
78 1/2	75 1/2	81 1/2	78 1/2	India 2 1/2%	84 1/2	84 1/2	0	3 11 5	14 1/2	12 1/2	9 1/2	9 1/2	Hambros £10, 2 1/2, paid	60/-	60/-	0	4 0 0	0		
101 1/2	97 1/2	103 1/2	101 1/2	Do. 3%	96 1/2	96 1/2	0	3 11 0	60/6	55/9	6/6	6/6	Lloyd & S. (\$125)	137 1/2	136 1/2	- 1/2	4 8 0	0		
107 1/2	104 1/2	108 1/2	106 1/2	Do. 4% 1958-68	115 1/2	115 1/2	0	3 9 6	81/9	8 1/2	8 1/2	8 1/2	Midland £1, fully pd.	89 1/2	89 1/2	0	3 10 0	0		
107 1/2	105 1/2	107 1/2	105 1/2	U.K. & Afr. 4% A(1947)	107 1/2	107 1/2	0	3 9 6	38 1/2	34 1/2	4 1/2	4 1/2	Nat. of Egypt £10.	37 1/2	37 1/2	0	4 3 3	3		
111 1/2	103 1/2	112 1/2	107 1/2	Dom. & Colonial Govts.	112 1/2	112 1/2	0	3 15 0	40 1/2	4 1/2	10 1/2	10 1/2	Nat. of India £25, £1 1/2 pd.	14 1/2	14 1/2	0	4 2 0	0		
106 1/2	101 1/2	108 1/2	103 1/2	Canada 4% 1940-60	105 1/2	105 1/2	0	3 10 0	47 1/2	14 1/2	13 1/2	13 1/2	Royal Bk. of Scotland	462	462	0	3 13 6	6		
116 1/2	111 1/2	117 1/2	113 1/2	Gold Coast 4 1/2 1956	117 1/2	117 1/2	0	4 18 0	90 1/2	83/6	9/6	9/6	St. S. of Af. £20, 5 1/2, 1 pd.	133 1/2	133 1/2	0	3 13 6	6		
104 1/2	101 1/2	105 1/2	101 1/2	Nigeria 5% 1950-60	107 1/2	107 1/2	0	3 17 0	84/6	74/6	10/6	10/6	Westminster £4, 1 1/2 pd.	89/6	89/6	0	4 0 0	0		
112 1/2	108 1/2	112 1/2	109 1/2	N.S. Wales 5% 45-55	112 1/2	112 1/2	0	3 17 0	6 1/2	5/6	5/6	5/6	Alexanders 2, £1 pd.	81 1/2	81 1/2	0	4 13 0	0		
107 1/2	102 1/2	109 1/2	104 1/2	Queensland 5% 1946	107 1/2	107 1/2	0	3 13 8	74/6	6 1/2	5/6	5/6	National A £24 fully pd.	12 1/2	12 1/2	0	4 16 0	0		
114 1/2	107 1/2	116 1/2	111 1/2	S. Africa 5% 1945-75	116 1/2	116 1/2	0	3 7 0	13 1/2	12 1/2	9 1/2	9 1/2	Union, £5, £24 pd.	112 1/2	112 1/2	0	4 5 1	1		
94 1/2	60 1/2	99 1/2	89 1/2	Foreign Governments	99 1/2	99 1/2	0	4 4 3	29 1/2	25 1/2	4/6	4/6	Alliance £1, fully pd.	28 1/2	28 1/2	0	3 2 6	6		
105 1/2	99 1/2	106 1/2	100 1/2	Argentine 4% Resc. 1952	104 1/2	104 1/2	0	9 8 0	13 1/2	14 1/2	14/6	14/6	Atlas £5, £1 1/2 pd.	13 1/2	13 1/2	0	3 0 0	0		
74 1/2	54 1/2	85 1/2	69 1/2	Austrian 6% 1923-43	76 1/2	76 1/2	0	5 18 8	10 1/2	9 1/2	20 1/2	20 1/2	Com. Un. £1, fully pd.	10 1/2	10 1/2	0	3 17 0	0		
50 1/2	29 1/2	62 1/2	37 1/2	B. Ailes (Prov.) 9 1/2	111 1/2	111 1/2	0	6 5 0	19 1/2	16 1/2	32 1/2	32 1/2	Gen. Accident £5, £1 1/2 pd.	31 1/2	31 1/2	0	3 17 0	0		
115 1/2	108 1/2	114 1/2	109 1/2	Belgian 7% red. by 1956	28 1/2	28 1/2	0	8 16 0	32 1/2	32 1/2	32 1/2	32 1/2	Royal Exchange (£1)	10 1/2	10 1/2	0	3 17 0	0		
30 1/2	18 1/2	30 1/2	20 1/2	Bulgaria 7 1/2% Loan	88 1/2	88 1/2	0	5 13 8	16 1/2	15 1/2	40 1/2	40 1/2	N.Brit. & Mer. £5, £1 1/2 pd.	41 1/2	41 1/2	0	3 17 0	0		
27 1/2	22 1/2	30 1/2	16 1/2	Brazil 5% Fund. 1914	24 1/2	24 1/2	0	6 17 9	18 1/2	16 1/2	40 1/2	40 1/2	N.Brit. & Mer. £5, £1 1/2 pd.	41 1/2	41 1/2	0	3 17 0	0		
96 1/2	86 1/2	96 1/2	86 1/2	China 5% (1912)	72 1/2	72 1/2	0	5 6 0	18 1/2	17 1/2	22 1/2	22 1/2	Northern £10, £1 1/2 pd.	18 1/2	18 1/2	0	4 3 0	0		
91 1/2	87 1/2	97 1/2	87 1/2	Do. 5% (1913)	106 1/2	106 1/2	0	7 7 6	16 1/2	14 1/2	30 1/2	30 1/2	Pearl (£1), fully paid.	18 1/2	18 1/2	0	2 13 0	0		
105 1/2	96 1/2	101 1/2	96 1/2	Czechoslovakia 8%	91 1/2	91 1/2	0	3 6 0	33 1/2	30 1/2	192 1/2	192 1/2	Phonix £1, fully pd.	15 1/2	15 1/2	0	3 15 6	6		
80 1/2	51 1/2	85 1/2	75 1/2	Danish 3%	84 1/2	84 1/2	0	7 14 9	99 1/2	75 1/2	192 1/2	192 1/2	Prudential £1 A	32 1/2	32 1/2	0	2 11 0	0		
104 1/2	95 1/2	111 1/2	104 1/2	Denmark 6 1/2	107 1/2	107 1/2	0	3 15 0	8 1/2	7 1/2	3 1/2	3 1/2	Royal £1, with 48. paid	8 1/2	8 1/2	0	3 11 0	0		
101 1/2	72 1/2	105 1/2	101 1/2	Do. 5% (1913)	103 1/2	103 1/2	0	5 16 6	99 1/2	89 1/2	8 1/2	8 1/2	Royal Exchange (£1)	8 1/2	8 1/2	0	3 11 0	0		
26 1/2	21 1/2	28 1/2	22 1/2	Egypt Unified 4%	27 1/2	27 1/2	0	13 9 3	90/6	77/9	13/6	13/6	Royal £1, 10s. paid.	4 1/2	4 1/2	0	4 0 0	0		
100 1/2	61 1/2	95 1/2	46 1/2	Finland 6% 1923	34 1/2	34 1/2	0	4 12 6	6 1/2	5 1/2	18 1/2	18 1/2	Sea Insur., £1 fully pd.	6 1/2	6 1/2	0	2 17 0	0		
40 1/2	30 1/2	40 1/2	30 1/2	French 4% (British) ..	34 1/2	34 1/2	0	14 5 9	18 1/2	16 1/2	130 1/2	130 1/2	Sun. Insur. £1 with 5/- pd	6 1/2	6 1/2	0	2 10 0	0		
34 1/2	22 1/2	36 1/2	31 1/2	German 7% Bnd. 1930	27 1/2	27 1/2	0	18 16 1	20 1/2	18 1/2	130 1/2	130 1/2	Sun. Insur. £1, fy pd	18 1/2	18 1/2	0	2 11 0	0		
41 1/2	29 1/2	43 1/2	37 1/2	Do. 8 1/2% (1924)	42 1/2	42 1/2	0	24 20 1	61 1/2	53 1/2	61 1/2	61 1/2	Yorkshire £1, fully pd.	18 1/2	18 1/2	0	2 11 0	0		
58 1/2	34 1/2	62 1/2	39 1/2	Hungary 7 1/2	42 1/2	42 1/2	0	6 14 0	60 1/2	50 1/2	24 1/2	24 1/2	Anglo-American Deb.	239 1/2	239 1/2	0	4 3 2	2		
83 1/2	59 1/2	87 1/2	76 1/2	Japanese 5 1/2 1936-65	84 1/2	84 1/2	0	6 16 0	9 1/2	5/3	11 1/2	11 1/2	Anglo-Celtic Ord.	54 1/2	54 1/2	0	2 15 1	1		
97 1/2	57 1/2	94 1/2	84 1/2	Do. 6% (1924) red 1959	91 1/2	91 1/2	0	6 16 0	21 1/2	13/6	24 1/2	24 1/2	Atlas Electric, etc., £1 ...	8 1/2	8 1/2	0	Nil	Nil		
107 1/2	83 1/2	105 1/2	83 1/2	Do. 6% (1924) red 1959	119 1/2	119 1/2	0	3 7 0	21 1/2	21/6	15 1/2	15 1/2	Brit. Assets Trust 5/-	10/6	10/6	0	1 3 3	3		
83 1/2	55 1/2	85 1/2	55 1/2	Norwegian 4% 1911	47 1/2	47 1/2	0	22 1/2	6 1/2	6/6	4 1/2	4 1/2	Debiture Corp. Stk.	217 1/2	217 1/2	0	4 12 0	0		
87 1/2	69 1/2	95 1/2	84 1/2	Peru 7% (1922)	93 1/2	93 1/2	0	7 13 10	98 1/2	64 1/2	24 1/2	24 1/2	For. Amer., etc., Def.	81 1/2	81 1/2	0	4 18 2	2		
29 1/2	15 1/2	20 1/2	14 1/2	Poland 7% Con. 1922	17 1/2	17 1/2	0	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	Guadiana investment.	258	258	0	3 15 6	6		
101 1/2	91 1/2	121 1/2	97 1/2	Romania 4% Con. 1922	115 1/2	115 1/2	0	2 18 4	316 1/2	268 1/2	5/6	5/6	Indian and Ordn.	275	275	0	4 7 3	3		
105 1/2																				

(Continued from page 745)

PUBLIC OFFERS

Central Electricity Board.—Issue of £6,000,000 3½ per cent. stock, 1974-94, at £93 per cent. The stock ranks *pari passu* with existing issues. Issue will be redeemed by operation of cumulative sinking fund commencing not later than 1940, by May 1, 1994, at par, but the board may redeem whole or part of the issue after May 1, 1974, on three months' notice. Maximum borrowing powers are £60,000,000 and consents have been given in respect of £52,320,000, including present issue, of which £16,725,350 is for standardisation of frequency and £35,594,650 for transmission lines and other purposes. Proceeds of present issue required for these purposes and for interest on stocks issued so far as payable out of capital. Trading on tariff commenced in certain areas from January.

Lanarkshire County Council.—Issue of £2,230,000 3 per cent. redeemable stock, 1954-64, at £97½ per cent. Redeemable January 15, 1964, or after January 15, 1954, on three months' notice, at par. Proceeds required for repayment of existing 5½ per cent. stock. Secured on the whole revenues of County Council, and ranks *pari passu* with other loans. Net debt on May 15, £11,861,048, comprised of rating services, £3,434,611, housing £7,592,218, and revenue undertakings £834,219. Total valuation £2,997,710, and average rate for current year 15s. 3d. in £. Applications for conversion will receive preferential consideration.

Ault and Wiborg, Ltd.—Issue of 150,000 5½ per cent. cumulative redeemable £1 preference shares and 200,000 £1 ordinary shares at par. Incorporated to acquire English printing-ink manufacturing business of similar name and formerly of American ownership. Profits, after estimated depreciation and directors' remuneration: 1931, £29,011; 1932, £32,453; 1933, £37,427; half-year to June 30, 1934, £19,953. Net assets acquired, on valuation and book value, £103,780. Purchase price £350,000 in cash, £246,220 being in respect of goodwill, expenses to be paid by vendor. Preference shares redeemable at 22s. to December, 1949, by allocation of £5,000 per annum out of profits to purchases, and thereafter at 24s. on three months' notice.

Lavers Optical Company.—Issue at par of 120,000 A ordinary shares of 5s. each.

BY STOCK EXCHANGE INTRODUCTION

General Gas and Electricity Company, Ltd.—Particulars of issue of 35,000 5 per cent. redeemable preference shares of £1. Company incorporated November, 1930, to acquire interests in gas and electricity companies. Shares redeemable at par on December 31, 1969, or from 1965 on six months' notice. £40,000 4½ per cent. debenture stock, redeemable at par on December 31, 1969, has also been issued, secured without trust deed as first charge on assets.

Gold Coast Associated Companies, Ltd.—Particulars of issue of 1,200,000 shares of 5s. at par, carrying option to July 31, 1936, to subscribe for one share for every two held at 6s. Company formed to finance and underwrite issues of associated and other gold mining companies in West Africa. Proceeds of issue will provide £293,500, which is estimated as sufficient for initial operations.

ISSUES TO SHAREHOLDERS ONLY

The National Omnibus and Transport Company.—This company is issuing to holders 150,000 new ordinary of £1 each at 27s. 6d. per share. The issue is being made to repay temporary borrowing undertaken to finance an extension of interests during the past year.

Central Portland Cement Company, Ltd.—To provide for expenditure on a new kiln, the directors propose that the issued capital should be increased by £75,000, by creating 250,000 ordinary shares of 4s., and to offer them with 25,000 unissued preference shares of £1 for subscription by shareholders, the ordinary shares at 4s. 3d. per share, and the preference shares at 22s. 6d. per share. The balance of the amount required (estimated at £92,000) will be provided out of the company's cash resources.

Sungei Telor Rubber.—In order to acquire a neighbouring property, the directors of Sungei Telor (Malaya) Rubber Estate propose to issue 291,700 1s. ten per cent. cumulative convertible preference shares at 1s. 8d. per share. The new shares will be convertible into ordinary at any time up to December 31, 1939. An extra-ordinary general meeting will be held on October 25th, to approve the necessary resolution.

PRIVATE PLACINGS

Jenson and Nicholson.—This company has placed privately 150,000 six per cent. cumulative pre-preference shares of 5s. each.

West London Property.—It is understood that 100,000 new 5½ per cent. preference shares £1 and 100,000 new ordinary shares £1 have been privately placed.

FORTHCOMING ISSUES

Argentine Navigation Company.—It is intended to market 975,000 10 per cent. cumulative participating preference shares of 5.04 gold pesos each of this company. Treasury permission has been obtained for the introduction, the proceeds of which will be utilised in liquidating obligations in this country.

Hancock (Wm.) & Co.—£500,000 4½ per cent. debenture stock at 99 will be issued on October 26th.

RESULTS OF ISSUES

Ault and Wiborg.—Lists closed at 9.5 a.m. October 16th. Heavily over-subscribed.

Colvilles, Ltd.—The list in connection with the offer for sale of 1,600,000 5½ per cent. cumulative preference shares of £1 each at 20s. 6d. per share in Colvilles was closed at 9.5 a.m. October 12th, owing to over-subscription. It is understood large applicants received about 30 per cent. of their requirements.

Gold Coast Associated Companies.—The list of applications for the issue at par of 1,200,000 shares of 5s. each to the shareholders was closed at 11 a.m. October 12th, the issue having been subscribed many times over.

Lanarkshire County Council Loan.—Lanarkshire County Council 3 per cent. redeemable stock, 1954-64, £2,230,000, closed October 15th at 9.5 a.m. in London and 10.5 a.m. in Edinburgh and Glasgow. The conversion lists will close at or before noon on October 24th.

CALLS DUE OCTOBER 22 TO OCTOBER 27, 1934

The grand total of calls falling due in October, 1934, is £3,366,662, which compares with £2,342,678 which fell due in October, 1933. The following calls fall due from October 22, 1934, to October 27, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
2/-	Hevea (Johore) Rubber Plantations, Ltd. (422,052 Ordinary shares, at 2/6 per share).	1/- p.s.	Oct. 27	1/- p.s.
10/-	Murex, Ltd. (90,000 New Ord. at £4 per share)	20/- p.s.	Oct. 22	20/- p.s.
5/-	Oceana Development, Ltd. (87,880 shares, at 20/-)	5/- p.s.	Oct. 31	15/- p.s.
£1	Powell-Duffryn Steam Coal, Ltd. (1,000,000 5 per cent. Prefd. Ord. shares, at 20/9 per share).	10/9	Oct. 23	All
£1	Willsons (London and Provinces), Ltd. (100,000 5 per cent. Cum. Pref. shares, at par).	20/- p.s.	Oct. 22	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Oct. 10, 1934	Price, Oct. 17, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	6d-9d pm	6d-9d pm
Airspeed (1934) Pref. Ord. 5/-	5/-	Fypd	5/11-5/4½	6/4½-6/7½
Argentine 4½% (2nd Series)	93½	13½	7-½ dis	7-½ dis
Ascotts Pharmacies 5/-	5/-	Fypd	2/8-3/3	2/9-3/1½
Do. do. 7% Pref. 10/-	10/-	Fypd	8/10½-9/4½	8/10½-9/4½
Assoc. British Picture Corp. 5% Deb.	101	41	11-½ dis	11-½ dis
Blackpool 3½%, 1960	98½	10	par-1 pm	44-47
Clan Line Steamers New Ord.	...	...	34/-35/- pm	35/-36/- pm
Do. do. 5½% B Pref.	21½	2/6	1/-1/6 pm	1/-1/6 pm
Eno Props. Ord. 5/-	11½	Fypd	12/4½-12/7½	12/-12/3
Do. do. 5½% Pref. £1	20½	Fypd	22/9-23/3	22/9-23/3
Fisher and Ludlow 10/- New Ord. 5/-	20½	Fypd	3/-3/6 pm	4/-4/6 pm
General Aircraft	5/-	5/-	3/3-3/9 pm	3d dis-par
Gold Ex. and Finance Aust. Ord.	10/-	5/-	3/6-2/6 dis	3/3-3/9 pm
Green (Herbert) 1/-	1/-	Fypd	2/6-2/9	3/1½-3/4½
Do. 7% Preferred	20½	5/-	3/6-2/6 dis	1/6-2/3
Do. 6% Deb.	100	50	38-40	44-47
Griffiths Hughes Prop. Ord.	...	...	46/-46/3	46/11-46/4½
Do. do. 5½% Cum. Pref. £1	20½	Fypd	23/6-24/3	23/6-24/6
Jackson Brothers 6½% Pref.	...	...	23/6-24/6	23/6-24/9
James and Shakespeare New Ord. 5/-	7/6	Fypd	7/4½-7/7½	7/6-7/9
Do. do. 5½% Pref. £1	£1	Fypd	17/3-17/9	17/4½-17/7½
Kapala Rubber Ord. 2/-	2/-	Fypd	1/9-2/-	1/9-2/-
Do. do. 7½% Pref. 2/-	2/6	Fypd	2/4½-2/7½	2/4½-2/7½
Malacca Rubber £1	22/6	12/6	...	3/3-3/9 pm
Mayfair and Gen. Prop. 5% Deb.	100	15	1-2 pm	1-2 pm
Monsanto Chemicals 5½% Pref. £1	20/6	10/6	7½d-10½d pm	6d-9d pm
Mount Morgan 5/-	7/6	Fypd	25/6-26/-	28/3-28/9
Murex New Ord. 10/-	£4	Fypd	33/3-34/3 pm	1½-1½ pm
New Machavie Gold	5/-	Fypd	16/3-16/9	16/-16/6
New Zealand 9½%, 1955-60	100	Fypd	2½-2¾ pm	102½-102½
Nigeria 3½%, 1955	97½	5	5-6 pm	5-6 pm
Odams Properties 5% Deb.	100	15	5-6 pm	5-6 pm
Oslo Union Co. 5½% Deb.	94	Fypd	98½-98½	97½-98½
Oxford and Berks Cinemas 7% Pref.	20½	10/-	4/-4/9 pm	5/3-5/9 pm
Powell Duffryn Pref. Ord. 5/-	20/9	10/-	7½d dis-1½d dis	7½d dis-1½d dis
Plymouth 3½%, 1954	97½	25	1½-1½ pm	1½-1½ pm
Rubber Regenerating	20½	Fypd	18/6-18/10½	18/4½-18/7½
Salford Corp. 3½%, 1954-64	100	30	par-1 pm	par-1 pm
Stanton Iron. New 6½% Pref. £1	25½	17/6	1/9-2/3 pm	2/-2/6 pm
Stockport 3½%, 1954-64	100	50	100½-100½	100½-100½
Sioke 3½%, 1955-65	100	5	½ dis-¾ pm	½ dis-¾ pm
Stretford 3½%, 1955-65	Par	20	par-1 pm	par-1 pm
United Steel 4½% Deb.	2/6	30	...	1½-1½ pm
United Siam Betong Rubber £1	50½	Fypd	11-1½	3/3-3/9 pm
Van Dyk Consolidated	10½	Fypd	11-1½	11½-1½
Walsall 3½%	100½	55	1½-1½ pm	1½-1½ pm
Watende Mines	5/-	Fypd	7/3-7/6	7/4½-7/10½

COMPANY MEETINGS, &c.

HARRISONS AND CROSFIELD, LIMITED

STRONG POSITION—TEA AND RUBBER PROSPECTS

The twenty-sixth annual meeting of Harrisons and Crosfield, Limited, was held, on the 16th instant, at 2/4, Idol Lane, London, E.C.

Mr H. Eric Miller (the chairman) said that they were most thankful for the improvement in their fortunes, which was attributable very largely to the fact that both the tea and the rubber industries had been put on their feet by international agreements to regulate supplies in an orderly manner. Their investments in tea, rubber and other produce companies, at £936,799, showed an increase of £65,000 on the previous year. The market value of those investments at June 30th was in excess of the figure at which they appeared in the balance sheet, thus leaving intact the special reserve of £350,000 previously created against those investments.

The net profit for the year of £261,503 showed an improvement of £47,164 on last year's figure. They proposed the payment of a final dividend of 15 per cent. on the deferred ordinary stock, making 20 per cent. for the whole year. They considered they were amply justified in making a full distribution of their profits this year without allocating any sum to general reserve by reason of the general improvement which had taken place in the position of the company. They felt, too, that shareholders would be glad to endorse that policy in view of the contraction in the rate of dividend during the last few difficult years. After the final dividends were paid, their free reserves and undistributed profits would amount to over £700,000, exclusive of the staff special reserve of £75,000. A very strong financial position was thus disclosed, and was further emphasised by the liquidity of a large proportion of their resources.

The international scheme for regulating the exports of tea from the principal producing countries had now been in operation some eighteen months, and they were in a better position to review it. It had saved the industry from chaos, and all producers had benefited by it, though in varying degrees. There was some natural disappointment that it had not reduced tea stocks in the United Kingdom to a lower level, but he thought that was due mainly to the fact that the extent of the invisible stocks in the country had been previously under-estimated. Another factor had been the falling off in shipments from the East to outside markets, London thus receiving a larger proportion of the outturn than usual. It was possible that in some of those outside markets, where tea was not the standard drink, consumption might have fallen off, but there was no reason to believe that that had been the case in the United Kingdom, where the public seemed to be consuming as much tea as ever, and the inference was that in the last year or two they had over-estimated consumption to some extent when they had measured it by the figures of deliveries.

The tea-producing industry, however, as a whole, was profoundly thankful for the steadying influence of international regulation of supplies, and all the main producing interests were working in harmony for the combined good of the industry. Regulation of output was in itself a palliative and not a cure for the disabilities of an industry in the predicament of tea. The power of good advertising was believed to be very great, and it was satisfactory to know that the Tea Producers' Associations were consolidating their efforts in a co-ordinated publicity campaign to impress the public of different countries with the slogan "Drink more and better tea."

Turning to rubber, although during June and July the exports under regulation had been about 70,000 tons less than the permissible quantities, heavy arrivals in manufacturing countries during the last three months of the year, when their absorption was at its seasonal low level, would bring about a considerable increase in the stocks in those countries, especially in the United Kingdom and the United States. On the other hand, world absorption had expanded at a gratifying pace, and during the next four years at least the rubber-producing industry could look forward to a period of moderate prosperity.

During the last few years the energies of producers had been absorbed in the struggle for survival, and great sacrifices had been made by all connected with the industry. At the same time the need for stimulating increased consumption had not been overlooked, and efforts in that direction had been, if anything, intensified during the period of low prices. An enormous amount of research work had been carried on during the last twenty years, more particularly on the manufacturing side. That had resulted in vast improvements in the quality

of the rubber goods produced, and the lower price range of the commodity had helped to add materially to the number of uses to which rubber was being put.

The report and accounts were unanimously adopted, and a dividend of 15 per cent. on the deferred ordinary stock, making 20 per cent. for the year, was declared.

BRITISH RUBBER ESTATES OF JAVA (1932), LIMITED

GREATLY IMPROVED RESULTS

The second ordinary general meeting of British Rubber Estates of Java (1932), Limited, was held, on the 16th instant, at the offices of the company, 58, Mark Lane, London.

Mr James Davenport (the chairman), in moving the adoption of the report, said: The result disclosed by the accounts—covering a period of six months only—is a marked improvement on that for the first period of 13½ months of the reconstructed company. For these 13½ months there was a balance at credit of profit and loss account of £6,698 before allowing for debenture interest and charging depreciation. The comparable balance of the accounts now before us is £15,585, which is more than double that of the previous accounts, although the period covered is only six months as compared with 13½ months. While the profit from rubber was increased largely, the profit from tea fell off considerably and the loss from coffee increased, but the loss on coffee is rather a book-keeping loss than an actual one. Dealing with rubber, which is our principal product, the explanation of the increased profit is to be found in the improvement in the price obtained for that commodity due to the working of the international agreement for the regulation of production. As that agreement is to continue at all events until the end of 1938, and if it should be found desirable it will no doubt be continued till a later date, we are justified in expecting that rubber will continue to be a profitable product for our company for some years to come. Meantime, it is a source of satisfaction that each of our nine estates producing rubber has contributed part of the profit.

In view of the fact that this is our first meeting since the international regulation for the production of rubber became law, you may expect me to give some indication of the quantity of rubber we are likely to be allowed to produce. Of course, we do not know what the percentage of restriction is to be in 1935, but we have had indications of what it is to be to the end of 1934, and if the scale for December, 1934, is to be continued in 1935 we may expect to be allowed to produce during our financial year a crop of about 2,750,000 lb. That would mean a restriction of 25 per cent. for the period from July, 1934, to June, 1935.

The report was unanimously adopted.

JAVA PRODUCE COMPANY (1932), LIMITED

IMPROVED RESULTS

The second ordinary general meeting of the Java Produce Company (1932), Limited, was held, on the 17th instant, at 58 Mark Lane, London.

Mr G. R. P. Llewellyn (the chairman) presiding, in the course of his speech, said that with an average selling price for rubber of 3½d. the company had made a trading profit, before taking into account loss on exchange, of £8,741, and they were able to add to this £2,333, which represented the reduction of Verponding due from them as the result of their Java agent's appeal. The fact that the balance carried to the balance sheet was reduced by only a little over £1,000 was largely due to loss on exchange, which amounted to £6,852, and was almost £2,000 more than it was last year.

Although two of the estates were tapped for only 10½ months, and one of these was on reduced tapping throughout the year, they harvested 1,564,640 lb. of rubber. The cost of production, inclusive of London expenses and debenture interest, amounted at par to 2.25d., or, at 8.01, the average rate of exchange for last year, to 3.08d. Thus, with a sale price of 3.417d., there was a profit for the year, after deducting the loss on exchange, of £2,190. Last year they harvested 7,516 cwt. of coffee, but the average price obtained was only 19s. 4d., as compared with 30s. for the previous year. The cost of production, inclusive of London expenses and debenture interest, and calculated at par, was 25s., so that there was a loss of £2,128.

Speaking generally, he thought that the barometer of the rubber-growing industry was at present set fair for better times. In regard to the company's prospects, the trading account for the

year ended March, 1933, showed a loss of £3,554, whereas for the past year there was a profit of £8,741, which surely indicated that the tide had turned. The estimated coffee crop for 1934-35 was 8,800 cwt., and the present prospect was that they would make very much the same loss as they did last year. Their standard allowance of rubber for the calendar year 1934 was fixed at 1,782,540 lb., which should be increased in 1935 by increased allowances for young rubber on Kadjaran Goenoeng Karet and Pengioeran.

As to the profit on rubber in the current year, they could reasonably hope, in the light of present circumstances, that more than enough would be earned to extinguish their debit balance on profit and loss account.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the eight days ended October 13, 1934, amounted to £9,324,000, against ordinary expenditure of £6,569,500. After allowing for an increase in Exchequer Balances of £191,284, the operations for the week, as shown below, decreased the National Debt by £2,487,000 to approximately £8,102 millions.*

(000's omitted)	
Treasury Bills	1,435
National Savings Certificates ..	50
Public Department Advances ..	3,400
P.O. and Tel. Capital Expend. ..	300
Cattle Industry Temp. Advances ..	250
N. Atlantic Shipping Issues	22
+	1,485
	3,972

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at October 13, 1934:—

REVENUE	Total Receipts into the Exchequer				
	Estimate for the year 1934-35	April 1, 1934, to Oct. 13, 1934	April 1, 1933, to Oct. 13, 1933	Week ended Oct. 13, 1934	Week ended Oct. 14, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	57,105,000	48,933,000	829,000	465,000
Sur-tax	50,000,000	8,820,000	9,430,000	230,000	280,000
Estate, etc., Duties	76,000,000	42,690,000	46,630,000	960,000	1,160,000
Stamps	25,000,000	9,990,000	9,180,000	790,000	290,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	180,000	...	...
Total Inland Revenue	372,500,000	118,855,000	114,353,000	2,809,000	2,175,000
Customs and Excise—					
Customs	183,650,000	101,119,000	96,789,000	3,727,000	3,555,000
Excise	106,350,000	53,294,000	55,000,000	1,794,000	1,950,000
Total Customs and Excise	290,000,000	154,413,000	151,789,000	5,521,000	5,505,000
Motor Vehicle Duties (Exchequer share)	5,000,000	2,078,000	1,981,000	391,000	492,000
Post Office (Net receipt)	14,000,000	8,050,000	7,100,000	600,000	350,000
Crown Lands	1,220,000	620,000	540,000	...	...
Receipts from Sundry Loans	3,800,000	2,912,196	3,321,965	...	...
Miscellaneous Receipts	20,000,000	8,520,604	16,691,309	2,705	5,551
Total Ordinary Revenue	706,520,000	295,448,800	285,756,274	9,323,705	8,527,551
SELF-BALANCING REVENUE					
Post Office	60,463,000	29,850,000	29,750,000	650,000	800,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	8,170,000	7,383,000	213,000	130,000
Total Self-Balancing Revenue	84,718,000	38,020,000	37,133,000	863,000	930,000
Total	...	333,468,800	332,889,274	10,186,705	9,457,551

EXPENDITURE	Total Issues out of the Exchequer to meet payments				
	Estimate for the year 1934-35 (including Supplementary Grants)	April 1, 1934, to Oct. 13, 1934	April 1, 1933, to Oct. 13, 1933	Week ended Oct. 13, 1934	Week ended Oct. 14, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	124,331,900	122,594,751	502,812	768,015
Payments to Northern Ireland Exchequer	6,500,000	2,934,354	3,069,729	...	...
Other Consolidated Fund Services	3,700,000	1,689,840	1,763,981	186,779	...
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	128,956,094	127,428,461	689,591	768,015
Self-Balancing Expenditure (excluding Post Office Balance of Marginal Provision (Restoration of Cuts)	466,296,000	233,876,319	227,398,576	5,880,000	5,230,000
Total Ordinary Expenditure	702,496,000	362,832,413	354,827,037	6,569,591	5,998,015

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Oct. 13, 1934	April 1, 1933, to Oct. 13, 1933	Week ended Oct. 13, 1934	Week ended Oct. 14, 1933
Payments to U.S.A. Govt. ...	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	362,832,413	356,668,253	6,569,591	5,998,015
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	29,850,000	29,750,000	650,000	800,000
Road Fund	24,255,000	8,170,000	7,383,000	213,000	130,000
Total Self-Balancing Expenditure	84,718,000	38,020,000	37,133,000	863,000	930,000
Total	...	400,852,413	393,801,253	7,432,591	6,928,015

The aggregate revenue and expenditure to October 13, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO OCTOBER 13, 1934 (000's omitted)

Expenditure	362,832	Revenue	295,449
		Gross increase in borrowing	67,653
Increase in balances	270	Less—	
		New Sinking Fund	3,978*
		Net borrowing	67,653
			363,102

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Movement			
	Oct. 14, 1933	Mar. 31, '34	Oct. 13, '34	Oct. 13, '34
Advances by Public Departments	35,100,000	44,900,000	55,300,000	3,400
Treasury Bills outstanding	973,005,000	799,810,000	830,745,000*	+ 1,435
Total Floating Debt	1,008,105,000	844,710,000	886,045,000	- 1,965

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on October 12, 1934, and the total amount applied for was £54,275,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 16s. 3d., about 23 per cent., and above in full; Saturday, at £99 16s. 4d., and above in full. The average rate per cent. was 14s. 5-7/4d. The amount allotted was £31,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,820,000	38,000,000	5 8 4
April 1	45,000,000	61,880,000	49,950,000	2 3 5-7/8
July 1	45,000,000	59,945,000	45,000,000	0 16 11-8/24
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-8/24
July 7	45,000,000	83,890,000	42,000,000	0 10 4-8/8
October 6	45,000,000	100,450,000	45,000,000	0 12 9-9/8
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5/8
April 6	40,000,000	80,390,000	38,000,000	0 17 9-0/1
July 6	35,000,000	62,745,000	32,000,000	0 16 4-1/4
September 14	30,000,000	65,080,000	29,830,000	0 10 5-6/16
September 21	40,000,000	65,585,000	35,000,000	0 9 3-4/5
September 28	35,000,000	42,075,000	35,000,000	0 14 2-3/8
October 5	35,000,000	65,260,000	31,510,000	0 15 9-7/20
October 12	35,000,000	54,275,000	31,000,000	0 14 5-7/4

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended September 29, 1934	704,573	£ 563,658
Week ended October 6, 1934	775,951	£ 620,761
February, 1916, to October 6, 1934	1,199,175,114	£ 944,949,841

At the end of August, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,549,108.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, October 17, 1934

ISSUE DEPARTMENT

Notes Issued:—		Government Debt	11,015,100
In Circulation	377,217,235	Other Government Securities	244,796,361
In Banking Department	74,721,311	Other Securities	1,189,583
		Silver Coin	2,998,976
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	191,938,546
			451,938,546

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	81,279,164
Reserve	3,098,671	Other Securities:—	
Public Deposits	17,516,064	Discounts and Advances	£9,468,333
Other Deposits	£104,490,807	Securities	£10,992,711
Bankers'	£97,443,710	Notes	20,461,046
Other Accounts	141,934,517	Gold and Silver Coin	74,721,311
7-day and Other Bills	5,060		645,791
	177,107,312		177,107,312

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

Both Departments		Amount, Oct. 17, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	£	377,217,235	— 2,333,390	+ 6,621,488
Public deposits	£	17,516,064	— 1,120,421	+ 3,057,569
Bankers' deposits	£	104,490,807	— 3,107,326	+ 4,468,230
Other deposits	£	37,443,710	+ 576,901	— 1,125,229
Seven-day bills	£	5,060	—	—
Total outside liabilities	£	536,672,876	+ 5,984,236	+ 2,910,511
Capital and rest	£	17,651,671	+ 14,950	+ 21,370
Government debt and securities	£	337,090,625	— 2,088,417	+ 1,491,190
Discounts and advances	£	9,468,333	— 4,563,947	+ 967,804
Other securities	£	12,182,276	+ 702,325	— 5,598,791
Silver coin in issue department	£	2,998,976	—	—
Coin and bullion (bank's reserves)	£	192,584,337	— 3,828	+ 852,373
Reserves of notes and coin in banking department	£	75,367,102	+ 2,329,562	— 5,769,115
Proportion of reserve to outside liabilities:—				
(a) Banking Department only ("proportion")	%	47.2%	+ 2.5%	— 0.8%
(b) Gold stocks to deposits and notes ("reserve ratio")	%	35.9%	+ 0.4%	+ 0.3%

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
Sept. 12	£ 451,821	£ 879,046	£ 16,523	£ 103,170	£ 36,810	59 in	% 2
" 19	£ 451,821	£ 876,380	£ 20,499	£ 99,837	£ 37,501	Nil	% 2
" 26	£ 451,896	£ 877,028	£ 37,858	£ 82,040	£ 36,768	64 in	% 2
Oct. 3	£ 451,910	£ 880,616	£ 13,703	£ 107,040	£ 37,132	24 in	% 2
" 10	£ 451,938	£ 879,551	£ 18,636	£ 107,598	£ 36,867	29 in	% 2
" 17	£ 451,938	£ 877,217	£ 17,516	£ 104,491	£ 37,444	Nil	% 2

Date	Issue Department		Both Depts.		Banking Department			Reserve and the "Proportion"
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Discounts & Advances	Other Securities		
1934								
Sept. 12	£ 255,943	£ 852	£ 192,438	35%	£ 84,884	£ 6,263	10,224	73.392 46%
" 19	£ 255,999	£ 841	£ 192,434	36	£ 81,679	£ 6,138	12,228	76,054 48%
" 26	£ 256,005	£ 890	£ 192,525	36½	£ 81,634	£ 7,203	10,598	75,498 48½%
Oct. 3	£ 255,947	£ 993	£ 192,560	35½	£ 81,684	£ 12,674	10,060	71,744 45½%
" 10	£ 255,796	£ 1,191	£ 192,586	35½	£ 82,384	£ 14,632	10,289	73,037 44½%
" 17	£ 255,811	£ 1,190	£ 192,584	35½	£ 81,279	£ 9,468	10,993	75,367 47½%

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)				
	Town	Metropolitan	Country	Total
1934	£	£	£	£
January 1 to October 2	22,929,518	1,326,490	2,245,177	26,501,185
Week ended October 10	518,997	37,605	73,277	629,879
Week ended October 17	596,464	34,676	59,325	690,465
Total to date, 1934	24,044,979	1,398,771	2,377,779	27,821,529
Total to date, 1933	21,833,697	1,321,885	2,200,037	25,355,619
Increase or decrease in 1934	+ 2,211,282	+ 76,886	+ 177,742	+ 2,465,910
	= 10.1%	= 5.8%	= 8.1%	= 9.7%
Total for year 1934	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1933	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	= 119,153	+ 46,268	+ 98,552	+ 25,667
	= 0.4%	= 2.8%	= 3.6%	= 0.07%

THE REICHSBANK—In Reichsmarks (000's omitted)

ASSETS	Oct. 14, 1933	Sept. 29, 1933	Oct. 6, 1933	Oct. 13, 1933
Gold	383,768	75,010	78,562	79,838
Of which deposited abroad	62,526	20,851	20,851	20,851
Reserve in foreign currencies	28,204	3,895	3,895	3,895
Reserve in foreign currencies and cheques	3,124,980	3,829,312	3,679,952	3,498,951
Notes of other German banks	10,638	4,062	8,707	12,178
Advances	54,995	147,730	77,779	72,298
Investments	320,660	755,231	756,365	756,850
Other assets	538,453	609,925	631,750	667,619
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,426,040	3,918,808	3,772,631	3,697,477
Other daily maturing obligations	391,431	847,599	798,026	773,112
Other liabilities	232,486	228,375	248,684	243,280
Cover of note circulation	12.0%	2.01%	2.18%	2.26%

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

ASSETS	Position, May 28, 1914	Oct. 12, 1933	Sept. 20, 1933	Oct. 4, 1933	Oct. 11, 1933
Gold	163,092	874,002	864,141	866,249	872,383
Silver and other coin	8,436	25,498	22,330	21,564	21,371
Securities	697,600	735,195	667,922	670,995	667,889
LIABILITIES					
Notes in circulation	834,150	3,479,055	3,510,377	3,513,617	3,568,578
Deposits	316,632	908,314	881,962	926,623	901,873
Other	5,016	180,713	202,248	174,971	189,917

(a) In thousand francs.

NETHERLANDS BANK—In florins (000's omitted)

ASSETS	Position, May 31, 1914	Oct. 16, 1933	Sept. 24, 1933	Oct. 1, 1933	Oct. 8, 1933	Oct. 15, 1933
Gold	163,092	874,002	864,141	866,249	872,383	877,717
Silver	8,436	25,498	22,330	21,564	21,371	21,371
Home bills discount.	253,504	1,572	866	866	866	866
Foreign bills	143,706	145,030	158,742	145,885	147,361	
Loans and advances	316,632	908,314	881,962	926,623	901,873	892,165
LIABILITIES						
Notes in circulation	316,632	908,314	881,962	926,623	901,873	892,165
Deposits	5,016	180,713	202,248	174,971	189,917	204,942

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

ASSETS	Position, May 31, 1914	Oct. 14, 1933	Sept. 22, 1933	Sept. 29, 1933	Oct. 6, 1933	Oct. 13, 1933
Gold	171,175	1,858,451	1,786,124	1,808,017	1,821,565	1,856,036
Of which held abroad	171,175	1,858,451	1,786,124	1,808,017	1,821,565	1,856,036
Foreign gold valuta	171,175	1,858,451	1,786,124	1,808,017	1,821,565	1,856,036
Discounts	14,269	21,514	62,379	49,023	37,946	
Bills of the Confederation	26,440	10,975	10,975	9,975	9,947	
Advances	103,000	57,032	73,969	86,429	74,441	71,362
Securities	65,641	52,237	53,365	53,340	54,121	
LIABILITIES						
Notes in circulation	275,925	1,355,885	1,323,919	1,399,802	1,372,623	1,341,515
Deposits	33,750	631,123	578,716	587,686	592,660	645,859

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

ASSETS	Oct. 14, 1933	Sept. 22, 1933	Sept. 29, 1933	Oct. 6, 1933	Oct. 13, 1933
Gold reserve	254,434	279,624	289,896	281,213	281,678
Government securities—Swedish	245,532	174,837	174,837	174,837	174,837
Gold abroad not included in the gold reserve	117,882	94,175	93,229	93,181	93,112
Bills payable in Sweden	14,814	9,782	10,274	10,497	10,530
Balance abroad	39,729	360,534	324,532	320,032	319,900
Advances	328,564	88,735	97,818	102,137	106,443
LIABILITIES					
Notes in circulation	551,982	605,056	694,888	646,740	626,383
Government deposits	147,696	160,579	113,975	117,487	119,782
Private deposits	359,952	343,918	281,645	316,664	339,032

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

ASSETS	Position, May 31, 1914	Oct. 7, 1933	Sept. 22, 1933	Sept. 29, 1933	Oct. 6, 1933	Oct. 13, 1933
Gold and bullion—Gold	44,224	118,268	118,411	118,411	118,432	118,432
Balance abroad and foreign bills	28,533	12,658	17,071	18,695	18,962	
Funds provisionally placed in gold not included in the gold reserve	35,081	16,379	16,379	16,379	16,379	
Norwegian and Foreign Government securities	8,816	42,480	45,841	46,255	46,466	
Discounts and loans	76,911	213,951	248,284	247,190	244,234	
LIABILITIES						
Notes in circulation	113,484	299,997	312,613	321,554	315,798	
Deposits at sight	7,188	65,711	66,730	61,744	63,195	

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

ASSETS	Position, May 30, 1914	Oct. 7, 1933	Sept. 15, 1933	Sept. 22, 1933	Sept. 29, 1933	Oct. 6, 1933
Gold	521,775	2,260,301	2,265,227	2,265,414	2,265,590	2,265,668
Silver	640,805	677,825	679,029	680,022	679,029	679,029
Loans & Discounts	800,725	2,733,402	2,469,160	2,464,773	2,444,151	2,589,677
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES						
Notes in circulation	901,550	4,851,278	4,869,204	4,568,092	4,589,411	4,727,759
Deposits	477,500	909,313	844,930	832,802	825,029	831,226

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

ASSETS	Sept. 27, 1933	Aug. 29, 1933	Sept. 5, 1933	Sept. 12, 1933	Sept. 19, 1933	Sept. 26, 1933
Gold	703,729	899,449	899,691	899,853	900,039	900,122
Balance abroad	310,727	357,080	365,407	368,555	375,845	381,235
Discounts	320,022	311,775	307,626	309,410	308,223	308,223
Government loans	1,052,736	1,050,106	1,050,106	1,050,106	1,050,106	1,050,106
LIABILITIES						
Notes in circulation	1,938,782	1,921,438	1,941,367	1,952,999	1,956,476	1,988,442
Government deposits	323,623	353,179	330,229	323,623	305,402	264,448
Bankers' deposits	293,820	457,269	459,821	471,040	491,693	509,620
Other deposits	34,625	40,148	54,471	44,778	37,905	34,028

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

ASSETS	Oct. 7, 1933	Sept. 15, 1933	Sept. 23, 1933	Sept. 30, 1933	Oct. 7, 1933
Cash reserve	169,704	241,723	241,778	241,808	241,906
Gold coin and bullion	19,046	19,046	19,046	19,046	19,046
Foreign exchange	7,998	39,329	39,777	40,467	40,583
Other foreign exchange	218,856	254,090	251,162	253,806	252,834
Bills discounted	624,444	624,444	624,444	624,444	624,444
LIABILITIES					
Share capital	43,200	54,960	54,960	54,960	54,960
Reserve fund	11,096	11,280	11,280	11,280	11,280
Notes in circulation	895,697	913,812	885,008	964,535	917,996
Deposits	127,475	224,234	251,133	173,620	199,691

* In dollar and sterling only.

† In accordance with Art. 53 of the Statutes.

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

ASSETS	Oct. 7, 1933	Sept. 14, 1933	Sept. 23, 1933	Sept. 30, 1933	Oct. 7, 1933
Metal reserve	1933	1934	1934	1934	1934
Gold coin and bullion	96,571	78,932	78,932	78,932	78,932
Drafts and notes	5,416	16,070	15,105	14,192	13,269
Silver coin and bullion	8,103	9,813	10,740	7,923	7,957
Inland bills, warrants and securities	459,740	549,912	551,054	581,960	573,290
Advances to Treasury	50,194	47,323	47,323	47,323	47,119
LIABILITIES					
Share capital (gold crowns 30,000,000*)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	339,934	334,526	321,701	372,774	356,103
Current accounts, deposits, etc.	82,689	78,488	92,957	68,061	74,955
Cash certificates	117,722	117,722	117,722	117,722	117,722
Other liabilities	200,269	177,688	177,223	175,532	177,135

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA—In Cz. K. (000's omitted)

ASSETS	Oct. 7, 1933	Sept. 14, 1933	Sept. 23, 1933	Sept. 30, 1933	Oct. 7, 1933
Gold	1,707,038	2,663,157	2,663,836	2,665,080	2,666,612
Gold and silver	1,707,038	2,663,157	2,663,836	2,665,080	2,666,612
Foreign exchange	924,280	66,668	74,610	88,832	99,406
Discounts and advances	1,750,667	1,638,790	1,473,325	1,545,764	1,557,869
State notes debt balance	2,607,711	2,115,377	2,114,156	2,113,695	2,112,911
Other assets	551,048	824,960	876,741	879,583	923,515
LIABILITIES					
Bank notes in circulation	6,061,283	5,461,178	5,259,280	5,589,218	5,661,876
Check account balances	733,006	918,046	990,503	730,017	798,044
Other liabilities	297,116	471,178	494,875	521,709	548,383

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

ASSETS	Oct. 7, 1933	Sept. 22, 1933	Sept. 29, 1933	Oct. 6, 1933	Oct. 13, 1933
Cash reserve	1,797,853	1,821,875	1,826,505	1,820,526	1,820,526
Gold at home and abroad	114,280	123,026	117,071	131,632	131,632
Foreign exchange	42,495	53,591	53,025	52,059	52,059
Other foreign exchange	2,205,441	1,830,220	1,833,685	1,824,709	1,824,709
Bills and advances against security	1,717,967	1,720,073	1,720,149	1,720,215	1,720,215
Government advances	4,347,117	4,205,148	4,297,675	4,294,180	4,294,180
LIABILITIES					
Notes in circulation	962,255	1,257,567	1,162,342	1,188,365	1,188,365
Time deposits	1,198,848	823,479	818,979	809,529	809,529

NATIONAL BANK OF ROUMANIA—In lei (000's omitted)

ASSETS	Sept. 23, 1933	Sept. 30, 1933	Sept. 7, 1934	Sept. 14, 1934	Sept. 21, 1934
Gold & silver exchange	10,300,703	10,291,898	10,273,212	10,271,345	10,280,323
Commercial bills	9,422,754	5,715,678	5,718,777	5,710,425	5,682,024
Agricultural bills	3,105,097	4,091,544	4,033,504	3,945,290	3,789,806
State debt, advances to State, etc.	5,704,047	5,668,269	5,668,269	5,668,269	5,668,269
LIABILITIES					
Notes in circulation	21,197,325	21,394,311	21,425,344	21,468,333	21,619,659
Other sight liabilities	7,611,252	7,463,700	7,391,170	7,346,557	7,290,927
Long term liabilities	4,202,034	3,518,212	3,567,517	3,507,534	3,348,246

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

	Sept. 30, 1933	Sept. 7, 1934	Sept. 15, 1934	Sept. 23, 1934	Sept. 30, 1934
ASSETS					
Gold and silver holdings	1,521,848	1,546,675	1,546,675	1,546,675	1,546,675
Balances abroad and foreign currencies	143,616	166,891	169,720	142,197	156,921
Discounts and advances	1,025,324	1,072,456	1,109,645	1,149,992	1,143,151
Advances to the Treasury	2,872,872	2,782,525	2,782,525	2,755,378	2,755,378
LIABILITIES					
Capital paid up	500,000	500,000	500,000	500,000	500,000
Reserves	1,194,147	1,238,478	1,238,465	1,238,465	1,237,874
Bank notes in circulation	2,872,872	2,782,525	2,782,525	2,755,378	2,755,378
Sight liabilities	1,605,893	1,74,925	1,783,123	1,788,512	1,623,091
Deposits	198,312	142,547	142,507	142,507	142,412

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	Sight	(a) 20-28
Colombia (Bogota)	Pesos to £	5	"	(b) 18-12½
Ecuador	Sucres to £	24-3325	"	"
Nicaragua	Cordobas to £	4-8665	"	"
Salvador	Colones to £	9-73	"	12-40
Venezuela	Bolivares to £	25-2215	"	19-32
Guatemala	Quoted on New York	"	"	5-09

*No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate of 100 = 100. (a) Official Rate. (b) Free Market Rate.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

London on Australia and New Zealand				Australia and New Zealand on London*			
Buying		Selling		Buying		Selling	
Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand
125½	125½	125½	124	125	124	125½	124½
126	125½	125½	124½	124½	123½	125½	124½
30 days	126½	126½	125	124½	123½	125½	124½
60 days	127½	126½	125	124½	123½	125½	124½
90 days	127½	127½	125	124½	123½	125½	124

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIAN GOLD STANDARD RESERVE

Statement showing the form in which the balance of the Reserve was held on September 30, 1934:—

In India:	Nil
In England:	£ 3,857
Cash at the Bank of England	2,152,334
Gold	14,281,704
British Treasury bills: Value as on September 30, 1934	23,562,105
Other British and Dominion Government securities: At market value on September 30, 1934	40,000,000
India Office, Oct. 12, 1934.	£40,000,000

BULLION

The following statistics of imports and exports of gold and silver for week ended October 18th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended October 18, 1934			Gold Exported from Great Britain and Northern Ireland, week ended October 18, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Germany	£ 6,448	£	Netherlands	£ 5,780	£ 40,624
Netherlands	17,441	7,113	Belgium	110,200	
Belgium	8,922	734	France	40,793	
France	157,253	5,419	Switzerland	1,835	550
Switzerland	2,919	5,720	Czechoslovakia	5,720	
Italy	11,285		Venezuela	444,600	
U.S.A.	91,458		Chile	379,520	
Mexico	517,650		Other countries	692	950
Venezuela	7,141				
British S. Africa	1,441,560				
Tanganyika Territory	6,842				
Kenya	2,906				
Anglo-Egyptian Sudan	2,425				
British India	202,764				
British Malaya	23,867				
Hong Kong	168,668				
Australia	8,638				
New Zealand	19,053	250,000			
British Guiana	9,756	24			
Other countries	4,141				
Total	2,185,687	780,206	Total	394,281	637,717

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended October 18, 1934			Silver Exported from Great Britain and Northern Ireland, week ended October 18, 1934		
From	Bullion*	Coin†	To	Bullion*	Coin†
Soviet Union (Russia)	79,923	97	Netherlands	£ 25	£ 18
Germany	1,720	83	Belgium	2,142	13
Netherlands	3,245	122	France	5,700	26
Belgium	90	311,165	Switzerland	299,400	235
France	992,845	2,928	U.S.A.	47,805	236
China	2,928	5,860	Peru	6,260	242
Japan	6,235	17,044	British India	977	551
Mexico	17,044		Other countries		
British W. Africa	22,000				
British India	798				
Hong Kong	98,200				
Australia	427	1,982			
New Zealand					
Other countries					
Total	1,126,462	418,287	Total	362,309	1,085

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934 ARRIVALS		1934 WITHDRAWALS	
Oct. 12	Nil	Oct. 12	Nil
" 13	Nil	" 13	Nil
" 15	Nil	" 15	Nil
" 16	Nil	" 16	Nil
" 17	Nil	" 17	Nil
" 18	Nil	" 18	Nil
Total	Nil	Total	Nil
Movement Oct. 12, 1934, to Oct. 18, 1934 (inclusive)	Nil	Movement Oct. 12, 1934, to Oct. 18, 1934 (inclusive)	Nil
Movement during year 1933	£71,094,909 in	Movement during year 1933	£1,208,161 in
Movement April 29, 1925, to Oct. 18, 1934 (inclusive)	£23,578,308 in	Movement April 29, 1925, to Oct. 18, 1934 (inclusive)	£23,578,308 in
Movement September 21, 1931 (gold standard suspended), to Oct. 18, 1934 (inclusive)	£55,944,181 in	Movement September 21, 1931 (gold standard suspended), to Oct. 18, 1934 (inclusive)	£55,944,181 in

GOLD

Messrs Samuel Montagu and Company write on October 17, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £191,938,546 on the 10th instant, as compared with £191,909,743 on the previous Wednesday. About £2,300,000 gold has been dealt with in the open market this week. Keen general buying has kept prices at a considerable premium over the gold exchange parities and this fact, coupled with a further weakness in sterling on the 11th, brought about a fresh record price—143s. 3d.—on that date.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
October 11	143s. 3d.	11s. 10-33d.
" 12	143s. 1d.	11s. 10-50d.
" 13	142s. 8½d.	11s. 10-87d.
" 15	143s. 1d.	11s. 10-50d.
" 16	142s. 9½d.	11s. 10-79d.
" 17	142s. 7d.	11s. 10-99d.
Average	142s. 11d.	11s. 10-66d.

The s.s. "Ranchi," which sailed from Bombay on the 13th instant, carries gold to the value of £39,000 consigned to London.

SILVER

At the outset of the past week, heavy speculative purchases, mainly on account of the Indian Bazaars, found the market bare of supplies and there ensued a sharp rise of 1½d. for cash and 1½d. for forward deliveries, bringing quotations to 24½d. and 24½d. Profit-taking and some Chinese sales failed to bring about any marked reaction and prices receded only ½d. on the next two days.

On the 15th instant was received the news of China's action in raising the export duty to a basic 10 per cent., with a further equalising duty adjustable upwards and which is to represent the difference between the exchange rate and the theoretical London silver parity. This stringent check on exports of silver from so large and important a source had the natural effect of raising prices still further and quotations on that date, at 24½d. for cash and 25d. for forward delivery, were the highest recorded since May, 1929. In spite of heavy re-sales these prices were maintained yesterday, but to-day, with heavy profit-taking sales and only poor demand, prices have reacted sharply, falling 1d. to 23½d. and 24d. The fall was the sharper for the incidence of "stop loss" selling orders, and as we write appears overdue.

Quotations during the week:—

IN LONDON			IN NEW YORK		
Bar silver per oz. std.			Cents per		
Cash Two Months' delivery			Ounce		
			-999 fine		
October 11	24½d.	24½d.	October 10	51½	
" 12	24½d.	24½d.	" 11	53½	
" 13	24½d.	24½d.	" 12	53½	
" 15	24½d.	25d.	" 13	53½	
" 16	24½d.	25d.	" 15	55½	
" 17	23½d.	24d.	" 16	55½	
Average	24-490d.	24-615d.			

The highest rate of exchange on New York recorded during the period from the 11th instant to the 17th instant was \$4.96 and the lowest \$4.88½.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Oct. 7	Sept. 30	Sept. 22
Notes in circulation	18,487	18,506	18,456
Silver coin and bullion in India	9,734	9,855	9,805
Gold coin and bullion in India	4,154	4,154	4,154
Securities (Indian Government)	3,288	3,197	3,197
Securities (British Government)	1,311	1,300	1,300

The stocks in Shanghai on the 13th instant consisted of about 48,600,000 ounces in sycee, 318,000,000 dollars and 34,200,000 ounces in bar silver, as compared with about 50,500,000 ounces in sycee, 333,000,000 dollars and 34,600,000 ounces in bar silver on the 6th instant.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.	Oct. 25, 1928	d.
Oct. 12	143 1	24½	24½	" 24, 1929	26½
" 13	142 8½	24½	24½	" 23, 1930	23
" 15	143 1	24½	25	" 22, 1931	16½
" 16	142 9½	24½	25	" 20, 1932	17½
" 17	142 7	23½	24	" 19, 1933	18
" 18	142 1	23½	23½		

COMPANY NEWS

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash * Interim div. † Final div.			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Madras and Southern Mahratta BANKS	5%†	...	...	9½	9
National Bank of Australasia.....	5*	...	Unchanged	...	...
Royal Bank of Canada	2%	Dec. 1	Unchanged	...	...
INSURANCE					
North British and Mercantile.....	12/- p.s.	Nov. 10	...	24/- p.s.	23/- p.s.
Northern Assurance	7/- p.s.*	Nov. 8	Unchanged	...	...
TEA AND RUBBER					
Batak Rabbit Rubber	...	...	...	5½	Nil
Inch Kenneth Kajang Rubber	21%*	Nov. 9	Nil	...	...
Kapar Para Rubber	31%*	Oct. 31	Nil	3	...
Karmen Rubber	4%*	Oct. 31	5%	...	...
Mayfield (Dimbula) Tea	2%*	Oct. 31	4%	...	...
Neboda (Ceylon) Rubber and Tea.....	21%*	Nov. 17	Nil	...	...
New Dimbula Co.	7%*	...	...	12	20
Nuwara Eliya Tea	6%*	Nov. 1	8%	...	...
Ouvai Ceylon Estates	2%*	Nov. 9	3%	...	...
P.P.K. (Ceylon) Rubber	2%*	Nov. 14	...	2½	Nil
Rubana Rubber	31%†	...	Nil	...	...
Shelford Rubber	21%*	...	Nil	...	...
Singapore United Rubber	2%†	...	Nil	...	...
Spring Valley Ceylon Estates	11%*	Nov. 9	2%	...	...
Strathisla (Perak) Rubber	...	...	...	10	Nil
Tali Ayer Rubber	...	...	...	4½	Nil
Tebrau Rubber	...	Oct. 30	...	5	2½
Telbedde Ceylon Estates	10%*	Oct. 16	Unchanged	...	...
MINING					
Balkis, Ltd.	21%†	...	Unchanged	5	5
El Oro Mining	...	Nov. 15	...	1/2 p.s.	8d. p.s.
Petaling Tin	71%*	Oct. 30	Unchanged	22½	Nil
Wiluna Gold Corporation	121%†	Nov. 1	Nil	...	...
OTHER COMPANIES					
Alexandria Water.....	4%*	Oct. 15	Unchanged	...	...
Babcock and Wilcox	4%*	...	3%	...	...
Benger's Food	31%*	...	Unchanged	...	...
British Shareholders' Trust	3%*	...	Unchanged	...	...
Browne and Eagle	3%*	Oct. 31	Unchanged	...	...
Butler's Wharf	5%*	Nov. 5	Unchanged	...	...
Callender's Cable & Construction	5%*	...	Unchanged	...	...
Canadian and Foreign Investment	1%*	Oct. 30	Unchanged	...	...
Cawnpore Electric	3%*	Nov. 24	Unchanged	5	6
Clydesdale Investment.....	3%†	...	Unchanged	...	...
Continental Union Trust	1%*	Nov. 24	Unchanged	...	...
First Scottish American Trust.....	6%*	Nov. 1	7%	...	...
Gieves, Ltd.	6%*	Nov. 1	Unchanged	...	...
Glasgow Workmen's Dwellings	...	...	...	12½	2½
Highland Distilleries	...	...	...	12	11
Holbrook's Kingston Brewery.....	...	...	...	...	...
Holbrooks	4%*	...	Unchanged	...	...
Homes	...	...	...	3	2½
Liverpool Stock Exchange B.T.dgs.	6d. ps.*	...	Unchanged	...	...
Malik Tiles	5%*	...	Unchanged	...	...
McKellar (John) C.	41%†	Nov. 23	Unchanged	18	18
Oriental Gas	14%*	Oct. 31	Unchanged	...	...
Oriental Telephone	25c. p.s.*	Nov. 15	Unchanged	...	...
Quebec Power (Com.)	3%†	...	2%	3	3
Railway and General Investment.....	...	...	...	1½	Nil
Rich (E.) and Co.	3%*	Nov. 1	Unchanged	6	...
River Plate Electricity.....	...	Nov. 1	Unchanged	6	5
Sadler and Co.	21%*	...	Unchanged	...	...
Scottish Mortgage and Trust	21%*	Nov. 1	11%	...	...
Scottish Stockholders Invest. (pref.) ..	...	...	...	7½	6
Second Broadmount Trust (def.).....	3%†	Nov. 8	44%	4½	6
Second Scottish Mortgage Trust	4%*	Nov. 8	Unchanged	...	...
Shanghai Electric Construction	...	...	...	6	5
Simons and Co.	...	...	...	2	2
Southern Stockholders Investment	...	...	...	15	15
Standard Motor	...	...	...	4½	4
Staveley Trust	...	...	...	...	...
Stockholders Investment (pref.).....	21%*	Nov. 2	11%	5	Nil
"The Times" Publishing Co.	...	...	...	2	2
Third Caledonian Trust	5%†	Nov. 19	6%	...	...
Viking Whaling	5%*	...	Unchanged	...	...
Wilson's Brewery	...	...	...	...	...

† Free of income tax.

EGYPTIAN UNIFIED DEBT.—The Egyptian Public Debt Commission announce that the coupon of the Unified Debt maturing on November 1, 1934, will be paid in paper. In the event of a decision to pay this coupon in gold, holders will receive the difference between the sum actually collected and that payable to them, if calculated on the basis of gold parity. For this purpose, at the time of collection, certificates will be delivered to them showing their right in that event to the difference in question.

UNITED KINGDOM AND ARGENTINE 1933 CONVENTION TRUST.—Baring Brothers and Company, Ltd., announce that in respect of the year ending October 31, 1934, a final distribution at the rate of £1 10s. per cent. (less income tax) on the nominal amount of the "C" certificates of the trust will be made on November 1st next. The transfer books of the "A," "B" and "C" certificates of the trust will be closed from the 18th to the 31st instant, both days inclusive.

FIRST CO-OPERATIVE INVESTMENT TRUST, LTD.—The accounts for the half-year ended July 31, 1934, show a net revenue, after providing for preference dividend but before charging income tax (to which under the Finance Act of 1933 the Trust is now liable) of £22,411 4s. 10d. This compares with a net revenue of £20,011 6s. 2d. for the corresponding period of last year. The directors have declared an interim dividend of 1 per cent. (actual) on the ordinary shares (the same as a year ago, when the interim dividend was followed by a final dividend of 2 per cent.), and the amount

AMERICAN RAILROADS

MONTHLY GROSS AND NET RECEIPTS

Company	Month	Ending	Description	Receipts for Month ended Aug. 31, 1934, compared with Month of Aug., 1933	Aggregate Eight Months 1934 compared with Eight Months 1933
Alabama Gt.	8	Aug. 31	Gross	402,135	3,252,941
			Net	38,830	328,927
Southern	8	Aug. 31	Gross	2,431,338	19,746,009
			Net	2,431,338	19,746,009
Atlantic Coast	8	Aug. 31	Gross	1,097,561	8,478,232
			Net	1,097,561	8,478,232
Atchafalaya	8	Aug. 31	Gross	2,091,366	16,445,657
			Net	2,091,366	16,445,657
Baltimore and Ohio	8	Aug. 31	Gross	1,907,039	15,831,318
			Net	1,907,039	15,831,318
Boston & Maine	8	Aug. 31	Gross	3,527,136	28,368,428
			Net	3,527,136	28,368,428
Central of New Jersey	8	Aug. 31	Gross	55,422	458,313
			Net	55,422	458,313
Chesapeake and Ohio	8	Aug. 31	Gross	9,038,299	73,007,308
			Net	9,038,299	73,007,308
Chicago and N. Western	8	Aug. 31	Gross	2,970,623	24,084,740
			Net	2,970,623	24,084,740
Chicago, Burlington, and Quincy	8	Aug. 31	Gross	1,403,148	10,445,292
			Net	1,403,148	10,445,292
Chicago Great Western	8	Aug. 31	Gross	7,435,226	51,668,645
			Net	7,435,226	51,668,645
Chicago, Mil. and St. Paul	8	Aug. 31	Gross	1,004,449	8,007,616
			Net	1,004,449	8,007,616
Chicago Rock Island, etc.	8	Aug. 31	Gross	8,345,585	68,438,802
			Net	8,345,585	68,438,802
Delaware and Hudson	8	Aug. 31	Gross	480,292	4,171,109
			Net	480,292	4,171,109
Denver & Rio Grande Wn.	8	Aug. 31	Gross	1,737,424	14,815,384
			Net	1,737,424	14,815,384
Erie Railroad	8	Aug. 31	Gross	1,944,580	15,865,431
			Net	1,944,580	15,865,431
Great Northern	8	Aug. 31	Gross	6,020,308	50,975,431
			Net	6,020,308	50,975,431
Gulf Coast Lines	8	Aug. 31	Gross	651,928	5,185,527
			Net	651,928	5,185,527
Illinois Central	8	Aug. 31	Gross	7,967,292	64,582,512
			Net	7,967,292	64,582,512
International Gt. Northern	8	Aug. 31	Gross	1,718,345	14,815,384
			Net	1,718,345	14,815,384
Lehigh Valley	8	Aug. 31	Gross	7,063,349	56,513,331
			Net	7,063,349	56,513,331
Long Island Railroad	8	Aug. 31	Gross	2,587,736	21,212,432
			Net	2,587,736	21,212,432
Louisville and Nashville	8	Aug. 31	Gross	1,358,063	11,267,159
			Net	1,358,063	11,267,159
Min. & St. Paul	8	Aug. 31	Gross	1,037,091	8,478,232
			Net	1,037,091	8,478,232
Missouri, Kansas & Texas	8	Aug. 31	Gross	2,881,777	23,232,407
			Net	2,881,777	23,232,407
Missouri Pacific	8	Aug. 31	Gross	2,881,777	23,232,407
			Net	2,881,777	23,232,407
New York Central	8	Aug. 31	Gross	5,455,252	44,650,320
			Net	5,455,252	44,650,320
N. York, New Haven and Hartford	8	Aug. 31	Gross	1,455,305	11,645,444
			Net	1,455,305	11,645,444
Norfolk and Western	8	Aug. 31	Gross	6,001,738	50,975,431
			Net	6,001,738	50,975,431
Norfolk Southern	8	Aug. 31	Gross	1,689,064	14,772,532
			Net	1,689,064	14,772,532
Pennsylvania Railroad	8	Aug. 31	Gross	3,763,800	30,544,391
			Net	3,763,800	30,544,391
Reading Co.	8	Aug. 31	Gross	1,410,234	11,645,444
			Net	1,410,234	11,645,444
Seaboard Air Line	8	Aug. 31	Gross	2,881,777	23,232,407
			Net	2,881,777	23,232,407
Southern Pacific	8	Aug. 31	Gross	13,585,857	110,445,657
			Net	13,585,857	110,445,657
Southern Railway	8	Aug. 31	Gross	1,841,805	15,831,318
			Net	1,841,805	15,831,318
St. Louis-San Francisco	8	Aug. 31	Gross	6,380,463	51,668,645
			Net	6,380,463	51,668,645
Texas & Pacific	8	Aug. 31	Gross	699,572	5,807,616
			Net	699,572	5,807,616
Union Pacific	8	Aug. 31	Gross	3,877,737	31,232,407
			Net	3,877,737	31,232,407
Wabash	8	Aug. 31	Gross	440,705	3,644,675
			Net	440,705	3,644,675

† Net operating income.

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

Gross Receipts, week ended Oct. 14, 1934 ('000)										Aggregate Gross Receipts 1934 compared with 1933, 41 weeks ('000)				
(b) Week ended Oct. 12, 1934	(c) Week ended Oct. 13, 1934	Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts		
Great Western	1934 3,750	183	197	95	292	475	8,487	7,318	4,040	11,358	19,845	19,277		
Eastern	1934 3,752	179	183	95	278	457	8,488	8,433	3,946	10,789	19,277	19,277		
L. & N.	1934 6,339	292	352	231	583	975	12,535	12,531	9,218	21,869	34,804	34,804		
L. M. & D.	1934 6,340	284	328	231	559	843	12,711	11,933	8,440	20,133	32,834	32,834		
Scottish	1934 6,941	449	480	221	701	1,150	20,934	18,155	8,139	27,274	47,308	47,308		
Southern	1934 2,178	294	65	29	54	358	12,366	2,995	1,255	3,851	18,111	18,111		
	1933 2,181	257	66	29	54	351	12,081	2,940	1,184	3,851	15,755	15,755		
Total	1934 22,061	1,188	1,094	576	1,670	2,858	53,722	49,699	23,652	64,352	118,974	118,974		
	1933 19,213	1,138	1,041	569	1,610	2,768	52,999	52,775	22,998	60,172	113,171	113,171		
(b) Belfast & Co. Down	1934 80	1-9	...	0-6	2-5	107-1	...	...	...	21-0	128-1	128-1		
(b) Great Northern	1934 562	8-7	...	0-5	13-2	419-9	...	...	...	341-5	761-4	761-4		
(b) Great Southern	1934 2,133	20-2	...	0-5	17-4	322-0	...	...	...	269-2	591-1	591-1		
(b) Great Western	1934 2,138	20-2	...	0-6	16-8	308-6	...	...	...	131-6	232-2	232-2		
(b) Southern	1933 2,138	20-2	...	0-6	16-8	308-6	...	...	...	131-6	232-2	232-2		

COMPARISONS WITH CORRESPONDING PERIODS, 1933 AND 1934

(000's omitted)	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 230
Net increase or decrease	+ 370	+ 1,000	+ 688	+ 50
Second half-year 1934, compared with second half-year 1933:				
15 weeks to October 14, 1934	+ 169	+ 590	+ 481	+ 131
Weekly average second half 1934 latest week 1934 compared with 1933	+ 11½	+ 39½	+ 32½	+ 8½
	+ 33	+ 33	+ 18	+ 7

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending October 13, 1934	1934	1933
Aggregate 13 weeks ending October 13, 1934	£7,946,200	£7,946,200
Aggregate 13 weeks ending October 13, 1933	£7,946,200	£7,946,200

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	1934
				+ or -	+ or -
Assam Bengal	24	Sept. 15	1,522	Rs. 3,32,500	Rs. 16,959
Barsi L. Ry.	25	Sept. 22	2,600	Rs. 3,900	Rs. 8,848
Bengal & N. Western	25	Sept. 22	2,600	Rs. 3,900	Rs. 8,848
Bengal-Nagpur	24	Sept. 15	1,522	Rs. 3,32,500	Rs. 16,959
Bombay, Bar. & C.	24	Sept. 15	1,522	Rs. 3,32,500	Rs. 16,959
Madras & S. W. Ry.	24	Sept. 15	1,522	Rs. 3,32,500	Rs. 16,959
Robt. & K. Ry.	24	Sept. 15	1,522	Rs. 3,32,500	Rs. 16,959
South Indian	24	Sept. 15	1,522	Rs. 3,32,500	Rs. 16,959

CANADIAN

Canadian National	40	Oct. 7	2,373,361	3,326,046	33,021	125,288,758	1,877,945
Canadian Pacific	40	Oct. 7	1,710,181	2,603,000	184,000	93,505,000	8,733,000

SOUTH AMERICAN

Antofagasta (Chili and Bolivia)	31	Oct. 14	830	Rs. 16,169	Rs. 5,020	Rs. 586,210	Rs. 146,149
Argentine N.E.	15	Oct. 14	753	Rs. 128,300	Rs. 35,500	Rs. 2,045,900	Rs. 121,693
B.A. and Pacific	15	Oct. 14	2,806	Rs. 7,512	Rs. 132	Rs. 118,519	Rs. 33,199
B.A. Central	15	Sept. 30	...	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
B.A. Gt. Southern	15	Oct. 13	5,085	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
B.A. Western	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Central Argentine	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Central Uruguay	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
C. Ur. (East Ext.)	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
C. Ur. (W. Ext.)	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Cordoba Central	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Entre Rios	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
G. West. of Brazil	41	Oct. 13	1,882	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Leopoldina	41	Oct. 13	1,882	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Nitrate	41	Oct. 13	1,882	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Paraguay Central	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Salvador	15	Oct. 13	3,700	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
Sao Paulo	40	Oct. 13	1,531	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000
United de Havana	15	Oct. 13	1,365	Rs. 1,181,000	Rs. 207,000	Rs. 18,907,000	Rs. 2,290,000

* Converted at average official rate during week ended October 13—17.08 pesos to the £.
† Receipts in Argentine Pesos.
‡ Converted at average official rate during week.

OTHER OVERSEAS

Egyptian Delta Light Railways	28½	Sept. 30	622	£7,159	£1,508	£105,172	£10,694
Egyptian Markets	41	Oct. 11	...	£7,159	£1,508	£105,172	£10,694
Gr. Subz. of Spain	40	Oct. 11	...	£7,159	£1,508	£105,172	£10,694
Mexican Railway	15	Oct. 11	...	£7,159	£1,508	£105,172	£10,694

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

Anglo-Argentine	41	Oct. 14	328	£790,226	£157,328	£25,105,638	£1,890,889
B. Alca. Lacroze	13	Sept. 30	...	£790,226	£157,328	£25,105,638	£1,890,889
Burnley, Colne and Nelson Jt. Trst.	15	Oct. 13	76	£790,226	£157,328	£25,105,638	£1,890,889
Calcutta Tramways	15	Oct. 13	76	£790,226	£157,328	£25,105,638	£1,890,889
Isle of Thetis Elec.	41	Oct. 13	...	£790,226	£157,328	£25,105,638	£1,890,889
Liverpool Corp.	28	Sept. 30	...	£790,226	£157,328	£25,105,638	£1,890,889
Madras Electric	91	Oct. 13	...	£790,226	£157,328	£25,105,638	£1,890,889

† Months.

MONTHLY TRAFFICS

Company	Month	Ending	Description	Receipts for Month	Receipts to Date
				1934	+ or -
				1934	+ or -
Algoma Central	8	Aug. 31	Gross	£110,860	+ 1,243
			Net	£34,964	...
Cape Electric Trams	1	Aug. 31	Gross	£2,700	+ 750

OIL OUTPUTS

ANGLO-PERSIAN OIL COMPANY, LTD.—Production in Persia for the month of September amounted to 708,000 tons, making a total of 5,769,000 tons for the first nine months of 1934.

APEX (TRINIDAD) OILFIELDS, LTD.—The results for the month of September are as follows:—Production of oil, 43,580 tons; deliveries, 45,790 tons. The totals for the year ended September 30, 1934, are:—Production of oil, 551,690 tons; deliveries, 549,120 tons; which compare with the previous year's figures of:—Production of oil, 545,813 tons; deliveries, 546,993 tons.

THE BRITISH BURMAH PETROLEUM COMPANY, LTD.—A cablegram has been received from Burma reporting the production of crude oil by this company for the month of September as 26,321 barrels.

THE MEXICAN EAGLE OIL COMPANY, LTD.—Production for the week ended September 29, 1934, was 344,000 barrels. Production for the week ended October 6, 1934, was 349,000 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended October 6th:—Venezuela, 18,204 barrels; Trinidad, 30,336 barrels; total, 48,540 barrels. Production for September:—Venezuela, 77,360 barrels; Trinidad, 131,729 barrels; total, 209,089 barrels. Deliveries for September:—Venezuela, 74,934 barrels; Trinidad, 143,335 barrels; total, 218,269 barrels. Production for the week ended October 13th:—Venezuela, 17,684 barrels; Trinidad, 30,968 barrels; total, 48,652 barrels.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of September amounted to 93,940 barrels, or approximately 13,420 tons.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended September 29, 1934, was: Bolivar district, 652,636 barrels; Maracaibo district, 35,554 barrels; total, 688,190 barrels. Production for the week ended October 6, 1934, was: Bolivar district, 634,315 barrels; Maracaibo district, 35,324 barrels; total, 669,639 barrels. Production for the week ended October 13, 1934, was: Bolivar district, 641,530 barrels; Maracaibo district, 36,267 barrels; total, 677,797 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary					
						Amount	Amount				
Banks		£	£	£	£	£	%	£	£	£	%
Anglo-South American Bank	June 30	158,963	60,783	219,746	£ ...	£ ...	...	60,783	158,963	63,362	...
Breweries											
Frome United Breweries ...	Aug. 31	10,822	10,193	21,015	2,760	6,900	15	1,545	9,810	9,467	15
Financial Land, etc.											
International Financial Soc.	Sept. 30	...	3,390	3,390	13,950	...	...	Dr. 10,560	...	2,386	...
Iron, Coal and Steel											
Sheffield Forge and Rolling Mills	June 30	Dr. 96,746	6,195	Dr. 90,551	...	...	...	...	Dr. 90,551	Dr. 6,945	...
Sneyd Collieries	June 30	100,381	38,193	138,574	7,650	30,000	10	...	100,924	37,742	10
Motor and Cycle											
Standard Motor Co.	Aug. 31	30,646	106,795	137,441	...	34,875	15	70,000	32,566	131,962	15
Rubber, etc.											
Bernam-Perak Rubber	June 30	...	1,470	1,470	...	...	...	...	1,470	Dr. 1,291	...
Central Sumatra Rubber ...	June 30	6,905	4,975	11,880	248	4,839	5	...	6,793	266	Nil
Karmen Rubber	May 31	12,730	2,528	15,258	...	3,000	3	...	12,258	116	Nil
Kayan (F.M.S.) Coconut ...	June 30	7,169	202	7,371	...	...	...	...	7,371	1,662	...
Lewa Rubber	June 30	1,869	2,418	4,287	1,716	...	...	...	2,571	1,790	...
Parit-Bruas (Malay) Rubber	June 30	139	2,278	2,417	...	2,310	5	...	107	Dr. 319	...
Tea											
Ceylon and Indian Planters' Textiles	June 30	4,790	6,254	11,044	1,500	5,280	8	...	4,264	Dr. 752	Nil
British Celanese, Ltd.	June 30	252,463	621,959	874,422	a 54,250	...	...	760,618	59,554	361,075	...
Trusts											
British Canadian Trust ...	Aug. 31	8,441	10,760	19,201	4,371	5,766	6	...	9,064	11,410	7
Second Broadmount Trust	Sept. 14	2,272	11,679	13,951	6,862	2,906	7½	1,000	3,183	11,043	6
Staveley Trust	July 31	8,111	17,762	25,873	...	12,084	4½	6,362	7,427	16,814	4
Other Companies											
Assoc. Automatic Machine	Mar. 31	Dr. 3,047	Dr. 982	Dr. 4,029	...	...	...	...	Dr. 4,029	Dr. 1,930	...
Erinoid, Ltd.	July 31	6,743	45,159	51,902	...	24,509	11½	18,948	8,445	41,845	11½
Fison, Packard and Prentice	June 30	12,597	63,225	75,822	11,483	24,075	7½	22,333	17,931	46,065	5
Gaumont-British Picture ...	Mar. 31	129,455	419,170	548,625	163,750	210,000	7	40,000	134,875	310,976	7
Morris (Herbert), Ltd.	July 31	24,674	36,141	60,815	14,575	23,250	10	...	22,990	29,901	10
Ranks, Ltd.	June 30	(f) 366,430	366,430	117,361	215,465	...	15	...	33,604	...	...
Rich (E.) and Co.	June 30	3,801	2,713	6,514	...	2,280	1½	...	4,234	5,861	Nil
Sadler and Co.	June 30	4,863	6,862	11,725	...	7,860	6	...	3,865	7,964	5
Serck Radiators	Aug. 4	6,222	20,624	26,846	...	11,625	12½	9,000	6,221	16,103	12½
Shaw (John) and Sons, Wolverhampton	June 30	Dr. 214,958	Dr. 5,601	Dr. 220,559	...	...	...	...	Dr. 220,559	Dr. 58,420	...
Simons and Co.	June 30	6,364	23,043	29,407	8,578	9,300	6	5,000	6,529	16,158	5
Thomas Smith's Stamping Works	Aug. 4	828	9,482	10,310	...	...	...	...	10,310	Dr. 15,910	...

(a) Half-year's dividend towards arrears on 7 per cent. cumulative first preference shares.

(i) 7½ Months.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE recovery in the world's grain markets was well maintained during the past week and, with the exception of barley, the prices of all grains have been firmer. This movement has been shared by rubber, cotton and jute, while wool prices are practically unchanged. Oilseeds and vegetable oils have had quiet markets, with quotations showing an easier tendency; but metal prices—especially on American markets—have exhibited greater firmness than for some time past. The slight gain in the case of copper was due to a reduction of American exports, while the

substantial appreciation of silver early in the week was the consequence of American policy (discussed in the Money Article this week). The improvement in American prices is reflected in Moody's index of the daily price of staple commodities (December 31, 1931 = 100), which rose from 144.5 on October 10th to 145.2 on Wednesday last. Prices have, however, not yet recovered to the level of a month ago, when the index stood at 152.6.

The firmer tendency of raw cotton prices has caused a slight improvement in quotations for Lancashire products. Reports from that area are more encouraging this week and,

although business in yarns is limited, cotton piece goods are in better demand. The improvement in the jute industry continues. Exports of coal from South Wales are still disappointing, but other areas report favourably, and export prices have, in some cases, been advanced. The industrial consumption of coal is good, and while there are signs that the rate is slowing down, the expansion of iron and steel production continues. Quotations for hides and leather are tending upwards and trade in the footwear and other leather industries is improving.

The past week has witnessed little change in the price of foodstuffs in this country. Butter prices are irregular, while eggs are seasonally dearer; but the prices of meat, vegetables, coffee, cocoa and tea show little change.

COAL

SHEFFIELD.—Conditions in the coal trade are rather more active. Heavy consumption of best steams at industrial works is causing a scarcity for export and prices have advanced to 16s. 9d. to 17s. f.o.b. Export business is quiet, with some increased inquiry. The tonnage of house coal going out is unsatisfactory, being below the level of twelve months ago, but small coal is in brisk demand. Coke continues to be an active market and the output of the ovens is barely sufficient for the ironworks and for central-heating purposes. Trade in foundry coke is fairly good. Best brands of blast-furnace coke command 14s. 6d. per ton at ovens.

NEWCASTLE-ON-TYNE.—The colder weather has brought more inquiry from the English coast, but there is little change in export trade, which remains at a steady level. Screened steam is a good market, and sized nut coal continues to sell well. Steam smalls are also firm, there being a brisk demand from the English coast. The Durham gas collieries are more active as a result of improving demand under winter conditions, but generally the position in this section of the market is quiet and more trade would be welcome. Prompt business in patent oven coke is still rather quiet, but the forward position is firm.

Current f.o.b. prices for export: NORTHUMBERLAND.—D.C.B. screened, 14s. 9d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin screened, 14s. 3d.; smalls, 11s. 6d.; Tyne prime large, 13s. 6d.; smalls, 11s.; Hartley Main large, 13s. 6d.; smalls, 11s. DURHAM.—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear special gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; prime foundry coke, 20s.; Newcastle and district gas coke, 20s. 3d.

GLASGOW.—Despite Polish competition in various markets, the Scottish collieries are managing to keep up their improved level of shipments. The market, as a whole, is hardly so strong as some weeks ago, but there are no signs of weakness. Some good-sized cargoes have recently been dispatched to South America, and several of the Mediterranean ports are taking better tonnages. With the exception of prime Lanarkshire splints and some of the best grades of steams, all classes of coal are open for prompt shipment.

Export prices (f.o.b. district ports): LANARKSHIRE.—Ell best, 13s. 9d. to 14s.; splint best, 16s. 6d.; splint second, 14s. to 14s. 3d.; navigation, screened, 15s.; navigation, unscreened, 13s. 3d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 12s. 6d.; singles, 13s.; pearls, 12s. 6d.; dross, 10s. FIFE.—Best unscreened navigation, 13s.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 3d. to 13s. 6d.; third-class steam, 12s. 6d.; trebles, 14s. to 16s.; doubles, 11s. 9d. to 12s.; singles, 12s. 3d. to 12s. 6d.; pearls, 11s. 6d. to 12s. LOTHIAN.—Prime steam, 12s. 6d. to 13s.; secondary steam, 11s. 6d. to 11s. 9d.; unscreened navigation, 12s. 9d.; trebles, 13s. 6d. to 14s.; doubles, 11s. 9d.; singles, 12s. to 12s. 6d.; pearls, 11s. 6d. AYRSHIRE.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s.; trebles, 15s. 6d.; doubles, 13s. 6d.; singles, 13s.; pearls, 11s. 6d. to 12s.; dross, 10s.

CARDIFF.—The Government have appointed Viscount Bridgeman of Leigh, Sir David Shackleton and Mr L. A. P. Warner (general manager of the Mersey Docks and Harbour Board) to settle the differences between the South Wales coalowners and miners over the minimum wage and subsistence allowances to be paid under the new wages agreement. The tribunal is expected to commence its sittings at Cardiff next week, and its decisions will be retrospective as from the beginning of the present month. Conditions on the Cardiff coal market are practically unchanged. The seasonal trade is normally active and there is a fairly good demand for sized coals, but the supply of other classes, and notably large coal, is much in excess of the demand, notwithstanding the reduced quota and local non-unionist stoppages. Business with France is suffering both from the extra shipments which took place last month owing to fears of a strike and from the suspension of the coal-pitwood agreement, and the shipping position at the South Wales ports is unsatisfactory. Only 58 berths were occupied on Wednesday.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best dries, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; seconds, 12s. 6d. to 13s.; anthracite best large, 36s. to 38s. 6d.; Red Vein large,

22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; French nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel, 20s. to 21s.; pitwood, ex ship, 22s. 7½d. French, 23s. 6d. to 24s. Portuguese.

IRON AND STEEL

MIDDLESBROUGH.—The iron market continues firm, producers being well contracted; most of their output is going to home consumers, although occasional parcels are being shipped abroad, one lot having gone to Germany this week. More inquiries are in circulation and small lots are changing hands. Prices to home users are based as follows: For Cleveland foundry No. 3 pig iron, 67s. 6d. per ton, delivered Middlesbrough area; East Coast hematite is based on No. 1 quality at 69s. per ton, delivered this area. The hematite market is quite firm and regular consignments are being forwarded to the Midlands and South Wales. Shipments of all classes of pig iron from October 1st to 16th amounted to 7,884 tons, against 9,931 tons in the corresponding period in September. Although good blast-furnace coke is more easily obtainable, makers are firm in their quotation of 20s. per ton delivered furnaces. Foreign ore continues to be based on 17s. per ton c.i.f. for best Bilbao rubio.

The output of iron and steel in this district is being maintained, this now being the largest steel-producing area in the country. It is expected that departments furnishing steel for shipbuilding will benefit as a result of the orders placed on the Tyne recently for four destroyers. It is also understood that the Export Steel Association have booked an order for 4,000 tons of plates for Argentina, and a portion of this will probably be allocated to works in this district. Heavy steel melting scrap is firm at 50s. per ton delivered works, with merchants not inclined to go too far ahead at this figure.

SHEFFIELD.—The call for steel has broadened somewhat since the beginning of the month. The turnover may not be so large as during the first half of the year, but it represents a substantial increase on the two previous years. Business is still mainly on home account, the expansion of exports being less than was hoped for. September exports of iron and steel and their manufactures were only a few thousand tons higher than in August. Tools and cutlery, however, continue to improve in the export markets every month, and have made good most of the heavy losses experienced in 1931 and 1932, and works producing strips, stainless steel, tool steel and wire are well employed. The position of railway steel and rolling stock is better than for some time past. The motor, wireless and aeroplane industries are providing Sheffield with a great amount of trade for steel forgings, castings, tools and special steels in a wide variety of forms, and prices continue steady. Considerable quantities of steel and tools are being imported.

GLASGOW.—A good volume of business continues to be done at the steel plants in the West of Scotland; work is regular, plant fully employed and a fair amount of work still on hand. The demand for semis is expanding and makers are better off for work than has been the case for some time in this branch. The position as regards Clyde shipbuilding is further improved by the Admiralty orders announced at the end of last week, but the position at Clyde yards is not yet regarded as satisfactory. Sheet makers have been able to put a few more mills into operation, the recent increased export demand being maintained both for black and galvanised sheets. Railway carriage and wagon builders in the West of Scotland are exceedingly busy and further contracts placed within the past week ensure a continuance of regular employment in this industry.

CARDIFF.—On the Swansea Metal Exchange on Tuesday it was reported that the tinplate works were operating at approximately 70 per cent. of capacity, and that makers are well sold up to the end of the present year. Quotations have been ruling at from 18s. 2d. to 18s. 7½d. per basis box, but at the lower prices of 16s. 3d. to 16s. 9d. for wasters. The position in the galvanised sheet market has improved on the strength of an order for 12,000 tons from Australia, but prices are unaltered. Welsh steel bars are also nominally unchanged at £5 7s. 6d. per ton. Shipments of tinplates at Swansea last week improved from 63,505 to 108,063 boxes, while stocks, though slightly reduced, amounted to 105,695 boxes compared with 134,449 boxes at the corresponding period last year.

OTHER METALS

While the general trend shows little change, price fluctuations on the metal markets have been rather wider this week. United States consumers are strongly opposed to the maintenance of the

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price of copper at 9 cents per lb.—at which level it has been held since the summer—but the producers are considering a further restriction of output to achieve this end. At the same time, they are somewhat restricting their exports to avoid depressing the European price still further. Hence, there has been some improvement on European markets. According to the unofficial statistics, published on Wednesday evening, there has been an increase in world stocks, for the first time since early in 1933, amounting to 6,750 short tons, despite a fall of 4,000 short tons in American stocks. Aggregate world stocks at the end of September were 497,000 short tons.

Tin has again been an uninteresting market. Although the tinplate industry in this country and Germany continues to work at high capacity, this is insufficient to counteract the unfavourable at American situation. The United States tinplate industry is at present working at only about 40 to 50 per cent. of capacity, while the output of motor cars during September was smaller than in the corresponding month of last year. Hopes of an early market improvement are limited, for purchases are very restricted at the present time.

The silver market has been much influenced by the increase in the Chinese export duty from 2.25 to 10 per cent., and on Monday the price in London reached its highest for over five years. This high level was maintained on Tuesday, but heavy selling on the following day pushed quotations down by no less than one penny. The increased Chinese export duty will doubtless reduce the level of exports from that country. During the past few weeks, heavy exports from America has been counterbalanced by exports from China, so that the reduction of the latter would seem to leave the market open for a further rise in the price of silver. But American market policy is an uncertain factor. Speculators have been very active in recent weeks, and it is known that President Roosevelt does not really favour the present silver policy. When the elections are over next month, it is possible that some change in the President's silver policy may take place.

TIN.—Sales on the London Metal Exchange: 175 tons on Monday, against 565 tons last week; 235 tons on Tuesday, against 195 tons last week; 240 tons on Wednesday, against 210 tons last week. The New York quotation on Wednesday was 50.85 cents per lb., against 50.50 cents a week ago and 51.40 cents a month ago. Wednesday's official closing quotation in London for standard cash was £231 to £231 5s., compared with £230 5s. to £230 10s. last week. Stocks in London and Liverpool at the end of last week were 4,253 tons, a decrease of 172 tons on the week.

COPPER.—Sales on the London Metal Exchange: 2,450 tons on Monday, against 1,700 tons last week; 2,100 tons on Tuesday, against 1,075 tons last week; 1,250 tons on Wednesday against 1,000 tons last week. Domestic spot was quoted at 6.17½ cents per lb. in New York on Wednesday, against 6.17½ cents a week ago and 6.65 cents a month ago. Wednesday's official closing price for standard cash in London was £26 to £26 1s. 3d., compared with £25 12s. 6d. to £25 13s. 9d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 33,163 tons, show an increase of 574 tons, and stocks of rough copper, at 7,324 tons, an increase of 350 tons.

LEAD.—Sales on the London Metal Exchange: 500 tons on Monday, against 1,050 tons last week; 800 tons on Tuesday, against 800 tons last week; 450 tons on Wednesday, against 600 tons last week. The New York quotation on Wednesday was 3.65 cents per lb., against 3.60 cents a week ago and 3.70 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 3s. 9d. for shipment during the current month compared with £10 3s. a week ago.

SPELTER.—Sales on the London Metal Exchange: 200 tons on Monday, against 375 tons last week; 600 tons on Tuesday, against 200 tons last week; 650 tons on Wednesday, against 500 tons last week. Wednesday's quotation in East St. Louis was 3.80 cents per lb., against 3.80 cents the week before, and 4.00 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £12 for shipment during the current month, against £11 15s. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £43 to £43 10s. per ton, as against £41 to £41 10s. per ton last week. Chinese wolfram was quoted at 41s. to 42s. per unit, c.i.f., as against 41s. 6d. to 42s. 6d. per unit c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—**Manchester.**—Prices for raw cotton have hardened since a week ago, the tone of the markets in New York and Liverpool being firmer. The 12 cent loan plan in the United States is undoubtedly helping to sustain prices, and according to some authorities there is a possibility of an extension of inflationary measures by the Washington Government. Favourable weather continues to be experienced in the American belt, and the picking of the crop is proceeding satisfactorily. In Manchester and Liverpool there has again been an active demand for Egyptian, Brazilian and East Indian qualities. It is significant that the consumption of American cotton in the United States last month was the lowest for over twenty years.

Cloth inquiry has tended to broaden and quite a number of manufacturers have had more opportunities of selling. With

regard to India, offers are getting nearer to makers' ideas of prices and, although Calcutta has been disappointing, a rather better turnover has taken place in mulls for Karachi and fancies for India generally. Merchants with connections in China have been much interested in the silver developments, but the fall in the Shanghai exchange is, of course, an adverse factor and business has been at a low ebb, although further contracts have been arranged for Hong Kong. There has not been any particular activity for Egypt, South America and the Continent, but rather more orders have been placed for the home trade, chiefly in dress materials, fancy shirtings and casement cloths. The trade done in yarns has been of limited dimensions, but quotations have been firmer.

COTTON PRICES

	1934				Corresponding Date	
	Sept. 26	Oct. 3	Oct. 10	Oct. 17	1932	1933
Raw Cotton—Mid. American per lb.	d. 7-01	d. 6-90	d. 6-74	d. 6-98	d. 5-57	d. 5-48
Sakellaridis Fully Good Fair Egyptian..... per lb.	8-41	8-14	7-87	8-28	8-12	7-03
Yarns—32's twist..... per lb.	10 1	10 1	10 1	10 1	9 1	9 1
" 40's twist..... per lb.	10 1	10 1	10 1	10 1	9 1	9 1
" 60's twist (Egyptian)..... per lb.	16 1	16 1	16 1	16 1	15 1	16 1
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	19 4	19 4	19 0	19 2	19 0	16 8
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	24 4	24 4	24 0	24 3	21 1	20 8
38-in. ditto, 38 yds., 18 by 18, 10 lb.	11 2	11 2	11 0	11 1	11 1	10 5
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 1	10 1	9 11	10 0	9 11	9 3

JUTE.—**Dundee.**—Improvement in the jute industry has continued and both spinners and manufacturers have been able to obtain an advance in prices of yarns and cloth, which has really been the result of the satisfactory position in which they have found themselves following a very good business done. Buyers have purchased for delivery some months ahead and altogether the position is better than it has been for some years past. Whereas formerly spinners and manufacturers had been increasing their stocks of yarns and cloth owing to lack of demand, there is now an urgent request for early delivery, which is very difficult to obtain in any width and weight of hessians and the hessian yarns. Due to the closing down of a large spinning mill, the machinery of which is to be sold next week by auction, the supply of yarns has been considerably curtailed.

Prices of raw jute have fluctuated to some extent, without moving far away from the level ruling for several months past. The Indian jute mills have occasionally entered the market for fair quantities, which has arrested any tendency for quotations to decline. The Government of Bengal are seriously tackling the question of restriction of the cultivation of raw jute next season on a voluntary basis, and are collecting all the data necessary to put the scheme into operation.

The price of Daisee-2/3 has varied from £14 to £14 5s., and yesterday there was a seller of the full group at £13 17s. 6d., with fours at from £13 2s. 6d., Tossa-2/3 being offered at from £14 15s. for the full group and fours at £14, October-November. The better qualities of jute are being maintained in price, because of the scarcity of good quality fibre this season. First Marks are quoted at £17 10s. and good Lightnings at £16 12s. 6d. for Green Circle Ram, with Heart Ram-D/E at £15 2s. 6d. and SCC-H at £14 15s., October-November. Large quantities of hessian yarns have been bought and up to 1s. 10d. has been paid for common 8 lb. cops and 1s. 11d. for 8 lb. spools, which are now the lowest rates quoted. The market is quieter, as buyers are not keen to pay these advanced limits for delivery next year. Twist is firm at 3½d. paid for 3 ply 8 lb., and sacking yarns rule at 2½d. to 2½d. for 24 lb. weft and 3d. for 8 lb. chains. Fair quantities of rove have been bought at £17 to £17 5s. for 48 lb. and £14 to £14 5s. for 200 lb., and the finer yarns are dearer at 2s. 7d. for second quality 8 lb. Rio warp, 2s. 3d. for third and 2s. for fourth. Carpet descriptions are firm and more active at 2½d. for 14 lb. warp. Jute cloth has been steadily purchased and the lowest rates are now 2½d. for 10½ oz. 40 in. and 2½d. for 8 oz. Calcutta goods are quiet, but quite a steady undertone prevails.

GRAIN MARKETS

WHEAT.—The week ended last Wednesday witnessed a further slight improvement in wheat prices, both in this country and in the United States, although the upward spurt at the beginning of this period was not fully held. Canada has been selling freely, and France continues to export, although apparently on a somewhat smaller scale than recently. Crop prospects have improved somewhat in Australia, but it is reported that slight frosts in Argentina may have done some damage; the effect on the size of the Argentine crop is, however, unlikely to be very significant. According to Mr G. Broomhall, total shipments during the past week were 1,476,000 quarters, against 1,526,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 100½ cents per bushel, against 99½ cents the week before and 103½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 33s. 3d. per 496 lbs., against 32s. 6d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 31s. 3d., against 30s. 9d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 27s. 6d. to 28s. 6d., against 27s. to 28s. a week ago.

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended September 30		Nine Months ended September 30	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	5,325,508	5,631,534	41,271,034	38,718,778
B. Feeding-stuffs for Animals ..	471,454	531,406	4,118,354	4,776,659
C. Animals, Living, for Food ...	617,718	397,550	4,514,804	3,485,593
D. Meat	7,189,554	6,796,237	59,386,699	62,568,841
E. Dairy Produce	4,922,158	3,676,483	40,826,150	39,518,771
F. Fresh Fruit and Vegetables...	2,532,544	2,217,906	28,292,105	27,505,099
G. Beverages and Cocoa Preparations	3,866,954	3,655,006	27,755,297	31,251,575
H. Other Food	3,616,563	4,338,601	33,084,210	33,005,140
I. Tobacco	1,159,188	1,775,302	7,156,348	8,871,169
Total, Class I	29,701,641	29,010,025	246,405,001	249,699,625
II.—Raw Materials and Articles mainly Unmanufactured—				
A. Coal	1,776	1,975	11,441	18,238
B. Other Non-Metalliferous Mining and Quarry Products and the like	259,799	289,118	2,484,127	2,766,541
C. Iron Ore and Scrap	217,374	360,013	1,847,549	3,359,753
D. Non-Ferrous Metalliferous Ores and Scrap	498,518	599,335	4,834,374	6,995,082
E. Wood and Timber	4,343,073	4,430,393	20,731,554	29,241,400
F. Raw Cotton and Cotton Waste ..	2,688,353	2,281,891	25,389,718	26,445,113
G. Wool, Raw and Waste, and Woolen Rags	1,104,044	859,678	27,224,986	31,655,290
H. Silk, Raw, Knobs and Noils...	108,334	100,216	893,183	1,024,849
I. Other Textile Materials	420,523	358,311	5,223,764	6,018,978
J. Seeds and Nuts for Oil, Fats, Resins and Gums	1,538,211	1,643,661	15,972,093	16,410,789
K. Hides and Skins, Undressed...	1,407,271	1,080,682	10,728,739	11,717,668
L. Paper-making Materials	768,836	860,083	6,811,995	8,168,260
M. Rubber	204,500	1,260,036	2,171,556	7,764,536
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	952,300	1,039,618	5,160,188	6,102,857
Total, Class II	14,512,912	15,165,010	129,485,267	157,688,732
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel ..	1,394	2,013	20,034	28,579
B. Pottery, Glass, Abrasives, etc.	547,021	574,591	3,996,580	4,921,561
C. Iron and Steel and Manufactures thereof	534,572	615,559	4,316,336	6,915,647
D. Non-Ferrous Metals and Manufactures thereof	1,155,951	1,678,087	10,699,644	15,560,260
E. Cutlery, Hardware, Implements and Instruments	430,887	448,013	3,625,477	4,180,259
F. Electrical Goods and Apparatus ..	267,171	240,425	1,645,159	2,187,225
G. Machinery	688,845	866,549	6,176,881	8,463,935
H. Manufactures of Wood and Timber	510,994	462,081	3,534,584	4,136,726
I. Cotton Yarns and Manufactures ..	191,734	166,233	1,496,877	1,661,231
J. Woollen and Worsted Yarns and Manufactures	206,907	193,855	1,630,105	1,851,204
K. Silk Yarns and Manufactures	262,547	251,307	2,265,363	2,341,935
L. Manufactures of other Textile Materials	629,287	493,656	5,500,465	5,243,426
M. Apparel	702,755	664,807	5,685,725	6,180,958
N. Chemicals, Drugs, Dyes and Colours	839,174	986,196	7,090,164	8,441,958
O. Oils, Fats and Resins, Manufactured	2,485,730	2,181,093	22,967,993	23,111,468
P. Leather and Manufactures thereof	794,925	544,206	5,808,183	5,669,517
Q. Paper, Cardboard, etc.	1,119,132	1,140,330	8,566,678	9,490,494
R. Vehicles (including Locomotives, Ships and Aircraft) ...	202,471	240,441	1,818,279	2,696,554
S. Rubber Manufactures	135,909	91,853	1,196,310	1,035,480
T. Miscellaneous Articles wholly or mainly Manufactured ...	1,348,422	1,354,962	10,807,890	12,378,157
Total, Class III	13,055,828	13,196,257	108,848,667	126,496,574
IV.—Animals, not for Food	101,442	174,629	542,036	1,025,627
V.—Parcel Post	355,340	192,577	2,358,341	1,870,214
Total	57,727,163	57,738,498	487,639,312	536,780,772

FLOUR.—Trade has been quiet at mainly unchanged rates. North American shipments were 68,000 sacks in the past week, as compared with 111,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 25s. to 27s., against 24s. 9d. to 27s.; Australian, ex store, 20s. 6d. to 21s., against 20s. 6d. to 21s.

BARLEY.—The best qualities of English barley continue to meet a steady demand, but the lower grades tend to weaken in price. Quotations for futures in Winnipeg have shown a somewhat easier tendency. October futures were 52½ cents per bushel in Winnipeg on Wednesday, against 53½ cents last week and 56½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 448 lbs., 32s. to 55s., against 32s. to 55s. a week before.

OATS.—Shorter supplies continue to meet a steady demand, and quotations show a tendency to harden. On Wednesday, "December" futures were quoted at 52½ cents per bushel in Chicago, against 51½ cents a week ago, and 52½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 21s. 6d. per 320 lbs., against 21s. 6d. a week ago; "Chilean White," landed, 23s. 6d., against 23s. 6d. a week earlier.

MAIZE.—The tone of the market has improved considerably, a recovery in Argentina being an important contributing factor.

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.)

	Month ended September 30		Nine Months ended September 30	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	£ 153,707	159,608	£ 1,519,293	1,243,243
B. Feeding-stuffs for Animals	53,587	44,561	636,198	457,294
C. Animals, Living, for Food	1,866	1,517	26,141	19,809
D. Meat	64,130	68,123	556,485	544,311
E. Dairy Produce	122,222	75,689	693,466	670,598
F. Fresh Fruit and Vegetables	11,013	7,599	118,601	127,486
G. Beverages and Cocoa Preparations	527,362	741,103	4,614,711	6,984,358
H. Other Food	1,297,060	1,171,231	8,694,539	8,634,924
I. Tobacco	335,115	358,613	3,027,273	3,246,533
Total, Class I	2,566,062	2,628,044	19,888,707	21,928,556
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,759,614	2,847,137	23,208,397	23,650,502
B. Other Non-Metalliferous Mining and Quarry Products and the like	79,070	82,285	731,371	758,407
C. Iron Ore and Scrap	36,334	47,250	342,273	388,476
D. Non-Ferrous Metalliferous Ores and Scrap	112,404	140,708	757,092	942,543
E. Wood and Timber	7,928	8,143	60,191	79,114
F. Raw Cotton and Cotton Waste G. Wool, Raw and Waste, and Woolen Rags	52,271	134,278	335,812	584,174
H. Silk, Raw, Knobs and Noils...	536,600	389,238	3,718,370	4,499,601
I. Other Textile Materials	580	10,865	8,381	22,035
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	43,797	41,617	286,664	275,768
K. Hides and Skins, Undressed...	145,229	134,299	1,262,328	1,083,264
L. Paper-making Materials	55,248	39,225	496,642	535,198
M. Rubber.....	79,465	92,063	694,145	845,465
N. Miscellaneous Raw Materials and Articles mainly Un- manufactured	9,174	10,298	68,817	74,852
Total, Class II	135,776	128,808	1,772,880	1,891,159
Total, Class II	4,053,490	4,106,214	33,743,363	35,630,558
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel ..	270,545	285,770	1,888,882	1,958,835
B. Pottery, Glass, Abrasives, etc.	599,481	648,904	5,167,410	5,633,242
C. Iron and Steel and Manufactures thereof	2,467,652	3,152,745	21,337,358	25,145,585
D. Non-Ferrous Metals and Manu- factures thereof	1,455,073	1,119,181	9,018,249	8,933,342
E. Cutlery, Hardware, Imple- ments and Instruments	550,505	628,851	4,662,523	5,358,584
F. Electrical Goods and Apparatus ..	539,389	681,778	4,741,899	5,539,756
G. Machinery	2,314,084	2,642,136	19,867,941	23,354,136
H. Manufactures of Wood and Timber	99,533	87,383	727,388	761,189
I. Cotton Yarns and Manufactures ..	4,892,176	4,967,457	44,467,786	44,117,471
J. Woollen and Worsted Yarns and Manufactures	2,412,676	2,473,722	18,931,914	22,288,910
K. Silk Yarns and Manufactures	75,296	91,762	643,068	743,703
L. Manufactures of other Textile Materials	1,352,235	1,302,076	10,127,432	11,416,485
M. Apparel	1,084,246	1,066,487	7,939,565	8,143,943
N. Chemicals, Drugs, Dyes and Colours	1,614,802	1,572,547	13,629,778	14,479,787
O. Oils, Fats and Resins, Manu- factured	374,521	471,441	3,343,858	3,552,180
P. Leather and Manufactures thereof	412,315	282,403	2,720,406	2,427,285
Q. Paper, Cardboard, etc.	544,254	532,672	4,441,828	4,561,491
R. Vehicles (including Locomo- tives, Ships and Aircraft)	1,380,728	2,189,606	15,916,802	17,333,934
S. Rubber Manufactures	151,935	160,175	1,239,803	1,278,196
T. Miscellaneous Articles wholly or mainly Manufactured	2,116,418	1,990,680	15,719,988	16,250,537
Total, Class III	24,707,864	26,347,776	206,533,788	223,278,591
IV.—Animals, not for Food	42,149	39,438	324,127	428,442
V.—Parcel Post	856,722	835,776	7,901,877	7,781,700
Total	32,226,287	33,957,248	268,389,862	289,047,847

OVER ONE HUNDRED YEARS OF SERVICE

SCOTTISH UNION & NATIONAL

INSURANCE COMPANY

ASSETS - EXCEED - £16,000,000

FIRE LIFE ACCIDENT MARINE

Edinburgh: 35 St. Andrew Square
London: 5 Walbrook, E.C.4, and 4, St. James's Street, S.W.1

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Oct. 6, 1934	547,668	423,192	66,973	5.1	9.9	6.7
Oct. 13, 1934	426,155	453,715	68,250	5.0	9.8	6.7
Oct. 11, 1930	129,267	305,812	50,234	7.0	9.5	6.1
Oct. 10, 1931	68,580	354,479	52,639	5.4	9.3	6.2
Oct. 15, 1932	360,142	356,237	69,372	5.8	7.11	6.3
Oct. 14, 1933	317,238	527,304	38,598	4.10	10.6	5.8

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURES	Jan. 4, 1932	Jan. 4, 1933	Oct. 18, 1933	Jan. 3, 1934	Oct. 10, 1934	Oct. 17, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	58½	65½	80½	78½
—Cents per 60 lb.						
Chicago (No. 2 Winter)	65½	46½	78½	84½	99½	100½
—Cents per 60 lb.						

The visible supply of wheat in Canada, at 111,312,000 bushels, shows an increase of 1,379,000 bushels. Supplies a year ago stood at 110,040,000 bushels.

OTHER FOODS

SUGAR.—Quotations for raw sugar, both in London and New York, have shown an easier tendency this week. The spot price in New York on Wednesday was 2-9½ cents per lb., as compared with 2-9½ cents per lb. last week and 2-86 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 4s. 4d., against 4s. 5d. to 4s. 5½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports	Deliveries	Stocks
	1933	1934	1933
London	1,803	693	3,293
Liverpool	21,313	14,276	14,314
			13,424
			95,842
			98,579
Total tons	23,116	14,969	17,607
			14,496
			117,572
			122,972
Previous week	6,847	14,885	19,327
			13,665
			112,163
			122,499

COFFEE.—Dullness has characterised the New York spot market this week, but quotations show little change. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. Trade in London has also been quiet, although the tone on Wednesday was steadier than on Monday and Tuesday. Last week's movements of coffee in London were as follows:—Brazilian, landed, nil; delivered, for home consumption, 33 bags; exported, 79 bags; stocks, 27,592 bags, against 27,390 bags a year ago. Central American, landed, 637 packages, delivered, for home consumption, 1,318 packages; exported, 810 packages; stocks, 87,852 packages, against 80,726 packages last year. Other kinds: Landed, 559 packages; delivered, for home consumption, 2,597 packages; exported, 478 packages; stocks, 81,129 packages, against 88,932 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 5 cents per lb. a month ago. The London quotation for Accra, "November-January" was 18s. 9d. per 50 kilos, c.i.f. Continent, as against 19s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 218 bags; delivered, for home consumption, 6,152 bags; exported, 1,455 bags; stocks, 189,572 bags, against 139,534 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 52,625 packages of Indian and 23,048 packages of Ceylon tea. The Indian grades met with fairly keen competition, and prices were well maintained. Demand for the Ceylon varieties was good, but prices showed an irregular tendency, the higher grades tending to cheapen. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.					
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land
Oct. 12, 1933	14-42	13-11	17-32	10-90	9-45	10-83
Sept. 13, 1934	13-09	10-97	12-16	9-29	8-77	10-63
Sept. 20, "	12-25	10-67	12-01	9-30	8-70	10-26
Sept. 27, "	12-85	11-17	12-70	9-85	9-38	11-06
Oct. 4, "	13-08	11-62	13-84	10-19	9-76	11-00
Oct. 11, "	13-10	11-48	14-20	10-00	9-52	10-98

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 8s. 2½d. per cwt., also remains unchanged. Movements in London during the past week were as follows: Landed,

227 tons; delivered, 320 tons; stocks, 4,145 tons, against 5,332 tons a year ago.

POTATOES.—Ample supplies have been meeting a rather better demand, and prices are firm all round. At the London Borough Market on Tuesday, "King Edward" sold at 6s. to 6s. 6d. per cwt., this price being unchanged on the week.

SPICES.—"Black Singapore" was quoted at 5½d. per lb. on Wednesday, against 5½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 25 tons; delivered, 19 tons; stocks, 432 tons, against 392 tons a year ago. White, landed, 131 tons; delivered, 170 tons; stocks, 8,412 tons, against 1,232 tons a year ago.

MEAT.—Wednesday's quotation for Argentine beef, chilled hind-quarters, was 3s. 10d. to 4s. 2d. per 8 lbs., as compared with 3s. 10d. to 4s. 4d. last week. New Zealand frozen mutton was 3s. 4d. to 3s. 10d. per 8 lbs., against 3s. 4d. to 3s. 10d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,747 tons, against 9,111 tons in the corresponding week last year. Imported beef, principally Argentine, formed 83.4 per cent. of the beef supplies, against 80.3 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 74.4 per cent. of the total supply of mutton and lamb, against 66.0 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OLSEEDS.—Markets have a quieter feeling, and business is of small volume. Demand for linseed both here and abroad is only moderate, and trading in new crop Plate has not begun. Old crop is offered freely, but more interest is centred upon Indian. The progress of the new seed in Argentina continues to be satisfactory, and a larger yield than last season is now confidently anticipated. Argentine shipments are not so large, and about 175,000 tons of old seed is still available for export—25,000 tons less than the quantity actually shipped in the remainder of 1933; for this reason apparently it is at a premium over new seed, which for January-February loading is quoted around £9 7s. 6d. per ton. The quantity now afloat for Europe is 127,200 tons (including 22,000 tons from India) or 17,000 tons more than last week; and for the United States 50,900 tons, against 93,100 tons a year ago. A rather improved demand for cottonseed is in evidence, and £4 17s. 6d. has been paid for black Egyptian, November-January loading.

Trade in vegetable oils is not so active. Linseed oil is easier, and for October-December delivery ex Hull mill is quoted £18 15s., and January-April £18 17s. 6d. per ton naked. Cotton oil is quiet. Egyptian crude, ex Hull, sells at £14 5s., and refined at £16 5s. per ton. Oilcakes are in fair demand and steady in price.

HIDES AND LEATHER.—Quite a satisfactory amount of business has been negotiated in hides, leather and leather goods recently, and the general position of these markets is considered rather more hopeful than at this time last year. Although reports are somewhat divergent regarding the amount of sales made at the Shoe and Leather Fair in London last week, the general consensus of opinion is that this annual gather of the leather and allied industries was the best held for some years past. Exhibits of both leather and footwear were of a very high standard, and, taking the reports of the exhibiting firms as a whole, it would seem that sales were well up to, and in some instances surpassed, expectations. Business was not confined to the home trade, some quite good transactions during the earlier part of the fair having been negotiated with overseas visitors.

At the sales of hides and skins from home-slaughtered cattle held this week, prices for ox and heifer hides were steady to an advance of ½d. per lb., best clears changing hands at from 5d. per lb. for heavies to 4½d. for lights. Warbled in the same class sold at from 4½d. to 3½d., while second clear and warbled hides realised from 4½d. to 4d. and 4d. to 3½d. per lb. respectively. Cow hides were fairly steady, but there was an increase in the figures paid for bulls. The calfskin market was stronger, best heavies selling at 4½d. per lb. and lights at 5½d. Sales of imported hides have been on the quiet side, but there has been little change in prices. Wet-salted South American ox have made a fraction under 4½d. and dry B.A. Americanos are still quoted at 5½d. Cape hides have been a moderate market, sales of drys having been made at 6d. and 5d. per lb. for firsts and seconds, while drysalted have realised 5½d. and 4½d. for the same selections. Prices for Australians are nominal, with only a limited inquiry. A satisfactory feature of the recent demand for sole leather has been the inquiry for the better selections. Sales of English and wetsalted bends in the light and medium weights have been quite good, and in addition, request for light-weight dry hide bends has also shown an expansion. Turnover in regard to both shoulders and bellies has been moderate, and there is less tendency on the part of consumers to haggle over quotations. In the upper leather section, box and willow calf, together with black and brown glacé kid, account for the major portion of the business, but sales of reptiles are also frequent. Patent leather has been a rather better inquiry than of late, and although the position of this section of the industry may not be quite so active as is the case in the heavy leather section, hopes are entertained that recent inquiries at the Shoe and Leather Fair will eventually result in an increase in turnover.

RUBBER.—The steadier tendency in the market has continued, and prices show a slight advance over those recorded a week ago. It is reported that a slightly more optimistic view of the future is beginning to develop in American financial circles. In New York, Wednesday's spot price for rubber, at 13½ cents per lb., compared with 13½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 7½d. to 7½d. for January-March,

1935, as against 6½d. to 7d. a week ago. Stocks in London and Liverpool at the end of last week, at 114,735 tons, show an increase of 2,519 tons as compared with the preceding week.

THE LONDON FUR AUCTIONS.—The auctions of the Hudson's Bay Company were concluded at the beginning of the week, when the other London auction firms began their public sales. At the auctions of Lampson, Huth, Aming and Colb, silver foxes showed the same price reduction of 10 per cent. as at the Hudson Bay's sales. The Chinese fur auctions on Monday met with so little interest that most of the offerings had to be withdrawn. Much the same was true of the Australian auctions on Tuesday. The supply of Australian opossum was rather small and it is therefore impossible to give an accurate judgment regarding prices, but New Zealand and Tasmanian opossum showed a depreciation of 20 per cent. Lack of interest in the darker colours led to their complete withdrawal. Wallaby met with a very restricted demand and

were 25 per cent. cheaper. There was no business in ringtails and most of the Australian red foxes were also withdrawn. At Wednesday's auctions some lower grades of beaver and otter were disposed of at lower prices. Ermine were 20 per cent. cheaper and sales were restricted. The South-West African Persian lambs, offered by Murley, were all sold, although prices showed a reduction of some 15 per cent.

It will be seen, therefore, that no important change has taken place in the market position, the uncertainties of the political situation and international monetary restrictions preventing any larger volume of business. Germany, which is usually the most important purchaser, has not been represented at the auctions. In Leipzig, prices are up to 50 per cent. above the London level, but exchange difficulties prevent her from entering the market. The unsatisfactory tone of the autumn auctions in London is, therefore, not surprising.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON October 17th				POTATOES—				WOOL—				Cape			
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.				Dry and Drysalted Cape...			
GRAIN, &c.—				per cwt.				English Lincoln hogs, washed				Market Hides, Manch't			
Wheat—	s. d.	s. d.		Pepper, per lb.—	6 0	6 6		Queensland, sud. super cmbg.	12½			Best heavy ox and heifer	0 4½	0 5	
No. 2, N. Man. 496 lb.	31 3			Muntok, fair White.....	1 2½			N.S.W. greasy, super cmbg.	11			Best cow	0 4½	0 5	
Eng. Gaz. av., per cwt.	5 0			Black Lampong	0 6½			N.Z., grsy., half-bred 50-56	9½			Best calf	0 4	0 5½	
Barley, Eng. Gaz. av.	9 8			Cinnamon—1st sort, per lb.	0 8			Tops—	40-44	26					
Oats, 1st sort, per lb.	6 7			Cloves—Zanzibar per lb.	0 6½			Merinos 70's	25						
Maize, La Plata, landed,				Ginger—per cwt.—	32 6			Crossbred 48's	25						
480 lb.	23 9			African	75 0	100 0		" 46's	11						
Flour, Lon. stan. ex mill,				Jamaica, ord. to good.	0 9	1 10		Crossbred 46's	11						
280 lb.	22 3			Mace	0 10										
Rice, No. 2 Burma, per cwt.	8 2½			Nutmegs, 65/-											
Tapioca, per cwt.				SUGAR—											
Fair Flake, Singapore.	12 6			(Duty, 11/8 per cwt.)											
MEAT—				Centrifugals, 96%, prpt.											
Beef, per 8 lbs.—				shipm., c.i.f. U.K./Cont.	4 4½										
English long sides	3 10	4 8		B.W.I., crystallised	17 6	19 6									
Argentine chilled hinds	3 10	4 2		Java, white, c. & f. India	6 0										
Mutton, per 8 lbs.—				Aug-Sept.											
English wethers	5 4	6 4		Yellow Crystals	17 6										
N.Z. frozen	3 4	3 10		Cubes	21 7½	22 1½									
Lamb, per 8 lbs.—				Crushed	19 4½	19 10½									
N.Z. frozen	4 4	5 0		Granulated	17 10½	21 4½									
Pork, English, per 8 lbs.	5 8	6 8		Home Grown	17 6	17 9									
				Molasses, in bond	1 3										
OTHER FOODS				TEA—											
BACON—				India—per lb.—											
English—per cwt.	80 0	86 0		Pekoe	0 10½	1 1½									
Irish	79 0	83 0		Broken Pekoe	0 10½	1 5									
Danish	84 0			Orange Pekoe	0 11 2	8½									
Dutch	79 0			Broken Orange Pekoe	0 11 3	0½									
HAMS—				Ceylon—per lb.—	0 11 2	3									
Canadian	87 0	92 0		Pekoe	0 11½	1 4									
American	80 0	83 0		Broken Pekoe	0 11½	2									
BUTTER—				Orange Pekoe	0 11½	3 0									
Australian	63 0	65 0		Broken Orange	0 11½	3 0									
New Zealand	63 0	65 0		TOBACCO—											
Danish	103 0	109 0		(Duty, 9/8-10/6½ per lb.,											
English Cheddars	82 0	88 0		Empire growth, 7/5½											
Dutch	48 0	53 0		8/34 per lb.)											
COCOA—				Virginia leaf—											
(Duty, British grown,				Common to fine	0 10 3	6									
11/8; foreign, 14/- cwt.)				Rhodesian leaf	0 10 2	6									
Acacia, f.f. foreign, per cwt.	19 6	20 6		Nyasaland leaf	0 9 1	6									
Trinidad	38 0	46 0		" strips	0 8 2	6									
Grenada	30 0	34 0		East Indian leaf	0 3 0	10									
COFFEE				" strips	0 4½	1 6									
(Duty, British grown,				COTTON—											
4/8; foreign, 14/- cwt.)				Middle-American—per lb.	6-98										
Santos sup. c. & f. cwt.	49 0	0		Sakellarian, f.g.f.	8-28										
Colombian, good	58 0	70 0		Yarns, 32's twist	10½										
Costa Rica, med. to good	70 0	90 0		60's twist	16½										
East Indian	60 0	68 0		FLAX											
Kenya, medium	55 0	63 0		Livonian ZK	6 10										
EGGS—				Pernau HD	58 0	60 0									
English—per 120	17 0	18 0		Slanetz Medium 1st sort.	71 0	72 0									
Danish	13 3	13 6		HEMP—											
FRUIT—Oranges—				Italian P.C.	55 0										
South African ... boxes	9 0	12 9		Manilla, Sept.-Nov. "J."	14 15										
Lemons, Malaga ... cases	17 0	22 0		Sisal, African	12 15	13 10									
" Naples ... boxes	20 0	31 6		JUTE											
Apples: Amer. (var.) brs.	7 0	10 9		Native 1st mks. ... per ton											
" (var.) boxes				c.i.f. H.A.R.B.											
Onions—				Oct.-Nov. (New crop)	£15/2/6										
Valencia, case	8 0	9 6		Daisee 2/3 c.i.f. Dundee	£13/17/6										
Egyptian, bags				Oct.-Nov.											
Grapes, Lisbon, ½ brs.	10 0	18 3		SILK—											
Almeria ... brs.				Canton ... per lb.	s. d. s. d.										
LARD—				Tussah	3 0 3 6										
Irish bladders pr. cwt.	46 0	52 0		Japan	4 9 6 0										
U.S. 56 lbs. boxes	41 6	44 0		Italian—raw, fr. Milan	4 9 6 0										
				↑ Exclusive of Government tax of 1d. per gallon.											

THE BANK OF AUSTRALASIA

(Incorporated by Royal Charter, 1835)
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 West End Office - Temporary Address:
 Norway House, Cockspur Street, London, S.W.1
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 Reserve Fund ... £2,475,000
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 Under the Charter ...
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ALEXANDRIA WATER COMPANY, LIMITED
ALEXANDRIA—EGYPT**INTERIM DIVIDEND**

NOTICE IS HEREBY GIVEN that an Interim Dividend of FOUR SHILLINGS per £5 Share on Coupon No. 92 is payable on and after 15th October, 1934, at the National Bank of Egypt, in Alexandria at Rue Toussoun, or in London at 6 King William Street, E.C.4.
 Dated, Alexandria, Egypt, the 1st October, 1934.
 By Order of the Board,
 J. EASTON CORNISH,
 For Managing Director.

UNIVERSITY OF LONDON

A Course of Four Lectures on "ECONOMICS IN RELATION TO SOME CURRENT TOPICS" will be given by PROF. A. C. PIGOU, M.A., F.B.A. (Professor of Political Economy, University of Cambridge), at THE LONDON SCHOOL OF ECONOMICS (Houghton Street, Aldwych, W.C.2), on THURSDAYS, NOVEMBER 1st, 8th, 15th and 22nd, at 5 p.m.
 At the first Lecture the Chair will be taken by Sir William Beveridge, K.C.B., D.Sc., LL.D. (Director of the London School of Economics and Political Science).
 ADMISSION FREE, WITHOUT TICKET.
 S. J. WORSLEY,
 Academic Registrar.

UNIVERSITY OF DURHAM

ARMSTRONG COLLEGE, NEWCASTLE-UPON-TYNE
 CHAIR OF ECONOMICS

The Council of Armstrong College invite applications for this Chair. Salary £800 a year. Appointment to date from 1st January, 1935, or as soon thereafter as possible. Fifteen copies of applications and of not more than three testimonials should be lodged not later than 12th November, 1934, with the undersigned, from whom further particulars may be obtained.
 W. S. ANGUS,
 Registrar, Armstrong College,
 Newcastle-upon-Tyne 2.

CITY OF OSAKA

5 PER CENT. STERLING BONDS £3,084,940

Notice is hereby given that the COUPONS due 1st November, 1934, will be PAID on and after that date (Saturdays excepted), between the hours of 11 and 3 at The Yokohama Specie Bank Limited, where lists may be obtained.
 Coupons must be left three clear days for examination prior to payment.

For The YOKOHAMA SPECIE BANK, Limited,
 H. KANO, Manager.
 7 Bishopsgate, London, E.C.2.
 17th October, 1934.

IMPERIAL JAPANESE GOVERNMENT

5½ PER CENT. EXTERNAL LOAN OF 1930
 FOR £71,000,000

Notice is hereby given that the COUPONS due 1st November, 1934, will be PAID on and after that date (Saturdays excepted), between the hours of 11 and 3 at The Yokohama Specie Bank Limited, where lists may be obtained.

Coupons must be left three clear days for examination prior to payment, and will be paid at the fixed exchange of \$4-8665 to the £1.

For The YOKOHAMA SPECIE BANK, Limited,
 H. KANO, Manager.
 7 Bishopsgate, London, E.C.2.
 17th October, 1934.

THE ROYAL BANK OF CANADA

DIVIDEND No 189

Notice is hereby given that a DIVIDEND of 2 per cent., being at the rate of 8 per cent. per annum, upon the paid-up capital stock of the Bank has been declared for the three months ending 30th November, 1934, and will be PAYABLE at the Bank and its Branches on and after 1st December, 1934, to shareholders of record on 31st October, 1934.

By Order of the Board,
 E. B. MCINERNEY, London Manager.
 6 Lothbury, London, E.C.2.
 October 18th, 1934.

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(With this issue appears our Monthly Trade Supplement)

DEMOCRATIC EFFICIENCY

PARLIAMENT reassembles next week within a few days of the centenary of the destruction by fire of the old Palace of Westminster. It is recorded that the crowd which watched the blaze in 1834 was greatly concerned for the safety of Westminster Hall, but that the destruction of the Houses of Parliament themselves gave rise to jubilation rather than regret. The fire was taken to be a symbol of Divine agreement with the principles of the Reform Act—somewhat tardy, it is true, but none the less thorough. The old building stood for the tyranny of the unreformed system; the new should house that democratic legislature which was to usher in the age of liberty, prosperity and justice.

If the present Palace of Westminster were to be burned to the ground—a calamity which, save perhaps on structural grounds, we may well pray to be spared—how would the general public regard it? Would it be a matter for rejoicing or for gloomy forebodings of the end of democracy? In certain quarters Parliament is subject to criticism as violent as any that was rife before the Reform of 1832, and all over the world Parliamentary institutions have unquestionably lost credit as a method of guiding the destinies of nations. But British public opinion is still firmly attached to democracy, and the British Parliamentary system of government can claim to be the most successful of democratic constitutions. Indeed, it is notable that one of the other chief democracies of the world has in recent years been moving deliberately towards the British system; for M. Doumergue has openly ascribed to the influence of the British example his proposed reforms which aim at giving the Cabinets of France greater stability by making it easier for them to appeal from a troublesome Parliament direct to the electorate.

In our own case there has been some tendency to strengthen the power of the Executive. Naturally, the extent of this influence varies enormously with the size of the Government's majority in the House of Commons and at the present moment the Cabinet is in a position to exercise something like a democratic dictatorship. This in itself would not necessarily be resented as a method of Govern-

ment, for in the world as it is to-day public opinion is impressed with the need for speed, firmness and continuity of direction in government. It must, however, be admitted that the system is exhibiting several very grave defects in its actual working. Two of the most frequent criticisms may be selected for mention. The first refers to the functioning of the Cabinet. As it has worked since the war, the Cabinet has too often failed as a co-ordinator of policy and brought not coherence but confusion into the plan of government. Secondly, it is urged that Parliament, being in fact disregarded save for the formal ratification of the Government's acts, has become little more than a futile talking shop with no more than an occasional, indirect and accidental influence upon the course of events.

We have stated these criticisms—neither of which is new—in their severest form, for it is in terms such as these that they appear in the propaganda of the anti-democrats. But though the language may be exaggerated, and though a defence may be possible on both counts, they must be admitted to contain more than a grain of truth. Those who believe that the preservation of representative democracy is the only safeguard against a relapse into barbarous autocracy should be concerning themselves with the solution to the puzzles these criticisms propound.

There is already a substantial measure of agreement that the way to increase the efficiency of the Cabinet is to reduce its size. A body of more than a score of busy departmental chiefs is a most unwieldy organ for decisions on policy. In a crisis the Cabinet does not decide; the decisions are taken by a small group of dominating personalities. And in less critical times, the Cabinet does not succeed in efficiently co-ordinating policy. Issues are far more frequently settled in this country by the tug-of-war between departmental ambitions and Treasury control of expenditure than by decisions of the Cabinet. The remedy is to follow the precedent of the War Cabinet. In each Government there should be five or six leading men, relieved of all departmental responsibility, and devoting themselves entirely to the formation and co-ordination of policy. Cabinet

THE FINANCIAL NEWS

Special articles due to appear next week on the leader page of THE FINANCIAL NEWS are as follows:

MONDAY, OCTOBER 22—O. W. Roskill on THE SALT TRADE POSITION AND THE SALT COMPANIES—including Salt Union, Cheshire United Salt, Cerebos and Sudan Salt.

TUESDAY, OCTOBER 23—MINOTAUR in his "Mines of the Rand" series, chooses a recent centre of market interest—NEW KLEINFONTEIN.

WEDNESDAY, OCTOBER 24—GERMANY AND THE METAL MARKETS—What is in store for Whittington Avenue from the World's biggest Copper Buyer?—By a Metal Market Correspondent.

THURSDAY, OCTOBER 25—Industry in the Provinces No. 20—This week's choice falls on NOTTINGHAM.

FRIDAY, OCTOBER 26—THE SHELLAC POSITION. The new Indian crop coming on to the market centres attention once more on Shellac and the Big Pool operating in it. By our Produce Market Correspondent.

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Committees, as during the war, should include one or more members of this Inner Cabinet and should be empowered to reach decisions on many matters which now have to go before the whole Cabinet.

The rehabilitation of the influence of the House of Commons is a more contentious matter. The duties of Parliament are to debate the general outlines of policy, to discuss the legislation presented to it by the Government, and to review the administration of the Departments. With the variety and complexity of present-day administration, a body of 615 members is competent to perform only the first of these duties, and it is in these general debates that the House of Commons is at its best. But legislation is being more and more accomplished by means of enabling Acts, often forced through by the closure. The orders issued under these Acts, even when in law they are subject to review by Parliament, in fact very rarely receive that review. Scrutiny of administration is performed only sporadically at question-time. As a result, the activities of the average private member consist of a few speeches on general principles, a handful of questions and, for the rest, voting in obedience to the whips.

The problem, then, is to increase both the time and the independence of Parliament—but without giving further play to mere obstruction and without threatening that stability of the Government which is the chief merit of the present system. There is a growing belief that these objects could be at least partially secured by an extension of the Committee system. One form of the proposal—to which, however, objections have been raised—is that the House should be divided into a number of permanent committees, each reproducing in miniature the party composition of the House and each being concerned with one subject, or group of subjects. These committees would deal not only with the details of Bills which concerned them, but with Ministerial orders and with the general course of administration. The time of the House as a whole would be set free for first and third reading debates and similar discussions of general principles. It would have to be understood that an adverse vote in a committee would not entail the resignation of the Minister in charge, still less of the Government as a whole. This would increase the volume of responsible and independent criticism, but it would be a necessary corollary that the Government should have the right to appeal from the committee to the whole House, where its decision would be backed, as at present, by the powerful sanction of the threat to dissolve.

Reform along these lines would allow the details both of legislation and of administration to be subjected to fuller discussion, while at the same time taking up less time than at present, when everything has to wait its turn to pass through the double bottle-neck of Cabinet decision and the House of Commons time-table.

These tentative suggestions barely touch the fringe of the subject, but they will perhaps suffice to indicate the direction into which thoughts of constitutional reform should be guided. Liberty and democracy cannot be saved by a purely negative insistence on their abstract virtues. We need to demonstrate that a free state can be as efficient as a dictatorship and that the traditional forms of Parliamentary government can be transformed to fit the new and baffling circumstances of the twentieth century.

The Economist will publish next week
as a Special Supplement

EMPIRE TRADE BEFORE & AFTER OTTAWA

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in 1913, and from 1924 to 1933

THE CARES OF A LEADER

In an age of dictatorships heads need not wear crowns in order to lie uneasy, and a nest of swastikas may prove as prickly as a bed of thorns. Indeed, at the present moment one would need more than ten fingers to tot up the German Führer's cares. There is "General Winter," who must seem as formidable to Herr Hitler in the autumn of 1934 as he proved to Napoleon in 1812. Secondly, there is the imminent plebiscite in the Saar territory. In the third place, there is the predicament in which the German National-Socialist movement finds itself to-day vis-à-vis both the Protestant and the Catholic Churches.

Of these three nightmares, the coming winter is perhaps the easiest for Herr Hitler's Government to face. Even here, of course, there are difficulties enough to occupy the whole attention of an ordinary statesman in ordinary times. The turn of the economic screw cannot be concealed from the public by such simple manoeuvres as a change in the method of calculating the cost-of-living index. Nor does devaluation offer an easy way of escape; for a nation with the German experience will find it difficult to imagine any devaluation of the mark stopping short of zero. All Dr. Goebbels' skill as a propagandist will be needed to reconcile the people to Germany's economic difficulties.

As for the Saar plebiscite, the question is whether the National-Socialist movement—being unable to face an adverse vote and being aware of the probable strength of the anti-Nazi minority—will succumb to the temptation to resort to "direct action," and thereby precipitate a military intervention by France for the maintenance of order in the plebiscite area. While it is clear that the French would now be rather relieved to be quit of the Saar through a *bona-fide* vote in Germany's favour, it is also clear that they do not intend to tolerate a stultification of the plebiscite by Nazi terrorism. If the plebiscite were to become the occasion of a clash between French troops and Nazi intimidators from beyond the border, the settlement of the Saar question might be indefinitely postponed and relations between France and Germany might be fatally re-embittered.

What stands, however, between a dictator and his sleep is not the catastrophe of the month after next, but the bother of the day after to-morrow, and we may conjecture that at this moment the problem of the Churches is weighing more heavily on Herr Hitler's mind than any other of his cares.

The negotiations between Berlin and the Vatican regarding the interpretation and the implementing of the Concordat are at a standstill, and at this stage it is evidently the Vatican that is showing itself the more intransigent. Some time ago it was supposed that Herr Hitler would temporise with the Vatican until after the Saar plebiscite had been taken, and would only show his teeth when the decisive Catholic vote in the Saar territory had been safely harvested in the Nazi interest. If this was really the Nazi policy, it was too transparent to escape the Vatican's notice; and if the Vatican has now deliberately reversed the two parties' respective rôles this must mean that, in the Vatican's opinion, the real attitude and intentions of National-Socialism towards the Catholic Church in Germany are now fully apparent. In these circumstances, the casting of the Catholic vote in the Saar must be one of the graver cares at the back of Herr Hitler's mind.

Unlike the Catholic crisis, the Protestant crisis does not appreciably affect the outlook in the Saar, and has, in fact, no direct relation to any of Germany's foreign affairs. Yet just because the German Protestants, unlike their Catholic compatriots, do not enjoy the foreign support which is inherent in membership of a world-wide Church, the increasingly vigorous—and increasingly successful—resistance that they have been putting up against the high-handed attempts to coerce them is all the more impressive. The sympathy which they have been receiving from their fellow-Protestants abroad is sincere but inevitably rather platonic, in view of the traditional fission of the Protestant Church into a number of independent national units. Substantially, the German Protestants have had to rely upon themselves alone. They have also had to make their fight in the teeth of their own ecclesiastical tradition; for German Protestantism has previously had a reputation for

subservience—if not to the civil power directly, at any rate to the pastors and masters whom the civil power has chosen to place in command of ecclesiastical affairs.

The crisis was brought to a head by Dr. Jäger's forcible but ineffectual suppression of the local Protestant churches of Württemberg and Bavaria the week before last. Outwardly, the previous organisation of these churches has been suppressed; Bishops Wurm and Meiser have been put under supervision by the State police; and the Bavarian Protestant Church has been re-divided into a Bavarian and a Franconian section, on the pedantic lines of the ancient German tribal divisions. But Dr. Jäger's high-handed actions have only affected the shell of the Church; the body has defied him. In actual fact, the Bavarian and Württemberg Protestant congregations are still following their nominally deposed bishops, and Dr. Jäger's *coup* in the South has evoked a counter stroke in the North which seems likely to lay him low. At Dahlem, last Saturday night, the Reich Confessional Synod of the German Evangelical Church, under the chairmanship of Dr. Koch, passed a resolution declaring that the violation of the South German Protestant Churches has broken up the existing church constitution, and that "the men who seized the leadership of the Church in the Reich and the regime have cut themselves off from the Christian Church by their methods." The Confessional Synod has at last constituted itself into an independent Church Government; and it has asked the Reich Government to take cognisance of this decision—demanding from the Reich Government, at the same time, "the recognition that, in matters affecting the Church in its doctrine and organisation, the Church is qualified to judge and decide, without prejudice to the State's right of supervision."

What will Herr Hitler do? Theoretically, he might crush the independence of the Protestant Church in Germany as he has crushed the Jews or the non-Nazi political parties. But this course is virtually ruled out by a combination of practical difficulties. In the first place, if this was to be his policy, he has left it too late; for things can be done in the early days of a revolution which cannot be done afterwards when the initial impetus has abated. In the next place, he could not carry his own Government with him; for some of his right-hand men are known to be strongly opposed to the Jäger-Müller policy—and this opposition is not confined to those Ministers who are strong Protestants, like Count Krosigk. There are also many leading Nazis who hold, on grounds of sheer *Realpolitik*, that the attack on the churches is bad policy because it is a dangerous excursion into a field with which the National-Socialist Movement has no concern. It seems impossible, then, that Herr Hitler should now put the whole weight of the National-Socialist power behind Herren Müller and Jäger. The logical alternative is that he should make his peace with the Free Confessional Synod—which is manifestly anxious to remain at peace with him—and should let the two would-be ecclesiastical dictators go. This, however, is not so easy. Herren Müller and Jäger are the Leader's own appointees; and he has allowed them to use his own political police as the instruments of their ecclesiastical tyranny. In successfully defying the bishop and his beadle, the Protestant insurgents have been automatically defying the police as well. However, Herr Hitler has so far supported the Reichsbishop in deed only, and not in word, and it is possible that he may find a way of rendering his two creatures innocuous, and of coming to terms with the free Protestants without "losing face."

For our part, we believe that this is the line that he will take; and we also believe that the Free Confessional Synod will do their best to build him a golden bridge for his retreat. At the same time, it seems unlikely that the long-tolerated mismanagement and misbehaviour of Herren Müller and Jäger can be liquidated without being paid for. The Synod's resolution of October 21st is, in effect, a declaration of independence. Such declarations are unhealthy for dictators—even when, as in this case, the tyrant who is defied is not the dictator himself. And then there are certain phrases that can neither be forgotten nor unsaid—for example, "the anti-scriptural introduction of the temporal leadership principle into the Church." If the Church cannot do with a Führer, and if the Church is to have its way, this is a notable precedent for other spheres of life. It seems

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that poor Dr. Müller has done his old friend Herr Hitler a very bad turn. The Führer will need all his skill in leadership and political ingenuity to retrieve the spiritual unity of the German people.

TEN YEARS OF TRADE

DURING the past ten years the flow of international trade has changed its course very radically owing to the combined effects of governmental interference and the world depression. From the point of view of the United Kingdom, these changes have been traced quarter by quarter in an analysis of the official statistics, the last of which was contained in an article in the *Economist* of August 25th. These articles, however, relate to money values, which are influenced by price changes, and only show the relative progress of trade with different countries of the world. Changes are also taking place, however, in the character of our trade; and it is, therefore, useful to supplement the study of markets with an examination of the volume of trade in different groups of commodities.

There is, of course, no satisfactory way of measuring the volume of trade by adding together the physical units; but we can arrive at figures which reveal changes in the amount as distinct from the value of trade by valuing the individual items at the same price over a period of years. From 1924-30 the *Board of Trade Journal* published a quarterly index of the volume of our overseas trade, using 1924 as the base year. It then changed the base to 1930 and recalculated the figures for the year 1924 at 1930 prices; but it did not recalculate the statistics for the intermediate years. The old index for these years can, roughly, be compared with the new one; but the figures are not strictly comparable since the change of the price basis has involved a change in the weighting given to different commodities in the total figures and in the index based upon them. They have therefore been omitted from the present analysis; general movements during these years are, nevertheless, alluded to in the text.

Taking first the figures of retained imports, the changes in volume of our total trade and of the three chief categories, viz. food, materials and manufactures, are shown in the following table, which gives the statistics for each class revalued on a uniform basis—namely, the prices ruling in 1930—together with a series of percentages taking 1930 as 100. The percentages are shown diagrammatically below.

RETAINED IMPORTS VALUED AT 1930 PRICES
(In million £'s)

	1924	1930	1931	1932	1933	1934*
I. Food, Drink and Tobacco	399.3	451.4	488.2	472.3	461.2	454.8
II. Raw Materials and Articles Mainly Unmanufactured	211.2	212.1	199.1	202.9	222.4	239.6
III. Articles Wholly or Mainly Manufactured	217.1	283.3	288.1	184.6	190.2	213.2
Total (inc. Parcels Post and Animals not for Food)	842.5	957.1	985.3	866.6	877.9	917.2

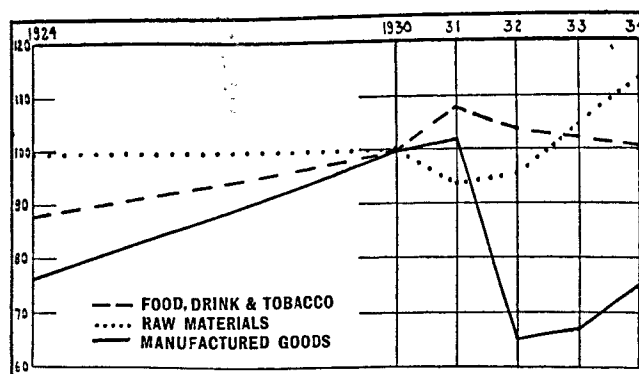
INDEX NUMBERS (1930 = 100)

	1924	1930	1931	1932	1933	1934*
I. Food, Drink and Tobacco	88.5	100	108.2	104.1	102.2	100.8
II. Raw Materials and Articles Mainly Unmanufactured	99.6	100	93.9	95.7	104.9	113.0
III. Articles Wholly or Mainly Manufactured	76.6	100	101.7	65.2	67.1	75.2
Total (inc. Miscellaneous).....	88.0	100	102.9	90.3	91.7	95.7

* 1934 figures on basis of nine months' trade.

During the whole of the period covered by the above table, imports of food have amounted to approximately one-half of total imports, varying only from 47 per cent. in 1924 and 1930 to 55 per cent. in 1932 and 50 per cent. in the first nine months of 1934. The proportion of manufactured goods, on the other hand, increased from 26 to 30 per cent. between 1924 and 1930, largely owing to an increase of £18.4 millions in imports of oils, fell off to 21 per cent. in 1932, but has risen slightly to 23 per cent. in the first nine months of 1934. As regards imports of foodstuffs, etc., there was from 1924 until the end of 1931 a fairly steady though, considering the fall in agricultural prices and the increase in population, a not very rapid increase in their volume. Since then, in spite of a continued fall in average prices, the policy of restriction has succeeded in reducing them almost to the 1930 level. But the decline has not been rapid owing to the fact that Great Britain is not only the world's greatest market, but that by comparison it is still relatively open for foodstuffs, whereas world supplies are not easily curtailed. As has often been pointed

RETAINED IMPORTS



out, this means that we are in a peculiarly favourable position for commercial bargaining; but it also means that restriction by us is a principal influence in restricting the level of world food prices. Imports of raw materials, on the other hand, have recovered remarkably since their low point in the crisis year. At first sight it is surprising that they did not increase more between 1924 and 1930, especially as average values fell from 154 to 100 in these years; they did indeed rise till 1929, following the return to the gold standard in 1925 and the consequent fall in prices, but they slumped heavily in 1930. The suspension of the gold standard was followed by an expansion of imports of materials, owing to the stimulus to business activity given by the temporary check to the fall of all sterling prices during the winter 1931-32 and the accelerated fall of gold prices during the same period. This group, however, is very heavily weighted with textiles and the apparent inelasticity of demand for "raw materials" before the crisis, and the rather sudden recovery subsequently, are not typical of industry as a whole.

Moreover, the official classification is by no means a perfect one from the point of view of showing imports consumed by industry as distinct from goods ready for consumption—the Board's classification being based on the amount of work already done on the commodity in question, and not on the eventual use made of it by British industry. In the following table therefore we give a revised index of manufactured imports, which excludes such classes of semi-manufactured goods as smelted non-ferrous metals which are clearly the raw materials of industry and also manufactured oils, which consist chiefly of motor spirit and

lubricating oil. If we were to exclude this latter item alone, which in 1930 accounted for nearly one quarter of total imports in Class III, the index of volume in 1933 would be 60.0 instead of 67.1.

VOLUME OF RETAINED IMPORTS OF MANUFACTURES (1930=100)

	Class III of Trade Returns	Modified Index*		Class III of Trade Returns	Modified Index*
1924	73.7	96.0	1932	65.2	55.3
1930	100.0	100.0	1933	67.1	57.3
1931	101.6	102.7	1934 (6 mos.)	75.2	63.4

* These figures exclude oils, fats and resins; leather and manufactures thereof; non-ferrous metals and manufactures thereof; manufactures of wood and timber.

It will be seen that with the above-mentioned articles left out the volume of our imports of manufactures, in spite of a rise from the low level of 1932, is still far below the 1924 level. Tariffs have clearly been successful in keeping out foreign manufactured goods, and to attempt to reduce imports in Class III still further would be largely to cut off imports of essential semi-raw materials, as in 1930 these formed nearly one-third and in 1933 nearly half the total imports in this class. The following table gives details for various selected groups of commodities, some of which (Items 4, 5 and 6) include articles listed under raw materials and manufactured goods in the Trade Returns:—

VOLUME OF RETAINED IMPORTS (1930 = 100)

	1924	1930	1931	1932	1933	1934*
Grain and Flour.....	113.9	100.0	116.5	103.5	110.9	107.8
Meat	91.9	100.0	111.1	108.8	100.4	99.1
Iron and Steel	78.9	100.0	94.8	49.5	34.9	49.9
Non-ferrous Metals	82.7	100.0	95.6	73.0	75.5	93.0
Wood and timber	90.1	100.0	85.5	82.3	96.9	85.8
Paper, cardboard and paper materials	71.2	100.0	87.6	95.5	99.0	108.8
Raw silk	78.2	100.0	122.7	157.5	187.9	280.9
Cotton and woollen semi-manufactures	73.3	100.0	111.0	17.2	22.7	20.5
Undressed hides and skins	100.8	100.0	68.8	120.7	179.3	194.2
Machinery	61.3	100.0	89.7	50.5	41.9	58.2
Oils (manufactured)	57.7	100.0	95.9	96.2	107.2	110.4

* Figures for six months only.

Imports of grain are always fluctuating—being affected by the size of the crops at home and abroad and by the carry-over of stocks; but the figures reveal no general upward trend. The fall in imports of meat since 1932 is due to the restriction policy. The index of non-ferrous metals, which has this year shown a very marked upward trend, is a fairly good indicator of the general state of trade within the country. The enormous proportional increase in imports of raw silk, while throwing light on the development of a semi-luxury industry, is not of great industrial importance, as the value involved in 1933 (at 1930 prices) was only £2.8 millions. The increase in hides is of more significance. The index of imports of machinery reflects fairly accurately the real change that has taken place in the import of finished manufactures of an industrial type. Normally they are a good index of the state of trade; but they have been subjected to a heavy duty combined with a system of licences for speciality articles. It is instructive to notice that this was the only group in which average prices in 1933 were well above those ruling either in 1924 or 1930. The large increase in the imports of oils is due to the enormous progress of road transport.

We come now to an analysis of changes in the volume of British exports during the past ten years:—

BRITISH EXPORTS VALUED AT 1930 PRICES (In million £s)

	1924	1930	1931	1932	1933	1934*
I. Food, Drink and Tobacco	48.8	48.2	40.1	38.5	34.7	37.7
II. Raw Materials and Articles Mainly Unmanufactured	75.9	63.8	52.3	49.4	53.2	53.2
III. Articles Wholly or Mainly Manufactured	513.5	440.0	326.3	337.0	347.3	364.8
Total (inc. Parcel Post and Animals not for food)	663.2	579.7	435.1	438.5	447.5	466.0

INDEX NUMBERS (1930 = 100)

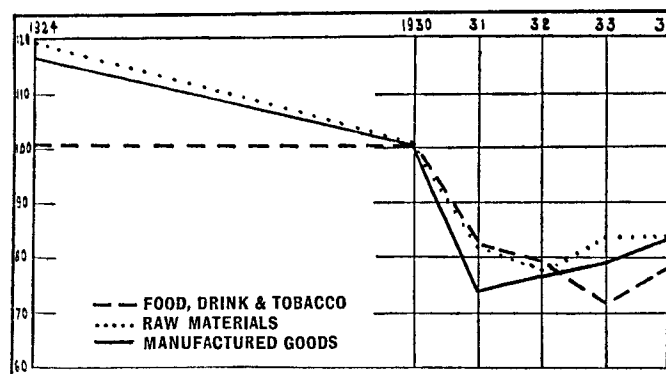
	1924	1930	1931	1932	1933	1934
I. Food, Drink and Tobacco	101.1	100.0	83.1	79.9	71.9	78.2
II. Raw Materials and Articles Mainly Unmanufactured	119.0	100.0	82.0	77.4	83.5	83.5
III. Articles Wholly or Mainly Manufactured	116.7	100.0	74.2	76.6	78.9	83.0
Total (inc. Miscellaneous).....	116.2	100.0	76.2	76.8	78.4	81.7

* 1934 figures on basis of nine months' trade.

While the volume of our imports was in 1933 the same as in 1924, exports were far below that level; they did not expand so much during the period of prosperity (1924-29) and they slumped very much more heavily in the crisis of 1930, to below the 1924 level. Since 1931, however, there has been a small recovery in the export of manufactured goods, which include more than three-quarters of the total exports, and since 1932 in raw materials. This latter increase is not accounted for, as might be supposed, by increased exports of coal, although these represent £33.4 millions of the £53.2 millions exported in 1933. The increase has been mainly in raw wool, and in some minor items. The figures of coal exports for 1924 and 1930-33 are as follows: 112.8, 100, 78.6, 73.0, 73.1.

Of the exports of manufactured goods by far the most important item is "cotton goods," which amounted in 1933 to £80 millions, followed by woollen and worsted manufactures, which in that year amounted to £35 millions. In spite of some recovery since 1931 in both these groups, our

BRITISH EXPORTS



exports of textile manufactures are only just over half what they were in 1924. The decline had mostly taken place by 1930. The index of iron and steel exports, which in 1933 were valued at £33 millions at 1930 prices, fell from 115 in 1924 to 100 in 1930 and to 63 in 1931, and has since remained at that level. Exports of machinery have fared even worse. They rose slightly between 1924 and 1930, but have since fallen by 43 per cent., from £47 millions in 1930 to £26.6 millions in 1933.

Lastly we give a table showing changes in average values of both imports and exports during the past ten years:—

AVERAGE VALUES (1930 = 100) RETAINED IMPORTS

	1924	1930	1931	1932	1933	1934*
I. Food, Drink and Tobacco	135.5	100.0	81.3	76.1	71.2	69.9
II. Raw Materials and Articles Mainly Unmanufactured	153.3	100.0	74.1	69.4	69.6	75.5
III. Articles Wholly or Mainly Manufactured	122.5	100.0	84.9	79.0	73.6	73.9
Total (inc. Parcel Post and Animals not for food)	135.0	100.0	81.0	75.3	71.4	72.4

BRITISH EXPORTS

	1924	1930	1931	1932	1933	1934*
I. Food, Drink and Tobacco	116.8	100.0	88.6	83.9	82.2	80.0
II. Raw Materials and Articles Mainly Unmanufactured	140.3	100.0	90.0	88.4	86.4	90.2
III. Articles Wholly or Mainly Manufactured	120.5	100.0	89.0	81.8	80.8	80.9
Total (inc. Parcel Post and Animals not for food)	120.8	100.0	89.4	83.3	82.1	82.3

* 1934 figures are for January-June.

The most noticeable feature of the above two tables is the fact that ever since 1924 the barter terms of trade, or

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the rate at which we can exchange our exports for imports, has been moving in our favour. Average import values have fallen by 46 per cent. and export values by only 34 per cent. This would seem to be of advantage to our general standard of living. But under present conditions the waste of resources due to unemployment makes the volume of our exports more important than their value. It is true that if foreigners cannot be persuaded to buy more of our goods by a drastic reduction of prices, high average values help to maintain the balance of payments and to enable us to continue to import the foreign raw materials which are still essential to us. But this is a precarious basis for a trading nation; for though British quality goods may hold their market for a time, experience shows that in the long run this is not an enduring monopoly unless our prices are acceptable.

As was to be expected the prices of raw materials slumped most heavily in the depression and have been the first to recover. Prices of foodstuffs and finished goods are dependent partly on a recovery of general purchasing power, which is only generated when revival has permeated the whole of the industrial structure, and partly on costs. The absolute stability of the average values of our manufactured exports over three years in spite of the rise in prices of imported raw materials, however, is explained by the fact that the former did not fall as rapidly as the latter between 1924 and 1931. The large fall in all average prices of exports between 1924 and 1930 was due to reductions of 40 per cent. in cotton and coal following our return to the gold standard. Otherwise fluctuations were considerably less marked than in the case of imported goods. Since the depression the prices of our heavy exports have been well maintained. In the case of iron and steel, however, a drop of less than 10 per cent. in values between 1930 and 1931 was accompanied by a reduction in volume exported of one-third and this position has not appreciably improved.

MINORITIES AND NATIONALISM

NEVER in the history of modern Europe have there been so many nation States within her boundaries. Never have the frontiers of European States so closely corresponded to the limits of those communities which an impalpable bond of blood and culture has preserved as nations. Never, in modern Europe, have the proportions of national minorities living in other than their national States been so small. Yet Europe seems more than ever a prey to dissensions—both within and between her constituent States—arising from the status and treatment of minorities or from dissatisfaction with the existing boundaries of national States. At the end of the world war the three European Empires which ruled over subject nationalities had disintegrated; and the framers of the Peace Treaties set themselves to make the new frontiers correspond, as closely as possible, with the limits of nationality. Admittedly, considerations of strategi-

cal and administrative expediency often overruled the general principle, as in the giving of Austrian districts to Czechoslovakia and Roumania; and the new frontiers therefore created new national minorities, or merely removed some of those already existing into other States. Such allocations were in the nature of a sop to the post-war national States. But at the same time, the rights of minorities were recognised and safeguarded in the Peace Treaties or in parallel engagements, while provision was also made in the League Covenant for the reconsideration of treaties which might become obsolete or inapplicable (Art. XIX), as well as for amendment of the Covenant itself (Art. XXVI). These provisions, it was hoped, would allow the settlement to be adapted to changing conditions without resort to arms, and would permit the peaceful development both of the enlarged and of the reduced States, without calling into play the disruptive effect of thwarted national ambitions.

In the event, as Mr Macartney shows in a comprehensive survey of the European minority problem,* these hopes have been falsified. On the one hand, the new or enlarged States of post-war Europe have been mainly intent upon evading, in the sacred name of their own national sovereignty, their obligations towards their national minorities. On the other hand, national minorities have often proved recalcitrant or disloyal citizens and, in recent times, have even resorted to murder and terrorism.

The result after fifteen years has been painfully revealed by two recent events. At the beginning of the League Assembly last month, the Polish Foreign Minister, Colonel Beck, announced that his Government would unilaterally denounce the 1919 Minorities Treaty between Poland and the five Principal Allied and Associated Powers unless the terms of the Treaty were imposed upon all States members of the League. This Treaty had imposed upon the new Polish State "obligations of international concern" towards those national minorities which form one-third of her population; and the high-handed threat of the Polish Government, now in decent abeyance, drew sharp protests and reminders from the Foreign Ministers of France and Great Britain. The second incident is even more dramatic and disquieting. The recent assassination of King Alexander and M. Barthou was carried out by the hand of one belonging to the Macedonian minority which, as Mr Macartney shows, was not adequately protected by the Treaty of 1919 with Yugoslavia. Moreover, the murderer of King Alexander was working, not for a Yugoslav minority whose rights were safeguarded by treaty, but for the second largest national element in the triune Yugoslav State. The Croats are in a minority in the State, but they are not a minority in the League sense; they are partners, if sleeping partners, in the State. It is, however, the same nationalistic zeal which led fanatics to contrive the murder of an Austrian Archduke in 1914 that has tempted a few misguided Croats into terrorist activities, and has led equally fanatical "Germans" to murder an Austrian Chancellor, and no less fanatical Catalans into armed rebellion.

Here we touch the crux of the problem; and it is significant that Mr Macartney devotes the long introduction and equally long conclusion of his book to the development and future prospects of the nation State itself. Although the great Continental Empires holding sway over many "nations" have disappeared, and although we are nearer than ever before in Europe to the identity of the nation with the State, harmonious co-ordination of policy between these nation States has not yet emerged. Instead of the European States collaborating to minimise the importance, political and economic, of their frontiers, they have maximised it by every conceivable artifice of political and economic ingenuity. With this retrograde movement has gone the growth of authoritarianism, which in turn has fostered and intensified the sense of nationalism. In such a setting the outlook for a tolerant attitude towards national minorities is not bright. Almost equally gloomy are the prospects before the nation States of Europe themselves, if oppression and repression continue as at present to breed dissension. Indeed, it may well be doubted, though Mr

Macartney does little more than hint at the doubt, whether the nation can ever be sharply defined and created into a State as the statesmen at Paris attempted to do—whether, in fact, "the Balkanisation of Europe" after 1918 did not go too far.

What is the solution? Are we to witness, this century, under expansionist authoritarian regimes, a reintegration of the now numerous European States into larger, and federated blocs? That is a fascinating question to which no certain answer can be given. What is certain is that the force of nationality remains; that it is not to be stamped out; that it thrives on repression, and that it will only lend itself to the formation of larger political aggregations if its claims are met. If they are not met, it will be as disruptive a force in European affairs this century as it was last.

Mr Macartney concludes by quoting Lord Acton's condemnation of the modern theory of the nation State:—

If we take the establishment of liberty for the realisation of duties to be the end of civil society, we must conclude that those States are substantially the most perfect which . . . include various distinct nationalities without oppressing them . . . A State which is incompetent to satisfy different races condemns itself; a State which labours to neutralise, to absorb or to expel them, destroys its own vitality; a State which does not include them is destitute of the chief basis of self-government.

Post-war Europe appears to have profited little by the errors of its pre-war prototype. While in 1919 the avoidance of those errors was an inspiration, to-day most of the States of Europe have set their feet once more on the primrose path of centralisation, authoritarianism, "unification," and repression. Blind persistence along that path will only bring all of us in Europe—nation States or not—nearer the bonfire. Will the historian of our times, when he unearths Mr Macartney's penetrating analysis, have to record that the citizens of Europe were, individually, willing for peace and order, but the common spirit was too weak? That, in despair of reasonable solutions, they took the sword, and perished by it? Or will he record that under the pressure of penury and privation, and aroused in time to the menace of imminent self-destruction, Europe at last found salvation in mutual forbearance?

THREE WISE MEN

WHY has the world suddenly faltered in its pursuit of freedom? General Smuts, in his Rectorial Address at St. Andrews last week, affirmed his belief in political, intellectual and religious freedom as the highest ideal of human society; and he lamented the reaction towards tyranny now taking place in the world as even more dangerous than the possibility of war:—

The disappearance of the sturdy, independent-minded, freedom-loving individual and his replacement by a servile mass mentality is the greatest human menace of our time.

General Smuts's speech has been universally applauded. And it is certainly only in minds unbalanced by hysteria or self-interest that his central thesis, the ultimate value of human freedom, will be repudiated. But there must have been readers of his speech who felt that something important had been left out. If freedom is the only fundamental ideal, why is it that so many of the fanaticisms of the twentieth century ignore and some even attack it? Is the struggle over freedom really nothing more nor less than the struggle between Good and Evil, as General Smuts seemed to imply?

Mr H. G. Wells, in his recent and extremely interesting conversation with M. Stalin, which has been summarised in the Press, was expressing a point of view not altogether dissimilar to that of General Smuts. He wishes to preserve freedom. But he wished to preserve it as an essential element in the struggle for a second ideal, the achievement of economic equality, or at least economic reform. Mr Wells's advocacy of democratic methods was very much more effective for this reason. The mere affirmation of a faith in liberty is vain and sterile in a world beset by economic distress; for liberty loses nearly all its meaning in

face of gross economic equality. Moreover, it was the struggle against poverty, and the bitterness caused by poverty, both in Russia and Germany, that permitted the suppression of freedom. To deny or ignore the existence of economic inequality is a great disservice to democracy.

Mr Wells would accordingly aim at a "profound reorganisation" of the economic system without sacrificing the methods of free government and persuasion. This, he argued, was in fact what Mr Roosevelt was doing. M. Stalin, however, though apparently admitting sympathy with his aims, denied the validity of his methods. The best hope for reform, in Mr Wells's view, is to unite by conciliation all the "constructive movements," to proceed gradually and cautiously, and only to use force in the last resort and if absolutely necessary. The propaganda of violence, in his opinion, and the aggravation of the embitterment between classes, is a disastrous folly. "The Communist propaganda in the West is a nuisance to all constructive-minded people."

Here Mr Wells has an obviously strong case. It is ruinously foolish to engineer the destruction of the social system unless one is quite certain, not only that something better will quickly succeed it, but also that something better cannot be achieved in any other way. And in fact the "simple class-war antagonism," as Mr. Wells called it, on which M. Stalin based his whole case, is a grotesque distortion of the facts. In particular, his Machiavellian picture of the British propertied classes behaving with calculated moderation during the General Strike and after, in order the better to attain their ends, will strike the average Englishman as laughable.

Nevertheless there was undeniably some force in some of M. Stalin's arguments. Those who regard all owners of property as benevolent beings, waiting to be rationally persuaded of the necessity for their own dispossession, are as blind to the facts as the most fanatical Communist chanting the superstitious jargon of the class war. "What would you do with the Fascists?" M. Stalin asked Mr Wells: "Argue with them?" "Try to convince them?" And Mr Wells had no very effective answer. Again M. Stalin

had the better of the argument when he maintained that capitalism had by no means broken down, and that the coercive capitalism of the Fascist countries may, economically speaking, last indefinitely, despite its cruelty and injustice.

To a great extent both M. Stalin and Mr Wells seem to have been applying to the world in general a theory appropriate to their own countries, but not universally applicable. Certainly some members of the possessing classes in some countries would resist by force any appreciable measure of redistribution of wealth, even at the cost of their professed allegiance to democracy. Others would not. In Russia, possibly, the majority would have done so; and the policy of violence may consequently have been inescapable. There may even be some truth in M. Stalin's contention that Mr Roosevelt is now finding himself unable to proceed without the co-operation of the propertied class, and that he will have to modify his cherished schemes of reform. But the same is not true of this country, with its long history of political and economic reforms carried through by co-operation between the property-owning and the wage-earning classes. Nor is it true, we hope, of France; nor of Scandinavia; nor of the British Dominions.

Mr Wells's case, however, would have been stronger if his conception of economic reform had been a little more clear. He talked much of "reorganisation," "control" and "planning," as if any interference with the economic system is bound to make it work better. But he never explained in what way Mr Roosevelt's "plans" resemble those of M. Stalin. And he does not seem frankly to have asked himself the crucial question whether the national income must be not only increased by better organisation, but also more justly distributed. It may be that both will prove necessary. In that case, it is only if the propertied classes in the democratic countries are prepared to accept peacefully some mitigation of economic inequality, that those countries can honestly congratulate themselves, like General Smuts, on the enjoyment of freedom, and cast stones at a Soviet tyranny which crushes it in the name of equality.

NOTES OF THE WEEK

The Witches' Cauldron.—The simmering and bubbling, all over Europe, is still going on, without its yet being possible to foretell whether the eventual brew will be a wholesome broth or a lethal poison. In Yugoslavia—which may still, perhaps, be regarded as the key-country—M. Ouzounovich's reconstruction of his Cabinet without the inclusion of any representatives of the opposition parties is decidedly unfortunate. The personal tribute which was paid to the late King by the Slovene leader, Father Koroshetz, gave the Government an opportunity of taking the Opposition into partnership without loss of face. M. Ouzounovich is reported to have made overtures to Father Koroshetz and to the Muslim leader, M. Spaho, but to have failed to secure their support except on the condition that he would also make his peace with the Serb Radicals. With the Radicals left out in the cold—not to speak of the Croats—the reconciliation would indeed have been hollow; and M. Ouzounovich's rejection of Father Koroshetz's very reasonable terms implies either that the Prime Minister's own desire for reconciliation was half-hearted, or that he found himself in the soldiers' grip. The one important change in the Cabinet—a change which we cannot welcome—is the appointment of General Zhivkovich to the Ministry of War. Meanwhile, the Little Entente Council has duly held its meeting at Belgrade and has published a statement condemning political crimes, which has been endorsed by the representatives of Greece and Turkey. There is shortly to be a meeting of the Balkan Council (Greece, Turkey, Roumania, Yugoslavia) at Angora, which will probably reaffirm the solidarity between these two interlocking associations of South-East European States. The statement is one that might have been issued by the Central Powers in July, 1914—but with this vital and salutary difference: that the present denouncers of political assassination mention no names of

reprehensible countries and threaten no punitive measures. It is to be hoped that these counsels of moderation will continue to prevail.

Diplomatic Manœuvres.—At other points on the European stage, General Gömbös has returned to Hungary from Poland—meeting at Vienna his own Foreign Minister, M. de Kanya, hot-foot from Rome. The Austrian Government has made overtures to the Austrian Nazis for their co-operation, both in the Constitution and perhaps, later, in government. And M. Laval has put off the visit to Italy which he was to have paid next month in M. Barthou's place. General Gömbös's visit to Warsaw can be fairly accounted for on the economic grounds which have been the official pretext. Since her clearing agreements with Austria and Germany stabilised much of her foreign trade, Hungary urgently needs new or freer markets. We need not therefore necessarily assume that Poland is now marching off into the Revisionist camp (a dangerous place for her!) linked arm-in-arm with Hungary on one side and Germany on the other. As for the Austrian overtures to the Nazis, they must have had Italy's approval. Is Italy trying to improve her relations with Germany in order to place herself in a better bargaining position *vis-à-vis* France? Perhaps this may explain the postponement of M. Laval's visit to Rome. The delay will be worth while if in the end Italy is able to play the rôle—for which she is really equipped—of mutual friend.

King Fuad's Mantle.—Till this week, nothing much had been heard about Anglo-Egyptian relations since the late Labour Government came within an ace of negotiating

* "National States and National Minorities." By C. A. Macartney. Royal Institute of International Affairs and Oxford University Press (Milford); 540 pages. 18s. net.

a comprehensive Anglo-Egyptian Treaty with the Wafd. So long as no treaty exists, and so long as the British military occupation continues, the mere presence of our troops in the country involves us in the course of Egyptian politics. However sincerely we may protest our neutrality it cannot be denied that the presence of our troops has made it impossible for King Fuad to lose his throne in the manner of the last Sultan-Caliph of Turkey, or the late King Husayn of the Hedjaz, or the ex-King Amanullah of Afghanistan. On the other hand, the British garrison has not prevented King Fuad from setting aside the former Egyptian constitution by a *coup d'état* and governing Egypt since then as an autocrat. King Fuad's *coup*, which followed hard upon the breakdown of the last Anglo-Egyptian negotiations, was no doubt facilitated by the consequent lowering of the Wafd's prestige and by the general unpopularity which the Wafd had incurred among the people of Egypt by abusing the power entrusted to them in order to set up, like the Kuomintang, a single-party tyranny of their own. But King Fuad would hardly have attempted to seize power, and would assuredly not have succeeded, if the presence of British troops had not put all possibility of a revolution out of court. So long as the King could find an able Minister like Sidky Pasha to do his governing for him, things went smoothly, and the British Residency and garrison in Egypt were able to lead a quiet life. But the convenience of autocracy is always offset by its transitoriness. Sidky Pasha was forced into resignation last year because he failed to secure the King's assent to the exclusion from the Ministry of two Ministers who still adorn it. Latterly, the King himself has been incapacitated by illness, and the Government of the country appears to have been carried on irresponsibly, in the King's name, by Zaki Pasha Al-Ibrashi, Comptroller of the Royal Estates. When this fact became apparent, Yehia Pasha, the present Prime Minister of Egypt, asked the advice of the Acting British High Commissioner about the steps he should take. He appears to have been—very suitably—advised that if Ibrashi Pasha and the two contentious Ministers remain where they are, it will be difficult to persuade any Egyptian statesman of standing to accept the post of chief of the Royal Cabinet—a post which, in present circumstances, is tantamount to that of being the King's deputy. Ibrashi Pasha's Government (for the Ministry is virtually his) has replied by starting a press campaign in which the Acting High Commissioner is being accused of unwarrantable interference in Egyptian internal affairs. But the accusation is unmerited. It is scarcely "interference" to give advice when asked. And it is scarcely unwarrantable, on the part of the British Government, to dissociate itself from the regime of an Ibrashi.

New Zealand's Dairy Products.—Like other primary producing countries New Zealand has been struggling for the last five years with the problem of paying her foreign debts in commodities whose money value has been falling. The dairy industry has consequently been hard hit, and a Commission was appointed six months ago to investigate its difficulties. The report of this Commission, which has just been published, makes various and important recommendations. In present circumstances, the Commission declares, few farmers can cover expenses and pay interest charges. A drastic internal reorganisation of the industry is consequently proposed. A permanent Commission of Agriculture to advise the Government is urged by the Commission, as well as a reconstituted Dairy Produce Board, with half its members appointed by the Government, enjoying wide powers of research, production, manufacture and marketing. This Board, it is proposed, would rationalise butter marketing, but would not subsidise exports or exploit the consumer. Agricultural finance is also to be reformed by the establishment of a rural mortgage corporation, which would exchange existing mortgages for State-guaranteed bonds. Rates of interest on bonds and mortgages would be revised every three years. All these suggestions, particularly the last, are sensible, progressive and practical. Indeed, it is remarkable how enlightened agricultural planning can be when an export

and not a home market is involved. The Report recommends that the New Zealand Government should immediately begin negotiating with the British Government about future trade relations between the two countries. New Zealand's present difficulties have been brought about, according to the Report, by the "flooding of the United Kingdom market by the dumping of subsidised products from the Northern Hemisphere and Australia." It might perhaps be asked whether the Government-induced undervaluation of the New Zealand currency is in principle distinguishable from a subsidy; and, in point of fact, New Zealand's exports of butter to this country increased much more heavily between 1931 and 1933 than those of Australia or Denmark. In claiming, however, that New Zealand should have preferential treatment over other Empire countries in view of her liberal fiscal policy towards British goods, the Report has a far stronger case. New Zealand has interpreted the verbiage of the Ottawa Agreements in a much more generous spirit than certain other Dominions. And if virtue is to be encouraged it should be rewarded.

Weavers' Wages Agreement.—The representatives of the employers and operatives in the weaving section of the cotton industry last week succeeded, after prolonged and sometimes acrimonious discussion, in negotiating a new wages agreement, which if ratified by both sides will be presented to Parliament for statutory enforcement under the Enabling Act passed this summer. The new agreement, which contains different scales for four-loom and "more looms" working, and is drawn up on a "pick" basis (number of weft threads to the inch), will replace the old uniform list which can be traced back to the '50s of last century and has long been recognised as completely obsolete. The general effect of the new agreement is to lower wages of the four-loom workers by about 6 per cent., while increasing those of "more looms" workers by 4 per cent. This result has been criticised by some of the employers as unduly penalising "more-loom" working, to which a large number of operatives have always raised strong objection. But in accepting the "pick" basis the operatives have also made important concessions (besides accepting a "cost" for four-loom workers) in so far as they have abandoned many of their most cherished restrictions, which have for so long been hampering production. It is not anticipated that the new list will make much difference to the total amount of wages paid by the whole of the employers in this section of the cotton industry. Mr John Grey, the employers' chairman, has said: "No one in the industry knows what the position is exactly in the mills owing to the large number which have broken away from the agreements and the variations in the wages now being paid. My own view is that the advantages and disadvantages of the proposed new agreement will about balance one another and that it will be a case of fifty-fifty. The statements about it being a blow to the operatives are greatly exaggerated." A special meeting of the General Council of the Operative Weavers' Amalgamation is to take place in Manchester on November 3rd, and in the meantime the thirty-six District Associations are considering the matter. It is believed that the Council, despite some opposition, chiefly from the Nelson district, will ratify the terms arranged by the trade union officials. And it is anticipated that within the next few weeks the Manufacturers' Association and the Weavers' Amalgamation will make a joint application to the Government for the wages list to be scheduled under the Cotton Manufacturing Industry (Temporary Provisions) Act and thus make the agreement compulsory upon all manufacturers. It will be necessary for the two bodies to convince the Minister of Labour that they represent a sufficient majority of the industry. The agreement is greatly to be welcomed seeing that it re-establishes the principle of collective bargaining, which was threatening to break down altogether in this section of the industry; and we hope that the agreement will be ratified as quickly as possible, so as to enable the undercutting in wages—which has been going on for some time to the great detriment of the relations between employers and operatives—to be stopped once and for all.

A Little Freer Trade?—The broad division of the trading world into on-gold and off-gold countries has thrown a heavy burden on the former. The gold *bloc* countries have recently had to redouble their deflationary efforts to maintain a competitive position. These efforts have translated themselves in the domestic sphere into drastic cost-cutting schemes, which have provoked, as in France and Holland, political crises; and on the international plane they have usually ended in further intensification of import quotas or exchange rationing. The gold *bloc* received its official *cachet* and organisation, under a General Commission, after the failure of its representatives at last year's World Economic Conference to secure an agreement to stabilise the exchanges of both the on-gold and the off-gold countries. After that failure it was clear that the gold *bloc* would have to pass to positive measures for securing their currencies and increasing their mutual trade. Last Saturday the General Commission of the *bloc* concluded its meeting at Brussels by the adoption of a protocol, which reaffirms the intention of France, Italy, Holland, Belgium, Poland, Switzerland and Luxemburg "to maintain the present gold parity of their respective countries." But the protocol goes on:—

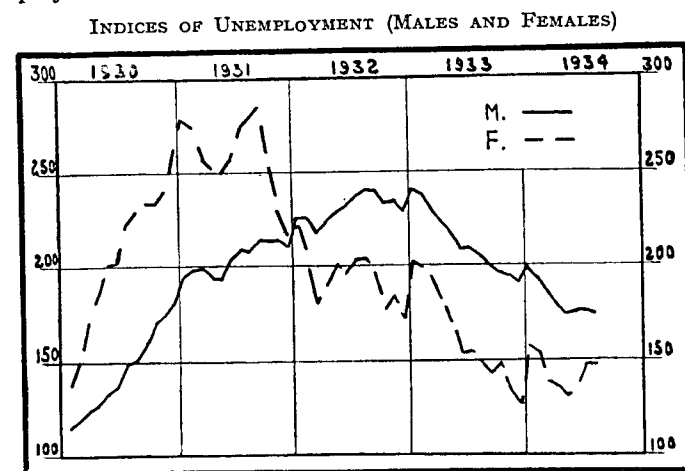
It is desirable to form a General Commission, composed of their respective delegates, with regard to international trade to see in what manner it is at present possible to increase trade among their countries (it regards as desirable an increase of 10 per cent. in the global volume of trade effected from July 1, 1933, to June 30, 1934); to open bilateral negotiations to this end without delay with the object of completing them within a maximum period of one year; . . . and to convene a meeting of the General Commission in Brussels in three months' time to take note of the position reached and to settle the continuation of its programme without losing sight of the interests of third parties and the necessity of a more extensive collaboration in the international field.

The protocol also provides for the setting up and immediate convocation of two sub-committees on travel and transport, and for a convention on commercial propaganda. This protocol is of happy augury. Any expansion of trade between an important group of countries, in the main contiguous, can hardly fail to be reflected in an increase of that group's purchasing power in, and therewith of its exports to, the rest of the world as a whole. A 10 per cent. increase of the seriously constricted volume of trade between the gold *bloc* countries in 1933-34 is more than is likely to be achieved if things drift on in their present direction. Whether bilateral negotiations will best secure the 10 per cent. is to be doubted; but of this we expect to hear more during the next twelve months. As it is, the gold *bloc* countries are threatening to breach the ramparts of economic nationalism. But it will be a pity if, failing response by third parties, economic nationalism is merely transferred to a broader canvas. The gold *bloc* has promised not to lose sight of "the interests of third parties." Will the very important third parties now be up and doing on behalf of world trade? We hope so, for all our sakes.

Trade Union Membership.—As one of the chief suppliers of funds for the second largest political party in this country, and as a unique electoral organisation, the Trade Union movement has as great a political as an economic significance. The Ministry of Labour has just published its annual statistical review of the position of the Trade Unions in 1933, with comparative figures going back to 1892. The figures relate to all associations of employees having as their function the arrangement of conditions of work by negotiation with employers. Towards the end of the last century a strong impetus was given to Trade Unionism by the great "dockers' tanner" strike of 1889; thereafter it touched for the first time the mass of unskilled workers. Trade Union membership gradually rose from 1,500,000 in 1895 to 2,500,000 in 1910. There followed a rapid expansion during the prosperity of the immediate pre-war years to 4,000,000 in 1914. The expansion was accelerated during the war by the inclusion of practically all the workers on war material; and it was reinforced after 1918 by demobilisation. The peak was reached at the end of 1920 with an aggregate membership of 8,346,000. It

had more than doubled in ten years. But during the depression which began at the close of 1920 the adventurous war-time increment fell away and there was a decrease of 1,700,000 in two years. Except during 1923-25 and 1928-30 there has been a steady downward trend since that period; and the 1927 Trades Disputes Act further weakened the political strength of the movement by replacing "contracting out" by "contracting in" for subscriptions to political funds. Aggregate membership at the end of 1933 was 4,383,000, as compared with 4,439,000 at the end of 1932 and 4,135,000 at the end of 1913—an increase over twenty years of only 250,000, despite an increase of 300,000 in the number of women members and an increase of about 1,500,000 in the total number of occupied persons. Particularly striking is the decline in the membership of the mining, metal and cotton unions, which in 1913 represented 45 per cent. and in 1933 only 30 per cent. of the total. Increases of nearly 100 per cent., on the other hand, have taken place in the paper and printing, commercial and financial, local and central government, and teaching unions (excluding in all cases transport and general workers). These are the only unions which have increased their aggregate membership during the past year. The biggest declines in 1933 took place in cotton manufacturing (24,000), railway service (17,000), building and contracting (15,000) and engineering, ironfounding and shipbuilding (13,000). At the end of 1933 there were 1,063 Trade Unions in Great Britain, as compared with 1,065 at the end of 1932. This was less than in 1913; and it carried on the downward movement, apparent since 1920, which the Ministry of Labour attributes largely to amalgamations and to the absorption of smaller unions by larger ones. The Trade Union movement seems rather to be consolidating its front than extending its operations.

Unemployment in Britain.—The accompanying chart shows the trend of unemployment since 1930 among insured males and females wholly unemployed and temporarily stopped in the United Kingdom. The number unemployed in each month since January, 1930, is shown as a percentage of the monthly average of unemployment in 1929. No allowance has been made for seasonal variations in unemployment:—



The divergence of the two curves during 1930 and 1931 is striking. The index of unemployed females rose sharply in 1930, far above the figure for males, and reached its peak in the autumn of 1931. Following the suspension of the gold standard in the autumn of 1931, the number of unemployed females declined sharply until the spring of the following year, when the improvement was arrested. On the other hand, the index of unemployed males rose more gradually and reached its peak at the beginning of 1933.

BRITANNIC ASSURANCE COMPANY LIMITED
(Established 1866)
Annual Income : : : : £5,600,000
Funds : : : : £23,000,000
All classes of Life, Fire, Accident,
Motor and General Insurances transacted
Chief Office: BROAD STREET CORNER, BIRMINGHAM

From then onwards the movement of both indices has been almost parallel in a downward direction, but the figure for males remained well above that for females. The earlier impact of the depression on female employment is chiefly due to the sharp reduction of textile exports which employ an unusually large proportion of women. These industries were particularly benefited by the abandonment of the gold standard in the autumn of 1931.

Labour Captures North Lambeth.—The result of the North Lambeth by-election on Tuesday can only be reckoned a blow to the Government. The late member, Mr Frank Briant, had represented the constituency as a Liberal almost continuously since the war. He was a great supporter of all local interests; and his continued re-election testified to the personal nature of his appeal to the electors. At the 1931 general election, in a straight fight with the present member, he was elected by a majority of 7,602 out of a total poll of 25,134. This time there were four candidates—National Government, Liberal, Labour and Independent. The splitting of the electorate could hardly fail to favour the Labour cause; and Mr G. R. Strauss has captured the seat, with 11,281 votes, against 4,968 polled by the Liberal candidate—whose appeal was, like the late member's, mainly local and personal—only 2,927 by the National Government candidate, and a derisory 305 by the Independent. Labour has thus increased its vote by 2,515, despite a reduction in the poll from 25,134 in 1931 to 19,481 this week; and its present poll is even more than the 1929 figure. In 1931 Mr Briant stood as a Liberal supporter of the National Government; but he crossed the floor of the House with Sir Herbert Samuel a year ago. The combined total of Liberal and National Government votes last Tuesday was less than half of Mr Briant's poll in 1931; and the meagre polls of the National Government and Liberal candidates point to a considerable transfer of Liberal votes to Labour. If a separate Liberal platform has been ineffective, the National Government's appeal has been much more decisively rejected. The Government's "self-advertisement" will have to work overtime if North Lambeth is not to be taken as a straw in the wind of home politics.

Co-operative Trade Prospects.—While noting some improvement in the home market, the directors of the Co-operative Wholesale Society recognise that international affairs continue to be a restraining influence on trade. There has been a decrease of just over 12 per cent. in the society's export business, which amounted to £520,711 in the past six months. The total sales of the C.W.S. for the half-year which ended on July 14th were £43,376,425 (an increase of just over £5,000,000), representing a weekly average of £1,668,324. From the society's own productive works the supplies were £451,935 per week, or £11,750,320 for the half-year. Satisfaction is expressed that these increases have not been gained by higher price movements. The directors have pursued a policy of reducing the prices of certain of their own productions. The declaration of an additional dividend of 2d. in the £ on C.W.S. productions has stimulated larger purchases by retail societies and has given them £140,437 more than the usual trading dividend of 4d. in the £. The latter amounts to £671,027, so that £811,464 out of the trading profit of £885,788 is returned to the distributive societies for the benefit of their trading members. All the retail societies, with the exception of 18 small ones, are now banking with the C.W.S. Bank. This concern had deposits and withdrawals amounting to £322,462,646 last half-year, an advance of over £26 millions. In addition to 907 societies as clients, it has the current accounts of 8,923 branches of trade unions, 788 clubs and 6,631 other mutual organisations. While much is being done by centralised direction of the boot and shoe, furniture and textile works, the supply of foodstuffs is still the main source of the trade. In the productive output of £11,750,000, the flour and provender mills accounted for £3,522,358, and the output of the biscuit and preserve works £962,655. The effect of the cheaper rates ruling for butter is seen in the drop of 18 per cent. in the turnover of

the margarine works, which fell from over £1,000,000 to £870,638. Boot and shoe production amounted to £816,565; the output of the furniture factories rose 42 per cent. to £353,474; and of the woollen mills to £389,899. In all these industries a policy of centralised control has been adopted with a view to minimising the difficulties incidental to the possession of works in various parts of the country which were established in response to the demands of local societies to find employment for their own people. The C.W.S. is now setting about the co-ordination of its productive efforts—a policy urged by the president of the Co-operative Congress at Rhyl last Whitsun. The sales for the past half-year are approximately equal to those of 1930, which was a record, save for the phenomenal twelvemonth of 1920, when, at the higher level of prices then ruling, they rose to £105,439,628. This augurs well for the Society's trading future.

Sterling and International Prices.—British wholesale prices have moved irregularly during the past fortnight, but on balance there has been a slight recovery. The *Economist's* complete British index number has risen by 0.1 per cent., while the primary products index number has risen by 0.9 per cent. American prices have continued to fall, but the rate of decline is much less pronounced. The complete Irving Fisher index number has fallen by only 0.1 per cent., while primary products are only lower by 0.4 per cent. All these movements are very small, but taken in conjunction they are in opposition to the recent appreciation of the pound against the dollar. The result is that the dollar is more undervalued than it was a fortnight ago. There has been a further decline in French prices, while the recovery in Italian prices has for the moment been checked. It is noticeable that whereas French prices have fallen since a year ago by 8.3 per cent., Italian prices are practically unchanged, although the lira as well as the franc is on the gold standard. This divergence may have some bearing upon the weakness of the lira. German prices are unchanged:—

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statist- ique Générale	Italy, Milan Chamber of Com- merce	Ger- many, Statist- isches Reichs- amt	
	British Complete Index (sterling)	Primary Products						Price of Gold (sterling)
		British (sterling)	American (dollar)					
1932								
Jan. 27th	108.3	115.7	99.8	140.9	93.5	93.6	95.8	
Apr. 20th	103.8	105.4	83.6	129.5	89.6	87.0	95.3	
July 27th	99.5	103.5	84.1	138.9	88.3	91.3	88.5	
Oct. 19th	103.1	112.3	84.0	143.8	88.6	88.8	86.8	
1933								
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	90.2	
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	89.2	
July 28th	108.1	120.6	124.7	145.7	100.9	89.7	86.2	
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	84.6	
1934								
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	84.4	
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	84.1	
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	84.2	
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	83.2	
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	83.9	
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	83.9	
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	83.2	
Aug. 1st	109.2	124.7	139.4	162.5	113.0	81.4	83.3	
Aug. 15th	111.1	129.2	145.0	162.8	112.8	81.8	84.2	
Aug. 29th	111.1	129.1	150.6	164.0	115.6	82.0	84.1	
Sept. 12th	110.0	127.7	150.3	165.3	115.9	81.8	84.1	
Sept. 26th	108.7	125.7	149.0	166.2	116.1	81.4	84.3	
Oct. 10th	107.8	123.1	146.8	167.7	114.7	80.5	84.5	
Oct. 24th	107.9	124.2	146.2	164.5	114.6*	80.2*	84.4*	

* These figures refer to Oct. 17th.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX			
	(1927 = 100)			
	Sept. 18, 1931	Sept. 26, 1931	Oct. 10, 1931	Oct. 24, 1931
Cereals and meat	64.5	74.1	72.1	70.4
Other foods	62.2	57.9	58.7	58.5
Textiles	43.7	51.3	50.9	51.5
Minerals	67.4	76.0	75.0	76.4
Miscellaneous	65.8	69.1	67.8	69.1
Complete index	60.4	65.7	65.2	65.2
1913 = 100	83.1	90.4	89.6	89.7
1924 = 100	52.2	56.8	56.3	56.3

There has been a further general decline in cereals and meat prices, partially offset by an advance in bacon. Among other foodstuffs butter is higher, but tea, sugar and

cheese have all fallen. There has been a recovery in cotton and wool prices, and jute is continuing its recent advance, but flax is still falling. In the minerals group copper, lead and spelter are all higher, but tin is unchanged. Among miscellaneous materials, rubber has rallied after its recent decline, and there has been an increase in the price of Swedish timber. Linseed oil has fallen.

British Shipbuilding.—The latest returns issued by *Lloyd's Register* reveal a further, though modest, improvement in the British shipbuilding industry. Gross tonnage of mercantile vessels under construction at the end of September was 604,296, as against 587,142 at the end of June and 303,762 a year ago. The improvement was, however, more marked abroad, for mercantile tonnage under construction outside this country rose from 629,198 at the end of June to 707,091 at the end of September. As a result, the British proportion of the tonnage under construction in the world as a whole declined from 48.3 per cent. in June to 46.1 per cent. in September. Moreover, the tonnage under construction in this country for registration abroad or for sale declined further from 15.3 per cent. in June to 13.6 per cent. in September. The decline in this export industry is disappointing, for only two years ago the proportion of the total tonnage under construction for abroad was still 30 per cent. The returns disclose that the steam engine is still holding the field in the United Kingdom, but not in the rest of the world as a whole. Of the total horsepower of marine engines under construction in this country at the end of September, 62 per cent. is accounted for by steam engines, while of the total horsepower of marine engines under construction in the rest of the world only 41 per cent. is accounted for by steam engines. Gross tonnage launched in this country during the third quarter of 1934 was 183,422, against 35,954 in the previous quarter and 42,077 during the corresponding quarter a year ago. Launchings abroad rose from 113,438 gross tons in April-June to 123,375 in the past quarter. The immediate outlook for the industry in this country seems less bright, for tonnage commenced declined from 146,653 in the second quarter to 76,911 in the July-September period. On the other hand, tonnage commenced abroad rose from 125,912 to 181,177 during the same period. Of the total mercantile tonnage under construction abroad at the end of September, Japan accounted for 149,750, France for 120,868, Germany for 120,816, Denmark for 74,938, Holland for 70,735, and Sweden for 64,565.

Great Britain's Fish Supply.—The fish supply of Great Britain in the quarter ended September 30th was maintained at a level slightly below that of the corresponding quarter in 1933. In the case of England and Wales a decrease in the landings by British-owned fishing vessels of a quarter of a million cwt., or 6.6 per cent., was accompanied by an increase in aggregate first-hand value of 5.6 per cent. Compared with the April-June quarter there was a substantial decline in landings, owing to the cessation of the White Sea and Bear Island fishing during the summer months for the second year in succession. The following table, relating to wet fish only, is abstracted from the returns furnished by the Ministry of Agriculture and Fisheries and the Board of Trade:—

	Weight		Value	
	July-September 1933	1934	1933	1934
British caught	cwt.	cwt.	£	£
England and Wales	3,258,134	3,042,619	2,685,319	2,838,125
Scotland	1,895,930	2,061,558	1,254,908	1,046,534
Shellfish	...	...	110,505	115,927
Total	5,154,064	5,104,177	4,050,732	4,000,586
Foreign landings	142,621	114,990	176,868	164,103
Imports	283,796	225,508	588,279	544,175

The average value of British-caught wet fish at the ports of England and Wales was just under 18s. 8d. per cwt., as compared with 16s. 6d. per cwt. in the corresponding quarter last year, an increase of 13.1 per cent. The rise is due in part to the restriction of supplies and in part to the stimulus given to demand by the dearth of bacon. At times there was a distinct shortage of the kinds of fish most

in demand by fish friers, who were unable to pay "famine" prices. In some quarters the wisdom of the White Sea prohibition in summer is doubted. On the whole it has worked fairly well, though, of course, with fewer voyages it has involved a certain amount of enforced idleness for trawlers, their crews and dock workers. The results in Scotland were poor, for larger landings produced a smaller money total, while the average was only 10s. 2d. per cwt., as against 13s. 3d. per cwt. a year ago. Both foreign-caught fish from the sea and imports from abroad showed a decline in weight and value. As a set-off to imports, we exported fresh fish to the value of £125,276, as compared with £110,333; but exports of "cured or salted" (mainly herrings) were valued at £719,469, as against £991,524. Our exports of canned fish were small at £47,749, as against £50,479. As usual, there were considerable imports of canned fish (salmon, sardines, brisling, lobster, crab, etc.), the value of which was £957,753, as compared with £833,925 in the corresponding quarter of 1933; and of "cured or salted," valued at £38,166, against £56,940. Only a very small proportion was re-exported. The imports of canned fish for the nine months show an increase of over 33 per cent. in aggregate value. This, again, may be a reflection of the rising retail prices of bacon, as also of the higher prices of certain British-caught fresh fish.

Canada's National Income.—The surprisingly small part played by agriculture in Canada's national income is indicated by an estimate of the national income just issued by the Department of Trade and Commerce. On the basis of the annual census of industry and the occupational distribution of the population as ascertained at the decennial census of 1921 and 1931, the total value of the national output in each year from 1920 to 1931 inclusive was estimated as follows:—

CANADA'S NATIONAL INCOME
(In millions of dollars)

1920	5,523	1926	5,600
1921	4,215	1927	6,101
1922	4,520	1928	6,342
1923	4,696	1929	6,072
1924	4,643	1930	5,150
1925	5,178	1931	4,000

It will be seen that Canada's national income reached its highest level in 1928. But since no allowance is made for changes in the purchasing power of the dollar, the decline in real income between 1928 and 1931 was not as marked as the figures suggest. The report contains an interesting analysis of the sources of Canada's national income in 1930. According to the census of population of 1931, five-eighths of the gainfully occupied Canadians were then engaged in changing the "form" of the materials used in the productive process. The remaining three-eighths were engaged in the transport and communications industries, in wholesale and retail trade, in finance and in personal and professional service. The net value of the output of those engaged in productive processes in 1930 was \$3,216,746,735. An analysis by industries is given below:—

NET VALUE OF PRODUCTION BY INDUSTRIES IN 1930

Net Value of Output (in millions of dollars)	
Industry—	\$
Agriculture	758.8
Forestry	303.1
Fisheries	47.8
Trapping	9.9
Mining	279.9
Electric Power	126.0
Total primary production	1,525.5
Construction	297.0
Custom and repair	85.2
Manufactures	1,762.0
Total secondary production	2,144.2
Grand total	3,216.7

The item "manufactures" includes dairies, sawmills, pulp-mills, fish canning and curing, electric power production, shipbuilding and certain mineral industries, which are also included in other headings. The duplication, amounting to \$453,015,547, has, therefore, been eliminated from the

grand total. It will be seen that the value of "secondary production" in 1930 exceeded that of "primary production" by a substantial margin. The value of agricultural production represented only 14.7 per cent., and that of field crops alone only 10 per cent., of the total national income in that year. Of the total net value of production in 1930 (\$3,216,746,735) Ontario contributed 42.9 per cent.; Quebec, 27.7 per cent.; British Columbia, 8.4 per cent.; Alberta, 5.7 per cent.; Manitoba, 4.4 per cent.; Saskatchewan, 4.2 per cent.; Nova Scotia, 3.6 per cent.; New Brunswick, 2.4 per cent.; Prince Edward Island, 0.52 per cent.; and Yukon, 0.14 per cent.

* * *

Banks and the Woollen Stocking in France.—In an article contributed to the *Revue d'Economie Politique*, M. Léonard Rist draws attention to the fact that the remarkable increase in French savings deposits since the war was checked in the past year. The excess of new deposits over withdrawals declined from 10,751 million francs in 1931 to 4,735 million francs in 1932. In 1933 withdrawals actually exceeded new deposits by 102 million francs. The growth of savings deposits—including accrued interest—in France since the war is shown below:—

SAVINGS DEPOSITS IN FRANCE
(In millions of Frs.)

End of—	Caisse Ordinaires	Caisse Nationale	Total
1920	5,795	2,353	8,148
1926	11,551	4,418	15,969
1929	20,313	11,658	31,971
1930	23,570	15,033	38,603
1931	30,174	20,686	50,866
1932*	33,659	23,614	57,277
1933*	34,536	24,120	58,656

* Provisional.

According to M. Rist, the explanation of the excess of withdrawals over new deposits in the year 1933 is primarily to

be sought in the financial and political difficulties which tended to undermine public confidence and encourage hoarding in 1933. This suggests that the French public is at the moment placing more confidence in the time-honoured *bas de laine* than in the deposit institutions. And the over-coming of that disposition is an obvious task facing the present and any future Government of France.

* * *

British Crops.—The Ministry of Agriculture and Fisheries has published its official forecast of the acreage and yield of the principal crops in England and Wales:—

CROPS OF ENGLAND AND WALES

	Acreage		Production	
	1933	1934	1933	1934
	Thous. acres	Thous. acres	Thous. tons	Thous. tons
Wheat	1,660	1,759	1,573	1,673
Barley	751	861	631	690
Oats	1,494	1,401	1,226	1,073
Potatoes	519	487	3,478	3,070
Turnips and Swedes	553	520	5,951	4,382
Mangolds	237	246	4,136	4,245

It will be seen that the acreage under wheat has been further extended as a result of the wheat subsidy. The quality of this cereal and its condition is everywhere reported to be good. The yield per acre of wheat in England and Wales is estimated at 19 cwts., as compared with an average of 17.5 cwts. during the past ten years, and production is expected to exceed last year's level by 100,000 tons. The acreage and production of barley in 1934 shows an increase on last year, but the area under oats was considerably reduced, and the crop is expected to be appreciably smaller than a year ago. The area under potatoes and turnips and swedes was smaller than a year ago, and lower yields are forecast. The lifting and carting of sugar beet has been commenced, and the sugar content is reported to be above the average.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE PRESIDENT AND THE PRICE LEVEL

THE President's Press conference of October 10th has aroused more interest and conjecture than his broadcast speech of September 30th, particularly those passages describing his attitude toward prices. In the radio speech his only comment on prices was adverse to high prices; in the Press conference he reaffirmed his desire for higher prices. The two attitudes are not so inconsistent as they seem, for in the broadcast speech he was referring to the artificial prices established by certain N.R.A. cartels through the limitation of output; in the Press conference he was referring to the general level of prices.

As usual, such remarks, reported in the Press with varying measures of individual emphasis and supplemented by oral reports, have given rise to a flood of rumours, ranging from predictions of another advance in the price of gold to the early issue of Thomas Amendment greenbacks or the forced activation of bank credit by a punitive tax on excess reserves, an intensification of the Spending Programme, or what not. Meanwhile there is the genuine contradiction between our silver policy, which is steadily pushing up the value of Chinese currency, and the outspoken concern in Washington over the decline in the pound sterling in terms of the American dollar.

September brought few notable changes in the Reserve Bank statements.

RESERVE BANK ITEMS (\$000,000)

	Aug. 29	Oct. 3	
Bills discounted.....	21	15	- 6
Bills bought.....	5	6	+ 1
United States securities.....	2,432	2,431	- 1
Monetary gold stock.....	7,981	7,980	- 1
Gold certificates, etc.	4,979	4,959	- 20
Money in circulation	5,345	5,468	+123
Member bank reserves	4,127	3,895	-232
Industrial advances.....	1	2	+ 1
United States Treasuries	30	156	+126

It has been a long time since member bank reserves showed a decline; but the decline is of no particular significance despite its magnitude. It derives from an increase in Treasury balances and from a seasonal increase in currency in circulation of rather more than usual amplitude. The decline in the item "gold certificates and due from U.S. Treasury" evidently represents an internal transaction, since the gold stock showed negligible change.

EXPANDING COMMERCIAL CREDITS

Meanwhile the commercial banks continued to expand their credits—a change of trend which appeared in August.

REPORTING MEMBER BANK ITEMS (\$000,000)

	Aug. 29	Oct. 3	
Total loans and investments	17,708	17,811	+103
Loans on securities.....	3,247	3,047	-200
Other loans.....	4,555	4,747	+192
United States securities.....	6,627	6,636	+ 9
Other securities	3,279	3,381	+102
Reserves with F.R. banks.....	3,132	2,891	-241
Net demand deposits	12,926	13,083	+157
Time deposits.....	4,510	4,471	- 39
Government deposits	1,203	1,094	-109
Borrowings from F.R. Banks	5	1	- 4

These figures show a marked change of trend, whether temporary or not, which first became noticeable in August. The commercial banks, with about 40 per cent. of their total loans and investments in Government securities, in August and September turned to "other securities"; and expanded their "other loans," chiefly commercial, in a period when their loans on securities were repaid rather rapidly. Since August 1st collateral loans in these institutions have fallen by \$311 millions, while commercial loans have risen by \$232 millions. Such an increase in commercial loans may be described, but not dismissed, as "seasonal." It breaks a trend that had been continuous since the crash in 1929. Furthermore, every Federal Reserve district reports an increase in this period, and every district likewise shows an increase in net demand deposits.

The growth in demand deposits in the past year is everywhere apparent, but in some of the Reserve districts it is remarkable.

NET DEMAND DEPOSITS (REPORTING MEMBER BANKS)
(\$000,000 omitted)

	Oct. 4, 1933	Oct. 3, 1934
Federal Reserve District:		
Boston	725	895
New York	5,571	6,696
Philadelphia	537	687
Cleveland	515	650
Richmond	186	231
Atlanta	141	182
Chicago	1,178	1,698
St. Louis	269	340
Minneapolis	192	252
Kansas City	343	461
Dallas	224	297
San Francisco.....	567	694
Total	10,448	13,083

The total increase is about 25 per cent., but in the Chicago district it exceeds 40 per cent. For the same period only Philadelphia and San Francisco show net increases in commercial loans, and those small. This emphasises the change that has occurred in recent weeks.

NEW YORK, October 11.

FRANCE

PARLIAMENT AND CONSTITUTIONAL REFORM

THE political parties are now holding their congresses. The Radical-Socialists are meeting at Nantes between October 25th and 28th. The Neo-Socialists' congress, which has just been held, gave M. Marquet, the Minister of Labour, the choice of resignation from the Cabinet or dismissal from the Party. But M. Marquet left the Party without waiting for this ultimatum. The episode proves that the authority of the Doumergue Cabinet has begun to be challenged in political quarters where it was not questioned till recently. This is the result of the last few weeks' events, which have modified the attitude of public opinion towards the Government. The country is perturbed by the delays experienced in restoring the authority of justice, in reorganising the police, and in reducing the high cost of living, etc. The murders at Marseilles, as well as the prolonged mystery over the Stavisky and Prince cases, have also disquieted public feeling.

M. Chéron, the Minister of Justice, was sacrificed as a scapegoat. But it now transpires that M. Doumergue originally chose, as Foreign Minister, not M. Laval but M. Flandin, the present Minister for Public Works. So also M. Doumergue originally meant M. Marquet and not M. Marchandau to be Minister of Interior. But dissensions appeared immediately among the Cabinet, and M. Doumergue had to give way. M. Doumergue may still disregard Parliamentary intrigues if he has the courage, since public opinion would follow him if he acted energetically. His personal authority with the public is still great. If a conflict should appear between him and Parliament, public opinion would not be against him. Immediately on the day of its reassembly, Parliament will be occupied with the reform of the Constitution, and M. Doumergue appears to hope that the measure will be carried at once and that Parliament will go to Versailles to vote it. One of his proposals, however, the extension of the right to dis-

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solve the Chamber, is meeting with great opposition, notably in the Senate. But M. Doumergue has declared that he will make it a question of confidence.

The initiative in calling the meeting of the gold *bloc* at Brussels (which is discussed in a Note on page 773) was taken by Belgium. The Belgian Government was very anxious to develop its exports, and since there is a very strong devaluationist party in Belgium, the Government wished to offer an alternative policy of commercial agreements with the other members of the gold *bloc*. Two main obstacles have hindered the negotiation of such agreements: (1) quotas; (2) the most-favoured-nation clause. In spite of these obstacles, however, the Conference is aiming at an increase of 10 per cent. in the volume of trade between the gold *bloc* countries. In France, at the moment, it is not intended to increase the quota percentages. M. Lamoureux, Minister of Trade, points out that if this were done in the interests of the gold *bloc*, other countries, such as Great Britain, would find their percentage automatically raised. The French Government is, accordingly, considering the possibility of distributing the unused quotas, which amount to nearly 50 million francs, among the countries of the gold *bloc*.

FRANCE'S BALANCE OF PAYMENTS

In his study of France's balance of payments in 1933, M. Meynial observes that French prices are still 20 or 30 per cent. out of adjustment with world prices. The following is a survey of the balance of payments:—

	(000,000 francs)		1932		1933	
	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.
Merchandise trade	2,000	10,015*	1,600	9,000*	..	..
Shipping and freight	300	..	500	..	..	..
Insurance	..	1,200	..	800	..	..
Immigrant remittances	3,000	..	3,000	..	..	..
Tourist expenditure.....	1,600	..	2,000	..	..	..
Interest and dividends	..	500	..	250	..	..
Government transactions ..	..	..	..	..	..	..
Balance on current account ..	..	4,815	..	2,950	..	..
Visible capital movements..	20,930	..	2,532	..	..	..
Gold movements	..	17,660	1,000	..	..	..
Invisible capital imports or exports	1,500	..	..	582	..	..

* Estimates, colonies excluded.

The depreciation of the dollar and the further depreciation of sterling have had the effect of increasing the passive balance of payments. Exports were only 51.6 per cent. of imports in 1933, against 66.1 per cent. in 1932, 72.1 per cent. in 1931, and 81.7 per cent. in 1930. And this deficit would have been higher without the support of the Colonies. In "Shipping and Freight," a slight increase of the traffic has been more than balanced by a reduction of freights (nearly 12 per cent.). Insurance receipts have benefited from two large claims and have brought in 500 millions this year against 300 millions in 1932. Immigrant remittances are diminishing as the number of foreign workers leaving France diminishes. Tourist expenditure is maintained at about 3,000 million francs, the

number of tourists have fallen only to 931,500, compared with 944,000 in 1932 and a maximum of 1,911,000 in 1929. "Interest and Dividends" was in the past a large credit item in the French balance of payments. According to the estimates of the Minister of Finance, this item is 1,550 millions in 1933, to which 1,500 or 1,600 millions must be added for interest collected from foreign countries by foreign persons living in France. Interest and dividends paid in foreign countries on investments in France have considerably diminished as a consequence of the selling of French stocks by foreigners and of the repatriation of the loans issued in these countries by the French Government and local authorities.

Among outstanding capital movements, foreign exchange sold by the Treasury and the Bank of France amounted to 3,632 millions in 1933, against 18,000 millions in 1932, and the stock of foreign exchange of both institutes does not now exceed 1,200 millions. Loans to the French Railway systems from foreign sources are not above 200 millions, and credits from the French market to foreign countries are not above 1,300 millions (600 + 300 millions to the Belgian Government and 400 millions to the Austrian Government). Gold movements are a little enigmatic. Customs statistics show imports of 17,583 millions and exports of 11,330 millions, an active balance of 6,253 millions, against 21,131 millions in 1932. Nevertheless, the gold stock of the Bank of France has diminished by 5,564 millions. It must be remembered that many foreign central banks have kept gold stocks in Paris since the depreciation of the dollar and the constitution of the gold bloc, and that French political instability has led numerous Frenchmen to hoard gold. These operations, however, do not affect international payments, since the proprietors of the gold remain the same. One may conclude that the exports of the Bank of France consist of a sum of 4,564 millions of gold sold to French citizens, and that 1,000 millions may therefore have been exported for the settlement of international balances. The balance of payments shows that the French economy is still out of equilibrium. The problem of reducing prices still awaits solution. Such a reduction would occur automatically if it were not impeded by tariffs and quotas. However, the convergent trend of prices in the gold and non-gold countries seems to indicate that the process of readjustment has begun. But this progress would be annihilated, and the strain which deflation exerts upon the French economy would become unsupportable, if there should be fresh exchange depreciation abroad, and a renewed fall in gold prices, this autumn.

PARIS, October 25.

GERMANY

PRICES AND PRODUCTION

THE index number of wholesale prices for October 17th was unchanged at 101.2. The rise in the price of manufactured consumption-goods continues. The basis of the cost-of-living index has been altered, with the result that it has dropped to 121.6 for September, as against 122.5 on the old basis. By agreement between the Reichsnährstand Corporation and the Syndicate, potash prices have been reduced by between 11 and 38 per cent. for different sorts on the ground that during the crisis prices were reduced only once, and then by only around 10 per cent. This measure was taken in the interest of home agriculture. The Bureau of Statistics reports that 62 per cent. of the number of possible workers' vacancies were occupied in September, as against 61 per cent. in August. The figure for the capital-goods industries is 62.5, against 61.2; for consumption-goods, 61.4, against 60.7; for the heavy iron industry 70.1, against 69.3; for engineering 63.4, against 62.7; for textiles 72.3, against 72.4. In rayon and linen there has been improvement, in cotton and wool a set-back. Ingot steel output in September was 975,890 tons, against 1,067,854 tons in August; even allowing for the shorter working month there has been a considerable decline. Output in the first nine months

was 8,624,000 tons, against 5,414,200 tons in the same months of 1933. Steel export is fairly active. The building industry has improved; sales of cement in September, were 607,000 tons, against 392,000 tons in September, 1933.

The Reich Budgetary return for August 31st shows ordinary revenue as Rm. 2,830.9 millions, expenditure Rm. 2,873.3 millions; extraordinary revenue nil, expenditure Rm. 4.6 millions. The deficit carried over from 1933 is Rm. 1,796.7 millions, covered out of short-term borrowings, of which on August 31st Rm. 400 millions consisted of Treasury bills and Rm. 1,549 millions of non-interest-bearing Treasury bonds. The Reichsbank's return for October 15th shows a slight increase in the reserve, consisting of Rm. 1,276,000 gold delivered from abroad in consequence of the artificially induced shortage of free marks.

TAXATION CHANGES

The Finance Ministry last week announced and in part promulgated in legal form important revisions of taxation. In general, these amendments are of Reich taxation only, but they include the municipal Citizens' Tax (*Bürgersteuer*). The Citizens' Tax is really a supplementary income-tax which was imposed during the depression, but which was at the time described as a poll tax, apparently because it was an evasion of a provision of the post-war taxation reform which made income-tax a Reich preserve. The present amendments of personal taxation are largely inspired by considerations of population. The present income-tax starts with a minimum rate of 10 per cent., subject to material abatements on a family basis. The new abatements are to be 15 per cent. for one child, 35 per cent. for two, 55 per cent. for three, and so on up to 100 per cent. complete exemption for six, only, however, when income does not exceed Rm. 100,000. The age up to which family abatements are granted has been raised from 21 to 25 years if the children are studying, even independently of the family, for any occupation. Besides the amendment of the exemption rates there is an important change regarding profits made by speculation. Speculative profits always constitute income, but such profits have hitherto, in income-tax law, been speculative only if more than three months elapsed between dates of purchase and sale, or, regardless of dates, if they were made through selling short. This applied to all securities.

Henceforth the exemption form for shares is lengthened to one year, whereas profits on Government securities will be in no case speculative and will therefore never count as income. The German income-tax in regard to speculative gains has so far been more lenient than in most other countries; but the amendment seems to have been partly determined by a wish to animate the market for bonds, which accord with the Reichsbank open-market policy embarked on a year ago. The amendment also comes into force on January 1st, but it is not certain that it will apply to profits made in 1934. The effect must be to check the frequency of purchases and sales and, other things being equal, to accentuate fluctuations in Bourse quotations. The immediate effect was a considerable weakening of shares on the Bourse, accompanied by a sharp upward movement in Government securities.

The turnover tax, the basic rate of which is 2 per cent. on value, has also been amended. Hitherto sales out of stock of a wholesale merchant paid the full 2 per cent. (in case of grain, meal and some other agricultural products only 1 per cent.), whereas sales not out of stock were exempted. The seller out of stock was thus at a disadvantage as against other wholesale dealers, and this discouraged the holding of stocks and made for spasmodic ordering of goods from the producers, causing irregularity in employment. Henceforth the tax is to be $\frac{1}{2}$ per cent. without discrimination. Entirely exempted from turnover tax in future are certain mass goods, cotton, wool, fuel, non-ferrous metals, products of smelting, mineral oils, fertilisers, grain of all sorts, flour, milk, vegetables and potatoes. The amendments of the municipal Citizens' Tax law grant abatements for families with more than one child when the income does not exceed Rm. 12,000. Other provisions in the amended laws aim at simplicity, and will probably save administration expenses. Less reassuring is a declaration in the preamble to the Tax Adaptation Law that "the tax laws are to be

"interpreted according to Nazi *Weltanschauung*" by the authorities. The tax amendments, according to the Secretary of State at the Finance Ministry, will involve an immediate loss of Rm. 320 millions.

In consequence of early liquidations for the month-end settlements, the money market has been fluid. Day-loan rates fell on Tuesday to $3\frac{1}{2}$ -4 $\frac{1}{2}$ per cent. A Berlin court has decided that the Reich Dollar Treasury Bills, issued in 1923 shortly before the currency stabilisation, are payable in marks at the current rate of exchange. On similar questions, in which commercial debtors were concerned, different courts have given different decisions. Savings bank deposits at the end of August totalled Rm. 12,160 millions, against Rm. 11,675 millions at the end of July, but Rm. 447 millions of this increase consisted of newly booked valorised savings.

BERLIN, October 24.

AUSTRIA

REVENUES AND TAXABLE CAPACITY

THE Minister of Finance, Dr. Buresch, recently published some State revenue figures which illustrate the resources of the Austrian economy from the point of view of taxation.

	Indirect Taxes	Direct Taxes (Millions of Schillings)	Merchandise Turnover Tax
1934 ...	654	189	170
1933 ...	637	179	163

The increase in the total public revenues by 17 million schillings was achieved chiefly through the introduction of new taxes, among which the Security Tax is to bring in about 20 million schillings in 1934. In certain quarters there is strong support for the idea of increasing consumption taxes still further. In recent years the total amount of these taxes remained fairly steady in the neighbourhood of 160 million schillings. Owing to a rise in consumption, the revenue from the wine tax has gone up from 10 to 13 millions and that from the sugar tax from 46 to 54 million schillings. On the other hand, there is a drop in the beer tax from 46 to 27 million schillings.

Within the last fortnight a further increase in the motor spirit tax has come into force. Even before this increase motor spirit was extremely highly taxed. The taxes on motor vehicles are also so high as to prevent any expansion of motor traffic. The Government is not merely anxious for tax revenue, but wishes to handicap motor traffic in its competition with the railways, which are largely in the hands of the State. Motoring is further discouraged by the high Customs duties on motor-cars and the very low quotas for foreign makes. Foreign cars cost several times as much in Austria as in the countries of their origin. The benefits of all this protection, in so far as mass-produced cars are concerned, now accrues, after the fusions in the motor-car industry, to a single enterprise and its workmen.

The latest reports from the railways are rather more favourable. In spite of the decline in passenger traffic, revenues have increased on account of the continued briskness in goods traffic. The assistance which the Government recently gave to the timber exporting trade has greatly benefited the railways, and the possibilities of further expansion of timber exports are being steadily exploited. Timber exports to Germany are also larger this year, even though no special arrangement has been made; and negotiations with France are going on. The railways are also profiting from the enhanced demand for raw materials. In the first eight months the increase in cotton imports was from 143,000 to 186,000 metric centners, of washed wool from 10,000 to 14,000, of rubber from 20,600 to 25,600, of copper from 38,000 to 52,000 and of zinc from 28,000 to 32,000. Moreover, exports of iron rods have risen from 28,000 to 48,000 metric centners, of steel rods from 90,000 to 126,000 metric centners. In August exports of these articles were more than 70 per cent. higher than last year. The principal customers are Japan and Germany.

Determined efforts are being made to expand exports of finished goods. This is the object of the coming negotia-

tions with Italy. With Czechoslovakia the trade balance is heavily passive; in the first eight months of 1934 it was 54 million schillings, though Austria's total passive balance was only 188 million schillings. The cancellation of the existing trade treaty is widely recommended. But the Government apparently desires to bring Czechoslovakia into the Austro-Italian economic group.

VIENNA, October 24.

POLAND

THE HOME POLITICAL OUTLOOK

PUBLIC opinion in Poland is perplexed not only about foreign relations but also about the internal political outlook. Many people here feel that recent international developments have a closer connection with internal politics than is realised abroad, and that in particular the "diplomatic success" at Geneva (where Colonel Beck on September 13th announced that the Polish Government would no longer co-operate with international bodies in the protection of minorities) has been exploited for its internal effect. While the Government can point to more tangible achievements in the foreign field than the *démarche* of September 13th—albeit the drift towards Germany and away from France and the League of Nations is running ahead of public opinion—its internal programme is vague and hesitant. It appears, for instance, quite unable to decide what to do about the new Constitution, which passed the Sejm on January 26th last, was sent to the Senate on March 12th, four days before the session closed, and has since been apparently forgotten. In the economic field, the Government is, on the one hand, pursuing a deflation policy by compelling the industrial cartels to keep on lowering prices, while on the other hand it is indulging in inflationary public spending appreciably in excess of ordinary revenue. The variety of interests of the Government *bloc* (which includes large landowners, and peasants, Jews and Nationalists, industrialists and representatives of organised labour, capitalists and Socialists) makes it extremely difficult to establish and carry through a long-range programme, and no doubt accounts for the day-to-day character of internal legislation. The element which holds the Government *bloc* together is unquestionably loyal to Marshal Pilsudski and has complete confidence in his judgment.

The Budget estimates for the present fiscal year, which began on April 1st, provide for a deficit of 48 million zlotys, after including as revenue the balance remaining from the National Loan of last October, now paid up to the amount of 330 millions. The balance of the loan carried forward to the present Budget was estimated at 175 millions, but it was probably not more than 150 millions. In any event, the National Loan will be about used up by the end of October, and the fiscal year will still have five months to run with a deficit of about 25 millions a month. The Government has accordingly published a decree authorising the Minister of Finance to raise 200 million zlotys by the issue of 5 per cent. permanent annuities, which will be purchased, it is expected, by social insurance funds administered by the State. Private insurance companies and banks, it is believed, may be asked later to use some of their surplus reserves for purchasing these annuities. The Ministry of Finance also has a non-interest-bearing overdraft of 90 millions at the Bank of Poland, and about 200 millions of short-dated certificates outstanding; while the increase in the circulation of token money from 326 millions on June 30, 1933, to 380 millions on August 31, 1934, has benefited the Treasury.

CROP RESULTS AND EXPORTS

The following are the latest available crop figures:—

	Average Harvest for the years 1929-33 (In millions of metric quintals; one quintal equalling 100 kilogrammes)	Estimated Harvest for 1934
Wheat	19.6	17.3
Rye	65.7	56.5
Barley	14.9	12.9
Oats	25.4	22.7
Potatoes	303.9	285.5

There has been an advance in grain prices of about 25 per cent. during the past three months and of more than 50 per cent., compared with a year ago, so that on the whole the farmers are no worse off than they were at this time last year.

More than 500,000 metric tons of grain and flour were exported in the first nine months of this year, an amount substantially greater than the average for the past five years. Unless the carry-over was much larger than it was generally understood to be, it would seem that too much grain has already been exported this year and that there is little more available for export. Shipments of grain and flour, combined with an increase in coal exports from 6,643,000 metric tons in the first nine months of 1933 to 7,361,000 in 1934, have contributed materially to the larger active trade balance shown below:—

	January–September 1933	1934
	(Millions of zlotys)	
Exports	683.7	713.9
Imports	595.2	592.2
Active balance ...	88.5	121.7

An agreement was reached early in October for "compensation" transactions involving the export of agricultural products from Poland to Germany, over a period of one year, to a value of approximately 20 million zlotys, and of imports from Germany (chiefly of machinery, it is stated) of a like amount. These transactions will be on a most-favoured-nation basis, and they represent a further step along the road to a full commercial treaty between the two countries which began on March 7th last with the agreement for the "normalisation" of commercial relations. In their trade during the first eight months of this year Poland had an active balance of 42,781,000 zlotys. If future trade with Germany is to be on a basis of equality it will make Poland more than ever dependent on the active balance with the United Kingdom, which amounted in the first eight months of this year to 76,261,000 zlotys.

WARSAW, October 23.

SOUTH AFRICA

A VOTE FOR FUSION

THE party Fusion policy has received an emphatic vote of confidence at the bye-election at Heilbron, a predominantly agricultural constituency in the north of the Orange Free State. There were four candidates—the Fusionist, a Malanite, a supporter of Mr Tielman Roos and a Labourite. The total poll was 4,619, something under 80 per cent. of the electorate. The Fusionist candidate was elected by a majority of one thousand over the Malanite, and both the others forfeited their deposits; the Fusionist candidate's majority over all his opponents combined was nearly 500. The result is an undoubted triumph for Fusion, as the size of the majority surprised even the most optimistic. The Free State's traditional attachment to General Hertzog evidently held good against the feeling amongst some of his old supporters that there is something unholy about the South African Party. On the day that the result was declared the Malanite Nationalists moved in the Supreme Court for an order to deprive the Fusionist Nationalists of the control of the funds, assets and books of the Central Committee of the Nationalist Party of the Free State, contending that the policy of fusion with the South African Party was unconstitutional (it was carried at the recent Party Congress by 107 votes to 27). The decision of the Court was given against the petitioners.

Employment and business in all trades are still on the upgrade, the most noticeable activity being in building and in property generally in the larger towns. In Johannesburg employers have found themselves obliged to bring men from other centres. The wages of building artisans are shortly to be increased from 3s. to 3s. 6d. per hour.

At the Road Motor Transportation Conference at Pretoria a week ago Mr Pirow, Minister of Railways, adumbrated the establishment of a Union Ministry of Transport, to co-ordinate the control of railways and road transport.

Unification of all transport services in the Union is understood to have attracted Mr Pirow for some time. It is questionable how far this attraction is based on a desire for an efficient transport system in a large and sparsely populated country and how much it owes to official anxiety to bolster up a railway system of which certain rural sections cannot possibly compete on merit with road transport.

SELF-SUFFICIENCY AND GOLD

At the recent annual meeting of the Johannesburg Commercial Exchange the chairman referred to the increasing extent to which the mines' stores requirements are being met from local sources. He quoted figures to indicate that the tendency at the moment is for the Union to become increasingly self-supporting in this and in other directions. (Mr Pirow, in the speech referred to above, also threw out strong hints on the possibility of manufacturing petrol and steam engines locally.) The vice-chairman of the Commercial Exchange expressed disapproval of any policy tending to make the Union self-supporting, pointing out the danger that we should experience difficulty in disposing of our gold in so far as any such policy succeeded. A large number of South African business people are extraordinarily obtuse to this rather obvious consideration.

The distribution of South African trade has lately been attracting a good deal of attention. Mr C. Te Water, the Union High Commissioner in London, is one of several who profess to consider that gold should be excluded from our figures of trade with Great Britain. In an interview on arrival in Cape Town he said, "It comes simply to this, that some of our purchases which are made from Great Britain to-day will have to be made elsewhere, unless Great Britain herself is prepared to bring level the trade balances between our respective countries." Mr A. P. J. Fourie, Minister of Labour, Commerce and Industries, takes the same view. This attitude appears to overlook the fact that in South Africa gold is an industrial product on a footing different from that which it occupies in the balances of other countries. There is also a tendency to think that "gold can be sold anywhere."

The Tariff Commission has opened its inquiry, but most of the evidence so far heard is not of major importance. The evidence given on behalf of a local starch manufacturing concern was of some note: the witness stated that if he could purchase maize at the world price instead of at the local price he could, without any tariff assistance, transact profitable business in the local market for his company's products. So far as can be judged from such points as this, much of our fiscal policy is likely to receive very critical consideration from witnesses and, one hopes, from the Commission. From various quarters there has lately been a noticeable tendency to look closely at the policy of exporting various products at a loss or by means of subsidies. Just at present there is something of an outcry because of a shortage of butter—which has been exported at a loss when South Africans would have been glad to buy it at a profit to the producers.

JOHANNESBURG, October 15.

NEW ZEALAND

THE NEW RESERVE BANK

THE Reserve Bank of New Zealand opened for business in Wellington on August 1st. Its first public announcement fixed its buying rates for telegraphic transfers at £124 and its selling rates at £125 per £100 sterling. It also stated its willingness to deal with other banks in forward exchange, and its intention to maintain the rates quoted unchanged for a long period in the absence of any marked change in conditions. Its discount rate was fixed at 4 per cent. The other banks thereupon announced a new schedule of exchange rates, the leading rates being reduced by $\frac{1}{2}$ per cent. The Reserve Bank's decision to maintain approximately the "high" rate fixed in January, 1933, removed a great deal of the uncertainty that prevailed during the past year or more about exchange policy. The Reserve Bank has taken over sterling exchange from the Government to the amount of about £20 millions, giving funds in New Zealand in exchange,

and the Government has used these funds to redeem Treasury bills held by the banks for about £22 millions. The Government's liability under the Bank's Indemnity Act, passed when the exchange was raised in 1933, has thus been terminated, the Act has been repealed, and a large amount of bank resources previously invested in Treasury bills has been made available for ordinary lending in the Dominion. In view of its admitted responsibility for fixing the present exchange rate, the Government has undertaken the liability for any profit or loss accruing from a revaluation of the Reserve Bank's assets consequent upon any future movement of the exchange rate.

The high rate of exchange, combined with higher export prices, particularly for wool, during the season just ended, has increased receipts from exports and brought bank deposits to the record high level of £64,750,000 in the June quarter. Advances at £41 millions were the lowest since 1920. The official share price index has advanced from a low point of 67 in May, 1932, to 96 in May, 1934.

The export year ending in June last was the best since 1928-29. Exports were valued in New Zealand currency at £49½ millions, against £56 millions in 1928-29, and £35½ millions in 1931-32. Imports were £27½ millions, an increase of £3 millions on 1931-32. Among exports the greatest improvement is in wool, where 822,000 bales brought £13½ millions, against £6½ millions for 801,000 bales in 1932-33. Meat, hides and skins all show the effects of higher prices, total values being greater though the quantities declined slightly. Most of the increase in imports has occurred during 1934; imports of motor-vehicles alone expanded by £500,000. Since the active balance of trade is very large, money is abundant and business is decidedly better, and a continued expansion of imports is anticipated during the second half of the year. The registered unemployed numbered 49,000 at mid-July, about 8,000 less than a year earlier.

THE BRITISH FOOD MARKET

There remains some uncertainty about the future of the British market for New Zealand produce. A Commission is investigating conditions in the dairy industry, and negotiations are in progress regarding meat, but very scanty information has been given the public about the situation. A recent restriction imposed on export to Britain of certain beef products caused alarm amongst dairy farmers, and a decision about future trade relations is anxiously awaited. Feeling in the country is solidly against export restrictions, and it appears that the Government is experiencing difficulty in finding a workable compromise between domestic interests and the desires of the British Government. But there is little doubt that, in present conditions, if the uncertainty could be removed, the immediate gain to British exporters from an expanding New Zealand market would be substantially greater than any probable gain to British primary producers from restriction of New Zealand imports to Britain.

The recommendations of the tariff commission which sat last year, and the tariff resolutions arising from them and introduced to Parliament in July, lean towards freer entry for British goods. Some minor protective duties were removed, but most changes were reductions in rates on British goods, including hats, caps, boots and shoes, leather manufactures, oil engines, etc., 25 to 20 per cent., paints and varnishes and biscuits 20 to 15 per cent., and a wide range of similar reductions on miscellaneous imports.

The Budget presented to Parliament on August 23rd is the brightest for several years. An estimated deficit for 1933-34 of £2,094,000 has been reduced to £709,000, and the estimates for 1934-35 provide for a surplus of £8,000. Revenue for the past year was £23,492,749 and expenditure £24,202,027, including debt services £10,397,332, and social services £6,841,819. For 1934-35 it is estimated that taxation, with some reductions in Customs duties, will yield £19,305,000, and total revenue will amount to £24,252,000, while expenditure will total £24,244,000. In view of the improved position the Government has restored part of the wage cuts to all public servants by adding 5 per cent. to present rates from April 1st last.

CHRISTCHURCH, September 1.

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- This unique little publication gives the best description of country life in England to-day.
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OFFICIAL PUBLICATIONS

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

- Colonial Reports:* No. 1677. St. Helena, 1933. 1s. net. No. 1679. Trinidad and Tobago, 1933. 2s. net.
- Department of Overseas Trade:* Economic Conditions in Portugal, September, 1934. 2s. 6d. net.

MONEY AND BANKING

THE ETERNAL TRIANGLE

AFTER a long period of comparative calm in the foreign exchange markets of the world, circumstances have again combined to attract attention to the movements of the pound, the franc and the dollar. The recent weakness of sterling continued long enough to give rise to a certain amount of somewhat far-fetched speculation and to establish a new record price of gold. But it was brought to an end by the assassinations at Marseilles, and in the last fortnight the pound has been in the ascendant rather than in decline. The conference of the gold bloc at Brussels, when it reaffirmed its devotion to the existing parities and declared its intention of finding means to increase trade among its members, appears to have had the effect of weakening, rather than strengthening, the gold currencies. The market has a suspicion that the gold bloc "doth protest too much" its innocence of any intention of devaluing, and it has not escaped attention that agitation for devaluation is making progress in every one of these countries. On the other side of the Atlantic, though the immediate "devaluation scare" is over, no one can feel too confident that the present gold parity of the dollar will endure for ever. Thus the pound has had a two-fold reason for appreciation, and the recovery from the lowest point has already been substantial. The Paris rate, for example, closed on October 25th at Frs. 75½, compared with the low point of Frs. 73½ on October 11th.

The general tendency of the markets has thus been sharply reversed within the past few weeks. At the moment the support of the pound sterling appears to be solid, but he would be a bold prophet who would deny the possibility of another sudden reversal in the immediate future. There is no obvious tendency which can be confidently predicted, and fluctuations are consequently erratic. This is due to the fact that the long-run factors which should underlie the day-to-day movements are not all, so far as sterling is concerned, pulling in the same direction. It is easy to say that the franc is overvalued and the dollar undervalued. But what can we say with equal assurance about sterling? In Paris the pound is obviously too low. In New York it appears, with almost equal definiteness, to be too high. But so long as the fundamental maladjustment between Paris and New York continues, the pound cannot be at the right figure in both cities at once. The pound might indeed exclaim—

How happy could I be with either
Were t'other fair charmer away.

The predicament may be illustrated with figures as well as with verse. On two previous occasions* we have attempted to calculate approximate "equilibrium rates" for the London-New York exchange by comparing the movements of different indices of prices in the United States and Great Britain since 1929. We have made it clear on each occasion that we regard such calculations as no more than rough indications of the field within which the true equilibrium rate lies. It is not possible to calculate precise "purchasing power parities." Least of all is it possible to do so by comparing indices of the prices of staple commodities at wholesale, for the movements of such prices are as often the consequence as the cause of exchange fluctuations. On the other hand, cost-of-living indices are of little help because of their excessively narrow basis. We have consequently attached most importance to broader indices of commodity prices and to indices of wage rates—hourly wages being taken where the length of the working week has been altered. Furthermore, we have attempted to allow for the probability that our base period, September, 1929, was not one of underlying equilibrium between the two currencies. We have consequently given two sets of figures: one based on the assumption (Assumption A) that the mint parity of \$4.86 = £1 represented in September, 1929, an equilibrium of price levels; the other based on the assump-

tion (Assumption B) that that parity overvalued the pound, relatively to the dollar, by 10 per cent. The figures worked out on Assumption B we believe to be the closer to the truth. We came to the conclusion that in April, 1933, the equilibrium rate was "in the neighbourhood of \$3.60," and that in September, 1933, it was "between \$4.10 and \$4.30."

The figures on which these conclusions were based are reproduced in the following table, together with new figures representing the position in August, 1934. The new figures have been calculated by the same method and on the same assumptions, and are presented with the same reservations, as the earlier estimates:—

EQUILIBRIUM RATES OF EXCHANGE BETWEEN POUND AND DOLLAR

Indices compared	Nature of Prices compared	Equilibrium Rates					
		April, 1933		Sept., 1933		Aug., 1934	
		A	B	A	B	A	B
Bureau of Labour—Board of Trade	Wholesale....	4.27	3.84	4.61	4.15	4.93	4.44
Irving Fisher—Board of Trade	Wholesale....	4.00	3.60	4.79	4.31	5.14	4.63
Nat. Ind. Conf. Board—Bowley	Wages	4.00	3.60	4.63	4.17	5.14	4.63
Bureau of Labour—Ministry of Labour	Cost of living	4.17	3.75	4.48	4.03	4.42	3.98

It will be noticed that the second and third comparisons, which are those to which on theoretical grounds most credence should be attached, were in agreement both in April, 1933, and in August, 1934. The figure resulting from the comparison of the cost-of-living indices merely illustrates the uselessness of such indices for the purpose. On the basis of the more reliable figures we would guess that the pound and the dollar would be in rough equilibrium at a rate about 5 per cent. below the old mint parity.

To make estimates by a similar method of the equilibrium rate between Paris and London is an almost hopeless task, because of the lack of statistical material. The wholesale price indices can, of course, be compared. The resulting "equilibrium rates of exchange," using the indices of the Statistique Générale and the Board of Trade, are, for August, 1934, Frs. 94 on Assumption A and Frs. 84½ on Assumption B. But if the pound was 10 per cent. overvalued in 1929 relative to the world's currencies in general, it is probable that the franc was undervalued, and we may add an Assumption C—to wit, that the combined maladjustment between the two currencies in 1929 was of the order of 15 per cent. On this assumption the equilibrium rate would be Frs. 80 to the pound. It must be remembered, however, that this is a comparison of wholesale prices, which always tends to understate the extent of the disequilibrium. The figure of Frs. 80 can therefore be taken as the lowest rate at which equilibrium between the pound and the franc could be obtained. Unfortunately, it is not possible to check this calculation. The French cost-of-living index is distorted by the effects of French agricultural protection. The only available wage indices show hardly any change since 1929—which can hardly be representative of the whole country. Judging by the wage indices published by the International Labour Office, wage rates in the five gold bloc countries in 1933 were on the average about 10 per cent. below the 1929 level. A comparison of this with Professor Bowley's index for Great Britain would give equilibrium rates of Frs. 118, Frs. 106 and Frs. 100 on Assumptions A, B and C respectively. But there is no means of telling what has happened since 1933. Perhaps the best that can be done is to guess that the equilibrium rate of exchange lies between Frs. 80 and Frs. 90 to the pound.

These figures enable us to give numerical shape to the pound's dilemma. If it is to be in equilibrium with the

dollar it will have to fall to about \$4.65; the corresponding London-Paris rate at the present gold parity between franc and dollar would be about Frs. 70. If it is to be in equilibrium with the franc it must rise to, say, Frs. 85 or \$5.66. The actual position of the pound in this range will depend on the respective "pull" exerted by the two opposing tendencies. At the moment the pound is about one-third of the way from the dollar equilibrium to the franc equilibrium, but the pound is notoriously weak in the autumn, and the present approach to the dollar is not necessarily due to any permanent superiority in that currency's attractions.

This, then, is the predicament of sterling. It could be solved by a further rise of American prices, or a further fall of French prices, by a rise of the dollar or a fall of the franc. But it cannot be solved by any movement of British prices or of the pound sterling. We have not directly contributed to the present disequilibrium, and it is hard to see what we could do to adjust it. The policy for sterling must consequently be, now as hitherto, to leave the rival "fair charmers" to fight it out among themselves—

But while ye thus tease me together
To neither a word will I say.

FINANCIAL NOTES

The Money Market.—The absence of any seasonal expansion in the Treasury bill tender issue has at last defeated the attempt of the clearing banks to enforce higher discount rates, and at the moment the scheme to agree upon a common minimum buying rate has broken down. On Thursday afternoon three clearing banks were quoting ½ per cent. for Treasury bills maturing this year and ⅞ per cent. for next year's maturities, while a fourth bank was adhering to last week's rates of ⅞ and ⅞ per cent. for this year's and next year's maturities respectively. The remaining member of the "big five" has for a long time preserved a free hand. Too much importance need not be attached to this divergence, as business this week has been limited to a few purchases of November and December bills by some of the banks who quoted the lower rate. Still, this development indicates that the lack of bills is becoming the dominating factor. This week the supply of Treasury bills issued by tender only rose fractionally from £422.4 to £423.2 millions.

	Oct. 4, 1934	Oct. 11, 1934	Oct. 18, 1934	Oct. 25, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short Loan rate:—				
Clearing banks	1	1	1	1
Others	1½	1½	1½	1½
Discount rates:—				
Treasury bills:—				
(a) Clearing banks....	½	½	½	½
(b) Others.....	½	½	½	½
Three months' bank bills	½	½	½	½

Money is very easy. In spite of the Stock Exchange settlement, funds were practically unlendable on Tuesday at a nominal ½ per cent. The usual clearing bank ceiling did not take place on that day, while the fact that all dealings in the gilt-edged market are for cash serves to minimise the movement of funds on settling day.

The Foreign Exchanges.—The main event this week has been a further sharp recovery in sterling. At one time on Thursday morning the New York rate touched \$5.00, against \$4.94½ the week before, and late on Thursday afternoon it stood at \$4.97½. The Paris rate rose during the week from Frs. 74½ to Frs. 75½. Three months' dollars remain at ¾ cents discount, while three months' francs have moved from a small premium to either side of par. Market opinion varies as to the cause of the pound's strength. Commercial buying of dollars is still in evidence, though the autumn tobacco movements have by now probably been covered. According to one report, the pressure to buy sterling has come from New York, and may be inspired by American monetary uncertainties. Another view is that

there are the beginnings of a renewed flight from Continental currencies into sterling. No intervention by the British control has been noticeable for over a fortnight, but it is only safe to regard the present exchange position as being most unstable. The latest returns show that the potential supply of sondermarks is still in excess of current demands. The amount in the Bank of England's special account has risen between October 13th and October 20th from Rm. 5,200,000 to Rm. 5,550,000, so that it is Rm. 550,000 in excess of the limit. The amount awaiting payment into the special account has risen from Rm. 11,400,000 to Rm. 11,600,000. The week's sales of sondermarks came to barely two millions.

* * *

The Bank Return.—There has been a further slight contraction in the note circulation and a corresponding increase in the reserve. Both these are normal movements for this time of year.

BANK OF ENGLAND

	Oct. 25, 1933	Dec. 27, 1933	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.4	190.7	191.9	191.9	192.0
Note circulation.....	389.3	389.0	379.6	377.2	374.7
Banking Department:—					
Reserve	82.5	59.7	73.0	75.4	77.9
Public deposits.....	15.9	22.2	18.6	17.5	22.4
Bankers' deposits	104.1	101.2	107.6	104.5	100.7
Government securities ...	78.0	88.0	83.4	81.3	81.3
Discounts and advances	8.5	16.8	14.0	9.5	8.2

Proportion 49.7% 37.3% 44.7% 47.2% 48.5%
In the banking department the main change is a transfer of about £4,000,000 from bankers' to public deposits. This probably represents the mid-month excise duty payments.

* * *

New York Money and Banking.—Money rates are unchanged, with the official call rate at 1 per cent. and 90-day bankers' acceptances at ½-¾ per cent. During the week ended October 17th brokers' loans increased from \$725 to \$759 millions. This week, \$75 millions of six-months' Treasury bills were sold at an average of 99.9 per cent. This represents a fractional advance on last week's price. The Treasury announced at the end of last week the issue of \$50 millions of Home Owners' Loan Corporation 3 per cent. bonds, guaranteed by the Government. Silver has reacted on the New York market from 54½ cents an ounce on October 17th to 53 cents an ounce on October 24th. The new Montreal Exchange, which is primarily intended for trading in silver, was opened on Monday last. The American Treasury has ruled that all profits made by United States residents from dealing in silver on the Montreal Exchange are subject to the 50 per cent. profits tax imposed by the 1934 Silver Purchase Act. The Treasury has so far raised no obstacle to the transmission of funds to Canada for the purpose of buying silver.

* * *

Washington and the Bankers.—President Roosevelt has been at some pains in recent weeks to make his peace with the bankers and to reassure the conservative element of the country that his policy is neither as extreme in the present nor intended to be as permanent for the future as they had feared. In his speech to the American Bankers' Association on Wednesday, for example, he declared that though there was still need for the Reconstruction Finance Corporation and for the other Governmental credit agencies in which private bankers have perceived dangerous rivals, he would be "only too glad to curtail the activities of these public agencies in proportion to the taking up of slack by privately owned agencies." On the other hand, the President made it quite clear what he expected in return. He asked them "to renew their confidence in the people of this country," and he added "I assume and expect that private business generally will be financed by the great credit resources which the present liquidity of the banks makes possible." It is possible from this and other recent utterances to form an idea of the direction in which the President's mind is now moving. He is appar-

* Economist, June 17, 1933, page 1289; November 18, 1933, page 948.

ently anxious to restore confidence in the currency, in the banks and in the moderation of his own intentions with regard to the "profit motive." The probability of another devaluation is scouted at Washington, and the President has spoken very strongly in opposition to the demand for immediate encashment of the veterans' bonus certificates. The method of recovery at present in favour is that of Governmental spending, which of all the methods tried since March, 1933, is the least likely to frighten the business community. In the first three and a half months of the financial year a deficit of \$700 millions has already been incurred, making it seem unlikely that the President's estimate of a deficit of \$2,000 millions for the year 1934-35 and of a balanced Budget for 1935-36 will be realised, even without the further intensification of the public works and building programmes of which there are many rumours. Making terms with the bankers evidently does not mean returning to the narrow path of financial orthodoxy.

* * *

The Paris Money Market.—A correspondent writes calling attention to the improvement in French monetary conditions during the past few months. Since April the market discount rate has fallen from $2\frac{1}{2}$ to $1\frac{1}{4}$ per cent., while the rate for loans against National Defence Bonds, which is a far more representative rate, has fallen from $4\frac{1}{2}$ to $1\frac{1}{8}$ per cent. In consequence, the Ministry of Finance has been able to reduce the rate on 2-3 months' Treasury bills from 3 to $1\frac{1}{2}$ per cent., and the rate for longer maturities from $3\frac{1}{2}$ to $2\frac{1}{2}$ per cent. Our correspondent claims that this fall in rates is largely due to the restoration of confidence. Currency has lately been returning from private hoards to the banks, with the result that commercial bank deposits have been increasing and the banks have had more funds to lend to the market. The repatriation of funds from abroad has also helped to swell the supply of money, and it is pointed out that while the fiduciary note issue has fallen by about Frs. 1,000 millions, private deposits (largely bankers' deposits) at the Banque de France have risen since March by more than Frs. 5,000 millions. The Treasury bill issue has been reduced from a maximum of Frs. 12,000 millions to one of Frs. 10,000 millions, as from September 30th last. The immediate consequence was that the market found that one of the main outlets for its funds was suddenly narrowed, and this explains the recent weakness of discount rates. From a wider point of view, the chief problem is whether long-term interest rates are going to follow short-term rates in their downward trend. The success of the recent Government loan holds out hopes in this direction, but it is still possible to find reasonably safe securities yielding more than 6 per cent. The trouble is that the outlook is hardly such as to encourage the transfer of capital from short-term to long-term investments.

* * *

Gold Bloc Difficulties.—The monetary ease apparent in Paris and other gold bloc centres cannot safely be accepted as a sign that all is well. We discussed the outlook for the lira last week, but there are many indications that economic pressure upon most members of the gold bloc is becoming more acute. Only a very short time ago the Dutch Minister of Finance insisted that Government financial policy must be framed in such a way as to bring about a lower standard of living, and in face of this surprising statement it is hardly to be wondered at that leading representatives of commerce and industry are turning round against the maintenance of the gold standard. Belgian public opinion, too, is not wedded as firmly to gold as would appear on the surface. The real budget deficit has assumed serious proportions and has necessitated heavy drafts upon Government reserves. It is agreed that further wage reductions are a flat impossibility. The recent reorganisation of the Belgian banking system is open to criticism on the ground that while the banks are receiving Government-guaranteed bonds in replacement of their frozen industrial commitments, sound commercial undertakings find it very difficult to raise fresh loans. Both Holland and Belgium can hardly fail to be impressed by the contrast between their own position and that of the Scandinavian countries, which joined the sterling area at its inception. Switzerland is in a stronger position, but her

intimate connections with Germany may prove to be the heel of Achilles. The difficulties of French commerce and industry have long been apparent and French wholesale prices show no signs of recovery. The gold bloc has been thrown together by chance rather than by any outstanding similarity in the economic activities or in the post-war currency policies of the participating nations. The outcome of the recent meetings at Brussels seems to have been based on the principle that it is better to hang together than to hang separately. If the common danger can stimulate a real increase of trade among the countries of the gold bloc, the Brussels agreement will have been a real achievement. But the action of the foreign exchange market appears to imply a doubt whether common engagement in a desperate rearguard action will produce a community of economic interests that has not hitherto been attainable by other means.

* * *

China and Silver.—Some of the practical consequences of China's virtual suspension of the silver standard are already beginning to develop. Late last week the Nanking Government announced the establishment of an Exchange Equalisation Fund of 100 million Chinese dollars for the purpose of counteracting silver price fluctuations and fixing a foreign exchange rate. The fund is to be contributed by a Government Committee, the Central Bank of China, the Bank of China and the Bank of Communications, but no indication of the nature of its assets is forthcoming. Meanwhile, it is possible to see how the new variable export duty upon silver operates in practice. The basic duty is 10 per cent., but as this includes the normal minting charge of $2\frac{1}{2}$ per cent., it is for practical purposes equivalent to $7\frac{1}{2}$ per cent. To this is added an additional export duty known as the equalisation charge, which is fixed each morning by a foreign exchange stabilisation committee of three Chinese bankers. On October 18th it was fixed at 14 per cent., making the total duty $21\frac{1}{2}$ per cent., and on October 20th it was reduced to $10\frac{1}{4}$ per cent., or 18 per cent. total. So far as can be deduced from last week's fluctuations, the object is to vary the duty with the London price of silver in such a way as to stabilise the Chinese dollar at about 16d. or perhaps slightly less. China has thus essentially become a member of the sterling area, and it is not impossible that operations on behalf of the Chinese Exchange Equalisation Fund will be noticeable in the London market. This drastic action by the Chinese Government has given a shock to the London and New York silver markets, where a strong bull position had grown up. Notwithstanding the disappearance of China as a source of supply, there has been a sharp fall in silver during the past fortnight from $24\frac{3}{4}$ d. to $23\frac{3}{4}$ d. an ounce in London and from $55\frac{1}{2}$ cents to 53 cents an ounce in New York. So far China appears to be coming best out of the silver struggle, with the sterling area a close second.

* * *

Anglo-South American Bank.—At last Wednesday's general meeting Sir Bertram Hornsby alluded to the apparent shrinkage in the bank's liabilities and assets. As was pointed out in last week's *Economist*, this is entirely due to a change in procedure. Last year all foreign currency conversions were made at official rates of exchange, but this year the conversions are in most cases made at the free rates, which are much lower. One consequence of this change in procedure is that the suspense account for depreciation of capital has been largely increased and now exceeds £2,000,000. Sir Bertram also gave details of the effects of the dissolution of Cosach and the reorganisation of the Chilean nitrate industry. The producing companies have regained their independence and have assumed responsibility for the Ramirez debts, in which the bank is chiefly interested. These are to be repaid out of the proceeds of the gradual liquidation of stocks existing on July 1, 1933, and also out of future profits which are subject to certain prior charges. Sir Bertram pointed out that the repayment of these debts really depended on the future of the nitrate industry. Here he felt justified in suggesting that the cessation of price cutting in competition with synthetic producers offered better prospects in the near future.

THE STOCK EXCHANGE

SHIPPING SHARE PROSPECTS

BRITISH shipping has had many vicissitudes in its time, but the extremity of its fluctuation between fabulous prosperity and profound depression in the last twenty years has been quite unprecedented. At the post-war peak of 1920 freight rates were approximately six times as high as they are at the present time. It is hard to say which extreme has been the more destructive. The fantastic earnings of the later war- and earlier peace-years stimulated the building of surplus tonnage, whose existence was expiated by a decade of unprofitable competition. They also involved certain large shipowning groups in financial transactions whose ultimate effects, in one instance at least, were ruinous. The depression of 1930-33 has severely taxed the resources of the strongest companies, and threatened for a time to reduce the entire industry to a condition of unprofitability.

Shipping has legitimate complaint to make of its treatment at the hands of world statesmen. Its earlier troubles arose directly out of the bellicosity of nations, and its later difficulties have been immoderately increased by the translation of international rivalries into the economic sphere. To-day, when the results of "autarky" are evidenced by a decline of 25 to 30 per cent. in the total volume of international trade since 1929, the process of subsidisation of merchant fleets by the Governments of many countries (whose total cost, up to the present, has been put by the Chamber of Shipping at over £1,000 millions), has tended still further to force down the level of competitive freight rates.

Within the last few weeks, however, the first signs of a reawakening of interest in shipping shares have been evident on the London Stock Exchange. The past month has witnessed the launching of a £5,000,000 ship to restore Britain's former supremacy in a North Atlantic "luxury" trade which has still to be recreated, and the announcement of impending receivership for the leading company in the Royal Mail group, which ten years ago controlled nearly one-sixth of the British mercantile marine. Since the middle of September, however, Cunard ordinary shares have risen from 5s. to 5s. 6d., Furness Withy ordinary from 16s. to 18s. 3d., and P. & O. deferred units from 16s. to 18s. 6d.

Few investors, probably, will be prepared, under present conditions, to endorse the conclusion reached by a Stock Exchange firm in a contemporary brochure, that "a major revival is due in the shipping industry." The market, however, has a presentiment that, for all its handicaps, international trade, the "raw material" of the shipping industry, cannot entirely escape the beneficial consequences of a recovery in prosperity which, though halting and unequal, is almost world-wide. The industry, by general consent, has, painfully but not unfruitfully, been endeavouring to put its house in order during the last few troubled years. Since the middle of 1931 the world's gross tonnage of merchant vessels of 100 tons or over has been reduced from 70.1 millions to 65.6 millions. The world's total unemployed tonnage has been reduced in a couple of years from 15,000,000 to 8,000,000 tons, and in the last three months alone the total in British ports has fallen by $21\frac{1}{2}$ per cent. The *Economist's* index of shipping movements in British home ports was 5 per cent. higher in the September quarter of this year than of 1932.

At the same time, Great Britain's relative position has improved. Although her share of total world tonnage to-day is only 27.4 per cent., she owns 36.7 per cent. of the efficient ocean-going tonnage (excluding tankers, lake vessels, ships under 4,000 tons, and vessels over 25 years old). Some 80.3 per cent. of her tonnage is less than twenty years old, while the corresponding figure for other countries is only 68.6 per cent. Her relative advantage in "big ships" is even more striking, for whereas liners

of 15,000 tons and over account for only 5.6 per cent. of the world's total shipping capacity, the percentage in Great Britain and Ireland is nearly 50. The British policy of scrapping and selling has done much to raise relative efficiency in the last four years. If the Government's pending intervention as a paymaster succeeds in curbing excessive individualism among "tramp" owners without aggravating the unmitigated evil of subsidised international competition (these are bold assumptions), the stage may indeed be set for a moderate revival. Whether anything but a change of heart among the world's leading statesmen, however, can restore more than a modest part of its former prosperity to the shipping industry, and eradicate organic defects in its economy, may be questioned. It is essential, therefore, that investors who regard some revival in the fortunes of British shipowning concerns as an inevitable function of world recovery, should narrowly confine their investigations to those companies whose tactical position and financial stability are above the average.

At the moment, Cunard shareholders are awaiting revived American prosperity and the commissioning of the *Queen Mary* to learn how far future merger company earnings will cover Government-guaranteed additions to prior charges. The share capital of the Royal Mail Steam Packet Company is irretrievably lost, and a similar fate appears only too certain for holders of the preference shares of the White Star Line. For the rest, the facilities of a London Stock Exchange quotation (though not always of an active market) are enjoyed by the debentures (where issued) and preference shares of companies associated with the large shipping groups, and of a very limited number of independent concerns. For the most part, dividends have been paid regularly through the depression, and these stocks are quoted on a 4 to 5 per cent. yield basis. So far as "recovery equities" are concerned, however, the investor's immediate choice narrows down to two companies, P. & O. and Furness Withy. The current earnings statements of all shipping companies carry indelible evidence of the great depression, as the following table suggests:—

TRADING PROFITS (BEFORE DEPRECIATION)

	Financial Year ends	Profits in £'000				
		1929	1930	1931	1932	1934
P. & O. (a)	Sept. 30	1,138	1,087	948	591(b)	Dr. 129(b)
British India (c)	Sept. 30	297	294	297	243(d)	132(d)
Orient	June 30	(e)	(e)	206	140	321(f)
General S.N. (c) (g)	Dec. 31	39	37	11	13	33
Furness Withy ...	Apr. 30	653	595	293	270	280(h)
Prince Line	June 30	168	165	48	Dr. 130	Dr. 87
Houlder Line	Dec. 31	133	135	116	110	105
Manchester Liners	June 30	73	68	52	38	29
Royal Mail S.P. ...	Dec. 31	657(i)	Dr. 180	139	117	155
Coast Lines (c) ...	Dec. 31	332	282	193	164	190
Elder Dempster ...	Dec. 31	307	122	34	82	...
Union Castle (g) ...	Dec. 31	305	131	2	183	278
Cunard	Dec. 31	1,853	996	396	64	40
White Star Line ...	Dec. 31	442	155	68	60	54
Cairn Line	Dec. 31	27	19	22	28	8
Clan Line (c) (g) ...	Dec. 31	46	56	8	43	123
King Line	Dec. 31	24	47	39	39	37

(a) Net earnings after depreciation but before debenture interest in each year. (b) Total profits before depreciation were £2,152,583 in 1932 and £1,954,946 in 1933. (c) After depreciation. (d) Depreciation £230,000 in 1932 and £240,000 in 1933. (e) Net profits after depreciation were £392,000 and £238,000 respectively. (f) After making a transfer to contingency account; figures throughout exclude profit or loss on sale of investments. (g) After debenture interest. (h) Published earnings included a draft from tax reserve, presumed to be £100,000, as in 1932. (i) After crediting excess reserve for income tax.

Broadly, the larger public-owned British shipping companies which are not unduly burdened by past financial legacies are able, even under present conditions, to cover current expenses with a surplus. Their chief problem is

bound up with the question of depreciation, and the maintenance of a liquid position. Undue postponement of the replacement of tonnage which, though "serviceable" is no longer completely "economic," involves the certainty of ultimate loss of competitive efficiency. A fleet which is not earning its depreciation is not paying its way. The following table throws a certain light on contemporary conditions in this respect:—

DEPRECIATION, EARNINGS, AND LIQUID ASSETS

	Date of last Balance Sheet	Set aside for Depreciation		Earnings on Ordinary		Net Liquid Assets (Latest Year)
		1929	Latest Year	1929	Latest Year	
P. & O.	Sept., '33	(£'000) N.A.	(£'000) 1,365	(%) 10.4†	(%) Nil	(£'000) 3,304(a)
British India.....	Sept., '33	N.A.	240	8.1†	Nil	843
Orient.....	June, '33	N.A.	220	27.3†	5.9†	1,899
General S.N.	Dec., '33	N.A.	N.A.	6.3†	5.1†	1,127
Furness Withy	April, '34	250	300	10.7	Nil	873
Prince Line	June, '33	100	(b)	5.7†	Nil	323
Howler Line.....	Dec., '33	100	75	1.3	4.4	906
Manchester Liners.....	June, '34	N.A.	N.A.	11.2†	5.0	477
Royal Mail S.P.	Dec., '33	415	5	Nil	Nil	304
Coast Lines	Dec., '33	N.A.	N.A.	3.3	Nil	399
Union Castle	Dec., '33	N.A.	N.A.	5.0	(f)	Dr.415
Conard	Dec., '33	778	41	13.2	Nil	Dr.571
White Star Line.....	Dec., '33	N.A.	N.A.	1.0	Nil	Dr.323
Cairn Line	Dec., '33	(c)	(c)	1.7	Nil	66
Clan Line	Dec., '33	N.A.	209	Nil	47.5	Dr.876
King Line	Dec., '33	...	8(c)	6.0	Nil	109

† Free of tax. N.A. Not available. (a) Consolidated assets of P. & O. group, at same date, were £8,200,000. (b) No transfer from profits, but £200,000 from general reserve to depreciation reserve. (c) Now a holding company, Aberdeen-Commonwealth Line fleet having been written off to deficiency account. (d) Also £41,000 from surplus on realisation of investments, used to write down book value of fleet. (f) Equivalent to 7.7 per cent., apart from preference dividend arrears.

Since 1929, depression has undoubtedly compelled retrenchment in annual depreciation allowances, and prospects for ordinary shareholders in the strongest companies must be viewed in the light of the probability that part of the fruits of even a moderate increase in earning powers will be required for an enhanced rate of tonnage replacement. In this respect, the figures of "net liquid assets," shown in the final column of the table above, have obvious significance. The two companies in whose equity stocks investors are most interested, have at least the advantage of a satisfactory total of liquid assets. The Peninsular and Oriental Company, whose report for the year to September 30th last will be published in a few weeks' time, held, on September 30, 1933, nearly £3½ millions of net liquid assets, the total for the P. & O. group as a whole being nearly £8½ millions. The company (and some of its subsidiaries and associates), did not earn full depreciation, on a 5 per cent. basis, in 1932 or 1933. This fact may militate strongly against the payment of any dividend on the deferred stock for 1933-34. A gratifying improvement may well have occurred in earnings owing to higher Eastern freights, further economies in working expenditure, and reduced debenture service. Profits for 1933-34, however, may still fail to cover prior charges (including dividends on the preferred stock), and depreciation on the scale the company considers appropriate. The deferred stock units at 18s. 6d. may be regarded as fully valued for the present. The company, however, should have little difficulty in finding the wherewithal to maintain the efficiency of its fleets. The recent sale of 1,500,000 shares of William Cory, held by the P. and O., has itself produced over £5,000,000 for shipbuilding purposes.

Similarly, Furness Withy has recently taken advantage of market conditions to convert a substantial block of its shares in a profitable subsidiary, the Economic Insurance Company, into cash at a high premium. Its surplus liquid assets increased over the year to March 31, 1934, though on that date they were little more than one-half of their total two years earlier. On the other hand, the company, after reducing its depreciation allowance in 1931 and 1932 to £150,000, as compared with £250,000 in the two preceding years, has now raised it to £300,000. In any case, the liquid resources of the group are probably much in excess

of the parent company's figures. Ostensibly, there was a small surplus of earnings for Furness Withy ordinary shares last year, though no dividend was paid. During the depression, however, the company has drawn on internal reserves to the extent of about £100,000 annually. The prospect of an early resumption of dividends on the shares, which are now quoted at 18s. 3d., may be governed by the desire of a board, noted for its conservatism, to utilise the first fruits of any recovery in earnings to suspend further drafts on internal resources.

Both P. and O. and Furness Withy may well have an additional reason for conservation of resources at the present time. Important changes are pending in the "balance of power" in British shipping. The Royal Mail liquidation may shortly bring into the market large ship-owning interests which, acquired on a reasonable "going concern" basis, and nursed by powerful companies which can afford to wait for better times, may hold out attractive prospects of eventual profit. Companies in the P. and O. and Furness Withy groups have already made a joint purchase of the Aberdeen and Commonwealth Line from Royal Mail interests. It may be presumed that both groups are fully seized of the importance, and probable imminence, of wider opportunities for extending their scope.

INVESTMENT NOTES

Air Transport and the Investor.—The victory of two British airmen, Messrs C. W. A. Scott and T. Campbell Black, in the England-Melbourne air race has set up a "record" of 2 days, 22 hours and 58 minutes for a journey of 11,300 miles, whose previous shortest time for a sailing ship was 60 days, for a steamer 29 days, and for an aeroplane (to Northern Australia) 6 days and 17 hours. No previous flight has so completely revolutionised ideas of time and distance. We congratulate the two pilots on a superlative feat of navigation, and the designers of their aircraft, the De Havilland Company, on a fine engineering achievement. The contest, however, was designed by its promoter and prize donor, Sir Macpherson Robertson, as a test, not of human skill and endurance under exceptional conditions, but of the commercial possibilities of inter-continental transport under relatively normal conditions. Special significance attaches, therefore, to the completion of the journey in no more than 3 days, 18 hours and 17 minutes by a Dutch air liner of American construction, carrying four pilots, three passengers, and a quantity of mails, flying with maximum stages of about 1,000 miles at speeds exceeding 200 miles per hour, and providing its occupants with reasonable amenities by way of regular meals, etc. Apart from a slight mishap within 200 miles of the final goal, due not to structural or engineering defect but to the pilots' ignorance of the difficult Trans-Australian route, the flight was accomplished with a relentless regularity, from stage to stage, which suggests that, so far as physical factors are concerned, commercial voyages of less than four days to the Antipodes may become a commonplace of future experience. This week's achievements, in fact, mark much the same stage in the evolution of commercial aviation as was attained by road motor transport shortly before the war. Though still a relative luxury, it has become an "established" transport arm. The provision of capital for its development on a wide scale will occupy the attention of investors, doubtless, for some years to come. Its economic advantages are almost exclusively in the sphere of time. It is adapted, not for the carriage of heavy loads over short distances, but for the rapid transport of passengers and commodities of high value in proportion to their weight and bulk (including mails, financial and other documents) over relatively long distances. Its medium, the air, affords less "stability" than land or sea, but it is universal and of low resistance, and permits of direct transport between terminal points without congestion, transshipment, and the construction of an expensive roadbed or permanent way. Internal air transport may, perhaps, at the present stage, best be pioneered by

private ventures, on the lines, e.g., of the Hillman Company in England, before the investor is asked to take a hand. The provision of capital for long-distance inter-continental services, however, require the assistance, from the outset, of London and other organised capital markets, as well as the political co-operation of numerous Governments. Britain's sole long-distance air transport company, Imperial Airways, Limited, has been established for ten years under its present auspices, and has an issued capital of under £650,000. Its £1 ordinary shares stand at 40s. 6d. The company has just declared a 6 per cent. dividend (against 5 per cent.), for the year to March 31st last, out of profits of £78,571, after charging £191,335 for obsolescence. Profits and obsolescence allowances, however, still amount to less than the annual subsidy which the company is receiving from the British Government, on a decreasing scale, until 1939. The company, however, is required to develop and maintain services on certain Imperial routes for purposes not entirely "commercial," on which a high percentage of payability is not to be expected, in their early years at least. Under the best conditions, clearly, investment in long-distance air transport must be speculative in its early stages of development. The experience of Imperial Airways further emphasises the inevitably heavy burden of depreciation charges. A most promising field, however, may be the North Atlantic route between Europe and America, once the formidable engineering and technical difficulties of the long "over-sea" passage have been overcome.

Publicity for "Placings."—In connection with the "placing," through the London market, of a line of 10 per cent. cumulative participating preference shares of the Argentine Navigation Company Mihanovich, a one-time subsidiary of the Royal Mail, an interesting point arises. Certain particulars have been published in financial and other newspapers, which give an informative account of the company's recent experience and throw valuable light on its prospects under improved economic conditions. The facts are stated, not in the form required for "official" statements "for public information only" under the requirements of the Stock Exchange Committee, but in a form equivalent to that of a "market slip," to which Stock Exchange members are well accustomed. Other companies may follow this example in the future. "Market slips" may be less comprehensive and more selective than "official" statements, which need be advertised only in two daily newspapers—and have, of course, been so advertised, in due form, in the present instance. It is understood that members of the Stock Exchange Committee, unofficially approached recently in a similar case, raised no necessary objection to the practice, but reserved their right to call for explanation should any future question arise regarding the contents of an "unofficial" document.

International Stock Exchange Bureau.—A meeting was held in Paris last week-end at the offices of the International Chamber of Commerce at which representatives of stock exchanges were invited to be present. Its intentions were to discuss machinery to establish closer relations between the various exchanges, to improve the international market in securities and to set up a permanent international bureau of stock exchanges. The idea has been pressed for some time by Belgian interests, and eventually the International Chamber of Commerce undertook to convene a preliminary meeting. London and New York offered no active opposition to the general proposals, but decided not to send official representatives to Paris. Representatives, however, were sent from Paris, Brussels, Vienna, Berlin, Amsterdam, Zurich and Italy. A committee was appointed, under the chairmanship of M. Jacob, President of the Paris Bourse, to draft a constitution. When this work is completed further steps will then be taken to canvass for members, and the London Stock Exchange will doubtless consider whether it can see its way to take an official part in the new body.



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FUNDS EXCEED £23,500,000

The Oil War.—In an Investment Note in our issue of October 13th (page 689) we referred to the breakdown of output restriction in the American oil industry, and suggested that the only certain way to stop "illegal" or "hot oil" production was to reduce crude oil prices, which had been pegged too long at \$1.00 per barrel. This week the break in crude oil prices occurred. The Atlas Pipe Line Company cut its price for East Texas crude oil from \$1 to 60 cents per barrel. As the "hot oil" producers are selling their output at 50 per cent. below "posted" prices, this cut would go some way to curb illegal production if the major crude oil purchasing companies followed the Atlas lead. At the moment of writing no such action has been taken. The large oil companies have agreed not to upset "dollar oil," while Mr Ickes, Secretary of the Interior, and the Attorney-General are doing their best to bring the "hot oil" producers into court for non-payment of the crude oil tax. An oil crisis, however, will not wait upon the law courts. The large oil companies have intimated to the Government that they cannot hold the posted prices much longer if restriction of output is not enforced. Many of them would no doubt be glad to replenish their stocks of crude oil at lower prices in view of the 7 per cent. rise in the consumption of gasoline which has been enjoyed so far this year, in spite of the trade depression. Meanwhile, the gasoline war in the Eastern States continues. The Standard Oil companies and the independents are fighting each other at the service stations, and cuts in retail prices range from 3 cents to 10 cents per gallon. At some stations the fortunate motorist is able to fill his tank with gasoline at 8 cents per gallon, including tax. A trade war of this ferocity does not usually last long, but unless the Federal Government finds new ways and means of enforcing restriction at the source of supply—or unless the Texas State authorities co-operate in enforcing the existing restriction orders—the war will shortly be extended to the crude oil market. Oil shares have naturally reacted to the depressing news from America. It is unfortunate that this should be the occasion for the announcement by the Mexican and Canadian Eagle Oil companies of a further postponement of their preference dividends.

A "Kaffir" Reaction?—The course of markets this week has been marked by a certain weakness in "Kaffir" shares. The movement is the result of a number of contributory factors, of which not the least important is the policy of the mining groups in utilising the rise in the price of gold to lower the grade of ore mined. This policy, which prolongs the lives of the mines at the expense of current dividends, is obviously well advised, so far as it concerns South Africa, whose economy, once the goldfields are exhausted, will be, to say the least, seriously affected. Whether or no the policy is beneficial to long-term shareholders depends on an actuarial calculation which the majority are unable or unwilling to make. It is certain

that the practice is unpopular with the short-term speculator who realises that increases in the sterling price for gold are not to be proportionately reflected in monthly returns from the mines. Many speculators in consequence have tended temporarily to abandon the market, and existing "bulls" have found few fresh purchasers to relieve them of their commitments. The "carry-over" for the account which ended on Thursday disclosed a rather large "bull" position in London, which coincided with a similar state of affairs in Johannesburg. A number of speculators were unable to obtain "contango" facilities, and the resultant liquidation gathered volume in snowball fashion. Unfortunately, the fall in prices did not attract the volume of investment support which might have been anticipated. It happens that sterling is at present enjoying a seasonal recovery. Uneasiness caused by a falling price for gold has been accentuated by fears for certain currencies of the "gold bloc," which are regarded in some sections of the market as clinging somewhat precariously to the gold standard. Were the gold currencies to be devalued, it is probable that competition would lead to a rise rather than a fall in the sterling price of gold, but the market would doubtless be temporarily upset. The long-term holder of investment "Kaffir" shares may have no fundamental cause for alarm over the present position. For the time being, however, the speculator will doubtless walk warily.

* * *

Actuaries' Investment Index.—With speculative forces in their present temporising mood, share prices as a whole have inevitably registered a further fall, and while there has been little forced or refugee closing of speculative positions, except in some sections of the mining market, traders have regarded the limited range of individual "bull points" strictly on their merits. The Actuaries' Index, computed from Tuesday's prices of 144 industrial shares, has again fallen to 72.4, compared with 72.8 a week ago and 73.2 a month ago (December 31, 1928 = 100), the corresponding yield figures being 3.68, 3.63 and 3.65 per cent. respectively. Figures of some component groups reveal the general nature of the week's declining trend:—

Group (and Number of Securities)	Prices (Dec. 31, 1928=100)			Yield (%)		
	Sept. 25, 1934	Oct. 16, 1934	Oct. 23, 1934	Sept. 25, 1934	Oct. 16, 1934	Oct. 23, 1934
Investment Trusts (15).....	51.4	53.7	54.0	3.79	3.64	3.63
Building Materials (4).....	84.1	83.9	81.6	4.24	4.25	4.38
Gas (7).....	136.7	137.3	138.5	4.42	4.40	4.36
Iron and Steel (6).....	52.2	54.4	53.7	1.26	1.24	1.34
Oil (5).....	62.6	59.7	59.4	4.70	4.92	4.88
Home Rails (4).....	78.3	76.5	76.0	1.49	1.45	1.46
Miscellaneous (50).....	64.8	64.9	64.2	3.82	3.79	3.90

Apart from some interest in investment trust and gas stocks, the list shows evidence of waning support, and in such cases as building materials and the miscellaneous group a more pronounced withdrawal of speculative influences. Home rail stocks have been recessionary on the slightly less favourable trend of traffics.

* * *

Credit for Industry, Limited.—The recent formation of this institution, in response to the recommendation of the Macmillan Committee, for the provision of finance below the economic limit of the new issue market, has aroused much interest among small and medium-sized concerns. C.F.I., to use its motto, has issued an explanatory booklet, entitled "Money for Industry," describing the need for its specialised functions in a modern economic organisation, and defining, in a general way, the conditions under which it is prepared to advance money to those tradesmen or manufacturers requiring additional resources in semi-permanent form. C.F.I. takes a broad view of the scope of business which it is prepared to assist, and, subject to the proviso that borrowers must have a successful trading record and can produce satisfactory evidence of their capacity for employing new loans, which may range from

£100 to £50,000, their applications will receive sympathetic consideration in principle. It is emphasised that C.F.I. has no intention of usurping the functions of the banks, nor will it grant funds for speculators and the exploitation of patents. The company has twelve branch offices in the principal provincial and Scottish centres. Those in need of new long-term finance of this character will find the booklet of great assistance in formulating their proposals to the company.

COMPANY NOTES

Motor Accessory Companies.—The market for the manufacturer of motor accessories is dependent not only on the number of cars sold, but on the number of accessories and refinements which the manufacturers see fit to include as standard equipment. Consequently, the decline in motor sales which came with the earlier years of the slump was to some extent set off for the leading accessory businesses by the more lavish equipment per car, through which the motor manufacturers sought to attract custom. The introduction of the small six-cylinder car considerably increased the demand for sparking plugs, while the suppression of the tourer by the saloon, corresponding with the standardisation of safety glass, greatly enlarged the safety glass market. On the demand side, therefore, the accessory trade has been fortunate during the depression. In the earlier period the effects of declining motor sales were "cushioned," and in the later period motor sales have led the recovery. Owing to the almost universal

	Profits in £'000					
	1929	1930	1931	1932	1933	1934
Bluemel Bros. (Sept. 30):						
Earned for ord.	12.5	3.6	Dr. 1.1	Dr. 0.04	7.1	...
Earned %	15.6	4.8	Nil	Nil	8.0	...
Div. %	11½	10	5	5	7½	...
J. Lucas (Aug. 7):						
Earned for ord.	219.8	212.2	196.7	207.6	228.0	236.8
Earned %	33.5	28.1	26.9	28.4	31.2	15.6†
Div. %	25	25	20	20	25	12½†
Mulliners (Hdgs.) (Dec. 21):						
Earned for pref.	13.5	15.0	11.0	17.3	22.9	...
Prefd. ord. earned %	10.0	10.0	7.4	15.4	12.1	...
Prefd. ord. div. %	10	10	Nil	12	11½	...
Serck Radiators (July 31):						
Earned for div.	28.9	25.7	19.8	14.3	15.4	20.6
Earned %	30.1	27.7	21.9	15.9	17.1	22.2
Div. %	17½	17½	15	12½	12½	12½
Simms Motor Units (Dec. 31)						
Earned for ord.	38.3	9.3	Dr. 27.7	Dr. 26.4	Dr. 16.4	...
Earned %	16.8	4.1	Nil	Nil	Nil	...
Div. %	5	2½	Nil	Nil	Nil	...
S. Smith (M.A.) (July 31):						
Earned for div.	36.4	22.5	0.9	5.1	24.4	...
Earned %	81.4	46.5	2.0	12.1	49.7	...
Divd. div. %	37½	37½	18½	Nil	Nil	25
Triplex (June 30):						
Earned for div.	10.2	36.7	34.5	30.8	60.4	75.2
Earned %	3.4	12.0	11.5	10.3	40.2	48.5
Div. %	5	5	10	10	25	25

† On capital as increased by 100 per cent. bonus in 1933.

application of their products, the accessory manufacturers have been relatively unaffected by fluctuations of individual units among the motor manufacturers. It happens, further, that the depression has seen the leading manufacturers in each department establishing themselves more firmly than ever before at the head of their trades. Among the smaller concerns in the accessories and safety glass trade the depression has wrought considerable havoc. Losses have been frequent, and liquidations not altogether absent. Some of the smaller concerns (Serck Radiators are a good example) have maintained a fair profit record. Generally speaking, however, the satisfactory experience of Joseph Lucas and S. Smith in the accessories trade, and of Triplex in the safety glass trade, is in direct contrast with the fortunes of most of their competitors. That Lucas's and S. Smith's profits have not risen more considerably, however, is evidence of the competition which they have to face in some departments. The future of the trade still depends on the total sales of motor cars (and kindred products from bicycles to aircraft) combined

with the number of accessories carried by each unit sold. There would appear to be room for some further expansion under each heading, while the much firmer position of the leaders may possibly allow of an increase in profit margins. It is perhaps significant, however, that such concerns as Triplex and S. Smith are seeking opportunities of expansion outside the motor trade, suggesting that their managements consider the opportunities within the trade to be limited. The conclusion would appear to be that the leaders provide sound industrial investments with the possibility of satisfactory increases in profits, but that the rate of expansion within the trade itself may be less, for some time to come, than in the recent past.

* * *

Rootes and S.T.D.—The discussions and dissensions in the S.T.D. motors case (summarised in the last two issues of the *Economist*, pages 692 and 742) have had a somewhat unexpected dénouement this week. On Wednesday it was

officially announced that Rootes Securities, Ltd., had obtained the direction of the Sunbeam, Talbot and associated companies of S.T.D. Motors, Ltd. This followed a further hearing of the trustees' motion for the appointment of a receiver, in which counsel for the trustees announced that an undertaking had been given, on behalf of the company, that a sum of £307,000 would be deposited in the joint names of the trustees and the company for the purpose of redeeming the notes outstanding. On the understanding that, if the money were not paid, the company would consent to receivership, the motion was allowed to stand over. At last week's noteholders' meeting an assurance of £50,000 for note service then due was given. The new arrangement suggests that the company, pressed for time by the trustees' motion and anxious to conserve the going-concern value of the assets, may have regarded the offer as a temporary expedient to allow arrangements for complete redemption of the notes to be made. The terms on which the funds have been provided have not been announced, but

Dated 23rd October, 1934.

These particulars are issued for information only and are not an invitation to subscribe for shares.

EXTRACTS FROM THE PROSPECTUS OF Carshalton (B.M.L.) Mines NO LIABILITY

To be registered under Part 11 of the Victorian Companies Act, 1928

CAPITAL £A400,000 in 800,000 shares of 10/- each

454,000 shares are now (being) offered for subscription (in Australia) at 1/- per share covering both application and allotment, the balance of 9/- per share being subject to calls not exceeding 6d. per share, per month. 80,000 shares, fully paid, are to be allotted to Bendigo Mines, Ltd., Derby & Carshalton Reefs N.L. and A1 Carshalton Gold Mining Company N.L., as Vendors, as hereinafter set out. 266,000 shares will be held in reserve, of which 80,000 shares will be under option to Bendigo Mines Ltd. for 4 years from the date of registration of the Company, at a premium of 2/6d. per share on the amount paid up per share on the contributing issue at the time of exercise of the option.

800,000

DIRECTORS:
GORDON LINDESEY CLARK.
EDWARD CLARENCE DYASON.
COLIN FRASER.
SIR WALTER MASSY-GREENE, K.C.M.G.
GENERAL MANAGERS:
BENDIGO MINES LTD., 360, Collins Street, Melbourne.
MELBOURNE OFFICE:
SECRETARIAT PROPRIETARY LTD., 360, Collins Street, Melbourne.

PREAMBLE.—The Sponsor of this Company, Bendigo Mines Limited, had its origin in the recognition of the fact that the Bendigo goldfield possesses large undeveloped areas, and that the increased price of gold, combined with the very considerable advance in mining technique, greatly enhances the probability of successful development of those areas.

Comprehensive investigation of these undeveloped areas has been carried out by competent advisers, and as a result Bendigo Mines Limited was formed, and has acquired a large number of leases and applications therefor on the goldfield.

Following the policy stated in the Prospectus of Bendigo Mines Limited, certain groups of leases offering substantial inducement for development, and lending themselves to development as major units under modern methods, are being made the basis of separate operating companies. Two such companies, Napoleon (B.M.L.) Mines No Liability and Nell Gwynne (B.M.L.) Mines No Liability, have already been formed and are making good progress with their comprehensive programme of development, which will be greatly expedited from the beginning of November when State electric power will be available at the shaft sites. The third subsidiary company, Carshalton (B.M.L.) Mines No Liability, is now submitted for subscription.

OBJECTS OF THE COMPANY.—The Company is being formed for the purpose (inter alia) of acquiring and taking over from Bendigo Mines Limited, from Derby & Carshalton Reefs No Liability and A1 Carshalton Gold Mining Company No Liability as at November 1, 1934, mining rights over certain areas at Bendigo comprising approximately 565 acres, and the Company will allot among the above-named Vendor Companies 80,000 fully paid shares of 10/- each as consideration for the transfer of these areas.

These lease areas extend for approximately three and a half miles continuously along the Carshalton line of reef at Bendigo, and also include the Lancashire line of reef for approximately one and three-quarter miles.

The portion of the Bendigo field which has proved most productive in the past is about 8½ miles long by 2½ miles wide, although both alluvial and reef gold have been found over a considerably larger area. The total gold production of the field is equivalent to approximately 16,000,000 fine ozs.

The more important reefs on the Bendigo field within the high-yielding area mentioned above are associated with narrow but persistent anticlinal folds, which traverse the region in a North-North-Westerly direction. Within this area gold is recorded as having been produced along 16 different anticlinal lines, but the major portion of the production mentioned has come from parts of three anticlinal lines, viz.: The Garden Gully, the New Chum, and the Hustlers, which have been worked to considerable depths. A fourth line, long regarded as unimportant and known as the Sheepshead, is the main source of present production.

An investigation by the Technical Staff of Bendigo Mines, Limited, including Dr. J. B. Stone, Chief Geologist, into the production of the four anticlinal lines before-mentioned has shown an apparently close connection between the more productive areas on these lines and certain geological features.

A study of other anticlinal lines in the central portion of the field which have not been adequately prospected shows that certain areas on some of these lines exhibit the same combination of geological features as are recognised on the four highly productive lines mentioned. Active exploration of these particular areas appears to be fully justified.

Portions of the Carshalton and Lancashire anticlinal lines falling within the areas to be taken over by the Company have been selected by Dr. Stone as having the attractive possibilities mentioned, and he recommends their early development. A comprehensive programme of shaft sinking and prospecting has been evolved by the Company's technical advisers similar to those now being put into effect by Napoleon (B.M.L.) Mines No Liability and Nell Gwynne (B.M.L.) Mines No Liability, and active work on the Carshalton line will be commenced at once.

A site for the Carshalton main shaft has been selected and certain preliminary surface work completed. In anticipation of the formation of the Company, orders for essential plant and machinery have been placed by Bendigo Mines Limited, and tenders have been invited for the erection of the necessary buildings.

UNDERWRITING.—The issue of shares now being made is being underwritten by Bendigo Mines Limited, who also guarantee payment of calls as made upon the whole of the present issue of 454,000 contributing shares until such shares are paid to 2/6d. each.

it seems clear, from a study of the last balance sheet of S.T.D. Motors and the auditors' report thereon, that little will remain for the preference stockholders. Rootes Securities thus continue their policy of acquiring motor companies which, through lack of working capital, adequate technical resources or efficient sales organisations, have fallen upon difficult conditions. The success of the Rootes' interests in the case of the Humber group (including Hillman, Commer Cars and, more recently, Karrier Motors) and the goodwill which attaches to the Sunbeam and Talbot names, suggest that the new interests will, in time, become adequately remunerative.

* * *

Recent Investment Trust Reports.—We have referred more than once in our monthly Notes on industrial profits to the steady contraction in the average decline of profits shown by each new batch of investment trust reports. The "time lag" factor might be expected to exert progressively less influence towards declining profits, and in due course to yield the fruits of recovery in industrial earnings, at second hand, to the trusts. We set out in the following table the profits record of nine trusts whose results for the most part fall within the second quarter of the year. Although the declines in incomes are still substantial, by comparison with 1932-33 results, it should be emphasised that, so far as industrial revenues are concerned, the income figures for the latest year have yet to benefit from the rapid expansion in industrial activity during the second half of 1933. The decline in profits, before charging debenture and other interest, amounts to 8.3 per cent. during the latest year. Individual figures are shown below:—

Trust (and Date of Accounts)	Net Profits (after tax, before deb. int.)		Earned for Ord.		Earned		Paid	
	1933	1934	1933	1934	1933	1934	1933	1934
	£'000	£'000	£'000	£'000	% Nil	% Nil	% Nil	% Nil
Atlas Electric (Mar. 31)	188.0	171.4	0.6	Dr. 18.7				
British Steamship (June 30)	166.1	157.7	74.6	64.7	5.5	4.7	5½	5
Continental & Industrial (May 31)	138.9	120.3	52.7	33.4	7.0	4.4	6½	4
Edinburgh & Dundee (June 30)	91.8	82.0	31.4	21.4	9.6	6.4	8	6
Investment Trust Corp. (May 1)	416.9	377.0	174.9	135.0	16.1	12.2	16	12
Mid-European Corp. (July 31)	122.5	108.6	44.9	30.3	4.9	3.2	4	3
Second Alliance Trust (July 31)	150.3	137.1	66.4	54.2	25.1	20.2	22	18
Trustees Corp. (May 31)	110.9	111.1	51.3	50.9	7.8	7.6	7½	7½
Witan Investment (Apr. 15)	160.1	151.8	111.9	103.5	10.4	9.7	10	8

Only in the case of Trustees Corporation, part of whose income is derived from office rentals, has there been a slight expansion in profits. The "gearing factor" has been fully operative in these cases, for the amounts available for ordinary shares have shown a total fall of 22.1 per cent. Although the trend of industrial revenues should show improvement in the current year, the position regarding overseas holdings is hardly more auspicious than in recent periods. The uncertain course of American recovery, coupled with the continuing though declining exchange losses, suggests that those trusts with large American interests are still faced with substantial handicaps to their own recovery. Moreover, the endemic nature of default among foreign States shows little appeasement, despite the tentative indications of trade and budgetary recovery in some South American States. Continuing appreciation in bond capital values, however, would assist the trusts' assets position appreciably, but this possibility is likely to be more effective for South American bonds than for the majority of European issues. Recently there have been slight speculative stirrings among representative investment trust ordinary stocks, on the assumption that the large weight of fixed charges enhances the equity appeal of sound trusts when recovery has been established. The present average yield of 3.6 per cent. on the 15 stocks included in the Actuaries' Investment Index, however, suggests that the market has allowed fair weight to the favourable portents for the current year.

Philips' Lamps Report.—The accounts of this Dutch company, which cover a period of sixteen months to April last, show that the rate of operating profit, as brought into the parent company's accounts, was maintained during the period. In view of the international scope of the company's business, and the inevitable effects of economic nationalism, this result must be regarded as satisfactory. The management report points out that the maintenance of revenues was only possible by a considerable increase in the sales of "key" products, at declining net proceeds per unit. This decline continues, and in view of the company's gold cost basis, and the substantial volume of sales to "off-gold" countries, the concern is still faced with the necessity of deflating its costs to extreme limits. The progressive technical policy of the company, and its practice of writing off extensions to factory buildings and machinery out of current revenue, confer considerable hidden financial strength, and five asset items, including Patents and Trade marks, are included at the nominal figure of Fl. 1. An analysis of profits in recent periods is shown below:—

(In thousands of florins)

	Years to Dec. 31, 1931	1932	16 months to April 30, 1934
Balance from operating account..	7,518	7,313	9,700
Depreciation and other items written-off	2,287†	615‡	1,100
Extra provision for debtors	1,000	1,000	...
Staff and directors' allocations...	...	250	914
Available for dividends.....	4,231	5,448	7,686
Preference dividends	1,266	1,266	1,561
Ordinary shares—			
Earned	2,965	4,182	6,125
Paid	2,785	4,178	5,744
Paid %	4	6	7.42*
Carried forward	288	292§	381

† Exchange losses written off. ‡ Written off vacant building sites. || Fl. 600,000 written off vacant building sites, and Fl. 500,000 written-off participations in other companies. * Rate per annum after adjusting for capital repayment of 25 per cent. in October, 1933. § Against which taxes on dividends were chargeable.

It would be invidious to criticise the comprehensive report, which includes a full summary of the trading developments of the period, explanatory notes on the assets, a consolidated balance sheet, and a photogravure supplement illustrating the works and staff activities. Among so much that is laudable, however, it may be suggested that some analysis of the omnibus income figure would be welcome. The ostensible conservatism of the company's financial policy in the favourable years 1927 to 1930 has given it ample life to fight depression, but the management is the first to admit that currency and trade handicaps, which cannot be completely surmounted by erection of plants in protected markets, are still affecting earning capacity seriously. Public participation is limited to the Fl. 7.5 units of the holding company, which at a current London quotation of £2½ yield approximately £4 19s. per cent. on the last dividend.

* * *

Wiluna Results.—This West Australian enterprise, writes our mining correspondent, affords a striking example of the achievement of success after initial failure—with the help of the "gold premium" and the depreciated Australian pound. During the year to March 31st last the company's monthly output expanded from 33,000 to 41,000 tons and working costs were substantially reduced. Dividends totalling £430,280 were received from the operating Australian company. After providing for note interest and miscellaneous expenses, the balance was £403,430. Payment of a final dividend of 12½ per cent., making 22½ per cent. for the year, left £52,700 to be carried forward. The whole of the 10 per cent. notes were converted into shares during the year at the rate of £2 per share. Out of the premiums thus received the balance of income and expenditure account before the beginning of production was written off, together with expenses in connection with the increase of capital. Share premium account now stands at

£159,780. Last year's work resulted in the discovery of an ore body parallel to the West lode, whose values have so far tended to increase at depth. Recent drilling operations have exposed the existence on the 625 feet level of still another ore body situated between the West lode and the No. 2 West lode. Thanks to the increased price of gold and reduced working costs, it has been possible to include in the ore reserve estimate material formerly considered unpayable. The proved ore reserves, as at August 31st last, are calculated at 1,786,000 tons, averaging 28s. 6d. on the basis of gold at 85s. per ounce. The quantity shows an increase of 253,900 tons and the value a reduction of rs. 8d. as compared with the preceding estimate. Developments in a group of leases situated about three-quarters of a mile from the main shaft have been encouraging. Output having now been again increased, a further raising of dividends is expected in the current year. The shares stand at 64s., ex dividend.

* * *

North Broken Hill.—A striking improvement in results is shown by the telegraphed summary of the report of this important Australasian enterprise. The balance carried to profit and loss for the latest financial year amounts to £373,360, against £166,570 for the preceding period. Plant expenditure is on a reduced scale, but increased provision is necessary for taxes and royalties. The reserve for depreciation is unaltered at £30,000. Dividends absorb £192,500, against £105,000, and the increased balance of £446,040 will go forward. A larger tonnage of ore was treated, and the accounts benefited by the bringing in of a larger tonnage of lead, as a result of a new sale agreement between the company and the Broken Hill Associated Smelters. An interesting sidelight on the recent rise in silver is supplied by the announcement that unrealised stocks of the metal include 124,100 ounces withdrawn from sale under the terms of an agreement between silver producing countries, which has four years to run, as from January 1st last. The amount of money involved, however, in this instance is quite small.

* * *

Other Company Results.—An increased number of rubber reports has expanded our summary table of profit and loss reports, printed on page 808, to 41 companies. The consistent improvement throughout the list is steady rather than exciting, and so far as indications of current profitability are concerned, possibly more importance will attach to impending interim dividend announcements. In the heavy industry section, Fairfield Shipbuilding reveals a loss of £44,978—nearly twice the previous year's figure—and has made a draft of £50,000 on reserve to put the profit and loss account in credit. Lambert Brothers report profits of £16,495, a net improvement of £29,121, while Stothert and Pitt have similarly converted a loss of £24,666 into a profit of £6,899. This week's table includes fifteen rubber companies, whose net profits, largely to June 30, are, without exception, higher than in the previous year, while eleven companies have resumed or increased their dividend distributions. Interesting results include Eastern Sumatra (£16,661 against £3,553), Kenny Selangor (£14,119 against £1,293), Laras Sumatra (£14,245 against Dr. £4,897), and Tanjong Malim (£23,466 against £7,821). Two tea companies have shown uneven results, Carolina of Ceylon, earning £11,674 against £6,459, while New Dimbula reports net profits of £13,092 against £28,211. In the investment trust group, net earnings of Scottish and Dominions and Phoenix show a slight fall, but the Realisation and Debenture Corporation of Scotland has secured an increase in net revenue from £38,783 to £43,780 for the year to August 31st. In the miscellaneous section, the full accounts of United Dairies reveal net profits of £600,487 against £583,439. Herrburger Brooks, the piano manufacturers, show a considerable improvement in net profits at £24,333 against £8,566. Some interesting results come from companies operating overseas. Perak River Hydro-Electric net profits have risen sharply from Dr. £71,250 to £40,669, leaving a small credit balance to be carried forward. Profits of Maroc, Limited, an exploring and prospecting concern, have increased from £13,405 to

£35,722, and the dividend is 75 against 35 per cent. This week's dividends include some increased brewery distributions, while Bristol Brewery Georges and Company have announced a 50 per cent. capital bonus. The Horden Collieries' final payment of 3½ per cent. makes 5 per cent. against 2½ per cent. in the previous year, while Imperial Airways is to pay 6 cent. against 5 per cent. The final dividend of Pahang Consolidated of 10 per cent. brings the total distribution for the year to July 31st to 15 per cent.

* * *

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following meetings:—Anglo-South American Bank, Hosco Rubber, Tangoel Rubber Estates, Van Dyk Consolidated Mines, Perak River Hydro-Electric Power, and Murchison Gold Development. At the Anglo-South American Bank meeting, Sir Bertram Hornsby dealt with conditions in Latin America generally, and showed that the company's basic position was slowly improving. The chairman of Hosco Rubber Estates placed the company's issued capital at around £130,000, and expressed a hope that the rubber industry had been relatively stabilised on the basis of a fair economic return. At the meeting of Tangoel Rubber, the chairman declared that the past year's results had been largely influenced by forward contracts, whereas in the current period it would be in a position to profit from the fact that some 80 per cent. of its production could be marketed at higher ruling prices. Mr P. M. Anderson informed the shareholders of Van Dyk Consolidated Mines of the agreements made by the company and the formula under which the South African Government's share of profits would be calculated. The company, he stated, was assured of ample funds. At the Murchison Gold meeting hopeful statements were made of the company's future in the light of the past record and development prospects of the companies in which it was largely interested. At the Perak River meeting, Mr George Balfour, after reviewing the substantial progress of the past year, outlined an impending capital reorganisation scheme.



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THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET
November 6ACCOUNT
November 8

AN autumnal shiver, quite out of keeping with the mild atmosphere of Throgmorton Street, has penetrated into the Stock Exchange this week. The speculative sections of the market, which were thinly clad to resist the draught, have done some preliminary fastening of jackets before deciding whether the more ample protection of lower prices is definitely called for. The gilt-edged section, already well wrapped up, found nothing to hamper its movement to new high levels. Whether this week's declining trend in semi-speculative shares heralds a change of view is difficult to decide from the evidence. The strength of sterling brought the gold price to below 140s., with the inevitable effects on a rather sentimental Kaffir market, and although its dependence and reactions upon the domestic trade situation were regarded as somewhat remote, inchoate ideas about the future of the gold currencies promoted an uneasy attitude in the industrial section.

The gilt-edged market was strengthened by the movement of sterling, and after two quietly firm days, in which War Loan was especially prominent, a brisk business developed in mid-week, when 4 per cent. Consols achieved a new high record. India loans were steady, and Dominion issues were well supported on Wednesday. The new Central Electricity scrip was actively dealt in, and closed at 1½ premium on Wednesday.

The foreign bond market was rather disturbed by exchange movements early in the week, but a partial recovery was staged on Wednesday. German issues, including the Potash loans, displayed renewed weakness. French rentes reflected the trend of the franc. Brazilian issues, after two adverse days, showed some later recovery, and San Paulo 7½ per cent. bonds came into prominence on hopes of payment of outstanding coupons. Sino-Japanese loans, after a fair amount of selling, improved with the rest of the market.

Home rails were quiet, but the indifferent traffics were not followed by any significant selling. Prices followed a declining course, and an early demand for the preference issues was reversed when the figures were published. In the foreign section, selling of Central Argentine preferences spread to other Argentine issues, though the Government wages award served to steady the market. Brazilian stocks were quietly firm.

New business in the industrial markets was distinctly limited, and although the general tone was fairly well maintained, prices developed considerable irregularity. Interest was largely restricted to shares with contemporary news interest. Motor issues, in particular Austin, responded to good trade reports, while de Havilland enjoyed an active speculative burst on the success of the Comet in the Melbourne air race (some implications of which are discussed on page 786). Iron and steel shares were quiet, Tube Investments exceptionally being in good demand. Among electric supply shares, Edmundsons were an active feature, and equipment issues continued to attract specialised attention, although prices were lower on balance. Cables and Wireless stocks registered disappointment with the September traffic index. In the stores group, Marks and Spencer received support in renewed anticipation of a new issue, while Woolworth were lower on balance. Catering issues such as J. Lyons, Tate and Lyle, and United Dairies were sold. Interest in textile issues was severely restricted, and rayon issues were in limited demand. Brewery shares became more active in response to the Bristol Georges bonus, but tobacco shares were a distinctly uncertain market. Miscellaneous favourites showed considerable irregularity. Building shares, including Associated Portland Cement and London Brick, were offered. Turner and Newall, I.C.I., Murex, and Dunlop showed irregular movements, with no decided trend, but milling issues moved to lower levels.

The oil market remained a prey to American influences (which are discussed on page 787). After some favourable week-end news regarding price-cutting, the market became weaker following news of a "break" in crude oil prices, and the continuing petrol war. The rubber market improved somewhat on Tuesday, but reverted to a depressed state on the following day. Public interest was severely restricted and there was evidence of Continental selling. Tea shares also continued depressed under persistent, though not substantial, selling owing to uncertainty regarding the impending quota decision.

The mining markets were depressed by the reduction in the gold price, and there were indications that cash sales resulting from restricted carry-over facilities had been rather unwillingly received. New Kleinfontein were a particularly weak feature. A better sentiment was apparent on following days, fostered by hopes of higher-grade mining. This has yet to be achieved, however, and the situation in Johannesburg, which is outlined on page 787, robbed the market of any real impetus. The West African section remained depressed under forced selling, but Australian shares, though quiet, remained fairly steady. Rhodesian copper issues enjoyed only brief support on optimistic interpretations of the effects of a restriction plan, and tin shares remained quiet and recessionary, Pahang being an exception on the increased dividend.

"FINANCIAL NEWS" DAILY BARGAIN INDEX
(Approximate number of Bargains recorded in Stock Exchange Lists)

	Oct. 18, 1934	Oct. 19, 1934	Oct. 20, 1934	Oct. 22, 1934	Oct. 23, 1934	Oct. 24, 1934	Oct. 25, 1934
Government and Municipal Loans	1,188	1,295		1,256	1,181	1,103	1,050
Transport, Communications, and Public Utilities	988	994		981	935	866	878
Commercial and Industrial	3,090	3,295		3,416	3,142	3,029	2,853
Banks, Insurance, and Financial	527	540	Closed	593	551	368	612
Mines (including Nitrate)	1,490	1,567		1,558	1,296	1,438	1,437
Oil	129	147		182	112	149	125
Rubber, Tea and Coffee	362	372		452	367	326	279
Total	7,774	8,210		8,438	7,584	7,279	7,234
Corresponding day in 1933	8,545	8,224		7,665	7,753	8,408	8,861

* Including iron and steel and breweries.

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

Highest of 1934 (Oct. 15)	Lowest of 1934 (Feb. 8)	Oct. 18, 1934	Oct. 19, 1934	Oct. 20, 1934	Oct. 22, 1934	Oct. 23, 1934	Oct. 24, 1934	Oct. 25, 1934
90.6	83.5	90.1	90.0	Closed	89.6	89.7	89.4	89.5

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Oct. 25)	Lowest of 1934 (Jan. 2)	Oct. 18, 1934	Oct. 19, 1934	Oct. 20, 1934	Oct. 22, 1934	Oct. 23, 1934	Oct. 24, 1934	Oct. 25, 1934
135.3	128.8	135.1	135.1	Closed	135.1	135.1	135.2	135.3

FOREIGN STOCK EXCHANGES

NEW YORK

In the early part of the week, the markets subordinated all lesser interests to that of the President's forthcoming speech to the American Bankers' Association in Washington. The Stock Exchange has learned, and forgotten, a good deal since the days when the "boloney dollar" was hailed as the bulle of all conceivable market points. "Hard money" probably has more thoughtful support to-day than at any time since Roosevelt's accession. The expectation of a speech announcing co-operation between the Administration and the financial community in future revivalist efforts was sufficiently powerful to prevent the market falling away very far in the first half of the week. Late on Wednesday afternoon, indeed, a few hours before the speech, the whole tone of the market

strengthened unexpectedly. Railroad stocks in particular were largely bought, on the announcement that a district court had denied the constitutionality of the Railroad Pension Act, and that the Railroad Co-ordinator—Mr Eastwood—had drawn up a freight car pooling plan, between different lines, calculated to effect sizeable working economies. The Pension Act judgment, however, is subject to appeal in a higher Court. The President's address proved to be a moderate admission of the indispensability of the banking system to the community, and a reminder of the Government's supremacy as the arbiter of all national interests, including banking. The President expressed his readiness to curtail the activities of the new emergency credit agencies when recovery had gone sufficiently far. The President's reiterated emphasis on the maintenance of "confidence," possibly, more than any definite pronouncement in the speech, should tend to reassure the markets as to the Administration's future intentions. The signs of trade recovery are a little more discernible. Steel mill activity is put once again at 24½ per cent. (against 23½ per cent. last week), and power output has risen to a 3 per cent. higher figure than at this time last year. This is the sharpest increase recorded for some time. Retail trade is holding up well. The least favourable influence affecting the markets is the "oil war," in which the ability of Mr Ickes to ride the elements—or, Partington-like, to sweep back the "hot oil" with his broom—is seriously questioned.

	Oct. 17, 1934	Oct. 24, 1934	Oct. 25, 1934		Oct. 17, 1934	Oct. 24, 1934	Oct. 25, 1934
Lb. Ln. 3½% '32-47	103½	104½	104½	Natl. Biscuit	29½	28½	28½
Do. 4½% '32-47	103½	103½	104½	Phelps Dodge	14½	15½	15½
Do. 4½% '33-38	104½	104½	104½	Pullman	39½	40	40½
Atchafalpa	53	56½	56½	Sears-Roebuck	41½	41½	41½
Erie	12½	13½	13½	Studebaker	73½	72½	72½
Illinois Central	17½	18½	18½	Un. Fruit	5½	5½	5½
N.Y. Central	22½	23½	23½	U.S. Leather	5½	5½	5½
Pennsylvania	23½	24½	24½	U.S. Rubber	16½	16½	16½
Southern Pacific	18½	19½	19½	U.S. Steel	33½	34½	34½
Southern Ry.	16½	16½	16½	Westinghouse	32½	32½	32½
Union Pacific	102	104	104½	Woolworth	50½	50½	50½
Am. Can.	103	102½	102½	Am. Tel. and Tig.	110½	111½	111½
Amer. Smelting	36½	36½	36½	Interboro R.T.	14	14½	14½
Anaconda	11½	10½	10½	Int. Tel. Teleg.	10	9½	9½
Bethlehem Steel	28½	28½	28½	Radio Corp.	6	5½	5½
Chrysler Motor	36	36½	36½	Utilities P. and L.	1½	1½	1½
Corn Produce Rf.	65	66	66½	W. Union Tel.	34½	35	35½
Eastman Kodak	103	104½	104½	Associated Gas "A"	23½	23½	23½
Gen. Electric	18½	18½	18½	Shell	6½	6½	6½
Gen. Motors	30½	30½	30½	Shell Union	29½	28½	28½
Int. Harvester	34½	33½	33½	Std. California	41½	41½	41½
Mont. Ward	28½	28½	28½	Do. N.J.	41½	41½	41½

† Calculated at \$4.98 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	38.7	86.6	74.3	90.5	79.6	76.7	77.5	77.4
33 Rails	23.9	54.5	34.0	51.4	40.6	35.6	35.9	37.0
87 Utilities	66.8	101.0	62.1	83.4	66.4	63.6	63.2	63.1
Total, 421 stocks	40.9	83.4	65.6	82.1	70.8	67.7	68.2	68.2
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.79%	3.78%	3.77%

† February 7th.

(s) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Oct. 17, 1934	Oct. 18, 1934	Oct. 19, 1934	Oct. 20, 1934	Oct. 22, 1934	Oct. 23, 1934	Oct. 24, 1934
105.0	76.0	84.2	84.1	83.7	83.8	83.7	83.5	84.5

TOTAL DEALINGS IN NEW YORK

	Oct. 18, 1934	Oct. 19, 1934	Oct. 20, 1934	Oct. 22, 1934*	Oct. 23, 1934	Oct. 24, 1934
Stock Exchange—Shares (Thous.)	660	530	230	570	540	770
Bonds (Value Thous. \$)	11,590	10,020	6,150	10,900	10,660	18,700
Curb—Shares (Thous.)	161	126	68	93	152	116

* Two-hour Session.

PARIS

Neither the sharp reaction in the franc exchange after the week-end meeting of the gold bloc currency representatives, nor the political situation was conducive to Stock Exchange activity, and markets opened hesitantly. Though there was no considerable selling, prices had a downward trend in almost every section. On Wednesday, however, there was a more hopeful feeling after the previous day's Cabinet meeting. Doubts of the attitude likely to be taken up by the Radical Socialist Party at Thursday's conference were insufficient to prevent a stronger tone from manifesting itself, on the placing of small supporting orders. The market, however, subsequently relapsed into further quietude. Rentes opened heavy, improved in mid-week, and again became dull. Industrial shares were irregular. On the Coudisse diamond shares failed to attract sustained interest, and gold-mining shares were out of favour.

	Oct. 17, 1934	Oct. 22, 1934	Oct. 24, 1934		Oct. 17, 1934	Oct. 22, 1934	Oct. 24, 1934
Banque de France	10,160	10,150	10,075	Wagons Lits	75	75	75
Crédit Lyonnais	1,822	1,815	1,765	Mexican Eagle	25½	27½	26
Suez Canal	18,870	18,945	19,005	"Chartered"	74½	77	77½
Chargeurs Réunis	102	103	100	Ford	46½	48	46
Rio Tinto	1,026	1,035	1,032	De Beers	271	265	270
Royal Dutch	14,850	14,870	14,810	"Johannes"	241½	240½	239

BERLIN

Last week's share markets, after opening steady, suffered a general though moderate decline on the announcement of severer taxation of speculative profits. Rentes, however, profited from their complete future exemption as regards profits on sales. Reichsbank and a number of public utility stocks showed considerable weakness. Potash and shipping securities, however, succeeded in holding their ground. This week opened with a re-buying movement, but the resulting advance was mainly confined to special groups of shares, among which the leading breweries were prominent. Potash stocks were weaker. The markets were irregular on Tuesday, Rentes being subject to realisation. Both certificated and converted dollar bonds profited at the outset from exemption under the tax law, but reacted appreciably this week. The Bourse was relatively quiet in mid-week, electrical, mining and shipping shares being particularly dull.

	Oct. 17, 1934	Oct. 22, 1934	Oct. 24, 1934		Oct. 17, 1934	Oct. 22, 1934	Oct. 24, 1934
Reichsbank	145.50	145.00	145.40	A. E. G.	28.75	28.90	28.50
D.D. Bank	76.50	74.75	74.50	Siemens & Halske	142.50	141.00	141.00
Dresdner (New)	78.75	77.00	77.00	A. K. U.	62.90	61.75	62.60
I. G. Farbenindustrie	145.00	143.00	143.00	Hamburg Amer.	28.90	29.25	29.10
Norddeutscher Lloyd (New)	31.10	31.75	30.75	("Hapag New")	28.90	29.25	29.10

AMSTERDAM

The markets were listless at the opening, industrial shares being on offer, while "primary" shares, particularly those of sugar companies, were dull and depressed. The undertone was rather firmer on Tuesday, but slack conditions returned next day, the performance of the country's representatives in the Melbourne air race providing a welcome relief from the ennui of market operations. Rubber shares failed to stage the expected revival of interest, and oil shares, particularly Royal Dutch, were weak on unfavourable developments in the American "war."

	Oct. 17, 1934	Oct. 22, 1934	Oct. 24, 1934		Oct. 17, 1934	Oct. 22, 1934	Oct. 24, 1934
2½% Dutch Loan	77½	77½	77½	Steel Common	201	201	201
5½% German	21	20½	20½	A. K. U.	33	34	34
Unilever N.V.	70½	71½	72½	Ford Motor	217½	219	224½
Philips' Lamps	215½	216	215½	Deli Batavia Tob.	146	149½	146
Netherlands Ship Union	33	31½	31½	Royal Dutch	144½	145½	144½
				Handels Ams	159½	157½	157½

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CANADA

The Canadian stock markets pursued a very irregular course during the latter half of September. Their trend was downward until the end of the third week, when it turned sharply upward. The Bureau of Statistics' "Inverted Index" on September 27, at 91.1, was identical with the September 6 figure, but rose by October 4 to 91.7. For the most part, however, movements were narrow and the volume of trading light, the number of shares dealt in on the Montreal Exchange in September being only 185,206, against 279,144 in August and 433,747 in September, 1933. While Brazilian Traction has been the most active market stock, there has been a pronounced demand for the bank shares, and Canadian Pacific and International Nickel have also been favoured. The bond market has been hesitant, awaiting the issue of the Dominion Government's new refunding loan. This has, however, been successfully placed, and its low interest yield has tended to strengthen first-rate bonds. The mining market still attracts speculative interest, but had a sharp recession in the early days of October. Seasoned gold stocks, however, have been well sustained, Hollinger having shown notable strength.

	Price, Sep. 26, 1934	Price, Oct. 25, 1934	Oct. 25, 1934 Eng. Equiv.†		Price, Sep. 26, 1934	Price, Oct. 25, 1934	Oct. 25, 1934 Eng. Equiv.†
Bell Telephone.....	126	122½	125½	Dominion Glass.....	90	90	92½
Canadian Car and Foundry.....	6½	7½	7½	International Petro- leum.....	28	29½	29½
Do. pref'd.....	13½	14½	14½	Brazil Traction.....	11½	11½	11½
Power Corporation.....	10	8½	8½	British Columbia Power "A".....	27½	27½	28½
Dome Mines.....	41	38½	39½	Do. "B".....	5½	5½	5½
Hollinger.....	20½	19½	20½	Canada Cement.....	6½	7½	7½
McIntyre.....	45½	43½	44½	Do. pref'd.....	38½	49	50½
Bank of Montreal.....	201	200	204½	International Nickel	24	23½	24½
Bank of Nova Scotia.....	251	264½	270½	Massey Harris Com.	3½	3½	3½
Royal Bank of Canada.....	162	165	168½	Montreal Light.....	32½	31½	32½
Canadian Bank of Commerce.....	155	159	162½	Ogilvie Flour Mills	193	175	179½
Canadian Pacific Ry. 193	12½	12½	12½	Quebec Power.....	15½	16½	16½
Cockshutt Plow.....	6½	6½	6½	Shawinigan Water, etc.....	18½	18½	18½
				Steel Co. of Canada	36	39	39½

† Calculated 44-88½ to £.

CAPITAL ISSUES

THE work of funding short-term obligations, and transferring proprietorship of individual industrial units from private hands to those of the general investor, goes steadily forward. Of this week's five public offers, the largest was made by the *City of Nottingham*, which offered £2,000,000 of a 3 per cent. twenty-three year stock at 98½. The City's advisers were possibly induced by the favourable reception of last week's Central Electricity offer to raise the issue price by a full point over that of their predecessor in the market, the Lanarkshire County Council. The price, however, proved somewhat high, and the stock opened at a small discount on Thursday. Among industrial offers, *William Hancock and Company* offered a First Mortgage Debenture Stock to yield nearly 4½ per cent. The profits of the company, which carries on a brewing, spirit and catering business in South Wales, have shown somewhat wide fluctuation over the last five years, and the "cover" (which was only 1½ times profits in 1932-33), is not generous. *J. W. French and Company*, which offered 5½ per cent. £1 preference shares at a premium of 5 per cent., and 5s. ordinary shares at a premium of 100 per cent., has taken over an old-established flour-milling business, whose recent profits have been relatively steady. The allowance for goodwill is moderate, and the preference dividend appears to be well covered. The prospectus, however, should have shown the amount of recent charges for repairs, replacements, etc., which are declared to have been "heavy." Subscribers to the public offer do not obtain voting control. *Levers Optical Company* is a small concern which takes over a business established in 1919, has made good progress recently, and has satisfactory prospects. The *Galapitakande (Ceylon) Estates* is an Aberdeen company which takes over a tea estate whose purchase price is approximately seven times the average profits of the last nine years, and fifteen times the profits for 1933. The narrow market for the shares renders them unsuitable for many investors. The week's statements "for public information," include two Australian mining enterprises, *Car-*

shalton (B.M.L.) Mines No Liability and *Beryl Gold Corporation*. The formation of the former completes the organisation by the Gold Exploration and Finance group for the development of the Bendigo field. The *Argentine Navigation Company Mihanovich* statement is discussed in a Note on page 787. Brentford and Chiswick Loan will be issued on October 30th.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to October 20, 1934, excluding conversions, £143,551,320.
Total recorded, January 1 to October 20, 1934, including conversions, £332,651,871.

	Nominal Capital	Conver- sions	New Money	First Payment	Further Liability
To the Public					
Levers Optical Co., 120,000 A ord. 5/-	30,000	...	30,000	6,000	24,000
City of Nottingham, £2,000,000 3%	2,000,000	...	1,970,000	100,000	1,870,000
Red. stk. 1937, at 98½	...	...	...	...	...
Galapitakande (Ceylon) Estates, Ltd., 20,000 6% Cum. Pref. £1 at 21/-	20,000	...	21,000	2,500	18,500
Do., 40,000 Ord. £1 at par	40,000	...	40,000	5,000	35,000
J. W. French and Co., 100,000 5½%	100,000	...	105,000	15,000	90,000
Cum. Pref. £1 at 21/-	...	...	...	...	...
Do., 100,000 Ord. 5/- at par	25,000	...	25,000	5,000	20,000
William Hancock and Co., £500,000 4½% 1st Mt. Deb. Stk. at 99 (to repay £361,149 6% Deb. Stk.)	500,000	361,149	133,851	25,000	470,000
Total	2,715,000	361,149	2,324,851	158,500	2,527,500

	Nominal Capital	Conver- sions	New Money	First Payment	Further Liability
To Shareholders only					
Trafford Park Estates, £50,000 4%	50,000	...	50,000	...	...
Deb. stk. at par (to redeem £527,000 5% Deb. stk. at 105)	...	...	...	...	...
Hevea (Johore) Rubber, 422,052 2/- shares at 2/6	42,205	...	52,756	21,102	31,654
Total	592,205	550,000	52,756	21,102	31,654

	Including Conversions	Excluding Conversions	Including Conversions	Excluding Conversions
Total Offered for Subscription—				
Jan. 1 to date—				
1934.....	335,940,627	145,928,927	467,921,560	244,780,500
1933.....	417,623,324	230,897,884	1932.....	2,699,684,265†
1932.....	472,794,031	177,140,729	1931.....	114,200,666
1931.....	108,524,979	97,647,994	1928.....	693,100,038
1928.....	504,011,033	329,981,302		369,058,073

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934.....	91,803,639	15,674,856	38,450,432	145,928,927
1933.....	216,068,942	7,827,766	7,201,176	230,897,884
Whole year—				
1928.....	212,917,900	45,062,600	111,177,600	369,158,100
1932.....	170,172,800	12,773,800	5,963,400	188,910,000
1933.....	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Price Deals Began	Cash Involved
Amount previously recorded.....	23,340,568	...	34,989,025
Gold Coast Associated Companies, 1,200,000 shs. 5/-	300,000	5/7½	337,500
Total to date, 1934.....	23,640,568	...	35,326,525
Total to date, 1933.....	28,725,879	...	31,209,897

PUBLIC OFFERS

City of Nottingham.—Issue of £2,000,000 3 per cent. stock, 1957, at 98 10s. per cent. Stock is redeemable at par on May 15, 1957, by annual sinking fund provision, and is secured on all rates and revenues. Financial statistics: Estimated population, 283,000; rateable value, £1,953,739; rates for year ending March, 1935, 14s. 2d. in the £. Net loan debt at March 31, 1934, £14,091,823, of which £10,580,313 was in respect of productive undertakings. £1,375,000 of proceeds of issue will be used for repayment of short-term mortgages, and remainder for capital expenditure.

Levers Optical Company, Ltd.—Issue of 120,000 "A" ordinary shares of 5s. each at par. Company formed to acquire manufacturing opticians business established in 1919. Further provincial branches now contemplated, and will be financed out of present issue. Net profits after depreciation and mortgage interest for years to August 31: 1932, £6,907; 1933, £7,848; 1934, £11,056. Net assets after mortgage acquired £30,193, consideration being £30,000, to be satisfied as to £10,000 in cash, and as to balance by allotment of 200,000 "B" ordinary shares of 2s. each. Preliminary expenses payable by vendors. "A" shares entitled to *pari passu* participation with "B" shares up to 10 per cent., and thereafter to 25 per cent. of surplus profits.

Galapitakande (Ceylon) Estates, Ltd.—Issue of 20,000 6 per cent. cumulative preference shares at 21s. per share and 40,000 ordinary shares of £1 each at par. Applications received for 10,000 preference and 20,000 ordinary shares will be allotted in full. Company acquires tea estate of same name for £57,500, comprising 798½ acres, of which 515 are tea-bearing. Profits from transactions on account of the estate have been: 1931, £4,631; 1932, Dr. 613; 1933, £3,800.

William Hancock and Company, Ltd.—Issue of £500,000 4½ per cent. first mortgage debenture stock at 99 per cent. Holders of £361,149 6 per cent. stock, called for redemption

on June 1, 1935, have right to convert at par together with cash payment of £4 per cent. Company founded 1887 to acquire brewing business. Net assets, including net proceeds of present issue, £1,055,784. Profits for years to May 31: 1932, £38,684; 1933, £33,106; 1934, £52,335. Proceeds of issue required for conversion as above and for repayment of bank loans.

OFFER FOR SALE

J. W. French and Company, Ltd.—Offer for sale of 100,000 5½ per cent. cumulative £1 preference shares at 21s. per share and 100,000 5s. ordinary shares at 10s. per share. Company formed to acquire flour-milling business of similar name originally founded in 1855 and freeholds of mill sites. Net assets acquired valued at £200,000, including £32,851 for goodwill. Purchase consideration is £229,998 5s. as to £155,000 in cash and as to £74,998 5s. by allotment of 299,993 ordinary shares of 5s. each. Profits for years to December 31st have been: 1931, £26,760; 1932, £23,474; 1933, £27,197. Gresham Trust has purchased the issues at par for preference shares, and 3s. premium for ordinary shares.

BY STOCK EXCHANGE INTRODUCTION

Compañia Argentina de Navegacion Mihanovich Limitada.—Particulars of issued capital, £1,500,000 6½ per cent. first mortgage debentures, 975,000 10 per cent. cumulative participating preference shares and 975,000 ordinary shares of 5.04 gold pesos each. Company has virtual monopoly of river and coastal trade of Argentine. Net surplus assets (taking fixed assets at par and floating items at 16.55 paper pesos to £) after deducting debentures amounted to £2,156,952 at December 31, 1933. Adjusted profits before debenture interest, converted at varying rates, have been: Years to December 31: 1932, £174,329; 1933, £96,294; 6 months ended June 30, 1934, £85,756. Preference dividend is payable exclusively in London at fixed rate of 5.04 gold pesos to £.

Beryl Gold Corporation, Ltd.—Issued capital 1,000,000 shares of 5s. each. Company has acquired share capital of Beryl Gold Mines, Ltd., from Anglo-Australian Gold Development, Ltd., for £132,000 of which £32,000 is payable in cash, and £100,000 by allotment of 400,000 shares of 5s., with option on 200,000 shares at 7s. 6d. up to March 31, 1936. Preliminary estimates of profit, 40s. (Australian) per ton, and at output of 5,000 tons of ore per month, estimated operating profit is £96,000 sterling per annum. £209,200 will be available for working capital.

Carshalton (B.M.L.) Mines.—No liability.—Issued capital, 454,000 shares of A10s. each A1s. paid, and 80,000 shares of A10s. fully paid. Company formed under Victorian Companies Act, 1928, to acquire mining rights over 565 acres at Bendigo, for consideration of 80,000 fully-paid shares of A10s. each. Lease areas extend for 3½ miles along Carshalton line of reef at Bendigo. Site for main shaft has been selected, and orders for plant have been placed. Calls are limited to 6d. per share per month and guaranteed up to 2s. 6d. per share, by Bendigo Mines.

BY TENDER

Liverpool Corporation Bills.—Tenders will be received at the Chief Cashier's Office, at the Bank of England, London, on October 30th, at 1 o'clock, for Liverpool Corporation Bills to be issued under the Liverpool Corporation Act, 1921, to the amount of £1,000,000. The bills will be in amounts of £1,000, £5,000, or £10,000. They will be dated November 2, 1934, and will be payable on March 30, 1935. The tenders must specify the net amount per cent. (being an even multiple of one penny) which will be given for the amounts applied for; and the tenders of private individuals must be made through a London banker. The bills will be issued and paid at the Bank of England.

ISSUES TO SHAREHOLDERS ONLY

Harrisons and Crosfield.—Harrisons and Crosfield is making an offer of deferred ordinary shares to deferred ordinary stockholders registered on October 16th. The stockholders, under the articles, have the option for one month to apply for new deferred ordinary £1 shares at par to the extent of one-half of that portion of the final dividend, less income tax, which is in excess of 10 per cent. per annum.

Hevea (Johore) Rubber Plantations.—The company's agent has obtained options over various allotments of land known as Hock Lim Estate, comprising approximately 1,040 acres fully planted in rubber, at a price of £39 10s. per acre, making a total purchase of £41,052. To provide the company with the requisite funds it has been decided to raise the sum of £52,756 by the issue of 422,052 ordinary 2s. shares at 2s. 6d. per share.



South African and General Investment Trust.—The directors intend to issue the balance of 40,000 ordinary shares of £1. These shares will not rank for any dividend declared before November 1, 1934. It is proposed to offer the shares to the holders of first debenture stock, preference and ordinary shares, registered on October 23rd at par.

PRIVATE PLACINGS

Brakpan Mines, Ltd.—With the object of obtaining funds with which to increase the company's holding of shares in the South African Land and Exploration Company, Ltd., the 28,000 reserve shares of the company have been sold to the Anglo American Corporation of South Africa, Ltd., at the price of £8 5s. per share, and with the funds thus made available, arrangements have been concluded for the company to acquire from the Anglo American Corporation of South Africa, Ltd., 70,000 shares held by that company in the South African Land and Exploration Company, Ltd.

Central Argentine Railway.—A line of £100,000 Five per Cent. Redeemable debenture stock, 1967-87, has been placed privately.

CONVERSIONS AND REPAYMENTS

Austrian 6 per cent. Loan Bonds.—The Bank of England has announced the numbers of 2,531 bonds, amounting to £656,800, of the Austrian Government 6 per cent. Guaranteed Loan, 1923-43, British tranche, which have been drawn for redemption on December 1, 1934.

Czechoslovakian Treasury Bills.—The 5, 5½ and 6 per cent. Czechoslovak Treasury Bills falling due for repayment on November 1, 1934, to the total amount of 850,000,000 crowns, are to be converted into two categories of bills running for more than two years, and carrying interest at the rate of 5 per cent.

Gold Coast 3½ per cent.—The Crown Agents for the Colonies announce that the principal of the Gold Coast Government 3½ per cent. Inscribed stock, 1934-59, will be repaid at par on May 1, 1935. There is £1,030,000 outstanding.

Gothenburg 4 per cent. Loan.—All bonds of the City of Gothenburg 4 per cent. Loan of 1899 have been called for redemption on February 1, 1935, from which day no interest will be paid.

Irish Free State 4½ per cent. Land Bonds.—Over £255,000 of Irish Free State 4½ per cent. Land Bonds have been drawn for redemption at par on and after January 1st next. The bonds drawn comprise 1,792 of series "A" (£1 each), 1,354 of Series "B" (£10 each), and 2,401 of Series "C" (£100 each). The amount of bonds outstanding at January 4th last was £24,875,732.

Italian Municipal Loans.—Local authorities are being empowered to repay in advance loans bearing an interest rate higher than 4½ per cent. Holders will be offered payment in cash or conversion into a new security bearing 4½ per cent. interest. The total involved is estimated at about 4,500,000,000 lire (£78,000,000 at current rates). The saving will be some 50,000,000 lire (£870,000), which will be used in reduction of local taxation.

Trafford Park Estates.—The company intends to redeem on April 16, 1935, the outstanding 5 per cent. first mortgage debentures at 105 per cent. In connection with such redemption, the company will create, and issue £550,000 (part of £750,000) 4 per cent. first mortgage debenture stock.

FORTHCOMING ISSUES

Alpha Cement Company.—An extraordinary general meeting is to be held on November 9th to consider resolutions that: (1) the capital be increased to £900,000 by the creation of 200,000 preference £1 shares carrying the right to a cumulative dividend of 5½ per cent. and to priority for capital and arrears of dividend without further participation, together with voting rights in certain circumstances only. The company is to have the power to create from time to time further preference shares (not exceeding in the aggregate 200,000 £1 shares) ranking *pari passu* with the 200,000 preference shares now created; and (2) the articles of association be amended.

(Continued on page 798)

(c) Interim dividend. (d) 10% dividend. (e) 15% dividend. (f) 15% dividend. (g) 15% dividend. (h) 15% dividend. (i) 15% dividend. (j) 15% dividend. (k) 15% dividend. (l) 15% dividend. (m) Dividend for 15 months yield worked on a 5% per cent. basis. (n) Based on a dividend of 15 percent. (o) Calculated on basis of 5 annas dividend per share paid for 1933-34. Taken at 16 annas to one rupee. (p) Annas per share. (q) Also bonus 300 per cent. from reserves in A shares. † Free of Income Tax.

(Continued from page 795)

Springs Mines, Ltd.—The consulting engineers have recommended that the capacity of the reduction plant should be increased. It is estimated that the cost of the new plant and the necessary additions to mining equipment, etc., to handle the larger tonnage will be in the neighbourhood of £450,000, and in order to provide the necessary funds arrangements have been concluded for the sale at the price of £8 per share to the Anglo American Corporation of South Africa, Ltd., of 60,000 new shares which it is proposed should be created. It is the intention of the board, if the latter authority is granted it, to sub-divide the present £1 shares into shares of the nominal value of 5s. each.

Vogelstruisbult Gold Mining Areas, Ltd.—In order to provide further working capital to meet the requirements of the development programme the directors have increased the capital of the company by the creation of 1,370,000 new shares of the nominal value of 10s. each, the total capital now being £1,700,000 in 3,400,000 shares of the nominal value of 10s. each. New shares will be subscribed for in terms of the agreement adopted by the company on formation.

National Coke and Oil Company.—The issue of ordinary and preference shares in National Coke and Oil Company is expected to be made next week.

Prices Trust Company.—An issue of 500,000 5½ per cent. cumulative preference shares £1 at 20s. 6d. per share will be made early next week.

Boulton and Paul Aircraft, Ltd.—An issue is expected of 1,000,000 shares of 5s. each at par.

RESULTS OF ISSUES

Central Electricity Board.—The list for the issue at 93 of £6,000,000 Central Electricity 3½ per cent. stock, 1974-94, was closed at 9.15 a.m. October 19th.

Nottingham 3 per cent. Stock.—The subscription list for the issue at 98½ of £2,000,000 stock was closed at the end of banking hours on October 24th.

Johannesburg Loan.—The subscription list for the issue by the Municipality of Johannesburg of a loan of £2,000,000 at an issue price of 98½ per cent. and bearing interest at the rate of 3½ per cent. per annum, was over-subscribed in Johannesburg within half an hour on October 23rd.

New Zealand Loan.—Authority to borrow £4,000,000 for public works, £1,000,000 for hydro-electric work, and £1,000,000 for the construction of main highways is sought in a Finance Bill to be introduced into the New Zealand House of Representatives.

J. W. French and Company.—Lists closed 9.5 a.m. October 25th.

Lanarkshire Loan.—3 per cent conversion, £2,230,000. Basis of allotment, 10 per cent.

CALLS DUE OCTOBER 29 TO NOVEMBER 3, 1934

The grand total of calls falling due in October, 1934, is £3,366,662, which compares with £2,342,678 which fell due in October, 1933. The following calls fall due from October 29, 1934, to November 3, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making 'Paid'
5/-	Beryl Gold Corporation, Ltd. (640,000 shares, at par)	1/- p.s.	Oct. 29	1/- p.s.
£1	British Aluminium, Ltd. (998,966 Ord. shares at 27/8)	8/- p.s.	Nov. 1	All
£1	British Aluminium, Ltd. (500,000 6% Cum. Pref. shares, at 24/6)	7/- p.s.	Nov. 1	All
Stock	British Aluminium, Ltd. (£1,000,000 4% Mort. Deb. stock, at 99%)	£34%	Nov. 1	All
£1	British Tabulating Machine, Ltd. (105,000 6% Cum. Pref. shares, at 20/8)	10/- p.s.	Nov. 1	All
£1	Carroll (P. J.) and Co., Ltd. (270,116 Ord. shares, at 25/-)	10/- p.s.	Oct. 31	All
£1	Carroll (P. J.) and Co., Ltd. (388,887 6% Cum. Pref. shares, at 21/-)	11/- p.s.	Oct. 31	All
Stock	Central Electricity Board 3½% stock (1974-94) (£6,000,000 at 93%)	£13%	Nov. 2	£18%
Stock	Dunlop Rubber, Ltd. (£2,620,200 4% Deb. stock, at par)	£30%	Nov. 2	£70%
£1	General Gas and Electricity, Ltd. (35,000 5% Red. Pref. shares, 1954-69, at par)	20/- p.s.	Oct. 31	All
£1	General Gas and Electricity, Ltd. (£40,000 4½% Red. Deb. stock, 1968, at par)	£100%	Oct. 31	All
£1	Gold and General Investment Trust, Ltd. (55,000 shares, at 22/8 per share)	5/- p.s.	Nov. 1	15/- p.s.
2/-	Iphig Rubber Estates (1932), Ltd. (partly-paid shares)	2d. p.s.	Oct. 31	All
£1	Monsanto Chemicals, Ltd. (400,000 5½% Red. Cum. Pref. shares, at 20/8)	10/- p.s.	Nov. 1	All
Stock	North Wales Power, Ltd. (£1,468,100 3% Guar. Deb. Stock, 1946-53, at £100%)	£95%	Oct. 31	All
5/-	Oceana Development, Ltd. (87,880 shares, at 20/- per share)	5/- p.s.	Oct. 31	15/-
£1	South African and General Investment and Trust, Ltd. (40,000 Ord. shares, at par)	3/- p.s.	Oct. 30	3/- p.s.
Stock	Stewarts and Lloyds, Ltd. (£550,000 4% Deb. stock, at par)	£50%	Oct. 31	All
Stock	Trafford Park Estates, Ltd. (4% First Mort. Deb. stock, at par)	£10%	Nov. 2	£10%

RECORD
BONUS
RECORD

WHOLE - LIFE BONUS
INCREASED to: **45/- %**
per annum

ENDOWMENT ASSURANCE
BONUS MAINTAINED **40/- %**
at: per annum

INTERIM BONUS, 1934,
same rates

CARRY FORWARD INCREASED
from £483,159 to £674,364

THE
LIVERPOOL & LONDON & GLOBE

INSURANCE COMPANY, LTD.

Head Office: 1, Dale Street, Liverpool, 2. London: (Chief Office) 1, Cornhill, E.C.3.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Oct. 17, 1934	Price, Oct. 24, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	6d-9d pm	4½d-7½d pm
Airspeed (1934) Pref. Ord. 5/-	5/-	Fypd	6/4½-6/7½	5/--5/3
Argentine 4½% (2nd Series)	93½	13½	1-1 dis	1 dis-par
Argentine Navigation 10% Pref.	5/-	Fypd	2/8-3/1½	2/8-3/1½
Ascott's Pharmacies 5/-	5/-	Fypd	8/10½-9/4½	8/9-9/1½
Do. do. 7% Pref. 10/-	10/-	41	1½-1 dis	1-1 dis
Assoc. British Picture Corp. 5% Deb.	101	20/-	3/-	1/6-2/- pm
Ault and Wiborg Ord.	20/-	3/-	...	1/6-1/8 pm
Do. do. 5½% Pref.	20/-	3/-	...	par-1 pm
Blackpool 3%, 1960	98½	10	par-1 pm	1½-1½ pm
Central Electricity 3½% Stk.	93	5	35/--36/- pm	35/--36/- pm
Clan Line Steamers New Ord.	21/-	2/6	1/--1/6 pm	1/--1/6 pm
Do. do. 5½% "B" Pref.	20/8	10/6	12/--12/3	3d dis-par
Colvilles 5½% Pref.	11/-	Fypd	22/9-22/3	12/4½-12/7½
Eno Props. Ord. 5/-	5/-	Fypd	22/9-22/3	23/1½-23/7½
Do. 5½% Pref. £1	5/-	3/-	3d dis-par	6d-3d dis
General Aircraft	10/-	5/-	3/3-3/9 pm	2/9-3/3 pm
Gold Ex. and Finance Aust. Ord.	1/-	Fypd	3/1½-3/4½	3/3-3/6
Green (Herbert) 1/-	20/-	5/-	1/6-2/3	1/6-2/3
Do. 6% Deb.	100	50	44-47	45-48
Griffiths Hughes Prop. Ord.	20/-	Fypd	46/1½-46/4½	45/6-45/9
Do. do. 5½% Cum. Pref. £1	20/-	Fypd	23/6-24/6	23/6-24/6
Jackson Brothers 6½% Pref.	7/6	Fypd	23/9-24/9	23/--24/-
James and Shakespear New Ord. 5/-	7/6	Fypd	7/6-7/9	7/7½-8/-
Do. do. 5½% Pref. £1	7/6	Fypd	17/4½-17/7½	17/6-18/-
Kapala Rubber Ord. 2/-	2/-	Fypd	1/6-2/-	1/9-2/-
Do. do. 7½% Pref. 2/-	2/6	Fypd	2/4½-2/7½	2/4½-2/7½
Malacca Rubber £1	22/6	12/6	3/3-3/9 pm	2/6-3/- pm
Mayfair and Gen. Prop. 5% Deb.	100	15	1-2 pm	1-2 pm
Monsanto Chemicals 5½% Pref. £1	20/6	10/6	6d-9d pm	6d-9d pm
Mount Morgan 5/-	7/6	Fypd	28/3-28/9	26/9-27/3
Murex New Ord. 10/-	£4	£1	1½-1½ pm	1½-1½ pm
New Machavie Gold	5/-	Fypd	16/--16/6	1½-1½
Nigeria 3%, 1955	97½	5	1½-1½ pm	1½-1½ pm
Odham's Properties 5% Deb.	100	15	5-6 pm	5-6 pm
Oslo Union Co. 5½% Deb.	94	Fypd	97½-98½	98½-98½
Oxford and Berks Cinemas 7% Pref.	20/-	10/-	5/3-5/9 pm	5/7½-5/10½ pm
Powell Duffryn Pref. Ord. 5/-	20/9	Fypd	7½d dis-1½d dis	20/4½-20/9
Plymouth 3%, 1954	97½	25	1½-2½ pm	1½-2½ pm
Rubber Regenerating	20/-	Fypd	18/4½-18/7½	18/4½-18/9
Salford Corp. 3½%, 1954-64	100	30	par-1 pm	1-1 pm
Sheffield 3%, 1954	98½	28½	1-1 dis	1-1 dis
Stanton Iron, New 6½% Pref. £1	25/-	17/6	2/--2/6 pm	2/--2/6 pm
Stockport 3½%, 1954-64	100	50	100½-100½	1½-1½ pm
Stoke 3½%, 1955-65	100	20	1½ dis-1½ pm	par-1 pm
Streitford 3½%, 1955-55	Par	20	1½-1½ pm	par-1 pm
United Steel 4% Deb.	Par	30	1½-1½ pm	1-1 pm
United Sui Betong Rubber £1	50/-	...	3/3-3/9 pm	2/3-2/9 pm
Van Dyk Consolidated	10/-	Fypd	1½-1½	1½-1½
Walsall 3½%	100	55	1½-1½ pm	1½-1½ pm
Watende Mines	5/-	Fypd	7/7½-7/10½	7/6-7/9

OIL OUTPUTS

THE ATTOCK OIL COMPANY, LTD.—Production for September: 6,913 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended October 20th: Venezuela, 18,094 barrels; Trinidad, 31,535 barrels; total, 49,629 barrels.

PHENIX OIL AND TRANSPORT COMPANY, LTD.—The gross production of crude oil of the Phoenix group of companies for September was 79,340 tons.

THE MEXICAN EAGLE OIL COMPANY, LTD.—Production for the week ended October 13, 1934, was 342,000 barrels.

STEAUA ROMANA (BRITISH), LTD.—Production of the Steaua Romana Company, Bucharest, for the month of September was 101,559 metric tons.

TRINIDAD LEASEHOLDS, LTD.—Oil produced during September, 35,500 tons; oil purchased during September from other companies, 66,300 tons.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended October 20, 1934, was:—Bolívar district, 655,194 barrels; Maracaibo district, 35,938 barrels; total, 691,132 barrels.

COMPANY MEETINGS, &c.

THE ANGLO-SOUTH AMERICAN BANK, LIMITED

IMPROVING TRADE CONDITIONS

The forty-sixth annual general meeting of the Anglo-South American Bank, Limited, was held, on the 24th instant, in London, Sir Bertram Hornsby, C.B.E. (the chairman), presiding.

The Chairman, in the course of his speech, said: You will no doubt have noticed that in the directors' report we have permitted ourselves the luxury of a mild expression of hope regarding the future, and you may perhaps have wondered how this expression could be reconciled with the statement that there had been no improvement in international trade. I should like to quote certain statements from the last annual report of the Bank of International Settlements, an institution which, though of recent creation, is already fulfilling an important rôle and is well qualified to form an opinion on world conditions. This report—it is dated May 14, 1934—says:—

"In international financial and monetary relations the twelve months have seen a series of retrograde developments—more moratoria, more transfer impediments, more artificial clearings, more gold hoardings than during any year on record, more conversion of foreign balances and their repatriation into the home currency or in gold by private and central banks, an almost complete cessation of new long-term lending abroad, and a further limitation or reduction of the volume of short-term credits."

PROGRESS IN THE NATIONAL FIELD

It then goes on, however:—

"But in the national field, marked progress has been made. Indeed, as world conditions stand to-day, it may well turn out that the shortest, though hardest, route back to the healthy and stimulating financial and economic internationalism which existed almost unnoticed in so widespread a degree before the war will be found to pass first through an area of nationalism, in which each country endeavours to liquidate the past by its own efforts and strives for national reconstruction by isolated endeavour. In a considerable number of countries, national indices have begun to show signs of improvement; a recovery in industrial production, a great decline in unemployment, a brisker movement of goods to consumers, a strengthening in raw material prices, a lowering of the rates at which credit and capital are available, a firmer tendency on the stock markets, and an adjustment of production costs and prices. In other words, evidences that equilibrium is being gradually re-established, thanks to thousands of individual economies and efforts, and to those deep forces which determine the cyclical movements in economic life."

These quotations indicate very clearly that, in the opinion of this high authority, local trade and commerce are improving, and that such improvement is a condition precedent to a revival of international trade relations.

IMPROVEMENT IN CEREAL PRICES

With regard to the prices of some of the most important commodities affecting South American countries, we have to note that in Argentina, in particular, the price of cereals shows a marked increase, with corresponding advantage to the agricultural community. Had the increase in the price of wheat been due to the fact that more bread was being eaten the ground for satisfaction would have been more solid; unfortunately it is due to drought in other countries.

We still maintain a strong position of liquidity, the proportion of cash to deposits being 29½ per cent., as against 32½ per cent. the previous year and 17 per cent. the year before that. The apparent decrease in gross profits is £228,000 and in expenses £225,000. In actual fact, had the same rates of conversion as those used the previous year been employed, gross profits would have shown a decline of about £13,000 and expenses a decline of about £77,000. We have again decided to pay the dividend on the preference share capital, but to pursue the policy of conserving our resources. We propose to transfer the profit of the year to contingency account and to maintain the carry-forward at the same figure.

You will doubtless expect me to refer to the nitrate industry and the reorganisation of Cosach which took place a short time ago. In a matter of such complexity it would be impossible for me on this occasion to do more than give you a brief indication of the manner in which the bank's interests are affected.

I would begin by reminding you that the bulk of our claims was taken off our books as part of the arrangement made with the Bank of England and its associates in June, 1932, though we still have a contingent liability under a deferred guarantee for their realisation. The situation is now governed by a law

enacted by the Chilean Government in January last. The old Cosach has been dissolved, and its two subsidiaries, the Anglo-Chilean Nitrate Corporation and the Lautaro Nitrate Company, have regained their independence. The production of nitrate will be carried on by these two latter and by a new producing entity which has been formed in the place of Cosach. A sales corporation has been established, with the sole right of selling nitrate and iodine, to which the producers will sell their production at cost price, any profit arising therefrom being returned to them in due proportion after payment of expenses and certain prior charges. These prior charges include (a) a debt to the Banco Central; (b) 25 per cent. of profits to the Government, which, having taken back its own nitrate grounds against surrender of its shareholding in Cosach, makes no further claim on the industry; and (c) the service at a maximum rate of 6 per cent. on some U.S. \$52 millions of bonds, in which figure I include the £3 millions issued in Europe.

THE RAMIREZ DEBTS

The law provides that the so-called Ramirez debts, with which we are principally concerned, shall be assumed by the producing companies responsible, and shall be repaid, first out of the proceeds of the gradual liquidation of stocks existing on July 1, 1933, and also out of future profits, always subject to the charges already mentioned. In the case of the larger portion of these debts interest has ceased to run after June 30, 1934. It will be seen, therefore, that the repayment of these debts depends to a very large extent on whether nitrate can be sold in sufficient quantity and on such terms as to leave a reasonable margin of profit. Regarding the possibilities of the future in these respects I dare not venture a forecast. For the moment I can only mention that the cessation which has recently been brought about of a price-cutting competition with synthetic producers seems to offer better prospects for both parties in the near future.

I concluded my remarks last year by saying that it was not possible to offer an expression of opinion regarding the future until the result of the measures then being taken in the United States of America was seen. In the interval measures of even greater import have been taken in that country, and others still threaten, so that we seem farther away than ever from being able to form a judgment as to the future. Until conditions are more settled we must perforce live from day to day, trusting that in time the world will return to a more normal state.

The report and accounts were unanimously adopted.

HOSCOTE RUBBER ESTATES, LIMITED

POSSIBILITY OF FURTHER EXTENSIONS

The meeting of Hoscode Rubber Estates, Limited, was held, on the 23rd instant, at 1-4 Great Tower Street, London.

Mr Eric Macfadyen (the chairman), in the course of his speech, said that since the last meeting the position of rubber-producing companies had been much ameliorated by international regulation of exports. The new arrangements had been in force for only one month of the twelve covered by the accounts, but throughout the whole period there had been a growing belief in the probability of some scheme, and prices had gradually improved. This company's average price came out at 5.7d. per pound, as compared with 3.39d.

Costs, which had been cut to the bone when the crop was being sold at a loss or was barely paying, had also been on the upgrade, but the net result was that, whereas for thirteen months to June 30, 1933, their profits had been £180, for the twelve months ended June 30, 1934, they were £3,674.

The debenture stockholders had given the company power to convert the debenture stock into ordinary shares at par plus a cash premium of £10 per cent., which premium might be used to apply for seven fully-paid ordinary shares in respect of every £10 of premium. The board had decided to call up the outstanding liability of 4s. per share, thus ensuring cash resources adequate to all foreseeable capital needs.

It would be another week or two before they knew exactly the figure at which their issued capital would work out; but it would be round about £130,000. They had before them possibilities in the way of further extending the company's interests, to which they would give serious attention as soon as the balance sheet was definitely cleared up. It was impossible as yet to estimate the output for the current year, but he did not anticipate that they would have to curtail their rate of output to any great extent, if at all. The industry was now, they hoped, relatively stabilised on the basis of a fair economic return on the money invested in such a company as theirs.

The report and accounts were unanimously adopted.

THE TANGOEL RUBBER ESTATES, LIMITED

BETTER FORWARD SALES PROSPECTS

The annual ordinary meeting of the members of the Tangoel Rubber Estates, Limited, was held, on the 24th instant, at the registered office of the company, Fenchurch House, 5 Fenchurch Street, London, Mr Walter Hilliers, chairman of the company, presiding.

The Representative of the Secretaries (Messrs Rowley, Davies and Company, Limited) having read the notice convening the meeting and the auditors' report,

The Chairman said: You will have seen that, though the trading account shows a small profit, the result, after allowing for usual depreciations and staff commissions, shows a loss of some £369, which compares with £1,260 last year. As you no doubt understand, the price obtained for our rubber was, to a great extent, influenced by our forward contracts, which, though entirely justified at the time, have not turned out satisfactorily; it is, I believe, the first time in our experience that our forward selling has not proved profitable. However, there are only 30 tons to deliver now against the forward sales, so that to the extent of some 80 per cent. of our production we shall be able to profit by such prices as will be ruling.

We should always, of course, remember that we are heavily handicapped as regards exchange, and were it not for this it would be possible to show much better results.

The usual attention has been given to the upkeep and the condition of the estates and our reports are satisfactory.

The financial position is good, so that in this respect, also, we can look with confidence to the future.

I will now move: "That the directors' and auditors' reports and audited balance sheet and accounts to June 30, 1934, as circulated to the members, be taken as read, and that the same be and are hereby adopted."

Sir Edward Rosling seconded the motion, which was unanimously adopted.

MURCHISON GOLD DEVELOPMENT, LIMITED

BOARD'S PROGRAMME OUTLINED

The statutory meeting of Murchison Gold Development, Limited, was held, on the 19th instant, at River Plate House, London.

Mr. John Waddington, J.P. (the chairman), said that they were amply protected financially to carry out properly and efficiently the policy of the board and the development plans outlined. They had further arranged, as and when they might decide to assist the finance of Emu Gold Mines, Ltd., and Riverina Gold Mines, Ltd., the Western Australian companies in which they were so vitally interested, by making advances to them, to obtain the required money from their Western Australian bankers on overdraft.

Exploratory and development work advised by the experts was to be started immediately. Based on the reports received on the properties from Government and independent mining engineers alike they had every confidence in the future possibilities of the mines.

Mr. C. A. de Bernales said that he believed that their mines held a most hopeful future and an excellent prospect of success. The official records of Emu Reservations Nos. 577 and 661 showed that those properties had treated 925,632 tons, yielding £1,323,845, taking gold at 85s. per ounce. Uncovered gold in the residues had been estimated as equal to about 6s. per ton, thus making the gross head value of the ore treated 36s. per ton. The Waroonga Mine workings extended about 1,500 ft. lineally and vertically to 560 ft. They had every ground for believing that, given the expected continuity at depth of the ore body in size and value, they held a very important and payable gold producer.

The Riverina Gold Mine had a most attractive record, 28,450 tons of ore having been treated for an average of 15 dwts. A borehole put down for test purposes had struck the lode at a depth of 465 ft., and for 4 ft. its value was 23 dwts. fine gold. When worked the lode had maintained a long horizontal persistence and proved to continue vertically to nearly 500 ft. Their engineers estimated the probable ore above the No. 3 level at 20,000 tons, with an average value of 15 dwts. fine gold. The Riverina mine should be speedily brought into profitable production, and in 1935 bulk crushings to test the ore bodies could be expected.

He had no hesitation in expressing the opinion that in the Waroonga, Great Eastern and Riverina mines the company had become interested in properties possessing great possibilities.

VAN DYK CONSOLIDATED MINES, LIMITED

PREPARATORY WORK WELL IN HAND

PROGRAMME OF OPERATIONS

MR P. M. ANDERSON'S SPEECH

At the statutory meeting of the company, held in Johannesburg, on Friday, September 28th, 1934, Mr P. M. Anderson, the chairman of the company, presided, and in the course of his remarks said:—

The statutory report was framed as at August 28th, at which date 1,750,000 shares of the nominal value of ros. each had been allotted. In terms of the flotation agreement, 500,000 of these shares were subscribed at par by the Van Dyk Proprietary Mines, Limited, and 300,000 by the East Vogelfontein Exploration (Proprietary), Limited, out of the funds received by these companies as purchase consideration for transfer of their undertakings and assets; 250,000 were similarly subscribed by the Union Corporation, Limited, against cash received in respect of the cancellation of the indebtedness of the Van Dyk Proprietary Mines, Limited, and for waiving its option over 60,000 shares of that company; and the remaining 700,000 were subscribed at par by the Union Corporation, Limited, to provide working capital for your company.

Since the date of the report the capital has been increased to the full initial capital of 2,550,000 shares by the creation of 800,000 fully paid shares, which, in terms of the agreements, have been offered for subscription at par to the East Vogelfontein Exploration (Proprietary), Limited, as to 300,000 shares and to the shareholders of the Van Dyk Proprietary Mines, Limited, registered in the books of that company on July 7th as to 500,000 shares. The subscription of these 800,000 shares was guaranteed by the Union Corporation, Limited, free of Commission, and applications were received for a total of 780,133, leaving 19,867 to be subscribed by the guarantors.

AMPLE FUNDS ASSURED

The flotation arrangements have thus proceeded as planned, and ample funds, namely, £750,000, have been assured for the preliminary stage of mining operations on your extensive area of 5,330 claims, which is situated between the properties of the East Rand Proprietary Mines and Brakpan Mines. You are aware, of course, that a considerable amount of development work has been done in the past on both the Van Dyk Proprietary and East Vogelfontein sections, resulting in the exposure of a substantial quantity of ore averaging in value about 6 dwts. The first stage programme provides for the equipment of some of the existing vertical shafts, the further sinking of the No. 2 Vertical Shaft of the old Van Dyk Company to the reef, the sinking of incline shafts and the carrying out therefrom of prospecting operations by means of ordinary development. If, as is expected, the ore disclosures in the course of this work justify the erection of a reduction plant, the second stage would comprise the carrying out of further development and the full equipment of the property, including the erection of a reduction plant of suitable capacity, which at present is estimated at about 800,000 tons per annum.

SCOPE OF THE AGREEMENTS

The agreements adopted by your company envisaged that part of the necessary funds for the second stage operations would be provided by the holders of the preferent right to subscribe for 1,600,000 shares at par and the remainder by issues out of the 850,000 reserve shares at the discretion of the board of directors and in the best interests of the shareholders. With the consent of the holders of the preferent right this arrangement has been modified so as to permit of reserve shares being offered to shareholders concurrently with offers of shares to the preferent right holders and at the same price, provided that the number of shares so offered to shareholders shall not exceed one for every two offered to preferent right holders. Shareholders thus secure certain subscription rights at par concurrently with the guarantors of the venture.

When the production stage is reached a share of the profits will be payable to the Government, which is to be calculated according to the formula " Y " = $\frac{381.30}{19.06 - X}$ with a

minimum of 5 per cent. In this formula " X " is the ratio of profit (less amortisation of capital expenditure) to recovery expressed as a percentage and " Y " is the percentage of the net profit payable to the Government. Under this formula the Government proportion of the profit amounts to the minimum of

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended October 20, 1934, amounted to £14,583,000, against ordinary expenditure of £13,533,000. After allowing for a decrease in Exchequer Balances of £392,718, the operations for the week, as shown below, decreased the National Debt by £1,176,000 to approximately £8,101 millions.*

(000's omitted)

Treasury Bills	+ 1,530	Public Department Advances ...	- 2,750
3% Funding Loan	+ 75	N. Atlantic Shipping Issues	- 22
		Temporary Advances	- 9
	+ 1,605		- 2,781

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Oct. 20, 1934	April 1, 1933, to Oct. 21, 1933	Week ended Oct. 20, 1934	Week ended Oct. 21, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	58,119,000	49,775,000	1,014,000	842,000
Sur-tax	50,000,000	9,030,000	9,620,000	110,000	180,000
Estate, etc., Duties	76,000,000	43,790,000	48,090,000	1,100,000	1,460,000
Stamps	25,000,000	10,140,000	9,400,000	150,000	220,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	180,000	...	...
Total Inland Revenue	372,500,000	121,229,000	117,065,000	2,374,000	2,712,000
Customs and Excise—					
Customs	183,650,000	104,438,000	100,557,000	3,317,000	3,788,000
Excise	106,350,000	59,100,000	50,800,000	5,806,000	5,300,000
Total Customs and Excise	290,000,000	163,538,000	161,357,000	9,123,000	9,588,000
Motor Vehicle Duties (Exchequer share)	5,000,000	1,978,000	1,722,000	Dr 100,000	Dr 259,000
Post Office (Net receipt)	14,000,000	9,200,000	8,200,000	1,150,000	1,100,000
Crown Lands	1,220,000	650,000	540,000	...	...
Receipts from Sundry Loans	9,800,000	2,912,196	3,321,965	...	...
Miscellaneous Receipts	20,000,000	10,556,394	16,704,340	2,035,790	13,031
Total Ordinary Revenue	706,520,000	310,031,590	308,910,305	14,582,790	13,154,031
SELF-BALANCING REVENUE					
Post Office	60,463,000	30,500,000	30,550,000	650,000	800,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	8,270,000	7,642,000	100,000	259,000
Total Self-Balancing Revenue	84,718,000	38,770,000	38,192,000	750,000	1,059,000
Total	...	348,801,590	347,102,305	15,332,790	14,213,031

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Oct. 20, 1934	April 1, 1933, to Oct. 21, 1933	Week ended Oct. 20, 1934	Week ended Oct. 21, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	128,764,967	127,411,987	4,433,067	4,817,236
Payments to Northern Ireland Exchequer	6,500,000	2,934,354	3,069,729	...	...
Other Consolidated Fund Services	3,700,000	1,689,840	1,768,488	...	...
Post Office Fund	2,000,000	...	...	...	4,507
Total	236,200,000	133,389,161	132,250,204	4,433,067	4,821,743
Total Supply Services (excluding Post Office)	466,296,000	242,976,319	235,048,576	9,100,000	7,650,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	376,365,480	367,298,780	13,533,067	12,471,743
Payments to U.S.A. Govt. ...	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	376,365,480	369,139,996	13,533,067	12,471,743
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	30,500,000	30,550,000	650,000	800,000
Road Fund	24,255,000	8,270,000	7,642,000	100,000	259,000
Total Self-Balancing Expenditure	84,718,000	38,770,000	38,192,000	750,000	1,059,000
Total	...	415,135,480	407,331,996	14,283,067	13,530,743

5 per cent. when the ratio of profit to recovery does not exceed 25 per cent., and the proportion rises gradually to 12.7 per cent. when the profit ratio is 60 per cent. This formula is applicable to the Consolidated area as at present constituted and is subject to adjustment in the event of any change in the proportion of lease area to consolidated area.

With regard to the commencement of operations, preparatory work is well in hand, but some delay is expected in obtaining delivery of winding engines, as overseas manufacturers appear to be fully occupied with orders owing to the general increase in mining activity. Dates of delivery of the winders are still uncertain, but they should be in use late in the first half of next year. Meanwhile all other sections of the preparatory work are being pushed forward.

The Statutory Report, together with the amendments to certain Agreements referred to therein, were adopted.

PERAK RIVER HYDRO-ELECTRIC POWER COMPANY, LIMITED

FORECASTS MORE THAN FULFILLED

The eighth annual general meeting of the Perak River Hydro-Electric Power Company, Limited, was held, on the 25th instant, at Winchester House, Old Broad Street, London, E.C.

Mr George Balfour, J.P., M.P. (the chairman), said that the report and accounts submitted that day justified the somewhat bold forecast made at the last annual general meeting, when, after reviewing the position at that date, he had indicated an increase in the amount carried to the net revenue account of at least 100 per cent. over the figure for the previous year. The actual net revenue at £116,454 showed an increase of 126 per cent.

They had made marked progress during the past financial year, as shown by increased output and net revenue, but they had also made progress in other directions which he regarded as equally important. He referred to their relations with all parties with whom they conducted business or with whom they had to come into contact in the ordinary course of their affairs. The relations of the management and staff in Malaya with their consumers, prospective consumers and officers of the F.M.S. Government were based on a mutual understanding that they were working for the proper development of electricity supply in the Peninsula on sound lines.

Considerable progress had been made during the year in connecting new business, which, together with the improved demand from old consumers, should be reflected in another substantial increase in the current year's account. The world appeared to have emerged from its hopelessly chaotic condition and was beginning to settle down, so that the various consuming countries could set their houses in order. They had now every reason to believe that the trade upon which the Malay Peninsula so much depended was at a level which was likely to be maintained, and, under normal conditions, the present total value of the output of Malayan commodities should be considerably exceeded.

Having carefully considered all the factors in the situation, the directors had come to the conclusion that the time had now arrived to consider the reorganisation of the financial structure of the company, and would accordingly submit a scheme during the current financial year unless some very disturbing factor emerged which was not visible at present. Some time must necessarily elapse before a scheme could be presented. The scheme should make provision for the elimination of the prior lien at the earliest due date, and the 5 per cent. guaranteed stock should be the only loan or debenture charge on the scheme coming into force. The share capital structure should provide for future capital for proper development, and, in addition, provide power to issue capital for the acquisition of properties of sufficient revenue-producing capacity, and must also deal with outstanding loan, participating debentures, preference and ordinary shares to the fullest possible extent in order of priority.

The balance after paying all expenses amounted to £116,453, out of which they had paid or provided interest on the prior lien stock and guaranteed debentures, interest on the guaranteed debenture stock advance and guaranteed debenture stock redemption, leaving £159, which had been carried to the balance sheet, reducing the debit balance to £39,500.

Regarding the prospect for the current year, he thought he could hazard a guess that they might have a very substantial increase, though possibly not as great as that of last year. Whatever the profits, however, they had so much to write off that they could only look forward to paying the same charges as during the past year until they had carried out a capital reorganisation.

The report and accounts were unanimously adopted.

The aggregate revenue and expenditure to October 20, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO OCTOBER 20, 1934
(000's omitted)

Expenditure	376,366	Revenue	310,032
		Decrease in balances	123
		Gross increase in borrowing £70,456	
		Less—	
		New Sinking Fund	4,245
		Net borrowing	66,211
	376,366		376,366

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Oct. 21, 1933	Mar. 31, '34	Oct. 20, '34	Oct. 20, '34
Advances by Public Departments	35,650,000	44,900,000	52,550,000	— 2,750,000
Treasury Bills outstanding	871,490,000	799,810,000	832,275,000*	+ 1,530,000
Total Floating Debt	1,007,140,000	844,710,000	884,825,000	— 1,220,000

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on October 19, 1934, and the total amount applied for was £52,340,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 16s. 4d., about 38 per cent., and above in full; Saturday, at £99 16s. 5d., and above in full. The average rate per cent was 14s. 3.27d. The amount allotted was £32,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	81,860,000	43,950,000	2 3 3.79
July 1	45,000,000	59,845,000	45,000,000	0 16 11.82
October 7	55,000,000	100,325,000	50,000,000	0 16 11.24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10.84
July 7	45,000,000	83,890,000	42,000,000	0 10 4.85
October 6	45,000,000	100,450,000	45,000,000	0 12 9.98
1934				
January 5	35,000,000	78,280,000	30,000,000	0 18 11.5
April 6	40,000,000	60,390,000	38,000,000	0 17 9.01
July 6	35,000,000	62,745,000	32,000,000	0 16 4.14
September 21	40,000,000	65,585,000	35,000,000	0 9 3.45
September 28	35,000,000	42,075,000	35,000,000	0 14 2.38
October 5	35,000,000	65,260,000	31,500,000	0 15 9.702
October 12	35,000,000	54,275,000	31,000,000	0 14 5.74
October 19	35,000,000	52,340,000	32,000,000	0 14 3.27

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended October 6 1934	775,951	£ 620,761
Week ended October 13, 1934	777,883	£ 622,146
February, 1916, to October 13, 1934	1,199,552,797	£ 945,571,938

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, October 24, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£
In Circulation	374,703,076	Other Government Securities	11,015,100
In Banking Department	77,298,111	Other Securities	244,902,446
		Silver Coin	1,135,936
		Amount of Fiduciary Issue	2,946,518
	452,001,187	Gold Coin and Bullion	192,001,187
			452,001,187

OFFER TO NEW READERS

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

8 Bouverie Street, E.C.4.

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

Name.....
Address.....

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	81,279,164
Rest	3,124,856	Other Securities	
Public Deposits	22,357,765	Discounts and Advances	£8,246,208
Other Deposits		Securities	£10,903,851
Bankers'	£100,742,604		
Other Accounts	£37,600,923	Notes	19,149,859
		Gold and Silver Coin	77,298,111
7-day and Other Bills	138,343,527		657,074
	5,060		
	178,384,208		178,384,208

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

Both Departments	Amount, Oct. 24, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	374,703,076	— 2,514,159	+ 5,444,766
Public deposits	22,357,765	+ 4,841,701	+ 6,452,753
Bankers' deposits	100,742,604	— 3,748,203	+ 3,403,557
Other deposits	37,600,923	+ 157,213	+ 8,173,905
Seven-day bills	5,060	—	+ 3,616
Total outside liabilities	535,409,428	+ 1,263,448	+ 323,678
Capital and rest	17,677,856	+ 26,185	+ 11,091
Government debt and securities	337,196,710	+ 106,085	+ 5,717,237
Discounts and advances	8,246,208	— 1,222,125	+ 254,822
Other securities	12,039,587	— 142,689	+ 5,331,574
Silver coin in issue department	2,946,518	— 52,458	+ 689,670
Coin and bullion (bank's reserves)	192,658,261	+ 73,924	+ 871,416
Reserves of notes and coin in banking department	77,955,185	+ 2,588,083	+ 4,573,350
Proportion of reserve to outside liabilities			
(a) Banking Department only	48.5%	+ 1.3%	— 1.2%
(b) Gold stocks to deposits and notes ("reserve ratio")	36.0%	+ 0.1%	+ 0.2%

(000's omitted)							
Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
Sept. 19	£ 451,821	£ 376,380	£ 20,499	£ 89,837	£ 37,501	£ Nil	2 1/2
" 26	451,886	377,028	37,858	82,040	36,768	64 in	2 1/2
Oct. 3	451,910	380,816	18,703	107,040	37,132	24 in	2 1/2
" 10	451,938	379,551	18,698	107,598	36,867	29 in	2 1/2
" 17	451,938	377,217	17,516	104,491	37,444	Nil	2 1/2
" 24	452,001	374,703	22,358	100,743	37,601	63 in	2 1/2

(000's omitted)										
Date	Issue Department		Both Depts.		Banking Department					
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"		
1934		£	£	%	£	£	£	£	%	
Sept. 12	255,989	841	192,434	36	81,679	6,138	12,228	76,054	48 1/2	
" 26	256,005	890	192,525	36 1/2	81,634	7,203	10,598	75,498	48 1/2	
Oct. 3	255,947	993	192,560	35 1/2	81,684	12,674	10,060	71,744	45 1/2	
" 10	255,796	1,191	192,588	35 1/2	83,384	14,032	10,289	73,037	44 1/2	
" 17	255,811	1,190	192,584	35 1/2	81,279	9,468	10,993	75,367	47 1/2	
" 24	255,917	1,136	192,658	36	81,279	8,246	10,904	77,955	48 1/2	

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to October 10	23,448,515	1,364,095	2,318,454	27,131,064
Week ended October 17	596,464	34,676	59,325	690,465
Week ended October 24	469,889	33,890	53,838	558,617
Total to date, 1934	24,514,818	1,432,661	2,432,617	28,380,146
Total to date, 1933	22,347,486	1,352,931	2,250,253	25,950,670
Increase or decrease in 1934	+ 2,167,332	+ 79,730	+ 182,364	+ 2,429,476
	= 9.7%	= 5.9%	= 8.1%	= 9.4%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	— 119,153	+ 46,268	+ 98,552	+ 25,667
	= 0.4%	= 2.8%	= 3.6%	= 0.07%

PROVINCIAL

(000's omitted)

No. of working days..	Week ended October 20		Month of September			Aggregate Totals, January 1 to October 20	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
	£	£	£	£	%	£	£
BIRMINGHAM.....	2,129	2,046	8,910	7,788	-12.5	92,654	93,667
BRADFORD.....	620	560	3,530	2,859	-19.0	34,187	35,997
BRISTOL.....	1,166	1,243	4,751	4,501	- 5.2	45,711	49,110
DUBLIN.....	4,293	6,199				212,957	215,095
HULL.....	769	684	2,724	2,740	+ 0.5	29,002	30,135
LEEDS.....	1,061	988	3,197	3,194	- 0.09	35,580	38,064
LIVERPOOL.....	599	574	2,591	2,300	- 11.2	25,825	25,927
MANCHESTER.....	5,807	6,185	25,170	24,175	- 3.9	244,348	241,323
NEWCASTLE.....	9,155	9,202	37,859	35,996	- 4.9	384,810	397,587
NOTTINGHAM.....	1,404	1,408	5,885	5,788	- 1.6	58,540	61,496
SHEFFIELD.....	435	408	1,511	1,517	+ 0.4	18,050	18,174
	764	804	2,989	3,037	+ 1.6	31,768	34,519
	28,202	30,299	99,347	93,895	- 5.4	1,213,450	1,241,094

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. Chile in August 12, 1933. Danzig, in September 8. Lithuania in September 29. International Settlements, Java, Finland, Greece, in October 13. Federal Reserve Members, Switzerland, Poland, Sweden, Norway, Estonia, Roumania, Bulgaria, Portugal and Turkey, in October 20.

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

Resources	Oct. 26, 1933	Oct. 3, 1934	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934
Gold Certificates on hand and due from the Treasury	3,823,800	4,958,540	4,960,600	4,965,340	4,967,100
Total reserves	238,010*	5,191,790	5,186,390	5,203,160	5,216,620
Total cash reserves	114,590	211,450	204,630	215,600	227,580
Total bills discounted	6,520	15,260	12,040	11,710	10,860
Total bills bought in open market	121,110	21,070	21,560	17,890	16,860
Total U.S. Govt. securities	2,400,160	2,431,160	2,430,200	2,430,260	2,430,200
Total bills and securities	2,522,830	2,455,000	2,452,060	2,453,030	2,452,360
Total resources	6,874,890	8,255,460	8,196,970	8,370,200	8,255,240
LIABILITIES					
Federal Reserve notes in actual circulation	2,960,750	3,175,670	3,184,560	3,182,330	3,155,510
Federal Reserve Bank notes in circulation	180,360	30,190	29,680	29,420	29,120
Deposits—Memberbank—reserve account	2,893,120	3,894,630	3,978,520	3,996,280	3,985,290
Government deposits	27,760	156,390	51,390	53,190	118,000
Total deposits	2,878,880	4,233,430	4,212,940	4,232,590	4,268,690
Capital paid in and surplus	424,130	285,180	285,080	285,140	285,260
Total liabilities	6,874,890	8,255,460	8,196,970	8,370,200	8,255,240
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	65.5%	70.1%	70.1%	70.2%	70.3%

* Reserves other than gold.

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

	Oct. 26, 1933	Oct. 3, 1934	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934
Total gold reserves	1,013,630	1,812,980	1,772,470	1,733,260	1,768,240
Total bills discounted	41,720	7,280	6,860	6,590	6,090
Bills bought in open market	2,440	2,170	2,170	2,480	2,420
Total U.S. Govt. securities	821,820	777,750	777,750	777,750	777,750
Total bills and securities	866,970	787,330	787,070	787,160	786,670
Deposits—Memberbank—reserve account	1,097,210	1,643,730	1,665,860	1,626,320*	1,626,910
Ratio of total res. to dep. and Federal Res. note liabilities combined	60.3%	72.4%	72.0%	71.9%	72.2%

STATEMENT OF CANADIAN BANKS.—In £'s (000's omitted).

	July 31, 1933	April 30, 1934	May 31, 1934	June 30, 1934	July 31, 1934
ASSETS					
Cash and bank balances ...	342,358,	338,883,	353,783,	330,289	356,579
Bank balances abroad	110,455	81,708	83,580	85,617	91,723
Call and short loans	189,779	220,062	225,132	223,968	196,451
Securities	865,923	837,411	830,063	837,107	850,278
Loans in Canada	1,055,991	1,057,689	1,050,876	1,032,055	1,010,106
Loans abroad	144,286	136,759	138,372	146,141	137,922
Other assets	155,661	158,554	158,400	159,710	162,950
LIABILITIES					
Note circulation	132,186	133,083	127,348	141,531	132,493
Deposits—					
Government	126,718	96,612	102,475	109,440	104,607
Public in Canada	1,881,128	1,886,032	1,900,044	1,850,845	1,894,653
Foreign	300,599	322,228	323,089	329,509	315,567
Bank balances—					
Canadian	12,375	14,816	15,304	11,825	11,681
Foreign	39,817	32,293	29,852	28,038	28,193
Bills payable, etc.,	49,840	52,190	51,788	53,287	57,090
Capital and res.	306,500	277,000	277,000	277,000	277,000
Other liabilities	3,107	3,304	4,848	2,910	2,846

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.
(000's omitted)

Assets	Oct. 15, 1933	Sept. 30, 1933	Sept. 30, 1934	Oct. 7, 1934	Oct. 15, 1934
Gold	1,706,922	2,663,836	2,665,080	2,666,812	2,671,915
Balances abroad and foreign currency	924,794	74,810	88,832	99,408	118,130
Discounts and advances	1,654,075	1,473,325	1,545,764	1,557,869	1,660,000
State notes and balances	2,607,540	2,129,158	2,113,695	2,112,911	2,110,004
Other assets	584,251	876,741	879,583	923,515	975,157
Liabilities					
Bank notes in circulation	5,826,418	5,259,280	5,589,218	5,561,876	5,519,321
Check account balances	874,744	896,503	730,017	798,044	891,948
Other liabilities	327,081	494,875	521,709	548,383	581,929

* Gold previously booked under "Balances Abroad" now shown under "Gold" at new parity.

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

Assets	Oct. 15, 1933	Sept. 30, 1933	Oct. 8, 1934	Oct. 15, 1934
Cash reserve	1,794,902	1,826,505	1,820,522	1,817,785
Gold at home and abroad	118,458	117,071	131,632	135,149
Foreign exchange	118,458	133,039	52,059	33,293
Other foreign exchange	2,203,877	1,833,685	1,824,709	1,828,869
Bills and advances against security	1,718,100	1,720,149	1,720,215	1,720,157
Government advances				
Liabilities				
Notes in circulation	4,321,973	4,287,675	4,294,190	4,307,818
Sight deposits	1,012,882	1,162,342	1,188,365	1,199,967
Time deposits	1,163,898	818,979	809,529	784,879

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

Assets	Oct. 16, 1933	Sept. 17, 1933	Sept. 24, 1934	Oct. 1, 1934	Oct. 8, 1934	Oct. 15, 1934
Gold bullion and coin	47,199	45,288	45,288	46,325	46,325	46,325
Silver coin	16,100	16,639	16,571	16,363	16,277	16,217
Balance abroad	1,944	4,519	4,388	5,004	4,230	4,001
Treas. notes and small change	17,428	17,658	16,205	14,417	14,468	13,391
Short-term bills	66,651	61,879	61,755	61,995	61,658	61,672
Loans against securities	51,738	61,284	62,594	64,144	64,716	67,276
Liabilities						
Notes in circulation	34,434	31,911	32,221	33,271	32,880	33,412
Capital paid up	20,404	20,426	20,426	20,426	20,426	20,426
Reserve	4,375	5,029	5,029	5,029	5,029	5,029
Deposits	18,383	18,602	18,612	18,644	18,538	18,561
Current accounts	80,451	94,373	95,762	95,020	96,315	97,531
Government accounts	59,446	49,602	48,022	48,119	47,579	46,727

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

Assets	Position, June 30, 1934	Oct. 7, 1933	Sept. 15, 1934	Sept. 22, 1934	Sept. 29, 1934	Oct. 6, 1934
Gold coin and bullion	221,320	425,070	459,318	459,539	460,029	460,671
Other coin and bullion		40,126	44,538	46,149	48,704	50,409
Discounts	41,740	671,203	595,832	623,010	706,477	626,750
Advances	70,540	51,790	88,182	87,740	87,937	89,843
Govt. bonds		465,982	344,249	344,150	343,273	342,594
Liabilities						
Notes issued	362,270	1,101,917	1,043,698	1,100,540	1,223,467	1,148,290
Govt. deposits	87,340	435,493	389,062	374,893	318,068	314,919
Other deposits	11,440	77,300	59,873	62,491	93,065	72,762

NATIONAL BANK OF EGYPT.—In £E (000's omitted).

Banking Department	Sept. 30, 1933	July 31, 1934	Aug. 31, 1934	Sept. 30, 1934
Capital	2,925	2,925	2,925	2,925
Reserves	2,925	2,925	2,925	2,925
Government deposits	2,773	4,894	5,024	5,044
Other deposits	19,192	16,282	15,227	15,010
Other accounts	2,904	2,551	2,501	2,626
Assets				
Cash: Notes	1,209	1,110	1,359	1,113
Gold, silver, etc.	928	881	893	862
Money at call and short notice	1,067	1,453	1,594	1,575
Investments	19,209	19,454	18,316	17,160
Advances	5,050	3,865	3,772	4,790
Bills	1,172	923	861	1,052
Other accounts	2,054	1,892	1,908	2,048
Liabilities				
Notes issued	20,100	18,900	19,200	21,900
Gold	6,240	6,241	6,241	6,241
British Treasury Bills	4,630	3,623	3,730	6,430
British War Loan at par	7,730	7,736	7,730	7,730
Egyptian Government securities at market price	1,500	1,500	1,500	1,500

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

LONDON RATES

	Oct. 18, 1934	Oct. 19, 1934	Oct. 20, 1934	Oct. 21, 1934	Oct. 22, 1934	Oct. 23, 1934	Oct. 24, 1934	Oct. 25, 1934
Bank rate (changed from 2½% June 30, 1932)	2½	2½	2½	2½	2½	2½	2½	2½
Market rates of discount—								
60 days' bankers' drafts	2½	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½	2½
4 months' do.	2½	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½	2½
Discount Treasury Bills—								
3 months'	2½	2½	2½	2½	2½	2½	2½	2½
2 months'	2½	2½	2½	2½	2½	2½	2½	2½
3 months'	2½	2½	2½	2½	2½	2½	2½	2½
Loans—Day-to-day	2½	2½	2½	2½	2½	2½	2½	2½
Short	2½	2½	2½	2½	2½	2½	2½	2½
Deposit allowances—Bank	2½	2½	2½	2½	2½	2½	2½	2½
Discount houses at call	2½	2½	2½	2½	2½	2½	2½	2½
At notice	2½	2½	2½	2½	2½	2½	2½	2½

Comparison with previous week—

	Short	3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1934	2½	2½	2½	2½	2½	2½	2½
Oct. 27	2½	2½	2½	2½	2½	2½	2½
Oct. 4	2½	2½	2½	2½	2½	2½	2½
" 11	2½	2½	2½	2½	2½	2½	2½
" 18	2½	2½	2½	2½	2½	2½	2½
" 25	2½	2½	2½	2½	2½	2½	2½

LONDON RATES OF EXCHANGE

I.—Spot Rates

(Range of the day's business)

	Par of Exch.	Oct. 19, 1934	Oct. 20, 1934	Oct. 22, 1934	Oct. 23, 1934	Oct. 24, 1934	Oct. 25, 1934
London on							
New York, \$	14.86	14.83-85	14.85-87	14.84-86	14.85-87	14.86-89	14.87-90
Montreal, \$	4.86	4.83-85	4.85-87	4.84-86	4.85-87	4.86-89	4.87-90
Paris, Fr.	124.21	74½	74½-75	74½	74½-75	75½-76	75½-76
Brussels, Bel	35.00	20.97	21.08-18	21.00	21.10-30	21.17-35	21.23-41
Milan, Li.	92.46	57½	57½-58	57½-58	57½-58	57½-58	57½-58
Zurich, Sw.	25.22	15.00-10	15.07-17	15.05-13	15.10-25	15.16-29	15.20-33
Athens, Dr.	375	510*	512*	510*	515*	515*	515*
Hels'fors, M.	193.23	226-227	226-227	226-227	226-227	226-227	226-227
Madrid, Pt.	25.22	35½-36½	36-36½	35½-36½	36½	36½	36½
Lisbon, Esc.	110	109½-110½	109½-110½	109½-110½	109½-110½	109½-110½	109½-110½
Amst'dm, Fl.	12.107	7.22-27	7.26-30	7.24-29	7.27-34	7.30-37	7.32-38
Berlin, Mk.	20.43	12.16-23½	12.22-29½	12.19-27	12.24-36½	12.27-39½	12.30-44½
Vienna, Sch.	34.58½	25½-27½	25½-27½	25½-27½	25½-27½	25½-27½	25½-27½
Bu'pest, Pen.	27.82	16½*	16½*	16½*	16½*	16½*	16½*
Prague, Kc.	116½	117½-118½	117½-118½	117½-118½	117½-118½	117½-118½	117½-118½
Danzig, Gul.	25.00	14½-15½	14½-15½	14½-15½	14½-15½	14½-15½	14½-15½
Warsaw, Zl.	43.30	25½-26½	25½-26½	25½-26½	25½-26½	25½-26½	25½-26½
Riga, Lat.	25.22	14½-15½	14½-15½	14½-15½	14½-15½	14½-15½	14½-15½
Bucharest, Lei	613.6	480-500	480-500	482-502	485-505	485-505	490-510
Const'ple, Pst.	110	605*	610*	610*	610*	610*	610*
Belgrade, Din.	276.32	210-220	210-220	210-220	212-222	214-224	214-224
Kovno, Lit.	48.66	28½-29½	28½-29½	28½-29½	28½-29½	28½-29½	28½-29½
Sofia, Lev.	673.66	400-430	400-430	400-430	400-430	400-430	400-430
Tallinn, Mk.	18.159	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½
Oslo, Kr.	18.159	19.35-45	19.35-45	19.35-45	19.35-45	19.35-45	19.35-45
St'holm, Kr.	18.159	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45
Cop'n'gen, Dk.	18.159	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45
Alex'ndria, Pst	97½	97½	97½	97½	97½	97½	97½
Bombay, Rup.	184.	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½
Calcutta, Rup.	184.	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½
Madras, Rup.	184.	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½	18½-19½
Hong Kong, \$	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½
Kobe, Yen.	24.58d.	13½-14	13½-14	13½-14	13½-14	13½-14	13½-14
Shanghai, \$	15½-16½	15½-16½	15½-16½	15½-16½	15½-16½	15½-16½	15½-16½
Singapore, \$	28d.	28½-29½	28½-29½	28½-29½	28½-29½	28½-29½	28½-29½
Batavia, F.	12.11	7.22½-24½	7.24-28	7.21-26½	7.25-32	7.31-37	7.30-33
Rio, Mil.	15.890d.	31½-32½	31½-32½	31½-32½	31½-32½	31½-32½	31½-32½
B. Aires, \$	147.62d.	28½-29½	28½-29½	28½-29½	28½-29½	28½-29½	28½-29½
Valparaiso, \$	40	120-000	120-000	120-000	120-000	120-000	120-000
M'video, \$	17.38	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½
Lima, Sol.	17.38	21.65	21.65	21.65	21.65	21.65	21.65
Mexico, Pes.	9.78	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½
Manila, P.	124.68d.	24½-25½	24½-25½	24½-25½	24½-25½	24½-25½	24½-25½
Moscow, Rbl.	9.458	5.685-685	5.685-685	5.685-685	5.685-685	5.685-685	5.685-685
Bangkok, Bht.	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days).
 Pence per unit of local currency. 1 Par, 8-23½ since dollar devaluation on February 1, 1934. 2 Par, 10-10½ since koruna devaluation on February 17, 1934.
 (a) Nominal. (b) Official Rate. (c) Official rate is 36½d. sellers, and the average remittance rate for importers 31½d. (d) Registered marks quoted at a discount of 53-58 per cent. (e) Latest "export" rate. (f) Official rate is 39½d. sellers. (g) Official rate is 4½d. sellers. (h) Registered marks quoted at a discount of 48-53 per cent. (i) Registered marks quoted at a discount of 47-52 per cent. (m) Official rate 39½d. sellers.

II.—Forward Rates

(Closing quotations)

London on		Oct. 19, 1934 Per $\frac{1}{2}$	Oct. 20, 1934 Per $\frac{1}{2}$	Oct. 22, 1934 Per $\frac{1}{2}$	Oct. 23, 1934 Per $\frac{1}{2}$	Oct. 24, 1934 Per $\frac{1}{2}$	Oct. 25, 1934 Per $\frac{1}{2}$
New York, cent {	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$
	3 "	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$
Paris, cent {	1 Month	(a)	(a)	(a)	(a)	(a)	(a)
	2 "	par	par	5-2	3-par	par	5-par
	3 "	par	par	6-2	3-par	par	5-par
Holland, cent {	1 Month	(a)	(a)	(a)	(a)	(a)	(a)
	2 "	$\frac{1}{2}$ -par	par	$\frac{1}{2}$ -par	$\frac{1}{2}$ -par	$\frac{1}{2}$ -par	$\frac{1}{2}$ -par
	3 "	$\frac{1}{2}$ -par	par	$\frac{1}{2}$ -par	$\frac{1}{2}$ -par	$\frac{1}{2}$ -par	$\frac{1}{2}$ -par
Brussels, cent {	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	$\frac{1}{2}$ -6	$\frac{1}{2}$ -7	$\frac{1}{2}$ -7	$\frac{1}{2}$ -9	$\frac{1}{2}$ -7	$\frac{1}{2}$ -7
	3 "	10-13	12-14	10-13	10-14	9-12	10-12
Zurich, cent {	1 Month	(a)	(a)	(a)	(a)	(a)	(a)
	2 "	1-par	1-par	2-par	21- $\frac{1}{2}$	3-1	3-1
	3 "	1-par	1-par	2 $\frac{1}{2}$ - $\frac{1}{2}$	3-1	31- $\frac{1}{2}$	3-1
Italy, lira {	1 Month	(b)	(b)	(b)	(b)	(b)	(b)
	2 "	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$
	3 "	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{2}$

quarter has been recorded. On the whole, the substantial offerings were well absorbed by American buying, assisted by a continued demand from the Indian Bazaars.

The tone seems steady at the moment, but in the present condition of the market, further wide fluctuations are not unlikely.

Quotations during the week:—

IN LONDON				IN NEW YORK			
Bar silver per oz. std.		Cents per Ounce		Bar silver per oz. std.		Cents per Ounce	
Two Months' delivery		Two Months' delivery		Two Months' delivery		Two Months' delivery	
October 18	23½d.	23½d.	October 17	23½d.	23½d.	October 17	23½d.
" 19	23½d.	23½d.	" 18	23½d.	23½d.	" 18	23½d.
" 20	23½d.	23½d.	" 19	23½d.	23½d.	" 19	23½d.
" 21	23½d.	23½d.	" 20	23½d.	23½d.	" 20	23½d.
" 22	23½d.	23½d.	" 21	23½d.	23½d.	" 21	23½d.
" 23	23½d.	23½d.	" 22	23½d.	23½d.	" 22	23½d.
" 24	23½d.	23½d.	" 23	23½d.	23½d.	" 23	23½d.
Average	23.812d.	23.927d.					

The highest rate of exchange on New York recorded during the period from the 18th instant to the 24th instant was \$4.991, and the lowest \$4.93.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Oct. 15	Oct. 7	Sept. 30
Notes in circulation	18,458	18,487	18,506
Silver coin and bullion in India	9,676	9,734	9,855
Gold coin and bullion in India	4,154	4,154	4,154
Securities (Indian Government)	3,317	3,288	3,197
Securities (British Government)	1,311	1,311	1,300

The stocks in Shanghai on the 20th instant consisted of about 43,800,000 ounces in sycee, 312,000,000 dollars and 35,600,000 ounces in bar silver, as compared with about 48,600,000 ounces in sycee, 318,000,000 dollars and 34,200,000 ounces in bar silver on the 13th instant.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.	Oct. 25, 1934	d.
Oct. 19	141 8	23½	24½	" 24, 1934	26½
" 20	141 2½	23½	24½	" 24, 1934	23
" 22	141 6	23½	23½	" 30, 1934	16½
" 23	140 3	23½	23½	" 29, 1934	17½
" 24	139 10	23½	23½	" 27, 1934	18½
" 25	139 6	23½	23½	" 26, 1934	18½

COMPANY NEWS

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Oct. 19, 1934 (c) Week ended Oct. 20, 1934	Miles Open	Gross Receipts, week ended Oct. 21, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 42 weeks (£000)					
		Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts		
Great Western	1934	3,750	189	192	94	286	475	8,676	7,510	4,134	11,644	20,320	
(c) L. & N. Eastern	1934	3,752	184	185	97	282	466	8,672	7,028	4,043	11,071	19,743	
L. & N. Eastern	1934	6,339	234	355	224	579	863	13,219	13,066	9,442	22,448	35,667	
L. & N. Eastern	1933	6,339	276	346	225	571	847	12,987	12,039	8,663	20,704	33,691	
Scottish	1934	6,940	435	434	224	708	1,143	20,469	18,619	9,363	27,982	48,451	
Scottish	1933	6,941	432	472	220	692	1,124	20,151	17,321	8,948	26,269	46,420	
Southern	1934	2,176	257	67	29	353	553	12,523	2,662	1,285	3,947	16,470	
Southern	1931	2,181	256	66	27	349	549	12,337	2,555	1,211	3,766	16,103	
Total	1934	192048	1165	1098	571	1669	2,834	54,887	41797	24224	66,021	120908	
	1933	192134	1148	1069	569	1638	2,786	54,147	38943	22867	61,810	115957	
(a) Belfast & Co. Down	1934	80	1-9	...	0-6	2-5	109-1	...	...	21-6	130-6	...	
(b) Great Northern	1933	80	1-8	...	0-5	2-3	110-8	...	...	21-6	132-2	...	
(c) Great Northern	1934	562	8-6	...	0-5	2-3	110-8	...	...	21-6	132-2	...	
(d) Great Northern	1933	562	8-2	...	9-7	17-9	330-1	...	...	351-2	779-7	...	
(e) Great Southern	1934	2,158	20-0	...	38-1	58-1	1029-6	...	...	1357-7	2386-3	...	
(f) Great Southern	1933	2,158	19-3	...	39-5	58-9	1016-9	...	...	1278-9	2295-8	...	

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933:				
Gross increase or decrease	+ 178	+ 609	+ 497	+ 135
Net increase or decrease	+ 11½	+ 38½	+ 31½	+ 8½
Weekly average second half 1934 compared with second half 1933	+ 9	+ 19	+ 16	+ 4

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending October 20, 1934	Takings	Compared with 1933
Aggregate 16 weeks ending October 20, 1934	£39,300	+ 4,500
	£8,485,500	+ 98,200

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Month	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or -
				1934	+ or -

INDIAN

			Rs.	Rs.	Rs.
Assam Bengal	25	Sept. 22	1,522	3,70,500	1,803
Barsi Lt. Ry.	26	30	202	430,000	7,600
Bengal & N.Western	25	22	2,112	4,92,270	92,084
Bombay-Nagpur	25	22	3,269	13,08,000	29,449
Bombay, Bar. & C.I.	29	Oct. 20	3,072	21,53,000	2,96,000
Bombay & S. Mahr.	25	Sept. 22	3,230	13,73,000	3,739
Rohilk'd & Kumaon	26	30	546	1,01,107	208
South Indian	26	30	2,526	13,61,108	1,789

† 8 days.

CANADIAN

			\$	\$	\$
Canadian National	41	Oct. 14	237,366	3,232,378	+ 124,428
Canadian Pacific	42	Oct. 14	211,701	2,966,000	+ 248,000

SOUTH AMERICAN

			£	£	£
Antofagasta (Chili and Bolivia)	32	Oct. 21	830	14,610	+ 2,020
Argentine N.E.	16	20	753	128,300	+ 20,600
B.A. and Pacific	16	20	2,806	11,143,000	+ 160,000
B.A. Central	14	7	...	127,900	+ 9,600
B.A. Gt. Southern	16	20	5,085	11,878,000	+ 22,000
B.A. Western	16	20	3,700	11,010,000	+ 39,298
Central Argentine	16	20	3,700	11,832,000	+ 103,050
Central Uruguay	16	20	273	18,470	+ 1,836
C. Urg. (East Ext.)	16	20	311	3,245	+ 103
C. Urg. (N. Ext.)	16	20	185	1,753	+ 66
C. Urg. (W. Ext.)	16	20	211	1,694	+ 4
Cordoba Central	16	20	1,218	470,000	+ 12,000
Entre Rios	16	20	810	213,100	+ 61,900
G. Westn. of Brazil	42	20	1,082	112,483	+ 319
Leopoldina	42	20	1,918	212,500	+ 200
Leopoldina Fernm.	42	20	1,918	212,500	+ 200
Nitrate	91†	15	401	7,824	+ 112
Paraguay Central	16	20	274	44,290	+ 1,810
Salvador	16	20	100	1,832	+ 7,343
San Paulo	41	14	153†	175,000	+ 221,000
United of Havana	16	20	1,365	418,887	+ 6,129

* Converted at average official rate during week ended October 20—17.07 pesos to the £.
† Nominal. ‡ Months. § Receipts in Argentine Pesos.
§ Converted at average official rate during week.

OTHER OVERSEAS

			£	£	£
Egyptian Delta	28	Oct. 10	622	7,699	+ 787
Light Railways	42	18	...	1,909	+ 256
Egyptian Markets	41	13	104	Ps. 56,475	+ 4,489
Gr. Southern of Spain	17	21	483	£206,800	+ 1,300
Mexican Railway	17	21	483	£206,800	+ 1,300

† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

			£	£	£
Anglo-Argentine	42	Oct. 21	328	£670,445	+ 9,017
B. Aires Lacroze	14	7	...	£66,820	+ 3,994
Burnley, Colne and Nelson J. Trspt.	1	20	76	£4,843	+ 8
Calcutta Tramways	16	20	...	Rs. 1,15,306	+ 14,904
Isle of Thanet Elec.	42	10	...	£2,590	+ 93
Liverpool Corp.	29	17	...	£28,513	+ 332
Madras Electric	9†	15	...	Rs. 56,614	+ 513

† Months.

MONTHLY TRAFFICS

Company	Months	Ending 1934	Description	Receipts for Month	Receipts to Date
				1934	+ or -
				1934	+ or -
Brazilian Traction	9	Sept. 30	Gross	£2,677,724	+ 226,855
British Columbia Power	2	Aug. 31	Gross	£1,435,170	+ 46,237
Burma Electric	1	Sept. 30	Gross	Rs. 49,173	+ 408
Kalgoorlie Elec. Trams	7	July 31	Gross	£2,367	+ 15,827
Manchester Ship Canal	9	Sept. 30	Gross	£90,052	+ 13,972
Maschland	1	Aug. 31	Gross	£120,007	+ 38,477
Rhodesia	1	Aug. 31	Gross	£197,739	+ 44,558
Winnipeg Electric	8	Aug. 31	Gross	£382,525	+ 14,358
			Net	£122,334	+ 14,223

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS					
Bengal Nagpur Railway	2%†	Jan. 1	Unchanged	% 4	% 4
BANKS					
Bank of Montreal	2%*	Dec. 1	Unchanged	...	...
Canadian Bank of Commerce	2%*	Dec. 1	Unchanged	...	...
Hambros Bank (10 with 2½ pd. Do. (1 fully paid)	6½%*	...	Unchanged	...	...
Do. (1 fully paid)	3%*	...	Unchanged	...	...
Union Bank of Scotland (A and B)	9%*	Dec. 1	Unchanged	...	...
INSURANCE					
Commercial Union Insurance	20%*	Nov. 5	201%*	...	...
North of Scotland Reversionary	...	...	...	8	8
TEA AND RUBBER					
Carolina Tea of Ceylon	...	...	...	2½	Nil
Cameroon (Selangor) Rubber	5%*	Nov. 1	Nil	(a) 12	7
Central Province (Ceylon) Tea	...	...	...	5	Nil
Central Sumatra Rubber	...	...	...	4½	Nil
Eastern Sumatra Rubber	...	...	...	5	Nil
Federated Malay States Rubber	...	...	...	5	2½
Jebrou Rubber	...	...	...	2	Nil
Kenny (Selangor) Rubber	...	...	...	12½	5
Killinghill Rubber	6½%†	Nov. 15	Nil	8½	Nil
Kintyre Tea	4%*	Nov. 1	Nil	...	...
Klanang Produce	...	...	...	2½	Nil
Kuala Kubu Rubber	...	...	...	3	Nil
Morib Plantations	...	...	...	10	Nil
Strathisla (Perak) Rubber	...	...	...	35	20
Ukuwela Estates	...	...	...	...	...
MINING					
Balaghat Gold, Ord.	1/- p.s.‡	...	...	...	...
Do. Pref.	1/- p.s.‡	...	...	...	...
Broken Hill Proprietary	1/- p.s.	Nov. 21	Unchanged	...	...
Geovort Tin Mines	10%*	Nov. 1	7½%	...	...
Lake View and Star	20%†	Dec. 6	...	57½	30
Do. (on account of 1934-35) ...	12½%*	...	Unchanged	...	...
Pahang Consolidated Ord.	10%*	Dec. 5	Nil	15	Nil
Do. Pref.	8½%*	Dec. 5	3½%	12	7
Union Corporation	2/6 p.s.†	Nov. 21	2/- p.s.	...	...
Wankie Colliery	2%*	...	...	12	6
OTHER COMPANIES					
Anglo-Scottish Amalgamated ...	...	...	...	9	6
Argentine Lands and Industries.	...	...	...	5	5
Atherton Mills	...	...	...	4½ d. p.s.	3d. p.s.
Baxter (John)	4½%†	...	...	7½	6
Bristol Brewery Georges and Co.	12½%†	...	Unchanged	(b) 20	20†
Bristol United Breweries	10%†	...	8%	15	13
British Match	12%*	Nov. 15	Unchanged	...	...
Broadcast Relay Service	4%*	Nov. 15	8%	...	...
Cairnes	4%*	Nov. 1	6%*	20	15
Cattarall and Swarbrick's Brewery	3%*	Nov. 24	Unchanged	...	...
Cawnpore Electric	...	Nov. 9	...	2½	2½
Cedar Investment	4½%†	...	...	6½	2
Clerical Investment Trust	...	Nov. 1	Unchanged	...	...
Clitheroe Estates	5%*	Nov. 19	Unchanged	...	...
Cockayne (T. B. and W.)	10%*	Dec. 1	Unchanged	...	...
Dubarry Perfumery	3½%*	Oct. 31	3%*	...	...
Egyptian Markets	4½%†	...	...	12½	7½
Ever Ready Co.	...	...	Unchanged	5	2½
Freehold Assets	3½%*	...	...	12½	5
Hamburger Brewery	4½%†	...	...	7	5
Highland Distilleries	2%*	...	Unchanged	...	...
Hope Brothers	3½%*	Nov. 30	2½	5	2½
Horden Collieries	10%†	...	...	12½	5
Hughes-Johnson Stampings	...	...	...	8	8
Imperial Airways	8%*	Nov. 15	Unchanged	...	...
Imperial Continental Gas	5%*	Nov. 5	Unchanged	...	...
Investment Trust Corp. (Deferred) ..	2%*	Dec. 1	Unchanged	...	...
Lake View Investment Trust	2½%*	Nov. 24	Unchanged	...	...
Madras Electric	2½%*	...	Unchanged	...	...
Nitrate Producers' Steamship.	14%†	...	...	3½	2
Para Telephone	...	...	...	2	2
Phoenix Investment Trust	...	...	...	...	...
Realisation and Debenture Corp.	4%†	Nov. 2	...	5½	5
Recreation of Scotland (Deferred) ...	4%*	...	Unchanged	...	...
Ribble Motor Services	1%*	...	Unchanged	...	...
Second Guardian Trust	...	...	...	...	...
Second Investor's Mortgage Security ..	5%†	...	...	8	9
Second Investor's Mortgage Security ..	2%*	Nov. 6	Unchanged	...	...
Shawinigan Water and Power	12c. p.s.	Nov. 15	Unchanged	...	...
Simley's Hydropathic	8%†	...	6½%†	11	11½
Sneyd Collieries	7½%†	...	Unchanged	10½	10
Stanton Ironworks	4%*	Dec. 11	Unchanged	...	...
Steel Co. of Scotland	...	...	...	10	2½
Steel Co. (Willes) Ltd.	...	...	...	20	16½
Steebles and Smalley	2½%*	...	Unchanged	...	...
Urban Electric Supply	3%*	Nov. 1	Unchanged	...	...
Yeo (John) and Co.	2½%*	Dec. 1	Unchanged	...	...
Yorkshire Brick	6%*	Nov. 15	Unchanged	...	...

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefere.	Ordinary	Rate				
					Amount	Amount	%				
Breweries											
Backus and Johnston's.....	June 30	Dr. 609	£ 742	£ 133	...	...	...	...	133	Dr. 3,618	...
Highland Distilleries.....	Aug. 31	36,189	25,004	61,193	...	14,822	12½	5,500	40,871	11,013	7½
Julia Hanson and Sons.....	June 30	28,610	20,303	48,913	7,300	9,901	12½	25,000	7,712	14,150	10
Electric Lighting, etc.											
Perak River Hydro-Electric	July 31	Dr. 39,660	40,069	1,009	...	...	...	40,510	Dr. 39,501	Dr. 17,250	...
Financial Land, etc.											
African Lakes Corporation...	Jan. 31	346	Dr. 11,004	Dr. 10,658	...	...	...	Dr. 11,000	342	Dr. 99	...
Anglo-Scottish Amalgamated	Sept. 30	26,054	55,885	81,939	...	19,757	9	35,000	27,182	47,510	6
Maroc, Ltd.	July 31	5,187	35,722	40,909	...	18,417	75	8,000	14,492	13,405	35
Hotels and Restaurants											
Glenburn Hydropathic Co.	Aug. 31	540	Dr. 2,532	Dr. 1,992	...	...	...	...	Dr. 1,992	Dr. 1,462	...
Iron, Coal and Steel											
Fairfield Shipbuilding, etc..	June 30	20	Dr. 44,978	Dr. 44,958	...	...	...	Dr. 50,000	5,042	Dr. 23,387	...
Lambert Brothers.....	June 30	81,313	16,495	97,808	10,313	14,062	2½	...	73,433	Dr. 126,26	5m
Stothert and Pitt.....	June 30	3	6,896	6,899	...	...	...	Dr. 5,000	11,899	Dr. 24,666	...
Rubber, etc.											
Broome Rubber.....	June 30	...	4,337	4,337	...	3,437	8½	...	900	...	...
Castlefield (Klang) Rubber	June 30	1,004	6,416	7,420	...	5,000	5	...	2,420	Dr. 608	Nil
Eastern Sumatra Rubber...	June 30	3,072	16,661	19,733	...	14,745	4.16	...	4,988	3,553	Nil
Incomati Estates.....	June 30	Dr. 9,431	4,317	Dr. 5,114	...	...	...	...	Dr. 5,114	Dr. 1,740	...
Jong-Landor Rubber.....	June 30	5,311	812	6,123	...	...	...	...	6,123	Dr. 4,502	...
K. M. S. (Malay States).....	June 30	12,564	7,347	19,911	...	8,478	5	...	11,433	74	2½
Kenny (Selangor) Rubber...	June 30	13,446	14,119	27,565	...	7,352	2	10,000	10,213	1,293	Nil
Killinghall (Rubber) De-	June 30	7,026	8,916	15,942	...	6,562	12½	3,221	6,159	2,435	5
velopment.....	June 30	3,155	2,437	5,592	...	1,250	2½	1,817	2,525	523	Nil
Kuala Kubu Rubber.....	Mar. 31	3,187	14,245	17,432	...	...	...	...	17,432	Dr. 4,397	...
Laras (Sumatra) Rubber...	June 30	3,023	1,657	4,680	...	2,100	3	...	2,580	1,352	Nil
Morib Plantations.....	June 30	6,726	10,028	16,754	...	8,000	10	2,181	6,573	2,116	Nil
Strathisla (Perak) Rubber...	June 30	8,637	2,230	10,867	...	...	...	378	10,489	1,750	Nil
Sumatra Para Rubber.....	June 30	32,689	23,466	56,155	...	25,000	5½	8,657	22,498	7,821	Nil
Tanjong Malim Rubber.....	June 30	6,905	6,489	13,394	...	6,394	5	...	7,000	2,421	2½
Tebrau Rubber.....	June 30	4,237	Dr. 4,647	Dr. 410	...	...	...	9,081	Dr. 9,491	Dr. 913	...
Shops and Stores											
British Overseas Stores.....	June 30	7,051	11,674	18,725	6,912	2,138	2½	2,501	7,174	6,459	Nil
Tea											
Carolina Tea Co. of Ceylon	June 30	7,592	13,092	20,684	...	11,844	12	425	8,415	23,211	20
New Dimbula Co.	June 30	12,482	9,747	22,229	...	...	...	2,500	19,729	20,242	...
Textiles											
North British Rayon.....	Sept. 30	7,416	32,119	39,535	60,000	...	...	Dr. 25,000	4,535	39,603	...
Trusts											
Gordon Selfridge Trust.....	Sept. 30	16,163	13,770	29,933	10,485	3,875	2	...	15,573	15,085	2
Phoenix Investment Trust .	Aug. 31	77,411	43,780	121,191	23,625	17,350	5½	...	80,216	38,783	5
Realisation and Debenture	Sept. 15	3,073	9,809	12,882	9,375	...	...	...	3,507	9,343	...
Corporation of Scotland .	Sept. 30	8,668	21,572	30,240	...	15,500	2	6,432	8,308	19,621	2
Other Companies											
Bartholomew (London).....	Sept. 30	2,324	374	2,698	...	...	...	...	2,698	2,249	...
Eastwoods Lewes Cement ..	June 30	3,355	5,052	8,407	...	5,375	5	...	3,032	7,644	7½
Glenboig Union Fire-Clay...	Aug. 31	Dr. 241	347	106	...	...	...	...	106	Dr. 4,171	...
Herrburger Brooks.....	June 30	73,532	24,333	97,865	...	19,600	7	71,883	6,382	8,566	5
Maratti High Speed Circu-	June 30	Dr. 9,168	605	Dr. 8,563	...	...	...	...	Dr. 8,563	Dr. 1,814	...
lar Knitting Machines.....	June 30	109,708	600,487	710,195	195,000	280,000	12½	170,000	65,195	583,439	12½
United Dairies.....	June 30										

(n) Also bonus of 4½d. per share from realised capital accretions. (m) Cash bonus from realised capital accretions. † Free of income tax.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

An examination of the trend of sterling prices of the principal primary products during the week ended Wednesday reveals considerable irregularity. Among foodstuffs, the price of wheat declined sharply owing to the low level of demand by importing countries and improved crop reports from the Southern Hemisphere. Raw sugar also experienced a marked fall in price and quotations for refined qualities were reduced by 1½d. per cwt. At Smithfield market, beef prices were marked down. On the other hand, quotations for bacon and butter registered a sharp rise.

As far as textile raw materials are concerned, reports from Australia indicate that the improvement in wool prices has been maintained at recent auctions. In contrast, quotations for cotton, hemp and jute are slightly lower on the week. In the market for non-ferrous metals, copper prices rose a little on a report that a leading concern in the United States had decided to curtail production. Lead and spelter, too, were slightly dearer, but tin was marked down a little. The market in rubber underwent little change in the past week and is awaiting the decision of the International Rubber Regulation Committee concerning export quotas during the early months of 1935.

Reports from the principal coal-mining centres in this country are moderately encouraging, though the mild weather has so far prevented a spurt in demand for house coal. Business in iron and steel has tended to expand. The cotton trade has so far made little headway, but there has been a slight improvement in the demand for wool textiles.

In the United States, grain prices suffered a setback in the past week. Moody's index of the dollar prices of staple commodities fell from 145.2 (December 31, 1931=100) on October 17th to 145.0 on October 24th. A month ago the index stood at 150.3 and a year ago at 122.9.

COAL

SHEFFIELD.—On inland account large tonnages of fuel are being despatched regularly from the collieries. Confident of continued trade activity, industrialists are specifying freely, and are prepared to discuss forward contracts. Best quality steams are somewhat scarce and firmer, the export quotation having hardened to 17s. 3d. f.o.b. Secondary quality steams are somewhat weaker. Smalls of all kinds are in brisk request. Trade in house coal is quiet for the time of year. Best sorts are quoted at from 21s. 6d. to 23s. 6d. at pits. Coke is the briskest section of the industry, consumption being well up to output.

NEWCASTLE-ON-TYNE.—Whilst screened coal remains steady, mild weather appears to be affecting other sections of the steam market, particularly doubles and trebles, which are being offered

more freely. The Durham position remains quiet, there being abundant supplies of second quality bunkers, and all classes of coking coal are wanting trade from day to day. The mild weather is also affecting the coke trade, there being more of this commodity on offer for prompt shipment, although the position is steady for forward shipment.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B., screened, 14s. 6d.; smalls, 11s. 6d.; Howards, Bentinck, Newbigin, screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. **DURHAM.**—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime Foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

WORKINGTON.—There is a livelier tone in the coal market, and demand is not more than 30 per cent. short of the winter peak. Scandinavian and Spanish orders are being booked, and there is a substantial volume of business, most of it from Ulster, in the Irish market. Landsale has improved considerably. There is hardly a sufficient tonnage of industrial fuel to go round, and coking plants are hard pressed to satisfy iron smelters' needs.

Prices are firm, but have not risen. Nominally, best round is quoted at 21s. 6d.; washed doubles, 20s.; washed singles, 18s., all f.o.b. Smalls, 15s. 6d. per ton. Best house coal 30s. 8d.; and house nuts 29s. at station. Gas coal 27s. per ton. Local coke 15s. 6d. to 16s. 6d. per ton.

GLASGOW.—The market has shown little change. Home demand is gradually expanding, and shipping business is moving on steady lines, although exporters are still encountering keen Polish competition in various markets. Most of the collieries are working steadily, and there is no great surplus of any class of coal. Among nuts, trebles are slightly weaker, but doubles have strengthened, and the other sizes are steady. Large coal generally is quoted firmly, but most classes can be booked for prompt or early shipment.

Export prices (f.o.b. district ports):—**LANARKSHIRE.**—Ell best, 15s.; split best, 16s. 6d.; split second, 14s. 6d. to 14s. 9d.; navigation, screened, 15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; all per ton f.o.b. Glasgow; steam, 12s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 12s. 6d.; singles, 12s. 6d. to 12s. 9d.; pearls, 11s. 6d. to 12s.; dross, 10s. **FIFE.**—Best unscreened navigation, 13s.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 3d. to 13s. 6d.; third-class steam, 12s. 6d. to 13s.; trebles, 14s. to 15s.; doubles, 12s. 9d. to 13s.; singles, 12s. 6d.; pearls, 11s. 9d. to 12s. **LOTHIANS.**—Prime steam, 12s. 6d. to 13s.; secondary steam, 11s. 9d. to 12s.; unscreened navigation, 12s. 9d.; trebles, 13s. 6d. to 14s.; doubles, 12s. 6d.; singles, 12s. 3d. to 12s. 6d.; pearls, 11s. 9d. to 12s. **AYRSHIRE.**—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s.; trebles, 15s. 6d.; doubles, 13s.; singles, 13s.; pearls, 12s. 6d.; dross, 10s.

CARDIFF.—An improvement in the shipping position at the South Wales docks permitted fairly regular employment at the collieries during the earlier part of this week, but there has been no appreciable expansion either in prompt or forward business. Inquiries for the drier classes of washed and sized coals are fairly active, and the prospects of this branch of the trade are good, but bituminous nuts are weak, while supplies of large steam coals continue in excess of the demand. Coke is firm, and the recent improvement in patent fuel is being maintained. Pitwood prices are affected by the suspension of business under the French coal-pitwood barter scheme, and are quoted at from 24s. 6d. to 24s. 9d. ex-ship. The Tribunal set up by the Government to determine the issues over the minimum wage and subsistence allowances in the coalfield has been sitting at Cardiff this week, and its award is expected in the course of the next few days.

Current approximate quotations:—Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s. 6d.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. 6d. to 24s. 9d.

IRON AND STEEL

MIDDLESBROUGH.—Conditions continue to improve in the local iron market. Inquiries are more numerous both for foundry and hematite qualities. Only three blast furnaces are producing foundry pig iron in the North-East area and after works cover their own requirements, the available surplus is readily taken up by other consumers locally and in Scotland, good shipments having been made to Grangemouth during the past week. Ten furnaces are producing hematite pig iron, but existing stocks are practically all disposed of and makers have good contracts with Sheffield and Midland consumers, for delivery over the next two or three months. Export business is difficult, although producers here are now holding for better prices than indicated a little while ago.

For home consumption prices remain on the basis of 67s. 6d. per ton delivered Middlesbrough for Cleveland No. 3 foundry and 69s. per ton delivered Middlesbrough for No. 1 East Coast hematite, with the usual differences for delivery to other areas. Shipments of all classes of pig iron from the Tees from October 1st to 23rd amounted to 10,065 tons, against 11,265 tons for the corresponding period of September. Good Durham blast furnace coke is 20s. per ton delivered furnaces, whilst foreign ore prices are firmer for forward delivery, only odd cargoes for prompt delivery changing hands on the basis of 17s. per ton c.i.f. Tees for best Bilbao rubio.

Steel departments continue with heavy outputs, both of semis and finished materials. It is understood that the steel required for the Chelsea bridge, amounting to about 3,000 tons, will be manufactured by the South Durham Steel and Iron Company, Ltd. Further orders for steel plates are expected in this district as a result of orders placed recently for merchant vessels. The home demand for railway material and structural steel continues good. Heavy steel scrap is in good demand at 50s. per ton delivered works.

SHEFFIELD.—In the general improvement of the engineering industries demand for an increased proportion of the new superior steels is noticeable. This tendency is to the advantage of Sheffield, which enjoys almost a monopoly of such materials. At the present time many works are busy on supplies of special steels to the automobile, aeroplane and wireless industries. The call for stainless steel sheets is a feature of the situation. Railways and ship-builders are buying only moderately. The expansion of the demand for tools of all descriptions which has been in operation for two years continues, and there is little or no quietude in this branch.

Export trade generally tends slightly to expand. Cutlery and plate are patchy, and these departments are not wholly satisfactory. There is a scarcity of skilled mechanics, and plenty of employment for juvenile labour and girl clerks. The building trade is brisk locally, and much outdoor work is proceeding.

WORKINGTON.—A reduction of 2s. per ton in the price of West Coast hematite pig iron has restored to the Cumberland and North Lancashire makers the business they were losing to their East Coast rivals in their chief markets in the Midlands and South Wales. Order books are well filled, though the buying continues to be almost entirely of a hand-to-mouth character, and the absorption of the make is assured until the end of the year. Local consumption accounts for half of the production of the eight furnaces in blast between Workington and Barrow. Some demand from the Dominions is being experienced and from Workington this week 1,100 tons of special qualities were shipped to Nova Scotia.

Prices are firm, Bessemer mixed numbers being quoted at £3 12s. 6d. per ton at Glasgow; £3 18s. 6d. at Manchester; £4 3s. 6d. at Sheffield and £4 4s. 6d. at Birmingham, while special brands are an extra 2s. 6d. to 5s. per ton. Malleable iron at £5 15s. per ton delivered at Birmingham is a steady Midland trade. Ferro-manganese at from £10 15s. to £11 5s. per ton home is being sold from stock, but a furnace at Workington is to be lighted in December for the smelting of manganese alloys.

The steel trade is quiet. Few replacement orders are being obtained, but current contracts will keep the plants in operation on the present scale for another two months. Workington has this week shipped 1,100 tons of rails to Capetown and 400 tons of sleepers to Mombasa. Native ore, at from 13s. 6d. to 14s. 6d. per ton, is in only local request.

GLASGOW.—The situation is practically unchanged in the West of Scotland. Steelmakers remain busy and have work on hand for some time to come, the new tonnage placed for various classes of material being satisfactory. Makers of semis are also fairly busy and are evidently receiving from local and other consumers an increased share of the orders they have to place. Sheet makers are again doing more work this week, mainly owing to the growing demand for finely finished sheets for the home trade and also on account of the greater number of export orders which have been booked recently. Tube makers are still fully employed at almost all plants. It is announced this week that Messrs A. and J. Inglis, Ltd., of Pointhouse, Glasgow, have received an order from the L. and N. E. Railway Company for a Diesel-electric paddle ship which will be used on their Clyde Coast service. In the manufacturing trades there is no falling off and most shops are working full time.

CARDIFF.—On the Swansea Metal Exchange on Tuesday business in tinplates was comparatively quiet on foreign account, but prices were unchanged at from 18s. 2d. to 18s. 7½d. per basis box. Wasters were in fairly good demand, and there was a fair inquiry also for odd sizes in the home market. The sheet trade was a little more active under the stimulus of the recent Australian orders but prices remain at from £11 5s. to £11 15s. per ton. Steel bars are unchanged at £5 7s. 6d. per ton. Shipments of tinplates last week were below the average and as arrivals at docks were larger than usual the stocks in warehouse increased from 105,695 to 141,481 boxes.

OTHER METALS

The market tendency has improved during the past week and prices have risen, the chief cause being the latest developments in the United States copper industry. At the end of last week the Kennecott Copper Corporation (the Guggenheim group) announced a 20 per cent. reduction in output and, although other producers have not yet followed suit, it is hoped in the market that they will do so before long. But even if such a restriction scheme is announced, no lasting benefit is likely to accrue to the industry while American prices remain at the high level of 9 cents per lb. United States production amounted to 30,690 short tons during September and was thus a little lower than the code sales quota. Owing to the maintenance of prices, however, deliveries last month declined to 22,614 short tons—or rather more than would be produced if a 20 per cent. restriction were generally enforced. It was reported in London on Wednesday that Japan had ordered several thousand short tons of copper from the United States, but this is not an unusual feature, for Japan has been one of America's best customers during the past year.

At a meeting of the International Tin Committee on Monday last, it was announced that the tin consumers' panel, to which we referred a fortnight ago, will have no voting rights. Discussion of the quota was postponed until the next meeting of the committee on November 22nd. The market situation shows little change on the week.

The general improvement in market sentiment affected lead and spelter, but the outlook for both metals is still somewhat obscure. It is feared that any further rise in the price of silver would stimulate the production of lead and spelter, and reports have been current referring to the desire on the part of members of the Belgian Zinc Cartel for the fixation of the price of that metal. The likelihood of this desire materialising, however, appears rather remote. Stocks outside the United States, which rose during August, registered a further increase last month to 113,119 metric tons. This level is by no means dangerous, but the increase may have psychological significance, especially in view of the fact that certain important members of the cartel are already dissatisfied with its policy.

GERMANY AND THE ALUMINIUM CARTEL.—How rapidly Germany is being converted to the use of aluminium, writes a correspondent, was emphasised at the recent meeting of the cartel in Paris. Current German production is running at 40,000 tons per annum, against 18,400 tons in 1933. Perhaps the most important point on the Cartel's agenda was Germany's request for a further increase of 15,000 tons, which was granted. The advance of aluminium in Germany is being made at the expense of copper and tin, the use of which is prohibited for many purposes. A stimulus to the industry, in the shape of a subsidy, will enable the producer to sell in the home market, or the world market, or both, at very low prices. This is not likely to be of much assistance to the industry in the immediate future. Aluminium's price advantage over tin is so great already that there is no point in increasing it. On the other hand, the price is not likely to be brought low enough to put it on a competitive basis with the low-cost Rhodesian copper producers. But, taking a longer view, it is important that an expanding industry such as this should make every appeal to the consumer that it can, so that the German developments, upsetting as they must have seemed at the Paris meeting, may well be a blessing in disguise. Moreover, technical developments of importance for the aluminium industry may be expected from Germany in the near future.

TIN.—Sales on the London Metal Exchange: 140 tons on Monday, against 175 tons last week; 115 tons on Tuesday, against 235 tons last week; 310 tons on Wednesday, against 240 tons last week. The New York quotation on Wednesday was 51.25 cents per lb., against 50.85 cents a week ago and 50.87½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £230 7s. 6d. to £230 10s., compared with £231 to £231 5s. last week. Stocks in London and Liverpool at the end of last week were 4,161 tons, a decrease of 92 tons on the week.

COPPER.—Sales on the London Metal Exchange: 2,350 tons on Monday, against 2,450 tons last week; 2,850 tons on Tuesday, against 2,100 tons last week; 3,300 tons on Wednesday, against 1,250 tons last week. Domestic spot was quoted at 6.32½ cents per lb. in New York on Wednesday, against 6.17½ cents a week ago and 6.50 cents a month ago. Wednesday's official closing price for standard cash in London was £27 17s. 6d. to £28, compared with £26 to £26 1s. 3d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 34,543 tons, show an increase of 1,380 tons, and stocks of rough copper, at 7,674 tons, an increase of 350 tons.

LEAD.—Sales on the London Metal Exchange: 550 tons on Monday, against 500 tons last week; 400 tons on Tuesday, against 800 tons last week; 650 tons on Wednesday, against 450 tons last week. The New York quotation on Wednesday was 3.70 cents per lb., against 3.65 cents a week ago and 3.60 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 12s. 6d. for shipment during the current month compared with £10 3s. 9d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 450 tons on Monday, against 200 tons last week; 1,400 tons on Tuesday, against 600 tons last week; 600 tons on Wednesday, against 650 tons last week. Wednesday's quotation in East St. Louis was 3.85 cents per lb., against 3.80 cents the week before, and 3.87½ cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £12 15s. for shipment during the current month, against £12 last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £43 per ton, as against £43 to £43 10s. per ton last week. Chinese wolfram was again quoted at 41s. to 42s. per unit, c.i.f. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. Raw cotton prices fluctuated within narrow limits during the past week. Speculative interest was at a low ebb and most operators are waiting for further developments relating to the policy of the American Government. It is understood that before the end of November an official announcement will be made from Washington relating to acreage plans for 1935. In the meantime more cotton than ever is going into the hands of the Government under the 12 cent loan plan. Prices remain high and importing is very difficult. Many people in the States are somewhat concerned at the big decline in exports. Business in actual cotton in Liverpool and Manchester continues to run on outside growths. The price of American is considered artificial.

The general inquiry in piece-goods has shown some expansion and quite a number of manufacturers have had more opportunities of booking orders, but most of the offers have been on a very low basis, a large part of the demand being quite impracticable. Holidays in India have interfered with negotiations, but a slightly

improved turnover has taken place in dhooties and light whites for Calcutta, Karachi and up-country, whilst a few more bids have been about in bleached shirtings. There seems to be no probability of increased activity for China and the outlook is worse as a result of the slump in the Shanghai exchange rate. A varied business has been done for several minor outlets east and west, chiefly South America and the Dominions, whilst some makers have secured rather more orders for the home trade. On the whole yarn inquiry has been on a rather larger scale, but spinners cannot improve their margins and the general situation is very unsatisfactory. There are very few signs of any trade improvement just at present. Buyers are nervous as regards future prices and conditions abroad.

COTTON PRICES

	1934				Corresponding Date	
	Oct. 3	Oct. 10	Oct. 17	Oct. 24	1932	1933
Raw Cotton—Mid. American	d. 6-90	d. 6-74	d. 6-98	d. 6-93	d. 5-52	d. 5-53
Sakellaridis Fully Good Fair Egyptian	d. 8-14	d. 7-87	d. 8-28	d. 8-24	d. 7-72	d. 6-99
Yarns—32's twist	per lb. 10½	per lb. 10½	per lb. 10½	per lb. 10½	per lb. 9½	per lb. 9½
40's twist	per lb. 10½	per lb. 10½	per lb. 10½	per lb. 10½	per lb. 9½	per lb. 9½
60's twist (Egyptian)	per lb. 16½	per lb. 16	per lb. 16½	per lb. 16½	per lb. 15	per lb. 16
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 19 4	s. d. 19 0	s. d. 19 2	s. d. 19 2	s. d. 19 0	s. d. 16 8
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	s. d. 24 4	s. d. 24 0	s. d. 24 3	s. d. 24 3	s. d. 20 9	s. d. 20 8
38-in. ditto, 38 yds., 18 by 18, 10 lb.	s. d. 11 2	s. d. 11 0	s. d. 11 1	s. d. 11 1	s. d. 11 0	s. d. 10 5
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	s. d. 10 1	s. d. 9 11	s. d. 10 0	s. d. 10 0	s. d. 9 10	s. d. 9 3

WOOL.—Bradford. The wool market underwent no significant change during the past fortnight. First costs in the primary wool selling markets have moved upwards slightly, and this has been reflected in the rather firmer price position in the Bradford market. There is, in fact, a quiet growth of confidence among many sections of the industry, and although there seems little disposition to support this feeling by ordering large weights, it is generally agreed that, given freedom from untoward financial and political events, there will be little variation in prices from the present basis up to the end of the year. This view is consolidated by Australian and the recently-announced South African wool selling policy. In the former country brokers are offering restricted weights on account of the smaller Continental demand, and this policy, which has been pursued since the opening of the season in August, has resulted in supplies of wool in Bradford being much smaller than in previous years. The quantity of retained imports of wool in this country during the first three quarters of this year was some 50 million lb. less than a year ago. In South Africa, too, the report that the Government has offered to make an advance to wool growers so as to enable them to prevent sacrificing their wools at unremunerative prices means that, at least for some considerable time hence, no unduly cheap Cape wool will be available in this market.

It is this sub-normal supply of wool in England which is considered to be mainly responsible for the stability of top prices. Wool will probably be heaped up in Australia and South Africa towards the end of the season, and prices may then be expected to suffer, but for the moment the difficulty which topmakers have in securing adequate supplies of spot wool is causing a number of firms not to encourage orders for immediate delivery. A fair amount of top business is being done at prices based on first costs in Australia—26d. for warp 64's top—for January–February delivery, and spinners also report increased business in yarns.

GRAIN MARKETS

WHEAT.—Wheat prices took a sharp downward turn during the past week. The chief reasons for this setback are (a) the low level of demand by importing countries in recent weeks and (b) improved crop prospects in the Southern Hemisphere. Australia's crop was officially estimated at 136 million bushels, as compared with 175 million bushels in 1933 and 210 million bushels in the preceding year. Although this year's harvest is small owing to a reduction of 13.5 per cent. in acreage and a fall in yield per acre from 11.7 in 1933 to 10.6 in 1934, it is, nevertheless, larger than was expected earlier in the year. No official estimate is available of Argentina's wheat harvest, but the condition of the crop is understood to be fairly satisfactory. According to Mr G. Broomhall, total shipments during the past week were 1,208,000 quarters, against 1,476,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 98½ cents per bushel, against 100½ cents the week before and 95½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver ex ship, 31s. 6d. per 496 lbs., against 33s. 3d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 29s. 6d., against 31s. 3d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 26s. to 27s., against 27s. 6d. to 28s. 6d. a week ago.

FLOUR.—North American shipments were 182,000 sacks in the past week, as compared with 68,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 6d. to 26s. 6d., against 25s. to 27s.; Australian ex store, 20s. 6d. to 21s., against 20s. 6d. to 21s.

BARLEY.—October futures were 52½ cents per bushel in Winnipeg on Wednesday, against 52½ cents last week and 48½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 448 lbs., 32s. to 55s., against 32s. to 55s. a week before.

Compañía Argentina de Navegacion Mihanovich Limitada.

(ARGENTINE NAVIGATION COMPANY MIHANOVICH LIMITED.)

Loan and Share Capital.	Authorised.	Outstanding
6½% First Mortgage Debentures...	£1,500,000	at 31st March 1934.
10% Cumulative Participating Preference Shares of 5.04 Gold Pesos Each	975,000 Shares.	£1,395,550
Ordinary Shares of 5.04 Gold Pesos Each	975,000 Shares.	975,000 Shares.

NOTE: The Preference Shares are of the nominal value of 5.04 gold pesos each and carry the right to an annual cumulative dividend at the rate of .504 gold pesos (2/-) per share payable before any distribution may be made on the Ordinary Shares. The Ordinary Shares are also of the nominal value of 5.04 gold pesos. After they have received a dividend equivalent to the fixed cumulative dividend on the Preference Shares, any further distribution of available profits will be made as to 25% to the Preference Shares and as to 75% to the Ordinary Shares. On liquidation, the Preference Shares are entitled to repayment of capital and arrears of fixed dividend in priority to the Ordinary Shares, and to a 25% participation in surplus assets after repayment of capital on the Ordinary Shares. Payment of dividend and repayment of capital in a liquidation in respect of the Preference Shares are to be made exclusively in London in pounds sterling at the fixed rate of exchange of £1 for each 5.04 gold pesos.

Over 80% of the Ordinary Shares are held by the Management.

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- (1) A passenger and cargo service on the Parana and its tributaries between Buenos Aires and the up-river ports for a total distance of 2,400 miles.
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- (3) A towage, lighterage and an important ship repair service in the Port of Buenos Aires and various up-river ports.
- (4) A coastal cargo service in the Argentine, Uruguay and Brazil, and various miscellaneous complementary services.

In addition, the Company owns all the shares of the Compania Uruguay de Navegacion Limitada which operates similar services on the Uruguay River.

For the years 1928–1931, a strong development policy was adopted by the Company, and during this period, in addition to various small vessels, ten new passenger and cargo motor-ships were added to the fleet at a cost of over £1,200,000. The Fleets now consist of 43 passenger and cargo vessels and about 40 cargo vessels and 280 tugs, lighters, etc.

According to the last audited balance sheet of the Company dated 31st December, 1933, taking the fixed assets at the par rate of exchange and the circulating assets and liabilities at 16.55 (paper pesos) to the £, the net surplus assets, after deducting the amount of debentures outstanding, available for the Preference and Ordinary Share Capital amounted to £2,156,952.

As an indication of the profit earning capacity in past years, the profits of the Argentine Navigation Company (Nicolas Mihanovich) Ltd., the predecessor of the present company, for the five years from 1926 to 1930 (inclusive) averaged about £320,000 per annum after allowing for depreciation of the fleet and other assets and calculating the profits at the par rate of exchange.

Even in the worst period of depression, the Company has always earned sufficient profits, after allowing for depreciation, to provide for full debenture interest.

The adjusted profits of the Company and of its Uruguayan subsidiary, as certified by Messrs. Deloitte, Plender, Griffiths & Co., have been as follows:—

	Argentine Paper.	Converted at:	£
9 months ended 31st December, 1931 ...	1,654,390	13.30	124,390
Year ended 31st December, 1932 ...	2,231,415	12.80	174,329
Year 1933 ...	1,593,670	16.55	96,294
6 months ended 30th June, 1934 ...	1,509,314	17.60	85,756

These profits have been arrived at after deducting depreciation and all expenses, but before charging debenture interest.

The rate of exchange for importers with permits is now 17.10 Argentine paper pesos to the £ as against 17.60 to the £ at 30th June, 1934.

The improvement for the six months to June, 1934, over the figures of the previous year will be noticed from the foregoing table and this improvement is being more than maintained during the current six months. In the opinion of the Chairman of the Company, subject to no unforeseen circumstances arising, the total profits for the year 1934, after providing £90,710 in respect of interest on debentures, should be sufficient to pay the full dividend of 10 per cent. on the Preference Share Capital which requires £97,500.

During the nine months ended 31st December, 1931, and the years ended 31st December, 1932 and 1933, as the result of the charging to reserve of a large part of the depreciation, the profits shown by the accounts have been sufficient to pay the Preference dividends for those periods.

The Directors have declared an interim dividend of 4 per cent. on the Preference Shares on account of the fixed dividend for the current year. The Preference Dividend is payable exclusively in Sterling in London at the fixed rate of 5.04 Gold Pesos to the Pound.

OATS.—On Wednesday, "December" futures were quoted at 50½ cents per bushel in Chicago, against 52½ cents a week ago and 47 cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. per 320 lbs., against 21s. 6d. a week ago; "Chilean White," landed, 23s. 6d., against 23s. 6d. a week earlier.

MAIZE.—"December" futures were quoted on Wednesday at 75 cents per bushel in Chicago, against 77½ cents a week ago and 73½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 22s. 6d. per 480 lbs., compared with 23s. 9d. last week; "Plate," ex ship, 21s. 6d., as against 22s. 9d.; "November," 22s. 6d., as against 23s. 9d. Yellow maize meal, ex wharf, was quoted £6 to £6 7s. 6d. per ton, against £6 5s. to £6 12s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to October 20	Cwts. 99,688	Cwts. 357,285	Cwts. 238,803	Cwts. 431,860
8 weeks to October 20	449,411	1,871,316	3,006,712	4,016,028
Average price of English wheat per cwt.	s. d. 5 9	s. d. 5 7	s. d. 4 10	s. d. 5 0

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Oct. 13, 1934	Cwts. 426,155	Cwts. 453,715	Cwts. 68,250	s. d. 5 0	s. d. 9 8	s. d. 6 7
Oct. 20, 1934	431,860	424,488	53,875	5 0	9 4	6 5
Oct. 18, 1930	128,777	411,536	58,509	6 11	9 8	6 2
Oct. 17, 1931	99,688	509,409	65,763	5 9	9 6	6 4
Oct. 22, 1932	357,285	384,157	67,487	5 7	7 9	6 3
Oct. 21, 1933	296,803	476,392	43,097	4 10	10 2	5 5

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Oct. 25, 1933	Jan. 3, 1934	Oct. 17, 1934	Oct. 24, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	65½	65½	78½	76½
Chicago (No. 2 Winter)	55½	46½	88	84½	100½	98½
Cenals per 60 lb.						

The visible supply of wheat in Canada, at 116,704,000 bushels, shows an increase of 5,392,000 bushels. Supplies a year ago stood at 113,402,000 bushels.

OTHER FOODS

SUGAR.—Quotations on the spot market, both in London and New York, showed a sagging tendency early in the week. But greater firmness was manifest on Wednesday. Futures also declined under liquidation. The spot price in New York on Wednesday was 2-75 cents per lb., as compared with 2-91 cents per lb. last week and 3-00 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 4s. 2½d. to 4s. 3d., against 4s. 4d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	13	...	1,388	1,441	20,355	22,952
Liverpool ...	29,336	1,758	14,332	13,167	110,846	87,170
Total tons	29,349	1,758	15,720	14,608	131,201	110,122
Last week	23,116	14,969	17,607	14,496	117,572	122,972

COFFEE.—Conditions on the New York spot market have been quiet and prices have remained unchanged. Futures have also been rather featureless, with quotations a shade higher than a week ago. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London market has been quietly steady this week. Last week's movements of coffee in London were as follows: Brazilian, landed, 47 bags; delivered, 27,500 bags, against 27,264 bags a year ago. Central American, landed, 473 packages; delivered, for home consumption, 1,847 packages; exported, 663 packages; stocks, 85,815 packages, against 80,135 packages last year. Other kinds: Landed, 285 packages; delivered, for home consumption, 1,938 packages; exported, 699 packages; stocks, 78,777 packages, against 88,694 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "November-January," was 19s. 9d. to 20s. per 50 kilos, c.i.f. Continent, as against 18s. 9d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 74 bags; delivered, for home consumption,

7,501 bags; exported, 2,049 bags; stocks, 180,096 bags, against 134,166 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 51,159 packages of Indian and 21,041 packages of Ceylon tea. On Monday there was a good market for all descriptions of Indian and prices of good medium grades tended to harden. The commoner grades, however, tended to ease in price on Wednesday. Competition for the Ceylon grades was not so active and quotations were a little lower than of late. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	Northern India		Southern India		Ceylon		Java		Sumatra		Nyasaland		Total
	d.	c.	d.	c.	d.	c.	d.	c.	d.	c.	d.	c.	
Oct. 19, 1933	14-08	13-16	17-67	10-85	9-91	Nil	14-77						14-77
Sept. 20, 1934	12-25	10-67	12-01	9-30	8-70	10-26	11-72						11-72
Sept. 27, "	12-95	11-17	12-70	9-85	9-38	11-06	12-38						12-38
Oct. 1, "	13-08	11-62	13-84	10-19	9-76	11-09	12-89						12-89
Oct. 11, "	13-10	11-48	14-20	10-00	9-52	10-98	12-94						12-94
Oct. 18, "	12-63	11-56	14-32	10-15	9-77	10-98	12-76						12-76

RICE.—"The spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 7s. 9d. per cwt., shows a fall of 5½d. on the week. Movements in London during the past week were as follows: Landed, 121 tons; delivered, 184 tons; stocks, 4,082 tons, against 4,963 tons a year ago.

POTATOES.—At present prices supplies are just about equal to demand and quotations continue to show little fluctuation. At the London Borough Market on Tuesday, "King Edward" sold at 6s. to 6s. 6d. per cwt., this price being unchanged on the week.

SPICES.—"Lampung" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 60 tons; delivered, 57 tons; stocks, 345 tons, against 417 tons a year ago. White, landed, 155 tons; delivered, 39 tons; stocks, 8,528 tons, against 1,225 tons a year ago.

MEAT.—In general trade has been quiet, although beef and mutton were in fair demand early in the week. Trade in pork has, however, been poor, largely owing to weather conditions. Wednesday's quotation for Argentine beef, chilled hindquarters, was 3s. 8d. to 4s. per 8 lbs., as compared with 3s. 10d. to 4s. 2d. last week. New Zealand frozen mutton was 3s. 2d. to 3s. 8d. per 8 lbs., against 3s. 4d. to 3s. 10d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,711 tons, against 9,737 tons in the corresponding week last year. Imported beef, principally Argentine, formed 83-0 per cent. of the beef supplies, against 81-7 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 71-9 per cent. of the total supply of mutton and lamb, against 68-7 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Very quiet conditions prevail and in most sections there is an easier feeling. Linseed prices have declined and demand, both here and on the Continent, is small, crushers being content for the time being with parcels near at hand and disinclined to commit themselves forward until the position of the new Plate seed is more definite. Favourable reports as to the progress of the new crop in Argentina continue and nothing has transpired to affect the anticipation of a larger output than last season. Argentine shipments are not so heavy and about 160,000 tons of old crop is estimated to be still available for export, or 20,000 less than that actually shipped in the remainder of 1933. The quantity afloat for Europe is now 136,000 tons (including 20,800 tons from India), 8,800 tons more than last week; and for the United States 39,400 tons, against 68,300 tons a year ago. Cotton seed is steady but in poor demand, current value of black Egyptian for shipment being £4 15s. to £4 17s. 6d.

Trade in linseed oil is not so active, despite lower prices. Raw oil for October and November-December delivery is quoted £18 5s. per ton (naked) ex Hull mill, and January-April the same. Cotton oil is steadier. Egyptian crude ex Hull offers at £15 5s. and common edible at £17 prompt. Soy and palm kernel oils are easier. Oil cakes are in fair demand and steady in price.

TIMBER.—Imports of building and joinery woods during September were lighter than in the corresponding month of last year, although the total for the first nine months of the present year was still 18 per cent. above the 1933 level. Demand has improved considerably during the past two years and, although stocks are larger than they were twelve months ago, it is anticipated that smaller arrivals during the remainder of this year will reduce these to more normal proportions. Canadian shipments are being well maintained and arrivals from Finland and Russia are on a heavier scale than of late.

Spot prices for softwoods remain steady, those for the better qualities being firm. A more active demand from the building trades has been in evidence this year, while the shipbuilding trades, though still very depressed, are doing better this autumn. Furniture woods (especially Canadian) are in more active demand, while American lumber is generally coming forward in larger quantities. A revision of the American Lumber Code would occasion no surprise, and United States exporters continue very keen on this market. The plywood section continues to make progress, stocks being moderate and prices firm. It is reported that overseas shippers are anticipating an expansion in the British demand for plywood during the coming months.

RUBBER.—Rubber prices fluctuated within narrow limits at the slightly lower level reached a fortnight ago. At a meeting to be held on October 30th, the International Rubber Regulation Committee will probably decide on the limit of export quotas during the early months of 1935. Permissible exports are fixed at 80 per cent. of the quotas allotted under the regulation scheme for October and November and at 70 per cent. for December.

In New York, Wednesday's spot price for rubber, at 14 cents per lb., compared with 13½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 7d. to 7½d. for January-March, 1935, as against 7½d. to 7¾d. a week ago.

Stocks in London and Liverpool at the end of last week, at 118,457 tons, show an increase of 3,722 tons as compared with the preceding week.

LONDON FUR AUCTIONS.—The trend of prices has shown no change during the past week. As compared with those realised at the last auctions, which were held in April, prices were reduced as follows: Blue foxes, 25 per cent.; Russian "Persian lambs," 25 per cent.; squirrels, 20 to 25 per cent.; red foxes, 20 to 25 per cent.; white foxes, 20 per cent. At the opening of the auction of American furs on Wednesday, it was evident that these were not exempted from the general depreciation of prices. Skunks were quoted at 20 to 25 per cent. below the April level, but only the poorer qualities attracted attention.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

GRAIN, &c.		POTATOES—		WOOL—	
Wheat—	s. d.	Good English, new	s. d.	English Southdown, greasy, per lb.	d.
No. 2, N. Man. 496 lb.	29 6	per cwt.	6 0 6 6	" Lincoln hog, washed	6½
Eng. Gaz. av. per cwt.	5 0	Pepper, per lb.—		Queensland, sod. super cmbg.	23
Barley, Eng. Gaz. av.	9 4	Muntok, fair White.....	1 3½	N.S.W. greasy, super cmbg.	11
Oats	6 5	Black Lampung	0 7	N.Z., grey, half-bred 50-58	9½
Maize, La "Plata," landed, 480 lb.	22 6	Cinnamon—1st sort, per lb. 0 8½		Tops—Crossbred 40-44	16
Flour, Lon. stan. ex m. 280 lb.	22 3	Cloves—Zanzibar per lb. 0 6½		Merinos 70's	27
Rice, No. 2 Burma, per cwt. 7 9		Ginger—per cwt.—		" 64's	25½
Tapioca, per cwt.—		African	32 6	Crossbred 48's	12
Fair Flake, Singapore..	12 6	Jamaica, ord. to good..	80 0 100 0	" 46's	11
MEAT—		Mace	0 9 1 10	MINERALS	
Beef, per 8 lbs.—		Nutmegs, 65/-	0 10	COAL—	s. d.
English long sides	3 6 4 6	SUGAR—		Welsh, best Ad'ty., ton 19 6	
Argentine chilled hinds	3 8 4 0	(Duty, 11/8 per cwt.)		Durham, best gas, f.o.b.	14 8
Mutton, per 8 lbs.—		Centrifugals 96's, prpt ships, c.i.f. U.K. Cont.	4 1½	Sheffield, best house, at pits	21 6 23
English wethers	5 4 6 0	B.W.I., crystallised....	17 6 19 6	IRON AND STEEL—	
N.Z. frozen	8 2 3 8	Java, white, c. & f. India	6 0	Pig, Cleveland No. 3, d/d.	ton 67 8
Lamb, per 8 lbs.—		Aug.-Sept.		Bars, M'brongh	192 8
N.Z. frozen	4 4 5 0	Refined—London—		Steel Rails, heavy	170 0
Pork, English, per 8 lbs.	5 8 6 8	Yellow Crystals	21 6 22 0	Tin plates	per box 18 2
OTHER FOODS		Crushed	19 3 19 9	METALS—	s. d.
BACON—		Granulated	17 9 21 3	Copper, Electrolytic, ton 30/5/0	31/5/0
English—per cwt.	86 0 92 0	Home Grown	17 4½ 17 7½	Sheets (strong)	56/0/0
Irish	86 0 92 0	Molasses, in bond	1 8	Standard	27/17/6
Danish	90 0	TEA—		Lead, Eng. pig	12/10/0
Dutch	87 0	Per lb.—		Soft Foreign	10/12/6
HAMS—		Pekoe	0 10½ 1 1½	Spelter G.O.B.	231/10/0
Canadian	87 0 92 0	Broken Pekoe	0 10½ 1 4½	Tin—English ingots	231/10/0
American	80 0 88 0	Orange Pekoe	0 11 2 6	Standard cash	230/7/6 230/10/0
Australian	69 0 70 0	Broken Orange Pekoe..	0 11 3 3	MISCELLANEOUS	
New Zealand	70 0 71 0	Ceylon—per lb.—		Acid, citric, per lb., less 5% 0 9½ 0 10	
Danish	108 0 109 0	Pekoe	0 11½ 2 1	Nitric	0 2½ 0 4
Dutch	48 0 53 0	Broken Pekoe	0 11 2 4½	Oxalic, net	0 5
CHEESE—		Orange Pekoe	0 11 2 0	Tartaric, English, less 5% 1 0 1 0½	
Canadian	49 0 51 0	Broken Orange Pekoe..	0 11½ 2 10½	Alcohol	12 0
New Zealand	50 0	TOBACCO—		Alum, lump	per ton 15 9 0
English Cheddars	82 0 88 0	(Duty, 9/6-10/6 per lb.)		Ammonia, carb.	ton 27 10 28 0
Dutch	48 0 53 0	Empire growth, 7/5½-8/3½ per lb.)		Sulphate	6 16 7 5
COCOA—		Virginia leaf		Arsenic, lump	per ton 35 0 40 0
(Duty, British grown, 11/8; foreign, 14/- cwt.)		Common to fine	0 10 3 6	Bleaching powder, per ton 9 0 9 10	
Accra, f.f.	20 6 21 6	Rhodesian leaf	0 10 2 8	BORAX—	
Trinidad	38 0 46 0	Nyasaland leaf	0 9 1 6	Do., powder	14 6
Grenada	30 0 34 0	" strips	0 8 2 6	Nitrate of Soda	per cwt. 7 9 8 0
COFFEES—		East Indian leaf	0 3 0 10	Potash—Chlorate, net	0 4½ 0 5
(Duty, British grown, 4/8; foreign, 14/- cwt.)		" strips	0 4½ 1 8	Sulphate	per cwt. 12 3 12 6
Santos supr. c. & f. cwt..	49 0	TEXTILES		Sulphate pig	per cwt. 12 3 12 6
Colombian, good	58 0 70 0	COTTON—		Salt-Ammoniac	per cwt. 42 6 45 0
Costa Rica, med. to good	70 0 80 0	Mid-American	per lb. 6-93	Soda Bicarb.	per cwt. 10 0 11 0
East India	60 0 88 0	Sakellariadis, f.g.f.	8-24	Crystals	per cwt. 5 0 5 3
Kenya, medium	55 0 68 0	Yarns, 32's twist	10½	Sulphate of Copper, per ton 15 0	
EGGS—		60's twist	16½	CEMENT—	
English	17 6 18 6	FLAX—		London area, jute sacks, 11 to ton	
Danish	15 0 15 3	Livonian ZK	per ton 63 0 64 0	(charged and credited at 1/6d each) or	
FRUIT—		Pernau HD	60 0	paper bags 20 to ton (free, non-returnable)	
Oranges—		Slanets Medium 1st sort..	71 0 72 0	4 ton loads and upwards 38/- per ton	
South African	9 0 13 6	HEMP		1 and up to 4 ton loads 40/- per ton	
Lemons, Malaga	15 0 23 0	Native 1st mks. ... per ton		COPRA—	
Naples	20 0 31 6	c.i.f. H.A.R.B. (New crop)		S.D. Straits c.i.f., per ton 9/6/3	
Apples: Amer. (var.) boxes	7 0 12 0	Daisee 2/3 c.i.f. Dundee	£14/17/6	Smoked South Sea	7/12/6
" (var.) brils		Oct.-Nov.		DRUGS—	
" Australian		Oct.-Nov.	£13/12/6	Japan, refined	per lb. 2 1
ONIONS—		SILK—		Ipecacuanha	per lb. 5 0
Valencia, case	8 0 9 6	Canton	per lb. 4 0 6 6	Peppermint, Wayne Co.	
Egyptian, bags		Tussah	3 0 3 6	HIDES—	per lb. 15 0 15 6
Grapes, Lisbon, ½ boxes	10 0 20 6	Japan	4 9 6 0	Wet salted—Australian	per lb. 0 3½ 0 3½
Almeria		Italian—raw, fr.	4 9 6 0	West Indian	0 3 0 3½
Irish bladders pr. cwt.	46 0 53 0	† Exclusive of Government tax of 1d. per gallon.			
U.S. 56 lbs. boxes	42 6 45 6				

UNITED STATES

(New York quotations, unless otherwise stated.)

	Oct. 25, 1933		Oct. 17, 1934		Oct. 24, 1934	
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THE FINANCIAL NEWS

Special articles due to appear next week on the leader page of THE FINANCIAL NEWS are as follows:

MONDAY, OCTOBER 29—"HOW FARES RECOVERY?" Our Statistical Correspondent contributes his monthly survey on the Trend of Business.

TUESDAY, OCTOBER 30—"MINOTAUR," our Special Mining Correspondent, in his "Mines of the Rand" series deals with SPRINGS.

WEDNESDAY, OCTOBER 31—Our Special Oil Correspondent writes on THE AMERICAN OIL WAR.

THURSDAY, NOVEMBER 1—CHINA AND THE PRICE OF SILVER, by a Special Correspondent.

FRIDAY, NOVEMBER 2—Messrs A. Strauss and Company contribute their expert Monthly Review of THE TIN SITUATION.

SATURDAY, NOVEMBER 3—FRANCE AND HER TROUBLES, by our Paris Correspondent. M. Doumergue is shortly due to face the French Chamber again with the grave issue of Constitutional Reform occupying the centre of the stage.

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THE RIDDLE OF THE FAR EAST

THE Pacific and the Far East have this week stepped to the front of the stage. Uneasiness about the naval conversations which are taking place in London, and the unpleasantness of the oil controversy which has been brought to a head simultaneously, by Japanese action, both in Japan and in "Manchukuo," have been the chief factors in this re-awakened interest. Merely in themselves, and at their present stage of development, these several transactions are uncomfortable enough. They assume a still graver aspect when we take into account, as we must, their background and latent possibilities.

What is at issue, under the surface, is the three-cornered relation between Japan, the United States and the United Kingdom in world politics. The present policy of Japan—or, rather, of the militant elements now in power in Japan—is clear. It is their intention, by a series of encroachments, to increase their naval power in the world, their military power in the Far East, and their political and economic control on the Asiatic Continent—in Manchuria in the first instance, but also in the rest of China as the occasion presents itself. Their tactics consist of springing acts of aggression upon their neighbours in doses, and at intervals, which are nicely calculated to give these neighbours the largest shock that they will stand without resorting to active resistance. These tactics are as hazardous as the policy itself is anti-social; but the Japanese apparently calculate that there is a sufficient division of counsels, both within and between the United States and the United Kingdom, to assure Japan of the requisite margin of safety.

In America the Japanese are counting on a mood which, under stress of the economic crisis at home, is eager to avoid foreign complications at almost any price, and is disposed to make a modest estimate of American interests in the Far East. The bulk of the non-Japanese trade in the Far East is not American, but British; the bulk of the non-Japanese territorial possessions in the Western Pacific are not American, but British and Dutch. If America really intends to withdraw politically from the Philippines and to concentrate her economic activities within a self-contained national unit, why should she want to pull the chestnuts out of the fire on the other side of the Pacific for people on the other side of the Atlantic? These may be genuine American feelings. But when a Japanese spokesman at the Japanese Embassy in Washington draws, for the benefit of American journalists, the specious inference that in that case America

needs no five-to-three naval ratio, and perhaps no navy at all, the American reaction is all the other way. Indeed, it seems probable that the United States will insist on retaining the present ratio by competitive building, if she cannot retain it by an agreed perpetuation of the Washington and London Naval Treaties. It is also possible that American opinion may not be willing to allow Japan, unchallenged, to establish that Monroe Doctrine, throughout the Far East, which is the present Japanese Government's semi-officially admitted objective.

This brings us to the question of British policy, which may well prove decisive—not only for the outcome of this Japanese-American controversy, but also for the fate of the British Empire.

As regards the relations between the United Kingdom and the United States, it is unquestionable that public opinion in this country is convinced that the maintenance, not of "correct relations," but of cordial friendship and mutual confidence between the two English-speaking Powers should be one of the cardinal points in British policy—and this in our own selfish national interest, just as much as in the greater public interest of the peace of the world. On the other hand, there are certain small but influential English minorities which are as unfriendly towards the United States as they are complacent towards Japan. In British naval circles, for instance, there seems to be a school which feels towards the Japanese Navy all the indulgence of a fond parent for an obstreperous child, while it cannot forgive the American admirals for having obtained, through "parity," the privilege of having as big a toy to play with as our British admirals.

Again, there are British business interests in the Far East which resent the "intrusion" of the Americans as unwelcome competitors, while they apparently hope to save some of their own business from the more formidable impact of Japanese competition by a timely deal—without inquiring too closely whether the contemplated Anglo-Japanese bargain may not be at other people's (e.g. China's) expense. To speak plainly, these minority interests in this country seem to be casting the British people for the rôle of white-faced jackal to a tawny Japanese lion. The rôle is so humiliating, as well as destructive of fundamental British interests, that we are confident that this country will never accept it.

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THE ECONOMIST

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Unfortunately the words and acts of the F.B.I. mission to Japan and "Manchukuo" have already created a good deal of misgiving. In a despatch telegraphed from Washington last Saturday, the correspondent of *The Times* reports the currency, in the United States, of a rumour that the mission has come away from "Manchukuo" with an order for £8,000,000 worth of "railway and steel equipment," and he mentions the further rumour that there is to be a new Anglo-Japanese alliance, or, at any rate, an Anglo-Japanese understanding which would protect the commercial interests of Great Britain in the Yangtse Valley and elsewhere—in exchange, we may suppose, for British recognition of Japan's *de facto* mastery over Manchuria. There is a more sensational story that the business picked up by the mission in Japan includes orders for warships. Such stories are given colour by a statement, attributed to Sir Charles Seligman in an interview with the *Osaka Mainichi*, that "practically every thinking Briton is in favour of reviving the Anglo-Japanese alliance," and also by the opinion, which is attributed to the members of the mission by *The Times* correspondent in Tokyo, "that the Manchurian door is effectively open for trading, and that they have been impressed by the quantity of foreign goods already being accepted there on a price and merit basis." This sounds very fine; but what will the oilmen say? They must have been surprised to hear this just a week after they themselves had been summoned by the Monopoly Bureau of the Finance Ministry of the "Manchukuo" Government in order to be told that their own business in Manchuria is to be killed by the setting up of a "Manchukuo" oil monopoly.

This monopoly is plainly incompatible with the terms of Article 3 of the Washington Nine-Power Treaty on "principles and policies to be followed in matters concerning China." The nine Powers, of whom Japan is one, have here bound themselves "not to seek or support their respective nationals in seeking" either economic privileges or economic monopolies in the whole of China or in any part of it. Yet the new "Manchurian Petroleum Company," on which the "Manchukuo" monopoly is to be conferred, is to be financed with Japanese capital, public or private. The Japanese Government seems to have replied to the protests that have been made separately, on behalf of their respective oilmen, by the British, Dutch and American Governments, that they cannot control the business operations of their own capitalists, or, alternatively, that this is not really a monopoly, or, alternatively again, that Manchuria is no longer a part of China. We may reflect that solemn public assurances of the maintenance of the open door in Manchuria have been given, nine times, in the name of either the Japanese or the "Manchukuo" Government; and we may also remind ourselves that one of these answers was given to the British Government on an occasion when it ostentatiously confined its inquiry to the single question of the open door, instead of extending it, as had been done in an antecedent inquiry from the American Government, to the greater question of the independence and integrity of China.

Meanwhile, another, and much bigger, oil question has been raised simultaneously by the implementation of a Japanese law, passed last March, which hits the foreign oil interests in their business in Japan itself. The new law requires them to set up, at their own expense, additional storage plant in Japan (sufficient for holding a six months' supply) and also to set up refineries on Japanese soil. The same law empowers the Japanese Government to fix sale prices and to determine the quotas of oil imports to be allotted annually to any given company. In other words, the foreign companies are to be forced into a great new capital outlay without any assurance that they will in future be allowed to make any profit even on their existing outlay. In putting them under this pressure, the Japanese Government doubtless counts upon the value of their existing installations in Japan as a hostage. But what will the oilmen's respective Governments say? Are American, Dutch and British oil companies really to pay through the nose in order to provide facilities for the Japanese Navy to operate against the Philippines or Netherlands Indies or British Malaya in the event of war?

The Japanese are doggedly pursuing their chosen path; but what is our line to be? Scavenging in the new lion's tracks? Or solidarity with the United States?

EMPIRE TRADE

It is extremely difficult to perceive any harmony between the Government's many voices on the theme of Britain's economic policy; and the listener may be pardoned if he concludes that the Cabinet has not agreed what tune to sing. Thus, Mr Elliot makes it evident both by word and deed that the competition of Empire countries with British agriculture is an embarrassment to him, and apparently he is only waiting until our hands are free to modify the Ottawa Agreements. In other quarters of the Conservative Party there are definite indications of a readiness to pursue the policy of autarky to its logical conclusion. But though these may be significant signs of the times, we cannot, as yet, regard them as representing the bulk of opinion in the Party. We must, therefore, assume that it remains the intention of the dominant partner in the Government to foster international trade so far as it is consistent with moderate protection, and to concentrate in particular on the development of intra-imperial trade in the spirit of the Ottawa Agreements.

If this is a correct surmise of the Government's objective, it is clearly important to watch as closely as possible the course of British imperial trade under the preferential system that now obtains, to try to form some opinion of the possibilities of further expansion, and to see what steps can be taken to prevent the bias that is being given to British overseas commerce from prejudicing the important trade with foreign countries that remains to us. It is still early to answer these and many similar questions; but the Agreements are now two years old and the first results have begun to show themselves. In a Supplement which we publish with this issue of the *Economist*, Sir George Schuster has brought together from various sources a mass of statistics from all parts of the Empire, analysed them in a spirit of great objectivity, and presented a picture from which already certain conclusions may be drawn.

Sir George Schuster's method has been designed to compare a completed year of post-Ottawa trade with conditions obtaining in three previous periods—namely, the last pre-war year, the period of comparative prosperity in the later '20's, and the year of deepest depression preceding the Ottawa Agreements, i.e. 1931.

The first point that emerges is that the intra-imperial trade both of the United Kingdom and of the countries of the Empire was in 1933 a larger proportion of their total trade than in 1931; and that in most cases, though not in all, this intra-imperial trade had increased in total value. This change in the proportion of intra-imperial to other trade cannot, of course, be solely attributed to the Ottawa Agreements. All the countries of the Empire are off the gold standard, and most of them are more or less linked to sterling. Again, the Empire has been free from political disturbance and has eschewed the more extreme forms of trade interference, while intra-imperial debts have been to a large extent converted and are being honoured. All these factors have fostered intra-imperial trade. They cannot, of course, be disentangled and measured quantitatively in isolation, but they must all be borne in mind in reading Sir George Schuster's analysis. It must, however, be obvious that the Ottawa preferences have played an important part in bringing about the "shift" to which we have referred.

Secondly, this "shift" from foreign to intra-imperial trade is much more marked in the case of Britain's purchases from the Empire than in the case of the Empire's purchases from Britain, or of the trade between the Dominions themselves. In other words, when this country imposed an all-round tariff, but left our imports from the Empire on the free list, it afforded the Empire a much greater opportunity of gaining trade at the expense of foreign countries than Great Britain has ever obtained from the Dominions, either under the Ottawa Agreements or under the pre-Ottawa preferences.

Thirdly, looking at the picture from the Dominions' point of view, the outstanding fact of the last two decades has been the great growth of their trade—both import and export—with non-Empire countries. When the depression came, Dominion sales to foreign countries were very severely hit; but, thanks mainly to the stability of the

British market, "Empire sales" suffered less severely. To-day the Dominions are actually selling a larger proportion of their exports within the Empire than before the war. On the other hand, the proportion of Dominion purchases within the Empire has not recovered to the same extent. These percentage figures, however, only show the relative advantages, for it must not be forgotten that, as compared with the period of *post-war* prosperity, the total trade of the Empire, whether within the ring or with countries outside, is enormously reduced.

In the light of these three deductions we may conclude that as a unit Empire trade has been less vulnerable to depression than trade outside, that the chief factor in this stability has been the great British market of consumers, that the Dominions as buyers have contributed less than Great Britain to the recovery that has taken place in the group as a whole, but that the fiscal changes of which the Dominions have enjoyed the benefit have been more advantageous to them than those which have been conceded to Great Britain have proved to her.

Many other lessons can be learned from this study. Sir George Schuster, for example, has some interesting things to say regarding the impact of the depression in various parts of the world upon the Empire. His figures show that while European difficulties, and particularly the German crisis, have been very upsetting influences, the situation in the United States has been responsible for as great, if not a greater, disturbance.

Again, the figures demonstrate that our Imperial trade rests to a much larger extent than our foreign trade upon exchange of our manufactures for raw materials and food. They also show the difficulty of trying to make the trade between any two countries balance, and Sir George Schuster strikes a note of warning against the easy assumption that the trade of the Empire is complementary and self-sufficing, even when regarded as a whole.

But perhaps the chief interest of this study will lie in what Sir George Schuster has to say about the possibilities of the future. After examining in some detail the opportunities of trade development with our greatest Imperial market, namely India, Sir George Schuster raises what is, after all, the fundamental issue—namely, whether the countries of the Empire can take the initiative in checking and reversing the all-pervading drift towards the conception of self-sufficiency. If a new direction is thus given, it means that "each country cannot develop every possible section of economic activity equally, and demands courage on the part of political leaders to resist the demands of some sectional interests."

Will that courage be forthcoming? Some years ago certain Dominion statesmen were quite frankly saying that while the Dominions were prepared to go on buying Britain's specialties, new types of machinery or plant, and the means of enabling them to establish their own industries, they were not prepared to contemplate as a permanency the purchase from Great Britain of what might be called the "bread and butter" lines of industrial production, such as standard textiles, bulk steel products, etc. Clearly such a view if applied generally would mean that Australia and Canada could not expect to maintain the sale of vast bulk supplies of food or material. There are signs that many Dominion statesmen are alive to the danger to the economic structure of their countries of refusing to accept large and continuing imports from the purchasers of their natural products. At the same time, in the light of the known opinion of the Dominions and Sir George Schuster's figures, he would be a bold man who assumed that a change will take place in the attitude of the Dominions large enough to enable British trade with the Empire to revert to its pre-war nature and dimensions.

If this is a true reading of the situation, certain conclusions follow. It means that the "shift" illustrated by the trade statistics is to be regarded as an indication of the greater stability that has prevailed in Empire trade during the depression rather than as the beginning of a new trend towards an inter-dependent Empire in which we shall find all the markets we need for our goods. If this be so, it follows equally that if we are to avoid the necessity of a radical reconstruction of British economic life, we must find means not merely of fostering Imperial trade, but of

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restoring the much larger trade we still retain with foreign countries. It must be a cardinal point in British policy that our arrangements with the Empire shall not be so drawn as to make it impossible to bring about this larger restoration.

DISAFFECTION

THE suspicion that the law is being twisted to the benefit of class or party, or the sense that civil liberties are being stealthily curtailed, have ever been potent causes of political unrest in this country. The National Government has braved the chance of such unrest with its Incitement to Disaffection Bill; and, in so doing, it has aroused the active resentment of its opponents and some uneasy suspicions even in the ranks of its supporters. When Parliament re-assembled on Tuesday this Bill entered at once on its report stage; and it is due to complete its course through the Lower House this week.

The objects of the Bill, according to Sir Thomas Inskip, the Attorney-General, are "to make fresh, and as I think better, provision for the trial of persons charged with attempting to seduce a soldier or sailor from his duty or allegiance, and to prevent the persons who engage in this underhand business from carrying out their designs."* To achieve these aims, the Bill originally provided that anyone who "endeavoured to seduce any member of His Majesty's forces from his duty or allegiance"† would be guilty of an offence; as would any person who "without lawful excuse has in his possession or under his control any document of such a nature that the dissemination of copies thereof among members of His Majesty's forces would be an offence under this Act." The original Bill further provided that any Justice of the Peace, if he were satisfied by a sworn information of reasonable ground for suspecting that an offence under the Act had been committed, could grant a warrant authorising any named constable to enter any premises at any time, by force if necessary, to search the premises and every person on them, and to seize "anything" so found which the constable "has reasonable ground for suspecting to be evidence of the commission of such an offence."

The powers arrogated to both police and magistrates in the original Bill appeared so drastic as to provoke widespread misgiving and opposition. The Bill was therefore substantially amended in Standing Committee "A." In the form in which it was reported to the House this week it throws on the prosecution the onus of proving that the endeavour to seduce was "maliciously and advisedly" made—no great alteration, since, in law, "maliciously" means only deliberately, and every man is taken to intend the natural and probable consequences of his acts. A greater concession by the Government was the new provision that the prosecution must prove "intent to commit,

* *The Times*, October 26, 1934.

† See below for the importance of the word "or."

or to aid, abet, counsel or procure the commission of an offence under this Act," besides the mere possession of documents calculated to cause disaffection in the forces if distributed. Again, the search warrant must now be applied for by a police inspector, at least, and, in deference to the strong feeling that local Justices of the Peace might well be swayed by political motives, the Solicitor-General on Wednesday accepted a notable amendment, making the issue of the search warrant dependent on the satisfying of "a High Court judge" in place of the two J.P.s. It is a far cry from a J.P., or even two, to a High Court judge, and the concession has certainly gone far to remove the fear that the Act might be misused for political purposes. Finally, on Wednesday, the Solicitor-General himself secured an amendment providing that the inspector applying for a search warrant shall also satisfy the judge that evidence of the crime "is to be found at any premises or place mentioned in the information."

It may therefore be claimed that the Bill is no longer destructive of civil liberties; that it is innocuous, even if not of great urgency. Yet we may ask what exceptional circumstances have been adduced to justify this stiffening of the law by methods more appropriate to the eighteenth century.

The Attorney-General—on whom almost alone, strangely enough, the duty of defending so controversial a safeguard for the armed forces of the Crown has fallen—has said that, under existing law, it was found too difficult to prosecute to conviction the actual framers and original disseminators of literature calculated to cause disaffection among the armed forces. He mentioned in particular a publication, "The Soldier's Friend," which had been so disseminated; and he justified the present Bill by his statement that "an organisation [sc. Communist] now exists for the deliberate purpose of changing that happy state of affairs" in the armed forces—the state of "splendid loyalty and discipline." "It would be folly," he said, "in my opinion, to wait till its poisonous work succeeds." Moreover, the Attorney-General and others have adduced precedents for search warrants—e.g. in the cases of missing property or suspected premises, official secrets, explosives for presumed felonious purposes, coinage tools, blasphemous and obscene libels and publications, and the detention of a girl or woman on premises for suspected immoral purposes.

We may therefore examine in what respects the present powers afforded by Statute and Common Law have proved deficient. Since 1817 the Incitement to Mutiny Act, first passed in the panic of 1797, has rendered every person guilty of felony who

maliciously and advisedly endeavours (1) to seduce any person serving in His Majesty's forces by sea, land [or air] from his duty and allegiance [not "duty or allegiance," as in the new Bill!], or (2) incites such person to commit any act of mutiny or to make or endeavour to make a mutinous assembly, or to commit any traitorous or mutinous practice . . .

In an indictment under this still valid Act "it is not necessary to specify any particular person or persons who have been approached by the accused. The jury are to consider whether the publication in question was addressed to persons serving in His Majesty's forces, and, if so, whether it amounts to an incitement to mutiny."† Apart from statute law, the remedy of prosecution for the common law misdemeanour of seditious conspiracy is also still open. A seditious conspiracy is, *inter alia*, an agreement to raise disaffection or to excite hatred and contempt of the Government of the day.‡ Thirdly, sedition itself, another misdemeanour at common law, consists in acts done, and words spoken or published with an intention, *inter alia*, to raise disaffection or discontent amongst His Majesty's subjects. Soldiers are subjects, and therefore come within this common law misdemeanour. But they are also under military law. Indeed, by the Army Act, any person subject to military law may have to answer with his life if, *inter alia*, when an intended mutiny or sedition has come to his knowledge, he does not without delay inform his commanding officer and do his utmost immediately to suppress it. The Attorney-General has, so far, given no hint that

the soldiers are esteeming their lives so lightly. And if the only end of the Bill is, as the Attorney-General stated on Tuesday, to preserve the reliability of the armed forces, it would seem that the existing powers can effect this.

Are we, then, to conclude that the Government are already nervous about the loyalty of the forces of the Crown? Or that the police cannot possibly, within the framework of the present law, rely on "a jury of twelve shopkeepers"? Or that Scotland Yard, which, as the Attorney-General admitted in the House, can send *agents provocateurs* to secure obscene publications, is quite unable to rout out the framers and originators of seditious or "disaffecting" literature without the vexatious creation of a new class of offences? If this is the case, the remedy seems to be with Scotland Yard—not with new legislation to circumvent judges, juries, and our common law safeguards.

Even as amended, the present Bill revives a right of search more arbitrary and general than those specific rights of search already cited. It has, moreover, elicited an official admission that the expression of views which ought to be permissible in a free community will not only become a crime more easily, but that it can already be treated as such. Thus, we have it on the Attorney-General's authority, in the debate on Tuesday, that anyone who has in his possession a number of copies of the recent speech by the Bishop of Birmingham against bombing from the air in Afghanistan, in which occurred the following passage, with intent to make it known to soldiers, would come under both the Bill and the existing laws:—

Knowing that my words as published in the English press may reach members of the Royal Air Force concerned, I say that I cannot think that a Christian man could act under orders in this way.

Such an interpretation of the right to the expression of opinion is one which has naturally made the public uneasy; and it has aroused the fear that the application of the new law in panic conditions might easily prove destructive of privacy, property and freedom.

This unfortunate measure was probably conceived in fear—fear that the praetorian guard of democracy might be seduced from their allegiance. But it has brought forth only a state of apprehension of the Government's intentions. In the absence of any proof that the danger which is being guarded against is either real or imminent, the Government has chosen a most unfortunate moment to unsettle the public regarding the preservation of its traditional liberties.

THE OCCUPATION CENSUS

THE Occupations volume of the 1931 Census has now been published and contains much information with regard to changes in occupations and in the geographical distribution of the population and to the total unemployment in the country in 1931, which cannot be gleaned from the regular reports of the Ministry of Labour based on data relating to insured workers only. The figures are more completely analysed than in previous censuses. Thus, the number of persons out of work is now shown separately for the first time; a more detailed geographical classification of occupied persons is now given, which covers the whole country instead of only six selected industrial areas; certain of the industrial classifications have been slightly altered. No children between the ages of 12 and 14 are now occupied as in 1921. On all these grounds strict comparison with 1921 is not possible. But on the whole no such radical changes in classification have been made as between 1911 and 1921, and it is therefore possible to discover fairly accurately what have been the main changes in the occupational and geographical distribution of the population in the ten years 1921-1931.

Between 1921 and 1931 the total population of England and Wales increased by 5.5 per cent. Owing to the decline of the birth rate, however, and the consequent rise in the average age of the population, the number of occupied persons increased by almost 10 per cent., from 17,178,000 to 18,853,000. The number of men of working age rose from 13,901,000 to 14,633,000, and of women from 15,700,000 to 16,411,000. The following table shows (in

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thousands) the changes that have taken place among males and females in different economic classes:—

ANALYSIS OF POPULATION OF WORKING AGE

	Man- gerial	Opera- tive	Working on own account	Out of work	Total in and out of work	Unoc- cupied and retired
1921						
Males ...	563	10,800	749	Included in preceding columns	12,112	1,788
Females	74	4,665	327		5,066	10,634
Total ...	637	15,465	1,076		17,178	12,422
1931						
Males ...	922	9,806	835	1,684	13,247	1,385
Females	137	4,664	321	483	5,606	10,805
Total ...	1,059	14,470	1,156	2,167	18,853	12,190

Note.—1921 figures refer to persons over 12 and 1931 to persons over 14 years of age. In 1921 the categories "managerial" and "operative" were "employer" and "employee."

The decrease in the number of unoccupied and retired men is probably accounted for by the fact that in the 1931 Census those who were unemployed but normally had an occupation, were all counted under the heading "occupied," whereas a number of such persons probably registered as "unoccupied" in the 1921 Census. There is a rather surprising increase of nearly 100,000 in the number of those working on their own account, of which 46,000 are under "Proprietors and Managers of retail and wholesale businesses" and 16,000 under "Costermongers and Hawkers." The large increase in the managerial class is partly a real phenomenon and partly due to the change of title from "employer" to "manager," which would include employees excluded from the first. It is generally admitted in any case that the classification is very rough and that the whole class is probably inflated by persons whose vanity is flattered by describing themselves as belonging to a higher industrial status than is theirs by right. The numbers of occupied males and females have increased by 10 and 8 per cent. respectively. In the case of females the occupied have remained a fairly constant proportion of the total, as is shown in the following table, giving the proportion of women over 14 who were occupied in 1911, 1921 and 1931:—

PROPORTION OF WOMEN OCCUPIED

	Percentage of women over 14 occupied in			Number occupied in
	1911	1921	1931	1931
Single	69.6	68.2	71.9	4,320,000
Married	10.2	9.1	10.4	897,000
Widows and divorced	30.1	26.1	21.6	389,000
Total	35.4	33.7	34.2	5,606,000

The increase of 10 per cent. in the occupied population in the ten years 1921-1931 has not been equally shared by all industries. There has been a decline in metal mining (37 per cent.), precious metal mining (19.5 per cent.), railway transport (14 per cent.), coal mining (10 per cent.), tobacco (9 per cent.), agriculture (6.5 per cent.) and metal manufacture (3 per cent.). The manufac-

ture of textiles, of textile goods and clothing and trades connected with skins and leather have expanded less than 1.5 per cent. On the other hand, the number of persons engaged in the manufacture of electrical apparatus has increased by as much as 53 per cent., upholstering by 48 per cent., builders, stone and slate workers, etc., and those providing entertainment and sport by 37 per cent., chemical workers by 36 per cent., and those occupied in commerce (excluding clerks) by 32 per cent. Road transport, finance and insurance, brick and tile making, painting and decorating, paper and cardboard manufacture, drink production, stone and clay mining have increased by 20 to 28 per cent. It is interesting to notice that the progress of road transport and the decline of railway traffic almost exactly cancel each other out, so that workers engaged in transport of all kinds still form the same proportion of the total occupied population as in 1921—8.7 per cent. The following table shows the relative importance of different industries in 1921 and 1931, and also the percentage of unemployment in the latter year:—

OCCUPATIONS BY INDUSTRIES (MALES AND FEMALES)

	1921		1931		
	No. occupied 000's	% of Total	No. occupied 000's	% of Total	% Un- employed
Agriculture	1,254	7.3	1,172	6.2	5.4
Mining—Coal	993	5.8	894	4.7	18.3
Stone, slate, etc.	49	0.3	60	0.3	12.3
Metal working	1,449	8.5	1,446	7.7	18.5
Electrical apparatus ..	140	0.8	215	1.1	9.2
Textile manufacture ...	863	5.0	876	4.7	20.4
Textile goods	809	4.7	820	4.3	6.5
Food manufacture	170	1.0	196	1.0	8.5
Wood working	428	2.5	472	2.5	15.3
Building	505	2.9	693	3.7	14.2
Painting and decorating	238	1.4	297	1.6	13.5
Transport, of which—...	1,484	8.7	1,635	8.7	10.3
Road	538	3.2	690	3.7	9.3
Rail	316	1.8	272	1.4	3.2
Water	275	1.6	268	1.4	26.4
Commerce, of which	1,471	8.6	1,942	10.3	5.5
Salesmen	660	3.9	865	3.5	1.6
Retail proprietors, etc.	542	3.2	651	4.6	8.1
Professions	636	3.7	746	4.0	2.4
Sport	83	0.5	114	0.6	19.9
Domestic service	1,210	7.1	1,411	7.5	7.3
All occupations	17,119	100.0	18,853	100.0	11.5

As would be expected, the percentage of unemployment is greatest in the contracting industries, with the notable exception of the building and allied trades—painting and woodworking—in which, in spite of an expansion of about one quarter, 13 to 15 per cent. of the workers are unemployed. The only declining industry with comparatively little unemployment is agriculture, with only 5.4 per cent.

The total of 2,167,000 persons out of work compares with a figure of just under two million persons registered at Employment Exchanges in April, 1931, of whom 500,000 were temporarily stopped and would probably not have classified themselves in the Census as out of work.

* The Times, loc. cit. † Halsbury's Laws of England.
11th Edition. Ed. Visct. Hailsham. Vol. IX, page 307.
‡ R. v. Burns, 1886.

It is unfortunate that changes in classification make it impossible to show changes in detail over a long series of years; and even in broad categories comparison is complicated by differences of principle in analysing the figures. Prior to 1881, for example, retired persons were grouped with their appropriate occupation, whereas they have subsequently been grouped with the unoccupied. Again, clerks and typists are in a separate category since 1921, whereas previously most of them were assigned to various industries. Any general grouping can, therefore, only be approximate; but, after all allowance has been made, the following table clearly brings out certain trends which represent real changes in the occupational structure of the nation:—

DISTRIBUTION OF THE OCCUPIED POPULATION
OVER 10 YEARS OF AGE

	MEN									
	1851	1861	1871	1881	1891	1901	1911	1921	1931	
General Industry	51	51	54	52	52	53	52	45	42	
Agriculture	24	22	18	14	12	10	8	8	7	
Transport	5	6	7	8	9	10	10	11	11	
Other Occupations	8	9	11	9	9	11	14	19	21	
Unoccupied	12	12	10	17	18	16	16	17	19	
	100	100	100	100	100	100	100	100	100	
	WOMEN									
	1851	1861	1871	1881	1891	1901	1911	1921	1931	
General Industry	22	20	18	16	16	16	16½	11	10	
Domestic	13	15	16	15	15	13	12	10	11	
Other Occupations	4	4	3	3	3	3	4	10	10	
Unoccupied	61	61	63	66	66	68	67½	69	69	
	100	100	100	100	100	100	100	100	100	

The most striking feature of these figures is the large reduction in the proportion of the population, both male and female, engaged in general industry—which consists of all manufacturing and mining occupations—and the increase in the professions, distributive and commercial employment, administration, etc., which are included under "other occupations." Agriculture has continued to decline in importance during the past ten years; while transport, which developed steadily throughout the second half of the last century, has remained stable. Among women there has been a reversal of the tendency to scorn domestic service, but a part of the increase in this category is accounted for by the fact that it includes institutional and hotel service as well as private domestic service.

It has often been suggested by economists that a quinquennial be substituted for the present decennial census; while Sir Josiah Stamp has recently put forward a special plea for a census in 1936 on the ground that our population will reach a maximum in that year and that it would be deplorable if no detailed statistics were available concerning an important turning-point in our economic and social history. We hope the Government will take note of this very strong argument. But there is another matter to which they should also give serious thought. It is, in any case, essential that there should be accurate data on which to base social and economic legislation, dealing, for example, with changes in the school-leaving age, housing or provision for changes in the supply of labour, whose cost and effect are fundamentally affected by alterations in the age, geographical and occupational distribution of the population. Yet no one in authority appears to be alive to the practical importance of statistical knowledge. Statistics which are three or four years out of date lose their value as guides to policy and become merely a matter of academic interest. If the Government accede to the growing demand for a census in 1936, it is at least of equal importance that the census department should be provided with the necessary equipment of personnel and machinery to enable them to produce their results within a reasonable period of months—instead of years.

"I, GOVERNOR OF CALIFORNIA"

(By A CORRESPONDENT IN LOS ANGELES)

CALIFORNIA, the land of strange religions and the retreat of millions of guileless souls from Iowa, registers in its own characteristic fashion the currents of new political thought now sweeping across the United States of America. The serious book trade is in the depths of depression; but a best-seller has appeared, entitled "I, Governor of Cali-

fornia, and How I Ended Poverty." This little pamphlet is the work of that prince of propagandists Upton Sinclair, who many years ago startled the United States with "The Jungle," a savage attack which, in his own words, he aimed at the great heart of the American public, but which hit its stomach. One of the supplementary booklets to "I, Governor" describes Mr Sinclair's subsequent career as a publicist, making money by sensational sociological essays and losing money by silly sociological experiments.

Quietly using methods of personal propaganda, Mr Sinclair recently startled an incredulous country by winning, with a handsome majority, the Democratic nomination for Governor of California. In possession of this nomination, with an effective and enthusiastic machine built up of former Socialists, advanced Liberals and some Democrats, and with the somewhat reluctant endorsement of the Democratic Party leaders he suddenly loomed up as a serious contender for office.

His plan was magnificently simple—just plain, old-fashioned Socialism. No new-fangled notions or adjectival prefixes, but just Socialism. Robert Owen, with a dash of William Morris, and perhaps a little inspiration from any one of a hundred inflationists—but none from Communists, Guild, State or any other qualified sort of Socialists—provides the basic ideas of the EPIC (End Poverty in California) plan. A few weeks ago the betting was odds-on that Sinclair would be elected and the plan become a reality. Like so many booms, however, it seems to have reached its peak too soon. Opposition, slow and ineffective in starting, passed through a phase of over-bitterness and invective, which alienated many moderate voters, but latterly seems to have become more effective. The betting has swung against Sinclair. But California is a curious social phenomenon, and it is possible that there may have to be an amendment to the famous schoolboy howler which described the writing on the wall as "Aimée, Aimée, Sempile McPherson."

The EPIC plan consists of three main points, each of which is to be carried out by an alphabetical organ. The CAL (California Authority for Land) will take over any fertile waste land or abandoned farms and settle co-operative colonies on them. The CAP (California Authority for Production) will do the same with factories. The CAM (California Authority for Money) will issue scrip to pay the workers and bonds to purchase the land and factories. Mr Sinclair expects that, in addition to the 20 per cent. of unemployed already in California, half the unemployed in the rest of the United States will "jump the first freight." Capitalists he expects to leave, taking with them their bonds and cash; but not the land or the Californian climate. The co-operative colonies will not need capitalists, but only workers.

That such fantasies should be practical politics and should have enrolled themselves behind the Democratic banner must be very embarrassing to President Roosevelt and all respectable New Dealers. In the Democratic primary election which established his candidature, Mr Sinclair defeated a protégé of the Administration; but the primary once over, the party could hardly fail to support its duly nominated candidate. Mr Farley, the Postmaster-General and political strategist of the Administration, announced that the party would support Mr Sinclair, but he contrived to convey very clearly the reluctance with which he made the announcement. Mr Roosevelt said that he would receive Mr Sinclair, but that he would not talk politics with him; they were closeted together for two hours, presumably discussing the climatic contrasts of California and New York. Mr Sinclair emerged full of enthusiasm for the President, but there was no sign of the feeling being reciprocated. The confusion of the New Dealers was not diminished by the fact that Mr Sinclair's opponent, Mr. Frank Merriam, the present Governor, is not only a Republican, but an almost reactionary Conservative. The Republicans, of course, seized upon the whole episode with glee, and to judge by some of their remarks the Democratic Party was on the point of electing Mr Sinclair to the Presidency, the Senate and every one of the seats in the House of Representatives. Under the pressure of these attacks even the tepid support previously extended has been withdrawn, and Mr Sinclair has been more or less disowned by Washington.

Nevertheless, EPIC must apparently be taken as a portent. Its ideas have already spread to other Pacific Coast States, and the Democratic primary in the State of Washington was won by a candidate whose EPIW plan imitated Mr Sinclair's in all save its happy abbreviation.

Another widely discussed and popularly supported plan is that proposed by Dr. Townsend, of Long Beach, California, whereby any man or woman over the age of 60 years may retire on a pension of \$200 per month provided they promise to spend this amount before the next monthly payment is due. Eight million pensioners, therefore eight million jobs, and an added turnover of \$1,600,000,000 per month. The revolving fund will be provided by a sales tax, which, as Dr. Townsend points out, would raise prices

by at least 25 per cent. right away, thus fulfilling the purposes of the New Deal much more effectively than NRA has been able to do.

It would be optimistic to believe that Dr. Townsend and Upton Sinclair are the only Californians capable of producing such plans. And, as Mr Sinclair points out, the advertisement value of these schemes is considerable. If California, why not Florida or Middletown?

The New Deal is said to be in process of revision; but with humanity on the march—to or from California—it is a little difficult to say what form revision may finally take. It is one thing to go out for a ride on the Democratic tiger. Coming home may be a different experience.

NOTES OF THE WEEK

Parliament Resumes.—The reassembly of Parliament on Tuesday was marked by the welcome return of both the Prime Minister and the leader of the Opposition, each restored to health and to the House after a prolonged holiday. Mr Lansbury's first act, after congratulating Mr MacDonald on his recovery, was to ask for a debate on the private arms traffic during the present session. Mr MacDonald granted his request, as he could hardly have failed to do in view of the importance of the matter. Since last February's debate, when the Government professed scepticism about the need for action, the United States inquiry has been held, and extraordinary revelations, involving British firms, have been published. We trust that the Government will prove to have been as deeply impressed by these revelations as public opinion in general. It is at any rate satisfactory that Sir Bolton Eyres Monsell agreed on Wednesday to offer an independent investigation into the charge made at the American inquiry that the British Admiralty had shown partiality in granting submarine contracts. Apart from the discussion of the arms traffic, and certain concessions over the "Sedition Bill" [which we discuss in a leading article], the Opposition did not succeed in extracting much information or satisfaction from the Government. Agricultural policy was again under fire, but Mr Elliot and Lord De la Warr could promise little but restrictions in the case of imports and good intentions in the case of exports. Imports of milk products, Members learned, and, if possible, of beef would be further cut down; but no hope was offered to the desperately depressed herring fishermen beyond the possibility of an enlargement of exports to be negotiated with Germany, Poland and the Baltic States. It is interesting to observe that, where an export industry is concerned, Mr Elliot finds himself bankrupt. Similarly, on the subject of order at public meetings, Mr Anstruther-Gray and Mr Vyvyan Adams failed to secure any satisfaction from Sir John Gilmour. Sir John declined to say whether the Government would introduce the new regulations for preserving order which have been suggested as a result of the notorious Fascist meeting at Olympia. Ministers are presumably satisfied that police measures have proved sufficient and that the danger is passed. We sincerely hope that they will prove justified in their surmise.

The "National" Triumvirate.—The annual National Labour luncheon at the Trocadero has become a ceremony at which votaries of the Government worship with particular fervour before the shrine of "national unity." Last year the danger from which the country was being rescued by the Government was dictatorship; this year it seems to have been war. But the three high priests were still preaching to the converted with their accustomed complacency, and the familiar phrases floated symphonically from their lips. "The work of the National Government," said the Prime Minister, "has made the great centre of the Empire more honoured, respected and appreciated by

our sons and daughters in remote territories than ever before." The younger generation should see in the Government "the expression of a great philosophy of social progress." "The greatest guarantee of social and democratic stability," Mr. Baldwin added, "is the continuance of a broad-based Government bringing together faithful men from all parties." And Sir John Simon declared unambiguously that "the spirit behind the National Government is the spirit of the British people." The chief interest of the general public in the proceedings, however, will have been to discover what political future the "National" leaders are envisaging for themselves. Is there to be a "National" Party at the General Election, to embrace MacDonaldites and Simonites? Or a purely party election? Or a "National Government" election like the last? The third possibility is apparently the most likely; for Mr Baldwin spoke of his intention to "maintain the unity that at present exists in the National Government, and once more to persuade the people of this country to entrust that Government with a further lease of life." Mr Baldwin's language—"the unity that at present exists"—was not quite so confident as that of his two colleagues, who professed to look forward to an uninterrupted and indefinite period of harmonious co-operation. "In some quarters," Mr Baldwin said, "we find a slackening of interest and an expression of doubt." The difference of note is perhaps intelligible. For the "National Party," which would offer Mr MacDonald and Sir John Simon a secure and permanent asylum, might raise awkward questions of leadership as well as of local representation. A National Government, on the other hand, elected to deal with a temporary (if rather protracted) emergency, would enable embarrassing pilots to be dropped as soon as the weather permitted.

The Betting Bill.—The Government may well be congratulated on their firmness in sticking to their guns over the Betting Bill. The Committee stage has now been transferred from Standing Committee "upstairs" to the floor of the House; and though there does not, curiously enough, seem to be any exact precedent for this procedure, it is surely justified on grounds of common sense, as affording the Government the only way out of its dilemma. For otherwise the Government would be obliged either to carry over the Bill to the next session, which, owing to the congested state of its Parliamentary programme, would in fact have meant abandoning it altogether; or else it would have been forced to accept it in such a mutilated form that it would merely have stultified the purpose for which it was introduced, by legalising the "tote" on dog tracks without placing any limitation on the number of racing days permitted. That, of course, is what some of the opponents of the Bill, who have persistently obstructed "upstairs" in a very discreditable manner, would have liked to happen; and the last state of the betting nuisance would then have been worse than the first. Happily the Government have discovered this ingenious way of circumventing these obstructionist tactics, and there is every reason to hope that the

remaining stages of the Bill will now be completed before the end of the session. The Government must, of course, bear the blame for its initial error in permitting such an important piece of legislation to be delivered into the hands of its enemies; but the opposition of the Labour Party to the transfer of the Bill to the floor of the House smacks somewhat of pedantry. The Bill, for all its imperfections, is manifestly in the public interest, and there is no reason why the country should be made to suffer unnecessarily on account of the Government's tactical blunder in its original handling of the measure.

* * *

Mr Bennett and Mr Stevens.—Another blow has been struck at Mr Bennett's rapidly waning prestige by the resignation of Mr Stevens from the Canadian Cabinet. As long ago as last January Mr Stevens made a speech in which he attacked certain "unfair and unethical" methods practised by Canadian business. Various business interests protested, and Mr Bennett expressed disapproval of the speech. But Mr Stevens was supported by large sections of public opinion, and in the end Mr Bennett, in deference to this opinion, appointed a Committee, of which Mr Stevens was head, to inquire into the alleged malpractices. As soon as the Committee began to sit, evidence came to light which astonished and shocked the country. In the words of our Canadian correspondent:—

Social welfare workers, officials who administer the minimum wage laws, and labour leaders have given evidence, fortified with chapter and verse for specific cases, of scandalously low wages being paid in the clothing and other industries, of wholesale evasions of Provincial minimum wage laws, of workers on full time being compelled to seek public relief to save their households from destitution, and of men and women working long hours under appalling conditions who were afraid to lodge complaints through fear of losing their jobs. The Committee was presented with a picture of considerable elements of the working classes of Canada working for wages which were far below the acknowledged level of decent subsistence.

It was not forgotten by the public that Mr Bennett had justified his high protection programme on the ground that it would permit high wages to be paid to the workers. To allay the storm, Mr Bennett converted the Committee into a Royal Commission, of which Mr Stevens was again head. At the end of July, however, Mr Stevens read a paper privately to a group of fellow Conservatives, and in this paper he accused certain explicitly named business interests of "indefensible wage-cutting, stock-watering and other unethical practices." The paper leaked out and was published in the Press. Immediately the interests concerned demanded Mr Stevens' resignation; and Mr Bennett charged him with prejudging the issue and making untrue statements. Mr Stevens retorted that all he had said was true, and refused to resign from the Commission without resigning from the Cabinet. Mr Bennett persisted in his attitude, and so Mr Stevens has resigned. His courage and candour have not only won him widespread popular support; they are also likely to turn Mr Bennett's impending defeat at the General Election into an ignominious rout.

* * *

Coalition in Australia.—The free trade Country Party is after all to have a place in the new Australian Government. At the recent elections Mr Lyons's United Australia Party secured the largest representation, but failed to retain its clear majority over all other parties. The Country Party, led by Dr. Page, held the balance. Negotiations between Mr Lyons and Dr. Page were begun, but failed in the first instance. Dr. Page demanded the Deputy Premiership, four places in the Cabinet and a formal inquiry into the economic value to the nation of certain small protected industries. The first two requests, which Mr Lyons originally refused, have now been granted; but the last has been met by a compromise. Some "informal" investigation into the protected industries is to be made, and Mr Lyons has assured Dr. Page that the recommendations of the Tariff Board, which are shortly to be published, will prove acceptable to him. These assurances do not

sound very convincing. It almost looks, on the face of it, as if Dr. Page has abandoned his struggle for freer trade in return for the Deputy Premiership. To some extent, no doubt, he will be able to exert influence from within the Cabinet, and some minor reduction of tariffs will probably be made. But to hope for Empire Free Trade, or anything like it, from his inclusion would be Utopian optimism. Not only is the absolute level of the Australian tariff unlikely to be lowered; but the British preference will certainly not be increased. For the Australian Government, impelled by Mr Elliot's restrictions in Great Britain, is seeking fresh markets for Australia in foreign countries. And it is most unlikely that she will obtain concessions in these countries unless she offers something in return. Mr Elliot has killed the dream of Empire Free Trade; and Dr. Page will not be able to revive it.

* * *

The French Radical Congress.—The national congress of the French Radical parties, held at Nantes last week-end, was visibly under the shadow of the cloud that hangs over the whole of Europe. With the Marseilles tragedy just behind them, and the Saar plebiscite (as M. Herriot reminded them) just ahead, these French party politicians manifestly felt that party considerations and even important issues of substance in French home politics must be subordinated to the overriding need to keep the National Government in existence. The stumbling-block, of course, was M. Doumergue's still, perhaps purposely, rather nebulous project for constitutional reform. The party's downright dislike of that project, as far as its contents were known to them, was put on record in the report presented by the party committee on the subject, as well as in a resolution voted by the Radical senators. After that, however, M. Herriot was successful in carrying the congress with him in his insistence that, if the united national front is to be broken, then the breach shall not be made from the Radical side. (Details of the Congress decisions will be found in our Paris Letter on page 826.) Opposition centred upon M. Doumergue's plans for making possible a dissolution of Parliament before it comes to the end of its statutory term. At present this is theoretically possible, but practically it is a dead letter—partly by convention and partly because it can only be done with the consent of the Senate, where the Radicals have always held a very strong position. M. Doumergue is reported as desirous of abolishing the present constitutional necessity for the Senate's consent, and placing the power of dissolution in the hands of the Prime Minister. It is perhaps ominous that this proposal is being pressed by M. Tardieu; but, on its merits, it will not appear very wrong-headed to English observers, who remember French Parliaments which have lingered for months or years after they had quite lost touch with the electorate. Would it really be dangerous to republican liberties in France if the French constitution were to be revised in the direction of English practice? No doubt institutions which look the same on paper do work very differently in countries which differ in their political temper and traditions. There is something strange in the spectacle of a Radical party finding a palladium of liberty in a policy of constitutional die-hardism. Still, the Radicals have shown themselves conciliatory; and it is to be hoped that MM. Doumergue and Tardieu will now meet M. Herriot in the same spirit.

* * *

The German Protestants' Victory.—It was evident last week that Dr. Müller and Dr. Jäger were in retreat. But the extent of the Protestant Confessional community's success, as it has been revealed this week, seems to have taken even the victors by surprise. It is, indeed, remarkable that Herr Hitler should have abandoned his old friend Dr. Müller—as well as the ineffectively ruthless Dr. Jäger—so completely; for, after all, whatever the nominal autonomy of the Reichsbishop may have been, he was put into office by the Nazi Party in order to "unify" the Protestant churches of the Reich; and the police were put at his disposal for the purpose. The Evangelicals, in fighting to defend their own church liberties, have now achieved

a break-through which makes a deep breach in the grandiose structure of "the totalitarian state." The victors may not desire this, for many of them—and this is part of their strength—are convinced Nazis as well as determined Protestants. It is neither their wish nor their fault that the latent incompatibility between Protestant freedom of conscience and Nazi totalitarianism has been brought to light by a conflict which they did not initiate. But the harm—or the good—has been done; and on Tuesday Herr Hitler declared to Bishops Meiser, Wurm and Marahrens that henceforward he would leave the problems of the Church to the Church itself. The dissenting Protestants have, indeed, secured Herr Hitler's acquiescence in the fundamental demand which they formulated in their declaration of independence of October 20th; and everything points to Herr Hitler's capitulation being genuine, and no mere *ruse de guerre*. The unconditional release of the interned bishops over the week-end; their reception by Herr Hitler himself on Tuesday; the taking of the Chancery by storm, on the same day, when thirty delegates of the Bavarian Protestant peasants forced their way in past the Black Guards in order to make the Führer aware of their feelings; the collapse of Dr. Müller's pathetic eleventh-hour attempts to save some vestige of his face: all these things would seem to indicate the beginning of a profound change in the psychological atmosphere in Germany. There may be many elements in Germany which will be more eager than the Protestants themselves to occupy and organise the ground which the Protestants have won for the common cause of liberty. The wheel of Fortune seems to be coming full circle; and the Church may perhaps be destined to retrieve in the twentieth century the defeat which it received in the sixteenth at the hands of the State.

* * *

Confusion in Austria.—The most important fact in the internal political situation in Austria now is the hardening of Catholic feeling against the anti-religious totalitarian State. Although a breach has been made in the German Nazi structure by the firm stand of the German Protestants, the Austrian Catholics will certainly not revise their opinion about political totalitarianism until they have seen how the German Catholics fare. This stiffening of the Austrian Catholics' attitude has produced a certain tension between the Catholic and the Heimwehr wings of the present Austrian Government, and also a certain division of counsels in the ranks of the Austrian Nazis. The Austrian Catholics are no more enamoured of totalitarianism, if it is pressed upon them in a Heimwehr form, than they are of the Hitlerian brand. A speech by Prince Starhemberg on October 25th shows that he resents this. He hinted that the Heimwehr had borne the heat and burden of the day in the common struggle, on two fronts, against the Nazis and the Social-Democrats, and that they would not submit to being made use of by the Catholics and then thrown on the scrap-heap. It was still more significant that he staked out a claim for the Heimwehr to take control of the bringing up of the rising generation; for the recent history of Germany, Italy and Russia shows that this is the most contentious point in all the debatable ground between the Church and the would-be totalitarian State. If the Heimwehr are in earnest over this claim there can hardly fail to be a serious difference of opinion between them and their present Catholic partners. Among the Austrian Nazis, again, there is now a division between the intransigents—who inherit the nineteenth-century Styrian Liberal tradition "Free from Rome"—and the moderates who cannot bring themselves to renounce their Catholicism if Catholicism and Nazism turn out to be incompatible. On the 27th of last month some representatives of this milder school of Austrian Nazis had a conference with Dr. Schuschnigg and Prince Starhemberg, and were informed of the Government's conditions for admitting them into "the Patriotic Front." These conditions are likely to have been severe; for nobody in Austria has forgotten what happened to the Conservatives and the Centre Party in the Reich after they had allowed Herr Hitler to come into power; and the one point—and an important point—on which the Austrian Catholics and the Austrian Heimwehr

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are in absolute agreement is their common desire to avoid the fate of being *gleichgeschaltet*. At the moment it looks as though in Austria, as in Germany, the decisive battle against the totalitarian State is likely to be fought on religious ground.

* * *

A Financial Inquiry in Ireland.—The rumours of a financial commission of inquiry which have been circulating in Dublin for many months were justified at the end of last week when the Minister of Finance announced the personnel of a Commission which is to complete the work begun by the Parker Willis Banking Commission of 1926. That inquiry led to the Currency Act of 1927 which now regulates the Free State currency. The new Commission is to be presided over by Mr Joseph Brennan, the chairman of the Currency Commission, and the "external" members are to be Professor T. E. Gregory, of London, and Mr Per Jacobsson, of the B.I.S. The other eighteen members include Professors Duncan, O'Brien, Busted and O'Rahilly, three representatives of the banks, five Civil Servants (including the Secretary to the Department of Finance), a Bishop, two trade unionists, two farmers and two business men. The personnel has given general satisfaction, the rather cumbersome size of the Commission being compensated by the representative character of its membership. The terms of reference are very wide, embracing "the system in Saorstát Eireann of currency, banking, credit, public borrowing and lending, and the pledging of State credit on behalf of agriculture, industry, and the social services." The chief topics of inquiry are likely to be the proposal for a Central Bank, the budgetary position and the link between the Saorstát pound and sterling. On the last point there is not the least likelihood of the Commission's reporting in favour of anything but the continuance of the present system, which works very smoothly. On budgetary questions the Commission may find it necessary to play the rôle of a May, rather than a Macmillan, Committee. The question of a Central Bank is the most open of the three. The banks will, of course, resist it, as they would lose their present right of note issue and would have to contribute interest-free deposits. The Bank of Ireland would, in addition, lose the custody of the Government deposits. It is difficult to see, in the circumstances of the Free State, much useful scope for a Central Bank. Nor would one have thought that the argument in favour of completing the chain of Dominion Central Banks would have weighed very heavily with the section of opinion now dominant in the Free State, though the organ of the Government party has linked the present inquiry with those which have recently been held in India, New Zealand and Canada. The report of the Commission will be awaited with great interest on both sides of St. George's Channel and, in the meantime, there is no excuse for the "scare or panic" which the Minister of Finance appeared to fear would result from the announcement of the Commission.

* * *

But the War Goes On.—There seems to be no prospect of submitting the dispute between the United Kingdom and the Irish Free State to a similarly patient inquiry. Mr Thomas declared in the House of Commons on Tuesday that there was nothing fresh to report, that no overtures had been made on either side and that "it would be a fatal

mistake to enter upon negotiations unless there was a real and genuine prospect of a settlement, because it would do more harm than good." If Mr Thomas means that further negotiations carried on in the same spirit and with the same negotiators as those which have failed would do more harm than good, he is probably right. But are we really to allow this suicidal "economic war" to become a permanency? If anyone had any lingering doubts about the damage inflicted by this insanity, they would be dispelled by a pamphlet recently written by Mr Henry Harrison and published by the Irish News and Information Bureau. The damage to Ireland is clearly large, though apparently by no means as catastrophic as the British Government ex-pects. The damage to Great Britain is no less. Our best customer has fallen to fifth place; our shipping, insurance and other "invisible" income has been diminished. Mr Harrison makes the point that both the Free State and Great Britain have been buying from other countries what they previously bought from each other, and that in so far as these other countries are not in the sterling area, the stability of sterling is thereby affected. Mr Harrison lays much more emphasis upon this argument than it deserves, but it is certainly true that no conceivable economic or financial interest of Great Britain is served by a continuance of the present dispute. A trade war with Germany, France or the United States would arouse insistent protests which the Government could not afford to disregard. Trade with Ireland was, until two years ago, more important than trade with any of these Great Powers. If the British public allows the economic war with the Free State to continue, it does so in ignorance of the magnitude of the issues involved.

Petrol and Policy in Germany.—Dr. Schacht, in his capacity of Minister of Economics, is rapidly forging ahead with his plan to make Germany self-sufficing in essential raw materials. In the space of one month he has made an association of ten lignite producing concerns and has given a Reich Commissar sweeping powers to compel it to produce benzine by the I.G. Farbenindustrie's hydrogenation process. According to our Berlin correspondent, a German expert recently estimated that Germany will in a few years be able to produce annually 1,250,000 tons of benzine—or 1,400,000 tons if the present compulsory admixture of alcohol spirit be included—against her current consumption of 1,450,000 tons. The lignite companies fused into a compulsory syndicate number ten, and include I.G. Farbenindustrie and other concerns which are not primarily lignite producers. The members of this syndicate, who are appointed and can be removed at the will of the Commissar, are to finance a company already founded, the Braunkohlen Benzin A.G., which is again almost entirely under the control of the Commissar, who can conclude contracts in its name and negotiate and act for it without hindrance. The capital is to be Rm. 100 millions. The Commissar may require the taking up of shares by other companies than the original ten. The compulsion of private concerns to supply capital for production of a kind which the Government considers necessary is new to Germany; and the law led to a further heavy drop in lignite shares on the Bourse. It is significant, as the Berlin correspondent of *The Times* has pointed out, that in 1937 the vast programme of motor-roads linking up the industrial districts with the frontiers is due to be completed. Herr Hitler's "four years" which he demanded of the nation in 1933 also end in 1937. Will Germany be as self-sufficing in 1937 as Dr. Schacht apparently intends to make her, and will it be only for the doubtful comfort of a costly self-sufficiency? Whatever may be the real nature and causes of external pressure upon Germany, her internal economic policy can hardly fail to arouse misgivings abroad, or to push farther and farther away any hope of a return to normal relations between Germany and her neighbours.

Lord Nuffield Expects.—Lord Nuffield now reiterates almost weekly that it is the patriotic and apparently moral duty of every Englishman to refrain from buying foreign cars. We are not clear how far Lord Nuffield's convic-

tions extend in this direction. Does he consider all international trade immoral? Or would he feel justified in purchasing some of his raw materials from foreign countries, if he could not get them so cheaply at home? We do not gather that he objects to foreigners purchasing cars manufactured in this country. Is his belief, then, that all countries should be allowed to import, but Great Britain alone to export? Or would he perhaps be willing to grant absolution to British motorists who buy petrol from the foreigner? Lord Nuffield should expound his system of ethics more fully. For we cannot suppose him to mean that the whole duty of an Englishman consists in his buying British cars.

The German Debt Agreement.—Mr Runciman announced in the House of Commons on Thursday afternoon that the negotiations between the British and German Governments have resulted in an agreement. The German Government has agreed that 55 per cent. of the value of German exports to the United Kingdom shall be definitely earmarked for the payment of British exports to Germany. This is expected to be sufficient to provide payment in full to British exporters. Foreign exchange permits for the import of British goods are, at the outset, to be issued without restriction, though the German Government reserves the right to restrict their issue temporarily, after consultation with the British Government. As for the outstanding debts, Germany undertakes to provide £400,000 immediately and to expedite payment by realising German commercial claims on the United Kingdom. If this should not suffice, a further percentage of the proceeds of German sales will be allocated for the purpose. This percentage has been fixed for the time being at 10 per cent., but it is in any case to be sufficient to liquidate the outstanding debts in twelve months. The sondermark arrangement is to continue. The German Government, in addition, undertakes to continue the payment in full of interest on the Dawes and Young Loans in British ownership on June 15th last. Holders of other loans will be offered 4 per cent. Funding Bonds guaranteed by the German Government and exempt from transfer restrictions provided they are accepted in full payment of any coupons funded. Mr Runciman added that provision has been made for the replacement of the agreement, should it be terminated, by a clearing arrangement, and he concluded with the warning that although this agreement embodied the principles which it had been the object of the Government to attain, it did not automatically remove all the difficulties from the path of Anglo-German trade, and that exporters should therefore continue to proceed with caution. These details have only become available as we go to press and considered comment must be withheld until next week. But it is obvious that an attempt has been made to make the agreement comprehensive and that the German Government has made considerable concessions to the British point of view. The provision for the holders of non-Reich loans is a slight, though welcome, improvement on the alternatives hitherto open to them. If these arrangements proceed smoothly, they are clearly preferable to an exchange clearing, especially to one imposed without German assent. But in view of the effects on foreign trade of past developments in Germany's economic policy, there is ample reason for Mr Runciman's caution. Moreover, even if Anglo-German relations are satisfactorily regulated by this agreement, it does nothing to improve the general economic position of Germany, which is one of the major hindrances to world recovery. We have been able to establish ourselves in a favoured position, but the wider question of Germany and her creditors appears to be still as far from solution as ever.

The Volume of Overseas Trade.—Last week's *Board of Trade Journal* contained the usual quarterly article showing the trend of our overseas trade by the elimination of changes in prices. The tendency of the volume of exports to increase faster than imports, which was first noticeable in the second quarter of 1934, continued in the July-September period. But compared with the corresponding periods a year ago, the increase in the volume of

both imports and exports in the third quarter this year was appreciably smaller than in the second quarter:—

Period	Retained Imports				Exports of Domestic Produce			
	Declared Values	Index of Average Values	Values in terms of 1930 Values	Index of Volume	Declared Values	Index of Average Values	Values in terms of 1930 Values	Index of Volume
	£ Million	1930 = 100	£ Million	1930 = 100	£ Million	1930 = 100	£ Million	1930 = 100
1924 ...	1,137	135.0	842	88.0	801	120.8	663	116.2
1930 ...	957	100.0	957	100.0	571	100.0	571	100.0
1931 ...	797	81.0	984	102.8	391	89.4	437	76.5
1932 ...	652	75.3	867	90.3	365	83.3	438	76.8
1933 ...	627	71.4	878	91.7	367	82.1	447	78.4
1931								
1st quarter	192.5	84.5	227.7	95.2	103.3	93.2	110.9	77.7
2nd "	189.6	82.0	231.2	96.6	95.8	90.8	105.6	74.0
3rd "	191.0	79.1	241.5	100.9	93.2	87.8	106.2	74.4
4th "	224.3	79.0	283.9	118.6	98.2	86.1	114.1	80.0
1932								
1st quarter	177.3	78.4	226.1	94.5	92.3	84.2	109.7	76.9
2nd "	153.4	75.3	203.9	85.2	94.7	84.3	112.3	78.7
3rd "	150.5	72.7	207.1	86.5	84.1	82.0	102.5	71.9
4th "	171.0	74.5	229.5	95.9	94.0	82.5	113.9	79.8
1933								
1st quarter	146.6	70.1	209.3	87.4	89.7	81.7	109.2	76.9
2nd "	148.5	70.2	211.5	88.4	85.6	81.2	105.4	73.9
3rd "	155.5	71.5	217.4	90.9	93.1	82.4	113.0	79.2
4th "	176.2	73.5	239.7	100.0	99.0	82.6	119.9	84.1
1934								
1st quarter	168.9	72.4	233.4	97.6	94.7	82.1	115.4	80.9
2nd "	164.2	72.4	227.0	94.9	95.0	82.6	115.0	80.6
3rd "	163.9	73.0	224.6	93.9	99.3	82.2	120.9	84.7

The increase in the volume of imports over the corresponding period in 1933 declined from 7.4 per cent. in the second quarter to 3.3 per cent. in the three months ended September, 1934. The increase in the quantity of British exports declined from 9.1 per cent. to 6.9 per cent. during the same period. The index of import prices was somewhat higher and that of export prices slightly lower than a year ago. But the rise in average import prices was almost entirely due to higher prices of industrial raw materials. The quantity of imports of raw materials rose by only 2.2 per cent. between the third quarter of 1933 and the corresponding period this year, for larger purchases of iron ore and scrap, non-ferrous ores, timber, silk, oil-seeds and rubber were partly offset by substantial reductions in our imports of raw cotton and wool. Sharp increases in imports of non-ferrous metals, oils and fats, iron and steel, machinery and motor-cars contributed largely to the rise of 12.1 per cent. in the volume of articles wholly or mainly manufactured. The figures show a decline of 5.1 per cent. in the volume of British exports of raw materials and articles mainly unmanufactured, but rises of 12.5 per cent. and 7.7 per cent. respectively in the two groups comprising food, drink and tobacco, and articles

wholly or mainly manufactured. The export industries which have made most headway include those engaged in the production of iron and steel, cutlery, hardware and instruments, electrical goods, machinery, silk yarns and manufactures, motor-vehicles and rubber manufactures. But despite the recent expansion, the volume of our exports remained well below the level of 1930, and compares even more unfavourably with the position ten years ago.

Retail Sales in September.—The sustained improvement in retail trade, of which further evidence was given in last week's *Board of Trade Journal*, is an encouraging feature of the recent economic trend in this country. In reading the following index numbers of changes in the value of sales it must be remembered that they are not adjusted to eliminate the normal fluctuations due to seasonal influences:—

INDEX OF VALUE OF RETAIL SALES, GREAT BRITAIN
(Average Daily Sales in 1933 = 100)

Period	Other Merchandise		Total
	Food	Merchandise	
1932	102	99	101
1933	100	100	100
1933—September	97	88	93
October	99	105	102
November	102	105	104
December	118	146	131
1934—January	98	104	101
February	101	80	91
March	104	95	99
April	102	100	101
May	103	113	108
June	103	103	103
July	98	107	102
August	100	79	90
September	101	92	97

The money value of sales in September was 4.1 per cent. greater than in the corresponding month a year ago. Sales of food and perishable articles alone rose by 3.7 per cent., and those of other merchandise increased by 4.5 per cent. Among the latter group, all the items except piece-goods and hardware showed a rise as compared with a year ago. The improvement was most marked in the case of boots and shoes and in the furnishing departments. All the five districts registered an increase in sales over last year. The number of persons employed in the establishments making returns was 2.7 per cent. higher than in September, 1933. Restocking continued, though at a slow rate. Stocks first showed an increase on the corresponding month of 1933 in February. In September their value (at cost) was 2.2 per cent. higher than a year ago. Reports of the development of retail sales since the beginning of October continue to be moderately encouraging.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

CHINA, SILVER AND STERLING

THE recent fluctuations in sterling have been disturbing, not so much because of their amplitude as because their erratic character is in contrast with a long period of limited movement. The nervousness has been somewhat increased by apprehensions of what may follow the *de facto* devaluation of the Shanghai dollar. As was expected, the rise in the price of silver led the Chinese Government to detach its currency from the metal, with the result that, although the price of silver has remained about 53 cents, the Shanghai dollar has dropped from 38.50 cents to about 32.50 cents, or about 15 per cent. This decline compensates for the 10 per cent. export tariff and the equalisation fee. There has been a slight weakness in the Japanese yen, but nothing which yet suggests competitive devaluation. Indeed, it would appear that the net monetary effect of the United States

silver policy has been to detach China from the silver standard and to attach it to the sterling standard; since it is understood that the Chinese silver equalisation fund is to be operated through the London silver market.

The opening of the Montreal silver market on October 22nd has introduced a new complication. There is, of course, little spot silver in Montreal, and the current Canadian output is scarcely large enough to provide material for a broad market. American trading in Montreal is subject to the 50 per cent. tax on speculative profits; but it is reported that our Foreign Exchange Control will not oppose the movement of American funds to Canada for the purpose of speculating in silver.

The anniversary of the Treasury gold-buying policy announced October 22, 1933, finds our gold policy quiescent at a price of gold established nine months ago, and an active silver policy which apparently implies the utilisation of silver rather than gold imports when our balance of payments is positive. Indeed, a well-informed article in the

Wall Street Journal of a recent date argues that upwards of \$40 millions of the Treasury's gold has been expended in the purchase of silver; the gold so used is said to have been bought in London and never shipped to this country.

The anniversary of the gold programme finds Moody's index of primary commodities at 144.5, against about 123 a year ago. Broadly speaking, it is the "drought" agricultural commodities which have advanced most, followed by those most effectively cartelised. Retail prices are substantially higher than a year ago, and real incomes on the average have probably fallen. When the President, a year ago, affirmed his objective of higher prices, the demand was on the whole received favourably by the public; a milder suggestion of higher prices in the official Press interview a few days ago received no more than a neutral response. Yet the issue seems dormant rather than dead. The price complaints of the farmers have been allayed by the fact of higher prices; but in its stead there is a growing resistance among urban consumers to the higher cost of living. Furthermore, the agricultural price structure is the result of a combination of subsidised curtailment and the drought. Obviously, drought cannot be depended upon as an annual phenomenon; yet there is opposition in agricultural areas to the arbitrary curtailment schemes, in part attributed to resentment at the surveillance of the "snoopers," as the Government enforcement agents are called, in part to disappointment at the amount of the individual subsidy as compared with the value of the unground crop at current prices.

This feeling is manifesting itself in widely separated areas. The cotton crop east of the river exceeded the Bankhead quotas; west of the river it was inferior, owing to the drought. Hence, the Bankhead Act is popular west of the river, where the planter is at least partially compensated for his crop failure; east of the river, although the crop was curtailed, the planter is penalised for the comparatively slight excess of production. In the corn-hog area, Mr Wallace, Secretary of Agriculture, has been conducting a plebiscite on the continuation of the scheme, and, while few farmers voted, the favourable vote amounted to a negligible fraction of the total canvassed. Feeling is particularly strong against the processing tax. The processing tax on wheat does not appear to have limited consumption; but in pork and cotton there is a widespread belief that it has done so.

MEMBER BANK ASSETS

With the statement of October 17th, the Reporting Member Banks' assets were presented in a new form—a distinct improvement in clarifying their position:—

ITEMS OF THE REPORTING MEMBER BANKS' STATEMENT (\$000,000)

	Oct. 17
Loans and investments—total	17,854
Loans on securities—total.....	3,083
To brokers and dealers in New York	706
To brokers and dealers outside New York	149
To others	2,228
Acceptances and commercial paper	465
Loans on real estate.....	984
Other loans	3,315
United States Government obligations	6,650
Obligations fully guaranteed by United States Government	446
Other securities.....	2,911

The magnitude of the real estate item is rather surprising, especially in comparison with the small figure for acceptances and commercial paper. And at that, over half of the "acceptances and commercial paper" is held by the banks of New York City. In some of the districts the proportions are striking. For example, a few districts are itemised below:—

COMMERCIAL LOANS OF REPORTING MEMBER BANKS (\$000,000)

	Cleveland District	Philadelphia District	San Francisco District
Acceptances and com. paper	5	19	24
Loans on real estate.....	76	72	344
Other loans	134	184	318

LABOUR AND THE ELECTIONS

The terms of the President's proposed truce between employers and employees have not yet been formulated, but a *de facto* truce is an actuality. The sudden tranquillity

is almost disconcerting, although certainly welcome to employers and probably to the workers. The total dues-paying membership of the American Federation of Labour is given as 2,600,000, a gain of 380,000 during the past year—an unexpectedly small increase.

The election situation this year is extremely curious. In what are called off-year elections it is conventional for the party in power to lose a part of and often all its majority in Congress. This year it is expected that the Democratic Party will lose few seats in the House, and add to its majority in the Senate, as well as taking most local offices. Should the election result as expected, it might convey the impression of a unanimity of opinion that does not exist. The Republican Party is so demoralised that in some States it is waging no more than a perfunctory campaign. In Maryland, for example, the Republican Party is supporting the New Deal, and the Democratic Party figures as the Opposition. In California the Democratic Party has effected a sort of personal union with the Socialists by the nomination of Mr Upton Sinclair. In short, the old party labels have become meaningless. It is more accurate to picture the electorate as divided between New Dealers and anti-New Dealers; with the New Dealers probably in a majority, but in turn divided into Right and Left Wings. All New Dealers are to be classed for electoral purposes as Democrats, but not all "life-long" Democrats are New Dealers; many Republicans have become New Dealers, but not all anti-New Dealers are Republicans.

NEW YORK, October 23.

FRANCE

THE RADICAL-SOCIALISTS AND M. DOUMERGUE

M. HERRIOT has succeeded, in face of the Young Radical-Socialists, in wresting from the Party Congress at Nantes a motion giving him complete freedom of action on the Government's constitutional reform policy. The Congress had merely to pronounce on the main lines of the policy, which are as follows:—

- (1) Strengthening of the authority of the Prime Minister;
- (2) Extension of the right of dissolution; (3) Removal from the Chamber of the initiative power; (4) Introduction into the Constitution of a Statute for civil servants; (5) Reorganisation of the National Economic Council.

The Congress approved (3) and (5). But on (1) and (2), which were the crucial questions, it declared that "the Radical-Socialist Party is ready for any reform which will ensure Ministerial stability and result in a better functioning of the Constitution; but it will never admit, in any form, measures which may prove favourable to the exercise of personal power in defiance of the Republican principle." About (4), on which M. Doumergue himself had kept silence in his last speech, the Congress said nothing.

The Congress also declared itself a staunch enemy of the devaluation of the franc, which, it said, "would ruin honest work for the benefit of speculation alone." But it nevertheless regretted that the Government had not proposed "a positive programme for combating the economic crisis."

The import surplus in September was the lowest for many years. It was only 135 million francs, compared with 280 millions in August and 563 millions in July. The foreign trade figures for the year have been as follows:—

	(000 francs)	Imports	Exports	Import Surplus
1934—				
January.....	2,302	1,512	790	
February.....	2,063	1,512	551	
March.....	2,291	1,489	802	
April.....	2,035	1,469	566	
May.....	1,959	1,365	594	
June.....	1,964	1,451	513	
July.....	1,714	1,451	563	
August.....	1,672	1,391	281	
September.....	1,653	1,518	135	

The reduction in the import surplus is wholly due to a fall in imports. The following are the figures of exports and

imports (global value) for the first nine months of the two last years:—

	First Nine Months of 1933	First Nine Months of 1934	Difference for 1934
Imports—			
Foodstuffs	7,310,235	5,578,154	—1,732,081
Raw materials.....	10,474,494	8,830,177	—1,644,317
Manufactured goods	3,830,107	3,245,443	—584,664
Total	21,614,836	17,653,774	—3,961,062
Exports—			
Foodstuffs	1,706,642	1,707,786	+ 1,144
Raw materials.....	3,465,535	3,863,465	+ 397,930
Manufactured goods	8,300,327	7,488,314	—812,013
Total	13,472,504	13,059,565	—412,939

Exports show a slight diminution of only 413 millions, or 3 per cent. Imports, however, are lower by 4,000 millions, or 18 per cent. The reduction of 1,644 millions in imports of raw materials appears to be very serious, as the activity of these imports is a forecast of industrial production. In general, the reduction of imports is a consequence of the tightening of tariffs and quotas. As a result, the total trade turnover for the first three quarters is 30,713 millions, compared with 35,087 millions last year; and the import surplus, which was 8,142 millions last year, is only 4,594 millions in 1934.

GENERAL SLACKENING OF TRADE

The general slackening of economic activity is proved by other statistics. On October 20th there were 339,822 unemployed in France, compared with 231,755 a year ago. The following table shows the number of persons employed in various industries on October 1, 1933 and 1934:—

Category	Number of Firms	Employed 1933	Employed 1934
Foodstuffs	455	91,840	82,917
Chemicals.....	460	110,257	109,886
Textiles.....	2,040	493,509	464,249
Iron and steel	190	151,411	150,892
Ordinary metals	1,607	487,414	476,778
Transport.....	44	8,578	8,790

Capital issues are dwindling steadily, as the following table shows:—

	(000 francs)	Firms Formerly Registered	Firms Newly Registered	Total
Monthly Average		Shares	Bonds	
1913	47	96	76	220
1929	610	531	83	1,224
1933	59	221	20	300
1934—January	30	11	54	95
February.....	20	918	8	946
March.....	2	29	3	34
April.....	28	1,169	9	1,206
May.....	194	78	14	286
June.....	138	17	6	161
July.....	165	478	10	653
August.....	29	88	13	130
September.....	3	130*	1	134

* Not including certain important State and Railways Issues.

The total of issued capital in September, at 134 millions, is one of the worst for many years, and is much lower than that of September, 1933 (593 millions).

PARIS, October 31.

GERMANY

THE NEW TAXATION LAWS

THE taxation reform laws, summarised last week, have since been promulgated. Increased power is given to the Finance Minister to supplement the laws, to determine the extent of exemptions and abatements, to adapt the capital-flight law to new conditions, and to amend the motor-car tax. The electoral tax councils are abolished on the ground that they represent parliamentarianism. They are replaced on "the leadership principle" by "Beirat," advisory councils, partly *ex officio*, partly appointed by the directors of the finance offices. Jews may not be members. In certain respects the new laws affect public companies and large undertakings unfavourably. Formerly share capital newly issued on the absorption of an undertaking by an existing company bore only a 1 per cent. company

Increased Private Income, with Substantial Cash amount, later, for dependents

Write for details of Plan giving your age and approximate amount of capital to invest

H. O. LEACH (General Manager),

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(Incorporated in Canada in 1865 as a Limited Company)

tax as against the 2 per cent. levied on other share issues. The aim of this discrimination was to encourage fusions which might lead to rationalisation. This discrimination now disappears. The right of share companies to deduct for assessment purposes, from their new profits, carried-over losses not older than two years is also abolished. The objection which, on competition grounds, private business had for many years raised to the tax exemption of publicly-owned undertakings has been met by making such undertakings henceforth "tax-liable without limit" like private undertakings; but corporation income-tax paid by municipally-owned undertakings will in future be returned to the municipal treasuries.

The increased abatement for taxpayers with families reported last week constitutes only one of numerous changes in the income-tax law. Entirely new schedules have been issued both for the wages and for the assessed income taxes. The new schedules cannot be summarily compared with the old. Formerly, besides income-tax proper, several depression income-taxes were levied: supplementary tax, crisis tax, unemployed relief tax, and bachelors' tax, in addition to the citizens' (really income) tax. The new law fuses all these except the last, which, being municipal, remains independent. The new Reich schedule retains the old feature of taxation of incomes at or below the minimum existence level; and this feature is not substantially changed by the increase in the abatements for families. The assessed tax schedule starts with an annual income of Rm. 560-675, on which an unmarried person pays Rm. 10, a married person nothing; and rises to Rm. 119,500, on which an unmarried person pays Rm. 59,500, a married person Rm. 47,600, with no abatement for children fewer than six, and so on. The wages tax, which is deducted at source, starts with a monthly tax of Rm. 0.78 on a monthly wage of Rm. 80.08-91 in the case of unmarried persons; a married person becomes first liable on a monthly wage of Rm. 104-117, and then pays Rm. 1.30 a month.

"AUTARKY" AND FOREIGN DEBTS

In a speech at Weimar, Dr. Schacht has just given a rosy account of the progress made with substitute commodities. He stated that in the last few weeks complete success has been attained in the synthetic production of rubber; but added that "in the end all these things are naturally very much costlier than natural raw materials from abroad." Although this speech revolved entirely around the subjects of foreign trade and foreign exchange, the effect on trade and currency of working on a great scale with very much costlier raw materials was ignored. As always, the elimination of an import was treated as inevitably causing an improvement in the trade balance and the Reichsbank's reserve status. Dr. Schacht again criticised Clearing, and said that the question whether its continuation had any object was being considered both here and in the Clearing countries. His speech, as most of recent date, contained sharp attacks on foreign countries. Germany, he stated, is in a state of "prolonged war," which "is being conducted with very many treacherous methods." He declaimed

BERLIN, *October 31.*

BELGIUM

THE DEVALUATION MOVEMENT

Industry remains in the precarious position which it has maintained for the last few years. Though the heavy industries have recovered slightly, the textile and building industries are worse off than ever. The coal mines were threatened with a strike in September, and the danger of a conflict has not yet been eliminated. The good mines are certainly in a slightly better position than before; but the situation of the poorer mines is deteriorating. The mines in the vicinity of Charleroi, which produce chiefly for domestic consumption, are feeling the competition of coke. Unemployment is a little less serious than in 1932, but a little worse than in 1933.

THE BANKS' INDUSTRIAL ASSETS

LOUVAIN, *October 30.*

HUNGARY

PARLIAMENT AND ELECTORAL REFORM

The foreign trade returns are fairly satisfactory:—

	January-August, 1933	January-August, 1934
	(In million pengő)	
Exports	224.2	247.7
Imports	196.1	225.6
Export surplus	28.1	22.1

The wheat crop of 1934 is much smaller than it was in 1933, and the absence of a wheat¹ export surplus as great as that of 1933 will certainly diminish the general export surplus in the coming months. But it is hoped that the

The depreciation of the pound and the dollar has brought about a further decrease in the pengő equivalent, at official rates, of Hungary's funded foreign debt (State debts only), which stood at 930.2 million pengő on June 30th last, compared with 1,064.2 million pengő a year before. Domestic funded debts over the same period decreased from 123.2 million pengő to 116 million pengő.

THE FOREIGN CREDITORS' FUND

The following table shows the position of the Foreign Creditors' Fund as on June 30, 1934. The Transfer Suspension Decree requires pengő in respect of non-transferred debt services since December 22, 1931, to be paid into this Fund.

Payments into the Fund :—		In million pence
(a) In cash		+ 170·4
(b) In Treasury Bills		+ 46·2
Total		+ 216·6
Interest paid to the fund		+ 4·25
		+ 220·85
Payments out of the Fund :—		
(a) Coupons and bonds redeemed ..	101·8	
(b) Refunded to debtor		9·1—110·9
Balance		109·9

The amounts in pengö deposited under the Standstill Agreement with the National Bank to cover interest and commission on short-term banking debts, not able to be satisfied in foreign exchange, totalled 41.5 million pengö on June 30, 1934. Out of this, 36.4 million pengö had been paid to creditors accepting such payment in full satisfaction. The balance held by the National Bank thus amounted to 5.1 million pengö.

BUDAPEST, *October 28.*

ARGENTINA

LOWERING INTERNAL TARIFFS

It has been rumoured that Argentina is considering the raising of a loan in London, the proceeds of which would be utilised to cancel her debt to the United States. From the Argentine point of view such a step would seem sensible, since Argentina would consolidate all her foreign debt in one country and probably, at the same time, effect a reduction in interest charges. It must not be forgotten, however, that so far as Great Britain is concerned, the service of the new

The following figures of revenue and expenditure show a slight net improvement for the first nine months of 1934, compared with the similar period of 1933 :—

	First Nine Months of 1933	1934	Increase or Decrease in 1934 over 1933
Revenue—	\$	\$	
In cash	603,506,228	590,096,285	— 13,409,943
From credit operations ..	109,138,495	118,909,003	+ 9,770,508
Total	712,644,723	709,005,288	— 3,639,435
Expenditure	716,976,629	710,652,310	— 6,324,319

Exports during the nine months ended September last increased by 27.5 per cent. in value compared with the similar nine months of 1933, as the following figures show:—

	Exports during the first nine months of		% Increase or Decrease in 1934 over 1933
Quantity in tons—	1933	1934	
Pastoral products	868,549	818,650	— 5·7
Agricultural products....	9,613,900	10,617,265	+ 10·4
Total exports	10,863,705	11,862,322	+ 9·2
Value of exports in paper pesos—			
Pastoral products	298,344,442	352,884,007	+ 18·3
Agricultural products....	524,001,997	688,509,178	+ 31·4
Total exports	862,485,729	1,099,963,233	+ 27·5

The total increase in the value of exports was \$237,477,504 paper pesos.

ever; for the first nine months of the present year show a decline of 6,000 tons as compared with those for a similar period of last year; but, as a result of better prices obtained, the value of these shipments shows an increase. In nearly every case the price obtained by Argentina for her exports shows a substantial increase, which, although due to some extent to the depreciation of the currency, cannot be wholly attributed to that cause. World prices for agricultural and pastoral products are firmer, and this country, whose livelihood depends on the sale of such products, must necessarily reap the benefit.

BUENOS AIRES, *October 24.*

George Allen & Unwin, Ltd.

Introduction to World Economics

By KEMPER SIMPSON. 10s. 6d.

Foreword by Senator Edward P. Costigan

■ The author's theme is that economic recovery is
■ impossible for one country alone. Using the U.S.A.,
■ Great Britain, France, and Germany to illustrate
■ and prove his argument, he shows that prosperity
■ requires international co-operation.

■ ■ ■ Museum Street, London, W.C.1

AUSTRALIA

CHEAP MONEY AND CONVERSIONS

WHILE there is still some lack of enterprise in industry, supplies of money continue plentiful, and the banks are unwilling to accept fixed deposits to any great additional extent. The Melbourne and Metropolitan Board of Works has raised at par a conversion loan of £352,000 with twelve years' currency at 3½ per cent. This is the lowest rate on record for the Board of Works, and the real difference as compared with old 3½ per cent. loans is greater on the net than on the gross rate owing to the heavier income-tax. During the 1934-35 season, however, there will be less opportunity for fresh accumulation of money than in 1933-34 owing to the low prices now ruling for wool and butter and the smaller wheat harvest in view. With good October rains the Australian wheat crop may be estimated at 120 million bushels, but with unfavourable weather in October it would probably not exceed 100 million bushels.

A compilation of the accounts of life assurance offices with headquarters in Australia and New Zealand shows that ordinary department new business for 1933 in Australia, New Zealand, Great Britain and elsewhere amounted to approximately £44 millions, against £40 millions for 1932 and £39 millions for 1931. The recovery in new business has been accompanied by a reduction in surrenders and a little mitigation in taxation, which has fallen from £1,552,364 for 1932 to £1,380,712 for 1933. The gross interest yield for 1933 was approximately 4.84 per cent., and the net yield after deducting all taxation was 4.02 per cent. The premium income in the ordinary department for 1933 was £15,813,269, against £15,352,536 for the previous year; and in the industrial department £4,775,064, against £4,654,420. The total funds of the ordinary department are now £175,620,345 and of the industrial department £29,622,272. The balance sheets, including life, accident, and occasionally fire and general insurance business, show total assets of £218,383,422 (or £217,301,505 exclusive of establishment and similar accounts in the case of the newer companies). The three principal groups of assets are Government and municipal securities £120,011,654, mortgages £44,456,298, and loans on policies £30,938,082. Nearly the whole of the year's increase in assets has gone into securities, which are larger by £6,925,288, while mortgages show an increase of £66,234.

MELBOURNE, October 1.

LETTER TO THE EDITOR

THE SPANISH REVOLT

TO THE EDITOR OF THE ECONOMIST

DEAR SIR,—As an observer—and writer—on conditions in Spain, I have in the past followed with great interest your articles on Spanish affairs. Their *acierto* has been uncanny and they could only have come from the pen of that rare kind of person, a correspondent in a foreign country with a knack for exploring below the surface of things.

I was much surprised, however, to read your article of October 20th which, while perfectly correct in its statement of facts, errs in a failure to appreciate all the facts and in a further failure to appreciate the significance of such facts as were presented. In Spain one must always look under the surface and be particularly wary of taking things at their face value. It is perfectly true that Señor Gil Robles has said that he could accept the Republic, but he has said nothing to prevent him from accepting some other form of government. He is a known monarchist. The Spaniard further asks: "Suppose he does accept the Republic—what kind of Republic?" He has said enough to make them certain it would not be the Republic of the Revolution. Moreover, promises of this kind never deceive a Spaniard. They are far too accustomed to their political leaders making all kind of promises which by interpretation and in practice fade away into thin air.

Your criticism of the Socialists, *et al.*, for taking the offensive is too harsh. Please do not understand me as apologising for the Socialists' tactics. They were certainly bad tactics

and destined to get them nowhere. In this matter Señor Azafra was the one man who had clear vision—as you said in one of your previous articles. He desired another alliance between the Socialists and the Left and foresaw eventual victory by parliamentary means. But however bad the Socialists' tactics may have been, there is such a thing as understanding them. From the Socialist viewpoint the attitude of the Right was already an incipient offensive. The Right's battle lines were forming before their eyes. The challenge of battle had already been given. There was a moral certainty that the promise of respecting the Republic meant nothing. From the viewpoint of the left, therefore, the necessary tactic was to strike before it was too late.

At the beginning I had some faith in Señor Gil Robles, but after observing him for a year I am forced to say that under him I see no hope for Liberalism in Spain—absolutely none. He is merely going back to the old regime of absolutism and intolerance. He cannot kill Liberalism or that revolutionary spirit which created the Republic. Somewhere along the line they will break out, and Spain will have to have her revolutionary experience over again.

Yours faithfully,

A CORRESPONDENT IN SPAIN.

BOOKS RECEIVED

- Britain under Protection.* By Randal M. Findlay. (London) Allen and Unwin. 223 pages. 6s. net.
- Introduction to World Economics.* By Kemper Simpson. (London) Allen and Unwin. 295 pages. 10s. 6d.
- Population Theories and their Application. With Special Reference to Japan.* By E. F. Penrose. Food Research Institute, Stanford University, California. 347 pages. \$3.50.
- This Year's Budget and the Next.* By Francis W. Hirst. (London) Cobden-Sanderson, 1, Montague Street. 22 pages. 3d.
- Young Man's Money.* By R. McNair Wilson. (London) G. Routledge and Sons, Ltd. 149 pages. 3s. 6d. net.
- The Economic Consequences of Progress.* By Roy Glenday. (London) G. Routledge and Sons, Ltd. 302 pages. 12s. 6d. net.
- The Pound's Progress.* By F. J. Scanlan. (London) P. S. King and Son, Ltd. 35 pages. 1s. net.
- The Institute of Actuaries' Year Book, 1934-35.* (London) Institute of Actuaries, Staple Inn Hall, Holborn, W.C.1. 178 pages. 2s. 6d. net.
- Où va la Monnaie dans le Monde?* By Banneret de Matran. (Paris) "Les Assemblées Générales," 13, rue de Liège (9e). 71 pages. 10 frs.
- Gestalt und Gestaltung der Wirtschaft.* By Erich Preiser. (Tübingen) Verlag von J. C. B. Mohr (Paul Siebeck). 128 pages. M. 6.30.
- China Year Book, 1934.* Edited by H. G. W. Woodhead. (London) Simpkin Marshall, Ltd. 854 pages. 42s. net.
- Income Tax. Chart-Manual of Rates, Allowances and Abatements for 1934-35 and Thirty previous Years.* Compiled by Charles H. Tolley. (London) Waterlow and Sons, Ltd. With Free State Supplement, 3s. 6d.; without Supplement, 3s.
- Taxation Practitioner's Guide.* By G. B. Burr and Ronald Staples. (London) Gee and Co. (Publishers), Ltd.
- City of Manchester. Abstract of Accounts, 1933-34.* (Manchester) Henry Blacklock and Co., Ltd., Albert Square. 829 pages.
- City of Cardiff. Treasurer's Accounts, Year ended March 31, 1934.* (Cardiff) City Treasurer and Controller, City Hall. 229 pages.
- The Finances of the City of Liverpool. A Review of the Year 1933-34.* (Liverpool) City Treasurer.
- The Principles of Auditing.* 7th Edition. By F. R. M. de Paula. (London) Pitman. 280 pages. 7s. 6d.
- The Stock Market.* By S. S. Huebner. Revised and enlarged in collaboration with G. L. Amrhein and C. A. Kline. (London) D. Appleton and Company. 590 pages. 15s. net.
- Jordan on Investments.* By David F. Jordan. Third Revised Edition. (New York) Prentice-Hall, Inc. 425 pages. \$4.00.
- German Election Administration.* By James Kerr Pollock. (London) H. Milford. 71 pages. 2s. 6d.
- A short study of German elections from the foundation of the Weimar Republic till the election of March 5, 1933.

OFFICIAL PUBLICATIONS

- The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C.2.
- Colonial Report*, No. 1681. New Hebrides, 1933. 1s. 6d. net.
- Copy of Treasury Minute*, dated October 30, 1934, relative to the disposal of the sum of £7,500,000 received from the Government of the Union of South Africa in repayment of 4½ per cent. debentures, 1925-45. Cmd. 4723. 1d. net.
- Department of Overseas Trade: Economic Conditions in Turkey.* June, 1934. 1s. 6d. net.

MONEY AND BANKING

OVERSEAS LENDING

THERE have recently been signs of a further modification in the attitude of the authorities and of City opinion towards the issue of foreign loans in the London market. For some time after the crisis of 1931 there was an almost total prohibition on public loans to overseas borrowers, and even private transfers of capital were frowned upon. The present declared policy of the Chancellor of the Exchequer is to permit loans to countries in the sterling area which will be used to increase the sterling assets of those countries, and loans the proceeds of which will be devoted wholly to the purchase of British goods. More recently a loan has been authorised for the repurchase of a British undertaking from its American owners. But even with these gradual expansions of the permitted field its limits are still very narrow, and overseas lending in the general sense is still under the ban.

The question is, however, being raised whether the time has not come to initiate a more liberal attitude towards the international capital market. Some comments in the City columns of *The Times* on Monday of this week put the case for a resumption of foreign lending. The writer was chiefly concerned to show that the extension of foreign loans would not endanger the stability of sterling, and he relied upon the familiar thesis that the proceeds of every loan granted by the London market to an overseas country are spent directly or indirectly upon British goods. "It would not be," he urged, "the amount of foreign loans that this country might make that would endanger the exchanges, for the greater the loans the larger the favourable balance would be. Real danger would arise if foreign loans were made in excess of actual savings."

It has always been recognised that a renewal of international lending must form part of the restoration to normality of the world's trading and financial relations. Many of the raw material producing countries of the world have founded their national economies upon the assumption of being able to secure a more or less steady stream of loans. Without them they cannot pay interest on their past borrowings, they cannot continue the process of national development which could alone justify those past borrowings, they cannot, in some cases, even maintain their imports of consumption goods at the desirable level. There cannot be any doubt that the cessation of lending by the industrial countries to the undeveloped areas of the world helped to precipitate the headlong fall of raw material prices, or that the failure of overseas lending to revive has delayed and hindered the gradual recovery of these areas, which is the most hopeful sign in the world to-day.

The evil consequences of this breakdown upon our domestic interests are easy to trace. The holder of bonds arising from past loans has, in many cases, lost his interest; the industries exporting capital goods have been brought almost to a standstill, while our other export industries engaged in selling consumption goods, notably the cotton and woollen textile industries, have also been very badly hit. So long as the investment of capital in undeveloped areas will produce a return larger than that obtainable at home by more than enough to compensate the investor for the added risk and inconvenience of investing abroad, the case for international lending is unassailable, and if the machinery of lending did not exist, it would be desirable to create it. But in the circumstances of Great Britain as they are, the case is even stronger. The financial institutions of the City and the large export industries have been built up on the basis of a steady investment of British capital in the outer world. To transfer these resources into other uses would be a slow, wasteful and costly proceeding. In present conditions it is impossible to conceive of a prosperous Britain without some degree of international lending.

Nevertheless, it is permissible to doubt whether the cause of overseas lending is advanced by statements quite so sweeping as that which we have quoted above from *The Times*. There is very little reason to believe that "the

greater the loans the larger the balance available for lending" is true even in the long run; and there is no reason to agree with it in the short run. Probably the clearest enunciation of the theory of foreign lending is to be found in the Report of the Macmillan Committee. Section 176 of that Report, after remarking that "the supply of capital to overseas areas is for some countries an indispensable element in their development and, in so far as it is itself subject to irregularity, imports irregularity also into their economic life," goes on to explain that though part of the proceeds of the average loan are spent in the lending country, part is normally expended in the borrowing country. The exchange thus moves in favour of the borrowing country, and against the lending country. An expansion of loans by the London market to countries not in the sterling area, the loans not being subject to the present limitations, could therefore be expected to have the effect of depressing the exchange value of sterling.

This is, of course, a short-term effect. In the more distant future, as the same Section of the Report points out, the payment of interest on the loans will lead to a demand for the currency of the lending country, although, if the loan has been wisely expended, the increased export production of the borrowing country should provide the foreign exchange resources to accomplish the transfer of interest. But we are rightly concerned at the moment with the short-term effects of a resumption of foreign lending. Most shades of opinion would be agreed that a sudden downward plunge of sterling would be a new unsettling influence in the world economy.

The danger once recognised, however, it can for all practical purposes be disregarded. In the present mood of the investing public it is very unlikely that there would be a boom in overseas issues. The record of foreign issues in the last few years is not as much worse than that of capital invested at home as is generally believed. But it is the public impression that counts, and there is no doubt that foreign issues are for the time being unpopular. There would be no rush of issues if the ban were lifted. Furthermore, a large proportion of any issues that were floated would in the normal course of things be for countries in the sterling area and the remittance abroad of even the whole proceeds of such loans could not affect the exchange value of sterling. So far as the technical and economic factors are concerned, there appears to be no valid reason against throwing the market open to such foreign issues as can be made to appeal to the investor. The trickle of issues that could be expected at once would doubtless in time swell to more imposing dimensions, and if it did so, sterling would, it is true, be lower than it would otherwise have been. But there is no need for alarm at this, as the ultimate equilibrium at which sterling settles down must provide for a certain amount of foreign lending unless we are to be as self-contained in finance as some would have us be in trade.

The mention of self-sufficiency, however, brings up the only real long-term obstacle to a renewal of foreign lending. Borrowing countries cannot both pay and transfer the interest on their borrowings, still less sinking fund and redemption payments, unless they can provide themselves with the foreign exchange for the purpose by building up a sufficiently large favourable balance of payments on current account. In theory, this can be done either by restricting imports or by expanding exports. But there are limits to the restriction of imports, and in most cases the limits have already been reached, to the distress of our exporting industries. In practice, therefore, the resumption of full service on past borrowings and *a fortiori* the initiation of new borrowings, depend entirely upon the ability of the borrowing nations to expand their exports. Most of these countries are producers of raw materials and food-stuffs, and the United Kingdom is in nearly every case their best market. The continuance of foreign lending thus turns absolutely on the willingness of Great Britain to allow

her imports to expand. In a sane world it would not be necessary to call in question the willingness of the lender to receive interest on his loan in the form of goods and services which he can consume to the advantage of his standard of living. But our national economic policy is no longer governed by the principles of economic sanity, and the further developments of our agricultural policy are unpredictable. Before London can develop again into a free and willing purveyor of capital, the Government must establish a reasonable balance between the claims of home and overseas providers of our necessities. Until this question has been decided, a resumption of foreign lending would run the risk of a further collapse within a few years.

FINANCIAL NOTES

The Money Market.—The breakdown of the agreement between the clearing banks to maintain minimum discount rates has unsettled the market. The clearing banks continue to charge 1 per cent. for their loans, but it is rumoured that they may decide only to charge 1 per cent. for weekly loans, and to obtain such rates as they can get for day-to-day money. Meanwhile some outside lenders have reduced their rates to $\frac{1}{2}$ per cent., while others are still charging $\frac{3}{4}$ per cent. for renewals and only taking $\frac{1}{2}$ per cent. on new money. Funds have been very plentiful, and on Thursday, when the Stock Exchange was closed, money was unlendable at a nominal $\frac{1}{2}$ per cent.:

	Oct. 11, 1934	Oct. 18, 1934	Oct. 25, 1934	Nov. 1, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
(b) Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

Discount rates have fallen heavily. Last week the tender rate for Treasury bills fell from 14s. 3.72d. to 9s. 7.42d. per cent. Early this week January Treasury bills were dealt in at $\frac{1}{8}$ per cent., but buying pressure has driven the rate down to $\frac{1}{16}$ per cent. This year's maturities have fallen to $\frac{1}{16}$ per cent. One or two of the banks have bought a few short bills, but some banks are unwilling to buy at the present low rates.

The Bank Return.—Currency withdrawals by the public at the end of the month explain an expansion of £3.7 millions in the note circulation and a corresponding reduction in the Reserve.

BANK OF ENGLAND

	Nov. 1, 1933	Dec. 27, 1933	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.4	190.7	191.9	192.0	192.0
Note circulation.....	372.2	392.0	377.2	374.7	378.4
Banking Department:—					
Reserve.....	79.6	59.7	75.4	77.9	74.3
Public deposits.....	7.5	22.2	17.5	22.4	16.9
Bankers' deposits.....	110.6	101.2	104.5	100.7	100.4
Government securities ...	77.0	88.0	81.3	81.3	80.9
Discounts and advances	8.6	16.8	9.5	8.2	8.9

Proportion 49.1% 37.3% 47.2% 48.5% 47.2%
Government disbursements have reduced public deposits by £5.5 millions, while preparation for dividend payments is the probable explanation of an increase of £2.2 millions in other deposits. Bankers' deposits are unchanged.

The Foreign Exchanges.—The leading rates have been unstable this week, and the London market is unsettled. No one is quite certain if the recent sharp recovery in sterling has reached its end, and while some operators

have been selling sterling and taking their profits others have been purchasing. News from the Continent has also been of a disturbing character, and both political difficulties in France and the break-up of the gold bloc are counted among possible developments during the near future. It is significant that on Wednesday the New York-Paris cross-rate moved practically to the point where gold could be shipped from France, and it is rumoured that a small amount was actually withdrawn from the Banque de France for shipment. Sondermarks are quoted at Rm. 12.61, against a free mark rate of Rm. 12.37. Registered marks are weak at 46 $\frac{1}{2}$ per cent. discount. Demand is less than it was, and it is difficult to put through business.

New York Money and Banking.—New York money and discount rates are unchanged. There has been a further increase in brokers' loans from \$626 to \$636 millions. A fresh issue of \$75 millions of Treasury bills has been placed at an average rate of 99.905 per cent. Only \$50 millions of this issue was used to replace maturities, and the balance represents new money required for other purposes. September exports are returned at \$191 millions, against \$171 millions in August and \$160 millions in September last year. Imports were \$131 millions, against \$119 millions in August and \$146 millions in September last year. Gold exports for last September were \$22.2 millions (against \$58.2 millions a year ago). Imports were negligible. September imports of silver amounted to \$20.8 millions. Comparing the first nine months of 1933 and 1934, exports for 1934 were \$1,561 against \$1,105 millions, and imports \$1,241 against \$938 millions. Gold exports were \$50.1 against \$318.8 millions, and imports \$960.2 against \$187.6 millions. Silver exports were \$12.7 against \$15.7 millions, and imports \$64.6 against \$47.1 millions. Estimates of capital movements for the first six months of this year are now available. The net influx of long-term capital is returned at \$310 millions, and that of short-term capital at \$250 millions.

The Volume of Credit.—Interest continues to be shown in the City in the state of the discount market, which we have discussed on several occasions in recent months. The anxiety of the joint-stock banks to secure bills in order so far as possible to maintain their accustomed ratios of discounts to deposits has led to the breakdown of the "gentlemen's agreement" and a still further decline in rates. This is, of course, adding to the difficulties of the discount houses, and it has been suggested in one quarter, which is usually regarded as authoritative, that in order to save what the Governor of the Bank of England recently called an essential cog in the financial machinery of London, the joint-stock banks should allow their cash ratios to rise. Cash would then take the place of discounts, the banks would no longer compete for the very small available supply of bills, and rates would rise, to the greater comfort of the market. This proposal was supported by the argument that trade and industry would derive as much benefit from cheap money if the prevailing rates in the discount market were twice as high as they are now; in other words, that the policy of cheap money has gone too far. There is something to be said for this argument, though discount rates have a direct effect upon the gilt-edged market, which in its turn influences other sections of the Stock Exchange; a fall in gilt-edged prices would certainly not encourage an increase of issues for industrial purposes. But, whatever there is to be said for the proposal, its effect on the public could hardly fail to be most unfortunate. Cheap money is the chief reliance of the Government for stimulating a revival, and the public will hardly believe that it has gone too far while the new issue market is still sluggish. Moreover, an increase in cash ratios would almost certainly mean a further reduction in the deposits of the joint-stock banks. The reduction which has already taken place has been dubbed deflation, and if any further reduction were deliberately undertaken there would be a storm of protest. If, further, its objects were to restore the profits of the discount market, the City would certainly be accused of putting its own interests before those of the community. We believe the proposal to be tactless and ill-conceived, and trust that it will not be accepted.

THE STOCK EXCHANGE

THE STRENGTH OF GILT-EDGED

LAST week's break-down of the "gentlemen's agreement" between certain London clearing bankers to maintain discount rates has been quickly followed by the expected re-entry of the bankers into the gilt-edged market. A further upward surge in quotations has resulted. The persistence of the demand for sound fixed-interest stocks has hitherto confounded all prophets of an inevitable decline on the establishment of recovery in British industry. After two years of revival have brought our Index of Business Activity within hailing distance of its 1929 level, post-war British Government securities are still making new "record" prices and pre-war issues are at the highest figures for twenty-four years. British Government credit is broadly established on a 3 per cent. basis. Conversion 3 per cent., 1948-53, are at 103 $\frac{1}{2}$, Newfoundland 3 per cent., 1943-63, at 101 $\frac{1}{2}$, and Transvaal 3 per cent., 1923-53, at 102. Funding 3 per cent., 1959-69, crossed the par line on Monday, and Conversion 2 $\frac{1}{2}$ per cent., 1944-49, have reached 99 $\frac{1}{2}$. What forces are sustaining the market? Are there any signs of an early break?

We may approach these questions by considering the behaviour of the gilt-edged market in the last few years:—

PRICES OF LONG-DATED BRITISH GOVERNMENT SECURITIES
(Actuaries' Index, December 31st, 1928=100)

End of Month	1931	1932	1933	1934
January	104.7	96.2	122.7	125.7
February	99.2	99.1	122.1	127.8
March	102.0	107.9	126.1	129.0
April	104.6	107.8	125.0	129.5
May	108.0	111.9	121.6	127.7
June	108.4	115.0	121.3	129.0
July	103.3	123.1	121.2	129.9
August	102.2	121.6	121.6	130.2
September	90.0	123.1	123.5	132.2
October	98.5	123.7	123.7	133.5
November	91.8	120.1	123.9	
December	92.9	123.0	124.8	

The rise in gilt-edged prices, at the outset, appeared to contemporary commentators no more than a normal phase in the early stages of a somewhat severe depression cycle. It was interrupted by the psychological consequences of the pound's departure from gold in September, 1931, but had strongly reasserted itself by the spring of 1932, fully three months before Mr Chamberlain announced his War Loan conversion at the end of June. That operation appears to have anticipated from four to six months of a "normal" rise. After the first three months of 1933 the advance showed perceptible signs of weakening. The failure of gilt-edged prices to make headway during the greater part of last year coincided with a rapid recovery movement in British industry and a rise of 23 per cent. in ordinary share values, according to the Actuaries' Index. So far, the market had moved, generally, according to accepted theory, industrial revival having been attended by strong buying of equities and a perceptible reaction in gilt-edged. The same can scarcely be said, however, of the market's subsequent behaviour. During 1934, ordinary share values, on the average, have risen by only 4 per cent. Gilt-edged, simultaneously, have resumed their advance. Finally, in recent months, the pace of economic revival appears to have definitely slowed down.

The concurrence of these three phenomena can scarcely be due to pure coincidence. Is there a common explanation? The price of securities, whose market is one of the freest in the world, is the resultant of opposite forces of supply and demand. Whatever may have been the case last year, the recent course of prices suggests a lack of conviction that industry's demand for additional capital resources will speedily reduce the level of the monetary reservoir. Investors may examine more closely the conditions governing the latter's inflow and outflow.

That the volume of the national resources in cash and in credit has been significantly enhanced during the period of economic depression is common knowledge. Over the last four years the Bank of England's gold has increased by

£33 millions and its note circulation by £23 millions. Bankers' deposits at the Bank of England have risen by £45 millions. The London clearing banks, in the same period, have increased their cash and Bank of England balances by £21 millions and their deposits by £58 millions. Their advances to customers, however, have declined by as much as £188 millions, while their "investments" (i.e. gilt-edged securities) have risen by £292 millions.

The reservoir, in short, has been considerably augmented, during a period of considerably reduced national income, by an inflow of new resources, whose origin and volume have been alike outside the market's control. A tributary source has been the tendency of foreign money to seek safe keeping in London. Finally, the fact that gilt-edged prices are to-day 33 $\frac{1}{2}$ per cent. above and ordinary share values 28 per cent. below their end 1928 levels itself argues a considerable transfer of money to the one, from the other, in the meantime.

So much for the supply side of the capital equation. From what quarter may investors reasonably expect an early expansion on the demand side? Not from industry, whose recovery has been based, not on increased borrowing, but on cheaper raw materials, lower internal costs, reduced stocks, and lower prior charges. Industry entered on its "revival" phase with much idle plant which had not had time to become obsolete, and has asked for little in the way either of short-term or long-term assistance from outside in financing a predominantly "domestic" revival. It has, indeed, been redeeming its debentures and reducing its bank indebtedness. The net liquid assets of many companies have actually increased since revival began. That conclusion is certainly suggested by the analysis, given below, of the figures of ten large companies whose reports have appeared within the last few weeks. These companies operate, for the most part, in branches of industry like steel, motors, brewing, building, etc., where revival has made impressive headway:—

LIQUID ASSETS OF BRITISH COMPANIES
(000's omitted)

Company	Date of Balance Sheet	Net Liquid Assets 1932	1934
United Dairies	June 30	2,884	2,032
United Steel	June 30	1,081	1,656
Staveley	June 30	609	845
Austin Motor	July 31	1,228	1,535
Joseph Lucas	Aug. 7	577	1,127
Arthur Guinness	June 30	7,001	6,574
Distillers	May 15	1,051	2,031
Eastwoods	Mar. 31	228	226
British Celanese	June 30	1,714	1,887
Calico Printers	June 30	2,923	3,041
Total, 10 companies		19,296	20,954

From what other quarter can increased demand be discerned? From the British Government? The Treasury is preoccupied with debt funding possibilities and has set its face against the association of the State with debt-financed capital works of any kind. Corporations and public bodies are not anxious to borrow extensively on long term, except to convert existing obligations. Even if they were, they would come up sharply against the "rationing" of capital market facilities by the higher authorities. Great national constructional schemes, like the grid system of electrical transmission, are all but complete. The Bankers Industrial Development Company is prepared to be an intermediate financier for developments like the Stewarts and Lloyds' works at Corby and the British (Guest Keen Baldwins) extensions in South Wales. Practicable schemes of this order, however, are conspicuously few. Company prospectuses are numerous, but relate mostly to the funding of existing obligations, or the transfer of ownership of existing businesses from one set of persons to another. British export trade is still nearly 20 per cent. both in volume and in value below the 1929 level. Foreign lending is under a

Treasury embargo (which has recently shown slight signs of relaxation) and under an even more effective economic "embargo." The number of credit-worthy foreign borrowers (outside the British Empire, where retrenchment is still the predominant *motif*) can be counted on one hand.

High gilt-edged prices, in short, are a species of monetary unemployment index. The gilt-edged market has become a virtual bank of deposit—a "cloakroom"—for resources which cannot be more profitably used elsewhere. Looking ahead, it is difficult to perceive any early sign of a fundamental change in underlying conditions. In due course industry may draw on its liquid assets to carry a larger stock-in-trade and on the new issue market for plant extensions. A New York stock market boom may conceivably attract some of the more volatile resources now in London. There may even be a change of heart and policy at Westminster. Outside the Treasury there is a growing desire to turn to constructive national advantage—e.g. for better housing conditions—the opportunity presented by the cheapest borrowing rates for a generation. None of these means of making cheap money effective, however, is likely, under present indications, to be either speedy or spectacular. There is growing support for the view that, ultimately, a revival of demand for money may be contingent on a return to more normal conditions of foreign trade and foreign lending. To these, in turn, the re-tying of sterling to gold may be an essential preliminary.

For the present, therefore, we may conclude that an early break in the firmness of gilt-edged stocks is improbable. If the same time-table were to operate to-day as in the 'nineties of last century, gilt-edged prices would now be not far from their peak. They would, however, continue to show narrow fluctuations at a high mean level until the middle of 1936. We have previously drawn attention to the general similarity of the two periods (see the *Economist*, April 1, 1934, page 880). History's repetitions are, perhaps, a dangerous subject for the prophet. On general grounds, however, it is difficult to foresee any early and sizeable reaction in the gilt-edged market.

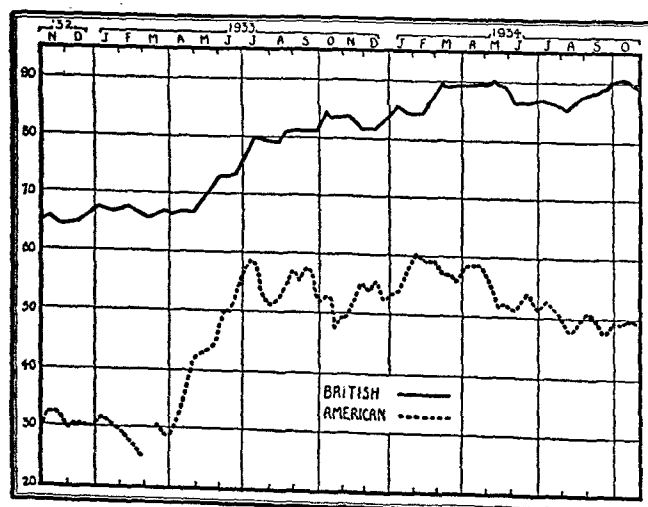
INVESTMENT NOTES

Course of Share Values.—During October British equity share values again essayed to break through what, since March of this year, has been their *ultima thule*. Once again, as the annexed chart shows, reaction inter-

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES OVER THE PAST TWO YEARS.

(1928 = 100)

British: "Financial News" Index of 30 Ordinary Shares.
American: "Standard Statistics" Index of 50 Common Stocks.



vened immediately the objective was attained. The technical position may have been somewhat affected by the weakness of the more speculative markets, especially those of gold-mining shares. The upward trend of general

industry, if not entirely checked, is much less pronounced. For reasons discussed in the preceding article, market strength is mainly concentrated on gilt-edged stocks. Speculative interest in ordinary shares is tending to resolve itself into a species of inspired guesswork as to which companies will show more than an average increase in earnings and dividends—concerns like Mitchells and Butlers and Whitehead Iron, during the past month, having been cases in point. This is a very different matter from the sustained buying which carried the prices of practically all shares upward last year. It is characteristic of a movement which has lost its motive power, for the time being at least. Meanwhile, in America, the long-awaited boom, despite the injunctions of market soothsayers, refuses to get under way. Talk of further currency devaluation, early in the month, and a "conservative" interpretation of the President's speech to the bankers, subsequently, both failed to produce more than a flicker of new buying. The index remains close to the "low" of twelve months ago, and well below the "high" of last January. Whether increased activity will follow the election remains to be seen. Meanwhile, on this side, the trend of interest rates is still perceptibly downward, as the following table suggests:—

ACTUARIES' INVESTMENT INDEX

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Year Ago (Oct. 31, 1933)	Month Ago (Sept. 25, 1934)	This Week (Oct. 30, 1934)	Year Ago (Oct. 31, 1933)	Month Ago (Sept. 25, 1934)	This Week (Oct. 30, 1934)
Fixed Interest Stocks:—						
British Government (2)	123.7	132.2	133.5	3.48	3.26	3.23
Misc. Industrial Deb. (12)	118.5	122.7	122.7	4.51	4.10	4.08
Misc. Industrial Pref. (42)	111.7	117.1	116.6	4.52	4.35	4.37
Ordinary Stocks:—						
(Higher Last Month)						
Insurance Co.'s (24)	102.9	110.7	112.1	4.12	3.78	3.74
Coal (6)	101.9	89.2	91.1	2.50	4.17	4.05
Breweries and Distill. (6)	92.6	113.7	115.2	4.45	3.88	3.81
(Lower Last Month)						
Building Materials (4)	71.8	84.1	80.6	3.60	4.24	4.43
Oil (5)	68.8	62.6	58.8	3.45	4.70	4.93
Home Rails (4)	85.3	78.3	72.8	1.31	1.49	1.51
Cotton (6)	57.3	46.0	44.1	2.19	2.23	2.35

The index for the 144 industrial ordinary stocks in the Actuaries' Index stood at 72.0 on October 30th, compared with 72.7 a month ago and 70.9 a year ago. The corresponding yield figures were 3.68, 3.65 and 3.45 per cent., respectively.

* * *

The Auditor's Function.—The annual report of Philips' Incandescent Lamp Company, whose results were set out in last week's *Economist*, page 790, includes, as in former years, an auditor's report of commendable detail. In certain respects this merely makes explicit the scope of the audit carried out, which so far as test and checking work is concerned, differs very little from the audit programme of any responsible British firm of accountants. The Philips' balance sheet certificate, however, is worded more strongly than the usual formula in this country. The auditors "are satisfied that the balance sheet . . . correctly exhibits the true position of the company's affairs." The usual British certificate is to the effect that "in our opinion the balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs." This disclaims any suggestion of true valuation of individual items, but implies that where hidden reserves have been made, they are intended for the well-being of the company. On the question of depreciation of fixed assets, the Dutch report makes the positive statement that ample reserves have been made for assets not already included at a nominal figure, whereas typical practice in this country limits itself to an oblique reservation in cases of suspected overvaluation, intended to put members on inquiry. As to stocks, it was laid down in the Kingston Cotton Mill case that it was no part of the auditor's duty to take stock, although good practice dictates a thorough test of stock sheets and a comparison of prices, where possible, with cost prices. The Dutch firm, however, have carried out a periodical inventory, taken final stocks at the Eindhoven plants, which agreed with the lists checked by the Philips'

GOLD MINES of KALGOORLIE LIMITED

SHARE CAPITAL (Authorised) £1,000,000

DIVIDED INTO 2,000,000 Shares of 10/- each.

DIRECTORS:

ROBERT ANNAN, Esq., of 49, Moorgate, E.C.2, Mining Engineer, nominated by New Consolidated Gold Fields, Limited.

*ALFRED JEAFFRESON BRETT, Esq., of 1, London Wall Buildings, E.C.2, Director of Central Mining and Investment Corporation, Limited.

*PERCY EDWARD MARMION, Esq., of 95, Gresham Street, E.C.2, Director of Imperial Smelting Corporation, Limited.

*CYRUS THOMAS POTT, Esq., of 95, Gresham Street, E.C.2, Director of Union Corporation, Limited.

*WILLIAM SYDNEY ROBINSON, Esq., of 360, Collins Street, Melbourne, Director of Zinc Corporation, Limited.

CHARLES AUGUSTUS WHITFIELD, Esq., of 4, Lloyd's Avenue, E.C.3, Chairman of North Kalgurli (1912), Limited.

* Directors of Gold Exploration and Finance Company of Australia, Limited.

The Company has been incorporated for the purpose of developing and financing Gold Mining in Western Australia, and in particular, to acquire from Gold Exploration and Finance Company of Australia, Limited, for the sum of £120,000, payable in cash, certain leases and options on leases held by that Company on the Kalgoorlie Gold Field.

The Prospectus showed, inter alia, that:—

The Vendor (Gold Exploration and Finance Company of Australia, Ltd.) agreed—

- To subscribe for and take firm 300,000 shares for cash at par.
- To underwrite the whole issue free of cost to the Company.
- To pay all the expenses of formation of the Company and of the issue.

An issue of 1,200,000 shares of 10/- each was made on WEDNESDAY last and the Subscription Lists were closed at 9.15 a.m. on that day. The amount was oversubscribed.

Secretaries and Registered Office: AUSTRAL DEVELOPMENT, LTD.,
95, GRESHAM STREET, LONDON, E.C.2.

audit department, and report that "we may be held fully responsible for the existence of these stocks." They define the basis of valuation, and give their opinion that sufficient provision has been made for obsolescent materials. They are, moreover, satisfied that the amounts written off participations and advances are to be considered adequate in present economic conditions. There is much in this report which conforms with best practice in this country, but the statements of opinion will raise controversy. How, it may be asked, can an accountant possess the necessary technical information to express any reliable opinion regarding depreciation of plant and stocks? As to the latter, must he not largely rely on the company's officials to the limits of the *dicta* in the Kingston Cotton Mill case? These points were made by Mr A. E. Cutforth in his presidential address to the Institute of Chartered Accountants three weeks ago. He contended that the accountant was not a specialist in any particular business and that he could not presume to assess the policy of the board. Although the personnel of the board might receive enlightenment by the admission of an accountant to its deliberations, Mr Cutforth felt that the lack of effective criticism and appointment of directors by shareholders stood in the way of rapid improvement in the quality of company administration. On the question of accounting reforms, Mr Cutforth made it clear that, while the Institute would be happy to submit evidence relevant to any amendment of the Companies Act, he regarded voluntary improvement of general practice as more satisfactory than enforced reforms by legislation. Some investors will regard this negative attitude regarding the holding company problem as disappointing. The arguments against consolidated balance sheets and earnings statements increasingly lose validity as more important and ramified groups publish these documents, and it might well have been hoped that the president would have permitted himself the expression of somewhat more advanced views than those of the Greene Committee in 1926.

* * *

South African "Gold Law."—It may seem surprising, at first sight, that although it is now nearly two years since South Africa abandoned the gold standard, some of the most promising properties on the Rand remain to be opened up. The reason has been the desire of their owners to await the new "Gold Law," which only came into force on July 1, 1934. The text of the law as it now stands, together with explanatory notes, has been admirably set out in a new edition of a book by Mr Manfred Nathan, K.C.* The Act of 1908 remains the basis of the legislation on the subject, but it has been materially modified by the 1934 amendments. The principle that the right to mine precious, as opposed to base, metals is fundamentally vested in the State is retained. The new Act, however, modifies to an important extent the terms on which this right may be disposed of to other persons. Thus, under earlier Acts, the owner of land, or, if he had disposed of them, the owner of the mineral rights over such land, had the right to exercise exclusive mining rights over a mynpatch, consisting of an area or two areas aggregating one-fifth of the land. The mynpatch has now been extended to a single area covering one-quarter of it. If this area is not considered sufficient to make a mine the owner may in effect abandon it in exchange for a Government lease over the whole area. In order to encourage the opening up of new mines, the owner may, under the new Act, settle the terms of a mining lease before he embarks on "large expenditure" on prospecting. The owner of the land, also, cannot prevent it being prospected, even if he is engaged in farming it, though he must be paid compensation for surface damage. Again, the lessee of new mining rights is now entitled to set off capital expenditure incurred up till the start of production against the share of the profits payable to the Government under the lease. It is impossible in a brief note to do more than touch on some

* "Transvaal Gold and Base Metals Law." By Manfred Nathan, K.C., LL.D. Fifth Edition. Johannesburg: Hortors, Limited.

of the most important points of the new "Gold Law." The serious investor in South African mines will find the purchase of the new edition of Mr Nathan's book a profitable proposition.

* * *

"Cosach" Bond Offer.—Holders of "Cosach" Prior Secured 7 per cent. sterling bonds should have little hesitation in accepting the offer of exchange, now officially made, into 5 per cent. sterling income debentures, par for par, of the Chilean Nitrate and Iodine Sales Corporation. The determination of the Chilean Government to cut the Gordian knot of conflicting claims in the nitrate industry has resulted in the liquidation (which will shortly be completed) of "Cosach," and the transfer to a new corporation of its assets. Henceforth, the export of Chilean nitrate and iodine will be a monopoly of the Chilean Government, which has leased its rights to the Sales Corporation until June 30, 1968. The new bonds will be an obligation of this Corporation as from January last. Holders who deposit their "Cosach" bonds for cancellation with the London agents, Messrs J. Henry Schroder and Company (or with the various Continental agents), at any time in the next eighteen months, will receive payment forthwith of 2½ per cent. interest for the half-year to June last. They will also receive a receipt exchangeable for a certificate authorising the bearer to receive definitive 5 per cent. sterling income debentures and a second certificate covering participation in any distribution out of moneys held by the trustee for the original "Cosach" bonds. The total issue of the new 5 per cent. debentures will be £2,726,100 in sterling and \$35,036,000 in dollars. Interest, though payable only out of available net earnings, will be cumulative. The service will include a cumulative sinking fund of 1 per cent., for redemption of debentures at diminishing premiums until 1947, and at par thereafter till final maturity in 1968. If the industry maintains its present policy of avoiding competition *à outrance* with the synthetic producers, the security for the debentures may be attractive. They should eventually command a higher price than 66½, the current level of the existing "Cosach" bonds.

* * *

A Rubber Hitch?—A meeting of the International Rubber Regulation Committee, last Tuesday, was followed by a statement recording the welcome news of the completion of the Consumers' Advisory Panel by the appointment of a United States representative, and the less happy tidings of the Committee's inability to agree on percentage quotas of production for 1935. The British members of the Committee are understood to favour the maintenance of a restriction rate of not less than the 30 per cent. which will be operative for the last month of the present year. The Dutch representatives, however, desire a lower percentage of restriction, not because the statistical position is deemed to warrant it, but because of threatened difficulties in the enforcement of the scheme upon Dutch native producers. Events have quickly exposed the Achilles heel of the restriction plan, upon which the British representatives laid reiterated stress in the preliminary negotiations. The doubts then expressed were only partially allayed by the unqualified undertaking of the Dutch authorities to assume responsibility for the scheme's enforcement. By imposing an export tax, and raising it successively and drastically, they are believed to have brought native exports in October approximately within the then existing level of 80 per cent. A further quasi-permanent cut, they maintain, would provoke unrest. The suggestion that the estate producers should shoulder any native excess, by way of lower output or purchase and destruction of the surplus, is held to involve undue hardship. The Dutch representatives on the International Committee control more than the 25 per cent. of voting power which is necessary to render a majority decision nugatory. Ultimately, the British producers may have unwillingly to acquiesce in a regime of relatively "small" cuts, which may destroy the scheme's main operative conception. Meanwhile, the news has depressed the market for rubber, whose London price has fallen to 6½d., against a peak of 7½d. a short time ago.

COMPANY NOTES

Cycle and Motor Cycle Companies.—The transport development of the past decade has been achieved partially at the expense of the motor bicycle. Ten years ago the motor bicycle could show an economy in first cost, tax, running expenses and maintenance which, to a wide class of purchasers, gave it a decisive advantage over the cheapest car then available. To an age still accustomed, moreover, to the open car, the open-top bus and the open charabanc, the lack of weather protection on the motor bicycle was less noticeable than to-day. The popularising of the cheap, low-powered, all-weather car in the last six or seven years, and its subsequent percolation to the cheaper ranges of the second-hand market, have reacted unfavourably on the motor cycle. Simultaneously, the development of the country and suburban bus services has invaded the utility market (as opposed to the luxury market) open to the motor-cycle manufacturers. Consequently, while the census of all other forms of mechanical road transport has risen rapidly in recent years, the motor-cycle census has actually fallen. A fairly steady market remains among young employees who find the motor cycle the quickest and cheapest way of reaching their work. As Sir Alexander Roger suggested at the recent B.S.A. meeting, this market may expand with rising employment.

(Profits in £'000)						
Company	1929	1930	1931	1932	1933	1934
Enfield Cycle (Aug. 31) :—						
Surplus*	30.9	25.2	Dr. 5.1	2.7	19.9	...
Earned % for div.	12.4†	12.9	Nil	0.8	9.2	...
Ord. div. %	10†	10	5	3½	7½	...
Halford Cycle (Nov. 1) :—						
Earned for ord.	46.3	39.8	27.6	21.9	22.7	...
Earned %	24.1†	20.7†	19.0	15.1	15.7	...
Div. %	15†	15†	15	15	15	...
Matchless Motor Cycle (Aug. 31) :—						
Earned for ord.	21.5	28.8	Dr. 11.6	18.7	Dr. 1.1	...
Earned %	13.4	18.5	Nil	12.4	Nil	...
Div. %	12½	7½	Nil	Nil	2½	...
New Hudson (July 31) :—						
Earned for pref.	1.2	Dr. 17.6	Dr. 17.8	Dr. 25.8	7.6	17.2
Pref. div.			Not paid			
Raleigh (Aug. 7) :—						
Prospectus profit	170.3	51.3	Dr. 23.6	73.6	201.5	...
Rudge-Whitworth (Aug. 31) :—						
Earned for pref.	Dr. 2.2	11.0	Dr. 33.5	Dr. 48.0	...	...
Pref. div.		No p	reference	dividend	paid	...

* For ordinary dividend and "B" preference participation. † Tax free.

There has, in fact, already been some improvement in motor-cycle registrations. In the larger market, however, the motor cycle is faced with formidably increased competition on the two vital points of comfort and relative price. The manufacturers may be able to solve this problem by bringing out new products—the "Raleigh" and "James" three-wheeler vans and passenger cars are a step in this direction. Nevertheless, the dilemma of combining improved comfort with a reduced price is most difficult. The pedal cycle meanwhile, after a period of partial eclipse, has somewhat suddenly returned to favour. Its popularity appears to be based on its possibilities for pleasure rather than for pure utility. The "hiking" habit has developed the "cycling" habit. The latter may prove to be lasting. The rising export of cycles at least suggests that it is not confined to this country. Nevertheless, a rather rapid rise to popularity must inevitably suggest the risk of a "craze" which will pass. Our table of profits shows that though the most recent accounts have shown signs of improvement, there are still sufficient firms in unfavourable circumstances to indicate a possibility of price-cutting. The conclusion must be that, though good profits may be earned by the leaders, the cycle and motor-cycle industry is at present in a somewhat difficult and speculative phase.

* * *

Revised Dorman Long Scheme.—The revised reconstruction scheme of Dorman Long & Company, issued this week, bears internal evidence of prolonged effort to reduce the burden of prior charges, and to secure the assent of

debenture holders and bankers to the company's continuance as a going concern. Fixed charges (excluding special accounts for specific contracts) are, in fact, to be lowered, as compared with the year to September 30, 1933, by £287,000 a year for the first four years and £255,000 thereafter. The company's bankers have agreed (a) to accept redeemable debenture stocks and first preference shares in satisfaction of £420,250 of indebtedness; (b) to allow a further £1,717,598 to remain outstanding, charged on pledged securities, at reduced interest rates; and (c) to receive part interest and amortisation out of the company's profits. The 5½ per cent. debenture holders, for their part, are asked to consent (a) to the cancellation of interest arrears; (b) to the creation of £1,250,000 of stock ranking in priority to their own stock, and a maximum of £780,250 ranking *pari passu* with it; (c) to the postponement of final redemption from 1963 to 1975; (d) to various minor changes of status; and (e) to the exchange of every £100 of their present holding for £60 of 5 per cent. debenture stock and £50 of 6½ per cent. preference stock. The latter will rank after debenture charges, depreciation not exceeding £130,000 on the present assets, and bankers' interest and amortisation. Its dividend will be non-cumulative, but any available surplus profits (after taking account of any balance brought forward) *must* be paid, unless the auditors deem this inadvisable in view of "the financial position." In that case, the percentage earned but unpaid will become cumulative. The Debenture Holders' Committee will have the right to elect three directors for three years, and other rights. The proposed capital arrangements are contrasted with those of the abortive scheme of last year:—

	Amount Outstanding	Old Scheme (July, 1933)	New Scheme (Oct., 1934)
4% 1st mort. deb. stk.	£400,000	Unchanged	Unchanged
5½% 1st mort. red. deb. stock	5,135,944	£50 5½% deb., £30 6% pref., and £30 pfd. ord. per £100.	£60 5% deb. and £50 6½% first pref. per £100.
6% cum. pref. (£1)	883,918	15s. of 6% pfd. ord.	15s. of 8% 2nd pref.
8% pfd. ord. (£1)	2,052,746	2s. 6d. of 6% pfd. ord.	5s. of 8% pfd. ord.*
Ordinary (£1)	8,311,482	2s. of deferred ord.	2s. of ordinary.

* Participating up to 24% in surplus profits with ordinary.

The scheme, on the whole, appears balanced and equitable. Existing preference shareholders are, in effect, confirmed in their preferential income rights, while preferred and ordinary shareholders retain their equity in the business, whatever that may eventually be worth. The scheme, however, is not free from blemishes, the most serious of which is its insistence that the company must

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Roan Antelope.—A considerable expansion occurred last year in the operations of this Northern Rhodesian copper enterprise, writes our mining correspondent. The treatment of an increased tonnage of ore was accompanied by a reduction in costs and by an improvement in the ratio of recovery. Production totalled 55,150 long tons of blister copper, against 37,710 in the preceding year. Net profit was £387,940, as against £62,460. The depreciation reserve received £150,000 as before. As a result, however, of the conversion scheme carried through last year, debenture interest required only £93,720, against £105,000. Some £82,500 has been placed to the reserve for taxation, and the divisible surplus is £327,890. The market expected the payment of a dividend of 20 per cent., which, in fact, was fully covered by the year's profits. In view, however, of the low price of copper and other uncertainties, the directors have recommended the passing of a dividend. This policy appears decidedly conservative in view of the fact that net cash assets, at the date of the balance sheet, were over £1½ millions, including £½ million of cash and Government securities. By the addition of last year's appropriation the depreciation reserve has been increased to £400,000. Some £233,320 of premiums on share issues during the year, plus a small amount from realisations on investments, have raised the general reserve to £2,098,620. A total of 2,543,100 short tons was withdrawn from the ore reserves during the period, raising the aggregate to 6,615,000 tons since the beginning of operations, and leaving 101,385,000 tons available. Even on a 20 per cent. dividend, the 5s. shares at their current price of 25s. would have yielded no more than 4 per cent. The market is apparently discounting a further improvement in results and in the general copper position, and may be relying somewhat optimistically on the favourable outcome of recent moves for a new restriction agreement.

Other Company Results.—Our Summary table of profit and loss account, printed on page 856, includes results of 43 companies whose results are not discussed in foregoing notes. This week's results are generally satisfactory, and there are several good individual recoveries. The preliminary profit statement of Wall Paper Manufacturers shows earnings of £742,468, against £635,656. The total dividend on the deferred stock is raised from 11½ per cent. to 12½ per cent. Further rubber reports continue the story of progress, the outstanding feature in this week's group being Lenggeng, whose profits have risen sharply from Dr. 1,603 to £11,693, ample to cover the resumed dividend of 10 per cent. Three tea companies also show satisfactory increases in earnings. An interesting batch of investment trust reports confirms our impression of the trend of revenues. Of nine companies reporting principally to September 30th, six are Scottish trusts whose earnings position, broadly speaking, is indicative of first recovery or a stabilisation of earnings at the previous year's level. Thus Second Investors Mortgage Security shows net revenues of £64,031 against £66,533, Securities Trust of Scotland £22,892 against £23,918, while Second Edinburgh Investment has made positive progress from £15,285 to £22,058. In the miscellaneous group, Imperial Airways report indicates a rise in profits from £37,894 to £78,572, the dividend being increased to 6 per cent. These figures, however, have a limited usefulness, since the amount credited in respect of subsidies is not separately shown—a regrettable omission in a report which is otherwise admirably comprehensive. Profits of Venesta, plywood manufacturers, have shown a great advance from £11,807 to £95,120, enabling two and a-half years' preference arrears to be met. The trading experience of Burberys has been unfortunate, particularly in overseas markets, where exchange difficulties have been severely felt. Horden Collieries profit is £134,948, an increase of £44,330. Guest, Keen and Nettlesolds is paying 1s. per share, tax free, on account of arrears of dividend on second preference.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Bengal-Nagpur Railway, Assam Railways and Trading, El Oro Mining and Railway, Wiluna Gold Corporation, Consolidated African Selection Trust, United Dairies, Herrburger Brooks, Gaumont-British Picture Cor-

poration, Phoenix Investment Trust, Broome Rubber Plantations, Sumatra Para Rubber Plantations, Killinghall (Rubber) Development Syndicate, and North British Rayon. At the United Dairies meeting, Mr Joseph H. Maggs disclosed that £160,000 had been spent during the year on new plant for milk manufactures, while sales of milk, butter and eggs had recorded substantial increases. Mr Mark Ostrer informed Gaumont-British shareholders that the new distributing organisation in the United States was already bringing its fruits, and he regarded the potential American market as three or four times as large as the domestic market. The chairman of Herrburger, Brooks declared that broadcasting seemed likely to increase a knowledge and appreciation of music, with consequent gain to the piano trade, which was largely dependent upon their products. Mr John A. Agnew gave shareholders of Wiluna Corporation his opinion that, if the gold *blow* abandoned gold, it would be more likely to increase, than diminish, the price of the metal. The chairman of El Oro Mining attributed the improved results to the American silver purchase policy, but looked forward to a more liberal policy on the part of Mexico towards the company. Mr Chester Beatty informed shareholders in Consolidated African Selection Trust that the new Sierra Leone subsidiary, although in an early stage, was on a profitable basis, and would, in the future, rank among important alluvial diamond producers. The rubber company chairman were concerned largely with restriction. The chairman of Killinghall (Rubber) Development Syndicate regarded its success as not completely assured, while the chairman of Sumatra Para expressed full confidence in the International Committee. At the Broome Rubber meeting the chairman outlined the purchase of the Balau Planting Syndicate. At the Assam Railways meeting Mr E. A. A. Joseph showed that the trading subsidiaries had enjoyed a better year. The chairman of Bengal-Nagpur Railway discussed the increased revenue resulting from the Vizagapatam Harbour and the Tata Company rates revision. The Phoenix Investment portfolio, it was shown, disclosed an appreciation compared with last year. Mr Ernest Walls explained that the reduction in Excise Duty had affected the North British Rayon, but that plant extension had continued.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET	ACCOUNT
November 6	November 8

THURSDAY'S Stock Exchange holiday afforded members their normal opportunity to vote at the Municipal Elections, whose imminence had been an occasion for mild profit-taking in Gilt-edged stocks on the previous afternoon. The latter was the first check to the upward sweep of prices for the Funds which started immediately upon last week's abandonment of the "bankers' pact" on discount rates. On Monday, the last of the British Government's Three per Cent. "redeemables," Funding Loan 3 per cent., crossed the par line, and Conversion 2½ per cent. came near it at 99½. The equity share market opened inauspiciously, but by mid-week appeared to have made good progress in clearing up a somewhat unwieldy open position. Even the mining markets ventured a little cautious buying on Wednesday, though the weather prophets were not entirely reassured as regards the course of depressions from Australasia and South Africa. The unkindest cut of all was reserved for the rubber industry, which learned that the Dutch natives' intractability might fundamentally restrict restriction's operation.

Heavy "institutional" buying of Gilt-edged stocks was well spread through the List, though Conversion issues were particularly firm. The movement inevitably attracted the professional speculator who, being unused to the market's peculiar conditions and traditions, tended to take his profits before Thursday's holiday. All the week's new issues were heartily "staged." India stocks were somewhat more subdued, in view of the imminence of the report. A fair business was done at firm prices in Dominion loans. The bond market, by contrast, was quiet. San Paulo Coffee

7½ per Cents. were bought at the outset, on reports of an early announcement regarding unpaid coupons. A fairly heavy reaction, however, occurred subsequently. Argentine issues were firm on improving internal conditions. Among European bonds, Potash showed a slight recovery. The market was closed when the details of the German agreement were made known, on Thursday.

Home rail senior stocks benefited from the strength of the Funds. The marginal issues, after a dull start, were better in mid-week, though the traffic figures were not particularly inspiring, except, possibly, on the Southern. The Argentine railway reports for the year to last June (summarised on pages 838 and 839), made anything but cheerful reading, and the stocks were somewhat depressed. Considerable buying activity was seen, however, in the case of Cordoba Central issues, on resuscitated rumours of the taking over of the line by the Government.

Steel and brewery shares were the high-lights of the industrial market. The Whitehead half-yearly profit figures and interim dividend stimulated activity both before and after the announcement, the shares having a spectacular rise on Monday. Favourable reports of conditions in the heavy trades stimulated business in a long list of shares, including Weardale, Guest Keen, South Durham and Allied Ironfounders. The market found some difficulty in valuing Dorman Long 5½ per cent. debenture stock on the publication of the revised reconstruction scheme (analysed on page 837), but the stock closed higher after wide fluctuations. Coal shares were firm, Powell Duffryn being in request on news of increased South Wales shipments. The spark which ignited the brewery market came from Birmingham; where the report of Mitchells and Butlers (summarised on page 838) showed an impressive advance in earnings and dividends. Taylor Walker were especially active on revived amalgamation rumours, which coupled the company's name with Benskins. Tobacco shares also showed signs of renewed popularity, demand centring mainly on Imperial and Gallaher. In the store group, Marks and Spencer were again supported. Textile shares were dull and irregular. Courtaulds were fairly steady, but British Celanese tended to lose ground. Only a small business was done in electric supply shares and little interest was taken in equipment issues, with the exception of Crompton Parkinson, which advanced steadily in the first part of the week. Profit-taking was in progress in motor shares, though Dennis Brothers reflected a "House tip" regarding the forthcoming dividend. A moderate business in bank shares left prices mainly unchanged. Prudential were in demand in a steady insurance market.

Oil shares had a firmer tone, after their previous heavy selling. A somewhat less depressed view was taken of American possibilities. The Trinidad Leaseholds' dividend was regarded as satisfactory, and V.O.C. remained firm on the maintenance of the interim payment. Rubber shares opened weak and were further marked down on Wednesday after the announcement of disagreement between British and Dutch representatives on the matter of restriction percentages for 1935. This question is discussed on page 836. There was a tendency, however, to regard the lower prices as not unattractive, and the market finished slightly firmer before the holiday. Tea shares remained in a friendless condition, price declines being general in the entire absence of support against a moderate but persistent stream of sales.

After a thoroughly dispirited opening, the mining market became stronger as the week progressed. Some of the weaker speculative positions had been closed, and the tentative re-entry of some of the more influential inside operators synchronised with reports that the "higher grading" policy of the mines would find expression in the October profit figures, and with a firmer tendency in the franc. West African shares had a rather better tone, but Australians commanded little increased support. Tin shares had a downward tendency, on the absence of a recovery in the price of the metal. Mawchi, however, were strong on reported buying from a special source. Among copper shares Roan Antelope obtained no benefit from the report, though the latter confirmed the view that the passing of the dividend was a matter of choice, not necessity. Tinto were weak on fears of the passing of the preference dividend.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934	Nov. 1, 1934
Government and Municipal Loans	1,050	1,378		1,490	1,311	1,299	
Transport, Communications, and Public Utilities	878	1,010		1,139	1,007	1,036	
Commercial and Industrial	2,853	3,134		3,936	3,709	3,581	
Banks, Insurance and Financial	612	549	Closed	746	579	492	Closed
Mines (including Nitrate)	1,437	1,262		1,560	1,498	1,256	
Oils	125	125		131	110	164	
Rubber, Tea and Coffee	279	313		373	401	256	
Total	7,234	7,771		9,375	8,615	8,084	
Corresponding day in 1933	8,861	7,620		8,020	8,337	Closed†	

* Including Iron and Steel and Breweries. † November 1st (fell on Wednesday).

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1923 = 100)

Highest of 1934 (Oct. 15)	Lowest of 1934 (Feb. 8)	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934	Nov. 1, 1934
90.6	83.5	89.5	89.5	Closed	89.4	89.6	89.6	Closed

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1923 = 100)

Highest of 1934 (Oct. 31)	Lowest of 1934 (Jan. 2)	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934	Nov. 1, 1934
135.7	128.8	133.9	135.5	Closed	135.7	135.8	135.8	Closed

FOREIGN STOCK EXCHANGES

NEW YORK

THE market continues to belie its major prophet. With turnover running at little over 400,000 shares on each of the first three days, the incipient boom is yet to seek. Next Tuesday's elections, naturally, have provided the market with excuse, and possibly reason, for hesitancy. By general consent, the closing of the polls is zero hour for the Administration's winter programme, when less equivocal signs should be apparent as to the trend of the Presidential mind. The market, becoming tired of putting a doleful interpretation on oracular statements, has acquired a fatalist *solvitur ambulando* outlook. If there is a veer to the right after the elections, it will be grateful, but the approaching winter and the limited expansion of business are regarded doubtfully from the budgetary and monetary points of view. This week's idle markets have accordingly been logical rather than perverse, in view of the virtual absence of recovery symptoms. The operating deficit of \$7,712,000 reported by the United States Steel Corporation for the third quarter had been generally anticipated, and the market has derived little encouragement from the hopeful outlook to which the report alludes and to this week's increase in steel mill capacity from 24.5 to 26.0 per cent. Two estimates of unemployment, one slightly under and another well over the ten-million mark, have attracted attention to the scope of prospective unemployment insurance legislation, on which the President is reported to be determined. Government bonds have been

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affected by reports of further public works expenditure, and building stocks are finding purchasers in consequence of housing loan reports. Industrial stocks have made slight headway during the week, but utilities remain out of favour. Signs of partial alleviation of the oil problem have encouraged a firmer tone in the shares; but, although a complete collapse of prices is now thought unlikely, the situation still presents serious weakness.

	Oct. 24, 1934	Oct. 31, 1934	Oct. 31, 1934 Eng. equiv.†		Oct. 24, 1934	Oct. 31, 1934	Oct. 31, 1934 Eng. equiv.†
Lb. Ln. 3½% '32-47 104½	104	104½	104½	Natl. Biscuit	28½	28½	28½
Do. 4½% '32-47 103½	103½	103½	103½	Phelps Dodge	15½	15½	15½
Do. 4½% '33-38 104½	104	104½	104½	Pullman	40	39	39
Atchafson	56½	51½	51½	Sears-Roebuck	3½	2½	2½
Erie	13½	11½	11½	Studebaker	72	70½	70½
Illinois Central	18½	16	16	Un. Fruit	16	15	15
N.Y. Central	24½	21	21	U.S. Leather	5½	5½	5½
Pennsylvania	24½	22½	22½	U.S. Rubber	16½	15	15
Southern Pacific	19½	17½	17½	U.S. Steel	34½	31½	31½
Southern Rly.	18½	16½	16½	Westinghouse	32½	30½	30½
Union Pacific	104	100½	100½	Woolworth	50½	49½	49½
Am. Can.	102½	100	100	Am. Tel. and Tlg.	111½	110	110½
Amer. Smelting	36½	34½	34½	Interboro R.T.	14½	13½	13½
Anaconda	10½	10	10	Int. Tel. Teleg.	9½	9	9
Bethlehem Steel	28½	25	25	Radio Corp.	5½	5½	5½
Chrysler Motor	36½	33½	34	Utilities P. and L.	1½	1½	1½
Corn Produce Rf.	66	63	63	W. Union Tlg.	35	33	33½
Eastman Kodak	104½	104½	104½	Associated Gas "A" ..	23½	23½	23½
Gen. Electric	174	171	171	Shell	23½	23½	23½
Gen. Motors	30½	29	29	Shell Union	6½	6½	6½
Int. Harvester	33½	32	32	Std. California	28½	32½	32½
Mont. Ward	28½	26	27	Do. N.J.	41½	40½	40½

† Calculated at \$4.98 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Oct. 31	Re-opening of Year	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934	Oct. 31, 1934	Oct. 31, 1934
			Sept. 19	Feb. 21					
251 Industrials	98.7	98.8	74.3	90.5	79.6	77.5	77.4	75.4	75.4
23 Rails	23.9	54.5	34.0	51.4	40.6	35.9	37.0	34.4	34.4
37 Utilities	66.8	101.0	62.1	83.4	66.4	63.2	63.1	61.7	61.7
Total, 421 stocks	40.9	83.4	65.6	82.1	70.8	68.2	68.2	66.3	66.3
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.78%	3.77%	3.89%	3.89%

† February 7th.

(a) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

	Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Oct. 24, 1934	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934
105.0	76.0	84.5	82.8	81.5	81.6	81.1	81.5	81.7	81.7

TOTAL DEALINGS IN NEW YORK

	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934
Stock Exchange—Shares (Thous.)	1,030	870	200	430	430	420
Bonds (Value Thous. \$)	12,960	10,270	4,450	7,940	9,800	12,910
Curb—Shares (Thous.)	168	140	43	84	97	84

* Two-hour Session.

PARIS

The Bourse has been a prey to political influences this week. The uncertain outcome of the Radical Congress regarding M. Doumergue's programme of constitutional reforms, M. Petain's speech on Monday on re-armament, and the heavy shadow of the Saar problem were responsible for some precipitate selling on Tuesday. The technical position in some cases also restrained new business. Rentes lost ground, but steadied a little on Wednesday. Industrials were particularly uncertain, and only international hedging counters could be described as firm in tone. Gold shares were in more active demand, but the rubber and oil groups. The market was closed on Thursday for All Saints' Day.

	Oct. 24, 1934	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934
Banque de France	10,075	10,075	10,000	10,000	10,000	10,000	10,000
Crédit Lyonnais	1,765	1,772	1,743	1,743	1,743	1,743	1,743
Suez Canal	19,005	18,730	18,905	18,905	18,905	18,905	18,905
Chargeurs Réunis	100	97	92	92	92	92	92
Rio Tinto	1,032	1,034	1,004	1,004	1,004	1,004	1,004
Dairies du Nord	14,810	14,820	14,820	14,820	14,820	14,820	14,820
Wagons Lits	26	26	26	26	26	26	26
Mexican Eagle	75	75	75	75	75	75	75
"Chartered"	77½	76½	75½	75½	75½	75½	75½
Ford	46	51	47½	47½	47½	47½	47½
De Beers	270	261	260	260	260	260	260
"Johnnies"	239	230	238½	238½	238½	238½	238½

BERLIN

Last week's share market was in general weaker. Some brewery and engineering stocks, in particular Maschinenbau-Unternehmungen, were bought, but most high-priced shares declined. The cut in potash prices caused a fall in the shares, and lignite issues resumed their decline after publication of the law requiring the companies to capitalise benzene production. Home bonds were undecided, and dollar bonds in most cases weaker. The new week opened with a further drop in potash and lignite issues, and share prices in general sagged. Tuesday closed with a slight partial recovery, although bonds were irregular.

	Oct. 24, 1934	Oct. 29, 1934	Oct. 31, 1934		Oct. 24, 1934	Oct. 29, 1934	Oct. 31, 1934
Reichsbank	145.40	144.50	145.00	A. E. G.	28.50	28.00	28.10
D.D. Bank	74.50	74.00	73.50	Siemens & Halske ..	141.00	139.00	140.50
Dresdner (New)	77.00	76.00	75.50	A. K. U.	62.60	60.40	61.10
L. G. Farbenindustrie ..	143.00	141.90	141.00	Hamburg - Amer.	29.10	28.00	28.50
Norddeutscher Lloyd (New)	30.75	30.00	30.40				

AMSTERDAM

Business this week has been at low ebb and, despite a better tone on Tuesday, the market has made no positive headway. Primary commodity shares have been under a cloud. Sugar shares displayed early weakness, Amsterdam Trading losing three points on Monday, while rubber issues were weak on the inability of the Dutch and English representatives to reach agreement regarding the 1935 quota percentage. Leading industrial shares showed little movement on balance, and limited interest was devoted to oil share dealings.

	Oct. 24, 1934	Oct. 29, 1934	Oct. 31, 1934		Oct. 24, 1934	Oct. 29, 1934	Oct. 31, 1934
2½% Dutch Loan	77½	77½	78	Steel Common	20½	19½	19½
5½% German	20½	21½	21½	A. K. U.	34	33½	33½
Unilever N.V.	72½	71½	72½	Ford Motor	224½	220½	222½
Philips' Lamps	215½	214	215½	Deli Batavia Tob.	146	146	143½
Netherlands Ship Union	31½	31½	30	Royal Dutch	144½	142½	142½
				Handels Ams	157½	153½	154

CAPITAL ISSUES

OVERSUBSCRIPTION of any first-grade issue was so inevitable in view of the strength of the gilt-edged market, that dealers heard with little surprise of the overwhelming success of this week's two senior offers. *Brentford and Chiswick Corporation*, a new borough with a small net debt, made a first issue of 3 per cent. twenty-year stock at 98½. Although the terms reflected the strengthening of the market since the recent Nottingham and Lanarkshire issues, they proved very acceptable to a market which is always seeking loans with fixed redemption at a discount. The *Mersey Docks and Harbour Board* issue of 3½ per cent. stock at £97 per cent., having a minimum life of forty years, was a conversion operation, but the scale of cash applications, of which £1 million had been received before the opening, left its success in no doubt. The stock offers the attractive flat yield of £3 7s. per cent. and £3 7s. 9d. per cent. to latest redemption, and is adequately covered by revenues which are showing definite signs of recovery. The issue of *Prices Trust Company* 5½ per cent. cumulative preference shares at a small premium may be regarded as a partial and indirect encashment of the equity of the operating company, Prices Tailors. The erection of a preference interest on an equity basis has, in the past, been accompanied by certain disadvantages, but the record of ordinary earnings in the operating company, in normal years, has sufficed to cover the issue by a satisfactory margin. The ordinary shares of *Boulton Paul Aircraft* will appeal primarily to the speculative investor who is prepared to undertake the risks inherent in the development of the company's range of aircraft patents and designs. The *Gold Mines of Kalgoorlie* is the first subsidiary of the recently formed Gold Exploration and Finance Company of Australia. The prospectus gives rather limited particulars of the properties acquired, but the auspices under which the issue appears will certainly appeal to the speculative mining investor. A tender issue by *Luton Water Company* has been announced this week. Market introductions include 3½ per cent. debenture issues of the

associated *First, Second and Third Scottish American Trust Companies* and *Tano Gold Dredging, Ltd.*, a Gold Coast venture under the auspices of Anglo-Oriental Mining Corporation.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to October 27, 1934, excluding conversions, £145,928,927.
Total recorded, January 1 to October 27, 1934, including conversions, £335,940,627.

National Savings Certificates.—Net receipts, Week ended October 27, 1934, £50,000.

	Nominal Capital £	Conversions £	New Money £	First Payment £	Further Liability £
To the Public					
Prices Trust Co., 500,000 5½% Cum. Pref. £1 at 20/6	500,000	...	512,500	62,500	450,000
Boulton Paul Aircraft, 1,000,000 shs. 5/- at par	250,000	...	250,000	50,000	200,000
Brentford and Chiswick Corporation, £500,000 3% Red. Stk., 1934, at 98½	500,000	...	493,750	25,000	468,750
Mersey Docks and Harbour Board, £2,062,628 3¼% Deb. Stk., 1975-85, at 97% (Proceeds to repay £2,062,628 Bonds maturing Jan. 1, 1935, and March 27, 1935)	2,062,628	2,000,722	...	100,038	1,900,686
Gold Mines of Kalgoorlie, 1,200,000 shares 10/- at par	600,000	...	600,000	150,000	450,000
Total	3,912,628	2,000,722	1,858,250	387,538	3,469,436

	Nominal Capital £	Conversions £	New Money £	First Payment £	Further Liability £
To Shareholders only					
Chosen Corporation, 50,000 New Shs. £1 at 30/-	50,000	...	75,000	25,000	50,000
Sungei Telor (Malaya) Rubber, 291,700 10% Cum. Pref. 1/- at 1/8	14,585	...	24,309	9,725	14,584
South African and General Investment Trust, 40,000 Ord. £1 at par	40,000	...	40,000	6,000	34,000
Kuala Pertang Syndicate, 100,000 2½% shares at par	10,000	...	10,000	1,250	8,750
Kalgoorlie Electric Power and Lighting, 49,990 10/- shares at 14/-	24,995	...	34,993	12,497	22,496
Total	139,580	...	184,302	54,472	129,830

	Including Conversions	Excluding Conversions	Total
Total Offered for Subscription—			
Jan. 1 to date—			
1934	340,031,901	148,019,479	488,051,380
1933	423,109,324	233,983,884	657,093,208
1932	765,614,031	177,460,729	943,074,760
1931	108,324,979	97,447,594	205,772,573
1928	506,961,409	332,331,673	839,293,082

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	92,447,389	16,211,665	39,460,425	148,019,479
1933	218,979,942	7,727,766	7,276,176	233,983,884
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced £	Price Dealings Began	Cash Involved £
Amount previously recorded	23,640,568	...	35,326,525
Total to date, 1934	23,640,568	...	35,326,525
Total to date, 1933	29,125,879	...	31,611,987

PUBLIC OFFERS

Brentford and Chiswick Corporation.—Issue of £500,000 3 per cent. stock, 1934, at £98 15s. per cent. Population, 63,670; rateable value, £667,679; average rate, 10s. 4d. in the £. Net debt at March 31, 1934, £1,813,951, of which £38,311 is in respect of trading undertakings and £1,030,577 for housing. Stock redeemable at par on November 1, 1934, and proceeds will be applied to redemption of loans of £340,556, and balance for housing and other purposes.

Mersey Docks and Harbour Board.—Issue of £2,062,628 3¼ per cent. debenture stock, 1975-85, at £97 per cent. The board is a public trust, and the stock is charged upon rates thereof, as defined in the Board's statutes. £44,657,951 spent on development to July 1, 1934, of which £37,812,558 is outstanding debt. Total revenue for year ended that date, £3,441,660. Proceeds of issue required for repayment of maturing bonds. Stock redeemable at par on March 27, 1985, or after September 27, 1975, on six months' notice.

Prices Trust Company, Ltd..—Issue of 500,000 5½ per cent. cumulative £1 preference shares at 20s. 6d. per share. Acquires ordinary share capital of Prices Tailors, Ltd., consisting of 3,500,000 shares of 1s. Consideration is £1,006,750 as to £506,750 in cash and as to balance by allotment of 2,000,000 ordinary shares of 5s. The operating company has earned profits available for ordinary shares, for years to June 30: 1931, £88,652; 1932, £89,362; 1933, £53,546; 1934, £120,172. Net assets available for ordinary shares were £725,058 on June 30, 1934, exclusive of goodwill.

Gold Mines of Kalgoorlie, Ltd..—Issue of 1,200,000 shares of 10s. each at par. Preference will be given, up to 600,000 shares, to applications by shareholders of Gold Exploration and Finance Company of Australia, Ltd. Company acquires

from latter leases and options over 244 acres, and right to half interest in 575 acres leased or under option by vendor, conditional upon expenditure of £25,000. Consideration for first area is £120,000, payable in cash. £455,000 will be available for working capital, purchase of options, etc. Subscribers granted option on one share for every four allotted, exercisable at 12s. 6d. and 15s. to October 31, 1936 and 1937 respectively. Vendors have applied for 300,000 shares.

Boulton Paul Aircraft, Ltd..—Issue of 1,000,000 shares of 5s. each at par. Company acquires goodwill, patents and assets of aircraft business of Boulton and Paul, Ltd., and one-third capital of A.T.S. Company. Assets acquired valued at £151,795, purchase price being £125,000 in cash. Working capital amounts to £50,000. Profits, after capitalising £35,135 expended on development work, have been, for years to September 30: 1931, £1,673; 1932, £483; 1933, £10,716; nine months ended June 30, 1934, £2,492. Uncompleted orders in hand amount to £188,000.

BY STOCK EXCHANGE INTRODUCTION

First Scottish American Trust Company, Ltd..—Particulars of issue of £100,000 3½ per cent. debenture stock. Redeemable at par on May 1, 1975, or after May 1, 1965, on six months' notice. Company may create further stock ranking *pari passu* with this issue. Stock has been sold to James Capel and Company at 94½ in two parcels.

Second Scottish American Trust Company, Ltd..—Particulars of issue of £100,000 3½ per cent. debenture stock. Redeemable at par on May 1, 1975, or after May 1, 1965, on six months' notice. Company may create further stock ranking *pari passu* with this issue. Stock has been sold to James Capel and Company at 94½ in two parcels.

Third Scottish American Trust Company, Ltd..—Particulars of issue of £100,000 3½ per cent. debenture stock. Redeemable at par on May 1, 1975, or after May 1, 1965, on six months' notice. Company may create further stock ranking *pari passu* with this issue. Stock has been sold to James Capel and Company at 94½ in two parcels.

Tano Gold Dredging, Ltd..—Issued capital, 2,400,000 shares of 5s. Formed to acquire and exploit Tano River concessions, Gold Coast Colony, covering 4.8 square miles. Boring results indicate 259,478 ounces of gold in the area, to an average depth of 20.7 feet. Costs estimated at 4½d. per cubic yard (28,481,000 cubic yards having been tested by drilling), and annual profit, after 15 per cent. tax on gold premium, is estimated at £136,000, with gold at 130s., and £149,700, with gold at 140s. per ounce. Initial life estimated to exceed twelve years. Option and rights over additional areas are held. Purchase price, £300,000, satisfied by allotment of 1,200,000 shares of 5s. each.

BY TENDER

Luton Water Company.—Offer by tender of consolidated 4 per cent. maximum ordinary stock, to realise net sum of £19,645 2s. 3d. Proceeds required for capital extensions and pumping station. Statutory area 23.68 square

NOTE—Shares with a New York Quotation or with definite American interest are distinguished by italics

dividends, account being taken of the

Prices

(a) Interim dividend.

(f) Flat yield without allowance for dividends

(d) Paid in New Zealand Currency (e) Allowance for rate of exchange

(g) For 15 months. Yield worked on a 15% basis.

2½ per cent. (p) Yield worked on redemption at par on December 1, 19

† Free of Income Tax.

(a) Interim dividend.	(b) Final dividend.	(c) Last two yearly dividends	(d) Yield worked on last year's dividend viz	124 per cent free of tax	(e) Cash bonus from
				</	

(t) Includes 11% from capital accretions. (m) Including bonus 5% free of tax. (n) Dividend for 15 months yield worked on a 5% per cent. basis.

(p) Based on a dividend of 15 per cent. (r) Calculated on basis of 5 annas dividend per share paid for 1933-34. Taken at 16 annas to one rupee. (s) Annas per share

(w) Also bonus 300 per cent. from reserves in A shares. Yield worked on a 25 per cent. basis. Highest price 1934 on capital before the bonus distribution. † Free of Income Tax.

(Continued from page 843)

The Central Portland Cement Company, Ltd.—A resolution has been passed to increase the capital to £325,000 by the creation of 250,000 ordinary shares of 4s. each. These are being offered to shareholders at 4s. 3d. per share, together with the unissued 25,000 6 per cent. cumulative redeemable preference shares of £1 each, which are offered at 22s. 6d. per share.

CONVERSIONS AND REPAYMENTS

R. and R. Clark.—An extraordinary meeting will be held in Edinburgh on November 16th for the purpose of considering special resolutions to reduce the capital from £150,000 to £127,500 by repaying the 22,500 £1 preference shares. Conditional upon confirmation of such reduction, it is proposed to simultaneously increase the capital by the creation of 22,500 £1 shares.

Trust and Loan Company of Canada.—For the purpose of paying off debenture stock or debentures a call of 5s. per share will be made on members, payable at Glyn Mills and Company, 67 Lombard Street, E.C. A first instalment of 2s. 6d. per share is due on February 6, 1935, and the second—and similar—instalment on May 1, 1935. There is outstanding £735,484 4 per cent. debenture stock and debenture bonds to the amount of £1,464,501.

River Wear Commissioners (Sunderland).—The River Wear Commissioners (Sunderland) are converting £1,500,000 5 per cent. second mortgage funded debt into a 3½ per cent. issue.

PRIVATE PLACINGS

Rootes Securities.—An issue on October 24, 1934, of £250,000 debentures, being part of a series already registered, has been recorded at Somerset House.

OFFERS ABROAD

Swedish Treasury Bill Issue.—The State Debt Office on October 29th invited offers for Kr. 15,000,000 in three months' Treasury bills; this resulted in Kr. 79,200,000 being taken up. The average discount asked for was only 0.476 per cent.

FORTHCOMING ISSUES

Australian Internal Loan.—The Federal Loan Council has decided to raise a new 3 per cent. internal loan of £15,000,000 redeemable in 14 years. The Commonwealth Bank has agreed to underwrite the issue. The interest rate is the lowest in the history of the Commonwealth. Applications will be received late in November or early in December.

Central Perak Rubber.—It is understood that underwriting has been arranged of a share issue by the Central Perak Rubber Company. The issue will take the form of rights to existing shareholders.

Erinoid, Ltd.—Erinoid is shortly to make an issue of preference shares. The issue will consist of 55,000 6 per cent. redeemable preference shares of £1 each at par. The shares will be offered to the shareholders. The proportion is one preference share for every 20 ordinary shares held.

Iford Corporation.—The Iford Corporation is said to be discussing the issue of a new loan of £500,000 in order to pay off high interest bearing loans.

John Dickinson and Company.—It is understood that arrangements are in hand for an issue of £800,000 new 3½ per cent. first mortgage debenture stock in John Dickinson and Company. The issue price is 96½.

Motor Fuel Proprietary Limited.—Underwriting has been completed for an issue of 300,000 shares of 5s. at 15s. per share. The issue will be confined to shareholders, who will have an option for 12 months for one share at 15s. for every three shares.

RESULTS OF ISSUES

Beryl Gold Corporation.—The lists for the issue of 1,000,000 shares were closed October 29th. The issue was fully subscribed.

Brentford and Chiswick Corporation.—The list of applications in connection with the issue of £500,000 3 per cent. redeemable stock, 1954, at £98 15s. per cent., for Brentford and Chiswick Corporation, was closed at 9.5 a.m., October 30th, the issue being heavily over-subscribed.

Galapitakande Estates.—The issue of 20,000 6 per cent. cumulative preference shares of £1 each at 21s. per share and 40,000 ordinary shares of £1 each at par has been over-subscribed.

Liverpool Bill Tenders.—The tenders for £1,000,000 bills due March 30, 1935, were opened October 30th at the Bank of England. The total amount applied for was £3,160,000, and the total amount allotted £1,000,000. Tenders at

£99 16s. 6d. and above were allotted in full. The average rate per cent. per annum was 8s. 0.18d.

Prices Trust Company.—The British Shareholders Trust, Ltd., announces that the list of applications in connection with the issue of 500,000 5½ per cent. cumulative preference shares of £1 each at 20s. 6d. per share for Prices Trust Company, Ltd., was closed at 9.5 a.m., October 30th, the issue being over-subscribed.

William Hancock and Company.—Subscription lists in respect of the issue, at 99, of £500,000 4½ per cent. first mortgage debenture stock were closed on October 26th at 9.10 a.m., owing to heavy over-subscription.

Gold Mines of Kalgoorlie.—The subscription list for the issue at par of 1,200,000 shares of 10s. each was closed at 9.15 a.m., October 31st, the issue having been over-subscribed.

Mersey Docks and Harbour Board.—The list of cash applications in connection with the issue of £2,062,628 3½ per cent. redeemable debenture stock, 1975-85, was closed at 9.5 a.m., October 31st, the issue being heavily over-subscribed. Applications exceeded £21,000,000.

Boulton Paul Aircraft.—The subscription list in connection with the issue of 1,000,000 shares of 5s. each at par was closed at 9.55 a.m., October 31st.

CALLS DUE NOVEMBER 5 TO NOVEMBER 10, 1934

The grand total of calls falling due in November, 1934, is £8,049,212, which compares with £4,888,830 which fell due in November, 1933. The following calls fall due from November 5, 1934, to November 10, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
4/-	Central Portland Cement, Ltd. (250,000 Ordinary Shares, at 4s. 3d.)	6d p.s.	Nov. 7	6d. p.s.
£1	Central Portland Cement, Ltd. (25,000 6% cumulative redeemable preference shares, at 22s. 6d.)	1/- p.s.	Nov. 7	1/- p.s.
10/-	Kalgoorlie Electric Power and Lighting Corporation, Ltd. (49,990 ordinary shares at 14s.)	5/- p.s.	Nov. 5	5/- p.s.
5/-	Lund & Co., Ltd. (192,000 ordinary shares, at par)	1/3 p.s.	Nov. 5	All
£1	Oxford and Berkshire Cinemas, Ltd. (150,000 7% cum. part. pref. shares, at par)	10/- p.s.	Nov. 5	All
Stock	Salford Corporation 3½% redeemable stock, 1954-64 (£1,000,000, at £100%)	£30%	Nov. 6	£60%
£1	Stanton Ironworks, Ltd. (461,894 6% cum. pref. shares, at 25s.)	7/8 p.s.	Nov. 8	All

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Oct. 24, 1934	Price, Oct. 31, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	44½-7½ pm	34-6d pm
Airspeed (1934) Pref. Ord. 5/-	5/-	Fypd	5/--5/3	4/10½-5/1½
Argentine 4½% (2nd Series)	93½	13½	1 dis-par	1 dis-par
Argentine Navigation 10% Pref.	...	...	23½-24½	23½-23½
Ascofts Pharmacies 5/-	5/-	Fypd	2/9-3/1½	2/10½-3/3
Do. do. 7% Pref. 10/-	10/-	Fypd	8/9-9/1½	8/10½-9/4½
Assoc. British Picture Corp. 5% Deb.	101	41	1-1 dis	1-1 dis
Ault and Wiborg Ord.	20/-	3/-	1/6-2/- pm	1/4½-1/7½ pm
Do. do. 5½% Pref.	20/-	3/-	1/6-1/9 pm	1/4½-1/7½ pm
Austin Motor "A" 5/-	...	...	par-2 pm	36/3-37/3
Blackpool 3%, 1960	98½	10	2½-2½ pm	2½-2½ pm
Central Electricity 3½% Stk.	93	5	35½-36½ pm	34½-35½ pm
Cian Line Steamers New Ord.	...	...	1/--1/6 pm	9d-1/3 pm
Do. do. 5½% "B" Pref.	21/-	2/6	3d dis-par	5½-2½ dis
Coville's 5½% Pref.	20/6	10/6	12/4½-12/7½	12½-12/3
Eao Props. Ord. 5/-	11/-	Fypd	23½-23½	23½-23½
Do. 5½% Pref. £1	...	...	6d-3d dis	9d-6d dis
General Aircraft	5/-	3/-	2/9-3/3 pm	1/9-12/3
Gold Ex. and Finance Aust. Ord.	10/-	Fypd	2/3-3/6	2/10½-3/1½
Green (Herbert) 1/-	1/-	Fypd	1/6-2/3	1/--1/9
Do. 7% Preferred	20/-	5/-	45-48	42-45
Do. 6% Deb.	100	50	...	...
Hancock (W.) 4½% Deb.	99	15	23½-24½	23½-24½
James and Shakespear New Ord. 5/-	7/6	Fypd	7/7½-8/-	7/4½-7/7½
Do. do. 5½% Pref. £1	...	...	17/6-18/-	17/6-18/-
Kapala Rubber Ord. 2/-	2/-	Fypd	1/9-2/-	1/6-1/9
Do. do. 7½% Pref. 2/-	2/6	Fypd	2/4½-2/7½	2/3-2/6
Malacca Rubber £1	22/6	12/6	2/6-3/- pm	1/3-1/9 pm
Mayfair and Gen. Prop. 5% Deb.	100	15	1-2 pm	4-1½ pm
Monsanto Chemicals 5½% Pref. £1	20/6	10/6	6d-9d pm	9d-1½ pm
Mount Morgan 5/-	7/6	Fypd	26/9-27/3	27/3-27/9
Murex New Ord. 10/-	£4	£1	1½-1½ pm	1½-1½ pm
New Machavie Gold	97½	5	1½-1½ pm	1½-1½ pm
Nigeria 3%, 1955	98½	5	...	...
Nottingham 3%, 1957	100	15	5-6 pm	5-6 pm
Odhams Properties 5% Deb.	94	Fypd	98½-98½	98½-98½
Orion Union Co. 5½% Deb.	20/-	10/-	5/7½-5/10½ pm	5/6-6½ pm
Oxford and Berks Cinemas 7% Pref.	97½	25	1½-2½ pm	1½-2½ pm
Plymouth 3%, 1954	20/-	Fypd	18/4½-18/9	18/3-18/9
Rubber Regenerating	100	30	1-1 dis	1 dis-1 pm
Salford Corp. 3½%, 1954-64	98½	28½	1-1 dis	1 dis-1 pm
Sheffield 3%, 1954	100	50	par-1 pm	par-1 pm
Stockport 3½%, 1954-64	100	20	par-1 pm	par-1 pm
Stoke 3½%, 1955-65	100	20	par-1 pm	par-1 pm
Streitford 3½%, 1955-65	100	20	par-1 pm	par-1 pm
United Steel 4% Deb.	50/-	25/-	2/3-2/9 pm	3d dis-3d pm
United Suez Belong Rubber £1	10/-	Fypd	1½-1½	1½-1½
Van Dyk Consolidated	5/-	Fypd	7/6-7/9	6/10½-7/1½
Watende Mines	...	...	...	...

COMPANY MEETINGS, &c.

WILUNA GOLD CORPORATION, LIMITED

DIVIDEND OF 22½ PER CENT.

The ordinary general meeting of the Wiluna Gold Corporation, Limited, was held on the 26th ultimo, in London, Mr. John A. Agnew (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the Australian operating company had made a net profit for the year of £410,452, which, together with the amount brought forward, namely, £307,786, made a total of £718,238. Out of this they had declared dividends totalling £540,000 (Australian currency), the sterling equivalent of which was reflected in the profit and loss account of the English corporation by the item of £430,278.

Dealing with the accounts of the corporation, he pointed out that the net profit amounted to £403,427, and after allowing for the interim dividend paid in January there was an available balance of £247,586, out of which they recommended the payment of a final dividend of 22½ per cent. (making 22½ per cent. for the year), leaving £52,709 to be carried forward.

During the year under review the mines had treated 469,362 tons of ore, averaging 29s. 1.6d. per ton, a monthly average of 39,114 tons. In the six months subsequent to the close of the accounts the mines had treated 252,688 tons, averaging 28s. 4d. per ton, a monthly average of 42,114 tons. Working costs had been reduced to 18s. 6d. (Australian currency) per ton, including provision for development.

Dealing with mine development, he referred to an important development on the 625 ft. level, where driving south had resulted in disclosing an ore body nearly 600 ft. long, averaging 30s. 6d. per ton over 11 ft. The face, which was approximately 400 ft. south, still showed very strong ore. The development of this ore body at lower levels would be undertaken as soon as possible. They regarded this as an extremely important and valuable development. The substantial gain of 253,900 tons in the ore reserves to a total of 1,786,000, averaging 28s. 6d., reflected not only a strong technical position at the mine but the soundness of the development policy.

In this tonnage no allowance had been made for probable or possible ore. The diamond drill boreholes on the Bulletin Lease at the northern end of the property had intersected a shear and disclosed ore of varying widths. While it was difficult to compute with accuracy from these results the average widths and value of the ore body, they anticipated opening up a very large tonnage of ore averaging not less than 18 ft. in width and at least approximating the grade of the main mine.

After referring further to the developments on their northern boundary, the chairman said they had agreed to take an interest in Goldfields Australian Development Company, Limited, who were operating in the adjoining "Moonlight" property, and where recent developments had been most encouraging.

He stated that the proposed new Western Australian tax on gold-mining profits was the result of discussions between representatives of the gold-mining industry and of the State Government. The latter were anxious to be relieved of their liability of the payment due under the Phthisis Act. The amount involved was stated to be a maximum of £80,000 (Australian currency) per annum, which was a relatively small amount.

Concluding, he stated that the recent rise in the price of gold to over 140s. appeared to have caused in certain quarters some uneasiness as to whether the price would ultimately amount to a figure beyond reason. In their opinion the rise was a natural one, based on the exchange existing between sterling on one hand and the United States dollar or French franc on the other. Speculation was rife as to what might happen to the price of gold if France left the gold standard, or if the value of the American dollar were increased in terms of gold. In the former case, it was reasonably certain that other countries in the gold bloc would follow suit, and while this would cause brief or temporary dislocation of exchanges, in their opinion the effect would be more likely ultimately to increase than diminish the price of gold. It was scarcely reasonable to expect, concurrent with any such happening to countries at present on the gold standard as that referred to, that any attempt would be made to increase the gold value of the American dollar; so far as it was possible for them to judge, the tendency would appear to be the other way. If their reasoning was correct, they had nothing to fear by way of any marked decrease, even temporarily, in the value of their product. He was content to express those reasons, inadequate though they might be, for their confidence that they would see a substantial premium on the old price of gold for many years to come.

The report and accounts were unanimously adopted.

UNITED DAIRIES, LIMITED

SUCCESSFUL YEAR—RECORD EARNINGS

The nineteenth ordinary general meeting of United Dairies, Limited, was held, on the 30th ultimo, at the Connaught Rooms, London, Mr. Joseph H. Maggs, the chairman of the company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: The net profit is £600,486, which establishes a new record for earnings. It is proposed to pay a final dividend on the ordinary stock of 7½ per cent., making 12½ per cent. for the year, and to transfer £170,000 to reserve, bringing that fund up to £900,000. It is then proposed to transfer £224,000 from the reserve fund to a share capital account and to distribute one new ordinary share, or as nearly as may be, for each ten ordinary shares now held.

As regards the trading of the subsidiary companies, whose results, as you know, are made up to March 31st in each year, it is of interest to note that, in spite of the dry summer of 1933, we dealt with over 5,000,000 gallons of milk more than in the previous year. Last year's increase, you may remember, was something over 4,000,000.

Our butter sales increased by over 4,000,000 lb., sales of English eggs were up by more than 17 millions, whilst our sale of imported eggs actually declined by 543,000.

Encouraged by the practical steps taken by Mr. Elliot to restrict imports of foreign processed milks we have greatly increased our manufacturing plants, in fact altogether during the trading year we spent some £160,000 on new plant, apart from buildings. I have faith in the Government's declared policy, an essential factor in all its marketing schemes, that further restrictions on imports will be enforced as we at home show ourselves capable of producing more. We as manufacturers, and indeed the agricultural community as a whole, ought to express deep appreciation of the many measures which the present Minister of Agriculture has carried through for the benefit of the home producer. These benefits reach far beyond the farm, for if the primary producer is able to increase his production or his spending, it means more employment all round.

At the moment in the processed milk industry, home production has gone ahead rather faster than restriction of imports. Further substantial cuts in imports are vitally necessary if we are to market the ever-increasing supplies of milk produced in this country. Tariffs alone would be useless, as will be realised when you consider the prices at which our competitors abroad obtain their supplies. For months this year in Holland condensed milk manufacturers have, I am told on good authority, actually been charged less than twopence per gallon for fresh milk. In order that this may be done, the Dutch consumer has to pay at least double the price for his butter that the Londoner pays.

It is indeed a strange anomaly that in many of the great dairying countries of Europe, and also in some of our Dominions, the home price of butter should be artificially maintained at 100 per cent. to 300 per cent. above the prices obtainable for their exported butter. I cannot help feeling that if these countries allowed their own nationals to purchase butter at the world price, the apparent glut of this important article of food would soon disappear and the world price would rise.

In my address to you last year I referred to the large extension of undercutting in the retail milk trade. The operations of the Milk Marketing Board have resulted in the elimination of some of the "pirates," but, particularly during the summer months, we have had quite a considerable amount of price cutting. This has been possible owing to supplies of milk dumped on the London market by areas in Scotland outside the jurisdiction of either the English or the Scottish Milk Marketing Boards. This weakness in the schemes will, I trust, be remedied either by statute or by negotiations between the English and Scottish Boards.

I am glad to say that a growing understanding of each other's problems has developed in our continual conferences with the Board, and that a contract, this time covering twelve months, has been agreed between the parties without outside assistance. I sincerely hope that this spirit of co-operation will continue to grow as time goes on and that the Milk Marketing Board will prove to be all that its sponsors prophesied.

The Milk Marketing Board has this to its credit—it has "stopped the rot." How nearly the milk producer was to actual disaster is not generally appreciated. Those people who grumble at the Milk Marketing Board have conveniently short memories. The Board has further secured that the prices negotiated with the trade are actually the prices which are paid. I need hardly tell you that so far as United Dairies are concerned we always paid our producers the prices agreed upon.

The report was unanimously adopted, and resolutions were passed providing for the distribution of bonus shares.

EL ORO MINING AND RAILWAY COMPANY, LIMITED

GREATLY IMPROVED RESULTS

The thirty-fifth annual general meeting of the El Oro Mining and Railway Company, Limited, was held, on the 26th ultimo, in London. Mr J. H. M. Shaw (the chairman) presiding.

The Chairman, in the course of his speech, said that the report presented was the best which they had been able to put before the shareholders for many years. That was a matter of great congratulation. The factors in their situation of essential importance were the price of silver and the management of their affairs in Mexico. As to silver, fortunately the United States Government had decided to buy large further quantities, and therefore the price had combined with the excellent work of the manager and his staff to put the company in its present happy position.

With regard to the profit and loss account, the railway showed a profit of £12,356. The interest paid by the Inversiones Company, whose principal—almost its only—business was working the La Noria Mine, came to the very satisfactory figure of £63,000, from which they had to deduct Mexican taxes, £8,325, giving them a revenue for the year of £54,674. That was an extremely satisfactory result, and on June 30, 1933, the Inversiones had had in transit only \$22,304, against \$81,225 on June 30th this year. To that extent they would benefit in the current 12 months, and it was a very nice nest-egg with which to begin the year.

The available distributable profit was £70,716. In view of the fact that their large cash resources were sufficient in the opinion of the board for any business that they might elect to undertake in the future under the plan of campaign put before the last general meeting, the directors felt fully justified in recommending a distribution as divided in the fullest possible measure—namely, 1s. 2d. per share, less income tax.

They had for the year under review paid a very much larger sum in taxes than in the previous year, partly in respect of the larger amount of the profits, but also at a much higher rate. They must hope that when the affairs of a troubled world settled down a little more Mexico would adopt a broad-minded liberal policy towards those working, as this company did, in her country.

The report was unanimously adopted.

ASSAM RAILWAYS AND TRADING COMPANY, LIMITED

IMPROVED REVENUE POSITION

The fifty-fourth ordinary general meeting of the Assam Railways and Trading Company, Limited, was held, on the 31st ultimo, at Winchester House, Old Broad Street, London.

Mr E. A. A. Joseph (the chairman) said that, while the revenue side of the railway accounts had shown a further falling off of £14,000, this had been offset to the extent of £3,000 by a reduction in expenditure, although the train miles run were increased by 12 per cent. In the trading accounts the company's collieries about held their own in sales, but they were able to maintain the reduction in expenses. The Veneer Mills did very well during the year in their business of producing tea chests, and gave them the largest credit they had yet earned from that department. Their other subsidiary undertakings, the sawmills and the brickworks, both did better than in the previous year. On the important question of their coal stocks, he was glad to say that the stocks were back at normal.

Taking the figures all through, the balance of net revenue account, after allowing for the extra charge for interest on the 6 per cent. notes, showed an improvement of approximately £5,800 as compared with last year.

Their holding in the Rivers Steam Navigation Company remained as before, and he was glad to say that that company resumed dividends during the year and paid 2 per cent. free of tax. On their Makum investment they also had a dividend this year—10 per cent.—which was encouraging after its recent pause. Their shareholding in the Namdang Company was the same as before, and the company itself was in a very much improved position, and the figure at which their interest was valued in the balance sheet was now well below the current estimate, but they had taken advantage of the improved conditions to realise their debenture holding at a small profit.

The cash position of their own company was now very considerably improved, following on a general improvement in earnings and a smaller amount locked up in stocks. Their returns for the first half of the current year showed decided improvement. Railway earnings were substantially ahead of last year, the earnings to date being Rs. 71,000 to the good. Coal sales in the more important of their markets were on the upgrade.

The report and accounts were unanimously adopted.

BROOME RUBBER PLANTATIONS, LIMITED

PURCHASE OF BALAU PROPERTY

The first annual general meeting of Broome Rubber Plantations, Limited, was held, on the 30th ultimo, at Winchester House, London, E.C.

Sir Lionel Smith-Gordon, Bart. (chairman), presided, and, in moving the adoption of the report, said that the net profit from July 15, 1933—the date of incorporation—to June 30, 1934, was £5,167, and it was proposed to pay a dividend of 8½ per cent., less tax, which would absorb £3,437, and to carry forward £899, subject to staff bonus in respect of the past season.

The crop of rubber was 772,032 lbs., which was obtained at an f.o.b. cost of 2.52d. per lb., while the net average selling price was 4.46d., or equivalent to 5.06d. London landed terms.

After considerable negotiations a provisional agreement was signed on August 29th covering the terms of the proposed purchase of the Balau Planting Syndicate. The agreement was approved by the Balau shareholders in Kuala Lumpur on the 17th instant, and, subject to the resolution for increasing the Broome share capital being passed and the merger confirmed at the second Balau meeting called for November 1st, the agreement would come into operation.

The Balau Estate consisted of 1,353 acres, of which 1,210 were planted with rubber. The purchase price was £36,000, to be satisfied by the allotment of 360,000 fully-paid shares of 2s. each, ranking for dividend from July 1, 1934, the net revenue as from that date being for account of the Broome company. The Balau Syndicate would pay over also a sum in respect of working capital approximating to £3,000, thus reducing the purchase price to £33,000. The reputation of Balau for good yields and cheap working stood high in Malaya, and it was conveniently situated for working as a division of Broome, and so should enable a reduction to be made in combined working costs. Balau's standard production had been assessed provisionally at 575,000 lbs., so that combined standard production would be 1,388,000 lbs., and the 3,013 acres of planted rubber would be capitalised at £93,750. Net liquid assets would amount to £24,150—£8 per acre—so that the position was very strong indeed.

The report was unanimously adopted, and a resolution to increase the capital of the company to £150,000 by the creation of 900,000 new shares of 2s. each was approved.

SUMATRA PARA RUBBER PLANTATIONS, LIMITED

EFFECT OF EXCHANGE ON PROFITS

The twenty-seventh annual ordinary general meeting of the Sumatra Para Rubber Plantations, Ltd., was held on the 30th ultimo at the offices of the company, 30 Mincing Lane, London, Mr H. A. Barrett (chairman) presiding.

The Chairman, in moving the adoption of the report, said that during the year under review the exchange position had become considerably worse than in the previous year, averaging 7.8 guilders to the £ only, compared with 8.5 guilders to the £ in 1932-33, while the normal exchange was 12.10 guilders to the £. This adverse exchange had cost the company no less a sum than £4,740, and it was gratifying that, despite this handicap, they were able to record a profit on the year's working of £2,229, against a loss for last year of £4,162. Had this loss on exchange not occurred they might even have been able to suggest a small dividend, but owing to the continuance of the adverse rate they now recommended that this sum should be added to the carry-forward. It had been mooted that the Dutch might consider the devaluation of the guilder, and that, of course, would be a great advantage to the company.

With regard to the property, the estate had been visited by Mr J. Murray, the well-known Malayan planter, who was accompanied by their visiting agent, Mr Friedlander. Mr Murray was very pleased with their young immature rubber and considered the future of these areas, some 1,205 acres in extent, to be most encouraging. Mr Friedlander reported that the property was being very well and efficiently looked after, and good progressive work had been done during the year.

We should all be most deeply grateful to those who with untiring patience and skill were able to bring about the international regulation of production of rubber, and our gratitude is due to the various Governments concerned.

In conclusion, the Chairman said that at the moment output was greater than consumption, but he thought they might feel confident that the international committee for regulation of rubber exports would deal faithfully with that position.

The report was unanimously adopted.

PHOENIX INVESTMENT TRUST, LIMITED

DIVIDEND MAINTAINED

The twentieth ordinary general meeting of the Phoenix Investment Trust, Limited (formerly The Russian Corporation, Limited), was held, on the 1st instant, at 25/31 Moorgate, London.

Mr Walter W. Ffennell, who presided, said: The net revenue is £13,769, being approximately £1,315 less than that of the previous year. After providing for the preference dividend there remains a balance of £3,285, which represents 1.7 per cent. on the ordinary stock. The management have, to the best of their ability, made an estimate of the revenue we may expect to receive in our present year, and, unless something very unforeseen occurs, the dividend on the preference stock should be at least covered, and in view of this fact your directors felt that it would not be endangering that cover by drawing on the carry-forward in order to maintain the dividend on the ordinary stock, which is recommended at the rate of 2 per cent., thus reducing the available balance by £589.

There has been an improvement in the value of our investments. The percentage of depreciation as shown in the report is 38.58 per cent., whereas last year it was 41.7 per cent., an improvement of over 3 per cent., which would have been even better if the dollar had not depreciated further.

I mentioned a few minutes ago an estimate of earnings for the present year. In the past such internal estimates have been extraordinarily accurate, and I cannot congratulate the management too highly on their power of prophecy, but I feel bound to say that, in my opinion, forecasts of the future are becoming more and more difficult. Every day some still more abnormal control quota or subsidy is produced in one country or another, and we can only hope that the near future will see an improvement in this direction and that the business world will be able to settle down again to productive work under conditions comparatively free from laws and barriers.

The report and accounts were unanimously adopted.

CONSOLIDATED AFRICAN SELECTION TRUST, LIMITED

LARGE INCREASE IN PROFITS

The tenth annual general meeting of Consolidated African Trust, Limited, was held, on the 31st ultimo, at the Institute of Chartered Accountants, Moorgate Place, London, Mr A. Chester Beatty (the chairman) presiding.

The Chairman, in the course of his speech, said: The accounts show a profit of £234,204, an increase of £72,798 over the preceding year. We paid a dividend of 1s. 3d. per share in February last, and a further dividend of 1s. 9d. per share in August, representing a total of 3s. per share, which absorbed a gross amount of £150,392. A further £25,000 has been transferred to general reserve, bringing the total of the reserve up to £225,000.

Our investments and advances now stand at a book value of a little over £202,000, and we regard that figure as a very conservative measure of the value of our holdings. Our liquid position is a strong one, the total current assets amounting to £348,000, against current liabilities of about £82,000.

Our principal source of revenue continues to be from the production of diamonds from our mines in the Gold Coast Colony, and work there has proceeded steadily.

At our meeting last year I informed you that we had concluded negotiations with the Sierra Leone Government for the grant of exclusive rights in diamond mining over practically the whole Colony and Protectorate of Sierra Leone. We formed in April last a subsidiary company, called Sierra Leone Selection Trust, Limited. This subsidiary company, the capital of which is wholly owned by us, took over the business on May 1, 1934.

The business in Sierra Leone is still in its early stage of development, and the output of diamonds was on a relatively small, but profitable, basis. We are confident that the Sierra Leone deposits, when fully developed and equipped, will rank among the important alluvial diamond fields of the world.

The demand for the special class of diamonds produced from our Gold Coast mines has continued to be very satisfactory.

Reviewing the company's position, I think we may regard with great satisfaction the steady expansion and financial strength of the business. In spite of adverse general conditions in the diamond trade, our profits increased substantially during the past financial year, and I feel we may look forward with confidence to the continued success of our enterprise.

The report and accounts were unanimously adopted.

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE, LIMITED

DIVIDEND OF 12½ PER CENT.

PROFITS FROM TIN AND RUBBER

The twenty-fifth annual general meeting of Killinghall (Rubber) Development Syndicate, Limited, was held, on the 31st ultimo, at the registered offices of the company, 7 Martin's Lane, Cannon Street, London, E.C.

Mr W. Arthur Addinsell (chairman of the company) presided.

Mr J. Lewis, on behalf of the secretaries (Bright and Galbraith, Limited), read the notice convening the meeting, and Mr Ash (of James, Edwards and Company) read their report as auditors.

The Chairman said: Gentlemen, I move: "That the directors' report and accounts for the year ended June 30, 1934, as submitted to this meeting, be approved and adopted, and that a dividend of 12½ per cent. for the year be declared and paid."

You have probably noticed that this is the twenty-fifth annual general meeting—our silver anniversary. Therefore, it is gratifying to your directors to present a report and accounts with financial results which justify the recommendation of a dividend of 12½ per cent. for the year, prudent transfers to reserves, and an appreciable carry-forward.

In the course of my remarks at our last meeting I foreshadowed an increase in revenue from Tin Tribute, the receipt of dividends from our shareholdings in the tin companies, and—although at the time with no great confidence—an improvement in the results from the production of rubber.

Tribute from Killinghall Tin, Limited, was £5,670, an increase of £2,643 over the previous year. A profit of £2,764 arose on rubber, against a loss of £592. The amount received by way of dividends is comparatively small, but in the case of Killinghall Tin it includes 5 per cent. interim maiden dividend.

CURRENT YEAR'S PROSPECTS

For the year now current the prospects as I see them are that we can expect no increase in receipts from Tribute unless there is a higher rate of export allowance under the Tin Restriction Enactment, or the price of the metal improves. Roughly, I think we can look for about the same figure as last year, which must be regarded as quite satisfactory.

I am, however, justified in predicting a substantial rise in the profits from rubber. You will see that the average net price realised last year was 4.7d. a lb. Since June 30th the market price for rubber has averaged nearer 7d. a lb., and the year's crop should not be materially reduced.

We can also look forward to an addition to the amount of income from investments. If my remarks so far have led you to anticipate a higher rate of dividend for the year to June 30, 1935, I do not think you will be disappointed. Provided the prospects in the early months of next year are no worse than I see them to-day, the board will consider the payment of an interim dividend.

Our tin interests have indeed served us well during the years of the depression and slump in the rubber market. They have, combined with the strong financial position and minimum loss on rubber during the lean years—owing to the agricultural excellence of our estate—relieved us of many anxieties. Nevertheless, we were deeply concerned in the critical days which preceded the declaration that an international scheme for rubber restriction was an accomplished fact.

It is perhaps early yet to acclaim the scheme as an unqualified success, but during the next four years I am confident we can look forward to a fair measure of prosperity for the rubber industry, which will provide an equitable return to shareholders.

Mr Harold C. Rendle seconded the motion, which was unanimously adopted.

The retiring director and the auditors were re-elected and the proceedings terminated.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to:—

*The Reporting Manager,
THE ECONOMIST,
8 Bouverie Street,
Fleet Street,
London, E.C.4.*

HERRBURGER, BROOKS, LIMITED

TRADE IMPROVEMENT MAINTAINED

The fourteenth annual general meeting of Herrburger, Brooks, Limited, was held, on the 31st ultimo, at the Midland Grand Hotel, London, Mr Louis Sterling (the chairman) presiding.

The Chairman, in the course of his speech, said: The improvement in trade, to which I referred at the last meeting, was maintained throughout the year, and this improvement is, of course, reflected in the figure of gross profit, which is £13,600 better than in the previous year.

After taking into account the dividend paid last year, the sum of £75,660 remained as "carry forward" in the profit and loss appropriation account. £22,205 is brought in this year, making £97,865. After charging the dividends this year, namely, 7 per cent., or £19,600, the sum of £78,265 remains as a balance in this account. In view of the fact that £71,883 appears on the other side as goodwill item, it would never be possible, or at any rate advisable, to reduce the "carry forward" below that amount until this goodwill item has been extinguished. We consider, therefore, that it would be sound finance, and give the balance sheet a much healthier appearance, if £71,882 of this "carry forward" were applied to reduce the item of goodwill to the nominal amount of £1, and I feel sure we shall have your approval of this proposal.

While referring to goodwill, it is worthy of mention that since the incorporation of the company no less than £206,798 has appeared in that account, and of this sum £134,915 has been written off, £110,841 out of actual profits made, and the balance of £24,074 from a premium on shares account, which resulted when certain purchases made by the company some years ago were paid for partly by the issue of shares at a premium.

In connection with the trade revival experienced last year, the improvement has continued during the early portion of the present financial year. The piano trade has suffered in recent years from various circumstances, but there is considerable optimism in the trade itself as to the return of the piano to its former popularity. The improvement already experienced is small but progressive, and seems to bear out that view; and although the progress may be slow, the piano will undoubtedly return eventually to its prominent place in the home. Wireless appears likely to prove of great benefit in this direction, as it has undoubtedly fostered a much wider knowledge and appreciation of music, and the fact that children are being taught to play the piano in largely increasing numbers, alone furnishes an indication that the future of the piano can be viewed with every satisfaction.

The quality of our products has never been higher than at present. They are, of course, known the world over as the best made, and, although we are manufacturers and suppliers to the trade only, the fact that so many manufacturers are specifying in their advertisements that our products are included in their pianos shows that the piano dealer also realises the advisability of ensuring that the articles made by us are incorporated in the pianos they buy.

I am happy to say that our manufacturing arrangements, as well as our overhead expenditure, are on very healthy bases, and, granted that no unexpected recurrence of trade depression takes place, particularly of the heavy nature experienced in the last few years, the directors can once more say that they view the future with every confidence.

The report and accounts were unanimously adopted.

OFFER TO NEW READERS

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

To Publisher, "Economist Newspaper Ltd.,"

8 Bouverie Street, E.C.4.

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

Name.....

Address.....

GAUMONT-BRITISH PICTURE CORPORATION, LIMITED

SATISFACTORY RESULTS

The annual meeting of the Gaumont-British Picture Corporation, Limited, was held, on the 29th ultimo, at 142 Wardour Street, London.

Mr Mark Ostrer (the chairman) said that the net profit for the year ending March 31, 1934, amounted to £692,214, and the directors recommended a final dividend of 4 per cent., making 7 per cent. for the year, the same as in the previous year. He thought it would be agreed that the result was satisfactory. The Corporation continued to occupy a predominant position in the industry in this country. The building of new theatres and the reconstructing of existing theatres on up-to-date lines were still being prudently developed.

Their studios at Shepherds Bush had continued to be fully employed during the year, and had been responsible for some of the best British films shown during the year. In this connection it must be very pleasing to shareholders to know that their pictures now enjoyed a wide international reputation.

It has been apparent that a further development of the Corporation's activities should be directed towards its export business. With that object in view he, together with other executive officers of the Corporation, had visited the United States of America, which, as a potential market for films, was some three or four times as large as the domestic market. Up to the present the sale of the British product in America had been of no great importance. They had decided to set up their own distributing organisation, and, although they had been established in the United States less than three months, already four of their pictures had played or were playing on Broadway with great success, and he expected three or four more to be shown before the end of the year.

As to the prospects for the current year, they had reason to believe, having regard to the figures available, that the results would be considerably better than those for the past twelve months. As shareholders know, they were interested in every branch of the cinema business, including television. Not only were they the largest company in the industry in Europe, but they were probably the most self-contained company in the business throughout the world.

The report was unanimously adopted.

BENGAL-NAGPUR RAILWAY COMPANY, LIMITED

IMPROVED FINANCIAL POSITION

The seventy-sixth ordinary general meeting of the Bengal-Nagpur Railway Company, Limited, was held, on the 1st instant, at 132 Gresham House, London.

Sir Trevredyn Wynne, K.C.S.I., K.C.S.E. (chairman and managing director), said that since their last meeting the financial position of the railway had considerably improved. For the year 1933-34 they had an increase in gross earnings as compared with 1932-33, and their net earnings were Rs. 38.51 lakhs better than the net earnings of the previous year. Further, their gross earnings for the current year to the end of September, as compared with the corresponding period of the year 1933-34, showed an increase of Rs. 32.21 lakhs.

Last year he had referred to two new sources of revenue which would come into operation during the year under review. The first had been the opening of Vizagapatam Harbour. There had been a distinct increase of tonnage to and from the port since October, 1933, the date the port had been opened, which would further develop as trade in India improved.

The second source from which he hoped their railway receipts would improve was the revision in the rates paid by the Tata Iron and Steel Company for the carriage of its raw materials and products. A new agreement had been made with the Steel Company under which the railway would receive an approximate increase of 25 lakhs of rupees annually based on its old tonnage, and as the Steel Company had largely increased its output during the past year that figure would be further increased.

The policy which the Government of India, who provided all the capital required for railway expenditure, had followed for many years had been that when the earnings of both State and company railways were more than their interest charges and were sufficient to add something to the general revenues of India, they were prepared to find funds for the construction of new lines and improvements to open lines of railways. At the present time, with reduced railway revenue, the policy was to reduce both capital and revenue expenditure.

He felt justified in thinking that at the end of the year 1934-35 they ought to look forward to improved earnings.

The report was unanimously adopted.

NORTH BRITISH RAYON, LIMITED

A POLICY OF PROGRESS

The ordinary general meeting of North British Rayon, Limited, was held, on the 1st instant, at the Incorporated Accountants' Hall, Victoria Embankment, London, W.C.

Mr Ernest Walls (the chairman) said that the reduction in price in January and of Excise Duty in July had brought losses on stocks both to consumers and producers. In the case of Excise Duty, in his opinion co-operation amongst the producers could have softened the blow.

The present structure of the viscose rayon industry appeared to represent a stable phase in its progress, and all components, large and small, ought to be able to work together in a spirit of harmony and co-operation.

The 30 per cent. increase of capacity announced by the largest producers at the same time as the price reduction compelled their own company to find a similar increase of capacity; otherwise they would be unable to maintain their relative competitive efficiency.

The company's profit balance was the largest recorded in 1934 by any of the "competitive" viscose rayon companies, but it was an inadequate return, whether in relation to the real capital values employed, the turnover, or the nature of the industry.

The work of extension and development at Jedburgh had continued during the whole of the year, involving a large capital expenditure. Output had been maintained at the highest possible level throughout the period.

A progressive increase in the company's profits could be looked for in the future, but the rate of increase would be governed by the amount of finance available for the further development of output and technique.

The remarkable natural growth of rayon could be expected to continue. If lower prices induced demand, demand should be very good, since prices were 25 per cent. below last year. It was reasonable to expect that a good deal of the twelve million pounds of rayon formerly imported as rayon goods would be diverted to home production.

The report and accounts were adopted unanimously, and the proceedings terminated with a hearty vote of thanks to the chairman, directors and staff.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended October 27, 1934, amounted to £11,833,000, against ordinary expenditure of £7,772,500. After allowing for a decrease in Exchequer Balances of £181,186, the operations for the week, as shown below, decreased the National Debt by £3,879,000 to approximately £8,097 millions.* (000's omitted)

Treasury Bills	£ 578	Public Department Advances ..	£ 7,550
National Savings Certificates ..	50	N. Atlantic Shipping Issues	272
		P.O. and Teleg. Capital Expend.	450
		Road Fund Temp. Advances	200
		National Savings Bonds	35
	4,628		8,507

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Oct. 27, 1934	April 1, 1933, to Oct. 28, 1933	Week ended Oct. 27, 1934	Week ended Oct. 28, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	60,414,000	50,850,000	2,295,000	1,075,000
Sur-tax	50,000,000	9,240,000	9,840,000	210,000	220,000
Estate, etc., Duties	76,000,000	46,000,000	49,630,000	2,210,000	1,540,000
Stamps	25,000,000	10,840,000	10,090,000	700,000	690,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	180,000	...	...
Total Inland Revenue	372,500,000	126,644,000	120,590,000	5,415,000	3,525,000
Customs and Excise—					
Customs	183,650,000	108,711,000	104,580,000	4,275,000	4,023,000
Excise	106,350,000	60,535,000	62,100,000	1,435,000	1,300,000
Total Customs and Excise	290,000,000	169,246,000	166,680,000	5,710,000	5,323,000
Motor Vehicle Duties (Exchequer share)	5,000,000	2,075,000	1,918,000	97,000	196,000
Post Office (Net receipt)	14,000,000	9,450,000	8,750,000	250,000	550,000
Crown Lands	1,220,000	870,000	770,000	250,000	230,000
Receipts from Sundry Loans	3,800,000	2,912,196	3,321,965	...	...
Miscellaneous Receipts	20,000,000	10,667,357	16,704,358	110,963	18
Total Ordinary Revenue	706,520,000	321,864,533	318,734,323	11,832,963	9,824,018

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Oct. 27, 1934	April 1, 1933, to Oct. 28, 1933	Week ended Oct. 27, 1934	Week ended Oct. 28, 1933
SELF-BALANCING REVENUE	£	£	£	£	£
Post Office	60,463,000	32,050,000	32,250,000	1,550,000	1,700,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	8,673,000	7,991,000	403,000	349,000
Total Self-Balancing Revenue	84,718,000	40,723,000	40,241,000	1,953,000	2,049,000
Total	...	362,587,553	358,975,323	13,785,963	11,873,018

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Oct. 27, 1934	April 1, 1933, to Oct. 28, 1933	Week ended Oct. 27, 1934	Week ended Oct. 28, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	129,288,918	127,764,980	523,951	352,993
Payments to Northern Ireland	6,500,000	3,160,997	3,288,122	226,643	216,393
Other Consolidated Fund Services	3,700,000	1,689,840	1,868,488	...	100,000
Post Office Fund	2,000,000	...	...	...	...
Total	236,200,000	134,139,755	132,919,590	750,594	669,386
Total Supply Services (excluding Post Office)	466,296,000	249,998,319	242,903,576	7,022,000	7,855,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	384,138,074	375,823,166	7,772,594	8,524,386
Payments to U.S.A. Govt. ...	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	384,138,074	377,664,382	7,772,594	8,524,386
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	32,050,000	32,250,000	1,550,000	1,700,000
Road Fund	24,255,000	8,673,000	7,991,000	403,000	349,000
Total Self-Balancing Expenditure	84,718,000	40,732,000	40,241,000	1,953,000	2,049,000
Total	...	424,861,074	417,905,382	9,725,594	10,573,386

The aggregate revenue and expenditure to October 27, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO OCTOBER 27, 1934 (000's omitted)

Expenditure	£ 384,138	Revenue	£ 321,865
Increase in balances	59	Gross increase in borrowing £66,577	
		Less—	
		New Sinking Fund	4,245
		Net borrowing	62,332
	384,197		384,197

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

	Oct. 28, 1933	Mar. 31, '34	Oct. 27, '34	Oct. 27, '34
Ways and Means Advances Outstanding—	£	£	£	£
Advances by Public Departments	32,550,000	44,900,000	45,000,000	—7,550,000
Treasury Bills outstanding	952,460,000	799,810,000	836,855,000*	+4,580,000
Total Floating Debt	985,010,000	844,710,000	881,855,000	—2,970,000

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on October 26, 1934, and the total amount applied for was £67,100,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 17s. 5d., and above in full; Saturday, at £99 17s. 6d., and above in full. The average rate per cent. was 9s. 7.42d. The amount allotted was £34,790,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1, 1932	£ 40,000,000	50,320,000	38,000,000	5 8
April 1	40,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1934				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
September 28	35,000,000	42,075,000	35,000,000	0 14 2-38
October 5	35,000,000	65,290,000	31,510,000	0 15 9-702
October 12	35,000,000	54,275,000	31,000,000	0 14 5-74
October 19	35,000,000	62,340,000	32,000,000	0 14 3-27
October 26	35,000,000	67,100,000	34,790,000	0 9 7-42

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended October 13, 1934	777,683	£22,146
Week ended October 20, 1934	730,454	£24,363
February, 1916, to October 20, 1934	1,200,778,562	£46,232,600

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited

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

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

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, October 31, 1934

ISSUE DEPARTMENT

Notes Issued :-	£	Government Debt	£
In Circulation	373,369,499	Other Government Securities	244,980,549
In Banking Department	73,631,688	Other Securities	1,060,307
		Silver Coin	2,944,044
		Amount of Fiduciary Issue	£280,000,000
		Gold Coin and Bullion	192,001,187
			452,001,187

BANKING DEPARTMENT

Proprietors' Capital	£	Government Securities	£
Real	14,553,000	Other Securities :-	80,894,164
Public Deposits	3,140,233	Discounts and Advances	£3,901,297
Other Deposits :-	16,893,757	Securities	£10,747,576
Bankers' £100,419,410			19,648,873
Other Accounts £39,812,122		Notes	73,631,688
7-day and Other Bills	140,231,832	Gold and Silver Coin	648,837
	5,040		
	174,823,562		174,823,562

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

Both Departments	Amount, Oct. 31, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	373,369,499	+ 3,666,423	+ 6,172,135
Public deposits	16,893,757	+ 5,464,008	+ 9,352,472
Bankers' deposits	100,419,410	+ 323,194	+ 10,224,342
Other deposits	39,812,122	+ 2,211,199	+ 3,894,661
Seven-day bills	5,040	+ 20	+ 1,112
Total outside liabilities	535,498,828	+ 90,400	+ 1,409,716
Capital and rest	17,693,233	+ 15,377	+ 14,382
Government debt and securities	336,889,813	+ 306,897	+ 6,314,417
Discounts and advances	8,901,297	+ 653,089	+ 253,417
Other securities	11,807,883	+ 231,704	+ 5,369,784
Silver coin in issue department	2,944,044	+ 2,474	+ 695,069
Coin and bullion (bank's reserves)	192,650,024	+ 8,237	+ 892,333
Reserves of notes and coin in banking department	74,280,525	+ 3,674,660	+ 5,279,802
Proportion of reserve to outside liabilities :-			
(a) Banking Department only	47.2%	- 1.3%	1.9%
(b) Gold stocks to deposits and notes ("reserve ratio")	36.0%		

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934	£	£	£	£	£		
Sept. 26	451,886	377,028	37,858	82,040	36,768	64 in	2 1/2
Oct. 3	451,910	380,816	13,703	107,040	37,132	24 in	2 1/2
" 10	451,938	379,551	18,636	107,598	36,967	29 in	2 1/2
" 17	451,938	377,217	17,516	104,491	37,444	Nil	2 1/2
" 24	452,001	374,703	22,358	100,743	37,601	63 in	2 1/2
" 31	452,001	378,369	16,894	100,419	39,812	Nil	2 1/2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Dis- counts & Advances	Other Securities	Reserve and the "Pro- portion"		
1934									
Sept. 26	256,005	890	192,325	36 1/2	81,634	7,203	10,598	75,498	48 1/2
" 3	255,947	993	192,560	35 1/2	81,684	12,674	10,660	71,744	45 1/2
" 10	255,796	1,191	192,588	35 1/2	83,384	14,032	10,289	73,037	45 1/2
" 17	255,811	1,190	192,584	35 1/2	81,279	9,468	10,993	75,367	47 1/2
" 24	255,917	1,136	192,658	36	81,279	8,246	10,904	77,955	48 1/2
" 31	255,996	1,060	192,650	36	80,894	8,901	10,748	74,280	47 1/2

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to October 17	24,044,979	1,398,771	2,377,779	27,821,529
Week ended October 24	469,889	33,890	53,898	558,617
Week ended October 31	664,596	31,708	52,939	749,243
Total to date, 1934	25,179,414	1,464,369	2,485,556	29,129,339
Total to date, 1933	22,959,419	1,384,058	2,301,534	26,645,011
Increase or decrease in 1934	+ 2,219,995	+ 80,311	+ 184,022	+ 2,484,328
	+ 9.6%	+ 5.8%	+ 8.0%	+ 9.4%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 46,268	+ 98,552	+ 25,667
	- 0.4%	+ 2.8%	+ 3.6%	+ 0.07%

PROVINCIAL

(000's omitted)

(000's omitted)

	Week ended October 27		Month of September			Aggregate Totals, January 1 to October 27	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days..	£	£	26	25	£	£	£
BIRMINGHAM.....	1,865	1,780	8,910	7,788	-12.5	94,520	95,447
BRADFORD.....	1,194	988	3,530	2,859	-19.0	35,381	36,986
BRISTOL.....	1,044	1,127	4,751	4,501	- 5.2	46,755	50,237
DUBLIN.....	4,348	4,962				217,300	220,057
HULL.....	639	594	2,724	2,740	+ 0.5	29,634	30,729
LEEDS.....	909	790	3,197	3,194	- 0.09	36,489	38,854
LEICESTER.....	637	584	2,591	2,300	-11.2	26,472	26,512
LIVERPOOL.....	5,574	5,340	25,170	24,175	- 3.9	249,922	246,663
MANCHESTER.....	8,885	8,843	37,859	35,996	- 4.9	393,696	408,430
NEWCASTLE.....	1,257	1,367	5,885	5,788	- 1.6	59,798	62,993
NOTTINGHAM.....	347	343	1,741	1,517	-12.8	18,397	18,516
SHEFFIELD.....	562	577	2,989	3,037	+ 1.6	32,348	35,096
	27,266	27,295	99,347	93,895	- 5.4	1,240,712	1,268,390

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, '32. China in August 12, 1933. Denmark in September 8. Lithuania in September 29. International Settlements, in October 13. Estonia, in October 20. Canada, France, Germany, Denmark, Latvia, Egypt, Japan, in October 27.

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

	Nov. 2, 1933	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934
RESOURCES					
Gold Certificates on hand and due from the Treasury	9,814,390	4,980,600	4,985,340	4,967,100	4,966,480
Total reserves	5,186,390	5,203,160	5,203,160	5,216,620	5,211,920
Total cash resources	228,490	204,630	215,800	227,580	223,410
Total bills discounted	116,510	120,040	117,100	10,880	10,980
Bills bought in open market	6,640	5,810	6,180	6,000	6,080
Total bills on hand	123,150	21,560	17,890	16,860	17,060
Total U.S. Govt. securities	2,419,770	2,430,200	2,430,260	2,430,200	2,430,170
Total bills and securities	2,544,480	2,452,060	2,453,030	2,452,360	2,453,390
Total resources	6,923,380	8,196,970	8,370,200	8,255,240	8,228,750
LIABILITIES					
Federal Reserve notes in actual circulation	2,967,300	3,184,560	3,182,330	3,155,510	3,160,780
Federal Reserve Bank notes	188,840	29,660	29,420	29,120	28,660
Deposits—Memberbank—re-serve account	2,590,550	3,978,520	3,996,230	3,985,290	4,006,000
Government deposits	115,600	51,390	53,190	118,000	92,200
Total deposits	2,884,180	4,212,490	4,232,890	4,268,690	4,261,800
Capital paid in and surplus	424,050	285,080	285,140	285,260	284,000
Total liabilities	6,923,380	8,196,970	8,370,200	8,255,240	8,228,750
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	65.2%	70.1%	70.2%	70.3%	70.2%

* Reserves other than gold.

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

	Nov. 2, 1933	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934
Total gold reserves	977,830	1,772,470	1,733,260	1,769,240	1,780,920
Total bills discounted	39,570	6,860	6,590	6,090	7,370
Bills bought in open market	2,440	2,170	2,480	2,420	2,500
Total U.S. Govt. securities	827,780	777,750	777,750	777,750	777,750
Total bills and securities	870,780	787,070	786,670	786,670	787,750
Deposits—Memberbank—re-serve account	1,024,440	1,665,860	1,626,320	1,626,910	1,654,480
Ratio of total res. to dep. and Federal Res. note liabilities combined	59.1%	72.0%	71.9%	72.2%	72.2%

FEDERAL RESERVE MEMBER BANKS.

In £'s (000,000's omitted).

	Oct. 18, 1933	Sept. 19, 1934	Sept. 28, 1934	Oct. 3, 1934	Oct. 10, 1934	Oct. 17, 1934
Loans	7,949	7,799	7,799	7,794	7,814	7,847
Investments	10,700	12,943	13,113	13,083	13,204	13,265
Demand deposits	4,476	4,478	4,477	4,471	4,468	4,463
Time deposits	780	1,091	1,092	1,094	1,095	933
Government deposits	1,239	1,514	1,505	1,515	1,541	1,586
Due from banks	2,740	3,779	3,743	3,870	3,864	3,957

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

	Oct. 27, 1933	Sept. 28, 1934	Oct. 5, 1934	Oct. 12, 1934	Oct. 19, 1934	Oct. 26, 1934
Assets						
Gold coin and bullion	16,381	18,773	19,414	20,035	20,799	21,017
Subsidiary coin	434	228	225	220	213	187
Bills discounted: Domestic and Union Govt. Treas.	9	163	137	111	113	97
Bills discounted: Foreign	18,451	10,780	10,196	9,810	9,033	9,125
Investments	1,725	1,725	1,724	1,724	1,725	1,725
Other assets	4,455	7,914	7,533	7,995	8,448	8,491
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	10,315	12,507	12,169	11,595	11,274	11,284
Government deposits	1,741	1,879	1,314	1,522	2,232	2,338
Bankers' deposits	27,521	20,763	21,452	21,979	20,818	20,738
Ratio of cash reserves to liabilities to public	40.0%	50.8%	51.7%	53.5%	55.5%	55.4%

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

	Oct. 6, 1933	Sept. 7, 1934	Sept. 14, 1934	Sept. 21, 1934	Sept. 28, 1934	Oct. 5, 1934
Assets						
Total securities	45,59,05	37,95,17	42,42,22	44,24,12	45,51,72	47,38,11
Ways and means advances	4,50,00	6,50,00	3,37,24	2,00,00	1,934	2,191
Loans	1,84,08	2,31,60	1,56,89	2,05,45	2,05,45	2,191
Cash credits	14,59,00	14,10,85	14,34,76	13,90,43	14,14,48	13,97,32
Inland bills	1,64,68	1,74,02	1,97,35	1,66,78	1,87,68	1,76,11
Foreign bills	23,63	22,22	19,72	17,69	20,26	28,80
Dead stock	2,58,39	2,50,25	2,50,37	2,50,37	2,50,47	2,50,46
Bal. with other banks	13,57	8,34	10,69	6,36	7,03	3,42
Cash	24,14,51	25,32,88	26,11,00	26,82,41	28,39,21	25,90,33
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,20,00	5,27,50	5,27,50	5,27,50	5,27,50	5,27,50
Total deposits	83,81,07	79,09,61	79,83,08	81,62,56	83,07,62	82,17,87
The above includes:-						
Deposits in London	886	882	892	917	886	928
Advances in London	933	1,594	1,593	1,628	1,580	1,608
Cash, etc., at other Banks in London	104	66	82	51	55	28

NATIONAL BANK

November 3, 1934

1934		%	%	%	%	%	%
			3 MONTHS	6 MONTHS	9 MONTHS	12 MONTHS	18 MONTHS
Oct.	4	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{2}{2}$
"	11	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{2}{2}$
"	18	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{2}{2}$
"	25	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{2}{2}$
Nov.	1	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{1}{1}$	$\frac{2}{2}$	$\frac{2}{2}$

(Range of the day's business)

Usance : T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso, Santos, 10 days; London, 3 months. Par, 8-23½. Dollar devaluation 1 pence per unit of local currency. (a) Par, 197 10½ (since koruna devaluation on February 1, 1934). (a) Nominal. (b) Official rate. (*) Sellers. (c) Registered marks quoted at 36½d. and the average remittance rate for importers 31½d. (e) Official rate is 36½d. sellers discount of 45-50 per cent. (z) Latest "export" rate. (f) Official rate is 39½d. sellers. (g) Official rate is 4½d. sellers. (h) Registered marks quoted at a discount of 43-48 per cent. (m) Official rate 39½d. sellers.

(Closing quotations)

(a) Premium, i.e. "under spot." (b) Discount, i.e. "over spot."

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Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for public, 7%.
 a 5½% applied to banks and credit institutions.
 b 6% applied to private persons and firms.

The Irving Trust Company cables the following money and exchange rates in New York :—

Rates of Exchange, New York on—		Par Level	Nov. 1, 1930	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934
London—						
60 days			4-7887	4-9162	4-9662	4 951
Cable			4-8037	4-9325	4-9850	4 98
Cheques			4-8037	4-9325	4-9850	4 98
Paris cheques	Cents for 1 franc	6-63	6-0225	6 6575	6-6025	6-593
Brussels	Cents for 1 Belga	23-54	29-46	23 58	23 40	23-33
Switzerland	Cents for 1 franc	32-37	32-80	32 95	32 63	32-55
Italy	Cents for 1 lira	8-91	8-095	8 6450	8 59	8-555
"	Cents for 1 mark	40-63	36 80	40 68	40 28	40 26
Vienna	Cts. for Austrn. shg.	32-62	17-35	19 08	19 03	18 90
Madrid	Cents for 1 peseta	23 67	12-87	13 80	13 69	13 67
Amsterdam	Cents for 1 guilder	68-06	62-10	68 45	67 79	67 67
Copenhagen	Cents for 1 kroner		21-48	22 02	22-30	22 26
Oslo	Cents for 1 kroner		24-16	24 08	24 09	23 85
Stockholm	Cents for 1 krona		45-37	25 45	25 24	25-71
"						
Colon	Cents for 1 drachma	2-20	0-87	0-95½	0 94½	0 94½
"	Cents for Can. \$1	169-31	99	102	102	102½
Montreal	Cents for 1 yen	84-40	28-95	28 70	28 83	28 83
Yokohama	Cents for 1 dollar			34 50	32 75	33 31
Shanghai	Cents for 1 rupee	61-80	36-15	37 21	37 60	37 55
Calcutta	Cents for 1 peso			32 59	33 21	33 39
Buenos Aires	Cents for 1 milreis	11-66	---	8-31	8-40	29 04
Rio de Janeiro,						

(BUYING RATES PER £100 STERLING)

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

The Anglo-South American Bank, Limited, quotes the following rates of exchange :—

The Anglo-South American Bank Ltd., has received telegraphic

The Anglo-South American Bank Ltd., has received telegraphic advice from the Madrid branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period November 1st to 10th at 138.77 per cent. The previous rate was fixed as from October 21st at 139.13 per cent.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF

* All rates (Australia and New Zealand) now based on £100—LONDON.

	During the week ending	From Apr. 1 to Oct. 27.
1. Total number of cases	1,000	1,000
2. Total number of deaths	100	100
3. Total number of recoveries	800	800
4. Total number of cases under treatment	500	500
5. Total number of cases in hospital	200	200
6. Total number of cases in private homes	300	300
7. Total number of cases in public buildings	100	100
8. Total number of cases in institutions	100	100
9. Total number of cases in other places	100	100
10. Total number of cases in all places	1,000	1,000

Total remittance to Home Treasury..... 600,000 10,000,000
India Office, S.W.1,
Oct. 31, 1934.

The following statistics of imports and exports of gold and silver for week ended November 1st, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

Gold Imported into Great Britain and Northern Ireland, week ended November 1, 1934	Gold Exported from Great Britain and Northern Ireland, week ended November 1, 1934
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IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended November 1, 1934	Silver Exported from Great Britain and Northern Ireland, week ended November 1, 1934
--	--

GOLD MOVEMENTS: BANK OF ENGLAND

ARRIVALS		1934		WITHDRAWALS	
	£	Nil	Oct 26		
4					
20					

GOLD

Messrs Samuel Montagu and Company write on October 31, 1934 as follows :—

The Bank of England gold reserve against notes amounted to £192,001,187 on the 24th instant, as compared with £191,938,544 on the previous Wednesday. In the open market business has been on a smaller scale, the amount disposed of during the week being about £1,200,000. The demand was general, and movements in the gold exchanges caused somewhat wide fluctuations in prices, which, however, were maintained at a premium over the parities.

Per fine ounce	Equivalent value of £ sterling
100	100
101	101
102	102
103	103
104	104
105	105
106	106
107	107
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109	109
110	110
111	111
112	112
113	113
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200	200

SILVER

The market has been active, but with an easier tendency. The Indian Bazaars have made further purchases, but speculative demand has been less in evidence, buyers on the whole having been more hesitant. Moderate offerings from China and speculative re-selling were sufficient to ease prices, but America has been willing to give support at about fixed prices on most afternoons.

The undertone appears steady, but the market may continue to be influenced by movements in the dollar exchange.

Quotations during the week:—

IN LONDON		IN NEW YORK		Cents per Ounce
Bar Silver per oz. std.	Cash	Two Months' delivery	Bar Silver per oz. std.	
October 25	23 1/8 d.	23 1/8 d.	October 24	53 1/2
" 26	23 1/8 d.	23 1/8 d.	" 25	53 1/2
" 27	23 1/8 d.	23 1/8 d.	" 26	53 1/2
" 28	23 1/8 d.	23 1/8 d.	" 27	53 1/2
" 29	23 1/8 d.	23 1/8 d.	" 28	53 1/2
" 30	23 1/8 d.	23 1/8 d.	" 29	53 1/2
" 31	23 1/8 d.	23 1/8 d.	" 30	53 1/2
Average	23.656d.	23.771d.		

The highest rate of exchange on New York recorded during the period from the 25th instant to the 31st instant was \$5.00, and the lowest \$4.95 1/2.

The stocks in Shanghai on the 27th instant consisted of about 41,400,000 ounces in sycee, 312,000,000 dollars and 36,600,000

ounces in bar silver, as compared with about 43,800,000 ounces in sycee, 312,000,000 dollars and 35,600,000 ounces in bar silver on the 20th instant.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.	Nov. 8, 1928	d.
Oct. 26 ...	140 3	23 1/2	23 1/2	" 7, 1929	26 1/2
" 27 ...	140 5 1/2	23 1/2	23 1/2	" 5, 1930	16 1/2
" 29 ...	140 7	23 1/2	23 1/2	" 5, 1931	19 1/2
" 30 ...	139 10 1/2	23 1/2	23 1/2	" 3, 1932	18 1/2
" 31 ...	139 7	23 1/2	23 1/2	" 2, 1933	18 1/2
Nov. 1 ...	139 10	23 1/2	23 1/2		

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Deben-ture Interest	Amount Available for Distribution	Appropriation			Corresponding Period Last Year	
					Dividend		Carried to Reserve, Deprecia-tion, &c.	Balance Forward	Net Profit
					Prefce.	Ordinary			
					Amount	Amount	Rate		Divi-dend
Breweries									
Brown (Matthew) and Co.	Sept. 30	£ 8,510	£ 54,266	£ 62,776	£ 43,000	£ ...	%	£ 2,000	17,776
Cairnes, Ltd.	Aug. 31	6,909	9,493	16,402	4,106	2,582	4	3,000	6,714
Kay's Atlas Brewery	June 30	39,719	12,574	52,293	3,019	9,532	10	39,742	13,260
Longmore (William) and Co.	Sept. 30	4,463	4,731	9,194	...	4,069	15	5,125	4,572
Mitchells and Butlers	Sept. 30	479,110	(f) 794,124	1,273,234	57,375	{ 555,056 (a) 18 1/2	7 }	75,000	549,775
						{ 36,028 (b) 7 }			424,334
Financial Land, etc.									
Balkis, Ltd.	Aug. 31	3,141	2,345	5,486	...	4,529	5	957	2,645
Dalgety and Co.	June 30	131,903	107,575	239,478	25,000	75,000	5 1/2	10,000	129,478
Delagosa Bay Development..	June 30	16,778	8,804	25,582	3,686	4,011	3 1/2	17,885	9,236
Hotels, Restaurants, etc.									
Carlton Hotel	Aug. 31	10,000	6,006	16,006	...	...	...	16,006	Dr. 6,849
Smendley's Hydropathic Co.	Sept. 30	4,239	8,184	12,423	1,125	6,539	11 1/2	4,759	9,178
United Caterers, Ltd.	June 30	560	147	707	...	...	...	707	Dr. 870
Iron, Coal and Steel									
Blakeborough (J.) and Sons	June 30	10,148	13,693	23,841	8,071	...	...	11,670	Dr. 23,564
Instone (S.) and Co.	June 30	104,264	18,736	123,000	...	...	...	123,000	...
Osborn (Samuel) and Co.	July 31	8,495	29,862	38,357	8,712	9,084	4	20,561	19,550
Rubber, etc.									
Batu Matang Rubber	June 30	Dr. 396	2,157	1,761	...	...	...	682	Dr. 396
Galang Besar Rubber	June 30	12,182	1,220	13,402	...	...	...	6,402	1,262
Lenggang Rubber	July 31	2,104	11,693	13,797	(v) 7,000	9,537	10	1,000	Dr. 1,603
Mambau (F.M.S.) Rubber	June 30	1,430	2,522	3,952	(s) 3,200	...	...	1,354	692
Mapalagama Rubber	June 30	...	709	...	...	...	...	709	...
Permas Rubber	June 30	1,156	Dr. 862	294	...	...	...	294	Dr. 1,381
Rassak (F.M.S.) Rubber	June 30	Dr. 4,208	450	Dr. 3,758	...	...	...	Dr. 3,758	Dr. 737
South Malay Rubber	June 30	Dr. 890	487	Dr. 403	...	...	...	Dr. 403	Dr. 390
Shipping									
Liverpool and North Wales Steamship	Sept. 29	7,645	5,780	13,425	...	4,937	10	8,488	10,559
Tea									
Central Province Ceylon Tea	June 30	5,146	17,732	22,878	3,000	8,400	12	5,478	12,392
Korale Tea	June 30	3,825	6,412	10,237	7,336	...	...	2,901	2,776
Lanka Plantations Co.	June 30	1,609	12,343	13,952	1,800	7,500	5	3,000	1,652
Textiles									
Keystone Knitting Mills	June 30	Dr. 13,307	5,246	Dr. 8,061	...	...	...	Dr. 8,061	Dr. 6,585
Trusts									
British and Continental Plantations Trust	Sept. 30	...	6,123	6,123	...	2,221	5	835	...
Cedar Investment Trust	Sept. 30	11,421	18,118	29,539	8,235	8,719	2 1/2	12,585	16,017
Colonial and General Invest-ment Trust	Sept. 30	8,004	9,541	17,545	8,250	...	...	9,295	7,338
London Maritime Investmt.	Sept. 30	8,885	36,814	45,699	19,063	15,500	4	2,000	9,136
Second American Trust	Aug. 31	9,548	13,279	22,827	16,450	...	...	6,377	13,487
Second Edinburgh Investmt.	Sept. 30	69,028	22,058	91,086	20,925	11,812	5	63,660	15,285
Second Investors Mortgage Security	Sept. 30	25,823	64,031	89,854	29,375	31,333	8	10,000	19,146
Second Scottish Mortgage and Trust	Sept. 30	12,864	23,923	36,787	15,012	7,750	4 1/2	14,025	29,225
Securities Trust of Scotland	Sept. 30	15,895	22,892	38,787	13,725	9,150	5	15,912	23,918
Other Companies									
Birrell, Ltd.	July 14	5,227	22,116	27,343	18,681	...	...	1,500	7,162
Brett's Stamping	Aug. 3	1,456	6,344	7,800	930	3,100	10	2,000	1,770
Burberrys, Ltd.	Mar. 31	44,858	2,838	47,696	37,500	...	...	10,196	48,809
Imperial Airways	Mar. 31	27,192	78,572	105,764	...	29,018	6	27,500	49,246
Tuck (Raphael) and Sons	Apr. 30	6,834	11,565	18,399	13,750	7,500	3	Dr. 10,000	7,149
Valparaiso (Chile) Drainage	Mar. 31	Dr. 6,230	9,921	3,691	...	...	...	3,244	Dr. 13,907
Venesta, Ltd.	June 30	92,024	95,120	187,144	70,000	...	...	117,144	11,807
Viking Whaling Co.	July 31	60,512	8,603	69,115	2,680	29,171	10	...	37,264

(a) Ordinary dividend for 15 months.

(b) Maximum ordinary share dividend of 7 per cent. for 15 months.

(c) For six months to May 31, 1932.

(d) 2 1/2 years' dividend to September 30, 1933.

(e) On 8 per cent. preference shares for years 1930 and 1931.

(f) Five years' dividend (from June 30, 1929, to June 30, 1934.)

(g) For 15 months.

† Free of income tax.

COMPANY NEWS

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash * Interim div. † Final div.			Dividend for Whole Years	
	Interim or Final	Date of Pay-ment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
INSURANCE					
Legal and General Assurance.....	13/6 p.s.*	Jan. 1	Unchanged	...	...
Licenses and General Insurance.....	6%*	Nov. 30	Unchanged	...	...
Life Association of Scotland	22/6 ps*	...	Unchanged	...	...
Phoenix Assurance	6/1- ps*	Dec. 15	Unchanged	...	...
Pioneer Life Assurance	9d ps*	Nov. 30	Nil	...	...
Reliance Marine Assurance	5/- ps*	...	Unchanged	...	...
TEA AND RUBBER					
Batak Rabbit Rubber	...	...	...	5½	Nil
Consolidated Estates.....	10%*	Nov. 29	8½	15	8½
Craighead Tea	24%*	Nov. 2	4%	...	...
Kurugama Tea	5%†	...	2½	7½	2½
Lengening Rubber.....	...	...	...	10	Nil
Lindoola Tea	21%*	Nov. 2	5%	...	3½
Rubana Rubber	...	...	...	3½	Nil
Tali Ayer Rubber	...	...	...	4½	Nil
Vellikelle Tea of Ceylon	24%*	Nov. 2	Unchanged	...	...
MINING					
Broken Hill South	1/6 ps*	Dec. 15	...	...	...
OTHER COMPANIES					
Aberdeen Trust	...	Nov. 12	...	1½	1½
Anglo-Scottish Investment	...	...	...	1½	Nil
Bankers' Investment Trust (Def.)	2%*	Nov. 16	Unchanged	...	...
Beresford (S. & W.).....	10%†	...	...	15	13½
Brett's Stamping	...	...	...	10	6
British United Shoe Machinery	(b) 17½%*	Nov. 30	15% (a)	...	...
City of Buenos Aires Trams	1/3 ps*	Nov. 15	Unchanged	...	...
Clark's Bread.....	7½%*	Nov. 27	Unchanged	...	...
Cory (Wm.) and Co.....	5%*	Dec. 1	Unchanged	...	...
County Hotel, Blackpool	...	...	...	25	25
Delagoa Bay Development	...	...	...	3½	Nil
Deben-ture Securities Investmt.	3½%*	Nov. 1	3½%	...	...
Dalgety and Co.....	12½%†	Nov. 28	Unchanged	5½	5½
Dunville and Co.....	2½%†	...	5%	5	7½
Easterns	6%†	...	...	10	...
East of Scotland Trust	...	...	Unchanged	3	3
Gaity Cinema (Manchester).....	4%*	...	...	...	...
Glenfield and Kennedy	3%*	Dec. 1	2%	...	...
Great Universal Stores.....	20%*	Nov. 12	Nil	...	...
Hazell, Watson and Viney	13%*	Dec. 2	Unchanged	...	...
Henleys (W. T.)	7½%*	Dec. 1	Unchanged	...	...
Inglis and Co.....	11½%*	...	15%	...	...
Kay's Atlas Brewery	5%†	...	Unchanged	10	10
London and Colonial Investment (Def.)	3%†	Nov. 19	Unchanged	5½	5½
London Maritime Investment	...	Nov. 8	...	4	4
Longmore (William) and Co.	10%†	...	Unchanged	15	15
Melbourne City Properties Trust	9d. ps*	Nov. 20	6d. ps	...	...
Meters, Ltd.....	2½%*	...	Unchanged	...	...
Metropolitan Housing	3%*	Nov. 9	Unchanged	...	...
Metropolitan Industrial Dwellings	13½%†	Nov. 14	Unchanged	16	16
Middleburg Steam Coal	...	...	...	5	5
Mitchells and Butlers	7½%†	...	...	(H) 18½	11½
Montgomery and Co.	1/- p.s.*	Dec. 14	Unchanged	...	...
Newnes (George)	5%*	Nov. 22	Unchanged	...	...
Oregon Mortgage 4½% pref.	2½%*	Nov. 11	Unchanged	...	...
Osborn (Samuel) and Co.....	...	...	...	4	2½
Reserves Securities Trust	1½%*	Nov. 16	1½%	...	...
Rochdale and Manor Brewery.....	2½%†	...	Unchanged	...	...
Royal Sovereign Pencil	2½%*	Nov. 30	Unchanged	...	...
Scottish Vineyard Trust	...	...	...	1½	2½
Scottish Tea and Rubber Trust	2%*	Dec. 1	Nil	...	...
Second Investors Mortgage Security	5%†	...	...	8	9
Second Scottish Mortgage & Trust	3%†	...	...	4½	6
Second Securities Trust of Scot-land, 5% pref.	2%*	...	2½%	...	...
Securities Trust of Scotland	...	...	...	5	6
Shropshire, Worcestershire and Staffordshire Electric—	...	...	...	...	...
"A"	4%*	Dec. 1	Unchanged	...	...
"B"	2½%*	Dec. 1	Unchanged	...	...
Strand Hotel (Fig. Pref. Ord.)	2½-2 p.s†	Dec. 19	Unchanged	2/9-6d.	2/9-6d.
Stuttford and Co.....	6%†	Dec. 1	Unchanged	8	...
Trinidad Leasehold	7½%†	Nov. 5	10%	12½	15
Tuck (Raphael) and Sons.....	...	...	...	3	4
Venezuelan Oil Concessions.....	5%*	Nov. 29	Unchanged	...	...
Weaver and Co.....	12½%*	Nov. 8	Unchanged	...	...
West and Moultons	5½%*	...	...	...	...
Whitehead Iron and Steel	10%*	...	5%	...	...

these exceptions quotations are on the scheduled minimum basis. As from the beginning of next month the new scheme for the allocation of inland and export as well as output coal quotas will become operative formally, although they will not take real effect till the beginning of next year. The award of the Arbitration Tribunal in the wages dispute in the coalfield will not be announced till the end of the week.

TRAMWAYS WEEKLY GROSS RECEIPTS

MONTHLY TRAFFICS

Company	Months	Ending 1934	Description	Receipts for Month		Receipts to Date	
				1934	+ or -	1934	+ or -
Canadian National	9	Sept. 30	Gross	\$14,940,269	+ 858,212	121,962,709	+ 13,746,429
			Net	\$ 2,010,943	- 48,613	7,142,504	- 6,233,132
Canadian Pacific.....	9	Sept. 30	Gross	\$12,043,000	+ 869,000	90,901,000	+ 8,918,000
			Net	\$ 3,034,000	+ 30,000	13,671,000	+ 3,700,000
Cape Electric Tram- ways	1	Sept. 30	Gross	\$ 35,178	...	...	...
Zafra and Huelva	9	Sept. 30	Gross	Ps. 363,940	+ 9,829	2,564,153	+ 74,683

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE main feature in the commodity markets is the irregular trend of quotations, a reflection of the stagnation of business activity and the uncertain outlook in a number of important countries. Wheat prices continued to decline during the week ended Wednesday owing to the low level of demand by importing countries, coupled with further sales of French wheat and improved crop prospects in the southern hemisphere. Quotations for raw sugar also tended to decline, but the improvement in the market for tea was maintained. At the London Provision Exchange, butter prices registered a further rise and quotations of eggs were marked up owing to the seasonal decrease in supplies.

The market in rubber was dull, and on Wednesday prices collapsed following the announcement that the International Rubber Regulation Committee had failed to reach agreement on export quotas in 1935. Both linseed and linseed oil continued to decline in price owing to the low level of demand and favourable crop reports from Argentina. Quotations for non-ferrous metals rose appreciably towards the end of last week, but by Wednesday practically the whole gain had been wiped out. Tin, in particular, showed a weak tendency, which is not surprising in view of the fact that deliveries in October were lower than in any month since January, 1933. Moreover, stocks registered a substantial increase in the past month. Raw cotton, too, was again marked down in the past week, but the improvement in wool prices was maintained.

An examination of the trend of the prices of primary products in the United States reveals a further marked downward movement. Moody's index of the dollar prices of staple commodities fell from 145.0 (December 31, 1931 = 100) on October 24th to 142.7 on October 31st. A month ago the index stood at 148.9 and a year ago at 123.9.

COAL

SHEFFIELD.—Shipments to Germany have been curtailed owing to the suspension of payment of commercial debts in that country. Export business generally continues quiet, alike on prompt and forward account. Supplies are ample, especially of secondary qualities. Inland consumption is heavy and best quality steams are scarce. Boiler fuel sells freely but the tonnage of house coal going away is greatly below the average for late October. Trade in coke maintains its strength and the ovens are working at full capacity. Best steams are quoted at 16s. 6d. to 17s. f.o.b., blast furnace coke 14s. and 14s. 6d. at ovens, and best brands of house coal 21s. to 23s. at pits.

BANKS

THE UNION BANK OF AUSTRALIA, LTD.--The board of directors have had under consideration for some considerable time past the desirability of altering the date of the bank's annual balance from the last day of February each year to a date between seasons in order to facilitate the preparation of the balance sheet. They have, therefore, resolved that the bank's financial year shall terminate on the last day of August in each year, and to present to the shareholders at a general meeting to be held in January or February, 1935, the accounts for the six months from March 1, 1934, to August 31, 1934. Subsequent annual general meetings of the bank will be held in January or February in each year, when the balance sheet, statement of profits and report of directors for the immediately preceding 12 months from September 1st to August 31st will be submitted. Decisions as to interim dividends will be announced in July, and as to final dividends in January in each year.

MISCELLANEOUS

THE ASSOCIATION OF BRITISH CREDITORS OF RUSSIA.—The thirteenth annual report of this Association shows that the claims, excluding interest, as notified to the Russian Claims Department, are as follows: (a) Properties and concessions, £180,000,000; (b) bonds and securities—Sterling, £41,350,798; roubles 300,415,269; marks 9,543,200; francs 6,657,428; dollars 3,304,000; (c) Miscellaneous claims—Sterling £40,646,453; roubles 628,371,763. These amounts do not include British Government claims of any description whatever and are limited entirely to ordinary commercial and private claims. They include sums due for confiscated British industrial properties, commercial undertakings and trading concerns and for repudiated debts, as well as for bank balances, trade debts, private debts, requisitioned private goods and confiscated private properties and claims for personal injury, imprisonment and other damages.

NEWCASTLE-ON-TYNE.—There has been a better arrival of tonnage this week and with the colder weather of the last few days a better inquiry for prompt steam coals is in evidence. Northumberland screened steam remains steady, and there is a better demand for graded coals suitable for domestic purposes. In the Durham section, apart from screened steam, the market remains quiet, there being little inquiry from abroad for coking or gas coals, and collieries producing these classes continue to have difficulty in working a full week.

Current f.o.b. prices for export: NORTHUMBERLAND—D.C.B. screened, 14s. 6d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime large, 13s. 6d.; smalls, 11s.; Hartley Main large, 13s. 6d.; smalls, 11s. DURHAM—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear special gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened or smalls, 13s. 2d.; prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; prime foundry coke, 20s.; Newcastle and district gas coke, 20s. 3d.

GLASGOW.—Business is moving steadily, and the collieries are able to maintain a fairly satisfactory rate of production. A good all-round demand is an encouraging feature. In the export field, Scandinavian business has fallen off somewhat owing, it is stated, to keener Polish competition. German trade remains poor, but there has been a better inquiry from one or two of the Mediterranean ports and also from the Bay. London buyers are still in the market for nuts. Most qualities of coal are obtainable for early shipment, with prices about steady.

Current export prices f.o.b. district ports :—LANARKSHIRE.—Ell best, 14s. 6d.; splint best, 16s. 6d.; splint second, 14s. 6d. to 14s. 9d.; navigation, screened, 15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s., all per ton f.o.b. Glasgow; steam, 12s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 12s. 6d.; singles, 12s. 6d. to 12s. 9d.; pearls, 11s. 6d. to 12s.; dross, 10s., all per ton f.o.b. Grangemouth. FIRE.—Best unscreened navigation, 13s.; unscreened navigation, 12s. 6d.; first-class steam, 13s. to 13s. 3d.; third-class steam, 12s. 6d. to 13s.; trebles, 14s. to 15s.; doubles, 12s. 9d. to 13s.; singles, 12s. 6d.; pearls, 11s. 9d. to 12s., all per ton f.o.b. Burntisland or Methil. LOTHIAN.—Prime steam, 12s. 6d. to 13s.; secondary steam, 11s. 9d. to 12s.; unscreened navigation, 12s. 9d.; trebles, 13s. 6d. to 14s.; doubles, 12s. 6d.; singles, 12s. 3d. to 12s. 6d.; pearls, 11s. 9d., all per ton f.o.b. Leith. AYRSHIRE.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s.; trebles, 15s.; doubles, 13s.; singles, 13s.; pearls, 12s. 6d.; dross, 10s., all per ton f.o.b. Ayr or Troon.

CARDIFF.—There has been very little business on the Cardiff coal market this week. A number of contracts, relating chiefly to the supply of locomotive coals, are in course of negotiation, but current inquiries have been limited, and deliveries in the inland and export trades only moderately active. Last week shipments in the foreign and coasting trades were slightly in excess of the recent weekly average figures, totalling 417,200 tons, compared with 367,000 tons the previous week, and 393,543 tons in the corresponding week last year. Trade at Cardiff and Barry expanded by over 60,000 tons, while at Swansea all the berths were occupied owing to the pressure of the closing phase of the Canadian seasonal demand. Sized and washed classes remain firm, and, in some cases, are commanding prices above the minimum schedule, but with

IRON AND STEEL

MIDDLESBROUGH.—A fair amount of business has been transacted during the past week in foundry and hematite pig iron both for home use and for export. Makers are inclined to be firm in their quotations for export and, although there are still difficulties to be surmounted, further business has been done with foreign buyers. Prices to home consumers are firm on the basis of 67s. 6d. per ton for No. 3 Cleveland foundry iron and 69s. per ton for No. 1 East Coast hematite, both delivered at Middlesbrough; but makers of hematite are not prepared to sell too far ahead at to-day's quotation. During the past week there have been shipments of pig iron to Italy and Germany, while a quantity of 1,150 tons has just been sent to Finland. The total quantity of pig iron shipped from the Tees up to October 30th was 16,081 tons, against 12,331 tons to September 29th.

Good Durham blast furnace coke is obtainable at 20s. delivered at the furnaces, whilst foreign ore continues firm with the tendency to higher prices for forward delivery.

Steelworks continue busy on both semis and finished material, and it is expected that this district will benefit from the orders which are very shortly to be placed in the North-East area for five steamers. Constructional steel departments are busy. There is a good demand for heavy steel scrap at 50s. per ton delivered works. It is announced that Messrs Dorman Long and Company will light another furnace for the production of ferro-manganese at their South Bank works towards the end of this year.

SHEFFIELD.—Reports from steelmakers are generally favourable, with continued expansion in certain departments. The steel foundries, which a couple of years ago were badly depressed, have now a fair amount of work on hand. The demand for ordinary qualities of high-speed tool steel does not come up to the capacity of the plants, but the recently developed super brands find a ready market. Exports of such material are only moderate. Russian purchases of tool steel have been declining for some years and in view of the heavy shipments of British tungsten to that country it is presumed that Russia is now producing an increasing proportion of the tool steel used in her engineering works. Further expansion is reported from the Lincolnshire steel works, which are taxed to meet the present heavy demand for semi basic steel and tinplate bars. Unemployment in this area is now negligible. The Sheffield basic furnaces are also working to capacity, although the acid steel furnaces are not so well placed. In the finished steel department, works are busy on supplies to the automobile, aircraft, electric, wireless and building industries. Toolmakers are generally busy and the seasonal trade in cutlery and plate is broadening somewhat. The market for steel scrap has been depressed for a long period, although consumption now tends to increase.

GLASGOW.—Conditions continue to improve in the West of Scotland iron and steel industries. Steel makers are busy and the tonnage at present on books gives every prospect of a continuance of full-time working for some time to come. Makers of semis are also doing an increased amount of business with local users and plants are busy at present. In the sheet trade, makers are able to keep plant running to near capacity, but most of the work on hand is for prompt delivery. There is also some improvement in the bookings of galvanised sheets for export. In both branches home trade is particularly good. Bookings at the shipyards during the present month cover a very considerable tonnage; there are a large number of tenders out and shipbuilders seem confident that a number of these will result in business for Clyde yards. In the manufacturing trades the situation is unchanged, most branches being fairly busy.

CARDIFF.—The Welsh tinplate market is quite steady, with conditions a little more active in the export trade. Prices remain on the f.o.b. basis of from 18s. 2d. to 18s. 7½d. per box, with wasters quoted at from 16s. 3d. to 17s. per box f.o.b. Galvanised sheets are firmer under the influence of a better foreign demand, but prices are unaltered at from £11 5s. to £11 15s. per ton. Steel bars are also unchanged at 5s 7s. 6d. per ton. Shipments of tinplates at Swansea last week totalled 125,591 boxes compared with 77,383 boxes the previous week, but arrivals from the works were heavier than usual and stocks still amount to 131,888 boxes, compared with 122,389 boxes at the corresponding period of last year.

OTHER METALS

After a good start on Monday, quotations on the metal markets again relapsed, this development being understandable in view of the suddenness of the previous rise. Copper was the chief sufferer, despite increased restriction in the United States—which had been the main factor in the improvement. The Phelps Dodge Corporation, the third largest copper concern in the United States, has joined the Guggenheim group (Kennecott) in its restriction policy,

and it is anticipated that the other important producers will follow in the course of the next few days. Rumours regarding a world copper conference are again in evidence. But the recent announcement of the Roan Antelope Copper Mines, Ltd. (N. Rhodesia) that during the year ended June 30th they had been able to reduce their costs per ton of blister copper, delivered Europe, by £1 1s. to £21 5s. 5d., shows that the collapse in copper prices need not force the low-cost producers to come to terms with the Americans. The United States primary producers have now decided to hand over the domestic market to the "customs smelters" during November—a step which will probably diminish the selling pressure of the latter to normal proportions, and thus improve American prospects. European markets are not directly affected by this new move, for they have recently been suffering mainly from sales of non-blue eagle copper, whereas the arrangements mentioned above cover only blue eagle metal. Indirectly, however, some slight advantage may accrue to European markets as a result of any improvement in the American position. Meanwhile, the outlook for the London market during the next few days is not too good, for there are still some disappointed bulls who will probably liquidate their contracts shortly.

The tin market has been dull, operators having waited during the first half of the week for the new monthly statistics, which were of importance because they will probably influence the International Tin Committee in the fixing of quotas. According to A. Strauss and Company, world deliveries declined from 6,648 tons in September to 5,768 tons in October—the lowest level in two years. Moreover, stocks rose by 1,712 tons from 16,919 tons at the end of September to 18,631 tons at the end of October.

The markets in lead and spelter have moved in sympathy with those of the other non-ferrous metals. The British lead manufacturers have formed a new "Lead Sheet and Pipe Development Council," to stimulate the use of this metal, which will work on the same lines as the development councils for copper and tin. Since lead prices are now rather low, relatively to those of other metals, the prospects of success are fairly good. Zinc production is still rather restricted. According to the *Metallgesellschaft*, the world output of smelter zinc amounted to 94,256 metric tons during September, compared with 94,740 metric tons in August. The German Government proposes to subsidise lead and spelter producers. According to the *Frankfurter Zeitung*, the State will pay the difference between prices and production costs, including a normal depreciation allowance. This will remove all incentive for the German producers to co-operate with the International Cartel, for they will be interested, not in high prices, but in a high level of output during the coming months.

TIN.—Sales on the London Metal Exchange: 280 tons on Monday, against 140 tons last week; 285 tons on Tuesday, against 115 last week; 490 tons on Wednesday, against 310 tons last week. The New York quotation on Wednesday was 51.15 cents per lb., against 51.25 cents a week ago and 50.87½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £229 7s. 6d. to £229 10s., compared with £230 7s. 6d. to £230 10s. last week. Stocks in London and Liverpool at the end of last week were 5,294 tons, an increase of 133 tons on the week.

COPPER.—Sales on the London Metal Exchange: 4,200 tons on Monday, against 2,350 tons last week; 3,800 tons on Tuesday, against 2,850 tons last week; 1,925 tons on Wednesday, against 3,300 tons last week. Domestic spot was quoted at 6-72½ cents per lb. in New York on Wednesday, against 6-32½ cents a week ago and 6-50 cents a month ago. Wednesday's official closing price for standard cash in London was £27 18s. 9d. to £28, compared with £27 17s. 6d. to £28 a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 34,580 tons, show an increase of 37 tons, and stocks of rough copper, at 7,664 tons, a decrease of 10 tons.

LEAD.—Sales on the London Metal Exchange: 650 tons on Monday, against 550 tons last week; 800 tons on Tuesday, against 400 tons last week; 250 tons on Wednesday, against 650 tons last week. The New York quotation on Wednesday was 3·70 cents per lb., against 3·70 cents a week ago and 3·60 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 13s. 9d. for shipment during the current month, compared with £10 12s. 6d. a week ago.

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SPELTER.—Sales on the London Metal Exchange: 300 tons on Monday, against 450 tons last week; 450 tons on Tuesday, against 1,400 tons last week; 250 tons on Wednesday, against 600 tons last week. Wednesday's quotation in East St. Louis was 3.85 cents per lb., against 3.85 cents the week before, and 3.87½ cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £12 13s. 9d. for shipment during the current month, against £12 15s. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £45 to £45 10s. per ton, as against £43 per ton last week. Chinese wolfram was again quoted at 40s. to 40s. 9d. per unit, c.i.f., as against 41s. to 42s. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. The level of raw cotton prices has tended to decline. A stalemate has almost been reached in trading, owing to the holding policy of farmers in the United States through the 12-cent loan plan of the Washington Government. The basis remains very high and importing is exceedingly difficult. American cotton being considered dear in relation to the prices ruling for other growths. No particular change in the situation is likely until some announcement is made relating to the production programme for next season. In the meantime, climatic conditions continue generally favourable for picking the present crop and an increase in the estimate of the yield is expected in the next Government report.

The general inquiry in piece-goods has continued on a rather larger scale. Probably manufacturers have sold a little more freely, but buying has been decidedly patchy. Demand in light fabrics and fancies for India has broadened, but a substantial part of the business offering has been at unworkable rates and dealers abroad are slow in raising limits. Only isolated transactions have been reported for China and the minor outlets of the Far East. A steady business has been done in cloths for printing and dyeing for South America and the Dominions. Although home trade purchases have not been important a fair business has been done in a variety of cloths and some cases are reported of looms running out of work. In the yarn market demand has again run chiefly on the finer numbers in American and Egyptian qualities, and most users have been in the mood to restrict their purchases. Some special contracts have been arranged in Bolton spinnings for thread manufacturing.

COTTON PRICES

	1934				Corresponding Date	
	Oct. 10	Oct. 17	Oct. 24	Oct. 31	1932	1933
Raw Cotton—Mid. American per lb.	6-74	6-98	6-93	6-89	5-37	5-48
Said to be Fully Good Fair						
Egyptian per lb.	7-87	8-23	8-24	8-30	7-64	7-21
Yarns—32's twist per lb.	10½	10½	10½	10½	9½	9½
" 40's twist per lb.	10½	10½	10½	10½	9½	9½
" 60's twist (Egyptian) per lb.	16	16½	16½	16½	15½	16½
32-in. Printers, 116 yds., 16 by 18, 32's and 40's s. d.	19 0	19 2	19 2	19 0	19 7½	16 10
36-in. Shirtings, 75 yds., 18 by 18, 32's and 40's s. d.	24 0	24 3	24 3	24 0	21 3	20 10
38-in. ditto, 38 yds., 18 by 16, 10 lb. s. d.	11 0	11 1	11 1	10 11	11 3	10 6
39-in. ditto, 37½ yds., 16 by 15, 8½ lb. s. d.	9 11	10 0	10 0	9 10	10 1	9 4

RAW COTTON SITUATION.—The raw cotton situation presents several interesting features. The outstanding factor is the scheme of the United States Government to impose a minimum price for cotton to world users. This has been done by means of the 12-cent loan plan of the Government, which means that the price has been pegged around this level. During the last two or three months buyers have held aloof, with the result that it is estimated that out of the crop this season of about 9½ million bales, quite 7 million bales will go into the hands of the Government, which will increase their holdings to about 10 million bales. This state of affairs has had an important bearing upon exports from the United States, for during the past three months shipments have been only 1,216,000 bales, as compared with 2,219,000 bales in the same period of last year. Owing to the difficulty of importing, the stock in Liverpool is only 269,000 bales, against 451,000 bales a year ago.

There has been an increasing demand for cotton grown in other countries. For instance, imports of Brazilian qualities into Great Britain during the last three months have totalled 141,000 bales against only 9,000 bales a year ago. In the same period receipts of Argentine cotton have been 50,000 bales, against 22,000 bales. Although there is some anxiety amongst the officials at Washington as to the tendency of world consumption, they believe that before very long world spinners will be compelled to buy American cotton. The present position of affairs, however, will undoubtedly stimulate production in many foreign countries, including the British Empire. The present price of American cotton in Liverpool, of around 6½d. per lb., is considered artificial, and in the circumstances buyers of manufactured goods are restricting their purchases. There is ground for believing that if this "peg" in the United States were removed, American cotton would fall by at least 1d. per lb. The consumption of American cotton last season was about 13,500,000 bales, and on the present basis the requirements of users during the current twelve months will not be more than 11,000,000 bales.

JUTE.—Dundee. Though spinners and manufacturers in Dundee are all very busy with orders on hand, there is little fresh business

coming in at the moment, and the market has returned to a much quieter state. Prices of yarns and cloth, however, are firmly held and likely to be for some time to come, as producers are fully booked up for the next three months at least. The raw material position is very sensitive, with quite a steady undertone prevailing, and prices are ruling round about the level which has been maintained for several months past. The Calcutta market is perturbed by rumours of new jute mills being built and these have been justified to some extent by the registration in Calcutta of a new company called the Loyalka Jute Mills Company, Ltd., with a capital of 1½ million rupees; prices have been none too steady of late owing to the mills unsealing about 1,500 looms in accordance with their agreement arranged six months ago. The Indian jute mills are therefore now working 40 hours per week, with 12½ per cent. of their looms sealed up, instead of 15 per cent. as hitherto. There has been some talk in Calcutta that the mills may consider the unsealing of a further 2½ per cent. as from February 1st next, but these rumours so far seem to be without foundation.

Dundee spinners have purchased the full group of Daisee-2/3 at £13 12s. 6d. and the mark Mohan at the same figure, while Daisee-4 has been offered at £12 15s., Tossa-2/3 at £14 10s. for the full group and fours sold at £13 15s., November/December. White jute of good quality is very difficult to obtain in Calcutta, so that offers are not freely made. First Marks are quoted at £18 for short group and good Lightnings at from £16, with Hearts at from £14 15s., November/December. Yarns are quiet, but prices are very firm at 1s. 10d. for common 8 lb. cops and 1s. 10½d. to 1s. 11d. for 8 lb. spools, and spinners are well enough sold to be able to refuse anything less. Twist is steady at 3½d. for 3 ply 8 lb., and sacking yarns are unchanged at 2½d. for 24 lb. web and 3d. for 8 lb. chains, while rove continues at from £17 for 48 lb. and £14 for 200 lb. Rio yarns are firm, but quiet again at 2s. 4d. paid for third quality 8 lb. warp and 2s. 1d. quoted for fourth.

A good inquiry prevails for jute cloth, Argentina being in need of further good quantities of hessians for meat wrappers. Business, however, is confined to small lots for delivery as early as possible, which is not soon, as manufacturers are harassed to give delivery of orders already in hand. Prices are firm at 2½d. for 10½ oz. 40 in. and 2½d. for 8 oz. Calcutta goods have eased off slightly and are quoted at 19s. for 10 oz. 40 in. and 15s. 6d. for 8 oz., Liverpool twills at 51s. and "B" twills at 45s. 3d., November/December.

GRAIN MARKETS

WHEAT.—Wheat prices continued to decline during the past week. At the present time price movements are strongly influenced by crop reports from the southern Hemisphere. Australian crop prospects have improved a little, and Argentina's crop appears to be in fairly good condition. As demand by importing countries remained relatively small, and as France has again appeared as a seller, the downward trend of quotations is not surprising. According to Mr G. Broomhall, total shipments during the past week were 1,177,000 quarters, against 1,208,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 95½ cents per bushel, against 98½ cents the week before and 95½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver ex ship, 30s. 9d. per 496 lbs., against 31s. 6d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 29s., against 29s. 6d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 25s. to 26s. 6d., against 26s. to 27s. a week ago.

FLOUR.—North American shipments were 135,000 sacks in the past week, as compared with 182,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 3d. to 26s. 3d., against 24s. 6d. to 26s. 6d.; Australian ex store, 20s. 3d. to 20s. 9d., against 20s. 6d. to 21s.

BARLEY.—October futures were 50½ cents per bushel in Winnipeg on Wednesday, against 52½ cents last week and 48½ cents a month ago. Quotations in London on Wednesday were: "English malting" (new), f.o.r., per 448 lbs., 30s. to 55s., against 32s. to 55s. a week before.

OATS.—On Wednesday, "December" futures were quoted at 49½ cents per bushel in Chicago, against 50½ cents a week ago and 47 cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. per 320 lb., against 22s. a week ago; "Chilean White," landed, 23s. 6d., against 23s. 6d. a week earlier.

MAIZE.—"December" futures were quoted on Wednesday at 75½ cents per bushel in Chicago, against 75 cents a week ago and 73½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate" landed, 20s. 9d. per 480 lbs., compared with 22s. 6d. last week; "Plate" ex-ship, 19s. 9d. as against 21s. 6d.; "Plate," "November," 20s. as against 22s. 6d. Yellow maize meal, ex wharf, was quoted £5 17s. 6d. to £6 per ton, against £6 to £6 7s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to October 27.....	Cwts. 107,437	Cwts. 324,418	Cwts. 275,027	Cwts. 368,019
9 weeks to October 27.....	655,299	2,195,734	3,281,739	4,384,047
Average price of English wheat per cwt.	s. d. 6 5	s. d. 5 7	s. d. 4 9	s. d. 5 0

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Oct. 25, 1930.....	Cwts. 132,210	Cwts. 528,955	Cwts. 55,159	s. d. 7 0	s. d. 10 0	s. d. 6 1
Oct. 24, 1931.....	98,451	429,907	66,381	6 1	9 0	6 5
Oct. 29, 1932.....	324,418	378,011	56,462	5 7	7 10	6 2
Oct. 28, 1933.....	275,027	493,148	48,927	4 9	9 8	5 6
Oct. 20, 1934.....	431,860	424,488	53,675	5 0	9 4	6 5
Oct. 27, 1934.....	368,019	428,997	46,273	5 0	9 2	6 7

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Nov. 1, 1933	Jan. 3, 1934	Oct. 24, 1934	Oct. 31, 1934
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	62½	46½	61½	65½	76½	74½
Chicago (No. 2 Winter) —Cents per 60 lb.	65½	46½	83½	84½	98½	95½

The visible supply of wheat in Canada, at 118,108,000 bushels, shows an increase of 1,404,000 bushels. Supplies a year ago stood at 118,182,000 bushels.

OTHER FOODS

SUGAR.—After an upward spurt at the end of last week, New York quotations, both spot and future, reacted somewhat, but became steadier at the lower level. On Wednesday, American prices showed a rise, and London a fall, compared with those ruling a week earlier. The spot price in New York on Wednesday was 2.82 cents per lb., as compared with 2.75 cents per lb. last week and 3.00 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 4s. 0½d. to 4s. 1¼d., against 4s. 2½d. to 4s. 3d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
London	...	...	1,193	581	19,162	22,370
Liverpool	7,902	5,701	13,946	13,242	104,802	79,629
Total tons	7,902	5,701	15,139	13,823	123,964	101,999
Last week	29,349	1,758	15,720	14,608	131,201	110,122

COFFEE.—The New York market was dull to quiet during the week ended Wednesday, with quotations showing little change. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London market has ruled quietly steady. Last week's movements of coffee in London were as follows: Brazilian, landed, 674 bags; delivered, for home consumption, 23 bags; exported, 20 bags; stocks, 28,131 bags, against 27,210 bags a year ago. Central American, landed, 697 packages; delivered, for home consumption, 1,728 packages; exported, 881 packages; stocks, 83,903 packages, against 76,491 packages last year. Other kinds: Landed, 114 packages; delivered, for home consumption, 2,132 packages; exported, 303 packages; stocks, 76,456 packages, against 91,275 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "November-January," was 20s. 6d. to 20s. per 50 kilos, c.i.f. Continent, as against 19s. 9d. to 20s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, nil; delivered, for home consumption, 6,861 bags; exported, 2,360 bags; stocks, 170,875 bags, against 129,342 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 52,405 packages of Indian and 21,366 packages of Ceylon tea. The former met a good trade, and on Wednesday the cheaper grades showed a tendency to rise in price. Tippy teas were in active request. Competition for the Ceylon grades at Tuesday's auction was not quite so good, but quotations showed little change on the week. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	Northern India		Southern India		Ceylon		Java		Sumatra		Nyasa-land		Total
	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	
Oct. 26, 1933	13-76		13-14		16-98		10-77		10-62		11-32		14-38
Sept. 27, 1934	12-95		11-17		12-70		9-85		9-38		11-06		12-38
Oct. 4,	13-08		11-62		13-84		10-19		9-76		11-00		12-89
Oct. 11,	13-10		11-48		14-20		10-00		9-52		10-98		12-94
Oct. 18,	12-63		11-58		14-32		10-15		9-77		10-98		12-76
Oct. 25,	12-49		11-35		14-63		9-96		9-29		10-85		12-73

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 7s. 4½d. per cwt., shows a fall of 4½d. on the week.

OVER ONE HUNDRED YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
 INSURANCE COMPANY
ASSETS - EXCEED - £16,000,000
FIRE LIFE ACCIDENT MARINE
 Edinburgh: 35 St. Andrew Square
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Movements in London during the past week were as follows: Landed, nil; delivered, 362 tons; stocks, 3,720 tons, against 4,480 tons a year ago.

POTATOES.—Ample supplies of potatoes have been available this week, and have generally encountered a good demand. Quotations for the majority of varieties remain unchanged. At the London Borough Market on Tuesday, "King Edward" again sold at 6s. to 6s. 6d. per cwt.

SPICES.—"Lampong" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 5 tons; delivered, 24 tons; stocks, 416 tons, against 410 tons a year ago. White, landed, 57 tons; delivered, 49 tons; stocks, 8,536 tons, against 1,180 tons a year ago.

MEAT.—Beef and mutton have encountered a fairly steady demand, fresh meat having been a rather better market. Trade in veal and pork, however, remains rather quiet. On Wednesday, prices showed a slight reduction on those of a week ago, the quotation for Argentine beef, chilled hindquarters, being 3s. 4d. to 3s. 10d. per 8 lbs., as compared with 3s. 8d. to 4s. last week. New Zealand frozen mutton was 3s. to 3s. 6d. per 8 lbs., against 3s. 2d. to 3s. 8d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,495 tons, against 9,460 tons in the corresponding week last year. Imported beef, principally Argentine, formed 81.5 per cent. of the beef supplies, against 80.9 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 74.2 per cent. of the total supply of mutton and lamb, against 70.6 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets are very quiet and with falling grain markets there is but little disposition to engage in business. Linseed continues to decline and with the approach of the end of the season the premium of old seed over new is gradually narrowing. Despite reports of rains and frost here and there, the outlook for the new crop in Argentina remains favourable, and if private estimates of the area under seed are to be relied upon a still larger outturn than that officially estimated appears likely. New seed for January-February shipment has declined to £8 10s. per ton and old seed for November to £9 2s. 6d. Indian linseed is also easier but demand negligible. The quantity afloat for Europe is now 133,700 tons (including 18,800 tons from India), 2,300 tons less than last week, and for the United States and Canada 32,900 tons against 62,000 tons a year ago. Cottonseed is steady but demand slow. Black Egyptian for shipment to the end of the year is quoted around £4 15s. (sellers).

Linseed oil is easy and in fair demand at the lower level which is now the lowest figure quoted at any time this year. Raw oil for delivery to April ex Hull has declined to £17 5s. per ton (naked). Cotton oil is steadier on an improved export demand. Egyptian crude ex Hull is offered at £15 10s. and refined at £17 5s. Oil-cakes are steady and in normal demand for the time of year.

HIDES AND LEATHER.—A fairly satisfactory business has again been forthcoming in regard to hides, leather and leather goods, although, of course, there is still room for considerable improvement. Generally speaking, the markets have remained steady. Although there has been a slight decline in the price of English market hides, quotations for imported descriptions show a slightly firmer tendency. Quotations for the finished product have been maintained at recent levels to a fractional advance on certain lines which are in most request.

At the sales of hides and skins from home-slaughtered cattle this week, prices for ox and heifers were unchanged to a reduction of ½d. per lb. First clears are now changing hands at from 5d. per lb. for heavies down to 4d. per lb. for lights, with seconds making from 4½d. to 3½d. per lb. First warbled are realising similar prices to the latter, while seconds are obtainable at from 4d. per lb. for heavies down to 3½d. for lights. The market for calfskins rules steady, with best heavies selling at 4½d. per lb. and lights at 5½d. Additional interest has been taken in the market for imported hides and as a result South Americans have been selling at slight advances. A moderate trade has been passing also in Africans at unchanged rates, although prices asked for dry Capes are higher. Only a limited amount of business, however, is possible in Australians and quotations are, generally speaking, nominal.

Sales of sole leather have been concerned mainly with light and medium weight English and wetsalted bends and light and heavy dry hide selections. Rough shoulders and bellies also have been dealt in fairly freely, but the trade in pinned sorts has not been quite so active. In the upper leather section, box and willow calf and glacé kid continue to account for the bulk of the business, but there is a call for other descriptions in limited quantities, particularly for reptiles and patent leather, and the turnover of both these sorts is reported to be increasing.

RUBBER.—The market in rubber was dull in the past week. On Wednesday prices declined sharply following the announcement that the International Rubber Regulation Committee had failed to come to an agreement on export quotas from January, 1934.

In New York, Wednesday's spot price for rubber, at 12½ cents per lb., compared with 14 cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 6½d. to 7d. for January-March, 1935, as against 7d. to 7½d. a week ago. Stocks in London and Liverpool at the end of last week, at 120,002 tons, show an increase of 1,545 tons as compared with the preceding week.

LONDON FUR AUCTIONS.—The autumn series closed on Monday last with a very weak tendency. Business during the last few days was mainly confined to American goods. As compared with prices realised at the spring series, quotations showed the following reductions: Skunks, 20 per cent.; opossum, 15; mink, 15 to 20; brown

musquash, 10. On the other hand, southern musquashes were unchanged in price, the demand for these furs being quite good. In our issue next week we propose to publish a list of average prices realised for the different qualities of the various furs. Market operators are naturally disappointed at the unsatisfactory outcome of the autumn auctions, especially in view of the fact that a large part of the offerings were withdrawn. These will, of course, increase supplies on the free market and at the next auctions. Some improvement in sentiment may, however, result from the special silver fox sales, to be held early in December. The decline in silver fox prices has been less marked than in the case of most other furs. A speculative trade, such as that in raw furs, recovers from disappointments more quickly than those dealing in standard raw materials.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON October 31st				POTATOES—				WOOL—				Cape			
CEREALS AND MEAT				Good English, new				English Southdown, greasy, per lb.				Dry and Drysalted Cape...			
GRAIN, &c.—				per cwt.				" Lincoln hog, washed				Market Hides, Manch'tr			
Wheat—				SPICES—				N.S.W. greasy, super combg.				Best heavy ox and heifer			
No. 2, N. Man. 496 lb.				Pepper, per lb.				N.Z., grey, half-bred 50-56				Best cow			
Eng. Gaz. av., per cwt.				Muntok, fair White...				Tops—				Best calf			
Barley, Eng. Gaz. av.				Cinnamon—1st sort, per lb.				Merinos 70's				INDIGO—			
Oats, " Plata, landed,				Cloves—Zanzibar per lb.				64's				Bengal gd. red. vio. to			
480 lb.				Ginger—per cwt.				Crossbred 48's				fine, per lb.			
Flour, Lon. stan. ex mill,				SUGAR—				46's				LEATHER—			
280 lb.				Centrifugal, 98% prpt.				COAL—				Sole Bends 8/12 lb.			
Rice, No. 2 Burma, per cwt.				B.W.I., crystallised				Welsh, best Ad'ty...ton				per lb.			
Tapioca, per cwt.				Java, white, c. & f. India				Durham, best gas, f.o.b.				Shoulders fm DS Hides			
Fair Flake, Singapore..				Aug. Sept.				Type				Do. Eng. or WS do.			
MEAT—				REVINUR—London				Sheffield, best house, at				Bellies from DS do.			
Beef per 8 lbs.				Yellow Crystals				pits				Do. Eng. or WS do.			
English long sides				Crushed				IRON AND STEEL—				Dressing Hides...			
Argentine chilled hinds				Granulated				Pig, Cleveland No. 3, d/d,				Ro. Eng. Calif. 20/30 lb.			
Mutton, per 8 lbs.				Home Grown				Bars, M'brough				Aust. Bends			
English wethers				Molasses, in bond				Steel Rails, heavy				VEGETABLE OILS—			
Lamb, per 8 lbs.				TEA—				Tin plates				Linseed, naked, p. ton net			
Pork, English, per 8 lbs.				Indian—per lb.				Copper, Electrolytic, ton				Cotton-seed, crude			
OTHER FOODS				Pekoe				Sheets (strong)				Coconut, crude			
English				Broken Pekoe				Standard cash				Palm			
Irish				Orange Pekoe				CHEMICALS—				Oil Cakes, Linseed, Eng.			
Danish				Broken Orange Pekoe				Acid, citric, per lb., less 5%				per ton			
HAMS—				Ceylon—per lb.				Nitric				La Plata, p. ton			
Canadian				Pekoe				Oxalic, net				Oct.-Nov.			
American				Orange Pekoe				Tartaric, English, less 5%				Calcutta—per ton			
BUTTER—				Broken Orange Pekoe				Alcohol, Plain Ethyl.				PETROLEUM PRODUCTS—			
Australian				Ceylon				Alum, lump				Motor spirit, No. 1, Lon-			
New Zealand				Pekoe				Ammonia, carb.				don			
Danish				Broken Pekoe				Sulphate				Petroleum, Amer. rid.			
CHEESE				Orange Pekoe				Bleaching powder, per ton				bri. London			
Canadian				Ceylon				Borax, gran.				Fuel oil, in bulk, for			
New Zealand				Pekoe				Do., powder				contracts, ex instal.			
English Cheddars				Broken Pekoe				Nitrate of Soda, per cwt.				Thames—			
Danish				Orange Pekoe				Sulphate				Furnace, per gall.			
COCOA—				Ceylon				Soda Bicarb.				Diesel			
(Duty, British grown,				Orange Pekoe				Crystals				ROSIN—			
11/8; foreign, 14/- cwt.)				Ceylon				Sulphate of Copper, per ton				American			
Accra, f.f. (per cwt.)				Pekoe				CEMENT, best Eng. Portland, d.d. site,				per ton 13/5 0 15/12 0			
Trinidad				Broken Pekoe				London area, jute sacks, 11 to ton				RUBBER—			
Grenada				Orange Pekoe				(charged and credited at 1/6d each) or				St. ribbed smoked sheet			
COFFEE—				Ceylon				paper bags 20 to ton (free, non-return-				per lb.			
(Duty, British grown,				Pekoe				able)				Fine Hard Para			
4/8; foreign, 14/- cwt.)				Orange Pekoe				4 ton loads and upwards 38/- per ton				per lb.			
Accra, f.f. (per cwt.)				Ceylon				1 and up to 4 ton loads 40/- per ton				SHELLS—			
Trinidad				Pekoe				COPRA—				W. Aust. M.-O.-P.			
Grenada				Broken Pekoe				S.D. Straits c.i.f., per ton				TALLOW—			
COFFEE—				Orange Pekoe				DRUGS				London Town			
(Duty, British grown,				Ceylon				Camphor				per cwt. 19 6			
4/8; foreign, 14/- cwt.)				Orange Pekoe				Japan, refined				TIMBER—			
Accra, f.f. (per cwt.)				Ceylon				Ipecacuanha				Swedish u/s 3 x 8			
Trinidad				Pekoe				Peppermint, Wayne Co.				per std. 19 10			
Grenada				Orange Pekoe				HIDES—				" 2 1/2 x 7			
COFFEE—				Ceylon				Wet salted—Australian				" 2 x 4			
(Duty, British grown,				Orange Pekoe				West Indian				Can'd Spruce, Dis.			
4/8; foreign, 14/- cwt.)				Ceylon				" 3 0 3 3				Pitchpine			
Accra, f.f. (per cwt.)				Pekoe				" 3 0 3 3				Rio Dals			
Trinidad				Broken Pekoe				" 3 0 3 3				per load 9 0			
Grenada				Orange Pekoe				" 3 0 3 3				Teak			
COFFEE—				Ceylon				" 3 0 3 3				per std. 30 0 0			
(Duty, British grown,				Orange Pekoe				" 3 0 3 3				Kia			
4/8; foreign, 14/- cwt.)				Ceylon				" 3 0 3 3				per load 25 0			
Accra, f.f. (per cwt.)				Pekoe				" 3 0 3 3				Honduras Mahg. logs			
Trinidad				Broken Pekoe				" 3 0 3 3				African			
Grenada				Orange Pekoe				" 3 0 3 3				Amer. Oak Boards			
COFFEE—				Ceylon				" 3 0 3 3				Ash			
(Duty, British grown,				Orange Pekoe				" 3 0 3 3				English Oak Planks			
4/8; foreign, 14/- cwt.)				Ceylon				" 3 0 3 3				Ash			
Accra, f.f. (per cwt.)				Pekoe				" 3 0 3 3				" 0 7			
Trinidad				Broken Pekoe				" 3 0 3 3				" 0 6			
Grenada				Orange Pekoe				" 3 0 3 3				" 0 6			
COFFEE—				Ceylon				" 3 0 3 3				" 0 6			
(Duty, British grown,				Orange Pekoe				" 3 0 3 3				" 0 6			
4/8; foreign, 14/- cwt.)				Ceylon				" 3 0 3 3				" 0 6			
Accra, f.f. (per cwt.)				Pekoe				" 3 0 3 3				" 0 6			
Trinidad				Broken Pekoe				" 3 0 3 3				" 0 6			
Grenada				Orange Pekoe				" 3 0 3 3				" 0 6			
COFFEE—				Ceylon				" 3 0 3 3				" 0 6			
(Duty, British grown,				Orange Pekoe				" 3 0 3 3				" 0 6			
4/8; foreign, 14/- cwt.)				Ceylon				" 3 0 3 3				" 0 6			
Accra, f.f. (per cwt.)				Pekoe				" 3 0 3 3				" 0 6			
Trinidad				Broken Pekoe				" 3 0 3 3				" 0 6			
Grenada				Orange Pekoe				" 3 0 3 3				" 0 6			
COFFEE—				Ceylon				" 3 0 3 3				" 0 6			
(Duty, British grown,				Orange Pekoe				" 3 0 3 3				" 0 6			
4/8; foreign, 14/- cwt.)				Ceylon				" 3 0 3 3				" 0 6			
Accra, f.f. (per cwt.)				Pekoe				" 3 0 3 3				" 0 6			
Trinidad				Broken Pekoe				" 3 0 3 3				" 0 6			
Grenada				Orange Pekoe				" 3 0 3 3				" 0 6			
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Grenada				Orange Pekoe				" 3 0 3 3				" 0 6			
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Grenada				Orange Pekoe				" 3 0							

would mean virtually suspending Parliament's powers. The attitude of the Lower House became evident when the Chamber met on Tuesday afternoon to deal with formal business; for, in effect, the session became an occasion for a demonstration of hostility towards M. Doumergue rather than for a demonstration of sorrow for King Alexander, M. Barthou and M. Poincaré; and M. Doumergue, with his usual straightforwardness, publicly acknowledged the change in the Chamber's temper, and changed his own tactics accordingly. With a divided Cabinet, and with the practical certainty of a hostile majority in the Chamber, he abandoned his intention of demanding a dissolution and decided that, if he again failed to carry all his colleagues with him at the next Cabinet meeting, he would take the alternative course of handing in his own resignation. By the time when M. Doumergue let this decision be known, on Wednesday evening, the "if" had become rather an empty particle; for by that time the Socialist-Radical group in the Chamber had taken the responsibility—from which the Socialist-Radical Ministers had shied away at the week-end—of deciding to oppose the Prime Minister.

What is to come next? Both the President of the Republic and the Socialist-Radical Ministers would like to see the effects of the crisis limited in range to M. Doumergue's own person. As he has now retired again from the political scene, cannot his National Government be reconstructed *de toutes pièces*, with the sole exception of the Prime Minister himself? Is it not possible that his successor may be willing to show himself "available" in the American political sense of the word? This solution would be very simple; and, with the plebiscite in the Saar just ahead, and the general international situation as uncertain as it is to-day, there is the strongest incentive for patching up the French National Government and carrying on as if nothing had happened. Unhappily, however, the elimination of M. Doumergue cannot automatically conjure away the very real and urgent problem, in French political life, with which he has been trying to grapple. The politicians whom he has castigated have sent him back to Tournefeuille; but there remains a skeleton which they cannot put back into the cupboard. For M. Doumergue's constitutional proposals have not, after all, been just a wanton and uncalled-for whim of an elder statesman. They are an honest attempt to deal, in a straightforward way, with the crisis in which French political democracy now finds itself. It may be true that M. Doumergue's solution is too academic, or too superficial; but that only means that a fresh and perhaps more radical solution must be found for the problem of democratic organisation and that to this end all other considerations must be subordinated.

For what is the alternative? If deadlocks such as that which has recently arisen between two sections of Parliamentary opinion cannot be resolved without paralysing Government at a moment of political crisis or threatening to leave her finances in suspense at the end of the year, many Frenchmen may draw the moral that the country is unfit for parliamentary government and may therefore be ready to listen to those who have quite other solutions to offer.

When we arrive at this point, we pass over into the realm of unpleasant—and, for the moment, unprofitable—conjectures. Is there likely to be a repetition of February's scenes in the streets of Paris? If the Croix de Feu take direct action again, will they take up the cudgels in favour of M. Doumergue's honest attempt to make Parliament work? Or will they adopt some more violent and sensational political nostrum? If the militant organisations of the Right come out on the streets of Paris, will the Socialists and the Communists descend into the arena from the suburbs? What is the balance of forces in Paris, if it comes to a trial of brute strength? Is Parisian feeling any guide to that of the provinces? And, if it is not, will the provinces acquiesce in what Paris does, or will they persist in their own course and ultimately bring Paris to heel? These questions can no longer be ignored, but they cannot yet be answered. We can only testify to an uncomfortable feeling that the situation in France is as unstable again to-day as it was in February, and that the gravest responsibility not merely for meeting this emergency, but for saving democracy in France, rests on her leading politicians. We trust they will now rise to the occasion.

CRUSHING AND COMPLETE

THE victory of the Democratic Party in the United States Congressional elections has, indeed, been crushing and complete. These were the so-called "off-year" elections, half-way through the President's term. Mr Roosevelt's own tenure of office was not in question, but one-third of the Senate and the whole House of Representatives had to be renewed and, in addition, many of the States of the Union were choosing Governors and Legislatures. It has hitherto been the absolute rule that in the off-year election the President's party loses seats in Congress; indeed, on the average of the last seventy years, the President has had Congressional following in the second half of his term of more than 48 per cent. of the members. The question, therefore, appeared to be limited to the number of seats the Democrats would lose, especially as they already had the largest majority since the carpet-bag days of President Johnson. They were conceded a few gains in the Senate, since the Senators now retiring were elected with Mr Hoover in 1928, but it was agreed that a loss of no more than 30 seats in the House would be a Democratic victory. "Straw votes" and similar attempts to read in advance the popular oracle had foretold a slackening of support for the President. The most widely followed of them predicted, with deceptive precision, that the Roosevelt vote would fall from 69.03 per cent. in 1932 to 50.97 per cent. in 1934.

The results, the latest of which are still being announced as we go to press, are such as to confound the prophets and shatter all records. In the Senate the Democrats have won 10 seats from the Republicans out of 32 contests and in a chamber whose total membership is only 96. In the House, so far from losing any seats, they will have gained from 10 to 15. Their party, for the first time in its history, has a two-thirds majority in both Houses—a fact of great importance, not only for the ratification of treaties by the Senate, but also for the control of procedure in the House.

Results like these cannot be achieved without the fall of many citadels of Republicanism hitherto considered impregnable. In Pennsylvania, which has been Republican ever since the days of Lincoln, Senator Reed was beaten for reelection by his Democratic opponent. Connecticut, another of the select band of States which voted for Mr Hoover in 1932, chose Democrats as Governor and Senator. The most amazing result was in New York State, where the State outside the City has hitherto clung to Republicanism both because of its opinions on National politics and also because of its rural repugnance for the Tammany-ridden metropolis. Mr Lehman, Mr Roosevelt's successor as Governor of the State, has been re-elected by majorities both inside and outside the City and he has been given the almost unprecedented assistance of a Democratic legislature. Mr Roosevelt has thus been able, as President and by proxy, to do what neither he nor Mr Al Smith in his heyday was ever able to achieve. In New York City the Democratic tide has even restored the seriously discredited fortunes of Tammany Hall. In West Virginia it has elected to the Senate a candidate who, like Henry Clay a hundred years ago, is under the constitutional age and will have to await his thirtieth birthday before taking his seat.

The consolations of the Republicans have been few and far between. In Vermont they have elected all their candidates and in Kansas nearly all. These two States, the one in its mountains, the other transplanted to the Middle Western prairies, are the last refuges of Yankee Puritanism, which has always been the backbone of Republicanism. The victory of the Republicans in Michigan, especially that of Senator Vandenberg, cannot be so easily explained, and it is perhaps for them the most encouraging news of this day of disasters. A Republican Governor was also elected in California, but his Democratic opponent was Mr Upton Sinclair, whose Socialistic project to End Poverty in California made him a follower of Mr Roosevelt in nothing but name. As it was, Mr Sinclair polled more votes than any Democrat has ever done in California, and he was defeated only by the most strenuous and frantic efforts of the frightened capitalists of the State. But though EPIC failed in California, EPIW won in the State of Washington where the new Senator, Mr Schwelienbach, is described as "Leftier than Left," while in Minnesota the very Radical Farmer-Labour Party carried all before it.

To interpret this amazing victory is not so easy as to record it. One thing, however, is as clear as daylight: it is an immense personal triumph for Mr Roosevelt. That can be seen not only in the victories of Democrats but in the fate of Republicans. Those who had attacked him, such as Senators Reed of Pennsylvania, Fess of Ohio and Robinson of Indiana, and Congressman Britten of Illinois, have been rejected. In Wisconsin, his personal support was sufficient to elect the brothers La Follette, one to the Senate and one to the Governorship, even though they had both Republican and Democratic opponents. There can be no doubt that the electorate has applied to every candidate the touchstone of his loyalty to the President.

Whether the election is a specific endorsement of the President's policies is rather more open to doubt. This was the first test of the New Deal. Two years ago the voters did not vote for the New Deal, which at that time had a name but no substance; they did not even vote for Mr Roosevelt so much as *against* Mr Hoover, and it is possible that if the details of the New Deal had been revealed to them they would have rejected it in advance. This, then, was their first opportunity of passing a vote of thanks to Mr Roosevelt for being better than Mr Hoover and for making 1934 better than 1932. Reopened banks, higher agricultural incomes, increased employment, the swelling stream of relief—all these undoubtedly helped to swell the voice of gratitude. The New Deal as a whole has been endorsed. Indeed, it could not have been otherwise, for no alternative was offered, and the people will always prefer somebody with some policy to nobody with no policy.

But if the President seeks to draw from this expression of the popular will any indication whether he should drive his policies forward to new and unexplored fields of Radicalism, or return gradually towards Conservatism, or keep in the middle of the road, he will find very little guidance. Conservatives like Senators Byrd and Gerry, provided they were Democrats, were elected just as triumphantly in the East as "wild men" like Senators Bilbo and Schwelienbach were elected in the Deep South or the Far West. The Democratic Senate will embrace elements as incompatible as Carter Glass and Huey Long. Mr Roosevelt has collected all opinions behind his banner rather than forged a new instrument of consistent policy.

This fact makes the victory in a sense even more remarkable, for it strengthens the impression that the vote was a Roosevelt vote rather than a Democratic vote or even a New Deal vote. No one man has ever, in the face of free opposition, won such unconditional support from so many millions. After this election, even more than before it, everything depends on the personal policies of Franklin Roosevelt.

The President appears to be emerging as a sincere and powerful Liberal. There has been very little monetary experimentation and no currency manipulation for nine months, and Mr Roosevelt has let it be known that he does not wish to reopen this phase of his earlier policy. The N.R.A. is no longer an attempt to lift the country into immediate prosperity by its own boot-straps but an agency for the social control of business. The President's policies, as they appear at the moment, consist of relief of the destitute, social reform and controlled expansion of individual business—a platform on which any Liberal in any country would be proud to stand. An extension of the public works scheme is foreshadowed, the White House has already announced a great development of its housing plans, and a comprehensive system of social insurance has been promised for many months. These are likely to be the main lines of progress in the immediate future. They are less Radical, but at the same time less frightening, than those of 1933. There is the major hazard of monetary disturbance, arising either out of the excessive supplies of credit already available to the banking system or out of some possible inflationary move forced on the President by an impatient Congress. But apart from this, the United States has now the prospect of sound progressive leadership such as neither it nor any other nation has known since the days before the war.

The mention of Congressional impatience brings up the other threatening danger. The very size of the Democratic

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majority and the diversity of opinions it embraces may make it very unamenable to control. The opposition of the Right has been annihilated and thrown to the winds; the opposition of the Left, solidly entrenched within the Democratic Party, has still to arise. The probability is increasing that when the time comes for Mr Roosevelt himself to go to the people he will do so as the champion of moderation.

THE BUILDING BOOM

RECOVERY in the building of houses has long been regarded as one of the first indications of an upward movement of the trade cycle, for this branch of activity is normally very sensitive to changes in the rate of interest and in the costs of production. The experience of the past two years has confirmed this view so far as this country is concerned. Both interest rates and construction costs declined appreciably between 1929 and 1932 and facilitated the translation of the social need of houses into effective demand at such a rate that the building trade experienced an expansion in 1933 and in the first half of 1934 to a level never before reached.

The comparative development of the building industry in a number of countries is shown by the following indices, compiled by the Economic and Financial Organisation of the League of Nations. With the exception of the figures for the United Kingdom, which are based on the estimated cost of building plans passed, the statistics relate either to the number or floorspace of buildings:—

INDICES OF BUILDING ACTIVITY
(Based on Building Plans Passed)
(1928 = 100)

	Union of South Africa	France	Germany (Dwell-ing Houses only)	Italy	Great Britain		United States	
					Dwell-ing Houses	Others	Dwell-ing Houses	Others
							(a)	(a)
1929 Monthly Av.	118.4	126.8	128.7	145.2	110.3	105.6	68.2	100.9
1930 " "	104.7	141.2	99.8	126.7	116.6	102.0	40.5	68.5
1931 " "	122.7	128.9	45.9	76.6	100.9	82.5	33.5	43.3
1932 " "	67.8	103.1	31.4	65.5	116.9	70.9	13.0	20.5
1933 " "	96.6	93.8	37.2	77.1	155.3	78.3	12.8	18.2
(b)								
1933—March	88.1	96.9	27.4	73.0	163.2	73.8	10.1	15.5
June	90.0	94.8	33.9	82.6	153.1	88.9	17.5	21.9
September	131.2	92.8	43.6	77.4	170.7	92.3	19.3	20.1
December	101.1	88.7	36.2	79.3	160.2	77.9	12.4	16.1
1934—January	116.2	88.7	37.3	81.9	148.7	95.9	8.3	17.0
February	138.8	89.7	30.5	98.3	180.1	82.6	7.7	13.3
March	134.9	90.7	40.2	117.8	182.8	102.2	17.0	23.8
April	146.4	89.7	54.8	126.3	181.0	89.2	12.6	24.8
May	150.1	86.6	57.8	134.3	187.7	109.2	13.0	25.1
June	160.2	83.5	58.5	145.8	210.5	104.0	15.8	22.2
July	...	83.5	69.0	152.2	187.4	113.3	10.1	25.7
August	...	82.5	...	139.8	119.1	73.9	...	...

(a) Contracts awarded.

(b) Adjusted for seasonal variations.

The divergences in the development of the building industry in these countries are remarkable. Most countries, with the exception of the United States and France, experienced an improvement in 1933; but the expansion of dwelling-house construction in Great Britain in 1933 and in the first half of 1934 was unequalled by any other country. Since the beginning of the current year South Africa has made progress, and Italy and Germany have forged ahead under the stimulus of official encouragement. On the other hand, the position in France has recently continued to deteriorate and the volume of construction in Canada and in the United States, which had fallen from "sky-scraper" to "log-cabin" proportions between 1929 and 1933, remains at an insignificant level.

In the absence of Government subsidies, a revival in house-building during a period of general industrial depression can only take place if there is a social demand for houses and if there has been a sufficient decline in interest rates and in costs of construction to permit the translation of potential into effective demand. The first of these conditions is undoubtedly present in all countries, and particularly in the United States, whose population is still increasing by over a million per annum. But one or both of the other two conditions are still absent in many countries. In the United States, for example, an appreciable expansion in the building industry has so far been prevented by the high level of building costs, due in a large measure to the operation of the National Recovery Act.

The importance of the revival in dwelling-house construction in Britain's recovery since the beginning of 1933 can hardly be exaggerated. Moreover, although the revival has been largely financed by money borrowed from the building societies and other credit institutions, it took place virtually without official stimuli in the shape of subsidies. The extent of the improvement can be illustrated by the fact that whereas the *Economist* index of general business activity rose from 95.7 (1924 = 100) in February, 1932, to 111.3 in June, 1934, our index of building activity, which includes industrial construction, advanced from 110 to 226 during the same period. There is no doubt that the revival in dwelling-house construction forms the backbone of British recovery, for the money spent on buildings and household equipment represents a fairly substantial proportion of total expenditure. Moreover, building and construction usually represents more than one-half of the amount annually invested in fixed capital. The following table shows the ramifications of the building industry in this country and the extent of the improvement in the various trades directly connected with this branch of activity:—

EMPLOYMENT IN BUILDING AND ALLIED TRADES: GREAT BRITAIN

Trade	Estimated Number of Insured Persons, aged 16-64		Percentage of Insured Persons Unemployed		Increase (+) or Decrease (-) as compared with
	July, 1929	July, 1933	Sept., 1934	Sept., 1932	
	(000's)	(000's)			
Public works contracting.....	164.4	277.6	44.6	+ 2.7	- 1.6
Building	826.0	883.8	17.6	-11.2	- 2.1
Stone quarrying and mining	42.7	46.7	21.5	- 8.7	- 4.1
State quarrying and mining	10.5	10.1	7.9	- 7.1	- 5.7
Artificial stone and concrete	17.4	22.3	21.8	- 5.9	- 1.1
Brick, tile, pipe making	82.0	89.6	12.3	-11.1	- 2.3
Pottery, earthenware	72.9	75.8	16.4	-12.9	- 4.4
Glass	27.5	28.2	12.0	- 8.0	- 3.4
Paint and varnish	18.9	21.1	6.8	- 3.8	- 1.3
Stove, grate, pipe, etc., and general iron founding	88.7	91.5	14.1	-15.3	- 5.1
Electric cable, apparatus, lamps.....	94.0	125.6	7.5	- 3.3	- 2.8
Brass and allied metal wares	28.1	25.2	9.9	-10.8	- 4.4
Heating and ventilating apparatus ..	8.7	9.8	10.2	-10.1	- 3.7
Carpets	120.3	132.9	12.1	- 5.2	- 3.3
Furniture making, upholstery	6.2	6.2	7.8	- 7.6	- 2.9
Wall paper making	13.8	14.5	8.6	- 3.5	+ 0.7
Oilcloth, linoleum	10.2	13.0	12.2	- 8.7	- 2.7
Brushes and brooms					- 1.8
All Trades enumerated in Ministry of Labour Gazette	12,094	12,883	16.1	- 6.7	- 2.3

It will be seen that the number of insured persons increased between 1929 and 1933 in all but three of the trades

enumerated above. Despite this influx of labour into the building and allied trades, unemployment declined by more than the average of all trades between September, 1932, and the corresponding month of 1933, in all but a few of the less important industries shown separately. The percentage of the total number of insured persons represented by the above list of trades (which is by no means comprehensive) rose from 13.7 in July, 1929, to 14.8 in the corresponding month a year ago.

In the *Economist* of March 31, 1934, we estimated that from five to six million houses would have to be built between 1931 and 1951 in order to ensure that by 1951 none of the population is housed more densely than three persons to two rooms and that old and out-of-date houses are replaced at a reasonable rate. The attainment of the standard indicated by 1951 would require the construction of an average of 250,000 to 300,000 per annum for the next seventeen years. During the twelve months ended September 30, 1934, no less than 240,000 houses were constructed by private enterprise without subsidy—an increase of 73,000 as compared with the preceding year. During the same period the number of houses completed with State assistance rose from 50,433 to 51,497. The level of dwelling-house construction in the past twelve months was, therefore, at the record rate of just under 300,000 per annum.

But will this record level of building be steadily maintained? The answer to this question is of the utmost importance for those connected with the industry, for a mis-judgment might easily lead to wasteful over-expansion of the productive capacity of these trades and ultimately to a severe slump in profits. Although both interest rates and building costs remain as low as ever, and are not likely to increase in the near future, there are signs that the peak in building middle-class dwelling-houses has, for the moment, been passed. On the other hand, an appreciable decline in the rate of construction of this category of houses is improbable in coming months. Moreover, commercial construction has tended to increase, and this development, together with the Government's slum-clearing programme, will probably compensate for a moderate decline in the building of dwelling-houses of the middle-class type.

RECOVERY IN SOUTH AFRICA

(BY A CORRESPONDENT)

It is now nearly two years since South Africa so suddenly abandoned the gold standard, after maintaining it under conditions of great difficulty for fifteen months longer than Great Britain. To those who supported the policy of going off gold, subsequent developments have apparently confirmed their contention that this step would be wise. All the available economic indices show that the country has made a striking recovery from the deep depression which existed in 1932:—

	1932	1933	1934
Employment in mines (July):			
Europeans	30,651	34,951	39,518
Total	305,423	333,972	365,430
Index of industrial employment (July) (July, 1925=100):			
Europeans	93	104	122
Total	83	91	109
Bank debits (Jan.-July):	£ mn.	£ mn.	£ mn.
Johannesburg	197	343	455
Rest of country	392	432	558
New buildings commenced (Jan.-July)	£ mn. 2.6	£ mn. 2.7	£ mn. 6.6
Imports (Jan.-July):	£ mn.	£ mn.	£ mn.
S.A. currency value	18.9	25.8	35.4
Gold value		18.5	22.2

There are, however, still a certain number of cautious observers who feel a sense of distrust about the apparent benefits of currency depreciation. They feel that prosperity obtained by currency manipulation has something fictitious about it, and, however striking in the short run, may not be permanent. They distrust the easily made fortunes of the gold boom, and regard with apprehension

the growth of speculation and the numerous flotations of doubtful gold-mining companies, to restrain which the Government is understood to be contemplating changes in the law. To such observers the excessive cash reserves of the banks threaten a credit expansion which would carry the speculative boom to further heights and in the end give rise to a new crisis, which would leave the country once again staggering beneath the burden of lightly incurred debts.

Before proceeding to decide which, if either, of these two points of view is correct, it is necessary to consider the nature and causes of the depression in South Africa from which the present recovery has taken place. Very broadly, this depression was due to two main causes. The first of these was the heavy fall in the prices of exports other than gold. In an endeavour to maintain the world price of diamonds, diamond mining was practically discontinued and exports of diamonds fell to a small fraction of their previous total. Exports of farm products were quantitatively fairly well maintained, but their value fell by nearly two-thirds. Consequently the total of South African exports, other than gold, fell from £50 millions in 1929 to £20 millions in 1932. Total exports in 1932 were valued at £69 millions, which, after providing for interest and other payments due abroad, would probably have been sufficient to cover nearly £50 millions of imports, as compared with over £80 millions in 1929. The fall in volume would naturally have been less owing to the fall in import prices.

Meanwhile, however, a second and aggravating cause of the depression had supervened. When Britain left the gold standard a flight from the South African pound commenced, due principally to the belief that South Africa would shortly follow Britain's example. This flight from the currency, for which the policy of the then Parliamentary Opposition must take its share of blame, provided one of the best examples on record of the deflationary effects of currency uncertainty. The banks' reserves of gold and foreign exchange were rapidly depleted, and they were compelled to institute drastic restriction of credit, which in turn resulted in a rapid fall in imports. The effect of the action of those who transferred their balances to London was to force banks and others to call up loans and thus to impose on the country as a whole compulsory saving at the extraordinary rate of something like £15 millions a year. The funds so saved were mainly accumulated at short term in London. The effect of this further curtailment of the purchasing power of the community was greatly to intensify the local depression, and in particular to reduce imports (which in South Africa consist largely of finished goods) to the very low total of £33 millions in 1932, or some £17 millions less than the amount which the country could probably have afforded in the absence of any flight from the currency.

It is clear that this additional measure of deflation was, so to speak, artificial, and that, as soon as confidence in the currency returned and the export of capital ceased, interest rates would fall and recovery would commence. There were indeed signs towards the end of 1932 that such a recovery was beginning to develop. In December, however, the course of events was dramatically changed by political developments, and a renewed flight from the currency forced the Government to give up the struggle, abandon the gold standard, and, after a short interval, peg the exchange at parity with sterling by means of a Government guarantee to the Reserve Bank against exchange losses. It is probably true that the monetary ease and low interest rates which almost immediately followed were due, not to the actual depreciation of the currency, but to the removal of fears of future depreciation in terms of sterling. It was the restoration of confidence in the future of the currency which caused the export of capital suddenly to cease and caused owners of balances in London to take their profits with the re-import of the amounts previously exported. Any other factor which restored confidence would have had, in the main, the same effects—a rise in the gold holdings and foreign exchange reserves of the Reserve Bank, rises in the cash

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reserves and deposits of the commercial banks, a heavy fall in interest rates, and an accompanying rise in prices of securities, a gradual recovery in business, especially in the building and allied trades, and an upward tendency in imports.

The fact that the restoration of confidence in the currency was accompanied by devaluation has, of course, modified subsequent developments in several ways. Its immediate effect was to depress the total gold value of imports and so temporarily to increase the monthly export surplus, and it was not until the middle of 1933 that imports regained their former gold level. If there had been no devaluation it is probable that the gold value of imports would have risen sooner and possibly faster.

On the other hand, it is probable that the increase in employment was considerably accelerated by the devaluation. In a country where exports are equal to half the national dividend the effect of a sharp rise in the currency value of exports without a corresponding rise in costs is to give recipients of residual incomes a much larger share, and recipients of more or less fixed incomes, such as interest, rent and wages, a much smaller share, of the total national output. To most producers of exported farm produce this redistribution of income did no more, even with the addition of Government subsidies, than restore a part of what they had previously lost; and even after the subsequent rise in world prices it is doubtful if many additional resources have been attracted to the export (farming) industries. To the owners of the gold mines, on the other hand, it gave, despite heavy new taxation, profits on a scale never before dreamed of. There naturally followed a great rush of investment into gold-mining shares, new and old, and a rapid increase in employment both in the mines themselves and in the many industries throughout the country which, directly or indirectly, serve them. At the same time, the Government was able to use its share of the profits in relief, subsidies and public works, while at the same time reducing taxation to the ordinary taxpayer.

With regard to the future, there is no reason why South African imports should not rise in due course to the full level which could be paid for by the current value of exports. This level is at present somewhat below the figure of £50 million gold, mentioned above as justified for 1932. Owing to the fall in the average grade of ore milled, the output of gold has fallen, while a large share of the increased profits has to be paid over to overseas shareholders, so that it is estimated that the present level of exports justifies imports at an annual rate of about £43 million gold, or, say, S.A. £70 millions. To judge from imports during recent months, this level will shortly be reached.

So long as the banking system holds large surplus reserves of gold and foreign exchange, there is no reason why imports should not for a time rise above this level. If the banks continue to exercise their present careful advance policy the excess of imports will probably be moderate, and the consequent depletion of the excess reserves slow. Under these conditions, bank deposits would slowly sink towards

a normal figure, and ultimately a moderate and gradual rise in interest rates would probably be sufficient to check the depletion of reserves and stabilise the position without any very serious setback to business. If, however, the banks, forgetting the lessons of 1919-20, were to embark on a very active advance policy on the strength of their present overabundant supplies of cash, the import surplus would be larger and the rapid depletion of the cash reserves would be accompanied by a rise in advances rather than a fall in deposits. The exhaustion of the banks' excess reserves would then not only come sooner, but would give rise to a much sharper and more violent rise in interest rates and would cause a much severer business setback.

The decision on the policy to be pursued rests with the commercial banks, for the assets of the Reserve Bank are almost wholly in the form of gold and foreign exchange, and it is therefore powerless to offset an expansion of credit by sales of securities. If the rise in imports above the level justified by current exports is sufficiently gradual, it is even possible that no setback at all may occur. For in that case it is probable that, by the time that the banks' reserves have been depleted to normal, at least some fraction of the recent new gold-mining investments will be bearing fruit. And in consequence the balance of current payments may be restored by an increase in exports of gold, which would check the drain on the banks' reserves and allow imports to be maintained permanently at the somewhat higher level then existing.

CHALLENGE AND RESPONSE

THERE have been many historians but few students of history—few, at least, in Professor Toynbee's sense. The first three volumes of this study* cover Parts I-III of the thirteen indicated in the "plan of the book"; other volumes are to follow later. This is indeed a work in the grand manner, and one may gather from the introduction that the author has for tactical reasons deliberately chosen a very large canvas. He proclaims himself on the side of the reaction against the ever-subdividing specialisation of modern historical scholarship—against what he calls "the industrial system in book form with its division of labour and its sustained maximum output of articles manufactured from raw materials mechanically." In opposition to the cult of specialised "research" he sets out to view human history—or at least the history of "civilised" humanity—as a whole; and to make "a comparative study of the successive civilisations—the experiments in civilisation—that mankind has achieved."

Whoever ventures on the writing of such universal history invites the reproach of superficiality from the specialists in each field that he traverses, unless he can mass the big guns of erudition in sufficient force to enable him to hold his own. Professor Toynbee has been well aware of the danger, and his artillery is formidable. His equipment of detailed historical knowledge is incomparably superior to that possessed by either Mr H. G. Wells or Spengler, the two most notable of his recent predecessors in this kind of enterprise, and he knows how to use it with skill and relevance. The result, however, is rather more substantial, quantitatively, than readers outside a very narrow circle are likely to find themselves able to cope with; and if the work is to reach the wider public which its quality deserves, it will have sooner or later to appear in an abridged edition.

The book, as its wrapper explains, "is not itself a history, but a study of history, taking its material and illustrations from the whole range of history, wherever the author happens to find them." In other words, the approach is sociological rather than purely historical. Professor Toynbee does not, like Mr Wells in his "Outline of History," start somewhere in past time and work forward to the present; he takes his stand in the present and makes excursions into the past as far as it interests him to go. This procedure determines the lines of division in the his-

torical scheme. Starting with the history of England, Professor Toynbee finds that it is not intelligible in isolation, but must be considered as a part of a larger whole, namely, the history of Western Europe since Charlemagne, which forms an "intelligible field of historical study," and is also one "civilisation" or "society"—all these three terms being used interchangeably in the course of the book. But if we go on "working outwards and backwards from the standpoint of our own country in our own day" we do not reach a yet larger unity; the point of maximum intelligibility has been passed, and a law of diminishing returns begins to operate. Outside our own "society" spatially, or prior to it in time, we come across others—twenty in number according to Professor Toynbee's classification—which resemble ours sufficiently to be assigned to the species "civilised." Beyond these again, in prehistory or in corners of the modern world, are "primitive" societies which form a dim horizon to the historical landscape; it is with the civilised foreground, however, that Professor Toynbee is mainly concerned.

The conception of an "intelligible field of historical study" intermediate between the national State and mankind is in itself valuable; by it we can be emancipated from the supremacy of insular, nationalist histories without losing ourselves in the indefinite vastness of the total history of humanity. But the attempt to represent the flux of history by a certain number of clear-cut entities called civilisations is one that is fraught with dangers and difficulties, which Professor Toynbee does not altogether escape. His method works well when he is dealing with such relatively compact and isolated cultures as those of ancient Egypt, early China or Peru; it is less effective when confronted with those phenomena of interaction and interpenetration which are so important for cultural progress. Professor Toynbee recognises a relation between civilisations which he calls appresentation-and-affiliation; thus we have two civilisations, the Western and the Orthodox Christian affiliated to the Hellenic, and two others, the Arabic and the Iranic, affiliated to the Syriac, the affiliations taking place through the "chrysalis-churches" of Christianity and Islam. But it is hard to admit that we have here four new civilisations arising, for there is a continuation of four culture-provinces, the Latin, Greek, Semitic and Persian, which were already well differentiated before the beginning of our era. These cultures, however, were not self-contained but developed in contact and interaction with one another, and it is from their mutual exchanges and assimilations that the most striking historical changes occur. The "intelligible field of historical study" in the first few centuries of our era really extends from Spain to India; there are in fact some periods of history when cultures are sharply differentiated and others when they are to a great extent fused together. But a scheme which treats civilisations as solid, permanently self-identical units is inadequate to the motion of history no less than is a doctrine which treats nationalities in the same way. Nor does Professor Toynbee's scheme provide a satisfactory criterion for deciding at what point in development one civilisation ceases to be itself and becomes another.

The classification of cultures, however, is only a subsidiary part of Professor Toynbee's work; his main theme is the interpretation of human progress in terms of "Challenge-and-Response," a theme which he treats with great brilliance of exposition and examples drawn from the whole range of history. Challenge-and-Response is presented to us as the master-key for the understanding of cultural evolution. In the formation of a civilisation, an economic system or a great political power we are shown always a problem to be solved, a difficulty to be met, a challenge from the physical or human environment, and the effort of a society to cope with the situation. If there is no severe challenge, if there is a perfect adjustment between a society and its environment, the society is stagnant and unprogressive; if the challenge is too severe, man is destroyed or gives way to despair or is only just able to hold on; with a challenge of medium severity man is stimulated without being overwhelmed, develops his faculties and makes progress.

The author studies the conditions under which great initial advances in civilisation have been made, and concludes that the most favourable environment for human

achievement is a fairly hard one. We have chapters on the "stimulus of hard countries," "the stimulus of new ground," "the stimulus of blows," "the stimulus of pressures," and "the stimulus of penalisation." The argument is worked out in a most original and illuminating way. What the author appears to ignore, however, is that ease and prosperity challenge men no less than hardship and adversity, though in a different way. If Capua demoralised the soldiers who had followed Hannibal across the Alps, does it not show that this was just the one

challenge which they were unable to meet? If our civilisation with all the gifts of science and machinery now appears to be in danger of a breakdown, does it not prove that the age of mechanical progress demands as much of man's intelligence and virtue as did the primeval wilderness, if he is to live in it successfully? The challenge of our time is the challenge of Capua; and, if we can distribute the abundance of wealth that we produce and use it for civilised living, we shall be doing about as well as any hillbillies, frontiersmen or hardy pioneer stock have ever done.

NOTES OF THE WEEK

Disaffection Debated.—The Incitement to Disaffection Bill passed its third reading in the Commons on Friday, November 2nd, by 241 votes to 65. The debate provided the best defences of the measure hitherto adduced, in the speeches of the two law officers of the Crown. At the close of the debate the Attorney-General assembled a few references to the subversive activities of such presumably influential bodies as the Young Communists International and the Anti-War Committee. The Solicitor-General, Sir Donald Somervell, contended that when the Bill becomes law it will not interfere with the liberty of political opinion, "if one takes the words in their ordinary meaning." But what will the liberty of political opinion of soldiers, and of those seeking to express their views to soldiers, then amount to? The Solicitor-General twitted Liberals with their "fanatical views" on Free Trade, and asked if anyone could "draw the inference from the fact that they hold those views, that they were intending to incite Customs officials not to collect the protective duties which are at present imposed by Parliament? The analogy," he said, "is complete." Hardly. Anyone will be able to have copies of a Free Trade pamphlet, with intent to disseminate them among Customs officials after the Disaffection Bill becomes law. Anyone can do so now. But propagation of political views will not be taken as inciting Customs officials to disaffection or disobedience. Yet, once the present Bill becomes law, anyone publishing, or possessing, any political or religious views calculated to reach a soldier and seduce him from his "duty or allegiance" will be in danger of imprisonment, as long as a jury, on a prosecution under the forthcoming Act, finds an intent so to do. Many will ask how far the expression of any views to a soldier will be held to have the natural and probable consequence of seducing him from his duty or allegiance, and so to prove the criminal intent of the accused. On Tuesday the Bill passed its second reading in the Lords, where it was sponsored by Viscount Hailsham, Secretary for War. Lord Reading stated that, in his opinion, the whole purpose of the Bill was to give the right for the search warrant, and that, "however strongly the Government might say that it was not intended to prevent the expression of political opinion, it could not be true that the Bill would never do so." Lord Allen begged the Government to suspend the Bill for the present. But the Government's measure, with the Government's weight behind it, went on its unfortunate, disquieting way.

Another Labour Victory.—As with recent Parliamentary by-elections, the main features of last week's Municipal elections were the success of the Labour Party and the further elimination of all other parties but Municipal Reform (Conservative) and Labour. Municipal councillors are elected for three years, but while in London the whole council is elected every three years, in the rest of the country a third of the council is elected each year. This year Labour gained a net total of 698 seats in England and Wales, compared with a net loss of 404 in the crisis year of 1931. But the Labour victory this year was much greater in London than in the rest of the country. In London 457 seats were won, compared with a loss of 210 in 1931; while outside London 253 were won, compared

with a loss also of 210 in 1931. Labour now controls 15 councils in London out of 28, or one more than in the previous record year of 1919; and the total Municipal representation in London boroughs now consists of 729 Labour members, 656 Municipal Reformers, no Progressives and one Independent. Municipal elections, in which the poll is lamentably small, are usually regarded as affording no evidence of Parliamentary voting prospects. In 1931, however, there was a close correspondence between the two; and the marked coincidence this year between L.C.C., Parliamentary and Municipal election tendencies suggests that Labour can now claim about the same general voting strength in the country as in 1929. It is also hard to resist the conclusion that the trend towards a two-party system is gaining ground. The fact that Labour's victory was much greater in London than in the provinces is partly due, no doubt, to Mr Herbert Morrison's influence and authority, and partly, perhaps, to the not very scrupulous Press campaign carried on against the Labour Party in London. It also would appear to confirm the general impression that Labour's fortunes tend to fail in times of depression and gloom and revive with prosperity and optimism.

Depressed Areas.—The reports of the four special commissioners appointed by the Government to investigate conditions in the depressed areas have at last been published, but they appeared too late to be commented on *in extenso* this week. The areas investigated were West Cumberland; Haltwhistle, Durham and Tyneside; South Wales and Monmouthshire; and Scotland. It cannot be said that the proposals contained in these four reports reveal anything particularly novel or striking, and it is difficult to imagine why the Government should have hesitated so long in authorising their publication. Mr J. C. C. Davidson, who deals with Cumberland, attaches greatest weight to land settlement on the basis of large-scale cultivation, and is opposed to relief schemes. Captain Euan Wallace, who had to investigate the more formidable problem of Tyneside and Durham, makes several interesting suggestions, and his report is much the boldest and most constructive. His proposals include the unification of mining royalties and of local government areas, Exchequer assistance to bring down the charge on the rates for poor relief, the inauguration of a land settlement scheme on the lines of that at present operated by the Durham County Council, a special housing scheme, and various schemes for public works, including a road tunnel under the Tyne. Sir Wyndham Portal places his chief hope for revival of the South Wales coal industry in the exploitation of new uses for coal. He also advocates a coal agreement with Italy on the lines of the Scandinavian agreement, which he contends has indirectly penalised South Wales. Sir Arthur Rose draws attention to the keen desire for land among the unemployed, and accordingly advocates land settlement and land reclamation; he also looks to the development of low-temperature carbonisation as a hopeful prospect for the Lanarkshire coalfield. No one who understands the facts will blame the commissioners for failing to produce rabbits out of a hat, but, with the exception of Captain Wallace, none of them has anything very novel to say.

* "A Study of History." By Arnold J. Toynbee. Oxford University Press. 3 volumes, 476, 452 and 489 pages. £2 12s. 6d.

The Anglo-German Agreement.—Both in Germany and England the conclusion of the new Anglo-German Payments Agreement, upon which we commented last week, has been received with a sense of relief. The relief is tempered in this country with a cautious disinclination to optimism, which was reinforced, if not inculcated, by Mr Runciman's warning words in the House on Thursday of last week—tempered also among British exporters with a sense that, for resumed and new business with Germany from now onwards, an open weather-eye on the evolution of Germany's "dictated" economy is only common prudence. As anticipated, the Anglo-German agreement for the settlement of trade debts has resulted in Lancashire cotton spinners lifting the ban on yarn exports. This decision was reached in Manchester last Tuesday at a meeting attended by about 150 spinners and exporters. According to our Manchester correspondent, the resolution put forward described the agreement as acceptable to cotton textile interests, and it was recommended that trading with Germany should be resumed, bearing in mind the caution already advised by the Government. The opinion was expressed, and echoed elsewhere this week, that it was extremely advisable that trading in the future should be undertaken only on very short credit terms. The trade's embargo on the export of cotton yarns to Germany was announced on August 3rd, and since then there has been a drastic decline in shipments to that country. It is believed that as a result of the suspension of trade, Lancashire spinners have lost business amounting to £400,000, and thousands of operatives have been unemployed for many weeks. In contrast, substantial inquiries have been received from Germany during the last few days and some large contracts have been arranged. On the German side, according to our Berlin correspondent, the conclusion of the new agreement was well received, and induced a temporary recovery on the Stock Exchange. Doubts, however, are being expressed whether the Reichsbank will long be able to maintain the unrestricted issue of exchange certificates for British goods. Although the Reichsbank in withdrawing its offer of last May to redeem interest coupons at 40 per cent. in cash refers only to "the unfavourable development of the exchange situation," the Press remarks that a factor in this decision was the new obligation to provide £400,000 for liquidation of outstanding trade debts to British exporters. The apparent advantages to Britain of the new agreement had a speedy effect in Holland; and the Dutch Government denounced the clearing agreement of September 21st, which expires on November 16th. It has presented in the Dutch Parliament a Bill supplementing and apparently making more rigorous the existing clearing regulations. The working of the clearing agreements with France and Holland has been quite other than was expected by their creditors of Germany. Exporters to Germany, thinking that their proceeds were to be automatically converted into their own currency by their own Government, increased their deliveries far beyond the limit of current German export proceeds; and the creditors' mark balances soared in Berlin. As we said last week, proof of our new Agreement's efficacy in paying British exporters and creditors must emerge from its working.

* * *

Keeping Order in the Saar.—Last week the French Government let it be known that the general commanding the troops on that part of the French frontier which adjoins the Saar territory had been given instructions how to act if the President of the Governing Commission of the Saar were to call for his assistance in case of emergency. It was intimated, at the same time, that the French troops in question would be able to take their action, if the case arose, at very short notice. This precautionary measure follows upon the public warning, given by M. Barthou in September, that France would fulfil the obligations into which she has entered for seeing that the plebiscite in the Saar is conducted without intimidation or disorder. M. Barthou's declaration refers to an international transaction which took place in 1926. In that year the Saar Governing Commission stated to the Council of the League that it would regard itself as entitled, in case of absolute necessity, to call upon troops stationed outside the territory and in the vicinity of its frontiers to assist in maintaining

order. The Council of the League took note of—and thereby implicitly acquiesced in—the Governing Commission's report to this effect; and since France was, and is, a member of the Council, while the troops indicated by the Governing Commission could hardly mean any but French troops, M. Doumergue may fairly claim that France did then enter into a positive obligation which devolves especially upon her. In reminding the House of Commons of these facts last Monday, Sir John Simon declared for the British Government's part that "there never has been any question of the use of British troops, and nothing of the sort on our part is contemplated." Be that as it may, the moral responsibility of His Majesty's Government is not less great than that of any of the other Principal Allied Powers who drafted, signed and ratified the Versailles Treaty. However, the French dispositions, even by themselves, have already had a salutary effect. On November 2nd Herr Hitler's plenipotentiary for the Saar, Gauleiter Bürckel, issued an order to the S.A. and S.S. formations in parts of Germany adjoining the Saar frontier, forbidding the wearing of any uniforms within a twenty-five miles' distance of the frontier between January 10th and February 10th next, and likewise forbidding all parades, processions or gatherings of any kind in the same zone. On Wednesday the German Government instructed their diplomatic representatives in Paris, Rome, Brussels and London—the capitals of the Locarno Powers—to explain the German view of the Saar problem and the German objections to any employment of French troops in the Saar territory. They contend that the French are not empowered by the League Council so to act, and that therefore any such action by the French would hardly be in keeping with the spirit of the Locarno Treaty. It is to be hoped that the necessity for French intervention will never arise; for, as Sir John Simon pointed out on Monday, "the responsibility for maintaining order in the Saar rests with the Governing Commission," and this responsibility continues to be successfully discharged by the Commission.

* * *

Japanese Diplomacy.—We recorded last week the announcement in the "Manchukuo" Government's name of the Japanese Government's intention to give a monopoly of the oil business in Manchuria to a company financed with Japanese capital. This declaration led the British, Dutch and American Governments to protest formally in Tokyo. To this protest the Japanese Government has now replied. The text has not yet been made public, but the drift of it may be gathered from the forecasts in the Japanese Press and from the comments of the Japanese "official spokesman." According to the Japanese Press, the Japanese Government bases its case on the two theses that it is for "Manchukuo" to determine whether or not she is bound by the Washington Nine-Power Treaty relating to China; and that in any case any promises that may have been given—either by "Manchukuo" or by Japan—that the establishment of "Manchukuo" shall not affect the maintenance of the Open Door principle, are only binding *vis-à-vis* countries that have given "Manchukuo" their official recognition. Possibly the unofficial announcement of these theses is a kite to test which way the wind blows—like the notorious announcement, earlier in the year, of a "Japanese Monroe Doctrine." But there can be no real doubt that this is, in fact, the Japanese Government's policy, whatever discreet silences the present official note may observe. All that is positively known about the note is that it refers to the "Manchukuo" oil control law as an instrument which does not permit discrimination against the interests of any particular foreign nation, and that it excuses the Japanese Government from interfering in a question that lies between the Government of "Manchukuo" and a number of private foreign oil companies! "Manchukuo" is playing Mr. Jorkins' part for Japan with such admirable effect that it will be surprising if every imperial power in the world does not follow Japan's example and turn its subject territories into "independent States." And as for non-discrimination, the Japanese argument seems to imply that the Manchurian door would still remain technically open so long as it was barred and bolted impartially in everybody's face. Meanwhile it is

interesting—and ominous—to observe that Nanking is watching Japan's manoeuvres for establishing an oil monopoly in "Manchukuo" with a more sympathetic eye than she has given to anything that the Japanese have done in Manchuria so far. If Japan establishes a precedent, China may follow suit—and so obtain some grain of incidental benefit, at last, from the Japanese seizure of her three Eastern Provinces.

* * *

—And Some Reasons.—Meanwhile, Sir John Simon has announced that the controversy of last summer, which we reported in the *Economist* of July 28th, between the "Manchukuo" authorities and the British military command in North China, as to whether the British troops there should continue to carry out their summer exercises on the north side of the Great Wall in "Manchukuo" territory, has been settled as the Japanese desire. There being equally good ground on the south side, our troops, in future, are to use that instead! This is a good omen for the Japanese. More surprising still, however—at what Japan and our own Federation of British Industries must regard as a particularly opportune moment—is the letter of Professor H. A. Smith in *The Times* of Thursday. In that letter he suggests, by urging the analogy of the secession of the Spanish colonies a century ago and their recognition by Canning, that there was no rape of Manchuria, but that Manchuria "seceded"; that therefore we cannot really be bound by the League Assembly resolution for non-recognition in March, 1932, and that we may justifiably proceed to emulate Canning by recognising "Manchukuo" and so securing "chances of commercial intercourse in that country upon favourable terms." "The accepted rules of international law and practice," which Professor Smith prays in aid, were never stretched so far by Canning as to permit us to annex the Spanish colonies, to administer them, and then to exclude other countries from trading with them, unless or until recognition of their "independence" were granted. Indeed, to put the 1934 case back into the days of Canning, we may ask what Canning would have done if a powerful third party—say, the United States or France—had annexed the Spanish colonies on the plea of their secession, had administered them, and had closed the doors of trade to us until we recognised their "independent" status? If such are "the accepted rules of international law and practice," they savour more of practice than of law; and the Assembly resolution of March, 1932, denying recognition to Japan's rape of Manchuria, was an overdue step in the right direction.

* * *

Aftermath in Spain.—An uneasy calm reigns in Spain. The Army, which upheld the Lerroux Government in its hour of trial, has evidently no intention of relaxing its grip. Stringent censorship makes it very difficult to obtain reliable news; but there seems to be no doubt that, for the time being, the forces of the Left are routed. The Cortes met on Monday, and an able speech by Señor Gil Robles, the leader of the Catholic groups, secured a vote of confidence for the Government. The 235 deputies who voted included Basque Nationalists and the Catalan Right Party, the *Lliga* of Señor Cambo. Republican parties of the Left and Socialists took no part in the proceedings, and the extreme Right—Traditionalists and Fascists—also abstained from voting. The situation therefore remains delicate; for the Government is only a middle *bloc*, and its two main sections, Catholic Agrarians and Radicals, cannot for long hold together, with trouble likely to break out at any time either on the Right or Left. Thus the Army holds a decisive position. Magnanimity being an old Spanish custom, the Cabinet agreed to pardon twenty-one of those condemned to death for their share in the recent rebellion. The news that two leaders of the Asturias rebellion were being executed, however, produced an abortive attempt at a general strike on the part of the Syndicalist and Anarchist organisations. The ex-Prime Minister, Señor Azáña, and his assistant, Señor Luis Bello, are being tried by a civil court. The two Socialist ringleaders have been handed over to military jurisdiction. That Señor Lerroux still expects trouble is clear from his decision to form a special

TRADING ABROAD

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military corps of paid volunteers as additional reserves for the ordinary police; but this is hardly likely to please the Army. Although for the present Señor Gil Robles seems to be moderation itself, it looks as if the Government will be forced more and more into reactionary measures, which cannot but be distasteful to the vast majority of Republicans. As Sir George Young has said, "Spain is not yet in social revolution, but she is in secular revolution," and the emergence of the old Church and Army combination is bound to act like a red rag to the majority of self-respecting Republicans.

* * *

South Wales Wages Award.—The arbitrators appointed to adjudicate in the wages dispute in the South Wales coalfield—Lord Bridgeman, Sir David Shackleton and Mr Warner—issued their award last week-end. The award raises the minimum percentage on basis rates from 20 to 22½ per cent., as well as increasing slightly the subsistence rate, which will be raised from 7s. to 7s. 8d. a day. The flat-rate subsistence wage is restored and the discrimination made in the Schiller award of 1931 between married and unmarried men, which has always been resented by the miners, is abolished. The net result of this award is a slight increase in wages all round, though not so large an increase as that recommended by the National Industrial Board set up under the Coal Mines Act of 1930, on which the owners, it will be remembered, declined to be represented. In justifying the smallness of the increase the arbitrators state that the outlook for the coal trade is so uncertain that they do not feel at liberty to propose any great variation in the charges on the colliery undertakings. But they are careful to explain that the figures obtainable from the ascertainment tables in their present form "do not give any complete picture of the profits and losses in the coalfield under the conditions which now prevail." Both sides have confessed a willingness to reconsider the form of these returns, and it is therefore to be hoped that before this award comes up for reconsideration next September a form of accounts will have been agreed on which will show the real profits earned by the colliery undertakings which are the owners of the distributive organisations. The miners have always contended that these organisations have been making large profits even when colliery accounts have been showing losses, and the suspicion that they were not being given a square deal has been one of the principal causes of the bad feeling which has unfortunately characterised the relations between masters and men for a long time.

* * *

Sterling and International Prices.—The past fortnight has witnessed a renewal of the decline in sterling prices, but the movement is very small. The *Economist's*

complete British index number has fallen by 0.7 per cent., while sterling prices of primary products have fallen by 0.9 per cent. American prices are somewhat firmer. Primary products have risen by 1.0 per cent., while there is only an insignificant decline in the Irving Fisher general index number. Price increases in the United States include wheat, oats, maize, bacon, lard and sugar, but coffee, cotton, lead, rubber and petroleum have fallen. The slight divergence between the course of British and American prices may not be unrelated to the recent improvement in sterling. Continental wholesale prices are practically unchanged:—

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
	British Complete Index (sterling)	Primary Products (sterling)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	93.8	93.5	93.8	95.8	91.6
Apr. 20th	103.8	105.4	83.6	129.5	89.6	97.0	90.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	88.1
Oct. 19th	103.1	112.3	84.0	143.8	88.6	92.7	86.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	90.5	90.2	83.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	89.7	86.8
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	88.1
1934							
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	88.8
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	88.0
Mar. 28th	108.3	121.4	127.5	160.4	107.8	85.9	88.1
Apr. 25th	108.2	119.3	125.3	159.5	106.0	85.4	87.7
May 23rd	108.2	121.4	123.8	160.7	109.5	84.7	88.5
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	89.6
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	91.1
Aug. 15th	111.1	129.2	145.0	162.8	112.8	81.8	92.1
Aug. 28th	111.1	129.1	150.6	164.0	115.6	82.0	92.0
Sept. 12th	110.0	127.7	150.3	165.3	115.9	81.8	92.2
Sept. 26th	108.7	125.7	149.0	166.2	116.1	81.4	92.5
Oct. 10th	107.8	123.1	146.8	167.7	114.7	80.5	93.0
Oct. 24th	107.9	124.2	146.2	164.5	114.3	79.8	93.0
Nov. 7th	107.1	123.1	147.7	163.7	114.1	79.8	93.1

* These figures refer to Oct. 31st.

Details of the group indices comprising the complete *Economist* index number are given below:—

"ECONOMIST" INDEX
(1927 = 100)

	Sept. 18, 1931	Oct. 10, 1931	Oct. 24, 1931	Nov. 7, 1931
Cereals and meat	64.5	72.1	70.4	68.3
Other foods	62.2	58.7	58.5	59.1
Textiles	43.7	50.9	51.5	51.7
Minerals	67.4	75.0	76.4	75.8
Miscellaneous	65.8	67.8	69.1	68.7
Complete index	60.4	65.2	65.2	64.7
1913 = 100	83.1	89.6	89.7	89.0
1924 = 100	52.2	56.3	56.3	55.9

Grain prices show little change on balance, Canadian wheat being a shade firmer, but there were appreciable reductions in meat and bacon prices. Among other foodstuffs, refined sugar was cheaper, but there was a sharp advance in butter. In the textile group, American cotton declined, but Egyptian cotton continued to advance. Wool was firm, and there were moderate price increases in flax and jute. Non-ferrous metal prices were all lower. Among miscellaneous materials, hides, rubber and linseed oil all declined, but there were advances in sulphate of ammonia and creosote.

Idle Shipping.—The quarterly return of the Chamber of Shipping reveals a further appreciable reduction in the tonnage of ships laid up in Great Britain and Ireland. Changes in the net tonnage of idle shipping since 1932 are shown below:—

	No. Net. tons of ships. (000's)		No. Net. tons of ships. (000's)
Oct. 1, 1932	871	Jan. 1, 1934	482
Jan. 1, 1933	760	April 1, 1934	453
April 1, 1933	760	July 1, 1934	421
July 1, 1933	793	Oct. 1, 1934	330
Oct. 1, 1933	612		818

Not all of the 91 vessels which were removed from their "rusting places" during the third quarter of this year found employment on the high seas under the British flag, for 49 British ships have been reported as sold to foreign

traders and to British and foreign ship-breakers. But the figures suggest that there has been an increase of about 155,000 gross tons in British shipping in commission between July 1st and October 1st. This, at least, is a sign of a welcome, if meagre, improvement.

Employment in October.—According to the latest statement of the Ministry of Labour, there were approximately 10,206,000 insured persons aged 16-64 in employment in Great Britain on October 22, 1934, as compared with a revised figure for September 24 of 10,243,000, and with 9,927,000 for October 23, 1933. There was an increase during the month of 37,648 in the number of persons on the registers of the Employment Exchanges, of which 35,344 is the increase in the number of men wholly unemployed. The total number on the registers was 2,119,635, of whom 1,695,897 were wholly unemployed, 338,199 temporarily stopped and 85,539 classified as "normally in casual employment." There was a slight reduction in the number of girls and boys registered, although they are now more by 25 per cent. than a year ago owing to the coming into force of the new juvenile unemployment legislation. The number of unemployed women also fell slightly during the month, but is about 7 per cent. higher than a year ago. The total figure, however, is 179,118 less than in October, 1933. The following table shows changes in the number and percentage of insured persons unemployed in various industries:—

	Increase (+) or Decrease (—) since		Sept. 24, 1934		Oct. 23, 1933	
	Number	%	Number	%	Number	%
Coal mining	+ 22,304	+ 8.6	— 48,194	— 14.6		
Iron and steel	— 2,402	— 5.2	— 17,746	— 29.0		
Engineering	— 1,280	— 1.7	— 53,828	— 34.2		
Shipbuilding and repairing	+ 3,994	+ 5.4	— 19,356	— 20.0		
Metal goods manufacture	— 2,316	— 3.4	— 15,008	— 18.6		
Motor vehicles, cycles and aircraft	— 4,883	+ 15.9	— 7,601	— 22.7		
Building	+ 9,591	+ 6.6	— 9,111	— 5.2		
Public works contracting	+ 2,137	+ 1.7	— 3,447	— 2.7		
Cotton	— 4,536	— 4.0	+ 1,158	+ 1.1		
Woollen and worsted	— 7,515	— 18.5	+ 12,635	+ 62.3		
Tailoring	— 5,704	— 16.0	— 1,918	— 6.0		
Distributive trades	+ 8,028	+ 3.7	— 6,714	— 2.9		
Shipping service	+ 5,730	+ 13.5	— 5,341	— 10.0		
Hotel and boarding house	+ 14,686	+ 25.0	+ 2,270	+ 3.2		
All industries	+ 37,648	+ 1.8	— 179,118	— 7.8		

The apparent heavy increase in unemployment among coal-miners, mainly in South Wales and South Yorkshire, is a purely fortuitous result of the choice of date. According to the Board of Trade the number of wage-earners at mines on October 20th was 2,000 more than a month earlier and 4,700 more than on October 21, 1933. It is probable, therefore, that October 22nd, the date of the Ministry of Labour return, was a day on which short-time was being worked in a large number of mines, so that the number of persons temporarily stopped was unduly increased. The other large increases in unemployment, in building, distribution, boarding house services, etc., although in some measure seasonal, are mostly more marked than at the same time last year. The textile trades have shown improvement during the month; but the woollen and worsted industry has still far to go to recover from the setback of the spring and early summer. Other clothing industries—tailoring, boot and shoe and hosiery—have also shown improved activity. In the following table of changes in the various administrative divisions it will be seen that the Midland district is the only one to register a decrease in unemployment during the month:—

London	+ 7,132	North East	+ 6,691
South East	+ 6,849	North West	+ 503
South West	+ 7,072	Scotland	+ 886
Midlands	— 7,105	Wales	+ 15,620

The contraction of business in the Southern districts is due to the seasonal recession in building, distribution and the holiday trades; that in the North-East and Wales largely to the apparent increase in unemployment in mining and in shipping. The Midland figure chiefly reflects the improvement in the metal and clothing industries.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

MONETARY AND BUDGET POLICY

THE much-anticipated speech of the President before the Bankers' Convention answered no questions about the programme which may be presented to the new Congress in January. Indeed, it is doubtful if a programme has yet been prepared. Yet, in a way, the immediate questions were answered by the distinguished banker who preceded the President on the programme, namely, that one should not expect an early balancing of the Budget nor any formal declaration about the currency.

Although these two questions—the balancing of the Budget and the currency—are uppermost in discussion, they are probably secondary questions. First of all, for nearly a year the dollar has been on a *de facto* gold bullion standard, with gold at \$35 an ounce. Furthermore, there is comparatively little agitation for altering this international valuation, although it must be admitted that the nervousness exhibited in official Washington on any weakness of the pound suggests that the Government is more concerned about the dollar-pound relation than the price of gold. As for the ever-recurring threat of "greenbacks," one may surmise that if these are resorted to, it will be because of fiscal difficulties rather than monetary policy.

The crux of the Budget question is not the balancing of the Budget, but the reasons for unbalancing it. The major part of the deficit comes from a "spending policy" adopted on the conviction that such spending would "prime the pump" of private enterprise. This policy has been pursued liberally, even extravagantly, for eighteen months, and to many persons its success is questionable. That is, what is called the demand for a balanced Budget is actually a demand for the abandonment of a formal policy of large deficits as a recovery measure; and it is based on the belief that this policy is not expediting recovery.

"SPENDING FOR RECOVERY"

The vote of the American Legion for the payment of the bonus was a comment on this spending policy as it is viewed by its proponents! "... Since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends immediate cash payment at face value of the adjusted service certificates, with cancellation of interest accrued and refund of interest paid, as a most effective means to that end." Such a payment would entail a distribution of about \$2,000 millions among about four million men. Granting the soundness of the premise (and it is the premise underlying a large part of the Federal deficit) the argument is irrefutable.

The Federal Reserve Indices of business for September reaffirm the magnitude of the slump since last spring, and continue the unfavourable comparisons with a year ago:—

FEDERAL RESERVE BOARD BUSINESS INDICES

(1923-5=100. Adjusted for seasonal)

	Sept., 1933	May, 1934	Sept., 1934
Industrial production (total)	84	86	71
Manufactures	83	86	69
Minerals	87	89	81
Construction contracts (total)	30	26	27
Residential	12	11	10
Others	45	39	42
Factory employment	78	82.4	73.9
Factory payrolls	59.1	67.1	57.9
Freight car loadings	60	63	59
Department store sales	70	77	76

The index of production was at the lowest point since April, 1933, and even if one recalls that the May, 1934, figures were rather exaggerated by temporary conditions, the fact that employment and payrolls were below the level of September, 1933, is disconcerting. It is this sort of fact

that has cast so much doubt upon the validity of the idea of the deficit as a recovery measure. On the other hand, the demand of the American Legion for \$2,000 millions is typical of the pressures which will be brought upon the incoming Congress.

It is already obvious that certain important measures will emerge in the near future. First, the A.A.A.; the essence of the Agricultural programme has been crop curtailment. All the evidence points to a revulsion of feeling against this in agricultural areas, and even in Washington itself. But if the theory of restricted agricultural output is abandoned and the insistence upon domestic agricultural prices above the world level is maintained, a new agricultural programme must be devised. In N.R.A. all the evidence points to the abandonment of the price cartel system; yet the principle of price and production control is written into many of the approved codes. The N.I.R.A. expires by Statute on June 16, 1935, unless its life is extended; and it is quite uncertain what radical changes must be introduced in order to secure Congressional support for its continuance. Finally, there is a growing conviction that in place of the present Federal dole, some systematic scheme for the unemployed and the destitute will be adopted.

NEW YORK, October 26.

FRANCE

REPAYING THE PUBLIC DEBT

[The political crisis is discussed in a leading article on page 863.]

THE annual report which the "Caisse Autonome d'Amortissement" makes to the Minister of Finance has been just published. The task of the Caisse is twofold: It has to take in charge the service of the National Defence bonds, which weighed heavily in the past on the Treasury, and to secure the amortisation of the National Debt. The Caisse has at its disposal certain fiscal resources, including the yield of the Tobacco Monopoly. On October 1, 1926, the Caisse took over 48,385 million francs of short-term bonds, mostly National Defence Bonds. This sum had been reduced to 26,481 millions by December 31, 1933. Since then repayments have exceeded new issues by 1,939 millions. Monthly maturities have fallen from 7,000 millions or 8,000 millions in 1926 to an average of 1,080 millions in 1933; they will stand at 1,270 millions in 1934 and 919 millions in 1935. The interest burden was reduced from 2,700 millions in 1926 to 1,465 millions in 1932. It was higher during 1933, at 1,676 millions, as a result of the tightening of money. The rate of interest on bonds, which was originally 6 per cent., had been lowered to 2½ per cent. by June, 1932; but it then increased to 3 per cent. on March 1, 1933, and 4 per cent. on March 6, 1934, but was reduced thereafter to 3½ per cent. on May 19th and 3 per cent. on June 8th.

In spite of a reduction in its revenues the Caisse was able to reimburse in 1933 a total slightly higher than the contractual one. Actually 4,547 millions was devoted to amortising the National Debt, against 8,822 millions in 1932. A further 319 millions allocated to the Caisse from profits on silver money coinage was used for the supplementary reimbursement of recent bonds. The grand total

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of debt amortised by the Caisse since its creation reaches (in nominal value) more than 31,000 millions:—

DEBT IN THE CHARGE OF THE CAISSE	
	Francs
Bonds	5,236,099,060
Cash bonds (Agreements of June 23, 1928, and December 7, 1931)	2,153,754,616
DEBT OF THE STATE	
Rentes redeemed	12,376,300,619
Rentes and Treasury Bonds and Bonds of Crédit National given in payment	91,706,417
Rentes funded in perpetual rentes	111,209,888
War annuities repaid in anticipation	875,412,718
Treasury and Crédit National bonds repaid	6,338,744,300
Contractual amortisation (Agreements of 1930 and 1932)	4,277,314,999
Total	31,460,542,617

COAL PRODUCTION AND EMPLOYMENT

Production at French coal mines during September totalled 3,913,356 tons in 25 working days, against 3,918,839 tons in 26 working days in August, and 3,979,214 tons in 26 working days in September, 1933. The average daily production was therefore 156,534 tons in September, 1934, against 150,725 in August and 153,047 in September, 1933. The number of men employed was 232,192 at the end of September, against 233,606 at the end of August and 246,753 at the end of September, 1933. The production of coke was 329,734 tons in September, against 343,058 in August and 328,591 in September, 1933. For the first time for ten months stocks have fallen by 80,000 tons, as a consequence of seasonal needs. But the industrial demand remains very low. Indeed, the index of industrial production shows that France is the sole country in which industrial production fell during the first six months of 1934. Consumption of coal, which had increased by 282,000 tons in the first quarter of 1934, compared with the same period of 1933, fell by 248,000 tons during the second quarter and by 468,000 tons during the third quarter. The persistent reduction in the average price of imported coal partially explains this fall:—

PRICE PER TON OF IMPORTED COAL

	Coal alone	Coal, Coke, Briquette
	Francs	Francs
1930 (max.)	140.95	144.52
1932 (average)	114.92	114.83
1933 (average)	104.77	103.91
September, 1933 ..	103.15	102.05
August, 1934	97.13	96.95
October, 1934	96.30	96.05

This table illustrates very clearly the deflationary influence which has been exerted on French industry by external forces.

PARIS, November 7.

GERMANY

THE DECLINE IN REAL WAGES

THE serious rise in the cost of living became acute last week, and compelled the Government to take measures to propitiate consumers. These measures are likely to have little effect, however, as long as the general economic policy is unchanged. The individual citizen noticed the price rise many months ago and felt it heavily; but the existence of a price problem was not officially admitted. Official zeal for the consumer was merely shown in outbursts by local Nazi authorities against tradesmen "pests" and "vermin," by which means it was sought to convince citizens that prices were reasonable where individual profiteers did not crop up. Now that the Government is obliged to take general measures, the existence of a price grievance felt by the whole urban, in particular by the industrial, population cannot be concealed.

Primarily this is a question of real wages, or rather of real wage-earnings. Numerous Nazi announcements agree that

no increase in money wages can be contemplated as long as serious unemployment remains; and collective wage agreements, which expired last April, were summarily extended. According to the last official return, which is long out of date, nominal wages have declined by about 1 per cent. since the Nazis attained office. But the nominal wage returned is the average wage fixed by collective agreement. In the past two years the average nominal earned wage has fallen, at least in many important branches, owing to "stretching out" of limited work, and to compulsory reductions of working hours. Hence the effective real earned wage has fallen much more than would appear on a mere basis of the small decline in collective agreement wages and of the rise in the cost-of-living index.

According to the old Reich index the cost of living rose from 116.6 in April, 1933, to 122.5 in September, 1934; the new index, as revised retrospectively, shows a rise from 115.9 in April, 1933, to 121.6 in September, 1934, and 122.0 in October, 1934. Ever since 1925, when it was first compiled, the old index was criticised as misleading, as underestimating, in times of rising prices, the advance in the cost of living. Though the weighting of the new index differs in some respects considerably from those of the old, the results do not materially differ. It is certain that neither expresses the recent movement. This is particularly true in the case of all those families which, owing to the official unemployment measures, are not earning the full standard wage. Foodstuffs, which for this class are of the utmost importance, such as potatoes, some fats, and vegetables, have lately risen enormously in price; in some cases by 200-300 per cent. The price of bread is still determined by the rye and wheat prices fixed in 1933; this year, when farmers' prices of these cereals had to be increased in order to compensate for the reduced crop, it was declared that bread prices must not be changed, and that the miller and baker would bear the reduced margin remaining between first producer and consumer.

PRICE REGULATION AND CHAOS

The substantial rise in the cost of living and the fall in real wages are primarily due, not to profiteering by middlemen or retailers, but to deliberate policy based on the theory that there are permanent "fair" prices for farmers, guaranteeing them security, and that price-determination by demand and supply is an outworn "Manchester" superstition. This theory was officially maintained even after it had broken down and the "fair price" to farmers had proved unfair owing to the reduced supply resulting from the crop failure. To-day, in the urban produce markets, which are largely stocked by small farmer-producers, shortage of goods often prevails, and the sellers compensate themselves for their reduced turnovers, and ration consumers, by putting prices up. Prices of manufactured consumption-goods are also rising rapidly; the wholesale index for these has risen by 0.5 per cent. in two successive weeks; and retail prices have risen still further.

The number of price regulation laws and authorities is already considerable. The Reichsnährstand, the corporative organisation for agricultural products, including industrial raw materials produced by farmers, is itself a great price-fixing organ. It has increased of late the number of price-fixed commodities. In general it may be said that the most burdensome of the recent price rises are official or "corporative" in origin; and cannot be revoked or abated except by a reversal of policy. There are innumerable price supervision authorities throughout the Reich.

The campaign for lower prices was opened last week by the Nazi Party; and a general price investigation is to be conducted by the Nazi Hago. This is the first general admission of public unrest, but continued official references to "hoarding" and "lack of economic discipline" still attempt to suggest that individuals and not the system are at fault. The Party's investigation, it is promised, is to be merely for information purposes, and the data collected will be handed over to the Ministry of Economy. A few days ago the Prussian Minister-President issued a decree requiring the local authorities, provincial presidents and police presidents to take immediate sharp action against price advances not officially authorised. This decree again speaks of "an artificially induced shortage of goods"; and

severe punishments are threatened. Simultaneously, a number of retail food shops have been closed. The next step was the appointment as Reich Commissar for Price Supervision of Dr Goerdeler, Oberbürgermeister of Leipzig, who held the same post under Dr. Brüning. The reappointment of an official who had been employed for the same purpose by "the System" indicates that the Government discerns the public distrust of its own, and its Party's, price measures.

THE REICHSBANK RETURN

The Reichsbank's return for August 31st shows a new delivery of Dutch arbitrage gold caused by the shortage abroad of free marks. The gold reserve is now Rm. 8 millions above its lowest level, without any decline in the foreign exchange reserve. The Reichsbank's month-end credit expansion was moderate, and as the very large September month-end credits were repaid to 98 per cent. before the new month-end demand set in, November opened with an improved status. The money demand at the turn of the month was moderate, and day-loan rates began immediately to decline. The recent money market liquidity has been largely due to the temporary availability of public funds.

Reich receipts from taxes in September totalled Rm. 750.3 millions, against Rm. 661.5 millions in September, 1933; and in April-September (half of the financial year) totalled Rm. 3,963.7 millions, against Rm. 3,391.8 millions in 1933. The official estimate is that of the Rm. 572 millions' increased yield only Rm. 136.8 millions resulted from taxation changes or special circumstances, and that there was an effective increased yield of Rm. 435.2 millions (of which Rm. 190 millions goes to the States). Owing to the post-dated liabilities arising out of the public works programmes, the increased yield is of course not available for expenditure.

Savings bank deposits show a new rise to Rm. 12,213 millions at the end of September, and are Rm. 2½ milliards higher than in September, 1932, when there had been a heavy decline due to the banking crisis of 1931. Savings banks in the first half of 1934 invested Rm. 390 millions in public works credits.

Comment has been caused by a statement of the President of the Reich Board for Unemployment that this institution may henceforth invest its funds in competitive private industry. Hitherto, for various reasons, including "a desire to keep the export industries free from the suspicion of dumping," it has seemed undesirable to dislocate the natural competition of business by using public funds. But as the exchange situation compels the home production, or replacement by substitutes, of hitherto imported raw materials, and as this imposes on private industry a risk which it cannot always bear, the question must be raised whether unemployment funds should not go "into the sector of private industry." This intimation has not been well received by private manufacturers.

BERLIN, November 7.

AUSTRIA

PUBLIC WORKS PROGRAMME

REPORTS of trade and industry are not unsatisfactory. Business in the heavy industry has improved, mainly owing to the public works programme and the improvement in export trade, which affects steel, electric goods and other articles, including munitions. Iron ore output amounted in September to 46,000 tons, compared with 30,000 tons last year. The index of crude iron output decreased from 49 in the previous month to 43, crude steel output from 71 to 57, and rolled goods output from 75 to 51; yet the figures are much higher than they were last year. The fall is probably in part seasonal. Latest figures show an increase in cotton yarn output in August from 110 to 118, and in the orders on hand from 77 to 95. The weaving mills are fully occupied.

Unemployment has continued to decrease until late in the autumn. In the middle of October the unemployed

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in receipt of relief numbered 243,000, against 280,000 last year. The City of Vienna is comparatively worse off than the Federal States. In August Vienna had 180,000 unemployed in receipt of benefit, against 177,000 last year; while the total of wages and salaries paid went down from 89 to 84 million schillings, which figures, however, also reflect wage cuts. It is assumed that the City of Vienna will shortly put into rapid execution the big public works programme which has been decided on. In placing its orders, the Municipality is giving special attention to the interests of the trades and industries affected. The protection of middle-sized firms is also sought by a new trade law, which, though abolishing the prohibition of new businesses, still makes it very difficult to open a shop. Whereas in previous years the law was hard on profiteering, there is now a special legal apparatus to prevent price-cutting. This is of particular significance to the consumer, as free competition among traders is being constantly narrowed.

CHEAPER MONEY

For several weeks the Stock Exchange has been remarkably firm. In the gilt-edged market there have been very lively turnovers and considerable rises. The tone of the share market is also favourable; but the chief interest is devoted to gilt-edged securities, which enjoyed rises in October as follows:—

	Oct. 1st	Oct. 27th
7% League of Nations loan (Austrian tranche)...	506	526.50
7% International Federal Loan, 1930 (Austrian tranche)	109.60	114.15
7% International Federal Loan 1930 (English tranche).....	2,070	2,222
7% Housing Loan.....	76.75	81.65

The rise is due partly to very easy money and the low rates being paid on bank deposits. The Government desires a still further cheapening of money, however, to assist industry on the one hand and the public debt service on the other. The rise in building shares is particularly welcome in view of the negotiations now taking place for the conversion of the League of Nations Loan. Another factor making for cheap money is the reluctance of the banks to take money on current account from other monetary institutions, and especially from the savings banks; the banks do not know what to do with the money. As a result, the savings banks and other institutions are becoming stronger buyers of bonds, and the consequent rising tendency is bringing purchasers from the general public to the market.

VIENNA, November 5.

HOLLAND

THE ANTI-GOLD MOVEMENT

A GREAT many pressing problems await solution by the Government, and it is becoming evident that dissensions exist in the Cabinet. The agitation against the gold standard is now being conducted in public, but the opinion still prevails that the Government will maintain their opposition to devaluation, especially as the negotiations between the gold bloc countries are still in progress. In the annual re-

ports of various industrial undertakings, however, it is openly declared that the process of price deflation in Holland is not making any progress, and competition with foreign countries is thereby being rendered impossible. Others argue that devaluation would not afford the slightest relief to an importing country like Holland, since she would have to pay higher prices for all her imports. And there is no sign at present of the balance of trade growing more passive.

The German-Dutch Commercial Treaty expires at the end of this year, and negotiations for a renewal were to have been begun by November at the latest. It is now stated that no negotiations for a new treaty can be resumed for the present, as it is considered that the character of a new treaty would be entirely dependent upon the way the clearing agreement works in practice. Discussions will therefore only concern the extension of the Treaty for a short period, and a few minor amendments.

FOREIGN TRADE STILL FALLING

The most striking feature of the foreign trade returns for September is the unprecedentedly high proportion which exports bear to imports, namely, 88.4 per cent. In the preceding month this percentage was 77.2, and in September last year 66.4. The value of imports in September was 77,745,000 guilders (in August 89,378,000) and of exports 68,698,000 guilders (in August 68,851,000), leaving an import surplus of 9,047,000 guilders (in August 20,527,000). During the first nine months of the years 1931-1934 the value of imports and exports has been as below:—

	(Million guilders)			
	January-September		1933	1934
	1931	1932		
Imports	1,454	970	884	791
Exports	1,019	625	547	534
Import surplus.....	435	345	337	257

The serious decline in Dutch trade with Great Britain, due to the Protectionist policy of that country and the extremely low prices prevailing there, will be seen from the following table:—

[January-September	Imports from Great Britain		Exports to Great Britain	
	Tons (thous. omitted)	Value (mill. guilders)	Tons (thous. omitted)	Value (mill. guilders)
1931	1,565	120	1,457	250
1932	1,286	88	1,074	124
1933	1,198	80	768	96
1934	1,329	74	861	106

Holland's active balance of trade with Great Britain has dropped from 130 million guilders in the first nine months of 1931 to 32 millions this year.

The Amsterdam capital and money market continues to be very liquid. Numerous 4 per cent. conversion loans of some of the big municipalities have been successfully launched, and a new 4 per cent. Netherlands Indies loan is expected shortly, of which 250 million guilders is earmarked for consolidation of the floating debt, and further amounts for conversion of some 4½ per cent. loans.

In order to relieve the distress in dairy and cattle farming in the Netherlands the Minister of Economic Affairs has issued a decree of far-reaching importance. The most drastic of the decisions is to order the slaughtering of 150,000 cows; the meat is to be tinned for distribution to the unemployed and to large families in needy circumstances. Through the policies being pursued by foreign countries the prospects of exporting Dutch dairy produce on any scale have become more and more remote; so that drastic measures had to be adopted if our dairy and meat industry was to be saved from extinction. In addition, it has been decreed that the levy on beef is to be reduced from 20 per cent. to 10 per cent. as from to-day for a period of two years. This should lower prices and consequently stimulate consumption.

AMSTERDAM, November 6.

JAPAN

ECONOMIC CONSEQUENCES OF THE TYPHOON

THE Kamsai district, which was visited by the typhoon of September 21st, is by far the most important commercial and industrial centre in this country. The effects of the devastation are apparent in a number of economic indices. Foreign trade was affected largely by the dislocation, caused by the high wind and tidal wave, of port facilities in Kobe and Osaka. The September returns show that, as compared with the preceding month, imports and exports fell by 27 million yen and 38 million yen respectively. In comparison with September, 1933, however, imports advanced by 20.4 million yen, while exports decreased by 10 million yen. Industrial production also suffered. The output of cotton yarn and rayon yarn declined by 1,059,000 lbs. and 610,000 lbs. respectively as against the preceding month's figures. Commodity prices have advanced sharply. The Bank of Japan's wholesale index number for September registered a rise of 1.3 per cent. on the month. Cereals and building materials contributed largely to the advance, reflecting the immediate effects of the typhoon. The aggregate value of all shares listed at the Tokyo Stock Exchange on October 1st declined by 187.2 million yen, or 3.1 per cent., as against a month ago.

Damage done by the typhoon to factories in Osaka is officially estimated at 27.9 million yen, the number of factories affected being 1,230. Though it will take a couple of months in some cases to restore equipment, rehabilitation is generally making rapid progress, and operations have been resumed in many cases. Agriculture suffered far more heavily. Damage to the rice crop is placed at 250 million yen. This, together with drought and flood damage amounting to 269 million yen in other districts and a loss of 300 million yen from a poor cocoon crop and a lower price for cocoons, brings the total loss in the farmers' income for the year to far above 800 million yen, according to tentative official estimates.

The Department of Agriculture and Forestry forecasts the rice crop for the country as at September 20th at 57,026,000 koku, or a decrease of 13,801,000 koku (19.5 per cent.) upon the actual yield of last year, and 5,539,000 koku (8.9 per cent.) below the five years' average. When damage done to the crop by the typhoon is taken into account, the year's crop shows a further decrease of 4,672,000 koku, bringing the total reduction up to 26 per cent. upon the actual yield of 1933 and to 16 per cent. below the quinquennial average. This is the smallest crop since 1913. The Korean crop prospects are also reported to be remarkably poor, and are put at 16,711,000 koku, a material decline of 1,481,000 koku (8.1 per cent.) upon last year's actual harvest. The wheat and rye crops, however, have been very good this year, though the barley crop has again been poor. The total yield of wheat and allied grains (excluding that of Hokkaido) amounted to 21,925,000 koku, an increase of 2,042,000 koku (10.3 per cent.) as against last year, and 2,081,000 koku (10.5 per cent.) above the average for the last five years.

The output of spring cocoons totalled 48,379,000 kamme, a decrease of 1,639,000 kamme (3.3 per cent.) against last year, and their value was estimated at 117,310,000 yen, disclosing a disastrous decline of 181,093,000 yen (61 per cent.). The estimated crop of summer and autumn cocoons was placed at 36,644,000 kamme, a decrease of 14,500,000 kamme (28.4 per cent.) upon the actual output of a year ago. Their value is put at only 80,616,000 yen, showing a substantial reduction of 121,109,000 yen (60 per cent.). The combined cocoon production for the year amounted to 85,023,000 kamme, valued at 197,926,000 yen, compared with 101,162,000 kamme, at 500,128,000 yen, for 1933.

BIG INCREASE IN PROFITS

According to Mitsui Gomei Kaisha's half-yearly analysis of the profit-and-loss accounts of Japanese joint-stock banks and industrial joint-stock undertakings, aggregate net profits of 250 banks for the first half of this year totalled 84,495,000 yen, an increase of 7,024,000 yen upon the second half of last year. The total net earnings of 1,000 industrial companies for the June half-year amounted to 299,659,000 yen,

representing a marked increase of 20,404,000 yen as against those earned by the same concerns in the December half-year of 1933. The great majority of the categories, particularly textiles, sugar, mining, shipping and rubber, showed considerable increases in profits, while the earnings of tanneries, paper, stock and produce exchanges, warehouses, and railways and tramways disclose decreases, big or little. The ratio of net profits to capital was 9.19 per cent., and that of amounts put to reserve was 1.15 per cent. of capital. In the preceding half-year the profit percentage was 8.72 per cent. and the reserve percentage was 1.23 per cent. Out of the total, 73 industrial companies reported deficits for the June half-year, aggregate net losses amounting to 12.6 million yen, as compared with 88 companies having the combined loss of 6.2 million yen in the December half-year of 1933. The following table gives the comparison for profits in the last three half-years:—

	(000's omitted)			
	No. of Companies	1st half-year, 1933	2nd half-year, 1933	1st half-year, 1934
		Yen	Yen	Yen
Banks	250	73,935	77,471	84,495
Industrial companies	1,000	242,208	279,255	299,659
Total	1,250	316,143	356,726	384,155

The rise has been steady and also fairly widely diffused. TOKYO, October 20.

CANADA

BUSINESS QUIET AND PATCHY

BUSINESS is experiencing a lull. The Statistical Bureau's "physical volume of business" index for the week ending October 6th was 94.1, compared with 85.2 for the parallel week of 1933 and a high point of 102.3 reached on September 8th. The carloading figure for the week ending October 6th at 53,050 cars, showed a gain of 2,503 cars over the figure for the previous week, but was 148 cars below the figure for the parallel week of 1933. In the West wheat marketings have suffered from adverse weather. The export demand is still disappointing, and visible stocks of Canadian wheat on October 5th were placed at 230 million bushels, compared with 235 million bushels at the corresponding date in 1933. Grain prices are more or less stationary, but farmers' purchasing power will undoubtedly be higher during the coming winter than last year, as the prices of many farm products have risen.

Industrial activity is somewhat patchy, but some of the iron and steel plants have been helped by orders for rails. Building construction, which enjoyed a slight spurt in August, fell off in September. The mining industry continues to expand, and Canadian production of gold in August, at 264,870 oz., showed a gain of roughly 19,000 oz. over the July figure, and was the highest monthly output since June, 1932. The prospects for the silver-mining industry have also been improving. In the lumber business export trade is still fairly good.

The Federal Government, within a fortnight after the opening of the books, had its refunding loan of \$250 millions oversubscribed by some \$33 millions. Full allotments have been given to subscriptions up to \$25,000, and subscribers of larger sums have been allotted quotas ranging from 50 per cent. upwards. The banks, feeling that their holdings of Governmental securities were sufficiently big, did not take nearly as large a proportion of this loan as of its predecessors, and the impression prevails that American investors, anxious about the financial outlook in their own country, contributed very substantially.

AN "ANTI-DEFLATIONARY" POLICY

The Government intends to persevere with what is called in Ottawa an "anti-deflationary" policy of currency expansion. In September there was a drop of \$2,847,000 in advances to the banks under the Finance Act, and new currency to the extent of \$11,521,660 was issued as Dominion Notes, which meant a net expansion of \$8,674,660. The total increase in Dominion Notes since authority was given to expand the currency in June amounts to nearly \$36 millions.

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In pursuance of its easy money policy the Government has induced the banks and other financial institutions to lower their rates of interest on savings deposits. Mr Rhodes, the Finance Minister, has announced that on November 1st all the chartered banks, the Federal Post Office Savings Bank and the Ontario Provincial Savings Banks will cut their interest rate on deposits, which had been reduced from 3 to 2½ per cent. on May 1, 1933, to 2 per cent. Other banks, chiefly savings banks in Quebec, will make a similar reduction on December 1st, and trust and loan companies, which take deposits, will reduce their rates from 3 to 2½ per cent. on January 2, 1934. It is also understood that the majority of the banks will lower their call loan rates by one-half per cent.

Fresh trouble has developed in the newsprint industry. The leaders of the industry, faced with rising costs and demands for higher wages, had planned to secure an increase of the price of newsprint in 1935 contracts. But one of the larger producers, the St. Lawrence Pulp and Paper, was suddenly found to have made commitments with a newspaper organisation in the United States which is a large consumer on the basis of the old price. So the other producers have made strong representations to Mr Taschereau, Premier of Quebec, and he has declared that he believes an increase in the price of newsprint to be imperative, and that if any Quebec company continues to ignore the common good his Government will withdraw from it special concessions recently made and take all measures necessary to protect the interest of the province.

OTTAWA, October 30.

BOOKS RECEIVED

- Income Tax Practice Exemplified, comprising 100 Questions and Answers on Income Tax and Surtax.* By J. C. Beauvais. (London) The Coaching Association, 3, Lawrence Lane, E.C.2. 199 pages. 5s. net.
- How's Building.* 1934-36. Edited by E. Betham. (London) The Federated Employees Press, Ltd., 13, Russell Square, W.C.1. 273 pages. 5s. net.
- The Principles of Currency, Credit and Exchange.* By Wm. A. Shaw and Alfred Wigglesworth. (London) Pitman. 125 pages. 3s. 6d.
- Money, Prices and Gold in the Soviet Union.* Monograph No. 3. (London) School of Slavonic and East European Studies in the University of London, 44, Torrington Square, W.C.1. 35 pages. 1s. 6d. net.
- The European War Debts and Their Settlement.* By Wildon Lloyd. (London) W. H. Smith and Son, Ltd. 88 pages. \$1.50.
- Le Capitalisme, la Libre Concurrence et l'Economie dirigée.* By L. Dechesne. (Paris) Librairie du Recueil Sirey. 183 pages. 15 frs.
- The Times: Trade and Engineering.* Monthly Review of Industrial Progress, Vol. XXXVI, No. 849, New Series; price 6d. (Industrial Scotland Section additional).
- The Times Trade and Engineering Supplement* with this issue appears as a monthly review under the above title. Former features, e.g. curves of price movements in the various markets, are retained, but the new Review appears in a coloured cover, is copiously illustrated, and very much more presentable in form.

MONEY AND BANKING

SHOULD BANK RATE BE REDUCED?

ON Monday last the clearing banks announced that they had decided to reduce their minimum rates for loans to the money market from 1 per cent. to $\frac{1}{2}$ per cent. in the case of loans against Treasury bills and other bills discountable at the Bank of England—loans against bills ineligible for discount or against Treasury bonds or other short-dated securities remaining at the old rate of 1 per cent. The reduction was to apply to both day-to-day money and weekly fixtures, and new loans and renewals.

In view of the breakdown of the clearing banks' agreement to maintain minimum buying rates for Treasury bills, this reduction in their loan rates was only a recognition of the facts. It was clearly absurd for the clearing banks to continue to charge the discount market 1 per cent. for loans when the bills against which the loans were made were yielding the borrowers less than $\frac{1}{2}$ per cent. Had the clearing banks continued to charge the higher rates, two consequences must have followed. Every effort would have been made by the market to borrow from other lenders instead of the clearing banks: and some members of the market would have ceased to operate in the market before further inroads were made into their capital.

The collapse of discount rates and this partial reduction of loan rates raise the important question whether there is still any justification for maintaining Bank rate at as high a figure as 2 per cent. Under normal conditions Bank rate can be compared to the North Pole. Every other interest or discount rate revolves round it, but business is very rarely done at it. To-day the analogy is truer than ever. The market is so swamped with money that resort to the Bank is only necessary upon exceptional occasions such as the end of the banking half-year. The old rule that short loan rates were a point below Bank rate with market discount rates somewhere in between has also gone by the board. No one to-day pays any attention to Bank rate, and many people have by now almost forgotten where it stands.

Nevertheless, it is worth while discussing the arguments for and against a reduction. In favour of a reduction, it may be said that Bank rate has obviously become ineffective and bears no relation to the facts. The only result of maintaining it at 2 per cent. is to penalise the market by charging them $2\frac{1}{2}$ per cent. when twice a year they have to come to the Bank. With discount rates at $\frac{1}{2}$ per cent., this is a severe, unnecessary and unmerited penalty. Again, ought Bank rate to become purely conventional and remain unchanged for months or years at a time? It is a strong objection to this protracted rigidity that when a change does occur it exercises a psychological influence out of all proportion to its real importance.

There are, however, still weightier arguments in favour of a reduction in Bank rate. First and foremost, the Government is avowedly relying upon cheap money to provide the necessary stimulus to trade. The chain of cause and effect is well known. When short money is cheap and plentiful and the tender issues of Treasury bills diminished, market discount rates are driven down and the banks and discount houses are forced out of bills into gilt-edged stocks. There may be some danger in this excessive holding of securities which can only be realised on the Stock Exchange; but its immediate consequence is a boom in the gilt-edged market. In the present case this has already reached the point where it is driving investors in increasing numbers into securities of a more industrial character; it has already brought down the cost of new capital to industry and is slowly reviving the new issue market. Equally it is paving the way for new issues of Government and municipal stocks at lower rates to finance public works. A cheap money policy of this kind may have its dangers, or alternatively may be slow and

ineffective; but at least it is both an intelligible and a reasonable policy. Human nature being what it is, a reduction in Bank rate would come as a powerful psychological aid to its fruition and might even provide a stimulus to the trade revival just when it seems to be lagging. If the time is approaching for the issue of fresh loans for housing and other constructive purposes, the case for a reduction in Bank rate receives further strength.

The other argument in favour of a reduction relates to our external position. It is generally agreed that one source of difficulty has been the ebb and flow of foreign panic money, and it is also agreed that the presence in London of an excessive amount of this money has definite disadvantages. A reduction in Bank rate would be interpreted abroad as a signal both that our financial position was assured and that London was an unremunerative centre for idle money. The result might be that such foreign money as was already in London might remain here, especially as its holders already realise that its earnings have for long been commensurate with a Bank rate of $1\frac{1}{2}$ rather than 2 per cent. On the other hand, fresh and unwanted supplies of foreign money might well be deterred from coming here.

What are the arguments against a reduction? It can be argued that neither the international situation nor the immediate outlook for sterling is clear enough to justify a reduction. We are not convinced that there is much force in this argument, but the situation of the foreign exchanges must not, of course, be left out of account. A more pertinent argument lies in the likely effect of a reduction upon the City of London and the average investor. It is already being suggested in the City that bill-brokers are loaded up with Government securities to such an extent as to be a potential danger to the technical stability of the gilt-edged market; and this was a strong argument against the rupture of the banks' agreement to maintain discount rates. The banks, too, have raised their investments to the unusually high proportion of 30 per cent. of their deposits; and while their deposits have been sinking during the last year, their total of investments remains unchanged. Already $2\frac{1}{2}$ per cent. Consols have risen to the point where they begin to yield less than 3 per cent. We must seriously consider whether it is advisable to stimulate still further the existing boom in the gilt-edged market.

We must also consider the psychological effects of a reduction in Bank rate upon the general public. When some seven years ago the American Reserve Banks lowered their rates they gave the signal for one of the most stupendous and disastrous stock market booms in American history. It is not suggested that parallel conditions exist in England to-day, but we should ask ourselves if there would be any danger of starting a wave of barren speculation, quite other than sound and productive investment for enterprise. It would be disastrous if the savings of the nation were dissipated in speculation just when they were needed to finance measures of sound progress and reconstruction.

Such are the main arguments on either side. What is to be the final verdict? On balance, it is wisest in our view to recognise well-established facts; and the central fact to-day is that short-loan and discount rates correspond far more closely to a Bank rate of $1\frac{1}{2}$ per cent. than to the existing rate of 2 per cent. There is no obvious reason for long delay. If a lower Bank rate appears to be having any undesirable repercussions, it can always be restored to 2 per cent., and, as we have said, it would not be at all a bad thing if Bank rate were subject to more frequent changes. In the meantime we think that a case for reducing Bank rate from 2 to $1\frac{1}{2}$ per cent. is well grounded, and it is a little surprising that a decision to that effect was not reached last Thursday.

FINANCIAL NOTES

The Money Market.—On Thursday morning the decision of the clearing banks to lend money at $\frac{1}{2}$ per cent. against Treasury bills and other bills discountable at the Bank of England took effect. The sole test for commercial bills eligible for discount is that they should bear two good English names, one of which is the acceptor. The bills can be of any reasonable maturity. As Treasury bills predominate in the market to-day, it is probable that in practice the banks will make the bulk of their loans at $\frac{1}{2}$ per cent. Several large outside lenders are quoting $\frac{1}{2}$ per cent. for loans against all bills and "shorts" without distinction, and so it will be natural for bill-brokers to lodge Treasury and other eligible bills at the banks, and to borrow against other forms of security elsewhere. But outside lenders will still have regard to the merits of each security lodged as collateral, and will not necessarily be prepared to renew loans indefinitely against Treasury bonds.

	Oct. 18, 1934	Oct. 25, 1934	Nov. 1, 1934	Nov. 8, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks.....	1	1	1	$1\frac{1}{2}$
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills:—				
(a) Clearing banks.....	$1\frac{1}{2}$	$1\frac{1}{2}$ – $1\frac{3}{4}$	—	—
(b) Others.....	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ – $1\frac{3}{4}$	$1\frac{1}{2}$
Three months' bank bills	$1\frac{1}{2}$ – $1\frac{3}{4}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ – $1\frac{3}{4}$

Money is easy at $\frac{1}{2}$ per cent. Early in the week there was very little business in bills, as buyers were waiting for the new loan rates to take effect. Last week the Treasury bill tender rate fell sharply from 9s. 7.42d. to 6s. 7.66d. per cent., and this week hot Treasury bills have been quoted at $7\frac{1}{2}$ per cent. and this year's maturities at $\frac{1}{2}$ per cent. Bank bills are $1\frac{1}{2}$ – $1\frac{3}{4}$ per cent.

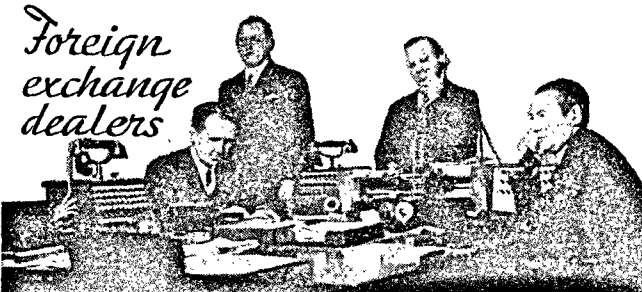
The Bank Return.—Currency withdrawals at the end of the month explain the further slight increase in the circulation. A similar movement occurred a year ago, and was followed by a contraction in mid-November. The Christmas expansion in the note circulation is not due to begin for another three weeks.

	BANK OF ENGLAND				
	Nov. 8, 1933	Dec. 27, 1933	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934
£ mill.	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.5	190.7	192.0	192.0	192.0
Note circulation.....	373.3	392.0	374.7	378.4	379.8
Banking Department:—					
Reserve.....	78.5	59.7	77.9	74.3	72.9
Public deposits.....	25.2	22.2	22.4	16.9	10.0
Bankers' deposits.....	91.3	101.2	100.7	100.4	107.2
Government securities ...	72.8	88.0	81.3	80.9	79.8
Discounts and advances	8.5	16.8	8.2	8.9	9.6

Proportion 50.1% 37.3% 48.5% 47.2% 46.9%
In the banking department, public deposits have fallen by £6.9 millions as the result of the 5 per cent. Conversion Loan and 4 per cent. Funding Loan dividend payments on November 1st. Other deposits are also lower as a result of dividend payments by some of the Bank's private customers. In consequence there has been an increase of £6.8 millions in bankers' deposits.

The Foreign Exchanges.—French political difficulties have naturally weakened the franc, but business in London was limited, and on Thursday the rate was steadied by British official support and by the covering of part of the insurance money due on the loss of *l'Atlantique*. The market closed at Frs. 76 $\frac{1}{2}$ spot, and 16 centimes discount for three months' francs. Dollars have been a more active market, but although commercial buying of dollars continues, sterling has improved during the week from \$4.98 to \$5.00 $\frac{1}{2}$. It is difficult to trace the origin of the sales of

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dollars, but there may have been some American selling due to fears of inflation and also French buying of sterling through New York. There is still an active demand for gold in London, and in addition to the demand from hoarders, it is believed that gold is being bought forward as a hedge against bear forward sales of gold bloc currencies, as an appreciation of the latter would be accompanied by a rise in the London price of gold, while a depreciation need not entail a fall in the price of gold.

Supporting the Franc.—Early on Thursday morning it became known in the City that the British Control was buying francs at a rate of Frs. 76 $\frac{1}{2}$. Apart from rumours of a very limited intervention on the day following the Marseilles assassinations, this is the first time for many months that the Exchange Equalisation Account can have been a buyer instead of a seller of francs. As was inevitable, French political uncertainties have driven the franc down against both the pound and dollar, and last Wednesday the movement was accentuated by a reaction after abortive bull operations the previous day. The result was that on Wednesday the dollar appreciated in Paris to Frs. 15.18 $\frac{1}{2}$, or to beyond the export gold point, and withdrawals of gold from the Banque de France for shipment to New York were promptly arranged. A serious efflux of gold from France might under existing conditions have undesirable political repercussions, and so it is conceivable that co-operation between London and Paris to support the franc was at once arranged. As there is now no pressure upon the pound from New York, any attempt to support the franc against the pound would probably succeed in supporting the franc against the dollar as well. The advantages to us of assisting the franc need not be emphasised. From the wider standpoint we have everything to gain from trying to prevent the addition of monetary difficulties to the present French political difficulties. From a narrower point of view these operations enable us to make good some of the Exchange Equalisation Account's recent losses of gold and devises.

New York Money and Banking.—Money is easier than ever. The official call rate is unchanged at 1 per cent., but the open market rate for 90-day bankers' acceptances has been reduced from $1\frac{1}{2}$ – $1\frac{3}{4}$ per cent. to $1\frac{1}{2}$ – $1\frac{1}{2}$ per cent. Six months' bills are unchanged at $1\frac{1}{2}$ – $1\frac{3}{4}$ per cent. \$75 millions of six months' Treasury bills were placed at the week-end at an average price of \$99.89 per cent., equivalent to just under $\frac{1}{2}$ per cent. per annum. Brokers' loans are returned at \$1.435 millions. Owing to changes in the method of compilation, this figure is not comparable with the previous week's figure of \$636 millions, but it is believed that there was a reduction of \$18 millions on the week. Following the decision of the American Bankers' Association, the Investment Bankers' Association have

appointed a liaison committee to co-operate with the Administration in order to hasten recovery and reopen the capital markets. Security issues for the first nine months of 1934 totalled \$1,033 millions. This is double the corresponding figure for 1933, but one-fifth of the 1925-28 average. This year's increase is mainly the result of State and municipal issues. Silver remains steady at 53 cents an ounce. An executive order issued this week grants permanent exemption from nationalisation to all silver which hitherto has been temporarily exempt. The latest monthly Treasury returns show that the net balance in the general fund fell during October from \$2,193 to \$1,812 millions, while total cash assets fell from \$10,325 to \$10,065 millions. It is rumoured that the American authorities have been supporting the franc. Mr Peek, the special adviser to the President on foreign trade policy, in an address to the National Foreign Trade Convention, emphasised the importance of the Government's stabilisation fund as an instrument for regulating the exchanges and facilitating foreign trade, and invited the Convention to appoint a committee of traders to co-operate with the import and export banks. Nevertheless, in view of the general financial position of the Government, opinion in New York felt even before the result of the elections was known that it would be difficult to avoid further inflation and devaluation.

* * *

The End of the Sondermark.—The Anglo-German Payments Agreement of November 1st brings to an end the sondermark experiment which was begun under the Anglo-German Exchange Agreement of August 10th. The new Agreement provides that the Exchange Agreement shall terminate as from November 1st, except as regards payments which fell due before that date. All reichsmark sums notified in respect of such payments for acceptance into the special account of the Bank of England shall be paid into that account. This proviso apparently embraces not only the unsold balance in the special account, but also the larger sum awaiting transfer to that account. Sondermarks as defined above will continue to be sold by the Bank of England for the account of United Kingdom exporters up to the time limit of February 1, 1935. Any sondermarks left over at that date shall, to such extent as the United Kingdom may request, be liquidated by means of, and as a first charge upon, the foreign exchange earmarked under the principal article of the new Agreement for the payment for United Kingdom exports. In effect they will rank *pari passu* with other outstanding commercial debts due from Germany. The sondermark position during the last few weeks is illustrated in the following table:—

Date	Unsold Balance Rm.	Awaiting Transfer to Special Account Rm.	Sondermark Sales Rm.
October 13	5,200,000	11,400,000	...
" 17	5,600,000	11,400,000	1,027,000
" 20	5,550,000	11,600,000	676,000
" 24	5,450,000	13,750,000	1,201,000
" 27	5,100,000	14,765,000	784,000
" 31	4,650,000	14,750,000	1,184,000
November 3	4,750,000	14,150,000	615,000
" 7	4,850,000	13,975,000	1,045,000

This table shows that the original Exchange Agreement was on the whole proving unsuccessful, for reichsmarks awaiting transfer to the special account have been "unremittably" accumulating. It is also open to question whether the total quantity of actual and potential sondermarks, amounting on November 7th to Rm. 18.8 millions, will be entirely liquidated when the time limit is reached three months hence.

* * *

Chile's Debt Proposals.—The Bill presented by the Chilean Finance Minister to Congress in Extraordinary Session on October 22nd provides—in brief—for the handing over to the Caja Autonoma de Amortisation de la Deuda Publica (created in September, 1932, for the purpose of attending technically to the Chilean public debt) of revenue from the Government profits from the Nitrate Sales Corporation as well as from taxation on copper ore-mining companies in Chile. Of the total amount available, 50 per cent.

is to be used for the payment of interest on the external debt, and the balance—after deduction of certain expenses—applied to the amortisation of the capital amount. The terms of such amortisation are to be agreed upon between the bondholders and the Caja de Amortisation; but, apparently, once such an agreement has been arrived at, bondholders' rights will be limited to the stipulations of such agreement. While fully recognising Chile's special difficulties, and the obvious desire to regain her credit prestige, bondholders may need considerable persuasion to forgo entirely their present full rights for more limited claims, especially when a waiting policy might bring better terms. On the other hand, while accepting the genuineness of Chile's gesture, it may be stated that there is an important body of opinion in Chile itself which holds the view that conditions there have not yet improved sufficiently to justify consideration of foreign debt proposals. The all-important question of exchange resources depends upon the favourable balance of trade; while this, owing to greater exports, has expanded markedly, on the other hand imports also now show a relatively important increase, it being obviously necessary for Chile to make import concessions in order to expand foreign markets for her own products. Indeed, in its latest report, the Central Bank of Chile states that the present position justifies prudence in judging future prospects, and appears to be of opinion that the Chilean internal recovery may reach its limit in the not distant future. The point of view of the British bondholder is discussed in an Investment Note on page 883. Briefly, the future of Chile depends upon international recovery with increased markets for nitrate, etc., in order further to assist the internal recovery which has mainly resulted from compensation treaties with eleven nations. Government income from nitrate cannot yet be computed, but the situation in the copper market holds out little hope of much, if any, taxation income from that source.

* * *

British and Continental Banking Company.—The results of this banking house for the past few years show that, even in these days of international restriction and uncertainty, the smaller international institutions are able to do a certain amount of business and earn a reasonable profit. Rather over a year ago this bank realised that the scope for its activities had become narrowed, and it very wisely reduced its capital. In the previous year, too, it had earned a net profit large enough to wipe out accumulated losses of £13,000 and to leave £16,000 over for allocation to reserve and payment of a small dividend. Since then it has consistently earned the very reasonable return of £14,000 on a capital of £100,000. The accounts of the bank are summarised below:—

	(£'000)	September 30th;	
	1932	1933	1934
Liabilities—			
Capital.....	350	100	100
Reserve	60	65	75
Current accounts	280	214	164
Deposits, etc.	187	405	403
Acceptances	Nil	Nil	134
Assets—			
Cash	242	131	156
British Treasury bills, etc.	120	154	45
Other bills	197	226	250
Investments.....	Nil	109	184
Advances, etc.....	317	165	107
Net profits	29	14	14
To reserve	5	10	10
Dividends.....	3%	3½%	4%

The latest accounts show a very liquid position. Current accounts are more than balanced by cash in hand and at call and by British Treasury bills (including short-dated Government securities). Investments consist of £80,000 in French railway sterling bonds, guaranteed by the French Government, and £104,000 in other securities, mostly French securities quoted in Paris. The item "advances, etc.," includes deposits in London and Paris, and so is more liquid than this omnibus title suggests. The report states that, owing to the uncertainties of the foreign exchange market, there has recently been some decline in deposits by French customers. Current events suggest that there may be a return of French money to this and other London houses.

THE STOCK EXCHANGE

ARGENTINE RAILWAYS

INVESTORS who have duly applauded Argentina's good faith with her bondholders may spare a little sympathy for those who have helped to pay the bill. This year's Argentine railway reports, indeed, are in the nature of an "account rendered" for the achievement of a 4½-5 per cent. yield basis for the Government's credit in London. With relentless clarity, they set out the economic consequences, to the companies, of last year's deliberate re-depreciation of the peso and the restriction of exchange facilities. Last November, almost in a night, the value of the peso was reduced by 20 per cent. Subsequently, the Government has been compulsorily buying export bills at 15 pesos to the £, and selling them at rates fixed by tender, averaging over 17 pesos to the £. The railways, in the queue of applicants, have yielded precedence to Government debt remittances and "essential imports," and even after recourse to the limited and still more unfavourable "unofficial market," have been unable completely to fulfil their requirements.

There is an academic air about the managers' reports this year, with their customary detailed analyses of small percentage changes in receipts and expenses. What is the significance to stockholders of a rise of £25,386 in last year's net working receipts on the B.A. Great Southern Railway, when exchange losses increased by £933,844 and totalled £1,447,734? Even the latter figure takes no account of £601,920, which has been charged to the General Reserve Fund, and of yet another potential loss for which no balance sheet reserve has yet been created. The crushing weight of exchange "differences" may be inferred from the following table, for the four largest railways:—

Year to June 30, 1934	B.A. Gt. Southern	B.A. Western	Central Argentine	B.A. and Pacific
Loss on remittances	£896,589	258,242	1,004,819	£664,719
Corresponding figures for { 1932-33 264,540				
{ 1928-29 27,072				
Depreciation of floating assets and other exchange differences	551,145	88,120	306,906	502,545
Corresponding figures for { 1932-33 249,349				
{ 1928-29 Nil				
Total exchange losses	1,447,734	347,362	1,311,725	1,167,264
Corresponding figures for { 1932-33 513,890				
{ 1928-29 27,072				

† After adjustments for earlier years. ‡ Of which £317,047 has been charged to general reserve in respect of previous years. § Provision to write down "C" Convention Trust Certificates. || General exchange provision. (a) In addition £601,920 loss on conversion of "Roca" bonds and "C" Certificates charged direct to general reserve fund.

The total exchange differences charged against net revenue last year on the four lines (excluding amounts charged to reserve), were £3,957,038, against £1,184,997 for 1932-33 and £77,270 in the last "prosperity" year. In its absence, 1933-34 would have ranked as a moderate "recovery" year, for net operating receipts were higher than in 1932-33 on every line (particularly on the Central Argentine), despite the failure of last season's harvest to realise early expectations, and the continued impoverishment of many areas. Exchange losses alone bear responsibility for the fact that the Great Southern, which earned 1 per cent. on its ordinary capital in 1932-33, failed to earn more than one-third of its preference requirements last year. The Western earned 83 per cent. and the Central Argentine only 7 per cent. of preference requirements, but the Central's balance was struck after using £306,906 to write down Convention Trust "C" certificates to par. The Southern and the Western are generously distributing full preference payments. The Central Argentine, however, has passed them all, thereby leaving the senior preference stockholders, whose rights are non-cumulative, in a worse position than the second preference, which are cumulative. Only half the first preference dividend, declared last year, is actually being paid this time. The unhappy Pacific company, part of whose Transandine system was obliterated by

a natural calamity last January, has again been compelled to default on part of its debenture requirements, and to add to the accumulated debit balances carried forward under a scheme of arrangement. The general results achieved by the four companies last year are contrasted with those of earlier periods in the following table:—

	B.A. Great Southern	B.A. Western	Central Argentine	B.A. and Pacific
Gross receipts (£)	10,516,260	3,612,117	9,870,864	5,843,973
Compared with ... { 1932-33 - 0.4%				
{ 1928-29 -19.5%				
Working expenses (£)	7,347,472	2,838,247	7,210,962	4,641,886
Compared with ... { 1932-33 - 0.9%				
{ 1928-29 -16.1%				
Net receipts (£)	3,168,788	773,870	2,659,902	1,202,087
Compared with ... { 1932-33 + 0.7%				
{ 1928-29 -26.5%				
Earned for fixed charges (C)*	1,386,131	592,280	1,566,793(c)	438,968
Compared with ... { 1932-33 -16.7%				
{ 1928-29 -65.2%				
No. of times debenture interest covered	1.28	1.22	1.30	0.35
Corresponding figures for { 1932-33 2.14				
{ 1928-29 5.22				
No. of times total preference requirements covered	0.34	0.83	0.07	Nil
Corresponding figures for { 1932-33 1.17				
{ 1928-29 2.80				
Ordinary stock	Earn'd Pd. (%) Nil	Earn'd Pd. (%) Nil	Earn'd Pd. (%) Nil	Earn'd Pd. (%) Nil
Corresponding figures for { 1932-33 Nil				
{ 1928-29 8.1				
Added to (+) or taken from (-) reserves and carry-forward	-1,184,997	-21,369	+51,866	-1,254,379
Corresponding figures for { 1932-33 +334,902				
{ 1928-29 +5,431				

* After adding other income and deducting other expenses and exchange losses. † £601,920 loss on conversion of "Roca" and "C" Trust Securities charged direct to general reserve. (c) Before charging provision for writing down "C" Convention Trust Certificates, £306,906.

Such improvement as occurred in net currency receipts last year was due to the carriage of rather more goods (but fewer passengers) and to decreased working expenditure. Receipts were better in the second than the first half of the year. Lower running expenses (with some exceptions) were due mainly to further economies, to wage cuts, and to subnormal additions to renewals funds. Differences between individual systems, in this important respect, vitiate direct comparison between so-called "net receipts." The Great Southern charged revenue with only £246,585 for the General Renewal Fund last year, while the Western made no revenue allocation to the Fund. The Central Argentine provided £600,000 for renewals, against £908,012 in the previous year. Maintenance allowances, generally, have been severely cut. How far "physical" arrears will be a first charge on more prosperous times is a matter for conjecture. Receipts and expenditure are analysed in the table overleaf.

Stockholders, in short, may write off 1933-34 as an unexpectedly disappointing year, which left the railways much where they were as regards operating revenue, but considerably put back the "earnings line," as a result of exchange factors outside their control. What are the prospects for 1934-35? The Argentine economic position shows indubitable signs of improvement. Wheat growers have been helped by the rise in prices, and current crop reports are favourable. Argentina, indeed, is exhibiting many characteristic signs of a primary-producing country in the first stages of recovery. Unless matters take an unexpectedly unfavourable turn, the railways may look, perhaps, for some little alleviation rather than an accentuation of their exchange difficulties. How far the increase in Argentine exports from 580.7 million paper pesos in the first half of 1933 to 717.6 millions in the first half of 1934, has been stimulated by the depreciation of the currency, and how far it has reflected conditions outside Argentina's control (e.g. the drought in North America) is

WORKING RECEIPTS AND EXPENSES

Year to June 30, 1934	B.A. Gt. Southern	B.A. Western	Central Argentine	B.A. and Pacific
RECEIPTS				
Total passenger receipts (£).....	2,649,637	736,105	2,191,643	734,922
Compared with { 1932-33	+ 1.6%	- 4.1%	- 8.1%	- 15.2%
{ 1928-29	- 15.7%	- 36.8%	- 35.9%	- 48.5%
No. of passengers	53,067,224	20,892,108	41,672,455	12,642,295
Compared with { 1932-33	+ 2.3%	- 6.7%	- 6.9%	- 10.3%
{ 1928-29	- 10.7%	- 11.6%	- 17.1%	- 23.5%
Total goods and livestock receipts (£) ..	6,272,804	2,472,957	6,090,937	4,480,014
Compared with { 1932-33	- 0.6%	+ 4.4%	+ 1.7%	+ 5.8%
{ 1928-29	- 20.3%	- 30.2%	- 37.0%	- 35.1%
Total tonnage of goods	7,236,709	2,048,078	7,338,901	2,999,388
Compared with { 1932-33	- 0.2%	+ 6.2%	+ 1.4%	+ 6.0%
{ 1928-29	- 12.5%	- 27.2%	- 27.8%	- 30.3%
Number of livestock	9,229,193	4,465,988	1,046,055	1,214,460
Compared with { 1932-33	+ 6.9%	- 23.8%	+ 6.8%	+ 12.1%
{ 1928-29	+ 3.4%	- 55.2%	- 26.9%	- 31.6%
EXPENSES				
Locomotive and traffic running (£)	4,123,224	1,662,152	3,984,469	2,647,255
Compared with { 1932-33	- 1.9%	- 2.6%	- 5.7%	- 2.7%
{ 1928-29	- 9.2%	- 9.2%	- 13.1%	- 16.9%
Permanent way and works (£)	825,895	311,780	1,131,748	543,975
Compared with { 1932-33	- 17.2%	+ 7.4%	- 13.9%	- 4.3%
{ 1928-29	- 44.7%	- 37.0%	- 48.2%	- 50.3%
Maintenance of locomotives, coaching and goods stock (£)	1,335,282	529,189	1,199,461	823,434
Compared with { 1932-33	+ 18.6%	+ 2.2%	- 13.6%	- 4.0%
{ 1928-29	- 2.9%	- 23.1%	- 31.1%	- 45.9%

a matter of controversy. The railways, however, may recoup a modest part of their exchange losses by the future "traffic consequences" of the export premium. The Government, in any case, has the less excuse for maintaining a considerable margin between its buying and selling rate for foreign exchange now that world conditions have rendered less urgent the amassing of a substantial fund for wheat relief measures.

Some rise in railway costs, however, is inevitable. The wages award, announced last month, involves the sharing of the fruits of "recovery" with the workers, and the restoration of wage cuts before further preference dividends can be paid. Maintenance and renewals allowances, again, will rise as and when earnings increase. The concessions, if any, which the companies may obtain from the official Committee which is investigating the entire transport problem, are an unknown quantity. At the moment, London market quotations for "assured" interest-paying Argentine railway stocks are near their highest levels for the year. Those of "doubtful" stocks, while well below the year's best, are sufficiently above the lowest depression points to argue a lively discounting of future benefits which may take some time to mature:—

	Highest, 1929-34	Lowest, 1929-34	1934			Yield (%)
			Highest	Lowest	Nov. 7	
B.A. Gt. Southern:—						
4% Deb. Stk.	88	47	88	74½	85x	4 1/8
5% non-cum. Pref. Stk.	96	28	79½	54	68½x	7 1/2
6% non-cum. Pref. Stk.	112	27	81½	46	60x	10 0
Ordinary Stk.	110½	14½	35	23½	25	Nil
B.A. Western:—						
4% Deb. Stk.	86	44½	86	69	83x	4 1/8
5% non-cum. Pref. Stk.	94½	48	80	55	72½x	6 1/8
4½% non-cum. Pref. Stk.	88½	25	67	49	56½x	7 1/8
Ordinary Stk.	100½	13½	27½	18½	22½	Nil
Central Argentine:—						
4% Deb. Stk.	82	43½	76½	61	75	5 9/7
5% Red. Deb. Stk.	95½	46	83½	61½	81x	6 3/5
4½% non-cum. Pref. Stk.	85	23	41½	25½	31	Nil
6% Cum. Conv. Pref. Stk.	110	27	41½	26	35	Nil
Ordinary Stk.	100½	14½	23	14½	16	Nil
Deferred Stk.	93½	7	14	7	10	Nil
B.A. and Pacific:—						
5% (1912) Deb. Stk.	95½	14½	27½	16	19	Nil
4½% Cons. Deb. Stk.	85	11	29	19	21	Nil
6% Cum. Pref. Stk.	106½	7	19	11	13	Nil
Ordinary Stk.	107½	7	16½	9½	10½	Nil

† Allowing for accrued dividends.

Except, possibly, for Western ordinary (whose lower quotation than Great Southern ordinary seems anomalous), no ordinary stock will earn a dividend in the near future—quite apart from the incidence of the wages award. Pending an inevitable future reconstruction scheme, the price of every B.A. and Pacific stock shown in the table is to be regarded as in the nature of option money. For the rest, stocks like Central Argentine 5 per cent. redeemable

debenture and Western 5 per cent. preference, whose payments were covered by last year's earnings with a small margin, do not seem likely to be uncovered unless the outlook changes for the worse. The immediate position of marginal stocks, like Great Southern 6 per cent. preference, Western 4½ per cent. preference and Central 4½ per cent. preference, whose dividend is non-cumulative and was not fully earned last year, is more doubtful. The year 1934-35 will include twelve months, against seven, of the lower peso rate, though the railways actually obtained little exchange at the higher rates prevailing until November last year. The weekly traffic figures of the four railways for the eighteen weeks of this year so far show a rise of 13½ per cent. in gross currency receipts and a decline of 17 per cent. in their sterling equivalents. The latter comparison, however, is utterly misleading, for the railways do not remit their gross receipts. Investors must needs wait for the early months of 1935, to learn how far "recovery" is likely to be able to carry its heavy pre-natal burdens.

INVESTMENT NOTES

Gilt-Edged Strength.—The forces making for strength in the Gilt-edged market, which we analysed last week, gathered fresh impetus from the announcement, on Monday, that the clearing banks had decided to reduce their call money rates. Foreign demand for "cloakroom" facilities, in view of the French political crisis, was a contributory source of pressure. It must be long since any direct British Government stock was quoted over 120, as is 5 per Cent. Conversion Loan to-day, though a guaranteed loan (Canadian Intercolonial, 4 per cent, 1878) touched 122½ in 1896. A rise of an entire point in 2½ per Cent. Consols in a single day, again, is a sufficiently rare phenomenon to suggest an element of abnormality in the market. Wednesday's announcement of the Australian conversions, though obviously well-timed, momentarily arrested a movement which in any case would soon have been checked by its own rapidity. That prices, however, have largely held their gains is shown by the following table:—

	Redemption Dates	Month Ago, (Oct. 9) 1934	Week Ago, (Oct. 30) 1934	This Week, (Nov. 6) 1934	Latest Price, (Nov. 8) 1934	Redemption Yield, (Nov. 8) 1934
"Consols" 2½%	...	81½	82½	84½	84½	2 19 6
Do. 4%	...	113½	115½	116	115½	3 1 6
Conversion 2½%	After Feb. 1, 1957	98½	99½	99½	99½	2 10 9
Do. 3%	1944-49	102½	103½	103½	103½	2 14 8
Do. 5%	1948-53	118	119½	120½	120½	2 11 6
Funding 3%	1959-69	99½	99½	100	101	2 18 9
Do. 4%	1960-90	114½	116	117½	117½	3 0 6
War Loan 3½%	After Dec. 1, 1952	105½	105x	105½	105½	3 1 0
Local Loans 3%	...	94½	95½	96½	96½	3 3 0

The *Financial Times* Government Securities Index (October, 1926 = 100) rose from 120.9 on October 9th to 121.9 on October 30th, and 122.9 on November 6th, the latest figure (November 8th) being 122.8. The downward readjustment of long-term interest rates is producing the inevitable "levering up" of prices for securities in the outer ring, including industrial and railway debenture and preference

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stocks, and even equities. The latter, after a month's reaction, have risen this week against the economic trend, for the increased October unemployment figures and the decreasing traffic "gains" on the railways alike suggest that industrial recovery is limping. The Actuaries' Index of 144 industrial shares (December 31, 1928 = 100) had risen to 72.5 on Tuesday last, as compared with 72.0 a week earlier, after declining from 73.2 a month earlier. The current average yield on this group of equities is 3.67 per cent., against 3.68 per cent. and 3.47 per cent. respectively. Movements in important sub-groups are set out below:—

Group (and No. of Securities)	Prices (Dec. 31, '28 = 100)			Yield (%)		
	Month Ago (Oct. 9)	Week Ago (Oct. 30)	This Week (Nov. 6)	Month Ago (Oct. 9)	Week Ago (Oct. 30)	This Week (Nov. 6)
Banks and discount co.'s (12)	112.3	112.1	112.4	4.18	4.18	4.17
Coal (9)	92.0	91.1	92.4	4.05	4.05	3.99
Cotton (6)	45.8	44.1	45.5	2.30	2.35	2.32
Iron and steel (8)	54.4	51.8	55.0	1.25	1.29	1.23
Home rails (4)	79.4	72.8	74.3	1.43	1.51	1.52
Stores and catering (15)	82.0	81.1	81.9	4.03	4.07	4.06
Brewers and distilleries (16)	114.6	115.2	117.1	3.85	3.81	3.81

For the present, earnings considerations, in the equity share market, are subordinate to the "interest factor." The former, however, will reassert themselves in due course.

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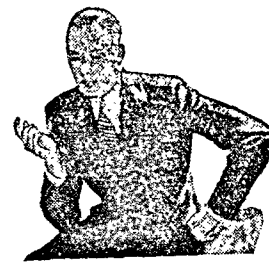
Further Australian Conversions.—By a happy coincidence for Australia, Mr Lyons's Cabinet bargain with Dr. Earle Page, which secures a moderate Government of the Right in office for the next few years, has been simultaneous with a strong upward movement in gilt-edged prices in London. The moment, therefore, is particularly favourable for a fresh instalment of Australia's long-term debt conversion operations. Accordingly, the British Treasury consenting, the cash lists opened and closed on Friday for an offer of up to £14,601,806, in connection with the conversion of nine State issues into a Commonwealth 3½ per cent. stock, 1964-74, the conversion price being 100 and the cash price 99. The loans in question are:—

Maturity Dates	Original Borrower	Amount Outstanding	Present Rate of Interest
1934	South Australia	789,400	3½
1935	Tasmania	137,750	4½
1916/35	South Australia	1,559,150	4
1915/35	Western Australia	2,235,007	3
1915/35	Western Australia	463,110	3½
1920/35	Western Australia	2,496,711	3½
1917/36	South Australia	2,175,815	4
1935/45	Western Australia	3,744,863	5
1920/40	Tasmania	1,000,000	4
		14,601,806	

The list includes stocks with interest rates ranging from 3 per cent. to 5 per cent., the weighted average rate being 4.13 per cent. Six loans to a total of £7,681,128 are compulsory 1934-35 maturities, while three, to a total of £6,920,678, are optional maturities. A further £58,676,633 of Australian stocks will be optionally convertible in 1935, but Australia has so far gained a good deal by following the tactics of Fabius. Since October, 1932, her successive conversions have been made at increasingly favourable rates, as the following table shows:—

Date of Conversion	Amount of Stock	Former Rate of Interest	New Rate of Interest	Issue Price	Maturity Dates of New Stocks
1932—Oct 3	12,360,950	5½	3½	97½	1936-37
1933—Feb. 24	9,621,848	4	3½	100	1935-70
May 30	11,409,965	6	3½	99	1937-38
July 15	17,221,191	6	3½	99	1943-48
Sept. 14	20,951,226	5½ and 6	3½	98	1948-53
Dec. 6	16,647,349	5 and 5½	3½	99	1946-49
Nov. 9	21,636,550	5 and 5½	3½	97	1954-59
	14,601,806	3 to 5	3½	99	1964-74
Total	124,450,892	...	...	...	...

The latest operation involves an annual interest saving of £126,481 in Australian currency and raises the total saving to £2,589,300 Australian, equivalent to £2,065,244 sterling.



Take a Common Problem

—one of greatest importance if you have a family or relatives who rely on your support. It may be disturbing to you to think of them without it. Home comforts, food, clothes, education... all so vitally dependent on your ability to live. Don't gamble with their future welfare—the stake's too big. Play for safety now and SAFEGUARD them. They deserve to be protected from the rigours of reduced circumstances.

THE SAFEGUARD

policy of the Legal & General will provide:—

- 1 A guaranteed income of £3, £6 or £9 per week tax free for a period of years and a cash sum if desired when the income commences.
 - 2 A cash payment of £1,000, £2,000 or £3,000 when the income ceases.
 - 3 For yourself. If you survive the period of your family responsibilities the cash sum of £1,000, £2,000 or £3,000 is payable to you.
- These are, briefly, the "Safeguard" benefits, but they can be moulded to your own individual needs. The cost of this remarkable provision is very moderate and may be reduced by the valuable rebate of income tax which may be claimed. Does "Safeguard" solve your problem? Obtain further details by returning the enquiry form.

Legal & General Assurance Society Ltd.
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Please send me particulars of the "SAFEGUARD" Policy.
Yours faithfully,

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Address.....

Age next birthday.....

German Debt Service.—A rather uncertain market hailed with relief the assurance of full debt service on the "Dawes" and "Young" Loans under the terms of the trade agreement (outlined in last week's *Economist*, page 824) by marking up the loans by ten points on Friday of last week. This week has seen further steady advance in these issues, but the non-Reich loans have been weaker. The Reichsbank announced over the week-end that its option, under the Transfer Agreement, to withdraw the offer of a 40 per cent. cash payment on coupons of these loans falling due between July, 1934, and June 30th next year would be exercised. This act confirms the scepticism with which the original alternative offer of partial cash payment or 3 per cent. Funding bonds was received in London in June. Under the new agreement the moratorium on interest transfers for these loans is to be extended to June, 1936, but the Funding bonds are now to carry interest at 4 per cent. These bonds are guaranteed and are exempt from transfer restrictions during their ten-year currency. As we suggested in a Note on June 16th, page 1322, they may well become the senior German security, in view of their explicit safeguards.

* * *

Chilean Bond Proposals.—During the depression Chile's creditors have been ready to make full allowances for the exceptional difficulties which the country has had to face, with its two dominant export industries of nitrate and copper reduced to a shadow of their normal stature. An excellent credit record in the past had given hopes that Chile would make a strong effort to meet her obligations as soon as her position allowed. These hopes have been perceptibly damped by the introduction of legislation in Chile which, so far as can be judged from cabled reports, proposes to earmark for the bond service the Government's share of profits earned by the new nitrate sales corporation, together with the proceeds of the copper export tax. Of these services one-half is to be applied as interest and one-half as amortisation. Three objectionable principles are

involved in these proposals. First Chile is following the worst precedents of 1934, those of Brazil and Germany, in seeking to impose a settlement on her creditors by unilateral action. Secondly, despite the fact that even the total assigned revenues can only provide a fraction of the normal interest requirement, one-half of the amount is to be applied in redemption at "waste-paper" rates. Chile, apparently, proposes to substitute for her word and bond a deferred equity in a commodity trust of doubtful earnings value. If Chile is content to abdicate her responsibility for a bonded obligation in this way, her future credit will be the slower to recover its high status. Bondholders, while willing to concede a generous settlement, would appreciate a free and spontaneous effort to provide a fixed service. This, in general, is the market value. We discuss the repercussions of Chile's foreign trade position on her debt problem in a Note on page 880.

A Rubber Compromise.—In last week's issue of the *Economist*, page 836, we described a threatened rift in the lute of the rubber restriction scheme, owing to the refusal of the Dutch representatives on the International Committee to agree to a continuance, in 1935, of the 30 per cent. "cut" operative, under an earlier agreement, for the month of December next. The Dutch were insistent that 20 per cent. was the uttermost limit of practicable restriction in their "native" areas, if dangerous social and political consequences were to be avoided. The Committee held a further meeting on Friday, November 2nd, at which a compromise was agreed upon. Export quotas for the first three months of next year were fixed at 75 per cent. of standard allowances. This means, in fact, that permissible exports will be appreciably above the level of December, since the additional 5 per cent. will be calculated on a more generous "quota" basis. The quota allotted to the Dutch East Indies rises from 352,000 tons in 1932 to 400,000 tons in 1935, while Malaya's quota rises from 504,000 tons to 538,000 tons. For the eight areas which have adhered to the scheme the difference between 70 per cent. of the 1934 quota and the 75 per cent. of the 1935 quota is equivalent to an additional exportable 118,450 tons. It may be presumed, therefore, that unless world demand increases with unexpected rapidity, the establishment of a rubber price of 10d. to 1s. per pound, as recently suggested in some quarters, is no longer practical politics. The current price, which recovered from 6½d. to 6¾d. on the announcement of the new agreement, still stands at 6¾d. The implications of last week's events are far-reaching. Unless and until the Dutch authorities solve the problem of enforcing restriction in their native areas, the scheme's practical working will be governed, not by what the majority of members of the International Committee regards as desirable, but by the maximum strain which can be imposed on restriction's weakest link.

The Oil War Composed?—In a review of the American oil "war" in an Investment Note in our issue of October 27th (page 787), we arrived at the conclusion that unless the Federal Government found new ways and means of enforcing restriction at the source of supply—or unless the Texas State authorities co-operated in enforcing the existing restriction orders—the war would shortly be extended to the crude oil market. This danger has for the present been averted, new ways and means having been found by Mr. Ickes, the Oil Administrator, for eliminating the "hot oil" production in East Texas. Mr. Ickes appointed a "Federal Tender Commission" to inquire into the legality of all crude oil and refined products before granting permission to ship in inter-State commerce. This Commission immediately instructed the railroads to refuse to accept any inter-State shipments of oil from East Texas. To the amazement of the oil industry the railroads complied with this order. As permits are not being issued by the Tender Commission for East Texas, the "hot oil" producers and refiners have been forced to close down. The legality of the Tender Commission's orders is, of course, to be tested in the Courts and the hearing is fixed for November 15th. It is doubtful whether the Com-

mission will be upheld, but in the meantime the elimination of "hot oil" has had a salutary effect upon markets. Gasoline price cuts have been restored and the major companies have resumed purchases of "distress" gasoline in Texas under the recent agreements with the Texas refiners. The oil industry is always liable to violent changes in fortune, but the recent *volte face* in Texas seems to have surprised everyone. Until the lawsuits are heard it would be unwise to say that the "hot oil" trouble has been permanently overcome, but the outlook is undoubtedly brighter.

Insurance Share Index.—During the third quarter of this year market quotations for insurance shares showed further improvement, though their average rise was less than in either of the two preceding quarters. This tendency is illustrated by the following table, which portrays the course of an investment in 1913 of £1,000 in the ordinary shares of each of the twenty-four leading insurance companies:—

	1920	1932	1933	March 1934	June 29, 1934	Sept. 28, 1934
Alliance	1,018	1,638	1,979	2,121	2,142	2,226
Atlas	2,059	3,000	3,182	3,397	3,333	3,397
Caledonian	1,776	4,183	4,655	4,780	4,718	4,780
Commercial Union	2,453	3,352	3,918	4,310	4,245	4,517
Employers' Liability	3,558	1,775	2,162	2,252	2,252	2,432
Equity and Law	922	2,076	2,784	3,526	3,705	4,107
General Accident	2,650	7,250	9,114	8,933	9,589	9,999
Gresham Fire	2,869	2,118	3,238	4,286	4,762	5,238
Guardian	1,731	2,538	3,158	3,282	3,102	3,295
Legal and General	1,443	5,678	7,580	8,743	10,273	10,601
Life Association of Scotland	1,009	2,080	2,669	2,948	3,043	3,043
London and Lancashire	1,801	3,808	4,409	4,462	4,616	4,769
London Assurance	1,832	1,783	2,280	2,474	2,765	2,838
North British and Mercantile	1,338	3,990	4,696	4,650	4,936	5,191
Northern	2,067	1,904	2,078	2,080	2,149	2,149
Phoenix	1,429	1,666	1,945	1,894	1,894	2,029
Prudential	730	2,146	2,740	2,974	3,117	3,117
Royal Exchange	2,325	2,896	3,664	3,573	4,128	4,251
Royal	1,379	2,464	2,656	2,888	2,731	2,839
Scottish Life	1,129	2,533	3,174	3,371	3,371	3,596
Scottish Union and National	2,764	3,803	4,335	4,363	4,584	4,658
Sun Fire	1,159	2,364	2,889	2,933	3,156	3,111
Sun Life	645	2,040	2,349	2,519	2,620	2,569
Yorkshire	2,293	2,731	3,212	3,298	3,401	3,453
Average	1,766	2,911	3,535	3,744	3,943	4,092

The figures are based on the mean of the highest and lowest prices in each year, except in the case of the quarterly quotations for 1934, which relate to the middle market prices on the respective dates. In all cases where an issue of bonus shares has been offered, due allowance has been made by assuming that the rights are sold, and the proceeds utilised to purchase an additional holding in the original shares. It will be seen that, in the September quarter, nineteen companies show a rise, and only two a fall, in market quotations, while three show no change.

COMPANY NOTES

Theatre Companies.—The theatre business on the whole is more suited to private ownership than to public joint-stock investment. In conditions of normal prosperity it is possible for a well-conducted theatre to return fair profits over a series of years. As the profit record of theatre-owning companies demonstrates, however, there are very substantial fluctuations in the earnings from one year to another, and investors have no recognisable means of foreseeing which way the next move will be. Since a great part of the expenses of producing a play or entertainment is incurred before the "first night" can test its commercial appeal, production must essentially be a speculative business. An effort to overcome the risk by "spreading" has been made by such concerns as Associated Theatre Properties and Moss' Empires, which own a number of theatres. Multiple ownership, however, is still far from having eliminated fluctuations. Moreover, as the theatre is a luxury which can fairly easily be forgone, economic depression has a rapid and serious effect on profits. With the exception of the London Pavilion (which is nearer to a real estate business than to a theatre business proper) all

the concerns in the accompanying table have shown either a precipitous fall in profits, or (more usually) considerable losses, during recent years. It happens that the introduction of the "talkie" has approximately coincided with the onset of depression. How far difficulties in the theatre business are due to depression alone and how far to intensified competition from the "talkie" cinema, has yet to be tested in normal conditions. In the past a rising standard of living combined with rather greater leisure has left room for the vigorous expansion of the cinema without stifling the theatre. Possibly the slight incipient recovery shown in

Profits in £'000						
	1929	1930	1931	1932	1933	1934
Associated Theatre Props. (June 30)—						
Earned for ord.	15.2	32.0	15.8	Dr.2.0	Dr.34.5*	Dr.17.8*
Earned %	9.5	20.7	10.5	Nil	Nil	Nil
Div. %	6½	7½	Nil	Nil	Nil	Nil
Howard & Wyndham (Feb. 28)—						
Earned for ord.	15.7	2.3	24.8	9.0	1.2	11.5
Earned %	10.2	1.5	16.6	6.2	0.8	8.0
Div. %	10	10	10	7	2½	5
London Palace (Mar. 25)—						
Earned for ord.	20.2	20.5	Dr.10.2	Dr.12.7	6.5	...
Earned %	10.5	11.6	Nil	Nil	4.3	...
Div. %	7½	8	Nil	Nil	Nil	...
London Pavilion (Dec. 31)—						
Earned for ord.	13.4	13.4	14.1	14.3	13.5	...
Earned %	11.6	11.0	11.7	11.8	11.0	...
Div. %	8½	8½	8½	8½	8½	...
Moss' Empires (Dec. 31)—						
Earned for ord.	84.5	46.0	Dr.42.6	Dr.101.8*	Dr.56.3*	...
Earned %	17.3	7.5	Nil	Nil	Nil	...
Div. %	10	10	Nil	Nil	Nil	...
Stoll Theatre (Sept. 30)—						
Earned for ord.	101.5	43.0	35.9	17.1	0.1	...
Earned %	6.1	2.7	2.4	1.1	...	...
Div. %	6	Nil	Nil	Nil	Nil	...
Theatre Royal (June 30)—						
Earned for ord.	39.1	16.4	Dr.19.8	11.8	Dr.10.2	Dr.51.4
Earned %	35.9	13.3	Nil	10.9	Nil	Nil
Div. %	12½	12½	Nil	5	Nil	Nil
Variety Theatres (Dec. 31)—						
Earned for ord.	14.8	5.6	Dr. 2.3	Dr.20.0*	Dr.12.7	...
Ord. div.	8	5	Nil	Nil	Nil	...
Victoria Palace (Nov. 5)—						
Earned for ord.	15.5	7.0	Dr.13.4	Dr.14.2	Dr.10.7	...
Earned %	12.9	7.5	Nil	Nil	Nil	...
Div. %	15	7½	Nil	Nil	Nil	...

* After allowing for full preference dividend.

some recent theatre accounts may indicate that there will still be room for profitable theatre businesses in the future—indeed, it is hardly likely that the "legitimate" theatre will ever be extinguished. A serious commercial problem had arisen, however, through the competition of cheaper cinema seats, even before the introduction of the "talkies." The problem is scarcely likely to grow less serious now. The sluggish response of theatre share prices to bumper-year profits in the past indicates that investors are not unconscious of the implications of the facts discussed in this Note.

Union-Castle Scheme.—The Union-Castle Mail Steamship Company proposes to amend its Articles of Association so as to prevent control passing to foreigners, and to perpetuate the voting power of the 6 per cent. "A" cumulative preference shareholders when their dividend arrears have been paid off. From 1912, when the Royal Mail and Elder Dempster companies purchased the ordinary shares, until 1930, the control by the Royal Mail group was absolute. The present board by careful management has gone far to rehabilitate the company's position, and is pardonably reluctant to risk a second experiment in outside "control." If the present proposals are sanctioned, and the Union-Castle's ordinary stock comes under the hammer in a Royal Mail liquidation, its purchasers will obtain only 274,000 votes against the "A" preference shareholders' 2,500,000. The "A" preference shares at present carry one vote per £1 share, while the ordinary stock has only one vote per £10—the denomination of the original shares. Inclusive of the 4½ per cent. preference shares, preference holders, who have subscribed 50 per cent. of the capital, will exercise 90 per cent. of the voting power. As a general

principle, there is much to be said for the granting of wider representational power to preference shareholders. It is doubtful, however, how far the courts would be prepared to uphold a proposal by one class of shareholders to use the powers conferred on them for a strictly defined period of semi-crisis to lower the status of another class of shareholders. It will scarcely be disputed that the price originally paid for the Union-Castle shares (namely £32 ros. per £10 ordinary share) took account of the fact that control was being obtained. In any subsequent sale the price will certainly be prejudicially affected by inability of the sellers to pass on the rights they originally purchased. The difference between the *cum-* and *ex-*control price of the Royal Mail group's best asset may well be considerable.

Electric and Musical Industries.—The expansion in profits of Electric and Musical Industries for the year to September 30th is so remarkable that the directors had good reason to ignore the logic of the calendar by announcing the results two days before the close of the financial year. The full report shows that total income amounted to £514,386, of which £409,411 was received in gross dividends from the operating companies. A comparative table illustrates the rapid improvement during the past year:—

	Period from April, 1931, to Sept., 1932	Years to Sept. 30 1933	1934
Income	115,064	82,649	514,386†
General expenses	95,972	79,739	91,276
Directors' fees	2,977	2,008	2,400
Income tax	...	...	95,677
Earned for dividends	16,115	902	325,034
Preference dividend	13,800‡	Nil	57,442§
Ordinary shares { Earned	Nil	Nil	267,592
Paid	Nil	Nil	224,973
{ Earned %	Nil	Nil	11.9
Paid %	Nil	Nil	10
Carried forward	2,315	3,217††	42,619

† Dividends received, before tax, £409,411; contributions for management, etc., £104,975. ‡ For six months to December, 1931. § Paid and accrued to date, after tax. †† Applied to writing down of assets under scheme sanctioned March 28, 1934.

Although the capital reduction of March involved no real sacrifice, the results of a first recovery year suggest that the scheme has related asset value to earning power satisfactorily. Since the ratio of preference to ordinary capital is 1:6.3 the earnings for ordinary shares, even after two and three-quarter years of preference arrears, are equivalent to 11.9 per cent. The consolidated balance sheet of the two principal operating companies gives clear evidence of trading expansion in the "turnover" items. This statement, however, illustrates the desirability of including subsidiary companies to the third and fourth generation, for out of total subsidiary assets of nearly £4 millions (after deduction of gilt-edged investments), investments in and advances to their subsidiary companies total well over £1 million. The ordinary shares have appreciated this year from 17s. in the old £1 denomination to 31s. 3d. after the 50 per cent. reduction, at which price they yield £3 4s. per cent.



SECURITY FIRST

TOTAL FUNDS EXCEED
£44,000,000

CLAIMS PAID, OVER
£200,000,000

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Imperial Smelting Corporation.—In spite of a decline in the prices of metals in which this Corporation is chiefly interested, during the latter half of the trading year to June 30th last, an increase in profits of £25,104 to £154,984 was achieved. The 6½ per cent. preference dividend was met with a margin of about £20,000, whereas in the previous year there was a shortfall of £4,658. No dividend has been paid on the ordinary shares since 1930. In the following comparison of results for the last three years, net profits are struck after providing for directors' remuneration and general expenses:—

	Years to June 30,		
	1932	1933	1934
Net profits	137,472*	129,880	154,984
Preference dividend.....	134,538	134,538	134,538
Carried forward	17,338	12,680	33,126

* Including £24,598 profit on exchange.

Consideration of the very comprehensive information set forth in the report suggests an essential fact—namely, that the Corporation's future earnings will depend upon the prices of the metals it handles. Last year, price declines adversely affected operating results, despite increased production. Given reasonable world trade, however, and a gradual increase in the consumption of lead and spelter, the Corporation should take full advantage of the slightest upward curve in the trade barometer. The £1 6½ per cent. preference shares are quoted at 21s. 6d. to yield 6 per cent. The £1 ordinary shares have fallen to 9s. 9d. on realisation of the distance the company has yet to go before they regain the dividend stage.

* * *

Trinidad Leaseholds.—The oil price situation has unfavourably affected the earnings of this large independent producer. Both the well output and purchased tonnages have increased during the year to June last, the crude oil throughput amounting to 1,084,696 tons, an increase of over 15 per cent. Oil profits, however, have fallen by over 14 per cent. to £430,679. A comparative profit and loss analysis follows:—

	Years to June 30,		
	1932	1933	1934
Oil profit	486,776	502,874	430,679
London revenues	12,303	18,313	12,971
Total profit	499,079	521,187	443,650
Expenses and directors' fees	26,250	26,640	28,391
Depreciation	208,307	210,976	209,948
Provision for subsidiary cos. losses or writing down shares	24,729	31,823	25,808
Taxation	42,000	55,000	15,000
Earned for dividends.....	197,793	196,748	164,503
Paid	163,945	196,734	163,945
Earned %	15.1	15.0	12.5
Paid %	12½	15	12½
Carried forward	63,999	68,992†	69,550

† After writing back £4,979 reserve for claim against subsidiary not required.

Although the company is not primarily a holding concern, the close relation of earning power to dividend payments suggests an element of "policy" in the disclosed profits. Surplus liquid assets have increased, roundly, from £805,000 to £888,000. Despite falling prices, stocks are being carried at considerably higher levels. Capital expenditure during the year amounted to £147,958, mainly for Trinidad plant extensions and increased distribution facilities in this country. Shareholders must needs await the general meeting for indications of the board's attitude towards the crude oil situation. The £1 shares are quoted at 52s. 6d. ex dividend to yield £4 15s. 3d. per cent.

* * *

Lena Goldfields Agreement.—The announcement that an agreement had been signed between the company's representatives and the Soviet Government was welcomed in the City this week. A positive outcome had been expected since the statement in the House of Commons in

January that discussions on the basis of materially amended terms, on both sides, would be acceptable to the Concessions Committee. Under the agreement the Soviet Government will pay a sum of £3,000,000 in varying half-yearly instalments over a period of twenty years, commencing from May 1, 1935. The company's Russian indebtedness, which amounted to £874,500 at December, 1928, is to be cancelled. Broadly, therefore, the settlement is on the basis of capital expenditure less deduction of Russian claims, and the cost of the concession, which is carried in the books at £2,772,898, is not covered by the payment. Formal ratification of a settlement on the basis of three times the original offer made by the Soviet is unlikely to be withheld, and the market has been actively engaged in valuing the notes, of which £750,000 are outstanding. These estimates must be conjectural, since no information as to expenses incurred since the last accounts for 1928 is available. At that date net current liabilities in London amounted roundly to £375,000, and this figure has undoubtedly been substantially increased in the interim. If the payments are capitalised on a 4 per cent. basis it would appear that the present value of the award amounts to some £1,100,000. On the equally arbitrary basis that present liabilities, excluding accrued note interest, amount to, say, £750,000, the net present value of the notes would amount to £350,000. This present worth would be equivalent to about 47 per cent. of their face value, against a current quotation of 37½. A rough computation indicates that after settlement of liabilities on this arbitrary basis, the payments would be insufficient to meet the principal and accruing interest at 10 per cent. on the Notes. It is anticipated that a compromise settlement will be proposed, both to creditors and Noteholders, offering a capital sum in full liquidation of outstanding claims, to be paid off as instalments are received by the company. The ordinary shares at about 1s. thus have a purely conjectural value.

* * *

Nigel Van Ryn Reefs.—The report of this gold-mining finance concern for the period October 1, 1932, to June 30th last shows the effect of the capital reduction scheme sanctioned in May, 1933. In view of the extension of the company's sphere of operation, comparison with previous reports is a difficult and unenlightening procedure. The total of the balance sheet now stands at £161,225, of which cash accounts for £101,990. The company's original asset of 257 mining claims on the East Rand, formerly valued at £30,000, has been written down to £1 out of share premium account, which, after other appropriations, now stands at £5,453. The report, however, records the board's opinion that the Nigel Reef underlies these claims, and sets out the new Australian interests which have been acquired, including the Lamplough, Monument Hill and Castlemaine properties. The 1s. shares are quoted at 2s. 9d.

* * *

Rand Ore Policy.—The ore-grading policy of the Rand was specifically defined by Mr John Martin, at the meeting of Modderfontein East, Limited, on November 1st. Mr Martin strongly deprecated the argument that mining should be designed to secure maximum immediate dividends for shareholders, since this practice would undermine the stability of the companies and involve the danger of a subsequent decline to a low-grade basis which would imperil the future of the industry. This view has been endorsed by the South African Minister of Mines. A correspondent writes to us, however, to point out that the principles on which Mr Martin bases his defence of low-grade milling do not appear to cover the present milling policy of all important mines. Without disputing Mr Martin's contention that it is a universally recognised practice of sound mining to mill a grade of ore which represents the average grade of the ore reserves, the writer adduces the case of the Randfontein mine. Last month the grade of ore milled at Randfontein was 3.48 dwts., whereas the value of the ore reserves, including low-grade, on December 31, 1933, was 5.1 dwts. Even on the assumption that not all the low-grade ore which is payable with

gold at 140s. an oz. was included in the ore reserves, it cannot, he declares, be imagined that its inclusion would reduce the ore reserves by more than 1½ dwts. The average value on the stoping width of 43 ins. of the developments at Randfontein this year is 7 dwts. The average for the preceding three years was over 8 dwts. It would therefore appear that on any calculation Randfontein is milling well below the average of its ore reserves. It is true that as a result of this and the altered basis of taxation the percentage of total taxation on profits has been reduced from over 50 per cent. in 1933 to under 20 per cent. in 1934. Any increase of profits above the present rate of 6s. 4d. per ton would be subject to an increased E.P.D. of 12 per cent. for each shilling up to 2s., and, according to the formula, for each further shilling. All mines, however, suffer from this disability.

* * *

Other Company Results.—The report of 34 other companies will be found, in usual summary form, on page 903. They follow fairly closely the trend of recent reports. The breweries group continues to make a good showing. The results of Bristol Brewery, Georges, which put new life into a dull market recently, have disclosed an improvement from £209,016 to £233,826, and the smaller Bristol United has shown an equally satisfactory proportionate expansion. Increased dividend payments, including Anells, have been declared this week. Among plantation companies, Sudan Plantations, before charging depreciation and reserve items, have shown lower earning power. In the previous year, however, reserve against advances absorbed £135,109, and net earnings for the year to June last have consequently advanced from £85,348 to £137,584. S. Smith and Sons (Motor Accessories) have increased their earnings to a new record, and the dividends on the increased capital, although maintained, have been earned with an increased margin. The rubber companies, with one unfortunate exception, continue to show an improved position. This week's results include Rubana (£10,639, against Dr. £530) and Tali Ayer (£13,031, against £286), the dividends being 3½ and 4½ per cent. respectively, against nil. Joshua Hoyle have somewhat improved their trading profits, and earnings for shares, after partial debenture payments, amount to £54,965, against £29,463 for the previous year. As in 1932-33, earnings have been largely applied to Renewals Reserve. A further batch of investment trust reports to September 30, mainly from Scotland, will give encouragement to stockholders. A recital of the net revenues of such companies as Clydesdale Investment (£38,354, against £39,337), Railway and General (£18,411, against £18,219), Scottish National (£28,125, against £31,923), Second Industrial (£20,219, against £20,061), and London and Colonial (£16,383, against £15,521) suggests unmistakably that the revenue trough has been reached. In the miscellaneous group, S. and W. Berisford have fared better, and the dividend is increased from 13 to 15 per cent. The final dividend of 16½ per cent. announced by Tate and Lyle exceeded even optimistic estimates. Some 22½ per cent. is thus paid for the year, against 17 per cent., and reserve allocations total £375,000 against £300,000.

* * *

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies: Buenos Ayres and Pacific Railway, Buenos Ayres Great Southern Railway, London Maritime Investment, Imperial Airways, and Raphael Tuck and Sons. At the Buenos Ayres and Pacific meeting Lord St. Davids pointed out that the company had experienced great difficulty in obtaining their minimum sterling requirements. The cost of the disastrous flood on the Argentine Transandine railway could not be estimated, but he regarded it as beyond the capacity of the railway to make good without assistance from the Governments concerned. Sir Follett Holt, at the Buenos Ayres Great Southern meeting, regarded Argentine prospects as encouraging, and suggested that the company had turned the corner. He referred with satisfaction to the running of the Diesel engines. Sir Eric Geddes gave shareholders of Imperial Airways valuable indications of future developments. Although the speeds of the Air Race

could not be reproduced under normal conditions, the company had plans for a seven-day service to Australia. At the London Maritime Investment meeting, Sir F. Vernon Thompson pointed out that although the Company's shipping investments showed a heavy depreciation, other holdings showed compensating appreciation. Mr Gustave Tuck, at the Raphael Tuck meeting, drew attention to the prospective increase in business which was expected to result from the Silver Jubilee celebrations.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET	ACCOUNT
November 20	November 22

THE fire which was lit in the Gilt-edged market last week received fresh fuel on Monday, when the clearing banks announced the much-debated reduction in their call money rates. The subsequent announcement of another large Australian conversion operation, however, had a damping influence. The French crisis also tended slightly to unsettle the market, and the rise in prices was checked. Meanwhile, the process of adjustment to the new ruling interest basis was reflected in an upward tendency in a wide range of securities. The slow decline in industrial ordinary shares was thus arrested, at a moment when the recognised trade "pointers" confirmed its wisdom. The employment figures suggested a rather more than seasonal decline in activity, and the railway traffic gains made the least impressive showing for many weeks past. Current interest levels, however, are concerned less with trade activity than with its absence, and the firmer tendency of prices, though it may not go very far, is at least logical.

There was a large turnover in the Gilt-edged market at the beginning of the week, but business tended to slow down after Tuesday. Two-and-a-half per cent. Conversion Loan just failed to reach 100. The activity of 4 per cent. Funding Loan was attributed in part to buying on foreign account. Australian loans were exceptionally strong on the announcement of the conversion offer. Commonwealth 3½ per cent., 1954-59, rose by as much as 1½ on Wednesday. India stocks, particularly the so-called "irredeemable" issues, remained in strong demand.

In the foreign bond market, "Dawes" and "Young," which were marked sharply upwards on last week's news of the Anglo-German agreement, made further net headway this week, despite a little profit-taking. Chinese bonds were active, and Japanese obtained investment support after a weak start. Brazilian loans were in fair request, but the new Chilean debt proposals (discussed on pages 880 and 883) aroused no enthusiasm.

In the home rail market increased activity spread downwards, on Tuesday, from the debenture and guaranteed stocks to the marginal preference and equity issues. The movement, being a "lower interest" phenomenon, had no relation to earnings prospects, and the junior stocks became easier (except on the Southern) on the issue of traffic returns revealing the virtual disappearance of the "plus signs" on two of the four lines. The foreign railway market was quiet. The large exchange losses of the Argentine companies (discussed in a leading article on page 887) had a sobering effect, and investors were inclined to stress the restraint rather than the long-term confidence of the chairmen's reviews of the outlook.

Industrial shares, in the new Account, were firm and active. A perceptible tendency towards profit-taking, however, occurred before the end of the week. Though iron

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and steel shares continued to make headway—Babcock and Wilcox and Stanton being particularly in request—the centres of chief interest were tobacco and brewery shares. Imperial Tobacco rose steadily on reports of a further increase in trading. Provincial buying was spread over a long list of brewery shares, including Guinness, Threlfalls, Mitchells and Butlers, and Watney. Even Distillers advanced, though their rise was checked in the middle of the week. Newspaper shares were harder, Daily Mail Trust rising in anticipation of a satisfactory report. Among store shares, Marks and Spencer made fresh headway. Investment demand for electric supply shares again became evident, after a period of quietude, Edmundsons being especially firm on the group's good October returns. Motor shares received further attention on a new upward movement in the registration figures. Textile shares were in better demand, Patons and Baldwins reflecting buying orders from the North of England. Courtaulds were also well supported and British Celanese improved. Tate and Lyle rose 5s. on the increased dividend. Bank shares were quiet, but continued investment demand was evident for insurance shares.

Despite the improvement in the American outlook (described on page 884), the oil share market was quiet as a result, mainly, of unsettlement in Paris. Rubber shares remained steady, though business was somewhat restricted. The compromise between the British and Dutch views was received with equanimity, the market preferring a slight reduction in the January percentage to the prospect of indefinite disagreement. Tea shares opened weak, but the market had a slightly oversold appearance. A little selective buying, subsequently, was sufficient appreciably to strengthen the market's undertone.

Kaffirs opened quietly, but confidence tended to increase as the view gained ground that no serious trouble in connection with the settlement was to be apprehended. Paris, however, was disturbed by the political situation, and the market had an uncertain tone on Thursday. The fall in West African shares was checked, but no appreciable revival occurred. Australians were firm at the outset, helped by reports of important discoveries in the Yellowknife district. Among base metal shares, Rio Tinto had a sharp improvement on the board's decision to pay the preference dividend. Business in tin shares, however, remained dull.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Oct. 31, 1934	Nov. 2, 1934	Nov. 3, 1934	Nov. 5, 1934	Nov. 6, 1934	Nov. 7, 1934	Nov. 8, 1934
Government and Municipal Loans	1,299	1,790		1,552	1,623	1,421	1,459
Transport, Communications, and Public Utilities	1,036	1,116		1,068	1,063	1,201	995
Commercial and Industrial* and Banks, Insurance and Financial	3,581	3,880		3,602	3,468	3,565	3,230
Mines (including Nitrate)	492	716		725	647	691	737
Oil	1,256	1,787		1,640	1,143	1,163	1,136
Rubber, Tea and Coffee	164	156		156	110	131	117
Total	8,084	9,941		9,243	8,450	8,546	8,001
Corresponding day in 1933	Closed†	8,837		8,653	7,898	8,315	8,273

* Including Iron and Steel and Breweries. † November 1st (fell on Wednesday).

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

Highest of 1934 (Nov. 8)	Lowest of 1934 (Jan. 2)	Oct. 31, 1934	Nov. 2, 1934	Nov. 3, 1934	Nov. 5, 1934	Nov. 6, 1934	Nov. 7, 1934	Nov. 8, 1934
91.2	83.5	89.6	89.8	Closed	90.1	90.8	90.8	91.2

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Nov. 8)	Lowest of 1934 (Jan. 2)	Oct. 31, 1934	Nov. 2, 1934	Nov. 3, 1934	Nov. 5, 1934	Nov. 6, 1934	Nov. 7, 1934	Nov. 8, 1934
137.0	128.8	135.8	136.0	Closed	136.2	136.8	136.9	137.0

FOREIGN STOCK EXCHANGES

NEW YORK

It is somewhat paradoxical that this week's Democratic landslide has been received by the Stock Exchange with complacency and even satisfaction. The confirmation of the President's immense popularity and influence might have been expected to generate a further attack of those vapours which have beset the market since the reformist ambitions of the Administration were set to work on the Public Enemy called Wall Street. Since the Senate as well as Congress now musters a two-thirds Democrat majority, the power of the party has been extended in fact beyond the lifetime of the present Administration. The market would appear to be budgeting for a recrudescence of inflationary measures, despite some tentative recent indications that the President was veering slightly towards financial orthodoxy, and it may be that the reassembling of Congress will be accompanied by noisy demands for new expenditure. Such reasoning, assisted by a sharp advance in grain prices, supplied the pretext for a strong burst of activity in stocks in late dealings on Wednesday, when building shares in particular were in speculative demand. Utility stocks recovered slightly from Monday's lower levels on some rather vague interpretations of the polls. While turnover in stocks was running over the million mark for the first time in recent weeks, the bond market was in a distinctly nervous condition. Federal loans continued their easier course, while industrial bonds were irregular. This week's business news suggests that seasonal revival is slowly proceeding. Steel mill output for the week is estimated at 26.3 per cent. of capacity, against 25.0 last week, while ingot production for October totalled 1,462,000 tons, against 1,252,000 tons in the previous month.

	Oct. 31, 1934	Nov. 7, 1934	Nov. 7, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 7, 1934
Lb. Ln. 31% '32-47	104	103½	103½	Natl. Biscuit	26½	27½
Do. 4½% '32-47	103½	103½	103½	Phelps Dodge	13½	14½
Do. 4½% '33-39	104	103½	103½	Pullman	39½	42½
Atchafalpa	51½	54½	54½	Sears-Roebuck	38½	41½
Erie	11½	12½	12½	Studebaker	27½	29½
Illinois Central	16	16½	16½	Un. Fruit	70½	71½
N.Y. Central	21	21½	21½	U.S. Leather	5½	5½
Pennsylvania	22½	23½	23½	U.S. Rubber	15½	16½
Southern Pacific	17½	18½	18½	U.S. Steel	31½	33½
Southern Ry.	16½	16½	16½	Westinghouse	30½	32½
Union Pacific	100½	103	103	Woolworth	49½	51½
Am. Can.	100	102½	102½	Am. Tel. and Tlg.	110	111½
Amer. Smelting	34½	36½	36½	Interboro R.T.	13½	13½
Anacosta	10½	11	11	Int. Tel. Teleg.	9	9½
Bethlehem Steel	25	26½	26½	Radio Corp.	5½	6
Chrysler Motor	33½	35½	35½	Utilities P. and L.	1½	2
Corn Produce Rf.	63	67½	67½	W. Union Tlg.	33	34½
Eastman Kodak	104½	108½	108½	Associated Gas "A"	2½	2½
Gen. Electric	17½	18½	18½	Shell	23½	18
Gen. Motors	29	30½	30½	Shell Union	6½	6½
Int. Harvester	32	34½	34½	Std. California	32½	33
Mont. Ward	26½	28½	28½	Do. N.J.	40½	42½

† Calculated at \$5.00 to £.

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

	1933		1934		1934		1934		1934	
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	38.7	86.6	74.3	90.5	79.6	77.5	77.4	75.4	75.4	75.4
33 Rails	23.9	54.5	34.0	51.4	40.6	35.9	37.0	34.4	34.4	34.4
87 Utilities	66.8	101.0	82.1	83.4	88.4	63.2	63.1	61.7	61.7	61.7
Total, 421 stocks	40.9	83.4	65.6	82.1	70.8	68.2	68.2	66.3	66.3	66.3
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.78%	3.77%	3.89%	3.89%	3.89%

† February 7th.

(e) Sept. 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Oct. 24, 1934	Oct. 25, 1934	Oct. 26, 1934	Oct. 27, 1934	Oct. 28, 1934	Oct. 29, 1934	Oct. 30, 1934	Oct. 31, 1934
105.0	76.0	84.3	82.8	81.5	81.6	81.1	81.5	81.7	81.7

TOTAL DEALINGS IN NEW YORK

	Nov. 1, 1934	Nov. 2, 1934	Nov. 3, 1934*	Nov. 5, 1934	Nov. 6, 1934	Nov. 7, 1934
Stock Exchange—Shares (Thous.)	540	650	310	760		1,110
Bonds (Value Thous. \$)	16,600	9,460	4,380	7,950	Closed(a)	13,420
Curb—Shares (Thous.)	109	129	68	146		199

* Two-hour Session.

(a) Elections day.

PARIS

The Bourse was under heavy political weather this week, which culminated on Thursday with the resignation of the Cabinet. A continued element of forced liquidation suggested that the technical position was further being clarified. Speculative interests were quick to appear on Tuesday and Wednesday, however, on the argument that prices had reached their trough, but their steadying effect was only transient. Rentes and bank shares followed a downward course. Under early selling Royal Dutch fluctuated considerably but later showed net gains, while movements among gold mines were narrow.

	Oct. 31, 1934	Nov. 5, 1934	Nov. 7, 1934	Oct. 31, 1934	Nov. 5, 1934	Nov. 7, 1934
Banque de France	10,000	10,080	9,900	Wagons Lits	74	74
Crédit Lyonnais	1,743	1,715	1,701	Mexican Eagle	25½	24½
Suez Canal	18,905	18,975	19,095	"Chartered"	75½	72½
Changeurs Réunis	92	89	89	Ford	47½	48
Rio Tinto	1,004	958	991	De Beers	260	245
Royal Dutch	14,620	14,060	14,200	"Johnnies"	238½	237½

BERLIN

After a partial recovery on Wednesday and Thursday last week's share market closed with a general decline in which internal commodity price movements and the withdrawal of the Reichsbank's offer to buy interest coupons for cash were the main influences. The new week opened with a still sharper decline. Farbenindustrie, the active engineering shares and some lignite issues lost several points and minor stocks in the "cash market" were up to five points lower. A general recovery took place on Tuesday, and the firmer tone was continued on Wednesday. Bonds which were irregular last week opened the new week predominantly lower, and on Tuesday were uncertain. The official index for stock-quotations for October was 83.22 against 83.12 for September, and for bonds 91.55 against 88.97.

	Oct. 31, 1934	Nov. 5, 1934	Nov. 7, 1934	Oct. 31, 1934	Nov. 5, 1934	Nov. 7, 1934
Reichsbank	145.00	142.00	141.75	A. E. G.	28.10	25.90
D.D. Bank	73.50	71.50	71.00	Siemens & Halske	140.50	135.00
Dresdner (New)	75.50	73.75	72.75	A. K. U.	61.10	58.40
L. G. Farbenindustrie	141.00	135.10	138.60	Hamburg - Amer.	28.50	26.75
Norddeutscher Lloyd (New)	30.40	29.60	30.00	("Hapag New")	28.50	27.60

AMSTERDAM

Although European political factors exerted a depressing influence early in the week, the temper of the Bourse improved, even if business showed no great expansion. Home industrials showed moderate improvement. Royal Dutch, after a weak opening session, improved noticeably in mid-week. Rubber shares registered pessimism regarding the effectiveness of the new restriction percentage, but subsequently improved. Sugar and tobacco shares were lifeless.

	Oct. 31, 1934	Nov. 5, 1934	Nov. 7, 1934	Oct. 31, 1934	Nov. 5, 1934	Nov. 7, 1934
2½% Dutch Loan	78	77½	77½	Steel Common	191	194
5½% German	21½	21½	20½	A. K. U.	33½	32½
Unilever N.V.	72½	71	72½	Ford Motor	222½	221
Philips' Lamps	215½	211	212	Deli Batavia Tob.	143½	140
Netherlands Ship Union	30	28½	30	Royal Dutch	142½	139
				Handels Ams	154	148½

CAPITAL ISSUES

The reduction in the banks' short-loan rates gave additional impetus to the vigorous rise in gilt-edged quotations and provided a most auspicious background for this week's senior issues. Some commentators, with an eye on the steady rise in Local Loans towards par, are discussing intriguing possibilities of further conversion operations if the present trend maintains its recent strength. Australia, however, has been this week's principal beneficiary, and the terms of her latest conversion offer are set out on page 883. The market ensured complete success for the

Bank Line debenture conversion operation. The terms of the 2½ per cent. stock were nicely calculated fractionally below the level of 2½ per cent. conversion, which has a similar life to earliest redemption, with a further five years to latest date. The cumulative sinking fund provision attracted applications to an issue whose terms for short industrial borrowing with Treasury guarantee must constitute a record. The *Butterley Company* preference issue was also a re-financing operation which will provide an over-all interest saving of ¼ per cent. and redeem all prior charges. The profits and depreciation record during depression is highly satisfactory, and the shares may be regarded as a first-class industrial preference issue. The prospectus for the mixed *Aldford House (Park Lane)* issue employs the misleading "prior deductions" methods of computing cover requirements for the preference shares, and the prospective increase in retails is subject to tenants' option to determine existing agreements. The shares will appeal to the more speculative type of investor. This week's "introductions" include another property company, *Western and Mersey Estates*, which has a high-gear capital structure, *General Cable Manufacturing*, *Rhodesian Anglo-American* sterling debentures, and *Chippa-tooah Java Rubber*, whose latest accounts show a loss of £331.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to November 3, 1934, excluding conversions, £148,019,479. Total recorded, January 1 to November 3, 1934, including conversions, £340,031,901.

National Savings Certificates.—Net receipts, Week ended November 3, 1934, £100,000.

	Nominal Capital £	Conversions £	New Money £	First Payment £	Further Liability £
To the Public					
Bank Line, £1,165,200 2½% Deb. Stk., 1944, at 99½% (to repay £1,254,600 5% Deb. Stk. 1928-44)	1,165,200	1,159,374	...	58,260	1,101,114
Aldford House (Park Lane), 100,000 6 per cent. Cum. Pref. £1 at par	100,000	...	100,000	50,000	50,000
Do., 70,000 Ord. £1 at par	70,000	...	70,000	35,000	35,000
Australian £14,601,806 3½% Conversion Loan at 99%	14,601,806	14,455,782	...	...	...
Butterley Co., 500,000 4½% Cum. Pref. £1 at par (to redeem £108,100 4½% Deb. Stk.)	500,000	108,100	391,900	50,000	450,000
Total	16,437,006	15,723,256	561,900	193,260	1,636,114

To Shareholders only					
Beechams Pills, 238,293 8% Cum. Pig. Pref. £1 at 32½	238,293	...	381,267	23,829	357,438
Central Perak Rubber, 620,000 shares 2½/- at par	62,000	...	62,000	15,500	46,500
Sudan Plantations Syndicate, 225,000 Ord. £1 at 21/-	225,000	...	236,250	236,250	...
Johnson and Phillips, 100,000 Ord. £1 at 24/-	100,000	...	120,000	25,000	95,000
Central Portland Cement, 250,000 New Ord. shares 4/- at 4/3	50,000	...	53,125	1,125	52,000
Do., 25,000 6% Cum. Pref. £1 at 22/6	25,000	...	28,125	1,250	26,875
Dickinson (John) and Co., £800,000 3½% Deb. Stk. at 96½ (to repay £423,681 4½% Deb. Stk. at 105%)	800,000	444,780	327,220	40,000	287,220
Total	1,500,293	444,780	1,207,987	342,954	865,033

Total Offered for Subscription—		Total Offered for Subscription—	
Including Conversions	Excluding Conversions	Including Conversions	Excluding Conversions
Jan. 1 to date—		Whole year—	
1934	358,069,824	1933	467,921,560
1933	435,786,199	1932	2,699,684,265†
1932	767,180,033	1931	114,200,666
1931	108,184,979	1930	693,100,058
1930	510,687,191	1929	369,058,073

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing			
Debentures	Preference	Ordinary	Total
January 1 to date—			
1934	92,774,609	17,112,957	40,001,800
1933	219,998,707	7,727,768	7,513,051
Whole year—			
1933	212,917,900	45,062,600	111,177,600
1932	170,172,800	12,773,800	5,963,400
1931	222,064,300	12,733,700	9,982,500
1930			244,780,500

(Continued on page 892)

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LONDON ACTIVE SECURITY PRICES 1912-1914

NOTE—Shares with a New York Quotation or with definite American interest are listing in New York.

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the date of payment is the date of redemption. The yield on ordinary dividend-paying shares is calculated by reference to the latest dividend when the stock stands at a discount or the earliest date when the quotation is above par. The return on ordinary dividend-paying shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

(a) Interim dividend.	(b) Final dividend.	(c) Last two years dividends.	(d) Paid in New Zealand Currency.	(e) Allowed for rate of exchange.
	(1) Flat yield without allowance for redemption.	(2) Based on interest payment of 2½ per cent.	(f) For 15 months. Yield worked on a 15% basis.	(g) Yield worked on redemption at par on December 1, 1952.
	(1) par on Feb. 1, 1957.	(2) par on April 1, 1961.	† Free of Income Tax.	

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on last year's dividend, viz., 12½ per cent, free of tax. (e) Cash bonus from capital accretions. (f) Includes 1½% from capital accretions. (g) Including bonus 5% free of tax. (h) Dividend for 15 months yield worked on a 5½ per cent. basis. (i) Based on a dividend of 15 per cent. (j) Calculated on basis of 5 annas dividend per share paid for 1933-34. Taken at 16 annas to one rupee. (k) Annas per share. (l) Also bonus 300 per cent. from reserves in A shares. Yield worked on a 25 per cent. basis. Highest price 1934 on capital before the bonus distribution. † Free of Income Tax.

(Continued from page 889)

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	23,640,568	...	35,326,525
Beryl Gold Corporation, 1,000,000 shares 5/-	250,000	5/3	262,500
Tano Gold Dredging, 2,400,000 shares 5/-	600,000	6/6	780,000
Total to date, 1934	24,490,568	...	36,369,025
Total to date, 1933	29,970,879	...	32,613,362

PUBLIC OFFERS

Australian Government.—Issue of £14,601,806 3½ per cent. stock, 1964-74, at £99 per cent. Holders of nine State loans totalling above amount are offered conversion into equal nominal amount of new stock, plus cash payment of £1 per cent. Stock will be repaid at par on July 1, 1974, or after July 1, 1964, on three months' notice. Total public debt (including State loans taken over) £1,222.6 millions, of which £547.3 millions is held in this country. Excess exports, year to June, 1934, £37,592,000.

The Bank Line, Ltd.—Issue of £1,165,200 2½ per cent. guaranteed debenture stock, 1944, at £99 10s. per cent. The stock will be repaid by cumulative sinking fund between 1935 to 1944. Secured by statutory mortgage on ships forming present security for 5 per cent. stock, holders of which may convert at par, plus cash payment of 10s. Issue is guaranteed by H.M. Treasury. Profits for years to December 31: 1931, £255,228; 1932, £374,618; 1933, £316,433.

Aldford House (Park Lane), Ltd.—Issue of 100,000 6 per cent. cumulative preference shares and 70,000 ordinary shares of £1 each at par. Company acquired property of similar name erected 1932, held on 99 years lease. Present gross income, £32,258, leaving after ground rent (£2,750), rates, and expenses, £20,757 net. Property is held subject to fixed ten-year mortgage at 4½ per cent. of £165,000, and valued at £346,700. Purchase price, subject to mortgage, £151,000.

Butterley Company, Ltd.—Issue of 500,000 4½ per cent. cumulative £1 preference shares at par. Business founded 1790, and owns ten collieries with standard output of 3,487,469 tons, iron and brick works. Net profits, after depreciation, years to March 31: 1932, £152,107; 1933, £147,488; 1934, £136,727. Proceeds required for redemption of £108,100 first debentures, and repayment of bank advances, £303,000. Net assets, at March 31, £2,362,325.

BY STOCK EXCHANGE INTRODUCTION

General Cable Manufacturing Company, Ltd.—Particulars of issued capital 150,000 6 per cent. cumulative preference shares of 10s. and 300,000 ordinary shares of 5s. each. Acquires goodwill and certain assets of company of similar name. Net profits of vendor for years to March 31: 1932, £8,330; 1933, £11,750; 1934, £18,268. Net tangible assets acquired, valued £113,000, for consideration of £140,000 payable £75,000 in cash and balance by allotment of 260,000 ordinary shares of 5s. Vendor secures subscription of 40,000 ordinary shares for cash. Preference shares have been subscribed at par.

Western and Mersey Estates, Ltd.—Issued capital, £260,000 4½ per cent. mortgage debenture stock, 67,000 5½ per cent. redeemable cumulative preference shares, and 68,000 ordinary shares of £1 each. Company formed in May, 1934, to acquire housing estate in Wirral, Cheshire, valued at £418,000, for £377,000 in cash. Property estimated to produce net income of £26,300. Debenture stock secured by first charge and redeemable at various rates up to 1974. Preference shares are redeemable by cumulative sinking fund of 1 per cent.

Rhodesian Anglo-American, Ltd.—Particulars of issue of £750,000 5 per cent. 20-year sterling debentures. Secured by floating charge, and redeemable at various premiums to 1944, and thereafter at par. Options on 10s. shares have been granted pro rata to subscribers, exercisable up to July 1, 1938, at 20s.

Chipatoojah Java Rubber Company, Ltd.—Issued capital 750,000 shares of 2s. each. Owns entire capital of Dutch company of similar name, having estate of 1,556 acres. Estimated crop, 1934, 42,000 lbs. Combined assets, £69,198. Loss, for 1933, £331.

BY TENDER

Great Marlow Water Company, Ltd.—Messrs A. & W. Richards offer for sale by tender 700 £10 additional ordinary "B" shares at minimum price of £17 per share. Profits: 1931, £4,036; 1932, £3,588; 1933, £3,873. After net interest on loan capital, £3,272 was available for ordinary shares for 1933. Maximum 7 per cent. dividends have been paid on "B" ordinary shares since 1929.

ISSUES TO SHAREHOLDERS ONLY

Beechams Pills, Ltd.—The directors offer to shareholders 238,293 8 per cent. cumulative participating preferred shares of £1 at 32s. per share.

Central Perak Rubber.—This company has entered into a contract to purchase (for \$480,000) an estate in Johore. To provide the necessary funds for the purchase, the directors have decided to issue 620,000 2s. shares at par to shareholders registered on October 31st in proportion of one new share for each three shares held.

Johnson and Phillips.—100,000 ordinary £1 shares are offered to shareholders registered on November 1st at 24s. per share in the proportion of one new share for every six shares held.

Simmer and Jack Mines, Ltd.—The resolution increasing the capital from £625,000 to £750,000 by the creation of 1,000,000 new shares of 2s. 6d. each, ranking *pari passu* with the existing 5,000,000 shares, has been duly passed. The new shares will be offered at 7s. 6d. per share on the basis of one new share for every five shares held.

Associated Mining and Finance and Associated Gold Mines of Western Australia.—The directors have circulated details, subject to shareholders' confirmation, of an amalgamation scheme agreed by the boards of both companies. This provides for the liquidation of the Associated Gold Company, and for a cash distribution to its shareholders of 2s. per 4s. share, plus the allotment of one fully paid 8s. share in the Associated Mining and Finance Company for every two shares held in the Associated Gold Mines of Western Australia (New), Ltd.

PRIVATE PLACINGS

Kennards, Ltd.—This company has recently issued a further 65,000 7½ per cent. cumulative preference shares, being the balance of an authorised issue of 175,000 of such shares. The new shares will rank *pari passu* with those already in issue as from December 1, 1934. They have been purchased and are being placed by a syndicate headed by the Charterhouse Investment Trust, Ltd.

Third Guardian Trust.—The directors have decided to create and issue a further £50,000 4 per cent. redeemable debenture stock. They have also confirmed the arrangement to leave this amount of stock for sale with Messrs Cazenove Akroyds and Greenwood and Company until December 31, 1934, at 103 net, plus accrued interest from June 15, 1934.

Gaumont-British Picture Corporation.—An issue of £500,000 4½ per cent. first mortgage debenture stock has been placed privately.

CONVERSIONS AND REPAYMENTS

R. W. Crabtree and Sons.—Shareholders have authorised the directors to issue £125,000 4½ per cent. debentures at 97½ per cent., redeemable at 101 in thirty years. The proceeds are to be used to repay bank loans, to provide for further extensions and additional working capital.

Neuchatel Asphalte Company.—This company will repay its £194,950 of 6 per cent. 10-year convertible debenture stock on December 1, 1934, to finance the redemption £200,000 of 4½ per cent. debenture stock, repayable in 1944-46, of which £160,000 is being issued at 97½ per cent., is being created. The balance will be met out of the company's cash resources. No public issue will be made.

Belgian 6½ per Cent. Loan, 1923.—The Government has been authorised to repay at par on February 15, 1935, the outstanding portion of its 6½ per cent., 1923, loan.

Hoscote Rubber Estates.—The £31,250 outstanding 7 per cent. debenture stock will be repaid on December 1, 1934.

Stockton-on-Tees Corporation.—The outstanding 3 per cent. stock, 1915-1935, will be repaid at par on April 1, 1935.

Sudan Plantations.—In order that the syndicate may be in a position to repay its loan secured by a debenture of £400,000, which involves an annual charge of £23,933 6s. 8d., and to finance extensions in the Gezira of 20,000 feddans agreed for the season 1935-36 and of a similar or larger area under consideration for the season 1936-37, the directors have decided to issue forthwith 225,000 of the unissued £1 shares at 21s. per share to shareholders registered on November 5th in the proportion of one new share for every ten shares then held.

Danish Refunding Loan.—A conversion Bill was introduced in the Danish Folketing on November 6th by the Prime Minister, M. Stauning. The new Bill authorises the compulsory conversion to 4 per cent. of all existing 4½ per cent. and 5 per cent. Credit Union bonds, whether issued for the mortgaging of agriculture or of town properties. The total involved is about Kr.2,600,000,000 (at present rates £116,000,000).

OFFERS ABROAD

Norwegian Municipalities Bank.—A Swedish banking group, headed by Stockholms Intecknings Garanti Aktiebolag Bank, issued on November 6th on behalf of the Norges Kommunalbank—Norwegian Municipalities Bank—a Kr. 15,000,000 (£833,330) loan at 96, carrying 4 per cent. interest. The loan is guaranteed by the Norwegian Government.

Dutch East Indian Bonds.—The Minister of Colonies has officially announced an issue of 50,000,000 florins of 4 per cent. Dutch East Indian bonds at par.

FORTHCOMING ISSUES

South African Torbanite Mining and Refining.—Issue of 1,000,000 shares, 10s. each, has been underwritten.

York Corporation.—An issue of £500,000 3 per cent. stock is about to be made for the purpose of repaying mortgages carrying a higher rate of interest.

Thos. W. Ward, Ltd.—Shareholders have sanctioned the creation of 350,000 5 per cent. first cumulative preference shares of £1 each, which will be offered to the public at par on November 20th. Preference in allotment will be given to present shareholders.

Bletchley Flettons.—Bletchley Flettons, Ltd., is expected to make a public offering shortly.

RESULTS OF ISSUES

Aldford House (Park Lane).—Preference issue over-subscribed.

The Bank Line, Ltd., 2½ per Cent. Guaranteed Debenture Stock, 1944.—The lists for cash applications were closed at 9.5 a.m., November 6th. Conversion lists close November 12th.

Trafford Park Estates, Ltd.—Holders of over nine-tenths of the existing 5 per cent. first mortgage debentures availed themselves of the opportunity to convert into the new stock.

Irish Sugar Company.—The lists for issue of 6 per cent. cumulative preference shares closed at noon, November 5th. The issue was over-subscribed.

Beechams Pills.—The recent offer to shareholders of 238,293 8 per cent. cumulative participating preferred shares £1 at 32s. has been over-subscribed several times.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Oct. 31, 1934	Price, Nov. 7, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	3d-6d pm	3d-6d pm
Argentine 4½% (2nd Series)	93½	13½	3½ dis-par	3½ dis-par
Argentine Navigation 10% Pref.	23½	23½	23½-23½	23½-23½
Ascotts Pharmacies 5/-	5/-	Fypd	2/10½-3/3	2/9-3/3
Do. 7% Pref. 10/-	10/-	Fypd	8/10½-9/4½	8/10½-9/4½
Assoc. British Picture Corp. 5% Deb.	101	41	1-1 dis	1-1 dis
Aule and Wiborg Ord.	20/-	3/-	1/4½-1/7½ pm	1/9-2/- pm
Do. 5½% Pref.	20/-	3/-	1/4½-1/7½ pm	1/9-2/- pm
Austin Motor "A" 5/-	98½	10	35/3-37/3	35/3-36/3
Blackpool 3%, 1960	98½	10	3½-1 pm	3½-1 pm
Boulton and Paul Aircraft (5/-)	5/-	Fypd	...	4/3-4/6
Brentford and Chiswick 3%, 1954	98½	5	...	3½-3½ pm
Central Electricity 3½% Stk.	93	23½	2½-2½ pm	2½-2½ pm
Clan Line Steamers New Ord.	21/-	2/6	34/6-35/6 pm	34/6-35/6 pm
Do. 5½% "B" Pref.	20/6	10/6	9d-1/3 pm	9d-1/3 pm
Colville's 5½% Pref.	11/-	Fypd	54d-2½ dis	3d dis-par
Eno Props. Ord. 5/-	11/-	Fypd	12/-12/3	12½-12/7½
Do. 5½% Pref. £1	10/-	Fypd	23/1½-23/7½	23/3-23/3
French (J. W.) Ord. 5/-	10/-	Fypd	...	10/10½-11/4½
Do. 5½% Pref.	21/-	Fypd	...	21/-
General Aircraft	5/-	3/-	9d-6d dis	10½-11½ dis
Gold Ex. and Finance Aust. Ord.	10/-	Fypd	11/9-12/3	10/6-11/-
Gold Mines of Kalgoorlie 10/-	10/-	5/-	...	10½-7½ dis
Green (Herbert) 1/-	1/-	Fypd	2/10½-3/1½	2/9-3/-
Do. 7% Preferred	20/-	5/-	1/-1/9	3d-1/-
Do. 6% Deb.	100	50	42-45	41-44
Hancock (W.) 4½% Deb.	99	15	3½-1 pm	3½-1 pm
James and Shakespeare New Ord. 5/-	7/6	Fypd	7/4½-7/7½	7/4½-7/9
Do. 5½% Pref. £1	7/6	Fypd	17/6-18/-	17/7½-13/-
Kapala Rubber Ord. 2/-	2/-	Fypd	1/8-1/9	1/6-1/9
Do. 7½% Pref. 2/-	2/8	Fypd	2/3-2/6	2/3-2/6
Lanarkshire 3%, 1954-64	97½	5	...	9½ pm
Malacca Rubber £1	22/6	12/6	1/3-1/9 pm	1/3-1/9 pm
Mayfair and Gen. Prop. 5% Deb.	100	15	3½-1 pm	3½-1 pm
Mersey Docks, etc. 3½% Deb.	97	5	27/3-27/9	1½d-1½d pm
Mount Morgan 5/-	7/6	Fypd	1½-1½ pm	27/3-27/9
Murex New Ord. 10/-	£4	£1	1½-1½ pm	1½-1½ pm
New Machavie Gold	5/-	Fypd	...	...
Nigeria 3%, 1935	97½	30	1½-1½ pm	1½-1½ pm
Nottingham 3%, 1957	98½	5	5½-5½ pm	5½-5½ pm
Odhams Properties 5% Deb.	100	15	98½-98½	98½-99
Oslo Union Co. 5½% Deb.	94	Fypd	5/6-5/6 pm	25/6-26/6
Oxford and Berks Cinemas 7% Pref.	20/-	Fypd	1½-2½ pm	2½-2½ pm
Plymouth 3%, 1954	20/6	10/6	18/3-18/9	1½d dis-1½d pm
Price's Trust 5½% Pref.	97½	25	1½-1½ pm	1½-1½ pm
Rubber Regenerating	20/-	Fypd	3d dis-3d pm	3d-3d pm
Salford Corp. 3½%, 1954-64	100	30	3½-1 pm	3½-1 pm
Sheffield 3%, 1954	98½	28½	1½-1½ pm	1½-1½ pm
Stretford 3½%, 1955-65	Par	30	1½-1½ pm	1½-1½ pm
United Steel 4% Deb.	Par	30	3d dis-3d pm	3d-3d pm
United Suez Betong Rubber £1	30/-	25/-	1½-1½ pm	1½-1½ pm
Van Dyk Consolidated	10/-	Fypd	1½-1½ pm	1½-1½ pm
Watende Mines	5/-	Fypd	6/10½-7/1½	6/4½-6/7½

CALLS DUE NOVEMBER 12 TO NOVEMBER 17, 1934

The grand total of calls falling due in November, 1934, is £8,049,212, which compares with £4,888,830 which fell due in November, 1933. The following calls fall due from November 12, 1934, to November 17, 1934, inclusive:—



Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	Blackpool 13% Red. Stock, 1960 (£750,000, at £98½%)	£25%	Nov. 12	£48½%
Stock	Brentford and Chiswick 3% Red. Stock, 1954 (£500,000, at £98½%)	£13½%	Nov. 15	£18½%
£1	Colvilles, Ltd. (1,600,000 5½% Cumulative Preference Shares, at 20/6)	10/- p.s.	Nov. 14	All
Stock	First Scottish American Trust, Ltd. (£50,000 3½% Red. Deb. Stock, at £94½% net)	£14½%	Nov. 15	All
5/-	General Aircraft, Ltd. (1,500,000 Shares, at par)	2/- p.s.	Nov. 15	All
10/-	General Cable Manufacturing, Ltd. (150,000 6% Cum. Preference Shares, at par)	5/- p.s.	Nov. 15	5/- p.s.
£1	Green (Herbert) & Co., Ltd. (290,000 7% Preferred Ordinary Shares, at par)	7/6 p.s.	Nov. 15	12/6 p.s.
Stock	Green (Herbert) & Co., Ltd. (£150,000 8% First Mort. Debenture Stock, at par)	£25%	Nov. 15	£75%
£1	Harrisons & Crossfield, Ltd. (100,000 Kuala Pertang Syndicate, Ltd. (100,000 Shares, at par)	20/- p.s.	Nov. 17	All
£1	Lanid, Ltd. (30,000 6% Non-Cum. Part. Pref. Shares, at par)	3d. p.s.	Nov. 12	3d. p.s.
Stock	Second Scottish American Trust, Ltd. (£50,000 3½% Red. Deb. Stock, at £94½% net)	5/- p.s.	Nov. 16	All
Stock	Third Scottish American Trust, Ltd. (£50,000 3½% Red. Deb. Stock, at £94½% net)	£14½%	Nov. 15	All
Stock	United Steel Companies, Ltd. (£2,500,000 4% Debenture Stock, at par)	£35%	Nov. 12	£65%
£1	United Suez Betong Rubber (137,202 Shares, at 50/-)	15/-	Nov. 12	40/- p.s.

REPORTS AND NOTICES

GOVERNMENT, &c.

STATE OF BAHIA EXTERNAL LOANS.—The Ethelburga Syndicate announces that, as the result of its protest the loans of the State of Bahia have been removed from Category 8 and placed in Category 7. In this category no payments on account of amortisation are made, but the following proportions of the full interest will be paid: First year, 17½ per cent.; second year, 20 per cent.; third year, 22½ per cent.; fourth year, 32½ per cent.

BANKS

MIDLAND BANK (New Denomination of Travellers' Cheques).—The Midland Bank announces that travellers' cheques of the denomination of £2 are now available at all branches of that institution in addition to those already obtainable for £5, £10 and £20. These cheques are not only encashable at banking offices at home and abroad, but are accepted in payment of accounts at hotels in most countries, in liners cruising to all parts, at the chief railway booking offices and at numerous London stores.

BANCO ESPAÑOL DEL RIO DE LA PLATA AND BANCO CENTRAL AGREEMENT.—A new development in Spanish-American interests is to be seen in the announcement made by the Banco Español del Rio de la Plata and the Banco Central of an agreement mutually entered into between these two important institutions. Under this agreement, the Banco Español del Rio de la Plata passes all its branches in Spain to the control of the Banco Central, which latter institution takes charge of all the assets and liabilities of those branches and, in future, will continue as sole representatives to handle all the business in Spain of the Banco Español del Rio de la Plata. The Banco Central, in turn, will entrust all their operations to the Banco Español del Rio de la Plata. To cement the connection, the Banco Español del Rio de la Plata has taken an important interest in the capital of the Banco Central and personal collaboration is provided by the appointment to the board of the Banco Central of the vice-president and another director of the Banco Español del Rio de la Plata.

INSURANCE

PHOENIX ASSURANCE COMPANY, LTD.—LONDON GUARANTEE AND ACCIDENT COMPANY, LTD.—Mr Andrew Kirkland, F.C.I.I., hitherto fire manager for Scotland, having been promoted to an important position in the fire department at head office, and Colonel Colin MacLeod Robertson, C.B., D.S.O., T.D., Phoenix secretary in Glasgow, having expressed a wish to retire, the directors have appointed Mr F. W. Bryant, F.C.I.I., hitherto branch manager at Newcastle-upon-Tyne, to be manager for Scotland in all departments as from December 1st next. Mr Bryant will have the assistance of Mr Roderick Fraser, who continues as accident manager for Scotland; further, Colonel Robertson has been good enough to express his willingness to lend his active help and will accordingly postpone his retirement to a date early in the New Year. The directors have appointed Mr W. B. Thomson, hitherto at the head office of the company, to be manager of the Newcastle-upon-Tyne branch as from December 1st next, in succession to Mr F. W. Bryant, F.C.I.I. Mr Percy Potts continues as branch life manager, and Mr R. W. Parker, the branch accident superintendent, is being promoted to be assistant branch manager.

(Continued on page 903.)

COMPANY MEETINGS, &c.

IMPERIAL AIRWAYS, LIMITED

SIR E. GEDDES REPORTS FURTHER PROGRESS

The tenth ordinary general meeting of Imperial Airways, Limited, was held, on the 1st instant, in London.

The Rt. Hon. Sir Eric Geddes (the chairman) said that the gross profit had again increased and amounted to £314,661, compared with £266,150 in the previous year. A dividend of 6 per cent. was recommended, leaving £49,245 to be carried forward. The report recorded a further increase in the traffic carried by the company and all classes of traffic forming the bulk of the company's revenue had increased. Signs were noticeable that the Post Office was recognising the possibilities of the Air Mail, and he looked forward to much greater developments at the initiative of the present energetic Postmaster-General.

During the year the traffic carried on the European services had not only been maintained but improved. In spite of what was claimed for foreign aircraft the directors were convinced that the company's services were by far the quietest and most comfortable in the world and that their standard of efficiency, service and discipline was second to none. The extension of the India line from Karachi to Singapore was now being operated jointly with Indian Trans-Continental Airways. The traffic on the Indian and Malayan routes showed a gratifying and steady growth. They were satisfied with the new route down the southern shores of the Persian Gulf. Traffic on the extension to Singapore was showing a steady rate of growth and the last section of this great Empire route from Singapore to Australia would commence operations in December.

During the year the Africa service was operated entirely on the basis of a fleet rearrangement involving the use of the larger Hannibal class between Cairo and Kenya, and the success had been marked, the traffic on the whole route increasing by more than 40 per cent. over the previous year. The traffic still showed a steady rate of growth and the board intended to increase the frequency to twice weekly. They also had under immediate consideration the question of increasing the frequency of their Eastern service to twice weekly.

The company had under construction three new four-engined aircraft and four new twin-engine aircraft. The board had also decided some months ago to order two flying boats and two land planes as prototypes for experimental work. These latter aircraft would be much larger than anything at present in the company's service; they would have a carrying capacity of from 3½ to 5 tons and would, of course, be faster than the existing fleet. One of the new flying boats was required for the New York-Bermuda service.

When the company's present fleet was replaced the public might expect a substantial increase in speed as well as frequency. It would be idle, however, to hope that the speeds achieved in the recent Australia race could be reproduced in a normal commercial service. With load to carry, long non-stop stages could not be undertaken, and services that picked and set down mails and passengers all along the line could not avoid a certain amount of formality on the ground and consequent loss of time. The risks that were undertaken by competitors in that race could not possibly be undertaken by a responsible company for a regular passenger or even mail service. For a regular service the official regulations and Government formalities were not relaxed or waived, and for a commercial transport service it was essential that the men and material were worked as a routine well below their capacity.

The year marked the commencement of the second decade of the company's existence. In the first year of its life the company flew 853,000 miles and carried 391,000 ton miles of traffic; in the tenth year they flew 2,354,000 miles and carried 2,733,000 ton miles. In 1924-25 they completed 75 per cent. of the flights scheduled; in the tenth year they completed 98 per cent., while both their South Africa and India services had 100 per cent. regularity. With the opening of the Australian route the total route mileage of the system operated by the company and its allied companies would amount to 20,500 miles. In 1924 the route mileage was 1,760.

In conclusion, the Chairman said that the company had for many months had plans under consideration which would enable them to give a 7-day or 7½-day service to Australia, provided the aids to navigation, which were essential to operate a safe passenger service, were forthcoming.

After the Rt. Hon. J. W. Hills and Sir Harry Brittain had, as shareholders, given their wholehearted support to the policy of the board the report and accounts were unanimously adopted.

LONDON MARITIME INVESTMENT COMPANY, LIMITED

SATISFACTORY RESULTS AND SOUND POSITION

CONDITION OF BRITISH SHIPPING

SIR F. VERNON THOMSON'S VIEWS

The thirty-seventh annual ordinary general meeting of London Maritime Investment Company, Limited, was held, on the 8th instant, at Winchester House, Old Broad Street, London, E.C., Sir F. Vernon Thomson, K.B.E. (chairman and managing director), presiding.

The Secretary (Mr O. A. Hall) having read the notice convening the meeting and the auditors' report,

The Chairman said: Gentlemen, the directors' report and statement of accounts for the year ended September 30, 1934, having been circulated to the stockholders some days ago, you will, I hope, take them as read. (Agreed.)

The net profit for the year was £36,813. With the £8,884 brought forward, there was thus available £45,698. After applying £2,000 to depreciation of investments and the payment of the dividend upon the £500,000 5 per cent. cumulative preference stock, the directors recommend the payment of a dividend upon the £500,000 ordinary stock of 4 per cent., less income tax, for the year, carrying forward the slightly increased balance of £9,135.

The company has no debts, debenture or otherwise, and has ample cash resources. The accounts show in the clearest possible form the position of the company, and, read in conjunction with the report, will, I imagine, be regarded as satisfactory.

VALUATION OF INVESTMENTS

The investments are set out in categories in the balance-sheet at or under cost. A valuation of the investments as at September 30, 1934, in the aggregate shows that the capital and the reserve fund of £250,000 are intact.

In this connection, as this company is so largely interested in shipping, I think it well again to remind stockholders that many of our shipping investments show a heavy depreciation in consequence of the continued world trade depression. As stockholders are aware, however, we have a very large holding in a most successful company outside of shipping, the appreciation upon which about balances the depreciation on the others.

Many of our investments have, in the circumstances of the time, and as anticipated at our last meeting, brought the company no revenue this year. There is unfortunately no sign yet of any marked improvement in shipping generally, but, subject to this, if nothing untoward happens, we have every hope that the company's revenue will be fairly well maintained in the current year.

TRADE OUTLOOK

During the past year, although the internal trade of Great Britain has been definitely better, the overseas trade, so vitally important to us all, has unfortunately shown little, if any, improvement. Since 1929 there has been an unprecedented shrinkage in the volume of the trade of the world. This in 1933 was less than the pre-war (1913) volume, while there was 41 per cent. more tonnage in 1933 than in 1914. It would seem that the decline in world trade volume has been arrested in 1934, but freights are still far from remunerative.

The world trade depression is now so acute and has been so prolonged that the British cargo shipping industry is making application to the Government for assistance, to take the form of a temporary subsidy, with a view to helping it to meet foreign State-aided competition pending a revival of trade. Although much might be said on this subject, as I happen to be Chairman of the Tramp Shipowners' Committee in their difficult and delicate negotiations with the Government, it would be inexpedient for me to say more at present upon the subject. But without an improvement in international trade, there can be no permanent and satisfactory improvement in the shipping industry.

If there are any questions, I shall be glad to answer them as far as I can.

I now beg to propose: "That the report and accounts for the year ended September 30, 1934, as submitted, be received and adopted, and that the dividends, as recommended therein, be declared and paid."

Mr George M. Dodd seconded the resolution, and, no questions being asked, it was carried unanimously.

The retiring director (Mr Arthur A. Baumann) was re-elected, and the auditors (Messrs. Fookes, Wyatt Williams & Hickman) were reappointed.

RAPHAEL TUCK AND SONS, LIMITED

REPUTATION FOR ARTISTIC PRODUCTIONS

The thirty-third annual general meeting of Raphael Tuck and Sons, Limited, was held, on the 6th instant, at Raphael House, London.

Mr Gustave Tuck (chairman and managing director) said that in considering the results of the past year's trade they were compelled to remember the difficulties which still dominated the commercial world, both in this country and abroad. To whatever part of the world we turned our eyes we found unrest, but it was a source of satisfaction to know that here in Great Britain we were on firmer ground. It had been their strong endeavour during the past year still further to develop and extend their productions in the home market. They felt that the plans they were making and the policy they were following would be fully rewarded, and that a return of confidence in the affairs of the world would be quickly reflected in the increased prosperity of their own company.

The Christmas and New Year cards department, a very old-established branch of their work, had maintained its output and its reputation for beauty and artistic originality, and it was a source of gratification to know that they were playing such an important part in the celebration of Christmas throughout the world.

Tuck's calendars were year by year eagerly anticipated by the public. The calendar was now universally recognised as part of the artistic decoration of every household, while as a gift it was a continual reminder of the giver.

The postcard department was taking on a fresh lease of life. They had just secured many thousands of excellent negatives of famous beauty spots of Great Britain, and these, added to their general collection, should be very advantageous to this department.

In the paperware department they could report good progress. They had made the charming designs of lace papers more attractive by enclosing them in dainty gift boxes. The new lace dress gift boxes depicting ladies in period costumes of delicate lace—the lace of the actual d'oyleys in the box—would become assured favourites in every household.

The evening became brighter and the troubles of the day (if any) disappeared as soon as one placed one of Tuck's "zag zaw" puzzles on the table. The excellent workmanship and the quaint

and fascinating shapes of the actual pieces added much to the joy of forming the picture.

Next year would be known as the Silver Jubilee Year, commemorating the twenty-fifth year of accession of their Majesties to the throne. To mark this joyful occasion the King and Queen had graciously consented that special Silver Jubilee photographic portraits of their Majesties should be taken, and he was proud to be able to inform shareholders that to Raphael Tuck and Sons had been entrusted the taking of these official portraits and the distribution of reproductions of them throughout the length and breadth of the Empire. Details would be announced in due course as to the exact forms these royal reproductions would take. It was to be anticipated that the demand for them would be very heavy, not merely by their Majesties' subjects individually but by schools, institutions, Government offices, and business firms. The company was proposing further to publish a special Silver Jubilee souvenir, to the character of which much thought and consideration had been given, and it would be fully worthy of the important event it celebrated and in keeping with the high traditions of their firm.

The Chairman concluded by moving the adoption of the report and accounts and the declaration of a dividend at the rate of 3 per cent., less income tax, which was seconded by Sir Reginald Tuck and carried unanimously.

BUENOS AYRES AND PACIFIC RAILWAY COMPANY, LIMITED

IMPROVED RESULTS

The ordinary general meeting of the Buenos Ayres and Pacific Railway Company, Limited, was held, on the 6th instant, at Winchester House, London.

The Viscount St. Davids (the chairman) said that the receipts for the past year were only slightly in excess of those of the year before, but the receipts of the year before had included £150,000 of arrears of Government traffic, so that as a matter of fact the receipts of last year were a good deal better than they looked on their face. During the year they had had some reduction of working expenses, a decrease of £193,000, and when they knew that that followed on very substantial decreases in preceding years it was not ungratifying. Then there had been the difficulty of remittances and the loss suffered when those remittances were obtainable. Throughout the year the railway companies had continually pressed the Argentine Government and the Exchange Control Commission to allocate sterling to enable remittances to be made to England, but the Pacific had only succeeded in obtaining a very small proportion of the pesos balances which they had in Argentina and barely sufficient to meet their minimum requirements.

Turning to general matters, in January the Argentine Transandine Railway had been washed away. They had been used to floods and avalanches on the Argentine Transandine and expected them, but what had happened last January was something quite out of the common. It was a real disaster. What it would cost to repair he did not know, but he was quite certain that it was a sum quite beyond any possible efforts on the part of the Argentine Transandine Railway. If the line was built up again it could only be by assistance from the Governments concerned. Meanwhile, they were, after all, the Buenos Ayres and Pacific Railway, the railway built to carry people across the Andes, and to-day that was impossible.

When he had first gone to the Argentine forty years or more ago one never saw a pig on the territory their line went through. In 1925 the Argentine had exported only 700 tons of pig produce, but last year that had risen to 20,000 tons. Evidently it was a very rapidly growing business and a good deal of it seemed to be developing on their line.

As far as Argentina was concerned they could not forget that she was one of the very few countries in the world which had punctually fulfilled to the last atom all her financial commitments. Her credit was excellent, her balance of trade was satisfactory, but more than that one had in Argentina a population of 12,000,000 people; a population that was increasing by something like 200,000 a year and a people with an absolute belief that they were going to improve their position steadily. One had a country with one of the richest soils in the world, and if they looked to that and to the energy and enterprise of the people, they would agree that the prospects were not all black.

The report was unanimously adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8 Bouverie Street, Fleet Street, London, E.C.4.



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BUENOS AIRES GREAT SOUTHERN RAILWAY, LIMITED

IMPROVING OUTLOOK

The ordinary general meeting of the Buenos Aires Great Southern Railway, Limited, was held, on the 7th instant, at River Plate House, London, E.C., Sir Follett Holt, K.B.E., M.Inst.C.E. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that during his recent visit to Argentina he found many encouraging signs, with progress and comparative prosperity evident in almost every direction. Money was beginning to circulate more freely, with good effect upon internal commerce, and more inquiries were being made for land. In contact with the President of the Republic and the high Ministers of State, it was not difficult for him to observe marked friendliness towards the British market and institutions.

With a view to reducing substantially the heavy cost of transport, trials had been made with the Diesel engine, which had produced valuable results, and there was no doubt that it would pay them to replace over a series of years all their steam locomotives with Diesels. Speaking generally, the policy forced on the board was one of consolidation, but they might under a concession have to deal with the construction of one short branch of fifty miles between Dolores and Ajo. They had been concerned with the completion of the State railway line to Nahuel Huapi.

After a cycle of comparative prosperity the Great Southern had had to suffer during the last four years—and not alone—a very lean period, but he considered they had now turned the corner, and as far as they had gone in the current financial year their results were better.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended November 3, 1934, amounted to £11,182,000, against ordinary expenditure of £30,515,000. After allowing for a decrease in Exchequer Balances of £19,273, the operations for the week, as shown below, increased the National Debt by £19,549,000 to approximately £8,116 millions.*

(000's omitted)	
Public Department Advances	+ 11,210
Treasury Bills	+ 9,022
National Savings Certificates	+ 100
Repaid Temp. Advances	+ 31
	+ 20,843
	- 1,294

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Nov. 3, 1934	April 1, 1933, to Nov. 4, 1933	Week ended Nov. 3, 1934	Week ended Nov. 4, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	63,938,000	54,481,000	9,324,000	3,631,000
Sur-tax	50,000,000	9,450,000	10,100,000	210,000	260,000
Estate, etc., Duties	76,000,000	47,670,000	55,100,000	1,670,000	5,470,000
Stamps	25,000,000	10,990,000	10,470,000	150,000	380,000
Excise Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	190,000	10,000	10,000
Total Inland Revenue	372,500,000	132,208,000	130,341,000	5,564,000	9,751,000
Customs and Excise—					
Customs	183,650,000	111,989,000	107,502,000	3,278,000	2,922,000
Excise	106,350,000	61,754,000	63,600,000	1,219,000	1,500,000
Total Customs and Excise	290,000,000	173,743,000	171,102,000	4,497,000	4,422,000
Motor Vehicle Duties (Exchequer share)	5,000,000	1,658,000	2,757,000	Dr 417,000	839,000
Post Office (Net receipt)	14,000,000	10,800,000	10,650,000	1,350,000	1,900,000
Crown Lands	1,220,000	870,000	770,000	...	...
Receipts from Sundry Loans	3,800,000	3,094,637	3,410,697	182,441	88,732
Miscellaneous Receipts	20,000,000	10,672,802	17,982,802	5,445	1,288,444
Total Ordinary Revenue	706,520,000	333,046,439	337,023,499	11,181,886	18,289,176
SELF-BALANCING REVENUE					
Post Office	60,463,000	32,700,000	32,750,000	650,000	500,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	9,090,000	8,049,000	417,000	58,000
Total Self-Balancing Revenue	84,718,000	41,790,000	40,799,000	1,067,000	558,000
Total	...	374,836,439	377,822,499	12,248,886	18,847,176

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Nov. 3, 1934	April 1, 1933, to Nov. 4, 1933	Week ended Nov. 3, 1934	Week ended Nov. 4, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	143,245,276	142,237,307	13,956,358	14,472,327
Payments to Northern Ireland	6,500,000	3,160,997	3,286,122	...	...
Exchequer	3,700,000	1,713,849	2,164,257	24,009	295,789
Other Consolidated Fund Services	2,000,000	2,291,118	...	2,291,118	...
Post Office Fund	236,200,000	150,411,240	147,687,686	16,271,485	14,768,096
Total	466,296,000	264,242,319	258,878,576	14,244,000	15,975,000
Total Supply Services (excluding Post Office)	5,257,000	...	...	...	...
Balance of Marginal Provision (Restoration of Cuts)	707,753,000	414,653,559	406,566,262	30,515,485	30,743,096
Total Ordinary Expenditure	707,753,000	414,653,559	408,407,478	30,515,485	30,743,096
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	414,653,559	408,407,478	30,515,485	30,743,096
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	32,700,000	32,750,000	650,000	500,000
Road Fund	24,255,000	9,090,000	8,049,000	417,000	58,000
Total Self-Balancing Expenditure	84,718,000	41,790,000	40,799,000	1,067,000	558,000
Total	...	456,443,559	449,206,478	31,582,485	31,301,096

The aggregate revenue and expenditure to November 3, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO NOVEMBER 3, 1934	
(000's omitted)	
Expenditure	414,653
Increase in balances	39
Revenue	333,046
Gross increase in borrowing	£86,126
Less—	
New Sinking Fund	4,480*
Net borrowing	81,646
	414,692

* Authority will be sought in the Finance Bill to meet the amount of the Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT	
Nov. 4, '33 Mar. 31, '34 Nov. 3, '34 Nov. 3, '34	
Ways and Means Advances Outstanding—	
Advances by Bank of England	2,500,000
Advances by Public Departments	39,980,000
Treasury Bills outstanding	955,685,000
Total Floating Debt	998,165,000
	844,710,000
	902,565,000
	+ 20,710,000

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on November 2, 1934, and the total amount applied for was £58,810,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 18s. 2d., about 36 per cent., and above in full; Saturday, at £99 18s. 3d., and above in full. The average

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rate per cent. was 6s. 7-66d. The amount allotted was £35,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	89,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
October 5	35,000,000	65,260,000	31,510,000	0 15 9-702
October 12	35,000,000	54,275,000	31,000,000	0 14 5-74
October 19	35,000,000	52,340,000	30,000,000	0 14 3-27
October 26	35,000,000	67,100,000	34,790,000	0 9 7-42
November 2	35,000,000	58,810,000	35,000,000	0 6 7-66

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, November 7, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	11,015,100
In Circulation	379,786,991	Other Government Securities	245,406,552
In Banking Department	72,263,339	Other Securities	634,212
		Silver Coin	2,943,736
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	192,050,330
	452,050,330		452,050,330

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	79,803,835
Rest	3,185,890	Other Securities	...
Public Deposits*	9,983,923	Advances	£9,641,533
Other Deposits	£107,165,239	Securities	£10,655,231
Bankers' Accounts	£38,066,369	Notes	20,286,764
Other Accounts	145,231,608	Gold and Silver Coin	595,523
7-day and Other Bills	5,040		
	172,959,461		172,959,461

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

Both Departments	Amount, Nov. 7, 1934	Inc. or Dec. on Last Week	
		Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	279,786,991	+ 1,417,492	+ 6,452,040
Public deposits	9,983,923	- 6,909,834	- 5,259,922
Bankers' deposits	107,165,239	+ 6,745,829	+ 15,870,101
Other deposits	38,066,369	- 1,745,753	- 2,008,331
Seven-day bills	5,040	+ 3,862	+ 15,057,750
Total outside liabilities	535,007,562	+ 492,266	+ 10,438
Capital and rest	17,738,890	+ 45,657	+ 9,543,139
Government debt and securities	336,225,887	- 663,926	+ 1,783,619
Discounts and advances	9,641,533	+ 740,236	+ 1,783,619
Other securities	11,289,443	- 518,440	- 699,810
Silver coin in issue department	2,943,736	- 308	+ 833,060
Coin and bullion (bank's reserves)	192,645,853	- 4,171	+ 833,060
Reserves of notes and coin in banking department	72,858,663	- 1,421,663	- 5,618,980
Proportion of reserve to outside liabilities—			
(a) Banking Department only	46-9%	- 0-3%	- 3-2%
(b) Gold stocks to deposits and notes ("reserve ratio")	36-0%	...	- 0-2%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
Oct. 3	451,910	380,816	13,703	107,040	37,132	24 in	2
" 10	451,938	379,551	18,636	107,598	36,867	29 in	2
" 17	451,938	377,217	17,516	104,491	37,444	Nil	2
" 24	452,001	374,703	22,358	100,743	37,601	63 in	2
" 31	452,001	378,369	16,894	100,419	39,812	Nil	2
Nov. 7	452,050	379,787	9,984	107,165	38,066	49 in	2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department			Reserve and the "Proportion"
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion	Ratio	Govt. Securities	Discounts & Advances	Other Securities	
1934								
Oct. 3	255,547	993	192,560	35 1/2	81,684	12,674	10,060	71,744
" 10	255,796	1,191	192,588	35 1/2	83,384	14,032	10,289	73,037
" 17	255,811	1,190	192,584	35 1/2	81,279	9,468	10,993	75,367
" 24	255,917	1,136	192,558	36	81,279	8,246	10,904	77,955
" 31	255,996	1,061	192,650	36	80,894	8,901	10,748	74,280
Nov. 7	256,442	634	192,646	36	79,804	9,642	10,655	72,859

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to October 24	£ 24,514,868	£ 1,432,661	£ 2,431,617	£ 28,389,146
Week ended October 31	664,596	31,708	52,939	749,243
Week ended November 7	588,703	38,988	67,884	695,575
1933				
Total to date, 1934	25,768,117	1,503,357	2,553,440	29,824,914
Total to date, 1933	23,515,240	1,420,589	2,367,161	27,303,490
Increase or decrease in 1934 {	+ 2,252,377 = 9·6%	+ 82,768 = 5·8%	+ 186,279 = 7·9%	+ 2,521,424 = 9·2%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,112,959
Increase or decrease in 1933 {	- 119,153 = 0·4%	+ 46,268 = 2·8%	+ 98,552 = 3·6%	+ 25,667 = 0·07%

NEW YORK FEDERAL RESERVE BANK.—In £'s (000's omitted).					
	Nov. 9, 1933	Oct. 17, 1933	Oct. 24, 1933	Oct. 31, 1933	Nov. 7, 1934
Total gold reserves	930,900	1,733,260	1,763,340	1,780,920	1,681,940
Total bills discounted	40,190	2,430	6,590	7,370	6,790
Bills bought in open market	831,860	777,750	777,750	777,750	777,750
Total U.S. Govt. securities	875,290	787,160	786,670	788,070	788,260
Deposits—Memberbank—reserve account	967,570	1,626,320	1,626,910	1,654,480	1,600,900
Ratio of total res. to dep. and Federal Res. note liabilities combined	58.1%	71.9%	72.2%	72.2%	71.2%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).					
	Nov. 3, 1933	Oct. 5, 1933	Oct. 12, 1933	Oct. 19, 1933	Nov. 2, 1934
Assets					
Gold coin and bullion	16,306	19,414	20,035	20,799	21,017
Subsidiary coin	425	225	220	213	171
Bills discounted: Domestic and Union Govt. Treas.	8	137	111	113	97
Bills	18,332	10,196	9,810	9,033	9,127
Investments	1,725	1,724	1,724	1,725	1,725
Other assets	...	7,533	7,995	8,448	8,491
LIABILITIES					
Capital	1,000	1,000	1,000	1,000	1,000
Reserve	10,896	12,169	11,595	11,274	12,066
Government deposits	1,200	1,314	1,522	2,232	1,845
Bankers' deposits	27,155	21,452	21,979	20,818	20,767
Ratio of cash reserves to liabilities to public	40.0%	51.7%	53.5%	55.5%	55.2%

BANK OF FRANCE.—In francs (000's omitted).					
	Nov. 3, 1933	Oct. 12, 1933	Oct. 19, 1933	Oct. 26, 1933	Nov. 2, 1934
Assets					
Gold	80,748,692	82,406,541	82,483,049	82,475,906	82,524,758
Foreign assets					
Sight deposits	867,720	9,995	9,643	9,798	7,570
Bills, etc.	1,302,743	823,422	923,603	920,933	921,170
Home bills	3,041,298	3,449,514	3,511,347	3,996,123	3,314,355
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,901,496	3,187,923	3,179,576	3,100,591	3,235,593
Other advances	6,209,022	5,898,204	5,898,204	5,898,204	5,898,204
Negotiable Bonds, Sinking Fund Dept.	5,518,237	5,509,283	5,509,160	5,504,402	5,548,595
Other assets (excluding forward exch.)	82,193,516	80,383,798	79,580,491	79,466,821	81,015,361
LIABILITIES					
Notes in circulation	3,635,548	3,734,586	4,736,418	5,287,120	4,889,598
Public deposits	15,367,531	17,835,253	17,655,612	17,723,352	16,936,892
Private deposits	2,592,612	2,308,245	2,282,063	2,188,494	2,108,454
Ratio of gold reserve to sight liabilities	79.6%	80.7%	80.8%	80.3%	80.4%

THE REICHSBANK.—In Reichsmarks (000's omitted).					
	Oct. 31, 1933	Oct. 13, 1933	Oct. 23, 1933	Oct. 31, 1934	
Assets					
Gold	396,014	79,833	81,584	82,564	
Of which deposited abroad	53,857	20,851	20,851	20,851	
Reserve in foreign currencies	17,960	3,939	3,915	3,915	
Bills of exchange and cheques	3,162,286	3,498,951	3,414,826	3,729,316	
Silver and other coin	181,542	245,033	322,293	220,305	
Notes of other German banks	3,670	12,178	15,323	5,191	
Advances	142,970	72,298	66,581	90,812	
Investments	319,131	756,850	759,608	750,481	
Other assets	614,022	667,619	649,659	664,583	
LIABILITIES					
Share capital	150,000	150,000	150,000	150,000	
Reserves	473,151	472,797	472,797	472,797	
Notes in circulation	3,571,375	3,697,477	3,534,238	3,822,930	
Other daily maturing obligations	416,375	773,112	920,887	855,985	
Other liabilities	228,694	243,280	236,067	245,785	
Cover of note circulation	11.6%	2.26%	2.41%	2.25%	

NATIONAL BANK OF BELGIUM.—In belgas (000's omitted).					
	Position, May 30, 1934	Nov. 2, 1933	Oct. 11, 1933	Oct. 18, 1933	Oct. 25, 1933
Assets					
Gold	2,712,543	2,633,851	2,613,014	2,595,608	2,587,934
Silver and other coin	235,650	66,600	71,699	74,021	75,851
Securities	894,160	759,237	641,281	617,738	619,093
LIABILITIES					
Notes in circulation	3,472,389	3,558,209	3,518,937	3,517,734	3,562,885
Deposits: Govt.	190,225	31,003	36,384	29,931	43,398
Other	326,637	182,140	178,637	162,951	143,749

NETHERLANDS BANK.—In florins (000's omitted).					
	Position, May 30, 1934	Nov. 6, 1933	Oct. 15, 1933	Oct. 22, 1933	Nov. 5, 1934
Assets					
Gold	163,092	896,217	877,717	881,730	882,567
Silver	8,436	26,014	21,371	21,553	20,672
Home bills discont.	...	29,293	25,370	25,109	26,540
Foreign bills	253,504	1,572	866	866	866
Loans and advances in current acct.	...	143,396	147,361	143,538	145,750
LIABILITIES					
Notes in circulation	316,632	919,179	892,165	880,287	893,038
Deposits	5,016	193,009	204,942	216,874	207,515

SWISS NATIONAL BANK.—In francs (000's omitted).					
	Position, May 31, 1934	Oct. 31, 1933	Oct. 6, 1933	Oct. 15, 1933	Oct. 23, 1933
Assets					
Gold	171,175	1,930,700	1,821,565	1,855,036	1,882,394
Of which held abroad	...	389,411	152,364	182,783	201,375
Foreign gold valuta	...	28,267	20,635	21,178	19,328
Discounts	...	35,319	49,023	37,946	38,373
Bills of the Confederation	...	26,354	9,975	9,947	8,922
Advances	103,000	61,537	74,441	71,362	69,006
Securities	...	66,092	53,340	54,121	53,477
LIABILITIES					
Notes in circulation	275,925	1,408,450	1,372,623	1,341,515	1,326,628
Deposits	33,750	677,460	592,660	645,859	676,096

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).					
	Position, May 30, 1934	Oct. 31, 1933	July 31, 1933	Aug. 31, 1933	Sept. 29, 1933
Assets					
Coin and bullion	76,644	133,172	133,147	133,144	133,137
Loans and discounts	88,470	111,283	127,568	131,014	133,132
Debtors abroad	24,102	24,257	3,865	3,271	4,767
Securities	11,988	124,015	149,714	131,339	145,312
Emergency Fund	...	6,627	137,678	151,832	142,598
LIABILITIES					
Circulation	157,266	368,034	356,973	365,232	368,538
Deposits	6,698	82,014	133,253	127,173	159,464

BANK OF NORWAY.—In kroner (000's omitted).					
	Position, May 31, 1934	Oct. 31, 1933	Oct. 15, 1933	Oct. 22, 1933	Oct. 31, 1934
Assets					
Coin and bullion—Gold	44,224	118,369	118,432	118,432	118,432
Balance abroad and foreign bills	28,533	12,639	19,945	20,962	22,070
Funds provisionally placed in gold not included in the gold reserve	...	30,243	16,379	16,379	16,379
Norwegian and Foreign Government securities	8,816	28,913	47,040	47,098	45,537
Discounts and loans	76,911	245,966	245,135	250,713	250,962
LIABILITIES					
Notes in circulation	113,484	307,421	313,811	310,459	315,848
Deposits at sight	7,188	71,410	68,897	78,748	76,852

BANK OF SPAIN.—In pesetas (000's omitted).					
	Position, May 30, 1934	Oct. 28, 1933	Oct. 6, 1933	Oct. 13, 1933	Oct. 27, 1933
Assets					
Gold	521,775	2,260,679	2,265,668	2,265,753	2,266,045
Silver	728,600	642,049	673,053	668,563	667,655
Loans & Discounts	800,725	3,430,360	2,589,677	2,582,534	2,546,202
Spanish 4% stock	344,475	344,475	344,474	344,474	344,474
Advances to Treasury	150,000	150,000	150,000	150,000	150,000
LIABILITIES					
Notes in circulation	901,550	4,730,825	4,727,759	4,717,548	4,713,921
Deposits	477,500	830,751	831,226	851,236	898,750

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).					
	Oct. 31, 1933	Oct. 7, 1933	Oct. 15, 1933	Oct. 23, 1933	Oct. 31, 1934
Assets					
Cash reserve	169,717	241,908	241,917	241,925	241,931
Gold coin and bullion	19,047	40,593	36,216	39,740	43,348
Foreign exchange	7,998	40,583	36,216	39,740	43,348
Other foreign exchange	226,838	252,434	253,803	249,542	249,522
Federal debt	624,444	624,444	624,444	624,444	624,444
LIABILITIES					
Share capital	43,200	54,960	54,960	54,960	54,960
Reserve fund	11,066	11,280	11,280	11,280	11,280
Notes in circulation	940,893	917,996	905,782	867,156	953,942
Deposits	101,040	219,691	226,809	265,927	179,868

NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).					
	Oct. 31, 1933	Oct. 7, 1933	Oct. 15, 1933	Oct. 23, 1933	Oct. 31, 1934
Assets					
Metal reserve—Gold coin and bullion	96,571	78,932	78,932	78,932	78,933
Drafts and notes	8,534	13,269	13,295	12,149	13,539
Silver coin and bullion	7,528	7,957	9,620	10,939	8,037
Inland bills, warrants and securities	471,599	573,290	556,449	553,493	586,290
Advances to Treasury	50,194	47,119	47,119	47,119	47,119
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	361,851	356,103	329,465	316,436	373,361
Current accounts, deposits, etc.	76,694	74,955	88,567	98,885	72,514
Cash certificates	...	117,722	117,722	115,136	115,136
Other liabilities	199,843	177,135	176,478	176,775	176,060

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).					
	Oct. 30, 1933	Oct. 7, 1933	Oct. 15, 1933	Oct. 23, 1933	Oct. 31, 1934
Assets					
Gold	7,707,653	2,666,612	2,671,915	2,673,746	2,675,376
Balances abroad and foreign currency	932,551	99,406	118,130	137,518	153,995
Discounts and advances	1,550,462	1,557,869	1,660,000	1,483,440	1,409,336
State notes debt balance	2,606,165	2,112,911	2,110,004	2,109,820	2,108,779
Other assets	591,913	923,515	975,157	1,054,356	1,070,881
LIABILITIES					
Bank notes in circulation	6,148,449	5,561,876	5,519,321	5,215,955	5,460,766
Check account balances	798,044	891,948	1,173,490	1,173,490	862,610
Other liabilities	370,943	548,383	581,929	617,425	642,981

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted)				
ASSETS	Oct. 31, 1933	Oct. 15, 1934	Oct. 22, 1934	Oct. 29, 1934
Cash reserve:—				
Gold at home and abroad	1,794,913	1,801,785	1,803,673	1,807,066
Foreign exchange	115,233	158,149	170,213	169,118
Other foreign exchange	29,291	33,293	34,008	20,095
Bills and advances against security	2,184,984	1,828,869	1,834,848	1,840,884
Government advances	1,718,770	1,720,157	1,720,225	1,720,366
LIABILITIES				
Notes in circulation	4,342,516	4,307,813	4,290,000	4,380,075
Sight deposits	1,025,697	1,199,967	1,256,000	1,179,434
Time deposits	1,096,300	784,879	775,079	770,072

900

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Nov. 8, 1933	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934
Call money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Time money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Bank acceptances:—						
Members—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Non-mem.—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Ineligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Commercial accept., 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Rates of Exchange, New York on—	Par Level	Nov. 8, 1933	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934
London—					
60 days	Dollars for £1	4.9737	4.9662	4.9512	4.7887
Cable		4.9662	4.9512	4.9362	4.8037
Cheques		4.9512	4.9362	4.9212	4.7887
Paris—					
60 days	Cents for 1 franc	6.5875	6.6025	6.5925	6.0225
Cable		6.5875	6.6025	6.5925	6.0225
Cheques		6.5875	6.6025	6.5925	6.0225
Brussels—					
60 days	Cents for 1 franc	32.58	32.68	32.59	29.80
Cable		32.58	32.68	32.59	29.80
Cheques		32.58	32.68	32.59	29.80
Italy—					
60 days	Cents for 1 lira	40.33	40.25	40.28	36.80
Cable		40.33	40.25	40.28	36.80
Cheques		40.33	40.25	40.28	36.80
Vienna—					
60 days	Cents for 1 mark	23.82	18.87	19.03	17.35
Cable		23.82	18.87	19.03	17.35
Cheques		23.82	18.87	19.03	17.35
Madrid—					
60 days	Cents for 1 peseta	22.35	22.30	22.28	21.48
Cable		22.35	22.30	22.28	21.48
Cheques		22.35	22.30	22.28	21.48
Amsterdam—					
60 days	Cents for 1 guilder	68.06	67.63	67.79	62.10
Cable		68.06	67.63	67.79	62.10
Cheques		68.06	67.63	67.79	62.10
Copenhagen—					
60 days	Cents for 1 kroner	45.87	25.15	25.09	24.16
Cable		45.87	25.15	25.09	24.16
Cheques		45.87	25.15	25.09	24.16
Oslo—					
60 days	Cents for 1 kroner	2.20	0.94	0.94	0.87
Cable		2.20	0.94	0.94	0.87
Cheques		2.20	0.94	0.94	0.87
Stockholm—					
60 days	Cents for 1 drachma	169.31	102.5	102	28.95
Cable		169.31	102.5	102	28.95
Cheques		169.31	102.5	102	28.95
Athens—					
60 days	Cents for 1 yen	84.40	32.12	32.75	33.31
Cable		84.40	32.12	32.75	33.31
Cheques		84.40	32.12	32.75	33.31
Yokohama—					
60 days	Cents for 1 dollar	61.80	37.61	37.60	36.15
Cable		61.80	37.61	37.60	36.15
Cheques		61.80	37.61	37.60	36.15
Calcutta—					
60 days	Cents for 1 rupee	33.34	33.21	29.04	—
Cable		33.34	33.21	29.04	—
Cheques		33.34	33.21	29.04	—
Buenos Aires—					
60 days	Cents for 1 milreis	11.96	8.43	8.40	8.39
Cable		11.96	8.43	8.40	8.39
Cheques		11.96	8.43	8.40	8.39
Rio de Janeiro—					
60 days	Cents for 1 milreis	11.96	8.43	8.40	8.39
Cable		11.96	8.43	8.40	8.39
Cheques		11.96	8.43	8.40	8.39

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13.33	Sight	(a) 20.28
Colombia (Bogota)	Pesos to £	24.3325	"	(b) 18.20
Ecuador	Sucres to £	4.8665	"	(c) 55.12
Nicaragua	Colonos to £	9.73	"	12.56
Salvador	Bolivares to £	25.2215	"	19.32
Venezuela	Bolivares to £	25.2215	"	19.32
Guatemala	Quoted on New York	—	"	5.05

*No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate (f) "Free" Rate. (a) Official Rate.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand	Australia and New Zealand on London*
	Buying	Selling
	Aus. New Zealand	Aus. New Zealand
T.T.	125 1/2	124 1/2
Sight	125 1/2	124 1/2
30 days	125 1/2	124 1/2
60 days	125 1/2	124 1/2
90 days	125 1/2	124 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

	During the week ending Nov. 3, 1934	From Apr. 1 to Nov. 3, 1934
Sterling purchased in India	1,364,000	20,147,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	—	—
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	—	—
Total remittance to Home Treasury	1,364,000	17,897,000
India Office, S.W.I., Nov. 6, 1934.		

BULLION

The following statistics of imports and exports of gold and silver for week ended November 8th, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

From	Bullion*	Coined	To	Bullion*	Coined
Gold Imported into Great Britain and Northern Ireland, week ended November 8, 1934			Gold Exported from Great Britain and Northern Ireland, week ended November 8, 1934		
Germany	30,170	—	Netherlands	—	30,425
Netherlands	14,023	76,817	Belgium	—	55,000
Belgium	11,519	—	France	—	1,745
France	54,574	34,015	Switzerland	—	2,487
Switzerland	16,303	13,556	U.S.A.	—	43,327
U.S.A.	3,603	—	Central and S.	—	198
Central and S.	235,052	—	America (foreign)	—	198
America (foreign)	21,190	522	Other countries	—	358
Other countries	120,176	—			
	463,428	—			
	2,676	—			
	2,977	17			
	1,000	—			
	73,793	—			
	14,112	—			
	13,720	200,000			
	5,056	1,161			
Total	1,573,372	326,088	Total	47,757	91,843

IMPORTS AND EXPORTS OF SILVER

From	Bullion*	Coined	To	Bullion*	Coined
Silver Imported into Great Britain and Northern Ireland, week ended November 8, 1934			Silver Exported from Great Britain and Northern Ireland, week ended November 8, 1934		
Soviet Union	25,830	—	Sweden	1,700	—
Germany	3,234	98	Norway	1,043	—
Netherlands	1,680	—	France	253	—
Belgium	10,065	—	in India	6,500	—
France	44,817	452	Italy	1,089	—
Italy	35,152	—	U.S.A.	765,005	—
Syria	7,874	—	Central and South	—	—
Egypt	120,669	375	America (foreign)	—	—
Persia	111,927	—	Bombay, via other	—	—
China	71,433	—	ports	12,500	—
Japan	136,838	—	Straits Settlements	4,065	—
Peru	5,400	—	New Zealand	—	18,920
British West Africa	380	948	Other countries	1,329	—
Aden and Depend-	—	5,400			
encies	—	—			
Canada	10,103	—			
Bahamas	—	36,000			
Other countries	—	1,000			
Total	585,383	58,471	Total	847,250	19,017

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	1934	WITHDRAWALS
Nov. 2	Bar gold	49,143	Nil
" 3	"	Nil	Nil
" 5	"	Nil	Nil
" 6	"	Nil	Nil
" 7	"	Nil	Nil
" 8	"	Nil	Nil
Total	49,143	Total	Nil
Movement Nov. 2, 1934, to Nov. 8, 1934 (inclusive)	£49,143 in		
Movement during year 1933	£71,094,909 in		
Movement April 29, 1925, to Nov. 8, 1934 (inclusive)	£1,319,945 in		
Movement September 21, 1931 (gold standard suspended), to Nov. 8, 1934 (inclusive)	£56,055,965 in		

GOLD

Messrs Samuel Montagu and Company write on November 7, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £192,001,187 on the 31st ultimo, showing no change as compared with the previous Wednesday. During the week the Bank announced the purchase of bar gold to the amount of £49,143. In the open market offerings were rather restricted, the amount available during the week being about £970,000. The demand was again general and owing to the appreciation of sterling in terms of the gold exchanges, there was a decline in prices, which, however, were maintained at a premium over the parities.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
November 1	139s. 10d.	12s. 1.81d.
" 2	139s. 9d.	12s. 1.90d.
" 3	139s. 10d.	12s. 1.81d.
" 5	139s. 6 1/2d.	12s. 2.11d.
" 6	139s. 5 1/2d.	12s. 2.20d.
" 7	139s. 1 1/2d.	12s. 2.55d.
Average	139s. 7.08d.	12s. 2.06d.

Gold shipments from Bombay last week amounted to about £200,000. The s.s. "Comorin" and the s.s. "California" have respectively £109,000 and £65,000 consigned to London and the s.s. "President Johnson" has £26,000 consigned to New York.

The Southern Rhodesian gold output for September, 1934, amounted to 58,850 fine ounces, as compared with 59,471 fine ounces for August, 1934, and 56,790 for September, 1933.

SILVER

The market has been fairly active, the tendency towards the end of the week being easier, following the firmness of sterling in terms of the dollar; the undertone, however, remains firm. The Indian bazaars have been less active, but there has been some speculative demand, offset by China sales. America has bought and although not being disposed to press, generally offered good support at, or slightly below, current prices.

Quotations during the week:—

	IN LONDON	IN NEW YORK
Bar silver per oz. std.	Cash	Two Months'
November 1	23 1/2d.	23 1/2d.
" 2	23 1/2d.	23 1/2d.
" 3	23 1/2d.	23 1/2d.
" 5	23 1/2d.	23 1/2d.
" 6	23 1/2d.	23 1/2d.
" 7	23 1/2d.	23 1/2d.
Average	23.490d.	23.615d.

The highest rate of exchange on New York recorded during the period from the 1st instant to the 7th instant was \$5.00 1/2 and the lowest \$4.97 1/2.

The stocks in Shanghai on the 3rd instant consisted of about 39,800,000 ounces in sycee, 310,000,000 dollars and 37,500,000 ounces in bar silver, as compared with about 41,400,000 ounces in sycee, 312,000,000 dollars and 36,600,000 ounces in bar silver on the 27th ultimo.

Statistics for the month of October last are appended:—

	Bar silver per oz. std.	Bar Gold
Highest price	24 1/2d.	143s. 3d.
Lowest price	22 3/4d.	139s. 6d.
Average	23.5810d.	141s. 7.83d.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce	Date	Silver Cash
		Cash	Forward	
1934				
Nov. 2	139 s. d.	23 1/2 d.	Nov. 15, 1928	26 1/2 d.
" 3	139 10	23 1/2	" 14, 1929	22 1/2
" 5	139 6 1/2	23 1/2	" 13, 1930	16 1/2
" 6	139 5 1/2	23 1/2	" 12, 1931	21 1/2
" 7	139 1 1/2	23 1/2	" 10, 1932	18 1/2
" 8	139 2	23 1/2	" 9, 1933	18 1/2

NOTICES

The directors of Martins Bank Limited announce that Mr James McKendrick, hitherto superintendent of branches, has been appointed assistant general manager of the bank.

COMPANY NEWS

WEEKLY TRAFFIC RETURNS RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended Nov. 4, 1934 (2000)						Aggregate Gross Receipts 1934 compared with 1933, 44 weeks (2000)					
(b) Week ended Nov. 2, 1934	(c) Week ended Nov. 3, 1934	Miles Open	Passen- ger, &c.	Merch- andise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merch- andise, &c.	Coal and Coke	Total Goods	Total Receipts	
Great Western	1934 3,750	171	192	96	288	459		9,030	7,890	4,326	12,216	21,246	
(c) L. & N.	1934 3,752	171	185	103	288	459		9,018	7,397	4,244	11,641	20,659	
Eastern	1934 6,339	267	365	234	599	866		13,757	13,741	9,303	23,444	35,345	
L. M. & S.	1934 6,340	262	360	231	591	83		13,519	12,769	9,111	28,000	20,368	
Scottish	1934 6,941	396	474	237	711	1,107		21,271	19,556	9,822	29,388	50,665	
Southern	1934 2,176	387	479	240	719	1,068		20,939	18,265	9,211	27,666	48,605	
	1934 2,181	252	72	31	103	355		13,030	2,803	1,345	4,148	17,178	
	1934 2,181	246	67	31	98	344		12,828	2,688	1,268	3,956	16,784	
Total	1934 192,063	1,086	1,103	598	1,701	2,787		67,588	44,000	25,396	69,396	126,448	
	1934 192,063	1,068	1,091	605	1,696	2,762		56,304	41,109	24,304	65,143	21,484	
(b) Belfast & Co. Down	1934 80	2-0	0-0	0-6	2-6	112-9	...	...	...	...	22-8	135-3	
(b) Great Northern	1934 562	8-9	0-0	0-6	2-8	11-5	...	...	...	...	22-8	137-7	
(b) Great Southern	1934 562	7-6	...	11-6	20-2	445-5	...	...	...	...	371-8	815-7	
	1934 2,158	21-4	...	11-6	19-2	344-9	...	...	...	...	300-2	647-5	
	1934 2,158	21-4	...	38-6	60-0	1068-7	...	...	...	...	1433-5	2502-3	
	1934 2,158	20-7	...	39-9	60-6	1056-1	...	...	...	...	1357-0	2419-2	

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash		Dividend for Whole Years	Latest Year	Previous Year
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year		
RAILWAYS					
Bombay, Baroda and Central India	3%*	Jan.	Unchanged	...	...
INSURANCE					
Alliance Assurance	8/- p.s.*	Jan. 5	Unchanged	...	...
Guardian Assurance (10s. paid)...	5/- p.s.*	Dec. 31	Unchanged	...	...
Scottish Union and National "A"...	6/8 p.s.	Dec. 1	Unchanged	...	...
Do. "B" do.	24/4 p.s.	Dec. 1	Unchanged	...	...
Sun Insurance Office (5s. pd.)...	1/3 p.s.*	Jan. 1	Unchanged	...	...
BANKS					
Royal Bank of Scotland	8 1/2 %	Dec. 24	Unchanged	17	17
English Scottish & Australian Bk.	2 1/2 %	...	Unchanged	5	5
TEA AND RUBBER					
Caledonian (Selangor) Rubber	2 1/2 %	Nov. 8	Nil	...	...
Kintyre Tea	6 1/2 %	...	Nil	8 1/2	Nil
Sagga Rubber	2 1/2 %	Nov. 16	Nil	...	...
St. George Rubber	2 1/2 %	...	Nil	...	...
MINING					
Bulolo Gold	90c. p.s.*	Dec. 3	60 cents p.s.	...	...
Kramat Pulu	25 %	Dec. 12	Unchanged	...	...
North Broken Hill	1/8 p.s.*	Dec. 14	Unchanged	...	...
North Kalgudi (1912)	25 %	Dec. 14	Unchanged	5	2 1/2
Tavoy Tin Dredging	2 1/2 %	Nov. 29	...	...	...
OTHER COMPANIES					
Airedale Collieries	2 1/2 %	Dec. 1	Unchanged	...	...
Amalgamated Press	5 %	Nov. 26	Unchanged	...	...
Anglo-Portuguese Telephone	3 %	Nov. 15	Unchanged	...	...
Anglo-Scottish Investment	...	...	5 %	15	10
Ansells Brewery	10 %	...	...	9 1/2	9 1/2
Associated Chocolate	5 1/2 %	Nov. 29	Unchanged	2 1/2	2 1/2
Australian Mercantile Land, &c.	...	Nov. 11	...	15	13 1/2
Barrangulla Investment Trust	...	...	...	20 (a)	15 1/2
Bentley (S. and W.)	10 %	...	...	...	...
Benton and Stone	...	...	Unchanged	...	...
Bolands	2 1/2 %	...	4 %	9 (b)	3
Brampton Brewery	5 %	...	...	3 1/2	2 1/2
British Cyanides	5 %	...	...	20	12 1/2
Cape Electric Tramways	5 %	...	Unchanged	5	6
Charrington Gardner Locket	16 1/2 %	...	...	...	...
Chester Northgate Brewery	...	...	Unchanged	...	...
Clydesdale Investment Co.	5 %	Nov. 24	Unchanged	...	...
Compton (J.) Sons and Webb	2 1/2 %	Nov. 9	Nil	5	Nil
Delaney (John)	4 %	Nov. 23	Unchanged	...	...
Delhi Electric Supply	1 1/2 p.s.*	Nov. 10	Unchanged	...	...
East Kilbride Dairy Farmers	...	Nov. 26	Unchanged	8 1/2	7 1/2
Enfield Cycle	...	Nov. 19	Unchanged	...	...
Gartside's (Bristol) Brewery	11 %	Dec. 1	14 %	...	...
Grand Junction Company	3 1/2 %	...	...	5	2 1/2
Horden Collieries	3 1/2 %	...	Unchanged	...	...
Hulton (John V.)	2 1/2 %	...	Unchanged	50 cts. p.s.	...
International Nickel	13 cts. p.s.	...	...	9	8 1/2
Kenward and Co.	6 1/2 %	...	Unchanged	...	...
London General Investment	3 1/2 %	...	Unchanged	...	...
Montague Burton	3 %	Nov. 24	Unchanged	...	...
Moors' and Robson's Breweries	15 %	...	...	20	15
Nalder and Colliers Brewery	25 %	Dec. 13	Unchanged	10	10
North of Scotland Milling	...	...	...	9	9
Pinners Hall	1 1/2 %	Nov. 15	1 1/2 %	...	...
Reserve Securities Trust	...	...	...	2 1/2	2 1/2
Rochdale and Manor Brewery	...	...	...	12 1/2	15
St. Kitts (London) Sugar Factory	...	...	...	2 1/2	2 1/2
Scottish National Trust	1 1/2 %	...	Unchanged	2 1/2	2 1/2
Second Industrial Trust	...	...	...	6	...
Securities Trust of Scotland	...	...	...	5	...
Slaters and Bodegas	...	...	...	14	14
Smith (S.) and Sons pref. ord.	...	...	...	25	25
Do. def.	...	...	...	12	12
South Blackpool Jetty	...	...	...	6	4
Sudan Plantations Syndicate	...	...	...	2	2
Third Caledonian Trust	...	...	...	9	...
Walsleys (Bury)	6 %	...	...	20	15
Western Electricity	16 %	...	...	...	...

(a) Also scrip bonus of two ordinary shares for each three held. † Free of income tax. (b) 15 months.

SHELL UNION OIL CORPORATION AND SUBSIDIARY COMPANIES.—

	3rd Quarter 1934	3rd Quarter 1934
Operating earnings	48,378,973-55	52,452,869-16
Deduct operating and general expenses	35,471,559-91	41,609,373-52
Gross income from operations	12,907,413-64	10,843,495-61
Deduct—		
Depletion, depreciation, intangible development expenditures and abandonments	7,262,770-83	8,161,121-65
Proportion of earnings of subsidiary companies applicable to minority stockholders	53-83	19,978-10
Total deduction	7,262,824-66	8,181,099-75
Profit from operations before providing for interest on funded debt or for federal income tax	5,644,588-98	2,662,395-86
Deduct interest on funded debt	1,107,958-07	920,049-52
Net profit from operations	4,536,630-91	1,742,346-34
Deduct provision for federal income tax	...	253,642-06
Net profit	4,536,630-91	1,488,704-28

GILLETTE SAFETY RAZOR COMPANY.—The net profit for nine months ended September 30, 1934, amounted to \$3,158,780.38. The earnings for the nine months are equivalent to \$10.19 per share of preference stock outstanding and after deducting the preference dividend requirement for the nine months to \$1.00 per share of common stock outstanding.

WESTS AND MOULTONS, LTD.—The directors have decided to make up the new company's first accounts to January 31, 1935, and to follow the conservative principle of distributing for the current year only such profits as may be earned from June 20, 1934, to January 31, 1935. An interim dividend on account of such profits at the rate of approximately 5 1/2 per cent. per annum is being paid. With regard to the profits earned prior to June 20, 1934, these will be available after payment of interest to the vendors of 4 1/2 per cent. per annum on the purchase price calculated to date of completion of sale as provided in sale agreement, for the purpose of extinguishing the preliminary expenses estimated at (£1,500) and for creating a reserve fund.

PHOENIX ASSURANCE COMPANY, LTD.—The directors of the Phoenix Assurance Company, Ltd., announce that the second instalment of the dividend for 1933 declared at the ordinary general meeting held on May 30, 1934, will be payable on December 15, 1934, to members on the register on November 15, 1934. The amount of this instalment is 6s. per share (less income tax at 4s. 3d. in the £). The share transfer books and the register of members will be closed from November 15th to 25th, inclusive. Interest for the half-year ending December 14th (less income tax at 4s. 6d. in the £) on the debenture stocks of the company will be payable on December 15th. The debenture stock transfer books and registers will be closed from December 1st to 14th, inclusive.

THE LONDON COUNTY FREEHOLD AND LEASEHOLD PROPERTIES, LTD.—A second interim dividend of 2 per cent. on the ordinary stock has been declared. The revenue balance for the half-year to September 30, 1934, after allowing for dividend at the same rate as last year on the additional capital in use, exceeds the figure for the corresponding period of last year.

SALTS (SAITAIRE), LTD.—Interim dividend on preference shares 3 1/2 per cent. less income tax in respect of year ending March 31, 1935. Warrants to be posted December 1st.

CANADIAN CELANESE, LTD.—The board has declared on the 7 per cent. cumulative participating preferred stock a dividend of \$1.75 per share from October 1 to December 31, 1934, payable December 31, 1934, to holders on books of the company at close of business December 14, 1934.

GUEST, KEEN & NETTLEFOLDS, LTD.—At their meeting on November 1, the directors of Guest, Keen & Nettlefolds, Ltd., declared an interim dividend for the six months ended September 30th last at the rate of 5 per cent. p.a. annum on the first preference shares, free of income tax; and in respect of the second preference shares a payment of one shilling per share, free of income tax, on account of arrears of dividend. The foregoing dividends to be paid on December 20th to shareholders registered in the books of the company on November 10th. The directors announce the resignation of Mr. Howell R. Jones from the board after his long service with the company. They have elected Mr. I. F. L. Elliot to a seat on the board.

CENTRAL ARGENTINE RAILWAY, LTD.—The directors have decided to pay one-half of the dividend declared in November, 1933, on the 4 1/2 per cent. preference stock. Warrants will be posted on November 15th to all holders on the registers on October 31, 1933.

PENNSYLVANIA WATER & POWER COMPANY.—

	Nine months ended Sept. 30, 1933	Nine months ended Sept. 30, 1934
Gross revenue	4,040,750	4,221,642
Operating expenses, etc.	1,650,977	1,825,951
Net revenue	2,389,773	2,395,691
Fixed charges	793,631	793,520
Net income for dividends, etc.	1,596,142	1,602,171
Amount earned per share of common stock	3.68	3.69

INVESTORS GENERAL FIXED TRUST.—A second distribution amounting to £168 12s. 1d. net on each unit, or 9.99625d. net on each sub-unit, of Investors General Fixed Trust has been authorised by the trustees, Royal Exchange Assurance, and is payable to certificate-holders on December 1, 1934.

THE RIO TINTO COMPANY, LTD.—The half-year's dividend of two shillings and sixpence per share will be paid as usual on the 5 per cent. preference shares, less income tax, on November 15th. No interim dividend on the ordinary shares will be paid this year. The share transfer books will be closed from Thursday, November 8th, to Thursday, November 15th, both days inclusive. The share warrant coupon to be presented is No. 75 upon the preference shares.

ROYAL BULGARIAN GOVERNMENT 4 1/2 PER CENT. LOAN OF 1909.—Certificates issued by J. Henry Schroder and Company in connection with the partial payment of the collection, on or after November 10th, of an amount of Dutch Fls. 0.1334 per Coupon of Fls. 5.40 nominal in final settlement of the outstanding balance. Coupons due December 1, 1932, on which the first instalment of 16 per cent. of their nominal florin value has not yet been paid, will (in future) be payable at a rate of Dutch Fls. 0.9974 per coupon of Fls. 5.40 nominal in full settlement.

KINGDOM OF BULGARIA 5 PER CENT. 1902 AND 4 1/2 PER CENT. 1907 LOANS.—Fractional coupon receipts for untransferred portion of coupons which fell due between April 1, 1932, and April 14, 1934, inclusive, will be paid in Dutch florins at the rate of 10 per cent. of the amount of levas corresponding to these fractional coupon receipts, including accumulated interest. The fractional receipts in respect of coupons due March 14, 1933, of the Bulgarian 5 per cent. 1902 loan will be paid at Fl. 0.20849, and those in respect of coupons due February 1, 1933, of the Bulgarian 4 1/2 per cent. 1907 loan will be paid at Fl. 0.187139 in Amsterdam.

BULGARIAN 6 PER CENT. LOAN, 1892.—The Ottoman Bank have been instructed by the Bulgarian Government to pay the sum of Swiss francs 0.598 per unitary coupon in final settlement of coupon No. 89 due January, 1933, of the Bulgarian 6 per cent. loan, 1892. Payment will be made against presentation of the certificates which were issued to holders at the time the coupons in question received their first payment of 17 1/2 per cent.

KINGDOM OF BULGARIA 7 PER CENT. SETTLEMENT LOAN, 1928.—KINGDOM OF BULGARIA 7 1/2 PER CENT. STABILISATION LOAN, 1928.—Partly paid coupons of sterling tranches of these loans, due July 1, 1933, and November 15, 1932, may be surrendered for payment of the following amounts in full settlement:—

	1926 Loan (Coupon No. 13)	1928 Loan (Coupon No. 8)
£1,000	4 18 4	2 10 0
£500	2 9 2	1 5 0
£100	0 9 10	0 5 0

KINGDOM OF BULGARIA 7 1/2 PER CENT. STABILISATION LOAN, 1928.—The trustees of the above-named loan have received from the Bulgarian Government sufficient sums in foreign exchange to provide for the agreed payment of 3 1/2 per cent. of the interest coupon due on November 15, 1934. Bondholders may accordingly surrender their coupons for payment at this rate under the conditions described in the League Loans Committee's announcement of April 20, 1934. It will not be possible to provide any sums for sinking fund purposes, and drawings will therefore not take place.

SUMMARY OF BALANCE SHEETS

BRITISH AND CONTINENTAL BANKING COMPANY, LIMITED

LIABILITIES	Sept. 30, 1933	Sept. 30, 1934	ASSETS	Sept. 30, 1933	Sept. 30, 1934
Issued capital	100,000	100,000	Cash	130,771	156,436
Reserve account	65,000	75,000	British Treasury Bills and short-dated Government Bonds	379,745	45,371
Current accounts	214,332	164,492	Other bills	109,269	184,212
Deposits and other accounts	405,343	403,135	Investments in London and Paris, advances, loans and other accounts	164,890	106,852
Acceptances	...	133,835	Acceptances	...	133,836
Total	784,675	876,462	Total	784,675	876,462

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary					
						Amount	Amount				
		£	£	£	£	£	%	£	£	£	%
Banks											
British & Continental Banking Co.	Sept. 30	1,162	14,314	15,476	...	4,000	4†	10,000	1,476	13,906	3†
Breweries											
Bristol Brewery Georges and Co.	Sept. 30	128,403	233,826	362,229	21,958	120,813	20†	70,000	149,458	209,016	20†
Bristol United Breweries ...	Sept. 30	43,374	80,588	123,962	12,675	50,400	15	17,500	43,387	69,792	13
Rochdale & Manor Brewery	Sept. 30	12,600	5,519	18,119	2,604	2,034	2½	...	13,481	808	2½
Financial Land, etc.											
Metropolitan Industrial Dwellings.....	Sept. 29	11,588	25,679	37,267	3,100	12,000	6†	4,672	17,495	24,022	6†
Sudan Plantations Syndicate	June 30	217,887	175,683	393,570	...	135,000	6	38,099	220,471	254,036	4
Iron, Coal and Steel											
Horden Collieries	Sept. 30	73,687	98,714	172,401	...	75,000	5	22,501	74,900	54,383	2½
Motor Cycle and Aviation											
Smith (S.) and Sons (Motor Accessories)	Aug. 4	64,191	125,356	189,547	37,500	{ 32,500 175,000 }	{ 14a 25b }	36,602	65,445	100,265	{ 14a 25b }
Oil											
Trinidad Leaseholds	June 30	68,992	188,566	257,558	...	163,945	12½	24,063	69,550	224,873	15
Rubber, etc.											
Batak Rabbit Rubber	June 30	15,538	3,942	19,480	...	4,125	5½	...	15,355	Dr. 286	Nil
Indian Peninsular Rubber	June 30	142	3,255	3,397	...	1,487	2⅔	...	1,910	Dr. 7,290	...
Insulinde (Sumatra) Rubber	June 30	Dr. 3,894	3,341	Dr. 553	...	...	...	Dr. 2,000	1,447	Dr. 1,758	...
New Hayoeep Rubber	June 30	Dr. 7,988	Dr. 1,049	Dr. 9,037	...	...	...	...	Dr. 9,037	740	...
Rubana Rubber	June 30	46,955	10,639	57,594	...	11,550	3½	...	46,044	Dr. 530	Nil
Tali Ayer Rubber	June 30	51,477	13,031	64,508	...	13,500	4½	...	51,008	286	Nil
Tambira Rubber	June 30	...	554	554	...	...	...	...	554	...	...
Tea											
Associated Tea of Ceylon ...	June 30	5,661	3,789	9,450	3,600	...	...	2,500	3,350	4,697	...
Elmhurst (Ceylon) Tea, &c.	June 30	3,750	5,258	9,008	...	3,522	10	858	4,628	...	...
Textiles											
Hoyle (Joshua) and Sons....	Sept. 29	17,615	54,966	72,581	...	...	...	50,000	22,581	29,463	...
Tramways and Omnibuses											
Cape Electric Tramways ...	June 30	52,765	16,248	69,013	...	17,192	3½	...	52,821	14,280	2½
Trusts											
Aberdeen Trust	Sept. 30	384	9,111	9,495	7,422	1,650	1½	...	423	6,461	1½
Clydesdale Investment ...	Sept. 30	52,216	38,354	90,570	21,094	15,633	5	...	53,843	39,337	6
London & Colonial Investmt.	Sept. 30	8,801	16,383	25,184	5,720	7,877	5½	2,000	9,587	15,521	5½
Railway and General Investment Trust	Sept. 30	9,885	18,411	28,296	11,750	4,775	3	...	11,771	18,219	3
Scottish National Trust ...	Sept. 30	38,293	28,125	66,418	23,500	4,700	1½	...	38,218	31,923	2½
Second Industrial Trust ...	Sept. 30	20,437	20,219	40,656	14,072	7,819	2½	...	18,765	20,061	2½
Second Scottish Nat. Trust	Sept. 30	22,993	18,237	41,230	17,672	...	...	...	23,558	18,733	Nil
Third Caledonian Trust.....	Sept. 30	15,575	14,801	30,376	11,750	3,133	2	...	15,493	15,047	2
Other Companies											
Berisford (S. and W.).....	Sept. 30	13,433	52,627	66,060	4,500	33,750	15	12,500	15,310	48,429	13½
Delaney (John)	July 31	1,260	5,378	6,638	...	5,036	5	...	1,602	1,214	Nil
Easterns, Ltd.	Aug. 31	6,555	25,735	32,290	4,757	9,117	10	14,898	3,518	18,711	Nil
Electric and Musical Industries.....	Sept. 30	...	325,031	325,031	57,443	224,973	10	...	42,618	902	Nil
Imperial Smelting Corpn....	June 30	12,680	154,984	167,664	134,538	...	...	...	33,126	129,880	...
Kassala Cotton	June 30	30,699	1,399	32,098	...	...	...	...	32,098	123	...
North of Scotland Milling...	Sept. 30	1,128	2,438	3,566	999	1,391	10	...	1,176	2,521	10
Wilson, Smith and Sutcliffe	Sept. 30	1,138	9,736	10,874	9,569	...	...	...	1,305	6,103	...

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

A FEATURE of the week ended Wednesday last was the rise in wheat prices, following increased buying by European importing countries and reports of crop deterioration in Argentina. According to the latest forecast of the International Institute of Agriculture, surplus wheat stocks in exporting countries will be reduced during the current season by 256 million bushels to 400 million bushels—the lowest level since 1928. Competition at the Mincing Lane tea auctions was keen on Monday and Tuesday, but on Wednesday lower prices were realised for common and low medium Indian grades. Raw sugar was again marked down in the past week. The quotation for Argentine beef at Smithfield Market was reduced a little. At the London Provision Exchange, Australian and New Zealand butter was dearer, but bacon slightly cheaper, than a week ago.

Among industrial raw materials, copper, lead, spelter and tin were all cheaper on Wednesday than a week ago, although copper had by then passed the lowest point of the week. The market in rubber was at first unsettled by the International Rubber Regulation Committee's decision, on November 2nd, to fix permissible exports to January-March, 1935, at 75 per cent. of the allotted quotas, but on Wednesday quotations moved to a higher level. The market in linseed experienced a slight improvement. Among textile raw materials, wool prices remained firm, but American cotton continued to decline in price.

Quotations for cereals experienced an appreciable rise in the past week. This improvement is reflected in an advance of Moody's index of the dollar prices of staple commodities from 142.7 (December 31, 1931 = 100) on October 31st to 143.5 on November 5th. A month ago the index stood at 144.6 and a year ago at 123.6.

COAL

SHEFFIELD.—The output quota in South Yorkshire, fixed at 57½ per cent. for October, is being continued throughout November. Inland trade is brisk, although sales of house coal have been considerably below former levels, until the recent cold snap. Although forward business for industrial fuel is better, the position still leaves room for improvement. Hards are in good request, and washed smalls and stocks are well taken up under existing contracts. Export conditions have improved, and there is a better outlook. Best steams are firm, but prices of other descriptions are not easily maintained. The position of coke is as strong as ever.

In the open market best steams are quoted at 16s. 6d. to 17s. f.o.b., best house at 21s. 6d. to 23s. at pits, and furnace coke at 14s. 6d.

NEWCASTLE-ON-TYNE.—Following the trading agreement made with Germany, local coal exporters are working cautiously, and are only gradually resuming shipments. There is an improving tendency in the steam section of the market, where screened grades are firmer and sized sorts are moving more freely. Little change is taking place in the coking and gas section of the Durham market, and more trade would be welcome. With the colder weather, coke of all descriptions is in better demand, and prices are inclined to harden. Current f.o.b. prices for export are as follows:—**NORTHUMBERLAND.**—D.C.B. screened, 14s. 6d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin, screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. **DURHAM.**—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened and/or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime Foundry coke, 20s.; Newcastle and District Gas coke, 20s. 3d.

GLASGOW.—Conditions generally are steady. Home demand has developed on more active lines during the past few weeks, and this tends to render the collieries less dependent on export business. Some falling-off in overseas inquiry for prompt supplies is scarcely felt, and in any case order-books are satisfactory, and shipments continue on a satisfactory scale. Despite Polish competition, forward inquiry remains encouraging.

Shipment prices, f.o.b. district ports:—**LANARKSHIRE.**—Ell best, 14s. 6d.; splint best, 16s. 6d.; splint second, 14s. 6d.—14s. 9d.; navigation, screened, 14s. 9d.—15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 12s. 6d.; trebles, 13s. 9d.; 14s.; doubles, 13s.; singles, 12s. 9d.—13s.; pearls, 12s.; dross, 10s. **FIFE.**—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 3d.—12s. 6d.; first-class steam, 13s.; third-class steam, 12s. 6d.—13s.; trebles, 14s.—15s.; doubles, 12s. 9d.—13s.; singles, 12s. 3d.—12s. 6d.; pearls, 11s. 9d.—12s. **LOTHIANS.**—Prime steam, 12s. 6d.—13s.; secondary steam, 11s. 9d.—12s.; unscreened navigation, 12s. 6d.; trebles, 13s.—14s.; doubles, 12s. 9d.; singles, 12s.—12s. 3d.; pearls, 11s. 9d.—12s. **AYRSHIRE.**—Best unscreened navigation, 14s. 3d.; jewel, 16s.; steam, 13s.; trebles, 15s. 6d.; doubles, 12s. 9d.; singles, 12s. 9d.; pearls, 12s. 6d.; dross, 10s.

CARDIFF.—Under the award of the Arbitration Tribunal appointed by the Government, the minimum wage rate in the South Wales

coalfield has been increased from 20 per cent. to 22½ per cent. above the 1915 basis rates, and a flat subsistence wage of 7s. 8d. has been fixed in place of the subsistence rates of from 7s. to 7s. 6d. per shift, according to family responsibilities, which were operative under the old agreement. It is estimated that the award will increase labour costs by at least 4d. per ton. These new conditions will be subject to revision on the application of either side at the expiration of twelve months, but the agreement itself is operative for a period of three years.

The differences between the French pitwood exporters and South Wales coal exporters have been adjusted by an agreement under which the price for French pitwood under the barter agreement of last June was increased from 22s. 7½d. c.i.f. to 24s. 6d. The higher price is to apply to 60,000 tons of pitwood to be delivered over the next three months, and in exchange for this timber France is to take 120,000 tons of coal.

Conditions on the Cardiff market have shown very little change this week. There has been no improvement in the demand for large classes and work has been irregular at many of the pits, while quotations, except for some of the sized grades, have been ruling nominally at minimum schedule figures. Trade in anthracite is active, and loading pressure at Swansea and Port Talbot has been heavy throughout the week.

A disquieting position has been created in the coalfield by a decision of a conference of miners' delegates at Cardiff on Wednesday, recommending the service of a fortnight's notice from November 14th in support of a demand for the recognition of the South Wales Miners' Federation by the Taff Merthyr Colliery Company.

Current approximate quotations:—Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Western Valleys, 17s. 9d. to 18s.; Black Veins, 18s. 3d. to 18s. 6d.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. 13s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 25s.; French nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 45s.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. 6d. French, 24s. to 24s. 6d. Portuguese.

IRON AND STEEL

MIDDLESBROUGH.—There is a good deal of activity in the local iron market, and further business is being done, not only with home users, but also for export. Further parcels have been shipped during the past week to Norway, Denmark, and Finland, whilst shipments to Scotland continue to be heavy. A shipment to Germany is expected to be arranged very shortly.

To home users, prices are maintained on the basis of 67s. 6d. per ton for No. 3 Cleveland foundry pig iron, and 69s. per ton for No. 1 hematite iron, delivered locally. For export, hematite makers are holding for higher prices than have ruled for some time.

Shipments of all classes of pig iron from the Tees, between November 1st and November 6th, amounted to 5,243 tons, as compared with 4,586 tons in October.

Durham blastfurnace coke is changing hands at 20s. per ton delivered at the furnaces. Foreign ore is firm and based on 17s. per ton c.i.f. Middlesbrough for best Bilbao rubio ore.

In the steel department, manufacturers of semis and finished material continue busy, and have good order books. More ship-building material is being specified. Heavy steel scrap is in demand at 50s. per ton delivered works.

SHEFFIELD.—The majority of steel works continue to be well employed in all the important sections of the trade, and there are no signs of reaction. Certain authorities prophesy that there will be no general decline of activity for six and even twelve months. Basic steel furnaces are working to capacity. The same may be said of the mills and forges. The call for acid steel is not so good as could be desired. As regards the superior alloy steels, demand is rather easier than early in the year, although this department can be described as satisfactory. Exports are being curtailed by difficulties of finance in Germany and South Africa. The demand for stainless steel sheets is so great that the execution of orders has fallen into arrears. Sales of stainless steel in bar are fairly good. Cutlery and tool makers are troubled by Japanese competition in pruning shears, dressmakers' and tailors' shears. Large quantities of these goods have been unloaded on the British market at very low prices and are being sold in the sixpenny bazaars. Tool makers are busy, but severe internal competition keeps prices down to unsatisfactory levels. Considerable quantities of tools are being imported. Makers are agitating for an increase of the present 20 per cent. import duty on general tools.

The season trade for cutlery and plate is now in full swing. The volume of business is considerable, but not so large as a year ago. The electro- and silver-plate branches are uneven, and the trade appears to be going into fewer hands. Better quality knives, forks, spoons and table hollowware are selling more freely than for a long period.

GLASGOW.—Business appears to have been somewhat quieter in the West of Scotland this week. In the heavy trades works are fully employed and order books are well filled, but just at the moment there seems to be less buying. The position with makers of semis is very similar. At the tube plants conditions are very satisfactory—working to capacity being fairly general. Sheet makers are also quite busy. Home demand continues to expand and a good business is being done in both black and galvanised sheets. Export business has for the past few weeks been on a larger scale, but this business is almost entirely for prompt delivery and there is very little forward buying. There is still no improvement in the wrought iron trade nor in steel re-rolling.

CARDIFF.—Rather quiet conditions prevail in the tinplate trade, but manufacturers are kept fairly well employed at their quota allocations, and there appears every prospect of the present volume of trade being maintained. Under the new international agreement c.i.f. prices have been fixed for every port in the world, and those for Great Britain are based on a minimum of 18s. 2d. per basis box f.o.b., hooped, wired, or plain. For the home market the minimum price is 17s. 9d. plus 3d. for transport and 2d. for wiring, but preparations are being made for the adoption of a scheme of delivered prices as in the export trade.

Steel bars are unchanged at £5 2s. 6d. per ton delivered and galvanised sheets at from £11 5s. to £11 15s. f.o.b. Tinplate shipments at Swansea last week totalled 126,564 boxes, compared with 125,591 boxes the previous week, and as arrivals at the warehouse were slightly lower, stocks at the end of last week amounted to 113,701 boxes compared with 131,888 boxes the previous week, and 117,327 in the corresponding week last year.

OTHER METALS

Movements in the metal markets have been irregular during the past week. The conclusion of the exchange agreement with Germany gives ground for hoping that larger orders may soon be placed, while American copper prices appear to have passed their lowest point. On the other hand, the deterioration in the statistical position of tin and the uncertain future of the zinc cartel have exercised a bearish influence and tend to prevent a general improvement.

The copper market has profited from the improvement in the American position mentioned last week and prices are now tending slightly upwards. The danger is that this rise may go too far and result in further sharp reactions, as has been the case in the past. The tin market continues to lack interest. That the "group" has the market firmly in its hands is shown by the smallness of the price reaction which followed the publication of the unsatisfactory October statistics last week. Despite the disappointment of market operators and the quiet nature of the demand, it would appear, therefore, that fluctuations in tin prices are likely to be kept within narrow limits in the near future.

The lead and spelter markets have suffered from a deterioration in the statistical position of these metals. The cartel spelter stocks again increased by some 1,200 tons during the first half of October. Although this increase is not very significant in view of the moderate size of stocks, it has strengthened the opposition of certain important members of the cartel to the scheme whereby producers are allowed to exceed their quota on payment of a fine. According to the American Bureau of Metal Statistics, world output of refined lead amounted to 125,795 short tons during September, compared with only 114,158 short tons in August and 118,104 in September, 1933. This sharp increase in output does not, however, necessarily imply that a turning-point in the trend of lead production has been reached.

The opening of the Magdeburg smelter of the German Giesche Zinc Company has involved the Polish spelter industry in difficulties, for all the Giesche ores (mined in German Upper Silesia) had previously been smelted in Poland. Smelters in the latter country will probably try to compensate themselves for the loss of these German orders by increasing the output of zinc ore in Poland, but this necessitates the finding of new markets for their product. This tendency may have important repercussions on the world's spelter markets in the future.

Although aluminium prices in London have recently shown no change, the domestic price in Germany has just been reduced by 10 per cent. to 140 Rm. per quintal. The German authorities have been trying to stimulate home consumption of aluminium, but the electrical industry has been opposed to the substitution of aluminium for copper cables, in view of the increased cost involved. Foreign exchange for the import of bauxite is not subject to the severe restrictions which are usual in the case of other commodities, with the result that German imports of bauxite are now about 50 per cent. above the level of a year ago.

The nickel position remains unchanged. Demand is steady and production is now very profitable, as is shown by the fact that the International Nickel Company has just declared a quarterly dividend of 15 per cent., making a total of 50 per cent. for the whole year, as against nothing in the two previous years.

TIN.—Sales on the London Metal Exchange: 625 tons on Monday, against 280 tons last week; 265 tons on Tuesday, against 285 last week; 305 tons on Wednesday, against 490 tons last week. The New York quotation on Wednesday was 51.25 cents per lb., against 51.15 cents a week ago and 50.50 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 7s. 6d. to £228 10s., compared with £229 7s. 6d. to £229 10s. last week. Stocks in London and Liverpool at the end of last week were 4,496 tons, an increase of 202 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,850 tons on Monday, against 4,200 tons last week; 850 tons on Tuesday, against 3,800 tons last week; 650 tons on Wednesday, against 1,925 tons last week. Domestic spot was quoted at 6.52½ cents per lb. in New York on Wednesday, against 6.72½ cents a week ago and 6.72½ cents a month ago. Wednesday's official closing price for standard cash in London was £27 11s. 3d. to £27 12s. 6d., compared with £27 18s. 9d. to £28 a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 35,683 tons, show an increase of 1,103 tons, and stocks of rough copper, at 8,573 tons, an increase of 909 tons.

LEAD.—Sales on the London Metal Exchange: 700 tons on Monday, against 650 tons last week; 350 tons on Tuesday, against 800 tons last week; 300 tons on Wednesday, against 250 tons last week. The New York quotation on Wednesday was 3.60 cents per lb., against 3.70 cents a week ago and 3.60 cents a month ago. The official closing quotation in London on Wednesday for soft

foreign was £10 5s. for shipment during the current month, compared with £10 13s. 9d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 650 tons on Monday, against 300 tons last week; 200 tons on Tuesday, against 450 last week; 100 tons on Wednesday, against 250 tons last week. Wednesday's quotation in East St. Louis was 3.75 cents a per lb., against 3.85 cents the week before, and 3.80 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £12 5s. for shipment during the current month, against £12 13s. 9d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £49 to £50 per ton, as against £45 to £45 10s. per ton last week. Chinese wolfram was again quoted at 40s. 6d. to 41s. 6d. per unit, c.i.f., as against 40s. to 40s. 9d. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. —The past week witnessed a further slight fall in American cotton prices. On the other hand, rates for the Egyptian staple have tended to harden. Operators have expected the American Government to increase the estimate of the crop, which was 9,443,000 bales a month ago. According to some advices, the basis in the Southern States is not quite so stiff as recently, but it is still most difficult to import to this country. Exports from the United States this season are 1,200,000 bales less than a year ago. There is not likely to be increased confidence in present prices for American cotton until information is available as to the acreage plans for next season.

Inquiry in piece goods has tended to increase and some manufacturers have sold a little more freely. A rather more hopeful feeling prevails with regard to trade for India, although merchants are somewhat cautious owing to the possibility of political trouble when the White Paper proposals are published. Clearances in the bazaars are reported to be improving. A fair amount of business has been done in dhooties for Calcutta and mulls for Karachi. Steady buying has taken place for South America and the Dominions in dyed and printed goods. Home-trade operations have been irregular. In the yarn market a feature of importance has been the agreement on the German debts question and the lifting of the ban on exports. Some encouraging contracts have been arranged in Egyptian yarns and further substantial business is under negotiation.

COTTON PRICES

	1934				Corresponding Date	
	Oct. 17	Oct. 24	Oct. 31	Nov. 7	1932	1933
Raw Cotton—Mid. American	6.98	6.93	6.89	6.79	5.60	5.25
Sakellariadis Fully Good Fair Egyptian.....	8.28	8.24	8.30	8.64	7.97	7.07
Yarns—32's twist.....	10½	10½	10½	10½	9½	9½
" 40's twist.....	10½	10½	10½	10½	9½	9½
" 60's twist (Egyptian).....	16½	16½	16½	16½	15½	16½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d. 19 2	s. d. 19 2	s. d. 19 0	s. d. 19 0	s. d. 19 7	s. d. 16 8
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	24 3	24 3	24 0	24 0	21 3	20 8
38-in. ditto, 58 yds., 18 by 18, 10 lb.	11 1	11 1	10 11	10 10	11 3	10 5
39-in. ditto, 57½ yds., 16 by 15, 8½ lb.	10 0	10 0	9 10	9 9	10 1	9 3

WOOL.—Bradford. —According to our correspondent, confidence in the wool market has improved during the past fortnight. In the Australian primary markets brokers have increased offerings, and with the wider demand from Yorkshire and France these are being cleared satisfactorily. The arrival of these wools is anxiously awaited in Bradford, for hitherto sales of wool in Australia have been on a definitely subnormal scale, and this has created a position in Bradford in which topmakers find difficulty in securing sufficient raw material to meet the demand for spot delivery. There has been plenty of inquiry for, and some business in, wool in Bradford and London (where private sales have been made), but there is a marked absence of cheap fine wool, and it is on this account that Bradford prices are tending against the buyer in sympathy with the hardening of prices overseas. It would be difficult to buy any weight of good 64's warp tops at under 26½d., which represents replacement cost. For delivery in the New Year, too, it is indicative of the growing confidence that topmakers are becoming less disposed to quote any lower than for spot. Accompanying this firmer tendency there has been an appreciable improvement in turnover. Combers are reported to be busy, and especially during the first part of the past fortnight spinners covered fairly freely with topmakers, apparently fearing that if they continued to hold off much longer they might have to pay higher prices. Mill activity has increased, and a number of spinners are now working overtime in executing orders placed by manufacturers to cover spring business.

A feature of the market has been the much better movement of prices of crossbred qualities. A good deal of this appears to be due to inquiries on export account, which have mainly been put into motion by the more or less satisfactory conclusion of the negotiations with Germany over the question of payments. For some days it has been evident that firms "in the know" have anticipated the present Anglo-German agreement and have been preparing for freer German buying. It is too early yet to judge the full effects in connection with this development, but it seems fairly certain that the reopening of the German yarn and top

market—in which, incidentally, prices are far above Bradford parity—must have a decided "bull" effect on conditions in European wool-consuming centres, and especially Bradford.

GRAIN MARKETS

WHEAT.—The wheat markets were more active in the past week when European importing countries bought more freely. Owing to the better demand and because of adverse crop reports from Argentina, there was a slight rise in prices. The improvement in prices seems not unjustified in view of the fact that the International Institute of Agriculture now forecasts a fall in the carry-over of exporting countries from 656 million bushels at the end of the 1933-34 season to 400 million bushels at the end of the current season. If this forecast proves correct, stocks at the end of the current season will be lower than in any year since 1928. According to Mr. G. Broomhall, total shipments during the past week were 1,270,000 quarters, against 1,177,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 100½ cents per bushel, against 95½ cents the week before and 100½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 32s. 6d. per 496 lbs., against 30s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 30s. 6d., against 29s.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 26s. 6d., against 25s. to 26s. 6d. a week ago.

FLOUR.—North American shipments were 101,000 sacks in the past week, as compared with 135,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 6d. to 26s. 6d., against 24s. 3d. to 26s. 3d.; Australian, ex store, 20s. 3d. to 20s. 9d., against 20s. 3d. to 20s. 9d.

BARLEY.—October futures were 52½ cents per bushel in Winnipeg on Wednesday, against 50½ cents last week and 53½ cents a month ago. Quotations in London on Wednesday were: "English malting," i.e., per 448 lbs., 30s. to 55s., against 30s. to 55s. a week before.

OATS.—On Wednesday, "December" futures were quoted at 52 cents per bushel in Chicago, against 49½ cents a week ago and 51½ cents last month. Quotations in London, Wednesday: "River Plate," landed, 22s. per 320 lbs., against 22s. a week ago; "Chilean White," landed, 23s. 9d., against 23s. 6d. a week earlier.

MAIZE.—"December" futures were quoted on Wednesday at 78½ cents per bushel in Chicago, against 75½ cents a week ago and 75½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 22s. per 480 lbs., compared with 20s. 9d. last week; "Plate," ex ship, 21s. to 21s. 6d., as against 19s. 9d.; "Plate," "November," 21s. 6d., as against 20s. Yellow maize meal, ex wharf, was quoted £6 to £6 2s. 6d. per ton, against £5 17s. 6d. to £6 per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to November 3	Cwts. 79,191	Cwts. 334,481	Cwts. 287,208	Cwts. 398,423
10 weeks to November 3	734,490	2,530,215	3,568,947	4,782,470
Average price of English wheat per cwt.	s. d. 6 7	s. d. 5 6	s. d. 4 8	s. d. 4 11

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Nov. 1, 1930.....	Cwts. 156,055	Cwts. 543,898	Cwts. 54,868	s. d. 6 11	s. d. 9 10	s. d. 6 0
Oct. 31, 1931.....	107,437	449,156	63,157	6 5	9 1	6 6
Nov. 5, 1932.....	334,481	408,323	56,941	5 6	7 7	6 0
Nov. 4, 1933.....	287,208	499,216	48,020	4 8	9 7	5 4
Oct. 27, 1934.....	368,019	428,997	46,273	5 0	9 2	6 7
Nov. 3, 1934.....	398,423	494,560	52,823	4 11	9 1	6 6

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Nov. 8, 1933	Jan. 3, 1934	Oct. 31, 1934	Nov. 7, 1934
Winnipeg (No. 1 Manitoba) Cents per 60 lb.	62½	46½	63½	65½	74½	79½
Chicago (No. 2 Winter) Cents per 60 lb.	55½	46½	88½	84½	95½	100½

OTHER FOODS

SUGAR.—The market in raw sugar was again subjected to liquidation and prices continued to decline in this country. The spot price in New York on Wednesday was 2.82 cents per lb., as compared with 2.82 cents per lb. last week and 2.93 cents per lb. a month ago. Wednesday's sales of raw sugar in London

included "December delivery" at 3s. 11½d. to 4s. 0½d., against 4s. 0½d. to 4s. 1½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	1,213	65	1,050	1,987	19,325	20,448
Liverpool.....	6,740	19,164	15,715	13,588	95,827	85,205
Total tons	7,953	19,229	16,765	15,575	115,152	105,653
Last week	7,902	5,701	15,139	13,823	123,964	101,999

COFFEE.—The New York coffee market has been dull. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. Demand at Tuesday's London auctions was slow, but the small quantity sold realised steady prices. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, for home consumption, 425 bags; exported, 105 bags; stocks, 27,601 bags, against 26,237 bags a year ago. Central American, landed, 402 packages; delivered, for home consumption, 1,693 packages; exported, 464 packages; stocks, 82,238 packages, against 73,387 packages last year. Other kinds: Landed, 1,900 packages; delivered, for home consumption, 2,420 packages; exported, 134 packages; stocks, 75,802 packages, against 92,908 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "November-January," was 20s. per 50 kilos, c.i.f. Continent, as against 20s. to 20s. 6d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 385 bags; delivered, for home consumption, 11,177 bags; exported, 138 bags; stocks, 159,945 bags, against 121,870 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 50,979 packages of Indian and 20,882 packages of Ceylon tea. At the auctions in London competition was keen, and prices firm, on Monday and Tuesday, but on Wednesday common and low medium Indian grades declined in price. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

AVERAGE PRICE PER LB.							
Week ending	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
Nov. 2, 1933	d. 13-48	d. 13-54	d. 16-22	d. 11-61	d. 10-90	d. Nil	d. 14-09
Oct. 4, 1934	13-08	11-62	13-84	10-19	11-00	12-89	12-89
Oct. 11, "	13-10	11-48	14-20	10-06	9-52	10-98	12-94
Oct. 18, "	12-63	11-58	14-32	10-15	9-77	10-98	12-76
Oct. 25, "	12-49	11-35	14-63	9-96	9-29	10-85	12-73
Nov. 1, "	12-33	11-44	14-27	10-69	9-28	10-67	12-58

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 7s. 6d. per cwt., shows a rise of 1½d. on the week. Movements in London during the past week were as follows: Landed, 12 tons; delivered, 205 tons; stocks, 3,527 tons, against 3,937 tons a year ago.

POTATOES.—Supplies were about equal to demand at last week's prices. At the London Borough Market on Tuesday, "King Edward" again sold at 6s. to 6s. 6d. per cwt.

SPICES.—"Lampoon" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 107 tons; delivered, 55 tons; stocks, 468 tons, against 398 tons a year ago. White, landed, 217 tons; delivered, 59 tons; stocks, 8,694 tons, against 1,146 tons a year ago.

MEAT.—The trend of meat prices at Smithfield market was downward. Argentine beef (chilled hindquarters), English mutton and pork were all slightly cheaper than a week ago, the quotation for Argentine beef, chilled hindquarters, being 3s. 2d. to 3s. 8d. per 8 lbs., as compared with 3s. 4d. to 3s. 10d. last week. New Zealand frozen mutton was 3s. to 3s. 6d. per 8 lbs., against 3s. to 3s. 6d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,587 tons, against 9,232 tons in the corresponding week last year. Imported beef, principally Argentine, formed 84 per cent. of the beef supplies, against 81.6 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 69.8 per cent. of the total supply of mutton and lamb, against 62.9 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Rather steadier conditions have developed, but trade on the whole is within narrow limits. Linseed is a shade firmer in sympathy with wheat, but buyers are not following the advance, crushers' requirements having been met. Old crop Plate is still at a premium over new, the price being about 9 7s. 6d. for November shipment and 9 for December. For new seed 8 17s. 6d. is asked (January-February) after having been sold at 8 12s. 6d. Reports of American inquiries for Indian seed do not appear to have resulted in business. Calcutta to London is offered at 10 15s. and Bombay at 11 2s. 6d., November. The new crop in Argentina continues to progress favourably and optimistic private forecasts place the probable yield at over two million tons providing damage by frost and rain is avoided in the next few weeks. The balance of the old crop remaining for shipment is estimated at 115,000 tons. The quantity of linseed afloat

for Europe is 126,400 tons (including 16,000 tons from India) or 7,300 tons less than last week; and for the United States and Canada 24,400 tons against 65,400 tons a year ago. Cottonseed is in somewhat better request and steadier, black Egyptian to Hull having been sold at 4 17s. 6d. to 5 for shipment.

Linseed oil has been in fair demand from consumers at lower levels and closes a shade dearer. Raw oil ex Hull mill is quoted at 17 15s. per ton (naked) for delivery to April and £18 May-August. Cotton oil is quiet and Egyptian crude ex Hull is available at 15 5s. per ton and refined 17 prompt. Oilcakes are in better demand and steady.

RUBBER.—The market in rubber was somewhat unsettled in the past week. On November 2nd, the International Rubber

Regulation decided to fix exports during the first three months of 1935 at 75 per cent. of the allotted quotas. The implications of this decision are discussed in a Note in the Stock Exchange Section.

In New York, Wednesday's spot price for rubber, at 13½ cents per lb., compared with 12½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 6½d. to 6½d. for January-March, 1935, as against 6½d. to 6½d. a week ago. Stocks in London and Liverpool at the end of last week, at 122,612 tons, show an increase of 2,610 tons as compared with the preceding week.

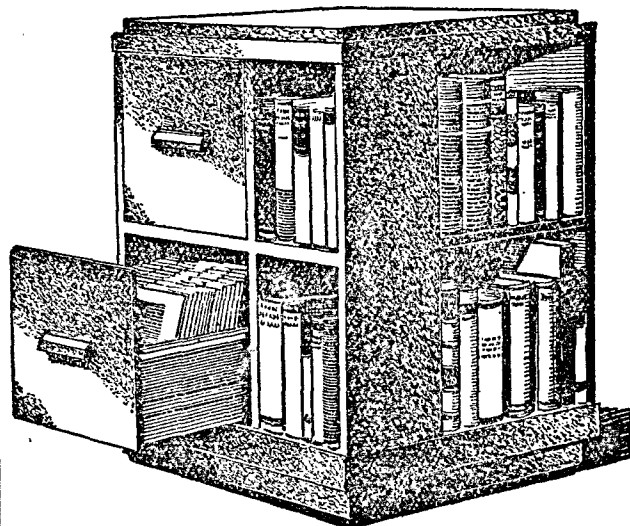
WHOLESALE COMMODITY PRICES
UNITED KINGDOM

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

LONDON November 7th				POTATOES—				WOOL—				INDIGO—			
CEREALS AND MEAT				Good English, new											
GRAIN, &c.—				per cwt.				s. d. s. d.				s. d. s. d.			
Wheat—				6 0 6 6											
No. 2, N. Man. 496 lb.				30 6				English Southdown, greasy, per lb.				d. 13			
Eng. Gaz. av. per cwt.				4 11				" Lincoln hog, washed				Cape			
Barley, Eng. Gaz. av.				9 1				Queensland, sod. super cmbg.				23			
Oats				6 6				N.S.W. greasy, super cmbg.				11			
Maize, La Plata, landed,				480 lb.				N.Z., grey, half-bred 50-58				9½			
Flour, Lon. stan. ex mill,				280 lb.				Tops				Crossbred 40-44			
Rice, No. 2 Burma, per cwt.				7 6				Merinos 70's				27½			
Tapioca, per cwt.—				11 6				" 64's				26			
Fair Flake, Singapore.				11 6				Crossbred 48's				12			
MEAT—								" 48's				11			
Beef, per 8 lbs.—								COAL—				MINERALS			
English long sides				3 6 4 6				Welsh, best Ad't'y., ton				s. d. s. d. 19 6			
Argentine chilled hinds				3 2 3 8				Durham, best gas, f.o.b.				Tyne			
Mutton, per 8 lbs.—								Sheffield, best house, at				21 6 23 0			
English wethers				4 8 5 4				pits				IRON AND STEEL—			
N.Z. frozen				3 0 3 6				Pig, Cleveland No. 3, d/d.				ton 67 6			
Lamb, per 8 lbs.—								Bars, M'brough				192 6			
N.Z. frozen				4 4 5 0				Steel Rails, heavy				170 0			
Pork, English, per 8 lbs.				5 8 6 8				Tin plates				per box 18 2			
								METALS—							
								Copper, Electrolytic, ton				30/10/0 31/10/0			
								" (strong)				38/0/0			
								Standard				27/11/3 27/12/6			
								Lead, Eng. pig				per ton 12/0/0			
								Soft Foreign				10/5/0 10/11/3			
								Spelter G.O.B.				12/5/9 12/10/0			
								Tin—English ingots				229/0/0			
								Standard cash				228/7/6 228/10/0			
								CHEMICALS—							
								Add, citric, per lb., less 5%				0 10 0 10½			
								Nitric				0 2½ 0 4			
								Oxalic, net				0 0 5			
								Tartaric, English, less 5%				1 0 1 0½			
								Alcohol, Plain Ethyl.				12 0			
								Alum, lump				per ton 8 15 9 0			
								Ammonia, carb.				ton 27 10 28 0			
								Sulphate				6/17/6 7/5/0			
								Arsenic, lump				per ton 35 0 40 0			
								Bleaching powder, per ton				8 9 10			
								Borax, gran.				per cwt. 13 0			
								Do., powder				14 6			
								Nitrate of Soda,				per cwt. 7 9 8 0			
								Potash—Chlorate, net				0 4½ 0 5			
								Sulphate				per cwt. 12 3 12 6			
								Sal-Ammoniac				per cwt. 42 45 0			
								Soda Bicarb.				per cwt. 10 11 0			
								Crystals				per cwt. 5 0 5 3			
								Sulphate of Copper, per ton				15 0			
								CEMENT, best Eng. Portland, d.d. site,							
								Landed area, just sacks							
								(charged and credited at 1/6d each) or							
								paper bags 20 to ton (free, non-return-							
								able)							
								4 ton loads and upwards 38/- per ton							
								1 and up to 4 ton loads 40/- per ton							
								COPPER—							
								S.d. Straits c.i.f., per ton				8/17/6			
								Smoked South Sea				7/7/6			
								DRUGS—							
								Camphor—				s. d. s. d.			
								Japan, refined				per lb. 2 1			
								Ipecacuanha				per lb. 5 0			
								Peppermint, Wayne Co.							
								Hides—				per lb. 14 3 14 5			
								Wet salted—Australian							
								per lb. 0 3½ 0 4½							
								West Indian				0 3 0 3½			
								Exclusive of Government tax of 1d. per gallon.							

Roneo Table-Bookcase

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Vertical Filing Drawers



This unit, forming a combined bookcase, filing cabinet and table, is extremely useful in the up-to-date office, consulting room, study or library. It constitutes a veritable office-in-miniature for the home, in keeping with modern furnishing design. Made from best quality steel with a stove enamelled stippled finish in brown, maroon or bronze.

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Depth 22½"

FILING DRAWERS
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Accommodates
7000 letters
in the 2 drawers

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THE FINANCIAL NEWS

Special articles due to appear next week on the Leader Page of THE FINANCIAL NEWS are as follows:

MONDAY, NOVEMBER 12—THE DEPRESSED AREAS. An Industrial Correspondent discusses plans for dealing with the problem.

TUESDAY, NOVEMBER 13—"MINOTAUR," our Special Mining Correspondent, in his "Mines of the Rand" series, deals with CONSOLIDATED MAIN REEF.

WEDNESDAY, NOVEMBER 14—PROSPECTS IN THE COCOA MARKET. The position of this Commodity, the latest recipient of the professional speculator's attention, is examined by a Produce Market Correspondent.

THURSDAY, NOVEMBER 15—The Story of Famous Companies—No. 12—LONDON COUNTY FREEHOLD AND LEASEHOLD PROPERTIES LTD.

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VOX POPULI

THE sixteenth anniversary of the Armistice has furnished ample evidence of the deep-seated desire in this country for peace—a desire that is crystallising, under the influence of menacing events, into a more positive determination to strive for peace. That this matter has quite definitely become the outstanding topic in the public mind to-day is of course due to the realisation that though no nation may desire to set the world ablaze, though none is prepared or ready to face the consequences, and though a catastrophe may not be imminent this year or next, war, to use Mr Lloyd George's vivid phrase, is "lurking on the path along which humanity has got to tread, and any moment it may spring upon us." With this serious view of the situation dominant in men's minds, it is somewhat surprising—but typically British—that the issue has been confused by a regrettable and foolish wrangle, which finally blazed up in the House of Commons at the end of last week over a plan for sounding public opinion on the question.

And this was the cause of all the rumpus. A committee representative of peace societies, all three political parties and other organisations, formed on the initiative and under the guidance of that notorious fire-eater Lord Cecil, has organised a scheme for inviting every elector to answer five questions, to wit:—

1. Should Great Britain remain a member of the League of Nations?
2. Are you in favour of an all-round reduction of armaments by international agreement?
3. Are you in favour of the all-round abolition of national military and naval aircraft by international agreement?
4. Should the manufacture and sale of armaments for private profit be prohibited by international agreement?
5. Do you consider that if a nation insists on attacking another, the other nations should combine to compel it to stop by (a) economic and non-military measures? (b) if necessary, military measures?

An affirmative answer to all five questions would indicate approval of the policy which the League of Nations Union

has been urging in its propaganda throughout the country, though it is, of course, well known that many who would be willing to accept the obligation of 5 (a) as laid down in the Covenant would hesitate about 5 (b) (which is a voluntary matter in the Covenant) or even answer "No."

A ballot of this kind cannot, of course, be carried out without some explanation to those who are asked to vote, or, at all events, to the army of workers who are carrying out the canvass. A leaflet setting out the reasons for an affirmative answer and meeting objections was, therefore, prepared by the organising committee. But at an advanced stage of preparation Sir Austen Chamberlain and some of his Conservative friends objected that a simple answer cannot be given to some of these questions—notably the fourth—and claimed that the voter ought to be told that if he voted in favour of economic sanctions we should in all probability be drawn into military action whether we liked it or not. This is, of course, a point on which there is room for sharp difference of opinion. After much discussion, a second leaflet was prepared stating these objections, and the organisers are distributing it to all local societies to whom the original leaflet is being sent. Naturally, however, workers who have for years been urging a particular policy have, in practice, proved very unwilling to distribute literature throwing doubts on their arguments. Hence a third leaflet has been prepared merely setting out the object of the ballot. This procedure has been roundly denounced by Sir Austen Chamberlain and characterised as "little better than an attempt to obtain subscriptions by a fraudulent prospectus." On reflection, however, Sir Austen has written to the Chairman of the League of Nations Union regretting that his words should have been regarded as reflecting on the good faith of Lord Cecil or any of his colleagues.

Meanwhile Lord Beaverbrook, whose detestation of war is no doubt perfectly sincere, has jumped into the arena with much noise and fury. Day by day his leading journal endeavours to make our flesh creep with talk of the "Ballot of Blood," and begs us to plump for the ostrich-like policy of isolation. Finally, in the House last week Sir John

Simon joined the critics, and in a speech which ignored the human issues involved made great play with the difficulty of answering a simple "yes" or "no." Unfortunately his speech was not merely legalistic, but was marred by certain blatantly unfair attacks on the methods of the League of Nations Union and by a specific charge of political partisanship. The Union has been scrupulously careful to avoid any grounds for such an accusation. This speech has alienated wide sections of opinion in this country hitherto not unalterably opposed to Sir John Simon's foreign policy. Rightly or wrongly, it has given an impression of cynical indifference to the passionate desires of the mass of the public, which Sir John will find it difficult to efface.

The task of organising peace is, as no intelligent person will deny, a highly complex one and full of difficulties. But the critics have surely misunderstood the purpose of this ballot or its possible effects. One cannot use the device of the referendum, still less a "straw vote" of this kind, as a method of legislation or of laying down the details of policy. How it can be used, and used effectively—particularly between general elections, which are in any case fought on a multiplicity of other issues—is as a means of revealing the force and trend of public opinion on general principles. The plain man would have thought that an emphatic expression of national sentiment—which will almost certainly be forthcoming—in favour of the general ideas represented in the questionnaire would strengthen the hands of Sir John Simon and the Government in their efforts to ease the international situation and lessen the dangers of war. To pretend that these questions are too difficult to be answered by a democratic electorate is rank heresy in this country; for the electorate will have to decide them in the long run, and—to borrow Lord Beaverbrook's words—may indeed have to pay in blood and tears if in the end the right answers are not given. If our rulers really believe that they alone are competent to enunciate the general principles of foreign policy, let them say so plainly; but let them not pretend to believe in democracy and yet bedevil every attempt to educate the democratic electorate.

What the effect of this strange quarrel may have on internal and domestic politics is yet to be seen; but it is very much to be regretted that at a moment when public attention should be concentrated on essentials, this element of bathos should have been introduced. Fortunately, General Smuts' speech at the Royal Institute of International Affairs' dinner on Monday, by its understanding and statesmanlike penetration has dissipated some of these clouds and restored a sense of perspective. Not everyone will agree with all that General Smuts has said, but his words will undoubtedly be carefully weighed not merely in Great Britain, but throughout the civilised world.

To his mind the fear complex and the inferiority complex from which Europe is suffering so much, can only be dealt with "by dragging them from their hidden depths and exposing them to the light of day." This is the method of the League of Nations. General Smuts does not want to see the League transformed into a fighting machine, or Geneva into an International War Office, but where sanctions are needed he looks to regional agreements as a means of "but-tressing peace within the League." Regarding Germany, he expressed the view that, "To tell me that the German people really desire war and are deliberately preparing for it is asking me to believe that they are madder than any people could be to-day," and he made a most powerful appeal to Europe to grant real equality to Germany before it is too late. Similarly he addressed an appeal to Japan not to imperil the greatest contribution towards peace that has been made since the League was set up, namely, the Washington Agreements. The concert of the Pacific is in danger. It would be folly for any European Power to call in the East to aid them in their Western quarrels. Japan must read aright the lesson of the Great War, which showed that a position of isolation is one of acute danger even for the greatest of military powers. The attitude of the West towards Japan must be one of understanding—"the old Japanese alliance may have been, and in my opinion was, a mistake—a policy of friendliness and understanding can never be a mistake." Finally, General Smuts emphasised

that while the Empire must seek no exclusive alliances in any quarter, if ever the issue is posed, the British Commonwealth of nations must find its closest political affiliations with the United States.

Will there be a response abroad to General Smuts' appeal? The discussions of the last fortnight have shown that we in this country are awakening to the fact that these are the supreme issues; for unless they are rightly handled all efforts at economic improvement at home must prove in vain. The task before us, therefore, is to make perfectly clear the national will for peace and our readiness to make sacrifices if necessary to attain it, and to approach all the difficulties in the spirit of understanding. Just a year ago Herr Hitler obtained an overwhelming poll of the German people for "Peace with Equality"; last month he gave an earnest of his intentions by ordering that no uniforms should be worn or provocative meetings held in the German territory bordering the Saar until the plebiscite is over. If there could be forthcoming from France a new proof that her public feel the same urge to break through the thickets of suspicion and uneasiness, that is increasingly evident in this country, General Smuts' appeal to pick up the threads where they were dropped in 1933 may not have been made entirely in vain.

THE DEPRESSED AREAS

THE publication by the Government of the reports of the four Commissioners on the depressed areas and the debate in the House of Commons once again raise the important question whether the Government really can do anything to solve the problem which these areas present, except by continuing to pay out a "dole." The authors of the four reports have evidently made a sincere attempt to envisage the problem in its true perspective without any particular political bias; but with the exception of Captain Euan Wallace their reports, though valuable as diagnosis, do not contain very much in the way of imaginative proposals.

All the reports are ultimately confronted with variations on a single lugubrious theme, the existence—after all the probabilities of recovery from the present slump have been discounted and all the possibilities of transference fully exploited—of a surplus population of substantial magnitude. But besides this hard resistant core, which though solid enough is after all of limited dimensions, there is, to change our metaphor, a larger penumbra of unemployed persons who by appropriate measures of social planning may reasonably look forward to a chance of re-occupation, even if only on a subsistence level, which will save them from the slow decay of idleness. Neglecting for the moment the potentialities of transference, which must obviously be determined by the industrial recovery of the country as a whole, the chances of finding re-employment in the depressed areas themselves must depend upon the possibility of either reviving existing industries or of replacing them by new industries or industries which have hitherto not been located in the district. There remains, too, the residual possibility of finding further employment on the land—a possibility which politicians of all kinds are perhaps inclined to contemplate through too rosy spectacles.

In surveying conditions in West Cumberland Mr J. C. Davidson sees little prospect of any reabsorption of labour by the iron and steel industry or by the iron ore mining industry, the deposits of which are for the most part reaching the end of their economic life; but he holds out some hope of increased prosperity in the coal industry, which would be enhanced by the improvement of the dock facilities at Whitehaven. Unfortunately, the industrial structure of the area and its geographical situation do not make it a suitable field for the planting of new industries on any large scale, but the Cumberland miner has never entirely lost touch with the land, and Mr Davidson accordingly recommends a land settlement, not on small holdings, but on a large scale, for the cultivation of soft fruit and vegetables. In order to promote this settlement, as well as the establishment of minor industries, he urges the erection of a

development trust working with the assistance of a State guarantee.

Captain Wallace, whose area, namely Tyneside and County Durham, obviously presents a far larger and more complicated problem, has conceived a much more ambitious piece of social planning. He realises much more clearly than his colleague, Sir Wyndham Portal, that the whole machinery of local government has broken down under the burden of unemployment, and he recognises that the establishment of new industries on the North-East Coast can only be successful if the handicap imposed by the cost of public assistance is removed. He is consequently driven by the logic of the facts to proposals which will probably appear drastic, to say the least of it, to more conservative minds. Among the reforms he suggests are "some means of unification of the local authorities on Tyneside," if necessary by compulsion—for he sees clearly enough that without such unification anything in the shape of regional planning will be impossible; the appointment of special commissioners to administer ordinary outdoor relief in the administrative County of Durham; and an Exchequer grant to reduce the cost of public assistance in the county, including the county boroughs of Sunderland and West Hartlepool, to the average of the whole country. Though some element of local responsibility in the administration of poor relief must obviously be preserved, the Government in its Unemployment Act has already recognised the principle that the maintenance of the unemployed should be a national and not a local charge. Unfortunately our system of national unemployment insurance is still far from complete, and even after the passing of the Unemployment Act the poor rate in County Durham will still stand at 6s. in the pound as compared with an average of 1s. 1½d. for the whole country in 1932. Whether the abuses connected with public relief in County Durham warrant the appointment of special commissioners is a much more difficult question to decide, but Captain Wallace is undoubtedly on the right lines in seeking to abolish the handicaps which have hitherto discouraged new industries from settling in this area. A similar problem is presented by the rate burden in South Wales, where Merthyr Tydfil, for example, has to pay 15s. 7d. in the pound for public assistance.

The actual economic effect of these high rates since the Dering Act has probably been exaggerated, but the psychologically deterrent effect is certainly not unimportant. As a matter of public policy it is eminently desirable that the Government should do all that lies in its power to remove every handicap that checks the settlement of new industries in the depressed areas or hastens the disappearance of existing ones. In Tyneside, in particular, it is essential that measures should be taken to arrest the process of decay. Taking a long view, it would be more than pessimistic to assess the prospects of the shipbuilding industry on the calamitous basis of the past few years. There is therefore every reason, on purely economic grounds, for doing everything that lies in our power to preserve the industrial vitality of this area.

The remainder of Captain Wallace's programme also contains several constructive suggestions, such as the clearance of district factory sites, the encouragement of public improvements like the Jarrow Slate scheme, and the project for a road tunnel under the Tyne by grants-in-aid, the promotion of land settlement and land drainage schemes, a special housing scheme with Government assistance, and last, but not least, the appointment of a commissioner to co-ordinate all the Government schemes for the rehabilitation of the area.

Captain Wallace has made out a convincing case for vigorous Government action which would imply a complete reversal of the parsimonious policy in regard to public investment initiated under the stress of the financial crisis in 1931. *Mutatis mutandis* many of the ideas which he has suggested might well be applied in other areas, e.g. in Lancashire or South Wales, though in the latter region the problem is somewhat different owing to the almost entire dependence on two industries, coal and iron and steel, and the consequent existence of pockets of unemployment in areas which, industrially speaking, must be regarded as permanently derelict.

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The broad impression left on reading these reports is that the general aim of the Government's policy must be to attack the whole problem of depressed areas on as many "fronts" as possible simultaneously. One obvious measure which suggests itself would be the reduction at both ends of the working population, first by eliminating the older age groups by lowering the pensionable age and, secondly, by raising the school age and so postponing the normal age of entry into employment. All the four reports lay special stress on the problem of juvenile unemployment, and the case for immediately raising the school age in the depressed areas is overwhelming. Thirdly, transference of the younger sections of the population should be stimulated by the liberal provision of suitable training schemes and other measures. The next step should be to endeavour to maintain as large a percentage as possible of the working population thus reduced by the encouragement of new industries on a self-supporting basis, and here housing schemes and public works on harbours, docks, roads, etc., should play an important part. Finally, the residual problem should be attacked, if necessary, partly by relief works, i.e. improvement schemes which are not of a strictly economic nature, and partly by various schemes of land settlement on small holdings and allotments.

But, even if all this be done, it should be remembered that in the last resort the maintenance of economic life on a healthy, if reduced, basis will only be possible in these areas if there is some recovery in our export trades, and this in turn depends on our general commercial policy. The limits to absorption of labour by the home market have already, it appears, been approached, and it is only through the expansion of international trade that a further industrial revival can be brought about. If our policy ignores these wider considerations, such remedial measures as are taken must be based on the assumption that the present exceptional conditions will persist indefinitely and therefore will call, sooner or later, for really drastic treatment.

Unfortunately, the policy of the Government as announced on Wednesday disappointed the hopes of the House of Commons that a bold scheme for attacking the problem was in preparation. Mr Chamberlain has, it is true, promised a special fund—with £2,000,000 to go on with—to be administered by a special commissioner and to be devoted to a variety of objects ranging from the clearing of derelict sites to the organisation of community settlements; but his proposals left the painful impression that the Government merely intends tinkering with the problem—a policy of "here a little and there a little." With no power of compulsion within the immense sphere at present covered by local authorities, the Government plan gives the impression that the Commissioner is to give, if he can, a little extra push to what is now being attempted rather than to organise and to lead a new campaign. But those who know the problem at first hand realise that nothing short of a bold attack, equipped if necessary with new weapons of administrative authority and financial backing, can arrest the dreadful progress of paralysis and decay.

THE CONTROL OF RAW PRODUCTS

THE years since the war have witnessed far-reaching developments in the technical production of primary products. As a result of biological research and mechanisation, the cost of producing crude foodstuffs and industrial raw materials of agricultural origin has been substantially reduced. Wheat, sugar, cotton and rubber are well-known examples. The improvement and large-scale application of the process of selective flotation has revolutionised the technique, and was responsible for a sharp decrease in the cost, of producing non-ferrous metals, such as copper, lead and zinc. A similar reduction in the cost of producing tin was achieved, not by a fundamental change in technique, but by mechanisation. In addition to the reduction in the cost of production of the older raw materials, the output of competitive synthetic raw materials, such as rayon and fertilisers, has made rapid headway.

In the case of many agricultural products, post-war technical improvements facilitated the extension of cultivation, at a profit, to new areas. In the case of non-ferrous metals it rendered possible the exploitation of hitherto unprofitable mineral deposits. But technical progress rendered obsolete much of the existing plant, and led to a geographical redistribution, both within and between national frontiers, of the centres at which costs were lowest. The difficulties of many raw material producing industries in the past decade were very largely due to their unwillingness to accept the implications of technical progress. High-cost producers did everything in their power to stem the oncoming tide, and at the same time low-cost producers increased their activities in the expectation of large profits. Productive capacity was enlarged to such an extent that the resulting increase in supplies could only be marketed at a gradually falling price, long before the onset of the world economic depression.

The trend of the prices of copper, lead, spelter and tin, for example, shows that in each case the advance from the low level of 1921 reached its highest point between 1923 and 1927. The trends of production, consumption and prices demonstrate that the prices took a downward turn at the moment when production tended to exceed demand at the existing level of prices. This point was reached by copper in 1923, by lead and spelter in 1925, and by tin a year later. The London quotations for lead and spelter declined by 35 per cent. and by 31 per cent. respectively between 1925 and 1929, and the price of tin fell by 30 per cent. between 1926 and 1929. A fall of similar magnitude in copper prices during this period was only prevented by deliberate restriction of supplies by Copper Exporters, Inc.

Subsequently the difficulties of producers of crude foodstuffs and raw materials were seriously aggravated by the reduction in demand which accompanied the world depression. As it was found impossible to equalise output with falling demand, stocks accumulated rapidly and prices declined to an unprofitable level. In the case of raw materials subject to continuous production a reduction in output was relatively easier than in the case of many agricultural commodities, for production of the latter has to be planned a year in advance. Moreover, the number of individual producers of agricultural commodities is generally much larger than the number of units furnishing industrial raw materials.

The unwillingness of producers of raw materials to accept the implications of technical progress was revealed in the imposition of tariffs designed to maintain internal prices above the level of world prices, and to prevent geographical redistribution from high-cost to low-cost centres. Equally pernicious was the formation of international agreements among producers in exporting countries designed to maintain or raise prices by deliberate restriction of supplies. Even before the depression the losses from attempts to maintain prices at unduly high levels were considerable. But the multiplication of restrictions since then has been phenomenal.

The plight of Brazilian coffee planters in recent years is the direct outcome of the Government's price stabilisation policy, which encouraged the plantation of new coffee trees beyond possible requirements. As a coffee tree takes from six to seven years to mature, the consequences of this policy

did not become apparent until the bumper crop of 1929-30, which caused the collapse of prices. It is noteworthy that 32 million bags of Brazilian coffee, representing more than two years' world consumption, have been destroyed within the past three years in an attempt to clear up the wreckage.

The recent history of sugar and wheat is scarcely more encouraging. Technical progress rendered production of sugar unprofitable in many countries, but as high-cost importing countries attempted not only to maintain but even to increase uneconomic production behind high tariff walls, the ground was literally cut from under the feet of the great low-cost producing countries, Cuba and Java.

Before the world depression, the geographical distribution of the world's wheat crop was largely, though not entirely, determined by cost of production, and the price of this staple food tended to decline in Argentina, Australia and in North America in consequence of improvements in cultivation and mechanisation. Yet many importing countries thought it undesirable that their populations should benefit from the decline in prices, and since 1929 the cost factor has been increasingly disregarded. By means of tariffs, quota schemes and subsidies, total production in importing countries was increased from an average of 1,059 million bushels during 1927-29 to 1,400 million bushels in 1933. During the same period the crop of the exporting countries, excluding the U.S.S.R., for which figures are not available, was reduced from 2,589 millions bushels to 2,055 million bushels. This large-scale geographical redistribution of the world's wheat crop could only be carried out at the expense of producers in exporting countries and of consumers in importing countries. An improvement in the demand of importing countries was effectively prevented by the maintenance of internal prices at a level far above free-market quotations. In an attempt to alleviate the plight of wheat growers in exporting countries, governments resorted to currency depreciation and subsidies. By 1933 the greater part of the world's wheat crop was subsidised in one way or another, both in exporting and importing countries, at the expense of their respective consumers.

Many examples might be cited of producers of industrial raw materials who attempted to deprive the consumer of the benefit of technical progress, to their own ultimate disadvantage. Until early in 1930, Copper Exporters, Inc., dominated by United States producers, succeeded in maintaining the price of copper at a level altogether out of relation to the costs of low-cost producers. As was to be expected, the high level of quotations led to the development of new deposits outside the United States. The result was that the proportion of world production mined in the United States declined from 46½ per cent. in 1929 to 17 per cent. in 1933. Had it not been for the imposition of a prohibitive import duty by the United States, the *débâcle* would have been even more complete. The tin-producing industry is at present pursuing a similar policy of depriving the consumer of the benefits of the reduction in costs achieved in recent years. The tin cartel is in a fairly strong position, for the bulk of the production of this metal is concentrated in relatively few countries, none of which is an important consumer, while all of them have to compete with each other in the world market. But if prices are maintained for long at about £230 per ton while demand could be satisfied with a profit at £100 per ton, the ultimate fate of the industry is hardly open to doubt; but meanwhile the high price is an impediment, if a secondary one, to world recovery. Although low-cost copper mining concerns are at present operating at a profit, a group of shareholders who are evidently envious of the achievement of the tin restrictionists, have recently proposed the formation of a Copper Shareholders' Association with the object of agitating for a curtailment of output. The ignominious end of Copper Exporters, Inc., has apparently already been forgotten.

It is usually argued by restrictionists that their particular raw material forms only a small proportion of the cost of the manufactured article. This may be true in individual cases, but not if applied to all materials. Further, the contention that "planning" guarantees stability of prices, if slightly above the level of fluctuating prices, has been disproved by the results of past restriction schemes. It is to be hoped, therefore, that the policy of restriction designed to maintain prices at artificial levels will be abandoned, for

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in the long run such policies are detrimental to consumers and producers alike. The less tractable problem of the uneconomic distribution of the production of staple foodstuffs can only be solved if the authorities of importing countries realise that unless they are willing to accept the sugar or the wheat of exporting countries they cannot hope to sell their manufactures abroad, while exporting countries must equally appreciate that to keep out the manufactured products of their customers inevitably means sooner or later a shrinkage of their own primary production.

SMOKE AND FOG

(BY A CORRESPONDENT)

THE black and yellow fogs which descend on London in November are almost entirely the effect of smoke from coal fires, mixed with the normal white mists of autumn. The harmful effects of pollution of the atmosphere by smoke are not disputed, but they are unadvertised. Human life and property and the lives of animals and plants suffer in polluted atmospheres both by the loss of sunlight and by the active mischief of particles of soot. It is known that great density of population is associated with a high death-rate, especially from lung diseases; but even if no disease is directly caused, the corrosive influence of the sulphuric acid and the dirt which clogs the respiratory system will produce a state of vitality unable to withstand the assaults of germs. In any city the death-rate rises sharply after fog, and such diseases as rickets are more pronounced in urban than rural areas, although wages are generally higher in the former than in the latter.

It is not so much actual diseases as the conditions necessary to these diseases that are created by smoke. The centre of Manchester receives only 68.6 per cent. of the ultra-violet rays which come to Timperley seven miles south-west, while Monsall Hospital on the north-east side receives only 52.8 per cent. And as the following table (taken from J. R. Ashworth's "Smoke and the Atmosphere") shows, the loss is most disastrous just when it is most needed, in winter, probably because the factory smoke lasts the whole duration of the sunshine in winter and only three-quarters in the summer.

INTENSITY OF ULTRA-VIOLET RAYS			
	Summer	Winter	Whole Year
Hale (Cheshire)	85	35	57
Manchester—			
George Street	66	21	44
King Street	63	7	20
Rochdale—			
Outskirts	96	22	53
Town area	70	16	39

Every city sheds around itself an area of partial desolation, and as the polluted atmosphere is thrust out into the

countryside crops are reduced, germination becomes poor, the soil is embittered. Supplies of food must be brought from afar; the additional distribution cost is a chimney tax upon the community. The effect on buildings is no less marked. In 1924 Sir Frank Baines stated that almost 40 per cent. of the cost of maintaining Government buildings in London could be attributed to the corrosion of soot. If this proportion is true of the whole country the cost of that corrosion alone is about £30 millions a year. The additional cost of laundry work in Manchester has been estimated at £250,000. But the real loss to the community cannot be estimated in money. Deformities and death have no monetary equivalent nor can any assessment be made of the cost of medical attention due to minor ailments which more healthy bodies would have resisted. Still less is it possible to compute the loss of mental efficiency which must accompany physical debility. But even the material damage to buildings and materials, the additional illumination necessary in cities and the additional laundry work cannot be assessed at much less than £50 millions a year.

But the community suffers another loss. Smoke abatement is synonymous with fuel economy. Those products, sulphur and tar, which constitute this atmospheric menace, have a market value, as also have many of the components burnt in raw coal. It has been estimated that in Leeds alone the daily output of tar into the air is almost twenty-five tons. The two sources of this waste are the factory and the domestic chimneys. The effect of the former is the more obvious; but that of the latter is probably more harmful and certainly more wasteful, since the temperature at which coal is burnt for domestic use is lower than that used in industrial processes. Domestic chimneys are responsible for about 2.5 million tons of a total output of solids into the air of about 3 million tons. Primary responsibility for atmospheric pollution must therefore rest with the domestic chimney; though much of the harm done through the loss of sunlight must be laid to factory chimneys, since the smoke they emit is in dense clouds while that from domestic chimneys has a greater diffusion.

Parliament has not been unmindful of the evil of atmosphere pollution, but its defence of the community has been directed against factory chimneys. The Public Health (Smoke Abatement) Act of 1926 makes no attack on the domestic chimney. Yet there is no lack of cures offered to the consumer in place of raw coal; the use of anthracite, coke, semi-coke, oil, gas and electricity all tend to reduce the pollution of the atmosphere. They are cures not only for smoke, but also for waste. An efficient gasworks will send out in marketable form 86 per cent. of the calorific value of coal; the efficiency of utilisation of raw coal in the domestic grate is not more than 25 per cent. Electricity is smokeless, but its manufacture produces smoke and, compared with the gas industry, is extravagant with coal. But the only fuel whose cost for continuous operation throughout the day can compare with that of coal is the class of solid smokeless fuels. By these means there has been some improvement in recent years in large cities,

as is shown by the following table, which is also taken from Mr Ashworth's book:—

ANNUAL SOOT AND CARBON DEPOSITS					
British Tons per Square Mile					
Year ending	London*	Glasgow*	Newcastle	Rochdale	Malvern
March					
1914-5	\$	\$	475	\$	65
4-Year Average					
1915-19	392	409	624	893‡	76†
1919-23	310	287	491‡	678‡	81†
1923-27	294	291	\$	667	\$
Annual—					
1927-28	316	320	\$	594	\$
1928-29	255	263			
1929-30	272	280			
1930-31	289	278			

* More than one station.

† Average for first three years of period.

‡ Average of last three years of period.

\$ Not available.

Domestic consumption of coke has apparently increased from 4.0 million tons in 1924 to 6.4 millions in 1930. This estimate is borne out by the statement* that the sales of special open grates for coke are almost 60,000 a year and of domestic boilers for burning coke are 100,000 a year. But, however welcome this increase may be, the annual increase in appliances sold is substantially less than the annual increase of houses. The joint cause of smoke abatement and fuel economy has been advanced by two other factors, domestic cooking by gas, and the use of electricity for industrial power. It is asserted that 90 per cent. of the population now cooks by gas, and the gas industry hires about six million fires and a large number of water heaters and water boilers. Some cooking and heating is done by electricity, but the amount is probably unimportant. The sales of electricity for power have also increased greatly. The decline in the consumption of coal between 1924 and 1930 was about 13 per cent., although the Board of Trade Index of Production showed a rise of over 3 per cent. The bulk of this economy has been made by using coal to generate power instead of using it directly in general manufacturing industry. The decline in coal consumption in industries other than the coal mines, electricity, gas and coke ovens has been about 20 per cent. The "grid" system also represents an advance owing to the attendant economies of fuel and the isolation of smoke. The situation of large power stations is not always happy for the latter purpose, but if the treatment of smoke is possible this centralisation will ensure the use of some process where it would not be economical for the ordinary manufacturer. Some such treatment is practised at the Battersea Power Station in the interests of architecture rather than health. In this respect the complete electrification of the railways would be a great social asset.

It is a fine, if perhaps idle, dream to imagine that all the coal now used domestically, about 40 million tons, might be carbonised. The chief marketable products would be 600,000 million cubic feet of gas, 18 million tons of coke, 480 million gallons of tar, about 300,000 tons of sulphate of ammonia and 100 million gallons of benzole. The gas would do about three-quarters of the heating done now by the amount of coal used for all domestic purposes, the coke would heat all the water used in half the houses, and the tar, hydrogenated, with the benzole would provide almost one-third of our consumption of motor spirit, or alternatively make possible the production of a large amount of dyes or synthetic resins. Nor is this dream altogether idle. Where gas is bought in bulk from coke ovens it can be sold at a price at which it competes with raw coal. It remains for the gas industry to adjust its price policy to this possibility.

It has been shown that the reduction of atmospheric pollution in the last decade has been marked but moderate. It has been achieved with very little conscious effort from the community. There can be no smoke without fire, but with an energetic campaign of propaganda we might go far to prove that there can be fires without smoke.

* Symposium on Smokeless or Open Grate Fuels (E. W. Nichol), June 8, 1934.

WAR

(BY A CORRESPONDENT)

SIXTEEN years ago, at one in the morning, three or four men were sitting at a table in a little back room in France. One, a corporal, had a pair of headphones over his ears and occasionally twisted a condenser dial on the wireless set by his side. All were waiting, waiting, waiting "C Q . . . C Q . . . Summary of W/t news for distribution to the troops. . . . Intercepted message from Imperial Chancellor via German G.H.Q. to Erzberger authorises signature of armistice. . . ." The message went on to its end. The corporal stamped it "Y.L; 11:xi:18." And that was that.

One of those men kept that message and it hangs in his room to-day. And to-day the world is wondering uneasily whether that really was the end of the war and all it means. Possibly for us in England it is a fortunate thing that Armistice Day has coincided so closely with a debate in the House which has brought the nation's uneasiness up to the surface. In many ways the debate was disappointing; in some ways it was trivial. The impression it leaves with many of us is that there is a universal burning desire to peace, but a complete absence of any ability to give that desire practical expression. The problem we are left to face is becoming too big for us.

Have you ever seen one of your men shot through the head, with blood and grey ooze seeping from him? And have you known that he is still alive, but that if you tried to bring him in you will only kill two more men as well?

What does it matter whether the ballot on peace and armaments is fair or unfair? Or does it really get to the root of the question to discuss whether or not the private manufacture and sale of armaments is desirable? As long as the incentive to make and sell munitions of war for profit remains, so long will there be abuses and so long will there be agents whom it pays to work for war and not for peace. Nor can it be denied that it is repulsive to learn that the war between Bolivia and Paraguay has dragged on while armament firms have supplied both belligerents impartially. But all this is the aggravation, not the root cause, of the war spirit. Before we can ensure peace we must not only organise the world for peace. We must strive to remove the conditions, social, economic and political, which make peoples look on war as the sole solution of their troubles. Unless we do this, war becomes inevitable.

Did you see the scrub ablaze on Scimitar Hill? And did you think how many wounded, British and Turkish, were lying there?

Sixteen years have passed and gone, and how has the world used them? Few to-day regard the Versailles Treaty as paving the way for permanent peace. Few to-day can condemn the present spirit in Germany without feeling a share of responsibility for it. Look back only to 1931, when Germany, especially young Germany, felt how much she was denied the right and power to make that contribution to world thought and progress which she knew she could make. Think of the widespread poverty, want and underfeeding which the war, the peace treaties, reparations and the inflation, and the grinding years of 1924 to 1931 have inflicted upon Germany. Is it surprising that in the end she burst forth in a movement, which though deplorable in some of its ghastly excesses, had some kind of national ideal behind it? Is the world doing anything to make room for that movement and the spirit which inspires it, or is it just condemning its excesses and mistakes and seeking to repress it? All must grant that in many ways Nazi Germany is breaking bounds, but if we wish to avoid driving Germany to desperation we must go half-way to grant her the room she needs. You cannot compress sixty millions of people indefinitely. That is the fundamental fact.

Try sitting out a three days' blizzard, huddled round a brazier, verminous and suffering from jaundice, scabies and piles. Did it ever strike you that the real key to our withdrawal from Gallipoli with hardly a casualty was that neither side had sufficient strength left to interfere with the other?

It may be that the world in its search for peace and disarmament is tackling the problem at the wrong end. It is

not the power to make war which is the governing factor, but the causes which drive nations into war. Reduce war to its ultimate units, the man behind the machine-gun or the man with the bomb or bayonet, and the thing becomes a ridiculous tragedy. What personal quarrel did our Londoners or our county regiments have with Anatolian peasants or with men from the towns of Westphalia or the mountain villages of Bavaria? Once slaughter begins and the fight is on, personal feelings are roused as you see your friend drop dead, a bloody mess, by your side; but when the barrage lifts at zero hour, personal animosity is not there. It is national feelings that we have to assuage, and

in the present temper of the world the only national feeling which will drive people into war is the feeling of desperation.

That is the line for international co-operation. Disarmament is not enough. The real task for the world in council to-day is to seek out the points of pressure and discuss what can be done to relieve them. Admittedly this will involve much give and take, the abandonment of cherished beliefs, and an honest attempt to separate the good from the bad. To understand all is to forgive all. Have we, sixteen years after the cease fire, even tried to understand?

NOTES OF THE WEEK

"Close of Play."—This week marks the end of the parliamentary session, and the King will open the new chapter on Tuesday next. The last weeks of a session are usually marked by the hurried disposal of protracted, and often contentious, legislation. During the past few days the Commons and Lords have seen the last of the unfortunate Incitement to Disaffection Bill—not without considerable opposition in the Lords, which kept their Lordships up all night from Thursday to Friday of last week. Last Tuesday the Bill was read a third time, the Opposition Lords adhering to the principle not to vote against a Bill which had been passed by a majority of the representatives of the people in the Commons. On Wednesday, the Lords debated national defence needs, on a motion by Lord Mottistone, which called attention to the decline in recruiting for the Services. This elicited from Viscount Hailsham, the Minister for War, the admission that on October 1st there was a shortage of 1,046 officers and 30,313 other ranks as against our Army recruiting strength, and Viscount Hailsham went on to urge the importance of the Territorial Army, as well as to emphasise the needs of all three Services for expansion, if we were to become sufficiently strong in defence to make a great attack impossible. There was disquietingly little evidence in the speech by the Minister for War of any belief in international measures for collective security. In the Commons, the Poor Law Bill, which provides that the administrators of Poor Relief, in assessing applicants' private resources, can disregard the first 5s. of trade union sick pay, the first maternity benefit, and the first £1 of pension, was read a third time without division. On Monday, the Commons had an all-night debate on the Report stage of the Betting and Lotteries Bill, and on Tuesday night this measure, which had aroused the unyielding opposition of the vested interests, was read a third time. Wednesday and Thursday were given up to discussion of the Government's proposals for the distressed areas, upon which we comment in a Leading Article this week. So ends a contentious, and on the whole an unconstructive, session.

After the Landslide.—The final results of the American Congressional elections confirm the magnitude of the Democratic victory. In the new Congress, 68 out of 96 Senators and 323 out of 435 Representatives will be Democrats. In addition, the Farmer-Labour Congressmen and Senator La Follette's Progressives can be counted on to support the Administration. These crushing majorities exaggerate the popular vote, as approximately 13,000,000 individual voters voted Republican as compared with only 15,000,000 who voted Democratic. Indeed, the Democratic popular vote showed a larger decline from 1932 than the Republican. Nevertheless, President Roosevelt will have all the Congressional support he could desire, and his chief anxiety will be to hold his supporters in check. Mr Roosevelt himself has refrained from commenting on the result of the election and he has not issued the startling declaration of policy which was expected in some quarters. Some hints of the lines of policy to be followed have, however, been forthcoming. Special committees have been appointed to draw

up plans for old age pensions and unemployment insurance for presentation later in the New Year to the newly-elected Congress. Public opinion has been seized with the idea of pensioning off old workers in order to create jobs for the unemployed, and some of the extremist proposals, which envisage pensions of £10 a week, are obtaining a surprising degree of support in the Far West. The President's committee is unlikely to recommend anything of this nature, but it is evident that action of some sort will be politically expedient when Congress reassembles. Some significance has also been read into the appointment, on the morrow of the polls, of Mr Marriner S. Eccles as Governor of the Federal Reserve Board. Mr Eccles is believed to be an advocate of the unbalanced budget theory. The burden of relief would in any case have shattered any hopes of being able to carry out the President's intention of balancing the budget by next July. But there is now also reason to believe that the public works programme will be intensified rather than restricted.

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The New French Government.—Early on Friday morning, November 9th, M. Flandin announced the composition of the Government he had formed to succeed that of M. Doumergue. The "national truce" is maintained by the inclusion of five Socialist-Radical deputies. M. Herriot is a Minister of State; M. Marchandeau is Minister of Commerce; M. Jacquier, Minister of Labour; M. Queille, Minister of Public Health; and M. Bertrand is put in charge of the Mercantile Marine. Three senators of the Democratic Left, which corresponds to the Socialist-Radical group in the Chamber, also have posts in the new Cabinet. The Socialist-Radical position is thus reinforced in the new Government; while M. Tardieu, who is reported to have inspired the constitutional reform proposals which brought down the Doumergue Government, of which he was a member, is not in the new Cabinet. M. Martin, also of the Right, is to take his place. Marshal Pétain has given way to General Maurin; and M. Marquet, the somewhat mercurial Socialist turned "neo-Socialist," refused to serve in the new Government when it became known that M. Mandel, a *bête noire* of the Left, for 30 years has pulled strings behind the political scenes, was for the first time to be a Minister. M. Laval retains the portfolio of Foreign Affairs. On Tuesday M. Flandin's new Government met the Chamber and obtained an overwhelming vote of confidence on its declaration of policy by 423 votes to 118. M. Flandin's declaration states that "the truce will continue"; that France will strengthen her defences, develop her alliances, but continue to work with the League; that the new Government will defend the Republic against any attempt at revolution or dictatorship; and that thorough reform of the administrative, judicial, departmental and administrative apparatus is required, together with reform of the State and restoration of the authority of the Executive. On the economic plane, the Government's declaration states "the system of controlled economy has failed everywhere. In order to overcome the evils of unemployment, low prices and shrinking trade we must return gradually to a more liberal system. . . . Poverty is the best ally of revolutions." The large measure of support given in the Chamber to this declaration is of

good augury for France. Indeed, the relatively easy transition from the Government of M. Doumergue to its successor, after so many prophecies of violent disaster, seems to indicate that the French public is reasserting its sound political sense and its aversion to desperate remedies. Most Englishmen will wish M. Flandin well; and it would not be surprising if, under a forceful, comparatively young, democrat's leadership, the new Government succeeds, where M. Doumergue's Government failed, in securing urgently necessary reforms without demolishing the edifice of national co-operation.

* * *

A Change of Government in Belgium.—On Tuesday the Prime Minister of Belgium, Count de Broqueville, announced the Cabinet's resignation, following the resignations of two Ministers without portfolio, M. van Zeeland, vice-governor of the National Bank, and M. Ingenbleck, Budget *rappporteur* in the Senate, on the question of emergency cuts in expenditure. Since last June the Broqueville Cabinet had been directing economic and financial affairs by special powers granted by Parliament; and under these special powers, which do not expire till early in the new year, the Government had issued, and the King had signed, 33 decrees, some imposing drastic economies, and one of which, probably the most important, reformed the Belgian banking system. Count de Broqueville elected to take the resignations of his two Ministers as an indication that the Government no longer possessed a mandate to continue to issue economic decrees under the special powers Act. The Government's resignation caused no little perturbation, both within Belgium and outside—notably in Paris and London—over Belgium's adherence to the gold standard. For some time the Socialist opposition, some taxpayers' organisations and certain business interests had been demanding devaluation; but the Government, secured by the Catholic and Liberal majority in the Lower House, had reiterated its intention to maintain the gold parity of the belga. It is significant that, immediately after the Government's resignation, the Catholic and Liberal groups in the Chamber met and declared that they would only support a Government which would pledge itself not to modify the monetary regime of Belgium. The mantle of Count de Broqueville has apparently fallen on M. Jaspar, until now Minister of Foreign Affairs; but anything other than a continuation of the present Catholic-Liberal coalition is hard to foresee.

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The "Corporative State."—The Italian "Corporative State" is an unconscionably long time in coming to life. The word "Corporation" originally appeared in the early 'twenties, and was applied to the Fascist trade unions which had been designed to rival and eventually overthrow the original labour unions, or "confederations." In April, 1927, a "Labour charter" was promulgated by the Fascist Grand Council. This document enunciated the doctrine that labour and capital must combine harmoniously together, that the class war must end, and that "corporations" embracing employers and employed should be set up by the State. In 1928 it was announced that the corporations would have the effective power of nominating members to the Chamber of Deputies. A Bill actually creating the corporations was foreshadowed in 1929. In 1930 the Bill appeared, and it was heralded as establishing an "industrial parliament" which would organise the industrial life of the nation. A "National Council of Corporations" was also set up which was apparently to supersede the moribund Chamber of Deputies. But still nothing really happened, and the outside world had the vaguest ideas about what it all meant—if it meant anything at all. Three years later, in November, 1933, Signor Mussolini declared with great gravity before the National Council that the Corporative State was now about to come into existence, and that it would supersede all former economic systems whatever. This summer, 22 corporations were "created." And on Saturday, at long last, Signor Mussolini "formally installed in office" the 823 members of the councils of those corporations. The Duce referred to the ceremony as "perhaps the most imposing in the history of Italy," but he puzzled his hearers by apparently intimating that the National Council of Corporations would

not, after all, displace the Chamber of Deputies. Fascist commentators describe the new "system" as "the most comprehensive organisation of the economic life of a nation which has ever been attempted by any country." It is still a little difficult to discover, however, on what economic principles the corporations will work, if, indeed, they work at all. From such positive indications as exist, it would appear that the Corporative State is, economically, nothing more than a rather muddled combination of monopoly and protection. What is the real purpose of the whole elaborate and imposing façade? Is it merely to hide the stark reality of low wages, the abolition of the right to strike, and the destruction of all genuine instruments of collective bargaining? Our Italian correspondent reminds us this week that out of 888,560 unemployed in Italy, only 143,334 receive State assistance. If such are the hard facts behind the corporative system, the world must be forgiven for wondering whether that system is more than a theatrical fiction.

* * *

Church and State in Germany: Next Phase.—On November 5th, negotiations between Dr. Kinder, leader of the "German Christians," and the Confessional Synod, broke down; and there might seem no impediment in the way of a free reorganisation of the German Protestant Church on the initiative of genuine champions of religious freedom, with Dr. Kinder as well as Reichsbishop Müller left out. Dr. Müller, for his part, clings closer than ever to the German Christian group, and on November 7th received a "unanimous" vote of confidence from the Group Synod, after which he denied that he would resign. He has made Dr. Kinder his legal commissioner, *vice* Dr. Jäger, and he is returning to the attack on the free Confessional Church. In the "German Christians'" organ, *Evangelium im Dritten Reich*, Herr Hitler's decision to withdraw from the Church conflict is even welcomed, as leaving the outcome to be settled by "the right of the strongest." How this right is to be asserted was seen on Sunday, when some Berlin Confessional pastors called on Pastor Jakobi, one of the Confessional leaders, to collect some leaflets. When they left they were set upon by a Nazi official in uniform and by three "German Christians" in plain clothes, who tried to secure the leaflets. One of the Confessional pastors who managed to free himself was ordered to stand still at the point of a revolver by the Nazi official. In the meantime, the Roman Catholic Church in Germany has launched a counter-attack upon the Neo-Nordic paganism—in the shape of a reply from the Roman Catholic Bishop of Berlin, Dr. Bares, to Herr Rosenberg's doctrine, as this is set forth in *The Myth of the Twentieth Century*. At first sight, such pretentious nonsense as Herr Rosenberg's might seem hardly worth taking so seriously; but his case makes a certain appeal, and the ecclesiastical authorities are therefore perhaps well advised to expose it systematically. The most interesting feature in this controversy between two disputants who are so unevenly matched is Herr Rosenberg's unintended achievement of bringing the Catholics and the Protestants in Germany together in defence of their common Christianity. The Concordat negotiations between the Nazi State and the Vatican are still hanging fire, and are expected to continue until after the Saar plebiscite. Then, it is thought in certain circles, the Führer will re-enter the arena and terminate both disputes by "co-ordinating" both Churches in the one and indivisible Nazi State. One thing is certain: Herr Hitler's retirement from the Protestant Church dispute has not ended the dispute, nor drawn the teeth of the "co-ordinators."

* * *

"Cultural Harmony."—Herr von Papen, the German Minister in Vienna, made important pronouncements on Austro-German relations in his speech at an Anglo-American Press luncheon in Vienna on November 9th. He declared that all Germany wanted of Austria was not formal *Anschluss* but "cultural harmony."

There were 35,000,000 Germans living outside the Reich, and with them Germany aimed only at keeping in cultural touch, because she knew that the frontiers could not be

drawn so as to include all Germans. She had always instructed the Germans living abroad to be loyal to their Governments. It was true that Austria and other countries in which Germans lived had all belonged to the Holy Roman Empire of the German nation, but that was a historical idea, now of the past.

Herr von Papen went on to say that the Saar and the Austrian questions were not related; but the moderate tones of his speech are probably due in no small measure to the increasing tension over the Saar in recent weeks. Dr. Schuschnigg, the Austrian Chancellor, had a conference at Semmering—also on November 9th—with General Gömbös, the Hungarian Prime Minister, who was on his way back from seeing Signor Mussolini in Rome; and on Tuesday it was announced that the Austrian Chancellor and Foreign Minister would visit Rome at the end of this week. The official *communiqué* states that "conversations" will there be conducted on the Protocols of last March between Italy, Austria and Hungary. But it is only to be expected that, in view of the revival of Nazi activities in Austria this week, Dr. Schuschnigg will consult with the Duce on what steps can be taken to give Austria the internal cohesion which was destroyed by the Heimwehr attack on the Socialists last February. In this connection two remarkable articles in *The Times* of November 8th and 9th are significant. The writer urged that the Austrian Socialists should be conciliated, and that the Socialist and Clerical parties should forthwith collaborate. Yet all we hear from Austria is that Dr. Schuschnigg has so far not entered into any commitments with the Nazis or the Pan-Germans. Not negations of Nazidom, but affirmations by all Austrians, including the Socialists, that their national cause is worth all efforts, are most needed to-day. Dr. Schuschnigg's problem is to make Austria's national cause worth while to all Austrians.

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The Proposed Sugar Monopoly.—Opposition to the extraordinary monopoly scheme proposed by the sugar refiners is growing rapidly. The scheme was prepared last spring, and a public inquiry into it was held in May. It apparently provides for the gift of a statutory monopoly without public control to the sugar refiners—and in effect to one large firm—and for the grant to that monopoly of the power to levy a tax on the consuming public. In return for this shameless exploitation of the consumer, which would enable the monopoly to subsidise uneconomic home beet production, the Government is to be enabled to relieve the direct taxpayer of the cost of the subsidy. Protests against the scheme have begun to appear from many directions. In a letter to *The Times* on Tuesday Professor Ernest Barker described it as "contrary to the principle of public policy entertained by our common law, which has always favoured the right of the subject to the exercise of his trade." He also pointed out that an uncontrolled monopoly of a staple food product was a very different thing from a publicly controlled transport monopoly like the London Transport Board. At a lunch held in London, also on Tuesday, the scheme was attacked by Sir Arnold Wilson, Mr J. G. Mathieson, Mr P. S. Cadbury and Mr S. O. Chivers. Sir Arnold Wilson said that sugar refining in this country was already virtually a monopoly, and the result was apparent in that day's newspaper. "£1 shares in Tate and Lyle stood two years ago at 54s.; they now stand at over 100s." "Planning," Sir Arnold added, in this connection, was "a scheme to give sectional advantages to particular industries." Mr Mathieson pointed out that the confectionery and chocolate trades, which might be seriously injured by the scheme, employed 74,000 persons, and the other trades affected certainly 100,000, a number "far in excess of any connected with the sugar-producing industry of this country, sugar refining, beet sugar manufacture and beet sugar growing." He also remarked that the proposed levy of 2s. 4d. a cwt. would in effect mean 30 per cent. addition to the net cost of sugar, since 9s. 4d. of the present manufacturing price of 17s. 1½d. is represented by the existing duty; and he questioned the propriety of using the Agricultural Marketing Acts to grant a monopoly to a manufacturing group most of whose raw materials are not produced by British agri-

culture at all. Mr Cadbury pointed out that a working class household with an income of 50s. had only a margin of a few pennies for purchasing chocolates, sweets and other small amenities. A levy of ¼d. per lb. on sugar would cost such a household 2½d. or 3½d. a week. Mr Chivers also observed how substantially the existing sugar duty raises the price of staple foodstuffs like jam and canned fruits. Altogether, the case against the scheme is so overwhelming that we can hardly believe anybody will be deceived this time by plausible nonsense about the need for "planning," "regulating," "stabilising," "safeguarding," "co-ordinating" or "integrating" the sugar industry. Indeed, the last word on the subject is contained in Lord Bacon's warning, quoted by Professor Ernest Barker, "that monopolies which are the canker of all trading be not admitted under specious colour of the public good."

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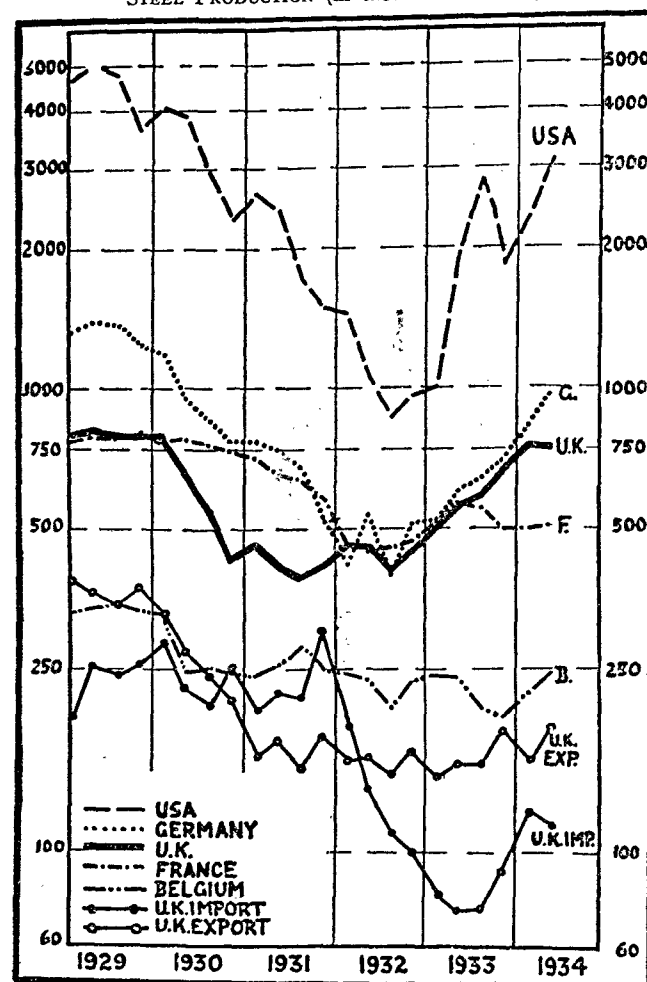
The American Balance of Payments.—The United States Department of Commerce, not content with publishing by far the most informative annual estimate of the Balance of Payments issued by any country, has now compiled a tentative estimate of the American Balance of Payments during the first six months of the current year. The figures are necessarily approximate and include a large margin for errors and omissions, but they strikingly illustrate the tendencies which were at work during the first half of this year. The figures are given in the following table, a plus sign signifying a credit item or in-payment, a minus sign the reverse. For the sake of comparison the figures of the annual estimates for 1929 and 1933 have been halved and shown in the first two columns of the table. The first six months of one year are not strictly comparable with half of the whole-year figures for another year, as there may be seasonal irregularities. But the item of tourists' expenditures is probably the only one whose comparability is seriously affected.

	1929 (half)		1933 (half)		1934 (Jan.-June)
Merchandise trade	+ 420	+ 112	+ 112	+ 173	
Tourists' expenditures	- 319	- 110	- 110	- 80	
Immigrants' remittances	- 132	- 66	- 66	- 58	
Miscellaneous service items	- 28	- 51	- 51	- 36	
Interest and dividends	+ 282	+ 194	+ 194	+ 160	
Balance on current account ...	+ 223	+ 105	+ 105	+ 159	
Gold movements	- 60	+ 86	+ 86	- 920	
Currency movements	- 7	- 45	- 45	- 30	
Total	- 67	+ 41	+ 41	- 950	
Purchase and sale of securities ...	- 39	+ 5	+ 5	+ 225	
Sinking fund payments, direct investments, arbitrage, etc.	- 31	+ 19	+ 19	+ 85	
Short-term capital	- 40	- 192	- 192	+ 250	
Balance on capital account ...	- 110	- 168	- 168	+ 560	
Errors and omissions	- 46	+ 21	+ 21	+ 231	

The interest of this table lies in the fact that the dollar was stabilised at the end of January. In commenting in the *Economist* of October 13th on the estimate for 1933 we pointed out that the effects of a *depreciating* currency may be different from those of a *depreciated* currency. The new figures bear out this distinction. The positive balance on current account is considerably larger than last year, though the debit on account of tourist expenditures will be larger in the second half of the year. The very large inward flow of capital, and the even larger importation of gold by which it was accomplished, reflect the return of the funds which fled from the dollar in previous years. Judged by these figures, America is very far from playing the part she should in international financial transactions. A growing positive balance on current account is aggravated by a large net importation of capital at a rate faster than America has ever exported capital in peace time. The accounts could only be balanced by the inflow of gold in six months in an amount which is roughly equivalent to half the gold reserve of the Bank of England. These are the effects of combining a stabilisation at a ridiculously low figure with an embargo on foreign loans. The United States is smashing the post-crisis gold standard before it has been set up.

International Steel Production.—The accompanying chart shows the development of steel output since 1929 in the leading producing countries. As the level of production in different countries varies considerably, the chart has been drawn on a ratio scale. Thus, equal proportionate movements are of the same size on the chart, whatever their absolute magnitudes. British imports and exports of iron and steel have been added to indicate the effect of the depreciation of the pound and of the imposition of a high protective tariff in the spring of 1932:—

STEEL PRODUCTION (in thousands of tons).



The iron and steel industries of the principal countries experienced a severe contraction of output between 1929 and 1932. Both the recession between 1929 and 1932 and the subsequent improvement were most marked in the United States and in Germany. In the United Kingdom the downward movement was arrested in the autumn of 1931 as a result of the depreciation of sterling and the consequent decline in imports. Recovery in 1932 was assisted by the imposition of a tariff, which led to a further contraction of imports, and by the revival of internal demand. The setback was least pronounced in Belgium; but the improvement noticeable in other countries from 1932 onwards was not shared by Belgium, whose market was partly cut off by the British tariff on iron and steel. It is interesting to compare the present level of steel production with that prevailing in 1913:—

MONTHLY AVERAGE PRODUCTION OF STEEL
(In thousands of tons)

	1913	1929	1934 (Jan.-June)
Belgium.....	202	339	237
France.....	384	793†	524†
Germany.....	1,275*	1,333	909
United Kingdom.....	639	803	751
United States.....	2,608	4,514	2,728

* Including Lorraine.

† Including Lorraine.

It will be seen that, except in Germany, the rate of steel production in the first six months of 1934 was higher than in 1913. But in the case of France and Germany comparison is vitiated by the fact that the Lorraine was transferred to France after the war. On the other hand, production in most countries is still far below the level of 1929.

October Overseas Trade.—While showing no striking improvement, the trade returns for October are moderately encouraging. The value of both imports and British exports exceeded that of the corresponding months in 1932 and 1933. But it must be remembered that the past month contained one more working day than October, 1932 and 1933. Contrary to the trend since the beginning of 1934, the figures for September showed an increase in imports of only 0.02 per cent. on the corresponding month in 1933, while British exports registered a rise of 5.4 per cent. It is significant that the previous trend was resumed in October, when imports were 11.8 per cent. and exports 7.7 per cent. higher than a year ago. The excess of imports over exports during the first ten months of 1934 is now £235,965,000, an increase of £30,851,000 on 1933, but a decrease of £731,000 on 1932:—

	MONTH OF OCTOBER					
	1934		Increase (+) or Decrease (—) as compared with			
			October, 1933		October, 1932	
Imports.....	£'000	£'000	%	£'000	%	
British exports.....	68,994	+ 7,228	+ 11.8	+ 8,210	+ 13.5	
Re-exports.....	36,749	+ 2,618	+ 7.7	+ 6,308	+ 20.7	
Total exports.....	4,000	— 570	— 12.5	+ 308	+ 8.4	
Total.....	40,749	+ 2,047	+ 5.3	+ 8,616	+ 19.4	
Excess of imports over total exports.....	28,245	+ 5,181	+ 22.5	+ 1,594	+ 6.0	
Transshipments under bond.....	2,365	+ 86	+ 3.8	+ 121	+ 5.4	

	TEN MONTHS ENDED OCTOBER					
	Jan.-Oct., 1934		Increase (+) or Decrease (—) as compared with			
			Jan.-Oct., 1933		Jan.-Oct., 1932	
Imports.....	£'000	£'000	%	£'000	%	
British exports.....	605,393	+ 56,175	+ 10.2	+ 24,429	+ 4.1	
Re-exports.....	325,756	+ 23,228	+ 7.7	+ 24,208	+ 8.0	
Total exports.....	43,672	+ 2,096	+ 5.0	+ 952	+ 2.2	
Total.....	369,428	+ 25,324	+ 7.4	+ 25,160	+ 7.3	
Excess of imports over total exports.....	235,965	+ 30,851	+ 15.1	— 731	— 0.3	
Transshipments under bond.....	19,858	— 45	— 0.2	+ 1,668	+ 9.2	

Following a decline in September, the value of imports of food, drink and tobacco rose from £32,240,073 in October, 1933, to £35,682,125 in the past month. Tobacco alone contributed no less than £2,608,448 to the increase in the imports of this group of commodities. During the same period, imports of raw materials and mainly unmanufactured articles rose by £1,865,396, from £15,026,925 to £16,892,321. A decrease of £747,422 in our purchases abroad of raw wool and rags was more than offset by an increase of £1,468,437 in imports of rubber and one of £701,830 in wood and timber. Imports of manufactures, at £16,027,133, showed a rise of £1,834,868. Non-ferrous metals and oils, fats and resins contributed £677,098 and £208,085, respectively, to this increase.

TRADE IN IMPORTANT COMMODITIES
Month of October

Commodity and Measure	1932	1933	1934
Imports—			
Iron ore and scrap..... thous. tons	168	251	358
Soft timber (sawn)..... thous. loads	561	714	700
Planned or dressed..... thous. loads	46	98	100
Raw cotton..... thous. bales	776	1,087	961
Sheep's and lambs' wool..... mn. lb.	36	45	33
Raw rubber..... thous. cents	123	149	579
Exports—			
Coal..... thous. tons	3,256	3,555	3,630
Iron and steel manufactures..... thous. tons	160	194	221
Cotton yarn..... thous. lbs.	23	25	32
Cotton piece-goods..... mn. sq. yds.	10,903	12,276	10,852
Wool tops..... thous. lbs.	138	156	176
Woolen yarns..... thous. lbs.	4,711	4,579	3,536
Woolen tissues..... thous. sq. yds.	507	739	875
Woolen goods..... thous. sq. yds.	2,924	3,635	3,172
Woolen goods..... thous. sq. yds.	4,221	5,152	5,548
Woolen goods..... thous. sq. yds.	1,721	2,469	2,167
Woolen goods..... thous. sq. yds.	4,681	7,409	5,417
Locomotives..... thous.	195	45	283
Motor vehicles and chassis..... number	4,617	4,747	6,195
Re-exports—			
Raw cotton..... thous. cents	27	70	51
Sheep's and lambs' wool..... mn. lb.	26	28	18
Raw rubber..... thous. cents	19	73	156

Exports of food, drink and tobacco, and also of materials and mainly manufactured articles show only a small increase as compared with October, 1933. On the

other hand, the value of exports of manufactures rose by £2,382,799 to £28,527,407. The increase was fairly general, amounting to £620,164 in the case of machinery, £480,583 in iron and steel, £332,487 in cotton yarns and manufactures, and £310,576 in vehicles. Non-ferrous metals is the only item to show an appreciable reduction, amounting to £237,330.

British Coal Consumption.—While total home consumption of coal in this country showed a further slight decline in 1933, there has been no violent shift in its distribution, analysed in the thirteenth annual report of the Secretary for Mines†:—

(In millions of tons)

Consumer	1913	1929	1931	1932	1933
Gas works (excluding the equivalent of gas coke exported).....	16.7	16.75	16.69	16.97	16.16
Electricity generating stations belonging to authorised undertakings and to railway and tramway authorities.....	4.9	9.84	9.61	9.81	10.33
Railway companies (for locomotive use).....	13.2	13.41	12.27	11.70	11.67
Vessels engaged in coastwise trade	1.9	1.37	1.19	1.19	1.21
Iron works (used in blast furnaces).....	21.2	14.51	7.11	6.53	7.37*
Other iron works and steel works	10.2	8.92	5.50	5.16	5.70*
Collieries (engine fuel).....	18.0	13.69	12.61	12.04	11.59
General manufactures and all other purposes (including domestic use).....	97.7	95.01	90.70	88.70	84.34
Total.....	183.8	173.50	155.68	149.50	148.37

* Provisional.

It will be seen that of the industries listed separately only electricity and iron and steel consumed larger quantities of coal in 1933. The electricity industry was the only branch of activity whose consumption in the past year exceeded that of 1913 and 1929. The figures also show that the consumption of coal in its crude state still predominates by a wide margin. Although the electricity industry has made rapid headway since 1913, its consumption of coal in 1933 was still only 64 per cent. of the consumption by the gas industry. The percentage of total home consumption used in the generation of electricity and in the production of gas, though still relatively small, rose from 11.8 in 1913 to 15.4 in 1929 and 17.9 in 1933. The residuary figure, which represented no less than 56.8 per cent. of total consumption in 1933, is subject to changes in the stocks of coal held by producers and consumers. Now figures of stocks of coal held by producers in Belgium, Germany, Poland, the Saar and in the United States are published regularly each month. It is a great pity that this information is not collected in this country. Moreover, there is not even an estimate of the annual consumption of coal for domestic purposes. The only available information, repeated each year in the annual report of the Secretary of Mines, is that the consumption of coal for domestic purposes in private houses, public buildings and institutions, including coal for domestic industries and miners' coal, was estimated after the war at 40 million tons a year. It is to be hoped that information concerning stocks of coal and domestic consumption will at last be collected and published.

Iron and Steel Production in October.—The figures issued a few days ago by the British Iron and Steel Federation suggest that the holiday influences are now spent. Steel production, at 812,000 tons, was higher than in any month since March (834,500 tons), while pig iron production, at 527,100 tons, was within 1,200 tons of the previous highest (July, 528,300 tons). Three blast furnaces were blown out and two resumed operations during the month, making the total "blowing" at the end of the month 97. The following table compares the output of pig iron and steel in the first nine months of this year with the corresponding period last year for the chief producing countries.

† H.M. Stationery Office. 236 pages. 3s. 6d. net.

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OUTPUT OF PIG IRON AND STEEL
(In thousands of tons)

	First Nine Months 1933		First Nine Months 1934	
	Pig Iron	Steel	Pig Iron	Steel
United Kingdom.....	2,966	4,971	4,430	6,627
Germany.....	3,672	5,326	6,140	8,484
France.....	4,685	4,935	4,535	4,537
Belgium.....	2,057	2,075	2,136	2,157
Luxembourg.....	1,403	1,418	1,398	1,398
Saar.....	1,152	1,221	1,330	1,423
U.S.A.....	9,589	17,405	12,977	20,455
Total.....	25,546	37,336	32,966	45,081

The most significant feature is the increase in Germany's production, which in the case of pig iron was 67 per cent. higher this year than last, and in the case of steel 59 per cent. higher. Great Britain's production of pig iron this year was 49 per cent. higher than last, and of steel 34 per cent. higher. In France production both of pig iron and steel is definitely lower than last year. Imports of iron and steel into the United Kingdom in October amounted to 121,100 tons, compared with 89,500 tons in September and 88,900 tons last October. The principal increases took place in billets, blooms and slabs (from 26,900 tons to 40,900 tons), steel bars, rods, etc. (from 17,200 tons to 21,500 tons), and pig iron (from 9,400 tons to 13,100 tons). Exports of iron and steel amounted to 220,900 tons, and were the highest in any month since October, 1930. The chief increases took place in galvanised sheets (16,200 tons to 22,900 tons), pig iron (7,700 tons to 12,300 tons), cast tubes and pipes (5,500 tons to 10,400 tons). Of the total exports in October, 31,300 tons went to the Union of South Africa, 21,900 tons to India, 17,600 tons to Australia and 15,700 tons to Canada.

Shipping Freight Index.—As measured by our monthly index number, the general level of the whole cargo shipping freights fell by 2.7 per cent. during October, following a rise of 0.4 per cent. during September. The current figure of 87.5 compares with 84.1 in October last year and 87.3 in October, 1932. Details of the index number are as follows:—

(1898-1913 = 100)

	Average, 1913	October, 1933	August, 1934	September, 1934	October, 1934
European waters.....	110.0	85.6	91.1	90.3	87.8
North America.....	113.1	74.7	77.4	79.3	77.4
South America.....	123.4	80.5	85.4	82.8	78.1
India.....	106.3	92.4	96.1	98.6	96.3
Far East and Pacific.....	117.4	83.3	91.4	93.5	91.8
Australia.....	127.9	88.1	96.1	95.3	93.7
Total.....	116.3	84.1	89.6	89.9	87.5

Outward coal freights are easier, both at South Wales ports and at Newcastle. Demand for tonnage has fallen away. At Liverpool, Atlantic-America trade is dull, and there is

little business for Far East and Australian routes. Home-ward rates from South American ports have fallen appreciably. Movements of the various sections of our index number are shown in detail below:—

	Index No.	Inc. or Dec. Points		Index No.	Inc. or Dec. Points
Home Trade	84.2	+ 2.1	South America :	65.2	- 1.9
Bay—outwards	99.1	- 5.5	Outwards	90.9	- 7.8
Bay—homewards	87.1	- 6.4	Homewards	73.7	- 0.7
Mediterranean :			India—outwards	119.0	- 3.7
Outwards	89.0	- 5.7	India—homewards	91.8	- 1.7
Homewards	83.3	- 1.3	Far East, etc.	93.7	- 1.6
North America	77.4	- 1.9			

Expressed as a percentage of the average for 1913, the total figure of our index number for October is 75.2, compared with 77.3 for September and 72.3 for October last year.

* * *

Transvaal Output in October.—The output of gold by the mines of the Transvaal during October amounted to 885,627 ounces of fine gold at a value for purposes of declaration of £7 per ounce, as compared with 857,442 ounces in September at £7 and 908,888 ounces in

October last year at £6 gs. In the following table we show the monthly output since the beginning of 1928:—

Month of	1928	1929	1930	1931	1932	1933	1934
January ...	843,857	876,452	882,801	914,576	936,784	967,457	907,641
February ...	816,133	815,284	818,188	839,937	914,012	883,145	826,365
March ...	877,380	866,529	880,370	910,998	960,035	946,863	874,112
April ...	825,907	872,123	868,606	882,337	949,796	895,097	865,822
May ...	886,186	897,598	916,213	910,279	965,644	944,604	898,418
June ...	862,363	856,029	887,867	897,750	959,011	918,633	868,129
July ...	867,211	889,480	912,652	916,843	981,160	923,671	876,094
August ...	891,863	889,601	921,081	916,425	991,322	934,714	881,861
September ...	857,731	849,553	903,176	916,024	961,501	901,799	857,442
October ...	897,720	888,690	926,561	945,113	974,965	908,888	885,627
November ...	872,484	861,593	884,753	900,510	978,716	898,468	...
December ...	859,761	851,134	908,492	923,353	980,618	894,156	...
Total ...	10,358,596	10,414,066	10,719,760	10,874,145	11,553,564	11,017,485	8,741,509

The following table shows the number of natives employed at the mines during the past nine months:—

	Feb., 1934	Mar., 1934	April, 1934	May, 1934	June, 1934	July, 1934	Aug., 1934	Sept., 1933	Oct., 1934
Gold mines	242,594	242,577	243,059	243,579	244,857	245,918	248,436	248,024	249,169
Coal mines	12,120	12,434	12,452	12,461	12,800	12,845	12,745	12,879	12,789
Total...	254,714	255,011	255,511	256,060	257,657	258,763	261,181	260,903	261,958

The number of natives employed at the gold mines showed a further increase on the month.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE RECOVERY IN FOREIGN TRADE

A CERTAIN conservative temper seems apparent in the country. It expresses itself in diverse ways; in the South there is strong opposition to the A.A.A. cotton programme because it is at last realised that it involves the permanent loss of our export market for cotton. In industry it expresses itself in the general relief over the "truce"; which is perhaps rather more of an armistice. No terms of truce have been formulated, yet strikes are on the wane. One should not interpret this change as an expression of popular aversion to the New Deal; rather it appears to be a sort of ascendancy of the right wing of the New Deal.

The publication of the foreign trade figures for September again emphasised the remarkable gain in that branch of economic activity. Indeed, our export trade shows a greater recovery from the low points of the depression than any other part of our economy. In part these figures reflect higher dollar prices resulting from devaluation and price advances; but a good part of it clearly represents increased volume. For September our "purely domestic" exports amounted to \$189 millions, the highest since September, 1930, compared with \$170 millions in September, 1933, and \$130 millions in September, 1932. Imports were \$132 millions in September, 1934, compared with \$147 millions in 1933 and \$98 millions in 1932. For the nine months of the calendar year exports have totalled \$1,561 millions and imports \$1,242 millions, giving an active trade balance of \$320 millions, compared with \$67 millions last year, \$172 millions in 1932 and \$223 millions in 1931. The nine-month average for the five years 1926-30 was just under \$400 millions, and at that time we were lending abroad in enormous volume, whereas foreign loans have since disappeared.

The following table shows exports and imports up to August for the years 1933 and 1934:—

EXPORTS FOR EIGHT MONTHS (\$000,000)			
	1933	1934	
Europe	462	610	
North America	211	322	
South America	66	104	
Asia	161	248	
Oceania	21	37	
Africa	24	49	

While all elements of our export trade have shared in this increase, the big gains have come in the exports of "metals and manufactures" and "machinery and vehicles." These are the groups that have definitely benefited by devaluation, for the domestic price has risen little, while the foreign price has fallen. Of these, motor cars are the outstanding example. In other words, our increase in exports is largely the result of devaluation, not in the sense that thereby we have gained new markets, but that we have re-entered markets which had been closed by the currency differentials created by the earlier devaluation of other units. On the other hand, the increase in imports is relatively small, and is largely traceable to higher dollar prices.

Needless to say, although the increase of exports is gratifying, the widening disparity between exports and imports is by no means welcome to those who consider the problems of America as a creditor nation. While the announced Treasury scheme of converting the trade balance into silver is interesting, it is obvious that it has rather narrow limitations. One hesitates to pursue to extremes deductions from a trade movement which is of recent development, but the elements are clear. The United States is a creditor nation; it has an active trade balance, and by devaluation it has increased its exports without correspondingly increasing its imports. From January to August this balance was equilibrated by imports of gold, and in recent months of silver; yet at the present time the dollar is still strong. The movement of capital, of course, constituted a fluctuating variable. On the basis of the year's data, one can elaborate a rather strong argument that the revaluation of gold at \$35 undervalued the dollar internationally, and that, although our prices have risen this year, it may be still undervalued.

BANKING MOVEMENTS SINCE JUNE

The movement of banking items continues to be interesting. The following table gives items from the statements of the reporting member banks. The first date (May 10, 1933) was the first date of publication after the bank

suspension; the second date, the end of June a year later, and the last, the most recent statement:—

ITEMS OF THE REPORTING MEMBER BANKS (\$000,000)

	May 10, 1933	June 27, 1934	Oct. 24, 1934
Net demand deposits	10,509	12,504	13,402
Borrowings from F.R. banks	80	5	1
Reserves with F.R. banks	1,536	2,901	2,996
U.S. securities	4,908	6,665	6,654
U.S. guaranteed obligations	...	...	463
Other securities	3,006	3,058	2,899
Other loans	4,689	4,485	4,759
Collateral loans	3,715	3,529	3,075

It will be noted that up to June, 1934, the banks (a) reduced their borrowings at the reserve banks, (b) increased their cash reserves at the reserve banks, and (c) bought Government securities, presumably mostly short-term issues; during this period loans of both kinds were falling. Since June, 1934, they have taken almost \$500 millions of the recently created guaranteed issues, which were scarcely a factor in June, and they have increased their "other loans"; the magnitude of the decline in collateral loans is surprising, but it may be associated either with liquidation or possibly with the rise in the holdings of guaranteed securities. At all events, it is noteworthy that June marks a milestone in our banking developments. Up to June the increase in deposits had been almost evenly divided between excess reserves and United States securities. Since June an increase of \$900 millions of deposits has gone mostly into the long-term guaranteed issues and into "other loans," holdings of United States securities being unchanged and excess reserves rising only moderately.

NEW YORK, November 5.

FRANCE

THE FLANDIN GOVERNMENT'S POLICY

THE formation of the Flandin Cabinet has been greeted with a strong rise in rentes. The 3 per cent. perpetual rose from 70.60 to 72.50; the 4½ per cent. 1932 (last conversion loan) from 85.75 to 87.70. This recovery shows the confidence which the rentier class places in the new Cabinet. It is also a consequence of the rapidity with which the recent crisis has been solved. But it was chiefly due to the fact that the retirement of M. Doumergue had not put an end to the "truce." On the Right the Flandin Cabinet extends as far as its predecessor, that is as far as the "Union Républicaine Démocratique," but it includes on the Left the large group of Radical-Socialists. Its character as a "truce Government," with a majority in the Chamber, is emphasised by the presence of the two State Ministers M. Herriot, leader of the Radical-Socialists, and M. Marin, leader of the Union Républicaine Démocratique.

M. Doumergue's failure and resignation were really due to the bad choice he made of the ground he was to fight on. He had become accustomed to place settled decisions before his Ministers, and this caused discontent. M. Doumergue actually prepared on his own initiative his project for provisional credits at the very moment when M. Germain-Martin, his Minister for Finances, was urging the Committee of the Chamber to conclude the examination of the financial law in order to avoid any recourse to provisional credits. This question of the provisional credits, which divided M. Doumergue from the majority of his colleagues, was not a good issue on which to fight. For this reason M. Doumergue's resignation did not provoke the disturbances which might otherwise have occurred. Moreover, although the Doumergue Cabinet succeeded in restoring to the country the sentiment of calm and confidence which the riots of February had profoundly disturbed, the Government's action against the economic crisis was not so successful. The farmers are suffering from depression on the wheat and wine markets. Unemployment is increasing. Industrial activity is still declining.

M. Flandin consequently intends to make his principal efforts on the economic field. He favours a solution which will avoid the methods of a "managed economy," and he intends to return progressively to economic liberalism.

On the eve of accepting the Premiership, M. Flandin declared in a speech at Arras:—

I have the right to remember that I was the first to stigmatise the abandonment of liberty as a principal cause of economic disorder. "Managed economy" has won the support of those who look to a neo-capitalism in which the interest of the community is supposed to replace individual profit. But now that Liberty, as an injured Caryatid, has ceased to support the world's economy, now that the temples of managed economy are falling to pieces, I observe a general return to an economic order founded on liberty. . . . Nothing is more urgent than to fight against taxation, fixed prices, price rules and monopolies.

The new Government has declared that its foreign policy will follow the lines of its predecessor. M. Flandin's Foreign Minister is M. Pierre Laval, who occupied the same post in the preceding Cabinet.

DECLINE IN BUDGET REVENUE

The total of Budgetary revenue for July, August and September, 1934, was 8,905,980,100 francs. Ordinary and permanent revenue reached 8,692,559,000 francs:—

	Francs
Direct contributions.....	1,809,569,000
Taxes and monopolies.....	6,826,361,000
Estates	56,629,000

These figures show a diminution of 1,056,882,700 francs compared with those of last year. For the first nine months of 1934 the revenue deficit in comparison with the estimates was as follows:—

Revenue	Estimates	Receipts	Deficit
(000,000 francs)			
Registration	2,938	2,435	— 503
Stamps	1,715	1,600	— 115
Tax on Stock Exchange transactions.....	99	91	— 8
Securities income tax.....	2,213	2,188	— 25
Customs	4,274	3,640	— 634
Taxes and duties	4,535	3,955	— 580
Turnover tax	5,313	4,847	— 466
Custom and indirect taxes	1,842	1,512	— 330
	22,929	20,268	— 2,661

The revenue for 1934 shows a diminution of 949 millions in comparison with 1933.

INDUSTRIAL PRODUCTION STILL FALLING

The Statistique Générale has just published its monthly figures showing industrial production in September:—

	1913 = 100	Sept., 1933	July, 1934	Aug., 1934	Sept., 1934
General index	110	98	97	95	95
Engineering	113	99	100	99	99
Iron and steel.....	85	80	81	79	79
Textiles	78	58	55	54	54
Mines	99	102	101	103	103
Building (adjusted figures).....	90	81	81	80	80
Leather (" ").....	103	98	96	90	90
Paper (" ").....	129	157	149	141	141
Rubber (" ").....	964	856	856	856	856
Motors (" ").....	430	463	468	466	466

In the motor industry 8,541 automobiles have been put on the road, compared with 7,217 in September, 1933. The figures for the cotton industry are as follows:—

	1934			
	June	July	August	Sept.
Spinning (average per spindle in kilograms):				
Production.....	1.453	1.370	1.343	1.277
Deliveries	1.411	1.364	1.282	1.352
Stocks.....	2.423	2.482	2.541	2.503
Unfulfilled orders	4.568	4.459	4.408	4.076
Weaving (average per loom in pieces of 100 metres):				
Production.....	4.95	4.49	4.20	3.66
Deliveries	4.85	4.30	4.19	3.17
Stocks.....	9.09	9.87	9.82	10.64
Unfulfilled orders	12.63	11.74	10.21	9.74

The figures of bankruptcies in October was 896, compared with 596 in September and 751 in August; bankruptcies and judicial liquidations were 1,331, compared with 893 in September and 1,093 in August. Pig-iron output in September was 499,000 tons, compared with 532,000 tons in August and 538,000 tons in September, 1933. Ingot steel output was 494,000 tons, compared with 533,000 tons in August and 550,000 tons in September, 1933.

PARIS, November 15.

GERMANY

THE COST OF AUTARKY

THE Reich Commissar for Price Supervision, Dr. Goerdeler, has opened his campaign with a long Press statement which endorses the Government view that the rapid advance in the cost of living is due to individual abuses. There is no good ground, Dr. Goerdeler holds, for this advance, since wages, interest, taxation and the working costs of producers have not risen. This, of course, leaves out of account changes in the prices of home and imported raw materials resulting from recent changes in foreign trade policy. Dr. Goerdeler admitted that foodstuffs have risen in price "for reasons which the Reich Government, entirely openly and with a deliberate aim, from the beginning made clear to the German nation. . . . This important aim (i.e. the protection of farmers as a nationally-necessary class) must not be abandoned." From the last utterance it appears that, although the new Commissar has competence (for supervision only) in the matter of those food prices which are determined by the "Reichsnährstand," he will not advocate any general reduction of the minimum prices guaranteed to agricultural producers. It is, therefore, unlikely that prices to consumers will be materially reduced, although Dr. Goerdeler has protested against certain kinds of minimum pricing. He admits, however, that the rising price-level of manufactured goods was in part due to the "autarky" policy. He appears to regard this policy as not permanent:—

Many occurrences in the domain of trade-policy justify the expectation that we shall soon be in possession of large quantities of important raw materials; when these raw materials come in at the lower world-market prices, and are converted into manufactured goods, we shall see that the prices of the finished articles are made to fall.

This statement is hardly consistent with the preparations now being made for large, permanent capital investments in plant for the production of substitutes. On the decisive question of real wages, Dr. Goerdeler merely remarks that nominal wages cannot be raised because the resources for the State public works programmes must be taken out of earnings, since reserves of capital are not available.

Dr. Goerdeler's first price ordinance deals exclusively with questions of price agreements, profit and distribution, and not with prices or costs of production. Associations, including associations of public law, the ordinance prescribes, may not fix prices, margins of profit, maximum rebates, or minimum price supplements without his permission. This is in substance a repetition of the Minister of Economy's ordinance of May 16th. Producers and wholesale dealers may not fix retail prices or change them to the disadvantage of consumers without permission. This regulation prevents the marketing of new proprietary articles without official authorisation.

FALL IN IMPORT SURPLUS

The official report on foreign trade for the third quarter of the year shows a radical displacement, mainly due to reduced imports of raw materials. Whereas the active balance with Europe declined by only about one-third, the much larger passive balance with overseas countries fell by half. As a result the fall in the total passive balance was from Rm. 161 millions in April-June to Rm. 52 millions in July-September. It must be noted, however, that imports of materials were heavy in the first half of this year, and that in the third quarter stocks were being eaten into. The decline in total imports was relatively small at 8 per cent., those from Europe having risen 11 per cent., those from overseas having declined by 30 per cent. The chief decline in imports was in wool and cotton. Total imports from Australia dropped 62 per cent., from Uruguay 66 per cent., from Argentina 27 per cent., from British South Africa 27 per cent. from the United States 28 per cent., and from British India 25 per cent. Imports from Great Britain dropped considerably to Rm. 39 millions. Exports to Great Britain were Rm. 95 millions. Owing to the reduced import of materials, the trade balance with the British Empire was active for the first time since 1931. The active balance with Europe was Rm. 120 millions, and to Europe, without

Russia, Rm. 164 millions. Exports to Russia were only Rm. 13 million, and imports from Russia were Rm. 57 millions.

The wholesale price-index number for November 7th was 101.4, against 101.3 for October 31st. Agricultural products show a new sharp rise; industrial products are unchanged. The number of unemployed declined in October by 13,800 to 2,268,000. In October, 1933, the unemployed dropped by 105,000. The Konjunkturinstitut's industrial production index for September shows a decline to 86.3, as against 87.4 in August, and a high point of 89.8 in July. The value of production fell to 4,310 millions, against 4,440 millions in July. Reports from individual industries are fairly favourable, improvement having taken place in machinery, ironware and cutlery, also in the investment goods and building material branches, in particular cement. Among consumption branches, toys are active, and the output exceeds that of a year ago. Total turnover in department stores continues to increase, however, at a slower pace than that of the specialised retail shops. The quarterly report for July-September of I.G. Farbenindustrie reports domestic improvement, and stable exports of dyes and chemicals.

Owing to temporary superfluity of cash in the hands of public bodies, the money market has been extraordinarily fluid. On Monday the market discount rate was reduced by $\frac{1}{8}$ per cent. to $3\frac{1}{8}$ per cent., after remaining unchanged since June 2nd. Despite the market's fluidity, the Reichsbank's holding of public works bills has increased. The growth of foreign special deposits in the Reichsbank, however has ended. The first month (September) of clearing with Sweden shows the already familiar movement toward a passive German trade balance. Sweden's exports to Germany rose 43 per cent.; imports from Germany fell 7 per cent. On this basis the assumption of the Clearing Agreement of an active German balance of Rm. 90 millions a year will hardly be realised.

BERLIN, November 14.

ITALY

A DRIVE AGAINST UNEMPLOYMENT

SIGNOR PIRELLI and Signor Cianetti, commissioners of the Confederations of Industrial Employers and Employees, respectively, have signed an agreement intended to reduce unemployment. The unemployment figures show that there has been a slight decrease since 1933:—

	1933	1934
August.....	888,560	866,570
September.....	907,463	887,345

This improvement, however, is thought too slow; and it is hoped to accelerate it by increasing the number of men absorbed by public works above the present high-water mark average figure of 321,501 for September. The present big drive against unemployment includes the following features: (1) weekly hours of labour to be reduced to 40 in all cases where the reduction is technically possible; (2) a fund to subsidise men with big families, who are working only part-time, the fund to be maintained by a levy of 1 per cent. on the wages of fully-employed men. The levy is 5 per cent. on wages received for hours worked above 40. A corresponding payment of 1 and 5 per cent. is made by employers; (3) wage-rates are reduced in proportion to the reduction of hours worked; (4) overtime to be abolished; (5) women of all ages and men under 21 years must be, if possible, gradually discharged in all lines where adult men are more efficient; (6) the above rules about overtime and the employment of women and young men apply also to clerks and other non-manual workers.

The real meaning of the unemployment statistics is uncertain, as the figures include both assisted and non-assisted unemployed. In August, 1933 (the last month for which we possess the figures of assisted men), against a total, as above, of 888,560 unemployed, the assisted unemployed amount only to 143,334. The difference is partly due to the fact that the real unemployed, after 90 or 120 days of

assistance, are no more qualified for assistance; but it is partly due to the usual mass, existing in all countries, of men not qualified for regular employment.

The latest indices of industrial production point to an improvement:—

	Increase or Decrease per cent. in 1934 over the corresponding figure for 1933	
	August	January to August
Textiles	-10.3	-9.2
Iron and steel.....	+4.4	+4.8
Engineering	+6.2	+4.8
Paper	+17.9	+8.2
Building.....	+43.0	+40.7
Electricity, gas, etc.	+1.0	+6.0
General index	+5.2	+5.0

In the depressed textile group rayon is a cheerful exception, with an increase of 42.4 per cent. for August and 27.2 per cent. for the first eight months of the year. The big increase in the building industry is transient, as on December 31, 1935, the 25-years' tax exemption for new building expires, and everybody is trying feverishly to complete building operations before that date.

INCREASING IMPORT SURPLUS

Public opinion is much concerned about the state of foreign trade. The statistics for the period January-September, 1934, are as follows:—

	1933	1934
	(000,000 lire)	
Imports	5,551.2	5,649.1
Exports	4,484.3	3,818.2
Import surplus	1,066.9	1,830.8

The Protectionists are alarmed at the big excess of imports, and impute to it the decrease of the gold reserve of the Bank of Italy from 7,396.7 million lire on December 31, 1933, to 6,098.8 millions on October 31, 1934. Their alarm is unfounded, as the only serious cause of concern should be the difficulty of importing much-needed raw materials and half-finished products. That some imports have risen as follows in the first eight months of the year should be a matter of gratification:—

	1933	1934
Coal, tons	6,020,870	7,583,438
Petrol, tons.....	79,891	83,580
Rubber, raw, tons	13,706	15,139
Cellulose, tons	145,165	166,784
Broken iron and steel, tons ..	390,545	477,458
Iron and steel, bars and ingots, tons.....	70,776	91,040

The reduction in other raw material imports, however, is disquieting:—

	1933	1934
Raw cotton, tons	145,730	133,166
Raw wool, tons.	68,619	55,556

Industrialists are complaining at the present restrictions on imports of wool, especially Australian, and the difficulties in obtaining foreign *devisen* payments. Clearings mean heavy delay in getting payments for goods sold. As the number of foreign tourists entering Italy from April to August, 1934, has been 1,619,937, against 1,370,083 in the corresponding period of the past year, the good results obtained by offering facilities to foreign travellers should be evidence of the much more favourable results which would follow the gradual opening of the frontier to foreign goods.

A very interesting study by Professor Repaci in the last September-October issue of *La Riforma Sociale* on the incidence of tariffs in Italy concludes that in the case of treaty-goods, i.e. goods taxed in virtue of commercial treaties with foreign countries, the present incidence is only 71.8 per cent. of the General 1921 Tariff. But, as the General 1921 Tariff was greatly increased as against pre-war general and conventional tariffs, to compare 1933 with 1914, the increase in the general tariff (in old gold lire) is from 100 to 219.12, and in the effective average tariff, conventional and general, from 100 to 222.43. There is, therefore, ample scope for the removal of obstructions to foreign trade.

TURIN, November 13.

CZECHOSLOVAKIA

THE EFFECTS OF DEVALUATION

PARLIAMENT reassembled on October 25th, and one of its principal tasks will be the passing of the 1935 Budget. In presenting the Budget Bill to Parliament the Minister of Finance made a speech attributing the improvement in the economic situation mainly to the devaluation which was carried through in February and stopped the process of deflation. Economy, he said, however, was still necessary.

The Budget is as follows:—

	(000,000 Cz.K.)		
	1933	1934	1935
Expenditure	8,632	7,631	7,983
Revenue	8,634	7,632	7,985

The Budget of the State undertakings shows expenditure at 7,175 million Cz.K. and revenue at 8,003 million Cz.K.; profit being 828 million Cz.K. The biggest revenue and profit is derived from the tobacco monopoly. The biggest deficit comes from the State railways.

The National Debt figures are as follows:—

	(000,000 Cz.K.)		
	1934	1935	
Internal debt.....	28,684	29,033	
External debt.....	7,453	8,235	
State note debt	2,600	2,100	
Service and amortisation	1,697	1,975	

Regular drawings and amortisation of the internal debt, which had been postponed to the end of 1934, are to be deferred further to the end of 1935, and are to be replaced in part by purchases of stock on the free market up to 150 million Cz.K.

The Government intend to reorganise the money market and to cheapen credit. The first step in this direction was devaluation and the second the operations of the Rediscount and Lombard Institute and the facilitating of loans on Government securities. To improve the liquidity of financial institutions a further reduction of overhead charges will be sought. The next problem is the direct encouragement of production and the reduction of unemployment. This is to be sought by a public investment policy. The Ministry of Finance is to be empowered to guarantee hypothecated loans for industry up to 50 million Cz.K., and communal loans for public works also up to 50 million Cz.K. Foreign trade is to be assisted by the removal of obstacles to exporters, the revision of import controls and of the permits system, and by the building up of the new Export Institute for information and research.

SLIGHT RISE IN UNEMPLOYMENT

In industry there has been no great change lately. Unemployment rose in August to 572,428 and in September to 573,624. Production of iron in September was 54,749 tons, a decline compared with August, and of raw steel 81,115 tons, also a decline compared with August, but a substantial rise compared with last year, when production of pig iron in September was 43,952 tons and of steel 61,333 tons. The situation in the exporting industries has slightly improved. The wholesale price index in gold for September stood at 84, against 83.9 in August; the index of manufactured goods was lower than the index of agricultural products.

The money market was calm throughout the summer months; after the harvest deposits rose slightly. During the autumn the demand for ready money became much more pronounced and was accompanied by an increase in bank notes. The Stock Exchange—after temporary slackening—also exhibits a firmer tone.

Imports in the period January-September, 1932, amounted to 4,614 million Cz.K., against 4,406 million Cz.K. for the same period in 1933. Exports were 5,118 million Cz.K., against 4,194 million Cz.K. in 1933. The active balance of trade for the first nine months of 1934 was 505 million Cz.K., compared with an active balance of 212 million Cz.K. in 1933.

Commercial negotiations with France have resulted in a mutual adjustment of quotas. Negotiations with Germany and Hungary are now going on.

The harvest is finished. Owing to the drought the yield was substantially less than last year. The final figures are as follows:—

	(000 Cwt.)	1933	1934
Wheat		19,846	13,611
Rye		20,855	15,232
Barley		13,505	10,343
Oats		15,771	11,790

About 13,000 trucks of wheat will have to be imported for home consumption. But there will be a substantial export surplus of rye, barley and oats. A marked lack of fodder induced the farmers to sell large numbers of cattle, but conditions improved after the autumn rains.

PRAGUE, November 13.

BULGARIA

REORGANISATION OF THE BANKING SYSTEM

A new banking institution, "Banque Crédit Bulgare," has been recently formed by the fusion of twelve Bulgarian commercial banks, and the State has participated with a capital of 50 million leva. At present the capital of the bank amounts to 147 million leva, with deposits of nearly 500 million leva. The gradual amalgamation in the new bank of another thirty-five provincial banks is expected. When this has been achieved the bank will include the greater number of Bulgarian banks, and there will only remain in the country four foreign banks, four Bulgarian, and some small provincial banks. The new institution, "Banque Crédit Bulgare," is expected to be pre-eminent in its resources and scope.

A new law has also been passed which amalgamates the two State banks, the Agricultural Bank of Bulgaria and the Central Co-operative Bank of Bulgaria, as from October 18th. The new bank will operate under the name of the Agricultural and Co-operative Bank of Bulgaria, and will have at its disposal a capital of 900 million leva and deposits amounting to nearly 6,000 million leva. The main object of this reform is to co-ordinate the financing of agriculture and of the co-operative societies. The new bank will have authority to construct elevators and to control the actions of the credit co-operative societies which it finances, discharging, if necessary, their boards of directors and providing for the regulation of their finances. The fusion of 250 popular banks is also pending.

Meanwhile the Government has instituted the State monopolies recently announced. The monopoly of the production, sale, import and export of alcohol has already been organised, and the organisation of the monopoly of the manufacture and sale of cigarettes has been recently instituted.

The foreign trade results for the first nine months of 1934 are less favourable than those for the corresponding period of 1933:—

	Nine Months of 1933	Nine Months of 1934
	(Millions of leva)	(Millions of leva)
Imports	1,677	1,632
Exports	1,964	1,637
Export surplus	287	5

The decline in exports by 16 per cent. in a period when imports have not changed has reacted unfavourably on the balance of payments. This has resulted in an increase in the outstanding commercial debt of the country from 600 million leva at the beginning of the year to 800 millions at the end of October. Besides, since nearly 75 per cent. of Bulgaria's foreign trade is settled by means of clearing arrangements and private compensations, the available foreign exchange reserve of the country has shrunk considerably and renders foreign debt transfers

difficult. In order to meet the engagements of the State on this debt, the National Bank of Bulgaria has already had to borrow abroad over 150 million leva in foreign exchange. The slight improvement in the export trade which is expected during the last quarter of the year will hardly change the situation, since the export of cereals, which is the chief source of free foreign exchange, is unsatisfactory.

SOFIA, November 12.

ARGENTINA

THE BUDGET AND THE PESO

The Budget estimates are being studied and should be ready for publication shortly. Although efforts are being made to reduce expenditure to a minimum, it is possible that an increase will take place during the coming year. Argentina is a growing country, and Government expenditure cannot, therefore, be expected to remain stationary. There is great room for improvement in roads and various social services; and it is to this end that any increase in expenditure should be devoted.

It has been rumoured from time to time that the Government were contemplating stabilising the peso at 20 to the £. It would surely be unwise, however, for Argentina to link its currency definitely with sterling until the economic and political situation in Europe becomes more clearly defined. An important signpost of general recovery in the past few months has been the steady falling off in bankruptcies which, for the first ten months of 1934, showed liabilities of \$129,860,092, as against \$211,353,686 for 1933.

THE RECOVERY IN FOREIGN TRADE

The following figures show Argentine imports in the first nine months of 1934, compared with those for a similar period of 1933:—

	1933	1934	Increase or Decrease %
Total	5,090,572	5,219,791	+ 2.5

A large increase was shown in the figures for iron by-products and fuel and lubricants, whereas foodstuffs, and stones, glass and earthenware show a considerable decline. The following was the distribution of imports and exports by countries:—

	1933	1934	Percentages of Total	1933	1934
United Kingdom	152,353,427	166,832,959	21.5	23.0	
United States ...	85,806,664	110,980,530	12.1	15.3	
Germany	74,870,568	74,070,643	10.6	10.2	
Italy	67,367,080	51,622,943	9.5	7.1	
France	37,673,811	38,203,698	5.3	5.3	

MARKET VALUE OF ARGENTINE EXPORTS, ACCORDING TO DESTINATION, IN FIRST NINE MONTHS OF 1933 AND 1934

	1933	1934	1933	1934
	\$	\$		
United Kingdom	311,750,917	352,989,502	36.2	32.1
Belgium	88,890,449	90,873,470	10.4	8.3
Holland	84,769,170	87,009,684	9.8	7.9
Germany	61,912,968	78,551,332	7.2	7.1
France	53,748,411	59,179,186	6.2	5.4
United States ...	69,191,020	55,334,754	8.0	5.0

Imports continue to increase, and the United Kingdom appears to be getting its share of this improvement; the United States, however, are still more favourably placed. Actually, even without taking into account the interest on her foreign debt, Argentina's trade with the United States shows a large passive balance. This should not be overlooked by British exporters to Argentina, as it is clear that, from the point of view of exchange facilities, they must be more favourably placed than America. Owing to lack of exchange permits many American products have to be paid for at the free market rate, whereas exchange for similar products bought from Great Britain can often be obtained at the official rate, which is nearly 10 per cent. less.

As the following figures show, both revenue and expenditure are down as compared with 1933:—

	REVENUE AND EXPENDITURE FIGURES FOR THE FIRST TEN MONTHS OF 1933 AND 1934	
	1933	1934
Revenue in cash	668,751,096	653,582,017
Revenue from credit operations	127,926,570	133,582,713
Total	796,677,666	787,164,730
Expenditure	805,972,399	787,370,783
		— 18,601,616

Revenue in cash has fallen off considerably, mainly owing to the reduction under the heading of custom house receipts and participation in profits. The latter item, which represents Government participation in the profits of autonomous bodies such as the National Bank, shows a falling off of \$11 millions. Revenue from income tax, land tax and licences, however, all show a substantial rise. Revenue from credit operations shows a small increase due to the employment of funds resulting from the Roca and other exchange loans; short-term loans, however, show a reduction. The decline in expenditure is chiefly due to the reduction, as a result of the conversion operations, in the amount required for public debt services.

BUENOS AIRES, November 2.

CHINA

CANTON JEALOUSY OF NANKING

The Fifth Plenary Congress of the Kuomintang is to be held in Nanking during November. Whether the Canton party will be represented appears doubtful, for jealousy of the growing strength of the Central Government and fears that they may find themselves in a hopeless minority are moving the Canton politicians to discuss the possibilities of a rival conference in the South. During the past few weeks telegrams have been despatched to Nanking making various demands in the name of the South West Political Council, and considerable annoyance has been caused in Canton because the Northern papers have not been allowed to publish the messages. Canton is filled with righteous indignation and has appealed for sympathy to every War Lord who is at variance with Chiang Kai Shek. In most cases the appeal has been responded to by whole-hearted denunciation of the Central Government, and this has helped to work up a thoroughly anti-Nanking atmosphere.

There is a strong suspicion that the Canton authorities are privy to the diversion of Customs duties from the proper channels. Although Canton is allowed to retain a large portion of the revenue of the port, the duties collected have to be accounted for to Nanking, and the big decrease in receipts, which has become very serious, cannot be entirely due to trade depression. The Central Government has suggested that Customs duties on goods shipped from Hong Kong to the neighbouring provinces of China should be collected here, and it is understood that the Hong Kong Government would raise no objection. The Canton authorities, however, are indignant at the idea of Chinese dues being paid in foreign territory, quite ignoring the fact that for many years past the Chinese Maritime Customs have functioned at the Kowloon terminus of the railway to Canton. Unfortunately there are well-established vested interests in Canton who are in a position to import on a large scale without Customs examination, and their influence in political circles is probably strong enough to defeat the efforts of Nanking to tighten up Customs regulations.

THE HONG KONG BUDGET

The Hong Kong Government has presented its annual Budget, which, considering the depressing state of the Colony's trade, shows a comparatively healthy financial position. Expenditure for 1935 is estimated at \$26,400,000, which is expected to leave a deficit of \$1,390,000, but as

the rate of exchange for sterling commitments has been taken at the conservative figure of 1s. 4d., there is every prospect of ending the year with a surplus. In any case there is a balance of over \$10 millions in hand. No addition has been made to the existing taxes.

The Economic Commission of Inquiry, appointed two months ago by the Hong Kong Government, has held some 14 or 15 sittings and should shortly be considering its report. It has collected evidence over a wide field, and it is understood that a good deal of attention has been given to the question of Hong Kong's local industries. These are now of some importance, and as their products enjoy Imperial preference on entering the Crown Colonies the institution of the quota system has naturally encouraged the products of Hong Kong factories at the expense of similar Japanese goods. Now, however, the Hong Kong rubber shoe factories are threatened with a quota by Great Britain. The Imperial Government has asked for the views of the local administration on a tentative quota allotting imports of rubber shoes from Hong Kong to the extent of one and a half million pairs per annum, in the event of imports from Singapore being limited to one million pairs. At the rate of recent development 1,500,000 pairs is far below the ideas of local manufacturers, who probably hope to approach 5,000,000 pairs for the current year. Representations have been made with a view to staving off the quota on the grounds that all the raw material is of Empire origin.

HONG KONG, October 15.

BOOKS RECEIVED

- Economic Handbook of the Pacific Area.* Edited by F. V. Field. (London) Allen and Unwin. 649 pages. 18s. net.
- Hints to Prospectors and Owners of Treatment Plants.* Sixth edition. (Perth, W.A.) Government Printer. 58 pages. 9d. post-free.
- Lloyd's Calendar, 1935.* (London) The Corporation of Lloyd's, E.C.3. 851 pages. 3s. 6d. net.
- Earning and Spending.* By R. L. Hall. (London) The Centenary Press. 124 pages. 2s. 6d.
- Parliamentary Reform.* By W. Ivor Jennings. (London) Gollancz, Ltd. 175 pages. 3s. 6d.
- The Science of Economy.* By Ludwig Kotany. (New York and London) G. P. Putnam's Sons. 712 pages. 15s. and \$3.50.
- Statistics in Theory and Practice.* By L. R. Connor. (London) Pitman. 371 pages. 12s. 6d. net.
- Two chapters of this standard work have been re-written in the second edition, now appearing.
- Government Control of Industry in America.* By M. F. Gallagher. (London) H. Milford. 241 pages. 8s. 6d. net.
- Theories of the Trade Cycle.* By A. L. Macfie. (London) Macmillan and Company. 198 pages. 7s. 6d. net.
- The Principles and Arithmetic of Foreign Exchange.* 6th Edition. By S. Evelyn Thomas. (London) Macdonald & Evans. 790 pages. 10s. 6d. net.
- Dalgety's Annual Wool Review for Australia and New Zealand, 1933-34.* (Sydney) Dalgety and Company, Ltd. 179 pages.

OFFICIAL PUBLICATIONS

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

Report of the Agricultural Research Council for the period July, 1931, to September 30, 1933. Cmd. 4718. 3s. net.

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MONEY AND BANKING

THE DEVITALISED GOLD STANDARD

(BY A CORRESPONDENT)

How far is the monetary standard which is being maintained by the gold *bloc* still the gold standard? The gold standard, in any effective sense, must comply with certain "rules of the game." For instance, gold must be bought and sold at fixed prices in more than one country; if one country's price level rises above the level of the others, gold must be allowed to flow out, as the cheapest article of export; deflationary influences must then be set in motion in that country, and inflationary tendencies in the other gold standard countries; and gold must function by such movements to level out the relative purchasing power of the various currencies on that standard.

In the world to-day we have, in effect, some sort of gold standard, plus a comparatively stable sterling standard, and, as a doubtful free-lance, a dollar standard; and both the present and future relations of the "off-gold" currencies to gold itself are, to say the least, vague. Prices in dollars and sterling have not risen proportionately to the effective depreciation of those currencies in relation to gold. Their depreciation has therefore lowered the price levels in U.S.A. and Great Britain, measured in terms of gold. This must press down prices in gold *bloc* countries so long as they maintain their present exchange parities and sell gold at the present prices. Indeed, one might just as well say that gold and the gold *bloc* currencies have been raised in value against dollars and pounds, as say that dollars and pounds have been depreciated; for over 90 per cent. of the world's total turnover is now being reckoned in the depreciated currencies.

In these conditions, how have the gold *bloc* been working their gold standard? Their central banks till now have, formally at any rate, given gold or gold exchange to anyone who presented eligible banknotes; and their currencies have, therefore, never fallen substantially below the gold export point. But such free deliveries of gold have nearly always been for "panic" or "capital flight" purposes, and not for the purposes implied by the normal working of a gold standard. So far as gold losses to equalise purchasing powers are concerned, the only instances have been when gold has gone out to redress an unfavourable trade balance. But the unfavourable trade balances of the gold *bloc* countries bear little or no relation to the differences of purchasing power between their countries and, say, U.S.A. or Britain; for the imports into the gold *bloc* which would, under a normal gold standard, have flooded in as a result of the differences in purchasing power, were dammed from the first by a refined and complicated system of quotas, tariffs, etc. An unfavourable trade balance of the proportions which would normally have been anticipated was thus prevented. Measures of commercial policy have rendered the monetary measures, which should have followed upon the relative over-valuation of the "on-gold" currencies, unnecessary; but in the event they have made of this gold standard a mere formality, devoid of efficacy. The differences of purchasing power, which the normal gold standard would have evened out, still remain. The internal price level of the gold *bloc* countries is kept up. The gold standard, which was originally a means to the end of parity, becomes a formal end in itself; parity is even hindered; and the gold standard is turned into a formal "national" standard, like the pound sterling. In fact, the gold in the gold *bloc* can only exert its full international purchasing power in the pocket of an emigrant to a dollar or sterling country—but never if it remains in the pocket of a gold *bloc* citizen. The gold standard of the gold *bloc* is thus subjected to controls which, though different in form, are the same in effect as the "controls" of countries with compulsory exchange regulations.

But is stabilisation of the foreign exchanges really worth all these painful efforts? It is arguable that to bring the

exchange values of the various currencies into equilibrium with their respective purchasing powers should be our goal, rather than outright stabilisation. Exchange instability is the effect and not the cause of many disturbances which have destroyed international confidence; and these causal disturbances must first be removed. If all currencies stood approximately at their purchasing power parities, exchange fluctuations would give no more warrant than the gold standard for trade barriers.

Exchanges can be brought into equilibrium with the purchasing powers of national currencies in various ways. First, one can allow the automatic gold standard to work automatically. But the magnitude of the unemployment problem bequeathed to the gold *bloc* by such a method puts it out of court at once. Moreover, the outflow of gold from these countries would be enormous. Public opinion cannot easily be convinced that large gold reserves are built up merely to be reduced when an economic crisis supervenes. Secondly, the internal price levels of the gold *bloc* countries can be reduced by national action, to accord with the outside world's price and cost levels. This proposal is like that for disarmament; everyone wants it, but for the other fellow! If any central banker in the gold *bloc* were to initiate a really deflationary policy, he would be stoned. Again, any adequate cut in money wages is a political impossibility; and, moreover, it is questionable whether cuts in *present* wages would suffice, for final products contain costs of machinery, etc., in which former wages are already crystallised, and only a parallel cut in all forms of indebtedness will solve this difficulty. How can one advocate adequate deflationary measures for the gold *bloc* to-day, when the existing, inadequate deflation has proved well-nigh unbearable, when it has provoked political crises and bloodshed, and when "Public Works Programmes" are being demanded on all sides? These very programmes, if they do not merely supplant private enterprise, must expand purchasing power if they are to be successful—and that is the opposite to deflation. Thirdly, the gold *bloc* can devalue, i.e. can bring their currencies back to purchasing power parity by lowering the gold content of their currencies, which would automatically lower their currencies in terms of sterling and dollars. It seems, however, that statesmen of the gold *bloc* are irrevocably set against such a method. The creditor class in the gold countries must feel the pinch much more seriously before it will agree to such a step. Yet while creditors make currency laws, debtors can make revolutions; and it remains to be seen how far each class in the gold *bloc* countries will drive the other.

Thus we can set out the following rough conclusions for what they are worth. The gold *bloc* countries will not devalue yet; they still prefer stabilisation on gold to stabilisation on a see-saw between sterling and dollars. Secondly, real and adequate deflation in the gold *bloc* will not take place. Rather will certain inflationary tendencies emerge as the over-valuation of their currencies weighs more heavily upon them. Their large gold stocks will then aggravate these inflationary tendencies and not, as hitherto, merely render the money markets more liquid for Government borrowing without stimulating issues for new private enterprise. Moreover, if world trade shrinks any more the gold *bloc* countries will tend to pay it no further attention. Then the demand for purely domestic expansion will be irresistible—that is, as long as the public is convinced that the advantages of a currency stable on gold outweigh the disadvantages of a currency over-valued in terms of goods.

If all this is a correct diagnosis, it means that in future we are likely to have two gold standard areas in the world: the gold *bloc* and the sterling-dollar area. The dollar is on gold now, and, even if it is further devalued, it will

probably be anchored again. Sterling has a rather elastic link with gold, for the Bank of England still buys and sells gold, though the prices vary within wider limits than when the pound was legally on gold. The purchasing power of sterling and dollars on the one hand, and of the gold *bloc* currencies on the other, cannot be equalised for all the foregoing reasons. It has been only too easy to constrict imports into the gold countries, but impossible to expand their exports; and even attempts to equalise exports with imports by compensation and reciprocity agreements have only limited or reduced unfavourable trade balances by drastically reducing the total turnover of foreign trade. In time, "dumping" becomes the only solution; and it is uncertain at whose cost any "dumped" foreign trade would be carried on. If it is to be at the cost of the broad mass of home consumers, that involves some rise of the internal price level, which will only prevent their prices coming down to competitive levels. If exports are to be subsidised from a levy on the foreign exchange requirements of importers, this means, in effect, that foreign currencies will become dearer—in short, it would be a kind of devaluation of gold *bloc* currencies, and it would inevitably lead to a thoroughgoing devaluation.

All we can say at present is that there are now in the world two largely autarkic economic groups, with different currency standards. How far "recovery" can go anywhere is an open question to-day, but it will certainly take different roads in these two economic areas. Moreover, in the gold *bloc* recovery can only proceed with great divergences in each component country. Till the tide of recovery reaches the gold *bloc* countries they will continue in a depression not unlike that in which Great Britain struggled in the post-war era, as a result of stabilising her currency at too high a level. Britain, however, was then a free-trading community, and could maintain a fairly high level of production and standard of living. To-day the world is parcelled up into on-gold and off-gold countries, and these two broad groups are subdivided into small units trying hard to maintain independent national economies and price levels. Many will ask if any international economic system can be reconstructed on such anarchic foundations. All one can say is, that if some such attempt is not made, and made soon, "economic possibilities for our grandchildren" would not seem to be unlimited.

FINANCIAL NOTES

The Money Market.—Credit remains very cheap. The clearing banks are charging $\frac{1}{2}$ or 1 per cent. for loans to the money market according to the nature of the collateral and 1 per cent. to the Stock Exchange for loans against bonds. Their own deposit rates are unaltered. London deposit rate is $\frac{1}{2}$ per cent. and country deposit rates $\frac{1}{2}$ per cent. for old money and 1 per cent. for new money. Up to 1 per cent. is paid on foreign money fixed for three months, but the banks are not competing for foreign fixtures. The stronger outside lenders are charging $\frac{1}{2}$ per cent. for money market loans, but are at times willing to lend over-night balances at $\frac{1}{4}$ per cent.

	Oct. 25, 1934	Nov. 1, 1934	Nov. 8, 1934	Nov. 15, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate :—				
Clearing banks	1	1	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates :—				
Treasury bills :—				
(a) Clearing banks.....	$\frac{1}{2}$ - $\frac{1}{4}$	—	—	—
(b) Others.....	$\frac{3}{4}$	$\frac{3}{4}$ - $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{3}{4}$	$\frac{1}{2}$	$\frac{1}{2}$ - $\frac{1}{4}$	$\frac{1}{2}$

The discount market is very idle. Rates for Treasury bills are nominally $\frac{1}{2}$ per cent. for this year's maturities and $\frac{1}{4}$ per cent. for January and February bills. Some banks,

however, are not buying, as it pays them better to lend against Treasury bills as collateral rather than buy them and hold them as discounts. The tender rate last week was down to 5s. 2.65d. per cent., against 6s. 7.66d. per cent. the week before, and this rate is low enough to check clearing bank applications. £32 millions of bills were allotted, but even this low figure was one million in excess of maturities, so that the total tender issue has risen from £421 to £422 millions. Three months' bank bills are a weak $\frac{3}{4}$ per cent. The usual rate for standstills is $\frac{3}{4}$ - $\frac{1}{2}$ per cent., but while some houses are holding out for as much as $1\frac{1}{4}$ per cent., others are prepared to take bills with a first-class London name at as little as $\frac{1}{2}$ per cent.

* * *

The Bank Return.—This week's return records a slight decline in the note circulation and an increase in the Reserve. No further movement need be expected until the Christmas expansion begins in about a fortnight's time.

BANK OF ENGLAND

	Nov. 15, 1933	Dec. 27, 1933	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold.....	190.5	190.7	192.0	192.0	192.0
Note circulation.....	369.1	392.0	378.4	379.8	378.9
Banking Department :—					
Reserve	82.7	59.7	74.3	72.9	73.8
Public deposits.....	18.7	22.2	16.9	10.0	20.9
Bankers' deposits	104.0	101.2	100.4	107.2	97.9
Government securities ...	17.2	88.0	80.9	79.8	79.1
Discounts and advances	8.6	16.8	8.9	9.6	9.6
Proportion	51.7%	37.3%	47.2%	46.9%	47.4%

In the banking department there has been a transfer of about £10 millions from bankers' to public deposits. To a small extent this is due to the increase in the tender Treasury bill issue, but the main cause is probably discrepancies between the dates of Treasury bill payments and maturities. The Proportion at 47.4 per cent. compares with 51.7 per cent. a year ago. The decline is due to the contraction in the Reserve, which in turn is a direct consequence of the rise in the note circulation.

* * *

The Foreign Exchanges.—Notwithstanding the nervousness regarding some of the gold *bloc* countries, the London exchange market has been very dull. Business in dollars was limited, with the spot rate at a fraction under \$5 and three months' dollars at $\frac{3}{4}$ cent discount. Francs have been steady at just under Frs. 76, but the New York-Paris cross-rate has been at the export gold point, and further shipments of gold from France have been arranged. Three months' francs have been weak in London at rates ranging up to 16 centimes discount, but strengthened to 12 $\frac{1}{2}$ centimes discount on Thursday afternoon. Forward belgas have been very weak and unsteady. Early in the week the three months' rate widened to about 75 cents discount, equivalent to 14 per cent. per annum, but French buying then brought the rate back to 40 cents discount. On Thursday the rate was nominally 65 cents discount. The Belgian position is discussed in two subsequent notes, but City opinion feels that the new Government will continue to make efforts to maintain the gold standard. Some authorities go so far as to say that the belga will only be devalued as a last resort, and that before that point is reached an attempt will be made to raise a loan abroad. Free reichsmarks are quoted at Rm. 12.42 and sondermarks at Rm. 12.67, or a discount of 2 per cent.

* * *

New York Money and Banking.—Money remains very easy. During the week ended November 7th brokers' loans made by New York member banks for their own account fell from \$614 to \$576 millions, while total loans, including those on account of others, fell from

\$1,435 to \$1,381 millions. The amount of money in circulation on October 31st last is estimated at \$5,454 millions, against \$5,456 millions a month before and \$5,635 millions a year before. Silver receipts by the Treasury under the nationalisation order up to November 9th are returned at 108.9 million ounces, to which must be added 17.0 millions of newly mined silver. The time limit for transferring domestic-owned silver to the Treasury ended on November 7th, so that the figure of 108.9 million ounces is a rough measure of domestic stocks. The Treasury has announced a general blanket licence to permit of the exportation of currency (except gold certificates) and capital without any need for official sanction. In practice, the transfer of funds abroad has been freely permitted for some time past, so that too much should not be read into this decision. The first foreign dollar bond issue under the new Securities Act is announced. It is sponsored by a banking group headed by Brown Brothers, Harriman and Co., and consists of \$10 million to \$15 million Finland Serial Notes for the purpose of providing for the retirement of 7 per cent. and 5½ per cent. Finland bonds. Gold is now arriving from France. Early this week it was stated that shipments amounting to \$50 millions had either been made or were arranged, including small amounts from Belgium and Holland. The Dutch shipment is apparently experimental, and much will depend on whether the American Treasury exerts its right to deduct ½ per cent. from the official price. If so, the export gold point would be raised from Fl. 1.48 to Fl. 1.48½ to the dollar, against a current exchange of about Fl. 1.48 to the dollar.

The New Federal Reserve Governor.—President Roosevelt has filled the vacancy in the Governorship of the Federal Reserve Board by appointing Mr Marriner S. Eccles. It will be remembered that no permanent appointment has been made since Mr Eugene Meyer resigned soon after the end of Mr Hoover's Presidency. Mr Eugene Black, Governor of the Federal Reserve Bank of Atlanta, held the office for some months, but he was unwilling to assume it permanently and returned to Atlanta early this summer. Mr Eccles has been President of a bank in a small town in Utah, but he is best known as an industrialist. For some time he has been acting as Assistant to the Secretary of the Treasury, and in view of the lowly place accorded to the Federal Reserve system in the new scheme of things, the new appointment can be regarded as a change of title rather than of function. Nevertheless, there is naturally some regret that the President did not see fit to appoint someone with more extended banking experience or with some knowledge of central banking problems. Should a monetary inflation ever get under way in the United States, the powers of the Federal Reserve system will be the only brake on the process, and it will not increase confidence to have at the head of the Board a Governor who is believed to be an advocate of large Treasury expenditures as a means of restoring prosperity.

Belgian Economic Conditions.—The uncertain outlook for the belga invests two recent studies of Belgian economic conditions with particular interest. The first, published by the Institut des Sciences Economiques at Louvain, concludes that the depression shows no sign of lifting. Conditions are particularly severe in the sheltered industries, and in marked contrast to both the sterling area and other members of the gold bloc, commercial interest rates show a tendency to rise. Security price index numbers have fallen to new low records. Whereas between July, 1931, and December, 1933, British industrial shares rose by 25 per cent., there was a fall in Belgium of 44 per cent. Unemployment has fallen in England by 7 per cent. and risen in Belgium by 55 per cent. The volume of British exports has expanded by 5 per cent, while Belgian exports have shrunk in volume by 27 per cent. It is calculated that since 1928 relative movements of prices and exchanges have been such as to cause the belga to be overvalued by 20 per cent. against both the pound and the dollar, but as Belgian prices were initially too low in the

base-year, 1928, a decline of less than 20 per cent. would suffice to restore equilibrium. This report is definitely pessimistic in tone, and makes it clear that the belga can only be maintained at its present parity at the cost of a severe economic struggle.

Belgium: a Banking View.—The second study is issued by the Société Belge de Banque. It rather optimistically claims that Belgian industries have to a great extent adapted themselves to the new conditions, but admits that since 1929 raw material prices have fallen by 42 per cent., fuel prices by 34 per cent., and prices of semi-manufactured and manufactured goods by 35 per cent. On the other hand, retail prices have fallen by 22 per cent., the cost of living by 20 per cent., and wages by 18 per cent., and the study argues from these figures that wages have shown a considerable degree of elasticity. Unfortunately, there is evidence that the fall in prices has outstripped the fall in costs, and even rationalisation in the heavy industries has not served to bridge this gap. Again the decline in wages has been insufficient to induce an increased demand for labour or to arrest the growth of unemployment. The Société Belge de Banque's study admits that the cost of social services has increased, and that it is now weighing heavily upon industry. Reading these two studies together, it is clear that the process of readjustment is far from complete, and it is probable that both Belgian industry and labour have already made all the sacrifices they are prepared to make. This explains both the present Ministerial crisis and the lack of confidence in the maintenance of the gold standard at its present parity. Whether Belgium can succeed in her efforts to remain on gold remains to be seen, and in many ways the answer lies beyond control. For example, should Holland go off gold, Belgium could not remain on gold a day longer. Conversely, France cannot remain indifferent to Belgium's struggle to remain on gold, and this week has already witnessed unofficial French support of the belga. All this makes it extremely difficult to forecast the future.

October Clearing Bank Averages.—Both cash and deposits have risen since September, the former by £6.3 millions and the latter by £31.8 millions. The increase in clearing bank cash results mainly from an average increase between September and October of £10.5 millions in bankers' deposits at the Bank of England. This in turn was due to a decline of £8.0 millions in public deposits, which had stood at unusually high levels during September.

	Oct., 1933	July, 1934	Aug., 1934	Sept. 1934	Oct., 1934
Capital and reserves.....	123.3	123.4	123.4	123.4	123.4
Acceptances, etc.	105.3	106.7	108.7	112.1	117.6
Deposits (including undivided profits, etc.).....	1,912.3	1,832.9	1,818.5	1,821.1	1,853.2
Total liabilities	2,140.9	2,063.0	2,050.6	2,056.6	2,094.2
Cash	215.3	207.1	193.4	203.9	210.2
Cheques, balances and items in transit	50.7	47.2	43.4	43.2	51.8
Money at call	84.9	133.9	135.2	133.2	132.1
Discounts	341.0	222.7	220.0	210.9	214.2
Investments	541.6	533.0	540.2	545.6	558.5
Loans and advances.....	732.9	743.4	740.7	738.6	740.4
Investments in affiliated banks.....	24.8	24.6	24.6	24.7	24.9
Cover for acceptances, premises, etc.	149.7	151.1	153.1	156.5	162.1
Total assets	2,140.9	2,063.0	2,050.6	2,056.6	2,094.2

Among the banks' assets there has been an increase of £8.6 millions in cheques, balances and items in transit, which suggests that autumn trade has got well into its stride after the holidays. Call money and discounts showed little change, but investments have risen by £12.9 millions. In view of the recent reduction in money rates and the further purchases by the banks of gilt-edged stocks, the November returns should be interesting. Advances were very much the same as in September, and it is clear that many traders are still able to draw upon their own resources.

THE STOCK EXCHANGE

AMERICAN RAILROAD PROSPECTS

THE London market for American railroad securities, which shrunk, during and after the war, to less than a tithe of its earlier dimensions, cannot be expected to make a widespread appeal to British investors until America's economic future is more settled. Conditions have changed with such kaleidoscopic suddenness during the last eighteen months that the best informed market quarters, on this side of the Atlantic, have been unable to keep pace with them. Certain recent events, however, have gone far to clarify the railroad situation so far as the immediate future is concerned, and investors should be cognisant of their importance.

The last Congress of the United States of America dissolved without giving effect to the recommendations of the Federal Co-ordinator, Commissioner J. B. Eastman. These were designed to "even up" the competitive situation between road and rail transport. For the moment, therefore, inter-State road services are subject only to the National Recovery Act codes for regulation purposes. It is generally believed, however, that the plight of the railway industry is sufficiently urgent to compel President Roosevelt to give it his detailed attention, and that the new Congress, when it meets early in 1935, will undoubtedly discuss bills aiming at more adequate regulation of inter-State road services.

Meanwhile, the general results of railroad operations this year can already be fairly closely estimated. Car-loadings, which are still a leading index of American railway prosperity, touched the bottom of the depression in August, 1932, when they totalled only 48 per cent. of the 1925-29 average. The subsequent steady rise continued until March of this year. Since then, however, loadings have again fallen. By October, the aggregate increase for the year, as compared with the previous year, had dropped to only 7 per cent., while the current weekly figures were recording decreases of about 4 per cent. So far as can be judged, the position at the close of 1934 will not be materially different from that at the end of 1933, as measured by gross receipts. The latest detailed financial figures cover the first eight months of 1934. They reveal a 9 per cent. increase in gross revenue, with an 11 per cent. rise in operating expenses. An official estimate, given in evidence before the Interstate Commerce Commission in September, placed the net deficit, after payment of fixed charges, at \$73 millions for 1934, against only \$6 millions for 1933.

Three main causes have contributed to this definite retrogression in financial health. Together they have involved an annual increase in expenditure of no less than \$300 millions. The first has been the higher cost of fuel, materials and stores, as a result of higher wage scales and shorter hours in the various fuel and supply industries. This policy has been part and parcel of the New Deal. Its estimated additional cost to the railroads is placed at over \$134 millions in a full year. A second source of increased charges is the gradual abolition of the 10 per cent. temporary deduction effected in railway wages during the depression. The deduction was lowered to 7½ per cent. as from July 1st last. It will be further reduced to 5 per cent. on January 1st next, and will disappear altogether as from April 1st. This concession, in a full year, with the 1934 payroll, will raise operating expenses by about \$156 millions. Finally, a new Railroad Pension Law was estimated to cost the companies about \$15 millions per annum.

On October 24th the Supreme Court of the District of Columbia declared the new Pension Law unconstitutional. This decision, if upheld, will remove one difficulty of the American lines, but they are still faced with more formidable problems resulting from an increased wages bill and higher costs of fuel and stores. These were mainly responsible for their decision, late last summer, to apply for an increase in certain freight rates, sufficient to raise total revenues by \$170 millions in a full year. The proposed changes were not flat increases, but were to apply to certain

traffics least subject to road and water competition. They covered, in fact, practically all traffics which were capable of yielding a net increase in receipts. The Interstate Commerce Commission hearing on this application opened on October 1st and still continues. The date of the final hearing has been set for November 26th in Washington. Though it is not possible to guess at the outcome, it is considered unlikely that the full railway request will be granted.

Meanwhile, the contemporary position is anything but encouraging. On August 1st last no fewer than 26 railways, covering over 40,000 route miles, were in the hands of receivers or trustees in bankruptcy. Enormous working economies, however, have been achieved since 1929 and still further efforts are now being made. Between June, 1933, and June, 1934, the number of employees increased by 100,000. Last July, however, saw a reduction of 6,500, and by September 15th the total figure had fallen to 1,023,313, compared with a minimum of about 970,000 at the worst period of the depression. How far has past capital expenditure on improvements contributed to present difficulties? The railroads have been severely criticised in this connection, and their capital structure, admittedly, may be a source of embarrassment to-day in some cases. Between 1916 and 1932 their total capital investment increased by no less than \$8,250 millions (though their funded debt rose by only about \$2,000 millions). Much of this enormous capital expenditure, however, was in fact made by the Government during the period of Federal control. Responsibility cannot legitimately be laid at the door of the railway managements. There is more than a superficial similarity between the course of events in America and in Great Britain, where the so-called National Agreements, made in the period of Government control, have ever since been a heavy charge on the railway system. The results, however, have not been purely negative. The railways of the United States could not have carried the peak traffics of 1929, nor could they have reduced their operating expenses as they have done since 1930, but for the very heavy expenditure made during and after Federal control. Even their 1923 programme of capital improvements was of material assistance in securing economies in working expenses. The policy, further, has reduced the need for capital expenditure in the years to come, when new capital may be less readily obtainable. Much of the work, in any case, could not have been put off indefinitely, for the American railways, unlike those of Great Britain, usually laid down their original lines as cheaply as possible to open up largely virgin country.

The following figures, setting out the trend of capital expenditure during the last decade, show how large a proportion has been devoted to permanent way and works:—

CAPITAL EXPENDITURE OF AMERICAN RAILWAYS, 1923-33.

Year	Annual Capital Expenditure \$	Per Cent of Total—	
		To Rolling Stock	To Way and Works
1923	1,059,149,426	64	36
1924	874,743,228	56	44
1925	781,191,000	45	55
1926	875,000,000	43	57
1927	771,552,000	37	63
1928	676,665,000	33	67
1929	853,721,000	38	62
1930	872,608,000	38	62
1931	361,912,000	20	80
1932	167,194,000	22	78
1933	103,947,000	15	85

The official index of operating efficiency of the American railways, in spite of the deferred maintenance which has admittedly accumulated over the last three years, is almost as high to-day as in the boom period of 1929-30. Measured by the standard of technical achievement, or of the satisfactory service offered, the American railways have never been in a better position. The rate of return on

their "property investment," however, for the first eight months of 1934 was no more than 1.88 per cent., against 1.74 per cent. for the same months of 1933. Such a situation cannot continue indefinitely. The threat of Government ownership, which Mr Eastman, the Commissioner, has openly favoured for many years, has undoubtedly occasioned a feeling of uncertainty as regards the whole position. This must needs continue until President Roosevelt or the Federal Co-ordinator issues some definite statement of the Administration's policy regarding the entire transport problem.

"Critical" may not be too strong an adjective to apply to the financial situation of the American railway system as a whole. Nevertheless, certain of its component parts have faced their problems with considerable success and remain comparatively prosperous, as the world measures prosperity these days. For instance, the Chesapeake and Ohio and the Norfolk and Western—commonly known as "the Pocahontas lines," from the coal region they serve—have, thanks largely to excellent management, been consistent revenue producers. The former company, with its 3,000-mile system, had a net railway operating income for the first eight months of 1934 far in excess of the 11,400-mile New York Central system. The 2,200-mile Norfolk and Western Railway had a net railway operating income not much smaller than that of the 6,400-mile Baltimore and Ohio Railroad. The Pennsylvania Railroad for the first eight months both of 1933 and 1934 earned a net railway operating income of approximately \$40 millions. With the help of Government loans, the company has now almost completed its enormous capital betterment programme, which has involved the electrification of its main line to Washington. The financial position of the Delaware and Hudson has shown great improvement this year, and the same, to a lesser extent, may be said of the Lackawanna, the Erie, the Lehigh Valley, the Reading and the Wabash railways in the east. In the north-west the Northern Pacific and Great Northern have materially improved their positions. In the south-west, a remarkable improvement has been recorded both by the Southern Pacific and the Santa Fé, and it is unlikely that the whole of this betterment will have been lost by the close of the year. The Union Pacific has almost preserved its net income of 1933. Early last month this company declared its regular quarterly dividend of \$1.50.

The current prices of leading stocks of the companies mentioned are shown in the following table:—

Company	Stock (and Current Div. Rate)	Prices of 1934		
		Highest	Lowest	Latest
Chesapeake and Ohio	4½% G. Gold Bonds, 1992 ... Common (\$2-80)	111½ 48½	98½ 39½	111½ 43½
Norfolk and Western	Common (\$8)	187	161	171
Pennsylvania R.R.	Gen. 4½% Bonds	103½	88½	102½
	Common (\$0-50)	39½	20½	23½
Delaware and Hudson	Common	73½	32½	40½
Erie	4% Gold Loan Bonds	79½	65	72
	4% "A" Conv.	78	63	72½
	1st Preferred	28½	14½	16
	Common	24½	9½	12½
Lehigh Valley	Common	21½	9½	11½
Reading	Common (\$1)	56½	32	40½
Wabash	Preferred "A"	8	2½	3½
	Common	4½	1½	2
Northern Pacific	Common	36½	15	19½
Great Northern	Preferred	32½	12½	15½
Southern Pacific	Common	33½	16	18
Atchison, Topeka & S. F.	4% Gen. Gold Bonds	105½	93	104½
	Preferred (\$5)	90	70½	82½
	Common	73½	46½	54½
Union Pacific	4½% Gold Bonds, 1967	104½	89½	103½
	4% 1947	108½	99½	106½
	Preferred (\$4)	88	71½	80
	Common (\$6)	133½	91	105½

To the investor the fortunes of individual roads are more important than the financial results of the American railway network as a whole. Some of the strongest lines appear to be emerging from the depression without serious impairment of their properties or undue straitening of their finances. Provided there are no further disturbing influences as a result of legislation at Washington, increased trade activity would be quickly reflected in increased gross revenues. For the best companies, such an increase will be automatically followed by a rise in net income.

INVESTMENT NOTES

Again Gilt-edged.—The stock markets are still in the throes of a new downward readjustment of interest rates. Gilt-edged securities, normally a market of dignity and breadth, in which dealings running into six or seven figures can be executed without a tremor, have been exhibiting many of the traditional characteristics of a common "boom." Certain stocks have been in relatively short supply, and the necessity of finding cash for purchases—for there are no "account" dealings in the gilt-edged market—has not prevented the building up of a fairly considerable bull position in some instances. The Treasury's decision to draw 40 per cent. instead of 10 per cent. of its 3 per cent. Bonds (discussed in a succeeding Note), has served to give a further fillip to the movement, which had temporarily halted on a little profit-taking. All the stocks which are well above par have risen further, but the greatest gain this week has been scored by 2½ per cent. Consols, which have reached 91½. The latter price is within two points of the "record for all time" of 93½ in 1903. When the quotation of 113½ was registered in 1896, "Consols" were a 2½ per cent. stock. Few British Government stockholders have seen their capital rise by as much as 113 per cent., like those who were fortunate enough to buy 2½ per cent. Consols under 43 fourteen years ago.

	Redemption Dates	Oct. 9	Oct. 30	Nov. 6	Close Nov. 15	Red. Yield (%) at Latest Price
"Consols" 2½%	...	81½	82½	84½	91½	2 15 0
Do. 4%	After Feb. 1, 1957	113½	115½	116	119½	2 18 0
Conversion 2½%	1944-49	98½	99½	99½	101½	2 6 8
Do. 3%	1948-53	102½	103½	103½	105½	2 11 4
Do. 5%	1944-64	118	119½	120½	124½	2 9 0
Funding 3%	1959-69	99½	99½	100½	104	2 15 7
Do. 4%	1960-90	114½	116½	117½	120½	2 18 9
War Loan 3½%	After Dec. 1, 1952	105½	105½	105½	108½	2 17 3
Local Loans 3%	...	94½	95½	96½	97½	3 1 9

x=ex dividend.

Apart from secondary speculative setbacks, a major reaction is bound to come eventually. The present movement is directly traceable to conditions which cannot be expected to endure indefinitely. Sooner or later, home industry will have a more normal appetite for new capital, foreign trade will show at least a partial revival, foreign lending will be resumed, and the British Government may be induced to relax some of its restrictions, which prevent large public borrowers from taking maximum advantage of the opportunities provided by the lowest interest rates for a generation. Official restriction appears increasingly anomalous as the pressure of unemployed investment resources becomes more severe. Its persistence can scarcely be justified by the alleged desire of the authorities, whose major maturity requirements are already covered for some years ahead, to effect "extraordinary" conversions on the lines suggested in a succeeding Note. For the present, however, there is no evidence of early relaxation, and firm markets may be expected to continue.

Drawing of "Treasury Threes"—The announcement, in Tuesday's *London Gazette*, that 40 per cent. of the total nominal amount of the original issue of 3 per cent. Treasury bonds, 1933-42, would be drawn on November 26th and succeeding days was forecast in the *Economist* of September 22nd last, page 544. A list of the drawn bonds, which will be paid off on April 15, 1935, will be published on or before December 15th. The announcement was not received with enthusiasm in the money market, where it will tend still further to reduce the amount of discountable paper. The Treasury's decision, however, scarcely comes as a surprise. Part of the market had clung to the hope that the drawing would not exceed 10 per cent., but the semi-inspired disclaimer given to the confident assertion of that prophecy by a daily newspaper had already provided a clue to the working of the official mind. The authorities, doubtless, regard the decision as a moderate compromise, for they are calling in only half the outstanding total,

instead of the whole. Some £110 millions of bonds were originally issued in April, 1932 (i.e. more than two months before Mr Chamberlain's War Loan conversion announcement), at an average price of £97 16s. 1.97d. At that time an early drawing held out a quasi-lottery prospect of capital profit, which was doubtless reflected in the price at which the bonds were placed. Both the Treasury and the subscribers, however, may be deemed to have accepted the "risk" that general interest levels might change, one way or the other, before the last bond had been paid off. The "change," in fact, has been against the market. The latter cannot, in fairness, reproach the authorities for their decision to act on the recognised principle that a borrower is entitled, both legally and morally, to construe in his favour any "optional clause" in a bond, by interpreting the phrase "not less than 10 per cent." to cover a 40 per cent. drawing. It is true that the two previous drawings have been limited to 10 per cent. each, but "then was then and now is now." Neither in logic, law nor equity can the words "not less" be held to mean their exact opposite—"not more." The decision leaves the Treasury with £44 millions of cash to find before next April. There are, further, £150,000,000 of two per cent. Bonds, which can, and almost certainly will, be called for next April. A sizeable funding issue is indicated. More nebulous "conversion" rumours include a possible reduction in the interest rate on £429 millions of 3 per cent. Local Loans, which are now quoted at 97½, and voluntary offers of long-term stocks to holders of 4½ per cent. Conversion Loan, 1940-44 (£375 millions), 5 per cent. Conversion Loan, 1944-64 (£323 millions), and even 4 per cent. Funding Loan, 1960-90 (364 millions). The Treasury, however, is a master of the art of keeping its own secrets.

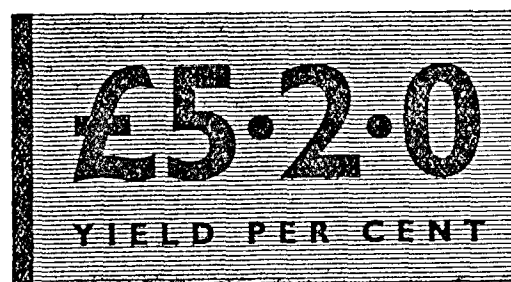
Home Railway Traffic Trends.—Home railway stockholders who confine their inspection of the weekly traffic figures to a mere comparison between this year and last may be liable seriously to misapprehend their meaning. Recent figures have given the impression that the upward trend of receipts has been arrested, since the "gains" made

by comparison with last year have tended to taper off. The current week's figures, indeed, show that the one company, the Great Western, actually obtained slightly lower receipts than in the corresponding week of last year. The comparison, however, is unfair, since the returns for the autumn and winter period of last year were in the full flush of "recovery." Although contemporary figures may not be maintaining the fine upward sweep of that period, their movement is not necessarily retrogressive. A more reliable impression of current trends may be obtained by comparing the weekly returns of 1933 and 1934 with those of 1929, the last railway year which was even approximately "normal." The following table shows results since the turn of the half-year:—

TOTAL GROSS RAILWAY RECEIPTS
(1929 = 100 Throughout)

	L.M.S.R.		L.N.E.R.		G.W.R.		S.R.	
	1933	1934	1933	1934	1933	1934	1933	1934
Weeks 27 to 39 ...	78.9	81.5	76.1	78.9	79.5	81.1	85.4	87.0
40th week	78.1	79.1	76.0	78.7	78.9	80.1	82.6	83.3
41st week	78.9	81.2	80.4	84.0	77.7	80.8	84.5	86.3
42nd week	80.0	81.4	80.1	81.7	83.6	85.3	86.2	87.2
43rd week	80.4	82.2	81.2	82.5	80.3	82.5	84.1	85.1
44th week	82.9	82.9	81.8	82.5	81.2	81.2	85.9	88.6
45th week	80.9	82.2	84.3	84.3	82.3	82.0	89.3	89.5

The 1929 figures had themselves a rising trend in the first part of the year, which tended subsequently to flatten out. Subject to this proviso, it would seem that receipts in the last few weeks have certainly not been losing ground, on the average, in terms of a normal year. They have, in fact, been steadily making up the leeway of the early summer. Stockholders, however, who must needs base their estimates of 1934 dividends on a comparison of this year's receipts with those of last year, may be unwise to reckon upon any very substantial addition to total traffic "gains" between now and December 31st. Allowing for wage increases and the scale of expenses revealed by the half-year's statements, it would appear that the London, Midland and Scottish Railway is covering its senior preferences



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Lever Bros. Ltd.
London & Thames Haven Oil Wharves Ltd.
London Brick Company & Forders Ltd.
London County Freehold & Leasehold Properties Ltd.
Manbré & Garton Ltd.
Marks & Spencer Ltd.
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full debenture requirements is hardly auspicious for stockholders. From an operating point of view, the companies, with the exception of Argentine N.E., have fared little better than in their previous year, and revenue renewals allocations have been made only by Cordoba Central. Exchange difficulties have beset the South American companies. The Argentine N.E. and Entre Rios traffics were handicapped by locust swarms, which particularly affected the fruit harvest. All the Argentine companies, however, refer to the progress of Argentine recovery. The wheat and linseed crops are reported in normal condition, and no locust damage has yet been sustained. The prospects for these companies may be assessed in the light of a leading article on Argentine Railways in last week's *Economist*, page 881. The United Railways of the Havana and Regla Warehouses have been subjected to a vicious combination of depression, damage by cyclones, and political unrest. The net deficit on operating, however, is lower at £74,413, against £111,240 for the previous year. The new Govern-

	Year to June 30, 1934			
	Argentine N.E.	Cordoba Central	Entre Rios	United of Havana
Gross receipts	£ 549,778	£ 2,163,803	£ 805,833	£ 1,062,979 ^b
Working expenses	448,785	1,992,523	722,235	1,137,392 ^b
Net operating receipts	100,993	171,280	83,598	Dr. 74,413 ^b
Do. do. 1932-33	108,021	20,900	36,944	Dr. 111,240 ^b
Do. do. 1928-29	241,122	921,405	556,669	897,120 ^b
Other income	818	5,585	2,462	5,193
Exchange losses	41,458 ^f	106,033 ^g	57,260 ^h	4,061
Taxes and expenses	11,213	...	25,375	126,316
Renewals	...	25,850	...	...
Debt interest incl. int. on arrears	126,851 ⁱ	£90,000 ^j	189,273 ^k	724,630 ^l
Brought forward	Dr. 71,458	Dr. 107,545	Nil	Dr. 2,521,525
Carried forward	Dr. 149,169	Dr. 212,563	Dr. 17,802 ^a	Dr. 3,445,751
Debt stock quotations ..	5% A 65 ¹ 5% B 34 ² 5% C 16 ³	4 ¹ / ₂ % 1st 41 ⁴ 5% Inc. 13	4% 50 5% Cons. 29 ⁵	5% Irred. stk 12

* Including £11,449 exchange differences on Capital Account. † Credit item of £1,324 transferred to general reserve. ‡ £81,472 "B" debenture interest charged but not paid. § Debenture interest unpaid under Scheme of Arrangement. || £40,951 transferred from general reserve in respect of exchange differences, and other items. (a) After transferring £168,046 from reserve. (b) Including warehouse receipts and expenses. (c) Amount for period April-June 1934.

ment has encouraged confidence during this year, but competition by road transport has made it difficult to retain passenger and remunerative goods freights. The sugar freights have been smaller by quantity, though not in value, and considerable assistance to the industry is expected from the 55 per cent. reduction in the American duty. This policy, it is stated, will increase the value of the production normally shipped to the United States by \$40 millions per annum. Since expenditure has been increased, however, particularly on wages, the net improvement of the company's prospective revenue is likely to be slow. A debit balance of £3,445,751 and unpaid debenture interest of £2,656,091 suggests that the company may, ultimately, have to seek some solution of financial rehabilitation apart from the slight improvement in Cuban conditions which has been realised this year. Since payments of interest on all stocks except Argentine N.E. 5 per cent. "A" are withheld under moratorium arrangements, which may conceivably require further extension, current quotations give due recognition to the indifferent outlook.

Bass Progress.—In view of the enviable earnings record of this company—which is in the front rank of brewing concerns the world over—a pronounced upswing in profits was only to be expected for a year in which fiscal favour has been adequately associated with trade recovery and good summer weather. Trading profits have advanced from £598,205 to £676,963 (an increase of 13 per cent.), while rents, interest and dividends are some £70,000 higher at £574,790. Total profits accordingly have advanced by well over 13 per cent. from £1,103,159 to £1,251,753. Both the parent company and its subsidiaries thus show approximately proportionate expansion in disclosed profits. In view of the increased cost of barley and hops during the past year, these results must be regarded as highly satis-

factory. A three-year analysis of profit and loss figures follows:—

	Years to September 30		
	1932	1933	1934
Sales, less manufacturing expenses, duty, etc.	1,016,276	1,078,189	...
Trading and management expenses	462,446	479,984	...
Trading profits	553,830	598,205	676,963
Rents, dividends and other income	533,927	504,954	574,790
Total profits	1,087,757	1,103,159	1,251,753
Rents, taxes, rates, etc.	232,222	221,329	226,775
Repairs and renewals	115,175	113,054	122,349
Depreciation	76,502	76,944	130,990
Directors' fees, bad debts, etc.	14,763	18,135	11,986
Debt interest	203,302	202,544	200,739
Preference dividend	68,000	68,000	68,000
Ordinary shares { Earned	377,293	403,153	490,914
Paid	312,990	335,346	447,129
Earned %	16.9	18.0	22.0
Paid %	14	15	20
Carried forward	458,484	526,291	570,077

Although depreciation provision is over £64,000 higher at £130,990, the earnings percentage for ordinary shares is calculated at 22 per cent., tax free, and the increased dividend and bonus of 20 per cent., tax free, has thus been comfortably earned. The balance sheet, as usual, is an object lesson in financial strength. Net liquid assets are again approaching the £2,000,000 mark, and all the current items except debtors show marked expansion during the year. Since advances to subsidiary companies show no movement, it may be presumed that their resources have been ample to finance a similar expansion of turnover. Fixed asset items are broadly unchanged, but the company has always pursued a generous depreciation policy. The £1 ordinary shares, which rose from 105s. 6d. to 115s. on Thursday, yield £3 11s. 6d. per cent., tax free.

Ansells Brewery.—Recent impressive evidence of expanding brewery profits in the Midlands has been augmented this week by the excellent showing of this Birmingham concern. An increase of no less than 60 per cent. brings this year's trading profit and dividends receipts up to £368,533, easily the largest figure during the past ten years. This amount includes £17,395 received from the holding in Holt Brewery ordinary shares, acquired in May this year, for the nine months to September 30th. This transaction is also reflected in the appropriation of £21,293 for writing off expenses of the share exchange and in the dividend payable on the Ansells shares allotted. This item amounts to £22,179, and covers the same nine-month period. Comparative figures for the last three years are set out below:—

	Years to September 30		
	1932	1933	1934
Balance from trading account, after depreciation, contingencies, including sundry income and dividends...	155,559	230,198	368,533
Income tax	10,500	28,500	37,000
Directors' fees	3,657	3,869	3,011
Other charges	...	23,804 [†]	22,293 [‡]
Debt interest and redemption...	20,250	31,917	44,234
Earned for dividends	121,152	142,108	261,994
Preference dividends	17,500	17,500	17,500
Ordinary shares { Earned	103,652	124,608	244,494
Paid	80,000	80,000	142,179 [§]
Earned %	13.9	17.4	28.9
Paid %	10	10	15
Reserve	20,000	20,000	30,000
Properties improvement reserve	...	24,000	26,000
Carried forward	265,452	266,060	312,375

† £15,000 repairs to properties; £1,000 licences insurance; £7,804 debenture stock issue expenses written off. ‡ £21,293 expenses of exchange of shares with Holt Brewery w.o.; £1,000 licences insurance. § Being 15 per cent. p.a. on former capital of £800,000, and 15 per cent. p.a. for nine months from January 1, 1934, on 197,150 £1 shares issued in exchange for Holt Brewery shares.

Shareholders will be gratified to know that the consumption of Midland customers has expanded with improving trade and a fine summer, although due credit must also be given for the economies effected by the company in recent less auspicious years. The board has preferred to limit this year's distribution to 15 per cent., the rate paid from 1925 to 1931, although earnings amount to 28.9 per cent. The balance sheet shows a marked expansion in cash and stocks, while the omnibus "Creditors, beer duty, loans and reserves" item has increased correspondingly. The profits of Holt Brewery, the new subsidiary, for the nine months to September 30 amount to £79,661, against £92,551 for the previous year. The directors of Ansells report that the results of the last four months are such as to justify the acquisition, which promises to be very successful. The £1 ordinary shares are quoted at 75s. to yield £4 2s. 3d. per cent.

Imperial Smelting Meeting.—Sir Robert Horne, whose speeches in the City, as at Westminster, are distinguished by constructive thought and forthright expression, had a challenging field of discussion at the annual meeting of the Imperial Smelting Corporation last Monday. The Corporation, as we showed in a Note last week (page 886), was unable to pay an ordinary dividend, despite increased production, as a result of an unexpected fall in the price of non-ferrous metals. Spelter, which averaged £16 7s. 6d. per ton in the first half of the company's year, fell to £14 16s. 5d. in the second half, and has subsequently declined to £12, the lowest price on a gold basis on record. Since the close of the financial year, the new vertical retort plant at Avonmouth has been brought into active operation, and is moving up to its capacity of over 20,000 tons, but improvement and extension in the North-Eastern districts have been checked by the heavy fall in prices. Sir Robert is anything but satisfied with the effect on the Corporation of tariff policy in general, and the Ottawa Agreements in particular. Since 1932, when Mr Chamberlain announced the Government's tariff policy, the Corporation claims to have almost completely reorganised the British zinc industry, by eliminating old and obsolete and building new plants, raising the quality of the metal produced, and increasing its zinc output from 24,000 tons to a present rate of nearly 70,000 tons per annum. In three years the company has spent over £500,000 on capital account. Its expenditure last year on stores, plant, coal, materials, wages, etc., aggregated over £2,000,000. It claims, however, that its position is prejudiced by clauses in the Ottawa Agreements under which Empire producers outside the United Kingdom are relieved from the zinc import duty of 10 per cent. provided they sell their metal in Great Britain at "the world price." The latter is defined as the London Metal Exchange official quotation, which is fixed on the basis that the duty is "for buyers' account." Sir Robert claims that an article on which duty is still to be calculated cannot in an official market have the same value as an article quoted "duty free." Any effort to secure price equality between the two, he contends, must have a continuously deflationary influence on the price of the "duty free" article. Sir Robert, in fact, expressly claims that the Corporation should not be expected to sell its product at the same level as "residual foreign metal produced with wages 25 per cent. lower," and that the Empire's zinc consumption should be a close preserve of producers in the Empire—which in effect means that a definite proportion of British consumption should be reserved for smelters in the United Kingdom. These, however, are matters of high policy, and the implications of their official recognition, on the lines Sir Robert advocates, might be uncomfortably far-reaching, at a moment when the enthusiasm of some members of the Government for the "Ottawa idea" may no longer be burning at a white heat.

Cam and Motor.—Our mining correspondent writes:—As the policy followed last year by this Rhodesian enterprise of treating lower grade ore was accompanied by increased expenditure upon development, earnings fell below the 1932-33 level. The net working profit at the mine was £156,280, against £198,590. Depreciation absorbed £21,700

THE FINANCIAL NEWS

Special articles due to appear next week on the Leader Page of THE FINANCIAL NEWS are as follows:

MONDAY, NOVEMBER 19—RECOVERY IN CANADA. The second of two Special Articles mailed from Canada by H. E. Arnold. (The first article appears in our issue of Saturday, November 17th.)

TUESDAY, NOVEMBER 20—"MINOTAUR," our Special Mining Correspondent, in his "Mines of the Rand" series, deals with SUB NIGEL.

WEDNESDAY, NOVEMBER 21—THE ZINC CARTEL. A Special Metal Trade Correspondent reviews the prospects following the expiration of the present Cartel Agreement.

THURSDAY, NOVEMBER 22—The Story of Famous Companies, No. 13—BOOTS PURE DRUG CO., LTD.

FRIDAY, NOVEMBER 23—WALL STREET UNDER THE NEW DEAL. A member of a well-known firm of London Stockbrokers, recently returned from New York, describes the reactions of Wall Street to the Securities Act and the Stock Exchange Bill—what they are and what they ought to be.

SATURDAY, NOVEMBER 24—AUSTRALIA'S PROGRESS by Professor Douglas Copland, one of the leading originators of the famous "Premiers' Plan."

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THE FINANCIAL NEWS

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as compared with £47,200. The final dividend of 3s. 6d. per share raises the year's total payment to 6s., which is 6d. less than in 1932-33. The directors' report contains no reference to the authorised expenditure of £80,000 on shaft-sinking mentioned in the dividend announcement by way of explanation of the small decrease in the rate. Doubtless, this subject will be fully dealt with at the annual meeting. Study of the balance sheet throws little light on the means by which the substantial sum will be provided, the amounts owing at date largely exceeding the cash resources. The ore reserves stood at 1,204,000 tons, value 40s., as at June 30th. They show an increase of 94,000 tons in quantity and a decrease of 1s. in average value. The latter, incidentally, has been calculated on the basis of a gold price of 84s. 10d. per oz. The tonnage represents about three years' supply for the mill. Recent developments at depth are reported to have been highly satisfactory. On the basis of last year's dividends the yield indicated is approximately 10 per cent. gross.

Other Company Results.—This week's reports have been somewhat eclipsed by the large brewery results, but our table on page 960, which summarises the results of 29 other companies, contains several interesting features. Other brewing concerns in general show marked expansion of earning power. Northampton Brewery, however, which reports net profits of £37,666 against £36,492, has evidently been affected by indifferent trade conditions and strong competition in its area. Among malting companies, Associated British Maltsters (£90,656 against £54,585) and Hugh Baird (£5,286 against £147) have shown satisfactory improvement, and the former resumes dividend payments with a distribution of 10 per cent. A number of overseas land companies reveal considerable recovery powers. Argentine Southern reports net profits of £36,811 against £1,328, and pays 4 per cent. against nil, while Australian Mercantile Land and Finance (£79,466 against £54,262) and New Zealand and Australian Land (£197,146 against Dr. £73,769

and 4 per cent. against nil) illustrate the effectiveness of measures to promote expansion of pastoral revenues and relief from onerous debt charges. Home property concerns such as Pinner's Hall and Town Investments report slightly lower net incomes. Four investment trust companies reveal expansion in revenue, including East of Scotland (£16,170 against £13,975) and Second Co-operative (£18,390 for the half-year to September 30th against £16,342). In the miscellaneous section, Provincial Cinematograph Theatres, the Gaumont-British subsidiary, reports net profits of £508,648 for the year to January 31st last, compared with £459,490. The remaining companies, of such varied character as Birmingham Aluminium Castings, W. G. Clarke and Sons, Hughes-Johnson Stampings and Roneo, show satisfactory improvement in profits, which has found due reflection in increased dividend payments. Points of interest in this week's dividend announcements include the general reduction in tea company interim payments, and the equally general increase in rubber company payments. The J. Lyons interim is unchanged at 1s. 8d. per share, while Royal Dutch and "Shell" Transport, as last year, have decided not to pay an interim dividend. The Daily Mail Trust total payment has been increased from 10 to 11½ per cent. An interim dividend of 3½ per cent. has been declared by Unilever against 3 per cent. last year, reflecting the increased sterling value of the Dutch distribution of 24 cents. London Brick third interim brings the total payments to 15 per cent. against 14 per cent. Dennis Brothers final dividend is, making 133 per cent., against 100 per cent. Burma Corporation net profit £332,776, against £312,836.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Central Argentine Railway, Buenos Ayres Western Railway, Imperial Smelting, John Delaney, Wankie Colliery, Kassala Cotton, Sudan Plantations, Motor Fuel Proprietary, Trinidad Leaseholds, Mitchells and Butlers, Lake View and Star, Marlu Gold Mining Areas, Nigel Van Ryn Reefs, S. Smith and Sons (Motor Accessories), and Consolidated Tin Mines of Burma. Sir Follett Holt, at the B.A. Western meeting, laid emphasis upon the internal recovery in the Argentine, and declared that the board retained full faith in the potentialities of the line. At the Central Argentine meeting Mr W. K. Whigham discussed the scope of Governmental intervention in the matter of wages and road competition. Sir W. W. Butler's address to Mitchells and Butlers' shareholders surveyed the question of reduced duty and barley crops, and included some interesting conclusions suggested by his visit to the United States. Mr. Woolley-Hart informed shareholders of John Delaney that the freehold of the Threshfield quarry, formerly on lease, had been acquired during the year. The chairman of Sudan Plantations and Kassala Cotton informed their shareholders that crop indications were favourable, and that despite a certain amount of blackarm, leaf curl was negligible. Shareholders of S. Smith and Sons (Motor Accessories) were informed that a further increase in turnover had been effected during the first quarter of the current year. Mr F. C. Marten referred to the increase in capital of Motor Fuel Proprietary, which marked the first step towards commercial production from the plant completed in the summer. Interesting mining meetings have been held this week. Sir Edmund Davis, at the Wankie Colliery meeting, gave his personal impressions of the improvement in the properties, and pointed to the increased consumption of the Rhodesian copper mines. The speed and success of development work on the Lake View and Star property was emphasised by Mr John A. Agnew, who pointed out that ore developed had increased by 440,000 tons during the past year. Mr H. G. Latilla, reviewing the progress of Marlu Gold Mining Areas, suggested that increased ore tonnages probably compensated for a reduction in average grade. Sir Cyril K. Butler disclosed that 40,000 tons of ore reserves of Consolidated Tin Mines of Burma had been opened up, having a minimum assay value of 1½ per cent. Mr W. A. Willis gave a full review of Nigel Van Ryn Reefs developments in Australia. Mr W. A. Rogers, at the Trinidad Leaseholds meeting, made a plea for an Empire oil preference.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS
TICKET November 20 ACCOUNT November 22

OFFICIAL hours were too short to contain mid-week business in Gilt-edged securities. Dealings continued on Wednesday long after the doors of the "House" had closed. Though all Gilt-edged prices advanced, chief attention was given to low-interest "optionals" below par. The market, while crediting the Treasury with having all manner of conversion schemes up its sleeve, professed to be taken aback by the decision to repay half the outstanding total of Treasury 3 per cent. Bonds by this month's drawing. It is long since Old Consols—saleable according to City tradition even on Sunday—were in such short supply, and moved by two or three points in a day. As rising Gilt-edged prices infer a new basis of valuation for any stock with even a remote prospect of income, equity shares were also firm. Even gold-mining shares, whose technical position is still not entirely satisfactory, had a better appearance as the week progressed.

After a strong opening and a phase of irregularity, the Gilt-edged market on Wednesday had one of its most active days within living memory. Although speculation centred largely on 2½ per cent. Consols. Local Loans were strong and all conversion issues remained active. Treasury Threes, however, declined on the announcement of increased drawings, whose implications are discussed on page 930. The market opened very firm on Thursday, but a temporary cessation of "big" buying induced a spell of profit-taking. India loans were a good market. Dominion stocks were firm, but rises were not proportionate to those in British Government issues. In the foreign market renewed attention was given to Chinese bonds, particularly the Salt issues. Publicity in advance of the Saar Plebiscite was not helpful to German bonds, though a sizeable recovery occurred in mid-week. Little interest was taken in South American issues, both Brazilian and Chilean bonds being reactionary.

Home rail prior charges were marked up by way of adjustments to prevailing interest levels, the market being not too well provided with supplies of stock. The marginal preference and ordinary stocks, however, were dull on the week's traffic figures. The misleading nature of current comparisons based on the 1933 returns is explained in a Note on page 931. Transport "C" stock, the subject of numerous "outside" recommendations, crossed the ninety line, and reached 95 on Thursday.

A fair turnover was recorded in industrial shares, the increasing urgency of the "search for income" bringing in new buyers for the leading domestic counters. Breweries were the most active section in the market, Bass rising sharply after the issue of the report, which is summarised on page 934. Electric supply shares, with their steady dividends, were in demand. Among electrical equipment shares, Johnson and Phillips were specially active. Coal shares strengthened further, and Staveley and South Durham were strong in a moderately active market for iron and steel shares. Among motor issues, quotations for Leyland and Dennis discounted dividend increases in the bush and Associated Equipment and Humber increases in the hand. Tobacco shares were somewhat undecided. Textile shares were also irregular, though Patons and Baldwins were fractionally better. British Celanese were dull and Courtaulds reacted slightly. United Dairies advanced further. Store shares were well maintained. The Continent was a buyer of the two Unilevers. Market favourites such as Boots, Murex and Wall Paper Deferred made fresh headway. Paint shares were marked up on the Lewis Berger dividend. Bank shares were quiet but steady, but insurance shares enjoyed a further rise in sympathy with gilt-edged market conditions. The oil share market became firmer after a quiet start, interest being chiefly concentrated on the preference shares of the leading concerns, whose yields were

considered attractive in view of conditions in another place. The absence of a "Shell" interim dividend had been generally foreseen, and the shares suffered no reaction. The rubber share market was dull, a certain difficulty being experienced in placing even small offerings. The view, however, that the 1935 restriction percentage was insufficient for the maintenance of the commodity's price level did not find general support. Tea shares, after a subdued opening, became depressed on the decision of several important companies to reduce or pass their interim dividends.

Evidence of forced selling of gold-mining shares was by no means absent in the early part of the week. A stronger tone, however, became established on Wednesday, helped by a cessation of selling from Johannesburg. Though Paris gave little support, professional bears of Kaffirs were induced to hold their hands. Fairly optimistic reports were circulated regarding December dividend prospects, but the more conservative section of the market did not admit that the technical position had been entirely cleared up. West African shares became strong after a depressed start, but Western Australian issues failed to share in the general revival. Tin shares tended to lose ground, but Rhodesian copper issues reflected the preliminary announcement of plans for the formation of a Copper Shareholders' Association with a policy apparently directed towards the inception of a restriction scheme.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Nov. 8, 1934	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934	Nov. 15, 1934
Government and Municipal Loans	1,459	1,442		1,886	1,665	1,732	2,102
Transport, Communications, and Public Utilities	995	1,063		1,123	1,038	1,018	1,157
Commercial and Industrial	3,230	3,341		3,888	3,526	2,675	3,937
Banks, Insurance and Financial	737	602	Closed	710	727	729	746
Mines (including Nitrates)	1,136	1,082		1,488	1,727	1,550	1,794
Oils	117	120		130	207	157	175
Rubber, Tea and Coffee	327	365		412	310	383	339
Total	8,001	8,015		9,637	9,200	8,244	10,250
Corresponding day in 1933	8,273	8,791		9,759	8,535	8,535	9,439

* Including Iron and Steel and Breweries.

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

Highest of 1934 (Nov. 15)	Lowest of 1934 (Feb. 8)	Nov. 8, 1934	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934	Nov. 15, 1934
93.3	83.5	91.2	91.4	Closed	91.7	91.8	92.1	93.3

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Nov. 15)	Lowest of 1934 (Jan. 2)	Nov. 8, 1934	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934	Nov. 15, 1934
140.0	128.8	137.0	137.4	Closed	138.3	138.4	139.7	140.0

FOREIGN STOCK EXCHANGES

NEW YORK

THE Stock Exchange, which remained closed on Monday in commemoration of Armistice Day, reopened in a mood of continued but cautious hope. Operators are not optimistic enough to adopt bull tactics until such time as the Administration chooses to show its hand, and the prospect of a large programme of social legislation inevitably restrains any buoyancy. Trading, however, continued more satisfactory, although Tuesday's turnover above the million mark was partly attributable to the Monday holiday. Industrial stocks remained steady, and in some sections, such as retail stores, moderate advances were registered. Utility stocks were this week's Cinderella, on a report by the New York Power Authority that supply

charges are twice as high as they should be. The market fears, despite the President's disavowal of plans for control, the inquiries to that end are now being instituted under the direction of that vigorous administrator, Mr Ickes. Moreover, the standing of the group, which has fallen rapidly in recent years, has again been lowered by the Insull trial proceedings. First-grade bonds were fairly firm, and a reasonable turnover was maintained. Second-grade issues, however, were noticeably weaker in mid-week under the lead of Rails, some of which are threatened with the possible cessation of Government financial aid. With this factor over the market, Mr Eastman's emphasis on potential working economies had little effect. This week's business news is favourable, though not exciting. Steel activity for the week is estimated at 27 per cent. of capacity, an increase of half of one per cent., and although demand from the automobile industry is slow to expand, the outlook is regarded as favourable. Cotton consumption and car loadings have advanced, and department store sales for October were 7 per cent. higher than in the same month last year.

	Nov. 7, 1934	Nov. 14, 1934	Nov. 14, 1934	Nov. 7, 1934	Nov. 14, 1934	Nov. 14, 1934
	1934	1934	Eng. equiv.†	1934	1934	Eng. equiv.†
Lb. Ln. 3½% '32-47	103½	104½	104½	Natl. Biscuit	27½	27½
Do. 4½% '32-47	103½	103½	103½	Phelps Dodge	14	14
Do. 4½% '33-38	103½	103½	104	Pullman	42	45
Atchafalpa	54½	54½	54½	Sears-Roebuck	41½	40½
Erie	11½	11½	11½	Studebaker	2½	2
Illinois Central	16½	16½	16½	Un. Fruit	71	72
N.Y. Central	21½	21½	21½	U.S. Leather	5½	5½
Pennsylvania	23	23	23	U.S. Rubber	16½	16½
Southern Pacific	18½	18½	18½	U.S. Steel	33½	34½
Southern Ry.	16½	16½	16½	Westinghouse	32½	34½
Union Pacific	103	105	105½	Woolworth	51½	52½
Am. Can.	102½	104½	104½	Am. Tel. and Tlg.	111½	111½
Amer. Smelting	36½	36½	36½	Interboro R.T.	13½	13½
Anacosta	11	10½	10½	Int. Tel. Teleg.	9	9½
Bethlehem Steel	26½	27½	27½	Radio Corp.	6	5½
Chrysler Motor	35½	35½	35½	Utilities P. and L.	2	2½
Corn Produce Rf.	67½	67½	67½	W. Union Tlg.	34½	35½
Eastman Kodak	108½	110	110½	Associated Gas "A"	18	18
Gen. Electric	18½	19	19	Shell	18	19
Gen. Motors	30½	30½	30½	Shell Union	6½	6½
Int. Harvester	34	37	37½	Sid. California	33	34
Mont. Ward	28½	28½	28½	Do. N.J.	42½	42½

† Calculated at \$4.99½ to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Nov. 14	Lowest	Highest	Beginning of Year	Oct. 31, 1934	Nov. 7, 1934
351 Industrials	38.7	86.6	74.3	90.5	79.6	75.4	78.6	79.9
33 Rails	23.9	54.5	34.0	51.4	40.6	34.4	35.3	35.4
37 Utilities	69.8	101.0	62.1	83.4	66.4	61.7	63.1	60.5
Total, 421 Stocks	40.9	83.4	65.6	82.1	70.8	66.3	68.8	69.3
Average yield of 50 Industrial Common Stocks	6.91%	2.65%	2.78%	3.90%	3.17%	3.89%	3.73%	3.68%

† February 7th.

(s) September 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Oct. 31, 1934	Nov. 1, 1934	Nov. 2, 1934	Nov. 3, 1934	Nov. 5, 1934	Nov. 6, 1934	Nov. 7, 1934
105.0	76.0	81.7	81.6	82.4	83.2	84.0	Closed	85.5
Nov. 8, 1934	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934			
85.1	86.9	87.1	Closed	87.0	86.8			

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TOTAL DEALINGS IN NEW YORK

	Nov. 8, 1934	Nov. 9, 1934	Nov. 10, 1934*	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934
Stock Exchange— Shares (Thous.)	840	1,230	690		1,130	960
Bonds (Value Thous. \$)	10,900	12,710	5,980	Closed	11,970	12,410
Curb— Shares (Thous.)	163	185	108		184	199

* Two-hour Session.

PARIS

Restive conditions prevailed on the Bourse this week. The Belgian situation and the Saar prospect had an adverse effect, and the satisfactory *début* of the Flandin Cabinet inspired little enthusiasm. Rentes displayed a firmer tone, however, after initial doubts, and industrials, although quiet, were generally steady. International issues were active. Royal Dutch, after an early decline, showed a strong recovery on Tuesday, and Central Mining were in good demand. Diamond shares found buyers in mid-week on the Coudisse, and gold shares were steady. Oil and rubber shares were weak.

	Nov. 7, 1934	Nov. 12, 1934	Nov. 14, 1934		Nov. 7, 1934	Nov. 12, 1934	Nov. 14, 1934
Banque de France	9,900	10,055	9,950	Wagons Lits	74	68½	66½
Crédit Lyonnais	1,701	1,745	1,723	Mexican Eagle	24½	24½	24½
Suez Canal	19,095	18,940	18,920	"Chartered"	75	74	75
Chargeurs Réunis	89	84	84½	Ford	47½	46	45
Rio Tinto	991	970	973	De Beers	247½	242	254
Royal Dutch	14,200	13,850	13,950	"Johnnies"	240	235½	244½

BERLIN

Last week's share market was dull, the number of entirely unquoted stocks being the highest since July. Quotations were in general lower, with a slight improvement at the close. Reichsbank declined to a low level for the year, being 30 points below the highest. Farbenindustrie was weak, and steel, potash and machinery issues were mostly lower. The new week opened with a further general decline, but Tuesday was somewhat firmer, electrical issues being in demand. Home bonds last week were inactive, and slight declines predominated. Industrial bonds affected by the Reichsgericht's decision in the dollar-clause lawsuit advanced, Steel Trust gaining 7 points on Tuesday. Dollar bonds were little changed.

	Nov. 7, 1934	Nov. 12, 1934	Nov. 14, 1934		Nov. 7, 1934	Nov. 12, 1934	Nov. 14, 1934
Reichsbank	141.75	141.75	142.00	A. E. G.	27.00	26.25	26.50
D.D. Bank	71.00	69.50	69.75	Siemens & Halske	136.25	133.50	136.00
Dresdner (New)	72.75	72.50	71.75	A. K. U.	59.50	58.10	58.10
L. G. Farben-	138.60	137.60	136.40	Hamburg Amer.	27.60	26.00	26.00
industrie				("Hapag New")			
Norddeutscher							
Lloyd (New)	30.00	28.00	28.90				

AMSTERDAM

Despite a recovery of sentiment on Tuesday, conditions were dull on the Bourse this week. Royal Dutch, which were offered from Paris, were a weak feature in the opening session, and despite Tuesday's recovery were still lifeless later in the week. Some industrial issues were moderately active, Unilever and Van Berkel (on the report) showing strength, but other leaders such as Philips' Lamps were irregular. Rubber shares were sold, on the unfavourable stocks position, and sugar shares, despite some activity on Tuesday, were lower. German loans were offered.

	Nov. 7, 1934	Nov. 12, 1934	Nov. 14, 1934		Nov. 7, 1934	Nov. 12, 1934	Nov. 14, 1934
2½% Dutch Loan	77½	77½	77½	Steel Common	20	21½	21½
5½% German	20½	22½	21½	A. K. U.	32½	32½	32½
Unilever N.V.	72½	73	74½	Ford Motor	219	223	223
Philips' Lamps	212	214½	215½	Deli Batavia Tob.	135	134½	135½
Netherlands Ship				Royal Dutch	139	134½	137
Union	30	29½	29	Handels Ams	147½	144	142

CAPITAL ISSUES

This week's activity in the new issue market has been largely eclipsed by conjecture and prophecy. The boisterous upswing in gilt-edged quotations has encouraged renewed speculation as to Treasury policy, since its tactics are obviously calculated to promote further strength in this section. This week's senior issue of *Wakefield Corporation* 3 per cent. stock, being priced no higher than the Brent-

ford loan a fortnight ago, was accordingly an assured success. Chesterfield have followed with a 3 per cent. Loan at 99½. The issue of *South African Torbanite Mining and Refining*, which has a straight ordinary capitalisation, is to develop torbanite deposits in the Transvaal and to extract and refine crude oil therefrom. The business is not without its speculative element, but on the basis of the informative estimates given in the prospectus, the shares should constitute a fair industrial risk, and its auspices are of good standing. The shares of *Voice Records*, which is the first issue to exploit an automatic machine patent for a considerable period, must be regarded as inherently speculative. Details of the number of rentals in prospect are lacking, and some closer indication of costs would have been welcome. The profits estimates are given, with zeal, to the nearest £, and are necessarily subject to the permanence of the public interest. Two tender issues have been announced this week. The *Severn Valley Gas Corporation* 4½ per cent. preference and ordinary shares offer at £1 2s. minimum per share is open until November 21st. The preference issue is adequately covered by income from associated companies, and a satisfactory surplus is available for ordinary shares. Statements "for information only" have been published by *Alpha Cement* in respect of a preference issue, and *Alfred Lockhart*, a timber business which has experienced rather wide fluctuations in earnings during depression, but is now showing improvement.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to November 10, 1934, excluding conversions, £149,889,366.
Total recorded, January 1 to November 10, 1934, including conversions, £359,069,824.

National Savings Certificates.—Net receipts, Week ended November 10, 1934, £50,000.

	Nominal Capital £	Conver- sions £	New Money £	First Payment £	Further Liability £
To the Public					
Wakefield Corporation, £500,000 3% stock, red. 1955, at 98½	500,000	...	493,750	25,000	468,750
South African Torbanite Mining and Refining, 1,000,000 shares 10/-	500,000	...	500,000	100,000	400,000
Voice Records, 400,000 ord. 5/- at par	100,000	...	100,000	...	100,000
Total	1,100,000	...	1,093,750	125,000	968,750

	Nominal Capital £	Conver- sions £	New Money £	First Payment £	Further Liability £
To Shareholders only					
Simmer and Jack Mines, 1,000,000 new shares 2/6, at 7/6	125,000	...	375,000	375,000	...
Total Offered for Subscription					
Including Conversions					
Excluding Conversions					
Jan. 1 to date—					
1934	359,588,574	151,408,116	467,921,560	244,780,500	193,300,963
1933	440,085,099	236,448,424	2,599,684,265	188,644,294	183,100,000
1932	773,084,033	182,559,781	114,200,666	102,644,294	183,100,000
1931	108,891,128	98,014,143	693,100,058	369,058,073	183,100,000
1928	516,593,704	342,563,973	...	...	...

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

	Debtures	Preference	Ordinary	Total
January 1 to date—				
1934	93,318,359	17,112,957	40,978,800	151,408,116
1933	220,028,707	8,777,766	7,641,951	236,448,424
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1929	170,172,800	12,773,800	5,963,400	188,910,000
1930	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced £	Approximate Price Dealings Began	Cash Involved £
Amount previously recorded	24,490,568	...	36,369,025
Total to date, 1934	24,490,568	...	36,369,025
Total to date, 1933	31,973,754	...	35,180,862

PUBLIC OFFERS

Wakefield Corporation.—Issue of £500,000 3 per cent. stock, 1955, at £98 15s. per cent. Short-term mortgages of £436,000 will be repaid out of the present issue and balance applied to new capital expenditure. Population, 60,160. Rateable value, £355,135; average total current rates, 16s. in the £. Net debt, £4,094,000, of which £1,431,000 is for trading undertakings and £1,747,000 for housing. Net assets at March 31, 1934, £1,597,174.

South African Torbanite Mining and Refining Company, Ltd.—Issue of 1,000,000 shares of 10s. each at par. Formed to acquire torbanite deposits in Transvaal and to extract crude oil therefrom and operate refineries. Estimated profits, £135,160 per annum, after depreciation. Lease, prospecting contracts, etc., have been acquired for £237,500, to be allotted in shares, and cash payment of £12,500. After cash consideration and preliminary expenses, £433,167 will be available for: mine buildings, £81,000; mine development, £24,000; retort and other plant, £154,167; working capital and marketing, £174,000.

FORTHCOMING ISSUES

Broadway Retailers.—An issue at par of 500,000 shares of 5s. each will be made next week.

The Shropshire, Worcestershire and Staffordshire Electric Power Company.—An extraordinary general meeting will be held at 11, Tothill Street, London, on November 27th, at 11.30 a.m., to consider a proposal that the company creates 500,000 new "B" shares of £1 and to rank *pari passu* with the existing "B" ordinary shares. The new shares will be issued when the directors determine.

Ward (Thomas W.).—Lists will open on November 20th for an issue of 350,000 5 per cent. cumulative preference shares of £1 at par.

Argentine Navigation Company.—The Argentine Navigation Company will shortly offer for subscription £1,500,000 of 5½ per cent. first mortgage sterling debentures at 99. The purpose of the issue is to redeem the present 6½ per cent. mortgage debentures, of which £1,350,045 are outstanding.

RESULTS OF ISSUES

Johnson and Phillips.—The issue of 100,000 ordinary shares of £1 each at 24s. per share has been very heavily over-subscribed.

Central Portland Cement.—The offer of 250,000 ordinary shares and 25,000 6 per cent. preference shares has been heavily over-applied for.

Commonwealth of Australia 3½ per cent. Loan.—Lists for cash applications were closed November 9th, at 11.15 a.m. Holders of the nine State issues which are to be repaid have until Monday, November 19th, to exercise their right to convert into the new stock.

Butterley Company.—The issue of 500,000 4½ per cent. cumulative preference shares of £1 each at 20s. per share was closed at 9.5 a.m., November 9th, the issue being heavily over-subscribed.

Farnham Gas and Electricity.—Allotment letters in respect of the recent issue by this company have been posted. The issue was heavily over-subscribed.

Wakefield Corporation.—Lists closed 9.5 a.m. November 14th owing to over-subscription.

Central Perak Rubber.—The recent issue of shares to existing holders has been heavily over-subscribed.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Nov. 7, 1934	Price, Nov. 14, 1934
Advance Laundries New Ord. 2/-	3/-	1/6	3d-6d pm	3d-6d pm
Aldford House 6% Pref.	20/-	Fypd	217½-221½	217½-221½
Alpha Cement 5½% Pref.	...	...	20½-21½	20½-21½
Argentine 4½% (2nd Series)	93½	1½	½ dis-par	½ dis-par
Argentine Navigation 10% Pref.	...	...	23½-23½	23½-23½
Ascoffs Pharmacies 5/-	5/-	Fypd	210-210	210-210
Do. do. 7% Pref. 10/-	10/-	Fypd	8/10½-8/11	8/10½-8/11
Assoc. British Picture Corp. 5% Deb.	101	41	21-1½ dis	21-1½ dis
Ault and Wiborg Ord.	20/-	3/-	3/-3/- pm	3/-3/- pm
Do. do. 5½% Pref.	20/-	3/-	1/9-2/- pm	2/-2/- pm
Austin Motor "A" 5/-	...	...	35½-36½	35½-36½
Bank Line 2½% Gtd. Deb.	99½	5	1½-2 pm	1½-2 pm
Beechams Plc. 8% Pref.	32½	12½	6d-1½ pm	6d-1½ pm
Blackpool 3%, 1960	98½	3	4½-4½ pm	4½-4½ pm
Boulton and Paul Aircraft (5/-)	5/-	Fypd	4½-4½ pm	4½-4½ pm
Brentford and Chiswick 3%, 1954	98½	5	1½-1½ pm	1½-1½ pm
Butterley Co. 4½% Pref.	20/-	5/-	par-3d pm	par-3d pm
Central Electricity 3½% Stk.	93	23½	4½-5 pm	4½-5 pm
Clan Line Steamers New Ord.	...	...	34½-35½ pm	34½-35½ pm
Do. do. 5½% "B" Pref.	21½	2½	9d-1½ pm	9d-1½ pm
Colville's 5½% Pref.	20½	2½	3d dis-par	3d dis-par
Eno Props. Ord. 5/-	11½	Fypd	12½-12½	12½-12½
Do. 5½% Pref. £1	...	...	23½-23½	23½-23½
French (J. W.) Ord. 5/-	10½	Fypd	10½-11½	11½-11½
Do. 5½% Pref.	21½	Fypd	21½-22½	21½-22½
General Aircraft	5/-	Fypd	10½-11½	10½-11½
Gold Ex. and Finance Aust. Ord.	10½	Fypd	10½-11½	10½-11½
Gold Mines of Kalgoolie 10/-	10½	Fypd	10½-11½	10½-11½
Green (Herbert) 1/-	1/-	Fypd	2½-3½	3½-3½
Do. 7% Preferred	20/-	5/-	3d-1½	3d-1½
Do. 6% Deb.	100	40	41-44	41-44
Hancock (W.) 4½% Deb.	99	15	1½-2 pm	1½-2 pm
James and Shakespear New Ord. 5/-	7½	Fypd	7½-7½	7½-7½
Do. do. 5½% Pref. £1	11	Fypd	17½-18½	17½-18½
Kapala Rubber Ord. 2/-	2/-	Fypd	1½-1½	1½-1½
Do. do. 7½% Pref. 2/-	2½	Fypd	2½-2½	2½-2½
Lanarkshire 3%, 1954-64	97½	5	1½-1½ pm	1½-1½ pm
Malacca Rubber £1	22½	12½	1½-1½ pm	1½-1½ pm
Mersey Docks, etc. 3½% Deb.	97	5	1½-1½ pm	1½-1½ pm
Mount Morgan 5/-	7½	Fypd	27½-27½	27½-27½
Murex New Ord. 10/-	14	11	1½-1½ pm	1½-1½ pm
New Machavie Gold	5/-	Fypd	1½-1½ pm	1½-1½ pm
Nigeria 3%, 1955	97½	30	1½-1½ pm	1½-1½ pm
Nottingham 3%, 1957	188½	5	1½-1½ pm	1½-1½ pm
Odams Properties 5% Deb.	100	15	8½-8½	8½-8½
Oslo Union Co. 5½% Deb.	94	Fypd	25½-25½	25½-25½
Oxford and Berks Cinemas 7% Pref.	20½	Fypd	25½-25½	25½-25½
Plymouth 3% 1954	97½	25	2½-2½ pm	2½-2½ pm
Price's Trust Ord. 5/-	...	...	11½-11½	11½-11½
Do. 5½% Pref.	20½	10½	1½ dis-1½ pm	1½ dis-1½ pm
Rubber Regenerators	20½	100	18½-18½	18½-18½
Salford Corp. 3½%, 1954-64	100	60	2½-2½ pm	2½-2½ pm
Sheffield 3%, 1954	98½	28½	1½-1½ pm	1½-1½ pm
Stretford 3½%, 1955-65	Par	20	1½-1½ pm	1½-1½ pm
Terry (J.) Ord. 5/-	...	...	2½-2½ pm	2½-2½ pm
United Steel 4% Deb.	Par	30	1½-1½ pm	1½-1½ pm
United Sui Betong Rubber £1	50/-	25/-	3d-3d pm	3d-3d pm
Van Dyck Consolidated	100/-	Fypd	1½-1½	1½-1½
Watende Mines	5/-	Fypd	6½-6½	5½-6½

(Continued on page 942)

74/71	47/8	5/4	7 1/2	TRUSTED Leaseholds Ltd	52/64, 51/51 1/4	74 1/2	14 1/2	Gold Mining, "C"	73 1/4-75 1/4	-3d	Trust of Insurance	21/-21/6	+6d
74/71	33-0	5/4	(a)	VOC Ord Co	35/74, 35/1-2	-74d	5 1/4	Gold Prod., "D"	24/104-28/104	+1 1/2	Universal	20/-21/-	+3d

(a) Interim dividend. (b) Final dividend. (c) Last two years dividends. (d) Yield worked on last year's dividend, viz., 1 1/2 per cent. free of tax. (e) Last bonus from capital accretions. (f) Includes 1 1/2 per cent. from capital accretions. (g) Including bonus 5% free of tax. (h) Dividend for 15 months yield worked on a 5% per cent. basis. (i) Based on a dividend of 15 per cent. (j) Calculated on basis of 5 annas dividend per share paid for 1933-34. Taken at 16 annas to one rupee. (k) Also bonus 300 per cent. from reserves in A shares. Yield worked on a 25 per cent. basis. Highest price 1934 on capital before the bonus distribution. (l) Free of Income Tax. (m) Annas per share.

(Continued from page 939)

CALLS DUE NOVEMBER 19 TO NOVEMBER 24, 1934

The grand total of calls falling due in November, 1934, is £8,049,212, which compares with £4,888,830 which fell due in November, 1933. The following calls fall due from November 19, 1934, to November 24, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	Associated British Picture (2,500,000 5% 1st Mort. Deb. Stk., at £101%)	£30%	Nov. 20	£71%
£1	Ault and Wiborg, Ltd. (200,000 Ordinary Shares at par)	17/- p.s.	Nov. 24	All
£1	Preference Shares, at par	17/- p.s.	Nov. 24	All
Stock	Dickinson (John) and Co., Ltd. (£800,000 new 3½% Debenture Stock, at 98½%)	£5%	Nov. 21	£5%
	Eileen Alannah Mining, Ltd. (1,000,000 Deferred Shares, at par)	6d. p.s.	Nov. 24	All
Notes	Forestral Land, Timber and Railways, Ltd. (£1,000,000 4½% Tin Year registered notes, at £101%)	£90%	Nov. 21	All
5/-	International Tea Co.'s Stores, Ltd. (549,752 Ordinary Shares, at 20/- per Share)	5/- p.s.	Nov. 19	All
10/-	Murex, Ltd. (90,000 Ordinary Shares, at 80/-)	30/- p.s.	Nov. 22	10/- p.s. +40/-ps
Stock	Stretford Corporation 3½% Redeemable Stock, 1955-1965 (£500,000, at £100%)	£20%	Nov. 22	£40%

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash	Interim div.	Final div.	Interim or Final Comparison with Last Year	Latest Year	Previous Year
RAILWAYS						
West of India Portuguese Guaranteed Railway	3½%	Jan. 15	Unchanged	...	...	...
BANKS						
Bank of British West Africa	11½%	Dec. 1	Unchanged	...	...	...
Bank of London and S. America	5%	...	Unchanged	...	...	...
British Overseas Bank "A"	5%	...	Unchanged	...	...	...
Commercial Bank of Scotland "A"	8%	Jan. 2	Unchanged	...	...	...
do. "B"	5%	Jan. 2	Unchanged	...	...	...
TEA AND RUBBER						
Amalgamated Tea	Nil*	...	2½%	...	...	...
Anglo-American Direct Tea	3½%	...	5%	...	...	...
Consolidated Tea and Lands	3½%	...	5%	...	...	...
Eastern Assam Tea	Nil*	...	5%	...	...	...
Jhazie Tea	Nil*	...	2½%	...	...	...
Jokai (Assam) Tea	Nil*	...	2½%	...	...	...
Kanna Rubber	4½%	...	8%	...	...	...
Kannan Devan Hills Produce	5%	Nov. 10	Unchanged	...	...	...
Kandapolla Tea	5%	Nov. 23	Nil	...	...	...
Pataling Rubber	2½%	Nov. 23	Nil	...	...	...
Scottish Tea and Lands of Ceylon	5½%	...	8	...	...	...
Semenyih Rubber	5%	Nov. 26	Nil	...	...	...
Sungei Buloh Rubber	5%	Nov. 29	Nil	...	...	...
Travancore Rubber	7½d. p.s.	...	Nil	...	...	...
MINING						
Associated Tin Mines of Nigeria	5%	Dec. 6	Nil	...	...	...
Central Mining and Investment	8/- p.s.	Nov. 23	6/- p.s.	...	...	...
Consolidated Gold Fields of South Africa	19½%	...	11½%	...	...	...
Lonely Reef Gold	2½%	...	Unchanged	...	...	...
Mount Lyell Mining and Railway	2½%	...	Nil	...	...	...
Pari Tin	2½%	Dec. 4	...	...	...	...
Rahman Hydraulic Tin	2½%	Nov. 23	Nil	...	...	...
OTHER COMPANIES						
Adelaide Electric	15½%	Dec. 1	14½%	£10	£8½	...
Aga Heat	2½%	Dec. 1	...	...	...	...
Anglo-French Phosphate	2½%	Nov. 20	...	...	...	...
Argentine Southern Land	...	...	...	...	...	...
Associated British Millsters	...	...	...	...	...	...
Associated Equipment Co.	10d. p.s.	...	...	...	...	...
Bass, Ratcliff and Gretton	11½%	Dec. 3	11½%	£10	£15	...
Beaumont Property Trust	4½%	...	...	...	...	...
Belfast Omnibus	...	...	...	...	...	...
Berger (Lewis) and Sons	6½%	...	...	...	...	...
Bleekers Brewery Investment	2½%	Dec. 1	Unchanged	...	...	...
Boake (A.), Roberts and Co.	12½%	Nov. 10	...	...	...	...
British Electric Traction	2½%	Dec. 7	Unchanged	...	...	...
British India Steam 5% Cum. Pref.	2½%	Jan. 1	Unchanged	...	...	...
Do. 5½% Cum. Pref.	2½%	Jan. 1	Unchanged	...	...	...
British Tabulating Machine	16½%	Dec. 12	Unchanged	11½	11½	...
Campbell (P. and A.)	3½%	Nov. 29	5%	...	...	...
Charrington and Co.	3½%	...	2½%	...	...	...
City Business Properties	2½%	Dec. 10	Unchanged	4	6	...
City of London Real Property	2½%	Dec. 10	Unchanged	...	...	...
Daily Mail Trust	11½%	Dec. 15	5%	11½	11½	...
Dunville and Co.	2½%	...	...	...	...	...
Eastman Kodak of N. Jersey Com. do. do. Prefd.	14½%	Jan. 15	Unchanged	...	...	...
East of Scotland Trust	5½%	...	Unchanged	...	...	...
East Surrey Water "A"	3½%	Dec. 1	Unchanged	...	...	...
Do. "B"	3½%	Dec. 1	Unchanged	...	...	...
Electric Furnace	2½%	Jan. 1	Unchanged	...	...	...
Elektrolux	4½%	Nov. 12	Nil	...	...	...
Fleming (A. B.) and Co.	5%	Nov. 21	Unchanged	...	...	...
Fullers Earth Union	2½%	Nov. 19	Unchanged	...	...	...
Goulding (W. H. and M.)	5%	Jan. 1	Unchanged	...	...	...
Hecht Lewis and Kahn	5%	Nov. 30	...	...	...	...
Hey (J.) and Co.	8½%	...	4%	...	...	...
Humber, Ltd., Deferred	...	...	...	...	...	...
Hyde's Bird Seeds	3½%	Dec. 31	Unchanged	...	...	...
Indian and General Investment (Def.)	5½%	Dec. 11	Unchanged	...	...	...
Investors' Mortgage Security	5½%	Nov. 30	5%	...	...	...
Ismay (John) and Sons	10½%	Dec. 1	5%	...	...	...
Chalgarie Electric Power	3½%	Dec. 1	...	...	...	...
Land and House Property Corp'n.	7½%	Dec. 1	7½%	12½	12½	...
Lloyd's Packing Warehouses	...	...	...	...	...	...
Lyons (J.) and Co.	1½ p.s.	...	Unchanged	5	5	...

Name of Company	Rate % per Annum, except where marked % or Stated in Cash	Interim div.	Final div.	Interim or Final Comparison with Last Year	Latest Year	Previous Year
Metropolitan Properties	3½%	Nov. 30	Unchanged	...	...	...
Morrison and Gibb	7½%	...	...	...	...	...
Northampton Brewery	7½%	...	...	...	...	...
Oriental Gas	4½%	...	Unchanged	...	...	...
Peninsular & Oriental Steam (Preferred)	5½%	Dec. 13	Unchanged	...	...	...
Pimmers Hall (Austin Friars)	7½%	Nov. 30	Unchanged	...	...	...
Portsmouth Water	2½%	Dec. 1	Unchanged	...	...	...
Reed (Albert E.) and Co.	2½%	Dec. 8	2%	...	...	...
Royal Dutch Petroleum	Nil*	...	Unchanged	...	...	...
Sharpe (Charles) and Co.	2½%	Dec. 31	Unchanged	...	...	...
Shell Transport	Nil*	...	Unchanged	...	...	...
Stroud Brewery	13½%	Dec. 12	Unchanged	...	...	...
Tate and Lyle	16½%	...	13%	22½	17	...
Telephone Properties	2½%	Nov. 30	Unchanged	...	...	...
Town Investments	6½%	...	8%	...	14	16
Westburn Sugar	11½%	...	...	11½	11½	...

* Free of income tax.

(s) For nine months.

CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE.

	Three Months ended September 30, 1933	Three Months ended September 30, 1934	Nine Months ended September 30, 1933	Nine Months ended September 30, 1934
Gross revenue	6,342,433	6,626,753	20,385,400	21,595,356
Operating expenses, retirement expenses and taxes	4,239,583	4,757,216	13,900,406	15,079,993
Fixed charges	2,102,850	1,869,537	6,484,994	6,515,363
	721,605	718,851	2,210,531	2,163,636
Preferred dividends	1,381,245	1,150,686	4,274,463	4,351,727
	289,737	289,786	867,602	868,965
Available for common dividends and general corporate requirements	1,091,508	860,900	3,406,861	3,482,762
Amount earned per share of common stock	0.93	0.74	2.92	2.98

THE CHLORIDE ELECTRICAL STORAGE COMPANY, LTD.—The directors will pay on December 1st to shareholders on register November 9th, an interim dividend on the preference shares at the rate of 6 per cent. per annum, subject to tax, and on the ordinary shares, both "A" and "B," a dividend of 5 per cent., subject to tax. The progress of the company and of its associated companies, so far during this financial year, has been maintained. Trading continues to be subject to the influence of many factors, mainly of political origin, which hamper or unexpectedly nullify the traders' best efforts. Such conditions compel caution in speaking of the future, but it can be said that the immediate prospects are satisfactory. Mr H. W. Lee has been elected to a seat on the board.

SECOND CO-OPERATIVE INVESTMENT TRUST, LTD.—The accounts for half-year ended September 30, 1934, show a net revenue, after providing for preference dividend but before charging income tax (to which, under the Finance Act, 1933, the Trust is now liable) of £18,639 14s. 8d. This compares with net revenues of £16,474 4s. 4d. and £16,397 4s. 8d. for the half-years ended March 31, 1934, and September 30, 1933, respectively. The directors recommend a final dividend of 2 per cent. on the ordinary shares, making 3 per cent. for the year, the same as a year ago, and the amount carried forward is increased over the year from £5,612 15s. 9d. to £6,035 11s. 3d. According to a valuation of the investments at September 30, 1934, the depreciation (after allowing for reserve and the amount carried forward) was 41.75 per cent. compared with 46.95 per cent. a year ago. More than 98 per cent. (in value) of the investments have a published quotation.

TURKISH 7½ PER CENT. BONDS.—The Council of the Repartitioned Public Debt of the Former Ottoman Empire announces that coupon No. 3 of the three series of Turkish 7½ per cent. 1933 bonds, due on November 25, 1934, will be payable on and after that date in London and various other centres. This coupon will be paid at the rate of French francs 18.75 gross, under deduction of tax, if necessary, in accordance with the fiscal laws in force in the various countries. In Paris holders will receive this amount in French francs, and in the other places of payment the equivalent in local currency at the rate of the day of presentation of the coupons. The Council also inform bondholders that they have decided to maintain the French franc as the currency of payment for the coupon due May 25, 1935.

THE UNITED INSURANCE COMPANY, LTD.—The balance of the profit and! account for the year ended September 30, 1934, is £55,770. A dividend of 7½ per cent. has been declared. The total assets amount to £1,047,668.

THE ARGENTINE REFINERY CO. 6½ PER CENT. FIRST MORTGAGE DEBENTURES.—Messrs. Glynn, Mills and Compagnie state they are prepared to pay on December 3rd, coupons which are in arrears at the rate of 4 per cent. per annum, viz., Coupon No. 13, due March 1, 1933, No. 14, due September 1, 1933, No. 15, due March 1, 1934, and No. 16, due September 1, 1934.

BROWN, BAXLEY'S STEEL WORKS.—Profit for year ended August 4, 1934, was £43,503, in comparison with £2,252 for the previous period. A further twelve months of preference dividend is to be paid, thus discharging the arrears down to January 31, 1930, and including the £7,019 brought in. £25,516 is to be carried forward.

THE THIRD EDINBURGH INVESTMENT TRUST, LTD.—The board regret that the earnings for the year to November 5, 1934, do not justify them in recommending payment of a dividend on the deferred stock. (Same as last year.)

OIL OUTPUTS

ANGLO-ECUADORIAN OILFIELDS, LTD.—The production for October is cabled as 17,008 tons.

ANGLO-PERSIAN OIL COMPANY, LTD.—Production in Persia for the month of October amounted to 643,000 tons, making a total of 6,412,000 tons for the first 10 months of 1934.

APEX (TRINIDAD) OILFIELDS.—Results for October: Production of oil, 42,950 tons; deliveries, 36,270 tons.

ATTOCK OIL.—Production for October 6,785 barrels.

BRITISH BURMAH PETROLEUM.—Production of crude oil for the month of October was 27,919 barrels.

MEXICAN EAGLE OIL.—Production for the week ended October 27, 1934, was 380,000 barrels. Production for the week ended November 3, 1934, was 380,000 barrels.

COMPANY MEETINGS, &c.

IMPERIAL SMELTING CORPORATION, LIMITED

POSITION OF ZINC INDUSTRY

SIR ROBERT HORNE ON DEFECTS OF OTTAWA AGREEMENT

The fifth annual ordinary general meeting of Imperial Smelting Corporation, Limited, was held, on the 12th instant, in the hall of the Chartered Insurance Institute, Aldermanbury, E.C., the Rt. Hon. Sir Robert Horne, G.B.E., K.C., M.P. (chairman of the company), presiding.

The Secretary (Mr F. A. Crew, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of moving the adoption of the report and accounts, said: The net profit of the corporation for the year was £154,984, compared with £129,880 in the year ended June 30, 1933, to which there falls to be added the balance of £12,680 brought forward from the preceding year, making the total amount at our disposal £167,664, or rather more than £20,000 in excess of the figure at June 30, 1933. After meeting the preferential dividend for the year the balance to be carried forward is £33,126, compared with £12,680 brought forward from the previous year.

ZINC POSITION

The zinc industry, notwithstanding the expansion in our output, reduced cost and improved efficiencies, has not up till now given us anything like a fair return on our capital expenditure. You would scarcely expect anything else in view of the decline to the extent of 25 per cent. in the price of the metal in October this year as compared with the average of the last six months of 1933 (which was by no means high). There are special reasons for this difference, one of which, it is now clear, is the deflationary effect on markets of unwise methods of attempting to implement certain conditions of the Ottawa agreements. I desire to emphasise the fact that not only did the decline in prices deprive the ordinary shareholder of his dividend, but it has caused us to consider the possibility of a serious curtailment of employment by shutting down part of our plant. This difficulty, I regret to say, still exists, although our concern for the loyal body of employees who serve us would prevent us taking such action except in the very last resort.

EFFECTS OF THE TARIFF

On February 4, 1932, the Chancellor of the Exchequer, Mr Neville Chamberlain, made a statement in the House of Commons defining the Government's tariff policy which gave immense relief to those who, like ourselves, were deeply interested in British industry. Mr Chamberlain said that the Government proposed:

"... by a system of moderate protection scientifically adjusted to the needs of industry and agriculture to transfer to our own factories and our own fields work which is now done elsewhere, and thereby decrease unemployment in the only satisfactory way it can be diminished."

And Mr Chamberlain very rightly added that the Government "... have framed a policy which will bring new hope and a new heart to this country."

This statement gave us the necessary confidence to expand our activities in the belief that if we were efficient in our methods of production and gave added employment to the people, the zinc producing industry, like others, would receive reasonable protection as against cheaper and lower standards of living in other countries.

Our business is of national importance from an industrial standpoint quite apart from the fact that it is essential to the defence of the country. Let me give you a few facts. It is correct to say, and necessary for you to remember, that all the industries in which we are engaged are built on the successful production of zinc. In the past few years we have almost completely reorganised the zinc industry of this country. We have eliminated the old and obsolescent plants, modified and added to those worth keeping, built new ones, and adopted new processes and improved the quality of the metal we produce until it covers all grades from the most common to the very highest grade of spelter manufactured anywhere in the world, viz., over 99.99 per cent. of pure zinc.

In 1932, when Mr Chamberlain gave us the new hope to which he referred, our production of zinc was under 24,000 tons. In 1933 it was nearly 45,000 tons. For the first six months of this year it was at the rate of 50,000 tons, and with the new vertical retort plant in operation, it is now running at the rate of nearly 70,000 tons per annum. With fair prices we hoped it would soon reach 75,000 tons. This great expansion of British industry was

GROUP'S CONTRIBUTION TO EMPLOYMENT

Our group—exclusive of contractors and all indirect employment—gives work to over 2,000 men, and our salaries and wages in the last 12 months cost over £500,000. The work now in progress will, it is hoped, increase our direct employees to over 2,500 men and raise our salary and wages bill to over £600,000 per annum.

We have spent over £500,000 on capital account in the last three years quite apart from a sum of nearly £100,000 representing the cost of processes, patents and plants, which had to be acquired to bring methods of production up to the highest point of efficiency.

In the last financial year we expended £400,000 on stores, plant and machinery, and over £1,150,000 in coal and raw materials, and if we add salaries and wages these items alone give a total of over £2,000,000.

The requirements of transport by our group disclose figures also worthy of note. In the last financial year we employed British transport for the following cargoes: 220,000 tons overseas and 710,000 tons inland, and we expect to rise to 250,000 tons from overseas and 800,000 tons for inland traffic.

We consumed no less than 210,000 tons of coal and coke, and this year the total will be nearly 300,000 tons.

IMPRESSIVE FIGURES

These, I think you will agree, are impressive figures. We do not seek consideration in return for promises of what we will do—we ask to be judged on facts—the most important of which is the employment, direct and indirect, which we give to a large body of British workers. We have no need to cover up weaknesses in management or inefficiency in plant operation. In less than ten years our staff have raised the efficiency of the British zinc industry from the lowest in the world to an equality with the best.

We have, however, to meet a higher cost for wages, a higher cost for fuel, a higher cost for transport, and heavier taxation in this country as compared with foreign producers who compete with us.

There is an import duty of 10 per cent. on foreign zinc, and this import duty, if it had been made fully operative, would have given some help to all concerned. But at Ottawa in October, 1932, when the imposition of such a duty was under consideration, an error was made which had the effect—surely never intended—of weakening the position of the producer in the United Kingdom. We foresaw the difficulties which have arisen, and those who represented us stated their objections at the time, but without avail. In the result the price of zinc has been forced down far below anything previously known, and stands at a figure at which it is almost impossible to conduct the operations of a producer in this country to any profit.

The advice we gave was in favour of a simple system involving an operative import duty on foreign zinc, a substantially higher duty on manufactures of zinc, and a full drawback of the duty on any zinc used in manufactures which are exported from this country. This is still our point of view, and the experience which we have had since then reinforces its soundness and cogency. Our advice was unfortunately disregarded, and the British Government entered into complicating agreements with the Dominions which, when they began to be implemented, introduced into the market for zinc a deflationary influence on prices. The evil took time to develop, but in the last six or nine months it has knocked the price of our chief product down by 25 per cent. and threatened to undermine the employment of approximately 5,000 people.

DEFLATIONARY INFLUENCE OF "WORLD PRICE"

Under the Ottawa agreements the Empire producers—i.e. those outside the United Kingdom—are required to sell their metal in Great Britain at what is said to be the "world price," which is defined as the London Metal Exchange official quotation. This quotation is on the basis that the duty is "for buyers' account." Now it must be obvious that an article on which duty is still to be calculated cannot in an official market have the same value as an article quoted "duty free," and that any effort to secure price-equality between the two must have a continuously deflationary influence on the price of the duty-free article. This is exactly what we have been experiencing until we have now arrived at a stage when, on the basis of an artificial "World price" we are expected to sell at figures which no longer reflect the real state of supply and demand. It is a rare occurrence for what is here called the "World price" to be as high as that being paid for the metal in other parts of the world. We are, in fact, expected to sell our product on the same level as small sales here of residual

foreign metal produced with wages 25 per cent. lower than ours, while every single manufactured article we buy is priced at a cost based on the British standard of wages and living. That is an impossible situation which obviously cannot be suffered indefinitely.

By contrast with the situation in which we are placed in this country, it is worth while to note the importance which foreign countries attach to the zinc industry and the steps which are taken to aid and foster it. Almost without exception—and the exceptions are exporting countries—every other great nation is by some device or another restricting imports of zinc and fostering its zinc-producing industry by subsidies, by loans at low rates of interest, by reduction in taxation, by special transport charges, or other means.

Take Germany, for example. In August last the German Government decided to cover any eventual operating losses which might be incurred by the great new Magdeburg electrolytic zinc plant, the original capital for which was heavily subsidised by the State in one form or another. In addition, it was decided to grant subsidies which the mines and smelters need not refund.

Bonuses, too, are being paid for an increased production of zinc ore, while special deductions of 25 per cent. on railway tariffs have been granted by the Reich Railways to aid the zinc industry. Actions such as these are not limited to Germany; they are widespread. It cannot be wise or safe for this country to ignore them.

PLEA FOR REASONABLE TARIFF

We do not seek aids of the character I have described. We have built up a great industry despite many advantages over us enjoyed by our foreign competitors. All we ask is a reasonable tariff in the circumstances of the industry and that it shall be allowed to have effect according to its purpose, instead of being clogged with conditions which depress our prices below their normal or natural level. Of one thing I am certain, such a concession to our industry—which, it must be kept in mind, is one of the great key industries of the country—would in no wise jeopardise the prospects of those who use zinc for subsequent manufacturing processes.

In any case, if we are to be forced to sell the products of our labour at the lowest price in the world, we must have the right to buy what we use on the same basis. The only alternative is to close down.

And we can claim that we are steady and regular supporters of other British manufacturers. It is an unalterable rule of our group that British manufactures must have complete preference. Not a single pennyworth of goods is imported by us which can, to the satisfaction of the experts using them, be made in this country. We have never departed from the principle of buying the products of the British Empire in every possible case.

Most of you are aware, I think, that one of the important lessons which we learned in the War was the necessity of having a zinc industry of our own. It is unnecessary for me to go into all the details of what the various Governments of the Empire thought and did only a few years back, and I will content myself by saying that the Empire's zinc industry, and, in particular, the part your activities play in it, are the direct outcome of the actions of governments who realised the cost to the nation in blood and treasure incurred through our complacent reliance on foreign sources for the supply of metal. Far too many people are apt to forget the lessons of even the recent past. To-day, through your efforts along with others, the Empire zinc production is more than sufficient for Empire consumption. The United Kingdom by itself has a consumption at the moment of 140,000 to 150,000 tons per annum which can now be easily met by our domestic production and the surplus of the other countries of the Empire. This is an industry which can, and, in our opinion, should be organised on an Empire basis.

The Dominion producers have the whole of their domestic markets, which are very substantial, reserved for their own products. We desire only a definite proportion of British consumption to be reserved for the smelters in the United Kingdom. A scheme on this basis demands co-operation amongst the Empire producers, and we are ready and willing to co-operate provided there is reasonable regard for the interests of the British consumer; equally reasonable protection within the Dominion markets for Empire zinc re-imported there in manufactured form, and proper provision for the requirements of the export trade of the British manufacturer. On such a foundation there could be built up a healthy and powerful industry, affording regular and profitable employment to an important section of our people and adding strength to the industrial and defensive structure of the British Commonwealth of Nations.

Sir Cecil L. Budd, K.B.E., seconded the resolution, which was carried unanimously.

JOHN DELANEY, LIMITED

INCREASED PROFIT—DIVIDEND OF 5 PER CENT.

The ninth annual general meeting of John Delaney, Limited, was held at the Great Northern Hotel, Leeds, on Thursday, the 8th inst.

Mr A. Woolley-Hart, the chairman of the company, presided.

The Secretary (Mr John Jordan) read the notice convening the meeting and the auditors' report.

The Chairman said: Gentlemen,—The report and accounts have been in your hands for some days: may I assume that you will take them as read? (Agreed.)

I beg to move that the report of the directors and the audited accounts and balance sheet for the year ended July 31st last, as presented, be and they are hereby approved and adopted, and that a final dividend as recommended in the report of 2½ per cent., less tax, making with the interim dividend of 2½ per cent. already paid a total of 5 per cent. for the year, be paid, and I will ask one of my colleagues to second that resolution.

Mr J. H. W. Laverick: I have much pleasure in seconding the resolution.

The Chairman: You will see from the directors' report that there has been an improvement in trade in the year under consideration, and that, as stated, the net profits have exceeded the previous year by £4,168.

There is also a reference in the report to the conversion of the debentures, which will result in a saving in interest charges of approximately £1,300 per annum. This saving is putting the position in a very conservative way, and I think the clearest way of putting it before you is to state the general effect of the conversion.

Hitherto we have had to allocate a fixed sum of £12,500 per annum for interest and sinking fund, the arrangement in connection with the latter being that the interest on any debentures paid off in each year was not saved by the company but was used in further augmentation of the sinking fund, so that throughout the whole period of the debentures we had to pay the fixed annual sum of £12,500, as mentioned above.

The present arrangement, I am happy to say, is on much more satisfactory lines, as not only is the interest reduced from 7 per cent. to 5½ per cent., but a fixed sum is allocated for the purposes of redemption of £3,000 per annum, and each year as each £3,000 is paid off the company benefits by the saving of interest at the rate of 5½ per cent. thereon, leaving us in the position that from February 1st next, on which date the final carrying out of the debenture conversion takes place, we shall have to pay annually the maximum of £8,170, and with each successive year this sum will be diminished by the amount of the interest on the £3,000 of debentures redeemed.

The general effect of this, therefore, is that we shall be paying £8,170 as against £12,500 per annum.

It is also a satisfactory feature that whereas we originally had £125,000 debentures outstanding, the amount as at February 1st next will be only £94,000.

So far as trade is concerned in the interval since July 31st last, when the accounts before you were made up, the improvement shown in last year has continued, and although your directors are hoping that the now current year, apart from the above debenture saving, will show an improvement in earning power on last year, still we do not like to go any further at the moment than saying that the improvement reflected in the figures before you have been maintained up to the present.

With regard to the investments, these stood in the balance sheet last year at £74,581, and this year you will see they stand at £62,869 at cost. However, the market value of the investments at the end of October was approximately £65,000. The amount owing to bankers at the date of the last account was £23,465. During the year this has been reduced to £11,307, and it has since been further reduced to approximately £3,500.

During the year a very important addition has been made to the company's position, as a contract for the purchase of the freehold of the Threshfield quarry—formerly held on lease, and on which the company's plant is erected—has been signed.

It is proposed to subdivide the company's £1 shares into shares of 5s. each. Notices of an extra-ordinary general meeting to carry this out have been posted.

The Chairman then put the above resolution to the meeting, when it was carried unanimously.

The auditors, Messrs. Joshua Wortley and Sons, were re-appointed.

The meeting closed with a vote of thanks to the Chairman, management and staff.

LAKE VIEW AND STAR, LIMITED

INCREASED NET PROFITS

TOTAL DISTRIBUTION 57½ PER CENT.

The annual general meeting of Lake View and Star, Limited, was held, on the 12th instant, at River Plate House, Finsbury Circus, London, E.C.

Mr John A. Agnew (the chairman) said that it gave him great satisfaction to be able to report a further increase in the net profit, which amounted to £460,238, notwithstanding that operations had been adversely affected on three different occasions by labour disputes. Three dividends of 12½ per cent. each had been paid and they recommended a final dividend of 12½ per cent., plus a bonus of 7½ per cent., making a total distribution for the year of 57½ per cent. The balance sheet showed the company to be in a very satisfactory position so far as cash and reserves were concerned.

THE ORE RESERVES

The general mining results had been satisfactory, as, in spite of the greater tonnage milled, the reserves had been increased by 302,000 tons. Those ore reserves showed a net decrease of about 2s. per ton in grade compared with last year, against which the working costs show a reduction of 1s. 10d. per ton. The increase in tonnage did not fully represent the position as 140,000 tons, figuring in last year's estimate of positive and probable ore, had been eliminated for the time being. Of that amount 67,700 tons were in the Hannan's Star Section and would be inaccessible for some time; the remainder was in the form of pillars, which were also inaccessible and of such low grade as to make their recovery doubtful. Taking those figures into consideration, the ore actually developed during the past year had increased by approximately 440,000 tons.

DEVELOPMENT WORK

On the first occasion on which he had addressed the shareholders he had intimated the directors' intention of pressing on with development work until they had placed the mines in a position to deal with not less than 40,000 tons per month. The possibility of achieving that had been received in certain quarters with scepticism, the capacity aimed at being almost double what had hitherto been treated in any mine in Western Australia. To have accomplished that, and to have placed the property in a position where developments could be shown to be more than keeping pace with a capacity 25 per cent. in excess of what they had had in mind in the beginning spoke volumes for the work of the general manager and his staff.

Shareholders had been advised of the purchase of the mining property belonging to the Associated Gold Mines of Western Australia, Limited, and that property had been worked by the company since April 1st last. They had been very closely engaged in investigating the large dump of residues on the Associated property and were satisfied that there was a substantial profit to be won from the retreatment of this material. There were certainly not less than 1½ million tons that would yield a profit. They anticipated an appreciable profit over the next four or five years from the retreatment of this dump.

DR. MACLAREN'S VISIT

They had recently arranged for Dr. Malcolm MacLaren to visit Western Australia to confer with the general manager. They were desirous of ascertaining his views on the scheme of exploratory work in the lower levels of the Associated property and on the occurrence in the Lake View section of the so-called Cross Lode, between the 1,000-ft. and 1,800-ft. levels. He had always expressed his confidence that the development work in the deeper ground was likely to result very satisfactorily. Developments to date would appear to have confirmed his judgment. In view of the amount of work carried out since his last visit to the mine, it was felt that a consultation with him after he had had an opportunity of reviewing those results would be of immense benefit to the management.

The Chairman concluded by expressing his appreciation of the work done by the general manager, Mr J. F. Thorn, and the staff on the property, Mr H. E. Vail, the consulting engineer, and members of the London staff.

The report and accounts were unanimously adopted.

The retiring directors, Mr A. H. Collier and Mr G. Goldthorpe, were unanimously re-elected, and the meeting terminated with a cordial vote of thanks to the chairman, directors and staff.

MOTOR FUEL PROPRIETARY, LIMITED

POTENTIALITIES OF THE NEW PROCESS

The annual meeting of Motor Fuel Proprietary, Limited, was held, on the 14th instant, at Winchester House, London.

Mr F. C. Marten (the chairman) said that they were meeting under conditions that not only placed the company for the first time in a position to erect a commercial plant but in conditions also that fully justified them in looking forward to great prosperity.

The plant was completed early this summer. Many tons of coal had been treated with results far exceeding expectations, and the board had felt justified in approaching a financial group with a view to raising the capital to commercialise the process. That group requested the board to obtain an independent report, and, without elaborating very much on it, he could say he believed the yield of 27.3 gallons of light oils, as given, to be far greater than that of any of the known processes, while the chemicals produced had very great potentialities. The directors, in estimating the profits to be derived from a plant capable of treating 500 tons of coal per day to be over £250,000 per annum, felt they might have erred on the side of under-valuation. The future was more encouraging than at any previous time, and could be faced with full confidence. The capital was to be increased to £300,000 by the creation of 800,000 new 5s. shares, of which 300,000 were to be offered to shareholders at 15s., and those taking up the proportion to which they would be entitled would be enabled thereby to double their existing holdings.

Mr H. P. Stephenson said the company had a proved process, which had been subscribed to by independent authorities and which should produce substantial profits on the basis of semi-coke and petrol alone, with, in addition, very vast potential possibilities in valuable chemical products. The process was unique in that no mechanical difficulties were encountered in its operation. The semi-coke produced was without equal, and their motor spirit gave a greater mileage per gallon. Their company had been the first to realise the enormous possibilities of the production of fine chemicals from coal, and patents were being taken out in every country in the world.

The report and accounts were unanimously adopted and the proposed increase of capital was approved.

S. SMITH AND SONS (MOTOR ACCESSORIES), LIMITED

IMPROVED TRADING PROFIT

The twentieth ordinary general meeting of S. Smith and Sons (Motor Accessories), Limited, was held, on the 14th instant, at the Cricklewood Works, London.

Mr Walter Henderson-Cleland, M.C. (the chairman), said that the trading profit at £160,771 showed an increase of £29,108, or 22 per cent., as compared with last year, and of £74,938, or 87 per cent., as compared with two years ago. The net result of the year's trading was a profit of £125,355, which showed an improvement of £25,090 over last year. The various branches of the company's business had increased during the year. The motor-car side had prospered by virtue of the increased number of cars manufactured, and the company had added to its lines of products. The aircraft section had continued to develop, and it was of interest to record that all the British machines in the recent race to Melbourne were equipped with Smith's instruments, as well as K.L.G. plugs.

Their subsidiary companies, the K.L.G. Sparking Plug Company, British Jaeger Instruments, the All-British Escapement Company, and Smith's English Clocks, now contributed a considerable volume of business and a substantial portion of the revenue of the company. The motor accessory business, however, was still their main interest, and their position during the past 12 months had not only been fully maintained, but the turnover had considerably increased. At no time could he call to mind a period during which their instruments had given such complete satisfaction. The products they turned out to-day were better than ever, and it was their intention at all costs to maintain that high level.

The turnover for the first three months of the present financial year had been greater than in any corresponding period, and provided there was no setback in the prosperity of the country, the company's prospects in all departments were encouraging. They proposed to pay dividends of 2 per cent. and a further 7 per cent. on the non-cumulative preferred ordinary shares (making, with the interim dividend, 14 per cent. for the year), and a dividend of 25 per cent. on the deferred ordinary shares.

The report and accounts were unanimously adopted, and the meeting terminated with a vote of thanks to the chairman, directors and staff.

WANKIE COLLIERY COMPANY, LIMITED

IMPROVED RESULTS AND DIVIDEND OF 12 PER CENT. FOR YEAR

The eleventh ordinary general meeting of the Wankie Colliery Company, Limited, was held, on the 30th ultimo, at Abercorn Rooms, Liverpool Street Hotel, London.

Sir Edmund Davis (chairman and managing director) presided. The Chairman said: The authorised capital remains the same as at August 31, 1933. The issued capital, however, has been increased from £995,568 to £997,500 by the issue of 3,864 shares during the year. Creditors in London at £48,439 shows a considerable reduction when compared with the amount appearing under the same heading in our previous accounts, and is principally due to the reduction in our bankers' loan account, which, from its initial amount of approximately £150,000 borrowed to pay off the company's 6 per cent. debentures, stands in the accounts at £46,000, and at to-day's date is £27,000. Creditors, Africa, £14,391, show an increase of £2,000 chiefly owing to the amount due to trade creditors at the end of our financial year.

Provision for income tax, £11,331, is £7,952 less than shown in our accounts for the previous year, mainly accounted for by the fact that no tax in Rhodesia in respect of the previous year's profit was outstanding at the date of the present balance sheet.

Reserve and depreciation account stood in our previous balance sheet at £455,803. To this we have added depreciation written off for the year amounting to £40,811 and also £1,609, being the amount received in respect of premiums on 3,864 shares issued during the year, bringing the figure up to £507,223. We have written out of this account expenditure in connection with the temporary closing down of No. 2 colliery, cost of machinery dismantled, etc., less value of obsolete stores sold, previously written off, and amounting in all to £4,425, leaving a total to the credit of this account at August 31st last of £502,798.

It may interest you to know that of the amount of £502,798 standing to the credit of this account £454,129 is in respect of depreciation which has been reserved on the fixed assets of the company, which stand in the balance sheet at a cost of £998,799.

Debtors, £42,753, shows a satisfactory increase of £11,544, due, principally, to the larger supplies of fuel to the Belgian Congo and Northern Rhodesia Copper Mines.

Capital expenditure during the year amounted to £7,410, of which amount £4,943 is in respect of expenditure on buildings, £2,367 on machinery and plant, and £100 on permanent works.

Turning to the credit side of the profit and loss account, it will be noticed that the sale of coal, coke and other products amounted to £342,016, compared with £241,978 at the date of our previous year, an increase of £100,037. On the debit side of the profit and loss account we have the cost of mining of coal, and manufacture of coke and bricks, £155,967, as compared with £117,495 in 1933, an increase of £38,472, and we have written off £50,054 by way of depreciation this year, comparing with £44,943 in our previous accounts.

African general expenses, £5,430, compares with £4,746 last year.

London expenses, £8,587, compares with £8,620.

Directors' fees and additional remuneration, £4,600, compares with £1,996 last year—an increase of £2,604, the profit this year having been sufficient to justify the payment of the maximum additional remuneration provided for in the articles of association.

Rents and sundry receipts—Africa, £11,177, show a reduction of £187.

On the debit side of the balance sheet we have brought in the balance profit brought forward from August, 1933, £19,303, out of which a final dividend in respect of that year was paid, amounting to £9,955, leaving a balance to be carried forward of £9,348. To this we have added the profit for the year, £128,730, bringing the total up to £138,078, and deducted taxation reserve, £9,364, leaving a net total of £128,714.

After deducting the two interim dividends of 5 per cent. each in respect of the year under review paid on April 16th and August 17, 1934, amounting to £99,653, we have a balance of £29,061. Out of this balance we propose to recommend the payment of a further dividend of 2 per cent., less income tax, making 12 per cent., less income tax, for the year. This payment will amount to £19,950, and we propose to carry the balance of £9,111 forward to next year.

During the year under review I have visited the colliery, and was impressed with the improvements made since I was last on the property. The new offices which have been erected are as good as could be found anywhere and are in keeping with the excellent work throughout the property.

I suppose you wish me to say something of the future. In this respect I cannot do more than say that there is every reason to expect that the results of our current year's operations should

prove as satisfactory as those shown in our present accounts and to draw your particular attention to the increased consumption of coal by the Northern Rhodesia Copper Mines. Their total supplies during the year under review were 187,296 tons, comparing with 106,665 in the previous twelve months.

The report and accounts were unanimously adopted.

SUDAN PLANTATIONS SYNDICATE, LIMITED

IMPROVED OUTLOOK

PROPOSED SHARE ISSUE

The twenty-seventh ordinary general meeting of the Sudan Plantations Syndicate, Limited, was held, on the 12th instant, at Winchester House, London, E.C.

Mr Alexander MacIntyre (chairman and managing director) said that their British Government securities amounted to approximately £830,000 and cash to approximately £350,000, which together totalled £1,180,000. The gross profit for the year amounted to £351,967, and, after deducting all expenses, amounts written off, and £30,000 placed to Gezira reserve, there remained a net profit of £137,584. The directors recommended a dividend of 6 per cent. for the year.

It had been decided to issue to shareholders 225,000 shares out of the 250,000 unissued share capital of the syndicate at a price of 21s. per share, and in the proportion of one new share for every ten now held. That issue, together with the syndicate's other resources, would place them in a position to pay back the loan of £400,000 which was secured by a debenture, unless the money could be more profitably utilised in a large extension of area or otherwise. It would also provide capital for the development and financing of the proposed extensions in the Gezira. Work on the extension of 20,000 feddans in the northern section of their concession had already begun, and they hoped to have it ready for next season's crop. A similar, or rather larger, extension was contemplated at the extreme southern end of the concession, which could be developed in time for the 1936-37 crop, but so far that extension had not been definitely agreed.

Regarding sales, all their cotton seed stocks had been disposed of. The prices had been lower than those obtained for the previous year, but they had been compensated to the extent of concessions obtained for lower sea freights. Cotton prices had not been too bad throughout the year, but owing to the difficulties of exchange and political uncertainties, manufacturers in the consuming countries had been compelled to adopt a policy of buying their immediate requirements from day to day, and were averse to entering into any large commitments. That was a great handicap to effecting sales of cotton stocks in any large quantities, and entailed the producer having to carry cotton stocks, which in the past used to be carried by the mills. Notwithstanding that, their cotton had been selling fairly well. The whole of last season's Zeidab crop and the remainder of the Gezira 1931-32 stocks had been disposed of, and the greater part of the 1932-33 and 1933-34 crops had been either sold or covered.

With regard to this year's Gezira crop, the area planted in cotton was about 156,000 feddans. Although rains had not started as early as last year, they had been above average, with several light rains in October and two light showers this month. He had always said that late rains encouraged any latent blackarm present in the crop. It was too early yet to predict the final yield, but a cable from their manager received on Friday indicated that, although there was a good deal of blackarm evident in many places, the prospects were better than at this time last year, and that the amount of leaf-curl present was negligible, which was very satisfactory. The cotton crop planted at Zeidab this season was about 5,850 feddans. He was afraid that they could not expect to have a bumper crop such as they had had last year. The indications were that the yield would be about 3 kantars per feddan.

With regard to the coming year, if present cotton prices held and an average crop was obtained, they should be in even a better position than they were at present.

The report was unanimously adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8 Bouverie Street, Fleet Street, London, E.C.4.

CENTRAL ARGENTINE RAILWAY, LIMITED

EXCHANGE DIFFICULTIES

The ordinary general meeting of the Central Argentine Railway, Limited, was held, on the 15th instant, at River Plate House, Finsbury Circus, London.

Mr W. K. Whigham (the chairman) said that the gross receipts for the year amounted to £9,871,000, an increase of £122,000; working expenses at £7,211,000 showed a decrease of £638,000, the balance amounting to £2,660,000, an increase of £760,000 over the previous year. Those figures were, as usual, based upon the par of exchange. To set that right, one was forced to deduct from the £2,660,000 no less a sum than £1,005,000, being exchange differences for 1933-34, as against £365,000, leaving the actual net receipts at £1,655,000 compared with £1,535,000 last year, an increase of £120,000.

The labour position had required careful handling, because the men had seen progressive weekly increases in peso gross receipts and concluded that the improved financial situation measured in that currency should permit of the immediate restoration of the reduction in their wages. Those men had been thinking in pesos, completely overlooking the fact that those pesos had to be converted into sterling to allow of a just and reasonable return to the investors.

As soon as the results for the year ended June 30, 1933, were available, they had approached the Government, and with their intervention an agreement had been arrived at between the Labour Unions and their company. However, under the President's award, the reduction in wages must before long have to cease automatically, but the companies looked for any real benefit to the promise held out in that document of a better utilisation of labour and a modification in the regulations.

With respect to road competition, the position remained much as it was twelve months ago. As mentioned on previous occasions, they had organised a certain amount of road transport by bus and by lorry in order to counter competition, but the only true solution must be the establishment of equality in operating conditions as between road hauliers and railways, a problem which the Road Transport Bill alone could equitably solve.

In conclusion, he ventured to express the hope that, in the near future, they might have some tangible relief from the burden of exchange differences. It was too much to expect that the year 1934-35 should see a return to normality, but he was convinced that when the turn for the better did come, Argentina would be among the first to profit by the change.

The report was adopted.

BUENOS AYRES WESTERN RAILWAY, LIMITED

IMPROVING OUTLOOK

The forty-fifth ordinary general meeting of the Buenos Ayres Western Railway, Limited, was held, on the 14th instant, at River Plate House, London.

Sir Follett Holt, K.B.E. (the chairman), said that the directors met the shareholders with a sense of great disappointment at being unable to recommend the payment of a dividend to some 20,000 holders of the £17,000,000 of ordinary stock of the company. They had survived the lack of marketability of wheat and maize and the devastating fall in their price level, but they had not been able to withstand the further fall in the exchange which had occurred. They also experienced in the early months great difficulty in securing remittances at the official rate. At a later date they came over more freely, and, having sold their holding in local Government bonds in Buenos Ayres, they had been able to meet all claims for income tax and provide for the payment of the preference dividends, thus maintaining an unbroken record without incurring an overdraft with their bankers. After referring to the problem of the untrammelled road transport competition, and stating that it was impossible to say at present how the award of H.E. the President in connection with wages and conditions of railway labour would work out in practice, he went on to say that during his recent visit to Argentina it had become evident that the period of crisis was passing, if it had not already passed. Through the depreciation in the value of the peso Argentina had undoubtedly been able not only to avoid any grave internal crisis but to resume its march of progress and development. The peso receipts of the railway so far this year were 5 per cent. higher than for the same period of the previous year, showing that some progress had been made. The directors had not lost any of their faith in the potentialities of the railway.

The report was unanimously adopted, and a cordial vote of thanks to the Chairman, directors and staff terminated the proceedings.

KASSALA COTTON COMPANY, LIMITED

CROP PROSPECTS

The eleventh ordinary general meeting of the Kassala Cotton Company, Limited, was held, on the 12th instant, at Winchester House, London.

The Hon. Arthur M. Asquith, D.S.O. (the chairman), in the course of his speech, said: The profit and loss account shows a net profit for the year of £1,398.

Now regarding the past season's crop, I told you last year that we had more late rains than we liked and that there was a good deal of blackarm about. Later in the season weather conditions were not such as to enable the cotton plants to make a complete recovery. Our practical immunity from leaf curl, we believe, was due to all the trouble given to taking the cotton out by the roots, instead of cutting it out with the hoe. In the upshot we had a yield of 2.61 kantars per feddan, or more than half a kantar better than in the previous season, and the quality of the cotton was good.

Regarding the current season's crop, Mr Fleming reports that all the old cotton was rooted up; that conditions for sowing in July and August were good; that sowing was completed by August 26; and that germination and early growth were satisfactory. No leaf curl worth mentioning is apparent. There is, as usual, a certain amount of blackarm throughout the area, but damage at present is very slight. Indications at the present early stage are rather better than last year, and granted favourable weather conditions from now onwards there is no reason why we should not obtain a satisfactory crop. Our area under cotton is 19,147 feddans, as against 18,991 last year.

Last spring we approached the Sudan Government with a view to obtaining an extension of the area of the company's concession, but the granting of our request would have entailed expenditure upon canalisation, which the Government was not at that time prepared to undertake. With cotton prices so much lower than they were at the time of our exchange of concessions, an extension of our area under cotton is badly needed to give prospects of a fair return upon the share capital of the company. Mr Macintyre and I are visiting the Sudan this winter, and we shall renew our application in the hope that circumstances may by then have become more favourable.

The report and accounts were unanimously adopted.

CONSOLIDATED TIN MINES OF BURMA, LIMITED

AN IMPROVED POSITION

The sixth annual general meeting of the Consolidated Tin Mines of Burma, Limited, was held, on the 15th instant, at Winchester House, London.

Sir Cyril K. Butler, K.B.E. (the chairman) said that on that occasion it was not necessary to preface his remarks by a reference to unfavourable conditions or economic depressions. On the contrary, the accounts before them disclosed a material improvement in the position and affairs of the company compared with those of a year ago. The mining operations for the past year had resulted in a surplus of £43,229. After allowing for expenditure in England, the net surplus from the company's operations for the past year amounted to £40,206. The directors recommended a dividend of 6d. per share (less tax) in respect of the past year. The total current assets amounted to approximately £140,000, against liabilities of £15,477, which would be sufficient to indicate the substantial addition which had been made to their financial strength during the past year.

The output of mixed concentrates for the year, including purchased ore, was 956 tons, a decrease of 210 tons compared with the previous year.

As regarded the properties, at least 40,000 tons of ore had been opened up of a minimum assay value of 1½ per cent. The value of the concentrates in that developed ore at current metal prices was approximately £80,000, so that the expenditure to date on underground development had been fully justified. The board had authorised the continuance of the development programme. Since the close of the year the rate of progress in the underground development had been even more satisfactory than for the past year, and indications to date justified the view that an expansion of their milling plant would be warranted at some future date.

For the past four months the outputs, excluding purchased ore, had totalled 337 tons, and although up to date figures had not reached them, the profits of their operations for that period should not be less than those for the corresponding period of last year. The directors were pursuing a progressive policy. The sound financial position of the company, as well as current metal prices, justified that forward policy.

The report and accounts were unanimously adopted.

MITCHELLS AND BUTLERS, LIMITED

IMPROVED RESULTS—STRONG POSITION

LESSONS FROM UNITED STATES

SIR WILLIAM WATERS BUTLER'S INTERESTING ADDRESS

The forty-seventh annual general meeting of the shareholders of this company was held, on the 15th instant, at the White Horse Hotel, Birmingham, under the presidency of Sir William Waters Butler, Bart.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and gentlemen,—I deeply regret that since our last annual meeting the company has suffered a grievous loss by the death of my brother, Mr Henry A. Butler.

TRIBUTE TO LATE MR. HENRY A. BUTLER

The service my brother rendered to this company as a managing director for 35 years, not only by his hard daily labour, but also by the sound advice he gave to his colleagues in regard to planning the policy of this great undertaking, contributed much to its success during that period.

He took his full share in defending our industry against the attacks of teetotal agitators. At one time and another he served as chairman of the various trade defence associations, and he gained the confidence not only of his fellow-brewers, but also of the licensed retailers, which conducted greatly to the amicable relations and smooth working which exist to-day in this district between the wholesale and retail sections of the trade.

The company will sorely miss him, although I am glad to say his son, Mr Robert H. Butler, is doing his utmost to worthily fill his place.

With reference to the balance sheet, I would recall to you that in my address last year—which in my absence, through illness, was read to you by the deputy chairman, Mr Arthur Mitchell—this statement was made: "We look forward to the relief afforded by Mr Neville Chamberlain—the more so if it is augmented by an improvement in general industry—to help to restore to us some measure of our former prosperity."

BENEFICIAL EFFECTS OF REDUCTION OF BEER DUTY

The trading results of the company for the 15 months ended September 30th last are, in the opinion of your board, satisfactory, and show more than a proportionate advance upon those of the previous 12 months, which is partly due to the benefit of the reduction of the Beer Duty having been received during the whole of the 15 months.

The reduction of the Beer Duty has enabled us to supply to the public a cheaper and a stronger beer, and, fortunately, there has been at the same time an improvement in the general trading of the country, which has resulted in an increase in the spending power of the public. It is mainly these factors combined with the great popularity of the company's products which have brought about a greater output and increased profits.

It has also been contributed to as the result of our great expenditure in the erection of new properties and the rebuilding and improvement of others, an expenditure which was made possible by the company having in good and adverse times distributed its profits wisely, and retained balances in the form of reserves. A hilt-division of profits might result in our not being able to obtain funds for maintaining output and profits in times of depression, or only being able to borrow at an uneconomic rate of interest or by adding to that portion of our capital which increases the amount of annual fixed charges against trading profits, which would tend to place the whole financial structure in an uncertain position should trading results fall.

COMPANY'S STRONG POSITION

Your company, however, is in a very strong financial position, as its capital is not top-heavy under a weight of debentures, mortgages and loans. It is a great temptation to borrow capital when it appears to be cheaper to do so than to use your own resources, but there is a danger zone into which such a financial course may lead. Your company has wisely avoided this course, and, I hope, will always do so.

Ladies and gentlemen, I do not hesitate to say that the balance sheet represents assets, the value of which should be maintained if we ensure that our products are such as will still continue to appeal to consumers—I do not think they were ever more popular

—and that the sale and consumption takes place under the best conditions, in accordance with the policy we have followed for so many years.

I must, however, remind shareholders when comparing the balance sheets, to remember that we are now dealing with the results of 15 months' trading, as against 12 months hitherto.

Under the prevailing conditions there is no reason why the present rate of profit should not be maintained, but in these difficult times, with a world so unsettled and the uncertainty of the economic position, one would naturally hesitate to predict the future financial results of any industrial undertaking.

The improvement in general industry we hope will continue to increase, and that the lamentable unemployment will consequently become less. At the same time, we must remember the number of the unemployed is not so great here as it is in some countries.

CHAIRMAN'S VISIT TO UNITED STATES

I have just returned from visiting the United States and Canada, where I heard nothing but admiration for the manner in which this country has grasped the situation, has kept steady, and has formulated and put into operation well-ordered plans for alleviating unemployment. During the past few years—through many diverse causes—this terrible problem has become a menace to the well-being of all the nations of the world, as the adverse effects following the failure of ill-conceived schemes to cope with it in one country are acutely felt in all other trading countries, depressing industry and increasing unemployment in them also.

In the United States I was anxious to see the effect of the abolition of what was called Prohibition, and also of the alteration in the distribution of alcoholic beverages in Canada. I gained the impression that brewers and retailers there are determined to prevent any repetition of the errors of the past, which being so greatly exaggerated by the enemies of the Trade, brought about such ill-conceived and ruinous legislation.

I had the privilege of being invited to a Convention of the United States Brewers' Association at New York and listened to speeches by the Mayor of New York and the Governor of the State couched in most friendly terms towards the industry, and exposing the deplorable defiance of the law and the great increase in crime which had resulted from the efforts to enforce Prohibition.

In the course of the short remarks I made at this Convention I mentioned the successful work we had accomplished in Birmingham in carrying out our policy of "fewer and better." I also emphasised that, in my opinion, the proper system of the distribution of alcoholic beverages, which would advance temperance, was that only sufficient retail distributing centres to meet the requirements of the public should be licensed, which would ensure an adequate return to the producer and retailer, enable them to give good value to the consumer, and make possible that beverages and food should be served under the best conditions and in pleasant surroundings. Unhealthy competition would thus be avoided and there could then be no excuse for questionable methods of trading, which not only would probably bring about disastrous economic results, but also such social evils as would cause an outcry from those who desire to maintain good public order.

A WARNING FROM PROHIBITION

When we realise the financial injury inflicted upon the old-established brewers of the United States by the imposition of Prohibition, many of whom were utterly wiped out and their stockholders ruined, it should be a serious warning to English brewers and licensed traders to maintain the vigilance and efficiency of trade defence organisations, so as to be ever ready to counter the attacks of our enemies, who in the United States under the guise of temperance reformers were able to bring about disastrous losses, and the absolute ruin of many traders.

We do not forget that people in this country, using a religious movement for their ends, visited the United States when Prohibition was in force, and then returned home and by exaggeration and false statements as to the beneficial results that had followed, did their utmost to induce the Government to impose the same restriction in the United Kingdom.

Fortunately, however, the evils which had been created by Prohibition were exposed. In fact, the last Royal Commission on Licensing did not even consider Prohibition as a step to Temperance Reform, nor have teetotal propagandists received the slightest encouragement from the Government of the day.

LOCAL OPTION A SHAM

In the official organ of the United Kingdom Alliance of October under a heading "Our Work in the Press," this illuminating statement appears for the guidance of its disciples: "Any direct tendency in favour of abstinence and the temperance movement should be avoided." They are thus led to practise deception and that is perhaps why nowadays one rarely hears them make any reference to Prohibition. On the contrary, their one endeavour appears to be to hide from the general public that their ultimate object is the total prohibition of the manufacture and sale of alcoholic beverages, while at the same time they are working to bring it about by what is called local option. This local option is nothing but a sham, as no option is to be permitted; it is local veto, and it is the same stratagem which was so successfully used in the United States to bring about what was described as "the noble experiment of Prohibition."

The only Parliamentary legislation affecting our trade has been in connection with agricultural matters affecting the supply and marketing of brewing materials. As you were informed last year brewers undertook to use as large a quantity as possible of British barley. This undertaking has been fulfilled, although as I have previously explained, the suitability of British barley for malting must always be dependent upon the harvest conditions of the year.

BARLEY CROPS AND FARMERS' COMPLAINTS

Fortunately, the barley harvest of 1933, in consequence of good climatic conditions and the increased output of beer, was readily sold, and at a much better price than usual, but this season, owing to farmers increasing their barley acreage and in consequence of the drought and early threshing, a large portion of the crop has not been suitable for malting, and, therefore, it has not been sold as readily as it was last year. Stocks are thus tending to accumulate, and farmers are unjustifiably complaining that brewers are not carrying out their promise to the Chancellor of the Exchequer to use as much English barley in their brewings as possible.

They are, therefore, seeking to make compulsory the use of a high percentage of English barley, no matter of what quality it may be or at what price it may be offered. This is an inequitable proposal; it would handicap the farmer growing and selling the best quality grain and it would make it difficult for the brewer to produce beer of uniformly good quality and stability.

MARKETING AND QUOTAS CRITICISED

I am opposed to marketing schemes and quotas of any home produce because I am of the same opinion as Mr Harold Cox, who wrote in the *Sunday Times* of October 21st as follows:—

"The wants of the human race are wide and varied, and there is a better chance of those wants being gratified if the business of deciding what to produce is left to the free judgment of individual enterprise, rather than to compulsory orders of committees backed by the authority of Acts of Parliament."

"At any rate the English practice of leaving these problems to be settled by the producers themselves at their own risk in pursuit of their own profit has worked well in the past. It was on that system that we built up the industrial development and the world-wide trade of Great Britain."

I believe such marketing schemes and quotas discourage the production of the best quality, encourage the formation of trading monopolies and injure the consumer, who is forced to pay higher prices for inferior products.

Let us have a free market at home, and by the imposition of appropriate tariffs stop the dumping of goods produced abroad under unfair competitive methods. The home trader would then have some incentive to produce and offer the best and cheapest in competition with his own countrymen.

It is hoped that the scheme which the brewers and the Minister of Agriculture have arranged with the hop growers will induce more to plant and cultivate the finest type of hops, which should lessen the foreign hops the brewer finds it necessary to purchase to meet his requirements; but this again, as in the case of barley, is entirely dependent on whether seasons are favourable or otherwise.

This growing tendency to bring about the "regimentation" of industry calls for very careful examination, and it should not be

extended in this country until we have fuller knowledge of what have been the results in the United States, where this policy is now being widely applied.

Ladies and Gentlemen, as I have already said, it is too risky in these uncertain times to attempt to prophesy what future trading results will be, but we are owners of a sound business which under normal conditions should enjoy prosperity, and which I assure you those in charge of the administration will do their utmost to maintain.

I beg to move that the report of the directors and the accounts annexed thereto be and the same are hereby adopted and that the dividends recommended by the directors in their report be and the same are hereby declared payable on November 20th, 1934, and I will ask Mr H. W. Bainbridge to second it.

Mr Herbert W. Bainbridge seconded the resolution, which was carried unanimously.

PRESENTATIONS TO

MR ARTHUR MITCHELL

AND

MR ROBERT H. BUTLER

(as representing the family of the late Mr Henry A. Butler)

At the conclusion of the general meeting, presentations were made to Mr Arthur Mitchell and to Mr Robert H. Butler, the latter as representing the family of the late Mr Henry A. Butler.

The Chairman recalled that at the last annual meeting Mr Bainbridge mentioned that Mr Arthur Mitchell and Mr Henry A. Butler had been engaged in the management of the firm for thirty-five years and suggested that their invaluable services should be recognised in a fitting manner. The Board decided that as a permanent record of their splendid work precedent should be followed and that they should be presented with portraits of themselves, replicas of which would be hung in the board room. To everyone's regret his brother passed away soon afterwards and a posthumous portrait had to be painted from a photograph. In the case of Mr Mitchell a commission was given to Mr Brockhurst, A.R.A., a native of Birmingham. Mr Mitchell had taken a great part in advancing the success of the company since he became a managing director thirty-six years ago, and the value of his work was thoroughly appreciated. He could testify to Mr Mitchell's high integrity and his consideration for the employees. As long as he took part in directing the policy of the business, shareholders might be confident that their interests and the good name of the company would be secure.

Mr Herbert W. Bainbridge said the time certainly seemed ripe to take notice of thirty-five years' continuous service on the part of both the gentlemen named. Mr Mitchell and he had been colleagues on the board for many years, and though almost of another generation in seniority he had enjoyed the good fortune of Mr Mitchell's friendship and alliance in other walks of life. When quite young Mr Mitchell had great responsibility put upon him, and it had been a satisfaction to watch his advance and his aptitude in taking a leading place in the counsels of the business. With regard to the late Mr Harry Butler, his death was a great loss to the company and caused lasting regret to all who knew and admired him. He died in harness in the service he loved, and whatever good work others had achieved for the firm, or might achieve in the future, none deserved to be more worthily honoured.

Major Samuel N. Thompson said he was in the unique position of having known four generations of the Mitchell family, all commanding the respect of their neighbours, and Mr Arthur Mitchell was maintaining that good reputation in the fullest sense. He was by nature and training an English gentleman. The late Mr Harry Butler won universal esteem in business, social and sporting circles. Amongst sportsmen he was a prince of good fellows, giving personal support and assisting with his purse.

Mr Alfred Aston said the shareholders generally were glad to do honour to two who had rendered the company valuable and loyal service. It was impossible to over-estimate the work of Mr Arthur Mitchell, who had played an important part in guiding the policy of the company. For many years the late Mr Harry Butler was a personal friend. He was the soul of geniality, always sympathetic, and ever generous in helping deserving causes.

Mr James Evans said Mr Arthur Mitchell had devoted his life to the business, and had played no small part in building up the reputation it now enjoyed. It was undoubtedly one of the best managed businesses in the country and they hoped Mr Mitchell would be long spared to continue his excellent work for it. Not only the company but the whole of Birmingham had sustained a loss by the death of Mr Harry Butler, who rendered great service to Mitchells and Butlers and supported most generously social and charitable institutions. He was sure Mr Robert Butler would be

proud to receive, on behalf of the family, a gift which would perpetuate the name of an English gentleman.

Mr F. Norton Lones said Mr Harry Butler had left behind him a record of good deeds and kindly acts. He could claim to have known Mr Arthur Mitchell longer than any of those present, with the exception of Mr Mitchell's brothers and sister, and could say confidently that of those who founded the business and those who followed, no member of the board had done more to promote the success of the company than Mr Mitchell. It was their fervent hope that he would be spared for many years to give the company the benefit of his sound judgment.

The Chairman then unveiled Mr Mitchell's portrait and asked him to accept it from the shareholders as an expression of deep gratitude for his services to the company.

In accepting the gift, Mr Arthur Mitchell said he felt sad at the thought that Mr Henry A. Butler, a colleague of thirty-five years' standing, was not beside him. Mr Butler was a great worker, as well as a true and steadfast friend. In thirty-six years as a managing director he had witnessed great changes and great advances. Never had the public better service and better conditions than it had to-day, and this was in part due to the policy of fewer and better houses, which had its cradle in Birmingham. The improvements that had taken place, and were taking place to-day, encouraged them to look with confidence to the future. The portrait would be treasured by his family as a valuable heirloom and would take its place between those of his father, Mr Henry Mitchell, and his brother, Sir John Edwin Mitchell, both of whom received a similarly gracious recognition.

The portrait of the late Mr H. A. Butler was unveiled by Mr Herbert W. Bainbridge, who offered it to Mr. R. H. Butler as a memorial of a good father.

Mr R. H. Butler, in accepting the gift, said it would be prized by himself and the family. He knew that his father, if he had been with them, would have accepted the portrait with sincere gratitude and would have referred with pride to his association with Mr Arthur Mitchell, for whom he entertained the greatest admiration. Those who had spoken knew his father throughout his business life and it was comforting to know that his warm and genial character was still held in revered memory.

TRINIDAD LEASEHOLDS, LIMITED

A PLEA FOR PREFERENCE

The twenty-first ordinary general meeting of Trinidad Leaseholds, Limited, was held, on the 15th instant, at Winchester House, London.

Mr. A. W. Rogers (the chairman) said that although the volume of sales for the year was 87,638 tons in excess of the previous year, oil profits and other revenue showed a reduction. The unappropriated balance was £172,835, and the directors proposed to pay a final dividend of 7½ per cent., less tax. Sales of Regent Petrols in the United Kingdom had increased considerably, and the company's distribution area now covered a large portion of the southern half of the kingdom.

Some months ago the Trinidad Legislative Council had unanimously passed a resolution urging the Home Government to grant a preference to Empire-produced oil products, and recently a deputation had visited England to lay the Council's views in support of the resolution before the Secretary of State for the Colonies. It was to be hoped that that resolution and the views of the representatives would receive the sympathetic consideration of His Majesty's Government.

In view of the highly competitive nature of the business, it was befitting that some measure of preference should be granted to the Island's petroleum products marketed in Great Britain. There were various districts in Trinidad where it was difficult to work the oil profitably. Assistance in the form of a preference could be expected to stimulate the development of such areas and also the search for oil in other places where there was evidence of its probable existence. Much of the Colony's petroleum was won from Crown lands, and producers, under their leases, were governed by certain conditions imposed by Imperial considerations. That was as it should be, but it also brought into prominence the advantage to the Empire of the production of oil in a British Colony and provided more than ordinary reason and justification for some help being given by Great Britain.

As to the outlook, their company was now in a better position than ever before to benefit by improved prices. Results for the current year to date could be considered as satisfactory under the existing circumstances.

The report was unanimously adopted.

NIGEL VAN RYN REEFS, LIMITED

A STRONG POSITION

The adjourned annual ordinary general meeting of Nigel Van Ryn Reefs, Ltd., was held, on the 15th instant, at Winchester House, London.

Mr W. A. Wills (the chairman), in the course of his speech, said: The balance sheet showed that the cash assets of the company were really liquid, but at the present moment, in addition to cash in hand, the following are our principal share assets:—6,400 Ashanti Goldfields; 99,850 Gold Corporation; 2,500 Wiluna Gold Corporation; 6,400 Vogelstruisbult Gold Mining; 6,000 Knight's; 5,000 Langlaagte Estates; 5,000 Bushtick Mines; 25,000 Camp Bird; 561,000 Lamplough Gold Mining; and 21,500 Monument Hill Consolidated (Bendigo).

We have no definite liabilities except a small contingent liability of £5,000 in respect of our Monument Hill shares. Most of our assets are quite liquid, and I make the following notes on our share interests:—Our Gold Corporation interest was acquired at par of issue in view of the fact that we are partners with that company in all our Australian interests except the Lamplough property. The Camp Bird Company is one of the Consolidated Goldfields group. When the company was recently reconstructed 6,000,000 of the shares were guaranteed at par by the Consolidated Goldfields, which we think relieves us of the necessity of any further comment.

We hold over half a million shares of 2s. each in the Lamplough Company, and their average cost to us is approximately 11d. This company is under the control of the Oroville Dredging group, but one of our directors, Mr Richard Humble, has been elected to the board. Our holding in the Monument Hill Company amounts to 21,500 shares of 10s. each of the total issued capital of 100,000 shares. The average cost to us is 4s. 3d., the last quotation we had being 6s. 6d.

Other assets include:—(1) 257 claims on the Nigel Reef, contiguous to the Nigel and Marievale Nigel Companies. The ground is too small to form a separate mining company, but will inevitably be amalgamated with one of the surrounding properties. Meantime, we have written this property—which is of very considerable value—down to the sum of £1, so that I think you have here a large prospective hidden reserve, and the practical certainty, from this one source alone, of a handsome dividend when the property is sold. (2) Lamplough—this property has been formed into a company by the Oroville Dredging group, with a capital of £150,000 in 2s. shares, in which £50,000 represents working capital subscribed by the Oroville Dredging, Camp Bird Company and ourselves. Circumstantial evidence suggests that the leads within the lease will be payable, and possibly rich. (3) Monument Hill—this is a property in the middle of the Bendigo field, with a small issued capital of £50,000 in 10s. shares. We hold on joint account with the Gold Corporation a 43 per cent. interest in this company. (4) Castlemaine Areas—Here we have jointly, with Gold Corporation, Limited, a business which may work up into something very important.

Since the report was issued we have received the first progress report on the Castlemaine Areas. It states that extra areas covering 1,730 acres have been pegged in the Taradale district, and lease applications have been lodged with the Mines Department. This brings up the total area to more than eleven square miles of mining ground. This morning, I may add, a further cable has been received, notifying that some further rather important properties have been secured.

Some small profits realised in the short interval between the reconstitution and the end of the financial year we propose to distribute as dividends, and the outlook generally is so good that I hope, with a great deal of confidence, that reasonably soon we may be able to make a much more substantial distribution. Our two hundred and fifty-seven claims adjoining the Nigel Company, and our expenditure on the Lamplough property up to the date of June 30th, were written down to the rather small sum of £2 from the share premium account, so that it is hardly possible that we should not make, out of these two assets, a very large profit, which would be available for the payment of dividends.

You might like us to express our views on the gold share market, which has been very depressed for a month or so, ending in something like a momentary collapse on Tuesday. The reasons, we think, are obvious enough. There have been far too many new companies created in London, there have been far too many doubtful propositions floated off in Johannesburg, and, finally, we believe strongly that the low-grade ore policy of the Johannesburg groups—supported by the South African Government—is being pushed too far.

The report was unanimously adopted.

MARLU GOLD MINING AREAS, LIMITED

SATISFACTORY RESULTS AND INDICATIONS

The statutory meeting of Marlu Gold Mining Areas, Limited, was held, on the 12th instant, at River Plate House, London, E.C.

Mr H. G. Latilla (the chairman) said that the company had been formed for the purpose of acquiring from the Gold Coast Selection Trust, Limited, Kwahu Mining Company (1925), Limited, and Tarkwa Banket West, Limited, certain concessions in the Gold Coast Colony totalling 6,551 acres. Those concessions had been partly prospected and developed and had been proved by eminent mining engineers and geologists to carry gold in payable mining values and quantities. The management was under the direction of Mr F. L. Thomas, who was working in close co-operation with Major D. Gilchrist, the general manager of the Gold Coast Selection Trust, Limited. The work was carried on under the supervision of the West African Gold Corporation, Limited, who acted as consulting engineers and technical managers.

A considerable amount of prospecting, etc., had been done, with satisfactory results. After spending £33,600, principally at the mines, they had in cash or its equivalent £475,000.

In the prospectus the following figures were published:—In the Bogosu North Crushed Zone and the Marlu Vein 1,300,000 tons of an average value of 4.9 dwts. Since the date on which the above report was made a considerable amount of work had been done in completely exposing ore that in that estimate had only been indicated. For that reason it was not to be expected that a large increase in the total ore exposed would be shown, but on the other hand more complete evidence of its true value would be provided. The total ore exposed on the portions already prospected was:—Bogosu Crush, 1,388,000 tons of an average value of 4.3 dwts.; Marlu Vein and Crush 470,000 tons of an average value of 5.5 dwts.; Dumasie 342,000 tons of an average value of 2.4 dwts., a total of 2,200,000 tons of an average value of 4.6 dwts.

From those figures it would be seen that as compared with the figures given in the prospectus, the probable tonnage had considerably increased as the result of operations to date, and, although the average grade had fallen from 4.9 dwts. to 4.6 dwts., the economic value of the tonnage in the Marlu section was not necessarily lowered. In the original estimate the Marlu quartz vein showed an indicated tonnage of 300,000 tons at 8 dwts. The southern extension of the vein had not been exposed, but work to prove the ore body in depth was now commencing. Two winzes sunk below water level were now penetrating the ore body and the results were very satisfactory, indicating the persistence of good values into the sulphide zone.

In the Bogosu mine, the reef, which had the same strike as the Marlu vein and was in all probability an extension of it 2,400 ft. away, had been intersected in No. 3 shaft at a depth of 215 ft. Two samples taken there over a width of 4 ft. of reef assayed 4 dwts. and 12 dwts. respectively.

Mr J. A. Agnew, in supplementing the chairman's remarks, said that so far as he was personally concerned—and he was not only interested on his own account, but on behalf of other people for whom he was acting—he was satisfied that everything that had been said about this property would be borne out and more than borne out in the future.

OFFER TO NEW READERS

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

To Publisher, "Economist Newspaper Ltd.,"

8 Bouverie Street, E.C.4.

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

Name.....

Address.....

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended November 10, 1934, amounted to £13,349,000, against ordinary expenditure of £8,230,000. After allowing for a decrease in Exchequer Balances of £23,507, the operations for the week, as shown below, decreased the National Debt by £5,143,000 to approximately £8,111 millions.*

(000's omitted)

Treasury Bills	+ 3,369	Public Department Advances ..	8,410
National Savings Certificates ..	+ 50	N. Atlantic Shipping Issues ..	22
		Road Fund Temp. Advances ..	130
	+ 3,419		8,562

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Nov. 10, 1934	April 1, 1933, to Nov. 11, 1933	Week ended Nov. 10, 1934	Week ended Nov. 11, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	65,860,000	53,883,000	1,922,000	1,402,000
Sur-tax	50,000,000	9,610,000	10,330,000	160,000	230,000
Estate, etc., Duties	76,000,000	49,560,000	56,490,000	1,890,000	1,390,000
Stamps	25,000,000	11,570,000	11,070,000	580,000	600,000
Excess Profits Duty and Corporation Profits Tax ..	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	190,000	...	...
Total Inland Revenue	372,500,000	136,760,000	133,963,000	4,552,000	3,622,000
Customs and Excise—					
Customs	183,650,000	118,368,000	111,684,000	4,379,000	4,182,000
Excise	108,350,000	63,200,000	65,100,000	1,446,000	1,500,000
Total Customs and Excise	292,000,000	179,568,000	176,784,000	5,825,000	5,682,000
Motor Vehicle Duties (Exchequer share)	5,000,000	2,953,000	2,874,000	1,295,000	117,000
Post Office (Net receipt)	14,000,000	11,700,000	11,800,000	900,000	1,250,000
Crown Lands	1,220,000	870,000	770,000	...	...
Receipts from Sundry Loans ..	3,800,000	3,094,637	3,410,697	...	...
Miscellaneous Receipts	20,000,000	11,450,086	18,398,077	777,234	405,275
Total Ordinary Revenue	706,520,000	346,395,723	348,099,774	13,349,284	11,076,275
SELF-BALANCING REVENUE					
Post Office	60,463,000	33,450,000	33,250,000	750,000	500,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	9,290,000	8,359,000	200,000	310,000
Total Self-Balancing Revenue	84,718,000	42,740,000	41,609,000	950,000	810,000
Total	791,238,000	389,135,723	389,708,774	14,299,284	11,886,275

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Nov. 10, 1934	April 1, 1933, to Nov. 11, 1933	Week ended Nov. 10, 1934	Week ended Nov. 11, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	144,088,983	143,303,745	843,707	1,066,438
Payments to Northern Ireland Exchequer	6,500,000	3,387,639	3,502,515	226,642	216,393
Other Consolidated Fund Services	3,700,000	1,754,291	2,164,643	40,442	386
Post Office Fund	2,000,000	2,291,118	...	...	...
Total	236,200,000	151,522,031	148,970,903	1,110,791	1,283,217
Total Supply Services (excluding Post Office) ..	466,296,000	271,361,319	264,758,576	7,119,000	5,880,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	422,883,350	413,729,479	8,229,791	7,163,217
Payments to U.S.A. Govt. ...	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	422,883,350	415,570,695	8,229,791	7,163,217
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	33,450,000	33,250,000	750,000	500,000
Road Fund	24,255,000	9,290,000	8,359,000	200,000	310,000
Total Self-Balancing Expenditure	84,718,000	42,740,000	41,609,000	950,000	810,000
Total	792,471,000	465,623,350	457,179,695	9,179,791	7,973,217

The aggregate revenue and expenditure to November 10, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO NOVEMBER 10, 1934

(000's omitted)	
Expenditure	422,893
Increase in balances	16
Revenue	346,396
Gross increase in borrowing £80,983	
Less—	
New Sinking Fund	4,480*
Net borrowing	76,503
	422,899

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Out- standing	Nov. 11, '33	Mar. 31, '34	Nov. 10, '34	Movement week ended
Advances by Bank of England	£	£	£	£
Advances by Public Departments	37,250,000	44,900,000	47,800,000	— 1,400,000
Treasury Bills outstanding	957,230,000	799,810,000	849,725,000*	+ 3,370,000
Total Floating Debt	994,480,000	844,710,000	897,525,000	— 5,040,000

* Includes £5,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on November 9, 1934, and the total amount applied for was £58,265,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 18s. 7d., about 46 per cent., and above in full; Saturday, at £99 18s. 8d., and above in full. The average rate per cent. was 5s. 2.65d. The amount allotted was £32,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,890,000	43,950,000	2 3 9.73
July 1	45,000,000	59,945,000	45,000,000	0 16 11.82
October 7	55,000,000	100,325,000	50,000,000	0 16 11.24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10.84
July 7	45,000,000	83,890,000	42,000,000	0 10 4.85
October 6	45,000,000	100,450,000	45,000,000	0 12 9.98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11.5
April 6	40,000,000	80,390,000	38,000,000	0 17 9.01
July 6	35,000,000	62,745,000	32,000,000	0 16 4.14
October 5	35,000,000	65,280,000	31,510,000	0 15 9.702
October 19	35,000,000	52,340,000	32,000,000	0 14 3.27
October 26	35,000,000	67,100,000	34,730,000	0 9 7.42
November 2	35,000,000	58,810,000	35,000,000	0 6 7.66
November 9	35,000,000	58,265,000	32,000,000	0 5 2.65

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended October 27, 1934	634,116	£ 507,293
Week ended November 3, 1934	745,226	£ 596,181
February, 1916, to November 3, 1934	1,203,160,315	£ 948,138,002

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, November 14, 1934

ISSUE DEPARTMENT

Notes Issued:—		Government Debt		11,015,100	
In Circulation	378,875,640	Other Government Securities	245,890,145		
In Banking Department	73,174,690	Other Securities	199,999		
		Silver Coin	2,894,756		
		Amount of Fiduciary Issue	260,000,000		
		Gold Coin and Bullion	192,050,330		
			452,050,330		

BANKING DEPARTMENT

Proprietors' Capital		14,553,000		Government Securities		79,051,413	
Rest	3,205,655	Other Securities	20,930,142				
Public Deposits	20,930,142	Discounts and					
Other Deposits		Advances	£9,633,589				
Bankers'	£97,876,448	Securities	£10,887,298				
Other Accounts	£36,764,713	Notes	20,520,887				
7-day and Other Bills	134,641,161	Gold and Silver Coin	73,174,690				
	5,040		588,008				
	173,334,998						

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

Both Departments	Amount, Nov. 14, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	378,875,640	— 911,351	+ 9,769,809
Public deposits	20,930,142	+ 10,946,219	+ 2,201,843
Bankers' deposits	97,876,448	— 9,288,791	+ 6,112,508
Other deposits	36,764,713	— 1,301,656	+ 311,850
Seven-day bills	5,040	—	+ 4,120
Total outside liabilities	534,451,983	— 555,579	+ 5,551,414
Capital and rest	17,758,655	+ 19,765	+ 4,882
Government debt and securities	335,956,658	— 269,229	+ 10,709,740
Discounts and advances	9,633,589	— 7,944	+ 1,076,858
Other securities	11,087,297	— 202,146	+ 6,339,074
Silver coin in issue department	2,894,756	— 48,980	+ 747,321
Coin and bullion (bank's reserves)	192,638,338	— 7,515	+ 856,093
Reserves of notes and coin in banking department	73,762,698	+ 904,035	— 8,913,716
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	47.4%	+ 0.5%	— 4.3%
(b) Gold stocks to deposits and notes ("reserve ratio")	36.0%	—	— 0.3%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
Oct. 10	451,938	379,551	18,636	107,598	36,867	29 in	2 2
" 17	451,938	377,217	17,516	104,491	37,444	Nil	2 2
" 24	452,001	374,703	22,358	100,743	37,601	63 in	2 2
" 31	452,001	378,369	16,894	100,419	39,612	Nil	2 2
Nov. 7	452,050	379,787	9,884	107,165	38,066	49 in	2 2
" 14	452,050	378,876	20,930	97,876	36,765	Nil	2 2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department			Reserve and the "Pro- portion"
	Govt. Debt and Securities	Other Securi- ties	Gold Coin and Bullion and Reserve Ratio		Govt. Securi- ties	Dis- counts & Advan- ces	Other Securi- ties	
1934								
Oct. 10	255,796	1,191	192,588	35 1/2	83,384	14,032	10,289	73,037 44 1/2
" 17	255,811	1,190	192,584	35 1/2	81,279	9,468	10,993	75,367 47 1/2
" 24	255,917	1,136	192,638	36	81,279	8,246	10,904	77,955 48 1/2
" 31	255,996	1,060	192,650	36	80,894	8,901	10,748	74,280 47 1/2
Nov. 7	256,442	634	192,646	36	79,804	9,642	10,655	72,859 46 1/2
" 14	256,905	200	192,638	36	79,051	9,633	10,887	73,763 47 1/2

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to October 31	25,179,464	1,464,369	2,484,556	29,128,389
Week ended November 7	588,703	38,988	67,884	695,575
Week ended November 14	761,871	32,034	55,593	849,503
Total to date, 1934	26,530,038	1,535,391	2,608,038	30,673,467
Total to date, 1933	24,108,470	1,451,060	2,421,419	27,980,949
Increase or decrease in 1934 {	+ 2,421,568	+ 84,331	+ 186,619	+ 2,692,518
	= 10.0%	= 5.8%	= 7.7%	= 9.6%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933 {	— 119,153	+ 46,268	+ 98,552	+ 25,667
	= 0.4%	= 2.8%	= 3.6%	= 0.07%

PROVINCIAL

(000's omitted)

No. of working days...	Week ended November 10		Month of October		Inc. or Dec.	Aggregate Totals, January 1 to November 10	
	1933	1934	1933	1934		1933	1934
BIRMINGHAM	2,056	1,916	9,510	9,696	+ 1.9	99,740	100,168
BRADFORD	862	760	4,047	3,662	— 9.5	37,120	38,562
BRISTOL	1,171	1,075	5,036	5,778	+ 14.5	49,220	52,741
DUBLIN	6,501	4,954	...	...	—	228,977	230,558
HULL	657	627	3,136	3,126	— 0.3	31,176	32,263
LEEDS	679	627	3,900	3,834	— 1.6	38,121	40,461
LEICESTER	589	574	2,921	2,881	— 1.3	27,819	27,832
LIVERPOOL	6,013	5,603	26,847	28,939	+ 7.7	263,313	258,606
MANCHESTER	9,121	9,418	44,008	45,654	+ 3.7	414,203	427,008
NEWCASTLE	1,254	1,290	5,947	6,442	+ 8.3	62,772	65,789
NOTTINGHAM	388	453	2,041	2,047	+ 0.2	19,350	19,523
SHEFFIELD	677	885	3,856	3,774	— 2.1	34,105	37,127
	29,968	28,382	111,245	115,833	+ 4.1	1,305,916	1,330,732

NOTICES

The directors of Martins Bank Limited announce that Mr Frederick James Marquis of Eastfield, Mossley Hill, Liverpool, has been elected to a seat on the general board of the bank.

At a meeting of directors of the Dominion Bank, held November 7th, His Honour Colonel the Honourable Herbert A. Bruce, M.D., F.R.C.S., Lieutenant Governor of Ontario, was elected to the board.

THE RUBBER REGENERATING COMPANY LIMITED

ABRIDGED DIRECTORS' REPORT

On September 28th control of the Company changed; over 95 per cent. of the issued capital and all the Management shares are now in British ownership.

ACCOUNTS

The Accounts now submitted cover the period from January 1 to September 30, 1934.

Nett profit for the period ...	£	s.	d.
Add balance brought forward from the previous year ...	6,661	17	10
	36,357	9	8

Deduct dividend paid on August 28, 1934

Leaving a balance available of ...	£	s.	d.
Amount written off Patent Applications, Improvements, extraordinary expenses, miscellaneous construction at Trafford Park, etc. ...	16,452	18	0
	15,223	0	10

After writing off these amounts there remains a balance of ... £1,229 17 2 which the Directors propose to carry forward.

On September 28, 1934, the Company acquired certain assets of the Thames Hard Rubber Corporation, Ltd., situated at Belvedere, Kent, also the sole right for the United Kingdom to the patent applications and inventions in connection with the Kaycee solvent reclaim process, and the benefit of an agreement by which the Company secured the right to manufacture in the United Kingdom certain chemical products of the Naugatuck Chemical Company. (Including £11,817 allocated from profit and loss account and £44,182 from general reserve, £55,999 in all has been written off the item Patent Applications, Improvements, etc., which now stands at the nominal figure of £1.)

In order to afford up-to-date information as to the progress of the Company it has been decided to issue audited accounts half yearly, as soon as possible after the end of the accounting period. The next accounts will, therefore, cover the six months to March 31, 1935. Having regard to the present volume of business in hand, and in prospect, the Directors anticipate that the results of the current half year will justify the declaration of a dividend.

FINANCE

At September 30th the position as regards current assets and liabilities was as follows:—

Cash ...	£	s.	d.
Sundry Debtors, etc., less reserve ...	6,175	9	8
Stocks at cost or market value, whichever is the lower ...	20,151	3	3
	20,165	0	10

Sundry Creditors, income tax reserve, etc. £46,491 13 9

Surplus of current Assets over current liabilities ...	£	s.	d.
	9,024	10	1
	£37,467	3	8

Shortly after the close of the financial period, the sum of £10,645 1s. 4d. was received from the insurers in part settlement of a claim.

During the present financial period the cash requirements in connection with Solvent and Solvent Reclaim processes will not be heavy, as much of the plant and equipment is already available at Trafford Park.

OUTLINE OF THE BUSINESS

In view of the fact that the present report is the first publicly issued by the Company, the following outline of business is given:—

THE ALKALI RECLAIM PLANT

The Company commenced operations as manufacturers of reclaimed rubber in 1909, and it is now the largest producer in the United Kingdom. Extensive alterations to the original production unit are about to commence, which will result in increased efficiency, flexibility and production capacity. The alkali reclaim products of the Company

enjoy an unsurpassed reputation for purity and consistent behaviour in manufacturing processes.

THE NEW ENTERPRISES

SOLVENT RECLAIM.—Among the new manufactures is a Solvent, the invention of Mr Pickett, which has a wide field of application. The first product to be commercially manufactured is Solvent Reclaim. It is anticipated that an increasing demand for the purpose of the mechanical and sole trades will be encountered as the merits of the new products become more widely appreciated.

Experiments have been undertaken with regard to reclamation of cotton from the used tyres which constitute the principal raw material for all reclaim. Carbon black and other fillers are also recovered by the Solvent process. A further product, derived from Solvent Reclaim, is Ebonite Dust, which is used for hard rubber products, e.g. accumulator boxes and other moulded articles.

SOLVENT—The Solvent itself in a refined form has extensive potentialities for use in other industries. It has already been used on an experimental scale with most encouraging results as a turpentine substitute for paints, varnishes, polishes, etc., and as a crude rubber solvent for the production of efficient and economical rubber spreaders.

Equipment suitable, with minor alterations, for production of the Solvent has been leased and it is anticipated that output on a commercial scale will be attained shortly.

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1932. Chile in August 12, 1933. Canada, Egypt, Denmark, Estonia, Latvia, Lithuania, Finland, Danzig in November 10.

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

	Nov. 16, 1933	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
RESOURCES					
Gold certificates on hand and due from the Treasury	3,802,970	4,967,100	4,966,480	4,998,080	5,018,690
Total reserves	223,820*	2,216,620	2,211,920	2,232,020	2,231,230
Total cash reserves	111,440	10,860	10,980	10,670	9,140
Total bills discounted	15,180	16,860	16,860	16,740	14,850
Total bills on hand	126,620	2,430,200	2,430,170	2,430,190	2,430,170
Total U.S. Govt. securities	2,431,600	2,452,360	2,453,390	2,455,800	2,468,540
Total bills and securities	2,558,280	8,255,240	8,228,750	8,216,030	8,474,180
LIABILITIES					
Federal Reserve notes in actual circulation	2,973,040	3,155,510	3,160,780	3,189,170	3,178,510
Federal Reserve bank notes in circulation	194,950	29,120	28,660	29,310	28,160
Deposits—Memberbank—reserve account	2,645,290	3,985,290	4,006,000	4,031,550	4,106,930
Government deposits	64,220	118,000	92,200	33,050	33,180
Government deposits	2,872,530	4,268,690	4,261,900	4,236,730	4,323,570
Total deposits in and surplus	423,700	285,260	286,000	286,640	287,610
Total liabilities	7,024,970	8,255,240	8,228,750	8,216,030	8,474,180
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	65.1%	70.3%	70.2%	70.5%	70.3%

* Reserves other than gold.

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

	Nov. 16, 1933	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
RESOURCES					
Total gold reserves	945,030	1,769,240	1,789,920	1,681,940	1,740,900
Total bills discounted	41,190	6,990	7,370	6,790	6,030
Bills bought in open market	5,490	2,420	2,500	2,450	2,080
Total U.S. Govt. securities	831,680	777,750	777,750	777,750	777,750
Total bills and securities	879,350	786,670	788,070	788,260	791,880
Deposits—Memberbank—reserve account	1,000,440	1,626,910	1,654,480	1,600,900	1,654,620
Ratio of total res. to dep. and Federal Res. note liabilities combined	58.1%	72.2%	72.2%	71.2%	71.6%

FEDERAL RESERVE MEMBER BANKS.

In \$'s (000,000's omitted).

	Nov. 1, 1933	Oct. 3, 1934	Oct. 10, 1934	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934
ASSETS						
Loans	8,593	7,794	7,814	7,847	7,834	7,807
Investments	8,156	10,017	10,010	10,016	10,016	10,030
Government deposits	10,653	13,083	13,204	13,402	13,402	13,476
Time deposits	4,470	4,471	4,463	4,478	4,478	4,474
Due from banks	1,012	1,094	1,095	933	853	851
Due to banks	1,236	1,515	1,541	1,586	1,588	1,583
Due to banks	2,715	3,830	3,864	3,957	3,905	3,912

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

	Nov. 10, 1933	Oct. 12, 1934	Oct. 19, 1934	Oct. 26, 1934	Nov. 2, 1934	Nov. 9, 1934
ASSETS						
Gold coin and bullion	16,645	20,035	20,799	21,017	21,323	21,322
Subsidiary coin	423	220	213	187	171	168
Bills discounted: Domestic and Union Govt. Treas.	10	111	113	97	93	132
Bills	18,381	9,810	9,033	9,125	9,137	8,841
Investments	1,725	1,724	1,723	1,725	1,725	1,725
Other assets	7,995	8,448	8,491	9,037	9,037	9,043
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	824	880	880	880	880	880
Notes in circulation	10,329	11,595	11,274	11,264	12,506	11,846
Government deposits	1,346	1,522	2,232	2,338	1,845	1,355
Bankers' deposits	27,880	21,979	20,818	20,738	20,767	21,781
Ratio of cash reserves to liabilities to public	40.2%	53.5%	55.5%	55.4%	55.2%	55.0%

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

	Oct. 20, 1933	Sept. 21, 1934	Sept. 28, 1934	Oct. 5, 1934	Oct. 12, 1934	Oct. 19, 1934
ASSETS						
Total securities	45,71,59	44,24,12	45,51,72	47,38,11	48,19,52	48,19,75
Ways and means advances	7,00,00	2,00,00	2,00,00	2,11,01	2,27,57	3,16,52
Loans	2,51,27	1,96,89	2,05,45	2,11,01	2,27,57	3,16,52
Cash credits	14,95,59	13,90,43	14,14,48	13,97,32	13,80,03	13,80,03
Inland bills	2,09,61	1,66,78	1,87,68	1,76,11	1,93,93	1,99,48
Foreign bills	26,29	17,69	20,26	28,80	32,21	30,88
Dead stock	2,58,65	2,50,37	2,50,47	2,50,46	2,50,62	2,50,62
Bal. with other banks	110,67	6,36	7,03	3,42	11,66	9,14
Cash	19,74,70	26,82,41	28,30,21	25,90,33	24,37,55	24,79,58
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,20,00	5,27,50	5,27,50	5,27,50	5,27,50	5,27,50
Total deposits	85,48,49	81,62,56	83,07,62	82,17,87	82,29,11	83,38,64
The above includes:						
Deposits in London	893	917	885	928	885	839
Advances in London	1,030	1,628	1,580	1,608	1,516	1,514
Cash, etc., at other banks in London	83	51	55	28	90	72

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

	Nov. 10, 1933	Oct. 19, 1934	Oct. 26, 1934	Nov. 2, 1934	Nov. 9, 1934
ASSETS					
Gold	80,018,476	82,483,049	82,475,806	82,524,758	82,164,737
Foreign assets—Sight deposits	457,766	9,643	9,728	7,570	8,150
Bills, etc.	1,268,334	923,905	920,933	921,170	920,589
Home bills	3,389,242	3,551,347	3,996,123	3,314,355	3,638,941
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,835,164	3,179,576	3,100,591	3,235,593	3,215,719
Negotiable Bonds, Sinking Fund Dept.	6,209,022	5,898,204	5,898,204	5,898,204	5,898,204
Other assets (excluding forward exch.)	5,396,995	5,009,160	5,064,402	5,348,595	5,119,490
LIABILITIES					
Notes in circulation	81,526,357	79,580,491	79,466,821	81,015,361	80,641,123
Private deposits	3,641,327	4,736,418	5,287,120	4,389,598	5,312,513
Other liabilities	1,517,977	17,655,812	17,723,352	16,936,832	15,942,577
Ratio of gold reserve to sight liabilities	79.6%	80.8%	80.3%	80.4%	80.5%

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

	Nov. 7, 1933	Oct. 23, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
ASSETS					
Gold	396,476	81,584	82,564	77,829	77,829
Of which deposited abroad	53,946	20,851	20,851	20,891	20,891
Reserve in foreign currencies	18,569	3,915	3,915	3,915	3,915
Bills of exchange and cheques	3,095,040	3,414,826	3,729,316	3,607,371	3,607,371
Silver and other coin	208,050	322,293	220,305	243,163	243,163
Notes of other German banks	8,719	15,323	5,191	9,917	9,917
Advances	75,744	66,581	90,812	76,653	76,653
Investments	318,874	759,608	750,481	750,521	750,521
Other assets	552,162	649,859	684,583	675,245	675,245
LIABILITIES					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797	472,797
Notes in circulation	3,438,716	3,534,230	3,822,930	3,651,142	3,651,142
Other daily maturing obligations	389,235	920,837	855,995	927,485	927,485
Other liabilities	222,532	236,067	245,485	248,496	248,496
Cover of note circulation	12.1%	2.41%	2.28%	2.25%	2.25%

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

	Position, May 28, 1914	Nov. 8, 1933	Oct. 18, 1934	Oct. 25, 1934	Oct. 31, 1934	Nov. 7, 1934
ASSETS						
Gold	232,650	66,255	74,021	74,851	75,654	75,930
Silver and other coin	697,600	768,801	617,273	615,481	619,098	614,908
Securities	934,150	3,448,626	3,518,937	3,517,734	3,562,885	3,536,856
Notes in circulation	185,406	36,384	29,931	43,398	55,834	55,834
Deposits: Govt.	366,770	178,637	162,951	143,749	168,271	168,271
Other	—	—	—	—	—	—

(a) In thousand francs.

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

	Position, May 30, 1914	Nov. 13, 1933	Oct. 22, 1934	Oct. 29, 1934	Nov. 5, 1934	Nov. 12, 1934
ASSETS						
Gold	163,092	906,748	881,730	882,567	882,567	880,912
Silver	8,436	26,692	21,553	21,624	20,672	19,649
Home bills discntd.	253,504	31,820	25,109	25,436	26,540	26,323
Foreign bills	—	1,572	668	668	668	668
Loans and advances	—	142,308	143,538	145,750	147,690	146,649
In current acct.	—	—	—	—	—	—
LIABILITIES						
Notes in circulation	316,632	902,461	880,287	893,038	910,059	890,450
Deposits	5,016	222,111	216,874	207,515	193,302	207,486

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

	Position, May 30, 1914	Nov. 11, 1933	Oct. 20, 1934	Oct. 27, 1934	Nov. 3, 1934	Nov. 10, 1934
ASSETS						
Gold	22,971	100,918	141,840	142,520	142,510	142,510
Silver	29,785	37,420	—	—	—	—
Discounts, advances, and other investments	77,567	73,562	76,260	73,100	77,750	76,490
Foreign bills	—	351	880	760	750	650
Other assets	—	11,434	10,420	10,100	10,390	11,790
LIABILITIES						
Notes in circulation	109,499	190,890	185,000	182,760	183,560	186,230
Deposits and bills payable	11,250	19,873	32,590	31,870	35,920	33,250

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

	Position, May 31, 1914	Nov. 7, 1933	Oct. 15, 1934	Oct. 23, 1934	Oct. 31, 1934	Nov. 7, 1934
ASSETS						
Gold	171,175	1,941,822	1,856,036	1,882,294	1,901,764	1,907,580
Of which held abroad	—	399,542	182,783	201,375	205,910	201,858
Foreign gold valuta	—	23,276	21,178	19,328	18,788	19,055
Discounts	—	25,710	37,946	38,373	60,484	18,318
Bills of the Confederation	—	26,404	9,947	8,922	8,922	8,372
Advances	103,000	59,742	71,362	69,006	73,273	75,708
Securities	—	65,872	54,121	53,477	53,368	53,321
LIABILITIES						
Notes in circulation	275,925	1,378,754	1,341,515	1,326,628	1,384,475	1,351,842
Deposits	37,750	699,072	645,859	676,096	665,795	662,942

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

	Oct. 31, 1933	Sept. 30, 1934	Oct. 10, 1934	Oct. 20, 1934	Oct. 31, 1934
ASSETS					
Gold, coin and bullion	7,057,300	6,213,100	6,168,200	6,116,900	6,070,600
Foreign bills and balances abroad	305,900	27,300	27,800	28,600	28,200
Other cash	312,800	293,400	290,400	291,200	291,600
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,464,100	3,274,900	3,263,700	3,266,800	3,323,600
Advances	628,000	1,471,600	1,402,000	1,263,900	1,077,800
Credit with Reconstruction for Industrial Reconstruction	1,202,000	1,088,900	1,088,800	1,088,800	1,088,800
Government securities	1,373,100	1,387,600	1,384,200	1,383,600	1,383,600
LIABILITIES					
Notes in circulation	13,169,900	13,455,300	13,461,100	13,033,600	13,251,500
Public deposits	2,017,500	1,062,300	885,000	1,082,600	1,151,200
Other deposits and drafts	1,393,700	954,300	917,300	975,000	975,000
Ratio of reserve to note and debit liabilities combined	49-54%	42-43%	42-21%	42-94%	42-30%

CENTRAL BANK OF TURKEY—In £T (000's omitted).

	Nov. 2, 1933	Oct. 11, 1933	Oct. 18, 1933	Oct. 25, 1933	Nov. 1, 1933
Assets	16,697	19,161	19,206	19,260	19,288
Gold coin and bullion	14,281	12,968	12,882	13,009	10,677
Other coin and notes	2,351	3,989	5,764	5,551	5,344
Free foreign exchange	152,199	149,123	149,123	149,116	149,116
Treasury bonds	34,267	32,667	32,571	32,742	32,576
Bills	4,500	4,500	4,500	4,500	4,500
Securities	15,000	15,000	15,000	15,000	15,000
Capital	152,199	149,123	149,123	149,116	149,116
Note Issue:					
Ordinary	8,688	8,688	8,688	8,688	8,688
Supplementary	23,362	29,476	29,858	29,395	27,906
Sight liabilities					

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

	Position, June 30, 1934	Oct. 28, 1933	Oct. 6, 1934	Oct. 13, 1934	Oct. 20, 1934	Oct. 27, 1934
Assets						
Gold coin and bullion	221,320	425,070	460,671	461,226	461,377	461,874
Other coin and bullion		38,884	50,409	52,244	54,038	52,161
Discounts	41,740	657,753	89,543	601,522	602,418	602,492
Advances	70,540	82,597	87,758	90,126	91,564	91,564
Govt. bonds		464,997	342,594	330,774	318,775	358,124
LIABILITIES						
Notes	362,270	1,174,262	1,148,290	1,123,520	1,130,192	1,204,057
Govt. deposits	87,340	368,693	314,331	276,491	273,727	229,376
Other deposits	11,440	84,821	72,762	62,235	66,940	66,940

LONDON RATES

	Nov. 8, 1934	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934	Nov. 15, 1934
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2
Market rates of discount—							
60 days' bankers' drafts	1½	1½	1½	1½	1½	1½	1½
3 months' do.	1½	1½	1½	1½	1½	1½	1½
4 months' do.	1½	1½	1½	1½	1½	1½	1½
6 months' do.	1½	1½	1½	1½	1½	1½	1½
Discount Treasury Bills—							
2 months'	1½	1½	1½	1½	1½	1½	1½
3 months'	1½	1½	1½	1½	1½	1½	1½
Loans—Day-to-day	1½	1½	1½	1½	1½	1½	1½
Deposit allowances: Bank							
Discount houses at call	1½	1½	1½	1½	1½	1½	1½
At notice	1½	1½	1½	1½	1½	1½	1½

Comparison with previous week—

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1894	%	%	%	%	%	%	%
Oct. 18	1-1	1-1	1-1	1-1	2-2	2-1-2	2-1-3
25	1-1	1-1	1-1	1-1	2-2	2-1-2	2-1-3
Nov. 1	1-1	1-1	1-1	1-1	2-2	2-1-2	2-1-3
8	1-1	1-1	1-1	1-1	2-2	2-1-2	2-1-3
15	1-1	1-1	1-1	1-1	2-2	2-1-2	2-1-3

LONDON RATES OF EXCHANGE

I.—Spot Rates

(Range of the day's business)

London on	Par of Exch.	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934	Nov. 15, 1934
New York, \$	4.861	4.861-991	4.861-991	4.861-991	4.861-991	4.861-991	4.861-991
Montreal, \$	4.861	4.861-991	4.861-991	4.861-991	4.861-991	4.861-991	4.861-991
Paris, Fr.	124.21	751-2	751-11	751-76	751-76	751-76	751-76
Brussels, Bel.	35.00	21.33-43	21.34-40	21.35-49	21.40-48	21.37-44	21.37-44
Milan, Li.	92.48	581-1	581-1	581-1	581-1	581-1	581-1
Zurich, Fr.	25.221	15.35-35	15.35-35	15.35-40	15.35-40	15.35-40	15.35-40
Athens, Dr.	375	523*	520*	523*	523*	523*	523*
Helsinki, M.	193.23	226-227	2261-2271	2261-2271	2261-2271	2261-2271	2261-2271
Madrid, Pt.	25.221	361-1	361-1	361-1	361-1	361-1	361-1
Lisbon, Esc.	110	1091-1101	1091-1101	1091-1101	1091-1101	1091-1101	1091-1101
Amst'dam, Fl.	20.43	7.37-39	7.37-41	7.39-43	7.39-43	7.39-43	7.39-43
Berlin, Mk.	20.17	12.37-42	12.38-42	12.38-46	12.41-46	12.41-46	12.41-46
Vienna, Sch.	34.581	251-271	261-281	261-28	261-28	261-28	261-28
Bu'pest, Pen.	27.82	161-1	161-1	161-1	161-1	161-1	161-1
Prague, Kr.	1161	1191-1	1191-1	1191-120	1191-120	1191-120	1191-120
Danzig, Gol.	25.00	15-151	15-151	15-151	15-151	15-151	15-151
Warsaw, Zl.	43.38	261-1	261-1	261-1	261-1	261-1	261-1
Riga, Lat.	25.221	141-151	141-151	141-151	141-151	141-151	141-151
Bucharest, Lei.	813.6	490-510	490-510	487-507	487-507	487-507	487-507
Const'ple, Lt.	110	617*	617*	617*	617*	617*	617*
Belgrade, Din.	276.32	215-225	214-224	214-224	214-224	214-224	214-224
Korova, Lit.	48.66	291-301	291-301	291-301	291-301	291-301	291-301
Sofia, Lev.	673.66	405-435	405-435	405-435	405-435	405-435	405-435
Tallinn, E.Kr.	18.159	171-181	171-181	171-181	171-181	171-181	171-181
Oslo, Kr.	18.159	19-85-95	19-85-95	19-85-95	19-85-95	19-85-95	19-85-95
St'holm, Kr.	18.159	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45
Cop'ngen, Kr.	18.159	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45
Alex'ndria, Pt.	971	971-1	971-1	971-1	971-1	971-1	971-1
Bombay, Rup.	181	181-1	181-1	181-1	181-1	181-1	181-1
Calcutta, Rup.	181	181-1	181-1	181-1	181-1	181-1	181-1
Madras, Rup.	181	181-1	181-1	181-1	181-1	181-1	181-1
Hong Kong, \$	124.581	191-201	191-201	191-201	191-201	191-201	191-201
Kobe, Yen.	124.581	141-141	141-141	141-141	141-141	141-141	141-141
Shanghai, \$	124.581	161-171	161-171	161-171	161-171	161-171	161-171
Singapore, \$	124.581	281-1	281-1	281-1	281-1	281-1	281-1
Batavia, F.	12.11	7.341-371	7.341-361	7.37-39	7.37-40	7.36-38	7.351-371
Rio, Mil.	15.824	31-1	31-1	31-1	31-1	31-1	31-1
B. Aires, \$	147.621	123-501	123-501	123-501	123-501	123-501	123-501
Valparaiso, \$	40	191-201	191-201	191-201	191-201	191-201	191-201
M'video, \$	17.38	21-25	21-25	21-25	21-25	21-25	21-25
Lima, Sol.	17.38	171-181	171-181	171-181	171-181	171-181	171-181
Mexico, Pes.	124.681	231-241	231-241	231-241	231-241	231-241	231-241
Manila, P.	9.458	5.741-581	5.741-581	5.741-581	5.741-581	5.741-581	5.741-581
Moscow, Rbls	21.221	211-221	211-221	211-221	211-221	211-221	211-221
Bangkok, B.	21.221	211-221	211-221	211-221	211-221	211-221	211-221

Use: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days) + Pence per unit of local currency. † Par, 8.231 since dollar devaluation on February 1, 1934. ‡ Par, 197 10/16 since koruna devaluation on February 17, 1934. (a) Nominal. (b) Official Rate. (c) Sellers. (d) Official rate is 361d. sellers, and the average remittance rate for importers 311d. (e) Registered marks quoted rate is 41d. sellers. (f) Registered marks quoted at a discount of 44-49 per cent. (g) Official rate 391d. sellers. (h) Official rate 39d. sellers. (i) Registered discount of 47-52 per cent. (j) Registered marks quoted at a discount of 46-51 per cent. (k) Registered marks quoted at a discount of 47-52 per cent. (l) Official rate is 361d. sellers, and the average remittance rate for importers 321.

II.—Forward Rates

(Closing quotations)

	Nov. 9, 1934	Nov. 10, 1934	Nov. 12, 1934	Nov. 13, 1934	Nov. 14, 1934	Nov. 15, 1934
London on	Per £	Per £	Per £	Per £	Per £	Per £
New York, cent.	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1
Paris, cent.	1 Month (b) 1-3	1 Month (b) 2-5	1 Month (b) 3-6	1 Month (b) 3-5	1 Month (b) 2-4	1 Month (b) 2-4
Holland, cent.	1 Month (b) par-1	1 Month (b) par-1	1 Month (b) par-1	1 Month (b) par-1	1 Month (b) par-1	1 Month (b) par-1
Brussels, cent.	1 Month (b) 14-16	1 Month (b) 20-24	1 Month (b) 24-28	1 Month (b) 16-20	1 Month (b) 14-17	1 Month (b) 15-18
Zurich, cent.	1 Month (a) 2-par	1 Month (a) 2-par	1 Month (a) 2-par	1 Month (a) 1-par	1 Month (a) 1-par	1 Month (a) 1-par
Italy, lira	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1	1 Month (b) 1-1

(a) Premium, i.e. "under spot."

(b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed From	To	Changed From	To
Albania Nov. 16, 1933 8	7	Madrid Oct. 28, 1932 6	6
Amsterdam Sep. 18, 1933 3	2	Oslo May 24, 1933 4	4
Athens Oct. 14, 1933 7	7	Paris May 31, 1934 3	2
Batavia Nov. 1, 1934 4	3	Prague Jan. 25, 1933 4	3
Belgrade July 16, 1934 7	6	Pretoria May 15, 1933 4	3
Berlin Sep. 22, 1932 5	4	Tallinn Jan. 28, 1932 6	5
Brussels Aug. 28, 1934 3	2	Riga Jan. 1, 1933 6	5
Bucharest Apr. 5, 1933 7	6	Rome Dec. 11, 1933 3	3
Budapest Oct. 17, 1932 5	4	Sofia Jan. 3, 1934 8	7
Calcutta Feb. 16, 1933 4	3	Stockholm Dec. 1, 1933 3	2
Copenhagen Dec. 1, 1933 3	2	Swiss Bank Jan. 22, 1931 2	2
Danzig Sep. 21, 1934 3	4	places Jan. 2, 1933 4	3
Helsinki Dec. 20, 1933 5	4	Tokyo July 2, 1933 4	3
Korova Jan. 1, 1934 7	6	Vienna June 27, 1934 5	4
Lisbon Dec. 8, 1933 6	5	Warsaw Oct. 26, 1933 6	5
New York Fed. Res. Feb. 1, 1934 2	1	Irish June 30, 1932 3	3

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
a 5% applied to banks and credit institutions.
b 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Nov. 15, 1934	Nov. 16, 1934	Nov. 17, 1934	Nov. 18, 1934	Nov. 19, 1934	Nov. 20, 1934
Call money	1/2	1/2	1/2	1/2	1/2	1/2
Time money (90 days' mixed coll.)	1/2	1/2	1/2	1/2	1/2	1/2
Bank acceptances—						
Members—eligible, 90 days	1/2	1/2	1/2	1/2	1/2	1/2
Non-members—eligible, 90 days	1/2	1/2	1/2	1/2	1/2	1/2
Ineligible, 90 days	1/2	1/2	1/2	1/2	1/2	1/2
Commercial accept., 90 days	1/2	1/2	1/2	1/2	1/2	1/2

Rates of Exchange, New York on—	Par Level	Nov. 15, 1933	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
London—					
60 days	Old par	5.3925	4.9512	4.9737	4.9662
Cable	4.8666	5.4050	4.98	5.0025	4.9950
Cheques	8.2397	5.4050	4.98	5.0025	4.9950
Paris—cheques	Cents for 1 franc	6.5650	6.5937	6.5875	6.59
Brussels	Cents for 1 Belg.	23.54	23.35	23.38	23.33
Switzerland	Cents for 1 franc	32.67	32.40	32.58	32.58
Italy	Cents for 1 lira	8.91	8.82	8.855	8.855
Berlin	Cents for 1 mark	40.33	39.95	40.26	40.25
Vienna	Cts. for Austr. shlg.	23.82	19.00	18.90	18.87
Madrid	Cents for 1 peseta	32.67	13.55	18.67	13.65
Amsterdam	Cents for 1 guilder	68.06	67.50	67.67	67.58
Copenhagen	Cents for 1 kroner	24.15	22.26	22.35	22.31
Oslo	Cents for 1 kroner	27.15	25.05	25.15	25.10
Stockholm	Cents for 1 kroner	27.85	25.71	25.81	25.77
Athens	Cents for 1 drachma	2.20	0.99	0.94	0.94
Montreal	Cents for Can. \$1	169.31	101	102	102
Yokohama	Cents for 1 yen	84.40	31.85	29.03	29.16
Shanghai	Cents for 1 dollar	...	33.31	33.12	33.95
Calcutta	Cents for 1 rupee	61.80	40.50	37.55	37.65
Buenos Aires	Cents for 1 peso	...	29.04	33.34	33.30
Rio de Janeiro	Cents for 1 milreis	11.98	...	8.39	8.43

Quotations during the week:—

IN LONDON				IN NEW YORK			
Bar silver per oz. std.		Cents per Ounce		Bar silver per oz. std.		Cents per Ounce	
Two Months' delivery		Two Months' delivery		Two Months' delivery		Two Months' delivery	
November 8 ...	23½d.	23½d.	53½	November 7 ...	23½d.	53½	53½
" 9 ...	23½d.	23½d.	53½	" 8 ...	23½d.	53½	53½
" 10 ...	24d.	24d.	54½	" 9 ...	24d.	54½	54½
" 12 ...	24½d.	24½d.	55½	" 10 ...	24½d.	55½	55½
" 13 ...	24½d.	24½d.	55½	" 12 ...	24½d.	55½	55½
" 14 ...	24½d.	24½d.	55½	" 13 ...	24½d.	55½	55½
Average	24.365d.	24.490d.					

The highest rate of exchange on New York recorded during the period from the 8th instant to the 14th instant was \$5.01½ and the lowest \$4.98½.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Nov. 7	Oct. 31	Oct. 22
Notes in circulation.....	18,492	18,564	18,491
Silver coin and bullion in India	9,651	9,781	9,709
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,298	3,284	3,293
Securities (British Government)	1,388	1,344	1,334

The stocks in Shanghai on the 10th instant consisted of about 36,600,000 ounces in sycee, 299,000,000 dollars and 38,000,000 ounces in bar silver, as compared with about 39,800,000 ounces in sycee, 310,000,000 dollars and 37,500,000 ounces in bar silver on the 3rd instant.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.	Nov. 22, 1928	d.
Nov. 9 ...	139 7½	23½	23½	" 21, 1929	26½
" 10 ...	139 6	24	24	" 20, 1930	16½
" 12 ...	139 6	25½	25½	" 19, 1931	18½
" 13 ...	139 3½	24½	24½	" 17, 1932	18½
" 14 ...	139 3½	24½	24½	" 16, 1933	18½
" 15 ...	139 4½	24½	24½		

COMPANY NEWS

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended Nov. 11, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 45 weeks (£000)					
(b) Week ended Nov. 9, 1934	Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	
(c) Week ended Nov. 10, 1934													
Great Western	1834	3,750	166	187	102	289	455	9,196	8,077	4,428	12,505	21,701	
Eastern	1833	3,752	164	188	105	293	457	9,182	7,585	4,349	11,934	21,116	
L. & N.	1834	6,339	257	360	244	604	861	14,014	14,101	10,147	24,248	38,292	
Eastern	1833	6,339	260	359	241	600	860	13,779	13,128	9,352	22,480	36,259	
L. M. & D.	1834	6,940	382	470	280	730	1,112	21,653	20,036	10,082	30,118	51,771	
Scottish	1833	6,941	378	469	247	716	1,094	21,317	18,724	9,658	28,382	49,699	
Southern	1834	2,176	247	64	30	94	334	13,270	2,866	1,376	4,242	17,512	
	1833	2,181	237	64	32	96	333	13,065	2,752	1,300	4,092	17,117	
Total -----	1834	19,207	1,045	1,101	636	1,717	2,762	58,133	45,080	28,033	71,113	129,215	
	1833	19,213	1,039	1,080	625	1,705	2,744	57,343	42,189	26,459	66,848	124,941	
(b) Belfast & Co. Down	1934	80	1-7	...	...	0-5	2-3	114-7	...	...	...	23-4	
	1933	80	1-7	...	...	0-5	2-2	116-2	...	...	...	23-4	
(c) Great Northern	1934	562	8-0	...	...	9-6	17-6	453-5	...	...	...	351-3	
	1933	562	7-1	...	...	9-9	17-0	352-0	...	...	...	310-6	
(d) Great Southern	1934	2,158	19-1	...	...	39-2	58-3	1,087-8	...	...	...	1,472-7	
	1933	2,158	17-7	...	...	38-9	56-6	1,073-9	...	...	...	1,395-9	

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

(000's omitted)				
	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933:				
Gross increase or decrease	+ 186	+ 650	+ 524	+ 163
Net increase or decrease	+ 9½	+ 34½	+ 27½	+ 8½
Weekly average second half 1934 compared with 1933	- 2	+ 18	+ 1	+ 1

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending November 10, 1934	Takings	Compared with 1933
Aggregate 19 weeks ending November 10, 1934	£10,077,700	+ 125,000

Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or -
				1934	+ or -
INDIAN					
Assam Bengal	28	Oct. 13	1,330	Rs. 4,08,500	+ 49,808
Barsi L. Ry.	29	Oct. 20	202	26,900	+ 2,000
Bengal & N.Western	3	Nov. 2	2,112	5,14,884	+ 21,381
Bombay Bar. & C.I.	26	Sept. 30	3,269	15,43,000	+ 88,373
Bombay Bar. & C.I.	30	Nov. 3	3,072	19,96,000	+ 61,000
Madras & S. Mahr.	28	Oct. 13	3,230	25,98,000	+ 2,71,311
Kohlied & Kumaon	3	Nov. 2	546	1,04,763	+ 25,290
South Indian	29	Oct. 20	2,526	9,90,563	+ 57,380

£ 13 days.

CANADIAN

		1934		\$	\$	\$	\$
Canadian National.	44½	Nov. 7	23,736	3,195,061	+ 28,442	140,961,062	+ 149,158
Canadian Pacific ...	44½		7117,018	2,701,000	+ 285,000	106,354,000	+ 9,971,000

SOUTH AMERICAN

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or -
				1934	+ or -
Antofagasta (Chili and Bolivia)	35	Nov. 11	830	\$ 19,530	+ 9,420
Argentine N.E.	19	Nov. 10	753	\$ 100,800	+ 8,000
B.A. and Pacific	19	Nov. 10	2,806	\$ 1,092,000	+ 61,000
B.A. Central	16	Oct. 21	...	\$ 112,100	+ 18,400
B.A. Gt. Southern	19	Nov. 10	5,085	\$ 1,961,000	+ 14,000
B.A. Western	19	Nov. 10	3,700	\$ 1,580,100	+ 263,350
Central Argentine ..	19	Nov. 10	3,700	\$ 92,620	+ 56,647
Central Uruguayan ..	19	Nov. 10	273	\$ 16,422	+ 4,577
C. U. (East Ext.)	19	Nov. 10	311	\$ 3,638	+ 491
C. U. (N. Ext.)	19	Nov. 10	211	\$ 1,577	+ 49
C. U. (W. Ext.)	19	Nov. 10	1,218	\$ 493,000	+ 12,000
Cordoba Central	19	Nov. 10	1,218	\$ 28,900	+ 10,050
Entre Rios	19	Nov. 10	810	\$ 189,000	+ 43,500
G. West. of Brazil ..	45	Nov. 10	1,082	\$ 114,500	+ 500
Leopoldina	45	Nov. 10	1,918	\$ 225,692	+ 3,266
Leopoldina Term.	45	Nov. 10	...	\$ 322,000	+ 28,000
Nitrate	107	Oct. 31	401	\$ 10,875	+ 3,163
Paraguay Central ..	19	Nov. 10	274	\$ 4,390	+ 1,980
Salvador	19	Nov. 10	100	\$ 151,000	+ 113,000
San Paulo	43	Nov. 10	1,531	\$ 25,562	+ 2,145
United of Havana ..	19	Nov. 10	1,365	\$ 16,150	+ 5,436

* Converted at average official rate during week ended November 10—17.06 pesos to the £.
† Receipts in Argentine Pesos.
‡ Converted at average official rate during week.

OTHER OVERSEAS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or -
				1934	+ or -
Egyptian Delta Light Railways	31	Oct. 31	622	£ 9,847	+ £ 469
Egyptian Markets	45	Nov. 8	...	1,849	+ 119
Gr. Southern of Spain ..	44	Nov. 3	104	69,374	+ 14,003
Mexican Railway	19	Nov. 7	483	\$ 207,200	+ 18,400

£ 11 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or -
				1934	+ or -
Anglo-Argentine	45	Nov. 11	328	\$ 650,051	+ 7,939
B. Aires Lacroze	16	Oct. 21	...	\$ 70,492	+ 2,714
Burnley, Colne and Nelson Jt. Trst.	1	Nov. 10	76	\$ 24,900	+ 158
Calcutta Tramways ..	19	Nov. 10	...	Rs. 1,13,142	+ 4
Isle of Thanet Elec.	45	Oct. 31	...	£ 2,768	+ 121
Liverpool Corp.	32	Nov. 7	...	£ 28,204	+ 326
Madras Electric	9½	Oct. 31	...	Rs. 49,681	+ 1,189

† Months.

MONTHLY TRAFFICS

Company	Months	Ending	De-scription	Receipts for Month	Receipts to Date
				1934	+ or -
				1934	+ or -
Dorad (Ropeway Extension)	10	Oct. 31	Gross	£ 11,700	+ 3,500
La Guaira Harbour ..	1	Oct. 31	Gross	£ 4,500	+ 900
Midland Uruguay	4	Oct. 31	Gross	£ 10,369	+ 2,894
N. Western of Uruguay ..	4	Oct. 31	Gross	£ 12,938	+ 3,321
Peruvian Corporation ..	4	Oct. 31	Gross	£ 3,073	+ 94
Rangoon Electric Tramway	9	Sept. 30	Gross	Rs. 64,407	+ 10,107
Rangoon Electric Tramway	9	Sept. 30	Net	Rs. 4,31,438	+ 10,496
Samana & Santiago	10	Oct. 31	Gross	£ 1,99,399	+ 11,150
Shanghai Electric	10	Oct. 31	Gross	£ 1,72,111	+ 455
Uruguay Northern	4	Oct. 31	Gross	£ 1,650	+ 475

AMERICAN RAILROADS

MONTHLY GROSS AND NET RECEIPTS

Company	Months	Ending	Description	Receipts for Month ended Sep. 30, 1934, compared with Month of Sep., 1933	Aggregate Nine Months 1934 compared with Nine Months 1933
				\$	\$
Alabama Gt. Southern	9	Sept. 30	Gross	407,918	3,662,860
			Net	24,289	432,111
Atlantic Coast Line	9	Sept. 30	Gross	2,564,971	30,319,980
			Net	146,168	3,160,489
Atchafalaya	9	Sept. 30	Gross	11,377,050	96,160,342
			Net	2,030,381	12,474,038
Baltimore and Ohio	9	Sept. 30	Gross	11,008,089	103,671,566
			Net	115,238	1,307,556
Boston & Maine	9	Sept. 30	Gross	3,340,469	31,728,897
			Net	596,241	4,192,169
Central of New Jersey	8	Aug. 31	Gross	2,356,097	19,527,281
			Net	42,422	3,310,617
Chesapeake and Ohio	9	Sept. 30	Gross	9,389,642	82,393,530
			Net	3,377,968	27,462,708
Chicago and N. Western	9	Sept. 30	Gross	7,080,094	51,547
			Net	898,707	3,575,245
Chicago, Bur. & N.	9	Sept. 30	Gross	7,413,743	13,236
			Net	1,147,161	59,282,388
Chicago Great Western	9	Sept. 30	Gross	1,227,083	8,496,455
			Net	527,083	1,624,351
Chicago, Mil. and St. Paul	9	Sept. 30	Gross	8,347,632	351,912
			Net	943,826	16,451
Chicago, Rock Island, and	9	Sept. 30	Gross	5,918,850	249,748
			Net	527,083	50,794,632
Delaware and Hudson	9	Sept. 30	Gross	1,767,366	502,209
			Net	Dr. 10,000	485,709
Denver & Rio Grande Wn.	9	Sept. 30	Gross	2,064,382	166,153
			Net	314,222	13,623,704
Erie Railroad	8	Aug. 31	Gross	6,020,308	30,449
			Net	531,928	9,003,322
Great Northern	9	Sept. 30	Gross	7,884,882	645,096
			Net	2,733,862	8,872,896
Gulf Coast Lines	9	Sept. 30	Gross	663,614	68,536
			Net	Dr. 36,927	15,391
Illinois Central	9	Sept. 30	Gross	7,845,102	66,882
			Net	1,536,845	255,898
International Gt. Northern ..	9	Sept. 30	Gross	1,098,211	111,460
			Net	149,187	31,159
Lehigh Valley	9	Sept. 30	Gross	2,940,558	695,543
			Net	182,536	508,789
Long Island Railroad	9	Sept. 30	Gross	2,049,281	85,027
			Net	240,873	109,694
Louisville and Nashville	9	Sept. 30	Gross	5,631,594	520,327
			Net	946,356	493,121
Min. St. Paul and Sault	9	Sept. 30	Gross	2,233,188	217,592
			Net	166,174	92,164
Missouri & Kansas	9	Sept. 30	Gross	2,291,617	224,814
			Net	Dr. 106,101	334,434
Missouri Pacific	9	Sept. 30	Gross	6,372,323	91,797
			Net	332,639	508,887
New York Central	9	Sept. 30	Gross	23,240,016	3,075,044
			Net	2,138,319	1,828,681
N. York, New Haven and Hartford ..	9	Sept. 30	Gross	5,436,818	60,495
			Net	285,577	64,580
Norfolk and Western	9	Sept. 30	Gross	5,810,184	1,264,218
			Net	1,601,547	1,551,243
Northern Pacific	9	Sept. 30	Gross	5,152,288	51,403
			Net	1,179,287	356,063
Pennsylvania Railroad	9	Sept. 30	Gross	26,957,103	3,955,679
			Net	4,372,060	2,786,036
Reading Co.	9	Sept. 30	Gross	3,930,120	506,115
			Net	862,295	593,571
Seaboard Air Line	9	Sept. 30	Gross	2,270,856	21,336
			Net	Dr. 156,800	251,442
Southern Pacific	9	Sept. 30	Gross	12,942,837	622,549
			Net	1,340,407	49,019
Southern Railway	9	Sept. 30	Gross	6,180,556	419,223
			Net	111,111	761,855
St. Louis & Francisco	9	Sept. 30	Gross	3,652,693	31,885,361
			Net	175,284	231,766
Texas & Pacific	9	Sept. 30	Gross	1,960,529	278,241
			Net	475,856	105,996
Union Pacific	8	Aug. 31	Gross	12,240,461	2,102,469
			Net	2,650,942	70,000
Wabash	8	Aug. 31	Gross	3,171,861	166,997
			Net	227,226	127,542

bankers at the date of the last account stood at £23,465. This has been reduced during the year to £11,307, and has since been further reduced to approximately £3,500.

CANADIAN CELANESE, LTD.—A special meeting of the 7 per cent cumulative participating preferred stockholders and common stockholders has been called for December 11, 1934, to sanction the issue of 90,000 income funding rights of the company and to agree to a scheme of arrangement providing *inter alia* for the cancellation of rights of preferred stock in respect of any period prior to October 1, 1934.

RUBBER REGENERATING CO., LTD.—The net profit for nine months ended September 30, 1934, was £6,661 17s. 10d. after all

provisions. After writing off extraordinary expenses in connection with the conversion of the company into a public company, etc., a balance of £1,229 17s. 2d. is carried forward. It is proposed in future to issue half-yearly accounts. Having regard to the present volume of business in hand and in prospect, the directors anticipate that results for the half-year ending March 31, 1935, will justify the declaration of a dividend. At the date of the balance sheet, the current assets showed a surplus of £37,467 3s. 8d. over current liabilities. Shortly after the close of the financial period the sum of £10,645 1s. 4d. was received from insurers in connection with a fire which occurred prior to September 28th. The meeting will be held at Westinghouse Road, Trafford Park, Manchester, on November 23rd, at 4.0 p.m.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Dividend Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary	Rate				
		£	£	£	£	£	%	£	£	£	%
Banks											
London and Eastern Trade Bank	Sept. 30	Dr 245,327	2,721	Dr 242,606	...	...	...	34,287	Dr 276,893	755	...
Breweries											
Ansells Brewery	Sept. 30	266,060	261,995	528,055	17,500	142,180	15	56,000	312,375	142,108	10
Associated British Maltsters	Aug. 31	21,069	90,656	111,725	49,646	19,375	10	10,000	32,704	54,585	Nil
Baird (Hugh) and Sons	Aug. 31	775	5,286	6,061	3,100	...	...	...	2,961	147	...
Bass, Ratcliff and Gretton	Sept. 30	526,292	558,913	1,085,205	68,000	447,128	20½	...	570,077	471,154	15½
Holt Brewery	Sept. 30	42,173	(1) 38,765	80,938	17,620	17,395	3	3,750	42,173	27,062	2
Northampton Brewery	Sept. 30	41,499	37,666	79,165	8,250	23,658	12½	6,000	41,257	36,492	11½
Financial, Land											
Argentine Southern Land	June 30	2,741	36,811	39,552	...	22,580	4	...	16,972	1,328	Nil
Australian Mercantile, Land and Finance	June 30	48,085	79,466	127,551	...	28,000	2½	...	99,551	54,262	2½
New Zealand and Australian Land	Mar. 31	3,956	197,146	201,102	31,000	62,000	4	100,000	8,102	Dr 73,769	Nil
Pinnars Hall (Austin Friars)	Sept. 30	3,455	13,405	16,860	...	12,599	9	1,000	3,261	15,629	10
Properties Selection and Investment Trust	Sept. 30	2,824	4,312	7,136	...	4,359	5	...	2,777	6,751	Nil
Town Investments	Sept. 29	8,200	63,384	71,584	14,000	35,000	14	10,000	12,584	66,502	16
Rubber											
Anglo-Sumatra Rubber	May 31	13,662	Dr. 1,386	12,276	...	...	...	...	12,276	Dr. 823	...
Durian Sebatang Rubber	Mar. 31	Dr. 1,194	25	Dr. 1,169	...	...	...	...	Dr. 1,169	Dr. 384	...
Singapore United Rubber	June 30	2,436	4,575	7,011	...	3,487	2	...	3,524	Dr. 534	Nil
Tramways and Omnibuses											
Belfast Omnibus Co.	Sept. 30	2,346	16,171	18,517	...	{ 7,843 2,614 }	{ 7½(a) 26½(b) }	5,000	3,060	14,163	{ 5(a) 22½(b) }
Trusts											
Cleveland Trust	Sept. 30	925	4,210	5,135	...	2,800	7	1,000	1,335	3,919	7
East of Scotland Trust	Sept. 30	9,454	16,170	25,624	11,625	4,650	3	...	9,349	13,975	3
Foreign Railways Investment Trust	Oct. 31	44,834	241	45,075	...	...	...	...	45,075	Dr. 370	...
Second Co-operative Investment Trust	Sept. 30*	10,141	18,390	28,531	...	22,496	2	...	6,035	16,342	2
Other Companies											
Agua Santa Coffee	Dec. 31	14,721	3,134	17,855	...	...	...	...	17,855	Dr. 4,805	...
Birmingham Aluminium Castings (1903)	July 31	27,341	25,665	53,006	166	21,237	10	5,000	26,603	18,505	7½
Callender (George M.) and Co.	June 30	95	5,082	5,177	2,393	1,750	35	...	1,034	2,532	35
Clarke (W. G.) and Sons	Aug. 31	11,098	30,477	41,575	18,750	...	...	6,500	16,325	19,982	...
Hughes-Johnson Stampings	Aug. 4	115	16,400	16,515	...	10,107	12½	...	6,408	468	5
Provincial Cinematograph Theatres	Jan. 31	120,573	508,648	629,221	202,500	75,000	15	230,574	121,147	459,490	15
Roneo, Ltd.	June 30	Dr. 73,665	9,849	Dr. 63,816	...	...	...	...	Dr. 63,816	Dr. 46,585	...
Santa Cruz Coffee	Dec. 31	Dr. 17,935	11,671	Dr. 6,264	...	...	...	...	Dr. 6,264	Dr. 6,706	...

* For half year.

† Free of income tax.

(a) Ordinary.

(b) Deferred.

(c) For nine months.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

PRICE fluctuations on the principal commodity markets were relatively small during the week ended last Wednesday, although movements in this country and the United States have not in all cases coincided. An improvement in weather conditions in Argentina, coupled with heavy world shipments, caused a reaction on the wheat markets, and the rise recorded last week has been checked. The United States maize crop promises to be very short and quotations for this cereal have advanced, but other grain prices have weakened in sympathy with wheat. In spite of an upward revision of the American crop estimate, raw cotton prices in New York were firm, while quotations in this country have advanced; wool tops were, however, a shade cheaper. Crude rubber prices showed a marked decline this week. Non-ferrous metals were a trifle dearer on American mar-

kets, but have again been in poor demand here. The desire to raise prices by artificial means has been responsible this week for restrictionist agitation by a group of shareholders of copper undertakings.

Food prices in this country continued to fluctuate within narrow limits. With the exception of English mutton, meat has been a little cheaper at Smithfield, while the prices of bacon, butter and sugar on the London market were also lower than a week ago. On the other hand, eggs were seasonally dearer. Tea, coffee, cocoa, and potatoes are unchanged in price.

Moody's index of the dollar prices of staple commodities in the United States (December 31, 1931 = 100) recorded an increase from 142.7 on November 7th to 145.7 on Wednesday last, compared with 144.3 a month ago and 159.6 on the corresponding day last year.

COAL

SHEFFIELD.—Demand for best steam coal is brisk, especially for inland consumption, and prices are firm. There is a fair prompt inquiry for export, with supplies somewhat short. Best brands command up to 17s. 3d. f.o.b. A falling off in sales of blast furnace coke is being made good by increased exports. Prices are slightly easier. Industrial works are taking heavy tonnages of fuel at firm prices. Increased interest is being taken in house coal, although the super brands tend to sag. Best ordinary house coal is quoted at 21s. to 23s. at pits.

NEWCASTLE-ON-TYNE.—Demand for all grades and sizes of Northumberland steam coal is increasing, and prices are slightly better, D.C.B. screened being firm at 14s. 3d., with Tyne Primes at 13s. 6d. and Hartley Main at 13s. 3d. per ton f.o.b. An active inquiry from the English coast continues for graded steams of all descriptions. There is a slight improvement in the gas and coking section of the Durham market, but supplies are plentiful and are offered freely at schedule minimums. Bunkers are steady, the prime brands being better placed. Coke of all descriptions remains a steady market under a more active home demand.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B. screened, 14s. 6d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s. Hartley Main, large, 13s. 6d.; smalls, 11s. **DURHAM.**—Lambton South Hutton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special Gas, 15s.; Holmside, Ryhope Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened and or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime Foundry coke, 20s.; Newcastle and District Gas coke, 20s. 3d.

GLASGOW.—Following the tendency to easiness recently, the export market is again firmer, although the delayed arrival of vessels at loading ports owing to weather handicaps occasionally brings prompt parcels on the market at price concessions. Foreign inquiry is on a fair scale, but the main influence is the increase in home demand for domestic and industrial purposes and the consequent reduction in supplies available for shipment.

Shipment prices (f.o.b. district ports): **LANARKSHIRE.**—Ell best, 14s. 6d.; splint best, 16s. 6d.; splint second, 14s. 6d.—14s. 9d.; navigation, screened, 14s. 9d.—15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 12s. 6d.; trebles, 14s.—14s. 6d.; doubles, 13s.; singles, 12s. 6d.—12s. 9d.; pearls, 12s.; dross, 10s. **FIFE.**—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 3d.—12s. 6d.; first-class steam, 13s.—13s. 6d.; third-class steam, 12s. 6d.—13s.; trebles, 14s.—16s.; doubles, 13s.—13s. 6d.; singles, 12s. 6d.—12s. 9d.; pearls, 11s. 9d.—12s. **LOTHIANS.**—Prime steam, 12s. 6d.—13s.; secondary steam, 12s.—12s. 6d.; unscreened navigation, 12s. 6d.; trebles, 13s.—14s.; doubles, 13s.—13s. 6d.; singles, 12s.—12s. 3d.; pearls, 11s. 9d.—12s. **AYRSHIRE.**—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s.; trebles, 15s. 6d.—15s. 9d.; doubles, 13s.; singles, 13s.; pearls, 12s. 6d.; dross, 10s.

CARDIFF.—There are several important contract inquiries on the Cardiff market, including one for the supply of 230,000 tons for the Portuguese State Railways to be delivered over the first eight months of 1935, but comparatively little new business has been definitely arranged during the past week. Shipments, however, are a little more active. Last week the loadings in the foreign and coastwise trades totalled only 362,000 tons, compared with 382,200 tons the previous week, and 391,451 tons in the corresponding period last year, but during the first three days of this week the shipping position has been more favourable. A larger percentage of the loading berths have been occupied, and it is fully anticipated that total shipments for the current week will substantially exceed those for the past week. French licences have been refused as the result of the recent agreement on the new barter price for French pitwood, and shippers are hopeful of authorisations in respect of the deficiencies in the British import quota up to the end of October. The policy of greater commercial freedom announced by the new Government is also expected to have favourable repercussions on South Wales exports to France. Anthracite coals are firm, and one or two of the steam sized grades are also commanding prices above the minimum scale, but for practically all other classes current quotations are at the scheduled figures. Portuguese pitwood is quoted at 23s. 6d. per ton ex ship compared with 24s. 3d. a week ago; patent fuel shipments are fairly active and there is a steady demand for coke.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d. Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite best large, 36s. to 38s. 6d.; Red Vein large, 22s. to 25s.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, French, 24s. 6d.; Portuguese, 23s. 3d. to 23s. 9d.

IRON AND STEEL

MIDDLESBROUGH.—Business continues steady in the local iron and steel market, further transactions having taken place both with home consumers and with buyers abroad. Most of the export business is being done through second hands and the price for hematite iron for export has been advanced by 1s. 6d. per ton, making the figure 62s. 6d. per ton f.o.b., and business has been done at this figure. There have been some heavy shipments of foundry iron to Scotland since the beginning of November, total shipments from the Tees from November 1st to 13th being 8,043

tons, against 7,593 tons in the corresponding period of October. To home users the minimum prices are maintained and are based on No. 3 Cleveland foundry iron at 67s. 6d. per ton and No. 1 East Coast hematite at 69s. per ton, delivered locally, with the usual differences for other areas. Good Durham blast-furnace coke is available at 20s. per ton delivered at the furnaces, whilst foreign ore for prompt shipment continues to be based on 17s. per ton c.i.f. Tees. There has been a rather better demand for heavy steel scrap, and it is understood that some fair-sized parcels have changed hands at 52s. 6d. per ton delivered works. Steel departments continue to maintain a good output. The order for a 9,000-ton steamer recently placed on the Tyne, together with a contract for two trawlers to be built by Messrs Smith's Dock Company, Ltd., Middlesbrough, should benefit the local steelmakers. Finished steel prices are maintained.

SHEFFIELD.—The easier conditions in the finished steel trade reported last week continue. Many firms now report shrinking order books, and if there is no revival of buying shortly, activity at the works will decline. Up to the present time the lessened bookings have not affected the conditions at plants, most of which are keeping good time.

The export trade fails to expand except with a few markets, and the recent loss of German trade is being felt by a good many firms. Germany has been a substantial buyer of Sheffield best steels and engineers' tools. The open-hearth furnaces producing basic steel are as busy as ever but the position of acid steel leaves something to be desired. The market for steel scrap has been flat for several months. The hand tool factories have plenty of work and orders, notwithstanding heavy imports of saws and engineers' small tools. The Christmas season trade in cutlery and plate is disappointing, the volume of orders booked to-day being below that of a year ago. Merchants appear to be overstocked.

GLASGOW.—Since writing last week a considerable amount of new work has been placed in the West of Scotland. Carriage and wagon builders have obtained further contracts and a number of Clyde yards have received orders, mainly for smaller vessels, but aggregating on the whole a quite important tonnage. There is rather more activity in the iron and steel markets. Steel makers are all busy and there is an increased demand for home semis. Sheetmakers are still finding export business largely for prompt delivery, but the tonnage placed, both for black and galvanised, is encouraging. Home demand shows no falling off and makers are able to keep a large proportion of their plant in operation. Tube makers also remain busy and have a sufficiency of work on hand for some weeks ahead. Machinery makers and other manufacturing concerns in the Glasgow district are all fully employed.

CARDIFF.—Conditions in the overseas tinplate trade are becoming more stabilised under the new international agreement, and on the Swansea Metal Exchange on Tuesday there were expanding tendencies in export business. One of the most important of the Canadian importing undertakings has increased its orders for next year. Prices are ruling at scheduled rates. Steel bars are unchanged in price at £5 2s. 6d. per ton and galvanised sheets at from £11 5s. to £11 15s. Shipments of tinplates from Swansea last week totalled 100,329 boxes, compared with 126,564 boxes the previous week, and as arrivals from works were less than usual, stocks at the end of last week totalled 97,597 boxes, compared with 113,701 boxes a week earlier.

OTHER METALS

Operators on the copper market are still hoping for something in the nature of a restriction scheme. So far, however, there is nothing concrete to report, although proposals have been advanced this week for the establishment of a Copper Shareholders' Asso-

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ciation with the object of limiting the output of the metal. A more profitable aim would be the stimulation of demand, for no considerable improvement in prices will be possible until purchases expand.

Lack of demand continues to depress the tin market also. Although the British tinplate industry has received some large orders from North America, this increased need for tin will not be sufficient to counterbalance the reserve of United States buyers. It seems improbable that the American tinplate industry will re-enter the market for the metal before January. In the circumstances, attention is concentrated on the forthcoming meeting of the Tin Committee on November 22nd, but it is unlikely that the present quotas will be modified then.

Unfavourable statistical developments, coupled with uncertainty regarding the future of the zinc cartel, have adversely affected the lead and spelter markets. At present prices, however, an increase in production seems unlikely, while stocks of both metals are sufficient for only three or four months. Moreover, stocks are likely to show a considerable reduction when consumption expands seasonally in the spring. The position, therefore, is not so bad as might at first sight appear and there are reasonable grounds for anticipating a prolongation of the life of the cartel, although no decision has apparently been taken.

President Roosevelt's electoral triumph has been largely responsible for the strength of the silver market this week. Since the President has never been an enthusiastic supporter of the silver-buying policy, however, his victory may not be such a "bullish" factor as the market seems to suppose—especially in view of the fact that Treasury purchases of silver during the nationalisation campaign (which was concluded on Friday of last week) amounted to less than 109 million ounces, or barely one-half the quantity believed to be in the possession of United States silver owners. At the moment, however, it is impossible to forecast how far President Roosevelt is likely to pursue the silver-buying policy.

TIN.—Sales on the London Metal Exchange: 215 tons on Monday, against 625 tons last week; 155 tons on Tuesday, against 265 last week; 325 tons on Wednesday, against 305 tons last week. The New York quotation on Wednesday was 51.20 cents per lb., against 51.25 cents a week ago and 50.85 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 5s. to £228 10s., compared with £228 7s. 6d. to £228 10s. last week. Stocks in London and Liverpool at the end of last week were 4,405 tons, an increase of 91 tons on the week.

COPPER.—Sales on the London Metal Exchange: 675 tons on Monday, against 1,850 tons last week; 850 tons on Tuesday, against 850 tons last week; 2,000 tons on Wednesday, against 650 tons last week. Domestic spot was quoted at 6·65 cents per lb. in New York on Wednesday, against 6·52½ cents a week ago and 6·17½ cents a month ago. Wednesday's official closing price for standard cash in London was £27 10s. to £27 12s. 6d., compared with £27 11s. 3d. to £27 12s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 35,995 tons, show an increase of 312 tons and stocks of rough copper, at 10,021 tons, an increase of 1,448 tons.

LEAD.—Sales on the London Metal Exchange: 650 tons on Monday, against 700 tons last week; 700 tons on Tuesday, against 350 tons last week; 350 tons on Wednesday, against 300 tons last week. The New York quotation on Wednesday was 3-60 cents per lb., against 3-60 cents a week ago and 3-65 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 6s. 3d. for shipment during the current month compared with £10 3s. a week ago.

SPELTER.—Sales on the London Metal Exchange, 350 tons on Monday, against 650 tons last week; 550 tons on Tuesday, against 200 last week; 200 tons on Wednesday, against 100 tons last week. Wednesday's quotation in East St. Louis was 3-75 cents per lb., against 3-75 cents the week before, and 3-80 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was $\pounds$ 11 17s. 6d. for shipment during the current month, against $\pounds$ 12 5s. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £55 per ton, as against £49 to £50 per ton last week. Chinese wolfram was again quoted at 40s. to 42s. per unit, c.i.f., as against 40s. 6d. to 41s. 6d. per unit, c.i.f., last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—*Manchester.*—Raw cotton prices have tended to harden. The strength has been partly due to the proposal in the United States to exchange cotton for German goods, chiefly chemicals. The latest crop statistics, although rather bearish, have had practically no effect upon prices and most operators are waiting for some official announcement with regard to acreage plan for next season. In the meantime contracts are scarce and there is no disposition to sell short. Spot demand in Liverpool has been rather quieter, and is still chiefly centred on outside growths.

The general inquiry in piece-goods has broadened, a feature of interest being the larger demand for India. More encouraging contracts have been arranged for Calcutta and Karachi, chiefly in light bleaching descriptions, and local merchants are receiving more favourable advices from the other side. Transactions for China have been quite isolated. Steady buying has taken place

for South America, certain Empire markets and Scandinavia in printing and finishing styles. A fairly healthy business has been done in home trade fabrics, especially dress materials. Reports from Burnley remain unfavourable, but recently certain manufacturers in Blackburn and Preston have extended their order lists. The yarn market has been firmer. Users of American qualities cannot ignore the attempts to place the price agreements on a legal basis, and there has been a greater disposition to keep well covered. Some spinners have booked bigger weights. A fair amount of buying has been reported from day to day in Egyptian qualities for Germany. Taking the market as a whole the prospects are rather brighter and some leading buyers are now displaying more confidence in current prices. If the wages agreement in the weaving section is legalised there seems to be little probability of cheaper cloth.

COTTON PRICES

	1934				Corresponding Date	
	Oct. 24	Oct. 31	Nov. 7	Nov. 14	1932	1933
Raw Cotton—Mid. American per lb.	d. 6-93	d. 6-89	d. 6-79	d. 6-85	d. 5-34	d. 5-24
Sakellaridis Fully Good Fair Egyptian..... per lb.	8-24	8-30	8-64	8-69	7-72	7-07
Yarns—32's twist..... per lb.	10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	9 $\frac{1}{2}$	9 $\frac{1}{2}$
" 40's twist..... per lb.	10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	9 $\frac{1}{2}$	9 $\frac{1}{2}$
" 80's twist (Egyptian)..... per lb.	16 $\frac{1}{2}$	16 $\frac{1}{2}$	16 $\frac{1}{2}$	16 $\frac{1}{2}$	15 $\frac{1}{2}$	16 $\frac{1}{2}$
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d. 19 2	s. d. 19 0	s. d. 19 0	s. d. 18 10	r. d. 19 4 $\frac{1}{2}$	r. d. 17 0
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	24 3	24 0	24 0	24 0	21 0	21 0
38-in. ditto, 38 yds., 18 by 18, 10 lb.	11 1	10 11	10 10	10 10	11 2	10 6
39-in. ditto, 37 $\frac{1}{2}$ yds., 16 by 15, 8 $\frac{1}{2}$ lb.....	10 1	9 10	9 9	9 9	10 0	9 4

AMERICAN COTTON CROP.—The cotton statistics published by the United States Government at the end of last week were rather bearish, but did not result in a significant change in prices. The estimate of the crop was 9,634,000 bales, against 9,443,000 bales a month ago. This increase was largely due to the yield per acre being raised from 165·9 lb. to 169·3 lb. The quantity ginned up to the end of October at 7,920,000 bales was about equal to expectations. It was officially announced that during October conditions in the belt were more favourable than usual and picking and ginning progressed rapidly with practically no losses of open cotton in the fields. Owing to the carry-over of American cotton from last season being about 10,500,000 bales, prospective supplies for the current twelve months are over 20,000,000 bales. Interest in the present crop is waning and attention is now being centred on the outlook for next season. It is believed that the Washington officials will decide upon a larger acreage, and according to some authorities this will be about 33,000,000 acres against 28,000,000 acres for the current season. The American Government continues its policy of holding back supplies, and exports are decidedly smaller than a year ago. World spinners have very little difficulty in finding outside growths to meet their requirements, and the price of American cotton is undoubtedly too high.

JUTE.—Dundee.—After a quiet spell, there are signs of returning activity in the jute industry and buyers of yarns and cloth are displaying more interest. Inquiries are coming in fairly freely, but there is hesitation in buying for forward delivery. Spinners and manufacturers are comfortably placed until the end of this year, but so far not much business has been done for later despatch. Prices are very firmly maintained for anything wanted this year, and producers are reluctant to give any concessions for forward delivery, though there would be a large volume of business if prices were shaded a little. Spinners and manufacturers have no wish to return to the unprofitable trading conditions which they have experienced for some years past, and now that prices for yarns and cloth are ruling at a level more in keeping with that of the raw material, they are determined that they should remain so.

Calcutta shippers are reluctant to allow prices of raw jute to decline and any little weakness is quickly followed by recovery. Fine qualities of jute are very scarce this season and quotations are steadily advancing owing to the difficulty experienced in obtaining suitable baling material. Good First Marks are now quoted at £18 7s. 6d. and good Lightnings at not less than £16 12s. 6d., with Hearts at £15 7s. 6d., November-December. Prices of Daisee and Tossa, however, continue to rule round about recent limits at £13 15s. for the full group of Daisee-2/3 and £14 2s. 6d. for good single marks, while Tossa-2/3 is named at £14 17s. 6d. for the group to £15 5s. for singles, with fours at from £13 17s. 6d. to £14 2s. 6d., November-December.

Jute yarns have been in rather better demand and business has been done in hessian descriptions at 1s. 10d. and also 1s. 9½d. for common 8 lb. cops and 1s. 10½d. for 8 lb. spools for January onwards delivery. Twist is firm at from 3½d. for 3 ply 8 lb., and mostly quoted at 3½d., while sacking yarns are in some request at from 2½d. for 24 lb. web and 3d. for 8 lb. chains. Rio yarns are very firm and some further business has been done, thus consolidating an already strong position of spinners of these qualities at 2s. 4d. for third quality 8 lb. warp and 2s. 1d. for fourth. Carpe yarns have been largely sold again at from 2½d. to 2½d. for 24 lb. yarn and rove is steady at from 17 for 48 lb. and 14 for 100 lb.

The price of 10½ oz. 40 in. hessians is not under 2½d. and 8 oz. 2½d., and sometimes more has to be paid if urgent delivery is required. Buyers are showing more interest and an improvement in business is expected in the near future. Lineoleum hessians are firm, with some further orders placed, while heavy goods are in quiet request. Calcutta goods have ruled more or less steady and unchaned for some weeks past.

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended October 31		Ten Months ended October 31	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	£ 4,939,270	£ 5,503,660	£ 46,219,353	£ 44,182,969
B. Feeding-stuffs for Animals	6,368,988	859,112	4,755,190	5,635,121
C. Animals, Living, for Food	1,000,610	697,492	5,515,414	4,142,906
D. Meat	5,998,408	6,245,684	65,361,905	68,805,056
E. Dairy Produce	4,739,524	4,567,672	45,578,966	44,077,838
F. Fresh Fruit and Vegetables	3,414,619	3,030,084	31,578,009	30,491,995
G. Beverages and Cocoa Prepara- tions	4,472,917	4,915,002	32,219,069	36,100,821
H. Other Food	5,780,634	5,985,863	38,827,689	38,965,798
I. Tobacco	1,258,108	3,967,556	8,416,547	12,738,239
Total, Class I	32,240,073	35,682,125	278,472,142	285,140,843
II.—Raw Materials and Articles mainly Unmanufactured—				
A. Coal	984	1,398	12,425	19,636
B. Other Non-Metalliferous Min- ing and Quarry Products and the like	320,416	334,787	2,806,540	3,101,990
C. Iron Ore and Scrap	234,093	363,343	2,078,946	3,732,858
D. Non-Ferrous Metalliferous Ores and Scrap	735,678	1,084,493	5,572,986	8,076,509
E. Wood and Timber	3,684,516	4,386,346	24,407,056	33,630,380
F. Raw Cotton and Cotton Waste G. Wool, Raw and Waste, and Woolen Rags	2,800,756	2,923,402	24,214,282	29,341,751
H. Silk, Raw, Knobs and Noils	2,159,694	1,412,272	29,375,378	33,072,065
I. Other Textile Materials	117,022	126,038	1,010,148	1,151,766
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	547,787	551,019	5,771,483	6,568,629
K. Hides and Skins	1,592,675	1,531,431	17,566,461	17,880,899
L. Paper-making Materials	1,139,920	864,075	11,834,051	12,581,022
M. Rubber	784,715	861,433	7,591,103	9,022,899
N. Miscellaneous Raw Materials and Articles mainly Un- manufactured	249,956	1,718,393	2,420,421	9,464,695
Total, Class II	664,713	733,891	5,816,407	6,832,503
Total, Class II	15,026,925	16,892,321	144,497,090	174,477,612
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	4,680	2,889	24,714	31,468
B. Pottery, Glass, Abrasives, etc.	593,438	734,092	4,596,948	5,635,417
C. Iron and Steel and Manufac- tures thereof	578,230	803,710	4,904,398	7,719,837
D. Non-Ferrous Metals and Manu- factures thereof	1,472,639	2,149,737	12,170,986	17,703,696
E. Cutlery, Hardware, Imple- ments and Instruments	486,187	540,998	4,113,904	4,719,209
F. Electrical Goods and Apparatus G. Machinery	277,546	295,236	1,922,631	2,482,719
H. Manufactures of Wood and Timber	800,823	1,045,563	6,983,741	9,868,623
I. Cotton Yarns and Manufactures J. Woolen and Worsted Yarns and Manufactures	488,395	539,658	4,017,315	4,673,573
K. Silk Yarns and Manufactures L. Manufactures of other Textile Materials	201,541	297,972	1,702,395	1,899,400
M. Apparel	261,864	233,741	1,893,359	2,084,164
N. Chemicals, Drugs, Dyes and Colours	284,539	278,230	2,536,344	2,620,822
O. Oils, Fats and Resins, Manu- factures thereof	676,321	671,572	6,177,550	5,915,064
P. Leather and Manufactures thereof	677,688	678,891	6,363,768	6,889,745
Q. Paper, Cardboard, etc.	957,895	1,056,309	8,049,195	9,495,545
R. Vehicles (including Locomo- tives, Ships and Aircraft) ...	2,514,130	2,722,215	25,467,378	25,850,095
S. Rubber Manufactures	875,847	648,627	6,686,460	6,317,127
T. Miscellaneous Articles wholly or mainly Manufactured ...	1,079,629	1,332,134	9,632,578	10,811,441
Total, Class III	239,051	273,290	2,063,177	2,970,155
IV.—Animals, not for Food	152,745	105,093	1,349,417	1,471,758
V.—Parcel Post	1,569,077	1,679,174	12,372,089	14,052,360
Total, Class IV	14,192,265	16,027,133	123,042,337	142,489,518
Total, Class V	56,379	290,147	598,475	1,222,825
Total	249,972	191,863	2,660,313	2,062,077
Total	61,765,614	68,993,589	549,218,357	605,392,875

GRAIN MARKETS

WHEAT.—Heavy shipments from several producing areas, coupled with favourable weather in Argentina, have caused certain operators this week to take a rather "bearish" view of the future. Buyers have shown some tendency to hold off and prices are a little below last week's level. On Friday of last week, the Dominion Bureau of Statistics issued a slightly reduced estimate of this year's Canadian crop, the figure being 275 million bushels. This is slightly above last year's total, but is almost 40 per cent. less than the 1932 crop. According to Mr G. Broomhall, total shipments during the past week were 1,546,000 quarters, against 1,270,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 99½ cents per bushel, against 100½ cents the week before and 100½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 31s. 9d. per 496 lbs., against 32s. 6d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 28s. 3d. to 29s. 3d., against 30s. 6d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 26s., against 26s. 6d. a week ago.

FLOUR.—Demand has again been quiet this week. Northern American shipments were 91,000 sacks in the past week, as compared with 101,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 6d. to 26s. 6d., against 24s. 6d. to 26s. 6d.; Australian, ex store, 20s. 3d. to 20s. 6d., against 20s. 3d. to 20s. 9d.

EXPORTS of PRODUCE and MANUFACTURES of the UNITED
KINGDOM (Value F.O.B.)

	Month ended October 31		Ten Months ended October 31	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	£ 170,181	£ 164,122	£ 1,689,440	£ 1,407,411
B. Feeding-stuffs for Animals	59,529	44,749	695,270	502,040
C. Animals, Living, for Food ...	2,000	904	28,141	20,701
D. Meat	86,475	93,521	642,318	637,833
E. Dairy Produce	105,907	75,149	799,373	745,637
F. Fresh Fruit and Vegetables ..	49,611	14,928	168,212	142,411
G. Beverages and Cocoa Prepara- tions	656,154	753,613	5,270,865	7,737,288
H. Other Food	1,206,682	1,263,886	9,897,507	9,898,400
I. Tobacco	378,638	383,329	3,405,911	3,629,866
Total, Class I	2,715,177	2,794,201	22,597,037	42,721,641
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Cotton	2,888,787	2,998,986	26,097,184	26,649,488
B. Other Non-Metalliferous Min- ing and Quarry Products and the like	93,186	105,255	824,561	863,241
C. Iron Ore and Scrap	71,422	46,062	413,469	434,511
D. Non-Ferrous Metalliferous Ores and Scrap	84,752	69,177	641,764	1,011,322
E. Wood and Timber	9,812	10,204	70,003	89,311
F. Raw Cotton and Cotton Waste G. Wool, Raw and Waste, and Woolen Rags	44,733	115,018	380,545	699,199
H. Silk	620,016	485,262	4,338,396	4,984,553
I. Other Textile Materials	184	30,117	1,065	83,005
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums ...	47,472	41,141	334,136	316,053
K. Hides and Skins, Undressed ...	155,575	170,594	1,419,901	1,251,833
L. Paper-making Materials	61,651	36,938	554,069	590,818
M. Rubber	70,368	94,930	764,254	940,040
N. Miscellaneous Raw Materials and Articles mainly Un- manufactured	9,189	11,842	78,006	88,255
Total, Class II	166,012	230,200	1,939,880	2,111,799
Total, Class II	4,323,157	4,465,783	38,064,643	40,083,488
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	269,751	249,571	2,158,633	2,208,400
B. Potter, Glass, Abrasives, etc.	627,244	776,451	5,792,516	6,408,968
C. Iron and Steel and Manufac- tures thereof	2,994,740	3,475,323	24,331,640	28,625,141
D. Non-Ferrous Metals and Manu- factures thereof	1,188,124	950,794	10,204,628	9,082,677
E. Cutlery, Hardware, Imple- ments and Instruments	601,085	738,923	5,263,579	6,993,377
F. Electrical Goods and Apparatus	614,683	871,192	5,356,409	6,411,922
G. Machinery	2,520,707	3,140,871	22,386,753	26,481,933
H. Manufactures of Wood and Timber	106,712	110,402	834,100	871,591
I. Cotton Yarns and Manufactures	4,903,416	5,235,903	49,370,610	49,352,437
J. Woollen and Worsted Yarns and Manufactures	2,354,885	2,395,997	21,286,643	24,683,955
K. Silk Yarns and Manufactures	74,430	134,535	717,434	878,238
L. Manufactures of other Textile Materials	1,450,034	1,421,964	11,603,740	12,838,899
M. Apparel	1,093,793	1,127,894	9,039,364	9,271,832
N. Chemicals, Drugs, Dyes and Colours	1,661,670	1,798,007	15,291,300	16,273,828
O. Oils, Fats and Resins, Manu- factured	369,359	500,063	3,712,980	4,051,948
P. Leather and Manufactures thereof	366,996	317,388	3,087,221	2,744,565
Q. Paper, Cardboard, etc.	620,341	591,717	5,061,369	5,153,037
R. Vehicles (including Locomo- tives, Ships and Aircraft) ...	1,942,917	2,253,496	17,856,425	19,585,051
S. Miscellaneous Manufactures ..	162,597	182,807	1,402,274	1,460,452
T. Miscellaneous Articles wholly or mainly Manufactured ...	2,215,149	2,251,109	17,934,474	18,500,828
Total, Class III	26,144,608	28,527,407	232,691,732	251,779,094
IV.—Animals, not for Food	36,395	64,430	360,272	492,872
V.—Parcel Post	911,649	896,724	8,813,526	8,678,424
Total	34,130,986	36,748,545	302,527,210	325,755,519

BARLEY.—Imported feeding varieties have been a quiet market, but prices are steady. As regards English malting barley, a poor demand has been experienced for the inferior qualities, although brewers will pay up to 55s. for good samples. "December" futures were 50½ cents per bushel in Winnipeg on Wednesday, against 52½ cents last week and 52½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 30s. to 55s., against 30s. to 55s., a week before.

OATS.—Imported oats continue to meet with little interest and prices have shown a tendency to decline this week. On Wednesday, "December" futures were quoted at 51 $\frac{1}{4}$ cents per bushel in Chicago, against 52 cents a week ago and 52 $\frac{1}{2}$ cents last month. Quotations

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in London, Wednesday: "River Plate," landed, not quoted; "Chilean White," landed, 23s. 9d., against 23s. 9d. a week earlier.

MAIZE.—A revised official estimate published this week confirms the view that the American maize crop will be very short this year. Demand has broadened out this week, and prices, both here and in America, have moved upwards. "December" futures were quoted on Wednesday at 81 cents per bushel in Chicago, against 78½ cents a week ago and 77½ cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 22s. per 480 lbs., compared with 22s. last week; "Plate," ex ship, 21s., as against 21s. 6d.; "Plate," "November," 21s. 6d., as against 21s. 6d. Yellow maize meal, ex wharf, was quoted 6s. 6d. per ton, against 6s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to November 10	Cwts. 89,271	Cwts. 317,953	Cwts. 256,735	Cwts. 352,853
11 weeks to November 10	823,761	2,343,138	3,825,682	5,135,923
Average price of English wheat per cwt.	s. d. 6 10	s. d. 5 6	s. d. 4 8	s. d. 4 11

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Nov. 8, 1930	Cwts. 124,248	Cwts. 526,468	Cwts. 55,204	s. d. 6 10	s. d. 9 8	s. d. 5 11
Nov. 7, 1931	75,191	469,893	46,513	6 7	9 2	6 6
Nov. 12, 1932	317,953	463,293	55,545	5 6	7 7	5 11
Nov. 11, 1933	256,735	447,872	40,752	4 8	9 5	5 4
Nov. 3, 1934	398,423	494,560	52,823	4 11	9 1	6 6
Nov. 10, 1934	352,853	386,369	44,886	4 11	8 10	6 7

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Nov. 15, 1933	Jan. 3, 1934	Nov. 7, 1934	Nov. 14, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	64½	65½	79½	78
Chicago (No. 2 Winter)	55½	46½	89½	84½	100½	99½

The visible supply of wheat in Canada, at 122,258,000 bushels, shows an increase of 1,972,000 bushels. Supplies a year ago amounted to 118,035,000 bushels.

OTHER FOODS

SUGAR.—The New York spot market has been quiet, with quotations showing a slight upward tendency. Futures have scored an advance over last week. Dullness has characterised the London market and quotations have weakened. The spot price in New York on Wednesday was 2.86 cents per lb., as compared with 2.82 cents per lb. last week and 2.91 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 3s. 9½d. to 3s. 10d., against 3s. 11½d. to 4s. 0½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons			Tons		Tons	
London	854	653	1,478	1,267	18,701	19,834
Liverpool	27,282	4,069	14,228	13,437	108,881	75,837
Total tons.....	28,136	4,722	15,706	14,704	127,582	95,671
Last week	7,953	19,229	16,765	15,575	115,152	105,653

COFFEE.—The market in New York has been quiet and prices remain unchanged. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London market has ruled quiet and steady this week. Last week's movements of coffee in London were as follows: Brazilian, landed, nil; delivered, 27,422 bags, against 26,183 bags a year ago. Central American, landed, 570 packages; delivered, for home consumption, 1,856 packages; exported, 507 packages; stocks, 80,445 packages, against

70,964 packages last year. Other kinds: Landed, 308 packages; delivered, for home consumption, 2,469 packages; exported, 516 packages; stocks, 74,487 packages, against 93,796 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "November-January," was 20s. per 50 kilos, c.i.f. Continent, as against 20s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 889 bags; delivered, for home consumption, 7,381 bags; exported, 2,625 bags; stocks, 150,828 bags, against 117,721 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 51,771 packages of Indian and 19,808 packages of Ceylon tea. Competition was good and prices have generally been fully maintained, quotations for the lower Ceylon grades showing a slight advance over those of last week. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.						
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
Nov. 9, 1933	d. 13-41	d. 13-20	d. 16-20	d. 11-75	d. 10-06	d. 10-79	d. 13-90
Oct. 11, 1934	13-10	11-48	14-29	10-00	9-52	10-88	12-94
Oct. 18, "	12-63	11-56	14-32	10-15	9-77	10-98	12-76
Oct. 25, "	12-49	11-35	14-63	9-96	9-29	10-85	12-73
Nov. 1, "	12-33	11-44	14-27	10-69	9-28	10-67	12-58
Nov. 8, "	13-21	11-62	14-39	10-23	9-28	10-75	12-51

RICE.—The "spot" price was 8s. 6d. per cwt on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 7s. 9d. per cwt., shows a rise of 3d. on the week. Movements in London during the past week were as follows: Landed, 30 tons; delivered, 174 tons; stocks, 3,367 tons, against 3,339 tons a year ago.

POTATOES.—The majority of quotations remained unaltered this week, although heavy supplies tended to cause a slightly easier movement. At the London Borough Market on Tuesday, light soil "King Edward" again sold at 6s. to 6s. 6d. per cwt.

SPICES.—"Lampong" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 171 tons; delivered, 48 tons; stocks, 591 tons, against 397 tons a year ago. White, landed, 631 tons; delivered, 38 tons; stocks, 9,287 tons, against 1,322 tons a year ago.

MEAT.—On Monday and Tuesday demand was quiet and supplies ample. On Wednesday, fresh mutton, lamb and pork were a better market, although the demand for frozen meat was still slow. Argentine beef, chilled hindquarters, was quoted at 3s. 2d. to 3s. 6d. per 8 lbs., as compared with 3s. 2d. to 3s. 8d. last week. New Zealand frozen mutton was 3s. to 3s. 6d. per 8 lbs., against 3s. to 3s. 6d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 10,209 tons, against 9,342 tons in the corresponding week last year. Imported beef, principally Argentine, formed 83.1 per cent. of the beef supplies, against 81.9 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 69.7 per cent. of the total supply of mutton and lamb, against 67.1 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OLSEEDS.—Markets have a steadier and more confident feeling. With the probability of the new Argentine linseed being delivered at up-river ports for shipment by the end of the month, demand has improved, though Continental buyers are foremost. Very little business, except in near parcels, is reported here and for old Plate, November shipment, 9s. 2s. 6d. has been conceded. New crop, January-February, is quoted around 9s. 15s. Indian is quiet and for Calcutta to London 10s. 12s. 6d. is required, with new crop, April-May, quoted 10s. 10s. The quantity now afloat for Europe is 115,700 tons (including 17,000 tons from India), or 10,700 tons less than last week; and for the United States 34,400 tons, against 50,600 tons a year ago. Cottonseed is firmer on good support, and up to 7s. 6d. has been paid for Egyptian for January shipment to Hull.

Linseed oil is in fair demand at the lower levels and is steadier in price. Raw oil for delivery to April is quoted at 18s. per ton (naked) ex Hull mill, after business done in Hull and London below this figure. Cotton oil is in active demand and is dearer, Egyptian crude ex Hull sells at 17s. and common edible at 18s. 10s. per ton prompt. Soya oil is also dearer. Oilcakes are in improving demand and are firm in price.

HIDES AND LEATHER.—The general state of trade in the hide, leather and associated industries continues fairly satisfactory. Although business in the main is still confined more or less to immediate requirements, a regular day-to-day inquiry for stock is experienced, which has every tendency to become larger. Prices are steadier, and although there has, so far, been no indication of a general advance, for certain lines of sole leather quotations are extremely firm to a slight appreciation.

At this week's auctions of hides and skins from home-slaughtered cattle, prices for most descriptions of ox and heifers were unchanged to an advance of ½d. per lb., while the market for cows and bulls was firm at last figures. Light-weight calfskins realised from ½d. to ¾d. per lb. more, the heavier weights changing hands at recent prices. Trade in imported hides continues fairly good for wet-salted descriptions and prices for these have ruled steady to a

fractional advance. Purchases of dry hides, however, have been rather limited, but so far this has had no effect on quotations.

Quite a good demand has been experienced for most descriptions of sole leather. For instance, demand for repairing types has been quite good, due, possibly, to the break in the weather. Good business has also been done in dry hide manufacturing bends, while the inquiry for bellies and shoulders, although, perhaps, not quite up to the level of recent weeks, has been fairly consistent. Sales of upper leather have again been confined in the main to willow calf and black and coloured glacé kid, but a fair amount of business has been done in suede and reptiles. Business in box calf and patent leather has improved a little, but the demand for heavier types of upper stock has continued on the small side.

RUBBER.—Messrs Symington and W. the week ended last Wednesday, the market, although prices remained fairly steady. Quotations for near delivery show a decline. In New York, Wednesday's spot price for per lb., compared with 13½ cents per lb. a week. The official closing price for standard ribbed smol was 6½d. per lb., as against 6½d. on the cor. week. In forward positions, business has been 6½d. for January-March, 1935, as against 6½d. to 6½d. Stocks in London and Liverpool at the end of last week, show an increase of 2,732 tons as compared with week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON November 14th				S. d.				S. d.				S. d.			
CEREALS AND MEAT				POTATOES—				WOOL—				S. d.			
GRAIN, &c.				Good English, per cwt.				English Southdown, greasy, per lb.				Cape			
Wheat—	s. d.	s. d.	s. d.	SPICES—				" Lincoln hkg, washed				Dry and Dried Salted Cape...			
No. 2, N. Man. 490 lb.	28 3	29 3	3	Pepper, per lb.—				Queensland, scd. super cmhg.				Market Hides, Manch'tr...			
Eng. Gaz. av., per cwt.	4 11			Muntok, fair White.....				N.S.W. greasy, super cmhg.				Best heavy ox and heifer			
Barley, Eng. Gaz. av.	8 10			Black Lampung.....				N.Z., grey, half-bred 150-56				Best cow			
Oats, " "	6 7			Cinnamon—1st sort, per lb.				Tops				Best calf			
Maize, La Plata, landed,	22 0			Cloves—Zanzibar per lb.				Merinos 70's				INDIGO—			
480 lb.	22 0			Ginger—per cwt.—				" 64's				Bengal gd. red.-violet to			
Flour, Lon. stan. ex mill,	22 3			African				Crossbred 48's				fine			
280 lb.	22 3			Jamaica, ord. to good...				" 46's				per lb.			
Rice, No. 2 Burma, per cwt.	7 9			Mace				MINERALS				LEATHER—			
Tapioea, per cwt.	11 6			Nutmegs, 65/-				COAL—				Sole Bends 8/12 lb.—			
Fair Flake, Singapore..	11 6			SUGAR—				Welsh, best Ad'ty'				per lb.			
MEAT—				(Duty, 11/8 per cwt.)				Durham, best gas, f.o.b.				Bark Tanned Sole			
Beef, per 8 lbs.—				Centrifugals, 96%, prpt.				Tyne				Shoulders fm DS Hides			
English long sides	3 4	4 6	6	shipm., c.i.f. U.K./Cont.				Sheffield, best house at,				Do. Eng. or WS do.			
Argentine chilled kinds	3 2	3 6	6	B.V.I., crystallised				IRON AND STEEL				Belton from DS			
Hutton, per 8 lbs.—				Java, white, c. & f. India				Pig, Cleveland No. 3, d/d.				Do. Eng. or WS do.			
English wethers	5 4	6 0	0	Aug.-Sept.				Bars, M'brough				Dressing Hides			
N.Z. frozen " "	3 0	3 6	6	REFINED—London—				Steel rails, heavy				Ro. Eng. Calif. 20/30 lb.			
Lamb, per 8 lbs.—				Yellow Crystals				Tins plates				Aust. Bends			
N.Z. frozen " "	4 4	5 0	0	Cubes				METALS—				VEGETABLE OILS—			
Pork, English, per 8 lbs.	5 6	6 4	4	Crushed				Copper, Electrolytic, ton 30/15/0				Linseed, naked, p. ton net			
				Granulated				Sheets (strong)				Rape, refined			
				Home Grown				Standard				Cotton-seed, crude			
				Molasses, in bond				Tin—English ingots				Coconut, crude			
								Standard cash				Palm			
												Oil Cakes, Linseed, Eng.,			
												per ton			
												Oil—Linseed			
												La Plata, p. ton,			
												Oct.-Nov.			
												Calcutta—per ton			
												Turpentine, per cwt.			
												PETROLEUM PRODUCTS—			
												Motor spirit, No. 1, Lon-			
												d.—American			
												Fuel oil, in bulk, for			
												contracts, ex instal.,			
												Thames			
												" Furnaces			
												Diesel			
												ROBIN—			
												American			
												RUBBER—			
												St. ribbed smoked sheet			
												per lb.			
												Fine Hard Para			
												per lb.			
												SHELLAC			
												TN Orange			
												SHELLS			
												W. Aust. M.-o.-P.			
												TALLOW—			
												London Town			
												TIMBER—			
												Swedish 5 x 8 ...			
												per std.			
												" 2½ x 7 ...			
												per std.			
												" 2 x 4 ...			
												per std.			
												Pitching			
												Can'dn Spruce, Dia.			
												per load			
												Rio Dals			
												per std.			
												Teak			
												per load			
												Honduras Mahg. logs ...			
												c. ft.			
												African			
												Amer. Oak Boards			
												" Ash			
												English Oak Planks ...			
												" Ash			
												"			

† Exclusive of Government tax of 1d. per gallon.

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COMPANY NEWS

COMMERCE AND TRADE.....

(With this issue appears our Monthly Trade Supplement)

THE NEW INDIA

THE mills of our Parliamentary procedure—like the mills of God—grind slowly, but after eighteen months of evidence, consultation and debate the Joint Committee on Indian Constitutional Reform has reached the end of its labours. Its report, published on Wednesday last, like the Report of the Simon Commission, is extremely voluminous; and while India can hardly be said to have been the field of many novel or epoch-making experiments in government, it can at least be said that her constitutional evolution has been the subject of many great State papers on political organisation. The present volumes deal with such an immense variety of topics that it is impossible to comment in detail upon the Report without careful study, and all that is possible at the moment is to record initial impressions.

In broad outline, the result of the Committee's labours is clear and unmistakable. This very authoritative Committee represented not merely what may without offence be called the more partisan aspects of British politics but was fortified by the presence of men who have occupied some of the highest positions in the State, including three ex-Viceroy of India, the Archbishop of Canterbury and independent-minded Conservative statesmen such as Lord Derby and Sir Austen Chamberlain. It has substantially endorsed the scheme of Constitutional reform elaborated after prolonged conference with representative Indian opinion and embodied in the famous White Paper. The weight of opinion behind this important decision is so impressive, and the arguments by which it is supported are so firmly grounded, that it is unthinkable that the British Parliament should fail to implement the broad conclusions of its own Committee. The decision has been reached not as a concession forced at the bayonet's point, or as a weak yielding to the forces of disorder, but on a fair weighing of the merits and with a full sense of our responsibility to a sub-continent with a population almost as large as that of Europe.

It may be thought, at the moment when the principle of democracy is being challenged in many great countries and Parliamentary institutions are the subject more often of

derision than of eulogy, that it is rash to set up responsible Government in a territory which contains a medley of nations, a largely illiterate population and a social structure torn by religious differences. This issue is frankly faced by the Committee. They have considered the dangers urged upon them by those "to whom the majestic spectacle of an Indian Empire makes so powerful an appeal that every concession appears to them almost as the betrayal of a trust." They have also weighed the arguments of those who urge that

No self-governing nation of the British Empire has ever been faced within its borders at one and the same time by all the problems with which India has to deal: by the ever-present risk of hostilities on her frontier, by the cleavage between communal interests, by innumerable differences of race and speech, by a financial system largely dependent for its credit on centres outside India, and by a vast population in every stage of civilisation.

But against all this they have set the consideration that India's demand for greater self-government "is essentially a plea to be allowed the opportunity of applying principles and doctrines which England herself has taught," and they add that all sections of opinion in this country are agreed in principle that the plea should be admitted.

This last observation perhaps requires some qualification, for the Report itself is not unanimous. On the Left, the four Labour Members put forward a draft, which is in effect a minority report, urging a fuller measure of responsibility and a more rapid approach to full Dominion status; while three Conservative Peers and two Conservative Members of the House of Commons present a draft which asks in effect that self-Government should for the present be limited to autonomy in the Provinces, supplemented by a Council of Greater India at the Centre which would have advisory functions only. Even this suggestion of Lord Salisbury and his friends would be an important advance on the present situation, for it would abolish dyarchy in the Provinces and would bring into being, for India as a whole, at least the outline of a Federal structure which would include the Indian States. The main Report, however, marshals a long series of convincing arguments that

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provincial autonomy, over the wide field of Government which these subsidiary Parliaments would cover, would be neither real nor workable if these Parliaments were subsidiary to a Central Government divorced from popular control. This view is endorsed not merely by Liberal and Labour opinion on the Committee, but by the overwhelming vote of the Conservative Members. Out of 23 Government supporters on the Committee, 16 voted for the Report, to whom we may presumably add two of the absentees at the final division, Sir John Simon and Earl Winterton.

The general outline of the plan is now so well known that it is unnecessary to comment upon it here. The setting up of a Central Federal Government, which will include the Indian States, and the institution of Provincial Parliaments, are both to be included in one and the same Act, and every line of the Report makes it clear that the evolution of the Central Government and that of the Provinces is part and parcel of a single scheme. The Committee have done something, however, to strengthen the "safeguards"—of which so much has been heard—designed to prevent the breakdown of this great experiment. Defence and foreign affairs are to remain, as proposed in the White Paper, under the direct control of the Governor-General, while some new provisions are introduced in regard to law and order to enable a Provincial Governor to carry out his "special responsibilities." His consent, for example, is required not only to legislation affecting Police acts, and to rules made regarding organisation or discipline of the Police; records of the Intelligence department concerned with terrorism may not be disclosed outside the police force, except as he may determine; while for the purpose of combating terrorism he may take under his own control any branch of Government necessary for the purpose. Provisions are introduced, also, for giving the High Courts control over promotions and the posting of subordinate judges. Again, to meet the fear of legislative discrimination against British economic interests, the Governor-General is to have a "special responsibility" to prevent the imposition of penal tariffs on goods imported from the United Kingdom. As a modification of the proposed Provincial Constitution, Upper Chambers are to be established in Madras and Bombay, and not merely in Bengal, United Provinces and Bihar as proposed in the White Paper. A modification in a more liberal direction is an enlargement of the franchise for women voters, which will increase the estimated number of women on the register from 315,000 to over 6,000,000.

Finally, there is a change which may give rise to discussion, but which is to be regarded as an attempt to make the Constitution technically work more smoothly rather than to strengthen British control. This is the suggestion that the Central Parliament shall be elected by the Provincial Parliaments and not by direct ballot. Opinion on this matter is divided in India, and it is significant that the present proposal has the support of Mr Attlee, who was not only a member of the Simon Commission, but led the Labour representatives on the present Joint Committee. The objection to direct election is, of course, that in so large an area as India, members elected to the Central body would represent constituencies, many of which would contain several millions of persons. It is objected, on the other hand, that election by Provincial Parliaments might tend to emphasise the fissiparous tendencies that must in any case to a certain extent exist in India. The issue raised by this consideration is an inherent difficulty in setting up an Indian Federation.

The modification of some of the White Paper safeguards will doubtless be much criticised in India. They are, however, all of minor importance in comparison with the outstanding fact that the Committee has broadly endorsed the principles already laid down. At the same time, there is a matter on which both British and Indian opinion may reasonably feel strongly. If our present intentions towards India are to be carried out before India loses all patience, a real attempt must be made to speed up the time-table. It is apparently the intention of the Government that the new India Bill, which is to be drafted in December, shall pass into law before Parliament rises for the summer recess. That time-table will require a great effort on the part of the House of Lords as well as of the House of Commons. But even if that plan is carried out, Indians may well desire assurance

that there will be no undue delay before the Constitution is in being. It is now nearly seven years since the Simon Commission first went to India to draw up a fresh scheme of Constitutional Reform. Although Parliament is shortly to legislate on the institution both of Federal and Provincial Legislatures, the setting up of the Federal Government is only to take place by Royal Proclamation, following a resolution of Parliament when certain things have been done. These include the adhesion of a certain number of the Indian States—with whose princes separate negotiations have to be carried out—and an assurance that the financial situation has attained a certain degree of stability. The ultimate adhesion of a sufficient number of the States is not to be doubted, though it would be very irritating to Indian opinion if the financial negotiations with them were unduly prolonged. The financial conditions include the setting up of a Central Bank, the reduction of India's short-term obligations, and the reversion of her balance of trade to normal. These conditions are, of course, to ensure that the new Constitution should not find itself plunged into financial troubles at the moment of its inception. Fortunately, all these conditions have already been, or are in process of being, fulfilled. The stage is therefore set for implementing the policy laid down.

Speed is now the essence of the problem. India is more settled than for many years past. The time for further investigation has passed. There is nothing left to do but to act, and to act in the sense of the Committee's Report. It is for Parliament now to endorse it, and to endorse it quickly. For if the decision to grant responsible Government is now rejected, that rejection, as the Committee clearly points out, will be "generally regarded in India as a denial of the whole plea, and two consequences at least must be faced: the prospect of an All-India Federation will disappear, perhaps for ever, but certainly for many years to come, and the measure of harmony achieved in British India by the co-operative efforts of the last few years, together with that body of central opinion which we have described, will be irretrievably destroyed."

EUROPE HAS QUALMS

"For my part, I regard the next twelve to eighteen months of international relations as a time of decision for the destinies of Europe, and for Peace." These are not the words of a crank or an alarmist; they will be found in the speech which was delivered by Dr. Benesh on November 6th to the Czechoslovak Parliament. Dr. Benesh is one of the most cool-headed, resourceful and experienced Foreign Ministers in the world.

A year which is to open with the Saar plebiscite and is to see the next Naval Conference is manifestly going to be a critical one not only for Europe, but for the whole world. Czechoslovakia—a small, land-locked country in the centre of the European area—not unnaturally feels nervous, with the German giant rising to his feet on one side of her, Poland threatening to change camps on another side, Italy trying to build up an Italo-Austro-Hungarian *triplice* coupled with threats of a Habsburg restoration on Czechoslovakia's third flank, and her closest ally, Yugoslavia, playing bull-in-the-china-shop in her desire to expose the responsibilities of neighbouring Powers for the murder of King Alexander. In his peroration, Dr. Benesh calls on his countrymen to mount guard over their national independence with especial vigilance and determination during the coming year; and this call has been followed up by practical demands in the statement on the military estimates for 1935 which was made in the Budget Committee of the Czechoslovak Chamber by the Minister of National Defence. He demanded an extension of the term of military service from 14 months to two years, and asked, notwithstanding the present financial stringency, for additional fortifications, technical equipment and strategic communications.

In Paris, on November 9th, the *rapporteur* on the French War Budget gave a very alarming estimate of the increase in Germany's armaments both in trained man-power and in war material, and particularly in pilots and bombing planes. Patently, Dr. Benesh was justified in declaring the present

international situation to be grave because of its uncertainty, and in warning us that "any event—however unimportant in itself—can easily produce the effect of a bomb." The worst of it is that many tall-talkers, Signor Mussolini among them, have for years past been pointing ahead to 1935 as a year of crisis. Now that it is upon us, it certainly has a dubious look.

Considering the welter of folly and barbarism which makes up so large a part of the international landscape to-day, an observer from Mars might coldly pronounce that the sooner the catastrophe came, the better. Let these sixty or seventy fully self-governing and incorrigibly anti-social States exterminate one another. If the world cannot achieve international co-operation, it must be unified by force. It is a forcible unification—not the national aggrandisement of this or that aggressive Power—which will be the outcome of the next world war, if the madmen and criminals let it loose.

This prescription may commend itself to the rationalist at a distance, but not to the victim on the spot. If we look more closely at the situation as it is to-day, we shall see that although we may have beached our boats and filled them with tinder and soaked them in petrol, we have not, even yet, burned them. The keynote of the hour is still a note of uncertainty and not one of ineluctable doom. In concrete terms, the situation depends upon the behaviour of a few countries which have not yet made up their minds. Confining our attention for the moment to Europe—though our European powder magazine is linked with the Far Eastern one by a train of explosive along the track of the Trans-Siberian Railway—let us examine the present attitudes of Poland, Italy, Hungary and Yugoslavia.

Poland's change of orientation is not only a special source of anxiety to her neighbour Czechoslovakia; it is also one of the most momentous, for good or evil, of the changes now in progress in Europe. For good, it may mean a reconciliation between Poland and Germany which would remove the greatest obstacle to a reconciliation between Germany and France. For evil, it may mean a Polish-German conspiracy to divide a Russian bearskin with Japan. Dr. Benesh takes the Polish re-orientation very seriously, and sees in it "no mere momentary tactical move, but a set of important and enduring political facts which will have to be reckoned with coldly in the future as well as now." Yet, however irresponsible the present rulers of Poland may be, it seems hardly credible that they should offer a passage across their country to the Germans for the fighting of a German-Russian war in which Poland would inevitably be one of the spoils of victory, whichever of the two protagonists got the better of it. Moreover, there are indications that French diplomacy still has hopes of bringing Poland into an Eastern Locarno [as is testified by our Polish correspondent's letter on page 982]; and if, in the new situation, this can only be done by bringing Poland and Germany in together, then MM. Pilsudski and Beck will have performed a signal service to the cause of Peace.

If we look next at Italy, we seem to observe an unfortunate check in the progress of the Italo-French *rapprochement*, but at the moment it is hard to discern whether it is Signor Mussolini who is holding back, or M. Laval. The French Minister for Foreign Affairs may hesitate to make terms with Italy on what would look like an anti-German front until he has exhausted all the possibilities of bringing Germany and Poland into a genuine Eastern Locarno. On the other side, Signor Mussolini may be hesitating to make an arrangement with France in which Italy would be once again, as she was during the war, a junior partner. It is Italy who stands to lose most of all—at least in that rather useless commodity called national prestige—through the winding up of "the post-war period." After having held the initiative in Europe for a number of years, she suddenly finds herself confronted, by the recovery of Germany, with the choice of sinking to the rank of a second or of a third-class Power—second-class if she throws in her lot with France, third-class if she commits herself to Germany.

In this week's Italo-Austrian conversations in Rome we may see a last desperate attempt on Italy's part to maintain a third camp of her own in Europe. But the new Italian *triplice* is not so good as either a Franco-Russian or a German-Polish combination; and Italy is not even sure of the second of her two Danubian clients. Hungary

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Correspondents to the Italian Treasury

—anxious only to find the most potent allies to secure her claims to treaty revision—is manifestly now turning her eyes away from Rome towards Berlin and Warsaw. If Hungary joins the German camp, Italy certainly cannot prevent the *Anschluss* by her own unaided strength. And since she must prevent it, under pain of finding herself at Germany's mercy if Austria is swallowed by the Reich, it looks as though she would be driven, after all, into the arms of France as the less unpleasant of her alternative destinations.

As for Yugoslavia, she is straining at the leash, while her French and Czechoslovak allies and British mentors are imploring her not to present the League with a *dossier* which would incriminate Hungary and Italy in the crime of which Serbia herself was guilty in 1914. That crime is one of culpably tolerating, if not abetting, a criminal conspiracy against a neighbouring and nominally friendly State. Yugoslavia's glass house was shattered so long ago that we may fear she will not be deterred to-day from throwing stones by any solicitude for her own surviving panes. Her press campaign against Hungary and Italy and her expulsion of Hungarian strangers within her gates are alarming indications of the present very natural state of her feelings. On Thursday she presented a note at Geneva, couched in very strong terms against Hungary. She prefers a League "inquiry," thus testifying to her fear of parting company with Czechoslovakia and France in order to race with Hungary for the first place on Herr Hitler's door-mat.

Political wisdom in Europe, even now, is not quite beaten to the ground. And it is therefore still possible that, this time next year, our Continent may still figure on the map in a recognisable shape. Yet for this the apostles of reason and negotiation must be as quick and far-sighted as the misguided apostles of force. Where are the negotiators, and where the necessary initiative?

THE FIVE-DAY WEEK

THE question of the hours of work in industry has been exercising the mind of the public for some time past. In the United States shorter hours have been made one of the main pillars of recovery. Successive conferences of the International Labour Organisation at Geneva have revealed a wide measure of general support for the idea. The British Government has hitherto held aloof from the movement, but a statement by the Minister of Labour in the House of Commons last week shows that his department has not been taking a purely negative attitude. Mr Stanley announced that he had invited the National Confederation of Employers' Organisations and the General Council of the Trades Union Congress to discuss the subject with him. In particular they would be asked to advise on the following points:—

(1) To inquire, industry by industry, whether hours of employment could be reduced without reducing earnings;

- (2) If that is impossible, whether employers and work-people would make concessions to permit of a reduction of working hours and an increase in the number of workpeople;
- (3) Whether the result would be an appreciable increase in the numbers employed.

It is clear from Mr Stanley's announcement that the reduction of hours of work is looked upon by the Government as a possible means of reducing unemployment. It is particularly important, in discussions on this subject, to be quite clear from the outset about the objects which are sought to be attained. Reduction of hours may be undertaken for a variety of reasons and it may have a variety of effects, depending upon the circumstances of the industry to which it is applied.

An interesting case in point has come most opportunely to hand, in the form of a report by Sir Richard Redmayne on the experimental five-day week which has been in operation at the plant of Messrs Boots Pure Drug Company at Nottingham during recent months. Some years ago the company initiated a thorough system of rationalisation of production which involved the erection of a new factory. This new factory began to come into production in 1932, and during the period of transfer extra staff had to be taken on. By the beginning of this year the transfer was so far complete that it began to seem probable that the additional staff would become redundant. Rather than resort to dismissals, the company decided to abolish Saturday work. In most of the production departments the hours on week-days were not altered, so that weekly hours were reduced from 47½ to 42½. In some other departments, the week-day hours were slightly increased. But every employee had his weekly hours reduced, while weekly wages were left unchanged. The object of the move was thus clearly to provide more employment than would have been provided with a 5½-day week. It must therefore have been expected that less would, on the average, be produced per employee in five than in 5½ days; unless this were so, the change could not have been expected to be a substitute for dismissals. The firm was presumably willing to bear the added cost of leaving weekly wages unchanged and able to do so because labour cost is a very small fraction—in most products between 2.8 per cent. and 5.95 per cent.—of total cost.

Sir Richard Redmayne's report shows that this expectation was not realised. He qualifies his remarks with the statement that it is not possible to separate the effects of the rationalisation scheme and of the reduction in hours. But, broadly speaking, the employees have produced as much, or almost as much, in five days as they previously did in 5½. In the production departments, for example, although there was an increase in wages cost as compared with the period immediately before the institution of the five-day week, there was no increase, and in most cases a decline, in wages cost as compared with the period before the rationalisation scheme went into effect. It is interesting to observe that the increase in output per hour was greater in the less mechanical departments. But it extended over the whole plant, including even the office staff, and though the results varied, Sir Richard concludes "speaking generally . . . that the cost in the aggregate has not been enhanced." Nor was this result achieved at the expense of an increase in overtime, for in most departments there was actually less overtime than before.

The reasons given for this result are of particular importance. Sir Richard ascribes a great deal of it to the effects of the greater opportunities for rest and recreation, which are reflected in less absenteeism, less unpunctuality and less sickness, as well as in greater efficiency. But the reason which recurs in every department is that the half-day on Saturday was an uneconomic day in which comparatively little could be accomplished. Saturday morning is of greater use to the employer if used by his employees for rest and recreation than if used in the factory. That the advantage is mutual is shown by the fact that several groups of employees expressed a desire for longer hours on week-days rather than the re-institution of Saturday work if the experiment should be discontinued. It appears, therefore, as if the effects of eliminating Saturday morning may be different from those of reducing hours in general.

Sir Richard Redmayne is undoubtedly justified in calling the experiment "an unqualified success." But it is im-

portant to notice in what way it was a success. It was not a success in providing more employment than would otherwise have been available. For on the whole, on Sir Richard's showing, as much was produced in five days as in five and a-half, and the heads of most departments testified that if five and a-half-day working were re-instituted they would be unable to dispense with any employees. Much muddled thought would be avoided if it were realised that a scheme may be a success in maintaining weekly production per employee; or it may be a success in providing more employment, but that it is highly improbable that it can be a success in both directions at once. A scheme which provides more employment must increase labour costs unless weekly wages (i.e. the income of the individual worker) are reduced. The success of the Boots' scheme is therefore not evidence that reduction of hours is a cure for unemployment; it is evidence for the direct opposite.

Furthermore, Sir Richard points out a number of factors peculiar to Messrs Boots which played a large part in ensuring the success of the experiment. In the first place, there was the rationalisation scheme, which increased the efficiency of the whole plant; reduction of hours was in a sense a way of passing on to the employees the benefits of this increase of efficiency, although the elimination of Saturdays did induce a still further increase in efficiency. Secondly, Messrs Boots have the inestimable advantage of controlling their own distributive outlets, and they can plan their production to a schedule instead of being dependent upon orders from outside. And thirdly, labour cost is only a very small fraction of the total cost. These conditions clearly do not apply to the generality of firms. Sir Richard thinks they might apply to large printing works and "at works where the production and distribution are vested in the same concern and where the wages cost does not constitute a very high proportion of the selling price of the commodity." Thus the conditions of the Boots' experiment apply to only a fraction of manufacturing industry; and manufacturing industry itself is nowadays less than a third of all activities.

There are thus clearly two distinct "shorter-hours" questions. The Boots' experiment shows that in a certain number of firms, almost certainly a minority, Saturday working can be abandoned without any disadvantage either to employer or to worker—but equally without making any contribution to the unemployment problem. Some of the results mentioned by Sir Richard Redmayne make it appear possible that the field for reductions of hours of this nature may be wider than would be suspected at first sight. But within this field, whatever its extent, the five-day week should obviously be instituted as soon as possible.

Outside this limited field, however, a reduction of hours would mean a reduction of weekly output per head. Unless labour cost is to be increased, weekly wages must be reduced. If labour cost is increased, some firms—but certainly not the majority—will be both able and willing to meet it out of the profit margin. In the majority of cases, however, prices would have to be raised, setting in train an almost incalculable series of economic effects, not least of which would be an increase in the cost of living of the worker. Reduced production per head must mean reduced consumption per head; the only choice would be between rising prices, accompanied by considerable dislocation, and falling money wages.

Broadly speaking, therefore, employment can be increased by the medium of shorter hours only at the cost of reducing the standard of living of those now in work, and *pro tanto* putting upon their shoulders the burden of supporting those who are now unemployed but who would find work after hours were shortened. The question consequently becomes: How much of their standard of living are those who are in work prepared to sacrifice to give some extra employment to those now out of work? The answer can perhaps be indicated from Sir Richard Redmayne's report, for he mentions several times that overtime, with its concomitant extra earnings, is eagerly sought after and regarded as a privilege rather than a duty. If it comes to a square choice between present hours with present pay and shorter hours with less pay, it is likely that the Trade Unions will choose the former.

DIRECTION OF OVERSEAS TRADE

BRITISH overseas trade during the third quarter of this year has carried on the upward movement noticed in the preceding six months, though at a decreasing rate. Total turnover at £274 millions was one million more than in the second quarter, an increase of £4,000,000 in exports being largely offset by a decrease of £3,000,000 in imports; and the total turnover figure shows an increase of 5 per cent. as compared with the third quarter of 1933. As compared with 1929, however, the total volume of trade is still woefully small. Both for the third quarter and for the first nine months, total turnover was 57 per cent., imports were 60 per cent., and exports 53 per cent. of the corresponding figures in 1929. The quarterly analysis by the Board of Trade, showing the distribution of our trade by countries, gives a picture of the geographical changes which have accompanied first the slump and secondly the gradual, though fitful, recovery.

The following table shows our trade quarter by quarter with Europe, foreign countries outside Europe, and Empire countries respectively:—

TOTAL IMPORTS (£000,000)									
Imports from	Europe (including Dependencies)			Other Foreign Countries			Empire Countries		
	1929	1933	1934	1929	1933	1934	1929	1933	1934
1st quarter	99.9	51.9	58.7	107.9	45.5	53.0	98.2	61.8	72.1
2nd quarter	115.0	55.7	62.5	91.9	43.0	47.2	91.9	62.4	68.6
3rd quarter	124.4	64.9	67.3	87.2	45.1	47.7	79.8	57.5	59.7
4th quarter	127.1	68.9	...	108.5	51.2	...	89.5	67.7	...

BRITISH EXPORTS (£000,000)									
Exports to	Europe (including Dependencies)			Other Foreign Countries			Empire Countries		
	1929	1933	1934	1929	1933	1934	1929	1933	1934
1st quarter	56.6	32.7	35.0	42.9	17.5	17.8	81.7	39.5	41.9
2nd quarter	59.2	30.7	33.9	41.1	17.0	17.5	77.2	37.8	43.6
3rd quarter	59.7	32.4	32.6	43.1	19.9	19.1	82.0	40.9	47.6
4th quarter	60.0	35.2	...	42.3	18.5	...	83.6	45.3	...

As compared with a year ago, imports during the third quarter increased by 5 per cent., but this increase was much more marked in imports from foreign countries than in those from the Empire. On the other hand, the rise of over 6 per cent. in exports was almost entirely to British countries. The improvement in our exports mainly reflects the greater measure of recovery now obtaining in British countries and the working of imperial preferences.

The following table analyses in greater detail our trade with European countries:—

BRITISH TRADE WITH EUROPEAN COUNTRIES First nine months (000's omitted)									
	Imports from				British Exports to				
	1913	1929	1933	1934	1913	1929	1933	1934	
Soviet Union	28,592	17,285	11,095	12,723	12,942	2,680	2,785	2,758	
Finland	...	10,565	9,111	11,021	...	2,525	1,890	2,597	
Estonia	...	2,163	946	1,632	...	356	252	282	
Latvia	...	4,185	1,999	2,050	...	1,105	705	866	
Sweden	10,103	18,405	11,142	13,187	6,123	7,630	5,903	6,681	
Norway	5,709	10,531	5,144	6,229	4,765	7,352	3,875	4,668	
Denmark	17,490	40,942	27,115	24,967	4,525	7,787	8,637	9,650	
Poland	...	8,284	4,848	5,645	...	3,281	2,010	2,075	
Germany	59,116	49,943	20,984	22,677	30,085	27,996	10,858	10,744	
Netherlands	20,666	45,860	23,801	27,864	17,298	23,961	11,141	11,131	
Belgium	17,276	32,906	9,277	10,544	10,232	15,116	6,809	6,845	
France	37,528	47,877	15,304	16,324	24,187	28,083	16,456	14,946	
Switzerland	8,458	9,977	3,695	4,055	3,163	4,794	2,854	3,421	
Portugal	2,771	3,657	2,102	2,477	4,660	6,127	4,286	4,416	
Spain	11,562	15,752	9,367	9,713	7,545	10,080	4,368	4,463	
Italy	6,046	12,130	6,856	6,305	11,131	12,049	6,821	6,571	
Austria	...	1,892	868	1,229	...	1,946	650	797	
Hungary	...	318	679	838	...	815	195	380	
Czechoslovakia	...	1,956	2,583	...	...	1,631	627	950	
Greece and Crete	1,143	1,106	874	1,115	1,678	3,773	1,412	2,035	
Roumania	1,000	1,424	2,973	2,539	1,340	1,727	1,684	2,216	
Turkey in Europe	905	635	207	139	1,684	1,944	869	623	
Other European countries	55	1,571	2,240	2,680	278	2,742	1,619	2,203	
Total	233,950	339,259	172,513	188,536	145,034	175,501	95,806	101,518	

* Including dependencies.

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These figures of our trade with European countries are not encouraging. Our own purchases have gone up, reflecting the improvement in our domestic economic activity, but our exports during the third quarter amounted to only £200,000 more than a year ago. Exports to the Scandinavian and Baltic countries continued to expand, but during the last quarter Germany's import restrictions successfully curtailed purchases from this country from £4.0 to £2.8 millions and, with the possible exception of Switzerland, there are no signs of expanding markets for our products in the gold bloc. Russian imports from Great Britain have in the aggregate remained stable, but there has been a change in composition, a reduction of £1,000,000 in imports of machinery being offset by an equivalent increase in imports of iron and steel manufactures. Meanwhile our imports from all European countries except Denmark, Italy, Roumania and Turkey have risen as compared with 1933, and in several cases exceeded the 1932 level.

The next table shows the development of our trade with foreign countries outside Europe:—

BRITISH TRADE WITH FOREIGN COUNTRIES OUTSIDE EUROPE
First nine months
(000's omitted)

	Imports from				British Exports to				
	1913	1929	1933	1934	1913	1929	1933	1934	
Turkey in Asia	2,241	836	266	422	3,792	557	235	280	
Egypt	13,541	16,789	7,798	8,253	7,170	9,293	4,636	4,748	
Iraq	...	1,062	245	194	...	1,861	1,442	1,165	
Persia	229	5,514	5,810	5,810	518	1,559	648	1,081	
China	3,519	8,505	3,851	4,303	11,250	5,810	4,913	4,972	
Japan	3,237	6,221	4,904	6,204	12,119	10,134	3,488	2,912	
United States*	95,385	140,689	52,802	58,086	21,467	34,692	14,481	13,639	
Cuba	3,288	6,693	3,186	3,123	1,698	1,655	488	731	
Mexico	1,560	2,071	1,972	2,305	1,825	1,856	1,019	1,160	
Colombia	788	1,806	812	1,013	1,277	2,701	1,735	1,306	
Peru	2,070	4,411	3,253	3,343	1,109	1,478	553	817	
Chile	4,412	8,159	2,873	4,005	4,610	6,152	466	1,003	
Brazil	7,790	4,820	3,782	6,109	9,705	10,381	4,627	4,406	
Uruguay	2,362	4,490	2,408	2,459	2,314	2,639	1,260	1,348	
Argentina	34,175	60,790	32,527	35,296	16,899	22,118	9,751	10,825	
Other Non-European countries	6,113	13,049	7,028	6,972	5,201	8,923	4,625	4,006	
Total	180,820	287,010	133,621	147,897	100,954	127,057	54,367	54,399	

* Including dependencies.

These figures show much the same tendency as those for European countries. Our imports from all countries except Persia, Iraq and Cuba have increased, but there has been no general expansion of exports. Our exports to Japan and U.S.A. have suffered a disastrous contraction since 1929, which still continues, though our imports from these two countries have risen sharply. Indeed, the value of our imports from Japan stands now at the 1929 level, in exchange for which we only send to her less than one-third of the value of our exports to her in 1929. In the nine months the only substantial increase was in the Argentine, which took £1,000,000 more goods than in 1933, the increase being spread over all categories of commodities.

Finally we come to the figures of our trade with the Empire:—

BRITISH TRADE WITH EMPIRE COUNTRIES

First nine months
(000's omitted)

	Imports from				British Exports to			
	1913	1929	1933	1934	1913	1929	1933	1934
£	£	£	£	£	£	£	£	£
Irish Free State...	3,871	8,911	12,488	12,217	26,528	13,512	14,316	13,819
West Africa	9,026	17,902	10,188	4,711	16,506	24,468	16,590	21,345
South Africa	39,814	55,032	31,247	38,394	54,984	63,566	25,932	28,213
India and Ceylon	27,239	43,178	2,600	5,922	4,356	9,502	3,231	4,068
Straits Settlements	18,928	41,272	31,409	34,462	8,155	15,531	15,463	19,230
Australia	21,879	34,085	32,001	34,589	15,110	26,544	12,114	14,394
New Zealand	1,766	4,372	4,744	4,982	1,556	3,396	3,281	3,353
West Indies	8,376	24,013	18,001	20,229	10,766	22,681	16,225	16,134
Other Possessions	143,031	270,842	181,720	200,348	144,774	240,853	118,218	133,131
Total	239,054	469,232	388,131	418,131	214,327	304,406	118,815	133,131
Excluding Irish Free State	...	...	...	...	...	...	...	...

Here the tendency for imports to increase more than exports, which has been apparent ever since the conclusion of the Ottawa Agreements, is apparently being reversed. During the third quarter of 1934 imports increased by £2.2 millions and exports by £6.7 millions as compared with the corresponding quarter of 1933. This is attributable to the continued recovery in all the Dominions and particularly in South Africa, to which country our exports are rapidly approaching the 1929 level. The recovery is reflected in increased purchases of iron and steel manufactures, of machinery and of electrical apparatus. The continued falling off of our sales to West Africa and to "Other Possessions" is due partly to the still prevalent distress in the sugar and raw materials-producing Colonies, and partly to Japanese competition. Our exports of cotton piece-goods to these countries have fallen by nearly £1,000,000 as compared with a year ago. The marked increase in our imports from the Straits Settlements, which took place mainly in the third quarter of this year, but still leaves them far below the 1929 or pre-war level, is almost entirely due to the increase of £3.6 millions in the value of rubber imported, owing to the sharp rise in price as compared with 1933. Changes in prices, particularly in those of tea and shellac, have also accentuated the rise in the value of our imports from Ceylon and India, though there has also been an increase in volume. The increase in the volume of our purchases of cotton from India and Egypt has been indirectly stimulated by the raising of the price of American cotton through the U.S. Government's restriction scheme. In the case of raw wool, rising prices have raised the value of our imports from Australasia in spite of a fall in the volume of imports. But here also there has been a transference of custom—this time within the Empire and from natural causes—from South Africa to Australia and New Zealand, owing to last year's very small clip in the former country. For the first nine months of 1934 our imports of wool from South Africa were £1,000,000 less, and from Australia and New Zealand were £2.3 and £2.0 millions more respectively, than a year ago.

It will be seen from the following table that our re-export trade has not enjoyed quite the same degree of recovery during the year as our export of British goods, the increase being 6.7 as compared with 7.8 per cent. Re-exports, indeed, are still less than half their value in 1929.

RE-EXPORTS

First nine months
(000's omitted)

	1913	1927	1929	1931	1933	1934
£	£	£	£	£	£	£
Soviet Union	7,231	6,315	1,999	1,535	7,900	2,609
Germany	15,384	20,968	18,634	10,109	7,199	7,355
Netherlands*	3,976	3,685	3,976	2,274	1,533	1,564
Belgium*	5,195	6,732	7,259	2,632	3,339	3,414
France*	8,912	13,535	13,950	7,461	5,961	5,332
United States*	23,180	16,143	13,112	6,299	5,730	4,599
Other foreign countries	8,602	9,198	8,694	6,119	4,934	4,975
Irish Free State	...	7,106	7,495	6,406	3,403	4,078
Other British countries	10,284	9,069	9,329	5,620	4,163	4,298
Total	82,364	92,749	84,438	48,255	37,162	39,674

With one exception the redistribution of trade has followed almost identical lines in our two kinds of export: stagnation in the markets of the gold bloc and of the United States, and increased buying in the sterling countries. The latter countries are included under Other British Countries or under Other Foreign Countries. The exception is the Soviet Union, which has bought £1.7 million more of our re-exports in the nine months than in the same period of 1933, owing to greater purchases of rubber. Russia now actually imports more British re-exports than in 1929.

The latest figures of our trade with the various countries and geographical divisions of the world show that the increase in the trade of the "sterling area" is certainly advantageous to this country. But the dimensions of our advantage are meagre, not only in comparison with such recent years as 1931 or 1932, but much more so compared to the obviously greater advantages which we could derive from a recovery in world trade as a whole.

AUSTRALIA TO-DAY

WHILE the second city of Australia was preparing for its centenary, Canadians were celebrating the four hundredth anniversary of the founding of their country by the landing of Jacques Cartier at Gaspé. There is a significance in the contrast; for the comparative youth of Australia, and the geographical isolation that caused it, are reflected both in her national characteristics and in her international attitude. Thirty-six years must pass before Australia will celebrate the bicentenary of the landing of Captain Cook in Botany Bay. When she celebrated the centenary, in 1871, Australia already possessed a population of 1,700,000, whose agricultural, pastoral and mining output approached £40 millions a year in value. After a further score of years, in 1891, her population and the value of her primary production had alike been almost doubled. To-day the population has been doubled again, and even in the depression year of 1931-32 primary production reached a total of £193 millions. It was eclipsed, however, by her manufacturing output, which in the same year exceeded £281 millions. One further set of figures may be quoted to illustrate Australia's swift expansion. Whereas in 1871 her wool output totalled 179 million lbs., in 1931-32 it was no less than 1,006 million lbs.

Of wool Australia is, of course, by far the world's greatest supplier. Her wheat output, approaching 200 million bushels, or roughly one-half a good Canadian crop, is a vital factor in world markets. Her sales of dairy produce and of meat are likewise critically important for herself, her customers and her competitors. These four items formed in 1931-32 no less than 68 per cent. of her exports, of which gold formed a further 11 per cent.

Being so largely dependent upon exports of raw produce, Australia naturally felt the impact of the depression sharply and soon. She began to feel it, indeed, when the hey-day of prosperity in manufacturing countries had still to come. Australia fell upon difficulties at that time mainly because the flow of imported capital, upon which her internal as well as her external economy had come to depend, dried up almost completely. Thus, besides the task of righting her balance of payments—which she tackled, under the Scullin Government, by a thumping increase of protective tariffs, as well as by exchange control and depreciation—she was faced with an acute problem of governmental finance. The famous Premiers' Plan of 1931 was first and foremost a device for straightening budgets burdened by the high interest charges on former borrowing, though undoubtedly the economists who recommended and the Ministers who adopted the Plan had also wider ends in view. The elements of the financial *assainissement* that was thus performed were the progressive reduction of State and Commonwealth deficits; a 22½ per cent. cut in interest on internal loans; the lowering of wage scales by something like the same proportion; the financing of current budgetary deficits (and to some extent of public works) by Treasury Bills issued to the Commonwealth Bank; and the latter's adoption of responsibility for determining and maintaining the rate of exchange on London. This scheme represented, partly by accident and partly by design, a judicious combination of

inflationary with deflationary technique; for the issue of Treasury Bills kept up the circulation of money, not only directly, through the spending of the funds thus raised, but indirectly, too, by furnishing the commercial banks with semi-liquid but profit-earning assets, on the basis of which they could maintain the volume of their advances and keep down the rates of interest charged.

The recovery of Australia, though sometimes exaggerated by those with axes to grind, has been remarkable in view of the low prices still obtaining for her principal products. She has been helped, of course, by recovery elsewhere, by the depreciation of sterling, by the high price of gold, and by a succession of good seasons. But internal and manageable facts have played a very real part also. The Commonwealth Government has achieved Budget surpluses for the past three years, and though the States are still a considerable way from balancing their accounts, the aggregate deficit for all Governments in 1932-33 was only £5,600,000, which was more than covered by the £8,000,000 paid in sinking funds. The improvement of Australia's credit has been vividly illustrated by the record of her conversions in the London market.

But financial and economic revival have left Australia with many urgent problems to face. The contrast between the surpluses of the Commonwealth and the deficits of the States is more than a passing accident. It reflects a permanent uneasiness in the financial, and thus in the constitutional, relations between the States and the Commonwealth. The centralisation of loan finance and the necessity for federal subsidies alike press upon State rights and independence. The constitutional conference of last February broke up without finding any satisfactory solution for this problem. Western Australia's demand for secession is a symptom of lasting trouble. Perhaps, in these days of economic nationalism and paternal government, federal constitutions must inevitably yield more and more power to the centre. The course of events in Australia, hitherto and in the future, may be a valuable object lesson for the United States, for Canada, and most particularly for the new India.

A second serious problem cast up by the now receding tide of depression is that of monetary policy and organisation. The success of the anti-Labour parties at the recent federal election fortunately allows this problem to be tackled in a spirit of reason and caution; nevertheless, the insistence of Labour upon nationalisation of the banks, the difficulties of the Government in finding a really telling and popular reply, and even the considerable number of votes given to Douglas Credit candidates (though none was elected) are evidence of a serious national conflict in this politico-economic field. The central banking functions of the Commonwealth Bank have been greatly strengthened by the turn of events during the slump, especially by its control over the exchange market and by the growth of Treasury bill finance. The Bank's virtual veto over Treasury Bill issues and its option in re-selling bills to the commercial

banks give it the nearest possible substitute in present circumstances for an open-market power. But growing power brings greater public responsibilities and louder popular criticism, and it seems doubtful whether the Commonwealth Bank will remain for long as it is without reorganisation in the direction of greater public control.

A third great problem still to be really faced is that of the tariff. Australia has adjusted her external balance, for the time being at least, to the cessation of capital imports; indeed, in 1932-33 she had an estimated surplus of £8,450,000 sterling on current account (including gold) available for capital export. It might thus be held that the time is ripe for a more liberal tariff policy. On this issue the alliance between the United Australia and Country Parties is unlikely to run very smoothly; for the former derives considerable support from high tariff interests that are anathema to the latter. The Labour Party, of course, is traditionally high tariff. It protested that in signing the Ottawa agreements the Lyons Government had sold an Australian birthright for a mess of pottage. Although the subsequent restrictions imposed or impending upon agricultural imports may have justified that description of the British offer, the counterpart reckoned in the hard cash of prompt tariff reductions was not large. Australia's tariff remains extraordinarily high, and the "equalisation of costs" principle has naturally produced no amelioration in practice. The Lyons Administration, however, in its policy of doing away with the prohibitions and other excesses imposed under the previous regime, led the world by appreciably moderating restrictions on trade at a time when they were still rising in almost every other country. Australia's present commercial policy is to attempt to negotiate special agreements with foreign countries—particularly, it seems, in the East—which in return will accord favourable entry to Australian produce. British import restrictions and the outcry that they evoked in the Dominion have been the principal motive behind this development. Its success or failure will be a portent for the future both of our own economic policy and of international trade agreements generally.

It may also have a profound reaction upon political relations in the Pacific area. At present Japan looms more importantly in most Australian eyes as a market than as a menace. The implications of a possible Japanese hegemony in Eastern Asia have not, perhaps, been fully realised by Australian opinion; geographical isolation and the unimpeded success of the White Australia policy have encouraged a possibly unjustified sense of security in the Pacific. But, of course, there is no such thing as a unanimous and coherent Australian opinion on these matters, and the increased expenditure on national defence is evidence of a different line of thought, though it probably represents little more than a vague feeling that the difficulties of the League and the threat of international anarchy demand greater national "preparedness."

NOTES OF THE WEEK

The King's Speech.—In a fog no less dense than that which accompanied the day of the General Election three years ago the King opened the new session of Parliament on Wednesday. So inclement, indeed, was the weather that for the first time on record the traditional gilded State coach was discarded, and the King and Queen rode to Westminster in a closed car. There was nothing very sensational or unexpected in the King's Speech. In fact, almost every one of the measures included in it is likely to be criticised as inadequate rather than condemned outright by the Opposition. This applies both to the all-important India Bill and to foreign policy, which we discuss elsewhere this week. Of the Government's other proposals—relief for the distressed areas, a scheme to abolish overcrowding, the reorganisation of the herring industry, assistance for tramp shipping and the prevention of "ribbon" development—none will be opposed in principle by the Labour Party. Indeed, the chief charge of the Labour amendment to the

Address is that the Government has "no constructive policy" in the economic or international spheres. There were omissions as well as inadequacies in the King's Speech which will be regretted outside Government circles: for example, the absence of any plans for the substantial expansion of international trade and reduction of unemployment. The omission, it is true, of any mention of a Beef Levy Bill is to be welcomed; for it appears to mean that Mr Elliot has not found it so easy as he hoped to force a restrictionist policy on Argentina and the Dominions. In general, however, such negative criticism as the Government receives in the new session is likely to come from its own back-bench supporters. This means that the Cabinet has a great opportunity before it. If it wants to win back the popularity it has lost in the country as a whole, it has only to show a little more enterprise and determination in attacking the problems—and above all housing and disarmament—that lie to its hand.

Disarmament—New Style.—Disarmament (Old Style) is dead. On Tuesday, the Bureau of the Disarmament Conference met at Geneva, under Mr Henderson's chairmanship, to consider the expectancy of life of Disarmament (New Style). The President of the Conference had given the members of the Bureau some idea of "the new Disarmament's" vital prospects in his letter of November 5th in which he recommended that, in default of any chance of a comprehensive disarmament convention, the Conference should concentrate in future upon three things. These were: the question of the regulation of the manufacture of and trade in armaments; the question of budgetary publicity; and the setting up of the Permanent Disarmament Commission. All of these points, in Mr Henderson's submission, could be embodied in protocols which would come into force without waiting for a final convention. The United States delegation on Tuesday promptly produced a draft text on the first two points, leaving budgetary publicity alone. Mr Henderson's proposals were agreed by the Bureau, and so was the American draft as a basis of discussion. The special Committees to which the full Disarmament Conference left the study of the problem are to be approached—so far, the Air Committee has not even yet considered the questions left to it by the Conference—and the Bureau is expected to set to work on its more modest programme in January. Parts II and III of the new American Draft provide that the High Contracting Powers shall assume entire responsibility for the control of the manufacture of, and trade in, arms and implements of war. They set out "to bring the full light of publicity to bear upon production of arms, both State and private, and upon the import and export of arms, the information to be submitted to a permanent central organisation at Geneva." That organisation is to have the duty of inspecting the accuracy of such reports. This translation of the American attack on the private armaments traffic to the international plane is a welcome sign. It received the support of the British Government and of the French and Swedish Governments. The Italian Government reserved its attitude until agreement should be reached on the principles of qualitative and quantitative limitation—i.e. *ad Kalendas Graecas*—while the Russian Government urged the weakness of "universal" international agreements as long as Japan and Germany remained beyond their purview. But, if the Bureau secures one protocol on the control of the manufacture of and trade in arms, and another for a Permanent Disarmament Commission—including, perhaps, provisions for M. Litvinov's proposed Permanent Commission for Security and Peace—that would be more than "a very good beginning." America has acted as *accoucheur* for the new Disarmament negotiations. We may hope that the new system, of less imposing appearance, will turn out to be more robust than the old.

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—**And the Government.**—Meanwhile Mr Eden, at Geneva on Tuesday, was right to emphasise the paucity of the results to which the Disarmament Conference seemed to be limiting itself. "Only by the conclusion of a convention for the reduction and limitation of armaments could they hope to meet some of the most stubborn political difficulties of the time and bring appeasement to the nations." This is no new note from Mr Eden; he has only too often seemed like a soloist on the great theme of disarmament; but it harmonised with two significant pronouncements in this country on the same day. The King's Speech stated that the Government

will continue to make the support and extension of the authority of the League of Nations a cardinal point in their policy. They earnestly trust that the general work of the Disarmament Conference may be actively resumed in a political atmosphere more favourable to the attainment of definite results. In the meantime, strenuous efforts will be made to secure international agreement on such matters as are capable of separate treatment.

And the Prime Minister's speech in the House on Tuesday evening seemed even more emphatic a statement of the Government's intentions:—

The Government propose to adhere strenuously to their co-operative work at Geneva through the League of Nations.

... The Government, through the League of Nations and using their own diplomatic channels and their own influences will continue to pursue peace and do everything possible to bring it about. ... We shall go to Geneva determined to make another try, or many tries if necessary, to get something substantial and international out of the deliberations of that (Disarmament) conference. We shall take certain points which we believe are ripe for solution, and which can be separated from a general international agreement—matters like the private manufacture of armaments and some of the conventions which are now in draft in Geneva.

This may seem handsome amends for the disastrous impression created by the Foreign Secretary's contribution to the recent Arms Debate—an effect which Sir John Simon himself admitted in the House on Thursday. But it is not enough to be "faint, yet pursuing" after peace. Do all these utterances this week indicate that the Government is really ready to take the initiative in foreign affairs? The Prime Minister assures us that foreign affairs were not put first in the King's Speech "out of traditional courtesy." If the Government were now to strike out a bold line of their own on disarmament, coupled with provisions for collective security, we believe they would capitalise not only the vast amount of public goodwill in this country, from which they have so far feared and failed to profit, but they would also receive overwhelming encouragement from a fear-ridden world.

* * *

Cause and Effect?—Simultaneously with Mr Elliot's renewed efforts to persuade Australia and New Zealand to limit their beef exports to this country, comes the news that Australia's tariff "concessions" to British cotton exporters are regarded by Lancashire as worthless. The cotton trade's reply to the Australian Government is being despatched this week. This reply, it is reported, condemns the Australian concessions as being only of a minor character, affecting only a small volume of trade. Indeed, they are alleged to amount to little more than a re-arrangement of classifications. The duties on cotton yarn, which work out at over 30 per cent. of landed value, are not to be altered—although the head of the largest spinning firm in Australia has stated that his firm needs little or no protection against British yarns, apart from differences in raw cotton. The new duties on drills, denims, dungarees and jeans are alleged to amount to nearly 80 per cent. of the British f.o.b. price; if freight, insurance, primage and exchange are allowed for, the protection for Australian producers is put at 120 per cent. This margin is not to be altered. Clearly the new Australian Government has no more intention than the last of fulfilling the spirit of Ottawa, as far as British cotton goods are concerned. But can it be blamed, when Mr Elliot is urging it to renounce the right given to Australia at Ottawa of importing beef freely into this country? It is true that Mr Elliot's efforts have failed this time. And there is no direct evidence that their coincidence with Australia's refusal to modify the cotton duties is a matter of cause and effect. But requests, none-the-less, to Australia to reduce her sales to this country are hardly the best way to persuade her to increase her purchases. The Government's foreign trade policy is contradictory and chaotic.

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Two Voices from Japan.—The three-Power naval conversations in London were carried one step nearer deadlock last Monday when the Japanese Ambassador, Mr Matsudaira, communicated to Sir John Simon the Japanese Government's views on the suggestions which the British Government had put forward. The stumbling-block in the conversations has been the Japanese demand for parity; and the motive behind this demand is manifestly a consideration of prestige or "face," since the present ratio of approximately 3-5-5 gives Japan absolute *de facto* naval supremacy in her own home waters against all comers, even if the British and American "fives" were to be combined into a single hostile force with a numerical superiority of 10 to 3. Considering that Japan's home waters give Japan access to the continental territories of China and the Soviet Union, and make it possible for her to bring her formidable land-forces into action on the main-

land, her present position is strong indeed. The British Government therefore proposed to satisfy the Japanese sensitiveness on the point of status by an acknowledgment of Japan's right to parity in principle, in exchange for an undertaking on Japan's part to keep her actual construction within a stipulated limit well below the parity level for a certain period. This proposal has now been rejected by the Japanese Government, which abides by its claim to actual parity without any time limit for its achievement. "If Japan thinks she does not need to build up to the limit, she will stay below it," says the Japanese Government. But this is a truism. Evidently Japan insists upon having a free hand to attain effective parity forthwith; and at the end of the conversations, as at the beginning, the only contribution towards a limitation of naval armaments that she seems willing to make is a proposal to renounce offensive naval armaments as defined by Japan herself—which Japanese definition does not include submarines! If this were the final word of Japan, the outlook would be altogether dark. But this week has also brought a public pronouncement by the late Prime Minister of Japan, Admiral Saito—a pronouncement which takes our breath away by its courageousness in a country where, during the last few years, free speech has so often been answered by assassination. Admiral Saito, speaking with unrivalled authority, roundly describes the present official Japanese naval policy as the offspring of propaganda and party politics, and he declares that the outbreak of a fresh competition in naval armaments will be one of the great catastrophes of world history. In conclusion, he appeals over the heads of Japanese fanatics and the politicians to the Emperor himself, and in effect begs him to arrest a course of public policy which would be even more disastrous for Japan herself than it would be for the United States or for the British Empire. This strong, sane and courageous voice from so dark a quarter, and at such a critical moment, may revive and sustain our hopes.

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The Chaco War Goes On.—The report of the Committee of the League Assembly which is in charge of the task of restoring peace between Bolivia and Paraguay was published last Sunday and was presented to the Assembly, sitting in special session, on Tuesday by Dr. Benesh. At the same moment, the news has come of a great Paraguayan victory. The day before the publication of the report at Geneva, the Paraguayan forces in the Chaco captured Fort Ballivian, the Bolivian stronghold on the left bank of the River Pilcomayo covering the Bolivian base at Villa Montes. The Paraguayans claim to have taken some 10,000 prisoners and quantities of munitions. They are energetically pursuing their opponents, and it is not impossible that in a few days they may hold almost the whole of the disputed territory. This inauspicious military success of one belligerent has promptly translated itself into his rejection of the League Committee's report. The report recommends the setting up of a neutral supervisory commission of six members, to be designated by the four nearest States which are members of the League—Argentina, Chile, Peru and Uruguay. Brazil is unfortunately now outside the League, as is the United States, but presumably it is intended that two of the six places on the Committee shall be occupied by a Brazilian and a United States citizen respectively. Under the supervision of this committee, the belligerents are to be called upon to cease hostilities and to withdraw respectively to a distance of fifty kilometres from the present front line. Thereafter, there is to be no strengthening of fortifications or increase in armaments on either side pending the negotiation of a peace treaty. The armistice line, or rather zone, is to be without prejudice to the ultimate territorial settlement. The Paraguayan counter-proposals—presented on the morrow of the Paraguayan victory—likewise envisage an immediate cessation of hostilities, but this on the actual front of to-day—or to-morrow. The armistice is to be followed by demobilisation and disarmament—the front-line troops on either side being replaced by police forces—and then the peace negotiations are to follow. Naturally all this suits the book of the belligerent who has just gained

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the utmost military success that he can hope for, but who is much inferior in latent resources, and therefore in staying power. Paraguay has had the advantage of fighting near her base, and in a country and a climate in which her soldiers are at home, whereas Bolivia has been sending listless highland peasants to fight far away from home in tropical swamps. But in a war of attrition, Time would be on Bolivia's side. It is for the statesmanship of the world to see to it that this war of attrition does not work itself out to its destructive end. At the moment Paraguay must be saved from her own wrongheadedness. Later it may be Bolivia's turn. The strongest measures are needed now.

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A New Government in Belgium.—The political life of Belgium is showing the strain which the country has imposed upon itself in determining to remain upon the gold standard. The new Cabinet, which has been formed by M. Theunis after M. Jaspar had tried and failed, contains five Ministers who are not members of Parliament; and this is said to be without precedent in a century of Belgian constitutional history. The new Government is committed to the same monetary policy as its predecessor, and it would hardly be surprising if the new administration had as short a life as the old, for the essence of the political situation remains as it was. The Catholic and the Liberal parliamentary parties are united in their insistence that the gold standard must be maintained; and it seems probable that, in this matter, the will of the Belgian Parliament is also the will of the country. On the other hand, neither country nor Parliament welcomes the rather Draconian measures which any Belgian Government must adopt if it is to carry out its monetary mandate successfully. The only constructive line along which it is possible to find relief is through the promotion of trade between the different gold standard countries. But, though M. Jaspar has been active in this direction during his recent tenure of the Belgian Ministry of Foreign Affairs, it is not a policy which can be expected to produce quick results. The immediate means of remaining on the gold standard can only be found in a policy of drastic retrenchment in public expenditure; Count de Broqueville's Government did what they had to do with energy; and, paradoxically, the actual cause of their fall was their very success—which other Governments might have been tempted to envy—in producing a surplus on the Budgetary estimates. M. Theunis believes that he will be able to persist in the Belgian national policy of remaining on the gold standard without maintaining the fatally unpopular points in Count de Broqueville's programme. He will now ask Parliament to confer on him the same special powers of provisional legislation by decree as were enjoyed by his predecessor. It remains to be seen whether his request will be granted, and also whether, if it is granted, he will be able to refrain from using such powers in a way that will be as little to the liking of Parliament and the country as the acts of Count de Broqueville and his colleagues. The crux of Belgian politics to-day lies in willing a difficult end, without willing the arduous means by which alone it can be attained.

—And Another in Egypt.—The new Egyptian Ministry which has been formed by Tewfik Pasha Nessim consists at present of eight Ministers only, and these, while men of mark and experience in public affairs, are none of them politicians. In fact, the new Government as it stands represents neither the Palace Cabinet nor the Wafd. The question is whether it is merely a Government of transition from the one regime to the other, or whether it may be expected to last and to hold its own—perhaps to become something in itself. The new Ministers have been enthusiastically received by the people—partly because of the deserved unpopularity of the regime which they have replaced, and partly because this suits the Wafd. Through years of adversity the Wafd have managed to retain their hold on the country—or at any rate their power of evolving political demonstrations—and they evidently feel that if they now acclaim Nessim Pasha as their own precursor, they may be able successfully to cast him for that post. In any event, Nessim Pasha may be counted upon to do one good thing which the Wafd equally desire, and that is to abrogate the reactionary constitution of 1930 which King Fuad forced upon the country at a time when Egypt was living under a virtual royal dictatorship. The Cabinet's first act, when it met on November 16th, is reported to have been a decision to recommend the King to suspend his constitution and to dissolve Parliament. It remains to be seen whether this step will be followed by a restoration of the exceedingly democratic constitution of 1924. The most plausible excuse for the 1930 constitution was that its predecessor was so ill-adjusted to the present realities of Egyptian political life that it had simply become the instrument of a one-party dictatorship. What we may hope for now is that there will be a full and friendly discussion of the whole situation between the new Prime Minister and Mustafa Pasha Nahas, the former Wafd Prime Minister, who wears Zaghlul Pasha's mantle. If Nahas Pasha has learnt something from adversity (and he has had a long and painful lesson) we may now look forward to seeing Egypt return to a constitutional parliamentary regime on a sounder basis than that which she constructed for herself ten years ago. After that will come the opportunity to make another attempt at negotiating a comprehensive Anglo-Egyptian Treaty. This time, the conditions are perhaps more auspicious than ever before; for, in giving the late Palace Prime Minister, Yehia Pasha, the advice which he asked for, the British High Commissioner has incidentally served the cause of constitutional government in Egypt, and this has been noted and appreciated by the Egyptians.

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Mr Keynes and the Rate of Interest.—Mr Keynes stimulated the gilt-edged market last February with his prediction that the long-term rate of interest was likely to go down and down and down. Subsequent events, so far at any rate, seem to have vindicated his prophecy. And this week, in a broadcast talk in the "Poverty and Plenty" series, he restated the argument, though from a slightly different point of view. Mr Keynes not only believes that the rate of interest is going to remain low throughout the foreseeable future; he would like to push it still lower. Interest rates are likely to fall, he thinks, for two reasons: first, because the supply of savings will increase, and, secondly, because the demand for savings will diminish—or at least not increase proportionately. The probability of an increase in savings is based by Mr Keynes on the simple fact that real incomes in general will tend to rise. If we save even the same proportion of a rising income, we save more in the aggregate. Mr Keynes is very likely right in believing that savings will increase even if the rate of interest falls to 1 per cent.; the "dis-saving" of those who are induced by low yields to consume their capital may well be balanced by the increased saving of those who wish to assure for themselves or for their dependants a given future income. But even if we ignore the chance of a revival in foreign trade, is Mr Keynes justified in assuming that opportunities for investment will not increase to the same extent as savings? At an effective rate of interest of even 2 per cent., an enormous potential demand for houses

—not to mention roads, gas and electricity equipment, etc.—would surely become effective. And is it so certain that the "secondary" industries, on whose products we are likely to spend our increasing incomes, will require less capital than the staple industries of the past? Does a shilling spent on a cinema ticket really represent an indirect demand for less capital than a shilling spent on a shirt? No dogmatic answer to these questions would seem possible. We are wholly in agreement with Mr Keynes, however, in his view that unless the community's savings are fully expended on investment, unemployment will remain and the full possibilities of increasing prosperity will not be realised. And undoubtedly the market rate of interest does not always adjust the supply of savings to the demand in any tolerable space of time. This, as Mr Keynes urges, is the weakest point in the classical "self-adjusting" philosophy. Indeed, we may reasonably accept the principle that as long as labour and savings are extensively unemployed, the rate of interest ought to be pushed lower. At the moment, however, the problem is not so much to depress the yield on gilt-edged still further as to bring the rate charged to short-term business borrowers and to potential house-owners into something like adjustment with that yield. The rates charged to these classes of borrowers at present are still much nearer to 5 than to 2 per cent. This, as Mr Keynes would probably agree, is the immediate practical problem.

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The Local Loans Fund.—There are rumours of an impending conversion of the 3 per cent. Local Loans which have shared in the recent boom in Gilt-edged securities, and are now approaching par. The status of this stock among Government securities is an unusual one, and it may therefore be convenient to explain its standing and the effect of its conversion to a lower interest basis. Local Loan stock, which is a charge against the Local Loans Fund and guaranteed by the Treasury, is now outstanding to a nominal value of £429 millions. The proceeds of the stock issued provide a fund from which the Public Works Loan Commission can make loans to local authorities secured on local rates or on property. To March, 1932, a total of £467 millions had been advanced by the Commissioners, and the amount then outstanding was £291 millions. Interest payments by the Public Works Commissioners into the Local Loans Fund exceed interest payments by the Fund on its stock, and a surplus income account has been built up. Up to 1917 the surplus income was invested or applied to meeting the discount of Local Loans stock issued which at present amounts to £142 millions. Since 1917 surplus income has been used to meet the requirements of the Local Loans Fund for further advances. Against its perpetual stock the Fund has as assets advances to the Public Works Commissioners secured on loans to local authorities which can be redeemed at various dates, but there is no specific provision for writing off the very considerable discount at which a large part of the Fund stock was issued. Conversion of the outstanding stock, which can be effected at one month's notice, would increase the surplus income of the Fund, and this would provide the resources for making further loans by the Public Works Commissioners, presumably at an interest rate lower than on outstanding loans. Reduction of interest rates charged to the local authorities has been made from time to time and it is clear that the main benefits of conversion would result in still further economies to new municipal borrowers. Conversion would thus have no direct effect upon the Budget; but it is obvious that the conversion to a lower interest basis of an important perpetual stock would be yet another landmark in the downward trend of interest rates.

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Electricity Distribution in London.—Distribution is the bottle-neck of electricity supply. The high-voltage grid constructed and operated by the Central Electricity Board makes possible very great economies for users of electricity, but these economies will not be realised until the distributing concerns are thoroughly co-ordinated. The situation is chaotic enough over the whole country, but is probably worse in London than elsewhere. For electricity supply in London started off on the wrong lines. Com-

petition between companies was encouraged in the 'eighties by granting a franchise to a separate company in every parish, and some parishes were even provided with two companies. At the time when the grid scheme was devised London boasted of some 50 supply undertakings, each with its own generating plant, its own supply voltages and systems. It seemed almost as if each supply system were a trade-mark, which had to be different for each company. The grid scheme attacked the problem of electricity generation, and in recent years generation has been concentrated in large power stations. But the distribution of electricity is still in the hands of the old companies. For these reasons the news of the formation of a Central London Electricity Distribution Committee is welcome. Six companies, all of which take their bulk supply from the London Power Company, have agreed to co-ordinate their distribution systems. How far they will be able to go is not yet clear. The aim should be standardisation of a 230-volt 50-cycle alternating-current system, and an attractive rate policy which will stimulate increased consumption. There should be no great danger in a considerable reduction of rates, since the potential demand by consumers for electricity is ahead of the capacity of the companies to supply under existing conditions. It is hoped that other companies will join in this scheme, for it offers great benefits to suppliers and consumers. Before manufacturers can produce all our multifarious domestic and industrial electrical appliances cheaply, there must be the highest measure possible of standardisation of electricity distribution over the whole country. The present scheme for London is evidence that at last some companies are taking steps in the right direction. The bitter antagonism between consumers and suppliers of electricity in the United States should prove both a moral and a stimulus to British distributing concerns.

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Another Wheat Conference.—The international wheat agreement, concluded on August 25, 1933, and summarised in the *Economist* of September 2, 1933, contributed very little to the solution of the world's wheat problem. The improvement in the wheat situation since then is due almost entirely to the short crop harvested in North America and in certain other countries this year. As a result of this crop failure, the world's exportable stocks are expected to be reduced from 656 million bushels at the end of July, 1934, to about 400 million bushels at the end of the current season. Stocks will thus be reduced to more manageable proportions—indeed, to the lowest level since 1928. But this improvement is largely fortuitous, for crop failures cannot be expected to continue indefinitely. The essence of the international wheat problem is the uneconomic redistribution of wheat cultivation in recent years. The international agreement of last year and the conferences of the Wheat Advisory Committee since then have done nothing to reverse this tendency. The proportion of the world's wheat crop (excluding the U.S.S.R.) produced in importing countries increased from 27.4 per cent. in 1928-29 to 40.5 per cent. in 1933-34. Moreover, the maintenance of prices in importing countries far above free-market quotations has tended to restrict consumption. If reports in the Press are correct, the International Wheat Conference, which opened at Budapest last Tuesday, is merely concerned with the extension of the wheat agreement from July 31, 1935, to the corresponding date in 1937; the revision of export quotas (which were not adhered to by all countries in 1933-34); and with the establishment of a quota reserve. But as long as importing countries persist in their policy of national self-sufficiency and dear bread, the wheat problem will remain unsolved—to the general detriment of two great populations in the world, the producers of wheat in normally exporting countries, and the consumers of wheat in normally importing countries.

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Sterling and International Prices.—Sterling prices have continued to decline. Our complete index number has fallen by 0.4 per cent., while our primary products index number has fallen by as much as 2.1 per cent. This difference in part arises from the construction of the

primary products index number, which is based on those commodities, such as wheat, maize, rice, cotton, wool, copper and rubber, which occupy a leading position in the world markets. All these commodities, with the single exception of cotton, have declined during the past fortnight, but certain less important commodities, such as tea, cheese, silk, jute and spelter, have advanced. These increases, together with the movements of prices of semi-manufactured articles, explain the small decrease in the complete index number. The American wholesale price index numbers, both general and primary products, have again advanced, the former by 0.2 per cent. and the latter by 0.9 per cent. The divergence between the decrease in English prices and increase in American prices during the past month to some extent arises out of the simultaneous appreciation of sterling. French prices continue to fall, but German prices are steady and Italian prices fractionally higher.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
	British Complete Index (sterling)	Primary Products Index (sterling)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	93.8	140.9	93.5	93.6	91.6
Apr. 20th	103.8	105.4	83.6	129.5	89.6	97.0	90.3
July 27th	99.5	103.5	84.1	136.9	88.3	91.3	88.1
Oct. 19th	103.1	112.3	84.0	143.8	88.6	88.8	88.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	83.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	89.7	86.2
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	84.6
1934							
Jan. 31st	108.8	118.0	124.8	150.7	105.6	87.2	88.5
Feb. 28th	109.1	121.3	128.0	161.3	107.9	86.1	88.0
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	88.1
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	87.7
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	88.5
June 20th	108.1	123.4	133.9	163.3	113.1	82.7	89.6
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	91.1
Aug. 29th	111.1	129.1	150.6	164.0	115.6	82.0	92.0
Sept. 12th	110.0	127.7	150.3	165.3	115.9	81.8	92.2
Sept. 26th	108.7	125.7	149.0	166.2	116.1	81.4	92.5
Oct. 10th	107.8	123.1	146.8	167.7	114.7	80.5	93.0
Oct. 24th	107.9	124.2	146.2	164.5	114.3	79.8	93.0
Nov. 7th	107.1	123.1	147.7	163.7	114.4	79.6	93.2
Nov. 21st	106.7	120.5	149.0	164.1	114.6*	79.1*	93.2*

* These figures refer to Nov. 14th.

Details of the group indices comprising the complete *Economist* index number are given below:—

"ECONOMIST" INDEX

(1927 = 100)

	Sept. 18, 1931	Oct. 24, 1931	Nov. 7, 1931	Nov. 21, 1931
Cereals and meat	64.5	70.4	68.3	67.5
Other foods	62.2	58.5	59.1	59.4
Textiles	43.7	51.5	51.7	52.0
Minerals	67.4	76.4	75.8	75.3
Miscellaneous	65.8	69.1	68.7	68.2
Complete index	60.4	65.2	64.7	64.4
1913 = 100	83.1	89.7	89.0	88.7
1924 = 100	52.2	56.3	55.9	55.7

In the cereals and meat group, all grain prices have fallen with the exception of oats. Argentine beef is cheaper, but English mutton and Danish bacon are higher. Among other foodstuffs, tea, refined sugar and cheese are dearer, but coffee, butter and coconut oil have fallen. Textile prices are mostly higher, but wool prices have declined. In the minerals group copper and lead have fallen. Among miscellaneous materials, hides, rubber and Swedish timber are all cheaper, but there were advances in linseed oil and sulphate of ammonia.

* * *

Shareholders Take the Initiative.—Despite the ignominious end of the international copper cartel (Copper Exporters, Inc.) the idea of copper restriction is once more

BRITANNIC
ASSURANCE COMPANY LIMITED
(Established 1866)

Annual Income : : : : £5,600,000
Funds : : : : £23,000,000

All classes of Life, Fire, Accident,
Motor and General Insurances transacted

Chief Office: BROAD STREET CORNER, BIRMINGHAM

to the fore. No doubt, Copper Exporters were able to maintain prices for a considerable time, at a level out of all proportion to costs of production in efficient units. But the subsequent decline was all the more pronounced. The price of copper (standard cash in London) declined from £75½ per ton in 1929 to £31½ in 1932. The high price not only failed to prevent, but actually stimulated the development of high-grade ores outside the United States. The proportion of world production mined in the United States declined from 46½ per cent. in 1929 to 17 per cent. in 1933. Moreover, the deliberate restriction of supplies did not prevent the enormous accumulation of stocks of this metal in North and South America. In 1933 prices rose a little as a result of an increase of demand, but during recent months the trend of prices has again been downward. The recent downward movement has been due chiefly to the recession in the world's industrial activity, but the situation has been aggravated by the existence of the heavy stocks in the United States and by the terms of the copper Code, which led to heavy American sales abroad. The renewed fall in prices has again led to an agitation for a price-raising scheme which would involve the deliberate curtailment of production. A number of British shareholders in the copper mining industry are anxious to obtain support for a new restriction scheme. It is proposed to form a Copper Shareholders Association, with the object of offering "the strongest support to directors to come to such arrangements with other copper producers as will bring an end to the existing ruinous conditions, and to impress upon them the urgency of restoring a reasonable degree of both confidence and prosperity to the industry." While we are far from suggesting that ownership should be divorced from control, we would remind these shareholders that the low-cost producers, especially in Rhodesia, are operating at a profit at the present level of prices; and that any attempt to raise prices by curtailing production would only benefit the high-cost producers elsewhere.

British Industrial Production.—The progress of industrial activity in this country has been a little fitful of late. The physical volume of production in the United Kingdom in the third quarter of 1934, as estimated by the Board of Trade, was 4 per cent. smaller than in the previous quarter, but 8.8 per cent. greater than in the corresponding period of 1933. Changes in the indices for various industrial groups are shown in the following table:—

INDEX OF PRODUCTION (1924=100)

Group	Year 1932	Year 1933	Sept. 1933	June 1934	Sept. 1934
1. Mines and quarries	77.5	76.9	70.2	78.8	76.9
2. Iron and steel and manufactures thereof	66.2	82.2	84.2	104.3	98.2
3. Non-ferrous metals	96.3	101.9	100.3	142.1	151.0
4. Engineering and shipbuilding	88.6	96.0	93.5	111.8	110.7
5. Textiles	85.1	89.8	88.8	91.0	85.9
6. Chemical and allied trades	98.1	101.0	99.8	107.3	103.9
7. Leather and boots and shoes	96.4	106.2	105.5	108.1	99.0
8. Food, drink and tobacco	97.6	99.2	102.5	107.6	104.8
9. Gas and electricity	147.0	156.2	(a)	(a)	(a)
Total of manufacturing industries (2-9)*	97.2	103.9	103.6	117.7	112.5
Total of all groups (1-9)*	93.3	98.6	96.8	109.7	105.3

* Including also various industries not specified above.
(a) No information is available as to the quantities of gas made in each quarter. The available data for electricity have been included in the general index.

While the decline in industrial activity between the second and third quarters was largely seasonal, the downward movement suggests that the progress of recovery was arrested in the summer. A year ago the momentum of the upward movement was sufficient in the third quarter to counteract the normal seasonal decline. With the exception of the index for non-ferrous metals, which registered

a rise of 6 per cent. between the second and third quarters, all the indices showed a decline during this period. The recession was most marked in the case of leather, boots and shoes, iron and steel and textiles. But, as compared with a year ago, the indices for engineering and shipbuilding, and for iron and steel, show an increase of 18 per cent. and 17 per cent., respectively. The figure for non-ferrous metals, which is based on imports, registered a rise of over 50 per cent. In the case of chemicals and food, drink and tobacco the improvement was less pronounced. On the other hand, the output of textiles and of leather, boots and shoes declined by 3 per cent. and 6 per cent. respectively during this period. Fortunately, there is evidence of a renewed expansion of activity in October.

The National Income of Germany.—The national income of Germany seems to have passed the lowest point reached in 1932 and is now moving slowly upward. It remains, however, far below the level of the prosperity years and still below the pre-war level. The figures calculated by the Statistisches Reichsamt are:—

Period	Total Income		After deduction of Reparation Payments			
	Nominal Value		Nominal Value		In terms of purchasing power in 1928†	
	Aggregate (Millions of R.M.)	Per head of Population (R.M.)	Aggregate (Millions of R.M.)	Per head of Population (R.M.)	Aggregate (Millions of R.M.)	Per head of Population (R.M.)
1913*	45,693	766	45,693	766	69,326	1,162
1928	75,373	1,185	73,374	1,153	75,373	1,185
1929	75,949	1,187	73,448	1,148	74,915	1,171
1930	70,223	1,092	68,524	1,066	72,320	1,125
1931	57,458	889	56,466	874	64,142	992
1932†	45,286	697	45,083	695	56,795	875
1933†	46,419	714	46,238	711	59,428	914

* Present territory. † Provisional. ‡ Adjusted by official cost of living index.

There would not have been a higher national income in 1933 at all if the original figure for 1932—namely, Rm. 46,475 millions aggregate total income, or Rm. 716 per head—had not subsequently been reduced by Rm. 1,209 millions or Rm. 19 per head. Still more interesting, however, is the distribution of the national income in the last year, as it clearly reflects the results of the new economic policy of Germany. As shown in the table below, the labour income as a whole, which accounts for nearly three-quarters of the total sum of private income and investment income, has continued to fall off, whereas the profits from agriculture and trade and industry have gone up. As regards the labour income, the share of wages and salaries has slightly risen, but not to such an extent as pensions and payments out of the unemployment insurance and other funds have diminished.

(In millions of R.M.)

Period and Source of Income	1929	1930	1931	1932	1933
Wages, salaries	43,045	39,851	33,378	25,711	25,980
Pensions, etc.	9,188	9,994	10,090	9,014	8,395
Labour income	52,233	49,845	43,468	34,725	34,375
Trade and industry, etc.	11,768	9,950	7,500	6,000	6,500
Agriculture	5,487	4,950	4,375	3,825	4,045
Profit income	17,255	14,900	11,875	9,825	10,545
Dividends, interests, etc.	3,264	3,341	3,195	2,318	2,286
Rents	871	900	900	800	760
Investment income	4,135	4,241	4,095	3,118	3,046
Sum of private income	73,623	68,986	59,428	47,668	47,966

German authorities claim that unemployment has been greatly reduced, and that the level of wages and of doles has been maintained. But if the present figures are correct, it means that employed workers now get the same pay as they got when they were unemployed. The investment income, which was lowered in 1932 by the reduction of interest and rent by emergency decree, has again been affected by certain measures taken for the protection of debtors as well as by the exodus out of the larger residences. The increase of profits from trade, industry, etc., reflects the huge sums the Germans have spent for their Programme of Work Creating; the higher agricultural profits are due to an increase of food prices. No marked alteration in the distribution of the national income can be expected this year.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE ELECTIONS ANALYSED

THE extent of the Democratic sweep in the elections was rather greater than generally expected, but it cannot be said that the election contained a single element of surprise. As yet the returns are not quite complete, but they may be summarised as follows:—

In thirty-four States voting for Governors seven elected Republicans, twenty-five elected Democrats, while the local Farmer-Labour Party re-elected Governor Olson in Minnesota and the local Progressive Party elected Mr Philip La Follette in Wisconsin. Mr La Follette is the brother of Senator Robert La Follette, also elected. At least two of the Republican Governors-elect ran as supporters of the New Deal; and at least one Democratic Governor-elect ran as an opponent of the New Deal.

The Senate will be constituted as follows:—

	Present (73rd)	New (74th)	
Democrats.....	60	69	+ 9
Republicans.....	34	24	- 10
Farmer-Labour.....	1	1	
Progressive.....	1	1	
	96	95 (1 uncertain)	
The House of Representatives is as follows:—			
Democrats.....	309	318	+ 9
Republicans.....	113	99	- 14
Farmer-Labour.....	5	4	- 1
Progressive.....	...	7	+ 7
Vacancies.....	8	...	...
Uncertain.....	...	7	...
	435	435	

There is no agreed interpretation of the significance of the election. Broadly speaking, such mooted points as the Agricultural Programme, the Monetary Programme, the N.R.A., etc., did not figure in the campaign. The Spending Programme was in instances attacked by the Republicans as an effort to corrupt the electorate, and acclaimed by the Democrats as evidence of their solicitude for the "under-privileged." But really the campaign centred upon the personality of Mr Roosevelt, and the real dividing line was between those who support him personally and those who do not. As such, the result was an enthusiastic endorsement of the President.

It is conventional to remark that an election clears the air; but the mists have not risen perceptibly. The future disposition of the elements of the New Deal, rather than being indicated by the election, is merely referred to the personal decision of the President. For example, it is nearly time for the Agricultural Adjustment Administration to announce its curtailment policies for 1935. Most of our agricultural products, thanks to the drought and curtailment, are priced far above an export basis. Cotton, which is valorised as well, is not above an export basis; but it is noted that our cotton is moving slowly and that foreign production is increasing rapidly. In other farm products, only the recurrence of another historic drought or a curtailment of great severity can avoid an export surplus in 1935. And curtailment is not popular in the agricultural districts. In the same way, the re-orientation of N.R.A. is not yet formulated, and the whole elaborate scheme of industrial organisation is merely drifting. In fiscal policy, it is generally supposed that spending will be continued liberally, but it is not yet known whether the spending programme is to be financed by increased taxes, by borrowing, or by the issue of fiat money. This combination of concrete uncertainties makes for continued sluggishness in business.

SIGNS OF A RECOVERY IN PRODUCTION

In spite of this, however, there is some evidence that the sharp slump that began in May and continued through September, and which ran to close to 20 per cent. in the

index of production, touched bottom in the latter month. Reports through October and into November to date indicate some recovery in steel owing to demand from the motor centres, and optimistic forecasts from Detroit suggest an early upturn in the manufacture of automobiles. Retail trade continues satisfactory, and oddly enough some of the best reports come from the luxury trades, such as jewellery. There are indications that the Florida winter resorts are anticipating an active season. Indeed, it is not at all easy to reconcile various economic data. For example, the few unemployment or employment figures we have neither correspond to the extreme fluctuations in the index of production nor to the obvious activity of retail trade. All reports from the south-eastern cotton States picture conditions which can almost be described as booming; yet freight-car loadings in that area are extremely low.

The weakness of the foreign currencies other than sterling has emphasised the significance of the September foreign trade figures, which are given below:—

FOREIGN TRADE OF THE UNITED STATES

	(\$000,000)	Sept., 1933	Sept., 1934
EXPORTS			
To Europe.....	82	87	
To Rest of World.....	78	105	
IMPORTS			
From Europe.....	50	39	
From Rest of World.....	97	93	

In comparison with last year, United States exports have risen and imports fallen, leaving the United States with a widening active balance towards Europe (\$32 millions in 1933, \$48 millions in September, 1934), and a passive balance towards the rest of the world (\$19 millions) in 1933 becoming an active balance of \$13 millions in 1934. The figures for the third quarter are as follows:—

THIRD QUARTER FIGURES, 1933

	Exports	Imports	Export surplus
Europe.....	213	145	+ 68
Rest of World.....	222	300	- 78

THIRD QUARTER FIGURES, 1934

	Exports	Imports	Export surplus
Europe.....	218	111	+ 107
Rest of World.....	308	268	+ 40

That is, in the third quarter of 1933 we had a passive trade balance of \$10 millions; in the same quarter of the current year we had an active trade balance of \$147 millions. It will be noted that our principal gain in exports has come in the non-European countries; the decline in imports from these countries in the third quarter of 1934 is from a very high level in 1933, which reflected speculative purchases. With Europe, our exports show little gain and our imports a large decline.

The following table shows our trade with the United Kingdom, also for the third quarter respectively of 1933 and 1934:—

UNITED STATES TRADE WITH EUROPE (\$000,000)

	Exports	Imports	Export surplus
United Kingdom.....	78	34	+ 39
Rest of Europe.....	135	106	+ 29

THIRD QUARTER, 1934

	Exports	Imports	Export surplus
United Kingdom.....	95	28	+ 67
Rest of Europe.....	123	83	+ 40

Between these periods, United States exports to the United Kingdom rose and to the Continent fell. United States imports both from the United Kingdom and the Continent were lower, but the decline of imports from the United Kingdom was proportionately greater. In short, the United States has a large active trade balance with the world and specifically with Europe. The largest single element is that with the United Kingdom. Although the passive trade balance of the third quarter of 1933 was exceptional, the change represented by the figures of the two periods is surprisingly great.

NEW YORK, November 9.

FRANCE

THE FLANDIN CABINET AND THE PUBLIC DEBT

THE first measures of the Flandin Cabinet have been greeted by a general rise of Government securities. This is mainly due to the fact that the Cabinet had a good reception in Parliament. The Opposition is neither important nor aggressive, and it is generally expected that the present Parliamentary calm will last for some time. From the financial point of view, the recovery of rentes has been assisted by the Treasury's intention to restrict its demands on the market. So far this year total public issues have been not lower than 24,000 million francs:—

(000,000 francs)		
Treasury Bonds 5 per cent.—5, 10, 15 years.....	4,065	January 5, 1934
P.T.T. Debentures 5 per cent.—15 years.....	1,192	February 19, 1934
Crédit National.....	1,000	April 23, 1934
Algérie 5 per cent.....	860	May 10, 1934
Treasury Bonds 4 per cent.....	3,000	July 12, 1934
Morocco 5 per cent.....	359	August 22, 1934
Crédit Agricole 5 per cent.....	21½	August 29, 1934
Treasury Bonds 4½ per cent.—3, 5, 10 years.....	8,770	September 24, 1934
Great Railways System.....	4,698	

The Public Debt, however, has not increased by a similar amount, since a fraction of the former debt has been repaid. The following table shows the evolution of the public debt from September 30, 1933, to August 31, 1934:—

(000,000 francs)		
	Sept. 30, 1933	Aug. 31, 1934
Internal Public Debt:—		
Perpetual.....	52,145	51,933
Amortisable.....	169,179	178,844
Middle and short term.....	19,004	22,302
Floating debt.....	54,279	53,929
Total.....	294,607	307,008
External debt.....	4,139	4,011
General total.....	298,746	311,019

This table, which takes no account of the War Debts on which payments are suspended, shows an increase of 12,273 million francs in eleven months. Between September 30, 1932, and September 30, 1933, the debt increased from 274,609 millions to 298,746 millions. The rate of increase was therefore half as rapid in 1933-34 as in 1932-33. The debt necessitated the following credits in the 1934 and 1935 Budgets:—

(000,000 francs)		
	1934 Budget	1935 Budget
Internal debt:—		
Perpetual.....	1,874	1,870
Amortisable.....	7,284	7,421
Middle and short term.....	1,025	1,373
Floating debt.....	379	385
Total.....	10,562	11,049

The deficit on the railway system for 1934 is now estimated at 3,938 million francs. It was 4,107 millions in 1932 and 4,395 millions in 1933. The improvement is due to economies in expenditure amounting to 965 millions.

The British and Polish Trade Bank A.G., Danzig

Paid-up Capital and Reserves: D. Gulden 5,378,542

Chairman: Dr. Roman Górecki.

Vice-Chairman: Sir William Grenfell Max-Muller, G.B.E., K.C.M.G.

Joint Managers: Wacław Konderski and Philip Frederick Rann.

Assistant Manager: Aleksander Kowalski.

The Bank was formed to facilitate Exports and Imports from and to Poland, including Danzig. INQUIRIES SOLICITED.

This was offset, however, by a reduction of 390 millions in receipts and an increase of 152 millions in cost charges. The reduction in expenditure is due to temporary causes, which will tend to disappear in coming years. The total Railway deficit will reach 17,510 millions at the end of this year. It is covered up to 15,144 millions by loans which have been issued by the railways. The balance of 2,276 millions is covered by Treasury advances.

SIGNS OF FOREIGN TRADE RECOVERY

The aggregate value of French foreign trade in October was 3,359 millions (1,795 millions of imports and 1,504 millions of exports), against an aggregate of 3,171 millions in September. The increase of trade is thus 188 millions. As imports have risen more than exports, the monthly import surplus is higher at 230 millions, compared with 135 millions in September, 281 millions in August, 363 millions in July, 512 millions in June, 594 millions in May, 565 millions in April, and a record of 802 millions in March. The following is the volume of exports and imports for the first ten months of the last two years:—

	First Ten Months of 1933 (Metric tons)	First Ten Months of 1934 (Metric tons)	Increase (+) or Decrease (—) in 1934
Imports:—			
Foodstuffs.....	5,771,186	4,857,559	— 913,627
Raw materials.....	33,207,338	31,896,003	— 1,311,335
Manufactured goods.....	1,544,199	1,534,960	— 9,239
Total.....	40,522,723	38,288,522	— 2,234,201
Exports:—			
Foodstuffs.....	936,411	985,407	+ 48,996
Raw materials.....	17,400,495	19,409,157	+ 2,008,662
Manufactured goods.....	2,558,271	2,846,075	+ 287,804
Total.....	20,895,777	23,240,639	+ 2,345,462

While only exports increased in September, imports also increased in October. In aggregate values imports for the first ten months of 1934 were 19,448,702,000 francs and exports 14,624,173,000 francs, and the import surplus was therefore 4,824,529,000 francs. Exports have increased in volume, but fallen in value.

PARIS, November 20.

SWITZERLAND

UNEMPLOYMENT INCREASING

THE general economic situation of Switzerland has not greatly improved or deteriorated since the end of July, though there has been some slight recovery in the activity of a few industries. During the third quarter of the year imports totalled 343 million francs and exports 203.8 millions, leaving a passive balance of 139.1 millions. Compared with the second quarter exports show a drop of about two millions in value, but an important increase in volume. Swiss industry, however, is handicapped by the high value of the Swiss franc and by trade barriers. The devaluationists seem recently to have lost some ground, and the Government is stubbornly resolved to maintain the gold standard.

Unemployment is increasing. At the end of October there were 59,621 unemployed, compared with 51,587 at the end of September and 56,397 at the end of October, 1933.

Since the second quarter of the year the exports of the four chief industries have fallen by one million francs. The watchmaking industry is slowly improving its position, and its exports have increased by one million francs. The machines industry shows an increase of about two millions; but the silk industry shows a drop of three millions and the cotton industry of nearly two millions. Trade with Great Britain was comparatively active in the third quarter, imports from Great Britain totalled 23.4 millions, compared with 22.7 millions during the second quarter, and 27.1

HUNGARY

LEAGUE REPORT ON FINANCES

THE budgetary position appears, in the light of provisional returns for the first quarter of the financial year that began on July 1, 1934, to be stationary. There is no longer the marked improvement that was taking place at this time last year, as compared with the corresponding period of the year before, nor, according to the view expressed in the recent report of Mr Tyler, the representative of the League of Nations, is further progress to be expected without some economic revival. Comparative figures are as follows:—

July 1st-September 30th			
	1933	1934	
Expenditure			
	Million pengö		
Actual budgetary.....	166.3	174.7	194.1
Deferred budgetary	13.3	7.3	
Actual extra budgetary	9.1	12.1	
	188.7		
Receipts			
Actual budgetary.....	175.3	179.8	188.2
Refunds	2.1	1.3	
Borrowing	5.7	7.1	
	183.1		
Balance	-5.6	-5.9	

Results for the last three months, taken in conjunction with the mediocre grain crop and with other economic indications, show that the trend of trade is no longer upwards, as it was at this season last year.

Provisional results of the State undertakings (railways, etc.) for July and August confirm the impression conveyed by the Administrative budget figures, i.e. that the position is stationary here also. According to the estimates voted by Parliament for 1934-35, the State undertakings are expected to yield 343.9 million pengő, as compared with an estimated expenditure of 404 million pengő. There is little hope that the forecast deficit of 60 million pengő can be reduced in view of the results of July and August and the outlook for the coming months. Current receipts of the railways in July and August amounted to 35.4 millions, against 35.8 millions in the same months of 1933, those of the post, telegraph and telephone decreased from 16.2 million pengő to 15.2 million pengő. The ironworks now reveal a deficit approximately equal to what the State would have to pay annually in pensions if this undertaking were discontinued.

AGRICULTURE AND INDUSTRY

Although wheat prices on the open international markets have increased somewhat, the Hungarian internal price, at the official exchange rates, is more than double the price, less freight, obtainable for Hungarian wheat on those markets. This increase in the internal price is due in part to a small crop this year and in part to the Rome agreements concluded in April last, under which Italy and Austria agreed to take, at more than the open market price, amounts of Hungarian grain which together make up the greater part of this country's normal export surplus. The effects of the

CONDITION OF INDIA

"The Government of India had no alternative to banning the India League's report... The report is written with studious moderation, and it is quite as much concerned with the shocking economic conditions of the Indian village as with the... many abuses that naturally accompany unrestrained police rule."—*New Statesman and Nation*.

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millions during the third quarter of 1933. Exports to Great Britain totalled 18.9 millions, compared with 22.1 millions in the second quarter and 21 millions during the third quarter of 1933.

In order to encourage exports, combat unemployment, and reduce differences between Swiss and foreign prices, the Government decided several years ago to grant so-called "manufacturing subsidies" to the industries which asked for State help. Disappointment at the failure of the policy is now reflected in a report issued by the Government.

A clearing agreement with Germany has been in operation since August 1st. According to the agreement all persons and companies established in Switzerland have to pay into the National Bank the sums they owe to German creditors, and German debtors have to pay into the Reichsbank the sums they owe to Switzerland. The agreement provided for the full transfer of the interests on the Dawes loans, but traders very soon recognised that it only benefited Germany. Actually, Swiss exports to Germany, which averaged about 13 millions a month until the end of July, suddenly rose to 14 millions in August, to 20 millions in September, and to 14 millions in October, while, at the same time, the imports of German goods dropped from a monthly average of 35 millions to about 31 millions. New negotiations have given no result. Swiss industrialists consider that they have been duped.

THE NEW BUDGET DEFICIT

The Budget of the Swiss Confederation for 1935—which has just been published—will not be received with satisfaction in the country. The figures are as follows:—

	1934	1935
(000 francs)		
Revenue.....	422,400	436,300
Expenditure.....	430,700	477,900
Deficit.....	8,300	41,600

The increase in the 1935 revenue is due to the fact that the "Crisis Tax," to be levied for the first time, is expected to produce about 100 millions. The rise in expenditure is due to several extraordinary expenses, most of which are a result of the crisis. First the yearly instalment of the repayment of the Public Debt is being brought up from 20,566,000 francs in 1934 to 30,480,000 francs. The interest on the Debt will be increased by about 4 millions and reach a total of 88 millions. While important savings are to be made in various Federal services, expenditure in certain directions is again increasing. That of the Military Department—totaling 94 millions—shows a rise of three millions over the 1934 Budget. The rise in State subsidies for assisting industry, trade and agriculture, will altogether amount to nearly 17 millions, while 1.5 millions is to be granted to the Federal Railways in compensation for losses sustained as a result of reductions in fares. Apart from these expenses, Parliament will be called upon to vote some extraordinary grants aggregating about 20 millions to be expended on public works designed to occupy the unemployed, and on subsidies to the home wheat grower.

In the comments which accompany the Budget the Federal Government insists that, despite the deficits recorded since 1932, the balance sheet of the Confederation has been improved by about 500 millions. From 1924 to 1932 the total of State loans was reduced from 2,200 millions to 1,700 millions. During the same period the floating debt rose from 104 to 249 millions, but this sum includes 178 millions appropriated for the pension fund for State officials—a long-term debt—and a debt of 71 millions to the Post service. On the other hand, the Government has at its disposal in the National Bank a sum of 83 millions.

Despite the unsatisfactory state of the Federal Budget, the investing public has not lost its confidence in the soundness of Swiss finances. This is shown by the unexpected success of the loan recently issued by the Federal Government: 100 million francs' worth of 4 per cent. bonds were issued at 98.65 per cent. and subscriptions totalled 243 millions.

GENEVA, November 20.

Rome agreement which came into force on July 1st cannot yet be measured in Hungary's trade with Italy and Austria. In the first half of 1934, the export surplus with Austria had fallen to 10.4 million pengő, as compared with 17.8 million pengő in the same period of 1933. And the export surplus of 3.5 million pengő with Italy in the first half of 1933 turned into an import surplus of 3.2 million pengő in the corresponding period of 1934.

Attempts have been made to raise internal prices of other agricultural commodities besides grain, e.g. milk, potatoes, firewood, but this has been done by burdening the internal consumer. There has been no assistance in the form of fixed quantities taken by foreign countries at higher prices than those obtainable on the free markets. The agricultural index after the rise of grain prices (wheat sells at 16 pengő per metric quintal, against 8 pengő a year ago) stood at 71 (1913 = 100) at the end of September, 1934, as compared with 54 a year ago. The disparity between agricultural and industrial prices is, however, very large, as the general industrial price index is still at 108, while in most countries it has dropped well below the pre-war level.

The cost-of-living index (1913 = 100) declined from 100.3 at the end of September, 1931, to 87.8 at the end of 1933, and stood at 89.3 in September, 1934. Consumption of the staple industrial articles has considerably increased in 1934 as compared with 1932 and 1933. The output of domestic iron and steel, as well as the importation of general articles from abroad, has been steadily on the increase during 1934 as compared with the two previous years. Saving deposits at the Post Office Savings Bank and at the twelve leading commercial banks amounted to 565.9 million pengő at the end of September, 1934, against 522.8 million pengő a year ago; current accounts at the same institutions decreased from 677.1 million pengő to 657.6 million pengő. The balance sheets of the banks do not disclose how much of their indebtedness is to foreigners. In any case, the position of the banks may now, with the dollar and sterling depreciated, appear in a better light than it did in the crisis of 1931.

BUDAPEST, November 16.

POLAND

PUBLIC OPINION AND FRANCE

In conformity with the Constitution, the Sejm and Senate assembled in ordinary session on November 6th to deal with the Budget proposals for the fiscal year beginning April 1, 1935. On the following day the legislatures were adjourned for one month. The brief debate on the Finance Bill, which the Sejm passed in the first reading, developed into an attack on the Government's foreign policy. It is quite unusual in Polish Parliamentary history for the Government of the day to be attacked on foreign policy, and it shows that there is uneasiness in the public mind over the course of events since the Polish-German Non-Aggression Pact was signed on January 26th last. This uneasiness is due, perhaps, more to uncertainty than to actual events; the extreme reticence of those responsible for the conduct of foreign relations has raised doubts in Poland no less than abroad about the Government's policy. The Government declared, in reply, that Poland "will be faithful to her alliances and friendships, and that Polish policy will always be one based on peace and not on prestige." The provocative tone which certain sections of the French and Polish Press adopted two or three months ago has happily disappeared; and the feeling here is that, without imperilling the "correct and friendly attitude" towards Germany, efforts will soon be made to lift Franco-Polish relations out of their present atmosphere of uncertainty. There can be little doubt that Polish public opinion is no less pro-French than it ever was.

The Government's intentions about the Constitutional Reform Bill, which is still with the Senate, have not yet been determined, but it is known that Marshal Pilsudski will not allow the Bill to become law in its present form.

The Budget estimates for the two current years are as follows:—

	1934-5	1935-6
	(zlotys)	
Expenditure	2,184,552,000	2,132,861,600
Ordinary revenue	1,961,254,000	1,983,743,700
Deficit	223,298,000	149,117,900

The deficit in 1932-33 was 242 million zlotys, and, in 1933-34, 337 millions. With the additional internal borrowing which will be needed to provide for next year's anticipated deficit, the public debt will have been increased by over 1,000 million zlotys since the crisis began in 1929-30, although expenditure has been successively reduced by 850 millions between 1930-31 and 1935-36. Conditions in the money market are (for Poland) exceptionally easy.

When presenting the 1935-36 estimates to the Sejm the Finance Minister stated that ordinary revenue may now be considered as having reached rock-bottom, and that the gap between revenue and expenditure will continue to narrow. It is not the Government's intention, however, to compress expenditure too rapidly, the official view being that such action is neither necessary nor desirable. In the next Budget public debt service (exclusive of autonomous bodies whose issues will require an additional 27.2 millions) is estimated at 202 million zlotys, as compared with 192,670,000 in the current year; the allowance for the Ministry of War remains unchanged at 761,700,000; while the Ministry of Education will be reduced from 311,558,000 to 293,500,000 zlotys.

DEFLATION TO BE CONTINUED

The Government's economic programme was recently outlined in a speech by the Prime Minister, who called particular attention to the measures already enacted by decree for relieving agricultural indebtedness; the voting of credits for railway, port, electrification and other classes of public works; the rise in grain prices brought about partly by official intervention; the lowering of railway rates; and the continuous pressure which is being maintained on the industrial cartels to reduce prices in the home market. The coal industry was compelled to lower its prices by about 12 per cent. on November 1st. The Government, in brief, will continue to maintain the present gold value of the zloty and to equalise as far as possible the consequent deflationary influences. The general index of wholesale prices in October (1928 = 100) was 54.9, of articles bought by farmers 69.0, and of products sold directly by farmers 36.4. A year previously the indices were 58.1, 72.5 and 41.1 respectively.

Foreign trade returns for October show exports valued at 91.4, imports at 71.3, and the active balance at 20.1 million zlotys. The corresponding figures for October, 1933, were 104.4, 91.0 and 13.4 millions. The figures for the first ten months of the year were as follows:—

	1933	1934
	(In millions of zlotys)	
Exports	774.7	805.3
Imports	699.6	663.3
Active balance	75.1	142.0

The negotiations still going on between Poland and Great Britain for a tariff agreement to supplement the existing commercial treaty, which are expected to be concluded before or soon after December 31st, will go far towards determining the size of the active trade balance next year. Concurrently with the trade treaty negotiations, discussions are taking place between the leaders of the coal industries of both countries over the possibility of controlling export tonnage and prices. A recent meeting in Warsaw has given promise of a successful outcome of these discussions, which may turn out to be a first step towards a general European agreement.

WARSAW, November 20.

GREECE

THE BALKAN ENTENTE

WITH the re-election of M. Zaimis as President of the Republic, a temporary lull has been reached in the keen struggle between the Government and the Opposition parties. Since fundamental political differences have not been settled, however, an acute situation may be expected sooner or later.

Constructive results were at least achieved by the Conference of the Balkan Entente in Angora. While the solidarity of the Balkan States in the cause of peace has been reaffirmed, the false step of amalgamating the Balkan Entente with the Little Entente has been avoided. Nevertheless, a Balkan Economic Council has been formed, which, if well directed, may render invaluable services to the member States, not only on the economic but on the political field.

Negotiations for the service of the foreign debt are expected to start early in January. The Prime Minister, M. Tsaldaris, will probably head the delegation which will come to London for the purpose. Since the last negotiations with the foreign bondholders in 1933, fresh taxation has been imposed, but expenditure has also increased, and little, if anything, remains for raising the percentages of interest paid on the foreign debt. In addition, there exist internal claims for compensation of damages, expropriated and exchanged property, etc., amounting to 4,000 million drachmas. Payment of these obligations, a legacy of the war, has been postponed until now.

This will naturally throw a fresh burden on the Budget, and lessen proportionately the chances of an increase in the percentage of the service paid on the foreign debt. According to the London agreement, 27½ per cent. for 1933 and 35 per cent. for 1934 of the normal interest has been fixed for payment. The Government will propose a continuance of the 35 per cent. share for each of the years 1935 and 1936. They will insist also on payment in sterling of the percentage to be finally agreed, or in sterling equivalent, whereas the bondholders demand part of the service of certain loans to be calculated in gold francs.

As regards the sterling mortgage bonds, which have been issued in London by the Mortgage Bank, reports from governmental sources mention that the bondholders have already accepted a reduction of the interest rate from 7 per cent. to 5 per cent., and that the Government are insisting on a reduction to 4 per cent. The aim of the authorities is both to enable the bank to lower by 2 per cent. the rate of interest charged to mortgage borrowers, and to oblige the latter to pay hereafter the interest and sinking fund service of their loans at the current rate of exchange (at present 535 drachmas to the £), instead of at the rate of 425 drachmas to the pound fixed by law. According to the same reports, the Government are determined, if an agreement with the mortgage bondholders has not been concluded by December 1st, to put new restrictions on the export of the blocked drachmas arising from the proceeds of coupons on mortgage bonds held abroad.

ATHENS, November 19.

BRAZIL

THE 1935 FEDERAL BUDGET

THE House of Representatives has passed the 1935 Federal Budget and dispatched it to the President of the Republic for approval. This is the first Budget since Brazil returned to a constitutional footing. The revenue in the new Budget is estimated at 2,169,577 contos de reis (£36,160,000) and the expenditure at 2,691,685 contos de reis (£44,860,000). The Budget deficit is therefore 522,107 contos de reis (£8,700,000).

NATIONAL BANK OF GREECE

Established in 1841

Head Office: Athens

Branches and Agencies throughout Greece

Branches and Agencies in Egypt:
CAIRO, ALEXANDRIA, ZAGAZIG

Affiliated Bank:

HELLENIC BANK TRUST COMPANY,
51 Maiden Lane, NEW YORK

Capital paid up and Reserves Drs. 1,205,000,000

The distribution of the expenditure in the new Budget is as follows:—

	Contos de Reis
Finance	*1,010,508
Interior	123,566
Exterior	46,590
Education and Public Health	176,546
Labour, Industry and Commerce	19,708
Transport and Public Works	569,758
Marine	230,586
War	441,721
Agriculture	74,671

* Including service on public debt.

It is expected, however, that the Executive may make drastic cuts in some of the expenditure items.

The following statistics, recently published, show that cotton production in Brazil is steadily increasing:—

	1933	1934
Production in—	Tons	Tons
Northern Brazil	110,536	163,200
Southern Brazil	48,100	108,500
	158,636	271,700

The increase in production has mostly been in Sao Paulo, where the March-June harvest exceeded 90,000 tons; exports to European ports from Santos alone during September reached 43,000 bales, weighing 6,823 tons, with an estimated value of £357,000.

RIO DE JANEIRO, November 15.

CANADA

MR BENNETT AND MR STEVENS

MR H. H. STEVENS's resignation from the Cabinet has been followed by an acrimonious correspondence between himself and Mr Bennett, the Prime Minister, in which each challenges the veracity of the other. Mr Bennett avers that the grave impropriety of Mr Stevens's course in publishing under Ministerial authority a pamphlet which commented upon the unfinished proceedings of a committee, and made unfounded charges, rendered his retention of office impossible unless amends were made. Mr Stevens maintains that he has been forced out of office by reactionary colleagues acting under the pressure of "big business" interests affrighted at the exposure of their misdeeds, and that all through last session these colleagues had shown a lack of sympathy with his investigation. The Conservative Party, whose fortunes were already low, has been badly split by the quarrel. Conservative papers in Montreal and Toronto support Mr

Bennett, but most of the other Conservative papers support Mr Stevens. Moreover, Mr Stevens has received a flood of letters and telegrams commending his conduct.

Mr Bennett is understood to be contemplating the re-organisation of his Cabinet, several of whose older members want to leave office for the Senate or the Bench. Mr R. B. Hanson, K.C., of New Brunswick, will probably be given Mr Stevens's Department. But the Government has been badly shaken by Mr Stevens's resignation, and the *Ottawa Citizen* declares that the signs of the Ministry's disintegration are plainly visible.

Mr Phillips, the United States Under-Secretary of State, has been in Ottawa conferring with Mr Bennett about modifications of the St. Lawrence Waterway Treaty designed to appease American opponents of the project. But although the Bennett Ministry is anxious to go ahead with the scheme, the prospects of effective Canadian co-operation have been lessened by the advent of a Liberal Administration in Ontario. Its head, Mr Hepburn, has been a consistent opponent of the waterway scheme, and has lately declared that he will not countenance it, on the ground that it is uneconomic, that Ontario and Quebec have already more hydro-electric power than they can use, and that the institution of another avenue of transportation would merely aggravate the railway problem.

"BEAR RAIDS" ON THE WINNIPEG MARKET

The Bennett Ministry has been convinced by its agent in Winnipeg, Mr McFarland, that European importers and speculators have been conducting organised "bear" drives against the wheat price structure in Winnipeg, and under instructions from Ottawa the price of December wheat has been "pegged" at a minimum of 75 cents, and of May wheat at a minimum of 80 cents. This move is regarded as a temporary expedient until some plan of regulation of the operations of the Winnipeg Grain Exchange, such as Mr McFarland advocates, is brought into effect. Since the "pegs" were inserted, wheat prices have moved upward, and the spokesmen of the grain growers approve the Government's action. But the grain trade is dubious about its effects, and the *Financial Post* of Toronto ridicules the idea of "bear" raids by European interests and declares that the Government's immense holdings of wheat, which are still placed at between 150 and 200 million bushels, are the chief factor in keeping prices down. An absurdly large price spread, it is argued, is being maintained between Winnipeg and Liverpool.

During the second half of October business conditions in all the Eastern Provinces have shown some recession, but there has been an improvement in the Prairie region and in Manitoba. Both wholesale and retail trade remain at a satisfactory volume, and the movement of merchandise is being well maintained. The car-loading figure for the week ending October 20th was 56,873 cars, as compared with 51,560 cars for the previous week and 51,705 cars for the corresponding week of 1933. The Bureau of Statistics' employment index for October 1 showed a gain, not usual at this season, and it now stands at 100.0, compared with 98.8 on September 1, 1934, and 90.4, 86.7 and 103.9, respectively, on October 1, 1933, 1932 and 1931.

Commodity prices are virtually stationary, and the Bureau's wholesale index for the week ending October 19th was 71.4, compared with 71.5 for the previous week. The index of wholesale prices for the first eight months of 1934 has averaged 71.7, as compared with 66.4 in the parallel period of 1933, a gain of 8 per cent.; the increase in the price of farm products was 16 per cent., which implies a closing of the gap between agricultural and general prices. The index of the cost of living had only advanced in this period from 77.9 to 78.8. The earnings of both the railway systems for the first three quarters of 1934 show a gratifying improvement; in this period the net income of the C.P.R. is placed at \$13,670,107, a gain of \$3,698,656, and of the C.N.R. at \$7,142,505, a gain of \$6,235,133. The export movement of grain is still disappointing, and visible stocks of Canadian grain on October 19th were placed at 245,240,584 bushels, which is almost identical with the figure for the parallel date in 1933.

OTTAWA, November 15.

BOOKS RECEIVED

- A Short History of International Affairs.* 1920-1934. By G. M. Gathorne-Hardy. (London) H. Milford. 351 pages. 1s. 6d. net.
- Science of Wealth.* Revised edition. By J. A. Hobson. (London) Thornton Butterworth, Ltd. 256 pages. 2s. 6d. net.
- Stable Money.* By Irving Fisher. (New York) Adelphi Company. 484 pages.
- France's Crisis.* By Paul Einzig. (London) Macmillan and Company, Ltd. 139 pages. 7s. 6d. net.
- The Origins of the International Labor Organization.* Edited by J. T. Shotwell. Vol. I. History. 497 pages. Vol. II. Documents. 592 pages. (London) H. Milford. 50s. net.
- Wisdom and Waste in the Punjab Village.* By M. L. Darling. (London) H. Milford. 12s. 6d. net.
- The Science of Economy.* By L. Kotany. (London) Putnam. 719 pages. 15s. net.
- The Second Five-Year Plan of Development of the U.S.S.R.* By W. P. Coates and Q. K. Coates. (London) Methuen and Company, Ltd. 129 pages. 3s. 6d. net.
- Labour's Peace Policy. Arbitration, Security, Disarmament.* By the Rt. Hon. Arthur Henderson, M.P. (London) The Labour Party. Transport House, S.W.1.
- British Empire Trades Index, 1934-35.* (London) Business Dictionaries, Ltd., 8 and 9, Johnson's Court, E.C.4. 584 pages.
- Denmark, 1934.* (Copenhagen) Royal Danish Ministry for Foreign Affairs. 258 pages.
- Die Besteuerung des Gewinnes der Kaufmännischen Unternehmung im Ausland.* By A. Hoffmann. (Leipzig) Hans Buske, Talstr. 2. 351 pages. RM. 14.50.
- India's Plight.* By Sir M. de P. Webb. (London) P. S. King and Son, Ltd. 104 pages. 3s. 6d. net.
- Capitali e le Crisi.* By M. Fanno. (Turin) Giulio Einaudi Editore. 154 pages. L.12.
- The Railway King. 1800-1871.* By R. S. Lambert. (London) Allen and Unwin. 320 pages. 12s. 6d. net.
- Mr Gladstone at the Board of Trade.* By Francis E. Hyde. (London) Cobden-Sanderson. 256 pages. 10s. 6d. net.
- The Saar.* By M. Lambert. (London) Faber and Faber, Ltd. 332 pages. 7s. 6d.
- Criminology.* By A. Morris. (London) Longmans, Green. 590 pages. 16s. net.
- French Revolutions.* By E. L. Woodward. (London) H. Milford. 237 pages. 7s. 6d. net.
- The Third British Empire.* By A. Zimmermann. (London) H. Milford. 192 pages. 6s. net.
- The Socialization of the Electrical Supply Industry.* By G. H. (London) V. Gollancz, Ltd., for the New Fabian Research Bureau. 104 pages. 3s. 6d. net.
- Songs for New Soldiers.* By David Christie-Murray and others. (London) "Review of Reviews." 24 pages. 6d. net.
- Harold Wright: A Memoir.* Edited by C. Ernest Fayle. (London) Allen and Unwin. 187 pages. 7s. 6d. net.
- International Narcotics Control.* By L. E. S. Eisenlohr. (London) Allen and Unwin. 295 pages. 10s. 6d. net.
- Elements of Economics.* Seventh edition. By S. Evelyn Thomas. (London) The Gregg Publishing Company, Ltd. 737 pages. 10s. 6d. net.
- Colonial Report, No. 1683: Annual Report on the Social and Economic Progress of the People of the State of Trengganu.* 1933. 2s. net.
- Ungarisches Wirtschafts-Jahrbuch.* 1934. (Vienna) Wirtschaftsverlag Komm. Ges. Payer and Company, 1 Kramergasse, 9. M. 15.
- The German Revolution.* By H. Powys-Greenwood. (London) G. Routledge and Sons, Ltd. 334 pages. 12s. 6d. net.
- Bankpolitik.* By Felix Somary. (Tübingen) Verlag von J. C. B. Mohr. 384 pages. M. 12.50.
- The Nazi Dictatorship.* By Roy Pascal. (London) G. Routledge and Sons, Ltd. 278 pages. 10s. 6d. net.
- The Companies Diary and Agenda Book, 1935.* By Herbert W. Jordan. (London) Jordan and Sons. 4s.
- A useful diary for the company secretary, which includes specimen forms and notes on law and practice.
- The Small Investor's Book.* By R. K. Bacon. (Leeds) The Yorkshire Post. 80 pages. 6d.

OFFICIAL PUBLICATIONS

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

Department of Overseas Trade: Economic Conditions in Peru (August, 1934). 2s. net.

Colonial Report, No. 1683. Annual Report on the Social and Economic Progress of the People of the State of Trengganu. 1933. 2s. net.

MONEY AND BANKING

THE STERLING AREA

THE term "sterling area" is necessarily extremely loose, for in no sense are the countries contained in it bound together in a formal monetary union, nor can the boundaries of the area be exactly defined. Yet it is common knowledge that since sterling has been divorced from gold, many countries both inside and outside the Empire have of their own free will endeavoured to link their currencies to sterling, and as a result the British Empire, the Scandinavian countries and part of South America are now joined together in this way. Even so, the sterling area has come into being in a more or less haphazard fashion, and few people have yet thought whether the countries in it are in equilibrium with each other, or whether the loose texture of the sterling area can crystallise out into something more permanent. Hence it may be opportune to examine how far internal equilibrium exists to-day.

The full list of the sterling area countries is far too long to permit of a complete examination, but a fair sample can be obtained by taking four of the Dominions, the three chief Scandinavian countries, and Argentina. The best starting point for an examination is by comparing the wholesale price levels of those countries, with that of the United Kingdom as a yard-stick. We began by assuming that equilibrium existed in September, 1931, and that no sterling area currency was then over-valued in terms of any other. This we freely admit is a very bold assumption. It overlooks the fact that Australia and New Zealand were driven by internal disequilibrium to break away from both gold and sterling prior to September, 1931, and it minimises the fact that all primary producing countries were suffering from the fall in prices before our own troubles became really acute. Unfortunately, it is impossible to calculate with any precision the relationship between prices and exchanges in the sterling area that existed immediately before we went off gold. We are therefore driven to make this sweeping assumption.

Using it as our starting point, we first take wholesale prices in September, 1931, as 100, and proceed to recalculate the subsequent movements of the wholesale price index for each country on that basis. The next step is to divide the British index number for any month into the Dominion or foreign index number for the same month. Obviously, if the quotient is greater than unity, then the Dominion or foreign wholesale price index stands above the British wholesale price index, and *vice versa*. Finally, we take the actual exchange rates of the various currencies last June, and calculate the undervaluation of each currency in terms of sterling at that date. The results are set out below:—

RELATIVE WHOLESALE PRICE-LEVELS IN STERLING AREA: 1931-34
(United Kingdom = 100 throughout)

	Norway	Sweden	Denmark	Australia	New Zealand	Canada	South Africa	Argentina
1931—Sept.	100	100	100	100	100	100	100	100
Dec. ...	96	95	100	94	93	93	90	99
1932—March	98	95	100	97	94	93	90	99
June	105	103	106	102	101	98	93	106
Sept.	99	97	103	98	94	91	84	96
Dec. ...	104	100	108	97	95	91	88	97
1933—March	105	100	115	98	101	94	94	100
June	96	92	104	96	92	90	90	91
Sept.	97	94	109	98	92	82	88	91
Dec. ...	98	97	112	97	94	94	102	102
1934—March	96	97	110	97	94	96	98	103
June (a)	97	98	108	97	94	96	92	105
Rate of exchange:— June, 1934: Per cent. of rate current Sept. 1931 (b)	Kr.19.90	Kr.19.40	Kr.22.40	£125	£125	\$5.00	£100	26½d
Under valuation of foreign currency*	-11.5%	-8.5%	-12.2%	-1.0%	-27.3%	-8.6%	-8.0%	-8.5%

* Relates to June, 1934, and arrived at by calculating the percentage divergence of line (a) below line (b).

The table shows that Norwegian and Swedish prices have stood consistently below British prices, except in June,

1932, when British prices reached their nadir, and in the winter of 1932-33, when British prices were again depressed. Both the Norwegian and Swedish kroner, however, were linked to sterling at a slight discount. Both currencies were then undervalued in terms of sterling; and it appears that last June the Norwegian krone was undervalued by 11.5 per cent. and the Swedish krona by 8.5 per cent.

The Danish price curve is roughly parallel to that of the other two Scandinavian nations, but it was shifted on to a higher plane by the depreciation of the kroner in January, 1933. This upward shift, however, was not sufficient to compensate for the depreciation of the exchange, and last June the kroner was undervalued by 12.2 per cent.

New Zealand wholesale prices can be usefully compared with the Danish. There is a rough parallel, though the level of New Zealand prices is definitely lower. The most significant fact is the failure of New Zealand prices to rise permanently above the sterling level after the heavy depreciation of the New Zealand pound in January, 1933. As a result of this failure, last June the New Zealand pound was undervalued in terms of sterling by as much as 27.5 per cent. Australian prices, on the other hand, have shown comparatively little variation from British prices, and in comparison with 1931 the Australian pound is in equilibrium with sterling.

South African prices fell a long way below British prices in 1932, when South Africa was still on gold. Since then the two curves have drawn closer together; but in June last the South African pound was still undervalued by about 8 per cent. Canadian prices have moved in much the same way, as the Canadian dollar depreciated with the American dollar. Last June the Canadian dollar was undervalued by 6.6 per cent. Finally, Argentine prices have recently risen above British prices as a result of depreciation of the peso during the past year. Even so, the peso is still undervalued by 8.5 per cent., but the change in the position of the peso is so recent that the process of readjustment is probably incomplete. It is also doubtful how far the wholesale prices of a primary producer such as the Argentine are comparable with an industrialised country like England. This qualifies the comparison to some extent.

The general impression left by this analysis is that, assuming equilibrium existed in September, 1931, the pound has since become overvalued by nearly 10 per cent. throughout the sterling area. In other words, British prices are 10 per cent. too high. It is important to know how far this is the result of our drift towards economic nationalism as expressed in our tariff, the Ottawa Agreements, and our control of agricultural imports. It must not be forgotten that we have concluded commercial treaties with every one of the countries mentioned, with the avowed object of mitigating the effects of our new protective policy. In spite of the tariff concessions embodied in these treaties, it appears that the pound is still overvalued, or in other words that British prices are relatively higher than those in these sterling area countries. It is reasonable to suspect that in the case of those sterling area countries with which we have not concluded commercial treaties the price level differential is greater still. As regards the relative level of British prices and those of countries now on gold, the position is complicated by the depreciation of sterling against the gold currencies, and also by the failure of many of the gold countries to lower their internal prices in full proportion to the depreciation of sterling.

In order to test this theory, some further evidence can be obtained by calculating the ratio of our imports from each sterling area country to our exports to that country, by values—that is, by dividing the value of our exports to it into the value of our imports from it. This procedure cancels out fluctuations affecting our total trade turnover,

on imports and exports alike. The results for the first nine months of the past five years are set out below:—

RATIOS OF IMPORTS FROM CERTAIN "STERLING AREA" COUNTRIES INTO BRITAIN TO BRITISH EXPORTS TO THOSE COUNTRIES, BY VALUE

Rates of British Imports to Exports*	Norway	Sweden	Denmark	Australia	New Zealand	Canada	South Africa	Argentina
First nine months:								
1930 ..	1.04	1.97	4.86	1.27	2.63	1.21	0.70	2.21
1931 ..	0.94	2.00	5.25	2.80	3.53	1.28	0.58	3.14
1932 ..	1.43	1.75	4.20	2.38	4.00	2.27	0.81	4.88
1933 ..	1.26	2.03	3.01	2.16	4.38	2.48	0.59	3.28
1934 ..	1.29	1.81	2.44	1.84	4.08	2.25	0.39	3.21

* i.e., of imports into, to exports from, Great Britain.

The Norwegian and Swedish ratios show little change. It appears that the undervaluation of these currencies has offset the British tariff. The Danish ratio has been halved. This is partly due to the development of our home agricultural policy, but the main cause is the expansion in the New Zealand ratio, due to the Ottawa Agreements and the marked undervaluation of the New Zealand pound. New Zealand has gained at Denmark's expense, for she now has the larger share of a restricted British market.

The Australian ratio has fallen from its 1931 peak, as Australia's ability to import has improved, but the ratio is still above the 1930 level. Canada steadily improved her position until this year, when the undervaluation of her dollar became less pronounced. The Argentine ratio has also fallen since 1932 after the debt agreement and the gradual relaxation of Argentine import restrictions. The South African ratios are so distorted by gold shipments as to be incapable of a strictly "commercial" interpretation.

These results confirm the view that the British tariff has led to the growth of a 10 per cent. price differential which is also true of those sterling countries, i.e. the Dominions, to whom we grant preferences. As an important point of detail, New Zealand has to some extent succeeded in ousting Denmark, but Denmark is now buying more British goods, absolutely, than New Zealand. In general, the sterling area has been, and still is, subject to certain internal stresses, but it is standing these well and has proved itself a useful and practicable system. It is stronger than the gold bloc and its currencies have been more stable than the American dollar. Yet our change in fiscal policy and subsequent measures of economic nationalism have necessitated certain off-setting readjustments, and these do not yet seem to have been provided for or achieved.

FINANCIAL NOTES

The Money Market.—Money and discount rates have been a shade firmer this week, partly because funds are being accumulated in public deposits at the Bank of England and partly because of an impending increase in tender issues of Treasury bills. On November 23rd £40.0 millions of bills are to be offered, and if the whole amount is allotted, there will be an increase of £10 millions in the total supply of bills. The Treasury, of course, is making preparations for the War Loan dividend payment on December 1st, and this largely explains both these changes in the position. In consequence, most outside lenders are now holding out for $\frac{1}{2}$ per cent. and in some cases are trying to secure $\frac{3}{4}$ per cent. for loans against bonds. A rate of $\frac{1}{2}$ per cent. is also charged for loans into the New Year.

	Nov. 1, 1934	Nov. 8, 1934	Nov. 15, 1934	Nov. 22, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks	1	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1	1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ -1
Discount rates:—				
Treasury bills.....	$\frac{3}{8}$ - $\frac{7}{8}$	$\frac{5}{8}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{7}{8}$	$\frac{7}{8}$ -1	$\frac{1}{2}$	$\frac{1}{2}$

Discount rates have also become a shade firmer during this week. The Treasury bills issued on November 16th went at

an average tender rate of 4s. 9.46d. per cent., against 5s. 2.65d. per cent. the week before, but last week's applications were small, and this week January and February maturities have been offered at $\frac{1}{4}$ per cent., with few buyers. The rate for three months' bank bills has also changed from a weak to a firm $\frac{3}{8}$ per cent., and on Thursday afternoon the discount market was expecting an advance in the Treasury bill tender rate the following day. The position should become temporarily easier again in early December, after the War Loan dividend payment, but Christmas currency withdrawals should then begin to take money in appreciable quantities off the market.

The Bank Return.—There has been a further contraction in the note circulation, and as a result the Reserve has risen by £2,000,000. Next week the Christmas expansion in the circulation will begin, and by the end of a fortnight should be sufficient to affect the supply of credit.

BANK OF ENGLAND

	Nov. 22, 1933	Dec. 27, 1933	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.5	190.7	192.0	192.0	192.1
Note circulation.....	367.5	392.0	379.8	378.9	376.9
Banking Department:—					
Reserve	84.2	59.7	72.9	73.8	75.8
Public deposits.....	18.8	22.2	10.0	20.9	25.3
Bankers' deposits	103.0	101.2	107.2	97.9	95.9
Government securities ...	67.8	88.0	79.8	79.1	80.1
Discounts and advances	8.5	16.8	9.6	9.6	8.6

Proportion 53.2% 37.3% 46.9% 47.4% 47.6%
There has been a further expansion of £4.4 millions in public deposits, due in part to the excise payments which are always made in the middle of the month. As a result of this, bankers' deposits have fallen by £2,000,000 and are £11.3 millions less than a fortnight ago.

The Foreign Exchanges.—The London market has been idle this week, but profit-taking and the successful formation of new Governments in France and Belgium has caused some strengthening of the gold bloc currencies. French francs have been steady at Frs. 75 $\frac{1}{2}$, and early in the week the rate was strong enough to enable the British control to sell a few francs. Three months' francs have also been firmer. Belgas have also become stronger, the three months' rate in particular having narrowed to 37 $\frac{1}{2}$ cents discount,

THE STOCK EXCHANGE

INDIA GOVERNMENT STOCKS

THE Report of the Joint Select Committee on the proposed constitution for Indian government is of first-rate importance to the holders of the £295 millions of Indian sterling loans which enjoy an active London market. Its publication coincides with a period of strength in all gilt-edged stocks. Its implications as regards India's future borrowing status will demand careful consideration by trustees and other investors who, in the past, may have been attracted by the higher yields obtainable on Indian than on British Government stocks. On comparable long-term issues, the price differential has recently been as much as 10 to 15 points, equivalent to an interest differential of about one-half of 1 per cent.

A certain "margin" may be appropriate in the case of loans issued by primary producing countries. Quotations for Indian stocks, however, appear also to have taken account of pending political changes. These considerations have recently tended to obscure the extent of Indian economic recovery, which, since the crisis years of 1931 and 1932, has been considerable, though unspectacular. At the impact of financial strain, the linking of the rupee to sterling gave India the advantage of membership of the sterling area. The table which follows clearly shows, however, that extreme depression in the export trades was not immediately avoided by this policy. The rupee gold premium, in fact, supplied the solution to the problem of raising an adequate visible balance, since the export surplus on merchandise account shrank, in the fiscal year 1932-33 to as little as 3,36 lakhs of rupees. From September, 1931, India reversed her traditional "treasure" movements and became on balance a large exporter of gold. As a result, her total visible balance of trade, from 1931-32 onwards, was higher than in any year since 1925-26. Although there are signs that this adventurous benefit is slowing down, possibly owing to the difficulty of enticing further amounts from up-country hoards, there are also indications that the merchandise balance is once more slowly moving in the right direction.

YEARS TO MARCH. AMOUNTS IN LAKHS OF RUPEES
(1 lakh is equivalent at par to £7,500)

	1929-30	1930-31	1931-32	1932-33	1933-34	Five Months April-Aug.	1933	1934
Merchandise :-								
Imports	238,95	163,61	125,72	132,27	115,02	46,63	51,40	
Exports	317,93	225,64	160,55	135,63	149,73	61,04	63,25	
Export surplus	78,98	62,03	34,83	3,36	34,71	14,41	11,85	
Treasure :-								
Imports	27,77	26,86	7,26	2,99	1,96	71	65	
Exports	1,57	2,43	62,91	67,92	59,19	22,88	23,70	
Net treasure export	26,20	24,43	55,65	64,93	57,23	22,17	23,05	
Total visible balance	52,78	37,80	90,48	68,29	91,94	36,58	34,90	
Council bills and other sterling purchases	20,39	7,26	53,04	48,18	59,97	23,63	16,20	
Sterling transfers on London sold in India	...	7,75	18,98	...	...	...	...	
Other drafts on India (net)	62	41	26	45	47	7	18	
Balance of remittances	21,01	Dr. 8	34,32	48,63	60,44	23,70	16,38	

† Net imports. ‡ Excluding value of railway materials imported direct by State Railways, which do not enter into balance of trade.

The merchandise export position, however, has still fully to recover from the effects of lower price levels. Quantitatively the returns for 1933 were not unsatisfactory. While low prices prevail the purchasing power of the pre-

dominantly agricultural population is necessarily straitened, and the real burden of their fixed indebtedness substantially increased. Wholesale prices, which varied only between 148 and 141 during the years 1926 to 1929 (July, 1914 = 100) fell sharply in 1930 and 1931, and are now steady at just under 90. This price factor, which has caused delay in payments and accumulation of rent and other arrears, was emphasised in the Finance Member's Budget speech in February last. That it has had serious repercussions on India's importing capacity cannot be questioned, although the fall in actual imports has been intensified by high import duties on silk, sugar and cotton goods.

Between 1921 and 1931, according to the Census returns, the number of persons engaged in pasture and agriculture in India rose by five millions. The number engaged in industry, mining and finance increased by eight millions. The total of cotton spindles in British India increased by over 27 per cent. in the decade 1921-30. The increase in looms was as much as 31 per cent. The growth of joint-stock capital employed by companies working in India, especially in manufacturing and mining industries, points to the same conclusion. India is actively developing a nucleus of basic industries. Although the production of pig iron fell considerably between 1929 and 1932, the trend during the last decade has reflected steady growth, and the current level of output is approaching the high level of 1929. The trade agreement with Japan, which was signed last January, establishes, until March, 1937, the principle that Japanese cotton goods, in excess of the agreed 125 million yards, will be allowed to enter only if corresponding purchases of Indian raw cotton are made.

Provided the progress of "industrialisation" is not artificially forced, it is calculated to enhance the national wealth and income, and, incidentally, to mitigate the element of "inelasticity" in the public revenues. The Budget estimates for the current financial year show that, of a tax revenue of 76,51 lakhs of rupees, some 47,76 lakhs are to be derived from Customs, 8,73 lakhs from salt, and only 17,25 lakhs from direct taxation. The tax revenue represents approximately 2 rupees per head, equivalent to about 3s. sterling. Holders of Indian stocks may find the Budget statements somewhat difficult to dissect. The effective charge for loan interest, for example, is largely concealed in the self-balancing railway budget. The total "interest on ordinary debt," budgeted for in the current financial year, is 39,77 lakhs, which has been immediately recharged to railways, posts and telegraphs, provincial loans fund, and other headings. The budget burden is therefore limited to "interest on other obligations," which for the most part are of purely domestic concern. The gross payment to England is estimated at 19,63 lakhs in the current year, of which interest on loans and railway annuities accounts for 17,56 lakhs. Of a gross budget revenue of 1,19,71 lakhs (including railway revenues) the interest service of Indian loans in London requires only some 16 per cent. The burden of lower prices, however, has necessitated a reduction in "debt avoidance" allocations to 3 crores for the past and current financial years. This, however, in view of the inability of the railways to contribute to the general revenue under present conditions, may doubtless be regarded as a justifiable temporary expedient. Broadly, British stockholders may conclude that interest on India's sterling obligations requires a relatively small proportion of a revenue which appears to have sound potentialities for long-term expansion.

In the recent past, however, India's credit in London has been somewhat strained by political rather than economic factors. At Christmas, 1929, thinly veiled threats from Lahore, which coincided with the discussions for a new system of government, not unnaturally suggested to some British investors that the security for their loans might be

INVESTMENT NOTES

endangered. In January, 1930, Mr Wedgwood Benn, then Secretary of State for India, declared that the Government of that time had no intention of allowing a state of affairs to arise in which repudiation of debt could become a practical possibility. This general principle has always been upheld, and the Report of the Joint Select Committee confirms the "special responsibilities" set out in the White Paper regarding financial and other matters. Ultimate control, in effect, is hereafter to vest in the Governor-General on all aspects of debt security and service, but the Report does not specifically provide that new borrowing must necessarily be utilised for productive purposes. The earlier history of Dominion finance suggests that overborrowing for non-productive purposes may proceed for some time before credit is "seriously prejudiced" in leading centres. It may be presumed, however, that there is slight substance in this proviso, as regards Federal borrowing. The wide powers of intervention

the profits of important companies whose accounts are made up to September 30th are running close to, and in some cases exceeding, the level of 1929:—

Company	Years to September 30					
	1929	1930	1931	1932	1933	1934
Profits (in £'000):—						
Ansells	266	245	228	156	206	346*
Bass	1,168	1,179	1,245	1,088	1,103	1,252
Bristol Georges	243	261	276	288	288	305
Bristol United	107	111	109	88	92	102
Mitchells and Butlers	642	672	627	519	424	625
Stretton's Derby	162	162	157	123	124	140
Stroud	99	103	106	92	93	99
Total profits	2,687	2,733	2,748	2,348	2,330	2,872
Ordinary dividends (%):—						
Ansells	15	15†	15	10	10	15
Bass	20†	19†	17†	14†	15†	20†
Bristol Georges	20†	20†	20†	20†	20†	20†
Bristol United	16‡	16‡	16‡	12‡	13	15†
Mitchells and Butlers	15†	15†	11†	11†	11†	15†
Stretton's Derby	27‡	30	30	22‡	25	31
Stroud	20†	20†	20c	17‡	18‡	21

* On capital increased by amalgamation. † Free of tax. ‡ And 33½ per cent. capital bonus. § Figures shown after deduction of direct expenses. ¶ Fifteen months equated to twelve. (a) And capital bonus of 50 per cent. (b) Of which 7½ per cent. free of tax and 12½ per cent. subject to tax.

Brewery directors have shown willingness to pass on to ordinary shareholders the financial consequences both of depression and renewed prosperity. Of the seven companies shown, four are paying the same rates for 1934 as for 1929, and one is paying a higher rate. Bristol Brewery, Georges, which has the almost unique record of a constant dividend throughout the depression, is now distributing a capitalised bonus of 50 per cent. By every canon, the brewery industry, whose post-war finance has been a model of conservatism, is financially prosperous to-day. Investors, however, might be unwise to look for a dramatic rise in dividends next year. Consumption may have room for a further moderate increase if the curve of national activity continues to rise, and the economies of "rationalisation" are certainly not exhausted. But a third hot summer in succession would be a meteorological miracle. The remaining reports of 1934 may include a few more pleasant surprises for the market, but, for those companies whose 1934 dividends have been declared, the main harvest of recovery has now been reaped. In their case a somewhat lower yield level may be appropriate to-day than before their dividend declarations.

London Transport Prospects.—As the London Transport Board draws near to the end of the third half-year of its operations, investors are taking an increasingly favourable view of the long-term prospects of its junior ("C") stock. When the Board declared a 3 per cent. dividend on this stock last August, its market quotation fell to 78½. It has now risen to 91½. No detailed accounts for the year to June 30th last have yet been issued. The provisional figures avowedly included an element of approximation, and did not disclose the amount of revenue which had been "reserved" for sums eventually payable under the pooling scheme, or by way of interest on transport stock still to be issued. They were, in fact, obviously drawn up so as to cover a 3 per cent. "C" dividend to a penny. Subsequently, the Board has issued weekly gross traffic receipts for 1934-35, with a comparison for 1933-34 which eliminates non-comparable receipts due to the absorption of additional undertakings in the interim. Receipts on this basis appear to be slowly but surely rising. If it be assumed (a) that there has been a proportionate increase in expenses, and (b) that the 3 per cent. "C" dividend for 1933-34 was just earned, then current receipts would seem to be running at the rate of about 3½ per cent. on the "C" stock. The whole calculation is necessarily provisional, but the market is beginning to regard the "C" stock as being on a "safe" 4 per cent. dividend basis, with reasonable prospects of an eventual rise to the maximum of 6 per cent. laid down in the Act. This view, in the long run, may be essentially sound. At no time, before the passage of the Act, were we able to endorse the criticism of those who denounced the London Transport Board as being grossly over-capitalised. London Transport receipts do not fluctuate widely over short periods, and their general tendency over the next few years must almost inevitably be

upward. Whether the price of the "C" stock, however, will remain stable at its present level in the near future is another matter. Much may depend on the nature of the arbitration award in the Tilling Case, and the willingness or otherwise of those undertakings which have received, or will receive, "C" stock as part consideration for their assets, to retain their stock indefinitely.

Industrial Profits in October.—We received 165 company reports last month, showing an aggregate rise in profits of 49.70 per cent. by comparison with the previous year. Figures for recent months are shown below:—

Reports Published in	No. of Companies	Rise or Fall in Profits %	Reports Published in	No. of Companies	Rise or Fall in Profits %
1933—			1934—		
August	45	-11.62	March	216	+6.34
September	102	-4.06	April	188	+12.96
October	121	+17.06	May	251	+23.43
November	185	+79.64	June	201	+20.44
December	138	+13.04	July	197	+27.10
1934—			August	30	+35.47
January	122	+3.02	September	89	+40.63
February	209	+5.02	October	165	+49.70

* After payment of debenture interest.

The reports of the month disclose net profits of £6,023,877, as compared with £4,023,803 in the preceding year. The increased percentage rise in profits reflects the inclusion of more and more "good" months in the earnings picture. Certain industrial groups show impressive absolute figures. Ten brewery companies report net profits of £940,173, against £497,419 for the previous year. Iron and steel profits continue their improved trend—14 companies earned £288,353, against Dr. £15,386—while a comparable swing-over is exhibited by 44 rubber companies (£214,526, against Dr. £13,725). The miscellaneous group has shown satisfactory but under-average improvement. Some important results of the month are shown below:—

technical efficiency. Less than a fortnight ago the Cargo Fleet Company brought into operation one of the finest new batteries of coke ovens in the country. The South Durham results are in striking contrast to those of another "Furness" concern, Weardale Steel, whose accounts to September 30th show a decline in total profits from £70,635 to £66,499. This is entirely due to a severe and unexplained drop in interest on investments. As these are mainly in Government securities, the reason is not obvious. A summary of South Durham and Weardale results for the last three years is given below:—

(AMOUNTS IN £'000; YEARS TO SEPT. 30)

	South Durham Steel			Weardale Steel		
	1932	1933	1934	1932	1933	1934
Net trading profit	...	...	...	38.5	24.8	29.6
Other income*	...	...	...	38.3	45.9	36.9
Total profits	49.1	43.4	105.2	76.8	70.6	66.5
Earned for debentures	31.8	26.0	77.9	73.3	67.1	63.3
Earned for dividends	18.3	12.5	64.4	61.8	55.6	51.8
Total preference dividends	18.0	18.0	18.0	30.0a	30.0a	30.0a
Ordinary { Earned	0.3	Dr. 5.5	46.5	22.6b	29.6b	17.6b
Paid	10.5	Nil	31.5	13.5	13.5	13.5
Earned (%)	0.1	Nil	8.7	11.4b	9.6b	7.8b
Paid (%)	3	Nil	9	6	6	6
Dividend on "B" Ord.†	Nil	Nil	17.6(3%)	...	...	...
To reserve	Dr. 10.0	Nil	25.0	20.0c	10.0c	10.0c
Carried forward	141.7	136.3	111.6†	18.6	20.8	19.1

* Includes interest on investments, dividends from subsidiaries, and transfer and registration fees. † South Durham only. ‡ After bringing in £9,000 from income tax account. (a) Preferred ordinary. (b) On deferred, after allowing for participating rights of preferred shares. (c) For general reserve, including depreciation.

The South Durham figures may, perhaps, be regarded as measuring the claim which the company has been able to stake out against certain eventualities. Much water has flowed down the Tees since last year's agreement was abandoned. It would seem that the terms of any future scheme for the consolidation of iron and steel interests on the North-East Coast must be even more favourable to South Durham than those of last year. It remains to be seen whether a fusion which remains eminently desirable in the interests of the industry has been rendered any the less difficult, financially, by recent events.

Wall Paper Manufacturers.—There is a certain affinity of outlook between this company and Courtaulds. Phrases such as "rendering it less easy for new competitors, with machinery redundant to consumption, to commence operations, and for those in existence to increase their share of business obtainable" might equally apply to each. In pursuit of this policy of consolidation of interests, the Wall Paper Manufacturers have acquired seven additional businesses during the past year, whose profits are included in this year's accounts and thus render exact comparison with previous years impossible. The parent company's profits have increased by nearly £100,000 to £672,051, and interest and other receipts bring the total income to £742,468, against £635,056. The dividend on the deferred stock is increased to 12½ per cent., which is handsomely covered by earnings of 19.8 per cent. A three-year profit and loss analysis follows:—

	Years to August 31,		
	1932	1933	1934
Profit on trading, including dividends from subsidiaries, and after depreciation	553,403	572,884	672,051
Interest and other receipts	54,744	62,172	70,417
Total income	608,147	635,056	742,468
Income tax	66,349	58,246	58,690
Staff funds	10,000	10,000	10,000
Debt interest	40,569	40,569	70,830†
Preference dividends	60,000	60,000	60,000
Ordinary div.	140,000	140,000	152,741
Deferred { Earned	291,229	326,241	390,207
Paid	200,000	230,000	268,799
Earned %	16.1	17.9	19.8
Paid %	10	11½	12½
Goodwill, patents, etc., w.o.	100,000	98,815	...
Reserve fund	...	...	100,000
Carried forward	263,991	261,417	282,825

† Includes £30,262, interest payable under agreements for purchase of new businesses.

The balance sheet changes are of interest in view of the acquisitions of the past year. Goodwill standing in the last accounts has been written off by transfers from reserve and profit and loss accounts totalling £948,815. A new item appears, however, for valuation of businesses acquired, less premiums on shares taken in part consideration, amounting to £1,843,945, which is further reduced by £360,912, resulting from a revaluation of Government securities. Since the consideration for the new acquisitions had not been met at the balance-sheet date, a liability of £2,524,816 is shown to the vendors, of which £1,786,405 is to be met in cash, while the balance represents the nominal amount of shares to be issued. Since the disclosed net addition to fixed assets during the year is only £260,356, the inference may be drawn that the companies acquired had a considerable strategic importance in the industry, but it is impossible to compute the precise value of the assets and goodwill acquired. Payment of the cash consideration will leave the company with over £1,400,000 net current assets. The £1 units of deferred stock are quoted at 61s. 6d. to yield £4 2s. per cent.

United Molasses.—Welcome evidence of recovery is shown in the preliminary profits statement for the year to September 30th. The consolidated profits of the parent and subsidiary companies, after management and other charges, amount to £651,531, of which £283,806 has been allocated to depreciation. The balance available, after providing for debenture and other interest, preference dividends and redemption of income stock, amounts to £125,440, and £23,780 has been retained in subsidiary companies. The nearest comparable figure for the nine months to September 30, 1933, was a deficit of £156,314, excluding £501,880 specially allocated to meet capital losses. This turn of the tide will be encouraging to shareholders who have suffered the full force of depression in the

Monday's over-optimistic buying of industrial shares was not maintained. The market's ability to absorb profit-taking was generally reassuring, but appreciable irregularity developed as the week wore on. Further increased dividend declarations added speculative fuel to the brewery market's activity, but profit-taking reaction was evident

	Nov. 15, 1934	Nov. 16, 1934	Nov. 17, 1934*	Nov. 19, 1934	Nov. 20, 1934	Nov. 21, 1934
Stock Exchange— Shares (Thous.)	1,540	1,030	450	980	870	810
Bonds (Value Thous. \$)	12,640	14,040	7,450	12,360	10,780	11,820
Curb— Shares (Thous.)	212	153	78	177	167	174

* Two-hour Session.

The Canadian stock markets have continued in an unsettled and unhealthy state, their weakness being attributed to the stagnation of the New York market. Uncertainty over the winter outlook for Canadian business has also been an adverse factor. The most popular market counters have been International Nickel, Brazilian and Ford of Canada. There has also been a certain interest in the brewery and oil stocks. The prospect of Federal intervention to assist the newsprint industry in obtaining a better export price has had a favourable effect on newsprint stocks. The Democratic victory in the United States improves the prospects of the St. Lawrence Waterway and has helped the construction stocks. Last month, however, witnessed a serious slump in most mining stocks, due to disappointment with the results of further exploration of some of the newer mining fields, and to investigations regarding the conduct of the boards of some well-known mining companies. The Commodity Exchange in Montreal, which claims to provide the only open market for silver futures in the world, is now

operating with over 200 members and doing a considerable business.

	Price, Oct. 25, 1934	Price, Nov. 21, 1934	Price, Nov. 21, 1934	Price, Nov. 21, 1934	Price, Nov. 21, 1934	Price, Nov. 21, 1934
Bell Telephone.....	122½	120½	123½	123½	123½	123½
Canadian Car and Foundry.....	7½	7½	7½	7½	7½	7½
Do. pref.	14½	14½	14½	14½	14½	14½
Power Corporation ..	8½	8½	8½	8½	8½	8½
Dome Mines	38½	38½	37½	37½	37½	37½
Hollinger	19½	18½	19½	19½	19½	19½
McIntyre	43½	40½	41½	41½	41½	41½
Bank of Montreal ..	200	201	206½	206½	206½	206½
Bank of Nova Scotia ..	264½	272	279½	279½	279½	279½
Royal Bank of Canada ..	165	169	173½	173½	173½	173½
Canadian Bank of Commerce ..	159	165	169½	169½	169½	169½
Canadian Pacific Ry. ..	12½	10½	11½	11½	11½	11½
Cockshutt Flow.....	6½	6½	6½	6½	6½	6½

† Calculated 44.86½ to £.

CAPITAL ISSUES

TRUSTEE borrowers have been entirely absent from the London market this week, but the less conservative investor has had ample opportunity of indulging his tastes. The first preference shares of *Thos. W. Ward*, for instance, offer an attractive yield, which is satisfactorily covered by present recovery earnings, although profits in the past have been subject to wide fluctuation. The prospectus profits, however, are stated before depreciation, provision for which should be regarded as a prior charge for long-term investment purposes. The issue of *Argentine Navigation* sterling debentures is a conversion operation. The debentures are not free from a certain risk element, which may be measured by their rate of 5½ per cent. This, however, attaches more to the exchange situation than to the internal position of the company and its subsidiaries, which has shown rapid improvement during the first six months of the year. The shares of *Vacuum-Packed Produce* must be valued largely on prospects, and although the packed dairy produce which is to be imported and distributed by the company has received favourable technical comment, income by way of commissions will depend on the achievement of a considerable turnover. *Broadways (Retailers)* has been formed to bring 6r confectionery shops under unified management, the benefits of which, to judge from the prospectus estimates, have not been underrated. *Kenning Estates* small preference issue is of rather local interest, and the difficulty of ready marketing would make the shares an unattractive general investment medium. The merits of *Motor Fuel Proprietary* issue to shareholders are discussed on page 989. Statements for information only have been published this week by *Shropshire Beet Sugar*, *R. W. Crabtree and Sons*, *Home and Foreign Investment Trust* and *Colony of Fiji*.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to November 17, 1934, excluding conversions, £151,408,116.						
Total recorded, January 1 to November 17, 1934, including conversions, £359,568,574.						
National Savings Certificates.—Net receipts, Week ended November 17, 1934, £50,000.						
	Nominal Capital	Conversions	New Money	First Payment	Further Liability	
To the Public						
Chesterfield Corporation, £500,000 3% Stk. Red., 1960, at 99½%	500,000	...	497,500	25,000	472,500	
Argentine Navigation Co. Mihanovich, £1,500,000 5½% Debts. at 99% (to repay £1,354,345 6½% Debts. at 105%)	1,500,000	1,485,000	...	75,000	1,410,000	
Thos. W. Ward, 350,000 5% 1st Cum. Pref. £1 at par	350,000	...	350,000	87,500	262,500	
Vacuum-Packed Produce, 450,000 Ord. 5½ at par	120,000	...	120,000	60,000	60,000	
Kenning's Estates, 70,000 5% Cum. Pref. £1 at par	70,000	...	70,000	17,500	52,500	
Broadways (Retailers) 500,000 Ord. 5½ at par	125,000	...	125,000	25,000	100,000	
Total	2,665,000	1,485,000	1,162,500	290,000	2,357,500	
To Shareholders only						
Ismay (John) and Sons, 200,000 Ord. Shares 1½ at 9½	10,000	...	30,000	30,000	...	
Neuchatel Asphalte, £160,000 4½% Deb. Stk. at 97½ (to repay 8% Stock)	160,000	156,000	...	16,000	140,000	
Biting Rubber, 160,000 Ord. 1½ shares at par	8,000	...	8,000	4,000	...	
Motor Fuel Proprietary, 300,000 Shares 5½ at 15½	75,000	...	225,000	...	225,000	
Total	253,000	156,000	263,000	50,000	385,000	

	Total Offered for Subscription—Including Conversions	Excluding Conversions	Total Offered for Subscription—Including Conversions	Excluding Conversions
Jan. 1 to date—				
1934	362,705,074	152,833,616	1933	467,921,560
1933	440,430,009	227,047,424	1932	2,599,684,263
1932	775,382,248	184,863,946	1931	114,200,666
1931	110,576,928	99,699,943	1928	693,100,058
1928	523,791,004	349,761,273		369,058,073

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debtentures	Preference	Ordinary	Total
January 1 to date—				
1934	93,865,859	17,532,957	41,359,800	152,758,616
1933	219,928,707	8,842,766	8,021,951	237,147,424
Whole year—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,910,000
1933	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	24,490,568	...	36,369,025
Alpha Cement, 200,000 5½% Cum. Pref. £1 at par	200,000	21½	212,500
Alfred Lockhart, 400,000 Ord. 5½	100,000	6½	132,500
Total to date, 1934	24,790,568	...	36,714,025
Total to date, 1933	33,614,944	...	36,860,395

PUBLIC OFFERS

Thos. W. Ward, Ltd.—Issue of 350,000 5 per cent. first cumulative preference shares of £1 each at par. Business founded 1878 and registered 1904. Present issue required to repay bank overdraft used for financing recent developments. Net assets at June 30, 1934, were £1,837,928. Profits for years to June 30th have been: 1932, Dr. £8,877; 1933, £15,876; 1934, £101,193 (in each case before providing £17,500 representing interest at 5 per cent. on bank overdraft now to be paid off).

Argentine Navigation Company Mihanovich, Ltd.—Issue of £1,500,000 5½ per cent. first mortgage sterling debentures at 99. Holders of £1,354,345 6½ per cent. debentures, called for redemption on August 1, 1935, are offered exchange at par, plus cash payment of £6½ per cent. for capital and interest adjustment. Debentures are first charge on Argentine fleet valued \$31,054,541 (Arg. paper) and shares of the Uruguay Navigation Company, and are redeemable at or below par by sinking fund, from July, 1936 to 1964. Combined profits, 1932, \$2,288,934; 1933, \$1,641,634; six months ended June, 1934, \$1,521,106. Interest requirement, calculated at 17.06 pesos to £ (latest rate), is \$1,791,300 (Arg. paper).

Kenning's Estates, Ltd.—Issue of 70,000 5 per cent. cumulative preference shares of £1 at par. Formed as property and land investment company. Has contracted to purchase properties in Sheffield, Manchester and elsewhere valued at £87,900, of which £61,600 represents freeholds. Purchase consideration, £85,000, payable as to £15,000 in cash and as to balance by allotment of 70,000 £1 ordinary shares. Estimated net income, including properties to be built at cost of £50,500, is £7,145.

Broadways (Retailers), Ltd.—Issue of 500,000 ordinary shares of 5s. each at par. Formed to acquire group of 32 confectionery businesses, carried on in 62 shops, including

OFFER TO NEW READERS

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

To Publisher, "Economist Newspaper Ltd.,"

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

Name.....

Address.....

goodwill, fixtures, stocks and leases of premises. Businesses mainly located in London suburbs. Premises, fixtures and goodwill, on going concern basis, valued £100,871 (exclusive of stocks). Profits before depreciation: 1932, 51 shops, £19,321; 1933, 61 shops, £22,363, or £18,262 after amortisation of leases and depreciation. Net profits for first financial year estimated at £30,000. Consideration £98,809, of which £73,809 payable in cash and balance by allotment of 100,000 5s. shares. Stock in trade estimated to cost £16,000. Amount estimated in respect of goodwill £53,909.

BY OFFER FOR SALE

Vacuum-Packed Produce, Ltd.—Offer of 480,000 ordinary shares of 5s. each at par. Formed September, 1934, to acquire interest in New Zealand company owning patents and to distribute packed produce. Company has option to subscribe at par for 60,000 shares of 10s. (N.Z.) in New Zealand company. Purchase consideration is £5,000 in shares for marketing rights of N.Z. company's produce. On estimated turnover of £954,000 per annum, average net profit is estimated at £20,600 per annum for first three years. Estates and Industrial Trust have purchased the issue at par, and pay expenses for consideration of £12,000.

BY STOCK EXCHANGE INTRODUCTION

Fiji Three per Cent. Stock, 1960-70.—The Crown Agents for the Colonies have issued on behalf of the Colony of Fiji, £182,496 3 per cent. inscribed stock. The money is required to meet the cost of road and bridge works. £120,000 has been sold to the market at 99. The balance has been placed privately.

Shropshire Beet Sugar Company, Ltd.—Issued share capital, 332,000 10 per cent. preferred ordinary shares of £1 and 332,000 deferred shares of 2s. 6d. each. Incorporated April, 1927, to trade as sugar refiners and manufacturers. Assets total £414,840, including land, buildings and machinery £370,000, debtors £25,778. Advances from Ministry, £18,532, profit and loss balance, £25,989. Total profit for year to March, 1934, £40,760, of which £21,339 provided for depreciation.

R. W. Crabtree and Sons, Ltd.—Particulars of issue of £125,000 4½ per cent. debenture stock. Secured by first charge, and redeemable by December 1, 1965, at or under 101 per cent. by sinking fund, or after December 1, 1945, on six months' notice. Carlton Greig and Company have subscribed for the issue at £97½ and £3,500 for expenses.

Home and Foreign Investment Trust, Ltd.—Particulars of issue of £150,000 4 per cent. debenture stock, 1953-63. Repayable on November 1, 1963, at par or from November 1, 1953, on three months' notice. Stock ranks *pari passu* with existing 5 per cent. stock. £50,000 of the issue has been placed at £97 per cent., £50,000 at £98 per cent., and £50,000 is on issue at £100.

ISSUES TO SHAREHOLDERS ONLY

Biting Rubber Estates.—Shareholders registered on November 15th are offered 160,000 ordinary 1s. shares at par (payable 6d. per share on application and allotment respectively) in the proportion of two ordinary shares for every five ordinary or preference shares held.

Neuchatel Asphalte.—An offer has been made to the 6 per cent. ten-year convertible debenture stockholders and preference and ordinary shareholders of £160,000 (part of £200,000) 4½ per cent. debenture stock, 1944-46, at 97½ per cent. The proceeds will be utilised to repay the 6 per cent. stock. The stock is redeemable on May 31, 1946, at par, with power to the company at its option to redeem on or after May 31, 1944, at par, or at 103 per cent. at any time between December 31, 1937, and May 31, 1944, on six months' notice.

Simmer and Jack Mines, Ltd.—1,000,000 2s. 6d. shares are now offered to holders registered on November 14th, at 7s. 6d. per share, on the basis of one new for every five shares held. Payment is in full on application.

Motor Fuel Proprietary, Ltd.—Issue of 300,000 shares of 5s. each at 15s. per share. Formed 1909, but has recently evolved new process for obtaining oil from coal. Production unit completed May, 1934, and reported to yield 27.3 gallons minimum light oil per ton, and 16 cwts. semi-coke. No "serious interference" with certain patents applications is expected, and a statement of claim has been provisionally accepted regarding the result of an official search following a further application. Estimated profits from 500 tons treatment per day, working 350 days continuously, £271,250; cost of plant estimated £150,000, and twelve months required for erection. 400,000 shares will be under option at various terms to subscribers and underwriters.



PRIVATE PLACINGS

Central Argentine Railway.—A further £100,000 Central Argentine Railway 5 per cent. redeemable debenture stock of 1967-87 has been placed privately.

CONVERSIONS AND REPAYMENTS

Buenos Ayres Western Railway.—£1,000,000 5 per cent. notes will be repaid in cash on January 1, 1935.

State of San Paulo 7 per cent. Realisation Loan, 1930.—Bonds for £320,200 nominal of the sterling issue and \$875,000 nominal of the U.S.A. dollar issue have been purchased towards the redemption requirements for the year ending March 31, 1935, and cancelled. A further adjustment of the stocks of pledged coffees has been made and such stocks are now as follows: 1,911,893 bags of Government coffee, 9,202,316 of planters' coffee.

United Molasses Company.—The directors have decided on repayment of income debenture stock, by offering ordinary shareholders right to subscribe to one 6s. 8d. share for every five shares held, at price of 10s. per share. This will provide £495,000, and will enable company promptly to repay balance of debenture stock. It is also intended to draw for repayment early in new year £100,000 4 per cent. funded income stock.

FIXED TRUSTS

First Provincial Fixed Trust.—The First Provincial Fixed Trust, 21, Spring Gardens, Manchester, 2, is making an issue of "B" unit certificates.

OFFERS ABROAD

Italian Loan.—The Italian Treasury is issuing a loan of 2,000,000,000 lire, bearing interest at 4 per cent., redeemable in nine years. The bonds will be issued at par and will carry prizes totalling 5,000,000 lire (£86,000) yearly for drawings in the first three years.

Spanish Treasury Bonds.—An issue of 300,000,000 pesetas of five-year 4½ per cent. Treasury bonds will be made on November 27th.

FORTHCOMING ISSUES

Marks and Spencer, Ltd.—An extraordinary general meeting will be held on December 14th, to consider (1) The sub-division of each ordinary and "A" ordinary share of 10s. into two shares of 5s.; (2) to increase nominal capital from £2,500,000 to £3,050,000 by creating 2,200,000 new "A" ordinary shares of 5s.; (3) early in January, 1935, to offer to holders of ordinary and "A" ordinary shares on register on December 17, 1934, one "A" ordinary share of 5s., nominal value, in respect of every five ordinary and "A" ordinary shares of 5s., at £1. These proposals will involve the issue of 869,675 "A" ordinary shares of 5s. each, and will augment the cash resources of the company by a sum of £869,675, of which £652,256 5s. will represent an addition to the reserve fund.

Oxendale and Company (Proprietors).—An extraordinary general meeting is to be held on November 28th to consider a resolution that the capital be increased from £350,000 to £400,000 by the creation of 50,000 new 5½ per cent. preference £1 shares.

South Wales Electric Power.—An extraordinary meeting of South Wales Electric Power will be held at Broad Sanctuary Chambers, S.W.1, on November 27th, at 11.45 a.m., to consider a resolution authorising the raising of additional capital by the creation and issue of £322,150 new ordinary stock *pari passu* with the existing ordinary. The new stock is to be disposed of as the directors think advantageous.

Spaarwater Gold Mining Company, Ltd.—East Rand Consolidated, Ltd., announces that it hopes to float the first subsidiary (Spaarwater Gold Mining Company, Ltd.) at the earliest possible date, which is expected to be the first week in December. Shareholders of East Consolidated will be offered 400,000 shares at 5s. each, and 200,000 shares at 7s. 6d. each, with options over 1,200 shares at 10s. per share for two years.

(Continued on page 100)

LONDON ACTIVE SECURITY PRICES AND YIELDS

NOTE—Shares with a New York Quotation or with definite American interest are distinguished by italics

In calculating yields on fixed income stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

dividends, account being taken of any dividends

Prices Year 1933				Prices Year 1934 (Jan. 1 to Nov. 21)				Name of Security				Price, Nov. 14, 1934				Price, Nov. 21, 1934				Rise or Fall				Yield			
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
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High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
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High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
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High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
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High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
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High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
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High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low		Low-High						Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield		Price, Nov. 14, 1934		Price, Nov. 21, 1934		Rise or Fall		Yield	
High-Low		Low-High		High-Low																							

(Continued from page 997)

British Cyanides, Ltd.—An issue by this company to its shareholders is shortly to be made.

Bletchley Flettons.—Underwriting has been completed for an issue at par of 185,000 6 per cent. cumulative preference shares of £1 each and 185,000 ordinary shares of 5s. each of Bletchley Flettons, Ltd., brick manufacturers. The issue will be made early next week.

RESULTS OF ISSUES

Chesterfield Loan.—Lists of the £500,000 of 3 per cent. stock of 1960 were closed at 9.5 a.m., November 16th.

South African Torbanite.—It is understood that underwriters have been relieved of their commitments in the issue of 1,000,000 10s. shares at par in this company.

Voice Records.—The list for the issue of 400,000 ordinary shares of 5s. each at par was closed at 9.5 a.m., November 16th.

Australian Loan.—Conversion lists in connection with the £14,601,806 of Australia 3½ per cent. registered stock of 1964-74 into which holders of the nine Australian stocks to be repaid had the right to exchange, closed November 19th.

Kennings Estates, Ltd.—The subscription list was closed at 10.40 a.m. on November 19th, the issue having been heavily over-subscribed.

Argentine Navigation Company.—The list for cash applications for issue of £1,500,000 5½ per cent. first mortgage sterling debentures closed at 9.5 a.m. November 20th.

Thos. W. Ward, Ltd.—The issue at par of 350,000 5 per cent. first cumulative preference shares of £1 has been heavily over-subscribed, and the lists were closed at 11 a.m. November 20th.

Sewer Valley Gas.—Allotment letters have been posted for accepted tenders. Tenders ranged from 24s. to 22s. per share for preference shares, and for the ordinary shares from 25s. to 22s. per share.

Vacuum-Packed Produce.—Lists for the offer for sale at par of 480,000 ordinary shares of 5s. each, which were opened on November 20th, were closed at 11.30 a.m., November 22nd. Allotment letters have been posted.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Nov. 14, 1934	Price, Nov. 21, 1934
Advance Laundries New Ord. 2/-	3/-	Fypd	3d-6d pm	22/-22/6
Alpha Cement 5½% Pref.	93½	13½	20/9-21/9	20/9-21/9
Argentine 4½% (2nd Series)	93½	13½	20/9-21/9	20/9-21/9
Argentine Navigation 10% Pref.	5/-	Fypd	2½-2½	24/-24/6
Ascotts Pharmacies 5/-	10/-	Fypd	8/10-9/11	3/11-3/4½
Do. do. 7% Pref. 10/-	101	41	21-1½ dis	19-1 dis
Assoc. British Picture Corp. 5% Deb.	20/-	3/-	3/-3/3 pm	4/3-4/9 pm
Ault and Wiborg Ord.	20/-	3/-	2/-2/3 pm	2/-2/6 pm
Do. do. 5½% Pref.	20/-	3/-	35/3-36/3	39/-40/-
Austin Motor "A" 5/-	99	5	1½-2 pm	1½-2 pm
Australia 3½%, 1964-74	99½	5	6d-1/- pm	1½-2 pm
Bank Line 2½% Gtd. Deb.	99½	5	1½-2 pm	1½-2 pm
Beechams Pills 8% Pref.	92½	12/-	1½-2 pm	1½-2 pm
Blackpool 3%, 1960	93½	35	1½-2 pm	1½-2 pm
Boulton and Paul Aircraft (5/-)	5/-	Fypd	4/4½-4/7½	4/6-4/9
Brentford and Chiswick 3%, 1954	99½	5	1½-2 pm	1½-2 pm
Butterley Co. 4½% Pref.	20½	5/-	par-3d pm	4½-4½ pm
Central Electricity 3½% Stk.	93	23½	4½-5 pm	4½-5 pm
Chesterfield 3%, 1960	99½	23½	33/-34/- pm	33/-34/- pm
Clan Line Steamers New Ord.	21/-	2/6	1/-1/6 pm	1/-1/6 pm
Do. do. 5½% "B" Pref.	21/-	2/6	20/4½-20/7½	21/11-21/7½
Colville's 5½% Pref.	20½	Fypd	12½-12/6	12/6-12/9
Eao Props. Ord. 5/-	11/-	Fypd	23/3-23/9	23/7½-24/1½
Do. 5½% Pref. £1	10/-	Fypd	11/-11/6	11/11-11/7½
French (J. W.) Ord. 5/-	21/-	Fypd	21/6-22/6	22/3-23/-
General Aircraft	5/-	Fypd	2/6-2/9	4/6-5/-
Gold Ex. and Finance Aust. Ord.	10/-	Fypd	9/3-9/9	9/9-10/3
Gold Mines of Kalgoolie 10/-	10/-	5/-	1/11-10½ dis	1/-9d dis
Green (Herbert) 1/-	1/-	Fypd	3/7½-3/10½	3/-3/3
Do. 7% Preferred	20/-	12/6	34-1/-	7/-8/-
Do. 6% deb.	100	75	41-45	67-72
Hancock (W.) 4½% Deb.	99	15	1½-2 pm	2½-3½ pm
Kapala Rubber Ord. 2/-	2/-	Fypd	1/6-1/9	1/6-1/9
Do. do. 7½% Pref. 2/-	2/6	Fypd	2/3-2/6	2/3-2/6
Lanarkshire 3%, 1954-64	97½	5	2½-2½ pm	2½-2½ pm
Lockhart (A.) 5/-	22½	Fypd	1/3-1/9 pm	6/11-6/7½
Mersey Docks, etc., 8½% Deb.	97	5	2½-2½ pm	1/3-1/9 pm
Mount Morgan 5/-	7/6	Fypd	26/6-27/-	2½-2½ pm
Murex New Ord. 10/-	4½	Fypd	1½-1½ pm	27/9-28/3 x 2
New Machavie Gold	97½	Fypd	1½-2½ pm	2½-3½
Nigeria, 3%, 1955	97½	30	1½-2½ pm	13/9-14/9
Nottingham 3%, 1957	98½	5	1½-1½ pm	3½-3½ pm
Odhams Properties 5% Deb.	100	15	5-6 pm	2½-2½ pm
Oslo Union Co. 5½% Deb.	100	99-100	25/11-25/7½	99½-100½
Oxford and Berks Cinemas 7% Pref.	20/-	Fypd	25/11-25/7½	26/3-26/9
Plymouth 3%, 1954	97½	Fypd	11/11-11/7½	3½-4½ pm
Price's Trust Ord. 5/-	20½	Fypd	10/6	11/4½-11/7½
Do. 5½% Pref.	20½	Fypd	10/6	11/4½-11/7½
Salford Corp. 3½%, 1954-64	100	60	2½-2½ pm	1½-1½ pm
Sheffield 3%, 1954	98½	28	1½-1½ pm	2½-2½ pm
South African Torbanite 10/-	10/-	Fypd	1½-1½ pm	10/-10/4½
Stretford 3½%, 1955-65	Par	20	2½-2½ pm	3½-3½ pm
Terry (J.) Ord. 5/-	Par	65	1½-2½ pm	28/6-29/6
United Steel 4½% Deb.	50/-	40/-	6d-1/- pm	3½-3½ pm
United Sun Betong Rubber £1	10/-	Fypd	1½-1½ pm	6d-1/- pm
Van Dyk Consolidated	98½	25	1½-1½ pm	1½-1½ pm
Wakefield 3%, 1955	98½	25	1½-1½ pm	1½-1½ pm
Watende Mines	5/-	Fypd	5/10½-6/1½	6/1½-6/4½

CALLS DUE NOVEMBER 26 TO DECEMBER 1, 1934

The grand total of calls falling due in November, 1934, is £8,049,212, which compares with £4,888,830 which fell due in November, 1933. The following calls fall due from November 26, 1934, to December 1, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
2/-	Advance Laundries, Ltd. (800,000 Ord. Shares at 3/-)	1/6	Dec. 1	All
1/-	Anglo-Java Rubber (7,386,750 Shares, credited with 9d. per Share)	1d. p.s.	Nov. 30	All
£1	Beechams Pills, Ltd. (238,293 8% Cum. Part. Prefd. Shares, at 32/-)	10/-	Dec. 1	22/-
1/-	Biting Rubber Estates, Ltd. (160,000 Ord. Shares, at par)	6d. p.s.	Nov. 30	6d. p.s.
10/-	Bursledon Brick, Ltd. (25,000 Ord. Shares, at 15/- per Share)	10/-	Nov. 30	All
£1	County of London Electric (1,825,000 4% Cum. Pref. Shares, at 21/-)	8/- p.s.	Dec. 1	All
Stock	Crabtree (R. W.) and Sons, Ltd. (£125,000 4½% Deb. Stock, at £97½ net)	£97½	Nov. 30	All
£1	Gold and General Investment Trust, Ltd. (55,000 Shares, at 22/6)	5/- p.s.	Dec. 1	All
5/-	Levers Optical, Ltd. (120,000 "A" Ord. Shares, at par)	2/- p.s.	Dec. 1	All
£1	Malacca Rubber Plantations, Ltd. (120,000 Ord. Shares, at 22/6)	10/- p.s.	Nov. 30	All
5/-	Motor Fuel Proprietary, Ltd. (300,000 Shares, at 15/- per Share)	2/6 p.s.	Nov. 27	2/6 p.s.
Stock	Neuchatel Asphalt, Ltd. (£100,000 4½% Deb. Stock, 1944-46, at £97½ net)	£97½	Dec. 1	All
£1	Prices Trust, Ltd. (500,000 5½% Cum. Pref. Shares, at 20/6)	10/- p.s.	Nov. 30	All
Stock	Sheffield Corporation 3% Red. Deb. Stock, 1954 (£3,000,000, at £98½ net)	£30%	Nov. 29	£98½
Stock	Stoke-on-Trent (City of) 3½% Red. Stock, 1955-1965 (£1,500,000 Stock, at par)	£30%	Nov. 29	£50%
£1	Sudan Plantations Syndicate, Ltd. (225,000 new Shares, at 21/- per Share)	21/- p.s.	Nov. 30	All
Stock	Wolverhampton Corporation 3½% Red. Stock, 1954-64 (£250,000 at par)	£50%	Dec. 1	All

REPORTS AND NOTICES

The Union Corporation, Limited, announces that Sir Reginald Mant, K.C.S.I., K.C.I.E., has been appointed a director of the Corporation, to fill the vacancy caused by the death of Earl Buxton.

Mr William Harold Bacon has been elected a director of the Manchester Ship Canal Company by the directors elected by the shareholders to fill the vacancy caused by the death of Mr F. A. Tomlinson.

Mr John Emmanuel Rodocanachi has been appointed Chairman of the City Offices Company, Limited, in succession to the late Mr George Stanhope Pitt.

MINES

THE WAIHI GOLD MINING COMPANY, LTD.—The New Zealand Government have given notice of their intention to tender payment of £12,500 for the Hora Hora hydro-electric works on November 1st next in New Zealand currency. The board of directors propose to accept this as a payment on account and under protest, reserving the company's rights to receive payment in sterling.

WORKING PROFIT, TRANSVAAL.—The total estimated working profit of the gold mines of the Transvaal for the month of September, 1934, amounted to: Witwatersrand, £2,472,337; outside districts, £192,101; total, £2,664,438. The estimated working profit in August, 1934, was: Witwatersrand, £2,490,406; outside districts, £192,035; total, £2,682,441.

MISCELLANEOUS

CABLE AND WIRELESS, LTD.—INDEX NUMBERS.—Index number 1929 = 100. Month of October, 1934 = 73.6; September, 1934 = 70.3; October, 1933 = 72.1.

COMPANHIA DE MOCAMBIQUE.—The Customs receipts for the Port of Beira during the month of September amounted to £24,204, as compared with £23,482 for the corresponding period of 1933.

COMPANIA ARGENTINA DE NAVEGACION MIHANOVICH LIMITADA.—Gross takings: October, 1933, \$1,762,933; October, 1934, \$2,284,000, showing an increase over 1933 of \$521,067 or 29.56 per cent. Of this, about \$200,000 is due to the Eucharistic Congress held at Buenos Aires in October, therefore the ordinary increase may be estimated at \$321,067 or 18.21 per cent. 1934, January to October (10 months), total \$21,714,556; 1933, January to October (10 months), total \$19,320,919, showing an increase of \$2,393,637 or 12.38 per cent.

EDMUNDSONS ELECTRICITY CORPORATION, LTD.—The results of the operations of the Edmundson group of companies during the month of October, 1934, as compared with the corresponding month of 1933, show an increase of 15 per cent. of units sold.

LEX GARAGES' SCHEME.—With reference to a paragraph regarding this scheme on page 903 of the *Economist*, November 10, 1934, we are asked by the secretary and treasurer of the company to state that the original proposals have not been in any way revised. The second circular, which was issued to shareholders on October 25th, merely amplified the particulars given in the original circular dated October 12th.

(Continued on page 1013)

COMPANY MEETINGS, &c.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

RECORD PROFITS FOR THE PAST YEAR
FINANCIAL POSITION FURTHER STRENGTHENED

MR H. J. JOEL'S REVIEW

The Johannesburg Consolidated Investment Company, Limited, announces the receipt from Johannesburg of the following summary of the Chairman's speech at the annual meeting of shareholders held, on the 20th instant, at which Mr H. J. Joel presided.

The Chairman, in his opening remarks, said: It gives me great pleasure to be in South Africa again after an absence of two years and to preside at this the forty-third annual meeting of shareholders of the company. I have been asked by my father, the permanent chairman of the company, to convey hearty greetings to you and to express his very great regret that he finds it impracticable at the present time to absent himself from London for a long enough period to enable him to visit South Africa. He still hopes that pleasure is merely postponed.

The financial position of the company continues strong and satisfactory. The total book value of the assets now amounts to £7,976,669—an increase of £1,177,387 over the previous year's figure.

This, it is important to bear in mind, is exclusive of the large appreciation in your investments in stocks and shares, of which no account is taken in the books.

The assets show a surplus over liabilities to the public, taking into account the dividend of 3s. and bonus of 1s. per share declared on July 11th and your contingent liabilities, of no less a sum than £5,815,878.

RECORD PROFIT

Turning to the profit and loss account, you will have noted with satisfaction that the profit for the year, after making provision for income tax and depreciation, amounted to the record figure of £1,347,576. A balance of £161,067 was carried forward from the previous year, giving an available balance of £1,508,643. As part of the increase in the profit for the year was regarded as of an exceptional nature, your directors considered it prudent to transfer to the reserve fund a sum of £450,000. The dividend of 3s. per share and bonus of 1s. per share, paid on September 20th, absorbed £790,000. The sum of £100,000 was set aside to institute a staff pension fund (to which I shall refer later), leaving a carry-forward to the current year of £168,642.

The figures which have been submitted to you reflect the strong and sound position of your company and the success which has attended its operations. Having concluded my review of the balance sheet and accounts, before dealing with the individual companies in which we are interested, I will touch upon one or two matters of general interest.

The era of prosperity which started with the departure of the Union of South Africa from the gold standard was maintained throughout the year, and there is every sign of continued prosperity.

EXPANSION UNDER NEW CONDITIONS

The higher price of gold has not only enabled the industry to work a lower grade of ore profitably but has led to an expansion which would have been impossible under the 1932 conditions.

The Witwatersrand mines to-day are crushing at the rate of nearly 40,000,000 tons per annum, an increase of approximately 13.5 per cent. over the 1932 figure, but the average grade of ore crushed has fallen by 1½ dwts. per ton. The extra tonnage, which amounts to approximately four and a-half million tons per annum, is drawn almost entirely from sources which were not payable in 1932 because the quantity of ore available on the old basis was not adequate for any expansion; thus the expansion of operations has caused a fall in the average grade of ore crushed.

Further, it has been the policy of some mines to draw to a greater or lesser extent on the great reserve that may be termed new pay ore. Again, in the course of development work a quantity of unsortable rock of low average value is broken, development faces must be cleared and the rock must be trammed and in most cases must be hoisted to the surface; thus, all underground expenditure having been incurred on this rock, the ques-

tion whether it should be milled or not depends upon its value and surface costs only.

EFFECT ON GRADE OF ORE MINED

Thus it is apparent that with gold worth 2s. 9d. per dwt. more than in 1932 rock which was hardly worth mill space then now shows a substantial profit, therefore a higher percentage of the development rock broken is now being milled than in 1932. This is obviously sound economics, but it lowers the average grade of ore crushed, reduces the working cost per ton and the cost per ounce of gold produced on nearly all mines.

In these respects I may mention that each individual mine has a problem of its own; a problem whose solution in the best interests of all concerned can be determined only by those most closely in touch with the circumstances. The three factors, together with the fact that in certain of the older mines a fall in grade was inevitable owing to the exhaustion of the higher grade ore, have resulted in the over-all fall mentioned before. The Government's expressed policy is to encourage the mining of lower grade ore, thereby lengthening the lives of the mines, and the method of taxation is based on that policy.

In effect, the Government prefers to take a diminishing percentage of the profit earned by means of direct taxation as the grade of ore crushed is lowered, and it is a fallacy for shareholders to assume that a percentage rise in profits caused either by mining higher grade ore or maintaining a given grade with a rising price of gold would be reflected in a proportionate increase in dividends.

ECONOMICALLY SOUND COURSE

It is sounder economically for most of the mining companies to maintain a given profit by crushing a greater tonnage and working to a lower average grade through the inclusion of new pay ore by that means the shareholders get a larger percentage of the profits through a reduction in taxation.

It might seem that the shareholders' gain is the Government's loss, and that is true in so far as direct taxation is concerned. The extra tonnage crushed, however, means additional employment to the Government and the country generally, with a loss in revenue from direct taxation, because it means additional employment and assists other industries.

It was brought out in evidence before the Low Grade Ore Commission in 1932 that the indirect revenue alone accruing to the Government through mining operations amounted to at least 6s. 3d. per ton crushed. This figure does not include railway profits on coal and other mining requirements, which are notoriously high.

POLICY OF THE INDUSTRY

Quite apart from all these considerations which determine to a greater or lesser extent the grade of ore mined, it is apparent that with a rising price of gold the payable ore reserves of a mine increase in quantity and decrease in average value, and it has always been the policy of the industry as a whole to stop to the average grade of the ore reserves as nearly as possible; in fact, in Lease Mines that is an accepted condition of the lease.

A departure from this customary practice might lead to spectacular temporary results on some mines, particularly if the argument of certain shareholders were deemed sound and the mines concentrated on working the highest grade ore as quickly as possible. Disillusionment would quickly follow and the violent fluctuations in results and general outlook would undermine all confidence in the industry and in those responsible for its direction.

The Excess Profits Duty Act introduced in 1933 was amended this year and many of the anomalies of the original Act were removed or modified. It is not suggested that perfection has been reached or even approached; nor does it seem possible to draft an Act which would be equitable as a whole or in its incidence as between mine and mine, while the profit from mining for taxation purposes is split into two classes—namely, standard and excess.

AMENDMENTS TO EXCESS PROFITS ACT

Under the Act as it stands to-day a mine which was struggling for existence in 1932 and making no profit has all its present profit taxed at the excess rate, whereas a mine which started production subsequent to the Act can deduct over 8s. per ton crushed from its profit before being assessed for excess profits duty.

Under the original Excess Profits Duty Act the Government gave some consideration to those mines which were making little or no profit when gold stood at 85s. per ounce, but the amended Act has withdrawn that consideration.

The expansion of the industry has naturally given rise to a great increase in employment, and the total working costs of the Witwatersrand mines are likely to be over £4,000,000 greater in 1934 than in 1932; a figure which takes no account of very large sums expended on capital account, principally on shaft sinking.

WORKING COSTS

Although the price of gold reckoned in our currency has appreciated approximately 65 per cent. since the end of 1932, it is most satisfactory to note that working costs per ton of ore crushed approximate closely to the 1932 figure, but, whereas the cost of producing an ounce of gold in 1932 was 59.36s., it is now approximately 77s.

The main reason why the industry has been able to maintain the cost per ton is that one pound buys as much to-day as it did in 1932. The future of the industry—its life, its expansion, its capacity to pay wages and purchase commodities, and its ability to maintain its position as the economic mainstay of the Union of South Africa—depends upon the price of gold and working costs.

The consensus of expert opinion is that gold will not cheapen in terms of currencies, and that gold was greatly undervalued in terms of other commodities in 1932 and for many years prior to that date. Is it then too much to say that an ounce of gold will at least for a long period purchase a great deal more than it did prior to 1932? Those responsible for the welfare of the industry, and in this respect the public have indirectly a large influence, have no control over the price of gold, but they have some say in the matter of working costs, and it is clear that any section of the community which sets in motion forces which tend progressively to increase the cost of operations must bear a very heavy responsibility.

PROVIDENT FUND

The complete change in the outlook of the industry had allowed employers to take a longer view; a direct result of which was the inauguration of a provident fund for mine employees. The object of the fund is to provide benefits for employees and dependants on death, retrenchment, retiral after reaching pensionable age and incapacity or invalidity.

The mines contributed £60,000 to start the fund on a sound basis, and in addition are contributing £14 8s. per white employee per annum; this latter sum equals approximately 4 per cent. of white wages. This scheme constitutes a distinct advance in the terms of employment, which have further been improved by additional holiday leave at a cost to the industry of over £200,000 per annum.

These improved conditions should go a long way towards maintaining the good relationship which has been evident between employers and employees; particularly when it is recalled that during the depression the mines maintained their high standard of wages, both white and native, although general reduction was the order of the day throughout the country.

Native welfare has not been overlooked; the industry donated £85,000 to assist the Government in a scheme to provide improved medical services in the territories.

AMPLE SUPPLY OF LABOUR

Throughout the year there has been an ample supply of native labour, and on September 30th last there were 248,024 native labourers employed, as compared with 220,183 at the end of 1932. With the increase in native labour, employment has been given to an additional number of Europeans, and at present the mines of the Rand are employing 28,290 Europeans, an increase of nearly 5,000 over the figure for December, 1932.

The ore crushed by the mines of the group for the year ended June 30, 1934, amounted to 9,821,000 tons; working costs totalled £9,528,799, and the gross profit made was £9,168,246. Dividends paid totalled the sum of £3,162,202.

The amount paid to the Government in respect of the leased areas was £3,731,130 for the year 1933, an increase of one and a half million pounds over the sum paid in respect of the year 1932.

The chairman, in conclusion, dealt in detail with the company's various interests.

WITWATERSRAND NIGEL, LIMITED

VERY ENCOURAGING OUTLOOK

The first ordinary general meeting of Witwatersrand Nigel, Limited, was held, on the 16th instant, at Johannesburg.

Lieut.-Colonel T. J. M. Macfarlane, C.M.G., the chairman of the company, said that the cash funds in hand at the date of the statutory meeting, just over eleven months ago, were £87,689. At June 30, 1934, they were £284,288, an increase of almost £200,000, achieved by the issue of shares from the reserve capital, at premiums over par value ranging from 100 to 200 per cent. The company had received during this period £218,510 from the issue of shares of the par value of only £87,524. None of the reserve capital is held under option and all premiums accrue to the company.

In connection with the placing of reserve shares great credit was due to the founder of the company, Mr Michael Haskel, and also to the Fanti Consolidated Investment Company, Limited, of which Sir Edmund Davis was chairman. Subsequent to June 30, a further 56,000 shares were issued at 15s. 3d. per share—a premium of 205 per cent.—bringing the company's cash funds to over £300,000.

NEW STRIKE ON NIGEL REEF

The existence of the Nigel Reef under the company's claims had been substantiated not only by the outcrop, but by exploratory work carried out at No. 4 Incline Shaft and the three completed boreholes on Houtpoort which had intersected the Nigel Reef and footwall shales at depths of 275 ft., 635 ft., and 909 ft. respectively. On October 25, 1934, a deeper borehole on the Heidelberg Townlands intersected the Nigel Reef and footwall shales at a depth of 1,978 ft. Four inches of the core assayed 0.4 dwt. The values were unimportant, but the borehole had definitely proved the persistence of the Nigel Reef at a point over three miles in dip from the outcrop, at workable mining depths.

The claims held on the Heidelberg Townlands numbered 2,907, on all of which no share of profits was payable to the Government. It constituted the largest area among the newer mines of the Witwatersrand not subject to payment to the State of a share of profits. Including the area held on Houtpoort, the total holding of the company was equivalent to 3,974 claims, an area which was sufficient for the layout of a large mine with considerable life.

No. 4 Incline Shaft on Houtpoort had been sunk to a depth of 655 ft., and at 641 ft. reef was intersected assaying 66.2 dwt. over 5 ins. A drive on reef from this point had been extended to 326 ft., of which 212 ft. showed pay values averaging 14.2 dwt. over 23.2 ins., equivalent to 329 inch-dwt., or 10.79 dwt. over 30 ins.

The dip of the reef was in an approximately north-westerly direction towards the H2 borehole, which was situated some 400 ft. from the shaft. Taking the appearance of the reef intersected in the H2 borehole in conjunction with the highly satisfactory values in the shaft and drive, it was not too optimistic to assume the presence of a valuable pay shoot traversing the company's property for a considerable distance. Encouraging as these results were, the main development would, however, be carried out from two three-compartment vertical shafts, each situated some 4,000 ft. in dip from the outcrop, and which would, in addition, be extended laterally right across the width of the Houtpoort section. Good progress had been made with the sinking of the shafts and the erection of European quarters and native compound. Provision had been made for domestic water supply from springs on the company's freehold.

MAJOR DEVELOPMENT WORK

A sum of £247,500 had been allocated for the major development work, and the company had more than sufficient funds for this purpose. A very important saving on power plant would be made possible by the supply of electric power by the Victoria Falls and Transvaal Power Company. The power mains would be carried on to Houtpoort from the Heidelberg Townlands, which were traversed by the main Nigel-Heidelberg power line. Transport would present no difficulties as the main Natal railway line traverses the Heidelberg Townlands and the Houtpoort property, with the Heidelberg Station and Houtpoort Siding at convenient points, and the main Natal road from Johannesburg, passing through the town of Heidelberg, ran midway through the Houtpoort property.

In view of the excellent results obtained in their development work on the Nigel Reef, the large claim area held by the company not subject to any Government lease payment, the progressive policy of the directors in the major development work, and in view of the splendid cash position of this company, there was every possibility of the Witwatersrand Nigel becoming one of the large gold producers of the Far East Rand.

The report was unanimously adopted.

ELECTRIC AND MUSICAL INDUSTRIES, LIMITED
PROFITABLE TRADING YEAR

The third ordinary general meeting of Electric and Musical Industries, Limited, was held on the 16th instant, at Winchester House, London, E.C.

The Chairman (Mr Alfred Clark), in the course of his speech, said:—We are able to present to you a profit and loss account showing a substantial profit for the year and a recommendation for the payment of a dividend on the ordinary shares. The dividends on the preference shares, including arrears, have been paid in full.

This profit of £408,095, compares with a loss in 1933 of £374,482. Thus their trading this year represents an increase over the previous year of some £782,578. This profit is the result principally of increased sales of the operating companies in certain territories, resulting in larger factory outputs.

As I informed you last year that the output of the Hayes factories was the largest of its kind in the country I should repeat that statement again, for this year it is equally true. The output of no other firm in our industry in this country approaches it.

In March last the shareholders were informed of the directors' proposals for the reduction of the ordinary share capital of the company to a figure corresponding with the diminished capital value of its holdings in the two operating companies, arrived at by an appraisal which had then been completed. An extraordinary general meeting was held to discuss the necessary resolutions, and they were unanimously approved. The confirmation of the Court was then obtained, but now that the details have been confirmed and the new figures are before you in the accounts, you will be able to judge for yourselves how much healthier appear both the balance sheet and the profit and loss account.

TELEVISION

The research engineers of your company have developed and demonstrated a complete and entirely successful system of high definition television of undoubted entertainment value. This system includes both transmission or broadcasting, and reception by sets suitable for use in the home. These sets can be placed before the public at a reasonable cost.

In view of the large experience of Marconi's Wireless Telegraph Company in the field of radio transmission and the rights they have retained in that field, arrangements were entered into with them, resulting in the formation of the Marconi-E.M.I. Television Company, Limited, in which both companies have contributed their interests in the transmission of television of high definition. The main business of the new undertaking will be to supply transmission apparatus to the broadcasting authorities, both here and in certain foreign countries.

Your company has, of course, retained all of its rights in the field of television receiving sets, and hopes that this may become a profitable feature of its business once television broadcasting has begun and a public demand been created.

It now remains for the Postmaster-General to decide under what conditions the broadcasting of television will be carried out and, of course, until this decision is known, there can be no commercial progress. The research engineers are actively engaged, and the satisfactory results so far obtained are of such a nature as to indicate that the story of television, like that of the broadcasting of sound, will be one of constant and sure advance.

REFRIGERATORS

There appeared in the Press during the year notice of the formation of a subsidiary called "H.M.V. Household Appliances, Limited," and shareholders will be interested to know about it. The electrical refrigerator seemed to us an article which could well be manufactured in our type of factory. We have acquired valuable patent rights and manufacturing information, and our well-tested models possess unique features which the public, we believe, will be quick to appreciate. Sales have therefore commenced in England and in several overseas territories, with results which so far fully confirm our belief that there is a growing demand for this type of article.

Your operating companies have now been trading for about four months in the new year, and from the nature of this trading we have in the past been able to form some idea of the trend of their business for the ensuing eight months. This year trade has begun well. Our new models have been most favourably received, and, in our opinion, represent a standard we have never before attained, while orders booked at the Radio Exhibitions at Olympia, Glasgow, and Manchester were considerably in excess of those of former years.

Sales for the first four months, beginning July, exceed those for the corresponding period of last year, and your directors face the coming months with confidence.

The report was unanimously adopted, and a dividend of 10 per cent. was declared.

ARGENTINE GREAT WESTERN RAILWAY
COMPANY, LIMITED

PROBLEM OF EXCHANGE

The ordinary general meeting of the Argentine Great Western Railway Company, Limited, was held on the 20th instant, at Winchester House, Old Broad Street, London. The Hon. Sir Arthur Stanley presiding.

The Chairman, after apologising for the absence of Lord St. Davids, in the course of his speech, said:—The number of passengers has fallen off to some extent, which, of course, is due to road competition and the general depression of trade. The volume of the goods traffic has shown a little improvement, and the satisfactory thing is that that follows an improvement last year. It is progressing very slowly, but it is progressing.

Of course, the real difficulty of the whole situation lies in the exchange. We have earned money out there, but we cannot get it home, or, at least, by the time we get it home over here, the exchange is so much against us that what is a profit over there is turned into a loss here. One interesting figure is that in 1933 the total receipts of the Pacific system in Argentine paper dollars were \$65,600,000; in 1934 they were \$66,850,000—an increase of 1,250,000 paper dollars in the Argentine, and yet, owing to the exchange, when that is transferred over here, instead of being an increase it is a decrease. That shows you what exchange is doing. The loss on the exchange position a year ago on the seven Argentine railways was £1,300,000. Last year, on the same railways, the loss on exchange amounted to £4,200,000. As you will see, and as the chairman puts it, the railways are working and earning money, but, alas! not in British currency.

As regards prospects in general, those of you who read Lord St. Davids' speech at the Pacific meeting, where, as you all know, he always gives a very clear and very straightforward account of the position of trade and of our lines, and what he thinks is likely to happen, will have seen that at the end of his speech he finishes on a decidedly optimistic note, and I was very glad to note that Sir Follett Holt, the chairman of the Buenos Ayres Great Southern and of the Buenos Ayres Western also, in his two speeches to the stockholders, finished in this same optimistic tone. I think, therefore, I may do the same and say—after all, it can only be a hope—we do hope, and all the indications seem to show that the Argentine is steadily if slowly progressing, and we may hope that that progress will continue during the coming year.

The report and accounts were unanimously adopted.

CENTRAL URUGUAY RAILWAY COMPANY OF
MONTE VIDEO, LIMITED

The ordinary general meeting of the Central Uruguay Railway Company, of Monte Video, Limited, was held on the 19th instant, at River Plate House, London.

Sir Brodie H. Henderson, K.C.M.G., C.B. (the chairman), after referring to the resignation from the chairmanship of Mr Frank Henderson and his own appointment as a director and election as chairman, in the course of his speech, said:—The Chairman then proceeded to read the speech prepared by Mr Frank Henderson, which stated that the gross receipts for the year in Uruguayan currency were just fractionally higher than in the previous year, but the working expenses were more by 3 per cent., which was due to the necessity for a more liberal expenditure to raise the condition of the property to a rather better standard. The resulting net profit of \$1,372,000 was \$124,000 less than in 1932-33, but as the official exchange value of the peso had appreciated by more than 3½d. during the year, it represented in sterling a decrease of only £4,444, or 2.12 per cent.

He was sorry to say the exchange situation, so far as it permitted the remittance of funds to London, had not improved. He felt that very difficult times lay ahead of them, but he saw no reason why the peso should not in due time recover at least some part of the value at which it had stood.

In conclusion, the chairman read a telegram from the general manager which stated that despite present deep commercial depression, he was hopeful of gradual improvement; that live stock traffic should improve considerably, and that prospects of Brazilian traffic were encouraging. Nothing, said the chairman, he could add could make their prospects more cheerful, as he thought that was as optimistic a view as could reasonably be taken of the situation.

The report was unanimously adopted.

At the ordinary general meetings of the Central Uruguay Eastern Extension Railway, Limited, and the Central Uruguay Northern Extension Railway Company, Limited, subsequently held, the reports and accounts were unanimously approved.

TANAMI GOLD MINING SYNDICATE, LIMITED **POTENTIALITIES OF ROSTERMAN PROPERTY**

The second annual general meeting of the Tanami Gold Mining Syndicate, Limited, was held, on the 22nd instant, at 20 Copthall Avenue, London.

Mr C. J. S. Scovell, C.B.E., who presided, said: Since we last met eight months ago much has been accomplished, and this remarkable progress is all due to the hard slogging work of our consulting engineers and general managers and their staff at home and in Kenya. Your board intends to continue pursuing a policy of great activity in Central Africa. This policy can be summed up in one sentence—an active policy of exploration and development combined with both financial prudence and great patience, and above all no pouring out of money into doubtful propositions.

And now I come to the remarkable gold discoveries in Kenya and Tanganyika which are attracting such world-wide attention.

Coming to the Rosterman property in Kenya, we hold, in equal partnership with another large group, an option over this property which we have decided to exercise, and we shall shortly be forming a separate company to equip and work this most promising of mines.

THREE REEFS

The three reefs on it all present exceptionally rich outcrops. To obtain, however, as much information as possible in the option period, developments were concentrated on the Horst and Ross Reefs. The No. 1 Reef so far has only been explored by the diamond drill and the open-cast workings of the owners.

As regards the Horst Reef, this has been exposed for a distance of about 1,000 feet. During the option period the owners have continued crushing ore from the surface workings of this, the Ross, and No. 1 Reefs, and to date 1,700 tons have been crushed for a return by amalgamation of 2,240 ounces of gold, which, with the value in the tailings (to be recovered later) denotes a head value of about two ounces to the ton.

The whole of the evidence from development and diamond drilling demonstrates that this reef is living strongly in depth and that there is every likelihood of its continuing to very much greater depths than have so far been attained.

As regards the Ross Reef, its outcrop has been exposed for a distance of about 400 feet, showing high values similar to those on the Horst Reef, and has been mined and crushed by the owners with highly satisfactory results. The No. 4 shaft has been sunk, and from this shaft a crosscut has been put out and has cut the reef at an inclined depth of 280 feet, at which depth driving on a 6-inch seam panning up to 1 oz. 5 dwts. has been commenced. The conditions here are similar to those on the Horst Reef, and it is anticipated that driving will be attended by equal success.

And with regard to No. 1 Reef, here the outcrop has been exposed for over 300 feet with results again similar to those from the Horst Reef. In all cases these results, as determined by sampling and by crushing, are equally encouraging, and except for variations in lengths of outcrop, the reefs appear equally attractive.

PAKANEUSI

Next, we have secured a substantial interest in the Pakaneusi Prospecting and Development Syndicate, Limited, which has recently been granted an exclusive prospecting licence on the Reserved Area No. 2 containing the Government Reef. This area, at the express wish of the Kenya Government, is to be developed under the supervision of our general managers, Messrs Bewick, Moreing and Company. The syndicate is a local one formed in Nairobi, with Lord Francis Scott as chairman, and a large number of the settlers in Kenya are interested in its fortunes.

Under the most extreme difficulties, operating in a new country, far from the sea, and most of them without any knowledge of mining, these pioneers have succeeded in attracting attention to the possibilities of gold development in the Colony. I cannot help feeling that it was a handsome and well merited gesture on the part of the Kenya Government to grant to this local company the reserved area, applications for which were pouring in to them from large and important mining houses outside the country. Passing from Pakaneusi, I can only say we have other propositions in view, but it is too early yet for me to give you any details.

Capt. A. H. Moreing was re-elected a director, and the auditors were reappointed.

The increase in the capital of the company from £20,000 to £100,000 by the creation of 1,600,000 shares of 1s. each to be offered to the existing at par in the proportion of four for every one share now held was unanimously approved.

DALGETY AND COMPANY, LIMITED **IMPROVED CONDITIONS IN AUSTRALIA**

The fiftieth annual general meeting of Dalgety and Company, Limited, was held, on the 22nd instant, at 65 Leadenhall Street, London.

The Hon. Edmund Parker (the chairman), in the course of his address, said: Regarding the situation in Australia, last year I paid a tribute to what had been accomplished under the Lyons Government, and I have again to congratulate the community on having further consolidated their financial position. Trade figures continue to be very satisfactory, and for the financial year ending 1933-34 exports exceeded imports by about £39,000,000, which, after providing for close on £27,000,000 for interest on external loans, leaves a substantial surplus. This brings me again to the question of exchange. The rates of exchange in operation to-day are materially the same as they were a year ago, and there seems no immediate prospect of any change. Since the marked depreciation of the Australian pound in 1931, and the subsequent depreciation of the New Zealand pound, the cost of remitting funds to London for the general purposes of the company has reached the large sum of £304,814. Until the year under review this burden was met by the use of some of the reserves which had been provided in more prosperous years. I am glad to say that for the last year the cost, which totalled £102,000, was met entirely from current earnings, and this obviated a further reduction in our internal reserves, which I want to see built up again.

I do not want it to be thought that in this matter I am criticising the exchange policy of either the Commonwealth Bank or any other overseas authority. I realise that this depreciation of the pound has helped the hard-pressed primary producer, and the help afforded him has reacted favourably on the earnings of the company for services rendered to its clients, and therefore the £102,000 which has been spent in remittances cannot, in its entirety, be regarded as a loss. There is, however, this difficulty. The company's capital has been largely invested in the financing of our clients' properties. This money has been borrowed here and remitted overseas at the par of exchange, or at small margins of difference. The interest rates obtainable on these capital sums have been reduced of recent years, both compulsorily and otherwise, to such a figure that they are equivalent, virtually, to the borrowing rate here, and have therefore ceased to be profitable. This is a burden to the company and affects profits adversely, and it is a burden which we may expect to remain with us for some time.

Regarding the situation in New Zealand, trade figures show a great improvement; the export surplus for the 12 months to June 30th last was £22,500,000 in New Zealand currency, against £12,000,000 for the preceding year. This means an accumulation of sterling balances in London which is more than is required for external interest payments. Here again the question of exchange becomes involved. There has been no alteration in the Telegraphic Transfer rate since last year, but, after the opening of the new Reserve Bank which maintained the carded rates, the trading banks slightly reduced their rate for bills of certain usances for commercial purposes. The Government, through the Reserve Bank, has announced its intention to maintain the present rate for an indefinite period.

As to our own operations, more satisfactory results have been shown by the New Zealand branches at practically every centre. This has been brought about by many of the accounts working themselves into a better position, and it has been found unnecessary to take such large sums as had been anticipated from profits to support them—the improvement, of course, being due to the rise in wool and meat prices.

As to the results of the past year, I regret we have not seen our way to advise any increase in the rate of dividend. You will realise that caution must still regulate our future policy. In any case 5 per cent. free of tax in these days is not a bad return to our original shareholders.

In regard to market conditions, as regards wool, the recovery of wool after a prolonged period of depression put new life into the wool industry, and had far-reaching effects in Australasian commercial activities generally. Taken as a whole, there was a far greater proportion of fine wools than had been the case for many years past, a fact that was fully appreciated by Continental buyers. The New Zealand clip varied in different parts of the Dominion. The extraordinary rise in prices gave growers a very handsome return, the season's wool cheque for Australia and New Zealand amounting to £62,617,343, an increase of £23,246,597 on the previous season, despite a fall in the volume of wool sold to the extent of 405,302 bales.

The report and accounts were unanimously adopted.

RECORD BONUS RECORD

WHOLE - LIFE BONUS
INCREASED to: **45/- %**
per annum

ENDOWMENT ASSURANCE
BONUS MAINTAINED
at: per annum **40/- %**

INTERIM BONUS, 1934,
same rates

CARRY FORWARD INCREASED
from £483,159 to £674,364

THE LIVERPOOL & LONDON & GLOBE

INSURANCE COMPANY, LTD.

Head Office:
1, Dale Street, Liverpool, 2.

London:
(Chief Office) 1, Cornhill, E.C.5.

CAM AND MOTOR GOLD MINING COMPANY (1919)

RECORD TONNAGE MILLED

The ordinary general meeting of the shareholders of the Cam and Motor Gold Mining Company (1919), Limited, was held, on the 19th instant, at Winchester House, Old Broad Street, London.

Mr L. E. B. Homan (the chairman), in moving the adoption of the report and accounts, said that the receipts from bullion, after deducting royalty for the year, amounted to £435,871. That compared with £467,570 in the previous year.

Acting on advice, the directors had authorised an expenditure of £80,000 on internal equipment. That expenditure was being met as it occurred month by month, and would be spread over a period extending to June 30, 1936—so far as they could see this would in no way affect their dividend position, and the shareholders might even get a little more in December than last year. As soon as the expenditure was finished shareholders might look with confidence for increased dividends. Since the close of the financial year shaft sinking had been continued, attention being concentrated on getting the new sub-vertical shaft under way. A record development footage was accomplished during the year of 25,940 ft., and the cost per foot of approximately 44s. was very satisfactory. During October a record footage for the mine, for advancing a single space face, was accomplished, when on the 30th level, size 10 ft. by 7 ft., an advance of 236 ft. was achieved in 25 double-shift working days. That was also thought to be a record for Southern Rhodesia.

The values exposed during the year had already been given shareholders through the usual monthly and quarterly reports, and they were confirmed in the annual report now presented. He might emphasise that they were extremely satisfactory, and the persistence of the branches to the lowest depth yet reached was a pleasing feature. The tonnage milled during the year at 307,600 tons was also a record, and it was worth noting that, excluding the arbitrary figure of 3s. 9.5d. for development redemption, the working costs at under 14s. 5d. were the lowest yet achieved. Whilst congratulating the management on those figures, it was also a justification of the board's forward policy in recent years in sanctioning capital expenditure—even if it appeared considerable—such as changing to stamps from ball mills, installing modern steam turbine power plant, up-to-date compressors and drills, and so on. That capital expenditure had reduced costs, and he might add that it had encouraged the directors to embark on the further £80,000 capital expenditure. For the period under review the percentage of extraction was a trifle lower than last year and was explained in the consulting engineer's report. A point to be noticed in connection with the working of the mine was the large amount of tonnage—20 per cent.—obtained from reclamation, which was made possible by the price of gold and modern methods of handling.

Development rock also assisted to the large extent of 25 per cent. of the tonnage mined, leaving only 55 per cent. of the rock milled to be supplied from declared ore reserves. That figure was likely to increase gradually, but, even at the normal figure of, say, 80 per cent. or so, the ore reserves were nearly five years ahead of the mill, apart from the tonnage to be developed below the present workings. It was worthy of note that the total

tonnage milled now exceeded 4,000,000 tons, and the total paid to date in dividends exceeded £2,000,000, to which must be added £281,250 repaid to shareholders by way of reduction of capital.

Their thanks were due to their consulting engineers, the London and Rhodesian Mining and Land Company, Limited, represented by Mr D. V. Burnett, to the manager, Mr C. L. Dillon, and the staff at the mine, and also to Mr R. R. Meldrum, the secretary, and staff in London, and the local secretary, Mr G. C. Hards, and staff in Salisbury.

The report and accounts were unanimously adopted.

ROAN ANTELOPE COPPER MINES, LIMITED

QUESTION OF RESTRICTION

Mr A. Chester Beatty, presiding at the seventh ordinary general meeting of the Roan Antelope Copper Mines, Limited, held, on the 19th instant, in London, said that after allowing for debenture interest and all other items, the net profit was £387,940. He thought it would be agreed that the results obtained showed that there had been a gratifying continuance of the high standard of efficiency which had marked the administration and organisation at the mine from the beginning. The profits for the year were sufficient to permit the payment of a dividend, but, in view of the recent considerable fall in the price of copper, and the uncertainty of the market outlook, the directors had come to the conclusion that it would not be wise to recommend the payment of a dividend.

With regard to the general copper position, which had a prime bearing on the company's prospects, on the operating side they possessed very large ore reserves; they were splendidly equipped with up-to-date installations; their organisation was first-class, and their costs were low. On the sales side they found a strong demand for their Roan blister copper on account of its particular purity. Long-term contracts had been made for regular deliveries of substantial tonnages, and they were now supplying at a rate well over 50,000 tons per annum to English manufacturers apart from their Continental trade. The one troublesome factor was the price of copper.

Sir Henry Barwell, supported by Mr H. Rule and others, urged the directors to take immediate steps to reach an agreement with other producers for the restriction of production.

In reply, the chairman said that the board were entirely in accord with the policy of arriving at an international understanding between producers for the control of output.

Referring to the circular issued a few days ago by a firm of chartered accountants in regard to the proposal to form a copper shareholders' association, he said: "The proposed association is stated to have three definite objectives. The first is to offer the strongest support to directors to come to an arrangement with other copper producers. Gentlemen, we appreciate that shareholders are prepared to support us, but should like to point out that the best way to do this is to give us your entire confidence. There are men on your board who have been in the copper business for upwards of thirty years and thoroughly understand the complexities of this very involved business."

"The second objective is that someone should attend all copper-producing company meetings and obtain clear statements concerning profit and loss per ton at current prices. So far as this company is concerned, our figures are clearly ascertainable from the published accounts. For the first four months to October 31st in the current year the operating cost per ton of blister copper was £19 17s. 10d. and, adding debenture interest and depreciation, the inclusive cost for that period is £23 4s. per ton. The only item referred to in the circular and not included in this figure is taxation, which is, of course, assessed only when profits are made. The third objective is to secure statements of policy from the directors, but I think I have fully and fairly covered this in my speech."

"The agitation by Sir Henry Barwell and his associates raises a question of policy, which should be in the hands of directors, who, I can assure you, are thoroughly conversant with the position. The question of rationalisation of the industry is an international one and needs the most careful and diplomatic handling, otherwise your interests may be sacrificed. I view this agitation as untimely and against the best interests of shareholders."

The report and accounts were adopted, the retiring directors and auditors were re-elected, the special resolution altering the articles was duly passed. A vote of thanks to the chairman and directors recording full confidence in their management of the company's business was carried with acclamation, and the proceedings terminated.

ANSELLS BREWERY LIMITED

CONTROLLING:—
HOLT BREWERY CO., LTD. SUFFIELDS LTD.
GRIGG & BRETTELL LTD. FRANK MYATT LTD.
LUCAS & CO., LTD. CHARLES HEELEY LTD.
GALLAGHER-MORGAN LTD.

34th ORDINARY GENERAL MEETING

held at the Farcroft Hotel, Birmingham 21, on Thursday,
November 22nd, 1934

PROFITS	£261,994 16 7
(12 months ended 30th Sept., 1934), after deducting all charges and expenses for management (including Directors' Fees) and making provision for Interest on Debentures and Debenture Stock, taxation, depreciation, bad and doubtful debts, and other contingencies.	
BROUGHT FORWARD	£266,060 0 9
DIVIDENDS ON PREFERENCE AND ORDINARY SHARES	£528,054 17 4
(paid and to be paid)	£159,679 7 8
TO RESERVE FOR PROPERTIES, ETC.	£28,000 0 0
TO RESERVE ACCOUNT	£30,000 0 0 £215,679 7 8
TO BE CARRIED FORWARD	£312,375 9 10

Points from the Chairman's Speech

It is with great pleasure that I have to report a **RECORD YEAR'S PROFITS.**

This is not only attributable to the reduction of the Beer Duty and better general trading conditions, but also to the acquisition of the Ordinary Share Capital of the Holt Brewery Co., Ltd.

Although we have only benefited by four months' trading in regard to the acquisition of the Holt Brewery Company, Limited, and subsidiary companies, that acquisition has proved an undoubted success.

The increased popularity of "THE BETTER BEER" has necessitated additions to plant to enable us to cope with the increased demand.

Extensions are being carried out at the Aston Brewery, Birmingham. A new Cask Drying and Cooling Department has already been built, and the site has been cleared for further extensions to our Bottling and Wine and Spirit Stores.

A great deal of attention has been paid to our Licensed Houses in the furtherance of our policy to make these more comfortable and convenient for our customers.

Your Company together with its subsidiaries have spent over £20,000 in this direction during the last twelve months.

The £100,000 offered to Ansell's Brewery Limited, Aston, Birmingham, 6, one share now

HALL'S OXFORD BREWERY COMPANY, LIMITED

TAX-FREE DIVIDEND OF 22½ PER CENT.

The annual general meeting of Hall's Oxford Brewery Company, Limited, was held, on the 19th instant, at Victoria House, Vernon Place, London, W.C.

Lieut.-Colonel Sir Rhys Williams, Bart., K.C., D.S.O. (chairman of the company), presided.

The Secretary (Mr D. C. Maxwell) having read the notice convening the meeting and Mr F. C. A. Ledsam the report of the auditors.

The Chairman said:—Gentlemen,—This is the thirty-eighth annual general meeting of the company, and I am glad to be able to report a substantial improvement in the profits earned for the year ended September 30th last.

The accounts show that our profits are up by another £10,000, and you will be pleased to note that the market value of our investments is £33,568 in excess of the book value.

The board has pursued its usual course in spending money freely in the repair and decoration of its houses in the belief that cleanliness and comfort make for increased trade. The board suggests that a final dividend of 12½ per cent. be paid on the ordinary shares, making 22½ per cent for the year.

We deeply regret the death of Major Quilter, one of our directors, and the resignation of Mr Davenport. The board will greatly miss their wise counsels.

Lieut.-Colonel Kingsmill and Mr Ronald Quilter have been selected to fill these vacancies, and I shall ask you to confirm these nominations. For the future the directors have decided to close the company's year on June 30th instead of on September 30th as heretofore.

I now beg to move "That the directors' report and accounts be adopted, that the preference dividend and interim dividend on the ordinary shares of 10 per cent. be confirmed, and that a final dividend on the ordinary shares of 12½ per cent., free of tax, making with the interim dividend of 10 per cent. already paid 22½ per cent. for the year (free of tax), be and it is hereby declared."

Capt. R. H. E. Hall seconded the resolution, which was carried unanimously.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended November 17, 1934, amounted to £11,983,000, against ordinary expenditure of £8,941,000. After allowing for an increase in Exchequer Balances of £37,805, the operations for the week, as shown below, decreased the National Debt by £2,769,000 to approximately £8,108 millions.*

(000's omitted)

Treasury Bills	£ 703	Public Department Advances	£ 3,200
National Savings Certificates	50	N. Atlantic Shipping Issues	22
		P.O. and Tel. Cap. Expen.	300
	£ 753		£ 3,522

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Nov. 17, 1934	April 1, 1933, to Nov. 18, 1933	Week ended Nov. 17, 1934	Week ended Nov. 18, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	£ 219,500,000	£ 67,483,000	£ 57,569,000	£ 1,623,000	£ 1,686,000
Sur-tax	50,000,000	9,790,000	10,560,000	180,000	230,000
Estate, etc., Duties	76,000,000	50,840,000	57,790,000	1,280,000	1,300,000
Stamps	25,000,000	11,990,000	11,530,000	420,000	460,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	190,000	...	...
Total Inland Revenue	372,500,000	140,263,000	137,639,000	3,503,000	3,676,000
Customs and Excise—					
Customs	183,630,000	119,531,000	114,148,000	3,163,000	2,464,000
Excise	106,350,000	67,400,000	70,500,000	4,200,000	5,400,000
Total Customs and Excise	290,000,000	186,931,000	184,648,000	7,363,000	7,864,000
Motor Vehicle Duties (Exchequer share)	5,000,000	2,865,000	2,566,000	Dr. 88,000	Dr. 308,000
Post Office (Net receipt)	14,000,000	12,800,000	13,150,000	1,100,000	1,250,000
Crown Lands	1,220,000	870,000	770,000	...	...
Receipts from Sundry Loans	3,800,000	3,178,781	3,410,587	84,144	...
Miscellaneous Receipts	20,000,000	11,470,633	18,469,867	20,547	71,790
Total Ordinary Revenue	706,520,000	358,378,414	360,653,564	11,982,691	12,553,790

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Nov. 17, 1934	April 1, 1933, to Nov. 18, 1933	Week ended Nov. 17, 1934	Week ended Nov. 18, 1933
SELF-BALANCING REVENUE					
Post Office	£ 60,463,000	£ 34,200,000	£ 33,750,000	£ 750,000	£ 500,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	9,490,000	8,667,000	200,000	308,000
Total Self-Balancing Revenue	84,718,000	43,690,000	42,417,000	950,000	808,000
Total	...	402,068,414	403,070,564	12,932,691	13,361,790
EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Nov. 17, 1934	April 1, 1933, to Nov. 18, 1933	Week ended Nov. 17, 1934	Week ended Nov. 18, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	£ 224,000,000	£ 144,525,869	£ 143,623,832	£ 436,886	£ 320,087
Payments to Northern Ireland Exchequer	6,500,000	3,387,639	3,502,515	...	...
Other Consolidated Fund Services	3,700,000	1,758,291	2,529,375	4,000	...
Post Office Fund	2,000,000	2,291,118	...	...	364,732
Total	236,200,000	151,962,917	149,655,722	440,886	684,819
Total Supply Services (excluding Post Office)	466,296,000	279,861,319	272,308,576	8,500,000	7,550,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	431,824,236	421,964,298	8,940,886	8,234,819
Payments to U.S.A. Govt.	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	431,824,236	423,805,514	8,940,886	8,234,819
SELF-BALANCING EXPENDITURE					
Post Office	£ 60,463,000	£ 34,200,000	£ 33,750,000	£ 750,000	£ 500,000
Road Fund	24,255,000	9,490,000	8,667,000	200,000	308,000
Total Self-Balancing Expenditure	84,718,000	43,690,000	42,417,000	950,000	808,000
Total	...	475,514,236	466,222,514	9,890,886	9,042,819

The aggregate revenue and expenditure to November 17, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO NOVEMBER 17, 1934 (000's omitted)

Expenditure	£ 431,824	Revenue	£ 358,378
Increase in balances	53	Gross increase in borrowing	73,499
		Less—	
		New Sinking Fund	4,715*
		Net borrowing	73,499
	431,877		431,877

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Out- standing—	Nov. 18, '33	Mar. 31, '34	Nov. 17, '34	Nov. 17, '34
Advances by Public Departments	£ 25,850,000	£ 44,900,000	£ 44,600,000	£ 3,200,000
Treasury Bills outstanding	943,185,000	799,810,000	850,425,000*	700,000
Total Floating Debt	969,035,000	844,710,000	895,025,000	2,500,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on November 16, 1934, and the total amount applied for was £41,875,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 18s. 8d., and above in full; Saturday, at £99 18s. 8d., and above in full. The average rate per cent. was 4s. 9.46d. The amount allotted was £31,675,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 d.
April 1	45,000,000	61,860,000	43,950,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	78,200,000	30,000,000	0 18 11-5
April 6	35,000,000	89,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
October 5	35,000,000	65,260,000	31,510,000	0 15 9-702
October 26	35,000,000	67,100,000	34,780,000	0 6 7-42
November 2	35,000,000	58,810,000	35,000,000	0 6 7-66
November 9	35,000,000	58,265,000	32,000,000	0 5 2-65
November 16	35,000,000	41,875,000	31,675,000	0 4 9-46

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended October 27, 1934	634,116	£ 507,293
Week ended November 3, 1934	745,226	£ 596,181
February, 1916, to November 3, 1934	1,203,160,315	£ 948,138,002

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, November 14, 1934

ISSUE DEPARTMENT

Notes Issued:—	£	Government Debt	£ 11,015,100
In Circulation	376,904,842	Other Government Securities	245,502,489
In Banking Department	75,208,241	Other Securities	637,254
		Silver Coin	2,845,157
		Amount of Fiduciary Issue	280,000,000
		Gold Coin and Bullion	192,113,083
	452,113,083		452,113,083

BANKING DEPARTMENT

Proprietors' Capital	£ 14,553,000	Government Securities	£ 80,091,413
Reserve	3,251,429	Other Securities	3,251,429
Public Deposits	25,337,937	Discounts and Advances	£ 8,640,773
Other Deposits	£ 95,890,889	Securities	£ 12,181,711
Bankers'	£ 95,890,889		20,822,484
Other Accounts	£ 37,671,494	Notes	75,208,241
	133,562,383	Gold and Silver Coin	582,651
7-day and Other Bills	40		176,704,789
	176,704,789		176,704,789

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

Both Departments	Amount, Nov. 21, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	£ 376,904,842	— 1,970,798	+ 9,376,841
Public deposits	25,337,937	+ 4,407,795	+ 6,571,548
Bankers' deposits	95,890,889	— 1,985,559	+ 7,099,938
Other deposits	37,671,494	+ 906,781	+ 1,092,763
Seven-day bills	40	— 5,000	+ 1,100
Total outside liabilities	535,805,202	+ 1,353,219	+ 9,940,144
Capital and rest	17,804,429	+ 45,774	+ 15,480
Government debt and securities	336,609,002	+ 652,344	+ 14,230,762
Discounts and advances	8,640,773	— 992,816	+ 82,938
Other securities	12,181,965	+ 1,731,668	+ 4,500,131
Silver coin in issue department	2,845,157	+ 49,599	+ 795,141
Coin and bullion (bank's reserves)	192,695,734	+ 57,396	+ 927,196
Reserves of notes and coin in banking department	75,790,892	+ 2,028,194	— 8,449,645
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	47.6%	+ 0.2%	— 5.6%
(b) Gold stocks to deposits and notes ("reserve ratio")	36.0%	...	— 0.5%

BANKERS' CLEARING RETURNS
LONDON
(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to November 7	25,768,167	1,503,357	2,552,440	29,823,964
Week ended November 14	761,871	32,034	58,766	849,593
Week ended November 21	813,003	33,217	58,766	904,986
Total to date, 1934	27,343,041	1,568,608	2,668,804	31,578,453
Total to date, 1933	24,644,191	1,481,961	2,667,919	28,801,443
Increase or decrease in 1934	+2,698,850	+86,647	+99,885	+2,877,010
	+10.9%	+5.8%	+3.7%	+10.4%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	-119,153	+46,268	+98,552	+25,667
	-0.4%	+2.8%	+3.6%	+0.07%

PROVINCIAL
(000's omitted)

	Week ended November 17		Month of October			Aggregate Totals, January 1 to November 17	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days...			26	27			
	£	£			+ 1/9	£	£
BIRMINGHAM.....	2,290	2,135	9,510	9,696	+ 1/9	102,031	102,303
BRADFORD.....	658	652	4,047	3,862	- 9/5	37,778	39,217
BRISTOL.....	1,146	1,154	5,036	5,778	+14/5	50,366	53,971
DUBLIN.....	4,788	7,273				233,765	237,936
HULL.....	725	747	3,136	3,126	- 0/3	31,927	33,010
LEEDS.....	1,017	957	3,900	3,834	- 1/6	39,138	41,415
LIVERPOOL.....	717	677	2,921	2,881	- 1/9	28,536	28,511
MANCHESTER.....	6,055	6,469	26,647	28,939	+ 7/7	269,368	275,075
NEWCASTLE.....	9,217	10,015	44,008	45,654	+ 3/7	423,420	437,023
NOTTINGHAM.....	1,553	1,488	5,947	6,442	+ 8/3	64,325	67,271
SHEFFIELD.....	437	430	2,041	2,047	- 0/2	19,788	19,955
	748	832	3,856	3,774	- 2/1	34,853	37,955
	29,351	32,909	111,249	115,833	+ 4/1	1,335,295	1,373,642

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1933. Chile in August 12, 1933. Canada, in October 27, 1933. In November 3. International Settlements, Denmark, Lithuania, Danzig, in November 10. Federal Reserve Banks, Japan, Bulgaria, Portugal, Greece and Java, in November 17.

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

	Nov. 23, 1933	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934
Resources					
Gold Certificates on hand and due from the Treasury	4,966,480	4,998,080	5,018,690	5,055,530	5,055,530
Total cash reserves	3,802,870	5,211,920	5,232,020	5,271,410	5,315,660
Total bills discounted	227,090	223,410	212,640	231,230	240,390
Total bills on hand	112,150	10,980	10,670	9,140	10,720
Total U.S. Govt. securities	20,290	6,080	6,070	5,710	5,690
Total bills and securities	132,440	17,060	16,740	14,850	16,410
Total resources	2,431,080	2,430,170	2,430,190	2,430,170	2,430,150
LIABILITIES					
Federal Reserve notes in actual circulation	2,970,210	3,160,780	3,189,170	3,178,510	3,157,690
Deposits—Memberbank—reserve account	200,700	28,660	28,310	28,160	27,770
Government deposits	2,687,290	4,006,000	4,031,550	4,106,390	4,195,890
Total deposits	31,220	92,200	93,050	93,180	92,700
Capital paid in and surplus	2,667,690	4,261,800	4,236,730	4,323,570	4,387,700
Total liabilities	423,750	288,000	286,640	287,610	287,650
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	65.1%	70.2%	70.5%	70.3%	70.4%

* Reserves other than gold.

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

	Nov. 23, 1933	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934
Total gold reserves	909,480	1,780,920	1,681,940	1,740,900	1,835,970
Total bills discounted	41,990	7,370	6,790	6,030	6,940
Bills bought in open market	7,960	2,500	2,450	2,080	2,060
Total U.S. Govt. securities	831,680	777,750	777,750	777,750	777,750
Total bills and securities	882,630	788,070	788,260	791,880	790,950
Deposits—Memberbank—reserve account	1,003,250	1,654,480	1,600,900	1,654,620	1,774,130
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	57.2%	72.2%	71.2%	71.6%	72.6%

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

	Nov. 17, 1933	Oct. 19, 1934	Oct. 26, 1934	Nov. 2, 1934	Nov. 9, 1934	Nov. 16, 1934
Assets						
Gold coin and bullion	16,715	20,799	21,017	21,323	21,322	21,872
Subsidiary coin	423	213	187	171	168	173
Bills discounted: Domestic and Union Govt. Treas.	10	113	97	83	132	122
Bills discounted: Foreign	19,246	9,033	9,125	9,147	8,841	9,137
Investments	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	4,660	8,448	8,491	9,037	9,403	9,989
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve fund	890	890	890	890	890	890
Reserve fund—circulation	10,005	11,274	11,284	12,506	11,846	11,463
Deposits	1,710	2,232	2,238	2,185	2,185	2,229
Other liabilities	28,090	20,818	20,738	20,767	21,761	22,021
Ratio of reserve to note and other liabilities combined	40.1%	55.5%	55.4%	55.2%	55.0%	55.4%

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

	Oct. 27, 1933	Sept. 28, 1934	Oct. 5, 1934	Oct. 12, 1934	Oct. 19, 1934	Oct. 26, 1934
Assets						
Total securities	44,97,29	45,51,72	47,38,11	48,19,52	48,19,75	48,77,99
Ways and means advances	6,50,00	2,05,45	2,11,01	2,82,57	3,16,52	2,25,44
Loans	1,87,70	14,14,48	13,97,32	13,80,03	14,13,74	13,81,69
Cash credits	2,15,08	1,87,68	1,76,11	1,93,93	1,99,48	2,25,77
Inland bills	28,02	20,26	28,80	30,21	30,88	25,37
Foreign bills	2,58,82	2,50,47	2,50,46	2,50,62	2,50,62	2,50,62
Dead stock	6,29	7,03	3,42	11,68	9,14	11,90
Bal. with other banks	24,15,37	28,39,21	25,90,33	24,37,55	24,79,58	27,94,67
Cash	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Capital paid up	5,20,00	5,20,00	5,20,00	5,20,00	5,20,00	5,20,00
Reserve	85,49,89	83,07,62	82,17,87	82,29,11	83,38,64	86,10,98
Total deposits	952	886	928	885	839	835
The above includes—						
Deposits in London	1,053	1,580	1,608	1,516	1,514	1,511
Advances in London	50	55	28	90	72	93
Cash, etc., at other Banks in London						

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

	Nov. 17, 1933	Oct. 28, 1934	Nov. 2, 1934	Nov. 9, 1934	Nov. 16, 1934
Assets					
Gold	79,282,907	82,475,806	82,524,758	82,164,737	82,070,919
Foreign assets					
Sight deposits	37,650	9,728	7,570	8,150	9,672
Bills, etc.	1,241,163	920,933	921,170	920,589	...
Home bills	3,371,910	3,996,123	3,314,355	3,638,941	...
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,808,127	3,109,591	3,235,593	3,215,719	3,195,625
Other advances	6,209,022	5,898,204	5,898,204	5,898,204	5,898,204
Negotiable Bonds, Sinking Fund Dept.	5,374,933	5,064,402	5,348,595	5,119,490	...
Other assets (excl. forward exch.)	80,706,165	79,466,821	81,015,361	80,641,125	80,193,476
LIABILITIES					
Notes in circulation	3,244,063	5,287,120	4,389,598	5,312,915	5,505,355
Public deposits	15,017,259	17,723,352	16,936,832	15,942,977	15,766,723
Private deposits	2,557,626	2,189,494	2,108,454	2,268,772	...
Ratio of gold reserve to sight liabilities	79.9%	80.3%	80.4%	80.5%	80.7%

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

	Nov. 15, 1933	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934
Assets					
Gold	397,585	82,564	77,829	78,170	78,170
Foreign exchange	52,882	20,851	20,891	21,204	21,204
Reserve in foreign currencies	7,917	3,955	4,231	4,258	4,258
Bills of exchange and cheques	2,861,852	3,729,316	3,607,371	3,508,532	3,508,532
Silver and other coin	256,879	220,305	243,163	268,187	268,187
Notes of other German banks	12,117	90,812	76,653	84,577	84,577
Advances	513,699	750,481	750,521	749,725	749,725
Investments	543,612	664,583	675,245	686,745	686,745
Other assets	150,000	150,000	150,000	150,000	150,000
LIABILITIES					
Share capital	473,151	472,707	472,797	472,797	472,797
Reserves	3,368,818	3,822,930	3,651,142	3,614,901	3,614,901
Notes in circulation	428,673	855,995	927,495	869,767	869,767
Other liabilities	233,844	245,485	243,496	264,420	264,420
Cover of note circulation	12.0%	2.26%	2.25%	2.28%	2.28%

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

	Position, May 30, 1914	Nov. 16, 1933	Oct. 25, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 15, 1934
Assets						
Gold	232,650	68,138	74,851	75,654	77,833	77,833
Silver and other coin	697,600	769,542	615,481	619,098	644,908	626,149
Securities	934,150	3,417,734	3,517,734	3,562,885	3,536,856	3,509,165
Notes in circulation	...	186,151	29,931	43,398	35,834	36,408
Deposits: Govt.	...	396,101	162,951	143,749	168,271	161,334
Other	...	...	...	...	...	...

(a) In thousand francs.

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

	Position, May 30, 1914	Nov. 20, 1933	Oct. 29, 1934	Nov. 5, 1934	Nov. 12, 1934	Nov. 19, 1934
Assets						
Gold	163,932	820,753	882,567	882,567	880,912	870,650
Silver	8,436	26,779	21,624	20,672	19,649	18,792
Home bills discount.	253,504	31,510	25,496	26,540	26,323	26,105
Foreign bills	...	1,437	866	866	866	866
Loans and advances in current acct.	...	142,449	145,750	147,690	146,649	145,324
LIABILITIES						
Notes in circulation	316,632	896,302	893,038	910,055	890,450	880,609
Deposits	5,016	242,475	207,515	193,302	207,486	204,916

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

	Position, May 31, 1933	Nov. 15, 1933	Oct. 23, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 15, 1934
Assets						
Gold	171,175	1,941,868	1,882,394	1,901,764	1,907,580	1,909,819
Of which held abroad	...	399,589	201,375	205,910	201,858	183,151
Foreign gold valuta	...	24,586	19,328	18,788	19,055	19,815
Discounts	...	16,204	38,378	60,484	18,318	18,324
Bills of the Confederation	...	26,404	8,922	8,922	8,372	7,372
Advances	103,000	59,455	69,006	73,273	75,708	74,078
Securities	...	65,853	53,477	53,368	53,321	52,088
LIABILITIES						
Notes in circulation	275,825	1,352,484	1,326,628	1,384,475	1,351,842	1,326,305
Deposits	33,750	720,962	676,096	665,795	662,942	692,396

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

	Nov. 10, 1933	Oct. 10, 1934	Oct. 20, 1934	Oct. 31, 1934	Nov. 10, 1934
ASSETS					
Gold, coin and bullion	7,060,300	6,168,200	6,116,900	6,070,600	6,017,700
Foreign bills and balances abroad	305,600	27,800	28,600	28,200	27,000
Other cash	312,500	290,400	291,200	291,600	292,000
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,402,600	3,263,700	3,266,800	3,323,800	3,321,000
Advances	562,200	1,402,000	1,263,900	1,771,000	1,630,000
Creations with a view to "Industrial Reconstruction"	1,215,800	1,088,800	1,088,800	1,088,800	1,088,800
Government securities	1,371,200	1,384,200	1,333,600	1,383,600	1,383,300
LIABILITIES					
Notes in circulation	13,104,400	13,461,100	13,033,600	13,251,400	13,124,000
Public deposits	300,000	98,000	1,092,600	1,518,800	1,560,000
Other deposits and drafts	1,313,000	917,300	975,000	836,000	775,000
Reserve of cash and sight liabilities, combined	50-05%	42-21%	42-94%	42-39%	42-57%

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Diven- ture Interest	Amount Available for Distribution	Appropriation						Corresponding Period Last Year	
					Dividend			Carried to Reserve, Deprecia- tion, &c.	Balance Forward	Net Profit	Divi- dend	
					Prefce.	Ordinary	Rate					
												Amount
Banks												
English, Scottish and Aus- tralian Bank	June 30	£ 274,181	£ 221,556	£ 495,747	£ ...	£ 150,000	% 5†	£ 70,000	£ 275,747	£ 219,327	% 5†	
Breweries												
Alton and Co.	Sept. 30	51,890	46,623	98,513	10,000	37,500	37½	...	51,013	39,386	27½	
Brickwood and Co.	Sept. 30	48,589	128,040	176,629	21,000	75,777	12	30,567	49,285	87,959	12	
Hall's Oxford Brewery	Sept. 30	57,047	57,105	114,152	11,000	45,000	22½†	...	58,152	46,777	20†	
Hull Brewery Co.	Sept. 30	45,590	89,492	135,082	9,100	35,000	12½	38,500	52,482	67,766	11½	
Morgans Brewery	Sept. 29	43,938	48,248	92,186	13,800	27,043	15	7,000	44,343	43,270	12½	
Starkey, Knight and Ford	Sept. 30	30,475	48,271	78,746	4,650	32,000	16†	10,000	32,096	41,763	14†	
Strettons Derby Brewery ...	Sept. 30	63,554	106,252	169,806	12,600	93,000	31	...	64,206	89,567	25	
Stroud Brewery	Sept. 30	12,008	65,771	77,779	4,020	36,803	21	22,000	14,956	58,094	18½	
Financial Land, etc.												
Charterhouse Investmt. Trt.	Nov. 11	23,755	227,068	250,823	...	77,500	10	143,752	29,571	58,827	6½	
Mutual Finance, Ltd.	Sept. 30	2,818	16,611	19,429	8,660	775	{ 6(a) 13½(b) }	6,229	3,765	8,267	Nil	
Iron, Coal and Steel												
Brown, Bayley's Steel Works	Aug. 4	7,013	43,503	50,516	25,000	...	...	...	25,516	2,252	...	
South Durham Steel & Iron	Sept. 30	136,267	92,489	228,756	18,000	{ 31,500 17,635 }	{ 9 (c) 3 (d) }	50,000	111,621	27,543	{ Nil c Nil d }	
Thornycroft (John I.)	July 31	3,448	Dr. 66,874	Dr. 63,426	...	...	...	Dr. 66,000	2,574	Dr. 101,122	...	
Weardale Steel, Coal & Coke	Sept. 30	20,774	51,780	72,554	30,000	13,500	6	10,000	19,054	55,642	6	
Motor, Cycle and Aviation												
Enfield Cycle Co.	Aug. 31	37,109	24,604	61,713	2,981	14,822	8½	...	43,910	21,166	7½	
Humber, Ltd.	July 31	49,095	224,595	273,690	23,206	{ 50,061 10,000 }	{ 15 (a) 10 (b) }	85,000	105,423	72,301	{ Nil a Nil b }	
Oil												
Kern River Oilfields of Cali- fornia	May 31	15,332	15,113	30,445	...	...	...	5,000	25,445	15,372	...	
Rubber												
Bekoh Consolidated Rubber	June 30	11,863	6,382	18,245	...	5,799	2½	300	12,146	Dr. 710	Nil	
Bukit Kajang Rubber	June 30	313	8,029	8,342	...	7,000	4	...	1,342	260	...	
Bukit Pulau Rubber	June 30	Dr. 1,434	2,453	969	...	...	...	...	969	Dr. 530	...	
Buntar Rubber	June 30	...	4,415	4,415	...	3,562	3½	...	853	...	...	
Malaya General Co.	Aug. 31	10,767	31,952	42,719	...	31,185	16	...	11,534	2,236	3	
South Perak Rubber	June 30	Dr. 514	2,589	2,075	...	1,500	2½	...	575	Dr. 514	...	
Sungei Tukong Rubber ...	June 30	563	1,097	1,660	...	...	...	844	816	Dr. 786	...	
Tebing Rubber	Mar. 31	Dr. 1,376	2,097	721	...	...	...	...	721	Dr. 1,999	...	
Tenom Rubber	July 31	Dr. 2,067	6,326	4,259	...	...	...	3,694	565	Dr. 175	...	
United Temiang (F.M.S.) ...	July 31	12,699	6,569	19,268	...	8,958	4½	...	10,310	258	Nil	
Textiles												
Simpson and Godlee	Sept. 26	96,599	3,388	99,987	17,500	...	...	...	82,487	5,477	...	
Trusts												
Malayan and General Trust	Sept. 30	...	2,905	2,905	...	...	...	...	2,905	...	...	
Second Anglo-Celtic Trust...	Nov. 1	7,864	12,383	20,247	11,658	...	...	450	8,139	12,762	1	
Stockholders Invest. Trust	Oct. 31	14,009	8,831	22,840	8,719	...	...	84	14,037	5,764	...	
Other Companies												
Associated Sound Film In- dustries	Dec. 31	Dr. 46,440	Dr. 14,512	Dr. 60,952	...	...	...	Dr. 60,952	...	...	...	
Berger (Lewis) and Sons ...	July 31	53,337	102,460	155,797	28,000	52,727	10	...	75,070	74,405	7½	
British Cyanides Co.	Sept. 30	2,573	(e) 32,208	34,781	1,857	24,087	9	6,549	2,288	21,096	3	
British Talking Pictures ...	Mar. 31	Dr. 228,094	4,231	Dr. 233,863	...	...	...	Dr. 223,863	4,069	...	...	
Carr and Co.	Sept. 30	7,202	67,204	74,406	19,500	22,500	7½	16,353	16,053	53,113	6	
Goodacre (Wm.) and Sons	June 30	5,602	20,987	26,589	21,076	...	...	...	5,513	1,888	...	
Liverpool Warehousing Co.	Sept. 30	55,051	78,539	133,590	13,853	50,374	10	3,000	66,363	62,548	10	
Morland and Impey	July 31	2,564	17,538	20,102	6,591	{ 6,232 1,780 }	{ 10 (a) 10 (b) }	2,900	2,599	20,626	{ 10 a 10 b }	
Paterson, Laing and Bruce	July 31	Dr. 76,726	6,045	Dr. 70,681	...	...	...	Dr. 70,681	3,636	...	...	
Rubber Regenerating Co....	Sept. 30	36,357	(d) 6,662	43,019	...	26,566	(s)†	...	15,223	1,230	...	
Sage (Frederick) and Co. ...	Sept. 30	1,875	Dr. 19,528	Dr. 17,653	...	...	...	Dr. 20,000	2,347	Dr. 29,207	...	
Sussex Brick Co.	Sept. 30	9,124	42,498	51,622	9,300	27,900	18	7,000	7,422	25,808	7½	
Wall Paper Manufacturers	Aug. 31	261,417	612,948	874,365	60,000	{ 152,741 268,799 }	{ 10 (c) 12½ (b) }	111,000	282,825	536,242	{ 10 c 11½b }	
Walmsleys (Bury)	Sept. 30	13,385	58,788	72,173	11,486	27,000	9	...	33,687	13,385	Nil	
(†) Nine months.												
(e) 15 months.												
(a) Preferred ordinary.												
(b) Deferred ordinary.												
(s) Paid on an issued capital of £130,000.												
(c) Ordinary.												
(d) Ordinary.												

(f) Nine months.

(e) 15 months.

(a) Preferred ordinary.

† Free of income tax.

(b) Deferred ordinary.

(s) Paid on an issued capital of £130,000.

(c) Ordinary.

(d) (B) ordinary.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

A FURTHER slight decline in wheat prices occurred during the week ended last Wednesday, owing to selling pressure from Argentina and the continuance of subsidised exports from France. London quotations for other cereals have also weakened, although the tendency in the United States has been upward. The price of sugar, which had been falling steadily since the end of June, has risen sharply since last week. Meat and butter are both a little cheaper, but bacon and eggs are both seasonally dearer. Tea, coffee and cocoa are again practically unchanged on the week.

Among textile raw materials, cotton prices are firm and jute has appreciated. At the London wool auctions this week competition was good and quotations, both in London and Australia, now appear to have passed their lowest point. Stocks have been allowed to run down for some time, and an early expansion of demand is therefore

expected by selling interests. On the other hand, quotations for rubber have again fallen, while non-ferrous metals continued to exhibit weakness. The proposed Copper Shareholders' Association has given rise to lively discussion, but, so far, nothing definite has emerged. Business in oils and oilseeds is reported to have improved, and quotations for these commodities are higher than a week ago. The demand for house coal is now more encouraging, and the output of iron and steel continues to give satisfaction.

Moody's index of the dollar prices of staple commodities (December 31, 1931 = 100) stood at 146.4 on Wednesday last, compared with 145.7 a week ago and 128.0 on the corresponding date last year.

COAL

SHEFFIELD.—The market for steam coal has hardened, owing to somewhat short supplies, but it cannot be said that the export trade is better. Forward business, on the contrary, is distinctly quiet.

The inland demand for industrial fuel continues steady, specifications against contracts being heavy, but no great amount of new business is coming forward. The house-coal department is more active, but there are large stocks of such fuel at the pits. Best steams are quoted at 17s. to 17s. 6d. f.o.b.; best house, from 21s. to 23s. at pits; and blast-furnace coke, at 14s. to 14s. 6d. at ovens. All kinds of coke are in demand and the quantities going out large.

NEWCASTLE-ON-TYNE.—The outlook of the Northumberland steam market for the next few months is very healthy, and there is also a better feeling in Durham, where gas and coking coals are more active. Prime bunkers are a firm market, due to a more active coaling station demand and also to a better arrival of vessels taking bunkers only. Cokes of all descriptions are in good demand, producers of the blast-furnace grades being heavily sold in the inland trade.

Current f.o.b. prices for export: NORTHUMBERLAND.—D.C.B. screened, 14s. 6d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. DURHAM.—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened and/or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class gas, unscreened bunkers, 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

WORKINGTON.—A welcome change has come over the coal trade. Demand is very little short of the level it reaches in mid-winter, and the collieries, all of them working full time, are disposing readily of their production. The Ulster market is brisk, the West Cumberland shipments to Belfast and Londonderry averaging from 7,000 to 10,000 tons a week. Local landsale is brisk, and West Cumberland collieries are taking all the supplies of smalls. The erection of a central coking plant of 120 modern by-product ovens is to be started soon at the United Steel Company's steel-works at Workington. At present coke for the furnaces there has to be hauled from Lowca, Rishow and Moresby. Prices are steady, with best round nominally 21s. 6d.; washed doubles, 20s.; washed singles, 18s., all f.o.b. Smalls, 15s. 6d. per ton. Best house coal, 30s. 8d.; and house nuts, 29s. at station. Gas coal, 27s. per ton. Local coke is from 15s. 6d. to 16s. 6d. per ton.

GLASGOW.—The market remains firm. Home demand is of considerable extent owing alike to the colder weather and to increased industrial activity, and this, of course, reduces the quantities available for shipment. Although still disappointing, new business with foreign buyers has improved lately, despite keen competition, and with the contracts on hand the collieries are able to dispose of production fairly readily.

Shipment prices (f.o.b. district ports): LANARKSHIRE.—Ell best, 14s. 6d.; splint best, 16s. 6d.; splint second, 14s. 9d. to 15s.; navigation, screened, 14s. 9d. to 15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 12s. 9d. to 13s.; trebles, 14s. to 14s. 6d.; doubles, 13s. 6d.; singles, 12s. 6d. to 12s. 9d.; pearls, 12s.; dross, 10s. FIFE.—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 3d. to 12s. 6d.; first-class steam, 13s. 6d. to 13s. 9d.; third-class steam, 12s. 6d. to 13s.; trebles, 14s. to 16s.; doubles, 13s. to 14s.; singles, 12s. 6d. to 12s. 9d.; pearls, 11s. 9d. to 12s. LOTHIAN.—Prime steam, 13s.; secondary steam, 12s. 6d.; unscreened navigation, 12s. 6d.; trebles, 13s. 6d. to 14s. 6d.; doubles, 13s. to 13s. 6d.; singles, 12s. to 12s. 3d.; pearls, 11s. 9d. to 12s. Ayrshire.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s. 6d.; trebles, 15s. 6d. to 15s. 9d.; doubles, 13s. 6d.; singles, 13s.; pearls, 12s. 6d.; dross, 10s.

CARDIFF.—The two chief events in the South Wales coal trade this week have been the announcement of a large measure of agreement between Polish and British coalowners in regard to the regulation of prices and quantities in the coal export trade of the two countries, and the publication of the tenders for the Egyptian State Railways contract for 150,000 tons for delivery over the first four months of 1935. The terms discussed at Warsaw are subject to the consideration of the Central Council and district associations in this country, but although they are being treated as confidential for the moment, they are regarded by the British delegation as offering better prospects of ultimate agreement than any of the other discussions between the two countries in recent years. The lowest of the South Wales tenders for the Egyptian State Railways contract is 23s. 2½d. c.i.f. and 18s. 1½d. f.o.b., but a Polish tender is as low as 19s. c.i.f. and 11s. 6d. f.o.b., while Germany has tendered for the order on the basis of 22s. 6d. c.i.f. Under the previous contract both Polish and German offers were lower than those of British firms, but the business was retained by South Wales. Conditions on the coal market this week have shown very little change. There is a scarcity of some of the washed and sized coals but a glut of large classes, and there has been intermittent working at many of the collieries which are dependent almost entirely on the marketing of large and ordinary screened smalls.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; Western Valleys, 17s. 9d. to 18s.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. 6d. (French), 23s. 3d. to 23s. 9d. (Portuguese).

IRON AND STEEL

MIDDLESBROUGH.—The position in the local iron and steel market is fully maintained. The production of the three furnaces on Cleveland foundry pig iron is fully absorbed and regular shipments

are being made to Scotland. The price to home users is based on a minimum of 67s. 6d. per ton for No. 3 Cleveland foundry iron delivered locally. East Coast hematite is well taken up and merchants expect to arrange further parcels for overseas, although the prices are very much below the quotations to home consumers. Good deliveries are being made to Sheffield and the Midland areas, and the minimum price for No. 1 East Coast hematite is maintained at 69s. per ton for delivery locally. Shipments of all classes of pig iron from the Tees from November 1st to 20th amounted to 10,045 tons, against 10,577 tons for the corresponding period of October. Very little business in foreign ore is now being transacted, most buyers being well covered for the next two to three months, whilst good Durham blast furnace coke is obtainable at 20s. per ton delivered furnaces here.

The steel departments are busy and the recent order placed on the Tyne for the building of the hull of a new cruiser will be beneficial. Messrs Dorman's report that they have booked orders for 5,730 tons of tram rails for the London Passenger Transport Board and for constructional and other steel for Iraq. In addition to heavy steel, such as rails, plates, etc., manufacturers here are now producing special steels suitable for the manufacture of sheets for motor-car bodies, drill steel, etc., and it is anticipated that this will prove a valuable addition to their ordinary productions.

SHEFFIELD.—The export trade returns for October revealed increases in a number of Sheffield's steel products, notably hand and engineers' small tools. The export figures for tools during the present year have nearly reached the high record of 1929, and works engaged in the production of basic steel billets continue producing to capacity, but the acid steel department is rather weak and the booking of orders for quality steels has been tapering off for a lengthy period. Substantial new business will soon be needed to keep up the present activity of plants. The prevailing tone, however, is one of confidence. Several of the largest steel companies are obtaining fresh orders and can foresee sufficient work over the next six months.

The weakness of the market for steel scrap continues, notwithstanding the heavy consumption. Owing to restricted buying, the market value of basic steel scrap has eased some eighteen pence a ton. Large quantities of this material have been imported from America, and it is reported that negotiations are proceeding for further supplies from the same source. There has been but little development of the seasonal demand for cutlery and the output this month has fallen below that of November last year. Makers of silver and electro-plate are by no means busy, but their turnover is rather better than a year ago. Prices of all kinds of iron and steel materials are steady.

WORKINGTON.—There has been a turn for the better in the North-West Coast hematite pig-iron trade, forward business of considerable extent having been booked, so that makers anticipate the maintenance of production almost to the end of March. In part, the improvement is due to an expanding demand from the Midlands, South Wales and Scotland, and in part to the heavy absorption by Barrow and Workington steelmakers. Two furnaces at Workington are being prepared for the smelting of manganese alloys at the end of the year. East Coast competition has lost some of its sting and prices are hardening. Bessemer mixed numbers are quoted at £3 12s. 6d. per ton at Glasgow; £3 18s. 6d. at Manchester; £4 3s. 6d. at Sheffield; and £4 4s. 6d. at Birmingham, while special brands are an additional 2s. 6d. to 5s. per ton. Malleable iron, at £5 15s. per ton delivered at Birmingham, is a livelier Midland trade, and refined iron is in fair request. Ferro-manganese, at from £10 15s. to £11 5s. per ton home, is also in increased demand. The outlook in the steel trade is good. Orders have been obtained that promise to yield activity on the present scale throughout the winter. Barrow is engaged on rails and hoops. Native ore, at from 13s. 6d. to 14s. 6d. per ton, is wholly in local demand. Importations of North African and German ore at Workington during the past four weeks have totalled 13,520 tons.

CARDIFF.—Conditions in the tinplate trade are stable, but the factories are working at only about 65 per cent. of capacity, and there would appear no immediate prospect of any increase in the quota. Prices of tinplates are ruling at the schedule c.i.f. figures. Galvanised sheets are unchanged at from £11 5s. to £11 15s. per ton f.o.b., except for India and Scandinavia, and steel bars at £5 2s. 6d. per ton. Shipments of tinplates at Swansea last week totalled 85,311 boxes, compared with 100,329 boxes the previous week, and 51,544 boxes in the corresponding period last year. Stocks, however, were slightly lower at 93,234 boxes, as against 97,597 boxes at the end of the previous week and 132,234 boxes a year ago.

OTHER METALS

The copper market is at present mainly affected by a poor demand, which was not stimulated by the improvement in the statistical position and the conference discussions. According to the usual unofficial statistics, world copper stocks declined during October by 8,000 short tons, although output showed an increase of 4,500 tons and reached its peak point for the current year at 118,070 short tons. This improvement in the statistical position is difficult to reconcile with market tendencies during the past month, and it would appear that the statistics must be treated with some reserve, especially in view of the fact that they are really nothing but estimates. The efforts of the copper shareholders in the direction of restriction of output have occasioned some lively discussions, but, so far, no real progress has been made. The situation is complicated by the state of affairs in the United States. The American producers who agreed to the copper code have already considerably restricted their output, but exports from that country

consist almost exclusively of non-code copper produced by the "customs smelters." The production of the latter is virtually unfeasible in the United States, since the majority of the consumers have agreed to use only code copper; they are therefore compelled to export. In the circumstances, an agreement between world producers is not easy to accomplish.

Increased purchases have led to a firmer tendency in the tin market during the past few days, but buying is still at an unsatisfactory level. The International Tin Committee held its November meeting on Thursday, but we go to press too early to publish their decision regarding production quotas for the immediate future.

Quotations for lead and spelter have fluctuated within narrow limits during the past week. Demand for lead is improving, but heavy production and the adverse general position prevent a considerable price improvement. No further progress towards the prolongation of the zinc cartel has so far been reported. Despite an increase in production of about 3,500 metric tons during October, an increase in production of about 1,000 tons to 112,292 metric tons, stocks declined by about 1,000 tons at the present time.

Platinum is a good market at the present time. Its consumption has increased considerably during the past ten years as a result of the sharp decline in prices. Exports of the metal from Canada are rapidly increasing. From April 1 to September 30, 1934, Canada exported not less than 76,878 ozs. of platinum, but stocks have not increased. No increase in price is to be looked for at present, for costs of production in Canada are low since platinum is a by-product of the production of nickel.

TIN.—Sales on the London Metal Exchange: 250 tons on Monday, against 215 tons last week; 150 tons on Tuesday, against 155 tons last week; 250 tons on Wednesday, against 325 tons last week. The New York quotation on Wednesday was 51.25 cents per lb., against 51.20 cents a week ago and 51.25 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 10s. to £228 12s. 6d., compared with £228 5s. to £228 10s. last week. Stocks in London and Liverpool at the end of last week were 3,997 tons, a decrease of 408 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,225 tons on Monday, against 675 tons last week; 1,300 tons on Tuesday, against 850 tons last week; 3,400 tons on Wednesday, against 2,000 tons last week. Domestic spot was quoted at 6.72½ cents per lb. in New York on Wednesday, against 6.65 cents a week ago and 6.82½ cents a month ago. Wednesday's official closing price for standard cash in London was £26 11s. 3d. to £26 12s. 6d., compared with £27 10s. to £27 12s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 38,007 tons, show an increase of 2,012 tons and stocks of rough copper, at 10,096 tons, an increase of 75 tons.

LEAD.—Sales on the London Metal Exchange: 150 tons on Monday, against 650 tons last week; 1,000 tons on Tuesday, against 700 tons last week; 150 tons on Wednesday, against 350 tons last week. The New York quotation on Wednesday was 3.50 cents per lb., against 3.60 cents a week ago and 3.70 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 8s. 9d. for shipment during the current month, compared with £10 6s. 3d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 150 tons on Monday, against 350 tons last week; 50 tons on Tuesday, against 550 tons last week; 300 tons on Wednesday, against 200 tons last week. Wednesday's quotation in East St. Louis was 3.70 cents per lb., against 3.75 cents the week before, and 3.85 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 16s. 3d. for shipment during the current month, against £11 17s. 6d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £60 per ton, as against £55 per ton last week. Chinese wolfram was again quoted at 40s. to 42s. per unit, c.i.f. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. Raw cotton prices have continued steady. It is a long time since speculative interest was so dormant. Traders are still in the mood to act with caution, pending some information relating to the policy of the American Government for next season. Demand from spinners continues to run on outside growths, but there are reports of South American cotton being of rather poor quality. Rather more strength has shown itself in prices for the Egyptian staple.

The general inquiry in piece goods for export has shown some expansion. Numerous manufacturers, however, have expressed disappointment at the low bids and progress in certain directions has been difficult. With regard to India, a steady business has been put through in dhooties and mulls for Calcutta and rather more activity has shown itself in white shirtings for Karachi, whilst a useful trade has been reported in dyed fancies for the up-country outlets. Business in printing and finishing styles for South America, certain Empire markets and the Continent has been fairly encouraging. A little more activity has shown itself in home trade fabrics, chiefly in poplins and limbrics. The general position in weaving remains unsatisfactory, but some manufacturers are rather better situated than at the beginning of the month. For the most part, the turnover in yarns has consisted of small lots, yet now and again spinners have been able to sell rather larger weights than recently. Medium numbers in American qualities have attracted rather more attention. In Egyptian spinnings the home demand remains poor, but quite a good business has again been done for Germany.

COTTON PRICES

		1934				Corresponding Date	
		Oct. 31	Nov. 7	Nov. 14	Nov. 21	1932	1933
Raw Cotton—Mid. American	per lb.	6.89	6.79	6.85	6.85	5.50	5.06
Sakellaridis Fully Good Fair Egyptian	per lb.	8.30	8.64	8.69	8.95	7.66	6.80
Yarns—32's twist	per lb.	10½	10½	10½	10½	9½	9½
" 40's twist	per lb.	10½	10½	10½	10½	9½	9½
" 60's twist (Egyptian)	per lb.	16½	16½	16½	16½	15½	16½
32 in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36 in. Shirtings, 75 yds., 19 by 19, 32's and 40's	19 0	19 0	18 10	18 8	19 11	17 0	
38 in. ditto, 33 yds., 18 by 18, 10 lb.	24 0	24 0	24 0	24 0	20 9	21 0	
39 in. ditto, 37½ yds., 18 by 18, 10 lb.	10 11	10 10	10 10	10 10	11 0	10 6	
	9 10	9 9	9 9	9 9	9 10	9 4	

COTTON WEAVERS WAGES.—Although progress is rather slow, there now seems to be a probability of wage rates in the manufacturing section being legalised at an early date, under the Cotton Manufacturing Industry (Temporary Provisions) Act. At the end of last week the General Council of the Operative Weavers' Amalgamation approved the draft proposals which have been agreed upon by the employers and the leaders of the workpeople. It was also resolved that there should be a ballot of the operatives before the new wages agreement is either accepted or rejected. The officials of the Weavers' Amalgamation will not lose any time in taking this ballot, and they are now being asked to vote on the single question of:—"Are you in favour of giving the Central Committee authority and power to conclude a new wages agreement for submission to the Minister of Labour to make it legally enforceable?"

It will probably be a fortnight before the result is known, but it is understood that in the meantime negotiations between the employers and the trade union officials will be resumed. Owing to the opposition in certain districts to wage reductions under the new list the negotiating committee of the operatives has promised to make every effort to secure concessions where heavy reductions will take place. The industry as a whole will welcome the legalisation of wage rates. Wage cutting, which has been going on in several areas for some time, has resulted in much irregularity in cloth prices, and if buyers can be convinced that values are stabilised there is every likelihood of more business being done.

WOOL.—Bradford. The event of the week was the opening last Tuesday of the final series of Colonial sales in Coleman Street Wool Exchange. The initial auction demonstrated the soundness of values, and compared with the close of the previous series on October 3rd, there was not much change. A very good buying spirit developed, competition was keen, and the prices established are attractive for all sections of the trade. There should be an excellent series, because trade is good, consumption large, and prices are most reasonable for every quality of raw material. If prices are maintained, or hardened slightly, it will encourage a continuance of the present satisfactory conditions in most branches of the wool textile industry.

Although there is a large quantity for sale (176,500 bales), we anticipate a considerable amount going into users' hands. The strongest feature of the wool position to-day is undoubtedly the lightness of stocks in all manufacturing centres, for no country has bought anything like the same quantity of wool this year as in recent years. This has given users an opportunity of getting rid of all accumulations; in fact, Continental stocks of tops have greatly declined, while stocks of wool in topmakers' hands in the West Riding of Yorkshire have seldom been so low as during the past four to six months. This should all make for a well sustained demand for new wool in Coleman Street, while the same observation is applicable to overseas selling centres, particularly in Australia.

In manufacturing districts trade is good, especially in the West Riding. Most mills are running full time, and in some cases up to 54 hours per week. No doubt there is considerable activity in preparing next spring and summer fabrics, and the low prices at present ruling for merinos have undoubtedly given a real stimulus to fabrics made from fine wools. The position appears healthy, and at current prices consumption should be further stimulated.

GRAIN MARKETS

WHEAT.—Pressure to sell the new Plate crop, and the continuance of offers from France have caused a further weakening of quotations this week. The Argentine crop promises to be of fair size, but the Australian crop has been damaged by grasshoppers, by drought and by rust. The International Wheat Conference which met at Budapest on Tuesday is the subject of a Note of the Week. According to Mr G. Broomhall, total shipments during the past week were 1,298,000 quarters, against 1,546,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 98½ cents per bushel, against 99½ cents the week before and 98½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 31s. per 496 lbs., against 31s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 27s. 9d. to 28s. 9d., against 28s. 3d. to 29s. 3d.; No. 3 Northern Manitoba, Vancouver, ex ship, was not quoted. Australian, ex ship, 25s., against 23s. a week ago.

FLOUR.—Demand is generally quiet at unchanged prices. North American shipments were 123,000 sacks in the past week, as compared with 91,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d. as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 3d. to 26s. 3d., against 24s. 6d. to 26s. 6d.; Australian, ex store, 19s. 9d. to 20s., against 20s. 3d. to 20s. 6d.

MOTOR FUEL PROPRIETARY LIMITED

(Incorporated under the Companies Acts, 1862 to 1907).

Name to be changed to:

COAL AND ALLIED INDUSTRIES LIMITED

(If approved by Board of Trade.)

SHARE CAPITAL

Authorised. £300,000 in 1,200,000 Shares of 5s. each Issued. £175,000

DIRECTORS

Chairman: FREDERICK CHARLES MARTEN.

THE RT. HON. THE EARL OF ELDON.

THE HON. MICHAEL SIMON SCOTT.

J. HUGHES RICE.

J. A. DODERO.

BANKERS

WESTMINSTER BANK LIMITED, 27 St. Mary Axe, E.C.3.

SECRETARY AND REGISTERED OFFICE

GEO. W. ASKEW, F.C.I.S., 14 St. Mary Axe, E.C.3.

THE Company has developed an entirely new and unique process, evolved by Mr. H. P. Stephenson, for the treatment of raw Coal, Shale and Peat in Oil media, and the subsequent chemical treatment of the products by chlorination and other means. Patents have been taken out and are held in trust by Mr. Stephenson on behalf of the Company, and £225,000 additional capital has been provided for the erection of a commercial plant capable of treating 500 tons of coal per day.

A five-ton unit was completed at Slough in May, 1934, and such satisfactory results were obtained that the Directors invited Professor James William McBain, F.R.S., and Professor Christopher Kelk Ingold, F.R.S., two eminent and internationally known scientists, to investigate thoroughly and report on the process. Their report is now in the possession of the Directors, and the following letter dated October 10th, 1934, has also been received:—

Dear Sirs,

In connection with the investigation carried out by Prof. J. W. McBain, F.R.S., and myself, the following has been established:—

1. That the treatment of Coal and Oil mixtures in the manner indicated by the Company's Patents constitutes an important process.
2. That when Coal and Oil are processed together in this manner, valuable chemical products can be obtained.
3. That a yield of 27.3 gallons of Light Oil per ton of Coal processed can be obtained and should be a minimum.
4. That considerably increased yields of Light Oil per ton of Coal processed should be obtainable by Large Scale operations.
5. That the 16 cwts. of Semi-coke (Smokeless Fuel) produced by the process is of the highest quality.

Faithfully yours, (Signed) C. K. INGOLD.

Since this Report, further tests, from which considerably higher yields have been obtained, have been carried out by Mr. Stephenson.

After making full allowance for all overhead, administration and amortisation charges, the Directors, working on a minimum yield of 27 gallons of light oil, part of which is resolved into the valuable chemical products mentioned in the above Report, estimate the net profit per ton of coal processed at £1 11s. 0d. With a plant capable of treating 500 tons of coal per day, this would amount to £271,250 per annum. This is equivalent to over 150 per cent. per annum on an issued capital of £175,000, and in the Directors' opinion the demand at present existing for the products of the process will necessitate the erection of further similar plants.

Arrangements have been made for Mr. Stephenson to continue in his capacity as Technical Director. Prior to his joining the Company he was Assistant Chief Engineer, coal oil division, with Imperial Chemical Industries Limited, and is the joint registered holder of some of the key patents on hydrogenation owned by that Company.

The Company has an option on a site close to important coal fields with river and sea frontage and access to deep water. The report on this site by Messrs. Chambers, Haworth, Soissons and Partners is conclusive that the site is entirely suitable for the requirements of the Company.

The plant will be erected in units, each unit being put into operation on completion. Mr. Stephenson estimates that the cost of a plant capable of treating 500 tons of coal per day will not exceed £150,000, and most of the units should be in operation within 9 months, during which time the Directors will arrange for the marketing of the Company's products, for which there is an established and increasing world demand.

BARLEY.—Demand for feeding barley has been poor, and quotations have tended to weaken, except in the case of Canadian, which is firm on account of United States purchases. English malting has suffered a further decline in price. "December" futures have been 52½ cents per bushel in Winnipeg on Wednesday, against 50½ cents last week and 52½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 30s. to 50s., against 30s. to 55s. a week before.

OATS.—Imported oats are in quiet demand at mainly unchanged rates. Prices for English oats continue firm. On Wednesday, "December" futures were quoted at 53 cents per bushel in Chicago, against 51½ cents a week ago and 50½ cents last month. Quotations in London, Wednesday: "River Plate," landed, not quoted; "Chilean White," landed, 23s. 9d., against 23s. 9d. a week earlier.

MAIZE.—Last week's strength has not been fully maintained, and prices have eased off a little. "December" futures were quoted on Wednesday at 84½ cents per bushel in Chicago, against 81 cents a week ago and 75 cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 21s. per 480 lbs., compared with 22s. last week; "Plate," ex ship, 20s., as against 21s.; "Plate," "November," 20s. 3d., as against 21s. 6d. Yellow maize meal, ex wharf, was quoted £5 15s. to £5 17s. 6d. per ton, against £6 2s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to November 17	Cwts. 73,670	Cwts. 313,073	Cwts. 257,789	Cwts. 322,498
12 weeks to November 17	Cwts. 73,670	Cwts. 313,073	Cwts. 257,789	Cwts. 322,498
Average price of English wheat per cwt.	s. d. 6 10	s. d. 5 5	s. d. 4 7	s. d. 4 11

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Nov. 15, 1930	Cwts. 124,662	Cwts. 456,323	Cwts. 46,198	s. d. 6 9	s. d. 9 8	s. d. 5 11
Nov. 14, 1931	Cwts. 89,271	Cwts. 456,512	Cwts. 63,526	s. d. 6 10	s. d. 9 0	s. d. 6 10
Nov. 19, 1932	Cwts. 313,073	Cwts. 408,724	Cwts. 57,531	s. d. 5 5	s. d. 7 3	s. d. 5 11
Nov. 18, 1933	Cwts. 257,789	Cwts. 450,315	Cwts. 45,960	s. d. 4 7	s. d. 9 4	s. d. 5 5
Nov. 10, 1934	Cwts. 352,853	Cwts. 386,369	Cwts. 44,886	s. d. 4 11	s. d. 8 10	s. d. 6 7
Nov. 17, 1934	Cwts. 322,498	Cwts. 357,681	Cwts. 43,540	s. d. 4 11	s. d. 8 9	s. d. 6 8

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Nov. 22, 1933	Jan. 3, 1934	Nov. 14, 1934	Nov. 21, 1934
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	62½	46½	63½	65½	78	77½
Chicago (No. 2 Winter) —Cents per 60 lb.	55½	46½	87½	84½	99½	98½

The visible supply of wheat in Canada, at 123,743,000 bushels, shows an increase of 1,485,000 bushels. Supplies a year ago amounted to 115,765,000 bushels.

OTHER FOODS

SUGAR.—The decline in quotations has been checked this week and prices have moved to a higher level. The spot price in New York on Wednesday was 3-00 cents per lb., as compared with 2-86 cents per lb. last week and 2-74 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery" at 4s. 1½d. to 4s. 2½d., against 3s. 9½d. to 3s. 10d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons	Tons	Tons	Tons	Tons	Tons	Tons
London	1,005	25	1,443	1,179	18,263	18,680
Liverpool ...	31,941	25,826	14,183	13,571	126,639	88,092
Total tons....	32,946	25,851	15,626	14,750	144,902	106,772
Last week ...	28,136	4,722	15,706	14,704	127,582	95,671

COFFEE.—Demand on the New York spot market has been fair to quiet and quotations are again unchanged. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London market has again ruled quietly steady. Last week's movements of coffee in London were as follows: Brazilian, landed, 978 bags; delivered, for home consumption, 4 bags; exported, 23 bags; stocks, 28,373 bags, against 26,202 bags a year ago. Central American, landed, 1,109 packages; delivered, for home consumption, 1,840 packages; exported, 771 packages; stocks, 78,943 packages, against 67,145 packages last

year. Other kinds: Landed, 293 packages; delivered, for home consumption, 2,065 packages; exported, 255 packages; stocks, 72,460 packages, against 100,234 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "November-January," was 19s. 9d. to 20s. 3d. per 50 kilos, c.i.f. Continent, as against 20s. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 1,032 bags; delivered, for home consumption, 5,194 bags; exported, 280 bags; stocks, 146,590 bags, against 111,741 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 51,564 packages of Indian and 17,550 packages of Ceylon tea. Competition for the Indian grades was again keen, but prices were a shade lower on Wednesday. On the other hand, the rather smaller supplies of Ceylon met with a good trade and quotations showed a slight advance at Tuesday's auction. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.						
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
Nov. 16, 1933	13-27	13-49	15-81	11-73	10-52	11-29	13-75
Oct. 18, 1934	12-63	11-56	14-32	10-15	9-77	10-98	12-76
Oct. 25, "	12-49	11-35	14-63	9-96	9-29	10-85	12-73
Nov. 1, "	12-33	11-44	14-27	10-69	9-28	10-67	12-58
Nov. 8, "	13-21	11-62	14-39	10-23	9-28	10-75	12-51
Nov. 15, "	13-10	11-51	14-15	10-29	9-57	10-69	12-39

RICE.—The "spot" price was 8s. 6d. per cwt. on Wednesday as compared with 8s. 6d. per cwt. a week ago, while the forward quotation, at 7s. per cwt. (new crop), shows a fall of 3d. on the week. Movements in London during the past week were as follows: Landed, 15 tons; delivered, 465 tons; stocks, 2,917 tons, against 2,823 tons a year ago.

POTATOES.—Supplies are ample for the current level of demand and, although quotations were generally maintained this week, one or two varieties made slightly lower prices. At the London Borough Market on Tuesday, light soil "King Edward" sold at 5s. 9d. to 6s. 3d. per cwt., ex market, as against 6s. to 6s. 6d. per cwt. last week.

SPICES.—"Lampong" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 78 tons; delivered, 61 tons; stocks, 608 tons, against 426 tons a year ago. White, landed, 481 tons; delivered, 66 tons; stocks, 9,702 tons, against 1,656 tons a year ago.

MEAT.—Trade in most descriptions has been only fair this week, but fog delayed the arrival of Irish pigs on Wednesday and English pigs were consequently in more active demand. At Smithfield on Wednesday, Argentine beef, chilled hindquarters, was quoted at 3s. to 3s. 6d. per 8 lbs., as compared with 3s. 2d. to 3s. 6d. last week. New Zealand frozen mutton was 3s. to 3s. 6d. per 8 lbs., against 3s. to 3s. 6d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,735 tons, against 9,091 tons in the corresponding week last year. Imported beef, principally Argentine, formed 83·6 per cent. of the beef supplies, against 80·6 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 72·1 per cent. of the total supply of mutton and lamb, against 64 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OIL AND OILSEEDS.—A much steadier and even firmer tone has manifested itself in most sections. Linseed is in better demand and dealings in new crop have begun, up to £8 17s. 6d. per ton having been paid for January shipment, and £9 5s. for old crop, November. Reports of weather damage in Argentina have not seriously affected the market except to stimulate buying by crushers short of seed. There is but little business in Indian linseed, Calcutta to London November-December being held for £10 12s. 6d., and new crop April-May quoted £10 10s. The quantity afloat for Europe is now 114,000 tons (including 10,500 tons from India) or 1,700 tons less on the week; and for the United States 37,400 tons, against 27,700 tons a year ago. Cotton seed is still a rising market, and for black Egyptian to Hull, December loading, £5 12s. 6d. has been conceded and this remains the value.

After a period of firmness linseed oil is easier again, but shows a net gain on the week. Raw oil ex Hull mill for November-December delivery is quoted £17 15s., and for January-April £17 17s. 6d. per ton (naked). Cotton oil is firmer in sympathy with the strength of American edible oils. Crude Egyptian ex Hull is held for £17 and common edible for £19 prompt. Oilcakes are in improving demand and prices are steady. No news is yet to hand regarding the application for an increase in the import duty on foreign oilcakes and vegetable oils.

TIMBER.—Last month's imports of sawn softwoods for building and joinery work almost equalled the large total for the same month of 1933 and stocks in the United Kingdom remain heavy. Owing to weakness in shippers' prices and unfavourable weather for building work, the spot market has lacked tone this month. It is suggested, however, that the consumption outlook is brighter, since increased house-building may result from the recent Socialist gains in the municipal elections.

The furniture trades have been busier in preparation for the Christmas season and, in view of the large numbers of houses recently erected, demand for their products should be good. Mahogany logs and sawn woods have been in increasing supply and there is a large demand for the cheap lumber from British countries overseas. Shipments of other sawn wood from America and Canada are also heavier this year, but the N.R.A. code prices still create uncertainty on both sides of the Atlantic. A good demand is also being experienced for pitwood and for plywood.

RUBBER.—During the past week prices, both in London and New York, have further declined. Nervous selling brought quotations down on Monday, but trade buyers came in at the lower level

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, November 21st.				POTATOES—				WOOL—							
CEREALS AND MEAT				Good English, per cwt.				English Southdown, greasy, per lb.							
GRAIN, &c.—				s. d. s. d.				s. d. s. d.				s. d. s. d.			
Wheat—				6 0 6 6				13				Cape			
No. 2, N. Man. 496 lb.				s. d. s. d.				22				Dry and Drysalted Cape—			
Eng. Gaz. av., per cwt.				4 11				N.S.W. greasy, super cmbg.				Market Hides, Manch't—			
Barley, Eng. Gaz. av.				8 9				Tops				Best heavy ex and heifer			
Oats—				6 8				Crossbred 40-44				Best cow			
Maize, La Plata, landed,				21 0				Merinos 70's				Best calf			
480 lb.				22 3				Crossbred 48's							
Flour, Lon. stan. ex mill,				7 0				46's							
280 lb.				11 9											
Rice, No. 2 Burma, per cwt.				37 6								INDIGO—			
Tapioca, per cwt.				80 0 100 0								Bengal gd. red-vio. to			
Fair Flake, Singapore..				1 0 2 4								fine..... per lb.			
MEAT—				(Duty, 11/8 per cwt.)				MINERALS				5 6			
Beef, per 8 lbs.—				Centrifugals, 96", prpt.				COAL—				LEATHER—			
English long sides				B.W.M., c.i.f. U.K./Cont.				Welsh, best Ad'ty ... ton				Sole Bends 8/12 lb.—			
Argentine chilled hinds				B.L.I., crystallized				Durham, best gas, f.o.b.				per lb.			
Mutton, per 8 lbs.—				Java, white, c. & f. India				Tynne				Bark Tanned Sole			
English wethers				Aug.-Sept.				Sheffield, best house, at				Shoulders fm DS Hides			
N.Z. frozen				Resined—London—				pits				Do. Eng. or WS do.			
Lamb, per 8 lbs.—				Yellow Crystals				IRON AND STEEL—				Bellies from DS do.			
N.Z. frozen				Cubes				Pig, Cleveland No. 3, d/d.				Do. Eng. or WS do.			
Pork, English, per 8 lbs.				Crushed				Bars, M'brough				Dressing Hides			
				Granulated				Steel Rails, heavy				Ro. Eng. Calif, 20/30 lb.			
				Home Grown				Tin plates ... per box				Aust. Bends			
				Molasses, in bond				METALS—				VEGETABLE OILS.			
				1 3				Copper, Electrolytic, ton				£ s. d.			
OTHER FOODS				TEA—				29/15/0				Linsed, naked, p. ton net			
BACON—				Indian—per lb.—				Sheets (strong)				27/0/0			
English.....per cwt.				0 10½ 1 0				Standard				Cotton-seed, crude			
Irish.....				0 10½ 1 2				Lead, Eng. pig ... per ton				18/0/0			
Danish.....				0 11 1 7½				Soft Foreign				13/12/6			
Dutch.....				0 11 2 7½				Spelter G.O.B.				Oil Cakes, Linsed, Eng.			
HAMS—				Broken Orange Pekoe.....				11/16/3				Aut. Seds—Linsed—			
Canadian.....				0 11½ 2 3½				Tin—English ingots				La Plata, p. ton,			
American.....				0 11½ 2 3½				228/15/0				Nov.....			
BUTTER—				Ceylon—per lb.—				Standard cash.....				Calcutta—per ton			
Australian.....				0 11½ 2 3½				228/10/0				9/5/0			
New Zealand.....				0 11½ 2 3½				CHEMICALS—				10/13/9			
Danish.....				0 11½ 2 3½				Acid, citric, per lb., less 5%				Turpentine, per cwt.....			
CHEESE—				TOBACCO—				Nitric.....				PETROLEUM PRODUCTS—			
Canadian.....per cwt.				(Duty, 9/6-10/6½ per lb.)				Oxalic, net.....				M. spirit, No. 1, Lon-			
New Zealand.....				Empire growth, 7/5½				Tartaric, English, less 5%				don			
English Cheddars.....				8/4 per lb.				Alcohol, Plain Ethyl.....				1 4			
Dutch.....				Virginia leaf.....				Alum, lump..... per ton				Petroleum, Amer. rfd.			
COCOA—				Common to fine.....				Ammonia, carb.....				bri. London.....per gal.			
(Duty, British grown,				Rhodesian leaf.....				Sulphate.....				Fuel oil, in bulk, for			
11/8; foreign, 14/- cwt.)				Nyasaand leaf.....				6/19/0				contracts, ex instal.,			
Acorn i.f.f..... per cwt.				strips.....				95 40 0				Thames			
Trinidad.....				East Indian leaf.....				9 0 10 10				Furnace... per gall.			
Grenada.....				strips.....				Bleaching powder, per ton				Diesel per gall.			
COFFEE—				0 4½ 1 3				BORAX, gran				0 3½			
(Duty, British grown,				COTTON—				13 0				ROBIN—			
4/8; foreign, 14/- cwt.)				Mid-American..... per lb.				Do., powder.....				American..... per ton			
Santos sup. c. & f. cwt.				6-85				Nitrate of Soda.....per cwt.				12/5/0			
Colombian, good.....				8-95				Nitrate-Chlorate, net.....				14/2/6			
Costa Rica, med. to good				104				Sulphate.....per cwt.				RUBBER—			
East Indian " " "				60's twist				Sal-Ammoniac.....per cwt.				s. d. s. d.			
Kenya, medium.....				16½				Soda Bicarb.....per cwt.				St. ribbed smoked sheet			
EGGS—				FLAX.....				Crystals.....per cwt.				per lb.			
English.....per 120				Livonian ZK..... per ton				Sulphate of Copper, per ton				Fine Hard Para per lb.			
Danish.....				65 0 66 0				CEMENT, best Eng. Portland, dtd. 32,				0 5½			
FRUIT—Oranges—				Pernau HD.....				London area, jute sacks, 11 to ton				SHELLAC—			
South African... boxes				Slanetz Medium 1st sort.....				(charged and credited at 1/6d. each) or				TN Orange.....per cwt.			
Lemons, Malaga... cases				HEMP.....				paper bags 20 to ton (free, non-returnable—				87 0 92 6			
" " Sicilian... boxes				Italian P.C..... per ton				4 ton loads and upwards 38/- per ton				SHELLS—			
Apples: Amer. (var.) brs.				Manilla, Oct.-Dec. " J ".....				1 and up to 4 ton loads 40/- per ton				W. Aust. M.-o. P. " " "			
" Australian.....				Sisal, African.....				COPRA—				2 10 8 0			
Onions—				JUTE.....				S.D. Straits c.i.f., per ton				TALLOW—			
Valencia, case.....				Native 1st mks. per ton				9/10/0				London Town per cwt.			
Egyptian, bags.....				c.i.f. H.A.R.B.				DRUGS—				19 6			
Grapes, Lisbon, & boxes				Nov.-Dec. (New crop)				Camphor.....				TIMBER—			
Almeria... brls.				Daisee 2/3 c.i.f. Dundee				Japan, refined ... per lb.				Swedish u/3 x 8 ... per std.			
LAKED—				Nov.-Dec.				Ipecacuanha ... per lb.				2½ x 7 " " "			
Irish bladders, pr. cwt.				SILK.....				Peppermint, Wayne Co.				Can'din Spruce, Dis.			
U.S. 56 lbs. boxes				Canton..... per lb.				HILSES.....				Pitchpine.....per load			
				Tussah.....				Wet salted—Australian				Rio Dals.....per std.			
				Japan.....				per lb.				Teak.....per load			
				Italian—raw, fr. Milan				West Indian.....				Honduras Mabg. logs.....c. ft.			
				£15/17/6				0 3½ 0 4				African.....			
				£14/15/0				0 3 0 3½				Amer. Oak Boards.....			
				s. d. s. d.				0 3 0 3½				Ash.....			
				s. d. s. d.				0 3 0 3½				English Oak Planks.....			
				s. d. s. d.				0 3 0 3½				" " " " " "			
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THE FINANCIAL NEWS

Special articles due to appear next week on the Leader Page of THE FINANCIAL NEWS are as follows:

MONDAY, NOVEMBER 26—WALL STREET UNDER THE NEW DEAL—No. 2. A member of a well-known London Stock Exchange Firm, recently returned from New York, deals in his second article with the Wall Street fraternity and its reactions to the Securities Exchange Act.

TUESDAY, NOVEMBER 27—"Minotaur," our Special Mining Correspondent, in his "Mines of the Rand" series, deals with NOURSE MINES.

WEDNESDAY, NOVEMBER 28—Industry in the Provinces—No. 22. WIGAN.

THURSDAY, NOVEMBER 29—OIL FROM COAL. A Trade Correspondent analyses the growing importance of Hydrogenation and Allied Processes in the European Oil World.

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THE ECONOMIST

Vol. CXIX

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(With this issue appears a Special Supplement: Investment Trusts.)

ARMS AND ISOLATION

This country is generally immune from those influences which periodically sweep the Continent of Europe. Never is that immunity more fortunate than when panic and unreason reign abroad. To-day there is plenty of unreason and irresponsibility on the Continent; and when so many European countries and their citizens live under dictatorships which control the news and substitute propaganda for national ends, rumours and fears have free play to foster panic. The widespread atmosphere of fear and distrust in Europe has engendered a panic psychology which, as General Smuts reminded us only a fortnight ago, does more to breed war than anything else.

It was therefore all to the good that, in the House of Commons on Wednesday, Mr Winston Churchill raised the issue of our intentions regarding armaments by moving an amendment to the Address on the King's speech to the effect that "in the present circumstances of the world, the strength of our national defences, and especially of our air defences, is no longer adequate to secure the peace, safety and freedom of your Majesty's subjects." Mr Churchill, in a speech which, though carefully considered, was pitched in a disquieting key, asked the Government to take the country into its confidence and to give it more precise details, both of their knowledge of Germany's rearmament and of their proposals for our own defences against aerial attack. "The great new fact which has broken upon us in the last eighteen months," he said, "is that Germany is re-arming." He contended that "the decision of a handful of men—the men of June 30th—is all that is required to launch an attack upon us, if such an attack were possible, and that only the shortest notice, or no notice at all, could be counted upon." If, he said, this country's and Germany's present air programmes proceeded at their present rates, by 1936 the German military air force would be 50 per cent. stronger than, and in 1937 almost double, that of our own—and this apart from Germany's large reserves of "dual purpose" civil aircraft. London, and much more than London, was easily vulnerable to a heavy air attack with incendiary bombs; the flight of three or four millions of people from the

capital would create administrative chaos; the Port of London could be completely disorganised. Our only effective defence was to build as great a military air force, and as rapidly, as Germany was preparing, to deter aggression. Only then could we "intervene usefully in sustaining the peace of Europe."

Mr Baldwin, in reply, informed the House that Germany was now expanding her long-service army of 100,000 men into a short-service army of 300,000; that her air force is now somewhere between 600 and 1,000 aircraft (though these are doubtless not all first-line machines); and that "great haste is being shown in the preparation of aerodromes and great secrecy in their construction and as to where they are." But our own first-line aircraft numbered 880, of which 687 were available at home, including 127 auxiliary machines in every way equal to our first-line aeroplanes; while there is "a far larger number" in reserve or available for training or to replace normal peace time wastage. Moreover, Germany laboured under the disadvantage of having to compress the three years of training for military pilots, which our pilots receive, into a shorter period. Our machines were of the most modern type, and research was continually going on, both for defensive measures and for the machines themselves. Whether we take the upper or the lower figures of Germany's aircraft, it was not correct to say, as Mr Winston Churchill had done, that Germany was approaching equality with us. Confining the comparison to aircraft immediately available in Europe and ignoring our substantial overseas forces, her strength at present was not half our own, and the experts estimate that this time next year our margin will still be nearly 50 per cent. Hence, there was, in Mr Baldwin's view, no ground for alarm—"still less for panic"—for "there is no immediate menace confronting us or anyone in Europe at this moment." Nevertheless, we must look ahead; we must have "regard to our own position and to our position as members of the League of Nations and as subscribers to Locarno." In 1935 and 1936, therefore, the Government proposed to advance its five-year air programme, to form 22 squadrons for home defence

and three for the Fleet, in addition to the four new squadrons this year. This would add 300 first-line aircraft to our strength, plus an increase in the reserves. New aerodromes were in process of formation. Next year's Air Force orders for new machines would be 80 to 90 per cent. above this year's figures; and a supplementary estimate would have to be presented next February.

Though the Opposition only replied in somewhat vague and general terms, there lay behind their speeches—as also behind those of most other speakers in the debate—the crucial question what is to be the guiding line of British policy? One thing is crystal clear: we cannot afford, either immediately or within measurable time, to burden ourselves with the prohibitive cost of a national defence system adequate for an isolationist policy of “ourselves alone.” Isolation means for us not only the tearing up of our present commitments, but also a voluntary exile from the comity of those nations who are willing to co-operate to resist forcible aggression by force. Can we afford to envisage such isolation with equanimity? If not, and if things go on as at present, the Government's proposed increase in our various defences is as nothing compared with what has yet to come. Is there no other way? The only effective, morally right, and economical solution is that we should “be prepared to play our part in resisting aggression”; that we should strengthen the League as the buttress of the collective system of peace and security; that we should win back those Powers who have left its councils; and that we should then press forward to disarmament, and secure the co-operation of the United States in the cause of collective peace.

Disarmament may be the safeguard of peace; but we shall not get any measure of controlled disarmament unless we work out a system of collective security to keep the peace. The claims of Germany evoke a response in this country, which was expressed by Mr Baldwin and Mr Lloyd George in the debate on Wednesday; but there is also sympathy with Germany's neighbours, great and small, when, at the same time as a new Germany is re-arming and inculcating martial ideals, they are merely called upon by well-meaning Englishmen, themselves re-arming, to disarm.

It is not yet too late to be ambitious—to devise a still more excellent way. Mr Baldwin appealed to the German Government to tear its veil of secrecy away and to “bring to light the things that are alarming Europe,” so as to revive the opportunity for calm deliberation on what might yet be achieved. Sir John Simon, in winding up the debate, reiterated the Government's desire for a disarmament agreement “at the lowest level at which it can be obtained.” He told the House that he had communicated the Government's statement on Germany's re-armament to the German Government, and to the Governments of France, Italy and the United States.

By taking this very unusual course the Government have lifted the debate out of the field of purely domestic politics and made it an affair of international significance. The responsible tone of most of the speeches shows that the House of Commons realised that fact. It is to be hoped that this gesture will be met in the spirit which animated it. If so, Mr Baldwin will be justified in his hope that it will prove “a first step once more to bring together the nations of Europe and . . . that, having learned some wisdom by the deterioration and the degeneration of the conditions of Europe in the last few years, the voice of wisdom and the voice of peace may prevail.”

THE GOOD NEIGHBOUR

In his inaugural speech nearly twenty months ago President Roosevelt dedicated his foreign policy to the ideal of the “good neighbour.” The implication was clear at the time that neighbourliness was not to be confined to purely diplomatic occasions; but in the economic sphere the progress of the New Deal has hitherto been marked by scant consideration of the interests of other nations. The World Economic Conference was all but disrupted last year by the President's blunt assertion that his own domestic programme was of greater importance than the stabilisation of the world's currencies or the reduction of the world's

tariffs. The depreciation of the dollar, initiated by the Inflation Amendment, egged on by the remarkable policy of purchasing gold at ever-rising prices, and crystallised by the 40 per cent. devaluation, was one of the clearest cases of deliberate economic aggression in the history of currencies. Alongside these accomplished facts the good intentions of Secretary Hull have been powerless to make much impression. Negotiations for reciprocal tariff concessions have been conducted with a number of States, and with some of them, notably Cuba, treaties have been concluded. But the President has applied to these negotiations the principles of the Yankee horse-trader rather than those of the good neighbour.

The symptoms of a change of heart in the last few weeks have consequently been all the more welcome. Secretary Wallace, by his insistence on the necessity for more international trade or less agriculture, has made his countrymen see, more clearly than previously, that they cannot ignore their foreign markets or their foreign customers. In part, too, the slackening of the pace of recovery has brought, in America as in England, realisation of the limits of purely domestic measures. Whatever may have been the causes, there have been some signs that the Administration is beginning to think once more of the outside world. The technical assistance recently given to the countries of the gold bloc is a clear case in point.

There is consequently reason to believe that the publication of a report drawn up by a group of non-partisan experts, and recommending action “as rapid and dramatic” as possible to promote the increasing interchange of goods and services between the United States and other nations, comes at a particularly timely moment. The commission of inquiry, which was financed by the Rockefeller Foundation and presided over by Mr R. M. Hutchins, President of the University of Chicago, took evidence in different parts of the country from authorities as eminent and as divergent as Mr John W. Davis and Senator Robert La Follette, Professors Irving Fisher and O. M. W. Sprague, Mr Russell Leffingwell and Dr. Charles A. Beard. The President is understood to have blessed the inquiry, but the blessing presumably does not indicate acceptance of the conclusions of the report.

The recommendation of rapid and dramatic action is certainly borne out by the detailed suggestions of the Commission. On the subject of the War Debts, for example, the Commission recommend that a body be established to negotiate a settlement and with authority to accept in payment the defaulted obligations of the States of the Union. The acceptance of any such proposal would be a considerable advance on the position previously taken by American Governments, which have always insisted that the defaulted State debts were no concern of the Administration at Washington. Any approach to reason on the problem of War Debts is to be welcomed, though it is to be doubted whether a mere exchange of defaulted bonds would be in every way a satisfactory solution. And, in any case, the difficulty of transfer—which has led to the suspension of payments—is a symptom of the underlying disease of lack of balance in America's international financial relationships rather than the cause, and the removal of irritating symptoms, however important, cannot be mistaken for a cure.

Fortunately, Mr Hutchins and his colleagues make no such mistake, for their second suggestion is that certain American tariff duties should be lowered “under proper safeguards” or abolished altogether. It is true that they add the qualification “where such action would not increase unemployment,” but they qualify the qualification by suggesting that in certain cases the general interest would be served by the removal of tariffs, even if it were necessary to pay a dismissal wage to the labour adversely affected. This is indeed a bold and dramatic proposal. It is not clear from the cabled summaries whether the Commission have nominated specific duties for the honour of removal, and one may profess scepticism about the possibility of drowning the shrieks of threatened vested interests with the gentler and less abusive voice of the general interest. But it is pure gain that the necessity of reducing tariff barriers by the simple method of removing duties should be so authoritatively restated. The Commission apparently have little confidence in the power given to the President by the last Congress to raise or lower duties by

50 per cent. in pursuance of reciprocal bargains, for they recommend the substitution for it of the 1930 proposal to give the Tariff Commission power to vary rates subject only to the joint veto of both houses of Congress. In so far as the aim of this proposed change is to get away from the rigidly bilateral nature of the President's present powers, it shows a laudable appreciation of the need for America to reduce her tariffs more rapidly than her neighbours. But the past record of the Tariff Commission does not encourage extravagant hopes of its boldness or liberality. The section on foreign lending further illustrates the Commission's anxiety to increase the debit side of the American balance of payments, for it is recommended that there should be no governmental restrictions on foreign long-term private loans or on the establishment of American branch factories abroad.

In the field of monetary policy the Commission profess disbelief in the theory that there is any but a minor relationship between the official price of gold and silver and the general price-level. They accordingly recommend that there should be no further devaluation. A world which is already suffering from the undervaluation of the dollar will applaud this particular recommendation without reserve. The Commission do not oppose the principle of raising prices by means of an unbalanced budget, but they remark that the deficit can be obtained as easily by reduced taxation as by increased expenditure. In view of the unremitting need for relief expenditure, the remark would seem to have more theoretical validity than practical relevance.

Concern for the United States' external relations is also shown in the Commission's suggestions on agricultural policy. They recommend that those parts of the agricultural programme which have tended to restrict agricultural exports should be abandoned as soon as possible. The reference is clearly to measures tending to raise agricultural prices in America above the world level, which, in the Commission's view, “will stimulate foreign production to the detriment of the farmer's export market.” In short, they have answered Mr Wallace's dilemma of more trade or less agriculture by boldly opting for more trade—the inevitable corollary of lower tariffs.

A re-examination of America's international position was very badly needed, and we can only hope that the Commission's recommendations will have an influence equal to their authority. The New Deal, so far from making the United States a “good neighbour” in the economic sense, has hitherto made her an even worse neighbour than in the ‘twenties. As is shown by the figures we printed a fortnight ago, the United States imported capital in the first six months of this year at a rate faster than any at which she ever exported capital in times of peace and prosperity, while in the same period she imported gold of a value equal to half the whole reserve of the Bank of England, even at its present inflated dimensions. The need for home truths has thus been particularly great. But it would be complacent to conclude that inquiries of this nature are of use only on the other side of the Atlantic. In our own country there is an urgent need for light of a similarly penetrating character to be shed on the chaos of foreign trade policy.

RECOVERY IN BRITISH STEEL—I

(BY A CORRESPONDENT)

FEW would have ventured to forecast in 1931 that the steel industry would lead the way in Britain's industrial recovery. Yet as early as 1932 the British industry escaped from the decline which continued to harass its competitors, and the 1934 output now shows promise of falling short of the record post-war level, in 1929, by no worse than 10 per cent. This recovery, however, has been far from equally shared by all branches of the industry. This is inevitable in any industry supplying as wide a range of consumers as steel. But any inequality so arising has been accentuated by the relative dependence of certain branches on the export trade, which has shown little improvement, and the varying degree to which vertical combination and technical integration have been achieved. The latter factors are important in connection with the degree to which the tariff has exerted a beneficial influence.

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The improved domestic demand and the exclusion of foreign finished products have naturally tended to react to the immediate advantage of all domestic producers of finished products. But the exclusion of Continental semi-finished products has not had such a uniformly favourable effect; for while it has benefited plants which include all processes from the raw material to the finished product, it has prejudiced independent mills, for which the essential cheap semi-product has in the past been available only from Continental sources. An attempt is made below to show the relative importance of these factors.

Domestic consumption of finished products appears to have risen by as much as 37 per cent. since 1932, while imports of finished steel fell between 1931 and 1933 from a monthly average of 67,000 tons to 35,000 tons. Imports of semi-products, which were on an enormous scale in 1931, had fallen to 25 per cent. by the end of 1933. In the last twelve months, however, there has been a tendency for the price of British semi-products to rise, and the import of Continental billets and bars has been resumed on a fairly large scale, despite the tariff. Sheet and tinplate bars have risen from £4 15s. to £5 7s. 6d., delivered works, since October, 1933. Continental tinplate bars may be obtained delivered South Wales at 10s. below the latter figure.

U.K. PRODUCTION, IMPORTS, EXPORTS AND APPARENT CONSUMPTION OF IRON AND STEEL
(Thousand Tons)
Monthly Average

	1929	1931	1932	1933	Jan.- Aug., 1934
Production					
Pig iron	632.4	314.4	297.8	343.8	491.3
Steel ingots and castings	803.0	433.5	438.5	583.6	736.8
Finished steel products*	635.4	390.1	369.0	434.6	527.7
Imports					
Pig iron	12.8	25.5	13.1	10.1	9.8
Semi-products	82.6	104.2	61.6	26.2	36.6
Finished steel products*	84.5	67.2	44.2	35.1	37.0
Total iron and steel imports	235.2	237.1	132.8	81.0	117.3
Exports					
Finished steel products*	127.5	98.5	103.0	99.2	103.6
Total iron and steel exports	365.0	164.9	157.3	160.2	178.5
Imported semi-products as per cent. of British production of finished products	13.0	26.7	14.1	6.0	7.0
Index of apparent British consumption of finished steel	164	116	100	119	137

*Main classes, excluding tubes, for which recent figures are not available.

The radical change in conditions since the 1929-31 period, and after the tariff, has had differential effects on the industry. The independent rollers, who are in any case a declining force, have naturally been hardest hit by the increased cost of semi-products. The function of this branch of the industry is to provide the shorter runs, particularly of non-standard sizes, which are not an economic product for the larger mills attached to steelworks, owing to their need of continuous runs. One possible solution of the rollers' difficulties is provided by Whiteheads, whose advancing prosperity has been one of the recent features of the industry. The close working agreement which this company has achieved with Richard Thomas, and the removal

of its Tredegar plant to the neighbourhood of the latter's plant at Redbourne in Lincolnshire, points to the necessity under present-day conditions for a closer connection between the independent mills and their suppliers of raw material, in order to minimise transport and handling costs and to ensure supplies at economic prices. This is tantamount to saying that for success under the tariff the independence of independent re-rollers must soon become a thing of the past.

The concentration of production is also proceeding faster than is sometimes realised in other branches of the industry. The impending concentration of a large part of the Stewart and Lloyds' production of semis and finished products (e.g. rods, bars and tubes) at Corby, and their withdrawal from Scotland, is a well-known example, as is their 1932 agreement with United Steel Companies to ensure co-operation in all branches of steel production in which both companies are interested.

Lysaght's (who mainly produce sheets) are also taking an interest in the development of cheap raw material supplies in Lincolnshire, and were one of the first firms to modernise their coke-oven plant and arrange for its heating with blast furnace gas. The Guest-Keen-Baldwin reorganisation at Cardiff will result in the concentration of the whole of the firm's heavy steel production in one plant. Progress is also being made with the difficult problem of rationalising the Scottish steel industry, and the control of Colvilles over the activities of the Clydesdale steel industry has been further extended by Sir James Lithgow's purchase of the Steel Company of Scotland, by the agreement with Stewart and Lloyds to take over that company's production of plates in Scotland, and by the acquisition of the Mossend plant at Beardmores, which marks the final withdrawal of the latter firm from the production of heavy rolled-steel products.

There is, moreover, an important tendency towards the modernisation of coke-oven plants and blast furnaces. In the face of growing imports of Continental semi-products during the post-war years this tendency had been allowed, in many instances, to fall farther behind the level of highest efficiency than was the case with finished products. The United Steel Company, which has spent over a million pounds in the modernisation of its equipment within the last four years, recently announced its intention of replacing the whole of its largest coke-oven plant at Orgreave, although it only dates from 1921. Similarly, the Cargo Fleet coking plant has been replaced, and the Irlam works of the Lancashire Steel Corporation have been modernised throughout. There are numerous other examples, but the continued high level of demand for coke is stimulating the extension of pithead cokeries—the latest case is the extension of the recently completed Manvers Main plant in Yorkshire by the addition of 15 new ovens.

Recovery in building activity, a slight though definite revival in shipbuilding, activity in the armaments trade, renewal of railway replacement programmes, and demand for light castings and sheets occasioned by the activity of the motor industry, have probably been the principal causes of increased domestic consumption. The output of bars and sections, principally on the North-East Coast, has especially benefited from the revival in constructional work and its coincidence with the decline in Continental imports; and the monthly output has risen by 70 per cent. since 1931 to within reach of the 1929 level. This has been furthered by several good constructional engineering orders abroad, and now it is understood that another bridge-building project in Australia, almost on the scale of the Sydney bridge, is on foot. Recovery in shipbuilding is reflected in an increased output of heavy plates from 40,000 tons monthly in 1931 to the present average of 71,000 tons. The Clyde has obtained more orders than Tyneside, but the North-East Coast has undoubtedly benefited from the agreement reached early in the year with the Continental producers, whereby the latter raised their prices and so reduced the competitive advantage of independent Continental shipbuilders, at the same time as British exporters of ship-plates were given a definite quota in the Dutch and Scandinavian markets. Forgings and boiler-plates also show a state of activity double that of 1931, and the increased output of the former largely

explains the improvement in the Sheffield district. While shipbuilding activity has thus played an important part in the returning fortunes of the British steel industry, increased armaments production and railway replacement have had their effect. The production of rails, sleepers and fishplates is not so satisfactory; but this is understandable in view of the dependence of this section on export markets, the absence of railway development abroad, and the continued exchange restrictions. The position would probably be very much worse but for the participation of British railmakers in the International Rail Makers' Association. Sheets have never suffered the same degree of depression as some other branches, and the continued activity of the motor industry is largely responsible for bringing output almost back to the 1929 level.

BACON SUPPLIES AND PRICES

WHAT has been the effect so far of our present restrictionist policy on food supplies and food prices? In a series of three articles on Agricultural Policy in the *Economist* of July 28, August 4 and August 11, we reviewed the different elements of the Government's policy, and observed that the occasion of its introduction was a fall in prices due as much to a falling off in demand as to an increase in supply. This was to be met by a restriction of imported supplies designed to raise prices. It remains to consider what effects this policy has actually produced up to date. Among the commodities easiest to examine for this purpose are bacon, beef and mutton, since in the case of these commodities Great Britain is substantially dependent on imports for its supply. Bacon is discussed in this article, and we hope to deal later with beef and mutton.

Two-thirds of our total supply of pigs and pig meat consisted of imports in the pre-depression years 1928-30, and of these imports about 80 per cent. were bacon. Of home supplies, about 30 per cent. were used as bacon and the remaining 70 per cent. as pork.

In the years 1928-30 bacon imports were more or less unchanged at an average figure a little under 9,000,000 cwt. a year. No very accurate statistics for home supply are available (strange though it may seem), but the Ministry of Agriculture estimates that a figure of 1,750,000 cwt. in 1930 would not be far from the truth. Average wholesale prices for the year 1930 were 107s. 3d. for Danish sides and 135s. 3d. for British (Wiltshire) dried. According to the Ministry of Labour's figure, which can be taken as giving a general indication of the course of prices, the average retail price for streaky bacon was 1s. 4d. per lb. in 1930.

In 1931 imports rose to 11,134,000 cwt. and in 1932 to 11,391,000 cwt.; and home supplies in 1932 are believed to have been greater than in 1930. Total supplies had consequently risen. In the case of bacon, therefore, the fall in prices between 1929 and 1932 was almost certainly due to some extent to an increase in supply as well as to the falling off in demand caused by the general depression. Actually wholesale prices fell by about 50 per cent. from a peak in August, 1929, until the beginning of 1932, from when onwards they remained more or less stable until restriction began in November, 1932. Monthly wholesale prices of Danish bacon fell from 139s. 6d. per cwt. in August, 1929, to 69s. in January, 1933, and of British from 148s. per cwt. to 87s. 6d. In the same period, according to the Ministry of Labour, the retail price of streaky bacon fell from 1s. 6½d. to 10½d. per lb., and the price of fat pigs fell meanwhile by about 50 per cent.

BACON SUPPLIES AND PRICES

	1930	1932	1933	1934
Home supplies (cwt.)...	1,750,000	...	...	2,450,000†
Imported supplies (cwt.)	9,191,000	11,391,000	9,084,933	7,740,000*
Total supplies (cwt.)...	10,941,000	...	...	10,190,000*
Wholesale prices—				
British (Wiltshire, dried, per cwt.)	135/3	92/6	97/-	104/6*
Danish (sides, per cwt.)	107/3	71/6	87/6	103/9*
Retail prices (streaky, per lb.)				
	1/4	10d.	11½d.	1/1½*

* On the basis of the first nine months.

† Ministry of Agriculture estimate.

§ Average for the year.

The New York Trust Company

Capital Funds \$32,500,000

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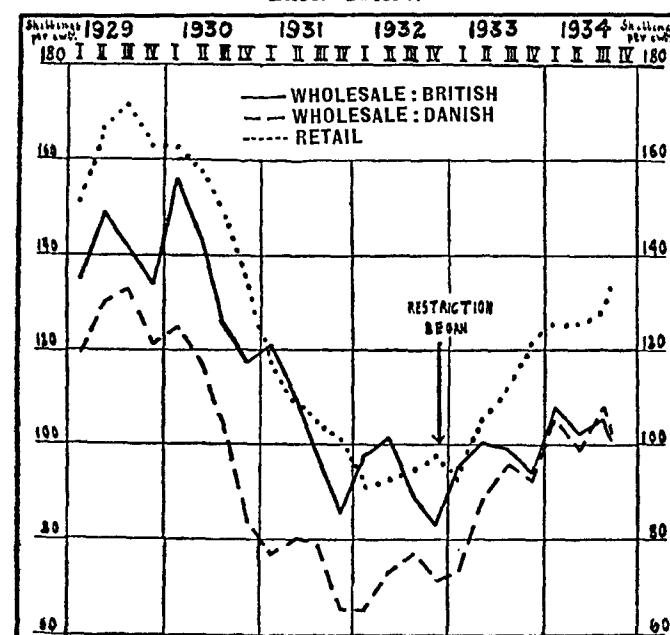
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In 1932 the Pig Reorganisation Commission was appointed and reported, in effect, in favour of the raising of prices by import restriction and reorganisation of the home industry through the agency of two Marketing Boards (for pigs and bacon respectively). The main principle of the scheme was to restrict total supplies of bacon and hams to 10,670,000 cwt., the estimated average for the years 1925-30. The Commission apparently believed that this would restore prices to the 1925-30 level, the influence of demand being ignored. The superior quality of Danish to British bacon, and the consequent fact that the two are not entirely competitive, seems also to have been neglected by the Commission.

BACON PRICES.



The scheme did not actually come into force till November, 1933, but a voluntary restriction of imports was arranged a year earlier. By this arrangement imports of bacon and hams were to be reduced by 15 per cent. below the previous year's level in the two months after November 22 (1932); and the restriction was subsequently extended to February, 1933, and eventually to October. In November a further voluntary cut was refused by the exporting countries, and a compulsory order was made reducing imports by 16 per cent. of the current rate of importation. The effect of these restrictions was to reduce imports, which had averaged a monthly volume of about 700,000 cwt. in 1928 and about 950,000 in 1932, to 595,000 in December, 1933. The quota was increased by 3½ per cent. for the period March to July, 1934, and reduced by 4½ per cent. for the subsequent five months. Monthly imports rose to 706,000 cwt. in May, but then declined to 580,000 cwt. in September (a lower figure than in any month since June, 1926). Imports for the whole of 1933 were 9,084,933 cwt., a 20 per cent. reduction on 1932, and a lower figure than for 1930, though not

for 1929. Imports for the first nine months of 1934 were at the rate of 7,740,000 cwt. a year, a 32 per cent. reduction on 1932 and a lower figure than for any year since 1926.

Home supplies began greatly to increase as soon as the first "contract period," lasting nominally from November, 1933, to February, 1934, came into effective force in September, 1933. A price, varying only with the price of feeding stuffs, was to be offered by the curers for standard pigs; as a result production greatly increased and there was a shift from the pork to the bacon market. The supply sold to curers in the first contract period was considerably in excess of expectations; and, though the emergency import restrictions described above had been resorted to, prices had not risen sufficiently to reimburse the curers, and a Government loan was necessary to rescue them. During the second contract period, which lasts from March to December, 1934, there was a falling-off in the supply of bacon pigs, both because the high price in the pork market had attracted them thither, and for other reasons. The import quota was consequently relaxed, as stated above, and the "formula" price for home supplies was adjusted to allow for changes in bacon prices as well as the price of feeding stuffs. The result of this first bout of "planning" cannot be measured for 1933, since no figures exist of home production in that year. Home supplies in the first nine months of 1934, however, were 1,524,200 cwt., but the Ministry of Agriculture estimates that total home supplies for the whole year will be about 2,450,000 cwt. On this basis total supplies for the year will be about 10,190,000 cwt.—that is, much smaller than imports in 1932.

Prices have reacted in a rather surprising way. Wholesale prices of Danish sides, which had fallen from 139s. 6d. in August, 1929, to 69s. in January, 1933, had risen to 102s. by October, 1934—a rise of nearly 50 per cent. In the same period British prices rose from 87s. 6d. to 100s. 6d., a rise of about 15 per cent. Retail prices, meanwhile, had risen from 10½d. to 1s. 2½d., or 40 per cent. It is only too clear that, with the present quality of British bacon, Danish and British are to a considerable extent non-competitive. The net result of the whole scheme so far has been to reduce total supplies well below the pre-restriction level, and slightly below the pre-depression level; and imports far below the pre-depression level; and, secondly, to raise wholesale prices only a part of the way back to the pre-depression level, the margin between British and Danish prices being considerably narrowed meanwhile and now virtually extinguished.

In the case of bacon, in fact, the consumer has responded to restriction by paying more where he could afford it and eating less bacon where he could not. His standard of living has been definitely impaired by the scheme, since retail prices have risen steeply. It is true that they have not risen to the 1930 level. But this does not prove that there has been no exploitation, since the consumer should normally draw some benefit from the fall in the cost of production. The gain to the British farmer under the scheme is clearly not commensurate with the harm done to the consumer.

A VIEW OF IRELAND

AN English observer who pays his first visit to Dublin to-day, after having seen something of post-war conditions on the Continent, may receive the impression that he has taken the wrong boat and struck the seaboard, not of Hibernia, but of Bohemia. Or is he in Transylvania, when he sees Kingstown written Dunlaoghaire, and then hears it pronounced Dunleary by the ticket collectors? At first sight, at any rate, the Irish Free State will remind a visitor, in one feature after another, of her sister "successor states." There is the same appearance of a sharp break between new and old—the relics of the *ancien régime* still stand up massive and conspicuous against the sky-line, without any apparent relation to the brand-new social order which is being built up fast and furiously all around on a parochial plan.

If the traveller is an English Episcopalian Protestant, he can still spend a busy and sociable week in Dublin without being compelled to take notice that the Ascendency has come to an end. If he is an Irish-American or a Czechoslovak, he can move in a world in which the ascendency is already as though it had never been and the Irish national Commonwealth is the only visible reality—a magic world in which one is almost persuaded by green pillar boxes, and by Irish inscriptions on railway tickets, that the language that one is hearing spoken all around is the speech of the Gaedheal, and that the linguistic ascendency of the English is as dead as the political Union itself. And if the visitor is a Catholic, there is a third world which opens its doors to him when he turns down an inconspicuous alley between two Georgian houses in an eighteenth-century square and finds himself in a great church which is filled, at all hours of the day, with worshippers. Here are the 93 per cent. of the population of the Free State for whom the supreme social reality is still the Catholic Church, while the agitated pageant of Irish politics—Unionist or Nationalist, Fianna Fail or Cumann-na-n-Gaedheal—passes over the surface of their consciousness like a procession of fleeting shadows.

But are these three worlds really so far apart as are the corresponding social elements in, let us say, post-war Czechoslovakia? Not quite; for we never hear that the Czechs and the Bohemian Germans, proud as they are of being Slavs and Teutons, are prouder still of being Bohemians. Yet, if we substitute "Irish" for "Bohemian," that is the odd but hopeful situation in the Irish Free State to-day. The most diehard *ci-devant* Unionist will be as proud of being Irish as any member of the I.R.A., and as quick to bite off the head of the unwary Englishman who tries to claim him as English on the Hitlerian ground of his having no drop of Irish blood in his veins. The famous assimilative power of the Irish earth and air is as potent to-day as it was at the dawn of history; and among these latest converts to Irishry—descendants of the English immigrants of the last three centuries—the old heaven has worked, whether their conversion takes the form of asserting that the Protestant minority is Ireland (with Nationalists and Catholics serenely waved away and effaced), or the alternative form of becoming more fluent in the Irish language than those whose mother tongue it is, and locking up a Protestant pedigree in the cupboard as a deplorable skeleton.

The Ascendency, in its day, was of course so effective that the minority who enjoyed the privileges of it had to supply many of the leaders in the National camp as well as in their own. This odd fact testifies equally to the heaviness of the old English yoke and to the assimilative power of the permanent Irish environment; but, whatever light it may throw back upon the past, it is beyond all question a most fortunate circumstance for the future of Ireland. For the children of the Ascendency who have "gone Irish" are the bridge across which the separate communities in Ireland are to-day mingling with one another and preparing to fuse into one. Sociability and freedom from the irksomeness of stiff class divisions are virtues in which Irish people of all kinds surpass the English and are attuned to one another.

What do these intermingling Irishmen, of all groups and classes, talk about? Free State politics. And what does the talk revolve round? The personality of Mr de Valera. The President has the gift—the most precious of all gifts for a politician—of being a King Charles's head. You

may love him or hate him, but you can never keep him out of your conversation. How long will he stay in power? Nobody in Ireland is prepared to prophesy that his reign will be short; for his personality is only one of several very effective political assets. His party organisation is vigorous and has struck deep local roots. When he meets the delegates in an Ard-Fheis (meaning "caucus"), their devotion is only enhanced when he tells them straight that he feels no obligation to base his policy on their resolutions. If this policy ruins the farmers, it does not deprive Fianna Fail of the votes of the farmers' sons, who poll more heads on the electoral register than their disgruntled parents; nor does it alienate the people in the towns who receive a free dole of beef. Moreover, Ireland is astonished at her apparent incapacity to be ruined by the simultaneous stoppage of cattle exports to England and dollar remittances from America. To the Irish politician this problem is one of secondary importance; for it is pretty clear that, even if Ireland was really being ruined as badly as Mr Thomas says she ought to be, Mr Thomas has only to go on saying that for the Irish victims of the economic war to go on voting for Mr de Valera.

Apart from his personality, the real secret of Mr de Valera's power is that he stands for that sensitiveness about status which is always the obsession of the under-dog. There is a vicious circle here, for, when once the under-dog has taken a particular symbol as the test of inequality, he will continue to feel like an under-dog until the symbol has been removed. This point is not hid from Mr de Valera's Irish opponents. "For goodness sake persuade your Government in London," a Cosgraveite will say to an English visitor, "to make a public statement to the effect that, if the President wishes to declare a republic, that will be quite all right and entirely within the prerogative of a Dominion. By that simple act you will take the whole of the wind out of Mr. de Valera's sails." Nor is the case for this kind of response to Mr de Valera confined to mere tactical considerations; for there is also a substantial core of reason in his own presentation of his case. "In England," he says, "you tell us that, *vis-à-vis* Ireland, you have entirely and permanently renounced the old relation which rested on your English superiority of force. You tell us that the Dominion Status, which is the alternative basis that you offer, means complete equality and freedom. The essence of your Commonwealth is that the relations between its members depend on a voluntary association and on nothing else. And then you ask us, in token of this new freedom and mutual goodwill, to accept a symbol which stands, in Irish memories, for an English domination and an Irish resistance to it. If it were I who had proposed such a thing instead of you, I am sure you would make fun of it as a characteristically Irish proceeding." This statement of Mr de Valera's case is not easy for an Englishman to answer.

The pity of this barren quarrel over status is that it postpones or obstructs the solution of a number of urgent problems. What, for example, is the outlook for the young Irishmen and Irishwomen of the rising generation: those farmers' sons who are now debarred by American immigration laws from seeking their fortunes in the United States; or those students of Trinity College who have hitherto made their careers in administrative posts or in the professions all over the British Empire? Is Mr de Valera's new Citizenship Bill going to produce effects which will cut off these young Trinity men as well from their former outlets abroad? And what is going to happen to the graduates who are now being turned out in such large numbers by the National University? Is Ireland in danger of acquiring an intellectual proletariat—a formidable social incubus, as is witnessed by the present plight of a dozen other distressed countries, from Germany to Japan? And what are going to be the eventual relations between a rather nationalistic and paternalistic State and a Church which fills almost the whole of the social horizon in the vision of the majority of the population? At what point will the line be drawn between the sphere of the State, be it Saorstát or Republic, and the sphere of Catholic Action in the debatable territory of education and social service? These are, perhaps, the questions on which the future of Ireland really depends.

NOTES OF THE WEEK

The Government Under Fire.—Monday's debate on economic policy gave evidence of a widespread feeling among its own supporters that the Government is sinking into inactivity. The debate was concerned with a rather verbose and vacuous Labour amendment to the Address which regretted that:—

Heedless of the changed economic conditions in the modern world due to the application of science to production and transport, and ignoring the inability of capitalism to distribute abundance, your Majesty's advisers accept as inevitable the existence of mass unemployment and of poverty in the midst of plenty, etc., etc.

Mr Lunn's speech in favour of this amendment was less sterile than the amendment itself might have suggested; he at least urged on the Government the practical proposal to raise the school-leaving age. The feature of the debate, however, was the criticism forthcoming from the Conservative side of the House. Mr Molson complained that whereas the Government's supporters had originally found it "breathless work trying to keep up" with the Cabinet, they now found it a "back-breaking task trying to push behind." He urged the acceptance of Mr Harold Macmillan's industrial policy, which is euphemistically described as "self-government for industry" but appears to consist in the grant of a statutory monopoly to any group of producers that cares to ask for it. In support of this policy Mr Molson argued—fallaciously, in our opinion—from those few industries like cotton, where surplus capacity exists, to industry as a whole where it does not. Mr Kenneth Lindsay (National Labour) wanted "a lead from the Government on many questions—on financial policy and on industrial reorganisation." Almost the only defender of the Government outside the Cabinet was Sir Robert Horne, whose main point, in a rather partisan speech, was the need for developing new methods of using coal. The most disquieting feature of the whole debate was the absence of practically any reference to the desirability of reviving international trade—the only policy which has any practical chance of employing the workless and restoring internal purchasing power. It was left to Mr Runciman to remark that "the problem to-day is to get a sale for our goods abroad." Other speakers seemed to have been lulled by the intractability of the problem into something dangerously resembling despair.

Reactions in India.—The Joint Select Committee's report on Indian Constitutional Reform has had a very mixed reception in India. The Congress Party, as might have been expected, is opposed to it as a "reactionary edition of the reactionary White Paper." The loudest outcry of their opposition has been directed against the proposals for indirect election to the Central Legislature, for Second Chambers, for reserved powers and for "special responsibilities" of Governors and the Governor-General. The overwhelming feeling of Congress that the report must be rejected has been tempered, however, by a still, small voice within the ranks of Congress which urges that "half a loaf is better than no bread," and that a Constitution on the lines proposed is a definite advance on what went before, is capable of execution, and probably of extension later on. The opinions of the religious communities testify to the difficulties of pleasing all parties in India. Most Hindus, who were opposed to the Communal Award, have naturally rejected both the White Paper and the report. They are particularly incensed at the perpetuation of the Secretary of State's recruitment of the All-India Services, and at indirect election. The Moslems are, on the whole, pleased with the report, especially with the retention of the Communal Award and the separation of Sind from Bombay Presidency, though they claim more than one-third representation at the Centre. The approval of a sufficiency of the Indian States seems assured, though it is expected that negotiations with the Princes will take time. Indian Liberals have professed dissatisfaction that no definite time-

schedule for the introduction of Federation is included, and they strongly criticise, with equal justification, the absence from the report of any declaration about Dominion status. Indian merchants and industrialists of many racial and religious groups appear united in deprecating the inclusion of the provisions against "commercial discrimination," and view with misgiving the power of deciding what constitutes discrimination, which will be placed in the Governors' hands. On the whole, however, the inevitable outcry—though vociferous—is less convincing than might have been feared. Indeed, there is real ground for hoping that India may think again; and on further reflection may decide that the proposals should be carefully weighed with a view to their eventual execution. Certainly the continuation of the Die-hards' opposition to the report in this country is a most powerful inducement to all Indians to accept the report and to try out its proposals.

The Distressed Areas Bill.—The Government's Bill for relieving the distressed areas, which was published on Tuesday, adds very little to the statement made by Mr Chamberlain the week before last. The explanatory memorandum states that two Commissioners (one for England and Wales and one for Scotland) are to be appointed, "with wide powers to initiate, organise, prosecute and assist measures designed for the economic development and social improvement of the depressed areas." The Commissioners will act under the general control of the Minister of Labour and the Secretary of State for Scotland in close association with the Unemployment Assistance Board. They will have powers to acquire land compulsorily for settlements and to contribute financial assistance for the provision of small holdings and allotments, and in addition to receive gifts and bequests. They are also empowered to provide financial assistance to any undertaking carried on with the primary object of providing means of subsistence and occupation to unemployed persons with a view to making them wholly or partially independent of unemployment assistance benefit or poor relief. They may also contribute, by grant or loan to a local authority, towards the cost of any works for which no specific grant is payable by any Government department, but they may not provide any financial assistance to any undertaking carried on for financial gain or make general grants or loans to any local authority. The payments made by the Commissioners will be met by a Development Fund, which is to receive £2,000,000 from the Exchequer in the present financial year and thereafter such monies as Parliament may determine. The Bill will remain in force until March 31, 1937, unless otherwise determined by Parliament, and arrangements are made in it for transferring the functions of the Commissioners to the Unemployment Assistance Board. Until the amount of the monies to be provided for the Development Fund has been determined in the next Budget, it will, of course, be impossible to judge how effective the policy pursued by the Commissioners is capable of becoming. But the form in which the Bill is cast makes it clear enough that anything like a sweeping plan for dealing with the depressed areas as a whole is plainly beyond its scope. The Government appear to have shirked a big constructive programme such as that envisaged by one of its special Commissioners, Captain Wallace, for Tyneside and County Durham. There is no indication, for example, that the problem of local rates is to be tackled or that any systematic attempt is to be made to settle new industries in the depressed areas. Altogether the impression left by the measure is that the Government are once more trying to appease public opinion by a policy of makeshifts and a dispersion of *ad hoc* provisional assistance.

M. Flandin's Economic Plans.—M. Flandin's first speech on economic policy, in which he emphasised the need for greater economic "Liberalism," seemed to justify some hopes for the immediate future of France. These hopes

will be dashed by M. Flandin's new speech this week. He "refused to accept," he said, "the dilemma of deflation or devaluation; deflation in France was almost complete." If it is complete, however, it has surely been a singular failure. For French industry is acutely depressed to-day, and unemployment is at a higher level than it has ever been before. To the outside observer it would seem that deflation had completed its first stage of rendering production unprofitable at present costs, but not its second stage of reducing the cost of living and so enabling costs to be lowered. Moreover, the cost of living can only be reduced in France if the present policy of excessive agricultural protection is modified. But no such modification is apparently to be expected from M. Flandin. For he assured his hearers that his Government would "concentrate their efforts first on agriculture, which is the basis of all industry in France." More ominous still, the "planned rationalisation of industry" which M. Flandin contemplates is to include "for the period of the crisis only, compulsory production agreements between producers." Does this mean that a restrictionist policy, organised in cartel fashion, is to be spread over the whole field of industry? Apparently it does. For M. Flandin believes that "in the present cycle of human affairs and in France production must be adapted to consumption." If M. Flandin is here to be taken at his literal word, the outlook for France is dismal. The Plenty is to be removed and the Poverty is to remain! In arguing against devaluation M. Flandin maintained that "world prices expressed in gold are now tending towards the level of French prices," and that consequently "markets can be found for French goods and France can absorb foreign produce." We wish we could share his optimism. It is true that French prices have fallen, and that the off-gold currencies have appreciated somewhat, in recent weeks. But these movements will have to be much more pronounced than they have been so far if the ultimate devaluation of the franc is to be avoided.

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Britain, America and Japan.—The naval conversations have come to nothing, despite the unwillingness of all parties to admit so formidable a fact. Japan has now approached Italy and France to discover their reactions in the event of her denouncing the Washington Treaty. Both these Powers, ill-content though they may be with the ratio of capital ships which they accepted twelve years ago, are reported to be extremely chary of lending countenance to a Japanese move which has much more behind it than the mere dislike of a proportional sum. The incident is significant in showing up the spirit in which the Japanese Government is acting; and further evidence of this spirit, just when the conversations have proved bankrupt, raises very momentous issues for this country. A moment has come when it cannot be said too emphatically, or repeated too often, that the cardinal point of our policy in the Pacific must be the maintenance, above everything else, of a frank and cordial friendship with the United States. One of the most far-sighted statesmen of the British Commonwealth, General Smuts, drove home this point in his speech in London the other day, which has justly commanded widespread attention. And there has been no moment since the war when intimations of goodwill from this side of the Atlantic have had so good a prospect of being reciprocated, perhaps even anticipated, in the United States. This is clear from things that the American Ambassador-at-large, Mr Norman Davis, has said; and the friendliness of the President himself towards this country is well known. This policy of a cordial understanding between the United States and the United Kingdom is, we believe, the policy of the vast majority of the citizens of the two countries; and it should rapidly become the policy of their Governments.

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The Yugoslav Indictment.—The Yugoslav Government's note, requesting the Council of the League of Nations to take consideration of the murder of King Alexander as a crime constituting a danger to international peace under Article 11 of the Covenant, was presented on November 22nd. (The note is referred to by our League of

Nations correspondent on p. 1030.) It was backed by a pair of identic notes from the Czechoslovak and Roumanian Governments. The Hungarian Government replied on November 24th by asking the Council to deal with the Yugoslav accusation against Hungary as a matter of urgency; and this Hungarian move has been backed, in its turn, by an official statement on the Italian Government's part. General Gömbös's sudden week-end visit to join the members of the Austrian Government at a shooting party in Styria may perhaps have had the purpose of persuading Austria to form a common front with Hungary and Italy in this matter. Hungary is in a position to exert political pressure upon Austria; for, if Hungary were to desert the Italo-Austrian for the German camp, she would go some way towards making the present position of Austria untenable—a prospect which goes far to explain Italy's unfortunate support of Hungary in a cause in which Hungary may conceivably be hard put to it to rebut her accusers. Italian support of Hungary is natural, for Italy herself is hardly in a better position. On Monday, the Instrutory Division of the Turin Court of Appeal found that there was no case, under the Franco-Italian Extradition Treaty of 1870, for extraditing the two Croats who were placed under arrest at Turin, at the French Government's request, on suspicion of being concerned in the Marseilles crime. The ground of the finding is that the Treaty expressly excludes political crimes. This is a rather startling extension of the accepted definition of a political crime. The ordinary notion is that it means political action in the nature of high treason which does *not* involve acts that are regarded as crimes under ordinary criminal law. The Turin finding makes all the worse an impression when we are also told that there is no likelihood of the two Croats being prosecuted in Italy on Italian initiative. Meanwhile, Dr. Benesh has waived the presidency of the League Council, which would otherwise have fallen to him on this occasion, on the ground that he is a party to the dispute—a prompt and honourable step which, however, did not prevent the Hungarian Government from making a subsequent protest against his presidency and from asserting that this protest forced him to waive it! This is rather a bad start for a transaction which, at the best, will be very delicate. Finally, on Wednesday, the Yugoslav Government presented to the League a collection of evidence in support of its earlier note. This *dossier*, including photographs of Hungarian passports given to members of the terrorist gang which compassed King Alexander's assassination, seems disquieting evidence of an organisation on Hungarian soil, to which the Hungarian Government's attention had been repeatedly drawn. The obvious next step is the appointment of a League inquiry, with powers of examination. If such a proposal came to a vote by the Council, both parties and their supporters would be able to testify to their desire for an impartial inquiry.

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Our Agricultural Policy.—Lord De La Warr, Parliamentary Secretary to the Ministry of Agriculture, made a most interesting and constructive speech on agricultural policy last Saturday. Unlike Mr Elliot, Lord De La Warr lays predominant emphasis on the need for increasing productive efficiency and expanding consumption rather than raising prices and restricting "glut." It is true that in his defence of the policy so far pursued by the Government, Lord De La Warr was hardly accurate. He said that the revival of farming had not been "at the expense of the consumer," on the ground that "the general level of retail prices had fallen three points since 1931." But it was at the beginning of 1933, and not in 1931, that the Government's food restriction schemes came into effective force; and the Ministry of Labour's index of retail food prices rose from 114 in March, 1933, to 127 in November, 1934. Retail prices of bacon, as the chart published on page 1025 of this issue shows, have risen by 40 per cent. In the positive part of his speech, however, Lord De La Warr revealed a commendably broad-minded and constructive view of the whole agricultural problem. "Agriculture and public health," he said, "must be considered as two aspects of the same problem"; any agricultural policy, if justifiable, must aim at increased consumption;

and this must involve a reduction of costs, both of production and distribution. In the case of the milk scheme, Lord De La Warr pointed out, a further attempt has been made to extend consumption by a grant of public funds for the provision of cheap milk in schools. This principle, he argued, might well be extended in all cases where malnutrition and a surplus of some staple foodstuff exist side by side. "If such a scheme proved possible for milk, why not for fruit, herrings or other foodstuffs of which there are so frequently said to be surpluses which have to be destroyed?" Why not, indeed. Lord De La Warr is to be warmly congratulated on his attempt to divert Mr Elliot from the restrictionist path towards a policy which would prove beneficial to farmer and consumer alike.

* * *

A Year of the Milk Board.—The Milk Marketing Board has now been in operation for thirteen months and it is consequently possible to make comparisons free from the disturbing factor of seasonal fluctuations. The volume of milk passing under the Board's control has increased considerably from 41,619,324 gallons in October, 1933, to 63,473,702 gallons in October, 1934. Not all of this increase represents additional production, as the Board has only gradually extended its control over the whole production of the industry. In October, 1934, for instance, 1,199,866 gallons of milk were used for farmhouse cheesemaking, while in the previous year this milk was not brought within the Board's sphere of operations. There has been an increase in milk sold by the Board for liquid consumption between October, 1933, and October, 1934, from 34,936,783 gallons to 46,643,246 gallons. There has not, of course, been a similar increase in the consumption of milk, and the swelling of the Board's figures is probably to be attributed in the main to the recent inclusion of the smaller producer-retailers. But when all these allowances have been made it is apparent that the production of milk is increasing more rapidly than the consumption. The "surplus" going to manufacture was 6,682,541 gallons in October, 1933, and 16,830,456 in October, 1934 (the later and larger figure including milk used for farm cheesemaking). The price obtained for this "surplus" milk, however, was higher, being 6.45d. per gallon, as against 5.65d. in October, 1933. The liquid milk price was also 1d. per gallon higher in 1934 in every region except the South-Eastern, where there was no change. These increases in price enabled the larger "surplus" to be absorbed without lowering the average pool price received by the farmer, which was 13½d. in each month. The unchanged average, however, conceals changes in the regions: those regions such as the Far Western and North Wales, where the "surplus" is very large, have experienced a fall in the pool price, while other regions such as the East Midland, where the "surplus" is a comparatively small proportion of the total production, have gained more by the increase in the liquid price than they have lost by the growth in the "surplus." The history of the Board's first year is, then, one of growing surplus encouraged by rising prices. Over the first twelve months the surplus amounted to 27 per cent. of the total, and it has increased from about 17 per cent. in October, 1933, to nearly 28 per cent. in October, 1934. The Milk Marketing Board has much to congratulate itself upon; but it has done nothing to remove the fundamental absurdity of the scheme, by which taxpayer and consumer are both mulcted in order to encourage the expansion of a "surplus" that has to be sold below cost of production.

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The Supply of Houses.—The number of houses built in England and Wales in the six months ending September 30th was given by Mr Shakespeare, in the House of Commons on Monday, as 156,463. This compares with 113,332 in the six months ending September 30, 1933, and 140,000 in the six months ending March 30, 1934; and it accords with the figure of 300,000 built in the year ending September 30, 1934, which we gave in a recent article on the

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Building Boom. Such a rate of building is certainly a remarkable achievement. It is commensurate with the rate which we estimated (*Economist*, March 31) as necessary if the housing needs of the population were to be fully supplied in the next 20 years. Nevertheless the last year's building must not be taken as evidence that the housing problem is being automatically solved. Quite the contrary. What has happened in the last two years is that low interest rates and costs, and the facilities provided by the building societies, have succeeded in tapping an enormous demand for houses, hitherto potential, among the middle classes and better-paid workers. The scale on which this potential demand has been made effective by changed economic conditions plainly indicates the still greater demand among the mass of the working class which still remains potential. The total number of houses built to let (which are generally taken to represent workers' houses) in the six months ending September 30th was given by Mr Shakespeare as only 37,000. Moreover, there is good reason to believe that the more or less middle-class demand for houses, which can be met by private enterprise at present economic costs, is no longer expanding. The need for Government assistance to make the lower-paid workers' demand effective, and so eliminate overcrowding, is consequently stronger than ever—even if the building societies see their way to some reduction of interest rates. An effective Over-crowding Bill is urgently necessary in the interests, not only of the still inadequately housed workers, but of the building industry and of general economic recovery.

* * *

The Wheat Delegates go Home.—The result of the meeting of the International Wheat Advisory Committee suggests that the attractions of the picturesque Hungarian capital have claimed most of the time of the visiting delegates. Who will blame them? The importing countries all agreed to the prolongation of the agreement for another two years; but there is as yet no sign that they are prepared to forego the policy of national self-sufficiency and dear bread. France even asked for an export quota and (according to the *Corn Trade News*) appears to have secured it in the shape of an allocation of 2,500,000 quarters. The export countries had not been able to come to terms concerning the division of what is left of international trade in wheat at the time of the adjournment of the Conference on November 28th. It has been found necessary to postpone final consideration by the overseas exporters on quarterly quotas, on quota reserves, and also on the quotas for the present crop year, until the fundamental problem of basic quotas for subsequent years has been settled. It is to be hoped that the seventh conference, to be held in "austere" London on March 5th, 1935, will produce more concrete results.

* * *

Progress of the British Motor Industry.—The motor industry has made a striking recovery from the pit of depression to levels far above those of 1929. The Statistical Department of the Society of Motor Manufacturers and Traders has recently begun publication of monthly statistics of production. The Society is to be commended

for this addition to the available information on the development of the British motor industry:—

Period	OUTPUT OF MOTOR VEHICLES		Commercial	
	Private Cars and Taxi Cabs	Number	Vehicles	Number
Year ended Sept., 1929	182,347		56,458	
" " 1931	158,997		67,310	
" " 1932	171,244		61,475	
	1932-33	1933-34	1932-33	1933-34
October	17,603	16,884	4,844	6,389
November	18,574	20,843	4,504	6,552
December	19,931	22,306	5,166	7,071
January	17,580	24,293	5,491	8,391
February	13,586	20,331	3,941	6,417
March	26,565	33,137	6,654	9,074
April	20,722	22,424	5,653	6,684
May	22,740	24,953	6,239	7,552
June	20,397	23,406	6,112	7,213
July	18,745	20,374	6,115	6,820
August	11,937	12,720	5,259	6,438
Total (11 months)...	208,380	241,671	59,978	78,601

The figures show that the industry is subject to considerable seasonal fluctuations, most marked in the case of private cars. With the exception of October, 1933, the output of private cars in each of the eleven months ended August last exceeded that of the corresponding months in the previous season. The increase in the output of commercial vehicles was even more pronounced. As compared with the corresponding period a year earlier, the output of commercial vehicles during the eleven months ended August, 1934, showed an increase of 31 per cent., as against an increase of 16 per cent. in the case of private cars. There are no indications so far that the industry has reached the peak of expansion. It looks as if motor transport of all kinds were becoming a genuine necessity.

An Italian Index of Production.—The Italian Ministry of Corporations has recently begun publication of an index of industrial production. The index is an important addition to the information available on the economic development of Italy. It is based on 32 individual series, of which those relating to the metal, paper, gas, electricity and textile industries (except spinning and weaving of flax, hemp and jute and silk-weaving) represent quantities produced. The series for all other industries are based on indirect measures, such as machinery activity, workers employed, and building permits delivered.

INDEX OF INDUSTRIAL PRODUCTION
(1928 = 100)

Period	Textiles (37 weights)	Metalurgy and Engineering (36 weights)	Paper Industry (3 weights)	Building and Public Works (16 weights)	Heat and Power (15 weights)	Complete Index
1929	101.7	104.6	106.8	139.6	106.5	109.1
1930	91.4	94.8	108.6	130.8	110.9	100.3
1931	81.9	82.5	98.7	87.7	109.6	84.7
1932	67.4	70.7	103.0	78.9	110.3	73.0
1933	76.3	72.8	110.5	93.4	119.2	80.5
1933 August ..	75.0	73.3	103.0	105.7	126.1	82.3
December ..	68.4	73.8	111.4	85.5	128.3	75.9
1934 March ..	73.9	73.8	114.0	123.8	117.3	84.4
June	64.2	77.0	126.3	154.6	129.9	85.6
July	73.6	78.5	126.2	162.7	131.8	91.6
August	67.3	77.7	121.4	151.2	127.4	86.6

Seasonal variations have not been eliminated owing to the limited number of years for which figures are available.

The trough of the depression was reached in the middle of 1932. Since then there has been an appreciable improvement in all groups of industries. The expansion of industrial production in Italy presents a striking contrast to the deterioration in Belgium and France—two of the other members of the gold bloc. But it is reflected in increased Italian purchases of raw materials, which have contributed to deterioration in her exchange position.

* * *

Retail Sales in October.—The "nation of shopkeepers" is still keeping up its shops by its shopping. The index of retail sales published in this week's *Board of Trade Journal* shows that the previous improvement was maintained in October. The money value of sales in that month was 3.2 per cent. greater than in October, 1933. While the percentage increase on the corresponding month a year ago was somewhat smaller than in August and September, it must be remembered that the expansion in retail sales began in the autumn of 1933. From now on the monthly percentage increases on the corresponding months last year may, therefore, be smaller than earlier in the year. The following index numbers are not adjusted for seasonal influences:—

INDEX OF VALUE OF RETAIL SALES, GREAT BRITAIN
(Average Daily Sales in 1933 = 100)

Period	Food	Other Merchandise	Total
1932	102	99	101
1933	100	100	100
1933—October	99	105	102
November	102	105	104
December	118	146	131
1934—January	98	104	101
February	101	80	91
March	104	95	99
April	102	100	101
May	103	113	108
June	103	103	103
July	98	107	102
August	100	79	90
September	101	92	97
October	102	109	105

The value of sales of food and perishable articles in October was 2.8 per cent. higher than a year ago. Increases varied from 2.2 per cent. in the South of England to 4.8 per cent. in Suburban London. The only district to show a slight decrease (0.5 per cent.) was the West End of London. Sales of other merchandise increased by 3.6 per cent. during the period under consideration. As in the case of food and perishable articles, the improvement was most marked in Suburban London. Scotland registered the smallest increase (3.0 per cent.) in this group. With the exception of piece-goods, sales of all the different categories of merchandise were higher than a year ago; the improvement was most marked in the case of boots and shoes, men's and boys' wear, and furnishing materials. The increase in the value (at cost) of stocks as compared with the corresponding month in 1933, at 1.2 per cent., was smaller than in September (2.2 per cent.). The number of persons employed in the establishments making returns was 2.8 per cent. higher than in October, 1933. The outlook for retail trade is therefore still encouraging.

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UNITED STATES

CONGRESS PROSPECTS

THE discord between the Right and Left Wings of the New Deal has broken out even in advance of the assembly of Congress. The first specific point at issue is the social programme. The President has appointed a rather large committee to make recommendations; and in opening its sessions, he proposed a limited programme. Exception to this was immediately taken by the Secretary of Labour (Miss Perkins) and the Relief Administrator (Mr Hopkins). It is clear that some sort of social legislation will be accepted early in the Session; but its form, scope and cost are still undefined. Perhaps the most active divergence of opinion, however, concerns the spending programme. Despatches from Washington have hinted at expenditures on a scale which would dwarf even the precedents of the current year. They have not been officially confirmed; indeed, they have been denied in detail. As for the monetary programme, although there is little public discussion, there is considerable Congressional support for the conversion of a part of the public debt into currency.

More interest than usual has attended developments in the Treasury in the past two weeks. The decline of the gold exchanges against the dollar has been accompanied by a wave of gold imports amounting to about \$100 millions. In the first nine months of the year our imports of merchandise amounted to \$1,240 millions and our gold and silver imports to \$930 millions. Presumably the Treasury has intervened to restrain the rising tendency of the dollar by buying silver, but if so, its activities seem to have been moderate. The last two statements of the reserve banks have reported items of loans against gold abroad. The relaxation of the control of the export of capital is regarded as a gesture in the same direction, although its practical significance is doubtful. The exchanges have now become firmer and are at present probably above their gold points. There have been rumours of a drift of capital from Europe into our security markets.

The week also brought the appointment of Mr Marriner Eccles of Utah as Governor of the Reserve Board. Mr Eccles is a comparatively young man (44 years of age), but he has had extensive experience in business enterprises, including mining, sugar beet culture and dairying, and in banking. He has been president of a banking chain in Utah and Idaho.

THE CAPITAL MARKET

There have been virtually no corporate securities publicly offered in the market for almost two years. During the early part of the period the markets were not propitious for new offerings, but in recent months the yield on gilt-edged bonds had become so low as to offer inducements for re-funding, and the continued absence of new offerings has been attributed to the Securities Act. In the past week the

andum containing photographic reproductions of documents involving the Hungarian Government. The latter, in its turn, has entered a spirited protest and asked that the whole matter be discussed forthwith in the Council. An interesting point is the extraordinarily close parallel with Serajevo, with the rôles of the Austro-Hungarian Empire and Serbia reversed. The Yugoslav Government is said to have made it clear behind the scenes that the alternative to effective League action is Yugoslavia's withdrawal from the League and the danger of war. Certainly the Yugoslav note declared that it was only the existence of the League that enabled the Yugoslav people to maintain calm and self-restraint. This has made a deep impression among the statesmen assembled at Geneva and not least on the Soviet delegation, which looks upon it as presumptive evidence justifying the belief on which the Soviet Union acted in September, namely, that the League is an influence restraining potential war-makers and should, therefore, be strengthened. A great responsibility rests on the League to devise some action that will give satisfaction to legitimate grievances, without victimising Hungary or condoning assassination.

THE SAAR DISCUSSIONS

Another matter on which the Council will have to take fateful decisions in the near future is the organisation of the Saar plebiscite. It looks as though the Franco-German discussions on the question of eventual payment for the mines were making progress. But the two big issues are the maintenance of order during the plebiscite, and the rights and duties of the Council in defining what is meant by the Peace Treaty provision that in case the inhabitants vote for the *status quo* the Council is to adapt the present provisional regime "to the permanent welfare of the territory and the general interest."

The French, it is reported, intend to bring home to the Council its collective responsibility on both issues. This is to be done with special reference to the British Government, which in French eyes has been somewhat prone, in answers in the House and otherwise, to talk as though the whole responsibility for the Saar arrangements were in the hands either of France or of the Committee of Three on the Saar technicalities. Under the Versailles Treaty, the Council as a whole is responsible for the Saar, and notably for the organisation of the plebiscite. The British Government as a permanent member of the Council and a principal author of the Versailles Treaty, including the Saar Annex, has a particular responsibility, not diminished by the fact that the Council in this matter takes decisions by majority. If, as a result of insufficient police arrangements or otherwise, there were grave disorder in the Saar, leading to Franco-German complications, a situation might easily arise in which the French would invoke the Locarno Treaty. This, again, emphasises the need for the British Government to take an active interest in the Saar plebiscite arrangements.

The Committee of Three sitting at Rome has, it is reported, pronounced on the legal right of the Council to define beforehand what it means by adapting the *status quo* "to the permanent interests of the territory and the general welfare." As on the hypothesis envisaged, the sovereignty over the territory will (by Article 49 of the Versailles Treaty and chapter 3 of the Saar Annex) be vested in the Council, the latter will have the legal right, if it chooses, to exercise its sovereignty by giving the inhabitants full self-government and granting them the right of self-determination if ever they choose, e.g. by a two-thirds majority, to vote for their return to Germany.

Views on the political expediency of such a course are divided, for some believe that peace can be had by coming to terms with Nazi Germany, even by winking at the persecution of dissident Saarlanders. Others, however, believe that the best guarantee of peace would be for the Saar inhabitants to vote now against the Nazi regime, and later for reunion with Germany after that regime had collapsed. This course of action would increase that discontent inside Germany which General Smuts adduced as the reason for his belief that Germany would not go to war. But, at any rate, the legal position is clear, and attempts to urge questions of political expediency under cover of legal complexity are therefore doomed to failure.

GENEVA, November 27.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

LEAGUE OF NATIONS

ARMS AND THE COUNCIL

THE first test of the growing desire by the United States to co-operate with the League for the preservation of peace is likely to come over the measures to tighten the arms embargo in connection with the Chaco war. The Assembly has adopted the report under paragraph 4 of Article XV, and there seems small chance of either belligerent accepting it unconditionally. In the circumstances the Members of the

League must endeavour to carry out the recommendation in that report for a tightening of the arms embargo. This is difficult, because of the leakages through the South American States and the international rivers, and the ill-concealed reluctance of Italy to give up the business of supplying Paraguay with aeroplanes and war material. The United States have been invited to take part in the Assembly Advisory Committee, which has been set up for the execution of the report.

The Yugoslavs have sent in their expected note accusing Hungary, and it will be supported by a detailed memor-

Consolidated Gas Company of Baltimore made an issue of \$18 millions 3½ per cent. bonds, refunding a 4½ per cent. issue; and the Standard Oil Company of New Jersey made plans for converting \$90 millions of 5 per cent. debentures into \$45 millions of bank loans and \$37 millions of serial debentures, the last series maturing in 1941. Owing to the impediments of the Securities Act, neither of these constituted a public offering, the sale being made to small groups of institutional buyers. Although these were not the first issues of this kind, it is hoped that their sale will encourage other issues and that they will demonstrate that progress is being made in the reopening of our capital markets to corporate issues. In the same week a small issue of Argentine Treasury Notes was offered, said to be the first foreign issue (other than Canadian) for four years. This was followed by the announcement of the refunding of Finnish bonds; and it is hoped that these issues, too, will constitute a precedent. The preference of the institutional market is for short-term securities, even at a nominal rate of interest; private investors have, however, taken a number of equity issues brought out under the terms of the Securities Act. The significant fact is that in the past week there has been more activity than for months in the new issue (in this case refunding) market.

In the past week the Standard Statistics index of public utility shares dropped below the lowest figure of 1932, although the figures of power output are not far from the best levels of pre-depression days. The insistence of the local authorities on lower rates is supported by the activity of the Federal Government in the establishment of Federal power projects or the encouragement given to municipal enterprises. So far the scene of greatest activity has been in the valley of the Tennessee River, and is based on the Federal hydro-electric development at Muscle Shoals; but the establishment of similar Federal enterprises is promised in other regions. Notable among these is the St. Lawrence project, combining the canalisation of the St. Lawrence River and large hydro-electric generation. This project, which would involve treaty relations with Canada, was defeated in the Senate last winter, but it will be re-submitted this winter, and little opposition is expected.

A BUILDING REVIVAL?

As far as one can judge from rather fragmentary data, the great decline in industrial activity from May touched bottom in September. October apparently showed some recovery, which has continued into November. Steel output, for example, has risen from a low of about 18 per cent. of capacity to about 28 per cent. Reports from Detroit indicate considerable optimism in the motor industry. Perhaps the most significant data are those for residential building permits, which appear to be considerably higher than a year ago. Residential building began to decline after 1928, and for the past four years it is questionable if the annual residential building has equalled the losses from fire, etc. At the present time, at least in localities under your correspondent's personal observation, there is no visible excess of residential space, and, in spite of the high costs, there is very fair reason to expect that the spring will see increased building activity, both renovation and new construction. The official home "renovising" campaign inaugurated last August has as yet produced results much inferior to the optimistic official expectations. From August 1st to November 5th the total guaranteed "renovising" loans amounted to about \$15 millions. This figure, of course, does not include cash outlays inspired by the campaign; these are understood to have run far higher.

Altogether, although current production figures are very low, several rather distinct forces seem to be giving promise of the spring—the faint stirrings in the new issue markets, and the prospect of building, partly because of what appears to be an actual shortage and partly because of the obviously neglected, if not dilapidated, condition of residences. Probably it is recognition of a few basic facts of this sort, rather than the much advertised *rapprochement* of business and Government, which has led to the improved sentiment of the moment.

NEW YORK, November 20.

FRANCE

UNEMPLOYMENT STILL INCREASING

POLITICAL sentiment is calm. The discussion of the 1935 Budget is continuing before the Chamber without serious incidents. The discussion of the War Vote alone provoked important speeches, following the "disclosures" made by speakers about the re-armament of Germany. As a consequence of these disclosures, the Government has laid before the Chamber a proposal for special credits of 800 million francs for military equipment.

Unemployment continues to increase, the official figure being 362,140 on November 17th, compared with 355,850 in the preceding week and 249,274 a year ago. This is mainly due to a steady reduction in internal purchasing power. Domestic demand enabled the iron and steel industry to maintain its production at 97 in 1930 and 81 in 1931 (1929 = 100), when world production had fallen to 57 (1929 = 100). Then French production fell to 58 in 1932, increased to 67 in 1933 and fell again to 63 in July, 1934, while world production was recovering to 71. In the last few months iron and steel production fell again in France, while it increased in Great Britain and Germany.

Production in French coal mines during October, 1934, totalled 4,192,902 tons in 27 working days, compared with 3,913,356 tons in September (25 working days) and 4,080,344 tons in October, 1933 (26 working days). Average daily production was therefore 155,293 tons, compared with 156,534 tons in September and 156,936 tons in October, 1933. The number of men employed was 230,433 at the end of October, compared with 232,192 at the end of September and 246,187 at the end of October, 1933.

EFFECT OF M. FLANDIN'S SPEECH

M. Flandin's broadcast speech on Tuesday [which we discuss in a Note of the Week] has improved public sentiment, at least on the Stock Exchange. Both Government securities and industrial stocks have risen. The actual level, however, is very low. In many cases 1934 prices are lower than those which were quoted before the war, in spite of the 80 per cent. devaluation of the franc which has occurred meanwhile. The security price index which the Statistique Générale establishes on the basis of 300 French stocks stood at the end of October at 174 (1913 = 100), compared with 180 in September and an average of 232 in 1933 and 345 in 1932. In the boom years 1928-30 it was above 500. The following table shows the fluctuations of various important groups of stocks:—

	1930	1931	1932	1933	1934			
					1st	2nd	3rd	Oct.
					Qr.	Qr.	Qr.	
	(average)							
Banks	324	244	190	186	173	167	154	145
Insurance companies	965	733	610	598	558	591	569	552
Coal mines in the North	510	312	230	220	188	178	153	138
Iron and steel	243	126	85	75	60	56	50	45
Building	582	424	308	197	132	140	123	105
Chemicals	412	260	200	208	196	194	173	160
Textiles	706	369	234	217	191	172	143	132
Railways (large systems)	141	125	94	81	75	85	77	74
Shipping	285	169	102	84	67	67	57	49
Gas	617	525	484	543	516	524	508	497
Electricity	673	535	457	452	411	382	351	333

The traffic in the Suez Canal during the first nine months of 1934 reached 23,566,000 tons, that is 1,216,000 tons, or 5.4 per cent., more than in the corresponding period of 1933. Traffic in ballast shows the greatest increase at 6.9 per cent. Railway equipment (365,000 tons, against 94,000 tons) and cereals (163,000 tons, against 42,000 tons) also increased. The receipts of the Canal since the beginning of the year are 782,460,000 francs, compared with 775,090,000 francs in 1933.

PARIS, November 29.

GERMANY

THE PRICE-COMMISSAR AT WORK

THE measures of the new Reich Price-Commissar, Dr. Goerdeler, have so far been of a general character. The Cartels Board of the Reichsstand (formerly Federation) of German Industry has been directly subordinated to the "Leader" of National Business. The aim is to facilitate the Commissar's task of deciding what price agreements ought to be dissolved. Dr. Goerdeler has ordered that all direct and indirect agreements about prices, traders' margins, and rebates for both goods and services, entered into since June 1, 1933, should be reported to him. This involves reports of the official price-fixings of the Nährstand or the Kulturkammer, and also the agricultural prices of September, 1933. Price agreements or fixed prices not reported by December 15th will become invalid. Another ordinance subjects the future fixing of prices, traders' margins and price supplements to the Commissar, though so far as prices are determined by local conditions, they may be fixed by local administrative authorities in agreement with the Commissar. These measures centralise price policy entirely in the Commissar's hands. In future, even the Nährstand and the Kulturkammer, hitherto autonomous price-fixing organs, can at most bring their wishes before the Commissar. The Commissar's first important concrete measure is to dissolve the existing fixed prices for fish products used for human consumption. These prices were fixed by the "Economic Union of the German Fish Industry" on the ground of an authorisation in the Reich Nährstand law.

The Nährstand has always so far been officially advertised as an infallible organ for solving price questions, which would eliminate the unfairnesses and uncertainties of prices in the "Liberalistic" economic age. It now appears that one of the Nährstand's own fixed prices was "not fair to the consumer interest" and had to be annulled. The result has been a fall in prices. Dr. Goerdeler's intervention seems to have thrown all other Nährstand price policies into the melting-pot.

The wholesale price index number for November 20th was 101.3, showing little change. Manufactured goods prices have continued to rise. Measures have been taken to control the retail prices of textiles. Of the probable effect on the price level and on foreign trade of Autarky, which is being officially pressed with ever more vigour, *Die Bank* writes:—

Certainly Germany can replace with domestic substitutes much the greater part of her raw material imports. This, however, will probably in most cases involve a material increase in costs of production. The primary consequence of such "false investment" will be a further reduction of Germany's ability to compete, and therewith a further aggravation of the foreign exchange question.

Die Bank adds that in consequence of the increased cost the standard of living and the ability to save must decline.

INDUSTRIAL RECOVERY RESUMED

Industrial reports still speak of considerable increases in turnover. Receipts of the Reichspost for the third quarter of the year increased by 16½ per cent., compared with the same quarter of 1933. The Reich Board for Unemployment Insurance reports that receipts in the half-year April-September exceeded expenditure by Rm. 100 millions. The increase in wholesale turnover continues at a somewhat reduced rate. Retail turnover in October was 22 per cent. higher than in October, 1933, that of the department stores, according to their classification, between 10 and 17 per cent. higher. The Nazi Party has now formally withdrawn its promise to abolish these stores, on the ground that their abolition would cause a financial crash.

A distinct decline in the pace of industrial recovery is revealed by the official Konjunkturinstitut. The Institute's report for October shows a rise from 62.1 to 62.7 in the percentage of industrial capacity being utilised (an index based on the number of working places available); and it claims that the volume of labour at work is only 16 per cent. below that of October, 1929. After a long period during which the production goods branches, which suffered most from the depression, were catching up on the

consumption goods branches, the latter have now taken the lead. The textile industry is active again. Cotton spinners' and weavers' associations report for October as in the preceding months a continuing heavy demand which they are unable to meet. A building report for January-September shows a substantial recovery in the construction of both dwelling houses and business premises. Of new dwellings this year between 40 and 50 per cent. have been built with public financial support. Cement sales are 70 per cent. higher than a year ago. Coal output in October was 11,600,000 tons, against 9,800,000 tons in October, 1933; and in the first ten months 102,800,000 tons, against 90,000,000 tons in 1933. Pig-iron output in the first ten months was 7,080,000 tons, against 4,220,000 tons in 1933, and steel output 9,760,000 tons, against 6,130,000 tons in 1933. The engineering industry in October was operating at 60 per cent. of capacity.

ACTIVE TRADE BALANCE IN OCTOBER

The trade balance in October was active by Rm. 16 millions, the second monthly active balance of the year. Imports, which usually increase in October, were little changed. This, however, concealed an increase in food-stuff imports far exceeding the October normal. Imports of raw materials declined by Rm. 14 millions. Imports of manufactured goods also declined, probably as a consequence of the heavily swollen total of September. The various export groups are little changed except manufactured goods, which rose by Rm. 12 millions. Total export rose by Rm. 16 millions, as against a rise of Rm. 13 millions in October, 1933. Since July exports of manufactured goods have risen without a break; and the October total was, except for March, the highest of the year. The chief increases were: machine-tools, electrical goods, chemicals, and iron goods; but textile exports, as usual in October, declined sharply. Exports to Russia somewhat recovered. The Russian trade report for the first eight months shows Germany to have been Russia's chief customer, having replaced Great Britain, while Great Britain replaced Germany as chief seller. In August Russia's sales to Germany exceeded sixfold her purchases from Germany. Details of the German trade returns for October are: Imports, Rm. 350 millions, against Rm. 352 millions in September; exports, Rm. 366 millions, against Rm. 350 millions in September.

The market discount rate has again been reduced, this time to 3½ per cent. The day-loan rate advanced somewhat towards the month-end, and on Tuesday was 4-4½ per cent. The recent fluidity of the money market has been due to several causes, among them temporary abundance of unexpended public monies, the blocking of transfers to foreign creditors, and the realisation of stocks of raw materials in consequence of the restriction on import. The balance sheets for October 31st of the chief commercial banks show an increase in deposits of Rm. 16 millions, which is less than the September increase, but repayments of foreign credits were larger, totalling, according to private estimate, about Rm. 50 millions. The credit demand of business has declined. The two cuts in the market discount rate raised rumours of a coming reduction of the Bank rate. Reich tax revenue in October totalled Rm. 715.6 millions, as against Rm. 591.9 millions in October, 1933. In the first seven months of the financial year tax revenue totalled Rm. 4,679.4 millions, against Rm. 3,983.7 millions in the same months of the preceding financial year. The official estimate is that there has been an effective increase in tax receipts in the seven months of Rm. 542.7 millions.

BERLIN, November 28.

AUSTRIA

EMPLOYMENT AND PRODUCTION INCREASING

THE number of unemployed in receipt of benefit at the end of September was 35,000, or 12.6 per cent. lower than in September, 1933 (compared with a reduction of 54,700, or 15.6 per cent., at the end of May). But these figures cannot be unreservedly accepted as representing an

improvement in production. The employment programme of the Government has created work for a great many people. In June about 50,000 persons, including 23,760 unemployed formerly receiving benefit, were at work on various Government schemes.

The process of industrial liquidation seems to have ceased, and new companies are even being founded. Moreover, the general industrial situation seems to be improving. The largest firm in the Austrian heavy industry, the Alpine Montangesellschaft, reports that it is now employing 10 per cent. more hands than last year. The output of iron ore is bigger by 50 per cent., and that of crude iron, crude steel and rolled goods by 20 to 30 per cent. The Steyr Automobile Works are employing about 4,000 workmen compared with 700 in the summer of last year. They have big orders, particularly for automatic pistols, special motor-cars for military purposes, for ball-bearings and for passenger automobiles. The Government has given orders to a value of about 30 million schillings for signal apparatus, radio material, uniforms, boots and other textile munitions, and the textile mills are working to 85 per cent. of capacity. Cotton yarn output in Austria has for the last twelve months constantly been 10 to 25 per cent. higher than the average output from 1923 to 1931, which was the best period of the Austrian "boom."

Exports to Germany are growing, both of raw materials and semi-manufactured goods. The movement is regarded, however, by Austrian enterprises with mingled feelings, since there is great difficulty in collecting payments; the commercial balance due to Austria is taking the form of frozen credits in Germany. It is for this reason that the steel works and the Steyr Automobile Works, which had big orders from Germany, have received instructions from the banks to stop deliveries to Germany, as the frozen credits appear too large to permit further deliveries against credits. In general, Austrian claims against other countries are increasing, while those of foreign countries against Austria are steadily diminishing. A compilation made by the chief of the Statistical Department of the Austrian National Bank shows that the foreign commitments of Austria diminished during the year 1933 from 4,251 to 3,191 million schillings; 568 millions of the diminution being due to foreign currency depreciations and 491 million schillings to repayments. England still occupies the first place among Austria's creditors, and a portion of America's claims against Austria are being transferred to England.

CONVERSION OF THE LEAGUE LOAN

On November 30th notice is to be given of the redemption of ten tranches of the Austrian League of Nations Loan as from June 1, 1934, which means all tranches except the Spanish tranche. The conversion negotiations have been concluded with five States and before November 30th they will be concluded with the other five States. There is, therefore, the probability that the conversion itself will be completed in time for June 1, 1935, including the conversion of the Spanish tranche. The saving to the Austrian Budget will amount to nearly 100 million schillings in the year 1935. Repayment of other foreign loans has made further progress in the year 1934, and it is estimated that Austria's total of foreign indebtedness will total only 2,800 million schillings at the end of 1934.

The attempts of the State to "regulate" economic activity, after being directed to the quota and clearing systems, is now concentrated upon exports. Prohibitions of the export of textile materials and rags have been issued, and the export of hides and skins has been limited. These measures are chiefly due to transfer difficulties in the countries receiving the goods, and for the most part permission to export is given as soon as the amount of the invoice has been guaranteed. Within the last few weeks a law has been issued extending the State control of timber exportation to logs, hewn conifers, soft sawn timber and railway sleepers. Exporters are obliged to observe minutely the export conditions laid down by the public corporations. Timber exports are making remarkable progress, however.

The Budget for 1935 was anticipated with some anxiety, as the deficit of 110 million schillings for the first ten

months of 1934 increased the possibility of fresh taxes. The Government proposes, however, to leave taxation unchanged for the next few years. The provisional estimate for the 1935 Budget is as follows:—

	(million schillings)	Compared with 1934
Gross expenditure	1,994	+81
Gross revenue	1,881	-32.3

These figures would suggest a deficit of 113 million schillings. This will be decreased by about 100 million schillings by the saving, already mentioned, to be secured through the League Loan conversion.

The increase in expenditure is caused chiefly by the augmented cost of the national defence and security services; but the apparent increase shown in the Budget on this item is not real, since actual expenditure in 1934 was far larger than the Budget estimates.

VIENNA, November 26.

ROUMANIA

POLITICS AND THE NEW LOAN

INTERNAL political prospects are not encouraging; economic and financial problems still cause considerable anxiety. The Government has attacked with admirable courage the question of the simplification of the public services, which has been made urgent by the present bad state of the public finances. The Government has also refused all adjournment of the first payment due (on November 15th) by agricultural and urban debtors under the Conversion Act. These policies are laying the Government open to criticism, but it has a substantial majority in Parliament which renders it practically immune to attack. Nevertheless its foreign trade policy has caused widespread dissatisfaction, and it is on this question that it is liable to the most damaging criticisms.

The subscription lists for the new Government loan were opened on November 5th and are to be closed on or before November 30th. The amount of the loan is not fixed. It is issued in bonds of 1,000 lei each at the price of 88 per cent., bearing 4½ per cent. interest, and redeemable in forty years by quarterly drawings. Repayment of the drawn bonds will be effected at 120 per cent. Interest and redemption will be paid in lei of the gold value laid down by the Stabilisation Act of February 7, 1929, and the loan is exempt from all taxation, present or future. Up to the amount of 20 per cent. of the nominal value of bonds subscribed can be paid for with bonds of the existing Government loans at prices fixed in the prospectus, on the average at about 20 per cent. above the current market prices. To attract foreign subscriptions the National Bank of Roumania has been prevailed upon to allow the export of the bonds subscribed with lei held in banks for foreign account, and in respect of such bonds the transfer abroad of the proceeds of the coupons and drawn bonds is to be assured. Of all the advantages granted to holders of the loan, the gold clause unquestionably should carry most weight. It is an unfortunate sign of the times, however, that such promises are now looked upon with sceptical eyes. Moreover, the gold clause is being attacked by the political opponents of the Government.

NEW FOREIGN EXCHANGE REGULATIONS

The new export and import regulations establish the principle that every import must be preceded by an export and that imports should not exceed 60 per cent. of exports. Exports are to be paid for in foreign exchange only. They are divided into two classes: (a) Petroleum and its products, cereals and timber; (b) the other, so-called surplus, exports. All foreign exchange obtained from exports must be placed at the disposal of the National Bank. As regards class (a), the proceeds must be in the currency of a country without exchange restrictions, and 40 per cent. is reserved for the National Bank to provide currency for the payment of the Roumanian foreign debt service and other

needs of the State. The remaining 60 per cent. is available in the shape of import certificates, which are to be distributed to the importers in possession of import permits by the office created for the regulation of foreign trade.

The long delay in issuing the new export and import regulations has caused serious prejudice to foreign trade. Exports have slowed down considerably—in the principal export season. Imports have also diminished, as very little payment has been forthcoming for a long time. The new regulations do not appear likely to improve conditions; they are considered so impracticable as to render trade almost impossible. Under the former restrictions domestic industries in Roumania had become prosperous, although, owing to the difficulty of finding means of payment for imports, raw material has recently become scarce. The new regulations do not remedy this evil; on the contrary, the stoppage of exports must undoubtedly react on imports. Already many of the factories are faced with the necessity of having to close down soon through lack of raw material. At the same time, the new system seriously interferes with existing clearing arrangements.

BUCHAREST, November 24.

ARGENTINA

RUMOURED CABINET SPLIT

RUMOURS of a Cabinet split are in circulation here; a difference of opinion is believed to exist between the Minister of the Interior and the Minister of Finance. The utmost secrecy has been maintained, however, and there is no likelihood of a Cabinet crisis until the Budget and the Unification of Taxes Bill have received the consideration of Congress.

The following are the export figures for the first ten months of the present year as compared with those for the similar period of 1933:—

EXPORTS. QUANTITIES EXPORTED IN TONS DURING THE FIRST TEN MONTHS OF 1933 AND 1934

	1933	1934	Increase (+) or Decrease (—) per cent. in 1934
Pastoral products ...	956,592	906,278	- 5.3
Agricultural products	10,356,209	11,642,537	+12.4
Total (all products)	11,741,766	13,024,441	+10.9

VALUE OF EXPORTS DURING THE FIRST TEN MONTHS OF 1933 AND 1934

	\$	\$	Increase (+) or Decrease (—) per cent. in 1934
Pastoral products ...	328,953,944	388,183,864	+18.0
Agricultural products	558,028,651	759,087,055	+36.0
Total (all products)	931,884,977	1,212,212,924	+30.1

The percentage increase or decrease in the average prices of the main commodities exported during the first ten months of 1934, compared with a similar period of 1933, was as follows:—

Chilled beef	+ 11.9	Casein	+42.9
Frozen beef	- 1.9	Wheat	+11.5
Frozen mutton	+ 28.5	Maize	+38.9
Unwashed sheepskins...	+ 86.9	Linseed	+23.9
Salted and dried sheepskins	- 7.0	Oats	+13.0
Unwashed wool	+125.1	Barley	+13.0
Butter	- 9.4	Flour	- 1.0

The market values of exports for the first ten months of 1934 exceed the figure for the whole of 1933, despite the recent decline in the price of grain. The continued increase in both tonnage and value is most satisfactory. A continuance of the present policy, however, whereby the peso is maintained at a depreciated level despite the very favourable balance of trade, cannot but cause adverse comment from importers and large foreign owned interests who have to remit their profits out of this country.

NEW TAX ON FOREIGN COMPANIES' PROFITS

A new Bill has been presented to Congress proposing an additional tax of 5 per cent. on all remittances of profits of foreign limited liability companies. This Bill, if it is passed, will become law as from January 1, 1935. It is

to be hoped that the Government will not find it necessary to impose this additional burden on foreign firms, the shareholders of which are already complaining bitterly of the small dividends received during the last few years. Moreover, the opinion is expressed authoritatively here that this measure is unconstitutional, as it imposes special burdens on certain picked firms.

During the past ten days an internal loan has been floated to the value of \$50 million paper. Interest is at 4½ per cent., and amortisation ½ per cent., the issue price to the public is 85½ and to the underwriters 84. The object of the loan is to convert the remainder of the Credito Argentino Interno 1907, 1909 and 1910 bonds, which, notwithstanding their denomination, were really issued abroad. An arrangement was made with Messrs Baring Brothers to convert bonds of these denominations up to a total of £7,600,000; the present operation represents the conversion of the remainder. It is worthy of note that the loan has been floated in paper pesos, although the bonds will be partly placed amongst foreign bondholders. The future of the Argentine currency would, therefore, appear to be viewed with confidence. In order to facilitate the eventual quotation of the new bonds on the Paris Bourse they will also have a value in francs, the rate being 2.50 francs to the Argentine peso. The present free market rate is 3.86 francs to the peso, so that in reality both capital and interest will be paid in Argentine currency. The present operation is looked upon in some quarters as a trial by the Government of the idea of converting, gradually, the whole of Argentina's foreign indebtedness by means of internal loans.

BUENOS AIRES, November 17.

SOUTH AFRICA

MINIMUM WAGE BILL LIKELY

ONE of the most important measures of the Session which will open on January 11th is an Unemployment Insurance Bill, previously introduced, which failed to emerge from Select Committee in time to be dealt with last Session. It is also considered likely that the Minister of Labour may introduce a Bill to fix minimum percentages of workers in various industries, who must receive a wage of at least eight shillings per day. A further proposal is that some attempt be made to remedy the defects in agricultural co-operation—no doubt the result of the maize disaster and of the absurd position of the butter market here in the latter part of the winter. The Minister of Finance is expected to make a start with the reduction of export subsidies—a matter which, however obviously essential in the eyes of financial purists, will bring him into opposition with most of the rural members in a House in which rural interests predominate. A further simplification of the Excess Profits Duty Act is probable, but otherwise the only

THE ROUND TABLE

A Quarterly Review of the Politics of the British Commonwealth

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legislation now anticipated as likely to affect mining interests is an extension of the Gold Law to the Orange Free State.

In an interesting speech at the banquet of the South African Institution of Electrical Engineers recently, the Minister of Defence referred at some length to the prospects of federation of all the African States who are members of the British Commonwealth. He said that:

The real problems in Africa are going to affect every white man in British Africa. I think that in the not too distant future British Africa south of the Sudan will crystallise into two great federations linked to the Union by a common native policy and a common African defence policy. No doubt existing economic relations will be expanded and strengthened until all parties realise what valuable markets their territories can be to each other.

GOLD MINING PROSPECTS

So far as local discussion of grade policy is concerned, Mr John Martin's speech at the annual meeting of Modderfontein East, Ltd., appears to have cleared the air fairly definitely. Although Mr Martin stated that he was speaking in his personal capacity and as chairman of that company, he also stated that he believed his views were substantially in accordance with the general attitude of the gold mining industry. There is no doubt that this is entirely correct, and that those interested in the mines may therefore look forward to a lengthened period of payment of moderately increased dividends, rather than to a brief period of greatly increased dividends. It is perhaps not fully understood outside South Africa that the pros and cons of this question are not entirely, or even mainly, of an accounting or actuarial nature. Gold mining is not merely the sole reliable support of the economic life of the Union as at present organised; it is likely to remain so for a fairly long period. The public and the Government therefore watch mining policy to an extent which is probably not appreciated elsewhere. The average yield of Transvaal gold mines in 1932 was (according to the Chamber of Mines published returns) 6.471 dwt. per ton milled. At, say, 6 dwt. per ton and the current price of gold the October profit would have been roughly £4,000,000. Any attempt to work the mines at this profit would result in immediate demands for very substantial increases in wages, and it is almost certain that those demands would, in the circumstances supposed, receive such backing as to render them irresistible. Furthermore, the Government attach the greatest importance to the mines as a field of employment. Any policy which tended to curtail the future of the industry, or which deliberately refrained from feasible extension thereof, would almost certainly receive marked official notice in the next succeeding Budget.

Protagonists of higher grade and higher dividends might therefore, if their agitation were successful, have the mortification of seeing their mines stripped for the benefit of others than themselves. The present policy undoubtedly has the support of the Government and of all sections of the public, whilst shareholders have the advantage of nearly 70 per cent. increase in dividends and of a prospect of a greatly extended period of dividend payment. For the reasons stated above, it is by no means certain that the comparison of this position with that at a higher working grade would, from the shareholders' point of view, be anything more than an arithmetical exercise. Shareholders may note that the numbers employed have increased from 24,194 Europeans and 229,665 others in December, 1932, to 30,076 Europeans and 266,165 others in September, 1934. The prospective tonnage to be mined and treated at a profit is more than doubled. Those facts are paramount considerations here.

Although the balance of trade is still heavily active, Union imports continue to increase, the figure for the first nine months of the year being £47.4 millions, or £12.8 millions more than for the same period in 1933. The total exports for the nine months' period are £63.4 millions and £69.4 millions for 1934 and 1933 respectively.

Railway earnings—an excellent guide to general prosperity in the Union—are at a level unsurpassed for five years, the figure for the first week in November being

£562,000. As the summer holiday season has yet to begin, these figures are likely to increase in the immediate future.

In spite of the excellent position in regard to trade and employment, prices are still steady. There are, however, some signs of a tendency for wages to rise, so that moderate increases in prices may not be long delayed.

JOHANNESBURG, November 15.

LETTER TO THE EDITOR

PLANNING PRODUCTION AHEAD

(TO THE EDITOR OF THE ECONOMIST)

SIR,—All those of your readers who are concerned with production planning will have read the article on the Five-Day Week in the *Economist* of November 24th with interest.

But with one sentence in your article—and it is not clear from the context whether the writer is expressing his own views or those of Sir Richard Redmayne—most of us who are engaged in forecasting will not agree. The sentence to which I refer reads as follows:—

Secondly, Messrs Boots have the inestimable advantage of controlling their own distributive outlets, and they can plan their production to a schedule instead of being dependent upon orders from outside.

I believe it is the present practice of most large firms of manufacturers, other than those engaged on contract orders such as heavy engineering or electrical engineering companies, to plan production ahead and work to a manufacturing schedule, whether they control their own distributive outlets or not. Certainly the company with which I have the privilege to be associated is engaged in one of the most highly seasonal industries, and yet has managed to budget production ahead for most of its activities with a very high degree of accuracy for some years past.—Yours faithfully,

T. W. WALDING,

November 26, 1934.

Statistician, Kodak Company.

BOOKS RECEIVED

The Gold Standard and its Future. Second edition revised and enlarged. By T. E. Gregory. (London) Methuen and Company, Ltd. 184 pages. 8s. net.

Le Cyprès des Traîtres. By Y. M. Goblet. (Paris) Editions Berger-Levrault, 5 rue Auguste-Comte. 262 pages. 15 frs.

British Imperialism in India. Prepared for the Labour Research Department. By Joan Beauchamp. (London) Martin Lawrence, Ltd. 224 pages. 5s. net.

The Transfer and Transmission of Shares and Debentures of Private Companies. By S. Borrie. (London) Jordan and Sons, Ltd. 70 pages. 3s. 6d. net.

America's Hour of Decision. By Glessor Frank. (London) McGraw-Hill Publishing Company, Ltd. 263 pages. 12s. 6d. net.

Economic Planning and the Tariff. James G. Smith. (London) H. Milford. 331 pages. 13s. 6d. A discussion of the New Deal.

The Third British Empire. Third edition revised. By A. Zimmern. (London) H. Milford. 192 pages. 6s. net.

England Takes the Lead. By H. Fisher. (London) Jonathan Cape. 253 pages. 6s. net. A critique of monetary theory.

Dictature ou Parlement? By A. de Mun. (Paris) Librairie Félix Alcan. 266 pages. 12 frs.

OFFICIAL PUBLICATIONS

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

Colonial Reports: No. 1682, Straits Settlements, 1933. 4s. 6d. net. No. 1684, Gold Coast, 1933-34. 3s. 6d. net. No. 1685, Mauritius, 1933. 2s. net.

Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Countries, 1933, compared with the years 1929-32. Vol. III. Tables showing for exports of Produce and Manufactures of the United Kingdom Quantity and Value of each Article to Specified Countries and Totals to Foreign Countries and British Countries. 17s. 6d. net.

Accounts relating to the Trade and Commerce of certain Foreign Countries and British Countries Overseas during the period ended June 30, 1934. 9d. net.

MONEY AND BANKING

THE RATE OF INTEREST

THE recent reductions in short-loan and discount rates, and the consequent diversion of large quantities of funds from the money market to the gilt-edged market, have naturally stimulated a temporary boom in gilt-edged securities. Although prices of the latter now stand below their peak of early November, the net result has been the further lowering of the yield upon long- and medium-term Government securities. A gilt-edged yield of 3½ per cent., which only three years ago seemed an unattainable ideal, has given place to 3 per cent., and to-day 2½ per cent. is well within reach.

The initial impetus which brought about the collapse of discount rates was the reduction in the total of Treasury bill tender issues from a peak figure of £597 millions at the end of 1933 to a figure of £421 millions on November 10th. This reduction was largely, if not entirely, due to deliberate Government policy. Further, the Government, by announcing the redemption next April of 40 per cent. of the 3 per cent. Treasury bond issue, whereas it is only bound to redeem 10 per cent., has deliberately put itself in a position of having to raise £44 millions of fresh money. This is in addition to £150 millions which may be required for the 2 per cent. Treasury bond issue, which in all probability will be called for redemption next May. This implies that the Government sees its way to raise £194 millions at some date during the next six months.

The authorities must, therefore, have welcomed the recent fall in the gilt-edged yield, and indeed they are probably fostering it with a view to preparing the ground for further long-term or medium-term issues designed to clinch the establishment of a lower long-term rate of interest. Some evidence in support of this can be deduced from recent changes in the composition of the floating debt. Between the end of August and early November the total of "tap" issues of Treasury bills and Ways and Means Advances from Public Departments, that is the "floating assets" of the Departments, rose from £412 to £476 millions. It is doubtful if much of this increase was due to Exchange Equalisation Account operations, and it looks as if the Departments have been putting themselves in a more liquid position, which incidentally will help them to support either the gilt-edged market generally or any new Government issue which may be made. All this is surmise, and these "floating assets" have declined to £470 millions during the past fortnight. Yet this deduction points in the same direction as all the other indications.

For all these reasons it is safe to assume that a major setback in the gilt-edged market will not be allowed to occur. There are, moreover, other considerations to support purely financial arguments. In the present state of public opinion, for example, a fall in gilt-edged prices would have a serious psychological effect. It would at once suggest that the downward trend of interest rates was about to be reversed, and this impression would reflect on the price of "equities," the new capital market, the capital goods industries, and on trade and employment generally. From the political angle it would be regarded as a confession that the Government, in its policy of cheap and plentiful credit, had shot its bolt; and from the economic angle it would be inferred that trade revival had reached its zenith.

All this means that the upward trend of gilt-edged prices and the downward trend of long-term interest rates will be further stimulated in the hope of attaining Mr Keynes' next immediate goal of 2½ per cent. How far will the movement help recovery? Here more circumspection is needed. Equity shares have already reflected to the full the decline in interest rates, for most sound equities are now quoted at prices well in advance of a price calculated on relative yields to-day. The new capital market has also adjusted itself, as is shown by the terms on which municipal

and other high-grade issues are being successfully placed. Yet there has been no raising of capital on a substantial scale for new enterprise, and while the average investor is restive at the low return he now receives on sound securities, he has not yet been goaded to the point where he is prepared to take a risk. In short, the reduction in interest rates is spreading successfully from the money market to the gilt-edged market and to sound, well-established enterprise. It has not yet spread into the general field of industrial borrowing, and so long as the trade outlook remains so uncertain it is difficult to see how it can do so.

There are, in fact, two fields in which the fall in interest rates is lagging behind. One is the relatively narrow field of bank advances. To-day this particular lag is less important than many people think, for the trade depression has left most big concerns well supplied with liquid funds, and so they can provide their short-term finance out of their own resources. Again, it is reasonable to assume that ways will be found of overcoming this particular lag. Insurance companies, foreign banks represented in London, and other financial institutions have for some time been competing with the joint-stock banks, while a further and most welcome development would be the return of the sound, well-backed inland bill.

The banks cannot lower their general advance rate to 3½ per cent. or even to 4 per cent. without losing more revenue than they can afford. So long as the country requires a highly-organised banking system, which renders numerous free and unremunerative services to its customers, it must be prepared to pay for it. Nor is an advance rate of 4½ per cent. as great a burden upon trade as many people think. The proper test of the burden is the relation of the average firm's bank loans, and their cost, to their year's turnover, and in most cases bank interest (and still more the saving arising out of a ½ per cent. cut in the rate) would look very small in relation to other items of profit and loss. Where a firm has been deeply committed to its bank for some time, bank interest may be a more serious matter. The answer here is that the firm is really obtaining from its bankers finance which should take the form of debentures, and the true comparison is between the cost of the bank loan and the cost which a debenture issue would entail to a firm in such a position. The trouble is that many who grumble at the cost of bank loans and their alleged effect on the trade of the country, confuse bank loans with bank participations in industry. British bankers have always set their faces against the latter, and provided that bank loans are confined to their proper function of supplying short-term finance, their cost should not be injurious to the majority of industries.

The sluggishness of the new capital market is a more serious matter. To-day, new issues have shrunk to a fraction of their volume during the boom year of 1928, and clearly there is still a paucity of real new enterprise. The disappearance of international trade must partly be blamed for this, and only this week Messrs. Robert Benson and Company have justifiably used the lack of demand for capital as yet another argument in favour of the removal of the embargo upon foreign loans. Unemployment and the lack of purchasing power at home must also bear their share of the responsibilities of the lack of new enterprise, and to that extent the prevailing unemployment and absence of enterprise constitute a vicious circle.

How is this circle to be broken? The answer plainly is that the efforts to revive trade by cheapening the cost of capital have not yet proved effective, and must be continued and intensified. The most reliable test of the cost of capital as one of the factors of production is the elasticity of demand for capital. So long as demand fails to expand as rates fall, the presumption is that the cost still remains too high. This means that to-day we must still watch for a

further decline in long-term interest rates. If such a decline comes about, and if we can discern that a fresh demand for capital goods is developing, or that fresh capital expenditure, e.g. on housing schemes, is being undertaken, then we can assume that we are moving along the right road. In spite of the past year's housing boom and revival in the capital industries, we can hardly yet feel that degree of assurance.

On all grounds, therefore, we must not assume that the Government's cheap money policy has reached its culminating point, or that from now onwards it will be allowed to lapse. The Government has definitely committed itself to this particular task and must see it through to the end. So far, its efforts have met with a moderate degree of success. It would be madness to relax those efforts at the very moment when such leverage is beginning to overcome the inertia of trade depression.

FINANCIAL NOTES

The Money Market.—Money remains easy, with outside lenders offering funds generally at $\frac{1}{2}$ per cent. and at $\frac{1}{4}$ per cent. for overnight money. A certain amount has already been borrowed over the end of the year, and it is probable that the clearing banks will charge $\frac{1}{2}$ per cent. for loans into the New Year against eligible bills, and $\frac{1}{4}$ per cent. for other loans. Discount rates have become distinctly firmer. On November 23rd, £40 millions of Treasury bills were issued against maturities of £30 millions, and applications amounted to only £48.6 millions. The average tender rate was 6s. 3.97d. per cent., against 4s. 9.46d. per cent. the week before, but the total volume of Treasury bills has been increased from £423.7 to £433.7 millions, while last week's application and the subsequent course of business show that the market is not anxious to load itself up with bills immediately before the end of the year.

	Nov. 8, 1934	Nov. 15, 1934	Nov. 22, 1934	Nov. 29, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short loan rate:—				
Clearing banks.....	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1
Others.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills.....	$\frac{7}{16}$ - $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{3}{8}$ - $\frac{7}{8}$
Three months' bank bills	$\frac{1}{16}$ - $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{3}{8}$ - $\frac{1}{2}$

Current discount rates reflect this tendency, for this week next year's Treasury bills have been offered at $\frac{3}{8}$ per cent. without attracting buyers, and $\frac{1}{2}$ per cent. is probably a more representative rate. On Thursday afternoon it was confidently expected that the next day's tender rate would average $\frac{1}{2}$ per cent. Three months' bank bills are quoted at $\frac{3}{8}$ per cent.

The Bank Return.—This week there has been an increase of £3.1 millions in the note circulation. This probably represents currency requirements by the public over the end of the month, but the Christmas demand for currency is likely to begin on a small scale next week.

BANK OF ENGLAND					
	Nov. 29, 1933	Dec. 27, 1933	Nov. 14, 1934	Nov. 21, 1934	Nov. 28, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.6	190.7	192.0	192.1	192.1
Note circulation.....	370.2	392.0	378.9	376.9	379.7
Banking Department:—					
Reserve.....	81.6	59.7	73.8	75.8	73.0
Public deposits.....	13.6	22.2	20.9	25.3	27.7
Bankers' deposits.....	106.9	101.2	97.9	95.9	89.1
Government securities ...	70.9	88.0	79.1	80.1	80.4
Discounts and advances	8.6	16.8	9.6	8.6	9.2

Proportion 51.9% 37.3% 47.4% 47.6% 47.1%
There has been a further increase of £2.2 millions in public deposits, due to this week's expansion of £10 millions in Treasury bill tender issues. On Saturday, December 1st,

the half-year's War Loan dividend, amounting to £35 millions, is due to be paid, and this will reduce public deposits to a more normal size.

The Foreign Exchanges.—The London exchange market has been very dull, but sterling has on balance reacted slightly after its previous improvement. Spot dollars have improved from \$4.99 $\frac{1}{2}$ to \$4.98 $\frac{1}{2}$, and three months dollars are steady at $\frac{1}{16}$ per cent. discount. Spot francs have strengthened fractionally from Frs. 75 $\frac{1}{2}$ to Frs. 75 $\frac{3}{4}$, and three months' francs have improved from 13 $\frac{1}{2}$ to 9 $\frac{1}{2}$ centimes discount. Some of the gold *bloc* currencies which have been causing anxiety have also strengthened during the week. Spot belgas have moved from Belgas 21.42 to Belgas 21.35, and the three months' rate has improved from 0.36 to 0.27 belgas discount. At the week-end the Bank of Italy raised its discount rate from 3 to 4 per cent. The Bank of Italy's reserve ratio has for some time stood at only 42 per cent., against a statutory minimum of 40 per cent., and it is thought in London that the Italian authorities are following the orthodox policy of raising the discount rate in order to attract foreign funds. It is equally thought that such a remedy must be ineffective in face of the prevailing over-valuation of the lira, but the exchange improved during the week from 58 $\frac{1}{2}$ lire to 58 $\frac{3}{4}$ lire, and no immediate suspension of the gold standard is expected. As regards German exchange rates, free reichsmarks have strengthened from Rm. 12.42 to Rm. 12.40, and registered marks have appreciated from 48 per cent. to 43 per cent. discount.

New York Money and Banking.—Money remains easy and New York rates are unchanged. During the week ended November 23rd, brokers' loans made by New York member banks on their own account rose from \$568 to \$572 millions, but loans made on account of others decreased from \$810 to \$805 millions. There was thus a net decrease in the total amount from \$1,378 to \$1,377 millions. Bank clearings of the leading 47 cities for the week ended November 21st were \$4,585 millions, against \$4,728 millions for the corresponding week in 1933, or a decline on the year of 3.1 per cent. The State of Illinois has placed \$30 millions of 3 $\frac{1}{4}$ per cent. relief bonds with a nation-wide banking syndicate at a price of \$101.58 per cent. Further gold arrivals were reported during the week from France, Belgium and Holland, but the franc has now risen to within the export gold point, and shipments from Paris have now ceased. Gold exports for October were \$2.2 millions and imports \$13.0 millions. This raises gold exports for the first ten months of the year to \$52.3 millions and imports to \$973.2 millions. Merchandise exports for October were \$206 millions, against \$191 millions in September and \$193 millions in October, 1933. Imports for October were \$129 millions, against \$131 millions in September and \$150 millions in October, 1933. Comparing the first ten months of 1933 and 1934, exports have risen from \$1,298 to \$1,767 millions and imports from \$1,187 to \$1,371 millions.

Banque Belge Pour L'Etranger.—The latest report of this international bank, covering the year ended June 30th last, contains some interesting pieces of information. Following the general tendency towards transforming foreign branches into affiliated companies registered under the laws of the country in which they are domiciled, the Banque Belge pour l'Etranger has turned its London and Paris offices into subsidiary companies, called respectively the Banque Belge pour l'Etranger (Overseas), Limited, and the Banque Belge pour l'Etranger, Paris. This transformation possesses certain administrative and legal conveniences, and does not involve any loosening of control. The report refers to the recent Austrian banking reconstruction measures and to exchange and other difficulties in Central and Eastern Europe. Perhaps the most illuminating commentary is the decision of the board to allot once more Frs. 4,000,000 from the year's net profits of Frs. 22 millions to contingencies, and also to transfer the sum of Frs. 30 millions from the reserve fund to contingencies. This last amount, which is in excess of the year's profits, reduces

the reserve fund from Frs. 130 to Frs. 100 millions. It would be wrong to assume, however, that the bank's position has become unduly weak. Its cash ratio is equivalent to 48 per cent., the bulk of its remaining assets consist of bills receivable and sums due from bankers and other debtors, while its investments and participations are more than covered by issued capital and reserves. The position is therefore thoroughly liquid.

Commercial Bank of Scotland.—The accounts of this bank show little change from a year ago, but there has been a slight increase in its deposits. The expansion in acceptances, etc., is due to a change in procedure, for this year forward exchange contracts are included under this heading for the first time. Among earning assets, advances are practically unchanged and investments and call money a little higher. Discounts, which consist solely of commercial bills, have again fallen, so that apparently the use of the bill is not yet making headway. The salient features in the accounts are summarised below:—

	1932	1933	1934
	£'000	£'000	£'000
Liabilities:			
Capital.....	2,250	2,250	2,250
Reserve fund.....	2,850	2,850	2,850
Notes in circulation.....	3,270	3,244	3,223
Deposits.....	37,503	37,725	38,932
Acceptances, etc.....	162	221	1,731
Assets:			
Cash.....	3,842	4,072	4,119
Cheques in course of collection and balances with other banks.....	1,924	2,174	2,318
Call money.....	2,877	2,695	2,786
Investments.....	18,648	20,725	21,963
Discounts.....	1,333	1,159	874
Advances.....	16,616	14,627	14,529
Net profit.....	377	387	379
Contingencies.....	50	50	50
Other allocations.....	80	80	80
Dividend—"A" shares.....	16%	16%	16%
"B" shares.....	10%	10%	10%

Net profits are slightly lower than in 1933. The decline in interest and discount rates is undoubtedly responsible for this, and in the circumstances the results are fairly good. The Commercial Bank has reduced its short loan rates in line with the clearing banks, and this reduction will affect next year's results. Against this, Scottish deposit rates are usually only 1 per cent., and efforts to reduce rates on savings bank accounts below the Post Office level are meeting with some success. Commercial conditions in Scotland are rather better, and no doubt less provision was needed this year for bad and doubtful debts.

Royal Bank of Scotland.—The only significant changes in this bank's accounts are slight contractions in deposits and investments. Both movements are so small as probably to be accidental, but the shrinkage in investments is opposite to the general banking trend. Advances, too, are a shade higher, and in view of the liquid condition in which many industrial undertakings find themselves to-day, this small increase is as much as can be expected. The salient feature in the bank's accounts are summarised below:—

	1932	1933	1934
	£'000	£'000	£'000
Liabilities:			
Deposits.....	55,899	59,257	58,944
Notes.....	2,781	2,859	2,793
Acceptances.....	1,075	1,599	3,895
Assets:			
Cash.....	5,479	5,988	6,206
Call money, etc.....	7,180	7,412	8,133
British Government securities.....	20,940	25,151	24,394
Other securities.....	1,878	2,386	1,992
Williams Deacon's Bank shares.....	3,094	3,094	3,094
Treasury bills.....	2,795	2,230	1,890
Other bills.....	2,106	2,132	1,984
Advances.....	21,468	20,249	20,921
Loans on stocks and securities.....	1,244	989	860
Net profits.....	605	612	621
To inner reserves.....	73	75	68
Other allocations.....	50	55	55
Dividend.....	17%	17%	17%

Net profits are a little higher, but this may arise from last April's reduction in income tax. Against this, more cash

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is required to pay the year's dividend, as less tax is now deducted at source. The chairman alluded at the annual meeting to the slight but welcome increase in advances. He summed up the 1934 balance sheet by saying that it showed that the bank was in an excellent position, when trade and industry required it, to give increased facilities to its customers.

Bank of London and South America.—The balance sheet of this institution has been affected by the year's appreciation of sterling against the currencies of most of the countries in which the bank operates. Of the fall of £11.4 millions in deposits since a year ago half is due to this cause alone, and cash, bills receivable and advances have also been affected. Bills payable and bills for collection, being largely drawn in sterling, have escaped. The fall in deposits and cash is also due to the liberation under the Roca and Rothschild agreements of foreign funds previously blocked in Argentina and Brazil. In 1932 and 1933 these funds were accumulated in this and other banks, awaiting remittance, and as the bank did not know when these funds would be freed it felt it wisest to hold cash against them. The liberation of these funds has helped to reduce both deposits and cash to their normal level and ratio to each other, which last existed in 1931. Had it not been for these two factors, deposits would have increased during the past year:—

	1932	1933	1934
	£'000	£'000	£'000
Liabilities:			
Capital.....	3,540	3,540	3,540
Reserve.....	1,500	1,500	1,500
Deposits.....	41,368	42,739	31,363
Bills payable.....	630	474	625
Acceptances.....	1,153	1,354	1,611
Bills for collection.....	7,823	7,546	7,624
Assets:			
Cash.....	17,069	17,541	9,633
Investments.....	*	*	1,128
Bills receivable.....	10,355	9,227	6,662
Advances, etc.....	18,305	20,187	18,234
Gross profit.....	1,396	1,324	1,133
Expenses.....	1,084	987	857
Net profit.....	312	337	276
To contingencies.....	200	230	200
Dividend.....	3%	3%	3%

* Included under advances, etc., in 1932 and 1933.

Gross profits and expenses have been reduced as a result of the appreciation of sterling, but gross profits have been struck this year after instead of before providing for bad and doubtful debts, while expenses have carried the loss on exchange. This last arises from the fact that whereas the accounts are computed at official exchange rates, profits are remitted at "free" rates, which are invariably lower. Hence there is some fall in net profits. The exchange depreciation on the proportion of the bank's capital employed abroad has risen during the year from £581,000 to £913,000, but this is fully covered by contingencies reserve, and so does not represent any real loss of capital.

THE STOCK EXCHANGE

WHITHER INVESTMENT TRUSTS?

ABOUT five years ago a popular financial writer hazarded the view that the trust company, as an investment medium, was destined eventually to supersede all individual investment in Great Britain. To-day, investment trust stocks are the fourth lowest group in the Actuaries' Index. Clearly, between 1929 and 1934, in public estimation, there is a gulf fixed. In 1929, managed co-operative investment appeared to secure every advantage that human wit could devise—risk-spreading, large-scale buying, conservative finance, and continuous expert management which succeeded, at one and the same time, in being both enterprising and "canny." Five years ago it would have been almost *lèse majesté* to suggest that a generation of "fixed trusts" would arise, flaunting their lack of "management" as something both new and profitable.

What has happened in the meantime? Why have investment trust ordinary share earnings fallen more, instead of less, than those of the average British industrial company? Are the advantages of managed investment delusive, or has its purpose been misunderstood? Is the movement on the threshold of recovery? If so, which companies have the best prospects? For an answer to these and many other questions we venture to recommend to our readers a close perusal of the facts set out in the "Investment Trust Supplement" which accompanies this issue of the *Economist*. This analysis of the movement's profits, capitalisation, investment distribution, "cover," etc., deals with the decade from 1924 to 1933, with special reference to the eventful "crisis" years, from 1929 onwards. It may claim to be the most detailed scientific analysis yet made outside the movement itself.

It is impracticable to follow, within the limits of a short article, all the lines of thought suggested by the detailed tables given in our survey. The broad conclusions which emerge from our analysis are, however, both striking and significant. The severest trial since the 'nineties of last century has not shaken the twin foundations of investment trust theory—co-operative investment and risk-spreading. Throughout the depression, the movement as a whole has continued to earn profits. All but a few companies have earned and paid dividends on their "fixed" capital, and many companies have continued to pay dividends, though at reduced rates, on their ordinary capital. Even under the depressed conditions of 1933, the greater part of the movement's issued capital, and practically the whole of its debenture and preference capital, was "covered" by assets at prevailing market values.

At this point, an important caveat must be entered. Ten years ago differences between individual investment trusts were mainly fortuitous and personal. To-day, there is a distinct cleavage in the movement along chronological and geographical lines. Trust companies formed since the war, accounting for more than half the total numbers, are to-day in a distinctly less favourable position, both as regards earnings and capital "cover," than the companies formed before the war. Both in prosperity and in depression, the fortunes of the Scottish companies have tended to fluctuate more widely than those of their English counterparts. Beyond peradventure, our analysis proves that, in British investment trust finance, maturity makes for stability. Both the pre-war and post-war trusts are, frequently, under identical management auspices, and their resources are invested in much the same broad geographical areas, industries and types of securities. The newer trusts, however, have lacked the opportunities of the older companies resolutely to write down the book value of their assets, year by year, out of "reserved" revenue and capital profits. The peculiar form of "portfolio diversification," adopted by the majority of companies, on the other hand, has tended to accentuate rather than to arrest the decline in earning power. In a depression which has fallen with especial severity on overseas countries, the location of more than half the movement's total resources

outside Great Britain has been a distinct source of embarrassment.

The wider fluctuation of Scottish than of English earning power calls attention to another aspect of trust company finance whose importance has hitherto been seriously underrated. The movement has an exceptionally "high-g geared" capitalisation. In round figures, it has £250 of prior capital, carrying fixed rates of interest, or dividend, for every £100 of variable dividend or "equity" capital. In other words, the brunt of changes in prosperity must normally be borne by the holders of little more than one-fourth of the total capital. The Scottish companies have a higher "gearing" than the English—on the average, they have £317 of "fixed" per £100 of "equity" capital, against an English average of £218 per £100. Hence their wider fluctuations.

"Leverage" was a powerful argument for the purchase of trust company ordinary stocks, so long as profits were advancing. Its results, however, were unfortunate for equity stockholders when earnings began to fall sharply during the depression. Between 1929 and 1933 the total earnings of 92 pre-war trusts declined by 33 per cent., but the earnings available for equity stockholders fell by 58 per cent. The total earnings of 83 post-war trusts were reduced in the same period by 28 per cent., but earnings available for ordinary stockholders declined by no less than 81 per cent!

The reasons for the relatively low valuation of "marginal" investment trust stocks to-day can thus be summed up in a sentence. The movement, in the second of its historic crises (the first being the Baring crisis of the 'nineties), has endured the inevitable consequences of a capital structure which, for equity stockholders, has magnified the effects of fluctuations in earnings, and of a management policy which has stressed foreign rather than domestic investment.

Both these traits have contributed to the rigidity of investment trust portfolios during the last four years of depression. The popular theory that, in time of emergency, the companies can rapidly "switch" from less to more advantageous groups of securities, is certainly not confirmed by our analysis. The geographical, industrial and "denominational" distribution of representative trust company portfolios is shown to have been much the same in 1933 as in 1929. The extent both of the decline in earnings and the depreciation of capital values might well have been more limited had the companies enjoyed the same facilities for trimming their sails as were available to the private investor. In fact, the trust companies' holdings became a species of Nessus' Shirt, of which they could not divest themselves. For this result, the magnitude of the portfolios was doubtless in itself partly responsible, since any endeavour to "unload" on a falling market might have involved the companies in unconscionably heavy capital losses. Some of their securities, indeed (particularly their foreign investments), may never have enjoyed a very free market.

Perhaps the most important factor making for rigidity, however, has been the "high gearing" of trust company capitalisation, to which reference has already been made. Even in pre-depression years, the relatively high rates of interest which the companies had contracted to pay on their debenture and preference capital compelled them to go well afield in their search for high-yielding investments. To-day, when a fall in general interest rates has substantially reduced the yield obtainable on a contemporary purchase of any income-bearing investment, from a gilt-edged stock to an industrial ordinary share, the trusts are saddled with practically the same burden of fixed annual debenture and preference charges as in 1929. Apart from short-term debentures, which account for about 9½ per cent. of the total capitalisation of the Scottish companies, the average date of earliest redemption of the movement's

debenture stocks is thirty years ahead, while its preference stocks are redeemable only in liquidation. Our figures suggest that, at the prevailing level of interest rates, the majority of trusts cannot replace their present holdings with fresh domestic securities, at current market prices, to yield them an income sufficient to cover payments on their own fixed-interest securities and leave an attractive margin for dividends on their ordinary stocks.

What is the bearing of these conclusions on the movement's future prospects? Our survey has thrown into sharp relief certain consequences of past policy whose nature and possible implications may not have been fully realised. Investment trust managers can scarcely be charged with lack of foresight because they failed to budget for a virtual breakdown in international trade and finance. It is an open question, however, whether their choice of a capital structure, intrinsically adapted to a period of continuous expansion in world prosperity, involved too implicit a reliance in the latter's indefinite continuance. Their policy combined extensive foreign investment with a "high-g geared" capital structure, and involved the subsequent accumulation of substantial reserves out of the fruits of prosperous years. This policy appears, in fact, to reproduce the mental attitude of a man who fails to insure his house against fire on the ground that the latter is a highly improbable contingency, but sets aside a certain proportion of his income against eventualities of every kind. Since 1929 there has been a widespread conflagration. A substantial part of the premises has—temporarily at least—been demolished. The loss exceeds the accumulated reserves in practically all cases, but the margin is greatest among those companies whose savings have been accumulating for the shortest time.

For the last twelve months our analyses of British industrial profits have been sharply rising. Investment trust earnings may be at or near the turn, and the companies' marginal stocks will have an indubitable "recovery" appeal in coming months. For reasons already suggested, the companies must largely stand or fall by their present security holdings. Their "capital gearing" should ensure a more rapid proportionate rise in ordinary earnings than in total earnings. Under the present regime of international trade and currency restrictions and of reduced interest rates, however, investors cannot postulate an early return to the earning power of 1929. Buyers of investment trust stocks "for recovery" may therefore be well advised to follow a policy of keen discrimination. Other things being equal, recovery may be most striking, in the next few months, first, in the marginal stocks of companies which have the highest "gearing"; and, secondly, in those of companies having, in their portfolios, the largest proportion of domestic (and sterling area) securities as distinct from foreign securities, of equity as distinct from fixed-interest stocks, and of industrial holdings as distinct from Government and railway issues.

INVESTMENT NOTES

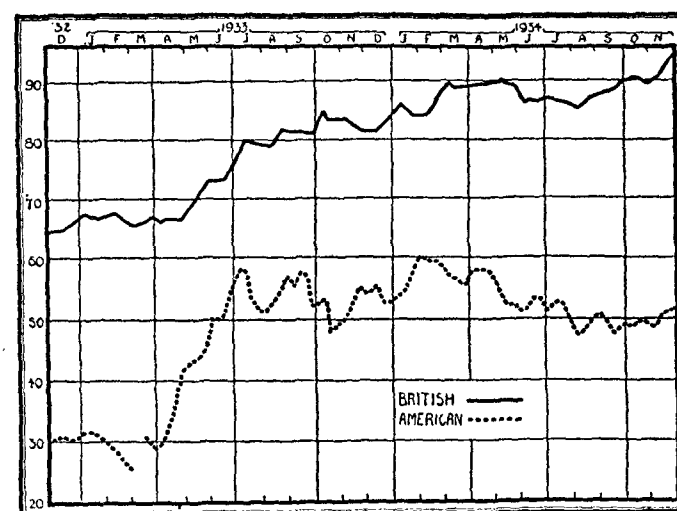
Course of Share Values.—To those who care to apply the imagery of war to investment matters the "November break-through" by British industrial ordinary shares may have peculiar significance. As will be seen from the chart published on this page, the index rose well beyond the point to which it had hitherto tended to return, with unflinching regularity, after every intermediate fluctuation since last March. There is a dual explanation for this phenomenon at a moment when the upward movement in industrial activity appears indubitably to be losing its impetus. In part, the share market has been celebrating a species of "harvest home." Last month's company reports produced numerous increases of profits and dividends, and suggested that in some cases—notably the brewing industry—the market had been inclined somewhat to under-estimate the effects of the past year's recovery. In the main, however, the November share rise was a measure of readjustment, in view of the fresh downward trend in interest rates. Wall Street, after the elections, has had a firmer tone, reflecting the view that the all-powerful President will continue to incline towards a "safe" policy rather than towards

further unorthodox experimentation. For the present, however, the market for equity stocks shows few signs of returning to the high level of a few months ago. It is generally felt that a "mild" recovery in industry, however healthy, may need to go far before handsome dividends on many equity stocks are again imminent, in view of the extent to which the wages and hours policy of the New Deal has put

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES OVER THE PAST TWO YEARS.

(1928 = 100)

British: "Financial News" Index of 30 Ordinary Shares.
American: "Standard Statistics" Index of 50 Common Stocks.



back the "earnings line." Meanwhile, in Great Britain, the latest downward movement in interest rates, though temporarily halted, has placed long-term British Government stocks on a yield basis of just over 3 per cent., and reduced the average yield on the 144 ordinary shares in the Actuaries' Index to 3.60 per cent., as compared with 3.68 per cent. a month ago. The average market value of the 144 securities is now 74.3, as compared with 72.0 a month ago and 68.6 a year ago (December 31, 1928 = 100).

ACTUARIES' INVESTMENT INDEX

Group (and No. of Securities)	Prices (Dec. 31 1928=100)			Yields (%)		
	Year Ago (Nov. 28, 1933)	Month Ago (Oct. 30, 1934)	This Week (Nov. 27, 1934)	Year Ago (Nov. 28, 1933)	Month Ago (Oct. 30, 1934)	This Week (Nov. 27, 1934)
Fixed Interest Stocks						
British Government (2)	123.9	133.5	135.1	3.48	3.23	3.19
Misc. Industrial Deb. (11)	119.6	122.7	124.0	4.46	4.08	4.03
Misc. Industrial Pref. (42)	112.1	116.6	120.0	4.49	4.37	4.24
Ordinary Stocks						
Insurance Co.'s (24)	98.4	112.1	117.9	4.31	3.74	3.54
Building Materials (4)	68.5	80.6	87.0	3.69	4.43	4.10
Elec. Light and Power (14)	127.4	131.9	136.7	3.93	3.78	3.65
Gas (7)	133.3	139.9	144.2	4.47	4.35	4.19
Elec. Supplies (8)	95.0	98.5	103.8	4.64	4.34	4.15
Home Rails (4)	79.1	72.8	75.1	1.34	1.51	1.53
Breweries and Distill. (16)	98.0	115.2	125.5	4.20	3.81	3.75

If equity shareholders are correct in assuming that a further increase in industrial profits in 1934-35, equal to that of 1933-34, is becoming increasingly unlikely, it would appear that the course of general interest rates may be the dominant factor in determining ordinary share values in the immediate future.

* * *

Tilling Arbitration Award.—The Arbitration Tribunal set up under the London Passenger Transport Act issued an interim decision on Wednesday, awarding Thomas Tilling, Ltd., some £143,871 of 4½ per cent. "A" stock, £143,870 of "B" stock, and £1,462,259 of "C" stock in the London Transport Board, in compensation for the transfer to the Board of the company's London omnibus undertakings. Minor claims in respect of severance, apportionments and costs were reserved for a later decision. An arbitration which has lasted intermittently since the spring has thus ended, like most British arbitrations, in a *via media*.

Tilling's original main claim was for £3,595,543 in equal amounts of "A," "B" and "C" stock, while the Board offered £1,032,231. Taking all stocks at par, the award represents 49 per cent. of the Tilling claim, but as the market quotations for London Transport 4½ per cent. "A" and "B" stocks are respectively at premiums of 24½ and 29½ per cent., while the "C" stock is at a discount of 9 per cent., the present value of the award is only 41 per cent. of the company's claim taken on a "market value" basis. Tilling ordinary shares, which have been as low as 79s. 6d. this year, touched 105s. 7½d. shortly before the announcement, but dropped sharply to under 100s. on market disappointment, with a subsequent recovery to 101s. 3d. As the remaining claims do not involve at most more than £173,501 cash, plus costs, it is now possible to estimate fairly closely the effect of the award on the company's future. The following tables set out the revenue which the company will receive, presuming varying rates of dividend on Transport "C" stock, and show Tilling earnings for the last three years:—

INCOME RECEIVABLE ON LONDON TRANSPORT STOCK AWARDED TO THOMAS TILLING

Interest on 4½% "A" Stock (£143,871)	Interest on "B" Stock (£143,870)	Dividend on "C" Stock (£1,462,259)				
		At 3%	At 4%	At 5%	At 5½%	At 6%
6,474	7,193	43,868	58,490	73,113	80,424	87,736

TOTAL INCOME AS PERCENTAGE OF TILLING ORDINARY CAPITAL (£1,318,375)

Presuming dividend on "C" stock of	3%	4%	5%	5½%	6%
Percentage of total income to Tilling ord. cap.	4.4%	5.5%	6.6%	7.1%	7.7%

TILLING RESULTS FOR LAST THREE YEARS

Years to Dec. 31	Total Profits	Amount Earned for Ordinary	Rate Earned for Ordinary	Rate Paid on Ordinary
1931.....	368,591	308,365	45.6	20
1932.....	355,590	312,325	26.6†	15†
1933.....	364,127	324,125	27.8	15

* Including profits from London Omnibus Section for nine months to September 30th only.
† On increased capital.

The publicity attending the hearings before the tribunal has concentrated a disproportionate amount of attention on a single aspect of Thomas Tilling's operations. For some years past the company's major interests have been in provincial omnibus undertakings. In the *Economist* of February 17, 1934, we published a detailed analysis of its holdings, owned both directly and through Tilling and British Automobile Traction, in which (as we showed in a subsequent Note of April 21st, page 886) Thomas Tilling has, directly and indirectly, a 45 per cent. interest. At present, as we suggested in our last week's issue (page 990), London Transport earnings appear to be running at a rate equivalent to slightly under 4 per cent. on the "C" stock. On this basis, earnings on the London Transport stocks awarded to Thomas Tilling would be equal to some 19.8 per cent. of the company's total profit for 1933, when the earnings of the London omnibus section were included for nine months only. The nominal amount of the London Transport stocks awarded to the company is equivalent to 26s. 6d. per Tilling ordinary share. It will be for the company to decide whether the Transport stocks are to be retained as an investment or distributed, wholly or partly, to shareholders.

Union-Castle Voting.—Last Tuesday, at an extraordinary general meeting of the Union-Castle Mail Steamship Company, a resolution restricting ownership and control to British subjects was passed, *nem con.* A further resolution conferring the right to vote and attend meetings, in all circumstances, on the preference shareholders was carried by 1,779,657 votes to 360,379. For the present, however, this resolution is ineffective, in view of an injunction granted by Mr Justice Clauson on November 23rd

restraining the company from acting in this regard without the consent of the ordinary shareholders, pending the trial of an action to test its validity. The Union-Castle chairman, Mr Robertson F. Gibb, at the meeting, dwelt on the unfortunate historical results of the company's control by the Royal Mail group and the directors' fear that, in a Royal Mail break-up, control might pass to "persons whose interests did not coincide with the interests of the company." He made it quite clear that if the judgment of the Court of first instance went against the directors they would carry the matter to appeal. Shareholders of all classes will hope that an amicable arrangement may be made to avoid this prospect of prolonged and expensive litigation. Many critics who, having no interest, either way, in the company, are able to take a dispassionate view, express considerable sympathy for the natural disinclination of the present board, whose valuable reconstructive work is widely recognised, to run the hazard of further experiments in group control. Two wrongs, however, do not make a right, and the issues raised by any suggestion to perpetuate powers which, *ex hypothesi*, were intended to be merely temporary, go far beyond the interests of any single company. On general principles, there is much to be argued against control by a minority, but when that minority represents a *rentier* interest, the case appears overwhelming. The ordinary stock has one vote per £10, while the 6 per cent. "A" preference has one vote per £1 share. Presuming that the whole of the ordinary voting power, i.e. 270,000 votes, was cast against Tuesday's resolution, that the whole of the remaining 90,379 votes "against" were cast by holders of the 6 per cent. preference shares, and neglecting the 24,000 votes of the 4½ per cent. cumulative preference shareholders, an analysis of Tuesday's voting suggests that holders of £1,779,657 of preference capital favour the scheme while holders of £2,790,379 of ordinary and preference capital are against it.

The Oil Outlook.—The American Government still appears to maintain control of the oil situation in East Texas through the Federal Tender Commission, to whose operations we referred in an Investment Note of November 10th (page 884). The Commission is refusing shipment licences for inter-State commerce to illegally produced crude oil and refined products, but suits have been brought by the "hot oil" interests first to obtain an injunction restraining the Federal Tender Commission from functioning altogether and secondly to declare illegal the action of the railroads in refusing to handle "illegally" produced oil. These suits have been postponed until November 24th. It would be unwise to assume that Mr Ickes, the Oil Administrator, has eliminated "hot oil" until these suits have been decided. But to show his determination we may cite the case of the Wilshire Oil Company. The Oil Administrator's representative in Los Angeles has notified all members of the Pacific Coast cartel to suspend deliveries to dealers handling gasoline supplied by the Wilshire Oil Company on the grounds that this company has been illegally over-producing crude oil. The company, in retaliation, threatens to bring a suit against the cartel members on the grounds that the N.R.A. has no control over its business, which is strictly intra-State. Unfortunately the Mid-Continent and Texas oil districts are not "cartelised" as in California, and the attempt to restart the gasoline buying pool in East Texas has finally been abandoned. The Oil Administrator rightly decided that these buying pools only encourage the production of "hot oil" and weaken the gasoline market in the long run. In the meantime a new gasoline marketing agreement has been drawn up between the representatives of the major oil companies and the Planning and Co-ordination Committee of the Oil Code for the elimination of the undesirable practice of discounts. This agreement covers twenty-three States. Gasoline prices have actually been advanced in the Eastern States and the Gulf export price of "U.S. Motor" gasoline has improved to 4.06 cents as compared with 3.75 cents at the beginning of last month. At the recent meeting of the American Petroleum Institute, the delegates passed a resolution recommending the principal oil producing States to form inter-State

compacts covering crude oil production, and with the co-operation of the Federal Government to set up an authority to determine the domestic demand and to allocate quotas between the States. Government control of the oil industry in America seems now to be complete. The London market for oil shares remains irregular, with only a moderate professional interest. The decision of the Anglo-Persian Company, announced this week, to pay no interim dividend repeats the policy of last year, and was generally expected.

COMPANY NOTES

Road Material Companies.—The most prosperous period in the recent annals of the road-material business has been the earlier 'twenties, when areas of road construction were being made good. Though the depression of the 'thirties has not left the country with comparable arrears, new construction, improvement and maintenance of roads have undoubtedly been allowed to lag since 1931. The effect on the profits of road material concerns may be seen in the accompanying table. Not only has the total available work shrunk as a result of the economy campaign among public authorities, but the necessity of keeping necessary expenditure as low as possible has given the contractors a strong incentive to cut prices. In October, 1933, the bitumen emulsion trade reached an agreement to regulate prices and

(Profits in £'000)

	1929	1930	1931	1932	1933	1934
Constable Hart (June 30):						
Earned for ord.	44.2	43.9	38.3	20.8	2.6	13.3
Earned % (tax free) ..	21.3	20.8	18.4	10.4	1.3	6.4
Div. % ..	...	...	...	...	...	...
W. Griffiths (Oct. 31):						
Earned for ord.	18.0	27.1	21.6	3.0	1.3	...
Earned % (tax free) ..	13.3	22.1	17.6	2.6	0.9	...
Div. % ..	12½	12½	10	5	5	...
Improved Wood Pavement (Dec. 31):						
Earned for ord.	31.7	23.3	15.2	21.1	23.1	...
Earned % (tax free) ..	32.1	23.2	14.2	21.3	22.2	...
Div. % ..	20	20	20	15	20	...
Limmer and Trinidad (Dec. 31):						
Earned for ord.	92.6	91.4	95.8	65.5	63.3	...
Earned % (tax free) ..	23.2	22.9	24.0	16.4	15.8	...
Div. % (tax free) ..	15	15	14	14	14	...
Neuchatel Asphalte (Dec. 31):						
Earned for ord.	24.0	10.2	5.9	0.4	1.1	...
Earned % (tax free) ..	5.9	2.5	1.4	0.1	0.3	...
Div. % ..	5	2½	1½	1½	1½	...
Tarmac (Dec. 31):						
Earned for ord.	22.8	30.8	56.1	28.7	28.6	...
Earned % (tax free) ..	5.0	6.9	13.9	6.4	6.4	...
Div. % ..	4	5	6	5	5	...
Val de Travers Asphalte (Dec. 31):						
Earned for ord.	41.1	39.8	30.5	3.8	Dr 20.2	...
Earned % (tax free) ..	11.4	11.7	8.9	1.0	Nil	...
Div. % ..	10	7½	6½	2½	Nil	...

work. The agreement, however, did not cover all branches of the road-making business, and recent chairman's speeches have still complained of "intense competition." Recovery, indeed, has so far touched the business only lightly. The public works and contracting industry still heads the unemployment list with a percentage of over 40. There are signs, however, that official policy is becoming slightly more favourable to public works activity. It will be observed that the years of the Labour Government were years of considerable prosperity for some of the road material companies. Possibly the recent successes of the Labour Party in the municipal elections may not be without effect in the coming year. The prices of shares in the leading asphalt companies already discount a certain degree of recovery.

Commercial Motor Results.—In a recent review of the commercial motor industry (see the *Economist*, October 20th, page 740) we suggested that business had shown more satisfactory expansion during recent months. This improvement is reflected in the accounts of three well-known

makers which have been issued this week. The Associated Equipment Company had the advantage of tutelage under the L.G.O.C. and became a public company following the formation of the London Passenger Transport Board. Since it now holds a ten-year contract with the Board, covering chassis and supplies for a large proportion of its fleet, its privileged position is still retained. Now that legislative attention to the industry has abated, leading firms have concentrated on further technical development, particularly of the heavy-oil engine. A.E.C., which was one of the pioneers of this new type, may thus be expected to share in the expansion of oil-engined vehicles in the middle- to heavy-weight classes. The earnings for ordinary, shown in the table at £102,007 compare with £54,808 for the nine months

(All figures relate to years ending in 1934, unless otherwise stated)

	Assoc. Equipment	Dennis (Years to Sept. 30)	Thornycroft (Years to July 31)
Trading profit { 1932 (a) 190,850	£ 80,528	£ ...	£ ...
1933 (b) 111,327	81,117	...	...
1934 (c) 176,811	111,851	...	...
Interest received	14,607	9,690	...
Total Profits { 1932 (a) 210,907	94,219	Dr. 161,243	...
1933 (b) 123,669	89,979	Dr. 84,867*	...
1934 (c) 191,418	121,541	Dr. 51,004*	...
General expenses.....	2,486	4,973	2,370
Taxation	40,000	...	...
Depreciation.....	46,925	12,611	...
Debt interest	...	...	13,500
Ordinary shares—			
Earned 102,007	102,957	Dr. 66,874	...
Paid..... 93,750	100,165	Nil	...
Earned % { 1932 11.3½	98.6	Nil	...
1933 6.8½	98.9	Nil	...
1934 8.8	139.8	Nil	...
Paid % { 1932 10½	100	Nil	...
1933 6.7½	100	Nil	...
1934 8½	133½	Nil	...
Reserve.....	...	...	Dr. 66,000
Brought forward	225,727	106,827	3,448
Carried forward	233,984	110,619	2,574
Price of ordinary shares (£1).....	35/-	(d) 25/- x d.	11/3
Yield %	£4 14s. 9d.	£5 6s. 7d.	Nil

(a) Year to December 31st. (b) Nine months to September 30th. (c) Year to September 30th. *After crediting unclaimed amount of income tax recovered. † Calculated equivalent for full year. ‡ Calculated gross equivalents of 8.5 per cent. and 7.5 per cent., tax free, for earnings and dividend. (d) 1s. shares, fully paid.

to September, 1933. The expansion of Dennis Brothers' profits has been more rapid, and total profits have risen from £89,979 to £121,541. The earnings on the very small ordinary capitalisation have accordingly advanced from 98.9 to 139.8 per cent., and the total dividend from 100 to 133½ per cent. The balance sheets of both companies show a sharp expansion in stock and work in progress, and their liquid assets position is satisfactory. The third company, John I. Thornycroft, carries on a mixed business of commercial motor manufacturing, marine engineering and ship-building. The expansion of sales in each department reverses a distinctly unfavourable trend in recent years, overhead costs have been reduced, and the motor vehicle section

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AGENTS IN CANADA:

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reorganised. These changes are likely to carry some benefit into the current year, but the prospect of future profits is still clouded. The two latest years' figures themselves are shown after income tax adjustments. The internal position has been maintained with difficulty by drawing upon general reserve to the extent of £296,000 in the last three years, and the balance at reserve now amounts to only £12,783, after crediting £33,783 from writing the debenture redemption policy at surrender value. Any benefits of recovery, accordingly, seem likely to be devoted to strengthening the financial position. Taken as a whole, these accounts reinforce our earlier conclusion that the prospects of leading manufacturers seem reasonably satisfactory.

* * *

P. and O. Accounts.—The report of the Peninsular and Oriental Steam Navigation Company for the year to September 30th last, which is presented in admirable detail, confirms the forecast made in these columns a month ago. Although the company is paying its preferred ordinary dividend, earnings from shipping and allied operations have again failed to cover requirements for debenture stocks and fleet depreciation on a 5 per cent. basis. Receipts from voyages, etc., show only a very slight rise. Passenger traffic tended to increase, but conditions in the Straits and the China trade remained uncertain. Manufactured shipments from Japan increased and cargoes from Australia were well maintained, but outward cargoes were again disappointing. Receipts for the last three years are summarised below:—

RECEIPTS OF P. AND O. COMPANY	Years to September 30		
	1932	1933	1934
Receipts from voyages	881,770	1,182,909	1,202,079
Dividends from subsidiary co.'s....	356,619	248,229	269,567
Coaling, wharfage and engineering undertakings.....	133,347	157,917	137,501
From other investments	569,789	259,513	192,403
Profit on sale of investments	98,009	13,272	*418,300
Miscellaneous income, rentals, etc.	113,049	93,105	89,059
[Income tax]	103,965	33,792	16,538
Total	2,256,548	1,988,738	2,325,447

* Profit on sale of Wm. Cory shares.

Among the company's subsidiaries, the Orient Steam Navigation showed operating profits of £315,958, against £321,503, and repeated a 5 per cent. tax-free dividend. The British India Company disclosed profits of £97,076, against £57,498 (excluding surplus on sale of steamers in both cases), but again passed its ordinary dividend. The profits of the subsidiary companies as a whole, however, were again insufficient to cover depreciation of their fleets on a 5 per cent. basis. Thus the dividends received by the parent company must once more be regarded as of the nature of payments from accumulated resources. The appropriation of P. and O. receipts is set out below:—

APPROPRIATION OF RECEIPTS	Years to September 30		
	1932	1933	1934
total from profit and loss (as above)	2,256,548	1,988,738	2,325,447
Depreciation of steamers	350,000	1,364,426†	1,387,918†
Additional depreciation	...	...	385,085
Interest on loans, discounts, and exchange differences	706,391	222,799	162,544
Administration, salaries, wages, etc.	444,576	450,002	453,023
Other expenses*	60,964	46,574	16,243
Debenture service	529,080	384,564	319,365
Earned for dividends	165,537	Dr.479,627	Dr.398,731
Preferred dividend.....	152,000	152,000	152,000
Deferred dividend	Nil	Nil	Nil
Taken from reserve†	Nil	Dr.656,970	Dr.550,000
Total carried forward	129,275	154,617	153,886

* Loss on sale of steamers, depreciation of tugs, lighters, launches, etc., and directors' fees. † From reserve for redemption of debenture stocks, 1930-40, now freed. ‡ On the basis of 5 per cent. of cost.

The accounts may disappoint some stockholders who had expected a substantial recovery in earnings. So long as the group is not earning its fixed charges and minimum depreciation requirements, it must needs be living, to a greater or a lesser extent, on the past. It is fortunate that its accumulated resources are of handsome proportions. During the year the P. and O. Company has sold 1,500,000 shares of William Cory at 73s. 6d. per share. Only a part of the profit on this transaction appears to have been brought into revenue account, and £385,085 has been appropriated to write down two ships, which may shortly be surplus to requirements, to break-up values. The reserve for redemption of the 1930-40 debenture issue, which is no longer required, has been further drawn upon, to the extent of £550,000, to bring fleet depreciation up to the 5 per cent. figure. The Cory sale is reflected in an increase in floating assets from £15,417,205 to £21,829,531, in the consolidated balance sheet for the group. The majority of Press reviews of this year's accounts have dwelt favourably on the group's impressive liquidity. Financial strength, however, is not a permanent substitute for earning power. It may be assumed that, though the company is sufficiently well provided to ride out a prolonged hurricane, the directors would welcome the prospect of fairer weather than has yet appeared on the horizon. There is no suggestion that the deferred stock units, now quoted at 16s., are within hailing distance of a dividend.

* * *

Tate and Lyle.—The preliminary results of this company for the year to September (briefly noticed in the *Economist* of November 11th) prepared shareholders for a particularly pleasing report. Trading profit, in fact, is nearly 25 per cent. higher at £1,189,720, while total income has increased from £1,032,334 to £1,304,687. These results afford impressive testimony to the company's technical and economic paramountcy in the sugar refining industry. The consumption of imported and home-grown sugar during the latest financial year increased by 6½ per cent. to 2,204,000 tons (raw value). The sharp increase in supplies which occurred from the end of 1933, however, involved a further fall in raw sugar prices during the present year, and the wholesale price of refined, particularly towards the end of the period, was lower than in 1932-33. It may be assumed, therefore, that the progress of profits revealed in the following table has an intimate connection with cost reductions, assisted by the Liverpool refinery reorganisation:—

	Years to September 30		
	1932	1933	1934
Trading profit after tax provision	1,010,366	954,253	1,189,720
Other receipts	72,386	78,081	114,967
Total profit	1,082,752	1,032,334	1,304,687
Directors' fees	7,722	7,722	7,570
Depreciation reserve	100,000	250,000†	75,000‡
Taxation equalisation reserve	...	...	150,000
Debenture interest	91,250	91,250	91,250
Preference dividend.....	71,500	71,500	71,500
Ordinary shares { Earned	812,280	611,861	909,367
Paid	544,000	578,000	765,000
Earned %	26.5	18.3	28.0
Paid %	16	17	22½
General reserve	265,000§	50,000	150,000
Carried forward	65,112	48,973	43,341

† Depreciation of plant and machinery. ‡ Plant, etc., £50,000; leasehold property, £4,000; cottage property, £21,000. § Includes £55,000 investment reserve and £10,000 dividend reserve. The balance sheet fully exposes the advantages of "ploughing-back" earnings. During the last decade as much as £1,462,000 has been allocated out of profits for reserves of a "free" nature. In the last four years £525,000 has been reserved for depreciation, the present credit balance being £600,000, against book value of fixed assets totalling £5,750,965. The current position is equally impressive. No less than £1,360,000 lies at bankers, on deposit, and the expansion of all turnover items leaves net current assets at £2,723,000, against £2,472,000 for the previous year. Irrespective of the effect of possible legislative changes in the organisation of the industry, the £1 ordinary shares, quoted at £5 xd to yield £4 ros. per cent., may be regarded as a sound industrial investment.

Daily Mail Trust.—By the sale of interests in Evening Standard and London Express Newspapers the holdings of this company were restricted during 1933 almost completely to the Rothermere companies, but the present accounts herald a considerable extension of activities. The dividend income for the year to September 30th has risen by some £19,000, but total income has increased by a smaller amount, owing to the inclusion of over £15,000 underwriting commission in 1933. Payment of a full year's preference dividend reduces the amount earned for ordinary shares to £194,238, against £201,429. The dividend, which was short earned in the previous year, has been increased to 11¼ per cent. in extension of the principle adopted last year of drawing on carry-forward. The following table reveals that the draft amounts to £60,836, against £25,304:—

	Years to September 30,		
	1932	1933	1934
Dividends and underwriting income	238,467	322,761	328,668
Income tax	58,845	63,898	63,483
Directors' fees	2,500	2,500	2,500
Expenses	3,839	6,645	8,447
Preference dividends	...	48,289	60,000
Ordinary shares (tax free)—			
Earned	173,283	201,429	194,238
Paid	176,269	226,733	255,074
Earned %	8.6	8.9	8.6
Paid	8½	10	11¼
Carried forward.....	243,322	218,018	157,182

The realisation of investments has yielded a profit of £636,189 during the year. These are described in the directors' report as "temporary holdings," and the proceeds have been invested on a wider basis. This change of policy is to be marked by an alteration of name to "Mail and General Trust." The presentation of the investments items has been changed during the year. Whereas "Shares in Subsidiary Companies" formed 88.5 per cent. of the portfolio total of £3,780,419 in 1933, no dissection is shown of the present holdings of £4,046,588, and a new subsidiary company, with £100 capital, which does not trade, appears for the first time among the assets. In view of the expanding scope of the trust's operations, to which only general reference is made in the report, shareholders may reasonably expect some elucidation of the investment operations during the past year and the direction of future policy. The £1 ordinary shares, quoted at 56s., yield £4 os. 5d., tax free, on the latest dividend and £3 1s. 6d., tax free, on earnings.

* * *

U.S. Steel Corporation's Prospects.—A correspondent writes to suggest that current quotations of 38½ for the common and 83½ for the preferred stock of the United States Steel Corporation do not appear adequately to reflect certain unfavourable features in the company's contemporary position. Production both of pig iron and steel in the United States, the writer points out, is running very considerably below the level of 1929, and has lately shown a discouraging lack of resilience. Pig-iron output was 79½ per cent. below 1929 in 1932 and 69 per cent. below the pre-depression figure even in 1933, after the stimulus given by the Rooseveltian recovery measures. In recent months it has tended to run below the 1933 level. The production of finished steel products fell to 15.8 per cent. of capacity in the quarter ended March, 1933, recovered intermittently to 48 per cent. in the June quarter of 1934, and receded to 23.5 per cent. in the September quarter. Large quantities of scrap metal are available for steel manufacture to-day, the price per ton having fallen from \$12.58 in April to \$9.58 in October. After meeting depreciation, interest, etc., the U.S. Steel Corporation reported a deficit, for the first quarter of this year, of \$6,989,965, when working at 29 per cent. of capacity. In the second quarter, working at 48 per cent. of capacity, it earned a net income of \$5,350,241, while in the third quarter, operating at 23.5 per cent. of capacity, it sustained a deficit of \$9,826,767. For the fourth quarter, a ratio of approximately 30 per cent. may be a generous estimate. In the last quarter of 1933, on roughly the same operating basis, there was a deficit of \$7,945,445. In view

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of subsequent rise of costs it is scarcely likely that the deficit in 1934 will be smaller. Thus, for the whole of the current year, a deficit of about \$20 millions may have to be faced. To this must be added the cost of the dividend of 2 per cent. paid—but not earned—on the 7 per cent. cumulative preferred stock, which amounts to \$7,205,620. This points to a total reduction of at least \$27 millions in the undivided surplus, which has already been reduced from \$422 millions to \$287 millions in the space of two years. Assuming that the dividend on the preferred stock for the final quarter of 1934 is maintained at the rate of 2 per cent. per annum, there will be arrears at December 31st of 11¼ per cent., or approximately \$40 millions. The question whether the balance-sheet valuation of "stocks" will eventually require to be written down should also be considered. Has the enforced idleness of a considerable part of the plant resulted in any deterioration in its condition? In short, our correspondent contends that, apart from "depreciation" questions, earnings must be increased by fully \$45 millions per annum before anything is being earned on the common stock. Even if arrears of \$40 millions of preferred dividends are wiped out by a draft on the undivided surplus, earnings must increase by more than \$80 millions over the current year's level before they will represent 5 per cent. on the common stock. Such an increase, it is contended, would presuppose a thoroughgoing revival in American steel demand, of which there is little contemporary evidence.

* * *

Consolidated Gold Fields.—Events have confirmed the market view that last year's "Gold Fields" earnings would be larger than was suggested by the increased dividend rate. The net profit of the operating company, New Consolidated Gold Fields, rose by as much as £451,960 to £1,327,080. No less than £621,450 was set aside for reserves, etc., this figure being an increase of £258,270 on that for the previous year. Dividends to the holding company were £192,540 higher, at £657,410, and the carry-forward was raised by £48,220 to £162,970. A marked expansion in investments largely explains a decrease in cash advances. Loans at short call, however, show a most substantial growth. We give below a table of salient figures for the past three years:—

	Year ended June,		
	1932	1933	1934
Investments.....	3,254,660	3,538,572	4,882,150
Shares in subsidiaries	1,475,590	1,147,590	1,157,590
Properties and ventures	523,020	473,090	169,260
Loans at short call	33,060	164,440	731,540
Debtors	295,650	207,160	263,680
Cash advances, etc.....	1,423,640	1,555,900	354,720
Cash	210,030	688,340	660,040
Creditors and dividends.....	383,850	741,000	797,590
Net profit*.....	136,380	467,280	659,570
Dividends, preference*	133,640	136,880	140,240
Dividends, ordinary*.....	...	327,990	517,160
Dividend, ordinary, per cent.* ..	Nil	15	20
Carried forward*.....	61,860	17,380	19,540

* Gold Fields Company. Other figures relate to the New Consolidated Gold Fields.

The directors furnish brief particulars of the new Transvaal undertakings in which an interest has been acquired, including the Vogelstruisbult, Venterspost and Vlakfontein. Progress is reported as regards the Bulolo and other American mining enterprises. Some striking aggregate figures are presented in a contrast of results of the Witwatersrand producers operated by the New Consolidated Gold Fields last year and in 1932. Perhaps the most notable is an expansion of over 56 per cent. in the ore reserves, though this is accompanied by a decrease of 17½ per cent. in value. An advance of 66 per cent. in the dividends

declared has coincided with a rise of 56½ per cent. in the average price of gold. On the basis of last year's dividends the yield on Gold Fields ordinary is approximately 6 per cent.

* * *

Pahang Consolidated.—During the past financial year this company, like other tin producers, benefited from the high prices established under the restriction scheme, but the directors remain unreconciled to its application to the company. An increased quantity of ore, of higher average grade than before, was treated to give an operating profit of £79,400, against approximately £20,000 in each of the two preceding years. Costs, however, were heavier, partly owing to the increase in royalty and partly to additional outlay on pumping. The average price realised for black tin, at £151 per ton, was £34 higher than in 1932-33. The final dividend of 10 per cent. on the ordinary shares makes 15 per cent. for the year, against nil for each of the three preceding years. The preference shares, in accordance with their participating rights, receive an extra 5 per cent., making 12 per cent., against 7 per cent. Though only a comparatively small amount of development work was performed, a further slight increase occurred in the ore reserves. The Uta lode disclosed ore values above the average grade of the mine. On the company's rubber subsidiary, the Kuala Reman, the working loss amounted to only £820, against £9,040 in 1932-33. Given the maintenance of current prices for rubber, the company's large holding in this enterprise may be valuable. The current price for Pahang 5s. ordinary shares is about 8s. 6d.

* * *

Trepca.—Although this base metal company suffered a reduction in earnings last year, the decline is much less than might have been inferred from the reduction in the final dividend. At £682,550 the income actually shows a small increase, but higher expenses, total and average, have reduced the operating profit by £70,800, to £224,070. Depreciation was also somewhat heavier, but taxation was substantially lower. No allocation is made to general reserve, which was initiated twelve months ago with an appropriation of £40,000. After the payment of a final dividend of 6 per cent., making 12 per cent. for the year (against 20 per cent.), a balance of £36,600 remains to be carried forward. Development is stated to have given very satisfactory results. The ore body has now been proved to a depth of 300 metres below the 610 metre level. The ore reserve figure remains at 2,500,000 tons, the lead average of 8.7 per cent. being slightly lower than before and the zinc average of 8.5 per cent. unchanged. The estimate takes no account of any tonnage below the 610 metre level. The current price of the 5s. shares is about 8s.

* * *

Other Company Results.—In addition to companies discussed in preceding notes, our summary table on page 1070 sets out the results of 37 other concerns whose reports have been received this week. The profits trend is still very satisfactory in the majority of cases. Further brewery results continue the story of impressive expansion of earnings. The largest concern, Wolverhampton and Dudley, shows net profits of £204,305, compared with £182,930, and is paying 25, against 20, per cent. W. Butler and Company have achieved even greater proportionate expansion in profits (£130,714, against £95,029), and higher earnings and dividends are also published by Cheltenham Original and Showells Brewery. The finance group contains an interesting miscellany of companies. Among concerns with specific industrial holdings, Tube Investments profits are considerably higher (£363,815, against £201,854), but Tobacco Securities net income has declined from £802,134 to £758,410. In the hotel group, Slaters and Bodega net profits have increased from £31,246 to £42,269, while Strand Hotel, which strikes a balance "after contingencies," shows the same trading profit as in the previous two years. The improvement in rubber company results is well sustained; this week's reports include Ledang Bahru (£11,875, against £1,279), Asahan (£7,383, against £1,288) and Sungei Puntar (£5,512, against £68). Miscellaneous industrial companies which have shown satisfactory expansion of earning power include Wrights' Ropes (£18,029, against £14,328),

and R. and J. Dick (£19,145, against £8,977). W. V. Bowater and Sons' net profits of £46,208 compare with £35,463 for the previous period of nine months. Avon India Rubber, which reports a loss of £13,775 compared with the previous year's profit of £36,804, and Cooper and Company's Stores (£31,788, against £47,950) are the principal exceptions to the continued improvement in profits. Allied Ironfounders has declared an interim dividend of 7½ per cent. No interim was paid a year ago. The preliminary statement of Turner and Newall profits set the market at rest on Thursday evening. Net trading profits amount to £714,228, against £406,656, and the total dividend is 10 per cent.

* * *

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Royal Bank of Scotland, English, Scottish and Australian Bank, Union Castle Mail Steamship, Brazilian Warrant Agency and Finance, London, Australian and General Exploration, Australian, Mercantile, Land and Finance, Charterhouse Investment Trust, Malaya General, Tebing Rubber Estates (1931), Jantar Nigeria, Wall Paper Manufacturers, and New Modderfontein Gold Mining. The Duke of Buccleuch gave stockholders of the Royal Bank of Scotland a full review of the year's business. He referred to the feeling in Scottish industrial districts that the recent lag in new orders would prove only temporary, but emphasised the manifold handicaps which still beset international trade, among which currency instability was a major factor. Mr Andrew Williamson gave an informed review of Australian conditions at the English, Scottish and Australian bank meeting. He devoted considerable time to the refutation of the advocates of nationalised banking, which was the major issue in the recent Federal election. The proceedings at the Union Castle meeting are discussed in a Note on page 1042. The chairman of Brazilian Warrant Agency gave full details of the capital reduction scheme, which was approved by a large majority of ordinary shareholders. Mr C. A. Moreing reviewed the policy and progress of London, Australian and General Exploration and disclosed that an interest in Klerksdorp Consolidated Goldfields had been acquired since the close of the year. Members of Charterhouse Investment Trust were given interesting details of the scope of the new Industrial Development Company, which will engage its own capital in the finance of industrial undertakings. Mr Alan V. Sugden, after reviewing the accounting changes necessitated by the recent acquisitions of Wall Paper Manufacturers, declared that improvement was evident at home and in the Dominions. The competition of five or six independent manufacturers was engaging the consideration of the board. The chairman of The New Modderfontein fully outlined the technical results of the past year, and pointed to the improved prospects under present conditions. Mr John Sanderson discussed the effects of Japanese and German wool purchases on the position of the Australian, Mercantile, Land and Finance Company. Mr Percy Tarbutt pointed out that the prospects of the Jantar Nigeria Company were satisfactory, although a definite forecast was difficult to make. At the Malaya General meeting, Mr G. M. Weekley emphasised that the restriction scheme was not intended to force up prices unduly, but must be equitable to both producers and consumers to be beneficial. The chairman of Tebing Rubber Estates estimated that the crop for the current year would amount to 540,000 lbs., and for 1935-36 an export allowance of about 500,000 lbs. was anticipated.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET
December 4

ACCOUNT
December 6

The "House," which is nothing if not loyal, welcomed the Royal marriage none the less heartily despite the slight disturbance which its accompanying social festivities occasioned in the normal run of business. The undertone of most markets remained steady, but the volume of dealings

showed a perceptible falling off. For the time being the gilt-edged market ceased to be a power-house, setting innumerable wheels in motion in every other market. Prices suffered little recession, but the large institutional buyers, whose intervention was so decisive a week or two earlier, were active only intermittently and on a decidedly more modest scale. The coincidence of this phenomenon with a hardening tendency of short money rates suggested an obvious explanation of the check to the November movement in interest rates.

The gilt-edged market opened weak, but the reaction brought in moderate support. In mid-week, quotations were relatively firm on a limited amount of business. Old Consols fell temporarily below 90. India loans were steady, second and third thoughts on the Joint Committee Report remaining favourable. The initial attempt to float a corporation loan yielding under 3 per cent. came somewhat inopportunely, and 73½ per cent. of Birmingham's issue was left with underwriters.

In the foreign bond market Brazilians suffered from scattered selling, but Argentine loans were firm on inspired reports of a new conversion offer, affecting the Port of the Capital bonds. The continued quest for income produced an intermittent demand for Japanese bonds, and, to some extent, for Chinese. German loans were harder, Potash improving on sinking fund operations.

Although home rail prior charges were slightly easier in sympathy with gilt-edged stocks generally, the "marginal" issues were steady to firm on a small business. London, Midland and Scottish ordinary rose on Wednesday, after the publication of a favourable week's traffic figures. London Transport "C" rallied slightly on Wednesday after the disclosure of the Tilling award, whose implications are discussed on page 1041. The market did not like the look of the week's Argentine traffic figures, and quotations were marked down fractionally.

In the industrial market there were few brewery reports to encourage a superiority complex, and trading generally was on a more limited scale. The brewery group itself was easier, bulls of the recent rise showing a disposition to close with the approaching end of the account. International counters opened firm in sympathy with Wall Street, but became irregular as the week wore on. Iron and steel shares were easier, apart from United Steel and Allied Ironfounders. The interim dividend of 7½ per cent. on the latter shares took the market somewhat by surprise. Coal shares were slightly lower in the absence of official confirmation of South Wales amalgamation rumours. Motor shares were easier, despite the increased profits disclosed by Associated Equipment and Dennis, which are set out in a Note on page 1043. Aviation shares had an uncertain tendency at the outset, but were harder after Wednesday's arms debate in the House of Commons. A fractional decline in electric supply share quotations brought in a little investment support. Electrical equipment shares remained steady, Crompton Parkinson being firm on the repetition of a capital bonus. Textile shares opened quietly, but rayon issues were stronger on Thursday on the new high record made by the October production figures. Among miscellaneous companies, Turner and Newall lost ground and Dunlop were easier. Thomas Tilling reflected initial disappointment with the arbitration award, but subsequently had a firmer appearance. Bank shares receded somewhat and insurance shares were dull, in sympathy with the gilt-edged market.

Leading oil shares were in fair request at the outset, but all other issues were neglected. The Anglo-Persian decision to pay no interim dividend was generally expected, but exaggerated and premature reports regarding the Amatlan lawsuit of the Mexican Eagle Company disposed buyers to increased caution in the middle of the week. Rubber shares were strongly supported at first, the commodity showing a strong recovery on the reported decision of the Dutch authorities to institute a system of individual native assessments. On Wednesday, however, the tendency was reversed, both of the commodity and the share markets. Tea shares similarly failed to maintain their initial firmness. It was generally believed that the probable "cut" in the 1935 export percentage had been over-discounted.

The mining markets suffered from a dearth of new business. Kaffir shares were dull, and received little support

either from Paris or Johannesburg. Dealers tended to mark down prices on a further intimation that no modification of grading policy would be considered. The excellent Gold Fields figures (set out on page 1045) had been fairly well discounted. West Africans were quiet and easier. Among West Australian issues, Wiluna suffered a setback, but the market generally was steady on the announcement of the participation of various groups in Yellowdine. Tin shares remained uncertain, with scattered selling. Rhodesian copper shares showed no favourable reaction to the announcement of the formation of the promised shareholders' association.

"FINANCIAL NEWS" DAILY BARGAIN INDEX
(Approximate number of Bargains recorded in Stock Exchange Lists)

	Nov. 22, 1934	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
Government and Municipal Loans	1,642	1,550		2,009	1,836	1,580	1,555
Transport, Communications, and Public Utilities	1,048	1,082		1,176	1,265	1,136	950
Commercial and Industrial	4,276	3,939	Closed	4,842	4,138	3,902	3,866
Banks, Insurance and Financial	808	812		918	719	933	513
Mines (including Nitrates)	1,184	1,225		1,352	1,200	1,204	1,065
Oils	144	165		129	125	164	65
Rubber, Tea and Coffee	360	385		545	595	428	412
Total	9,462	9,158		10,971	9,878	9,347	8,426
Corresponding day in 1933	7,018	7,244		7,027	7,566	6,616	6,374

* Including Iron and Steel and Breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1923 = 100)

Highest of 1934 (Nov. 20)	Lowest of 1934 (Feb. 8)	Nov. 22, 1934	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
94.4	83.5	93.9	93.5	Closed	93.6	93.4	93.1	93.1

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Nov. 15)	Lowest of 1934 (Jan. 2)	Nov. 22, 1934	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
140.0	128.8	139.6	139.6	Closed	139.3	139.1	139.3	139.5

FOREIGN STOCK EXCHANGES

NEW YORK

THE marked improvement in sentiment which took many stocks to new high levels towards the end of last week has continued this week. Speculators were ready to take quick profits and accordingly the general rise was checked on Tuesday, and again in late dealings on Wednesday. The net improvement in quotations, however, scarcely does justice to the more roseate view which many operators have taken since the elections. Even utility stocks, which had registered the fears of impending administrative attention, shared in the rise, and on Monday, in fact, led it. With turnover running at over the million mark, the market has presented an animated appearance. In the stock market, utilities and steels were prominent on Monday, but Tuesday's temporary reaction transferred attention to rails. By mid-week, utility stocks had staged a satisfactory recovery, and steel, aircraft and motor issues were active. Speculative corporation bonds were strong in sympathy with stocks. Federal issues, however, tended to lose ground on the Treasury announcement that December operations would be limited to meeting maturing Debt Certificates. Foreign bonds were firm, Scandinavian issues (under the influence of the Finland refinancing operation) and Argentines being in good demand. Business news continues favourable, although the seasonal expansion is slow. The "Iron Age" figure of steel mill activity is 29 per cent., against 28.5 per cent. last week. The dependence of further progress of heavy industry on the automobile industry is emphasised, for greater expectations are placed on demand from that quarter—and possibly the tinplate industry—

than from elsewhere. Scrap prices are hardening, and other pointers such as power output and retail sales are fairly favourable. The stock market is apparently willing to discount some measure of industrial recovery, and, for the moment, takes the view that the "right incline" of Presidential policy is likely to continue. Nevertheless, there are, as it admits, serious matters such as currency policy, social insurance, veterans' bonus, public expenditure and taxation, concerning which a vociferous Congress may try to get the last word.

	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934
Lb. Ln. 31% 32-47 103½	103½	103½	103½	103½	103½	103½
Do. 4½% 32-47 103½	103½	103½	103½	103½	103½	103½
Do. 4½% 33-38 103½	103½	103½	103½	103½	103½	103½
Atchafalpa	52	55½	55½	52	55½	55½
Erle	11½	12½	12½	11½	12½	12½
Illinois Central	16	17½	17½	16	17½	17½
N.Y. Central	20½	22½	22½	20½	22½	22½
Pennsylvania	22½	23½	23½	22½	23½	23½
Southern Pacific	17	18½	18½	17	18½	18½
Southern Ry.	15½	16½	16½	15½	16½	16½
Union Pacific	102½	105½	105½	102½	105½	105½
Am. Can.	103	106½	106½	103	106½	106½
Amer. Smelting	35½	36½	36½	35½	36½	36½
Anacosta	10½	11	11	10½	11	11
Bethlehem Steel	28½	31½	31½	28½	31½	31½
Chrysler Motor	35½	39½	39½	35½	39½	39½
Corn Produce Rf.	67½	68	68½	67½	68	68½
Eastman Kodak	111½	113½	113½	111½	113½	113½
Gen. Electric	19½	20½	20½	19½	20½	20½
Gen. Motors	30½	32½	32½	30½	32½	32½
Int. Harvester	37½	37½	37½	37½	37½	37½
Mont. Ward	29	29½	29½	29	29½	29½

† Calculated at \$4.98½ to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Jan. 1 to Nov. 21	Be- ginning of Year	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934	Nov. 28, 1934
351 Industrials	38-7	86-6	74-3	90-5	79-6	79-9	79-8	79-8
33 Rails	33-0	34-0	31-4	35-3	35-3	35-4	34-2	34-2
37 Utilities	66-8	101-0	62-1	83-4½	66-4	60-5	57-8	57-8
Total, 421 Stocks	40-9	83-4	65-6	82-1	70-8	68-8	69-3	68-6
Average yield of 50 Industrial Common Stocks	6-91%	2-65%	2-78%	3-90%	3-17%	3-73%	3-68%	3-76%

† February 7th.

(s) September 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926 = 100)

	Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Nov. 14, 1934	Nov. 15, 1934	Nov. 16, 1934	Nov. 17, 1934	Nov. 19, 1934	Nov. 20, 1934	Nov. 21, 1934
105-0	76-0	86-8	87-2	86-9	86-6	86-7	87-0	86-5	86-5

NOTE.—As the New York market was closed on November 29 for Thanksgiving Day, we are unable to print this week's index figures. The previous week's figures are therefore repeated for reference purposes and those for the current week will appear in our next issue.

TOTAL DEALINGS IN NEW YORK

	Nov. 22, 1934	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934
Stock Exchange— Shares (Thous.)	770	1,130	670	1,410	1,010	1,160
Bonds (Value Thous. \$)	11,140	11,210	6,280	10,630	13,210	13,530
Curb— Shares (Thous.)	151	185	125	204	175	215

* Two-hour Session

PARIS

The Bourse opened in more assured fashion this week in anticipation of M. Flandin's speech on Tuesday. Rentes, which received the special solicitude of the authorities after last week's bear attack, were well supported on Monday and Tuesday. Thereafter, discussion of the Premier's programme induced a more hesitant feeling. Although impressed by its scope, the market was ready to doubt whether achievement would be up to intention. Rentes, however, were maintained, but bank shares declined. International

favourites were irregular. Rubber shares waned after early firmness, and little interest was evinced for mining issues.

	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934
Banque de France	10,000	9,985	9,910	10,000	9,985	9,910
Credit Lyonnais	1,680	1,668	1,655	1,680	1,668	1,655
Suez Canal	18,750	18,895	18,825	18,750	18,895	18,825
Chargeurs Réunis	88	90	89	88	90	89
Rio Tinto	908	972	959	908	972	959
Royal Dutch	13,800	14,020	13,880	13,800	14,020	13,880

BERLIN

Share quotations declined all last week and closed at about the week's lowest, apart from Reichsbank, which advanced five points to 148. Salzdetfurth Potash, and a few other specialities. The first days of the new week witnessed further declines, which in the case of foreign currency securities were very considerable. Aku, Compania Hispaniole, and Arbed (bonds) fell heavily. This drop, and the partial weakness of German shares, was due to selling on reports—which were later denied—that the Government was contemplating the seizure of all foreign securities held by German nationals, in order to provide funds for the purchase of the Saar mines. Some foreign selling, on the recovery in blocked marks, was also evident. Home bonds changed little last week, but were weaker on Tuesday this week. Dollar bond prices also sagged.

	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934
Reichsbank	148-50	148-00	147-00	148-50	148-00	147-00
D.D. Bank	70-00	69-00	68-50	70-00	69-00	68-50
Dresdner (New)	73-25	71-50	71-50	73-25	71-50	71-50
L. G. Farben- industrie	135-75	133-90	133-50	135-75	133-90	133-50
Norddeutscher Lloyd (New)	30-50	30-10	30-25	30-50	30-10	30-25

AMSTERDAM

Rubber shares provided this week's feature on the Bourse. A good demand was forthcoming on the repeated assurances from the East that the Government's obligations as to native production will be fulfilled. These buoyant conditions, however, were not sustained, and the market was distinctly dull on Wednesday. Sugar shares were active, but irregular. Industrials generally moved to lower levels, although leading issues displayed some irregularity.

	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934	Nov. 21, 1934	Nov. 28, 1934	Nov. 28, 1934
2½% Dutch Loan	77½	77½	20½	77½	77½	20½
2½% German	23½	21½	70½	23½	21½	70½
Unilever N.V.	76	76	75½	76	76	75½
Philips' Lamp	217½	220½	218½	217½	220½	218½
Netherlands Ship Union	31	29½	29½	31	29½	29½

CAPITAL ISSUES

SENIOR borrowers have monopolised this week's business in the capital market. The failure of the gilt-edged market to regain its stride created somewhat inauspicious conditions for the large City of Birmingham issue on Tuesday. In the circumstances a 21-23-year 2½ per cent. stock at 96½, yielding a few pence under £3 per cent. to redemption, had every appearance of a hard bargain, and the underwriters found themselves left with 73½ per cent. of the total. The fate of the York Corporation 3 per cent. issue at par, with maximum life of 31 years, was not known as we went to press, but the more favourable turn of gilt-edged suggested that its reception would be warmer. The prospectus of Bletchley Flettons reveals that the profits estimates are based on present brick prices, which have been influenced by a shortage of bricks during the building boom of the past twelve months, and presumably would fall if the housing and slum schemes in prospect were not realised. The vendors' profit, subject to development carried out since June last, is £47,625, and of the total consideration of £197,625, £139,500 is payable in cash and £58,125 in shares. Control remains with the vendor company. The shares of Sale Lido are of local and speculative interest. Tender issues of preference stocks have been announced by South Suburban Gas and Barnet District Gas and Water, yielding £3 16s. 2d. and £3 18s. 11d. per cent., respectively, at minimum prices. The two "introductions" this week are Anglo-Scottish Investment Trust 3½ per cent. debenture stock at £95 per cent. and I. Beer and Sons.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to November 24, 1934, excluding conversions, £152,883,616.
Total recorded, January 1 to November 24, 1934, including conversions, £362,705,074.
National Savings Certificates.—Net receipts, Week ended November 24, 1934, £150,000.

	Nominal Capital £	Conver- sions £	New Money £	First Payment £	Further Liability £
To the Public					
City of Birmingham £5,000,000 2½% Stock, 1955-57, at 96½%	5,000,000	...	4,825,000	250,000	4,575,000
York Corporation £500,000 3% Stock 1955-65 at par	500,000	...	500,000	25,000	475,000
Bletchley Flettons 185,000 Ord. 5/- Do. 185,000 6% Cum. Pref. Shares £1	185,000	...	46,250	9,250	37,000
Sale Lido, 53,000 Ord. 5/-	13,250	...	185,000	19,000	166,000
Do. 10,000 6% Cum. Pref. £1	10,000	...	10,000	2,500	7,500
Total	5,754,500	...	5,579,500	303,562	5,276,938

To Shareholders only
Buenos Ayres Western Railway,
£1,000,000 4% Notes maturing
January 1, 1935, at 99½ (to repay
3% Notes) 1,000,000 | 995,000 | ... | ... | 995,000 |

	Including Conversions £	Excluding Conversions £	Total £
Jan. 1 to date—			
1934	369,429,574	158,613,116	528,042,690
1933	445,143,080	241,860,405	686,999,963
1932	776,138,248	185,613,946	961,752,194
1931	112,379,410	100,133,041	212,512,451
1928	530,194,284	355,813,301	886,007,585

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	99,465,859	17,727,957	41,419,300	158,613,116
1933	221,157,707	11,911,216	8,791,482	241,860,405
Whole year—				
1933	212,917,900	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,909,963
1931	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced £	Approximate Price Dealings Began	Cash Involved £
Amount previously recorded	24,790,568	...	36,714,025
Total to date, 1934	24,790,568	...	36,714,025
Total to date, 1933	34,014,944	...	37,422,895

PUBLIC OFFERS

City of Birmingham.—Issue of £5,000,000 2½ per cent. redeemable stock, 1955-57 at £96 10s. per cent. Charged on general rate and whole revenues of Corporation, and ranks *pari passu* with existing issues. Financial statistics: Rateable value, £6,719,270; net debt, £52,766,000 (of which £39,857,000 is in respect of productive undertakings); population, 1,028,000; 1d. rate produces £24,661; total rate for current year, 14s. in the £. Proceeds required for repayment of mortgage loans, and extension of electricity service. Stock redeemable on July 1, 1957, at par, or from July 1, 1955, on three months' notice.

City and County of York.—Issue of £500,000 3 per cent. redeemable stock, 1955-65, at par. Proceeds required for repayment of mortgages. Stock redeemable on May 31, 1965, or from May 31, 1955, on three months' notice. Financial statistics: Population, 91,000; rateable value, £553,016; present net rate, 12s. 6d. in the £; surplus assets at March, 1934, exceeded £2,000,000; net debt, £2,586,000 (of which £2,200,000 is in respect of trading and housing undertakings). Holders of mortgages are offered right to conversion at par.

Bletchley Flettons, Ltd.—Issue of 185,000 6 per cent. cumulative £1 preference shares and 185,000 5s. ordinary shares at par. Incorporated November, 1934, to acquire clay deposits and works, expected in full production of 50 million Fletton bricks by midsummer next. Clay deposits are estimated sufficient for 100 years at production of 100 million bricks per annum. Company's works will be managed by Flettons, Ltd. Purchase consideration, £197,625, payable as to £139,500 in cash and as to £58,125 by issue of 232,500 ordinary shares to vendor (Brick Investments, Ltd.), which purchased property for £150,000 cash. Estimated profits, on basis of current prices for Fletton bricks, at least £30,000 per annum. Vendor has guaranteed first year's preference dividend.

Sale Lido, Ltd.—Issue of 10,000 6 per cent. cumulative £1 preference shares and 53,000 ordinary shares of 5s. each at par. Formed to construct swimming pool, solarium, café, etc., at Sale, near Manchester. Site valued £3,827, to be acquired for £3,750 by issue of ordinary shares. Estimated net profits £6,000.

BY TENDER

South Suburban Gas Company.—Offer by tender of £200,000 4 per cent. preference stock, at minimum price of £105 per cent. Company is associated with South Metropolitan Gas Company. Total consumers, 173,688. Proceeds required to

repay bank loans for capital and general purposes. Stock ranks *pari passu* with existing preference stocks. Reserve fund amounts to £94,668.

Barnet District Gas and Water Company.—Offer of £25,000 4½ per cent. preference stock, at minimum price of £114 per cent. Net revenue of both undertakings in 1933 was £63,638, of which £51,069 was available for preference stocks. Accumulated funds at December 31 last were £73,066. Statutory area for water is 72 square miles, and for gas 40 square miles. Proceeds required for further extension of services.

BY STOCK EXCHANGE INTRODUCTION

Anglo Scottish Investment Trust, Ltd.—Particulars of issue of £150,000 3½ per cent. debenture stock, 1949-52, at £95 per cent., secured by floating charge on the undertaking and assets. Stock will be repaid on June 1, 1952, at par, or from June 1, 1949, on three months' notice. Stock ranks *pari passu* with existing terminable debentures and 4 per cent. debenture stock, 1943-48. Messrs. Pater and Company have purchased the stock at £94½ per cent.

Beer (I.) and Sons.—Issued share capital £200,000, divided into 5½ per cent. cumulative preference £1 shares and ordinary 5s. shares. It operates a business of provision merchants, meat, poultry, and general farm produce dealers, &c., at Smithfield. Net assets are stated at £217,955, which includes £36,576 for goodwill. Profits for the last four financial years average about £29,000 per annum, the figure for 1933-34 being £24,588.

ISSUES TO SHAREHOLDERS ONLY

Rezende Mines, Ltd.—A meeting will be held at Lonrho Buildings, Salisbury, Southern Rhodesia, on February 28, 1935, to consider proposals (1) to sub-divide each 5s. share into five shares of 1s.; and (2) to increase the capital by the creation of 350,000 new shares of 1s. It is proposed that of the 350,000 new shares of 1s. each, 250,000 will be offered to shareholders at 8s. per share, on the basis of one new share for every three shares of 1s. and to carry option to purchase, on or before March 31, 1937, 50,000 new shares of 1s. at the price of 20s. each—in the proportion of one option share for every five of the 250,000 new shares.

Bangawan Estates.—An issue at par of 2,364,613 6 per cent. convertible preference shares 1s. is now being made. Ordinary shareholders will be allotted one ordinary share in the new company, credited as fully paid, in respect of each share held in the old company.

TO SHAREHOLDERS OF ANGLO-ORIENTAL MINING CORPORATION LIMITED

300,000 shares of Tano Gold Dredging, Ltd., have been sold to Anglo-African Selected Investments, Ltd. The Anglo-Oriental Mining Corporation is offered in the proportion of three shares of Anglo-African Selected Investments, Ltd., for every forty shares held in this corporation, at the price of 6s. per share, payable in full on application.

ISSUED TO SHAREHOLDERS OF D. SMITH & SONS

Machinery (Smith's Patents).—Offer of 100,000 6 per cent. cumulative preference shares of 5s. and 500,000 1s. ordinary shares in Machinery (Smith's Patents), Ltd. Lists close December 3rd.

PRIVATE PLACINGS

United Steel Companies.—The final block of 130,000 shares of the 2,077,223 shares of United Steel Companies, which have been in the course of being placed for some time, were marketed November 28.

ISSUE OF SHARES TO JOHN LEWIS PARTNERSHIP

John Lewis and Company, Ltd.—Authorised shares to be increased to £900,000. Upon increase being sanctioned, 200,000 ordinary shares will immediately be issued for cash to John Lewis Partnership.

CONVERSIONS AND REPAYMENTS

Staffordshire 3 per cent. Stock.—£137,062 3 per cent. stock will be repaid at par on and after February 12, 1935.

Oxford Canal.—The directors propose to convert the shares into stock and to change the name of the company.

East Indian Railway 4½ per cent. Debenture Stock, 1935-55.—The Secretary of State for India in Council gives notice that it is his intention to redeem the debenture stock outstanding, at par, on June 1, 1935.

South Africa Conversion Loan.—The Government gives notice of conversion of £6,995,900 5 per cent. loan, 1935 (issued in South Africa), into Union 3½ per cent. local registered stock, 1955-65. The exchange will be made at par. Holdings will be redeemed on January 15, 1935, unless applications for conversion are received before December 31, 1934.

(Continued on page 1052)

LONDON ACTIVE SECURITY PRICES AND YIELDS

NOTE—Shares with a New York Quotation or with definite American interest are distinguished by italics. In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933		Prices Year 1934 (Jan. 1 to Nov. 28)		Name of Security	Price, Nov. 21, 1934	Price, Nov. 28, 1934	Rise or Fall	Yield	Prices Year 1934 (Jan. 1 to Nov. 28)		Last Two Half-Yearly Dividends		Name of Security	Price, Nov. 21, 1934	Price, Nov. 28, 1934	Rise or Fall	Yield	
High	Low	High	Low						(a)	(b)	(c)	(a)						(b)
British Funds																		
77 1/2	70 1/2	92 1/2	73 1/2	Consols 2 1/2 %	90 1/2	89	-1 1/2	2 16 6	10/6	5 1/2	dis	Nil	Anglo S. A. 10 1/2 pd.	2/6	5 dis	...	Nil	
110 1/2	105 1/2	120 1/2	109 1/2	Do. 4 % Red. at par	118 1/2	117 1/2	-1 1/2	2 19 9	51/6	39/9	50/6	50/6	American B. 1 1/2 pd.	6/6	6/6	...	Nil	
94 1/2	82 1/2	102 1/2	92 1/2	Do. 3 1/2 % after Feb. 1953	101 1/2	100 1/2	-1 1/2	2 9 3	393	345	6/6	6/6	Bank of England	41/32	42/64	+1/3	3 16 0	
99 1/2	87 1/2	106 1/2	97 1/2	Conversion 2 1/2 % 1944-49	105 1/2	104 1/2	-1 1/2	2 13 3	75/6	69/4	7/6	7/6	Bank of N.S. Wales	75/3	75/3	-3d	3 13 0	
101 1/2	97 1/2	108 1/2	101 1/2	Do. 3 % 1948-53	109 1/2	108 1/2	-1 1/2	2 13 3	34/10	30/1	22 1/2	22 1/2	Barclay B. (2 1/2)	33/6	33/9	+3d	2 14 0	
111 1/2	107 1/2	116 1/2	108 1/2	Do. 3 1/2 % after 1961(s)	116 1/2	115 1/2	-1 1/2	2 6 0	101	8 1/2	8 1/2	8 1/2	Bard. (Dom. & C.) A. 1	33/6	33/9	+3d	2 14 0	
116 1/2	114 1/2	124 1/2	115 1/2	Do. 5 % 1944-64	124 1/2	123 1/2	-1 1/2	2 16 0	32 1/2	32 1/2	32 1/2	32 1/2	Bk. of Australasia (5 1/2)	42	42	...	4 5 0	
113 1/2	108 1/2	121 1/2	111 1/2	Do. 5 % 1944-64	124 1/2	123 1/2	-1 1/2	2 16 0	32 1/2	32 1/2	32 1/2	32 1/2	Bk. of Montreal (100)	42	42	...	4 1 6 1/2	
103 1/2	102 1/2	104 1/2	101 1/2	Funding 4 % 1959-69	104 1/2	103 1/2	-1 1/2	2 16 0	32 1/2	32 1/2	32 1/2	32 1/2	Dist. of N.S. Wales (2 1/2)	25	25	...	3 2 10 1/2	
110 1/2	107 1/2	116 1/2	108 1/2	Funding 4 % 1960-90	119 1/2	118 1/2	-1 1/2	2 19 9	5 1/2	5 1/2	5 1/2	5 1/2	British Overseas	43 1/2	43 1/2	...	4 5 0	
103 1/2	102 1/2	104 1/2	101 1/2	3 % Treasury Bds. 33-42	101 1/2	100 1/2	-1 1/2	2 15 0	16 1/2	14 1/2	7/6	7/6	Chtd. of India (5 1/2)	16	16	...	4 6 0	
110 1/2	107 1/2	116 1/2	108 1/2	Victory Bonds 4 1/2	118 1/2	117 1/2	-1 1/2	3 9 0	18 1/2	12 1/2	14 1/2	14 1/2	Comd. Bk. of Aus. 7 1/2	12/6	12/6	...	2 18 6	
102 1/2	97 1/2	109 1/2	101 1/2	War Ld. 3 1/2 % after 1952(p)	107 1/2	106 1/2	-1 1/2	3 12 9	60/8	55/9	6/6	6/6	Dist. A. 5 1/2 pd.	85/1	85/1	...	3 15 0	
89 1/2	82 1/2	98 1/2	86 1/2	Local Loans 3 %	96 1/2	95 1/2	-1 1/2	3 2 3	58/9	48/6	5/6	5/6	Do. B. fully paid	55/1	55/1	...	3 19 0	
65 1/2	55 1/2	81 1/2	61 1/2	Austria 3 % 1933-53	103 1/2	102 1/2	-1 1/2	2 17 0	5 1/2	4 1/2	2 1/2	2 1/2	Eng. Scot. & Aust. 5 1/2	4 1/2	4 1/2	...	3 7 0 1/2	
78 1/2	65 1/2	80 1/2	74 1/2	India 2 1/2 %	80 1/2	79 1/2	-1 1/2	3 3 1	10 1/2	8 1/2	11 1/2	11 1/2	Hambros 10 1/2 pd.	10 1/2	10 1/2	...	4 10 0	
111 1/2	102 1/2	116 1/2	108 1/2	Do. 3 %	88 1/2	87 1/2	-1 1/2	3 9 0	14 1/2	12 1/2	3/6	3/6	Hong & S. (\$125)	13 1/2	13 1/2	...	4 9 0	
107 1/2	105 1/2	110 1/2	105 1/2	Do. 3 1/2 %	107 1/2	106 1/2	-1 1/2	3 12 9	60/8	55/9	6/6	6/6	Lloyds 5 1/2 with pd.	60/8	59/6	-9d	4 0 0	
107 1/2	105 1/2	110 1/2	105 1/2	Do. 4 % 1958-68	115 1/2	114 1/2	-1 1/2	3 10 0	90/11	81 1/2	8 1/2	8 1/2	Martins 20, 22 1/2 pd.	8 1/2	8 1/2	...	4 4 0	
111 1/2	102 1/2	116 1/2	108 1/2	U.K. & Arg. 5 % (A1947)	107 1/2	106 1/2	-1 1/2	3 6 6	38 1/2	34 1/2	4 1/2	4 1/2	Nat. of Egypt 5 1/2	89/6	89/6	...	3 10 6	
111 1/2	103 1/2	117 1/2	107 1/2	Dom. & Colonial Govts.	116 1/2	115 1/2	-1 1/2	3 9 0	50 1/2	44 1/2	10/6	10/6	Nat. of India, fully paid	32 1/2	32 1/2	...	3 19 0	
106 1/2	101 1/2	107 1/2	103 1/2	Australia 5 % 1945-75	116 1/2	115 1/2	-1 1/2	3 9 0	50 1/2	44 1/2	10/6	10/6	Nat. of India, 5 1/2 pd.	32 1/2	32 1/2	...	3 19 0	
114 1/2	108 1/2	119 1/2	113 1/2	Canada 4 % 1940-60	107 1/2	106 1/2	-1 1/2	2 19 0	14 1/2	13 1/2	7 1/2	7 1/2	Nat. Prov. 20, 24 1/2 pd.	14 1/2	14 1/2	...	4 3 0	
116 1/2	110 1/2	120 1/2	113 1/2	Belgian 7 % red. by 1958	119 1/2	118 1/2	-1 1/2	3 8 3	47 1/2	43 1/2	8 1/2	8 1/2	Royal Bk. of Scotland	46 1/2	46 1/2	+2	3 13 0	
104 1/2	101 1/2	105 1/2	101 1/2	Nigeria 5 % 1950-60	119 1/2	118 1/2	-1 1/2	4 16 6	91 1/2	83/6	5/6	5/6	St. of S. A. 20, 25 pd.	10 1/2	10 1/2	...	3 12 3	
112 1/2	106 1/2	117 1/2	109 1/2	N.S. Wales 5 % 35-55	103 1/2	102 1/2	-1 1/2	3 9 0	...	...	...	...	Westminster 10 1/2 pd.	94 1/2	94 1/2	+3d	3 17 6	
112 1/2	106 1/2	117 1/2	109 1/2	N.Z. 5 % 1948	115 1/2	114 1/2	-1 1/2	3 9 0	...	...	...	...	...	...	...	...	...	
114 1/2	107 1/2	119 1/2	111 1/2	Queensland 5 % 40-60	119 1/2	118 1/2	-1 1/2	3 6 6	84/6	74/1	10/6	9/6	Alexanders 2 1/2 pd.	82/6	82/6	...	4 12 0	
114 1/2	107 1/2	119 1/2	111 1/2	S. Africa 5 % 1945-75	119 1/2	118 1/2	-1 1/2	3 6 6	84/6	74/1	10/6	9/6	National A 2 1/2 pd.	6 1/2	6 1/2	...	3 17 0	
104 1/2	99 1/2	106 1/2	99 1/2	Foreign Governments	109 1/2	108 1/2	-1 1/2	3 6 6	...	...	...	...	B. 7 1/2 pd.	12 1/2	12 1/2	...	4 13 0	
94 1/2	80 1/2	100 1/2	89 1/2	Argentina 4 % Resc. 1952	99 1/2	98 1/2	-1 1/2	4 2 0	13 1/2	12 1/2	10 1/2	10 1/2	Union, f.s. 2 1/2 pd.	12 1/2	12 1/2	...	4 0 10	
102 1/2	89 1/2	106 1/2	100 1/2	Austrian 6 % 1923-43	104 1/2	103 1/2	-1 1/2	5 15 6	29 1/2	25 1/2	50/6	40/6	Alliance 5 1/2, fully paid	29 1/2	29 1/2	...	3 3 3	
54 1/2	37 1/2	58 1/2	37 1/2	Do. 7 % Int. red. by 1957	87 1/2	86 1/2	-1 1/2	8 6 9	14 1/2	12 1/2	14/6	13/6	Atlas 5 1/2 pd.	14 1/2	14 1/2	...	2 18 6 1/2	
115 1/2	108 1/2	118 1/2	110 1/2	B. Aires (Prov.) 3 1/2 %	61 1/2	60 1/2	-1 1/2	5 13 0	20 1/2	18 1/2	20/6	20/6	Com. Un. A. 1, fully paid	11 1/2	11 1/2	...	3 14 0	
80 1/2	68 1/2	90 1/2	68 1/2	Belgium 7 %	109 1/2	108 1/2	-1 1/2	6 4 0	30 1/2	27 1/2	30 1/2	30 1/2	Gen. Accident 5 1/2 pd.	19 1/2	19 1/2	...	3 10 0	
78 1/2	62 1/2	91 1/2	72 1/2	Bulgaria 7 1/2 % Loan 1958	21 1/2	20 1/2	-1 1/2	5 13 8	33 1/2	27 1/2	33 1/2	33 1/2	Loe View Invest 5 1/2	32 1/2	32 1/2	...	3 1 6	
67 1/2	56 1/2	66 1/2	56 1/2	Brazil 5 % Fund 1914	89 1/2	88 1/2	-1 1/2	6 2 0	43 1/2	35 1/2	12 1/2	12 1/2	N.Brit. & Am. 5 1/2	19 1/2	19 1/2	...	2 18 0	
91 1/2	67 1/2	89 1/2	67 1/2	Chili 6 % (1929)	23 1/2	22 1/2	-1 1/2	6 2 0	19 1/2	16 1/2	40/6	35/6	Northern 10 1/2, fully paid	19 1/2	19 1/2	...	2 11 0 1/2	
105 1/2	96 1/2	110 1/2	101 1/2	China 5 % (1912)	82 1/2	81 1/2	-1 1/2	7 3 0	19 1/2	16 1/2	40/6	35/6	Pearl (1 1/2), fully paid	19 1/2	19 1/2	...	3 14 0	
85 1/2	76 1/2	87 1/2	76 1/2	Czechoslovakia 8 %	99 1/2	98 1/2	-1 1/2	7 3 0	19 1/2	16 1/2	40/6	35/6	Prudential (A. A.)	34 1/2	34 1/2	...	2 14 6	
104 1/2	95 1/2	105 1/2	95 1/2	Danish 3 %	94 1/2	93 1/2	-1 1/2	7 14 0	102 1/2	75 1/2	137/6	182/6	Do. E. Exchange	100/1	100/1	...	1 10 0 1/2	
26 1/2	21 1/2	28 1/2	21 1/2	Danzig 6 1/2 %	84 1/2	84 1/2	...	7 14 0	102 1/2	75 1/2	137/6	182/6	Royal Exchange (1 1/2)	100/1	100/1	...	3 0 0	
100 1/2	61 1/2	95 1/2	61 1/2	Egypt Unid. 4 %	107 1/2	107 1/2	...	4 12 0	8 1/2	7 1/2	33/6	33/6	Royal 1 1/2, 10s. paid	5 1/2	5 1/2	...	3 10 0	
92 1/2	40 1/2	69 1/2	40 1/2	French 4 % (British)	27 1/2	27 1/2	...	11 19 3	84/6	77/9	15/6	13/6	Sun Insur., f. fully paid	4 1/2	4 1/2	...	2 17 0	
44 1/2	23 1/2	38 1/2	23 1/2	German 7 %	58 1/2	57 1/2	-1 1/2	11 19 3	84/6	77/9	15/6	13/6	Sun Life Assur., f. fy pd	7 1/2	7 1/2	...	2 6 3	
58 1/2	34 1/2	46 1/2	34 1/2	Do. 5 1/2 % Stg. Bds. 1930	45 1/2	45 1/2	...	...	18 1/2	16 1/2	130/6	117/6	Union, f.s. 2 1/2 pd.	18 1/2	18 1/2	...	2 11 0 1/2	
83 1/2	59 1/2	87 1/2	59 1/2	Greek 6 % Sigs. 1930	35 1/2	35 1/2	...	...	17 8 0	244	201	6 1/2	3 1/2	Anglo-American Deb.	237 1/2	239 1/2	+2	4 3 6
97 1/2	57 1/2	84 1/2	57 1/2	Do. 7 % Ref. 1914	41 1/2	42 1/2	...	6 14 0	201	201	50/6	2/6	Anglo-Celtic Ord.	54 1/2	54 1/2	...	2 15 1	
107 1/2	85 1/2	126 1/2	85 1/2	Hungary 7 %	42 1/2	42 1/2	...	6 14 0	201	201	50/6	2/6	Atlas Electric, etc., f.s.	6/3	6/3	...	Nil	
57 1/2	35 1/2	55 1/2	35 1/2	Japan 8 %	82 1/2	82 1/2	...	3 6 8	9 1/2	7/6	15/6	15/6	Brit. Assets Trust 5 1/2	9/1	9/1	...	1 6 0	
91 1/2	59 1/2	85 1/2	59 1/2	Norwegian 4 % 1911	120 1/2	120 1/2	...	7 14 0	222	210	6/6	6/6	Debutante Corp. Sigs.	201	219 1/2	...	4 11 0	
101 1/2	91 1/2	124 1/2	91 1/2	Peru 7 1/2 % 1922	45 1/2	45 1/2	...	...	155	128	2 1/2	2 1/2	Def. Amer. etc. Def.	132 1/2	132 1/2	...	5 3 3	
105 1/2	100 1/2	113 1/2	102 1/2	Poland 7 %	90 1/2	89 1/2	-1 1/2	2 18 4	155	128	2 1/2	2						

(Continued from page 1049)

Glasgow 5½ per cent. Loan.—The Glasgow Corporation Finance Committee recommends that the £2,500,000 Glasgow Corporation 5½ per cent. stock be redeemed in July, 1935. It is proposed to provide the funds for the redemption by an issue of stock bearing interest at 3 per cent. or less. Holders will have the right to convert into the new issue.

Buenos Ayres Western Railway, Ltd.—The directors offer holders of £1,000,000 5 per cent. notes which mature on January 1, 1935, the right to apply for an extension of 60 per cent. of the nominal value of each note held by them for a further period of three years subject to the following conditions: (a) During the period of extension the notes will bear interest at 4 per cent. per annum on the reduced nominal amount for which they are extended; (b) Noteholders accepting this offer will receive a cash payment of 6s. for each £100 nominal of notes deposited for extension; (c) 40 per cent. of the nominal value of each note to be extended will be repaid in cash on January 1, 1935; (d) The directors reserve the right to create and issue at 99½ per cent. new 4 per cent. three-year notes maturing on January 1, 1938.

Bristol 3½ per cent. Stock.—The Finance Committee are considering the redemption of the outstanding portion of Bristol Corporation 3½ per cent. stock, 1925-1965. The total outstanding is £3,028,321. It is proposed to issue a lower interest-bearing stock.

Argentine Conversion Loan.—Details are expected shortly of an Argentine conversion operation. This will deal with the £3,510,000 Port of the Capital (Buenos Aires) 5 per cent. bonds, the holders of which will be given the opportunity of exchanging into a sterling issue bearing a lower rate of interest.

FIXED TRUSTS

First Provincial Unit "B" Certificates.—These certificates are now in issue. The underlying securities consist of 32 issues, including British funds, insurance, gas and electricity, mining and general industrial shares. Component securities are fixed, subject to exceptional provisions reserved in trust deed, and trust has fixed life of 20 years. Charges amount to ¼ per cent. per annum over full life of trust.

OFFERS ABROAD

Finland Loan in New York.—Cable advice from New York states that a banking group, headed by Brown, Harriman and Company, Inc., and including Edward B. Smith and Company, the Lee Higginson Corporation and the First Boston Corporation, have issued \$10,000,000 Republic of Finland 4 per cent. serial loan. Only \$8,000,000 is being offered in America, \$2,000,000 maturing on January 1, 1940, having been purchased by the Bank of Finland. The financing is exclusively a refunding operation and will not involve lending new capital to Finland.

FORTHCOMING ISSUES

Eagle Star and British Dominions Insurance.—An extraordinary general meeting will be held at 32, Moorgate Street, on December 14th, at 11.30 a.m., to consider resolutions that the capital be increased by £1,167,868, to £5,067,868, by the creation of 1,000,000 shares of £1 each in the form of 4 per cent. second cumulative preference shares and 55,956 shares of £3 each in the form of 10 per cent. cumulative preferred ordinary shares. The directors intend to make a public issue of the 4 per cent. second preference shares, and to give preferential consideration to applications made by all classes of shareholders of the company.

Sunlight Laundries.—Meetings will be held on December 17th, at Piccadilly Hotel, at 12.15 p.m., to pass resolutions increasing the authorised capital by the creation of £75,000 additional 7½ per cent. cumulative preference shares and £50,000 additional ordinary shares ranking respectively in all respects equally with the existing preference and ordinary shares.

Vlakfontein Gold.—It is understood that particulars will be published this week-end of the Vlakfontein Gold Mining Company, Ltd.

John Lewis Partnership.—It is understood that John Lewis Partnership, Ltd., will make an offer of 300,000 new 5 per cent. preferred ordinary £1 shares next week to its existing shareholders.

Cumberland Silica Bricks.—The list will open on December 3rd of 150,000 6 per cent. participating preferred ordinary 10s. shares and a like number of 1s. deferred shares in Cumberland Silica Bricks, Ltd.

Regional Properties.—Arrangements are in hand for an issue by Regional Properties, Ltd. This is a new company with a capital of £200,000 in £1 shares. The coming issue is expected to take the form of shares and debenture stock.

RESULTS OF ISSUES

Broadways (Retailers).—The list for issue at par of ordinary shares of 5s. each was closed at 1 p.m. November 23.

Australian Internal Loan.—The Australian internal 3 per cent. loan of £15,000,000 has been oversubscribed in three days.

Neuchatel Asphalt.—The issue of 4½ per cent. debenture stock, 1944-46, has been oversubscribed.

Italian Bond Issue.—It is officially announced that 555,078 subscribers applied for 3,895,994,000 lire (£67,000,000) of the 2,000,000,000 lire (£34,000,000) issue of nine-year 4 per cent. Italian Treasury bonds.

Spanish 4½ per cent. Loan.—The Spanish Treasury 300 million peseta five-year loan at 4½ per cent. was subscribed three times over.

Bletchley Flettons, Ltd.—The subscription lists for the issue at par of 6 per cent. cumulative preference shares of £1 each and ordinary shares of 5s. each were closed at 9.45 a.m., November 27th. The issue was oversubscribed.

Birmingham 2½ per cent. Loan.—Lists in connection with the issue of £5,000,000 2½ per cent. stock of 1955-57 closed November 27, after remaining open all day. Underwriters left with 73½ per cent.

CALLS DUE DECEMBER 3 TO DECEMBER 8, 1934

The grand total of calls falling due in December, 1934, is £7,934,567 which compares with £53,366,016 which fell due in November, 1933. The following calls fall due from December 3, 1934, to December 8, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
2s.	Anglo-Oriental Mining. (Offer of 300,000 shares of 2s. each, fully-paid of Anglo-African Selected Investments, at 6s.)	6/- p.s.	Dec. 3	All
Stock	Birmingham 2½ per cent. Red. Stock, 1955-57. (£5,000,000 at £96½ per cent.)	£11½	Dec. 5	£16½
Stock	Dunlop Rubber. (£2,620,200 4 per cent. Deb. Stock, at par)	£30%	Dec. 3	All
£1	Galapitakande (Ceylon) Estates, Ltd. (40,000 Ordinary Shares, at par)	10/- p.s.	Dec. 7	All
£1	Galapitakande (Ceylon) Estates, Ltd. (20,000 6 per cent. Cum. Pref. Shares, at 21s.)	10/- p.s.	Dec. 7	All
1s.	Ismay (John) and Sons, Ltd. (200,000 new Ordinary Shares, at 3s. per share)	3/- p.s.	Dec. 4	All
5s.	Motor Fuel Proprietary, Ltd. (300,000 Shares, at 15s.)	2/6 p.s.	Dec. 3	2/6 p.s.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Nov. 21, 1934	Price, Nov. 28, 1934
Aldford House 6% Pref.	20/-	Fypd	20/9-21/9	22/3-22/9
Alpha Cement 5½% Pref.	93½	13½	par-4 pm	21/-22/-
Argentine 4½% (2nd Series)	93½	13½	24/-24/6	1-1½ pm
Argentine Navigation 10% Deb.	98	15	24/-24/6	22/-23/-
Do. 5½% Deb.	98	15	24/-24/6	21-2 dis
Ascotts Pharmacies 5/-	5/-	Fypd	3/11-3/4	3/5½-3/8½
Do. 7% Pref. 10/-	10/-	Fypd	9/11-9/4½	9/4½-9/7½
Aust. British Picture Corp. 5% Deb.	101	71	1½-1 dis	1½-1½ dis
Aut. and Wiborg Ord.	20/-	Fypd	4/3-4/9 pm	25/3-25/9
Do. 5½% Pref.	20/-	Fypd	21/-2/6 pm	23/14-23/7½
Austin Motor "A" 5/-	99	5	39/-40/-	38/6-39/6
Australia 3½%, 1964-74	99	5	1-1 pm	1-1½ pm
Bank Line 2½% Gtd. Deb.	99½	5	1½-2 pm	1½-1½ pm
Beechams Pills 8% Pref.	32/-	12/-	1/-1/6 pm	1/-1/6 pm
Birmingham 2½%, 1955-57	98½	35	2½-3 pm	2½-3 pm
Blackpool 3%, 1960	98½	35	4/6-4/9	4/6-4/9
Boulton and Paul Aircraft (5/-)	98½	5	2½-3½ pm	2½-3½ pm
Brentford and Chiswick 3%, 1954	98½	5	4/6-4/9	4/6-4/9
Butterley Co. 4½% Pref.	20/-	5/-	1½-4½ pm	par-3d pm
Central Electricity 3½% Gtd. Deb.	98	23½	4½-4½ pm	3½-3½ pm
Chesterfield 3%, 1960	99½	5	4½-4½ pm	4½-4½ pm
Clin Line Steamers New Ord.	1/-	33/-	3½-4½ pm	3½-4½ pm
Do. 5½% "B" Pref.	21/-	2/6	1/-1/6 pm	1/-1/6 pm
Colville's 5½% Pref.	20/6	Fypd	21/1½-21/7½	20/9-21/-
Enos Props. Ord. 5/-	11/-	Fypd	12/6-12/9	12/-12/3
Do. 5½% Pref.	11/-	Fypd	23/7½-24/1½	23/7½-23/10½
French (J. W.) Ord. 5/-	10/-	Fypd	11/1½-11/7½	12/-12/9
Do. 5½% Pref.	21/-	Fypd	22/3-23/-	22/6-23/-
General Aircraft	5/-	Fypd	4/6-5/-	4/3-4/9
Gold Ex. and Finance Aust. Ord.	10/-	Fypd	9/9-10/3	9/3-9/9
Gold Mines of Kalgoorlie 10/-	10/-	5/-	1/-9d dis	1/4½-1/1½ dis
Green (Herbert) 1/-	1/-	Fypd	3/-3/3	2/10½-3/1½
Do. 7% Preferred.	20/-	100	7/-8/-	6/6-7/6
Hancock (W.) 4½% Deb.	99	15	67-72	68-72
Kapala Rubber Ord. 2/-	99	15	2½-3½ pm	3½-4 pm
Do. 7½% Pref. 2/-	2/-	Fypd	1/6-1/9	1/6-1/9
Lanarkshire 3%, 1954-64	97½	5	2½-3½ pm	2½-3½ pm
Lockhart (A.) 5/-	97½	5	6/1½-6/7½	6/3-6/6
Malacca Rubber £1	22/6	12/6	1/3-1/9 pm	2/3-2/9 pm
Mersey Docks, etc. 3½% Deb.	97	5	2½-2½ pm	1½-1½ pm
Mount Morgan 5/-	7/8	Fypd	27/9-28/3 x 2	28/6-29/- x 2
Murex New Ord. 10/-	4½	2½	2½-3½ pm	4½-4½ pm
New Machavie Gold	5/-	Fypd	13/9-14/9	14/-14/-
Price's Trust Ord. 5/-	97½	30	3½-3½ pm	2½-3½ pm
Do. 3½%, 1955	97½	30	2½-2½ pm	2½-2½ pm
Nottingham 3%, 1957	98½	5	5-5½ pm	5-6 pm
Odams Properties 5% Deb.	100	15	26/9-26/9	26/9-26/9
Oxford and Berks Cinemas 7% Pref.	20/-	Fypd	3½-4½ pm	4½-4½ pm
Plymouth 3%, 1954	97½	25	11/4½-11/7½	11/1½-11/7½
Price's Trust Ord. 5/-	20/6	10/6	1½-1½ pm	3d dis-par
Salford Corp. 5½%, 1954-64	100	60	3½-3½ pm	3-3½ pm
Sheffield 3%, 1954	98½	2½	2½-2½ pm	1½-1½ pm
South African Torbanite 10/-	10/-	Fypd	10/-10/4½	10/-10/4½
Stretford 3½%, 1955-65	Par	20	3½-3½ pm	3-3½ pm
Terry (J.) Ord. 5/-	...	...	28/6-29/6	28/6-29/6
United Steel 4% Deb.	Par	...	3½-3½ pm	2½-3½ pm
United Sui Becong Rubber £1	50/-	40/-	6½-11 pm	1/3-1/9 pm
Van Dyk Consolidated	10/-	Fypd	1½-1½ pm	1½-1½ pm
Wakefield 3%, 1955	99½	25	1½-1½ pm	1½-1½ pm
Waltende Mines	5/-	Fypd	6/1½-6/4½	5/10½-6/1½

COMPANY MEETINGS, &c.

ROYAL BANK OF SCOTLAND

ANNUAL GENERAL COURT OF PROPRIETORS

CONTINUED PROGRESS OF THE BANK

IMPROVED INDUSTRIAL CONDITIONS

DUKE OF BUCCLEUCH'S REVIEW

The annual general court of proprietors of The Royal Bank of Scotland was held, on the 28th ultimo, at Edinburgh, His Grace the Duke of Buccleuch, K.T., Governor of the Bank, presiding.

In moving the adoption of the report, His Grace said:—

I presume it will be your pleasure that the annual report and balance sheet, with the auditors' report, which have now been in your hands for some days, shall be taken as read. Although, perhaps, unattended with the exceptional difficulties of the preceding two years, our year which has just ended has had its difficulties, and the directors are pleased to submit to you a statement of so satisfactory a character.

Deposits have been well maintained throughout our year, and at £58,900,000 are only about £300,000 short of last year's record total of £59,200,000.

Notes in circulation show a moderate reduction of £66,000 as compared with last year, but no special significance is attached to that, as the fall was of only one or two weeks' duration when the circulation returned to its normal figure of over £2,800,000.

Acceptances and other obligations show a marked increase of £2,297,000 in the year. This increase is largely due to forward operations in foreign currencies on account of our clients to cover the risks of fluctuation in the exchanges. In all cases these operations were covered with first-class banks and institutions.

LIQUID RESOURCES AND INVESTMENTS

Turning to the assets side of the balance-sheet, you will observe an increase in our liquid resources. Cash on hand and with the Bank of England and other London banks, and money at call and short notice, is fully £940,000 up on last year's figures, providing evidence of the strong liquid position of the bank.

A welcome increase of about £700,000 in advances on cash credit and current accounts largely accounts for the lower figures appearing against British Government securities, which at £24,394,000 compare with £25,151,000 last year. Other investments also show a small reduction of £394,000.

As usual, all our investments are valued in the balance sheet at or under the market prices ruling on the date of our balance. Our Government securities are well distributed and show a good proportion in the short-dated and medium-dated loans.

I, perhaps, need not add that the valuation of our securities shows a very large surplus over book values.

I have already referred to the increase in our advances, which, though small, we regard as satisfactory, in view of the continued shrinkage in the demands of trade and a certain amount of liquidation of frozen loans.

Our bill portfolio shows a moderate fall. Treasury bills at the present low tender rates hold out little attraction as an investment counter and, with keen competition for commercial bills, we are glad to show such a substantial figure as £3,874,000 under this heading.

From the figures I have dealt with you will see that we are in an excellent position, when trade and industry require it, to give increased facilities to our customers. That is one of our functions, and we are at all times glad to give favourable consideration to proposals based on sound banking principles.

PROFITS

I now come to the profit and loss account, where we show an increase of £9,000 in the profit upon the figures of the previous year. The directors regard this result as very satisfactory taking into consideration the lower earning rates on our gilt-edged investments and our Treasury bills compared with previous years.

I may also mention that while our stockholders receive the benefit of the reduction in income tax on their midsummer and Christmas dividends, we, as a bank, have only experienced the

benefits of the tax reduction on our investment dividends received after April of this year. So that, taking the year as a whole, we have had to bear a higher rate of tax than that deducted from the dividends paid to our stockholders.

Following our usual practice, full provision has been made for all bad and doubtful debts.

APPROPRIATIONS

The directors are pleased to be in the position to recommend that a dividend for the half-year, payable at Christmas, at the same rate as formerly—17 per cent. per annum—be declared, and to make the usual appropriation to pension reserve fund and to maintain the increased appropriation of last year to bank buildings and heritable property.

After these appropriations there remains a surplus of £68,386, which, following the practice of the past three years, it is proposed to carry to inner reserves against contingencies. Our inner reserves are very strong, but, under present conditions, we consider it advisable to continue our conservative policy of adding to them.

There is no call for me to say anything about our capital and rest, which remain at the same figures.

BUSINESS OF THE BANK

The general business of the bank throughout Scotland and at our London offices continues to progress.

Our English associate, Williams Deacon's Bank, who close their books at December 31st, had a satisfactory half-year to June 30th, and report improved conditions in certain of the areas where they are represented.

To meet the convenience of our clients in Smithfield Market, London, where we have important connections, we have arranged to open a branch. Suitable premises have been acquired adjoining the market, and it is expected we shall be able to start operations early in the New Year.

The increasing business at our Burlington Gardens, London, Branch has necessitated important alterations in the Banking Office and in the rest of our property there. These have now been completed, and I am glad to say that our surplus premises there have been fully let.

TRADE IN SCOTLAND

From reports we have received from different centres it is gratifying to again record an improvement in a number of the industries in Scotland.

Unfortunately, here and there, and particularly in the heavy industries, a lack of new orders during the past two months or so is being experienced. Despite that, a feeling of optimism prevails that the present quiet period will soon pass.

In shipbuilding the notable event of the year was the launching of the *Queen Mary*, and the publicity it received should have a beneficial effect on future work on the Clyde. The outlook here may be regarded as fairly satisfactory, as some new building orders are confidently expected in the near future.

The striking progress which is being made in industrial efficiency augurs well for the part which this country will take when the world returns to economic sanity.

The Scottish Agricultural Securities Corporation, Limited, for which we, along with three of the other Scottish banks, provided the capital, has now been operating for over a year. During that time loans to farmers, which provide for repayment on a long-term basis, to the extent of about £400,000, have been arranged. From the applications which the Corporation continues to receive from farmers all over the country, it is evident that the credit facilities extended by the Corporation are of advantage to the

farming community, who, I am glad to note, are now receiving better prices at the stock sales.

WORLD TRADE

While the improvement in our trading position compares favourably with the rest of the world, I am afraid it still falls short of our hopes and expectations. We are still in the position of waiting for that real advance which will do much to reduce the heavy figures of our unemployed.

The difficulties imposed on international trading in recent years have, in many cases, been further accentuated by clearing arrangements, blocked accounts and fears of currency depreciation and devaluation. The enforced limitation of imports in our own and other countries, in order to protect or strengthen the balance of payments, also greatly affects world consumption.

Last year, when I addressed you from this chair, I referred to the growth of economic nationalism and the politically imposed barriers to international commerce which foster self-sufficiency but hinder world trade, and I feel that it is useless to expect any substantial measure of all-round improvement until steps are taken by the leading nations to establish a satisfactory and stable monetary standard, which would have the effect of abolishing or modifying the obstacles hindering the free movement of commodities.

NATIONALISATION OF BANKS

From certain quarters nationalisation of banks continues to be advocated, but I cannot learn that the demand for nationalisation is the general wish of the people of this country, nor can I think that it is other than their wish that we shall continue our functions of being responsible trustees of the money placed in our keeping, and of employing that money in sound and legitimate ways to the benefit of our depositors and the industry of the country. The sound banking system of this country has stood with remarkable success the test of the worst depression which the world has experienced. It is the envy of every other nation, and I am convinced that our people have no desire to see their savings transferred to the keeping of—what in effect would be—a Government Department controlled by the Government, representative of whatever Party might be in power.

DIRECTORATE

During the year, the Earl of Iveagh was elected an extraordinary director to fill a vacancy on our extraordinary board. Lord Iveagh has had a long connection with one of our London offices, and we are glad to welcome him to our extraordinary board.

THANKS TO OFFICIALS AND STAFF

I think I may claim that the directors give very close attention to the affairs of the bank, but we are the first to recognise how much of the success of the bank is due to the skill and the loyal and devoted service of our general manager, Mr Whyte, as well as to the officials and staff at head office, London City office, our offices in the West End of London and in Glasgow, Dundee, and our branches generally. To all of them we desire to express our appreciation of their services and support.

I referred last year at some length to Mr Whyte's long and able service in the bank and our high expectations of his work as general manager, and I need only add now that those expectations have been realised to the full.

APPROVAL OF ACCOUNTS—DIVIDEND

I now beg to propose that the Report now submitted, containing a statement of the accounts and balance-sheet, be approved, and that out of the profits of the year a dividend at the rate of 17 per cent. per annum for the half-year, under deduction of tax, be now declared in conformity therewith.

The Report was approved, and the governor, deputy-governor, extraordinary directors, and the retiring ordinary director were re-elected, and auditors were reappointed for the ensuing year.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8 Bowyer Street, Fleet Street, London, E.C.4.

BRAZILIAN WARRANT AGENCY AND FINANCE COMPANY, LIMITED

CAPITAL REDUCTION APPROVED

DETAILS OF THE SCHEME

Class meetings of the holders of ordinary and preference shares in the Brazilian Warrant Agency and Finance Company, Limited, and also an extraordinary general meeting of the company, were held, on the 23rd ultimo, at Winchester House, Old Broad Street, London, E.C., to consider resolutions reducing the capital of the company by £900,000 from £2,000,000.

Addressing the preference shareholders' meeting, Mr Arthur Whitworth (the chairman) explained that they were not affected in any way by the scheme, and the resolution approving it was carried unanimously.

At the meeting of ordinary shareholders which followed, the chairman said that it was not proposed to proceed with the resolution in the notice providing for the conversion of the ordinary shares into stock, in view of the difficulty of dealing with small units on the Stock Exchange.

The directors were asking the ordinary shareholders to consent to a very large amount being written off the ordinary capital. That matter had been before the company for a very considerable time, but until quite recently it would have been impossible to tackle the problem because the exchanges had been closed, and, at any rate, a partially open exchange was a necessary factor for a sterling company to register the value of its assets in Brazil. During the last few months the exchanges had been more or less open.

The present directors had their eyes firmly fixed on the future, and, in asking the ordinary shareholders to consent to the scheme, they were asking them to agree to put the capital of the company into a position so that, if and when profits were earned, they could be distributed to both classes of shareholders. With one exception the profits earned during the past eight years had been slightly more than sufficient to pay the preference dividend, and the preference capital could not be written down unless the whole of the ordinary capital had been lost, which was not the case by a very considerable margin.

DETAILS OF THE SCHEME

They were proposing to write off £916,538 from the assets, of which £900,000 was to be written off the ordinary share capital by reducing the value of the shares from 10s. to 2s. It was then proposed to take £15,000 out of the general reserve, which stood at £215,000, and the small balance of £1,538 would be taken off the amount standing to the credit of the carry-forward, which at December 31st last was £55,852. As to how the amount of the write-off had been arrived at, it was proposed to write £208,904 off the value of the Santos premises, land and buildings, the Transport company, and the two warehouse companies in Santos and Rio de Janeiro. Then they owned the whole of the ordinary share capital of the Cambuhy Coffee and Cotton Estates, Limited, and they also owned the Tibirica Coffee Estate. From those two assets they were writing off the large sum of £624,403.

Those two sums represented approximately 90 per cent. of the total write-off. They then had to convert the balance of their floating assets over liabilities, including the unremitted profits, at some estimated rate of exchange. Whereas in the last balance sheet they had been taken in at the official rate of 4.7/256d., the rate of exchange now taken was the free rate at the time the decision had to be made, with a margin of 10 per cent. for eventualities. That gave a rate of exchange of 73, at which they proposed to write off £83,231 under that heading, the rate of exchange to-day being 72.

With regard to the proposal to re-create capital to the equivalent of the amount written off, that was being done with the object of avoiding the loss of stamp duty already paid, and preference shares so created might be needed if negotiations were reopened with the Cambuhy preference shareholders. There was no intention of making any issue at present and no issue could be made without the consent of the shareholders.

After some discussion a poll was taken, with the result that the resolution approving the scheme was carried by 1,181,649 votes to 13,130.

At the extraordinary general meeting which followed a poll was taken on the resolution for reduction of capital, with the result that it was carried by 1,511,600 votes to 12,730.

The resolution sanctioning the subsequent increase of capital was carried on a show of hands.

UNION-CASTLE MAIL STEAMSHIP COMPANY, LIMITED

THE MAINTENANCE OF BRITISH CONTROL

VOTING RIGHTS OF PREFERENCE SHAREHOLDERS

PROPOSED PERMANENT STATUS

MR ROBERTSON F. GIBB'S ADDRESS

An extraordinary general meeting of the Union-Castle Mail Steamship Company, Limited, was held, on the 27th ultimo, at Southern House, Cannon Street, London, E.C., to consider special resolutions altering the articles of association. The special resolutions were designed to restrict the holding of the company's stock or shares to British subjects or corporations and to confine the directorate to British subjects, and to confer on the holders of the 4½ per cent. cumulative preference shares and on the holders of the 6 per cent. "A" cumulative preference shares the right to attend and vote at all meetings of the company whenever held and whatever the business to be considered.

Mr Robertson F. Gibb (the chairman of the company) said:—Ladies and gentlemen,—As you are aware, this meeting has been called for the purpose of considering and, if thought fit, of passing two special resolutions. The objects of these resolutions and the reasons for your directors' decision to submit them to the company's stock and share holders are clearly set out in the circular which was sent you on November 1st, while the notice convening this meeting which accompanied the circular gives the wording of the resolutions in full. Nevertheless, I feel it may be desirable for me briefly to comment on these two resolutions before submitting them to you for your approval.

I propose to divide my speech into two parts, first of all dealing with Resolution No. 1, and, at the conclusion of those observations, putting that resolution to the meeting. I shall then refer somewhat more fully to the second resolution, which I shall put to the meeting after dealing with any questions or comments which members may wish to ask or make.

BRITISH STOCK AND SHARE HOLDERS

The first resolution, to which I presume there will be no serious objection, is designed to restrict the holding of the company's stock and shares to British subjects or corporations and to confine the directorate to British subjects, thus obviating the possibility of this great company passing into foreign control. I think you will agree that such an eventuality would be highly undesirable, in view of the very important links between component parts of the British Commonwealth of Nations which are provided by the vessels of the Union-Castle Line. The mail and other services which are run under our house-flag are of national importance, and for this reason alone I do not doubt you will desire to support the resolution to be placed before you. By embodying this resolution in its articles of association, the company would put itself in the same position as that adopted by several other large British shipping companies, which have felt the desirability of ensuring that they should remain under British control.

In this connection I may mention that we have received inquiries from a few of our shareholders as to the effect of Resolution No. 1 upon existing holdings by persons who are not natural born British subjects.

The reply to this question is that the board is advised that the proposed new article does not lay them under any positive obligation to take action as regards existing shareholders, and that it will be a matter for the board's discretion as to whether or not they sign the certified memorandum, which is a condition precedent to any removal of an existing shareholder from membership of the company.

While, of course, I cannot bind the board, and still less the successors in the future of the present directors, I may say that, as at present advised, it is not anticipated that any action will be thought necessary with regard to any foreign shareholder at present on the register.

The Chairman then moved the resolution approving the new article, and Sir F. Vernon Thomson, K.B.E. (deputy chairman), seconded it.

Mr A. Jaffé criticised the wording of the resolution, pointing out that the inclusion of the words "natural-born" before the words "British subject" wherever they appeared in the resolution would mean that naturalised British subjects would be unable to hold

shares. He considered that a grave injustice, and he did not think that it was in accordance with the intentions of the directors. He accordingly moved an amendment to the effect that the words "natural-born" should be omitted wherever they occurred in the resolution.

Mr Uirling Clark seconded the amendment.

The Chairman said that the board accepted it. He proceeded to put it to the meeting, and it was carried unanimously, as was also the substantive resolution as amended.

The Chairman: The second resolution, if passed, will confer on the holders of the 4½ per cent. and 6 per cent. "A" preference shares the right to attend and vote at all meetings of the company whenever held and whatever the business to be considered.

RECENT LEGAL PROCEEDINGS

You are, of course, aware that this resolution has been, and still is, the subject of certain proceedings in the Courts, and it is right that I should explain to you as shortly as possible the nature of those proceedings and the present position of them. The proceedings have been taken by persons who may be described as representing the holders of the ordinary stock against the company and the directors, and the claim made in the action is that no such resolution as this for the alteration of the company's articles can, if passed, be effective to bind the ordinary stockholders and effective to alter the voting rights of the preference shareholders, because the resolution has not been approved at any separate class meeting of the ordinary stockholders.

That action was only begun about a fortnight ago, the writ being issued on November 12th, and it has not yet been tried. But the plaintiffs in the action, as soon as they had issued their writ, gave notice of their intention to apply to the Court by motion for an injunction to restrain the directors from submitting the resolution to this meeting, and, alternatively, for an injunction to prevent the directors from acting upon the resolution, if passed, until the action had been disposed of. This motion for an injunction came before Mr Justice Clauson in the Chancery Court on Friday last, the 23rd ultimo, and I want to make it quite clear to you at the outset that the decision of the Court, which no doubt many of you read in your papers on Saturday, was the decision on this interlocutory application and not the Court's judgment in the action itself.

THE JUDGE'S DECISION

By his decision the Judge declined to grant the plaintiffs the first of their requests—namely, an injunction to prevent us from submitting the resolution to you—but the Judge did express the view that the passing of this resolution would not be effective to extend the present rights of the preference shareholders without the consent of the ordinary stockholders given at a class meeting, and, accordingly, he granted an injunction restraining the company from acting upon the resolution, if passed, unless or until that consent is obtained, that injunction to remain in force only until the action has been tried or some further order made.

Now, in view of the fact—which the directors, since hearing the views of most of the ordinary stockholders, fully recognise—that there is no chance whatever of the present holders of the company's ordinary stock giving their consent at a separate meeting of their class to this proposal, it is clear that if the view expressed by the Judge as to the necessity of their consent in order to render the resolution effective is right in law we are wasting our time to-day in considering the resolution, because if and when passed it will simply be so much waste paper. But it is right that I should tell you, with the greatest respect to the learned Judge, that the view expressed by him on this point is directly contrary to the advice which the directors had received, before the decision to put forward this resolution was arrived at, from very eminent counsel, and it is therefore the intention of the directors, if the point is ultimately decided against the company on the trial of the action, to appeal from the decision.

PROSPECTIVE LEGAL ACTION

The proper time for an appeal will be after the action has finally been decided by the Court of first instance.

The action will not be heard for some little time, and, of course, the action will never come to trial if the resolution is not passed at this meeting. I understand that on the hearing of the action the plaintiffs will raise the point that the resolution is not *bona fide* in the interests of the company as a whole and is therefore invalid in law.

I wish to emphasise two points. First, so far as the directors themselves are concerned I can assure you that they do take the view that the proposal is in the interests of the company—the Union-Castle Mail Steamship Company—as a whole and of all its members who have invested their money in the company's business. Second, the issue before you at this meeting is precisely the same to-day as it would have been had the proceedings in Court last week never taken place, and there is no reason whatever why any member of the company voting here to-day should allow the present result of those proceedings so far as they have gone to influence his vote in any way whatever.

I am going to put before you in the frankest manner possible the facts in relation to this matter and the considerations which led your board to make the proposal now submitted to you. It has been suggested that it is considered to be somewhat abnormal and possibly without precedent. I propose to show you that the conditions with which the board is faced are wholly abnormal and possibly also without precedent. (Hear, hear.)

You are aware that the control of this company was acquired in 1912 by the Royal Mail and Elder Dempster companies through the purchase of the whole of the ordinary stock. Prior to the date when the Royal Mail group assumed control of the company, the company had been managed by Messrs Donald Currie and Company, and had accumulated considerable liquid assets in the form of Government and other gilt-edged stocks. Within a few days of taking over control the new board resolved that the company's investments be sold, and that a bonus be paid on the ordinary shares of £16 per share, free of income tax.

DISSIPATION OF LIQUID RESOURCES

This transaction, which involved a total payment of £2,269,456, was shortly afterwards carried out, with the result that virtually the whole of the then accumulated liquid resources of the company were immediately dissipated. You are also aware that during the period of that control this company's resources were utilised in such a way that, instead of being retained in the business, apart from the payment of normal dividends, large sums were invested in, or lent to, other companies of the Royal Mail group. These investments and loans have involved the company in extremely heavy losses, and I think it important that shareholders should have some information with regard to them. They include:—

£1,069,750 ordinary stock in the Royal Mail Steam Packet Company, which cost £1,191,506, and is now believed to be worthless.

33,000 6 per cent. preference shares and 200,000 6½ per cent. preference shares in Elder Dempster and Company, Limited. These cost £33,000 and £200,000 respectively, and are, in each case, now believed to be worthless.

998,900 ordinary shares in White Star Line, Limited, which cost £998,900, and are now believed to be worthless.

375 £1,000 ordinary shares and 275,000 6 per cent. "A" preference shares in Harland and Wolff, Limited, which cost £662,500 and £256,313 respectively, and are now believed to be worthless, and also 19,000 6 per cent. first preference shares in that company, costing £17,576, and now quoted at about 4s. per share.

In addition, the company lent £130,000 to the Glen Line, Limited, and £68,375 to Elder Dempster and Company, Limited, in respect of which we have received deferred creditors' certificates of unknown and little, if any, value.

CALAMITOUS POSITION OF THE ROYAL MAIL GROUP

I need not describe to you the calamitous position in which the Royal Mail group found itself in 1930. The loss to the Union-Castle Company upon these investments was over £3,000,000. The payment of the preference dividend was suspended in 1931, as the result of which the preference shareholders, under the constitution of the company, came into power. Following upon the promises I had made to the preference shareholders, two new directors were appointed—namely, Sir F. Vernon Thomson and Mr R. A. Murray, the former with long association with ship management, and the latter with finance. Both have proved themselves invaluable to the company.

Stock and share holders have been kept constantly informed of the successive steps which the board took in ridding the company of its onerous liabilities. Heavy payments to White Star Line, Limited, were completely liquidated; the loan from the British Treasury and the Bank loan were entirely paid off; ships that had been mortgaged were released, and to-day there is only one loan outstanding, which is being reduced under arrangement by regular instalments, with only one ship mortgaged. Furthermore, the company's £2,000,000 of debenture stock, which was due for repayment in 1934, was successfully converted into a new stock on a favourable basis, resulting in an annual saving to the company of interest of £20,000.

REHABILITATION OF THE UNION-CASTLE FINANCES

The company's position to-day is better than it has been for many years past, and its credit stands exceedingly high. As the result of the rehabilitation of our finances it has been possible to make a substantial beginning towards clearing off the arrears of preference dividend. If results justify our doing so, we hope to continue this policy.

At this point I would like to remind shareholders that in our last three balance sheets the auditors have qualified their certificate by stating "the book value of the investments as a whole, after deducting the reserve for depreciation of investments, is considerably in excess of their present value under existing conditions," while their certificate for the preceding six years also bore a qualification in regard to the value of our investments in other companies. It is therefore absolutely necessary that part of any profits made by the company must be allocated to writing off the losses on investments until their book value is brought more in harmony with their actual value. This is the policy which, as prudent business men, the directors have thus far preferred to pursue rather than to adopt the alternative of drastically reducing the ordinary capital.

In this connection also it has to be borne in mind that for some years the replacement of the company's fleet was retarded. The directors are of opinion that the company's cash resources must be conserved not only to meet existing liabilities, but also to replace tonnage now becoming obsolescent, and thus maintain the company's premier position as the Mail Company in the South African trade, which it has occupied for about three-quarters of a century. As shareholders know, four new vessels are now under construction, and only last week an order was placed for two more vessels specially designed for use in our "round Africa" service.

AN IMPORTANT FACTOR

Now there is one factor which the board has had to face, and to which it has given anxious consideration for a long time past. If and when the company is able to pay off all arrears of preference dividend, the control of the company would, if the articles remain unaltered, revert to the ordinary stockholders, and the preference shareholders would cease to have any voice in the company's affairs. It was the directors' duty to consider what would be the effect upon this company as a whole if this were to happen. In this connection you have to remember that the two companies who are the beneficial owners of this company's ordinary stock are, as all the world knows, in a deplorable financial position and faced with staggering liabilities. It was announced the other day that the Royal Mail deficiency account now amounted to over £11,000,000, which might well be further increased. The Elder Dempster Company also has a huge deficiency account of something like £8,000,000.

The directors are apprehensive that if after satisfaction of the arrears of the preference dividend the control of the company should revert to the ordinary stockholders, the company may come under the control of persons whose interests do not coincide with the interests of the company. (Hear, hear.) The present position of the Royal Mail Steam Packet Company and Elder Dempster Company is, as you know, that a moratorium is in force as regards both companies. That moratorium expires on December 31, 1934. The directors have no means of knowing what will happen after that date, but since, so far as they know, no arrangements have yet been reached for an extension of the moratorium it appears not unlikely that the Royal Mail Steam Packet Company and Elder Dempster may be put into liquidation and that the assets of these companies, including the ordinary stock in the Union-Castle Company, will be sold.

THE DANGER OF OUTSIDE CONTROL

If they should be sold it seems probable that a purchaser might ultimately be found in some other group of shipping companies holding the company's ordinary stock as one block. The 4½ per cent. preference shareholders of the company number some 450 and

the 6 per cent. "A" preference shareholders number some 4,500. Having regard to the past experience of the company, the directors are of the opinion that the interests of the company will be better served if steps are taken to secure that the ultimate control of the company shall not be vested in one set of hands or concentrated in a few people. (Hear, hear.)

I have seen it stated by those who have publicly criticised this proposal that if it goes through the preference shareholders may exercise the control they will then have in order to increase the company's reserves and rebuild its fleet. That is precisely what this company most urgently and imperatively requires to do. As I have already stated, our reserves were lost and our fleet was rapidly becoming out of date because of our entanglement with the Royal Mail group and the consequent dispersal of our liquid resources.

We are fully conscious of our responsibility in putting this resolution about voting before you. It consists in making permanent the 6 per cent. "A" preference shareholders' present but temporary right to attend and vote at meetings and in conferring a similar right on the 4½ per cent. preference shareholders. I have heard it asked whether it is quite fair that the preference shareholders should take this course. I would like to point out this. According to the advice we have received and on which we have acted and intend to continue to act, the power which the preference shareholders have the right to exercise to-day is inherent in the constitution of the company under its articles and by the terms of issue of the preference shares. The 6 per cent. "A" preference shareholders had no right to any voice in the company's affairs until their dividend was in arrear. When that happened they had the right to step in, which they did, and take control, and we maintain that the right given the preference shareholders under the articles of association entitles them to take such steps as will safeguard the interests of the company for the future. (Hear, hear.)

ADVISABLE PUBLICITY

I would emphasise the desirability of publicity for the company's affairs, as contrasted with the secrecy with which they were conducted from 1912 to 1930. During the whole of that period of nearly 20 years, while the Royal Mail group controlled the company, no accounts or reports were published to the preference shareholders, and at the annual meetings only the respective secretaries of the two holding companies were present, the proceedings occupying a few minutes only. During that period (unless by searching the records at Somerset House) the preference shareholders had no means of knowing anything whatever of the position of the company. Since the preference shareholders have had control they have been kept advised regularly by circular and reports and balancesheets of the progress of the company, and at the annual meetings have been free to ask questions on any matter about which they might require information.

What is required above all things is that the company should carry on as an independent concern—(hear, hear)—free from entanglements of any kind with other companies and undisturbed by the prospect of its governance being hawked about from hand to hand and at the mercy of the highest bidder. (Hear, hear.)

In putting the resolution I would ask you to vote for what this board believes to be for the best interests of the company as a whole, so as to remove it once and for all out of the quicksands and entanglements of interlocking finance and give it a chance as a great independent concern to maintain that premier position in the trade with the great Dominion of South Africa and East Africa which it has enjoyed so long. (Applause.)

The Chairman concluded by moving resolution No. 2 dealing with the voting rights.

Mr E. F. Abbott seconded the resolution.

STOCKHOLDERS' VIEWS

Mr Urling Clark opposed the resolution on the ground that it was unjust to the ordinary stockholders and in any case ineffective, as there was nothing to prevent any group from obtaining a controlling interest in the preference shares. He was of opinion that the passing of the resolution would involve the company in an unlimited amount of strife and legal expense.

Mr Dingwall supported the resolution. He said that, in view of the manner in which the ordinary stockholders had conducted the affairs of the company, there was no promise of any good results in the event of their again obtaining control when the preference arrears had been paid off.

Mr Mackenzie Lees supported the remarks of Mr Clark on the ground that the resolution was aggressive and deprived the ordinary stockholders of valuable rights of control. He urged the chairman to postpone the resolution.

Mr Seear inquired whether there was any chance of effecting a compromise on the matter.

The Chairman said that the board would not consider postponing the meeting for a moment; they wished a definite decision arrived at that day. They were convinced that what they were endeavouring to do was in the best interests of the company as a whole, including those of the ordinary stockholders, the value of whose holdings had been enhanced since the present board took control of the company's affairs as an independent concern. (Applause.) There was no suggestion of a compromise at the moment. If the resolution was passed and any proposals were put forward, they would naturally be considered.

The resolution was carried by a large majority on a show of hands, but a poll was demanded.

The Chairman subsequently announced that the result was that the special resolution was carried by the necessary majority and that the figures would be announced later.

It was subsequently announced that the voting was 1,779,657 for the resolution and 360,379 against.

MALAYA GENERAL COMPANY, LIMITED

DIVIDEND OF 16 PER CENT.

The twenty-sixth ordinary general meeting of Malaya General Company, Limited, was held, on the 28th ultimo, at 7, Great Winchester Street, London, Mr G. M. Weekley (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—With a steadily rising market through the twelve months our average selling price was fully 2d. per pound better than in 1933, and, whilst costs have been steadily mounting also, the larger crop enabled us to finish at a fractionally smaller cost per pound of rubber, taking the year as a whole. I would point out, however, that all expenditure is on the up-grade, and this is likely to continue until conditions, especially as regards labour, become more settled.

The net profit of nearly £32,000 is, under all the circumstances, a very satisfactory figure, and if you approve of the proposed dividend of 11 per cent., making 16 per cent. for the year, it will result in a "carry-forward" of £11,534, as against £10,767 brought in, or an increase of £767.

Referring to the Regulation Scheme, he said: Much has been said in the Press about establishing a price level, and the market recently has been adversely affected owing to disappointment, that the scale of release in the early part of 1935 is to be greater than in November and December of this year. It was, however, never the intention of the scheme to fix definite price levels, which, after all, must be purely relative.

The fact that your estate, selling at an average price of less than 5½d. per lb., can produce a dividend of 16 per cent., is, in itself, evidence that the equitable relation between supply and demand is much more important than a standard price level.

The great thing to be borne in mind is that this scheme is not designed to enrich speculators or create profiteers, and not to force prices up unduly, but to act in such a way as to be equitable, i.e. to be equally satisfactory and acceptable to both producers and consumers.

We feel that all parties connected with the rubber trade should use their utmost goodwill and influence to secure the smooth working of this scheme, and if this is done it will be the most beneficial thing which has ever happened to the industry.

The report and accounts were unanimously agreed to.

OFFER TO NEW READERS

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

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ENGLISH, SCOTTISH AND AUSTRALIAN BANK LIMITED

AUSTRALIA'S REMARKABLE FINANCIAL RECOVERY NATIONALISATION CAMPAIGN PROPAGANDA ANSWERED MR ANDREW WILLIAMSON'S REVIEW

The forty-second ordinary general meeting of the English, Scottish and Australian Bank, Limited, was held, on the 28th ultimo, at 5 Gracechurch Street, London, E.C., Mr Andrew Williamson (the chairman) presiding.

Mr A. A. Shipston (London manager and secretary) read the notice convening the meeting and the report of the auditors.

The Chairman, in the course of his speech, said that during the past year there had been three outstanding events: (1) The Second Chamber in New South Wales had been reconstituted on an elective basis; (2) the Federal election had taken place; and (3) the centenary of the State of Victoria had been celebrated, honoured by a special visit from his Royal Highness the Duke of Gloucester, representing his Majesty the King.

Since the present Government of New South Wales came into power in June, 1932, much good work had been accomplished in reducing the deficits of the previous Government and putting the finances of the State into a better condition, but he questioned if anything that they had done would have so far-reaching an effect in promoting sound government in the future as the reconstitution of the Second Chamber.

It had now been established on a firm constitutional elective basis which could only be amended by direct referendum to the people; and thus it formed a very real safeguard against the domination of any extreme section, or the forcing on to the Statute Book of hasty or ill-considered legislation, from whatever party such might emanate.

With regard to the Federal Election, this had resulted in the return of the United Australia Party, under the leadership of Mr Lyons, which with the Country Party formed a large majority. These two parties had formed a Coalition Ministry, with Mr Lyons again Prime Minister, and Dr. Earle Page, the leader of the Country Party, holding the second place in the Cabinet.

AUSTRALIA'S RECOVERY

In his Budget speech, delivered towards the end of July, some six weeks before the Federal Election, Mr Lyons was able to lay before the country a very satisfactory account of the stewardship of his Government. They assumed office at a time when the whole country was in a state of profound depression, and when the estimated aggregate deficits, Commonwealth and State, were approximately £40,000,000 for the year. They so effectively dealt with the problems with which they were then confronted that the record of their term had been one of continuously diminishing aggregate deficits of the States, while in the case of the Federal Government a surplus was secured in each year. These surpluses were secured after making remissions of taxation during the three years to June 30th last amounting to £9,590,000, while in the present Budget further remissions were provided for to the extent of £620,000. The Government came into office in the closing days of 1931, and the world price level for the next eighteen months was actually lower than in 1931. The recovery that Australia had made was therefore all the more remarkable.

Overseas trade had produced annual balances in favour of Australia of more than sufficient to meet in full public interest charges overseas in each of the three years.

A rapid glance at the chief heads of the work accomplished by the late Government would be sufficient to enable them to appreciate what had been done.

Unemployment, which was at 28 per cent. when the Government came into office, rose to 30 per cent. in the first six months during their fight against repudiation in New South Wales. From the date of the dismissal of the Lang Government unemployment percentages had steadily declined, the latest percentage for the September quarter being 20.2. These percentages were of total unemployment, but the unemployment due entirely to the depression had been reduced by practically 50 per cent.

Factory employment over all Australia rose from 336,658 workers in 1931-32 to 405,000 in 1933-34. Looking at production, on the basis of recorded production which did not include every form, it was estimated that the national income has risen during the three years from £438,000,000 in 1931-32 to £458,000,000 in 1932-33, and to approximately £497,000,000 in 1933-34.

Turning now to the building trade, which was a well-recognised indicator of rising or falling confidence, this had shown a healthy and encouraging movement. Comparing 1931 with the 12 months ended in March, 1934, permits issued for new buildings and dwellings increased from 3,838 to 6,715, and in value from £3,068,000 to £7,442,000, and the total value of all buildings and alterations and additions for which permits were issued rose from £4,197,000 to over £10,000,000.

Bank clearings (excluding Treasury bill transactions) in the six capital cities were about £25,000,000 weekly in the first quarter of 1932, and increased to over £34,000,000 weekly in the September quarter of 1934, and Savings Bank deposits, which were also a reliable financial barometer, rose from £194.5 millions at the end of 1931 to £212.5 millions at September 30, 1934.

REDUCTION OF INTEREST RATES

The Government, alike in the interests of the primary producers and of their own borrowing and conversion schemes, had done their best to bring down the rate of interest. The rates on Treasury bills had fallen from 4 per cent. on January 1, 1932, to 2 per cent. to-day; the Commonwealth Bank interest on deposits for twelve months had been reduced from 3½ per cent. to 2½ per cent., and for 24 months from 4 per cent. to 2½ per cent., while their advance rates had fallen from 5½ per cent. to 4½ per cent. Similar, though not identical, reductions had been made by the trading banks, while trustee companies and insurance companies had likewise reduced interest on mortgage loans.

There had also been a remarkable improvement in the Government's internal credit. On September 22, 1931, the Consolidated 4 per cent. stock, 1938, stood at £80; the same stock to-day was quoted at £107 5s. During their three years the Federal Government issued four new loans for the purpose of State public works and for the funding of Treasury bills, and since the election the new Government had just issued £15,000,000 3 per cent. stock at 99½ for similar purposes. There had been a steady improvement in the price at which the Government had been able to borrow, their latest loan being on a practically 3 per cent. basis.

SUCCESSFUL CONVERSION OPERATIONS

The Government had dealt during the past three years not less satisfactorily with their overseas debt. Since the elections the Coalition Government had just completed the conversion of a further £14,601,806, by which nine loans of three different States had been converted into one new Commonwealth Government Loan of the same amount, repayable 1964-74, bearing interest at 3½ per cent. and issued at 99, and this loan was largely over-subscribed. This brought the total of the conversions effected since 1932 to £124,450,892, and the total savings in interest and exchange to approximately £2,410,000.

He had given this brief review of the outstanding movements of the past three years to enable shareholders the better to appreciate what had been achieved in the face of well-nigh overwhelming difficulties, and to understand the sound foundations on which rested the high credit the Government of Australia now enjoyed both in Australia and in London. Both Government and people had done their respective parts admirably, and had achieved a wonderful measure of recovery, where either without the other would have failed.

THE ACCOUNTS

Dealing with the accounts, the chairman said that cash in hand, Australian Government notes, bullion, etc., was greater than last year by £1,519,789. Investments at £1,867,389, consisting of British and Dominion Government securities, had increased by £103,590, and they all stood in the books at under present market value. The ratio of cash to each pound of current account deposits was 15s. 6½d., and the cash and investments together were equivalent to 18s. 7½d. of their demand liabilities. This was an exceptionally strong position, but it was not altogether a profitable one, and indicated that the outlet for pound advances was still regrettably limited. Advances and other assets, £26,217,746 (after deducting provision for bad and doubtful debts and contingencies reserves) showed an increase of £1,233,978. The net

profit for the year amounted to £221,565, out of which there had been carried to reserve fund £15,000, and after allocating £5,000 to the Officers' Provident Fund and £50,000 to contingencies reserves, the directors recommended a further dividend of 2½ per cent., free of United Kingdom income tax (making 5 per cent. for the year), leaving £275,747 to carry forward.

The past year had been a difficult one for the banks, for while there had been a distinct improvement in confidence and greater activity in internal trade, with a more buoyant tone and a more hopeful outlook, the low level of prices of all export commodities was discouraging to enterprise, and notwithstanding the reduced rates of interest, lenders found unusual difficulty in obtaining satisfactory outlets for the money available. In these circumstances it had been impossible to show increased gross earnings for the past year. At the same time it was very satisfactory that their business connections had not only been well maintained but extended, and he trusted that the current year would prove quite as satisfactory as its predecessor. Until the world situation clarified and the prices of export commodities moved up to a more satisfactory level, they could not look for any rapid return to the more prosperous days of the past. It was only when the community as a whole was prosperous that the banks prospered and made satisfactory earnings. However, everything possible was being done to strengthen their position and to be ready to take advantage of the upward move whenever it arrived.

INDUSTRY'S LOAD OF TAXATION

One of the potent factors impeding the full financial and industrial recovery of Australia was the load of taxation which industry was carrying. Excluding the States the total taxation collected by the Commonwealth Government in the six years down to June 30 last had been about £330,000,000. The present Government had from the first been fully alive to the burden that was thus being carried and had already made important remissions, but it seemed that in this connection some amendments were urgently called for. He was glad to learn that the recent Taxation Conference held in Canberra agreed that all business losses should be carried forward and spread over a period of four years, and that this should apply to the Commonwealth and the whole of the States. He also understood that another conference was proposed to be held with a view to the drafting of a uniform Act which it was desired to bring into operation in all the States. There were, however, in force some other forms of taxation which could not be described as equitable—the income tax on absentee debenture holders of Anglo-Australian companies, and probate and succession duties on absentee shareholders in these companies.

MISLEADING PROPAGANDA IN NATIONALISATION CAMPAIGN

The recent Federal Election was fought between the Government and the Opposition mainly on one outstanding issue, the nationalisation of banking in Australia, which was made the issue by the Opposition themselves. The various sections of the Labour Party for the moment united to press forward this revolutionary issue. They proposed to transform the Commonwealth Bank of Australia from being a Central Bank, free of political control, into being practically the one bank of Australia, but under ultimate political dominance, and extinguishing all the trading banks. How they proposed to repay about £70,000,000 of shareholders' funds in the trading banks and the goodwill of the business which had been built up almost concurrently with the history of Australia itself they did not attempt to disclose, but for a long time before the election actually took place they carried on a widespread and most misleading propaganda throughout Australia.

These advocates of nationalising banking accused the trading banks, first, of deliberate restriction of credit—by which they meant that the banks for their own ends were not making advances as freely as they ought to—and, second, of giving an unfair preference to the big man as compared with the small man.

MISSTATEMENTS REFUTED

In reply to the first accusation, he would point out that it was obviously absurd to anyone who reflected for a moment. The making of sound advances was the most profitable side of a banker's business, and for him to put any restriction on lending other than that dictated by prudence would be directly contrary to his own interests. When a banker, though having ample funds, ceased to lend freely the sole and simple reason was that, from the point of view of safety, the business of lending money had become less attractive. A falling off in the total loans and disbursements of the country was not generally due either to the inability or unwillingness of the banks to lend on good security, but merely to the falling off in the value of the securities offered to them. It would be readily understood, therefore, that, so far from the trading banks deliberately restricting credit, any such restriction

or curtailment was forced automatically upon them by a fall in values. How could it be otherwise unless bankers were to cease worrying about their liabilities being covered to their full extent by liquid and realisable assets?

Another, and in Australia to-day the most important, factor in restriction of credit, as it was called, was the world depression in trade and industry inducing the customers of the banks to be unusually cautious regarding expansion of business through new enterprises. Notwithstanding the unprecedentedly low rates of interest the banks were charging for advances, customers were not applicants for loans as in better times, because they did not see their way profitably to employ the money the banks were willing, nay desirous, to lend. Those who talked so glibly about the nationalising of credit seemed to have little idea of the difference between the business of banking and that of a mortgage company, between a concern whose funds were mainly derived from deposits repayable on demand or at short notice, and a concern whose funds were mainly derived from the issue of shares or long-term debentures; though even in that case credit given to a borrower who was not credit worthy would also end in collapse.

EQUAL CONSIDERATION TO LARGE AND SMALL

Turning to the second accusation, namely that the big man got an unfair preference as compared with the small man, he had no hesitation in saying that this was equally untrue. It was obvious that, from the point of view of security—which must, in the interests of all concerned, ever be the touchstone of a banker's business—a man with abundant resources of his own offered greater security as a borrower than a man who had little or nothing behind him. Naturally the big man in these circumstances could command larger advances than the small man. But to say this was by no means to admit that the small man, to the extent of the security that he could offer, did not receive equal consideration with the big man. They were both treated with the same liberality in advances to the full extent that the margin of their respective resources justified. This accusation was entirely without foundation.

The bait which the advocates of nationalising banking held out was that if banking were nationalised credit would be more easily obtained. Doubtless this was exactly what would happen, but in practice what would it mean? It would mean quite evidently that credit would be granted without such particular regard to the security offered as was given at present; advances would be larger, more widely extended, but less well secured than at present. Could anyone doubt, after reading history, what would be the result of such a policy carried out consistently for a few years? At first there would doubtless be a general expansion, but this would almost inevitably be followed by an unhealthy boom and end in a violent crash.

A MISCONCEPTION

A misconception which distorted the judgment of the advocates of nationalising the banks was the notion that the State had a bottomless purse and that it could lend more liberally than anyone else. In the sense that the Government could inflate the currency this was true; in the sense that the Government had a large stock of real wealth which it could distribute, it was totally untrue.

Credit soundly given for the purpose of creating wealth which would within a given time repay the credit was like the circulation of the blood, renovating and recreating the human body and returning to the heart, to be again sent out on its life-giving flow. But credit unsoundly given, without regard to its purpose or to the period of its operation, or to the character of the borrower, resulted finally in inevitable disaster.

It was most distasteful to them as bankers to have anything to do with politics in a party sense. Their customers were to be found in all parties. When, however, as in the present case, one political party, split and torn by fierce internal divisions, yet agreed on one particular item of policy, made a massed attack on the banking system of the Commonwealth, it was the obvious duty of those who knew, or who ought to know, most regarding the actual facts, to speak, and that without any hesitation. This was admirably done by letters to the Melbourne Age from the chairman of the Associated Banks (Victoria), Mr Ernest O'Sullivan, their own senior joint general manager in Australia, in reply to letters appearing in that paper from those advocating a change, which disclosed an amazing misconception of the true position.

Last year, when referring to this campaign in favour of nationalising the banks, he said he had too much faith in the strong common-sense of the electorate of Australia to have any apprehensions as to their being misled by either ignorant or mendacious propaganda. The result of the Federal election had shown that that faith was justified.

The report and accounts were unanimously adopted.

LONDON, AUSTRALIAN AND GENERAL EXPLORATION COMPANY, LIMITED

CHAIRMAN'S OPTIMISTIC REVIEW

The annual meeting of the London, Australian and General Exploration Company, Limited, was held, on the 27th ultimo, at 20 Copthall Avenue, London.

Mr C. A. Moreing (the chairman), in the course of his speech, said: It has been obvious for many years that whilst our company possessed assets of very great value, its activities were most seriously curtailed, unless it could be provided with liquid funds upon a scale commensurate with its possibilities. I would like, therefore, to run over the history of the last twelve months, from which you will see that what has been done forms part of a well-conceived, coherent policy.

To give effect to our aspiration, it was first necessary to place the shares which remained unissued, and we were fortunate to do this upon terms most favourable to the company. As soon as possible after this had been done, the board decided to increase the capital of the company to its present figure of £250,000 by the creation of 857,345 shares, and this proposal was sanctioned by the shareholders on February 23rd. This step enabled the directors to carry out the next item in their programme, and give the shareholders a chance of participating in the improving fortunes of the company. An offer to the shareholders of the right to subscribe for one share at par for every four shares held was made on February 28th, and 238,353 shares out of 285,184 shares, the number under offer, were subscribed, a fact which showed both appreciation of the board's action and confidence in the company. The balance of the offer was taken by the interests, who guaranteed the issue.

The position of the company is now as follows: the authorised capital is £250,000, divided into 2,000,000 shares of 2s. 6d. each, of which 1,425,923 have been issued. Of the remainder 142,592 are under option at par until February 28, 1935. When these shares have been called there will remain unissued 429,569 shares, and it is the policy of the board to afford the shareholders the opportunity of subscribing for any further issue of shares which the company may make.

The value of our investments has risen by £50,436 to £196,379, and the unquoted securities have been taken at the directors' valuation, upon which the auditor does not express any opinion. In the directors' opinion, the unquoted securities are valued on a sound basis, and, so far as the quoted securities are concerned, on July 31st they possessed a market value in excess of their book value. The result of last year's operations has therefore been to place the company in the possession of liquid funds, and to permit of its balance sheet being reorganised in such a way as to give the company much greater freedom of action.

Unfortunately, the revival in trade which has taken place in the last twelve months has not been reflected in any improvement in base metal prices other than tin, and, in consequence, the return from our holdings in base metal shares is still limited.

I am glad to welcome the return of East Pool to the dividend list, and the latest information indicates that recent developments in that famous old mine are most encouraging. The new mill at Raibl, to which I referred last year, has been completed, and is fulfilling in every way the expectations of its designers. At Ringslade, in Devon, we have carried out most successful boring operations, which have proved an extensive body of dark clay over which we have secured a lease on favourable terms. Cardox has continued to make steady progress, and I am confident that in this device we have an asset of very great value.

Our main interest in gold mining at the end of the financial year with which we are dealing was in the Tanami Gold Mining Syndicate, Limited. In addition to this holding, we had a small interest in the Kenya Gold Mining Syndicate and the Luiri Gold Areas, Limited. Since the end of the financial year we have acquired an interest in the Klerksdorp Consolidated Goldfields, Limited. Captain Moreing is now in Johannesburg, and it is his intention to return from there to England by aeroplane, visiting your interests in Kenya on his way. The company has a portfolio of valuable interests in base metals, gold and industrials, and sufficient cash resources to take care of them.

I have always been an optimist, and, now, in my eightieth year, and after 60 years of active professional life, and after having been a director of this company for nearly 40 years, with all the experience I have accumulated, I am more optimistic than ever before.

I have faith in the future of the British Commonwealth of Nations, and all it stands for; I have faith in the future of India under the leadership of the British people; and I have faith in the future of the pound sterling, which is based on British credit, which is better than gold.

The report and accounts were adopted.

NEW MODDERFONTEIN GOLD MINING COMPANY, LIMITED

HIGHER WORKING PROFITS

The thirty-seventh ordinary general meeting of shareholders was held in Johannesburg on November 2, 1934.

The Chairman (Mr. John Martin) said:—The directors' report, balance sheet and accounts for the year ended June 30, 1934, which have been in your hands for some time, furnish full particulars of operations during the period under review and of their financial results. A further increase of 40,000 tons over last year brought the tonnage crushed to the new record figure of 2,122,000 tons. The yield was lower by 1.25 dwt. and averaged 5.463 dwt. per ton milled, but, owing to the higher price obtained for gold, the average working revenue showed an increase of 2s. per ton milled. Working costs showed a decrease of 1d. per ton milled, to 14s. 8d.—the lowest yearly average yet attained by the mine. The working profit increased by £255,396 to £2,304,865.

The net profit for the year was £2,284,754, which, with an unappropriated balance of £205,850 brought forward from last year, and an amount of £1,263 in respect of forfeited dividends, gave a total of £2,491,867 to be dealt with. This was disposed of as follows: Two dividends of 50 and 55 per cent. respectively accounted for £1,470,000; Government and Provincial taxes absorbed £768,388, of which £337,330 represented Excess Profits Duty; and a sum of £28,791 was provided towards miners' phthisis outstanding liability. This left a balance unappropriated of £224,688—an increase of £18,838 over the previous year.

The yield per ton milled showed a gradual decrease during the year from 5.702 dwt. in July, 1933, to 5.201 dwt. in June, 1934, the average value over the whole year being 5.463 dwt., compared with an average for the previous year of 6.713 dwt. The decline in yield was due partly to the lower value of the ore reserve and partly to the steadily decreasing proportion of the tonnage mined from the Main Reef Leader.

DEVELOPMENT AND RESERVES

The development footage accomplished amounted to 85,538 ft., which was 5,853 ft. less than for the previous year. The footage sampled on all reefs amounted to 55,030 ft., of which a total of 19,150 ft., or 34.8 per cent., was payable, with an average value of 295 inch-dwt.

The payable ore developed on all reefs, based on the standard price of gold, was 516,800 tons of an average value of 4.4 dwt. Compared with the previous year, this total showed a decrease of 71,100 tons in quantity and a fall in value of 0.6 dwt. Under present conditions, an additional 845,100 tons developed during the past year, of an average value of 3.0 dwt., may be classed as payable.

On the basis of the working costs and price of gold prevailing in 1932, the ore reserve as re-estimated at June 30, 1934, was 5,931,300 tons of an average value of 6.9 dwt. per ton over a stoping width of 49.4 inches. Compared with the previous year's estimate, the total reserve shows a decrease of 569,100 tons over the same stoping width, but with a lower average value of 0.2 dwt.

Under present conditions as to the price of gold and the level of working costs, a further 3,105,500 tons of an average value of 3.0 dwt. over an estimated stoping width of 43.9 inches could be included in the reserve. This gives a total tonnage of payable ore, excluding shaft pillars, of 7,760,100 tons of an average value of 5.5 dwt. per ton.

CURRENT YEAR'S RESULTS

During the first quarter of the current financial year the tonnage milled was fully maintained and totalled 541,000 tons. The grade of ore milled was lower, the average value being 5.039 dwt., while working costs showed a further reduction to 14s. 3d. per ton milled, a figure which was reduced to 14s. in October. These working cost results reflect the greatest credit upon the manager, Mr Meyer, and the staff and employees of the mine. The declared working profit for the three months totalled £557,668, but to that figure an amount of £5,721 has to be added on account of extra revenue from gold realisations compared with the monthly valuations. The development footage accomplished during the quarter totalled 17,347 ft.; the results were normal and present no new feature calling for comment.

As will have been noted from the quarterly report, the provision made for Government taxation, including Excess Profits Duty,

amounted to £165,279 in respect of the working profit for the three months of £563,389. This compares with the sum of £768,388 provided for taxation for the past financial year in respect of a total working profit of £2,304,865. It is therefore apparent that, while taxation continues to absorb a huge proportion of working profits, the ratio of Excess Profits Duty as affecting New Modderfontein is less unfavourable than that which resulted from the application of the original special taxation measure imposed by Parliament, which, as shareholders are aware, was subsequently revised.

FOUNDATIONS FOR SATISFACTION

Any survey of the position of New Modderfontein discloses solid grounds for satisfaction. For several years past, the mine has been faced by the certainty of a steady decline in the tonnage and value of the ore reserves. A policy has therefore been followed of conserving the ore reserve in order to ensure full exploitation of the property and the prolongation of profitable operations. The increased price of gold has counterbalanced the lower grade; and, notwithstanding unprecedented taxation, has so far resulted in the earning of higher working profits, the maintenance of dividends, and a very considerable extension of profitable life. New Modderfontein has distributed to shareholders over the period of its dividend-paying existence more than an average of £1,000,000 per annum. The total dividends declared to date amount in the aggregate to practically £28 millions. Future prospects are, of course, subject to well defined limitations, but nevertheless the whole position and outlook have much improved compared with what they appeared to be even two years ago.

The report and accounts were unanimously adopted.

AUSTRALIAN, MERCANTILE, LAND AND FINANCE COMPANY LIMITED.

DIVIDEND POLICY

The seventieth annual ordinary general meeting of the Australian, Mercantile, Land and Finance Company, Limited, was held, on the 29th ultimo, at the company's offices, 20-22 Coleman Street, London, E.C.

Mr John Sanderson (the chairman), who presided, feelingly referred to the deep loss which the company had sustained by the death of Mr R. H. Caird.

On the question of the dividend, the Chairman said that, while it was apparent that the results of the year ending June 30th last had been better than those of the previous year, largely explained by the higher price of wool up to mid-January last, it would be appreciated that it had not been easy for the directors to decide what dividend recommendation to make in the present instance.

At the opening of the new wool season in Brisbane on August 20th last prices had shown a decline of approximately 40-45 per cent. from those ruling in January, 1934. There had been movements up and down since August, but up to October 31st 459,746 bales had been sold out of a total estimated clip of 3,146,000 bales, to which had to be added a carry-forward from the previous year of 213,352 bales. Of this carry-forward about 70,000 bales still remained to be sold on October 31st. Notwithstanding the increased volume of the 1934 clip, the total monetary return could not equal that received for the 1933 clip unless there were a substantial rise in values. This particularly applied to the company's station properties, the earnings from which formed an important item in their profit and loss figures.

They might consider themselves fortunate that the greatly increased consumption of wool by Japan during the past few years still continued and had materially helped to maintain prices even at the existing level, but they had yet to learn the extent to which the greatly lessened purchases by Germany and other Continental countries would continue. Obviously this was a factor which would influence the ultimate realisation of the Australian wool clip, the value of which was such a vital important matter for all their wool-growing clients, as well as for the company as owners of sheep stations and commissioned salesmen of wool, stock and produce of various kind. Having all these points in mind the directors had come to the conclusion that, however much they would like to recommend an increase in the dividend, shareholders would support them in taking the prudent course of postponing any alteration in the rate until they were better able to judge what influence the factors he had mentioned would have upon the results of the current year.

The report was unanimously adopted.

THE WALL PAPER MANUFACTURERS, LIMITED

HIGH QUALITY AND RELIABILITY

A GREAT RANGE OF PRODUCTS

The ordinary general meeting of The Wall Paper Manufacturers, Limited, was held, on the 29th ultimo, at the Holborn Restaurant, High Holborn, London, W.C., Mr Alan V. Sugden, J.P. (the chairman of the company) presiding.

The Chairman, in reviewing the accounts in detail, said: The figures do not portray a full year's results from the newly acquired businesses but only those of four to five months. It is difficult to make any forecast of the effect these results will present on a full year, and to try to work out any percentage increase would be fallacious.

BRITISH GOVERNMENT SECURITIES

Owing to the change in the value of money resulting progressively from the Government action in redeeming War Loan, there is now a considerable appreciation in the market value of our investments. The £360,912 appreciation on the old value appearing in our books has been applied to the reduction of goodwill.

GOODWILL

I would like to make a special reference to this, which again appears in our balance sheet due to the recent acquisitions. It may be said that there is inconsistency in this in view of our action for many years past in progressively eliminating the item from our books. I can only say it is impossible to acquire large go-ahead businesses making excellent profits without involving the purchase of goodwill. The Board proposes in the future, as and when it is opportune, to write down and ultimately extinguish the goodwill item. We propose no further writing down this year, partly because we are in a transition stage and need time to weigh up an entirely new situation, and partly because by an allocation to reserve we are still free to take such a course as shall later appear prudent by using reserves for this purpose in the same manner as we did a year ago.

GENERAL CONDITIONS

Whilst the amalgamation overshadows the other happenings of the year, there has been improvement in some sections of the company's business, limited principally to the home market, and to the Dominions. There is still competition to face in this country from the five or six manufacturers not included in the recent acquisitions, and this is engaging the very careful consideration of the Board. Abroad, we are faced with the difficulties so widely known to those who have experience of foreign markets.

WALPAMUR

This company has had a successful year, and has considerably increased its turnover and profits. In the growing number of its customers and in their recognition of the high quality and reliability of its great range of products, the Walpamur Company is reaping the reward of far-sighted policies of chemical research and of scientific investigation into improved manufacturing methods. We again invite stockholders, for whatever purpose they require paint products, to specify the appropriate article manufactured by the Walpamur Company. If any information is required, an inquiry to "The Walpamur Company, Limited, Darwen," will bring the necessary advice.

CANADA

Canadian Wallpaper Manufacturers, Limited, have had a better year and have resumed payment of dividend on their common stock.

EMPLOYEE DIRECTORS' PENSIONS

The practice in the past has been to recruit members of our Board from the ranks of management when vacancies arise, it being of the utmost importance that the direction of the business should in a large measure lie in the hands of those who have the closest practical knowledge of its problems. Apart from this, we have found it of the greatest value within the ranks to encourage the idea of promotion to its executive body. (I myself have enjoyed this promotion.) In 1929 a pension fund was inaugurated for the staff, and in future men who are promoted from the staff to the Board will be members of that Pension Fund; but on becoming directors they have to relinquish their membership of the Staff Fund. It appears neither sound nor equitable that we should treat whole-time employees, because directors, worse in this respect than every other person in our employ. Speaking

generally, vendors of businesses acquired by the company who become directors of our company are excluded from the benefits of the scheme. The scheme secures to the employee director in future, however, not a grant based on the goodwill of his old colleagues, but a definite calculable figure which is his as a right and to which he has contributed, and has no element of charity.

ACKNOWLEDGMENTS

I again make the fullest acknowledgment of the loyal and efficient service rendered during the past year by all members of our staff, in whatever capacity. No small part in the success of our company is due to these efforts, and I am sure the stockholders will support me in this acknowledgment.

The report and accounts were unanimously adopted.

THE JANTAR NIGERIA COMPANY, LIMITED

DIVIDEND OF 7½ PER CENT.

The twenty-second ordinary general meeting of the Jantar Nigeria Company, Limited, was held, on the 28th ultimo, at Winchester House, London.

Mr Percy Tarbutt, who presided, said that the net profit for the year under review amounted to £11,417, and including £15,867 brought forward from the previous year there was a balance at credit of profit and loss account of £27,284. The directors recommended that this sum should be appropriated by writing off the sum of £6,362 from the property account and the payment of a dividend of 7½ per cent., free of income tax, leaving a balance of £10,797 to be carried forward to the current year. The directors had again followed their usual practice of incorporating the manager's report in the report and accounts, and as his report was barely two months old there was very little to add, but he thought they could congratulate themselves on the results for the year and the increased dividend they were able to recommend.

With regard to ore reserves, of the total output of 171 tons which they were allowed under the scheme, less than 50 per cent. of it was taken from their reserves, while they had been able, by a small amount of prospecting, to add 207 tons to their reserves, which to-day stood at 2,362 tons, as compared with 2,235 tons at this time last year. They had still a considerable area to prove on their properties, which they would undertake when the time was more propitious—that was, when they were able to work their properties at something like normal output. They were, however, contemplating a certain amount of prospecting work on their Karu 3 property during the current year.

With regard to the future, their industry was one in which it was very difficult to give any forecast. Their output was restricted under the restriction scheme, and they did not know yet what tonnage they might be allowed to win and ship during the whole of the current year, although the quota for the first quarter of 1935 was unchanged at 40 per cent. of the standard tonnage. Provided, however, that the tonnage they would be allowed was somewhere in the neighbourhood of that allowed to them during the past year, and the price of the metal was maintained at somewhere around the present price, the outlook for the future was quite satisfactory.

The report and accounts were unanimously adopted.

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TEBING RUBBER ESTATES (1931), LIMITED

SOUND FINANCIAL POSITION

The third ordinary general meeting of Tebing Rubber Estates (1931), Limited, was held, on the 27th ultimo, at 411/419, Salisbury House, London.

Mr E. B. Ridsdel (the chairman), who presided, said that it would be observed from the report that during the year the company harvested a crop of 563,892 lbs. of rubber, which, on the area tapped, was equivalent to a yield of 458 lbs. per acre; that represented an increase of approximately 30,000 lbs. in output and an increase in yield of 27 lbs. per acre. It would be seen from the accounts that after allowing for all expenditure, including the sum of £263 16s. spent on replanting old areas, the profit amounted to £2,096, compared with a loss last year of £1,998. Having regard to the fact that the net sale price obtained only averaged a little over 3½d. per lb., the profit earned must be regarded as very satisfactory.

The property account stood in the balance-sheet at £64,277, and showed an increase compared with last year of £847. That increase was due to factory alterations and the installation of new plant. Advances to Seroway showed an increase of £611, but, as stated in the report, Seroway was now fully self-supporting.

The financial position of the company was sound. Cash invested and in hand, rubber stocks and sundry debtors totalled £7,078, and deducting the amount due to creditors, £1,345, the net liquid assets of the company as at March 31st last amounted to £5,733. Their cash position to-day, however, was much better than that—not only on account of the profits earned since the close of the accounts, but on account of additional funds obtained from the final call of 2d. per share which was made in June last and which brought in £7,489.

During the current year they hoped to harvest a crop of 540,000 lbs. As regarded 1935, no announcement had yet been made in regard to the assessment to be granted, but on the basis of the assessments received for the six months ended December next, and on the assumption that the restriction cut was maintained at not more than 25 per cent. for the whole year, they estimated that their exportable allowance for the financial year 1935-36 would be in the vicinity of 500,000 lbs. of rubber.

With the restriction scheme now in force, together with the low working costs of the estate, he thought they could look forward with confidence to a successful future.

The report and accounts were unanimously adopted.

CHARTERHOUSE INVESTMENT TRUST, LIMITED

POSITION STRENGTHENED

The ninth annual general meeting of the Charterhouse Investment Trust, Limited, was held, on the 29th ultimo, at Southern House, London.

Sir Arthur H. Marshall, K.B.E. (the chairman), said that the directors were pleased to be able to report a satisfactory year's working, and to be able to declare an increased dividend and a bonus, as well as to allocate substantial sums to the reserves. Throughout the year they had witnessed a growth of public confidence resulting in greater Stock Exchange activity. This gave them the opportunity to dispose of the bulk of their holding of ordinary shares of Associated British Maltsters to greater advantage than seemed possible a year ago. The resulting profit of £67,570 arose only because the value of this holding had previously been written down in the company's books. A sum of £36,014 of their income-tax reserve had been set free, and these two sums, which were non-recurring items, had been transferred to an internal reserve further to reinforce the position against the necessarily fluctuating value of their assets. The liquid position of the trust had been fully maintained.

He could fairly claim that during the past year the Charterhouse Investment Trust had become more firmly established and enjoyed an increasing goodwill and wider connections throughout the country. The evidence of this fact was the satisfactory trading results they had been able to show.

Captain H. Nutcombe Hume, M.C. (managing director), said that the registration of the Charterhouse Industrial Development Company represented the consummation of plans which they had discussed for several years. Whereas the main function of the trust was to be the agents through which finance was obtained from public sources, the Development Company engaged its own capital in the finance of industrial undertakings, but from every other point of view the Development Company could be said to be a miniature Charterhouse Investment Trust. It was their

policy to confine themselves to the provision of capital for concerns which held out the possibility of development into larger undertakings and which, when this development had become an accomplished fact, would be able to pass out of the ownership of the Development Company to the public via the machinery of the trust.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended November 24, 1934, amounted to £8,438,000, against ordinary expenditure of £7,228,000. After allowing for an increase in Exchequer Balances of £110,531, the operations for the week, as shown below, decreased the National Debt by £1,099,000 to approximately £8,107 millions.*

Treasury Bills	+ 5,173	Public Department Advances ..	- 6,400
National Savings Certificates ..	+ 150	N. Atlantic Shipping Issues ..	- 22
	+ 5,323		- 6,422

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Nov. 24, 1934	April 1, 1933, to Nov. 25, 1933	Week ended Nov. 24, 1934	Week ended Nov. 25, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	68,364,000	58,665,000	881,000	1,096,000
Sur-tax	50,000,000	9,930,000	10,720,000	140,000	160,000
Estate, etc., Duties	76,000,000	52,110,000	59,460,000	1,270,000	1,670,000
Stamps	25,000,000	12,070,000	11,730,000	80,000	200,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	190,000	...	...
Total Inland Revenue	372,500,000	142,634,000	140,765,000	2,371,000	3,126,000
Customs and Excise—					
Customs	183,650,000	123,273,000	118,355,000	3,742,000	4,207,000
Excise	106,350,000	70,400,000	71,936,000	3,000,000	1,436,000
Total Customs and Excise	290,000,000	193,673,000	190,291,000	6,742,000	5,643,000
Motor Vehicle Duties (Exchequer share)	5,000,000	2,465,000	2,261,000	Dr 400,000	Dr 305,000
Post Office (Net receipt)	14,000,000	12,200,000	12,550,000	Dr 600,000	Dr 600,000
Crown Lands	1,220,000	1,010,000	880,000	140,000	110,000
Receipts from Sundry Loans	3,800,000	3,178,781	3,410,697	...	...
Miscellaneous Receipts	20,000,000	11,655,270	18,703,006	184,637	233,139
Total Ordinary Revenue	706,520,000	366,816,051	368,860,703	8,437,637	8,207,139
SELF-BALANCING REVENUE					
Post Office	60,463,000	36,300,000	35,600,000	2,100,000	1,850,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	9,890,000	8,972,000	400,000	305,000
Total Self-Balancing Revenue	84,718,000	46,190,000	44,572,000	2,500,000	2,155,000
Total	...	413,006,051	413,432,703	10,937,637	10,362,139

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Nov. 24, 1934	April 1, 1933, to Nov. 25, 1933	Week ended Nov. 24, 1934	Week ended Nov. 25, 1933
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	144,753,975	143,994,591	228,106	370,739
Payments to Northern Ireland Exchequer	6,500,000	387,639	3,718,907	...	216,392
Other Consolidated Fund Services	3,700,000	1,758,291	2,529,375	...	...
Post Office Fund	2,000,000	2,291,118	...	...	...
Total	236,200,000	152,191,023	150,242,873	228,106	587,151
Total Supply Services (excluding Post Office)	466,296,000	286,861,319	278,858,576	7,000,000	6,550,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	439,052,342	429,101,449	7,228,106	7,137,151
Payments to U.S.A. Govt. ...	...	...	1,841,216	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	439,052,342	430,942,665	7,228,106	7,137,151
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	36,300,000	35,600,000	2,100,000	1,850,000
Road Fund	24,255,000	9,890,000	8,972,000	400,000	305,000
Total Self-Balancing Expenditure	84,718,000	46,190,000	44,572,000	2,500,000	2,155,000
Total	...	485,242,342	475,514,665	9,728,106	9,292,151

The aggregate revenue and expenditure to November 24, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO NOVEMBER 24, 1934 (000's omitted)		Revenue	
Expenditure	439,052	Revenue	366,816
Increase in balances	164	Gross increase in borrowing 77,115	
		Less—	
		New Sinking Fund	4,715*
		Net borrowing	72,400
	439,216		439,216

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Out- standing	Nov. 25, '33	Mar. 31, '34	Nov. 24, '34	Nov. 24, '34
Advances by Public Departments	28,150,000	44,900,000	38,200,000	— 6,400,000
Treasury Bills outstanding	842,245,000	789,810,000	855,600,000*	+ 5,175,000
Total Floating Debt	868,395,000	844,710,000	893,800,000	— 1,225,000

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 Treasury bills were opened on November 23, 1934, and the total amount applied for was £48,555,000. Tenders were accepted for Treasury bills at three months dated Monday to Wednesday at £99 18s. 2d., about 50 per cent., and above in full; Thursday, Friday and Saturday, at £99 18s. 3d., and above in full. The average rate per cent. was 6s. 3-97d. The amount allotted was £40,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
January 1, 1932	£	£	£	£ s. d.
January 1, 1932	40,000,000	50,320,000	38,000,000	5 8 4
April 1, 1932	45,000,000	61,860,000	48,850,000	2 3 3-73
July 1, 1932	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7, 1932	55,000,000	100,325,000	50,000,000	0 16 11-24
January 6, 1933	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7, 1933	45,000,000	83,890,000	45,000,000	0 10 4-85
October 6, 1933	45,000,000	100,450,000	45,000,000	0 12 9-98
January 5, 1934	35,000,000	76,280,000	30,000,000	0 18 11-5
April 6, 1934	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6, 1934	35,000,000	62,745,000	32,000,000	0 16 4-14
October 5, 1934	35,000,000	65,260,000	31,510,000	0 15 9-702
November 2, 1934	35,000,000	58,810,000	35,000,000	0 6 7-66
November 9, 1934	35,000,000	58,265,000	32,000,000	0 5 2-65
November 16, 1934	35,000,000	41,875,000	31,675,000	0 4 9-48
November 23, 1934	40,000,000	48,555,000	40,000,000	0 6 3-97

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended November 17, 1934	786,121	£ 628,897
February, 1916, to November 17, 1934	1,203,263,871	£ 948,220,897

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited

Accidents and Illness
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THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, November 14, 1934

ISSUE DEPARTMENT

Notes Issued:—		Government Debt	
In Circulation	379,686,948	Other Government Securities	245,557,852
In Banking Department ...	72,426,135	Other Securities	630,625
		Silver Coin	2,796,423
		Amount of Fiduciary Issue ...	260,000,000
		Gold Coin and Bullion	192,113,083
	452,113,083		452,113,083

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	80,361,413
Public Deposits	3,278,183	Other Securities	72,428,135
Rest	27,692,954	Advances	19,428,281
Public Deposits	69,125,832	Other Accounts	567,952
Other Accounts	127,259,599	Notes	172,783,781
7-day and Other Bills	40	Gold and Silver Coin	172,783,781

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

Both Departments	Amount, Nov. 28, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation	379,686,948	+ 2,782,106	+ 9,485,251
Public deposits	27,692,954	+ 2,355,017	+ 14,055,618
Bankers' deposits	89,125,832	+ 6,765,037	+ 17,784,529
Other deposits	38,133,767	+ 462,273	+ 1,639,431
Seven-day bills	534,639,541	+ 1,165,661	+ 7,394,632
Total outside liabilities	17,831,188	+ 26,759	+ 9,327
Capital and rest	336,934,365	+ 325,363	+ 12,726,758
Government debt and securities	9,155,732	+ 514,959	+ 585,318
Discounts and advances	10,903,174	+ 1,915,791	+ 5,944,675
Other securities	2,706,423	+ 48,734	+ 845,005
Silver coin in issue department	192,681,035	+ 14,699	+ 862,911
Coin and bullion (bank's reserves)	72,994,087	+ 2,796,805	+ 8,622,340
Reserves of notes and coin in banking department	72,994,087	+ 2,796,805	+ 8,622,340
Proportion of reserve to outside liabilities	47.1%	+ 0.5%	+ 4.8%
(a) Banking Department only ("proportion")	36.0%	...	...
(b) Gold stocks to deposits and notes ("reserve ratio")	36.0%	...	...

(000's omitted)

Date	Issue Department	Circulation	Public Deposits	Bankers' Deposits	Other Deposits	Gold in or out of Bank	Bank Rate
1934 Oct. 24	£452,001	£374,703	22,358	100,743	£37,601	63 in	2
Nov. 7	£452,001	£378,369	16,894	100,419	£39,812	Nil	2
Nov. 14	£452,001	£379,787	9,984	107,165	£38,066	49 in	2
Nov. 21	£452,050	£378,876	20,930	97,876	£36,765	Nil	2
Nov. 28	£452,113	£376,905	25,338	95,891	£37,671	63 in	2
Nov. 28	£452,113	£379,687	27,093	89,126	£38,134	Nil	2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"	
1934	£	£	£	%	£	£	£	£	%
Oct. 24	255,917	1,136	192,658	36	81,279	8,246	10,904	77,955	48½
Nov. 7	255,996	1,060	192,650	36	80,894	8,901	10,748	74,280	47½
Nov. 14	256,442	634	192,646	36	79,804	9,642	10,655	72,859	46½
Nov. 21	256,905	200	192,638	36	79,051	9,633	10,837	73,763	47½
Nov. 28	256,518	637	192,686	36	80,091	8,641	12,182	75,791	47½
Nov. 28	256,573	631	192,681	36	80,361	9,156	10,272	72,994	47½

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934 January 1 to November 14 ...	28,530,038	1,535,391	2,608,038	30,673,467
Week ended November 21 ...	813,003	33,217	58,766	904,986
Week ended November 28 ...	647,448	31,325	51,611	730,384
Total to date, 1934	27,990,489	1,599,933	2,718,415	32,308,837
Total to date, 1933	25,273,902	1,512,181	2,525,495	29,311,578
Increase or decrease in 1934	+ 2,716,587	+ 87,752	+ 192,920	+ 2,997,259
%	+ 10.7%	+ 5.8%	+ 7.6%	+ 10.2%
Total for year 1933	27,714,480	1,658,675	2,768,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	- 119,153	+ 48,268	+ 89,552	+ 25,667
%	- 0.4%	+ 2.8%	+ 3.6%	+ 0.7%

PROVINCIAL

(000's omitted)

No. of working days...	Week ended November 24		Month of October			Aggregate Totals, January 1 to November 24	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
	£	£	26	27	%	£	£
BIRMINGHAM.....	1,843	2,018	9,410	9,696	+ 1.9	103,379	104,321
BRADFORD.....	833	721	4,047	3,662	- 9.5	38,617	39,934
BRISTOL.....	994	1,106	5,038	5,778	+ 14.5	51,360	55,081
DUBLIN.....	4,232	5,629	..	..	..	237,997	243,559
HULL.....	650	619	3,138	3,126	- 0.3	32,565	33,629
LEEDS.....	647	863	3,900	3,834	- 1.6	39,785	42,282
LEICESTER.....	547	577	2,921	2,881	- 1.3	29,082	29,087
LIVERPOOL.....	8,508	6,516	26,847	28,939	+ 7.7	275,176	281,591
MANCHESTER.....	8,520	9,239	44,008	45,654	+ 3.7	431,940	446,262
NEWCASTLE.....	1,369	1,459	5,947	6,442	+ 8.3	65,693	68,731
NOTTINGHAM.....	367	396	2,041	2,047	+ 0.2	20,153	20,349
SHEFFIELD.....	545	639	3,858	3,774	- 2.1	35,399	38,598
	26,365	29,782	111,249	115,833	+ 4.1	1,361,646	1,403,424

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1932. Chile in August 1932. Romania, in November 3. International Settlements, Denmark, Lithuania, Danzig, in November 10. U.S. Federal Reserve Bank, N.Y. Federal Reserve Bank, Italy, Spain, Czechoslovakia and Egypt in November 24.

FEDERAL RESERVE MEMBER BANKS.

In \$'s (000,000's omitted).

	Nov. 15, 1933	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
Loans	8,557	7,847	7,834	7,807	7,741	7,716
Investments	8,124	10,007	10,016	10,030	10,096	10,043
Demand deposits	10,629	13,365	13,402	13,476	13,447	13,504
Time deposits	4,472	4,463	4,478	4,474	4,462	4,448
Government deposits	960	933	853	851	853	836
Due from banks	1,209	1,586	1,583	1,583	1,580	1,631
Due to banks	2,737	3,957	3,905	3,912	3,960	4,024

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).

	Aug. 31, 1933	May 31, 1934	June 30, 1934	July 31, 1934	Aug. 31, 1934
Assets					
Cash and bank balances	317,713	353,783	330,289	356,579	351,448
Bank balances abroad	87,460	53,580	85,617	91,723	107,449
Call and short loans	202,501	225,132	223,966	198,451	203,178
Securities	868,120	830,063	837,107	850,278	861,918
Loans in Canada	1,040,431	1,050,876	1,032,055	1,010,108	1,013,775
Loans abroad	150,633	138,372	146,141	137,922	140,027
Other assets	154,510	158,400	159,710	162,950	160,536
LIABILITIES					
Note circulation	129,291	127,348	141,531	132,493	139,646
Deposits	111,894	102,475	109,440	104,607	113,245
Public in Canada	1,856,556	1,900,044	1,850,845	1,864,653	1,865,860
Foreign	297,709	323,089	329,509	315,567	329,494
Bank balances—					
Canadian	10,348	13,304	11,825	11,681	12,267
Foreign	38,846	29,852	28,038	28,193	27,362
Bills payable, etc.	48,629	51,788	53,287	57,080	54,775
Capital and rest	306,500	277,000	277,000	277,000	278,250
Other liabilities	4,593	4,848	2,910	2,846	4,292

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

	Nov. 24, 1934	Oct. 26, 1934	Nov. 2, 1934	Nov. 9, 1934	Nov. 16, 1934	Nov. 23, 1934
Assets						
Gold coin and bullion	16,845	21,017	21,322	21,372	21,372	22,157
Subsidiary coin	403	187	171	168	173	173
Bills discounted: Domestic and Union Govt. Treas.	8	97	93	132	122	145
Bills	19,496	9,125	9,137	8,841	9,137	9,386
Investments	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	4,660	8,491	9,037	9,403	9,389	9,502
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	824	880	880	880	880	880
Notes in circulation	9,783	11,264	12,506	11,846	11,167	11,167
Government deposits	1,910	2,338	1,845	1,355	2,289	2,898
Bankers' deposits	28,285	20,738	20,767	21,781	22,021	21,768
Ratio of cash reserves to liabilities to public	40.0%	55.4%	55.2%	55.0%	55.4%	55.0%

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

	Nov. 3, 1933	Oct. 5, 1934	Oct. 12, 1934	Oct. 19, 1934	Oct. 26, 1934	Nov. 2, 1934
Assets						
Total securities	46,947.77	47,38.11	48,19.52	48,19.75	48,77.99	49,71.25
Ways and means advances	6,00.00					
Loans	1,92.78	2,11.01	2,82.57	3,16.52	2,25.44	2,19.12
Inland bills	14,20.43	13,97.32	13,80.03	14,13.74	13,81.69	13,76.05
Foreign bills	1,84.39	1,76.11	1,93.93	1,99.48	2,23.77	2,08.16
Dead stock	29.86	33.21	30.83	30.83	29.37	19.75
Bal. with other banks	2,58.86	2,50.46	2,50.62	2,50.62	2,50.62	2,50.60
Cash	11.23	3.42	11.66	9.14	11.90	16.47
LIABILITIES						
Capital paid up	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50
Reserve	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50
Total deposits	84,68.33	82,17.87	82,29.11	83,36.64	86,19.98	85,77.12
The above includes—						
Deposits in London	960	928	885	839	845	897
Advances in London	986	1,608	1,516	1,514	1,511	1,509
Cash, etc., at other Banks in London	87	28	90	72	93	127

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

	Nov. 24, 1933	Nov. 2, 1934	Nov. 9, 1934	Nov. 16, 1934	Nov. 23, 1934
Assets					
Gold	77,822,419	82,524,758	82,164,737	82,070,919	81,976,308
Foreign assets—					
Sight deposits	37,605	7,570	8,150	9,672	8,976
Bills, etc.	1,212,550	921,170	920,589	921,034	921,325
Home bills	4,052,368	3,314,355	3,638,941	3,387,855	3,922,016
Advances against sec. To the State	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Other advances	2,813,896	3,235,593	3,215,719	3,195,625	3,132,426
Negotiable Bonds, Sinking Fund Debt, Other assets (excluding forward exch.)	5,333,353	5,348,595	5,119,490	4,968,011	4,896,845
LIABILITIES					
Notes in circulation	80,367,916	81,015,361	80,641,125	80,193,476	79,956,500
Public deposits	2,955,802	4,389,598	5,312,915	5,505,355	5,406,455
Private deposits	14,813,535	16,936,832	15,942,977	15,766,723	16,374,743
Other liabilities	2,561,463	2,108,454	2,263,772	2,185,767	2,218,400
Ratio of gold reserve to sight liabilities	79.1%	80.4%	80.5%	80.7%	80.4%

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

	Nov. 23, 1933	Nov. 7, 1934	Nov. 15, 1934	Nov. 24, 1934
ASSETS				
Gold	398,953	77,829	78,170	78,390
Of which deposited abroad	52,561	20,891	21,204	21,204
Reserve in foreign currencies	7,616	4,231	4,258	4,152
Bills of exchange and cheques	2,304,916	3,607,371	3,508,532	3,454,792
Silver and other coin	285,482	243,163	266,187	286,481
Notes of other German banks	15,129	9,917	13,691	16,630
Advances	51,654	76,653	84,577	81,783
Investments	513,124	750,521	749,725	749,675
Other assets	559,400	675,245	666,745	685,159
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,285,529	3,651,142	3,614,901	3,526,039
Other daily maturing obligations	48	249	289,767	935,005
Other liabilities	43,539	249,498	249,498	273,210
Cover of note circulation	12.4%	2.25%	2.28%	2.34%

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

Assets	Position, June 30, 1934	Nov. 11, 1933	Oct. 20, 1934	Oct. 27, 1934	Nov. 3, 1934	Nov. 10, 1934
Gold coin and bullion	221,320	425,070	461,377	461,874	462,338	462,977
Other coin and bullion	41,740	614,365	602,418	52,161	51,784	51,617
Discounts	70,540	52,606	90,126	91,564	92,182	91,290
Advances	...	728,352	318,775	358,124	357,139	343,729
Govt. bonds	...	...	...	...	...	...
LIABILITIES	...	...	...	...	...	...
Notes	882,270	1,064,868	1,130,192	1,204,057	1,224,621	1,114,418
Govt. deposits	87,340	663,837	273,727	229,376	246,891	305,210
Other deposits	11,440	77,240	62,235	66,940	64,136	61,866

LONDON RATES

	Nov. 22, 1934	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2
Market rates of discount	...	...	...	...	...	...	...
60 days' bankers' drafts	...	...	...	...	...	...	...
3 months' do.	...	...	...	...	...	...	...
6 months' do.	...	...	...	...	...	...	...
Discount Treasury Bills	...	...	...	...	...	...	...
2 months	...	...	...	...	...	...	...
3 months	...	...	...	...	...	...	...
Loans—Day-to-day	...	...	...	...	...	...	...
Short	...	...	...	...	...	...	...
Deposit allowances: Bank	...	...	...	...	...	...	...
Discount houses at call	...	...	...	...	...	...	...
At notice	...	...	...	...	...	...	...

Comparison with previous week—

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
Nov. 1	1	1	1	1	1	1	1
" 8	1	1	1	1	1	1	1
" 15	1	1	1	1	1	1	1
" 22	1	1	1	1	1	1	1
" 29	1	1	1	1	1	1	1

LONDON RATES OF EXCHANGE

I.—Spot Rates
(Range of the day's business)

London on	Par of Exch. per £	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
New York, \$	4.86½	4.99-99½	4.98½-99½	4.98½-99½	4.98½-99½	4.98½-99½	4.98½-99½
Montreal, \$	4.86½	4.85½-86½	4.85½-86½	4.85½-86½	4.85½-86½	4.85½-86½	4.85½-86½
Paris, Fr.	25.21	75½-76	75½-76	75½-76	75½-76	75½-76	75½-76
Brussels, Bel.	35.00	21.39-44	21.39-44	21.39-44	21.39-44	21.39-44	21.39-44
Milan, Li.	92.46	58½-59	58½-59	58½-59	58½-59	58½-59	58½-59
Zurich, Fr.	25.22½	15.39-44	15.37-42	15.36-41	15.37-42	15.35-40	15.35-40
Athens, Dr.	375	523*	523*	523*	523*	523*	523*
Helsinki, Mk.	189.23	226½-227½	226½-227½	226½-227½	226½-227½	226½-227½	226½-227½
Madrid, P.	25.22½	36½-37	36½-37	36½-37	36½-37	36½-37	36½-37
Lisbon, Esc.	110	109½-110½	109½-110½	109½-110½	109½-110½	109½-110½	109½-110½
Amst'dm, Fl.	12.107	7.37½-39½	7.37-39	7.37-39	7.37-39	7.36-38	7.36-38
Berlin, Mk.	20.43	12.40-44½	12.38-42½	12.37-42½	12.38-43½	12.37-43½	12.37-42½
Vienna, Sch.	34.58½	26-28	26-28	26-28	26-28	26-28	26-28
Bu'pest, Pen.	27.82	17½-18	17½-18	17½-18	17½-18	17½-18	17½-18
Prague, Kc.	164½	119½-120	119½-120	119½-120	119½-120	119½-120	119½-120
Danzig, Gul.	25.00	15-15½	15-15½	15-15½	15-15½	15-15½	15-15½
Warsaw, Zl.	43.38	26½-27	26½-27	26½-27	26½-27	26½-27	26½-27
Riga, Lat.	25.22½	14½-15½	14½-15½	14½-15½	14½-15½	14½-15½	14½-15½
Bucharest, Lei.	813.6	487-507	487-507	487-507	487-507	487-507	487-507
Constantinople, L.	110	615*	615*	615*	615*	615*	615*
Belgrade, Din.	276.32	215-225	215-225	215-225	215-225	215-225	215-225
Kovno, Lit.	48.66	29½-30½	29½-30½	29½-30½	29½-30½	29½-30½	29½-30½
Sofia, Lev.	673.66	405-435	405-435	405-435	405-435	405-435	405-435
Tallinn, E.Kr.	18.159	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½
Oso, Kr.	18.159	19.85-20	19.85-20	19.85-20	19.85-20	19.85-20	19.85-20
St'holm, Kr.	18.159	19.35-45	19.35-45	19.35-45	19.35-45	19.35-45	19.35-45
Cop'h'gen, Kr.	18.159	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45	22.35-45
Alex'dria, Pst.	97½	97½-98	97½-98	97½-98	97½-98	97½-98	97½-98
Bombay, Rup.	184	18½-19	18½-19	18½-19	18½-19	18½-19	18½-19
Calcutta, Rup.	184	18½-19	18½-19	18½-19	18½-19	18½-19	18½-19
Madras, Rup.	184	18½-19	18½-19	18½-19	18½-19	18½-19	18½-19
Hong Kong, \$	...	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½	19½-20½
Kobe, Yen.	24.58½	13½-14½	13½-14½	13½-14½	13½-14½	13½-14½	13½-14½
Shanghai, \$	...	15½-16½	15½-16½	15½-16½	15½-16½	15½-16½	15½-16½
Singapore, \$	...	28½-29	28½-29	28½-29	28½-29	28½-29	28½-29
Batavia, \$	12.11	7.36½-37½	7.35-37	7.34½-37	7.35-37	7.34½-37	7.34½-37
Rio, Mil.	15.899½	3½-3½	3½-3½	3½-3½	3½-3½	3½-3½	3½-3½
B. Aires, \$	147.62½	27½-28	27½-28	27½-28	27½-28	27½-28	27½-28
Valparaiso, \$	40	122-50½	122-50½	122-50½	122-50½	122-50½	122-50½
M'video, \$	17.38	20½-21	20½-21	20½-21	20½-21	20½-21	20½-21
Lima, Sol.	17.38	21-30	21-45	21-45	21-45	21-45	21-45
Mexico, Pes.	9.76	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½	17½-18½
Manila, Pes.	124.66½	23½-24½	23½-24½	23½-24½	23½-24½	23½-24½	23½-24½
Moscow, Rbls.	9.458	5.756-773	5.777-798	5.752-769	5.752-769	5.752-769	5.752-769
Bangkok, Baht	21.82½	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½	21½-22½

Usage: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days) 1 Pence per unit of local currency. 1 Par, 8-23½ since dollar devaluation on February 1, 1934. ½ Par, 197 10½ since koruna devaluation on February 17, 1934. (a) Nominal. (b) Official Rate. (c) Sellers. (d) Registered marks quoted at a discount of 4-46 per cent. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Registered marks quoted at a discount of 40-45 per cent. (h) Official rate 39½d. sellers. (i) Official rate 39d. sellers. (j) Official rate is 39½d. sellers, and the average remittance rate for importers 31½d.

NOTICES

BRISTOL directors of Martins Bank Limited announce that Mr Frank LEITCH, district general manager of the bank's North Eastern area LIVERPOOL, appointed superintendent of branches at head office in MANCHESTER by Mr James McKendrick as from January 1, 1935.

NOTTINGHAM Bank of Canada, 6 Lothbury, E.C.2, announce the SHEFFIELD Mr F. E. Watson as an assistant manager.

II.—Forward Rates
(Closing quotations)

London on	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
New York, cent.	1 Month (b) ½-½	2 Month (b) ½-½	3 Month (b) ½-½	4 Month (b) ½-½	5 Month (b) ½-½	6 Month (b) ½-½
Paris, cent.	1 Month 2-4	2 Month 2-4	3 Month 1-3	4 Month 1-3	5 Month 1-3	6 Month 1-3
Holland, cent.	1 Month ½-½	2 Month ½-½	3 Month ½-½	4 Month ½-½	5 Month ½-½	6 Month ½-½
Brussels, cent.	1 Month 8-10	2 Month 7-9	3 Month 6-8	4 Month 6-8	5 Month 6-8	6 Month 10-12
Zurich, cent.	1 Month 1-par (a)	2 Month 1-par (a)	3 Month par	4 Month par	5 Month par	6 Month par
Italy, lira	1 Month (b) ½-½	2 Month (b) ½-½	3 Month (b) ½-½	4 Month (b) ½-½	5 Month (b) ½-½	6 Month (b) ½-½

(a) Premium, i.e. "under spot."

(b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed From	To	Changed From	To
Albania Nov. 16, 1933 8	7½	Madrid Oct. 26, 1932 6½	6
Amsterdam Sep. 15, 1933 3	2½	Oso May 24, 1933 4	3½
Athens Oct. 14, 1933 7½	7	Paris May 31, 1934 3	2½
Batavia Nov. 1, 1934 4	3½	Prague Jan. 25, 1933 4½	3½
Belgrade July 16, 1934 7	6½	Pretoria May 15, 1933 4	3½
Berlin Sep. 22, 1932 5	4	Tallinn Jan. 28, 1932 6½	5½
Brussels Aug. 28, 1934 3	2½	Riga Jan. 1, 1933 6	5½
Bucharest Apr. 5, 1933 7	6	Rome Nov. 26, 1934 3	4
Budapest Oct. 17, 1932 5	4½	Sofia Jan. 3, 1934 8	7
Calcutta Feb. 16, 1933 4	3½	Stockholm Dec. 1, 1933 3	2½
Copenhagen Dec. 1, 1933 3	2½	Swiss Bank Jan. 22, 1931 2½	2
Danzig Sep. 21, 1934 3	4	Tokyo July 2, 1933 4-38	3-65
Helsinki Dec. 20, 1933 5	4½	Vienna June 27, 1934 5	4½
Kovno Jan. 1, 1934 7	6	Warsaw Oct. 26, 1933 6	5
Lisbon Dec. 8, 1933 6	5½	Irish June 30, 1932 3½	3
New York Fed. Res. Feb. 1, 1934 2	1½		

Central Bank of Chile—Discount rate for member banks, 6%; discount rate for the public, 7%.
a 5½% applied to banks and credit institutions.
b 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934	Nov. 29, 1934
Call money	1½	1½	1½	1½	1½	1½
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—						
Members—eligible, 90 days	½	½	½	½	½	½
Non-mem.—eligible, 90 days	½	½	½	½	½	½
Ineligible, 90 days	1½	1½	1½	1½	1½	1½
Commercial accept., 90 days	1½	1½	1½	1½	1½	1½
Rates of Exchange, New York on—						
London—60 days	4.866½	4.968½	4.968½	4.968½	4.968½	4.968½
Cable	4.866½	4.968½	4.968½	4.968½	4.968½	4.968½
Cheques	4.866½	4.968½	4.968½	4.968½	4.968½	4.968½
Paris—Cents for 1 franc	6.550	6.550	6.550	6.550	6.550	6.550
Brussels—Cents for 1 franc	23.54	21.85	23.33	23.33	23.33	23.33
Switzerland—Cents for 1 franc	32.67	30.40	32.47	32.44	32.44	32.44
Italy—Cents for 1 lira	8.91	8.32	8.55	8.53	8.53	8.53
Berlin—Cents for 1 mark	40.33	37.68	40.22	40.22	40.19	40.19
Vienna—Cts. for Austr. shlg.	23.82	17.85	18.88	18.85	18.82	18.82
Madrid—Cents for 1 peseta	32.67	12.85	13.65	13.66	13.67	13.67
Amsterdam—Cents for 1 guilder	68.62	63.20	67.58	67.62	67.60	67.60
Copenhagen—Cents for 1 kroner	23.18	22.31	22.31	22.28	22.28	22.28
Oso—Cents for 1 drachma	2.20	0.89½	0.94	0.94	0.94	0.94
Athens—Cents for 1 drachma	169.31	10½	102½	102½	102½	102½
Yokohama—Cents for 1 yen	84.40	30.85	29.16	29.11	29.11	29.11
British West Africa—Cents for 1 dollar	...	...	33.95	33.75	33.87	33.87
Calcutta—Cents for 1 rupee	61.80	38.75	37.67	37.67	37.60	37.60
Buenos Aires—Cents for 1 peso	...	...	33.30	33.30	33.23	33.23
Rio de Janeiro, Cents for 1 milreis	11.96	...	8.43	8.42	8.40	8.40

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—Rhodesia	£100 5 0	£100 17 8	£101 7 8	£101 17 8	£102 7 8
South Africa	£100 17 8	£101 7 8	£101 17 8	£102 7 8	£102 17 8
(SELLING RATES PER £100 STERLING)					
London on—Rhodesia	...	...	...	...	...
South Africa	...	...	...	...	...

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

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	Sight	(a) 20-26 (b) 17-68½
Colombia (Bogota)	Pesos to £	5	"	"
Ecuador	Sucres to £	24-3325	"	"
Nicaragua	Colonos to £	4-8665	"	12-56
Salvador	Bolivares to £	25-2215	"	19-32
Venezuela	Quoted on New York	...	"	5-08
Guatemala	Quoted on New York	...	"	...

*No rates available. †Nominal. ‡Rates calculated on basis of

Quotations during the week:—

IN LONDON		IN NEW YORK	
Bar silver per oz. std.		Bar silver per oz. std.	
Cash	Two Months'	Cash	Two Months'
November 22 ...	24 1/2 d.	November 21 ...	54 1/2
" 23 ...	24 1/2 d.	" 22 ...	55 1/2
" 24 ...	24 1/2 d.	" 23 ...	55 1/2
" 25 ...	24 1/2 d.	" 24 ...	54 1/2
" 26 ...	24 1/2 d.	" 25 ...	55 1/2
" 27 ...	24 1/2 d.	" 26 ...	55 1/2
" 28 ...	24 1/2 d.	" 27 ...	55 1/2
Average ...	24.552d.		24.677d.

The highest rate of exchange on New York recorded during the period from the 22nd instant to the 28th instant was \$4.99 1/2, and the lowest \$4.98 1/2.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Nov. 22	Nov. 15	Nov. 7
Notes in circulation	18,508	18,492	18,492
Silver coin and bullion in India	9,624	9,651	9,651
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,332	3,298	3,298
Securities (British Government)	1,397	1,388	1,388

The stocks in Shanghai on the 24th instant consisted of about 32,900 ounces in sycee, 280,000,000 dollars and 39,300,000 ounces in bar silver, as compared with about 34,800,000 ounces in sycee, 290,000,000 dollars and 39,200,000 ounces in bar silver on the 17th instant.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.		
Nov. 23 ...	139 4	24 1/2	24 1/2	Nov. 29, 1928	26 1/2
" 24 ...	139 5	24 1/2	24 1/2	" 28, 1929	22 1/2
" 26 ...	139 6	24 1/2	24 1/2	" 27, 1930	16 1/2
" 27 ...	139 4	24 1/2	24 1/2	" 26, 1931	18 1/2
" 28 ...	139 7 1/2	24 1/2	24 1/2	Dec. 1, 1932	17 1/2
" 29 ...	139 6	24 1/2	24 1/2	Nov. 30, 1933	18 1/2

COMPANY NEWS

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended Nov. 25, 1934 (£'000)					Aggregate Gross Receipts 1934 compared with 1933, 47 weeks (£'000)					
(b) Week ended Nov. 23, 1934	Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	
(c) Week ended Nov. 24, 1934												
Great Western	1934	3,750	161	186	105	291	452	9,517	8,452	4,637	13,089	22,606
(c) L. & N.	1934	3,752	157	185	107	292	449	9,499	7,937	4,562	12,519	22,018
Eastern	1934	6,336	253	361	253	614	867	14,522	14,814	10,648	25,462	39,984
L. M. & S.	1934	6,949	251	360	244	604	855	14,284	13,839	9,839	23,678	37,962
Scottish	1934	9,311	383	475	266	741	1,124	22,422	20,985	10,606	31,591	54,013
Southern	1934	2,176	231	65	34	99	330	13,741	2,996	1,442	4,438	18,179
	1933	2,181	229	65	36	101	330	13,526	2,892	1,370	4,252	17,780
Total	1934	19,061	1,028	1,087	658	1,745	2,723	60,202	47,247	27,333	74,580	134,793
	1933	19,123	1,007	1,073	641	1,714	2,771	59,369	43,733	26,930	70,263	126,632
(d) Belfast & Co. Down	1934	80	1-8	...	0-5	2-3	118-2	...	...	24-4	142-6	...
(b) Great Northern	1933	80	1-7	...	0-6	2-3	119-6	...	...	24-5	144-1	...
(b) Great Southern	1934	562	7-6	...	9-8	17-4	469-0	...	...	401-3	870-3	...
(b) Great Southern	1933	562	6-6	...	9-8	16-4	365-4	...	...	329-9	695-3	...
(b) Great Southern	1934	2,158	18-6	...	43-1	61-6	1125-4	...	...	1554-8	2680-2	...
(b) Great Southern	1933	2,158	18-2	...	43-6	53-8	1109-1	...	...	1468-1	2577-2	...

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934 (000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease*	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933:				
Gross increase or decrease	+ 189	+ 719	+ 543	+ 167
Net increase or decrease*	+ 85	+ 341	+ 257	+ 83
21 weeks to November 25, 1934				
Gross increase or decrease	+ 85	+ 341	+ 257	+ 83
Net increase or decrease*	+ 3	+ 27	+ 12	...

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending November 24, 1934	Takings	Compared with 1933
Aggregate 21 weeks ending November 24, 1934	£11,121,600	+ 139,000

* For an explanation of the manner in which the figures are made up see the *Economist*, March 17, 1934, page 610.
Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week	Gross Aggregate Receipts
				1934	+ or -
				1934	+ or -
INDIAN					
Assam Bengal	30	Oct. 27	1,330	Rs. 3,95,800	+ 28,223
Barsi Lt. Ry.	31	Nov. 3	202	Rs. 23,500	+ 47,200
Bengal & N. Western	5	Oct. 3	2,112	Rs. 5,85,198	+ 53,133
Bombay, Bar. & C. I.	30	Oct. 27	3,269	Rs. 12,80,000	+ 22,740
Madras & S. Mahr.	30	Oct. 27	3,072	Rs. 22,51,000	+ 2,16,000
Rohilk'd & Kumaon	30	Oct. 27	3,230	Rs. 12,29,000	+ 1,25,887
South Indian	31	Nov. 3	572	Rs. 1,06,786	+ 3,869
				Rs. 9,33,890	+ 1,29,761

§ 13 days.

CANADIAN

Canadian National	46 1/2	Nov. 21	23733	\$ 3,155,362	+ 153,271	\$ 147,219,228	+ 151,43810
Canadian Pacific	46 1/2	Nov. 21	17018	\$ 2,616,000	+ 228,000	\$ 111,505,000	+ 104,53800

SOUTH AMERICAN

Antofagasta (Chili and Bolivia).....	37	1934 Nov. 25	830	£ 19,590	+ 5,490	696,830	+ 188,050
Argentine N.E.	21	24	753	£ 103,100	+ 13,700	2,733,100	+ 201,600
B.A. and Pacific	21	24	2,806	£ 1,220,000	+ 178,000	24,700,000	+ 3,005,000
B.A. Central	18	4	...	£ 116,700	+ 22,500	2,322,100	+ 172,700
B.A. Gt. Southern	21	24	5,085	£ 10,188	+ 1,964	202,703	+ 15,050
B.A. Western	21	24	3,700	£ 11,998,000	+ 270,000	43,539,000	+ 2,577,000
Central Argentine ..	21	24	3,700	£ 116,979	+ 60,903	2,523,781	+ 624,000
Central Uruguayan ..	21	24	273	£ 760,000	+ 102,000	14,320,000	+ 1,620,000
C. Urug. (East Ext.) ..	21	24	311	£ 4,096	+ 16,602	85,250	+ 264,004
C. Urug. (W. Ext.) ..	21	24	211	£ 1,728,950	+ 286,250	42,387,900	+ 6,137,200
Cordoba Central.....	21	24	1,218	£ 101,227	+ 56,828	2,461,458	+ 410,300
Entre Rios	21	24	810	£ 19,982	+ 138	329,669	+ 4,475
G. Westn. of Brazil ..	47	24	1,082	£ 4,034	+ 50	68,074	+ 3,530
Leopoldina Termal. ..	47	24	1,918	£ 1,934	+ 14	36,536	+ 799
Leopoldina Termal. ..	47	24	24	£ 1,344	+ 60	30,105	+ 344
Nitrate	10 1/2	15	401	£ 493,000	+ 35,000	10,988,000	+ 278,000
Paraguay Central ..	21	24	274	£ 206,200	+ 21,800	4,120,200	+ 625,300
Salvador	21	24	100	£ 12,300	+ 503	239,563	+ 37,242
San Paulo	46	18	153 1/2	£ 22,720	+ 1,080	1,200,740	+ 39,682
United of Havana ..	21	24	1,365	£ 292,000	+ 22,000	13,754,000	+ 613,000
				£ 14,719	+ 9,394	219,705	+ 101,730
				£ 4,520	+ 2,040	94,700	+ 25,060
				£ 16,870	+ 1,019	209,177	+ 83,389
				£ 28,970	+ 1,904	1,365,914	+ 18,971
				£ 14,579	+ 297	345,549	+ 78,606

* Converted at average official rate during week ended November 24—17.08 pesos to the £.
† Noninal. ‡ Receipts in Argentine Pesos.
§ Converted at average official rate during week.

OTHER OVERSEAS

Egyptian Delta	32 1/2	Nov. 10 <td>622</td> <td>\$ 10,066</td> <td>+ 1,191</td> <td>\$ 141,012</td> <td>+ 10,380</td>	622	\$ 10,066	+ 1,191	\$ 141,012	+ 10,380
Light Railways	47	Nov. 22 <td>22</td> <td>\$ 1,899</td> <td>+ 50</td> <td>\$ 78,451</td> <td>+ 4,547</td>	22	\$ 1,899	+ 50	\$ 78,451	+ 4,547
Egyptian Markets	47	Nov. 17 <td>17</td> <td>\$ 104 Ps. 54,824</td> <td>+ 17,747</td> <td>\$ 2,371,276</td> <td>+ 5,334</td>	17	\$ 104 Ps. 54,824	+ 17,747	\$ 2,371,276	+ 5,334
Gr. Southern of Spain	21 1/2	Nov. 21 <td>483</td> <td>\$ 200,700</td> <td>+ 800</td> <td>\$ 4,352,100</td> <td>+ 729,500</td>	483	\$ 200,700	+ 800	\$ 4,352,100	+ 729,500

† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

Anglo-Argentine	48	Nov. 25 <td>328</td> <td>\$ 626,937</td> <td>+ 18,628</td> <td>\$ 28,981,325</td> <td>+ 1,945,403</td>	328	\$ 626,937	+ 18,628	\$ 28,981,325	+ 1,945,403
B. Aires Lacroz	18	Nov. 4 <td>4</td> <td>\$ 75,775</td> <td>+ 1,195</td> <td>\$ 1,311,634</td> <td>+ 22,379</td>	4	\$ 75,775	+ 1,195	\$ 1,311,634	+ 22,379
Burnley, Colne and Nelson Jt. Trst.	1	Nov. 24 <td>76</td> <td>\$ 4,886</td> <td>+ 285</td> <td>\$...</td> <td>...</td>	76	\$ 4,886	+ 285	\$...	...
Calcutta Tramways	21	Nov. 26 <td>26</td> <td>\$ 1,17,976</td> <td>+ 4,841</td> <td>\$...</td> <td>...</td>	26	\$ 1,17,976	+ 4,841	\$...	...
Isle of Thanet Elec.	47	Nov. 14 <td>14</td> <td>\$ 2,949</td> <td>+ 150</td> <td>\$ 150,037</td> <td>+ 4,355</td>	14	\$ 2,949	+ 150	\$ 150,037	+ 4,355
Liverpool Corp.	33	Nov. 14 <td>14</td> <td>\$ 28,428</td> <td>+ 949</td> <td>\$ 934,354</td> <td>+ 14,776</td>	14	\$ 28,428	+ 949	\$ 934,354	+ 14,776
Madras Electric	10 1/2	Nov. 15 <td>15</td> <td>\$ 54,542</td> <td>+ 1,761</td> <td>\$ 11,06,833</td> <td>+ 6,622</td>	15	\$ 54,542	+ 1,761	\$ 11,06,833	+ 6,622

† Months.

MONTHLY TRAFFICS

Company	Months	Ending 1934	Description	Receipts for Month	Receipts to Date
				1934	+ or -
				1934	+ or -
British Columbia Power	4	Oct. 31	Gross	\$ 1,058,653	+ 14,233
Costa Rica	3	Sept. 30	Gross	\$ 364,298	+ 23,109
Mexico Tramways	10	Oct. 31	Gross	\$ 16,684	+ 1,648
Singapore Trac.	1	Oct. 31	Gross	\$ 213,194	+ 913
Laifra & Huelva	10	Oct. 31	Gross	\$ 551,293	+ 20,914
Canadian Nat.	10	Oct. 31	Gross	\$ 117,000	+ 19,000
Canadian Pacific	10	Oct. 31	Gross	\$ 34,994	+ 10,960
			Net	\$ 15,803,292	+ 1,140,978
			Net	\$ 2,809,429	+ 266,843
			Net	\$ 12,752,000	+ 767,000
			Net	\$ 4,101,000	+ 42,000

* Deficit.

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
BANKS					
Bank of London and South America	...	...	...	3	3
Bank of Nova Scotia	3%	...	...	16	16
Commercial Bank of Scotland "A"	...	...	...	10	10
Do. "B"	...	...	...	10	10
Standard Bank of South Africa	5/- p.s.*	Jan. 25	Unchanged	...	...
INSURANCE					
South British Insurance	...	...	...	2/8 p.s.	2/8 p.s.
TEA AND RUBBER					
Deundi Tea	5%*	Dec. 8	Unchanged	...	...
Kuala Selangor Rubber	6 1/2%*	Dec. 20	Nil	...	...
Ladang Bahr	...	...	...	6d p.s.	Nil
Rubber Estates of Malaya	...	...	...	2	Nil
Vallambrosa Rubber	7 1/2%*	...	Nil	...	...
MINING					
Akim (1928)	7 1/2%†	...	...	12 1/2	10
Frontino Gold Mines, Ord.	10 1/2%†	Jan. 1	Unchanged	15	15
Do. Pref.	5 1/2%†	Jan. 1	Unchanged	15	15
Do. Pref.	5%*	Jan. 1	Unchanged	...	...
Pahang Consolidated Ord.	10 1/2%†	...	Nil	15	Nil
Do. Pref.	...	...	...	12	7
Pattani Tin	8%†	Dec. 5	...	22 1/2	7
OTHER COMPANIES					
Allied Ironfounders	7 1/2%*	Dec. 31	Nil	...	...
Alvis Car and Engineering	5%*	Dec. 15	Nil	...	...
Anglo Scottish Tea Investment	10%†	...	...	3	Nil
Angustura Bitters Ord.	10 1/2%†	Dec. 8	...	15	9
Army and Navy Investment (Def.)	7 1/2%†	Dec. 27	Unchanged	10	10
Amisun Coal	...	...	...	10	5
Australian Pastoral	...	...	...	3 1/2	2 1/2
Birkenhead Brewery	6 1/2%†	...	...	9	8
Bowater (W. V.) and Sons	5 1/2%†	Dec. 31	...	10	6
British Syphon	...	...	...	8	2 1/2
British Tar Products	8 1/2%†	Dec. 14	Unchanged	15	15
Bullard and Sons	10 1/2%†	...	...	15	30 1/2
Cargo Fleet Iron	...	Nov. 29	...	1 1/2	Nil
Cave, Austin and Co.	...	Dec. 15	4	4	...
Cornwall Gate (1/2-)	...	Dec. 21	...	2 1/2 p.s.	2 1/2 p.s.
Crompton Parkinson	6 1/2%†	...	Unchanged	12	12 1/2
Daily Mail Trust	18 1/2%†	...	...	11 1/2	10 1/2
Daily Mirror Newspapers	3 1/2%*	Jan. 5	Unchanged	6	6
Danish Gas	...	...	...	2 1/2	2 1/2
Eley's Stafford Brewery	...	...	Unchanged	20	20
Foster Clark, Ltd.	12 1/2%†	...	Unchanged	4	2 1/2
Fraser (John) and Sons	...	...	Unchanged	...	...
Gainsborough Pictures	9%†	Dec. 18	Unchanged	...	...
Hely's	5%*	...	Unchanged	...	...
Industrial Newspapers, Preferred	2 1/2%†	Dec. 17	...	...	...
Do. Deferred	6-468d	Dec. 17	...	...	...
Inglis Parsons Clive and Co.	7 1/2%†	Dec. 12	Unchanged	10	10
International Tea Co.'s Stores	12%*	Jan. 1	Unchanged	...	...
Investors Mortgage Security	5 1/2%†	...	Unchanged	9	9
Lancegave Safety Glass	2 1/2%*	Dec. 3	Nil	15	Nil
Madame Tussauds, Deferred	...	...	...	20	20
Mann, Crossman and Paulin	...	...	...	...	...
Mappin's Masbro Old Brewery	10 1/2%†	...	7 1/2%	...	...
Metal Box	3 1/2%*	Jan. 1	Unchanged	5	5
Moir (John) and Son	...	...	...	...	...
Mono Containers	12 1/2%†	Dec. 11	...	17 1/2	17 1/2
Nelson Financial Trust	1 1/2%†	...	Unchanged	3	3
Orient Steam Navigation	...	...	Unchanged	...	...
Robinson (E. S. and A.)	5%*	...	Unchanged	...	...
Scribbans and Co. Ord.	3%*	Dec. 14	Unchanged	...	...
Do. Def.	8 1/2%†	Dec. 14	Unchanged	...	...
Second Great Northern Investment	2 1/2%*	Dec. 1	...	...	...
Do. Pref.	20%†	...	...	30	20
Showells Brewery	10%†	...	...	26	20
Strong and Company	10%†	...	...	...	...
Sunday Pictorial Newspapers	3 1/2%*	Jan. 5	Unchanged	6	6
Tinsley Park Colliery	3 1/2%†	...	Unchanged	19	19
Tobacco Securities Trust	14 1/2%†	...	Unchanged	10	8
Tube Investments	...	...	...	8	6
Usher's Wiltshire Brewery	5 1/2%†	Dec. 6	...	...	...
Wemyss Collieries Trust	4%*	...	Nil	...	...
Westover Garage	...	Dec. 18	...	11	9
Wright's Ropes	...	...	...	7 1/2	6
Yarrow and Co.	...	...	...	10	5

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit	Dividend
					Prefce.	Ordinary	Rate				
		£	£	£	Amount	Amount	%	£	£	£	%
Banks											
Bank of London & S. Amer.	Sept. 30	193,430	276,331	469,761	...	106,200	3	200,000	163,561	337,379	3
British Overseas Bank	Oct. 31	64,306	62,333	126,639	...	60,000	6 A ord.	...	66,639	62,808	6 A ord.
Commercial Bk. of Scotland	Oct. 31	84,460	379,337	463,797	...	217,000	16A	130,000	78,047	386,630	16A
Royal Bank of Scotland ...	Oct. 13	...	621,427	621,427	...	38,750	10B	123,387	...	612,052	10B
Breweries											
Butler (W.) and Co.	Sept. 30	50,836	130,714	181,550	18,000	68,000	17½	45,000	50,550	95,029	12½
Cheltenham Original Brewery	Sept. 30	31,453	67,139	98,592	26,242	21,600	12	19,000	32,750	60,135	10
Showells Brewery	Sept. 29	17,872	38,352	56,224	13,800	24,000	30	...	18,424	29,399	20
Wolverhampton and Dudley Breweries.....	Sept. 30	114,773	204,305	319,078	5,250	125,000	25	75,000	113,828	182,930	20
Financial Land, etc.											
Bowmaker, Ltd.	Oct. 31	1,718	37,146	38,864	3,123	6,759	(c)	19,172	5,907	15,873	...
Daily Mail Trust	Sept. 30	218,018	254,238	472,256	60,000	3,903	7½	...	157,182	249,718	10½
Investors Mortgage Security	Sept. 30	48,751	100,508	149,259	42,652	255,074	11½	30,000	25,424	100,310	9
London & Westcliff Properties	Sept. 30	...	25,804	25,804	11,008	51,183	9	...	7,821	...	...
Peruvian Corporation..... (s)	June 30	Dr 380,489	Dr 203,934	Dr 584,473	...	623,834	19	22,677	Dr 607,150	Dr 268,839	19
Tobacco Securities Trust ...	Oct. 31	129,056	758,410	887,466	...	131,333	(d)	...	132,299	802,134	(d)
Tube Investments	Oct. 31	84,465	363,815	448,280	44,945	194,459	10	102,757	106,119	201,854	8
Hotels, Restaurants, etc.											
Callard, Stewart and Watt	Oct. 6	19,334	3,791	23,125	5,250	...	...	...	17,875	4,826	...
Grand Hotel, Manchester ...	Sept. 30	7,479	5,167	12,646	1,744	2,000	10½	2,000	6,902	4,447	10½
Slaters and Bodega	Sept. 30	5,771	42,269	48,040	9,687	26,156	5	9,711	2,486	31,246	5
Strand Hotel	Sept. 30	15,656	119,140	134,796	37,000	32,200	(a) 14	...	33,396	119,140	(a) 14
Iron, Coal and Steel											
Hepworth and Grandage ...	Sept. 30	6,434	27,396	33,830	...	12,500	10	5,000	16,330	20,828	10
Yarrow and Co.	June 30	21,972	37,033	59,005	...	15,000	10	20,000	24,005	20,111	5
Motor and Cycle											
Associated Equipment Co.	Sept. 30	6,134	182,798	188,932	...	93,750	8½	86,925	8,257	129,520	5(½)
Dennis Brothers	Sept. 30	106,828	104,956	211,784	...	100,165	133½	1,000	110,619	(b) 83,816	100
Halford Cycle	Sept. 29	26,210	24,799	51,009	...	22,380	15	1,000	27,629	26,819	15
Rubber											
Asahan Rubber	July 31	1,558	7,383	8,941	...	3,250	2½	...	5,691	1,288	Nil
Johore Para Rubber	June 30	7,749	337	8,086	...	...	...	...	...	Dr. 791	...
Ledang Bahru, Ltd.	July 31	679	11,875	12,554	...	7,750	2½	...	4,804	1,279	Nil
Preanger (Java) Rubber	June 30	...	Dr. 374	Dr. 374	...	...	...	Dr. 423	49	...	...
Sungei Puntar Rubber	Sept. 30	270	5,512	5,782	...	5,500	5	...	282	68	Nil
Shipping											
British India Steam	Sept. 30	46,930	144,951	191,881	145,000	...	...	...	46,881	165,430	...
Orient Steam Navigation ...	June 30	79,264	410,152	489,416	82,260	52,044	5½	269,810	85,302	433,379	5½
Peninsular & Oriental Steam	Sept. 30	154,617	151,269	305,886	152,000	...	...	...	153,886	177,342	...
Shops and Stores											
Cooper and Co.'s Stores ...	Oct. 9	9,001	31,788	40,789	28,000	10,000	2½	Dr. 10,000	12,789	47,950	5
Dick (R. and J.)	Aug. 31	3,209	19,145	22,354	15,113	...	...	...	7,241	8,977	...
Textiles											
Branston Artificial Silk ...	April 30	Dr 519,419	Dr. 50,290	Dr 569,709	...	...	...	...	Dr 569,709	Dr 39,346	...
Trusts											
Dundee & London Investment Trust	Oct. 31	8,182	12,735	20,917	11,812	...	...	...	9,105	12,027	...
Selected Investments Trust	July 1	1,925	Dr. 273	1,652	...	...	...	...	1,652	1,570	...
Trans-Oceanic Trust	Oct. 31	10,165	26,765	36,930	23,406	...	...	1,401	12,123	22,260	...
Other Companies											
Avon India Rubber	Sept. 29	20,625	Dr. 13,775	6,850	...	...	...	Dr. 10,592	17,442	36,804	8
Bowater (W. V.) and Sons	Sept. 30	26,456	46,208	72,664	16,000	19,500	10	...	37,164	(b) 35,463	8
British Benzol and Coal Distillation	Oct. 31	Dr. 79,516	Dr. 8,577	Dr. 88,093	...	...	...	...	Dr 88,093	Dr 13,933	...
Industrial Newspapers	Sept. 30	5,196	10,751	15,947	10,407	1,937	2(a)	...	697	8,295	Nil
Madame Tussaud's	Oct. 31	95	29,378	29,473	13,200	2,906	6-468d(b)	...	4,573	23,006	Nil
Piccadilly Picture Theatre (Manchester)	Nov. 30	3,392	5,382	8,774	...	...	...	6,000	2,774	933	...
Pound (John) and Co.	Aug. 31	2,297	7,430	9,727	...	6,781	7(½)	500	2,446	5,194	5(½)
Tate and Lyle	Sept. 30	48,973	1,205,868	1,254,841	71,500	765,000	22½	375,000	43,341	933,361	17
Wrights' Ropes	Sept. 30	15,748	18,029	33,777	2,500	11,250	7½	5,000	15,027	14,328	6

(s) June 8, 1933, to Sept. 30, 1934. (c) Dividends on share capital existing at date of reorganisation. (d) Dividend 10-971d. on 5/- deferred shares. (t) Nine months. † Free of income tax. (a) Preferred Ordinary. (b) Deferred Ordinary.

REPORTS AND NOTICES

FORESTAL LAND AGREEMENT.—The directors of La Forestal Argentina, S.A., have consented to give their adherence to an agreement which has been reached unanimously by all Argentine and Paraguayan producers of quebracho extract relating to the economic distribution of their products in their foreign markets. This agreement has been conceived in accordance with the general principles actuating the economic policy of the Argentine Government. It is anticipated that beneficial results to be anticipated from this agreement should begin to make themselves felt during the course of next year. The directors of the Forestal Land, Timber and Railways Company state that the results for 1934 show an improvement over those for 1933.

BANKS

BANK OF MONTREAL.—The figures covering the fiscal year ended October 31, 1934, show total assets of \$759,000,000, included among which are quickly available resources amounting to \$491,000,000, equal to 71.97 per cent. of all liabilities to the public. Deposits have been well maintained at \$630,000,000, compared with \$641,000,000 a year ago. Notes in circulation have risen to \$35,200,000 from \$33,800,000. Profits for the year total \$4,105,024, which after deduction of Dominion and Provincial Government taxes totalling \$900,654, leaves net profits of \$3,204,369. Dividends absorbed \$2,880,000, bank premises reservation \$100,000, leaving \$224,369, making the profit and loss carried forward \$1,809,820.

MISCELLANEOUS

THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS, LTD., AND THE BRITISH PORTLAND CEMENT MANUFACTURERS, LTD.—These companies have embarked upon an extensive programme of works enlargement at various points. The extensions will materially increase the capacity for production, notably in the Thames district from which London and the home counties draw their supplies and which also serves the coastwise and export markets, while the large works at Hope in Derbyshire, which supply Lancashire, Yorkshire and adjoining districts, are being more than doubled. Extensions are also in progress at their factories in the South of England, South Wales and Northern Ireland. It is anticipated that the whole of this increased production will be available in the early months of next year.

BRAZILIAN WARRANT AGENCY AND FINANCE COMPANY.—At an extraordinary meeting of shareholders held November 23rd the result of a poll taken on a resolution for the reduction of capital was a majority in favour of 1,511,600 votes to 12,730.

COPPER SHAREHOLDERS ASSOCIATION.—The Copper Shareholders' Association has been duly constituted as a non-profit-making body, organised for the promotion of the mutual interests of members and the industry. The names of the temporary committee are: The Hon. Sir Henry Barwell, K.C.M.G., Major John Hawkins, Henry Rule, Esq., C.A.

LENA GOLDFIELDS, LTD.—A meeting of the holders of the convertible 8 per cent. ten-year bearer notes of Lena Goldfields, Ltd., was held November 26th, to consider a resolution approving the board's proposals in connection with the provisional agreement with the Soviet Government. Mr Herbert Guedalla presided. A quorum was not present, so no business could be transacted. The total amount of the actual creditors of the company was £1,905,000, which included the noteholders, £750,000. The total cost of arbitration was something like £58,700. The company also had to

provide for the expense in connection with their proposals for avoiding fractions in the case of the new scrip. It is intended to deposit the Soviet Bills with the Midland Bank, as trustee, against which deposit certificates would be issued. During the first ten years £3 2s. 8d. would be paid half-yearly on each £100 certificate, so that at the end of that time the holders would have received £62 14s. 2d. During the subsequent ten years the half-yearly payments would be at the rate of £1 17s. 3d., making, at the end of ten years £37 5s. 10d., making £100 in all, subject to a few pence for the expense for the administration of the trust. The meeting was adjourned until December 11th.

TEBING RUBBER ESTATES (1931), LTD.—The crop harvested during the year ended March 31, 1934, amounted to 563,892 lbs. of rubber, and the average net sale price obtained, including stocks realised since the end of the year, was 3.653d. per lb. The accounts for the year show a profit of £2,096 15s. 10½., from which has to be deducted the debit balance brought forward from last year, viz., £1,375 18s. 1d., leaving a credit balance of £720 17s. 9d. to be carried forward. Since the close of the financial year a call of 2d. per share has been made, thus making the shares fully called.

THE UNDERGROUND ELECTRIC RAILWAYS COMPANY OF LONDON, LTD. (IN VOLUNTARY LIQUIDATION).—The liquidator states that there are certain outstanding questions with the Inland Revenue authorities which they cannot dispose of before judgment is given by the House of Lords in a pending case between the Inland Revenue and another company in which similar issues are involved. It is therefore proposed to make a further cash distribution to the shareholders of 2d. per share, leaving a balance of approximately 1d. per share to be distributed when the exact amount can be ascertained. The necessary warrants, together with the payments to those shareholders who are entitled thereto of their proportions of the net proceeds of sale of fractions of shares in the Associated Equipment Company, Ltd., will be sent out on December 27th next.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

The prolonged weakness of a number of commodity markets gave way to a firmer tendency during the week ended last Wednesday. In many cases the fall in prices seems to have been arrested, and quotations for certain raw materials and foodstuffs registered a rise. This improvement is a reflection of a better demand in a number of countries, especially in the United States.

Among textile raw materials, cotton registered an appreciable rise, and wool prices at the auctions in Australia showed a firmer tendency under the influence of the increase in consumption noticeable in France and in Great Britain and of prospects of larger takings by the wool textile industry in the United States. Quotations for jute also showed a firmer tendency, partly as a result of the attempt made by the Government of Bengal to reduce production. Flax was again marked up in price, and raw silk was also dearer.

Copper, lead, spelter and tin—the principal non-ferrous metals—all advanced to slightly higher levels in the week ended last Wednesday. World deliveries of copper, after falling somewhat below world production in August and September, appear to have exceeded output in October. It appears that, despite certain rumours, none of the members of the zinc cartel has officially announced his withdrawal from the cartel, and that the next meeting will take place in Brussels during December. As a result of an improvement in demand, most varieties of vegetable oils rose in price. In addition, the market in linseed was affected by adverse crop reports from Argentina. The market in rubber improved when it became known that the Dutch Government is taking energetic measures to prevent the collapse of restriction in the Dutch East Indies. Prospects of an increase in consumption in the United States also contributed to the rise in rubber prices.

As far as foodstuffs are concerned, wheat rose slightly in price, despite the failure of the Budapest Wheat Conference to tackle the real causes of the wheat problem. The downward movement of raw sugar quotations seems to have been arrested at last, for last week's rise in prices was followed by a further advance this week. Meat prices are slightly lower on the week. Quotations for bacon show little change, but butter was slightly cheaper.

The rise in most American prices continued last week. Moody's index of the dollar prices of staple commodities (December 31, 1931 = 100) stood at 149.5 on Wednesday

last, compared with 146.4 a week ago, 142.9 a month ago and 124.0 on the corresponding date last year.

COAL

SHEFFIELD.—Supplies for the export trade are barely sufficient and best hards are scarce. There is a fair inquiry for forward business. Prices of best steams are firm at 17s. to 17s. 6d. f.o.b. Business in the house coal market is brisker, although super qualities are somewhat neglected. Industrial demand for all classes of fuel is maintained at the former high level, and prices are firm.

NEWCASTLE-ON-TYNE.—A good arrival of tonnage has given the market a cheerful outlook for the next few days. Northumberland steams of all descriptions are firm, most collieries being fully stemmed for the remainder of the year. Forward enquiry is also good. Apart from prime gas qualities, the Durham market is better placed for the next few weeks. Steams are heavily sold, and there is more business in second-class gas and coking coals. Bunkers are in a more favourable position, several collieries being fully sold to the end of the year. The export trade for all classes of coke is brisk, whilst in the inland trade there is a steady flow of orders.

Current f.o.b. prices for export:—NORTHUMBERLAND.—D.C.B. screened, 14s. 6d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin, screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. DURHAM.—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d. Wear Special gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened and/or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 3d.; Prime Foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—The market remains steady. Recently new business in the export branch has fallen off a little, but the collieries are still fairly well placed for orders. They are in fact less dependent on exports for the time being, finding a ready outlet in the home market.

Shipment prices f.o.b. district ports:—LANARKSHIRE.—Ell best, 14s. 6d.; splint best, 16s. 6d.; splint second, 15s.—15s. 3d.; navigation, screened, 14s. 9d.—15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 12s. 9d.—13s.; trebles, 14s.—14s. 6d.; doubles, 13s. 6d.; singles, 12s. 6d.; pearls, 12s.; dross, 10s. FIRE.—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 3d.—12s. 6d.; first-class steam, 13s. 6d.—13s. 9d.; third-class steam, 12s. 9d.—13s.; trebles, 14s.—16s.; doubles, 13s.—14s.; singles, 12s. 6d.—12s. 9d.; pearls, 11s. 9d.—12s. LOTHIAN.—Prime steam, 13s.; secondary steam, 12s. 6d.; unscreened navigation, 12s. 6d.; trebles, 13s. 6d.—14s. 6d.; doubles, 13s. 3d.—13s. 6d.; singles, 12s.—12s. 3d.; pearls, 11s. 9d.—12s. AYRSHIRE.—Best unscreened navigation, 14s. 3d.; jewel, 14s. 6d.; steam, 13s. 6d.; trebles, 15s. 6d.—15s. 9d.; doubles, 13s. 6d.; singles, 13s.; pearls, 12s. 6d.; dross, 10s.

CARDIFF.—In spite of the low prices quoted by Poland, it is expected that the whole of the Egyptian State Railways contract for 150,000 tons, will be placed in South Wales. It is reported that an offer from a Cardiff firm to supply 40,000 tons at 23s. 2½d. c.i.f. or 18s. 1½d. f.o.b. has been accepted, but the actual decisions of the Egyptian authorities in regard to the balance are not yet known. The French State Railways are inviting tenders for the supply of between 125,000 and 145,000 tons of large coal and between 85,000 and 115,000 tons of small coal over next year.

General conditions on the market are unchanged. There is a great scarcity of sized grades, which in some cases are commanding about 2s. per ton above the minimum schedule, but the supply of large through coals is in excess of demand, and for these grades quotations are ruling at scheduled figures. South Wales colliery owners expect that an agreement between Great Britain and Poland for the regulation of their coal export trade relations will be reached in London next week. Coke and patent fuel are firm, but pitwood is weak, and quotations for Portuguese wood have dropped to 21s. According to French Customs import returns, there was an increase during October of 49,000 tons in the supplies obtained from the United Kingdom, and since the recent agreement increasing the price of French pitwood under the coal-pitwood agreement, licences are being granted more freely than at any period since the early summer months.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; Western Valleys, 17s. 9d. to 18s.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; French nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. 6d. French, 21s. Portuguese.

IRON AND STEEL

MIDDLESBROUGH.—The current output of foundry pig iron continues to go into consumption, and as makers have contracts on their books with home consumers based on the official minimum figures, they are not actively seeking overseas trade, for which they realise a lower price. At the same time, they are keeping contact with regular foreign customers who have always shown a preference for iron from this district. The hematite iron trade is steady. More orders have been received from home consumers and good deliveries against current contracts are being made to Sheffield and the Midlands. For this quality of iron a small amount of export trade is being done, although it is at a lower figure than that quoted for home users. A parcel of 1,540 tons of hematite pig iron has been shipped to Italy during the past week. The official minimum prices both for Cleveland foundry pig iron and East Coast hematite are unchanged.

Heavy steel scrap is not plentiful but, whilst merchants are quoting 52s. 6d. per ton delivered here, consumers are not too ready to pay this price. Steel manufacturers continue to be busy both on semis and finished steel. Further orders have been received during the past week for rails for export to South Africa, whilst the shipbuilding orders for three vessels to be built on the Tyne and one vessel to be built on the Tees will have an immediate effect on the plate mills. The demand for sheets is improving. Steel prices are maintained, and steel boiler plates are now controlled at £9 7s. 6d. per ton, subject to the usual rebate. Foreign ore continues quiet, whilst blast-furnace coke is obtainable at 20s. per ton delivered at the furnaces here.

SHEFFIELD.—Some of the works in the heavy steel section are speeding up production in view of the Christmas stoppage, which may be rather long because of the need for overhauling plants. Consumers of steel and steel parts usually lay in increased supplies to carry them over holiday periods in centres where the raw material is dealt with. The amount of work on hand in Sheffield continues to be substantial. Orders are still tapering off for high-grade special steels, but the makers are fully booked to the end of the year. In several important departments plants are working at high pressure; this is the case with engineers' small tools. Exports continue to expand a little. Large tonnages of wire rods, steel hoops and strips and tin plate bars, together with other finished materials, are being imported from the Continent. The United States and Germany are sending many tools to this country. Seasonal orders have come to the cutlery trade this week and the output of silver and plated ware is expanding, chromium-plated goods being greatly in evidence.

GLASGOW.—The outlook is brighter this week, largely owing to the further contracts placed with Clyde shipyards, which in due course will call for steel material to be supplied mainly by local makers. In practically every branch business continues to show some signs of improvement and there seems every prospect of a continuance of regular employment. In addition to the requirements for ship building, there is a good demand for material for engineering work. Structural work, while not nearly sufficient to keep shops busy, is just a shade more plentiful and the material employed is almost entirely being supplied by home manufacturers. The foundries in the West of Scotland are also very busy just now, although at the tube plants things are somewhat quieter. Sheet makers are still finding export trade unsatisfactory, although the slight improvement recently in evidence is maintained. In the home trade business in both black and galvanised sheets is exceedingly good.

CARDIFF.—The position in the South Wales tinplate trade is practically unchanged. Relatively, the home market is at the moment more active than the export trade, and substantial contracts have been placed for supplies to home-canning factories during 1935. Prices remain unchanged under the international agreement schedule. Tinplate bars are steady in price at £5 2s. 6d. per ton delivered; and galvanised sheets at from £11 5s. to £11 15s. per ton f.o.b. works port. Tinplate shipments at Swansea last week totalled 79,895 boxes, compared with 85,341 boxes the previous week, and as deliveries into warehouses were also heavier, stocks at the end of last week totalled 111,690 boxes, compared with 93,234 boxes the previous week and 156,021 boxes a year ago.

OTHER METALS

The metal markets are still influenced by the uncertainty regarding the future of the Zinc Cartel and of the restriction scheme for copper. The copper market has, however, shown some improvement during the past week as a result of statements by several authorities in favour of a restrictionist policy. The Copper Shareholders' Association is now in being and has the support of over 1,500 shareholders, although how much capital these represent is unknown. Nevertheless, the formation of the association has apparently not been without influence upon the Rhodesians, who need the financial support of the copper investors for their extensive mining developments. So far, however, it has not been possible to find a reasonable basis for agreement. The United States mining companies have decided to waive their sales quotas in favour of the customs smelters for a further two months. It is probably true that this is the best way of preventing price-cutting by the customs smelters, although the policy of maintaining the United States domestic price of 9 cents per lb., despite the opposition of consumers, is a highly questionable one.

At its November meeting the Tin Committee decided to maintain the present production quota of 40 per cent., but not to renew the special 4 per cent. quota. Since these decisions had been anticipated by the market, their effect has been small. Meanwhile, a fresh speech against the restriction scheme by the chairman of Tekka, Ltd., has caused considerable interest amongst operators. According to the statistics of the International Tin Research and Development Council, although world production of motor cars increased by 38 per cent. during the year ended September 30th, tin consumption by this industry increased by only 31 per cent. over the same period. Similarly, although the world's output of tinplate was 7 per cent. higher during this period, only 5 per cent. more tin was used. This decline in tin consumption per unit of output in the two most important tin-consuming industries was doubtless due to the high price of this metal.

Uncertainty regarding the future of the Zinc Cartel continues to depress the lead and spelter markets. It has been rumoured that the attitude of the Australians would end the life of the cartel, but hitherto no meeting has been held; and in view of past history it would be unwise to express an opinion concerning the future of the cartel.

TIN.—Sales on the London Metal Exchange: 385 tons on Monday, against 250 tons last week; 350 tons on Tuesday, against 150 last week; 575 tons on Wednesday, against 250 tons last week. The New York quotation on Wednesday was 51.25 cents per lb., against 51.25 cents a week ago and 51.15 cents a month ago. Wednesday's official closing quotation in London for standard cash was £229 15s. to £229 17s. 6d., compared with £228 10s. to £228 12s. 6d. last week.

COPPER.—Sales on the London Metal Exchange: 1,900 tons on Monday, against 1,225 tons last week; 1,151 tons on Tuesday, against 1,300 tons last week; 1,750 tons on Wednesday, against 3,400 tons last week. Domestic spot was quoted at 6.72½ cents per lb. in New York on Wednesday, against 6.72½ cents a week ago and 6.72½ cents a month ago. Wednesday's official closing price for standard cash in London was £27 10s. to £27 11s. 3d., compared with £26 11s. 3d. to £26 12s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 38,927 tons, show an increase of 920 tons and stocks of rough copper, at 10,967 tons, an increase of 871 tons.

LEAD.—Sales on the London Metal Exchange: 250 tons on Monday, against 150 tons last week; 400 tons on Tuesday, against 1,000 tons last week; 950 tons on Wednesday, against 150 tons last week. The New York quotation on Wednesday was 3.50 cents per lb., against 3.50 cents a week ago and 3.70 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 15s. for shipment during the current month, compared with £10 8s. 9d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 175 tons on Monday, against 150 tons last week; 400 tons on Tuesday, against 50 last week; 550 tons on Wednesday, against 300 tons last week. Wednesday's quotation in East St. Louis was 3.70 cents per lb., against 3.70 cents the week before, and 3.85 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 18s. 9d. for shipment during the current month, against £11 16s. 3d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel, at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 10s. to £11 12s. 6d. per flask of 76 lbs., as against £11 12s. 6d. to £11 15s. per flask of 76 lbs. last week. Foreign antimony was again quoted at £60 per ton. Chinese wolfram was quoted at 39s. to 41s. per unit c.i.f., as against 40s. to 42s. per unit c.i.f. last week. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. — There has been a tendency for raw cotton prices to harden. This has not been due to any particular change in the statistical position, but chiefly to a rather better trade demand and the relatively tight position in the futures market as a result of the difficulties experienced in importing from the United States. Egyptian cotton rates have also been stiffer on further reports of the material being of poor quality. A good demand continues to be experienced for Egyptian, Brazilian and Peruvian staples.

There has been no shortage of cloth inquiry and active negotiations have taken place between buyers and sellers. Mixed reports

THE BRITISH OVERSEAS BANK, LIMITED

ESTABLISHED 1919.

Report by the Board of Directors to the FIFTEENTH ANNUAL GENERAL MEETING of SHAREHOLDERS to be held in the BANK PREMISES, 33 GRACECHURCH STREET (LOMBARD COURT), LONDON, E.C.3, on Tuesday, the ELEVENTH day of DECEMBER, 1934, at 12 noon.

The Directors submit to the Shareholders the Balance Sheet of the Bank, as at 31st October, 1934, and Profit and Loss Account, together with copy of the Auditors' Certificate.

The Profit, after allowing rebate of interest and providing for all bad and doubtful debts (other than provided for out of Contingencies Account), for the year ended 31st October, 1934, amounts to £ 62,332 16 11
Balance available from last account £ 64,306 0 7
Making a total of £ 126,638 17 6

which has been appropriated as follows:—
In payment of a dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum (less Income Tax) for the year ended 31st October, 1934, which together with Income Tax thereon amounts to £ 60,000 0 0
Leaving a Net Balance to be carried forward next year of £ 66,638 17 6

It is with the deepest regret that the Directors record the death of the Right Honourable Viscount Churchill, G.C.V.O., which occurred early in January last. Viscount Churchill was associated with the Bank from 1919, the year of its foundation, first as Governor of the Council, and from 1924 as Chairman of the Board of Directors, which office he continued to hold up to the time of his death.

Mr. Arthur C. D. Gairdner has been appointed to succeed Viscount Churchill as Chairman of the Board, and, whilst relinquishing his office as Managing Director, he continues as before to devote his whole time to the affairs of the Bank. Mr. Nigel L. Campbell has been appointed to succeed Mr. Gairdner as Deputy-Chairman.

The Directors retiring by rotation are Sir James Caird, Bart., and Mr. Nigel L. Campbell, who, being eligible, offer themselves for re-election.

The Auditors, Messrs. George A. Touche & Company and Messrs. McClelland, Ker & Company, also retire, and, being eligible, offer themselves for re-appointment.

By Order of the Board,
A. E. THORNE, Secretary.

London, E.C., 29th November, 1934.

BALANCE SHEET, 31st October, 1934.

LIABILITIES	£	s.	d.	ASSETS	£	s.	d.
Capital: Authorised				Cash in Hand and at Bankers	229,388	10	1
300,000 "A" Ordinary Shares of £5 each	1,500,000	0	0	Money at Call and Short Notice	945,995	11	3
300,000 "B" Ordinary Shares of £5 each	1,500,000	0	0	Balances with Bankers Abroad	145,423	2	6
400,000 Shares of £5 each which may be issued in whole or in part as "A" or "B" Ordinary Shares	2,000,000	0	0	Bills Discounted	498,094	17	4
	5,000,000	0	0	Government Securities	379,935	11	2
				Investments in Subsidiary Companies	106,046	9	1
Subscribed and Paid in Full:				Other Investments, including Shareholding Interests in Foreign Banks	489,802	12	7
200,000 "A" Ordinary Shares of £5 each	1,000,000	0	0	Bankers Industrial Development Co., Ltd. One "A" Ordinary Share of £100,000, £100 Paid	100	0	0
200,000 "B" Ordinary Shares of £5 each	1,000,000	0	0	Advances to Customers and Other Accounts	2,024,739	15	10
	2,000,000	0	0	Amounts owing from Subsidiary Companies	142,023	14	5
Current, Deposit and Other Accounts, including provision for Contingencies, and for Bad and Doubtful Debts	2,964,622	8	6	Liability of Customers for Acceptances, etc. (per contra)	3,121,135	13	7
Amounts owing to Subsidiary Companies	17,070	9	11	Bank Premises—Freehold at cost, less amounts written off	336,781	11	8
Reserve Fund	100,000	0	0				
Investments Depreciation Reserve	150,000	0	0				
Acceptances, etc., for account of Customers (per contra)	3,121,135	13	7				
Balance of Profit and Loss Account	66,638	17	6				
(Notes.—(1) Contingent Liability on account of Endorsements on Bills Discounted, £4,170. (2) "Advances to Customers" and "Liability of Customers for Acceptances" include the balances which come under European "Standstill" Agreements and Exchange Restrictions.)							
	8,419,467	9	6		8,419,467	9	6

ARTHUR C. D. GAIRDNER, Chairman.
NIGEL L. CAMPBELL, Deputy Chairman.
JAMES CAIRD, Director.

A. E. THORNE, Secretary.
F. J. SULLIVAN, Accountant.

AUDITORS' REPORT TO THE MEMBERS.

We have examined the above Balance Sheet and compared it with the Books of the Bank. We have satisfied ourselves as to the correctness of the Cash Balances and the Bills of Exchange, and have verified the Securities. We have obtained all the information and explanations we have required, and are of the opinion that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

GEORGE A. TOUCHE & CO., Chartered Accountants.
McCLELLAND, KER & CO., Auditors.

London, E.C., 16th November, 1934.

PROFIT AND LOSS ACCOUNT for the Year ended 31st October, 1934.

Dr.	£	s.	d.	Cr.	£	s.	d.
To Dividend on the "A" Ordinary Shares at the rate of Six per cent. cent. per annum, and Income Tax thereon	60,000	0	0	By Balance brought forward	64,306	0	7
„ Balance carried to Balance Sheet	66,638	17	6	„ Profit, after allowing Rebate of Interest and providing for all Bad and Doubtful Debts (other than provided for out of Contingencies Account), for the year ended 31st October, 1934	£67,758	3	9
				Less Directors' Fees	5,425	6	10
					62,332	16	11
	126,638	17	6		£126,638	17	6

STATEMENT REQUIRED BY SECTION 126 OF THE COMPANIES ACT, 1929.

None of the Accounts of the Subsidiary Companies shows a loss; the net profits have been carried forward in their own Accounts.

ARTHUR C. D. GAIRDNER, Chairman.
NIGEL L. CAMPBELL, Deputy Chairman.
JAMES CAIRD, Director.

A. E. THORNE, Secretary.
F. J. SULLIVAN, Accountant.

16th November, 1934.

DIRECTORS:

ARTHUR C. D. GAIRDNER, Chairman.
NIGEL L. CAMPBELL, Deputy Chairman.

The Hon. BERNARD ROLLO.
DUNCAN A. STIRLING.

DUDLEY WARD, C.B.E.

ADVISORY DIRECTORS:

NORMAN L. HIRD.
Sir EDGAR HORNE, Bart.

Sir HARRY McGOWAN, K.B.E.

MANAGERS:

F. O. A. SPEED.
R. STEPHENSON.

DUDLEY WARD, C.B.E.

DEPUTY MANAGER AND SECRETARY:

A. E. THORNE.

FOREIGN EXCHANGE DEPARTMENT:

H. W. GURNEY, Chief Operator.

CONTROLLER:
C. T. JAMES.

ACCOUNTANT:
F. J. SULLIVAN.

AUDITORS:

GEORGE A. TOUCHE & COMPANY,
London.

McCLELLAND, KER & COMPANY,
Glasgow and London.

OVER ONE HUNDRED YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
 INSURANCE COMPANY
 ASSETS - EXCEED - £16,000,000
 FIRE LIFE ACCIDENT MARINE
 Edinburgh: 35 St. Andrew Square
 London: 5 Walbrook, E.C.4, and 4, St. James's Street, S.W.1

have been received as to the business done for India; some makers of the finer sorts in light bleaching materials have done better, chiefly for Calcutta and Karachi. Industrial activity in the Blackburn district is improving. A varied business has been put through for several minor outlets East and West, principally in cloths for printing and dyeing, and necessary purchasing has been reported in home trade goods, chiefly in dress materials and poplins. Some exporters have stated that they are finding more resistance from manufacturers against low offers.

There has been rather more demand for American yarns for home consumption, especially in medium numbers, and some spinners have sold a little more freely. In Egyptian qualities a rather larger turnover has occurred in fine counts, and prices have tended to harden. Many difficulties are being encountered in trading with Germany.

COTTON PRICES

	1934				Corresponding Date	
	Nov. 7	Nov. 14	Nov. 21	Nov. 28	1932	1933
Raw Cotton—Mid. American per lb.	8.79	8.85	8.85	7.07	5.38	5.10
Sakellaridis Fully Good Fair						
Yarns—32's twist per lb.	8.64	8.69	8.95	9.24	7.27	7.01
" 40's twist per lb.	10 1/2	10 1/2	10 1/2	10 1/2	9 1/2	9 1/2
" 60's twist (Egyptian) per lb.	16 1/2	16 1/2	16 1/2	16 1/2	15 1/2	16 1/2
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	19 0	18 10	18 8	18 8	18 10 1/2	17 0
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	24 0	24 0	24 0	24 0	20 6	21 0
38-in. ditto, 88 yds., 18 by 18, 10 lb.	10 10	10 10	10 10	10 10	10 10 1/2	10 6
39-in. ditto, 87 1/2 yds., 16 by 15, 8 1/2 lb.	9 9	9 9	9 9	9 9	9 9 1/2	9 4

AMERICAN COTTON SITUATION.—According to cables and letters from the Southern States of America a crisis is approaching in the cotton situation. The Government policy of offering loans against cotton to farmers of 12 cents per lb. has created a position which is considered very unsatisfactory. The relatively high price of the American staple has resulted in a marked falling-off in exports, and it is significant that so far this season exports have been only 1,811,000 bales as compared with 3,159,000 bales in the same period of last season. The growers themselves are not dissatisfied, since they are getting a good price for their cotton, but the business of merchants and factors has been vitally affected, and strong representations are being made for a change in Government policy.

Some official announcement is expected to be made in Washington at the end of this week with regard to the acreage plans for next season. It is rumoured that the area under cultivation will be about 32,000,000 acres against 27,000,000 acres for the current season. Under normal conditions the new crop should be between 12,000,000 and 13,000,000 bales, against about 9,750,000 bales for this season. The Commission appointed by President Roosevelt to inquire into the Government's policy recommends that all measures tending to restrict exports, including the cotton loan plan, should be abandoned at the earliest possible date. It is suggested in some quarters that growers should be paid a subsidy on domestically consumed cotton, but that foreign business should be done at the world price-level. There is undoubtedly increasing anxiety in the United States owing to the larger consumption of what are known as outside growths, particular reference being drawn to the bigger supplies of South American cotton, especially Brazilian. It is being urged in many quarters that the loss of export trade is very serious, and it is not likely that the Washington officials will be able to resist the pressure for some alteration in policy.

JUTE.—Dundee. — Fairly satisfactory conditions are prevailing in the jute industry. Spinners and manufacturers are comfortably placed with orders for delivery within the next two months and are adhering firmly to their prices, especially as raw jute quotations have recently displayed an upward tendency. Sellers of the fibre in Calcutta are very reserved and jute is being held up in anticipation of the Government of Bengal scheme for restriction of sowings next season. Though the restriction scheme will be on a voluntary basis, many influential heads of districts and officers are being enrolled to emphasise to the growers the necessity for smaller crops if higher prices are to be obtained.

It is interesting to note that the consumption of hessian cloth in the United States is gradually increasing; that for October was 53,000,000 yards, which is well above the monthly average for the year of 43,000,000 yards.

Prices of raw jute are gradually rising, and Calcutta goods are following suit, as a result of improved demand. Daisee-2/3 are now quoted at £14 10s. and fours at £13 10s. for the full group, December-January, while Tossa-2/3 has gradually advanced to £15 10s. and fours to £14 10s., same shipment. Good First Marks are usually quoted at £19 7s. 6d. and Lightnings at from £17 12s. 6d. Green Circle Ram being at £17 17s. 6d. and Heart Ram-D/E at £16 7s. 6d., December-January. Yarns are firm, but buyers

continue to show reluctance to operate for forward delivery. The lowest for common 8 lb. cops is 1s. 10d. and for 8 lb. spools 1s. 10 1/2 d., while twist rules firm at 3 1/2 d. to 3 3/4 d. for 3 ply 8 lb., sacking yarns at 2 1/2 d. for 24 lb. weight and 3d. for 8 lb. chains, with rove at £17 for 48 lb. and £14 for 200 lb., and the finer yarns continue unchanged at 2s. 4d. for third quality and 2s. 1d. for fourth. Carpet yarns enjoy a steady demand at from 2 1/2 d. to 2 3/4 d. for 14 lb. warp.

A moderate business is being done in jute cloth, but for delivery as early as can be given, with buyers still unwilling to purchase for forward despatch. Prices rule firm at from 2 1/2 d. for 10 1/2 oz. 40 in. and 2 3/4 d. for 8 oz., with 1/8 d. less possible for February-March. Linoleum hessians are firm, but again quiet, and heavy goods remain steady, though business is slow. For 10 oz. 40 in. Calcutta hessians 19s. 10d. is named for November-December, 19s. 8d. for January-March and 19s. 7d. for April-June, with 8 oz. at 15s. 10d., 15s. 9d. and 15s. 8d. respectively. Liverpool twills are quoted at 51s. and "B" twills at 45s. 9d., December to June.

GRAIN MARKETS

WHEAT.—Prices have been irregular during the past week but, on balance, have tended to a slightly higher level. Quotations both in this country and the United States are now generally above those of a week ago. Reports of rather unfavourable weather in Argentina had a steadying effect here, but exports from France are likely to continue. We discuss the results of the International Wheat Conference in a Note of the Week.

According to Mr G. Broomhall, total shipments during the past week were 1,289,000 quarters, against 1,298,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 99 1/2 cents per bushel, against 98 1/2 cents the week before and 95 1/2 cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 32s. 3d. to 32s. 9d. per 496 lbs., against 31s. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 28s. 9d. to 29s. 6d., against 27s. 9d. to 28s. 9d. Australian, ex ship, 25s. 6d., against 25s. a week ago.

FLOUR.—Trade has again been very quiet and prices show little change on the week. North American shipments were 72,000 sacks in the past week, as compared with 123,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 23s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 22s. 6d. as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 6d. to 26s. 6d., against 24s. 3d. to 26s. 3d.; Australian, ex store, 19s. to 20s., against 19s. 9d. to 20s.

BARLEY.—Imported feeding barley has been a rather better market this week, but the demand for English malting varieties continues poor. "December" futures were quoted at 54 cents per bushel in Winnipeg on Wednesday, against 52 1/2 cents last week and 50 1/2 cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 30s. to 50s., against 30s. to 50s. a week before.

OATS.—Demand on the whole continues fair, with quotations showing little change compared with those of a week ago. On Wednesday, "December" futures were quoted at 53 1/2 cents per bushel in Chicago, against 53 cents a week ago and 49 1/2 cents last month. Quotations in London, Wednesday: "River Plate," landed, not quoted; "Chilean White," landed, 23s. 9d., against 23s. 9d. a week earlier.

MAIZE.—Following a decline in quotations early in the week, the market reacted sharply and rates are now higher than those of a week ago. Supplies are rather short, but demand continues good. "December" futures were quoted on Wednesday at 90 cents per bushel in Chicago, against 84 1/2 cents a week ago and 75 1/2 cents on the corresponding day last month. Quotations in London, Wednesday: "Plate," landed, 22s. 3d. per 480 lbs., compared with 21s. last week; "Plate," ex ship, 21s. 3d., as against 20s.; "Plate," "November," 21s. 9d., as against 20s. 3d. Yellow maize meal, ex wharf, was quoted £6 to £6 2s. 6d. per ton, against £5 15s. to £5 17s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to November 24	Cwts. 77,941	Cwts. 302,111	Cwts. 283,375	Cwts. 307,279
13 weeks to November 24	975,372	3,463,352	4,366,846	5,765,100
Average price of English wheat per cwt.	s. d. 6 9	s. d. 5 5	s. d. 4 7	s. d. 4 11

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Nov. 22, 1930	Cwts. 145,502	Cwts. 470,212	Cwts. 45,088	s. d. 6 7	s. d. 9 4	s. d. 5 10
Nov. 21, 1931	73,670	501,688	65,803	6 10	9 1	7 0
Nov. 26, 1932	302,111	427,915	47,352	5 5	7 2	5 10
Nov. 25, 1933	283,375	367,848	47,957	4 7	9 2	5 3
Nov. 17, 1934	322,498	357,681	48,540	4 11	8 9	6 8
Nov. 24, 1934	307,279	367,641	49,953	4 11	8 8	6 8



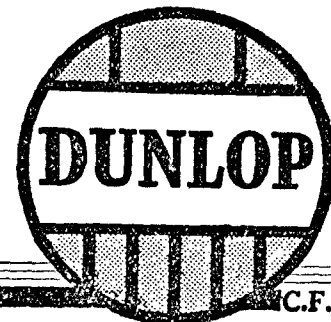
No matter what the occasion....

No matter what the circumstances....

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will never fail you

New Tubes are inexpensive & an additional insurance against tyre trouble. Fit new Dunlop tubes



DUNLOP RUBBER COMPANY LIMITED, FORT DUNLOP, BIRMINGHAM.
 Branches throughout the World.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Nov. 29, 1933	Jan. 3, 1934	Nov. 21, 1934	Nov. 28, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	60½	65½	77½	78½
—Cents per 60 lb.						
Chicago (No. 2 Winter)	65½	46½	83½	84½	98½	99½
—Cents per 60 lb.						

The visible supply of wheat in Canada, at 125,137,000 bushels shows an increase of 1,394,000 bushels on the week. Supplies a year ago amounted to 117,077,000 bushels.

OTHER FOODS

SUGAR.—New York prices, both spot and forward, have further advanced on fairly heavy buying this week. London prices have been firm, though supplies on offer have been limited and trade rather quiet. The spot price in New York on Wednesday was 3.085 cents per lb., as compared with 3.00 cents per lb. last week and 2.82 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December delivery," at 4s. 3½d., against 4s. 1½d. to 4s. 2½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
	Tons	Tons	Tons	Tons	Tons	Tons
London	776	141	1,424	1,322	17,615	17,499
Liverpool ...	15,020	33,674	14,542	13,365	127,117	108,401
Total tons	15,796	33,815	15,966	14,687	144,732	125,900

Last week 32,946 25,851 15,626 14,750 144,902 106,772

COFFEE.—The New York market has again ruled quietly steady and on Wednesday Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. Trade in London has also been quiet and quotations remain practically unchanged. Last week's movements of coffee in London were as follows: Brazilian, landed, 255 bags; delivered for home consumption, 49 bags; exported, 120 bags; stocks, 28,459 bags, against 26,409 bags a year ago. Central American, landed, nil; delivered, for home consumption, 1,629 packages; exported, 791 packages; stocks, 76,523 packages, against 64,979 packages last year. Other kinds: Landed, 1,541 packages; delivered, for home consumption, 2,145 packages; exported, 524 packages; stocks, 71,332 packages, against 99,163 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 4½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "November-January," was 20s. 3d. per 50 kilos, c.i.f. Continent, as against 19s. 9d. to 20s. 3d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 448 bags; delivered, for home consumption, 4,859 bags; exported, 782 bags; stocks, 141,397 bags, against 112,210 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 51,475 packages of Indian and 19,625 packages of Ceylon tea. Competition for the Indian grades was not quite so keen and prices were barely steady. Quotations for the Ceylon varieties were rather irregular, but export demand showed some improvement. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

	AVERAGE PRICE PER LB.						
Week ending	North India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total
Nov. 23, 1933	12-8	13-2	15-28	11-05	10-08	10-87	13-26
Oct. 25, 1934	12-49	11-35	14-63	9-96	9-29	10-85	12-73
Nov. 1, "	12-33	11-44	14-27	10-69	9-28	10-67	12-58
Nov. 8, "	13-21	11-62	14-39	10-23	9-28	10-67	12-58
Nov. 15, "	13-10	11-51	14-15	10-29	9-57	10-69	12-39
Nov. 22, "	11-96	11-45	13-73	10-30	9-21	10-83	12-09

COMMONWEALTH BANK OF AUSTRALIA

(Guaranteed by the Australian Government)



Branches and Agencies throughout Australasia
Banking and Exchange Business of every description transacted. Bankers to the Government of the Commonwealth of Australia, the Government of the State of Queensland, the Government of the State of South Australia, the Government of the State of Tasmania.

Commonwealth Savings Bank of Australia, 3,681 Agencies at Post Offices in Australia
As at 30th June 1934

General Bank Balances	£87,397,794
Savings Bank Balances	£24,065,378
Note Issue Department	£50,238,331
Rural Credits Department	£2,277,815
Other Items	£12,402,000
Total	£276,381,318

London Office: 8 OLD JEWRY, E.C.2
J. S. SCOTT, Manager
Also at Australia House, Strand, W.C.

THE CONSOLIDATED GOLD FIELDS OF SOUTH AFRICA LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary General Meeting of THE CONSOLIDATED GOLD FIELDS OF SOUTH AFRICA LIMITED will be held at RIVER PLATE HOUSE, FINSBURY CIRCUS, LONDON, E.C.2, on TUESDAY, the 4th day of DECEMBER, 1934, at 12 noon, for the purposes following, namely:—
To receive and consider the Annual Statement of Accounts and Balance Sheet and the Reports of the Directors and Auditors for the year ended 30th June, 1934; to confirm the dividends paid on the First and Second Preference Shares, and the Interim Dividend paid on the Ordinary Shares; to sanction the declaration of a final dividend on the Ordinary Shares; to elect Directors and other Officers and to transact the other ordinary business of the Company. Dated this 24th day of November, 1934.

BY ORDER OF THE BOARD,
J. BRADSHAW,
Secretary.
49, Moorgate,
London, E.C.2.

A BINDING CASE for The Economist Obtainable from The Publisher Price 5/-

most sorts remains steady, with dry Capes quoted at 6½d. and 5½d. for firsts and seconds and 5½d. and 4½d. for drysalts.

Turnover in the leather market generally has shown improvement. Sales of English and wetsaltd bends have been taken up with a fair amount of freedom and there has also been some good business put through on account of light weight dry hide bends, and pinned bellies. Medium weight bends have been asked for, but the inquiry for these has not been very active. In the upper leather section, demand is chiefly for box and willow calf and side leather, but there has been a fair amount of trade done in black and coloured kid. Suedes and reptiles have found buyers for limited quantities, but it cannot be said that the turnover of patent leather has registered any expansion.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, November 28th.				The prices in the following list are revised with the assistance of an eminent firm in each department.			
CEREALS AND MEAT				POTATOES—			
GRAIN, &c.				Good English, per cwt.			
Wheat—				SPICES—			
No. 2, N. Man. 496 lb.				Pepper, per lb.—			
Eng. Gaz. av., per cwt.				Mustok, fair White.....			
Barley, Eng. Gaz. av.....				Black Lampong.....			
Oats, "La Plata, landed,				Cinnamon—1st sort, per lb.			
480 lb.....				Cloves—Zanzibar per lb.			
Flour, Lon. stan. ex mill,				Ginger—per cwt.....			
280 lb.....				African.....			
Rice, No. 2 Burma, per cwt.				Jamaica, ord. to good.....			
Fair Flake, Singapore..				Mace.....			
MEAT—				Nutmegs, 65/-.....			
Beef, per 8 lbs.—				SUGAR—			
English long sides.....				(Duty, 11/8 per cwt.)			
Argentine chilled hinds				Centrifugal, 96% prpt.			
Mutton, per 8 lbs.—				Shipm., c.i.f. U.K./Cont.			
English wethers.....				B.W.I., crystallised.....			
N.Z. frozen.....				Java, white, c. & f. India			
Lamb, per 8 lbs.—				Aug.-Sept.....			
N.Z. frozen.....				REFINED—London—			
Pork, English, per 8 lbs.				Yellow Crystals.....			
OTHER FOODS				Cubes.....			
BACON—				Crushed.....			
English.....per cwt.				Granulated.....			
Irish.....				Home Grown.....			
Danish.....				Molasses, in bond.....			
Dutch.....				TEA—			
HAMS—				Indian—per lb.—			
Canadian.....				Pekoe.....			
American.....				Broken Pekoe.....			
BUTTER—				Orange Pekoe.....			
Australian.....				Broken Orange Pekoe.....			
New Zealand.....				Ceylon—per lb.—			
Danish.....				Pekoe.....			
CHEESE—				Broken Pekoe.....			
Canadian.....per cwt.				Orange Pekoe.....			
New Zealand.....				Broken Orange.....			
English Cheddars.....				TOBACCO—			
Dutch.....				(Duty, 9/6-10/6 per lb.)			
COCOA—				Empire growth, 7/5½			
(Duty, British grown,				8/3½ per lb.)			
11/8; foreign, 14/- cwt.)				Virginia leaf.....			
Accra, f.f.....per cwt.				Common to fine.....			
Trinidad.....				Rhodesian leaf.....			
Grenada.....				Nyasaland leaf.....			
COFFEE—				" strips.....			
(Duty, British grown,				East Indian leaf.....			
4/8; foreign, 14/- cwt.)				" strips.....			
Santos sup. c. & f. cwt.				TEXTILES			
Colombian, good.....				COTTON—			
Costa Rica, med. to good				Mid-American.....per lb.			
East Indian.....				Sakellaris, f.g.f.....			
Kenya, medium.....				Yarns, 32's twist.....			
EGGS—				60's twist.....			
English.....per 120				FLAX—			
Danish.....				Livonian ZK.....per ton			
FRUIT—Oranges—				Pernau HD.....			
South African.....boxes				Slanetz Medium 1st sort.....			
Lemons, Malaga.....cases				HEMP—			
Sicilian.....boxes				Italian P.C.....per ton			
Apples: Amer. (var.) boxes				Manilla, Oct.-Dec. "J".....			
" Australian.....				Sisal, African.....			
Onions.....				JUTE—			
Valencia, case.....				Native 1st mks.....per ton			
Egyptian, bags.....				c.i.f. H.A.R.B.			
Grapes, Lisbon, ½ boxes				Dec.-Jan. (New crop).....			
Almeria.....brs.				Daisee 2/3 c.i.f. Dundee.....			
LARD—				Dec.-Jan.....			
Irish bladders, pr. cwt.				SILK—			
U.S. 56 lbs. boxes.....				Canton.....per lb.			
				Tussah.....			
				Japan.....			
				Italian—raw, fr.....Milan			

UNITED STATES

(New York quotations, unless otherwise stated.)

	Nov. 29, 1933	Oct. 31, 1934	Nov. 21, 1934	Nov. 28, 1934		Nov. 29, 1933	Oct. 31, 1934	Nov. 21, 1934	Nov. 28, 1934
Wheat, No. 2, Winter, nearest future, Chicago, per bushel...	83½	95½	98½	99½	Sugar, Cuban Centrifugals, 96 deg., spot, per lb.....	3-15	2-82	3-00	3-085
Maize, nearest future, Chicago, per bushel	43½	75½	84½	90	Cotton, middling, spot, per lb....	10-10	12-40	12-55	12-85
Oats, nearest future, Chicago, per bushel	31½	49½	53	53½	Rubber, smoked sheet, spot, per lb.....	8-94	12½	12½	13½
Rye, nearest future, Chicago, per bushel	53½	67½	72½	72½	Petroleum, Pennsylvania crude standard grades, per barrel.....	192-212	207-222	182-197	182-197
Barley, nearest future, Chicago, per bushel	37½	76	82	82½	Copper, " Electrolytic," Do- mestic, spot, per lb.....	8-25	6-72½	6-72½	6-62½
Coffee, Rio No. 7, cash, per lb.	7½	9½	9½	9½	Copper, " Electrolytic," Export, prompt, per lb.....	7-75	6-95	6-70	6-95
" Santos No. 4, cash, per lb.	9½	11½	11	11	Spelter, East St. Louis, spot, per lb.....	4-50	3-85	3-70	3-70
Cocoa, Accra, nearest future, per lb.....	3-95	4-52	4-45	4-53	Lead, spot, per lb.....	4-15	3-70	3-50	3-50
					Tin, " Straits," spot, per lb.....	53-10	51-15	51-25	51-37½

REPORT BY THE COURT OF DIRECTORS OF

The ROYAL BANK of SCOTLAND

To the ANNUAL GENERAL COURT OF PROPRIETORS, on Wednesday, 28th November, 1934

The Directors now submit to the Proprietors the annexed Abstract Statement of the Affairs of the Bank at the Second Saturday of October, 1934, with relative Profit and Loss Account, certified by the Auditors.

The net profits of the year, after providing for all bad and doubtful debts, amounted to	£621,426 16 4
The Midsummer Dividend, at the rate of 17 per cent. per annum, required	£321,316 6 5
Less Income Tax	72,296 3 5
It is now proposed to pay a Dividend at Christmas at the rate of 17 per cent. per annum, which will require	£321,316 6 5
Less Income Tax	72,296 3 5
There has been written off expenditure on Bank Buildings and Heritable Property	249,020 3 0
Carried to Pension Reserve Fund	25,000 0 0
And to Inner Reserves against Contingencies the Balance of	30,000 0 0
	68,386 10 4
	£621,426 16 4

All the Bank's Investments are valued in the annexed State of Affairs at or under the prices ruling at the date of the Balance. In virtue of the powers conferred upon them by The Royal Bank of Scotland Act, 1873, the Directors elected The Right Hon. The Earl of Iveagh, C.B., C.M.G., D.L., as an Extraordinary Director.

The Governor, the Deputy-Governor, the Extraordinary Directors, and the Senior Ordinary Director (Sir Thomas Dunlop, Baronet) all retire at this time, and are eligible for re-election.

Auditors also fall to be appointed for the ensuing year, and Mr. J. Maxtone Graham, C.A., and Mr. George James Gregor, C.A., offer themselves for re-election.

By Order of the Court of Directors,
WILLIAM WHYTE,
Cashier and General Manager.

ABSTRACT STATE OF AFFAIRS, at 13th October, 1934.

LIABILITIES.	
1. Deposits with accrued Interest and other Credit Balances	£58,944,630 7 3
2. Notes in Circulation	2,792,803 0 0
3. Drafts Outstanding	1,076,774 13 8
4. Acceptances and Indorsements of Foreign Bills and other Obligations	3,895,053 7 11
	£66,709,261 8 10
5. Capital	£3,780,192 0 0
6. Rest	3,780,926 6 6
7. Proposed Half-year's Dividend payable at Christmas (less Income Tax)	249,020 3 0
	7,810,138 9 6
Total Liabilities	£74,519,399 18 4

ASSETS.	
1. Gold and Silver Coin, Bank of England Notes, Notes of other Banks, and Cash with Bank of England and other London Bankers	£6,206,783 12 3
2. Money in London at Call and short notice, and Cheques, etc., payable on demand, in hand, and <i>in transitu</i>	8,133,462 6 9
3. British Government Securities	24,394,047 8 11
4. Indian and Colonial Government Securities, Bank of England Stock and Corporation Stocks	1,636,095 11 11
5. Other Securities	355,804 0 9
6. Bankers' Industrial Development Company, Ltd., One "A" Ordinary Share of £100,000 (£100 paid)	£100 0 0
7. Williams Deacon's Bank, Ltd. Shares—1,562,500 "A" Shares of £5 each, £1 paid, and 312,500 "B" Shares of £1 each fully paid	3,093,750 0 0
8. Bills discounted (of which £1,890,000 British Government Treasury Bills)	3,874,486 9 6
9. Advances on Cash Credit and Current Accounts	20,920,855 2 1
10. Loans on Stocks and Securities	860,207 10 8
11. Banking Correspondents and other Customers for Acceptances and Indorsements and other Obligations, <i>per contra</i>	3,895,053 7 11
12. Bank Buildings (partly yielding rent)	403,729 14 10
13. Property yielding rent	180,024 12 9
14. Freehold Properties in London (partly occupied by Bank and partly yielding rent)	565,000 0 0
	33,793,206 17 9
Total Assets	£74,519,399 18 4

PROFIT AND LOSS ACCOUNT.

To Expenditure on Bank Buildings and Property written off	£25,000 0 0	By Rest at 14th October, 1933	£3,780,926 6 6
" Pension Reserve Fund	30,000 0 0	" Net Profits after deducting expenses of Management at Head Office and 252 Branch Establishments, allowing for rebate on Bills Current, Income Tax, and providing for all bad and doubtful debts	621,426 16 4
" Dividend for half-year, paid at Midsummer, less Income Tax	249,020 3 0		
" Dividend to be paid at Christmas, less Income Tax	249,020 3 0		
" Inner Reserves against Contingencies	68,386 10 4		
" Balance, being free Rest or undivided Profits, carried forward	3,780,926 6 6		
	£4,402,353 2 10		£4,402,353 2 10

D. SPEED, Chief Accountant.

AUDITORS' REPORT

As Auditors appointed by the Proprietors of THE ROYAL BANK OF SCOTLAND, we have checked the Cash on hand at Head Office, Glasgow and London (City Office), the other Assets and of the Liabilities set forth in the foregoing Abstract State of Affairs; and we now certify that in our opinion said Abstract State is a full and fair Balance Sheet, properly drawn up, and exhibits a true and correct view of the state of the Bank's Affairs, as shown by the books, at 13th October, 1934.

EDINBURGH, 12th November, 1934.

J. MAXTONE GRAHAM, C.A., Auditor.
GEO. JAMES GREGOR, C.A., Auditor.

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(With this issue appears our Monthly Book Supplement.)

A RIFT IN THE CLOUDS

A WEEK or two ago it looked as if very little headway was being made in dissipating the tense and restless state of Europe. M. Barthou's project for an Eastern Locarno Pact had fallen into abeyance; the Saar plebiscite looming ahead was fraught with ominous possibilities, while speeches by Cabinet Ministers in this country seemed to suggest that His Majesty's Government, baffled by the difficulties of the international situation, might turn their back on the international obligations which this country had assumed and seek a precarious peace behind increased defences. The clouds were heavy overhead and the statesmen looking round for whatever shelter they could find.

This week we welcome definite signs of a change for the better. So far as Germany is concerned the appeal for a new effort at reconciliation implied in the speeches of Mr Baldwin and Sir John Simon in the House of Commons last week has apparently not fallen on deaf ears. The interplay of the various forces within the Nazi ranks is still obscure, but it is fairly clear that internal stresses have recently reached an acute phase and that the extremist elements of Nazism are no longer in favour with the authorities. The visit of Herr Hitler's special emissary, Herr Ribbentrop, to England and France, did not, it is true, lead to any definite result, except the not very practical proposition that the way to Franco-German reconciliation lies in a fraternisation between French and German ex-service men. But deeds speak louder than words, and the German Government's action in the last few days is definite evidence of an increasing spirit of accommodation.

France, in the person of her new Foreign Minister, M. Laval, has also made her contribution towards an easier state of things. Although M. Laval insists that Germany must return to the League as a condition of an agreement on armaments, he has shown a definite appreciation of the need for an understanding. On the question of the Saar, for example, he did something to ease the situation when he declared last Saturday, in answer to a Parliamentary question, that if the plebiscite results in a vote for the *status quo*, "the Saarlanders could always afterwards appeal to the League for the return of the territory to Germany," and that "France would not be opposed to this." This answer has the merit of encouraging the Saarlanders to express

their wishes freely, by assuring both them and their compatriots in the Reich that France does not intend to exploit German party strife to prolong the separation of the Saar for a moment longer than the inhabitants themselves desire.

These signs of a more understanding attitude on both sides have taken practical shape in two notable achievements this week. The first of these, for which the French and German Governments deserve much credit, was the signature on Monday of a Franco-German agreement—negotiated at Rome under the auspices of the Saar Plebiscite Committee of Three under Baron Aloisi—which regulates the principal political, financial and economic questions that will arise between France and Germany if the Saar reverts to Germany as a result of the plebiscite. In that event France is to receive 900 million French francs in settlement of her claims for the Saar mines, which will then be returnable to Germany, and for all other French State claims in this territory. This sum, which clearly could not be transferred by the hampered and almost non-existent procedure of the foreign exchange market, is to be paid for partly by the return of French bank notes circulating in the Saar—which will release to the French Government the gold or other security now held as backing to the issue—and partly by free deliveries of coal to France over five years. In addition there is a special arrangement about two pits which are entered from French territory, though the seams lie under the Saar territory.

On the political side, there are to be considerable extensions of the guarantees with regard to the treatment of the population of the territory, which the German Government gave in the agreement of last June. The guarantees already given to the voters are to be extended to the non-voting population: no measures are to be taken against any inhabitants of the territory, on account of their religion, race or language, for a specified though limited period; individuals will be perfectly free to leave the territory and all the rights acquired by the inhabitants in regard to social insurance and such like benefits are to be respected.

The second event which may well prove of very great significance in the whole field of international relations occurred on Wednesday at Geneva. It will be recalled

that last September M. Barthou stated that France considered herself under a special obligation to ensure order and to prevent undue pressure while the plebiscite is being taken, and that she would not shirk this responsibility, though she hoped that other countries would share it with her. A month ago Sir John Simon told the House of Commons that "there never has been any question of the use of British troops in the Saar, and nothing of the sort is contemplated." The conclusion generally drawn at the time was that the British Government, influenced by that current of opinion which loudly demands that we should keep clear of the troubles of Europe, was unwilling to accept any responsibility in this matter. But the movement of French troops towards the frontier roused responsible politicians at once to the dangerous possibilities of such action by a party interested in the result of the plebiscite. At the League Council, this week, M. Laval urged that if action was necessary responsibility for it should be assumed by the Council and not by France, and that if this were done France was willing to stand aside entirely and leave the task to "neutrals." To the surprise of public opinion throughout the world, Mr Eden, for the British Government, responded by saying that if the Council thought that an international military force was necessary as a standby to support the Saar police in case of emergency, Britain would be willing to respond by sending her appropriate quota of troops. This offer was subject to the very proper condition that other countries conveniently situated for the purpose should also be prepared to make a contribution, and that France and Germany assented to the arrangement. This assent has since officially been given.

The lead given by Mr. Eden was promptly followed by representatives of Italy, Russia and Czechoslovakia; and the Committee of Three, which had already effectively discussed the economic questions involved, has been asked to make definite proposals before the end of the Council session for the organisation of an international police force to be placed at Mr Knox's disposition.

The action of His Majesty's Government in response to M. Laval's gesture has created a change of the first importance in the international situation. Mr Knox, who is in the best position to express an opinion, told the Council that while the Governing Commission could not be sure of maintaining order in present circumstances, he was certain that if an international police force were provided order would be preserved and the plebiscite and the difficult period to follow would pass off peacefully. In other words, this action will carry us safely over a critical danger point. But the incident does not end here. If the steps now taken enable us successfully to pass this particular crisis—which Herr Hitler has described again and again as the outstanding issue between France and Germany—it will be the first specific proof for several years past of what may be achieved in solving difficult international problems if good will is present and if all nations who are parties to a collective system show themselves ready to accept their share of the obligation to ensure peace.

Thus the situation is promising; and as it is the first step that counts, we may begin to hope that the larger problem that Mr Baldwin was examining in the House a week ago—namely, the reopening of disarmament negotiations—may shortly be taken up afresh. If this hope is realised, it may yet prove that, in spite of threatening storms in Far-Eastern seas, the year 1934 has seen the worst of the political depression, as 1932 marked the bottom of the economic one.

But we have learned by bitter experience that a slight break in the clouds does not always portend fairer weather. Much yet remains to be done. M. Laval, on whom the mantle of M. Briand has fallen, has an especial responsibility and a great opportunity. We, too, in this country, must not desist from continuous efforts. But if after long travail the world is to emerge intact into the calm atmosphere of an assured peace, Germany's contribution is the most vital one of all. For Germany has not only to moderate her claim to guns and shells and personnel—as she has shown herself not unwilling to do—her rulers must also take steps to exorcise belief in the philosophy of might which is being instilled in the minds of her young people. If such doctrines grow unchecked, conventions and agreements will ultimately avail nothing. Germany's former enemies must offer her real equality in security. Her own response must be the offer of the will to peace.

THE TRAMP SHIPPING SUBSIDY

THE President of the Board of Trade announced last July that the Government would support a scheme to subsidise tramp shipping. Legislation was to await satisfactory proposals from the shipowners which would prevent dissipation of the subsidy by domestic competition between British ships and would ensure that British shipping should benefit at the expense of foreign subsidised shipping. The shipowners have now made their proposals, the Government has accepted them, and a Financial Resolution embodying the scheme was passed on Tuesday.

According to the White Paper issued in explanation of the scheme, the subsidy is to be for one year and is not to exceed £2,000,000 in amount. The sum to be distributed will be reduced below this maximum on a sliding scale according as average freight rates for the subsidy year rise above 92 per cent. of the 1929 average. The scheme is to apply only to ships other than tankers, passenger ships and ships with a substantial amount of refrigerated cargo space, and only when all cargo is carried on charter-party terms. Shipowners must register all eligible ships with the proposed Tramp Shipping Subsidy Committee, and must make a claim for subsidy with regard to eligible voyages by eligible ships within 21 days of the completion of the voyage. Subsidy will be paid in proportion to the number of "ton-days," calculated as the product of the gross register tons and the duration of the voyage. Quarterly interim payments of subsidy will be made, and the basis of distribution between owners will be the total ton-days credited to each owner during the quarter. If necessary, an adjustment will be made in the last quarter to ensure that total payments are in proportion to the total ton-days for the year.

So far the White Paper presents a rather complicated method of calculating and paying a subsidy which is designed, one might suppose from Mr Runciman's statement, to secure greater employment of British tramp shipping at the expense of foreign. But a later paragraph contains provisions which appear flatly to contradict this supposition, for it is laid down that if an "undue" number of ships which had been laid up are brought out for trading (and the natural result of the subsidy will be to bring them out), the sums payable may be adjusted so that owners shall not receive more than they would have done had they been trading only the proportion of their eligible tonnage recommended by the Committee. It will be observed that the result of the scheme entirely depends upon the way this paragraph is administered. The effect of the subsidy would normally be to increase the tonnage of British shipping able to make effective competition with foreign shipping, and this might in turn lead to lower freight rates and an automatic increase in the subsidy until it reaches its maximum with freights for the year at 92 per cent. of the 1929 average. In such circumstances will the "limitation" clause be so administered as to prevent the fall in freights and the increase of subsidy by restricting the number of ships at sea? If on the other hand freight rates are already at 92 per cent. or less of the 1929 average, nothing can be saved to the Government by a policy of limitation. It may be assumed, however, that it will still be enforced in the hope of averting a further fall of freights.

But whatever the motive for, or the degree of, limitation the method of application will depend upon the interpretation of the phrase "owners should not receive more . . . than they would have received." This can only mean that "no individual owner shall receive more . . . than he would have received," i.e. the paragraph appears to give the Committee the power, through its ability to withhold the subsidy, to maintain the proportions in which the total ton-days of business are at present divided among the shipowners. If all shipowners were to expand their ton-days at the same rate each would receive the same proportion of the total subsidy as before. But if one shipowner puts more ships to sea the Committee may decide that an undue increase in trading tonnage has occurred and refuse the increased subsidy which would otherwise fall to this shipowner. In other words, this paragraph gives the Subsidy Committee the power to fix quotas for individual shipowners, and is designed to prevent any effective increase in the employment of British shipping.

In return for the subsidy the industry was required to organise itself so that the subsidy should not be dissipated by domestic competition. Accordingly it proposes a Tramp Shipping Administrative Committee whose duties are to develop a "united front against any possible combined operations of shippers to depress freights below an economic level," to promote co-operation between tramp and cargo liner owners, and to co-operate with international shipowners' organisations. The Administrative Committee is to recommend such conditions of charter as in their discretion they may think fit, and the offer of more favourable terms would presumably be punished by the partial withholding of subsidy in the manner described above.

It is clear that if none of the subsidy is dissipated—that is, passed on to the shipper by means of lower freight rates—there will be no increase in the employment of tramp shipping. The shipowners cannot both keep the subsidy and increase employment of their ships, and as the scheme is propounded in the White Paper the shipowners seem to be concerned mainly with keeping the subsidy. Apparently employment of British shipping will only be increased if a satisfactory agreement can be reached at the proposed International Shipping Conference at Berlin next year.

The subsidy proposals for tramp shipping have been opposed by the cargo liner owners; but the scheme proposes to bring them into consultation, and they are likely to withdraw their opposition if they have effective representation on the Committee which is to decide charter conditions. Apparently a further subsidy of £500,000 for cargo liner owners was considered, on the ground that this would restore the *status quo* between liners and tramps, but the scheme was abandoned.

The Financial Resolution retains the "Scrap and Rebuild" proposals of the President of the Board of Trade, but the original scheme has been modified so that only two tons have to be scrapped for every ton of new shipping built, and only one ton for every ton of existing shipping modernised. A main objection of the shipowners to the original scheme was that the reduction of recent years in world tonnage was largely at the expense of British ships, and that the "scrap and rebuild" method would still further reduce the proportion of British shipping. In order to prevent this development, owners are now allowed to purchase and scrap foreign ships in order to qualify for rebuilding loans. This scheme is to be brought into operation at a date to be fixed by the Board of Trade after the necessary legislation has been passed, but no loan is to be made after two years from the date on which the legislation is passed. Loans are not to exceed £10 millions.

The subsidy to British tramp shipping will have been justified if it is instrumental in getting rid of the whole regime of shipping subsidies. It may have that effect, but "a hair of the dog that bit him" is of as doubtful efficacy for economic madness as for rabies. In the meantime the British subsidy is not merely a defensive measure against foreign subsidies but an offensive measure against foreign unsubsidised shipping. The unsubsidising nations, particularly the Scandinavians, are keenly alive to the position, but there is little sign as yet of a changed attitude among the subsidising countries. The voice of economic sanity in international affairs has been heard more frequently of late in the United States, but its influence in official quarters has yet to be proved. Whether the effect of the British subsidy in inducing the subsidising nations to recant will be swifter and surer than its effects in forcing those who are not at present subsidising to follow suit remains to be seen. But there are obvious grounds for doubting whether this is the best way to assist shipowners.

British shipping can only regain prosperity through a revival of international trade. It is an interesting point that the development of tariffs and economic nationalism has in some cases increased the distance over which certain commodities have to be carried by ships, and to this extent shipping has been less depressed than might have been expected. But this influence is very small, and shipping as an industry very properly prays for a return of economic internationalism. Perhaps even the prophets of self-sufficiency can see the absurdity of granting a subsidy to, say, beet sugar, and then having to grant a further subsidy to the industries damaged by the first! If we proceed much farther in this fashion we shall soon have everyone subsidised against everyone else.

The Hall-mark of INSURANCE SECURITY



7 Chancery Lane, London

THE AUSTRIAN CONVERSION

AFTER the war, no country's claim for international assistance to achieve economic stability was more urgent than that of Austria. Her people were reduced to conditions of starvation and misery far worse than those in Germany; her territory, sources and markets were lopped away, and her entire economic and social structure was turned topsy-turvy.

In 1923, after a thoroughgoing examination by the League's financial experts, the League of Nations Loan for Austria was issued, with the guarantee of eight States. The loan was issued in ten markets at 6, 6½ and 7 per cent. nominal interest, but at prices which gave a yield of 8 per cent. and more. In those unsettled times, Olympian interest rates were the order of the day. Even then, however, economic advisers foresaw the possibility that interest rates would descend towards Avernus; and the Austrian Government in 1923 reserved the right, which the eight guarantor States could call upon them to exercise, to redeem the loan by giving due notice on any dividend date after ten years. But no one envisaged a period of virtually unutilised cheap money in all important centres within ten years, coupled with currency chaos, political instability as great as, if not greater than, in 1923, and the stabilisation of world trade at levels lower than the immediate post-war maximum. These conditions of general economic depression forced upon Austria the need for a new equilibrium at which her economic activity could maintain the value of her depreciated currency. Since May, 1931, when the Austrian Credit Anstalt crash ushered the financial crisis into Europe, this new equilibrium has been broadly attained; and in 1933 Austria was able to fund her short-term indebtedness, necessitated mainly by the 1931 crash, in the International Guaranteed Loan of that year. Since then, her public expenditure has been reduced more than her revenues; savings deposits have increased; and her foreign trade has more nearly approached equilibrium than for many years.

In these circumstances, the Austrian Government might well turn its attention to the lowering of the services on its external public debt. Moreover, in September this year the Finance Committee of the League of Nations recorded that they were impressed by the power of recovery shown by Austria in the crisis, and they put up a trial balloon for the conversion of the 1923 League Loan. "A conversion of the loan," they said, "would be consistent with the original expectations when the 1923 loan was issued and the general trend of current conditions where debtors have maintained their solvency . . ." The Austrian Government therefore approached the eight States-guarantors of the 1923 loan, who signified their willingness to take the necessary legislative and administrative measures to renew their guarantees. It was found possible to arrange an international loan in eight markets to the total of some £20 millions, and on terms which represented a substantial reduction from those paid in 1923. On December 1st, therefore, the Austrian Government gave the necessary notice

of redemption of the 1923 loan, and on Wednesday of this week the terms of the conversion operation were made known.

An issue of £10,163,900 in £4 10s. per cent. guaranteed sterling bonds, dated 1934-59, was offered at a price of 98½ in London on Thursday. This sterling issue includes provision to take over half the outstanding amount of the American *tranche* of the 1923 loan. Other issues are being made in other centres, as noted below. The net proceeds of the whole loan will be used to redeem, on June 1st next, the outstanding bonds of the 1923 League Loan, in their entirety. Thus no new money will be at the disposal of the Austrian Government. The annual service of the new issue will amount to £1,500,000 when the sinking fund allocations begin in three years' time, as against the annual service of £3,000,000 on the 1923-43 loan. This saving is facilitated by the fact that only nine years remain of the old loan's currency, whereas the new loan has a possible twenty-two years in which to accumulate a sinking fund, though the Austrian Government can repay the loan any time in the last ten years. Holders of the old loan who convert will receive preferential treatment, and can notify their acceptance of the conversion terms up to December 19th. Subscribers need only pay 5 per cent. in cash on application, 18½ per cent. on January 3, 1935, and 75 per cent. as far ahead as April 25th next. The services of the new loan are not only adequately covered by gross revenues and receipts of the Austrian Customs and the tobacco monopoly, but are guaranteed as to 24½ per cent. each by Britain, France and Czechoslovakia, as to 20½ per cent. by Italy, as to 2 per cent. each by Belgium and Sweden, and as to 1 per cent. each by Denmark and Holland—all original guarantors. These proportionate guarantees are less onerous than those on the old 1923 loan, by reason of the reduction effected by the new Conversion Loan in the annual service of Austria's external public debt. Moreover, the services of the 1933 International Guaranteed Loan, and of all other Austrian loans ranking after these two, are thereby given a greater measure of security.

The new loan is issued at a rate of 4½ per cent. at 98½ in London; in Sweden and Italy it is 4½ per cent. at 95; in Holland 4½ per cent. at 89; in Switzerland and Belgium 5 per cent. at 94½; and in Austria, Czechoslovakia and France 5 per cent. at 87. These differences of rates for the same guaranteed security naturally reflect local market conditions, but they are significant, none the less. Some surprise has been expressed that the British share should have been increased by half the *tranche* of the 1923 loan issued in the United States, but recent legislation in America and the state of investment opinion there ruled out the possibility of American participation from the start. Actually, Austria herself is taking over the other half of the 1923 American *tranche*; and both this, and Austria's share in the new loan, will be denominated in schillings instead of in American dollars, as in 1923. The total amount of the 1923 American *tranche* outstanding on December 1st this year was only \$14,534,500.

Austria's gain from the new loan, however, is greatest by reason of the credit-standing of her guarantors. And if we "weight" the Government credit of each guarantor State by its percentage guarantee of the new Austrian loan, the £4 11s. 4d. per cent. flat yield and £4 12s. 1d. per cent. yield to redemption, which Austria is now paying, compare very favourably with the weighted average flat yield of £5 2s. per cent. obtainable from the guarantor Governments' securities. Austria has deserved well of her creditors; and if the present loan is a success, she will have done very well indeed.

In conclusion, there are three broader implications of this conversion operation which should be borne in mind. First, it is true that the Government of Austria is buttressed by supporters whose political principles would not command the respect or sympathy of most Englishmen, and also that it is so buttressed by methods repugnant to a true democracy; but to refuse to accord Austria financial assistance in recognition of her improved economic status on these political prepossessions would be to choose the worse of two evils. For Austria must be given at least the opportunity for further economic improvement, or she will be driven, by internal violence or despair, into the arms of Nazi Germany; and then her capacity, either to

pay or to co-operate internationally, would in all probability be severely circumscribed if not altogether destroyed. Secondly, our own increased participation in the new loan increases our influence with Austria and our interest in giving her counsel. In the past, Austrian Governments have been very sensitive both to British public opinion and to considerations urged upon them from this country. It may well be that this is the best way to help the cause of democracy in Central Europe, after all. Lastly, the present conversion operation is a considerable step toward a general lowering of interest rates, from which, almost alone at the moment, the world has much to hope. On all these grounds the new Austrian issue should be welcomed.

HOUSING AND BUILDING

If there is any economic problem for which the conception of "planning" in the broadest sense is appropriate, it is housing. For we are all agreed, in this case, about our ultimate object—the proper housing of the whole population at the lowest possible cost to the Exchequer. The new Report, "Housing England," issued by the group known as Political and Economic Planning, is consequently most opportune and valuable.* The Report contains a full statistical analysis of every phase of the housing problem, as well as detailed recommendations for action. It deserves high praise and wide study.

The Report starts from the indisputable premise that unrelated slum-clearance, private enterprise and assisted municipal building are not enough. It may be that, by paying a sufficiently high subsidy to enable local authorities to remedy overcrowding, enough workers' houses might be built some day—at a cost. By proper organisation and rationalisation, however, of the entire processes of housing and building—which, as the Report points out, are separate—the cost and the time could be enormously reduced. In reality, the Report argues, there are three housing problems. The first is a housing problem proper, a problem of bricks and mortar: how many houses are needed in order to house the workers at a satisfactory standard of accommodation? The second is a rent problem: how can we secure that workers' housing is, so far as possible, economically self-supporting? The third is that of "rent-paying capacity," which is not strictly a housing problem at all, but a general problem of poverty.

In answering the purely statistical question—how many houses are needed?—the Report surveys the principal estimates hitherto made, including our own published on March 31st last; and reaches the conclusion that a total of between 1,150,000 and 1,255,000 houses represents the minimum requirement for the years 1934 to 1941, if proper allowance is to be made for overcrowding, replacement, and the probable increase in families. The rate of about 170,000 houses a year implied in this total compares with our own lower limit of 165,000. In our opinion the estimate in the Report does not make nearly enough provision for necessary obsolescence and replacement. The allowance is 50,000 houses per annum, *inclusive of slum clearance*. But, according to Sir Raymond Unwin, the annual rate of replacement in the past decade—admittedly far less than adequate—has been 25,000 per annum. But the Report's estimate is a minimum, and its authors would probably agree with us that much more than the minimum must be built if anything approaching a proper standard of housing is to be attained.

It is evident (the Report points out) that nothing less than the erection of 1,000,000 houses during the next seven years would meet the situation, and then only if they were all built to let at rents averaging not more than 10s. to 11s. per week. There should be no danger of exceeding either the needs or the potential demand if the rate of building amounted to 200,000 annually, provided that at least half were built to let at rents averaging 10s. per week, and not less than 50,000 dwellings were destroyed annually.

What reduction of building costs is possible, and how is it to be achieved? Perhaps the most striking, and the least generally recognised, point which the Report brings

* "Housing England." Report by P. E. P., 16, Queen Anne's Gate, S.W. 1. 152 pages. 5s. net.

out is the extent to which local rates are a cost, or rather a tax, on working-class housing. Every working man, employed or unemployed, pays rates, generally compounded in his rent. And a rate of 10s. in the pound on a house of a rateable value of £13 means an addition of 2s. 6d. a week to the rent. The amount which the lower-paid worker can afford to pay in rent is consequently reduced from, say, 11s. to 8s. 6d.—a crucial difference. On this subject the Report is justifiably outspoken:—

Two to three shillings per week is probably the most frequent figure [for rates paid by workers] and this means a tax of from 3 to 7½ per cent. of income for a family living on, say, 40s. to 60s. a week. In extreme cases the percentage may be well over 10 per cent. . . . The general effect of rates may be compared with that of the notorious window tax. The case for this imposition is all the weaker because rates go largely to the support of social services, which are predominantly for the benefit of lower-paid workers. . . . A complete overhaul of rates is no doubt desirable, but obviously nothing so large is likely to be undertaken for many years. . . . The fact that piecemeal action is perfectly feasible is shown by the derating of agriculture (wholly) and of industry and freight transport (partly) achieved through the Local Government Act, 1929, and other measures. If special relief can be arranged for "deserving" industries (including brewing) surely special relief can be arranged for "deserving" people.

The Report consequently suggests a 75 per cent. derating of working-class houses on the ground that "this would probably make the proportion of income paid in rates by the lowest-paid classes more or less comparable to the proportion paid by the richer classes." Clearly, the question is a wide one, wider even than housing. But the Report makes out a case for *ad hoc* action, which should receive very careful consideration.

No less important as a charge on the rent-payer is the rate of interest. The weekly charge on a capital sum of £300, without amortisation, is 3s. 6d. at 3 per cent. and 5s. 9d. at 5 per cent.—a very substantial portion of the rent of a working-class house. Speculative building naturally requires a large speculator's profit. But even the building societies, the Report maintains, cannot give much further assistance towards cheap finance.

The present lowered rates of advance under the 1933 Act amount to 4½ per cent. for London and the South, and 4 per cent. elsewhere, but the limitation of the life of the mortgage to 30 years brings total loan charges up to about 6½ and 6 per cent. . . . No definite lowering of the cost of houses, as judged by inclusive rentals, provided through building society finance, can be looked for in the immediate future.

The Report considers the proposal for a big Government guaranteed housing loan at 3 per cent. It is inclined to decide against this proposal for no very discernible reason, and suggests instead that a private organisation might, with the Government's "goodwill," raise capital at least at 3½ per cent.

Actual building costs, present and possible, are exhaustively analysed by the Report. In the first place, it is pointed out that the whole building industry is riddled with anachronisms, anomalies and confusions. A vast number of obsolete State and municipal regulations remain in force. These, the Report urges, should be made scientific and up-to-date; and minimum standards and designs for houses and a licensed period of life should be made universal. All this requires a central, or at least large-scale, building organisation. Such an organisation would also be able to attack the problem of the high cost of raw materials. At present the cost of bricks is kept artificially high by the large number of small firms existing in the industry and the wide fluctuations of output now prevailing. Some amalgamation and a steady output would, in the Report's estimation, substantially reduce costs. The cement industry, on the other hand, is fairly thoroughly rationalised, but it has developed a monopolistic price-fixing tendency which is equally injurious to the public. An agreement among all producers in the industry was concluded in June, 1934; and the first effect of the new agreement has been the raising of prices in all districts, in certain cases by as much as 20 per cent. "Compared with industrial companies in general," the Report observes, "it cannot be said that the cement industry has been unremunerative throughout the

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depression." Thirdly, timber prices have been artificially raised by the Government's action in limiting Russian timber imports in the supposed interests of Canadian producers. Under Canadian pressure imports from Russia, which was up to 1933 our principal source of supply, have been cut down by political action, as a result of which we now get about 20 per cent. less timber from the Russians and pay about 17 per cent. more for it.

The Report's final estimate of "the minimum cost for a minimum house in present conditions" shows that an inclusive weekly rent (including rates) of 11s. 8d. is the lowest that can now be hoped for. "Taking account of immediately possible savings," including rates and interest at 3½ per cent., it is calculated that a rent of 10s. 1½d. could be achieved. If the Report's estimates and calculations are accepted, it is clear that the accomplishment of the suggested economies, together with a 75 per cent. de-rating of workers' houses, would solve the housing problem entirely.

In recommending the practical machinery necessary to secure the desired economies, the Report seems to falter somewhat in following out the logical conclusions of its own arguments. It recognises the need for centralisation on technical, economic and social grounds, but it rejects the proposal for a public housing authority with monopoly powers, just as it rejects the idea of a Government-guaranteed loan, for no very apparent reason. Instead, it suggests the foundation of two ordinary limited liability companies—a building company and a housing company—the first to build houses and the second to plan, own and manage them. These companies would compete with ordinary private enterprise and operate on a profit-earning basis. It may be that the authors of the Report are right in wishing to start with this comparatively unambitious plan. Whatever the final verdict on the plan, however, there is no question that the Report itself is a singularly thorough, competent and valuable document.

MR BENNETT'S CHANCES

(BY OUR OTTAWA CORRESPONDENT)

POLITICAL events in Canada have now reached a very interesting stage. The coming session, which will open in January, is the last of the present Federal Parliament, and, if the Bennett Ministry can struggle through it, will be followed sometime in the summer of 1935 by a general election. During the past year the fortunes of the Conservative Party, which has been in power since July, 1930, have gone from bad to worse. The Conservatives have lost one Federal by-election after another, some of them in what were counted impregnable strongholds of Conservatism. They have also forfeited control of a series

of Provincial Administrations, until only those of the two smallest of the nine Provinces are left in their hands.

It is now plain that the Party is being rent by a serious dispute over the recent resignation of Mr Stevens, the Minister of Trade and Commerce. Outside Montreal and Toronto, where the Conservative papers argued that Mr Bennett was well rid of a troublesome radical colleague, most of the Conservative Press backed Mr Stevens; and some papers, e.g. the *Winnipeg Tribune*, actually asserted that he had been driven out of the Cabinet by reactionary colleagues, acting under the orders of big business interests which his activities had exasperated. Again, several Conservative members and local party leaders have proclaimed their sympathy with Mr Stevens, and by implication condemned the structure of the Cabinet. Moreover, he has become a political hero in the eyes of the independent retail merchants of the country, who regard him as their valiant champion against the oppressive competition of the departmental and chain store organisations, and their various associations have ranged themselves behind him. Even the Retail Merchants' Association of Calgary, Mr Bennett's home town, has passed a resolution describing Mr Stevens' resignation as a "national calamity." He has been deluged with invitations to speak, for public opinion has been stirred by the disclosures about low wages and industrial conditions, and in some addresses after his resignation he has repeated in even stronger terms his indictment of "big business" and its ways. As a private member of the Royal Commission on "price spreads," etc., he is still indefatigably turning the searchlight of publicity upon existing business methods.

Clearly Mr Stevens, though deprived of Ministerial authority, has a substantial following in the country and is in a position to make trouble for his late colleagues. Not a few Conservative members feel that the circumstances surrounding Mr Stevens' resignation have fatally handicapped their Party for the general election, because its opponents will charge it with subservience to "big business," and if an opportunity of escaping this odium by a Parliamentary revolt presented itself these members would welcome it. Mr Bennett is fully aware of this mutinous discontent with his leadership among a section of his followers, and newspapers friendly to him have been hinting that, as soon as Parliament meets, he will summon a full-dress Party meeting and seek a vote of confidence in his leadership, with the intimation that, if it is not forthcoming, his resignation from both the Party leadership and the Premiership will be tendered immediately. There is little doubt that he will easily secure endorsement of his leadership and policies, for his resignation would precipitate a general election, and most Conservative members want to postpone this until they have rebuilt their weak and inefficient Party organisation. Moreover, they know how damaging to the Party morale a change of leaders would be on the eve of an election and in the atmosphere of a bitter domestic feud; and since Mr Stevens would be unacceptable as a leader to Mr Bennett's friends and to the powerful business elements in the Party, it would be hard to find a satisfactory successor to Mr Bennett. The present prospects are that the Prime Minister will carry on for another session and try to cope with the aggressive tactics of the Liberal Opposition, which is now sublimely confident that the gates of office are ajar. Its leaders have declared their intention to persist in their demand for a general election on the ground that the Government has outlived its mandate. They have even threatened to resort to tactics of obstruction.

Thus, the Bennett Ministry will from the first day of the session be engaged in a difficult rearguard action and cannot have much hope of securing a favourable battleground for the election. Under present constitutional provisions, which confer jurisdiction about wages and industrial conditions upon the Provinces, the Bennett Ministry can hardly sponsor any programme for the elimination of the abuses disclosed.

In its search for an election programme, however, the Ministry has now accepted the invitation of President Roosevelt to reopen negotiations about the St. Lawrence

Waterway. Mr William Phillips, the American Under-Secretary of State, recently visited Ottawa to confer with the Prime Minister. It is understood that he sought certain modifications of the original treaty in order to placate the objections of American opponents of the project, and that his two main requests were for a recognition of American sovereignty over the waters of Lake Michigan, and a larger share for American labour of the construction work. Since Mr Phillips' visit, Mr Herridge, the Canadian Minister at Washington, has spent a fortnight in Ottawa in constant consultation with officials of the Department of External Affairs and technical experts. The Quebec contingent of the Bennett Ministry is still dubious about the project, but the rest are sympathetic, and electioneering strategists discern in the public expenditure necessitated by the extensive works very useful ground-bait for the general election. It is unlikely that the Canadian Government will boggle much at the American requirements, but in view of the state of Canadian opinion it will move very warily; and before it seeks the approval of Parliament for a revised treaty it will require proof of the assurances now being given at Washington that the Roosevelt Administration can, if the modifications are agreed by Canada, muster the necessary two-thirds Senate majority for the ratification of the treaty.

Meanwhile, the Canadian opponents of the Waterway have been encouraged by the declaration of Mr Hepburn, the new Liberal Premier of Ontario, that he is opposed to it on the grounds that the project is uneconomic; that Ontario, whose late Conservative Administration had agreed to take over and develop Canada's share of the hydro-electric power to be made available on the international section, has already more power than can be profitably disposed of; and that the provision of another avenue of transportation would tend to aggravate the difficulties of the railways. The hostility of the Liberal Government of Quebec to the scheme is also unabated, and apparently Mr Bennett can expect no co-operation from the Administrations of the two Provinces through which the Waterway flows. But, failing co-operation, he could still proceed to modify the treaty and undertake with the United States the navigation works of the Waterway, leaving the Americans to develop their share of the power on the international section.

With the renewal of these negotiations, there are hints of a possible trade agreement between the two Governments. It would seem difficult for a Government so deeply committed to the principle of high protection, and so tied by the Ottawa Agreements, as the Bennett Ministry to negotiate an adequate trade treaty with the U.S.A.; and the Liberal Press is exhorting the Roosevelt Administration to wait until a Liberal Government, which genuinely believes in lower tariffs and trade reciprocity, is in power at Ottawa. Mr Bennett and his colleagues, however, decline to accept this thesis and feel that, without impairing the fiscal structure of the Ottawa Agreements or invading the preserves of Canadian manufacturers, there is scope for a treaty which would stimulate trade between the two countries and benefit particular Canadian interests, e.g. the cattlemen of the West, the fishermen of the Atlantic Coast, and the mining industry. The Conservatives cannot hope to extract from the United States the tariff concessions they would like for these interests without giving something in return; but co-operation in the construction of the St. Lawrence Waterway, upon which President Roosevelt has apparently set his heart, would be a partial *quid pro quo*. The Canadian negotiators will also argue that Canada needs a freer flow of exports to the United States, in order to meet the heavy financial obligations which she has incurred to the Republic; and that stimulation of Canada's natural industries must redound to the benefit of the huge investments of American capital now placed in Canada. The possibilities of a new trade treaty are to be thoroughly explored; but it is said that the word "reciprocity," which the Canadian Conservative Party declared to be anathema in 1911, is still to be banned from the vocabulary of the negotiations. On all these counts Mr Bennett's Government is in for a thoroughly testing time.

NOTES OF THE WEEK

The Diehards' Defeat.—The progress of the Government's Indian constitutional reform now seems assured. On Tuesday Mr Baldwin met the Central Council of the National Union of Conservative and Unionist Associations at the Queen's Hall, to "take counsel" with them, as he had promised, "before the Bill with regard to India was introduced into Parliament." The Central Council numbers nearly 2,000 members, of whom about 1,700 attended. The opposition of the Diehards, both to the White Paper and, more recently, to the Joint Select Committee's Report, had for long constituted a threat to the continuation of the National Government itself, despite the protestations of Diehards to the contrary; and it had been increasingly criticised as such. It was not surprising, therefore, that Mr Baldwin, in a moderate but firm speech, recommended the acceptance of the Committee's report as the basis for legislation, in his capacity as leader of the Conservative Party. It was made quite plain that rejection by the meeting of the resolution approving the general principles of the Report would provoke a Cabinet crisis, resignation and a General Election. Before such an alternative the most robust sympathiser with Lord Salisbury, who described the proposed safeguards as "a strait waistcoat made of paper," or with Mr Churchill, who said we were being "chattered out of India," might well quail. History has shown again and again that it is quite possible for skilful politicians to lead the Conservative Party into all kinds of unlikely paths, but that the Party resists all attempts to split it; doubtless many who in their hearts may have sympathised with the Diehard thesis that the rejection of the reforms would "save" India for the Empire, were still more impressed by the fear that an adverse vote would lose Britain for the Conservative Party. It would, however, be unfair to the Select Committee to attribute the victory of Mr Baldwin by 1,102 votes to 390 entirely to internal party considerations. For it has become increasingly evident as the days have passed that the weighty considerations which have converted such representative Tories as Lord Derby and Sir Austen Chamberlain have made a great impression on those who have cared to study the matter thoroughly. In reality the slow march of events has already left no possibility of turning back without disaster, and Wednesday's vote has merely demonstrated that even the Conservative Party now accepts that fact.

Depressed Areas Bill.—The House of Commons this week passed the second reading of the Depressed Areas (Development and Improvement) Bill and the financial resolution attached to it. The Minister of Labour's speech confirmed the general impression that the Government had no intention of dealing with the depressed areas on any comprehensive lines. Indeed, Mr Stanley definitely stated that the Government had decided against any policy of relief works. It is a little difficult to see, therefore, quite what the Commissioners expect to do with their £2,000,000 between now and the next Budget. According to the Minister of Labour, they may make grants towards land settlement schemes, and also towards certain local amenities which local authorities are entitled to provide without a grant-in-aid. "Here a little and there a little" still seems to be the motto of the Government's policy—and from the drafting of the Bill it looks only too likely that the Commissioners, instead of being, as they should be, empowered to plan a concerted effort to rehabilitate the economic life of these areas, will be merely a fifth wheel to the coach. Mr Martin, the Conservative member for Blaydon, correctly expressed the sentiments of a large number of his own Party—to say nothing of the Opposition—when he said that the Bill was a terrible disappointment to the younger men who were supporting the Government. Incidentally, the House was considerably troubled by the fact that the financial resolution had been so drafted that any discussion about the areas to which the provisions of the Bill should apply was ruled out. Moreover, though formally the resources of the development fund are not

limited to the £2,000,000 mentioned in the resolution, the attitude of the Government appears to lend some degree of plausibility to Mr Maxton's suspicion that its real intention is to limit the fund to that sum. Indeed, it is not easy to see how along these very limited lines the Commissioners, whose powers expire in 1937, could profitably spend much more.

The American Arms Inquiry.—The Committee of the United States Senate which is investigating the trade in arms resumed its sessions on Tuesday. The course of the inquiry has been directed to the influence which the American munitions industry has apparently been able to exert on the attitude of the Government towards projects of international control. Before the Conference called at Geneva in 1925 to consider the drafting of a convention, the munitions firms knew the names of, and were in touch with, the American representatives three weeks before their appointment was announced. Mr Hoover, then Secretary of Commerce, summoned a meeting of munitions manufacturers to inform the American delegation of their views, and it was revealed in evidence that at least one firm believed that Mr Hoover's intervention had prevented the adoption of a convention displeasing to the armaments interests. The Committee has again been at considerable pains to establish the existence of an international agreement among armament firms, and there has been much talk of "co-operative action" on the part of the firms and of "co-operative inaction" on the part of Governments in failing to stop such breaches of international treaties as the re-armament of Germany. That the munitions industries of the different countries work in close collaboration is already sufficiently established. Whether they have been able to carry their co-operation far enough to frustrate all attempts at control of the traffic in arms, as the Committee believes, is as yet not proven. But with every allegation, true or false, that emerges in Washington, the case becomes stronger for an inquiry in this country of equal range and with equally searching powers. It is to be hoped that the British Government will bear this in mind when deciding on the personnel, the terms of reference and the powers relating to evidence of the promised inquiry. A committee of limited range and insufficient powers would do nothing to allay the suspicions of the public and would cast doubts upon the sincerity of its sponsors.

The Naval Conversations.—As we prophesied last week, the French and Italian Governments have both declined to join with Japan in denouncing the Washington Treaty. But the Japanese Government is proceeding with its own plans, and we may expect the formal act of denunciation to follow at Tokyo within the next few weeks. On Tuesday the British and American delegations met to discuss what should be done when the Japanese denunciation was a *fait accompli*, and there is reported to have been some difference of opinion—the British desiring more than ever to continue the conversations, while the Americans were inclined to feel that the action of the Japanese raised such large political issues that a further discussion of technical naval questions would be of little use, at any rate for the time being. This first effect of Japan's intransigence, slight though it may be, will give the Japanese encouragement; for the one thing that they are counting upon in pursuing their audacious policy is the possibility of driving in a wedge between the two English-speaking Powers. The truth seems to be that Japan's policy of progressive aggression, now that it has reached the stage of demanding naval parity, can no longer leave Anglo-American relations as they are. These must now either become definitely more intimate or else perilously cooler. His Majesty's Government are manifestly wincing at this alternative, and it looks as if the American people, if not the American Government, are only just beginning to face it. Probably His Majesty's Government would like, if

they could, to play a broker's part which would make Japan distinctly grateful without offending America too much. But such a policy could only succeed if Japan's aims were limited—if the Japanese question were not, in the last resort, as it is, a capital question for the United States, and if the Dominions could be left out of account. On the other side, America would like to see England come down definitely on her side of the fence, without being herself committed to taking any action if Japan chose to treat such British action as an unfriendly act. In so far as they feel like this, both Governments are wishing for the moon. If America wishes to ensure that England shall not make a private arrangement with Japan in self-defence, she must screw up her courage and enter the collective system. In return, England must screw up her courage and play her part in making the collective system effective—even in the Pacific, and even against Japan in the last resort—if she means to avoid alienating not merely the United States but also Canada, and ultimately all the other self-governing Dominions into the bargain. Tokyo is enforcing momentous decisions upon London and Washington; but London and Washington must decide aright.

Stresses and Strains in Germany.—Germany is now divided against herself on two internal fronts—a political front on which the Reichswehr stand over against the Nazi organisation (now represented by the S.S. since the S.A. were so severely knocked on the head in June last); and a cultural front, on which the Christian Churches stand over against the Rosenbergian pagan revival. On both fronts at this moment there are signs of renewed activity. The S.S. are apparently pressing, once again, to make their way into the Reichswehr by whole units with their existing officers and *esprit-de-corps*, while the Reichswehr are holding out as firmly as ever for their right to select their own recruits on the candidates' individual merits, and to take in S.S. men singly if they take them at all. This is the old quarrel which was perhaps one of the causes of the "clean-up" of the S.A. last June. But the S.S. are more formidable than the S.A. for the Reichswehr to handle; for they have gained by the S.A.'s losses six months ago; and, while they cannot compare with the old S.A. in numbers, they are numerically equal to the Reichswehr and not altogether out of the running with them in equipment and discipline. All the same, it seems probable that if the conflict does come to a head the Reichswehr will be the victors for the second time, and that the Führer will once again be found on the winning side. Already we see symptoms like those which immediately preceded the killings on June 30th. A Herr Brückner, who was once a comrade of the late Herr Heines and who has remained the Governor of, and Regional Party Leader for, Silesia, was dismissed on Tuesday from both his posts "for conduct injurious to the Party." On Wednesday, the name of Gottfried Feder, who drew up the Nazis' economic programme in 1927, was placed on the retired list. It is also reported that the *Statthalter* of the *Länder* have lately been given emergency powers. Meanwhile, on the cultural front, there are indications that a fresh offensive against both the Protestant and the Catholic Churches will be launched as soon as the Saar Plebiscite is over. Dr. Müller has refrained from resigning his post as Reichsbishop, and the negotiations for the interpretation of the Concordat are reported to have been virtually suspended—on the part of Berlin and not of the Vatican. It seems uncertain whether the Government and the Party will maintain their present attitude of official disinterestedness, or whether they will come into the arena again; and also uncertain whether the German Christian Movement will be used as the first wave of attack against the Christianity of the Free Churches, or whether the Rosenbergian pagans will fly their own colours. But, whatever the strategy, it seems likely that battle will soon be joined.

The Chaco War.—The Bolivian defeat in the Bolivian-Paraguayan war has been followed by the deposition and arrest of the President of the Republic and the formation of a new Government. The President is accused of having abused his constitutional position as commander-in-chief by giving orders over the head of the commanding

officer in the field, and attempting to oust him from his post in favour of a rival general who was the President's friend. These personal manoeuvres may have played their part in bringing about the Bolivian defeat; but, to an outsider, the chief crime that President Salamanca has committed against his country would appear to be his obstinate rejection of repeated opportunities for making peace; and, on this charge, both the new Government of Bolivia and the old Government of Paraguay stand in the dock, side by side with the present Bolivian scapegoat, before the judgment seat of world opinion. In the meantime, the war goes on; and the whole of the Chaco, right up to the south-eastern foot of the Andean plateau, may soon be overrun by the Paraguayan forces. But even if the victor were to extort, on Brest Litovsk terms, a peace settlement which the united goodwill of the world has failed to bring about on the basis of a reasonable compromise, such a peace would settle nothing and would be no vindication at all of the efficacy of military force. Supposing that Paraguay does succeed in nominally doubling her area by these means, she will simply be condemning herself to self-exhaustion in the effort to hold a wilderness against the inevitable *revanche* of an embittered enemy who is greatly her superior in latent resources. This Chaco War is an epitome of the irony and tragedy that is inherent in war always and everywhere, and this is one reason why the failure of the world's prolonged efforts to bring this war to an end is so deeply disquieting. In the depths of South America, the world drama is being played on a miniature scale; and it needs some strength of mind to resist the temptation to take the present act of the Chaco tragedy as an omen for the world at large.

Mr Baldwin's Two Voices.—What *did* Mr Baldwin say at Glasgow on November 23, 1934? It was reported in the *Manchester Guardian* of November 24th that he had said:—

A collective peace system, in my view, is perfectly impracticable in view of the fact to-day that the United States is not yet, to our unbounded regret, a Member of the League of Nations, and that in the last two or three years two Great Powers, Germany and Japan, have both retired from it. . . . A collective peace system would never be undertaken without those countries.

This surprising, and apparently conclusive, statement set the doves of peace a-fluttering. Is there no possibility at all of a collective peace system without those Powers? Must we revert to the armaments-and-alliances type of security? Or abnegate League principles, as well as regional security agreements like Locarno? While everyone was wondering if these words held significance of a sinister profundity, which would ill become Mr Baldwin, Mr Baldwin made another speech. This was at Bonar Law College, Ashridge, last Saturday. Talking of the totalitarian State idea, he said:—

If it becomes universal, you may see this within a short time: that from the Rhine to the Pacific there will be a people running into millions, who have been trained to be either Bolshevik robots or Nazi robots. . . . We are a tremendous obstacle to that kind of slave State spreading farther West, but it may well be, if the world proceeds as it is proceeding now, that the day may come when those who have still preserved their freedom will have to stand together lest freedom perish from the earth.

Incompatible voices? Hardly. But Mr Baldwin seems loth to draw a logical inference—that collective security is a question of policy, not of last-minute chancy manoeuvres. In the House of Lords on Wednesday Lord Cecil moved for papers, in an endeavour to discover what Mr Baldwin really did say; or failing that, what he meant by what he said. Lord Stanhope, the Under-Secretary for Foreign Affairs, dexterously sidetracked the issue; so while the news of the Government's decision to participate in policing the Saar appears to confute their former protestations, we are left wondering about Mr Baldwin's words, and the Government's intentions.

Red Star and White.—A decidedly piquant situation has arisen over the disposal, by the International Mercantile Marine of New Jersey, of the Red Star Line. This

American-owned line had five ships, sailing under the British flag, which had been used in the North Atlantic trade. It was proposed that an English concern should buy them at very low prices, scrap two, run the rest, and even build new ships—in order to introduce a new and cheaper transatlantic service. The English concern

approached the Treasury in an informal manner, and desired to know their attitude. In an equally informal manner they have been informed that it was not, in the opinion of the Treasury, in the national interest that this proposal should be carried through.

Thus Mr Neville Chamberlain, in the House on Tuesday, when Sir John Sandeman Allen raised the whole question on the motion for the adjournment. The Government could not

facilitate the setting up of a new competition which could only have the effect of injuring this (Cunard-White Star) merger which was so recently started under the auspices of the Government, and which indeed might jeopardise the building of the second ship.

In brief, the Government, having decided last February to loan £4½ millions at preferential rates to complete both the Cunard-White Star merger and the "Queen Mary," with the possibility of financing another super-ship, is now concerned to deter competitors from the field, even by the threat of refusing to allow the transfer of funds for the purchase. But would the proposed purchase necessarily involve competition with the British luxury liner or liners? Their competitors are the "Bremen" and the "Europa," the "Rex" and "Conte di Savoia," the future "Normandie." The British North Atlantic interests should seek to rationalise by international agreement the luxury, rapid traffic—not to annihilate a British attempt to tap entirely new levels of the demand curve of transatlantic travel. If the Government is concerned to facilitate the building of another luxury liner, it should not base its hopes on the fallacy that "£10 to New York and find your own food" is a threat to luxury, express traffic. Together with the politically heterogeneous company which demanded a "reason why" from Mr Chamberlain on Tuesday—Sir John Sandeman Allen, Mr Morgan Jones, Mr Walter Rea, Mr Craven Ellis, Col. Ropner, Major Nathan and Mr Aneurin Bevan—we are surprised that a dash of Government participation in industry should so rapidly have made the Government monopoly-minded. The fault lies not in the stars—Red or White. It lies in the Government, which is trying to control both of them.

"Empire Free Trade."—The entry of the free trade Country Party into the Australian Government may not have visibly intensified that Government's inclination to increase British imports to Australia. But it has at least strengthened its opposition to the restriction of Australian imports into Great Britain. Dr. Earle Page, leader of the Country Party, and now Deputy Prime Minister, made a vigorous attack on Monday at Canberra on the restrictions threatened by Mr Elliot. The policy of Australia, Dr. Page declared, must be to "resist export restriction with all its strength."

Australia's future (he continued) depended on the progressive development of her resources. Without expansion it was impossible to restore prosperity, solve unemployment and meet external obligations. . . . If Australia was forced by world policy to abandon natural, economic industries, she would be obliged willy-nilly to set about developing unnatural, uneconomic industries. He need not dwell upon the effect on her capacity to meet external obligations, should the second policy be forced upon her. . . . Australia must strive by every means to overcome the danger that she might be forced to take an unnatural, uneconomic course. She must demand continuously and persistently that no restrictions be placed on Australian goods in British markets.

Dr. Page is perfectly entitled to utter these warnings. If we in this country are to cease buying Australian exports, she cannot buy our exports or pay us the interest on her debts. But will Dr. Page's colleagues look at the other side of the shield and remove the duties on Lancashire cotton goods that were recently imposed? In the present state of Imperial economic relations—thanks largely to Mr Elliot—threat justifies threat, instead of concession justifying con-

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cession. Nevertheless, Dr. Page's menaces may very likely have some salutary effect on the British Cabinet as a whole. For the Conservative Party has always had a much more tender regard for the Dominion producer overseas than for the British consumer at home. Indeed, the consuming masses of this country may well thank Providence for the lucky historical chance that so large a proportion of our food imports happen to come from the Empire.

The Supply of Class "C" Houses.—A White Paper on Housing issued by the Ministry of Health (H.M. Stationery Office, 3d.) contains the following details regarding the number of houses provided in England and Wales by local authorities and by private enterprise since 1930:—

NUMBER OF HOUSES PROVIDED IN ENGLAND AND WALES

Half-year ending	Local Authorities		Private Enterprise		Total Number of Houses
	With State Assistance	Without State Assistance	With State Assistance	Without State Assistance	
1930, March	24,502	1,605	590	51,788	78,485
September	24,550	1,360	1,682	55,622	83,214
1931, March	27,984	2,000	883	69,746	100,593
September	32,205	1,119	983	60,044	94,351
1932, March	35,371	1,366	1,350	68,374	106,461
September	31,063	690	1,306	62,456	95,515
1933, March	23,503	735	1,187	79,556	104,981
September	24,474	501	1,269	87,088	113,332
1934, March	29,399	1,466	1,644	120,781	153,290
September	19,376	1,856	578	134,153	156,463

The total number of houses with a rateable value not exceeding £13 (£20 in Greater London) provided by private enterprise without State assistance during the year ended September 30th was 92,865. But only 64,773 of these were built to let. During the same period local authorities built 49,275 houses with, and 3,322 without, State assistance. Presumably the majority of these houses are of the Class "C" type and were built to let. The total number of Class "C" houses built to let during the year ended September last was consequently at the most only about 117,000. Although the construction of the cheaper working-class houses has apparently increased, the rate of building will have to be speeded up further if the problem of overcrowding is to be solved within a reasonable period of time.

The Pig Muddle.—The Pigs and Bacon Boards are having difficulty in concluding their arrangements for 1935. The Pigs Board represents the pig breeders, the Bacon Board the curing factories; and the terms of sale are arranged by negotiation between the two Boards. For the period which is just coming to a close the price has been based on a sliding scale which takes into account the price both of feeding stuffs and of bacon. Since the Bacon Board insisted on this arrangement for 1935 its continuance was not in doubt. All that remained, in effect, for negotiation, therefore, was the other conditions of the contract. Nevertheless, the parleys lasted for more than four months. The main difficulties were twofold. During the present year deliveries of pigs to the curers have shown a very marked seasonal fluctuation. This has been inconvenient to the factories and embarrassing to the Government in fixing the

import quotas. The Bacon Board insisted on some improvement in this direction. Secondly, bacon prices were weak in the early autumn months and the curers needed reassurance on this point. The contract terms were not announced until the last week in October, less than three weeks from the closing date, November 14th. These terms include some slight concessions to producers, but there is also a stipulation that not less than 25 per cent. of the pigs contracted for must be delivered in the four months January to April, and not more than 45 per cent. in the four months September to December. The curers are to provide funds for paying bonuses to those producers who deliver more than 25 per cent. in the four spring months. These level delivery conditions and the short period left for sending in contracts made the breeders very reluctant to commit themselves. The closing date was postponed until November 20th, but the total number of pigs contracted for was only 1,670,000, a figure which the Bacon Board refused to accept. A further appeal has therefore gone out for another 450,000 pigs without any level delivery condition, the offer to remain open until December 22nd. The domestic difficulties of the pig-bacon scheme are thus showing no sign of diminution. The industry is inclined to ascribe all its troubles to low prices, and the low prices to excessive imports. The reasoning can easily be disproved by the fact that bacon imports are now considerably lower than for some years past. But the disproof is hardly necessary in this case, as the difficulties have clearly nothing to do with price, but are due to the instability, both seasonal and annual, of the pig industry. Our farmers evidently have a long way to go before they will be able efficiently to fill the gap left by the foreign supplies of bacon which are now being restricted by quota. It is becoming more and more clear that a drastic rationalisation of the domestic industry should have been made a condition precedent to any restriction of foreign supplies instead of being left as a pious hope for the future.

A Year of the Milk Board.—It has been pointed out to us that the Milk Marketing Board did not begin operations on October 1st but on October 7th. In a Note with the above title in last week's *Economist*, in which the operations of the Board for the month of October in 1933 and 1934 were compared, we failed to make it clear that the figures of gallonage are for this reason not strictly comparable, or that the increase in the total volume of milk passing under the Board's control was not as large as mere comparison of the unadjusted figures would indicate. The conclusions we drew last week are not, however, affected, for while the month of October was, for the purpose of the Board's statistics, 24 per cent. larger in 1934 than in 1933, the total volume of milk increased by 52 per cent., the amount going into liquid consumption by 34 per cent., and the "surplus" by 152 per cent. Moreover, the correction does not affect our comments on prices or the fact that the "surplus" has increased from 17 per cent. of the total in October, 1933, to nearly 28 per cent. in October, 1934. It is clear that the Board's price policy is stimulating the growth of a surplus which has to be disposed of at a loss, even after the taxpayer has been called upon to make his contribution by way of subsidy.

The Electricity Bill.—The new Electricity Supply Bill, now in Committee of the whole House, has two objects. The first is to authorise the Central Electricity Board to enter into working agreements with privately owned generating stations not engaged in public supply. Such working agreements as already exist are voluntary. A number of such private stations periodically have surplus power for disposal, and if they can be connected to the Grid the Board can tap a source of power at marginal rates. It will benefit further because the private plants may take their peak requirements from the Grid. The Bill's second object is to authorise direct supplies from the Central Electricity Board to railway companies. The Southern Railway in its recent electrification schemes found it very difficult to negotiate with a large number of supply authorities, and it is clear that if there is to be extensive electrification of our railways the companies must

be free to deal with one authority only—clearly, the Central Electricity Board. The Bill received considerable opposition at its second reading, mainly on the grounds that it allowed a public Board to undertake business which is the legal monopoly of private enterprise. But, as the Minister of Transport maintained, this is not the effect of the Bill. The Central Electricity Board was formed in 1926 in order that electricity consumers might have the benefit of cheap power. In fact, the Board is severely handicapped by unnecessarily high capital charges (as we pointed out in the *Economist* of April 22, 1933) and by lack of control over both the cost of generation and the prices at which supplies are made to the public. The Board cannot require an authorised supply company to stop generating its own energy and take its requirements from the Grid, unless the Grid price, including capital charges, is less than the supply company's running costs, ignoring capital charges. Supply companies have criticised the finances of the Central Electricity Board, and apparently some companies would like to curtail the Board's activities. They maintain that the costs of the Grid put a heavy burden on the supply companies. But, in fact, this burden is carried by the consumers, and no one contends that the consumers could get an adequate service without the Grid. It should therefore be the concern of the supply companies to expand consumption to the utmost, not to oppose a Bill which enables the Central Electricity Board to fulfil one of its main functions.

A Record Railway Run.—On Friday, November 30th, a short steam train made an experimental run at record speed from London to Leeds and back. This comes as a timely *riposte* to those who have advanced the rival claims over steam of the Diesel-driven Flying Hamburger, which is scheduled to run between Berlin and Hamburg daily at an average speed of 77 miles an hour. The London and North Eastern Railway set out to equal this schedule with one of their standard Pacific locomotives and a train of four coaches. Over a stretch of line which includes gradients, important junctions and other obstacles, they beat an equivalent time schedule of 2½ hours by 14 minutes. For the return journey, two extra coaches were coupled up, and in spite of this additional load and one slow-down, where the track was being relaid, the train arrived eight minutes before its scheduled time. These results show that a steam-driven train, drawn by a relatively old express engine, can rival the German Diesel train over an ordinary give-and-take road, and at the same time provide accommodation for a greater number of passengers. There is always, of course, a long gap between a single successful experiment and the establishment of a routine service. By all accounts, the German and Dutch Diesel trains are hardly yet past the experimental stage, for the need of running repairs still arises far too frequently. The English railways have still many problems to solve before time-tables based on an average speed of over 70 miles an hour can be introduced. The average main line has to carry express trains, semi-fast trains, local trains, "empties," and goods and mineral trains of every category. Most of the main lines out of London are now "four-tracked" for a considerable distance, and in the suburban area six and eight tracks are not uncommon. Yet even the four-track system is subject to narrowings to two tracks in certain places, as witness the Potters Bar Tunnel and the Digswell Viaduct on the L.N.E.R. main line to Leeds. Again large junctions such as Peterborough, Grantham and Doncaster on the L.N.E.R., Rugby and Crewe on the L.M.S., and Reading on the G.W.R., may call for service checks. Moreover, every train has to be fitted in to its proper place in the mosaic of the working time-table, so that it has time to clear at every junction and other fouling points. Except at flying junctions, up and down trains are liable to foul each other, which increases the complexity of the time-table. Nor does every passenger who joins a train at King's Cross wish to go to York, Newcastle or Edinburgh. Trains must be stopped at intermediate junctions. Like Governments, railways always have to think of "the greatest good of the greatest number," and this alone precludes the running of more than a few fast long-distance trains, which have to be fitted into the general time-table. Still, granted further and more

continuous track-widening, the construction of a few avoiding lines, and perhaps the improvement of certain terminus approaches, the express services could undoubtedly be accelerated. Whether there would ensue a big enough demand to meet the additional capital and running costs is another question.

The Level Crossing Problem.—One minor detail in the way of rapid express running has been thrown into tragic relief only a week or two ago. An express train on the old Great Eastern line to Cambridge collided with a lorry at a private level crossing, and was derailed. The driver and fireman were killed, but the passengers and the driver of the lorry had a miraculous escape. The accident is subject to an official inquiry, and so is *sub judice*, but a few general comments are permissible. Public road crossings are as a rule fully protected by signals inter-locked with the gates. Thus, the risk of accidents is limited to gate-crashing by road vehicles—which is not entirely unknown. Delays may also occur when reckless road users try to beat the signalman who is seeking to close the gates. The vast majority of level crossings, however, are "occupation" crossings provided for private roads giving access to farms and factories. Hitherto, the railways have relied upon George Stephenson's famous dictum regarding "the coo"; but the growth of modern road transport has reached the point where the "awkwardness" may be shared by the train. While there is a strong case for the abolition of public road crossings, the expense of building bridges at every private crossing would be prohibitive. Automatic signal lamps, however, indicating the approach of a train could be provided at comparatively small cost, especially where the line was already under track-circuit protection. Their cost, both capital and maintenance, should equitably fall upon the private user, and recent accidents suggest that it is high time for legislation to be passed enforcing these duties upon railway company and private user alike.

Building Costs.—"Cheap money" at the bottom of a depression generally finds its way into housing and construction, thus starting "recovery." Owing to the influence of building costs on the volume of construction, we show below the changes in our index of costs since December, 1929. The index has been compiled for the purpose of calculating one of the component series of our Index of Business Activity; the method of construction of the index as well as its significance were explained in the *Economist* of November 11, 1933:—

Economist INDEX OF BUILDING COSTS (1924 = 100)				
	Index of Wages	Index of Materials	Combined Index	
1929—December	99.7	88.1	93.9	
1930— "	97.1	83.5	90.3	
1931— "	95.6	82.7	89.1	
1932— "	92.6	78.5	85.6	
1933— "	89.7	76.4	83.0	
1934—March	89.7	76.2	82.9	
May	89.7	75.6	82.6	
July	89.7	75.6	82.6	
September ...	89.7	75.5	82.6	
November ...	89.7	75.8	82.7	

It will be seen that the index has remained at the low level to which it had fallen a year ago, despite a considerable increase in building activity. There has been very little change in the cost of the materials included in the index since last year, but bricks are almost as dear as they were in 1929. Wages, too, have remained almost unchanged since 1933. But the building operatives are understood to have put forward a demand for an increase amounting to approximately one penny per hour. The proposal will be discussed between representatives of employers and operatives next January, but there are as yet no indications of the probable outcome of the negotiations.

Sterling and International Prices.—The last fortnight has witnessed a definite recovery in sterling prices. The *Economist's* complete British index number has risen by 1.3 per cent., while the British index number of primary products has risen by 2.3 per cent. American wholesale

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prices have continued to rise. The *Economist's* index number of primary products is 3.6 per cent. higher than a fortnight ago, while the complete Irving Fisher index number has risen by 0.2 per cent. American primary products are now at their highest point for the year. French prices are still slowly falling, but Italian prices are rising.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichs- amt
	British Complete Index (sterling)	Primary Products British (sterling) American (dollar)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	88.8	140.8	89.5	85.8	91.6
Apr. 20th	109.8	105.4	83.8	129.5	88.8	85.3	90.3
July 27th	99.5	103.5	84.1	136.9	88.3	81.3	88.5
Oct. 19th	103.1	112.3	84.0	143.8	88.6	89.8	88.8
1933							
Jan. 25th	101.3	107.7	78.0	142.6	80.5	88.1	83.8
Apr. 19th	88.7	104.8	89.7	141.4	82.8	87.5	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	88.7	88.6
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	88.1
1934							
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	88.8
Feb. 28th	109.1	121.3	128.0	161.3	107.9	88.1	88.0
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	88.1
Apr. 25th	108.2	119.8	125.3	159.5	106.0	85.4	87.7
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	88.5
June 20th	108.1	123.4	133.9	162.3	113.1	82.7	89.6
July 18th	109.5	124.6	136.7	162.4	113.2	81.4	91.1
Aug. 29th	111.1	129.1	150.6	164.0	115.6	82.0	92.0
Sept. 26th	109.7	125.7	149.0	166.2	116.1	81.4	92.5
Oct. 10th	107.8	123.1	149.8	167.7	114.7	80.5	93.0
Oct. 24th	107.9	124.2	146.2	164.5	114.3	79.8	93.0
Nov. 7th	107.1	123.1	147.7	163.7	114.4	79.6	93.2
Nov. 21st	106.7	120.5	149.0	164.1	114.4	79.1	93.1
Dec. 5th	108.1	123.3	154.4	165.9	114.6*	79.0*	93.0*

* These figures refer to Nov. 28th.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX (1927 = 100)			
	Sept. 18, 1931	Nov. 7, 1934	Nov. 21, 1934	Dec. 5, 1934
Cereals and meat	64.5	67.5	68.3	69.1
Other foods	62.2	59.4	59.1	59.7
Textiles	43.7	52.0	51.7	53.3
Minerals	67.4	75.3	75.8	75.5
Miscellaneous	65.8	68.2	68.7	68.9
Complete index	60.4	64.4	64.7	65.4
1913 = 100	83.1	88.7	89.0	89.9
1924 = 100	52.2	55.7	55.9	56.5

In the cereals and meat group, wheat and maize are both higher, and meat prices, with the exception of New Zealand mutton, have advanced. Bacon is unchanged. Among other foods coffee is cheaper, but there were increases in raw sugar and coconut oil. In the textiles group American cotton has risen by 19 points during the fortnight, and yarn is also dearer. Wool tops are slightly cheaper, but there were advances in silk, flax and jute. In the minerals group copper and lead have both risen in price. Among miscellaneous materials, hides, rubber, linseed oil and creosote have all advanced.

OVERSEAS CORRESPONDENCE

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UNITED STATES

THE INRUSH OF GOLD

THE persistent strength of the dollar has already attracted about \$120 millions of gold; and as yet the gold currencies have shown little tendency to rally. The firmness in silver suggests that the Treasury has been buying that metal; but one-third of the "loan on gold abroad" by the Reserve Banks was liquidated apparently by a gold import. The removal of the nominal exchange control, if intended to facilitate an export of capital, has actually worked the other way; and it is understood that there has been a substantial repatriation of American funds resulting from renewed confidence in the dollar. To a lesser (and minor) degree, this has been accompanied by some movement of foreign funds into our market. At the same time, there has been some inducement to transfer idle balances from New York to London to take advantage of the higher short-term rates obtaining there, but this movement appears to have been too small to affect exchange quotations perceptibly.

This import of gold is, of course, raising the cash reserves of the commercial banks, and its effect is now substantially cumulated by the silver programme. From the end of August to November 21st, Member Bank reserves rose from \$3,907 millions to \$4,196 millions, or \$189 millions. In this period the monetary gold stock rose \$113 millions; while there was an increase of \$36 millions of currency in circulation—a normal seasonal phenomenon. But \$79 millions of silver certificates were issued in the two months September and October, following an apparent monthly average of about \$40 millions since the silver plan was put into effect in August. This movement has not been attended by any expansion of aggregate bank credit, as collateral loans have fallen about as rapidly as commercial loans have risen. There has been a continuation of the remarkable expansion of net demand deposits (nearly \$600 millions from August 29th to November 14th), but of this \$400 millions represented a transfer from Government deposits. Government deposits now stand at the relatively low figure of \$800 millions in the Reporting Member Banks, suggesting that the Treasury will ask for a considerable sum of money on December 15th, in addition to the large refinancing on that date. In spite of the increase of almost 30 per cent. in net demand deposits in the past twelve months, debits to individual accounts for October, 1934, were barely higher than for October, 1933, and only about 5 per cent. above October, 1932. The indices of production correspond fairly well with the debit figure, ignoring the rise in commodity prices. The moderate increase in payrolls and employment since October, 1932, has been apparently met by an increase in the small-denomination currency in circulation.

BUSINESS SENTIMENT GOOD

If it is difficult to reconcile monetary and industrial data, it is equally difficult to relate "business sentiment" with business data. The recovery in the physical volume of production from any except a few of the lowest months of the depression is extremely small, the numbers of persons so destitute as to require relief are apparently still rising. Yet the typical business man in the street describes his business as pretty good, commonly calls it better than a year ago, and is hopeful for the coming year. This paradox can be explained by asserting that the statistical data does not reflect current facts, or by supposing that business sentiment is somewhat independent of current facts.

As was to be expected, the approach of Congress is already foreshadowed. Not a day passes but an important official in Washington forecasts some new development in N.R.A., or in the agricultural programme, the spending programme, the trade policy, or the relief schemes. For

the most part, upon analysis, these forecasts prove to be quite intangible, and are put out, perhaps, as species of trial balloons. Meanwhile, although the monetary programme is in abeyance, except for minor manoeuvres in silver, there can now be no doubt that, as usual, the currency will be a major topic of Congressional controversy. Proponents of higher prices for silver and gold are once again finding an audience in the Press, and a comparatively new agitation is coming forward in various forms. One proposal is to retire a major part of the public debt by an issue of currency; another, to finance parts of the spending programme by currency. It is impossible to measure the force of the sentiment favouring new monetary experiments; but it would be a mistake to underrate it.

NEW YORK, November 23.

FRANCE

THE BUDGET AND DEVALUATION

THE Chamber has voted the 1935 Budget without incident. The Budget is now before the Senate, and it will probably become law before Christmas. This rapidity is due to the provision preventing Deputies from proposing new expenditure.

The debate on "ways and means," however, was marked by a new speech from M. Paul Reynaud in favour of the devaluation of the franc. M. Flandin again rejected the proposal:—

French common sense (he said), will never understand why some should be enriched while others are impoverished. . . . The adjustment of French internal prices to world prices at a lower cost of living is my solution. I have said and I believe that we will attain this goal by confidence alone.

M. Germain-Martin, Minister of Finance, emphasised the improvement in the Budget situation which has been achieved. Expenditure has been cut from 53,000 million francs to 45,000 million francs. The admitted deficit on the 1935 Budget will probably reach 600 million francs, so that the "economy" decree-laws could not be abolished unless new revenue were tapped. M. Germain-Martin expressed the opinion that "if monetary stabilisation could be obtained from Great Britain and the United States, a great service would be rendered to humanity; but it would be a mistake to propose negotiations now on stabilisation."

A new commercial agreement has just been concluded with Germany. The agreement reached in July, which was to have expired on December 31st, will be prolonged for three months. This is to provide for the new problems which may arise from the Saar plebiscite. The agreement maintains the former stipulations about the guarantees attached to the Dawes and Young Loans interest payments, and to the commercial long-term and short-term debts. The outstanding debts which resulted from the first clearing agreement (dated from August 1st) receive the guarantee of the Reich. The agreements provide for other modifications which should tend to secure exchange equilibrium. For the first ten months of 1934 Franco-German trade was as follows:—

	(000 francs)		
	1933	1934	
Imports into France ...	1,870,077	2,446,205	+ 576,128
Exports from France...	1,617,963	1,385,050	- 232,913

French exports were lower by 16 per cent. in comparison with 1933 and imports were 31 per cent. higher. In September and October there was a French export surplus, whereas the clearing is based on the existence of an import surplus. The new agreement provides for the creation of a permanent mixed commission, which will supervise Franco-German trade. At the same time the French import quotas have been extended in favour of Germany in order to

recreate the import surplus and facilitate the payment of the outstanding debts.

Having signed this agreement, M. Marchandeu, Minister of Commerce, has left for Moscow, where he will enter into negotiations with the Soviet Administration for an expansion of Franco-Russian trade, which was for the first nine months of the year as follows:—

	(000 francs)		
	1933	1934	Difference
Imports into France ...	522,577	385,167	- 137,608
Exports to U.S.S.R. ...	36,662	94,723	+ 58,011
Total	559,439	479,892	- 79,547

The table shows that the provisional agreement of January 1st was successful from the point of view of the balance, but that this advantage was gained at the expense of the volume of trade.

The Colonial Conference, which has just opened in Paris, is also connected with these efforts since its object, like Ottawa, is to develop France's overseas possessions and to improve their financial and commercial relations with the Mother country.

FIXED WHEAT PRICE TO BE ABOLISHED

The Government recently announced its intention to re-establish freedom of markets, and it has begun with the most important, the wheat market. A minimum price was guaranteed to wheat producers by a law of July, 1933, and as a consequence the French price has remained enormously above the world price. The Government has now laid before the Chamber a Bill which provides for the freeing of wheat sales in three months' time. And the minimum price will be immediately reduced. These measures, however, do not affect wheat which is involved in carry-over and stock contracts; for this wheat the former minimum price will be maintained until July 13th next at the latest.

In order to free the market effectively these stocks have to be liquidated, and this the Government intends to achieve in three ways: by the constitution of a reserve stock, by export and by denaturation. The financial backing necessary for these operations amounts to 1,500 million francs. This will be obtained by a loan which will be launched by the Caisse de Crédit Agricole, and the interest will be guaranteed by an increase in the production tax from three to seven francs per quintal. Thus the Budget will not support a new charge. By these means it is hoped that the price of bread will be lowered immediately by 0.20 or 0.25 cents per kilogram. To prevent any future over-production the Government intends to prohibit further extension of sowing as well as the increase of types of grain which, though prolific, are of a small baking value.

At the same time, the Government intend to tackle the problem of the wine surplus, now depressing prices. Some 15 million hectolitres of the last crop will be distilled, and the Government will prohibit any new plantation. It also intends to compel wine-growers who are proprietors of vineyards larger than 10 hectares to dig out a portion of their plants. Thus, in the case of wine, as of wheat, the freeing of prices is to be conditioned by a severe control of production.

PARIS, December 6.

GERMANY

NAZI BANKING POLICY ABANDONED

THE Committee of Inquiry into Banking, which first met in September, 1933, with the President of the Reichsbank as chairman, has now issued its report. This report is to be the basis of a law not yet published. The Committee makes suggestions for reform which in most cases do not much diverge from principles of bank legislation already recognised in Germany and abroad. Nazi plans and promises have been rejected or ignored by the Committee. There is, however, a marked tendency towards closer State control and towards an increase in the powers of the Reichsbank. The Committee rejects the nationalisation of credit, and

holds, on the contrary, that, without prejudice to the position of the savings banks (which are already under public law), the most suitable organisation of credit institutions lies with private initiative, with its own responsibility.

The Committee's positive recommendations are:—

Centralised and more comprehensive State supervision; State concessioning for new banks and bank branches, with State power to eliminate persons already engaged in banking; the ensuring of adequate liquidity; the prevention of abuses in the mechanism of payments; better publicity; and a clearer definition between the money and capital markets in so far as this is a banking question.

The rejection of nationalisation is based on the Committee's opinion that recent German banking troubles did not arise from organic defects in the credit structure. The Committee recommends the encouragement of regional banking and the encouragement of the "private banks." These private banks, mostly small firms or family concerns, were years ago considered moribund, and many of them, though formally independent, were dependent upon larger banks; but they came out of the crisis of 1931 better than the great joint-stock banks. The Committee's proposal for State bank supervision is merely an extension of the Bank Commissary and Bank Curatorium organisation created by Dr. Brüning. The main difference is that the new "Bank Supervision Office" should be competent for all banks, including the savings banks. The Supervision Office should be a Reich institution, presided over by the Reichsbank President, who is already President of the Curatorium, and include as members Secretaries of State from the interested Ministries.

The great banks, which already issue monthly balance sheets, are to be required to submit these to the Reichsbank, the smaller banks to submit balance sheets twice a year. To prevent abuses in non-cash payments, it is recommended that this system be brought into the sphere of influence of the Reichsbank. Higher liquidity should be attained by ensuring that short-term deposits should in general be lent out only on short-term. At present the Committee merely proposes the imposition of unstated maximum quotas for the less liquid assets and of minimum quotas for the more liquid, but leaves precise regulation to the Supervision Office. The Committee finds that insufficient capital was a cause of recent bank troubles, and recommends a better ratio between capital and deposits. It also recommends the distribution of credits over different branches of business and the avoidance of too large single risks. The Committee's report has been well received in financial circles, and a moderate advance in bank shares has occurred.

The Loan Stock Law of March, which compelled share companies to invest sums equal to certain excess dividends or dividend increases in public loans, has been amended. The new law prescribes that share companies shall not pay dividends exceeding 6 per cent. on paid-up capital, or, where the last dividend exceeded 6 per cent., shall not pay more than 8 per cent. Any profits available for higher dividends shall be transferred to the Gold Discount Bank, which shall invest them in Reich loans or municipal conversion bonds, administer them as trustee for the shareholders, and pay them out to the shareholders on the expiry of the fourth following company accounting year.

STATE CONTROL OF PROSPECTING

A law placing the business of prospecting of minerals, including oil, under State control has been promulgated. The Minister of Economy is himself entrusted with the task and is empowered to unite into a Reich Institute the geological institutes of the States and of Prussia. Reich officials will have the right to enter on and prospect on private land. Intending private prospectors must report in advance, and must report results; and proposed borings for minerals must

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also be reported and are subject to State inspection. Another new law reduces the number of security bourses from 21 to 9 by abolishing certain provincial bourses and fusing others. Only the Berlin, Breslau, Hanover and Stuttgart Bourses remain without any change. The Bremen, Hamburg and Lübeck Bourses will be fused into a Hanse Bourse, with headquarters at Hamburg. The produce exchanges, which are in general branches of the Bourse, are not affected by the law. A further new law empowers the courts, on application of a debtor, to forbid or restrict the execution of such judgments for debt as are "contrary to a healthy national sentiment."

Under the "Law for Preparation of the Organic Construction of German Business" there has appeared a first ordinance, the effect of which is to articulate economic undertakings of all kinds according to branch and locality. Economic Chambers (*Wirtschaftskammern*) and a Reich Economic Chamber are to be created. An Economic Chamber is a joint institution representing the district organisation of industry, the local Chamber of Commerce and Industry, and the local Chamber of Handwork; and it will be under a Director (*Leiter*, not *Führer*), with two deputies. The Director and one deputy are to be appointed by the Minister of Economy. The Economic Chamber will have a Council (*Beirat*). This Council will consist of the directors (*Leiter*) of the district groups; the presidents of the Chambers of Industry and Commerce and Chambers of Handwork; and the local directors of the "Reich" and "main" groups of business. The Reich Economic Chamber is to be a joint institution embracing the branch and local organisations of business, of the Chambers of Commerce and Industry and Chambers of Handwork. The function of the Reich Economic Chamber is to handle the common affairs of the Reich groups, the Economic Chambers, the Chambers of Industry and Commerce, and the Chambers of Handwork, and also matters submitted to it by the Minister of Economy.

BERLIN, December 5.

NORWAY

INDUSTRIAL AND TRADE RECOVERY MAINTAINED

THERE was a non-political change in the composition of the Government recently when the Minister for Finances, M. Per Lund, voluntarily retired to take up the position of Director of Taxation. M. Lund has been replaced by M. Gunnar Jahn, who has been Director of the Statistical Bureau since 1920. The new Minister has not previously taken any public part in political life, but on account of his special qualifications for the position which he is taking up, his entry into the Government is regarded with general satisfaction. His first task will be that of preparing the Budget for 1935-36. His predecessor is able to "bequeath" him a surplus of 500,000 kroner for the first quarter of the current Budget, which compares with a deficit of 2,480,000 kroner for the same period of the preceding Budget year.

The Government have decided to convert their 5 per cent. loan of 1927, amounting to 49 million kroner, into a 4 per cent. loan, the whole of which will be taken over by banks and insurance companies and will not be offered for public subscription. The returns of the Norges Bank during the month indicate only insignificant fluctuations, except for the item "balances abroad," which rose by 12.4 million kroner on November 15. There was a corresponding contraction, however, in the item "Securities in Foreign Exchange."

The foreign trade figures for the first ten months of the year are now available:—

	(Million kroner)	
	1933	1934
Imports	553.4	607.9
Exports	455.5	472.9
Import surplus ..	97.9	135.0

The October figures show increased imports, especially of raw materials, machinery and metals; the total of

imports rose by about 6.6 million kroner compared with September. Exports rose by 4.5 million kroner, the increase being mainly due to increased shipments of moist mechanical pulp, packing paper and canned goods. In September, as usual, Great Britain ranks first among Norway's customers, while Denmark, which usually occupies the sixth place, has usurped the position of Germany as our second best customer.

The generally increased activity of industry is shown by the larger imports of raw materials, etc., as well as by the industrial production index, which rose in September by 6 points to 122—the highest figure since the compilation of the index. There was a seasonal increase in the unemployment figures on November 15th, the number being 39,600, as against 35,500 on October 15th. The cost-of-living index has fallen slightly.

The bond market has been unusually firm during recent weeks, especially the market for gilt-edged sterling loans. Share prices have declined somewhat during the month.

TRONDHEIM, December 4.

DENMARK

INCREASING IMPORTS FROM GREAT BRITAIN

THE latest foreign trade figures reveal a considerable import surplus for the first ten months of the present year. The figures also show that Great Britain is still tending to buy less from and sell more to Denmark:—

	Imports	Exports	Re-exports
	(in million kroner)		
Denmark's trade with all countries:—			
Total for the period January—			
October, 1934	1,103	949.1	47.8
Total for October, 1934	131.8	98.9	5.6
Denmark's trade with Great Britain:—			
October, 1934	39.5	57.6	
October, 1933	34	65.3	

The present import surplus (as also interest and sinking fund payments on foreign loans) is believed to be covered by the increased freight earnings of Danish shipping.

During the last few weeks there has been a considerable increase in the number of unemployed. The figure for November 16th was 97,643, a little above the figure for the same period last year. The employment of Danish shipping, however, continues to be quite satisfactory. With laid-up tonnage reduced to only 35,060 tons, it may be said that nearly the whole of the Danish mercantile fleet has now found occupation.

THE CONVERSION OF AGRICULTURAL DEBTS

The new Bill (now the fourth) for the conversion and adjustment of agricultural debts was introduced into the Rigsdag on November 6th. It has been received without much enthusiasm. The real difficulty is that, as the money market is not quite ripe for large-scale conversion operations, it will be difficult to carry out any conversion of the magnitude contemplated without special provisions, such as, e.g., the introduction of a share coupon tax to check a flow of money from fixed-interest bonds into shares. Moreover, the money market has to absorb new bonds aggregating several hundreds of million kroner each year, in order to finance loans against security in new houses. Actually, owing to the rise in agricultural prices, the interest burden is not weighing so heavily on the farmers as it was last year.

The present Government has always wished to abolish the Landsting (Upper House); and this question, which involves a change of the Constitution, was again brought into the limelight on October 31st, when the Prime Minister introduced a Bill to give effect to the change. There is a long constitutional path to tread, however, before the change can be finally achieved.

A committee is expected to be appointed before long to co-operate with similar bodies in Norway and Sweden to further common Scandinavian economic interests; and at the instigation of the Finnish Minister in Copenhagen special efforts are being made to promote trade between

Finland and Denmark. A few figures of inter-Scandinavian trade may be of interest:—

	Total Imports		Total exports		Re-exports	
	1932	1933	1932	1933	1932	1933
Denmark's trade with:—			(Million kroner)			
Finland	11.5	15.6	6.4	8.3	2.4	3.0
Iceland	2.1	2.5	3.9	6.2	2.5	3.6
Norway	24.1	28.5	22.9	22.6	9.6	8.3
Sweden	63.1	88.7	43.1	36.4	23.0	21.6
Total	100.8	135.3	76.3	73.5	37.5	36.5

As the Exchange Control Act is expiring on December 31st the question whether this Act is to be renewed or discontinued is another important matter on the agenda of the Rigsdag. The Government Parties have no wish to take the responsibilities for a relaxation of the present import control, fearing as they do that a sudden release of imports might be dangerous to the stability of the Danish krone and seriously impair the employment situation of Danish industry. A prolongation of the Act is consequently possible, but the opposition to it is growing.

COPENHAGEN, December 4.

JAPAN

HUGE DEFICIT AND NEW TAXATION

THE rice crop failure in North-Eastern Japan has proved serious. In many parts the crop has been a total failure, and the peasantry has been reduced to a state verging on starvation and necessitating immediate relief. A special session of the Diet will meet at the end of this month to deliberate on remedial measures for the distressed farmers in those districts as well as rehabilitation schemes for the typhoon-stricken areas in Western Japan. The official measures for relief and rehabilitation involve the expenditure of some 140 million yen, which will be submitted to the session as supplementary estimates. National revenue so far has shown a substantial increase, which, however, will be absorbed by these climatic disasters.

The Treasury, in publishing the Budget estimates for the fiscal year 1935-36, fixed the total national expenditure at 2,042.8 million yen. This is a slight decrease of 68.7 million yen on the original estimates for the current year. The estimated revenue for the next fiscal year is placed at 1,410 million yen, revealing again a huge deficit of 641.8 million yen against the estimated expenditure. The greater part of the deficit is to be met, as in previous years, by a new loan, but the Finance Minister proposes also a small addition to taxation of some 30 million yen. His scheme is to impose a special "emergency" duty on the excess profits of individuals and companies which have benefited by the industrial recovery since the abandonment of the gold standard. This is a noteworthy departure from the preceding Government's policy of financing the Budget deficiency wholly by borrowing, although the fund to be raised by fresh taxation is disproportionately small.

The proposal for new taxation has been a great shock in financial circles. Actually taxpayers have not been so surprised to learn of a tax addition of 30 million yen or so, but they fear that a severer ordeal may be in store for them, since the Finance Minister's decision, it is suspected, was made under the influence of what may be called militant national-socialism. Stock prices fell sharply on the news of the taxation proposal, particularly in industrial sections which will be chiefly affected by the projected tax. The aggregate value of all shares listed on the Tokyo Stock Exchange on November 1st was down by 439 million yen, or 7½ per cent., on the month. After a series of temporary and technical recoveries all shares still continue to weaken.

INDUSTRIAL AND TRADE EXPANSION CONTINUED

Other economic indices, however, show that the general trend remained unaltered. The Bank of Japan's index number of wholesale prices registered a further advance of 1½ per cent. on the month, the total rising to 181.8, the highest of the year. The output of cotton yarn during October at 123,193,000 lbs. increased by 8,166,000 lbs., as against that of September, and that of rayon yarn at

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12,264,000 lbs. rose by 448,000 lbs. The note circulation for November 9th was 1,133.6 million yen, against 1,140.4 million yen a month ago. Call money remains at a fraction above 2½ per cent., and prime commercial paper is quoted at 4½ per cent.

The trade returns for October show that the recovery in foreign trade, which had been deflected a little in August and September owing to the typhoon disaster, gathered its former momentum in the succeeding month. Imports are returned at 177,431,000 yen, an increase of 38,431,000 yen, or 27.6 per cent. over October, 1933. Exports also have risen from 171,177,000 yen in October, 1933, to 201,356,000 yen this year, an advance of 30,179,000 yen, or 17.6 per cent. Notable increases in imports are recorded in raw cotton, iron and steel, machinery and petroleum, while raw wool alone among the staples showed a marked decline. To the expansion in exports cotton piece-goods, silk and rayon fabrics, tinned and bottled provisions, and wheat flour all made substantial contributions, whereas raw silk again made a poor showing. As imports continued to gain heavily relative to exports, the active balance of trade was again smaller last month, being 23,925,000 yen, against 32,177,000 yen a year ago.

TOKYO, November 9.

PALESTINE

STEADILY INCREASING PROSPERITY

THE biennial Levant Fair is now over, and the report of its Exhibition Committee permits a survey of the latest developments in Palestine. Over 600,000 people visited the 1934 Fair, at which 2,861 concerns from more than 33 States were represented. Five years ago only 330 firms, of which more than two-thirds came from Palestine and only 45 from Great Britain, were sufficiently interested to show their goods in Tel-Aviv. By 1932 the number had

rised to 1,226, and Palestinian concerns still accounted for one-third of the total. This year there were 505 British exhibitors, and the foreign proportion had risen to three-quarters, which is striking testimony to the growing interest of the world in a country whose prosperity has been rapidly on the increase in recent years.

Statistics for the first six months suggest that 1934 will be another record year. The number of immigrants was slightly above the figure for the first half of 1933, and the total is expected to be at least equal to, if not greater than, last year's figure, when 40,000 immigrants were recorded. It is already certain that the capital brought with them will exceed the total of any previous year. Between December, 1933 and March, 1934, banking deposits alone increased by £2,500,000, or 25 per cent. of the total of £10,000,000 outstanding at the end of December, 1933, following a total rise of £5,000,000 since December, 1932. In 1933 investment reached a total of more than £10,000,000, of which £2,700,000 was in new buildings, £1,950,000 in agriculture, £800,000 in trade and industry, and £650,000 in the purchases of real estate. Building statistics for the first seven months of this year show that last year's output has been fully maintained. Citrus and orange plantations have been further extended. The number of new factories and firms registered during the first eight months of 1934 was 143, against 586 during the whole of 1933; but it is calculated that the new capital involved will be equal to, if not greater than, last year's figure. In 1933, the new companies were mostly on a small scale and only gave employment to 3,200 additional persons, whereas this year many large factories have been set up, and companies formed a year or two ago have extended their plant and scale of operations. The production of potash has already exceeded the minimum of 10,000 tons per annum prescribed in the company's concession, and the works under construction on the Dead Sea are nearing completion. A number of factories for the manufacture of textiles and light castings have begun production, and it is reported that Palestinian cement has even been exported to England.

HUGE INCREASE IN IMPORTS

The expansion in the country's capital equipment is shown by the rise in imports of capital goods. Comparison of the first quarter's figures for 1933 and 1934 shows that imports of the various kinds of machinery have risen by anything from 70 per cent. to 100 per cent. Imports of building materials have been maintained despite the rise in the domestic production of these materials. Motor-cars, textiles and foodstuffs, particularly sugar, also show appreciable increases. The latest figures only relate to May, and in that month the value of imported motor-cars was 100 per cent. above the corresponding figure in 1933. Compared with 1933, total imports during the first quarter rose from £2,437,340 to £3,322,197, and as exports only increased from £1,916,089 to £2,095,706, the passive trade balance rose from £521,251 to £1,226,491.

The rise in imports exceeds all modern records, but so far it has been paid for by the new capital brought into the country by immigrants. There is, therefore, no danger that this increase in the passive trade balance may lead to a currency crisis—in fact there still appear to be fairly large reserves outside the country. Two factors, however, are beginning to arouse some anxiety. They are, first, the fact that four-fifths of the exports are represented by oranges, of which nearly 70 per cent. go to Great Britain; and, secondly, the shortage of labour and the consequent high wages, which have raised the wage level in Palestine far above that in the surrounding countries. The position in the orange-growing industry is the more delicate, since the Arab population, which has so far been averse to engaging in any enterprise requiring permanent residence on the land, has been stimulated by the high profits of Jewish plantations to begin orange growing. It is believed that the prices for the 1934-35 crop, which will probably amount to 6,000,000 cases, will be maintained. The danger, however, lies in the next few years, when, on the basis of the current rate of investment in the industry,

there will be crops of 12 million to 14 million cases. Though modest, the standard of life of the Jewish immigrants is luxurious compared with that of the Arabs, whose participation in the Jewish-controlled selling syndicates seems very doubtful. Of more immediate importance, however, is the labour problem. The rates for unskilled and agricultural labourers have risen to five and six times the rates in Syria and Transjordan. This has compelled many employers and their families themselves to work, in order to give employment to their capital, and it has led to rapid mechanisation of agricultural methods where a few years ago only hand labour was employed.

TEL-AVIV, November 30.

CANADA

THE NEW BANK OF CANADA

THE Canadian Bankers' Association held its annual meeting on November 8. Mr Jackson Dodds, General Manager of the Bank of Montreal, who was re-elected President for a second term, urged that the present time-limit of ten years for the charters of Canadian banks should be abolished and that they should be given permanent charters instead, subject to revision by Parliament every ten years. He described the creation of the Bank of Canada as "a sharp break in the evolution of the Canadian banking system," but, while expressing some scepticism about its value to the country, pledged the cordial co-operation of the chartered banks to make it a success. Mr Dodds was critical of the Government's policy of mild currency inflation.

The total yields of the principal grain crops of Canada are estimated provisionally by the Bureau of Statistics in bushels as follows:—

	1933 (bushels)	1934 (bushels)
Wheat	269,729,000	275,252,000
Oats	307,478,000	324,745,000
Barley	63,359,000	63,748,000
Rye	4,327,000	5,437,000
Mixed grains	33,009,000	37,481,000

The average yield per acre in bushels of wheat was 11.5, compared with 10.4 in 1933; and of oats 23.7, compared with 22.7.

Winter has, as usual, given a stimulus to business through increased purchases of winter clothing and footwear and equipment for winter sports. Both wholesalers and retailers report an increase in business and are reasonably well satisfied with the outlook for the winter. The Bureau's "physical volume of business" index, however, showed a sharp decline for the week ending November 3rd:—

WEEKLY ECONOMIC INDEX, WITH SIX OF ITS COMPONENT FACTORS							
Week ended	Car-loadings	Whole-sale Prices	Bond Clearings	Bank Stocks	Com-mon Stocks	Trad-ing	Total
Nov. 4, 1933	61.8	...	107.2	70.3	79.0	116.5	82.1
Oct. 27, 1934	73.2	71.2	128.4	84.8	92.6	78.3	95.3
Nov. 3, 1934	69.2	71.1	128.0	67.5	90.2	95.1	91.9

Building construction was somewhat better in October, and the value of permits issued was \$2,721,919, an increase of 21.1 over the September figure and 53.3 per cent. over the figure for October, 1933. There is evidence that the depression in the primary industries has at last been checked.

THE RECOVERY IN OVERSEAS TRADE

Foreign trade returns for October show a substantial improvement:—

	1933	October	1934
Exports (domestic origin)	60,488,720		67,747,809
Imports	41,070,259		47,219,415

Exports for the first seven months of the present fiscal year ending October 31st are placed at \$384,780,352, a gain of \$58,882,794 over 1933; and imports at \$310,966,108, a gain of \$69,749,194. Wheat exports are still unsatisfactory

in volume, and the export figure for October was only 21,807,784 bushels, compared with 23,611,510 bushels in October, 1933.

In recent months the Federal revenues have not maintained the buoyancy visible in the earlier part of the fiscal year, but they are still higher each month than in the same month of 1933, and the return from customs and excise for October, at \$21,781,128, show a gain of \$1,358,531 over October, 1933. The yields of the main items of revenue for the first seven months of the present fiscal year are as follows:—

	Seven months ending Oct. 31	
	1933	1934
Income-tax	48,475,303	49,546,835
Customs duties	36,039,146	45,116,096
Excise taxes	55,927,517	63,863,377
Excise duties	21,744,802	26,573,812
	162,186,768	185,100,120

Commodity prices showed a downward tendency in October, and the wholesale index of the Bureau of Statistics for the month was 71.4, as against 72 in September. The Bureau's retail index for October was 79.3, as compared with 79 in September, 78.7 in August and 77.6 in October, 1933.

A return by the Department of Finance shows that on October 31st the amount of Dominion currency in circulation was \$210,790,848, and that the gold holdings of the Treasury against Dominion notes and savings deposits amounted to \$72,790,848. Of the latter \$2,236,665 was held against savings bank deposits and \$56,786,160 against Dominion notes, leaving \$13,786,160 in excess of the lowered Statutory requirements authorised at the last session of Parliament. The policy of currency expansion which the Government has been pursuing is reflected in the fact that the amount of currency issued under the Dominion Notes Act was \$146,786,160 on October 31st, compared with \$106,351,972 on October 31, 1933.

OTTAWA, November 26.

LETTERS TO THE EDITOR

COPPER RESTRICTION AND THE SHAREHOLDER

TO THE EDITOR OF THE ECONOMIST

SIR,—As an intending member of the Copper Shareholders' Association, I find it difficult to reconcile your comments on the position of the copper industry with the interests of shareholders.

You state in your November 24th issue that low-cost producers, especially in Rhodesia, are mining at a profit at present price levels, and infer from this, if I read you correctly, that restriction might, therefore, be a bad thing.

I am inclined seriously to doubt your first premises. As an example, the Roan Antelope, one of Rhodesia's lowest-cost mines, can produce blister copper at £19 17s. 10d. a ton, but with the addition of debenture interest and depreciation, this figure is raised to £23 4s.; and after that must be added the cost of refining before a comparison between net costs and the market price of the metal can be made.

Profits, if I may suggest it, cannot be gauged on a bare covering of costs, from the investor's point of view. What matters to the shareholder is whether it is possible to declare a dividend—surely the only fair test of strength of a company—and the low cost producers of copper have failed in this test, which indicates that all is not well.

It may be that some of the lowest-cost producers could make a small distribution if it were not necessary to husband resources owing to the present condition of the industry. But is this any comfort to the shareholders, who know that the existing uncertainties could be removed by an international agreement, a fact proved by the experiences of the tin industry? And again, is the shareholder supposed to congratulate his directors on the wisdom of their inaction, when he knows that a continuation of unfettered over-production will cause the price of copper to fall so low that every mine in the world will operate at a severe loss? Such a crisis is perilously near, with copper selling around £27.

The copper shareholder cannot afford to view things in an abstract way. He does not wish to pay for a war that may knock out rival companies; all he asks—and in my humble opinion, justifiably—is a fair return on his investment. This he is not getting, and, until he does, no amount of sophistry will convince him that a right policy is being followed.—

Yours faithfully,

41, Carlyle Square,
Chelsea, S.W.3.
November 27, 1934.

JOHN FERGUSON.

[Mr Ferguson finds it difficult to reconcile our comments on the copper situation (see *Economist* of November 24th) with the interests of shareholders. But where do the latter's true interests lie? An adjustment of supply to demand at a level of prices to yield a "fair" return to shareholders in all copper mining concerns (at whatever price these shares may have been acquired) would result in a vicious circle and ultimately lead to dislocation in the industry, to the detriment of both shareholders and consumers. Moreover, a price-raising scheme would involve the allocation of fixed quotas (as between individual concerns) and would prevent low-cost producers from increasing their share of the market at a critical moment in their development. There is no evidence of a heavy accumulation of stocks of copper outside the United States, and there are prospects of an improvement in the earning power of low-cost concerns as soon as demand begins once more to expand. To throttle this expansion at the trough of a depression for the sake of immediate dividends would seem dubious tactics.—Ed. *Econ.*]

RUBBER PLANTERS' FLIGHT

TO THE EDITOR OF THE ECONOMIST

SIR,—Among the readers of your paper there are, we are sure, a number of shareholders in rubber companies, since the aggregate amount of British money invested in rubber planting in Malaya is between £100,000,000 and £200,000,000 sterling.

Such readers have probably seen references in the papers to a publication issued on behalf of the Incorporated Society of Planters (Malaya), which embraces nearly all the Europeans working on the estates managed by the companies in which they hold shares. This publication reviews the present serious financial plight of the planters, and is an appeal to shareholders to study the facts. Many of these would, doubtless, like to read it, and, therefore, perhaps we may be allowed to say that a copy of the pamphlet will be sent, free of charge, to any shareholder who will write to the London agent, Mr Charles Watney, Courtfield House, Courtfield Road, London, S.W.7.—Yours very faithfully,

W. J. O'DONOVAN, M.D. (M.P.),
H. GRAHAM WHITE (M.P.),
JOHN WILMOT (M.P.).

House of Commons, S.W.1.,
December 1, 1934.

BOOKS RECEIVED

- The Theory of Money and Credit.* By L. von Mises. (London) Jonathan Cape, Ltd. 445 pages. 18s. net.
A Short History of International Affairs, 1920-1934. By G. M. Gathorne-Hardy. (London) H. Milford. 351 pages. 7s. 6d. net.
Daily Mail Year Book for 1935. Edited by David Williamson. (London) Associated Newspapers, Ltd. 291 pages. 1s. net.
The South and East African Year Book and Guide for 1935, with Atlas. (London) Sampson Low, Marston and Company, Ltd. 1130 pages. 2s. 6d. net.
German Monetary Theory, 1905-1933. By Howard S. Ellis. (London) H. Milford. 462 pages. 21s. net.

THE BANKER

The December issue includes an authoritative Survey of the Discount Market
THE OUTLOOK FOR THE DISCOUNT MARKET
By W. Manning Dacey
THE BANKS AND THE DISCOUNT MARKET
By Paul Bareau
THE DISCOUNT MARKET AND THE TREASURY
By Norman Crump
THE BILL BROKER
By H. W. Greenkrass
STANDSTILL BILLS ON THE DISCOUNT MARKET
By S. S. Metz
THE INLAND BILL
By G. Crowther
Published by THE FINANCIAL NEWS, LTD., 20 Bishopsgate, E.C.2
Annual Subscription £1 13s. Single Copies 2s. 6d.

MONEY AND BANKING

WHAT OF THE LIRA?

AN increase in the rate of discount of a Central Bank has become an exception, in fact almost an anomaly, in prevailing world conditions. It is natural, therefore, that the decision to raise the Italian Bank rate from 3 per cent. to 4 per cent., which was announced on November 24th, should have drawn attention once more to the course of development in Italy. More particularly is this so as such a step cannot be ascribed to any unforeseen or untoward events of recent occurrence outside Italy—as, for example, the devaluation of the United States dollar, which, by precipitating a heavy outflow of gold, caused a rise in Bank rate in France and Holland at different dates.

The circumstances in which this action was taken by the Banca d'Italia at the instance of the Ministry of Finance were, moreover, rather unusual. Earlier in the same week the Italian Government had issued an internal loan of 2,000 million lire in the form of 4 per cent. nine-year Treasury bonds at par. On the Friday the subscription lists were unexpectedly closed in advance of the time originally announced, the loan having, according to report, been heavily oversubscribed. The next day—a Saturday—a 4 per cent. Bank rate was decreed.

The lira exchange has been under pressure for a considerable time. This has been evident alike from the sight quotation in Paris, where lire have for many months been at 3 per cent. discount in relation to their gold parity; and from the forward rates in the London market which have shown a discount this year fluctuating between a maximum of 17 per cent. and a minimum of 4 per cent. per annum; the present figure is 6½ per cent. per annum. Again, since January, the Banca d'Italia has lost gold week by week. From 7,091 million lire on January 1st its reserve has fallen to 5,951 million lire on November 20th, a decline of over 14 per cent. But this movement, conspicuous though it is, would not in itself have caused an excessive deterioration in the technical position of the Central Bank if it had been possible to counteract it, as in previous years, by a more or less proportionate contraction in the note circulation and sight liabilities. Contrary to previous experience, this year's note circulation has risen by some 400 million lire, and as a result the Bank's ratio of gold to sight liabilities has fallen to 42 per cent., which brings it for the first time since re-adoption of the gold standard by Italy, in December, 1927, into close proximity with the statutory limit of 40 per cent. If, therefore, the slow but persistent drain on the Bank's gold reserve were to continue, without a proportionate reduction taking place in the sight liabilities of the central institution, the Italian Government would obviously have to choose between the alternatives of formally denying any connection with the gold standard or reducing the statutory ratio of the gold reserve to notes and deposits.

In view of this position, it has been suggested in some authoritative Italian quarters that the proceeds of the recently issued loan may be applied, in part, to the reduction of the Government's liabilities to the Banca d'Italia. The need for such a reduction receives additional emphasis from Signor Mussolini's warning that there is a Budget deficit of 3,000 million lire. Such a reduction would at the same time strengthen the technical position of the Bank and result in an immediate contraction of the credit structure.

But it may be questioned whether the fundamental difficulties of the situation can be removed by these or similar measures. Deflation in its severest form has been practised almost without intermission in Italy for nearly ten years. Once the lira had been stabilised, in December, 1927, at a level 30 per cent. higher than that of the French franc and at least 25 per cent. higher than the actual lira exchange of the three preceding years, deflation became a self-imposed necessity. And as world prices have not risen but fallen in the meantime, the necessity has remained. Italian economy, still struggling with an over-valued currency, was,

in marked contrast to France, badly hit by the collapse in world prices even before 1931, and the abandonment of their gold parities by sterling, the dollar and the yen has since added enormously to the strain. To meet it, the Italian Government has had recourse to a series of surgical operations rather than to osteopathic treatment. Wages and salaries have been reduced, through successive cuts, by amounts ranging from 20 to 40 per cent., even though the cost of living is kept up by one of the highest tariffs in the world. House and factory rents have undergone three reductions of 10 per cent. each. Debit and credit rates of interest have been lowered by decree, and other similar measures adopted.

While the Italian Government appears to have given us a practical example of theoretically almost perfect deflation, the result, unhappily, has only confirmed, instead of contradicting, the gloomy forecasts of most economists. The growing distress and large-scale unemployment which attended the Italian Government's efforts at readjustment during the earlier part of the present depression evidently rendered it both socially and economically expedient for the Government itself to undertake vast public works, involving large expenditure. This has had, as a natural consequence, the desirable effect of stimulating production in many important branches of industry (referred to in the Turin letter in last week's *Economist*). Unfortunately, being in manifest contradiction to the earlier and uncompleted process of adjustment to world conditions, it has served to increase the strain upon Italy's international position.

During the current year the adverse balance in foreign trade, reduced to 1,500 million lire in 1932 and 1933, has risen sharply. For the first ten months it amounted to 2,009 million lire, as against 1,150 million lire for the corresponding period in 1933. Month by month exports have failed to maintain the level of last year, while imports, under the stimulus of the domestic re-employment programme, have in most months exceeded those of the previous year. Movements of the price index figures, both wholesale and retail, are more or less consistent with the trend shown by the trade figures. For though they show, in each case, a downward tendency, the net decline during the past two years has not kept pace with sterling and dollar prices in terms of exchange. The downward movement in wholesale prices has moreover lagged behind conspicuously in comparison with that of other gold countries such as France and Belgium.

Even at the present level the adverse balance of Italy's foreign trade would be anything but disastrous to her welfare and the stability of her currency if the invisible items, normally showing a substantial balance in Italy's favour, were to recover. Unfortunately, while Italy's foreign indebtedness, both long-term and short-term, is now negligible, there has been a serious decline in tourist travel, emigrants' remittances and the earnings of Italian shipping. These between them account for the deficit, which has had to be met by a steady outflow of gold. The first-named item has been seriously prejudiced during this past year, not only by the low exchange levels of the dollar and of sterling, but also by the severe competition of the German registermark, together with the disabilities imposed on Germans themselves, who have always flocked to Italy in very large numbers. Emigrants' remittances, again, can hardly be expected to recover without a noticeable upswing in the economic prosperity of the United States and France, while as regards shipping, Italy herself can hardly be exonerated from having contributed very substantially to the plight in which that great industry now finds itself the world over.

Apart, therefore, from the prospects of a general rise in world prices measured in gold, the outlook for the lira remains dubious. The choice before the Italian Govern-

ment seems to lie between renewed drastic deflation, with all its attendant social and economic evils, and the further pursuit of a policy of "reflation" accompanied, however, by an adjustment of the exchange to whatever level may be required to square the balance of accounts with other countries. It would be wholly mistaken to expect the increase in Bank rate to contribute in any marked degree towards this end. Rigid exchange control has been exercised for a long time in Italy, and a higher Bank rate will add nothing to its efficacy in preventing the export of capital. On the other hand, the higher rate cannot be expected to attract any funds to Italy from abroad and thereby to support the exchange position. Thus, unless there is a sharp reversal of the trend in Italian economic affairs, due to factors which so far have remained undisclosed, some positive action in relation to the currency in the not too distant future may come more as a necessity than as the result of long deliberation.

FINANCIAL NOTES

The Money Market.—The distribution of the War Loan dividend has made money very easy, but little day-to-day money has been wanted this week, and the rate is nominal at ½ per cent. A fair amount of money has been borrowed into the New Year at ½ per cent. against eligible bills. Discount rates have been definitely firmer, partly because of the increase of £10 millions in the volume of tender issues of Treasury bills, but mainly because of a general unwillingness to buy bills which will have to be carried over the New Year. For this reason January Treasury bills have been offered at ½ per cent., with few buyers, and Februaries at ⅞ per cent. The rate for March Treasuries is lower at ⅝ per cent., as buyers argue that the longer a bill has to run in the New Year the better becomes the chance of securing a capital profit on the drop in the discount rate which is generally expected to occur soon after the turn of the year. Last week's Treasury bill tender rate was 9s. 3.94d. per cent., against 6s. 3.97d. per cent. the week before, and on Thursday afternoon tender rates of ⅝ per cent. and even ⅞ per cent. were anticipated for the following day. Three months' bank bills were quoted at ⅝ per cent., and one bank was refusing to buy at less than ¾ per cent.

	Nov. 15, 1934	Nov. 22, 1934	Nov. 29, 1934	Dec. 6, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short Loan rate:—				
Clearing banks	½-1	½-1	½-1	½-1
Others	½	½	½	½
Discount rates:—				
Treasury bills.....	½	½	¾-7	¾-1
Three months' bank bills	¾	¾	¾-1	¾

The payment of the War Loan dividend is responsible for wide changes in the floating debt. Tender issues of Treasury bills have increased from £423.7 to £433.7 millions, and tap issues from £431.9 to £436.1 millions. Advances from Public Departments have risen from £38.2 to £46.6 millions, so that the "floating assets" of the Departments have risen from £470.1 to £482.7 millions, against only £388.1 millions on March 31st last. Including £2.2 millions borrowed on Ways and Means from the Bank of England, the week's increase in the floating debt was £24.8 millions.

The Foreign Exchanges.—This week sterling has reacted sharply from \$4.98½ to \$4.95½ against the dollar, and from Frs. 75½ to 75¼ against the franc. Early in the week the reaction was more pronounced, for the Paris rate dipped below Frs. 75, and the British control had to intervene. The discount on three months' dollars has narrowed from ⅞ cent to ⅝ cent, while that on three months' francs has narrowed from 9½ to 5 centimes. It is recalled that three months ago when sterling was relatively weak, heavy bear sales of forward gold currencies were made. This week these had to be covered, and the buying of spot francs and other gold currencies was accelerated by the votes of confidence

received by the new French and Belgian Governments in their respective Chambers, and by the news of the Dutch loan to Belgium. Three months' belgas, however, are still quoted at 0.31½ belgas discount. Meanwhile commercial buying of dollars had been delayed in anticipation of a further seasonal improvement of sterling, but when the pound began to weaken some of these impending dollar commitments were hurriedly covered. There was also a little buying of dollars for investment purposes. These influences both explain the sudden relapse of sterling and also suggest that it may prove transitory.

The Bank Return.—This week there was a further increase of £5.7 millions in the note circulation, due to currency withdrawals for Christmas shopping. The Reserve was reduced by the same amount.

BANK OF ENGLAND					
	Dec. 6, 1933	Dec. 27, 1933	Nov. 21, 1934	Nov. 28, 1934	Dec. 5, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.6	190.7	192.1	192.1	192.2
Note circulation.....	374.9	392.0	376.9	379.7	385.4
Banking Department:—					
Reserve	76.9	59.7	75.8	73.0	67.3
Public deposits.....	6.9	22.2	25.3	27.7	8.6
Bankers' deposits	115.9	101.2	95.9	89.1	108.9
Government securities ..	78.0	88.0	80.1	80.4	84.8
Discounts and advances	8.5	16.8	8.6	9.2	9.6
Proportion	48.3%	37.3%	47.6%	47.1%	43.7%

In order to pay the War Loan dividend, £19.1 millions was drawn off public deposits. This, with the week's increase of £24.8 millions in the floating debt, more than accounts for the sum of £35 millions required for the War Loan dividend. The increase of £4.4 millions in Government securities reflects Ways and Means borrowing from the Bank. Bankers' deposits have risen by £19.8 millions, this movement being due to the payment of War Loan dividend warrants into customers' accounts at the joint-stock banks. Had it not been for the Christmas currency withdrawals, the increase would have been still greater.

New York Money and Banking.—Money remains very easy, and New York rates are unchanged. Brokers' loans by New York member banks rose from \$572 to \$576 millions during the week ended November 28th, and other loans against securities rose from \$805 to \$814 millions. Total loans against securities have thus risen from \$1,377 to \$1,390 millions. Heavy financing operations have been carried through by the Administration this week. Holders of \$992 millions of Treasury certificates maturing on December 15th were offered either 1½ per cent. notes maturing on June 15, 1936, or 2½ per cent. notes maturing on June 15, 1939. A cash issue for the purpose of financing new expenditure was also made in the form of \$450 millions in 3½ per cent. 15-18 year bonds, and \$450 millions in 1½ per cent. notes maturing on June 15, 1936. Both these cash issues were heavily oversubscribed, but up to December 5th acceptances of the conversion offer only amounted to \$800 millions. Even so, there is a general expectation of an early rise of Government bonds at least to a 3 per cent. basis, and were the Budget balanced, it is thought that a 2 per cent. basis could be reached. The view that a further decline in interest rates is impending was endorsed last week by the President of the American Bankers' Association, who added that he was not afraid that lower rates would divert money from savings bank and other bank deposits into speculative channels. He also expected Congress to fix next session a limit to the deposit insurance liability of the banks. President Roosevelt's Committee on the co-ordination of Government lending has proposed the creation of a revolving fund of \$500 millions for granting loans to farmers against stored farm products. Gold arrivals in the middle of this week include \$11.2 millions from France and \$10.1 millions from Holland.

Holland's Loan to Belgium.—Early this week it became known that Belgium had successfully raised a loan of Fl. 100 millions in Amsterdam. The terms appear fairly onerous, for the loan is for one year at a nominal rate of 4 per cent., and it is understood that the price of issue is below par. It is also believed that the loan is subject to the "all-in" gold clause, which not only binds Belgium to repay in gold or gold exchange, but which also provides that in the event of the Dutch suspension of the gold standard within the year Belgium is still bound to repay in gold, so that any profit on the depreciation of the guilder accrues to the lender. One-quarter of the proceeds of the loan will be allocated to the Congo, and the remainder to financing Belgian schemes for providing work for the unemployed, and partly towards meeting the general Budget deficit. The loan was sponsored by a leading Amsterdam house, but arrangements are being made to place part of it in other centres. It is not being offered in London as it is not of a type that is permitted under the Treasury embargo. The terms of the loan are roughly parallel to those of the Dutch credit granted to France last March. From the general exchange point of view, this operation represents a purely internal transfer of funds inside the gold bloc, but nevertheless it was partly responsible for a hardening of the gold exchanges in the early part of this week. The London view, however, is that this hardening is also due to the covering of forward sales of gold currencies made during their period of strength against sterling three months ago. The effects of this covering are likely to be temporary, and so the present recovery of the gold currencies may not persist.

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Swiss Banking Reform.—After a run on several important banks in Switzerland, the demand for banking reform became irresistible. The Banking Reform Act just published neither attempts complete control of credit by the State, nor cripples enterprise by too detailed regulations or by dealing too hardly with the banker of second grade. It applies to all institutions which are founded for, and expressly solicit, deposits and current accounts; but it does not apply to finance companies, investment trusts, brokers or trustees, who remain under the control of the National Bank, to which, again, the Act does not apply. Deposits may only be accepted by banks which publish balance sheets; half-yearly returns are required if the balance-sheet total reaches 20 million Swiss francs, quarterly returns for 100 million Swiss francs, and monthly if it exceeds that figure. Each depositor receives special creditor rights for 5,000 Swiss francs; but in the event of a run the Federal Council may grant a moratorium to the bank if a surplus of assets can be proved and interest payments can be maintained. In order to safeguard the interests of depositors and creditors, banks must retain a reserve fund of at least 20 per cent. of their share capital, and they must submit to an inspection of their books by independent accountants, who are specially charged to direct the attention of the board to dangerous or doubtful credits or investments. In order to restrict competition among the banks for new deposits, no bank whose balance-sheet total exceeds 20 million Swiss francs may increase its deposit rate or interest on bank certificates without the permission of the National Bank. The Act leaves the distribution of assets entirely to the banks, with the exception of agricultural savings banks; but all banks and finance companies must make a full return of foreign investments to the National Bank, which now receives a right of veto for the protection of the national interest. No banking reform can remove the threat to the Swiss economic system inherent in the unbalanced State and railway Budgets and the depression in the agricultural and export industries, but the new Act should contribute to strengthen the confidence of depositors in the Swiss banks.

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Brazilian Exchange and Bonds.—A further example of the international tendency to complete purely bilateral trading arrangements between countries is afforded by the long-anticipated announcement of the preferential alloca-

tion of foreign exchange cover in Brazil as from December 10th. The Bank of Brazil has stated that as exchange for the "official" market is derived entirely from coffee exports, cover in that market will in future be distributed among foreign countries proportionately to their purchases of Brazilian coffee, the United States to receive 46 per cent.; France, 13 per cent.; nine other countries, excluding Great Britain, 26 per cent.; and the remainder, including Great Britain, 15 per cent. The United States is by far the best customer of Brazil, and certainly has a good bargaining weapon in its large adverse balance with Brazil, which amounted to some 377,656 contos of reis in the first half of 1934. The total value of coffee exports from Brazil—say 64 per cent. of all merchandise exports—in the period January-September, 1934, was 1,628,691 contos of reis (paper), and, on this basis, 46 per cent. of exchange cover would represent, say, 749,197 contos, which, if used to finance a great expansion of merchandise imports from the United States—leaving aside the other preferential official allocations of exchange—would appear to indicate a future deflection of official exchange cover which might prejudice Brazil's debt services. Brazil has to transfer some 178,000 contos to United States creditors and 272,000 contos mainly to British creditors—a total equivalent of some £7,200,000. These payments are to be spread over a period of six years in accordance with the arrangements made in June last year for the release of frozen milreis balances. The funding arrangement, however, under which partial payments on the external debt are provided for, was based upon anticipations that some £8,000,000 of exchange would become available annually. Brazil's favourable balance of trade for the period January-September, 1934, was £7,249,000 (gold), so that, at first sight, the new preferential allocations of the exchange in the "official" market, which is likely to divert part of Brazil's supplies of foreign exchange to the financing of new American imports, must arouse apprehension over the future prospects of the service on Brazilian bonds. It also appears that British export trade with Brazil may suffer, in that increased recourse to the "free" market may be necessitated, with a consequent increase in the cost in depreciated milreis of British imports into Brazil.

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British Overseas Bank.—The main change in the position of this bank since a year ago is the increase of £365,000 in its deposits. This increase, however, cannot be entirely welcome, for it may consist partly at least of foreign panic money transferred to London in October last, immediately before the accounts of the bank were made up. This money is essentially volatile, and under present conditions it is difficult to keep it sufficiently liquid and at the same time find remunerative use for it. The accounts suggest that most of it has had to be lent on the money market:

	October 31st		
	1932	1933	1934
Liabilities—	£ thous.	£ thous.	£ thous.
Capital	2,000	2,000	2,000
Reserve fund	175	100	100
Investment depreciation reserve...	...	150	150
Deposits	2,532	2,599	2,964
Acceptances, etc.	3,449	2,989	3,121
Assets—			
Cash	252	217	229
Call money	596	686	946
Balances abroad.....	193	150	145
Discounts	647	663	498
Government securities	450	397	380
Other investments	563	571	596
Advances, etc.	1,594	1,840	2,025
Net profits	112	63	62
To contingencies	50	...	...
Dividend—			
"A" shares	6%	6%	6%
"B" shares	Nil	Nil	Nil

The decline of £17,000 in Government securities is explained by the contraction in holdings of Treasury bills, which are included under this heading. The fall in discounts illustrates the dearth of commercial bills. The increase in advances and other accounts may arise from changes in the bank's open forward exchange positions. Net profits remain low, but the "A" shares, in which alone the public are interested, continue to receive their dividend of 6 per cent.

THE STOCK EXCHANGE

"KAFFIR" PROSPECTS

THE approach of the December dividend declarations has failed to stimulate the market for South African gold-mining shares into the activity characteristic of earlier dividend periods. Since the June payments were announced the market has been subjected to a species of refinement by fire, whose ultimate effects may well be as salutary as their immediate consequences have been disconcerting.

In the first place, the exuberance of irresponsible speculation in South Africa has been checked. Hard-pressed operators have been compelled, in numerous instances, to liquidate their holdings of sound, dividend-paying shares in order to meet their engagements elsewhere. Secondly, the industry's authoritative spokesmen have announced, in the clearest possible terms, their inflexible decision to subordinate immediate dividend considerations to those of extended "life" in determining their mining and milling policy. In the face of these chastening factors share values have shown noteworthy resilience. The "Gold Mining" index of the *Investors' Chronicle* (December 31, 1923 = 100) declined from 221.4 in August to 217.7 in September and 204.8 in October, but had recovered to 217.7 at the end of last month. Broadly, however, there is little inclination to resume speculative dealings on an appreciable scale, and dividend prospects are being regarded conservatively.

On the whole, the market expects that the forthcoming distributions will confirm the higher levels established last June, with small improvements in a few instances. This opinion is based, less on calculations of what the mines are capable of paying, on their known earnings, than on their probable policy in the light of two factors which are strongly influencing the industry at the moment. One is the wage problem, and the other the factor of taxation. Both are intimately bound up with the much-debated policy of lower-grade ore milling pursued by the majority of mines. Apart from the general desirability of maximum "life," an over-impressive rise in profits and dividends might provide fuel for an agitation for an all-round increase in wages, which, in turn, would have repercussions on other undertakings throughout the Union.

The taxation factor continues to be a bone of contention between the Government and the industry, which has not ceased to feel that its burden is onerous, arbitrary and unequal. A powerful plea for its reduction was made this week by Mr J. A. Agnew, chairman of Consolidated Gold Fields, at the company's annual meeting. Mr Agnew gave the following instructive comparison between the profits of the Witwatersrand gold mines (including Heidelberg) and the direct revenue accruing to the Government therefrom, before and after South Africa's departure from the gold standard:—

	1932	1933	Increase	
			Amount	Per cent.
Total profit of the mines	15,300,000	31,500,000	16,200,000	106
Income tax	1,800,000	3,750,000		
Excess profits	1,800,000	6,000,000		
Government share of profits.....	2,500,000	4,880,000		
Total to Government	4,300,000	14,630,000	10,330,000	240
Balance to mines.....	11,000,000	16,870,000	5,870,000	53

During 1933 the Government received 64 per cent. of the increased profits, leaving only 36 per cent. for the mining companies. Before 1933 direct revenue from the gold mines formed about 15 per cent. of the total South African Budget. To-day, the proportion is over 40 per cent. There is force behind Mr Agnew's plea, not only for a removal of the anomalies of the Excess Profits Duty Act,

but also for a reduction in the normal tax to 3s. from the "emergency" level of 4s. to which it was raised in 1932.

No changes of taxation, however, can affect the 1934 dividend position. Prospects in this regard may be viewed in relation to current earnings. The following table gives total profits for each mine during the first eleven months of 1934, as compared with the corresponding months of 1933:—

	Profits to November 30		Increase (+) or Decrease (−) in 1934	
	1933	1934		
Current year ends Dec. 31, 1934—	£	£	£	%
Brakpan	1,187,843	1,190,171	+ 2,328	+ 0.2
City Deep	391,671	312,609	− 79,062	− 20.2
Crown Mines	2,786,958	3,147,360	+ 360,402	+ 12.9
Daggafontein	604,073	1,065,570	+ 461,497	+ 76.4
Durban Deep	307,210	265,333	− 41,877	− 13.6
East Geduld	902,319	1,253,656	+ 351,337	+ 38.9
East Rand Prop.	839,148	945,644	+ 106,496	+ 12.7
Geduld	1,085,655	1,283,093	+ 197,438	+ 18.2
Geldenhuis Deep	272,514	236,583	− 35,931	− 13.2
Govt. Areas	3,870,047	3,775,284	− 94,763	− 2.4
Langlaagte	581,791	368,669	− 213,122	− 36.6
Modder "B"	558,018	548,751	− 9,267	− 1.7
Modder East	262,179	247,525	− 14,654	− 5.6
New Kleinfontein	76,033	56,767	− 19,266	− 25.4
New State Areas	1,776,728	1,728,414	− 48,312	− 2.7
Randfontein	1,803,863	1,215,215	− 588,648	− 32.6
Robinson Deep	751,965	821,908	+ 69,943	+ 9.3
Rose Deep	167,567	155,429	− 12,138	− 7.2
Simmer and Jack	421,368	482,774	+ 61,406	+ 14.6
Springs	1,536,371	1,660,282	+ 123,911	+ 8.1
West Rand Cons.	771,749	1,004,661	+ 232,912	+ 30.2
West Springs	423,249	304,386	− 118,863	− 28.1
Witwatersrand Deep	197,631	136,312	− 61,319	− 31.0
Current year ends June 30, 1935* :				
Cons. Main Reef	258,782	259,963	+ 1,181	+ 0.5
New Modder	968,611	944,519	− 24,092	− 2.5
Nourse Mines	138,504	145,045	+ 6,541	+ 4.7
Sub Nigel	784,873	856,482	+ 71,609	+ 9.4
Van Ryn Deep	267,437	255,590	− 11,847	− 4.4

* Figures for five months, July to November.

The average gold price on which the figures have been based during the eleven months of 1934 has been 136s. 6d., against 122s. 6d. for the same period of 1933. In addition, the majority of mines have considerably increased the tonnage of ore treated, and the general trend of costs has been lower. In the light of these facts, the above comparison of profits suggests that a drastic reduction has been made in the value of the ore treated. In several instances where substantially increased profits have been achieved, this result proves, on inspection, to be due to a very considerable increase in the tonnage milled. Daggafontein, for example, has increased the quantity of ore treated from 592,200 tons for the eleven months of 1933 to 867,900 tons for the current year.

The figures suggest that in most cases final distributions will show little change from the June interims. There are, however, several prominent exceptions. There is a general belief, for instance, that Crown will increase its payment by at least 6d. per share, as compared with the interim figure, while Daggafontein may pay as much as 1s. over its interim of 2s. 9d. In some quarters it is thought that Randfontein, which distributed an interim of 1s., may pay a final of 1s. 6d. despite the heavy shrinkage in its profits for the current year. The mine has passed through a poor patch in its development, and profits are down by one-third. Results, however, are now slightly on the up-grade again, but the expectation of a final dividend of 1s. 6d. may be optimistic. The profits of West Springs also show a heavy decrease, despite an increase in the tonnage treated. This company reduced its interim by 3d. to 1s., and a final of the same amount may be as much as can reasonably be expected. Among the companies which are not expected to make any change in their interim payments are Langlaagte, New Modder, Government Areas, Brakpan and New State Areas. The following table sums up prevailing estimates regarding final payments on

some of the most active shares, and affords comparison with 1933 and the last pre-devaluation year:—

	Total, 1932	Dividends per Share		Estimated Final, 1934	Estimated Total, 1934
		Total, 1933	Interim, June, 1934		
Crown	s. d. 7 9	s. d. 14 3	s. d. 8 0	s. d. 8 6	s. d. 16 6
Daggafontein		3 9	2 9	3 9	6 6
East Rand	0 6	2 3	1 3	1 9	3 0
East Geduld	2 9	7 0	4 0	4 6	8 6
Geduld	7 6	11 3	6 6	7 0	13 6
West Rand	0 7½	1 3	0 9	1 0	1 9

The technical position underlying the "Kaffir" market, at the moment, is indubitably stronger than it appeared to be a few weeks ago. The shares of the dividend-paying mines are closely held, and recent buying has been mainly for investment. The recent set-back, however, has damped down speculative activity. It may be questioned whether the December dividends will have any appreciable revivalist effect, for potential changes are limited to relatively few companies, and have already been largely discounted. On a longer view, the easier tendency of the pound in the last few days has resuscitated discussions of Britain's alleged debit balance on international payments in 1934, and of the possibility of a further decline in sterling in 1935. The experience of the last few months, however, has suggested that the benefits of a higher gold price are more likely to be taken up by a proportionate reduction in average grade, or by higher taxation payments, than passed on to shareholders in increased dividends. "Policy," in other words, may continue to be the major determining factor in the outlook. If the industry's plea for reduced taxation continues to fall on stony ground, it is not easy to see when, why or how the market can stage an early repetition of its past exuberance.

INVESTMENT NOTES

Trustee Law: A Suggestion.—Our recent discussion of certain anomalies in the Trustee Law (see the *Economist* of October 13, page 687) has produced an interesting suggestion from a reader, designed to avoid the limitations which are placed upon trustees working specifically under the provisions of the Act of 1925. Briefly, the suggestion is to devise an "investment clause" which could be embodied in a will or instrument creating a trust, which would allow trustees to operate outside the present provisions of the Act, without exposing the beneficiaries to undesirable investment risks. Our reader suggests that the clause should permit investment (a) in all stocks of trustee status; (b) in debentures of all public companies whose earnings in each of the preceding five years have been sufficient to cover interest requirements at least three times; (c) in all Central Electricity Board stocks; and (d) in ordinary shares of public companies which have paid a minimum of 5 per cent. in each of the last five years. Not more than 5 per cent. of the trust funds should be invested in the ordinary shares of any one company, and the total equity holdings of the trust should be limited to 20 per cent. of the whole. Although these conditions do not fall completely within the sanction of accepted investment canons, they have much to commend them. In the first place, they would be entirely optional upon the trustee, who could if he chose continue to restrict himself to the existing range of investments. Some cautious investors, however, might regard the debenture cover requirements as a minimum, and an extension of the period required, to include all phases of the trade cycle, would conceivably be of advantage. Greatest controversy, however, would undoubtedly attach to the ordinary share recommendation. This should certainly be based, not on dividend payments, but on earnings. Further, the suggested period of five years is undoubtedly too short. Nor does our reader—whose suggestion is admittedly only a first approximation—indicate any balance-sheet measure for the equity security. In cases where a considerable amount of

debenture and preference capital stands in front of the equity issue, wide fluctuations of earning power and potential weakening of the assets position would always be latent. Since investment is not an exact science, the formulation of working rules necessarily involves difficulty; but, in view of the unwillingness of the Chancellor of the Exchequer to appoint a committee to reconsider the machinery of trustee investment, as indicated in an answer in the House of Commons recently, it is not impossible that a private clause of this nature would be welcomed. If an acceptable common form could be devised, in order to protect trustees from imputations of breach of trust, beneficiaries might well be spared considerable hardship arising from periods both of low interest rates and rising prices.

* * *

Trust Companies' "Home" Investments.—In the Investment Trust Supplement, published with our last week's issue, we showed that approximately half the funds of the average trust company were invested abroad. Since 1931, economic recovery has travelled faster and further in Great Britain, the Empire, and the sterling area generally than in the rest of the world. It may therefore be presumed that, other things being equal, those companies have the best chance of an early revival in earnings which have more than the average share of their resources in the prosperity zone. The following is a list of companies to which this condition applies, their "Home and Empire" percentages being shown in descending order of magnitude:—

PERCENTAGE OF TOTAL PORTFOLIO INVESTED IN THE UNITED KINGDOM AND BRITISH EMPIRE—As shown in latest report.
(Percentages based on market values shown in italics; all other percentages based on book values).

Company	Per-centage	Company	Per-centage
PRE-WAR ENGLISH—			
British Steamship	72.9	Second Scottish Northern	81.6
Utilities and General	72.0	Scottish Northern Investment	79.5
Nelson Financial Trust (1)	70.5	Second Edinburgh (2)	73.4
Witan	67.4	Edinburgh Investment (2)	72.0
Debtenture Corporation	64.5	Third Edinburgh (2)	71.8
Trustees Corporation	64.1	Edinburgh and Canadian (3)	71.0
Trust Union	63.9	Aberdeen Trust	69.9
United States Debenture	63.0	Realisation and Deb. C. of S.	69.2
Army and Navy Inv.	62.7	E. of Scotland Trust	68.4
Traction and General	62.4	British Investment	67.7
Foreign and Colonial	62.4		
POST-WAR ENGLISH—			
Midland Caledonia	88.3	GI Northern Investment	93.1
English and Scottish Investors	78.0	Second GI Northern	83.6
London and Lombard	72.6	Third Scottish Northern	77.0
Second British Steamship	70.6	Second Securities T. of S.	74.1
Colonial and General	70.4	Scottish (consolidated) (2)	70.6
London Stockholders	68.2	Scottish United Investors	69.9
Stockholders' Investment	68.9	Second Scottish United (2)	68.6
Southern Stockholders	65.6	St. Andrew Trust	67.2
London, Borden and General	64.5	Coldstream	66.3
Redeemable Securities and General	63.8	Scottish Cities	66.0
		Scottish Allied Investors (2)	65.9
		London Scottish Investment	65.7
		Aberdeen, Edinburgh & London	60.7

(1) At October 31, 1933.

(3) Includes whole of "Asia" and "Africa."

Geographical distribution is, of course, only one of many factors which a potential buyer of investment trust stocks must consider. General standing, past results, "gearing," etc., need also to be taken into account, and investors should be clear whether they are buying for long-term stability or rapid recovery. Distribution by industries and types of security, again, is almost as important a factor as geographical distribution. In subsequent issues we propose to publish further lists of companies with "more than average" holdings in these respects. All such lists, however, suffer from one disadvantage, which is within the power of trust company managers to remedy. Even to-day, many trusts furnish no particulars whatever of the nature of their holdings. After the severe decline in earnings and dividends of the last few years, it is difficult to see how even a specious case can be made out for the continuance of a "blank cheque" policy.

* * *

Actuaries' Investment Index.—The easier tendency of share values this week is attested by a fall in the Actuaries' Index of 144 industrials (December 31, 1928 = 100), from 74.3 on November 27th to 73.7 on December 4th, the

figure a month ago being 72.5. The corresponding yield averages are 3.62, 3.60 and 3.67 per cent. respectively. One or two constituent groups in the Index show a slight upward tendency, but the trend of the majority of groups is downward.

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Month Ago (Nov. 6)	Week Ago (Nov. 27)	This Week (Dec. 4)	Month Ago (Nov. 6)	Week Ago (Nov. 27)	This Week (Dec. 4)
Higher this Week—						
Insurance Co.'s (24).....	112.3	117.9	118.0	3.71	3.54	3.53
Home Rails (4).....	74.3	75.1	75.7	1.52	1.53	1.51
Lower this Week—						
Building Materials (4).....	81.0	87.0	84.4	4.40	4.10	4.23
Elec. Light and Power (14)	131.1	136.7	134.7	3.79	3.65	3.70
Oil.....	58.0	58.3	55.7	5.00	5.17	5.22
Breweries and Distilleries (16).....	120.2	125.5	123.2	3.81	3.75	3.85
Shipping (3).....	15.9	15.4	14.3	NH	NH	NH

The setback to the November upward movement has so far been perceptible, but scarcely significant. Every rise for the last couple of years has been followed by a similar secondary phase.

COMPANY NOTES

Laundry Companies.—Both the possibilities and the problems of the laundry trade are indicated by the fact that some 80 per cent. of the nation's washing is still done at home. As labour is easily the most important element in laundering costs, the public laundry is a luxury to the poorer type of housewife. While the use of machinery and large-scale operation allow the laundry trade to handle its washing with much less effort per unit than the "domestic"

	(Profits in £'000)					
	1929	1930	1931	1932	1933	1934
Advance Laundries (Mar. 31):						
Earned for ord.	10.6	*	8.0	8.9	15.4	14.5
Earned %	10.0	NH	9.8	11.9	18.9	14.4
Div. %	5	NH	NH	NH	5	8
London & Province (Mar. 31):						
Earned for ord.	N.A.	N.A.	3.0	2.7	2.8	3.1
Earned %	N.A.	N.A.	7.7	7.1	7.5	8.4
Div. %	N.A.	N.A.	7	7	7	7
London United (June 30):						
Earned for ord.	10.5	10.2	7.6	4.2	3.8	3.8
Earned %	18.2	17.7	13.4	7.5	6.8	6.5
Div. %	14	14	10	5	5	6
Provincial (Sept. 30):						
Earned for ord.	11.6	13.2	14.4	12.7	15.4	17.1
Earned %	18.5	21.0	23.6	20.4	23.9	27.3
Div. %	12½	15	15	15	20	20
Richmond Park (Oct. 31):						
Earned for ord.	18.4	14.6	12.2	9.2	10.2	---
Earned %	27.0	22.2	19.2	14.5	16.0	---
Div. %	17½	15	12½	12½	13½	---
Sunlight (Nov. 30):						
Earned for ord.	22.1	21.6	30.5	32.8	32.3	---
Earned %	27.6	27.3	40.0	43.7	38.3	---
Div. %	16½	16½	16½	16½	16½	---

* £16.

† Broken period equated to twelve months.

operator, there has lately been a great advance in the efficiency of the washing apparatus and cleansing preparations which are at the latter's disposal. Moreover, the public laundry has to face three quite substantial costs which do not enter into the "home-washing budget": those of collection and delivery, of accounting, and of sorting the garments out for their several owners. To set against these problems, the laundry companies have the important long-term advantage of an established trend to help them. Even in London, houses built sixty or seventy years ago were regularly equipped with a "copper" for home washing. Those "coppers" are very rarely used to-day in houses occupied by the middle or upper classes. Country houses, where drying and bleaching present fewer difficulties, continued home washing rather longer, but few domestic laundries survive. Home laundering has, in fact,

OFFER OF CONVERSION

to Holders of

Argentine Republic Port of the Capital (Buenos Aires) 5 per cent. Bonds

The proposal to issue in London Bonds of the Conversion Loan has been referred to His Majesty's Treasury, who, so far as they are concerned, raise no objection.

Application will be made to the Committee of the Stock Exchange, London, for permission to deal in and, in due course, for an official quotation for the Bonds.

Argentine Government Conversion Loan

ISSUE OF

4½ per cent. Sterling Bonds

(being the third issue of Bonds of the above Loan)

Sanctioned by Decree dated 3rd December, 1934, authorising an issue of £5,800,000 nominal of Bonds pursuant to Law No. 11821 of the 10th October, 1933, authorising the conversion of Argentine Government Loans.

Interest payable 1st January and 1st July
Six months' interest payable 1st July 1935

The Bonds are the direct obligation of the Argentine Government and will be repaid in sterling in London on or before the 1st July, 1986. An accumulative sinking fund of one half of one per cent. per annum is to be applied half-yearly in the purchase of Bonds at a price not exceeding par (exclusive of accrued interest but inclusive of expenses) or, to the extent to which Bonds are not so obtainable, in the redemption at par of Bonds to be selected by drawings. The first operation of the sinking fund will be in respect of the half-year ending 1st July, 1935.

The Argentine Government reserves the right on three months' previous notice to redeem at par on any interest payment date the whole or any part (to be determined by drawings) of the Bonds outstanding. The Argentine Government also reserves the right to accelerate redemption of the Bonds at any time by increase of the sinking fund.

Principal of and interest on the Bonds are exempt from all Argentine taxes or impositions present or future.

In the event of the Argentine Government creating any obligations secured by a charge on any of its revenues or assets the Bonds of the Conversion Loan shall (in common with any existing obligations of the Argentine Government entitled to the benefit of a similar provision) be secured equally and rateably with such obligations.

BARING BROTHERS & CO., LIMITED, and MORGAN GRENFELL & CO., LIMITED, are authorised by the Government of the Argentine Republic to offer to holders of

Argentine Republic Port of the Capital (Buenos Aires) 5 per cent. Bonds

(notice of redemption of which on the 1st July, 1935, has been given by the Government)

conversion into
4½ per cent. Sterling Bonds of the Conversion Loan on either of the following bases, namely:—

1. £100 nominal of such 4½ per cent. Bonds together with a capital payment of £5 and an adjusting interest payment of 5s. in exchange for £100 nominal of Bonds surrendered
2. £105 5s. nominal of such 4½ per cent. Bonds together with an adjusting interest payment of 5s. in exchange for £100 nominal of Bonds surrendered.

Bonds presented for conversion must be accompanied by all coupons maturing on and after 1st July, 1935. The coupon maturing on 1st January, 1935, should be detached by holders for encashment in the usual way.

On the above bases a holder who converts will receive interest at the rate of 4½ per cent. per annum on the new Bonds from the 1st January, 1935, together with the difference between that rate and 5 per cent. per annum to the 1st July, 1935, on the Bonds surrendered for conversion.

Holders whose Bonds have been drawn for redemption on the 1st January, 1935, have the right to accept the offer of conversion.

Holders accepting the offer of conversion must lodge their Bonds, together with the appropriate forms of acceptance, at the Counting House of Baring Brothers & Co., Limited, 8 Bishopsgate, London, E.C.2, or of Morgan Grenfell & Co., Limited, 23 Great Winchester Street, London, E.C.2, not later than 4 p.m. on Thursday, 20th December, 1934.

On acceptance Holders will receive fully paid Letters of Allotment exchangeable in due course for Provisional Scrip Certificates to Bearer, to which will be attached a coupon for six months' interest at the rate of 4½ per cent. per annum, payable 1st July, 1935.

Provisional Scrip Certificates will be exchangeable in due course for Definitive Bonds to Bearer which will be issued in denominations of £1,000, £200, £100 and £20.

Fractional Certificates will be issued for amounts of less than £20, and these Fractional Certificates may afterwards be consolidated and exchanged for Scrip Certificates in amounts of £20 and multiples thereof, a further Fractional Certificate being issued for any balance. Arrangements will be made for dealing in the Fractional Certificates.

Brokerage will be paid to Bankers and Stockbrokers at the rate of 5s. for every £100 nominal of Bonds converted pursuant to this offer and comprised in forms of acceptance bearing their stamp.

Forms of acceptance may be obtained from Baring Brothers & Co., Limited, 8 Bishopsgate, London, E.C.2, or Morgan Grenfell & Co., Limited, 23 Great Winchester Street, London, E.C.2.

LONDON, 5th December, 1934.

been superseded by the public laundry in almost every instance where labour was formerly engaged to do the home laundering. Low down in the scale of wealth, washing day is recognised as a toil to be avoided as soon as the family can afford. Laundries therefore stand to benefit directly from the rising standard of living, even over as short a period as a decade. There is also internal evidence that the laundry trade has reached an important stage of its evolution. The years 1927 and 1928 saw the flotation of at least four laundry companies (Sunlight, Advance, National United, and Richmond Park). Since then, chairmen's speeches have made a fairly constant theme of the necessity for giving better and better service and of the possibility of doing so by the installation of really up-to-date plant. Thus, between 1928 and 1933, the Sunlight Laundries spent £304,574 on new plant, and the majority of other public laundry companies show a rising trend in the "plant" figures in their balance sheet. This indicates at least a faith in the commercial possibilities of modern laundry equipment. As the accompanying table of profits suggests, laundry companies in general seem to have suffered relatively little from the depression. Profits have fallen in most cases, but remain at quite satisfactory levels none the less. It would seem, therefore, that laundry shares may have attractive possibilities over a period, though the expansion may be slow, and the capital of some of the existing companies is not large enough to offer the investor a very "free" market. That the general outlook is fairly promising, however, is suggested by the fact that so astute a concern as the British Electric Traction Company, searching for new fields to develop, has decided to explore the possibilities of the laundry trade.

The Brewery Recovery.—Shareholders in the leading brewing concerns have no reason for complaint either with the trend of profits or with their directors' liberality. We reviewed the factors which have contributed to this vigorous upswing in profits in a Note in the *Economist* of November 24th, page 989. We now set out below the total profits of nine further companies whose results have since appeared. The figures confirm the impression that "the trade" has particularly to thank higher industrial activity in the Midlands for releasing additional consuming power. Notwithstanding the additional cost of purchasing home-grown hops and barley, which are estimated to have cost Benskin's Watford Brewery 1s. 7d. per barrel more than in 1933, the increase in consumption and the economies induced by lower depression profits have more than balanced the account. To the detailed figures for the brewery companies, in the following table, we have added those of Manbré and Garton, whose brewing sugar business is linked closely to the general prosperity of the industry:—

Years to September 30th (except Wenlock Brewery, to October 31st).

	Total Profits (before Expenses and Depreciation)			Ordinary Shares			Quo- tation	Yield %
	1929	1933	1934	1929	1933	1934		
Benskin's Watford	370,681	378,363	415,163	25c	12½	15	68/6	£ s. d. 4 10 3
Budley (W.)	199,986	170,053†	208,591	15½	12½†	17†	37/-	4 6 6
Fremantle	107,312‡	85,636	96,757	7½	7½	8	97/6	4 12 3
Ind. Coopers	468,570	431,072	501,757	25	12½	15	27/8	6 3 0
Leeds & Wakefield	110,574	90,843	116,258	10	20	22½	63/-	3 13 6†
Phipps (P.)	342,064	288,563	323,247	13½	10†	12½	65/-	3 4 6†
Simmonds (H. & G.)	85,384*	491,049	597,505‡	10	11½	16	95/-	3 4 6†
Wenlock	153,636	111,195	127,834	17½	13½	15†	150/-	3 6 9
Wolverhampton and Dudley	233,679	204,728	225,923	22½	20½	25a	150/-	3 6 9
Manbré & Garton	428,022	306,940	319,169	17½	12½	13½	55/7½	4 17 0

† Free of income tax. ‡ Period from November 29, 1928. * Net profit. † Of which 17½ per cent. paid less tax, and 2½ per cent. tax free. (a) And capital bonus of 100 per cent. (b) Includes £56,750 special bonuses from accumulated profits of subsidiary companies. (c) And capital bonus of 50 per cent.

These impressive results have been received in the market with proportionate enthusiasm. Whether the trend of future profits is likely to continue so favourable, however, is conjectural. Production economies have been soundly consolidated, but is there appreciable scope for further

extension? Is the improved state of the trade calculated to withstand the secular decline in consumption which has been a feature of the post-war period? What repercussions upon profits would result from a slackening in the tempo of industry, or a wet 1935? These are questions which deserve the attention of the long-term investor.

Thomas Tilling's London Assets.—With commendable promptitude the directors of Thomas Tilling, Ltd., have issued a report showing the effect of last week's interim arbitral award. Valuing the stocks awarded to the company on the basis of par for "A" and "B" and 9½ per cent. for "C" (i.e. the middle market price on the date of the award), the capital value of the stocks amounts to £1,618,397. The assets transferred by the company to the London Passenger Transport Board on September 30, 1933, appeared in the accounts at a written-down value of £225,330. There is, therefore, a surplus over book values of £1,393,067, which will be carried to the general reserve fund. The question of the costs and expenses incurred in the course of the arbitration will be dealt with when an award has been made in respect of two smaller claims regarding severance and apportionment. The report confirms the profit figures for 1933, which have been already announced, and shows that the ordinary dividend of 15 per cent. was covered by earnings of 27.8 per cent., including receipts from the company's London undertaking for the nine months to September 30, 1933, only. Dividends on the "A," "B" and "C" stock, now awarded to the company, to the end of 1933, would represent a further 1 per cent. on Tilling ordinary, and increase the company's 1933 earnings to 28.8 per cent. The balance-sheet figures endorse the view which we expressed last week (page 1041) that the company's London assets are only a minor part of its total interests. After their transfer to the Transport Board, the company will still hold properties, vehicles, plant, etc., valued last December at £390,414, and shares in and loans to subsidiary and allied companies valued at £2,506,060. On a 4 per cent. "C" stock dividend, the company's London Transport holdings will return 5.5 per cent. on Thomas Tilling's ordinary capital. With a maximum "C" dividend of 6 per cent. the return will be 7.7 per cent. on Tilling ordinary. The "surplus" on the taking in of the stocks under the award will raise the company's general reserve fund to £2,217,128, equivalent to 33s. 7d. per £1 ordinary share. A future scrip bonus to shareholders may be a possibility. No announcement, however, is likely to be made on this point pending the final award of the Arbitration Tribunal.

Dorman Long Accounts.—The accounts of Dorman Long for the year to September 30, 1934, appear in the uncomfortable interregnum between authorisation of the company's capital scheme by shareholders and its submission to the Court. The clarity with which the figures are set out renders doubly regrettable the omission to show their relation to the new conditions which will arise if the scheme is sanctioned. The trading profit, in fact, at £481,725, shows an increase of as much as 130 per cent. on the £209,335 of 1933, and is much the largest total for any year since 1924. Dividends on investments, etc., bring in an additional £28,674, while sundry outgoings include £60,406 for the maintenance of idle mines and works, £92,548 for interest and £20,814 under other headings. The net profit is £336,631, but no depreciation is charged on the fixed plant. How far would earnings have covered the company's obligations under the potential new regime? If the scheme's provisions had applied in 1934, about £100,000 would, apparently, have been available after all prior charges (including bank interest, depreciation at £130,000, and interest on the new 5 per cent. debenture stock). This sum, divided equally between bankers' amortisation and the new 6½ per cent. first preference shares, would have covered earnings of rather less than 2 per cent. on the latter. Clearly, therefore, profits must

PRELIMINARY NOTICE.

VACTRIC LIMITED

(Incorporated under the Companies Act, 1929)

MANUFACTURERS OF ELECTRIC DOMESTIC VACUUM CLEANERS.

SHARE CAPITAL - - - £200,000

Authorised	divided into	Issued or to be issued
£100,000 in 6 per Cent. Cumulative Redeemable Preference Shares of £1 each	£100,000	£100,000
£100,000 in 400,000 Ordinary Shares of 5/- each	£100,000	£100,000
£200,000		£200,000

There are no Mortgages or Debentures.

The Subscription List will open on Tuesday next for an Issue of
100,000 6 PER CENT. CUMULATIVE REDEEMABLE PREFERENCE SHARES OF £1 EACH AT PAR
and
100,000 ORDINARY SHARES OF 5/- EACH AT 12/6 PER SHARE

The marked success of the business is illustrated by the following figures, giving the percentage increase in the Company's Turnover:—

	1929-30	23% increase over	1928-29
Net Profits for the year ended 31st March 1934 amounted to	£30,295		£30,295
Net Profits for the SIX MONTHS ended 30th September 1934 amounted to	£30,148		£30,148
Net Profits for the current year are estimated to exceed	£50,000		£50,000

Prospectuses and Forms of Application can be obtained from the

BANKERS:

BARCLAYS BANK LIMITED, 54, Lombard Street, London, E.C.3, and Branches.

BROKERS:

ARTHUR B. WINCH & CO., 29, King Street, Guildhall, and Stock Exchange, London, E.C.2.

and from the
REGISTERED OFFICE OF THE COMPANY:
24, Basinghall Street, London, E.C.2.

register a further substantial advance before any of the proposed new shares which are junior to the 6½ per cent. first preference can have more than a token value. The prospect, naturally, would be improved by an expansion in the company's overseas trade, or an amalgamation with the South Durham group. The market quotation for the existing 5½ per cent. debenture stock is about 89. Under the scheme, every £100 will be converted into £60 of 5 per cent. redeemable debenture stock, and £50 of first preference shares. It may be reasonable to assume a market price of about 110 for the new 5 per cent. debenture. On this basis, the quotation for the existing debenture is equivalent to a price of 9s. 2d. for the new first preference shares. This appears fairly high for a marginal stock whose continued ability to pay 2 per cent. is dependent on a further increase in earnings sufficient to provide for the service of prior lien stock, to a possible total of £1,250,000, which the directors will have power to issue.

Carreras.—The results of this company, covering substantially the first year of "ex coupon" trading, have been awaited with lively interest. In view of the company's earlier successful exploitation of coupon schemes, conjecture regarding the profits aspects of the pact has enjoyed free play. The preliminary profits statement, issued on Tuesday, broadly confirms our earlier interpretations of its effects (see the *Economist*, October 20th, page 736). Net profits, which, after charging depreciation, amount to £804,942, compared with £827,143 for the previous year, are only 2½ per cent. lower. No details are given of the various sources of income, but the slight fall in profits suggests that some shelter may have been derived from the pact. The earnings for the three equity issues are lower, owing partly to payment of a full year's dividend upon the 4½ per cent. "C" preference shares. A table based on the preliminary figures is given in the next column.

	Years to October 31	1932	1933	1934
Trading profit and other income...	£	787,050	868,182	£
Directors' fees		1,000	1,000	*
Depreciation		35,391	40,039	*
Net profit		750,659	827,143	804,942
Taxation		20,170	16,348	49,773
Staff fund		6,280	7,207	7,300
Preference dividends		20,000	25,000	65,000
Ord., "A," and "B" ord. shares—				
Earned		704,209	778,588	682,869
Paid		620,048	620,048	620,048
Earned (%)		41.3	46.9	39.5
Paid (%)		35	35	35
Reserve		27,223	49,836§	...
Development fund		20,965†	...	...
Coupon termination costs		...	...	†47,905

Carried forward 1,140,892 1,249,596 1,264,512

* Figures not yet published. † And £250,000 transferred from development fund. ‡ £79,035 credited direct from sale of investments. § New issue expenses written off.

The abolition of coupon trading after the second month of the company's financial year has involved costs of as much as £297,905, of which £250,000 is transferred from development fund and £47,905 from profits. The presumption is that this expense will be non-recurring, and that the coupon scheme has been liquidated with reasonably satisfactory results. The comments of the late chairman at last year's meeting have, in fact, been largely realised. The agreement has evidently necessitated some adjustment in production, and its costs have been substantially met out of development reserve. Its eventual outcome is not certain, and shareholders must needs await the full report and Lord Reading's speech for more detailed information. In the meantime the results suggest that the £1 "A" and 2s. 6d. "B" ordinary, now standing at 150s. and 19s., to yield £4 15s. 9d. and £4 14s. 8d. per cent. respectively, have satisfactory investment merit.

Turner and Newall.—Since the depression of 1931 this great asbestos combine has gone to meet recovery more than halfway with a far-reaching programme of financial and technical reorganisation, consolidation and extension. The results have been eminently satisfactory, for profits and dividends have steadily advanced during the last two years. The preliminary figures for the year to September 30th last show net profits which have been exceeded only in the two "prosperity years" 1929 and 1930. Earnings on the ordinary capital, in fact, have practically doubled in the last twelve months. The dividend is raised from 5 to 10 per cent., and £94,349 is appropriated against subsidiary assets transferred to the company—a procedure which, as the preliminary statement somewhat naively explains, "is instead of allocating £100,000 to general reserve."

Years to September 30	1932	1933	1934
Profits (including transfer fees)	423,820	575,284	*
Depreciation	92,220	86,235	*
Directors' fees	3,503	3,500	*
Income tax provision	11,804	61,930	*
Mines amortisation	10,622	16,963	*
Pension fund	5,000	10,000	10,000
Net earnings	300,671	396,656	704,228
Preference dividend	101,098	101,098	101,098
Ordinary			
Earned	199,573	295,558	603,130
Paid	181,647	242,197	484,394
Earned (%)	4.2	6.5	12.8
Paid (%)	3½	5	10
Special appropriation	52,766	106,126	194,349
Total carried forward	52,766	106,126	194,349

* Figures not yet published. † Special appropriation against book value of subsidiary companies' assets conveyed to Turner and Newall. "This is instead of allocating £100,000 to general reserve."

The full report will be published on December 17th. It will, doubtless, show to what extent the figures have been affected by the company's purchase of a controlling interest in two large American asbestos companies last January. The cost of this operation was financed entirely from Turner and Newall's liquid resources. The dividend announcement was up to the market's best expectations, and the £1 units of ordinary stock have subsequently risen from 48s. 9d. to 52s. On this figure, allowing for the final dividend of 7½ per cent., the yield is £3 17s. 6d. per cent. on the dividend and £4 19s. 9d. per cent. on the latest earnings.

* * *

Aerated Bread Company's Progress.—Fortunate is the company which can replace internal decay by vigorous reorganisation and expansion. The remarkable improvement in the Aerated Bread Company's profits since 1928 is the best testimony to the prompt measures taken in earlier years under the direction of the present chairman. Trading profits have further advanced, in the latest year, from £208,133 to £213,338. After higher allocations for depreciation and taxation, the earnings rate on the increased ordinary capital is all but maintained at 8.7 per cent. A three-year profits analysis follows:—

Years to end September	1932	1933	1934
Trading profit and interest received	209,661	213,884	222,082
Directors' fees	3,333	3,333	2,715
Depreciation	54,540	57,514	60,853
Tax provision	44,000	46,000	47,000
Preference dividends	23,969	24,375	24,781
Ordinary—			
Earned	83,819	82,662	86,733
Paid	46,875	46,875	49,678
Earned (%)	8.9	8.8	8.7
Paid (%)	5	5	5

Issue expenses written off..... 5,001
General reserve 30,000
Carried forward 40,394

† £29,837 appropriated from general reserve to adjust difference between cost of W. Hill assets, and values at which they have been written into A.B.C. books.

A major development in the company's recent history is the acquisition of other catering concerns. During the latest

year, the W. Hill undertaking has been absorbed. Since the close of the year the outside preference interests in Pritchards Restaurants have been acquired by exchange of shares. It may be presumed that profits have not yet fully benefited from these interests. The increase of £198,000 in 6½ per cent. preference capital, which was part of the consideration for the W. Hill business, has not ranked for dividend in the latest year, but an increase in profits of some £13,000 to meet this payment should be well within the company's power. Meanwhile, the liquid position of the concern has considerably improved, notwithstanding continued expenditure on reconstruction of the head depot. Fixed assets have increased by some £514,000 during the past two years. The report is accompanied by a helpful statement of the combined subsidiaries' position, which shows surplus assets of £369,933 attributable to A.B.C. (including £100,527 reserved for a company now in process of amalgamation) against a book value of £194,183 for cost of shares in subsidiary companies. The £1 ordinary shares, quoted at 26s. 6d., ex dividend, to yield £3 15s. 5d. per cent., carry reasonable equity prospects.

* * *

Raleigh Cycle Holdings.—The effects of the "cycling boom," the offspring of the cult of "hiking," to which we referred in a Company Note on November 3rd, page 837, find gratifying expression in the initial report of Raleigh Cycle Holdings. This company was registered last February, its chief asset being the entire issued share capital of the Raleigh Cycle Company. The existence of two separate companies—an operating and a holding concern—would appear to serve, at the moment, no concrete purpose. The necessary publication of two profit and loss accounts and balance sheets for a single business merely adds to the difficulty of shareholders in making calculations of real earning power, etc. A comparison of the twin documents shows that the operating company earned £382,895 trading profits for the year ended August 11, 1934, against which £32,246 was charged for depreciation (at a rate giving the plant an eight-year life), and £16,663 for salaries and fees. The balance of net profit, £333,986 (which is a record in the company's history), is equivalent to 21 per cent. on the ordinary capital of the holding company, after allowing for a year's dividend (including participation), on the cumulative preference shares. Thus the dividend of 11 per cent. on the ordinary is conservative and well covered. The operating company has made provision of £75,467 for income tax, and transferred £75,000 to reserve, raising the latter's total to £325,000. The directors' report is of cheerful tenor. Export trade is steadily increasing in spite of many difficulties. The company's new twin cylinder three-wheeled vehicles, recently introduced, have had an encouraging reception. Economies in production and organisation, introduced towards the end of last season, will have their full effect in the New Year. At their current price of 37s. 6d., including 8 per cent. final dividend, the £1 ordinary shares of the holding company yield £6 2s. 6d. per cent. on last year's dividend and £11 13s. 3d. per cent. on equivalent earnings. A somewhat high yield, however, is not inappropriate, in view of the wide fluctuations in earning power to which even the best-managed companies in the cycle trade have been subject in the past.

* * *

Timothy Whites' Offer.—Notices have been sent out this week to preferred ordinary and deferred ordinary shareholders in Taylors (Cash Chemists), London, and Taylors (Cash Chemists) Trust. The shareholders concerned are offered, briefly, one 5s. ordinary share in Timothy Whites (a multiple chemist's business under the auspices of the same financial group) for every two preferred ordinary and approximately every 27 deferred ordinary shares in the two Taylors companies, or alternatively, cash purchase at 10s. and 9d. per share of each class. Timothy Whites also offers to purchase, at par, the outstanding funding certificates of Taylors (Cash Chemists), London. This scheme, which

PRELIMINARY NOTICE.

S. G. B. (DUDLEY) LIMITED

Successors to

THE STOURBRIDGE GLAZED BRICK & FIRE CLAY COMPANY LIMITED

CAPITAL £300,000

divided into

150,000 6% Cumulative Preference Shares of £1 each	...	...	...	£150,000
600,000 Ordinary Shares of 5/- each	...	...	...	£150,000

The Subscription List will open and close on Tuesday, the 11th December, 1934, for an:—

ISSUE OF

125,000 6% CUMULATIVE PREFERENCE SHARES AT 21/- PER SHARE AND
500,000 ORDINARY SHARES AT 5s. 6d. PER SHARE

THE PROSPECTUS SHOWS:

1. Company acquires old-established business with net assets of £343,057, with continuity of management.
2. Profits for year ended 30th June, 1934 ... £31,814
Average profits over seven years ... £25,524
3. Preference dividend covered over three times, and balance, £22,814 represents 15½% on Ordinary shares.
4. Preference Shares and Ordinary Shares can be applied for separately.

Copies of the Prospectus are obtainable from:

LLOYDS BANK, LIMITED, 72 Lombard Street, E.C.3 } and all
MIDLAND BANK LIMITED, Poultry, E.C.2 } Branches

From the Brokers:—

ZORN & LEIGH-HUNT, 3/4 Gt. Winchester Street, E.C.2. MOY, DAVIES, SMITH, VANDERVELL & CO., 20 Copthall Avenue, E.C.2.
FYSHE & HORTON, 3 Temple Row West, Birmingham. F. W. STAVEACRE & CO., 4 Norfolk Street, Manchester.

And from the ISSUING HOUSE:—

STANDARD INDUSTRIAL TRUST LIMITED,

2 Broad Street Place, London, E.C.2

bears the impress of the vigorous personality of Mr Philip E. Hill, is expected to yield economies of centralisation valued as high as £40,000 per annum, and to raise the amount available for Timothy Whites ordinary shareholders to some £162,000 per annum. The circular thus estimates that a distribution of 25 per cent. on the Timothy Whites ordinary shares may be regarded as reasonable. In this connection the reports of the companies concerned for the year to September 29th may be usefully summarised:—

	Timothy Whites	Taylor's (Cash Chemists) Trust	Taylor's (Cash Chemists) London
Net profit	203,579	69,025	48,929
Income tax	35,742	16,619	10,903
Depreciation, etc.	17,268	...	6,164
Earned for dividends	150,569	52,406	31,862
Do. do. 1933	136,937	30,800	28,193
Do. do. 1932	118,754	38,039	17,362
Preferred dividend	96,370	31,735†	19,998†
Deferred dividend	43,915	...	...
Reserve	...	10,000	10,000
Brought forward	19,127	2,122	4,242
Carried forward	29,411	12,793	6,106

† On 6 per cent. cumulative preference shares. ‡ £17,156 dividend on 6 per cent. cumulative preference shares, and £2,842 interest on funding certificates.

Profits of the Taylors companies are now showing some recovery, the Trust, which holds the ordinary capital of Taylors Drug, having disclosed a satisfactory improvement. Shareholders in Timothy Whites will be asked to make the necessary conversion of deferred ordinary into ordinary shares, and to agree to the creation of new ordinary and "A" preference shares, with £1,000,000 4 per cent. debenture stock. The scheme appears equitable to all parties. The fact that the directors have a majority interest in the deferred shares of Timothy Whites may recommend the pro-

posals to shareholders who may be inclined, for the time being, to reserve their opinion on the scope of the proposed economies.

* * *

Other Company Results.—In addition to companies whose results are set out on previous pages, our weekly summary of profit and loss accounts on page 1126 includes reports from 40 other companies. The National Bank of Scotland reports net profits of £271,597 against £257,661, and maintains the dividend at 16 per cent. In the finance group, New Zealand Loan and Mercantile Agency shows considerable recovery from a loss of £41,326 to a profit of £89,038. Among other iron and coal companies, Blaenavon has been further affected by depression in South Wales, and reports a loss of £33,238 against a small profit of £783. The South African subsidiary of Stewarts and Lloyds, however, has evidently derived great advantage from increased mining and construction work in the Union, net profits having advanced from £53,082 to £85,319. Further rubber reports continue favourable, although this week's companies have been less willing to resume dividend payments than their predecessors. Outstanding results include Djasanga (£28,406 against Dr. 7.476) and Sembilan (£12,086 against £182). The Elder Dempster accounts show a deficiency of £24,864, against £69,306 for the previous year. The results of Harrods (B.A.) and S. American Stores (Gath and Chaves) substantially reflect the adverse effects of the peso exchange, and losses are reported against profits in each case. Further trust results continue to suggest an upward flicker in revenue. Some interesting miscellaneous results have been published this week. Bowater's Paper Mills net earnings are lower (£91,709 against £136,938). Crompton Parkinson, the electrical accessory manufacturers, report an improvement from £102,188 to £131,810, while the net profits of Foster Clark are slightly higher at £80,678.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Peninsular and Oriental Steam Navigation, Consolidated Gold Fields of South Africa, Pahang Consolidated, Steaua Romana (British), New Gold-Town Investments, Steaua Romana (British), Trepca Mines, fields of Venezuela, Bushtick Mines (1934), Bekoh Consolidated Rubber Estates, and Strand Hotel. Bekoh Consolidated Rubber Estates, and Strand Hotel. Sir William Currie, presiding at the P. & O. meeting in the illness of the chairman, the Hon. Alexander Shaw, adopted a restrained attitude towards the immediate prospects for the shipping industry. Although cruises, he declared, had been a useful source of employment, and both Indian and Australian conditions had improved, there was still an undoubted surplus of tonnage for the requirements of a diminished volume of international trade. The plea of Mr. John A. Agnew, at the Consolidated Gold Fields meeting, is endorsed in our leading article on Kaffir prospects on page 1099. At the Pahang meeting, Mr. H. Frisby declared that the Utrata lode—the richest ever discovered in the Willinks Mine—could not be developed owing to the severity of the tin restriction regulations. At the Town Investments meeting, the chairman expressed the directors' view that the company had reached a point at which large allocations to reserve had become less important. The chairman of Steaua Romana (British) declared that external payments had been made difficult by exchange restrictions. The company, however, had still further reduced its costs of drilling, producing and refining. The chairman of New Goldfields of Venezuela showed that development had given gratifying results, but the Venezuelan Government exchange policy had resulted in a serious shortage of remittance facilities. The Hon. H. U. Moffat informed the shareholders in Bushtick Mines (1934) that the ore developed and the results obtained suggested that the mine had possibilities of production on a larger scale than could have been anticipated. At the Trepca Mines meeting it was stated that the tonnage of ore treated was the largest since operations began, and that the treatment plant had proved its capacity to handle substantial tonnage. The chairman of Bekoh Consolidated Rubber stated that only a small proportion of the year's crop had obtained the benefit of rubber at 7d. The company's standard production under the restriction scheme was declared to be 1,084,735 lbs. At the Strand Hotel meeting, Major M. Gluckstein stated that the hundred additional bedrooms at the Regent Palace Hotel had been fully let. A continuous programme of re-equipment and re-designing was in progress at the company's hotels.

MINING NOTES

Van Ryn Gold.—Our mining correspondent writes: Although the value of the 639,000 tons put through the mill last year was only 3.40 dwts., while in recent months recovery has been well below 3 dwts., this veteran Rand producer is still making satisfactory profits. Last year's figure was £161,500, against £157,700 in 1932-33, the net total being £127,300, against £103,300. After payment of dividends totalling 20 per cent., tax free, against 15 per cent., the increase balance of £102,200 is carried forward. The ore reserves on June 30, 1934, were computed at 1,262,600 tons, averaging 2.9 dwts., as compared with 1,114,900 tons, value 3 dwts., a year earlier. Last year's record of tonnage milled, however, will probably be surpassed during this year, since additional plant improvements are being carried out. From a tabulation given in the report of the managing director, it would appear that a 60 per cent. rise in the price of gold has resulted in a 300 per cent. increase in ore reserve tonnage, with a drop of no more than 25 per cent. in grade. The company's financial position is strong, cash assets being supplemented by £200,000 in gilt-edged stocks. On the basis of last year's dividends, the yield on the shares, before amortisation, is over 10 per cent. net. The life of the mine has been extended by recent developments, but remains comparatively short.

Luipaards Vlei.—A substantial increase in this company's net profit for 1933-34, resulted from an expansion in the tonnage of ore treated, an increase in average yield, and a reduction in note interest. Net profit, in fact, was returned at £176,030, against £135,100 in 1932-33. The dividend is raised from 8d. to 1s. per 2s. share, and a slightly reduced balance of £45,070 carried forward. The transfer of £20,000 to general reserve raises the total to £70,000, including £50,000 share premiums. The ore reserves show a moderate increase in both quantity and value, at 1,857,600 tons, value 4.9 dwts. During the year the balance of the 7 per cent. notes was converted into shares. To provide for recent and future capital expenditure, the board has decided to create an issue of £275,000 5½ per cent. five-year notes, convertible into shares at the rate of 120 per £100 of notes. The current price of the shares is about 15s. 6d.

* * *

Tin Dredging Results.—In the case of the Kamunting company, the benefits of the higher price of tin last year were supplemented by an appreciable saving in debenture service. As a result of repayment in January, interest required only £1,400, whereas interest and redemption absorbed £23,580 in 1932-33. Profits, therefore, cover a final dividend of 12 per cent., making 20 per cent. for the year, against 15 per cent., and the somewhat increased balance of £48,300 is carried forward. In view of the drastic restriction in output, no appropriations are made for depreciation out of profit and loss. An allowance of approximately £9,000, however, is added to the share premium account of £72,150 and the debenture redemption account now amounts to £36,000. A significant feature in the directors' report is the announcement that, of the dredging reserves available four years ago—some 100 million cubic yards—no more than 16 million cubic yards had been worked out at the date of the last balance sheet. Additional areas have been subsequently acquired, and the prospective period of operations may be regarded as lengthy. The assets of the Pangnga River Tin consist entirely of shares in the Kamunting. Last year's profit was £37,900, against £27,200, and dividends totalled 16 per cent., against 10 per cent. Kamunting 5s. shares are quoted at about 11s. 6d. and Pangnga at 8s. 6d. The Ayer Hitam Company, thanks to a certain expansion in output (due to the raising of the company's quota) as well as the higher price of tin, more than doubled its profit last year, the total figure being £35,050, against £15,060. The 2½ per cent. dividend paid in September raised the year's distribution to 12½ per cent., as against 7½ per cent. After writing off the substantially increased amount of £9,700, a balance of £10,230 is carried forward, against £7,380 brought in. The 5s. shares stand at about 13s. 6d. in the market. Satisfactory dividends have also been declared by the Malayan Dredging group, whose annual statements are due shortly.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE SETTLING DAYS

TICKET
December 18

ACCOUNT
December 20

The pre-Christmas account has opened in distinctly pedestrian fashion, a not uncommon seasonal phenomenon, although its incidence, at the beginning of new dealings, would appear to be somewhat early this year. For the moment, however, the buoyancy of the gilt-edged market has abated, and has clearly exposed the reason for the mid-November rise in industrials. Bereft of the influence of lower interest rates, shares with a solid backing of earning power have declined to lower levels, and it has been left to "Kaffirs" to stage a limited revival. Price movements have been restrained, although the dwindling

attention of speculators has caused an appreciable dullness of tone and slackening of business.

Although gilt-edged fluctuated, the trend was consistently towards lower prices. The trend of the exchanges easily outweighed the strengthening effect of December interest payments, and recently active stocks such as Old Consols and Local Loans had lost up to two points by mid-week. Conversion issues, however, showed more resistance to the recessionary tendency. India loans were quiet, and Dominion issues, in particular Australians, lacked support. Home Corporation issues followed the gilt-edged trend, after showing initial firmness.

The foreign bond market presented several interesting features. German issues responded satisfactorily to the agreement with France on problems concerning the Saar transfer. Austrian 7 per cents. were considerably stronger on the conversion arrangements for the 6 per cent. guaranteed loan (discussed on page 1081). Some enquiry was also made for European issues, which are within hailing distance of the conversion zone. Other Central European issues were irregular, but French rentes improved with the franc. Nervous selling of Brazilian issues caused appreciable falls in quotations, but Argentine loans were firm, though little changed. Sino-Japanese bonds received quiet support.

Home rail stocks opened in good form, but a satisfactory batch of traffics—as in some earlier weeks—was accompanied by withdrawal of support, and prices drooped. Transport "C" stock remained in favour and advanced against the trend. Main line prior charges were affected by a small stream of sales. Certain South American prior charges, including Cordoba debentures, enjoyed early support, but a weaker tendency soon supervened.

Operators in the industrial market found it difficult to evoke public interest, and markets had a very irregular tendency. The last ounce was squeezed out of the improved brewery results on Monday, and interest in other sections was apt to be limited to companies in the news. Cable and Wireless preference stocks were in request, on dividend prospects. "Heavy" industrial shares declined, after a fair opening. In the motor group, dealers were exercised with the full Tilling report for 1933 (reviewed on page 1102), but the weakness of Ford and A.E.C. was the principal feature of a rather irregular group. Aviation issues were depressed, on the realisation that increased activity and spectacular technical progress had no necessary correlation with dividend prospects. Electricity supply shares were somewhat slack, but equipment issues were generally maintained. The Carreras figures (set out on page 1103) were voted satisfactory, but apart from Gallaher and Godfrey Phillips, the market showed little movement. Textile shares were dull, and rayon issues irregular. Miscellaneous leaders became rather neglected, after early support for Turner and Newall, Imperial Chemical and Murex had spent its force. Milling and building issues became distinctly easier. The oil market remained thoroughly uninteresting, with nothing to attract either professional or public attention. Rubber shares opened satisfactorily, and with only a limited floating supply of shares, prices responded to moderate supporting orders. On later days, however, the stream of new business virtually dried up, leaving quotations exposed to a small volume of selling. Tea shares continued their firm tone on Monday, on further consideration of the quota "cut," but the scale of profit-taking on Tuesday suggested that the market's earlier view was based on conjecture rather than on assurance. The passing of the Jorehaut interim dividend was a signal for substantial selling, in which Indian issues were principally affected.

The mining markets presented a favourable comparison with the lame tendency elsewhere. The improvement of sentiment in Paris brought a welcome renewal of orders, while Mr. Agnew's speech at the Consolidated Gold Fields' meeting, suggesting the desirability of reduced South African taxation, stimulated public interest. The December dividend prospects, which are discussed in a Leading Article on page 1099, were also regarded as attractive, and business in 'seasoned' issues was better than for some time past. On Wednesday, however, turnover was appreciably slack, although prices were little affected. Business in West African issues improved sympathetically, under the lead of Ashanti and Gold Coast Selection, but little activity

was evident in the Australian section. Rhodesian copper issues remained dull, and movements in tin shares were unimportant.

"FINANCIAL NEWS" DAILY BARGAIN INDEX

(Approximate number of Bargains recorded in Stock Exchange Lists)

	Nov. 29, 1934	Nov. 30, 1934	Dec. 1, 1934	Dec. 3, 1934	Dec. 4, 1934	Dec. 5, 1934	Dec. 6, 1934
Government and Municipal Loans	1,555	1,326	Closed	1,949	1,593	1,364	1,610
Transport, Communications, and Public Utilities	950	895		1,340	1,113	1,030	1,038
Commercial and Industrial	3,866	3,837		4,363	4,110	3,495	3,580
Banks, Insurance and Financial	513	671		885	722	747	641
Mines (including Nitrates)	1,065	1,649		1,451	1,542	1,445	1,360
Oil	65	167		153	143	134	146
Rubber, Tea and Coffee	412	435		601	439	420	271
Total	8,428	8,980		10,742	9,662	8,635	8,846
Corresponding day in 1933	6,374	8,321		8,112	6,716	6,484	8,455

* Including Iron and Steel and Breweries.

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

Highest of 1934 (Nov. 20)	Lowest of 1934 (Feb. 8)	Nov. 29, 1934	Nov. 30, 1934	Dec. 1, 1934	Dec. 3, 1934	Dec. 4, 1934	Dec. 5, 1934	Dec. 6, 1934
94.4	83.5	93.1	93.0	Closed	93.0	92.9	92.7	92.6

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Nov. 15)	Lowest of 1934 (Jan. 2)	Nov. 29, 1934	Nov. 30, 1934	Dec. 1, 1934	Dec. 3, 1934	Dec. 4, 1934	Dec. 5, 1934	Dec. 6, 1934
140.0	128.8	139.5	139.6	Closed	139.4	139.2	139.0	138.9

AND YET AGAIN

THE STANDARD LIFE ASSURANCE COMPANY

has declared the



for year ended 15th Nov. 1934

The STANDARD LIFE ASSURANCE COMPANY
HEAD OFFICE: 3 GEORGE STREET, EDINBURGH. ESTABLISHED 1825. LONDON: 46 QUEEN VICTORIA ST., E.C. 4. 15, Pall Mall, S.W.

FOREIGN STOCK EXCHANGES

NEW YORK

THE recovery which halted for a space last week-end gained new momentum in the middle of this week. The bond market was firm throughout, the success of the Government's large cash issue of bonds and notes causing surprise in the market and jubilation at the Treasury. Railroad prior charges were also prominent. Although a preliminary survey indicates that only 14 out of 44 major railroads will earn their fixed charges this year, the market has been full of rumours of new Government assistance. The Reconstruction Finance Corporation, for example, has been reported, with complete unauthenticity, as being willing to exchange its debentures for low-grade rail bonds. Stock market prices have followed daily and hourly fluctuations in national sentiment and, particularly, in commodity prices. Wednesday's strong revival in wheat and cotton coincided opportunely with better business news and the declaration of numerous extra dividends, and prices gained up to 2 points. Operators are evincing a certain partiality for amusement shares. Loew last week-end broke through their previous "high" for the year, and Radio Preferred were strong on the recrudescence of the familiar rumour of a plan for dealing with dividend arrears. The Treasury's success was also indubitably popular in the stock market. The cash offer was six times oversubscribed. Of the \$992 millions of maturing certificates, some \$800 millions were offered for conversion. Generally, the markets' behaviour in the last three weeks is regarded as reassuring. The recovery has not approached the spectacular, but has been persistent, and each step appears to have been consolidated. Though the Administration, once so voluble, has maintained an almost unbroken silence regarding its future intentions, this is not necessarily interpreted as a discouraging sign. Nothing, certainly, has occurred so far to suggest that the President is wavering in his rightward course. Trade news is on the whole improving, and pre-Christmas buying appears to be opening out satisfactorily. The "Iron Age" puts this week's steel mill activity at 29.5 per cent., against 29.0 per cent. of capacity, and the price of steel scrap—a significant pointer—is advancing.

	Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934		Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934
Lib. In. 3 1/2%	103 1/2	103 1/2	103 1/2	Natl. Biscuit	30	30	30
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	Phelps Dodge	14 1/2	14 1/2	14 1/2
Do. 4 1/2%	103 1/2	103 1/2	103 1/2	Pulman	50	49	49
Atchafalpa	55 1/2	56 1/2	56 1/2	Sears-Roebuck	41 1/2	41 1/2	42 1/2
Eric	12 1/2	14 1/2	14 1/2	Studebaker	2	2	2
Illinois Central	17 1/2	18 1/2	18 1/2	Un. Fruit	72	73 1/2	74 1/2
N.Y. Central	22 1/2	23 1/2	23 1/2	U.S. Leather	5 1/2	6	6 1/2
Pennsylvania	23 1/2	25 1/2	25 1/2	U.S. Rubber	17	17 1/2	17 1/2
Southern Pacific	18 1/2	19 1/2	19 1/2	U.S. Steel	38 1/2	38 1/2	39 1/2
Southern Ry.	18 1/2	19 1/2	19 1/2	Westinghouse	35 1/2	35 1/2	36 1/2
Union Pacific	108 1/2	109 1/2	109 1/2	Woolworth	54 1/2	54 1/2	55 1/2
Am. Can.	61 1/2	106	107 1/2	Am. Tel. and Tlg.	108 1/2	109 1/2	110 1/2
Amer. Smelting	36 1/2	37 1/2	37 1/2	Interboro R.T.	13 1/2	14 1/2	14 1/2
Anacosta	11	10 1/2	10 1/2	Int. Tel. Tele.	9 1/2	9 1/2	9 1/2
Bethlehem Steel	31 1/2	31 1/2	31 1/2	Radio Corp.	6	6 1/2	6 1/2
Chrysler Motor	39 1/2	40 1/2	40 1/2	Utilities P. and L.	2	2	2
Corn Producers	68	68 1/2	67 1/2	W. Union Tlg.	35 1/2	36 1/2	37 1/2
Eastman Kodak	113 1/2	112 1/2	113 1/2	Associated Gas "A"	2 1/2	2 1/2	2 1/2
Gen. Electric	20 1/2	20 1/2	20 1/2	Shell	20 1/2	21 1/2	21 1/2
Gen. Motors	32 1/2	33 1/2	33 1/2	Shell Union	6 1/2	6 1/2	6 1/2
Int. Harvester	37 1/2	38 1/2	38 1/2	Sid. California	32 1/2	32 1/2	32 1/2
Mont. Ward	29 1/2	30 1/2	30 1/2	Do. N.J.	43	42 1/2	42 1/2

† Calculated at \$4.94 to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials	38.7	86.6	74.3	90.5	79.6	79.8	82.0	82.4
33 Rails	23.9	54.5	34.0	51.4	40.6	34.2	38.2	37.6
37 Utilities	66.8	101.0	62.1	83.4	66.4	57.8	61.3	61.1
Total, 421 Stocks	40.8	83.4	65.8	82.1	70.8	68.6	71.0	71.4
Average yield of 50 Industrial Common Stocks	6.91%	2.85%	2.78%	3.90%	3.17%	3.78%	3.62%	3.62%

† February 7th.

(c) September 12th.

DAILY AVERAGE OF 50 AMERICAN COMMON STOCKS (1926=100)

Highest of 1934 (Feb. 5)	Lowest of 1934 (July 26)	Nov. 21, 1934	Nov. 22, 1934	Nov. 23, 1934	Nov. 24, 1934	Nov. 26, 1934	Nov. 27, 1934	Nov. 28, 1934
105.0	76.0	86.5	86.9	88.1	89.1	89.7	89.1	89.9
Nov. 29, 1934	Nov. 30, 1934	Dec. 1, 1934	Dec. 3, 1934	Dec. 4, 1934	Dec. 5, 1934			
(i)	90.1	89.9	88.7	89.3	90			

(i) Thanksgiving Day.

TOTAL DEALINGS IN NEW YORK

	Nov. 29, 1934	Nov. 30, 1934	Dec. 1, 1934	Dec. 3, 1934	Dec. 4, 1934	Dec. 5, 1934
Stock Exchange—Shares (Thous.)	(i)	800	470	750	950	1,630
Bonds (Value Thous. \$)		10,140	6,530	10,580	14,620	14,580
Curb—Shares (Thous.)		155	85	137	165	223

(i) Thanksgiving Day.

• Two-hour Session.

PARIS

The market has had a more favourable tone, after an irregular opening. The Government is credited with both inclination and ability to make the necessary 1935 Budget arrangements with maximum expedition. The market is also disposed to regard the Government's allegiance to the gold franc as above suspicion. Rentes gained ground on the opening day, but tended to fall away slightly in mid-week. Bank shares fluctuated extensively, though little credence was given to the rumour that one of the large institutions would pass its interim dividend. Fair investment buying of industrial shares was in evidence on every moderate reaction. The recovery in diamond shares made further headway in the early part of the week, but profit-taking subsequently occurred. Gold shares were fairly steady, without attracting a large volume of business.

	Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934		Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934
Banque de France	9,910	10,285	10,060	Wagons Lits	88	71 1/2	70 1/2
Crédit Lyonnais	1,635	1,751	1,735	Mexican Eagle	28 1/2	25 1/2	24 1/2
Suez Canal	18,825	18,885	18,680	"Chartered"	73 1/2	81 1/2	79 1/2
Chargers Réunis	89	110	114	Ford	43	45	47
Rio Tinto	959	990	1,029	De Beers	285	342	341
Royal Dutch	13,880	14,000	13,890	"Johnnies"	253	266 1/2	262 1/2

BERLIN

After a decline early last week, the market showed substantial recovery, which spread from coal, lignite and engineering shares to steel and electrical issues. Foreign currency shares regained part of their recent losses. Bank shares rose after the publication of the report of the Enquiry Committee. The advance made further headway at the beginning of this week, but quotations for other shares showed a weaker tendency on Tuesday. Domestic bond values moved within narrow limits, though advances predominated. On Wednesday, however, the Bourse as a whole was depressed by the new law limiting dividends. Selling affected a long list of shares, including electrical, engineering, rayon, mining and shipping issues.

	Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934		Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934
Reichsbank	147.00	149.00	145.50	A. E. G.	28.00	27.40	27.50
D.D. Bank	68.50	71.50	71.50	Siemens & Halske	138.25	141.75	138.0
Dresdner (New)	71.50	73.75	74.00	A. K. U.	51.50	55.00	54.70
I. G. Farbenindustrie	133.50	134.50	134.40	Hamburg - Amer.	27.50	27.50	27.20
Norddeutscher Lloyd (New)	30.25	30.50	30.00				

AMSTERDAM

The market was dull and almost featureless at the beginning of the week. Young Loan, exceptionally, was active, rising 2 1/2 points on Tuesday and a further 1 1/2 points on Wednesday, on unexpectedly good news regarding the Saar position. Tobacco shares, however, were weak, and sugar shares lost ground. Rubber counters failed to respond to the news of fresh control measures regarding accumulated stocks. In the middle of the week, however, the undertone became firmer. Tea, rubber and sugar shares recovered part of their losses, but oil shares remained somewhat reactionary.

	Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934		Nov. 28, 1934	Dec. 5, 1934	Dec. 5, 1934
2 1/2% Dutch Loan	77 1/2	77 1/2	77 1/2	Steel Common	23	23 1/2	23 1/2
5 1/2% German	20 1/2	23	26 1/2	A. K. U.	32 1/2	33 1/2	33 1/2
Unilever N.V.	73 1/2	73 1/2	72 1/2	Ford Motor	228 1/2	228 1/2	229
Philips' Lamps	218 1/2	220 1/2	219 1/2	Debi Batavia Tob.	142 1/2	144 1/2	141
Netherlands Ship Union	29 1/2	28 1/2	28 1/2	Royal Dutch	137	136 1/2	136
				Handels Ams	150 1/2	148 1/2	151

CAPITAL ISSUES

ALTHOUGH the *Stockton-on-Tees Corporation* has made a highly successful issue of 3 per Cent. Redeemable stock, 1960, at a premium of 10s.—a full trustee issue—the past few days have been mainly a "foreign borrowers' week." The *Austrian Government* has floated an issue of £10,163,900 of 4 1/2 per Cent. bonds at 98 1/2, finally redeemable not earlier than 1949 or later than 1959. The offer is made in connection with the conversion of the outstanding bonds of the London *tranche* of the 6 per Cent. Guaranteed Sterling bonds of 1923, and half the American *tranche*, the other half of which has been taken over by Austria. This important operation is discussed in a Leader on page 1081. Although the issue terms have been well adjusted to conditions in the London market, and the offer is expected to have a satisfactory reception, the price appears, intrinsically, somewhat high, for reasons discussed in our leading article. The *Argentine Government Conversion Loan* also takes the form of 4 1/2 per Cent. Sterling bonds. It is the third issue of the same character (previous issues were dealt with in the *Economist* of June 2nd, page 1203, and September 15th, page 496), and is offered in conversion of the Port of the Capital 5 per Cent. bonds. The offer affords investors a further opportunity of attesting their appreciation of Argentina's unequalled record in fulfilling her obligations. Other issues of the week include a couple of brick company flotations, which appear to take full cognisance of the contemporary activity of the trade. Certain statements in the prospectus of *Cumberland Silica Bricks* have been challenged by the official organ of the Refractories Industry. These relate to technical questions, and to the extent of competing imports. A reconciliation between the opposing views would appear a necessary prelude to any endeavour to ascertain the investment prospects of the shares. *National Star Brick and Tile Holdings* is taking over two established and successful companies. Preliminary expenses are somewhat heavy—for reasons which may in some instances be outside the control of those concerned. *S. G. B. (Dudley)*, which will make an issue next Tuesday, will take over an old-established brick and fireclay business with continuity of management. *Vactric*, on the same day, will issue £1 preference and 5s. ordinary shares. Sales and profit figures, given in the prospectus, have shown a "geometric" increase in recent years. The "advertisements for public information" of the week include *Vlakfontein Gold Mining*, an important "Gold Fields" flotation, *Swan Estates, J. and J. Makin* (paper and metal foil manufacturers), *The Star Brewery and Tanami Gold Mining Syndicate*, which was originally an Australian and is now a Kenya gold prospecting enterprise.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

Total recorded, January 1 to December 1, 1934, excluding conversions, £158,613,116.									
Total recorded, January 1 to December 1, 1934, including conversions, £369,429,574.									
National Savings Certificates.—Net receipts, Week ended December 1, 1934, £250,000.									
	Nominal Capital.	Conversions.	New Money.	First Payment.	Further Liability.				
To the Public									
Cumberland Silica Bricks—150,000 6% part. pref. ord. 10/- at par	75,000	...	75,000	18,750	58,250				
150,000 def. ord. 1/- at par	7,500	...	7,500	7,500	...				
National Star Brick and Tile Holdings—100,000 6% cum. pref. £1 at par	100,000	...	100,000	12,500	87,500				
200,000 5/- at par	50,000	...	50,000	25,000	25,000				
Stockton-on-Tees Corporation, £800,000 3% stk., 1960, at 100%	600,000	...	603,000	30,000	573,000				
Argentine Government Conversion Loan, 4 1/2% ster. bonds (3rd issue), £3,800,000 (to repay 5% Port of Capital of Buenos Aires bonds), at 103 1/2	3,800,000	3,800,000	...	...	...				
Austrian Government £10,163,900 4 1/2% guar. ster. bonds at 98 1/2 (to repay Austrian 6% Bonds)	10,163,900	10,011,441	...	508,185	9,503,246				
Total	14,798,400	13,811,441	835,500	602,145	10,244,996				

To Shareholders only									
Standard Trust, 3 1/2% deb. at par (to repay £80,000 4 1/2% deb. at 102%)	850,000	850,000	...	42,500	807,500				
Anglo-African Selected Investments, 300,000 shares 5/- at 6/- (to shareholders of Anglo-Oriental Mining)	75,000	...	90,000	90,000	...				
East Rand Proprietary Mines, 600,000 new shares 10/- at 45/-	300,000	...	1,350,000	1,350,000	...				
Oxendale and Co., 50,000 3 1/2% cum. pref. £1 at par	50,000	...	50,000	12,500	37,500				

To Shareholders only—cont.	£	£	£	£
Shropshire, Worcestershire and Staffordshire Electric Power, 500,000 "B" ord. £1 at 22 1/2	500,000	...	582,500	437,500
Machinery (Smith's Patents)—500,000 ord. shares 1/- at par	25,000	...	25,000	18,750
100,000 6% cum. pref. 5/- at par (to shareholders of D. Smith and Sons)	25,000	...	25,000	18,750
Press Caps, 104,000 ord. shares 5/- at par	26,000	...	26,000	...
British Power and Light Corporation 5% Cum. Pref. £1 (400,000 shares) at 28 1/2	400,000	...	575,000	475,000
Total	2,251,000	850,000	2,703,500	1,821,000

Total Offered for Subscription—	Including Conversions	Excluding Conversions	Total Offered for Subscription—	Including Conversions	Excluding Conversions
Jan. 1 to date—			Whole year—		
1934	391,184,015	162,402,116	1933	467,921,560	244,780,500
1933	462,333,507	241,595,005	1932	2,599,684,265	138,909,963
1932	777,078,792	188,554,490	1931	114,429,416	102,183,041
1931	114,429,416	102,183,041	1930	538,263,908	363,882,925
1930	538,263,908	363,882,925			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3 1/2% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	100,318,859	18,454,757	43,550,300	162,402,116
1933	220,696,307	12,003,716	8,694,982	241,595,005
Whole year—				
1933	212,917,600	45,062,600	111,177,600	369,158,100
1932	170,172,800	12,773,800	5,963,400	188,910,000
1931	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Approximate Price Dealings Began	Cash Involved
Amount previously recorded	24,790,588	...	36,714,025
Anglo-Scottish Investment Trust, £150,000 3 1/2% deb. stk., 1949-52, at 95	142,500	96	144,000
Craibtree (R. W.) and Sons, £125,000 4 1/2% deb. stk. at 97 1/2	121,975	99 1/2	124,062
Total to date, 1934	25,054,943	...	36,982,087
Total to date, 1933	34,014,944	...	57,422,895

PUBLIC OFFERS

Stockton-on-Tees Corporation.—Issue of £600,000 3 per cent. redeemable stock, 1960, at £100 10s. per cent. Stock is redeemable at par on July 1, 1960, by sinking fund provision. Financial statistics: Population, 67,697; rateable value, £301,950; amount of rate, 14s. 11d. in the £; net loan capital, £2,933,845, of which £2,597,580 is for revenue undertakings and housing. Proceeds required for redemption of £438,000 stock and mortgages, and balance for street and housing services.

Cumberland Silica Bricks, Ltd.—Issue of 150,000 6 per cent. participating 10s. preferred ordinary shares and 150,000 1s. deferred ordinary shares at par. Formed to manufacture refractory bricks to withstand 1850 deg. C. Acquires silica deposits near Keswick on lease. Profits estimated £50,000 after maintenance and depreciation. Works cost estimated £27,000. Purchase consideration for lease and processes £28,500, £11,750 in cash, balance by allotment of deferred shares. Preferred ordinary shares participate in 25 per cent. of surplus profits after payment of 6 per cent.

National Star Brick and Tile Holdings, Ltd.—Issue of 100,000 6 per cent. cumulative £1 preference shares and 200,000 5s. ordinary shares at par. Formed to acquire issued share capitals of Star Brick and Tile and National Brick companies, operating in Wales and Leicestershire. Combined net assets

(Continued on page 1112.)

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

divided when the stock is sold, dividends, account being taken of any enhancement or reduction of price.

Prices Year 1933		Prices Year 1934 (Jan. 1 to Dec. 5)		Name of Security	Price, Nov. 28, 1934	Price, Dec. 5, 1934	Rise or Fall	Yield	Yield
High	Low	High	Low						
British Funds									
77 1/2	70 1/2	92 1/2	73 1/2	Consols 2 1/2%	89	88 1/2	+ 1/2	2 16 6	10/8
110 1/2	105 1/2	120	108 1/2	Do. 4% Red. at par on or after Feb. 1937 (n)	117 1/2	117 1/2	—	2 19 9	11/3
84 1/2	82 1/2	102	92 1/2	Conversion 2 1/2% 1944-49	100 1/2	100 1/2	—	2 9 3	11/3
99 1/2	97 1/2	106 1/2	97 1/2	Do. 3% 1948-53	101 1/2	101 1/2	—	2 9 3	11/3
101 1/2	97 1/2	111 1/2	101 1/2	Do. 3 1/2% after 1961(s)	108 1/2	108 1/2	—	2 9 3	11/3
111 1/2	107 1/2	116 1/2	108 1/2	Do. 4 1/2% 1940-44	113 1/2	113 1/2	—	2 8 0	11/3
118 1/2	114 1/2	124 1/2	115 1/2	Do. 5% 1944-44	123 1/2	123 1/2	—	2 16 7	11/3
113 1/2	108 1/2	104 1/2	98 1/2	Do. 5 1/2% 1953-59	103 1/2	103 1/2	—	2 16 7	11/3
78 1/2	65 1/2	80 1/2	74 1/2	Funding 3% 1960-90	118 1/2	118 1/2	—	2 15 0	11/3
107 1/2	103 1/2	109 1/2	103 1/2	3% Treasury Bds. 32-42	111 1/2	111 1/2	—	3 8 6	11/3
102 1/2	97 1/2	105 1/2	91 1/2	Victory Bonds 4%	107 1/2	107 1/2	—	3 0 6	11/3
89 1/2	82 1/2	98 1/2	86 1/2	WarL'n 3 1/2% after 1952 (p)	96 1/2	95 1/2	- 1	3 3 0	11/3
85 1/2	82 1/2	98 1/2	86 1/2	Local Loans 3%	103 1/2	103 1/2	—	2 17 0	11/3
85 1/2	82 1/2	98 1/2	86 1/2	Australia 3% 1933-53	79 1/2	79 1/2	—	3 3 3	11/3
85 1/2	82 1/2	98 1/2	86 1/2	India 2 1/2%	87 1/2	88 1/2	+ 1/2	3 8 2	11/3
85 1/2	82 1/2	98 1/2	86 1/2	Do. 3%	96 1/2	96 1/2	—	3 12 11	11/3
85 1/2	82 1/2	98 1/2	86 1/2	Do. 4 1/2% 1958-68	115 1/2	115 1/2	—	3 10 0	11/3
111 1/2	102 1/2	116 1/2	106 1/2	U.K. & Arg. 4% A (1947)	107 1/2	107 1/2	—	3 6 6	11/3
107 1/2	105 1/2	107 1/2	105 1/2	Dom. & Colonial Govts.	116 1/2	112 1/2	- 4	3 13 0	11/3
111 1/2	103 1/2	117 1/2	107 1/2	Australia 5% 1945-75	106 1/2	106 1/2	—	2 19 0	11/3
106 1/2	101 1/2	107 1/2	103 1/2	Canada 4% 1940-60	119 1/2	117 1/2	- 2	3 7 9	11/3
114 1/2	108 1/2	119 1/2	113 1/2	Gold Coast 4 1/2% 1955	119 1/2	117 1/2	- 2	3 7 9	11/3
116 1/2	110 1/2	120 1/2	111 1/2	Nigeria 5% 1950-60	119 1/2	117 1/2	- 2	3 7 9	11/3
104 1/2	101 1/2	105 1/2	101 1/2	N.S. Wales 5% 35-55	103 1/2	103 1/2	—	4 16 6	11/3
112 1/2	106 1/2	117 1/2	109 1/2	N.Z. 5% 1945-60	117 1/2	115 1/2	- 2	3 9 0	11/3
107 1/2	102 1/2	106 1/2	102 1/2	Queensland 4% 40-60	109 1/2	109 1/2	—	3 3 0	11/3
114 1/2	107 1/2	119 1/2	111 1/2	S. Africa 5% 1945-75	119 1/2	117 1/2	- 2	3 3 0	11/3
Foreign Governments									
94 1/2	60 1/2	101 1/2	89 1/2	Argentina 4% Resc. 1952	100 1/2	100 1/2	—	4 2 0	11/3
105 1/2	99 1/2	106 1/2	100 1/2	Austrian 6% 1923-43	105 1/2	102 1/2	- 3	5 17 0	11/3
74 1/2	54 1/2	95 1/2	69 1/2	Do. 7% Int. red. by 1957	87 1/2	84 1/2	- 3	7 17 2	11/3
80 1/2	62 1/2	92 1/2	74 1/2	B. Aires (Prov.) 3 1/2%	109 1/2	109 1/2	—	8 4 0	11/3
111 1/2	108 1/2	114 1/2	108 1/2	Belgium 7% red. by 1958	109 1/2	109 1/2	—	12 16 3	11/3
70 1/2	62 1/2	90 1/2	19 1/2	Bulgaria 7 1/2% Loan	88 1/2	85 1/2	- 3	5 17 0	11/3
78 1/2	62 1/2	91 1/2	72 1/2	Brazil 5% Fund. 1914	22 1/2	21 1/2	- 1	6 0 0	11/3
27 1/2	11 1/2	30 1/2	19 1/2	Chili 6% (1929)	82 1/2	82 1/2	—	6 0 0	11/3
68 1/2	36 1/2	82 1/2	60 1/2	China 5% (1912)	98 1/2	98 1/2	—	5 3 0	11/3
91 1/2	61 1/2	96 1/2	74 1/2	Do. 5% (1913)	105 1/2	105 1/2	—	3 4 2	11/3
105 1/2	96 1/2	110 1/2	101 1/2	Czechoslovakia 8%	94 1/2	94 1/2	—	7 7 9	11/3
85 1/2	76 1/2	97 1/2	82 1/2	Danish 3%	84 1/2	85 1/2	+ 1/2	7 13 0	11/3
80 1/2	51 1/2	85 1/2	76 1/2	Danish 6%	107 1/2	107 1/2	—	3 13 0	11/3
104 1/2	95 1/2	111 1/2	104 1/2	Egypt 5% 1923-43	27 1/2	28 1/2	+ 1	4 10 0	11/3
26 1/2	10 1/2	21 1/2	14 1/2	French 4% (British)	58 1/2	62 1/2	+ 4	11 9 6	11/3
100 1/2	89 1/2	95 1/2	84 1/2	German 7%	46 1/2	47 1/2	+ 1	10 14 0	11/3
102 1/2	40 1/2	69 1/2	30 1/2	Do. 5 1/2% Stg. Bds. 1930	35 1/2	35 1/2	—	3 5 3	11/3
34 1/2	23 1/2	36 1/2	31 1/2	Greek 6% Stab. Ln.	42 1/2	42 1/2	—	3 5 3	11/3
41 1/2	29 1/2	43 1/2	37 1/2	Do. 7% Refugee	42 1/2	42 1/2	—	9 5 3	11/3
58 1/2	34 1/2	46 1/2	39 1/2	Hungary 7%	83 1/2	86 1/2	+ 3	6 12 0	11/3
83 1/2	59 1/2	87 1/2	76 1/2	Japanese 5% 1936-65	92 1/2	93 1/2	+ 1	6 15 0	11/3
107 1/2	95 1/2	126 1/2	98 1/2	Do. 6% (1923) red 1959	120 1/2	120 1/2	—	3 6 8	11/3
63 1/2	35 1/2	50 1/2	25 1/2	Norwegian 4% 1911	125 1/2	125 1/2	—	4 15 0	11/3
87 1/2	69 1/2	95 1/2	84 1/2	Peru 7% 1922	90 1/2	90 1/2	—	7 14 0	11/3
109 1/2	91 1/2	104 1/2	84 1/2	Poland 7%	16 1/2	16 1/2	—	2 16 0	11/3
107 1/2	82 1/2	107 1/2	86 1/2	Romania 4% Con. 1922	120 1/2	125 1/2	+ 5	2 16 0	11/3
115 1/2	100 1/2	113 1/2	102 1/2	Swedish 3 1/2% 1908	112 1/2	112 1/2	—	4 8 0	11/3
62 1/2	53 1/2	80 1/2	54 1/2	U.K. & Argentine 1933	79 1/2	79 1/2	—	3 15 6	11/3
Corporate Stocks									
73 1/2	32 1/2	53 1/2	18 1/2	5 1/2% B. Certs. (1931)	112 1/2	112 1/2	—	4 8 0	11/3
116 1/2	112 1/2	119 1/2	114 1/2	Do. C Certs. (3% Max.)	79 1/2	79 1/2	—	3 15 6	11/3
118 1/2	113 1/2	122 1/2	115 1/2	Berlin 6% 1932-57	22 1/2	22 1/2	—	3 1 6	11/3
87 1/2	60 1/2	96 1/2	78 1/2	Birmingham 5% 1946-56	119 1/2	119 1/2	—	3 1 6	11/3
113 1/2	105 1/2	122 1/2	113 1/2	Bristol 5% 1948-58	121 1/2	121 1/2	—	3 3 10	11/3
107 1/2	104 1/2	107 1/2	103 1/2	Danzig 7% 1935-45	95 1/2	95 1/2	—	7 7 4	11/3
108 1/2	82 1/2	107 1/2	86 1/2	E. London 5% 1960-70	122 1/2	119 1/2	- 3	3 16 0	11/3
111 1/2	107 1/2	109 1/2	105 1/2	Johnn. B. 5 1/2% 1937-52	107 1/2	107 1/2	—	3 3 8	11/3
L.C.C. 3% 1937-52									
Seine 7% 1935-52									
Central Elec. 5% 1950-70									
London & Lancashire									
TRANSPORT BOARD									
4 1/2% "A" 1985-2023									
5% "A" 1985-2023									
4 1/2% "B" 1942-72									
5% "B" 1985-2023									
6% "C" 1956 or after									
Met. Wat. Bd. "B" 3%									
P.T.O. of Ldn. 5% 1950-70									
Great Western Ord. Stk.									
L. & N.E. 1st Def. Stk.									
Do. 5% Pref. 1955									
Do. 5% Pref. 1955									
Do. 4% 2nd Pref. Stk.									
L.M.S. Ord. Stk.									
4% Pref. Stk. 1923									
4% Pref. Stk.									
Southern Def. Stk.									
Do. 5% Pref. Ord. Stk.									
Do. 5% Pref. Stk.									
Dom. & Foreign Ry.									
Antioch & Pacific Ord. Stk.									
B.A. & Pacific Ord. Stk.									
B.A. & G. Sthn. Ord. Stk.									
B.W. Western Ord. Stk.									
C. Argentine Ord. Stk.									
C. Uruguay Monte V.									
Can. Pacific Co. (25)									
Can. Nat. 1927 Guar. 2%									
Costa Rica Ord. Stk.									
Entre Rios Ord. Stk.									
Do. 6% Cum. Pref. Stk.									
Leopoldina Ord. Stk.									
Nitrate Rlys. (10)									
San Paulo Ord. Stk.									
Taltal Rly. Ord. Stk.									
Utd. Havana Ord. Stk.									
Anglo S. 105 pds.									
American B. 1 1/2 pds.									
Bank of N. Zealand £1									
Bank of England Stk.									
Barclay B. (£1)									
Barcl. (Dum. &c.) A £1									
Bk. of Australia (A) £1									
Bk. of Montreal (£100)									
Bk. of N.S. Wales (£20)									
British Overseas A £5									
Chtd. of India (£5)									
Comd. Bk. of Aus. 10/-									
District A £5, £1 pds.									
E. S. fully paid									
Eng. Sct. & Aust. £5 pds.									
Hambros £10, £2 paid									
Hong, and S. (£125)									
Lloyds £5, with £1 pds.									
Martins £20, £2 pds.									
Midland £1, fully pd.									
Nat. of Egypt £100									
Nat. of India £25, £12 pd.									
Nat. Prov. £20, £4 pd.									
Royal Bk. of Scotland									
St. of S. At. £20, £5 pd.									
Westminster A £1, £1 pds.									
Alexandria £1, fully pd.									
National A £2, £1 pds.									
B. F. £24 pds.									
Union, £5, £2 pds.									
Alliance £1, fully pd.									
Gen. Acc. £1, fully pd.									
Com. Accident £5, £1 pds.									
Lon. & Lanc. £5, £2 pds.									
N.Brit. & Mer. £5, £1 pds.									
Northern £10, £1 pds.									
Pearl £1, fully pd.									
Phosph. £1, fully pd.									
Prudential £1 A									
Do. £1, with £4 paid									
Royal Exchange (£1)									
Royal £1, 10s. paid									
Sea Insur., £1 fully pd.									
Sun. Insur., £1 with £1 pds.									
Sun. Life Assur., £1 fully pd.									
Yorkshire £1, fully pd.									
Investment Trusts									
Anglo-American Deb.									
Anglo-Celtic Ord.									
Atlas Electric, etc., £1									
Brit. Assur. Trust, £1									
Debenture Corp. Stk.									
For. Amer. etc., Def.									
Guardian Investment									
Indus. and Gen. Ord.									
Invest. Trust Def.									
Lake View Invest. 10/-									
Mercantile Invest. £1									
Merchants Trust Ord.									
Metropolitan Trust									
Nineteen Twenty-eight									
Nineteen Twenty-nine									
Scottish Investment (5/-)									
Scottish Mortgage, etc.									
Trusts Corp. Ord.									
United States Debenture									
Financial Trusts, &c.									
Argentine Land, etc. £1									
Australian Estates, etc.									
Brit. Nth. Borneo £1									
Brit. S. Africa 15/- pd.									
Chartered Bank, £1									
C. of London R. Pty. £1									
Dalgety £20 £5 pds.									
Forestal Land £1									
Hudson's Bay Co. £1									
Do. 5% Cum. Pref. £5									
Ind. Invest. £1									
Peruvian Iron Stk.									
Corp. Pref. Stk.									
Primitive Holdings £1									
Staveley Trust £1									
Sudan Plantations £1									
Breweries, &c.									
Barracuda £1									
Bass Ratcliff Ord. £1									
Benskins Watford £1									
City of London Def. 5/-									
Courage Ord. £1									
Distillers Co. Ord. £1									
Guinness (A) Ord. Stk. £1									
H. & A. £1									
Met. & Ord. £1									
Muir's & Butlers £1									
Oshison's Cape £1									
Simonds (H. & G.) £1									
S. African Bwks. £1									
Taylor Walker Ord. £1									
Watney Combe Def. £1									
Iron, Coal and Steel									
Allied Ironfounders £1									
Amal. Anthracite £1									
Babcock Wilcox £1									

(Continued from page 1109)

acquired, £247,633; purchase consideration, £226,238, £95,768 being in cash and balance in 521,880 5s. ordinary shares. Combined average profits (6 years National and 4 years Star Brick) after depreciation and fees £16,855.

CONVERSION OFFERS

Argentine Conversion Loan.—Holders of Port of the Capital (Buenos Aires) 5 per cent. bonds (called for redemption on July 1, 1935) are offered conversion into 4½ per cent. sterling bonds of above loan at par, plus £5 5s. for capital and interest adjustment, or £105 5s. new bonds, plus 5s. interest adjustment, for £100 old bonds surrendered. Issue is direct obligation, and redeemable, by half-year sinking fund operations, at or below par, between July, 1935, and July, 1936, on three months' notice. Exempt from Argentine taxes. Bonds and acceptance forms must be lodged with agents by 4 p.m. December 20th.

Austrian Guaranteed Conversion Loan.—Issue of £10,163,900 4½ per cent. guaranteed sterling bonds at £98 10s. per cent. Net proceeds will be applied in redemption of outstanding sterling and one-half of outstanding American issue of guaranteed loan, 1923-43. Bonds are redeemable at option of Austrian Government after December 1, 1949, on 90 days' notice and at latest by December 1, 1959, by annual sinking fund drawings or purchases at or below par. All tranches of the 1923-43 loan will be redeemed, Spain being subject to conclusion of negotiations, and America, as to 50 per cent., by schilling issue in Vienna. Bonds are secured on gross revenues of Customs and tobacco monopoly, which amounted (in mn. schillings): 1931, 570.85; 1932, 519.29; 1933, 447.80; 1934 (6 months), 219.30. Interest and sinking fund estimated at Sch. 50 millions per annum. Holders of sterling bonds, 1923-43, may convert at par, plus £2 cash payment and special interest payment of 15s. per cent.

BY STOCK EXCHANGE INTRODUCTION

Tanami Gold Mining Syndicate, Ltd.—Issued capital, 1,957,400 shares of 1s. each. Incorporated October, 1932, and has now decided to exercise an option held equally with R. W., Ltd., on holdings of Rosterman Mining Syndicate in Kakamega District, Kenya, for £12,000 cash and 30 per cent. of capital of company formed to develop the mine. Company also interested in Pakaneusi Prospecting and Development Company, Ltd. £76,330 is available for working capital.

Vlaakfontein Gold Mining Company, Ltd.—Issued capital, 1,100,000 10s. shares fully paid, and 3,650,000 10s. shares, 1s. paid. Incorporated in South Africa, to acquire mining rights and Government lease over 3,718 claims from Lace Proprietary Mines, for £325,000 payable in cash. Vendor subscribes for 650,000 shares. Property adjoins Sub Nigel Mine, from which haulage is now being sunk. £50,000 is payable to Sub Nigel, Ltd., in consideration for this facility.

Swan Estates, Ltd.—Issued capital, 140,000 ordinary shares of £1 each. Formed February, 1933, and has acquired flat and shop properties in Chelsea and Maida Vale. Outstanding mortgages, £216,000. Properties valued in books at £333,984. Income for year to March 25, 1934, £25,044, and after £11,308 mortgage and loan interest, net revenue amounted to £11,001.

Star Brewery Company, Ltd.—Issued capital, 150,000 5 per cent. cumulative preference shares of £1 and 8,000 ordinary shares of £10. Incorporated 1886 and now owns 41 licensed properties. Profits, before tax, fees and interest, for years to June 30th: 1932, £14,307; 1933, £10,798; 1934, £13,877. Assets total, £198,386 (property £153,481), mortgage being £76,333 and reserve fund, £40,000.

J. and J. Makin, Ltd.—Issued capital, 100,000 6 per cent. cumulative preference and 150,000 ordinary shares of £1. Incorporated in 1901 to acquire paper manufacturing business, and purchased Disley Paper Mill Company in November, 1934. Combined profits for years to June 30: 1932, £31,935; 1933, £25,972; 1934, £27,591. Average balance after depreciation and fees, £19,103. Assets at November 17, 1934, £319,664; fixed assets, £191,000; stock, £74,081.

ISSUES TO SHAREHOLDERS ONLY

Oxendale and Company (Proprietors).—50,000 5½ per cent. preference £1 shares are offered to shareholders registered on November 29th at par, payable 5s. per share on application and 15s. on allotment. It is proposed to pay the preference dividend on January 1st and July 1st and the first dividend will be payable on July 1st, 1935, and will be calculated from the date of allotment.

Shropshire, Worcestershire and Staffordshire Electric Power. The directors have authorised the issue of 500,000 "B" ordinary £1 shares to "A" and "B" ordinary shareholders at 22s. 6d. per share, payable 5s. per share on application, at 7s. 6d. (including 2s. 6d. premium) on allotment and 5s. on April 1st and July 1, 1935. The shares will rank as to capital

and dividend (on the amounts paid up), voting and otherwise *pari passu* with the existing "B" ordinary shares as and from January 1, 1935. Applications to be received not later than December 31st and the directors to proceed to allotment on January 1st next.

Smith (D.) and Sons.—Shareholders of this company are entitled to subscribe at par for 6 per cent. preference 5s. shares and 500,000 ordinary 1s. shares of Machinery (Smith's Patents) Company.

East Rand Proprietary Mines, Ltd.—Offer of 600,000 shares of 10s. each for subscription at 45s. per share to shareholders who are registered on December 8, 1934. The closing date for the receipt of acceptances will be January 12, 1935. The new shares will rank for dividends declared subsequently to January 1, 1935. The issue has been underwritten jointly by the Central Mining and Investment Corporation, Ltd., and the General Mining and Finance Corporation, Ltd., for a cash commission of 2½ per cent.

Press Caps.—The directors have decided to offer 104,000 ordinary shares of 5s. at par to existing holders of ordinary shares. The new shares will rank for a full year's dividend for the year ending June 30, 1935, *pari passu* with the existing ordinary. The shares are offered in the proportion of two new for every five held on November 23rd.

British Power and Light Corporation (1929), Ltd.—Issue of 400,000 5 per cent. cumulative preference shares £1 to holders registered November 30th at 28s. 9d. per share payable 5s. on application and balance on December 18, 1934. New shares will rank for dividend from October 1, 1934. Purpose of issue to provide funds for repayment of bank loan, amounting to £225,000, purchase of up to 150,000 6 per cent. cum. part. preference shares £1 in Electricity Distribution of North Wales, and for general purposes.

PRIVATE PLACING

Sphere Investment Trust.—A line of £75,000 new 4 per cent. first charge debenture stock of the Sphere Investment Trust has been placed privately.

CONVERSIONS AND REPAYMENTS

3 per cent. Treasury Bonds.—The list of numbers of the £44,000,000 £3 per cent. Treasury Bonds drawn for repayment on April 15, 1935, was published in a special supplement to the *London Gazette* dated December 5, 1934. Copies of the list may be obtained at the Bank of England Loans Office, 3, Bank Buildings, Princes Street, E.C.2.

British North Borneo Company.—The whole of the outstanding 5 per cent. certificates of indebtedness will be redeemed on December 31, 1934.

Gadek Rubber Estates.—The outstanding 7 per cent. twelve-year convertible notes are being paid off on December 31, 1934.

Hawthorn (R. and W.), Leslie and Company.—The company intends to redeem the whole of the outstanding 5 per cent. first mortgage debenture stock at 110 per cent. on May 31, 1935, with accrued interest to that date.

Shanghai-Hangchow-Ningpo Railway.—The Chinese Government has given notice to the British and Chinese Corporation, of its intention to redeem at par on June 1, 1935, the outstanding balance of the 5 per cent. Shanghai-Hangchow-Ningpo Railway Loan. The amount outstanding is £300,000.

Standard Trust Company.—The Standard Trust has decided to redeem on May 31, 1935, the outstanding 4½ per cent. debenture stock at 102 per cent., together with interest (less tax) on the principal of the debentures. In connection with the redemption, the company will create and issue at par £850,000 3½ per cent. debenture stock redeemable at par December 1, 1935.

Republic of Finland 5½ per cent. External Loan.—The Republic of Finland will redeem on February 1, 1935, sinking fund gold bonds due February 1, 1935, outstanding at a redemption price equivalent to 100 per cent. of the principal amount.

Republic of Finland 7 per cent. External Loan.—The Republic of Finland will redeem on March 1, 1935, sinking fund gold bonds due March 1, 1935, then outstanding at a redemption price equivalent to 100 per cent. of the principal amount.

Vauxhall Motors.—As the directors of Vauxhall Motors have been unable to purchase sufficient 7 per cent. first mortgage debenture stock during the year to meet the redemption called for under the trust deed, they have made drawings as prescribed by the deed. Outstanding debenture stock totals £312,605.

Swedish 1887 Loan.—The Swedish National Debt Office announces that it will repay on June 30th next the 3.6 per cent. 1887-1909 loan, of which Kr. 83,689,360 is outstanding.

OFFERS ABROAD

Austrian Conversion Loan.—The list opened November 30th of the Sch. 93,400,000 loan, comprising the portion to be issued in Austria of the guarantee conversion loan designed to convert the outstanding bonds of the International Austrian Loan of 1923. The Austrian portion of the conversion loan carried 5 per cent. interest and is issued at 87. The bonds are in schillings, while the bonds of the Austrian portion of the International Loan of 1923 were in dollars. For every \$100 in face value of the old bonds Sch. 600 in face value of the conversion loan bonds is being given, with a cash bonus of Sch. 11.50.

Belgian Loan.—Part of the one-year credit of Fl. 100,000,000 (£8,300,000 at par) granted by a Dutch banking syndicate to Belgium will be placed in Switzerland. The rate of interest will be 4 per cent. The proceeds will be utilised to cover the needs of the Belgian Treasury, particularly those ensuing from the extra-ordinary Budget containing measures for alleviating unemployment. Of the total amount, Fl. 75,000,000 (£6,200,000) will be used to finance public works in Belgium and the remaining Fl. 25,000,000 (£2,100,000) for the Belgian Congo.

Swedish Treasury Bills.—The Swedish Treasury announces a second issue of three months' Treasury bills to an amount of Kr. 15 million.

Japan 4 per Cent. Bonds.—The Japanese Government has made a further issue of 300,000,000 yen (about £18,000,000 at current rates of exchange) of 4 per cent. bonds, all of which have been underwritten by the Bank of Japan. The new issue brings the total of bonds issued during the current fiscal year to 500,000,000 yen (£30,000,000) out of the 907,160,000 yen (£53,360,000) authorised by the last Diet for this period.

FORTHCOMING ISSUES

Rhokana Corporation.—An issue of £1,500,000 5½ per cent. redeemable preference shares £1 at 21s. will be made on December 12th.

Guildhall Property Company.—This company will shortly issue 90,000 6 per cent. preference shares at par.

Melbourne Electric Supply.—The Melbourne Electric Supply Company, Ltd., proposes to distribute before December 31st next £400,300 of undivided profits as bonus shares to holders of consolidated ordinary stock. Stockholders will receive one of such bonus shares of £1 each fully paid for every £2 of consolidated ordinary stock held. These bonus shares will be issued out of the present unissued shares, and no increase of the nominal capital will be necessary, but as some of the unissued shares were created as preference shares, it will be necessary first to convert such shares into ordinary shares. An extra-ordinary meeting for obtaining the sanction from shareholders will be held in Melbourne on December 28, 1934.

Great Work Tin Mines.—Underwriting is in progress for a company being formed to acquire from Wheal Reeth Tin the tin and certain other mineral rights over an area of approximately 272 acres.

The Luipaards Vlei Estate and Gold Mining Company.—The necessary funds for plant extension purposes are to be mainly provided through an issue of £275,000 5½ per cent. five-year notes. Noteholders will have the option of converting notes on the basis of 120 fully-paid shares for each £100 notes, which are redeemable at 105 on six months' notice. It is proposed to offer these notes to members at the close of books on December 12th. The issue has been guaranteed by H.E. Proprietary for a commission of 2½ per cent.

Alvis Car and Engineering Company, Ltd.—An extraordinary general meeting was held on December 4th, Sir A. Lowes Dickinson presiding. The resolution to increase the capital to £300,000 by the creation of 400,000 new ordinary shares of 5s. each was duly passed. The chairman stated that the board would only issue 280,000 ordinary shares, keeping 120,000 ordinary shares available for future requirements.

Union Cinema Company, Ltd.—An extraordinary general meeting will be held at 167, Wardour Street, W.1, on December 28, 1934, at 11 a.m., for considering the increase of the capital to £350,000 by creation of 50,000 new shares of £1. The capital to be then divided into 200,000 cumulative participating preference shares and 150,000 ordinary shares. In case of liquidation, the preference shares are to be repaid at their par value, and after the ordinary shares have received their par value, the preference shares are to receive 25 per cent. of the surplus available subject to a maximum payment of 28s. 6d. per share. The shares are to have no voting powers so long as the 7 per cent. cumulative preference dividend is paid.

Dundee Corporation.—Dundee Finance Committee has decided to recommend the issue of a new loan of at least £700,000. It is intended to repay at Whitsuntide, 1935,

approximately £700,000 of mortgage loans falling due then and carrying 4½ and 5 per cent. interest. That sum covers all loans from £3,000 upwards.

Atlantic Hotel (Liverpool).—Underwriting has been in progress for an issue at par of 120,000 6 per cent. cumulative participating preference £1 shares and 200,000 10s. ordinary shares in the Atlantic Hotel (Liverpool), Ltd.

S. G. B. (Dudley), Ltd.—The subscription list will open and close December 11, 1934, for an issue of 125,000 6 per cent. cumulative preference shares at 21s. per share and 500,000 ordinary shares at 5s. 6d. per share. The prospectus shows that the company acquires old-established business with net assets of £343,057, with continuity of management. Profits for year ended June 30, 1934, amounted to £31,814. Average profits over seven years, £25,524. Preference dividend covered over three times and balance, £22,814, represents 15.2 per cent. on ordinary shares. Preference shares and ordinary shares can be applied for separately. The company is a successor to the Stourbridge Glazed Brick and Fire Clay Company, Ltd.

Vactic, Ltd.—The subscription list will open on Tuesday next for an issue of 100,000 6 per cent. cumulative redeemable preference shares of £1 each at par, and 100,000 ordinary shares of 5s. at 12s. 6d. per share. Company will acquire the business of Vacuum Sweepers, Ltd., formed in 1924. Net profits for the year ended March 31st last exceeded £30,000 and for the subsequent six months only slightly less than for the whole of the previous year. The managing directors estimate that net profits for the current year should exceed £50,000. The issue is not being underwritten, but the managing directors have undertaken to subscribe in cash for any shares not allotted to the public or the vendor company.

RESULTS OF ISSUES

York Corporation 3 per Cent. Stock.—Cash lists in connection with the issue at par of £500,000 York Corporation 3 per cent. redeemable stock, 1955-65, were closed at 9.5 a.m. November 30th. It is estimated that these subscriptions totalled £22,000,000.

United States Treasury Notes.—The Treasury issue of \$450,000,000 1½ per cent. 18-month notes was heavily oversubscribed.

National Star Brick and Tile Holdings.—The subscription list for the issue at par of 100,000 6 per cent. cumulative preference shares of £1 and 200,000 ordinary shares of 5s. was closed at 10.45 a.m. December 4th.

Oxendale and Company (Proprietors) Ltd.—We are informed that the recent issue to shareholders of 50,000 £1 cumulative preference shares has been oversubscribed. Allotment letters were posted December 5, 1934.

Stockton-on-Tees 3 per Cent. Stock, 1960.—The lists for £600,000 3 per cent. stock issue at 100½ were closed at 9.10 a.m. December 5th owing to over-subscription.

CALLS DUE DECEMBER 10 TO DECEMBER 15, 1934

The grand total of calls falling due in December, 1934, is £7,934,567 which compares with £53,366,016 which fell due in November, 1933. The following calls fall due from December 10, 1934, to December 15, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	Blackpool Corporation 3% Red. Stock, 1960 £750,000, at £98½	£50%	Dec. 10	All
Stock	Bournemouth and Poole Electricity, £400,000 3½% Red. Deb. Stock, at £99	£35%	Dec. 10	All
Stock	Central Electricity Board 3½% Stock (1974-94), £6,000,000, at £93%	£15%	Dec. 12	£33%
5/-	General Cable Manufacturing, 40,000 Ord., at par	5/- p.s.	Dec. 15	All
10/-	Motor Fuel Proprietary, Ltd. (now Coal and Allied Industries, Ltd.), 300,000 Shares, at 15/-	5/- p.s.	Dec. 15	All
5/-	Press Caps, Ltd., 104,000 Ord. Shares, at par	2/6 p.s.	Dec. 11	2/6 p.s.
2/6	Simmer and Jack Mines, Ltd., 1,000,000 new Shares, at 7/6 per share	2/6 p.s.	Dec. 14	2/6 p.s.
Stock	United Steel Companies, Ltd., £2,500,000 4% Deb. Stock, at par	7/6 p.s.	Dec. 10	All
£1	United Sui Betong Rubber, 137,202 Shares, at 50/-	£35%	Dec. 10	All
5/-	United Sui Betong Rubber, 137,202 Shares, at 50/-	10/- p.s.	Dec. 12	All
5/-	Voice Records, Ltd., 400,000 Ord. Shares, at par	5/- p.s.	Dec. 14	All

COMING
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LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Nov. 28, 1934	Price, Dec. 5, 1934
Aldford House 6% Pref.	20/-	Fy pd	22/3-22/9	22/3-22/9
Alpha Cement 5 1/2% Pref.	...	...	21/-22/-	21/3-22/3
Argentine Navigation 10% Pref.	...	...	22/-23/-	22/5-23/5
Do. do. 5 1/2% Deb.	...	...	21-2 dis	1/-1 dis
Ascotts Pharmacies 5/-	5/-	Fy pd	3/5 1/2-3/8 1/2	3/6-3/9
Do. do. 7% Pref. 10/-	10/-	Fy pd	9/4 1/2-9/7 1/2	9/6-9/9
Assoc. British Picture Corp. 5% Deb.	101	71	12-12 dis	2 1/2-12 dis
Ault and Wiborg Ord.	20/-	Fy pd	25/3-25/9	25/7 1/2-26/1 1/2
Do. do. 5 1/2% Pref.	20/-	Fy pd	23/1 1/2-23/7 1/2	23/6-24/-
Austin Motor "A" 5/-	99	5	4-4 pm	4-4 pm
Australia 3 1/2%, 1964-74	99 1/2	5	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Bank Line 2 1/2% Gtd. Deb.	99 1/2	5	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Beechams Pills 8% Pref.	32/-	22/6	1/-1/6 pm	22/9-23/3
Birmingham 2 1/2%, 1955-57	96 1/2	5	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Blackpool 3%, 1960	96 1/2	35	2 1/2-3 1/2 pm	3 1/2-3 1/2 pm
Colville's 5 1/2% Pref.	91	5	10/-	8/9-9/6
Blethley Flettons (5/-)	5/-	Fy pd	4/6-4/9	4/3-4/7 1/2
Boulton and Paul Aircraft (5/-)	98 1/2	5	2 1/2-3 1/2 pm	3 1/2-3 1/2 pm
Brenatford and Chiswick 3%, 1954	20/-	5/-	par-3 1/2 pm	1 1/2 dis-1 1/2 pm
Butterley Co. 4 1/2% Pref.	93	23 1/2	3 1/2-3 1/2 pm	3 1/2-3 1/2 pm
Central Electricity 3 1/2% Stk.	99 1/2	5	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Chesterfield 3%, 1960	20/6	Fy pd	20/9-21/-	20/9-21/-
Colville's 5 1/2% Pref.	11/-	Fy pd	12/-12/3	12/1 1/2-12/4 1/2
Enos Props. Ord. 5/-	10/-	Fy pd	23/7 1/2-23/10 1/2	23/9-24/-
Do. 5 1/2% Pref. £1	10/-	Fy pd	12/-12/9	12/-12/9
French (J. W.) Ord. 5/-	21/-	Fy pd	22/6-23/-	22/3-23/3
Do. 5 1/2% Pref.	5/-	Fy pd	4/3-4/9	4/-4/6
General Aircraft	10/-	Fy pd	9/3-9/9	8/6-9/-
Gold Ex. and Finance Aust. Ord.	10/-	5/-	1/4 1/2-1/1 1/2 dis	1/7 1/2-1/10 1/2 dis
Gold Mines of Kalgoorlie 10/-	10/-	5/-	1/4 1/2-1/1 1/2 dis	1/7 1/2-1/10 1/2 dis
Green (Herbert) 1/-	20/-	12/6	6/6-7/6	6/9-7/6
Do. 7% Preferred	100	75	68-72	64-68
Do. 6% Deb.	99	15	3-3 1/2 pm	3-3 1/2 pm
Hancock (W.) 4 1/2% Deb.	2/-	Fy pd	1/6-1/9	1/7 1/2-1/10 1/2
Kapala Rubber Ord. 2/-	2/6	Fy pd	2/3-2/6	2/4 1/2-2/7 1/2
Do. do. 7 1/2% Pref. 2/-	97 1/2	5	2 1/2-2 1/2 pm	2 1/2-2 1/2 pm
Lanarkshire 3%, 1954-64	97 1/2	5	2 1/2-2 1/2 pm	2 1/2-2 1/2 pm
Lockhart (A.) 5/-	22/6	Fy pd	2/3-2/9 pm	26/-26/6
Malacca Rubber £1	97	5	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Messers Docks, etc. 3 1/2% Deb.	7/6	Fy pd	28/6-29/- xr	27/3-27/9 xr
Mount Morgan 5/-	£4	£2 1/2	4 1/2-4 1/2	4 1/2-4 1/2
Murex New Ord. 10/-	5/-	Fy pd	2 1/2-3 1/2 pm	2 1/2-3 1/2 pm
New Machavie Gold	97 1/2	30	2 1/2-3 1/2 pm	2 1/2-3 1/2 pm
Nigeria 3%, 1955	98 1/2	15	2 1/2-3 1/2 pm	2 1/2-3 1/2 pm
Nottingham 3%, 1957	100	15	2 1/2-3 1/2 pm	2 1/2-3 1/2 pm
Odhams Properties 5% Deb.	20/-	Fy pd	26/3-26/9	26/-26/6
Oxford and Berks Cinemas 7% Pref.	97 1/2	25	4-4 1/2 pm	4 1/2-4 1/2 pm
Plymouth 3%, 1954	97 1/2	25	4-4 1/2 pm	4 1/2-4 1/2 pm
Price's Trust Ord. 5/-	20/6	Fy pd	11/1 1/2-11/7 1/2	10 10 1/2-11/4 1/2
Do. 5 1/2% Pref.	20/6	Fy pd	24 dis-par	20/-20/6
Sheffield 3%, 1954	10/-	Fy pd	10/-10/4 1/2	10/-10/6
South African Tobacco 10/-	98 1/2	58 1/2	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Terry (J.) Ord. 5/-	...	...	28/6-29/6	28/6-29/6
United Steel 4% Deb.	Par	65	2 1/2-3 1/2 pm	3 1/2-4 pm
United Suez Belong Rubber £1	50/-	40/-	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Van Dyk Consolidated	10/-	Fy pd	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Wakenfield 3%, 1955	99 1/2	25	1 1/2-1 1/2 pm	1 1/2-1 1/2 pm
Waltende Mines	5/-	Fy pd	5/10 1/2-6/1 1/2	5/10 1/2-6/1 1/2
York 3%, 1955-65	100	5	...	1 1/2-1 1/2 pm

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash • Interim div. † Final div.			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
BANKS					
Bank of New South Wales	5/- p.s.†	...	Unchanged	% 5	% 5
Imperial Bank of Canada	...	...	...	10	10
Ionian Bank	2%*	...	Unchanged	...	...
National Bank of New Zealand.....	4 1/2%*	Jan. 5	Unchanged	...	...
INSURANCE					
Sun Life Assurance	1/7 d.ps*	Jan. 1	Unchanged	...	...
TEA AND RUBBER					
Aibheel Tea	3%*	Dec. 22	4%*	...	...
Baraora (Syliet) Tea	5%*	Dec. 15	Unchanged	...	...
Bagracoote Tea	2%*	Dec. 21	4%*	...	...
Brahmapootra Tea	5%*	Dec. 15	Unchanged	...	...
Braunton (Malay) Rubber.....	5%*	...	Nil	7 1/2	Nil
British Indian Tea	2 1/2%*	Jan. 4	Unchanged	...	...
Burea Doars Tea	2 1/2%*	...	5%*	...	...
Chubwa Tea	2 1/2%*	Dec. 28	5%*	...	...
Chulsa Tea	4%*	Dec. 21	5%*	...	...
Cranley Tea Estates	5%*	Dec. 21	Unchanged	7 1/2	7 1/2
Derby Tea	2 1/2%*	...	Unchanged	...	...
Dima Tea	5%*	Dec. 17	5%*	...	...
Duckwari Tea and Rubber	3%†	Dec. 18	...	5	2 1/2
Estates and Agency	5%*	Dec. 11	2 1/2%*	...	...
Holyrood Rubber	5%*	Dec. 21	Unchanged	...	...
Isa Bheel Tea	2 1/2%*	...	...	...	...
Jali Rubber	Nil*	...	5%*	...	...
Jorehaut Tea	2 1/2%*	Dec. 20	...	...	...
Moran Tea	15%†	...	5%*	35	122
Ruo Estates	2 1/2%*	Jan. 16	5%*	...	...
Sephinjuri Bheel Tea	4%*	Dec. 31	Unchanged	...	...
Syliet Tea	...	...	...	...	...
MINING					
Ayer Hitam Tin	10 1/2 d.ps	Jan. 2	...	12 1/2	7 1/2
Chosen Corporation	8 1/2%*	Dec. 7	3 1/2%*	...	...
Kleinfontein Estates	2 1/2%†	...	...	7 1/2	7 1/2
London and Rhodesian Mining and Land.	5%*	Dec. 31	...	...	...
Malayan Tin	7 1/2%*	Dec. 31	...	...	...
Southern Malayan Tin	5%*	Dec. 31	...	...	...
Taqua and Abosso Mines	4/- p.s.*	Dec. 31	3/6 p.s.	...	...
Tongkal Harbour Tin	1/- p.s.*	Dec. 11	...	...	...

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year	Latest Year	Previous Year
OTHER COMPANIES					
Aerated Bread.....	...	...	...	% 5	% 5
Allen (Robert) and Co.....	...	...	...	5	5
Anglo-Ecuadorian Oil.....	...	Dec. 21	...	3	3½
Anglo-Scottish Tea Investment.....	...	...	...	3	Nil
Arrol (Archibald).....	7½%†	Jan. 1	1½%	12	12½
Associated Breweries.....	2½%*	Jan. 1	Unchanged	...	...
Avery (W. and T.).....	5%*	Jan. 1	Unchanged	...	...
Barclay Perkins and Co.....	2½%*	...	Unchanged	...	...
Barton Transport (Def.).....	...	...	...	50	20
Beta Pte. Pref.....	8%*	...	...	12	8
Beaumont Property Trust.....	4½%†	...	...	7½	...
Blackpool Winter Gardens.....	...	...	...	20	17½
Bowater Paper Mills.....	...	...	...	5	7½
Bristol Industries.....	...	...	...	6½	5
British Tobacco (Australia).....	...	...	...	6	6
British Columbia Power "A".....	1½%*	Dec. 31	Unchanged	...	...
Brockhouse (J.) and Co.....	37 c. p.s.	Jan. 15	Unchanged	...	...
Bullcroft Main Collieries.....	2½%*	Dec. 1	Unchanged	7½	7
Cakebread Robey and Co.....	5%*	Dec. 15	Unchanged	...	...
Carr's Flour Mills.....	1/6 p.s.	...	1/- p.s.	...	...
Carreras (A. and B.).....	20%*	...	...	35	35
City Brewery (Lichfield).....	...	...	...	5	5
Coupe Co. and Motor Cab of Great Britain.....	...	Dec. 18	...	10	5
Denny Mott and Dickson.....	6%*	Jan. 1	Nil	10½	6½
Deuchar (Robert).....	...	...	...	6	4
East Kent Road Car.....	...	...	...	3½	...
Edmundson's Electricity.....	3½%*	...	3%	12½	10
Finlay and Co.....	...	Jan. 11	...	5	5
First Garden City.....	5½%†	...	Unchanged	8	8
Fortnum and Mason.....	5½%†	...	...	8	7½
Fremains.....	...	...	...	9	9
Gainsborough Pictures.....	4%*	...	...	...	...
Goldsbrough Mort and Co.....	3%*	Jan. 1	Unchanged	5	5
Great Yarmouth Waterworks.....	...	...	...	12½	10
Hamstead Colliery.....	7½%†	Dec. 22	...	12½	10
Heinemann Holdings.....	7½%†	Dec. 22	...	12½	10
Hotel York.....	1½%	...	Unchanged	...	...
Imperial Tobacco of Canada.....	1½%	...	Unchanged	...	...
Ind Coope and Allsopp.....	16½%†	Dec. 18	14%	22½	20
India Tyre and Rubber (pref.).....	3½%†	Dec. 31	...	...	...
Kelly's Directories.....	5%*	Dec. 31	Unchanged	8	5
Leeds and Wakefield Breweries.....	...	Jan. 1	...	10	10
London and New York Investment.....	3%†	Dec. 14	Unchanged	6	6
London Scottish American Trust.....	...	...	...	3	Nil
Low Temperature Carbonisation.....	17½%*	Dec. 8	Unchanged	10	5
Marston Thompson and Evershed.....	...	Dec. 19	...	8	8
Marmite Food Extract (def.).....	...	Dec. 19	...	1/- p.s.	1/- p.s.
Do. pref. ord.....	...	...	...	12½	5
Mann, Egerton and Co. (11/-).....	7½%†	...	Unchanged	...	...
Mono Containers.....	2½%†	...	Unchanged	5	5
Nantglo and Blaina Estates.....	3%*	Jan. 7	Unchanged	...	...
Ohlsson's Cape Breweries.....	...	...	...	...	...
Oil Wharves.....	7%†	...	...	10	6
Olive and Partington.....	12½%†	Jan. 22	1½%	14	3½
Peel River Land and Mineral.....	12½%†	...	...	12½	10½
Phipps (P.) and Co.....	7½%†	...	...	11	...
Raleigh Cycle Holdings.....	8%†	...	...	6½	6½
Savoy Hydro (Blackpool).....	...	...	...	...	...
Second London Scottish American Trust.....	1%*	Jan. 1	Unchanged	...	...
Sheffield Pure Ice.....	5%*	...	Unchanged	...	...
St. Anne's Well Brewery.....	10%†	Dec. 17	Unchanged	...	...
Steaua Romano (British).....	2%*	...	Unchanged	4	6
Sunlight Laundries (1/-).....	2d. p.s.	Dec. 31	Unchanged	25	16½
Trust Union.....	2%*	Dec. 15	Unchanged	7½	...
Truswell's Brewery.....	5%†	...	3½%	10	6
Turner and Newall.....	7½%†	...	3½%	...	...
Twyfords.....	4%*	Dec. 14	...	5	3½
Waterlow and Sons (defd.).....	110%†	...	...	115	13½
Wenlock Brewery.....	124%†	...	...	129	10½
Wheeler's Wycombe Breweries.....	9½%†	...	...	12	9
Youngs Crawshaw and Youngs.....	47½%†	...	...	110	27½
Younger (Robert).....	...	...	...	...	...

* Free of Income Tax.

BANK OF NEW SOUTH WALES.—A final dividend has been declared for the quarter ended September 30th last, at the rate of 5s. per share, Australian currency, making 5 per cent. for the year. The dividend on shares on the London register will be payable on and after December 21st. A credit balance of £116,335 ls. 7d. has been carried forward.

THE COMPANIA HISPANO-AMERICANA DE ELECTRICIDAD (CHADE).—This company is to pay an interim dividend for the year 1934 at the rate of gold pesetas 16 for Series "A," "B" and "C" shares and gold pesetas 3.20 for Series "D" and "E" shares. The dividend will be payable on December 20th at the banks appointed for the purpose and at the Buenos Ayres offices of the company. Last year an interim dividend was paid of 20 Argentine paper pesos in respect of the Series "A," "B" and "C" shares and 4 Argentine paper pesos on the Series "D" and "E" shares. A final dividend of 20 gold pesetas on the "A," "B" and "C" shares was distributed and 4 gold pesetas on the "D" and "E" shares, free of Spanish taxes.

BRITISH GENERAL FIXED TRUST.—A first distribution, amounting to 1-6d. on each sub-unit of British General Fixed Trust Series "A," will be made by the Trustee, General Accident Fire and Life Assurance Corporation, Ltd., on January 15, 1935, an earned balance of 0-0285d. per sub-unit being carried forward to the next half-year.

ALLIANCE PROPERTY COMPANY, LTD.—The directors announce that payment of interest on 5 per cent. first mortgage debenture stock for half-year ending December 31, 1934, will be made on December 31, 1934, and have also declared a dividend at the rate of 7 per cent. per annum on the £1 7 per cent. cumulative preference shares for the half-year ending December 31, 1934, payable on January 1, 1935, both less tax at 4s. 6d. in the £.

HARRISON AND CROSFIELD.—A 6 per cent. per annum on 6 per cent. cumulative preference for three months to December 31, 1934, less tax at 4s. at 10 per cent. per annum on 10 per cent. preferred ordinary for six months to December 31, 1934, less tax at 4s. Warrants to be posted December 31st to holders, including approved transferees in respect of transfers lodged at the company's office not later than December 8th.

AUSTRALIAN ESTATES.—The directors of the Australian Estates and Mortgage Company have decided to postpone consideration of the payment of any dividend on the 8 1/2 per cent. cumulative preference shares until the accounts for the year to December 31st have been received.

COMPANY MEETINGS, &c.

PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY

IMPROVED OUTLOOK—STRONG LIQUID POSITION

SIR WILLIAM CURRIE'S REVIEW

Sir William Currie, the deputy chairman, presided at the ninety-fourth ordinary general meeting of the Peninsular and Oriental Steam Navigation Company held, on the 5th instant, at the company's offices, 122 Leadenhall Street, London, E.C.3.

The report and accounts having been taken as read, Sir William said that it was with the greatest regret that the chairman, the Hon. Alexander Shaw, found himself unable to be present. Mr Shaw had been seriously ill, but was making good progress, and there was every hope of his early and complete restoration to health.

The fates had indeed been unkind to the company in the past year. On January 3rd the Rt. Hon. Viscount Churchill had died. He had been a member of the board for ten years and his advice and counsel were deeply missed.

On September 27th their deputy chairman, Sir Frederick Allen, passed away after a short illness. His loss to the company was a severe one. Many in addition to his friends and colleagues at 122 Leadenhall Street deeply mourned his passing.

With the greatest regret the board were again unable to recommend a dividend upon the deferred stock. The reasons which their chairman had detailed at last year's meeting were as cogent to-day as a year ago. World trade, on which shipping depended, was still beset with the difficulties of tariff walls, quotas and uncertain exchanges.

THE ACCOUNTS

The accounts showed a slight improvement in the revenue position as compared with last year. It had again been necessary to draw upon reserves to the extent of £550,000 to provide for depreciation of the fleet on the basis of 5 per cent. on the original cost.

In addition to the usual depreciation of 5 per cent. on prime cost, a further sum of £385,085 had been deducted from the value of the fleet, derived from the profit on the sale of the company's holding in Messrs Wm. Cory & Son, Limited, and it was partly due to this credit that the fleet stood at £575,362 below the 5 per cent. depreciation basis. Unless there was a marked revival in trade, it might be necessary in the near future for the company to dispose of one or two ships which would be surplus to requirements and which stood in the books at figures very considerably in excess of break-up values. When and if these surplus ships were sold, the fleet would stand in the books at some £190,000 less than on a value calculated on the 5 per cent. depreciation basis.

The company's 4 1/2 per cent. debenture stock outstanding had been reduced by £60,000 during the year under review. Under the terms of the debenture conversion issue of £6,000,000 made in May, 1933, the company undertook to redeem it at 1 per cent. per annum, plus interest on such redemptions. For this purpose the company had been fortunate enough to be able to purchase for redemption £60,000 of the stock at par, but, owing to the rise in the market value of this stock, it would appear that in the current financial year further purchases at par would not be possible, and it would therefore be necessary to resort to drawings at par in terms of the deed.

Shipbuilding bills had been reduced since last year by £410,000, and since the close of the accounts they had been further decreased by £170,000.

The balance sheet showed that the liquid position of the company was slightly over £1,000,000 better than a year ago.

to maintain a favourable balance of trade in merchandise, quite apart from heavy shipments of gold. Competition from various industrial countries remained very keen, making it difficult to maintain the British percentage share of India's import trade. With India now producing the bulk of her own iron, steel and cement, they must look to new industries to make up for that loss of sea-carriage.

Outward trade to Bombay was now dealt with almost exclusively by their through steamers to Australia and the Far East, enabling the vessels to be dispatched from London with less vacant cargo space than formerly.

Rates of freight from Calcutta continued on a fair level, and homeward trade from that port had been well maintained. To supplement their joint service with the British India Company they had, when necessary, berthed additional steamers homewards to satisfy the requirements of their supporters.

From Bombay, rates continued on an unremunerative level owing to the "open market" conditions which prevailed. Gold shipments, which for some time had been a useful source of additional revenue, had recently shown signs of falling off.

The "Strathmore," building at Vickers Armstrongs' yard, was designed to accommodate 445 first-class passengers and 663 tourist passengers. As she would be utilised in the Australian run as well as in the Bombay service, she would be fitted with insulated chambers for the carriage of chilled beef and other refrigerated cargoes.

It would be recalled that at last year's meeting the chairman reported his intention of proceeding to Australia and New Zealand. This visit Mr Shaw carried out. It was a most strenuous one, and had proved invaluable not only in the domestic sphere of the P. and O. Company and its allies, but also in the interests of the British shipping industry as a whole. Mr Shaw had enlisted the sympathy of the Australian and New Zealand Governments, and it was hoped that they would concert such measures as might be desirable to safeguard British and Empire shipping in the inter-Colonial trade.

TRAMP SHIPPING

Mr Shaw in his speech last year referred to the straits to which tramp shipping had been reduced. Since then the Government had decided that the tramp section of the British shipping industry should be protected against the uneconomic competition of foreign subsidised shipping. In fulfilment of that decision, Parliament were being asked to vote a sum of £2,000,000.

In these times of uncertainty it would be a matter of temerity to attempt any prophecy as to the future, but it might be said that while there was still an undoubted surplus of tonnage for the requirements of the diminished volume of international trade the limitation of shipbuilding, and the very considerable breaking-up of old tonnage were factors slowly tending to narrow the difference between supply and demand. But while for the shipping industry the clouds were not quite so black as they had been, there was as yet no sign of that permanent improvement which could inspire real confidence in the future.

Their organisation worked smoothly, and when the long-deferred improvement in world trade did come, the P. and O. Company and its allies would be ready to meet it.

The report and accounts were unanimously adopted, and a cordial vote of thanks to the Chairman, directors and staff terminated the proceedings.

OFFER TO NEW READERS

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

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PAHANG CONSOLIDATED COMPANY, LIMITED

INCREASED PROFIT—RESTRICTION SCHEME CRITICISED

The twenty-eighth ordinary general meeting of the Pahang Consolidated Company, Limited, was held, on the 4th instant, at Winchester House, E.C.

Mr H. Frisby, the chairman and managing director, in moving the adoption of the report and accounts, said that the output of tin oxide was 1,264 tons, as against 920 in the previous year. This was partly due to an increase in their quota and partly to their producing 110 tons for the "Buffer Pool." The mines' profit for the year amounted to £79,380, as compared with £20,372 last year. Adding to the mines' profit the amount brought forward, less London expenses and the extra remuneration for the directors and bonus to the staff, a sum remained of £113,754 4s. 8d. They had paid the six months' dividend on the preference shares, which came to £3,500, and 5 per cent. interim on the ordinary, which absorbed £18,750, leaving a balance of £91,504 4s. 8d.

They now proposed to write off the usual 10 per cent. depreciation on machinery, to transfer £10,000 to general reserve, and to allocate £500 of the stores profits for social welfare at the mines. This would leave £76,065, and they recommended the following dividends: 3½ per cent. on the preference, making 7 per cent. for the year; 10 per cent. on the ordinary, making 15 per cent. for the year; and an extra 5 per cent. on the preference, making 12 per cent. for the year, leaving £30,065 os. 1d. to be carried forward.

He thought they would regard the balance sheet as satisfactory and sound in every particular.

With regard to their developments, these had been confined to Willinks Mine, six of their mines having been shut down owing to restriction. In Willinks Mine they had been opening up the Utara lode, the richest lode they had ever had in the mine. The average value, so far as they had gone, was just under 5 per cent. tin oxide, which was a very high percentage. They were very anxious to find out if this rich ore went down to the 1,200 ft. level, and a shaft had been sunk there; after a certain amount of work had been done, including 50 ft. of driving on the lode, which was high grade, work there was stopped.

It seemed rather a strange thing, in the history of mining, that, when a rich ore body such as this had been found, they were compelled, from outside sources, not to develop it. There was no particular reason why they should spend money on developing ore which they could not use. Their present ore reserves were fifteen years ahead of the mill on the present output of 1,000 tons per annum. What they were doing, therefore, in the Willinks Mine was searching for new ore bodies, and two or three months ago they discovered a new one in the far eastern end of the mine. Where it was cut it gave a very high assay value, but not enough work had yet been done upon it for the board to give them a considered opinion as to its value. All they could say at that moment was that it was very promising.

A little later on they discovered another lode running parallel to the Utara lode. The same remark applied there—they had not been able to do enough work to tell them what it was worth; and that was the curse of the restriction scheme forced on a deep lode mine like Willinks, with its enormous overhead charges.

The International Tin output had recently been cut again by 10 per cent., although only a few months had elapsed since it was raised by 10 per cent. He considered that that was a confession by the Tin Restrictionists that their object had failed. The reason for this cut they could guess. It was because the Americans were not using the amount of tin it was expected they would use, despite their increased motor-car production and tinfoil production. There might be other reasons. It was the fashion with Tin Restrictionists to pooh-pooh the idea that the Americans could use substitutes. In an article which appeared in *British Malaya* last June, Messrs Strauss and Company, who were very important dealers, stressed the point that they were using substitutes, and went so far as to mention the most important of them as aluminium, which was £100 a ton cheaper than tin.

Were the Americans getting tin from other sources? It had been stated that China was now delivering to America and Europe 20 million dollars' worth of tin a year. The Belgian Congo was increasing its output very considerably, and also Burma. There was an old saying in London, and a very true one, that if you form a pool and corner the market at a certain price, "rats" always appear. He wondered whether there was a leakage among producers. It must be pretty galling to a consumer to have to pay £230 a ton for the white metal when he knew that it was being produced at from £50 to £60 a ton; £170 a ton was not a fair commercial profit; he called it commercial robbery.

The report and accounts were unanimously adopted.

NEW GOLDFIELDS OF VENEZUELA, LIMITED

SATISFACTORY PROGRESS AT THE MINES

ADVERSE EFFECT OF EXCHANGE

The seventh annual general meeting of the New Goldfields of Venezuela, Limited, was held, on the 5th instant, at River Plate House, Finsbury Circus, London, E.C.

Mr John A. Agnew (the Chairman), in the course of his speech, said: In reviewing the work carried out for the year to June 30th last there are two features that stand out above all others. The first of these is this: In all matters which may be said to have come within the control of the management of the mine or the board we have accomplished more than might reasonably have been expected. In development work in all the mines, whether from the point of view of the amount carried out or the results obtained from same, in the further reduction of costs of mining and treatment and in the work in the treatment plant, there have been shown improvements that are most gratifying and which reflect the greatest credit on the general manager, Mr A. J. Anderson. Now this would have provided grounds for intense satisfaction if it had not been for the second of the factors to which I have referred and which has operated to our very great disadvantage—I allude to the adverse exchange rate which has ruled against us since February and which has prevented us from reaping the reward that should have resulted from the year's work.

GOVERNMENT AND THE EXCHANGE SITUATION

Although the gold bullion produced is marketed in London, purchase of Bolívares to meet operating expenses in Venezuela have had to be made at unfavourable rates. This brings me to the steps taken by the Venezuelan Government to deal with the exchange situation. In August last the Venezuelan Government entered into an arrangement with the banks of that country and the oil companies, whereby, as we understand it, the oil companies for a period which apparently still continues, were to obtain the bulk of their requirements of Bolívares from the Government, but only at the gold import point, or roughly Bs. 15 = £1. The effect of this was to create a shortage on the exchange market of foreign currencies available against Bolívares, or, to put it more plainly, the demand to-day is for the foreign currencies available, more Bolívares having to be offered for the dollar or the pound to attract sellers. So far as we can ascertain, the desire of the Government in the first place is to establish a rate of Bs. 3.90, equal \$1, which is the equivalent, at \$5 equal £1, of Bs. 19.50, equal £1. This rate has not become fully effective, at least as far as dealing between London, New York and Caracas are concerned, although we understand that locally in Caracas it more or less rules. Our most recent transactions have been at Bs. 19.15, but the market still remains a very narrow and somewhat difficult one. I feel convinced that having gone so far the Venezuelan Government will not rest until it has placed the exchange situation on a thoroughly satisfactory basis.

Dealing now with the accounts for the year, there remains a credit balance of £41,872, which has been carried to the balance sheet, reducing the balance which stood at the debit of profit and loss account at £108,025 to £66,153. Costs, but for the incidence of exchange, have been reduced by a satisfactory amount over the year. This reflects improved operations and work on the part of the staff, which, unfortunately, is masked by the adverse effect of exchange.

DEVELOPMENT WORK

Referring now to the principal development work carried out and still in progress. In the "A" lode mine the most important work was the extension of the west drive on the third level from No. 36 shaft at the east end of the mine. In the Laguna mine development results have been of an excellent character. In the Chile section a total of 2,019 ft. of development was carried out, and of this 762 ft. showed an average over the width of the ore body exposed of 9.6 dwt. gold. In the Union, or Caratal, section 2,971 ft. of development work has been carried out, and of this 1,458 ft. were in payable ore assaying 9.9 dwts. per ton.

The position at the property in the main may be said to be very satisfactory. If it is possible here to express a definite personal opinion I would say that if a satisfactory conclusion could be arrived at regarding the maintenance of the exchange rate on a satisfactory basis the board would be well warranted in approaching shareholders with the object of placing the company at once on such a footing as would permit the milling equipment being increased to deal with not less than 1,000 tons of ore per day. All that has transpired in the course of the last year or two's work adds to the conviction that the mine could readily be put into a position to provide such an output.

The report was unanimously adopted.

BUSHTICK MINES (1934), LIMITED

EXCELLENT REPORT—STRONG FINANCIAL POSITION

The first general meeting of the Bushtick Mines (1934), Limited, was held in Bulawayo on Thursday, November 15th last.

The Hon. H. U. Moffat, C.M.G., the chairman, in moving the adoption of the directors' report, said:—The company was registered in Southern Rhodesia on June 15, 1934, its object being to acquire and work the Bushtick Mine. Cash on hand amounts to £151,958 19s. 1d., which amount, according to our consulting engineers' estimates, will enable the company to carry on development work and equip the mine for production at the rate of 10,000 to 12,000 tons per month. The programme laid down in the prospectus provided for milling at the rate of 8,000 tons only per month for the initial stages. The ore reserve position is considered sufficiently satisfactory to warrant this increase. Three main or hauling shafts have been sunk on the west, the Foundation shaft; 1,500 yards to the east, the Hollins shaft, and 900 yards further east the Warwick shaft on the eastern section of the ore body. We have proved at the Foundation section a shoot length of 120 feet on the second level averaging 8.0 dwts. over 111 inches. The persistence in depth of this shoot is indicated by a drive on the third level (282 feet from surface) where 58 feet averages 4.5 dwts. over 82 inches. Six hundred feet east of the Foundation shaft a cross-cut from the Sally shaft on the 70 foot level proves the extension of the reef along strike. The values here were 4 dwts. At the Hollins section the shaft has been completely dewatered and reconditioned to the fifth (530 foot level). The connecting drive on third level east to Warwick section made excellent progress, and a hitherto unknown shoot has been indicated. The last 64 feet driven gives an average value of 5 dwts. over 83 inches.

An interesting feature is the disclosure, by cross-cuts at intervals on this horizon, of a parallel reef over about 1,100 feet of strike from 200 feet east of the main Hollins shaft to 900 feet west. About 200 feet of driving accomplished indicates a 6-foot reef averaging 4 dwts.

In conclusion I would point out that the ore developed and the results obtained from the work done justify the confident hope that the Bushtick Mine will prove a sound and profit-making mine with possibilities of developing into a big proposition, producing on a very much larger scale than we are at present providing for.

The resolution was carried unanimously.

STRAND HOTEL, LIMITED

CONTINUED PROSPERITY

The twenty-seventh ordinary general meeting of the Strand Hotel, Limited, was held, on the 5th instant, at the Trocadero Restaurant, London. Major M. Gluckstein, the chairman, presiding.

Mr H. F. Joyner (director and secretary) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his speech, said that the turnover had been practically the same as in the previous year, and it was proposed to pay the same rate of dividends as for that period. The extension of the Regent Palace Hotel had enabled them to provide more than 100 additional bedrooms for visitors, and these rooms had been fully let since they were brought into capacity. The hotel now had 1,122 bedrooms, and could accommodate 1,648 guests. The company's hotels continued to adopt all that was best in modern development, and to this end their hotel bedrooms were being re-equipped on distinctive lines, and the style of the public rooms redesigned, to accord with prevailing tastes. The internal conditions of this country, upon which their business mainly depended, showed some improvement, but the number of visitors from abroad was still much below normal. In these circumstances, the volume of business they had realised was a sign of the undiminished popularity of their hotels. This had encouraged them to make such preparations as would, in the opinion of the directors, ensure to the company a favourable share in any increase in the country's prosperity.

Mr Maurice Salmon said that the success of the Maison Lyons Corner House and the Cumberland Hotel must have been apparent to shareholders who had visited the premises, and he was happy to confirm that this new venture, which was sponsored equally by J. Lyons and Company and this company, showed every promise of proving a sound investment, and being of potential value to the respective companies.

The report and accounts were unanimously adopted.

THE CONSOLIDATED GOLD FIELDS OF SOUTH AFRICA, LIMITED

SUCCESSFUL RESULTS—INCREASED PROFITS

The ordinary general meeting of the Consolidated Gold Fields of South Africa, Limited, was held, on the 4th instant, at River Plate House, Finsbury Circus, London, Mr John A. Agnew (the chairman of the company) presiding.

The Chairman, in the course of his speech, said: Taking first the profit and loss account of New Consolidated Gold Fields, Limited, the profit from sales, dividends, etc., was £1,388,060, compared with £933,841 last year—an increase of £454,219. It is gratifying to note that although part of this increase is due to the profit on sales during the year, the greater portion arises from increases in dividends, interest, and sundry revenue. Dividends on investments are nearly £100,000 greater than last year, due largely to the increased dividend on our Sub Nigel holding.

The balance carried down is £1,327,076, compared with £875,112. Adding the balance of £114,754 brought forward from last year, we have a total of £1,441,830 to deal with.

Against this have been charged the interim dividend of 1s. 3d. per share paid on June 14, 1934, which enabled the Consolidated Gold Fields of South Africa, Limited, to make a similar distribution, preference dividends, South African taxation, and a reserve for United Kingdom taxation, the last named amounting to £210,000.

SUBSTANTIAL RESERVE

Following my remarks at last year's meeting, we have charged £100,000 as a reserve for depreciation. The balance on this account, with any addition we may make to it in future years, will be available whenever it is necessary to write off depreciation on any of our assets, which at the date of making up our accounts may have a value less than the book figure. We have also transferred a sum of £300,000 to reserve, which now stands at £700,000, and there remains a balance of £517,894, out of which a dividend of 2s. 9d. per share, less tax, has been declared, leaving £162,970 to be carried forward to next year, against £114,754 brought forward.

Turning now to the balance sheet of the New Consolidated Gold Fields, Limited, the capital remains the same, and the reserve account, as I have already mentioned, now stands at £700,000. Sundry creditors on deposit show a decrease of £117,500, and on current account an increase of £171,000, the latter due mainly to the further reserve made for United Kingdom income-tax. Contingent liabilities at £720,873 show a decrease of £478,000.

GOVERNMENT SECURITIES

On the credit side of the balance sheet we have shown separately this year Government securities amounting to £652,825. You will see that this represents an increase of £504,000 over last year's figure.

It is perhaps a striking commentary on the position of industry at this time that we find ourselves unable to employ such considerable sums of money as the above in earning more than an extremely low rate of interest. We feel, however, that the temptation to endeavour to obtain a better return on a considerable portion of our funds by investing in securities of a character about which there is the least question should be resisted and that it is preferable to have a good deal of money lying practically idle than take any inordinate risk with it.

Shares in companies at or under cost show an increase of £866,000 over last year's figure, representing an increase of purchases over the cost of shares sold. Properties and ventures at £169,261 show a decrease of £303,829, due partly to the sale of certain properties which included our Sospiro Venture, and partly to amounts written off other properties.

The sale of our Sospiro interests was completed in January last, and we received a price which, in our opinion, was very satisfactory, being in fact very near to the figure at which this venture and the loan in respect thereof stood in our books. Loans at short call show an increase of £567,000, and we are receiving a satisfactory rate of interest on this amount. Sundry debtors call for no particular comment, but cash advances and mortgages show a reduction of £1,201,000 due to repayments during the year; the latter include the loan to the Sospiro company which formed part of the sale referred to above.

The remaining items in the balance sheet call for no particular comment, the liquid position, including the Government securities, approximating last year's figure, in spite of the large increase in share investments.

The final dividend of 2s. 9d. per share on the shares of New Consolidated Gold Fields, Limited, enables us to recommend the

payment of a dividend of a similar amount on the shares of the Consolidated Gold Fields of South Africa, Limited, which, with the interim dividend of 1s. 3d. per share, makes 4s. or 20 per cent. for the year to June 30th last.

The Chairman then dealt at some length with the company's interests in South Africa, with special reference to the most recent undertakings, West Witwatersrand Areas, Venterspost Gold Mining, Vogelstruisbult, Vlakkfontein and Spaarwater, all of which had made encouraging progress.

The Chairman then proceeded to give an exhaustive review of the company's outside interests, in the course of which he stated that in Australia the Wiluna Gold Corporation, Limited, had just had a most successful year, and dividends representing 2½ per cent. on the capital of the Corporation had been distributed. At Kalgoolie, the Lake View and Star property continued to show very fine profits, and had distributed dividends amounting to 57½ per cent. on its nominal capital. The Gold Fields Australian Development Company's activities during the year had been almost entirely devoted to the development of a group of leases adjacent to the Wiluna Gold Mines, Limited. Drilling and diamond drilling results had warranted the exercise of the option held by Gold Fields Australian Development Company, Limited.

The report and accounts were unanimously adopted.

BEKOH CONSOLIDATED RUBBER ESTATES, LIMITED

DIVIDEND RESUMED

The fourteenth ordinary general meeting of this company was held, on the 30th ultimo, at 2-4 Idol Lane, London, Mr R. W. Harrison, the chairman, presiding.

The Chairman said in the course of his address: As I anticipated when addressing you last year, a great improvement has taken place in the outlook for the rubber industry. Owing to the expectation of restriction, the price of rubber, which at the commencement of our last financial year was under 4d. per lb., steadily improved, and for June, the last month of our year, the average for the month was rather over 6½d.

Though only a very small proportion of our crop got the benefit of the 7d. price, the year's working resulted in a profit of £6,381—against a loss of £709 in the previous year. We bring forward £11,863, which, added to the profit, gives us £18,246 to deal with to-day. This, subject to your approval, we propose to allocate as follows: to transfer to income-tax reserve £300; to pay you a dividend at the rate of 2½ per cent. less tax; and to carry forward the balance of £12,145.

The year's crop amounted to 846,582 lbs. of rubber, against 960,565 lbs. in the previous year, a shortfall of 110,983 lbs.

The cost of production was again low, though slightly higher than in the previous year. The respective figures being an estate cost of approximately 2d. per lb., against 1½d., and all-in cost, which includes London expenditure and transit and selling charges, was 3½d., against 2½d. The price obtained for the crop was slightly over 5d. per lb., against 2 3/5d. in the previous year.

Our standard production under the restriction scheme has been fixed at 1,084,735 lbs., so during the first three months of 1935, for which period there is a cut of 25 per cent., we shall be able to export at the rate of about 68,000 lbs. per month.

As restriction becomes fully operative and world stocks show a steady reduction, it is to be hoped that the price will recover to one that will be remunerative to all connected with the industry.

The report and accounts were adopted.

FOR BANKING IN FINLAND

KANSALLIS-OSAKE-PANKKI

ESTABLISHED 1889

Head Office: HELSINGFORS

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189 BRANCHES

ENSURES PROMPT AND EFFICIENT
EXECUTION OF YOUR

COLLECTIONS AND PAYMENT ORDERS

STEAUA ROMANA (BRITISH), LIMITED

INCREASED TRADING PROFIT

The fourteenth annual general meeting of Steaua Romana (British), Limited, was held, on the 6th instant, at Winchester House, London, E.C.

Sir Albert G. Stern, K.B.E., C.M.G., who presided, after dealing with the difficulties of producers of oil in Roumania arising, among other things, from the situation in the United States, said that results shown by the Roumanian company during the period under review did not make a very satisfactory showing. Although it was found possible to repeat for 1933 the dividend of 5 per cent. paid for 1932, difficulties had been experienced on account of foreign exchange restrictions as regarded the payment of foreign shareholders. The same restrictions had made it impossible for the Roumanian company to make any further repayments of the temporary advances made by this company.

As to the internal affairs of the Steaua Romana, the external adverse circumstances had been partially countered by increased efficiency and by still further reductions in the cost of drilling, producing and refining. The economies under the first two of these headings had been assisted by the further rational development of the Aricesti field. Production in this field was maintained at approximately 750 tons daily, and could have been increased had it not been advantageous to continue to purchase certain quantities of crude oil on the open market to complete refinery requirements. This latter policy had the advantage of conserving the company's existing lands against a day when prices and profits might prove to be greater.

In June last tanker freights had increased by 21 per cent. compared with the corresponding period of 1933, and to-day's rates showed a further increase of 15 per cent. If to-day's rates could be maintained, profits from the Steaua Romana's fleet would make a satisfactory showing.

The trading profit showed an increase over last year, which, in view of all the difficulties existing, was a very satisfactory result. The directors recommended a final dividend on the ordinary shares at the rate of 2 per cent., less tax (making 4 per cent. for the year), placing £10,000 to a reserve for staff pensions, £15,000 to general reserve, and carrying forward £34,648.

The report was unanimously adopted.

TOWN INVESTMENTS, LIMITED

UNASSAILABLE FINANCIAL STRUCTURE

The twelfth ordinary general meeting of Town Investments, Limited, was held, on the 6th instant, at 47 Grosvenor Street, London, W.

Mr A. Maitland Kisch, F.S.I. (chairman and managing director) said that he was pleased to report continued prosperity. The net profit was £63,383, some £3,000 less than a year ago, but he anticipated that that result would be satisfactory when the shareholders appreciated the investment difficulties of the time. The net profit represented net earnings of slightly under 20 per cent. upon the ordinary capital. This rate of earnings was about equal to the average of the last three years. The addition of £10,000 from the year's profits, together with the transfer of £20,000 previously standing to the credit of dividend equalisation, had increased the general reserve to £250,000, a sum equal to the authorised and issued ordinary capital.

The balance sheet was an impressive one and revealed an unassailable financial structure. The position was liquid and offered great scope for expansion. It had been the directors' keen desire to build up on strong foundations, and in that they had succeeded. Up-to-the-hilt distributions could not enhance the real value of their enterprise.

The outstanding feature of the year had, however, been the rapid increase in flat construction within a mile or so of the West-end. The western trend of business continued, and it was significant that tenants generally were now more discriminating and exacting and demanded every up-to-date convenience which modern architecture could devise.

The company possessed a secure business, and enjoyed the advantage of a valuable goodwill. Their scope was limitless, and he believed in their ability to prosper. Continued trade improvement already facilitated the letting of vacant business properties and should tend to restore declining rental values. Given international and political stability, they appeared to be "set fair" for that continued steady prosperity which they would spare no effort to maintain.

The report and accounts were unanimously adopted.

TREPCA MINES, LIMITED

SATISFACTORY RESULTS—DIVIDEND 12 PER CENT.

The seventh annual general meeting of Trepcia Mines, Limited, was held, on the 5th instant, at the Institute of Chartered Accountants, Moorgate Place, London.

Mr A. Chester Beatty (the chairman), in the course of his speech, said:—The profit and loss account shows a profit, before providing for depreciation and taxation, of £224,073. After providing for these items, and bringing in the balance of £9,960 from the previous year, there is available on appropriation account a total of £170,511. Against this there has been charged £66,960 for the interim dividend of 6 per cent. paid in June last. We now recommend the payment of a final dividend of 6 per cent., making a total of 12 per cent. for the year. This final dividend will absorb a further £66,962, and will leave £36,589 to be carried forward. These figures have been obtained in face of adverse factors, and I think under the circumstances they may be considered not unsatisfactory.

Development during the year consisted mainly of the further opening up of the ore-body above the 610 metre or deep adit level. You will see from the report of the general manager that on the 670 metre level an important additional body of ore, detached from the main ore-body, has been discovered; recent development has proved its area to exceed 1,000 square metres, the limits not having yet been determined. With this addition, the area of ore opened up on this level is larger than on any other so far developed, and to date amounts to 7,742 square metres. This discovery indicates that considerable tonnages of ore may be found outside the main ore-body.

The ore reserves, as calculated at September 30th last, amounted to 2,500,000 tons of an average value of 8.7 per cent. lead and 8.5 per cent. zinc. In making this calculation, no tonnage below the 610 metre level has been included. The diamond drilling carried on during the year below this level, however, has yielded very satisfactory results, the ore-body having been proved to continue down for at least another 300 metres.

I think we have every reason to be satisfied with our property and its prospects. The mine is in excellent shape, with ample ore reserves, and the treatment plant has proved its capacity to handle a tonnage largely in excess of what was originally anticipated.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended December 1, 1934, amounted to £7,613,000 against ordinary expenditure of £31,971,000. After allowing for a decrease in Exchequer Balances of £212,426, the operations for the week, as shown below, increased the National Debt by £24,396,000 to approximately £8,131 millions.*

(000's omitted)

Public Department Advances	+ 10,600	Cattle Ind. Temp. Advances	— 250
Treasury Bills	+ 14,188	P.O. & Teleg. Cap. Expenditure	— 350
National Savings Certificates	+ 250	N. Atlantic Shipping Issues	— 22
	+ 25,038		— 622

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Dec. 1, 1934	April 1, 1933, to Dec. 2, 1933	Week ended Dec. 1, 1934	Week ended Dec. 2, 1933
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	219,500,000	69,427,000	59,748,000	1,063,000	1,083,000
Excise	50,000,000	10,100,000	10,980,000	170,000	280,000
Sur-tax	76,000,000	53,550,000	60,840,000	1,440,000	1,380,000
Estate, etc., Duties	25,000,000	12,650,000	12,060,000	580,000	330,000
Stamps	1,200,000	...	...	...	...
Excess Profits Duty and Corporation Profits Tax	...	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	190,000	...	...
Total Inland Revenue	372,500,000	145,887,000	143,818,000	3,253,000	3,053,000
Customs and Excise—					
Customs	183,650,000	128,533,000	121,395,000	3,260,000	3,040,000
Excise	108,350,000	71,700,000	73,427,000	1,300,000	1,491,000
Total Customs and Excise	292,000,000	198,233,000	194,822,000	4,560,000	4,541,000

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Dec. 1, 1934	April 1, 1933, to Dec. 1, 1933	Week ended Dec. 1, 1934	Week ended Dec. 2, 1933
Motor Vehicle Duties (Exchequer share)	£ 5,000,000	£ 1,933,000	£ 1,928,000	£ 475,000	£ 475,000
Post Office (Net receipt)	14,000,000	12,000,000	12,500,000	2,800,000	2,800,000
Crown Lands	1,220,000	1,010,000	880,000	230,000	230,000
Receipts from Sundry Loans	3,800,000	3,179,011	3,504,408	730,000	730,000
Miscellaneous Receipts	20,000,000	12,186,845	18,733,002	531,575	531,575
Total Ordinary Revenue	708,520,000	374,428,856	376,183,410	7,612,805	7,322,707
SELF-BALANCING REVENUE	60,463,000	37,950,000	37,000,000	1,850,000	1,400,000
Post Office	24,255,000	10,422,000	9,307,000	532,000	335,000
Motor Vehicle Duties apportioned to Road Fund	84,718,000	48,372,000	46,307,000	2,182,000	1,735,000
Total Self-Balancing Revenue	84,718,000	48,372,000	46,307,000	2,182,000	1,735,000
Total	842,800,000	422,800,856	422,490,410	9,794,805	9,057,707

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Dec. 1, 1934	April 1, 1933, to Dec. 1, 1933	Week ended Dec. 1, 1934	Week ended Dec. 2, 1933
ORDINARY EXPENDITURE	£ 224,000,000	£ 166,822,338	£ 170,298,582	£ 22,068,363	£ 26,303,995
Interest and Management of National Debt	6,500,000	3,614,283	3,718,907	226,644	...
Payments to Northern Ireland	3,700,000	2,238,968	2,545,992	480,677	16,617
Other Consolidated Fund Services	2,000,000	2,291,118	...	...	...
Post Office Fund	236,200,000	174,966,707	176,563,481	22,775,684	26,320,612
Total	466,296,000	298,056,319	288,383,576	9,195,000	9,525,000
SELF-BALANCING EXPENDITURE	60,463,000	37,950,000	37,000,000	1,850,000	1,400,000
Post Office	24,255,000	10,422,000	9,307,000	532,000	335,000
Road Fund	84,718,000	48,372,000	46,307,000	2,182,000	1,735,000
Total Self-Balancing Expenditure	84,718,000	48,372,000	46,307,000	2,182,000	1,735,000
Total	519,395,000	315,955,277	315,152,684	34,152,684	37,580,612

The aggregate revenue and expenditure to December 1, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO DECEMBER 1, 1934 (000's omitted)	
Expenditure	471,023
Revenue	374,429
Decrease in balances	48
Gross increase in borrowing	101,511
Less—	
New Sinking Fund	4,965*
Net borrowing	96,546
	471,023

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT		Movement week ended	
Ways and Means Advances Outstanding	Dec. 2, '33	Mar. 31, '34	Dec. 1, '34
Advances of Bank by England	7,250,000	2,250,000	+ 2,250,000
Advances by Public Departments	42,990,000	44,900,000	+ 8,350,000
Treasury Bills outstanding	914,375,000	799,810,000	+ 14,170,000
Total Floating Debt	964,615,000	844,710,000	+ 24,770,000

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

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 Treasury bills were opened on November 30, 1934, and the total amount applied for was £48,385,000. Tenders were accepted for Treasury bills at three months dated Monday at 99 17s. 7d., about 95 per cent., and above in full; Tuesday at 99 17s. 7d., and above in full. The average rate per cent. was 9s. 3.94d. The amount allotted

NOTICES

Bank of Montreal, London, have received a cable from head office announcing that W. A. Bog, Norman J. Dawes and W. Stanford Evans have been appointed directors of the bank.

was £40,000,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,880,000	43,850,000	2 3 3.73
July 1	45,000,000	59,945,000	45,000,000	0 16 11.82
October 7	55,000,000	100,325,000	50,000,000	0 16 11.24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 18 10.84
July 7	45,000,000	83,890,000	42,000,000	0 10 4.85
October 6	45,000,000	100,450,000	45,000,000	0 12 9.98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11.5
April 6	40,000,000	80,390,000	38,000,000	0 17 9.01
July 6	35,000,000	62,745,000	32,000,000	0 16 4.14
October 5	35,000,000	65,260,000	31,510,000	0 15 9.702
November 8	35,000,000	58,265,000	32,000,000	0 5 2.65
November 16	35,000,000	41,875,000	31,675,000	0 4 9.46
November 23	40,000,000	48,555,000	40,000,000	0 6 3.97
November 30	40,000,000	48,385,000	40,000,000	0 9 3.94

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended November 17, 1934	786,121	£ 628,897
February, 1916, to November 17, 1934	1,203,283,871	£ 948,220,847

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, December 5, 1934

ISSUE DEPARTMENT	
Notes Issued:—	£
In Circulation	385,447,319
In Banking Department	66,735,485
Government Debt	11,015,100
Other Government Securities	245,509,211
Other Securities	790,183
Silver Coin	2,745,500
Amount of Fiduciary Issue	260,000,000
Gold Coin and Bullion	192,182,804
Total	452,182,804

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	84,806,413
Reserves	3,334,226	Other Securities:—	
Public Deposits*	8,603,065	Discounts and Advances	£9,568,379
Other Deposits:—		Securities	£10,101,057
Bankers'	£108,852,033		19,667,436
Other Accounts	£36,392,865		66,735,485
7-day and Other Bills	40	Notes	171,735,229
	171,735,229	Gold and Silver Coin	525,895
		Total	171,735,229

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

Both Departments		Amount, Dec. 5, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation		£ 385,447,319	+ 5,760,371	+ 10,566,174
Public deposits		8,603,065	+ 19,089,889	+ 1,706,800
Bankers' deposits		108,852,033	+ 19,726,201	+ 7,021,146
Other deposits		36,392,865	+ 1,740,902	+ 21,166
Seven-day bills		40	—	—
Total outside liabilities		539,295,322	+ 4,655,781	+ 5,229,573
Capital and rest		17,887,226	+ 56,038	+ 7,079
Government debt and securities		341,330,724	+ 4,396,359	+ 9,922,282
Discounts and advances		9,568,379	+ 410,647	+ 1,070,735
Other securities		10,831,246	+ 71,928	+ 5,792,679
Silver coin in issue department		2,745,500	+ 50,923	+ 896,933
Coin and bullion (bank's reserves)		192,708,699	+ 27,664	+ 933,247
Reserves of notes and coin in banking department		67,261,380	+ 5,732,707	+ 9,632,927
Proportion of reserve to outside liabilities:—				
(a) Banking Department only ("proportion")		43.7%	— 3.4%	— 4.6%
(b) Gold stocks to deposits and notes ("reserve ratio")		35.7%	— 0.3%	— 0.2%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934							
Oct. 31	£ 452,001	£ 378,369	£ 16,894	£ 100,419	£ 39,812	£ Nil	2 1/2
Nov. 7	452,050	379,787	9,984	107,165	38,068	49 in	2 1/2
" 14	452,050	378,876	20,930	97,876	36,765	Nil	2 1/2
" 21	452,113	376,905	25,338	95,891	37,671	63 in	2 1/2
" 28	452,113	379,687	27,693	89,126	38,134	Nil	2 1/2
Dec. 5	452,183	385,447	8,603	108,852	36,393	70 in	2 1/2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"	
1934									
Oct. 31	£ 255,968	£ 1,060	£ 192,650	36	£ 80,894	£ 8,901	£ 10,748	£ 74,280	47 1/2
Nov. 7	256,442	634	192,646	36	79,804	9,642	10,655	72,859	46 1/2
" 14	256,905	200	192,638	36	79,051	9,633	10,887	73,763	47 1/2
" 21	256,518	637	192,696	36	80,091	8,641	12,182	75,791	47 1/2
" 28	256,573	631	192,681	36	80,361	9,156	10,272	72,994	47 1/2
Dec. 5	256,524	730	192,709	35 1/2	84,806	9,566	10,101	67,261	43 1/2

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to November 21	£ 27,343,041	£ 1,568,608	£ 2,666,804	£ 31,578,453
Week ended November 23	637,448	31,325	51,611	730,384
Week ended December 5	636,157	37,509	65,710	739,376
Total to date, 1934	28,626,646	1,637,442	2,784,125	33,048,213
Total to date, 1933	25,869,215	1,548,328	2,590,413	30,007,956
Increase or decrease in 1934	+ 2,757,431	+ 89,114	+ 193,712	+ 3,040,257
	+ 10.6%	+ 5.7%	+ 7.5%	+ 10.1%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933	+ 119,153	+ 46,268	+ 98,552	+ 25,667
	+ 0.4%	+ 2.8%	+ 3.6%	+ 0.07%

PROVINCIAL

(000's omitted)

No. of working days :	Week ended December 1		Month of November			Aggregate Totals, January 1 to December 1	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
BIRMINGHAM	£ 2,623	£ 2,754	26 9,924	26 9,887	— 0.3	£ 106,502	£ 107,075
BRADFORD	1,502	1,132	3,765	3,553	— 5.6	40,119	41,067
BRISTOL	1,179	1,241	4,969	5,166	+ 3.9	52,539	56,322
DUBLIN	5,481	5,112				243,478	248,671
HULL	751	643	3,020	3,140	+ 3.9	33,271	34,272
LEEDS	994	895	3,639	3,673	+ 0.9	40,779	43,177
LEICESTER	587	605	2,739	2,722	— 0.6	29,670	29,692
LIVERPOOL	6,215	7,025	26,682	27,800	+ 4.1	281,391	288,616
MANCHESTER	11,219	10,425	41,000	42,951	+ 4.7	443,159	456,687
NEWCASTLE	1,571	1,712	6,248	6,362	+ 1.8	67,264	74,442
NOTTINGHAM	469	392	1,841	1,952	+ 6.0	20,623	20,742
SHEFFIELD	947	716	3,238	3,763	+ 16.2	36,346	39,315
	33,538	32,652	107,065	110,969	+ 3.6	1,395,132	1,436,078

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

Assets	Dec. 7, 1933	Nov. 14, 1934	Nov. 21, 1934	Nov. 28, 1934	Dec. 5, 1934
Gold certificates on hand and due from the Treasury	3,779,380	5,018,690	5,315,660	5,327,630	5,350,180
Total reserves	206,530*	231,230	240,300	220,220	218,770
Total cash reserves	115,560	9,140	10,720	11,870	5,650
Total bills discounted	61,280	5,710	5,580	10,470	16,150
Bills bought in open market	176,840	14,850	18,410	17,550	10,200
Total bills on hand	2,431,060	2,430,170	2,430,150	2,430,170	2,430,200
Industrial Advances	2,609,500	2,468,540	2,465,570	2,460,840	2,458,560
Total U.S. Govt. securities	6,906,800	8,474,180	8,397,930	8,339,900	8,384,280
Total resources	3,042,720	3,178,510	3,157,690	3,188,470	3,213,800
Liabilities					
Federal Reserve notes in actual circulation	208,740	28,160	27,770	27,770	27,480
Federal Reserve Bank notes in circulation	2,561,180	4,106,930	4,195,890	4,108,450	4,073,390
Deposits—Memberbank—reserve account	98,400	33,180	32,700	35,580	98,370
Government deposits	2,814,440	4,323,570	4,387,700	4,354,020	4,347,660
Total deposits	423,900	287,610	287,650	287,940	289,120
Capital paid in and surplus	6,906,800	8,474,180	8,397,930	8,339,900	8,384,280
Total liabilities					
Ratio of total reserves to Federal Reserve note liabilities combined	64.5%	70.3%	70.4%	70.6%	70.8%

* Reserves other than gold.

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

Assets	Dec. 7, 1933	Nov. 14, 1934	Nov. 21, 1934	Nov. 28, 1934	Dec. 5, 1934
Total gold reserves	854,590	1,740,900	1,835,970	1,817,090	1,759,080
Total bills discounted	43,110	6,030	6,940	8,160	7,270
Bills bought in open market	24,060	2,080	2,060	2,060	2,050
Total U.S. Govt. securities	831,680	777,750	777,750	777,750	787,730
Total bills and securities	899,840	791,880	790,950	789,650	787,730
Deposits—Memberbank—reserve account	905,900	1,654,620	1,774,130	1,694,320	1,628,190
Ratio of total reserves to Federal Reserve note liabilities combined	54.9%	71.6%	72.6%	72.5%	71.8%

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

Assets	Nov. 10, 1933	Oct. 12, 1934	Oct. 19, 1934	Oct. 26, 1934	Nov. 2, 1934	Nov. 9, 1934
Total securities	46,227	48,195	48,175	48,779	49,712	47,093
Ways and means advances	6,000	2,857	3,162	2,254	2,119	2,310
Loans	13,700	13,800	14,137	13,819	13,705	13,645
Cash credits	2,257	1,930	1,994	2,257	2,081	2,239
Inland bills	31,79	33,21	30,88	23,37	19,75	25,18
Foreign bills	2,591	2,532	2,502	2,502	2,500	2,504
Dead stock	13,93	11,66	9,14	11,90	16,47	8,93
Bal. with other banks	21,438	24,375	24,758	27,947	26,892	23,464
Cash	5,620	5,620	5,620	5,620	5,620	5,620
Capital paid up	82,100	82,100	82,100	82,100	82,100	82,100
Reserve	6,810	5,970	5,270	5,270	5,270	5,270
Total deposits	82,100	82,100	82,100	82,100	82,100	82,100
The above include:						
Deposits in London	917	885	899	845	897	847
Advances in London	948	1,516	1,511	1,509	1,507	1,507
Cash, etc., at other banks in London	107	90	72	93	127	69

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

Assets	Dec. 1, 1933	Nov. 9, 1934	Nov. 16, 1934	Nov. 23, 1934	Nov. 30, 1934
Gold	77,372,613	82,164,737	82,070,919	81,976,308	82,096,894
Foreign assets					
Sight deposits	37,250	8,150	9,672	8,976	9,024
Bills, etc.	1,214,889	920,589	921,034	921,325	950,651
Home bills	3,502,612	3,638,941	3,387,855	3,922,016	3,068,338
Advances against sec.	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
To the State	2,902,768	3,215,719	3,195,625	3,132,426	3,227,682
Negotiable Bonds	6,186,422	5,898,204	5,898,204	5,898,204	5,898,204
Sinking Fund Debt	5,574,393	5,119,490	4,968,011	4,896,845	5,649,302
Other assets (excluding forward exch.)					
Notes in circulation	82,108,154	80,641,125	80,193,476	79,956,500	81,879,439
Public deposits	2,418,441	5,312,915	5,505,355	5,406,455	4,829,023
Private deposits	12,917,674	15,942,977	15,768,723	16,374,743	15,314,264
Other liabilities	2,546,677	2,268,772	2,185,767	2,218,400	2,077,371
Ratio of gold reserve to sight liabilities	79.2%	80.5%	80.7%	80.4%	80.3%

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

Assets	Nov. 30, 1933	Nov. 15, 1934	Nov. 24, 1934	Dec. 1, 1934
Gold	405,398	78,170	78,390	78,593
Of which deposited abroad	50,817	21,204	21,204	21,204
Reserve in foreign currencies		4,258	4,152	4,141
Bills of exchange and cheques	3,027,672	3,508,532	3,454,792	3,856,605
Silver and other coin	198,917	266,187	286,481	189,777
Notes of other German banks	3,352	13,691	16,630	5,127
Advances	162,897	84,777	81,783	118,988
Investments	518,285	749,725	749,675	752,016
Other assets	570,361	666,745	685,159	686,067
Liabilities				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,541,707	3,614,901	3,526,039	3,809,663
Other daily maturing obligations	477,844	869,767	935,009	961,162
Other liabilities	247,360	264,420	273,217	297,692
Cover of note circulation	11.5%	2.28%	2.34%	2.17%

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

Assets	Position, May 28, 1934	Nov. 30, 1934	Nov. 7, 1934	Nov. 15, 1934	Nov. 22, 1934	Nov. 29, 1934
Gold	232,650	2,721,134	2,557,837	2,522,516	2,507,842	2,502,951
Silver and other coin	67,770	77,730	77,833	79,445	81,346	81,346
Securities	697,600	776,062	644,908	626,149	639,960	671,401
Liabilities						
Notes in circulation	934,150	3,453,356	3,536,856	3,509,165	3,479,797	3,501,177
Deposits: Govt.	36,498	36,498	35,834	39,222	39,738	39,738
Other	364,898	168,271	161,334	167,911	185,471	185,471

(a) In thousand francs.

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

Assets	Position, May 30, 1914	Dec. 4, 1933	Nov. 12, 1934	Nov. 19, 1934	Nov. 26, 1934	Dec. 3, 1934
Gold	163,922	880,912	870,650	855,603	843,699	843,699
Silver	8,438	25,976	19,649	18,792	18,185	17,362
Home bills discount		30,982	26,323	26,105	25,993	38,034
Foreign bills	253,504	1,437	866	866	866	866
Loans and advances in current acct.		142,275	146,649	145,324	144,727	147,531
Notes in circulation	316,632	925,544	880,450	880,609	881,946	913,568
Deposits	5,016	211,167	207,488	204,916	186,920	169,777

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

Assets	Position, May 31, 1914	Nov. 30, 1933	Nov. 7, 1934	Nov. 15, 1934	Nov. 23, 1934	Nov. 30, 1934
Gold	171,175	1,998,096	1,907,580	1,909,819	1,909,827	1,909,827
Of which deposited abroad		455,333	201,858	183,151	172,783	172,783
Foreign gold valuta		13,747	19,055	19,815	18,787	17,296
Discounts		56,493	18,318	18,324	20,821	20,679
Bills of the Confederation		52,324	8,372	7,372	7,372	4,372
Advances	103,000	64,685	75,708	74,078	72,252	79,556
Securities		65,966	59,321	52,088	52,083	52,029
Notes in circulation	275,925	1,436,472	1,351,842	1,326,305	1,321,518	1,376,434
Deposits	33,750	750,512	682,942	692,396	693,538	641,618

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

Assets	Nov. 20, 1933	Oct. 20, 1934	Oct. 31, 1934	Nov. 10, 1934	Nov. 20, 1934
Gold, coin and bullion	7,078,500	6,116,900	6,070,600	6,017,400	5,950,600
Foreign bills and balances abroad	312,800	291,200	291,600	290,300	289,700
Other cash					
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Advances	460,100	1,263,900	1,771,000	1,630,700	1,458,200
Credit with Institute for Industrial Reclamation	1,212,300	1,088,800	1,088,800	1,088,500	1,085,100
Government securities	1,371,100	1,383,600	1,383,600	1,383,500	1,383,200
Liabilities					
Notes in circulation	12,898,600	13,033,600	13,251,400	13,124,100	12,913,000
Public deposits	300,000	1,092,600	1,518,800	1,569,300	1,410,400
Other deposits and drafts	1,579,000	975,000	836,000	775,300	823,700
Ratio of reserve to note and sight liabilities combined	49.97%	42.94%	42.39%	42.57%	42.59%

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

Assets	Dec. 2, 1933	Nov. 8, 1934	Nov. 15, 1934	Nov. 23, 1934	Nov. 30, 1934
Gold reserve—Swedish	238,140	282,746	283,175	283,785	284,137
Government securities—Swedish	226,062	171,663	168,776	168,348	168,348
Foreign		46,556	46,556	46,556	46,556
Gold abroad not included in the gold reserve	110,829	76,385	67,624	67,532	67,479
Bills payable in Sweden	15,984	11,533	11,383	11,884	12,229
Bills payable abroad	166,139	351,554	351,554	351,648	351,534
Advances	264,385	110,832	109,550	111,665	121,036
Liabilities					
Notes in circulation	584,154	635,067	623,326	576,975	651,390
Government deposits	239,896	105,243	153,709	262,922	238,658
Private deposits	283,700	347,907	297,256	236,924	204,713

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

Assets	Position, 1914	Nov. 30, 1933	Nov. 15, 1934	Nov. 23, 1934	Nov. 30, 1934
Coin and bullion—Gold	44,224	118,305	118,450	118,467	118,483
Balance abroad and foreign bills	28,533	4,423	35,359	35,627	37,063
Funds provisionally placed in gold not included in the gold reserve		29,277	16,379	16,379	16,379
Norwegian and Foreign Government securities	8,816	29,190	33,248	32,842	32,748
Discounts and loans	76,911	253,839	251,758	252,244	252,997
Liabilities					
Notes in circulation	113,484	309,216	306,856	307,555	314,987
Deposits at sight	7,188	65,734	89,256	85,861	83,531

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

Assets	Position, May 30, 1914	Nov. 25, 1933	Nov. 3, 1934	Nov. 10, 1934	Nov. 17, 1934	Nov. 24, 1934
Gold	226,026	2,260,026	2,266,172	2,266,293	2,266,498	2,266,600
Silver	728,600	646,510	671,772	667,209	670,356	674,942
Loans & Discounts	800,725	2,749,414	2,574,868	2,531,496	2,493,914	2,496,271
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Adv. to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
Liabilities						
Notes in circulation	901,550	4,749,682	4,788,613	4,795,110	4,725,787	4,669,318
Deposits	477,500	900,889	884,735	909,768	968,263	1,017,404

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

	Nov. 15, 1933	Oct. 17, 1934	Oct. 24, 1934	Oct. 31, 1934	Nov. 7, 1934	Nov. 14, 1934
ASSETS						
Gold	734,702	900,724	900,863	900,957	901,026	901,199
Balances	298,403	380,394	380,965	383,553	394,568	415,115
Discounts	315,875	310,718	310,905	313,945	317,020	317,171
Government loans	1,052,072	1,049,444	1,049,444	1,049,444	1,049,444	1,049,444
LIABILITIES						
Notes in circulation	1,945,895	2,048,999	2,051,029	2,073,700	2,075,697	2,052,400
Government deposits	274,558	236,066	236,470	359,833	359,833	359,833
Bankers' deposits	274,595	458,985	432,482	318,872	332,020	342,332
Other deposits	31,994	26,963	36,135	45,838	36,767	33,333

OVERSEAS BANK RATES

Changed	From	To	Changed	From	To
Albania	Nov. 18, 1933	8 7/8	Madrid	Oct. 26, 1932	6 1/2
Amsterdam ..	Sep. 18, 1933	3 1/2	Oslo	May 24, 1933	4 3/4
Athens	Oct. 14, 1933	3 1/2	Paris	May 31, 1934	3 3/4
Batavia	Nov. 1, 1934	4 1/2	Prague	Jan. 25, 1933	4 1/2
Belgrade	July 16, 1934	7 1/2	Pretoria	May 15, 1933	4 3/4
Berlin	Sep. 22, 1932	5 1/2	Tallinn	Jan. 28, 1932	6 1/2
Brussels	Aug. 28, 1934	2 1/2	Riga	Jan. 1, 1933	6 1/2
Bucharest	Apr. 5, 1933	7 1/2	Rome	Nov. 28, 1934	3 1/2
Budapest	Oct. 17, 1932	5 1/2	Sofia	Jan. 3, 1934	8 1/2
Calcutta	Feb. 16, 1933	4 1/2	Stockholm ..	Dec. 1, 1933	3 1/2
Copenhagen ..	Dec. 1, 1933	3 1/2	Swiss Bank ..	Jan. 22, 1931	2 1/2
Danzig	Sep. 21, 1934	3 1/2	Swiss Bank ..	July 2, 1933	4-38
Helsingfors ..	Dec. 3, 1934	4 1/2	Tokio	June 27, 1932	5 1/2
Kovno	Jan. 1, 1934	7 1/2	Vienna	Oct. 29, 1933	6 1/2
Lisbon	Dec. 8, 1933	6 1/2	Warsaw	June 30, 1932	3 1/2
New York Fed. Reserve	Feb. 1, 1934	2 1/2	Irish		

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
 a 5 1/2% applied to banks and credit institutions.
 b 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Dec. 6, 1934	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934	Nov. 28, 1934	Dec. 5, 1934
Call money	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Time money (90 days' mixed coll.)	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Bank acceptances:—						
Members—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Non-members—eligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Ineligible, 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Commercial accept., 90 days	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Rates of Exchange, New York on—	Par Level	Dec. 6, 1933	Nov. 21, 1934	Nov. 28, 1934	Dec. 5, 1934
London—					
60 days					
Cable					
Cheques					
Paris—					
60 days					
Cable					
Cheques					
Switzerland ..					
Italy					
Berlin					
Vienna					
Madrid					
Amsterdam ..					
Copenhagen ..					
Oslo					
Stockholm ..					
Athens					
Montreal					
Yokohama					
Shanghai					
Calcutta					
Buenos Aires ..					
Rio de Janeiro ..					

SOUTH AFRICAN EXCHANGE RATES

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on:—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa ..	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

	Sight	Telegraphic
London on:—		
Rhodesia	£ 99 15 0	£ 99 15 0
South Africa ..	£ 100 2 6	£ 100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	Sight	(a) 20-26
Colombia (Bogota) ..	Pesos to £	5	"	(b) 7-68 1/2
Ecuador	Sucres to £	24-3225	"	(c) 59-29
Nicaragua	Cordobas to £	4-8665	"	"
Salvador	Colones to £	9-73	"	12-56
Venezuela	Bolivares to £	25-2215	"	19-32
Guatemala	Quetzales to £	25-2215	"	5-06

*No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate (b) " Free " Market Rate. (c) Official Rate.

The Anglo-South American Bank, Limited, has received telegraphic advice from the Madrid Branch that the gold surcharge for the payment of Spanish Customs Duties has been fixed for the period December 1st to 10th at 138-85 per cent. The previous rate was fixed as from November 21st at 139-19 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand	Aus- tralia	New Zealand
T.T.	125 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
Sight	125 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
30 days ..	125 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
60 days ..	125 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2
90 days ..	125 1/2	125 1/2	125 1/2	124 1/2	125 1/2	124 1/2	125 1/2	124 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

	During the week ending Dec. 1, 1934	From Apr. 1 to Dec. 1, 1934
Sterling purchased in India	50,000	20,372,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	...	-2,250,000
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	...	...
Total remittance to Home Treasury	50,000	18,122,000
India Office, S.W.1, Dec. 4, 1934.		

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for week ended December 6, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended December 6, 1934			Gold Exported from Great Britain and Northern Ireland, week ended December 6, 1934		
From	Bullion*	Coins†	To	Bullion*	Coins†
Netherlands	£ 4,700	£ 5,291	Netherlands	£ 87	£ 26,500
Belgium	62,965	10,047	Belgium	...	111,081
France	20,770	1,355	France	225	106,054
Venezuela	8,289	...	Switzerland	1,348	8,465
British S. Africa ..	1,245,189	...	U.S.A.	355,899	...
Tanganyika	4,580	...	Other countries ..	220	...
British India	238,211	8,290			
Australia	224,722	285			
Other countries ..	5,581	...			
Total	1,874,987	25,268	Total	357,779	252,100

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended December 6, 1934			Silver Exported from Great Britain and Northern Ireland, week ended December 6, 1934		
From	Bullion*	Coins†	To	Bullion*	Coins†
Netherlands	£ 15,838	£ 275	Netherlands	£ 3,019	£ ...
France	6,885	21,741	France	86,951	...
China	209,040	...	French Possessions in India	1,500	...
Japan	40,611	...	Italy	2,150	...
Aden and Depen- dencies	...	3,834	Austria	3,250	...
U.S.A.	1,800	99	U.S.A.	181,510	...
Other countries ..	34	...	Other countries ..	941	...
Total	272,408	27,749	Total	279,321	...

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934	ARRIVALS	1934	WITHDRAWALS
Nov. 30 ...	£ 722	Nov. 30 ...	£ Nil
Dec. 1 ...	Nil	Dec. 1 ...	Nil
" 2 ...	Nil	" 2 ...	Nil
" 3 ...	Nil	" 3 ...	Nil
" 4 ...	Nil	" 4 ...	Nil
" 5 ...	Nil	" 5 ...	Nil
" 6 ...	Nil	" 6 ...	Nil
Total	722	Total	Nil

Movement Nov. 30, 1934, to Dec. 6, 1934 (inclusive) £722 in
 Movement during year 1933 £71,094,909 in
 Movement during 1934 (January 1 to Dec. 6, inclusive) £1,432,420 in
 Movement April 29, 1925, to Dec. 6, 1934 (inclusive) £23,822,567 in
 Movement September 21, 1931 (gold standard suspended), to Dec. 6, 1934 (inclusive) £56,188,440 in

GOLD MARKET

Messrs. Samuel Montague and Co., writes on December 5, 1934, as follows:—

The Bank of England gold reserve against notes amounted to £192,113,083 on the 28th ultimo, showing no change as compared with the previous Wednesday. During the week the Bank of England reported purchases of bar gold to the total of £69,722.

Business in the open market has been on a smaller scale, the amount offered during the week being approximately £800,000. The weaker tendency of sterling in terms of the dollar has been reflected in the higher prices, and about £1,000,000 of gold has been shipped to New York.

Quotations during the week:—

	Per fine ounce	Equivalent value of £ sterling
November 29	139s. 6d.	12s. 2-16d.
" 30	139s. 8 1/2d.	12s. 1-94d.
December 1	139s. 9 1/2d.	12s. 1-85d.
" 2	140s. 2d.	12s. 1-46d.
" 3	140s. 6 1/2d.	12s. 1-07d.
" 4	140s. 11d.	12s. 0-69d.
" 5	140s. 1-25d.	12s. 1-53d.
Average		

Gold shipments from Bombay last week amounted to about £1,146,000. The s.s. "Kaisar-i-Hind" carries £1,040,000 consigned to London and the s.s. "President Van Buren" £106,000, consigned to New York. The Southern Rhodesian gold output for October, 1934, was 58,626 fine ounces, as compared with 58,850 fine ounces for September, 1934, and 55,196 fine ounces for October, 1933.

SILVER MARKET

The market has remained very steady and during the past week prices showed a variation of only 1/4d.

The Indian Bazaars and speculators continued to give support and buying for America followed the weaker tendency of sterling. China sales were again in evidence and with a few speculative re-sales, offerings were sufficient to cope with the moderate demand. Although at the moment buying is not being pressed, there are yet indications of a firm undertone.

Quotations during the week:—

IN LONDON		IN NEW YORK	
Bar silver per oz. std. delivery	Cash Two Months' delivery	Cents per Ounce	999 fine
November 29 ...	24 1/4d.	24 1/4d.	55 1/2
" 30 ...	24 1/4d.	" 29 ...	Holiday
December 1 ...	24 1/4d.	" 30 ...	55 1/2
" 2 ...	24 1/4d.	December 1 ...	55 1/2
" 3 ...	24 1/4d.	" 3 ...	55 1/2
" 4 ...	24 1/4d.	" 4 ...	55 1/2
" 5 ...	24 1/4d.	" 5 ...	55 1/2
Average	24-677d.	24-802d.	

The highest rate of exchange on New York recorded during the period from the 29th ultimo to the 5th instant was \$4-98 1/2 and the lowest \$4-93 1/2.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Nov. 30	Nov. 22	Nov. 15
Notes in circulation	18,556	18,508	18,492
Silver coin and bullion in India	9,673	9,624	9,651
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,321	3,332	3,298
Securities (British Government)	1,407	1,397	1,388

The stocks in Shanghai on the 1st instant consisted of about 31,200,000 ounces in sycee, 271,000,000 dollars and 38,500,000 ounces in bar silver, as compared with about 32,900,000 ounces in sycee, 280,000,000 dollars and 39,300,000 ounces in bar silver on the 24th ultimo.

Statistics for the month of November last are appended:—

	Bar Silver per oz. std. delivery	Cash Two Months' delivery	Bar Gold Per Ounce fine
Highest price	25 1/4d.	25 1/4d.	139s. 10d.
Lowest price	23 3/4d.	23 3/4d.	139s. 0 1/2d.
Average	24-2572d.	24-3822d.	139s. 5-46d.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce	Date	Silver Cash
		Cash	Forward	
1934	s. d.	d.	d.	d.
Nov. 30 ...	139 8 1/2	24 1/4	24 1/4	Dec. 13, 1928 26 3/8
Dec. 1 ...	139 9 1/2	24 1/4	24 1/4	" 12, 1929 22 1/2
" 3 ...	140 2	24 1/4	24 1/4	" 11, 1930 15 1/2
" 4 ...	140 6 1/2	24 1/4	24 1/4	" 10, 1931 20 1/2
" 5 ...	140 11	24 1/4	24 1/4	" 8, 1932 17 1/2
" 6 ...	140 7	24 1/4	25	" 7, 1933 18 1/2

COMPANY NEWS

REPORTS AND NOTICES

Messrs Thomas Skinner and Company announce that "The Bankers' Almanac and Year Book," 1934-35, will be published on December 11th.

The directors announce that Mr John Ivan Spens, of Messrs Brown, Fleming and Murray, 4 Frederick's Place, Old Jewry, E.C., has been elected to a seat on the board of the Union Discount Company of London, Ltd.

The Right Hon. Lord Aberconway, C.B.E., has been elected a member of the court of directors of the London Assurance.

Mr Edwin Fisher, deputy chairman of Barclays Bank, Ltd., has been appointed a director of the Alliance Assurance Company.

We understand that Mr J. T. H. Legge has resigned from the position of managing director of Edmundsons Electricity Corporation, Ltd., and his directorships on the associated companies.

It is announced that, in consequence of his appointment as Prime Minister of Belgium, Monsieur Georges Theunis, G.C.M.G., has resigned his seat on the board of the Imperial Continental Gas Association.

The Union Assurance Society, Ltd., announce that the Rt. Hon. Lord Stanmore, P.C., K.C.V.O., has been elected as chairman of the board in succession to the late Mr Fredk. Single.

BANKS

MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY, LTD.—

The Midland Bank Executor and Trustee Company, Ltd., has just completed the first quarter of a century of its existence, a period during which it has steadily enlarged the scope of its business. It was incorporated on December 7, 1909, as an affiliation of the Midland Bank, Ltd., which holds the whole of its shares. The authorised and subscribed capital of the company is £1,000,000, consisting of 200,000 shares of £5, of which £200,000, or £1 per share, is paid up. The reserve fund stands at £100,000 and, according to the last balance sheet, there is an undivided balance of £101,000 on profit and loss account. The directorate is identical with that of the bank, but the company has its own separate management and staff. The principal office of the company is situated in the head office building of the Midland Bank in Poultry, London, E.C.2. The manager of each of the 2,120 branches of the bank acts as an agent of the Executor and Trustee Company. In addition the company has direct offices of its own in Bangor, Birmingham, Bournemouth, Bristol, Leeds, Leicester, Liverpool, Manchester and Newcastle. The balance sheet of the Executor and Trustee Company is printed with the annual report of the Midland Bank.

INSURANCE

SUN LIFE ASSURANCE COMPANY OF CANADA.—In the United Kingdom the company's year ended on November 15, 1934, and the total new business, exclusive of a large volume transacted in other parts of the world, amounted to more than £7,000,000. This is an increase of £1,225,000 over last year's results. Advances were recorded in all branches of the company's activities. Included in the total new business figure is the sum of £1,306,827, representing purchase money for annuities taken with the Sun Life Assurance Company of Canada during 1934. The total assurances in force in the United Kingdom now exceed £67,000,000.

THE STANDARD LIFE ASSURANCE COMPANY.—This company announces the maintenance of its annual compound bonus of 42s. per cent. for the year ended November 15, 1934, the rate which has been paid for several years past.

OIL OUTPUTS

ATTOCK OIL COMPANY, LTD.—Production for November, 6,721 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended November 17th: Venezuela, 17,489 barrels; Trinidad, 31,753 barrels; total, 49,242 barrels. Production for the week ended November 24th: Venezuela, 16,471 barrels; Trinidad, 31,326 barrels; total, 47,797 barrels.

MEXICAN EAGLE OIL COMPANY, LTD.—Production for the week ended November 17, 1934, was 383,000 barrels.

PHOENIX OIL AND TRANSPORT.—The gross production of crude oil of the Phoenix group of companies for November was 78,594 tons.

TRINIDAD LEASEHOLDS, LTD.—Oil produced during November, 31,499 tons; oil purchased during November from other companies, 57,055 tons.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended November 24, 1934, was: Bolivar district, 652,061 barrels; Maracaibo district, 34,338 barrels; total, 686,399 barrels. Production for the week ended December 1st, 1934, was: Bolivar district, 642,734 barrels; Maracaibo district, 34,599 barrels; total, 677,333 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debiture Interest	Amount Available for Distribution	Appropriation			Corresponding Period Last Year	
					Dividend		Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit
					Prefe.	Ordinary			
					Amount	Amount	Rate		Dividend
Banks									
National Bank of Scotland	Nov. 1	£ 81,755	271,597	353,352	£ ...	136,400	16	£ 135,000	£ 81,952
Fremfins, Ltd.	Sept. 30	33,767	70,226	103,993	26,250	28,000	8	15,000	34,743
Leeds & Wakefield Breweries	Sept. 30	30,912	46,160	77,072	19,000	16,000	8	9,865	32,207
Massey's Burnley Brewery	Oct. 31	7,495	Dr. 6,683	807	...	...	...	...	808
Phipps (P.) and Co.	Sept. 30	73,599	131,741	205,340	8,750	90,512	12½	30,000	76,078
Simonds (H. and G.)	Sept. 30	98,145	194,362	292,507	26,400	66,990	16	98,701	100,416
Wenlock Brewery	Oct. 31	112,841	75,180	188,021	7,500	45,000	15½	25,401	110,120
Yates's Castle Brewery	Sept. 30	13,005	32,507	45,512	7,500	15,000	15	8,500	14,512
Younger (Robert)	Sept. 30	18,406	13,970	32,376	5,000	8,000	10½	...	19,376
Financial Land, etc.									
Beaumont Property Trust	Sept. 30	...	33,133	33,133	9,858	12,909	7½	4,500	5,866
New Zealand Loan and Mercantile Agency	June 30	27,126	89,038	116,164	38,750	...	...	...	77,414
Raleigh Cycle Holdings	Nov. 30	...	(d) 148,225	148,225	38,750	106,562	11	...	2,913
Taylor's (Cash Chemists) Trust	Sept. 29	3,654	(w) 50,874	54,528	31,735	...	...	10,000	12,793
Hotels, Restaurants, etc.									
Aerated Bread Company	Sept. 29	41,180	111,515	152,695	24,781	49,678	5	34,837	43,399
Frederick Hotels	June 30	73,988	5,517	79,505	...	...	...	...	79,505
Iron, Coal and Steel									
Blaenavon Co.	Sept. 30	Dr. 71,656	Dr. 33,238	Dr. 104,894	...	...	...	...	Dr. 104,894
Dorman, Long and Co.	Sept. 30	Dr. 450,078	38,154	Dr. 411,924	...	...	...	...	Dr. 411,924
Stewarts and Lloyds of S.A.	June 30	8,375	85,319	93,694	35,500	...	...	49,909	8,285
Motor Cycle and Aviation									
Pass and Joyce	July 31	Dr. 43,192	10,743	Dr. 32,449	...	...	...	...	Dr. 32,449
Oil									
Steaua Romana (British)...	June 30	39,885	104,947	144,832	...	62,000	4	48,184	34,648
Rubber									
Bandar Sumatra Rubber	July 31	Dr. 2,418	2,513	95	...	...	...	95	Dr. 2,825
Ceylon Cocoa and Rubber	Sept. 10	...	108	108	...	...	...	100	...
Djasinga Rubber & Produce	June 30	Dr. 27,491	28,406	915	...	...	...	915	Dr. 7,476
Gan Kee Rubber	June 30	494	1,689	2,183	700	...	...	1,483	Dr. 1,078
Glen Rubber	June 30	Dr. 223	Dr. 778	Dr. 1,001	...	...	...	Dr. 1,001	Dr. 587
Kelantan Rubber	June 30	...	(t) 2,001	2,001	...	...	...	971	...
Rubber Estates of Malaya	Sept. 30	58	8,871	8,929	...	6,200	2	1,000	7,729
Sekong Rubber	July 31	Dr. 6,963	51	Dr. 6,912	...	...	...	Dr. 6,912	Dr. 54
Sembilan Estates	July 31	182	12,086	12,268	8,400	4,301	4	Dr. 1,277	844
Serdang Central Plantations	Aug. 31	Dr. 1,255	2,236	981	...	...	...	981	Dr. 1,255
Sungei Kari Rubber	June 30	Dr. 8,020	1,371	Dr. 6,649	...	...	...	Dr. 6,649	Dr. 2,158
Tenasserim Plantations	July 31	Dr. 1,236	2,571	1,335	...	...	...	1,159	Dr. 1,236
Shipping									
Elder Dempster and Co.	Dec. 31	...	Dr. 24,864	Dr. 24,864	...	...	...	Dr. 24,864	Dr. 69,306
Shops and Stores									
Finlay and Co.	Sept. 30	29,197	47,024	76,221	1,938	33,906	12½	9,870	30,507
Harrods (Buenos Aires)	Aug. 31	...	Dr. 11,824	Dr. 11,824	...	12,656	5(v)	Dr. 24,480	83,696
South American Stores (Gath and Chaves)	Aug. 31	...	Dr. 154,246	Dr. 154,246	...	...	...	Dr. 154,246	36,610
Taylor's (Cash Chemists) (London)	Sept. 29	4,242	29,020	33,262	17,156	...	...	10,000	6,106
Taylor's Drug Co.	Sept. 29	24,401	42,780	67,181	15,250	22,000	7½	5,219	24,712
Timothy Whites	Sept. 29	19,127	150,569	169,696	96,370	43,915	17½	...	29,411
Tramways and Omnibuses									
Buenos Aires Town and Docks Tramways	June 30	1,080	1,865	2,945	...	...	...	2,945	Dr. 5,514
Ceara Tramway, etc.	June 30	5,992	3,248	9,240	...	...	...	1,383	7,857
Tilling (Thomas)	Dec. 31	135,023	340,625	475,648	16,500	197,756	15	261,392	328,825
Trusts									
London Scottish American	Oct. 31	99,792	43,709	143,501	17,438	23,250	6	...	102,813
Nelson Financial Trust	Oct. 31	19,892	20,647	40,539	9,441	12,745	3	...	18,353
Third Edinburgh Investment	Nov. 5	61,646	12,215	73,861	17,179	...	...	Dr. 2,482	59,164
Other Companies									
Angostura Bitters	Sept. 30	3,896	29,651	33,547	8,500	12,750	15	5,000	7,297
Bowater's Paper Mills	Sept. 30	44,107	91,709	135,816	55,000	19,376	5	40,000	136,938
Crompton Parkinson	Sept. 30	50,618	131,810	182,428	43,658	26,224	12½	55,234	57,312
Foster Clark, Limited	Sept. 27	69,996	80,678	150,674	7,500	70,000	20	...	73,674
Gainsborough Pictures (1928)	June 30	2,151	13,114	15,265	...	10,898	9	4,000	367
Manbre and Garton	Sept. 30	195,470	303,212	498,682	35,000	154,800	13½a	10,000	201,415
Power-Gas Corporation	Sept. 30	11,723	14,416	26,139	...	12,000	4	2,000	12,139
United Molasses Co.	Sept. 30	...	178,629	178,629	57,188	75,195	6	46,246	Dr. 658,194

(a) Ordinary shares. (b) Deferred shares. (c) Transferred to deficiency account. (d) From February 13, 1934, to November 30, 1934. (e) 15 months. (f) Interest upon funding certificates. (g) Eighteen months. (h) Free of income tax.

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Nov. 30, 1934	(c) Week ended Dec. 1, 1934	Miles Open	Gross Receipts, week ended Dec. 2, 1934 (£000)					Aggregate Gross Receipts 1934 compared with 1933, 48 weeks (£000)				
			Passenger	Freight	Mail	Other	Total	Passenger	Freight	Mail	Other	Total
Great Western	1934	3,750	168	188	108	296	464	9,685	8,640	4,745	13,385	23,070
Eastern	1934	3,752	163	187	106	293	456	9,662	8,144	4,068	12,812	22,474
L. & N.	1934	6,339	256	377	257	634	890	14,778	15,191	10,905	26,096	40,874
Scottish	1934	6,339	254	361	250	611	865	14,538	14,200	10,889	24,289	39,827
Southern	1934	6,940	384	469	265	734	1,118	22,806	21,454	10,871	32,325	55,131
Total	1934	6,941	369	467	276	743	1,112	22,427	20,122	10,435	30,557	52,984
1933	1933	2,176	244	71	42	113	357	13,985	3,067	1,494	4,551	18,536
1933	1933	2,181	230	70	41	111	341	13,758	2,952	1,411	4,363	18,121
Total	1934	192,061	105,211	672	1,777	2,829	61,254	48,352	28,005	76,357	137,611	172,711
1933	1933	121,131	101,685	673	1,758	2,774	60,385	45,418	26,603	72,021	132,406	160,126
(b) Belfast	1934	80	1-8	...	0-6	2-4	120-0	...	...	...	25-0	145-0
(c) Great	1934	562	7-7	...	0-6	2-3	121-3	...	...	...	25-1	146-4
(d) Great	1934	562	7-7	...	11-1	18-8	476-7	...	...	...	412-4	889-1
(e) Great	1934	562	6-8	...	10-9	17-6	372-2	...	...	...	340-8	712-9
(f) Great	1934	2,158	19-5	...	41-6	61-0	114-9	...	...	...	1596-3	2741-2
(g) Great	1934	2,158	18-8	...	36-6	55-4	112-9	...	...	...	1504-7	2632-6

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934

	(000's omitted)	1934				1933			
		Great Western	L.M.S.	L.N.E.R.	Southern	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:									
Gross increase or decrease	£	+ 399	+ 1,422	+ 1,479	+ 232				
Net increase or decrease*	£	+ 370	+ 1,000	+ 688	+ 90				
Second half-year 1934, compared with second half-year 1933:									
Gross increase or decrease	£	+ 197	+ 725	+ 568	+ 183				
Net increase or decrease*	£	+ 8½	+ 37½	+ 25½	+ 8½				
Weekly average second half 1934									
Latest week 1934 compared with 1933		+ 8	+ 6	+ 25	+ 16				

* Including receipts from ancillary businesses.

LONDON TRANSPORT

	Week ending	1934				1933			
		Takings	Compared with 1933			Takings	Compared with 1933		
Aggregate 22 weeks ending December 1, 1934	£	£556,400	+ 44,500			£511,900	+ 182,500		
For an explanation of the manner in which the figures are made up see the Economist, March 17, 1934, page 610.									
Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.									

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
Assam Bengal	31	1934		Rs.	- Rs.	Rs.	Rs.
Barsi Lt. Ry.	32	Nov.	3,130	3,71,000	- 17,953	1,10,88,113	+ 15,40,100
Bengal & N.Western ..	6	10	202	22,600	- 18,000	11,39,400	- 1,19,100
Bengal-Nagpur	31	2	2,112	5,22,882	- 1,38,588	31,74,590	- 2,31,285
Bombay & N.Western ..	6	10	3,269	\$15,67,000	+ 96,698	4,53,15,202	+ 36,44,955
Bombay, Bar.&C.I.	33	24	3,072	22,51,000	+ 2,16,000	6,72,80,000	+ 29,06,000
Madras & S. Mahr.	32	10	3,230	10,02,000	- 3,30,801	4,65,82,503	+ 6,41,620
Rohilk'd & Kumaon	6	10	572	97,491	- 1,393	5,95,705	+ 28,550
South Indian	31	6	2,526	9,33,890	- 1,29,761	3,35,68,166	+ 9,48,493
				\$ 8 days.			

§ 8 days.

COAL

SHEFFIELD.—Following an increase this week of the output quota for South Yorkshire from 60 per cent. to 65 per cent. larger supplies of steam coals are available for export. The recent scarcity is now ended. Most of the business passing is on prompt account. Forward export business is quiet. The home market continues active for all classes of fuel, although demand for house coal continues below normal and super qualities are neglected. Best steams fetch up to 17s. 6d. f.o.b., best house 21s. to 23s. at pits, and blast furnace coke 14s. 6d. at ovens.

NEWCASTLE-ON-TYNE.—Despite mild weather, which has lessened the domestic demand from the English coast, Northumberland steam collieries continue to work regularly, and the position is firm for several weeks ahead. The Swedish State Railways have negotiated for the supply of 11,000 tons of Tyne Prime screened steam coals and 8,000 tons of Durham screened steam coals, the prices being based upon current quotations. Active conditions continue in the Durham coking and gas coals, and there is a steady trade in the bunker section. Every class of coke has a good sale under a steady inland and foreign demand.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B. screened, 14s. 9d.; smalls, 11s. 6d.; Howards, Bentinck, Newbiggin screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. **DURHAM.**—Lambton, South Hetton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas 13s. 2d.; coking unscreened and/or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers 13s. 3d.; Prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—The market on the whole maintains a steady tone, with export prices tending upward. The latter trend is not so much due to an increase in new business with foreign buyers, which is still relatively quiet, as to a good home demand which reduces supplies available for shipment. The collieries are, however, fairly well booked, and the prompt position has also been helped by the better arrival of tonnage after recent delays. This was reflected in a 50,000 ton jump in shipments last week to 283,000 tons.

Shipment prices f.o.b. district ports: **LANARKSHIRE.**—Ell best, 15s.; splint best, 16s. 6d.; splint second, 15s. 6d.; navigation, screened, 14s. 9d.—15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 13s.; trebles, 14s. 6d.; doubles, 13s. 6d.; singles, 12s. 3d.—12s. 6d.; pearls, 12s.; dross, 10s. **FIFE.**—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 9d.—14s.; third-class steam, 12s. 9d.—13s.; trebles, 13s. 6d.—16s. 6d.; doubles, 14s.; singles, 12s. 3d.—12s. 6d.; pearls, 11s. 9d.—12s. **LOTHIANS.**—Prime steam, 13s. 6d.; secondary steam, 13s.; unscreened navigation, 12s. 6d.; trebles, 14s.—14s. 6d.; doubles, 13s. 6d.—13s. 9d.; singles, 12s.—12s. 3d.; pearls, 11s. 9d.—12s. **AYRSHIRE.**—Best unscreened navigation, 14s. 3d.; jewel, 15s.; steam, 14s.; trebles, 15s. 6d.—15s. 9d.; doubles, 14s.; singles, 13s. 6d.; pearls, 12s. 6d.; dross, 10s.

CARDIFF.—The Egyptian State Railways have accepted a South Wales tender for the bulk of their coal contract for the first three months of next year, and have placed another order for 121,000 tons at 23s. 11d. c.i.f. It is also understood that the French State Railways have bought 270,000 tons for next year, and that freight contracts, on the basis of 6s. 3d. to 6s. 9d. to Montreal-Quebec, have been concluded for next season's Canadian trade. New contract inquiries on the market include between 30,000 and 40,000 tons of double screened large coals for the Norwegian State Railways, 55,000 tons of locomotive coals for the Spanish M.Z.A. Railways, and 30,000 for the Andalusian Railways.

The current volume of business is not expanding and large coals continue in excessive supply. Sized classes, however, are scarce, and are commanding prices above the minimum scheduled figures. The audit of the South Wales coalfield for the three months ended October certifies a debit balance of £46,461, compared with a debit balance of £31,609 in the previous quarter, and £72,375 in the corresponding period last year. The increase in the wages under the recent arbitration award is estimated at about 3½d. per ton, equal to £500,000 per annum. The industry is faced with a further increase of £132,000 per annum, or 1½d. per ton, as the result of the reduction of the rebate from the Railway Rates Fund under the 1929 Local Government Act, and of £43,000 owing to an increase as from March next of ½d. per ton in the tipping and weighing charge on export coal.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best drys, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite best large, 36s. to 38s. 6d.; Red Vein large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, French, 24s. 6d.; Portuguese, 20s. 9d. to 21s.

IRON AND STEEL

MIDDLESBROUGH.—The pig iron market continues firm. Daily transactions in both foundry and hematite pig iron are numerous, and makers have contracts on their books which will ensure steady deliveries over the first few months of next year. Hematite iron

has been in rather better demand, and it is understood that contracts with Midland makers have been renewed in some cases for delivery as far ahead as the end of June, 1935. The demand from home consumers of pig iron generally is good, whilst odd parcels continue to be arranged for shipment to overseas destinations, but the difficulties are still great. Prices of No. 3 Cleveland foundry pig iron remain based on minimum 67s. 6d. per ton for delivery locally, and for East Coast hematite the minimum for No. 1 quality is 69s. per ton delivered Middlesbrough. For export, makers are free to shade these figures. Shipments of all classes of pig iron from the Tees during the month of November amounted to 14,754 tons, against 16,081 tons during October.

The steel departments continue busy. Semi-manufactured steel is in better request, whilst there is a good demand for constructional steel. Rail departments are not so busy as the home railways are not placing delivery orders, and it is not expected they will do so until early in the New Year. Shipbuilding requirements are improving, and the demand for sheets is slightly better. Heavy steel melting scrap continues active, and about 51s. per ton delivered at the works is a fair indication of price.

Blast furnace coke is in good supply, but owing to the change in the derating allowances on the carriage, the price is maintained at 20s. per ton delivered furnaces here. Foreign ore continues to be based on Best Bilbao Rubio at 17s. per ton c.i.f. Middlesbrough.

SHEFFIELD.—Whilst buying and selling of steel materials continues to shrink, the position at the works is rather more active than before and there are numerous orders on hand for delivery in the New Year. The situation shows no symptom of weakness and there is considerable work in sight for the home market. Some people are discussing the probability of lower prices resulting from the usual revision at the end of the year. The market for ferro-alloys has been quiet over a lengthy period. The price of ferro-molybdenum has been reduced from 5s. 6d. to 5s. 3d. per lb.

Export trade is only moderately good, business with a number of foreign markets being poor. All plants producing partly manufactured steel are running full time and do not complain of a lack of new booking. Prospects of this section next year are bright and there is plenty of confidence in steel circles. All kinds of tools are in brisk demand, alike for home and export. The cutlery and plate trades are quietening and contain a number of unsatisfactory patches.

GLASGOW.—The position is practically unchanged. Steelmakers are fully employed, and new specifications are coming in freely. Tonnage booked for semis is also fairly satisfactory, but buyers seem to be confining their purchases to immediate requirements, and there is no forward buying. While tube makers are still busy, the amount of new work placed is somewhat disappointing. At the sheet mills conditions are unaltered, home business being very good, but the export trade, while slightly better, remains on a small scale. In the wrought iron and steel bar re-rolling branches things are still quiet, and works only partially employed. At the manufacturing and engineering works in and around Glasgow a steady output is being maintained, and the volume of new business placed just recently points to a continuance of regular employment at many establishments.

CARDIFF.—The position in the South Wales iron and steel trade is practically unchanged. In the tinplate industry works are being well employed up to their quota limits, and there has been a slight improvement in the volume of exports. Prices are ruling at the international agreement scheduled figures, and steel bars and galvanised sheets are unchanged. Imports of foreign semi-finished steel have increased, particularly from Belgium. Shipments of tinplates at Swansea last week totalled 85,964 boxes and stockat warehouse totalled 122,294 boxes compared with 142,330 boxes at the corresponding period last year.

OTHER METALS

The hope of a new restriction scheme has again influenced the copper market during the past week, but little progress has yet been made. Uncertainties regarding the future are exerting an adverse influence on demand just when the market is in need of confidence. Protracted negotiations for restriction tend to weaken confidence still further, and it would not be surprising if the anticipated improvement in prices failed to materialise for this reason.

Sentiment in the tin market has improved a little. According to A. Strauss and Company, November witnessed a considerable decline in stocks, which were reduced by 1,518 tons to 17,113 tons, while deliveries increased by 2,596 tons to 8,364 tons. Although not unexpected, these developments have stimulated purchases a little. Since stocks of consumers are at present small, while a seasonal expansion is to be expected in the motor car and tinplate industries, it seems probable that purchases will show an increase in due course.

The markets in lead and spelter continue dull and the future of the zinc cartel remains uncertain. The output of spelter in Germany increased during October by 1,364 metric tons to 7,184 metric tons—a development which is doubtless due to the opening of the Giesche works. It is interesting, however, to note that the output of zinc in Poland increased by 223 metric tons to 7,793 metric tons during October, although German ores were no longer smelted in Poland. It would appear, therefore, that the erection of the Giesche smelter at Magdeburg will stimulate Polish mines to expand their output to replace the lost German contracts, thus increasing the total European output of the metal.

TIN.—Sales of tin on the London Metal Exchange: 200 tons on Monday, against 385 tons last week; 350 tons on Tuesday, against

350 last week; 475 tons on Wednesday, against 575 tons last week. The New York quotation on Wednesday was 50.90 cents per lb., against 51.37½ cents a week ago and 51.25 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 7s. 6d. to £228 10s., compared with £229 15s. to £229 17s. 6d. last week. Stocks in London and Liverpool at the end of last week were 3,982 tons, an increase of 185 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,300 tons on Monday, against 1,900 tons last week; 1,500 tons on Tuesday, against 1,151 tons last week; 850 tons on Wednesday, against 1,750 tons last week. Domestic spot was quoted at 6.52½ cents per lb. in New York on Wednesday, against 6.62½ cents a week ago and 6.52½ cents a month ago. Wednesday's official closing price for standard cash in London was £27 3s. 9d. to £27 5s., compared with £27 10s. to £27 11s. 3d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 40,148 tons, show an increase of 1,221 tons, and stocks of rough copper, at 10,615 tons, a decrease of 352 tons.

LEAD.—Sales on the London Metal Exchange: 500 tons on Monday, against 250 tons last week; 1,000 tons on Tuesday, against 400 tons last week; 750 tons on Wednesday, against 950 tons last week. The New York quotation on Wednesday was 3.50 cents per lb., against 3.50 cents a week ago and 3.60 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 6s. 3d. for shipment during the current month, compared with £10 15s. a week ago.

SPELTER.—Sales on the London Metal Exchange: 400 tons on Monday, against 175 tons last week; 975 tons on Tuesday, against 400 last week; 600 tons on Wednesday, against 550 tons last week. Wednesday's quotation in East St. Louis was 3.70 cents per lb., against 3.70 cents the week before, and 3.75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 16s. 3d. for shipment during the current month, against £11 18s. 9d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel at £200 to £205 per ton, remains unchanged. Quicksilver was again quoted at £11 10s. to £11 12s. 6d. per flask of 76 lbs. Foreign antimony was again quoted at £60 per ton. Chinese wolfram was again quoted at 39s. to 41s. per unit c.i.f. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—**Manchester.**—Since a week ago the market has become rather quieter than recently. Rather more uncertainty has prevailed with regard to the future level of raw cotton prices. Details of the production programme in the United States for next season are given below. It is being urged by the officials at Washington that the Bankhead Act should be continued, and a ballot of farmers is now being taken. In many quarters the opinion is held that it will not be an easy matter to drive prices on to a higher level in view of the certainty of a larger supply of cotton next season. The latest estimate of the Egyptian crop is considered rather bullish. Prices for all cottons, however, during the week have shown very little change.

Sales of cloth have tended to fall off. Most manufacturers have met with plenty of inquiry, but less progress has been made in securing orders. Miscellaneous transactions have occurred in light whites and fancies for India, but the response to prices wired to the other side remains poor. Further encouraging contracts have been arranged for South America (chiefly Argentina) in printed and dyed goods, but only a quiet demand has been experienced for the Dominions and the home trade. Order lists of manufacturers continue very irregular. In the yarn market a feature of interest has been the decision by Royton spinners to reduce the basic price under the legal agreement from 2½d. to 2¼d. per lb. This action has been taken owing to under-selling by spinners outside the agreement. Competition, however, is being met with from yarns spun from Indian cotton. A restricted turnover has taken place in the yarn market as a whole, and quotations generally tend to become more irregular.

COTTON PRICES

	1934				Corresponding Date	
	Nov. 14	Nov. 21	Nov. 28	Dec. 5	1932	1933
Raw Cotton—Mid. American	d. 6.85	d. 6.85	d. 7.07	d. 7.04	d. 5.17	d. 5.21
Sakellaris Fully Good Fair	8.69	8.65	9.24	9.18	6.84	7.18
Egyptian	104	104	103	103	91	98
Yarns—32's twist	104	104	103	103	91	98
40's twist	104	104	103	103	91	98
60's twist (Egyptian)	104	104	103	103	91	98
32-in. Printers, 116 yds., 16 by 16, 32's and 60's	s. d. 18 10	s. d. 18 8	s. d. 18 8	s. d. 18 6	s. d. 18 6	s. d. 17 3
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	24 0	24 0	24 0	24 0	20 0	21 3
38-in. ditto, 38 yds., 18 by 18, 10 lb.	10 10	10 10	10 10	10 9	10 8	10 6
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	9 9	9 9	9 9	9 8	9 6	9 4

UNITED STATES COTTON PLAN.—The Secretary of Agriculture of the United States Government has published the programme for cotton production next season. It has been decided to call on growers to limit their 1935 acreage to 75 per cent. of the 1928-32 average, which was 41,400,000 acres for farmers who signed the

Government contract. The acreage will therefore be about 31,000,000, but it is necessary to add the area planted by those outside the agreement. It is believed in trade circles that the area will be over 33,000,000 acres. According to the Government officials, the next year's crop will be slightly above 12,000,000 bales, against 9,750,000 bales for this season.

These particulars have had very little effect upon prices, as the details have been about equal to expectations. A good deal of interest, however, has been taken in the statement of President Roosevelt, that he hoped that within three years surplus supplies would be reduced to 4,000,000 bales, and the price increased to above 15 cents a lb. Users of American cotton are considerably harassed by this Government interference, and the uncertainty of the outlook results in buyers being cautious. It is believed that if further efforts are made by the Washington Government to push up the price of American cotton, there will be still further extensions of cotton growing in other countries, and especially in South America.

WOOL.—**Bradford.**—During the past fortnight trading has been active on the Coleman Street Wool Exchange, and the sales are drawing to a close with more strength than at the opening. Although Germany has not been as active as could have been desired, it is known that some operations have been conducted on her account. One encouraging feature has been the activity displayed by France, the excellent selection of merinos having doubtless been the prime factor in inducing operations; the activity of other Continental countries also has been satisfactory. There has been active buying of both merinos and crossbreds by the home trade, and it would not be surprising if the takings of this section are the heaviest of any this year—a proof that trade in consuming centres is good and consumption large. No doubt stocks among topmakers, spinners and manufacturers are light for the time of year, and the activity of machinery has compelled topmakers in particular to be large buyers of wool.

The course of prices has also been encouraging. Merinos have moved well at the best point of the series, and there has been no weakening whatever, quotations rather tending in favour of sellers. These observations apply both to merinos and crossbreds, the latter selling remarkably well considering the big weight available. All things considered, the carry-over will not be unduly large. Owners of old New Zealand crossbreds have wisely met the market, and the sooner every bale of old wool is got rid of the better. The small selection of "Capes" last Tuesday also sold at full market prices.

There is no important change in consuming centres, and while markets are far from active, consumption is well maintained. Prices for tops remain steady, but there is not much "lift" in the market. The reported agreement between the South African Government and the German wool trade for the latter to take a considerable weight of raw material is an item of considerable interest.

GRAIN MARKETS

WHEAT.—The past week witnessed a slight improvement in the international wheat situation and prices showed a firmer tendency. There has been some deterioration in the crop of Argentina, and, according to the *Corn Trade News*, the yield is expected to be some 5,000,000–6,000,000 quarters below last year's harvest of 35,800,000 quarters. Moreover, the market has also been influenced by sales of Canadian wheat to the United States.

According to Mr G. Broomhall, total shipments during the past week were 1,278,000 quarters, against 1,289,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 102½ cents per bushel, against 98½ cents the week before and 100½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 33s. 9d. per 496 lbs., against 32s. 3d. to 32s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 31s. 3d., against 28s. 9d. to 29s. 6d. Australian, ex ship, 25s. 3d. to 25s. 9d., against 25s. 6d. a week ago.

FLOUR.—There has been a slight improvement in the demand for home-milled flour in this country, but trade in imported grades was dull. North American shipments were 128,000 sacks in the past week, as compared with 72,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 23s. 6d. last week; delivered London, 23s. 6d., as compared with 22s. 6d. a week ago. Manitoba patents, ex store, 24s. 6d. to 26s. 6d., against 24s. 6d. to 26s. 6d.; Australian, ex store, 19s. to 20s., against 19s. to 20s.

BARLEY.—Last week's improvement in the market for feeding barley has been maintained, partly owing to the scarcity of supplies from abroad. "December" futures were quoted at 56½ cents per bushel in Winnipeg on Wednesday, against 54 cents last week and 52½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 30s. to 50s., against 31s. to 50s. a week before.

OATS.—The market in oats has again been firm, partly owing to the emergency of the United States as an importer. On Wednesday, "December" futures were quoted at 57½ cents per bushel in Chicago, against 53½ cents a week ago and 52 cents last month. Quotations in London, Wednesday: "River Plate," landed, not quoted; "Chilean White," landed, 24s. to 24s. 6d., against 23s. 9d. a week earlier.

MAIZE.—A good European demand, coupled with the shortage of feeding stuffs in the United States, was responsible for a further rise in prices in the past week. "December" futures were quoted on Wednesday at 94½ cents per bushel in Chicago, against

90 cents a week ago and 78½ cents last month. Quotations in London, Wednesday: "Plate," landed, 23s. 6d. per 480 lbs., as compared with 22s. 3d. last week; "Plate," ex ship, 22s. 9d., as against 21s. 3d.; "Plate," "December," 23s. 3d., as against 22s. 3d. Yellow maize meal, ex wharf, was quoted 7s. 5s. to 7s. 6d. per ton, against 7s. 6d. to 7s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat	Cwts. 61,685	Cwts. 316,455	Cwts. 267,045	Cwts. 331,556
1 week to December 1	1,037,057	3,779,807	4,633,891	6,096,656
Average price of English wheat per cwt.	s. d. 6 7	s. d. 5 5	s. d. 4 7	s. d. 4 11

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Nov. 29, 1930	Cwts. 119,674	Cwts. 427,366	Cwts. 47,544	s. d. 6 5	s. d. 8 8	s. d. 5 8
Nov. 28, 1931	77,941	431,379	60,861	6 9	8 10	7 0
Dec. 3, 1932	316,455	395,707	50,559	5 5	6 11	5 9
Dec. 2, 1933	267,045	420,569	43,502	4 7	9 1	5 4
Nov. 24, 1934	307,579	367,641	49,953	4 11	8 8	6 8
Dec. 1, 1934	331,556	363,718	54,291	4 11	8 10	6 9

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURE	Jan. 4, 1932	Jan. 4, 1933	Dec. 6, 1933	Jan. 3, 1934	Nov. 28, 1934	Dec. 5, 1934
Winnipeg (No. 1 Manitoba)	62½	46½	60½	65½	78½	80½
Chicago (No. 2 Winter)	55½	48½	84½	84½	99½	102½
Cents per 60 lb.						

The visible supply of wheat in Canada, at 123,813,000 bushels shows a decrease of 1,324,000 bushels on the week. Supplies a year ago amounted to 114,198,000 bushels.

OTHER FOODS

SUGAR.—The New York spot market has been steady on most days and quotations are unchanged on the week; futures have been firm. The London futures market has been slightly easier and business rather restricted. The spot price in New York on Wednesday was 3.085 cents per lb., as compared with 3.085 cents per lb. last week and 2.82 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "March delivery" at 4s. 5½d., against 4s. 5½d. to 4s. 5½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
Tons						
London	918	74	1,514	515	17,009	17,058
Liverpool ...	32,441	11,577	13,880	13,320	145,678	106,658
Total tons....	33,359	11,651	15,394	13,835	162,687	123,716
Last week ...	15,796	33,815	15,966	14,687	144,732	125,900

COFFEE.—Quiet conditions have again prevailed on the New York market and quotations are unchanged on the week. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London spot market has ruled quietly steady. Last week's movements of coffee in London were as follows: Brazilian, landed, 73 bags; delivered, for home consumption, 359 bags; exported, 94 bags; stocks, 28,079 bags, against 24,724 bags a year ago. Central American, landed, 1,810 packages; delivered, for home consumption, 1,386 packages; exported, 598 packages; stocks, 76,349 packages, against 63,133 packages last year. Other kinds: Landed, 1,471 packages; delivered, for home consumption, 1,826 packages; exported, 342 packages; stocks, 70,635 packages, against 99,737 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 4½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "December-January," was 20s. 6d. per 50 kilos, c.i.f. Continent, as against 20s. 3d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 4,337 bags; delivered, for home consumption, 9,639 bags; exported, 186 bags; stocks, 135,909 bags, against 105,174 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 51,642 packages of Indian and 18,192 packages of Ceylon tea. Prices for the Indian grades tended to a higher level on Monday, but irregularity set in on Wednesday. All grades of Ceylon were in active request and quotations were occasionally advanced. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	Northern India		Southern India		Ceylon		Java		Sumatra		Nyasaland		Total
	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	
Nov. 30, 1933	12-61	12-93	14-80	11-23	10-41	10-67	12-58	12-58	12-58	12-58	12-58	12-58	
Nov. 1, 1934	12-33	11-44	14-27	10-69	9-23	10-75	12-51	12-51	12-51	12-51	12-51	12-51	
Nov. 8	13-21	11-62	14-39	10-23	9-23	10-75	12-51	12-51	12-51	12-51	12-51	12-51	
Nov. 15	13-10	11-51	14-15	10-29	9-57	10-69	12-39	12-39	12-39	12-39	12-39	12-39	
Nov. 22	11-96	11-45	13-73	10-30	9-21	10-83	12-09	12-09	12-09	12-09	12-09	12-09	
Nov. 29	11-66	11-50	13-39	10-69	9-31	10-85	11-90	11-90	11-90	11-90	11-90	11-90	

RICE.—The "spot" price was 8s. 3d. per cwt. on Wednesday, as compared with 8s. 3d. per cwt. a week ago, while the forward quotation, at 6s. 10½d. per cwt. (new crop) also remains unchanged. Movements in London during the past week were as follows: Landed, 137 tons; delivered, 295 tons; stocks, 2,604 tons, against 2,320 tons a year ago.

POTATOES.—Supplies on offer this week have again been ample for the current level of demand and quotations have generally shown a slightly easier tendency. At the London Borough Market on Tuesday, light soil "King Edward" sold at 5s. 9d. to 6s. 3d. per cwt., ex market, the same as last week.

SPICES.—"Lampung" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 60 tons; delivered, 48 tons; stocks, 637 tons, against 640 tons a year ago. White, landed, 1,453 tons; delivered, 31 tons; stocks, 11,410 tons, against 2,038 tons a year ago.

MEAT.—On the whole, demand has been slow this week, with the majority of quotations showing little change compared with those ruling a week ago. At Smithfield on Wednesday, Argentine beef, chilled hindquarters, was quoted at 3s. 4d. to 3s. 8d. per 8 lbs., as compared with 2s. 8d. to 3s. 2d. last week. New Zealand frozen mutton was 2s. 10d. to 3s. 6d. per 8 lbs., against 2s. 10d. to 3s. 6d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,336 tons, against 9,272 tons in the corresponding week last year. Imported beef, principally Argentine, formed 84 per cent. of the beef supplies, against 82.8 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 69.2 per cent. of the total supply of mutton and lamb, against 66.8 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OIL AND OILSEEDS.—Generally there is a firm tone, but business is checked by the advance in prices. Reports of cold weather succeeding heavy rains in Argentina have caused linseed prices to harden again, but with crushers' immediate wants well supplied, demand is only moderate. Plate for January-February shipment to Hull has been sold up to 9s. 12s. 6d. and rather more is now quoted. Indian linseed is more or less neglected, Calcutta being held for 11s. 12s. 6d. and Bombay 12s. 6d. The quantity of linseed afloat for Europe has dropped to 96,900 tons (or 24,300 tons less than last week), and that afloat for the United States and Canada is now 40,600 tons, against 20,200 tons a year ago. The latest unofficial estimate of the Argentine yield is around 1,800,000 tons. Cottonseed is irregular and in less demand, the current price of black Egyptian for early shipment being 7s. 5s. per ton delivered.

Linseed oil is firmer and dearer, mainly in sympathy with seed, but trade is slow. Raw oil for December delivery ex Hull mill is quoted 19s. 10s. and January-April 19s. 15s. per ton (naked) and closes firm. Cotton oil continues firm on a good export demand. Egyptian crude ex Hull is held for 19s. and refined for 20s. 10s. per ton prompt. Groundnut, palm kernel and soya oils are also firmer and dearer. The demand for oilcakes continues to improve and prices are steady.

RUBBER.—The past week has not been marked by any very special feature or development. Prices for all positions are practically unchanged, after daily fluctuations of ½d. to ¼d. per lb. The market on the whole may be described as having been a dull one, with a fairly steady demand from the trade each morning. As soon as hand-to-mouth requirements had been satisfied, a few outside sellers were daily in evidence and prices usually eased ½d. in later trading. America and the Continent have not afforded much support and speculators and market operators have not yet regained sufficient confidence in the working of the International Regulation Scheme to enter into any material commitments on the "bull" side. On the other hand, there has been no sign of any development to encourage operators to take any liberties in the opposite position, and we shall probably have a quiet market until Christmas, unless some fresh and unexpected feature of importance should develop meantime. The Government of the Dutch East Indies has given further evidence of its determination to implement its agreement and keep within its quota by tightening the control of native shipments and insisting on dealers reducing their stocks by limiting their purchases. This has resulted in strengthening the Amsterdam market appreciably. The October shipments from the Dutch East Indies have been announced as 18,461 tons, which compares with 31,648 for September and 30,666 tons in October, 1933. Consumption in America in November and December is expected to be about 64,000 tons, which would

compare with 58,249 tons for the corresponding months of last year.

The task of fixing assessments for individual plantations under the control scheme continues to go forward and many additional estates have announced their figures during the past week.

The gross shipments from Malaya for November were 51,140 tons, against 47,045 for October and 54,599 for November, 1933.

On Tuesday it was announced that the Malayan Legislative Council had passed the necessary laws against hoarding of rubber by dealers, very similar to those previously enacted by the Dutch East Indies Government, and it is evident that the contracting parties are doing all that is possible to make the Regulation Scheme

work. There is to be another meeting of the international committee, probably on December 11th, but it is not expected that the question of the April-June quota will come up for decision.

In New York, Wednesday's spot price for rubber, at 12½ cents per lb., compared with 13½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 6½d. to 6½d. for January-March, 1935, as against 6½d. to 6½d. a week ago. Stocks in London and Liverpool at the end of last week, at 128,065 tons, show an increase of 434 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, December 5th.				POTATOES—				WOOL—							
CEREALS AND MEAT				Good English, per cwt.				English Southdown, greasy, per lb.				Cape			
GRAIN, &c.—				SPICES—				" Lincoln hog, washed.....				Dry and Dried/Cape.....			
Wheat—				Pepper, per lb.—				Queensland, sed. super cmbg.....				Market Hides, Manch'tr			
No. 2, N. Man. 496 lb.				Muntok, fair White.....				N.S.W. greasy, super cmbg.....				Best heavy ox and heifer			
Eng. Gaz. av., per cwt.				Black Lampung.....				N.Z. grey, half-bred 50-58.....				Best heavy ox			
Barley, Eng. Gaz. av.....				Cinnamon—1st sort, per lb.				Tops.....				Best calf			
Oats, " " " " " "				Cloves—Zanzibar, per lb.				Merinos 70's.....							
Maize, 1st Plata, landed,				Ginger—per cwt.—				64's.....				INDIGO—			
480 lb.....				Africa.....				Crossbred 48's.....				Bengal gd. red-vio. to			
Flour, Lon. stan. ex mill,				Jamaica, ord. to good.....				48's.....				per lb.			
280 lb.....				Mace.....								5 6			
Rice, No. 2 Burma, per cwt.				Java, white, c. & f. India											
Tapioca, per cwt.—				SUGAR—											
Fair Flake, Singapore.....				(Duty, 11/8 per cwt.)											
MEAT—				Centrifugals, 96%, prpt.											
Beef, per 8 lbs.—				shipm., c.i.f. U.K./Cont.											
English long sides.....				B.W.I., crystallised.....											
Argentine chilled hinds.....				Java, white, c. & f. India											
Mutton, per 8 lbs.—				Aug.-Sept.....											
English wethers.....				REFINED—London—											
N.Z. frozen.....				Yellow Crystals.....											
Lamb, per 8 lbs.—				Cubes.....											
N.Z. frozen.....				Crushed.....											
Pork, English, per 8 lbs.				Granulated.....											
				Home Grown.....											
				Molasses, in bond.....											
OTHER FOODS				TEA—											
English.....per cwt.				Indian—per lb.—											
Danish.....				Broken Pekoe.....											
Dutch.....				Orange Pekoe.....											
HAMS—				Broken Orange Pekoe.....											
Canadian.....				Ceylon—per lb.—											
American.....				Pekoe.....											
BUTTER—				Broken Pekoe.....											
Australian.....				Orange Pekoe.....											
New Zealand.....				Broken Orange.....											
Danish.....				TObACCO—											
CHEESE—				(Duty, 9/6-10/6 per lb.,											
Canadian.....per cwt.				English growth, 7/5½											
New Zealand.....				8/3½ per lb.)											
English Cheddars.....				Virginia leaf.....											
Dutch.....				Common to fine.....											
COCOA—				Rhodesian leaf.....											
(Duty, British grown,				Nyasaland leaf.....											
11/8; foreign, 14/- cwt.)				" strips.....											
Accra, f.f.....per cwt.				East Indian leaf.....											
Trinidad.....				" strips.....											
Grenada.....															
COFFEE—				COTTON—											
(Duty, British grown,				Mid-American.....per lb.											
4/8; foreign, 14/- cwt.)				Sakellariids, f.g.f.....											
Santos sup. c. & f. cwt.				F.Y.S., 32's twist.....											
Colombian, good.....				" 60's twist.....											
Costa Rica, med. to good				Limonian ZK.....per ton											
East Indian " " " "				Pernau HD.....											
Kenya, medium.....				Slanetz Medium 1st sort.....											
EGGS—				HEMK											
English.....per 120				Italian P.C.....per ton											
Danish.....				Manilla, Jan-Mar " J.....											
FRUIT—Oranges—				Sisal, African.....											
Denia.....boxes				JUTE—											
Lemons, Malaga.....cases				Native 1st mks.per ton											
Sicilian.....boxes				c.i.f. H.A.R.B.....											
Apples: Amer. (var.) bris.				Dec.-Jan.....											
(war.) boxes				Daisee 2/3 c.i.f. Dundee											
" Australian.....				Dec.-Jan.....											
Onions.....				SILK—											
Valencia, case.....				Canton.....per lb.											
Egyptian, bags.....				Tussah.....											
Grapes, Lisbon, ½ boxes				Italian—raw, fr.											
Almeria.....bris.				MILAN											
LARD—															
Irish bladders, pr. cwt.															
U.S. 56 lbs. boxes.....															
				* Exclusive of Government tax of 1d. per gallon.											

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A SCORE FOR COMMONSENSE

WE may all congratulate ourselves on the final outcome of this last session of the League Council. The dreaded explosion has occurred; but now that the cloud of smoke has cleared away and the reverberations have died down, we can see—with profound relief—that there have been no casualties. If the League is able to isolate and damp down a shock of this magnitude once, it will be able to do so again; and each time there will be a greater margin of safety, since the strength of the League—or, indeed, of any human institution—depends so largely on the belief that it will be efficacious for its purpose. "So the League is some good after all" is the moral which the Governments and the peoples of Europe have rightly been drawing from the happy outcome of this last critical session of the Council. And the drawing of that moral occurs at a particularly opportune moment.

For the Council's success in dealing with the controversy between Yugoslavia and Hungary the congratulations which are owing to all parties concerned are specially due to Mr Eden, and to the Government on whose mandate he was acting. The history of H.M. Government's double success at Geneva on this occasion reads quite like an old-fashioned moral tale. In doing the right thing about the Saar, they no doubt hoped—and their hope has been abundantly justified—that they would be helping to remove a dangerous obstacle from the path of a Franco-German understanding; but perhaps they hardly foresaw that they would be winning a goodwill and acquiring a prestige which would make all the difference to the effectiveness of the part which their representative was to play in the other, and even more dangerous, piece of business which was on the Council's agenda. It is not too far-fetched to suggest that the British Government's announcement of its readiness to send troops to the Saar has prevented other movements of other troops in other parts of Europe which might otherwise have taken place, and which certainly could not have taken place without disastrous consequences.

Our successful issue out of these present afflictions is all the more reassuring when we remind ourselves—as we now can do, in retrospect, without recrimination or offence—of the unpropitious circumstances in which the Council had to take the business up. A direct accusation of having sided with and abetted the murderers of King Alexander was made, in public, against the Hungarian Government, by the Yugoslav representative on the Council; the Hungarian representative retorted by raising the question of the revision of the peace treaties; the Rumanian delegate was still more outspoken than his Yugoslav friend whom he was supporting; and the tension was keyed up, hour by hour, by the news of the continuing deportations of Hungarian nationals from Yugoslav territory. When M. Laval lined up definitely behind M. Yevtitch, and Baron Aloisi discreetly behind M. Eckhardt, and when the Central European press began to talk of the possibility that the countries of the Little Entente and of the Balkan group might decide to withdraw from the League if Yugoslavia were disappointed by the Council of that satisfaction from Hungary which she regarded as her due, it looked for a moment as though the League might burst asunder and the nations of the Continent might divide once more into two camps.

The happy avoidance of this catastrophe is due to the combined operation of a number of causes. One cause was Mr Eden, who rode the storm which was raised in the Little Entente camp by his refusal to join in a condemnation of Hungary out of hand, and who has succeeded, as *rapporteur* for the Council in this delicate affair, in producing a report which has not only been accepted by the Yugoslav and Hungarian Governments, but has actually been acclaimed simultaneously in the press of both countries. Another cause of success was the relative amenability of the Yugoslav Government. Before the session began they had been persuaded by the anxious importunity of their friends to direct their charges against Hungary only—a policy of hitting the little fellow and leaving the big fellow alone, which may not have been

very handsome, but was undoubtedly more expedient. As for the expulsions, which did so much to prejudice Jugoslavia's case at Geneva when she had so much sympathy, as well as justice, on her side, we may conjecture that they were the work of underlings who took the bit between their teeth. At any rate, the Government intervened and brought them to a standstill on Sunday, and this was perhaps the crucial act which turned the tide at Geneva.

Mr Eden's report has the sterling merit of inflicting no insufferable humiliation or intolerable disappointment upon anybody. On the one hand, the Council has gone far to meet Jugoslavia's demands by expressing the opinion that certain Hungarian officials may have been guilty at any rate of a sin of omission; on the other hand, it has spared Hungary's feelings by refraining from passing a positive judgment and by leaving it to the Hungarian Government to conduct its own investigation, instead of insisting (as the Hungarians themselves insisted in 1914) upon a foreign commission of inquiry. If this is something less than the Jugoslavs had hoped for in the way of dealing with the past, the report makes provision for the future by proposing arrangements for the conclusion of an international convention for the suppression of political terrorism. This is a good thing from every point of view; for if the granting of political asylum continues to be abused, it will eventually be discontinued, and there has been no time in the modern history of Europe when the ancient custom of granting it has been so valuable as it is to-day. One of the great dangers of the moment is that the world is full of uprooted, disappointed and desperate men. If these are shut up, without hope of escape, in countries where life is made impossible for them, they will simply turn more savage than they are already. On the other hand, the good custom of granting asylum cannot possibly be allowed to carry with it a connivance in the use of this asylum as a base of operations for perpetrating crimes of violence which do not cease to be criminal when they are committed in a political cause.

Thus closes an incident which has startled the world by its amazing similarity to the events which set Europe ablaze in 1914. The historian who reflects on the outcome in the two cases, will probably record that, while the European background was different in the two cases, nevertheless the existence of the League has done much to save Europe from another war. Under the present test, "the New Diplomacy" has shown itself superior to "the Old Diplomacy" in at least two important ways. In the first place, the Council has provided a safety-valve through which the aggrieved parties have been able to blow off steam; in the second place, it has given the dog a helping hand in his efforts to avoid being wagged by his tail. In 1914, when Russia lined up behind Serbia and Germany behind Austria-Hungary, all hope of preserving the peace of Europe was at an end. In 1934, France and Italy have been saved from being dragged into a conflict, which both of them abhorred, at the tails of their respective East-European satellites. The news which tells us for certain that the crisis is past is the announcement that M. Laval is to visit Italy before Christmas. If Herr Hess then visits France after the plebiscite in the Saar, the dreaded year 1935 may prove to have inaugurated a new era in Europe.

INDIA IN THE COMMONS

THE great Indian debate in the Commons and the corresponding function which is still proceeding in the Lords have been singularly lacking in drama. It might have been thought that, when the Mother of Parliaments came to consider whether it would endorse the proposals of the Joint Committee and authorise the Government to draw up a charter of federation and self-government for a country which includes over 70 per cent. of the population of the British Empire, the whole world would have hung on every word that was spoken.

In actual fact the public has given only casual attention to the discussion, having come to the conclusion that

the question of principle is decided once for all. As a result of the recent meeting at the Queen's Hall it became evident that the Conservative Party would not finally split, or desert its leaders, on this issue, and the only point of interest that remained was to see how many Conservative members would follow Mr Churchill into the "No" lobby. In the event he mustered 75 stalwarts.

True, the actual division showed a minority of 127 against 410. But for once the Labour Party joined forces with Mr Churchill, not because they agreed with his views on India, but for the precisely opposite reason that they did not think the Joint Committee scheme went far enough. But they could cast their votes with a clear conscience, knowing full well that the Reform scheme was perfectly safe. Indeed, the Labour Opposition were at pains to ensure that their vote should not be misunderstood in India; for their spokesmen urged the Indian politicians not to boycott so great an advance in self-government, but to work the scheme in the hope of getting something better later on from a Labour Government. Labour speakers have complained that the scheme is not elastic enough in providing for the evolution of the Constitution towards full Dominion status; but it is significant that the most trusted of recent Indian viceroys, Lord Halifax, emphasised the contrary view that the scheme will in practice permit the development of an immense amount of real responsibility, provided it is worked in the spirit of co-operation with which it is being offered.

As to the debate itself, from the opening speech of Sir Samuel Hoare onwards speakers for the Reform scheme were conscious of the danger that if they sought too eagerly to persuade British doubters by stressing the "safeguards" they might persuade India that the offer of self-government is a sham; whereas if they emphasised the magnitude of the new departure they would strengthen the conviction of the Die-hards at home. The Secretary of State resolved the dilemma by sticking to the middle of the road. He defended the plan as one which is at once one of the greatest advances ever made in the application of Parliamentary methods to a substantial fraction of the world's population, and is at the same time protected against a breakdown; for it would be difficult to exaggerate the disaster for the whole world if this experiment were to come to grief in its early stages through the inexperience and the almost complete absence of democratic traditions.

An attempt was made to show that the Princes were not really in accord and were dissatisfied, and that the present Viceroy himself had sought to prevent British Members of Parliament from making more difficult his delicate task of cajoling the States unwillingly into a Federation. Mr Baldwin completely disposed of this attack. Sir John Simon, in a closely reasoned argument, was at pains to rebut the attempt by the Conservative opposition to invoke the Simon Commission's Report on their side, by pointing out that he and his colleagues had been confined to the problem of British India, that there was no immediate possibility of Federation with the Indian States when he was in India, but that he had stressed the unity of India and the importance of working towards a Federation. The position had been transformed in this respect by the First Round Table Conference. All the surviving members of the Statutory Commission were now in favour of the setting up of a Federation with responsibility at the centre. The adoption of indirect election for the Central Parliament was the subject of Liberal criticism, but the case made by Sir John Simon and Mr Attlee was convincing enough to show that while this proposal does not in any way weaken the degree of responsibility granted to India, it may very well lead to a more effective central Parliament.

The course of the debate served to show once again that if care and thought can create a constitution adapted to meet a complex situation, the new Indian constitution should fulfil expectations. The task is full of difficulties and great risks are involved, but they are less serious than those of any alternative course. Ireland and South Africa prove that timely concession may be the creator of real co-operation; if delayed too long it may lead to disaster. If Parliament proceeds with its present intent the case of India may show to the world the value of Federation as an instrument of Government over large areas and point the way to the adoption of free political institutions in the Asiatic world.

HEALTH IN THE SCHOOLS

BRITAIN'S School Medical Service, which is scarcely older than the reign of King George, has recently celebrated its silver jubilee. Founded in 1907 its record has been a noteworthy and honourable one. The Service has provided the "means of ascertainment," whereas a generation ago the State "did not know what the physical condition of children actually was." Secondly, it has made arrangements for attending to the health both of the sick and of the healthy. While a steady burden of disease remains, the Chief Medical Officer claims that certain morbid conditions have been substantially reduced, the cases of malnutrition have fallen from between 10 and 20 per cent. of the elementary school population to about one per cent., and there has been a steady all-round improvement in general physique which has reduced child suffering and raised the standard of school attendance. Finally, this progress has enabled the individual child to respond better to his schooling and has, also, been largely instrumental in creating a "health conscience" throughout the nation. Though the improved health of the nation owes much to other factors such as housing, higher real wages, unemployment and sickness insurance, child welfare and public health services generally, it is clear that the School Service has played an important part in the improvement that has taken place.

But as Sir George Newman himself points out,* there is no service so good as not to leave room for improvement. The report accordingly discusses with frankness whether or no there is reason to fear that this important administration is becoming too static, and in what directions it should broaden out and link up with other activities for improving the health of the nation. Attention to health is needed from the cradle to the grave; it is not a matter that merely concerns us between the ages of 8 and 14. Nor will the "health conscience" to which Sir George Newman refers be entirely satisfied with what he has to say about malnutrition, for even the figures here given show disturbing signs of deterioration in certain economically stricken areas, while the standard on which official optimism regarding the nourishment of the people generally is based has recently been severely and authoritatively criticised.

The many topics dealt with in the present report fall into three main groups. First there is the ascertainment and treatment of defects; secondly, the care for the normal child, and thirdly, the provision of health services for the pre- and post-school child.

During 1933, 1,855,499 children at elementary schools passed through a "routine" examination (i.e. on entering school, or at the age of 8 or 12), and 1,239,427 children underwent a "special" inspection (i.e. an examination asked for by the school nurse or by someone outside the medical service). The total of three millions represents just over 60 per cent. of the average school attendance. Almost two million of these children were re-examined during the year. Defective eyesight and tonsillitis and adenoids were still by far the most prevalent defects observed, although there has been a decline of 40 per cent. in the incidence of the latter since 1929. Speaking generally, there has been a marked decline, not only as compared with 1932, but over the five-year period 1929-33 in the number of defects of all kinds, except malnutrition, noted at routine examinations as requiring treatment.

This improvement is very satisfactory. But, asks Sir George Newman, "are we doing all that is practicable for the nutrition, physical education, nurture and health of the normal child (70 to 80 per cent. of the elementary school population)? I fear we are not." At the root of this problem lies the question of nutrition, for as an experienced medical officer observes: "Nutrition is the chief of all environmental factors in rearing efficient citizens." So far as actual cases of malnutrition are concerned, the report reveals that there is still much room for improvement. Thus, there were 9.6 cases per 1,000 inspections in 1929, 10.6 in 1930, 11.2 in 1931, 10.7 in 1932, and 11.1 in 1933 requiring

* "Annual Report of the Chief Medical Officer to the Board of Education for 1933." H.M. Stationery Office. 3s.

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treatment. In this last year a further 12.8 per 1,000 were under-nourished and "requiring observation," making a total of 44,339 children who were considered to be inadequately nourished. The proportion varied very much in different parts of the country, for malnutrition is an evil which is naturally growing in the areas suffering from continued economic depression. While the proportion of under-nourished children in London is lower than at any previous time, and in Manchester has fallen from 1.38 per cent. of the number inspected in 1929 to 0.63 per cent. in 1933, and while no deterioration has been noticed in manufacturing towns such as Sheffield and Birmingham or, surprisingly enough, in the North Riding of Yorkshire; other districts showed a marked increase even during the past three years. In Burnley, for example, the figure rose from 3.1 per cent. in 1931 to 8.5 per cent. in 1933, and in Llanelly from 9.5 to 23.7 per cent., if those recorded as "fairly" and "badly" nourished are coupled together.

To meet these cases, as well as those of children not definitely coming within the category of those suffering from malnutrition, but who for various reasons are not securing adequate food at home, the school authorities provided meals to a total of 68,843,281, of which more than half consisted of milk, in the financial year 1933-34 for 414,786 children—a record number and an increase of 15,300 as compared with 1932-33. This work will be facilitated by the new arrangements under the Milk Marketing Scheme. This provides that children in full-time schools and courses approved by the Board of Education and in Junior Instruction Centres approved by the Ministry of Labour, shall, from October 1, 1934, be able to obtain one-third pint of milk for ½d. instead of 1d., and that those who are certified as "under-nourished" may get two-thirds of a pint free daily if they cannot afford to buy it.

As Sir George Newman points out, however, malnutrition is not solely due to lack of food. It may develop from inherent inability to extract nourishment from food or from an ill-balanced diet, lacking some essential ingredient, such as first-class protein, which is found in milk. These factors are themselves partly the direct result of poverty or of the economic policy of the country and to that extent cannot be influenced by the education authorities. But there is much which they can do by teaching the elements of dietetics and hygiene at school, by providing healthy surroundings and adequate space for indoor and outdoor exercise, by teaching dancing, rhythm exercises, swimming and all the training known to the Greeks under the general terms harmony and gymnastic. Here is scope for an imaginative development of curriculum and for co-operation between the teaching and the medical staff.

It is not enough, however, to deal with the child while he is at the elementary school. The Chief Medical Officer is the first to recognise this and has many suggestions to make in connection with infant welfare and for co-operation with the authorities who take charge of the child when he leaves the elementary school. As regards the child from one to five years old, a certain amount is already being done in the way of Maternity and Child Welfare Centres, Nursery

Schools and Open-Air Schools, and the C.M.O. puts forward an eloquent plea for an extension of these services as the essential basis of a healthy nation. An equally important problem is that of the adolescent. A certain number go to secondary schools, where they continue in most cases to have a periodic medical examination. Unfortunately the incidence of defective vision, of postural defects, of heart disease, and even of tonsils and adenoids among these children is in most parts of the country considerably higher than in the elementary schools. Here is an important field for a tightening up and closer co-operation between the authorities concerned.

The majority, however, of children leaving the elementary schools enter the labour market. There are three important ways in which the School Medical Service should set a final seal on its charter to "equip the child physically for industry and for life." First, in the choice of an occupation, where medical opinion should have much to say. Secondly, medical authorities should try and increase co-operation with factory surgeons wherever possible. Thirdly, with the introduction of the new Unemployment Act, under which Local Authorities have to prepare schemes for courses of instruction for all unemployed persons between the ages of fourteen and eighteen, medical officers will have an opportunity for continued supervision of unemployed adolescents. Here, above all, is a field where the State must garner the fruits of its work in the years of elementary schooling, for a nation which allows its young people to deteriorate, physically and mentally, because of unemployment is not only incurring a heavy moral responsibility, but is laying up for itself—to put it in its lowest terms—a heavy liability.

RECOVERY IN BRITISH STEEL—II

(BY A CORRESPONDENT)

A FIRST article in the *Economist* of December 1st discussed the extent to which the imposition of our tariff on imports of steel has been responsible for the recovery which has occurred in many branches of the industry in the last three years. When we go on to consider the export branches of the British steel industry the outlook appears less promising. Export markets in 1929 accounted for 85 per cent. of the production of galvanised sheets, or 712,000 tons. By 1933 the export figure had fallen to 276,000 tons, and, with home consumption also declining, manufacturers have been seeking new outlets by turning their attention, for instance, to the manufacture of bright annealed sheets. The problem of the export traders is not merely one of reduced purchasing power abroad, but of the growth of native industries behind tariff walls in former markets; and here time will not prove a very efficient healer. India is a case in point; and the benefits obtained from the Ottawa agreement by the galvanisers have been very meagre. If any substantial proportion of Britain's former export trade is to be regained, nothing less is likely to suffice than a radical reorganisation of marketing methods, accompanied by agreements with overseas competitors, while the establishment of overseas plants—on the lines tried out by John Lysaght's in Australia, Canada and Argentina—is also worth further consideration. Even if this does not make much direct contribution to the problem of employment at home, it is becoming an increasing source of revenue to many companies in other industries.

Tinplates have suffered from a similar tendency, though one of longer duration. The seriousness of the position has, however, been partly disguised by the steadiness of domestic consumption, which has reduced the dependence on export markets from 66 per cent. in 1929 to 59 per cent. in 1933. The expansion of the home canning industry cannot, however, be expected to continue indefinitely, while the productive capacity of Continental and Japanese competitors is in process of rapid expansion on the most modern lines. The conclusion of the international tinplate agreement in July was, therefore, a timely safeguard for the export trade. Great Britain was allotted about 55 per cent. of the world export market (against 22 per cent. for U.S.A. and 16 per cent. for Germany), and the basic

price was agreed at 18s.—an advance of about 1s. on the price ruling immediately before the conclusion of the agreement. It is as yet early to estimate the full value of the agreement to South Wales, but it is significant that Richard Thomas, within the last few weeks, have booked an order for shipment to Canada next year of 1½ million basic boxes, and has concluded a long-term contract for some years to come.

The dependence of the tinplate industry on imports of cheap Continental tinplate bars was a measure of its lack of technical integration compared with other branches of the steel industry, although there are indications that mills associated with steel works are gaining at the expense of those which are not. In view of the fact, however, that the attached mills were by no means always the most efficient technically, integration is not necessarily in the immediate interests of the industry; its future development, however, certainly seems to lie in this direction. The imports of sheet and tinplate bars were reduced by the tariff from 727,000 tons in 1931 to 84,500 tons in 1933 and a rise of about 8 per cent. in the price of the semi-product has occurred in the last twelve months. It is interesting to note that early in the year supplies of tinplate bars were being sought in Canada in order to avoid the tariff on Continental imports. The tinplate and galvanised sheet industries would undoubtedly benefit from the development of domestic supplies of low-priced steel, but it is not by any means certain that reduction in the price of the semi-product is the only means of cost reduction available.

The brightest spot in the export trade is provided by tubes, exports of which are approaching the 1930 level. Some big orders have been placed by Russia, but the real reason for the progress of this section is probably to be looked for in its internal organisation, which is the strongest of any section of the industry, and its membership of the International Tube Cartel.

The benefits which tubes, ship-plates, rails and tinplates have received from their participation in international agreements are undoubted, but their continuance is unfortunately in some danger owing to the attitude of the industry as a whole on the question of self-sufficiency.

In spite of extended discussions on the subject, the accession of the British industry as a whole to the International Steel Cartel has not yet materialised, and Continental manufacturers are becoming increasingly and understandably restive at the British policy of attempting to run with the hare and hunt with the hounds. With the continued strength of the domestic demand there is a tendency among British makers to snap their fingers at the Cartel and to follow the old Continental practice of exporting on a marginal basis at the expense of the home consumer. It is this spirit that inspired the applications for still higher tariffs immediately after the 33½ per cent. rate had been prolonged in May. Even if domestic consumption remains at its present level—a doubtful assumption in itself—it must be remembered that replacement of Continental by home-produced semi-products has in many cases only been achieved by increasing the cost of production of finished products, particularly of those finished products which form the industry's chief exports. The effect cannot be other than to make export competition more difficult, while from the Continental side competition is likely to be more intense if foreign steel makers are forced to begin the production of finished products in order to use their output of semi-products formerly exported to England.

It may be argued that there are few direct advantages in joining the Cartel at the present time at the price which the Cartel would be willing to take in respect of an import quota. To this the answer is that there is a great deal to lose, and plenty of room for bargaining. The existence of the Cartel has already facilitated the making of agreements with regard to isolated products and has exerted a certain indirectly favourable influence by relieving the pressure of price competition among Continental makers. But it is not so strong internally that it could stand the strain of a definite British refusal to co-operate, particularly as several Continental producers, such as the Forges de Clabecq, continue to show signs of restlessness, and the inevitable consequences of a break-up would be to precipitate the whole of the European industry once more into an orgy of price-cutting.

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THE STATE OF IRELAND

THE "economic war" between the United Kingdom and the Irish Free State has now been pursuing its imbecile course for two and a-half years. Since each Government has solid political support in its own country, the prospects of settlement seem as remote as ever. From London and from Dublin we are told that the door is still open for settlement, but holding the door open apparently means, for either party, no more than its willingness to accept the surrender of the other.

The two contestants are of very unequal strength; the United Kingdom has fifteen times the population and more than twenty times the wealth of the Irish Free State. Many, therefore, expected that the United Kingdom would feel the economic war as a pinprick while to the Free State it might be a mortal wound. This expectation has not been realised. The United Kingdom has had more than pinpricks to bear—unless the loss of one-third of our sales to one of our best customers can be so described. And the Free State has not suffered a mortal wound. The total of her exports has, it is true, been reduced from £14.3 millions in the first half of 1932 to £8.6 millions in the first half of 1934 and the market of her principal industry, cattle-breeding, has been destroyed. But there has been no economic disaster, not even any very sure sign of rapid economic deterioration.

On the surface all is comparatively well in the Irish Free State. There has been a considerable rise in the register of unemployed, from 78,000 in September, 1932, to 110,186 in September, 1934, but this can be at least partly, and perhaps wholly, explained by the fact that in those two years greater inducements, in the shape of non-insurance benefits, have been held out to the unemployed to register themselves. The number of applicants for benefit under the Unemployment Insurance Acts has fallen from 20,987 in September, 1932, to 18,823 in September, 1934. According to the Minister for Industry and Commerce the number of those in employment in 1933 was nearly 9 per cent. higher than in 1931. In other directions the statistics are equally favourable. The monetary circulation is higher than two years ago, savings bank deposits have increased by more than 11 per cent., goods train receipts of the railways in the third quarter were nearly 5 per cent. higher in 1934 than in 1932; all the indications are that consumption is rising and that retail trade, at least in Dublin, is flourishing.

It would be rash, however, to conclude that everything in the Irish garden is lovely. The outstanding feature of Irish life at the moment is the discontent of large numbers of the farming class. Since the days of the Land League in the 'eighties the newspapers have not been so full of news of agrarian disturbances. Sales are forcibly prevented, or, if they succeed in being held, are boycotted; the gaols are full of respectable farmers and their sons; and agrarian outrages are being punished by extraordinary tribunals. While it is doubtless true that some Opposition

politicians are profiting from fishing in the troubled waters, it is impossible that a movement so widespread and apparently so spontaneous has no basis of real hardship. This distress in the countryside reacts on the finances of the local authorities, partly through the non-payment of rates and partly because uncollected land annuities are deducted by the Ministry of Finance from its grants-in-aid. As a result, several of the county councils are very badly in debt to the banks, which are beginning to put a limit to their borrowings. The distress is not universal, since certain types of agriculture, especially cereal raising, have benefited by the Government's protective measures, while the very small farmers have shared to some extent in the schemes of general relief. The brunt of the burden has fallen on the so-called "prairie" farmer, that is, the larger cattle-breeder, as is shown by the following figures of exports of live animals and foodstuffs of animal origin in the first three quarters of recent years:—

Year	£
1929	24,031,907
1930	23,364,804
1931	19,103,411
1932	13,791,699
1933	8,634,610
1934	8,029,748

To the figures for 1932, 1933 and 1934 there should be added about £2,000,000 each year in respect of the export bounties; the farmers' income has also been supplemented by the bounties on beef, wheat and tobacco and by the artificially high price of butter consumed in the home market. But even with all these allowances the figures show very clearly how drastic has been the decline in the income of "unsheltered" producers.

In the sphere of finance there are also grounds for anxiety. The official estimates of the Balance of Payments are no more reliable than similar estimates for other countries, but the net addition to or draft on capital can be estimated by the published figures of the net sterling reserves of the banking system, i.e. the excess of the banks' sterling assets over their sterling liabilities. This figure has fallen from £86,490,177 in the September quarter of 1932 to £76,751,982 in the September quarter of 1934. The position is thus still one of considerable strength, as the country possesses external assets (including the Currency Commission's reserve) of nearly £84 millions against a total of currency and bank deposits in the Free State of only about £135 millions. But the position is deteriorating quite rapidly, as there has been an apparent draft on capital of £10 millions (equivalent to £220 millions for the United Kingdom) in two years. Moreover, the draft might have been larger but for the success of the Hospitals Sweepstakes, which cannot be expected to continue indefinitely. The budgetary position is also not without its anxieties. The standard of living of the farmers and the volume of employment in the towns are being maintained largely by public expenditure. Bounties, relief work, unemployment assistance, free milk and meat and doles of every kind continue to be distributed, while the revenue shows no sign

of overtaking expenditure. The objects of the borrowing may be justifiable; the fact is that the Free State is being run these years on borrowed money. It is an open secret that the source of the recent borrowing has been almost entirely the banks, and if this source were to dry up the financial situation would at once become very critical. The Commission which was recently appointed is empowered to report on these subjects as well as on the banking system, and its report can hardly be very favourable.

But when all the evidences of deterioration are identified the Free State still appears surprisingly prosperous. How is this paradox to be explained? In the first place, there has undoubtedly been a certain amount of living on capital, both in the international and also in the individual sense. The chief effect of the "war" has fallen on those classes which had accumulated savings to draw upon. In addition, there must have been considerable "invisible" drafts on capital by the failure completely to replace circulating capital; this has been particularly true of the animal breeding industry, whose circulating capital consists, of course, in the quality and quantity of its livestock. This sort of "dis-saving" will not readily show in the statistics. Secondly, there has undoubtedly been an extensive redistribution of incomes both from the rich to the poor and from the countryside to the towns. Destruction of external markets has considerably reduced the retail price of many foodstuffs; meat, in particular, is being regularly consumed in many households where it was formerly an infrequent visitor. The highly protectionist policy of the Government has assisted the employment situation in the towns; urban unemployment has been falling, rural unemployment rising. A rough comparison by the Minister for Industry and Commerce of not strictly comparable figures shows a decline in unemployment over the last eight years of 16 per cent. in the four county boroughs (Dublin, Cork, Limerick and Galway) and an increase of no less than 280 per cent. in Connaught. These shifts are significant, for it is the activities of the towns and the consumption of the poor which reveal themselves in statistics. There is, therefore, reason to believe that the available statistics give too favourable a picture.

But even with these allowances the resilience of a fundamentally agricultural economy has proved to be far greater than could have been expected, or was expected by the British Government, two and a half years ago. If it is true that the position is not as good as it seems, it is equally true that Ireland obviously cannot be coerced by means such as these. The "economic war" may yet ruin Ireland; the resources or the patience of those now bearing its brunt may be exhausted; a financial crisis may uncover some of the deterioration now hidden; the *rentier* class may, as they easily could, emigrate, taking their incomes, their expenditures and their taxability with them. These are dangers for Ireland; but they are not grounds of hope for England. It could serve no purpose of finance, prestige or Imperial solidarity for Great Britain to reduce her nearest neighbour and good customer to financial collapse and destitution. Nor would it enhance the reputation of British statesmanship. Only the faces of the two Governments stand in the way of a settlement. If the war drags on they may be saved, but there will be little else to salvage from the wreck of what was until recently a mutually profitable relationship.

AMERICA INSURES IN LONDON

Nor many people realise the extent to which British insurance companies operate in the United States. The greatly improved results of British companies as a whole in 1933 (which we analysed in our annual Insurance Supplement of July 14, 1934), were due in no small measure to a rapid improvement in the underwriting profit on the American fire business of British companies in that year. We propose here to examine the American business of British companies in 1933, first under the heading of fire business and then under the heading of accident and miscellaneous insurance. The results of the fire insurance of British companies during 1933 showed a very substantial improvement com-

pared with 1932, mainly due to a much better experience in the United States, from which approximately 50 per cent. of their premium income is obtained. The fall in the total American fire premium income, i.e. including both American and foreign companies, was nearly 14 per cent. in 1932 and a further 10 per cent. last year. The corresponding figures for the British offices, however, were 9 per cent. and 3 per cent. The table which follows has been based on the official reports of the companies furnished to the American insurance authorities and published annually by the Spectator Company of New York. For comparative purposes the figures have been converted at £1 = \$4.87. The twenty-one companies or groups of companies have been selected to comprise all the principal British offices operating in the United States, and the figures of underwriting profits have been adjusted to conform with the British practice of allowing for an unexpired risk reserve equal to 40 per cent. of the total premiums. The aggregate results for each of the past seven years on this basis are as follows:—

Year.....	FIRE INSURANCE.		
	Premium Income	Underwriting Profit	Percentage of Premium Income
1927	31,710,646	2,110,373	6.7
1928	31,277,814	2,531,231	8.1
1929	31,224,583	2,236,280	7.1
1930	27,688,317	647,149	2.3
1931	25,814,406	40,521	-0.2
1932	23,546,121	506,523	-2.2
1933	22,851,424	1,430,401	6.3

The results of individual companies and groups of companies for each of the last two years are shown in the following table:—

Company or Group of Companies	1932			1933		
	Premium Income	Underwriting Profit or Loss		Premium Income	Underwriting Profit or Loss	
		Amount	Percentage of Premium Income		Amount	Percentage of Premium Income
1. Atlas	£688,320	- 42,134	- 6.1	£628,899	+ 25,416	+ 4.0
2. Eagle Star & British Dominions	432,489	+ 1,309	+ 0.3	472,525	- 5,838	- 1.2
3. Caledonian	512,071	- 47,414	- 9.3	394,478	- 1,519	- 0.4
4. Commercial Union	2,931,497	- 192,531	- 6.6	2,541,125	+ 141,527	+ 5.6
5. Century	277,547	- 7,414	- 2.7	265,029	+ 13,417	+ 5.1
6. Employers' Liability	351,169	- 2,014	- 0.6	371,304	+ 21,679	+ 5.8
7. General Accident	274,465	- 39,381	- 14.3	272,925	- 14,998	- 5.5
8. London Assurance	841,379	+ 35,654	+ 4.2	812,748	+ 83,462	+ 10.3
9. London and Lancs.	1,209,397	+ 25,425	+ 2.1	1,222,683	+ 110,366	+ 9.0
10. North British and Mercantile	3,090,606	- 26,846	- 0.9	3,198,045	+ 225,107	+ 7.0
11. Northern	876,196	- 78,928	- 9.0	777,899	+ 34,546	+ 4.4
12. Norwich Union	680,145	- 20,326	- 3.0	638,422	+ 26,331	+ 4.1
13. Phoenix	1,388,641	- 2,195	- 0.2	1,269,583	+ 46,217	+ 3.8
14. Prudential	616,821	+ 930	+ 0.2	521,980	+ 94,760	+ 18.2
15. Pearl	247,260	+ 20,779	+ 8.4	942,531	+ 70,482	+ 7.5
16. Royal	4,043,595	+ 70,890	+ 1.8	3,907,309	+ 311,346	+ 8.0
17. Liverpool and London and Globe	2,184,673	+ 55,506	+ 2.5	2,116,819	+ 171,392	+ 8.1
18. Royal Exchange	589,112	- 31,209	- 5.3	584,949	- 411	- 0.1
19. Scottish Union and National	709,764	- 69,673	- 9.8	623,010	+ 20,309	+ 3.3
20. Sun	929,318	- 79,477	- 8.5	822,306	+ 52,336	+ 6.4
21. Yorkshire	671,656	- 77,474	- 11.5	526,875	+ 4,474	+ 0.8
	23,546,121	- 506,523	- 2.2	22,851,424	+ 1,430,401	+ 6.3

It will be seen that in the majority of cases the premium income was smaller, a reduction exceeding 10 per cent. being shown by eight of the offices. Perhaps the most remarkable result is the increase from £247,000 to £943,000 in the case of the Pearl. In all but four cases underwriting profits were secured.

The experience of all offices operating in the United States in respect of their accident and miscellaneous business—which comprises all types of insurance other than life, fire and marine—was marked by a decline of 8 per cent. in the premium income, compared with 14 per cent. in 1932. The British offices, however, suffered a decline of only 10 per cent. in 1932 and recorded an increase of 1 per cent. last year.

Motor and workmen's compensation business accounts for more than one-half of the premium income coming under the title of this article, and in both classes the experience, although still far from satisfactory, was an improvement on the previous year.

The following table has been compiled from the same official sources as the corresponding fire insurance figures, and the profits have been adjusted to conform with British practice. The figures given relate to eleven companies or groups of companies, including the principal British offices represented in America, in the various branches of insurance other than life and fire. The aggregate results for each of the past seven years are as follows and reflect the unprofitable character of the business:—

Year	OTHER INSURANCE		
	Premiums	Underwriting Profit	Percentage of Premiums
1927	£27,196,037	- 593,723	- 2.2
1928	28,126,188	774,478	2.8
1929	28,422,634	77,509	0.3
1930	27,064,828	- 439,115	- 1.6
1931	24,952,718	- 168,085	- 0.7
1932	22,311,866	- 376,521	- 1.7
1933	22,512,726	- 15,966	- 0.1

It will be seen that the fall in premium income has been arrested and the underwriting results are somewhat less unfavourable than in recent years. The experience of individual offices in 1933 is shown in the following table, from which it will be seen that the only offices to succeed in making a profit were the General Accident and Employers' Liability.

Company or Group of Companies	1932			1933		
	Premium Income	Underwriting Profit or Loss		Premium Income	Underwriting Profit or Loss	
	Amount	Per-centage of Pre-mium Income		Amount	Per-centage of Pre-mium Income	
1. Commercial Union	£2,124,303	- 27,732	- 1.3	£2,208,879	- 105,931	- 4.8
2. Employers' Liability	6,304,788	+ 36,146	+ 0.6	6,172,462	+ 172,404	+ 2.8
3. General Accident	2,931,550	+ 191,854	+ 6.5	3,015,397	+ 155,480	+ 5.2
4. Liverpool and London and Globe	3,447,703	- 195,626	- 5.7	3,397,389	- 42,774	- 1.3
5. London and Lancs.	526,536	- 149,481	- 28.4	495,642	- 17,677	- 3.6
6. Norwich Union	531,587	- 2,889	- 0.5	585,233	- 40,602	- 6.9
7. Phoenix	2,151,760	- 12,236	- 0.6	2,162,941	- 5,505	- 0.3
8. Royal	3,157,224	- 190,087	- 6.0	3,168,430	- 77,186	- 2.4
9. Royal Exchange	259,098	- 1,705	- 0.7	309,085	- 7,648	- 2.5
10. Sun	683,326	+ 4,962	+ 0.7	795,666	- 25,770	- 3.2
11. Yorkshire	173,991	- 29,733	- 17.1	201,602	- 20,757	- 10.3
	22,311,866	- 376,521	- 1.7	22,512,726	- 15,966	- 0.1

Thus, while the British companies underwriting American fire risks did very well last year, in a positive sense, those engaged in accident and miscellaneous insurance in America have only been able, on balance, virtually to break even on the year's operations. It will therefore be particularly interesting to see how the experience of 1934 compares with 1933.

NOTES OF THE WEEK

The Neutral Force in the Saar.—His Majesty's Government have rendered sound service for the security of this country in offering, on their own initiative, to send a contingent of British troops as part of the neutral force which is to stand by in the Saar during the plebiscite period. The happy consequences of this offer have already contributed notably towards improving the whole international atmosphere in Europe; and the peace of Europe and the security of Great Britain are two aspects of the same thing. All Mr Eden's conditions have been fulfilled within a few hours of their being put forward; and the arrangement of the practical details for implementing the scheme has been as prompt as the acceptance of the idea by the Governments. The international force is to arrive in the Saar by December 22nd at the latest, and is to consist of 1,500 British, 1,300 Italian, 250 Dutch and 250 Swedish troops, the whole force being under British command and under the authority of the Saar Governing Commission. The British advance guard has already left. It would now seem to be assured that the plebiscite will take place without disturbance and under conditions that will be recognised as fair both in Germany and in France, as well as in the Saar itself. The relaxation of the tension between Germany and France is already evident; but this, though ultimately, perhaps, the most important result of His Majesty's Government's gesture, is by no means the only happy consequence, or even the first. The first-fruits of Mr Eden's offer last week can be seen in his success in coping with the Hungarian-Jugoslav crisis. As Marshal MacMahon once said to the coloured cadet at St. Cyr: "*Continuez, mon enfant, continuez.*"

Taking the Profit out of War.—President Roosevelt has not been slow to draw the moral from the revelations of the Senate inquiry into the armaments industry. He announced on Wednesday that legislation would be presented to Congress early in the New Year designed "to take the profit out of war" and also to prepare, as a measure of precaution against any future conflict, a thoroughgoing co-ordination of the industrial, military and individual efforts of the country. A Committee has been formed to prepare this legislation, consisting of Mr Bernard Baruch, who during the war was Chairman of the War Industries Board, General Johnson, who was in charge of the "draft"

(i.e. conscription) in 1917-18 and of N.R.A. more recently, and General McArthur, the present Chief of Staff. The precise nature of this legislation is not indicated by the President's announcement, but it is expected to include the imposition in advance of confiscatory taxation on war profits. The problem of taxing excessive wartime profits is technically very difficult, as the British Inland Revenue has good reason to know. But the difficulties will be less if they are faced beforehand, and the general principle of such taxation is so laudable that the American attempt to enact it in detail will be watched with sympathy and interest. The other object of the projected legislation is more dubious. Two out of the three members of the Committee have been more concerned with the conscription of persons than that of industries. The War Department has for some years been agitating for a scheme of "national mobilisation" similar to that enacted in France, and it is not improbable that this will prove to be the real substance of the Bill. In spite of America's passionate attachment to isolation, there is a strong streak of militarism in the national character, as witnessed by the insistence on compulsory military training in State-supported colleges and by the refusal of citizenship even to female conscientious objectors. The Bill may prove to be a definite step towards militarisation, even though it has the sugar coating of the taxation of wartime profits. The Senate inquiry has, meantime, been proceeding, with a wealth of new facts still further establishing the unwholesome influence on international politics of the "ring" of armament makers. Senator Nye, the Chairman of the Committee, has offered to place the files of the investigations at the disposal of the forthcoming British Commission of inquiry. These files are said to contain a great deal of information on the operations of British firms, and a Commission which was determined to get to the bottom of the matter would not hesitate to make use of it. The treatment of Senator Nye's offer will be a useful test of the sincerity of the British inquiry.

Debt Diplomacy.—Our war debt to the United States has been hauled once again into the light of public scrutiny by a Government White Paper (Cmd. 4763) issued on Tuesday. The publication consists merely of a reprint of a letter from the American Secretary of State on November 22nd to the British Ambassador at Washington, enclosing details of the total British debt services due up

to and including that due on Saturday, and a reprint of the British Ambassador's reply on Monday of this week. The British indebtedness due on Saturday includes the half-yearly interest payment of \$75,390,000, the annual sinking-fund payment of \$32,000,000, a year's interest on the amount for sinking fund which was not paid a year ago, i.e. \$560,000, and a third half-yearly instalment of \$9,720,765.05 on account of payments which were not made during the Hoover Moratorium under the Agreement of June 4, 1932 (Cmd. 4202). That makes a sum due this Saturday of \$117,670,765.05. But to that must be added previous instalments of principal and interest outstanding, amounting to \$261,791,011.68, giving a grand total of \$379,461,776.73, or, at roughly \$5 to the £1, of £76 millions—all due on Saturday. The American Secretary of State assures the British Ambassador that the United States Government "is fully disposed to discuss, through diplomatic channels, any proposals your Government may desire to put forward in regard to the payment of this indebtedness," and assures him that "such proposals would receive careful consideration with a view to eventual submission to the American Congress." To which Sir Ronald Lindsay replies by praying in aid the British Note of last June when the first British "default" was made: "His Majesty's Government . . . regret that they have reached the conclusion that the considerations which governed their decision six months ago apply with equal force to-day. Accordingly they feel it would be useless, and therefore unwise, to initiate negotiations at present; but they will continue to watch for any effective opportunity of taking steps in that direction." A semi-annual exchange of such Notes may rapidly become a traditional monument to Anglo-American collaboration—a bare recognition that *noblesse oblige*—and little else!

* * *

The Air Above.—By International Air Convention (1919), sovereign States own the air above their territories in "fee simple" as it were, *usque ad coelum*. This has often obstructed international air traffic. For example, the Imperial Airways route to the Far East and to the Cape started at Croydon, halted at Paris, and then passengers had to continue by train all the way from Paris to Brindisi owing to the opposition of the French and Italian authorities to the regular working of foreign air lines over their territories—notably on the route from Paris to Marseilles and thence over the frontier fortifications to Rome. Last week a convention was signed in Rome permitting British aircraft to fly over Italy; and on Wednesday it was announced by the French Air Ministry in Paris that a similar convention had been concluded permitting British aircraft to fly over France to Marseilles and thence to Rome. This is a sensible ending to an unsatisfactory state of affairs. There may be more in these conventions than meets the eye. Negotiations have been proceeding for years to obtain them. Now they are quietly announced. May it not be that the recent *rapprochement* between France and Italy, and between Great Britain and both of them, has had a salutary effect in the sphere of peace and progress? It only remains for other Continental countries to follow suit, especially those in the Centre and South-East of Europe, where in many cases it is impossible for international air services to link one capital direct with another owing to "strategic considerations."

* * *

The Nobel Awards.—The bulk of an immense fortune made by a Swedish chemist last century from high explosive was funded at his death in 1896 for the granting of annual prizes in the sciences and arts. One branch of human activity so recognised is that of "the person or society that renders the greatest service to the cause of international brotherhood, in the suppression or reduction of standing armies, or in the establishment or furtherance of peace congresses." The prize was not awarded in 1933. For 1934 it has been awarded to Mr Arthur Henderson, M.P., President of the Disarmament Conference, who travelled to Bergen to receive it at the hands of the Norwegian authorities on Monday. At the same time it was announced that last year's award had been made to Sir

Norman Angell, whose book, "The Great Illusion," probably did more than anything else to awaken the pre-1914 world to the ultimately profitless prodigality of all war—without avail. Is the experience of Sir Norman Angell an unhappy omen for Mr Henderson's endeavours at Geneva and elsewhere to awaken the post-1918 rulers of the nations to the same bare truth? That remains to be seen. But it is to the credit of both Mr Henderson and Sir Norman Angell that they "have not despaired of their country." And as their country is the world, and their cause to seek peace and ensue it for the citizens of that country, they have deserved well of the world. We cannot imagine more fitting recognition of their services than the awards made this week.

* * *

Stifling Private Enterprise.—In our issue of last week we discussed the Government's persistent opposition to the proposed formation of a new shipping company for exploiting the Woolworth principle on the North Atlantic route. So far, Mr Neville Chamberlain has succeeded in barring Major Bustard and his fellow-promoters of the scheme from the mosque of the capital market. An offer by Major Bustard to take off his boots, undertaking to consult with His Majesty's Government before building any new tonnage, only drew the reply that, even though he divested himself of his footwear, Major Bustard remained an infidel. In a letter to Lieut.-Colonel Sandeman Allen, M.P., Mr Neville Chamberlain said that he could not regard favourably a proposal "which laid upon His Majesty's Government a recurring responsibility of an embarrassing character in respect of a concern in which they had no financial stake." The italics are our own; the significance of the words ineluctably plain. The Government finds competition with any concern in which it is financially interested "embarrassing." But it will only accept responsibility for a concern if they have a financial stake in it. We sympathise with Mr Chamberlain in not wishing to be the dictator of the private shipping business of this country. Yet by his action he has created an untenable position for himself, for he has deliberately obstructed an attempt to increase traffic by the lowering of rates, which is the only possible alternative for British shipping to dependence on the Treasury. Meanwhile, two of the five ships which were to be purchased have already been sold for scrapping and the "Belgenland" has been transferred to the American flag. The remaining two vessels, the "Westernland" and the "Pennland" are still available, but may be purchased by a German concern before long. In attempting to stifle what might be a profitable enterprise, the Government may well end by aiding foreign shipping, to combat which it has invested public funds in the Cunard White Star merger. It all seems uncommonly like a trip through the looking-glass for which the taxpayer will pay both ways, if, indeed, he ever gets back.

* * *

An Australian Gesture.—Last week we asked if the entry of the free trade Country Party, under Dr. Earle Page's leadership, into the Australian Government would persuade that Government to remove the recently-imposed additional duties on Lancashire cotton goods. On December 7th the details of revisions in the Australian tariff were published in London. The figures are as telegraphed, and the High Commissioner for Australia points out, therefore, that they are subject to correction. But on the face of it the new Australian import duties, over a wide range of articles, maintain the proportions of the British preferences at the same time as they represent a reduction in the general level of the duties. For example, on British cotton piece-goods such as shirtings, undyed sheetings, drills and jeans the new duties are reduced to 5 per cent. *ad valorem*, as against 6d. per square yard *plus* 20 per cent. *ad valorem*. The general tariff is also proportionately reduced. For soap, the British preference is increased by reducing the duties in the preferential list more than those in the general list; the same procedure is followed for cotton blankets, mining and dredging machinery, white lead and sanitary earthenware. British iron and steel tubes or pipes now bear a duty of 10 per cent. *ad valorem* instead of a primage

duty of 10 per cent., i.e. no change; but foreign tubes and pipes bear a somewhat heavier duty than before. On the other hand, the duty on British electrical heating and cooking appliances has been increased, and that on foreign appliances much more so—a purely protective or a revenue measure. For many of the above articles the provisions of the Australian Customs Tariff (Exchange Adjustment) Act no longer apply, so that the depreciation of the Australian pound against sterling now comes into effect as a deterrent to British exports and *a fortiori* to those from gold standard countries. To this extent, and to the extent that both the new preferential and general duties are still prohibitive, British exporters will scarcely be benefited. But the Country Party's influence, the outcry of the secessionists in Western Australia against the high-tariff protectionists in New South Wales and Victoria, and the clamour of Lancashire have combined to evoke a gesture from Australia. Is the gesture a formal introduction to a more liberal interpretation of the Ottawa Agreements, or will it remain merely a gesture? The answer lies in the shifting sands of Australian politics.

* * *

Tremors in Italy.—We hardly expected so speedily something in the nature of an interim answer to our article last week "What of the Lira?" Last Saturday a Cabinet Council issued a decree, the details of which appear in our Turin correspondent's letters this week on page 1147. The Italian Government—Signor Mussolini, in fact—has taken drastic steps to commandeer the foreign assets of all Italian persons, private and corporate, within the next few days. Such holdings of foreign exchange, or of securities or realisable claims abroad by Italians or persons domiciled in Italy, must be declared forthwith under dire penalties. Such a decree in any democratic country would be ominous; in a dictatorship it is not so surprising; one gets used to sudden scares. But what does this move in Italy portend? Devaluation, in flat contradiction to all the Duce's resounding protestations to the contrary? It seems scarcely possible. A "double-shuffle" currency system of the German pattern, with one value of the lira for imports and internal purchase and another for export sales? That seems difficult, for three reasons. First, Italy is more dependent than Germany on imported raw materials and less competitive in the world markets for exports. The lira would fall once she had consumed her capital assets abroad; and her exports would probably not increase sufficiently to enable her to maintain the volume of imports necessitated by her public works schemes. Secondly, unlike Germany, Italy is paradoxically unfortunate in the one sense that she does not owe foreigners enough on her external debt; so she cannot "block," or threaten to "block," lire which should be transferred. Therefore she cannot hope to lever up her exports and cajole tide-over credits in the way that Dr. Schacht has so ingeniously done. Thirdly, the example of Germany is a deterrent; and Germany's painful economic isolation is not as bad as Italy's would be. The lira has not weakened as much as might have been expected this week. It looks as if the Duce were intent on managing an Exchange Equalisation Fund with his citizens' foreign assets. As Italy has never been strictly on gold since 1927, in the sense that the Bank of Italy was legally compelled to deliver gold against notes, the lira has technically been a managed currency since then. This fact, often overlooked, may explain the need for last Saturday's decree.

* * *

A Clash in Somaliland.—The fighting which occurred between Italian and Abyssinian armed forces on December 5th is regrettable for many reasons. The scene of the engagement was the border between Abyssinia and Italian Somaliland, and the combatants were the garrison of an Italian military post and the Abyssinian escort of an Anglo-Abyssinian Commission which was investigating the grazing rights of the nomadic tribes which habitually cross the frontier between Abyssinia and British Somaliland in their seasonal migrations. The Italians say that the Abyssinian force came provocatively close to a long-established Italian post; the Abyssinians say that the post had been planted

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some sixty miles beyond the frontier on the Abyssinian side, and that in such a case length of occupation confers no prescriptive right. The truth seems to be that the country in this region is only sketchily mapped, and that the Italo-Abyssinian frontier is only vaguely defined. More serious are the underlying grounds for Italo-Abyssinian suspicion and hostility. The Abyssinians have never forgotten that, in the last decade of the nineteenth century, Italy regarded it as her "manifest destiny" to acquire Abyssinia for her colonial empire; and the two Italian possessions of Somaliland and Eritrea, which survive to-day in isolation from one another on the coasts of the Indian Ocean and the Red Sea, are monuments of Italian imperial ambitions which were shattered by Abyssinian arms at the Battle of Adowa. Since then, Abyssinian suspicions of Italy's intentions have been revived by the Anglo-Italian agreement of December, 1925, in which these two neighbours of Abyssinia agreed, over Abyssinia's head, to put no obstacles in the way of one another's respective economic desiderata in Abyssinian territory. The British desideratum was to tap the waters of Lake Tana for the irrigation of the Sudan; the Italian was to build a railway between Eritrea and Italian Somaliland across Abyssinian territory. This agreement was largely explained away when Abyssinia protested against it at Geneva; but since then Abyssinia has found an effective way of making Italy uneasy, in her turn, by flirting with Japan. Latterly the Italians have been feeling the competition of Japanese textiles in the Abyssinian market; and it required Italian diplomatic pressure to quash the project for an Abyssino-Japanese royal marriage. As one of the two sole surviving independent native African States, Abyssinia may be drawn towards an Asiatic Power which is twisting Europe's tail.

* * *

M. Flandin and Food Prices.—When M. Flandin a fortnight ago announced his intention of returning to the paths of "economic liberalism," we confessed some scepticism about the probability of his living up to his brave words. Some scepticism was perhaps pardonable, in view of the widespread discrepancy between the professions and performances of statesmen in this matter during recent years. In particular, the vested interest of the farmer and peasant has everywhere stood like a rock in the way of all attempts to reduce the cost of living commensurately with the fall in world prices. However, on this occasion we did M. Flandin an injustice. For it has now been announced that the wholly uneconomic fixed price for French wheat, established last year, is to be abolished, and a free market is to be set up once more. A small but appreciable fall in the price of bread is expected to follow. It is true that M. Flandin's attachment to "economic liberalism" appears on examination to be somewhat platonic:

import restrictions are to be continued; production is to be limited; stocks are to be liquidated in various artificial ways; France is still to export; and the free price, in effect, is not to be the world price or anything like it, but a free price in an insulated French market. Nevertheless, M. Flandin has taken at least one step toward economic sanity; and this, in the contemporary world, is an event which must provoke surprise and gratitude. But could not he now go further? Could not he relax the French import restriction system and so reduce the cost of living and allow the gold standard to have its natural effect in an influx of imports and an outflow of gold? During 1933, before the advent of the Doumergue Government, France had a much heavier import surplus than she has had since. Yet she was far less depressed. And in the case of most of the countries with devalued currencies a freeing of the exchanges and an increase of imports has been an accompaniment, if not a cause, of recovery. If France could thus free her external trade without abandoning gold, she might reap some of the advantages of devaluation without suffering the shock. At any rate, it is almost certain that devaluation—which M. Flandin still indignantly repudiates—cannot be avoided without a further fall in the cost of living. For at present, as our Paris letter this week shows, production is still falling despite the drop in the cost of living that has so far taken place.

Assisting the Uninsured.—The Minister of Labour has just published the Unemployment Assistance Board instructions for the assessment of the needs and resources of applicants for relief under the new Act which is to become operative in January. These instructions, which attempt for the first time to make the standard of assistance as far as possible uniform in scale and administration all over the country, are rather higher than the course of the discussions in Parliament had suggested would be the case. For members of a household weekly basic needs are assessed at the rate of 16s. for a man, 14s. for a woman, or 24s. for a man and wife, with additional allowances for children up to 18 of 3s. to 6s., according to their age, and of 7s. to 10s. for older dependants, according to their age and sex. In the case of an only child the allowance is not to be less than 4s. On the other hand, a reduction of 1s. is to be made in respect of every member of a household in excess of five. For men and women living alone the rates are 15s. and 14s., respectively, for those aged 18 and over, and 13s. and 12s. for those under 18. An attempt has been made to adjust inequalities of need due to differences in rent in the following way. A basic rent allowance is fixed at 7s. 6d. for those whose needs are assessed at between 24s. and 30s., and this is raised or lowered by a quarter of the amount by which the assessments exceed or fall short of these limits. If the applicant is paying a net rent (i.e. rent minus receipts from sub-letting) of more or less than this basic rent, his assessed needs (with some exceptions) may be increased or reduced by the difference, provided the rent being paid is considered reasonable. This is to prevent any possible encouragement to landlords to raise rents, or to tenants to continue to pay high rents, when cheaper accommodation is available. The following table shows an interesting comparison of the scale of benefits needed to fulfil the B.M.A. standard of food and the standard of minimum fuel, clothing, light, etc., laid down by the Merseyside Survey with the actual rate at which needs will be assessed under the new regulations and with present unemployment benefit rates. The respective rents are assumed to be 6s., 7s. 6d., 7s. 6d. and 9s. per week:—

	Unemployment Insurance Benefit	Unemployment Assistance Board Scale	B.M.A. and Mersey Standard
Man and wife	26/-	22/6 to 24/-	22/8
Man, wife and one child under 5	28/-	28/-	27/9
Man, wife and three children under 10	32/-	35/7½	37/3
Man, wife and five children under 14	36/-	40/10½ to 45/6½	50/3

While the new scale makes far more adequate provision for larger households than before, it still falls short of the B.M.A. and Mersey standards of minimum needs in the fourth class.

The Assessment of Needs.—After defining needs, the Board has to estimate the resources of the members of the family. Several criticisms levelled against the administration of the Means Test in this respect have been recognised and met. As regards capital resources, the first £25 of savings is to be disregarded altogether, every further £25 up to a total of £300 is to be counted as an income of 1s. per week, and amounts above this are to be considered as available for immediate use. As regards income from sickness benefit the following items are to be disregarded entirely: the first 5s. per week sick pay from a Friendly Society; the first 7s. 6d. received under the National Health Insurance Acts, 1924-32; all maternity benefits under these Acts (except additional or second maternity benefits); the first £1 a week from a wound or disability pension; and half of any weekly payments under workmen's compensation enactments. Further, the Unemployment Assistance Board is to take into account the personal requirements of members of a household, other than the actual applicant for assistance, who contribute to its total resources, before assuming that such income is available for the household as a whole. These deductions are to be at the rate of 5s. per week for the wife, husband, father or mother of the applicant, of one-third of earnings up to 20s. and one-quarter of earnings above that amount for a son, daughter, brother or sister of the applicant, and of one-third of the earnings of all other members of the household. This seems quite a reasonable discrimination as between near and distant dependants. The regulations also contain certain important general provisos for the giving of assistance. First, in no case is the final assessment of benefit to exceed the amount which would be available to the household if the applicant and other members were employed in their normal occupation. Secondly, wide powers of discretion are given to increase or reduce benefits in exceptional cases. At present, the number of persons who will be affected by the Unemployment Assistance Scheme is about 1,000,000, together with their dependants. The increased cost of the scheme to the Exchequer will be about £11 millions. Of this, £8 millions will be in respect of persons formerly provided for by the Public Assistance Authorities. The other £3 millions is the estimated increase in expenditure on those who were formerly entitled to Transitional Payments.

Anglo-Polish Coal Agreement.—On December 6th representatives of British and Polish coalowners at last agreed to terminate a long economic struggle for foreign markets, and to "bury the hatchet." The agreement, which has yet to be ratified, provides (a) for the establishment of a tonnage relationship between British and Polish coal exports, and (b) for the maintenance of an appropriate relationship between the export prices of the two countries. No information is as yet available concerning the method of fixing prices and the tonnage ratio between the two countries. It is understood, however, that Polish exports by sea will bear a fixed relationship with variable British exports. But, as the following table shows, Poland is not the only coal-exporting country:—

EXPORTS OF COAL (In thousands of tons)						
Period	Belgium and Luxembourg	France	Germany	Poland	U.S.A.	U.K. (excl. bunkers)
1925	2,508	5,040	13,440	7,920	18,180	50,817
1927	2,916	4,848	26,520	10,920	18,780	51,149
1929	3,732	5,784	26,400	13,800	18,360	60,267
1931	3,900	4,570	24,000	12,360	16,200	54,874
1932	3,440	4,092	22,764	13,596	12,420	42,750
1933	3,530	3,440	18,000	10,060	9,033	38,899
		3,257	18,200	8,951	8,992	39,068

The combined total of the five leading overseas exporting countries is still only slightly larger than the volume of British exports. In fact, the British proportion of the total exports of the countries shown in the above table rose slightly from 47.0 per cent. in 1929 to 47.7 per cent. in 1933. Moreover, an appreciable proportion of the exports of some of these countries do not compete with British coal. But profitability has been seriously impaired by competitive price-cutting, and an agreement among European exporters would undoubtedly lead to an improvement in the situation. The future of the coal industry in this and other countries depends, however, upon a revival of demand, which might easily be stifled by a shortsighted price policy.

November Overseas Trade.—The preliminary figures of our overseas trade in November, published in this week's *Board of Trade Journal*, show a decrease in both imports and exports as compared with October, and a slight increase on November, 1933. But as contrasted with the returns for October, the increase in exports as compared with a year ago was greater than the rise in imports. The excess of imports over exports during the first eleven months of 1934 is now £260,047,000, an increase of £29,292,000 on 1933. The unfavourable balance of merchandise trade in 1934 is, however, likely to be smaller than seemed likely earlier in the year:—

MONTH OF NOVEMBER					
	1934	Increase (+) or Decrease (—) as compared with			
		November, 1933		November, 1932	
Imports	£'000	£'000	%	£'000	%
British exports	64,687	+ 958	+ 1.5	+ 3,171	+ 5.1
Re-exports	36,125	+ 1,890	+ 4.9	+ 5,031	+ 16.2
Total exports	4,008	+ 389	+ 10.7	— 52	— 1.3
Imports	40,133	+ 2,079	+ 5.3	+ 4,979	+ 14.1
Re-exports	24,554	+ 1,121	+ 4.4	+ 1,807	+ 6.9
Total imports	2,001	— 4	— 0.2	— 306	— 13.3

ELEVEN MONTHS ENDED NOVEMBER					
Imports	£'000	£'000	%	£'000	%
British exports	669,603	+ 56,752	+ 9.3	+ 27,145	+ 4.2
Re-exports	361,873	+ 24,861	+ 7.4	+ 29,232	+ 8.8
Total exports	47,683	+ 2,599	+ 5.8	+ 903	+ 1.9
Imports	409,556	+ 27,460	+ 7.2	+ 30,135	+ 8.0
Re-exports	260,047	+ 29,292	+ 12.7	+ 2,990	+ 1.1
Total imports	21,844	— 64	— 0.3	+ 1,347	+ 6.6

As far as imports are concerned, the value of food, drink and tobacco in November was £32,487,000, as compared with £35,682,000 in October and £31,992,000 a year ago. On the other hand, imports of raw materials declined from £16,982,000 in November last year to £16,893,000 in October and £16,740,000 in November, 1934. The *Economist's* index of the volume of imports of raw materials (corrected for seasonal variations) declined from 108 (1924 = 100) in October to 100 in November. A year ago the figure stood at 108. The value of manufactures imported in November, at £15,171,000, showed a decrease of £856,000 on October, but an increase of £621,000 on the corresponding month last year. The value of exports in November, though slightly lower than in the previous month, was appreciably higher than a year ago. Exports of manufactures, at £27,407,000, showed a rise of £1,606,000 in value and one of 5½ per cent. in volume. The slackening of the rate of British recovery is therefore reflected in these figures; for while we are now exporting more of the results of our labour on former increased raw material imports, our present imports of material are not keeping up to last year's figures.

Tea Restriction.—The policy of the International Tea Committee has so far been less drastic than that of most other restriction schemes. The Committee started off with an export quota of 85 per cent. of the agreed standard exports of 807.7 million lbs. from April 1, 1933. The agreed standard exports of the participating countries are: India, 382.6 million lbs.; Ceylon, 251.5 million lbs.; and the Dutch East Indies, 173.6 million lbs. Following an appreciable rise in prices, the quota was increased to 87½

per cent. from April 1, 1934. But during recent months the situation has again deteriorated. Stocks in bonded warehouses in this country increased from 253.2 million lbs. on September 30, 1933, to 258.6 million lbs. on the same day in 1934. The average price realised at the tea auctions in Mincing Lane declined from 13.01d. per lb. during the week ended November 30, 1933, to 11.90d. per lb. during the last week of the past month. Production outside the restricting countries was stimulated by the rise in prices following the adoption of the scheme, but so far the increase has not been very substantial. According to a recent estimate, total production in non-restriction countries rose from 134 million lbs. in 1932-33 to 143 million lbs. in 1933-34. As a result of the recent decline in prices and of the increase in stocks, the International Tea Committee recently decided to recommend a decrease in the export quota from 87½ per cent. to 82½ per cent. of the standard exports from April 1, 1935. Although the proportion of world production controlled by the restriction scheme is substantial, a rise in prices might easily lead to a further increase in "outside" production.

Employment in November.—The latest report of the Ministry of Labour shows that business activity in this country is being maintained, though it is not increasing as it did at the corresponding date of 1933. The number of insured persons aged 16-64 in employment in Great Britain on November 26, 1934, was approximately 10,212,000, an increase of 6,000 as compared with October 22nd of this year and of 252,000 as compared with November 20, 1933. The number of persons on the registers of Employment Exchanges, on the other hand, rose by 1,150 during the month and fell by only 159,232 during the year. The total of 2,120,785 consisted of 1,729,838 wholly unemployed, 309,643 temporarily stopped and 81,304 registered as "normally in casual employment." There has been a decrease of 146,100 and 41,400 (9.4 and 16.2 per cent.) in the number of men wholly and temporarily unemployed respectively. On the other hand, the number of women unemployed has increased since November, 1933, by 8,000, and the number of juveniles by 23,000. These figures are affected by the general deterioration in the textile trades as compared with last year, and by the unusually large number of children entering the labour market this summer. The following table shows the principal changes in the number of insured persons unemployed in different industries:—

	Increase (+) or Decrease (—) since Oct. 22, 1934		Increase (+) or Decrease (—) since Nov. 20, 1933	
	Number	Per cent.	Number	Per cent.
Coal mining	— 30,233	— 10.8	— 60,188	— 19.4
Iron and steel manufacture	— 118	— 0.3	— 13,760	— 24.2
Engineering	+ 989	+ 1.0	— 47,494	— 31.8
Shipbuilding and repairing	— 1,408	— 1.9	— 16,931	— 18.1
Motor vehicles, cycles and aircraft	— 2,286	— 8.8	— 7,384	— 23.8
Metal goods manufacture	— 237	— 0.4	— 10,638	— 13.9
Cotton	— 7,772	— 7.1	— 348	— 0.3
Woolen and worsted	— 2,692	— 8.1	+ 9,001	+ 42.2
Hosiery	— 1,259	— 11.3	+ 3,634	+ 58.0
Boot and shoe	— 1,008	— 4.5	— 985	— 4.4
Tailoring	+ 4,161	+ 14.0	+ 711	+ 2.1
Building	+ 17,453	+ 10.5	+ 4,720	+ 2.5
Public works contracting	+ 2,397	+ 1.9	— 2,673	— 2.0
Shipping service	+ 2,493	+ 5.2	+ 4,100	+ 7.5
Dock and harbour service	— 2,998	— 5.9	— 3,444	— 6.7
Hotel and boarding house service	+ 4,547	+ 6.2	+ 2,490	+ 3.3
Distribution	— 2,606	— 1.4	— 4,676	— 2.0

Total, all industries (registered persons)..... + 1,150 + 0.5 — 159,232 — 7.0

It will be seen that there has been very little change during the month in the position of the heavy industries, but consumption trades show increasing activity. The number of persons on the registers in London and Southern districts has increased by 19,153 during the month, but an improvement is to be looked for during the current month owing to increased business in the distributive and lighter industries. Scotland also records a large increase of 8,483. The Midland, North-Eastern and North-Western districts, on the other hand, show decreases of 10,447, 10,752 and 5,085 respectively, but in Wales there has been no change. A welcome sign of improvement is the decrease in the

proportion of unemployed persons who have been out of work for more than twelve months—from 23.3 per cent. in November, 1933, to 21 per cent. on November 26, 1934.

* * *

Shipping Freight Index.—As measured by our monthly index number, the general level of the whole cargo shipping freights fell by 1.6 per cent. during November, following a fall of 2.7 per cent. during October. The current figure of 86.2 compares with 85.5 in November last and 88.8 in November, 1932. Details of the index number are as follows:—

(1898-1913 = 100)					
	Average, 1913	November, 1933	September, 1934	October, 1934	November, 1934
European waters	110.0	87.1	90.3	87.8	86.6
North America	113.1	76.6	79.3	77.4	76.6
South America	123.4	80.8	82.8	78.1	79.4
India	106.3	82.7	98.6	96.3	94.5
Far East and Pacific	117.4	85.0	93.5	91.8	89.0
Australia	127.9	89.9	95.3	93.7	90.8
Total	116.3	85.5	89.9	87.5	86.2

While rates in most cases are rather lower than a month ago, freight markets have been very steady. Liverpool reports a moderate demand for outward coal tonnage, and a good tone in the River Plate homeward market. At Newcastle, Mediterranean trade is easier, but rates are firmer for coast-wise traffic and the Baltic. Demand at Glasgow is also mainly for the Baltic and other markets are quiet. Movements of the various sections of our index number are shown in detail below:—

	Index No.	Inc. or Dec. Points		Index No.	Inc. or Dec. Points
Home trade	85.1	+0.9	South America :		
Bay-outwards	95.4	-3.7	Outwards	64.2	-1.0
Bay-homewards	83.9	-3.2	Homewards	94.7	+3.8
Mediterranean :			India-outwards	77.9	+4.2
Outwards	85.9	-3.0	India-homewards	110.1	-8.9
Homewards	84.4	+1.1	Far East, etc.	89.0	-2.7
North America	76.6	-0.8	Australia	90.8	-2.9

Expressed as a percentage of the average for 1913, the total figure of our index number for November is 74.1, compared with 75.2 for October and 73.5 for November last year.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

SIGNS OF BUSINESS RECOVERY

THE Federal Reserve Board indices for October showed a small upturn from September.

FEDERAL RESERVE BOARD INDICES

	Base 1923-5		Adjusted for Seasonal	
	Oct., 1933	Sept., 1934	Oct., 1933	Oct., 1934
Industrial production (total)	76	71	73	
Manufactures	76	69	72	
Minerals	81	82	80	
Construction contracts (total) ...	37	29	31	
Residential	12	11	12	
Others	57	44	46	
Factory employment	77.8	73.9	77	
Factory payrolls	59.4	57.9	60.7	
Freight car loadings	58	59	57	
Department store sales	70	75	75	

The principal recovery was in textile manufactures (from 64 in September to 90 in October); and this represented the ending of the strike. Except for department store sales, most of the October figures were about at the level of a year ago. The prevailing gossip of business men is rather at variance with these data, being on the whole more favourable. It seems almost incredible that the Treasury could have lavished its billions without producing some economic effects, even though they are statistically invisible. The current data suggest that November showed a continuing rise over October. Some of this recovery may be attributed to the reduced frequency and magnitude of strikes.

The foreign trade figures for October continued the record of recent months. October exports, at \$206 millions, exceeded both those of September and of October, 1933, although the comparison with September was by no means so striking as in recent months. This suggests the possibility that the maximum effect of the impact of devaluation upon our export trade may have been felt. October imports present the opposite picture, being less than those of September and less than those of October, 1933. For the ten months merchandise exports have been almost \$500 millions above 1933, while imports are less than \$200 millions greater—that increase having occurred in the first six months of the year. For the ten months our excess of merchandise exports is almost four times that of the same period of 1933, viz., \$396 millions against \$111 millions. This is the more remarkable since our exports of various agricultural commodities are substantially lower than last year. October saw

the beginning of the recent gold import movement, but the net gold import was only \$11 millions, being exceeded by the silver import of \$13 millions. In so far as an increasing export trade is evidence of, or contribution to, our recovery, it is welcome; but in the financial district these figures are received with mixed sentiments, as it is realised that the counterpart of the excess of merchandise exports is the import of the equivalent of more than the world's gold production in the current year.

The gold influx which started in October has amounted to over \$125 millions, of which \$112 millions came in November. About half has come from France, with the rest scattered. For the eleven months our monetary gold stock has increased \$1,250 millions, of which domestic production accounts for about \$75 millions, and \$90 millions is recovery of gold used in the arts.

A part of the A.A.A. cotton programme for the coming crop-year has been announced. The standard rate of curtailment is 25 per cent. (from the base acreage), against 40 per cent. this year, and contemplates a crop of 12 million bales against an actual crop of under 10 millions this year. The announcement omits the important question—the official loan price; for this year it has been 12 cents. The establishment of this figure set the domestic price for the current year, and it has proved so high as to restrain the export of the crop. As a result of the loan arrangement it appears likely that a considerable portion of the current crop will be added to the Government stocks. In cotton, the A.A.A. control scheme has become decidedly subordinate to the loan feature, which is merely a synonym for price-fixing; and it has reverted to the well-remembered tactics of the Farm Board. It seems scarcely likely that the domestic official price for 1935 will be less than 12 cents a lb.; but there is always the possibility that at some time the Government will endeavour to unload its surplus cotton abroad at a figure below the official price.

THE UNDERVALUATION OF THE DOLLAR

That the dollar has been an undervalued currency during 1934 your correspondent considers a statistically demonstrable fact. The article entitled "The Eternal Triangle," which appeared in the *Economist* of October 27, 1934, reached that conclusion from considerations of relative price indices. This correspondence has argued it from the movements of merchandise imports and exports, and from the gold flow. The measure of this undervaluation and its consequences is far from determinate, but the editorial statement of the *Economist* (page 17, November 17, 1934),

that "The United States is smashing the post-crisis gold standard before it has been set up," indicates the threat rather than the actuality. First of all, when the dollar was established at the end of January, 1934, on the basis of gold at \$35 an ounce, the actual dollar was valued in the exchanges about 10 per cent. higher, on the basis of gold at about \$32.50 an ounce. Britain met this adjustment through the gold market, with the result that the pound-dollar relationship maintained its continuity in the vicinity of \$5; but the gold currencies appreciated in terms of both the dollar and sterling. The main gold flow of the year occurred under the impulse of our sudden adoption of the \$35 price; and to that extent represented a transitory influence. Meanwhile our trade balance was becoming more favourable throughout the year.

There is some reason to think, however, that the increase in exports is approaching its culmination. Three factors have influenced our imports: first, there was the "flight from the dollar" into imported raw materials which took the form (in 1933) of heavy anticipatory buying in rubber, tin, etc.—again a movement of transitory character; second, the devaluation added substantially to a tariff system which had been designed to be all but prohibitive on many foreign manufactures. Third, there was the great slump in American business from May to the present, which seems to have produced a visible reduction in our imports—at least there is a coincidence in time. Assuming this severe recurrence of the depression to be temporary, one might expect that further recovery would be attended by some increase in imports in coming months. As for the recent gold imports, there has been considerable evidence that the repatriation of American capital played a considerable part—again a transitory influence. Finally, while our economy is so saturated with credit that gold imports of approximately \$1,000 millions in a calendar year have no perceptible influence, the fact remains that our prices have shown through 1934 what might be called a persistent tendency to rise.

Altogether, one might accept the premise that the dollar was considerably undervalued in the beginning of 1934, that it is now undervalued by some uncertain percentage, and the deduction that this undervaluation has impeded the progress of other countries during the current year; but one would hesitate to make a projection of the future on the basis of the data of 1934. Several other considerations seem to be of greater future weight. First of all, our agricultural policy, if we can be said to have one, seems to contemplate a scheme of Government fixation of domestic agricultural prices, combined with some curtailment of output but not necessarily to the level of domestic consumption. Cotton is a commodity in point. This policy seems to contemplate a surplus, which comes into the possession of the State; but no scheme for its disposal has been announced. Second, the flow of international investment and speculative capital frequently dominates the exchanges. While America has, until very recently, lent no money abroad formally for years, there was, at times, in 1933 and 1934, some exodus of American capital, and, recently, some repatriation. These sums could easily have exceeded even the large figure of our current trade balance. Finally, there is always the chance that at some phase our security markets may prove a magnet for substantial sums of European capital. In such an event factors like trade balances resulting from relative devaluation would shrink into insignificance.

In short, it seems that at the end of 1933 the dollar was decidedly undervalued, that at the end of 1934 the dollar may be undervalued, but to a lesser degree; that the consequences of the initial undervaluation were largely experienced in 1934, and will be of diminishing influence in 1935, even making some allowance for various lags. On the other hand, our indeterminate agricultural policy could, under certain developments, have a considerable influence upon other agricultural countries; and the possibility of a flow of European capital into the American security markets, sufficient to derange conditions abroad, is quite within range of the imagination.

NEW YORK, December 3.

FRANCE

FREEDING THE WHEAT MARKET

WHILE the Senate is expediting its examination of the Budget Bill, the Chamber is applying the emergency procedure to the Wheat Bill, so that both may become law for Christmas.

The agricultural and financial committees of the Chamber have modified the Government Wheat Bill on the ground that the freeing of wheat sales in three months would be too rapid and dangerous, so the fixed price will not be abolished before July, 1935. The Minister of Finance has also limited the sums to be expended in liquidating stocks before July. This limitation required an exact estimate of wheat stocks:—

(000,000 quintals)	
Stocks—	
1933 surplus	24
1934 crop	88
Imports from North Africa	3
Total	115
Consumption—	
Seeds	10
Consumption	78
Exports realised	3
Denaturation realised	1
Total	92
Surplus	23

The financial resources needed have been fixed at 1,880 million francs, out of which 380 millions will be recovered through the sale by the State of "denatured" wheat, and 1,500 millions will be furnished by a loan to be issued. Interest and amortisation on this loan will be guaranteed by an increase of the production tax and a doubling of the milling tax, which will produce 175 millions, the balance to be furnished by the existing Wheat Fund. The price of bread should be lowered, nevertheless, before the end of the year.

The Government's wine policy has been endorsed by the Chamber Committee. It proposes to form a reserve of 10 million hectolitres and to distil 15 million hectolitres. The financial backing for these operations is to be obtained by an increase of 5 francs in the circulation tax. Thus, in the case of wine as of wheat, the liquidation of stocks is provided by the market. Parliament is in general unfavourable to the policy of controlling production which is included in the Governmental plans for freeing prices.

The rapidity with which the Budget and the Wheat Bill have been handled by Parliament has improved sentiment on the security markets. The investing public has subscribed with alacrity to recent loans, such as the Ville de Paris 5 per cent. debentures issued at 900 francs and redeemable at 1,000 francs between 1956 and 1975, and the colonial loans of 5 per cent. issued at 910 francs and amortisable at 1,000 francs in 48½ years. The amount of the loans was inconsiderable: 390 millions for the Ville de Paris and 150 millions for the Colonies.

FALL IN WHOLESALE AND RETAIL PRICES

The Statistique Générale de la France has just published its index of prices for November. Wholesale prices of meat kinds fell:—

	Articles	(1913=100)		
		End of Sept.	End of Oct.	End of Nov.
General index	126	365	357	356
Foodstuffs	39	383	368	366
Vegetable food	24	366	351	346
Animal food	15	413	396	400
Industrial products	87	350	347	347
Ores and metals	17	376	378	379
Textiles	19	305	302	305

Retail prices in Paris are falling rapidly. The figure for November was 464 (1914 = 100), compared with 466 in October and 467 in September and an average of 475 in 1933.

The annual reports of iron and steel companies show that a great deal of plant is idle as a result of diminishing

orders, particularly in the home market. But the reconstruction of the international selling organisation has led to some increase of orders. Interest is therefore expressed in the result of the negotiations going on with Great Britain about the possibility of her adherence to the International Cartel.

Production of pig-iron increased from 499,000 tons in September to 530,000 tons in October, compared with 537,000 tons in October, 1933. In general, however, production is still falling:—

	INDUSTRIAL PRODUCTION (1913=100)			
	Oct., 1933	Aug., 1934	Sept., 1934	Oct., 1934
General index	108	97	95	94
Engineering	111	100	99	98
Iron and steel	81	81	79	79
Textiles	77	55	54	55
Mines	101	101	102	101
Building (adjusted figures) ..	88	81	80	77
Leather (" ") ..	103	96	90	85
Paper (" ") ..	126	149	141	133
Rubber (" ") ..	930	856	852	840
Motors (" ") ..	438	468	466	452

In the motor industry, 9,331 automobiles and 1,562 lorries have been put on the road, compared with 8,361 and 1,771 in October, 1933.

The figures for the cotton industry are as follows:—

	July, 1934	Aug., 1934	Sept., 1934	Oct., 1934
Spinning (average per spindle in kilograms):—				
Production	1.370	1.343	1.277	1.422
Deliveries	1.364	1.282	1.352	1.464
Stocks	2.482	2.541	2.503	2.468
Unfulfilled orders	4.459	4.408	4.076	3.921
Weaving (average per loom in pieces of 100 metres):				
Production	4.49	4.20	3.66	3.94
Deliveries	4.30	4.19	3.17	3.78
Stocks	9.87	9.82	10.64	10.51
Unfulfilled orders	11.74	10.21	9.74	9.88

Bankruptcies in November amounted to 933, against 896 in October and 596 in September; bankruptcies and judicial liquidations were 1,292, against 1,331 in October and 893 in September.

PARIS, December 13.

GERMANY

BANK REFORM LAW

THE Bank Reform Law, which is to come into force on January 1st, embodies in more precise form the recommendations of the committee reported in this letter last week. It embraces all classes of banks, with the exceptions of the Reichsbank, the Gold Discount Bank, the Reichspost (postal cheque accounts), and housing credit institutions. The provisions for the grant of concessions are elastic. Permission to establish a bank may be refused, not only on the ground of personal unfitness or of insufficient resources, but also if the foundation does not seem to be justified by local or general conditions. The authority for concessions is the Reich Commissar for Credit, who is the executive officer of the Bank Supervision Office. The Commissar may withdraw a concession, in which case the bank must close, but he must first hear the banker's case. Changes in leading personnel, or in capital, and proposals to fuse banks must be reported to the Commissar. The terms "bank" and "savings bank" are legally protected. Members of the Bank Supervision Office, which is to be attached to the Reichsbank, are, as president, the president of the Reichsbank, the Reichsbank's vice-president as deputy, a person to be appointed by the Chancellor, and the Secretaries of State of the Ministries of Finance, Economy, Food and Interior.

The Bank Commissar is entitled to attend sessions, but has only an advisory voice. Decisions and ordinances of the Office will be made by its president, "after consultation with the other members." The Reich Government is to decide in doubtful cases; in particular if a member opposes a proposed decision. From this it seems that in

most cases the president of the Office (the Reichsbank president) will decide after merely hearing the opinions of his fellow members. Against decisions or measures of the Bank Commissar appeal may be made within a stated term to the Bank Office; otherwise the Commissar's measures are valid and irrevocable. The general function of the Office is to remove banking abuses. The Office can take measures if a bank gets into difficulties, and it can lay down principles for the management of banks. In general the Commissar is subject to the Minister of Economy.

The most detailed provisions of the law concern liquidity. After defining precisely the terms "liabilities," "capital" and "reserves," the law prescribes that the credit given by a bank to a single borrower shall not exceed a certain percentage of the bank's capital which is to be fixed by the Bank Office. Interdependent and connected borrowers count as a single borrower. Unsecured credits exceeding Rm. 5,000 may be given only on condition that the credit taker reveals to the bank his financial condition. Banks must maintain a cash reserve consisting of their own cash holdings, and their deposits in the Reichsbank and on postal cheque account. The cash reserve is not to fall below a percentage of liabilities to be fixed by the Bank Office, which may vary for different classes of banks but may not exceed 10 per cent.

The banks have also to maintain a sum equal to a percentage (also to be fixed by the Bank Office) of their liabilities in trade bills payable within ninety days and in securities valid for Reichsbank advances. Here also the percentage may vary for different bank classes, but may in no case exceed 30 per cent. A bank's holdings of company shares (other than its permanent participations in a company) and of bonds not quoted on German bourses, must not exceed a certain percentage of its liabilities to be fixed by the Bank Office; this percentage is not to be lower than 5 per cent. Investment by a bank in real estate is limited. The Office is authorised to fix a maximum ratio of total liabilities to capital, variously for different classes or groups of banks, with the condition that a bank's liabilities, less the liquid assets of the two classes above mentioned, shall not be more than fivefold in excess of the capital.

SEASONAL INCREASE IN UNEMPLOYMENT

The number of unemployed rose in November by 86,000 to 2,354,000. The winter seasonal unemployment increase has begun one month earlier than in 1933, when November showed a small decline; but it is still much later than in the depression years. The October report shows a continued increase in the proportion of all working places that are occupied, but the ratio of total hours worked to the possible maximum remains considerably lower. According to the November reports of the Chambers of Commerce, the production goods branches are still active, though some consumption goods branches are slack. The supply of textile raw materials is described as still scarce, but export of textiles is more active. The department stores show very considerable increases in business. Turnover in October was between 24 to 30 per cent. higher than in the same month of 1933. Railway car loadings in October were 10.8 per cent. higher than in October, 1933, 6.8 per cent. lower than in October, 1930. Freight traffic on internal waterways very considerably increased.

The wholesale price index for December 5th was 101.1, as against 101.2 on November 28th. The competence of the Reich Price Commissar has been extended from "necessary goods and services" to the whole business domain, except wages, and therefore includes the instruments and materials of production. Advances in the price of meat have been entirely prohibited. According to the Price Commissar's latest statement his attention will next be concentrated on cartel-fixed prices. The Commissar reports that the hoarding of goods on price grounds, which was very active some weeks ago, has ceased. More precise rules about the display of prices and quantities have been issued.

The official report on the condition of winter sowings on December 1st is favourable. Both wheat and rye show an improvement, compared with November. According to the definitive crop returns for 1934 some 7,600,000 tons of rye were harvested, against 8,700,000 tons in 1933; 4,700,000

tons of wheat and spelt, against 5,800,000 tons; 3,200,000 tons of barley, against 3,500,000 tons; and 5,500,000 tons of oats, against 7,000,000 tons. There was a falling-off, therefore, of cereals of about 4,000,000 tons, but the figures for rye, wheat and barley are above the average of the preceding decade.

The Ministry of Economy has extended to chemical and mechanical cellulose the restrictions on production imposed in May this year on paper and cardboard. It is officially stated that the establishment of new cellulose works for the production of raw material for the new textiles substitutes must be prevented, since the existing works, which are not fully occupied, suffice.

Money last week was in increased demand, and this week the quarterly income-tax liability has kept the market stiff. The day loan rate has been 4-4½ per cent., and the demand for Reich short-term securities has been small. Reichsbank credits and investments declined in the first week of December by Rm. 172 millions, or by 39 per cent. of the additional month-end credits of the last November week. The average term of bills in the Bank's discount portfolio is somewhat longer than a year ago. It is understood that about half the bills held are for "work creation." Deposits, for the first time, show a very sharp drop, being down to Rm. 3,717 millions, as against Rm. 3,810 millions on November 30th. This is in part due to withdrawals for meeting bills, in part to a decline in foreign clearing deposits. The Bank of England credit of £750,000 for the payment of British commercial debts appears in the "other assets" of the return of December 7th. A new clearing agreement has been reached with Switzerland.

BERLIN, December 12.

ITALY

DEFLATION AND THE LIRA

SUBSCRIPTIONS for the 2,000 million lire 9-year 4 per cent. Treasury loan at par were opened on November 21st. Subscriptions amounted to 3,935 million lire by 563,004 subscribers. Small subscriptions will be accepted in full, reductions being made progressively. The purpose of the loan has not been fully explained. As the Budget deficit for the first four months of the current financial year is 730 million lire, against 1,527 millions for the corresponding period in 1933, and will amount possibly to 2,000 million lire for the whole year, a loan was not needed. The Loan and Deposit Bank (Cassa Depositi e Prestiti) and other public institutions are well able to aid the Treasury, and, in fact, had lent them in the same period 660 million lire.

Signor De Stefani, in the *Corriere della Sera*, has repeatedly hinted that the best use of the proceeds of the loan would be the reduction of the note circulation of the Bank of Italy. The monetary situation is undoubtedly the core of the general economic situation:—

	(000,000 lire)		
	Notes in Circulation	Total Gold Reserve	Discounts and Advances (including Advances to the I.R.I.)
December 31, 1933	13,243.3	7,396.7	5,831.3
October 31, 1934	13,255.4	6,098.8	6,083.3

In November the gold reserve fell to below the 6,000 million lire level, which to many observers looks very disconcerting. To counteract the fall of the reserve most people are asking for new restrictions on international trade. The Government most wisely has decided instead to issue the 2,000-million loan, and (on November 24th) raised the official rate of discount from 3 to 4 per cent. and the rate of interest on advances from 3½ to 4½. If the proceeds of the loan are utilised to reimburse the Bank of Italy the sums advanced to the I.R.I. and other frozen advances—which are already a charge on the Treasury—the circulation will be restricted to about 11,000 million lire; and a deflationary pressure will be exerted on the price level more effective and better distributed than that exercised by a general indiscriminate drive for a 5 or 10 per cent. all-round reduction of prices. The rise of the rate of discount should also contribute to this

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end and should counteract the tendency to a flight of capital which has recently been visible.

TURIN, December 6.

NEW EMERGENCY DECREES

(By Air Mail)

A further fall of the total gold reserve was announced on December 7th.

TOTAL GOLD RESERVE: ITALY

	(Million lire)	
December 31, 1933	7,396.7	June 30, 1934
March 31, 1934	6,918.2	October 31, 1934
December 7, 1934	5,866.8	

On Saturday, December 8th, a decree was issued by the Cabinet Council for the enforcement of a full-dress control of foreign exchange transactions.

A distinction is drawn between two kinds of foreign assets on the one hand: (a) *Credits*, i.e. money in current or deposit account or otherwise held, and sums due for goods sold, etc., and (b) *Securities*, foreign or Italian, if issued in foreign countries, whether held in Italy or otherwise; and, on the other hand, between two kinds of holders: (1) firms, banks, bankers, companies and bodies, and (2) private citizens.

As to the (a) credits possessed by class (1), they must be offered to the "National Institute for Foreign Exchanges." If requested, the possessor must sell at the current rate all immediately realisable credits, and, at a price to be settled, the non-liquid credits. Forms must be sent to the Bank of Italy containing all necessary data within 10 days from December 8th; and all credits arising thereafter must be reported to the same bank within 10 days of their origin. The same firms, companies or bodies must also send, within 10 days, a report to the Bank of Italy on their obligations in the shape of payments due to foreign creditors.

Class (2) holders of credits abroad are only obliged to send to the Bank of Italy by December 31, 1934, and thereafter within 15 days from their origin, a report on all their Class (a) credit claims on parties resident in foreign countries.

Both firms and private citizens (Classes 1 and 2) are obliged to send by December 31st, 1934, and afterwards within 15 days of any alterations, a report on their Class (b) security holdings and subsequent variations.

Insurance and transport companies or agencies are authorised to keep foreign exchange accounts; but at the end of each quarter must send to the Bank of Italy a report on their transactions and on the state of their funds of foreign exchange.

Very detailed regulations about exports are issued, the gist of which is that no export is permissible without a previous report to the Bank of Italy and the latter's authorisation. All credits arising from exports must be sold to the National Institute for Foreign Exchanges. In each province a Committee will revise prices reported for goods sold.

Offenders are liable to heavy penalties up to one year's imprisonment or a sum equal to the non-reported amounts,

and possibly confinement (*confino*) in the islands. The Bank of Italy's directors and employees must keep secret all foreign exchange transactions. The purpose of the decrees is to give the Treasury and the Bank of Italy actual disposal of all credits abroad, whether they arise from present foreign assets or from future exports. Later on, if need be, arrangements may be made for the sale of the securities, which must meanwhile be reported.

REACTIONS TO THE DECREES

Newspaper comments on the new State monopoly of foreign exchange can be summarised thus: The lira is unchanged, unchangeable and independent. Perhaps a more matter-of-fact explanation of the events which culminated in the recent decree may be found in an illuminating monthly review of the Treasury and Budget accounts by Signor Mazzucchelli in *Rivista Bancaria* for May of this year. Total gold reserves of the Bank of Italy, including gold exchange, increased during 1926 and 1927, reaching the maximum of 12,518.8½ million lire on April 30, 1928, mainly owing to loans issued in foreign countries (mostly U.S.A.) by the State and other public and private bodies and concerns. Signor Mazzucchelli calculates the amount of these gold-producing loans at 8,000 million lire, the greater part of the gold proceeds going to the Bank of Italy. As happened before in the 'eighties after the 640 million gold lire loan for Italy's adherence to gold, an opposite movement began in April, 1928. Partly in consequence of the interest and amortisation payments abroad, but mostly of the repurchase by Italians of Italian securities issued in foreign countries, gold was bound to return abroad; and Italy was left with a gold reserve roughly corresponding to the reserve held before the ill-fated 1926-27 loans. But though these decreases in gold holdings were, in a way, a favourable index of the capacity of Italian new savings to repatriate Italian securities, further decreases below the 7,000 million lire were deemed disquieting. The decrease of about 1,500 million lire in the first 11 months of 1934 cannot be said to originate in the current income deficit of the international balance of payments.

Signor Mussolini, in his speech of May 26, 1934, in the Chamber of Deputies, estimated the proportion due to capital flight at one-third of the whole decrease. The State monopoly of foreign exchange ought, in the first place, to compel exporters to reimport all their balances held abroad. Then, if need be, the State may also requisition foreign and Italian foreign-issued securities. It should be observed that Italian foreign-issued securities which have already been repatriated cannot exercise any pressure on the foreign exchanges. Last June, all foreign and foreign-issued securities were stamped, thus enabling the Treasury to estimate their exact amount. No estimate has yet been published. As to bank and other balances held by Italians in foreign countries, a figure of 8,000 million lire was widely accepted in 1923, among others by Professor Pantaleoni. Now the amount would be vastly reduced. The crisis has reduced these credits and has obliged many holders to cash what was left. The recent increase in the rate of discount of the Bank of Italy should have worked, if not to invite foreign capital, at least to induce exporters to draw on their foreign balances.

TURIN, *December 12.*

SWEDEN

RECOVERY WELL MAINTAINED

OWING, no doubt, to the halt in world recovery, the steeply rising economic curve of the spring has been interrupted in Sweden also. But the setback here has been very slight. In normal years, owing to the strong seasonal tendencies due to climatic conditions, the curve of Swedish production usually shows a decided upward movement in the spring months, followed by a slackening in the summer and succeeded in the autumn by a new and more pronounced rise. This year *Industriförbundet's* index of production shows a rise from 103 in January (1925-30 = 100) to 112 in June. The summer slackening shows itself in the fall during July to 107, a setback which is perhaps too

great to be accounted for by ordinary seasonal causes, but the index number then rose to 112 in August, 112 in September and 111 in October. In other words, the highest level of the spring was again reached, although it has not been surpassed. The setback in October was confined to the consumption industries.

Compared with earlier years, the present recovery is very striking. The general index number which Kommerskollegium calculates on the basis of the quantity of work offered and a number of other data from various branches of industry is most illuminating. The highest point in the preceding boom was reached by this index (4 indicates good and 3 fairly good), with 3.51 for the three quarters of 1929, and the lowest point of the subsequent depression by 2.30 for the first quarter in 1933. Since then the figure has risen continuously, and in the last quarter of 1933 it had touched 3.08, and for the first three quarters of this year 3.24, 3.55, and 3.63 respectively. Thus as early as the second quarter of this year the highest point in the 1929 boom had been passed, and during the third quarter the increase was still in progress. The general development is clearly reflected in the statistics of unemployment. Indeed, the improvement has been so great that it is questionable whether the unemployment which still remains is really abnormal or "conjunctural." It seems to have been gradually reduced to dimensions which may be regarded as normal. The number of applications for work per 100 vacancies at the public labour exchanges was at its lowest in September, 1929, at 127. It rose successively to a maximum of 689 in 1932. It then improved to 560 in January this year and to 286 in September. These variations include also the usual seasonal disturbances, which may be seen. The statistics of the Unemployment Commission for the number of unemployed seeking assistance reached a maximum of 188,000 in February, 1933, and then declined to 171,000 in January, 1934, and to 79,000 in October.

THE INCREASE IN FOREIGN TRADE

The slackening off in recovery this autumn is reflected in the foreign trade figures. In the first half of 1934 there was an increase in exports of about 30 per cent. in value compared with 1933; in July the excess was 10 per cent., and during the three following months 13, 7, and 10 per cent. respectively. Imports in the first half-year showed an increase of 20 per cent. in value over last year, and during July and August the increase was respectively 24 per cent. and 22 per cent. In September it was 12 per cent., and has remained much the same since. In October the balance of trade swung seasonally from active to passive.

In the money market a surplus of capital and falling rates of interest have prevailed. In October, as against a continued accumulation of deposits and restricted loans, there was a corresponding increase of exchange reserves, so that the liquidity of the commercial banks has become still more pronounced. The funds of the latter amounted to Kr. 688 millions, and the effective loan surplus to Kr. 109 millions. The commercial banks possessed Kr. 430 millions sight assets and foreign investments of Kr. 195 millions. In other words, we are approaching a surplus of deposits, and in the case of particular banks this position has already arisen. Consequently the first attempt of the National Debt Commission to place Treasury bills in the open market in the English manner has been successful. Offers were invited for three months' bills for Kr. 15 millions, and roughly Kr. 80 millions was subscribed at an average interest rate of not quite $\frac{1}{2}$ per cent. The $\frac{3}{4}$ per cent. national loan of 1933 stands at 106-107, and quite recently one of the largest timber companies converted an early debenture issue to $3\frac{3}{4}$ per cent. The market now appears to be ripe for industrial flotations at $3\frac{1}{2}$ per cent. Another significant manifestation of the abundant supplies of capital and the difficulties of investing it on a reasonably profitable basis has been the extraordinary firmness of the Stockholm Stock Exchange during a large part of the autumn. Although the level of prices during the summer months has not shown any particular change, there occurred in September a rise in Stock Exchange value of A-list shares of Kr. 4 millions, and during October no less than Kr. 150 millions. In November, however, a more cautious tone supervened.

STOCKHOLM, *December 7.*

SWITZERLAND

FROM PROTECTION TO DEFLATION

SWITZERLAND is on the point of completely modifying the economic policy pursued during the past three years, as it is now evident that excessive protection is leading the country to ruin.

In order to defend Swiss industry and commerce against the competition of countries with a depreciated currency, the Swiss Federal Government has been raising Customs duties and setting up import quotas designed to prevent the Swiss market from being flooded by cheap foreign goods. Simultaneously, State subsidies have been granted to a number of industries in the hope of combating unemployment, lowering costs of production and fostering exports. These measures have not given the expected results. Imports have been reduced by about 15 per cent., but unemployment has continued to rise. Exports have not improved; indeed, they had decreased during the past two years. The grant of subsidies proved a heavy burden for the Federal Treasury, the receipts of which have been dwindling, and the raising of Customs duties has prevented the cost of living from being reduced as it should have been. The result of protection as a whole has been to make Switzerland an island of high prices.

The most stubborn supporter of this protectionist policy was the chief of the Federal Department of Public Economy, Federal Councillor Edmund Schulthess. His views were opposed and combated by his colleague, Federal Councillor M. Musy, chief of the Federal Finance Department, who was a strong partisan of deflation—that is, of a drastic reduction in all costs and a general lowering of prices. Last March, M. Musy resigned, and since then M. Schulthess has changed his mind. In a recent speech which caused a widespread sensation in Switzerland, M. Schulthess admitted frankly the complete failure of his protective policy, and laid stress on the urgent necessity of bringing about a general deflation. He remarked that the Federal Budget deficit for 1935 will exceed 70 million francs—including extraordinary expenditure—and that the Federal Railways will show a deficit of about 50 millions. He estimated that, including the deficit of cantonal and municipal accounts, Swiss public finances will record next year an aggregate deficit of nearly 200 millions.

M. Schulthess gallantly acknowledges the failure of his system, and he now advocates the adoption of a deflation policy providing for drastic curtailments in all State expenditure, particularly State subsidies. His plans—and the Government's plans—are not yet definite, but Parliament will be called upon to decide on a Government proposal for the grant of full powers to the Federal Council in order to carry out a general reduction in workers' and employees' salaries, in the prices of goods which would be regulated by the Government, and in the rents of houses, flats and farmhouses. Once the Government is invested with full powers it will entrust the Department of Public Economy with the task of proposing the means likely to reduce the cost of living.

This deflationary policy should not cause any modification in the Swiss monetary system. There is no question of abandoning the gold standard, as Switzerland lives on the credit and confidence she enjoys with other countries.

GENEVA, *December 10.*

ARGENTINA

PROPOSED TAX ON FOREIGN FIRMS' PROFITS

THE Bill proposing a surtax on remittances of profits by foreign limited liability companies is being very strongly opposed by the Committee of Foreign Chambers of Commerce. Meanwhile a new Bill has been presented to Congress proposing a special inheritance tax on the lines of the British death duties. This tax is designed to range from 1 per cent. to 12 per cent., according to the global value of the estate. The tax appears to be just and equitable, and it will reduce, in time, the number of large

privately-owned properties. The new internal loan described in this correspondence a fortnight ago has been a marked success. The issue was oversubscribed.

The Grain Regulating Board have issued their report on results during the first year of their operations. These show a loss of \$8,815,942, and stocks of wheat on hand at November 30th amounted to 167,153 tons. The above loss is very much less than was originally expected owing to the rise in the price of cereals as a result of the American drought, and there is no doubt that the action of the Board in fixing a minimum price did much to assist the farmers in the early part of the year. From the published figures it appears that the Board were not guilty of the fault of holding stocks in the hope of obtaining better prices. The basic prices are being maintained during the coming year, but should present quotations continue firm, it is to be hoped that the Board will not incur any losses.

THE GOVERNMENT'S EXCHANGE PROFIT

The Ministry of Finance have at last published figures showing the result of the first ten months of their intervention in the exchange market. The total profit on their operations is slightly over \$91,200,000. The amount of exchange sold by the Bureau was \$764,700,000. To the above profit must be added some \$5,000,000 received by the Government in respect of their operations on the free exchange market. This latter sum was delivered to the National Treasury as compensation for the suppression of the 10 per cent. tax on private remittances. The distribution of the \$91,200,000 is as follows: \$24,600,000 handed to the Treasury to cover losses on remittances in respect of foreign debt services, etc., \$8,800,000 used in covering losses of the Grain Regulating Board and \$1,700,000 granted to the Dairy Industry Regulating Board for return to the producers as compensation for the low prices obtained for their products. The balance of \$56,100,000 is held in cash and foreign currencies for a purpose not as yet specified. Apart from the profit on exchange, the Government also hold an overbought position in foreign currencies, amounting to approximately \$71,900,000, which is being utilised as an exchange equalisation fund. This fund has, of course, been formed at the expense of those foreign companies which cannot obtain sufficient exchange at the official rate to cover their commitments; it has been suggested, however, that part of the \$56,100,000 mentioned above will be destined to assist such companies as are in need of foreign currency.

The following is the value of Argentine imports and exports, by countries, for the first ten months of 1934:—

	Market Values of Argentine Imports, according to Origin		Percentage of Total	
	1933	1934	1933	1934
	\$	\$		
United Kingdom	169,760,011	188,681,407	21·4	22·8
United States ...	97,468,348	126,100,687	12·3	15·2
Germany	83,377,609	82,957,582	10·5	10·0
Italy	74,465,253	55,845,848	9·4	6·8

Market Values of Argentine Exports according to Destination				
	\$	\$		
United Kingdom	339,116,378	404,033,990	36.4	33.3
Netherlands	89,485,432	103,334,341	9.6	8.5
Belgium	94,210,627	101,042,570	10.0	8.3
Germany	67,722,061	89,057,632	7.3	7.3

Imports continue to increase; Great Britain is maintaining her place well at the head of the list and increasing her percentage of the total. The import of textiles showed a

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slight falling off as compared with last year, due no doubt to the increase in domestic manufacture which is protected by the depreciated peso.

Buenos Aires, December 1.

AUSTRALIA

BUDGET DEFICITS IN 1934-35

THE Budgets of the six Australian States for 1934-35 show estimated deficits aggregating £5,525,010, but the Commonwealth shows an estimated surplus of £13,810, leaving a net total deficit for the seven Governments of £5,511,200, after providing for sinking funds as part of the expenditure. The State deficits are £2,910,000 for New South Wales, £243,496 for Victoria, £1,001,457 for Queensland, £517,820 for South Australia, £644,452 for Western Australia, and £207,785 for Tasmania. Although the ordinary revenue and expenditure accounts remain unbalanced, taxation continues at a high level, especially in comparison with the aggregate value of production. The loan expenditure on public works for 1934-35 is estimated at £25 millions for the States, and £1½ millions for the Commonwealth, a total of £26½ millions. This total is to be provided partly by the internal loan last June and partly by further internal borrowing still to be carried out.

The quarterly average banking returns to September 30th for Australia (exclusive of London) show deposits of £290,133,642, or an increase of £21,482,410 as compared with a year ago; advances £242,336,927, or an increase of £5,213,495; and Government and municipal securities £50,712,453, or a decrease of £181,392. The relatively large increase in deposits is based upon production during the 1933-34 season, while on the other hand there has been some increase in the demand for accommodation, more particularly for building.

For the 1934-35 season, owing to the low prices for wool and butter and the smaller wheat harvest, the outlook is for a diminished value of production, which will mean less opportunity for increasing deposits and reducing indebtedness to the banks, and a smaller total value of exports. As imports have been increasing during the last few months in response to the increase in exports during 1933-34, London balances are expected to be drawn upon, leaving little or practically no prospect of improvement in the exchange rate.

As the result of a series of downward steps, bank fixed deposit rates are at an exceptionally low level, the rate for two years being now 2½ per cent., against 5½ per cent. to which it rose early in 1930, and for twelve months 2½ per cent., against 5 per cent. There is a feeling in various important quarters, however, that the rates have been reduced excessively, and that while they may help to facilitate the impending loan flotation they give opening for depositors to transfer their money to speculative forms of employment or to investment in good securities at excessively high prices.

The rainfall has been very satisfactory during October and has gone far to assure the wheat harvest, now estimated at 110 to 120 million bushels. While this is much smaller than the 1933-34 crop of 173 million bushels, the quantity available for export will include a balance from that crop to be carried over next December, owing to the slow rate at which farmers have been selling.

MELBOURNE, November 15.

LETTERS TO THE EDITOR

RED STAR AND WHITE

TO THE EDITOR OF THE ECONOMIST

SIR,—The recent reports dealing with the depressed areas could not foresee much immediate hope for increased ship-repairing or construction. Within one month a concrete scheme has been launched which would give work both to construction and repair yards as well as to about 2,500 men as ships' officers and crews, but this idea will apparently be still-born owing to opposition from official quarters.

Even if the proposal to construct new ships of a profitable type, such as the "Britannic," runs counter to Cunard-White Star interests, which are now equally the interests of the Government, surely it is desirable to prevent the transfer of 50,000 tons of high-class coal-burning liner tonnage from British to foreign registry, where it will compete even more strongly with Cunard-White Star liners.

It may or may not be possible to rationalise such industries as steel or coal, but it certainly is impossible to rationalise the Atlantic liner trade where six countries are in competition and where 70 per cent. of the receipts are derived from the United States.

The ships in question are the only all-tourist ships in the trade and the majority of their passengers, if the ships lose British registry, will follow them or go to German and American vessels where fares are low.

In attempting to correct the trade balance, the item of invisible exports is too often forgotten, and this example, occurring at the very time when the German Hapag-Lloyd union is to be dissolved, demonstrates the vital dangers of theoretical planning and State interference in a highly individualistic trade.—Yours faithfully,

United University Club, C. E. R. SHERRINGTON.
Pall Mall East, S.W.1.
December 12, 1934.

TO THE EDITOR OF THE ECONOMIST

SIR,—I notice on pages 1086 and 1087 of your issue of Saturday, December 8th, a Note on the Red Star Line and White Star Line.

While agreeing with the view you express, I think it only right that any credit or otherwise for raising the question should be given to my son, Lt.-Colonel Sandeman Allen, M.P. for Birkenhead, and not to myself, as I took no part in it. As Senior Member for Liverpool, however, I feel it is a matter which must be pressed.

I should be grateful if you could correct this slight and very excusable inaccuracy.—Yours faithfully,

J. SANDEMAN ALLEN.
House of Commons, S.W.1.
December 10, 1934.

BACON SUPPLIES AND PRICES

TO THE EDITOR OF THE ECONOMIST

SIR,—Your leading article in to-day's *Economist* on bacon supplies and prices is both interesting and informative. Most of your arguments are sound and I agree that at present the consumer is being sacrificed to the farmer and curer. But you must bear in mind that to breed a pig which will satisfy the requirements of the Danish bacon trade cannot be done in a day, and while this process is going on the farmer must have some degree of protection. No doubt in time the farmer will be able to produce bacon pigs and the curer bacon equal in every way to that of the Danes and at as low a price. The danger to guard against in a scheme of this kind is its exploitation by curers or farmers.

A rather significant point in the new contracts for 1935 is the flat railway rate for carriage of 1s. 6d. per pig which all curers have to agree to. The bulk of curers whose factories are economically situated—i.e., in pig-producing districts—have not been paying more than 6d. to 1s. per pig in the past. It would appear that the larger curers, who, I understand, are largely behind the scheme, are trying to draw all the pigs to their factories at the expense of the smaller more economically situated curers. This is one straw only which shows the way the wind may blow.—I remain, yours faithfully,

SIDNEY GASKELL.
Betchton Hall, Sandbach, Cheshire.
December 1, 1934.

BOOKS RECEIVED

The Bankers' Almanac and Year Book, 1934-35. Nineteenth edition. Pages 2244. (London) Thos. Skinner and Company. 42s. net.

The latest edition of this indispensable reference work is completely revised. The many important recent changes in the banking world are recorded; there are tables of the growth of banking deposits and of exchange movements, and a diary of important events since 1866.

Post Office London Directory. Kelly's Directory, Ltd. 3639 pages. 55s.

This unique directory contains information about London of almost every kind, including private addresses, maps, etc. It will be indispensable to foreigners, visitors, and to all who require accurate and easily obtainable knowledge of the capital and its business concerns. The Municipal Borough of Willesden has been included for the first time.

MONEY AND BANKING

DEBTORS AND THEIR DEBTS

A NOT unreasonable definition of the great world crisis is that which describes it as a destruction of the debtor-creditor relationship. The fall in the prices of the world's raw materials and foodstuffs made itself apparent as early as 1928; and when the fall became general, all debtor countries found the real burden of their indebtedness increasing at an alarming rate to an intolerable, unmanageable level. It is generally admitted that a substantial reduction in the burden of international debt is necessary if the world is to return to prosperity. The devaluation of the pound and dollar has, among other things, done something to effect this. In the present article an attempt is made to estimate how far the depreciation of these two great currencies has effected a reduction in the foreign indebtedness of four countries, viz. Germany, Italy, Poland and Hungary, all of which are still on the "nominal gold standard."

There is a great margin of error in such an estimate. The chief difficulty lies in the impossibility of calculating, with any degree of accuracy, the amount of external bonds held within the country at a given date. There is no means of knowing how rapidly the process of repatriation is being carried out. Therefore the figures for the savings effected on interest and sinking fund payments abroad are very tentative. In the cases of Italy and Germany some allowance has, however, been made for this factor.

The German experience is perhaps the most interesting. If we consider first the period from July, 1931, to September 30, 1933, we find that according to one estimate Germany's total foreign indebtedness declined from Rm. 23,800 millions to Rm. 14,800 millions, or by Rm. 9,000 millions. Of this reduction, Rm. 5,000 millions represented actual repayments, and the remaining Rm. 4,000 millions the reduction in her external debt expressed in Reichsmarks as a result of the depreciation of certain foreign currencies—the depreciation of the pound and the dollar accounting for all but Rm. 300 millions of this. Only a comparatively small proportion—probably not more than Rm. 350 to 400 millions—of this saving has been cashed in by the redemption of debts, and the balance remains a saving only on paper, which would disappear if the Reichsmark depreciated or if the currencies of Germany's creditors rose in value.

For public debt alone (the debt of the Reich, States and municipalities) the reduction during this period was from Rm. 4,835 to Rm. 3,046 millions, or a reduction of some Rm. 1,800 millions. Of this reduction, Rm. 900 millions was due to repayments, and the remaining 900 millions to the depreciation of foreign currencies.

In his speech to the International Agrarian Conference at Bad Eilsen last August, Dr. Schacht carried the analysis a stage further, for he reviewed a period running from July, 1931, to February 28, 1934. His estimate for this longer period was a reduction of Rm. 4,000 millions due to foreign currency depreciation alone; and he gave Germany's total outstanding foreign indebtedness at Rm. 13,900 millions on February 28th last.

These estimates are not entirely consistent with those for the shorter period, but a comparison of the two suggests that Germany's total foreign indebtedness fell from Rm. 14,800 millions in September, 1933, to Rm. 13,900 millions in February, 1934, i.e. by a further Rm. 900 millions. Probably at least Rm. 400 millions of this total reduction of Rm. 900 millions was due to currency depreciation alone.

If this be added to the reduction of Rm. 4,000 millions which was occasioned by depreciation prior to September, 1933, we find that the total reduction due to this factor between July, 1931, and February, 1934, was in the neighbourhood of Rm. 4,400 millions. This is somewhat in excess of Dr. Schacht's estimate of Rm. 4,000 millions, and it would appear that Dr. Schacht's calculations erred on the side of conservatism.

Of these four countries Italy is in the most favourable position from the debtor's point of view. Her foreign public debt is very small, both absolutely and as a proportion of her total national indebtedness. Almost the whole foreign debt is contracted in dollars—and part of the balance in pounds—so that she has benefited from devaluation abroad much more than the other three countries. She has not defaulted on either sinking fund or interest payments, and her actual saving in foreign exchange requirements, therefore, is large in proportion to the size of the foreign debt.

Between the middle of 1931 and November 1, 1934, Italy's foreign public indebtedness declined by 45 per cent., as is shown in the following table:—

ITALIAN EXTERNAL PUBLIC DEBTS
(000,000 omitted)

	1931 June 30th	1933 June 30th	1934 Nov. 1st
I £ debts	2.65	2.60	2.30
II \$ debts	169.62	160.92	152.89
I + II in Lire*	3,466.22	3,296.68	3,115.91
I + II in Lire†	3,466.22	2,132.52	1,906.89

* Lire at par. † Lire at respective current rates of exchange.

It will be seen that as a result of the depreciation of the pound and dollar, Italy's external public indebtedness was reduced, on paper, by 1,200 million lire at November 1, 1934, allowing for a depreciation of 7.3 lire in the dollar rate and 34 lire in that of the pound. The saving on amortisation and interest payment has been about 250 million lire, and has been effected on all payments on the two sterling loans since September, 1931, and on the dollar loans since April, 1933.

The total foreign indebtedness of Poland has remained virtually stable during the last few years at 10,000 million zloty, but the external public debt (State and Municipal) rose between January, 1930, and January 1, 1933, from 3,973 million to 4,727 million zloty. During 1933 it dropped once more to 3,700 million. If from this latter amount we deduct the post-war liquidation debt, debts due to foreign Governments, and the State-guaranteed provincial and municipal obligations, the amount remaining (for which statistics are available) is about 1,200 million zloty. Of this, about 1,000 million is in sterling and dollar loans. Assuming a devaluation of 16.9 zloty in the pound rate and 3.6 zloty in that of the dollar (except for the American *tranche* of the 1927 Stabilisation Loan, the service on which has been continued at par), it would seem that between June, 1931, and June, 1934, Poland's bonded external indebtedness has been reduced, on paper, by approximately 300 million zloty. The saving on exchange purchases for interest and sinking fund payments has been about 80 million zloty.

The service on the internal and external indebtedness of Hungary is still far larger than the country can afford, but Reduction in the foreign debt owing to the devaluation of sterling and the dollar has gone far to ease, though not to solve, the problem. The transfer moratorium, however, turns this real advantage into a paper one.

An inquiry carried out on behalf of the Hungarian National Bank showed that the total foreign debt in October, 1931, was 4,300 million pengö. Of this, about 1,500 million pengö was State debt, while 700 million pengö were owed by public bodies, the National Bank, and Municipal enterprises, making a public external debt of about 2,300 million pengö. The total foreign debt was divided between France (1,122 million pengö), the United States (840 million pengö), Great Britain (732 million pengö), and other countries (1,632 million pengö).

Some 1,000 million pengö of the total 1,500 millions owed to Great Britain and the United States is accounted

for by public obligations. At the beginning of September, 1931, the total of public debts contracted in pounds and dollars to which the gold clause was not applicable was slightly over 900 million pengö. The figure at present rates of exchange is 500 millions; that is, there has been a reduction of 400 millions. This can be checked by reference to figures published by Mr Tyler, the Financial Commissioner of the League of Nations in Hungary, in his quarterly reports. He shows that the funded foreign State debt fell from 1,244 million pengö on March 31, 1932, to 921 millions on September 30, 1934. A few repayments and fluctuations in other currencies account for a small part of the reduction, so that the two sets of figures corroborate each other. Hungary has not, so far, profited in practice from the devaluation of foreign currencies, as virtually no sinking fund or interest payments on foreign loans have been made since December, 1931.

Thus, these four European debtor countries have enjoyed a substantial alleviation of their foreign indebtedness by reason of currency devaluation in creditor countries. This advantage would be lost if they themselves devalued, and if their creditors' currencies should ever re-appreciate. Still, it is clear that as matters stand at present the currency chaos has appreciably contributed to a financial redressment of the debtor-creditor relationship, whose rupture was one of the most harmful effects of the crisis.

FINANCIAL NOTES

The Money Market.—Discount rates have been variable this week. Most of the Treasury bills applied for last week are well held, so that on Tuesday and Thursday, when buyers came into the market, the rate at once weakened. The market, however, is very narrow, for the prevailing impression is that it is useless to buy bills at around $\frac{1}{2}$ per cent. when $2\frac{1}{2}$ per cent. may have to be paid against them to the Bank of England over the turn of the year. Meanwhile, "hot" Treasury bills are quoted at $\frac{1}{2}$ per cent., while January Treasury bills, which are equivalent to loans into the New Year, are for that reason quoted at the higher rate of $\frac{5}{8}$ per cent.

	Nov. 22, 1934	Nov. 29, 1934	Dec. 6, 1934	Dec. 13, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills	$\frac{1}{2}$	$\frac{3}{8}$	$\frac{1}{2}$	$\frac{1}{2}$
Three months' bank bills	$\frac{1}{2}$	$\frac{3}{8}$	$\frac{1}{2}$	$\frac{1}{2}$

Day-to-day money is very plentiful at $\frac{1}{2}$ per cent., as the Christmas currency withdrawals have not been sufficient to absorb the War Loan dividend money released at the beginning of the month. The supply of money available for loans into the New Year is now becoming limited, and the rate has hardened to 1 per cent. against both eligible and non-eligible collateral. There are indications that some stringency may develop over the turn of the year.

The Bank Return.—Christmas currency withdrawals by the public have raised the note circulation to £393.2 millions. This is a record figure since the amalgamation of the note issues, and as there are still ten days before Christmas it is quite possible that the circulation will exceed £400 millions.

BANK OF ENGLAND					
	Dec. 13, 1933	Dec. 27, 1933	Nov. 28, 1934	Dec. 5, 1934	Dec. 12, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold	190.6	190.7	192.1	192.2	192.2
Note circulation	381.9	392.0	379.7	385.4	393.2
Banking Department:—					
Reserve	69.8	59.7	73.0	67.3	59.5
Public deposits	14.5	22.2	27.7	8.6	7.9
Bankers' deposits	95.6	101.2	89.1	108.9	103.3
Government securities ..	72.9	88.0	80.4	84.8	85.8
Discounts and advances	8.4	16.8	9.2	9.6	10.1
Proportion	47.5%	37.3%	47.1%	43.7%	40.1%

The currency withdrawals have reduced both the Reserve and Bankers' Deposits. The Proportion has also fallen to 40.1 per cent. as the result of the contraction in the Reserve.

The Foreign Exchanges.—The dollar has gained ground during the week, for the spot rate has improved from \$4.95 $\frac{1}{2}$ to \$4.94 $\frac{1}{2}$, and three months' dollars have hardened from $\frac{1}{8}$ to $\frac{1}{4}$ cent. discount. There is now an impression that the seasonal pressure against sterling was stronger than it appeared, for the autumn decline in sterling against the dollar was temporarily arrested by sales of gold *bloc* currencies for sterling in November owing to the lack of confidence on the Continent. Confidence has now been partially restored, and so the temporary support to the pound has ceased. The Paris rate has improved from Frs. 75 $\frac{1}{2}$ to Frs. 75, while three months' francs are steady at 6 centimes discount. Forward belgas are still quoted nominally at 0.33 belgas discount, equivalent to 6 per cent. per annum, while an isolated deal in three months' lire was reported at the wide margin of 1 $\frac{1}{2}$ lire discount, or 7 $\frac{1}{2}$ per cent. discount. The Italian spot rate steadied, however, on the news of the exchange regulation discussed on another page. It is also known that the Italian authorities are not restricting commercial operations in London, for some fresh commercial credits were opened this week. So far foreign assets only have to be declared, and Italian exporters and others are not yet required to hand over their foreign exchange to the Bank of Italy. Still, these new powers will be used if they are required to protect Italian gold stocks.

New York Money and Banking.—New York money rates are unchanged. Brokers' loans by New York member banks rose from \$576 to \$639 millions during the week ended December 5th, while other loans against securities rose from \$814 to \$824 millions. Aggregate loans therefore totalled \$1,463 millions on December 5th against \$1,390 millions the week before. Gold continued to arrive from abroad. November imports amounted to \$130 millions, bringing the total gold in the Treasury to \$8,131 millions, which is a new high record. During the week ended December 5th, \$19.6 millions arrived from France and \$10.1 millions from Holland, in addition to small imports from India, Canada and England. It is reported that a banking group has arranged a short-term loan of \$15 millions at 1 $\frac{1}{2}$ per cent. for New York City. This is a short-term issue to fill the gap until a public offering of the bonds can be made. It follows the city's adoption of a new tax programme, which includes a 2 per cent. sales tax. November disbursements by the R.F.C. amounted to \$198 millions and repayments to \$71 millions. During November nine national banks were licensed to reopen. Only eight national banks now remain unopened.

The Austrian Standstill.—During the week it was announced that the standstill agreements between Austrian banking debtors and their foreign creditors would come to an end by mutual consent on December 10th. Three years ago the short-term banking indebtedness amounted to approximately £30 millions (gold), of which about £14 millions represented foreign credits to the Credit Anstalt. Since these have been funded under various schemes the announcement implies that roughly £16 millions (gold) have been repaid by the Austrian banks. Although the chief beneficiary of these repayments is New York, London being mainly a creditor of the Credit Anstalt, the moral is of the greatest importance to all creditor countries. If one country, almost entirely bereft of its reserves and, according to the League Commission, on the verge of collapse in 1931, is able to meet the service on her funded foreign obligations in full and repay her foreign short-term indebtedness within a comparatively short time, it is evident that the default of other countries on their obligations must be ascribed to their unwillingness rather than to their inability to pay. As has often been pointed out, Austria found the means of payment by adjusting the value of her

currency to the market price and by giving foreign creditors complete control of their funds within the country. This way is open to all countries who put their obligations as debtors before narrower interests. During the last few weeks the knowledge of the impending conversion of the League of Nations' loan and the further relaxation of exchange restrictions have caused a rapid rise in fixed interest-bearing securities, reducing their yield by more than 1 per cent. in less than four weeks. The collapse of international credit began in Austria; let us hope that its restoration there means that the crisis is now passing.

November Clearing Bank Averages.—The November returns of the nine English clearing banks show a reduction of £3.6 millions in cash and an increase of £19.4 millions in deposits. During November additional funds had been accumulated in public deposits at the Bank of England in readiness for the War Loan dividend on December 1st, and bankers' deposits were therefore inclined to run low. This probably explains the reduction in bank cash.

	Nov., 1933	Aug., 1934	Sept., 1934	Oct., 1934	Nov., 1934
Capital and reserves	123.3	123.4	123.4	123.4	123.4
Acceptances, etc.	113.8	108.7	112.1	117.6	122.1
Deposits (including undi- vided profits, etc.)	1,889.0	1,818.5	1,821.1	1,853.2	1,872.6
Total liabilities	2,126.1	2,050.6	2,056.6	2,094.2	2,118.1
Cash	213.0	193.4	203.9	210.2	206.6
Cheques, balances and items in transit	47.2	43.4	43.2	51.8	47.0
Money at call	94.0	135.2	133.2	132.1	130.2
Discounts	315.2	220.0	210.9	214.2	230.8
Investments	531.2	540.2	545.6	558.5	572.4
Loans and advances	722.4	740.7	738.6	740.4	739.7
Investments in affiliated banks	24.8	24.6	24.7	24.9	24.9
Cover for acceptances, pre- mises, etc.	158.3	153.1	156.5	162.1	166.5
Total assets	2,126.1	2,050.6	2,056.6	2,094.2	2,118.1

The rise in deposits reflects increases in discounts and investments. Further buying of securities by the banks was known to be a leading cause of the November boom in the gilt-edged market, so the expansion of £13.9 millions in investments is not surprising. The increase in discounts follows hard upon the breakdown of the banks' agreement to maintain discount rates, and it is perhaps significant that one of the "big five" shows no such increase in its return. The remaining banks, however, have been taking up fresh bills, and as a result the money market has apparently been able to reduce its call and short loans from the banks. The banks' ratio of cash to deposits has fallen from 11.3 to 11.0 per cent.

Barclays Bank (D.C.O.).—This year's accounts show a welcome expansion in both deposits and many of the earning assets, including advances. To a large extent this improvement is due to the business revival and expansion of credit in South Africa, due primarily to the Union's transfer from gold to sterling nearly two years ago and to the consequent rise in the price of gold expressed in South African currency. The bank's business in Palestine is also expanding, and news from its Egyptian branches is very fair. The salient features in the accounts are summarised below:—

	September 30th	1932	1933	1934
Liabilities—		£'000	£'000	£'000
Deposits		71,622	74,522	82,866
Note circulation		744	736	771
Acceptances		3,544	3,342	4,312
Capital		4,975	4,975	4,975
Reserve fund		1,650	1,650	1,750
Assets—				
Cash		14,502	15,699	16,958
Call money		1,849	1,626	3,374
Remittances in transit		1,332	2,168	1,216
Discounts		12,713	10,843	13,764
Investments		18,315	27,170	25,778
Advances		27,858	21,895	26,740
Net profit		372	372	410
To contingencies		100	100	Nil
To reserve		Nil	Nil	100
Dividend—				
" A " shares		4 $\frac{1}{2}$ %	4 $\frac{1}{2}$ %	5%
" B " shares		4 $\frac{1}{2}$ %	4 $\frac{1}{2}$ %	5%

Net profits have risen from £372,000 to £410,000, largely as a result of the expansion in the resources of the bank. This increase has enabled the board to raise the dividend on both classes of shares from 4 $\frac{1}{2}$ to 5 per cent. The more settled outlook has also enabled the directors to substitute an allocation of £100,000 to the reserve fund for the previous allocation to contingencies. Altogether this is a most encouraging report.

National Bank of Scotland.—The accounts of this bank show a further expansion in its resources, deposits having risen by £1,300,000 during the year. There has also been a slight increase in its note circulation. Among its assets, cash, balances, and cheques in course of collection are all higher, and the general inference is that money is circulating in Scotland a little more freely than a year ago. On the other hand, there has been a slight drop in acceptances. Earning assets show increases in call money and investments, and a fall in discounts and advances:—

	1932	1933	1934
Liabilities—	£'000	£'000	£'000
Capital	1,100	1,100	1,100
Reserve fund	1,550	1,550	1,550
Note circulation	2,251	2,288	2,354
Deposits	33,868	34,423	35,724
Acceptances	694	923	734
Endorsements, etc.	682	1,146	1,155
Assets—			
Cash	2,955	3,044	3,194
Balances and cheques	1,378	1,396	1,810
Call money	3,608	3,890	5,114
Investments	13,583	16,144	17,248
Discounts	3,748	2,526	1,756
Advances	13,068	11,984	11,215
Net profits	265	268	272
To contingencies	100	75	...
Other allocations	30	55	135
Dividend	16%	16%	16%

Net profits are slightly higher, and it is significant that this year the directors have not thought it necessary to allocate any part of the published profits to contingencies. Instead, they have increased the allocation to the reduction of the cost of hereditary property and alterations from £25,000 to £100,000. The dividend is unchanged at 16 per cent.

Bank of New South Wales.—The accounts of the bank for November 30th show an increase of £5.5 millions in deposits, offset by increases of £3.6 millions in cash and £5.0 millions in Government securities. Discounts and advances have risen by £1.7 millions, but Treasury bills are reduced by £3.8 millions and call money by £1.7 millions. The liquid assets of the bank are increased by £2.8 millions, and in general this year's balance sheet illustrates the recent trend towards a freer and more liquid supply of bank credit. Nevertheless, the President, in his annual address, felt bound to utter a warning regarding world trade conditions and their reaction upon Australian affairs. The growth of national self-sufficiency, if continued, must inevitably condemn the greater part of the world population to an unreasonably low income level, while the burden of debts may become even more intolerable if there is any further disruption to the normal channels of international trade. The recent contraction in the European demand for Australian wool, which is directly traceable to Germany's exchange difficulties, is an obvious case in point. The President also urged that general recovery depended on the revival of international borrowing. The reaction against past extravagance could be carried too far, and there should be no slackening of the attempts to promote conditions of cheap credit. Australia had no reason to regret the recent decline in interest rates, which reflected the improvement in her finances, but any enforced restriction upon Australasian exports might have the most serious economic consequences and might also carry serious risks upon all who had business or financial relations with Australia or New Zealand. This address comes as a timely warning to those who are inclined to regard Australasian recovery as now assured.

THE STOCK EXCHANGE

INDIAN RAILWAY STOCKS

THE market in Indian railway stocks is one of the least known in the Stock Exchange. Though the stocks it embraces represent a current market valuation in the neighbourhood of £130 millions, it is less often in the news than any other market of comparable intrinsic importance. For this there are two reasons. In the first place, a great majority of the stocks are fixed interest bearing. The proportion of equity or variable dividend securities is small, though it includes some exceptionally interesting examples. Secondly, a considerable proportion of the stocks consist of a form of security called "Annuities," which is unfamiliar to the ordinary investor, and of which, consequently, he is apt to fight shy. The result is that the market as a whole is distinctly "narrow." A single firm of jobbers deals in the stocks, and close prices are not easily obtainable. Nevertheless, the stocks afford a market of great technical interest—a market for the connoisseur of investment—which contains a great variety of types, including some securities that are unique. It contains, for example, two or three trustee stocks carrying a variable return. It also provides one of the most remarkable of the numerous anomalies of the Trustee Acts to which attention has recently been directed in these columns (see the *Economist*, October 13, 1934, page 687).

The great variety of types of security to be found in the market arises from certain facts of Indian railway history. The Indian railway system was largely built by private enterprise, backed by State financial assistance. The financial assistance normally took the form of a free grant of the land on which the railway was built (or, in some instances, of the sale of the land in return for a purchase consideration rendered in capital stock), together, in many cases, with a guarantee by the Government of the interest and principal of the debenture stocks and of a minimum dividend on the ordinary capital. In return for this assistance the Government was allotted a percentage of the profits remaining after payment of prior charges. The Government also retained the right to determine its contract with the railway company at prescribed dates and on its termination to take over the railway on payment (normally) of the nominal amount of the ordinary capital. In most of the contracts it is in fact declared that "the railway and its appurtenances are absolutely the property of the Government." Many of the railways (including some of the largest, like the East Indian, and the Great Indian Peninsula) have, on the termination of the contracts, been taken over by the Government, and to-day, of the whole Indian railway system, roughly two-thirds is State-owned and State-managed and only one-third is still company-managed. The contracts which have not already fallen in or have been renewed are all terminable within the next sixteen years. Though it is probable that the Indian Government will, as it has done in the past, grant renewals in certain cases, it is probably only a matter of a comparatively few years before the whole railway system of British India is "nationalised."

Meanwhile, Indian railway securities consist of a large number of debenture stocks, mostly guaranteed by the Secretary of State, in companies still existing or defunct, plus a smaller number of ordinary stocks (and one or two preference stocks) in companies whose contracts have not yet expired. There is, in addition, a further class of security, namely, the Annuities, to which reference has already been made. These arose out of the ashes of an earlier type of Indian railway, the old "guaranteed companies," whose contracts with the Government expired many years ago. On the expiry of these contracts, the companies' ordinary capitals were converted into Government-guaranteed terminable annuities. Of these Annuities there are two classes, designated "A" and "B" respectively (with two further classes "C" and "D" in the case of one railway, the East Indian). The "A" Annuities lapse entirely at a

given date, while the "B" Annuities are paid subject to a sinking fund deduction calculated to secure to the annuitant the payment of a certain capital sum at the date of the expiry of the Annuity. The "C" and "D" Annuities of the East Indian Railway are similar to the "B" Annuities in that they effect repayment of capital. The "C" Annuities were created to satisfy those "A" annuitants who desired the eventual return of their capital, while the "D" annuities were deferred annuities representing part of the original capital of the company.

Thus, in effect, the "B" Annuities (and the East Indian "C" and "D" Annuities) are closely akin to redeemable debenture stocks. There are, however, two important differences. In the first place, the payments in respect of the Annuities increase slightly each half-year,

PREFERENCE AND DEBENTURE STOCKS

Railway	Stock	Amount	Redemption	Price	Yield† %
Bengal and N.W. Do.	3½% cum. pref. 4% 2nd cum. pref. 5% deb.	1,024,639 966,776 2,500,000	31/12/37 or after 31/12/37 or after 1/11/45-60	95 98 108	£ s. d. 3 13 8 4 1 7 4 12 6
Bengal Nagpur... Do.	4% deb. (T)	2,000,000	1/1/44 or after	103½	3 17 2
Bombay, Baroda and C.I. (T) Do.	3½% deb. (T) 3% deb. (T)	1,000,000 1,250,000	15/10/40 or after 1932 or after	95½ 83½	3 13 3 3 11 10
E. Indian Do.	4½% irr. deb. (T) 3% new deb. (T)	1,435,650 8,000,000	1929 or after 4/8/37 or after	113½ 83½	3 19 0 3 13 3
Gt. Indian Pen. Do.	4% irr. deb. (T) 3½% deb. (T)	2,701,450 3,500,000	15/7/38 or after	105 96½	3 16 2 3 12 6
Madras and S.M. Do.	4% deb. (T) 4% deb. (T)	1,200,000 2,500,000	1/3/36 or after 1/10/38 or after	100½ 102	3 9 8 3 8 7
Rohilkund and K. South Indian Do.	4% deb. 4½% perp. deb. (T) 4% reg. deb. (T)	800,000 1,000,000 2,318,248	1932 or after ... 1/7/45 or after	97½ 113 105	4 2 0 3 19 8 3 16 2

T = Trustee. T§ = English and Northern Ireland Trustee Stocks, subject to Section 2 (2) of Trustee Act, 1925. † Not allowing for redemption.

ANNUITIES

Railway	Annuity	Amount of Annuity	Terminable	Redemption	Net Payment	Price	Yield† %
East Indian Do.	A (T) B (T) C (T) D (T)	178,159 624,901 117,232 223,625	14/2/1953 14/2/1953 14/2/1953 14/2/1953	£ s. d. Nil 22 4 5 22 4 5 22 4 5	17/5 16/1 14/11 14/11	12½ 23½ 23½ 23½	£ s. d. 4 9 3 4 2 9 4 2 9 4 2 9
East Bengal Do.	A (T) B (T)	41,914 74,936	30/7/1957 30/7/1957	Nil 24 7 6	17/2 15/6	13½ 24½	— 4 2 3
Great Indian Pen. Do.	A (T) B (T)	242,847 1,025,669	17/8/1948 17/8/1948	Nil 26 2 0	18/4 12/8	10 — 30½	— 2 14 0
Madras Do.	A (T) B (T)	67,713 420,669	1/4/1956 1/4/1956	Nil 23 3 5	17/6 13/2	13½ 24½	— 3 10 5
Schinde Punjab Do.	A (T) B (T)	71,097 300,264	31/12/1958 31/12/1958	Nil 24 13 4	17/0½ 15/4½	13½ 24½	— 4 0 9

T = Trustee. * i.e. twice last half-yearly payment. † Not allowing for redemption.

ORDINARY STOCKS

Company	Amount	Contract Terminable	Guar. Div.	Total Div.		Price	Yield† %		
				1929	Curr.				
Assam Bengal (a T)	1,500,000	31/12/1941	% 3	% 5	% 3	88	£	s.	d.
Bengal Doars.....	400,000	31/12/1940	... 3	11	7	125	3	8	2
Bengal Nagpur (a T)	3,000,000	31/12/1950	3 ½	5	4	103 ½	3	13	3
Bengal and N.W.....	3,000,000	31/12/1937	... 19	16	295	5	8	6	
Bombay, Baroda and C.I. (T) ...	2,000,000	31/12/1941	3	6	6	113	5	6	2
Madras and S. Mah-ratta (T) ...	5,000,000	31/12/1937	3 ½	11	9 ½	126	7	10	10
Rohilkund and K.	400,000	31/12/1937	... 18	15	264	5	13	7	
South Behar	400,000	30/6/1939	... 5	5	103 ½	4	16	7	
South Indian (T)...	1,000,000	31/12/1945	3 ½	8	8	113	7	1	6

(T) English and Northern Ireland Trustee Stocks subject to Section 2 (2) of Trustee Act, 1925.

(a) Available for investment by trustees at present time and prices. † Not allowing for redemption.

since a larger proportion of each £1 nominal of Annuity represents repayment of capital. Consequently, the deduction for income tax becomes slightly smaller each time. In the second place, the actual redemption value will differ from the stated par value if the actual average rate at which the sinking fund deduction is invested for the duration of the Annuity differs from the assumed rate. This fact largely accounts for the discrepant yields, which, as the accompanying table shows, are afforded by the different annuities, although the market attempts, from time to time, to frame estimates of the actual values at which redemption will finally be made. In the past twenty years, the actual yield has no doubt greatly exceeded the 2½ to 3½ per cent. assumed rates of investment on which the "par values" are based. In view, however, of the recent heavy fall in interest rates this is no longer true in every case. The fall in rates has, therefore, the odd consequence, so far as the annuitants are concerned, that while it tends to raise the market value of the Annuity *qua* Annuity it tends to depreciate the market value of the Annuity regarded as a right to the payment of a capital sum after a given period of years. Current market guesses at the redemption values of some of the Annuities are: Madras "B," £28, against a par value (on 3 per cent. basis) of £23 3s. 5d.; Great Indian Peninsula "B," £36, against par value (2½ per cent. basis) of £26 2s.; East Indian "B," £18 10s., against a par value (3½ per cent. basis) of £22 4s. 5d.; and East Indian "C" and "D," £22, against a par value (3½ per cent. basis) of £22 4s. 5d.

All the Annuities, except the "A" variety which lapse entirely at the end of the appointed period, are full trustee securities in England and Northern Ireland. They are not subject to the limitation of Section 2 (2) of the Trustee Act, 1925, which precludes trustees from investing in certain redeemable securities (a) if these stand above par and are liable to be redeemed at par or some other fixed rate within fifteen years; or (b) if they stand at more than 15 per cent. over the redemption value. The guaranteed redeemable debenture stocks of the Indian railways, on the other hand, come under the ban imposed by this section. Thus, the curious situation arises that a trustee may invest in Great Indian Peninsula Class "B" Annuities, due to be redeemed in August, 1948, though their price is apparently above the redemption value, but may not invest in the South Indian 4 per cent. debenture stock, redeemable in July, 1945, though both stocks equally are the liability of the Secretary of State. This is not the least striking example of the anomalies of a trustee investment system which the Chancellor of the Exchequer, "after careful consideration," has decided not to alter.

The debenture stocks, of which a representative selection is tabulated, with prices and yields, give a wide choice of redemption dates. Incidentally, the two irredeemable stocks (the East Indian 4½ per cent. and the G.I.P. 4 per cent.), both of which are now the direct obligation of the Secretary of State, give an appreciably more favourable yield than the "irredeemable" Indian Government loans. Thus, while India 3½ per cent. stock yields £3 12s. and India 2½ per cent. stock yields only £3 3s. 3d. at current prices, as much as £3 19s. per cent. can be had by purchasing East Indian 4½ per cent. irredeemable debenture stock. This fact may be worthy of note by the discerning trustee.

Finally, we come to the ordinary stocks of the surviving companies, and particularly to that interesting hybrid, the trustee stock with the speculative tail. This is to be discovered in the ordinary stocks on which a minimum dividend is guaranteed by the Indian Government. Actually the hybrid is rapidly becoming an extinct monster. By virtue partly of Section 2 (2) of the Trustee Act, already mentioned, and partly of the expiry of the contracts of several lines, there are now only two Indian ordinary stocks actually available to trustees—the Assam Bengal and the Bengal Nagpur. Of these the former now only pays the guaranteed dividend, while the latter, which has latterly had to draw upon reserves to pay ½ per cent. additional to the guaranteed 3½ per cent., will in a year's time cease to be available for trustees at over par.

As regards the prospects of Indian railway ordinary stocks in general, the accompanying table, giving gross and

net receipts for the company-managed lines for the past five years, will help the investor to form an opinion:—

EARNINGS IN LAKHS OF RUPEES

Year to March 31st	Bengal N.W.*		Bengal Nagpur		Bombay Baroda		Madras S.M.		S. Indian	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1930	3.50	1.93	9.25	1.48	11.67	4.49	9.28	4.38	6.08	2.47
1931	3.11	1.61	8.09	1.71	10.82	3.71	8.24	3.47	5.54	2.27
1932	3.26	1.82	7.22	1.11	10.23	4.09	7.91	3.53	5.13	2.19
1933	3.34	1.85	6.88	1.83	10.28	4.37	7.41	3.21	5.16	2.35
1934	3.27	...	7.46	2.21	10.71	4.83	7.72	3.40	4.93	2.10
1934-5	38	...	4.66	...	6.95	...	4.68	...	3.44	...
+ or -	-3	...	+35	...	+1	...	+6	...	+8	...
Weeks.....	7	...	32	...	34	...	32	...	32	...

* Year to Sept. 30.

As the course of earnings suggests, Indian railways have not escaped the ills that railway enterprise has been heir to in most other countries. They have suffered from the effects of general trade depression and road vehicle competition, though the latter, in India, is a rather less serious factor than in many other countries. It is clear, however, that the corner has been turned. The trend of traffic is now definitely upwards, though present receipts are still far below the level of 1929.

India is a country capable of considerable further economic development, and the outlook for the railways may be regarded as moderately encouraging. In considering the ordinary stocks for investment purposes, however, it must be borne in mind that most of the lines have in recent years distributed dividends beyond their earnings. In the case of every stock, it is essential that an intending investor should carefully study all the circumstances, including the conditions of the contract and of its determination, the extent of reserve funds, and the earnings position and prospects of the line. The market, altogether, is essentially one for the discriminating type of investor.

INVESTMENT NOTES

Bank Dividend Prospects.—A sustained period of 2 per cent. Bank rate argues little prospect of spectacular bank and discount profits from normal operations. Investors in "money" shares who have come to rely upon minimal changes in their dividends may reasonably inquire whether this year's difficulties—exemplified by the breakdown of the bankers' agreement governing bill rates—will have any serious repercussion upon profits. From the revenue point of view, however, more importance attaches to the movement of advances. During the early months of the year there were signs of steady growth, but a relapse set in after May, and the level has since fluctuated narrowly about £740 millions for the nine London clearing banks. The "second line" reserves, constituted by the banks' bill holdings, have proved a thorny problem. Exchequer Funding policy and low rates have brought down the volume of discounts to sub-normal dimensions, and the recent defection from the banks' agreed tender rates has precipitated reduced the return on a much reduced volume of Treasury bills from about 15s. per cent. to as little as 4s. 9½d. per cent., with a subsequent recovery to over 11s. per cent. The growth in investments from some £539.9 millions in January to £572.4 millions in November—some 30.6 per cent. of deposits—shows how far the London clearing banks have been driven from normal banking practice into the gilt-edged market in search of revenue. As last Wednesday's events showed, their investment policy has been a powerful contributory factor in the market, and has tended to depress still further the yields obtainable, particularly upon short-dated stocks. In the meantime, the level of deposits has tended to recover since August, and with it, presumably, the proportion of time deposits which, in the provinces, bear interest from 1 per cent. On the other hand, the banks will have less provision to make for bad debts. On the whole, though profits may be allowed to show some slight decline, dividends should generally be maintained.

Bulgaria's League Loans.—The League Loans Committee (London) draws attention to the plea of Bulgaria that her growing exchange difficulties make impossible the maintenance of the arrangement of last April, which provided for payment, at 32½ per cent., of the coupons of the 7 per cent. Settlement Loan, 1926, and the 7½ per cent. Stabilisation Loan, 1928. Last month, when the Government officially raised the matter, the current year's service of the 1928 Loan had been completed, but only five out of six agreed instalments on the 1926 Loan had been provided. After a certain hesitation, Bulgaria has recognised the wisdom of the League Loans Committee's contention that all current payments should be fulfilled before further concessions were considered, and has transferred a sufficient sum to enable the January coupon of the 1926 Loan to be met at the agreed rate of 32½ per cent. Further negotiations are now in progress. The Bulgarian Finance Minister, M. Todoroff, and the Vice-Governor of the National Bank, M. Bojiloff, will meet the Committee in London early next week. Meanwhile, the Finance Committee of the League of Nations has undertaken an investigation in Bulgaria, and its report is expected next month. Admittedly, the transfer position has become more difficult since the assumption of office by the present Bulgarian Government, last May, after a *coup d'état*. How far this has been due, however, to conditions outside Bulgaria's control, and how far to the policy of the present Government in undertaking commitments from which bondholders can expect little benefit, is a moot point. The bondholders, indeed, may well ask whether any decisions taken by the Government in the interim have in fact contravened the suggestions of the League's advisers. It may be presumed that the League Loans Committee, which has shown praiseworthy zeal in maintaining the legitimate interests of bondholders, will insist upon a thorough discussion of the implications of Bulgarian political and financial policy before considering any further concessions whatever.

Welsh Colliery Merger.—From the viewpoint of the South Wales coal industry, an unqualified welcome may be given to the announcement, last Tuesday, of an amalgamation between Powell Duffryn and Welsh Associated Collieries, which will bring two-thirds of the steam coal production of the area under a single control. For some time past South Wales has set an example to many other regions in the economics of amalgamation. Welsh Associated Collieries itself was a 1930 amalgamation of numerous collieries acquired by Guest, Keen and Nettlefolds, and by the Llewellyn interests, respectively, in preceding years. The new operating company will control 75 collieries, with a potential productive capacity in excess of 20 million tons a year, and estimated available reserves of over 1,700 million tons. On the export side, the merger will have an effective organisation, for already the Powell Duffryn output is marketed through Coal Distributors (South Wales), Ltd. (formed eighteen months ago by William Cory and Stephenson Clarke), while the Welsh Associated output is chiefly distributed by Guéret, Llewellyn and Merrett, which is included in the merger. In view of the differential advantage in the export trade which the North East Coast has lately enjoyed, and the questions which may arise as a result of the Anglo-Polish Coal Agreement, this week, the existence of a dominating single organisation, to uphold the views and further the interests of the South Wales steam coal industry, is more than desirable. As regards the finance of the merger, however, the official announcement is somewhat vague. The Powell Duffryn Company will acquire one-half of the ordinary share capital of Welsh Associated Collieries by the issue of 1,181,509 of its £1 ordinary shares, together with a cash payment of £87,995 to the vendors of the Welsh Associated Collieries' shares. Who, however, are these vendors? The announcement declares that "the other half of the ordinary share capital in Welsh Associated Collieries remains undisturbed." Is it to be inferred that Guest, Keen and Nettlefolds, which owns 51 per cent. of the ordinary shares of Welsh Associated Collieries, is in effect selling a large part of its interest in return for Powell Duffryn ordinary shares? The latter company has paid an ordinary dividend of 6½ per cent. for the fifteen months to

March 31st last, and is to pay an interim of 1½ per cent. for the current year. Further details of the merger are given in our Commerce and Trade Section, on page 1186. The market price of Powell Duffryn ordinary stock units declined from 21s. to 19s. 9d. on the announcement.

Trust Companies' "Industrial" Investments.—In our recent Investment Trust Supplement, we suggested that, other things being equal, those trust companies having the largest proportion of their total portfolio invested in industrial and public utility securities, as distinct from railway stocks and Government bonds, might have the speediest recovery potentialities. We publish below a list of companies to which this condition applies, the percentages of utility and industrial investments, combined, being shown in descending order:—

PERCENTAGE OF TOTAL PORTFOLIO INVESTED IN PUBLIC UTILITIES AND INDUSTRIALS—As shown in latest report. (Percentages based on market values shown in italics; all other percentages based on book values)

Company	Percentage	Company	Percentage
PRE-WAR ENGLISH—		POST-WAR ENGLISH (cont.)—	
British Steamship*	82.9	Second Guardian (4)	78.1
Nelson Financial Trust (1)*	80.9	London and Provincial	78.1
Trust Union*	78.2	London, Border and General*	78.0
Traction and General*	78.1	General Funds	76.4
Metropolitan Trust	75.7	Nineteen-Twenty-Nine	75.0
POST-WAR ENGLISH—		PRE-WAR SCOTTISH—	
Scottish Stockholders (2)	89.3	Second Scottish Northern*	91.2
Stockholders Inv.*	88.7	Scottish Northern*	91.1
London Stockholders*	86.6	East of Scotland*	85.7
Southern Stockholders*	86.1	Aberdeen Trust*	82.6
Redeemable Sec. and General*	83.6	Scottish Western	80.3
British and German	83.5	Clydesdale Inv.	80.1
English and New York	82.4	Caledonian Trust	79.4
Railway and General	81.7	POST-WAR SCOTTISH—	
Colonial and General*	81.6	Great Northern	97.3
Independent Investment	81.1	Third Scottish Northern*	94.4
Second British Steamship*	80.3	Second Gt. Northern*	92.7
London and Strathclyde	80.2	Second Clydesdale	82.4
London and Lomond*	79.5	Third Caledonian	76.4
Trust Co. of L. and Scot. (3)	78.6		

* Included in list of companies with high percentage in Great Britain and Empire (see *The Economist*, December 8th, page 1100). (1) At October 31, 1933. (2) Registered Office, London. (3) At May 31, 1933. (4) At May 5, 1933.

The companies marked with an asterisk, which (as we showed in a Note in our last week's issue), have more than the average proportion in Great Britain and the Empire as distinct from foreign countries, have a two-fold case for closer investment examination. We repeat, however, our former *caveat*. Many other factors must be taken into account in assessing the future possibilities of any individual trust company stock. The analysis, further, takes no account of companies whose directors do not see their way to furnish any particulars regarding the nature of their holdings.

Cinema Overbuilding.—Investors who may not have been favourably impressed by the rapid multiplication of super cinemas will welcome the publication of a pamphlet by the Cinematograph Exhibitors' Association, dealing with the problem of over-development. In Central London, the suburbs and the provinces, houses have been rapidly built in recent years with a seating capacity of anything up to 3,000, luxuriously appointed, and elegantly named in the neo-classical manner. This pamphlet gives another warning that profits, past and prospective, do not expand proportionately with new building. In the first place, much of the added capacity is merely "substitutive" and not "additive," and the total patronage of the houses, where a district was previously adequately catered for, is not sensibly increased. The Exhibitors' Association very properly points out that progress in the exhibiting industry must not be checked, but declares that much new investment in cinemas is doomed to ultimate failure and in the meantime is bound to prejudice the interests of proprietors of longer standing. So far as such new building is carried out with inadequate knowledge or consideration of future prospects, few investors will quarrel with these views. The orgy of over-building and purchase of cinema chains at inflated prices in the United States will always sober extravagant hopes in this country. As Mr Sam Eckman, Jr., states, however, improving standards of

comfort impose upon proprietors of cinemas in their 'teens the necessity for continuous improvement in seating, and without this reform from within, the industry, particularly in the provinces, will have itself to blame for any further competitive building. Shareholders in the leading film companies have been warned, from time to time, of the harmful effects of extravagant building, but they may not be aware of the reaction on the producing units. Either an increased number of copies of existing films are required or the production programmes must be expanded to supply the new exhibitor. The first policy will presumably fail to increase receipts proportionately to costs, since rentals are to a considerable extent based on potential capacity, and the second would inevitably lower even existing quality standards. In the light of this pamphlet, investors would do well to reconsider the prospects for the exhibiting side of the industry, even if steady expansion of domestic purchasing power continues.

New Issues in November.—Low interest rates have yet to make expansion in new investment effective. The November total of new issues showed satisfactory advance by comparison with November, 1933, but the results are little better than the low monthly average for 1931. We set out our usual analysis below:—

	(000's omitted)				
Monthly Average	United Kingdom	British Possessions	Foreign Countries	Total	
	£	£	£	£	
1930	14,220	5,121	2,975	22,316	
1931	4,542	3,209	761	8,512	
1932	13,589	2,129	24	15,742	
1933	17,520	2,429	449	20,398	
Monthly Total	Govt.	Other			
September, 1933 ...	89,843	2,896	563	Nil	93,302
September, 1934 ...	50	6,759	2,148	300	9,257
October, 1933	300	4,310	2,216	54	6,880
October, 1934	50	20,642	1,477	75	22,244
November, 1933 ...	Dr. 500	6,697	300	Nil	6,497
November, 1934 ...	350	9,062	1,173	8	10,593

Some £6½ millions nominal of Home Corporation stocks have been issued, largely to replace short-term mortgage debt, but these appear as "new money" in conformity with our usual practice. Chief interest here has centred on the large Birmingham 2½ per cent. issue, whose initial reception, owing to the low nominal rate and a temporary recession in the gilt-edged market, was distinctly cold. Home industrial issues involving new capital included the Butterley and Thos. W. Ward preference shares. A feature of the month was the increase in patent and new process exploitations, but little new mining capital was sought.

Actuaries' Investment Index.—For the third week in succession, share values have displayed a recessionary tendency. The Actuaries' Index for 144 industrial shares, based on Tuesday's prices, now stands at 73.1 (December 31, 1928 = 100), compared with 73.7 for the previous week and 73.1 four weeks ago. The yield figures for the corresponding dates are 3.66, 3.62 and 3.63 per cent. The following selection of component indices illustrates the general character of the fall:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Nov. 13, 1934	Dec. 4, 1934	Dec. 11, 1934	Nov. 13, 1934	Dec. 4, 1934	Dec. 11, 1934
Coal (6)	91.4	93.3	91.1	4.05	3.90	4.04
Cotton (6)	45.8	45.3	44.1	2.30	2.21	2.23
Elect. Light and Power (14)	134.8	134.7	134.1	3.70	3.70	3.71
Oil (5)	57.1	55.7	54.0	5.07	5.22	5.39
Electric Supplies (8)	99.3	103.9	101.5	4.31	4.15	4.32
Home Rails (4)	75.7	75.7	74.8	1.53	1.51	1.52
Miscellaneous (50)	64.5	65.1	64.5	3.85	3.85	3.89

Hesitancy in the gilt-edged market has lowered values of steady dividend shares, such as electric light and power, but the absence of speculative activity in industrials is largely associated with seasonal influences and a temporising phase in industrial activity.

COMPANY NOTES

Coal Processing Companies.—One department of coal carbonisation, namely, gas making, is the basis of one of the oldest and soundest industries in this country. As the accompanying table of profits indicates, however, the more modern variants, aiming at the recovery of products other than gas, have had an almost disastrous commercial record. The recent dividend of 3 per cent. declared by Low Temperature Carbonisation, Limited, is a welcome indication that better times may, perhaps, lie ahead. Broadly, the gas industry turns out a distinct product, with special qualities. The modern low temperature processes, however, result in a group of products which compete with others already well established, and, so far as solid fuel is concerned, with their own raw material. There are, therefore, two essentials necessary to the commercial success of the new low temperature processes. They must be able to rely on supplies of semi-waste small coal which are otherwise difficult to dispose of. They must be able to convert that coal into products, all of which are readily marketable. The recent advance in the Low Temperature Carbonisation company's profits is doubtless due in part to Government support, not only through the British Hydrocarbon Oils Act of 1933, but also through the purchase of a large part of the company's oil and petrol output for the R.A.F. and Navy. It is also due, however, to the success of the smokeless solid fuel "Coalite" as a substitute for raw coal in open fires. The success of "Coalite" may help to create goodwill for similar products. The fuel has the substantial advantages of clean handling and absence of smoke. Given a growing national consciousness of the necessity for smoke abatement, the company may yet derive privileges from anti-smoke legislation. It is even possible to imagine that,



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in time, every coal-producing district will be equipped with a low temperature carbonisation plant to convert its semi-waste small coal into more valuable products. The process, however, is competitive, not only on the selling but also on the buying side. Modern combustion practice has already revolutionised the use and valuation of small coal. In South Wales, the once despised "smalls" now

(Profits in £'000)						
	1929	1930	1931	1932	1933	1934
Benzol and By-Products (Sept. 30):						
Trading profit.....	27.1	27.8	11.5	21.1	16.5	...
Earned for pref.....	Dr. 8.7	Dr. 8.6	Dr. 15.4	Dr. 4.3	Dr. 6.0	...
British Benzol and Coal Dist. (Oct. 31):						
Trading profit.....	Nil	6.4	Dr. 19.2	Dr. 5.4	4.7	16.2
Earned for pref.....	Dr. 0.5	Dr. 2.7	Dr. 36.8	Dr. 25.5	Dr. 13.9	Dr. 8.6
Bussey Coal Dist. (June 30):						
Earned for pref.....	Dr. 31.0	Dr. 51.2	Dr. 10.5	Dr. 4.2	Dr. 2.0	Dr. 1.8
Bussey International (June 30):						
Earned for div.....	...	Dr. 20.0	Dr. 2.7	Dr. 3.0	Dr. 0.8	Dr. 0.7
Coal Conversion (Sept. 30):						
Earned for div.....	...	Dr. 0.3	Dr. 7.7	Dr. 3.4	Dr. 6.2	...
Duffield Coal (Sept. 30):						
Earned for pref.....	0.3	0.1	Dr. 2.7	Dr. 2.4	Dr. 2.9	Dr. 3.8
Low Temp. Carbonisation (Oct. 31):						
Earned for fixed charges ...	8.4†	0.3	12.8	27.1	32.3	54.9
Earned for div.....	Nil	Nil	Nil	Nil	13.5	29.1
Earned %	Nil	Nil	Nil	Nil	2.0	3.1*
Div. %	Nil	Nil	Nil	Nil	Nil	3.0

* Before charging £8,098 written off debenture premium, earned rate was 4 per cent.
† Broken period equated to twelve months.

command a premium. Pulverisation may carry the process still further. As coal carbonisation depends economically on converting semi-waste into valuable products, these considerations are important. For the investor, therefore, shares in coal carbonisation concerns offer attractive possibilities, but carry a not inconsiderable "industrial risk."

Alliance Trust.—In response to numerous inquiries from readers, we summarise below the last ten years' results of the Alliance Trust Company, whose omission from our Investment Trust Supplement was due to the "distorting" element in its figures, as a result of the relative recency of its change-over from a predominantly mortgage business to general investment trust operations. For fifteen years after its establishment in 1889, in fact, the company was almost entirely a mortgage concern. Its participation in bond and stock business during the next ten years was so gradual that at the end of 1914 general investments accounted for only 44 per cent. of the whole. After the war, however, the company pursued a policy of steady liquidation of its mortgage interests and, to an even more marked extent, of expansion in its bond and stock business. Under both heads, the results have been a tribute to the company's acumen. American agriculture has been in endemic depression since the war, but the new departments of the company's business have given results above the average for the investment trust movement, as the following table suggests:—

Years to Jan. 31	Investments, Book Value*	Proportion represented by Bonds and Stocks	Revenue from Investments	Ordinary Stock		Market Value of Bonds and Stocks compared with Book Value
				Earned	Paid	
1925 ...	£ 6,575,191	65.0	£ 416,754	36.7	23	"Exceeds"
1926 ...	6,851,965	69.0	454,326	35.0	24	
1927 ...	7,968,520	75.0	487,554	37.8	25	
1928 ...	8,632,182	77.6	562,863	36.3	25†	
1929 ...	9,323,521	"Over 82.0"	618,143	37.3	25	
1930 ...	10,054,095	"About 86.0"	675,934	37.0	25	
1931 ...	10,840,046	"Nearly 87.0"	692,152	37.5	25	
1932 ...	10,917,097	"Over 87.0"	684,646	37.2	25	
1933 ...	11,324,427	87.5	631,657	29.1	25	
1934 ...	11,282,441	87.68	638,115	30.7	25‡	

* At or under cost (throughout) and after deduction of contingent fund (years to 1929).
† Depreciation of less than 1 per cent. ‡ Capital bonus of 20 per cent. in preference stock.
§ And capital bonus of 10 per cent. in 5 per cent. preference stock.
|| Interim dividend for 1934-35, 11 per cent., against 12½ per cent. in preceding eight years.

During the years of "prosperity" between 1925 and 1931 (to January 31st in each case), the company reduced the proportion of its mortgage holdings from over one-third to approximately one-eighth of its total investments. At the same time, it increased its total portfolio, at book values, by 65 per cent., and its investment revenue by 66 per cent. Out of annual earnings averaging about 37 per cent., the ordinary stock received regular dividends of 25 per cent., with a couple of bonuses in preference stock. The subsequent depression, and the almost complete collapse of American agriculture, brought the process of realisation of mortgages largely to a standstill. The decline in investment revenue, however, was much more moderate than in the case of most other investment trusts, and the ordinary dividends were maintained at the pre-depression rate with something to spare. The "depreciation factor" in the company's investments was also much less than in the trust movement as a whole. Though the reduction in the interim dividend for the current year suggests that earnings may have been reduced, it is clear that the company, during the depression, has given evidence of more than average stability. As the directors, however, do not publish particulars of the nature of the company's investments, it is difficult to say how far this creditable achievement has been due to questions of geographical and industrial "distribution," or to factors more personal to the company and its management.

* * *

Ind Coope and Allsopp.—Although the profits of these combined businesses have obviously increased during the year to September 30th last, the capital and other changes which have followed the merger make the accounts an unsafe medium for detailed comparison. The "trading profit" shown by the merger company apparently corresponds to that of Ind Coope under the old dispensation, and shows a rise from £337,063 to £391,724—an increase of 16 per cent. Other merger company receipts, from interest on investments, etc., and "dividend on shares in subsidiary companies," total £234,949. A year ago Ind Coope showed a corresponding figure of £94,009. The difference, namely, £140,940, may perhaps be taken as a very rough measure of the earnings received from Samuel Allsopp, subject to two important qualifications. First, investors have no means of ascertaining any changes which may have taken place in receipts from other Ind Coope investments. Secondly, some £54,300 was paid by way of an interim dividend to the vendors of the preferred and ordinary shares of Allsopp, for the period before the merger. Leaving the first factor out of account, but making full allowance for the second, the total indicated Allsopp profit for 1934 would be in the neighbourhood of £195,240, against £130,988 for 1933. The calculation at least suggests that Allsopp has obtained its full share of the improvement in brewery earnings generally. The merger company has a net balance after depreciation, fees, debenture interest, charges and taxation, of £391,805, out of which preference dividends absorb £52,974, and total ordinary dividends of 22½ per cent. (against 15 per cent. for Ind Coope last year) take £229,356. The Public House Improvement and Licence reserve is raised to £200,000 by a transfer from revenue of £32,906, and general reserve to £800,000 by a transfer of £50,000. The balance carried forward is increased from £312,491 to £339,060. A combined balance-sheet, which accompanies the report, shows that the ordinary capital of £1,475,698 is covered by surplus assets (including those of subsidiary companies), totalling £3,617,201, exclusive of combined "goodwill" valued at £272,000. The accounts, necessarily, do not reflect the economies which should be achieved from the merger as time goes on.

* * *

Thomas Tilling Meeting.—There was a ring of genuine regret in the speech in which Mr J. F. Heaton, chairman and managing director of Thomas Tilling, Ltd., bade an official farewell to the company's London under-

taking at this week's meeting. The London business, which has been "forcibly acquired" (to use the chairman's phrase), by the London Transport Board, was the oldest of its kind in the country, having been in existence for eighty-six years. The cost of its mere physical assets was small (see the *Economist* of December 8th, page 1102), but the company's claim, before the tribunal, had been based on average earning power for the years 1928, 1929 and 1930. The period, in fact, was identical with that taken for other undertakings transferred to the Board under the Act, and the amount of the annual adjusted profits was agreed by the company's accountants with the accountants to the Board at a figure of £158,145 per annum. The income on the London Transport stocks awarded will be £57,535 on the basis of a 3 per cent. dividend on Transport "C" stock, some £86,780 on a 5 per cent. dividend, and £101,403 on an eventual maximum dividend of 6 per cent. Earnings from Tilling's London undertaking may conceivably have shown a cyclical decline before the "appointed day" under the Act (July 1, 1933). Shareholders, nevertheless, will sympathise with the chairman in his dual regret over the loss of all future equity in the expansion of the London undertaking and over the stereotyping of receipts, for all time, at a figure which, even under the most favourable conditions, will be some £56,742 below the 1928-30 average. The company accepts the Arbitration Tribunal's award under *force majeure*, since it is advised by counsel that any possibility of an appeal is precluded. It is well for shareholders that the company has many additional strings to its bow. These, as the chairman disclosed at the meeting, include 380 commercial motor vehicles, the Brighton and Hove omnibus section, the remainder of the original "horse department," and interests in thirty undertakings, through subsidiary and associated companies in all parts of the country.

* * *

Other Company Results.—The seasonal output of reports to September has considerably expanded our profits table, which appears on page 1183, and summarises the results of 81 other companies. The brewery results, which have been discussed at length in earlier issues, continue satisfactory. The most impressive report this week has come from Joshua Tetley, of Leeds, whose net profits have advanced from £144,762 to £203,007, but smaller concerns such as Bentley's Yorkshire and Offilers show very satisfactory results. Notable improvement is shown by several Australian land concerns, in the finance and land group, while Second Covent Garden Property shows a first result of £29,929 for the first fifteen months. Among heavy industrial companies, Redpath Brown have replaced the previous year's loss by a profit of £20,282. Two oil companies, Anglo-Ecuadorian and British Burmah, show completely disparate results. The former has earned £80,393, against £55,017; while the latter has increased a loss of £7,886 to as much as £58,379. Further rubber results display a favourable trend, prominent results including Kuala Lumpur (£12,719, against Dr. £481) and Lumut (£10,793, against £3,358). Among textile concerns, Combined Egyptian Mills results are somewhat better (£39,085, against Dr. £159,752), but the large debit of £1,089,491 is carried forward. Home transport concerns, such as Barton and East Yorkshire Motor, display increased earning power. Investment trust revenues as a whole continue to show little variation from the previous year, although Camperdown and Northern American show a further slight fall. A large number of miscellaneous companies present several interesting features. The results of Agar, Cross and Co., who trade in the Argentine, clearly reflect the exchange difficulties. The full report of Carreras shows that total profits are little changed, although net profits are lower. Satisfactory profits expansion has been achieved by British Tyre and Rubber (£109,416, against £93,541), while the results of Crittall Manufacturing (£79,016, against Dr. £45,018) have encouraged the board to name August, 1935, as a probable date for the submission of reconstruction proposals. Waterlow and Sons, the printing and engraving concern, have increased their net profits by nearly 25 per cent. to £100,961, while Financial News shows a net income of

£16,508 for the year to June last. Such diverse concerns as Sunlight Laundries, Ilford, Cow and Gate, Bristol Industries and India Rubber Gutta Percha show how generalised the increase in profits has been during a recovery year.

MINING NOTES

Rand Dividends: First Instalment.—For the most part, the declarations made so far by the Rand gold mining companies for the December half-year correspond closely with recent market estimates (writes our mining correspondent). Two or three surprises, however, call for notice. Despite the substantial decline in profits (shown in our leading article last week), the Langlaagte Estate is paying an increased dividend. The explanation may doubtless be found in the changed basis of taxation which came into force as from January 1st last. A somewhat similar position exists in the case of Randfontein. The announcement of West Rand Consolidated is up to the highest expectations, and amounts, in fact, to double the rate of a year ago. For some time past profits have been on the upgrade, and capital expenditure has been on a reduced scale. The yield afforded on the company's shares is higher than that given by any other long-lived mine on the Rand, being about 10 per cent. gross. Considerable disappointment was caused by the absence of increase in the rate on Robinson Deep "B," the requirements of the deep-level air-cooling scheme having been somewhat overlooked by the market. At their prevailing price the shares return about 8 per cent. gross, irrespective of allowance for Dominion income tax. The following table shows, for the

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

CAPITAL Authorised and Subscribed	£10,000,000
CAPITAL PAID UP	£2,500,000
RESERVE FUND	£2,500,000
CAPITAL UNCALLED	£7,500,000
	£12,500,000

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companies so far available, the last three distributions, together with the totals for the past two years:—

Company	Dec., 1933	Total, 1933	June, 1934	Dec., 1934	Total, 1934
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Government Areas (5/-) ...	60	120	62½	125	125
Langlaagte	7½	20	10	12½	22½
Luipaards Vlei (2/-)	-8	-8	...	1/-	1/-
New State Areas	12½	25	12½	15	27½
Randfontein	5	10	5	8½	13½
Robinson Deep "B" (7/6)	1/9	3/3	2/-	2/-	4/-
Simmer and Jack (2/6)	-5	-10	-3	-3	-6
Sub Nigel (10/-)	70	135	75	80	155
Van Ryn Deep	10	20	16½	16½	32½
Van Ryn Gold	10*	20*	10*	10*	20*
West Rand Consol. (10/-)	7½	12½	7½	15	22½
Witwatersrand Deep	10	20	10	10	20
Witwatersrand Gold	10	20	7½	7½	15

* Tax free in sterling.

On the present occasion only the companies in the "Johannesburg" group state the amounts paid to the Government by way of taxation or participation in profits. These (with the corresponding figures for the first half of this year in brackets) are:—Government Areas, £1,214,000 (£1,193,170); New State Areas, £727,000 (£698,700); Langlaagte, £42,750 (£39,650); Randfontein, £124,350 (£123,000); Van Ryn Deep, £120,450 (£114,950); and Witwatersrand Gold, £38,300 (£37,050). The alteration in the incidence of taxation has operated adversely in the case of the last-named, which paid only £16,800 for the second half of 1933.

Ariston.—The latest Ariston report makes an unexpectedly good showing in the matter of ore reserves. Their quantity, at 552,200 tons, exceeds that of last year by 320,800 tons, while their value is only 0.3 dwts. lower at 10.45 dwts. The consulting engineer states that, in view of the results of development in depth, a similar increase may be expected from the main ore body. These calculations take no account of the Anfargah property, where re-sampling has confirmed old records. Unfortunately, production has been interfered with by two accidents to the shaft, so that the tonnage has declined and costs have risen. The profit is £84,760, against £123,740. For 1932-33 two dividends of 10 per cent. each were paid, leaving a substantially increased balance to go forward. A 15 per cent. interim, paid for 1934, raised natural hopes of an increased total for the year, but the company's unexpected ill-fortune has reduced the final payment to 5 per cent. An interim dividend of 7½ per cent., however, is to be distributed on account of the current year. The capital, now fully issued, is £700,000 in half-crown shares. On a 20 per cent. basis, the yield, at the present market price, is little over 4 per cent. A quotation of about 12s., in fact, discounts improved future results.

Malayan Dredging Group.—The effects of the high price level for tin, established under the output restriction scheme, are strikingly reflected in the results of the Malayan Dredging group of companies for the past financial year. The parent company, treating an increased quantity of ground, produced 770 tons, against 629 tons, the average price received being £141 6s., against £95 16s. respectively. Profit rose from £32,200 to £78,270, and dividends totalled 36½ per cent., as compared with 16½ per cent. With the balance distribution of 15 per cent. will be paid a second interim of 7½ per cent. for the current year. Property, plant and other fixed assets have been written down, in the balance sheet, from £72,530 to £1, raised by appropriating the share premium account of £43,250, together with £29,280 from profit and loss. Investments, at cost, stand at £247,360, an increase of £134,240. Some £18,400 has been invested in, or advanced to, a subsidiary company named Malayan Securities, "to facilitate the investment of funds not immediately required." Of the subsidiary undertakings, Southern Malayan results show an increase of over 350 tons in output and a rise in profit from £19,660 to £76,120. Dividends total 20 per cent., against only 5 per cent. A second distribution of 5 per cent. is being made on account of the current year. The Southern

Perak's scale of operations is comparatively small, but the differences in the two years' figures are impressive. Profit amounts to £16,180, against £3,960, and dividends total 10 per cent., against 2½ per cent. On last year's distributions, the current yield is slightly under 7 per cent. on Malayan Dredging and Southern Malayan shares and about 8 per cent. on Southern Perak.

North Broken Hill.—The earnings of this "mixed" undertaking, last year, showed less expansion than might have been inferred from the rate of dividend. Operating profit totalled £273,360, against £166,570, while dividends absorbed £245,000, against £105,000. The £30,000 set aside towards new plant represents less than half the provision made in either of the two preceding reports. An increased quantity of crude ore was treated last year at a lower average cost. At the date of the balance sheet the cash assets showed a net surplus of £846,280. Development approximately replaced the ore taken out of the mine, the reserves in the three principal sections remaining at 4,500,000 tons. This represents about nine years' supply at last year's rate of exhaustion. The £1 shares are quoted on the Stock Exchange at £4.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—British Overseas Bank, Commercial Bank of Scotland, Bank of London and South America, Mexican Railway, London and Rhodesian Mining and Land, Rhokana Corporation, New Zealand Loan and Mercantile Agency, Nelson Financial Trust, Luipaards Vlei Estates and Gold Mining, Bowaters Paper Mills, Kamunting Tin Dredging, and Taylors (Cash Chemists). At the British Overseas Bank meeting, Mr Arthur C. D. Gairdner emphasised the importance, for trade revival, of the achievement of stability over a wider area than at present, and dwelt upon the consistency of the bank's figures under conditions in which violent fluctuations might have been expected. The Earl of Mar and Kellie informed shareholders in the Commercial Bank of Scotland that the improvement in the steel industry was beginning to be reflected in the allied trades, although the difficulty in finding profitable employment for bank resources remained. At the shareholders' meeting of the Bank of London and South America, Mr Richard Foster gave an informative review of conditions in South America. In Argentina, he declared, improvement had developed into all-round recovery. At the Mexican Railway meeting, the chairman declared that, next to Great Britain, Mexico was recovering from depression more rapidly than any other country in the world. The Government's success in pegging the exchange during the whole of the year had been a powerful factor in the revival. At the London and Rhodesian Mining meeting Lord Lurgan declared that the company's interests in Rhodesia were all looking extremely well. Sir Auckland Geddes informed Rhokana shareholders that the total ore reserves owned by the Corporation were 270,780,000 short tons, averaging 4.3 per cent. copper. Rhokana had, and Mufulira would soon have, a complete treatment plant. The resolution authorising the creation of £1,500,000 of redeemable preference shares was agreed. At the New Zealand Loan meeting, Mr Harold G. Brown disclosed that the unfavourable prospects for the current year were responsible for the withholding of one year's dividend on the first preference stock. The chairman of the Nelson Financial Trust showed that the net depreciation on the company's investments had been reduced, over the preceding twelve months, from 17.68 per cent. to 7.62 per cent. At the Luipaards Vlei meeting, Mr E. Turk referred to indications that improved ore values were being obtained as greater depth was reached. Mr Eric V. Bowater informed the shareholders of Bowaters Paper Mills that substantially the whole output of the company and its associates had already been sold for 1935 at above present ruling prices. At the Kamunting Tin Dredging meeting, the chairman strongly defended the continuance of the tin restriction scheme. At the joint meetings of the Taylors (Cash Chemists) companies, Mr Philip E. Hill outlined the scope of the reorganisation of the Taylors' chain of shops.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS

TICKET	ACCOUNT
December 18	December 20

THE approach of Christmas has projected itself in lacklustre markets. Steadiness has been the keynote, but conditions have been unexciting and, at times, rather sedate. Public interest has been distinctly sparse, and the speculative operator has found little reason to extend his activities on either tack. The maintenance of the general level of employment—despite some fall in the building trades—and the November export figures, were voted respectable rather than exciting. Some far-seeing investors, however, noted the failure of raw material imports to register the usual seasonal expansion. The omens suggest little likelihood of a repetition of last year's pre-Christmas activity, which subsequently developed into a minor boom in January.

It was left to the Chancellor of the Exchequer to provide the week's feature. His statement in the House of Commons that cheap money continues to form an essential part of the Government's policy, provided fuel for a considerable flare-up in the gilt-edged market. Old Consols advanced by as much as 1½ on Wednesday, but the average advance in the remainder of the list was well under one point. Institutional investors were understood to be purchasing on a fair scale. India stocks were generally firm, and fair support was forthcoming for Dominion issues, particularly after publication of the South Africa 3 per cent. loan terms.

European bonds opened heavily, in the shadow of the Jugoslavia-Hungary dispute, but the basis of agreement achieved at Geneva late on Monday encouraged a firmer tone. German issues staged a temporary recovery, but apprehension which developed in mid-week concerning the trend of potash sales depressed the 6½ and 7 per cent. bonds and sympathetically affected the "Dawes" and "Young" issues. Saarbruecken 6 per cents., which enjoyed a rapid rise late last week, made little further headway. Brazilian funding bonds received quiet support, the market being prepared to take official assurances of debt service at their full value. Argentine issues were firm, and Chilean loans showed slightly better spirit in mid-week dealings. Effective "House" publicity focussed interest upon Chinese railway bonds, but Japanese issues were not maintained.

Business in home rails was very quiet. Ordinary stocks were maintained, until publication of the traffics, when small recessions were marked throughout the list and spread to the marginal preference issues. Other preference stocks were steady. The foreign rail market was idle and featureless.

Turnover in the industrial markets was only moderate, and although the general tone was steady, price changes were spasmodic. Brewery shares continued to attract support on a further batch of reports and dividends. Considerable interest was displayed for coal shares, on the Powell Duffryn-Welsh Associated merger (outlined on page 1156), while in the "heavy" industry section South Durham and Tube Investments appreciated. Both electric supply and equipment issues lost their recent attraction. Motor shares were irregular, but mostly easier, Tilling registering the chairman's disappointment with the Transport award (see page 1158). The aviation group displayed an uncertain trend. Stores issues were dull and inclined to move to lower levels, while textile shares remained very quiet. More activity was apparent among rayon shares, and Courtaulds maintained most of Tuesday's improvement. In the miscellaneous section the weakness of brick issues provided a feature. Other leaders, such as Imperial Chemical, Dunlop, and British Oxygen, were easier on balance. Spillers received moderate support, but other milling issues were reactionary. In the shipping group, Royal Mail and Elder Dempster debentures were fairly active on Thursday.

Oil shares were offered at the opening, but only a moderate scale of Continental purchasing was needed to improve the tone on Tuesday. Later reports that the

gasoline price war had abated gave moderate assistance, but turnover remained very small. "Shell" Transport became more active on Thursday.

The rubber market was depressed by a persistent stream of moderate sales, and by early weakness of the commodity on Tuesday. A somewhat better—if inexplicable—tendency developed on Wednesday, when selling abated sufficiently to prevent further recession in prices, but buyers remained aloof. Tea shares were somewhat steadier at the opening, but it was not long before the poor results at this week's auctions renewed the persistent selling which has given so much trouble in recent weeks. As is usual in this market, the absence of buying support exaggerated the effect upon prices, which was most severe in the Indian section.

Gold shares opened in dull fashion and made little response to satisfactory dividends, which had already been adequately discounted. Some improvement in tone could be seen on Tuesday, on correct forecasts of increased declarations, but interest abated on the following day, and prices moved within narrow limits. West African shares provided some interest on Tuesday after a firm but quiet opening, but with the exceptions of Kwahu and Gold Coast Selection prices made little further advance. Australian issues were dull under the influence of the wages award. Rhodesian copper issues were dull, despite the success of the Rhokana issue. Tin shares were fairly steady, and some demand for Malayan Tin and Southern Malayan was reported on the results.

"FINANCIAL NEWS" DAILY BARGAIN INDEX

(Approximate number of Bargains recorded in Stock Exchange Lists)

	Dec. 6, 1934	Dec. 7, 1934	Dec. 8, 1934	Dec. 10, 1934	Dec. 11, 1934	Dec. 12, 1934	Dec. 13, 1934
Government and Municipal Loans	1,610	1,549		2,061	1,619	1,607	1,336
Transport, Communications, and Public Utilities	1,038	1,090		1,218	1,048	1,029	1,070
Commercial and Industrial	3,580	3,893		4,569	3,825	3,732	3,781
Banks, Insurance and Financial	641	722	Closed	767	661	689	631
Mines (including Nitrate)	1,360	1,392		1,588	1,188	1,316	1,372
Oils	146	111		180	166	227	122
Rubber, Tea and Coffee	271	331		422	437	339	428
Total	8,646	9,088		10,805	8,944	8,939	9,240
Corresponding day in 1933	8,455	9,463		7,708	7,484	7,929	7,881

* Including Iron and Steel and Breweries.

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

Highest of 1934 (Nov. 20)	Lowest of 1934 (Feb. 8)	Dec. 6, 1934	Dec. 7, 1934	Dec. 8, 1934	Dec. 10, 1934	Dec. 11, 1934	Dec. 12, 1934	Dec. 13, 1934
94.4	83.5	92.6	92.4	Closed	92.3	92.6	92.5	92.8

OFFER TO NEW READERS

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

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

Name.....

Address.....

.....

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Nov. 15)	Lowest of 1934 (Jan. 2)	Dec. 6, 1934	Dec. 7, 1934	Dec. 8, 1934	Dec. 10, 1934	Dec. 11, 1934	Dec. 12, 1934	Dec. 13, 1934
140.0	128.8	138.9	139.2	Closed	139.1	139.2	139.4	139.6

FOREIGN STOCK EXCHANGES NEW YORK

ALTHOUGH business news is good, the stock markets are quiet and irregular. Operators are reflecting that, if Christmas comes, Congress is not far behind. The slight suggestion of doubt of the Administration's continued aversion to radical courses is probably irrational and unsupported by definite evidence. Such indications as are available, are, on the whole, reassuring. Limitation of war profits will have national influence behind it. The proposed new Banking Bill, which the Secretary of the Treasury has discussed with congressional representatives, contains few drastic provisions. The Stock Exchange Commission's security regulations, whose publication is expected shortly, may represent an appreciable relaxation of the over-stringent rules which have hampered new issue business hitherto. Nevertheless, the rising tendency of security values has lost its momentum, and there is a disposition to postpone better times to the New Year. Italy's control measures upset the bond market on Monday, the initial (and exaggerated) report that the Italian Government was seizing all overseas holdings of its nationals forthwith, being interpreted as an intimation of early selling to support the lira. Second-grade bonds, both foreign and industrial, were especially affected. Subsequently, however, the market showed a stronger tendency, after the news of the settlement of the dispute between Yugoslavia and Hungary. In the stock markets, a few isolated shares, like American Can, were steady, but prices as a whole marked time. Railroads generally held their ground, but utilities showed some weakness. The volume of business generally was reduced to small dimensions, many operators choosing to hold back until President Roosevelt had made his speech on December 16th. Basic industrial conditions are not unfavourable. Steel activity continues to increase. Christmas retail trading is progressing favourably. The oil situation shows signs of improvement, thanks to reduced movement of petrol made from "hot oil," and the termination of the so-called "gasoline war" by the restoration of retail prices in New Jersey to normal.

	Dec. 5, 1934	Dec. 12, 1934	Dec. 13, 1934	Dec. 14, 1934	Dec. 15, 1934	Dec. 16, 1934	Dec. 17, 1934	Dec. 18, 1934	Dec. 19, 1934	Dec. 20, 1934	Dec. 21, 1934	Dec. 22, 1934	Dec. 23, 1934	Dec. 24, 1934	Dec. 25, 1934	Dec. 26, 1934	Dec. 27, 1934	Dec. 28, 1934	Dec. 29, 1934	Dec. 30, 1934	Dec. 31, 1934
Lb. Ls. 31 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 41 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Do. 41 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2	103 1/2
Atchafalpa	56 1/2	53 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2	54 1/2
Erle	14	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Illinois Central	18 1/2	16 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
N.Y. Central	22 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2	21 1/2
Pennsylvania	25 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2
Southern Pacific	19 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2	17 1/2
Southern Ry.	17 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
Union Pacific	108 1/2	105 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2	106 1/2
Am. Can.	106 1/2	106 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2	107 1/2
Amer. Smelting	37 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2	35 1/2
Anacosta	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
Bethlehem Steel	31 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2	29 1/2
Chrysler Motor	40 1/2	37 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2	38 1/2
Corn Produce Rf.	66 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2	64 1/2
Eastman Kodak	112 1/2	111 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2	112 1/2
Gen. Electric	20 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2	19 1/2
Gen. Motors	33 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2	31 1/2
Int. Harvester	39 1/2	36 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2	37 1/2
Mont. Ward	30 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2	28 1/2

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

	1933		1934		1935		1936		1937		1938		1939		1940	
			Jan. 1 to Dec. 12		Be- ginning of Year		Nov. 28,		Dec. 5,		Dec. 12,					
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials ...	33-7	86-6	74-3	90-5	79-6	82-0	82-4	79-9								
33 Rails ...	23-9	54-5	50-1	51-4	40-6	36-2	37-6	35-7								
57 Utilities ...	68-8	101-0	59-5‡	83-4†	66-4	61-3	61-1	59-5								
Total, 421 Stocks	40-9	83-4	65-6	82-1	70-8	71-0	71-4	69-2								
Average yield of 50 Industrial Common Stocks	6-91%	2-65%	2-78% †	3-90% (s)	3-17%	3-62%	3-62%	3-78%								
‡ December 12th.			† February 7th.			(s) September 12th.										

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest dividends, account being taken of any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

Prices Year 1933	Prices Year 1934 (Jan. 1 to Dec. 12)	Name of Security	Price, Dec. 5, 1934	Price, Dec. 12, 1934	Rise or Fall	Yield	Prices Year 1933	Prices Year 1934 (Jan. 1 to Dec. 12)	Name of Security	Price, Dec. 5, 1934	Price, Dec. 12, 1934	Rise or Fall	Yield
High	Low					£ s. d.	High	Low					£ s. d.
77 1/2	70 1/2	92 1/2	73 1/2	100 1/2	101 1/2	102 1/2	103 1/2	104 1/2	105 1/2	106 1/2	107 1/2	108 1/2	109 1/2
110 1/2	111 1/2	112 1/2	113 1/2	114 1/2	115 1/2	116 1/2	117 1/2	118 1/2	119 1/2	120 1/2	121 1/2	122 1/2	123 1/2
124 1/2	125 1/2	126 1/2	127 1/2	128 1/2	129 1/2	130 1/2	131 1/2	132 1/2	133 1/2	134 1/2	135 1/2	136 1/2	137 1/2
138 1/2	139 1/2	140 1/2	141 1/2	142 1/2	143 1/2	144 1/2	145 1/2	146 1/2	147 1/2	148 1/2	149 1/2	150 1/2	151 1/2
153 1/2	154 1/2	155 1/2	156 1/2	157 1/2	158 1/2	159 1/2	160 1/2	161 1/2	162 1/2	163 1/2	164 1/2	165 1/2	166 1/2
169 1/2	170 1/2	171 1/2	172 1/2	173 1/2	174 1/2	175 1/2	176 1/2	177 1/2	178 1/2	179 1/2	180 1/2	181 1/2	182 1/2
185 1/2	186 1/2	187 1/2	188 1/2	189 1/2	190 1/2	191 1/2	192 1/2	193 1/2	194 1/2	195 1/2	196 1/2	197 1/2	198 1/2
199 1/2	200 1/2	201 1/2	202 1/2	203 1/2	204 1/2	205 1/2	206 1/2	207 1/2	208 1/2	209 1/2	210 1/2	211 1/2	212 1/2
215 1/2	216 1/2	217 1/2	218 1/2	219 1/2	220 1/2	221 1/2	222 1/2	223 1/2	224 1/2	225 1/2	226 1/2	227 1/2	228 1/2
231 1/2	232 1/2	233 1/2	234 1/2	235 1/2	236 1/2	237 1/2	238 1/2	239 1/2	240 1/2	241 1/2	242 1/2	243 1/2	244 1/2
247 1/2	248 1/2	249 1/2	250 1/2	251 1/2	252 1/2	253 1/2	254 1/2	255 1/2	256 1/2	257 1/2	258 1/2	259 1/2	260 1/2
263 1/2	264 1/2	265 1/2	266 1/2	267 1/2	268 1/2	269 1/2	270 1/2	271 1/2	272 1/2	273 1/2	274 1/2	275 1/2	276 1/2
281 1/2	282 1/2	283 1/2	284 1/2	285 1/2	286 1/2	287 1/2	288 1/2	289 1/2	290 1/2	291 1/2	292 1/2	293 1/2	294 1/2
297 1/2	298 1/2	299 1/2	300 1/2	301 1/2	302 1/2	303 1/2	304 1/2	305 1/2	306 1/2	307 1/2	308 1/2	309 1/2	310 1/2
313 1/2	314 1/2	315 1/2	316 1/2	317 1/2	318 1/2	319 1/2	320 1/2	321 1/2	322 1/2	323 1/2	324 1/2	325 1/2	326 1/2
331 1/2	332 1/2	333 1/2	334 1/2	335 1/2	336 1/2	337 1/2	338 1/2	339 1/2	340 1/2	341 1/2	342 1/2	343 1/2	344 1/2
347 1/2	348 1/2	349 1/2	350 1/2	351 1/2	352 1/2	353 1/2	354 1/2	355 1/2	356 1/2	357 1/2	358 1/2	359 1/2	360 1/2
363 1/2	364 1/2	365 1/2	366 1/2	367 1/2	368 1/2	369 1/2	370 1/2	371 1/2	372 1/2	373 1/2	374 1/2	375 1/2	376 1/2
381 1/2	382 1/2	383 1/2	384 1/2	385 1/2	386 1/2	387 1/2	388 1/2	389 1/2	390 1/2	391 1/2	392 1/2	393 1/2	394 1/2
397 1/2	398 1/2	399 1/2	400 1/2	401 1/2	402 1/2	403 1/2	404 1/2	405 1/2	406 1/2	407 1/2	408 1/2	409 1/2	410 1/2
413 1/2	414 1/2	415 1/2	416 1/2	417 1/2	418 1/2	419 1/2	420 1/2	421 1/2	422 1/2	423 1/2	424 1/2	425 1/2	426 1/2
431 1/2	432 1/2	433 1/2	434 1/2	435 1/2	436 1/2	437 1/2	438 1/2	439 1/2	440 1/2	441 1/2	442 1/2	443 1/2	444 1/2
447 1/2	448 1/2	449 1/2	450 1/2	451 1/2	452 1/2	453 1/2	454 1/2	455 1/2	456 1/2	457 1/2	458 1/2	459 1/2	460 1/2
463 1/2	464 1/2	465 1/2	466 1/2	467 1/2	468 1/2	469 1/2	470 1/2	471 1/2	472 1/2	473 1/2	474 1/2	475 1/2	476 1/2
481 1/2	482 1/2	483 1/2	484 1/2	485 1/2	486 1/2	487 1/2	488 1/2	489 1/2	490 1/2	491 1/2	492 1/2	493 1/2	494 1/2
497 1/2	498 1/2	499 1/2	500 1/2	501 1/2	502 1/2	503 1/2	504 1/2	505 1/2	506 1/2	507 1/2	508 1/2	509 1/2	510 1/2
513 1/2	514 1/2	515 1/2	516 1/2	517 1/2	518 1/2	519 1/2	520 1/2	521 1/2	522 1/2	523 1/2	524 1/2	525 1/2	526 1/2
531 1/2	532 1/2	533 1/2	534 1/2	535 1/2	536 1/2	537 1/2	538 1/2	539 1/2	540 1/2	541 1/2	542 1/2	543 1/2	544 1/2
547 1/2	548 1/2	549 1/2	550 1/2	551 1/2	552 1/2	553 1/2	554 1/2	555 1/2	556 1/2	557 1/2	558 1/2	559 1/2	560 1/2
563 1/2	564 1/2	565 1/2	566 1/2	567 1/2	568 1/2	569 1/2	570 1/2	571 1/2	572 1/2	573 1/2	574 1/2	575 1/2	576 1/2
581 1/2	582 1/2	583 1/2	584 1/2	585 1/2	586 1/2	587 1/2	588 1/2	589 1/2	590 1/2	591 1/2	592 1/2	593 1/2	594 1/2
597 1/2	598 1/2	599 1/2	600 1/2	601 1/2	602 1/2	603 1/2	604 1/2	605 1/2	606 1/2	607 1/2	608 1/2	609 1/2	610 1/2
613 1/2	614 1/2	615 1/2	616 1/2	617 1/2	618 1/2	619 1/2	620 1/2	621 1/2	622 1/2	623 1/2	624 1/2	625 1/2	626 1/2
631 1/2	632 1/2	633 1/2	634 1/2	635 1/2	636 1/2	637 1/2	638 1/2	639 1/2	640 1/2	641 1/2	642 1/2	643 1/2	644 1/2
647 1/2	648 1/2	649 1/2	650 1/2	651 1/2	652 1/2	653 1/2	654 1/2	655 1/2	656 1/2	657 1/2	658 1/2	659 1/2	660 1/2
663 1/2	664 1/2	665 1/2	666 1/2	667 1/2	668 1/2	669 1/2	670 1/2	671 1/2	672 1/2	673 1/2	674 1/2	675 1/2	676 1/2
681 1/2	682 1/2	683 1/2	684 1/2	685 1/2	686 1/2	687 1/2	688 1/2	689 1/2	690 1/2	691 1/2	692 1/2	693 1/2	694 1/2
697 1/2	698 1/2	699 1/2	700 1/2	701 1/2	702 1/2	703 1/2	704 1/2	705 1/2	706 1/2	707 1/2	708 1/2	709 1/2	710 1/2
713 1/2	714 1/2	715 1/2	716 1/2	717 1/2	718 1/2	719 1/2	720 1/2	721 1/2	722 1/2	723 1/2	724 1/2	725 1/2	726 1/2
731 1/2	732 1/2	733 1/2	734 1/2	735 1/2	736 1/2	737 1/2	738 1/2	739 1/2	740 1/2	741 1/2	742 1/2	743 1/2	744 1/2
747 1/2	748 1/2	749 1/2	750 1/2	751 1/2	752 1/2	753 1/2	754 1/2	755 1/2	756 1/2	757 1/2	758 1/2	759 1/2	760 1/2
763 1/2	764 1/2	765 1/2	766 1/2	767 1/2	768 1/2	769 1/2	770 1/2	771 1/2	772 1/2	773 1/2	774 1/2	775 1/2	776 1/2
781 1/2	782 1/2	783 1/2	784 1/2	785 1/2	786 1/2	787 1/2	788 1/2	789 1/2	790 1/2	791 1/2	792 1/2	793 1/2	794 1/2
797 1/2	798 1/2	799 1/2	800 1/2	801 1/2	802 1/2	803 1/2	804 1/2	805 1/2	806 1/2	807 1/2	808 1/2	809 1/2	810 1/2
813 1/2	814 1/2	815 1/2	816 1/2	817 1/2	818 1/2	819 1/2	820 1/2	821 1/2	822 1/2	823 1/2	824 1/2	825 1/2	826 1/2
831 1/2	832 1/2	833 1/2	834 1/2	835 1/2	836 1/2	837 1/2	838 1/2	839 1/2	840 1/2	841 1/2	842 1/2	843 1/2	844 1/2
847 1/2	848 1/2	849 1/2	850 1/2	851 1/2	852 1/2	853 1/2	854 1/2	855 1/2	856 1/2	857 1/2	858 1/2	859 1/2	860 1/2
863 1/2	864 1/2	865 1/2	866 1/2	867 1/2	868 1/2	869 1/2	870 1/2	871 1/2	872 1/2	873 1/2	874 1/2	875 1/2	876 1/2
881 1/2	882 1/2	883 1/2	884 1/2	885 1/2	886 1/2	887 1/2	888 1/2	889 1/2	890 1/2	891 1/2	892 1/2	893 1/2	894 1/2
897 1/2	898 1/2	899 1/2	900 1/2	901 1/2	902 1/2	903 1/2	904 1/2	905 1/2	906 1/2	907 1/2	908 1/2	909 1/2	910 1/2
913 1/2	914 1/2	915 1/2	916 1/2	917 1/2	918 1/2	919 1/2	920 1/2	921 1/2	922 1/2	923 1/2	924 1/2	925 1/2	926 1/2
931 1/2	932 1/2	933 1/2	934 1/2	935 1/2	936 1/2	937 1/2	938 1/2	939 1/2	940 1/2	941 1/2	942 1/2	943 1/2	944 1/2
947 1/2	948 1/2	949 1/2	950 1/2	951 1/2	952 1/2	953 1/2	954 1/2	955 1/2	956 1/2	957 1/2	958 1/2	959 1/2	960 1/2
963 1/2	964 1/2	965 1/2	966 1/2	967 1/2	968 1/2	969 1/2	970 1/2	971 1/2	972 1/2	973 1/2	974 1/2	975 1/2	976 1/2
981 1/2	982 1/2	983 1/2	984 1/2	985 1/2	986 1/2	987 1/2	988 1/2	989 1/2	990 1/2	991 1/2	992 1/2	993 1/2	994 1/2
997 1/2	998 1/2	999 1/2	1000 1/2	1001 1/2	1002 1/2	1003 1/2	1004 1/2	1005 1/2	1006 1/2	1007 1/2	1008 1/2	1009 1/2	1010 1/2

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand Currency. (e) Allowance for rate of exchange. (f) Yield worked on redemption at par on Feb. 1, 1935. (g) Yield worked on redemption at par on December 1, 1932. (h) Yield worked on redemption at par on April 1, 1931. (i) Yield worked on redemption at par on Feb. 1, 1935. (j) Yield worked on redemption at par on Dec. 1, 1932. (k) Yield worked on redemption at par on April 1, 1931. (l) Yield worked on redemption at par on Feb. 1, 1935. (m) Yield worked on redemption at par on Dec. 1, 1932. (n) Yield worked on redemption at par on April 1, 1931. (o) Yield worked on redemption at par on Feb. 1, 1935. (p) Yield worked on redemption at par on Dec. 1, 1932. (q) Yield worked on redemption at par on April 1, 1931. (r) Yield worked on redemption at par on Feb. 1, 1935. (s) Yield worked on redemption at par on Dec. 1, 1932. (t) Yield worked on redemption at par on April 1, 1931. 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(Continued from page 1163)

£7,000,000, of which loans amounting to £4,062,991 have been sanctioned. Proceeds required for repayment of temporary development loans and extension. Authority has area of 1,820 square miles, of which undertakings already acquired serve 200 square miles, and fixes prices for electricity to cover interest and sinking fund charges under Electricity (Supply) Act, 1922. Stock is transferable free of stamp.

Rhokana Corporation, Ltd.—Offer of 1,500,000 5½ per cent. redeemable cumulative £1 preference shares at 21s. per share. Shares redeemable at 24s. from 1940–49, 22s. from 1950–59, and 21s. thereafter, by appropriation of £7,500 p.a. from profits. Company founded 1923, and now owns rights over Nkana, Mindola, and Nchanga ore-bodies, 2,758,586 shares in Mufulira Copper Mines, and prospecting rights until 1940 over 57,600 square miles. Production commenced 1931; estimated production by 1937, 120,000 short tons per annum, at £24 per long ton, including depreciation and debenture interest. Issue required to repay £250,000 loan from British S. Africa Company, and for development at Mindola. Profits after debenture interest, for years to June 30: 1933, £40,863; 1934, £389,045. N. M. Rothschild and Sons have acquired shares at 21s. less commission of 1s. 1½d. per share. 500,000 shares have been placed on underwriting terms.

S. G. B. (Dudley), Ltd.—Issue of 125,000 6 per cent. cumulative £1 preference shares at 21s. per share, and 500,000 5s. ordinary shares at 5s. 6d. per share. Formed to acquire business and assets of Stourbridge Glazed Brick and Fire Clay Company, Ltd., established 1892, covering 27 acres freehold, with mining rights over 130 acres. Profits, for years to June 30: 1932, £11,763; 1933, £14,740; 1934, £31,814. Assets acquired, £343,057. Consideration, £300,000 as to £250,000 in cash, and balance by allotment of 25,000 preference and 100,000 ordinary shares.

Vactric, Ltd.—Issue of 100,000 6 per cent. cumulative redeemable £1 preference shares at par, and 100,000 5s. ordinary shares at 12s. 6d. Formed to acquire business of Vacuum Sweepers, Ltd., established 1924. Profits for years to March 31: 1932, £8,373; 1933, £11,213; 1934, £30,295; 6 months to September 30, 1934, £30,148. Net assets acquired, £67,682, excluding goodwill £137,500, to be reduced to £100,000 after deducting share premiums. Consideration, £205,182, as to £130,182 in cash or shares of either class at company's option, and as to balance by allotment of 300,000 ordinary shares.

Great Work Tin Mines, Ltd.—Issue of 1,200,000 shares of 2s. each at par. Formed to acquire mineral rights over 272 acres in Cornwall from Wheal Reeth Tin, Ltd. Estimated reserves, 44,000 tons, with value of 33 lbs. concentrate (70 per cent. metal) per ton. Ore will be reduced at Wheal Reeth plant for 10s. per dry ton ore. Working costs estimated £101 16s. per ton concentrate, and approximate profit per ton, £41 8s. 3d. Estimated capital expenditure £29,500, for output of 100–200 tons ore per day. Purchase consideration for rights, £45,000, as to £15,000 cash and balance in ordinary shares.

CONVERSION OFFER

Union of South Africa.—Issue of 3 per cent. inscribed stock, 1954–64 at par. Holders of outstanding £11,000,000 Transvaal Government guaranteed stock, to be repaid June 15, 1935, are offered conversion at par. New stock repayable at par on May 1, 1964, or from May 1, 1954, on three months' notice, and transferable free of stamp. Financial statistics, March 31, 1934: Net public debt, £251,034,000; total revenue, £67,369,000 of which 45.56 per cent. derived from taxation; expenditure, £59,410,000; imports (1933), £49,317,825; exports, including bullion, £73,164,359.

BY STOCK EXCHANGE INTRODUCTION

Federated Malay States.—Particulars of 3 per cent. inscribed stock, 1960–70. Issued to redeem £4,200,000 Straits Settlements 4½ per cent. loan, 1935–45. Secured on general revenue and assets, and repayable at par June 15, 1970, or from June 15, 1960, on three months' notice. Public debt, £11,221,666, and accumulated sinking funds, £1,221,578. Federated Malay States Government is owed £3,220,852 by Government of Siam for railway construction, repayable by 1949. 1933: Revenue, \$47,198,806; expenditure, \$50,258,671; imports, \$67,129,150; exports, \$111,885,935.

B.E.T. Electricity Supply Company, Ltd.—Particulars of issue of £350,000 4 per cent. debenture stock. Secured by floating charge, redeemable by November 1, 1975, at £102 per cent., or from January 1, 1941, on three months' notice. Incorporated to acquire electricity supply investments from

British Electric Traction Company, Ltd., for £942,135, payable as to £633,523 in cash, and as to £308,612 in £1 shares. Vendor subscribes for £356,381 shares and whole of debenture stock at par. Combined profits of operating companies: 1931, £84,524; 1932, £99,577; 1933, £96,671. Capital expenditure, £1,443,480; reserves, £574,680.

Midland Tar Distillers, Ltd.—Issued capital, 92,265 6 per cent. tax free cumulative £1 preference shares, 381,692 £1 ordinary shares. Formed 1891 to acquire established concerns. Assets, June 30, 1934, £800,021; properties, £421,080; stocks, £169,652. Total profits for year, £72,650.

Castle Brothers (Furniture), Ltd.—Issued capital 50,000 5½ per cent. cumulative £1 preference shares, and 440,000 5s. ordinary shares. Acquires business of similar name at High Wycombe, established 27 years. Net assets, £93,842. Purchase price £155,000, includes £60,000 goodwill, payable £105,000 cash and balance in ordinary shares. Profits, years to end July: 1932, £13,161; 1933, £17,439; 1934, £25,058.

Viner's, Ltd.—Particulars of issue of 135,000 5½ per cent. cumulative £1 preference shares. Business founded 1906, to manufacture cutlery, silver-ware, pewter, etc. Profits, after depreciation: 1931, £33,717; 1932, £35,973; 1933, £54,532. Net assets at December 31, 1933, £247,555. £230,000 was capitalised from reserves on December 11, 1934, of which £135,000 has been issued as preference shares and sold by allottees to Charterhouse Investment Trust at 19s. per share.

ISSUES TO SHAREHOLDERS ONLY

British Cyanides.—305,863 ordinary 2s. shares are offered to ordinary shareholders registered on November 10th in proportion of one new ordinary share for each 12 shares held, at 2s. 6d. The new shares carry right to subscribe at 3s. per share for a further share in respect of each new share held, such option being exercisable on March 31, 1935, or on the last day of any subsequent quarter up to December 31, 1936.

Guildhall Property Company, Ltd.—Issue of 90,000 6 per cent. cumulative preference shares £1 at par to pay for extensions, to acquire further properties and to provide additional working capital.

London County Freehold and Leasehold Properties.—The board has decided to issue 237,247 ordinary shares £1 at £2 6s. 6d. in proportion one new share for every £8 of stock held on December 3rd. The new shares will not participate in dividends in respect of the year to March 31, 1935.

BY TENDER

Great Marlow Water Co., Ltd.—Offer for sale by tender of £6,000 5 per cent. debenture bonds, minimum price £125 per cent. Redeemable at par January 1, 1962. Profits, exclusive of Government grant: 1931, £4,036; 1932, £3,588; 1933, £3,873. Issued debenture capital, £21,000. Service connections, 3,527.

CONVERSIONS AND REPAYMENTS

Anglo-Scottish Tea Investment Trust.—Issue at par of £37,500 in ten-year 4½ per cent. convertible notes. The purpose is to meet repayment of existing notes on December 31, 1934, and to reduce the trust's indebtedness to the bank. Noteholders will be entitled to allotment equal to 110 per cent. of their holding of 6 per cent. notes.

Eastbourne Corporation.—The corporation has decided to redeem the 3 per cent. redeemable stock, 1920–40, on March 25, 1935, instead of in 1940.

Hoscote Rubber Estates.—The whole of the outstanding 7 per cent. debenture stock has been redeemed by the issue of 33,341 fully paid £1 ordinary shares and £137 in cash.

Moors' and Robson's Breweries.—£20,391 of 5½ per cent. debenture stock is to be redeemed on 31st December.

Norfolk and Western Railway.—This company will redeem on March 1, 1935, at 105 per cent. of the principal amount, and accrued interest, all of its outstanding convertible 10-25 year 4½ per cent. gold bonds due September 1, 1938.

Tasmania 4½ per Cent. Inscribed Stock, 1935.—This stock will be repaid at par on January 1, 1935.

FORTHCOMING ISSUES

Connaught Estates (1934), Ltd.—This company has recently acquired further selected properties. In order to meet the cost and also to repay mortgages the board have decided to issue a new series of 5 per cent. first mortgage debenture stock at 101. Investment Registry, Ltd., have underwritten the issue.

Amari Nigeria Tin Mines.—It is proposed to issue 600,000 2s. shares at par to present holders, carrying an option for one year to purchase one share at par for each two held.

Ruston and Hornsby.—This company proposes to convert £250,000 of 6 per cent. debentures. A similar amount of new 4½ per cent. first mortgage debenture stock is to be created, and a meeting of the company's existing 4½ per cent. debenture stockholders is being called to approve the proposals.

Tecalemit, Ltd.—A public issue is expected shortly.

RESULTS OF ISSUES

Buenos Aires Western Railway 4 per cent. Notes.—Underwriters left with 40 per cent.

London and Home Counties Joint Electricity Authority.—The list for the issue at 97½ of £1,000,000 3½ per cent. stock, 1955–75, was closed at 10.30 a.m., December 10th. Heavily over-subscribed.

Barnet District Gas.—Tenders were opened December 10th for £25,000 4½ per cent. preference stock offered for sale. The total applications amounted to £185,000 at prices ranging from £122 6s. per £100 down to the minimum of £114 per £100. The whole of the stock was allotted at £122 6s.

Austrian Government Guaranteed Conversion Loan, 1934–1959.—The subscription lists for cash applications for issue of £10,163,900 4½ 10s. per cent. guaranteed sterling bonds were closed at twelve o'clock December 7th.

Biting Rubber Estates, Ltd.—The list for issue of ordinary shares of 1s. was closed on November 30th. It was over-subscribed.

Great Work Tin Mines.—The lists were closed at 9.45 a.m., December 12th.

S. G. B. (Dudley), Ltd.—List for issue of 6 per cent. preference and ordinary shares was closed at 9.5 a.m. December 11th. Heavily over-subscribed.

Vactric, Ltd.—List for issue of 6 per cent. redeemable preference shares at par and ordinary shares of 5s. at 12s. 6d. was closed at 9.10 a.m. December 11th. Heavily over-subscribed.

Rhokana Corporation.—Lists for offer for sale 5½ per cent. preference shares of £1 each at 21s. were closed at 9.5 a.m., December 12th. Over-subscribed.

CALLS DUE DECEMBER 17 TO DECEMBER 22, 1934

The grand total of calls falling due in December, 1934, is £7,934,567 which compares with £53,366,016 which fell due in November, 1933. The following calls fall due from December 17, 1934, to December 22, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
Stock	Aberthaw and Bristol Channel Portland Cements. £230,000 4½ per cent. Deb. Stock, at par	£80%	Dec. 20	All
Stock	Allsopp Brewery Investment. £99,148 4 per cent. Deb. Stock, at £99 1	£90%	Dec. 20	All
Stock	Associated British Picture. £2,500,000 5 per cent. 1st Deb. Stock, at £101 per cent.	£30%	Dec. 20	All
2/-	British Cyanides, Ltd. 305,863 Ord. Shares, at 2/6	2/6 p.s.	Dec. 31	All
£1	Butterley, Ltd. 500,000 4½ per cent. Cum. Pref. Shares, at par	15/- p.s.	Dec. 20	All
£1	Clan Line Steamers, Ltd. 225,000 Ord. Shares, at par	19/- p.s.	Dec. 20	All
£1	Clan Line Steamers, Ltd. 500,000 5½ per cent. Cum. Red. 1st "B" Pref., at 21/-	18/6 p.s.	Dec. 20	All
Stock	Criterion Restaurants. £300,000 4 per cent. Mort. Deb. Stock, at £98½ per cent.	£88½%	Dec. 20	All
Stock	London and Home Counties Joint Electricity. £1,000,000 3½ per cent. Stock, 1955–75, at £97½ per cent.	£17½%	Dec. 19	£22½%
£1	London County Freehold and Leasehold Properties. 237,247 Ord. Shares at 46/6	10/-	Dec. 18	10/-
Stock	Mersey Docks and Harbour. 3½ per cent. Red. Deb. Stock, 1975–85. £2,062,628, at £97 per cent.	£17%	Dec. 17	£22%
10/-	Murex, Ltd. 90,000 Ord. Shares, at 80/-	30/- p.s.	Dec. 22	All
£1	National Omnibus and Transport, Ltd. 150,000 Ord. Shares, at 27/6	25/- p.s.	Dec. 21	All
Stock	Nottingham Corporation 3½ Red. Stock, 1957. £2,000,000, at £98½ per cent.	£25%	Dec. 20	£48½%
Stock	Odham's Properties. £736,000 5 per cent. 1st Mort. Deb. Stock, at par	£85%	Dec. 20	All
Stock	Salts (Salthaire), Ltd. £1,000,000 5 per cent. 1st Mort. Deb. Stock, at £104 per cent.	£84%	Dec. 21	All
Stock	Standard Trust, Ltd. £850,000 3½ per cent. Deb. Stock, at par	£5%	Dec. 17	£5%
£1	Ward (Thos. W.), Ltd. 350,000 5 per cent. 1st Cum. Pref. Shares, at par	10/- p.s.	Dec. 22	All

OTARD'S

ESTABD 1795.

THE BRANDY WITH A PEDIGREE

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Dec. 5, 1934	Price, Dec. 12, 1934
Aldford House 6% Pref.	20/-	Fy pd	22/3-22/9	22/3-22/9
Alpha Cement 5½% Pref.	...	...	21/3-22/3	21/6-22/6
Argentine Navigation 10% Pref.	...	...	22/6-23/6	22/3-23/-
Do. do. 5½% Deb.	99	1/-	11-11 dis	11-11 dis
Do. do. 7% Pref. 10/-	5/-	Fy pd	3/6-3/9	3/6-3/9
Ascotts Pharmacies 5/-	10/-	Fy pd	9/6-9/9	9/6-9/9
Assoc. British Picture Corp. 5% Deb.	101	71	21-1½ dis	21-1½ dis
Ault and Wiborg Ord.	20/-	Fy pd	25/7½-26/1½	27/-27/6
Do. do. 5½% Pref.	20/-	Fy pd	23/6-24/-	23/3-23/9
Austin Motor "A" 5/-	...	...	41/-42/-	41/-42/-
Australia 3½%, 1964-74	99	5	¾-¾ pm	¾-¾ pm
Bank Line 2½% Gtd. Deb.	99½	5	1½-1½ pm	1½-1½ pm
Beechams Pills 8% Pref.	32/-	22/6	22/9-23/3	22/10½-23/4½
Birmingham 2½%, 1955-57	96½	5	¾-¾ pm	¾-¾ pm
Blackpool 3%, 1960	98½	98½	5/3-5/9	103½-103½
Betchley Fleets 5/-	5/-	Fy pd	5/-5/6	5/-5/6
Boulton and Paul Aircraft 5/-	20/-	10/-	8/9-9/6	9/-10/-
Brentford and Chiswick 3%, 1954	98½	5	4/3-4/7½	4/4½-4/7½
Buenos Aires Western Rly. 4% Notes.	100½	Fy pd	3½-3½ pm	3½-3½ pm
Butterley Co. 4½% Pref.	20/-	5/-	1½d dis-1½d pm	1½d dis-1½d pm
Central Electricity 3½% Sbk.	93	38½	3½-3½ pm	3½-4 pm
Chesterfield 3%, 1960	99½	24½	¾-¾ pm	20/7½-20/10½
Colville's 5½% Pref.	20/6	Fy pd	20/9-21/-	12/-12/3
Enos Props. Ord. 5/-	11/-	Fy pd	12/1½-12/4½	23/9-24/-
Do. 5½% Pref. £1	10/-	Fy pd	12/-12/9	11/9-12/6
French (J. W.) Ord. 5/-	21/-	Fy pd	22/3-23/3	22/3-23/3
General Aircraft	5/-	Fy pd	4/-4/6	4/-4/6
Gold Exc. and Finance Aust. Ord.	10/-	Fy pd	8/6-9/-	8/6-8/9
Gold Mines of Kalgoorlie 10/-	10/-	5/-	1/7½-1/10½ dis	1/7½-1/10½ dis
Green (Herbert) 1/-	1/-	Fy pd	2/9-3/1	2/4½-2/7½
Do. 7% Preferred	20/-	12/6	6/9-7/9	6/9-7/9
Do. 6% Deb.	100	75	64-68	64-68
Hancock (W.) 4½% Deb.	99	15	3-3½ pm	3½-3½ pm
Kapala Rubber Ord. 2/-	2/-	Fy pd	1/7½-1/10½	1/7½-1/10½
Do. do. 7½% Pref. 2/-	2/6	Fy pd	2/4½-2/7½	2/4½-2/7½
Leamington 3½%, 1954-64	97½	...	2½-2½ pm	2½-2½ pm
Lockhart (A.) 5/-	...	Fy pd	6/-6/3	6/1½-6/4½
London and Home Counties Elec. 3½%	97½	5	1-1½ pm	1-1½ pm
1955-75	22/6	Fy pd	26/-26/6	26/-26/6
Malacca Rubber 1/-	97	5	1½-1½ pm	1½-1½ pm
Mersey Docks, etc., 3½% Deb.	7/6	Fy pd	27/3-27/9 xr	27/3-27/9 xr
Murex New Ord. 10/-	£4	£2½	4½-4½	4½-4½
Nigeria 3%, 1955	97½	30	2½-2½ pm	3½-3½ pm
Nottingham 3%, 1957	98½	5	2½-2½ pm	3½-3½ pm
Oxford and Berks Cinemas 7% Pref.	20/-	Fy pd	26/-26/6	26/-26/6
Plymouth 3%, 1954	97½	25	4½-4½ pm	4½-5 pm
Price's Trust Ord. 5/-	10/10½-11/4	Fy pd	11/-11/6	11/-11/6
Do. 5½% Pref.	20/6	Fy pd	20/-20/6	20/-20/6
Sheffield 3%, 1954	98½	58½	2½-2½ pm	2½-2½ pm
South African Torbanite 10/-	10/-	Fy pd	10/-10/6	10/-10/3
Stockton-on-Tees 3%, 1960	100½	5	28/6-29/6	28/6-29/6
Terry (J.) Ord. 5/-	...	...	3½-4 pm	104½-104½
United Steel 4½% Deb.	Par	Fy pd	1/9-2/3 pm	1½-1½ pm
United Sna Betong Rubber £1	50/-	40/-	1½-1½ pm	1½-1½ pm
Van Dyk Consolidated	10/-	Fy pd	1½-1½ pm	1½-1½ pm
Waldenfield 3%, 1955	99½	25	5/10½-6/1½	5/10½-6/1½
Waldenfield Mines	5/-	Fy pd	4½-4½ pm	1½-1½ pm
York 3%, 1955-65	100	...	...	...

REPORTS AND NOTICES

Colonel C. F. Hitchins, D.S.O., M.I.Mech.E., M.I.N.A., of Messrs Hitchins, Jervis and Partners, consulting engineers, Westminster, has joined the board of the Partington Steel and Iron Company, Ltd.

GOVERNMENT, &c.

CZECHOSLOVAK 8 PER CENT. STATE LOAN, 1922.—Figures subject to audit received from the Ministry of Finance, Prague, show that for the third quarter of 1934 the receipts from the Customs Duties amounted to Kc. 139,853,146, and the net profits of the Tobacco Monopoly to Kc. 363,000,000.

BANKS

ITALO-BELGIAN BANK.—Net profits of the Italo-Belgian Bank for the year to June 30, 1934, amounted to Frs. 8,588,820, compared with Frs. 8,365,303 for 1932–33. Dividend is maintained at 7 per cent., and after allocating Frs. 1,000,000 against Frs. 800,000 for taxes and crediting Frs. 10,135,631 brought in, a balance of Frs. 10,186,128 is carried forward. Deposits have declined from Frs. 700,876,198 to Frs. 682,184,881, while liabilities to bankers and correspondents have risen from Frs. 182,381,823 to Frs. 192,243,585. Bills payable have fallen from Frs. 83,851,795 to Frs. 46,148,864. Cash has risen by Frs. 8,171,350 to Frs. 211,692,090, and bills receivable at Frs. 391,912,133 compare with Frs. 386,999,774 last year. Loans and advances have declined from Frs. 329,280,207 to Frs. 286,132,415.

(Continued on page 1182)

COMPANY MEETINGS, &c.

THE BRITISH OVERSEAS BANK, LIMITED

SIGNS OF ECONOMIC RECOVERY

NEED FOR STABLE EXCHANGES

TRIBUTE TO THE LATE LORD CHURCHILL

MR ARTHUR GAIRDNER'S ADDRESS

The fifteenth annual general meeting of The British Overseas Bank, Limited, was held at the bank's premises, 33 Gracechurch Street, London, E.C., on the 11th instant, Mr Arthur C. D. Gairdner (the Chairman) presiding.

The Secretary (Mr A. E. Thorne) having read the notice convening the meeting and the report of the auditors, said that they had received letters from two of their Advisory Directors, Mr R. T. Hindley and Sir Edgar Horne, Bart, regretting their inability to attend the meeting; also the Hon. Bernard Rollo, one of the Directors, had expressed regret at his unavoidable absence.

The Chairman said: Ladies and gentlemen, when we last met in this room, twelve months ago, Lord Churchill presided, and there was no warning of the blow that was so soon to fall upon us. Lord Churchill's sudden illness and death removed one who had been connected with the bank since its foundation, firstly as Governor of the Council and latterly as Chairman. During all these years his advice and support had been invaluable in the difficulties that must always be faced in the early days of any institution. Lord Churchill, although not a banker in the technical sense, was much more, and his knowledge of affairs and men was unrivalled. This experience he placed unreservedly at our disposal, and his firmness of character and the sagacity which he brought to the solution of any problem made him a tower of strength in the bank, while his personal charm not only made him a welcome visitor everywhere but overcame many difficulties that might otherwise have proved insoluble.

The question of Lord Churchill's successor demanded and received very earnest consideration from the Board. It was felt that to expect another to bring to the office of Chairman the same qualities which we had enjoyed when Lord Churchill occupied this position was impossible, and the Board consequently decided to revert to our original principle of an all-time Chairman. This position my colleagues paid me the compliment of asking me to fill, and I accordingly relinquished my former post of Managing Director and Deputy-Chairman. When the bank was constituted it was intended that we should have Managers dealing as experts with the various phases of banking, who should be answerable directly to the Board, and the Directors were glad to have an opportunity of showing their confidence in the present Management by reverting to the original idea and doing away with the office of Managing Director, which post had naturally somewhat obscured the original policy.

In regard to the Deputy-Chairmanship of the bank, it was felt that, as this office brought the holder into closer touch with the work of the bank than was the case with ordinary directors, it should be held by members of the Board in rotation. Mr Campbell, who has been associated with the bank since its commencement, was consequently appointed Deputy-Chairman, to hold office until the end of our financial year in 1935, when he will be succeeded by another member of the Board. We trust you will approve of the manner in which your Board have dealt with these questions, and that we may in the future count on your support and sympathy in the same way as it has been extended to us in the past.

"Silence is golden, speech silver." The advice contained in this old proverb was never more apt than it is to-day, and I therefore propose to confine my remarks within the smallest compass.

TREND OF ECONOMIC FORCES

It is difficult at any time to deal with economic affairs apart from politics—the more so in these times of wholesale State interference—and generalisation becomes almost impossible in conditions as chaotic as they are to-day. But I think one can say that at the moment, in spite of political uncertainty and tension, and in spite of the obstacles of trade barriers, quotas and exchange

instability, economic forces appear to be tending towards recovery. Where these forces have been allowed most freedom, trade has improved, more particularly internal trade. International trade, where groups of nations are held together by a common bond, is also definitely, although very slightly, better. I refer particularly to the so-called sterling *bloc*, in which stability between its members is reflected in their increasing mutual trade and in the fact that their home trade shows relatively more improvement than the average; and this is encouraging as indicating a basis on which to build up a wider and more general improvement.

As regards the countries in which we are more specially interested, it is satisfactory to be able to record that Poland maintains her remarkable capacity for resistance in face of the difficulties with which, as an outstanding agricultural member of the gold *bloc*, she has been confronted; internal trade has been steady with an improving tendency, and foreign trade has increased. Scandinavia and the Baltic Republics show distinct progress in both home and foreign trade. In Central Europe the shadow of increasing political tension has rather nullified the tendency to economic improvement noted elsewhere, but, even so, in Austria and Hungary, perhaps the most hardly hit countries of all Europe, the position shows signs of greater underlying soundness. In Spain, serious internal political troubles have been encountered, we may now hope overcome, and economically the position shows a certain and perhaps surprising degree of stability.

POLITICAL UNCERTAINTIES

In referring to these favourable points I do not, unfortunately, mean to imply that the picture as a whole is encouraging; very much the reverse. Political uncertainties overshadow Europe, and, in addition, instability, or the fear of instability, in currency matters is a heavy drag on any tendency for confidence to revive. But in spite of this I do emphasise that the existence of these favourable factors holds out hope for the future, if only the world can bring itself to deal sensibly and reasonably with its problems before it is too late. The fact that trade can improve, and confidence tend to return, in spite of such immense hindrances, suggests the lines along which progress may be possible. By that I mean that the improvement in the sterling *bloc* indicates the importance of currency stability in promoting not only foreign but also internal trade.

The gold *bloc*, also, has produced results similar in kind though not in extent. The sterling *bloc* is a loosely defined group of countries collaborating in the development of their common interests in the broadest sense, without either fixed limits or rigidly defined policies, individually affected in varying degree by their abandonment of gold, as the standard of living, internal price levels and foreign indebtedness, to mention only a few of the principal factors, differ in every case. On the other hand, the gold *bloc* has practically one inflexible object—the maintenance by its members of the gold standard at the existing gold parities. Although conditions have changed radically since those parities were established, and are still changing, all other considerations of economic policy have been subordinated to this aim, and it has been maintained up to now at the cost of drastic deflation, which in some cases may have to be carried still further. The effect of this policy on the individual countries composing the *bloc* is much more striking and shows greater diversity than is the case in the sterling *bloc*. At the same time, the fact that there is a common denominator gives a community of interest and force to the group that is important, although the fear of possible breakdown creates a sense of insecurity which has hitherto discouraged the revival of confidence and prevented the appearance of any marked trade revival in this group. The very rigidity of the *bloc* is its weakness and, although one must welcome any form of collaboration between nations in currency matters, the prospect of some currency revaluations becoming unavoidable sooner or later has hitherto

prevented the gold *bloc* from acting as a constructive influence in the restoration of world trade.

STABILITY NEEDFUL FOR TRADE REVIVAL

For the reasons I have outlined, the experience of the gold *bloc* confirms my conclusion as to the importance of currency stability in trade revival, and indeed the achievement of stability over a wider area than at present is one of the most important problems to be faced. The difficulties are great; the interests of these two groups are in many respects conflicting, and, moreover, we have in the U.S.A. a third important element hovering outside the confines of both groups. However, unless some permanent basis can be found for stability, it is difficult if not impossible to see how confidence can be fully restored and international trade again function with adequate freedom.

It is also becoming increasingly clear that the other great hindrance to recovery is the growing interference by Governments in the normal flow of economic life. Such interference was perhaps inevitable in the attempt to put straight the maladjustments following on the war. But we now see that it would have been better to trust to the healing effect of time and natural developments, for in the application of economics, science and finance, our present level of knowledge has shown itself incapable of anticipating the human reactions to the measures that have been adopted. As a consequence not only have the hoped-for results not been obtained, but in general it is in those countries where Government interference has been working at highest pressure that the least progress has been made.

CONSISTENCY OF BANK'S FIGURES

Turning now to our report and balance sheet, which are before you, I think you will be surprised, as I have been, by the consistency of the figures shown under conditions in which violent fluctuations might have seemed a more natural result. "Current, Deposit and Other Accounts" and "Amounts Owing to Subsidiary Companies" show small increases as compared with last year. These, however, are very active accounts and the changes since last year have no significance. "Acceptances" also show a moderate increase. This item has fluctuated somewhat during the year and on several occasions has given us the impression that more active business could be anticipated. From one cause or another this activity has always been checked. The primary reason for this lack of response is naturally to be found in the fact that prices of commodities have shown no material improvement, while low interest and discount rates also reflect trade inactivity. At the moment we are not without indications that here and there greater activity may be anticipated, but it is probably too much to expect this movement to become general.

On the other side of our balance sheet our assets show so little change that our experience might almost be considered subnormal. "Bills Discounted," showing a substantial reduction, is perhaps an exception, but you will readily agree that discounting bills is not at the moment an attractive method in which to employ our funds.

Net profits, at £62,332 16s. 11d., are for all practical purposes the same as last year and represent a very small margin of profit after payment of the dividend on our "A" ordinary shares. As mentioned last year, this margin of profit does not justify payment of an interim dividend, and we have still no intention of reverting to this method of dividing profits.

RETIREMENT OF MR HOPKINS

I have already referred to the appreciation felt by the Board for the services rendered by the Management and Staff, and it was, therefore, with great regret that we learnt that Mr Hopkins had decided to close his active participation in the affairs of the bank and retire to enjoy the leisure he so well deserved. Mr Hopkins' active career in the City had extended over a period of about 50 years, and he joined our service some 12 years ago when we took over the London and Liverpool Bank of Commerce, with whom he had previously been associated. We have learnt to depend more and more on Mr Hopkins' thoughtful and efficient management, and we part from him with much regret and the hope that he will long enjoy the leisure he has so fully earned. (Hear, hear.)

It now remains for me to propose the adoption of the report and accounts, which I shall ask Mr Norman L. Hird to second, but before putting the motion to the meeting I shall be glad to reply to any points on which further information is desired. I now move the following resolution: "That the report and accounts for the year ended 31st October, 1934, as audited and certified by your Auditors, now before the meeting, be approved and adopted; that the dividend of 6 per cent. for the year recommended on the 'A' ordinary shares be approved and paid to shareholders on the

register of members at the closing of the books on 27th November, 1934."

MR NORMAN HIRD'S SPEECH

Mr Norman L. Hird (Advisory Director): Mr Chairman, ladies and gentlemen, in seconding the adoption of the report and accounts for the year, I really feel that I have very little to add to what the Chairman has said. I find myself in complete agreement with him. I should like, however, to emphasise how much we miss our old friend, Lord Churchill. Those of us who often came into contact with him—of course, not so frequently as the Board and the Officials—had the very highest respect for his many fine qualities, and, what is probably as important, we had a very deep affection for him as a man.

With so many difficulties to face, difficulties of which you are all aware and to which the Chairman has referred—in fact, we seem to have been referring to them for many years now—it is not surprising that the profits show so little change. I congratulate the "A" shareholders on receiving their dividend, and, as a representative of the "B" shareholders, I can say that we hope the day may not long be deferred when we shall be within reasonable reach of a dividend ourselves. (Hear, hear.)

The outlook is still uncertain, and we can only hope that such improvement as has started in this country and in certain other sterling *bloc* countries may spread all over and that we may be rid of those most harassing restrictions on trade and Government interference to which the Chairman has referred. There is one thing which I should like to say and that is that, although you may not see very large profits, the British Overseas Bank continues to go on building up a most excellent goodwill on the Continent of Europe. That goodwill is obtained by the efficiency of its Management and the excellence of its service and Staff, and, when the world comes to its senses, we ought to benefit by that goodwill. It is a very important and essential asset in a bank. You cannot measure it in pounds, but it is one of the most important things.

For the building up of that goodwill we shareholders are greatly indebted to the various Managers, to the extremely efficient Staff and above all to the inspiration of Mr Gairdner, whom we welcome in his new rôle, and wish him every success. (Applause.) I have much pleasure in seconding the adoption of the report and accounts.

Mr E. Edward Levy: I am sure we all regret very much the death of our late Chairman, and we congratulate Mr Gairdner on the position which he now occupies. I am sorry to hear that the prospects are less rosy than I anticipated, because I noticed that the report of another overseas bank was a very good one. I hope that it will not be very long before we follow in its footsteps. With regard to the dividend, I see that you have already debited that in the balance sheet, no doubt taking it for granted that the shareholders would agree to it. I for one shall certainly agree. With those few remarks, I am very pleased to support the adoption of the report and balance sheet.

The resolution was carried unanimously.

RE-ELECTION OF DIRECTORS

The Rt. Hon. Lord Aberconway (Director): I beg to move, "That the directors retiring by rotation, namely, Sir James Caird, Bt., and Mr Nigel L. Campbell, be re-elected." Both these gentlemen are very well known to you and this resolution needs no word from me. Sir James Caird brings a most varied business knowledge and experience to the service of your Board. Mr Nigel Campbell is one of the original Directors of the bank and the Board are very fortunate in that he has been prevailed upon to accept the office of Deputy-Chairman. He gives a great deal of his most valuable time to the business of the bank, and his help and advice are of the greatest possible assistance to the Board. (Applause.) I beg to move that resolution.

Mr Frederic Hewson: I second that. For many years I have attended these meetings, although I did not do so last year, and I have got to know something of the ability of the gentlemen recommended.

The resolution was unanimously approved.

Sir James Caird, Bt.: I thank Lord Aberconway for his kind remarks and you gentlemen for re-electing me.

Mr Nigel L. Campbell: I thank Lord Aberconway and you, gentlemen.

Mr W. H. Allen: Gentlemen, I beg to move: "That the retiring Auditors, Messrs George A. Touche and Company and Messrs McClelland, Ker and Company, be re-appointed Auditors of the Company for the current year at the same remuneration, namely, a collective fee of £750."

Mr Hewson: I second that.

The resolution was passed unanimously.

VOTE OF THANKS

Mr Walter Scott: Gentlemen, previous speakers have taken out of my mouth words which I would have used with regard to our late Chairman. It certainly seems strange not to see him in the chair, and I am sure I am voicing the feelings of all the shareholders when I tender deep sympathy to Lady Churchill. (Hear, hear.) That brings me to yourself, sir. It must give the shareholders great pleasure to see you assuming the great office of Chairman. Last year I asked the late Lord Churchill to be good enough to convey our sympathy to you in your indisposition. We are all pleased to see you looking so well to-day. (Hear, hear.) I propose a most hearty vote of thanks to you, sir, for your very lucid speech. (Applause.)

Mr Levy: I shall be very pleased to second that. We are all very pleased to see you in the chair, sir, and we hope you will occupy that position for a long time to come. (Applause.)

The vote was unanimously accorded.

The Chairman: Mr Scott, Mr Levy and gentlemen, I thank you very much for your kind words. It is encouraging in these times to feel that one has the sympathy of the shareholders, and it is a great encouragement to go on, I hope, to better times. As Mr Hird indicated, when they come we are in a position to take advantage of them. There is certainly no shareholder who regrets more than I do the death of Lord Churchill. During the period in which he occupied the position of Chairman in this bank I was very closely associated with him, and it was a great wrench when I was ill myself to learn that he had passed away. It is a great source of regret to me, and I miss his counsel and his presence more than you can tell. I am glad to feel that in that also I have your sympathy. (Applause.)

The proceedings then terminated.

LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY, LIMITED

DIVIDEND INCREASED TO 50 PER CENT.

Presiding at the ordinary general meeting of Luipaards Vlei Estate and Gold Mining Company, Limited, held, on the 12th instant, Mr E. Turk (chairman) in moving the adoption of the report and accounts, said that the net result of the year's operations was a profit of £176,032, which compared with £135,100 for the previous year. The directors recommended the payment of a dividend of 50 per cent., equal to 1s. per share, less income tax, leaving a sum of £45,072 to be carried forward to the current year's accounts. This dividend compared with 33½ per cent. for last year and 12½ per cent. for the year before. The share capital stood at £274,279, as against £229,874 in the previous accounts. The two reserve accounts in the balance sheet totalled £170,000, equal to over 60 per cent. of the company's issued capital.

ORE RESERVES

The tonnage of ore treated of 454,500 tons showed an increase of about 10 per cent. on the previous year. It was expected to raise the tonnage to somewhere near 50,000 tons per month as soon as adequate compound accommodation was made available, which would take about six months. The ore reserves position continued sound, being nearly four years ahead of milling requirements. There was a strong indication that, as greater depth was reached, an improvement in values was taking place.

OFFER TO SHAREHOLDERS

In order to provide for proposed capital expenditure an issue would be made of £275,000 5-Year Notes, bearing interest at 5½ per cent. and convertible into shares at the option of the holder at the rate of 120 shares for each £100 Notes. This worked out at 16s. 8d. per share. The Notes will be repayable at the end of five years, or earlier, at a premium of £5 per cent. on six months' notice by the company. In accordance with their practice in the past, the offer would be confined to shareholders. Last year's profit of the company covered the interest requirements of the Note issue more than eleven times. The large mining area ensured to the company a very long life, while the French-Rand-Tudor area had added to the prospective value of the property, in an important degree, the extent of which should become definitely known through the exploration work which was to commence in the coming year. During next year, the plant should treat an output of 10 per cent. to 15 per cent. above the highest figures so far reached. They could, he thought, look forward to the results of the New Year with confidence.

The report and accounts were unanimously adopted.

RHOKANA CORPORATION, LIMITED

ALL-ROUND PROGRESS

The twelfth annual ordinary general meeting of the Rhokana Corporation, Limited, was held, on the 10th instant, at Southern House, Cannon Street, London, E.C., the Right Hon. Sir Auckland C. Geddes, P.C., G.C.M.G., K.C.B. (chairman of the corporation), presiding.

The Chairman said that shareholders would see by the operating account they had made an operating profit of £614,412 8s. in spite of the conservative procedure of bringing their stock of metals in process, stock, and transit to account at cost. Dealing with the principal items in the balance sheet, the chairman pointed out that there was a total of liquid assets of £1,350,762 12s. 3d., and their net accumulated profit was £429,907 10s. 1d. Why, then, it would be asked, did the directors not recommend a dividend? The answer was quite plain. It was because they were definitely under-capitalised in relation to the rapid expansion and magnitude of their undertakings, and they were being compelled to use all their profits either as working capital or to supply part of the fixed capital necessary for their expansion. Hence the proposal for the issue of redeemable cumulative preference shares.

Continuing, the chairman asked shareholders to consider what the corporation had done and were doing. In addition to being a mining corporation they were a holding company, holding 2,758,586 shares in Mufulira Copper Mines, Limited, for which they had paid £1,007,731 7s. 6d. Calculated on the present market price of Rhodesian Selection Trust shares their holding of Mufulira shares was worth £1,793,000. In their balance sheet the Mufulira shares were valued at £1,007,731, or less than 8s. per share. That mine was still in process of development and equipment, but had already commenced production.

The total ore reserves of the various deposits owned by the corporation was 270,780,000 short tons, averaging 4.3 per cent. copper, less approximately 3,850,000 tons extracted to date. It was not worth while to spend money to prove more ore at present. They were now extracting about 200,000 tons of ore a month. At that rate of extraction there were more than 110 years' reserves of ore. An interesting point was that their richest ore still remained to be developed and worked. In other words, they were to-day milling ore definitely below the calculated average of their ore reserves.

He had been asked the other day by an anxious shareholder, "Had they any real reserves of copper in the mine?" The answer was over 11,000,000 tons of real copper. It was important to remember that. It had a very real influence on policy. Similarly Mufulira's ore reserves of 162,000,000 short tons of 4.14 per cent. copper content must have an influence on that company's policy.

Rhokana had, and Mufulira would soon have, a complete treatment plant, designed and built on the most modern lines and capable of producing enormous quantities of metal. At present they could sell all that they produced, and they would not seek to produce copper that they could not sell, but he believed that they were going to be called on for more copper. Did shareholders realise that England was consuming more copper to-day than it had done in the boom years? In all respects they had moved forward. They had all but completed their electrolytic refinery, with an annual capacity of 36,000 tons of copper.

They had a reserve of over 11,000,000 tons of copper behind them in the mines, which they carried as an asset on their balance sheet at £1. They had a magnificent plant which had cost them, erected in the heart of Africa, £5,669,738 6s. 7d. That they had written down to under £3,000,000.

They had spent £1,794,908 4s. 3d. on the development of their mines, but they had written that down and set up a reserve against the written-down figure, so that for balance-sheet purposes they only claimed for that development an asset value of £45,173 13s. 7d., and that was for major development only. All minor development work was charged against production cost.

The copper market was expanding, and though they intended to hold firmly to the policy of only producing what they could sell they felt they must put themselves into a position to produce more, because it would be wanted. They thought the present price of copper too low. They would like to see it higher, but not too high, because they did not want to check the development of the market for copper. They were quite prepared to co-operate with other producers, but the terms of co-operation must be reasonable from the point of view of their shareholders.

The directors were going to ask the shareholders to pass the special resolution, which they had before them, creating £1,500,000 of redeemable cumulative preference shares.

The report and accounts were adopted, and the proposed increase of capital approved.

THE COMMERCIAL BANK OF SCOTLAND, LIMITED

SATISFACTORY RESULTS—STRONG AND LIQUID POSITION

IMPROVED CONDITIONS AT HOME

EARL OF MAR AND KELLIE'S INTERESTING REVIEW

The annual meeting of the shareholders of the Commercial Bank of Scotland, Limited, was held, on the 13th instant, at Edinburgh, the Earl of Mar and Kellie, governor of the bank, presiding.

TRIBUTE TO DECEASED DIRECTORS

Before commencing the business of the meeting the Governor referred to the loss which the bank had sustained during the year through the death of Mr Thomas W. Tod, who, for the long period of thirty-three years, had been a member of the board of ordinary directors, and also of Mr Robb, the late general manager, who, during his short retirement, was an extraordinary director. Mr Tod was, he said, a man of outstanding business capacity, breadth of view and simple sincerity of character, and his wise counsel, based upon wide experience and an intimate knowledge of the business of the bank over a long period, was of the utmost value to his colleagues on the board and to the officials. Ever mindful of the interests of the staff and ready with a kindly word of encouragement, he endeared himself to all who had the privilege of coming into contact with him. To the eminent services rendered by Mr Robb during his long period of duty, reference was made a few years ago on the occasion of his retirement, and it was a matter of profound regret to all that his well-earned leisure was of so short duration and that its enjoyment was marred by ill-health almost from its commencement. He had left behind a memory of loyalty and devotion to duty with few parallels, which must remain an example and inspiration to all who served under him.

CHAIRMAN'S SPEECH

In submitting the report the Governor said:—Again I am glad to say I have the pleasure to submit for your approval a balance sheet and profit and loss account, the former of which speaks for itself as to strength and liquidity, and the latter I venture to think you will also regard as satisfactory.

Since last I addressed you conditions at home have continued to show quiet but on the whole reasonable improvement, but I regret the international outlook is not materially improved and restrictions of varied nature render profitable overseas business well-nigh impossible. Under the beneficent influence of sound national finance at home the tender plant of confidence is beginning to show signs of growth, and I think you will feel, as I do, that it would be a profound mistake if any step were taken or even threatened which might jeopardise the measure of returning prosperity so laboriously achieved. We are witnessing experiments in government and finance throughout the world on a scale which has no precedent, and it is difficult to see far into the future. The characteristic of our own people, however, in preferring gradual readjustment and transition to violent change still stands this country in good stead.

CONDITIONS OF THE VARIOUS INDUSTRIES

The notable improvement in the steel industry which has taken place during the past year we are glad to find is beginning to be reflected in allied trades. The herring-fishing industry, in the absence of Continental markets under present circumstances, presents a problem difficult of solution, although steps are being taken to that end. The tweed trade has suffered severely from inability to retain foreign markets and several old and respected names have disappeared from the trade in recent years. Farming conditions, I am glad to say, we find rather better than a year ago, and, generally speaking, there appears greater confidence in the industry. The Scottish Agricultural Securities Corporation, which I referred to last year as having been established under Government auspices by four of the Scottish banks, of which this bank is one, is now fully operative, and in granting long-term advances against agricultural land on reasonable terms is, I consider, fulfilling a useful function.

From a banking viewpoint the year under review has been one of difficulty in finding profitable employment for the large liquid resources which are incidental to the business.

BALANCE SHEET ITEMS—LIABILITIES

Turning now to the report, you will observe that for the purpose of comparison last year's figures are also shown. On this occasion shillings and pence have been eliminated, the figures being shown to the nearest pound, which I think you will regard as making for a clearer statement.

The reserve fund remains at £2,850,000, or £600,000 more than the paid-up capital, and with the proposed dividend payable on January 2nd next amounting to £127,875, and the balance of profit and loss account of £78,047, the shareholders' funds aggregate £5,305,922. It is interesting to note that the bank has now well over eight thousand shareholders, who are for the most part resident in Scotland, and that the number is steadily increasing.

NOTES IN CIRCULATION

Notes in circulation at £3,223,037 are about £20,000 less than last year, but the amount fluctuates from day to day, and this small reduction at the date of the balance sheet has no significance.

Deposits are more by £1,200,000 at £38,932,033, despite the low interest rates ruling.

Acceptances and engagements on account of customers are more by £1,500,000, which is chiefly accounted for by the inclusion of foreign exchange forward contracts which customers having foreign commitments find it desirable to arrange to cover the risk of fluctuation in exchange.

ASSETS

On the assets side you will observe the cash items conveniently grouped and making a total of £9,224,263.

British Government securities amount to £21,663,849, or about £1,200,000 more than last year. An adequate proportion of the total consists of short- and medium-dated stocks, and the balance sheet figure is substantially under the present market value. Our holdings outside of the British Government group are less than £300,000, the chief item being our holding of Bank of England stock.

Bills discounted are less than a year ago by about £284,000 at £874,216. This figure represents discounts in the ordinary course of business and does not include any Treasury bills. I am interested to observe that prominence is again being given to the virtue of the bill of exchange as a medium for the mobilisation of credit. There is no doubt that from the bankers' viewpoint the genuine trade bill is most desirable as providing a self-liquidating advance, and the low discount rates quoted for this type of facility should encourage the use of the Bill in suitable cases where facilities are required. It has to be kept in mind, however, that not all borrowing is appropriately reducible to the form of a bill.

LOANS AND ADVANCES

Loans and advances at £14,529,282 are within £100,000 of being the same as a year ago. With an active business such as ours the figure fluctuates considerably, and during the course of the year the figure was substantially higher from time to time. It can readily be seen that the bank is in a strong position to meet the requirements of its customers as trade improves.

Heritable property at £870,000 is £44,000 more than a year ago. The policy of bringing our offices up to a high state of efficiency has been continued during the year. A prominent site in Bothwell Street, Glasgow, was acquired during the year, and a building to house our important Bothwell Street branch is being erected to the design of Mr James Miller, R.S.A., F.R.I.B.A., who was also responsible for the new West George Street branch building. The alterations and improvements at the head office are now completed, resulting in accommodation for all departments being now available on the most modern and approved lines. It is a tribute, I think, to the foresight of the directors of the time that they provided a building here almost ninety years ago which has been capable of adaptation to present-day requirements without any outward change of appearance or character.

YEAR'S PROFIT

The profit for the year amounts to £379,337, which, you will observe, is arrived at after providing for all bad and doubtful debts. This is about £7,000 less than a year ago, which, I am disposed to think, is very satisfactory looking to the conditions ruling.

As to the allocation of the profits, interim dividends have been paid on the "A" shares at the rate of 16 per cent. per annum, and on the "B" shares at the rate of 10 per cent. per annum, and it is now proposed that a distribution to both classes of shares be made at the same respective rates for the second half of the year, both subject to income tax.

You will observe that £50,000 has been allocated to contingency fund, £30,000 to the officers' pension scheme, and £50,000 in reduction of the cost of heritable properties. After providing for these dividends and allocations there remains a sum of £78,047 to be carried forward.

MR A. W. ROBERTSON DURHAM APPOINTED TO THE BOARD

To fill the vacancy created by Mr Tod's death, the directors nominated Mr A. W. Robertson Durham to a seat on the board, and his appointment falls to be confirmed by the shareholders. Mr Robertson Durham, who for many years acted as one of the auditors of the bank, having succeeded his father in that capacity, brings to the board a wide business experience and an intimate knowledge of the affairs of the bank gained in his previous capacity. We are pleased to welcome Mr Robertson Durham to-day for the first time at this table. To fill the vacancy created by Mr Robertson Durham's appointment the directors, in terms of their powers under the constitution, appointed Mr William Annan, C.A., as an auditor.

The Governor then moved the adoption of the report, and the motion having been seconded by Mr. Howden was put to the meeting and carried.

At the close of the meeting a vote of thanks was accorded to the directors and the staff for their services during the year.

NELSON FINANCIAL TRUST, LIMITED

IMPROVED POSITION

The ordinary general meeting of the members of Nelson Financial Trust, Limited, was held, on the 10th instant, at Southern House, Cannon Street, London, E.C., Mr Harold Nelson (chairman and managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said it would be seen that the debenture stock had been increased by £300,000, and the directors had already made good use of the additional funds. The investments, now about 725 in number, amounted to £1,468,234, which valuation showed the net depreciation had been reduced to 7.62 per cent., as compared with 17.68 per cent. last year.

The spread of their investments geographically was—Great Britain 43 per cent., British Empire outside Great Britain 34 per cent., Europe and Asia 12 per cent., North America 4 per cent., and South and Central America 7 per cent. With regard to classification, their holdings comprised 54 per cent. of British funds, Colonial and foreign Government and Corporation stocks, debentures and preference shares; and 46 per cent. in ordinary shares, the latter class including banks, public utility companies and other stable securities which were in a separate category to ordinary industrial shares.

In the profit and loss account the gross income showed an increase of £4,330, while the net amount carried to the balance sheet was £3,247 greater. He was of opinion that the progress the trust was making might justify some increased distribution in the near future, but shareholders, no doubt, had had brought home to them the increasing difficulties of investment now that the values were being adjusted to the present state of the money market.

Mr W. A. Porter (general manager) seconded the resolution, which was carried unanimously, and a cordial vote of thanks to the chairman and directors terminated the proceedings.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8 Boulevard Street, Fleet Street, London, E.C.4.

LONDON AND RHODESIAN MINING AND LAND COMPANY, LIMITED

PROSPECTS OF INCREASING REVENUE

The ordinary general meeting of The London and Rhodesian Mining and Land Company, Limited, was held, on the 13th instant, at Winchester House, Old Broad Street, London.

Lord Lurgan, K.C.V.O., who presided, said that he thought the credit balance for the year of £153,237 could be considered satisfactory. With the carry-forward there was a total of £207,449 available, and shareholders had received a final dividend of 2½ per cent. in respect of the previous year's accounts, as well as a 5 per cent. dividend for the past year. It should be borne in mind that shareholders who took up the new shares in August last would also participate in the present dividends, and this meant a larger distribution by the company. Those who participated in the new issue had no reason to complain, as they were receiving 7½ per cent. on their money after a period of less than six months. A sum of £30,849 had been transferred to reserve, raising it to £100,000. Owing to the fact that the company's investments were now well spread, and also owing to the conservative value at which their various assets stood on the books, there was no necessity—at any rate for the present—to earmark any further sum for reserve purposes, and this policy meant that in future there should be a larger balance available for distribution.

THE INVESTMENTS

With regard to the balance sheet: Investments, at £338,215, showed a considerable increase, the previous year's figure being £241,988. These investments, taken at cost or under, so far as the quoted investments alone were concerned, were of a value at June 30th last of £524,551, and, with the investments valued by the board, they had a total valuation of £637,981, or practically £300,000 above book figures, which was a very strong position. The cash position of the company was satisfactory, as by taking debtors and cash at bank and deducting creditors they had a surplus of approximately £105,000. In spite of the cattle losses and the heavy amounts they felt compelled to use to write down their livestock, the year's results could be considered as highly satisfactory as, after making these allocations and the distribution shown, they carried forward £70,905 compared with £54,211 brought in.

During the year 22,060 shares were issued to the shareholders of the Town Properties of Buluwayo Company, and since the date of the accounts the balance of the unissued capital, namely, 538,462 shares had been issued to shareholders only for cash. A large proportion of the proceeds from this issue had already been invested in—in most cases—dividend-paying investments, the revenue from which would help to increase the current year's profits.

PROGRESS OF VARIOUS INTERESTS

Dealing with the various interests held by the company, the Chairman said that the Cam and Motor Company had again done very well, although a slightly decreased dividend was received during the year. Developments had proceeded in a most satisfactory manner, and a steady and increasing revenue could be expected from this interest for many years to come. That company had just announced a dividend of 3s. 6d. per share for the half-year ending December 31st, which compared with 2s. 6d. for the same period last year.

South African Coal Estates had had a successful year, and they could look forward to increased distributions from this interest. The Dominion Tobacco Company had made steady further progress, but it had been decided to build up its financial strength rather than to make a distribution. The African Investment Trust had been reorganised during the year and had now entered the dividend-paying stage. The London and Rhodesian Company was interested in a number of important Rand Gold Mining shares from which regular dividends were being received. He might say that since June 30th their holding in a number of these Rand companies had been increased.

The company's stand holding should benefit from the increasing activity in Rhodesia, and the board looked upon these assets as having considerable potential value with an increasing revenue.

In spite of the bad returns from the ranching and farming interests, they faced this year with every confidence, as, in other directions, the company's interests were all looking extremely well. They had every reason to expect that the company's revenue would increase, not only from their gold interests, but in other directions, as the continuance of the gold premium meant steadily improving prosperity to Rhodesia where most of their interests were situated. The report and accounts were unanimously adopted.

BANK OF LONDON AND SOUTH AMERICA, LIMITED

STRONG LIQUID POSITION

MR RICHARD FOSTER'S REVIEW OF CONDITIONS IN SOUTH AMERICA

The seventy-second ordinary meeting of the Bank of London and South America, Limited, was held, on the 11th instant, at 6, 7, and 8, Tokenhouse Yard, London. Mr Richard Foster (deputy-chairman) presiding.

The Chairman, in the course of his speech, said:—Before going through the accounts I wish to draw your attention to the fact stated therein that the figures are converted at the official rates of exchange ruling on September 30th last. I do this because the regulations placed by some South American Governments on their exchange have been entirely changed during the year, and on account of these changes different views might be held as to the rate of exchange at which currencies should be converted for balance-sheet purposes. A year ago it was impossible for law-abiding institutions to remit any profit, interest, overhead expenses, and, least of all, capital at any exchange. There were black, grey, and even in one country, I believe, red rates which could be procured, but not by those who, working in these countries, try to carry out both the spirit and letter of the law and conform to the wishes of the authorities.

CHANGES IN EXCHANGE REGULATIONS

Now, however, this is all changed. In Argentina we have an official rate used for exports and service of the national external debt. Another rate created by tender is used for imports, debenture interest for foreign companies, and other approved remittances. The latter rate was 12½ per cent. lower than the official rate on September 30th last. Then there is also a free rate, and, to the limited extent of available exchange at this rate, we can now remit what we like, whilst we are not without hope of being able to get a portion at least of some of our overheads allowed at the tender rate. The difference between the tender rate and free rate on September 30th last was 8½ per cent. In Brazil there is now an official rate for exchange, produced by 80 per cent. of coffee exports, which is used for the foreign debt service and 60 per cent. of imports, the Bank of Brazil having announced that from yesterday this 60 per cent. cover will be distributed proportionately to each country according to its coffee purchases, and this will be 46 per cent. to the U.S.A., 13 per cent. to France, 26 per cent. among nine other countries, and 15 per cent. among the remaining countries. These include Great Britain. Bills emanating from all other exports are negotiated at a free rate which varies with supply and demand. As, however, coffee forms by far the larger proportion of Brazil's exports, the supply of exchange in the free market is limited, and out of this limited amount 40 per cent. of the costs of imports has to be supplied. Remittances, therefore, for other purposes are still difficult to obtain and must in certain cases be sanctioned by the authorities. As Great Britain's imports of coffee are relatively small there can only be a small amount of official exchange for British exporters, and unless the free rate improves they must be prepared to quote at least 20 per cent. cheaper than those countries which have a larger share of the official exchange to even maintain their shipments, as the official rate is to-day 26 per cent. higher than the free. The official rate was 11½ per cent. higher than the free rate on September 30th last. In Chile there is an official rate and a rate for export bills, but no official exchange is on offer, and only a small amount of export paper is obtainable at about 60 per cent. depreciation. Uruguay has three rates, official, free controlled, and free. The difference between the last two and the official was 4½ per cent. and 48½ per cent. Colombia a year ago set her exchange free, but remittances, except for payment of imports, are unobtainable. The rate was then \$5.89. After heavy fluctuations it stood at \$8.60 on September 30th.

CONVERSION AT OFFICIAL RATES

That is how the exchanges are. We can all have our own view as to what exchange rate we ought to take for conversion of accounts, but what are these views worth? Take, for instance, Argentina—if there were no restrictions, what would the rate be? Would the official fall to the free rate or the free rate advance to the official, or would they meet somewhere between? At the moment everything in the exchange market is nebulous—sterling, the dollars of America, Argentina, Uruguay, Chile, and Colombia, and the milreis of Brazil, all acting on each other, but not necessarily in relation, all manipulated, perhaps necessarily,

more or less by their Governments, and not one showing the true picture of the country's balance of trade. This being so, your board have followed their usual practice of converting at official rates, thus making comparisons easier between the accounts of this and last year.

Taking the conversion at official rates the nominal loss on capital is £913,000, but at free rates it would be larger. Such loss, however, would only be realised should we cease to function as a bank, but the remittance of currency profits is another story, for when these are remitted at the free rate and the accounts closed at the official rate there is a definite loss. As regards the other items in the accounts, the rate at which exchange is taken is of little importance, as assets and liabilities are converted at the same rate, the amounts being merely enlarged or lessened according to the rate taken for conversion.

THE BALANCE SHEET

Turning to the balance sheet, the one item of our liabilities calling for comment is current and deposit accounts, etc., totalling £31,300,000, or £11,400,000 less than last year. Half this reduction is due to conversions at lower rates of exchange, so the real fall in deposits is somewhat under £6,000,000. You will recollect that our chairman told you last December that very heavy transfers of funds had been made by this bank in the early part of this financial year to the Banco de la Nacion Argentina and the Banco do Brasil, when frozen funds were released for conversion into foreign countries under schemes evolved by the two republics. In Argentina alone the amount was some £7,000,000, so apart from these exceptional withdrawals, our deposits are being maintained, and are providing us with sufficient funds to meet the current requirements of our customers.

Our assets show that cash at £9,600,000 is lower by £7,900,000, bills receivable at £6,600,000 lower by £2,600,000, and advances and other accounts receivable at £18,200,000 lower by £1,900,000, but investments amounting to £1,100,000, principally in British Government securities, are now shown separately in the balance sheet, with the result that the net reduction amounts to some £11,300,000 and approximately offsets our reduced liability to customers. We remain in a strong position, our holding of cash alone exceeding 30 per cent. of total deposits.

PROFIT AND DIVIDEND

The profit and loss account shows that expenses after bearing the loss on the remittance of part of currency profits at free rates, are reduced by £130,000, mainly due to lower official exchange rates, and the lower exchange also accounts for the fall of £191,000 in gross profit. This leaves us with a net profit of £276,330, which is lower by £61,000 than that of last year, but this profit has been arrived at after making provision for bad and doubtful debts, whereas last year part of the provision was taken from contingency reserve. To this profit has to be added the carry-forward of last year—viz. £193,430—making an available total of £469,760. Your board having in mind the continued great uncertainty of international trade, feel that it is still advisable to recommend a conservative course, namely, a dividend of 3 per cent., absorbing £106,200, strengthening contingency reserve with £200,000, and leaving £163,560 to carry forward. I believe you will agree that the accounts you have before you are, under the conditions now ruling for foreign trade, satisfactory and a distinct improvement on last year.

CONDITIONS IN THE VARIOUS COUNTRIES

In Argentina the improvement in conditions that began a year ago has developed into an all-round recovery in her commerce, industry and production. The banking and currency positions have not altered to any great extent, financial soundness prevails, and full compliance has been given to all national obligations, both internal and external. Compared with last year international trade has shown expansion both in volume and value, the figures for the total movement of the first ten months being 2,118 million pesos, an increase of 450 million pesos. Local industrialism, which developed when the import of various easily manufactured articles was costly, is now flourishing and the country is less dependent on others for essentials. There has been no labour unrest. Pastoral prospects have improved, in spite of quotas and other restrictions. Local consumption of meat is rising and there is some hope of new markets. The outlook for hides and wool is uncertain. The greater flow of currency consequent upon the improvement in grain prices is filtering through all channels of general business, and the steadiness of Argentina's recovery from the world crisis is reassuring.

In Uruguay there has been improvement in internal conditions during the past year. In spite of economies, 1933 closed with a deficit of \$3,500,000, mainly attributable to concessions in taxation granted to farmers and others affected by the crisis, and also to unforeseen expenses for locust destruction and unemployment relief. The current year's fiscal finances have improved with increases in the collection of Customs dues and other taxes, and Budget equilibrium is hoped for. As regards prospects, cattle are healthy, crops are favourably reported on, and wool is expected to show an increase of 15 per cent. over last season's clip, while the quality is reported to be excellent.

Paraguay.—For over two years the war with Bolivia has overshadowed the social and economic life of the nation, various offers of mediation having been unsuccessful. Prospects for the future are obscure, but with an early termination of the war the recovery of the country should not be slow or difficult.

Brazil both politically and economically has progressed during the year, the outstanding event being her return to constitutional government. The continuity of leadership should enable the work of national reconstruction initiated by the late provisional Government to be carried on without interruption.

Chile has tried hard to straighten out her economic situation, and has been helped by good prices for her wool and agricultural produce and also by an increase in nitrate and copper shipments. Exports have been facilitated by the low exchange, but the greater movement is partly accounted for by the export of goods to several European countries under compensation treaties, which have as a basis the gradual liquidation of frozen credits, and it remains to be seen whether trade will be upheld when those credits have been finally liquidated. Much of the stock of nitrate formerly held abroad has now run off and is being replenished by shipments from Chile.

I think you will have gathered that in all the countries in which we operate the internal conditions have distinctly improved; but what of the future and the resumption of unhindered international trade? I fear the answer to that is beyond my limitations. I can only say as regards the future that as far as it is possible to judge this bank has the staff, the reputation, and the liquidity to face or take advantage of whatever fate may have in store for banking in South America.

The report and accounts were unanimously adopted.

NEW ZEALAND LOAN AND MERCANTILE AGENCY COMPANY, LIMITED

CONSIDERABLY IMPROVED RESULTS

The fortieth annual general meeting of the New Zealand Loan and Mercantile Agency Company, Limited, was held, on the 13th instant, at 1, Coleman Street, London.

Mr Harold G. Brown (the Chairman) said that the directors were glad to be able to submit accounts that showed a considerable improvement from those of the previous four years, though the results were still some way from being what they would like to see them.

The year's revenue amounted to £486,000, after providing for bad and doubtful debts, and showed an improvement of about £132,000 as compared with the previous year. In 1929, one of the best years the company had had, the corresponding figure was £679,000, so that the past year's figure showed a drop of £193,000. There was a disposable balance of the year's profits available for dividend of £89,000. This would have enabled the directors to pay two years' dividend on the first preference stock, less tax, with a small margin, and it might be wondered why, in view of the strong financial position of the company, they only recommend the payment of one year's dividend on the stock. The year now current could not possibly be as good as the year under review. The glut of money and other circumstances had forced interest rates down to a point at which they were insufficient to provide a reasonable return having regard to the risks inseparable from advances of the character which they made on agricultural land and livestock. They had therefore thought it prudent to retain out of last year's profit a sum in hand sufficient to cover the dividend on their first preference stock for another year, so that the holders might feel reasonably confident that they would next year again receive their dividend.

They carried on their business in competition not only with companies similarly situated to theirs with their capital raised in this country, but with local companies. They were determined to hold their own and, until the special difficulties which they had to face had disappeared, they must of necessity adopt a conservative dividend policy.

The report was unanimously adopted.

TAYLORS (CASH CHEMISTS) TRUST, LIMITED

TAYLORS (CASH CHEMISTS) LONDON, LIMITED

OFFER OF TIMOTHY WHITES LIMITED, EXPLAINED

The annual general meeting of each of the above companies was held, on the 13th instant, at the Hotel Victoria, London. Mr Philip E. Hill, the chairman, presided.

At the conclusion of the annual general meetings, Mr Philip E. Hill met the shareholders of both companies at a joint meeting and explained to them the full effects of the proposed purchase by Timothy Whites, Limited, of the preferred and deferred ordinary shares in both companies, and of the funding certificates of Taylors (Cash Chemists) London, Limited.

He said: The offer by Timothy Whites, Limited, to the preferred ordinary and deferred ordinary shareholders of these companies and to the holders of the funding certificates in Taylors (Cash Chemists) London, Limited, subject to the conditions mentioned in my letter, is as follows:—(1) To purchase the preferred ordinary shares of both companies at the price of ten shillings per share, payable in cash, giving to every shareholder the right of reinvesting his purchase money in the ordinary shares of Timothy Whites, Limited, at the price of twenty shillings per share. (2) To purchase the deferred ordinary shares at the price of ninepence per share, with a similar right to reinvest the purchase money in Timothy Whites, Limited, ordinary shares at the price of twenty shillings per share. (3) To purchase the funding certificates for cash at par.

COGENT REASONS FOR ACCEPTANCE

Dealing with these proposals, your directors are unanimously in favour of them, and the points which have influenced them in coming to this decision are, firstly, the companies will be better able to meet competition by increasing the size and attractiveness of the shops, which they will be in a position to do with the large additional capital of over £1,500,000 which Timothy Whites are proposing to provide. This capital, I estimate, can be provided at an average cost of 4½ per cent.

Secondly, the average profit of a Timothy Whites' shop is nearly five times greater than the average profit of a Taylors' shop. This is explained by the fact that in almost every case the Timothy Whites' shop consists of two units combining a druggist and chemist business with a household store and hardware business, whereas the Taylors' shops are single units and, generally speaking, half the size of one unit of the Timothy Whites' shops. Thirdly, the directors are confident that the introduction of a household store and hardware business into as many of the Taylors' shops as are and can be made adaptable for its reception will be a profitable enterprise. Generally, new shops opened in the future for the Taylors' group would be double shops on the lines of Timothy Whites. Fourthly, economies to the extent of approximately £40,000 per annum can be effected when the merger is fully operative, and, finally, the additional capital to be provided by Timothy Whites can also be employed in opening new shops in suitable localities for such of the companies as may be determined. As far as the advantages of the merger of the three companies are concerned, I think an irrefutable case in its favour has been established.

I now have to deal with the equity of the proposal insofar as the different classes of shares are concerned. As chairman of the three companies I have naturally been anxious that it should be fair and reasonable to all parties concerned, and in order to secure an independent opinion of one of the highest authorities on such an important matter the directors consulted Messrs Price, Waterhouse and Company. The position of the three companies and their respective subsidiaries has been thoroughly examined by them and the proposals before you have their unqualified approval.

You will have seen from my letter accompanying the annual reports of your companies that I therein expressed the view that as and when the estimated economies of £40,000 a year become effective, a distribution on the ordinary shares of Timothy Whites of 25 per cent. could reasonably be anticipated. I am also of opinion that these shares have considerable possibilities of appreciation. Nothing has been included in our estimate for the profits anticipated to arise from the introduction of the hardware business into Taylors' shops or for the profits which should accrue as the result of the modernisation and expansion of these businesses or from the additional capital which is being provided.

The joint meeting, which was overwhelmingly in favour of the acceptance of the offer put forward by Timothy Whites, Limited, closed with a hearty vote of thanks to the chairman.

MEXICAN RAILWAY COMPANY, LIMITED

WELCOME RECOVERY IN EARNING POWER

MR VINCENT YORKE'S SPEECH

The 139th ordinary general meeting of the Mexican Railway Company, Limited, was held, on the 12th instant, at Winchester House, Old Broad Street, London, E.C.

Mr Vincent W. Yorke (the chairman) said:—At our last meeting, six months ago, I ventured to express the opinion that a recovery of prosperity in Mexico had set in and was likely to continue and increase, and I am glad to be able to say that my forecast has been fully realised. In fact, so far as I am able to judge, next to our own country Mexico would seem to be recovering from the depression more rapidly than any other country in the world. The steady rise in the price of silver has, of course, stimulated the mining industry, and the balance of trade for the first six months of this year has been extremely favourable, exports having nearly doubled imports for that period. The Budget surplus for the year 1933 amounted to 22 millions of pesos, and banking deposits are reported to be greater than for many years past. The Government have been successful in pegging the exchange at 3.60 pesos to the dollar during the whole of this year, which has been a powerful factor in the revival of commerce. For instance, the cotton factories in the district of Orizaba, which we serve, are all working more than full time, and other industries are fully employed. There has been an immense increase in the influx of tourists from the United States of America, which has been stimulated by the establishment of complete order and the favourable rate of exchange.

TRAFFIC RECEIPTS

Turning to the report for last half-year the receipts from passenger traffic show a gratifying increase of 16 per cent., as compared with the corresponding half-year, which is almost entirely due to the increase in tourist traffic. This increase has continued into the current half-year, though receipts have fallen off since the disaster to the *Morro Castle*, one of the steamers of the Ward Line, which company works in close connection with us and gives an excellent service from New York to Vera Cruz. There can be little doubt, however, that this traffic will revive again, and already several modern hotels, in which the capital has been hitherto lamentably deficient, are springing up in Mexico City to be ready for the revival. If peaceful conditions are maintained in the country, the possibilities of tourist travel from the United States of America would seem to be unbounded.

The highly satisfactory increase of about 30 per cent. in receipts from goods traffic is spread over all classes of goods, the largest advance being, curiously enough, in fuel oil and refined petroleum. When the Mexican Eagle Oil Company constructed a pipe line from the oilfields to Mexico City, we anticipated a large decrease in receipts from fuel oil traffic, but a competing company came to our rescue and by shipping their oil over our line, made up the deficiency. At the same time, the crude oil that was conveyed by pipe to be refined in Mexico City has given us a new and valuable traffic in refined products, and although the competing company has now made an arrangement for their oil to come to the city by pipe line, it is to be hoped that further new traffic in refined products will again accrue to our advantage, or at any rate not leave us worse off than we were before.

As regards expenses, it is very satisfactory to be able to point to the fact that while our total receipts have increased 26 per cent. the expenses have only increased 12.9 per cent., in spite of a heavy fall in exchange from 18.88d. in 1933 to 13½d. in 1934, which has largely added to the cost of electric power and fuel oil, the prices of which are fixed in American dollars. This relatively small increase in expenses shows that they have been most carefully watched and reflects much credit on our management.

REVENUE FIGURES

The net revenue earned of \$757,000 compares very favourably with the corresponding half-year, when it was only \$114,000, and if exchange had remained at par would have produced very nearly enough in pounds to satisfy our debenture interest for the half-year. As it is the heavy depreciation in exchange has reduced our earnings to £42,000, or a little more than one-half of what is needed for debenture interest. Nevertheless these figures, inadequate as they may be, show a welcome recovery in earning power, and we have to go back as far as the first half-year of 1930 to find any so good.

Since the publication of the report we have received by telegraph the estimated net revenue for the month of October last, which amounted to \$148,100. This, added to the net revenue

for the months of July, August and September given in the report, brings out the estimate at \$315,400 for the first four months of the current half-year, as compared with a deficit of \$7,600 for the corresponding period of 1933. Gross traffics since the end of October have continued to be satisfactory, and it would appear reasonable to look forward to a profit of at any rate about \$400,000 for the whole of the current half-year. This is not equal to the profit of the first half-year, but experience points to the second half of the year as being the leaner one of the two.

You may have noticed in the report that we have made a somewhat radical alteration in the presentation of our accounts, in that we have abandoned our long-standing practice of converting the Mexican peso at the arbitrary rate of 10 to the £1, and have converted it at more or less the rate of the day. This change, which has the full approval of our auditors, has had the effect of largely deflating certain items, such as stores, in our balance-sheet, but I think it is a wise one to have made. It was obviously ridiculous, as I am sure you will readily see, to purchase, as we do, many of our stores in Mexico and then to inflate their value by converting their cost price at a fictitious rate into sterling.

LABOUR CONDITIONS

At our last meeting I was able to read you a cablegram from Mexico which stated that labour conditions were quiet. Since then, however, I regret to say that agitation both on our system and the much larger system of the National Railways has become rampant. All sorts of new demands, including a 42-hour week, payment for Sundays when no time has been worked, and the constitution of a Labour Committee to sanction all expenditure, have been vigorously and insistently forced upon us.

The mixed commission of officers and men to which we had consented, and which had worked admirably well for the last eighteen months in settling the many problems always arising between employer and employees, has been abruptly terminated without notice by the men. We have firmly and steadily resisted these demands, which we consider entirely unreasonable, in spite of very definite threats of a strike. So far as I can judge, the wages earned by our men and the treatment which they receive from us compare favourably with those of the employees of any railway in the world, and I cannot conceive it possible for us to go further to meet them than we have already done.

FINANCIAL SITUATION

Our financial situation, I am glad to be able to say again, continues to improve, though not so rapidly as we would wish, and we are faced with the expenditure of £25,000 on freight cars which have now been ordered and will be absolutely necessary to us if we are to deal properly with the increased volume of goods traffic now offering. If passenger traffic continues to increase any more, it is also more than likely that we may be forced to purchase fresh equipment to cope with it, but for the moment we can struggle on with our existing stock. As I informed you at our last meeting, it is possible that we may obtain a little relief next year by reason of our holding of \$14,000,000 of Interior Bonds, one-fortieth of which became payable this year, and if not paid may be used next year for the discharge of taxes and some other purposes. Any relief, of course, that we can obtain in this manner will be most welcome.

A RECENT CABLEGRAM

I will now read a cablegram from our general manager:—“Cereal crops both divisions fairly good, on lower division of line coffee and tobacco will yield less than last year. Outlook for increased tonnage of general goods favourable; all-rail banana movement resumed on small scale last month and should continue. Textile and flour mills at Puebla and cotton, jute and beer factories at Orizaba now working full time. Indices exportations and importations show improvement. Commodity prices improved to 1929 levels. Tourist traffic encouraging and large conference of rotarians from United States will be held next half-year in Mexico City.”

“New Cabinet (which took office 1st instant) not yet settled down and difficult to forecast its attitude towards labour aspirations vis-a-vis railways; labour agitation worse than ever. Exchange now 17.83 pesos to the £.”

The cablegram is certainly most encouraging with regard to prospects of traffic, but the concluding remark about labour only emphasises what I have already said on that subject.

I must again thank our general manager, Mr Holmes, and our assistant manager, Mr Taylor, who did excellent work during the absence of Mr Holmes at the end of last year, for their valuable services under very difficult circumstances, and I include in my thanks the very loyal staff who serve under them.

The report and accounts were unanimously adopted.

SATISFACTORY RESULTS

The report was unanimously adopted.

RECORD OF PROGRESS

The report and accounts were unanimously adopted.

NATIONAL ACCOUNTS

(000's omitted)

Public Department Advances	+	£ 850	Road Fund Temp. Advances...	-	£ 80
Treasury Bills	+	9,046	N. Atlantic Shipping Issues ...	-	22
National Savings Certificates	+	350			
		<u>+ 10,246</u>			<u>- 102</u>

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Dec. 8, 1934	April 1, 1933, to Dec. 9, 1933	Week ended Dec. 8, 1934	Week ended Dec. 9, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	69,775,000	59,982,000	348,000	234,000,000
Sur-tax	50,000,000	55,305,000	11,250,000	205,000	300,000,000
Estate, etc., Duties	76,000,000	55,105,000	61,930,000	1,555,000	1,090,000,000
Stamps	25,000,000	13,835,000	13,360,000	1,185,000	1,300,000,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	200,000	...	10,000,000
Total Inland Revenue	372,500,000	149,180,000	146,752,000	3,293,000	2,934,000,000
Customs and Excise—					
Customs	183,650,000	130,395,000	124,990,000	3,862,000	3,595,000,000
Excise	106,350,000	73,490,000	75,300,000	1,790,000	1,873,000,000
Total Customs and Excise	290,000,000	203,885,000	200,290,000	5,652,000	5,468,000,000
Motor Vehicle Duties (Exchequer share)	5,000,000	1,933,000	1,703,000	...	Dr 223,000,000
Post Office (Net receipt)	14,000,000	12,550,000	13,100,000	550,000	600,000,000
Crown Lands	1,220,000	1,010,000	880,000	...	...
Receipts from Sundry Loans	3,800,000	3,179,011	3,673,159	...	168,751,000
Miscellaneous Receipts	20,000,000	12,196,489	18,790,927	9,654	57,925,000
Total Ordinary Revenue	706,520,000	383,933,510	385,189,086	9,504,654	9,005,676,000
SELF-BALANCING REVENUE					
Post Office	60,463,000	38,750,000	37,650,000	800,000	650,000,000
Motor Vehicle Duties apportioned to Road Fund	24,253,000	10,422,000	9,530,000	...	223,000,000
Total Self-Balancing Revenue	84,718,000	49,172,000	47,180,000	800,000	873,000,000
Total	...	433,105,510	432,369,086	10,304,654	9,878,676,000

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Dec. 8, 1934	April 1, 1933, to Dec. 9, 1933	Week ended Dec. 8, 1934	Week ended Dec. 9, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	176,530,927	172,229,695	9,708,589	5,931,113
Payments to Northern Ireland Exchequer	6,500,000	3,840,925	3,935,300	226,642	216,393
Other Consolidated Fund Services	3,700,000	2,238,968	2,545,992	...	...
Post Office Fund	2,000,000	2,291,118	...	...	...
Total	236,200,000	184,901,938	182,710,987	9,935,231	6,147,506
Total Supply Services (excluding Post Office)	466,296,000	305,501,319	296,723,576	9,445,000	8,340,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	490,403,257	479,434,563	19,380,231	14,487,506
Payments to U.S.A. Govt. ...	...	...	1,841,220	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	490,403,257	481,275,783	19,380,231	14,487,506
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	38,750,000	37,650,000	800,000	650,000
Road Fund	24,255,000	10,422,000	9,530,000	...	223,000
Total Self-Balancing Expenditure	84,718,000	49,172,000	47,180,000	800,000	873,000
Total	...	539,575,257	528,455,783	20,180,231	15,360,506

The aggregate revenue and expenditure to December 8, 1934, is shown below :—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO DECEMBER 8, 1934
(000's omitted)

Expenditure	£ 490,403	Revenue	£ 389,933
Increase in balances	220	Gross increase in borrowing £111,655	
		Less—	
		New Sinking Fund	4,965*
		Net borrowing	106,690
	<u>£ 490,623</u>		<u>£ 490,623</u>

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

	Dec. 9, '33	Mar. 31, '34	Dec. 8, '34	week ended Dec. 8, '34
Ways and Means Advances Out- standing—	£	£	£	£
Advances of Bank by England.....	...	...	6,250,000	+ 4,000,000
Advances by Public Departments	44,155,000	44,900,000	43,400,000	= 3,150,000
Treasury Bills outstanding	926,070,000	799,810,000	878,815,000*	+ 9,045,000

Total Floating Debt 970,225,000 844,710,000 928,465,000 + 9,895,000

* Includes £5,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 Treasury bills were opened on December 7, 1934, and the total amount applied for was £58,425,000. Tenders were accepted for Treasury bills at three months dated Monday at 99 17s. 3d. and above in full; Tuesday to Saturday, at 99 17s. 2d., about 65 per cent., and above in full. The average rate per cent. was 11s. 2.18d. The amount allotted was £40,000,000. The following table shows the weekly record at various dates :—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932	£	£	£	£ s. d.
January 1.....	40,000,000	50,320,000	38,000,000	5 8 4
April 1.....	45,000,000	61,880,000	43,950,000	2 5 3-73
July 1.....	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7.....	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6.....	45,000,000	73,830,000	45,000,000	0 16 10-80
July 7.....	45,000,000	63,890,000	42,000,000	0 10 4-85
October 6.....	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5.....	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6.....	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6.....	35,000,000	62,745,000	32,000,000	0 16 4-14
October 5.....	35,000,000	65,260,000	31,510,000	0 15 6 7/20
November 18.....	35,000,000	61,875,000	31,675,000	0 14 4-45
November 23.....	40,000,000	48,555,000	40,000,000	0 6 3-97
November 30.....	40,000,000	45,385,000	40,000,000	0 9 3-94
December 7.....	40,000,000	58,425,000	40,000,000	0 11 2-1

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended November 24, 1934	838,479	670,783
Week ended December 1, 1934	1,004,183	803,346
February, 1916, to December 1, 1934	1,205,716,382	950,182,850

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, December 12, 1934

ISSUE DEPARTMENT

£		₹	
Notes Issued :—		Government Debt	1,075,100
In Circulation	393,221,323	Other Government Securities	245,514,176
In Banking Department ...	58,961,476	Other Securities	830,213
		Silver Coin	2,640,505
		Amount of Fiduciary Issue ...	260,000,000
		Gold Coin and Bullion	192,182,804
			452,182,804
	452,182,804		

BANKING DEPARTMENT

Proprietors' Capital	14,553,000	Government Securities	85,821,413
Res.	3,346,381	Other Securities —	
Public Deposits*	7,926,190	Discounts and	
Other Deposits:—		Advances ... £10,135,845	
Bankers£103,302,606		Securities£10,613,299	
Other Accounts £36,958,047			20,749,944
	140,260,653	Notes.....	58,961,470
7-day and Other Bills.....	40	Gold and Silver Coin	554,131
	166,086,264		166,086,264

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

Both Departments	Amount, Dec. 12, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	<i>£</i>	<i>£</i>	<i>£</i>
Note circulation.....	393,221,328	+ 7,774,009	+ 11,329,895
Public deposits	7,926,190	— 676,875	+ 6,618,197
Bankers' deposits	103,302,606	— 5,549,427	+ 7,741,212
Other deposits	36,958,047	+ 565,182	+ 194,567
Seven-day bills	40	—	+ 888
Total outside liabilities.....	541,408,211	+ 2,112,889	+ 12,640,889
Capital and rest	17,899,381	+ 12,155	+ 4,505
Government debt and securities	342,350,689	+ 1,019,965	+ 15,571,881
Discounts and advances.....	10,135,945	+ 569,566	+ 1,735,024
Other securities	11,443,514	+ 612,268	+ 4,680,707
Silver coin in issue department	2,640,509	+ 104,991	+ 1,006,249
Coin and bullion (bank's reserves) ..	192,736,935	+ 28,236	+ 1,031,145
Reserves of notes and coin in banking department.....	59,515,607	— 7,745,773	— 10,298,750
Proportion of reserve to outside li- abilities—			
(a) Banking Department only ("proportion")	40-1%	— 3-6%	— 7-4%
(b) Gold stocks to deposits and notes ("reserve ratio")	35-6%	— 0-1%	— 0-7%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934			₹				%
Nov. 7	452,050	379,787	9,984	107,165	38,068	49 in	2
" 14	452,050	378,876	20,930	97,876	38,765	Nil	2
" 21	452,113	376,905	25,338	95,891	37,571	63 in	2
" 28	452,113	379,687	27,683	99,126	38,134	Nil	2
Dec. 5	452,183	385,447	8,603	108,852	38,393	70 in	2
" 12	452,183	393,221	7,926	103,303	36,958	Nil	2

(000's omitted)

Date	Issue Department		Both Depts. Gold Coin and Bullion and Reserve Ratio	Banking Department					
	Govt. Debt and Securities	Other Securi- ties		Govt. Securi- ties	Dis- counts & Advan- ces	Other Securi- ties	Reserve and the "Pro- portion "		
1934	£	£	%	£	£	£	%		
Nov. 7	256,442	634	192,646	36	79,804	9,642	10,655	72,859	46½
" 14	256,905	201	192,638	36	79,051	9,633	10,887	73,763	47½
" 21	256,518	616	192,696	36	80,091	8,641	12,182	75,791	47½
" 28	256,573	831	192,811	36	80,297	8,156	10,772	72,984	47½
Dec. 5	256,524	730	192,709	35½	84,806	9,566	10,101	67,261	43½
" 12	256,529	830	192,737	35½	35,821	10,136	10,613	59,516	40½

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934	£	£	£	£
January 1 to November 28 ...	27,990,489	1,599,933	2,718,415	32,308,837
Week ended December 5	636,157	37,509	65,710	739,376
Week ended December 12 ...	614,956	34,661	60,502	710,119
Total to date, 1934	29,241,602	1,672,103	2,844,627	33,758,332
Total to date, 1933	26,421,148	1,580,506	2,643,172	30,644,736
Increase or decrease in 1934 {	+ 2,820,454 = 10.7%	+ 92,047 = 5.8%	+ 201,455 = 7.6%	+ 3,113,956 = 10.2%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,628
Total for year 1932	27,833,633	1,610,407	2,667,919	32,111,959
Increase or decrease in 1933 {	- 119,153 = 0.4%	+ 46,268 = 2.8%	+ 98,552 = 3.6%	+ 25,867 = 0.07%

PROVINCIAL

(000's omitted)

	Week ended December 8		Month of November Total January 1 to December 8			Aggregate Totals January 1 to December 8	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days :	£	£	26	26		£	£
BIRMINGHAM	2,172	3,079	9,924	9,887	- 0/3	108,675	110,15
BRADFORD	930	873	3,765	3,553	- 5/6	41,049	41,93
BRISTOL	1,073	1,219	4,969	5,166	+ 3/9	53,612	57,54
DUBLIN	5,232	5,615				243,680	254,238
DULL	705	809	3,020	3,140	+ 3/9	34,027	35,08
LEEDS	665	833	3,639	3,673	+ 0/3	41,443	44,01
LEICESTER	583	748	2,739	2,722	- 0/6	30,253	30,44
LIVERPOOL	5,608	6,314	26,682	27,800	+ 4/1	286,999	294,93
MANCHESTER	8,832	11,068	41,000	42,951	+ 4/7	451,991	467,75
NEWCASTLE	1,365	1,581	6,248	6,362	+ 1/8	68,629	72,02
NOTTINGHAM	470	555	1,841	1,952	- 8/0	21,093	21,29
SHEFFIELD	775	1,218	3,238	3,763	+ 16/2	37,121	40,53
	28,389	33,912	107,065	110,969	+ 3/6	1,423,572	1,469,99

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1932. Chile in August 12, 1933. Roumania, in November 3, 1933. Denmark in November 10, 1933. Canada, Estonia, Java, Latvia in December 1. International Settlements, India, Austria, Hungary, Greece, Portugal, Danzig, Turkey in December 8.

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

Resources	Dec. 14, 1933	Nov. 21, 1933	Nov. 28, 1933	Dec. 5, 1933	Dec. 12, 1933
Gold Certificates on hand and due from the Treasury	3,788,280	5,055,530	5,087,270	5,111,620	5,123,150
Total cash reserves	216,680*	240,300	220,220	218,770	235,880
Total bills discounted	118,180	10,720	11,870	10,470	9,260
Bills bought in open market	116,160	5,690	5,680	5,680	5,690
Total bills on hand	234,340	16,410	17,550	16,150	14,950
Industrial Advances	2,431,610	2,430,150	2,430,170	2,430,200	2,430,220
Total U.S. Govt. securities	2,667,530	2,465,570	2,460,540	2,456,560	2,455,820
Total bills and securities	7,027,830	8,397,930	8,339,900	8,384,280	8,451,360
Total resources	10,727,830	13,000,000	13,000,000	13,000,000	13,000,000
LIABILITIES					
Federal Reserve notes in actual circulation	3,038,170	3,157,690	3,188,470	3,213,800	3,201,460
Federal Reserve Bank notes in circulation	208,850	27,770	27,770	27,480	27,050
Deposits—Memberbank—reserve account	2,637,940	4,195,890	4,108,450	4,073,380	4,111,950
Government deposits	93,910	85,700	85,580	98,376	97,750
Total deposits	2,801,610	4,369,290	4,299,610	4,271,832	4,307,550
Capital paid in and surplus	423,900	287,650	287,940	289,120	290,290
Total liabilities	7,027,830	8,397,930	8,339,900	8,384,280	8,451,360
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	63.9%	70.4%	70.6%	70.8%	70.8%

* Reserves other than gold.

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

	Dec. 14, 1933	Nov. 21, 1933	Nov. 28, 1933	Dec. 5, 1933	Dec. 12, 1933
Total gold reserves	921,740	1,835,970	1,817,090	1,759,080	1,771,190
Total bills discounted	45,010	6,940	8,160	7,270	5,520
Bills bought in open market	13,240	2,060	2,060	2,050	2,060
Total U.S. Govt. securities	831,680	777,750	777,750	777,750	777,750
Total bills and securities	890,920	790,950	789,650	787,730	786,040
Deposits—Memberbank—reserve account	964,740	1,774,130	1,694,320	1,628,190	1,631,510
Ratio of total res. to dep. and Federal Res. note liabilities combined	57.0%	72.6%	72.5%	71.8%	71.9%

FEDERAL RESERVE MEMBER BANKS.

In \$'s (000,000's omitted).

	Nov. 29, 1933	Oct. 31, 1933	Nov. 7, 1933	Nov. 14, 1933	Nov. 21, 1933	Nov. 28, 1933
Loans	8,568	7,807	7,741	7,716	7,691	7,705
Investments	8,104	10,030	10,096	10,043	10,997	10,059
Demand deposits	10,751	13,476	13,447	13,504	13,563	13,627
Time deposits	4,410	4,474	4,462	4,448	4,422	4,392
Government deposits	817	853	853	853	853	853
Due from banks	1,135	1,583	1,580	1,631	1,622	1,585
Due to banks	2,646	3,912	3,960	4,024	3,993	3,923

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

	Dec. 8, 1933	Nov. 9, 1933	Nov. 16, 1933	Nov. 23, 1933	Nov. 30, 1933	Dec. 7, 1933
Assets						
Gold coin and bullion	17,078	21,322	21,872	22,157	22,250	22,250
Subsidiary coin	389	168	173	173	159	152
Bills discounted: Domestic and Union Govt. Treas.	10	132	122	145	131	99
Bills discounted: Foreign	19,090	8,841	9,137	9,986	9,117	8,641
Investments	1,725	1,725	1,725	1,725	1,725	1,725
Other assets	...	9,403	9,389	9,502	9,586	9,582
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	824	880	880	880	880	880
Notes in circulation	10,827	11,846	11,463	11,167	12,721	12,199
Government deposits	1,229	1,955	2,289	2,278	1,388	1,388
Bankers' deposits	28,008	21,781	22,021	21,768	20,942	21,808
Ratio of cash reserves to liabilities to public	40.0%	55.0%	55.4%	55.0%	55.4%	55.5%

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

	Dec. 8, 1933	Nov. 16, 1933	Nov. 23, 1933	Nov. 30, 1933	Dec. 7, 1933
Assets					
Gold	77,079,038	82,070,919	81,976,308	82,096,894	82,314,313
Foreign assets					
Sight deposits	36,830	9,672	8,976	9,024	10,326
Bills, etc.	1,156,137	921,034	921,325	950,651	950,666
Home bills	3,830,515	3,887,855	3,922,016	3,068,338	3,256,951
Advances against sec. To the State	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Negotiable Bonds	2,898,829	3,195,625	3,132,426	3,227,682	3,219,810
Sinking Fund Dept.	6,186,422	5,898,204	5,898,204	5,898,204	5,898,204
Other assets (excluding forward exch.)	5,489,791	4,968,011	4,896,845	5,649,302	5,034,696
LIABILITIES					
Notes in circulation	80,903,947	80,193,476	79,956,500	81,879,439	81,289,897
Public deposits	2,467,342	5,505,355	4,406,455	4,829,023	4,078,636
Private deposits	13,856,998	15,766,723	16,374,743	15,314,264	16,286,064
Other liabilities	2,649,276	2,183,767	2,218,400	2,077,371	2,330,370
Ratio of gold reserve to sight liabilities	79.1%	80.7%	80.4%	80.3%	80.8%

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

	Dec. 1, 1933	Nov. 24, 1933	Dec. 1, 1933	Dec. 8, 1933
Assets				
Gold	397,752	78,390	78,390	78,648
Of which deposited abroad	52,633	21,204	21,204	21,204
Reserve in foreign currencies	5,838	4,152	4,141	4,177
Bills of exchange and cheques	3,003,474	3,454,792	3,856,605	3,707,422
Silver and other coin	7,764	296,481	189,777	180,643
Notes of other German banks	7,764	16,630	5,127	8,762
Advances	75,873	81,793	118,988	91,519
Investments	529,000	749,675	752,016	756,331
Other assets	511,102	685,159	686,067	681,565
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	3,526,797	472,797	472,797
Notes in circulation	3,455,838	3,532,797	3,809,663	3,716,833
Over daily maturing obligations	414,272	933,009	961,162	856,840
Other liabilities	246,374	273,217	297,682	312,597
Cover of note circulation	11.7%	2.34%	2.17%	2.22%

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

	Position, May 30, 1914	Dec. 7, 1933	Nov. 15, 1933	Nov. 22, 1933	Nov. 29, 1933	Dec. 6, 1933
ASSETS						
Gold	232,650	2,726,418	2,522,516	2,507,842	2,502,951	2,502,957
Silver and other coin	697,600	67,403	77,833	79,445	81,346	81,595
Securities	...	771,024	626,149	639,960	671,401	692,226
LIABILITIES						
Notes in circulation	934,150	3,432,427	3,509,165	3,479,797	3,501,177	3,535,758
Deposits: Govt.	...	166,675	36,408	39,222	39,378	30,824
Other	...	409,790	161,334	167,911	185,471	190,482

(a) In thousand francs.

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

	Position, May 30, 1914	Dec. 11, 1933	Nov. 18, 1933	Nov. 25, 1933	Dec. 3, 1933	Dec. 10, 1933
ASSETS						
Gold	163,092	920,226	870,650	855,603	843,699	842,635
Silver	8,436	26,833	18,792	18,185	17,362	17,945
Home bills discount	...	31,292	28,105	25,993	39,054	26,491
Foreign bills	253,504	1,437	868	866	866	866
Loans and advances in current acct.	...	141,472	145,324	144,727	147,531	143,084
LIABILITIES						
Notes in circulation	316,632	908,609	881,946	881,946	913,568	883,034
Deposits	5,016	228,712	204,918	186,320	169,777	173,443

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

	Position, May 30, 1914	Nov. 25, 1933	Nov. 3, 1933	Nov. 10, 1933	Nov. 17, 1933	Nov. 24, 1933
ASSETS						
Gold	22,971	103,717	103,717	103,717	103,717	103,717
Silver	29,785	36,043	142,510	142,510	141,990	142,760
Discounts, advances, and other investments	77,567	532	750	650	610	1,110
Foreign bills	...	12,692	10,390	11,790	12,730	10,050
Other assets	...	...	...	...	...	...
LIABILITIES						
Notes in circulation	109,499	185,222	183,560	186,230	184,070	180,610
Deposits and bills payable	11,250	26,955	35,920	33,250	34,280	34,200

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

	Position, May 31, 1914	Dec. 7, 1933	Nov. 15, 1933	Nov. 23, 1933	Nov. 30, 1933	Dec. 7, 1933
ASSETS						
Gold	171,175	1,998,095	1,909,819	1,909,827	1,909,827	1,909,828
Of which held abroad	...	153,333	183,151	172,783	172,783	172,783
Foreign gold valuta	...	15,254	19,815	18,787	17,296	17,666
Discounts	...	26,466	18,324	20,821	20,679	21,605
Bills of the Confederation	...	52,324	7,372	7,372	4,372	4,172
Advances	103,000	74,008	72,078	72,252	79,556	80,453
Securities	...	68,576	52,088	52,083	52,029	51,959
LIABILITIES						
Notes in circulation	275,925	1,417,170	1,326,305	1,321,518	1,376,434	1,347,555
Deposits	33,750	748,404	692,396	693,538	641,618	669,973

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

	Nov. 30, 1933	Oct. 31, 1933	Nov. 10, 1933	Nov. 20, 1933	Nov. 30, 1933
ASSETS					
Gold coin and bullion	7,060,000	6,070,600	6,017,400	5,950,800	5,840,100
Foreign bills and balances abroad	308,800	28,200	27,000	27,200	26,700
Other cash	313,800	291,600	290,300	289,700	288,600
Gold deposited abroad due by the State	1,772,800	1,772,800	1,772,800	1,772,800	1,772,800
Discounts	4,178,900	3,323,800	3,321,500	3,291,800	3,373,000
Advances	473,200	1,771,000	1,630,700	1,458,200	1,805,800
Credit with "Institute for Industrial Reconstruction"	1,212,300	1,088,800	1,085,100	1,085,100	1,085,100
Government securities	1,371,500	1,383,600	1,383,500	1,383,200	1,385,100
LIABILITIES					
Notes in circulation	13,111,700	13,251,400	13,124,100	12,913,000	13,161,800
Public deposits	1,759,700	1,518,800	1,580,300	1,410,400	1,583,100
Other deposits and drafts	1,307,000	836,000	775,300	823,700	755,400
Ratio of reserve to note and sight liabilities combined	50.22%	42.39%	42.57%	42.59%	41.27%

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

	Dec. 9, 1933	Nov. 15, 1933	Nov. 23, 1933	Nov. 30, 1933	Dec. 7, 1933
ASSETS					
Gold reserve	258,944	283,175	283,785	284,137	284,479
Government securities—Swedish	226,167	168,778	168,348	168,348	174,348
Foreign	...	46,556	46,556	46,556	46,556
Gold abroad not included in the gold reserve	110,709	67,824	67,532	67,479	67,428
Bills payable in Sweden	16,383	11,383	11,884	12,229	12,177
abroad	183,984	351,554	351,648	351,534	351,671
Balance abroad	250,201	109,550	111,665	121,036	132,181
Advances	37,975	29,136	29,118	29,609	29,719
LIABILITIES					
Notes in circulation	561,671	632,326	578,975	651,330	635,141

LONDON MONEY RATES

	Dec. 6, 1934	Dec. 7, 1934	Dec. 8, 1934	Dec. 9, 1934	Dec. 10, 1934	Dec. 11, 1934	Dec. 12, 1934	Dec. 13, 1934
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2	2
Market rates of discount—								
60 days' bankers' drafts	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
3 months' do.	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
4 months' do.	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
6 months' do.	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Discount Treasury Bills—								
2 months'	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
3 months'	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Loans—Day-to-day	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Short	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Deposit allowances: Bank	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Discount houses at call	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1
At notice	½-1	½-1	½-1	½-1	½-1	½-1	½-1	½-1

Comparison with previous week—

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1934	%	%	%	%	%	%	%
Nov. 15	2-2	2-2	2-2	2-2	2-2	2-3	2-3
" 22	2-2	2-2	2-2	2-2	2-2	2-2	2-3
" 29	2-1	2-1	2-1	2-2	2-2	2-2	2-3
Dec. 6	2-1	2-1	2-1	2-2	2-2	2-2	2-3
" 13	2-1	2-1	2-1	2-2	2-2	2-2	2-3

LONDON RATES OF EXCHANGE

I.—Spot Rates
(Range of the day's business)

London on	Per £	Dec. 7, 1934	Dec. 8, 1934	Dec. 9, 1934	Dec. 10, 1934	Dec. 11, 1934	Dec. 12, 1934	Dec. 13, 1934
New York, \$	4.88	4.94-96	4.94-95	4.94-96	4.94-96	4.94-96	4.93-94	4.93-94
Montreal, \$	4.88	4.84-85	4.84-84	4.84-85	4.84-85	4.85-86	4.85-90	4.85-90
Paris, Fr.	124.21	75-75	74-75	75-75	75-75	74-75	74-75	74-75
Brussels, Bel	35.00	21.15-25	21.14-19	21.16-24	21.16-24	21.17-23	21.13-20	21.13-20
Milan, Li.	92.46	57-58	57-58	57-58	57-58	57-58	57-58	57-58
Zurich, Fr.	25.22	15-24	15-23	15-23	15-23	15-23	15-23	15-23
Athens, Dr.	375	226-227	226-227	226-227	226-227	226-227	226-227	226-227
Helsinki, Mk.	193.23	36-1	36-1	36-1	36-1	36-1	36-1	36-1
Lisbon, Esc.	25.22	109-110	109-110	109-110	109-110	109-110	109-110	109-110
Amst'dm, Fl.	12.107	7-31-34	7-31-34	7-31-34	7-31-34	7-31-34	7-31-34	7-31-34
Berlin, Mk.	20.43	12-30-35	12-30-35	12-30-35	12-30-35	12-30-35	12-30-35	12-30-35
Vienna, Sch.	34.58	25-27	25-27	25-27	25-27	25-27	25-27	25-27
Buapest, Pen.	27.82	16-16	16-16	16-16	16-16	16-16	16-16	16-16
Prague, Kr.	116.1	118-118	118-118	118-118	118-118	118-118	118-118	118-118
Danzig, Gul.	25.00	14-15	14-15	14-15	14-15	14-15	14-15	14-15
Warsaw, Zl.	43.38	26-26	26-26	26-26	26-26	26-26	26-26	26-26
Riga, Lat.	25.22	14-15	14-15	14-15	14-15	14-15	14-15	14-15
Bucharest, Lei.	813.6	485-500	485-500	485-500	485-500	485-500	485-500	485-500
Constantinople, L.	110	610*	610*	610*	610*	610*	610*	610*
Belgrade, Din.	276.32	214-224	213-223	213-223	213-223	213-223	213-223	213-223
Kovno, Lit.	48.66	29-30	29-30	29-30	29-30	29-30	29-30	29-30
Sofia, Lev.	673.68	405-435	405-435	405-435	405-435	405-435	405-435	405-435
Tallinn, E.Kr.	18.159	17-18	17-18	17-18	17-18	17-18	17-18	17-18
Oslo, Kr.	18.159	19-35-95	19-35-95	19-35-95	19-35-95	19-35-95	19-35-95	19-35-95
Stockholm, Kr.	18.159	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45	19-35-45
Cop'hen, Kr.	18.159	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45	22-35-45
Alex'ndria, Pst.	97	97-1	97-1	97-1	97-1	97-1	97-1	97-1
Bombay, Rup.	18d.	18-1	18-1	18-1	18-1	18-1	18-1	18-1
Calcutta, Rup.	18d.	18-1	18-1	18-1	18-1	18-1	18-1	18-1
Madras, Rup.	18d.	18-1	18-1	18-1	18-1	18-1	18-1	18-1
Hong Kong, \$	24.58d.	14-14	14-14	14-14	14-14	14-14	14-14	14-14
Kobe, Yen.	24.58d.	16-17	16-17	16-17	16-17	16-17	16-17	16-17
Shanghai, \$	24.58d.	28-28	28-28	28-28	28-28	28-28	28-28	28-28
Singapore, \$	24.58d.	28-28	28-28	28-28	28-28	28-28	28-28	28-28
Batavia, F.	12.11	7-29-33	7-29-33	7-29-33	7-29-33	7-29-33	7-29-33	7-29-33
Rio, Mil.	15.899d.	3-4-4	3-4-4	3-4-4	3-4-4	3-4-4	3-4-4	3-4-4
B. Aires, \$	147.62d.	27-1	27-1	27-1	27-1	27-1	27-1	27-1
Valparaiso, \$	40	120-25	120-25	120-25	120-25	120-25	120-25	120-25
Mvideo, \$	51d.	19-20	19-20	19-20	19-20	19-20	19-20	19-20
Lima, Sol.	17.98	21-25	21-25	21-25	21-25	21-25	21-25	21-25
Mexico, Pes.	17.98	17-18	17-18	17-18	17-18	17-18	17-18	17-18
Manila, Pes.	124.66d.	23-24	23-24	23-24	23-24	23-24	23-24	23-24
Moscow, Rbls.	9.458	5.71-73	5.71-73	5.71-73	5.71-73	5.71-73	5.71-73	5.71-73
Bangkok, Bht.	121.82d.	21-22	21-22	21-22	21-22	21-22	21-22	21-22

Usage: T.T., except Alexandria (Sight); Rio de Janeiro, Valparaiso (90 days).
 † Pence per unit of local currency. ‡ Par. 8.23½ since dollar devaluation on February 1, 1934.
 (a) Official Rate. (b) Official Rate. (c) Official Rate. (d) Registered marks quoted at a discount of 36-41 per cent. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Registered marks quoted at a discount of 38-43 per cent. (h) Official rate 39½d. sellers. (i) Official rate is 36½d. sellers, and the average remittance rate for importers 31½d.

II.—Forward Rates
(Closing quotations)

London on	Dec. 7, 1934	Dec. 8, 1934	Dec. 9, 1934	Dec. 10, 1934	Dec. 11, 1934	Dec. 12, 1934	Dec. 13, 1934
New York, cent.	1 Month	2-1	2-1	2-1	2-1	2-1	2-1
Paris, cent.	1 Month	par-2	par-2	par-2	par-2	par-2	par-2
Holland, cent.	1 Month	par-1	par-1	par-1	par-1	par-1	par-1
Brussels, cent.	1 Month	8-10	8-10	8-10	8-10	8-10	8-10
Zurich, cent.	1 Month	2-1	2-1	2-1	2-1	2-1	2-1
Italy, lira	1 Month	2-1	2-1	2-1	2-1	2-1	2-1

(a) Premium, i.e. "under spot."

(b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

	Changed	From	To		Changed	From	To
Albania	Nov. 16, 1933	8	7½	Madrid	Oct. 26, 1932	6½	6
Amsterdam	Sep. 18, 1933	3	2½	Oslo	May 24, 1933	4	3½
Athens	Oct. 14, 1933	7½	7	Paris	May 31, 1934	3	2½
Batavia	Nov. 1, 1933	4	3½	Prague	Jan. 28, 1933	4½	3½
Belgrade	July 16, 1934	7	6½	Pretoria	May 15, 1933	4½	3½
Berlin	Sep. 22, 1932	5	4	Tallinn	Jan. 28, 1932	6½	5½
Brussels	Aug. 28, 1934	3	2½	Riga	Jan. 1, 1933	6	5½
Bucharest	Apr. 5, 1933	7	6	Rome	Nov. 26, 1934	3	4
Budapest	Oct. 17, 1932	5	4½	Sofia	Jan. 3, 1934	8	7
Calcutta	Feb. 16, 1933	4	3½	Stockholm	Dec. 1, 1933	3	2½
Copenhagen	Dec. 1, 1933	3	2½	Swiss Bank			
Danzig	Sep. 21, 1934	3	4	places	Jan. 22, 1931	2½	2
Helsinki	Dec. 3, 1934	4½	4	Tokio	July 2, 1933	4-38	3-65
Kovno	Jan. 1, 1934	7	6	Vienna	June 27, 1934	5	4½
Lisbon	Dec. 13, 1934	5½	5	Warsaw	Oct. 26, 1933	6	5
New York Fed.	Feb. 1, 1934	2	1½	Irish	June 30, 1932	3½	3

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
 a 5½% applied to banks and credit institutions.
 b 6% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

The Irving Trust Company cables the following money and exchange rates in New York:—

	Dec. 13, 1933	Nov. 14, 1933	Nov. 21, 1933	Nov. 28, 1933	Dec. 5, 1933	Dec. 1, 1934
Call money	1½	1½	1½	1½	1½	1½
Time money (90 days' mixed coll.)	1-1½	1	1	1	1	1
Bank acceptances						
Members—eligible, 90 days	½	½	½	½	½	½
Non-mem.—eligible, 90 days	½	½	½	½	½	½
Ineligible, 90 days	½	½	½	½	½	½
Commercial accept., 90 days	1½	1½	1½	1½	1½	1½

Rates of Exchange, New York on—

	Par	Dec. 13, 1933	Nov. 28, 1933	Dec. 5, 1933	Dec. 12, 1934
London—					
60 days	Old par 4.8666	5.02	4.9582	4.9187	4.9162
Cable	New par 5.04	5.04	4.9850	4.9475	4.9450
Cheques	8.2397	5.04	4.9850	4.9475	4.9450
Paris					
60 days	6.63	6.0150	6.5937	6.5912	6.5950
Brussels	23.54	21.32	23.33	23.38	23.39
Switzerland	32.67	29.73	32.42	32.425	32.39
Italy	8.91	8.04	8.53	8.53	8.5350
Berlin	40.33	36.78	40.19	40.19	40.17
Vienna	23.82	17.50	18.82	18.84	18.85
Madrid	32.67	12.56	13.67	13.665	13.67
Amsterdam	68.06	61.80	67.60	67.61	67.64
Copenhagen	25.35	25.07	24.87	24.87	24.85
Stockholm	28.02	25.725	25.52	25.52	25.50
Athens					
Cent. for 1 drachma	2.20	0.87	0.94	0.94	0.94
Cent. for Can. \$1	169.31	100.4	102.1	102.4	101
Yokohama	84.40	30.50	29.11	29.93	29.89
Shanghai					
Cent. for 1 dollar	33.87	34.15	35.06	35.06	35.06
Buenos Aires	61.80	39.10	37.60	37.30	37.25
Rio de Janeiro					
Cent. for 1 peso	33.23	32.98	32.95	32.95	32.95
Cent. for 1 milreis	11.96	8.40	8.34	8.33	8.33

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on—		
Rhodesia	96 15 0	£ 15 0
South Africa	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia	Bolivianos to £	13-33	Sight	(a) 20-26
Colombia (Bogota)	Pesos to £	5	"	(b) 7-68½
Ecuador	Sucres to £	24-3325	"	(c) 59-29
Nicaragua	Corдобas to £	4-8665	"	"
Salvador	Colonos to £	9-73	"	12-56
Venezuela	Bolivares to £	25-2215	"	19-32
Guatemala	Quoted on New York	"	"	5-06

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate.
 (i) "Free" Market Rate. (a) Official Rate.

INDIAN CURRENCY RETURNS (in lacs of rupees)

	Dec. 7	Nov. 30	Nov. 22
Notes in circulation.....	18,508	18,556	18,568
Silver coin and bullion in India	9,624	9,673	9,624
Gold coin and bullion in India	4,155	4,155	4,155
Securities (Indian Government)	3,321	3,321	3,332
Securities (British Government).....	1,408	1,407	1,397

The stocks in Shanghai on the 8th instant consisted of about 28,800,000 ounces in sycee, 264,000,000 dollars and 39,400,000 ounces in bar silver, as compared with about 31,200,000 ounces in sycee, 271,000,000 dollars and 38,500,000 ounces in bar silver on the 1st instant.

GOLD AND SILVER PRICES

	Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
		Cash	Forward		
1934	s. d.	d.	d.	Dec. 13, 1934	26 1/2
Dec. 7 ...	140 3 1/2	24 1/2	24 1/2	" 12, 1928	22 1/2
" 8 ...	140 8	24 1/2	24 1/2	" 11, 1930	15 1/2
" 10 ...	140 4 1/2	24 1/2	24 1/2	" 10, 1931	20 1/2
" 11 ...	140 4 1/2	24 1/2	24 1/2	" 15, 1932	17 1/2
" 12 ...	140 5	24 1/2	24 1/2	" 14, 1933	18 1/2
" 13 ...	140 8 1/2	24 1/2	24 1/2		

NOTICES

Mr R. M. Holland Martin, C.B., who has been the honorary secretary to the committee of London Clearing Bankers since July, 1905, has resigned office owing to the pressure of his other duties. Mr Ernest Sykes has been appointed to succeed him as secretary to the committee.

Mr G. F. Abell, one of the chief general managers of Lloyds Bank Limited, has been appointed a director of Lloyds and National Provincial Foreign Bank Limited.

COMPANY NEWS

REPORTS AND NOTICES

(Continued from page 1167)

RUBBER

PONTIAN (MALAY) RUBBER COMPANY, LTD.—The outturn of dry rubber for year ended September 30, 1934, was 515,507 lbs., a considerable increase over the previous year's crop of 415,472 lbs. The average selling price for the financial year was 5.37d. per lb., being almost 2d. per lb. better than the previous year's figure, due to improved market conditions since the Rubber Regulation Scheme became operative. Estate costs are slightly higher, but after crediting income from investments and allowing for London expenses and ample depreciation, the profit for the year is £3,790 1s. 10d. This sum, added to the £312 7s. 7d. brought in from the 1933 accounts, makes £4,102 9s. 5d. available in the profit and loss account. It is proposed to pay, on December 21, 1934, a dividend of 7 1/2 per cent. (less income tax at 4s. 6d. in the £) absorbing £3,703 8s., leaving £399 1s. 5d. to be carried forward. The property stands in the books at £49,302 0s. 7d., being under £39 per planted acre. Investments, with the exception of a small holding in another company, are all in Government securities, which had a market valuation well in excess of the book value at date of the balance sheet. The Rubber Regulation Scheme has delayed the preparation of reliable estimates for the whole of the current year, but these are receiving the attention of the company's agents in the East. The meeting will be held at 7, Great Winchester Street, London, on December 19th, at 12.30 p.m.

MISCELLANEOUS

DORMAN LONG SCHEME CONFIRMED.—Mr Justice Eve, in the Chancery Division December 12, confirmed the scheme for the reorganisation of Dorman, Long and Company, Ltd. The share capital is to be reduced from £11,248,146 to £2,007,271 by wiping out £9,240,875.

EASTBOURNE CORPORATION 3 PER CENT. REDEEMABLE STOCK, 1920-1940.—Williams Deacon's Bank Limited give notice that in order to prepare the interest warrants, due December 24, 1934, on Eastbourne Corporation 3 per cent. redeemable stock, 1920-40, the books will be closed from December 11 to 24, 1934, inclusive.

FINANCIAL NEWSPAPER PROPRIETORS LTD.—A resolution for the voluntary liquidation of Financial Newspaper Proprietors, Ltd., and the distribution of ordinary shares of the Financial News, Ltd., in place of Financial Newspaper Proprietors shares, is to be submitted at a meeting to be held on January 7, 1935. An option to apply for further Financial News shares will also be available. The report of the Financial News, Ltd., for the year to June 30, 1934, shows a profit of £19,062, against a loss of £6,130 for the previous year. With £21,907 brought forward there is £40,968 available, and after providing for the 5 per cent. and 6 per cent. preference share dividends and tax, £27,876 remains to be carried forward. The directors state that during the past financial year the circulation and advertising revenues of the various publications owned by the company showed a considerable improvement.

UNITED PICTURE THEATRES.—The receiver for the 7 per cent. debenture holders of United Picture Theatres is inviting tenders for the purchase of ten theatre and cinema properties of the company and for the company's holding of 60,000 ordinary £1 shares of British Amalgamated Theatres. The debenture stock outstanding totals £346,715. Gaumont-British Picture Corporation is managing the company's theatres until July 21st next.

TRANSVAAL NOVEMBER, 1934, OUTPUTS, &c.

Note.—Value of gold calculated at £6 19s. per ounce in all cases.

The Johannesburg Group	Tons milled, Nov., 1934	Estimated Value, November, 1934		Estimated Costs per ton, Nov., 1934	Estimated Profit, including Sundry Revenue, Nov., 1934	Oct., 1934, Profit at £7 0s. per fine ounce
		Gross	Per ton			
Government Areas (Modderfontein) ...	208,000	£22,842	s. d. 50 3	£17 10	£341,090	357,101
Langlaagte Estate ...	88,000	112,560	25 7	18 6	32,054	33,174
New State Areas ...	100,000	264,217	52 10	20 1	165,335	166,913
Randfontein Estates	330,000	414,604	25 2	18 9	108,386	110,276
Van Ryn Deep	82,000	127,490	31 1	19 0	50,139	52,143
Witwatersrand	81,000	89,718	22 2	19 6	12,575	12,695
Totals	889,000	1,531,431		18 9	709,579	732,302

Anglo-American Corporation Group	Tons Milled, Nov., 1934	Total Revenue, Nov., 1934	Working Costs, Nov., 1934 Per ton	Profit, Sept., 1934	Profit, Oct., 1934	Profit, Nov., 1934
Brakpan Mines, Ltd.	127,000	224,895	126,745	100,071	98,037	98,150
Daggafontein Mines, Ltd.	91,000	208,844	93,560	115,780	117,191	115,284
Spring Mines, Ltd.	100,300	243,062	94,077	165,307	158,257	148,985
West Springs, Ltd.	95,800	98,003	72,788	25,009	25,187	25,217

The Central Mining Company Rand Mines Group	Tons Crushed, Nov., 1934	Yield in Fine Gold, Ounces, Nov., 1934	Value, Nov., 1934	Profit, Nov., 1934	Working Cost per ton, Nov., 1934
City Deep, Ltd.	100,000	20,006	£139,177	£26,815	s. d. 22 5-7
Consolidated Main Reef Mines and Estate, Ltd.	111,000	24,878	172,872	51,206	21 11-1
Crown Mines, Ltd.	298,000	82,169	571,788	278,955	19 7-8
Durban Roodepoort Deep, Ltd.	51,700	12,284	85,645	22,591	24 4-7
East Rand Proprietary Mines, Ltd.	177,000	40,008	278,353	85,381	21 9-7
Geldenhuis Deep, Ltd.	84,400	13,328	92,611	20,241	17 1-8
Modderfontein B. Gold Mines, Ltd.	84,000	15,284	106,435	46,252	14 4-0
New Modderfontein Gold Mining Co., Ltd.	87,500	19,187	133,463	48,050	19 6-3
Nourse Mines, Ltd.	180,000	45,144	313,661	186,630	14 1-4
Rose Deep, Ltd.	71,000	16,011	111,490	27,476	23 8-0
	63,000	11,448	79,671	13,021	21 1-9

General Mining Group	Tons Milled, Nov., 1934	Total Revenue, Nov., 1934	Estimated Costs per ton, Nov., 1934	Profit, Sept., 1934	Profit, Oct., 1934	Profit, Nov., 1934
Van Ryn Gold Mines	56,000	£4,780	s. d. 16 6	£9,009	£9,033	£9,012
West Rand Consolidated	120,000	197,959	18 0	92,039	94,061	92,018

Goldfields Group	Tons crushed, Nov., 1934	Yield, Nov., 1934	Value, Nov., 1934	Profit, Oct., 1934	Profit, Nov., 1934	Working Costs per ton, Nov., 1934
Simmer and Jack Mines	89,600	Fine ozs. 20,302	£141,098	£46,132	£46,642	s. d. 21 3
Robinson Deep	101,500	24,617	171,090	76,791	76,528	18 8-8
Sub Nigel	48,000	38,530	268,483	177,432	187,428	33 9-3

Union Corporation Group	Tons crushed, Nov., 1934	Yield, Nov., 1934	Value, Nov., 1934	Profit, Sept., 1934	Profit, Oct., 1934	Profit, Nov., 1934
East Geduld Mines	84,000	Fine ozs. 29,142	£195,458	£118,483	£123,766	£119,136
Geduld Proprietary Mines	92,000	26,579	185,378	120,014	123,198	117,500
Modderfontein Deep Levels	47,200	15,440	107,616	71,901	71,724	71,375

Other Companies	Tons Milled, Nov., 1934	Total Revenue, Nov., 1934	Working Costs, Nov., 1934	Profit, Sept., 1934	Profit, Oct., 1934	Profit, Nov., 1934
Glynn's Lydenburg	7,500	£19,318	s. d. 30 7-7	£8,118	£8,287	£7,826
Luipards Vlei Estate	41,500	63,592	20 8	23,152	23,304	22,020
New Kleinfontein Co.	55,100	69,671	22 2	4,868	7,141	7,539
Nigel Gold Mining	11,600	28,110		8,712	13,618	12,602
Transvaal Gold Mining	18,800	31,286	21 1-0	12,044	11,907	11,417
Witwatersrand Deep	47,500	66,551		13,651	14,026	13,029

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation			Corresponding Period Last Year	
					Dividend		Carried to Reserve, Depreciation, etc.	Balance Forward	Net Profit
					Prefe.	Ordinary			
					Amount	Amount	Rate		Dividend
Banks									
Barclays Bank (D.C.O.)....	Sept. 30	£216,477	£334,827	£551,304	£111,166	£123,322	5	£100,000	£216,816
Ionian Bank	Aug. 31	14,525	12,041	26,566	...	12,000	2	...	14,566
Breweries									
Benskin's Watford Brewery	Sept. 30	134,482	220,217	354,699	19,500	136,800	15	55,000	143,399
Bentley's Yorkshire	Sept. 30	30,088	30,931	61,019	14,211	14,100	6	...	32,708
Deuchar (Robert)	Sept. 30	13,700	38,958	52,658	13,685	7,500	10 1/2	17,000	14,473
Hewitt Brothers	Oct. 31	4,804	77,022	81,826	9,300	29,062	12 1/2	31,454	26,152
Ind. Coope and Allsopp	Sept. 30	312,491	391,805	704,296	52,974	229,356	22 1/2	82,906	339,060
Lichfield Brewery	Sept. 30	17,461	26,708	44,169	6,250	18,300	10	...	19,619
Officers' Brewery	Sept. 30	77,698	56,787	134,485	2,400	30,000	25	24,000	78,085
St. Louis Breweries	Sept. 30	2,030	284	2,314	...	...	...	...	2,314
Tetley (Joshua) and Son	Sept. 30	88,553	203,007	291,560	39,905	80,000	10	80,000	91,655
Warwicks and Richardsons	Sept. 30	24,360	48,830	73,190	15,000	19,000	11	14,000	25,190
Financial Land, etc.									
Australian Pastoral	June 30	13,007	41,011	54,018	...	30,000	3 1/2	10,000	14,018
Heinemann Holdings	Nov. 30	1,067	17,890	18,957	6,975	7,266	12 1/2	2,620	2,096
Industrial Credit Co.	Oct. 31	(t) 13,554	13,554	...	...	...	...	12,085	1,469
Peel River Land and Mineral	June 30	12,908	14,672	27,580	...	14,400	4 1/2	...	13,180
Second Covent Garden Prop.	Nov. 30	(w) 29,929	29,929	9,682	9,824	5	...	476	9,947
Scottish Australian Co.	June 30	19,693	89,813	109,506	32,000	37,500	7 1/2	...	40,006
Hotels, Restaurants, etc.									
Cadena Cafés	Sept. 30	9,143	38,135	47,278	22,088	25,229	14	Dr. 12,700	12,661
Iron, Coal and Steel									
Cleveland Bridge and Eng...	Sept. 30	7,264	17,998	25,262	1,911	14,614	5 1/2	2,000	6,737
Coventry Gauge and Tool...	Aug. 31	Dr. 7,256	3,833	Dr. 3,423	...	...	...	Dr. 3,423	Dr. 1,502
Duffield Coal Products	Sept. 30	Dr. 7,561	Dr. 19,829	Dr. 27,390	...	...	...	Dr. 27,390	Dr. 2,926
Redpath, Brown and Co.	Oct. 31	4,332	20,282	24,614	8,138	...	...	...	16,476
Motor and Cycle									
Bluemel Brothers	Sept. 30	1,422	18,024	19,446	4,200	9,000	10	500	5,746
Matchless Motor Cycles	Aug. 31	13,844	9,606	23,450	...	7,789	5	10,000	5,661
Triumph Company	Aug. 4	Dr. 78,316	Dr. 70,656	Dr. 148,972	...	...	...	Dr. 148,972	Dr. 168,705
Oil									
Anglo-Ecuadorian Oilfields	June 30	45,242	80,393	125,635	...	58,125	5	21,836	45,674
British Burmah Petroleum	July 31	1,334	Dr. 58,379	Dr. 57,045	...	...	...	Dr. 57,045	Dr. 7,186
Rubber, etc.									
Glen Muar Estates	July 31	7,202	2,906	10,108	...	3,120	2 1/2	5,000	1,988
Hevea (Johore) Rubber	June 30	2,440	345	2,785	334	...	...	...	2,451
Jetra Rubber	Sept. 30	...	8,599	8,599	...	5,550	5	767	2,282
Kong Lee (Perak) Pltns.	Aug. 31	2,092	Dr. 356	1,736	...	...	...	...	1,736
Kuala Lumpur Rubber	June 30	19,980	12,719	32,699	...	12,210	3 1/2	5,281	15,208
Lumut Rubber	Sept. 30	25,741	10,793	36,534	...	12,292	7 1/2	Dr. 2,000	26,242
Peureula Rubber	Sept. 30	Dr. 1,081	735	Dr. 346	...	...	...	Dr. 346	Dr. 1,0

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS—continued.

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Dividend Interest	Amount Available for Distribution	Appropriation			Corresponding Period Last Year	
					Dividend		Carried to Reserve, Depreciation, &c.	Balance Forward	Net Profit
					Prefce.	Ordinary			
					Amount	Amount	Rate		Dividend
Other Companies—cont.									
Ilford, Limited	Oct. 31	22,147	96,250	118,397	43,900	34,452	6	20,000	94,611
India Rubber, Gutta Percha	Sept. 30	...	26,053	26,053	13,750	...	...	5,000	7,303
Low Temperature Carbston.	Oct. 31	7,548	37,234	44,782	...	27,908	3	14,084	2,790
Milton Proprietary	Sept. 30	66,823	(s) 36,341	103,164	3,894	10,899	11½	...	88,371
Ocean Salvage and Towage	Sept. 30	798	1,084	1,882	...	1,300	2½	...	582
Phosferine Products	June 30	Dr. 2,789	Dr. 1,035	Dr. 3,824	...	...	...	Dr. 3,824	Dr. 238
Southend Stadium	Sept. 30	213	144	357	...	...	...	...	357
South London Greyhound	Sept. 30	...	...	...	...	...	...	...	...
Racecourses	Sept. 30	16,546	18,309	34,855	...	7,125	11½(a)	6,012	17,218
Sunlight Laundries	Nov. 30	7,414	57,327	64,741	12,867	27,448	25	15,690	45,508
United Match Industries	Oct. 31	5,014	8,001	13,015	2,690	...	...	10,325	5,014
Waterlow and Sons	Sept. 30	25,730	100,961	126,691	56,700	34,500	5	26,491	80,857

(s) Nine months. (t) Free of income tax. (a) Preferred ordinary. (b) Deferred ordinary. (i) Eleven months.
(v) Fifteen months. (w) July 28, 1933, to November 30, 1934. (u) After crediting income tax provision £52,935 not required.

DIVIDEND ANNOUNCEMENTS

Name of Company	Rate % per Annum, except where marked % or Stated in Cash			Dividend for Whole Years		
	* Interim div. † Final div.			Latest Year	Previous Year	
	Interim or Final	Date of Payment	Interim or Final Comparison with Last Year			
RAILWAYS						
Bengal & North Western Railway	8%†	Feb. 4	Unchanged	16	16	
Rohilkund and Jmson Railway	10%†	Jan. 28	9%	16	15	
BANKS						
Barclays Bank (Dominion, Colonial and Overseas) "A" and "B"	2½%†	...	2½%	5	4½	
Central Hanover Bank, etc.	\$1-50p.s.	Jan. 2	Unchanged	...	...	
Guaranty Trust Co. of New York	5%	Jan. 2	Unchanged	...	...	
Ionian Bank	...	...	...	2	2	
Italo-Belgian Bank	...	...	...	7	7	
INSURANCE						
Eagle Star, etc., Insurance Ord.	5%*	Dec. 31	Unchanged	...	...	
TEA AND RUBBER						
Allynugger Tea	10%*	Dec. 19	Unchanged	...	...	
Assam Doora Tea	10%*	Dec. 15	Unchanged	...	...	
Chandapore Tea	5%*	Jan. 14	Unchanged	...	...	
Deamoolie Tea	Nil*	...	5%	...	...	
Demodera Tea	2%*	Dec. 31	5%	...	...	
Doom Dooma Tea	Nil*	...	2½%	...	...	
Dooloo Tea	2½%*	Dec. 31	Unchanged	...	...	
Eastern Assam Tea	Nil*	...	5%	...	...	
Glen Muir Estates	2½%*	Dec. 19	Nil	2½	Nil	
Golconda Malay Rubber	5%*	Dec. 15	Unchanged	...	...	
Hope Tea	2½%*	Dec. 19	3%	...	...	
Lankapara Tea	5%*	Dec. 19	10%	...	...	
Leesh River Tea	2%*	Jan. 15	Nil	...	...	
Maz de Hee Tea	2%*	Jan. 15	10%	...	...	
Meenglas Tea	5%*	Dec. 15	Unchanged	...	...	
New Sylhet Tea	5%*	Jan. 8	Unchanged	...	...	
Noyapara Tea	4%*	Dec. 14	Unchanged	...	...	
Pabbajan Tea	Nil*	...	5%	...	...	
Rupai Tea	Nil*	...	5%	...	...	
Singapore Para Rubber	2%*	Dec. 20	Nil	...	...	
Sylhet Tea	4%*	Dec. 31	Unchanged	...	...	
Tara Tea	Nil*	...	5%	...	...	
MINING						
Ayer Hitam	5%*	...	2½%	...	...	
Cam and Motor Gold	28%*	Dec. 31	20%	...	...	
Eastern Transvaal Consolidated	5%*	...	3½%	...	...	
Government Gold Areas	62½%*	Jan. 30	60%	125	120	
Great Boulder Proprietary	12½%*	Jan. 15	...	...	...	
Idris Hydraulic Tin	2½%*	Dec. 28	Unchanged	...	...	
Langlaagte Estate	12½%*	Jan. 30	7½%	22½	20	
New Pioneer Central Rand Gold	10%*	Feb. 4	...	...	...	
New State Areas	15%*	Jan. 30	12½%	27½	25	
Randfontein Estates	8½%*	Jan. 30	5%	13½	10	
Reigende Mines	2/6 p.s.	...	Unchanged	...	...	
Robinson Deep "B."	26½ p.s.	Jan. 30	23½%	53½	43½	
Sherwood Starr Gold	Nil*	...	Nil	...	...	
Simmer and Jack	(a) 10½%*	Jan. 30	16½%	20(a)	33½	
South African Coal Estates	5%*	...	2½%	...	...	
South African Townships	5%*	...	Nil	10	Nil	
Southern Trench Tin	2½%*	Dec. 29	...	...	...	
Sub-Nigel	80½%*	Jan. 30	70%	145	105	
Tapling Tin	5%*	Dec. 28	...	...	...	
Trench Mines	5%*	Dec. 31	...	...	...	
Van Ryn Deep	16½ p.s.	Jan. 30	10%	32½	20	
Van Ryn Gold Mines Estate	110%*	...	Unchanged	...	...	
West Rand Consolidated	15%*	...	6½%	22½	12½	
Witwatersrand Deep	10%*	...	Unchanged	20	20	
Witwatersrand Gold	7½ p.s.	Jan. 30	10%	15	20	
OTHER COMPANIES						
Aberdeen, Edinburgh and London Trust	...	...	...	3	Nil	
Advance Laundries	3½%*	...	3%*	...	...	
Anglo-Newfoundland Development	2½%*	...	Nil	...	...	
Associated Biscuit	12½%*	Jan. 1	1½%	...	...	
Australian Pastoral	...	...	...	3½	2½	
Bell and Co.	...	...	...	6½	5	
Bertrams	...	...	...	10	7½	
Birkenhead Brewery	6½ p.s.	...	...	9	8	
British Maritime Trust	5½ p.s.	Jan. 1	Unchanged	6	6	
British Steamship Investment (def.)	2%*	Jan. 1	Unchanged	...	...	

(a) Paid on a larger capital. † Free of Income Tax.

BLEACHERS' ASSOCIATION.—Directors state they are unable to recommend an interim dividend on 5½ per cent. cum. pref. in respect of year ending March 31, 1935 (dividend paid to June 30, 1933).

BRADFORD DYERS.—Directors have decided to pay interest on 4 per cent. deb. stock, as usual, on January 1st, and to defer dividend on 5 per cent. cum. pref. for the six months ending December 31st (dividend paid to December 31, 1932).

BRITISH TYRE AND RUBBER COMPANY, LTD. (FORMERLY BRITISH GOODRICH RUBBER).—The directors announce that the net profit for the year ended September 30, 1934, amounts to £126,714, after providing for depreciation of plant and machinery, and debenture interest, but before making allowance for income tax. This compares with a net profit for the year ended September 30, 1933, of £109,165. After providing for income tax and allocation of £40,000 (last year £30,000) to reserves, the directors will recommend payment of a final dividend of 5 per cent. less tax, making total dividends of 8 per cent., less tax, for the year. This compares with 6½ per cent., less tax, last year. The final dividend is payable on 800,000 ordinary shares of £1 each now issued, whilst the dividends last year were paid on an issued ordinary capital of 650,000 shares. The share register will be closed on December 8, 1934, to December 17, 1934, both dates inclusive, and the annual general meeting will be called for Monday, December 17, 1934.

DOMINION-SCOTTISH INVESTMENTS, LTD.—The directors have declared a dividend of 5 per cent. cumulative redeemable preference stock (par value \$50) of the company at the rate of 2 per cent. per annum for the quarter ending November 30, 1934, payable on December 1, 1934, to shareholders of record at the close of business on November 20, 1934.

EASTMAN KODAK COMPANY.—This company has declared an extra common dividend of 75 cents per share, payable on January 2, 1935, to stockholders of record on December 5, 1934. This payment will be in addition to the regular one dollar dividend, which was declared on November 8th.

KRAMAT TIN DREDGING, LTD.—The Anglo-Oriental and General Investment Trust Ltd., announce that the above company has declared an interim dividend of 1s. per share, plus a bonus of 1s. per share, both payable on December 19, 1934, and in respect of the year ending March 31, 1935, to shareholders registered on December 12, 1934. These dividends make total interims of 10 per cent., plus bonuses of 15 per cent. to date on account of current year to March 31, 1935, against total distribution of 20 per cent. for fourteen months to March 31, 1934.

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Dec. 7, 1934 (c) Week ended Dec. 8, 1934	Miles Open	Gross Receipts, week ended Dec. 9, 1934 (£'000)					Aggregate Gross Receipts 1934 compared with 1933, 49 weeks (£'000)				
		Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total	Total Receipts	Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total	Total Receipts
		£	£	£	£	£	£	£	£	£	£
Great Western	1934 3,750	170	185	109	464	9,855	8,825	4,854	13,679	23,534	22,936
(c) L. & N.	1934 3,339	270	339	260	869	15,048	15,330	11,165	26,695	41,743	41,743
Eastern	1933 6,339	264	331	273	868	14,802	14,531	10,362	24,893	39,695	39,695
L. M. & Scottish	1934 6,940	394	471	289	1,154	23,200	21,925	11,160	33,085	56,285	56,285
Southern	1933 6,941	385	466	305	1,156	22,812	20,588	10,740	31,328	54,140	54,140
(c) Week ended Dec. 8, 1934	1934 2,176	234	57	28	319	14,219	3,124	3,013	4,636	18,855	18,855
Total	1934 19,206	1,068	1,052	686	2,806	62,322	49,404	30,192	78,095	140,417	140,417
(c) Week ended Dec. 8, 1934	1933 19,213	1,048	1,036	726	2,810	61,433	49,553	27,329	73,783	135,216	135,216
(b) Belfast & Co. Down	1934 80	1-6	...	...	0-5	2-1	...	...	25-5	147-1	147-1
(c) Great Western	1933 80	1-6	...	...	0-5	2-1	...	...	25-5	147-1	147-1
(b) Northern	1933 562	7-4	...	...	43-2	2-0	...	...	419-4	904-3	904-3
(b) Great Southern	1933 2,158	22-1	...	...	43-2	65-3	...	...	1639-5	2806-5	2806-5
(c) Southern	1933 2,158	19-9	...	...	37-1	57-0	...	...	1541-8	2689-6	2689-6

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933:				
23 weeks to December 9, 1934	+ 199	+ 723	+ 569	+ 178
Weekly average second half 1934 latest week 1934 compared with 1933	+ 8½	+ 31½	+ 24½	+ 7½
1933	+ 2	- 2	+ 1	- 5

* Including receipts from ancillary businesses.

LONDON TRANSPORT

	£	£	£	£
Week ending December 8, 1934	£539,200	£539,200	£539,200	£539,200
Aggregate 23 weeks ending December 8, 1934	£12,217,200	£12,217,200	£12,217,200	£12,217,200

* For an explanation of the manner in which the figures are made up, see the *Economist*, March 17, 1934, page 610.
Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Milage	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
	1934			Rs.	Rs.	Rs.	Rs.
Assam Bengal	32	Nov. 10	1,330	3,75,900	+ 9,354	1,14,64,013	+ 15,49,454
Barsi Lt. Ry.	33	17	202	61,700	+ 24,300	12,01,100	- 95,300
Bengal & N. Western	7	17	2,112	5,85,134	- 66,817	37,59,724	- 2,98,102
Bengal-Nagpur	32	10	3,269	12,46,000	- 1,88,021	4,65,61,202	+ 34,56,934
Bombay, Bar. & C.I.	34	Dec. 1	3,072	22,60,000	+ 1,98,000	6,95,40,000	+ 31,04,000
Madras & S. Mahr.	33	Nov. 17	2,230	10,98,000	- 1,81,087	4,76,80,563	+ 4,60,533
Rohilk'd & Kumaon	7	17	572	1,11,712	+ 9,198	7,07,417	+ 37,748
South Indian	32	10	2,526	8,32,184	- 1,65,153	3,44,00,350	+ 7,83,340

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

WHILE there were no developments of outstanding importance in the commodity markets during the week ended last Wednesday, the firmer tendency of prices noticeable since the end of November has so far been maintained.

The publication of a slightly higher estimate of the United States' cotton crop had no influence on the market, and quotations actually rose a little. The latest cables concerning the development of wool sales in Australia are quite cheerful. On the other hand, jute prices were marked down, and buyers of Dundee jute manufactures are withholding orders in the hope of a further decline in the price of the raw material. Flax, supplies of which are controlled by the Soviet and Baltic monopolies, continued to rise in price during the past week. The latest quotation for this fibre (Slanzet medium first sort) is £

COAL

SHEFFIELD.—The coal market is more lively than for a long time, due in part to seasonal influences. A number of pits are working extra time until the Christmas stoppage. The increased output quota has released more tonnage for export and demand for prompt account is rather brisk, prices of best steams being firm at 17s. and 17s. 6d. f.o.b. Industrial requirements of steams, smalls and coke remain at a high level. Demand for house coal has expanded but continues poor for the time of year. Best qualities are quoted at 21s. to 23s. at pits. Demand for blast furnace coke is maintained at previous levels and supplies are larger owing to increased production. Prices on the open market are about 14s. 6d. at ovens. Foundry coke is also in a fairly strong position.

NEWCASTLE-ON-TYNE.—Northumberland steam collieries are heavily stemmed, there being very little coal of any description available for the remainder of this year. January also promises to open favourably as the seasonal demand is now more insistent particularly from the English coasting ports. Since the report of the Anglo-Polish Coal Pact there has been an increased inquiry from Scandinavia for screened coals over next year.

The Durham section has shown further improvement. Foreign coaling station trade in prime bunkers is brisk and there is a good demand from Spain for coking coal, pending the Asturian mines getting into working order.

Current f.o.b. prices for export: **NORTHUMBERLAND**—D.C.B. screened, 14s. 9d.; smalls, 11s. 6d.; Howards, Bentinck, Newbigin screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime large, 13s. 6d.; smalls, 11s.; Hartley Main large, 13s. 6d.; smalls, 11s. **DURHAM**—Lambton, South Hutton screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear special gas, 15s.; Holmside, Ryhope, Boldon unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking unscreened and/or smalls, 13s. 2d.; prime unscreened bunkers, 14s. 3d.; second-class unscreened bunkers, 13s. 6d.; prime foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—The Scottish coal market maintains a strong tone. Home requirements are on a larger scale than for some years, and despite the increase in production, supplies for the shipping branch are smaller. The collieries catering for the latter trade are well booked until the end of the month in both large coal and washed nuts, and already the prompt market is assuming the nominal appearance usual in the closing weeks of the year.

Shipment prices f.o.b. district ports: **LANARKSHIRE**—Ell best, 15s.; splint best, 17s.; splint second, 15s. 6d.; navigation, screened, 14s. 9d.—15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 13s.; trebles, 14s. 6d.—15s.; doubles, 13s. 6d.—13s. 9d.; singles, 12s. 6d.; pearls, 12s.; dross, 10s. **FIFE**—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 6d.; first-class steam, 13s. 9d.—14s.; third-class steam, 13s.—13s. 3d.; trebles, 14s.—16s.; doubles, 14s.; singles, 12s. 9d.—13s.; pearls, 11s. 9d.—12s. **LOTHIANS**—Prime steam, 13s. 6d.; secondary steam, 13s.; unscreened navigation, 12s. 6d.; trebles, 14s.—14s. 6d.; doubles, 14s.; singles, 12s. 3d.—12s. 6d.; pearls, 11s. 9d.—12s. **AYRSHIRE**—Best unscreened navigation, 14s. 3d.; jewel, 15s.; steam, 14s. 6d.; trebles, 15s. 6d.—15s. 9d.; doubles, 14s. to 14s. 6d.; singles, 13s. 9d.; pearls, 12s. 9d.; dross, 10s.

CARDIFF.—The outstanding event in the South Wales coal trade this week was the merging of the interests of the Powell Duffryn Steam Coal Company, Ltd., and the Welsh Associated Collieries, Ltd. These two undertakings own about 75 collieries with a potential productive capacity of over 20 million tons and a share and debenture capital of over £17 millions. The assets and liabilities of the two companies are to be transferred to an operating company, of which Mr Edmund L. Hann, the chairman of the Powell Duffryn Company, is to be the head. The Powell Duffryn Company are acquiring one-half of the £5,078,016 ordinary share capital of Welsh Associated Collieries by the issue of £1,181,509 Powell Duffryn ordinary shares at par, together with a cash payment of £87,995; while another condition of the deal is that the £1,831,457 preferred participating ordinary share capital of Welsh Associated Collieries is to be converted into preferred ordinary shares of that company with a fixed dividend of 4½ per cent. The revenue of the constituent companies will be derived from their respective shares in the profits of the operating company which will be distributed in agreed proportions "reflecting present-day earning capacity, additional profits being divided equally." The effect of the merger, if it goes through, as is probable, will be to eliminate still further the evil of inter-competition, while it is also hoped that it will facilitate economies both in production and in marketing and strengthen competitive power in overseas markets. The implications of the merger are discussed in a Note in the Stock Exchange section.

The Executive Board of the South Wales Coal Marketing Scheme on Monday approved the terms of the Anglo-Polish coal agreement. In market conditions there has been no change this week, and in spite of the approach of the holidays there has been little or no expansion in shipments.

Current approximate quotations: Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best dries, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; best anthracite large, 36s. to 38s. 6d.; Red Vein large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; stove nuts, 35s. to 45s.; French nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. 6d. French, 20s. 9d. to 21s. Portuguese.

IRON AND STEEL

MIDDLESBROUGH.—New business is not so plentiful, customers in most cases having now covered their requirements for the next few weeks. Prices of both Cleveland foundry iron and hematite pig iron remain fixed at the official minimum prices to home consumers. Shipments during the past week have been heavy, a large parcel of about 1,750 tons having been forwarded to Denmark, whilst further shipments have been made to Italy, Germany, and Norway; coastwise shipments to Scotland continue good.

The steel departments are maintaining a large output both for semi-manufactured and finished material, and producers have sufficient orders on the books to keep them busy for some time ahead. Heavy steel melting scrap is in good demand. Buyers are offering 51s. per ton delivered works with merchants asking for higher figures. Blast furnace coke remains at 20s. per ton delivered at the furnaces here; business in foreign ore is small but remains based on best Bilbao rubio ore at 17s. per ton c.i.f. Tees.

SHEFFIELD.—The proximity of the Christmas holiday is responsible for a further decline of buying in the materials market, and quietude is extending to the special steel department. Nevertheless the works maintain their former activity and there appears to be little, if any, anxiety as to work coming forward in the New Year. Conditions in the home market are as good as ever. New uses and applications are constantly bringing fresh business to the steel industry. Large inquiries and orders for stainless steel road studs have come to Sheffield lately. Railways and shipbuilders are buying more steel than a year ago. Export trade is better in some departments, but only moderate as a whole. The hand and engineers' small tool branches continue busy, but seasonal orders for cutlery and plate have suffered a sharp decline. Lysaghts, Ltd., are completing the erection of a huge strip and bar mill of the continuous type, in connection with their steel works in North Lincolnshire. Part of the huge steel works which have been erected at Corby by Stewarts and Lloyds, Ltd., will be started next week with several hundred workmen. These works contain the only plant in the country producing basic Bessemer steel, users of such steel having obtained supplies from the Continent in the past.

GLASGOW.—Works are practically all busy in the West of Scotland and reports received from various quarters indicate that the volume of new work coming in is on the increase. There is no change in the position at the steel plants, where full-time working has been general for some considerable time now. There are a few more sheet mills operating this week, but this department of the industry is not securing sufficient tonnage of export business to enable the makers to keep all plant running, notwithstanding the great demands of the home trade. Clyde ship repairers have had a large amount of work during the present week. Machinery makers in Glasgow and district are all fully employed just now and the amount of new business coming forward is very satisfactory.

CARDIFF.—On the Swansea Metal Exchange on Tuesday export business in tinplates was comparatively quiet, but there was a fair inquiry for supplies for the home market. Prices are unaltered. For tinplates the scheduled c.i.f. quotations were firm; galvanised sheets for markets other than India and Scandinavia were ruling from £11 5s. to £11 15s.; and steel bars at £5 2s. 6d. per ton. Shipments of tinplates from Swansea at 85,736 boxes were practically the same as in the previous week and in the corresponding week last year, but stocks at 126,380 boxes were about 4,000 more than the previous week, but 8,000 less than a year ago.

OTHER METALS

Sentiment on the copper market has improved a little, although business continues small. It has been rumoured this week that the Rhodesians and the Belgians held a preliminary meeting in London to prepare for a world conference, but such discussions always take place when one of the Belgian copper leaders visits London, and too much significance should not, therefore, be attached to it. The statements of Sir Auckland C. Geddes at the annual meeting of the Rhokana Corporation confirm the view that no basis for a world agreement has yet been found. In the absence of definite news regarding restriction, it seems improbable that purchases will show any signs of expansion before Christmas, but it is expected that consumers will begin to cover their requirements early in the New Year. Since producers are interested in obtaining higher prices towards the end of the year—for the valuation of stocks in the annual balance sheets—it is likely that prices may show some increase by the end of the present month.

Although tin prices have shown little change, the better tone of the market has not been fully maintained. But consumers' stocks are low and a seasonal expansion in activity in the tinplate and motor industries is now due, so that purchases must increase in the next few weeks. It may then appear that production quotas are too low. On the Continent, German tinplate exporters are already undercutting the prices fixed by the new tinplate convention. Although the success of the latter was doubtful from the beginning, these early difficulties are somewhat surprising.

Lead and spelter have been slightly easier in price, although demand continues fair. There are no important new developments to report. Sales of platinum, which have been on a large scale throughout the year, showed a further increase in recent weeks. The sharp decline in price over the past few years has increased the popularity of the metal, which now has a Christmas season. The official quotation remains at £7 15s. per ounce, but the actual price paid varies from £6 5s. to £6 15s., according to the size of the order.

TIN.—Sales of tin on the London Metal Exchange: 150 tons on Monday, against 200 tons last week; 110 tons on Tuesday, against 350 last week; 60 tons on Wednesday, against 475 tons last week.

The New York quotation on Wednesday was 50.90 cents per lb., against 50.90 cents a week ago and 51.20 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 10s. to £228 12s. 6d., compared with £228 7s. 6d. to £228 10s. last week. Stocks in London and Liverpool at the end of last week were 3,774 tons, a decrease of 208 tons on the week.

COPPER.—Sales on the London Metal Exchange: 1,200 tons on Monday, against 1,300 tons last week; 1,375 tons on Tuesday, against 1,500 tons last week; 1,200 tons on Wednesday, against 850 tons last week. Domestic spot was quoted at 6.67½ cents per lb. in New York on Wednesday, against 6.52½ cents a week ago and 6.65 cents a month ago. Wednesday's official closing price for standard cash in London was £27 13s. 9d. to £27 15s., compared with £27 3s. 9d. to £27 5s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 41,585 tons, show an increase of 1,437 tons, and stocks of rough copper, at 10,485 tons, a decrease of 130 tons.

LEAD.—Sales on the London Metal Exchange: 950 tons on Monday, against 500 tons last week; 650 tons on Tuesday, against 1,000 tons last week; nil on Wednesday, against 750 tons last week. The New York quotation on Wednesday was 3.50 cents per lb., against 3.50 cents a week ago and 3.60 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 2s. 6d. for shipment during the current month, compared with £10 6s. 3d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 400 tons on Monday, against 400 tons last week; 425 tons on Tuesday, against 975 last week; 150 tons on Wednesday, against 600 tons last week. Wednesday's quotation in East St. Louis was 3.70 cents per lb., against 3.70 cents the week before, and 3.75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 13s. 9d. for shipment during the current month, against £11 16s. 3d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel at £200 to £205 per ton, remains unchanged. Quicksilver was quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs., as against £11 10s. to £11 12s. 6d. per flask of 76 lbs. last week. Foreign antimony was quoted at £60 to £61 per ton, as against £60 per ton last week. Chinese wolfram was again quoted at 39s. to 41s. per unit c.i.f. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. — Throughout the past week only minor changes have occurred in raw cotton prices. The American Government crop statistics published at the end of last week were featureless and came through as expected. Very little interest is now being taken in the current crop, most attention being centred on the prospects for next season. According to local merchants, rather more material is being offered by the Southern States, but the basis remains very stiff and makes business difficult. It is significant that exports from America so far this season are 42 per cent. smaller than a year ago. The demand for outside growths continues active.

Although the general inquiry in piece goods has been of fair extent, most of the orders booked have been of a sorting-up character. Restricted buying has taken place for India, chiefly in light bleaching descriptions. Cloths for printing and dyeing continue to be sold for South America and Scandinavia. Some fairly substantial lines have been mentioned in dress materials for the Dominions, especially South Africa. Fresh contracts in home-trade fabrics have not been important, but fairly encouraging delivery instructions are being received from the wholesale houses.

In American yarns, most of the demand has run on the coarser counts. Some spinners of Egyptian qualities have sold a little more freely and rather better news has come from Germany with regard to trade prospects. An attempt is now being made to arrange a minimum price scheme for Egyptian yarns on a legal basis, but the proposals cannot be put into operation without the support of 90 per cent. of the spindles concerned.

COTTON PRICES

	1934				Corresponding Date	
	Nov. 21	Nov. 28	Dec. 5	Dec. 12	1932	1933
Raw Cotton—Mid. American per lb.	6-85	7-07	7-04	7-08	5-11	5-33
Sakellaridis Fully Good Fair Egyptian..... per lb.	8-95	9-24	9-18	9-07	7-15	7-20
Yarns—32's twist..... per lb.	10½	10½	10½	10½	9	9½
" 40's twist..... per lb.	10½	10½	10½	10½	9½	9½
" 60's twist (Egyptian)..... per lb.	10½	10½	10½	10½	15½	16½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	24	0	24	0	19	4½ 21 3
38-in. ditto, 93 yds., 18 by 18, 10 lb.	10	10	10	10	9	10 10 10 6
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	9	9	9	9	8	9 9 9 4

AMERICAN COTTON CROP.—There was no excitement whatever in the raw cotton markets of the world at the end of last week, when the Department of Agriculture of the United States Government published further statistics relating to the crop for this season. As anticipated, the estimate of production was slightly increased from 9,634,000 bales a month ago to 9,731,000 bales. The yield per acre was reduced from 169.3 lbs. to 169.2 lbs., the area left for harvest being given as 27,515,000 acres. It was stated that up to the end of November 9,030,000 bales had been ginned, against

12,106,000 bales same time last year, and the amount given indicates that the crop forecast will be realised. With a carry-over from last season of 10,500,000 bales, the available supplies for the twelve months will be about 20,250,000 bales. There is some difference of opinion as to the probable world consumption, but this is likely to be between 11,000,000 and 11,500,000 bales. The strength of prices for some little time back has been due to the 12-cent loan plan of the Government, the material being very firmly held. There is some concern, however, in the United States owing to the decline in export trade, and shipments so far this season are 42 per cent. smaller than a year ago. It remains to be seen whether the present price of American cotton can be maintained in view of increasing supplies and consumption of outside growths.

JUTE.—Dundee. — The jute market has quietened down considerably as the result of the advance in raw jute prices being checked, and buyers of yarns and cloth, who were on the point of placing good orders, are withholding them in the hope of lower prices. Spinners and manufacturers, while being quite busy with orders in hand for delivery this year, have little to go upon for delivery next year, and there is an inclination to shade prices in order to induce buyers to operate. But the latter, though apparently having business to place, are still undecided and only a renewed advance in prices for raw jute will bring out orders on a larger scale. Much depends upon the scheme of the Government of Bengal for the restriction of sowings for next season's crop of jute, and the statement as to the extent of restriction aimed at, promised for the first week in January, is eagerly awaited. This scheme has already been responsible for the raising of jute prices since the middle of November, when it was first actually taken in hand, though recently there has been a tendency to weakness.

Daisee 2/3, which had risen from £13 12s. 6d. to £15 2s. 6d., has dropped back again to £14 15s. for the full group and to £15 for good single marks, and Daisee-4 quoted at £13 17s. 6d., while Tossa-2/3 is offered at £15 17s. 6d. and 4's at £14 15s., December-January. Good First Marks are quoted at £19 15s. and Lightnings at from £17 17s. 6d., with Hearts at from £13 17s. 6d. for grade quality to £16 10s. for SCC-H, December-January.

Jute yarns are very quiet and prices of the hessian descriptions are more or less nominal in the absence of a test. The quoted rates are still 1s. 10d. for common 8-lb. cops and 1s. 10½d. for 8-lb. spools, while twist is offered at 3½d. to 3¾d. for 3-ply 8-lb., and sacking yarns are unchanged at 2½d. for 24-lb. weft and 3d. for 8-lb. chains. Rove remains at £17 for 48-lb. and £14 for 200-lb., and the finer yarns are slow at unaltered rates.

Only a few orders are being placed for jute cloth for delivery after the end of the year, delivery being very difficult to obtain before then. A strike of stevedores in Calcutta has been responsible for some business being done here for forward delivery. Prices are 2½d. for 10½-oz. 40-in. and 2d. for 8-oz., for delivery in 1935, and firm at ¾d. more for anything obtainable this year. A fair inquiry continues to be made, but little fresh business is now expected during the remainder of the year. Linoleum Hessians and heavy goods are quiet, but steady.

Calcutta goods have shown slight weakness during the past week, but there is an undertone of steadiness.

GRAIN MARKETS

WHEAT.—Quotations have hardened slightly during the past week, demand from Continental purchasers having improved. It is also reported that Oriental buyers are interested in Australian varieties, partly on account of the smallness of the rice crop. Australian output is smaller this season than last, and no American competition for the Oriental demand is anticipated. Unfavourable weather in both Australia and Argentina has delayed the harvest in those countries. According to the *Corn Trade News*, an official revision of the French crop raises the estimate by three million quarters to 41.5 million quarters.

According to Mr G. Broomhall, total shipments during the past week were 1,168,000 quarters, against 1,278,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 100½ cents per bushel, against 102½ cents the week before and 99½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 34s. per 496 lbs., against 33s. 9d. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 31s. 6d., against 31s. 3d. Australian, ex ship, 25s. 6d. to 25s. 9d., against 25s. 3d. to 25s. 9d. a week ago.

FLOUR.—Demand continues quiet, and quotations are generally unchanged. North American shipments were 135,000 sacks in the past week, as compared with 128,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 6d. to 26s. 6d., against 24s. 6d. to 26s. 6d. Australian, ex store, 19s. 6d. to 20s., against 19s. to 20s.

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BARLEY.—Prices continue firm for most varieties of feeding barley, but it is reported that the quality of English malting grades is poor. "December" futures were quoted at 53½ cents per bushel in Winnipeg on Wednesday, against 56½ cents last week and 55 cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 30s. to 50s., against 30s. to 50s. a week.

OATS.—Demand has been rather slow and quotations, both here and in Chicago, have shown a tendency to ease this week. On Wednesday, "December" futures were quoted at 54½ cents per bushel in Chicago, against 57½ cents a week ago and 51½ cents last month. Quotations in London, Wednesday: "River Plate," landed, not quoted; "Chilean White," landed, 24s. to 24s. 6d., against 24s. to 24s. 6d. a week earlier.

MAIZE.—Supplies are ample, and trade has been rather quiet, quotations being generally below those ruling a week ago. "December" futures were quoted on Wednesday at 91½ cents per bushel in Chicago, against 94½ cents a week ago and 81 cents last month. Quotations in London, Wednesday: "Plate," ex ship, 22s. 3d., as against 22s. 9d.; "Plate," "December," 22s. 6d., as against 23s. 6d. Yellow maize meal, ex wharf, was quoted £6 5s. to £6 7s. 6d. per ton, against £6 5s. to £6 7s. 6d. per ton a week ago.

COMPARATIVE AVERAGES OF GRAIN.—The following table gives the estimated sale of home-grown wheat during the harvest years 1931-32 to 1934-35:—

	1931-1932	1932-1933	1933-1934	1934-1935
Estimated sales of home-grown wheat—				
1 week to December 8	Cwts. 82,018	Cwts. 267,558	Cwts. 338,534	Cwts. 380,540
15 weeks to December 8	1,119,075	4,047,365	4,972,425	6,477,196
Average price of English wheat per cwt.	s. d. 6 5	s. d. 5 4	s. d. 4 7	s. d. 4 10

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Dec. 6, 1930	Cwts. 102,253	Cwts. 324,310	Cwts. 34,274	s. d. 6 4	s. d. 8 5	s. d. 5 8
Dec. 5, 1931	61,685	405,398	54,592	6 7	8 5	7 0
Dec. 10, 1932	267,538	346,273	54,633	5 4	6 11	5 9
Dec. 9, 1933	338,534	375,163	45,712	4 7	9 2	5 3
Dec. 1, 1934	331,556	363,718	54,291	4 11	8 10	6 9
Dec. 8, 1934	380,540	312,573	41,241	4 10	8 7	6 8

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

Nearest Future	Jan. 4, 1932	Jan. 4, 1933	Dec. 13, 1933	Jan. 3, 1934	Dec. 5, 1934	Dec. 12, 1934
Winnipeg (No. 1 Manitoba)						
—Cents per 60 lb.	62½	46½	60½	65½	80½	78
Chicago (No. 2 Winter)						
—Cents per 60 lb.	55½	46½	83½	84½	102½	100½

The visible supply of wheat in Canada, at 123,639,000 bushels, shows a decrease of 174,000 bushels on the week. Supplies a year ago amounted to 114,224,000 bushels.

OTHER FOODS

SUGAR.—The market for raw sugar, both in London and New York, remains quiet, and quotations are unchanged on the week. The spot price in New York on Wednesday was 3.085 cents per lb., as compared with 3.085 cents per lb. last week and 2.86 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "March delivery" at 4s. 4½d. to 4s. 5d., against 4s. 5½d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
London.....	649	934	1,373	1,849	16,285	16,143
Liverpool.....	36,554	10,119	13,722	13,560	168,510	103,217
Total tons ...	37,203	11,053	15,095	15,409	184,795	119,360
Last week	33,359	11,651	15,394	13,835	162,687	123,716

COFFEE.—The New York market has again been steady, and quotations have been advanced slightly. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. The London spot market has again been quietly steady, prices remaining unchanged. Last week's movements of coffee in London were as follows: Brazilian, landed, 13 bags; delivered, for home consumption 87 bags; exported, 69 bags; stocks, 27,936 bags, against 24,572 bags a year ago. Central American, landed, 1,079 packages; delivered, for home consumption, 2,398 packages; exported, 1,393 packages; stocks, 73,637 packages, against 59,927 packages last year. Other kinds: Landed, 3,108 packages; delivered, for home consumption, 2,625 packages; exported, 443 packages; stocks, 70,675 packages, against 100,982 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5 cents per lb., against 5½ cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "December-February," was 21s. 3d. per 50 kilos, c.i.f. Continent, as against 20s. 6d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 11,406 bags; delivered, for home consumption, 4,996 bags; exported, 1,424 bags; stocks, 140,895 bags, against 105,682 bags a year ago.

TEA.—The quantities catalogued for this week's auctions amounted to 51,797 packages of Indian and 18,806 packages of Ceylon tea. Although the demand was generally quite good, quotations for most varieties were rather lower than of late. It is learned that no further public sales of Indian grades will take place until January 7, 1935. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

AVERAGE PRICE PER LB.									
Week ending	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land	Total		
Dec. 7, 1933	13-21	13-45	15-23	11-29	10-29	Nil	13-42		
Nov. 8, 1934	13-21	11-62	14-39	10-23	9-28	10-75	12-51		
Nov. 15, "	13-10	11-51	14-15	10-29	9-57	10-69	12-39		
Nov. 22, "	11-96	11-45	13-73	10-30	9-21	10-83	12-09		
Nov. 29, "	11-66	11-50	13-39	10-69	9-31	10-85	11-90		
Dec. 6, "	11-72	11-53	13-26	10-19	9-53	11-10	11-93		

RICE.—The "spot" price was 8s. 3d. per cwt. on Wednesday, as compared with 8s. 3d. per cwt. a week ago, while the forward quotation, at 6s. 10½d. per cwt. (new crop) also remains unchanged. Movements in London during the past week were as follows: Landed: 1 ton; delivered, 256 tons; stocks, 2,349 tons, against 2,199 tons a year ago.

POTATOES.—The Potato Marketing Board has decided to impose more severe riddle regulations, at least until January 12, 1935, in order to reduce the supplies on offer at the markets. It is suggested, however, that home supplies are not excessive, and that producers who withhold their crop until January or February will be able to realise a higher price. Sales from Scotland are reported to have been heavy in recent weeks, and the Board are therefore offering £2 5s. per ton for potatoes held for January delivery. This has had a steadying influence on the market, and it is probable that a spell of colder weather would result in a substantial improvement in demand. Supplies at the London Borough Market on Tuesday were ample, and quotations eased slightly. Light soil "King Edward" sold at 5s. 6d. to 6s. per cwt., ex market, as against 5s. 9d. to 6s. 3d. last week.

SPICES.—"Lampong" was quoted at 6½d. per lb. on Wednesday, against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 124 tons; delivered, 43 tons; stocks, 718 tons, against 643 tons a year ago. White, landed, 862 tons; delivered, 38 tons; stocks, 12,234 tons, against 2,113 tons a year ago.

MEAT.—Trade has been rather slow this week, but prices show little change as compared with those ruling a week ago. At Smithfield on Wednesday, Argentine beef, chilled hindquarters, was quoted at 3s. 10d. to 4s. 2d. per 8 lbs., as compared with 3s. 4d. to 3s. 8d. last week. New Zealand frozen mutton was 2s. 10d. to 3s. 6d. per 8 lbs., against 2s. 10d. to 3s. 6d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 9,058 tons, against 9,805 tons in the corresponding week last year. Imported beef, principally Argentine, formed 82.4 per cent. of the beef supplies, against 82.1 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 71.6 per cent. of the total supply of mutton and lamb, against 66.7 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets generally have taken a quieter turn, and there is very little disposition to do business. Reports as to the progress of the new linseed crop in Argentina vary, but after the recent rains warmer conditions are required to assist harvesting. A wide diversity of opinion prevails as to the extent of the deterioration, but the situation should be clarified by the official estimate of probable yield now due for publication. Meanwhile, prices have eased, and buyers are out of the market. New crop Plate for January-February shipment to Hull is now quoted around £9 7s. 6d. per ton delivered. Indian linseed fails to attract attention. The quantity of linseed now afloat for Europe is 75,400 tons (including 11,800 tons from India), or 21,500 tons less than last week; and for the United States and Canada 28,800 tons,

against 35,300 tons a year ago. Cottonseed, after a period of firmness, is quiet. Black Egyptian for December-January loading is offered freely at £6 5s.

The recent advance in linseed oil has not been maintained, and quotations are about 12s. 6d. below the highest. Raw oil, ex Hull, for December delivery is quoted at £18 15s. per ton (naked) and January-April, £19. Cotton oil remains firm, and is held for more money. Egyptian crude, ex Hull, is quoted £20, and refined £22 per ton, prompt. Oilcakes are in better demand, and are firm.

RUBBER.—According to Messrs Symington and Wilson, the rubber market has again fluctuated only within narrow limits, although quotations have eased slightly since last week. It is

understood that the business before the International Rubber Regulation Committee at its meeting this week was of a purely formal nature.

In New York, Wednesday's spot price for rubber, at 12½ cents per lb., compared with 12½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 6½d. to 6½d. for January-March, 1935, as against 6½d. to 6½d. a week ago. Stocks in London and Liverpool at the end of last week, at 129,462 tons, show an increase of 1,397 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, December 12th.				POTATOES				WOOL				INDIGO					
CEREALS AND MEAT				English, per cwt.				English Southdown, greasy, per lb.				Cape					
GRAIN, &c.	s.	d.	d.	s.	d.	d.	s.	d.	d.	s.	d.	d.	s.	d.	d.		
Wheat—				5	6	6	0			13			0	3	0		
No. 2, N. Man. 496 lb.	31	6								Lincoln hog, washed.	7			0	5		
Eng. Gaz. av., per cwt.	4	10								Queensland, scd. super cmbg.	22			0	1		
Barley, Eng. Gaz. av.	8	7								N.S.W. greasy, super cmbg.	11			0	4		
Oats, 1½ Plata, landed,	6	8								N.Z., gray, half-bred 50-55	9			0	4		
480 lb.	23	0								Tops—	25			0	4		
Flour, Lon. stan. ex mill,	22	3								Crossbred 40-44	5½			0	4		
280 lb.	22	3								Merinos 70's	25½			0	4		
Rice, No. 2 Burma, per cwt.	6	10½								64's	24½			0	4		
Tapioca, per cwt.	12	4½								Crossbred 48's	11½			0	4		
Fair Flake, Singapore..	12	4½								46's	10½			0	4		
MEAT				SUGAR				MINERALS				INDIGO					
Beef, per 8 lbs.	3	8	4	6						COAL—	s.	d.	s.	d.	Bengal gd. red-vio. to		
English long sides	3	10	4	2						Welsh, best Ad'ty	19	6			5		
Argentine chilled hinds	5	4	6	0						Durham, best gas, f.o.b.	14	8			per lb.		
Mutton, per 8 lbs.	2	10	3	6						Tyne—	21	0	23	0	Sale Bends 8/12 lb.—		
English wethers	4	0	4	10						Sheffield, best house, at	21	0	23	0	per lb.		
N.Z. frozen	5	10	3	6						pits	21	0	23	0	Bark Tanned Sole		
Lamb, per 8 lbs.	6	0	6	8						IRON AND STEEL—					Shoulders fm DS Hides		
N.Z. frozen	6	0	6	8						Pig, Cleveland No. 3, d/d.					Do. Eng. or WS do.		
Pork, English, per 8 lbs.	6	0	6	8						ton 67 6					Belles from DS do.		
OTHER FOODS				TEA				METALS				VEGETABLE OILS—					
BACON—										Bars, M'brough	192	6			Linseed, naked, p. ton net		
English—per cwt.	86	0	90	0						Steel Rails, heavy	170	0			Rape, refined		
Irish—	83	0	89	0						Tin plates	per box 18 2				Cotton-seed, crude		
Danish—	88	0								Copper, Electrolytic, ton 31/0	31/10				Coconut, rude		
Dutch—	84	0								Sheets (strong)	58/0				Palma, Linsed		
HAMS				Incon—per lb.				Standard <th colspan="4">Oil Cakes, Linsed</th>				Oil Cakes, Linsed					
Canadian—	86	0	90	0						Lead, Eng. pig	per ton 11/15/0				per ton		
American—	85	0	90	0						Soft Foreign	10/2/6	10/8/9			Oil Seeds—Linsed—		
BUTTER—										Spelter G.O.B.	11/13/9	11/17/6			La Plata, p. ton,		
Australian—	69	0	70	0						Tin—English ingots	228/15/0				Dec.		
New Zealand—	71	0								Standard cash	228/10/0	228/12/6			Calcutta—per ton		
Danish—	125	0	126	0						MISCELLANEOUS				PETROLEUM PRODUCTS—			
CHEESE				Ceylon—per lb.				CHEMICALS—				Turpentine, per cwt.					
Canadian—per cwt.	55	0								Acid, citric, per lb., less 5%	0	10	0	10½	Petroleum, Amer. rd.		
New Zealand—	43	0	43	6						Nitric.	0	2½	0	4	bri. London—per gal.		
English Cheddars	82	0	90	0						Oxalic, net.	0	5			Fuel oil, in bulk, for		
Dutch—	44	0	50	0						Tartaric, English, less 5%	1	0	1	0½	contracts, ex instal.		
COCOA				TOBACCO				Alcohol, Plain Ethyl. <th colspan="4">Diesel</th>				Diesel					
(Duty, British grown,	21	6	22	0						Alum, lump	per ton 8 15	9			Thames		
11/8; foreign, 14/- cwt.)	38	0	46	0						Ammonia, carb.	ton 27 10	28	0		per gal.		
Accra, f.f., per cwt.	30	0	34	0						Sulphate	6/19/0	7/5/0			per gal.		
Trinidad—	30	0	34	0						Arsenic, lump	per ton 35	0	9	10		per gal.	
Grenada—	30	0	34	0						Bleaching powder, per ton	s.	d.	s.	d.		per gal.	
COFFEE				RHODANES				Borax, gran <th colspan="4">ROBIN—</th>				ROBIN—					
(Duty, British grown,	17	6	18	6						Do., powder	13	6			American	per ton 12/5/0	14/5/0
4/8; foreign, 14/- cwt.)	16	6	17	6						Nitrate of Soda	per cwt. 7	9	8	0			
Santos sup. c. & f. cwt.	49	0								Potash—Chlorate, net	0	4½	0	5			
Colombian, good	54	0	65	0						Sulphate	per cwt. 12	12	3				
Costa Rica, med. to good	62	0	85	0						Soda Ammoniac	per cwt. 42	6	45	0			
East Indian	60	0	82	0						Soda Bicarb.	per cwt. 10	11	0				
" "	50	0	62	0						Crystals	per cwt. 5	0	5	3			
" medium	50	0	62	0						Sulphate of Copper, per ton 15 10				SHELLS—			
EGGS				FLAX				CEMENT, best Eng. Portland, d.s. site.				TN Orange					
English—per 120	17	6	18	6						Lime, area, jute sacks	12	10	1	0			
Danish—	16	6	17	6						(charged and credited at 1/6d. each or							
FRUIT—Oranges—				LIVONIAN				paper bags 20 to ton (free, non-return-				SHELLS—					
Denia	8	0	15	0						able)—	4	ton loads and upwards 40/- per ton					
Lemons, Malaga	7	0	11	0						1	ton loads and upwards 40/- per ton						
" Sicilian	7	0	11	0						COPRA	S.D. traits c.i.f., per ton	9/13/9					
Apples: Amer. (var.) bris.	10	0	12	0						Smoked South Sea	8/0/0						
" (var.) boxes	10	0	12	0						DRUGS—				TALLOW—			
" Australian	10	0	12	0						Camphor—	s.	d.	s.	d.	London Town	per cwt. 19 6	
ONIONS				JUTE <th colspan="4">Japan<th colspan="4">Ash</th></th>				Japan <th colspan="4">Ash</th>				Ash					
Valencia, case	8	0	8	6						per lb.	2	1					
Egyptian, bags	10	0	14	0						Ipracuanha	per lb.	5	0				
Grapes, Lisbon, ½ boxes	10	0	14	0						Peppermint, Wayne Co.	14	3	14	5			
Almeria " bris.	10	0	14	0						HIDES—				English Oak Planks			
LARD				TUSAH <th colspan="4">Wet salted—Australian<th colspan="4">Ash</th></th>				Wet salted—Australian <th colspan="4">Ash</th>				Ash					
Irish bladders, pr. cwt.	56	0	59	0						per lb.	0	3½	0	4			
U.S. 56 lbs. boxes	51	6	54	9						West Indian <th colspan="4">Ash</th>				Ash			
											0	3	0	3½			

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Savings Bank Balances	124,065,378
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Rural Credits Department	2,277,815
Other Items	12,402,000
Total	£276,381,318

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Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
Total	£23,710,000

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The directors of The Cunard Steam Ship Company, Limited, have resolved to defer payment of the dividends on the 5 per cent. Cumulative Preference Stock and 6 per cent. Second Cumulative Preference Stock of the Company, due to be made on the 1st January next for the half year ending 31st December, 1934.

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A. VALLS, Manager.

London, 17th December, 1934.

TERRITORY OF SOUTHERN RHODESIA SALISBURY MUNICIPAL LOAN

ISSUE OF £100,000 4% PER CENT. BONDS TO BEARER OF £100 EACH
NOTICE IS HEREBY GIVEN that in accordance with the conditions on which the above Loan was issued the following BONDS were on the 6th December, 1934, DRAWN for REDEMPTION at par on 31st December, 1934:

BONDS NUMBERED
28, 81, 113, 232, 284, 358, 387, 465, 490, 506, 516, 530, 560, 648, 654, 682, 784, 852, 991, 993
viz.:—20 Bonds of £100 each.
Presented by: J. D. Watts, Notary Public of the firm of Cheeswright Casey, Duff Watts and Co., Notaries, St. Dunstan's Buildings, E.C.3.
The Bonds and all interest Coupons not then due must be left at the office of the Standard Bank of South Africa, Limited, 10 Clement's Lane, E.C.4, three clear days for examination. Payment of principal will be made on and after 31st December, 1934. The Bonds will cease to bear interest from 31st December, 1934. For the Standard Bank of South Africa, Limited.
BERTRAM LOWNDES, Manager.
10 Clement's Lane, London, E.C.4.
December 6, 1934.

THE FINANCIAL NEWS

Special articles due to appear next week on the Leader Page of THE FINANCIAL NEWS are as follows:

MONDAY, DECEMBER 17th—THE NEWSPRINT INDUSTRY—2, by a Special Correspondent. This article deals with the position of such leading Companies as Bowaters, Edward Lloyd and Albert E. Reed. (The first article appears in our issue of Saturday, December 15th.)

TUESDAY, DECEMBER 18th—"MINOTAUR," our Special Mining Correspondent, writes on the EAST AFRICAN GOLDFIELDS. An expert survey, illustrated by a map, of the Lupa and other goldfields of East Africa.

WEDNESDAY, DECEMBER 19th—Dr. Paul Einzig on THE FUTURE OF GOLD. A practical forecast of conditions in the Gold Market in the coming years.

THURSDAY, DECEMBER 20th—INDIA'S ECONOMIC PROSPECTS, by C. S. Rangaswami, Managing Editor of "Indian Finance," the leading Indian financial paper.

FRIDAY & SATURDAY, DECEMBER 21st & 22nd—RATIONALISATION IN THE COTTON INDUSTRY, by Godfrey Craven. The writer takes the view that the large scale merger has provided an inadequate means of reconstruction and sums up the prospects for the success of "The Redundancy Scheme" and the plan for a new Central Association.

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"FIRMER AT THE CLOSE"

ON Friday of this week Parliament adjourned and the politicians, following the good example of the younger generation, "broke up" for the Christmas holidays. The festive season is a time for laying aside the affairs of the workaday world. But it is also a time for reflection; and it may well be that our rulers may find a quiet moment in the next few days to ask themselves what we have achieved in the past twelve months, whither we are heading, and where we stand to-day.

Anyone who asks himself such questions must for the most part answer with a note of interrogation. A year which has seen the outbreak of civil strife in Austria, a sanguinary "cleansing" process in Germany and the startling assassinations at Vienna and Marseilles, can hardly be termed uneventful. Yet from the standpoint of world history it is not untrue to say that it has been a year of incident rather than of great change—a year of eddy and cross-current which makes it difficult to assess the movement of the stream. Though 1934 is packed with outstanding events, they are not to be compared in secular importance with those of 1933, which saw the Hitler revolution in Germany and the inauguration of the New Deal in the United States.

On the international plane, the approach of 1935 has for some time past been awaited with misgiving. Opening with the plebiscite in the Saar, it is the year in which the withdrawals of Germany and Japan from the League of Nations are due to take effect; while the question of naval armaments, which automatically comes up for consideration under the Washington Treaty, has been thrown once more into the melting pot by Japan's demand for naval parity with Great Britain and America. All these three matters must add seriously to the anxiety of those on whom responsibility rests for ordering the world's affairs.

Yet, paradoxical though it may seem, the year ends with the world in a better frame of mind than seemed probable a few months ago. In Europe, tempers seem to have cooled and some fears have been set at rest. The action taken at the recent Council meeting at Geneva has furnished an assurance that the Saar plebiscite will be

carried out without disturbance, and by its handling of Jugoslavia's complaint against Hungary the League has removed the danger of imminent crisis in Central Europe. As to Germany, there are many signs of the changing temper of her rulers. Throughout the year it has been made clear again and again that the "Leader" is not looking for international trouble; and, if the decision reached as a result of the Saar plebiscite does not unduly exacerbate opinion, there is real ground for hope that in the coming year an agreement may be reached regarding the limitation of armaments, and that this time next year Germany may be found in her proper place at Geneva.

Indeed, it is not the least of the many paradoxes in the puzzling story of 1934 that, in a year when the Disarmament Conference has ended in virtual deadlock, the League of Nations comes out with enhanced prestige. Its value as a means of securing peace has once again been strikingly demonstrated; its membership has been strengthened by the adhesion of Russia (the largest territorial unit in the world); and there are signs that the United States, deeply stirred by the revelation of the Senatorial inquiry into the Arms traffic, is prepared to work much more closely in collaboration with Geneva—if not actually to take the seat left vacant for her in 1920.

When we seek to explain what lies behind this improvement in the situation, perhaps the chief weight should be assigned to the temper of public opinion all over the world, and to its alarm at events which have revived the possibility of war. Whatever may be said of the much discussed "peace ballot" in this country, the votes cast are undoubtedly a symptom of public uneasiness, and it is significant that it is now proposed to imitate it in France, whose Prime Minister has also declared his readiness to participate in concerted measures for the control of the trade in arms.

This evidence of the importance of public opinion suggests further reflections. While there are some grounds for believing that international tension has begun to relax in 1934, it is quite possible that the present year has also seen the passing of the crisis of democracy. Dictators are still in power in Germany, Austria and Italy, and two of these

countries have been the scene of bloody repression. But in both cases the event has proved the impossibility of destroying the influence of public opinion even when the Press is controlled or freedom of speech denied. The threatened overthrow of Parliamentarianism in France has not yet taken place, while our British Fascists, who enjoyed for a while a little reflected glory from the stirring events in Europe, have steadily faded into the background as it has become increasingly evident that dictatorship is neither pleasant nor profitable.

But what of the home front? Here, too, the end of the year has brought the Government slightly enhanced prestige. And not before it was needed. In the middle years of a Parliamentary term Governments commonly show signs of staleness; but the growing indifference to its fate revealed in the bye-elections of the year and its complete failure to arouse any enthusiasm either in or out of Parliament has been exceptionally marked. The economic recovery has been hanging fire; there has been little sign of any plan for grappling with unemployment; economic policy was at sixes and sevens, and international affairs seemed drifting into chaos. In the past month there has been a slight revival in the Government stock. The offer to send troops to the Saar—in defiance of Lord Beaverbrook's clamour for "isolation"—and Mr Eden's success with Yugoslavia and Hungary has been followed by a resounding victory for Mr Baldwin's India policy, which has averted, at all events for the present, any possibility of disintegration of the Conservative Party. In domestic affairs the Government's plan for dealing with housing and the depressed areas has caused profound disappointment, while the announcement of subsidy after subsidy is a sign of the bankruptcy—if not of the nation, at all events of its economic statesmanship. The activities of certain departments, such as the Ministry of Transport; the decision to make a survey of our water resources; and the announcement of the surprisingly liberal terms of relief under the Unemployment Assistance Act are modest make-weights on the other side, which will only go a little way to offset the general feeling that our internal policy lacks guidance and direction.

In short, if our politicians can take comfort to themselves this Christmastide that—in the language of the stock markets—the situation at the close is a little above the worst, they cannot afford to harbour any illusion regarding the difficulties with which they are still confronted. The moral of recent events is clear. The problems of the world are in a condition to yield—in an almost magical way—to firm handling. They can only be so handled by a Government whose course is clearly defined. Our rulers will only deserve and recapture the confidence of the country if they start the year with fresh and vigorous efforts to bring real peace out of the world's confusion and to revive that international intercourse which is the essential condition of Britain's prosperity.

THE OUTLOOK IN THE PACIFIC

THE London naval conversations have now been formally adjourned after having been practically at a standstill for many weeks past. The adjournment will be promptly followed by the despatch of the long-expected Japanese notice of intention to terminate the Five-Power Naval Treaty of Washington. Article XXIII of the Washington Treaty provides that, if and when notice of termination is served by any contracting party, all the parties shall meet in conference within a year of that date. The London Naval Treaty of 1930 also provides for the holding of a conference in 1935. Accordingly, a naval conference some time next year is obligatory under both contracts. It is, therefore, conceivable that—with the London Treaty expiring on December 31, 1936, and the Washington Treaty on the 21st of the same month—two years hence there may be an unregulated naval armaments race in the Pacific between the three principal naval Powers of the world.

The Japanese Government insists upon naval parity with the British Empire and the United States. It is important to do full justice to the points in Japan's favour. First,

then, she is not in this case breaking a treaty (as she has broken the Covenant and the Kellogg Pact and the Nine Power Washington Treaty regarding China); she is exercising a right which the Washington Treaty gives her. Secondly, the claim to parity is one which has already been made, and successfully insisted upon, by the United States *vis-à-vis* the British Empire. Thirdly, Japan has proposed parity on the lower level of the two alternatives (i.e. the present Japanese level and the present Anglo-American). As the financially weakest of the three Naval Powers in the Pacific, she is naturally interested in obtaining the parity that she seeks on the lowest level possible. And the Japanese definition of the "offensive naval armaments" which she wishes to see abolished is the one which suits Japan's own book (e.g. it excludes submarines, while including aircraft-carriers). This kind of manoeuvre, however, is common form in international negotiations. We must admit that, if Japan's present proposals were accepted, both the number, the variety and the financial cost of the warships available for warfare in the Pacific would be substantially diminished—though, of course, the whole of this diminution would be achieved by reducing the superiority of the American and the British navies.

When a Power asks for a parity which it has not previously enjoyed, its neighbours naturally look for the motive. In this case, as in other cases, there are in theory three possible motives: a desire for greater security, or a sensitiveness over prestige, or an aggressive ambition.

We may dismiss the hypothesis that Japan is afraid of being attacked either by the United States or by the British Empire or by the two Powers in combination; for while the Washington ratio of 3-5-5 (or, on the second hypothesis, 3-10) in capital ships does put Japan at a numerical disadvantage, she is completely protected by Article XIX of the Washington Treaty, under which the British Empire and the United States pledge themselves, so long as the Treaty lasts, to construct no naval base nearer to the Japanese Empire than Singapore and Hawaii respectively. The fact that, in terminating the Treaty, Japan is now deliberately renouncing this sovereign safeguard of her security is enough to show that her motive cannot be fear.

Is the motive prestige? A Power which has recently defied the world, and has so far "got away with it," cannot really be tormented by the sore feelings of an "under dog." Nor do we believe that so realistic a Government as that of Japan would take so grave a step from an exclusively sentimental motive.

In considering whether Japan entertains aggressive intentions, there are two pertinent facts to be recalled. The first is that the geographical scope of Article XIX of the Washington Treaty—which precludes the construction of fresh fortifications or naval bases by any of the contracting parties within a specified zone—has the effect of exempting the whole of the Japanese Empire from attack by the British and American fleets, while it leaves at the Japanese fleet's mercy a number of British and American pawns, as well as other valuable pieces. The pawns left at Japan's mercy are Hongkong, the Philippines, the International Settlement at Shanghai and the British concessions at other Chinese treaty-ports; the larger pieces are China herself and the Far Eastern dominions of the Soviet Union. The Washington Treaty enables Japan to ensure naval, and therefore also military, access to all these places for herself, and at the same time to prevent the British and American armed forces, either separately or jointly, from getting at them. If Japan has this in her power on the Washington ratio, she would have it *a fortiori* on a ratio of parity.

But, if Japan were granted parity, would she be likely to take advantage of it for aggressive purposes? The answer to this question is given by the second of the two pertinent facts; and this is the naval and military action which Japan has already taken in Manchuria and at Shanghai since September, 1931. For this the present rulers of Japan are avowedly impenitent; and they have given no indication that their aggression in the Western Pacific up to date represents the limit of their ambitions. On the contrary, the *ballon d'essai* about a Japanese Monroe Doctrine which the "official spokesman" at Tokyo let fly some months ago suggests that Japan intends to go on with her present policy until she has made herself effective mistress in the Western Pacific, with China under her thumb and the Russian,

European and American possessions and interests in that region reduced to the same *de facto* status.

In this situation, Japan's denunciation of the Washington Treaty and insistence upon parity is an act of the utmost gravity. Indeed, it is not too much to say that Japan's action has overthrown the *status quo ante* on which Anglo-American relations have rested since the time of the Washington Conference. In other words, if Japan's action does not bring the British Empire and the United States together, it will succeed in driving them apart—a prospect which doubtless looms large in the Japanese Government's present calculations.

At this stage, when such serious decisions lie before the English-speaking peoples, it is important to face the difficulties in the way of closer co-operation. The chief obstacles on the American side are the tradition of isolation (though this works less powerfully against Trans-Pacific than against Trans-Atlantic entanglements) and an argument—which the American isolationists are sure to use—that the direct interests of the British Empire in China and the Western Pacific are far larger than those of the United States. On the British side, the obstacles are a traditional friendliness towards Japan and unfriendliness towards the United States in certain naval and Conservative circles in the United Kingdom; and the argument that, if it came to a "show-down," the Japanese could promptly take all the local British pawns, while American interests would suffer no corresponding damage. "The United States is a Power which will never commit itself in advance to precise undertakings," say Englishmen of this school (just as Continentals of the corresponding school say about Britain's attitude to collective security!). "With America we can't deal; with Japan we can; so let us make a bargain with Japan, and acquiesce in her having a free hand in China and at sea, in return for a Japanese undertaking to respect local British interests." Of such a proposal as this it is enough to say that its statesmanship is as bad as its morals. It is equivalent to a proposal to keep Hongkong, at Japan's good pleasure, and at the risk of losing Canada or Australia! For an Anglo-Japanese deal would mean a bitter estrangement between the United Kingdom and the United States; and if ever Canada were to be forced into taking sides, as between the United Kingdom and the United States, sheer geographical necessity would compel her to give her friendship with her great American neighbour the priority over her friendship with this distant European island.

The right way to meet the coming crisis in the Pacific is neither for the United Kingdom to strike an improper and disastrous bargain with Japan, nor for the United States to withdraw into an ultimately untenable isolation, nor again for the English-speaking peoples to line up on a sheerly anti-Japanese front. The solution lies in an application—if only a regional application—of the collective system. The two English-speaking peoples ought now to get together with the Russians and the Chinese to guard against any possibility of successful aggression in the Pacific by any local Power; and they ought then to offer Japan the choice between joining them in the maintenance of peace in the Pacific or else having to face an overwhelming combination of defensive force if, with open eyes, she casts herself for the aggressor's part.

OUR WATER SUPPLIES

THE abundant rainfall of the past few weeks has probably obliterated already in the minds of most people the memory of the last summer's drought. But this happy oblivion has, fortunately, not been taken by the Government as an easy excuse for lack of forethought.

Last week the Minister of Health announced his intention of appointing a committee to undertake a survey of our inland water resources. This was a formal adoption of the recommendation made by a committee appointed in 1932 by the British Association. The committee reported this year that a systematic survey of this nature was urgently required. The two successive dry years which we have just experienced have served to reveal many of the weaknesses of our present system of water supplies—especially in

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rural areas; and though, notwithstanding the severe drought last summer, there were no outbreaks of disease, such as the typhoid outbreak in Yorkshire two years ago which could definitely be traced to deficient water supplies, many outlying districts suffered severe hardships, and it does not need much imagination to realise that a third year of drought might produce serious difficulties in many parts of the country. There is therefore every reason to welcome a systematic survey by an impartial authoritative committee such as that foreshadowed by Sir Hilton Young.

A departmental survey of a less comprehensive character was undertaken by the Ministry of Health in 1924, and the data then obtained will be placed at the disposal of the new committee. Such a survey has, in fact, been long overdue. As far back as 1921, the Water Power Resources Committee in its final Report pointed out the unsatisfactory exploitation of the water resources of the country.

We find that the difficulty of allocating the natural resources of water is becoming greater year by year in England and Wales, and the evidence we have heard proves beyond doubt the urgent necessity of control of all water, both underground and surface, in order that the available supplies may be impartially renewed and allocated and may be made to suffice for all purposes in the future. In consequence of the increase of population, the improvement in conditions of life and the growing requirements of industry, the demand for water is steadily increasing, and the problem of meeting future needs is giving rise to anxiety in many parts of England and Wales.

The defects of our rural water supplies are mainly due to a few quite simple causes. First and foremost there is the question of expense. Waterworks demand substantial capital investment, and the rural district council is only too often unwilling or unable to shoulder the expense. For though, since the Emergency Act passed this year, the Treasury is able to assist with a grant-in-aid, and though county councils have for some years been able to contribute towards expenditure incurred on water supplies, the initiative still remains with the district council, which is often most reluctant to put up the rates for what in less enlightened circles is regarded as a fad.

It may appear strange that in a country with such a generous rainfall as ours the problem of water supply should be any difficulty at all. But there are two factors which have long been operating to increase costs for local authorities, namely the antiquated provisions of the law with regard to water rights, which enable private individuals to raise expensive obstructions; and, secondly, the pollution of so many rivers by the effluents of urban and rural industries, which renders expensive purification processes indispensable. Finally, the enormous number of separate water concerns, whether local authorities or public or private companies, has undoubtedly added very heavily to the cost of exploiting the water resources of the country. According to the official estimates there are no less than 2,000 water undertakings in Great Britain, of which 810, supplying rather over 80 per cent. of the annual output, are in the hands of local authorities (including Joint Boards); but

there are approximately 200 statutory companies, about 80 non-statutory companies and, roughly, 1,000 private persons who supply water for sale. The largest water authority of the country is, of course, the Metropolitan Water Board, which supplies more than 7,000,000 persons in the area of Greater London. And the large municipalities, like Manchester, Liverpool, Birmingham, etc., have extensive undertakings which supply big masses of population. But outside these large urban areas authorities are often too small to render the planning of water supplies on a proper scale possible.

Various proposals have been made for remedying this unsatisfactory state of affairs, notably the creation of a vast water-grid analogous to the electricity grid, under the control of a single central authority which should cover the whole area of the country. But the analogy of electricity supply seems to be thoroughly misleading, and the expenditure necessary to erect such a grid would be enormously heavy and exceedingly wasteful. In nearly every portion of the country there is plenty of water which can be obtained locally; the real difficulty has been that in many cases the administrative area has been too small and the financial charges spread over too narrow a field. And though there is a strong case for much more interlocking of neighbouring sources of supply to meet emergency needs, it by no means follows that the solution of the rural problem, i.e. the supply to small villages, is to be found everywhere or even generally on "grid" lines. As Mr R. G. Hetherington, the Chief Engineer Inspector of the Ministry of Health, pointed out at a meeting of the Public Health Conference in the Agricultural Hall last month, the small local source is usually the soundest form of village supply. The chief factor which has hitherto prevented it from being exploited is the cost. The grant of £1,000,000 promised by the Government has gone a little way towards meeting the trouble and, up to date, applications have been received from 210 rural district councils covering 1,189 parishes in respect of schemes whose total cost has been estimated at £3,270,000. But the Exchequer grants so far allocated by the beginning of last month amount to less than £300,000, and a proposed scheme to supply 40 villages in the East Riding may have to be abandoned because the Government grant is too small to enable the rural district council to undertake the improvement. Here is a work of capital development eminently calculated to expand employment, which can be carried out cheaply at present—and yet the Ministry hangs back. Surely this is a case, if ever there was one, for a 75 per cent. grant.

But the problem of water supplies is not confined to rural districts. Consumption per head in our great urban areas is on the increase—though it is still far below that in the cities of the United States—and the shift of population has created a need for planning many years ahead. The expansion of London, for example, has been exercising the attention of the Metropolitan Water Board, which has just decided to build two new reservoirs in the Thames Valley and one in the Lea Valley, but has rejected for the moment the more ambitious plan for obtaining water from Wales—a scheme which was put forward as far back as 1898. Whether that was in the circumstances a wise decision, only the future can decide. Indeed, it may be doubted whether the construction of new reservoirs in the Thames and Lea valleys can be more than an interim measure.

It is on problems such as these that the proposed survey should throw additional light. Meanwhile, there are some useful measures which the Government would be well advised to put in hand immediately. In the first place, a reform of the law affecting water rights is urgently needed. The Ministry of Health has already drawn attention to this need in one of its memoranda in the following words: "One of the chief difficulties arising is the lack of any power in the general law as to public water supplies enabling a local authority compulsorily to acquire water rights as such, other than such limited water rights as may be acquired by the purchase of a restricted area of land." Secondly, there is a strong case for placing all water-supply undertakings in the charge of a public authority, if only because it is easier for such an authority to enforce the law as regards pollution and waste. Finally, it would be most

advisable that certain provisions of the Water Supplies (Exceptional Shortage Orders) Act should be continued, especially those authorising or requiring the supply of water in bulk by one water authority to another—a provision which proved extremely useful in the emergency of last summer and may yet prove useful in encouraging co-operation among the multitude of separate water undertakings.

THE WORLD'S TIMBER—I

As a "universal provider" of toys, matches, pencils, newspapers, artificial silk, Christmas trees and many other things, timber is one of the most important raw materials of industry. It accounts for a good share of international trade, and is the source of a substantial proportion of the national income of a number of countries. In value, timber occupies second or third place in international trade, and shipments of timber constitute about 8 per cent. of the total sea-borne trade of the world.

The dislocation of the world's timber trade in recent years cannot be wholly attributed to the world depression. As the table below shows, prices began to decline long before 1929. Before the war Russia was Europe's chief source of supply, but in subsequent years her exports fell to a very low level. The deficiency, however, was made good by a substantial increase in production in Finland and elsewhere. The need for revenue in these countries led to an intensive exploitation of their timber resources beyond current replacement. As demand did not increase proportionately, the increase in supplies could only be marketed at a gradually falling price between 1924 and 1929.

UNITED KINGDOM IMPORT PRICE OF TIMBER (C.I.F.) (SAWN SOFTWOOD, OTHER THAN PLANED OR DRESSED) (In £'s per load)			
1924	5.36	1933—March	3.29
1927	4.70	June	2.89
1928	4.65	September	3.02
1929	4.53	December	3.29
1930	4.26	1934—March	3.50
1931	3.44	June	3.51
1932	3.09	September	3.54
1933	3.06	November	3.40

But despite the fall in prices, consumption of timber increased much less than that of other raw materials. According to Messrs William Brandt's Sons and Company, world imports of sawn and planed softwoods, which form more than 50 per cent. of the total trade in timber, increased by only 21 per cent. between 1912 and 1929, from 5,395,000 standards to 6,543,500 standards. Although the increase in the output of paper, cellulose and rayon stimulated the demand for timber, the market nevertheless suffered from substitution as well as from economy in use. The importance of timber as a fuel is declining; in the building trade wood has been extensively replaced by other materials and the reduction in the size of rooms and houses has led to smaller requirements of timber; steel has encroached upon its use in mines, on the railway track and in the manufacture of furniture.

As in the case of manganese and wheat, the re-emergence of Russia in 1929 as a large exporter of timber seriously aggravated the difficulties of the timber industry and led to a further decline in prices. Messrs W. Brandt's Sons and Company estimate that her exports of sawn and planed softwoods rose from 320,000 standards in 1926 to 829,000 in 1929 and 965,000 in 1930. As Russia's re-entrance into the timber market on a large scale coincided with the advent of the world depression and the consequent decline in the demand for timber, the slump in prices is scarcely surprising. Despite an appreciable improvement in demand in 1933, prices remained as low as ever, but more recently a slight improvement has been noticeable. The distribution of exports between the various European exporting countries in 1932 and 1933, as compiled by the International Timber Committee, is shown in the next table. It will be seen that Russia has once more established herself as the leading exporter of timber. Nevertheless, her relative share in Europe's exports suffered a slight decline in 1933. On the other hand, Finland, Poland and Sweden increased their share of total exports. The increase

16 per cent. in total European exports reflects the improvement in demand in the United Kingdom, Germany and Holland. Owing to the paucity of home-grown timber, the United Kingdom has long been the leading importer of this raw material. Sawn and planed timber was chiefly responsible for the large increase in British imports in 1933. The improvement in demand was in a large measure due to the remarkable expansion of building activity. On the other hand, imports of pitprops and pitwood, logs and sleepers showed a decline.

EUROPE'S EXPORTS OF TIMBER†
(In thousands of metric tons)

Country	1932		1933	
	Quantity	Percentage of Total	Quantity	Percentage of Total
Sweden	2,294	13.0	2,762	13.6
Finland	2,892	16.5	3,935	19.4
U.S.S.R.	5,366	30.6	5,740	28.2
Latvia	495	2.8	797	3.9
Poland	1,010	5.7	1,672	8.2
Czechoslovakia	1,042	5.9	950	4.7
Austria	827	4.7	978	4.8
Jugoslavia	780	4.4	910	4.5
Roumania	845	4.8	621	3.1
Total (incl. other countries)	17,573	100	20,343	100

† Raw and semi-manufactured.

The distribution of Europe's imports of raw and semi-manufactured timber in 1932 and 1933 is summarised in the next table from the statistical tables prepared by the International Timber Committee:—

EUROPE'S IMPORTS OF TIMBER
(In thousands of metric tons)

(a) <i>By Countries</i>				
	1932		1933	
	Quantity	Percentage of Total	Quantity	Percentage of Total
United Kingdom	5,288	32.0	6,507	33.2
Holland	1,219	7.4	1,782	9.1
Belgium	1,344	8.1	1,500	7.7
France	1,325	8.0	1,434	7.3
Germany	2,472	15.0	3,788	19.3
Hungary	822	5.0	578	2.9
Italy	1,245	7.5	1,388	7.1
Total (incl. other countries)	16,522	100	19,611	100

(b) <i>By Classes</i>				
	1932		1933	
	Quantity	Percentage of Total	Quantity	Percentage of Total
Wood for fuel	957	5.8	570	2.9
Logs	2,094	12.7	2,135	10.9
Pitprops and pitwood ...	2,150	13.0	2,291	11.7
Telegraph poles and other roundwood	69	0.4	88	0.4
Sleepers	313	1.9	279	1.4
Staves	84	0.5	135	0.7
Hewn	109	0.7	104	0.5
Sawn	8,281	50.1	9,770	49.8
Planed	517	3.1	710	3.6
Boxboards.....	20	1.2	14	0.7
Pulpwood	1,926	11.6	3,515	17.9
Total	16,522	100	19,611	100

Comparison with the previous table shows that Europe is a net exporter of timber, though only by a small margin. Total imports of European importing countries increased by no less than 19 per cent. between 1932 and 1933. Imports of pulpwood showed a striking expansion, due to heavy purchases by Germany, but those of logs, pitprops and pitwood and sleepers increased less than the average, and imports of wood for fuel registered a marked decline. The improvement in demand continued in 1934. Exports from Northern countries (Norway, Sweden and Finland) increased from 7,614,700 cubic metres during January-August, 1933, to 8,671,245 cubic metres during the corresponding period in 1934. During the same period, shipments from the Baltic States (Estonia, Latvia and Lithuania) rose from 1,740,285 cubic metres to 1,870,458, and those of the members of the International Timber Committee (Poland, Czechoslovakia, Austria, Jugoslavia and Roumania) from 5,733,125 cubic metres to 7,929,611 cubic metres. The distribution by classes of exports of raw and semi-manufactured shows that the improvement in 1934 was most marked in the case of sawn wood, pulpwood, logs and telegraph poles and other roundwood. Germany, the United Kingdom, Hungary and Italy all increased their purchases of timber appreciably during the first eight months of 1934.

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HUNGARY'S EXCHANGE PROBLEM

(BY OUR BUDAPEST CORRESPONDENT)

HUNGARY was the first European country to establish an exchange control (July, 1931), and to supplement it with a transfer moratorium (December, 1931), in order to safeguard the stability of the currency. The three years' experience of the Hungarian authorities may therefore profitably be reviewed.

For more than three years the pengő has been in quarantine, although the authorities have gradually lifted the control to such an extent that the pengő, nominally on the gold standard, is now virtually a scientifically managed currency. The National Bank still issues daily quotations for foreign exchange, based on the original parity of 3,800 pengő per kilogram of fine gold. But at the same time the authorities permit the functioning of a free gold market at the produce exchange, where the precious metal changes hands about 5,700 pengő per kilogram—that is, 50 per cent. above the official parity. A similar premium of 45-50 per cent. is officially allowed over and above the daily quotations of the National Bank for foreign exchange brought into the country by tourists, etc. Foreign trade has adjusted itself to the export-premium and import-surcharge system established under the exchange control. The extent of export premium is fixed by the authorities according to the amount of subsidy needed to market the various export commodities, and the percentage import surcharge is fixed by reference to the need for the imported articles.

It might seem from the above that Hungary would rapidly be faced with the need to revalue her currency. So far the authorities, while allowing *de facto* readjustment of the pengő, have resisted *de jure* devaluation. There were weighty reasons for delaying such action. In August, 1931, when the crisis was at its height in Hungary, the abandonment of the gold standard would have precipitated financial chaos, ending in uncontrolled inflation. In order to prevent a major disaster the Government made "pengő" contracts payable in "gold pengő," which then helped to strengthen confidence in the currency. Official devaluation would necessitate the annulment of this gold clause, which the Government, as yet apparently, would not like to decree. Fortunately the English and the American precedents of changing the gold content of the currency afford the Hungarian Government an excellent example for a *de jure* devaluation without losing face; for no sane person could reasonably expect payments on a gold basis from an insolvent country after its main creditors, Great Britain and the United States, had found it necessary to alter that gold basis for their own currencies.

Apart from these legal difficulties in the way of readjustment for the pengő, the Hungarian authorities, remembering the demoralising effect of wide exchange fluctuations during the inflation period, deemed it prudent to

await the result of the currency readjustments of the leading free exchanges. This means a flexible policy of exchange premium for exports and tourist expenditures and a free market for gold at the produce exchange, on the one hand, and, on the other, the maintenance of the old parity and the "gold pengő clause."

The question then arises: does Hungarian trade not suffer under the exchange control? It undoubtedly does, but in all fairness it must be added that, even in case of devaluation of the currency, the exchange control would have to be maintained on account of Hungary's foreign indebtedness, a problem which is far from being solved. Also it must be pointed out that trade in the Danube Valley is practically a chain of barter and political agreements, and that even a more liberal currency policy could not revive international commerce in the absence of a political truce. In 1933 and in the first nine months of 1934, according to the official returns, more than two-thirds of the foreign trade of Hungary was done through clearing and compensation agreements, and the export exchange actually acquired by the National Bank was less than 20 per cent. of the export values.

Other Danubian countries, Austria, Czechoslovakia and Yugoslavia, found it necessary to devalue their respective currencies; and since Hungary has a commercial agreement with Austria on the basis of the original parity of the two currencies, a large percentage of Hungary's exports is, as it were, already on a pengő with a lower gold content. It is significant, however, that the depreciation of the Austrian schilling and the Czechoslovak krone is considerably less than that of the dollar and sterling. Whereas the premium paid for gold over the old parity amounts to 65-70 per cent. in the case of the dollar and sterling, the Czechoslovak currency reform raised the price of gold by 20 per cent., and Austria by less than 30 per cent., over the original statutory buying price. In Yugoslavia, as in Hungary, a *de jure* devaluation has not yet taken place, but the premium paid for foreign exchange is over 40 per cent. of the original gold parity. Hungary, with her 50 per cent. premium paid for gold on the free produce market, as against the statutory buying price of the National Bank, is thus in reality nearer to the pound and dollar than other Danubian currencies.

Far more important, and infinitely more difficult than may be suspected abroad, is the delicate task of the Hungarian Government in convincing public opinion at home that a *de jure* devaluation of the pengő will ultimately be both inevitable and desirable in order to lay the foundation for a sounder financial structure. As a matter of fact, in the long run Hungary will benefit considerably from the fact that the pengő was allowed to settle at its present natural level nearer to the depreciated dollar and sterling level than to that of the other Danubian currencies. For it is obvious that the world price level, determined chiefly by dollar and sterling prices, will be more in sympathy with those currencies which have been permitted to settle near

the Anglo-Saxon exchanges. And, after all, who would have dreamed in 1931 that in 1934, instead of the old parity of 27.80, sterling could be purchased in Budapest at only 25 pengő, and that in the "black market"?

The strength of the pengő is due to the fact that, despite the budgetary deficit, the Government has been able to resist inflation, thanks to economy measures, to curtailed expenditure and to the prudent utilisation of the non-transferable blocked pengő, and has been able provisionally to make both ends meet. When the Foreign Creditors' Fund was established by the transfer moratorium three years ago, it was feared that the accumulation of the non-transferable pengő deposits at the National Bank would cause serious deflation. The depreciation of the dollar and sterling, the compulsory reduction of interest rates, and the suspension of capital amortisation payments reduced the payments into the Fund to less than one-half of the figure originally contemplated in 1931. Further, the disposal from the Fund of the blocked pengő amounts by the foreign creditors brought the currency deposited in the Fund back into circulation; and a large part of what was left in the Fund was reborrowed by the Government with the consent of the creditors to meet the budgetary deficit. Thus the Hungarian currency was saved both from deflation and inflation.

Hungary's foreign creditors have fared better than anyone could have expected in 1931. On the whole they have received 3 to 3½ per cent. interest, both on the short and long-term private debts, in their respective currencies (after deducting the 50 per cent. premium which exists between the nominal quotations and the external value of the pengő). As interest is paid in pengő at the rate of 5 per cent., according to the original parity, sterling debts are paid at 17 pengő to the £; and around 3.40 pengő to the dollar. Before any *de jure* devaluation of the pengő could be accomplished, foreign creditors would have to agree that the burden on the debtor would not be increased when reckoned in the new devalued pengő. This would not involve further sacrifices by the creditors, because, as was pointed out, if they want to convert the blocked pengő balances into foreign exchange, they already have to bear the difference between the nominal and external value of the pengő.

A complete abolition of exchange control is not a necessary corollary of the devaluation of the pengő. The re-establishment of the free exchange market depends on: (1) A satisfactory settlement with the foreign creditors, involving the conversion of Hungary's short-term debt, both private and public, amounting to more than 1,000 million pengő (£35-40 millions) into bonded long-term debt; (2) a balanced budget; and (3) a safe margin in the current items of the balance of international payments, to meet the reduced service on the consolidated foreign debts. While considerable progress has been achieved in the past three years in the above directions, it may take years to achieve all three objectives, the realisation of which depends on goodwill and sacrifices both at home and abroad.

NOTES OF THE WEEK

India in the Lords.—The House of Lords endorsed the Government's India policy this week by an even heavier majority than the House of Commons. A final vote of four to one was recorded, despite the abstention of the Labour peers and the intrusion into the House of a surprising array of noble lords summoned from the distant shires. Indeed, as it turned out, at least half of the backwoodsmen must have voted in favour of the Government. The debate was on a high level throughout, and the case presented by the rebels was an unusually moderate one. Lord Salisbury's dissenting amendment merely called for delay; and Lord Lloyd, in supporting the amendment, did not tell the peers, as Mr Churchill recently told the Conservative Party, that Great Britain was being "chattered out of India," but merely urged that the movement should proceed more slowly and not at the pace of the Gadarene swine. His

picture of a Gadarene rush, however, does not seem to have impressed the assembled peers, some of whom may have reflected that it is now 170 years since the Battle of Plassey was won and 17 years since self-government was promised to India. Lord Salisbury's doubts about the necessity for a Federal Government were in effect answered by Lord Halifax, who argued in his opening speech that provincial autonomy could not work without a strong and autonomous central Government. The entrusting of law and order to responsible Indian Ministers was defended by the Lord Chancellor as a necessary part of self-government; and both Lord Reading and Lord Hailsham affirmed the reality of the proposed "safeguards." The conclusion of the debate leaves the way open for the introduction of the Government's Bill, and the heavy majority recorded banishes the last shred of possibility of that Bill's ultimate defeat.

Lord Hewart Protests.—Ten days ago, on December 11th, the Lord Chief Justice created a minor sensation in the House of Lords by his onslaught upon the Government's Supreme Court of Judicature (Amendment) Bill, which had come up for second reading under the sponsorship of the Lord Chancellor. The Bill provided for the appointment of two more judges, in view of the congestion and arrears of cases in the High Court, and proposed to remove the necessity of laying a resolution before Parliament when it became necessary to appoint an extra judge. It also provided, in Clause 2, for the nomination of a vice-president in the Court of Appeal, who should preside in one of that court's two divisions, if no *ex-officio* judge were sitting there. Lord Hewart stigmatised the Bill as "a disgraceful measure"; alleged that it would make for political control of the judiciary; objected that he had not been consulted about the composition of the Royal Commission which had produced the Bill, nor by the Commission itself; asserted that Clause 2 was a deliberate interpolation to keep Lord Justice Slesser from succeeding Lord Justice Greer in the presidency of one division of the Court of Appeal; and concluded by announcing that "if these odious features were not removed, then he would adjourn his Court every day . . . to take part in fighting the obnoxious parts of this Bill, not clause by clause, but line by line and word by word." The debate stood adjourned till December 14th, for the Lord Chancellor to reply. The House of Lords on Friday of last week presented a really extraordinary spectacle. Former Lords Chancellor, Lords Chief Justice and Attorneys-General, together with the present Lord High Chancellor and Lord Chief Justice of England, proceeded to range the entire ground of judicial appointment; relations between executive, judiciary and civil service; composition of the Court of Appeal; arrears of cases; and, in detail, the offending Bill itself. The independence of the judiciary of England seemed once more the subject of a dispute between the Lord Chief Justice and the Lord Chancellor, as it was over three hundred years ago between supporters of the Attorney-General, Lord Bacon, and Lord Chief Justice Coke. In the end, honour was satisfied by the Government's acceptance of Lord Reading's proposal to incorporate in the Bill provisions to safeguard the rights of everyone now sitting in the Court of Appeal. A "painful occasion" ended with handshakes all round on the floor of their lordships' House. But many outside that House must have wondered whether the extraordinary scenes of last week were really more than a very big storm in a very small teacup.

Trouble in the Saar.—The incident which occurred in Saarbrücken in the small hours of last Sunday morning may perhaps be regarded as having been closed by the resignation of Major Hemsley, the head of the International Police Force in the Saar, following upon the suspension of Mr Justice, the member of the Force who caused the incident to arise. The latter officer was driving two companions home in a car from a boisterous party and, having overshot a street, pulled up and reversed. In reversing he mounted the pavement and collided with two pedestrians. A man was knocked down without being hurt, and a woman was injured, though happily not seriously, in the foot. A crowd collected; some youthful Saarlanders were fetched from a neighbouring restaurant and one or two of them assaulted the officer. He drew a revolver and fired on the ground—an act which, so far from intimidating the Saarlanders, resulted in a general *mélée*, in which the policeman was knocked unconscious. In the scuffle, the revolver went off for the second time, and this time wounded a bystander—though, fortunately again, the wound was only skin-deep. After that, the police arrived and restored order. It would seem that the members of the party which led to the incident hardly had due regard for their status as guarantors of law, order and good behaviour in a foreign land. One of the crucial points in the Saar problem is the unavoidable tension of local feeling; the statesmanship of Europe has been labouring for months to ensure that this feeling shall not be exacerbated. This was one of the chief purposes of the recruitment of the International Police Force; and it ought to have been so deeply graven upon the mind of a

member of that force that it should have been out of the question for him to have courted even the remotest danger of himself becoming the centre of an incident like this. It is also, of course, particularly unfortunate that Mr Justice and Major Hemsley (who appears to have been present at the party from which Mr Justice was driving away) should both happen to be British subjects, especially as the international military force, which is in the act of arriving in the Saar, is largely British in its composition, has been sent on British initiative, and is under British command. There is, of course, no connection whatever between this British force and an international force that has been recruited individually by the Saar Governing Commission and contains English members for whose selection and behaviour His Majesty's Government is manifestly not responsible. Nevertheless, it would be easy for people in an excited state of mind to miss this distinction. Happily, however, there seems no disposition, in any of the countries concerned, either to magnify the incident or to envenom it. We may hope that the effect will be soon erased from the Saarlanders' minds by the good conduct of the contingents from the British, Italian, Dutch and Swedish regular armies, which are now arriving in the territory for the plebiscite period.

* * *

"War and Business" in the United States.—America is at present moving along three distinct but converging paths towards a policy of drastic governmental control over war industries at all times and over all industries in war-times—and this whether the United States finds herself a belligerent or a neutral. The President has just appointed a committee to advise him on the question of doing what the French have done in their law of 1928: that is, "taking the profit out of war" by empowering the Government, in war-time, to conscript the nation's economic and financial resources on the same terms as its man-power. Secondly, the State Department is said to have been preparing for the President a report on the pros and cons of revising the traditional American policy with regard to the "neutral rights" of the United States in a war between other parties. The traditional American attitude about "neutral rights" is not, of course, different from that of any other unregenerately sovereign-minded State. It is a matter of special notoriety simply because the United States is (or was) more likely to be a neutral than any other great Power, and because her strength—both economic and naval—is so immense that her behaviour as a neutral may have a decisive effect upon the fortunes of the belligerents. The tradition is that a neutral Power has a right to ensure to its nationals the opportunity to make the utmost private profit for themselves out of the belligerents' necessities, subject to two conditions: the neutral must be strictly impartial, and it must submit to the stoppage of its nationals' trade in contraband by any belligerent who has established an effective blockade. If these neutral rights are violated by either belligerent, the neutral's remedy, in the last resort, is to go to war with the offender. This traditional attitude has now been undermined both morally and practically. On the practical plane, all commodities have now become virtual contraband; in consequence, the neutral's risk of being involved in war in defence of his neutral rights has been greatly increased. Nowadays, a neutral's chief concern when there is a war on is not to make profits out of it, but to avoid being implicated. And such immunity can no longer be completely ensured, except by ceasing to trade with belligerents altogether. This is the point that is being rubbed in by the distinguished legal authority, Mr Charles

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Warren, on whose elucidation of the question the State Department Report is said to be based. Thus, on practical grounds, the abandonment of the traditional "neutral rights" in favour of non-intercourse with *both* belligerents may become the policy of the American isolationists. And at the same time, on moral grounds, American internationalists may follow Mr Stimson in favouring a policy of discrimination, instead of neutrality, in any war between a Power which has branded itself as an aggressor and its opponents who are upholding the collective system. This, in turn, would mean the abandonment of "neutral rights" in order to penalise the one party and assist the other. It will be seen that, at this stage, a movement in the United States for the abandonment of traditional neutral rights may be a step either towards greater isolation or towards greater international solidarity. Towards which of these alternative goals is President Roosevelt setting his face?

* * *

Waiting for the President.—Mr Roosevelt is still preserving the silence on the general lines of his policy for next year which he has maintained since the Congressional election six weeks ago. Immediately prior to that election he concluded with some ostentation a *rapprochement* with embattled Big Business. This has inevitably started tendentious rumours which have pictured the President as converted to the policy of seeking recovery by the sympathetic fostering of private business and by the abandonment of all the Recovery-cum-Reform measures of 1933-34. The annual Budget Message is due in the first week of January, and the Conservatives are eagerly urging a complete balancing of the Budget and the abandonment of Public Works and Federal Relief in the sacred name of "Confidence." The problem of unemployment, they say, should be, and can be, taken care of by an expansion of private industry. This, of course, is sound economic doctrine for the long run, but there is no prospect whatever that, with eighteen million persons on the relief rolls, the President will recommend any reduction in the Federal provision for destitution. Moreover, he is known to be working on a plan for the continuance of public works, although the details are not yet public. From the Left he is being urged to adopt immense spending programmes. Mr Hopkins, the Federal Relief Administrator, wants \$8,000 millions next year for combined relief and public works. The National Resources Board has prepared the most grandiose plan for spending from \$3,500 millions to \$5,000 millions a year for the next two or three decades, the money to be borrowed from the banks in times of depression and repaid in times of prosperity. These plans and the proposals of the Budget-balancers represent the two extremes between which the President must choose. Both parties, of course, deny the possibility of any compromise, but the President has never accepted the rigid dilemma of Right and Recovery versus Left and Reform. It is a safe prophecy that he will continue to tread the middle path. He will doubtless take great care to avoid any damage to the tender plant of business confidence which might arrest the promising revival now getting under way. But his active support of the movement for publicly-owned utilities shows how unlikely he is to abandon the principles which have inspired his policy hitherto.

* * *

The Gold Bloc's Difficulties.—There is still no sign of recovery in the gold bloc countries. The drastic measures taken by Signor Mussolini last week to defend the lira coincided with a decision by the Swiss Government to abandon high protectionism and adopt a thoroughgoing deflationary policy instead. At the same time depression is deepening in France, Belgium and Holland. The index of industrial production in France stood at 94 in October, compared with 97 in August and 108 in October, 1933; and the difficulties of the Citroën Company reported this week are further grim evidence of the depth of France's depression. The fundamental malady is, of course, the overvaluation of the gold currencies—or, to put it another way, the undervaluation of the depreciated currencies. It is not

merely a matter, however, of the non-gold countries having stolen away some of the export trade of the gold countries by exchange depreciation. The crucial point is that the general level of prices has been brought more into relation with that of costs in the non-gold than in the gold countries. This is proved by the only evidence capable of proving it: the fact that depression and unemployment are increasing in the gold countries and decreasing in the non-gold countries. Measured by wholesale price levels, it is probable that the gold currencies, or at least the franc, are not much overvalued. We estimated in our issue of October 27th that on the basis of August prices an exchange rate of 80 francs was the lowest at which equilibrium between the pound and franc was possible. The actual rate now stands at about 75. Since August, however, French prices have fallen; and although sterling prices were also falling from August to October they have since been rising, while franc prices have continued to fall. The exchange value of the pound has also been rising since October. For the last two months, therefore, the franc would seem to have moved nearer to equilibrium. Unfortunately, however, this very movement—involving a reduction in French prices—has intensified depression in France, for costs have not been proportionately reduced, as the unemployment figures eloquently testify. It is interesting to observe that Italian prices have actually been rising since October. Italy, that is to say, has escaped an intensification of depression at the cost of endangering the currency. But Italy, France, Switzerland and all the gold countries together are still faced by the same fundamental dilemma. Only by the disturbing and inequitable policy of a new thoroughgoing deflation can the existing gold parities be permanently maintained.

* * *

Restricting Beef Imports.—In giving the British beef producer to understand that he is to be protected against falling prices at all costs, the Government has embarked on a very dangerous policy. It became clear last summer that a mere limitation of foreign imports could not raise prices, since Dominion imports were increasing heavily. The Dominions were unwilling to restrict these imports, and the Government consequently took refuge in a subsidy to gain time. More than half the subsidy period has passed, however, and the Dominions are showing no more disposition to restrict production than they were six months ago. The meeting held between Mr Elliot and representatives of the Dominions this week does not seem to have carried matters much further. No agreement has been reached either for the remaining three months of the subsidy period, or for a long-term policy thereafter. Meanwhile in this country the agitation for drastic restriction of all imports is continuing. A great many disingenuous arguments are being used in the course of this agitation. It is claimed, for instance, that the raising of the price of beef will increase the incomes of the producers and so swell general purchasing power and stimulate recovery. If this seductive argument were really correct, our economic troubles could be very easily cured indeed. But unfortunately it is fallacious. For every shilling more which consumers have to spend on beef, they will spend a shilling less on something else; and the producers of the something else will lose exactly as much as the beef producers gain. There will be neither an increase nor a decrease in general purchasing power. But since the price of beef will have risen, the community will get less for its money. The real national income will consequently have been reduced by this amount. Such is the ultimate result of all import restriction. In the case of beef, however, it is particularly foolish, not merely because beef is a staple foodstuff, but because general demand is tending to shift away towards mutton and pork. For this reason, import restriction has not yet raised beef prices but has simply prevented them from falling. Total imports this year will be lower than last, but prices are no higher. In such circumstances, the more heavily imports are restricted, and prices raised, the more rapid is the shrinkage in demand likely to be—to the ultimate loss not only of the British consumer and exporter, but of the British producer as well.

A Subsidy for Cotton?—Though official circles have been very reticent about the deputation from the cotton industry which visited the President of the Board of Trade last week, advices from Lancashire have revealed the true nature of its business, which appears to have been to ask for a subsidy in connection with the redundancy scheme. The main feature of this scheme, which was drawn up by a Committee appointed by the Spinners' Federation with Lord Colwyn as independent chairman, is a proposal for a statutory levy on all active spinning mills for the purpose of purchasing and putting out of action, by scrapping or otherwise, redundant spindles, of which there are at the moment some 13½ millions in Lancashire. The scheme has recently been submitted to a ballot, the results of which have not been made public, but it is known that some 20 per cent. of the mills refrained from voting, though it is rumoured that a large proportion of those who did not vote were in favour of the proposal—at any rate in principle. But the visit to Whitehall, hat in hand, of the promoters of the scheme makes it possible to suspect that the adhesion of a number of mills was made conditional on the levy being paid by somebody else—namely, the Government. Now Mr Runciman, in his statement in the House of Commons on Wednesday, made no mention of a subsidy—a significant omission. For it is clear that the Government could not consider such a subsidy even for a moment—indeed, if it were to take such a step Whitehall would soon be besieged by a host of applicants for similar benefits. And there is reason to suppose that Mr Runciman made this perfectly plain in his reply to the deputation. But in view of the lavish way in which subsidies, open or disguised, have been distributed during the past two years, it is impossible not to feel some sympathy with the disappointed applicants, while at the same time approving the Government's decision. Lancashire feels, not unnaturally, that the Government's protectionist policy has in fact injured the export trade of this country in cotton goods, and it feels justified therefore in demanding the subsidy as an indemnity. In refusing this demand the Government has, however, made it plain that it is prepared to assist the industry in other ways. Mr Runciman has declared his readiness to give statutory sanction to the proposed levy if sufficient support can be found for it in the industry—a step which has important implications for industrial policy. The Government, having gone thus far, might perhaps also be persuaded to underwrite any loan raised on the security of the levy so as to ensure for the industry the fullest benefits of cheap money. But it is difficult to see how it could go further along these lines. The cotton industry must learn to stand on its own feet without help from the taxpayer.

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Supplementary Expenditure.—A Supplementary estimate amounting to £7,458,500 has been presented to the House of Commons. The total is made up of £403,500 for the Ministry of Health in payment of grants to local authorities in distressed areas in England, £55,000 to the Scottish office for a similar purpose in Scotland, £2,000,000 for the new Depressed Areas Fund and £5,000,000 for the Unemployment Assistance Board to cover its expenses in the year ending March 31, 1935. These estimates raise the total of this year's Supplementaries to no less than £11,830,320, which does not include those subsidies which are made in the technical form of "advances" or those which have been promised but are not yet payable. According to the latest weekly Treasury return, ordinary expenditure to date is more than £8,000,000 higher than in the corresponding period of last year, although £3,300,000 was paid in War Debts in 1933-34 and nothing has been paid this year. Revenue, on the other hand, is £3,000,000 less than last year. These comparisons are not a very pleasing introduction to the budget-making season.

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The Change of Government in Yugoslavia.—It is good news that the Regency at Belgrade has accepted the resignation of the late Prime Minister, M. Ouzounovitch, and has entrusted the formation of a new Ministry to M.

Yevtitch, who has been Minister for Foreign Affairs in M. Ouzounovitch's Cabinet; for this change means an immediate widening of the basis of the Government and presumably a move towards a restoration of freedom in political life. This development is the more welcome in view of the fear that the Regency might have missed the opportunity of reconciliation which arose out of the common national grief at the death of King Alexander. The King was mourned by Slovene, Croat and Serb Radical leaders upon whom his hand had fallen heavily; but although they were released from internment in order to attend the King's funeral they were not then invited to return to political life. It was supposed at the time that Prince Paul was inhibited from calling these opposition leaders in, by the fear that such a gesture on his part might lead to a *pronunciamiento* on the part of the Army. Whether or not these fears were entertained a few weeks ago there seems to be no question of them now, since General Zhivkovitch is to hold the portfolio for War in the new Ministry as in the last. The present crisis was precipitated by the strange treatment which M. Yevtitch received from his colleagues, who denied him credit for his diplomatic success at Geneva—a success that had been acclaimed even in the officially-controlled press. Apparently, M. Ouzounovitch and his colleagues of the Yugoslav National Party could not forgive M. Yevtitch for being outside Yugoslav party politics and immune from the bitterly partisan feelings by which they are animated. The tension came to a breach, and M. Yevtitch walked out of a Cabinet meeting. All this, of course, qualifies him for securing the co-operation of parties which have been harried, under the dictatorship, as being "tribal," in spite of their acceptance of the principle of Yugoslav unity. M. Yevtitch is now negotiating for the inclusion in his Cabinet of the Slovene, Dr. Koroshetz, the Moslem, Dr. Spaho, and two Croats. It is sincerely to be hoped that the negotiations will succeed; for a strong, representative and constitutional Government in Yugoslavia would be a fine restorative, not only for Yugoslavia's own political health, but equally for the peace of Europe.

* * *

Italy and Abyssinia.—The Italo-Abyssinian incident on which we commented last week seems more serious than it appeared at first sight. The Italian Government has presented the Abyssinian Government with a demand—apparently not in the form of an ultimatum—for the payment of an indemnity to the amount of £20,000; the performance of an act of homage to the Italian flag at the place where the fighting occurred; and the punishment of the Abyssinian subjects who, according to the Italian account, started the fighting. The Abyssinian Government, on its part, has asked the Italian Government to proceed to arbitration in accordance with Article 5 of the 1928 Italo-Abyssinian treaty of amity and arbitration. The Italians have refused this demand on the ground that there is nothing to arbitrate about. Since then the Abyssinians have circulated a statement of their case to the other States-members of the League, and the Italians have followed suit. In addressing themselves to Geneva, neither party has specifically invoked any article of the Covenant; so that their statements, as they stand, are merely for the League's information. At the same time, it is not easy to see how the controversy can be settled amicably by the two parties *à deux*. If the Abyssinians comply with the Italian demands they feel that they will not only be admitting they were the aggressors in this incident, but that they will also be acquiescing, by implication, in the Italian claim to lawful possession of the disputed territory. The Italians, on their side, point out that a delimitation of the frontier was provided for in a treaty of 1908, and they declare that the fault lies with the Abyssinians, and not with themselves, if the work of delimitation was never carried out. The difficulties of the situation are increased by certain suspicions entertained on both sides. The Abyssinians suspect the Italians of never having abandoned their nineteenth-century ambition to absorb Abyssinia into the Italian empire; and, in particular, they fear that one of the Italian desiderata in the forthcoming Italo-French negotiations may be the cession to Italy of the French port of Jibouti, which is the maritime terminus of a railway leading to the Abyssinian capital, Addis Abeba. The Italians suspect that the

Abyssinians have latterly been preparing for war, and that in this militant policy they may have the Japanese behind them. The dispute particularly concerns this country, which is a near neighbour to both parties in virtue of its own territorial possessions in Somaliland. Might not something be achieved by an offer of British good offices for conciliation?

Sterling and International Prices.—The slow recovery in sterling prices which first became apparent a month ago has continued. During the past fortnight the complete *Economist* index number of sterling prices rose by 0.6 per cent., while the index number of primary products rose by 0.1 per cent. The advance in American prices has for the moment been checked. The *Economist* index number of American primary products has fallen by 0.8 per cent., while the Irving Fisher index number of wholesale prices generally has fallen by 0.1 per cent. French prices have risen by 0.5 per cent., this being the first advance since August. Italian wholesale prices are fractionally lower, so that the December uncertainties of the lira have not so far affected internal prices. German wholesale prices have also fallen by a fractional amount.

SEPTEMBER 18, 1931 = 100

Date	Economist Indices			U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Com- merce	Germany, Statistik- isches Reichs- amt
	British Complete Index (sterling)	Primary Products Index (sterling)	Price of Gold (sterling)				
1932							
Jan. 27th	108.3	115.7	88.8	140.9	93.5	93.6	91.6
Apr. 20th	103.8	105.4	89.6	129.5	89.6	97.0	90.3
July 27th	99.5	103.5	84.1	138.9	88.3	91.3	88.1
Oct. 19th	103.1	112.3	84.0	143.8	88.6	88.8	88.8
1933							
Jan. 25th	101.8	107.7	78.0	142.6	80.5	88.1	83.8
Apr. 19th	98.7	104.6	88.7	141.4	82.8	87.5	83.4
July 26th	108.1	120.6	124.7	145.7	100.9	86.7	88.6
Oct. 18th	106.4	112.8	109.1	155.4	103.7	87.5	88.1
1934							
Jan. 31st	108.8	118.0	124.8	156.7	105.6	87.2	88.8
Feb. 23rd	109.1	121.3	128.0	161.3	107.9	88.1	88.0
Mar. 28th	108.3	121.4	127.5	160.4	107.3	85.9	88.1
Apr. 25th	108.2	119.8	125.8	159.5	106.0	85.4	87.7
May 23rd	108.2	121.4	128.8	160.7	109.5	84.7	88.5
June 20th	106.1	123.4	133.9	162.3	113.1	82.7	89.6
July 18th	109.5	124.8	136.7	162.4	113.2	81.4	91.1
Aug. 29th	111.1	129.1	150.6	164.0	115.6	82.0	92.0
Sept. 26th	108.7	125.7	148.0	166.2	116.1	81.4	92.5
Oct. 10th	107.8	123.1	146.2	164.5	114.3	79.8	93.0
Oct. 24th	107.9	124.2	147.7	163.7	114.4	79.6	93.2
Nov. 7th	107.1	123.1	147.7	163.7	114.4	79.1	93.1
Nov. 21st	106.7	120.5	149.0	164.1	114.4	78.2	93.0
Dec. 5th	108.1	123.3	154.4	165.9	114.1	78.2	93.0
Dec. 19th	108.7	123.4	153.1	165.8	114.0*	78.6*	92.9*

* These figures refer to Dec. 12th.

Details of the group indices comprising the complete *Economist* index number are given below:—

	"ECONOMIST" INDEX (1927 = 100)			
	Sept. 18, 1931	Nov. 21, 1933	Dec. 5, 1934	Dec. 19, 1934
Cereals and meat	64.5	67.5	69.1	69.4
Other foods	62.2	59.4	59.7	60.3
Textiles	43.7	52.0	53.3	53.6
Minerals	67.4	75.3	75.5	75.5
Miscellaneous	65.8	68.2	68.9	69.3
Complete index	60.4	64.4	65.4	65.7
1913 = 100	83.1	88.7	89.9	90.4
1924 = 100	52.2	55.7	56.5	56.7

The rise in the cereals and meat group was due to sharp increases in beef and New Zealand mutton. Grain prices are all slightly lower than a fortnight ago. Among other foodstuffs tea was cheaper, but there was an appreciable rise in Danish butter. The rise in the textiles group was mainly due to higher prices for wool tops, flax and jute. American cotton was also dearer, but Egyptian cotton cheapened. In the minerals group a slight rise in copper was neutralised by a fall in spelter. Among miscellaneous materials, cement, hides and creosote advanced in price, but leather and linseed oil were lower.

A Cement Cartel.—After many unsuccessful attempts the cement industry of this country has at last been cartelised. Following the conclusion of price agreements among producers in the South of England last April, and in Scotland last September, a similar agreement was reached a week ago in the North of England. The Cement

Makers' Federation will direct the general policy of the industry, and a new central committee will be charged with the allocation of quotas and with the promotion of the use of cement. So far so good. A measure of co-operation in an industry with heavy fixed charges is desirable in so far as wise central control may prevent the ruinous price-cutting which generally accompanies readjustment of capacity during a period of industrial depression. But if central control is to be justified it must see to it that production is carried on efficiently, and it must pass on to the consumer any reduction in costs of production. This is especially important in the case of cement, which is used on a large scale in house-building and road-making. Unfortunately, the conclusion of the last agreement was heralded by a further increase in the price of cement by 2s. per ton. If this means that those in control of the industry will attempt to exact a monopoly price for an essential raw material, the conclusion of such agreements can hardly be welcomed.

November Overseas Trade.—We are now able to supplement our preliminary analysis of British overseas trade in November, published in the *Economist* of last week, with our usual quantitative survey of imports and exports of certain leading products:—

Item and Measure		TOTAL IMPORTS		
		Month of November		
		1932	1933	1934
Wheat	'000 cwt.	8,395	10,089	8,120
Beef	'000 cwt.	922	939	1,096
Sugar (unrefined)	'000 cwt.	4,247	3,649	3,065
Wood and timber, soft	'000 tons	168	271	429
Other than planed or dressed	'000 loads	382	533	534
Planed or dressed	'000 loads	68	82	80
Raw cotton	'000 bales	1,445	1,641	999
Sheep's and lambs' wool	'000 lbs.	66,615	62,709	47,580
Raw silk	'000 lbs.	400	556	658
Flax, hemp and jute	tons	19,079	27,325	28,649
Crude petroleum	'000 galls.	21,654	40,239	50,235
Hides, wet and dry	'000 cwt.	192	113	140
Wood pulp	'000 tons	167	163	203
Rubber	'000 cents	16,035	15,112	30,398
Unwrought copper	tons	28,475	27,705	24,845
Pig lead	tons	2,329	2,072	4,036
Tin: Ore and concentrates	tons	196	430	699
Blocks, ingots, bars and slabs	tons	57,892	91,927	104,088
Iron and steel and manufactures	tons			

As compared with the corresponding month in 1933, imports of maize showed a sharp rise from 3,766,475 cwt. to 6,191,172 cwt., and imports of meat were also appreciably larger. The increase of £1,150,069 in our imports of tobacco is due almost entirely to a rise in prices. The sharp increase in our imports of iron ore and scrap-rubber and wood pulp reflects the expansion of the industries using these materials. On the other hand, the quantity of cotton and wool imported last month was appreciably smaller than in the corresponding month a year ago. A heavy increase in imports of petroleum products was largely responsible for the increase of £620,794 in our purchases abroad of articles classified as articles wholly or mainly manufactured:—

Item and Measure		BRITISH EXPORTS		
		Month of November		
		1932	1933	1934
Coal	'000 tons	3,391	3,607	3,318
Pig-iron and ferro-alloys	tons	8,531	14,370	13,690
Railway material	tons	12,120	9,433	15,487
Total iron and steel	'000 tons	170	184	220
Textile machinery	tons	4,945	6,989	6,910
Total machinery	tons	22,830	27,956	31,074
Cotton yarns	'000 lbs.	9,940	12,671	10,642
Cotton piece-goods	'000,000 sq. yds.	159	170	172
Wool tops	'000 lbs.	4,121	4,084	3,799
Worsted yarns	'000 lbs.	2,628	3,429	2,621
Woolen tissues	'000 sq. yds.	3,708	5,159	4,998
Worsted tissues	'000 sq. yds.	1,814	2,730	2,206
Linon piece-goods	'000 sq. yds.	5,906	6,025	5,996
Leather boots and shoes	'000 dozen pairs	57	47	43
Leather	'000 cwt.	18	22	22
Paper and cardboard	'000 cwt.	358	356	299
Locomotives	tons	...	...	1,013
Motor vehicles and chassis	number	4,929	5,380	5,754

Exports of coal, textile materials and boots and shoes in November were smaller than in the corresponding month

a year ago. On the other hand, sales abroad of iron and steel, machinery and motor-cars were appreciably larger than last year. Machinery contributed £639,434 and iron and steel £619,052 to the increase of £1,606,710 in our total exports of manufactures. Exports of iron and steel to Australia, British India, Canada and South Africa all exceeded £300,000. British India, South Africa and Australia were the largest purchasers of machinery during the past month.

Iron and Steel Production in November.—Since there was one working day less in November than in October, it is not surprising that the production of iron and steel in November failed to reach the output in the previous month. Pig-iron production fell from 527,100 tons in October to 507,600 tons in November, and steel production from 812,000 tons to 766,000 tons. Allowing for the shorter month, production appears to be well maintained. Seasonal influences are affecting markets at the moment, but the general undertone is firm, and there is every indication that prospects for 1935 are favourable. It is now possible to

estimate with some accuracy the total output for the year. Pig-iron should reach 6 million tons, an increase of 40 per cent. over 1933; and steel should reach 9 million tons, an increase of 30 per cent. Imports of iron and steel in November amounted to 104,100 tons, a decline of 16,100 tons compared with October, but an increase of 12,200 tons compared with November, 1933. Of the total imports, 12,951 tons consisted of pig-iron, of which 11,199 tons were from India. Imports of sheet and tinplate bars increased from 7,800 tons in October to 16,800 tons in November, but imports of most other products declined. Imports of scrap iron and steel amounted to 19,400 tons, compared with 28,000 tons in the previous month. Exports of iron and steel amounted to 219,900 tons and exceeded the 200,000 tons level for the third time this year. Exports of pig-iron amounted to 13,400 tons, of steel bars, rods, etc., to 18,000, of thick plates and sheets to 13,000, black plates and sheets to 20,700, galvanised sheets to 26,200, tinplates and sheets to 40,400, and tubes and pipes to 30,800 tons. The chief markets to which iron and steel were exported in November were the Union of South Africa (23,500 tons), British India (23,000 tons), Australia (21,000 tons), Canada (17,100 tons), Argentina (10,800 tons), Denmark (9,200 tons), Japan (8,300 tons), and New Zealand (8,000 tons).

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

THE NEW RECOVERY PROGRAMME

PREPARATORY to the assembling of Congress, various clashing elements of the Administration are endeavouring to secure the incorporation of their projects in the programme expected to be presented by the President. As usual, these projects are classified under the titles of Relief and Recovery. Approximately twenty million persons are now the beneficiaries of Federal relief; in some States, the Federal Treasury supports the entire cost of relief; in others it supports a major fraction; in still others a minor fraction. In some cases, work is expected in return for relief; in others it is a simple dole. Work relief is not invariably paid higher than the dole. The confusion of views is impressive, ranging from advocacy of the dole without work as the most economical method, through a maintenance of the present system, but at reduced rates (the relief rates in instances successfully compete with the prevailing wage rate in many localities), on into elaborate schemes for Government factories, hardly to be distinguished from the E.P.I.C. proposals of Mr Upton Sinclair. Recovery projects usually centre on housing developments, and these range from the simple guaranteed mortgage scheme of the Federal Housing Administration, through proposals for a 20 per cent. cash subsidy for new construction, to public works enterprises involving direct Government building.

The elements of the housing situation are simple. There has been almost no residential building since 1929; in this period the population has grown by perhaps 4,000,000, and an uncertain number of dwellings have been destroyed by fire or time. Simultaneously, the depression forced some "doubling up" which economised space. Nevertheless, by early 1934 statistical evidence supported common belief in the conclusion that not merely was there no surplus of dwellings, but there were at least local shortages. Furthermore, a major proportion of existing dwellings were visibly in varied stages of neglect and dilapidation. A year ago, in the vicinity of New York at least, there was a fair promise that 1934 would see substantial residential building, although costs were considered high; and in the early months of 1934 signs of building activity appeared. In April, however, the N.R.A. building cartel applied a steep and comprehensive increase in raw material prices, and activity fell away. When these prices were reduced in September, the year's building opportunity had largely

passed. But, meanwhile, the shortage had continued to accumulate, and again signs of building intentions appeared, only to be arrested by the conflicting suggestions from Washington of subsidies, Federal projects, etc. It is probable that the current uncertainties about building will be resolved by the spring, and it is the prospects for residential building and for motor production that form the basis of the wide-spread expectations of a marked industrial recovery in the spring.

SUCCESSFUL TREASURY ISSUE

The Treasury offering of the current week was one of the most successful operations in recent months. Some \$900 millions of new money was desired; and maturing 2½ per cent. notes amounting to about \$1,000 millions were to be re-financed. The issues consisted of \$450 millions 3½ per cent. 15-18-year bonds, an equal amount of 1½ per cent. 18-month notes, and a conversion offer of 2½ per cent. 4½-year notes. Some doubts had been expressed about the feasibility of a long-term issue, in view of the limited success of the 10-12-year 3½ per cent. issue in September. The current long-term issue was five times subscribed.

The cotton situation has been and is causing much more discussion in trade circles than in the Press. Broadly speaking, it is realised that the world is capable of becoming independent of American cotton; and that if American cotton is to regain its export market it must do so at a competitive price. In the current year, this price would be below the official valorisation price, not to mention the domestic price, which includes the processing tax. But the Agricultural Adjustment Administration is committed to the parity price for cotton. At the same time, while the A.A.A. is undertaking to curtail output, it is not undertaking to reduce it to a domestic basis. The result is that stocks of cotton in the possession of the Government, under one title and another, have accumulated and threaten to continue to accumulate. The only proposal yet made for their disposition is an extension of the present two-price scheme, namely that all the cotton domestically consumed shall bear the official price, and that the exportable surplus shall be dumped abroad by the Government, but not necessarily at the valorisation price. On a limited scale, this has been done in the past with wheat. As yet no actual arrangement has been made for this disposal of cotton, but the Press announces the possibility of effecting a "barter" arrangement with Germany to the amount of 500,000 bales or more. Whether this particular deal goes through or not is immaterial. The simple fact is that we

produce an exportable surplus of cotton; that there is no prospect of curtailment to a domestic basis; and no willingness to accept the world price. The attempt to valorise the entire crop is merely leading to an accumulation of the surplus by the State.

The year has been an unhappy one for the railways. For the ten months ended October, net operating revenue was slightly below the ten months of 1933, and gross income was slightly above. Of 147 Class I railways, 37 have failed to cover expenses and taxes, and, of course, a still larger number have been kept from receivership only by Federal funds. One small wage increase was given in July and another will be made in January; but the Court declaration that the Rail Pension Bill was unconstitutional possibly averted a considerable addition to the list of railways now in receivership. Under such conditions, orders for new equipment (with a few striking exceptions) are almost absent, and even maintenance is cut to the limit. In past depressions, notably in 1921, railway re-equipping has been a considerable force in the recovery. Several schemes are under consideration. First of all, the R.F.C. is apparently willing to avert receiverships with loans, in anticipation of an increase in traffic. The railways themselves are applying for higher rates. Beyond these are a variety of proposals for re-financing with Government guarantees, etc. There is a curious and almost complete absence of suggestion that the Government should "take over" the railways, when conditions actually supply more argument than usual for such a procedure, and when there is so much agitation for public ownership of the utilities.

NEW YORK, December 7.

FRANCE

WHEAT AND WINE

By 387 votes to 175 the Chamber has voted the Wheat Bill with a text nearer to the original Government draft than to the counter-proposal of the Chamber Committee. In particular, it is provided that stocks shall be purchased by the co-operatives "at the average price of the first six months of 1935 on the Paris free market" instead of the fixed price of 97 francs proposed by the Committee. The Government's Wine Bill was passed by 398 votes to 162. Both projects will come before the Senate as soon as it has finished its examination of the Budget.

M. Joseph Caillaux made an important speech in the Senate's debate on the Budget. After a revision of the figures voted by the Chamber, the Financial Committee of the Senate had agreed to an admitted deficit of 459,708,256 francs. This total may, of course, vary according to the future course of the crisis. M. Germain-Martin, Minister of Finance, admitted that it might reach 3,000 million francs at the end of 1935; and this figure does not seem exaggerated if one considers that, on September 30th, the deficit for the current fiscal year was already 3,800 millions. M. Caillaux maintained that the estimate should be raised to 6,000 millions; so that if one takes into account all supplementary charges, except the railway deficit, the Treasury would have to borrow a sum of 11,000 million or 12,000 million francs. M. Caillaux concluded that, this being the case, "the era of economies is only at its beginning, and that, after having diminished public expenditure, private expenditure must be contracted by a lowering of the cost of living."

The Government hopes that the reduction of costs so obtained will start France's internal economy working again, in particular by stimulating exports, which already show signs of recovery. Unemployment, however, is still increasing, and the official figure now stands at 384,841, compared with 375,183 in the preceding week and 269,618 a year ago. Public economies are consequently thought necessary. M. Caillaux maintains that France now pays 75,000 millions of taxes (State and Municipal) yearly, compared with 7,200 million gold francs before the war, or 36,000 millions in new francs. Meanwhile the public debt (perpetual debt excluded) has already reached 12,500

millions, or more than a quarter of the Budget. M. Caillaux places the taxable capacity of the country at round about 45,000 million francs a year.

GOVERNMENT BORROWING AND THE RATE OF INTEREST

The long-term capital market will not have to furnish the total needs of the Treasury for 1935. A portion will come from the money market, and the Minister of Finance will probably ask the Chamber to authorise him to raise from 10,000 millions to 12,000 or 15,000 millions the authorised maximum of short-term Treasury bonds, which had been previously reduced from 15,500 to 12,000 millions and 10,000 millions. The Government hopes that this procedure will not prevent the general reduction of interest rates. So far, however, repeated State loans have kept interest rate high. The average yield on debentures rose from 4.18 per cent. in 1931 to 5.24 per cent. in 1932, 5.81 per cent. in 1933 and nearly 6 per cent. in 1934; so that the cost of a loan, taxes and charges included, amounted to between 8 or 9 per cent. or, with amortisation, 10 to 11 per cent. The Government accordingly intends to keep out of the long-term market in order to facilitate a rise of rates and a consequent fall of interest rates.

The annual report to the Chamber on the Budget of the Merchant Service declares that, in spite of the Governmental support, the situation of the merchant fleet remains alarming. Out of a total of 3,468,454 tons, 564,003 tons were laid up on September 1, 1934.

The following percentages of the fleets of various companies were laid up at that date:—

Transatlantique	18%
Messageries Maritimes.....	27%
Services Contractuels.....	13%
Chargeurs Réunis.....	14%
Transport Maritimes à Vapeur	26%
Compagnie Paquet.....	7%
Auxiliaire de Navigation	39%
Compagnie Cyprien Fabre.....	25%
Havraise Péninsulaire.....	36%
Société Navale de l'Ouest	40%

The shipping crisis has been worsened since 1931 by the fall of the pound. Between 1926 and 1930 the tonnage laid up had varied from 84,480 to 204,692 tons, which represented vessels on repair and spare steamers. From 229,111 tons in January, 1931, it then grew to 590,835 tons at the end of 1931, and reached 1,092,889 tons in September, 1932. The law of July 12, 1934, which gave Government assistance to private shipping, led to an improvement. The tonnage laid up fell from 1,015,074 tons in December, 1932, to 886,659 tons in December, 1933, 797,150 tons on June 1, 1934, 717,497 tons on July 15th, 564,003 tons on September 1st and 586,126 tons on September 15th. But a part of this improvement consisted of the selling and breaking up of vessels.

The 68 largest French producers and distributors of electricity sold 930,920,651 kwh. in October, compared with 945,852,263 kwh. in October, 1933; a diminution of 1.57 per cent. For the first ten months of 1934 the production of electricity was 8,765,570,991 kwh., compared with 8,442,483,726 kwh. for the same period of 1933; an increase of 3.82 per cent.

PARIS, December 20.

GERMANY

HERR KRUPP, DR. SCHACHT AND HERR FEDER

THE recent withdrawal of Herr Krupp von Bohlen from the presidency of the "Reichsstand" (formerly Federation) of German Industry, and now from his remaining offices in the Nazi central business organisation, seems to indicate disharmony between the Nazi authorities and private business. Of late there have been several changes pointing in the same direction. Industry is upset by the steady increase in State interference. When Dr. Schacht took over the Ministry of Economy from Herr Schmitt it was expected that interference with production, if not with other branches of business, would be less frequent. Dr. Schacht had always been supposed to believe in

economic freedom. In general, however, the State's grip on business has become tighter. In part, this has been the outcome of the shortage of foreign exchange and of the embarrassing rise in prices; but both of these are themselves outcomes of the Nazi system. It is certain, however, that Dr. Schacht, in regulating production and trade ever more rigorously, is not merely the obedient executor of orders from his Nazi associates. His own competence and authority have both formally and *de facto* increased. Besides his general powers as Reichsbank President, he becomes under the new Bank Law practically the dictator of commercial banking, and the representatives of the other Ministries are, except in rare cases, merely his advisers. Moreover, it is the Minister of Economy who appoints the Presidents of the new Reich Economic Chamber.

Dr. Schacht still shows no tendency, however, to adopt the more radical Nazi proposals, which mainly concern capital and credit. Indeed, the most prominent advocate of these, Herr Gottfried Feder, has been removed as an inconvenient person from Dr. Schacht's Ministry and from his only other office. Herr Feder, though an engineer by profession, was for years Herr Hitler's economic adviser. His original currency ("Federgeld") and credit plans, and his association with the official "war on international loan-capital," kept him much in the public eye; and as he would have been incompetent as Minister of Economy, he was put into this department as Secretary of State, where he was to play the same rôle as Secretary of State Herr Reinhardt plays under the Finance Minister. Herr Feder ceased his somewhat embarrassing utterances when Dr. Schacht succeeded Herr Schmitt, and he has now been eliminated. In general, in matters requiring expert knowledge the mere Nazi politicians have been falling increasingly into the background; but there have been numerous less desirable changes apparently enforced by Nazis in private business. These have often led to the replacement of qualified men by inexperienced amateurs, mostly mere Party men.

The Finance Minister, Count Schwerin von Krosigk, this week expressed himself optimistically about the Reich finances. He estimated the improvement in revenue as Rm. 1,000 millions, compared with 1932, and the reduction in expenditure at Rm. 1,500 millions. The official policy, Count Schwerin said, is to keep both prices and wages low. Gross wages are not to be increased, but wage-earners may be helped by an increase in net wages, secured by means of a lowering of the various deductions now made.

The sugar industry has now been organised within the frame of the Nährstand. Since March, 1931, there has been a compulsory sugar cartel, which was confined, however, to the manufacturing branch, and had a private character. The new organisation will embrace beet production, sugar manufacturing and the sugar trade. It will have price-fixing powers, subject for the moment to the Reich Price Commissar. The prohibition against the opening of new retail shops, first temporarily imposed by General von Schleicher when Chancellor, and several times extended by the present Administration, has now been indefinitely extended. Retail shops will ultimately be regulated by a Reich retail-trade law based on the concession principle, so that no person will be allowed to open a shop without permit. Any considerable increase of the floor area of existing shops is also forbidden. There are signs in other business and professional branches of the same tendency to introduce the concession principle which is sometimes purely political. A new regulation of the legal profession makes it possible to exclude candidates who are "not desired." These measures are inspired by a general fear of competition. In order to prevent competition large numbers of persons are being precluded by various official restrictions from entering the occupations for which they are suited or trained.

HEAVY INDUSTRY BUSIER

The wholesale price index for December 12th is unchanged at 101.1. The prices of manufactured consumption goods, in the main textiles, have risen, and textiles raw material prices are also up. According to the Bureau of Statistics, the national income from salaries and wages in

the third quarter of the year 1934 was Rm. 7,600 millions, which is Rm. 300 millions more than in the second quarter. The wage total rose more than the salaries total, and the chief rise was in the higher wage groups.

The tonnage of ships arriving and leaving German ports in October was 8.7 per cent. higher than in October, 1933. Pig-iron output in November totalled 829,155 tons, against 842,484 tons in the longer month October; and in the first eleven months output was 7,908,900 tons, against 4,732,900 tons in the same months of 1933. The machine-manufacturing industry in November was occupied to 63 per cent. of normal, against 60 per cent. in October.

The foreign trade balance in November was active by Rm. 10 millions, against an active balance of Rm. 16 millions in October.

IMPORTS	Millions of Marks		
	Oct.	Nov.	Jan. to Nov.
Livestock	1.8	3.2	30.7
Foodstuffs.....	101.0	98.3	949.4
Raw and half-manufactured materials.....	185.6	185.7	2,389.7
Manufactured goods.....	61.1	58.6	683.6
Totals	349.5	345.8	4,053.4
EXPORTS			
	Oct.	Nov.	Jan. to Nov.
Livestock	0.2	0.2	3.4
Foodstuffs.....	7.9	8.5	110.1
Raw and half-manufactured materials.....	67.5	61.7	728.5
Manufactured goods.....	290.3	285.3	2,971.2
Totals	365.9	355.7	3,813.2

The seasonal decline in total exports and in exports of manufactures was much smaller than in the November of 1933 and of earlier years.

The money market has been somewhat strained owing to tax payments and the holiday demand, and there are heavy offers of private discounts. Day-loan rates are around 4-4½ per cent. The Reichsbank's reserves remain practically unchanged. There have been some small receipts of gold from home sources. The return for December 15th shows a repayment of nearly 63 per cent. of the November month-end credits. These redemptions were, in part, the cause of the heavy drop in deposits, which are down to Rm. 760 millions, against Rm. 857 millions on December 7th and Rm. 961 millions on November 30th. The withdrawals of Reich and other public deposits were very considerable, and the absence of the usual mid-month decline of circulation is due to this. The circulation of all currency is Rm. 5,675 millions, as against Rm. 5,459 millions in November.

The Supreme Court has given a definite decision in the Steel Trust bond dispute. The Trust's bonds, guaranteed by a dollar clause, are declared to be payable at the rate of Rm. 4.2 to the dollar; the depreciation of the dollar is not to inflict any loss on the bondholders. This decision does not necessarily apply to all dollar-clause issues, and the Reich denies that it applies to the Treasury bond issue of 1923.

BERLIN, December 19.

AUSTRIA

LEAGUE LOAN SUCCESSFULLY CONVERTED

THE conversion of the League Loan can now be said to be completely successful. The success of the conversion abroad is a striking proof of sympathy and confidence. Naturally the conversion is absorbing a lot of ready money, but in spite of this the tone of the money market is easy. Savings deposits increased by 19 million schillings in November. Even in the first week of December there was a further increase, although at this time preparations were being made for the conversion of the Loan, and although it is usual for withdrawal to begin with a view to Christmas purchases, especially in the case of savings clubs. It is remarkable that on the last day of November the position of the National Bank again showed improvement, as both total circulation and bill portfolio receded, while cover was slightly increased. Government securities have been steadily rising since November.

Money is so abundant that the question of the issue of another section of the Lottery Loan of last year is being considered. If this Loan is actually floated, the proceeds will be devoted chiefly to building activity. Building activity is at present at a very low ebb, now that the big housing schemes taken in hand several years ago have been stopped and the Municipality of Vienna has given up building houses. Private house-building is not developing, as tenants' protection still obtains, though in a milder form. It is not possible to lay down conditions for the financing of any larger projects, even though house property, which was for a long time dead capital, is now beginning to pay to an extent corresponding to about 5 per cent. on capital invested. House-owners are the only section of the population whose purchasing power has shown increase recently. Apart from them, just as the first signs of Christmas business are visible, a further decline in general purchasing power must be reckoned with. The chief cause of this decline is to be found in the cuts which have been made in wages and salaries. These cuts have been made at a time when prices have not fallen; wholesale and retail price indices have remained unchanged since the beginning of the year. Agricultural protection is largely responsible for this.

Despite low internal purchasing power, exports have been increasing. A total export of 81 million schillings was recorded in October, the best figure for the last year and a-half. Owing to the triple Trade Pact of Rome, exports to Hungary and Italy are considerably higher than last year, those to Hungary, in particular, having increased until quite recently:—

	Austrian Exports to Italy		Hungary	
	1933	1934	1933	1934
January.....	4.9	7.1	5.6	4.8
February.....	5.2	7.1	4.9	5.5
March.....	6.7	9.6	7.6	7.4
April.....	7.6	8.4	7.2	7.8
May.....	7.1	6.8	7.4	8.4
June.....	6.9	7.4	7.1	9.4
July.....	7.0	7.3	6.9	8.7
August.....	7.2	7.3	5.9	9.4
September.....	8.3	8.7	7.6	9.1

Negotiations are now proceeding with Italy for a further increase in Austrian exports, and a new agreement has been reached with Hungary to maintain Austrian exports at their present level.

VIENNA, December 17.

HOLLAND

GLOOMY ECONOMIC SITUATION

The Netherlands Association of Employers has addressed a letter to the Prime Minister, Dr. Colijn, containing the following words:—

Our anxiety about the future of Holland and her inhabitants is such that we feel compelled to give expression to our misgivings, especially as our alarm has been accentuated by the recently presented Budget figures. Wherever we look, there is no escape from the impression that Holland's sources of prosperity are definitely drying up.

The letter points out that Holland's industries are being seriously hampered by tariff walls and quotas and foreign exchange restrictions abroad. In the home market the obstacle of limited consuming power is encountered, and the low price level is accentuated by imports from countries which can produce much more cheaply than Holland owing to their depreciated exchanges. It is the task of Holland, the letter continues, to maintain and win as large a share as is possible of the dwindled trade of the world. To do this, however, a reduction in production costs is inevitable. The Association maintains that the process of readjustment is proceeding far too slowly.

The application of the Holland-America Line for Government aid for the construction of a new passenger liner has been refused by the Government on the ground that such a ship could not be made remunerative. For the purpose of stimulating industrial development, how-

ever, the establishment of regional industrial banks is now being taken in hand. Negotiations with the Province of Limburg are already in an advanced stage, and similar schemes are being considered for the Provinces of North Holland and Overijssel.

The unsatisfactory state of Dutch trade and industry is also illustrated by the continuously declining trend of securities prices, as shown by the following table of indices for shares, published by the Central Statistical Bureau:—

	1934				
	July	Aug.	Sept.	Oct.	Nov.
Industrials	34	33	33	32	29
Banking and credit ...	65	66	67	70	68
Shipping	2.3	2.5	2.6	2.3	2.0
Others	40	41	39	38	35
Indies securities	37	38	39	36	33
Petroleum	49	48	48	46	43

Negotiations with Germany have again been resumed at The Hague for a new clearing and commercial treaty. Some difficult problems have arisen, including the question of the old frozen debts; but for this a satisfactory solution appears to have been found. There is also talk of placing the entire exports of Holland under Government control by the establishment of a new Netherlands Exportation Company. The object would be to make the operation of a new clearing treaty as effective as possible.

THE FOREIGN TRADE POSITION

Imports in October rose by 9.5 million guilders. According to the returns of the Central Statistical Bureau, imports (excluding gold and silver) increased from 1,828,000 tons and a value of 77.74 million guilders in September to 1,925,000 tons and a value of 87.28 million guilders in October. Exports meanwhile declined in value but rose in volume. The course of Dutch imports and exports, month by month, during the last few years has been as follows:—

	Imports			Exports		
	(In million guilders)					
	1932	1933	1934	1932	1933	1934
January	131	95	100	70	58	56
February	110	86	82	76	55	51
March	116	99	84	73	65	61
April	113	90	86	69	54	54
May	101	97	87	64	61	57
June	107	97	89	66	62	59
July	96	104	86	63	56	58
August	95	105	89	67	62	69
September	101	111	78	77	74	69
October	117	109	87	82	63	62
November	106	109	...	69	63	...
December	107	108	...	70	52	...

The import surplus rose in October to 25.53 million guilders, but this cannot be termed high. For the first ten months of 1934 exports are only slightly below last year's figures in value, but imports are much lower. Imports in 1934 have been (in volume) 19,135,000 tons and (in value) 877.55 million guilders; and exports 11,283,000 tons and 596.08 million guilders. The import surplus dropped steeply from 382.17 million guilders in January-October, 1933, to 281.46 million guilders in January-October, 1934.

AMSTERDAM, December 17.

TURKEY

SURNAMES AND SELF-SUFFICIENCY

It has been decided to dissolve the National Assembly and proceed to new elections in January. The People's Party Congress in May desires to make new recommendations to Parliament, and it is considered best that the present legislature should not overlap with the period in which these recommendations will be carried out. At the end of its term, therefore, the present assembly has hurried through a number of reforms intended to make the Turkish nation look and sound purely Turkish. The surname Atatürk—father of the Turks—has been conferred on Ghazi Mustafa Kemal. This introduces and typifies the new surname epoch which begins in February next. The educated classes have also adopted purely Turkish surnames, so that when one hears a Turkish name in future one will not be in doubt whether its bearer is an Arab or some other Oriental. The

Assembly has also abolished all Oriental titles such as "pasha," "bey," and "effendi." The higher Army and Navy ranks are to be called Marshal, General, Admiral, according to Western usage.

The Premier, General Ismet Inönü—he was Ismet Pasha a week ago before he had a surname and the new title—has founded at Ereğli in the Konia Province of Central Anatolia the second of the large State cotton mills, which are the first line of the five-year industrial plan. It will be the first mill in Turkey producing fine cotton goods. With its foundation it is felt that Turkey is well on the way to self-sufficiency, even in wheat, sugar and cotton, which were the weak points in her autarkic structure.

Wheat production rose from 1,080,000 tons in 1925 to 2,500,000 tons this year, and with the construction of silos at many places in Anatolia, together with a judicious internal buying policy carried out by the Agricultural Bank, prices are well held and the export of cereals is increasing. Sugar consumption is now fully covered and there is even some excess from the four refineries now working. Cotton, which has been responsible for the chief drain on Turkish currency for the import of cotton goods, will begin to be produced on a large scale next year from two new mills and one extended mill. The industrialisation programme is thus being fully carried out at the scheduled dates.

RAILWAY AND CAMEL COMPETITION

An American expert has examined the railway deficit and the Government has introduced lower fares and a system of circular long-term tickets to encourage business and pleasure travel in Anatolia. The result has been very satisfactory. The competition of motor-buses has been successfully met. Passengers and goods traffic have risen by 40 per cent., and receipts by 20 per cent. The one-month circular tickets, which have been reduced by 50 per cent., have been responsible for 15,000 more passengers, and commercial travellers have been given special facilities for carrying sample goods. For the first time excursion tickets have been organised and have proved very popular. The new railway policy as a whole will prevent the return to camel transport, which the peasants were beginning to favour.

The Government has called in a French expert to overhaul the whole Turkish financial system. Meanwhile, the first meeting of the Balkan Economic Committee, established by the recent Balkan Entente Conference at Ankara, will meet this month at the capital and will begin the study of the various problems of Balkan trade co-operation. Turkey and Greece have already set up a body to examine the relations of the two products in which both countries are primarily interested—raisins and tobacco. The Greek Minister of Commerce has made a tour of Turkish factories with the object of co-ordinating the industrial production of the two countries and eliminating redundant production. The same policy will now be extended to the other members of the Balkan Entente, Roumania and Yugoslavia.

Following proposals made by the British Government about a new commercial convention, the Turkish Government has denounced the Turco-British treaty. This has been done with the object of bringing Great Britain into line with the Turkish policy of restricting trade by clearing agreements, of which over a dozen have been made. Negotiations are now going on.

ISTANBUL, December 1.

INDIA

AFTER THE COTTON STRIKE

THERE has been a great improvement in the condition of the Bombay mill industry. With the strike out of the way and with wages now assured of some stability, even though there will be a reduction in hours of work according to Statute next year, a greater feeling of security has been engendered. Conditions have also been helped by the general economic improvement, which, though not yet marked, is distinct. Before the strike, which began at the end of April and ended in the last week of June, the number of operatives employed in the Bombay mills on day-shift

was 95,000 and on night-shift only 8,000; the figures now are 115,000 on day and 20,000 on night. Old stocks of piece-goods have been much curtailed, and the only issue is whether the Bombay mills may not be landed with further unwieldy stocks if they persist at their present rate of production.

As a result of the strike the Bombay Government has passed legislation to apply conciliation to labour disputes. More important still, they have decided to appoint a Labour Officer who would be in constant touch with the workers, study their grievances, and meet trouble before it had time to mature. This rather unusual post for a Government official—the Labour Officer in question is a member of the Civil Service—is certainly warranted by the absence of any proper trade union organisation in the mill industry. The Royal Commission on Labour in India noted the peculiar place of the jobber in the Bombay mill industry. He stands as a middleman between employer and employed, and there are many reasons why his disappearance would be of benefit. Meanwhile, the Labour Officer can help to prevent some of the worst results of his presence. He can expose the ill-feeling caused by a jobber demanding payment to give a man a job as well as to reinstate him if he goes on leave. Continuity in mill employment would do much to improve labour conditions.

Bombay is particularly interested in the Indian sugar industry, having invested large sums in its development under protection. Some anxiety has therefore been caused by the reductions in the prices of Java sugar, which have increased imports and are due, it is said, to the desire of Dutch producers to get rid of long-held stocks before they deteriorate. Incidentally, the increased imports have been of assistance to Government revenues. The sugar duty was estimated to bring in Rs. 205 lakhs in the financial year, whereas the Government have already received over Rs. 240 lakhs. The Indian sugar millowners have already appealed to the Government to increase the import duty on sugar to help the Indian industry. Some part of the Javanese sales are no doubt induced by the prospect of the Indian industry establishing a marketing board for the sale of sugar at various ports. Java has tried to anticipate the formation of this board by placing large stocks at Calcutta, Bombay, Karachi, Madras and Rangoon.

REDUCING AGRICULTURAL DEBTS

All over India the question of debt relief for the ryot is a prominent question. Bills now before the Punjab and the United Provinces Councils deal with this matter. They have been amended in Committee principally by the debtor interests, and are now little better than debt repudiation instruments. Much wiser has been the establishment of conciliation courts for the reduction of debts. This procedure was first adopted in the Central Provinces, where it has been most successful. Mr M. L. Darling, the special officer deputed by the Government of India to investigate rural indebtedness, has recently remarked that on average these conciliation courts have succeeded in obtaining a 40 per cent. reduction in the debt burden. An experimental land mortgage bank in the Bombay Presidency has had equally satisfactory results in debt remission through the conciliatory methods which it unofficially encourages.

The fifteen new land mortgage banks, which it is proposed to open in various parts of the Bombay Presidency next April, will also undertake unofficially to bring debtor and creditor together in the hope that some agreed reduction of liabilities may be effected. Agreement is all the more likely as the creditor will know that the banks will help the debtor to pay off the agreed sum. The new banks will not be solely concerned with providing cash and security for the liquidation of debts; they will also be available for financing approved schemes for agricultural improvements. The loans given by these banks will on the average have a longer life than those now granted by the present co-operative credit societies, which can offer their facilities only for a short term. The new banks will obtain their cash needs by debentures, the principal and interest on which will, it is proposed, be guaranteed by the Government of Bombay. The Madras Government have already guaranteed the debentures issued by the Central Land Mortgage Bank to the extent of Rs. 50 lakhs at a rate of interest not exceeding 6½ per cent. Debentures issued at

this rate, however, are now being redeemed and issued at a lower rate.

Marked success is being achieved in producing in India the "strong" wheats demanded by millers. The Agricultural Research Institute at Pusa has evolved a harder wheat from indigenous forms, and known as Pusa 4, which is well suited to Bihar, Bundelkhand and the North-West Frontier Province. It is an early maturing variety and grows well in soil with minimum water content. Pusa, however, regards the wheat Pusa 3 as its most notable achievement. It stands damp weather better than Pusa 4, and in milling and baking tests it has proved equal in value to good Manitoba wheat. Both varieties, owing to their thin skin, yield a high percentage of flour. There are at least five other varieties of Pusa wheat now isolated, in addition to hybrids of these existing strains, and it is obvious that in a few years the wheat lands of India will be provided with strains suited to their individual requirements. Even bearded strains, for areas where birds and animals cause damage to the crops, have been evolved.

BOMBAY, December 10.

SOUTH AFRICA

UNEMPLOYMENT VANISHING

THE Union trade balance is resuming more normal proportions. For the nine months to the end of September, the value of the grand total of imports was £47.5 millions and of exports £63.4 millions (including £16.6 millions estimated gold premium). Trade is still on the up-grade, and unemployment is rapidly approaching vanishing point. In most lines first-class artisans are almost unobtainable.

From apparently authoritative reports in the daily Press the main outlines of the proposed constitution of the new Party resulting from the union of the South African and Nationalist Parties have been settled for presentation to the inaugural congress at Bloemfontein. It is understood that the proposals provide for a Central Head Committee with responsibility for the Party programme and extensive powers, supervising provincial head committees who are to enjoy a measure of autonomy on local questions. Only Europeans will be members of the Party, but there will be affiliation open to coloured people (i.e. mixed blood) in the Cape Province. Native voters will not be eligible for membership.

By the terms of the new Mozambique Convention, which was signed in the middle of November, the native labour complement of Portuguese native subjects is fixed at between a maximum of 80,000 and a minimum of 65,000. By consultation between the two Governments these numbers may be varied in accordance with the labour conditions at any particular time. Under the present Convention the figure is supposed to be 80,000, but the numbers have been far lower for some time owing to the unprecedented availability of Union and Protectorate natives. The fees payable to the Portuguese Government are fixed at a minimum of 44s. 6d. South African currency per head of the average number employed in any year. Approximately half of their earnings is to be paid to Portuguese natives after their return to their own territory.

Considerable interest has been caused here by the decision, by a two-thirds majority, of the House of Assembly in South-West Africa to petition for the administration of that territory, under the Mandate, as a fifth province of the Union. There is no doubt about the severe economic difficulties of independence. The country suffers acutely from poverty and under-development, as will be seen from the following figures:—

	Area Sq. miles	Population European Non-European
Union.....	473,000	1,920,000 6,568,000
South West Africa.....	310,000	31,600 242,000

For the year 1932-33 the revenue was £387,000 and the expenditure £671,000. The territory is heavily in debt to the Union. Although the Report of the Union Government to the Council of the League of Nations shows an excess of assets over liabilities of the Territory (at March 31, 1933) of

£2,286,000, many of the assets are "frozen" at present. There is some good ranching country, and a variety of mineral deposits believed to be extensive but very inadequately prospected. German citizens naturally object to a step which would be regarded as in the direction of annexation, although protagonists of the scheme deny any intention of departing from the terms of the Union's mandate. Nazi activities in South-West Africa have not helped the German case.

MINIMUM WAGE BILL AND NATIVES

At a luncheon to members of a Commission which is now engaged in reviewing industrial legislation, Mr A. P. J. Fourie, Minister for Labour, announced publicly that a Minimum Wage Bill is to be introduced next Session. The main proposal would be to vest the Minister with power to prescribe a minimum wage of one shilling per hour for certain classes of employment. The avowed object is to reserve certain occupations, mainly the driving of motor cars and machinery, for Europeans. Mr Fourie quoted the Prime Minister as saying that "natives lack the psychology to manage a dangerous machine like a motor car." Mr Fourie is one of those die-hards who believe that the economic and social health of Europeans in the mass can be improved quite easily by simply-worded legislation repressing the natives.

A case of great importance has arisen under the Industrial Conciliation Act. There is in existence a wage determination for the furniture trade, expiring on February 25, 1935. Recently the employees wished for this to be terminated forthwith and succeeded by an agreement carrying increased wages—trade at the present time being very active. On October 20th all the employees gave one hour's notice of termination of their employment. A conviction for contravening the Act has now been set aside by the Supreme Court, which held that the men resigned their employment in the ordinary way and were not "strikers." This position destroys the value of agreements in trades where there is no floating unemployed number of artisans, and it is probable that further legal action will be taken. On December 1st the men resumed work at the wages in the agreement and negotiations have been started for a new agreement to come into force in February.

The Government announced on November 24th an offer to convert £6,995,900 five per cent. 10-year loan repayable in 1935 into 3½ per cent. local registered stock to be issued at £100 per cent. with interest half-yearly on January 15th and July 15th. The offer is open only to holders of the existing stock redeemable on January 15, 1935. The new stock is repayable at par on January 15, 1965, but the Government may repay the whole or any portion on or after January 15, 1955, upon three months' notice.

JOHANNESBURG, December 10.

BRAZIL

INCREASE IN FOREIGN TRADE

THE latest figures show that Brazil's foreign trade is gradually reviving, and there are indications that the revival will continue.

Imports and Exports, January to September, 1933 and 1934.

	Tons	Value in Contos of Reis	Value in £ gold
Imports, 1933.....	3,001,991	1,578,396	21,569,000
" 1934.....	3,018,436	1,818,694	18,227,000
Exports, 1933.....	1,431,746	2,125,462	28,059,000
" 1934.....	1,557,783	2,535,487	25,526,000

As the value of gold has increased considerably over the period covered by the figures given above, the £ gold value does not give as true a picture as the milreis value. The active trade balance was for the first nine months of 1933 some 547,066 contos of reis, and for the similar period of 1934 some 716,793 contos of reis, an increase of 169,727 contos of reis.

The increase in cotton exports, principally from Sao Paulo, for the nine months' period was from 2,542 tons in 1933 to 75,525 tons in 1934. There has been a slight decrease, however, in exports of oranges and coffee.

RIO DE JANEIRO, December 15.

LETTER TO THE EDITOR

THE "CORPORATIVE STATE"

TO THE EDITOR OF THE ECONOMIST

SIR,—I gather from the editorial note in your issue of November 17th that you are somewhat uncertain about the character and significance of the Italian corporate system. Yet the literature on the subject, in English as well as in Italian, is now very voluminous, and much of it quite easy to understand. To mention only a few books there are "The Making of the Corporate State," by H. Goad; "The Working of a Corporate State," by H. Goad and M. Currey; P. Einzig's "Economic Aspects of Fascism"; K. Walter's "Co-operation in Changing Italy"; "Fascist Era—Year XII," edited by the General Fascist Confederation of Fascist Industry (in Rome), to mention but a few.

The word Corporation does not apply, as your contributor seems to think, to the Fascist trade unions, which have always been known as syndicates, but to the State organisations grouping those trade unions and the employers' associations and those of the experts, technical and clerical staffs, etc. At first these co-ordinating functions were fulfilled by special committees created *ad hoc*; later, also, by the various sections of the National Council of Corporations acting as arbitral organs to conciliate the interests of employers and workers when in conflict. All this happened between 1922 and 1934, so that to say that "nothing really happened" is, perhaps, a terminological inexactitude. That a part of the outside world may have wondered what it all meant is quite possible, but only that part which never takes the trouble to understand anything at all (or is incapable of doing so).

In introducing this entirely new system the Government has—wisely, I think—proceeded by degrees, experimenting with the different aspects of the system to see how each worked out in practice, and correcting errors where they were made, instead of launching a set of brand-new institutions ready made. You say "it is a little difficult to discover on what economic principles the corporations will work, if, indeed, they work at all." The difficulty, I venture to think, exists only for that part of the outside world mentioned above. Anyone who inquires for himself into the system will have no difficulty in understanding it. You suggest that it may be only a muddled combination of monopoly and protection. As a matter of fact, the elimination of monopoly is one of the very objects which it aims at, and as for protection, that is to-day a universal feature of every economic system; in Italy we are trying to make its incidence as supportable as possible.

The corporations now created, on which labour, capital and the State (i.e., the nation of consumers as a whole) are represented, have taken over the functions of the sections of the National Council of Corporations and hold the balance between conflicting interests. Each corporation represents all the interests of some particular branch of economic activity, such as agriculture, textiles, banking, etc., as a whole, interests which are common to all persons connected with it—employers, workers, technical experts, the clerical staff. The National Council conciliates such conflicts as may arise between those different branches of economic activity.

You ask whether the purpose of the system is merely to hide "the stark fact of low wages." The answer is definitely in the negative. Wages in Italy are low, but it should be remembered that from the advent of the Fascist regime until that of the world depression (for which Fascism is not responsible) wages had steadily increased, that, if they have fallen since the depression, so has the cost of living, leaving real wages higher than they were before October, 1922, and that by adapting wages to the economic situation the number of unemployed has been kept lower than it would otherwise have been. It is not much advantage that a certain number of workers should enjoy very high wages, if many others have no wages at all. Italy has thus a far lower percentage of unemployed to her total population than Great Britain, Germany, the United States and other countries. You mention the small number of unemployed receiving State assistance (i.e., unemployment insurance). But that is only one of the many forms of assistance to the unemployed. A very large part of the activities and resources of the various Fascist organisations are mobilised for unemployment relief, the municipalities, the Church and numberless private associations all contribute. In few other countries is relief so thoroughly and efficiently organised.

You seem to deplore the abolition of the right to strike. It should be added that the right to proclaim lock-outs is likewise abolished. The law punishes both strikes and lock-outs impartially, but it has never been applied, for the occasion has never arisen. As for the destruction of all "genuine

instruments of collective bargaining," the Corporative system has created the most perfect organisation for collective bargaining ever devised. Under the old system it was not the party having right on its side which won in labour disputes, but that party which was strongest, best organised and richest. In Italy to-day the parties in conflict are really equal before the law, and in the last resort the Labour Courts, composed of impartial and competent judges, decide. That is what is really behind what you are pleased to call an "elaborate and imposing façade." Class war has been eliminated, and this, as an expert British observer remarked not long ago, is the greatest achievement of Fascism.—Yours faithfully,

2 Via Antonio Bosio, Rome.

LUIGI VILLARI.

November 20, 1934.

[Signor Villari seems to have misunderstood or misread some of the remarks in our Note on the Corporative State. We cannot accept all the statements he now makes, but since we have no wish to give a distorted picture of the Corporative State, we propose to devote a special article to the subject in a forthcoming issue.—ED., *Econ.*]

BOOKS RECEIVED

- Survey of International Affairs*, 1933. By A. J. Toynbee. (London) H. Milford. 636 pages. 24s. net.
- The Planning of Britain's Food Imports*. By K. A. H. Murray and Ruth L. Cohen. Oxford University Agricultural Economics Research Institute. 105 pages. 3s. 6d.
- A very full and interesting piece of statistical research.
- A First Book of Economics*. By Norman Crump. Second edition, enlarged and revised. (London) Macmillan. 262 pages. 3s. net.
- Fascism at Work*. By W. Elwin. (London) Martin Hopkinson. 320 pages. 10s. 6d. net.
- The Future of Gold*. By Paul Einzig. Macmillan. 134 pages. 7s. 6d.
- The Canadian Economy and Its Problems*. Canadian Institute of International Affairs. 356 pages. 10s. 6d.
- Purchasing Power, Medium of Exchange, Abnormal Money*. By William J. Calvert. W. J. Calvert (Englewood, New Jersey). 84 pages. 50 cents.
- L'Installation des Italiens en France*. By S. Wlocewski. (Paris) Librairie Félix Alcan. 97 pages. 20 frs.
- The Bankers' Almanac and Year Book, 1934-1935*. (London) Thomas Skinner and Company, Gresham House, Old Broad Street, E.C.2. 2,300 pages. 42s. net.
- Stalin-Wells Talk*. The Verbatim Record and a Discussion by G. Bernard Shaw, H. G. Wells, J. M. Keynes, Ernst Toller and others. With three caricatures and cover design by Low. (London) The New Statesman and Nation, 10 Great Turnstile, W.C.1. 47 pages. 1s. net.
- Economic Aspects of Australian Land Taxation*. By J. M. Garland. (London) H. Milford. 217 pages. 10s. 6d. net.
- Social and Economic Reconstruction in the United States*. International Labour Office. (London) P. S. King & Son, Ltd. 401 pages.
- Credit and International Trade*. By Barnard Ellinger. (London) Macmillan and Company, Ltd. 189 pages. 8s. 6d. net.
- Towards Stability*. By S. H. Slichter. (New York) Henry Holt and Company. 211 pages. \$2.00.
- The Liberal Year Book for 1935*. (London) Liberal Publication Department, 21 Abingdon Street, S.W.1. 294 pages. 2s. net.
- The Gold Exchange Standard in the Philippines*. By G. F. Luthringer. (London) H. Milford. 291 pages. 13s. 6d. net.
- The Causes of the German Collapse in 1918*. By R. H. Lutz. (London) H. Milford. 309 pages. 18s. net.
- Trading into Hudson's Bay*. From the journal of R. H. H. Macaulay. (London) Hudson's Bay Company, Beaver House, E.C.4. 107 pages. No price given.
- Edward Atkinson: The Biography of an American Liberal, 1827-1905*. By H. F. Williamson. (Boston) Old Corner Book Store, Inc. 304 pages. No price given.

OFFICIAL PUBLICATIONS

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

- Colonial Report, No. 1687*. Bechuanaland Protectorate, 1933. 2s. net. No. 1688. Kenya Colony and Protectorate, 1933. 2s. net. No. 1689. Fiji, 1933. 3s. net.
- Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Countries, 1933, compared with the years 1929-32*. Vol. II. Imports from and Exports of Imported Merchandise to Principal and Other Countries, etc. £1 12s. 6d. net.

MONEY AND BANKING

GUARANTEEING EXPORT TRADE

QUIETLY and unostentatiously there has been developed in this country since the war a useful piece of Government machinery known as the Export Credits Guarantee Department. In its early stages it was admittedly experimental, but in 1926 it assumed its present form, and is now doing very useful work in furthering our export trade. Briefly, what it does is to insure the British exporter against the insolvency of the foreign importer. The exporter comes to the Department and puts forward his proposition. The status of the foreign customer is investigated by reference to the Department's records and other sources of information, and, if inquiries are satisfactory, the Department may in return for a small premium insure the solvency of the importer up to a limit of 75 per cent. of the account. As a rule the guarantee is given practically up to this limit, but in special cases the exporter may ask for a lower percentage of cover; while in cases of exceptional risk the Department may decline to insure up to its maximum limit.

The Department has a statutory limit of £25 millions to its total outstanding commitments at any moment. Assuming that its average percentage of cover is 70 per cent., this implies that at any moment it can be guaranteeing £35 millions of export trade. Most of its work is connected with exports of consumable goods, which are paid for within a matter of weeks or months. Hence in comparing this limit of £35 millions with the total exports of British goods amounting to about £370 millions, it is important to regard the Department's commitments as a revolving fund which in the course of the year can deal with trade amounting to several times its maximum limit at any one time. It is thus conceivable that a fair proportion, perhaps one-quarter, of our total export trade is to-day being guaranteed in this way.

The Department is run on a strictly self-supporting basis, and for that reason it refuses to take only bad risks and gives some preference to exporters who insure the whole of their foreign business with the Department. It does not grant credits in the banking sense of the term: that is, it does not advance money or accept or endorse bills of exchange. On the contrary, it works in co-operation with the banks. It is not uncommon for a banker to send his customer to obtain insurance from the Department before the banker agrees to open a credit or otherwise to finance a proposed export transaction.

In these days it is important to realise that, except in certain special cases, the Export Credits Guarantee Department only insures the solvency in his own currency of the individual foreign buyer. It does not normally insure the transfer of the debt into sterling, and if the foreign buyer only pays in blocked currency, the Department will not shoulder the loss to the British exporter. In its very early days the Department actually undertook this liability, and, indeed, went so far as to endorse bills drawn in sterling by the exporter; but this practice was modified in 1926, and in 1931, when the Credit Anstalt failure came, the Department shifted the basis of its insurance to a guarantee of the solvency of the buyer and let it be known that it undertook no liability for losses due to exchange restrictions.

This is broadly what the Export Credits Guarantee Department does to-day. It insures solvency and does not grant credits; so that the term "Credits" is in a sense confusing. It deals solely with exports of British goods produced or partly manufactured at home, and does not touch re-exports. It deals both with the export of consumable goods and also with those of capital goods, payment for which may be spread over several years. Thus it definitely extends its guarantee to medium-term credits, and through diplomatic channels it is often able to make special arrangements to ensure the solvency of the debtor and the exemption of the payments from present or future exchange restrictions. Equally, it can obtain Treasury sanction at home, when a contract requiring extended credit appears to conflict with the embargo upon foreign loans. Last but

not least, the Department has built up an unrivalled information service, in conjunction with our embassies and consulates abroad and with many of our banks. Thus, whenever a new proposition is laid before it, the Department can judge its merits either from its own records or by inquiries through its own channels.

Within its defined limits, this system of guarantees to exports is working very well. One striking example is that of trade with Russia, where the exporters' bills are accepted by Arcos, guaranteed by the Soviet Trade Delegation in London, and insured by the Export Credits Guarantee Department. Such bills are readily discounted, and are met regularly by Arcos on their maturity. Still, there are obvious ways in which the scope of the system could be extended, and these merit discussion.

First, the whole system was originally devised as a temporary expedient to assist the revival of our export trade after the war. It is conceivable that the Treasury still regards the Department as a stop-gap, to be wound up rather than extended within the measurable future. It would be a pity if this view were still held, for the Department has amply justified its existence, and should be given encouragement to extend its activities.

An obvious weakness in the system is its confinement to British exports and the exclusion of re-exports. Our *entrepôt* trade deserves assistance just as much as our export trade, and, apart from this, the exclusion of re-exports must create many borderline problems. Allied with this is the fact that much of our re-export trade consists of raw materials imported from the Empire and resold to the Continent. It would be a graceful act to the Dominions to bring these within the scope of the system, and, indeed, the possibility might be discussed of extending the Department so that it could act on behalf of Empire trade as a whole. This, however, would depend upon consultation with the Dominions, and for this and many other reasons it is only possible to throw out the bare suggestion.

Another interesting departure arises from the conclusion of the Anglo-German Payments Agreement of November 1st. This provides for the payment in sterling for future British exports to Germany, but exporters—particularly those who have outstanding debts—can be pardoned if they feel certain qualms about the future. To reassure them, the Export Credits Guarantee Department has undertaken to insure the transfer of the debt as well as the solvency of the debtor up to 75 per cent. of the sum involved. There are, however, two qualifications. Firstly, the Department will not assume liability until six months have elapsed after the due date of payment. Secondly, the Department takes a first charge upon any sum subsequently received in sterling; whereas, in the case of any recovery from a temporarily insolvent debtor, the Department only recoups itself in proportion to the percentage guaranteed by it.

The six months' interval is not so serious a matter as might be thought, for any bills drawn against shipments made under these conditions are usually not discounted, but lodged as collateral against bank loans. Hence, if the bill is not met in sterling on its due date, it is a relatively simple matter to extend the loan, in whole or in part, for six months until the Export Credits Guarantee Department fulfils its obligation. Greater complications would clearly arise if the bill were discounted and passed into the London money market.

Once sufficient experience has been gained from German trade, there seems no reason why this arrangement should not be extended to other countries. The Argentine and possibly Brazil offer obvious scope for such an extension.

The question naturally arises whether there is not scope for a similar State guarantee of the solvency of home buyers. This raises many difficult problems, both of general principle and practical detail, and a Government Department formed specifically to assist export trade could not

easily deal with home trade as well. Yet exporters and their bankers apparently welcome some means of insuring the solvency of their foreign customers, and a similar insurance of home buyers might be welcome, particularly in the case of capital goods when medium-term, as distinguished from short-term, credits have to be arranged. These suggestions can only be thrown out as meriting discussion, and it is not even certain that private institutions could not handle home trade, where credit information is more easily obtainable, better than a Government Department. Still, in the export field, where Government representatives abroad can obtain information more easily than agents of private firms, experience has shown that the State insurance of foreign debts has proved both practicable and of benefit to our traders.

FINANCIAL NOTES

The Money Market.—The demand for money is now concentrated upon loans into the New Year. During most of the week $1\frac{1}{2}$ per cent. was paid for loans against bills, but there are some signs that most of the money available has already been lent, and on Thursday afternoon it was rumoured that one or two borrowers were having to pay $1\frac{3}{4}$ per cent. It is expected that there will be heavy borrowings from the Bank of England over the end of the year. Day-to-day money is obtainable at $\frac{1}{2}$ per cent.

	Nov. 29, 1934	Dec. 6, 1934	Dec. 13, 1934	Dec. 20, 1934
Bank rate.....	2	2	2	2
Clearing banks' deposit rate	1	1	1	1
Short Loan rate:—				
Clearing banks.....	1-1	1-1	1-1	1-1
Others.....	1-1	1	1	1-1
Discount rates:—				
Treasury bills.....	3-7	3-1	3	7-3
Three months' bank bills	1-1	1	1	1

The discount market has been very idle. Last week's Treasury bill tender rate was 9s. 5.48d. per cent., against 11s. 2.18d. per cent. the week before. Only £31.9 millions of the week's offer of £35.0 millions were allotted, but maturities only amounted to £29.8 millions, so that the total volume of tender issues of Treasury bills rose from £447.8 to £449.9 millions. This week there has been some business in hot Treasury bills at $\frac{7}{16}$ per cent., and they are reported to have been offered at $\frac{3}{16}$ per cent. by those in need of money. February Treasury bills have been quoted at the higher rate of $\frac{9}{16}$ per cent., while three months' bank bills have varied between $\frac{1}{16}$ and $\frac{3}{16}$ per cent.

The Bank Return.—The note circulation has established a new record, for this week it has risen to £402.0 millions. This year's Christmas increase already amounts to £25.1 millions, against an increase of only £21.8 millions in 1933. A further small expansion may be expected in next Monday's return. Even before the depression began Christmas increases of only £21.2 millions and £17.1 millions were recorded in 1928 and 1929 respectively, so that, allowing for the fall in prices since those years, the volume of Christmas trade appears to have achieved a new record.

	Dec. 20, 1933	Dec. 27, 1933	Dec. 5, 1934	Dec. 12, 1934	Dec. 19, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.7	190.7	192.2	192.2	192.2
Note circulation.....	389.9	392.0	385.4	393.2	402.0
Banking Department:—					
Reserve.....	61.9	59.7	67.3	59.5	50.8
Public deposits.....	20.0	22.2	8.6	7.9	8.4
Bankers' deposits.....	91.9	101.2	108.9	103.3	90.7
Government securities ...	81.1	88.0	84.8	85.8	83.8
Discounts and advances	8.4	16.8	9.6	10.1	7.0

Proportion 41.6% 37.3% 43.7% 40.1% 37.3%

The increase in the note circulation has reduced the reserve by £8.7 millions, while there have also been contractions in Government securities and in discounts and advances. The latter movement is not easy to understand, but the decline in Government securities may arise from the usual



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mid-month excise duty receipts, which this time have not been paid into public deposits but have been used to reduce the Ways and Means advances from the Bank shown in last Saturday's floating debt statement. All these movements have combined to reduce bankers' deposits, which have fallen during the week by £12.6 millions.

The Foreign Exchanges.—Sterling has this week depreciated against the gold currencies, the Paris spot rate having fallen from Frs. 75 $\frac{1}{2}$ on December 15th to Frs. 74 $\frac{1}{2}$ on December 20th. Three months' francs have also been firm at 10 $\frac{1}{2}$ centimes discount. Early in the month uncertainties regarding the Saar and the dispute between Hungary and Yugoslavia tended to attract a certain amount of panic money to London, but a better feeling now prevails, while foreign houses are also strengthening their cash resources in preparation for their New Year balance sheets. This panic money is therefore now returning home. Sterling has not declined to any serious extent, but on Tuesday, when dollars were offered against francs, the pound fell in sympathy to Frs. 74 $\frac{1}{4}$, and the British Control intervened and bought a few francs. The gold currencies have also strengthened against the dollar, with the result that gold shipments to New York are no longer profitable. As a further consequence the London-New York rate has remained at \$4.94 $\frac{3}{4}$. Three months' dollars are a shade stronger at $\frac{1}{2}$ cent discount. The heavy speculative short position in dollars which grew up in 1933 has now been entirely liquidated, and forward operations largely consist of purchases of three months' dollars by New York banks against sales of spot dollars. This is purely a banking operation designed to secure American balances in London and to secure a small profit from the discount on forward dollars. Since ten days ago the Montreal rate has risen from \$4.85 to \$4.89. This marks the end of the autumn demand for Canadian dollars.

New York Money and Banking.—Money remains easy and New York rates are unchanged. During the week ended December 12th, member bank loans to brokers fell from \$639 to \$633 millions, while other loans against securities fell from \$824 to \$823 millions. During November, the total of commercial paper outstanding contracted from \$188 to \$178 millions, while bankers' acceptances declined in volume from \$593 to \$561 millions. Bills drawn against goods in warehouse contracted by \$10.4 millions, while bills drawn against imports fell by \$4.0 millions. There was an increase of \$1.7 millions in bills drawn against exports. Bankers' acceptances granted against goods stored abroad or in transit between foreign countries were estimated at \$126.9 millions at the end of November, against \$133.1 millions at the beginning of the month. This figure of \$126.9 millions is equivalent at the current exchange to not quite £26 millions sterling, whereas commercial bills (including standstill bills) held in the London market were recently estimated to be not quite £100 millions.

THE STOCK EXCHANGE

TOWARDS BETTER ACCOUNTING

THE progress of company accounting, as it concerns the outside shareholder, regrettably exemplifies the Devil's experience as a Monk. The world's medicine cupboards are crammed with remedies which reviving patients have discarded, not through scepticism of their efficacy, but from dislike of their unpalatability. In view of the tendency of reforming pressure to decline with returning health in the body economic, there is real danger that the public outcry against uninformative company accounts, which was so loud two or three years ago, may be lulled into premature calm by a period of partial trade revival and increased company profits.

What advance has, in fact, been made since the discussions of 1931-32? It would be untrue to say that the stirring of the waters by such a *cause célèbre* as the Kysant case has achieved no positive result. Here and there, on individual initiative, the standard of company reporting has been indubitably raised, in gross and in detail. On the whole, however, most thoughtful investors will admit that the majority of published reports still fail to satisfy all the requirements of reasonably informative documents. Legal stipulations are frequently interpreted in a Puritan spirit, and may well serve only to create a barrier behind which obscurantism may shelter in complete inviolability. For example, the Companies Act of 1929, which first made the keeping of proper company accounts compulsory, provides in Section 124 for the setting out of "such particulars as are necessary to disclose the general nature of the liabilities and the assets of the company and to distinguish between . . . the fixed assets and floating assets," with a definition of "how the values of the fixed assets have been arrived at." This section admittedly protects the investor from such an omnibus statement as the following, which appeared on the assets side of the September 30, 1928, balance sheet of a British company whose name is world-famous:—

Steamers, motor vessels, tugs, tenders, barges and other small craft, fuel oil, stores, heritable and other property, including docks, jetties, coal sheds, workshops, moorings, etc., debts owing to the company, cash in banks and in hand and sundry investments . . . £12,108,699 ts. gd.

Section 124, however, still allows wide latitude to directors whenever obscurantism is allied with ingenuity. The Royal Mail case has not by any means resolved the problem of secret reserves. Fortified by the opinion of leading members of their profession, accountants have continued to approve balance sheets which, in certain cases, quite obviously show a conservative valuation of assets and liabilities. Mr Justice Wright's *dicta* in the Royal Mail case left no doubt that, in his opinion, utilisation of secret reserves ought to be disclosed to the company, and that the existence of large portions of a company's assets in the secret disposition of the directors might conceivably promote serious abuse. The defendants in the case were certainly acquitted on the charges relating to accounts, but his Lordship voiced the hope of many investors by his anticipation of "some appropriate proceeding, in order to find out and elucidate these very special matters." The case for authoritative definition is still weighty and urgent, though companies generally are careful nowadays, when utilising secret reserves to support declining current earnings, to make an oblique and oracular observation—which at least serves to attract curiosity, though not to satisfy it. It would be helpful if more companies would adopt the more satisfactory procedure of declaring the non-recurring amount brought in. Are the arguments for non-disclosure of secret reserves really maintainable in ultimate analysis?

Since secret reserves are designed primarily for equalisation of earnings, it may be useful to examine a further feature of the profit and loss account which, in our opinion, throws up a serious weakness in the Companies Act. Section 126 of the Act requires a statement, accompanying the balance sheet, showing how the profits and losses of

subsidiary companies "have, so far as they concern the holding company, been dealt with in . . . the accounts of the holding company," together with the method and extent of provision for subsidiary companies' losses. In practice, this requirement has been very narrowly interpreted. Companies are not required to specify the actual amounts concerned, and the common form statement reads thus:—

Profits of subsidiary companies have been brought into the accounts of this company to the extent of the dividends actually received during the year, and have been included in the profit shown.

The extent, therefore, to which profits of the subsidiary companies have been drawn upon cannot be determined from inspection of the accounts. In other instances the letter of the law is observed, but the intention of the Act is clearly frustrated. The following wording is an example:—

In respect of a subsidiary company credit has been taken for the dividend actually declared out of profits earned for the year. The losses have been carried forward in the accounts of each of the subsidiaries concerned, but have not specifically been provided for.

Apart from questions of the adequacy of subsidiary companies' provision for depreciation—safeguarded only by the repetition of any qualified audit certificate in the parent company's accounts—this practice makes it possible for a holding concern grossly to over-distribute the earnings of the group of which it is the heart. Is there any valid reason why the amounts involved should not be specified, or, failing that, why a statement of the parent company's share of the subsidiary and sub-subsidiary companies' total earnings should not be declared in each year? Shareholders have a right, surely (subject to obvious limits of discretion), to be informed of the most remote profit figure, and of any subsequent adjustments. This applies equally to companies whose disclosed profits are shown after unstated adjustments made for "contingencies." In the case of Strand Hotel these "adjustments" have produced the fantastic result of identical disclosed profits for each of the last three years.

One major reform, however, is slowly gaining ground. The publication of consolidated balance sheets is being effected by an increasing number of holding companies whose assets consist largely of interests in subsidiaries. Other means of giving information regarding the position of subsidiaries are sometimes employed. These include the publication of a selection of principal subsidiaries' balance sheets (e.g. Yorkshire Amalgamated Collieries and Unilever) or a combined statement of subsidiaries' assets and liabilities (e.g. the Aerated Bread Company). It is generally acknowledged, however, that a consolidated balance sheet gives, within the limits of practicability, clearest insight into the economic position of a group as a whole. There are three arguments commonly advanced against the consolidated balance sheet. In the first place, it is contended that its preparation entails undue trouble for companies with a large number of subsidiary concerns. The argument, however, is two-edged. If the directors of a parent company are to manage their group's affairs with the utmost efficiency, they cannot dispense with adequate "control" figures, of which an annual combined statement is the most obvious. Despite certain technical difficulties, arising from varied accounting dates and exchange fluctuations, there seems to be no good reason why a group statement should involve undue difficulty or delay.

In the second place, it is frequently alleged that creditors of a holding company may dangerously misinterpret a consolidated statement by regarding the assets of the whole group as a common fund. From their point of view, this would be clearly illegitimate, since their only recourse is against the assets of the parent. From the broader aspect, however, there is no reason why the parent of a sound

group should not be granted a favourable long-term credit rating in proportion to the "group" resources. On the other hand, experience suggests that a discount house, for example, in assessing the rating of a parent concern, is not apt to overlook any weakness in its current position on account of a strong group showing.

Thirdly, and this is a principal objection, it is argued that publication of a consolidated balance sheet may supply information to competitors which would be detrimental to the interests of a group as a whole. This argument has been employed in opposition to every successive step in disclosure. Investors are familiar with the type of chairman who endeavours to disarm the curiosity of alert shareholders by assuring them that reticence is in their own interests. The best answer derives not from pure logic, but from general practice. We have prepared a table, which makes no claim to be exhaustive, of 25 companies which now publish group statements. These cover a comprehensive range of industries, and in the majority of cases the companies are substantially exposed to competition.

Company	Date of Accounts	Total Assets	Proportion represented by Holdings in and Advances to Subsidiary and Allied Companies	Total Group Assets shown in Consolidated Balance Sheet	Proportion represented by Fixed Assets
Amalgamated Metal	1934 Mar. 31	5,492,586	97.1	7,037,422	(a) 38.3
Armstrong Whitworth Secs.	1933 Dec. 31	6,334,546	66.2	6,469,145	56.0
Associated Electrical Inds.	1934 Dec. 31	9,099,638	48.1	13,314,883	42.1
Associated Brit. Maltsters ..	1934 Aug. 31	1,846,397	98.1	1,948,977	62.0
Barry & Staines	1934 Jan. 31	2,949,843	93.7	3,566,791	48.8
Birmingham Small Arms ...	1934 July 31	5,977,755	64.4	6,575,243	33.7
British Power and Light ...	1933 Mar. 31	2,326,719	98.3	5,222,721	92.2
Cables and Wireless (c)	1933 Dec. 31	53,851,855	98.0	64,144,147	48.8
Carlton Main Colliery	1934 Mar. 31	4,261,628	40.9	5,616,742	35.0
Carter and Co.	1934 May 31	390,132	45.5	426,907	34.1
Chappell and Co.	1934 June 30	442,764	33.6	457,454	51.0
Cheltenham Orig. Brewery ..	1933 Sept. 30	1,458,500	42.3	1,593,705	93.5
Crosse and Blackwell	1933 Dec. 31	4,229,389	48.1	4,956,638	36.5
Dunlop	1934 Dec. 31	22,213,149	53.2	29,420,625	52.9
Ebbw Vale	1934 Mar. 31	3,920,479	(b)	5,440,366	(c) 90.9
Edmundsons Electric Corp.	1934 Mar. 31	9,357,084	81.5	20,657,594	85.5
Electric & Musical Inds.	1933 Sept. 30	3,741,902	91.9	5,178,277	(d) 17.3
Forestral Land	1933 Dec. 31	10,411,462	86.2	9,454,345	52.8
Imperial Airways	1934 Mar. 31	1,277,632	5.0	1,318,612	46.1
Ind. Coöpe.	1934 Sept. 30	8,625,850	42.5	14,915,310	77.5
Newnes (George)	1934 Mar. 31	1,724,935	37.6	2,216,836	24.7
P. and O. Steam Navigation ..	1934 Sept. 30	35,298,333	32.3	56,420,456	61.3
Richard Thomas	1934 Mar. 31	10,207,554	27.9	11,259,763	73.4
Turner & Newall	1933 Sept. 30	8,569,996	40.7	6,617,836	54.0
Wiggins, Teape	1933 Dec. 31	5,096,753	62.2	6,680,774	55.8

(a) Percentage of "Investment Holdings." (b) Written down to nominal value.
(c) Based on figures which "are not based on a valuation, nor do they express an opinion that the properties are worth those amounts." (d) Investments and advances to subsidiaries represent further 21.9 per cent. (e) Now Cable and Wireless (Holdings).

Who is prepared to assert that any one of these concerns has suffered through publication of a consolidated statement? On the contrary, a certain prestige has been derived in some cases, for enlightened accountancy, especially when practised by a large firm, has an advertisement value going outside the walls of the Stock Exchange. Moreover, if the "competitive" argument carried any weight it could not apply, *ex hypothesi*, to the many large quasi-monopoly firms who are most reticent in publishing detailed figures.

The two percentage columns in our table illustrate one of the main advantages of the consolidated statement. The balance sheet of, say, the British Power and Light Corporation in its original form is a mere legal truism. The company holds interests in subsidiaries amounting to £2,287,125, and the rest of its assets are worth less than £40,000. The consolidated statement of the subsidiaries' position (drawn up in the form of a "net worth" analysis) shows, however, that the participation of the Corporation is valued at £2,929,591, of which fixed assets, after deduction of "outside" debenture interests, represent £2,650,806. In short, a group statement clearly reveals the economic as opposed to the legal position, and enables proprietors to trace changes in the organisation of the group, which would be quite undiscernible from inspection of the statutory balance sheet of the parent company alone. It is untrue to say, of course, that the presen-

tation of group statements has yet reached the acme of perfection. Few consolidated balance sheets completely define the basis of their figures. Edmundsons Electricity Corporation and Dunlop Rubber Company state that all subsidiary and sub-subsidiary companies in which over 50 per cent. equity interest or voting control is held, are included. In other cases, such as Electric and Musical Industries and Ebbw Vale, the consolidated statement stops short at the first generation, leaving the position of sub-subsidiaries undisclosed.

From what direction is further progress to be expected? Representations towards accounting improvement were strongly voiced at the International Accounting Congress held in 1933. This professional interest is commendable and useful, for it has encouraged an increasing number of holding companies to publish more information. Voluntary improvement is the more welcome since it would appear that, at the present stage, insufficient experience is available to provide a basis for a compulsory form of publication suitable for all types of businesses. Legislative enactment, moreover, is difficult to achieve, and rarely watertight. As a contemporary movement, it is desirable that companies which have published consolidated balance sheets should pursue their policy to the logical conclusion by setting out the group earnings position. This is already practised by companies like Richard Thomas, Wiggins, Teape and Company, British Power and Light, and Ebbw Vale and Dunlop Rubber. The Chief Accountant of the last-named company, Mr F. R. M. De Paula, has been a most effective pioneer of improved accounting, in theory and in practice. Investors seeking a somewhat austere but instructive holiday task might well compare these enlightened reports with those of companies who, in their accounting, still confuse parsimony with "policy."

INVESTMENT NOTES

Royal Mail Outlook.—The Royal Mail Scheme of Arrangement expires on December 31st. Shortly after these words appear in print, the debenture holders and creditors concerned will receive details of a proposed scheme for orderly liquidation. The necessary meetings of debenture holders in the Royal Mail Steam Packet and Elder Dempster companies will be held early in the New Year, for the risk of "wrecking" action would otherwise increase with every day that passed. The autonomy and continued operation of the ships, under the operating companies, Royal Mail Lines, Limited, and Elder Dempster Lines, Limited, was assured with the passing of the original scheme of arrangement. A final and inevitable "clean up" cannot affect their future, while the continued publication of documents like the last R.M.S.P. report may well prejudice their standing in the eyes of interested parties. The latter may not, on every past occasion, have appreciated all the implications of these operating companies' separate organisation, sound current finance, and proved ability to trade on a basis covering current expenses with a margin of earnings towards depreciation. As regards the parent concerns, it is in the interests of the City of London, whose prestige is involved in the largest shipping failure in British history, to ensure that liquidation is carried out under the highest possible auspices and that potentially good assets are not squandered in a general "creditors' scramble." It should not be beyond human ingenuity to devise the necessary machinery to ensure that creditors like the first debenture holders of each company, whose requirements are covered in any event, shall be satisfied with as little delay as possible, while the remaining assets are retained for realisation under conditions which will safeguard their future as distinct from their immediate value. If such a plan can be agreed upon, it may be possible to give some sort of equity in future liquidation possibilities to parties like the unsecured creditors, whose prospects of an immediate return will otherwise be more than doubtful. Unhappily, a close study of available facts and figures suggests little ground for hope of any eventual return to holders of R.M.S.P. share capital.

Markets and "The Shop."—Recent market conditions have given point to Stock Exchange discussion of the perennial question of "the Shop." This generic term covers any outside financial interest, from the recognised finance house associated with the management of a company to the irresponsible group of financiers doing a share "deal." The "Shop" is the source to which the jobber turns to undo his bargains in shares which do not command a ready market or a specific investment value. In the securities of most small- and medium-sized companies, price and marketability may frequently be determined to quite an appreciable extent by outside influences. It is obvious that such a position may, on occasion, offer opportunities of exploitation, to the detriment of the private investor. Jobbers who are urged to take a more independent attitude, however, point out, with reason, that it is not an economic proposition, from their standpoint, to build up a large "book" in stocks which are infrequently dealt in. Only by such a policy could the power of the "shop" to influence the price be minimised. Each dealer necessarily covers a large number of companies (if he does not confine himself to active counters), and to accumulate a substantial "book" would not only tie up his capital, but expose him to the danger of heavy financial losses. What escape from this dilemma is possible, on the basis of existing market technique? It is difficult to devise any practicable method of eliminating "the jobber's jobber."

* * *

Brazilian Debt Service.—The London market has been seriously concerned in recent weeks for the implementation of the Brazilian Debt Scheme, which was imposed by the unilateral decree of the Brazilian Government last February. The British bondholder was impelled, much against his will, to accept the "agreements" under which the Brazilian Government determined the treatment to be meted out to the eight classes of bonds. The transfer of about one-third of interest and sinking fund charges was then regarded as well within Brazil's capacity, especially as she had apparently reached the recovery phase. We suggested at the time (see the *Economist*, February 17th, page 356) that internal political conditions might have restrained Dr. Oswaldo Aranha's wishes to provide better treatment for the British creditor. Since the ex-Finance Minister was appointed to the Embassy in Washington in mid-August, criticism of British economic policy and its reaction on Brazil's capacity of payment has become more forceful. The Ottawa preferences have encouraged extreme nationalist spokesmen to press for measures of retaliation. This movement, though understandable, is to be regretted. Already it has put the Brazilian Government, through its Ambassador in London, to the necessity for a strongly worded disclaimer of any intention to modify the agreements, which declares that "all its action is in the sense of carrying them out rigorously." The matter is closely connected with the partial liberation of the exchange. The Government has been compelled to prevent depreciation of the milreis to a level which would impose an unwieldy budget burden for the debt service, together with such self-contradictory objectives as encouragement of exports without stimulating new coffee planting, and restriction of "non-essential" exports without fostering reprisals. The rapid fall in the milreis rate from 4.204d. in May to an average of 3.022d. in July and a subsequent recovery towards 3.25d. has followed the policy of greater freedom of transfer. This is calculated to encourage Brazilian exports, although present regulations require the delivery of Frs. 155 or their equivalent to the Bank of Brazil for each bag of coffee exported, the balance being saleable in the free market. The active trade balance for the first eight months of 1934 was £5,688,000 gold, against £5,902,000 gold for the corresponding period of 1933, and the volume of total trade showed satisfactory expansion. The revised budget for 1935 shows an estimated deficit of 522,127 contos. Of a total expenditure of 2,691,684 contos, 406,796 contos (equivalent to £4,500,000) has been allocated for external debt service. Concerning Brazil's ability to pay, therefore, there should be little question. The apportionment of exchange, however, is raising some questions of

discrimination. In reply to a question in the House of Commons, on Tuesday, Mr Eden stated that representations to ensure equitable exchange facilities for British interests were being made to the Brazilian Government. There is no reason, however, why holders of Brazilian bonds, who have been forced to submit to a four-year scheme of arrangement, should be required to suffer further hard treatment in present circumstances. Some 80 per cent. of the proceeds of coffee exports are applied to the external debt service and to the provision of exchange at standard rates for 60 per cent. of imports. The allocation of this latter proportion, which has raised suspicion of exchange discrimination, has no direct relevance to the bond service. In view of the weakness of the loans in this week's dealings, however, the Brazilian Government might reasonably consider the advisability of a further pronouncement making the position thoroughly clear.

* * *

Argentine Railway Developments.—A message from Buenos Aires at the beginning of this week declared that the Argentine Government had decided that the railways would not be allowed to include interest on bearer bonds, overdrafts and cumulative preference shares when formulating claims for wage reductions under the President's award of November last. A subsequent message declares that the Buenos Aires Great Southern and the Central Argentine railways have decided to suspend wage "cuts" from December. The news draws attention to the disabilities under which the British-owned railways in the Argentine are labouring as a result mainly of the Government's official policy. In a leading article in the *Economist* of November 10th (page 881) we showed that the total exchange differences charged against net revenue for the year to June 30th last on the four largest lines were £3,957,038, against £1,184,997 in the preceding year. This increase of £2½ millions was due entirely to a unilateral decision by the authorities, in November, 1933, which, in effect, reduced the exchange value of the peso by 20 per cent. overnight. Subsequently, Argentine trade showed a strong tendency to recover, and the increased peso receipts of the railways prompted an application by the Labour Unions for the elimination of the "cuts" in wages which they had accepted in the period of adversity. Though the President's award was, in form, a compromise, it significantly increases the burden of the more prosperous lines, since, broadly, no company may henceforth pay preference dividends to its shareholders until it has restored the "cuts" to its workers. In the absence of a definite statement by their respective boards, shareholders are in the dark as to the effect on their dividend prospects for 1934. As a rough basis of calculation, however, the following table shows the amount of the railway wage bill on the Buenos Aires Great Southern and the Western lines in 1933-34, and the effect of possible increases of 5 and 10 per cent. respectively:—

Company	Total Wages and Salaries, 1933-34	Amount required for Increases of		Amount re-quired for Full Preference Dividends	Amount Earned for Preference Dividends, 1933-34
		Five per cent.	Ten per cent.		
B.A. Gt. Southern.....	£ 4,676,260	£ 233,813	£ 467,626	£ 880,000	£ 301,052
B.A. Western.....	£ 1,978,069	£ 98,903	£ 197,807	£ 129,855	£ 108,486

Note.—The latest report of the B.A. Gt. Southern declared that a wage "cut" of 5 per cent. had been ruling in salaries of all staff represented by the "Union Ferroviaria" and of the administration staff, together with "cuts" for the footplate staff, and a 10 per cent. deduction on higher salaries.

At the annual meetings of November 14th shareholders were informed that a 1 per cent. dividend on the ordinary stock would require an increase in peso receipts this year of 13½ per cent. on the Great Southern and 10 per cent. on the Western. For the twenty-four weeks of the year to date the actual peso increases have been 4.0 per cent. and 3.7 per cent. respectively. The calculation, however, is based on the maintenance of the peso's exchange value and the absence of an increase in expenditure. In view of the latest wages decision, however, it would appear that ordinary stockholders on the Southern and the Western

have little hope of receiving a dividend in the near future. Unless the railways obtain substantial benefit from the eventual recommendations of the Official Committee which has been considering the entire Argentine transport problem, stockholders would seem to have a distinct grievance over the way in which the fruits of substantial economic revival are being prevented from reaching them.

* * *

Discount Company Prospects.—In last week's *Economist* we discussed the dividend outlook of the joint-stock banks, and suggested that, although profits might be allowed to show some slight decline, dividends should generally be maintained. As regards the large discount houses, the revenue problem recently appeared to have reached an acute stage. Influential voices, indeed, advocated a relaxation of Treasury policy to strengthen discount rates. The apparent loss on running bills at 1 per cent., however, has been qualified by certain more favourable factors. First, large houses have been able to obtain substantial amounts of "outside" money—possibly as much as 40 per cent.—at something like ½ per cent. Business in trade bills has still shown adequate rediscounting profit. The reduction in discount rates itself resulting from the "bankers' scramble," gave the market an immediate capital profit on its portfolio. This is a factor which is apt to be overlooked during a period of steadily falling rates, as in the current year. It is true that the market has been forced into "shorts" to a larger extent than is consistent with normal operations, and presumably these have been run against call money at higher rates. The market, however, has shrewdly adapted itself—temporarily, it may be hoped—to specialisation in short-dated securities as well as "names." On the whole, there is probably little reason to budget for a really damaging fall in earning power, and the latter in any case can be adjusted to some extent by rebate policy. Consequently, any far-reaching reduction in dividends would come as a surprise.

* * *

American Utility Position.—The American public utility industry during depression has fared poorly in finance and worse in public favour. The notorious financial excesses perpetrated by certain utility companies during the Wall Street boom created problems of over-capitalisation, whose solution, in depression and partial recovery, has been only partially achieved. A Democratic Administration, therefore, has enjoyed ample opportunity, and in some cases, it must be conceded, not a little justification, for sponsoring a programme of far-reaching reform. So far policy has been directed towards increased taxation of utilities and reduction of rates. The Tennessee Valley scheme has become a stick to beat the privately-owned companies. It has inspired a considerable electoral demand for public ownership, and there is news this week that the President is prepared to advance funds for the construction of plants by those cities which show that they can produce power cheaply, while plans are afoot for extending rural power lines of companies whose rates are considered reasonable. The former move apparently is closely connected with the recently-published declaration by the New York Power Authority that existing rates in its area are 40 per cent. too high, and with the St. Lawrence waterway project. Further progress with the latter scheme would involve ratification of a new treaty with the Canadian authorities, and the present suggestion of Mayor La Guardia is that the first stage in the power network which it would supply might be a municipal plant for power distribution. Meanwhile the work of the Federal Power Commission is expected to lead to proposals stringently regulating holding companies and their earlier policy of "pyramiding." Wall Street quotations have registered apprehension regarding the many inquiries, federal and State, now proceeding, pending cases relating to rates, and the prospective investigation into the position of American Telephone and Telegraph Company. The flood of plans in anticipation of Congress, which is convened for



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January 3rd, has thoroughly unnerved operators, and the Standard Statistics index of 37 utilities has fallen this week from 59.5 to 57.0, a new low level for the year. In the long period, however, it will probably be found that the various proposals will be severely modified in the courts. Companies in industrial areas have least to fear from pressure to reduce rates, but holding concerns, with widely spread interests, may be considerably affected by federal legislation. A vigorous upswing in economic activity would do much to assist rate reductions and to appease consumers' discontent.

* * *

Industrial Profits in November.—We received 143 company reports last month, showing an aggregate rise in profits of 33.97 per cent. by comparison with the previous year. Figures for recent months are shown below:—

Reports Published in	No. of Companies	Rise or Fall in Profits*	1934—	Reports Published in	No. of Companies	Rise or Fall in Profits*
1933—				1934—		
September.....	102	— 4.06		April.....	188	+12.96
October.....	121	+17.06		May.....	251	+23.43
November.....	185	+79.64		June.....	201	+20.44
December.....	138	+13.04		July.....	197	+27.10
1934—				August.....	30	+35.47
January.....	122	+ 3.02		September..	89	+40.63
February.....	209	+ 5.02		October.....	165	+49.70
March.....	216	+ 6.34		November...	143	+33.97

* After payment of debenture interest.

The reports of the month disclose net profits of £10,542,929, as compared with £7,869,514 in the preceding year. All groups, with the exceptions of oil, shipping and tea companies, show improvement. Particularly favourable reports have been issued by the brewery companies, 21 of which earned net profits of £2,343,526, against £1,853,239. The greatest advance, however, has been accorded by the financial, land and investment group, which consists largely of pastoral and property companies, with a few concerns specifically holding certain industrial securities. Some 17 of these companies show an advance of £634,069 in net profits, the total being £2,151,097. The iron and steel, motor and building materials companies show very substantial recoveries in earnings. We set out our usual selection of important results which have appeared during the month:—

	Net profits after debenture interest, years ending in		Change %
	1933	1934	
Bass, Ratcliff and Gretton.....	471,154	558,913	+18.6
Electric and Musical Industries...	902	325,031	...
Orient Steam Navigation.....	433,379	410,152	— 5.4
Provincial Cinematograph Theatres	459,490	508,648	+10.7
Tate and Lyle.....	933,361	1,205,868	+29.2
Tobacco Securities.....	802,134	758,410	— 5.5
Wall Paper Manufacturers.....	536,242	612,948	+14.4
Total, seven companies.....	3,636,662	4,379,970	+20.5

These seven companies contribute nearly 42 per cent. of the total profits, but their rate of improvement is well below the general average.

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Actuaries' Investment Index.—Although markets have experienced the seasonal deceleration of activity, quotations on the whole have resisted any tendency towards lower levels. The firm position is well illustrated by this week's index figure for 144 industrials, which, at 73.0, compares with 73.1 a week ago and 74.7 a month ago. The halt in the downward phase from mid-November masks a number of irregular changes in the component series, of which a selection is given below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yields (%)		
	Month ago (Nov. 20)	Week ago (Dec. 11)	This Week (Dec. 18)	Month ago (Nov. 20)	Week ago (Dec. 11)	This Week (Dec. 18)
Higher this week						
Bank and discount Co's. (12)	114.4	113.8	114.2	4.10	4.12	4.11
Insurance Co's. (24)	118.5	118.0	118.6	3.52	3.53	3.51
Coal (6)	95.1	91.1	93.5	3.88	4.04	3.89
Breweries and Distill. (16)	123.0	123.5	124.0	3.67	3.84	3.89
Lower this week						
Cotton (6)	45.3	44.1	42.8	2.23	2.23	2.25
Oil (5)	56.2	54.0	52.6	5.17	5.39	4.89
Electric (8)	103.6	101.5	100.5	4.16	4.32	4.38
Home rails (4)	75.9	74.8	73.2	1.51	1.52	1.53

"Money" shares have reflected a slight firming-up of gilt-edged and the confident expectation of maintained dividends. Brewery shares have been slightly firmer, although the index still shows a fall of 4 points since a month ago. The reaction in home rails results from declining traffic comparisons, the coal figures being somewhat inauspicious, while further profit-taking has reduced the average level of electrical equipment shares.

COMPANY NOTES

"Christmas Trading" Companies.—A record circulation of money, as shown in the Bank of England's return, testifies to an active Christmas business, while the advertisement columns of the daily papers demonstrate the wide variety of trades (not excluding the Press itself) aspiring to a share in the business available. Most groups outside the capital construction trades, in fact, share, directly or indirectly, in the public's Christmas expenditure. There are, however, only a few groups to which the Christmas trade can make the difference between good and mediocre profits. Such groups must include the leading London stores, which, though transacting a steady business in daily necessities throughout the year, attract a much wider clientèle from all over the country during the weeks of "Christmas shopping." The new retail index numbers have so far shown that London shops are subject to greater fluctuations between the busy and the slack seasons than are shops in other centres. Presumably, this will apply with even greater force at Christmas time, and will entitle such companies as Harrods, Selfridge and Bakers to a place among "Christmas traders." If schoolboys remain as they used to be, Gamages must also qualify. But even more dependent on Christmas business than the general retailers are those shops which deal in luxuries, fancy goods and non-essentials. Such concerns include Asprey and Company, whose accounts to March 31st last showed incipient, but very slight, recovery. They include Fortnum and Mason, whose prudently developed general departments have saved the company from any serious setback in depression, but whose fancy departments are important enough to benefit substantially from a good Christmas. They also embrace Ciro Pearls (Holdings), who have been able to pay off their preferred dividend arrears, but have not yet resumed ordinary dividends. A place must be found for such wine and spirit merchants as Shorts, Ltd.; and, inevitably, for Woolworth and Marks and Spencer. Outside the retail trade

there are few public companies to whom Christmas is of decisive importance, but no doubt Raphael Tuck and Sons, with their large Christmas card and calendar business, look to Christmas for a high proportion of their profits. Finally, the cigar manufacturers, of whom Henry Clay and Bock and Company may be taken as representative, are traditionally the source of male and business gifts. For the rest, the appurtenances of Christmas are of a higher

(Profits in £'000)						
	1929	1930	1931	1932	1933	1934
Asprey (Mar. 31):						
Earned for ord.	37.6	23.2	10.2	(a)	0.6	3.5
Earned %	37.6	23.2	10.2	...	0.6	3.5
Div. %	15	14	10	4	4	4
Ciro Pearls (Hldgs.) (Mar. 25):						
Surplus*	...	110.0†	57.0	11.7†	Nil	4.1
Earned % for ord.	...	54.9†	29.4	6.1†	Nil	6.6†
Ord. div.	...	20.7†	20	4.3†	Nil	Nil
Henry Clay & Bock (Dec. 31):						
Earned for ord.	88.9	127.5	41.7	Dr 37.6	11.4	...
Earned %	55.6	80.0	26.1	Nil	7.1	...
Ord. div. %	30	60	30	Nil	10	...
Fortnum & Mason (Aug. 31):						
Earned for ord.	57.6	62.1	46.3	39.8	44.9	54.6
Earned %	35.7	31.5	23.4	14.2	16.2	18.6
Div. %	22	23	18	8	8	8
Shorts (Mar. 31):						
Earned for defd.	30.3	29.7	21.1	10.8	6.1	5.6
Earned %	17.9	17.5	12.3	6.4	3.5	3.2
Defd. div. %	15	15	11‡	8	6	5
Gamages (Jan. 31):						
Earned for ord.	34.3	16.4	Dr 18.9	Dr 3.9	17.1	41.8
Earned %	7.3	3.4	Nil	Nil	9.6	12.7
Div. %	7	5	Nil	Nil	Nil	9
R. Tuck (Apr. 30):						
Earned for ord.	25.4	21.9	13.5	0.2	Dr 1.6	Dr 2.2
Earned %	10.7	9.3	5.5	...	Nil	Nil
Div. %	8	7	5	5	4	3
Woolworth (Dec. 31):						
Earned for ord.	...	...	3474.2	3296.1	3172.9	...
Earned %	...	...	104.3	117.2	112.8	...
Div. %	...	...	70	70	80	...
Marks & Spencer (Mar. 31):						
Earned for ord.	161.0	256.1	357.3	467.7	573.9	688.9
Earned %	34.5	44.2	54.8	66.4	75.4	81.8
Div. %	15	20	30	35	35	35

* For preference participation and for ordinary shares equity. † Broken period equated to 12 months. ‡ After only one year's preference dividend. (a) £12 only.

antiquity than joint-stock investment, which hitherto has had little part in turkeys, and holly and mince pies—but has enjoyed more than one opportunity of interesting itself during the last twelve months in patent medicines! But why strike a sombre note? The results of leading "Christmas companies" (excluding London stores, other than Gamages) are set out, for recent years, in the annexed table.

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B.A.T. and Carreras.—The B.A.T. results and the Carreras meeting this week have provided tobacco shareholders with food for thought and, on the whole, for satisfaction. The information revealed by the accounts of British-American Tobacco is welcome so far as it goes. Shareholders are presented with an omnibus net profits figure, after undisclosed adjustments for subsidiary company earnings, and deduction of all charges. The disclosed profits for the latest year to September 30th, at £5,452,981—nearly £50,000 higher than for the previous year—are the best since 1929-30. Dividend on the ordinary stock is maintained at 20 per cent., tax free. The results for the last three years are summarised below:—

	Years to Sept. 30		
	1932	1933	1934
Profits and dividends, including transfer from "reserve for losses of subsidiaries" after all charges and taxation	5,438,253	5,403,066	5,452,981
Preference dividends	585,000	585,000	585,000
Ordinary stock (tax free)—			
Earned	4,853,253	4,818,066	4,867,981
Paid	4,716,627	4,716,627	4,729,519
Earned %	20.6	20.4	20.6
Paid	20	20	20
Carried forward	1,969,741	2,071,180	2,209,642

Discarding the element of "policy" in the figures, it would appear that the company, with its 100 associated concerns, has fared extremely well during depression, despite its exposure to restrictions on international trade, and reduced purchasing power in agricultural countries. During the company's financial year, in fact, exports of manufactured tobacco have shown little movement, but the overseas subsidiaries now undertake a large proportion of manufacturing and distribution. In this connection an advance in loans to subsidiary and associated companies from £6,325,720 to £9,372,342 may be related to financing of increased stocks and turnover. The company, unlike Carreras, lies outside the scope of the coupon truce. Lord Reading's remarks at the Carreras meeting disappointed those who were seeking some information regarding the working of the coupon arrangement. He declined to discuss any details of the scheme and its impact upon the company, but assured the meeting that the board "had their eyes very closely upon the interests of everybody concerned," and that the current year had opened satisfactory. Discretion, in a highly competitive industry, is no doubt inevitable, and although shareholders would have welcomed some general indication of the new arrangement they were left with a satisfactory impression as to future prospects. The B.A.T. £1 ordinary stock units are quoted at £6.3 to yield £3 4s. 7d. per cent., tax free, and Carreras "A" ordinary at £7½xd yielding £4 11s. 9d. per cent.

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International Tea Acquisition.—The International Tea Company Stores, Limited, which, some years ago, withdrew at the eleventh hour from a contract of marriage with the stores in the Unilever group, has not, apparently, found subsequent reason to repent of its decision. While the Unilever companies have suffered considerable reductions in earnings and have found it necessary to reduce their dividends, International Tea has recorded only a modest decline in profits since 1932, and has maintained its dividends at 30 per cent. Last July, an offer was made of 549,752 ordinary shares of 5s. to existing shareholders, and 150,000 ordinary shares to directors, officials and employees, at 20s., to produce approximately £700,000 of new money. The latter was required, in part, for the erection of a large block of shops and other premises in Brighton. It is now announced that the company has acquired the controlling interest in George J. Mason, Limited, a business owning 385 retail shops, mainly in the Midlands, Yorkshire and Wales. The business has always been profitable, earnings on the £400,000 of ordinary capital having averaged well over 30 per cent. in the last five years. Last year, however, the directors complained of "fierce competition," and reduced the ordinary dividend from 25 per cent. to 20 per cent. The purchase price has not been disclosed. It has been arranged that the deal shall be financed by an issue of International Tea capital and that the issue shall be handled by the Lonsdale Investment Trust, from whom the purchase was made—which suggests that a public offer is contemplated.

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Citroën Position.—The "B" shares of S. A. André Citroën (500 frs. par), which touched 2,140 in 1929, and have been as high as 525 this year, were dealt in on Wednesday at 81 and on Thursday at 70. The company which is the largest manufacturer of cars on the Continent of Europe, has been affected by tariffs and the inevitable difficulties of manufacturing under a gold currency and selling a substantial part of its products in countries with depreciated currencies. The company, which has an authorised and paid-up capital of 700 million francs in "A" shares and 300 million francs in "B" shares (with 900,000 beneficiary shares of no par value), earned gross profits of 186.4 million francs in 1931 and 172.0 million francs in 1932, but suffered a decline to 143.0 million francs in 1933 (years to June 30th in each case). Dividends have been maintained at a steady 7 per cent. on the "A" and 8 per cent. on the "B" shares. Although the balance sheet for 1933 showed a tendency for liquid assets to



decline, the total surplus of working capital, at 191,971,000 francs, appeared ample. Rumours of a strained financial position, however, have gained currency recently, and on Wednesday the situation was regarded as sufficiently serious to warrant a visit by M. André Citroën to the Premier, M. Flandin. Unofficial reports suggest that a protective liquidation, as a preliminary to reconstruction, may be the best way out of the difficulty. The interests involved are considerable, but the French Government will doubtless be reluctant to intervene, in view of the discouraging nature of past precedents for such action.

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Apex (Trinidad) Oilfields.—The market welcomed the preliminary figures for the year to September 30th issued this week. A slight reduction in the final dividend and profits would not have been surprising in view of the depressed state of the oil market this year. In fact, the maintenance of the total distribution of 35 per cent. accords with the most optimistic expectations. Oil profits are £16,724 lower at £348,700, but earnings for dividends show a decline of only £3,629 to £180,101, owing to reduced requirements for taxation. The monthly returns show that both output and deliveries were higher than in the preceding year. This year's allocation of £130,973 for amortisation of wells brings the total under this head during the last five years to £634,668. A comparative profits table follows:—

	Years to September 30,		
	1932	1933	1934
Oil profits	332,457	365,424	348,700
Other income	6,356	2,281	...
Total income	338,813	367,705	348,700
Amortisation of wells	115,058	128,652	130,973
Head office expenditure	10,312	12,026	17,433
Directors' additional remuneration	6,250	8,750	8,750
Reserve for taxation	40,528	34,547	21,443
Ordinary shares—			
Earned	166,665	183,730	180,101
Paid	125,000	175,000	175,000
Earned %	35.1	37.3	36.1
Paid %	25	35	35
General reserve	40,000	...	...
Carried forward	101,779	110,509	115,611
† Net.			

The chairman at last year's meeting looked forward to a satisfactory year, although his expectation of higher petrol prices was in fact reversed. The successful "Regent" petrol is produced by Trinidad Leaseholds largely from the company's crude, under a supply contract expiring in 1940. The full accounts will be issued on January 7, 1935. The 5s. shares are quoted at 25s. to yield £7 6s. 8d. per cent. after allowing for final dividend. The yield would apparently reflect the manager's estimate (possibly somewhat conservative) of a probable life of 18 years for the present proved area of the company.

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Other Company Results.—The spate of pre-Christmas reports subsided abruptly this week, and our usual summary table, on page 1238, shows the results of 21 additional companies. Only two companies have suffered the unfortunate experience of reduced earning power. Newcastle Brewery results show more than average improvement, for profits have advanced by over £30,000 to £71,663, and the dividend is increased from 4 to 7 per cent. R. E. Jones has made further progress since its less fortunate trading period; net profits are slightly higher at £42,177 and an

initial ordinary dividend of 5 per cent. is declared. Five investment trust reports have been published this week, all showing recovery in net revenues. The principal results include Army and Navy (£32,031 against £31,338), Second British Steamship (£21,225 against £18,541 and 4½ against £12,683). The full report of Turner and Newall (whose results were outlined in the *Economist* of December 8th), states that progress has been made in every section of the business, and that a scheme of capital expenditure of £500,000 is in progress, being provided out of the company's own resources. The financial position disclosed by the consolidated balance sheet is very strong, net liquid assets amounting to £2,943,154. The report of Stoll Theatres Corporation is again disappointing. No details are vouchsafed of the new entertainments policy which the chairman discussed at last year's meeting, and the balance sheet contains a number of qualifications. The accounts of D. and W. Murray to July 19th last, which were delayed owing to the partial amalgamation with Goode Durrant and Company, show that the company has considerably reduced its loss. The deficit is £8,923 against £53,146, leaving a debit balance to go forward of £283,332.

MINING NOTES

Rand Dividends: Final Instalment.—Our mining correspondent writes: The "Kaffir" dividends received too late for inclusion last week included those of companies in the Rand Mines-Central Mining, Anglo-American and Union Corporation groups, together with a few miscellaneous mines. The declarations of the Rand Mines-Central Mining group were noteworthy for the appreciable increases shown by the Consolidated Main Reef and Crown Mines. The former, fulfilling highest expectations, raised the year's total payment to over 21 per cent. In our note on the annual report we emphasised the satisfactory position of the company. In the case of the Crown Mines, also, there is a striking difference in the totals for this year and last. The Rand Mines dividend is also raised, the company having a large holding of Crown Mines. The progressive expansion in the disbursements of the Daggafontein is gratifying, and affords good promise for the future. The only distribution in the latest list which slightly disappointed the market was that of East Geduld, the increase being less than had been looked for in view of the growth in mining profits. Capital expenditure doubtless supplies an explanation. We contrast this month's dividends with those of earlier periods, in the table which follows:—

	Dec., 1933	Total, 1933	June, 1934	Dec., 1934	Total, 1934
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Brakpan	25	50	25	27½	52½
Consol. Main Reef	8½	16½	8½	12½	21½
Crown Mines	80	142½	80	90	170
Daggafontein	11½	18½	13½	21½	35
Durban Deep	15	32½	12½	12½	25
East Geduld	18½	35	20	21½	41½
East Rand Propy.	15	22½	12½	15	27½
Geduld Propy.	30	56½	32½	35	67½
Goldenhuis Deep	15	27½	10	15	25
Modder B.	25	50	35	35	70
Modder Deep	60	120	60	60	120
Modder East	12½	25	12½	15	27½
New Kleinfontein	50	102½	55	57½	112½
Nourse	8½	18½	10	10	20
Rose Deep	2½	5	2½	2½	5
Springs Mines	26½	48½	25	28½	53½
West Springs	6½	11½	5	5	10
Witwatersrand Deep	10	20	10	10	20

Taking all the December figures together, it appears that, out of 32 concerns in the dividend list, 17 are paying more for the second than for the first half of 1934. There is no single instance of a reduction in dividend. Comparison with December, 1933, discloses 20 increases and four decreases. In several cases the latest distributions are the highest in the companies' history.

The Spaarwater Muddle.—Ill fortune has dogged the flotation of the Spaarwater Gold Mining Company, the prospects of which were optimistically canvassed in the "Kaffir" market a few months ago. Owing to delay, doubtless unavoidable, in the granting of the leased portion of the ground, the actual flotation came rather as an anticlimax, for market conditions had deteriorated in the meantime. On the Johannesburg Stock Exchange, East Rand Consols were dealt in last Monday, *ex* the rights to subscribe for Spaarwater shares, the amount deducted being about 4s. The value of these rights was purely a matter of surmise, since permission to deal in Spaarwater shares had been applied for but not granted. As Spaarwater renunciation letters are not to be posted until December 31st, dealings cannot take place in London until the first business day of the New Year. It is believed that the opening quotation for Spaarwater may be between 15s. and 16s., and this, apparently, is the basis of the deduction made on the Johannesburg Stock Exchange. If, however, for any reason the opening price were materially higher, an anomalous and difficult position would arise in Johannesburg. Incidentally, there has been a certain vocal dissatisfaction in that centre with the alleged inadequacy of the participation in Spaarwater offered to shareholders of East Rand Consolidated.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—National Bank of Scotland, Orient Steam Navigation, Messina (Transvaal) Development, Anglo-Ecuadorian Oilfields, British Burmah Petroleum, Burma Corporation, Low Temperature Carbonisation, Rhodesian Corporation, Pontian (Malay) Rubber, Second Covent Garden Property, Agar Cross & Co., Carreras, Ind Coope and Allsopp, British Tyre and Rubber, United Molasses, Ariston Gold Mines, Gold Coast Banket Areas, Tarkwa Banket West, Kwahu Mining, Beryl Gold Corporation, and British Tar Products. At the National Bank of Scotland meeting the Marquess of Zetland declared that the Bank's figures showed evidence of increasing activity in the home market but not in exports. At the Orient Steam Navigation meeting the chairman regretted that there appeared to be no sign of permanent improvement in the general condition of shipping. The chairman of Messina (Transvaal) Development declared that the company's financial position had been more than maintained. Mr H. C. R. Williamson informed the shareholders of Anglo-Ecuadorian Oilfields that current indications suggested that the company's increased profit and dividend might be maintained. The chairman of British Burmah Petroleum spoke encouragingly of the possibilities of the Torbanite interest in South Africa. The summary of the speech of the Burma Corporation chairman showed that the board was considering a partial return of capital out of the company's strong liquid resources. Shareholders of Low Temperature Carbonisation were informed by the chairman that the increasing use of oil in almost every branch of engineering was having a beneficial effect on the company's fortunes. At the Rhodesian Corporation meeting reference was made to the Spaarwater position. The chairman of Pontian pointed out that the company's trading had shown a profit eight times as large as in the previous year. Mr. Philip E. Hill, at the Second Covent Garden Property meeting, declared that additional capital might be required if negotiations for additional properties matured. The chairman of Agar Cross dealt with trading prospects in the Argentine. The Carreras meeting is dealt with on page 1214. Sir G. L. Courthope, Bt., disclosed that the trading profit of Allsopp had risen from £179,000 to £196,000 and that of Ind Coope from £337,063 to £391,723. Sir W. Sinclair, at the British Tyre and Rubber meeting, described the company's progress with the task of co-ordinating the activities of subsidiary companies. At the United Molasses meeting details were given of the forthcoming new issue of shares. The shareholders of Ariston Gold Mines were informed that a reserve of 500,000 tons of high-grade ore was fully developed, on which a profit of over £1,000,000 was expected. At the Gold Coast Banket Areas meeting the satisfactory results of operations were outlined. The chairman of Tarkwa Banket West

disclosed that shares in subsidiaries taken at £54,400 in the accounts had a current value of £1,017,175. At the Kwahu meeting Mr M. L. Innes Browne gave an impressive account of unrealised profits on shareholdings and of dividend returns in prospect. The chairman of Beryl Gold Corporation declared that the company was amply protected financially for its programme of intensive mine preparation. The chairman of British Tar Products described the company's hopeful indications for 1935.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS
TICKET JANUARY 8 | ACCOUNT JANUARY 10

THE opening of the three weeks' holiday account has provided no unusual features. The prospects of a "green Christmas" may be unseasonable, but markets have experienced a gradual decline in business as the holiday approaches, which, unlike last year, is fully in accordance with precedent. The principal revelation in a quiet week is the relative firmness of quotations, accompanied by better spirits. Last week's ruffling of the surface has given place to an improved tone, which, at the beginning of a normal account, might have provided the basis for a further upward movement.

The motto in the gilt-edged market was "quietly firm." A minor selling movement early on Monday was righted fairly promptly, and thereafter business became subnormal, although the cheerful tone was in no way impaired. Quotations throughout the list were largely unchanged during the week, in striking contrast to recent movements. India loans were steadily firm, and Dominion issues were well maintained, although conditions were quiet.

In the foreign bond market, Japanese loans were a strong feature, with half-point advances on each of the first three days. Chinese issues opened in dull spirits, but some interest developed later for railway bonds. German bonds opened in good style, but with the exception of Potash and some municipal loans they had difficulty in holding their ground. Movements in other European bonds were small. In the South American section, Brazilian issues became distinctly depressed owing to apprehension regarding the debt service (discussed in a Note on page 1212). Argentine bonds were firm, but Chilean issues registered impatience with the delay in debt negotiations.

Business in the Home Rail market was quiet at the opening, but trading became brisker on Tuesday on misplaced hopefulness regarding the traffics. The figures, particularly for coal, proved disappointing to the optimists, and fractional advances in London Midland and Scottish and Great Western ordinaries were lost. Prior charges showed no appreciable change. A further good return from London Transport provided reason for an advance of 1½ points to 96½.

Conditions in the foreign rail market were almost idle, and after early irregular movements, prices reflected the absence of supporting orders. Argentine ordinary stocks were maintained, but poor traffics and the wages decision exerted their full effects upon the prior charge issues (whose position is analysed on page 1212). Brazilian issues became irregular, but San Paulo moved higher on the new rates scale. Canadian Pacific, after a fair start, became reactionary.

In the industrial markets, fresh orders were on a very modest scale, and although markets presented a fairly cheerful aspect, the usual end-year closing of commitments and a little private profit-taking were sufficient to induce some irregularity in prices. An early demand for Cable and Wireless stocks led to a temporary improvement, but the traffics index proved disappointing. Brewery issues remained in investment favour. In the motor section Thomas Tilling remained in the forefront, although best prices were not held. Among aviation shares, Fairey were dull on the dividend and most issues moved downward. Coal shares were a firm group, while fractional improvements were generally found in the iron and steel list. A

slight strengthening in electric supply issues occurred, but, apart from a small recovery in Ever Ready, which have been a weak feature recently, movements in equipment issues were limited. The Gaumont-British group remained depressed, on nervous selling caused by reports of increased competition. Leading tobacco shares were well supported, although a satisfactory report and dividend from British-American Tobacco (discussed on page 1214) was followed by a slight reaction. Profit-takers were also active elsewhere, and quotations for Imperial Tobacco and Carreras "A" were easier on Wednesday. Textile shares remained quiet, and Courtaulds, after providing early interest in the rayon group, followed the general reaction. A fair business was recorded in Royal Mail and Elder Dempster debentures, in anticipation of the reconstruction scheme. News of a cement agreement in the North stiffened leading shares in the group, but brick issues remained in a dull condition. Milling issues were fairly confident, but most miscellaneous leaders showed irregular sixpenny changes.

Turnover in the oil market remained poor. A little selling from the Continent depressed prices in the absence of local professional and public interest. Apex, whose preliminary results (set out on page 1215) were up to best expectations, made only slight response. The rubber market improved perceptibly as the week proceeded. After two quiet days investors began to nibble at reasonably valued shares. Although this inspired a better tone in the market, the volume of business remained very small and extremely selective. Tea shares remained a sensitive market, and a small selling movement in Indian issues depressed the market once more on Monday. Tuesday's steadiness was short lived, and renewed weakness developed in Wednesday's idle dealings.

This week the mining sections suggested an element of geographical specialisation on successive days. "Kaffirs" had their day on Monday, when many of the dividend deductions were recovered. Randfontein were in good demand. Movements on later days were small, the Spaarwater controversy (the history of which is noted on page 1216) leading to some uncertainty. Tuesday saw another good day in the West African market, although the greater part of the business came from the "shops," and the absence of public support was fully revealed in Wednesday's quiet session. Australian issues, after a steady opening, provided Wednesday's feature, with good rises throughout the list. Among tin shares, Kramat Pulai made further progress, and a limited inquiry kept quotations firm. Copper shares were noticeably firmer on the higher metal price and good consumption figures.

"FINANCIAL NEWS" DAILY BARGAIN INDEX (Approximate number of Bargains recorded in Stock Exchange Lists)

	Dec. 13, 1934	Dec. 14, 1934	Dec. 15, 1934	Dec. 17, 1934	Dec. 18, 1934	Dec. 19, 1934	Dec. 20, 1934
Government and Municipal Loans	1,836	1,559		1,650	1,462	1,210	1,178
Transport, Communications, and Public Utilities	1,070	1,066		1,195	942	755	853
Commercial and Industrial	3,781	3,963		4,512	3,608	3,222	3,250
Banks, Insurance and Financial	631	696	Closed	660	537	504	520
Mines (including Nitrate)	1,372	1,775		1,285	1,117	973	1,210
Oils	122	138		161	83	116	109
Rubber, Tea and Coffee	428	320		302	208	158	185
Total	9,240	9,517		9,765	7,957	6,938	7,305
Corresponding day in 1933	7,881	7,723		6,022	7,243	7,243	7,988

* Including Iron and Steel and Breweries.

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

Highest of 1934 (Nov. 20)	Lowest of 1934 (Feb. 8)	Dec. 13, 1934	Dec. 14, 1934	Dec. 15, 1934	Dec. 17, 1934	Dec. 18, 1934	Dec. 19, 1934	Dec. 20, 1934
84.4	83.5	92.3	92.3	Closed	92.7	93.0	93.1	93.3

"FINANCIAL NEWS" DAILY AVERAGE OF 20 FIXED INTEREST STOCKS. (1928 = 100)

Highest of 1934 (Nov. 15)	Lowest of 1934 (Jan. 2)	Dec. 13, 1934	Dec. 14, 1934	Dec. 15, 1934	Dec. 17, 1934	Dec. 18, 1934	Dec. 19, 1934	Dec. 20, 1934
140.0	128.8	139.6	139.7	Closed	139.4	139.4	139.4	139.6

FOREIGN STOCK EXCHANGES

NEW YORK

WALL STREET shows a disposition to respond to any good news there may be, but the President and his Administration are deaf to the voice of the prompter. The bond market is strong, on a plethora of money, evidenced by the reduction in the interest rate on time deposits by the Federal Reserve Board. Although the medicine men are actively preparing their formulas for next month's meeting of Congress, the financial district generally continues to credit the President with determination to hold a strait and narrow course. The share market, however, has lacked a lead and business has consequently been quiet, with the undertone sufficiently firm to promise better things. The declining tendency of grain prices is causing a little disquietude, but satisfactory Christmas business reports from most areas make operators content to leave the question of farmer purchasing power for 1935 till the turn of the year. Industrials generally have shown only fractional movements, metal, mining and motor shares being a shade higher, while steel issues were easier at the beginning of the week, despite the ninth successive weekly rise in steel mill activity, to 34.6 per cent. of activity. The least satisfactory section of the market has been utilities. The visit of Mayor La Guardia to Washington has let loose a flood of rumours, mostly unfavourable. The President may be cruel to be kind, but the emphasis falls differently in Washington and Wall Street. For the rest, the market may well have to wait for its presidential lead until Congress assembles.

	Dec. 12, 1934	Dec. 19, 1934	Dec. 19, 1934	Dec. 12, 1934	Dec. 19, 1934	Dec. 19, 1934
Lb. Ln. 31% '32-47	103½	103½	103½	Natl. Biscuit	28½	26½
Do. 4½% '32-47	103½	103½	103½	Phelps Dodge	14½	14½
Do. 4½% '33-38	103½	103½	103½	Pullman	46½	45½
Atchafalpa	53½	52½	53½	Sears-Roebuck	39½	39½
Erle	12½	12½	12½	Studebaker	1½	1½
Illinois Central	16½	15½	15½	Un. Fruit	72½	73½
N.Y. Central	21½	20½	21½	U.S. Leather	6½	6½
Pennsylvania	23½	23½	24½	U.S. Rubber	16½	16½
Southern Pacific	17½	17½	17½	U.S. Steel	36½	37½
Southern Ry.	16½	15½	15½	Westinghouse	33½	33½
Union Pacific	105	106½	107½	Woolworth	52½	51½
Am. Can.	106½	106½	107½	Am. Tel. and Tlg.	109½	103½
Amer. Smelting	35½	36½	36½	Interboro R.T.	14½	17½
Anaconda	101	101	101	Int. Tel. Teleg.	8½	8½
Bethlehem Steel	29	29	29½	Radio Corp.	5½	4½
Chrysler Motor	37½	38½	38½	Utilities P. and L.	2	1½
Corn Produce R.R.	64	62	62½	W. Union Tlg.	34	32½
Eastman Kodak	111½	109½	110½	Associated Gas "A"	1	1
Gen. Electric	191	191	191	Shell	21	20½
Gen. Motors	31	30½	31½	Shell Union	6½	6½
Int. Harvester	36½	37½	37½	Std. California	31	29½
Mont. Ward	28½	28½	28½	Do. N.J.	41½	41½

† Calculated at \$4.94½ to £.

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

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
351 Industrials ...	38.7	86.6	74.3	90.5	79.6	82.4	79.9	79.1
53 Rails	23.9	54.5	34.0	51.4	40.6	37.6	35.7	35.1
57 Utilities	66.8	101.0	57.0	85.4	66.4	61.1	59.5	57.0
Total, 421 Stocks	40.9	83.4	65.6	82.1	70.8	71.4	69.2	68.1
Average yield of 50 Industrial Common Stocks	6.91%	2.63%	2.78%	3.90%	3.17%	3.62%	3.78%	3.84%

† December 19th.

† February 7th.

(s) September 12th.

	1933	1934	1934	1934	1934	1934	1934	1934
	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
Highest of 1934 (Feb. 5)	105.0	76.0	86.7	86.2	86.1	86.4	86.6	85.5

TOTAL DEALINGS IN NEW YORK

	Dec. 13, 1934	Dec. 14, 1934	Dec. 15, 1934*	Dec. 17, 1934	Dec. 18, 1934	Dec. 19, 1934
Stock Exchange—Shares (Thous.)	1,000	930	460	900	820	980
Bonds (Value Thous. \$)	12,160	10,760	5,910	12,830	14,500	12,360
Cus.—Shares (Thous.)	195	195	112	220	237	239

* Two-hour Session.

PARIS

Markets showed a better disposition at the end of last week, and were steady at the opening of business on Monday. The Bourse was well satisfied with the Government's political progress and the rapidity with which its Budget programme was making headway. The volume of dealings, however, failed to broaden as had been expected, the doubtful position of the Citroën Company being an adverse factor. Rentes, however, were supported in the middle of the week, and bank shares recovered after a weak opening. Home industrial shares were irregular. On the Coulisse, diamond shares were in tentative demand, but gold mining shares failed to hold all their gains.

	Dec. 12, 1934	Dec. 17, 1934	Dec. 19, 1934	Dec. 12, 1934	Dec. 17, 1934	Dec. 19, 1934
Banque de France	10,075	10,040	10,000	Wagon Lit.	67½	65
Crédit Lyonnais	1,711	1,639	1,635	Mexican Eagle	23½	22
Suez Canal	18,650	18,775	18,625	"Chartered"	78½	77½
Chargeurs Réunis	117	135	125	Ford	46	42
Rio Tinto	1,023	1,029	1,030	De Beers	311	323
Royal Dutch	13,660	13,580	13,590	"Johannes"	260½	261

BERLIN

Share prices continued their slow decline last week. Shipping shares were among the worst sufferers, though they subsequently regained part of their losses. Reichsbank reacted to around 145, after touching 152½ early in the week. This week's business opened with a further general decline, shipping shares being again heavily sold. On Tuesday the market was irregular, with a weaker tendency in most shares and a stronger tone towards the close. Vereinigte Stahlwerke domestic bonds advanced on the Supreme Court's decision that they were payable on a gold dollar basis. Quotations for bonds showed a slight decline. In the middle of the week most industrials were firmer. Even shipping issues shared in the recovery. Reichsbank reached 147, and other bank shares were firm. The official index of share prices in November has been given as 80.37, against 83.22 for October, and the index for domestic bonds as 92.27, against 91.55.

	Dec. 12, 1934	Dec. 17, 1934	Dec. 19, 1934	Dec. 12, 1934	Dec. 17, 1934	Dec. 19, 1934
Reichsbank	149.75	145.00	147.25	A. E. G.	26.60	25.90
D.D. Bank	70.75	70.00	70.00	Siemens & Halske	137.00	135.00
Dresdner (New)	73.75	73.50	72.50	A. K. U.	55.10	49.60
I. G. Farbenindustrie	131.75	129.60	132.25	Hamburg Amer.	25.90	22.75
Norddeutscher Lloyd (New)	28.90	27.25	28.75	("Hapsag New")	25.90	24.75

AMSTERDAM

The market was depressed at the outset by a drop of five points in the shares of the Netherlands Trading Company. Plantation shares were dull, and little or no interest was shown in industrials. The tone, however, subsequently showed moderate improvement. Rubber shares, in particular, were in demand on M. Colijn's declaration regarding estate quotas. The industrial market, however, remained listless and irregular, Aku in particular being weak on the report of the dismissal of 700 workers.

	Dec. 12, 1934	Dec. 17, 1934	Dec. 19, 1934	Dec. 12, 1934	Dec. 17, 1934	Dec. 19, 1934
2½% Dutch Loan	78	78½	78½	Steel Common	22½	22½
5½% German	26½	26½	27	A. K. U.	33½	30½
Unilever N.V.	74½	73½	73½	Ford Motor	236½	239
Philips' Lamps	219	220	221	Deli Batavia Tob.	141	142½
Netherlands Ship Union	25½	24½	25½	Royal Dutch	134½	132½
				Handels Ams	147	142½

CAPITAL ISSUES

THE near approach of Christmas has induced many borrowers to make the most of admittedly favourable capital market conditions, lest the going be less good after the holiday. The week's gilt-edged issue has been made by Swansea Corporation, approximately £1¼ millions of whose £2¼ millions offer is for conversion of a couple of "optionally redeemable" issues. The willingness of the Treasury to waive, in this instance, its ban on the conversion of existing trustee securities, has raised some discussion regarding the *raison d'être* for the "ban" under current conditions, and the possibility that home municipal borrowers have come near the end of their opportunities for

raising new money, so long as the Government remains hostile to the idea of large public works. The other "prospectus" offers of the week included as many as seven public companies, whose activities range from insurance to commercial aviation. The *Eagle Star and British Dominions Insurance Company* has offered 4 per Cent. Second Preference shares at a premium of 5 per cent., in order "to take fuller advantage of investments which, in many instances, will carry with them desirable insurance business." The company is a combination of a number of offices, founded from 1807 onwards. Its results have been progressive and the shares are fairly well covered. *Connaught Estates (1934)* owns freehold and leasehold properties in the London area. The yield on the debenture stock appears to recognise that the cover, though ample, is not generous. *Tecalemit* has taken over a company owning rights in a high-pressure lubrication process. Although profits in 1931 and 1932 reflected trade depression, the subsequent increase in demand from the motor, aviation and general engineering trades finds expression in the prospectus figures. The shares, including their premium of 55 per cent., are a reasonable industrial proposition. The *Associated Fireclay Companies* owns two old-established Lancashire businesses and is taking over a Paisley concern in liquidation. Preference dividends have been regularly paid, though a small loss was made in the twelve months to March, 1933, owing to dislocation in the course of re-organisation and extension. The high yield on the preference shares calls attention to the existence of an indubitable but not disproportionate trade "risk." *Woodlands Chemists*, which has a "straight" ordinary capitalisation, has taken over 34 businesses in London and the provinces. Subscribers are investing in the ability of the management to run their "chain" with the success achieved by retail organisations whose names are more familiar to the investor. *Hillman's Airways* is the first unsubsidised British air transport enterprise whose shares have been placed on the market. Since its inception, only three years ago, by a successful motor-coach proprietor, the company has taken a leading "pioneering" part, and has recently concluded a contract with the Postmaster-General for a daily air mail service between various cities. At the present stage, all air transport shares are necessarily speculative, but the commercial ability of the management is of good promise. *Hoyle's (Ilex)* is a small company which has taken over a Lancashire shoe and slipper business. Its shares and debentures will doubtless have a local appeal. The week's "public advertisements" include those of the large and important *Liverpool Gas Company*, a property enterprise, a West Indian electric company, a South African general investment company, and a South Wales chain of general stores.

ISSUES OF THE WEEK

By Prospectus or Offer for Sale

	Nominal Capital	Conversions	New Money	First Payment	Further Liability
Connaught Estates (1934), £122,000 5% 1st Mt. Deb. Stk. (Series B) at 101%	122,000	...	123,220	12,200	111,020
Hillman's Airways, 400,000 Ord. 5/- at par	100,000	...	100,000	20,000	80,000
Woodlands Chemists, 400,000 Ord. shares 5/- at par	100,000	...	100,000	20,000	80,000
Tecalemit, 540,000 shares 5/- at 7/9	135,000	...	209,250	67,500	141,750
Eagle Star and British Dominions Insurance, 1,000,000 4% 2nd Cum. Pref. £1 at 21/-	1,000,000	...	1,050,000	125,000	925,000
Swansea Corporation, £2,250,000 3% Stk., 1955-65, at 100% (To redeem £804,800 3½% 1930-70)	2,250,000	1,728,900	532,330	112,500	2,148,750
Hoyle's (Ilex), 40,000 shares 10/- at par	20,000	...	20,000	2,000	18,000
Do. £10,000 4% Debts. £20 at par	10,000	...	10,000	1,000	9,000
Total	3,737,000	1,728,900	2,144,820	360,200	3,513,520
To Shareholders only					
Associated Fireclay Companies, 50,000 7½% Cum. Pref. £1 at par	50,000	...	50,000	12,500	37,500
Lupaards Vlei Estate and Gold Mining, £275,000 5½% 5-year Notes at par	275,000	...	275,000	...	275,000
Vibrita Gold Mines, 36,000 Ord. 5/- at par	9,000	...	9,000	1,800	7,200
Total	334,000	...	334,000	14,300	319,700

	Including Conversions	Excluding Conversions	Total Offered for Subscription—	Including Conversions	Excluding Conversions
Jan. 1 to date—					
1934	410,680,315	168,808,700	1933	467,921,560	244,780,500
1933	468,315,067	244,880,565	1932	2,699,684,265†	188,909,963
1932	2,699,434,265†	188,659,963	1931	114,200,666	102,644,294
1931	114,290,666	102,044,291	1928	693,100,058	369,055,073
1928	538,263,908	635,882,925			

† This figure includes £1,920,000,000 for conversion of 5% War Loan into 3½% War Loan.

Nature of Borrowing

	Debentures	Preference	Ordinary	Total
January 1 to date—				
1934	102,469,313	21,461,007	44,878,380	168,808,700
1933	222,264,307	12,773,716	9,982,542	244,980,565
Whole year—				
1934	212,917,900	45,062,600	111,177,600	369,158,100
1933	170,172,800	12,773,800	5,963,400	188,910,000
1932	222,064,300	12,733,700	9,982,500	244,780,500

By Stock Exchange Introduction

	Capital Introduced	Price Dealings Began	Cash Involved
Amount previously recorded	25,554,943	...	37,602,087
General Cable Manufact., 150,000 8% cum. pref. 10/-	75,000	11/3	84,375
Western and Mersey Estates, 67,000 5½% pref. £1	67,000	21/-	70,350
Chipatoojah Java Rubber, 750,000 shares 2/-	75,000	2/2½	82,021
Shropshire Beet Sugar, 314,997 10% pref. ord. £1	314,997	18/2	288,736
Colony of Fiji, £120,000 3% ins. stk. at 99	118,800	100	120,000
Viakfontein Gold Mining, 1,100,000 shares 10/-	550,000	38/1½	2,098,875
Swan Estates, 125,000 ord. £1	125,000	23/9	148,436
Midland Far Distillers, 381,692 ord. £1	381,692	26/3	500,372
Castle Brothers, 440,000 ord. 5/-	110,000	7/1½	156,750
White (John) Impreg. Boots, 500,000 ord. 5/-	125,000	7/1½	151,562
Do., 125,000 6% pref. £1	125,000	21/3	132,812
B.E.T. Supply, £350,000 4% deb. stk. at par	350,000	104½	365,311
Viner's, 125,000 5½% cum. pref. £1	125,000	22/6	140,625
Eldoret Mining, 621,762 ord. 5/-	155,440	11/10½	369,170
Total to date, 1934	28,247,872	...	42,310,082
Total to date, 1933	34,811,194	...	39,123,520

PUBLIC OFFERS

Swansea Corporation.—Issue of £2,250,000 3 per cent. stock, 1955-65 at £100 10s. per cent. Repayable at par June 30, 1965, or from June 30, 1955, on three months' notice. Proceeds to be applied to redemption of 5½ per cent. 1935-45 and 3½ per cent. 1930-70 stocks of which notice and conversion offer has been given, and balance for replacement of mortgage loans and new capital purposes. Secured on general rate, and revenues of undertakings. Net debt, £8,424,639, of which £5,149,317 is in respect of productive works. Rateable value, £1,038,479; population, 165,500; exchequer grant, £177,085; current rates, 15s. 6d. in £. Trustee security, transferable free of stamp.

Eagle Star and British Dominions Insurance Company, Ltd.—Issue of 1,000,000 4 per cent. second cumulative £1 preference shares at 21s. per share. Proceeds required for expanding investments, which carry insurance business. Net assets, exclusive of present issue, £3,089,008. Adjusted annual profits: 1931, £79,915; 1932, £284,249; 1933, £283,921. Shares rank after 1,000,000 4 per cent. £1 preference shares. Company established 1904, and has acquired share capitals of companies established since 1807. Applications from shareholders receive preferential consideration.

Connaught Estates (1934), Ltd.—Issue of £122,000 5 per cent. first mortgage debenture stock (Series "B") at £101 per cent. Secured by first specific mortgage on land and properties valued £183,790, redeemable from April 1, 1940, at £102½ per cent. on six months' notice, and finally on April 1, 1962. Incorporated February, 1931, to acquire artisan house properties of which 40 per cent. are controlled. Estimated net income of properties charged, £16,059. Total properties acquired at March 1, 1934, were valued £321,790, and net revenue £28,657. Proceeds required for repayment of £78,000 mortgages, and as to £18,880 for purchase of properties.

Hillman's Airways, Ltd.—Issue of 400,000 ordinary shares of 5s. at par. Formed to acquire business and certain assets of Edward Henry Hillman, Ltd. Established 1931 and now runs regular air services to Paris, and has received contract for air mail services to Liverpool, Belfast and Glasgow, from December 1, 1934. New regular services, and freight and charter work are to be developed. Purchase consideration, £30,000 by allotment of 120,000 shares. Net assets, £22,675. Profits, years to March 31: 1933, Dr. £1,603; 1934, Dr. £4,699; six months to September 30, 1934, £3,548.

Woodlands Chemists, Ltd.—Issue of 400,000 ordinary shares of 5s. each at par. Incorporated to acquire 34 chemists shops in London and provinces as going concerns. Total value of assets acquired £43,565; leases £14,275; fixtures £9,650; stock £19,640 ("which can be taken to be approximately accurate"). Adjusted profits, after depreciation, of businesses, for three latest years have been: £10,647; £11,919; £11,590. Estimated net profits for current year, £13,000. Purchase consideration, £73,614, payable in cash, of which £29,412 is payable for goodwill, and £5,000 profit of vendor.

(Continued on page 1222)

In calculating yields on fixed interest stocks quoted below allowance is made for interest accrued since the last date of payment, less income tax at the standard rate. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated by reference to the latest quoted price, plus or minus any enhancement or reduction of interim dividends. Allowance is made for accrued dividends in calculating the yield on "cum div." shares.

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand Currency. (e) Allowance for rate of exchange.

(f) Flat yield without allowing for redemption. (g) For 15 months. Yield worked on a 15% basis. (h) Yield on 3% basis.

(a) Yield worked on redemption at par on Feb. 1, 1957. (f) Yield worked on redemption at par on December 1, 1952. (h) Based on interest payment of 2½ per cent.

(s) Yield worked on redemption at par on April 1, 1961.

† Free of Income Tax

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on last year's dividend, viz., 12½ per cent. free of tax. (e) Cash bonus from capital accretions. (f) Includes 11% from capital accretions. (m) Including bonus 5% free of tax. (n) Dividend for 15 months yield worked on a 51 per cent. basis. (p) Based on a dividend of 15 per cent. (r) Calculated on basis of 5 annas dividend per share paid for 1933-34. Taken at 16 annas to one rupee. (e) Annas per share. (w) Also bonus 300 per cent. from reserves in A shares. Yield worked on a 25 per cent. basis. Highest price 1934 on capital before the bonus distribution. † Free of Income Tax.

(Continued from page 1219)

Hoyle's (Hex), Ltd.—Issue of £10,000 4 per cent. debentures and 40,000 shares of 10s. at par. Formed to acquire shoe business of Hoyle, Hoyle and Company, Ltd., of Rossendale. Assets acquired, £23,300, vendor discharging liabilities. Profits, before depreciation, years to early December: 1932, £1,927; 1933, £3,491; period to November 17, 1934, £56. Consideration, £23,300 in cash, vendors subscribing for 9,600 shares and £4,300 debentures. Debentures secured by specific mortgage on freehold property and floating charge, and redeemable at par from 1945. Issues have not been underwritten.

BY OFFER FOR SALE

Tecalemit, Ltd.—Offer for sale of 540,000 5s. shares at 7s. 9d. per share. Issued capital, 800,000 5s. shares. Incorporated December, 1934, to acquire undertaking of similar name, and right to exploit high-pressure lubrication process, now adopted by 2,500 garages. Vendor company supplies greasing equipment to leading motor, aviation and other firms. Profits of vendors, before depreciation and loan interest, and subject to certain reservations, years to October 31: 1932, £14,809; 1933, £24,353; period to October 15, 1934, £41,707. Net assets of vendor, £170,000 (net assets acquired, £88,345, patents, licences and designs at cost, £41,655, proceeds of issue £40,000) acquired at par by allotment of 680,000 shares. Messrs W. H. Botsford and Company, Ltd., have purchased 420,000 shares of the new company for £160,000, and subscribe at par for 120,000 shares.

BY STOCK EXCHANGE INTRODUCTION

John White (Impregnable Boots), Ltd.—Particulars of issue of 125,000 6 per cent. redeemable cumulative £1 preference shares. Company acquired John White's Trust, Ltd., boot manufacturers, founded 16 years ago. Capacity after impending extension, 2,500,000 pairs per year. Profits, after depreciation, years to end November: 1931, £22,661; 1932, £22,464; 1933, £28,128; 1934, "equal to average of £24,417." Net assets, £247,383, including £114,850 net proceeds of issue, and £18,000 estimated net profit. Consideration, £125,000, of which £400 cash and £124,600 in 5s. ordinary shares. Preference shares redeemable at 21s. 6d. by 1½ per cent. cumulative redemption fund, commencing June, 1936, or at 22s. per share from 1937 on three months' notice.

Eldoret Mining Syndicate, Ltd. (Incorporated in Kenya).—Issued capital, 621,762 shares of 5s. each. Incorporated 1933, and has acquired interests in prospecting licences and claims in Kakamega District and Tanganyika Territory, and 277,000 shares in Kimiringi Gold Mining Company, and 1,000 shares in Kentan Gold Areas. 93,620 shares have been issued to vendors, 518,135 shares issued as bonus, and 10,007 for cash. Realised profit on investments, six months to October, £153,938, and £20,285 is carried forward. Shareholders have pooled 40 per cent. of their holdings for three months.

Leslie's Stores, Ltd.—Particulars of issue at par of 100,000 6 per cent. cumulative £1 preference shares and 200,000 5s. ordinary shares. Formed to acquire stores businesses in South Wales established 1921. Further extensions are in prospect. Assets acquired £78,276. Purchase consideration £69,000 in cash, discharge of liabilities £45,579, and option on 50,000 ordinary shares at 6s. per share until 1937. £35,761 attributable to goodwill. Profits after depreciation and adjustments: 1930, £8,269; 1931, £10,036; 15 months to March, 1933, £10,277; 18 months to September, 1934, £19,223. Capital has been subscribed at par, less commission of 1s. 6d. and 6d. per preference and ordinary share, and with option on 50,000 ordinary shares at 6s. until December 31, 1937.

Duchess Property Company, Ltd.—Particulars of issue of 40,550 7 per cent. guaranteed redeemable £1 preference shares. Redeemable from March, 1937, at 20s. 6d. per share, or earlier with consent of holders. Shares guaranteed for principal and dividend by Mayfair and General Property Trust, who own all ordinary shares. Further particulars appear in Stock Exchange Official Year Book.

Jamaica Public Service Company, Ltd.—Particulars of issue of £420,000 4½ per cent. first mortgage debenture stock (series "C"). Secured by specific charge on fixed assets and floating charge on remainder of undertaking. Proceeds required for repayment of \$1,940,000 Series "B" bonds. Redeemable at par, January 15, 1965, and at various declining premiums on thirty days' notice from date of issue. Company acquired West India Electric Company and operates electricity and other public utility services in Jamaica. Total assets, £976,522, plant £825,427 (dollars taken at par). Operating revenue, for 1933, £67,783.

South African and General Investment and Trust Company, Ltd.—Particulars of £160,000 4½ per cent. second debenture

stock, of which £100,000 has been issued. Redeemable by cumulative sinking fund of 1½ per cent. per annum, calculated to terminate December, 1967, or from December 1, 1949, to June 1, 1954, at £102 per cent., and thereafter at par on six months' notice. Further particulars appear in Stock Exchange Official Year Book.

Liverpool Gas Company.—Particulars of issue of £300,000 3½ per cent. redeemable debenture stock. Proceeds to be applied to capital extension. Formed 1848; total sales, 1933, £1,382,224; free reserves, £430,672. Redeemable at par, December 31, 1964. Stock has been placed at £96½ per cent.

ISSUES TO SHAREHOLDERS ONLY

Associated Fireclay Companies.—Issue at par of 50,000 7½ per cent. cumulative preference shares of £1 each, to acquire from November 12th the earthenware business of Robert Brown and Son, Ltd., Paisley, now in liquidation. Purchase price £27,500. Profits are shown for the past five years as follows: Year to March 31, 1930, profit £21,822; 1931, £20,716; 1932, £13,932; 1933, loss £3,898; 1934, profit £19,134. Preference dividend of 7½ per cent. each year has been paid for past five years. On the 140,307 ordinary shares dividends for past five years have been: 7½ per cent., 1929-30; 5 per cent., 1930-31; 2½ per cent., 1931-32; and nil for past two years. Net assets amount to £270,694. Net proceeds of present issue, £44,500. Total available as capital cover £315,194. The issue has been underwritten.

Luipaards Vlei Estate and Gold Mining.—Issue at par of £275,000 5½ per cent. 5-year registered convertible notes to provide funds for largely increasing the underground developments, for the expansion of plant capacity and for the extension of the company's mining properties, which now cover 1,868 claims. The profits for the year ended June 30th last amounted to £176,032, and since the commencement of the current financial year the monthly profits have shown further increase.

Viborita Gold Mines.—The directors have decided to issue all the unissued shares—namely, 36,000 at par (5s.). This will bring the total in issue to the authorised amount of £130,000. Members of the board have applied and paid for 7,000 shares and the balance is offered to shareholders. The sum of 1s. is payable on application, 1s. 6d. on allotment and 2s. 6d. one month after allotment. The shares will rank *pari passu* with those already issued. The issue is underwritten.

East Rand Proprietary.—Holders of 10s. shares are invited to subscribe 1,200,000 new shares at the bonus price of 45s. The list will remain open until January 12th.

United Molasses Company.—Ordinary shareholders registered in the company's books December 19th have the right to subscribe to one 6s. 8d. share for every five shares held at 10s. a share. Letters of right will be posted on January 7, 1935, and will be subject to acceptances reaching the company's bankers not later than February 7, 1935.

OFFER ABROAD

Canadian National Railways.—Royal Securities Corporation, Ltd., is a member of the banking group which is offering in Canada \$20,500,000 Canadian National Railways (Dominion guaranteed) 3 per cent. bonds, due December 15, 1950. Principal and interest on these bonds is unconditionally guaranteed by the Dominion of Canada. Callable at 100 on or after December 15, 1945. Principal and interest is payable in Canadian funds. The bonds are being issued at 99½, Montreal terms.

CONVERSIONS AND REPAYMENTS

John Jameson and Son, Ltd.—This company is shortly to redeem at 105 the whole of the outstanding debenture issue, amounting to over £300,000. These debentures were created in 1902, and carry interest at the rate of 4 per cent. They are secured under a trust deed which empowers the company to redeem the principal at 105 at any time on six months' notice. It is understood that no fresh issue of capital is to be made, and that the debentures are being paid off out of accumulated reserves.

The Law Accident Insurance Society, Ltd.—This society intends to redeem the outstanding amount of its 4 per cent. debenture stock on June 20, 1935, at 102 per cent. The amount of stock outstanding is £183,725.

Victoria Falls and Transvaal Power Company, Ltd.—The company announce that they intend to pay off the whole of the then outstanding £5½ per cent. second mortgage debentures, whether of Series "A" or "B," at the rate of 103 per cent. on July 1, 1935. All holders of these debentures should present their debentures with the unexpired coupon No. 47 attached at the offices of Erlangers, Ltd., 4 Moorgate, E.C.2. Coupon No. 46 for interest due July 1, 1935, should be presented for payment in the usual manner.

FORTHCOMING ISSUES

Bergen Loan.—A new 4 per cent. loan will be issued early in January at 96 to convert 5½ per cent. loan.

Consolidated Gold Concessions.—A public issue of 2,000,000 ordinary shares 5s. each is expected in the New Year.

New Irish Insurance.—A new Irish controlled insurance company with a capital of £500,000 will be launched in Dublin at an early date. The first issue will be for £100,000.

International Tea Company Stores, Ltd. An issue of capital will be made by this company in connection with the purchase from Lonsdale Investment Trust, Ltd., of the controlling interest in George J. Mason, Ltd., of Birmingham, grocery and provision merchants.

Dorman Long and Company, Ltd.—Lord Greenwood, chairman of Dorman Long and Company, at the annual meeting on December 18, said that it would be necessary soon to raise new capital to build essential plant to meet increasing business, and power had been taken in the scheme to issue prior lien debentures for this purpose. The issue could only be made after consultation with the debenture-holders' committee.

Aberdeen Corporation.—An issue, not to exceed £1,500,000, is expected.

Bexhill Corporation.—The Bexhill Corporation will shortly make an issue of £350,000.

Palestine Loan.—A loan of £500,000 has been negotiated in London for the Jewish development of Palestine. The loan is for 15 years, at rate of 4 per cent.

Portsmouth and Sunderland Newspapers, Ltd. (formerly Portsmouth Newspapers, Ltd.).—At an extraordinary general meeting of Portsmouth Newspapers, Ltd., extraordinary resolutions were passed increasing the capital to £610,000 by the creation of 250,000 5 per cent. participating preference shares of £1 each, with a view to the acquisition of the undertakings of the Sunderland Echo Company, Ltd., and the Northern Daily Mail Company, Ltd. Special resolutions were also passed changing the name of the company to Portsmouth and Sunderland Newspapers, Ltd.

PRIVATE PLACING

Rose Deep, Ltd.—The board has accepted an offer from The Central Mining and Investment Corporation, Ltd., to purchase at £1 3s. 0d. per share the 37,017 ex-enemy shares at present held by the company. These shares will rank for dividend as from January 1, 1935. The proceeds of this sale will be used to meet in part the heavy capital expenditure that will be incurred during the ensuing year.

RESULTS OF ISSUES

South Suburban Gas Company.—New issue of £200,000 4 per cent. perpetual preference stock at a minimum price of 105 per cent. The number of tenders received was 261. Tenders ranged from the minimum price to 115½ per cent. Average price obtained, £106 10s. 8-44d. Total amount subscribed, £542,995.

Union of South Africa Loan.—Lists for cash applications for £11,000,000 3 per cent. inscribed stock, 1954-64, closed December 14th, after remaining open all day. Holders of Transvaal Government 3 per cent. stock, 1923-53, have until December 28th to exercise their rights of conversion.

Baumont Property Trust.—The recent issue of new ordinary and preference shares to shareholders was heavily oversubscribed in respect of both classes.

Austrian Loan.—Conversion lists for issue of Austrian Government 4½ per cent. guaranteed sterling bonds were closed December 19th. Cash lists were opened and closed on December 7th.

Eagle Star and British Dominions Insurance.—The subscription list for issue of 4 per cent. preference shares of £1 at 21s. was closed at 9.25 a.m. December 19th, having been heavily over-subscribed.

Woodlands Chemists.—The subscription list for issue at par of ordinary shares 5s. was closed at 10 a.m. December 19th.

Tecalemit, Ltd.—The offer of shares of 5s. at 7s. 9d. has been fully subscribed and the list closed at 9.10 a.m. December 19th.

Hillman's Airways.—Lists for issue of ordinary shares of 5s. at par were closed at 10.10 a.m. December 19th.

Standard Trust 3½ per Cent. Debentures.—The recent offer of 3½ per cent. debenture stock has been fully subscribed.

Swansea Corporation 3 per cent. Stock.—Cash list closed December 20th.

CALLS DUE DECEMBER 24 TO DECEMBER 29, 1934

The grand total of calls falling due in December, 1934, is £7,934,567 which compares with £53,366,016 which fell due in November, 1933. The following calls fall due from December 24, 1934, to December 29, 1934, inclusive:—

Nominal amount of Stock	Company	Amount of Call	When payable	Making Paid
£3	Eagle Star and British Dominions Insurance, Ltd. (53,958 new preferred ordinary shares, with 5/- paid up, at a premium of 6/- per share)	12/-	Dec. 27	12/-
5/-	Gold Options Syndicate, Ltd. (200,000 shares, at a premium of 5/- per share)	2/6 p.s.	Dec. 24	5/- p.s.
Stock	Plymouth Corporation 3% stock, 1954 (£1,000,000, at 97½%)	£300	Dec. 28	£55%

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Amt. paid	Price, Dec. 12, 1934	Price, Dec. 19, 1934
Aldford House 8% Pref.	20/-	Fy pd	22/3-22/9	21/9-22/6
Alpha Cement 5½% Pref.	...	...	21/6-22/6	22/-22/9
Argentine Navigation 10% Pref.	...	...	21/6-22/3	21/6-22/3
Do. do. 5½% Deb.	99	15	11-11 dis	11-11 dis
Ascotts Pharmacies 5/-	10/-	Fy pd	9/6-9/9	9/4-9/7½
Do. do. 7% Pref. 10/-	101	71	21-1½ dis	21-22 dis
Assoc. British Picture Corp. 5% Deb.	20/-	Fy pd	27/-27/6	27/-27/6
Ault and Wiborg Ord.	20/-	Fy pd	23/3-23/9	23/3-23/9
Do. do. 5½% Pref.	...	...	42/-43/-	42/-43/-
Austin Motor "A" 5/-	...	...	41/-42/-	41/-42/-
Australia 3½%, 1964-74	99½	5	18-18 pm	18-18 pm
Bank Line 2½% Gtd. Deb.	32/-	22/6	22/10½-23/4½	22/9-23/3
Beechams Pills 5% Deb.	...	Fy pd	...	103½-104½
B.E.T. Supply 4% Deb.	96½	5	2/-5/6	4/9-5/3
Birmingham 2½%, 1955-57	...	Fy pd	...	4/3-4/6
Bleithley Flettons 5/-	5/-	Fy pd	9/-10/-	8/4-8/10½
Do. do. 6% Pref.	...	...	4/4½-4/7½	4/4½-4/7½
Boulton and Paul Aircraft 5/-	98½	5	31-31 pm	31-4 pm
Brentford and Chiswick 3%, 1954	100½	Fy pd	99½-99½	99½-99½
Buenos Aires Western Ry. 4% Notes	20/-	Fy pd	1½ dis-1½ pm	1½ dis-1½ pm
Butterley Co. 4½% Pref.	93	38½	31-4 pm	31-4 pm
Central Electricity 3½% Stk.	99½	24	8-1 pm	8-1 pm
Chesterfield 3%, 1960	20/6	Fy pd	20/7½-20/10½	20/9-21/-
Colville's 5½% Pref.	...	...	...	11/9-12/3
Eldoret Mining 5/-	11/-	Fy pd	12/-12/3	12/-12/3
Enos Props. Ord. 5/-	...	Fy pd	11/9-12/6	11/9-12/6
Do. 5½% Pref. £1	21/-	Fy pd	22/3-23/3	22/-23/-
Freach (J. W.) Ord. 5/-	...	Fy pd	4/-4/6	4/-4/6
Do. 5½% Pref.	...	Fy pd	8/6-8/9	8/6-8/9
General Aircraft	10/-	Fy pd	1/7½-1/4½ dis	1/10½-1/4½ p dis
Gold Exc. and Finance Aust. Ord.	10/-	5/-	31-31 pm	31-31 pm
Gold Mines of Kalgoorlie 10/-	98	15	1/7½-1/10½	1/4½-1/7½
Hancock (W.) 4½% Deb.	97	...	2/4½-2/7½	2/4½-2/7½
Kapala Rubber Ord. 2/-	2/6	Fy pd	2/4½-2/7½	2/4½-2/7½
Do. do. 7½% Pref. 2/-	97½	5	2½-3½ pm	2½-3½ pm
Lanarkshire 3%, 1954-64	...	Fy pd	6/1½-6/4½	6/1½-6/4½
Lockhart (A.) 5/-	...	...	...	...
London and Home Counties Elec. 3½%	97½	5	1-1½ pm	1½-1½ pm
1955-75	22/6	Fy pd	26/-26/6	26/-26/6
Malacca Rubber £1	97	5	1½-1½ pm	1½-1½ pm
Mersey Docks, etc., 3½% Deb.	7/6	Fy pd	27/3-27/9 x	27/3-27/9 x
Mount Morgan 5/-	94	24	4½-4½	4½-4½
Murex New Ord. 10/-	97½	30	3½-3½ pm	3½-3½ pm
Nigeria 3%, 1955	20/6	Fy pd	25/9-26/3	25/9-26/3
Oxford and Berks Cinemas 7% Pref.	20/-	Fy pd	11/-11/6	10/9-11/3
Price's Trust Ord. 5/-	20/6	Fy pd	20/-20/6	19/9-20/3
Do. 5½% Pref.	21/-	10/-	par-3d pm	par-3d pm
Rhodana 5½% Pref. £1	98½	58½	2½-2½ pm	2½-2½ pm
Sheffield 3%, 1954	10/-	Fy pd	10/-10/6	10/-10/6
South African Torbanite 10/-	10/-	Fy pd	10/-10/3	5/9-5/10½
S.G.B. (Dudley) 5/-	21/-	11/-	9d-1½ pm	9d-1½ pm
Do. 6% Pref. £1	100½	5	2 dis-1½ pm	par-1 pm
Stockton-Tees 3%, 1960	...	...	28/6-28/6	28/6-28/6
Terry (J.) Ord. 5/-	...	Fy pd	104½-104½	104½-104½
United Steel 4½% Deb.	50/-	40/-	1/9-2/3 pm	1/13-51/9
United Sva Betong Rubber £1	12/6	Fy pd	12/6-13/-	12/6-13/-
Vactric 5/-	20/-	10/-	3d-6d pm	3d-6d pm
Do. 6% Pref.	10/-	Fy pd	1½-1½	1½-1½
Van Dyck Consolidated	99½	25	1½-2 pm	3d dis-par
Wakefield 3%, 1955	20/-	10/-	5/10½-6/1½	5/10½-6/1½
Ward (Thos. W.) 5% Pref.	5/-	Fy pd	1-1½ pm	1-1½ pm
Watende Mines	100	...	...	...
York 3%, 1955-65	...	...	...	...

OIL OUTPUTS

ANGLO-PERSIAN OIL COMPANY, LIMITED.—Production in Persia for the month of November amounted to 546,000 tons, making a total of 6,958,000 tons for the first 11 months of 1934.

THE BRITISH BURMA PETROLEUM COMPANY, LIMITED.—A cablegram has been received from Burma reporting the production of crude oil by this company for the month of November as 28,073 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended December 1st: Venezuela, 18,014 barrels; Trinidad, 30,578 barrels; total, 48,592 barrels. Production for the week ended December 8th: Venezuela, 18,818 barrels; Trinidad, 31,425 barrels; total, 50,243 barrels. Production for November: Venezuela, 73,982 barrels; Trinidad, 133,772 barrels; total, 207,754 barrels. Deliveries for November: Venezuela, 78,653 barrels; Trinidad, 137,049 barrels; total, 215,702 barrels. Production for the week ended December 15: Venezuela, 19,322 barrels; Trinidad, 33,788 barrels; total, 53,110 barrels.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended December 8, 1934, was: Bolivar district, 655,555 barrels; Maracaibo district, 33,593 barrels; total, 689,148 barrels. Production for the week ended December 15, 1934, was: Bolivar district, 650,651 barrels; Maracaibo district, 33,779 barrels; total 684,430 barrels.

COMPANY MEETINGS, &c.

UNITED MOLASSES COMPANY, LIMITED

DETAILS OF NEW ISSUE

MR F. K. KIELBERG'S SPEECH

The ninth annual general meeting of the United Molasses Company, Limited, was held, on the 15th instant, at Irving Hall, Bush House, Strand, London, Mr F. K. Kielberg, chairman of the company presiding.

The secretary (Mr James Don, A.L.A.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and gentlemen, the directors' report and the accounts have been in your hands for over a fortnight, and I presume that you will, as usual, take them as read. (Agreed.)

The directors' report contains, as usual, the information which would ordinarily form the subject of the chairman's speech, and I propose to confine my remarks to giving a few details about the proposed new issue of ordinary shares.

As mentioned in the report, it is proposed to offer the ordinary shareholders who are registered or entitled to be registered as such on December 19, 1934, the right to subscribe to one 6s. 8d. share for every complete five shares held, at a price of 10s. a share.

No fractions are to be issued, but any of the above-mentioned shares which are not taken up by the parties entitled and any which represent fractions may be disposed of at the best price obtainable for the benefit of the company, making the new issue 970,249 shares.

The new shares will not entitle the holders to participate in any dividend paid in respect of the financial year of the company ended September 30, 1934, but will rank *pari passu* with the existing ordinary shares for all dividends in respect of any subsequent period.

DATES OF PAYMENT

Letters of right will be posted on January 7, 1935, and will be subject to acceptances reaching the company's bankers not later than February 7, 1935.

The new shares will be payable as follows:—

2s. 6d. a share on February 7, 1935, of which 10d. is on account of premium.

7s. 6d. a share on March 15, 1935, of which 2s. 6d. is on account of premium.

Allotment letters will be posted on February 14, 1935, and renunciations will be accepted up to March 25, 1935, inclusive. The new share certificates will be ready for delivery on April 25, 1935. Notice will be given on December 28, 1934, of the directors' intention to redeem on March 31, 1935, the outstanding balance of £562,781 10s. 6 per cent. cumulative unsecured income debenture stock at a premium of 10 per cent.

One hundred thousand pounds 4 per cent. cumulative funded income stock will be redeemed on February 28, 1935. The particular stock to be redeemed will be selected by a drawing, and notices sent on January 30, 1935, to holders of stock drawn.

THE RESOLUTION

I now have pleasure in moving the following resolution:—

"That the directors' report and the accounts for the year ended September 30, 1934, be received and adopted and that a dividend for the year of 6 per cent., less tax, be declared, payable on January 8, 1935, to the holders of the 4,851,251 ordinary shares entitled to participate therein, registered in the books of the company as on December 19, 1934.

"That a sum of £2,000 be contributed and paid to the staff superannuation fund.

"That the directors be and they are hereby authorised to arrange for the establishment on terms to be approved by them of a fund to be placed in the hands of trustees, to be used for the purpose of providing pensions, retiring allowances or payments, or other benefits for directors and officers of the company and their relatives or dependents on death or retirement, and that out of the profits of the year ended September 30, 1934, a sum of £2,000 be contributed and paid to the trustees of such fund."

I call on Mr R. G. Simpson to second this resolution.

Mr R. G. Simpson seconded the resolution, and after some congratulatory remarks by shareholders it was unanimously carried.

The director retiring by rotation, Mr R. G. Simpson, was re-elected, and the auditors (Messrs Price, Waterhouse and Company, and Messrs Hilditch and Young) having been reappointed, the proceedings terminated with a cordial vote of thanks to the chairman, directors and staff, which was passed with acclamation.

CARRERAS, LIMITED

SOUND POSITION—35 PER CENT. DIVIDEND

The thirty-first annual general meeting of Carreras, Limited, was held, on the 19th instant, at Arcadia Works, Hampstead Road, London, the Most Hon. The Marquess of Reading, G.C.B. (the chairman), presiding.

The Chairman, after paying a tribute to the late chairman, Sir Louis Baron, in the course of his speech, said: The net profit for the year is £804,942. This figure is arrived at after charging all expenses, including the full amount of advertising, and making ample provision for depreciations on buildings, plant, machinery and other items. The amount brought forward from last year is £1,249,596, so that there is an available balance in the profit and loss account of £2,102,914, which the directors propose to appropriate as set out in their report, leaving £1,264,511 to be carried forward to next year, an increase of £14,915.

You will have noticed in the accounts a charge of £297,905, the total cost of terminating coupon trading. Your chairman informed you at last year's meeting that it had been arranged that the issue of coupons should be discontinued on December 31, 1933, and we, in common with other leading manufacturers and the distributing sections of the trade, put the plan into operation on that date. That, however, was by no means the end of the matter, and you will readily appreciate that when a system of this magnitude which had existed for many years, was terminated with comparative suddenness, it left liabilities in respect of unredeemed coupons issued, losses on gifts in stock which became unusable and commitments in respect of gifts purchased for future delivery which had to be disposed of at a sacrifice.

COUPON TRADING LIABILITIES WRITTEN OFF

Your directors have ascertained the full amount involved in the cost of this termination, and we have deemed it the proper course to write it off once and for all in this year's accounts. The total amount is dealt with in the appropriation account.

As was to be expected, the termination of coupon trading has had its reactions on the cigarette manufacturing industry generally. Some well-known brands have suffered and others have gained considerably as a result of the change. In our own business we have felt the effect both ways, as we had leading brands both coupon and non-coupon, and the net result for the year leaves our profit at almost the same figure as last year.

In spite of economic troubles throughout the world, our trade in overseas markets has been well maintained. You will notice in the balance sheet a considerable decrease in the item "Amounts due by Subsidiary Companies." This is accounted for by an arrangement which your directors were able to make during the year, whereby this company's holding and interests in "Carreras (India), Limited," were converted into another form of investment which will not only consolidate the position of our well-known brands in that country, but will also give increased scope for expansion as time proceeds. Your directors are convinced that this transaction will prove a benefit in the best interests of the business and may be expected to result in a steady and progressive advantage in the future.

The matter I have just mentioned is also partly responsible for the increase in the item in the balance sheet—"Other Investments." The remainder of the amount represents high-class securities purchased by the company and on which a satisfactory yield may be confidently anticipated. It will interest you to know that the market value of investments is considerably in excess of their book value.

I think we may claim that the Accounts before you disclose the sound position of the company. In addition to the undivided balance of profit and loss carried forward, £1,264,000, our specific and general reserves amount to £1,083,000, making a total sum of £2,347,000 available to meet any contingency which may arise. You will observe from the assets shown in the balance sheet that our liquid resources are ample.

In conclusion, let me assure you that your directors are fully alive to the necessity of adjusting their policy to the changed conditions within the industry, and it must be remembered that we shall still have to contend with keen competition. Your board, however, have every confidence that the high reputation of Carreras will be maintained and, we hope, enhanced in the estimation of the purchasing public. Although you will not expect me to indulge in prophecy, yet I may tell you that the trading so far in the current financial year has opened satisfactorily, and if, as we trust, it should be continued throughout the ensuing months, the results should be to your satisfaction.

The report and accounts were unanimously adopted and a final dividend of 20 per cent., making 35 per cent. on all classes of ordinary shares, was approved.

GOLD COAST BANKET AREAS, LIMITED

SATISFACTORY PROGRESS OF OPERATIONS

The first ordinary general meeting of Gold Coast Banket Areas, Limited, was held, on the 19th instant, at Winchester House, Old Broad Street, London, Sir Frank Meyer, Bart. (the chairman of the company), presiding.

The Chairman, in the course of his speech, said:—I am glad to be able to inform you that during the past five and a half months the progress of operations has continued to be entirely satisfactory.

The second power unit was put into operation before the end of July. These first two units have since operated very satisfactorily, either individually or simultaneously, according to the power demand. The third unit is nearing completion and will be ready in time for the start of the metallurgical plant.

The dewatering of the shaft and underground workings proceeded very rapidly early in July to a point below No. 6 level at an inclined depth of 770 ft. from the surface. The water now stands in the shaft at an inclined depth of 1,305 ft., or about 50 ft. below No. 8 level. This level is less than 300 ft. from the bottom of the shaft, and a very limited amount of lateral development was done by the former company before that point.

Active development work has been confined to No. 1, No. 3, No. 6 and No. 7 levels, and all preparations have been made for commencing production.

The results on No. 2 and No. 3 levels, as had been anticipated from old mine plans available, were unfavourable. This was mainly due to the narrow average width of reef of only 10.4 to 12.4 in., with the result that very limited tonnages can be mined from the present workings on these two levels. However, it is proposed to continue the driving of No. 3 level to the south, where there should be a good prospect of encountering further payable ore chutes, judging by the favourable showing near the surface. In this section, from two adits, over 1,000 ft. of reef was exposed, assaying 4.8 dwt. over 48 in., according to the old records. On No. 6 level there was a definite improvement, both in average values and width of reef. A length of 716 ft. of reef sampled in this level averaged 9.4 dwt. over 26.7 in., or, expressed differently, 251 inch-dwt.

The most favourable developments in any part of the mine have been on No. 7 level, where 518 ft. of reef sampled averaged 16.4 dwt. over 19.8 in. (325 inch-dwt.).

The results of all the sampling to date, including the new development work, indicate that in the section of the Fanti mine already opened there is a decided improvement in values with depth.

The footage resampled in the mine already indicates ore in sight of an average grade of 6.6 dwt. for a year, at the present estimated capacity of the cyanide plant. The prospects of developing substantial additional ore reserves can be considered as very favourable, especially in view of the location of the property, the extensive area held by the company and the results of the development work accomplished to date.

A year ago a sample of the mine ore was sent to England for testing in one of the foremost laboratories. These tests were entirely favourable and indicated that an extraction of more than 95 per cent. of the gold should be obtainable by means of a straight all-slime cyanide treatment. The milling and cyanide plant should be able to treat a minimum of from 175 to 200 tons per day, and quite possibly more, if the extraction can be maintained without too fine grinding or an excessively long period of agitation in the Pachuca tanks.

The whole milling plant has been laid out with the idea of future expansion, corresponding to the anticipated increase in the ore reserves. The capacity of the milling and cyanide plant could be doubled for a comparatively small additional expenditure.

The construction and installation of all the mechanical and electrical units have progressed with the minimum of delay, so that according to the latest cabled advice the plant will be operating early in January, or just over a year from the arrival on the property of the first unit of the power plant. The crushing section has actually already been started on the 15th inst.

The general layout of the whole plant is very compact, and the arrangements for handling the ore both on the surface and through the metallurgical plant are advantageous and economical. It follows that, with the installation of modern machinery, combined with the use of excellent drilling and other equipment, the working cost of production should be distinctly favourable, especially when the plant is operating at a higher capacity.

The report and accounts were unanimously adopted.

NATIONAL BANK OF SCOTLAND, LIMITED

INCREASED PROFIT

The 109th annual general meeting of the proprietors of the National Bank of Scotland, Limited, was held in the bank's head office, Edinburgh, on the 20th instant, the Most Honourable the Marquess of Zetland, P.C., G.C.S.I., G.C.I.E., the governor of the bank, presiding.

The Marquess said: Your directors submit with some degree of satisfaction their report upon the bank's operations for the year which ended on November 1st last. These have resulted in a profit of £271,596, the figures being almost £4,000 higher than for the previous year. Before arriving at this figure, all bad and doubtful debts, income tax, and other charges have been fully provided for. With the balance brought forward the sum available for distribution is £353,351, which, after payment of the usual dividend at the rate of 16 per cent. per annum, less tax, has been allocated as follows:—To Heritable Property Account, £100,000; to Staff Pension Fund, £30,000; and to Staff Widows' Fund, £5,000, leaving £81,952 to be carried forward.

Turning now to the balance sheet, the figures of the note circulation show an increase of £66,000 over the figures of the same date last year. This is encouraging so far as it goes; but as the note circulation fluctuates from week to week we must not over-stress the significance of the increase shown. Then again deposits are higher by £1,300,000 at the substantial figure of £35,723,950. Acceptances, on the other hand, are lower than last year by £190,000.

On the assets side of the balance sheet you will observe that the immediately liquid items, such as money at call, balances with the Bank of England and other banks, along with cash on hand, stand at the large figure of £10,118,000, representing a considerable proportion of our liabilities, and showing a strong liquid position. Loans and advances, however, as well as bills discounted, show a further diminution at a total of £12,970,415, which can only mean that the development of the country's overseas trade has made but little progress during the year, with consequently no fresh demands of importance for banking assistance. The largest item on this side of the balance sheet is, of course, represented by British Government securities, standing in the books at £16,298,390. The market value is considerably in excess of that figure.

The report and accounts were adopted.

MESSINA (TRANSVAAL) DEVELOPMENT COMPANY, LIMITED

EFFECT OF LOW COPPER PRICES

The annual ordinary general meeting of The Messina (Transvaal) Development Company, Limited, was held, on the 19th instant, at Southern House, Cannon Street, London, E.C., Lieut.-Colonel John P. Grenfell (the chairman) presiding.

The Chairman, in the course of his speech, said that their financial position of a year ago had been more than maintained, the surplus of floating assets over liabilities now amounting to £100,370. Receipts amounted to £299,086 and, deducting the expenditure of £298,102, there was a balance of £1,096 as a result of the year's working. During the year the price of copper was disappointing, averaging £33 8s. 9d., a level which was unremunerative, even to the cheapest producers. In normal working expenditure there was an actual reduction of £13,420. The ore production had increased from 405,706 tons of 2.35 per cent. c.u. to 408,947 tons of 2.16 per cent. c.u., while the ore developed increased from 387,998 tons of 1.69 per cent. c.u. to 406,896 tons of 1.74 per cent. c.u. The grade had been low, chiefly because they seemed to have struck a poor patch in the Harper mine, but since the close of the year they had picked up the original rich "A" lode in the sixteenth level, which so far averaged 65 ft. wide by 105 ft. long, with the probability of an increase, the area now being 5,400 sq. ft. of an average value of 5 per cent. The Campbell mine had been reopened, and in view of recent discoveries they thought there was a good chance of finding high-grade deposits there. They would like to open up that mine, and might have something to say to the shareholders on the subject in the course of the year. Ore reserves had been maintained at 1,163,663 tons of 2.25 per cent. c.u.

While copper ruled so low in price it was wise to adopt a long view, which meant improving the future value of their industry by endeavouring to place themselves on a lower cost basis.

The board were confident that the policy they had adopted was in the best interests of shareholders, so that when better times returned, as surely they must, they would be in a position to deal profitably with a situation which at present seemed abnormal.

The report and accounts were unanimously adopted.

RHODESIAN CORPORATION, LIMITED

GOOD RESULTS AND PROSPECTS

The annual general meeting of the Rhodesian Corporation, Limited, was held, on the 18th instant, at River Plate House, London.

Captain Hugh B. Jameson, the chairman, said that their issued capital was £1,466,666 ios. in 5,866,666 shares of 5s. each, all fully paid. The profit for the year under review was £164,115, which, added to the amount brought forward from last year, made a total of £179,626 to the credit of profit and loss account. An interim dividend of 7½ per cent., less income tax, would be paid in respect of the current year to all shareholders registered on the books as at January 31, 1935.

Operations at the Fred Mine had resulted in a profit of £39,910, equal to 30s. 3d. per ton treated. In estimating the value of the ore reserves, gold had been taken at 135s. per oz. The working cost for the year averaged 31s. 8d. per ton, as against 31s. 0½d., as some of the development expenditure had been charged directly to working cost. The Fred Mine had been a good revenue producer for the company for many years, and from current development results he saw no reason why it should not continue so for a good number of years. They had a large and valuable holding in the Wanderer Consolidated Gold Mines, Limited, which was in a strong position. He had stated last year that he considered the East Rand Consolidated, Limited, had become the greatest proposition among the non-producing ones in the Far East Rand. He still thought that East Rand Consolidated maintained its position.

Its first subsidiary, the Spaarwater Gold Mining Company, Limited, had already been incorporated to work a part of the Farm Spaarwater and portions of the Sub-Nigel properties. The Spaarwater Company had the best technical advice, and would have the very able and proficient services of the New Consolidated Gold Fields as managers and secretaries. The Rhodesian Corporation would participate in the issue of shares which would shortly be made to shareholders of East Rand Consolidated, Limited.

In conclusion, he stated that they had had a very good year in 1933-34, and he looked forward to making a still better report to the shareholders for 1934-35.

The report and accounts were adopted.

THE BRITISH BURMAH PETROLEUM COMPANY, LIMITED

IMPORTANCE OF THE TORBANITE INTEREST

The twenty-fourth ordinary general meeting of this company was held, on the 18th instant, at the Southern House, Cannon Street, London, the Hon. Lionel Holland (the chairman) presiding.

The Chairman, in the course of his speech, said that the figures in the profit and loss account illustrated only too vividly the unfavourable conditions which had prevailed during the past year. For the last four years the oil industry—not only in India—had experienced unexampled depression and discouragement. In spite of repeated years of unprofitable trading the figures in the balance sheet showed that the financial position of the company remained a sound one, its liquid assets being very largely in excess of current liabilities.

NEW INDUSTRY TO SOUTH AFRICA

Referring to the South African Torbanite Mining and Refining Company, Limited, the Chairman said that it was starting in the Transvaal an industry new to South Africa with every promise of its becoming an early, permanent, and a steadily expanding success. No pains and no expenditure had been spared to ensure the business being established upon solid and sound foundations. Although not exclusively confined to retorting and refining oil obtained from torbanite—one of the richest known minerals yielding oil on distillation, which formed the basis of the early prosperity of the Scottish refining industry—the aim of the new undertaking was to supply a portion of the considerable demand in the Transvaal for motor spirit with motor spirit extracted and refined in South Africa from the native torbanite. There were fortunately large torbanite deposits in the Ermelo district of the Transvaal, and the Torbanite Company had secured the mining rights over an acreage estimated to contain more than 5,000,000 tons of commercial torbanite besides options over some 150 square miles of torbanite-bearing land. At the retail prices of petrol now ruling the company's sales would return a thoroughly satisfactory profit.

The report and accounts were unanimously adopted.

SECOND COVENT GARDEN PROPERTY COMPANY, LIMITED

FAVOURABLE REVENUE BALANCE

The first ordinary general meeting of the Second Covent Garden Property Company, Limited, was held, on the 19th instant, at the Hotel Victoria, London, W.C.

Mr Philip E. Hill (the chairman), in moving the adoption of the report and accounts, said: Ladies and gentlemen,—You will have seen from the directors' report and accounts that although your company was registered in July, 1933, its transactions up to the end of December of that year were negligible, so that the period of activity under review is approximately ten months. Our net rental for this period is £52,198, income from investments £2,393 and the profit on the sale of one of our properties £8,909—approximating 25 per cent. on the cost—giving us a net available income of £63,590. This result, we think, may be regarded as satisfactory.

THE DIVIDEND

The directors propose an initial dividend at the rate of 5 per cent. per annum on the company's ordinary share capital, and they are utilising the premium on shares account, £14,750, and a small part of this year's revenue in reducing the company's preliminary expenses by the sum of £15,225, in addition to which it is proposed to carry forward the sum of £9,947. It is anticipated that the balance of our preliminary expenses will be written off out of share premium on further issues of capital from time to time. The company now owns 135 shops, of which 83 are freehold, the whole of which have substantially increased in value since their acquisition by the company.

Our present revenue shows a balance available for the ordinary shares in excess of the prospectus figure. Negotiations are pending in respect of additional important properties, but it is too early to speak with any real certainty as to their result, but should they mature, additional capital will be issued to provide the necessary purchase money.

Mr Louis Nicholas seconded the resolution and it was carried unanimously.

BERYL GOLD CORPORATION, LIMITED

PROGRAMME OF INTENSIVE WORK

The statutory meeting of the Beryl Gold Corporation, Limited, was held, on the 19th instant, in London.

Colonel Sir William R. Campion, K.C.M.G., D.S.O. (the chairman) said that the company had been formed with a minimum of cost, due to its formation having been undertaken by Commonwealth Mining and Finance, Limited. They were therefore amply protected financially to carry out properly and efficiently the policy laid down—to develop the mine preparatory to starting treatment and to equip the property with the necessary machinery for the purpose. The parent company, Anglo Australian Gold Development, Limited, was to be congratulated on the manner and expedition with which it had handled the initial testing of the property. A manager had been appointed and was expected to take up his duties at the mine within the next fortnight.

The confidence of the board stood behind the prospects of the mine and they anticipated that the development reports would lend ever-increasing encouragement to the belief that within a reasonable period the mine would be producing gold profitably and to the benefit of the shareholders.

Mr Claude A. de Bernales (managing director) said that it had been estimated that 12 months' intensive development work should place the Beryl Mines in the necessary position to warrant the erection of the treatment plant and that within two years the machinery would be turning out gold and building up the cash profits which later should be distributed as dividends.

Jointly, the Gem and Flag lodes were reported to have available ore and tailings approximating 44,000 tons, containing 22,650 fine ozs. of gold. In the calculations which arrived at the estimated yearly profits which the company could reasonably expect to make, the Harbour View and Hillsborough lodes possibilities had not been allowed to enter. The profit, based on the maintenance of the present currency value of gold and the present ore development being maintained, had been calculated on a monthly ore treatment of 5,000 tons, yielding a net profit of 40s. per ton in Australian currency, which meant a yearly profit equal to £96,000 sterling, which would represent a little more than 27 per cent. available for dividend purposes.

PONTIAN (MALAY) RUBBER COMPANY, LIMITED

NECESSITY FOR PERMANENT CONTROL

The annual meeting of the Pontian (Malay) Rubber Company, Limited, was held, on the 19th instant, at 7 Great Winchester Street, London, E.C.

Mr Philippe E. Gourju (the chairman) said:—Gentlemen,—The year's trading shows a profit eight times as large as that for the previous year and is a striking testimony to the necessity for the scheme for the regulation of rubber production and to its benefits. The immediate result in the case of your company was an improvement in the selling price by nearly 2d. per pound, and while costs were slightly higher, this was not unexpected, as the low rates of pay for labour and staff could not have continued indefinitely. All estate workers are being quite well paid now and on a satisfactory basis. Your estate has been kept in very good order and has benefited considerably by the voluntary curtailment of tapping carried out during the slump, so that when a year ago some of the rested areas were reopened they produced extraordinarily good yields, with the result that the crop for the past twelve months, at 515,500 lbs., was a record for your company. This rate of output will, of course, not be maintained, as we are bound by the provisions of the rubber regulation scheme. This plan is now getting into its proper stride. Its object is to adjust as equitably as possible production and consumption, and it has been drawn up with the consent of all the producing countries, yet with due consideration for the manufacturer. The manufacturing interests are represented on the committee, so as to ensure that they are being justly dealt with. Control of production is not peculiar to rubber. The output of most commodities has increased enormously, and on all sides we see rationalisation of output, so that the supply should not exceed the demand and complicate the trade of the world. The most important feature is that further plantation of rubber is to be strictly supervised and controlled. Although the present scheme is intended to be binding only until the end of December, 1938, it is to be hoped that its provisions will be made permanent, for only by permanent regulation of planting can a succession of booms and slumps be avoided.

The report was adopted, the retiring director and auditors were re-elected, and a vote of thanks to the chairman, directors, agents and staff in the East and in London was unanimously accorded.

BRITISH TYRE AND RUBBER COMPANY, LIMITED

RECORD PROFITS—INCREASED DIVIDEND

The tenth annual general meeting of the British Tyre and Rubber Company, Limited, was held, on the 17th instant, at Thames House, Millbank, London, S.W., Sir Walrood Sinclair, K.B.E., the chairman and managing director, presiding.

The Chairman, in the course of his speech, said that it was once again the board's pleasure to be able to submit accounts recording further progress. The net profit for the year amounted to £126,715, the largest profit earned since the incorporation of the company in 1924.

The directors recommended a final dividend of 5 per cent., making 8 per cent., less tax, for the year, as compared with 6½ per cent., less tax, last year. The business had expanded substantially, and, as a result of recent acquisitions, they could now claim to be one of the most important rubber manufacturing organisations in the country.

During the past year work had been proceeding steadily with the task of co-ordinating the interest and activities of the subsidiary companies with those of their own organisation. The India Rubber, Gutta Percha and Telegraph Works Company had already been able to resume payment of its preference dividend, and the directors were satisfied that this asset should ultimately prove of considerable value to the British Tyre and Rubber Company. Similar progress had been made by the British Moulded Hose Company, which earned a profit in the past year of £12,901, against £7,501 previously, finally extinguishing the debit balance in that company's profit and loss account, and leaving a credit of £3,608.

With regard to the current year's prospects he felt they were justified in being reasonably hopeful. During the past twelve months trade conditions had continued to improve in this country, and also, though in most cases more slowly, in other parts of the world. Their company was in a sound financial condition; its works and equipment were up to date and efficient; the quality of its products and service had been and would continue to be fully maintained, and he could, therefore, see no reason why the company should not secure its fair share in any future expansion of trade activity.

The report was unanimously adopted.

LOW TEMPERATURE CARBONISATION, LIMITED

SERVICES AND INDUSTRIES USING COMPANY'S PRODUCTS

The annual general meeting of this company was held, on the 14th instant, at Southern House, London, Col. W. A. Bristow, M.I.E.E., F.R.A.S. (chairman and managing director) presiding.

The Chairman, in the course of his speech, said: The profit on the trading account with interest and dividends from our subsidiary, Doncaster Coalite, Limited, amounts to a total of £87,286.

There is a new factor which is having a most beneficial effect upon the fortunes of the company, and that is the increasing use of oil in almost every branch of engineering. When the late Mr Thomas Parker took out his first patent for low temperature carbonisation coal was pre-eminent as a source of power. Since that time the advance of the internal combustion engine using heavy oil, and the use of oil for steam raising, has revolutionised engineering practice, and the change-over from coal to oil continues to-day on an extensive scale.

Nor is this all, as since the commencement of the late war the whole of the defences of this country, and the British Empire in general, have become dependent upon the supply of immense quantities of imported petrol and oil. The first line of defence, the Royal Air Force, must remain immobile without petrol, the Navy is in the same plight without fuel oil, and the Army is also largely dependent upon oil for its major operations.

Fortunately for this company, and perhaps also for the nation, this lamentable state of affairs has witnessed the birth of the first successful oil-from-coal industry in this country. We have for the first time in history produced from coal aviation petrol and naval fuel oil. Nine home defence squadrons of the Royal Air Force have been running on coal petrol made by this company and refined and distributed by Messrs. Carless Capel and Leonard. At the last Air Force Pageant over eighty of our finest fighting machines were flying on our coal petrol. In addition to the fuel oil supplied to the Navy, large quantities have been used by railways and important industrial undertakings, and the foundations of this new industry have been well and truly laid.

Your company has both the ability and the confidence necessary to enable it to remain in the forefront of this great national movement, and I feel sure that in our time we shall witness an enormous advance in the industry which we have created.

The report and accounts were unanimously adopted.

IND COOPE AND ALLSOPP, LIMITED

SUCCESS OF THE AMALGAMATION

The annual general meeting of Ind Coope and Allsopp, Limited, was held, on the 17th instant, in London.

Colonel Sir George L. Courthope, Bart., M.C., M.P. (the chairman), said that the meeting was memorable for the fact that the two companies, Ind Coope and Samuel Allsopp, had become amalgamated during the year under review. It had been expected that an issue of preference shares for cash would be advisable during the present year, but the position of their cash resources rendered such an issue unnecessary for the present. A long time must elapse before every advantage of the amalgamation could be realised to the full, but an excellent start had been made, and they were already satisfied that the scheme was fully justified.

Allsopp's trading profit for the year was £196,000, compared with £179,000 in 1933, and that of Ind Coope was £391,723, compared with £337,063. The directors recommended a final dividend of 16½ per cent., less tax, making 22½ per cent. for the year.

Their sales had been increasing. The improvement compared not unfavourably with that of the brewing trade in general, but the consumption of beer was much less than in pre-war days, largely due to the heavy taxation of recent years, which had raised the price of beer beyond the reach of many a working man. The present duty, although less ruinous than that which it had displaced, was still nearly ten times the pre-war duty and was grossly excessive. During the last completed financial year it had yielded nearly £54,000,000. It was impossible to justify the continued imposition of such a burden.

With regard to the supplies of hops and barley, he was convinced that the Brewers' Society had acted rightly in co-operating with the Hops Marketing Board in setting up a joint committee to deal with the grading and valuation of hops. The barley position was much more difficult. Beyond all doubt the trade had responded fully to the appeal of the Chancellor of the Exchequer to increase as far as possible their use of home-grown barley. The beer duty, by depriving the working man of reasonably cheap beer, also deprived the barley grower of a large part of his former market.

The report and accounts were unanimously adopted.

ORIENT STEAM NAVIGATION COMPANY, LIMITED

WORLD TONNAGE AND WORLD TRADE

The thirty-fifth ordinary general meeting of the Orient Steam Navigation Company, Limited, was held, on the 19th instant, at their offices, 3 and 5 Fenchurch Avenue, London, E.C.

Mr I. C. Geddes, who presided in the absence in Australia of the chairman (Sir Alan Anderson, G.B.E.), in the course of his remarks, said: The operating profit, after making provision for contingencies, is £315,958, compared with £321,503 last year; to this we add a profit of £94,195 arising from the sale of investments, against £40,814 last year. After meeting our statutory depreciation of 4 per cent. on first cost of ships, and paying the preference dividends, we propose to transfer £50,000 to general reserve and pay a dividend of 5 per cent. free of income tax on the ordinary shares. The result is not so good as we should wish, profit on the sale of investments is an adventitious one resulting from the general rise in value of Government securities. Being well provided with reserves, we feel justified in making the foregoing recommendations.

The primary design of our ships is for the carriage of passengers, and we look to passage money to provide us with the major portion of our earnings. Australians are great travellers; we cannot, however, expect that they will travel in such numbers as we should desire nor that Australia will be in a position to welcome newcomers until her producers sell at a profit. The prices of wheat, meat and butter, as well as of wool, are the immediate arbitrators of our prosperity.

WINTER VOYAGES TO AUSTRALIA

In recent years we have told our fellow countrymen of the joys of a visit to Australia during the winter months. That Australia proves to be an attractive alternative to other winter resorts is, I think, confirmed by passengers repeating the voyage in consecutive years.

Additional to causes of depression peculiar to Australian trade, there is the general condition of all shipping. In that I regret there appears to be no real sign of permanent improvement, nor can there be until world tonnage bears a closer relation to the needs of world trade. With the extreme nationalistic tendencies in the form of subsidies which are so much in evidence to-day, how can we expect the market to be allowed to adjust itself?

Rightly or wrongly, many nations believe that it is necessary to possess an adequate share of the world's mercantile tonnage and the sum total of these "adequate shares" is vastly in excess of the tonnage required to carry such overseas trade as is left in the world when the demands for national self-sufficiency have been satisfied.

Another factor hurtful to British shipping and part of the same problem arises from the counter-measures which our Government have found it necessary to take in order to protect our home labour market.

BRITISH GOVERNMENT AND FOREIGN SHIPPING SUBSIDIES

If we agree that a mercantile marine for this country is a necessity and not a luxury, then the British Government is in process of making the necessary answer until other countries are prepared to revise the assistance given to their national shipping, not only by straight-out subsidy but also by indirect means, which are perhaps more difficult to combat.

During the year under review we have run cruises totalling 344 days, and to judge from the comments received from passengers they have on the whole met with approval.

Mr A. O. Lang seconded the resolution, which, in the absence of questions or comment, was carried unanimously.

A cordial vote of thanks was passed to the chairman, directors and managers on the motion of Sir Philip Devitt, Bt., seconded by Mr E. W. Green, and the proceedings then terminated.

BURMA CORPORATION, LIMITED

(Incorporated in India)

At the annual general meeting held in Rangoon on Wednesday, December 19th, the vice-chairman, Mr P. E. Marmion referred to developments and the ore reserve position, and intimated that whilst the prospects of addition to the ore reserves in depth were unfavourable, there remained large areas to be explored in the favourable zone above No. 10 level: he also stated that there was a large tonnage of low grade ore—not at present included in the reserves—which, subject to the future course of metal prices and further reductions in the cost of production, should eventually provide a substantial addition. He also referred to the negative results of exploration of outside areas in Burma over a series of

years, and said that since it was not likely that any large sums would now be required for development purposes, the Board were considering the return of such capital as might be definitely surplus to the Corporation's requirements from the strong liquid resources that had been accumulated. He emphasised the power of the Corporation to earn satisfactory profits from existing resources, particularly if there should be some improvement in the value of its principal product.

The full text of the speech will be available for publication on or about January 2, 1935.

AGAR, CROSS AND COMPANY, LIMITED

ARGENTINE TRADE CONDITIONS

MR WILLIAM A. AGAR ON THE POSITION

The twenty-eighth ordinary general meeting of Agar, Cross and Company, Limited, was held, on the 18th instant, at Dorland House, 14/16 Regent Street, London, S.W.1.

The chairman (Mr William A. Agar), after dealing with the directors' report and balance sheet, referred to the directors being once again in the unfortunate position of having to present a balance sheet showing a continuance of the losses which the company had been suffering for the past four years, and explained the main reasons therefor. He added, in this connection, that it was, however, comforting to know that the Argentine farmer could produce wheat and other cereals at lower cost than almost anyone else, and should be among the very first to reap the benefit of improved prices.

Prior to dealing with the company's affairs, Mr Agar made brief reference to the more important events in the Argentine during the year under review.

DIFFICULT TRADING CONDITIONS

Passing to the affairs of the company, the chairman gave, at some length, a lucid exposition of the various causes which had affected the company's trading operations during the year under review, and the difficulties the company had had to contend with. He referred also to the improvement in sales and collections since the introduction of the Grain Regulating Board, and reduced provision required for bad and doubtful debts. He touched upon the wisdom of the policy of giving, where possible, liberal treatment to clients who were behind in their payments: the profit to the company through the decision of the directors to hold the Argentine Sterling bonds instead of selling them to the United Kingdom and Argentine 1933 Convention Trust: the liberal support and co-operation the company had always received from their large constituents in the United States and Great Britain, and also from their bankers.

After briefly outlining the reasons which, in the opinion of the directors, warranted their taking a hopeful view of the company's future prospects, Mr Agar closed his speech with a generous appreciation of the wholehearted support afforded to the directors by the company's staff, despite the further reductions in remuneration which it has been necessary to put in force.

Mr H. S. F. Alexander (managing director), at the request of the chairman, then dealt in detail with the figures in the balance sheet before proceeding to give a most interesting and instructive account of his recent visit to the Argentine. He spoke of the spirit of cheerfulness and optimism he found there, which had been absent for a long time, the excellent state of the company's properties and stocks, and the care exercised in looking after same; of his visit to the camp agents and clients, and the high reputation the company enjoyed amongst the agricultural community and throughout the country; of how the policy of assisting, where warranted, their clients through their difficulties had earned an enviable goodwill which should redound to the ultimate benefit of the company now that business was improving.

EFFICIENCY OF LOCAL STAFF

Mr Alexander also referred to the many lines the company handled in addition to agricultural machinery, the question of local manufactures, and of the high opinion he had formed of the efficiency of the local officials and staff, and how well the company was equipped to take full advantage of any improvement in business conditions, which improvement, in his opinion, was in sight.

The usual resolution having been proposed by the chairman and seconded by Mr Alexander, who answered various questions asked by a shareholder, the motion was put to the meeting and carried unanimously.

The re-election of Mr Stuart C. Sheppard as a director, the re-appointment of the auditors and a vote of thanks to the chairman and directors closed the proceedings.

ANGLO-ECUADORIAN OILFIELDS, LIMITED

INCREASED PROFIT AND DIVIDEND

The sixteenth annual ordinary general meeting of Anglo-Ecuadorian Oilfields, Limited, was held, on the 18th instant, at Winchester House, Old Broad Street, London, Mr H. C. R. Williamson (the chairman) presiding.

The Chairman, in the course of his speech, said that it was gratifying to be able to submit accounts showing an increased profit, and to recommend an increase in the dividend, while providing for writings off on the usual scale and maintaining a strong liquid financial position. The most satisfactory feature of the year's working had been the ability of the field management to maintain the monthly production at about 16,000 tons in spite of the fact that less footage had been drilled. While no new shallow areas of much promise had been discovered, experience had tended to show that wells in the proven areas could be more closely interspaced without greatly affecting the output of existing wells.

EXCHANGE DIFFICULTIES

During the year the price of mid-Continent crude oil of 36 degrees Baumé had risen by successive stages to \$1 per barrel, but the dollar exchange rate was a factor of great importance to them, and the average rate of that had been less favourable than in the previous year, so that in spite of the rise in dollar prices the sterling price per ton realised had been actually less. In connection with overseas shipments of crude oil, also, they had a serious loss to contend with, due to Ecuadorian exchange control. Conditions in the oil industry continued to depend chiefly on the American situation, which was still chaotic, especially in regard to gasoline prices, but the United States Government was fully alive to the importance of preventing waste of the natural oil resources.

As to the future, on the basis of the current year's working to date, and the contracts arranged for next year, and on the assumption that crude oil prices, exchanges, and taxation did not materially alter, the board hoped to place before the next meeting accounts at least as good as the present.

The report and accounts were unanimously adopted.

ARISTON GOLD MINES (1929), LIMITED

STRONG POSITION—LARGE ORE RESERVES

The fifth ordinary general meeting of Ariston Gold Mines (1929), Limited, was held, on the 17th instant, at River Plate House, London, E.C., Mr Francis Allen (the chairman of the company) presiding.

The Chairman, in the course of his speech, said: In regard to the balance sheet, sundry creditors at £62,000 odd may look rather a large sum, but I ought to tell you that that includes £44,000 income-tax reserve to meet the income tax this year. On the assets side, the one item which we are always anxious to keep down is development account. You will see it continues to grow, but on the other side we have share premium account amounting to nearly £90,000, so that we have a large reserve in hand which we can in due course use for writing down our development account and keep that account within reasonable limits. Another sound point in our balance sheet is that we have cash at bankers and bullion on hand and in transit amounting to £250,000. That gives us a very strong position.

Now as to the mine. We have in the past year, despite our setbacks, made solid advance. To-day we have, fully developed, a reserve of more than 500,000 tons of high-grade ore, and on this I can see a profit of well over £1,000,000. By the time our new main shaft is down, this ore reserve will certainly be doubled, and our development will then be at least three years ahead of our mill, basing the mill requirement on 30,000 tons per month. On crushing this tonnage our profits will amount to about £50,000 per month, with gold at £6. Our flotation process is steadily improving our recovery, and a final recovery of 95 per cent. will add very materially to our revenue. Our recovery at the moment is 85 per cent. All the preliminaries are well in hand for sinking our new shaft of large capacity, and our strong cash position enables us to lay out our policy to secure for the future a very large and prosperous mine.

In connection with that I want to say that had we deliberately abstained from pushing development in the way we have done we might have added something to our monthly output, but it would have been very bad mining policy and very poor policy for the shareholders. It is for that reason we have pushed on with developments, and I think our manager, Mr G. H. Plowman, and

his staff, are entitled to our congratulations for pushing on development so splendidly.

We are limited in our handling of tonnage by the two shafts we have now, the North and the Prestea shaft. The Prestea shaft, which from time to time has given us trouble, has been taken in hand, and solid work is now being put into that shaft and they are making a really good job of it. This work will probably be finished at the end of April. In the meantime you will see our tonnage steadily increasing. I hope by the end of April or the beginning of May that our output will reach from 10,000 to 12,000 tons a month. That will give us a very materially increased profit. . . .

The report and accounts were unanimously adopted, and a final dividend of 5 per cent., less tax, was declared.

The Chairman said that it had also been decided to pay an interim dividend of 7½ per cent. in respect of the present year.

KWAHU MINING COMPANY (1925) LIMITED

PROFITS AND PROSPECTIVE PROFITS

The ordinary general meeting of the Kwahu Mining Company (1925), Limited, was held, on the 20th instant, at Winchester House, Old Broad Street, London.

Mr M. L. Innes Browne (the chairman) said:—A net profit of £29,712 4s. 11d. was realised for the year, but a great deal more profit has yet to be made from the year's work. Take, for instance, the sale of one of our five Boppo areas for 400,000 fully-paid-up shares in Marlu Gold Mining Areas, Limited. The result of this sale is that we have now 400,000 Marlu shares at a cost of £250, and anything that these shares realise above £250 is profit. (Hear, hear.) The price of Marlu shares to-day on the Stock Exchange is 12s. 6d. per share, which gives a valuation of £250,000.

On the other hand, it should not be so very long before Marlu are producing, and they should give a very big return in dividends. We have other properties there to deal with. We are now developing our adjoining Boppo properties, and are well advised as to the developments on the neighbouring properties now owned by the Marlu Gold Mining Areas, Limited.

We have also large profits to be made from Gold Coast Main Reef, Limited. Again here we own adjoining properties, the value of which is being enhanced by the work being done by Gold Coast Main Reef, Limited.

We have also yet to realise the profit to be made from our calls at par on 100,000 shares in Obuom Gold Mines, Limited, and 100,000 shares in Tarkwa Gold Mines, Limited, which calls stand in our balance sheet at the nominal cost of £1, so you will understand why we say in our report that the main profit from the year's work has yet to be made.

The capital of our company is only £40,000, and in order that it can take a substantial part in the development of the gold-mining industry of the colony, and in the profits to be reaped from such work, our first aim has been to put the company into a sound financial position, so we have dug into the company the profit of £29,712 4s. 11d. made during the year, and now have £67,705 12s. in cash, apart from other assets.

GOLD-MINING CONCESSIONS

Although we should obtain good profits from our holdings and interests in other mining companies, our largest profits should be made from our gold-mining concessions or properties covering a total area of 45,000 acres. Of these properties 42,800 acres are well placed on the Prestea-Ashanti line of reef. The mines on this line of reef have produced in the past, and are still producing, most of the gold won in West Africa. In the past this goldfield was the scene of extensive prospecting operations, and the reefs were proved to carry gold in payable mining values and quantities.

The Prestea-Ashanti reef formation has been surveyed and reported upon by the Geological Survey of the colony, and there is now a large amount of data available respecting this goldfield. Economically, the Prestea-Ashanti goldfield is of considerable importance owing to the great strength and persistence of the main ore channels and the auriferous content of the lodes. The reefs have been proved to continue in depth and to maintain their values, and the Prestea-Ashanti line of reef has become the centre of activity of the important South African mining groups interesting themselves in West Africa.

In view of the data available regarding the Prestea-Ashanti reefs formation and the prospecting and development work now being confidently undertaken there, this line of reef, on which our properties cover so large an area, will continue to be the centre of the gold-mining activity in the colony.

The report and accounts were unanimously adopted.

BRITISH TAR PRODUCTS, LIMITED

SATISFACTORY YEAR'S TRADING

The fourteenth ordinary general meeting of British Tar Products, Limited, was held at the Royal Victoria Hotel, Sheffield, on Thursday, December 13th.

Mr A. Woolley-Hart (the chairman of the company) was in the chair.

The Secretary (Mr John Jordan) read the notice convening the meeting and the auditors' certificate.

The Chairman said:—Gentlemen,—The directors' report and the accounts having been in your hands some days, I propose, if it is your pleasure, to take them as read.

As mentioned in the report, the year's trading may be considered very satisfactory. Somewhat larger tonnages of crude material have been received and treated, and, speaking generally, have been disposed of at profitable prices. As a result, the net profit for the year—£51,819—is £5,174 higher than last year.

THE ACCOUNTS

Turning to the accounts, on the debtor side we see that the general reserve account stands at £11,271, against £16,500. I will return to this item presently. Sundry creditors are £25,521, against £22,756; bank overdraft £2,794, against £2,261; and the reserve for income tax £5,219, against £6,290.

On the creditor side, the fixed assets stand at £129,250, against £134,502. The former amount is arrived at after making additions to plant, machinery, etc., of some £4,700, and providing the usual ample depreciation.

As regards the floating assets, stocks stand at £21,196, against £22,727; debtors at £75,230, against £76,454; and the other items are practically identical with the exception of investments, the cost value of which has been increased from £113,746 to £114,201.

Further additions to the company's investments have been made since the close of the year, and they now stand at £116,997, with the present market value of £115,955.

I think you will agree that the balance sheet presents a strong position.

GENERAL RESERVE ACCOUNTS

To return to my reference to the general reserve account, it will be recalled that last year reference was made to certain experimental work which was being carried out. This, however, could not be continued in the manner in which it has been done, as it was in contravention of certain regulations relating to the treatment of hydro-carbons, although, possibly, later, other experiments on different lines may be pursued. It was, therefore, thought that the cost of such experiments should be made a charge over a period of two or three years against the reserve account—this, of course, being the proper function of such an account.

As you know, I do not like to be unduly optimistic in forecasting the trend of future events, but I think I may fairly say the indications are hopeful that next year may be at least as good as one as this.

The Chairman then moved:—"That the directors' report and the audited accounts and balance sheet, as presented, be and they are hereby approved and adopted, and that the final dividend of 3½ per cent., less tax (making 10 per cent., less tax, for the year), and bonus of 5 per cent., less tax, as recommended by the board, be paid forthwith to the preferred ordinary and ordinary shareholders whose names appear on the register on this date."

Mr Maurice Deacon, who retired by rotation, was re-elected a member of the board, and the auditors, Messrs Bryden, Johnson and Company were reappointed.

A vote of thanks to the chairman, managing director and staff was proposed by Mr Hazel, and carried unanimously.

OFFER TO NEW READERS

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

To Publisher, "Economist Newspaper Ltd.,"

8 Boulevard Street, E.C.4.

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

Name.....

Address.....

TARKWA BANKET WEST, LIMITED

POTENTIALITIES OF THE FIELD

The ordinary general meeting of Tarkwa Banket West, Limited, was held, on the 20th instant, at Winchester House, London.

Mr M. L. Innes Brown (chairman) said:—Shares in subsidiary companies at cost, £54,400, are well covered with the market valuation £1,017,175 odd, and to "shares in other mining companies" must be added the £500 we deducted from property account. Against this added valuation of £500 we have 400,000 fully paid up shares in Marlu Gold Mining Areas, Limited, so there is a fair profit in view to be realised. Valued at the market price of 12s. 6d. per share, these Marlu shares are worth £250,000. "Cash at bankers" amounts to £84,890. I think the balance-sheet shows the improved position of the company, which is now able to take its part in the development of the gold mining industry of the Colony and to benefit from its policy in the past of acquiring good mining areas at the low prices then ruling.

The Marlu Gold Mining Areas properties are situated on the Prestea-Ashanti line of reef, and on its properties there are reefs carrying high gold values; but at present the company is developing what is known as the crushed zone. It is reported that upwards of two million tons of low-grade but highly profitable ore are already proved on the portions already prospected, and that preparations are being made to erect the necessary equipment to deal with this ore. It is expected that mining and treatment costs will be very low and that good dividends will be earned. The company has ample working capital.

Our own subsidiary, Obuom Gold Mines, Limited, in which we hold 800,000 shares, also has ample working capital. An extensive programme of development is being carried out and giving excellent results.

Then in our other subsidiary, Tarkwa Gold Mines, Limited, in due course we shall have another producing company. Both the Idua Priem and Edua Priem mines, which adjoin, are being developed, and the excellent results being obtained give promise that these mines will yield some of the highest grade ore of the Banket gold fields.

When Mr O. A. L. Whitelaw, M.Inst.M.M., F.R.S.S., F.G.S., examined these properties and advised that the workings be reopened and the mines further developed, he told us, in his report, that these properties had the Banket ore exceptionally well

developed and that the workings suggested considerable pay-off even under the old gold values. To get similar beds of ore one would have to go 1,200 ft. deep at Tarquah, 2,000 ft. deep at Abbotiakoon, and 4,000 ft. at Abosso.

From Idua Priem to the end of Edua Priem there is a length of 8,000 ft. of reef. Work at present is mainly on some 3,000 ft. of this, the distance from No. 1 shaft Idua Priem to No. 2 shaft Edua Priem being 2,700 ft. The formation of this subsidiary company provided adequate working capital to develop and equip these mines. The property is being equipped with a power plant, and development work is being pushed forward with a view to bringing the mines to the producing stage by this time next year. These two properties, when developed, will make one of the best mines in the Gold Coast Colony. Apart from our subsidiary companies and shares in other mining companies, we have gold-mining properties covering a total area of 8,500 acres, some in the Tarkwa Banket gold field, but mainly on the Prestea-Ashanti reef formation.

In view of the reliable data now available regarding the Prestea-Ashanti reef formation, this field has attracted the South African mining groups interesting themselves in West Africa, and the Prestea-Ashanti line of reefs is the centre of the gold-mining interest of the Colony. It is on this line of reefs that our properties are mainly situated.

We are now in a position to make profits, and we look forward to a prosperous year for the company.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended December 15, 1934, amounted to £9,930,000 against ordinary expenditure of £14,503,000. After allowing for an increase in Exchequer Balances of £186,242, the operations for the week, as shown below, increased the National Debt by £4,995,000 to approximately £8,146 millions.*

(000's omitted)			
	£		£
Treasury Bills	+ 9,719	Public Department Advances ...	- 3,200
National Savings Certificates ...	+ 150	Road Fund Temp. Advances	- 970
Land Settlement	+ 18	N. Atlantic Shipping Issues	- 222
		P.O. and Teleg. Cap. Expendre.	- 500
	<u>+ 9,887</u>		<u>- 4,892</u>

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer				
		April 1, 1934, to Dec. 15, 1934	April 1, 1933, to Dec. 15, 1933	Week ended Dec. 15, 1934	Week ended Dec. 15, 1933	
ORDINARY REVENUE	£	£	£	£	£	
Inland Revenue—						
Income Tax	219,500,000	70,313,000	61,698,000	538,000	1,716,000	
Sur-tax	50,000,000	10,715,000	11,650,000	410,000	370,000	
Estate, etc., Duties	76,000,000	57,085,000	64,630,000	1,980,000	2,700,000	
Stamps	25,000,000	14,385,000	13,640,000	530,000	280,000	
Excess Profits Duty and Corporation Profits Tax	1,200,000	—	—	—	—	
Land Tax and Mineral Rights Duty	800,000	160,000	200,000	...	...	
Total Inland Revenue	372,500,000	152,638,000	151,818,000	3,458,000	5,066,000	
Customs and Excise—						
Customs	183,650,000	134,310,000	128,750,000	3,915,000	3,760,000	
Excise	106,350,000	75,190,000	77,400,000	1,700,000	2,100,000	
Total Customs and Excise	290,000,000	209,500,000	206,150,000	5,615,000	5,860,000	
Motor Vehicle Duties (Exchequer share)	5,000,000	2,035,000	1,830,000	102,000	127,000	
Post Office (Net receipt)	14,000,000	13,100,000	13,700,000	550,000	600,000	
Crown Lands	1,220,000	1,010,000	880,000	...	...	
Receipts from Sundry Loans	3,800,000	3,310,129	3,677,280	131,118	4,121	
Miscellaneous Receipts	20,000,000	12,270,018	18,797,102	73,519	6,175	
Total Ordinary Revenue	708,520,000	393,863,147	396,852,382	9,929,637	11,663,296	
SELF-BALANCING REVENUE						
Post Office	60,463,000	39,550,000	38,300,000	800,000	650,000	
Motor Vehicle Duties apportioned to Road Fund	24,255,000	10,422,000	9,530,000	...	...	
Total Self-Balancing Revenue	84,718,000	49,972,000	47,830,000	800,000	650,000	
Total	...	443,835,147	444,682,382	10,729,637	11,313,296	

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Dec. 15, 1934	April 1, 1933, to Dec. 15, 1933	Week ended Dec. 15, 1934	Week ended Dec. 15, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	178,009,288	177,572,896	1,478,361	Dr 498,019
Payments to Northern Ireland Exchequer	6,500,000	3,840,925	3,935,300	...	...
Other Consolidated Fund Services	3,700,000	2,363,968	2,545,992	125,000	...
Post Office Fund	2,000,000	2,291,118	...	...	...
Total	236,200,000	186,505,299	184,054,188	1,603,361	Dr 498,019
Total Supply Services (excluding Post Office) Balance of Marginal Provision (Restoration of Cuts)	466,296,000	318,401,319	309,523,576	12,900,000	12,800,000
Total Ordinary Expenditure	702,496,000	504,906,618	493,577,764	14,503,361	12,301,981
Payments to U.S.A. Govt. ...	...	...	3,304,300	...	...
Total (excluding Self-Balancing Expenditure)	702,496,000	504,906,618	496,882,064	14,503,361	12,301,981
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	39,550,000	38,300,000	800,000	650,000
Road Fund	24,255,000	10,422,000	9,530,000	...	...
Total Self-Balancing Expenditure	84,718,000	49,972,000	47,830,000	800,000	650,000
Total	...	554,878,618	544,712,064	15,303,361	12,951,981

The aggregate revenue and expenditure to December 15, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO DECEMBER 15, 1934 (000's omitted)

Revenue	£ 9,907	Revenue	£ 393,863
Expenditure	14,503	Gross increase in borrowing £116,650	
Increase in balances	406	Less—	
		New Sinking Fund	5,200*
		Net borrowing	111,450
	505,313		505,313

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding	Dec. 15, '33		Mar. 31, '34		Dec. 15, '34	
	£	£	£	£	£	Movement week ended Dec. 15, '34
standing—						
Advances by Bank of England	...	...	8,750,000	2,500,000		
Advances by Public Departments	38,790,000	44,800,000	37,700,000	—	5,700,000	
Treasury Bills Outstanding	936,990,000	799,810,000	888,535,000*	9,720,000		
Total Floating Debt	975,780,000	844,710,000	934,985,000	6,520,000		
* Includes £6,000, the proceeds of which were not carried to the Exchequer within the period of the Account.						

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on December 14, 1934, and the total amount applied for was £46,670,000. Tenders were accepted for Treasury bills at three months dated Monday at £99 17s. 8d. and above in full; Tuesday to Saturday, at £99 17s. 7d., and above in full. The average rate per cent. was 9s. 5.48d. The amount allotted was £31,870,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	£ s. d. 5 8 4
April 1	45,000,000	61,860,000	43,850,000	2 3 3-73
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
October 5	35,000,000	65,290,000	31,510,000	0 15 9-702
November 23	40,000,000	43,555,000	40,000,000	0 6 3-97
November 30	40,000,000	48,385,000	40,000,000	0 9 3-94
December 7	40,000,000	58,425,000	40,000,000	0 11 2-18
December 14	35,000,000	46,670,000	31,870,000	0 9 5-48

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended November 24, 1934	838,479	£ 670,783
Week ended December 1, 1934	1,004,183	803,346
February, 1916, to December 1, 1934	1,205,716,382	950,182,856

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £988,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, December 19, 1934

ISSUE DEPARTMENT

£	Government Debt	£
Notes Issued:—		
In Circulation	401,990,743	11,055,100
In Banking Department ...	50,225,875	245,553,675
		880,216
		2,551,009
	Amount of Fiduciary Issue ...	260,000,000
	Gold Coin and Bullion	192,216,618
		452,216,618

BANKING DEPARTMENT

£	Government Securities	£
Proprietors' Capital	14,553,000	63,841,413
Reserve	3,378,326	
Public Deposits	8,389,542	
Other Deposits	90,732,832	
Bankers' Deposits	127,733,336	
7-day and Other Bills	154,054,174	
		154,054,174

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

Both Departments	Amount, Dec. 19, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Notes circulation	401,990,743	+ 8,769,415	+ 12,126,827
Public deposits	8,389,542	+ 463,352	+ 11,846,142
Bankers' deposits	90,732,832	+ 12,568,774	+ 1,169,679
Other deposits	37,000,474	+ 42,427	+ 323,797
Seven-day bills	127,733,336	+ 40	+ 929
Total outside liabilities	538,113,591	+ 3,294,620	+ 366,126
Capital and rest	17,931,326	+ 31,945	+ 9,542
Government debt and securities	340,410,188	+ 1,940,501	+ 5,181,318
Discounts and advances	7,024,263	+ 3,111,682	+ 1,345,466
Other securities	13,286,810	+ 1,843,296	+ 4,249,307
Silver coin in issue department	2,551,009	+ 89,500	+ 992,137
Coin and bullion (bank's reserves)	192,772,647	+ 35,712	+ 1,049,008
Reserves of notes and coin in banking department	50,781,904	+ 8,733,703	+ 11,077,819
Proportion of reserve to outside liabilities			
(a) Banking Department only ("proportion")	37.3%	+ 2.8%	+ 4.3%
(b) Gold stocks to deposits and notes ("reserve ratio")	35.3%	+ 0.3%	+ 0.3%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1934	£		£	£			
Nov. 14	452,050	378,876	20,930	97,876	36,765	Nil	
" 21	452,113	378,905	25,338	95,891	37,671	63 in	
" 28	452,113	379,687	27,693	98,126	38,134	Nil	
Dec. 5	452,183	385,447	8,603	108,852	36,393	70 in	
" 12	452,183	393,221	7,926	103,303	36,858	Nil	
" 19	452,217	401,991	8,389	90,733	37,000	34 in	

(000's omitted)

Date	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio	Govt. Securities	Discounts and Advances	Other Securities	Reserve and the "Proportion"
1934							
Nov. 14	256,905	260	192,838	36	79,051	9,633	73.763
" 21	256,518	637	192,996	36	80,091	8,641	75.791
" 28	256,573	731	192,681	36	80,361	9,156	72.984
Dec. 5	256,524	830	192,709	35½	84,806	9,566	72.984
" 12	256,529	830	192,737	35½	85,821	10,136	72.984
" 19	256,569	880	192,773	35½	83,841	7,024	72.984

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
January 1 to December 5, 1934	28,626,646	1,637,442	2,784,125	33,048,213
Week ended December 12	614,956	34,661	60,502	710,119
Week ended December 19	605,168	36,261	60,252	701,681
Total to date, 1934	29,846,770	1,708,364	2,904,879	34,460,013
Total to date, 1933	26,933,553	1,614,834	2,701,951	31,300,338
Increase or decrease in 1934	+ 2,913,217	+ 93,530	+ 202,928	+ 3,155,675
	+ 10.6%	+ 5.8%	+ 7.5%	+ 10.1%
Total for year 1933	27,714,480	1,656,675	2,767,919	32,139,074
Total for year 1932	27,833,633	1,610,107	2,687,919	32,111,959
Increase or decrease in 1933	+ 119,153	+ 46,263	+ 98,532	+ 25,667
	+ 0.4%	+ 2.8%	+ 3.6%	+ 0.07%

PROVINCIAL

(000's omitted)

	Week ended December 15		Month of November			Aggregate Totals, January 1 to December 15	
	1933	1934	1933	1934	Inc. or Dec.	1933	1934
No. of working days :			26	26			
BIRMINGHAM.....	2,566	2,905	9,924	9,887	- 0.3	111,240	113,055
BRADFORD	774	745	3,765	3,553	- 5.6	41,823	42,684
BRISTOL	1,220	1,107	4,969	5,166	+ 3.9	54,832	58,644
DUBLIN	8,406	4,991	3,714	3,714	...	257,086	259,277
HULL	739	754	3,020	3,140	+ 3.9	34,714	35,871
LEEDS	833	672	3,639	3,673	- 0.9	42,276	44,685
LEICESTER	739	798	2,739	2,722	- 0.6	30,992	31,238
LIVERPOOL	5,833	6,722	26,682	27,800	+ 4.1	292,332	301,685
MANCHESTER	8,535	10,042	41,000	42,951	+ 4.7	460,926	477,799
NEWCASTLE	1,484	1,494	6,362	6,362	+ 1.8	70,213	73,511
NOTTINGHAM	411	454	1,841	1,952	+ 6.0	21,503	23,751
SHEFFIELD	713	861	3,238	3,763	+ 16.2	37,384	41,399
	32,653	31,545	107,065	110,969	+ 3.6	1,456,171	1,501,534

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1932. Chile in August 1932. Denmark in November 10. Egypt in November 24. Canada in December 1. International Settlements, Danzig, in December 8. Federal Reserve Members, Italy, Bulgaria, Norway, Finland, Lithuania in December 15.

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

	Dec. 21, 1933	Nov. 28, 1934	Dec. 5, 1934	Dec. 12, 1934	Dec. 19, 1934
RESOURCES					
Gold Certificates on hand and due from the Treasury	3,761,800	5,087,270	5,111,620	5,123,150	5,122,760
Total cash reserves	191,720*	220,220	218,770	235,880	219,660
Total bills discounted	115,190	11,870	10,470	9,260	8,610
Bills bought in open market	113,370	5,680	5,680	5,680	5,680
Total bills on hand	228,560	17,550	16,150	14,950	14,290
Industrial Advances		9,770	10,200	10,660	12,490
Total U.S. Govt. securities	2,431,600	2,430,170	2,430,200	2,430,220	2,430,170
Capital paid in and surplus	2,661,650	2,460,540	2,456,560	2,455,820	2,456,950
Total resources	7,001,830	8,339,900	8,384,280	8,451,360	8,490,510
LIABILITIES					
Federal Reserve notes in actual circulation	3,091,870	3,188,470	3,213,800	3,201,460	3,231,860
Federal Reserve Bank notes in circulation	212,840	27,770	27,480	27,050	26,750
Deposits—Member bank—reserve account	2,635,640	4,108,450	4,073,380	4,111,950	3,943,120
Government deposits	43,830	85,580	98,370	97,750	232,260
Capital paid in and surplus	2,811,780	4,354,020	4,347,660	4,393,310	4,360,290
Total liabilities	7,001,830	8,339,900	8,384,280	8,451,360	8,490,510
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	63.7%	70.6%	70.8%	70.8%	70.6%

* Reserves other than gold.

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

	Dec. 21, 1933	Nov. 28, 1934	Dec. 5, 1934	Dec. 12, 1934	Dec. 19, 1934
Total gold reserves	898,670	1,817,090	1,759,080	1,771,190	1,756,080
Total bills discounted	46,650	8,160	2,270	5,520	5,540
Bills bought in open market	9,530	2,060	2,050	2,050	2,050
Total U.S. Govt. securities	831,680	777,750	777,750	777,750	777,750
Capital paid in and surplus	888,770	789,650	787,730	786,040	786,090
Deposits—Member bank—reserve account	964,980	1,694,320	1,628,190	1,631,510	1,591,360
Ratio of total res. to dep. and Federal Res. note liabilities combined	56.5%	72.5%	71.8%	71.9%	71.9%

AUSTRALIAN COMMONWEALTH BANK.—In £'s (000's omitted).

	Nov. 5, 1934	Nov. 12, 1934	Nov. 19, 1934	Nov. 26, 1934	Dec. 3, 1934	Dec. 10, 1934
ASSETS						
Gold and English sterling	15,707	15,707	15,707	15,707	15,707	15,707
Other coin, bullion and cash	6,024	5,935	5,942	5,811	5,792	5,658
Money at short call—London	25,708	25,347	25,767	25,563	23,894	23,602
Mort-term loans	11,322	11,423	12,669	12,735	11,841	12,592
Securities and advances	65,383	65,383	65,383	65,383	65,383	65,383
Other assets	5,659	5,701	5,551	5,829	5,991	6,107
LIABILITIES						
Notes issued	47,550	47,550	47,550	47,550	47,550	47,800
Reserve premium on gold	3,895	3,895	3,895	3,895	3,895	3,895
Other liabilities	77,600	78,341	80,000	79,515	76,178	75,740
	2,620	2,629	2,678	2,713	2,805	2,859

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

	Dec. 15, 1933	Nov. 16, 1934	Nov. 23, 1934	Nov. 30, 1934	Dec. 7, 1934	Dec. 14, 1934
ASSETS						
Gold coin and bullion	17,610	21,872	22,157	22,250	22,295	22,293
Subsidiary coin	390	173	173	159	152	134
Bills discounted: Domestic and Union Govt. Treas.	9	122	145	131	99	57
Bills discounted: Foreign	19,701	9,137	9,388	9,117	8,641	9,336
Investments	1,726	1,725	1,725	1,725	1,725	1,725
Other assets	...	9,399	9,502	9,896	9,982	10,219
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	624	880	880	880	880	880
Notes in circulation	10,681	11,463	11,167	12,721	12,199	11,905
Government deposits	1,463	2,269	2,898	2,278	1,388	2,284
Bankers' deposits	28,962	22,021	21,768	20,942	21,009	22,278
Ratio of cash reserves to liabilities to public	40.3%	55.4%	55.0%	55.4%	55.5%	55.0%

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

	Nov. 24, 1933	Oct. 28, 1934	Nov. 2, 1934	Nov. 16, 1934	Nov. 30, 1934
ASSETS					
Total securities	43,52,18	48,77,99	49,71,25	47,09,35	45,85,72
Ways and means advances	5,00,00	...	...	3,00,00	4,00,00
Loans	1,87,23	2,25,44	2,19,12	2,31,50	2,37,07
Cash credits	13,93,36	13,81,69	13,76,05	13,64,65	13,41,63
Inland bills	2,45,48	2,25,77	2,08,16	2,23,29	2,36,41
Foreign bills	20,34	25,37	19,75	25,18	39,77
Dead stock	2,59,54	2,50,62	2,50,60	2,50,64	2,50,70
Bal. with other banks	17,56	11,90	16,47	8,93	13,54
Cash	24,36,72	27,94,67	26,86,92	23,46,43	25,76,19
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,20,00	5,27,50	5,27,50	5,27,50	5,27,50
Total deposits	82,57,12	86,10,88	85,77,12	82,88,03	84,94,43
LIABILITIES					
The above includes—					
Deposits in London	876	845	897	847	896
Advances in London	934	1,511	1,509	1,507	1,517
Cash, etc., at other Banks in London	135	93	127	69	103

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

	Dec. 15, 1933	Nov. 23, 1934	Nov. 30, 1934	Dec. 7, 1934	Dec. 14, 1934
ASSETS					
Gold	77,031,812	81,976,308	82,096,894	82,314,313	82,231,706
Foreign assets—					
Sight deposits	36,929	8,976	9,024	10,328	8,712
Bills, etc.	1,156,747	921,325	950,631	950,666	950,924
Home bills	3,418,799	3,922,016	3,068,338	3,256,951	3,270,143
Advances against sec.					
To the State	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Other advances ...	2,910,507	3,132,426	3,227,682	3,219,810	3,212,933
Negotiable Bonds, Sinking Fund Dept.	6,165,822	5,898,204	5,898,204	5,898,204	5,898,204
Other assets (excluding forward exch.)	5,490,070	4,896,845	5,494,302	5,034,696	4,906,084
LIABILITIES					
Notes in circulation	80,203,546	79,956,500	81,879,439	81,289,897	80,905,388
Public deposits	2,406,672	5,406,455	4,829,023	4,078,636	4,196,621
Private deposits	14,194,344	16,374,743	15,314,263	16,286,414	15,841,414
Other liabilities	2,605,126	2,218,400	2,077,371	2,330,370	2,294,054
Ratio of gold reserve to sight liabilities...	79-4%	80-4%	80-3%	80-8%	80-9%

The stocks in Shanghai on the 15th instant consisted of about 27,000,000 ounces in sycee, 256,000,000 dollars and 40,000,000 ounces in bar silver, as compared with about 28,800,000 ounces in sycee, 264,000,000 dollars and 39,400,000 ounces in bar silver on the 8th instant.

GOLD AND SILVER PRICES

		Gold per Ounce	Silver—Per Ounce		Date	Silver Cash
			Cash	Forward		
1934	s. d.	d.	d.		Dec. '20, 1928	d.
Dec. 14 ...	140 9	24 1/8	24 1/8		" 19, 1929	22 1/8
" 15 ...	140 5 1/2	24 1/8	24 1/8		" 18, 1930	14 1/8
" 17 ...	140 7	24 1/8	24 1/8		" 17, 1931	20 1/8
" 18 ...	140 9	24 1/8	24 1/8		" 22, 1932	16 1/8
" 19 ...	140 9 1/2	24 1/8	24 1/8		" 21, 1933	18 1/8
" 20 ...	140 8 1/2	24 1/8	24 1/8			

NOTICES

We are informed that the board of directors of The Union Bank of Scotland, Ltd., have elected Mr Adrian Henry Cook, Writer to the Signet, 61 Castle Street, Edinburgh, of Messrs W. and J. Cook, W.S., to be an ordinary director of the bank.

COMPANY NEWS

AMERICAN RAILROADS
MONTHLY GROSS AND NET RECEIPTS

Company	Months	Ending	De-scription	Receipts for Month Ended Oct. 31, 1934, compared with Month of Oct., 1933	Aggregate Ten Months 1934 compared with Ten Months 1933
Alabama Gt. Southern	10	Oct. 31	Gross	\$47,019 + \$39,518	4,099,879 + 3,41,825
Atlantic Coast Line	10	Oct. 31	Nett	57,982 + 11,114	540,268 + 48,553
Atchafalaya	10	Oct. 31	Gross	2,790,598 + 68,073	30,041,518 + 1,293,291
Baltimore and Ohio	10	Oct. 31	Nett	113,978 - 29,445	3,276,467 - 77,931
Boston & Maine	10	Oct. 31	Gross	1,842,391 - 178,519	108,002,734 + 8,451,409
Central of New Jersey	10	Oct. 31	Nett	1,495,393 - 1,216,439	13,969,431 + 3,308,860
Chesapeake and Ohio	10	Oct. 31	Gross	1,035,589 - 1,938,500	114,707,185 + 4,140,191
Chicago and N. Western	10	Oct. 31	Nett	1,899,673 - 1,004,220	20,306,225 - 5,377,100
Chicago Great Western	10	Oct. 31	Gross	3,588,198 - 95,797	35,917,096 + 245,116
Chicago, Mil. and St. Paul	10	Oct. 31	Nett	715,953 + 115,562	4,908,123 - 1,284,896
Chicago, Rock Island, etc.	10	Oct. 31	Gross	2,506,337 + 69,328	24,346,145 + 1,543,227
Delaware and Hudson	10	Oct. 31	Nett	279,894 - 199,276	2,698,589 + 652,263
Denver & Rio Grande W.	10	Oct. 31	Gross	9,389,642 - 895,090	82,396,950 + 2,868,223
Erie Railroad	10	Oct. 31	Nett	3,577,968 - 850,431	27,462,708 + 389,015
Great Northern	10	Oct. 31	Gross	7,964,251 + 32,217	64,842,012 + 3,354,476
Gulf Coast Lines	10	Oct. 31	Nett	1,043,119 - 266,897	4,618,364 - 335,177
Illinois Central	10	Oct. 31	Gross	8,087,196 - 246,846	67,369,584 + 2,320,897
International Gt. Northern	10	Oct. 31	Nett	1,930,224 - 151,996	10,426,462 - 332,658
Lehigh Valley	10	Oct. 31	Gross	1,525,724 + 115,282	13,050,075 + 842,780
Long Island Railroad	10	Oct. 31	Nett	1,157,588 - 10,421	1,015,728 + 154,469
Louisville and Nashville	10	Oct. 31	Gross	8,534,475 + 341,060	74,200,664 + 1,473,298
Min., St. Paul and Sault	10	Oct. 31	Nett	982,415 - 250,588	5,833,857 - 1,839,281
Missouri, Kan. & Texas	10	Oct. 31	Gross	6,180,563 + 51,340	56,975,215 + 2,356,285
Missouri Pacific	10	Oct. 31	Nett	800,463 + 13,992	1,816,514 - 1,105,331
New York Central	10	Oct. 31	Gross	1,946,496 - 115,185	19,526,807 + 1,199,027
Norfolk and Western	10	Oct. 31	Nett	75,769 - 202,695	1,239,800 - 558,804
Norfolk Southern	10	Oct. 31	Gross	2,327,879 + 227,692	15,951,583 + 2,075,915
Omaha	10	Oct. 31	Nett	467,267 - 125,672	1,976,598 - 502,262
Pennsylvania Railroad	10	Oct. 31	Gross	6,725,767 + 49,811	63,902,288 + 3,252,633
Reading Co.	10	Oct. 31	Nett	1,230,761 - 79,876	11,268,533 + 640,535
Seaboard Air Line	10	Oct. 31	Gross	8,083,451 + 788,601	63,252,148 + 7,455,069
Southern Railway	10	Oct. 31	Nett	2,790,768 + 331,136	11,663,664 + 1,515,654
St. Louis-San Francisco	10	Oct. 31	Gross	8,534,475 + 341,060	74,200,664 + 1,473,298
Texas & Pacific	10	Oct. 31	Nett	982,415 - 250,588	5,833,857 - 1,839,281
Union Pacific	10	Oct. 31	Gross	6,180,563 + 51,340	56,975,215 + 2,356,285
Wabash	10	Oct. 31	Nett	800,463 + 13,992	1,816,514 - 1,105,331

† Net operating income.

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

		Gross Receipts, week ended Dec. 18, 1934 (£000)						Aggregate Gross Receipts 1934 compared with 1933, 50 weeks (£000)					
(b) Week ended Dec. 14, 1934 (c) Week ended Dec. 15, 1934	Miles Open	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts	Passen- ger, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods	Total Receipts		
Great Western { 1934 3,750	181	191	111	302	483	10,036	9,016	4,965	13,981	24,017			
Western { 1933 3,752	180	190	127	317	497	10,010	8,512	4,911	13,423	23,433			
(c) L. & N. { 1934 3,638	276	348	282	630	906	15,324	13,878	11,447	27,325	42,649			
Eastern { 1933 6,339	270	349	285	635	905	15,272	14,871	10,657	28,528	40,600			
L. M. & S. { 1934 6,940	426	478	295	773	1,199	23,626	22,401	11,455	33,828	57,484			
Scottish { 1933 6,941	414	463	331	794	1,208	23,226	21,051	11,071	32,122	55,348			
Southern { 1934 2,176	254	65	40	105	359	14,473	3,190	1,551	4,741	19,214			
{ 1933 2,181	247	66	45	111	358	14,236	3,080	1,487	4,567	18,803			
Total { 1934 19,206	1,137	1,082	728	1,810	2,947	63,459	50,487	29,418	79,905	143,664			
{ 1933 19,213	1,101	1,059	798	1,857	2,968	62,544	47,514	28,126	75,640	138,184			
(b) Belfast & Co. & Down { 1934 80	1-7	...	...	0-6	2-3	123-3	...	...	26-0	149-4			
{ 1933 80	1-7	...	...	0-6	2-3	124-6	...	...	26-2	150-8			
(b) Great Northern { 1934 562	8-2	...	...	9-9	18-1	483-1	...	...	429-3	922-4			
{ 1933 562	7-5	...	...	9-6	17-1	387-1	...	...	357-0	744-1			
(b) Great Northern { 1934 2,158	21-9	...	...	44-8	66-7	1,188-9	...	...	1,684-4	2,873-3			
{ 1933 2,158	22-6	...	...	38-4	61-0	1,170-4	...	...	1,580-3	2,750-7			

COMPARISONS WITH CORRESPONDING PERIODS, 1933 and 1934 (000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
First half-year 1934, compared with first half-year 1933:				
Gross increase or decrease	+ 399	+ 1,422	+ 1,479	+ 232
Net increase or decrease*	+ 370	+ 1,000	+ 688	+ 90
Second half-year 1934, compared with second half-year 1933:				
24 weeks to December 16, 1934	+ 185	+ 714	+ 570	+ 179
Weekly average second half 1934	+ 7 1/2	+ 29 1/2	+ 23 1/2	+ 7 1/2
Latest week 1934 compared with 1933	- 14	- 9	+ 1	+ 1

* Including receipts from ancillary businesses.

LONDON TRANSPORT

Week ending December 15, 1934, compared with first half-year 1933: Gross increase or decrease + 399, Net increase or decrease + 370. Aggregate 24 weeks ending December 15, 1934, compared with second half-year 1933: Gross increase or decrease + 185, Net increase or decrease + 714.

* For an explanation of the manner in which the figures are made up, see the *Economist*, March 17, 1934, page 610. Note.—The receipts this year include receipts of bus and coach undertakings not absorbed by London Transport in the corresponding period of last year. In order to make a comparison with the previous year, the figures for that year have been adjusted, on the basis of the best information available.

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week		Gross Aggregate Receipts	
				1934	+ or -	1934	+ or -
INDIAN							
Assam Bengal	33	Nov. 17	1,330	Rs. 3,51,800 -	9,605	Rs. 1,18,15,813 +	15,39,849
Barsi Lt. Ry.	34	24	202	59,500 +	25,100	12,63,200 -	74,600
Bengal & N.Western ..	34	24	2,113	7,23,113 +	54,955	44,82,837 -	2,43,147
Bombay-Nagpur	33	17	3,269	13,41,000 -	55,285	47,92,202 +	34,01,649
Bombay, Bar. & C.I.	35	Dec. 8	3,072	23,08,000 +	87,000	7,18,48,000 -	31,91,000
Madras & S. Mahr.	34	Nov. 24	3,230	11,33,000 -	1,37,515	4,88,09,550 +	3,19,005
Rohilk'd & Kumaon ..	8	24	572	1,19,303 +	9,043	8,26,720 -	46,791
South Indian	33	17	2,526	9,92,993 +	21,263	3,53,93,343 +	8,04,603

CANADIAN

	1934	1933	\$	\$	\$	\$
Canadian National	50	Dec. 14	237,733	2,882,893	66,747	157,433,862 + 154,526,077
Canadian Pacific	50	Dec. 14	171,018	2,397,000	94,000	119,845,000 + 107,730,000

SOUTH AMERICAN

Antofagasta (Chili and Bolivia).....	40	Dec. 16	830	{ £ 18,250 + £ 5,450	{ 748,730 + 201,770
Argentine N.E.	24	15	753	{ 116,800 + 1,100	{ 3,083,600 + 231,400
B.A. and Pacific	24	15	2,806	{ 68,240 + 6,950	{ 1,649,800 + 304,592
B.A. Central	22	2	...	{ 108,500 + 15,500	{ 2,745,800 + 170,100
B.A. Gt. Southern.....	24	15	5,085	{ 113,421 + 29,455	{ 2,895,863 + 809,831
B.A. Western	24	15	1,930	{ 750,000 - 52,000	{ 17,062,000 + 614,000
Central Argentine ..	24	15	3,700	{ 43,860 - 8,456	{ 991,998 - 284,042
Central Uruguay ..	24	15	273	{ 17,841 + 1,177	{ 387,511 + 2,735
C. Ur. (East Ext.) ..	24	15	311	{ 4,456 + 964	{ 79,562 + 6,166
C. Ur. (N. Ext.) ..	24	15	185	{ 1,833 + 88	{ 42,375 + 833
C. Ur. (W. Ext.) ..	24	15	211	{ 1,530 + 204	{ 34,524 + 448
Cordoba Central.....	24	15	1,218	{ 469,000 + 1,000	{ 12,431,000 + 323,000
Entre Rios	24	15	810	{ 247,400 + 17,200	{ 4,828,100 + 744,400
G. Westn. of Brazil ..	50	15	1,082	{ 14,000 + 1,000	{ 452,100 - 58,100
Leopoldina	50	15	1,916	{ 221,003 + 5,284	{ 1,266,313 + 35,933
Leopoldina Termal. ..	50	15	...	{ Ms. 303,000 + 7,000	{ 14,679,000 + 638,000
Nitrate	11 1/2	15	401	{ 12,576 + 4,541	{ 242,943 + 107,673
Paraguay Central.....	24	15	274	{ 43,680 + 1,100	{ 109,580 + 29,870
Salvador	24	15	100	{ Col. 27,600 + 14,956	{ 274,252 - 59,441
San Paulo	49	9	153 1/2	{ Mls 171,000 - 225,000	{ 88,410,000 - 375,000
United of Havana ..	24	15	1,365	{ £ 229,355 + 3,137	{ 1,451,287 - 26,601

* Converted at average official rate during week ended December 15—17-10 pesos to the £.
† Nominal. ‡ Receipts in Argentine Pesos.
§ Converted at average official rate during week.

OTHER OVERSEAS

Egyptian Delta	35	1934		£	—	£	£	£
Light Railways...	Nov. 30	622 ‡	8,107	—	1,151	157,353	+	7,618
Egyptian Markets...	Dec. 13	...	1,670	—	451	83,876	+	3,852
Gr.Southn. of Spain	49	8	104 Ps.	64,172	+ 22,938	2,764,866	+	31,833
Mexican Railway...	25	14	483	\$258,300	+ 50,800	5,370,000	+	891,000
				‡ 10 days.				

† 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

	1934						
Anglo-Argentine ...	50	Dec. 16	328	{ £686,589 -	16,374	30,874,411 -	1,979,069
B. Aires Lacroze ...	22	2	...	{ £73,333 +	938	1,465,635 -	30,750
Burnley, Colne and Nelson Jt. Trspt.	1	15	76	{ £6,400 +	80	127,943 -	2,684
Calcutta Tramways	1	15	...	{ £4,928 +	296	...	...
Isle of Thanet Elec.	50	15	...	{ Rs. 1,18,312 -	191	...	...
Liverpool Corp. ...	37	12	...	{ £3,056 -	35	159,191 -	4,652
Madras Electric ...	11 1/2	16	...	{ £29,330 +	1,592	1,048,530 +	19,764
				{ Rs. 52,687 +	808	12,05,192 -	9,156

MONTHLY TRAFFICS

Company	Months	Ending 1934	De-scription	Receipts for Month		Receipts to Date	
				1934	+ or -	1934	+ or -
British Columbia Power	5	Nov. 30	Gross Net	\$1,117,530	+ 32,571	5,285,656	+ 122,223
Cape Electric Trams.	1	Oct. 31	Gross	\$383,874	+ 21,300	1,715,287	+ 130,183
Costa Rica	4	Oct. 31	Gross	£41,542	+ 4,587	...	...
Dorad	11	Nov. 30	Gross	£10,400	+ 3,000	63,485	+ 17,705
Dorad (Ropeway Ext.)	11	Nov. 30	Gross	\$5,700	+ 2,700	48,100	+ 3,500
Kalgoorlie Elec. Trams.	9	Nov. 30	Gross	£2,772	...	21,007	...
La Guaira Harbour ...	1	Nov. 30	Gross	\$9,120	+ 1,359	...	...
Shanghai Electric ...	11	Nov. 30	Net	Mex.\$398,455	+ 10,266	4,189,741	+ 89,385
Singapore Traction ...	2	Nov. 30	Gross	\$112,000	+ 17,000	229,000	+ 36,000

EDMUNDSONS ELECTRICITY CORPORATION, LTD.—The results of the operations of the Edmundson group of companies during the month of November, 1934, as compared with the corresponding month of 1933, show an increase of 17 per cent. of units sold.

THE CHARTERED INSTITUTE OF SECRETARIES.—Mr. Howard Foulds, J.P., secretary of Callender's Cable and Construction Company, Ltd., has been elected president of the Institute in succession to Mr. W. G. Hislop. Sir Enoch Hill, J.P., president and managing director of the Halifax Building Society, and Mr. Christmas Evans, secretary of Ocean Accident and Guarantee Corporation, Ltd., have been elected vice-presidents. Lieut.-Colonel Reginald Tristram Harper, O.B.E., secretary of Buenos Ayres Great Southern Railway Company, Ltd., has been elected treasurer.

JOHN ISMAY AND SONS, LTD.—The directors announce that they have acquired a controlling interest in the British Blue Spot Company, Ltd., manufacturers of wireless loud speakers and accessories.

SOUTH-WESTERN GAS CORPORATION.—Close Brothers, Ltd., announce that the South Western Gas Corporation, Ltd., has recently

acquired 65.5 per cent. of the 5 per cent. debenture stock, 87.75 per cent. of the irredeemable preference stock, and 84.36 per cent. of the ordinary shares and stock of the Newquay and District Water Company.

COMPANIA ARGENTINA DE NAVEGACION MIHANOVICH, LIMITADA.—Gross takings for the month of November amounted to Argentine paper \$2,068,295. This compares with Argentine paper \$1,909,886 for November, 1933, an increase of Argentine paper \$158,409, or 8.29 per cent.

CABLE AND WIRELESS, LTD., INDEX NUMBERS.—The index number for November, 1934, is 71.3, against 73.6 for October, 1934, and 71.8 for November, 1933.

SOUTH-WESTERN GAS CORPORATION, LTD.—Close Brothers, Ltd., announce that the South-Western Gas Corporation, Ltd., has recently acquired 95 per cent. of the ordinary share capital and 96 per cent. of the participating preference shares of the Lostwithiel Gas Light and Coke Company, Ltd., and 100 per cent. of the share capital of the Malmesbury Gas and Coke Company, Ltd.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Deben- ture Interest	Amount Available for Distri- bution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Deprecia- tion, etc.	Balance Forward	Net Profit	Divi- dend
					Prefce.	Ordinary					
						Amount	Amount				
		£	£	£	£	£	%	£	£	£	%
Breweries											
Newcastle Breweries.....	Oct. 31	36,413	71,663	108,076	12,000	28,000	7	23,000	45,076	41,331	4
Waller's Bradford Brewery	Sept. 30	...	(i) 13,512	13,512	...	11,189	3½	...	2,323	2,487	...
Hotels, Restaurants, etc.											
Jones (R. E.)	Oct. 31	8,955	42,177	51,132	...	29,954	5	10,000	11,178	40,105	Nil
Iron, Coal and Steel											
Arniston Coal	Sept. 30	15,024	14,454	29,478	1,144	12,594	10	...	15,740	18,077	5
Nasmyth, Wilson and Co....	Dec. 31	341	Dr. 17,412	Dr. 17,071	...	...	...	Dr. 17,500	429	Dr. 17,954	...
Rubber, etc.											
Beau Sejour Rubber.....	June 30	Dr. 1,010	4,485	3,475	...	...	...	...	3,475	Dr. 877	...
Krubong (Malacca) Rubber.	Sept. 30	590	582	1,172	...	...	...	...	1,172	Dr. 706	...
Shops and Stores											
Abbott (W.) and Sons	Aug. 31	2,055	Dr. 4,995	Dr. 2,940	...	...	...	Dr. 5,000	2,060	Dr. 7,591	...
Textiles											
Amalgamated Cotton Mills Trust.....	Oct. 31	29,587	14,190	43,777	...	...	...	...	43,777	12,150	...
Trusts											
Aberdeen, Edinburgh and London Trust	Nov. 30	3,201	8,707	11,908	...	9,500	3	...	2,408	7,831	3
Army and Navy Investment	Nov. 30	20,633	32,031	52,664	14,025	15,584	10	...	23,055	31,338	10
Scottish Consolidated Trust	Nov. 30	16,236	17,789	34,025	17,662	...	...	259	16,104	12,683	...
Scottish Stockholders In- vestment Trust	Nov. 30	9,939	8,345	18,284	7,672	...	...	79	10,533	5,221	...
Second British Steamship Investment Trust	Dec. 1	9,315	21,225	30,540	9,688	8,719	4½	...	12,133	18,541	4
Other Companies											
British-American Tobacco .	Sept. 30	2,071,180	5,452,981	7,524,161	585,000	4,729,519	20†	...	2,209,642	5,403,065	20†
Cyprus and General Asbestos	June 30	Dr. 8,639	Dr. 2,778	Dr. 11,417	...	...	...	...	Dr. 11,417	Dr. 5,403	...
Lister (R. A.) and Co.	Sept. 30	105,020	72,367	177,387	13,725	17,437	7½	95,234	50,991	53,967	7½
Murray (D. and W.).....	July 19	Dr. 274,409	Dr. 8,923	Dr. 283,332	...	...	...	...	Dr. 283,332	Dr. 53,146	...
Proprietors of Hay's Wharf	June 30	87,234	231,623	318,857	89,400	100,000	10	42,541	86,916	225,516	10
Smith (D.) and Sons.....	Aug. 31	5,528	(v) 7,339	12,867	6,854	5,231	22½	Dr. 1,000	1,782	3,223	20
Stoll Theatres Corporation	Sept. 30	98,471	Dr. 1,354	97,117	...	...	...	...	97,117	79	...
Turner and Newall	Sept. 30	106,126	714,228	820,354	101,098	484,394	10	104,349	130,513	406,656	5

(v) June 7, 1933, to August 31, 1934.

(t) 15 Months.

† Free of Income Tax.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THERE was a lull in a number of commodity markets during the week ended last Wednesday owing to the approach of Christmas. Although a number of quotations were marked down a little, the improvement noticeable in recent weeks has, on the whole, been maintained.

Partly as a result of smaller Continental purchases, wheat prices are slightly lower on the week. An important development in the wheat market was the decision of Argentina, Australia, Canada and the United States "to make room for France's temporary rôle as a wheat exporting country" in the reallocation of quotas for 1934-35. Wednesday's quotations for raw sugar were a little lower than a week ago. At Smithfield market, English beef and

New Zealand frozen mutton were dearer, but Argentine beef was cheaper than a week ago. Following last week's decline, egg prices were again marked down sharply.

Among textile raw materials, cotton, hemp and silk are practically unchanged on the week, but flax continued to advance in price and now costs almost twice as much as a year ago.

The market in copper was active and quotations rose to a slightly higher level. It appears that the problem of international restriction of supplies is to be discussed at a conference in January. A meeting of the members of the Zinc Cartel took place this week at Brussels, but its decisions were not yet known when we went to press. Wednesday's price of lead was slightly higher, but the quotation for tin somewhat lower, than a week ago. The

market in vegetable oils experienced a slight reaction, due partly to favourable crop reports from Argentina. The market in rubber closed on Wednesday with quotations at slightly higher levels than a week ago.

Grain prices in Chicago are fractionally lower on the week, but cocoa, copper, lead and spelter are dearer. Moody's index of the dollar prices of staple commodities (December 31, 1931 = 100) stood at 151.1 on Wednesday last, compared with 150.7 a week ago, 147.1 a month ago, and 122.8 on the corresponding date last year.

COAL

SHEFFIELD.—Collieries have been raising larger tonnages with the object of completing the December quota before the Christmas holiday. Demand has been brisk this week for all classes of fuel and deliveries difficult. Certain shipping qualities are scarce, a condition which hampers the arranging of forward business. The growth of electrical generation is responsible for a heavy and ever-increasing call for small coals. Steam coals and coke are experiencing a full demand, and sales of house coal have increased, although the super-qualities are still neglected.

NEWCASTLE-ON-TYNE.—Shipment figures are at a good level. From the Tyne the total of coal and coke cleared last week reached the aggregate of 325,115 tons, which is 51,312 tons more than in the corresponding period last year. The Northumberland steam market remains firm, there being little coal of any description available for shipment this year, whilst inquiry continues to be good for several weeks ahead. The better conditions in Durham are maintained, trade in the gas and coking section being brisk. Bunkers are a steady market.

Current f.o.b. prices for export:—**NORTHUMBERLAND.**—D.C.B. screened, 14s. 9d.; smalls, 11s. 6d.; Howards, Bentineck, Newbiggin, screened, 14s. 3d.; smalls, 11s. 6d.; Tyne Prime, large, 13s. 6d.; smalls, 11s.; Hartley Main, large, 13s. 6d.; smalls, 11s. **DURHAM.**—Lambton, South Hetton, screened steam, 15s. 2d.; smalls, 11s. 6d.; Wear Special gas, 15s.; Holmside, Ryhope, Boldon, unscreened gas, 14s. 8d.; second-class gas, 13s. 2d.; coking, unscreened and/or smalls, 13s. 2d.; Prime unscreened bunkers, 13s. 6d.; second-class unscreened bunkers, 13s. 6d.; Prime Foundry coke, 20s.; Newcastle and District gas coke, 20s. 3d.

GLASGOW.—Home requirements are on a fairly large scale, so that export supplies are none too plentiful, and the scarcity of prompt shipping parcels is accentuated by the fact that the collieries are well booked until the end of the year. The market is therefore firm, but is becoming increasingly nominal. Shipments last week expanded by 33,750 tons to 279,000 tons, raising the increase for the year to date over the comparable total for 1933 to 943,600 tons.

Shipment prices (f.o.b. district ports):—**LANARKSHIRE.**—Ell best, 15s.; splint best, 17s.; splint second, 15s. 6d.; navigation, screened, 14s. 9d.—15s.; navigation, unscreened, 13s. 3d.; Hartley, 16s.; steam, 13s.; trebles, 15s.; doubles, 14s.; singles, 12s. 9d.; pearls, 12s.; dross, 10s. **FIFE.**—Best unscreened navigation, 12s. 9d.; unscreened navigation, 12s. 6d.; first-class steam, 14s.; third-class steam, 13s.—13s. 3d.; trebles, 14s.—16s.; doubles, 14s.; singles, 12s. 9d.—13s.; pearls, 12s. **LOTHIANS.**—Prime steam, 13s. 6d.; secondary steam, 13s.; unscreened navigation, 12s. 6d.; trebles, 13s. 9d.—14s. 6d.; doubles, 14s.; singles, 12s. 6d.; pearls, 12s. **AYRSHIRE.**—Best unscreened navigation, 14s. 3d.; jewel, 15s.; steam, 14s. 6d.; trebles, 15s. 6d.—15s. 9d.; doubles, 14s.—14s. 6d.; singles, 13s. 9d.; pearls, 12s. 9d.; dross, 10s.

CARDIFF.—Conditions on the Cardiff coal market have not been affected to any appreciable extent by the approach of the holidays. Last week shipments in the foreign and coastwise trades at the South Wales docks totalled 382,800 tons, compared with 367,800 tons in the previous week, and 359,260 tons in the corresponding period last year, but these statistics represent little more than 50 per cent. of the actual capacity of the appliances, and neither the recent charterings in the freight market nor the stem sheets of the collieries justify hopes of any considerable increase in loadings during the present week. No further contracts are announced, but the Spanish Norte Railways are inquiring for tenders for the supply of 30,000 tons. Washed and sized coals, particularly dry classes, are the strongest feature, and the supply of large, in spite of reduced outputs, is more than adequate for current demands. It transpires that the approval of the Courts will be necessary for the conclusion of the merger of the Powell Duffryn Steam Coal Company, Ltd., and the Welsh Associated Collieries, Ltd., and that the offer of the Powell Duffryn Company to exchange at par one Powell Duffryn ordinary share for two ½ ordinary shares of the Welsh Associated Collieries, Ltd. (up to half the amount of the total ordinary share capital of ½ millions) is made to all the ordinary shareholders in the last named company, and not to any particular group of interests with large holdings in it.

Current approximate quotations:—Best Admiralties, 19s. 6d.; seconds, 18s. 9d. to 19s. 6d.; best dries, 18s. 9d. to 19s.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 17s. 9d. to 18s.; Eastern Valleys, 17s. 3d. to 17s. 7½d.; best small steams (washed), 13s. 6d. to 14s.; coking smalls, 13s. 6d. to 14s.; second steams, 12s. 6d. to 13s.; anthracite, best large, 36s. to 38s. 6d.; Red Vein, large, 22s. to 25s.; machine-made cobbles, 37s. 6d. to 48s. 6d.; French nuts, 37s. 6d. to 48s. 6d.; stove nuts, 37s. 6d. to 48s. 6d.; rubbly culm, 11s. to 11s. 6d.; special foundry coke, 32s. 6d. to 40s.; patent fuel (Crown), 20s. to 21s.; pitwood, ex ship, 24s. 6d. (December), 24s. 1½d. (March quarter) for French, and 21s. 6d. to 21s. 9d. for Portuguese.

WORKINGTON.—The coal trade is brisk, and as is usually the case at this time of the year, prompt delivery is difficult to secure. Forward business is being done in the Irish market, and there have

been large shipments to Belfast and Londonderry. Free State business, on the other hand, is very meagre, and is still declining. Landsale is lively, but competition from other coalfields keeps prices at an unremunerative level. Industrial fuel is in heavy request, and now and again small coal has to be imported for the coking plants, the entire make of which is going to Workington and Millom smelters. Prices are firm. Nominally, best round is quoted at 21s. 6d.; washed doubles, 20s.; washed singles, 18s., all f.o.b. Small 15s. 6d. per ton. Best house coal 30s. 8d.; and house nuts 29s. at station. Gas coal 27s. per ton. Local coke is from 15s. 6d. to 16s. 6d. per ton.

IRON AND STEEL

MIDDLESBROUGH.—The pig iron market is quieter with the approach of the holidays, and as the local foundries will be closed for two or three days next week, pig iron producers will have a welcome opportunity of replenishing their stocks, which are very low. Prices are maintained on the basis of 67s. 6d. per ton delivered Middlesbrough for No. 3 Cleveland foundry pig iron and 69s. per ton delivered Middlesbrough for No. 1 quality hematite with the usual extras for other areas. An order has been placed in this district for 9,000 tons of railway chairs, the bulk of which will be produced by foundries belonging to the big pig-iron producers. Messrs Dorman, Long and Company are lighting an additional blast furnace at their South Bank works at the end of this week for the production of ferro-manganese. This will mean an increase in the consumption of blast furnace coke, for which there is a steady demand, prices being maintained at 20s. per ton delivered at the furnaces. Foreign ore is in poor demand, but the tone is distinctly firm with sellers hinting at higher figures for forward delivery. The production of semi-manufactured and finished steel is very high, and the figures for this area over the twelve months ending December 31st will show a very considerable increase when compared with the preceding twelve months. Heavy steel scrap is firm with makers offering 51s. per ton, but merchants are not too keen to commit themselves at this figure.

SHEFFIELD.—Works have been speeding up this week in anticipation of the holiday stoppage. This is likely to be normal in duration as there is a considerable amount of work to carry over into next year. The volume of trade appears to be maintaining previous levels, with a tendency to ease off in the lighter and special qualities of steel. Exports of iron and steel materials, electrical apparatus, tools and hardware and non-ferrous metals during November barely held their own as compared with October. Nevertheless the comparison with last year is favourable and most branches of steel occupy a strong position. Local sentiment is generally optimistic, tempered by a little dissatisfaction with the export position. Employment in the steel and allied branches will be well maintained until the end of the year. The seasonal trade in plate and cutlery has ended rather unfavourably, but the year's operations have been equal to those of last year.

WORKINGTON.—Trade closes on a strong note on the North-West Coast. A large volume of forward business has been done, and makers are so well sold that they are sure of the disposal of their production for four months to come. Any further improvement in demand in mid-January would probably warrant the blowing in of an additional furnace, to increase the number in blast between Workington and Barrow to nine. Midland and South Walian needs are increasing, and the Scottish and Continental demand is improving slightly. Altogether, these requirements account for the spill-over available after the wants of the steelworks at Workington and Barrow have been satisfied. East Coast competition is still keen and accordingly there is no appreciation of prices. Bessemer mixed numbers are quoted at 43 12s. 6d. per ton at Glasgow; 43 18s. 6d. at Manchester; 44 3s. 6d. at Sheffield; and 44 4s. 6d. at Birmingham, with an additional 2s. 6d. to 5s. per ton for special brands. Malleable iron is a steady trade at 45 15s. per ton delivered at Birmingham, and ferro-manganese is in firm request at 10 15s. to 11 5s. per ton by home users. Two furnaces at Moss Bay at Workington are to be lighted next month to smelt manganese alloys. In the steel trade also there has been freer booking of orders with the result that activity will be maintained at the present level until the end of the first quarter of next year. Workington has several overseas orders for rails and sleepers to roll. Of late the chief production has been home rails, billets, bars and slabs, and at Barrow rails, hoops and strip. Little headway is being made in the native ore industry, the only needs being those of local consumers. The metal is quoted at from 13s. 6d. to 14s. 6d. per ton. Imports of North African and German ore at Workington during the past four weeks have totalled 24,800 tons.

GLASGOW.—The position as regards Clyde shipbuilding has much improved within the past ten days, contracts having been placed with yards at Port Glasgow, Greenock and Dumbarton involving a considerable tonnage and giving promise of employment to a large number of men. In many cases the machinery will be supplied by makers in the Clyde districts who have also secured orders for machinery for vessels to be built in other areas. Steel makers still have a good deal of work on hand and there seems more disposition on the part of buyers to place orders for future delivery. There is not quite such a good demand for semis, although the recent rate of production is being maintained. Sheetmakers are doing a steady home business, but no further improvement is noticeable in the export trade. In most branches local demand is quiet, mainly owing to the fact that stocktaking at the end of the year is very general in this district.

CARDIFF.—Quiet conditions have prevailed this week in the South Wales tinplate trade. Current production is at the rate of approximately 51 per cent. of capacity and most of the mills are

likely to be idle during the whole of next week. Scheduled quotations are unaltered. The galvanised sheet market has maintained a fairly steady tone, with quotations ruling from £11 5s. to £11 15s. per ton f.o.b., while steel bars are also unaltered. Shipments of tinplates at Swansea last week totalled 72,592 boxes, compared with 85,736 the previous week, and stocks totalled 138,914 boxes compared with 126,380 boxes the previous week, and 138,444 boxes a year ago.

OTHER METALS

With the exception of antimony, the price of which appreciated considerably, the markets in non-ferrous metals have shown little change during the past week. The price of copper once again passed the £28 mark, and the turnover on several days was large; nevertheless, consumer's demand is still rather restricted. Despite the absence of official statements and the fact that some of the leading producers outside the United States know nothing definite, it is generally believed that a world copper conference will be held towards the middle of January. The outcome of these discussions will be of great importance, since at the present time, restriction propaganda overshadows the entire market situation.

Holiday influences led to reserve on the part of tin consumers, and quotations have eased a little. Since the end of August it has been illegal in Germany to use solder with a tin content of over 40 per cent., except in the manufacture of food containers. A new order has now been issued by the Metal Supervision Office, under which the production of solder containing more than 40 per cent. tin is prohibited except where this is specially ordered for one of the allowed purposes; the holding of stocks of such solder will be illegal. As a result of the high price of the commodity, the tin mines near Albertba (Czechoslovakia) are to resume production after many years of idleness.

On Thursday and Friday of this week, the International Zinc Cartel held a meeting at Brussels, to consider the future of the cartel, which is due to expire on December 31st., but as we go to press the result of the discussions is still unknown. The prolongation of the cartel would probably stimulate the market a little, whilst it is probable that its dissolution would have little immediate effect, since this eventuality is already discounted in present prices. According to the *Metallgesellschaft*, the world's output of smelter lead increased during October by about 4,450 metric tons to 115,485 metric tons, a development which is, however, largely due to the greater number of working days in that month. The daily rate of production rose only by 24 tons to 3,725 metric tons.

The price of antimony jumped considerably this week, Chinese antimony is now selling at about £65 per ton, against about £27 per ton at the beginning of the year. Increased demand, on account of the improvement in the steel position, is the main reason for this notable rise. An additional factor has been the conclusion, some weeks ago, of a monopoly contract between the Chinese Government and Arnhold and Company of Shanghai. The latest jump in price is, however, partly due to psychological influences—the belief that the policy of the Chinese Government with regard to antimony is similar to its treatment of wolfram, which has been very successful during the past 18 months. Whether the effort to control the price of antimony will be as successful as the Chinese wolfram policy is somewhat doubtful, and it must be remembered that the previous effort to control the antimony market collapsed in the spring of last year, when wolfram was just starting its rise.

TIN.—Sales of tin on the London Metal Exchange: 125 tons on Monday, against 150 tons last week; 190 tons on Tuesday, against 110 last week; 135 tons on Wednesday, against 60 tons last week. The New York quotation on Wednesday was 50.85 cents per lb., against 50.90 cents a week ago and 51.25 cents a month ago. Wednesday's official closing quotation in London for standard cash was £228 2s. 6d. to £228 5s., compared with £228 10s. to £228 12s. 6d. last week. Stocks in London and Liverpool at the end of last week were 3,722 tons, a decrease of 52 tons on the week.

COPPER.—Sales on the London Metal Exchange: 2,850 tons on Monday, against 1,200 tons last week; 2,350 tons on Tuesday, against 1,375 tons last week; 1,800 tons on Wednesday, against 1,200 tons last week. Domestic spot was quoted at 6.72½ cents per lb. in New York on Wednesday, against 6.67½ cents a week ago and 6.72½ cents a month ago. Wednesday's official closing price for standard cash in London was £23 1s. 3d. to £23 2s. 6d., compared with £27 13s. 9d. to £27 15s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 43,247 tons, show an increase of 1,662 tons, and stocks of rough copper, at 10,560 tons, an increase of 75 tons.

LEAD.—Sales on the London Metal Exchange: 50 tons on Monday, against 950 tons last week; 500 tons on Tuesday, against 650 tons last week; 250 tons on Wednesday, against nil last week. The New York quotation on Wednesday was 3.70 cents per lb., against 3.50 cents a week ago and 3.50 cents a month ago. The official closing quotation in London on Wednesday for soft foreign was £10 5s. for shipment during the current month, compared with £10 2s. 6d. a week ago.

SPELTER.—Sales on the London Metal Exchange: 25 tons on Monday, against 400 tons last week; 50 tons on Tuesday, against 425 last week; 300 tons on Wednesday, against 150 tons last week. Wednesday's quotation in East St. Louis was 3.75 cents per lb., against 3.70 cents the week before, and 3.70 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" was £11 12s. 6d. for shipment during the current month, against £11 13s. 9d. last week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium was again quoted at £100 per ton. Nickel at £200 to £205 per ton, remains unchanged. Quicksilver was

again quoted at £11 12s. 6d. to £11 15s. per flask of 76 lbs. Foreign antimony was quoted at £65 per ton, as against £60 to £61 per ton last week. Chinese wolfram was again quoted at 39s. to 41s. per unit c.i.f. Platinum, at £7 15s. per ounce, shows no change on the week.

TEXTILES

COTTON.—Manchester. American cotton prices have been steady, with limited trading, and the markets are badly in need of a stimulating influence. There has been rather more business in American cotton, and imports for last week, at 43,815 bales, were for these times exceptionally large. There appears to be little probability of any distinct change in prices in the immediate future.

The general inquiry in piece goods has been fairly well maintained, with India providing the bulk of the demand. Encouraging sales have taken place for that outlet in light bleaching styles and fancies. A fair trade has also been done for Singapore and there has been a steady demand for South America. Further buying has taken place for the Empire markets, especially South Africa. The home trade has been quiet. Sales of Egyptian yarns have been larger, but to secure orders prices have had to be shaded. The voluntary agreement on minimum rates has apparently broken down and there appears to be little likelihood of any agreement on a legal basis being adopted. The turnover in American descriptions has been irregular, practically all the orders being of small dimensions. Joint negotiations between the employers and operatives in the manufacturing section were resumed on Tuesday to settle final details regarding the proposed new wages agreement, which will later be sent to the Minister of Labour for legalisation. The Colwyn Committee, which is dealing with the redundancy scheme in the spinning section, at a meeting this week decided to proceed with the proposals to scrap 10,000,000 spindles. All spinners in Great Britain will at an early date receive a circular asking them to state what amount of machinery they are prepared to eliminate. This decision coincided with the important statement in Parliament by Mr. Walter Runciman that the Government was prepared to aid the cotton industry in obtaining the £2,000,000 which is the estimated cost of the proposals. The full implications of these developments are discussed in a Note of the Week.

COTTON PRICES

	1934					Corresponding Date	
	Nov. 28	Dec. 5	Dec. 12	Dec. 19		1932	1933
Raw Cotton—Mid. American per lb.	7-07	7-04	7-08	7-11		5-21	5-24
Sakellaridis Fully Good Fair Egyptian..... per lb.	9-24	9-18	9-07	8-91		7-13	7-29
Yarns—32's twist..... per lb.	103	103	103	103		9	9½
40's weft..... per lb.	103	103	103	103		9½	9½
60's twist (Egyptian)..... per lb.	163	163	163	163		15	16½
32-in. Printers 116 yds., 16 by 16, 32's and 50's.....	s. d.	s. d.	s. d.	s. d.		s. d.	s. d.
36-in. Shirtings, 75 yds., 18 by 18, 32's and 40's.....	18 8	18 6	18 4½	18 4½		17 9	17 3
38-in. ditto, 38 yds., 18 by 18, 10 lb.	24 0	24 0	24 0	24 0		19 3	21 3
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 10	10 9	10 9	10 9		10 4	10 6
	9 9	9 8	9 8	9 8		9 2	9 4

WOOL.—Bradford. The year is finishing with the wool textile industry in better heart than has been seen since last April. This is expressing itself in about 80 per cent. of machinery activity, and both spinners and manufacturers are fairly well placed for new business in the New Year. The firm finish in Coleman Street Wool Exchange has impressed itself upon the entire industry, there being a recovery from the opening decline in practically all descriptions. Prices of all qualities are reasonable, and this is encouraging wholesale fabric buyers to operate fairly extensively. Overseas selling centres have also revealed a firm situation, and both in Australia and New Zealand quotations have slightly hardened during the past fortnight.

The past two weeks have shed light upon the agreement between Germany and South Africa, whereby the former is to purchase considerable weights of Cape wool, and to pay with goods sold to South African storekeepers. Accounts have to be paid into local banks and then transferred to a central authority, which will pay for wool bought by Germany in the usual way. German buyers are not to receive preferential treatment, but will have to compete for the raw material with other sections of the trade, the varied lots going to the highest bidder. Any special favours granted to German customers would have led to serious trouble in the trade and finally to France and England transferring their competition to Australian selling centres. Most Cape growers have withdrawn their wools until the New Year, when it is expected Germany will commence operations. Prices for the various semi-manufactured materials, such as tops and yarns, have remained very firm during the past fortnight, with a slight hardening tendency, consumption being large. Markets are firm everywhere, and on the whole trade is good.

GRAIN MARKETS

WHEAT.—Trade in wheat was not very active during the week ended last Wednesday, and quotations tended to decline. The representatives of Argentina, Australia, Canada and the United States have now informed the French Government that, "having regard to the great importance they attach to the new French wheat legislation, and the resulting re-entry of France as a wheat importing country, they would be prepared, when the 1934-35

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended November 30		Eleven Months ended November 30	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	4,756,367	5,325,673	50,953,297	49,487,569
B. Feeding-stuffs for Animals ..	626,760	970,715	5,377,425	6,600,514
C. Animals, Living, for Food ..	918,563	660,445	6,433,977	4,803,263
D. Meat	6,065,284	6,248,472	71,392,599	75,036,335
E. Dairy Produce	4,850,319	4,210,590	50,416,988	48,277,835
F. Fresh Fruit and Vegetables ..	2,858,219	2,591,033	34,381,976	32,931,198
G. Beverages and Cocoa Preparations ..	4,385,139	3,859,474	36,605,120	39,960,075
H. Other Food	6,006,537	5,946,264	44,809,397	44,783,251
I. Tobacco	1,524,532	2,674,601	9,934,438	15,403,822
Total, Class I	31,991,720	32,487,267	310,305,214	317,293,862
II.—Raw Materials and Articles mainly Unmanufactured—				
A. Coal	1,433	1,757	13,858	21,393
B. Other Non-Metalliferous Mining and Quarry Products and the like	354,734	351,007	3,162,190	3,453,757
C. Iron Ore and Scrap	251,190	395,726	2,330,277	4,129,237
D. Non-Ferrous Metalliferous Ores and Scrap	610,134	1,037,723	6,162,487	9,105,128
E. Wood and Timber	2,965,586	3,339,974	27,369,815	36,563,148
F. Raw Cotton and Cotton Waste ..	4,247,901	3,047,702	32,526,971	32,981,169
G. Wool, Raw and Waste, and Woolen Rags	3,179,519	1,979,727	32,554,077	35,043,227
H. Silk, Raw, Knobs and Noils ..	161,986	92,694	1,169,682	1,231,620
I. Other Textile Materials	629,431	667,569	6,400,203	7,241,321
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums ..	1,958,505	1,912,831	19,789,353	19,785,955
K. Hides and Skins, Undressed ..	915,792	854,826	12,767,859	13,436,727
L. Paper-making Materials	788,850	1,026,296	8,377,382	10,036,367
M. Rubber	276,747	1,356,359	2,695,182	10,809,590
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	642,251	675,494	6,457,687	7,501,953
Total, Class II	16,982,159	16,739,685	161,517,023	191,140,592
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel ..	2,323	3,250	27,017	34,529
B. Pottery, Glass, Abrasives, etc. ..	632,387	737,758	5,232,169	6,395,503
C. Iron and Steel and Manufactures thereof	593,113	693,027	5,498,900	8,414,551
D. Non-Ferrous Metals and Manufactures thereof	1,856,992	2,228,113	14,044,683	19,920,561
E. Cutlery, Hardware, Implements and Instruments ..	551,461	577,875	4,666,161	5,297,544
F. Electrical Goods and Apparatus ..	317,111	304,095	2,239,246	2,787,341
G. Machinery	842,226	942,532	7,818,334	10,415,117
H. Manufactures of Wood and Timber	569,693	483,676	4,585,417	5,156,604
I. Cotton Yarns and Manufactures ..	226,853	209,150	1,929,897	2,107,687
J. Woollen and Worsted Yarns and Manufactures	221,601	219,526	2,115,605	2,302,804
K. Silk Yarns and Manufactures ..	294,518	242,634	2,845,403	2,862,835
L. Manufactures of other Textile Materials	654,126	587,496	6,833,148	6,502,982
M. Apparel	590,308	583,623	6,953,568	7,443,041
N. Chemicals, Drugs, Dyes and Colours	1,009,753	902,312	9,066,451	10,400,051
O. Oils, Fats and Resins, Manufactured	2,148,831	2,655,064	27,607,452	28,467,305
P. Leather and Manufactures thereof	776,258	591,106	7,463,798	6,903,769
Q. Paper, Cardboard, etc.	1,219,540	1,136,431	10,840,920	11,929,543
R. Vehicles (including Locomotives, Ships and Aircraft) ..	213,024	277,716	2,277,439	3,247,931
S. Rubber Manufactures	149,722	96,120	1,502,472	1,238,395
T. Miscellaneous Articles wholly or mainly Manufactured ..	1,680,635	1,699,765	14,052,549	15,752,555
Total, Class III	14,550,475	15,171,269	137,600,629	157,580,648
IV.—Animals, not for Food	54,729	127,489	670,035	1,364,214
V.—Parcel Post	150,251	161,637	2,758,564	2,223,714
Total	63,729,334	64,687,347	612,851,465	669,603,030

quotas were re-allocated, to make room, along the lines of the Budapest proposals, for France's temporary rôle as a wheat exporting country." It appears that France's export quota in 1935 will be 4,600,000 quarters, but 2,750,000 quarters are to be exported as denatured wheat.

According to Mr G. Broomhall, total shipments during the past week were 835,000 quarters, against 1,168,000 quarters in the preceding week. On Wednesday, "December" futures were quoted in Chicago at 97½ cents per bushel, against 100½ cents the week before and 98½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba, Vancouver, ex ship, 33s. 3d. per 496 lbs., against 34s. a week ago; No. 2 Northern Manitoba, Vancouver, ex ship, 30s. 9d., against 31s. 6d. Australian, ex ship, 24s. 9d. to 25s. 9d., against 25s. 6d. to 25s. 9d. a week ago.

FLOUR.—North American shipments were 51,000 sacks in the past week, as compared with 135,000 sacks in the previous week. Wednesday's London quotations were: Straight run, delivered country, 24s. 6d. per 280 lbs., against 24s. 6d. last week; delivered London, 23s. 6d., as compared with 23s. 6d. a week ago. Manitoba patents, ex store, 24s. 3d. to 26s. 3d., against 24s. 6d. to 26s. 6d. Australian, ex store, 19s. to 20s., against 19s. 6d. to 20s.

BARLEY.—"December" futures were quoted at 54½ cents per bushel in Winnipeg on Wednesday, against 53½ cents last week and 52½ cents a month ago. Quotations in London on Wednesday were: "English malting," f.o.r., per 448 lbs., 30s. to 50s., against 30s. to 50s. a week ago.

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.)

	Month ended November 30		Eleven Months ended November 30	
	1933	1934	1933	1934
I.—Food, Drink and Tobacco—				
A. Grain and Flour	£ 159,499	£ 211,814	£ 1,849,580	£ 1,619,229
B. Feeding-stuffs for Animals ..	62,625	45,769	758,237	547,812
C. Animals, Living, for Food ...	2,456	850	30,597	21,563
D. Meat	90,609	100,470	733,583	738,302
E. Dairy Produce	70,817	69,236	870,651	814,904
F. Fresh Fruit and Vegetables ...	39,061	99,670	207,273	242,084
G. Beverages and Cocoa Preparations ..	663,829	884,569	5,934,694	8,620,976
H. Other Food	1,387,055	1,237,380	11,284,966	11,135,474
I. Tobacco	374,452	366,935	3,780,363	3,996,797
Total, Class I	2,850,403	3,016,693	25,449,944	27,737,141
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,912,278	2,711,732	29,009,462	29,361,220
B. Other Non-Metalliferous Mining and Quarry Products and the like	105,289	93,162	929,868	953,203
C. Iron Ore and Scrap	44,601	61,193	458,070	495,521
D. Non-Ferrous Metalliferous Ores and Scrap	93,985	75,072	937,484	1,087,735
E. Wood and Timber	11,579	8,455	81,582	97,773
F. Raw Cotton and Cotton Waste G. Wool, Raw and Waste, and Woollen Rags	48,731	89,627	429,276	788,819
H. Silk, Raw, Knobs and Noils ..	497,393	504,726	4,835,779	5,489,810
I. Other Textile Materials	690	4,306	9,255	57,365
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums ...	27,330	41,752	361,466	357,811
K. Hides and Skins, Undressed ...	159,631	239,154	1,579,506	1,490,282
L. Paper-making Materials	61,549	75,784	616,325	666,603
M. Rubber	79,463	91,229	845,507	1,031,208
N. Miscellaneous Raw Materials and Articles mainly Un- manufactured	11,112	11,094	89,118	99,347
Total, Class II	249,204	260,570	2,193,079	2,367,709
	4,302,835	4,267,856	42,375,777	44,344,406
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel ..	263,512	251,096	2,422,145	2,480,402
B. Pottery, Glass, Abrasives, etc. ..	667,361	698,575	6,456,845	7,106,752
C. Iron and Steel and Manufactures thereof	2,885,043	3,504,095	27,221,700	32,122,014
D. Non-Ferrous Metals and Manu- factures thereof	1,077,811	1,005,145	11,306,731	10,883,812
E. Cutlery, Hardware, Imple- ments and Instruments ...	579,968	698,738	5,844,738	6,792,236
F. Electrical Goods and Apparatus ..	665,408	813,303	6,022,721	7,223,915
G. Machinery	2,491,575	3,131,009	24,888,689	29,621,381
H. Manufactures of Wood and Timber	88,359	95,113	922,702	966,704
I. Cotton Yarns and Manufactures ..	5,029,358	5,044,735	54,400,511	54,396,487
J. Woollen and Worsted Yarns and Manufactures	2,233,306	2,068,430	23,520,346	26,752,599
K. Silk Yarns and Manufactures ..	73,919	95,369	791,353	974,171
L. Manufactures of other Textile Materials	1,347,742	1,408,236	12,951,416	14,245,277
M. Apparel	904,536	891,293	9,944,322	10,163,130
N. Chemicals, Drugs, Dyes and Colours	1,794,685	1,779,176	17,087,002	18,060,545
O. Oils, Fats and Resins, Manu- factured	533,361	379,204	4,251,693	4,431,765
P. Leather and Manufactures thereof	361,268	325,346	3,448,016	3,069,911
Q. Paper, Cardboard, and ...	585,104	576,798	5,646,513	5,729,725
R. Vehicles (including Locomo- tives, Ships and Aircraft) ...	1,957,197	2,249,201	19,817,104	20,380,060
S. Rubber Manufactures	161,054	152,837	1,563,245	1,613,679
T. Miscellaneous Articles wholly or mainly Manufactured ...	2,095,119	2,238,797	20,023,849	20,742,788
Total, Class III	25,800,686	27,407,396	258,531,641	279,187,353
	57,655	72,411	418,057	565,2
IV.—Animals, not for Food				
	1,423,390	1,360,908	10,236,916	10,039,332
V.—Parcel Post				
Total	34,434,969	36,125,264	337,012,335	361,873,515

The following is a statement showing the quantities sold and the average price of British corn in the past two weeks, and for the corresponding week in each of the years from 1930 to 1933.

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
Dec. 13, 1930	Cwts. 105,929	Cwts. 358,394	Cwts. 43,522	s. d. 6 2	s. d. 8 3	s. d. 5 8
Dec. 12, 1931	82,018	363,143	52,183	6 5	8 6	7 2
Dec. 17, 1932	267,930	384,045	41,099	5 3	7 0	5 8
Dec. 16, 1933	263,443	350,648	41,519	4 6	9 2	5 4
Dec. 8, 1934	380,540	312,573	41,241	4 10	8 7	6 8
Dec. 15, 1934	349,100	283,989	47,901	4 11	8 4	6 8

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations in recent weeks, with comparative figures for 1932 and 1933:—

NEAREST FUTURES	Jan. 4, 1932	Jan. 4, 1933	Dec. 20, 1933	Jan. 3, 1934	Dec. 12, 1934	Dec. 19, 1934
Winnipeg (No. 1 Manitoba)						
—Cents per 60 lb.	62½	46½	58½	65½	78	77½
Chicago (No. 2 Winter)						
—Cents per 60 lb.	55½	46½	79½	84½	100½	97½

The visible supply of wheat in Canada, at 123,470,000 bushels, shows a decrease of 169,000 bushels on the week. Supplies a year ago amounted to 113,681,000 bushels.

OTHER FOODS

SUGAR.—The New York market continues featureless, the spot quotation being unchanged on the week. In London, business has been quiet, and quotations have eased a little. The spot price in New York on Wednesday was 3.085 cents per lb., as compared with 3.085 cents per lb. last week and 3.00 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "March delivery" at 4s. 2½d., against 4s. 4½d. to 4s. 5d. last week. The movements of raw sugar in London and Liverpool last week were as follows:—

	Imports		Deliveries		Stocks	
	1933	1934	1933	1934	1933	1934
London	69	599	1,436	1,148	14,918	15,594
Liverpool	36,275	28,390	13,710	13,734	191,075	117,873
Total tons	36,344	28,989	15,146	14,882	205,993	133,467
Last week	37,203	11,053	15,095	15,409	184,795	119,360

COFFEE.—The New York market remains quietly steady. On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb., as compared with 9½ cents per lb. last week, and 9½ cents per lb. a month ago. In London, trade has been quiet to dull, with quotations showing little change. Last week's movements of coffee in London were as follows: Brazilian, landed, 128 bags; delivered for home consumption 62 bags; exported, 146 bags; stocks, 27,856 bags, against 24,376 bags a year ago. Central American, landed, 2,089 packages; delivered, for home consumption, 1,792 packages; exported, 1,035 packages; stocks, 72,899 packages, against 57,997 packages last year. Other kinds: Landed, 2,353 packages; delivered, for home consumption, 2,234 packages; exported, 257 packages; stocks, 70,537 packages, against 103,289 last year.

COCOA.—The "spot" quotation in New York on Wednesday was 5½ cents per lb., against 5 cents per lb. on the corresponding day last week and 4½ cents per lb. a month ago. The London quotation for Accra, "January-March," was 22s. to 22s. 3d. per 50 kilos, c.i.f. Continent, as against 21s. 3d. per 50 kilos last week. Last week's movements of cocoa in London were as follows: Landed, 10,191 bags; delivered, for home consumption, 6,622 bags; exported, 560 bags; stocks, 143,904 bags, against 102,113 bags a year ago.

TEA.—No auctions have been held this week. The following table shows the average prices (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account during the past weeks:—

Week ending	AVERAGE PRICE PER LB.					
	Northern India	Southern India	Ceylon	Java	Sumatra	Nyasa-land
Dec. 14, 1933	d. 13-80	d. 13-93	d. 15-39	d. 11-04	d. 10-74	d. 12-43
Nov. 15, 1934	13-10	11-51	14-15	10-29	9-57	10-69
Nov. 22, "	11-96	11-45	13-73	10-30	9-21	10-83
Nov. 29, "	11-66	11-50	13-39	10-19	9-31	10-85
Dec. 6, "	11-72	11-53	13-26	10-19	9-53	11-10
Dec. 13, "	11-35	11-34	12-82	10-18	9-33	10-81

RICE.—The "spot" price was 8s. 3d. per cwt. on Wednesday, as compared with 8s. 3d. per cwt. a week ago, while the forward quotation, at 6s. 9d. per cwt. (new crop) shows a fall of 1½d. on the week. Movements in London during the past week were as follows: Landed: 227 tons; delivered, 63 tons; stocks, 2,513 tons, against 1,593 tons a year ago.

POTATOES.—The ample supplies of potatoes on offer this week have encountered a fair demand, and quotations are steady. At the London Borough Market on Tuesday, light soil "King Edward" sold at 5s. 6d. to 6s. per cwt., ex market, as against 5s. 6d. to 6s. last week.

SPICES.—"Lampung" was quoted at 6½d. per lb. on Wednesday against 6½d. per lb. a week ago. Movements of pepper in London during the past week were as follows: Black, landed, 75 tons; delivered, 48 tons; stocks, 745 tons, against 624 tons a year ago. White, landed, 472 tons; delivered, 52 tons; stocks, 12,654 tons, against 2,068 tons a year ago.

MEAT.—Supplies have been substantial this week, but the continuance of mild weather acts as a check upon demand. Prices have fluctuated little. At Smithfield on Wednesday, Argentine beef, chilled hindquarters, was quoted at 3s. 8d. to 4s. per 8 lbs., as compared with 3s. 10d. to 4s. 2d. last week. New Zealand frozen mutton was 3s. 4d. to 4s. per 8 lbs., against 2s. 10d. to 3s. 6d. a week ago. According to the Smithfield official market report, supplies during last week amounted to 10,186 tons, against 10,115 tons in the corresponding week last year. Imported beef, principally Argentine, formed 83.3 per cent. of the beef supplies, against 80.3 per cent. a year ago. Imported mutton, mainly from New Zealand, formed 69 per cent. of the total supply of mutton and lamb, against 66.1 per cent. in the same week last year.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—A much quieter feeling has manifested itself in most sections and quotations have taken an easier turn. Favourable news of harvesting operations in Argentina has caused some reaction in linseed, but buyers both here and on the Continent are seemingly disposed to await the official estimate of the new season's yield before resuming purchases. For December shipment to Antwerp £9 10s. has been paid. The current price of Plate to Hull January-February is around £9 5s. per ton. Indian linseed attracts but meagre attention, though shippers are more reasonable and quotations are largely nominal. Nearly the whole of the old Plate crop has now been shipped. The quantity of linseed now afloat for Europe is 66,900 tons (including 14,400 tons from India), or 8,500 tons less than last week; and for the United States and Canada 18,200 tons, against 22,900 tons a year ago. Cottonseed is in poor request and decidedly easier in price. Black Egyptian for shipment to February 7th is offered at £6 per ton, delivered terms.

Trade in vegetable oils is only moderately active. Raw linseed oil is easier in sympathy with seed, but is steady at the decline. December delivery is quoted £19 2s. 6d. per ton (naked) ex Hull mill, and January-April £19 5s. Crude cotton oil is not so firm. Egyptian ex Hull is quoted £20 and refined £22 per ton prompt. Oilcakes are in fair demand and steady in price.

HIDES AND LEATHER.—Considering the nearness of the Christmas holidays, trade in the hide, leather and footwear markets has kept up remarkably well, and although few firms are expecting much fresh business until the New Year, indications point to the prospect of a quite satisfactory resumption. There was very little change in prices for hides and skins from home-slaughtered cattle at the auctions this week; a few lots of warbled ox and heifers made ½d. per lb. less, while one or two classes of cows appreciated by a similar amount. Calfskins were inclined to be easier on the lighter weights, but heavies remained unchanged. The imported hide market has shown a firmer tendency, particularly in regard to wetsalted Argentine ox, in which descriptions a fair amount of trade has been done. Dry South American hides are unchanged in price, but there has been a fractional easing in quotations for Capes.

Business in the leather market has continued steady and, although individual requirements are still small, there is a fair amount of inquiry for rather larger parcels for delivery in the New Year. In English and wetsalted bends, request has been mainly in regard to light and medium averages and some quite good sales have been effected. Dry hide bends are quiet, shoe manufacturers not wishing to take more than they possibly can into stock until after the holiday. Inquiry for offal, both rough and pinned, has also been rather restricted. The upper leather section has shown less activity than the sole section and, although practically all descriptions have been asked for, orders have been most rigidly confined to goods required to complete those footwear orders which are wanted before the closing down.

TIMBER.—The spot market for European and Canadian building and joinery woods has continued dull, the large November imports, the heavy stocks on hand, unfavourable weather for outside work, and the keen desire to sell, all being unfavourable features to a healthy trade. Imports of the above descriptions for the eleven months of 1934 are 13.3 per cent. above those for the corresponding period of 1933 and 50 per cent. over those of January-November, 1932. In the forward market the North European shipping season is closing quickly. It is believed that many of the later sales have been made by shippers at low prices "to clear," which will tell on the strength of the spot market. Business for next season's goods (which will begin to arrive about May next) is in abeyance until the quantities and prices of the Russian exports to the United Kingdom have been definitely fixed. Canada has now to be regarded as a formidable competitor, and if this year's volume is surpassed next year this must perforce tell on the demand for the European varieties, the producers of which only a short while ago regarded this market as their own.

There is a good demand for the popular sawn hardwoods as a whole, but imports of American oak have shown a tendency to

decrease lately. The reason for this is that N.R.A. minimum export prices restrict forward business. London dock stocks of all oak lumber are slightly larger than those of a year ago, but whereas the American descriptions are of smaller volume the European are larger. There are plenty of Canadian hardwoods going into consumption, whilst another progressive branch of Empire trade is that in mahogany logs, principally from British West Africa, the demand for which is increasing at firmer prices. The call for mahogany lumber from British Empire sources is increasing month by month. More pitwood has also come forward this year, mainly from foreign sources, the collieries being slightly busier than at this time last year. Plywood imports have declined in recent weeks, although arrivals this week are in excess of those of 1933, and demand also is better.

RUBBER.—The tone of the market has been fairly steady during the past week and prices have fluctuated within rather narrow limits. Wednesday's quotations showed a slight advance over those ruling a week ago. The London market will be closed from noon to-day (Saturday) until Thursday next, and also on New Year's Day. In New York, Wednesday's spot price for rubber, at 12½ cents per lb., compared with 12½ cents per lb. a week ago. Wednesday's official closing price for standard ribbed smoked sheet in London was 6½d. per lb., as against 6½d. on the corresponding day last week. In forward positions, business has been done at 6½d. to 6¾d. for January-March, 1935, as against 6½d. to 6¾d. a week ago. Stocks in London and Liverpool at the end of last week, at 132,499 tons, show an increase of 3,037 tons as compared with the preceding week.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM

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

LONDON, December 19th.		POTATOES—		WOOL—		Cape	
CEREALS AND MEAT		Good English, per cwt.		English Southdown, greasy, per lb.		Dry and Dried Salted Cape	
GRAIN, &c.—	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.
Wheat—							
No. 2, N. Man. 496 lb.	30 9						
Eng. Gaz. av., per cwt.	4 11						
Barley, Eng. Gaz. av.	8 4						
Oats, Ld. Plata, landed.	6 8						
Maize, Ld. Plata, landed.	22 3						
Flour, Lon. stan. ex mill.	22 3						
280 lb.	22 3						
Rice, No. 2 Burma, per cwt.	6 9						
Tapioca, per cwt.	12 3						
Fair Flake, Singapore..	12 3						
MEAT—							
Beef, per 8 lbs.—							
English long sides	3 8 5 0						
Argentine chilled hinds	3 8 4 0						
Mutton, per 8 lbs.—							
English wethers	5 4 6 0						
N.Z. frozen	3 4 4 0						
Lamb, per 8 lbs.—							
N.Z. frozen	4 0 4 10						
Pork, English, per 8 lbs.	6 0 6 8						
OTHER FOODS							
BACON—							
English	88 0 90 0						
Irish	85 0 89 0						
Danish	88 0						
Dutch	84 0						
HAMS—							
Canadian	88 0 90 0						
American	88 0 94 0						
BUTTER—							
Australian	69 0						
New Zealand	69 0 70 0						
Danish	126 0						
CHEESE—							
Canadian	55 0 56 0						
New Zealand	43 0						
English Cheddars	82 0 90 0						
Dutch	42 0 47 0						
COCOA—							
(Duty, British grown, 11/8; foreign, 14/- cwt.)							
Accra, f.f., per cwt.	21 6 22 0						
Trinidad	38 0 46 0						
Grenada	30 0 34 0						
COFFEE—							
(Duty, British grown, 4/8; foreign, 14/- cwt.)							
Santos supr. c. & f. cwt.	47 6						
Colombian, good	54 0 65 0						
Costa Rica, med. to good	62 0 85 0						
East Indian	60 0 82 0						
Kenya, medium	50 0 62 0						
EGGS—							
English	120 15 16 0						
Danish	13 9 14 0						
FRUIT—Oranges—							
Denia	6 0 12 0						
Lemons, Malaga	7 0 11 0						
Sicilian	7 0 11 0						
Apples: Amer. (var.) brls.	10 0 12 0						
(var.) boxes	10 0 12 0						
" Australian	10 0 12 0						
Onions—							
Valencia, case	7 6 8 3						
Egyptian, bags	7 6 8 3						
Grapes, Lisbon, ½ boxes	8 0 12 0						
Almeria	8 0 12 0						
LARD—							
Irish bladders, pr. cwt.	56 0 59 0						
U.S. 56 lbs. boxes ..	50 0 53 9						
PEPPER—							
Black, per lb.—							
Muntok, fair White	1 4						
Black Lampung	0 6½						
Cinnamon—1st sort, per lb.	0 8½						
Cloves—Zanzibar, per lb.	0 6						
Ginger—per cwt.—							
African	35 0						
Jamaica, ord. to good..	75 0 100 0						
Mace	1 0 2 4						
Nutmegs, 65/-	0 10						
SAFAR—							
(Duty, 11/8 per cwt.)							
Centrifugals, 96%, prpt.	4 2½						
shipm., c.i.f. U.K./Cont.	17 9 19 6						
B.V.I., crystallised	17 9 19 6						
Java, white, c. & f. India	5 1½						
Aug.-Sept.	5 1½						
REFINED—London—							
Yellow Crystals	17 4½						
Cubes	21 6 22 0						
Crushed	19 3 19 9						
Granulated	17 9 21 9						
Home Grown	17 4½ 17 7½						
Molasses, in bond	1 3						
TEA—							
Indian—per lb.—							
Pekoe	No Sales.						
Broken Pekoe	No Sales.						
Orange Pekoe	No Sales.						
Broken Orange Pekoe..	No Sales.						
Ceylon—per lb.—							
Pekoe	No Sales.						
Broken Pekoe	No Sales.						
Orange Pekoe	No Sales.						
Broken Orange	No Sales.						
TOBACCO—							
(Duty, 9/6-10/8½ per lb., Empire growth, 7/5½-8/3½ per lb.)							
Virginia leaf	0 10 3 6						
Common to fine	0 10 3 6						
Rhodesian leaf	0 10 3 0						
Nyasaland leaf	0 9 1 6						
" strips	0 8 2 6						
East Indian	0 3 1 0						
" strips	0 4½ 1 3						
TEXTILES							
COTTON—							
Mid-American	7-11						
Sakellariadis, f.g.f.	8-91						

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(With this issue appears our Monthly Trade Supplement)

RELUCTANT RECOVERY

THE Christmas reflections on the state of world politics which we described last week disclosed a record in the past year of one disappointment after another, of civil strife in several countries, of the breakdown of the most strenuous efforts to attain collective security, and of grave misgiving for the year that lies ahead. Yet the lessons of experience have apparently been taken to heart, for we were able to describe the political situation as a little better at the close.

If our politician were to extend his survey to the economic field he would find a somewhat different picture. A year ago Great Britain, in company with most countries of the world, was experiencing a definite and substantial recovery from the depths of the great depression, and the momentum of the upswing continued well into 1934. But by the early summer the rate of recovery had slowed down, and for the greater part of the year we have been doing not much more than hold the ground that has been gained. This conclusion emerges from our own index of business activity (the graph of which will be found this week in our usual Trade Supplement), from the Board of Trade's index of production, from the experience and diagnoses of bankers and industrialists, and from the records of international statistics.

No single generalisation, however, applies equally to the whole world, and a closer analysis shows that progress has not been equally distributed. Indeed, a contrast at once suggests itself between the countries of the sterling group—which have done relatively well—and those of the gold bloc—which have been making heavy weather—while the United States come somewhere in between. We are not concerned here with the causes of this disparity in experience, but merely recall the evidence of it which is continually accumulating—as, for example, when the Netherlands Association of Employers recently stated in a letter to the Prime Minister that "wherever we look, there is no escape from the impression that Holland's sources of prosperity are definitely drying up." Holland, with its high standard of living and its huge trade built up on commercial freedom, is in a peculiarly vulnerable position when the world is in a mood of nationalistic restriction. But an assessment

of the present position in other gold standard countries shows a similar state of stagnation and of economic difficulty if not of actual regression. As to America, she has had ups and downs. The dollar has been stabilised in terms of gold for practically the whole of the year; but confidence has not yet returned, and the best that our New York correspondent can find to say is that the business world is hoping for a recovery in the spring—based on a resumption of building and a fresh expansion of the motor industry.

It is interesting to compare with these general statements the movement of wholesale prices, the heavy fall in which was at once the measure of the great depression and the cause of many of its far-reaching complications. Prices in the countries of the gold bloc have continued to fall, and the sustained downward trend has accentuated their internal difficulties; prices and production have tended to decline together. But in the rest of the world the curve of activity has not followed the movement of prices; for in the sterling group, where the improvement has been most pronounced, prices have neither risen nor fallen on balance during the year, while in America, where Mr Roosevelt's policies have succeeded in raising the price level substantially, the huge mass of the unemployed has not been appreciably reduced nor investment stimulated.

The fatal tendency to confuse cause and effect is nowhere better illustrated than in this matter of prices, for all over the world attempts have been made to escape from the slump by raising prices—without removing the causes that brought them down. Thus N.R.A. has raised building costs, but has not sufficiently increased the effective demand for houses—with the result that two incipient building booms have during the past twelve months been nipped in the bud. Elsewhere, many control schemes for restricting the supply of materials have been brought into effect and have raised prices. This has benefited individual trades; but in no case has it helped general recovery. France, so far as price policy is concerned, has been caught in two minds; for while she is ostensibly seeking to deflate so as to reduce costs to the price-level

resulting from the high value of the franc, she is at the same time holding up the cost of living by quotas and restrictions in the interests of her peasantry. The trouble with the world is that the price level is low because of the absence of demand. Almost nothing is being done to remedy this, and the raising of prices—by whatever method—without increasing the volume of effective demand for goods merely makes matters worse. Almost nothing has been done the world over to remove restrictions on trade, to lower tariffs, to encourage investment, or to revive confidence. In short, the world has swung back from the excesses of the depression—but it cannot yet be said that either monetary or trade policies have provided the conditions in which a new expansion of world trade can take place.

Meanwhile, how has England fared? The outstanding contributions of State policy towards recovery in 1934, as in past years, have been the maintenance of confidence in our financial stability and the continued policy of cheap money, which have together resulted in a steady fall in the rate of interest on long-term investments. But this monetary policy has not sufficed to bring about expansion. There has been a small increase of external trade and a more substantial expansion at home. Technical progress and business reorganisation have probably been more actively pursued than at any time since the war. Profits are recovering, and in new industries turnover is again expanding. But coal and cotton are now on a level of activity from which they are unlikely in present conditions to rise very substantially, and the growth of new industries is not sufficiently rapid to absorb many of the unemployed. No impression has therefore been made on the numbers of the unemployed since May, and the general attitude of the business world is not one of looking forward optimistically to further rapid progress.

For this world conditions are generally blamed; but our own policy in face of these conditions cannot escape censure, and its contradictions are at last being exposed even on the Government side of the House of Commons. The Government, through the mouth of Mr Runciman, offers a subsidy to shipping in the hope that we may induce other countries to abandon the subsidy policy and that one day there will be sufficient international trade to keep our ships at sea. But, at the very same time, our rulers are doing their best to prevent this by striving, at great cost to the taxpayer and consumer, to increase our home production of sugar, wheat, bacon and many other articles instead of acquiring them in exchange for our exports. It is imperative to find ways of providing useful work for our unemployed, but it is folly to make work at the cost of throwing others out of employment. There is no more urgent task in the New Year than that of bringing order out of the present chaos of our own economic policy.

In the political sphere we have recently seen the beneficial and instantaneous effect of clear and definite action by this country. The same could undoubtedly be achieved in the economic sphere—if only the Government knew its own mind. A conception of Britain's economic future and of its place in the world firmly and persistently pursued and translated into policy, would work wonders at home and abroad. Indeed, its effect in restoring general stability and well-being would be second only in importance to the supreme political task—without which even the wisest economic programme must come to grief—namely, the restoration of real peace between the nations.

The Road to Recovery

by

Sir Henry Strakosch, G.B.E.

will be published next week
as a Special Supplement to

The Economist

TIME AND SPEED

(BY A CORRESPONDENT)

THOSE of us who are old enough to remember the swimming of the Channel by Captain Webb will recall the stupefaction with which the news was received. It was as easy to imagine a man jumping a hundred yards. Swimming suddenly took on a new capacity in a new world. So with flying. Many gallant and quick flights had been made: the map was criss-crossed by air routes; but people only vaguely realised what was happening till they awoke with a start the other day to find that London was but seventy hours from Melbourne.

As a result of Mr C. W. A. Scott's and Mr T. Campbell Black's record-making flight to Melbourne, and the fine record of the Dutch air liner which came in second, a demand for speedier Empire air services at once arose. The response has been quickly made, for on Thursday of last week the Under-Secretary of State for Air announced in the House of Commons that, in conjunction with the Postmaster-General, the Air Ministry had been in consultation with Imperial Airways for many months; that proposals had been drafted, and approved by His Majesty's Government, who had conveyed them to the Dominion Governments concerned, and that, pending the approval of these Governments, they could be placed before the House. The scheme provides for

A very material improvement on present time schedules between the several parts of the Empire concerned; secondly, there is to be a substantial increase in the frequency of services; and, thirdly, all first-class mail to the Empire countries covered by the projected services is in future to be carried by air.

The new time schedules allow for just over two days to India, two and a half days to East Africa, four days to the Cape, four days to Singapore, and seven days to Australia. Four, or possibly five, services a week to India are envisaged; three a week to Singapore and East Africa; and two a week to South Africa and Australia respectively. No details of the financial arrangements were given, but the Under-Secretary referred to "a comprehensive programme for the development of a ground organisation of Empire air routes on a basis which will enable the services, which will cater for passenger as well as mail traffic, to operate by night as freely as by day." In view of so important a step forward it is opportune to examine the present position of British commercial aviation as compared with that of other countries.

Six important countries compete in the air for world traffic and world commerce, the enterprises of the rest being either small or local. These six—Great Britain, United States, France, Germany, Holland and Italy—differ widely in the conditions under which they operate, the objects they have in view, the results they are obtaining and the money they are spending. Compare first of all Great Britain with the United States. In our island the home traffic is small, and is unlikely to extend greatly, seeing how short are our distances and how excellent our roads and our trains. Its chief opportunity will be overseas to Belfast, Dublin and the Channel Islands, where air competes with slow sea transport and passengers avoid sea-sickness. Except for such routes and small inland services, British commercial flying is represented by the overseas activities of Imperial Airways, the only company receiving a Government subsidy. Once across the Channel they have a concentrated and profitable European service; but the most important of their activities are the great Empire routes, of which one is to Cairo, Baghdad, India, Singapore and Brisbane, a total distance of 12,808 miles. The single fare is £195, against £96 to £123 by steamship, and the time taken is seven days. Another is through Cairo, by the Soudan and Nairobi to South Africa and Capetown—7,910 miles. The fare is £130, against £66 to £90 by steamship, and the time taken is four days. The last section of the Australian flight, Singapore to Brisbane, is undertaken by Qantas, the allied Australian company. Between Croydon and Australia eight foreign countries are crossed, each with its different ground organisation. Petrol on Empire routes costs 2s. 6d. a gallon, representing at that figure about 35 per cent. of total cost. The services get a subsidy

from the British Government (but with substantial additions from Dominion and Colonial sources for the Cairo to Capetown route) of £548,000 a year. Let it be added that, except for short routes, no commercial aeroplane in any part of the world takes the air without a subsidy.

Such are the British conditions. Very different are the American. There you have immense internal routes—New York to Los Angeles is 2,609 miles; a domestic service worked, not by a unitary company such as Imperial Airways, but by thirty-one separate concerns; a ground staff all of one nationality; and petrol at 7d. a gallon, against 2s. 6d. There is little that corresponds with our Empire services, but as against these the American companies do, and we do not, launch out into foreign lands. They are active in South America, which they are coming to regard almost as their own territory, and they are beginning to operate in China; consequently about one-third of their subsidy is spent outside the national boundary. The actual cost of this subsidy to the United States Government was for the last financial year £4,750,000 against our humble £548,000. We treat the air as a bond of Empire, a means of quickening Empire mails, and a help to Empire trade. The United States, not having the same problem, have turned to foreign trade. Their incursions into South America, China and elsewhere are commercial—"showing the flag," and getting a grip on foreign markets. It is difficult to estimate their success. But they are being followed by France, Germany and Holland. France, including her South American service, spent £1,465,000 last year in subsidy, and Germany, in 1932, £850,000. Both these sums, it will be seen, greatly exceed the British. Holland's payment is impossible to calculate. Nominally, she spent £72,000 on the average of the last three years, and in addition £82,000 in the Dutch East Indies, a total of only £142,000 a year, which is astonishingly low even for so thrifty a people. But there is in reality much more, because of some ingenious indirect subsidies too complicated to describe.

All three countries follow Britain in one respect, for they each have a unified transport system. But all follow the United States in making a bold push for foreign trade. France, of course, runs European services, and also an excellent one to her possessions in North Africa: Germany too has spread her net over northern Europe, including Russia. And each has a substantial internal traffic. But their great goal is overseas. The only existing passenger service to South America is by the Graf Zeppelin, which has been suspended for the winter. It carried on a fortnightly service from Friedrichshafen to Pernambuco, at a fare of Rm. 1,400 throughout the summer. Air France has a weekly air mail service from Toulouse to Rio, Buenos Aires and Chile. But all three countries are planning to fly regularly across the South Atlantic, and to carry passengers and goods as well as mail.

The Dutch up to now have concentrated solely on the route to the East. They fly to Batavia, 9,037 miles, in nine days in winter and eight days in summer, but these times will be improved, and it is said that a five-day service will be started. In fact, the Christmas flight, which met with so terrible a disaster, was to have done it in three. They have one ambition, to reach Australia and get a share in the Australian mail.

How does Great Britain compare with her European rivals? Imperial Airways on their world services carried last year a greater ton-mileage than Air France, 90 per cent. more than K.L.M., the Dutch company, and double that of the Italians; German figures are not available. Ton-mileage figures of the United States are, of course, not comparable. But economically Britain is ahead. The United States have reached high speed and high technical efficiency, but at great cost.

Speed is the commodity which air transport has to sell; but it can be bought too dearly. Speeds which are technically possible are not practicable economically. Air transport, like that by sea or rail, has its economic speed which can only be increased at a ruinous price. The new Cunarder is a 28-knot boat: at 30 knots she would have crossed more quickly and competed on better terms: but this 7 per cent. increase in speed would have entailed a 21 per cent. increase in cost, and prohibitive working ex-

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penses. Opinions differ as to the proper normal economic cruising speed for long-distance air transport. The Singapore-Brisbane section of the Australian route is being flown at 145 miles per hour: the highest average of any American fleet is 162. Probably at the moment 140 to 150 is the economic limit; but things move swiftly in the air, and by the time these words are printed some inspired inventor may have designed an aeroplane that is still faster, and yet economic. But the United States have admittedly gone too fast. An extravagant air boom has been followed by a disastrous slump: an output of 6,000 planes in 1929 fell to 1,050 in 1933, a figure lower than ours: some few individuals made fortunes, whilst thousands of small investors suffered lamentable losses. Thereupon, the aviation companies with one accord told the Federal Aviation Commission that they would be ruined: "at the present rate all the lines will be in bankruptcy not later than June 30, 1935," and, again, "most, if not all, of the present companies carrying mail, express and passengers by air . . . can continue only so long as their capital reserves hold out." Against this, Imperial Airways pay a handsome dividend.

But before we are too complacent, let a word be said on the other side. We traditionally distrust subsidies, and, indeed, most of them are awarded ill-advisedly; but it might pay us to extend more into world trade than we do now. We might copy the United States in this, and the money would be well invested. After all, if subsidies are to be paid at all, it is desirable to get the best return for them. We have shown that we can work air transport more safely, more efficiently and, above all, more cheaply than our rivals. Moreover, subsidies for the air cost little compared with the large sums we have spent on other services. The future may show that we should have been wiser to have spent a quarter of a million in helping the air than a much larger sum in helping shipping. An extra quarter-million in the air would have taken us a very long way indeed.

MEAT SUPPLIES AND PRICES

IN our issue of December 1st we attempted to trace the effects of import restriction on bacon supplies and prices. In this article we discuss the effects of restriction on supplies and prices of beef and mutton respectively. A marketing scheme has not of course been in operation for beef and mutton, as it has for bacon.

In the case of beef and mutton, unlike that of bacon, a long-term change of demand was already operating before the depression began. A transfer of taste away from beef and towards mutton and pork was gradually taking place. Total supplies of beef and veal on the British market were more or less stable between 1923 and 1930, but prices were steadily, if slowly, falling. Annual *per capita* consumption in Great Britain dropped from 71.2 lbs. in 1925 to

69.8 lbs. in 1930. A tendency was also apparent for chilled beef, which comes mostly from South America; to drive frozen beef, which comes from Australia, out of the field. At the same time, *per capita* consumption of mutton and lamb, which comes mainly from New Zealand but also from Australia and Argentina, was increasing. Nevertheless, the total of beef and veal consumed was still twice as great as that of mutton and lamb in 1930.

The subsequent history of beef supplies and prices gives clear evidence of this pre-depression shift of demand. When the depression supervened, a general falling off in purchasing power was added to the shift of taste away from beef, and prices fell heavily. The wholesale price of English beef fell from 6s. 1d. in April, 1930, to 4s. in October, 1932, and of Argentine from 5s. 7d. in August, 1930, to 3s. 4d. in February, 1932. This fall was wholly due to a falling off in demand, and not, as in the case of bacon and mutton, partly to an increase in supply; for total supplies of beef and veal fell from 1,268,000 tons in 1930 to 1,188,000 tons in 1932. Both home supplies and imports fell, though Empire imports were actually increasing rapidly. A fall of about 9 per cent. in foreign imports coincided with a 20 per cent. fall in the price of Argentine beef; and a fall of about 8 per cent. in home supplies coincided with a fall in prices of about 13 per cent. Meanwhile retail prices of British had fallen from 1s. 4½d. in January, 1930, to 1s. 2½d. in December, 1932, and of frozen from 11½d. in February, 1930, to 8½d. in November, 1932.

BEEF AND VEAL				
	1930	1932	1933	1934
Imports—				
Empire	'000 tons 63	84	115	149*
Foreign	'000 tons 583	531	496	451*
Total	646	615	611	600*
† Home supplies	'000 tons 622	573	560†	...
Total supplies	'000 tons 1,268	1,188	1,171	...
Wholesale prices (annual average)				
English	per 8 lbs. 5/8	4/11	4/5	4/4*
Argentine	per 8 lbs. 4/11	3/11	3/9	3/9*
Retail prices (annual average)—				
English	per lb. 1/4½	1/3	1/2	1/2*
Chilled or frozen	per lb. -/10½	-/9½	-/9	-/9*

* On the basis of the first ten months. † Fat stock Reorganisation Commission Report. ‡ Ministry of Agriculture estimate.

Although a shrinkage of demand had been the cause of the fall in beef prices, the Government decided in 1932 to attempt to raise prices by contracting supplies. Restriction was agreed on at the Ottawa Conference in the summer of 1932. Certain voluntary restrictions of foreign imports were arranged in the last two months of 1932; and the Ottawa Agreements actually came into force at the beginning of 1933. By these Agreements foreign beef imports were to be limited in the next two years to the following percentage of the "Ottawa year" (June, 1931-June, 1932):—

	Jan.- March, 1933	April- June, 1933	July- Sept., 1933	Oct.- Dec., 1933	Jan.- March, 1934	April- June, 1934
Chilled beef..	100	100	100	100	100	100
Frozen beef..	90	85	80	75	70	65

Still greater emergency reductions of foreign imports were arranged later, and detailed arrangements for restriction were embodied in the Argentine Agreement. The Dominions, however, were promised free entry into the British market up to June 30, 1934. In return Australia promised to "use its best endeavours to ensure" that frozen beef exports to this country should not increase by more than 10 per cent. Finally, it must be remembered that a heavy tariff was imposed on beef imports from Ireland in July, 1932.

The effect of these restrictive efforts was a drop in foreign imports of beef and veal from 531,000 tons in 1932 to 496,000 tons in 1933 and 451,000 tons (on the basis of the first ten months) in 1934. Meanwhile, Empire imports rose from 84,000 tons in 1932 to 115,000 tons in 1933 and 149,000 tons in 1934 (on the basis of the first ten months). There has actually been a fall in total imports both between 1932 and 1933, and (despite heavy Empire imports) between 1933 and 1934. Home supplies fell slightly between 1932 and 1933; and no figures are available for 1934. Total supplies were consequently very slightly lower in 1933 than 1932, and seem likely to fall a little further in 1934.

Restriction has entirely failed, in the case of beef, to raise prices. Wholesale prices, after a brief increase between November, 1932, and January, 1933, continued to fall until the middle of 1933, and have scarcely risen since. The annual average price of English beef actually fell from 4s. 11d. in 1932 to 4s. 5d. in 1933 and 4s. 4d. in the first ten months of 1934; and the annual average of Argentine fell from 3s. 11d. in 1932 to 3s. 9d. in 1933 and 1934. Meanwhile retail prices of English beef fell from 1s. 2½d. in December, 1932, to 1s. 1½d. in November, 1934; retail prices of Argentine remained more or less stable. Throughout 1934 both retail prices have been well below the pre-depression level.

When the Fat Stock Reorganisation Commission reported this summer and the temporary beef subsidy was granted, the general effect of restricting beef imports had been to maintain total supplies slightly below the pre-restriction level and well below the pre-depression level, foreign imports being heavily reduced and Empire imports heavily increased. Prices have remained at the pre-restriction level—about 20 per cent., that is to say, below the pre-depression level.

Mutton and lamb have fared differently. Supplies had been increasing before the depression and they continued to increase from 1930 to 1932, despite the falling off in purchasing power. Both imports and home supplies increased substantially, and total supplies were 616,000 tons in 1932 compared with 545,000 tons in 1930. The result was a heavy fall in prices. Wholesale prices of English mutton fell from 7s. 10d. in June and July, 1930, to 4s. in October, 1932, or nearly 50 per cent., and those of New Zealand mutton from 5s. 4d. in February, 1930, to 2s. 4d. in October, 1932, a fall of about 55 per cent. The annual average shows that the fall in prices was much greater than the fall in supplies. It is reasonable to infer, therefore, that demand was falling; i.e. that the shift of taste in favour of mutton was outweighed during these years by the general fall in purchasing power. Meanwhile retail prices of English mutton fell from 1s. 6d. in the spring and summer of 1930 to 1s. 2d. in December, 1932, and of frozen mutton from 11½d. in the spring of 1930 to 9d. in December, 1932:—

MUTTON AND LAMB				
	1930	1932	1933	1934
Imports—				
Empire*	'000 tons 205	253	252	287†
Foreign†	'000 tons 112	92	79	64‡
Total	317	345	331	351‡
Home supplies	'000 tons 228§	271§	275	...
Total supplies	'000 tons 545	616	606	...
Wholesale prices (annual average)				
English	per 8 lbs. 6/2	4/6	5/4	6/-†
New Zealand	per 8 lbs. 4/2	2/9	3/2	3/8‡
Retail prices (annual average)—				
English	per lb. 1/6	1/3½	1/2½	1/3 †
Frozen	per lb. -/11½	-/9½	-/9½	-/9½‡

* Australia and New Zealand.
† Argentina, Uruguay and Chile.
‡ On the basis of the first ten months.
§ Fat Stock Reorganisation Commission Report.
|| Ministry of Agriculture provisional estimate.

Restriction of mutton imports with the object of raising prices was also adopted by the Government in 1932. Voluntary emergency restrictions with Australia, New Zealand and Argentina were arranged in November and December, 1932. On January 1, 1933, the Ottawa Agreements came into force, according to which foreign imports of frozen mutton and lamb were to be reduced by the same percentages of the "Ottawa year" imports as applied to frozen beef in the table given above. Australia also promised to limit mutton and lamb imports to Great Britain to the quantity exported in the Ottawa year.

The effect of these restrictions was a fall in imports between 1932 and 1933 and a subsequent rise to a figure above that of 1932. Actually a large rise in Empire imports has more than offset a large fall in foreign imports; foreign imports are likely to be 40 per cent. less in 1934 than in 1930, though total imports are greater. Indeed, one of the salient movements over the whole period in the case of both beef and mutton has been the supersession of foreign by Empire imports. Home supplies of mutton and lamb have remained more or less stable since 1932; so that

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total supplies in 1933 were still well above the pre-depression level of 1930. And a further rise is more likely than a fall for the whole of 1934.

In spite of this increase in supplies, which contrasts with a decrease of beef supplies, prices have risen, whereas beef prices have failed to rise. Wholesale prices of English mutton rose from an average of 4s. 6d. in 1932 to 5s. 4d. in 1933 and to 6s. in the first ten months of 1934, and of New Zealand from an average of 2s. 9d. in 1932 to 3s. 2d. in 1933 and 3s. 8d. in the first ten months of 1934. Retail prices of English rose from 1s. 2d. in December, 1932, to 1s. 3d. in November, 1934, and of foreign from 9d. in December, 1932, to 9½d. in November, 1934. Wholesale prices, that is to say, have risen almost to the pre-depression level, and retail prices have risen above the pre-restriction level.

The principal moral of the whole story seems to be the potency of the influence of demand on the price of even such a comparative necessity as meat. During the depression period of 1930-32 the general shrinkage of demand was so powerful that beef prices fell, although supplies were falling. In the period of reviving demand between 1932-34 the shift from beef to mutton has been so marked that mutton prices have risen, despite an increase in supplies, and beef prices have fallen, despite a decrease in supplies. In 1930 the retail price of beef, both English and imported, was higher than that of mutton (judging by representative quotations). To-day it is lower; though beef supplies have fallen and mutton supplies risen. The further fact that wholesale mutton prices have risen, while beef prices have fallen, since 1932, although mutton prices fell faster than beef prices between 1930 and 1932, suggests that the policy of artificially maintaining beef prices is actually *accelerating* the shift of demand away from beef. At any rate, the policy of maintaining beef prices, whether by import restriction or levy, is likely to be a dangerous one. The Government is trying to sell a fixed quantity of British beef at a rising price on a falling market. Either levy or restriction will tend to raise prices, and this, in the case of beef, may restrict consumption so sharply as to defeat its own end. Indeed, the subsidy policy has involved the Government in a tangle which it will find it difficult to unravel.

THE YEAR'S NEW CAPITAL

THE demand for capital is one of the surest indices of economic activity. In an economic depression, the rate of interest generally falls, leading to recovery through increased investment at lower rates of interest. In the last two and a half years the rate has continued steadily downward, but economic activity has found an equilibrium at a lower level, thanks to the world-wide nature of the crisis and to the narrowly conceived national measures for its solution. Existing concerns have found themselves liquid, and few outlets for new capital and new enterprise are apparent.

The figures of new capital raised in the London market in the last three months bring us once more to the end of another year's statistics; but the present figures are not over-encouraging. Of the total of £43.7 millions raised, as against £17.7 millions in the corresponding quarter of 1933, the British Government borrowed only £1.4 millions in the form of a net surplus of Savings Certificates sales, while the balance was practically accounted for by British corporations (municipalities, public boards, etc.), gold and copper mining concerns, and a few home industries.

NEW CAPITAL ISSUES: CLASSES OF BORROWERS
(£ millions)

	Total	British Government	Foreign and Colonial Govt.	British Colonial and Foreign Corpns.	Foreign Railways	Mines, Finance, and Exploration	Rubber and Oil	Balance (Mainly Home Industry)
Whole year, 1927.....	355.1	66.0	67.5	37.9	5.4	33.2	11.0	134.1
" " 1928.....	369.0	83.8	56.1	28.4	3.1	49.7	8.7	141.2
" " 1929.....	285.2	65.4	30.0	12.1	7.8	41.5	6.4	122.0
" " 1930.....	267.8	65.6	70.3	44.7	7.6	11.5	9.3	58.8
" " 1931.....	102.1	10.7	32.2	8.0	2.9	12.2	0.2	35.9
" " 1932.....	188.9	102.8	23.8	Nil	2.7	0.8	29.9	...
" " 1933.....	244.8	150.8	29.4	24.6	Nil	6.1	0.2	33.7
" " 1934.....	169.1	44.1	8.4	36.1	Nil	23.9	1.9	54.7
1934—1st quarter ..	20.1	1.3	1.5	5.7	Nil	3.1	0.2	8.3
2nd " ..	76.8	41.6	6.9	6.3	Nil	7.0	0.1	14.9
3rd " ..	28.5	Dr. 0.2	Nil	4.0	Nil	7.1	0.8	16.8
4th " ..	43.7	1.4	Nil	20.1	Nil	6.7	0.8	14.7
Total 1934	169.1	44.1	8.4	36.1	Nil	23.9	1.9	54.7

There were the usual absentees from the London new capital market, namely, foreign and colonial Governments, foreign and colonial corporations, and foreign railways. The net new borrowing in the last quarter of 1934 brings the annual total to £169.1 millions, or only two-thirds of the total in 1933 and the next lowest total to the record "low" of £102.1 millions in the crisis year of 1931. This is a disappointingly low total, but British corporations have provided a bright spot in place of the British Government.

Our next table shows the geographical distribution of the new issues:—

DESTINATION OF NEW CAPITAL

	Year 1913	Year 1930	Year 1931	Year 1932	Year 1933	Year 1934
United Kingdom—						
Government	Nil	65,640,000	10,700,000	102,739,200	150,813,600	44,100,000
Other	35,951,200	105,006,100	43,802,000	60,332,800	59,426,500	93,590,300
British Possessions—						
Government	26,278,700	49,081,300	30,571,600	23,761,200	24,174,500	8,461,200
Other	49,858,500	12,366,900	7,936,800	1,785,800	4,976,300	21,462,200
Foreign countries—						
Government	76,137,200	61,448,200	38,508,400	25,547,000	29,150,800	29,923,400
Other	26,158,200	21,330,000	1,740,000	Nil	5,298,600	Nil
Grand Total	196,537,000	267,800,700	102,144,300	188,910,000	244,780,500	169,108,700

From these figures the slump in foreign borrowing, largely due to the Treasury embargo, is patent. Indeed, in the last quarter the only activity abroad seemed to be in gold mines in British possessions. On the other hand, new issues for "other" than Government purposes in the United Kingdom have risen in 1934 to very near their 1930 level, at £93.6 millions, and form a higher proportion of the total raised than for many years past.

The next table analyses the new issues into their public or industrial groupings, and gives the corresponding figures for 1933:—

Description	Whole Year, 1933	Year 1934		
		Three Quarters to Sept. 30	Fourth Quarter	Total, Whole Year, 1934
British Government Loans ...	150,813,600	42,650,000	1,450,000	44,100,000
Domestic and Colonial Government Loans ...	24,174,500	8,461,200	Nil	8,461,200
Foreign Government Loans ...	5,298,600	Nil	Nil	Nil
British Corporations, County and Public Board Loans ...	24,542,500	15,974,900	20,164,100	36,139,000
Colonial Corporation and Public Board Loans ...	Nil	Nil	Nil	Nil
Foreign Corporations ...	Nil	Nil	Nil	Nil
British Railways ...	Nil	Nil	Nil	Nil
Colonial Railways ...	Nil	178,500	Nil	178,500
Foreign Railways ...	Nil	Nil	Nil	Nil
Australian Mines ...	738,300	835,700	600,000	1,435,700
South African Mines ...	1,581,200	3,688,100	2,500,000	6,189,300
Other Mines ...	1,133,400	6,089,600	1,704,000	7,927,000
Exploration, Financial and Investment Trusts ...	2,738,700	6,661,900	1,936,300	8,596,900
Breweries and Distilleries ...	4,977,100	1,478,000	133,900	1,611,900
Merchants, Importers, etc. ...	Nil	Nil	Nil	Nil
Stores and Trading ...	2,694,400	629,800	Nil	629,800
Estate and Land ...	229,000	740,700	254,200	994,900
Rubber ...	294,400	584,400	867,000	1,451,400
Oil ...	Nil	489,300	Nil	489,300
Iron, Steel, Coal and Engineering ...	183,800	13,794,900	4,881,900	18,676,800
Electric Light, Power and Telegraph ...	1,941,200	3,482,200	1,172,500	4,654,700
Tramways and Omnibuses ...	75,000	Nil	206,200	206,200
Motor Traction and Manufacturing ...	Nil	2,153,600	Nil	2,153,600
Gas and Water ...	Nil	Nil	Nil	Nil
Hotels, Theatres and Entertainment ...	2,272,400	1,027,800	2,720,200	3,748,000
Patents & Proprietary Articles ...	Nil	3,896,800	1,248,000	5,144,800
Docks, Harbours and Shipping ...	Nil	Nil	Nil	Nil
Banks and Insurance ...	817,000	Nil	1,050,000	1,050,000
Manufacturing & Miscellaneous ...	20,365,400	12,627,800	2,795,200	15,423,000
Total ...	244,780,500	125,425,200	43,683,500	169,108,700

From this table it is clear that the last quarter's figures have added little novelty to the year's chronicle. The absentees of the last quarter are again notable; activity is centred upon British Corporations, in which category come the borrowings of £3 millions by Sheffield, £6 millions by the Central Electricity Board, £5 millions by Birmingham, and £1 million by London and Home Counties Electricity; upon gold mines, among which appear borrowings of £600,000 by Kalgoolie in Australia, £2½ millions by "Kafir" gold mines, and a little for copper and tin concerns under foreign mines; and upon iron, steel, coal and engineering, in which group are new borrowings of £2½ millions by United Steel Companies, and of £1.6 millions by Colvilles. There was a little activity apparent in plantations, holding and investment trusts, and property companies under the heading "Exploration, financial, etc."; and again in rubber, electric light, cinema, motor accessories, and patent medicine concerns. The Eagle, Star and British Dominions Insurance Company raised a shade over £1 million in new capital (second cumulative preference shares at 4 per cent.). The once considerable repository of new borrowers, under the heading "Manufacturing and Miscellaneous," accounted for very little last quarter; in this group appear such concerns as three aircraft manufacturing companies, one cement concern, one asphalt company, one paper manufacturer, two or three automatic device manufacturers, and one brickmaking concern.

The whole year's figures show to what a large extent the new capital market has proved dependent upon one or two outstanding lines of economic development—e.g. Government and corporation borrowing, gold mines, property trusts, iron and steel companies (after the imposition of a very high tariff), electric light and power undertakings, and concerns mainly ministering to home demand for "secondary" goods or "conventional necessities" like entertainments, patent medicines, hotels, breweries, and the concerns allied to the now active building industry.

Our next table shows the distribution of the net new borrowing over the different forms of participation in enterprise:—

Year		NATURE OF BORROWING			Total
		Debentures, Bonds, etc.	Preference Stocks and Shares	Ordinary Stocks and Shares	
1927	...	228,958,000	36,836,600	89,371,400	355,166,000
1928	...	212,917,900	45,062,600	111,177,600	369,158,100
1929	...	137,670,300	31,543,400	116,025,700	285,239,400
1930	...	230,364,800	15,824,600	22,090,100	268,279,500
1931	...	74,935,600	6,911,900	20,296,800	102,144,300
1932	...	170,172,800	12,773,800	5,963,400	188,910,000
1933	...	222,064,300	12,733,700	9,982,500	244,780,500
1934	...	102,769,300	21,461,000	44,878,400	169,108,700

The proportion of new capital raised in the form of ordinary ("equity") stocks and shares is very much higher—higher than at any time since the last prosperity year, 1929. Similarly, the preference stock and share has come back into favour. But the debenture has fallen into disfavour; for we have to go back again to 1929 before we find debentures accounting for so small a proportion of the total of new capital raised.

The following table is striking evidence of the tone of the London capital market, for in almost every case the new issues of the year stand at substantial premia over their issue prices. The latest quotations give no indication of any expectancy of lower rates of return on capital in the near future.

The following table shows the principal issues of the year 1934, with their issue prices and latest quotations:—

Month of Issue	Name and Description	Nominal Amount	Issue Price	Price, Dec. 24, 1934
1934				
Jan.	Nyasaland Government 3 per cent. Guar.	1,570,000	98½	102
Jan.	Port of London 3½ per cent. Reg. Stock	12,961,874	par	107½
Feb.	Raleigh Cycle Holdings Ord. £1	500,000	25/-	38/3x
Feb.	Australia 3½ per cent. 5½ Pref. £1	1,000,000	21/-	23/-x
Feb.	British Celanese 5½ per cent. Deb. Stk.	21,638,550	97	104
Feb.	Powell Duffryn Coal 4½ per cent.	2,800,000	par	104x
March	United Kingdom 3 per cent. Funding Loan	2,500,000	102½	109
April	Liverpool Corporation 3 per cent., 1954-64	150,000,000	98	104½
April	Canada (Govt.) 3½ per cent., 1950-55	4,000,000	96½	102
June	Kent Gold Arica (10/-)	10,000,000	98½	105
July	Cory (Wm.) £1 shares	1,000,000	par	11/-
July	Griffiths Hughes Props. 5½ Cum. Pref. £1	1,000,000	20/6	49/4
July	New Zealand Govt. 3½ Stk., 1955-60	3,989,100	par	106
July	Welsh Associated Collieries 5½ Pref.	500,000	21/6	20/-x
Sept.	Argentine Government 4½ Bonds	1,500,000	par	102x
Sept.	Nigeria Government 3½ Stock, 1955	6,771,880	93½	95
Sept.	City of Stoke-on-Trent 3½, 1955-65	4,045,593	97½	104
Sept.	Eno Proprietaries 5½ Ord.	1,000,000	par	104½
Oct.	Sheffield Corporation 3½ Stk.	1,000,000	11/-	12/3
Oct.	United Steel Co. 4½ Deb. Stk.	5,000,000	98½	101½
Oct.	Associated British Picture 5½ Deb. Stk.	2,500,000	par	105
Oct.	Colvilles 5½ Cum. Pref. £1	2,500,000	101	97½
Oct.	Central Electricity 3½ Stk.	1,600,000	20/6	21/-
Nov.	Argentine Navigation 5½ Debs.	6,000,000	93	97
Nov.	City of Birmingham 2½ Stk., 1955-57	1,500,000	98	97½
Dec.	Argentine Govt. 4½ Bonds	5,000,000	98½	98
Dec.	Austrian Govt. 4½ Guar. Bonds	3,800,000	94½	95
Dec.	South Africa 3½ Stk., 1954-64	10,163,900	98½	98½
Dec.	Swansea 3½ 1955-65	11,000,000	par	100½
Dec.		2,250,000	100½	...

(c) For Conversion purposes. (d) £105,000,000 for Conversion purposes. (e) £2,735,253 for Conversion purposes. (f) £1,728,900 for Conversion purposes.

The entry of borrowers on to the public market by the circuitous route of the Stock Exchange "introduction" continues to be a feature of these figures:—

CASH INVOLVED IN ISSUES BY STOCK EXCHANGE INTRODUCTION

	United Kingdom	Dominions and Colonies	Abroad	Total
Year 1932				
1st Quarter	473,800	96,500	Nil	570,300
2nd Quarter	4,866,500	1,515,100	Nil	6,381,600
3rd Quarter	2,200,000	Nil	Nil	2,200,000
4th Quarter	5,851,000	550,000	Nil	6,401,000
Total Year 1932	13,391,300	2,161,600	Nil	15,552,900
Year 1933				
1st Quarter	4,599,300	3,342,300	Nil	7,941,600
2nd Quarter	11,774,100	2,410,300	Nil	14,184,400
3rd Quarter	6,569,400	Nil	Nil	6,569,400
4th Quarter	8,918,900	1,404,800	Nil	10,323,700
Total Year 1933	31,861,700	7,157,400	Nil	39,019,100
Year 1934				
1st Quarter	6,995,500	Nil	Nil	6,995,500
2nd Quarter	6,368,300	618,600	Nil	6,986,900
3rd Quarter	7,349,200	10,784,000	1,331,700	19,464,900
4th Quarter	4,819,700	4,048,100	Nil	8,867,800
Total Year 1934	25,527,700	15,450,700	1,331,700	42,310,100

Not quite so much new capital was raised last quarter by this method as in the last quarter of 1933, though much more, relatively, was so raised for the Dominions and Colonies. The total raised in this way for the year 1934 is, however, a record.

Our review of the capital market in 1934 is not complete without reference to the issues of new capital for the purpose of converting outstanding capital to lower rates of interest. These are shown in the last table:—

TOTAL CONVERSION OPERATIONS			
	To all Conversions		Total Conversions
Whole year 1928	324,041,983	Whole year 1932	2,510,774,302 (a)
Whole year 1929	203,525,540	Whole year 1933	223,141,000 (b)
Whole year 1930	187,089,084	Whole year 1934	241,571,600 (c)
Whole year 1931	12,246,375		

(a) Includes British Government conversions of £2,478,967,382.
(b) Includes British Government conversions of £50,757,000.
(c) Includes British Government conversions of £105,000,000.

In 1934 the British Government issued £105 millions for conversion purposes, leaving a net total of £136.9 millions. Of this balance Dominion and Colonial Governments issued £60.5 millions, of which £36.1 millions were by Australia, £2.7 millions by Canada, £2.7 millions by Southern Rhodesia, £4 millions by New Zealand, £11 mil-

lions by South Africa, and £4 millions by Nigeria; foreign Governments issued £24.2 millions, of which Austria issued £10 millions, Argentina £12.9 millions and Iceland and Finland £1.3 millions between them; and British (home) corporations issued £20 millions. Of the £223.1 millions issued in 1933 for conversion purposes, Governments and home corporations issued £165.2 millions, leaving £57.9 millions issued by enterprise in general, both home and foreign. In 1934, however, whereas the total was higher at £241.9 millions, Governments and home corporations issued £209.8 millions, leaving only £32.1 millions issued by enterprise for converting outstanding capital to lower interest rates.

We may sum up, therefore, in these terms: interest rates continue downwards; Dominion, Colonial and foreign Governments have promptly taken advantage of this trend to convert; but the British Government still holds its hand. In the absence of a revival in international trade, which would benefit the London capital market, British heavy exporting industries and British shipping, new industrial borrowers are still confined to the home recovery industries, to tariff-protected or "restrictionist" industries and to gold-mining, which is reaping an adventitious reward from the world's currency chaos. Nevertheless, in the return of the equity share to favour some faint signs of a return to the upturn of economic activity can be discerned.

NOTES OF THE WEEK

Monetary Policy in Parliament.—The debate on monetary policy in the House of Commons on Friday of last week failed to elicit anything new. The Government promised nothing and revealed nothing, while private members, though they rode their respective hobby horses, contributed no ideas that are not already painfully familiar. Virtually the only lesson of interest to be derived from the debate was the hostility shown in every party to the dumb autocracy of our financial system, personified for most members in the Governor of the Bank of England. Mr Boothby made the most interesting speech of the day. His chief complaint was that the Government had no declared financial policy save the maintenance of cheap money, which, as he convincingly demonstrated, is only the beginning of a true policy. By way of suggestions, he named three directions in which cheap money might be utilised: the purchase of coal royalties, the construction of roads and the housing of the poor. Mr Boothby also showed a gratifying interest, surprising in one of his Party, in the international trade of this country, though it is doubtful whether there will be general agreement with his prescription of a return to the gold standard with "a 50-cent dollar and a ros. pound, linked at an exchange rate of five dollars and a gold price of 165s." Mr Amery followed with a strange compound of common sense and the crudest fallacies. He criticised the belief that cheap money is an end in itself; he condemned the fallacy that prosperity can be achieved by restriction; he made the sensible point that the failure of public works in 1929-31 did not mean their uselessness in 1935; and he suggested the application of the War Cabinet remedy to the present congenial inability of the Cabinet to formulate a policy. But his only contribution to a positive policy was to suggest the further restriction of manufactured imports; if imports could be reduced by £50 millions, employment, he said, could be increased by 200,000. It is strange that Mr Amery found it possible to talk this nonsense not only with the same breath as he condemned restrictionism but in a debate in which several members dwelt at length on the woes of Lancashire. Mr Lloyd George revealed nothing of his promised "New Deal," but contented himself with joining in the general clamour for a statement of policy from the Government. Mr Chamberlain conceded nothing to the House. He agreed in academic terms with many of the suggestions put forward in the debate—notably with the "unification" of mining royalties—but always with the qualification that nothing could really be done about it. There was not one

particle of comfort for those who are anxious that the promising recovery of 1932-34 should not come to a stop. All that the Chancellor of the Exchequer had to offer was forty minutes of blank negation. His most interesting statements were impromptu replies to interrogations. To Mr D. M. Mason, who asked him whether he suggested that the Government had been entirely responsible for cheap money, he replied, "Most certainly I do"; and to Mr Lloyd George, who reminded him that he was expected to say something about unemployment policy, he said, "Our unemployment policy is to continue as we have been doing." These two remarks, taken with the general tone of his speech, convict him out of his own mouth of being in what Mr Boothby called "a trance of self-satisfaction and complacency."

Sir John Simon in Paris.—Last Saturday Sir John Simon, *en passage* through Paris, had a discussion with M. Laval which ranged over the whole field of international affairs without resulting, or being intended to result, in any positive action. The interest of the discussion between the two statesmen—as far as its upshot has been made public—lies in the evidence which it gives of the progress of two tendencies: a tendency for the different strands of transactions and relations to weave themselves into a single rope; and the tendency for French and English policies to move slowly nearer together. German armaments seem, as before, to have taken first place on the agenda; and it is on this subject that French and British views remain farthest apart. For, while both the French and the British Governments would like to see Germany re-enter the League and become a party to an agreement for the limitation of armaments, the French are still unable to pay the price of recognising the illegal rearmament which Germany has already carried out. Perhaps the key to a solution of the German problem lies in the relations between France and Italy. If a firm and cordial agreement between these two Powers can be achieved, France will be able to accept with equanimity a higher level of German armaments than she could otherwise reconcile herself to. In that event Germany may be enabled to satisfy her *amour propre* (if that is really all she wants) without being enabled to use her increased armaments as the instrument of an aggressive national policy—for instance, in her dealings with Austria. A Franco-Italian

entente which safeguarded Austrian integrity and included a *détente* between Italy and Yugoslavia and between the Little Entente and Hungary would indeed be worth having. And, if British good offices can in any way contribute towards this end, we may find our reward in a relaxation of the present French attitude towards Germany. The Japanese denunciation of the Washington Naval Treaty, which was among the subjects discussed in Paris last Saturday, has an intimate bearing on European problems for the simple reason that the British Grand Fleet cannot be at Scapa Flow and Singapore at one and the same moment. If Franco-Italian naval competition in the Mediterranean were brought to an end, and if a European understanding about armaments were reached between France, Italy and Great Britain on the one hand and Germany on the other, the unpleasant possibility of simultaneous outbreaks in Europe and in the Far East would fade out of the international horizon.

* * *

A Pig Crisis.—The crisis in the affairs of the bacon pig marketing scheme is rapidly coming to a head. The contract terms for next year, as negotiated by the Pigs and Bacon Boards, included an obligation on the part of the breeder to spread his deliveries of pigs with a certain minimum degree of regularity over the twelve months of the year. Not less than 25 per cent. of the total contracted for was to be delivered in the first four months of the year, nor more than 45 per cent. in the last four months. In addition prices were to vary with the price of bacon, feeding stuffs and offals. Both these provisions were concessions to the curers (the latter being repeated from the previous contracting period), and they were apparently so little to the taste of the breeders that an inadequate supply of pigs was contracted for. Moreover, the distribution between factories was most uneven. The curers consequently delivered an ultimatum that unless a further 450,000 pigs were contracted for by December 22nd they would withdraw from the scheme. These additional pigs were not to be subject to the level-delivery provisions, but the contracts were to be made direct with the Board, so that they could be distributed to the factories with inadequate supplies. These additional pigs have not been forthcoming; indeed, it is understood that not many more than 100,000 pigs have been offered. The scheme is thus on the verge of collapse. Collapse would mean the disorganisation of the market and, presumably, the suspension of import restrictions, since the legality of these restrictions depends on the existence of a marketing scheme. It will be most regrettable if any scheme for organising agricultural marketing should collapse. But if it fails, let us at least be clear where the blame lies. It lies not on foreign competition nor on the "collapse of the price structure" nor on the "economics of glut," but on the inability of the domestic pig breeders to organise their production efficiently and in a manner suited to the needs of the market.

* * *

Equality before the Law.—It has been the proud boast of this country that all men are equal before the law. Not so men and women, however; nor even all women. For the married woman was originally devoid of personality under the Common Law. Her property, as her person, was merged in the marriage with that of the husband. He gained her property, at the cost of incurring all liability for her debts and civil wrongs, whether incurred before or after marriage. A Married Women's Property Act of 1882 recognised the equitable safeguards devised and accorded by the Court of Chancery to married women's property which had been put into trust. The Act of 1882, however, only allowed a married woman to enter into contracts, and to sue and be sued for civil wrongs, to the extent of her *separate property*—i.e. property retained at marriage or acquired thereafter. After 1882 "her husband need not be joined with her as plaintiff or defendant" . . . but he still could be joined with her as a defendant in an action for civil wrong. The married woman was still in a favoured position *vis-à-vis* bachelors, husbands and spinsters; for the Court of Chancery long ago devised the "restraint upon anticipation" clause, which prevented a married woman from realising

her capital in the trust, or from mortgaging her future income from it. Thus, even after 1882, creditors who had obtained judgment against a married woman could only enforce it against her separate property; they could not realise any of her capital, nor attach any of her income before it originated or reached her hands, nor put her in prison for debt. All these anomalies remain to-day. But in January of this year the Lord Chancellor appointed a Committee to report, *inter alia*, on the state of the law regarding the married woman's liability in tort and contract and the liability of her husband for her torts. The report of this Committee was published on December 21st. The Committee, composed of six High Court Judges, three professors of law, as well as barristers, solicitors and civil servants, unanimously recommend that a husband, as such, shall no longer be liable for his wife's ante-nuptial debts, contracts or wrongs, nor for wrongs committed by his wife during marriage; that her "separate property" be eliminated from the law, so that she be in the same position as a man or unmarried woman in contract; that the married woman's capacity in contract, her right to sue and liability to be sued and to have judgments executed against her, should be the same as that of men and unmarried women; and that the "restraint on anticipation" clause should be made illegal in future. The Committee even goes so far beyond its terms of reference as to hint that the proviso to rule 16 of the General Rules under the Income Tax Act, 1918, by which the "profits" of a married woman living with her husband are deemed to be the "profits" of the husband and are charged in his name, should be revised so as to place the married woman in the same position as the *feme sole*. Ardent feminists will welcome these latest recommendations of a progressive Lord Chancellor's progressive Committee. So will all Englishmen who, like Figaro, wish to "avenge the whole race of husbands."

* * *

Politics and Conscience in Germany.—While the Third Reich is leaving the Catholic Church alone pending the taking of the plebiscite in the Saar, it has resumed its offensive against German Protestantism. The State has officially declared its neutrality in the conflict between the Confessional Movement and "the German Christians"; but it has not ceased from its efforts to badger the Confessional Administration, by threats of using the power of the purse, into coming to terms with their opponents. The latest proposals from the Government side have been for a fusion in which the incompetent Reichsbishop Müller would fade out in order to make way for Bishop Marahrens of Hanover to reign in his stead, while on the other hand the offices of Bishop of Prussia and Legal Administrator—made vacant by the removal of Drs. Müller and Jäger—would be placed in "German-Christian" or "semi-German-Christian" hands. The Confessional Movement went so far as to discuss this scheme, but it has declined, on closer inspection, to walk into the trap, and the negotiations have broken down. Assuredly the Confessional leaders have been wise in acting on the principle that "who sups with the Devil needs a long spoon." At the very moment when the Totalitarian State was saying "Peace, peace" to the Confessional leaders, it showed its teeth by procuring the dismissal of the famous Protestant theologian, Dr. Karl Barth, from his chair in the University of Bonn. A professor in a German university to-day is required to take a personal oath to Herr Hitler and to give the Hitler salute at the beginning of each of his lectures. Dr. Barth has refused to give the salute—as being tantamount to recognising the supremacy of the State in the domain of theology—and he has insisted, if he is to take the oath, in reserving, either explicitly or implicitly, his overriding loyalty to his duties as a Christian. This is precisely the stand that was taken by the early Church against the demands of the Roman Government, and the omen is auspicious. The issue between Dr. Barth and the pagan Third Reich is substantially the old issue between the primitive Christians and the pagan Roman Empire; and it is something much bigger than a parochial German affair. It concerns us all, for Karl Barth is fighting the battle of our generation against that idolatry of the State, tribe, class or race which is now attempting to impose itself, as the religion of the future, in some degree

throughout the world. The superstition which Karl Barth is defying on our behalf to-day is the idolisation of the State. He is on the side of the angels.

* * *

The Thaw in Yugoslavia.—During these critical days in Yugoslavia the news continues to be good. The ice is breaking, the frost is thawing. King Alexander is serving his country in death even better than in life, as he prayed with his last breath. Although, in one sense, Prince Paul's policy is a reversal of King Alexander's, it will achieve, if successful, the late King's ultimate aim of ensuring the maintenance of Yugoslav unity by grounding it on a broader basis than that of dictatorship. The most striking and encouraging feature in the new situation is the increasing success of the new Prime Minister, M. Yevitch. When the formation of his Ministry was announced he had been unable to secure the co-operation of the recognised leaders of the Serb Radicals, the Slovenes and the Croats. On the other side, M. Ouzounovitch and the other leaders of the late King Alexander's Yugoslav National Party remained openly hostile to M. Yevitch's enterprise. Every day, however, has been adding to M. Yevitch's strength. The free pardon for the Croat Peasant leader, Dr. Matchek, which was signed by the three Regents on Saturday, has been a milestone on the road towards reconciliation with the most important single element in the widespread opposition to the policy of unifying Yugoslavia by a process of centralisation by force. On the same day, the Inner Council of the Serb Radical Party passed a resolution in favour of co-operating with M. Yevitch and recognising his Finance Minister, Dr. Stoyadinovitch, who is one of the prominent personalities in the Government and the party's official representative in the Cabinet. This has reversed the decision not to participate, which was previously taken in the Radical Party's Executive Council. Meanwhile, Prince Paul has been having further conversations with the Slovene leader, Dr. Koroshetz, and also with the leader of the Serb Democratic Party, M. Davidovitch. The latest news is that twenty Serb and Bosniak political prisoners have been amnestied and that M. Ouzounovitch is showing signs of abating his hostility to the new Administration. This may even enable the new Ministry to meet the Skupshchina, in which M. Ouzounovitch and his friends of course still command a majority. It is a happy circumstance that M. Yevitch himself is a Serb of Macedonian origin. Can we dare to look forward, now, to a solution of Yugoslavia's internal problem and, therewith, to a *détente* between Yugoslavia and Bulgaria?

* * *

Conspiracy in Russia.—The murder of M. Kirov has had a sensational sequel in the arrest and banishment to remote corners of the Soviet territory of seven leaders of "the Old Guard" of the Communist Party, including two whose names are so well known as Zinoviev and Kamenev. It is a tradition of the Russian Communist political terror that "Elder Statesmen" should suffer something less than capital punishment when they fall out with the powers that be. Indeed, in this case it does not seem to be alleged that the seven venerable deportees were directly implicated in the plot of which M. Kirov was the victim. Nor, apparently, is the guilt now laid at the door of the *bourgeois* counter-revolutionaries, of whom 103 were shot out of hand after the assassination—apparently as a kind of blood-offering to Kirov's *mans*, in the spirit in which Achilles sacrificed his Trojan captives on Patroclus' tomb. Nikolaev and his thirteen fellow-prisoners who are now on trial are all of them men of the younger generation within the Party; and their purpose is said to have been to follow up the murder of Kirov by striking down one after another of the present masters of the Soviet Government in order to reverse M. Stalin's policy and revert to the policy of world-revolution for which Zinoviev, as well as Trotsky, has stood. It is alleged that they were in league with the consular representative of a foreign Power. Though such accusations of foreign complicity in internal disturbances in the U.S.S.R. have become almost common form, Russia has three powerful neighbours who at this moment are under shrewd

suspicion of harbouring aggressive designs at her expense. Moreover, it is significant that the drive against the alleged conspiracy inside the Communist Party is being accompanied by a local purge of Liberal-Nationalist elements in the Ukraine: the second largest of the eight republics of which the Soviet Union is composed, and a potent cause of anti-Russian propaganda abroad. Was the secession of the Ukraine from the Union, and its acceptance of the protectorate of some other Power, one of the corollaries of a projected revolution at Moscow? The Soviet Government has a right to be on its guard, though we deplore the characteristic ruthlessness of the measures by which it seeks to defend itself. In any case, it is curious to see history repeating itself by forcing a revolution back on to pre-revolutionary lines. As the Communist Revolution in Russia devours one after another of its own children, we see Great Russian Nationalism standing up once more against a combination of Ukrainian Nationalism with Polish, German and Japanese ambitions.

* * *

A Timely Protest.—The T.U.C. and the Labour Party have done well to protest publicly and unequivocally against the execution which have followed M. Kirov's assassination in Leningrad. The terroristic methods practised by Europe's Fascist dictatorships have been frequently and loudly deplored by the T.U.C. and the Labour Party; but it has sometimes been suggested that the Soviet Government, when it exploited the same methods, would not be included in their condemnations. We are glad that this has proved to be untrue. A joint declaration was issued on Thursday by the T.U.C. and the Executive of the Labour Party containing the following words:—

While fully appreciating the sense of loss felt throughout the U.S.S.R., and the outraged feeling provoked by this criminal act, the General Council and the National Executive Committee are also profoundly shocked and alarmed by the reprisals which followed in the form of widespread summary executions.

By this statement the T.U.C. and the Labour Party have shown their attachment to democracy and abhorrence of terrorism to be disinterested and sincere. Their denunciation of Fascist methods, whether at home or abroad, will henceforward be all the more forceful. And, what is more, now that the leaders of the Labour Party have condemned dictatorships of the Left as decisively as the leaders of the Conservative Party have condemned dictatorships of the Right, the position of democracy in this country should be beyond dispute.

* * *

Agricultural Insurance.—At the end of last week two announcements were made which are of particular interest to agriculture in this country. The first and more important of these is that the Statutory Commission appointed to inquire into the possibilities of extending unemployment insurance to trades and occupations at present outside the scheme is going to put forward a special scheme to cover all agricultural workers. Every time that changes in the country's unemployment insurance system are discussed, the question of the inclusion of the agricultural worker is brought forward. It has always been opposed by the Farmers' Union; and the workers themselves, in so far as they are represented by the National Union of Agricultural Workers and by the Transport and General Workers' Union, did not advocate even a special scheme of agricultural insurance until the depression set in. Both employers and employees considered that insurance would be an unnecessary extravagance since, as unemployment in agriculture was insignificant, contributions would be a heavy burden and would adversely affect employment in the industry. Various committees which have reported on the subject have generally concluded that as one-third of those engaged in agriculture work on their own holdings or on those of relatives, and as the majority of the remainder are employed on long-term contracts, it is difficult to see who needs insurance. The number of casualties has been declining steadily since the war and amounted in 1930 to only 112,000. Of these,

many are seasonal workers from the towns, while others are skilled workers who are employed by various different employers and are not necessarily subject to periodic unemployment. There are two further general arguments against agricultural insurance. First, it would be difficult and costly to administer, owing to the scattered nature of the claimants; secondly, to subsidise such unemployment as exists in the industry would mean checking the natural movement into expanding manufacturing and distributive trades. But this last argument no longer holds, for there seems no immediate prospect of surplus agricultural labour getting work in the towns, and unemployment among "regular" agricultural workers has tended to increase. The Statutory Commission will now be supported by the National Union of Agricultural Workers and by the Transport and General Workers' Union in putting forward a scheme of insurance. It is suggested that contributions should be at the rate of 3d. per week for workers over twenty-one, 3d. for employers, and 6d. for the State. Proposed benefits are likely to be 12s. for a man, with 2s. extra for a wife or child. This seems very low, even when taken in relation to average agricultural earnings, but no very exact statistics are yet available of the extent of unemployment in agriculture. Indeed, it may still be found possible to keep the scheme on an actuarially sound basis at higher rates of benefit, if sufficient safeguards are devised to prevent abuses, such as false claims by relatives living on the same farm. We shall await with interest the statement of the reasons that have induced the present Committee to depart from the opinion that has hitherto prevailed and of the methods by which they propose to deal with the peculiar difficulties of the problem.

* * *

Land Settlement.—The second announcement was that by the Land Settlement Association, stating the principles on which the Association is prepared to consider financing schemes of land settlement for the unemployed. The Association was formed at the end of July by invitation of the Minister of Agriculture "to co-operate in carrying out an experimental scheme for the provision of small holdings for unemployed persons." The Government is prepared to subsidise this scheme to the extent of £1 for every £2 contributed from voluntary sources. Already Mr P. Malcolm Stewart has presented the Association with an estate valued at £25,000, and £10,000 has been received from the Carnegie Trust for the development of this estate. The principles formulated by the Association are as follows: assistance will only be given to groups, not to individuals; the buying of equipment, marketing of produce and general organisation are to be carried out on co-operative lines; holdings must be of a sufficient size to provide a full livelihood and not be used as a supplementary source of income; and, lastly, care must be taken to avoid competition with established producers. This need not necessarily mean that the small-holding communities are to become self support-

ing, but that they should attempt to cater for unsatisfied demand and to stimulate new demand by efficient marketing methods. The consumption of fruit and vegetables, for example, has very considerably expanded in recent years, but there is no reason why the public should not be offered a far greater variety of market garden produce. In carrying out schemes, the Land Settlement Association will co-operate both with the Commissioner for Depressed Areas for England and Wales, and with the Society of Friends, which has already assisted some 120,000 unemployed to cultivate allotments. In fact, it is probable that, in order to ensure that those who are placed on the smallholdings are capable of turning them to good account, a large number will be selected from among those who have cultivated allotments with some success under the Friends' schemes. Schemes will not be limited to the depressed areas, but clearly it is mainly in such areas that there are large numbers of men for whom there is no hope of speedy employment, either in their own industry or in any other local one, but who could usefully make a livelihood on a small holding if proper provision were made for training and instruction and for the determination of the types of produce most suitable for such cultivation.

* * *

Transvaal Output in November.—The output of gold by the mines of the Transvaal during November amounted to 878,847 ounces of fine gold at a value for purposes of declaration of £6 19s. per ounce, as compared with 885,627 ounces in October at £7 and 898,468 ounces in October last year at £6 5s. In the following table we show the monthly output since the beginning of 1928:—

Month of	1928	1929	1930	1931	1932	1933	1934
January ...	843,857	876,452	882,801	914,576	936,784	967,457	907,641
February ...	816,133	815,284	818,188	839,937	914,012	883,145	826,363
March ...	877,380	866,529	889,370	910,998	960,035	946,863	874,112
April ...	825,907	872,123	868,606	882,337	949,796	895,097	865,822
May ...	886,186	897,598	916,213	910,279	865,644	944,604	898,418
June ...	862,363	856,029	887,867	897,750	959,011	918,633	868,129
July ...	867,211	889,480	912,652	916,843	981,160	923,671	876,094
August ...	891,863	889,601	921,081	916,425	991,322	934,714	881,861
September ...	857,731	849,553	903,176	916,024	961,501	901,799	857,442
October ...	897,720	888,690	926,561	945,113	974,965	908,888	885,627
November ...	872,484	861,593	884,753	900,510	878,716	898,468	878,847
December ...	850,761	851,134	908,492	923,353	980,618	894,156	...
Total ...	10,358,596	10,414,066	10,719,760	10,874,145	11,553,564	11,017,485	9,820,356

The following table shows the number of natives employed at the mines during the past nine months:—

	Mar., 1934	April, 1934	May, 1934	June, 1934	July, 1934	Aug., 1934	Sept., 1934	Oct., 1934	Nov., 1934
Gold mines	242,577	243,059	243,579	244,857	245,918	248,436	248,024	249,169	249,935
Coal mines	12,434	12,452	12,481	12,800	12,847	12,745	12,879	12,789	13,031
Total...	255,011	255,511	256,060	257,657	258,765	261,181	260,903	261,958	262,966

The number of natives employed at the gold and coal mines showed an increase on the month.

OVERSEAS CORRESPONDENCE

From our Correspondents in each centre

UNITED STATES

PRODUCTION RISING

THE year is closing, with production rising from the low point of September and, apparently, moving into the seasonal spring upturn; with the pressure of an expanded and expanding money system more visible in security markets than in productive activity, and with sentiment confused by uncertainties about the programme to be evolved in the Congressional session which opens immediately after the New Year.

The recovery from September, statistically speaking, is the result of the end of the textile strike, and of an increase in steel operations, which are now almost double those of

the low point in September. Collateral data, such as the index of electric power production and reports of retail trade, are making a favourable comparison with last year. The hope for the spring, beyond conventional seasonal expectations, lies in the motor industry, in residential building (in which something like a shortage is being increasingly felt), in the well-known under-maintenance of plant and equipment even among corporations with large cash resources, and in the possibilities of capital financing by methods which avoid the penalties of the Securities Act.

The pressure of expanding bank deposits has resulted in extremely low rates upon all types of paper which banks are willing to include in their portfolios. The chairman of a large New York bank recently stated that average current earnings on the bank's total loans and investments were 2.14

per cent., compared with 3.16 per cent. a year ago. In spite of this, the Reporting Member Banks on December 5th showed collateral loans \$460 millions below a year ago and commercial loans \$270 millions below a year ago; although net demand deposits were \$3,000 millions greater, and time and Government deposits only a trifle lower, on the year. The Federal Reserve Board's index for December production (not yet available) will probably be a bit above December, 1933, although the average for the last half of 1934 was substantially below that of the last half of 1933. It is the security markets which have benefited. The average of industrial equities is almost precisely at the level of a year ago, while that of railway equities is lower and of utility equities far lower. But the indices of fixed-income securities, bonds and preferred stock are about 20 per cent. higher.

With the indices of production and trade still at a low level, but apparently rising, and with capital and credit so abundant and cheap, one might expect that business sentiment would be enthusiastically optimistic. This is emphatically not the case. Sentiment is hopeful, but not confident; yet it is more affected by uncertainty than apprehension. At every point of contact between Government and private enterprise (and those points are now innumerable), the business man is absolutely in the dark about Governmental policy. For example, the dollar has been a stable gold currency for almost a year; but the agitation for further devaluation is still active. Bank deposits in the past year have risen about 30 per cent., without quieting the agitation for the issue of greenbacks, except to alter the form of the agitation, which is now to retire a considerable portion of the public debt with currency.

General Johnson, former Administrator of the N.R.A., declared this week that the N.R.A. is "as extinct as the dodo, deader than any doornail." But, almost the same day, the Press carried the account of the conviction of a manufacturer for violating a code provision on wages, and the imposition of what was, for the magnitude of the business, a very severe fine. The complaint had not been filed by his employees, who do not appear to have been parties to the case. It is estimated that several thousand Government officials are now vested with delegated authority to make rulings which are legally "the law of the land"; and that already 10,269 N.R.A. rulings have such a status.

The hopeless confusion of administrative rulings reached a peak of absurdity this week. Certain oil producers were indicted by the Federal Government for violation of the oil code, and at least one was imprisoned. They were duly tried by a court which declared the provision under which they were held was "unconstitutional." This decision brought the case to the Supreme Court, which discovered that the alleged provision under which they had been tried did not exist—the indictment had been based upon a provisional and unapproved draft of the code. Upon inquiry it transpired that nowhere, even in Washington, was there a complete file of all the multitudinous rulings issued by the N.R.A., A.A.A. and other agencies, although these rulings have all the force of statutes, and many carry severe penalties for violation.

THE SPENDING PROGRAMME

It is not expected that the Budget will be balanced, but the magnitude of the intended deficit is one of the most oppressive factors of uncertainty. With 20,000,000 persons on relief, and with an ever-increasing proportion of the relief falling on the Federal Treasury, the minimum deficit might be put at about \$1,000 millions; but the Relief Programme is now inextricably mingled with the Spending Programme, and estimates of the sums required to "prime the pump," based upon the priming effects of the deficit to date, run into indefinite figures. To complicate matters more, just as the Relief Programme has become mixed with the Spending Programme, the Spending Programme is turning more and more in the direction of Governmental enterprise competitive with private enterprise. For example, under the Spending Programme, municipalities now served by private utility plants (whose rates are fixed by State Commissions) may obtain from the Treasury funds to build a duplicate municipal utility plant. One of the great detriments to private building is the suggestion that the Spend-

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ing Programme may take the form of direct Federal housing subsidies, whose form and scope have not yet been outlined. In a number of States formal protests have been made that the Federal Relief grants are so liberal as to cause a scarcity of labour.

None the less, as was said above, all these matters act as restraints upon recovery more by reason of uncertainty than apprehension, except possibly in the case of the utility industry. To a considerable extent this uncertainty should be resolved rather early in the Congressional session. The magnitude of the deficit; the additional taxation, if any; the particular form of spending into which the deficit is to be directed; housing policy—all these should be clearer early in the year. As the present National Industrial Recovery Act expires by Statute on June 16, 1935, the future status of N.R.A. must be determined by Congress; and the prospect is that a simpler and clearer N.R.A. will emerge.

The stratification of the new Congress is beginning to take form already. Although it will appear to have a conventional two-party organisation, it is quite clear that the population of the country is dividing into three rather distinct groups—a radical group, which seems to be coalescing about the block of "insurgent" Republican senators; a distinctly conservative group formally represented by the old guard Republicans; and the Democrats, who, by force of political circumstances, have now become a sort of middle-of-the-road centre party. The old two-party system seems to be crumbling. The Republican Party is now, as in 1912, distinctly split into its Right and Left wings; and it will require no little political dexterity to prevent the great Democratic majority in both houses from dividing into Right and Left wings. The chief issue of the new Congress is whether or not the President's personality will prevail against the centrifugal forces within the Democratic majority.

NEW YORK, December 14.

FRANCE

"PARLIAMENT WORKING BETTER"

PARLIAMENT has now voted the Budget, and the figures are as follows:—

	Francs
Expenditure	47,817,011,976
Revenue	46,991,968,737
Deficit	825,043,239

This deficit will be reduced by various savings on the indemnities, totalling 308 million francs. The Budget also includes 3,500 million francs for the sinking fund, and if this sum is taken into account there will actually be a surplus. The Wheat and Wine Bills have also been passed, and the Government has insisted on its policy of freeing markets in face of both the Senate Agriculture and Finance Committees, which favoured the maintenance of the fixed

price. And both Bills, as well as the Budget and the extra-military credits for equipment and stores, have been accepted by large majorities in both Chamber and Senate.

The rapid voting of these Bills, together with certain other measures, are considered as signs that the Parliamentary machine is working better. Also encouraging is the declaration of the Government that its first task at the beginning of the New Year will be to push down rates of interest. All these considerations have provoked a marked change in the general tendency of Stock Market prices. A strong rise in Rentes has occurred and prices are approaching the highest points of the year:—

1934					
	Highest	Lowest	Nov. 8	Dec. 9	Dec. 18
3% perpetual ...	79.40	63.75	70.80	72.50	75.35
4% 1918	87.00	71.60	77.30	79.55	83.30
4½% "A"	92.50	78.60	85.10	87.20	89.90
					91.45

Thus, at the end of the year, M. Flandin's Government after six weeks of office seems to be gaining ground. There are many snags ahead, however, including proposals for the State control of industry which have been brought to the front by the difficulties of the Citroën Company.

The Budget Bill has authorised the railway systems to issue debentures for the year 1935 for a total sum amounting provisionally to 5,222 million francs. The money will be spent on new lines and rolling stock and equipment; and 3,555 millions will be needed to cover the 1934 deficit.

SLIGHT RECOVERY IN FOREIGN TRADE

Foreign trade in the first eleven months of 1934 totalled 37,484 million francs, against 42,971 millions in 1933. Imports declined by 4,888 millions (21,241 millions, against 26,129 millions), or 19 per cent.; while exports fell by 598 millions (16,243 millions, against 16,841 millions), or 3½ per cent. only. The import surplus has therefore fallen to 4,998 millions from 9,287 millions. In volume, exports increased by 2,825,234 tons, or 12 per cent.

The following are the foreign trade values for the first 11 months of the year:—

('000 francs)			
	First eleven months of 1933	First eleven months of 1934	
Imports—			
Foodstuffs	8,831,784	6,870,020	— 1,961,764
Raw materials	12,541,997	10,459,594	— 2,182,403
Manufactured goods...	4,655,588	3,911,612	— 743,976
Totals	26,129,369	21,241,226	— 4,888,143
Exports—			
Foodstuffs	2,276,651	2,269,100	— 7,551
Raw materials	4,322,225	4,740,363	+ 418,138
Manufactured goods...	10,243,025	9,233,662	— 1,009,363
Totals	16,841,901	16,243,125	— 598,776

In November exports rose by 54 millions, while imports remained unchanged. Total trade in November was higher at 3,411 million francs, against 3,359 millions in October. The import surplus was 173 million francs, compared with 230 millions in October, 135 millions in September, 281 millions in August, 363 millions in July, 512 millions in June, 790 millions in January and 592 millions in November, 1933.

It seems that the multifarious restrictions on trade imposed in the past three years have at least succeeded in their dubious aim of reducing the import surplus; and exporters appear to have lowered their costs somewhat. Nevertheless, in comparison with November, 1931, the figures of foreign trade in November, 1934, show a fall of 1,108 million francs, or 38 per cent., in imports, and 772 millions, or 32 per cent., in exports.

The first result of the Franco-Russian negotiations in Moscow was the signature of a protocol on December 9th. This protocol provides for the temporary extension of the agreement concluded on January 11, 1934, which expires on December 31st. The main problem still to be solved is that of the credits to be allowed to Russia. There is no question of inter-Governmental credits or an issue on the French market. Nevertheless, French oil imports from Russia, which were used as a guarantee for the payment of French exporters have been declining steadily since the beginning of the year.

At the annual Savings Congress some interesting figures were summed up by the Syndic of the Paris Stockbrokers on France's capital and the proportion of it which is invested in stocks and bonds:—

('000,000,000 gold francs)		
	Total Capital*	Stocks and Bonds*
1853	125	33
1906-1908	223	99
1911-1913	290	156
1925	255	76

* According to de Foville-Colson-Théry.

The Syndic believes that the proportion should now be 3:1. He also gave the following information on the total stocks quoted on the official Stock Exchange:—

NOMINAL CAPITAL QUOTED ON THE OFFICIAL STOCK EXCHANGE			
('000,000 omitted)			
		of which	
		French	Foreign
1851	9,400	...	...
1908	133,000	65,000	68,000
1913	140,000	70,000	70,000
1925	282,000	202,000	80,000
March 31, 1933	440,000	359,000	81,000

The total of French bonds was 278,000 million francs out of a total of 359,000 millions of stocks and bonds.

PARIS, December 26.

GERMANY

CHANGES IN 1934

GERMANY'S political and economic story in the past year, even when judged by the special standards of National Socialism, was not very favourable. The political unity of the nation, by which, according to Party standards, is understood uniformity in thinking and acting in all cultural, moral and religious issues, has not been attained—indeed, it seems to have receded; and the discord was advertised much more to the public than in 1933, when at least open collisions within the Party were avoided. The attitude of the mass of non-party Germans to National Socialism remained an enigma owing to the complete suppression of independent opinion; the slight decline of favourable votes at the midsummer plebiscite implies no more than an increase in the favourable vote would have done. The Church conflict was much aggravated; and the successes obtained by the Opposition, which steadily grew in strength during the year, make very unlikely a settlement on the basis of subservience to the Nazis, the only settlement likely to pacify the Party.

Germany's economic development in 1934 shows both bright and gloomy sides. The revival in production and the decline of unemployment which automatically began in the summer of 1932 continued up to the end of 1934. Increases in production reported in the more important industrial branches were very substantial. Owing to special Government measures and unorthodox statistical methods, already practised in 1933, the real increase in employment is not determinable. Probably in no event could the rapid improvement of the first months have been maintained, because of the declining stimulus of the public credit measures, and of the numerous State measures, in the interest of existing producers, to hold up new industrial enterprise. The Government's policies of exchange regulation and foreign trade control proved complete failures. The scheme to accumulate fresh currency reserves, which was officially considered practicable in 1933 when the burden of foreign debt transfers was still considerable, was not realised, even though practically the entire debt service had been repudiated. Though import control was followed by equilibrium in the foreign trade balance, it almost eliminated Germany as a world trading country. Germany's prospects in 1935 in the latter sphere are not favourable; it seems that State regulation and restriction must go even farther, in the hope of making good the shortcomings of past regulations and restrictions.

The Reichsbank's return for the third December week (somewhat affected by being compiled for December 21st

and not, as is usual, for the 23rd) shows an increase in credits and investments of Rm. 28 millions, as against a decline of Rm. 103 millions in the corresponding week of 1933. The increase in credits was probably due to the heavy repayments early in the month of November month-end credits. Total circulation on December 21st was Rm. 5,406 millions, as against Rm. 5,343 millions on December 23, 1933. The Reich Minister of Finance has been authorised by a new law to grant guarantees of unlimited amount for the expansion of home raw material production.

HAMBURG AND AUTARKY

The autarky policy, of which this law is an expression, is sharply but indirectly criticised in some Chamber of Commerce annual reports. The annual reports of the Hamburg and Bremen Chambers are critical to a surprising degree. The Bremen report states that while the "New Plan" (regulation of import payments) has begun to work after its initial difficulties, it still gives numerous grounds of complaint. It is a mistake to aim at equilibrium in the trade balances with all countries. Export trade difficulties are due in part to measures taken in the interest of German agriculture; in particular it is regrettable that in some cases, e.g. Holland, Germany's exports declined while her agricultural imports increased. German transit trade, which, after export, is the most important source of foreign exchange, has been left without the necessary financial basis. The compensation trade, upon which the Government counts so much, has been injured by Government measures against profit-making. The Hamburg Chamber's report also complains of the neglect of transit trade. Transit trade cannot be conducted if it is not allowed (as at present) to dispose of working capital in foreign currencies.

In an analysis of the present foreign trade position a director of the Reich Statistical Bureau, Dr. Graevell, points out that, while exports have in general developed according to official plan, imports have not worked out satisfactorily. Comparing November, 1934, with November, 1933, he shows that exports of foodstuffs fell by 50.6 per cent., of raw materials by 16.5 per cent., and of manufactured goods by only 5.7 per cent. This is relatively satisfactory in view of Germany's need to keep foodstuffs and raw materials at home. But whereas the import of foodstuffs fell 1.4 per cent., and of raw materials 4.8 per cent., the import of manufactured goods rose 9.5 per cent.—"an unnecessary and harmful development."

THE PRICE-COMMISSAR AT WORK

The Reich Price-Commissar reports that 1,600 returns of price agreements concluded since July, 1933, by cartels and other price-fixing organisations have been received, embracing more than 1,600 categories of goods. Present fixed prices are based on the fact that production capacity in all branches is far from fully utilised; and if the business turnover fell, fixed prices would be raised in order to maintain the value of sales. This means that there must be "a more elastic adaptation of prices to the possibilities of the individual concern." Meantime, Dr. Goerdeler has unexpectedly issued a rigorous decree against price-cutting.

One provision of the price regulations in the textile trade is remarkable. While the price calculation for the different classes of goods is regulated in the most minute way, a seller may violate the regulations for one class if he makes good his offence in another. If according to the regulations (this example is officially given) he must sell one class of shirt at 6 marks each and another class at 10 marks, so that his "legal" account for 100 shirts at 6 marks and 50 at 10 marks would total 1,100 marks, he may instead sell 100 at 5 marks and 50 at 12 marks, charging the same 1,100 marks for the lot. But if he sells the 50 at 12 marks without selling 100 at 5 marks, he will get into gaol.

The percentage of possible hours worked in industry in November is returned at 58.8, against 57.8 in October. The average daily time worked was 7.56 hours, against 7.47. Retail turnover in November was 13 per cent. higher than in November, 1933. The pace of increase has declined, the corresponding figure for October having been 22 per cent. Ingot steel production in November was 1,086,000 tons, against 1,136,000 tons in October, a longer working month. Production in the first eleven months was

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10,846,000 tons, against 6,855,000 tons in the same months of 1933. The export of toys in the first ten months had a value of Rm. 18,700,000, against Rm. 25,100,000 in the same months of 1933.

BERLIN, December 26.

ARGENTINA

NEW GRAIN ELEVATORS TO BE ERECTED

THE Grain Elevators Committee have provisionally approved a plan for the construction of 14 terminal elevators, with a total capacity of 660,000 tons. It is also intended to build 450 camp elevators with a total capacity of 650,000 tons. The plans and specifications for the terminal elevators have already been drawn up, and it is understood that tenders for their erection will shortly be called for. It is to be hoped that some enterprising British firm will be able to secure the contract. If the elevators are efficiently managed, they should make possible considerable savings in bagging, freight and handling.

The Chamber of Deputies has passed a Bill which will cost the Budget \$30 millions. The object of the Bill is to ease the desperate situation in the grape-growing district of the Province of Mendoza. This district is suffering from the effects of overproduction of wine, combined with poor marketing systems and heavy provincial taxation; and, as the whole Province mainly depends on wine production for its living, drastic steps must be taken. The present Bill provides for the substitution of part of the cultivation of wine grape for table grape vineyards; the purchase of surplus stocks of wine by a special board for the purpose of regulating prices; the suppression of certain vineyards considered to be unsuitable for the production of either table or wine grape and their substitution by fruit orchards; and the discouragement of new plantations by means of a tax of \$1,000 per hectare on all new vineyards. The disastrous position in which the wine industry finds itself is probably, to a great extent, due to the protection given to the industry by high tariffs on imported wines. Large profits were made by local concerns, and in consequence many people were attracted to the business. Five years later, however, the new plantations began to bear fruit and it was discovered that, with the increase in production and the decrease in consumption due to the crisis, heavy stocks were accumulating. These surplus stocks now amount to approximately two years' consumption.

The 1935 Budget is still under consideration by various special committees of Congress, but there is little doubt that in its main lines it will be similar to that of 1934.

The following figures show revenue and expenditure during the first eleven months of 1934 compared with those for a similar period of 1933.

	1933	1934	\$
Expenditure	870,094,815	864,086,650	-6,008,165
Revenue :-			
In cash	728,854,954	720,905,099	-7,949,855
From credit operations..	138,441,820	137,457,918	-983,902
Total	867,296,774	858,363,017	-8,933,757

Although revenue is lower by some \$8,900,000, it is satisfactory that land tax and income-tax receipts are larger. This suggests that either there has been an improvement in methods of collecting or an increase in incomes. The former is the more probable. On the expenditure side, both salaries and general expenditure show a reduction. A large sum has been spent in paying overdue accounts, and the amount apportioned to the National Council of Education has also been increased. These increases seem to be justifiable.

GREAT INCREASE IN EXPORTS

The following figures show exports for the first eleven months of 1934, compared with those for a similar period of 1933:—

	1933	1934	%
Quantities in tons :			
Pastoral products	1,040,496	987,326	-5.1
Agricultural products	11,057,290	12,638,138	+14.3
Total	12,575,430	14,156,116	+12.6
Value in pesos :			
Pastoral products	362,712,133	421,728,910	+16.3
Agricultural products ...	589,703,757	824,662,946	+39.8
Total	1,002,626,625	1,318,222,186	+31.5

The percentage of increase or decrease in the average prices of the main commodities exported by Argentina during the first eleven months of 1934 was as follows, compared with the corresponding period of 1933:—

	%		%
Chilled beef	+11.4	Butter	+6.4
Frozen beef	+1.3	Wheat	+11.7
Frozen mutton	+29.4	Maize	+41.2
Canned meat	+13.0	Linseed	+23.2
Unwashed sheepskins..	+74.4	Oats	+15.1
Salted cowhide	+6.5	Flour	+0.9
Unwashed wool	+114.8		

Both tonnage and value continue to increase as compared with the previous year. Dairy produce exports, which have hitherto been sluggish, increased in November. Wheat and maize shipments have increased by 734,000 tons and 728,000 tons, respectively. Meat exports show little change in tonnage, but, thanks to improved prices, have risen in value by 11.6 per cent. Prices in nearly every case have risen since last year; but these prices are, of course, quoted in depreciated pesos.

Harvest prospects are not now so good as they were at the end of October, since the weather has been less favourable. Linseed and maize, however, should show an improvement over last year. The peso remains fairly steady, and the money market shows little change.

BUENOS AIRES, December 15.

CANADA

MR BENNETT AND THE GENERAL ELECTION

MR BENNETT has now made it clear that he proposes to make the Ottawa Agreements the chief issue at the approaching General Election. He will claim a new mandate on the ground that these valuable pacts would be destroyed by the Liberals if they came to power. To this Mr Mackenzie King, at the annual meeting of the National Liberal Federation on December 11th, replied that the Liberals did not contemplate the scrapping of the Agreements, but rather intended to revise them after discussion and negotiations with the other parties to them on the basis of the principles suggested by Mr Baldwin in his opening speech at the Ottawa Conference.

The railway problem is still much discussed. Mr Euler, a Liberal ex-Minister, who has been a consistent advocate of the public ownership of railways, now suggests the creation of a holding company with a capital of \$1,600 million debentures and \$400 millions common stock to be allocated in equal shares to the C.P.R. and the C.N.R., which would retain their separate identities. The management of the single system would be carried on by a directorate of twelve, half appointed by the Government and half by the C.P.R., with the chairmanship vested in a Governmental nominee. Mr Beatty, President of the C.P.R., reserves judgment about this proposal, but admits that it merits study.

Both wholesale and retail merchants report business as quite satisfactory and considerably better than a year ago, and they anticipate good Christmas trade. The weekly economic index published by the Bureau of Statistics is as follows:—

Week ended	Car Loadings	Wholesale Prices	Bond Prices	Clearings	Common Stocks	Trading	Total
Dec. 2, 1933	60.9	...	104.8	76.7	82.7	151.0	82.4
Nov. 24, 1934	66.8	71.2	131.9	78.8	92.1	131.5	94.7
Dec. 1, 1934	65.4	71.2	134.9	76.9	93.3	159.7	95.3

Carloadings, however, for the week, at 45,515 cars, were down 2,233 cars compared with the previous week, although up 3,267 compared with the parallel week of 1933. Most of the natural industries, apart from farming, are doing fairly well; and the November output of newsprint showed a further gain, being 240,869 tons, as compared with 235,021 tons in October and 193,718 tons in November, 1933; the total output of newsprint for the first ten months of 1934 has been 2,358,098 tons, as compared with 1,833,722. The lumbermen have also made preparations for a substantial cut this winter, and the mining camps continue to show great activity. Canadian exporters who have dealings with Germany are finding the German exchange restrictions an almost insuperable obstacle to business, and the officials of the Department of Trade and Commerce at Ottawa have been considering the possibilities of the establishment of a trade clearing-house or a system of barter.

FRENCH WHEAT EXPORTS TO NEW YORK

The Bureau of Statistics has published a provisional estimate of the value of the field crops of Canada for 1934, which places it at \$536,498,600, as compared with \$423,597,000 in 1933, \$452,526,900 in 1932, \$435,966,400 in 1931, and \$662,040,900 in 1930. The Bank of Commerce, in its latest monthly survey, states that the purchasing power of the farming community is now roughly 10 per cent. higher than it was a year ago.

But the plight of the farmers, though better than it was a year ago, still remains serious. Mr Bennett, during a recent visit to the West, claimed that the Governmental policy of supporting the wheat market during the last three years had added \$200 millions to the income of the Prairie grain-growers, but the *Financial Post* and other papers are still strongly criticising this policy and contending that its ultimate results will not be satisfactory. It is argued that the artificially high Winnipeg price is slowing down exports. The export movement certainly remains slow, and for the week ending November 16 the volume of wheat exports was only 2,045,534 bushels, as compared with 3,673,783 bushels in the parallel week of 1933. Stocks are piling up in the elevators, and on November 16 had reached a total of 256,183,767 bushels, as compared with 247,657,057 bushels on the corresponding date of 1933. The United States, with its tariff barriers temporarily lowered, has been importing from Canada considerable quantities both of durum wheat and of low-grade ordinary wheat for feed purposes, but last week exporters were dismayed to find French interests offering nine million bushels of denatured wheat at 60 cents per bushel c.i.f. New York. To meet this competition demand has arisen in the West for special emergency rates from the railways to stimulate shipments of low-grade grain from the Canadian West to drought-stricken areas in the United States where it is needed.

OTTAWA, December 13.

NEW ZEALAND

MONETARY COMMITTEE AND DOUGLAS CREDIT

A SERIES of investigating committees have now reported. A Monetary Committee, composed of ten Members of Parliament, with a departmental secretariat, has examined the monetary system, and heard evidence incidentally both from Major C. H. Douglas and the Douglas Credit group. The majority report rejected the Douglas proposals, approved the Government's exchange policy, and concluded that the causes of depression were mainly non-monetary. A minority report, signed by three Labour members and one Independent, recommended the creation of money by the State "to close the existing gap between production and consumption." The inquiry, which took place while the Reserve Bank was being established, offered an opportunity to monetary reformers of many kinds to air their views, but was not taken very seriously by the country at large.

Much greater interest is being shown in the report and the proposals of the Dairy Commission whose recommendations are both drastic and unanimous. The report finds that dairy farm finance is in a critical condition and suggests that unless early and effective measures are taken, a general break-down may occur in the financial relations of mortgagors and mortgagees. This is the result of the low prices received in Great Britain for several years. The Commission recommends the establishment of a Rural Mortgage Corporation to provide long-term amortised loans at low rates, and to take over existing mortgages in exchange for bonds whose interest shall be guaranteed by the State. Provision is also made for suspense accounts and for compromise where mortgages cannot be regarded as sound. A second recommendation provides for the reconstruction of the Dairy Produce Control Board and for reorganisation within the industry, designed to improve both efficiency of production and quality of product. It is also proposed to set up a sort of permanent supreme council of agriculture to advise the Government on matters relating to production and marketing and to co-ordinate the activities of the various control boards supervising marketing in the major export industries. An Agriculture (Emergency Powers) Bill, as introduced to Parliament, provided for the setting up of an executive commission of agriculture, with extraordinarily wide powers.

INVESTMENT TRUST REFORM

There has also been a Companies' Commission concerned with the methods adopted in the promotion and operations of a group of investment companies linked up with the Investment Executive Trust of New Zealand, Ltd., and with certain land utilisation companies. Most of these were financed by small amounts of subscribed share capital and large issues of bonds, the control being in the hands of shareholders. The Commission distinguished between the sound methods of investment trusts on the British model and the methods adopted by these companies operating in New Zealand and Australia. It recommended a corporate investments bureau with wide powers of supervision and investigation, stricter control of company promotion methods, fuller published information, penalties against misleading information, prohibition of bond issues in series, limitation of debentures issued by investment trusts to twice the paid-up capital, and improved organisation of the stock exchanges. The Government has taken immediate action and appointed the Public Trustee receiver for the Investment Executive Trust of New Zealand and affiliated companies. A similar investigation has been made and similar action taken in Australia, where some of the companies concerned are domiciled. (Further reference to the Report of the Companies Commission is made in an Investment Note on page 1264.)

Finally, the Native Affairs Commission has reported on the control of various funds set aside for native purposes and administered by the Minister of Native Affairs. Lax control of expenditure, improper use of funds and some favouritism have been revealed, and the Minister has resigned his portfolio. The state of affairs disclosed is

deplored, but people familiar with native psychology understand how it has arisen. The ex-Minister is a Maori, the "father" of Parliament, and a recognised leader of his people, who has given great service in his efforts both to make the natives economically self-supporting by means such as land settlement, and to preserve their racial and tribal culture. Both the ex-Minister and his people were temperamentally opposed to red tape methods, means were found to escape the rigidity of control, and some waste and extravagance resulted. It is recommended that the Minister's powers be more clearly defined and that stricter departmental control be imposed.

Weekly returns published by the Reserve Bank, which opened on August 1st last, show that the changes consequent upon its establishment are nearly complete. Trading bank notes are steadily being replaced by Reserve Bank notes, the trading banks' gold, valued at nearly £4,500,000 at mint par, has been transferred, and about £1,000,000 has disappeared from the Reserve Bank's statement and has presumably been shipped for sale abroad. Against large trading bank and Government deposits in New Zealand, the Reserve Bank holds about £N.Z. 24 millions in sterling exchange, and a new monthly return by the trading banks shows that they hold net overseas assets on account of New Zealand business totalling a further £N.Z. 14 millions. These holdings are exceptionally large. Money is consequently abundant, and the leading banks have announced a reduction in the minimum overdraft rate to 4½ per cent., the lowest rate for thirty years at least. Despite some apprehension about wool prices for the coming season, and about the prospects for dairy produce, confidence seems to be improving, imports are expanding steadily, unemployment is slowly declining, bank debits remain high, and the Finance Minister has announced that, for the first six months of the current financial year, revenue exceeded last year's figures by £1,600,000, while expenditure, adjusted for certain changes, was lower than last year.

CHRISTCHURCH, November 6.

BOOKS RECEIVED

- City of Chester: Abstract of Accounts.* (Chester) Taplen and Paddock, Cuppin Street. 258 pages. No price given.
- Women Under Fascism and Communism.* By Hilda Browning. (London) Martin Lawrence, Ltd. 48 pages. 6d.
- The Indian Sugar Industry and Problems of Transport.* By M. P. Gandhi, M.A. (Calcutta) 135, Canning Street. 13 pages. As. -[4]-.
- Single Sugar Selling Organisation (A Central Marketing Board).* By M. P. Gandhi, M.A. (Calcutta) 135, Canning Street. 18 pages. As. -[4]-.
- Imperial Preference vis-à-vis World Economy in Relation to the International Trade and National Economy of India.* By Benoy Kumar Sarkar. (Calcutta) N. M. Ray-Chowdhury and Company. 164 pages. Rs. 5.
- The Failure of Protection.* By the Hon. Cyril Asquith. (London) Liberal Free Trade Committee, 21 Abingdon Street, S.W.1. 14 pages. 2d.
- Government Control of Industry in America.* By M. F. Gallagher. (London) H. Milford. 241 pages. 8s. 6d. net.
- The Correct Economy for the Machine Age.* By A. G. McGregor (London) Pitman and Sons, Ltd. 256 pages. 7s. 6d. net.
- The Case of the People of Western Australia in Support of their Desire to Withdraw from the Commonwealth of Australia.* (Perth, Western Australia.) Wm. Simpson, Government Printer. 489 pages. No price given.
- Community Electorates in India.* By A. M. Raghib Ahsan. (Simla) Liddell's Press. 79 pages. No price given.
- Ludwig Feuerbach.* By F. Engels. (London) Martin Lawrence, Ltd. 101 pages. 3s. 6d. net.

OFFICIAL PUBLICATIONS

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

Annual Statement of the Navigation and Shipping of the United Kingdom for the year 1933 with comparative tables for the years 1929 to 1933. 4s. net.

Sixty-fourth Annual Report of the Deputy Master and Comptroller of the Royal Mint, 1933. 3s. 6d. net.

MONEY AND BANKING

THE MONEY MARKET IN 1934

THE year just closed has proved another difficult one for the money market. There have been three dominating factors, which were largely beyond the market's control. First came the continued absence of commercial bills. Even at the beginning of 1933 we estimated the total supply of commercial bills to have shrunk to about £120 millions, against £250 millions before the war, while by June, 1934, the supply had undergone a further contraction to under £100 millions, of which £32 millions were standstill bills. There has been no sign of any expansion during the subsequent six months, and, apart from the return to use of the inland bill (discussed in a subsequent paragraph), it is difficult to envisage any expansion so long as world trade remains restricted and depressed.

Next comes the year's diminution in the supply of Treasury bills. This is of such outstanding importance that we illustrate it in detail in the following table. For purposes of comparison the average tender rate for new Treasury bills is also included, the dates being adjusted to allow for the fact that new Treasury bills are paid for during the week succeeding each tender:—

Date	Treasury Bills		Ways and Means Advances by Public Depts.	Total Floating Debt	Floating Assets of Public Depts. etc.	Average Treasury Bill Tender Rate
	Tender	Tap				
£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ s. d.	
End of— 1933 Dec.	597.0	341.7	35.2	973.9	376.9	12 11 46
1934 Jan.	547.0	346.0	32.7	925.7	378.7	18 2 05
Feb.	505.7	344.0	23.6	873.3	367.6	16 5 52
Mar.	456.8	343.2	44.9	844.7	388.1	13 11 75
Apr.	482.6	360.6	35.5	878.7	396.1	17 10 70
May.	492.9	371.3	14.1	878.3	385.4	16 6 66
June	437.1	361.2	78.4	876.7	389.6	18 8 61
July	461.3	369.8	33.4	864.5	403.2	15 0 14
Aug.	445.3	372.6	39.3	857.2	411.9	15 5 60
Sept.	423.9	399.2	48.8	871.9	448.0	9 3 45
Oct.	423.2	413.7	45.0	881.9	458.7	10 3 27
Nov.	423.7	431.9	38.2	893.8	470.1	4 9 46
Dec.	449.9	442.0	30.9	932.5	472.9	10 2 79

* December 22nd.

The first two columns show the amount outstanding at each date of Treasury bills originally issued by tender to the banks and the money market, and Treasury bills issued through the tap to Public Departments, the Exchange Equalisation Account, and possibly to other official institutions. Ways and Means advances from Public Departments follow; but as there were none from the Bank of England except at the end of December, 1934, when £9,750,000 was borrowed, this item is omitted. Next comes the total floating debt, and then the "floating assets" of the Departments and other bodies. This last represents the sum total of tap issues of Treasury bills and Ways and Means Advances.

There were four main trends during the year. First, there was a net reduction of £41.1 millions in the floating debt, due to the 1933-34 Budget surplus, the April Funding Loan issue and other funding operations of the Government. Next, the Departments increased their floating assets by £96.0 millions. This was not primarily due to the operations of the Exchange Equalisation Account; for while the Account was a seller of gold and *devisen* and an acquirer of Treasury bills during the late spring and summer, it worked in the reverse direction during much of the autumn. It is impossible to give any definite explanation, but the table shows a marked increase in these floating assets during the autumn, when the Exchange Equalisation Account was on the whole disposing of Treasury bills. The explanation may be that the Departments have been placing themselves in a more liquid condition with a view to being in a position to support a fresh funding operation in the near future.

Be that as it may, the third trend followed automatically from the first two. This was the heavy reduction of £147.1 millions in the number of Treasury bills issued by tender

and available for the banks and the money market. This was the most serious difficulty with which the market was faced during the year.

The fourth dominating factor was the continuance and the intensification of the policy of cheap and plentiful credit. Bankers' deposits at the Bank of England frequently exceeded £100 millions, against £50 or £60 millions six years ago. Clearing bank cash has run in excess of £200 millions, against £180 and £190 millions prior to the slump in 1929. Call and short loans have expanded since November, 1933, from just under £100 millions to £130 millions. The banks' ratio of cash to deposits has risen above its traditional figure of 10 per cent.

All this implied that more funds were available for employment in the money market at a time when the supply of bills was rapidly contracting. This is the real explanation both of the difficulties of the money market and of the changes which occurred during the year. To summarise these, first and foremost bill-brokers have, until the last few weeks, been consistently working at a loss in so far as their bill holdings are concerned. Until the end of October their loans from the clearing banks, which form the bulk of their funds, cost them 1 per cent., while both the tender rate for Treasury bills and the rates offered by the banks and other buyers were below that figure. As a secondary, but equally important, consequence, the discount market was driven to invest a growing quantity of its funds in Treasury bonds and other gilt-edged securities in place of bills. The motive here was to obtain a better yield; but, apart from the fact that the yield on Treasury bonds has become extremely low, this change in policy exposed the discount market in a greater degree to the risk of price fluctuations in the gilt-edged market. This risk has become intensified by the recent rise in gilt-edged prices, in itself the direct consequence of the cheapness of money and the diversion of short-term funds from bills to bonds. To-day the position is not without an element of danger, which will be increased if there is any serious setback in the gilt-edged market.

Nor were the banks immune from the consequences of the pressure of idle funds and the dearth of bills. In September, 1933, when the rate of discount on Treasury bills fell below $\frac{1}{2}$ per cent., certain of the banks were driven into an agreement to quote minimum rates at which they would buy Treasury bills. This agreement proved successful, and by the New Year a buying rate of 1 per cent. had been established. This rate, however, was not held, for the supply of Treasury bills at once began to contract, and throughout the year other buyers were consistently quoting lower rates. By August the banks had had to reduce their rate to $\frac{1}{8}$ per cent., and, after they had re-established a rate of $\frac{1}{16}$ in October, some of the banks suddenly broke away from the agreement, and it came to an abrupt end. The market discount rate at once collapsed to below $\frac{1}{2}$ per cent., and the banks felt bound to reduce their loan rates against Treasury bills and other bills eligible for discount at the Bank of England from 1 to $\frac{1}{2}$ per cent. The 1 per cent. rate remained in force for loans against non-eligible bills and bonds. At the end of November the increase in the Treasury bill issue needed to finance the War Loan dividend payment helped the market discount rate to harden to $\frac{1}{2}$ per cent., but notwithstanding a record Christmas note circulation of over £405 millions, leading to a withdrawal of some £40 millions from the market, rates had eased by Christmas to about $\frac{1}{8}$ per cent.

The year's redemptions of Treasury bills out of the proceeds of debt funding and the Budget surplus also reduced the total deposits at the clearing banks. The money used in this way originally consisted of cheques drawn by the tax-paying and investing public against their deposits, and to the extent that it went to redeem Treasury bills held by the banks, it led to a contraction in deposits. The banks' addi-

tional purchases of securities or loans against securities to some extent countered this contraction, but on balance the banks lost more than they gained. During the year ended November, 1934, the banks' holdings of Treasury bills fell by £84.4 millions, while call loans rose by £36.2 millions and investments by £21.2 millions. The net reduction spread over these three items was £27.0 millions, which compares fairly closely with the simultaneous reduction of £17.0 millions in deposits. What has really happened is that the redemption of Treasury bills has for the moment absorbed part of the supplies of idle credit. The banks, however, can re-create this supply, if only they can find credit-worthy borrowers who are willing to borrow.

Meanwhile there is little prospect of a change in the condition of the money market. The period of heavy tax collection is at hand, while there are indications that a further funding operation may be impending. For both these reasons a further reduction in the already attenuated supply of bills seems inevitable. The Government can hardly be expected to modify seriously its long-term financial policy simply to meet the needs of the money market, even though it must be recognised that the money market is an essential part of our financial machine.

The real question is, What can the banks and the money market do to help themselves? One possibility is the revival of the inland bill, and on several occasions during the past year we have pointed out that the banks could be more helpful in this direction. Another point is whether the banks would not be well advised to revert to their former practice of buying their Treasury bills from the market instead of tendering direct. Last year has shown how illogical it is for the banks to fix a minimum rate for loans against Treasury bills and then to tender at lower rates in competition with the discount market, who are the actual people who borrow that money. Were the banks to decide to cease tendering, for a time admittedly they would have surplus cash left on their hands, but their action would give discounts rates an upward thrust and might stabilise them at a level more remunerative to holders of bills. This course admittedly has some disadvantages, but the broad facts remain that the banks and the discount market have another difficult year before them, that a rise in rates is both improbable and against the public interest, and that if the discount market is going to survive it is high time that it began seeking out a solution for its own troubles.

FINANCIAL NOTES

The Money Market.—This week the market has been dominated by the approach of December 31st. On Monday, the 24th, a small amount was borrowed from the Bank of England, while on Thursday it was believed that a fair amount was borrowed. The rate for loans into the New Year had risen by Thursday afternoon to a full 2 per cent., and higher rates were anticipated before the end of the year.

	Dec. 6, 1934	Dec. 13, 1934	Dec. 20, 1934	Dec. 27, 1934
Bank rate.....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Clearing banks' deposit rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Short Loan rate:—				
Clearing banks	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1	$\frac{1}{2}$ -1
Others	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$
Discount rates:—				
Treasury bills.....	$\frac{1}{16}$ - $\frac{1}{8}$	$\frac{1}{16}$	$\frac{1}{16}$ - $\frac{1}{8}$	$\frac{1}{16}$ - $\frac{1}{8}$
Three months' bank bills	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$	$\frac{1}{8}$

There has been practically no business in bills this week, as most people are ready to sell, while few are anxious to buy. March Treasury bills were on offer at rates running from $\frac{1}{16}$ up to $\frac{1}{2}$ per cent., while three months' bank bills were nominally quoted at $\frac{1}{16}$ per cent. Treasury bills maturing at the end of January or during February were quoted at $\frac{1}{8}$ per cent. It is noticeable that almost for the first time this year the Government has been during the past four weeks a consistent borrower on Ways and Means from the Bank of England. The money so released to the market has helped to smooth out the effects of the heavy Christmas currency withdrawals, and conceivably the authorities had that object in view. Another possibility is that it was thought desirable to render less abrupt the contraction in the Treasury bill tender issues that usually occurs during the last quarter

of the financial year. Certainly by borrowing on Ways and Means during the past few weeks, the Government has cut off the top of the seasonal peak in the Treasury bill issue.

The Bank Return.—In this week's Bank return, which relates to the position at the close of business on December 24th, the note circulation has reached the Christmas peak, which this year is the record figure of £405.2 millions.

	BANK OF ENGLAND				
	Dec. 27, 1933	Dec. 5, 1934	Dec. 12, 1934	Dec. 19, 1934	Dec. 26, 1934
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold.....	190.7	192.2	192.2	192.2	192.3
Note circulation.....	392.0	385.4	393.2	402.0	405.2
Banking Department:—					
Reserve	59.7	67.3	59.5	50.8	47.6
Public deposits.....	22.2	8.6	7.9	8.4	9.9
Bankers' deposits	101.2	108.9	103.3	90.7	89.1
Government securities ...	88.0	84.8	85.8	83.8	87.5
Discounts and advances	16.8	9.6	10.1	7.0	7.6
Proportion	37.3%	43.7%	40.1%	37.3%	35.1%

In the banking department Government securities have risen by £3.7 millions, possibly as a result of additional borrowing upon Ways and Means. Discounts and advances are only £600,000 higher, so that Monday's borrowings from the Bank were very small indeed. Bankers' deposits have only fallen by £1.6 millions, so that the Government's new borrowings have nearly neutralised the week's expansion in the note circulation.

The Foreign Exchanges.—Sterling has been steady since a week ago at \$4.93 $\frac{1}{2}$ against the dollar and Frs. 74 $\frac{1}{2}$ against the franc, but on Thursday afternoon it was expected to weaken slightly during the last few days of the year. The reason was that many Continental forward sales of gold *bloc* currencies are now due to be covered, which means that either the positions now opened must be closed down outright, or else fresh forward sales must be made against spot purchases. In either case spot gold currencies must be bought, and as many Continental banks are making up their balance sheets for the end of the year there are few sellers of gold currencies. Evidence of this was to be found last Wednesday in Paris and New York, which were the main centres open on that day. Belgian operators came in and bought up all the belgas on offer, with the result that the belga, after closing on Monday in London at Bel. 21.10, opened on Thursday morning at Bel. 21.02. This anticipated weakness of sterling will be purely temporary and technical, and the pound should tend to strengthen once the New Year has begun. Seasonal purchases of dollars must now be at an end, and there has been no fundamental change in the position of the gold currencies since a few weeks ago.

New York Money and Banking.—New York money rates are unchanged. The official call rate is 1 per cent., but call money is available at $\frac{1}{2}$ - $\frac{3}{4}$ per cent. Open market quotations for 90-day bankers' acceptances are $\frac{1}{16}$ - $\frac{1}{8}$ per cent. Further evidence of the prevalence of cheap money is found in reductions this month of the Atlanta Reserve Bank's rediscount rate from 3 to 2 $\frac{1}{2}$ per cent. on December 16th, and the Kansas City Reserve Bank's rediscount rate from 3 to 2 $\frac{1}{2}$ per cent. on December 19th. During the week ended December 19th member banks' loans to brokers rose from \$633 to \$658 millions, but other loans against securities fell from \$823 millions to \$817 millions. Gold continues to arrive from Europe in small quantities. At the end of last week \$7.9 millions came from France, \$4.5 millions from England, and \$1.1 millions from Holland. According to widespread reports, Christmas trade this year has been the best since 1929. As an illustration of the improvement over last year, bank clearings for the week ended December 19th, 1934, were \$6,161 millions, against only \$4,631 millions in the corresponding week in 1933. This is an increase of 33 per cent., and while to some extent it may be due to the intervening rise in prices, it mainly represents a larger volume of business.

THE STOCK EXCHANGE

R.M.S.P.—THE FINAL ACT

THE scheme for the formation of realisation companies to dispose of the assets of the Royal Mail Steam Packet and Elder Dempster Companies, unavoidably presented at the season of peace and goodwill, is, in effect, an "account rendered" for dictatorship. That the R.M.S.P., as a chartered company, has failed to reach its centenary by a matter of four years is to be attributed less to the hazards of shipping trade depression—which other large British ship-owning groups have been able to survive—than to the hopelessly insolvent position built up in the crucial years following the war. In this group of companies, constitutional government was superseded by a personal autocracy on which boards of directors appeared to impose no check. A host of shipping properties was purchased, their acquisition being apparently regarded as of greater moment than their price, when every new bargain involved a fresh drain on the liquid resources and credit of the existing companies of the group. The outcome was a scheme of arrangement, summarised in the *Economist* of March 5, 1932, under which a three-years' moratorium was granted, after control had passed into other hands. That scheme may be held to have fulfilled its main purpose. The Royal Mail and Elder Dempster fleets have been maintained, rationalised and perpetuated under the aegis of separate operating companies. The hoped-for revival in shipping prosperity, however, has failed to materialise, and on the expiry of the moratorium on December 31st the winding up of the original companies can no longer be avoided.

The present scheme, accordingly, is designed to ensure a "nursed" rather than a forced realisation of the assets, lest any equity which may remain be lost in a creditors' *saute qui peut*. Briefly, the R.M.S.P. and Elder Dempster Companies, under the scheme, will be wound up, and their assets (but not their liabilities, other than certain "preferable" claims, of relatively small amount) will be taken over by two companies, to be designated R.M. Realisation Company, Ltd., and E.D. Realisation Company, Ltd., respectively. The former's capitalisation will include £2,000,000 of 4 per cent. first debenture stock, of which £1,750,000 will be issued, at the outset, to repay the R.M.S.P. 4½ per cent. debenture stock. The public holders of the latter stock will have the option of taking cash or exchanging into equal amounts of Realisation Company first debenture stock, which will be redeemable up to January, 1938, at 102 and thereafter at 103, with final redemption on January 1, 1945. Any stock unconverted will be paid off by a public issue of the Realisation Company's stock, which certain well-known firms of City stockbrokers have agreed to underwrite for a commission of 1 per cent. The Second Debenture stockholders of R.M.S.P. will receive £2,550,000 of 5 per cent. Income Debenture stock in the Realisation Company and £765,000 of the latter company's Ordinary share capital of £1,000,000, while the unsecured creditors will receive £235,000 of Ordinary capital. Thus, every holder of £100 of R.M.S.P. 5 per cent. (Second) Debenture will receive, in satisfaction of his claims to principal and arrears of interest, some £50 of Income Debenture stock and 15 £1 shares in R.M.S.P. Realisation Company. The Income Debenture stock is not expected to obtain any appreciable interest payments, but is to be redeemable in whole or part at 110 up to January, 1940, and thereafter at 115 to final redemption on January 1, 1945.

The E.D. Realisation Company's capital will include £700,000 of 4 per cent. First Debenture stock, of which £500,000 will be issued, at the outset, to holders of Elder Dempster 5 per cent. "A" (Second) Debenture stock, holders of Elder Dempster 5 per cent. (First) Debenture stock being repaid at 103, with accrued interest in cash. The "A" Debenture holders will also receive £500,000 of 5 per cent. Income Debenture stock in the Realisation Company, together with £300,000 of the latter company's

Ordinary share capital of £1,000,000, the remaining £700,000 going to Elder Dempster creditors. Thus, every holder of £100 Elder Dempster "A" Debenture will receive, in the Realisation Company, £50 of 4 per cent. First Debenture, £50 of 5 per cent. Income Debenture (redeemable at 110 up to January, 1940, and finally redeemable at 115 by January 1, 1945), and 30 £1 Ordinary shares. The R.M.S.P. creditors will hold 23½ per cent. and the Elder Dempster creditors 70 per cent. of the equity in their respective Realisation Companies. The latter will not have a life longer than ten years. Their object is to realise available assets, and not to become permanent shipping finance organisations. Their directors will be appointed by the Governor of the Bank of England, and will give their services without remuneration.

Of the fundamental concept of the scheme there can be no criticism. It may be that under an ordinary receivership a general "scramble" might conceivably have been avoided. The Royal Mail failure, however, has been so immense and disastrous that its wider repercussions on opinion, both inside and outside this country, must needs be carefully considered. For this reason alone it behoves the City of London, whose reputation is implicated—illogically, perhaps, but no less inevitably—to adopt every possible procedure in order to convince public opinion that no precaution has been omitted to safeguard the interests of all affected, and to give the whole scheme the *imprimatur* of the highest authority. Criticisms of detail should, in our opinion, be subordinated to this main objective. For example, the Second Debenture holders in R.M.S.P. might otherwise argue that the scheme ought to have provided for their eventual repayment in full, if the assets permitted, before the unsecured creditors were allowed any *locus standi*. Again, both Second Debenture holders and creditors in each company might feel that the schemes should have been accompanied by a detailed schedule of assets, with some idea of the possible value of each item. In the general interest, however, it may be advisable to temper justice with mercy by giving unsecured creditors some hope for the future in the case of Royal Mail, and giving Second Debenture holders some inducement not to press for speedy asset realisation in the case of Elder Dempster. Again, it may be sound tactics not to tie the hands of the Realisation Companies in advance, by the publication of any hypothetical schedule of asset values which, in the hands of possible buyers, might tend to become *maximum* figures.

What the assets will, in effect, fetch is entirely problematical. Assets like shares in Royal Mail Lines and Elder Dempster Lines (the operating companies whose continued existence, it may be well to repeat, is independent of the present negotiations) depend for their eventual value on two sets of factors. The first are general economic conditions, including a possible revival in world shipping prosperity. The second are of semi-strategic character, and are bound up with the identity of potential purchasers. The selling price of other assets may be governed by considerations even more difficult to determine. For example, the holdings of Union-Castle Ordinary stock might be worth comparatively little if the present Union-Castle directors' plans succeeded and the Ordinary stock conferred merely a deferred minority interest in the company. If, on the other hand, the proposals were not sanctioned by the Courts, or it were found possible to buy out 75 per cent. or more of the present Union-Castle Preference stockholders, to restore the *status quo* as regards voting power, and to perpetuate the Ordinary stockholders' control, the stock might clearly be attractive to some established British shipping organisation, of the highest repute, with ample liquid resources for its purchase.

All this, however, lies in the future. At present, those who are financially interested in the winding-up of R.M.S.P. and Elder Dempster have no option but to base

their calculations on the provisional realisation totals suggested by the directors after careful consideration, and with full knowledge of all existing facts. These, unfortunately, prove beyond peradventure that the Preference and Ordinary stockholders in R.M.S.P. have no hope of recovering a penny from the wreck of their fortunes. The stockholders in Elder Dempster may feel that the queue of creditors which bars them from the door, in the ultimate sharing out, is less lengthy than in the case of the R.M.S.P. stockholders. A critical and dispassionate study of the last Elder Dempster balance sheet, however, leads to the regrettable conclusion that the difference in the two cases is only of degree and not of kind.

If the directors' estimates are finally realised, the final position of all the parties will be as shown below:—

Nature of Claim	Total Amount (principal only)	To be given in Realisation Company Stocks	Return ultimately Receivable, on basis of present Estimates*
R.M.S.P.—			
4½% 1st Deb.—			
Bankers'	700,000(a)	Repaid in cash	Full
Public	1,400,000	Repaid or converted (optionally) into 4½% Deb. at par.	Full or 20s. 7d. in £ in 1945.
5% 2nd Deb.	5,100,000	£2,550,000 5% Income Deb.; £765,000 Ord. shares.	14s. 6d. in £.
Creditors	15,000,000 approx.	£235,000 Ord. shares	4d. in £.
5% Non-Cum. Pref. Stk.	900,000		
6½% Cum. Pref. Stk.	2,900,000		
Ord. Stk.	5,000,000	Nil	Nil
ELDER DEMPSTER:—			
5% 1st Deb.	1,000,000(b)	Repaid at 103	Full
5% "A" Deb.	1,000,000	£500,000 4½% 1st Deb. £500,000 5% Inc. Deb. £300,000 Ord. shares £700,000 Ord. shares	27s. 10d. in £.
Creditors	4,100,000		3s. 5d. in £.
5½% Cum. Pref. shares	425,000		
6% Cum. Pref. shares	3,750,000		
6½% "A" Cum. Pref. shs.	2,500,000	Nil	Nil
Ord. shares	1,810,000		

* Principal only, presuming repayment of Realisation Company stocks at par, or specified premiums, at latest dates. (a) £700,000 owing to bankers, secured by £1,500,000 of debenture stock. (b) Some £600,000 of these debentures have already been repaid.

NOTE.—R.M.S.P. is a debenture holders' scheme only, the creditors having no voting powers on it. Elder Dempster, however, is both a debenture holders' and creditors' scheme.

It will be seen that, unless present estimates prove unduly conservative, the total loss of share capital in the two companies will reach a nominal total of £17,285,000 millions. This figure, however, includes numerous inter-group holdings, and the total "public" loss will be appreciably smaller. The eventual loss which will fall on creditors (other than debenture holders), after all provisions and adjustments, will be of the order of £15,000,000. These are melancholy figures. Investors may rightly ask whether it is beyond the wisdom of the community to insure against a repetition of the causes which projected this disaster. At the same time, a word of appreciation is due to those who, called in after the damage had been done, have endeavoured, with no small share of patience and technical skill, to conserve such assets as remain. Perhaps the best tribute to the value of their services is the following table, which contrasts the present prices of all the stocks of the two companies, with those prevailing when the first Scheme of Arrangement was announced in 1932:—

Name	Price, Feb. 29, 1932	Price, Dec. 27, 1934
Royal Mail Steam Packet ord. stk.	6½	2½
Do. 5% non-cum. pref. stk.	7½	2½
Do. 6½% cum. pref. stock	7½	2½
Do. 4½% 1st deb. stk. red.	62	97½ xd
Do. 5% deb. stk. red.	25	53½
Elder Dempster and Co., 5½% cum. pref. £1	1s. 6d.	1s. 0d.
Do. 6% cum. pref. £1	1s. 6d.	6d.
Do. 6½% "A" cum. pref. £1	1s. 6d.	6d.
Do. 5% deb. stock red.	48	101½ xd
Do. 5% "A" deb. stock red.	15	101½

The market has correctly perceived the remoteness, to the point of invisibility, of any return on the capital stocks, and has written down their quotations to token values. It has, however, favourably revised its attitude towards the debenture stocks. The First Debenture, in each case, has risen to the neighbourhood of par. The Second Debenture stock of R.M.S.P. has more than doubled in value, while

that of Elder Dempster has risen from 15 to as much as 101½. It is suggested that the 5 per cent. Income Debenture stock of the R.M. Realisation Company will command a price somewhere in the nineties, while the Ordinary shares may be quoted around par—though whether the latter price will be justified, on the basis of present values and possibilities, is a matter on which there may be room for difference of opinion. Prices of 90 and par, respectively, would be equivalent to a quotation of 60 for the existing R.M.S.P. 5 per cent. Debenture, against a current market price of 53½. The schemes, in fact, ingeniously capitalise the contemporary market popularity of equity shares, as a class, in favour of debenture holders who may wish speedily to realise their interests, through the medium of the Stock Exchange.

INVESTMENT NOTES

European Conversion Possibilities.—The reception of the Austrian League Loan Conversion has suggested to the market that other European Governments and Corporations may be the next beneficiaries in the present era of low interest rates. Such operations, of course, would be subject to two contingencies. They would involve the maintenance, and in some cases the further strengthening, of fixed interest security levels. Further, any optional conversions which involved a net transfer of funds to gold-standard countries would presumably require the goodwill of the Treasury. Since the new issues would not be of trustee status and would presumably fall outside the Chancellor's request of January, 1933, it may be assumed that conversions for sterling-area countries would fall within the permitted range of operations given by the Chancellor of the Exchequer last July. We have compiled the following table setting out a selection of European Government and Municipal bonds which, subject to these remarks, may be regarded as within or near the conversion zone:—

Loan	Amount Outstanding	Earliest Optional Redemption Date	Redemption Price	Quotation	Flat Yield† (%)
Foreign Government					
Belgium 7% Stabilisation ...	7,802,000	May 1, 1936	105	110	6 8 0
Czechoslovakia 8% st. bonds	4,652,900	3 mos. notice	108	106	7 12 5
Denmark—3% amort. bonds	1,247,625	3 mos. notice	Par	99	3 1 3
Denmark—4% loan, 1912 ...	2,530,000	3 mos. notice	Par	125	3 4 6
Finland 4½% Govt. rail.	1,421,300	6 mos. notice	Par	121	3 15 8
Italian Credit Consortium					
20-yr. 7% sterling bonds....	849,000	45 days' notice	102½	103	5 17 8
Norway—3½% loan, 1894 ...	727,600	6 mos. notice	Par	98½	3 11 3
4% loan, 1911	1,933,540	3 mos. notice	Par	125	3 4 0
Sweden—3%, 1888.....	1,321,666	3 mos. notice	Par	90	3 2 2
3% conv., 1894	928,323	6 mos. notice	Par	95	3 3 6
3½%, 1900	2,000,000	3 mos. notice	Par	100	3 10 8
3½%, 1908	3,000,000	3 mos. notice	Par	123xd	2 16 11
Foreign Corporation					
Amsterdam 5½%, 1924	2,369,300	6 mos. notice From Oct. 1, 1935	Par	103	5 7 4
Bergen 5½%, 1922(a)	888,160	6 mos. notice	Par	105	5 6 10
Copenhagen 4%, 1910.....	1,837,200	6 mos. notice	Par	127½	3 3 0
Danzig 7% st. bonds, 1925....	960,400	Mar. 1, 1935; 40 days' notice thereafter.	Par	97½	7 5 10
Denmark (Associated Municipalities) 5%, 1922	1,891,800	6 mos. notice	Par	105½	4 16 7
Prague 7½% ster. bonds	1,202,500	90 days' notice	Par	102	7 11 6
Seine (Department of) 7%	2,451,050	Jan. 1, 1935; 90 days' notice thereafter.	103	110	6 10 10

† Allowing for accrued interest and income tax at 4s. 6d. in £1. (a) Called for redemption on July 1, 1935.

The amounts involved are not large, by comparison with the successful operations of Australia, Argentina and Canada. Nevertheless, it may be presumed that, granted favourable conditions, some at least of these faithful borrowers may obtain due reward. Immediate action doubtless might be premature, in view of the possibility of a fairly large Treasury operation in the near future. The City of Bergen has shown the way by its announcement of conversion of the 1922 sterling loan from 5½ to 4 per cent. Again, this year Finland and Iceland have been able to reduce the rate on the 1923 and 1921 loans to 5 per cent. by offering holders the alternative of reduced terms or repayment. The way may be open for other borrowers, with good credit standing and adequate sterling

resources, to achieve similar reductions, in cases where the amounts involved are not so large as to require the underwriting of a conversion issue.

Bulgaria's League Loans.—The League Loans Committee (London) has issued this week a declaration by M. Todoroff, the Bulgarian Finance Minister, following the negotiations mentioned in the *Economist* of December 15th, page 1156. The declaration outlines a temporary arrangement for the transfer of monthly instalments of the half-yearly coupons. The Bulgarian Government undertakes to maintain the agreed rate of 3½ per cent. for the League and Pre-War loans, but it proposes to transfer any balance in "effective levas" at the National Bank. This arrangement is purely temporary, and will cover those monthly instalments which fall due pending the negotiation of a new agreement. The Financial Committee of the League, which has been inquiring into the Bulgarian economic position, is due to meet on January 7, 1935. Its report will provide a basis for any new negotiations, and the amounts due for transfer under the declaration will count towards whatever new percentage is agreed with the bondholders. Broadly, therefore, the arrangement proposed has the advantage of yielding some current payment, pending negotiations, and of requiring better conditions than were initially proposed by the Bulgarian Government to cover the period, viz., 20 per cent. of current service in "effective levas," of which 10 per cent. were to be transferred. Since the agreed rate of 3½ per cent. is covered between ten and twenty times by the particular assigned revenues, and since the service requires at most 4 per cent. of the budget revenue, the bondholders' representatives could legitimately argue that a concrete case of inability to make full budgetary provision had not been made out, although admittedly the exchange situation is more difficult. The League Loans Committee has "taken note" of the declaration, which may be described as an offer "on account," acknowledged, but technically unaccepted. Bondholders will hope that a full review of the facts will enable any financial misdirection to be promptly righted, for they have already made generous concessions, and have a clear interest in maintaining the prestige of the League.

The Five Shilling Share.—The heightened activity of the new issue market during the last few weeks has attracted attention to a new "common form" capital structure which issuing houses are now adopting. One of the least commendable features of the 1928-29 new issue boom was the exploitation of the preference-cum-shilling ordinary capitalisation. The shilling ordinary was acceptable to the stags as a gambling counter and facilitated the successful placing of the preference issue, from which the large proportion of the companies' capitals was derived. With few exceptions, recent prospectuses have eschewed this British equivalent of the no-par share, and have adopted the 5s. ordinary share as a representative denomination for the speculative industrial issue. The following table sets out some recent mixed and straight issues of this type:—

	Preference Shares of £1	Ordinary Shares of 5s.	Total Capital raised (excluding premiums)	Proportion Pref. to Ord.*
Bethley Flettons	No. 185,000	No. 185,000	£ 231,250	4:1
Broadway (Retailers)	...	500,000	125,000	...
Hillman's Airways	...	400,000	100,000	...
National Star Brick and Tile	100,000	200,000	150,000	2:1
Sale Lido	16,000	53,000	23,250	0.75:1
S.G.B. (Dudley)	125,000	500,000	135,000	1:1
Tecumseh	...	480,000	120,000	...
Vacuum-Packed Produce	100,000	100,000	125,000	4:1
Vactric	...	400,000	100,000	...
Woodlands Chemists	...	...	...	...

* Based on respective amounts of capital, at par value.

Those responsible for these issues may be commended for having applied one of the lessons of the boom period, although the gearing factor in some cases is still relatively high. Whether the 5s. denomination will serve to "sell" their speculative wares, over the long period, is not certain.

The majority of these prospectuses have cited a profits record, since the issues have largely been made for the acquisition of existing businesses, and the 5s. denomination has not been greatly tested as a vehicle for the "prospects" issue. It may have the salutary effect that such issues, being less attractive to those whose savings are best invested outside the Stock Exchange, must maintain a higher standard of quality if they are to appeal successfully to a more substantial and more discriminating section of the speculative investment public.

Trust Companies' Equity Holdings.—In our Investment Trust Supplement of December 1st last, we suggested that, other things being equal, a comparatively large holding of equity as distinct from fixed-interest securities might, under present conditions, give an element of resiliency to a trust company's portfolio. We publish below a list of companies which, at the date of their last report, had more than the average proportion of their total portfolio invested in ordinary and deferred securities:—

PERCENTAGE OF TOTAL PORTFOLIO INVESTED IN ORDINARY AND DEFERRED STOCKS—As shown in latest report.
(Percentages based on market values shown in italics; all other percentages based on book values)

Company	Percentage	Company	Percentage
PRE-WAR ENGLISH—		PRE-WAR SCOTTISH (cont.)—	
Industrial and General*	49.2	Second Edinburgh*	68.9
Utilities and General*	48.4	Scottish Northern*	68.3
Trustees Corporation*	47.6	Second Scottish Northern*	66.3
POST-WAR ENGLISH—		Aberdeen Trust*	64.7
Midland Caledonian (1)*	71.6	East of Scotland*	59.2
London Prudential	69.4	Scottish and Dominions	52.0
Colonial and General*	69.4	Realisation and Deb. C. of S.*	51.9
London Stockholders†	59.1	Scottish Investment	51.9
Monks Investment	58.1	Edinburgh and Canadian*	51.5
Scottish Stockholders (2)†	56.2	American Trust	46.6
London and Overseas	56.0	POST-WAR SCOTTISH—	
London Border and General*†	55.8	Third Scottish Northern*†	69.6
Stockholders Investment*†	55.2	Second Great Northern*†	68.6
English and International	53.0	Aberdeen, Edinburgh & London*	67.7
London and Strathclyde†	53.0	Goldstream*	60.9
English and Scottish*	52.7	Second Securities Tr. of S.*	55.7
Releasable Securities & General*†	52.1	Scottish United*	53.1
Friars Investment	51.9	Second Scottish Eastern*	52.9
Trust Co. of London and Scot.†	51.1	Scottish Eastern*	51.2
City and Foreign	49.8	London Scottish*	49.4
General Funds†	48.6	Scottish Allied*	48.1
PRE-WAR SCOTTISH—		Scottish Cities*	48.4
Third Edinburgh*	70.1	Scottish Capital	46.4
Edinburgh Investment*	69.5		

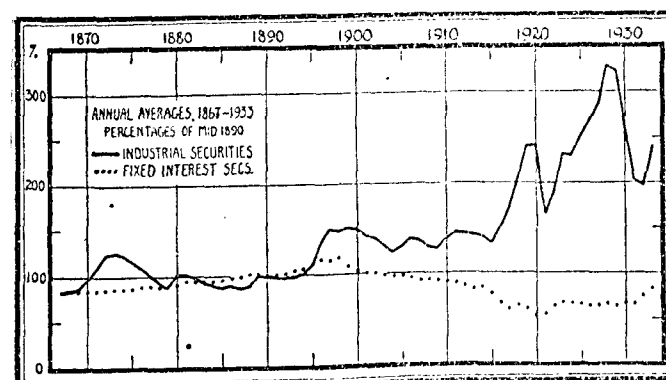
(1) Including 23.4 per cent. in insurance shares. (2) Head office, London.
* Included in list of companies with high percentage in Great Britain and Empire. (See *Economist*, December 8, page 1100). † Included in list with high percentage in utility and general industrial investments. (See *Economist*, December 15, page 1156).

The companies marked with an asterisk and dagger have more than the average proportion in Great Britain and the Empire and in utility and industrial stocks, respectively. They offer a three-fold case for closer investment examination. We repeat, however, the caveat entered in earlier Notes on this subject. Many other factors must be taken into consideration in assessing the future possibilities of any individual investment trust stock. The analysis, further, takes no account of companies whose directors do not see their way to furnish particulars regarding the nature of their holdings.

Company Developments in New Zealand.—"L'Affaire-McArthur" (whose earlier developments were described in the *Economist* of October 6, 1934, page 642 and November 17, 1934, page 932) has eventuated, in New Zealand, in a lengthy report by a Commission appointed to "enquire into and report upon tendencies and developments apparent in the Dominion in relation to the promotion, financial methods, control and operations of certain companies and other corporations which seek to raise capital and loan funds in the Dominion." Copies of the report which have reached London show that an almost unbelievable state of affairs existed among the seventeen companies in the McArthur group, thirteen of which were incorporated in New Zealand. The Commission has taken a serious view of the effect of such scandals on New Zealand's international credit and has made a series of far-reaching recommendations. Its major conclusion is that New Zealand should proceed to set up a Corporate Investment Bureau, whose functions should include supervision of prospectuses, prosecution for breaches of the law, application for injunctions against "unconscionable and specious

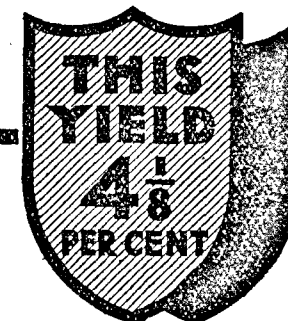
schemes," and the keeping of a register of all concerned with public issues, including promoters, directors, brokers, salesmen and valuers. Other recommendations include the compulsory furnishing of annual statements by companies formed for forestry purposes, the prohibition of the raising of capital by means of so-called "bonds" issued in a series, and a very considerable tightening up of the Dominion's company law. Some of the latter recommendations go well beyond the British system. It is proposed, for example, that the signatories of a company's memorandum of association be required to subscribe for a substantial holding of shares, and that no company shall increase its share capital within twelve months of incorporation without the consent of the Minister of Finance. If the Government accepts a substantial part of the Commission's recommendations, New Zealand will have a machinery for control of new issues whose ramifications will be even more intimate and far-reaching than those of the present American system. Further reference to the Commission's report is made by our New Zealand correspondent in a letter on page 1259. We are also informed that legislation is pending in New South Wales, for a new Companies Act which will include drastic provision against the hawking of shares.

A Securities Index from 1867.—An enterprising piece of research has recently been carried out by the London and Cambridge Economic Service, which throws considerable light on the course of security markets from 1867 to 1914. The Service has published, as a special memorandum,* a monthly index of fixed interest securities and industrial shares during that period, using June, 1890, as base. The latter series in particular will remove an awkward gap in the range of accurate investment information. As the memorandum points out, the index is primarily of interest to the investor, for it has proved impossible satisfactorily to weight the component series either for their economic importance or for their market interest. The limited number of securities for which quotations are available over the longest possible period gives the index a necessarily narrow base during the early years. Thus, the groups included only 17 securities in 1867, of which nine were iron and steel shares, but in 1913 the total of 72 shares was satisfactorily distributed over the whole range. The special considerations relating to the wide fluctuations in certain shares and the arguments in favour of the base date suggest that the best use has been made of material, which in the early stages at least must have proved particularly intractable. By permission of the Service we reproduce below the chart of annual averages of the two series, extended to 1933 by deduction from the corresponding indices published in earlier monthly bulletins:—



These curves fit the facts of pre-war economic development with remarkable fidelity. The effects of the Glasgow Bank crash, after the depression of the 'seventies, followed by unsettled conditions abroad in the 'eighties and the Baring crisis are well shown. Thereafter the equities index rises sharply to cut the fixed interest curve for the first time in over a decade, at the commencement of a period of general prosperity and rising interest rates which lasted broadly

* Obtainable at the office of the Service, c/o London School of Economics, Houghton Street, W.C.2. Price 5s.



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These are the Companies:

Gas Light & Coke Company
County of London Electric Supply Co. Ltd.
Callender's Cable & Construction Co. Ltd.
Victoria Falls & Transvaal Power Co. Ltd.
Electrical Distribution of Yorkshire, Ltd.
Calcutta Electric Supply Corporation, Ltd.
Scottish Power Co. Ltd.
Lancashire Electric Light & Power Co. Ltd.
British Columbia Power Corporation, Ltd.
Imperial Continental Gas Association
South Metropolitan Gas Co.
Consolidated Gas, Electric Light & Power Co. of Baltimore
Midland Counties Electric Supply Co. Ltd.
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Sub-units can be bought or sold through any bank or stockbroker. Full particulars may be obtained through

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until the outbreak of the war. The wider fluctuation of the share index in post-war years is particularly noteworthy. The sudden incidence of the 1921 and 1929 depressions inevitably suggests that a wider basis of Stock Exchange business has rendered markets more, rather than less, subject to economic fluctuations.

COMPANY NOTES

Musical Instrument Companies.—Apart from the wireless set or the gramophone (which, from the investor's point of view, are the basis of distinct and individual industries), the only musical instrument with a sufficiently wide popular appeal to support a group of public companies is the piano. The problems of the piano trade are readily discernible. Although the piano retains its attraction for many homes, its former quasi-monopoly as a purveyor of domestic music has been broken, first by the gramophone and more recently by the wireless set. The market for the piano, therefore, though by no means closed, has been severely narrowed. This development has been sufficiently rapid to cause serious inconvenience to the piano makers, for whom the normal problems of a shrinking market have been aggravated by a revolution in the prime cost of the average "music-producing" instrument. Even a cheap piano may cost twice or three times as much as a gramophone or wireless set of plain but serviceable specification. To meet their difficulties the piano manufacturers have reduced their costs, and have cut their prices in even greater proportion. Individual companies, nevertheless, have tended to seek their salvation outside the piano trade.

(Profits in £'000)						
	1929	1930	1931	1932	1933	1934
Assoc. Piano (March 31):						
Earned for Pref.	35.3	34.0	17.0	2.0	0.4	0.1
Earned for Pfd. Ord.	23.3	22.0	5.3	Dr. 9.2	Dr. 10.9	Dr. 11.1
Pfd. Ord. Div. %	7½	10	2½	Nil	Nil	Nil
Chappell (June 30):						
Earned for Pref.	12.0	16.4	14.2	1.4	8.7	1.8
Earned for Ord.	0.7	5.1	3.0	Nil	Nil	Nil
Earned %	0.5	4.4	2.5	Nil	Nil	Nil
Div. %	7½	Nil	Nil	Nil	Nil	Nil
Herrburger Brooks (June 30):						
Earned for div.	44.3	32.8	2.3	Dr. 37.4	12.1	22.2
Earned %	17.7*	13.1*	0.8	Nil	4.3	7.9
Div. %	15*	10*	Nil	Nil	5	6
J. G. Murdoch (March 31):						
Earned for Ord.	58.0	57.7	37.6	13.8	9.7	11.3
Earned %	15.0	14.9	9.0	3.3	2.3	2.7
Div. %	10	10	10	8	7	5
S.D.H. Pianos (Feb. 28):						
Earned for Pref.	37.2†	24.0	Dr. 19.6	Dr. 52.7	...	...

* Tax free.

† Broken period equated to 12 months.

Thus, S.D.H. Pianos, Limited, have taken up the manufacture of wireless sets. Associated Piano has opened departments for woodworking and furniture. John G. Murdoch combine a baby carriage and laundry machinery business with their piano and musical instrument trade. It is unlikely, altogether, that musical instruments will provide a very favourable opening for investment in the near future. Among the latest figures for representative companies, summarised in the annexed table, those of Herrburger Brooks, John G. Murdoch and Associated Piano show signs of the recovery in profits which may be looked for at the beginning of revival in a trade which deals in relatively expensive units of output. Allowing, however, for the vigorous advance of the "wireless" habit during the depression period, it is somewhat difficult to see how the pre-depression profits of the piano manufacturers can be speedily recovered. Even the gramophone companies proper have felt the effects of wireless competition during the last few years.

Canadian Pacific Dividend Prospects.—The hopes of ordinary shareholders in the Canadian Pacific Railway of receiving a dividend appear to be doomed once again to disappointment. The company's experience in the matter

of receipts this year, indeed, has many points of resemblance with that of the four main-line British railways. In the early part of the year, when the takings of the system afforded comparison with those of depressed months in 1933, gross receipts showed increases ranging from 12 to 19 per cent. Expenses did not rise in proportion, and more than half the increase was retained as net revenue. From May, however, the "pluses" began to fall away. The autumn weeks of seasonally heavy traffic movement and revenue have yielded only modest further gains, for the figures have tended increasingly to compare with "recovery returns" in 1933. The course of receipts, month by month, is summarised below:—

RAILWAY RECEIPTS, 1934						
	Gross			Net		
	Receipts, 1934	Change, compared 1933		Receipts, 1934	Change, compared 1933	
		Amount	Per cent.		Amount	Per cent.
	\$'000	\$'000		\$'000	\$'000	
January	8,970	+ 1,294	+ 17.0	889	+ 508	+ 175.5
February	8,571	+ 1,474	+ 12.1	818	+ 721	+ 743.0
March	9,946	+ 1,146	+ 13.0	1,519	+ 641	+ 73.0
April	9,260	+ 1,338	+ 17.0	1,270	+ 742	+ 136.5
May	10,454	+ 1,664	+ 18.9	1,802	+ 828	+ 84.6
June	10,009	— 431	— 4.2	1,756	— 292	— 14.3
July	10,717	+ 575	+ 5.8	1,511	+ 141	+ 10.7
August	10,030	+ 87	+ 0.8	1,071	+ 334	+ 44.8
September	12,043	+ 869	+ 7.9	3,033	+ 30	+ 1.0
October	12,752	+ 768	+ 6.4	4,101	+ 42	+ 0.4
Total, 10 mos.	103,653	+ 9,685	+ 10.3	17,771	+ 3,741	+ 26.7
November	11,183	+ 793	+ 7.8	...	...	...
December 1-21	7,543	+ 552	+ 7.9	...	...	...
Total, to date..	122,379	+ 11,030	+ 9.9	...	...	...

It appears that the total increase in net earnings this year, as compared with 1933, will be under rather than over \$4,000,000. In 1933, after allowing for fixed charges and allotting \$1,438,811 for pensions, the company earned \$1,257,161 towards preference requirements of \$5,490,277, though no dividend was paid. The figure, however, included \$6,222,481 of "special income"—by way of net receipts from steamers, hotels, telegraphs, investments, etc.—which was shown before allowance for depreciation on ocean and coastal steamships. The latter, in fact, was charged against surplus revenue account to a total of \$3,854,481. How far the board will again be willing to "stretch a point" is unpredictable. If "special income" rises sufficiently to allow for writing-off steamship depreciation direct, and to leave the net total at last year's level, something between 2½ and 3½ per cent. may be shown as earned on the preference stock. In that event the board may decide to declare a half-year's dividend. Everything turns, however, on the dimensions of "special income," and as this has been somewhat generously computed in recent years, the directors may take the view that the first year of recovery offers a favourable opportunity to conserve a modest increase in earnings. In this connection it may not be irrelevant to point out that the President of the C.P.R. has strongly taken the line that "unification" with the Canadian National, "for the purpose of administration" is essential to the solution of Canada's railway problems. Any decision which might be construed as suggesting that the Canadian Pacific was well on the way to recovery under the present regime would scarcely be consistent with this view. Further, the board may be faced with an increase in the wages bill as a result of last month's decision gradually to reduce to 10 per cent., from January 1, 1935, onwards, the cut of 15 per cent. put into effect two years ago.

Citroën Developments.—Shortly after we went to press last week it was learned that arrangements were in progress to avoid the threatened bankruptcy proceedings against the Citroën Company. The company's petition for judicial liquidation was upheld, and the plants, which give employment to some 20,000 workpeople, will continue to operate. Circumstantial reports from Paris suggest that a stringent financial policy is overdue, and negotiations for reorganisation have been proceeding for over a year. It is known

that the Michelin Tyre Company, one of the largest creditors, has assisted the Citroën concern with finance and reconstruction plans. The latter, however, proved unacceptable to certain other creditors, while M. Citroën resisted alternative schemes drawn up by the banking creditors. A provisional balance sheet, dated October 1, 1934, shows how unmanageable the current position has become. Short-term liabilities amount to Frs. 528 millions, of which bankers rank for Frs. 76 millions, trade creditors for Frs. 134 millions, and bills for Frs. 208 millions. Against these sums the company has nearly Frs. 141 millions in cash and securities, Frs. 373 millions in stock and Frs. 420 millions owing by various debtors. It is further reported that the company sustained a loss of Frs. 83,050,940 for the year to June 30th last, while the deficit for the subsequent quarter was as much as Frs. 57,613,870. In view of the present financial circumstances it may be prudent to accept these figures with due reserve. From the general point of view it remains to be seen whether the Flandin Government will be considerably affected. It has already encouraged prompt steps to prevent closure of the works, but there is no likelihood, in view of previous refusals, of Government assistance for the concern. The Paris Bourse has taken the disclosures calmly, and Citroën shares closed at 63 on Wednesday, above the worst. Nevertheless, the potential effects of the incident on the Paris bill market and on the solvency of creditors, whose claims are frozen, may be considerable.

Burma Corporation.—At the annual meeting, in Rangoon, writes our mining correspondent, the acting chairman of the Burma Corporation foreshadowed a return of capital out of accumulated surplus assets. At first a favourable market interpretation was placed upon this announcement, but an entirely different view resulted from consideration of the reason for the return—that further large sums would not be required for development. In our Note on the company's annual report (see the *Economist*, November 24th, page 993) we stressed the adverse effect of the persistence of "the unfavourable Yunnan sediments" upon the position at depth practically throughout the mine. The capital decision, indeed, has been interpreted as an intimation that a definite limit must be placed upon the mine's expectation of life, while exploration of outside areas in Burma has given negative results. The fall in the market price of the shares, however, suggests that pessimism has been overdone. The proved ore reserves at June 30th represented over eight years' supply for the mill, at the 1933-34 rate of output. Exploration of the upper levels will doubtless reveal some further tonnage of payable ore. Any material recovery in the price of the company's products (other than silver, which has recently had a substantial advance) would confer payability on appreciable quantities of ore which cannot be profitably dealt with at present. The market expects the proposed return of capital to be one rupee, or rs. 6d. per share, which would absorb about £1,000,000 out of the surplus of £1,654,400 shown by the last balance sheet. The latter total includes £690,260 of investments, composed mainly of gilt-edged stocks, brought in below market value.

Rand Selection.—Last year's profits showed slight change from those of the year to September, 1933, net earnings being £367,200 and £354,800 respectively. For the three years to 1933, however, no dividend was paid, whereas in 1934 shareholders have received dividends totalling 50 per cent., of which 20 per cent. related to the previous year. Some £215,630 from share premiums, etc., is brought into the appropriation account. An appropriation of £250,000 raises the reserve to £800,000, and leaves £199,900 to be carried forward, against £397,700 brought in. The portfolio shows an increase of £310,350, at £2,011,650.

Other Company Results.—In the Christmas "closed season" our weekly profit and loss summary table, on page 277, musters only thirteen companies. There are, however, some features of interest in the short list. The

Fairey Aviation accounts, for instance, confirmed the market's disappointment with a halved ordinary dividend. Net profits amount to £47,534, against £116,683 for the previous year. The Riley figures also convey a warning that record activity in an industry is no necessary criterion of rising profits for individual companies during a period of rapid technical change and rising material costs. Profits have fallen sharply from £77,910 to £40,504, but the repeated dividend of 20 per cent. has been covered satisfactorily. Four rubber companies which show improved profits include Malay Rubber Planters (£16,565, against £2,435) and Waterfall (Selangor) (£6,784, against Dr. £18,413). In the textile group, John Barran and Sons and Willsons (London and Provinces) show a satisfactory increase in profits and dividends. Among industrial concerns, Chinese Engineering and Mining report a loss of £2,719 for a year of serious competition, labour unrest and depression, compared with £19,377 for the previous year. Another overseas company, East India Distilleries and Sugar Factories reports sharply reduced profits (£11,408, against £29,070) and pays 7½ against 10 per cent. The net profits of British and Dominion Film amount to £47,480 for the period April 29, 1933, to October 27, 1934. A preliminary statement from United Tobacco Companies (South) discloses net profits of £616,837 for the year to September 30th, compared with £548,492 for the previous year. Last year's 20 per cent. dividend has been increased to 22½ per cent., and 3½ per cent. special bonus from exchange profits is also being paid.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Ionian Bank, Scottish Australian Company, Stoll Theatres Corporation, and Appollonia Gold Fields. The chairman of the Ionian Bank declared that a fresh improvement in conditions had induced the bank to increase its activity in Greece, and that the reduction in cash and expansion in "live" assets were due to this cause. Mr J. C. Inglis informed the shareholders of the Scottish Australian Company that the company's acquisition of an important freehold property in New South Wales had been made in view of the impending resumption of certain properties held on lease. The current year's woolclip was large, and seasonal conditions for the most part were good, but the ultimate result depended on the course of the wool market and the relief of "drought" stations. At the Stoll Theatres Corporation meeting, the chairman declared that the incidence of the entertainments tax gave cinemas a differential advantage over theatres. Shareholders of Appollonia Gold Fields were informed that development of the company's Obomeng and Prestea-Ashanti areas gave promise of satisfactory flotations in due course.

THE WEEK IN THE MARKETS

THE LONDON STOCK EXCHANGE

SETTLING DAYS	
TICKET	ACCOUNT
JANUARY 8	JANUARY 10

WITH two days' break for the Christmas holiday the week in the market boils down to little important business. To the serious-minded Scrooges, Monday was a day largely devoted to lamentable frivolity. Most of the market had cleared up its business by noon, and the rest of the day was dedicated to toasts and trivialities. Although Monday rested uneasily between the two holiday breaks, it was characterised by a cheerful undertone which was well maintained when the market reassembled on Thursday. With business at seasonable levels, the high spirited had ample opportunity to mark the Christmas occasion.

The chief factor in the gilt-edged market was provided by the Chancellor of the Exchequer's statements indicating a continued cheap money policy. Prices made a prompt

COMPANY MEETINGS, &c.

STOLL THEATRES CORPORATION, LIMITED

SERIOUS BURDEN OF ENTERTAINMENTS TAX

UNFAIR COMPETITION BETWEEN THEATRES AND CINEMAS

SIR OSWALD STOLL'S INTERESTING ADDRESS

The sixth ordinary general meeting of the Stoll Theatres Corporation, Limited, was held, on the 21st instant, at the London Coliseum, St. Martin's Lane, London, Sir Oswald Stoll (chairman and managing director) presiding.

The secretary (Mr Roland J. Bentley) having read the notice convening the meeting and the auditors' report,

The Chairman said: Ladies and gentlemen,—I rise to move the adoption of the report and accounts, which I assume may be taken as read. (Agreed.) In the balance-sheet the total figure is two and a-half million pounds odd, which is £34,484 8s. 10d. higher than last year. On the assets side all the items are good, and they could justifiably be written up.

As the report states, one of our subsidiaries has already sold some property in London, completion of the sale of which has partly taken place. Our Manchester subsidiary has also made a contract for the sale of an important theatre in Manchester, completion of the purchase of which is scheduled for next March. This property is to be converted by the purchasers into a great cinema.

THEATRES AND ENTERTAINMENTS DUTY

There are two paragraphs in the report which I consider are of special importance, and I can be forgiven if in this speech I now repeat them. They are: "As to earning power, we must place ourselves among the optimists whom the Chancellor of the Exchequer at Manchester last month tended to discourage. In the past our subsidiary companies have paid approximately £2,000,000 in dividends, and such companies have accumulated good assets, in addition to the 565,543 ordinary shares of £1 each which they now hold in this company. This is a good record. The fact, also, that nearly £3,000,000 of their revenue has gone in entertainments duty is sufficient reason why this good business, with its good record of dividends and progress, should no longer be forced to mark time seriously handicapped by this unwarrantable taxation."

"The effect that entertainments duty would have (if it were imposed on business apart from entertainment business) is well borne out by statistics relating to 197 Investment Trust companies. In the case of seventy-two of these Trust companies, of which investment statistics are available, it is said that approximately 80 per cent. of the investments relate to industrial and similar miscellaneous companies. If these companies in which the investments were made had been subjected to deduction of one-sixth of their main revenue, hardly one of the Trust companies would ever have paid a dividend, and the Trust capital, as well as the capital of the companies in which the investments were made, would have been reduced to trifling values. Even a Government department, such as the Post Office (which is virtually a trading concern and is making huge profits) would have made a loss instead of a profit if it had been subjected to a tax equivalent to entertainments duty."

CHANCELLOR OF EXCHEQUER'S ADMISSION

Mr Chamberlain has admitted that entertainments duty in its present form is unsatisfactory in many ways, both theoretically and practically. That admission was made on June 11th last. He said at the same time that those who are affected by entertainments duty are at the top of the queue for relief, and he said that, should his resources permit, he might grant relief, not merely to the extent of a restoration of the particular imposts which were increased in 1931, but also by remodelling the whole tax. It is clear that a Chancellor of the Exchequer has at last taken the trouble to understand this tax.

Theory assumes that entertainments duty may be imposed upon the people being entertained, i.e. the paying public—without being inevitably imposed upon the industry which does the entertaining. Practice in regard to entertainments of the stage has proved this theory to be false. It is wrong to suppose that the public pay except as the public always pay for everything in every kind of business. The obligation really falls upon

theatres, cinemas, artists, musicians, employees and shareholders who are deprived of participation in one-sixth of the revenue, or the productive use of it.

DISTINCTION BETWEEN THEATRES AND CINEMAS

While I am on the question of entertainments duty I must say that if any of such duty is to be continued, whether in a remodelled form or not, there certainly ought to be a distinction drawn in favour of the stage as distinct from cinemas.

Mechanisation and duplication have gone far in entertainment and are going farther. For all that, entertainment depends now, as ever, upon the maintenance, development and continuous supply of living artistes, and obviously a higher revenue is required to meet the costs of a performance given by artistes in person with scenery, costumes, supernumeraries, orchestra and stage and electrical staff, than the necessary revenue required to meet the costs of a performance of a copy of a film run through the sprocket wheels of a lantern in charge of a single operator. Ten shillings to £1 is an ample allowance for the necessary cost, as distinct from administration costs, of such a film performance. This has to be compared with £25 to £250 as the necessary costs, also as distinct from administration costs, of a stage performance. The costs in relation to necessary revenue in the two cases indicate the extraordinary preference over the stage given to the screen by the tax in its present form. Whatever the revenue, the tax amounts to one-sixth. Taking the higher essential revenue in each case, the tax on the screen is one-sixth of £1, i.e. 3s. 4d., while the tax on the stage is one-sixth of £250, or £41 13s. 4d.

PRIVILEGED POSITION OF CINEMAS

In other words, the tax in relation to necessary revenue on a single stage performance is 249 times greater than the tax on a single film performance. Whatever be the theory of preference, the practice is therefore entirely unsatisfactory.

It is not surprising that cinemas have multiplied under such a preference, while theatres have become either cinemas or petered out under the handicap.

If theatres are allowed to prosper again, employing more artistes and more experts in all the arts of the stage: if theatres which are now cinemas are allowed to revert successfully to their proper avocation, so reducing cinema competition, the future of the cinema itself will be brighter, because more and better pictures, with a wider range of favourites and fewer identical programmes will follow.

THEATRES AND TELEVISION

It is now being found that the preservation of the stage and studio performer is also a *sine qua non* to the success of television. The reference in the report to visatone and television indicates where a new way to substantial profits may be found by the subsidiaries of this company. Televised programmes will call for the rehabilitation of entertainments of the stage.

Practical, commercial, and inevitable television is ready. Recently, reports reached me that large supplies of television receiving sets had been stocked at certain factories. This was found to be true. It is also a fact that the chairman of Electric and Musical Industries, Limited, made an announcement at the annual meeting, reported on November 17th, in the following words:—"The research engineers of your company have developed and demonstrated a complete and entirely successful system of high-definition television of undoubted entertainment value. This system includes both transmission, or broadcasting, and reception by sets suitable for use in the home. These sets can be placed before the public at a reasonable cost."

Television is no longer a possibility. It is an accomplished fact. It means that great advances in the entertainment world are imminent, and that they are advances which, so far as we are concerned, will involve preservation of, and co-operation with, the stage.

I should like to conclude by saying that it is important to remember that our enterprises are not alone in failing to make the

RECORD
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INCREASED to: **45/- %**
per annum . . .

ENDOWMENT ASSURANCE
BONUS MAINTAINED
at: per annum **40/- %**

INTERIM BONUS, 1934,
same rates

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profits to which we were accustomed for many years. The depression over the last few years has adversely affected all kinds of entertainment enterprises, not only in London, but in the provinces. This is due to causes well known, such as diminished spending power on the part of the general public, a good deal of fine weather, which has naturally diminished audiences who usually attend indoor places of entertainment, and last, but not least, the continuance of the imposition of the entertainments duty.

It would be invidious on my part to refer by name to other entertainment enterprises, and I am not going to do so. Through no fault on the part of their very efficient managements, they continue to run under very difficult conditions, many of them at a loss, and in some cases owing to an additional adverse factor, namely, the difficulty of getting hold of attractions which at the same time interest the public and yield a remunerative profit to the producers. This comparison between our enterprises and other similar enterprises is important. We have the great satisfaction of knowing that our group of theatres is second to none.

GOOD PROSPECTS AND NORMAL CONDITIONS

I can say with confidence that our group of theatres will be in the forefront as substantial profit-making concerns when the prevailing depression disappears, as I am confident it will before long. The main drawback is the great loss which we sustain by reason of the Entertainments Duty. We have every reason for believing that this will in a few months' time be substantially reduced as regards cinemas and removed as regards theatres. Our theatres are well equipped and are thoroughly efficient and up-to-date, and I repeat that, when normal conditions are restored, we shall again reap very substantial profits.

I now beg to move: "That the directors' report and balance sheet at 30th September, 1934, and profit and loss account for year ending that date be approved and adopted, and that the balance of £97,116 17s. at credit of profit and loss account be carried forward to the current year's accounts."

Mr. Douglas McCraith seconded the resolution, which was put to the meeting by the Chairman and carried by a large majority.

The retiring directors were re-elected and the auditors were reappointed.

"A CATALOGUE OF FACTS"

A vote of thanks to the Chairman having been put to the meeting and carried unanimously, the Chairman returned thanks, and said: Our report is not a lecture on economics. It is a catalogue of facts. My speech has not been a lecture on economics. It has been a speech strictly pertinent to our business.

I say that because of a letter from Cardiff, which appeared in the *Financial Times* on Saturday, the 15th instant. The letter reminded me, however, of a great friend that I once had in Cardiff. I used to talk economics with him as they affected questions of the day because he knew something about the vitals of the subject, besides being a double gold medallist in law. He arranged a meeting between me and the Attorney-General of the day, whose friend he also was. That Attorney-General was an expert in financial law, and he examined me for three and a-half hours on an economic remedy designed to protect many interests and injure none. At the end of that examination he said to me: "I believe you have found a complete solution of a very grave problem." That Attorney-General was none other than the great little gentleman who now happens to be the Lord Chief Justice of England.

THE IONIAN BANK, LIMITED

INCREASE IN BUSINESS MAINTAINED

The ninety-fifth annual general meeting of the Ionian Bank, Limited, was held, on the 21st instant, at 25-31, Moorgate, London, Sir John Stavridi (chairman of the company) presiding.

The Secretary (Mr R. H. Fry) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that conditions in Greece, which had begun to improve in 1932-33, had continued to do so during 1933-34, although the improvement had not been sufficiently large to create any great demand for accommodation from the banks. Unfortunately, her credit had seriously suffered abroad, and more particularly in this country, which had in the past been her main financial, as well as trading market, owing to the fact that the agreement reached by her last year with the Bondholders' Committee had not been carried out in its entirety.

The Greek Government and the Bondholders' Committees having agreed to meet again before January, 1935, to settle pending questions between them, it was sincerely to be hoped that that meeting would be arranged at the earliest possible moment, and that, with the necessary frank goodwill on both sides, an equitable understanding might be reached.

Most of the indices available confirmed that conditions had improved in Greece during the past year. The further improvement in conditions which became evident towards the end of the financial year under review induced them to increase their activity in Greece, and that was reflected in their balance sheet through a reduction in the large cash balance as compared with the previous year and an increase in the live items of their assets.

Egypt continued to be overbanked. Competition was therefore most keen, and profits continued to be affected by low rates.

The decrease in the gross profits caused could only be compensated by an increase in business, and that increase, notwithstanding the still abnormal conditions, had begun to show itself and was still continuing.

Prior to the shrinkage in the bank's operations, due to the world crisis, the gross profits amounted to £408,167, an average of 7.7 per cent. on the total assets. For the subsequent years the comparative figures were:—

		Balance sheet	Gross Profits	Ratio
		£	£	%
1931	...	4,908,344	355,766	7.2
1932	...	4,087,070	274,097	6.7
1933	...	3,910,412	243,349	6.2
1934	...	4,468,018	224,414	5.0

The steady fall in the ratio was therefore sharply accentuated last year, with the result that, notwithstanding the satisfactory increase in the bank's deposits and other funds, the gross profits were not as large as those of the previous year. That was, he thought, a clear indication of what the fall in the value of money had meant to them. The decrease in the percentage of gross profits could only be offset by one or all of three means: (a) Increase of deposits—here the increase had begun, and they had every hope of its continuance, although the rates banks could offer could hardly be attractive to depositors; (b) decrease of expenses—he went into this matter at some length last year and showed them how, thanks to the constant watchfulness for all means of economy, the expenses had been decreased since 1930 by no less than 33 per cent., or £75,000. They would, therefore, he thought, appreciate the further effectiveness of the directors' policy when they noticed that, notwithstanding the increase of over half a million sterling in the figures, there had been a further reduction in the expenses of £4,167; (c) decrease of interest paid—here they were, as far as Greece was concerned, bound by the tariff of the Hellenic Bankers' Union, but they would notice that, notwithstanding a substantial increase in the deposits, from £2,592,677 to £2,768,933, the total interest paid had amounted to only £61,743, as against £73,822. Thus, out of the falling off in gross profits of £18,935, £4,167 had been recovered in reduced expenses and £12,079 had been recovered in reduced interest paid. Those figures, he submitted, spoke for themselves.

His personal belief was that in their main field of activity, Greece had made progress on the road to recovery, but he realised that there were still many difficulties and perplexities in her path.

Notwithstanding the reduction in the net profits, the directors, having regard to the present somewhat more favourable outlook, had decided to recommend the payment of a dividend at the same rate as for the last three years.

The report was unanimously adopted.

SCOTTISH AUSTRALIAN COMPANY, LIMITED

EFFECT OF BETTER WOOL PRICES

The annual general meeting of this company was held, on the 21st instant, at Winchester House, London.

Mr J. C. Inglis (chairman and managing director), in the course of his speech, said: In spite of all local drawbacks, our pastoral and farming operations had on the whole quite successful results, for, though the crop of wheat was smaller, the wool clip came within 700 bales of that of the previous year.

The bulk of our wool comes to market in London between the months of September and April, and during the whole of that period in 1933/34 there was a remarkable improvement in prices, with the result that our wool clip, although slightly smaller, produced nearly double the amount that was encashed in the previous year.

It is mainly owing to this improvement in the price of wool that we are able to show you such satisfactory results. Whereas in the previous year, after crediting as a windfall the bonus on the conversion of our 5 per cent. War Loan, there was a loss of £2,574, in the year ending June 30th last we are able to show a profit, without the help of any windfalls, of no less than £91,412, to which falls to be added £19,692, brought forward from the previous year. Under these circumstances, the directors were pleased to be able to advise an increase in the total distribution on the ordinary stock to 7½ per cent., by recommending a bonus of 2½ per cent., in addition to the dividend of 5 per cent. After payment of the final dividends and bonus and a special bonus to the staffs, there remains £40,005 to be carried forward.

Now as to the future, I have referred in grateful terms to the splendid improvement in the price of wool which prevailed during the greater part of last year's selling campaign. Unfortunately, the picture has since then considerably changed. The first signs of falling back began in May of this year, while in July the fall in values had reached formidable dimensions. September told the same story, and it was not till November that any real revival of strength in the market showed itself. I think the present position may be fairly described as one of continued firmness, though with no particular indication of the further rise that is necessary before prices can be said to be anything like remunerative. A very substantial recovery in the world price of wool is necessary before we can look for results such as we attained in the year under review. It is for that reason, also, we have considered it wise to carry forward the substantial sum of £40,000.

Reference is made in the report to the acquisition of an important freehold property in New South Wales. We had for some time past been making search for such a property, in view of the impending resumption of parts of our leasehold properties in Queensland and New South Wales. The property in question (its name is Goolhi) was most carefully examined by our trusted officials before the purchase was made, and they are quite satisfied that in Goolhi we have got a property of the highest quality, and one that over a series of years ought to give us satisfactory returns.

As to the present position and the general prospects for the immediate future, practically the whole of our wool clip has been shipped, the estimated total being somewhat in excess of that for last year. Approximately half has already been sold. Our wool has met keen competition, and has been readily disposed of, though at prices substantially below those ruling a year ago.

As regards weather conditions, our latest information is that droughty conditions prevail in North Queensland, which are causing our managers great anxiety and which can only be relieved by good rainfalls in the near future. At two other stations in Queensland rain is badly needed, though there is at the moment no cause for anxiety. By way of contrast, there has been excessive rainfall on one of our smaller properties in New South Wales, which caused some considerable damage, though the situation is now well in hand. In all other cases the manager's most recent telegram states that the season is quite normal and prospects are satisfactory.

To sum up, the position is that for the current year we have a large clip of wool, and in most cases good seasonal conditions. The ultimate result of the current year's working must necessarily depend on the course of the wool market and the relief by rainfall of the droughty stations.

Sir Percy G. Mackinnon gave an interesting account of the visit he paid to representative properties of the company in Australia in the early part of the present year, stating that he was much impressed with them and with the way they were managed.

The report was unanimously adopted, and the dividend and bonus recommended were declared.

APOLLONIA GOLD FIELDS, LIMITED

DEVELOPMENT OF PROPERTIES PROCEEDING

The ordinary general meeting of the Appollonia Gold Fields, Limited, was held, on the 27th instant, at Winchester House, London.

Mr M. L. Innes Browne (the Chairman) said: At the last general meeting we told you our company had sufficient money to maintain its titles but would require more working capital to be able to develop and equip mines. The company to-day has a cash working capital of £114,000, and is at length able to undertake the development of its properties with a view to the formation of subsidiary companies when sufficient work has been done to warrant flotation.

This company is, I think, the oldest mining company operating in the Gold Coast Colony. It has in the past always been hampered by totally inadequate working capital. Its properties cover a large area and have been well reported upon and now that it has working capital it should take a part with the other successful companies in developing the mining industry and in the profits to be made from the gold mines of the Colony.

During the past year work has been mainly confined to the Obomeng Option Concession. A great deal of the work was necessarily of a preliminary nature having for its object the location of the main line of reef and subsequent selection of mining areas covering it. Prospecting necessitated the examination of many ore occurrences in a country densely covered with tropical growth. The work has been very thoroughly done and a mining lease selected, upon which work in that district is now being concentrated. The results to date are satisfactory and justify further development and give promise that it will warrant flotation when the additional development work has been done.

The company is also engaged with others in examining certain areas on the Prestea-Ashanti line of reef with a view to joining in the flotation of these areas. There is a great deal of information available regarding the Prestea-Ashanti reefs formation and work can be confidently undertaken there owing to the great strength and persistence of the main ore channels and the auriferous contents of the lodes.

The mines on this line of reef have produced in the past and are still producing most of the gold won in West Africa. The gold-bearing reefs here have been proved to continue in depths and to maintain their values and the Prestea-Ashanti line of reef is to-day the centre of activity of the big mining groups interested in West Africa. The programme of development now being carried out is giving excellent results, and it is probable these areas will be the first that will be ready for flotation.

During the coming year it is intended also to examine the gold-bearing reefs on the company's Mankwadi properties. These properties cover a large area and have only been partially prospected in the past. Now that we have adequate working capital some of the occurrences favourably reported upon by the officers of the Geological Survey can be prospected. The company's Mankwadi Concessions cover a large area: they are highly mineralised and it would take time thoroughly to prospect them.

We propose to confine the work to prospecting and partly-developing the gold discoveries made on these properties, while continuing the development of the Odumassie reef on our Obomeng Concessions and the development work in conjunction with others on the mining areas situated on the Prestea-Ashanti line of reef.

We shall benefit this year from the work done in the past year, and, with the ample working capital the company now has, good work can now be done and I look forward to a successful year for the company.

The report and accounts were adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended December 22, 1934, amounted to £10,201,000 against ordinary expenditure of £8,078,000. After allowing for a reduction in Exchequer Balances of £303,437, the operations for the week, as shown below, reduced the National Debt by £2,426,000 to approximately £8,144 millions.*

(000's omitted)			
Treasury Bills	+ 3,352	Public Department Advances	- 5,820
National Savings Certificates	+ 250	Road Fund Temp. Advances	- 186
		N. Atlantic Shipping Issues	- 22
	+ 3,602		- 6,028

* Including £200 millions on Account of Exchange Equalisation Fund and Borrowing for Statutory Sinking Funds.

A complete analysis of the approximate position of the National Debt at September 30, 1934, appeared in *The Economist* for October 6, 1934.

REVENUE	Estimate for the year 1934-35	Total Receipts into the Exchequer			
		April 1, 1934, to Dec. 22, 1934	April 1, 1933, to Dec. 23, 1933	Week ended Dec. 22, 1934	Week ended Dec. 23, 1933
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	219,500,000	71,492,000	62,911,000	1,179,000	1,213,000
Sur-tax	50,000,000	11,285,000	12,120,000	570,000	470,000
Estate, etc., Duties	78,000,000	38,515,000	66,100,000	1,450,000	1,470,000
Stamps	25,000,000	14,410,000	13,680,000	45,000	40,000
Excess Profits Duty and Corporation Profits Tax	1,200,000	...	...	...	...
Land Tax and Mineral Rights Duty	800,000	180,000	200,000	20,000	...
Total Inland Revenue	372,500,000	155,882,000	155,011,000	3,244,000	3,193,000
Customs and Excise—					
Customs	183,650,000	137,998,000	132,141,000	3,688,000	3,391,000
Excise	106,350,000	80,500,000	82,600,000	5,310,000	5,200,000
Total Customs and Excise	290,000,000	218,498,000	214,741,000	8,998,000	8,591,000
Motor Vehicle Duties (Exchequer share)	5,000,000	1,950,000	1,724,000	Dr. 85,000	Dr. 106,000
Post Office (Net receipt)	14,000,000	11,000,000	11,850,000	Dr. 210,000	Dr. 185,000
Crown Lands	1,220,000	1,010,000	880,000	...	...
Receipts from Sundry Loans	3,800,000	3,310,129	3,677,280	...	...
Miscellaneous Receipts	20,000,000	12,414,048	19,228,150	144,030	431,048
Total Ordinary Revenue	706,520,000	404,064,177	407,111,430	10,201,030	10,259,048
SELF-BALANCING REVENUE					
Post Office	60,463,000	42,150,000	40,650,000	2,600,000	2,350,000
Motor Vehicle Duties apportioned to Road Fund	24,255,000	10,507,000	9,636,000	85,000	106,000
Total Self-Balancing Revenue	84,718,000	52,657,000	50,286,000	2,685,000	2,456,000
Total	...	456,721,177	457,397,430	12,886,030	12,715,048

EXPENDITURE	Estimate for the year 1934-35 (including Supplementary Grants)	Total Issues out of the Exchequer to meet payments			
		April 1, 1934, to Dec. 22, 1934	April 1, 1933, to Dec. 23, 1933	Week ended Dec. 22, 1934	Week ended Dec. 23, 1933
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	178,593,005	178,394,956	583,717	822,060
Payments to Northern Ireland	6,500,000	3,840,925	4,151,693	...	216,393
Other Consolidated Fund Services	3,700,000	2,417,718	2,605,982	53,750	60,000
Post Office Fund	2,000,000	2,291,118	...	...	...
Total	236,200,000	187,142,766	185,152,641	637,467	1,098,453
Total Supply Services (excluding Post Office)	466,296,000	325,842,319	316,043,576	7,441,000	6,520,000
Balance of Marginal Provision (Restoration of Cuts)	5,257,000	...	...	...	...
Total Ordinary Expenditure	707,753,000	512,985,085	501,196,217	8,078,467	7,618,453
Payments to U.S.A. Govt.	...	...	3,304,300	...	...
Total (excluding Self-Balancing Expenditure)	707,753,000	512,985,085	504,500,517	8,078,467	7,618,453
SELF-BALANCING EXPENDITURE					
Post Office	60,463,000	42,150,000	40,650,000	2,600,000	2,350,000
Road Fund	24,255,000	10,507,000	9,636,000	85,000	106,000
Total Self-Balancing Expenditure	84,718,000	52,657,000	50,286,000	2,685,000	2,456,000
Total	...	565,642,085	554,786,517	10,763,467	10,074,453

The aggregate revenue and expenditure to December 22, 1934, is shown below:—

FINANCIAL YEAR, 1934-35, APRIL 1, 1934, TO DECEMBER 22, 1934 (000's omitted)			
Expenditure	512,985	Revenue	404,064
Increase in balances	103	Gross increase in borrowing	114,224
		Less—	
		New Sinking Fund	5,200*
		Net borrowing	109,024
			513,088

* Authority will be sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1934 by borrowing.

POSITION OF THE FLOATING DEBT

Ways and Means Advances Outstanding—	Movement week ended			
	Dec. 23, '33	Mar. 31, '34	Dec. 22, '34	Dec. 22, '33
Advances by Bank of England	29,600,000	44,000,000	30,680,000	6,820,000
Advances by Public Departments	943,075,000	799,810,000	891,885,000*	3,350,000
Treasury Bills Outstanding	972,675,000	844,710,000	932,515,000	2,470,000
Total Floating Debt	1,945,350,000	1,688,520,000	1,725,075,000	10,640,000

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury bills were opened on December 21, 1934, and the total amount applied for was £45,545,000. Tenders were accepted for Treasury bills at three months dated Monday at £99 17s. 5d. and above in full; Thursday to Saturday, at £99 17s. 4d., and above in full. The average rate per cent. was 10s. 2-79d. The amount allotted was £34,745,000. The following table shows the weekly record at various dates:—

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
1932				
January 1	40,000,000	50,320,000	38,000,000	5 8 4
April 1	45,000,000	61,860,000	43,950,000	2 3 8-79
July 1	45,000,000	59,945,000	45,000,000	0 16 11-82
October 7	55,000,000	100,325,000	50,000,000	0 16 11-24
1933				
January 6	45,000,000	73,830,000	45,000,000	0 16 10-84
July 7	45,000,000	83,890,000	42,000,000	0 10 4-85
October 6	45,000,000	100,450,000	45,000,000	0 12 9-98
1934				
January 5	35,000,000	76,260,000	30,000,000	0 18 11-5
April 6	40,000,000	80,390,000	38,000,000	0 17 9-01
July 6	35,000,000	62,745,000	32,000,000	0 16 4-14
October 5	35,000,000	65,260,000	31,510,000	0 15 9-702
November 30	40,000,000	48,385,000	40,000,000	0 9 9-94
December 7	40,000,000	58,425,000	40,000,000	0 11 2-18
December 14	35,000,000	46,670,000	31,670,000	0 9 5-48
December 21	35,000,000	45,545,000	34,745,000	0 10 2-79

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
Week ended November 24, 1934	838,479	£ 670,783
Week ended December 1, 1934	1,004,183	803,346
February, 1916, to December 1, 1934	1,205,716,382	£ 850,182,856

At the end of September, 1934, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £388,500,809.

THE BANKERS' GAZETTE

BANK OF ENGLAND

Return for Week ended Wednesday, December 26, 1934
ISSUE DEPARTMENT

Notes Issued:—		Government Debt	
In Circulation	405,163,800	Other Government Securities	245,538,411
In Banking Department	47,108,837	Other Securities	991,139
		Silver Coin	2,445,350
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	192,272,637
	452,272,637		452,272,637

BANKING DEPARTMENT

Proprietors' Capital		Government Securities	
Rest	14,553,000	Other Securities	87,541,413
Public Deposits*	3,436,737	Discounts and Advances	7,578,577
Other Deposits	9,878,384	Securities	10,667,239
Other Accounts	89,139,575		18,245,866
Other Accounts	36,404,582	Notes	47,108,837
	125,544,157	Gold and Silver Coin	516,142
7-day and Other Bills	...		...
	153,412,258		153,412,258

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

Both Departments	Amount, Dec. 26, 1934	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
Note circulation.....	405,163,800	+ 3,173,057	+ 13,181,954
Public deposits.....	9,878,384	+ 1,488,822	- 12,277,310
Bankers' deposits.....	89,139,575	- 1,593,257	- 12,076,263
Other deposits.....	36,404,582	- 595,892	- 140,053
Seven-day bills.....			1,429
Total outside liabilities.....	540,586,321	+ 2,472,730	- 11,313,101
Capital and rest.....	17,989,737	+ 58,411	+ 15,211
Government debt and securities.....	344,114,924	+ 3,704,736	+ 1,869,917
Discounts and advances.....	7,578,577	+ 554,314	+ 9,177,104
Other securities.....	11,648,428	- 1,638,382	- 3,996,797
Silver coin in issue department.....	2,445,350	- 105,659	- 1,095,987
Coin and bullion (bank's reserves) ...	192,788,779	+ 16,132	+ 1,102,051
Reserves of notes and coin in banking department.....	47,624,979	- 3,156,925	- 12,079,903
Proportion of reserve to outside li- abilities.....			
(a) Banking Department only ("proportion").....	35-1%	- 2-2%	- 2-2%
(b) Gold stocks to deposits and notes ("reserve ratio").....	35-7%	+ 0-4%	+ 1-0%

(000's omitted)									
Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold and Bullion and Reserve Ratio	Govt. Securities	Dis- counts & Advances	Other Securities	Reserve and the "Pro- portion"		
1934									
Nov. 21	256,518	637	192,696	36	80,091	8,641	12,182	75,791	47%
Dec. 5	256,573	631	192,681	36	80,361	9,158	10,272	76,201	47%
Nov. 21	256,524	730	192,709	35	84,806	9,566	10,101	76,281	43%
Dec. 5	256,529	830	192,737	35	85,821	10,136	10,613	76,516	40%
Nov. 21	256,569	880	192,773	35	83,841	7,024	12,407	76,782	37%
Dec. 5	256,573	981	192,789	35	87,541	7,579	10,667	77,625	35%

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1934				
January 1 to December 12	29,241,602	1,672,103	2,844,627	33,758,332
Week ended December 19	605,168	36,261	60,256	701,685
Week ended December 26	419,572	26,374	38,150	484,096
Total to date, 1934	30,266,342	1,734,738	2,943,029	34,944,109
Total to date, 1933	27,385,439	1,640,580	2,736,379	31,762,398
Increase or decrease in 1934	+2,880,903	+94,158	+206,650	+3,178,711
	+10.5%	+5.7%	+7.6%	+10.0%
Total for year 1933	27,714,480	1,656,675	2,766,471	32,137,626
Total for year 1934	27,933,633	1,610,407	2,687,919	32,111,959
Increase or decrease in 1934	+119,153	+46,288	+88,552	+25,687
	+0.4%	+2.8%	+3.6%	+0.7%

PROVINCIAL

(000's omitted)

No. of working days:	Week ended Dec. 22		Month of November		Aggregate Totals, January 1 to December 22
	1933	1934	1933	1934	
BIRMINGHAM	1,557	2,400	9,924	9,887	113,197
BRADFORD	960	779	3,765	3,553	59,820
BRISTOL	1,121	1,172	4,969	5,166	262,966
DUBLIN	5,881	5,881	3,020	3,140	35,515
HULL	770	804	3,639	3,673	43,257
LEEDS	981	1,247	2,739	2,722	31,685
LEICESTER	692	691	2,682	2,730	31,929
LIVERPOOL	6,074	6,901	26,882	27,500	308,553
MANCHESTER	1,523	1,722	6,248	6,362	71,636
NOTTINGHAM	411	491	1,841	1,952	22,242
SHEFFIELD	800	907	3,238	3,763	38,634
	...	...	107,065	110,969	+3.6

OVERSEAS BANK RETURNS

NOTE.—The latest return of the State Bank of the U.S.S.R. appeared in the Economist for September 10, 1932. Chile in August 12, 1933. Denmark in November 10. International Settlements, Danzig in December 8. Bulgaria, Norway, Lithuania in December 15. Australian Commonwealth, South Africa, Japan, Netherlands, Java, Portugal, Poland, Estonia, Latvia, Sweden, Greece, Turkey in December 22.

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

Resources	Dec. 28, 1933	Dec. 5, 1934	Dec. 12, 1934	Dec. 19, 1934	Dec. 26, 1934
Gold Certificates and due from the Treasury	3,778,150	5,111,620	5,123,150	5,122,760	5,122,400
Total reserves	209,360	5,350,190	5,378,510	5,361,880	5,352,000
Total cash reserves	110,550	10,470	9,260	8,610	9,260
Total bills discounted	110,080	5,680	5,690	5,680	5,680
Bills bought in open market	221,630	16,150	14,950	12,490	13,890
Total bills on hand	2,432,180	2,430,200	2,430,220	2,430,170	2,430,200
Total U.S. Govt. securities	2,655,310	2,456,560	2,455,820	2,456,950	2,458,680
Total bills and securities	6,993,210	8,384,280	8,451,360	8,490,510	8,387,310
LIABILITIES					
Federal Reserve notes in actual circulation	3,080,950	3,213,800	3,201,460	3,231,860	3,261,490
Federal Reserve Bank notes in circulation	210,300	27,480	27,050	26,750	26,600
Deposits—Memberbank—reserve account	2,675,150	4,073,380	4,111,950	3,943,120	3,961,200
Government deposits	29,720	98,370	97,750	232,260	160,110
Total deposits	2,629,160	4,249,680	4,393,310	4,360,290	4,341,970
Capital paid in and surplus	423,280	289,120	290,290	290,230	291,590
Total liabilities	6,993,210	8,384,280	8,451,360	8,490,510	8,387,310
Ratio of total reserve to deposit and Federal Reserve note liabilities combined	63.9%	70.8%	70.8%	70.6%	70.7%

* Reserves other than gold.

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

	Dec. 28, 1933	Dec. 5, 1934	Dec. 12, 1934	Dec. 19, 1934	Dec. 26, 1934
Total gold reserves	885,780	1,759,080	1,771,190	1,756,090	1,818,230
Total bills discounted	49,100	7,270	5,520	5,540	5,410
Bills bought in open market	4,680	2,050	2,060	2,050	1,980
Total U.S. Govt. securities	831,680	777,750	777,750	777,750	777,750
Total bills and securities	886,369	787,730	786,400	786,090	785,960
Deposits—Memberbank—reserve account	967,070	1,628,190	1,631,510	1,591,360	1,659,960
Ratio of total res. to dep. and Federal Res. note liabilities combined	56.4%	71.8%	71.9%	71.9%	72.6%

FEDERAL RESERVE MEMBER BANKS.

In \$'s (000,000's omitted).

	Dec. 6, 1933	Nov. 7, 1934	Nov. 14, 1934	Nov. 21, 1934	Nov. 28, 1934	Dec. 5, 1934
Loans	8,497	7,741	7,716	7,691	7,705	7,765
Investments	10,653	10,096	10,043	10,997	10,059	10,094
Demand deposits	10,653	13,447	13,504	13,563	13,627	13,655
Time deposits	4,567	4,462	4,448	4,422	4,392	4,329
Government deposits	786	853	816	781	749	770
Due from banks	1,123	1,580	1,631	1,622	1,585	1,639
Due to banks	2,680	3,960	4,024	3,993	3,923	4,041

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).

	Sept. 30, 1933	June 30, 1934	July 31, 1934	Aug. 31, 1934	Sept. 30, 1934
ASSETS					
Cash and bank balances	316,543	330,289	336,579	351,448	352,530
Bank balances abroad	85,586	85,617	91,723	107,449	93,187
Call and short loans	236,052	223,866	198,451	203,178	214,069
Securities	889,989	837,107	850,278	861,918	887,899
Loans in Canada	1,044,832	1,032,055	1,010,106	1,013,775	1,024,112
Loans abroad	146,998	146,141	137,922	140,027	136,216
Other assets	155,714	159,710	162,950	160,536	162,325
LIABILITIES					
Note circulation	141,055	141,531	132,493	139,646	148,239
Deposits					
Government	140,250	109,440	104,607	113,245	108,428
Public in Canada	1,863,987	1,850,845	1,864,653	1,865,860	1,900,171
Foreign	296,878	329,509	315,567	329,494	322,913
Bank balances	12,205	11,825	11,681	12,267	12,166
Foreign	35,292	28,038	23,193	27,362	27,580
Bills payable, etc.	50,136	53,287	57,090	54,775	56,115
Capital and res.	306,500	277,000	277,000	278,250	278,250
Other liabilities	2,801	2,910	2,846	4,292	2,544

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

	Dec. 1, 1933	Nov. 2, 1934	Nov. 9, 1934	Nov. 16, 1934	Nov. 23, 1934	Nov. 30, 1934
ASSETS						
Total securities	4,16,84	49,71,25	47,09,35	45,85,72	45,31,54	43,71,45
Way and means	3,00,00	2,19,12	2,31,50	2,37,07	2,22,91	2,27,47
Loans	2,40,93	1,37,05	1,34,65	1,34,65	1,34,33	1,34,33
Cash credits	1,14,02	1,37,05	1,34,65	1,34,65	1,34,33	1,34,33
Inland bills	1,54,38	2,08,16	2,23,39	2,23,39	2,23,39	2,23,39
Foreign bills	20,84	19,75	18,58	18,58	18,58	18,58
Dead stock	2,59,56	2,50,60	2,50,60	2,50,60	2,50,60	2,50,60
Bal. with other banks	42,41	16,47	8,93	13,54	8,46	5,78
Cash	28,81,87	28,86,92	23,46,43	25,76,19	27,47,65	28,35,75
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve fund	5,20,00	5,27,50	5,27,50	5,27,50	5,27,50	5,27,50
Total deposits	81,15,85	85,77,12	82,88,03	84,94,43	85,20,74	83,65,77
The above includes—						
Deposits in London	838	897	847	896	851	836
Advances in London	918	1,509	1,507	1,517	1,501	1,497
Cash, etc., at other	321	127	69	103	66	47

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

	Dec. 22, 1933	Nov. 30, 1934	Dec. 7, 1934	Dec. 14, 1934	Dec. 21, 1934
ASSETS					
Gold	76,945,233	82,086,894	82,314,313	82,231,706	82,123,267
Foreign assets	3,40,28	9,024	10,328	8,712	9,295
Sight deposits	1,142,523	950,651	950,666	950,923	951,180
Bills, etc.	3,844,483	3,068,338	3,256,951	3,270,143	3,424,248
Home bills	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Advances against sec.	2,917,232	3,227,682	3,219,810	3,212,933	3,187,284
To the State	6,165,822	5,898,204	5,898,204	5,898,204	5,898,204
Other advances	5,219,894	5,649,302	5,034,696	4,906,084	4,896,976
LIABILITIES					
Notes in circulation	80,562,172	81,879,439	81,289,897	80,905,388	81,553,002
Public deposits	2,250,770	4,629,023	4,078,636	4,196,851	3,751,033
Private deposits	14,145,718	15,314,264	16,286,084	16,282,314	16,195,344
Other liabilities	2,508,606	2,077,371	2,330,370	2,294,054	2,191,655
Ratio of gold reserve to sight liabilities	79.2%	80.3%	80.8%	80.9%	80.7%

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

	Dec. 23, 1933	Dec. 8, 1934	Dec. 15, 1934	Dec. 22, 1934
ASSETS				
Gold	391,592	78,648	78,711	78,762
Of which deposited abroad	48,532	21,204	21,204	21,204
Reserve in foreign currencies	9,910	1,177	4,250	4,434
Bills of exchange and cheques	2,930,760	3,707,422	3,588,053	3,621,706
Silver and other coin	230,884	180,643	184,973	206,151
Notes of other German banks	9,683	8,762	12,099	9,060
Advances	59,874	91,519	97,848	101,608
Investments	570,771	756,331	754,919	755,230
Other assets	525,001	681,565	678,765	666,185
LIABILITIES				
Share capital	150,000	150,000	150,000	150,000
Reserves	473,151	472,797	472,797	472,797
Notes in circulation	3,451,471	3,716,833	3,719,615	3,724,299
Other daily maturing obligations	449,024	856,840	759,520	764,263
Other liabilities	207,839	312,597	317,299	331,777
Cover of note circulation	11.5%	2.22%	2.11%	2.23%

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

	Position, May 31, 1934	Dec. 23, 1933	Nov. 29, 1934	Dec. 6, 1934	Dec. 13, 1934	Dec. 20, 1934
ASSETS						
Gold	232,650	2,728,160	2,502,951	2,502,957	2,503,017	2,503,826
Foreign and other coin	697,600	68,781	81,346	81,395	83,971	86,436
Securities	697,600	766,183	671,401	692,228	677,396	655,537
LIABILITIES						
Notes in circulation	634,150	3,390,207	3,501,177	3,535,758	3,514,169	3,513,101
Deposits: Govt.	182,845	39,378	30,824	29,031	28,931	28,691
Other	427,865	185,471	190,482	198,399	195,707	195,707

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II.—Forward Rates (Closing quotations)

London on	Dec. 21, 1934	Dec. 22, 1934	Dec. 24, 1934	Dec. 25, 1934	Dec. 26, 1934	Dec. 27, 1934
	Per £	Per £	Per £	Per £	Per £	Per £
New York, cent.	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2	(b) 1-1/2
Paris, cent.	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3
Holland, cent.	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3
Brussels, cent.	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3
Zurich, cent.	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3
Italy, lira	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3	(b) 1-3

(a) Premium, i.e. "under spot." (b) Discount, i.e. "over spot."

OVERSEAS BANK RATES

Changed From	To	Changed From	To
Albania Nov. 16, 1933	8	Madrid Oct. 26, 1932	6 1/2
Amsterdam Sep. 18, 1933	3	Oslo May 24, 1933	4
Athens Oct. 14, 1933	7 1/2	Paris May 31, 1934	3 1/2
Batavia Nov. 1, 1934	4	Praha Jan. 25, 1933	4 1/2
Belgrade July 16, 1934	7	Toronto May 15, 1933	4 1/2
Berlin Sep. 22, 1932	5	Tallinn Jan. 28, 1932	6 1/2
Brussels Aug. 28, 1934	3	Riga Jan. 1, 1933	6
Bucharest Dec. 15, 1934	6	Rome Nov. 28, 1934	3
Budapest Oct. 17, 1932	5	Sofia Jan. 3, 1934	7
Calcutta Feb. 16, 1933	4	Stockholm Dec. 1, 1933	3
Copenhagen Dec. 21, 1933	3	Swiss Bank	
Danzig Sep. 21, 1934	9	places Jan. 22, 1931	2 1/2
Helsingfors Dec. 3, 1934	4	Tokio July 2, 1933	4-38
Kovno Jan. 1, 1934	7	Vienna June 27, 1934	5
Lisbon Dec. 13, 1934	5 1/2	Warsaw Oct. 26, 1933	6
New York Fed. Res. Feb. 1, 1934	2	Irish June 30, 1932	3 1/2

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.

NEW YORK MONEY AND EXCHANGE RATES
The Irving Trust Company cables the following money and exchange rates in New York:—

Dec. 27, 1933	Nov. 28, 1933	Dec. 5, 1933	Dec. 12, 1933	Dec. 19, 1933	Dec. 26, 1933
Call money.....	1-1/2	1	1	1	1
Time money (90 days' mixed coll.)	1-1/2	1	1	1	1
Bank acceptances:—					
Members—eligible, 90 days.....	1/2	1/2	1/2	1/2	1/2
Non-mem.—eligible, 90 days.....	1/2	1/2	1/2	1/2	1/2
Ineligible, 90 days.....	1/2	1/2	1/2	1/2	1/2
Commercial accept., 90 days.....	1/2	1/2	1/2	1/2	1/2

Rates of Exchange, New York on—	Par Level	Dec. 27, 1933	Dec. 12, 1934	Dec. 19, 1934	Dec. 26, 1934
London—					
60 days.....	Old par 4-8666	5-0875	4-9162	4-9162	4-9150
Cable.....	New par 8-2397	5-1025	4-9450	4-9450	4-9437
Cheques.....					
Paris.....cheques	6-63	6-0975	6-5950	6-6062	6-6062
Brussels.....	23-54	21-63	23-35	23-45	23-49
Switzerland.....	32-67	30-10	32-33	32-44	32-42
Italy.....	8-91	8-18	8-5350	8-57	8-57
Berlin.....	40-33	37-18	40-17	40-25	40-25
Vienna.....	23-82	17-70	18-85	18-85	18-85
Madrid.....	32-67	12-80	13-67	13-69	13-69
Amsterdam.....	62-50	62-50	67-64	67-70	67-70
Copenhagen.....	22-08	22-08	24-85	24-85	24-85
Stockholm.....	45-37	25-70	24-85	24-85	24-85
Athens.....	2-20	0-88 1/2	0-94	0-9375	0-9375
Montreal.....	169-31	par	101	100 1/2	100 1/2
Yokohama.....	84-40	30-80	28-89	28-86	28-80
Shanghai.....	61-80	38-45	35-06	34-12	34-31
Calcutta.....	11-96	...	32-95	32-96	32-96
Buenos Aires.....	...	...	32-95	32-96	32-96
Rio de Janeiro.....	...	...	8-33	8-33	8-33

SOUTH AFRICAN EXCHANGE RATES

(BUYING RATES PER £100 STERLING)	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on—					
Rhodesia.....	£100 5 0	£100 17 6	£101 7 6	£101 17 6	£102 7 6
South Africa.....	£100 17 6	£101 7 6	£101 17 6	£102 7 6	£102 17 6

(SELLING RATES PER £100 STERLING)

	Sight	Telegraphic
London on—		
Rhodesia.....	99 15 0	99 15 0
South Africa.....	100 2 6	100 2 6

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

Country	Method of Quoting	Par Value	Usance	Latest Rate
Bolivia.....	Bolivianos to £.....	13-33	Sight	(a) 20-26
Colombia (Bogota).....	Pesos to £.....	5	"	(b) 7-66 1/2
Ecuador.....	Sucres to £.....	24-3325	"	(c) 59-29
Nicaragua.....	Colonias to £.....	4-8665	"	"
Salvador.....	Colonias to £.....	9-73	"	12-46
Venezuela.....	Bolivares to £.....	25-2215	"	19-55
Guatemala.....	Quetzales to £.....	...	"	5-06

* No rates available. † Nominal. ‡ Rates calculated on basis of New York cross rate. (a) Official Rate. (b) Market Rate. (c) Quoted on New York.

The Anglo-South American Bank, Ltd., has received telegraphic advice from the Madrid Branch that the gold surcharge for the payment of Spanish Customs duties has been fixed for the period December 20th to 31st at 137-97 per cent. The previous rate was fixed as from 11th instant at 138-60 per cent.

OVERSEAS DOMINION RATES

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND

	London on Australia and New Zealand		Australia and New Zealand on London*	
	Buying	Selling	Buying	Selling
T.T.	126 1/2	125 1/2	124 1/2	125 1/2
Sight	126 1/2	125 1/2	124 1/2	125 1/2
30 days	126 1/2	125 1/2	124 1/2	125 1/2
60 days	126 1/2	125 1/2	124 1/2	125 1/2
90 days	126 1/2	125 1/2	124 1/2	125 1/2

* All rates (Australia and New Zealand) now based on £100—LONDON

INDIA: REMITTANCES TO THE HOME TREASURY

During the week ending Dec. 15, 1934

Sterling purchased in India	1,151,000	22,291,000
Net transfer to Home Treasury:—		
(a) From Paper Currency Reserve in England	...	—2,250,000
(b) From Gold Standard Reserve in England against Gold transferred in India from Paper Currency Reserve to Gold Standard Reserve	...	...

Total remittance to Home Treasury..... 1,151,000 20,041,000
India Office, S.W.1.
Dec. 19, 1934.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for week ended December 28, 1934, are issued by the Statistical Department of H.M. Customs and Excise:—

IMPORTS AND EXPORTS OF GOLD

Gold Imported into Great Britain and Northern Ireland, week ended December 27, 1934			Gold Exported from Great Britain and Northern Ireland, week ended December 27, 1934		
From	Bullion*	Coined†	To	Bullion*	Coined†
Netherlands	...	20,170	Belgium	...	3,000
Belgium	10	1,000	France.....	2,280	...
France.....	28,900	10,200	Switzerland.....	2,830	...
Switzerland.....	...	14,353	Venezuela.....	...	...
Venezuela.....	3,292	...	America (foreign).....	355,050	...
Peru.....	13,488	...	Palestine	...	7,500
Tanganyika.....	7,042	...			
Kenya.....	2,259	...			
Uganda.....	2,070	...			
British India.....	1,039,318	...			
British Malaya.....	12,475	...			
New Zealand.....	33,339	...			
British Guiana.....	3,513	...			
Other countries	2,880	487			
Total.....	1,148,606	46,210	Total.....	360,160	10,500

IMPORTS AND EXPORTS OF SILVER

Silver Imported into Great Britain and Northern Ireland, week ended December 27, 1934			Silver Exported from Great Britain and Northern Ireland, week ended December 27, 1934		
From	Bullion*	Coined†	To	Bullion*	Coined†
Belgium	£ 3,645	£ 900	Netherlands	£ 7,060	£
France.....	6,450	104	France.....	1,436	129,150
Japan.....	9,622	...	Italy.....	...	...
Hong Kong	17,300	190,822	Bombay, via other ports	12,500	32,825
Other countries	460	1,253	New Zealand.....	18,182	...
			Canada.....	538	...
			Other countries.....	...	...
Total.....	37,477	193,079	Total.....	39,716	161,975

* At current market price.

† At par.

GOLD MOVEMENTS: BANK OF ENGLAND

1934 ARRIVALS		1934 WITHDRAWALS	
Dec. 21	Bar gold..... 518	Dec. 21	 Nil
" 22	"..... Nil	" 22	"..... Nil
" 24	"..... Nil	" 24	"..... Nil
" 25	Christmas Day..... Nil	" 25	Christmas Day..... Nil
" 26	Boxing Day..... Nil	" 26	Boxing Day..... Nil
" 27	"..... Nil	" 27	"..... Nil
Total.....	518	Total.....	Nil

Movement Dec. 21, 1934, to Dec. 27, 1934 (inclusive)..... £518 in

Movement during year 1933..... £71,094,909 in

Movement April 29, 1925, to Dec. 27, 1934 (inclusive)..... £1,542,252 in

Movement September 21, 1931 (gold standard suspended), to Dec. 27, 1934 (inclusive)..... £56,278,272 in

GOLD AND SILVER PRICES

1934	Gold per ounce	Silver—Per ounce		Date	Silver Cash
		Cash	Forward		
Dec. 21 ...	140 11	23 1/2	23 1/2	Jan. 2, 1929	26 1/2
" 22 ...	140 8 1/2	23 1/2	24	" 2, 1930	21 1/2
" 24 ...	140 8	23 1/2	24 1/2	" 1, 1931	14 1/2
" 25 ...	Christmas Day			Dec. 31, 1931	20 1/2
" 26 ...	Boxing Day			" 29, 1932	16 1/2
" 27 ...	140 10 1/2	24 1/2	24 1/2	" 28, 1933	18 1/2

NOTICES

Sir John Caulcutt has been elected to a seat on the board of Barclays Bank, Ltd.

COMPANY NEWS

REPORTS AND NOTICES

BANKS

THE CANADIAN BANK OF COMMERCE.—The general statement, dated November 30, 1934, shows following major items: total assets, \$575 millions, including \$315 millions quick assets, of which \$92 1/2 millions cash holding, comprising gold coin, Dominion notes, other currencies, cheques on and balances due by other banks. Total security holdings also included in quick assets, \$163 1/2 millions, of which \$82 millions Dominion and provincial securities maturing within two years and \$53 millions Dominion and provincial securities longer term. Call loans also included in quick assets, about \$58 millions. Total quick assets 60 per cent. of liabilities to public. Other current loans and discounts, \$220 millions; letters of credit, about \$13 millions. Non-current loans, \$3 1/2 millions; other assets practically same as last year. Among liabilities, notes in circulation, \$26 millions. Deposits by public and Governments, \$470 millions. Balances due other banks, \$8 millions. Advances under Finance Act, \$7 millions. Net profit, \$3,413,654, and balance brought forward from last year, \$662,000. Appropriations, dividends, \$2,400,000, and Government taxes, transfer to pension fund and written-off bank premises, \$997,000, leaving balance profit and loss account, \$679,000.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Deben- ture Interest	Amount Available for Distri- bution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Deprecia- tion, etc.	Balance Forward	Net Profit	Divi- dend
					Prefce.	Ordinary					
						Amount	Amount				
		£	£	£	£	£	%	£	£	£	%
Iron, Coal and Steel											
Shotts Iron Co.	Sept. 30	4,120	25,696	29,816	...	...	...	26,138	3,678	13,819	...
Motor Cycle and Aviation											
Fairey Aviation.....	Sept. 30	61,042	47,534	108,576	...	19,375	5	52,000	37,201	116,683	10
Riley (Coventry)	Aug. 4	43,269	40,504	83,773	3,662	32,928	20	10,000	37,183	77,910	20
Rubber											
Aboyne-Clyde Rubber Es- tates of Ceylon.....	June 30	<i>Dr. 10,272</i>	90	<i>Dr. 10,182</i>	...	...	...	...	<i>Dr. 10,182</i>	<i>Dr. 3,854</i>	...
Braunston (Malay) Rubber	Sept. 30	3,516	5,048	8,564	...	4,912	7½	...	3,562	1,307	Nil
Malay Rubber Planters.....	Sept. 30	4,309	16,565	20,874	...	16,314	15	...	4,560	2,435	2½
Waterfall (Selangor) Rubber	Sept. 30	<i>Dr. 14,536</i>	6,784	<i>Dr. 7,752</i>	...	...	...	...	<i>Dr. 7,752</i>	<i>Dr. 18,413</i>	...
Textiles											
Barran (John) and Sons ...	Oct. 31	514	30,710	31,224	17,550	10,262	6	...	3,412	23,942	3
Willsons (London and Provinces)	Sept. 30	454	32,635	33,089	5,719	7,750	12½	17,779	1,841	29,111	10
Other Companies											
British & Dominions Film... Chinese Engineering and Mining	Oct. 27	...	(t) 47,480	47,480	...	30,997	8	5,000	11,483	...	...
East India Distilleries and Sugar Factories	June 30	1,712	<i>Dr. 2,719</i>	<i>Dr. 1,007</i>	...	...	...	<i>Dr. 1,007</i>	...	19,377	2½
Ford Paper Mills.....	Sept. 30	10,520	11,408	21,928	14,000	6,000	7½	...	1,928	29,070	10
	Sept. 30	406	<i>Dr. 10,764</i>	<i>Dr. 10,358</i>	...	...	...	<i>Dr. 10,500</i>	142	<i>Dr. 7,702</i>	...

(t) April 29, 1933, to October 27, 1934.

† Free of Income Tax.

MISCELLANEOUS

EASTBOURNE CORPORATION 3 PER CENT. REDEEMABLE STOCK, 1920-40.—Williams Deacon's Bank, Ltd., give notice that, pursuant to a resolution passed by the council on December 3, 1934, the whole of the above

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No. 11

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STABLE PRICES OR NEUTRAL MONEY?

ORTHODOX opinion about the money and trade cycle problem has undergone a remarkable change in the last five years, as these three books* amply illustrate. Five years ago stability of the general price level was the agreed ideal, and control of the volume of credit and currency was the accepted method of achieving it. Two main attacks on this position have been made in the intervening years. It has been argued first that the "general price level" and "the value of money" are meaningless expressions; and, secondly, that the trade cycle is fundamentally a matter not of price levels at all, but of changes in saving and investment and their relation to one another.

The theoretical attack on the "general price level," though elaborated by various wings of the Austrian school, propagated by Mr Keynes in his Treatise, and at one time accepted by Mr Cole, seems, nevertheless, to have failed. We may still conceive, if we like, of the purchasing power of money as represented by all the commodities which could be bought at existing prices by a given unit of that money at a definite time. This conception, though hypothetical, is not necessarily contradictory; and we may consequently acquit ourselves of the logical absurdity of talking in practice about something, while theoretically denying its existence—an absurdity of which some economists are still guilty.

What recent discussion does seem to have established is that the general price level in this sense is neither measured by any of our existing index numbers nor relevant to the trade cycle problem. This conclusion is accepted by Mr Roll, Mr Abrams and Mr Cole, all of whom discuss the puzzle of the "general price level." Mr Roll points out that there is no possible solution if we wish to measure "the value of money" in terms of any group of persons' demand and not merely in physical volumes of commodities. But he also quotes Dr. Haberler's conclusions that it is legitimate for statistical reasons to speak of a movement in general purchasing power, as well as Mr Keynes's view that the price level of finished consumption goods is the one that is relevant to the trade cycle. Mr Abrams, who is also inclined to be scornful about the general price level, admits that stabilisation of particular price levels is not fundamentally impossible; and he also quotes Mr Keynes's view. Mr Cole, in his new essay on "Dr. Hayek's Triangle" in this book,* rejects price stabilisation as an object of practical policy; but refuses to admit the "unreality" of the general price level as a theoretical conception.

The second attack on the monetary orthodoxy of five years ago seems to have gained its point. It is now

* "About Money." By Erich Roll. Faber and Faber. 248 pages. 7s. 6d.; "Money." By M. A. Abrams. Bodley Head. 124 pages. 2s. 6d.; "Studies in World Economics." By G. D. H. Cole. Macmillan. 285 pages. 12s. 6d.

generally agreed that if the trade cycle is to be evened out, it will have to be done by the adjustment of saving and investment to one another rather than by direct management of "the" (or any) price level. This change of view is the result of the insistence on the possibility and dangers of divergencies between saving and investment which is common to both Mr Keynes and Professor Hayek. At the moment it is the latter who seems to be in the public eye. Of these three books, Mr Abrams's is a straight, not to say dogmatic, and cocksure promulgation of the Hayek viewpoint; Mr Roll's is a sympathetic, if critical exposition; while the principal new chapter in Mr Cole's book (which otherwise consists mostly of reprints) is a detailed and interesting criticism.

Mr Abrams's book, if dogmatic, is at least intelligible; and those who have risen sadder but no wiser from a perusal of Professor Hayek's own "Prices and Production" will be grateful for it. The main argument is this: The natural state of affairs in a "progressive" economy, where money is "neutral," would be a price level falling in proportion to the increase in general productivity. Suppose, however, that the banking system, in the attempt to stabilise prices, issues a volume of loans greater than the volume of savings available, the market rate of interest will fall below the equilibrium rate, and "over-investment," that is investment out of forced and not voluntary saving, will take place. This may go on while the general price level is stable. When the process has begun, there are only two possible ways of escape. Either it must be continued and develop into high inflation; or, if it is stopped, the destruction of the capital based on forced saving must take place.

Now the first half of this argument would probably not be denied to-day by any but a few economists. It is taken for granted by Mr Cole, Mr Abrams and Mr Roll. If we try to stop the natural fall in prices which is due to increased productivity by credit inflation, then forced saving and over-investment (in the above sense) will result. This is not in the least inconsistent with Mr Keynes's position; for equilibrium between saving and investment, in his view, implies falling prices, if productivity is increasing. But this does not prove the second thesis that "over-investment" must involve a destruction of capital; and that the boom must be followed by a depression. The point is of enormous practical importance. For no other rational argument, besides the Austrian one, has yet been put forward to show that general capital destruction is necessary after a boom. If it is not necessary, practical monetary policy at the top of a boom should aim at an immediate return to equilibrium involving full employment of all the existing factors of production. If it is necessary, there must be unemployment and depression.

Why should a volume of voluntary saving, which is insufficient to create a certain volume of new capital, be also insufficient to maintain that capital in existence when once it has been created? Mr Abrams, who swallows Professor Hayek's case whole, argues that it must be insufficient. Mr Roll, who is very sympathetic to the Austrian view, flatly denies this. Mr Abrams, despite the use of much irritating jargon about "roundaboutness" of production, "intermediate products," the "structure of production," etc., is at least clear on this point. A volume of voluntary saving, he argues, which bears the same ratio to the volume of spending as existed before the over-investment took place, will be insufficient to maintain the new capital. But surely this simply does not follow. All the saving necessary to maintain the new capital is saving for working capital and depreciation. No saving for new investment is necessary. Yet it is probable that some saving for new investment was going on before the over-investment took place. In that case a return to the old ratio surely need not result in any insufficiency of saving.

This seems to be the greatest theoretical weakness in the Austrian case. It is odd, therefore, that Mr Cole omits it from his extremely valuable critical essay on "Dr. Hayek's Triangle." The essay, however, contains several other very interesting criticisms. Some of these rest, it must be admitted, on a misunderstanding of the phrase "period of production," which Mr Cole interprets in the popular sense and not in the peculiar sense in which it is used by followers of Böhm-Bawerk. Apart from this, however, Mr Cole's criticisms are very effective. He points out that the whole of Professor Hayek's analysis falls to the ground if the inflation of credit starts from a point in which some of the factors of production are unemployed. Professor Hayek's argument is not valid at all against the policy of inflating credit up to the point at which all the factors of production are fully employed. Further, Mr Cole points out, it is extremely doubtful whether the Hayek analysis is applicable if the new credit is used to finance, not new fixed capital, but working capital or, alternatively, durable consumption goods. Is it really a practical possibility that "over-investment" in houses should necessitate capital destruction?

The three books here reviewed should provide unprejudiced inquirers with an excellent opportunity for judging the Austrian thesis. In Mr Roll's book, in particular, we have clear statement and balanced criticism combined. Impartial opinion will probably endorse his conclusion that the second part of Professor Hayek's case remains unproven—and that the onus of proof consequently still lies on the protagonists of a thesis which is, on the face of it, contrary to common sense.

ENGLAND AND WALES

THESE two books* make an apt contrast: they both, in different ways, attempt to give a picture of a particular locality, the first industrial, the second agricultural. The first is an elaborate economic and social analysis of a South Wales mining town and the second records the experiences of a Member of Parliament as he explored on foot his Hertfordshire constituency. Miss Jennings' generalisations, whether true or false, are always relevant to her particular problem and follow naturally from her detail: Sir Arnold Wilson's are often somewhat irrational conclusions to which plausibility is given by a tolerant and cultivated impressionism.

Miss Jennings gives an admirable analysis of the economic, social, and cultural relations of the South Wales mining town of Brynmawr, which stands on the extreme northern edge of the South Wales coalfield. Her book is "the story of Brynmawr . . . based on facts obtained in the course of a social study undertaken during the three years from September, 1929, to August, 1932, in the hope of finding a basis for reconstruction." The inquiry covers the history of Brynmawr, its social and cultural back-

* "Brynmawr: A Study of a Distressed Area." By Hilda Jennings, M.A. Allenson. 246 pages. 10s. 6d.
"Walks and Talks: The Diary of a Member of Parliament in 1933-34." By Sir Arnold Wilson. Oxford University Press. 244 pages. 5s.

ground, local administration and political movements, transport, communications and trade, extent and effects of unemployment, private and public finance, agricultural and industrial possibilities, experiments in reconstruction. It is the entire life of a town reconstructed by a method of social introspection: its extreme interest to the economist is increased by the large number of admirable graphs, maps and statistical appendices. It may be taken as a sign of the book's success that the picture it gives is concrete and localised: those who do not know the Welsh coalfield, the villages that are one interminable street of squalid houses huddled at the foot of the valley, the idle machinery at the pit heads and the grey slag heaps, the lounging miners in the street kicking their feet among empty cigarette packets, will be able to imagine it from this book, which gives the anatomy on which its life is built.

Since 1923 Brynmawr has suffered unbroken and increasing industrial depression: in 1929 the percentage of miners unemployed was 59.17, and of other insurable workers 71.63: the depression in the coal industry has meant that the town has become a slowly dying animal, deprived of its subsistence, and, as Miss Jennings shows, with little hope of recovering it unless new sources are discovered. Unemployment among the miners has meant bankrupt or debt-ridden tradesmen, high rates (in 1931-32 a general rate of 23s. in the £), deterioration in housing, decline in transport activity, bankruptcy of public finance, psychological demoralisation. But the purpose of the book is not merely the analysis of misery and decay, but the discovery of possible ways back to prosperity: hence the discussion of Brynmawr's natural advantages, its admirable position as a possible distributing centre, the agricultural potentialities of the neighbouring country, its beautiful surroundings that fit it to be a recreational centre; the possibilities are analysed of establishing new small industries and of reviving handicrafts: an account is given of the work already done by the Society of Friends in organising and financing, on a co-operative basis, bootmaking, furniture making, and weaving, and the setting up of the Brynmawr and Clydach Valleys Industries, Ltd.

Miss Jennings emphasises the necessity for co-operative work, for growth of unselfish devotion, for idealism; and these are no doubt necessary. She blames Socialism and Trade Unionism for fostering class-feeling and self-interest, as if these were feelings and not facts born of the endless and ruthless industrial struggle in South Wales: the trade unions are merely the organised attempt of the miners to defend themselves against an employing class whose indifference and incompetence are never once held responsible by Miss Jennings for present conditions. There is no adequate account in the book of the growth of the local trade union and Labour party branches; one would have liked to have had graphs and statistics of industrial conflict in Brynmawr. There is none of this: though Miss Jennings recognises the courage and devotion which the miners have shown in their trade union activity. There is a photograph of the new garden and swimming bath built on the site of a rubbish dump by voluntary labour: it is admirable, and typical of the efforts made by the Society of Friends to improve Brynmawr, but it will not wash its misery away.

After Miss Jennings' book, Sir Arnold Wilson's seems superficial. His honest farmers, struggling with adversity, and looking with hope to Mr Elliot, and, if possible, a "straight" tariff, his schoolmasters, policemen, butchers, "men of all classes," are no doubt as true as Sir Arnold can make them: his walks in his constituency should be imitated by every member of Parliament, though not all of them would be so broadminded and enlightened, especially in sexual problems, or possess Sir Arnold's facility for making friends: he makes excellent suggestions for improvements in administration and is admirably aware of the scandal of the casual ward, and of the monopoly of the rich in contraceptives: yet his book does not convince one that it paints the reality. It is the *faux bon*: and when, in one of his general reflections, Sir Arnold, impressed by the necessity of restoring England's agriculture and the moral virtues that only grow in earth, tells us that we must accept a lower standard of life, we can only ask, Why? There is no national answer. Must we go still lower than Brynmawr? Sir Arnold and the honest farmers have their answer. Mr Elliot will do it yet!

THE SLUMP IN PRIMARY PRODUCTS

THE apparent over-production of primary products, which is popularly attributed to technological progress, is in fact largely due to "autarkic" policies which have cut up the markets of the world into small compartments. It is also, of course, partly due to the fact that farmers react to falling prices in a different way from industrialists. Agricultural production does not lend itself to rapid re-adjustment. The reasons are twofold. Once a given area is sown to a particular crop, it cannot normally be varied until the following year. Moreover, production of wheat and other crops depends not only on the area sown and on the intensity of cultivation, but also on the weather. Further, farmers frequently attempt to maintain their incomes during a period of falling prices by an increase in production. Hence, the downward movement of the curve of industrial production during a period of depression is usually much more pronounced than the decline in agricultural output; and agricultural prices consequently fall further.

The six volumes* here reviewed are a heterogeneous collection. M. de Hevesy traces the roots of the wheat problem back to the war. Before 1914, Russia and the Danubian countries supplied a large proportion of the wheat requirements of normally importing countries. When these countries disappeared from the market during the war, their place was taken by the United States, Canada, Australia and Argentina. A few years ago Russia dramatically re-entered the world market and prices suffered a slump from which they have not yet recovered. M. de Hevesy has evolved a plan which, in his view, provides a simple solution of the world's wheat problem. There would be a new international wheat agreement, and a national wheat office would be set up in each country with the power to fix internal prices. Upon this regional structure would be superimposed an international wheat office in London which would have a monopoly of foreign trade in wheat. The international wheat office would determine the price of wheat entering international trade a year before the harvest. This world wheat price would be fixed at a level which would be neither too high for importing countries nor too low for wheat exporting countries.

M. de Hevesy's scheme is no doubt both attractive and ingenious. But would it work in practice? Price control is impossible without production control. Yet, even if a comprehensive world wheat agreement, providing for the regulation of the area to be cultivated could be brought about, it must be remembered that the yield per acre, and therefore production, cannot be effectively controlled. Although world production does not vary widely from year to year, the harvest of individual countries does vary considerably, and as the recent case of Argentina has demonstrated, a relatively slight increase in exports beyond market expectations may depress world prices appreciably. Moreover, the fact that Argentina, whose crop was bigger than expected, did not hesitate to exceed her export quota fixed under the International Wheat Agreement concluded in London in the summer of 1933, illustrates the difficulty of international control of a commodity produced by numerous small units.

The persistence of the wheat problem is, of course, largely due to the uneconomic redistribution of production brought about in recent years by artificial means in a craze for national self-sufficiency in all normally wheat-importing countries. This is convincingly demonstrated by the detailed statistics of production, trade and prices of wheat and other grains given by Mr G. J. S. Broomhall in the 1934 issue of the "Corn Trade Year Book."

The chaotic state of the raw sugar market can be traced to similar causes. Subsidised beet production in Europe

* *Le Problème Mondial du Blé*, by Paul de Hevesy; Librairie Felix Alcan, Paris; 289 pages; fr. 30. *The Corn Trade Year Book*, by G. J. S. Broomhall; The Northern Publishing Company, Ltd., Liverpool; 156 pages; 10s. *World Sugar Production and Consumption*, by C. J. Robertson; John Bale, Sons and Danielsson, Ltd.; 142 pages; 5s. *Coffee*, by B. B. Keable; Sir Isaac Pitman and Sons, Ltd.; 124 pages; 3s. *Tea and Tea Dealing*, by F. W. F. Staveacre; Sir Isaac Pitman and Sons, Ltd.; 139 pages; 7s. 6d. *Kautschuk*, by Dr. Gustav Karl Huebner; Chemisch-Technischer Verlag Dr. Bodenbender, Berlin-Steglitz; 258 pages; Rm. 15.

and elsewhere has almost driven Cuba and Java, the great cane-growing countries, off the field. The duration of the sugar and wheat problems will last just so long as the craze for self-sufficiency persists. After painstaking examination of the sugar-growing industry in the principal countries of the world, Mr C. J. Robertson reaches the conclusion "that the actual and prospective position of cane is very much stronger than that of beet and that, were the high protection of beet withdrawn, its production would shrink to very small dimensions and in many countries disappear."

The two books on coffee and tea give a useful description of the production, preparation and marketing of these two commodities. Dr. Gustav Karl Huebner's book on rubber is a comprehensive and lucid survey of the history and present position of the rubber industry. Dr. Huebner wrote his book before the inception of the International Rubber Restriction scheme, and he expressed the view that in present circumstances the lack of adjustment between production and consumption could scarcely be overcome by individual or international action. Over-production in the case of rubber has, of course, been due not to protection but to artificial price-raising schemes. If the second scheme is not pushed too far, it is possible that it may correct without reproducing the errors of the first.

THE SOUTH AMERICAN SCENE

A COMPREHENSIVE review of the crisis in South America in a form likely to appeal to the average reader has so far been lacking. The gap has now been filled by the Royal Institute of International Affairs in No. 10 of their "Information Department Papers,"† and congratulations are due to the Institute, as well as to the author responsible, Mr Kenneth G. Grubb, whose previous volumes on South America—based upon intimate personal knowledge—are well known. He has produced a compendium of South American affairs which is not only of interest to the general reader but of distinct value to the student of sociology and politics, the investor, the financier and the trader.

Part I describes in detail the salient geographical and climatic features of South America, its communications and the nature and distribution of the population. On the subject of immigration—which is of special importance to the East Coast Republics—the conclusion is reached that, apparently before the present world depression, the era of greatest expansion in the Argentine had been passed and that at present immigrants are returning to Europe. At the same time, the long and steady immigration, dating back for a hundred years, of Germans to South Brazil is continuing, and immigration to Brazil from Asiatic countries, mainly Japan, has also begun.

Clearly, both the cultural and economic development of Latin-America is closely connected with ethnological factors, and the pages dealing with the latter are particularly interesting. The varying degrees of white, Indian or mixed blood—and particularly the preponderating Indian population of the Andean Republics—have direct relation to the culture and progress of the respective Republics, while the conclusion might be drawn that, apart from the historical connection with the Latin countries of Europe the term "Latin-America" is one which now serves general utility of nomenclature rather than strict accuracy. Ethnological considerations also have direct bearing upon the vexed agrarian problem, which is here reviewed in relation to the various systems of land tenure from their earliest beginnings in the individual countries, and which—in view of the primary dependence of South America upon agricultural products—must have increasing importance as time passes. While urgent consideration of the agrarian problem is needed, the author rightly concludes that it would be unreasonable to anticipate any real benefit from sub-division of land unless this were accompanied by (1) far more widespread agricultural education of the people, so that the *peon* may use rightly his new-

† "The Republics of South America." Information Papers No. 10. Royal Institute of International Affairs. 153 pages. 3s.

found liberty; and (2) the provision of agricultural credits and marketing facilities by the Governments concerned.

Part II, which examines economic conditions, approaches more closely to the outstanding difficulties with which the South American countries are confronted at the moment. It is pointed out that South America is dependent upon exports of raw materials or primary foodstuffs, which—although of great value—are relatively few in number. This renders the economic structure particularly vulnerable in times of crisis. Moreover, production—particularly of minerals—has been over-stimulated in directions which have not made ultimately for the stable prosperity of the countries concerned. The lack of coal, except in Chile, is possibly to some extent responsible for the absence of industrial development, although the development of oil deposits and, ultimately, of hydro-electric power may be of great moment in the future.

Mr Grubb also discusses the import trade—although not exhaustively—and points out that, due to poverty, there is a greater demand to-day in most categories for the cheaper article irrespective of quality—a fact which doubtless explains the success of present Japanese trading efforts in South America, except in markets which are protected by special trade agreements. The chief aspects of the major economic difficulties encountered in recent years, and the various efforts which have been made to counteract them, are also summarised. Emphasis is laid upon the very extensive borrowing, particularly in the New York market, during the post-war “boom” period, and the subsequent difficulties of the defaulting States. Probably not unconnected with these loan operations is the general attitude of suspicion towards the United States, which the author mentions, assisted largely by fears of “economic imperialism,” whereas there is undoubtedly considerable goodwill towards Great Britain.

Part III reviews in detail the mesh of political influences and personalities in the various Republics, as well as the attitude of informed thought in South America towards world affairs, while a special section is devoted to Pan-Americanism. There is also an examination of the Leticia dispute between Peru and Colombia and the Gran Chaco dispute between Bolivia and Paraguay. The Labour movement in South America, social and labour legislation, the influence of Communism and modern revolutionary ideas, and with cultural and educational developments—including the relations between the Church and the various States—are outlined in an adequate and unbiased manner. Mr Grubb does not sufficiently emphasise, however, the fact that the basic difficulties of South America are mainly due to circumstances outside her control, not the least of these being the violent economic nationalism observable in so many other countries.

BRITISH PUBLIC UTILITIES

DURING the last few years there has been a very noticeable growth of interest on the part of English economists in the problems of those types of enterprise that are now commonly called public utilities. Unfortunately, however, the student in this field is still handicapped by a lack of suitable material in a convenient form. He has been forced to content himself with fragmentary and *ad hoc* discussions on the one hand and American text-books on the other, both of which substitutes have proved unsatisfactory—the former for obvious reasons, the latter for reasons which, if less obvious, are no less cogent. For while American texts are legion, and in some cases excellent, they refer to a set of conditions which, in spite of a great deal of superficial similarity and a growing identity of nomenclature, are in some ways fundamentally different from those which interest English readers. Any attempt to provide a guide to English conditions must therefore be heartily welcomed.

The author of this book* has made such an attempt. During a nine months' residence in this country he has

* “British Public Utilities and National Development,” by Professor Marshall Dimock. Allen and Unwin, 349 pages. 10s. 6d. net.

produced a study which he characterises as “an effort to reunite economics, public administration, law, and philosophy in the consideration of British public utilities.” The expectations that are naturally aroused by the announcement of this gallant effort are amply fulfilled.

The most significant thing about this book, next to the complexity of its subject-matter and the catholicity of its points of view, is the way in which the former has been subordinated to the latter. For Professor Dimock has dispensed with the methodological restrictions that might have handicapped a specialist, and freely assumes throughout the course of his argument that conclusion which he intends to establish at the close of it. In fairness to Professor Dimock it should be stated that this main thesis of his is nowhere stated categorically. Rather, it is indirectly suggested by such things as his interest in “mixed” forms of management and in what he calls “the public utility trust,” and by the distribution of his space among different types of enterprise (4½ pp. to water supply, 3½ pp. to gas undertakings, 3½ pp. to tramways, 77 pp. to the Post Office, and 38 pp. to the B.B.C., for example).

Professor Dimock, in fact, understands by “public utility,” not a particular type of undertaking, but a particular way of organising any kind of undertaking. He discusses the concept in terms of rationalisation, national planning, the creation of monopolies, and the like, rather than with reference to any economic characteristics. He is, of course, fully entitled to his own interpretation, but it is not that of the majority of writers; and in particular it is not that of the majority of economists. Properly speaking, Professor Dimock has no economic concept of a public utility: and in the light of this general argument this appears to be rather a serious deficiency. It is perfectly allowable and in some ways obligatory for a writer to be not only the builder of his own argument, but also the maker of the bricks which compose the edifice. But he will be unwise to try to make the bricks without straw.

In his chapters on the railways and on electricity Professor Dimock gives evidence of a lively appreciation of some of the extremely difficult problems to which the peculiar economic characteristics of these industries give rise. But he has no economic principles in the light of which to review these problems, no economic criteria by which to judge his solutions of them. And, as might be expected in consequence, some of these solutions are not such as are likely to satisfy “the public utility official, the labour leader, the person in public office, and the university student,” who, together with “the intelligent citizen who is interested in public affairs,” are the persons for whom Professor Dimock has written his book. It is a safe guess, for instance, that if there is one question in which readers of all these classes will be interested it is that of price-discrimination; but vague references to “business principles” and standards of fairness will not tell them very much. And if their interest extends, as it should, to questions of market areas, competition, overhead costs, depreciation, and so forth, they will find this book still less helpful, and it would not make up for their disappointment to say that, in its attempt to preserve “an intimate and non-technical manner,” the book has renounced any pretensions to scientific economic analysis.

It is as a purely descriptive manual that Professor Dimock's book will have its chief uses, although even the reader who is only in search of facts will have to be on his guard against misprints and other kinds of small error, and against certain evident consequences of the author's having secured some of his information *too* straight from the horse's mouth. But despite these minor shortcomings, Professor Dimock's historical accounts of the regulation of the railways and the electricity-supply industry and of the management of the Post Office and the B.B.C. constitute perhaps the handiest compendium of the essential facts that has yet been published. Considering the limited time that he had at his disposal for collecting his material, he is to be congratulated on having produced a book which will undoubtedly be widely read, perhaps more so in America than in England, and which no future writer on the subject will be able to ignore. But the really comprehensive work on British public utilities remains to be written.

SHORTER NOTICES

MONEY AND FINANCE

“Dollars.” By Lionel D. Edie. (New Haven) Yale University Press. (London) Humphrey Milford. 293 pages. \$2.50; 11s. 6d.

In the flood of books on American economic policy which has been coming across the Atlantic, impartiality has not been particularly noticeable. Nearly every book has been more concerned with extolling or denouncing than with expounding or reconciling. Dr Edie's book, which resolutely refuses to take sides, will therefore be the more welcome. His views, on the whole, are refreshingly sane. He denounces the “sadistic economics” of the liquidation school, but he is fully awake to the dangers of inflation. Indeed, one of his main theses is that the recent crop of devaluations and the quickened rate of gold mining are likely to lead to a falling value of gold for the next decade or so. In the next cycle of monetary history, in his view, rising prices are likely to prove a greater threat to equilibrium than falling prices. In domestic policy, he comes down on the side of the “confidence” school. Open market operations can put the banking system into a position to finance a revival of enterprise, but neither they nor any other device can force prices up if the community is still in the grip of deflation.

In the external sphere, Dr Edie takes it for granted, without argument, that “public opinion will gradually veer toward a return to gold in some form.” He is concerned that the dollar shall be stabilised at the right rate, which he conceives to be one which somewhat undervalues it (on the grounds that prices are likely to rise in the United States and that sterling will fall when the exodus of capital now taking refuge in London begins). It is unlikely that anybody on this side of the Atlantic would accept this very selfish argument; Dr Edie appears to forget that the fixation of the exchange rate between two currencies needs the consent of both parties. It is a pity that the book did not discuss the prior question of the advisability of a restored gold standard. Dr Edie believes that “reasonable stability” should be sought both of the domestic price-level and of the exchanges, but he himself, in an excellent chapter on the task of central bankers, gives a long list of reasons for believing that in fact neither will be attained. Moreover, he does not seem to be sure whether he wants a new parity fixed for all time or “a provisional level, subject to change if subsequent developments so warrant.”

Dr Edie appears to be suffering from a severe inferiority complex so far as British economists are concerned. He has apparently heard some Englishman refer to Americans as “economic illiterates” (a phrase repeated many times in the book), and as a result every reference to Great Britain is characterised by a savage bias which is entirely foreign to the rest of the book. Two examples of this are illustrative. Dr Edie apparently believes that the continued deflation in the gold countries is largely due to the existence of an open market for gold in London, where hoarders can corner the supply. In so far as this deflation is due to a shortage of gold—an untenable hypothesis—the enormous and unnecessary imports of the United States in the early months of 1934 are surely far more important than any increase of hoarding in London. Secondly, Dr Edie several times repeats the charge that the setback to American recovery in the autumn of 1932 was at least in part due to the fact that the Exchange Equalisation Account was unduly depressing the value of sterling. But he must know that this period is the only one of which we know as a fact that the account was exhausting itself in the attempt to keep sterling up. Unfortunately, these are only two of many deplorable superficialities in a well written—and remarkably well-produced—volume.

“Exchange Control.” By Paul Einzig. Macmillan. 195 pages. 7s. 6d.

Dr Einzig's books fall into two categories. The first are admirably lucid and informative explanations of the technicalities of foreign exchange. The second are equally well-written melodramatic histories of high finance *à la Ruritanienne*. In the present volume Dr Einzig makes a very welcome return to the former category. Exchange control is not as new a matter as might be thought; almost every act of conscious economic policy has some sort of effect upon the foreign exchanges. Even if attention be confined to those measures which are adopted with the conscious intention of influencing the exchange rate, such services as bank rate policy, foreign loan embargoes and “pegging” were familiar before the present depression. Nevertheless, the weapons of control forged in the last few years are so numerous as to swamp the older methods, and it is with these newer abnormal methods

that any study of the subject must of necessity largely concern itself.

A large part (perhaps too large) of Dr Einzig's book is taken up with definitions and distinctions. There are four chief ways of direct control: Intervention, which can be either active (i.e. taking the initiative), or passive; exchange restrictions (of which Dr Einzig distinguishes sixteen sub-species); gold policy and exchange clearing. These are, of course, in addition to such indirect measures as export subsidies, import restrictions, etc. Dr Einzig is an advocate of exchange clearing. According to him, clearing agreements have the effect of increasing the volume of trade between the participating countries, while the obvious necessity for “matching” payments brings home their obligations to creditors. The examples he quotes, however, are hardly sufficient foundation for the generalisations he founds on them. Where one of the countries concerned has previously subjected trade and payments to rigorous restriction, it is only natural that the volume of trade should increase as the result of an agreement; but that is not to say that exchange clearing is the solution for the present *impasse* of the whole world's commerce.

Furthermore, the benefits of three-cornered trade—which would be most unlikely to survive an outbreak of exchange clearing arrangements, in spite of Dr Einzig's somewhat fanciful theorising to the contrary—cannot be dismissed with a sneer at its “dubious advantages” and with a shower of abuse of Free Traders. Would Dr Einzig deny that three-cornered—or even more polygonal—trade has been the foundation of British commercial prosperity? Exchange clearing is a *pis aller*, and in his excitement at the fact that it does work, Dr Einzig should not allow himself to forget what a miserable travesty of genuine commerce it is.

“The Economics of Saving.” By J. Harry Jones. Reed and Company. 171 pages. 4s. 6d.

Bees have hives, writes Mr Jones, and ants have heaps. He is anxious that no one should accept or misunderstand modern theories of over-saving in such a way as to think that the hive demands no honey. He points out that the opportunity for saving accompanied by investment once lost cannot be regained. “Nor is the Government free from responsibility,” he says. “In wasting material and human resources now available it is worse than the spendthrift.”

But Mr Jones fails to sustain his thesis that individuals must voluntarily provide the necessary flow of savings. “If everyone tried to spend the whole of his income, such income would be competing for the existing supply of goods ready, or nearly ready, for consumption. The rate of supplies could not be increased, for, by consumption, there would be no savings or capital available for the erection of new factories or the preparation of new sources of supply.” This proves that capital goods must somehow be paid for out of monetary receipts; it does not prove that individuals' savings invested directly in industry are the only impulse for the making of plant. Indeed, Mr Jones goes on to admit that “the desire to spend would itself compel people to create fresh appliances of production in order that supplies should be forthcoming.”

Mr Jones defends the existence and policy of the building societies. It is possible to finance the creation of capital goods through building societies, but it would be possible in a socialist-rentier state to finance the whole of industry permanently by gigantic public loans on the Roosevelt scale. Mr Jones does not prove that the building societies, however excellent they may be as savings banks for the small investor, are the only means of financing a housing programme.

“The Depreciation of Capital.” By R. F. Fowler. P. and S. King. 143 pages. 1s.

Mr Fowler's main purpose in this closely-reasoned book is to develop Jevons's theory of capital. This theory is that the real rate of interest in a community must be derived from the rate of increase in satisfaction furnished by any commodity over a given time compared with the satisfaction that would have been furnished by the commodity if it had been at once consumed, or if the energy available to produce it had been at once used up. Thus the rate of interest should more largely be determined by the actual technical advantages available at any time than by the size of private monetary savings, which may have no relation to the real needs of the community.

Mr Fowler describes the equilibrium established in firms so that capital may be maintained. His formula is that “the number of ‘years’ which must elapse before equilibrium is

reached is equal to the total period of investment plus disinvestment for one machine [i.e. the total period for producing and using up a machine], minus one 'year.' If returns have been adequate to enable a firm to pass this critical period, the machines will be sufficient in number to balance the capital disinvested by wear and tear. True equilibrium for the whole community cannot be attained if capital is not correctly valued. "To stifle this new and cheaper form of transport [the road-vehicles], for example, in order to maintain the capital value of the railways, is to refuse to take advantage of technical progress and to encourage waste." Again, "it is difficult to see why, on *economic grounds*, capital invested in public utilities should be made more secure than that invested in competitive industry."

Mr Fowler compares the purpose of the annuity and sinking-fund methods of computing depreciation. He points out also that under the company laws, although capital cannot be applied to paying dividends, "there is no law which compels companies in all cases to recoup losses shown by the capital account out of receipts shown in the profit and loss account." Mr Fowler suggests a scheme of share-cancellation which would solve the difficulty of maintaining equipment, for the company would then be enabled to re-issue shares for replacing plant.

"Money-Lending in Great Britain." By Dorothy Johnson Orchard and Geoffrey May. (New York, Russel Sage Foundation.) 185 pages. \$2.

Although this book traces the development of British money-lending chronologically, the object of its authors is more ambitious than that of the mere chronicler. Their aim, they state, has been "to show the devices whereby the enterprise of money-lending has adapted itself to its changing legal, economic and social environments." They define their subject rather strictly and narrowly, in consonance with American legal usage, so as only to include loans for purposes of consumption and then not such as are made by pawnbrokers on tangible security, and their point of view is that of the lender or borrower rather than that of the community as a whole. Within these limits, however, the authors are to be congratulated upon having produced a most usable book.

The keynote of the book is set by the word "restraint," which occurs, once rather oddly, in the titles of each of its five chapters. Indeed, the legal and ethical aspects of the subject receive far greater attention than its economic aspect. A hasty reader might almost conclude that the authors had overlooked the existence of its economic aspect altogether. But this may be partly explicable by the fact that "Money-lending in Great Britain" is only one volume of a whole series of studies on small loans, some other members of which touch upon some of the more important questions, such as that of the demand for loans, which Drs. Orchard and May ignore.

The authors have probably done wisely in making their book a sort of glorified preamble to and commentary on the 1927 Moneylenders Act. Judged by this standard, their chapter on "Administrative Restraint" is the most useful, since it covers the least familiar ground. The chapter on "Religious Restraint" is a little too inclined to support the usual view that it was extremely *fortunate* that events turned out as they did at the hands of the casuists and others. That the creditors of this period should themselves have such difficulty now in getting credit where it is due is perhaps good poetic justice, but it is bad economic history. In the more secular atmosphere of the chapter on "Commercial Restraint" the authors give freer rein to their own views, but their originality (especially in the sphere of economic doctrine) sometimes assumes startling forms, as when they gravely state, for instance, that "legal limitation of the rate of interest failed to stem the demand for credit." The chapter entitled "Lack of Restraint," which is really a quite unsensational discussion of the absence of Government restriction during the period 1854-1900, is chiefly concerned with the abuses connected with bills of sale and promissory notes which the Act of 1900 was largely intended to prevent. The disappointing results of this Act are dealt with in the chapter on "Judicial Restraint," and the as yet problematic results of the 1927 Act in a final chapter which draws upon material not to be found in any other published work that we know.

The book is solid and well balanced, and its documentation in particular is excellent. There is only one serious adverse criticism that can be made. For from no point of view can it appear desirable that economic considerations should be obscured or misunderstood in a work that attempts to deal with one of the most complex of all problems of price-regulation; still less that such implicit economics as it does contain should be so out of date and, in some cases, even so naive, as that which occasionally betrays its presence in this otherwise admirable book.

"Converting a Business into a Private Company." By Herbert W. Jordan. Jordan & Sons. 50 pages. 1s. 6d.

The growth of private limited companies, which are now estimated to number over 100,000, out of a total live Register of 115,000 companies, constitutes a major revolution in economic organisation during the present century. The tenth edition of this small book points out the advantages of the private company, and describes, within its compass, the *modus operandi* of the conversion of the personal business. The outline will be of service to traders who contemplate conversion, although most persons will prefer also to take competent legal advice in such highly technical matters as the memorandum and articles of association, and the procedure of registration.

"Overhead Costs in Theory and Practice." By F. Bradshaw Makin. 75 pages. 3s. 6d.

"Cost Accounts." By L. Whitem Hawkins. Gee and Company. 103 pages. 10s. 6d.

The importance of problems of cost in modern productive technique has been emphasised by economists and cost accountants during recent years. Although these two handbooks exhibit an empirical approach to the manufacturer's problem, they throw considerable light upon the relation of marginal and average cost computations. Mr. Makin attempts a time analysis of cost elements, and examines the relations of the "differential" costs attributable to variations in output to the movements in average costs, while the second book is a more generalised survey of costing technique which points out the necessity for integration of cost records with financial accounts in order to obtain the fullest measure of control.

"Partnership Accounts." By R. C. de Zouche and B. J. Davis. Gee. 180 pages. 7s. 6d. "Depreciation, Reserves, and Reserve Funds." (Dicksee). Sixth Edition by Stanley W. Rowland. Gee. 85 pages. 5s. "Structure of Business Management." By Robert Ashworth. Gee. 48 pages. 3s. "Executorship Law and Accounts (including Scots Law and Practice)." Taxation Library. 139 pages. 4s. "Amalgamations, Reconstructions, Holding Companies." Taxation Library. 66 pages. 3s. 6d.

These small handbooks will be welcomed by students preparing for accountancy examinations, and by business and professional men who require knowledge of specialised branches of accountancy which the larger text-books must necessarily treat somewhat scantily. The revised edition of the late Professor Dicksee's "Depreciation" prepared by Mr Rowland, his student and partner, is particularly welcome. The new Taxation Library, whose first two volumes consist of reprinted articles from *Taxation*, is a promising new venture. The discussions well deserve republication in their more permanent form.

THE CASE FOR DEMOCRACY

"Civitas Dei." By Lionel Curtis. Macmillan. 10s. 6d.

It is fairer to regard "Civitas Dei" as mythology than history: as history it is but uncritical conclusions based on insufficient evidence. The historical detail itself is, as Mr Curtis says, "familiar to every child who has passed through a high school." In Mr Curtis' history the defect is not so much inaccuracy of detail as the discrepancy between his facts and his conclusions. The argument of his book is admirably clear: the social principles enunciated by Jesus, the instruments of government discovered by the Greeks, were adopted and distorted, first by the Roman Empire, later by the Roman Church, and eventually united and applied in the instrument of government known as Magna Charta. This is not history but myth, a Christian myth made acceptable to modern politicians. And the myth is employed to embody parables of recent events. Thus, in his account of Judea in the first century, Mr Curtis succeeds in giving a description of Ireland in the twentieth without mentioning the I.R.A., the "trouble," or English imperialism, but they are all there.

The guiding principle in politics which Mr Curtis discovers is this: "Love one another," which is the principle of the City of God. "'Seek ye first the Kingdom of God and all things else shall be added unto you' is the greatest of all contributions to constructive thought." The justice of Mr Curtis' proposition is seen when we realise that he identifies the Kingdom of God with a liberal, constitutional society. "I see in these commonplace details (of English constitutional history) the first beginnings in the Christian era of the process whereby that creative and potent idea, the Kingdom of God, as viewed and expounded by Jesus of Nazareth, is destined to

be realised." Mr Curtis' principle is a scientific hypothesis justified by history: to the blasphemous materialists who suggest that history does not justify it, there is a sufficient answer. "Belief, in the true sense of the word, is not the assertion of knowledge or dogma, but courage to act on the best hypothesis we are able to conceive. Unbelievers are those too timid or idle to guess at the truth or act on the guess."

The timid and idle unbeliever will hardly persist in his unbelief before Mr Curtis' final argument:

"No political science will furnish guidance unless it proceeds from a definite conception of ultimate values. The system propounded by Jesus proceeds from its faith that right and wrong are valid distinctions of infinite importance. It therefore regards mind as the ultimate reality and indestructible. Death is conceived as no more than a physical incident in the endless life of the spirit."

So brief a review cannot do justice to the wide spaces of Mr Curtis' historical knowledge; but it is to be hoped that the quotations sufficiently suggest the levels on which his philosophy moves.

"Crisis Government." By Lindsay Rogers. (New York) W. W. Norton and Company, Inc. 166 pages. \$1.75.

The title of Professor Lindsay Rogers' book is somewhat misleading. He has not written a critique of the new methods of government called forth by the political and economic crisis of the last few years so much as jotted down a few of his reflections on democracy and dictatorship. His conclusions are, in brief, that dictatorship is a product of special times and circumstances. There is, indeed, a necessity for greater freedom of action for the executive, but that can equally well be secured within the bounds of a democratic constitution—*exempli gratia*, Franklin D. Roosevelt. On the whole, democracy has not come badly out of the experiences of the last few years. Where it has failed, there never was any real reason to anticipate success. And in other countries it has shown itself tolerably efficient in a crisis and more ready to reward courage and common-sense in its leaders than might have been feared.

It is interesting, however, to notice this American writer making an exception of the British National Government, of which he says that "few now, even of its beneficiaries, would deny that it has lowered the tone of public discussion, and has sacrificed principle to compromise, or would maintain that it serves as much more than camouflage for a Tory administration." Professor Rogers writes wittily and well but with an overdose of allusions. It would be helpful if he were to identify his quotations—and also to get them accurate; it is surprising to find a conversation between Mr Pickwick and Mr Snodgrass ascribed to "the famous occasion of the Eatonsville election."

BRITISH EMPIRE

"India's Social Heritage." By L. S. S. O'Malley. Oxford University Press. 190 pages. 5s.

Mr O'Malley has fulfilled admirably his object of giving "a simple statement of the principal features of the social system of India." His book is clear, concise, eminently readable, and presents a vivid picture (by means of his descriptions and explanations of the caste, family, tribal, marriage, purdah and village systems) of the fundamental social ties and duties which affect, and to a great extent control, the daily life and social behaviour of the great majority of Indians. In addition, his chapters on "Frontier Tribes" and "Tribes of the Interior" bring together much interesting material not otherwise obtainable except in much longer and more specialised works.

The reader is left with two main and strongly contrasted impressions. On the one hand it is shown what great advance has recently been made by certain classes and in certain areas towards social reform. Traditional customs and institutions which have lost their former functions and utility, and can only act as shackles on progress under modern conditions, are being rapidly cast off. The women's movement, in particular, has made astonishing strides, partly as a result of Mr Gandhi's influence. But, on the other hand, the continuance and great strength of other customs and institutions characteristic of an early stage of social growth is remarkable. There are still 50 million members of the "external" (or depressed) castes, to whom serious social disabilities apply. In the whole of India, in 1930-31, there were only 235 women studying in medical colleges, and 186 in training colleges for teachers. Debt slavery and a form of serfdom survive in a number of areas. Some of the more remote tribes are still "in an elementary stage of progress as the aborigines of Australia."

The net conclusion is that social reform has so far touched only the fringe of the population. The village still forms the essential communal unit, and the family the fundamental social unit. As far as caste is concerned, "there are some changes of practice in minor matters, particularly as regards food and occupations, but the main structure of caste remains intact with its mutually exclusive communities, its carefully regulated gradations of rank, and the ban on intermarriage which prevents any fusion of classes."

It is necessarily difficult to gauge the extent of social changes, where by their very nature the data are not amenable to actual measurement, but one wonders whether Mr O'Malley has not perhaps over-emphasised the lack of change. For instance, in discussing the village community, he omits any account of the recent increase in the number of persons divorced from the soil and dependent on wages, although in another context he recognises the existence of this important phenomenon. However, it can safely be added that Mr O'Malley's book can be warmly recommended to all who wish to understand the social background of India.

"The Population Problem in India." By P. K. Wattal. Bennett, Coleman. 185 pages. Rs. 3-8-0.

A warm welcome should be accorded to this new edition of Mr Wattal's book on India's most vital and urgent problem—i.e. the population problem. The work has been almost completely rewritten, and the new edition takes the form of a study of the recent Indian Census. At a time when students of the population problem in the West are emphasising the danger of under-population and race suicide, it is an interesting contrast to turn to the study of the problem in a country where over-population is still to be feared, and where appallingly high birth, death and infant mortality rates persist. It seems probable that the Indian vital statistics are simply characteristic of a stage in social development, and that India will eventually follow in the footsteps of the West in this respect; but at the present moment there is undoubtedly need for the replacement of positive by preventive checks.

Mr Wattal gives a clear and concise summary of the existing state of affairs in India. He approaches his subject from the point of view of social reform, and discusses the relevant statistics in relation to the "law of population," marriage, public-health, differential fertility, migration and the pressure of population on the means of subsistence. He stresses the urgent need for birth-control, makes useful recommendations for improvements in the collection of statistics (India's vital statistics are particularly unreliable), and suggests that an inquiry should be instituted into the alarming growth of population. His book can be warmly recommended to all who are interested in the world population problem, or in the welfare of the masses in India.

"Economics for Ourselves." By the Goban Saor. Dundalgan Press. Dundalk. 39 pages. 6d.

It is a pity that this little pamphlet on Irish economic problems should open with the familiar complaint of the shortage of money to purchase the proceeds of industrial production, since the author's grasp of monetary problems is not very strong. The reader should not, however, be deterred from proceeding further, as, once the wild currency oats have been sown, the pamphlet greatly improves and becomes interesting and constructive. The author pleads for a long period policy for the development of the resources of the Free State, based on a considered survey of probable future conditions at home and abroad. He is under no illusions about the outcome of the present policy of small holdings and indiscriminate industrial protection, and urges the necessity for a settlement of the dispute with Great Britain, the restoration of the export trade, assisted by the moderate depreciation of the Irish pound, and the need for an improvement in the efficiency of agricultural production.

OTHER NOTICES

"La Politique Commerciale de la Belgique." By C. De Leener. 85 pages. (Recueil Sirey, Paris.)

Belgian Customs policy is the more interesting since Belgium is still trying to remain as faithful as possible to the principle of Free Trade, when the whole world has turned Protectionist. M. G. De Leener, Professor at Brussels University, is also chairman of the Committee for the Defence of Free Trade. In this small volume is contained the text of the lectures given by him at Geneva in November, 1933. These lectures describe the commercial policy which Belgium has followed for a century and analyse some of its present

tendencies. M. De Leener discusses the question of the economic union which some people say France offered to establish with Belgium in 1916. Certain authors assert that such a proposal was made formally to Belgian Ministers, at that moment refugees at Le Havre. M. G. De Leener shows from reliable sources that the question of a commercial union has never been faced. A French Minister discussed it one day with a Belgian Minister; but all endeavours remained fruitless. It is not, therefore, true to say that Belgium "refused" to enter into a commercial union with France at that moment.

M. De Leener is, of course, a supporter of the convention agreed upon in 1932 between Holland and Belgium. The policy followed since then constitutes, he admits, some departure from the principle of commercial liberty. Most of the measures taken, however, are intended not so much to protect the home market as to enforce the lowering of other countries' tariffs. The general opinion in Belgium is, M. De Leener says, that free trade, restricted as it has been, has produced better results for Belgium than a systematic protectionism would have done. By a lowering of home prices imports have been held back in Belgium more effectively than in many protectionist countries.

"The Economics of Advertising." By F. W. Taylor. George Allen and Unwin, Ltd. 248 pages. 7s. 6d.

"Advertisements," remarked Doctor Johnson, "are now so numerous that they are negligently perused, and it is therefore become necessary to gain attention by magnificence of promises." Readers of this book will probably feel that the Doctor's dictum has lost little of its truth. The scope of the book is wider than the title suggests, and indeed the most valuable section is that discussing the social significance of advertising. Although the economic discussions are in the nature of prolegomena to more exhaustive treatment, they open up some promising lines of inquiry. The relation of advertising to the theoretical problems of partial monopoly and imperfect competition, and to the perfect knowledge assumption underlying consumers' choice has been inadequately treated by most theoretical economists. Mr Taylor has some suggestive, but inconclusive, remarks on the significance of advertising in cyclical fluctuations which would repay further investigation, while a fuller discussion of the effect of advertisement upon the shape and position of the demand curve would have been welcome.

The author has some forceful views on the organisation of the advertising industry. He shows the relation between the growth of large scale manufacture, the disappearance of the wholesaler's specialised function, and the growth of the popular press, and he criticises the claims made for advertising both from economic and social standpoints. To the layman probably the most revealing discussions are those dealing with the organisation of the advertising industry and its relations with the press, and with the effects on the expression of opinion in the general press which have resulted from deference to large advertisers. Without wasting time in philosophic discussions on social values, Mr Taylor reaches the conclusion that a considerable part of modern advertising is wasteful and anti-social, and supports his case with some choice examples of fatuity. Most readers, however, will doubt whether his anticipation of a higher standard (in which information will gradually replace emotional suggestion) is likely to be realised under present economic conditions.

"Prelude to Economics." By W. A. Orton. Pitman. 285 pages. 5s.

It is notoriously difficult to write an elementary economic text book which both imparts some basic principles and appears to the ordinary man to have some connection with the real world. Mr Orton certainly comes near to success. He starts with a brief history of the growth of modern capitalism. He then describes in realistic and concrete terms the "building of the heap," i.e., the production of the national income. Next, he introduces demand and so proceeds to the general theoretical principles of value and price. Finally, distribution, or the "sharing of the heap," and the simple elements of monetary theory, are approached and worked on in the same way. The book is clearly thought out, and intelligibly expounded, and it deserves the notice of the general reader as well as that of the student for whom it is primarily intended. To economists, as Mr Orton remarks, its methodology will be its principal interest.

"The Agricultural Register, 1933-34." Agricultural Economics Research Institute, Oxford. 229 pages. 3s. 6d.

Since the advent of Mr Elliot as our food dictator the structure and organisation of British agriculture has under-

gone such profound changes, as the result of legislative and administrative action, that it has become almost impossible to find one's way about the labyrinth of our agricultural policy without a compendious guide. Fortunately such a guide has been provided by the Agricultural Economics Research Institute at Oxford. The new "Agricultural Register," which is to be issued annually, gives a summary of recent agricultural legislation, of the various marketing schemes, as well as of recent developments in production, prices and employment in agriculture. While the arrangement of the section on Administrative Action dealing with Reorganisation Commissions, Marketing Schemes and Marketing Boards might perhaps be improved, the "Agricultural Register" is an excellent and, indeed, indispensable compilation. The Research Institute is to be most heartily congratulated on it.

"The Statesman's Yearbook, 1934." Edited by M. Epstein, M.A., Ph.D. Seventy-first Annual Issue. Macmillan. 1478 pages. 20s. net.

No one whose sphere of activity lies in world affairs can afford to do without "The Statesman's Yearbook." The latest edition contrives to include trade returns for 1933 in most cases; and all the kaleidoscopic political changes in the world in 1933 are faithfully recorded. As a standard work of reference, the yearbook is certainly in the front rank; and Dr Epstein is to be congratulated both on the speed with which he gives us the necessary information, and on the comprehensiveness of his work.

OTHER BOOKS RECEIVED

Interest or Usury. By Rev. S. J. C. Goldsack. (London) The General Conference of the New Church (Social Service Committee), 20 Hart Street, W.C.1. 24 pages.

Investment in Property. By R. B. Sunnuchs. (London) The Banbury Publishing Company. 42 pages. 1s.

Journal of the Royal Statistical Society. Vol. XCVII. Part II, 1934. (London) Royal Statistical Society, 9 Adelphi Terrace, W.C.2. 7s. 6d. net.

This issue of the Royal Statistical Society's Journal contains Mr Geoffrey Crowther's analysis of the *Economist's* Index of Business Activity before the Society, together with the ensuing discussion.

Official Year Book of the Commonwealth of Australia, 1933. (Canberra) Commonwealth Bureau of Census and Statistics. 942 pages. 5s., plus postage.

Il problema delle esportazioni. By E. Giretti. (Turin) Arti Grafiche Fratelli Pozzo. Via A. Vespucci, 41.

Women Who Work. By Grace Hutchins. (London) Martin Lawrence, Ltd. 285 pages. 3s. 6d. net.

Contemporary Japan. Vol. II. No. 4. March, 1934. (Tokyo) The Foreign Affairs Association of Japan. Taihei Building, Hibiya Park. 3s.

International Affairs. Vol. XIII. No. 3. May-June, 1934. (London) Royal Institute of International Affairs. 2s. 6d.

The Liberal Way. Revised edition. (London) National Liberal Federation, 42 Parliament Square, S.W.1. 80 pages. 6d.

Une Expérience Américaine: l'Investment Trust. By P. Schwob. (Paris) Recueil Sirey. 197 pages. 30 frs.

Recenti esperienze in tema di "Open Market Operations" agli Stati Uniti. By F. di Fenizio. (Rome) U.S.I.L.A. 55 pages.

Atti dell'istituto nazionale delle assicurazioni. Vol. VI. Conferenze di cultura assicurativa dell'anno 1933. (Rome) Istituto nazionale delle assicurazioni. 192 pages. L.50.

Annals of the Royal Statistical Society, 1834-1934. (London) The Royal Statistical Society. 308 pages.

The Martyrs of Tolpuddle, 1834-1934. (London) Trades Union Congress General Council. 240 pages. 7s. 6d. De luxe edition 10s. 6d.

The Root of all Evil: A Paper on Currency Reform. By C. Farmer. (Nottingham) J. and H. Bell, Ltd. 22 pages. 6d.

The Round Table. June, 1934. (London) Macmillan and Company, Ltd. 5s.

Corporativismo e scienza giuridica. By A. Volpicelli. (Florence) G. C. Sansoni. 204 pages. L.15.

Railways and Roads in Pioneer Development Overseas. By J. E. Holmstrom. (London) P. S. King and Son, Ltd. 304 pages. 15s.

Principles of Money and Credit. By R. L. Garis. (London) Macmillan and Company. 520 pages. 10s.

OFFICIAL PUBLICATIONS

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

British Honduras: Financial and Economic Position. March, 1934. Cmd. 4586. 4s. 6d. net.

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BRITAIN'S POLITICAL FUTURE

THE political season which opens with this week's Labour and Conservative Conferences has the air of looking to the future rather than to the past, to the next General Election rather than to the now legendary days of 1931. Have we any clue to that future in the latest round of literature let loose by our increasingly prolific political pamphleteers? The most striking feature of British political literature since 1931 has been its markedly Left-wing tendency. And of the four authors here reviewed,* none are farther to the Right than Mr Ramsay Muir (however far that may be). Should we take this outburst of literary activity as a sign of a coming political movement to the Left? Or is it merely the normal reaction of a group of politicians who are suffering from temporary frustration and infertility in the practical field?

Lord Allen looks to the future because he is disappointed, if not disgusted, with the past and present. We all remember the remarkable enthusiasm with which he greeted the birth of the National Government and the earlier utterances of the Prime Minister. Mr MacDonald is not mentioned in this book, but Lord Allen's verdict on his Government is unambiguous. That Government, Lord Allen says, has "allowed the Conservative Party to create party advantage for itself out of a national endeavour." In particular he laments "the complete breakdown" of the Government's foreign policy:—

This Government will go down to history as the Government which was always wise too late. It has spent months in vain attempts to conciliate nations which need never have become so anxious or so angry; in trying to bring Germany back to the League instead of preventing her from leaving it. By acting too late we have given Germany a Government of violence, and have been compelled to concede rearmament to dictatorship. . . . By acting always too late we have killed all hopes of substantial disarmament, so that now the world is faced with the appalling extravagance and peril of a competitive race in arms.

Coming from one of the most influential of the Government's disinterested friends, this is a formidable indictment.

Disappointed as Lord Allen is, however, he is far from disillusioned. Indeed, the main purpose of his book is to proclaim an indomitable, and some would say incurable, faith in the power of reason to conquer in the practical

world. What Lord Allen now wants is a Government of reasonable and moderate men to pursue a foreign policy of peace and disarmament and a domestic policy of industrial and social reorganisation. There will probably be a stalemate, Lord Allen thinks, at the next General Election, and the only way of saving democracy will "in all probability" be "an association of the younger generation of Conservatives with the Liberal and Labour Parties, and with Labour at the helm." Mr Herbert Morrison, Mr Elliot and Dr. Addison, among others, are mentioned as promising candidates for admission to the proposed Government of ability and reason.

A cynic might perhaps express surprise that, after experiencing one National Government, Lord Allen should be asking for another; though it is true that he calls it neither a National Government nor a Coalition, but an "Association." There is much in a name, it seems, despite all the rationality of man. And even the mildest sceptic will question whether the differences between us are really so narrow as to be easily bridgable by nothing more than a little sweet reasonableness. Are there not interests, for one thing, that divide us? No doubt the activities of both Mr Morrison and Mr Elliot can be superficially described as "planning." But is it not of some importance to ask in whose interest they plan? And, interests apart, there are surely philosophical differences dividing men to-day as profoundly as ever in history. Do not some of us believe in freedom and equality, and others in order and discipline, just as firmly and irreconcilably as did Athenians and Spartans two thousand years ago? Lord Allen's affirmation of faith in the rationality of the common man will command respect; but on being told that, as a result of science, "at long last the mind of man seems capable of freeing itself from ancient bondages and becoming an independent agency of influence," some readers will surely inquire whether Lord Allen has ever heard of the Nazi Revolution. And was it really nothing but laziness and incompetence that seduced the National Government from the pursuit of Lord Allen's ideals?

Many would like to believe that British political parties to-day (or at least those on the Left) are reaching agreement on the necessity and method of immediate economic reform. But a comparison of the other three books now under review unfortunately suggests no such thing. "The Liberal Way" consists of an amplification, with a foreword by Mr Ramsay Muir, of the recent Liberal Manifesto already summarised in the *Economist*. "The First Workers' Government," though ostensibly the individual production of a member of the Socialist League, carries the blessing of Mr Lansbury and Lord Passfield, as well as Sir Stafford Cripps and Mr Cole. The two books may therefore be taken as fairly

reliable statement, of the outlook and intentions of the Liberal and Labour Parties. Yet Mr Mitchison's book is a description of the beneficent extension of State control and ownership over the major part of the British economic system; while Mr Ramsay Muir writes that the aim of the Labour Party is "to bring all the industrial and commercial activities of the country . . . under the dead hand of the State." And both Mr Elliot and Dr. Addison are roundly condemned by Mr Ramsay Muir.

Even if Mr Mitchison's programme does not commend itself to Liberals of the Ramsay Muir school, however, it should be of great interest not only to them but to all who are concerned with Britain's political future. The "First Workers' Government" is a "history" written in the lucid and unadorned style of Mr Cole, of the socialisation of Britain in ten years following the election of a Labour majority in the House of Commons in 1936. Mr Mitchison is determined above all to eschew generalities; and he describes in concrete and often statistical detail, and in the past tense, the whole process of reform, from the revision of Parliamentary procedure to the reorganisation of the iron and steel trade. This laudable if ambitious attempt inevitably leads to occasional minor inaccuracies, such as the statement that no statistics exist of the uninsured unemployed; and one often feels that a clear enunciation of the actual principles on which wages, prices, investment and employment were planned in the new Socialist State would be more valuable than the enumeration of any number of picturesquely named institutions. Some readers, it must be admitted, will find the complete capitulation of the Opposition before Mr Mitchison's Government as improbable as the violent uprising of Sir Stafford Cripps's imagination or the complete harmony of Lord Allen's dreams. Nevertheless, as an essay in practical Social-Democracy Mr Mitchison's book is a competent and original performance.

If there is anything on which Lord Allen, Mr Muir and Mr Mitchison are all agreed it is the necessity for preserving democracy. We are consequently pleased to find the Socialist League, in their new manifesto, "Problems of the Socialist Transition," also affirming the purity of their democratic aspirations. Apart from this there is little that is new or interesting in the book; though we might perhaps point out to Sir Stafford Cripps that he has misquoted (on page 11) our statistics of industrial profits. The truth about the members of the Socialist League would seem to be that, though they value both democracy and social reform, they would be prepared in the last resort, if one or the other had to be sacrificed, to let democracy go.

In general, however, it is fair to place the Socialist League, with Lord Allen, Mr Muir and Mr Mitchison, within the democratic camp. But is a mere belief in democratic methods likely to be an adequate basis on which to found a coalition? Only, one would have thought, at a moment when democracy itself is threatened.

THE JEWS

DR. RUPPIN is already well known to students of Jewish demography by his earlier work on "The Jews of Today" published in 1904 and by his elaborate and richly documented survey of Jewish sociology published in German in 1930-31. His new book* brings the discussion up to date, and it may be safely recommended as an authoritative guide. It deals with the racial composition of the Jews, their numbers, territorial and historical distribution, migrations, economic structure and occupational differentiation. With these facts before him Dr. Ruppín discusses in a most illuminating and temperate manner the major social and political problems with which the Jew is confronted in the modern world. The work forms part of a series of "Studies in Modern History," and the general editor, Professor L. B. Namier, has added greatly to its value by his cogent and moving introduction.

Dr. Ruppín accepts the view, widely current among anthropologists, that the Jews are essentially a mixture of the "Alpine" and "Mediterranean" races, the Mediter-

anean element predominating in the Spanish or Sephardic branch and the Alpine in the Ashkenazic—that is, the Central and East-European Jews and their derivatives. He thinks that while until the fifteenth century the Sephardic Jews exceeded the Ashkenazim in numbers, the latter have since increased enormously and now constitute 92 per cent. of world Jewry. Dr. Ruppín emphasises the ethnic heterogeneity of the Jews at all times, and points out that such uniformity in physical traits as is now observed is due to the fact that in the course of Jewish history there have occurred important periods of relative isolation during which some stability of type has been secured. It must be remembered, of course, that the whole classification of European races is now in the melting pot, and that anthropologists are becoming increasingly sceptical of race classifications which purport to trace the genealogical affinities of peoples.

In discussing population, Dr. Ruppín endorses the estimate that in A.D. 70 the Jews numbered about four and a half millions. There was a decrease during the following centuries, the lowest point of one and a half million being reached at the end of the fifteenth century. In the eighteenth century there was a gradual rise to two and a half millions, and during the nineteenth century there was a rapid increase; for 1933 the figure of sixteen millions is given. The increase is attributed mainly to a decline in the death rate. Since 1914 the growth has slowed down, and the rate of natural increase has fallen from about 16 per thousand in 1914 to 8 in 1932. Dr. Ruppín's figures show that the Jewish birth rate decreases from East to West and that it declines with the disappearance or weakening of the old Jewish traditions. Even in Eastern Europe there has recently been a decline, and as the drop continues the difference between Central and Eastern Europe will probably disappear. The difficult problems with which the Jews are now faced everywhere are due largely to their rapid growth in the nineteenth century. Without that increase the East European Jews would probably have adapted themselves economically without mass emigration, and possibly have become assimilated to their neighbours at least to the same extent as the Jews of Central Europe. To-day one of the most serious problems which confront the Jewish people is the difficulty of knowing what will become of the growing Jewish population in Poland and elsewhere in Eastern Europe—a problem in many ways more acute than that produced by recent events in Germany.

Since 1880 a great change has taken place in the local distribution of the Jews. Between 1881 and 1933 approximately four million Jews left Eastern Europe, the majority for the United States and other overseas countries and 150,000 for Palestine. Dr. Ruppín sums up the change thus:—

At the end of the eighteenth century the Jews changed from a predominantly Oriental into a European nation; and now they tend to change from East Europeans into West Europeans and Americans.

It is interesting to note that almost a third of world Jewry now lives in English-speaking countries, and that whereas in 1870 less than 20 per cent. inhabited "areas of higher culture," by 1933 the percentage had risen to 48.1. This fact, together with the progress in education which is now occurring in Eastern Europe and the Near East, may have important consequences in strengthening the tendencies to assimilation.

Dr. Ruppín has much of interest to say on the occupational distribution of the Jews and of the part they play in the economic life of the peoples among whom they live. He brings out the tragic fate of the older generation of Jews in Soviet Russia, hundreds of thousands of whom were utterly ruined owing to their inability to adapt themselves to the new conditions. He also shows that, while the economic crisis in America has hit the Jews hard, there is no reason to doubt that their position will improve with the general revival of trade. On the other hand, the change in the economic position of the Jews which has occurred in Germany and Poland is to be traced to a change in the structure of the national economy caused by the growing nationalisation and syndicalisation of many trades and by the extension of co-operatives. It consequently presents a problem the solution of which cannot now be foreseen.

It is clear from Dr. Ruppín's work that the Jewish people are now faced with a crisis of unexampled severity. The period of mass migration is over; and apart from the relatively small numbers emigrating to Palestine, the Jews must solve their problems in the various countries in which they are now settled. Will the American Jews who form the largest unit in world Jewry manage to survive as a distinguishable cultural group, or will they, now that the older traditions are no longer reinforced by immigrants from Eastern Europe, become completely Americanised? What, again, is to be the effect upon the survival power of the Jews of the rapid assimilation now going on in Russia, hitherto a most important reservoir of Jewish energy and vitality? Will the efforts of the Zionists to revive the Jewish people in the land of its fathers, even though they succeed beyond their present hopes, suffice to bring about a measure of national reintegration outside Palestine? These questions none can answer at present, but anyone who wishes to tackle them seriously will derive help and illumination from Dr. Ruppín's book.

KNUT WICKSELL*

PROFESSOR ROBBINS has done good service in editing an English translation of Professor Wicksell's Lectures on Political Economy. This, the first, volume—and we hope that a second will follow—comprises the whole of Professor Wicksell's Lectures (originally published 1901), less that section dealing with Money, together with two critical reviews, one of Professor Cassel's famous Theory of Social Economy, the other of Dr. Akerman's *Realkapital u. Kapitalzins*.

Professor Wicksell holds a high place among economists. He belongs to the small class of those who have assisted in that reconstruction and restatement of the foundations of economic theory which has taken place in the last, shall we say, sixty-three years. Two main reasons why such reconstruction was necessary may be mentioned. One was the discovery and general acceptance of the fact that the "marginal" principle was much more widely applicable in economic analysis than was formerly suspected. The second was the gradual recognition that the classical system unwarrantably presupposed certain factors in the situation to be constant, and that at many points constants must be replaced by variables. The consequent development of thought had more than one effect. On the one hand, there was an immense improvement and clearing up; the theoretical system became much more coherent and logical. But, on the other hand, recognition of the interdependence of the various elements in the system made it much more difficult to expound it clearly in literary language. Moreover, the limitations of pure theory and the difficulty of deducing cut and dried conclusions of practical applicability were better understood. Economics ceased to be a subject which every educated man could master with a little effort. It ceased, moreover, to offer clear-cut recipes. The labour of understanding became greater and the proffered fruits less attractive. The economists themselves—among whom cannot unfortunately be included the main hordes of economic writers—acquired a more substantial basis of authoritative doctrine than they had had before, but were debarred by its nature from their old habit of propounding dogmatic maxims of action. Advocates of conflicting expedients could no longer be checked by reference to a rule of right advanced by economists of standing, and in consequence the economists who should have been given credit for their recent advance were supposed to have lapsed into a state of discord and confusion.

Professor Wicksell was concerned with expounding the inner core of theory. The Lectures are written with a sobriety and modesty that must delight the scholar's heart. He eschews claims to originality or novelty, he writes simply and without ornament, he is determined to tell the reader the truth, as best he can, without pretentiousness or fuss.

Formally the Lectures cover the whole of Economic

Theory. But the reader used to Marshall's Principles will have an acute sense of incompleteness. For instance, there is no mention, except by parentheses, of the relation of the long to the short period. Of profit there is nothing except a demonstration that in competition there is no residual profit. "Marshall, in his Principles," he writes, "has endeavoured to set up a fourth class of agents of production . . . namely organisation . . . The new agency thus introduced, unlike the old, lacks quantitative precision, except in some special cases. Such a case would arise when organising talent or technical discovery is incorporated in certain individuals of outstanding gifts or specialised education. But in that case 'organisation' cannot be distinguished from 'labour.'" So much for organisation. Of the part played by entrepreneurial ability and the co-ordinating function and the relation of these to the size of firms in the long and short periods, of risk and uncertainty, there is nothing. Professor Wicksell has some good things to say on decreasing and increasing returns, of very modern flavour; but his remarks on these are mainly subordinate again to the demonstration that there are no residual profits.

Indeed, the whole book has the appearance rather of a series of brilliant essays than a systematic treatise. In systematising power Professor Wicksell seems deficient. Not that this implies a lack of synthesising power—quite the contrary, as Professor Robbins rightly claims. No one excels him in grasping the interconnection of theories, whether belonging to diverse parts of the field or advanced by diverse writers. One of his most valuable qualities is his clear grasp of the substance of the old classical theories, which he summarises with masterly relevance, and to which his modest and scholarly habit of mind allows him to assign their due importance in the development of the subject. In this he resembles Marshall. But he has not succeeded in translating his own coherent system of thought into a systematic treatise.

It must not be supposed that the Lectures consist of a series of original contributions to the subject loosely strung together. On the contrary, his main purpose seems to be expository. He takes a few subjects, of central importance certainly, to which he has devoted much thought, and strives to present them in a way which will be absolutely cogent and correct. He is not presenting new solutions, but mainly restating established solutions in a form that will re-solve apparent conflicts and be immune to logomachistic critics. In doing this he throws out any number of original ideas on minor points.

The reader will not find in this volume a systematic treatise; he will not find doctrines of substantial importance that Marshall was too early to embody in his Principles. Will he find superlative clarity? Not even that. It must be confessed that though Professor Wicksell has the right spirit and intention, he has not those pre-eminent gifts of style and imagination which are required for the clear literary expression of these complex ideas. What will he find then? He will find new and sound methods of approach to various important topics. He will have the sense of security of being in the hands of a safe guide who knows the ground thoroughly, who will not lure him on by false prospects or endeavour to beguile him with fabulous tales of his exploits, who will show him many interesting and peculiar things by the wayside, who will speak with truthfulness of the great exploits of others.

There is little in common between this temperament and that of his compatriot, Professor Cassel. And it is not surprising that his verdict on the latter as an economist, delayed till late in the life of both, is on the whole hostile. It appears as an appendix to this volume and is a welcome draught of humanity coming at the end of a well-conducted journey through somewhat arid country. The great and distinguished gifts of Professor Cassel are widely known. Like Marshall, he has tried to retrieve modern economics for the general reader. He has outstanding gifts qualifying him for this task. Moreover, his *magnum opus*, though falling far short of Marshall's Principles in this respect, has claims to be considered as a systematic treatise. But of his fabulous exploits we hear much, and of the great pioneer work of the earlier economists little appreciation or understanding, and of the more recent little recognition. Wicksell felt it incumbent upon him to register in a dignified way, but not without a touch of malice, the protest of a seeker after truth.

* "The Jews in the Modern World." By Arthur Ruppín. Macmillan. 423 pages. 15s.

* "Lectures on Political Economy." By Knut Wicksell. Translated from the Swedish by E. Classen, and edited with an introduction by Professor Lionel Robbins. Volume I. General Theory. George Routledge and Sons. Pages xxiv + 299. 8s. 6d.

GERMANY TO-DAY

THE spate of books on Germany continues unabated. Of the five here reviewed, all are written by bitter enemies of the regime, three by Communists, one by an English Liberal who found it necessary to make a public recantation of his previous pro-German attitude, and one by Otto Strasser, who in 1931, finding the Nazis not Socialist enough for his taste, left the Party and founded the Black Front. All five must therefore be regarded as propaganda and read with every possible caution.

"Berlin Diaries" purports to be the jottings of a German officer still in Berlin. How he contrives to retain his position in spite of these sensational descriptions of dinner parties with persons in high places, and his disclosures of the deadliest secrets of the German Army, is not explained by Dr. Klotz. The declared authorship of the book will be questioned by many, particularly in view of its ingenious way of making its fictitious author disparage Social-Democracy and express his admiration for the German Communist Party of which Dr. Klotz was a member. Treated, however, as a work of imaginative fiction, it gives a fair picture of the sort of intrigue which *may* have centred round the Papen Government, and its account of the Schleicher regime suggests that Dr Klotz has on this point obtained some reliable information.

"Germany's Secret Armaments," on the other hand, is a book of no value whatever. The fact that Germany is re-arming is already common knowledge. But Dr. Klotz's pretensions, all without a shadow of documentary evidence, to an acquaintance with the details of this re-armament, will convince nobody, particularly since he has left as it

"Berlin Diaries." (Ed.) Helmut Klotz. Jarrolds. 18s.
"Germany's Secret Armaments." By Helmut Klotz. Jarrolds.
"Germany Unmasked." By Robert Dell. Martin Hopkinson.

5s.
"The Reichstag Fire Trial." The Second Brown Book of the Hitler Terror. John Lane. 7s. 6d.

"Sonabend, Juni 30." By Otto Strasser. (Prague) Grunow. 10d.

stood a chapter on the relations of the S.A. and the Reichswehr, whose falsity has already been demonstrated by the events of June 30th. Dr. Klotz apparently considers it a dastardly crime for the German General Staff to do what it is paid to do and what every other General Staff is doing, prepare for war; and he produces no evidence for his assertion (which may very well be true) that the German Government is now planning an aggressive "war of surprise." The vital issue of the political alignment of the Reichswehr and its attitude to the Nazi Party is never even touched upon. Such books as this and Mr Dell's emotional recantation will do little good to the causes they set out to further.

It is a relief to turn to the last two books on the list. Apart from a few pages of rhodomontade at the beginning by Dimitrov, the second Brown Book is of some historical value, and the trial is vividly described. But it is still a considerably inferior book to Mr Douglas Reed's recent "Reichstag Fire Trial."

Herr Otto Strasser's pamphlet, on the other hand, is a valuable document which any student of modern Germany should at once obtain. Besides a very plausible reconstruction of the events leading up to June 30, 1934, it includes the first account of the negotiations between his brother Gregor Strasser and General von Schleicher in 1932. Herr Otto Strasser asserts that the facts here described were related to him by his brother, and if this is true, we have a detailed account of the one moment when there was a chance of defeating the Nazis and strengthening the position of Social-Democracy in Germany. The Schleicher-Strasser plan, however, according to Herr Strasser's account, was balked by the intrigues of Papen and Hindenburg, who wanted to give Hitler a shadow power and then push him aside. This pamphlet, and also an earlier work of the same author, "*Ministersessel oder Revolution*," should be in the library of anyone interested in the backstage history of National-Socialism, without an understanding of which Herr Hitler's success must remain totally inexplicable.

SHORTER NOTICES

MONEY AND FINANCE

"The Financiers and the Nation." By the Rt. Hon. Thomas Johnston. Methuen. 201 pages. 5s. net.

On the lines of a film, with a pen steeped in acid, and in a trenchant, staccato style, Mr Thomas Johnston, Parliamentary Under-Secretary for Scotland, and then Lord Privy Seal in the 1929-31 Labour Government, has written a *chronique scandaleuse* of financial rogues, swindlers and fleecers of the poor investor. That the more modest investor can be so gulled as to provide such a chronicle of financial impropriety, the author ascribes to the system which has prevailed since the Napoleonic wars, whereby company promotion is made so easy a method of fleecing the uninstructed investor. What strikes the reader most from Mr Johnston's narrative is not the author's invective against the "system," nor his surprising moderation when it comes to discussion of proposed remedies, but the attractiveness of the financial blackguards—"the Prince of Darkness is a gentleman"—and the chronic credulity of the gull. Much of Mr Johnston's analysis of the piling up of the National Debt in the war is in the nature of too much protesting against a kind of perpetual bankers' ramp. The hot pace of Mr Johnston's narrative seems to slacken to a vague dawdling when it comes to a real examination of the measures to prevent the continued fleecing of investors—nationalisation of the Bank, National Investment Board, Post Office cheques, short-circuiting of the money market and Big Five for industrial financing—these would prevent, in the author's view, both the need for nationalising the Big Five and the continued rake's progress of the fleecer.

But Mr Johnston's book should be read. His "shots" of the big rogues are remarkably well done. The story of Bottomley includes the highly diverting event when Bottomley paid Bigland to arrange a "libel suit" with one Greaney, who was to publish a libel of Bottomley and then "cave in" in the courts. Unfortunately, Bottomley was sued by Bigland, long after winning his case against Greaney; and the whole story came out, to the amazement of the judge in the later case, who had actually awarded Bottomley £500 and costs in the earlier case—damages which Bottomley paid himself by the route Bigland-Greaney.

We imagine that few will question the need for reforms in the financing of enterprise which will, as far as possible and more than at present, safeguard investors, and save the nation its waste of savings upon plausible rogues' incomes. For the "system" as we know it, the popularity accruing to Mr Roosevelt in his assaults upon Wall Street is significant. The time when investors and savers formed a close social corporation has passed; and to-day we are all—or nearly all—savers and voters.

"Money, Foreign Trade and Exchange from a National Point of View." By H. J. Welch. Allen and Unwin. 152 pages. 4s. 6d.

Mr Welch deals in this short book with three groups of problems: the nature of money, particularly bank money, and the problem of its "creation"; the foreign exchanges, with special reference to the question of international lending and borrowing; and the gold standard controversy. The last of the three sections is clearly and attractively written, but it contains nothing new except the suggestion, which is not elaborated, that an Exchange Bank of England should be founded to take over the Exchange Equalisation Account.

The middle section is the most valuable. Mr Welch puts the case for the freedom of international trade with the greatest common-sense, but with moderation. He recognises, for example, that international lending is not an unmixed blessing. Indeed, he would limit it to loans made "specifically for the construction or making of permanent assets or improvements which are likely to be so beneficial economically to the borrowing nation as to make it possible for such nation to export in future years more than it imports to the extent of the interest and amortisation payments required by the loans." This is undoubtedly sound doctrine; but it is a pity that Mr Welch did not indicate how he thinks such loans can be encouraged whilst the exchanges fluctuate.

The first section of the book undoubtedly detracts seriously from the merits of the later chapters, for it contains only a few sound points surrounded by a great deal of nonsense. Mr Welch does not believe that, in the words of the Macmillan Committee, "the bulk of (bank) deposits arise out of the

action of the banks themselves." But in arguing against the theory of "credit creation" he spends most of his time denying what no one has ever asserted. For example, the making of loans does not always increase deposits, but only when other things (e.g. investments) are equal. Nor has anyone ever said that the banks can increase their own deposits without the consent of the public. Obviously, if they can get no one to take their advances or to sell them investments, they are powerless. But the banks take the initiative, nevertheless.

Mr Welch fails to notice that every one of the arguments he advances to prove that the banks' assets are limited by their deposits could be used to prove that their deposits are limited by their assets. He does, however, observe the dilemma that if he denies the "creation" of deposits he must explain where they came from, but his explanation, that the present total of deposits represents the past savings of the community, confuses the entirely separate concepts of money and income. Indeed, he does not seem to have a clear idea of what he means by money, for he frequently makes statements to the effect that money is "that portion of the wealth belonging to the public which they in their discretion desire to keep in fluid form"; but this is the *value* of the money stock of the community. The confusion between the quantity of money, which is determined, *pace* Mr Welch, by the banks, and its value, which is determined by the public, runs right through his analysis.

"Sommes-nous sur la Bonne Route?" By Germain-Martin. (Paris) Payot. 198 pages. 12 frs.

The new book by the French Minister of Finance, which includes reprints of several articles and official reports, is a description of financial events in France during the last four years. The first chapter contains a critique of devaluation (or inflation) and a defence of deflation. This is the only theoretical discussion in the book. The rest is devoted to M. Germain-Martin's experience of practical finance, and it constitutes an invaluable handbook for the student of French public finances. Of particular interest is the thorough analysis of the much-talked-of "self-multiplication" of public expenditure, the origin of which can be traced back to the pre-war period, as well as the detailed description of the activities of the Treasury since 1930.

There is no little dramatic value in the history of a people which came out of the inflation crisis with prosperous public finances, and for a few years did not feel the full weight of its fiscal charges, thanks to the upward business trend, and perhaps also because the burden of direct taxes was carried only by a limited number of citizens. When the redundant Treasury figures became known, generous appropriations were continuously made until the long delayed tax reductions were finally carried out (at the beginning of 1930). But it was too late, and the period of deficits had already begun. Equally dramatic is the struggle of successive Finance Ministers to cope with automatically increasing credits while expenditure climbed the hill automatically.

The last part of the book describes the events of the spring of 1934, including the adoption of the economising decree-laws. It is argued that these were unavoidable. That they have succeeded in entirely wiping out the deficit appears much less certain, especially when the increased expenditure foreseen for 1935 are considered. M. Germain-Martin's volume was published too early to include a forecast of the effect of the "fiscal reform" on budgetary receipts, but the ostensible objects of the "reform" are fully set out, and M. Germain-Martin's critique of the present fiscal system of France will certainly be approved in French financial circles.

The question whether the fiscal reform measures were in fact a "class" measure is hardly considered by M. Germain-Martin, although one of them (that tending to lower the exemption limit for income-tax) was eventually withdrawn in face of opposition in the Chamber. Students of French public finance will also regret that among the numerous and valuable suggestions which the present Finance Minister offers his readers, and in spite of the interesting figures which he has compiled, no hint is made of the importance of publicity in public finance. In this matter the tradition of French officials seems to remain strongly in favour of secrecy.

"The Economics of Consumers' Credit." By Ferdynand Zweig. P. S. King and Son. 112 pages. 5s.

Dr. Zweig discusses with great clarity the merits of those experiments in advancing credits to consumers that have been made in recent years, especially in Germany and America. He limits "consumers' credit" to mean the financing of the purchase of durable and movable consumption goods such as motor-cars and gramophones. He admits that consumers' credit "creates a possibility of raising the standard of consumption amongst the masses," because the worker may by this means be able to pay from his earnings for "a higher type of durable goods"; this "enables the manufacture of

these goods on a large scale and lowers the cost of production, which makes a higher consumption still more accessible to the people." But on examination of actual examples in Germany Dr. Zweig concludes that the costs of financing consumption are very high "owing to the large number of defaulters and heavy overhead charges."

On a long view, Dr. Zweig correctly points out, consumers' credit must depend on the platitude that "to save all goods for the future may be just as harmful to both the individual and the community, as would be the immediate consumption of all goods at present." In other words, there is an optimum proportion between saving (accompanied by corresponding investment in goods and plant) and consumption. Dr. Zweig draws the odd conclusion that consumers' credit is only of real benefit where the masses have a high income. A more logical result of his own argument would surely have been that, as consumers' credit checks over-saving (and over-investment in plant), it is for that reason appropriate where urgent needs require immediate satisfaction.

Dr. Zweig's analysis is not profound nor altogether satisfactory, but his conclusions are well-informed and cautious. He rightly condemns projects of wild inflation masked under the name of extending consumers' credits, but he does not go sufficiently far into monetary or banking theory, or the theory of wages, to define the extent to which such an inflation is safe.

"Histoire du Travail et de la Vie Economique." "Le Credit." By Louis Baudin. (Paris) Fernand Aubier. 264 pages. 15 frs.

The first book of a new "serie de vulgarisation économique," this general survey of credit omits theory and confines itself to history and fact. The book has four sections. Three deal with the nature of credit, its technical and historical development, and its great expansion throughout the nineteenth century. The concluding section is an up-to-date study of the present crisis. The book has the format of a French novel, and it is a great feat of clarity to survey such a wide field in so limited a space. M. Baudin's information is extensive and accurate. He belongs to the "orthodox" school of monetary economists, which remains very strong in France. The conclusion of his essay contains a warning to those who "experiment" in economics that an expansion of credit which is not regulated by common sense and moderation, and a due regard to moral integrity, leads to disaster. Mr Roosevelt must beware!

TRADE AND INDUSTRY

"International Combines in Modern Industry." By Alfred Plummer. Pitman. 7s. 6d.

Dr. Plummer has added a very lucid book to the existing literature on cartels and combines. Following closely upon the lines of Liefmann, Macgregor and Fitzgerald, Dr. Plummer brings the story of the various combines up to 1932, and has therefore been able to describe their experiences during the crisis. Although nobody will find fault with the story, many will question Dr. Plummer's theoretical premises and conclusions. He believes that the two classical economic assumptions of free competition and scarcity no longer hold good. Competition is rapidly disappearing, and the world is no longer suffering from scarcity, but oppressed by abundance. Cartels and combines are the result of organised economic planning to remove from the world the curse of plenty.

But to assume that free competition is disappearing because competition within certain industries has declined is logically indefensible, and the statement that the world is suffering from abundance is a confusion of terms. It is true that combines and cartels have tended to diminish competition between their members, but from this it in no wise follows that an increasing percentage of total trade turnover is now handled by trusts. Nor does it follow that members of combines have ceased to bid independently for the factors of production or that there exists a widespread agreement between combines to exclude price considerations in the exchange of their products. Moreover, abundance only exists to-day in the sense that supply, at certain artificially maintained prices, exceeds demand.

Although Dr. Plummer clearly realises that certain cartels and combines founded to maintain uneconomic prices have miserably failed, he does not draw the obvious lesson that "abundance" is solely a question of price. In using the words "cartels" and "combines" almost indiscriminately in the general chapters, he also tends to confuse the question of the effects of cartels on consumers and wage-earners. There is nowhere a discussion of the distinction between transferable and non-transferable goods and services such as, for instance, dyestuffs or the supply of gas, nor does it appear clearly that in so far as combines and trusts enjoy monopolistic or quasi-monopolistic positions, they can only be maintained with the

help of State protection. No international agreement between manufacturers or producers in a free trade area could possibly maintain prices at uneconomic levels, however strong their capital resources. Under conditions of free trade there would always be capital available to produce substitutes, and there would always be a chance for labour to find employment elsewhere. It cannot be denied *a priori* that cartels ruled by omniscient geniuses might organise the world better than a swarm of small business men proceeding slowly by trial and error; but the history of cartels, particularly in the State-planned countries, does not lead one to believe that life would be better in the cartelised world for which Dr. Plummer seems to hope so ardently. But, however much one may question Dr. Plummer's theories, his book may be recommended as an excellent study of the facts.

"Coal and Men." By Harold M. Watkins. With a Foreword by Professor John R. Commons. Allen and Unwin. 441 pages. 18s. net.

Mr Watkins's book is one in which the gold has to be carefully sifted from the dross. Let it be said at the outset that there is gold in it, and that it is worth the sifting. But lack of experience, or intuition, in the making of books has caused Mr Watkins to include much material irrelevant to his main theme, and to labour points not only to the conviction but often to the exhaustion of the reader. With greater skill his book could have been reduced to half its size and sold—even with all the excellent illustrations retained—at half-a-guinea.

The half which would have been left would be well worth close reading by all interested in coal. But it would be of unequal value. Mr Watkins has attempted an economic and social study of the British and American coalfields. The spectator of a perplexed industry is not likely to be greatly helped on the economic side, not because the book is erroneous, for such occasional mistakes as it contains are natural and easily detected, but because the scene has shifted so rapidly since Mr Watkins first took pen in hand. As a Fellow of the Rockefeller Foundation, he spent the years 1928 to 1930 in the United States studying its coal industry. But the rapid changes in American industry since 1930 makes superfluous much that Mr Watkins has written, even when in footnotes an attempt is made to bring the subject to the present day.

On the social side, however, Mr Watkins's book is invaluable. It is, indeed, the only book which compares at all adequately the social life of British and American miners. Mr Watkins, who is a travelling lecturer in economics for the Glamorgan County Council, knows intimately the miners of Great Britain, and especially of South Wales; illuminating extracts from his pupils' essays are an interesting feature of his book. He has also lived for long periods among the miners of the United States. The comparison is very favourable to Great Britain. The British miners are a compact, well-organised body. Though they are still seeking holidays with pay, the Miners' Welfare Fund, with provision for pithead baths, recreation and scholarships for them and their children, has immensely improved their condition. The American miners are drawn from almost every race under the sun, and nearly every attempt to overcome their natural centrifugal tendencies by unionisation has been fiercely, even murderously, resisted. Company housing puts many of them hopelessly at the mercy of their employers, and Mr Watkins has no difficulty in setting in its proper perspective the nominally high wages which they have received.

On all such questions Mr Watkins is an admirable and sympathetic guide. This side of his book more than outweighs all the defects noticed above, and makes it well worth close study.

THE EUROPEAN SCENE

"Some Aspects of the Covenant of the League of Nations." By Sir John Fischer Williams. Milford. 317 pages. 10s. 6d. net.

Political constitutions are hard to analyse, and hard to make into good reading. But Sir John Fischer Williams, in describing the birth of the Covenant of the League, and in analysing, with altogether exceptional clarity, the Articles of that Covenant and their implications in international affairs since the war, has contrived to give us a book which is not only very well written but holds our attention throughout. Sir John contrasts the idea of a League of Nations with that of the Holy Alliance at the beginning of last century; refers to Theodore Roosevelt's speech in 1910 on a "League of Peace"; and describes the different attitudes in 1918 and 1919 to the League idea. After discussing the general scheme of the Covenant and describing the organisation of the League and the Permanent Court of International Justice, Sir John comes to the main features of the book in an examination of the prevention of war by the League, interpretations of

Article X, difficulties of defining the aggressor, treaties and their alteration, and minorities.

It is interesting to observe that Sir John provides a good defence for those who want to alter the "unanimity" requirement for most League decisions; and he has a very penetrating section on the working of the Council in disputes. In four appendices are given President Wilson's fourteen points, the Covenant in the French and English texts, the Kellogg Pact text in the same two languages, and a brilliant piece of analysis from the author's pen, reprinted from the *Cambridge Law Journal*, on "The Covenant of the League of Nations and War." Sir John's book should be closely studied by all who desire to have that more than nodding acquaintance with League questions which is called for in these days of international contention over the League's functions.

"Labour's Foreign Policy." New Fabian Research Bureau Publication No. 18. N.F.R.B. and Gollancz. 26 pages. 6d.

The international section of the N.F.R.B., under the chairmanship of Mr Leonard Woolf, has here put forth a cogent examination of the present conflicting policies for peace and security. The writers are under two sombre shadows: the threat of Fascism to Labour, arising from a failure of disarmament and a relapse into nationalistic policies, and, in the second place, the threat to world peace exerted by Nazi Germany. The latter shadow is not so apparent, but its influence is unmistakable. Indeed, it has manifestly effected a kind of *volte face* in British Labour circles already—witness the recent T.U.C. decision on the question of a general strike to prevent war. The present pamphlet courageously admits that its policy may split the Labour Party, or that voters may not ratify it, but honestly faces the issue. The next Labour Government, according to the authors, should have a threefold foreign policy. This policy is as follows: (1) Compulsory judicial settlement of disputes; (2) precise definition of aggression; and (3) collective aid to aggresses and collective sanctions against aggressors.

To achieve this, the Labour Government would have to get an agreement between States to adopt these heads, and would, further, have to get the voters in this country to back the policy. The authors state that in the present situation, probably such a Labour Government could only secure the agreement of the democratic States, but they say it would be preferable (a) to split the League and start again if there is no alternative way to reach a truly collective security system; and (b) it is possible to start the truly collective security system now, by agreement between only such League States as will agree to the above three heads. What the authors do not consider is the reactions upon Imperial relations which such a European policy of a British Government would entail. Moreover, they do not seem to have worked out what degree of rearmament might be involved for this country under a Socialist Government, if the country became head of a small "security group," while Italy, Germany, and their satellites "kept out." But the pamphlet is a timely and forceful piece of work.

"Per la Ripresa dell'Esportazione." By Oeconomicus. (Castello) Società Tipografica "Leonardo Da Vinci." Seven pages.

In a recent article Senator Agnelli declared that certain imports are essential to Italy, that these imports must be paid for with exports, that Italian costs cannot be reduced to a competitive level, and that hence exports must be subsidised by means of special duties on imports. That is, in order to maintain certain essential imports it is necessary to discourage the importation of these very imports. This paradoxical position is disputed by Oeconomicus, who points out that further duties on imports will reduce both imports and exports. In order to increase exports he therefore proposes an exactly opposite course: an increase of imports to be effected by a reduction in import duties. Provided that Italy acted first, other countries would in turn take more of Italy's exports. If only this attitude prevailed generally in official circles, we might look forward to an early recovery in world trade. The temporary fall in the lira which would accompany an expansion in Italy's imports would not, the writer adds, produce inflation.

IMPERIAL ECONOMICS

"Imperial Economy and Its Place in the Formation of Economic Doctrine. 1600-1932." By C. R. Fay. Milford. 151 pages. 6s.

This book consists of the six Beit lectures delivered at Oxford in 1933 by Dr. C. R. Fay. Adam Smith was willing, Dr. Fay points out, that the American colonies should leave the Empire if this was necessary for their freedom to carry

out the experiment of an agricultural system after his own ideal; "but he (Adam Smith) pleaded passionately for imperial partnership in what we call now a commonwealth of nations." Dr. Fay attempts to apply the same economic realism and the same broad spirit of liberal Imperialism as Adam Smith, but he is lacking in a conclusion that would inspire him with the same unity and restraint of style. His best points are made incidentally.

He shows for what good reasons our island Empire tended to remain an island Empire when disease combined with the continental climate as the chief obstacle to empire-builders. The Navigation Acts were workable only so long as the triangle of trade between Britain and America and the West Indies provided adequate markets for each party to it. When the export of provisions to the West Indies was not a sufficient outlet, evasion, smuggling and unrest brought revolt to the American colonies; but Canada's staples, especially furs, and later lumber, wheat and nickel, bound her more firmly and permanently to the Mother Country.

It is surely mere optimism to hold, as Dr. Fay does, that the Ottawa and other recent trade agreements are progress and not reaction because they are a step towards "planning." This advantage scarcely outweighs the defect which Dr. Fay rightly exposes. "I especially lament," he writes, "the effort to correct the trade account of Imperial England with that of each small foreign country by economic *force majeure*. For by our own strength in shipping, finance, and overseas investment we create a situation in which the so-called unfavourable balance of trade is natural and normal."

"Quotas or Stable Money? Three Essays on the Ottawa and London Conferences, 1932-33." By E. O. G. Shann. Angus and Robertson. 3s. 6d. net.

It is a tribute to Professor Shann's acumen that the arguments advanced in these three essays over a year ago have just as great a relevance to-day as they had when the Ottawa and London conferences were fresh in retrospect. In one respect they are even more pointed, for the interval since Ottawa has witnessed elaborations of the policy of trade "quotas" which at the time could only be suspected. Not that such a development can have surprised Professor Shann; he was present at Ottawa and is ready with no ambiguous interpretation of what that gathering portended. The main drive, as he observed it, came from the British delegation, and its real aim was a "sheltered market for British farmers and landlords, as well as for British industrialists." Nothing that has happened since weakens this opinion, to say the least. On balance, perhaps, "good may yet be won" from the Ottawa tariff manipulations. But in the Ottawa quotas and threats of quotas there is no economic basis for the general recovery which Ottawa was acclaimed as heralding. Great Britain may by this policy strike a new internal balance, with lower standards of living, but diminished consumer's income can only bring the prospect of still stricter quotas. And restriction has certainly no attractions for the exporting countries.

With some sarcasm, Professor Shann traces the contradiction inherent in both the Ottawa and the London conferences—the search for means to raise the price-level, the pursuit of economic nationalism. Neither conference discovered a way of reconciliation, and at both it was economic nationalism which won. Australian policy, it is suggested, has consistently been aware of the contradiction and has only opposed restriction, either of the Ottawa or the wheat agreement type, in the absence of assurance that the general price level could be raised in this way at all. The contradiction still persists, notably in British policy. How is it to be resolved? We are invited to consider the strong chances that after all the liberal principles on which British financial leadership was based in the past will in the end predominate; that the experience gained in the regulation of the sterling exchange after 1931 will be brought into accepted use; and that the need for stable (and higher) price-levels admitted at both Ottawa and London will lead away from autarky to a slow freeing of trade, beginning with the Anglo-Saxon bloc, through a growing technique of credit control.

But there is meanwhile a hardly avoidable course for Australia: the more Great Britain tends to forsake the interests of her world trade and investments, the more must the Commonwealth establish itself in the markets still open, especially in the Far East. This is a view corroborated by other voices than Professor Shann's, and by events as well.

"Industrial Policy of India." By C. N. Vakil and M. C. Munshi. Longmans Green. 286 pages. 9s.

In their "Industrial Policy of India," Professor Vakil and Mr Munshi continue the task, outlined by Professor Vakil and his collaborators in an earlier volume ("Growth of Trade and Industry of Modern India"), of analysing the economic

condition of India and discussing the policy that should be pursued in various economic spheres. The problem of Indian industrial development is here discussed with special reference to the customs tariff. The authors deliberately avoid the theoretical aspect, and start from the assumption that protection is inevitable. The main theses are that the goal of industrial development is "maximum production with a view to increase the national dividend and to raise the standard of living of the people of the country concerned" (although it is not demonstrated how protection can promote these ends); that rapid industrialisation is desirable to "relieve the pressure of population upon agriculture," diversify employment and lead to a better balanced economic organisation; that the existing "Discrimination Protection" is quite inadequate; and that both the principles and machinery of the Indian Tariff System need drastic overhauling, so that protection may be made "comprehensive, prompt and effective."

Having surveyed the development of the Indian Tariff System and made suggestions for an industrial policy for India, the authors offer three main criticisms of the existing "discriminating protection." First, it is suggested that the conditions laid down before protection can be granted to any industry are unduly restrictive. In particular, it is asserted that it is necessary to prove the existence of a large home market, whereas, industries which may have to depend mainly on foreign markets ought also to be stimulated. The authors' idea seems to be that India should attempt to develop any and every industry for which she possesses the principal raw materials, and it is argued that the existence of a foreign market for the raw materials is evidence of the existence of a market for the finished products. But surely this follows only on the assumption that India has a monopoly of the raw materials, and that there are no substitutes?

Secondly, it is suggested that in practice "discrimination" has meant "discrimination in favour of British goods." The authors object strongly to the preference on British cotton and steel goods, and to the Ottawa preferences, and appear to think that preference is incompatible with protection. On the other hand, they advocate reciprocity, and it is suggested that Imperial preference would be innocuous if it arose out of treaty bargaining. Do they not really object to the way in which preference has been introduced rather than to the principle? Thirdly, it is suggested that the Tariff Board has been dilatory and unsatisfactory in various other respects, and sensible suggestions are made for its reform.

The rest of the book is devoted to a study of the technique of tariffs and tariff methods, including an analysis of the systems in force in India and in various other countries. These chapters form by far the most novel and stimulating part of the book, and include many interesting suggestions, including a proposed new schedule of tariffs for India. The latter is well calculated to provide a basis for the discussion of the reform of the Indian Tariff System which the authors hope and deserve to provoke.

MORE ABOUT PLANNING

"Plan We Must." G. John Stanfield. Hamish Hamilton. 174 pages. 3s. 6d.

It is perfectly possible to define clearly what we mean by planning, and it is even possible to advance good arguments why we should, in certain circumstances, "plan." Mrs Wootton, in her recent book "Plan or No Plan," has done both these things. Mr Stanfield unfortunately does neither. One gathers from the title of his book that he is in favour of something called planning, but he never clearly tells us what

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it is, nor why we should adopt it. Indeed, there is really nothing in common between the various forms of economic policy he discusses besides the catchword "planning," which covers a multitude of schemes, particularly, it seems, those of Stalin, Mussolini, Hitler, Mr Elliot and President Roosevelt. Nor is any clear argument advanced by Mr Stanfield to show why we ought to plan—except the fact that various people are alleged to be doing so.

Two instances will suffice to show the muddled and misleading character of Mr Stanfield's arguments. Increased productivity he apparently regards as a reason for "planning" because, in his opinion, it creates permanent unemployment. To prove this, he tells us that "the Austin motor works now employ eight men per car manufactured as against 55 in 1922." He does not tell us (because he does not know) that the Austin motor works now employ a total of some 16,000 men as against 3,000 in 1922! Later, Mr Stanfield is discussing agricultural protection, which used to be called taxing the poor, but is now called "self-sufficiency" or "national planning." He first informs us that Mr Elliot "has grasped more clearly than any of his colleagues the implications both of general economic tendencies to-day, and of his own share in giving them expression." On the next page, however, in a surprising burst of common sense, he observes that—

The planning of home agriculture therefore results in a lower standard of living—for, whether the increased costs are reflected in rising prices or higher taxation, they must be met somehow or other from the national income.

Mr Stanfield then tries bravely to hide his argument from the light of this truth by concluding that "the development of national planned economy will involve a transitional period of great distress before the process of adjustment attains a measure of balance and stability." The distress is obvious enough, but where the "balance and stability" are to come from is not so apparent.

The arguments in Mr Stanfield's book are mostly nonsense; but they are dangerous nonsense because they play into the hands of Mussolinis, Mosleys, Elliots and monopoly-hunting industrialists.

"The Road to Planned Economy." By W. F. Bruck. University of Wales. 148 pages. 3s. 6d.

This series of lectures given by Dr. Bruck in the University of Wales, is a history rather than a criticism of economic planning. Dr. Bruck tells us explicitly that he is merely recording facts and not making economic or ethical judgments. The result is an informative and reliable account of "planning" tendencies in Germany from before the War up to and including the Nazi Revolution. Population, self-sufficiency and the "cartel" problem are each discussed in detail. It is only a pity that Dr. Bruck's rather diffuse and pedantic style makes heavy reading of a really very instructive story.

Particularly interesting and relevant is Dr. Bruck's analysis of the possibility of "self-sufficiency" in Germany. He points out that "it is impossible at present to produce more than a small amount of the raw material Germany needs," and that "the motor industry," for instance, "is based on iron, rubber, textiles, varnishes, oils, all of them being materials which the country can only supply in insignificant quantities, or not at all." More important still, various food products "can never be cultivated in Germany" in adequate quantities, including not only fruits from the South, but "wheat, milk products and eggs." The outlook this winter for the long-trying German working class is certainly not a pleasant one.

LETTER TO THE EDITOR BANKING POLICY AND STABLE PRICES

TO THE EDITOR OF THE ECONOMIST

SIR,—I have noticed that recently your paper has sometimes seemed inclined to lend its support to a view, which I regard as unsound. It concerns the theory of money; I would not venture to write to you on a theoretical subject were it not one, views on which are liable, if they become prevalent, to seep through and influence public policy in important respects. I quote an example from your last Book Supplement (page 1):

The main argument is this: The natural state of affairs in a "progressive" economy, where money is "neutral," would be a price level falling in proportion to the increase in general productivity. Suppose, however, that the banking system, in the attempt to stabilise prices, issues a volume of loans greater than the volume of savings available, the market rate of interest will fall below the equilibrium rate, and "over-investment" . . .

will take place. This may go on while the general price level is stable. . . . This argument would probably not be denied to-day by any but a few economists.

If there are but few, I am one of those few. But I hope and believe that the majority would deny it. You correctly observe that this argument results from some very interesting speculations of Professor Hayek's. But in this particular matter the argument, I venture to affirm, goes astray.

According to this reasoning, it is important that the total of funds coming into the loan market should not exceed the volume of current savings; but if, to keep prices up, banks have to make additional loans, total loans will exceed current savings, the rate of interest will be unduly depressed, investment unduly stimulated and an aftermath of trouble ensue. The reasoning is ingenious and plausible, but, unfortunately, it leaves out of account one important factor in the situation. In the normal course of progress the community will require from time to time to add to the value of its holding of cash (bank deposits and currency). Now, this means that a certain part of its savings (income not spent on consumption) does not come forward into the loan market, but is used to supplement the value of its holding of money. While, on the one hand, the total flow of loans is supplemented by additional bank loans, it is depleted by part of the community's savings being held off the loan market in order to supplement the value of its holding of money.

Total loans will be equal to savings, not if the banks make no loans at all, but if the value of the loans they make is equal to the value of savings which people hold off the loan market in order to supplement the value of their monetary holding. The other view that any bank loans will serve to make total loans exceed savings is so unsymmetrical that its advocates might well have been led to suspect that some cross-entry in their national book-keeping had been omitted. And so, in fact, it had.

Now, it might be objected that if the community learns to turn its money over more effectively, it will not need to supplement the value of its money holding when its real income increases. That is perfectly true. But if that happens, it follows that the policy of stable prices will not require the banks to make additional loans. The entry, as well as the cross-entry, will be zero, and prices will be effectively kept stable.

But in the (probably) more normal case when the community does require to add to the value of its monetary holding, some savings are side-tracked to this purpose, and unless the banks make some additional loans, total loanable funds will be less than the savings of the community, and the market rate of interest will be unduly elevated. (N.B.—The community in this case gets the extra value in the form of money, which it requires, through the enhancement of the value of its existing stock, due to the fall of prices. This process, though in a sense illicit, none the less absorbs savings.)

I am not prepared to argue that the equating of loanable funds to savings is the sole, sufficient, or even necessarily the proper objective of banking policy. What I do contend is that if this be taken as an objective, the view that the banks should make no additional loans is untenable. This brings me to my final point. If it is required to equate loanable funds to savings, this entails that additional bank loans should be equal to the value of savings side-tracked into the holding of additional value in the form of money. This equality can only be secured on one condition, and that is that the banks make sufficient additional loans to keep prices stable!

This last proposition is susceptible of rigorous proof, but one which demands, I fear, a close effort of attention. It is required that the value of additional bank loans should be equal to the value of the increment in the value of the community's holding of money. (I suppose for this argument a non-gold money.) If prices are stable, the value of additional bank loans is equal to the value of the increment in the value of the community's monetary holding. If prices are rising, the former value is greater than the latter, and if prices are falling, the former value is less. E.g. if the banks make additional loans worth £100, when prices are rising, the increase in the value of the community's holding of money must be something less than £100. For since it only has £100 of new money, and since each unit of money is worth less, the addition to the value of its total stock of money must be less than £100. By similar reasoning, if prices are falling, the addition to the value of its total stock of money must be more than £100, for it has 100 new pounds, and the value of every pound it already had is also enhanced.

It follows that sufficient additional bank loans to keep prices stable will alone serve to achieve the desired equation of loanable funds to savings.—I am, Sir, etc.,

Christ Church, Oxford.
September 23, 1934.

R. F. HARROD.

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CHANGE IN EUROPE

RECENTLY, and with great rapidity, a number of excellent studies of the various danger-spots in Europe has been published, and the English reader has at least a chance of following the tide of European events a little behind its crest. The outstanding European issue remains the course of events inside Nazi Germany and in her relations with her neighbours. Mr Hamilton Fish Armstrong, editor of the *American Foreign Affairs*, has followed up his *Hitler's Reich* with a new volume, ** Europe Between Wars*. It makes good, quick reading, and in it he traces the European reactions to the German Nazi regime. If his account of these alarms and excursions seems to those nearer the arena a trifle "detached," that is hardly surprising; but he examines in praiseworthy fashion the very different alignments in France between home politics and foreign affairs, and Germany under Hitler, he thinks, may be reckoning without her host if she is bent on a war; for the French host numbers many peoples whose national ambitions are incompatible with Nazism in the long run—Russia, Central Europe (not Austria and Hungary, of course), the Balkans and—strange newcomer—Fascist Italy.

In a more academic vein another well-known American, Mr Henry L. Stimson, reprints his Stafford Little lectures at Princeton University in April of this year, under the title *Democracy and Nationalism in Europe*.† Mr Stimson pays much more regard to the twin forces of industrialism and nationalism on the Continent. He believes that European democracy will obtain a new lease of life with the probably inevitable inception of a more equitable economic system. Meanwhile, in his view, we are in a transition period, in which the culmination of seven centuries of long striving for unified national States in Europe has coincided with a much more rapid growth in the technical apparatus of living, so that, despite the culmination of the political movement in a Peace which, Mr Stimson thinks, was fair on balance, nation-holic politicians can now utilise so much more of the economic and cultural apparatus of life for their purposes.

We come down to earth with a bump when we pick up two cheap but useful little paper-backs: *Hitler's Official Programme*‡ and *Fascist Germany Explains*.§ The former is

* *Europe Between Wars*. By Hamilton Fish Armstrong. Macmillan (London and New York). 115 pages. 6s.

† *Democracy and Nationalism in Europe*. Henry L. Stimson. Oxford University Press, Milford. 6s.

‡ *Hitler's Official Programme*. By Gottfried Feder. Allen and Unwin. 125 pages. 2s. 6d.

§ *Fascist Germany Explains*. By Celia Strachey and John Gustav Werner. Gollancz. 135 pages. 1s.

a timely translation of Gottfried Feder's 1927 Programme for the Nazi Party. It is composed first of the Twenty-Five Points laid down at Munich in 1920, then of the Programme of 1927, then of the official commentary of the Party. It is interesting, now the Party has been in power nearly two years, to see how fast and far it has travelled from the Leftward Twenty-Five Points. Perhaps only the "tyranny of interest" point has been met—and then only the "tyranny" of the foreign lenders' interest! To what extent the full Programme was inspired by Communist technique may be gathered from the following: "We refuse to do as other Parties do—to adapt our Programme, on grounds of expediency, to the so-called circumstances. We shall simply adapt the circumstances to our Party by making ourselves the masters of circumstances." That last promise has certainly been carried out in Germany; but the Programme has been brushed aside in the doing of it, and the Nazi Party, after June 30th last, appears more obviously dependent than ever upon the Reichswehr and "Big Business." The second little book is an anthology of German published utterances under the Nazi regime, newspaper cuttings, proclamations, extracts from speeches—all cunningly juxtaposed. The following is a sample from a pamphlet by Dr. Goebbels: "We know where we began, but only God knows where we will one day end!"

And so to Germany's two neighbouring danger-spots—Austria and the Saar. The Austrian Government has published its official record of the precedents and actual events of the July revolt.* The book contains photographs of gelignite and bombs on which appear the labels of the Reichswehr Munition Depot, Berlin; there are also pictures of the notorious Austrian Legion in Bavaria, and of the secret code found on a German Nazi agent, caught in Austrian territory; and the account of the July revolt and of the murder of Chancellor Dollfuss for excitement in reading would seem quite in a class by itself. One gets the impression that Dr. Dollfuss's death was due to extraordinarily widespread sympathy with the Nazi cause among the Viennese police authorities. But the Saar is now Germany's chief concern. Major Reynolds's book† is a short but comprehensive account of the whole Saar problem since it was placed under the League. Major Reynolds himself has had ten years of military and commercial experience in

* *Beiträge zur Vorgeschichte und Geschichte der Julirevolte*. Bundeskommissariat für Heimatdienst, Wien. 121 pages. Price not stated.

† *The Saar and the Franco-German Problem*. By B. T. Reynolds. Arnold. 279 pages. 7s. 6d.

or about the Saar since 1920; his account is, in the main, pro-German, but he is not anti-French, and he marshals his facts, and the two opposing national contentions, with commendable impartiality. Some of Major Reynolds's figures, notably those on capital participation in the Saar mines, are clearly out of date. But his book, together with the Special Memorandum on the Saar published by the Royal Institute of International Affairs and reviewed in the *Economist* of May 12th, are the most reliable accounts of the Saar problem that we have yet seen in French, German or English.

Documentation of quite a different category is provided by *Documents on International Affairs, 1933*.* This is the first time that this valuable annual has been published separately from, and before, its companion volume, Professor Toynbee's annual *Survey of International Affairs*. This is a welcome departure, for we now have full documentation of America's recognition of Russia at the end of last year, of the German-Polish Pact of Non-Aggression, of the Statute of the Little Entente, of the long Disarmament negotiations, of the World Monetary and Economic Conference, of the Anglo-American War Debts negotiations, and of German aggression against Austria.

In quite a different class from all the books so far mentioned is Mr G. A. Macartney's volume on *Hungary*.† The great revolutions of high policy in Europe since the German Nazis began their aggression against Austria have placed Hungary in the Caudine Forks. There is a very real danger that Hungary will perpetrate yet once again Stephen Tisza's great mistake of 1914, and join forces in foreign policy with the German *Mittleuropa* system. Here is a pretty problem which those who glibly talk of "the Hungarian question" might do well to follow up. They can best do so in all the history, politics, ethnology, and sociology which Mr Macartney has been able to compress into a vivid, yet erudite, account of a European nation which is a stranger in our European land. It is natural that the author of *The Magyars in the Ninth Century* and of the more recent *National States and National Minorities*‡ should write most concisely of Hungary. Mr Macartney, as his editor reminds us, has lived in Hungary and has mastered the Magyar tongue, which are further commendations. He compresses into 125 of his 367 pages the entire political and social history of Hungary, from the days before it became Pannonia to the formation of the present Government. His treatment of the interplay between the geographical factor and the ethnographical factor in the relations of the Magyars with the Slavs, Germans and Turks is extended and unique. Between pages 125 and 367 he describes those remarkable features of Magyar law and custom which show so extraordinary a parallel, on the broad issues, with our own: the association of freemen, the elective principle, the importance of local government, the Golden Bull (or Magna Carta of Hungary, only seven years after our own)—all of these, save the last, existing before the year 1100 among a wandering Turki people of Mongol stock from the Great Steppes! As to recent times, Mr Macartney gives us a commendably succinct, but a profoundly disturbing, account of the way in which the French and Little Entente States imposed the dismemberment upon Count Károlyi's Government in 1918-19, and so overturned it, letting in the wave of Communism under Bela Kun, and the hardly less brutal reaction of the White Terror in the winter of 1919-20 after the collapse of the Kun regime. Mr Macartney is equally good on the social problems of Hungary—e.g. above all the need for agrarian reform, and on the passionately patrioticism which alone keeps a poor, isolated and small population of non-European stock together.

As conclusion to our look round Europe, there are two good and cheap new volumes.§ They are both on coun-

tries which are "in the news"—Poland and Spain. Mr Patterson's volume on Poland is not very inspiringly written, but it gives an adequate account of Old and New Poland. Unfortunately it gives no more than a mention to the re-orientation of Poland towards Germany since the advent of the Nazis, and the consequent effects on France and Russia. Sir Charles Petrie's book on Spain is written with greater breadth of outlook. He has an excellent chapter on the Spanish genius and another on the economic situation. He concludes that Spain's hope for the future is in "economics playing a far greater, and politics a much smaller, part in the government of the country."

AMERICAN BANKING

The share of the American banking system in the prolongation, even if not in the causation, of the world financial crisis is so large that discussions of its reform are of interest outside the boundaries of the United States. Strangely enough, American banking writers seem to be more interested in its elucidation than its improvement and suggestions are allowed to come from outside. The authors of both these books* are aware of the vital and urgent need for reform, but each of them prefers to put the question aside with an incidental mention. Both, in this respect, look backward rather than forward.

Professor Chapman has written a detailed and painstaking study of the progress that has been made away from the old idea of absolutely independent unit banks, and the book will be for some time the obvious source of reference for facts bearing on the subject. The greater part of the book is devoted to branch banking. There is a chapter on early branch banking, which is shown to have been widespread in the earlier half of last century; but Professor Chapman nowhere explains to the satisfaction of the foreign reader exactly how the belief grew up that branch banking was unsound, unethical and "un-American." He himself appears at times to slip into the belief that branch banks are some unnatural organism which has to be supported by special pleading. The remainder of the chapters on branch banking give a very clear picture of the present status of the problem. Even those who are tolerably familiar with American banking will be surprised at the extent of the restrictions. Apart from branches within the "home town" of the bank (and even they are prohibited in many States, including such financial centres as Illinois), State-wide branches are permitted in only 18 of the 48 States, and in only one of them, California, is there a real system of branches. Even in California, banks are allowed only to purchase existing businesses and not to set up entirely new branches. No bank is allowed in any case to have branches outside its own State.

The epidemic of failures of small banks in the past decade is bringing public opinion round to acceptance of branch banking. But hatred of the large City banks is holding the matter up and last year's Banking Act went no further than to permit National banks to enjoy the same liberty as State banks of the State in which they are situated. Meanwhile, where branches are prohibited, banks are organising themselves in "groups" and "chains" through common ownership by a holding company or by a dominant stockholder or by mutual exchange of capital. These systems are, of course, merely unsatisfactory substitutes for branch banking. Professor Chapman's book would have gained in interest and value if he had formulated definite proposals for amending the law.

Dr. Currie is also concerned with one narrow aspect of American banking—namely, the complex factors which bear

* *Concentration of Banking*. By John M. Chapman. (New York) Columbia University Press; (London) Humphrey Milford. 388 pages. 25s. *The Supply and Control of Money in the United States*. By Lauchlin Currie, Ph.D. Harvard Economic Studies, Vol. XLVII. (Cambridge, Mass.) Harvard University Press; (London) Humphrey Milford. 194 pages. 10s. 6d.

upon the supply of money. Having defined money as currency in circulation plus demand deposits standing to the credit of the public, he applies his definition to the complexity of American banking law. Since there are three varieties of banks—National, State member and State non-member—and reserves are held in different proportions against different types of deposits in different varieties of banks in different geographical localities, and since the position is further complicated by extensive inter-bank deposits and by Government deposits (all with their varying reserve regulations) it will be seen that there is no lack of complications. A given change in the total reserves of the system may have different results on the supply of money in different circumstances. Having set out all his variables, Dr. Currie plays with them, much as the compiler of bridge problems would do.

Dr. Currie is an unrepentant Quantity Theorist (though he recognises in incidental asides that "the rate and type of spending are of greater importance than changes in the money supply") and he criticises strongly the various attempts of the Federal Reserve Board to concern itself with the quality, as opposed to the quantity, of credit. This prepossession with quantity leads him to the remarkable conclusion that "the period from 1925 on was one of increasing monetary stringency, reaching an acute stage in 1929"!

The greater part of the book will be of value to those—but only those—who are interested in the details of American banking operation. But at the end there are a few chapters dealing with the general problem of the control of credit which are of wider interest. The most interesting suggestion is that the functions now performed by commercial banks should be entirely split in two—deposit banks having deposits subject to cheque and maintaining their assets entirely in cash and gilt-edged securities; lending banks making loans but having deposits subject neither to cheque nor to withdrawal on demand. It is not improbable that banking in the United States—and, indeed, in other countries—may have to move in this direction.

THE PACIFIC

"ECONOMIC CONFLICT AND CONTROL" is the sub-title of this book,* and was the general heading of the agenda of the conference whose proceedings it records. Many of those who prepared for the Banff Conference of the Institute of Pacific Relations may have been puzzled to know what exactly that phrase meant. The answer one must give on reflection is that it did not mean anything *exactly* (as the Red Queen might have said). "Conflict" covers all kinds of clashes and rivalry, beyond the free economic competition of non-monopolistic traders and producers. In some cases conflict is aggravated, as in others it is tempered or prevented, by the interference of Governments or the combination of traders or producers for their mutual advantage. Thus conflict and control are sometimes complementary, sometimes antithetical terms. The lack of any clear line of thought in the title of the agenda was reflected in the wide miscellany of subjects that were discussed at Banff and that fill the pages of the proceedings. They range from the Chadbourne sugar scheme to Japanese emigration, from the Ottawa Conference to the American recovery programme, from shipping subsidies to the silver standard.

On all these subjects there is a great deal of valuable material in the recorded discussions and in the data-papers of the conference. But it was inevitable that with such a diffuse agenda the treatment of some topics should have been rather amateur, or else dominated by the dicta of a few specialists. Moreover, a great deal of the subject-

matter, though it undoubtedly concerned the nations that border on the Pacific Ocean, was of worldwide scope, and the Pacific aspect of it was rather an artificial abstraction. It is to be hoped that the officials of the Institute of Pacific Relations will profit by this experience, and will choose for its next conference a more precise objective and one that is primarily Pacific in character.

It is not surprising, therefore, that the most interesting and valuable parts of the recorded proceedings are those which either concern countries whose only seaboard is the Pacific or apply with unique force or urgency to that area. Of the first kind are the Japanese economic expansion and the programme of reconstruction in China; and of the second kind is the problem of differences in national standards of living and labour standards. On these subjects the members and secretariat of the conference assembled a quantity of facts that will be fresh and interesting to the general reader; but the main purpose of such a gathering is not the arrangement of facts but the exchange of ideas, and by this the success of the conference must be judged. The test gives a by no means uncomplimentary result; for there is much in these pages that is stimulating as well as instructive.

A certain lack of definition is apparent in the commentaries and conclusions, but that was inevitable in the absence of resolutions or agreed reports. The reader of the chapter on Japanese expansion, for instance, will eagerly seek the answer to the question that is posed under the heading of "possibilities of international action": what is to be the upshot of Japan's trade expansion? But he will not gain much enlightenment from what is recorded here. A Japanese member related that during their voyage to Canada the Japanese delegation had discussed several proposals on this topic, and that they had thought well of a division of world markets between the various national producers. But was it not Lancashire that proposed such a plan in the recent Anglo-Japanese cotton negotiations, and did not the Japanese delegates reject the idea out of hand? They were aware, no doubt, that Lancashire's view of a fair division of markets would be very different from their own. Thus the Japanese spokesman at Banff went on:—

As the Indian people need more cotton, not so fine as Lancashire goods, and as Japan is nearer to Java and Sumatra, why not arrange with Lancashire to sell its produce some place else, and let Japan take India and the south-east of Asia? This would do away with useless friction.

Indeed, why not do away with Lancashire altogether? That would reduce the friction to a minimum. But not all the discussion was on this plane, and there was in particular an extremely interesting debate on the potentialities of Manchuria both as a market for Japan and as an outlet for her population.

Messrs Bruno Lasker and W. L. Holland, who edited the material, had no easy task, and their success is all the more praiseworthy. With careful skill they wielded both the scissors of selection and the paste of description and summary. It is no slight upon them to say that the possessor of this volume will probably take it down again from its shelf less for the records of the discussions than for the documents, prepared beforehand for the conference, which are reproduced textually or with slight omissions. These include memoranda on the control of industry in Japan, the agrarian problem of China, Chinese rural industries, economic planning and reconstruction by the Chinese Government, population and land utilisation in the Philippines, notes on the economic consequences of recent events in Manchuria, and a draft Security Pact for the Pacific area (prepared by two Japanese delegates of academic distinction). In view of the critical importance of political issues in the pending naval conference, the plan of a regional pact deserved more attention than the official agenda allowed it. Indeed, it is a great pity that the Institute of Pacific Relations did not devote a larger proportion of its energies at Banff, and in the months of preparation, to the fundamental structure of security in the Pacific; for the structure that was established at the Washington Conference is now threatened both by Japan's militarism and by her intended repudiation of the naval ratios.

* *Problems of the Pacific, 1933*. Proceedings of the Fifth Conference of the Institute of Pacific Relations. Edited by Bruno Lasker and W. L. Holland. Oxford University Press. 21s.

* *Documents on International Affairs, 1933*. Ed. John W. Wheeler-Bennett, assisted by Stephen A. Heald. Oxford Univ. Press, Milford. 536 pages. 25s.
† *Hungary*. By G. A. Macartney, with Foreword by H. A. L. Fisher. Benn. 367 pages. 21s.
‡ See the *Economist* of October 27th.
§ *Spain*: No. 5, Modern States series. By Sir Charles Petrie. Arrowsmith. 129 pages. 3s. 6d. *Poland*: No. 6, Modern States series. By E. J. Patterson. Arrowsmith. 145 pages.

SHORTER NOTICES

SOCIAL AND POLITICAL

"Some Relations between Political and Economic Theory."
By G. D. H. Cole. Macmillan. 92 pages. 4s. 6d.

What a nose Mr Cole has for scenting the latest and most up-to-date tendencies in people's minds—before they themselves are hardly even aware of them! At the universities there is a feeling of dissatisfaction with the rigid divisions existing between politics and economics, between the various branches of the social sciences, in fact; a growing interest in the boundary areas between them is offering the most fruitful field of study, and some discussion of possible lines of reintegration. Mr Cole's essay is a contribution towards the latter object. He starts from a consideration of the Modern Greats School at Oxford; but even at the London School of Economics, that rising hope of a stern, unbending orthodoxy, some desire has been known to be expressed for a measure of co-ordination between the social sciences, for common discussion of methods and comparison of results.

Mr Cole regards the question from a historical and so a relativist point of view:

In the nineteenth century (he says), above all in Great Britain, the predominant academic theories in both fields of study were conceived in terms of a situation in which the State was being constantly warned to keep out of the economic sphere, and politics was regarded as a matter which ought to have as little concern as possible with the economic system.

From this point of view he examines the absolutist theories of Kant and Rousseau—he is particularly good in his destructive criticism of the assumptions of the latter about sovereignty; his chapter on Hegel is excellent, and contains a most original section in which he shows how the Hegelian notions about the priority of politics over economics are borne out in Fascist doctrine and practice. In his treatment of utilitarianism, similarly, there is a striking passage (pages 55-6) developing the idea of social utility as the basic principle of a collective economy. He examines further, from a common-sense angle, the attitude of Marxism towards this dualism of politics and economics, and finds, in conclusion, that only in a doctrine resting upon a theory of history (such as Marxism has at its back) can this unsatisfactory dualism be resolved.

"The Question of the House of Lords." By A. L. Rowse. Hogarth Press. 64 pages. 7s. 6d.

Is the House of Lords a mere innocuous or even beneficial excrescence, whose sting was removed by the Parliament Act? Or is it a constant obstruction to progress and a possible menace to liberty? Mr Rowse, in this light but learned pamphlet, argues, and argues convincingly, that it is the latter. His text is Walter Bagehot's saying that "whatever is unnecessary in Government is pernicious"; and his thesis is that the history of the House of Lords in the last century has been "a record of legislative obstruction." So far, Mr Rowse argues, from rejecting hasty and ill-considered legislation and allowing beneficial legislation to pass, the Upper House has almost invariably passed the hasty measures when supported by Conservative Governments and obstructed the most beneficial when proposed by Liberal Governments. Again and again legislation which the Lords has obstructed has had subsequently to be passed; and legislation which it has accepted has had subsequently to be repealed.

Mr Rowse has marshalled a wealth of historical illustration to substantiate the justice of this charge. Between 1828 and 1866, he shows, for instance, the admission of Jews to Parliament was nine times accepted by the Commons and nine times rejected by the Lords. In 1842 a Mines Act, limiting the age and hours of work of children in mines, was passed by the Commons. The Lords, led by Lord Londonderry, rejected it. And so on, again and again. On the other hand, "all the ill-considered and unsuccessful legislation that came up from the Lower House, like the Encumbered Estates Act of 1848, the foolish Ecclesiastical Titles Act of 1851, the ritualistic prohibition of Russian imports so soon gone back upon, had no difficulty in passing through the Lords." But it is in its most appalling record. Time and time again reforms which might have remedied distress and allayed bitterness were passed by the Commons and rejected by the Upper House;

there would have been no need for a final solution by violence and bloodshed, in Mr Rowse's opinion, if there had been no Lords.

It is possible that a little more historical research as diligent as Mr Rowse's might work up a slightly better case for the Lords than he is inclined to allow. But few will deny that since the War the Upper House has acted as little more than a wing of the Conservative Party. Only during periods of Labour rule has it come to life—and only one-sixth of it, on the average, at that. What is to be done with the Lords? Should it be ended or mended? Mended, in Mr Rowse's view. He would make it consultative, and design it to expedite, and not encumber, existing Parliamentary procedure. He consequently proposes a body of 100 or 120, half or a third of whom would be elected by the Commons, and the rest nominated by the Crown. The details are comparatively unimportant. But Mr Rowse seems substantially right in laying down the two principles that our future Upper House should contain those acknowledged experts on public affairs who do not excel at the demagogic arts; and secondly, that it should be designed to simplify and not complicate the process of legislation.

"Race and Economics in South Africa." By W. G. Ballinger. Hogarth Press. 67 pages. 1s. 6d. paper, 2s. 6d. cloth.

The author of this little book, which is No. 21 of the Hogarth Press "Day to Day Pamphlets," went to South Africa in 1928 as adviser to the native Industrial and Commercial Workers' Union, and has since gained by his work there the respect and sympathy of many who are by no means in full agreement with his political and economic views. He gives here a brief but effective outline of the desperate position of the Bantu urban workers. These workers, excluded from any effective participation in the election of those who govern them, are practically debarred by law, prejudice and the policy of the white trades unions from rising above the status of unskilled labourers, while even there their position is continually threatened by subsidised competition from the poor whites and the continual influx of fresh native immigrants from the hopelessly overcrowded native reserves.

The author points out the inevitable danger to the whole country to which a continuation of the present policy must ultimately lead, and implores South African white trades unionists to realise that it is only by improving the position of the natives that the future of the white workers can be made secure. He wisely recognises that the arbitrary raising of unskilled wage rates would make things worse rather than better, and as a solution looks first to increased native education, the gradual removal of the artificial barriers to native advancement, and the spread of co-operative methods among natives; while, as a more distant objective, he urges the establishment of a system of native peasant proprietorship through a redistribution of land.

This pamphlet may be strongly recommended to those who wish to obtain an outline of the position of native workers in South Africa; it would have been an advantage if a short bibliography had been included for the benefit of those who may wish to pursue their study of the subject further.

"Fascism and Social Revolution." By R. Palme Dutt. Martin Lawrence. 289 pages. 5s.

This is a conventionally dogmatic statement of the orthodox Communist creed. It would have been reasonably well-written had Mr Dutt sprinkled the words "revolutionary," "dialectic" and "reformist" a little less lavishly and meaninglessly about his pages. Here and there he reveals flashes of intelligence and even common sense; and his account of Fascism leaves very little to be desired.

But the ranting note and the periodic lapses into sheer ineptitude—both inevitable ingredients, it seems, of Communist writing—are to be found here as usual. Mr Arthur Henderson (among others) is described at one point as "actively pushing on preparations for imperialist war"! And, writing of the Corporate State, Mr Dutt remarks that "the great part of the Liberal Yellow Book, of Labour and the Nation and of the Fascist Labour Charter could be interchanged without noticeable difference." If Mr Dutt really does not notice the difference, it is high time, one would have thought, that he gave up writing about politics.

MONEY AND FINANCE

"The Trade Balance." By Lieut.-Colonel K. E. Edgeworth. Allen and Unwin. 135 pages. 3s. 6d.
"The Pound's Progress." By F. J. Scanlan. P. S. King and Son. 35 pages. 1s.

These two small books are both concerned with the balance of payments and with the future course of the exchange value of the pound sterling, though from rather different standpoints. Mr Scanlan attempts to expound British financial policy in the past three years and to defend it in particular from trans-Atlantic attacks. His treatment is clear and convincing, though it necessarily suffers a little from self-righteousness. It is rather a pity that he should have added a final chapter on "Politics and Prospects," which attempts in half a dozen pages to assimilate to one another the policies of the Democratic Administration in Washington and the National Government in London, and succeeds only in drawing a rather schoolboyish, and wholly unconvincing, parallel between Mr Roosevelt and Mr MacDonald.

Lieut.-Col. Edgeworth is concerned with the wider question of the future relations between currencies, with particular reference to foreign lending. He appears to have rather a curious dislike of foreign lending, on the apparent ground that it benefits only the borrowing country; but he does not ban it altogether, and we may agree with him that international lending should be limited to the amounts which can be repaid in goods by the borrower and accepted in goods by the creditor.

Like many other people, Lieut.-Col. Edgeworth has concluded that the international monetary system of the future will be a gold standard with movable parities, but, unlike many other people, he has seen the technical difficulties of such a standard and attempted to circumvent them. His solution is that Governments should be permitted to vary the gold parity of their currencies by not more than 0.04 per cent. per week, or 2.08 per cent. per annum. This rate of variation should be known as the "gold rate," and the suggestion is that it should be publicly announced and the change made regularly, week after week, over long periods of time (Lieut.-Col. Edgeworth implies that he has periods of ten years in mind).

It is possible that this system would be slow enough in its movements to circumvent the speculator, who is the chief menace to any other system of movable parities. One cannot feel quite convinced, however, that it is practicable. Parities should be moved with the sole object of accommodating the "favourable" balance on current account of the balance of payments to the amount of foreign lending or borrowing that is considered advisable. Lieut.-Col. Edgeworth does not clearly recognise the fact that this would not set the monetary authorities completely free from the dominance of the world price-level. He makes the further interesting suggestion that foreign loans should be made payable, as to principal and interest, half in the borrower's currency and half in the lender's currency. Here again it is doubtful whether an idea which is excellent in theory would be practicable in fact. In spite of these doubts, however, Lieut.-Col. Edgeworth's book is a decidedly stimulating and interesting essay which in many directions breaks entirely new ground.

"Corporate Enterprise in Modern Economic Life." By Paul M. O'Leary. Harper. 134 pages. 4s. 6d.

In spite of its title, the scope of this book is confined to the United States. According to the publishers' note, the book provides the answer to many questions about financial organisations and the basis of their distribution of profits. It contains nothing, however, that is either searching or original. After a time-worn explanation of the origin of corporations, the author deals with what he calls the managerial, bankers', wage-earners' and investors' segments. His criterion is that rather vague standard of fairness with which all readers of Mr Roosevelt's speeches are familiar. The remuneration of the managers should be reduced to such a level as would keep them as willing servants of the company; if capital must earn any return at all, it should be reduced to the barest minimum at which investors will part with their money, though there should be a break with the old practice which put the interests of capital before those of labour. Corporations must realise their responsibility towards society; and this should entail a complete elimination of the bankers' influence, since the bankers' power over the corporation is regarded by Mr O'Leary as particularly sinister.

His practical conclusion is that a federal corporation court should be set up and administered by a "national" holding company which would not only finance as many enterprises as could be conveniently financed out of the savings of the community but would also decide the right time and destination for such financing. This national corporation would not interfere with individuals who desired to hazard their own

funds, but only with the corporations who must raise their funds from widely scattered sources. To the author of this book, as to the Nazi and Communist, the word "national" spells infallibility.

"The Role of Money." By Frederick Soddy. Routledge. 220 pages. 5s.

In this book Professor Soddy repeats his well-known argument that the banks' power of creating money by increasing the total volume of bank deposits should be taken away from them and vested in the State. Having eliminated the "coining" power of the privately owned banks, and the gold standard, he would aim at an orthodox price stabilisation policy. He would incline towards the issue of new money, however, when that was necessary, by remissions of taxation rather than producers' credits. It is noteworthy that Professor Soddy declares categorically that "all costs of production are distributed to consumers"; and that he dismisses the idea of a perpetual "national dividend" of new money with the words: "It is positively amazing how ready some people are to believe in magic still."

TRADE AND INDUSTRY

"Britain Under Protection." By Ranald M. Findlay. Allen and Unwin. 218 pages. 6s.

Ultimately the fiscal issue cannot be decided on mere empirical grounds. The strength of the free trade case must in the end rest on the general principle that, as long as any possibility of transferring resources from one industry to another remains, a country will always become richer by producing the things it can produce most cheaply, and exchanging them for others, than by trying to produce everything itself. Nothing conclusive can ever be proved by this or that "practical experiment" in free trade or protection; for the argument always assumes that other things are equal, and they never are or can be. Nevertheless, since Protectionists will not in fact refrain from making a plausible empirical case, it is well for free traders to make a similar attempt, for what it is worth—though neither is in the least likely to convince the other side.

In this book, Mr Findlay examines the present Government's protectionist policy; and accumulates a mass of facts, figures, documents, quotations and arguments to show that Protection has fulfilled all the worst fears of free traders, that in most instances it has done harm, and that where it appears to have been beneficial the benefit will only be temporary. It is true that Mr Findlay's book is likely to be of more value to electioneers than to economists; but since economists do not win elections, it would be foolish to quarrel with him for that.

Having first shown that the whole tariff policy was contrary to election pledges, Mr Findlay gives an account of the actual measures introduced. He then proceeds to demonstrate in turn that the policy has been attended by extensive log-rolling from the start; that it has provoked foreign retaliation against exports; that tariff "bargaining" has almost always reduced the total volume of trade; that our "scientific" tariff is cluttered with anomalies and injustices; that prices over a wide area have been raised or prevented from falling; that shipping has been ruined; and that the "reorganisation" which was to have accompanied tariffs, as in the case of iron and steel, has vanished into smoke. The Ottawa Agreements are discussed exhaustively by Mr Findlay; and he has no difficulty in establishing that they have resulted in practically no single instance in a substantial reduction of Dominion tariffs on British goods. Finally, Mr Findlay shows that Mr Elliot's agricultural quota policy has already begun to raise the price of most of the necessities of life.

Mr Findlay's method is to mow down the tariff case with machine-gun fire rather than to destroy it with a single shell; and his book is consequently full of modern instances rather than wise saws. He shows us Protection in practice—where it has always claimed to excel. He cannot hope by this method to establish irrefutably the free trade case. But he has riddled the case for protection.

"The Economic Consequences of Progress." By Roy Glenday. Routledge. 12s. 6d.

Since Mr Glenday's intention is to expose the futility of orthodox economic thought, it can hardly be counted against him that he has rejected the deductive method in favour of argument by analogy. Any other method would rob us of the biological examples from which he demonstrates the inherent tendency for natural development to be conditioned by external factors such as food and climate, and his argument that beyond these limits a settled mode of life results. By inference, the limits of economic specialisation depend upon the capacity of the social structure to accommodate the

growth of productive power. Mr Glenday is impressed by the discontinuity of economic expansion, and it seems clear that his insistence upon the limitations of such expansion rests on the assumption that other things, in the Marshallian sense, for ever remain equal. This is a position which no economist whom Mr Glenday criticises—and there are many, of all shades of opinion—would accept for one moment. The "S" curve itself, which figures so largely in these pages, has long been generalised in economic theory, particularly by Professor Knight in "Risk Uncertainty and Profit." But although economists have insisted that the tendency towards diminishing returns is always operative, they have also admitted that over time, the assumption of *ceteris paribus* becomes irrelevant, and that a historical path of increasing returns will result as increased factor supplies and technical knowledge becomes available.

Since Mr Glenday is disposed to the view that progress itself is subject to diminishing returns, he declares that the productive structure must be reorganised to relieve our dependence on an investment system, whose excesses, in his view, are largely responsible for our present discontents. His solution is a somewhat inchoate system of planning, in which individual choice would be replaced by new functional groups (whose composition is not defined), and in which interest rates would slowly decline towards eventual stabilisation. He argues that the inevitable reduction in the standard of living might have considerable advantages. Among so much mysticism there are occasional glimpses of important truths. An austere Austrian flavour is suggested by the arguments for strict monetary control and a falling price-level during periods of expansion. But the discussion on the increased costs of "roundabout" production and the inevitable distortion of monetary streams resulting from it soon dispel the impression. It is well that the philosophy of economic negation is argued with such heretical liveliness.

"Society and Enterprise." By A. T. K. Grant. Routledge. 5s.

This book of just over 200 pages presents a valuable summary of many recent contributions to the solution of economic difficulties. Mr Grant's own argument is even more interesting.

He holds that within the limits imposed by really serious obstacles incomes should be equalised by the State. He quotes Mr Colin Clark that "even at the present time the equal distribution of the national income, not including income from overseas, and with maintenance of the existing rate of investment, would give an average family income of some £270 per annum to all, including the unemployed." In other words, redistribution, if practicable, would bring a substantial improvement to the mass of the people. But how can redistribution of incomes be effected without diminishing total income and production by cutting down the incentive of profits?

To this question Mr Grant answers, first, that the State should provide a direct stimulus to the flow of goods and services *pari passu* with the redistribution of income; secondly, that risk is already spread in the case of large businesses, over the vast number of ordinary shareholders. Management and direct responsibility of enterprise tends to fall already into the hands of competent managing directors, salaried staffs, etc.; and these tendencies would only be generalised and encouraged if the State—that is ultimately the whole people—accepted ownership and risk more directly itself.

This programme implies, Mr Grant points out, that the State should enter upon new activities, and he criticises socialists of the present day for insisting too much on socialisation and too little on the vitally important undertaking by the State of new enterprises. He defends this idea against the criticism that guesses by the State about the prospect of new investment will be approximations, by arguing that similar guesses by private enterprise are at least equally approximations. He thinks that State encroachment would not create more difficulties than it solves if "the greatest freedom in the matter of management" (as contrasted with risk-bearing) is preserved. It is not clear, however, why Mr Grant's risk-bearing State should eliminate those business fluctuations which he attributes to "the irregular nature of the demand for capital goods," an irregularity inherent in progress.

LABOUR

"Trade Unions and The State." By W. Milne-Bailey. Allen and Unwin. 389 pages. 12s. 6d.

This comprehensive and interesting book is worthy of the attention of all serious students of social institutions, for, though nominally and, in fact, mainly concerned with a particular type of organisation within the State, it raises by implication the whole question of the future of associations.

Inevitably, in days like these, it is out of date in some particulars—and must have been even before it appeared. Mr Milne-Bailey's description of Italian corporative institutions is already incorrect, and it is surely remarkable that a chapter could appear at this moment entitled "The Eclipse of Sovereignty." Does Mr Milne-Bailey really think that the idea of sovereignty is on the wane, and, if so, where? Not, assuredly, in the countries which have given most social sanction to Trade Union bodies.

Mr Milne-Bailey casts his net wide. His main interest, naturally, is in British trade unionism at the present time and in the near future, but he also discusses trade unionism in other countries and its history in general. On both subjects there are points on which his interpretation is open to discussion: on the question of the 1926 strike, for example, he takes too easily the T.U.C. view that the Strike was simply a protest on a large scale, such as any Government might have bowed to without losing prestige. Many will say, however, that it was not, simply because it had been foreseen (though not foreplanned) well in advance, and because it was directed, even if directed very unwittingly, by a central authority. Potentially, it may be argued, the General Council of the T.U.C., whatever they and Mr Milne-Bailey thought, were a rival government, and unless events had shown, as they did not, that a considerable section of its own supporters were likely to change sides, the Government was politically bound to trample on them. Again, the phrases which suggest that membership of a union is becoming more and more of a passive acquiescence and less of an expression of class feeling may apply to England, but applies much less to many of the Continental countries, where joining a union is still, as it always has been, a political act.

These points of criticism, however, do not in the least detract from the value of the book, to which many, in the light of recent events, will turn in the hope of discovering what is now the official policy of British Trade Unionism. They will not find a definite statement, which, indeed, would hardly have been possible in view of the age-old reluctance of British Trade Unionism to commit itself to any doctrinal dogmatism; but they will find a distinct leaning towards "corporation-with-democracy," if that can be achieved, and an anti-individualism which may well make Liberals shudder. It may be that these differences will yet be fought out within the fold of the Labour Party—as to whose present difficulties Mr Milne-Bailey is, perhaps wisely, silent.

"The Shorter Working Week." By H. M. Vernon. Routledge. 201 pages. 8s. 6d.

In this study of a shorter working week, Dr Vernon has made good use both of the documents published by the International Labour Office during the past year, and of the results of his own and his colleagues' investigations for the Industrial Health Research Board and the National Institute of Industrial Psychology. Recognising the strength of the economic objections to a shortening of the working week under the existing conditions, Dr Vernon considers, and on the whole strongly approves, the alternative of a wider introduction of the two-shift system. He makes a study of the operation of this system in the cases in which it has been approved under the Act of 1920, and brings out clearly the great increase in orders made under this Act which accompanied the suspension of the gold standard in 1931. Dr Vernon believes that the two-shift system is not really unpopular with those who have experience of it, though its introduction is usually opposed at the outset. His book is in effect a plea for a fuller study of the possibilities of this system as a means of counteracting the alleged tendency of increasing mechanisation to create a surplus of labour.

"The Worker and Wage Incentives." By W. F. Watson. Hogarth Press. Day-to-Day Pamphlets, No. 20. 46 pages. 1s. 6d.

The series of Day-to-Day Pamphlets, published by the Hogarth Press, have provided readers with a number of interesting sidelights upon the reactions of various types of person to modern life, and No. 20 is not the least interesting. Mr Watson, who is an engineer by trade, and whom some may remember as one of the pioneers of "Industrial Unionism" in Great Britain before the War, here analyses various systems of piecework, payment by results, and scientific management, and how they appear to the man in the shop who has to work under them. As regards particular systems, the chief villain, as might be expected, appears to be the Bedaux system, of which there is a savage analysis, and the white-headed boys Messrs. Priestman of Hull. Mr Watson has a pleasant and easy style, and his booklet is very readable. It is interesting to observe that he comes down definitely on the side of individual piece rather than time work, and against all collective systems.

LOCAL GOVERNMENT

"Where Labour Rules." By H. R. S. Phillpott. With a Foreword by the Rt. Hon. Herbert Morrison. Methuen. 114 pages. 2s. 6d.

"Local Government." By H. Lloyd Parry. P. S. King and Son. 251 pages. 6s.

The victory of the Labour party in the Municipal Elections will raise in many people's minds the question what Labour is likely to do with its power. It is doubtful if any party can yet claim a superiority of energy or intelligence in local government, but it is certain that the few councils blessed with a Labour majority have shown themselves possessed of great initiative, not only in exercising their own powers, but also in resisting the encroachment of the Ministry of Health upon their autonomy.

Mr Phillpott was sent by the *Daily Herald* to visit the places "where Labour rules," and to write a series of articles about their achievements. He has now published his articles in book form. The reader does not expect an impartial account of the consequences of Labour government. He finds, as he expected, that increases of rates are due to bad financial administration by Tory predecessors, whereas, reductions of rates, where they have been brought about, have been due, not to the fall in interest rates or the increase of rateable values, but to the competence of the Labour chairmen of finance committees. Also, the emphasis varies; sometimes Mr Phillpott is concerned primarily with finance, sometimes with education, and sometimes with housing. In some cases this is clearly due to the special problems of the places visited, for it is natural that the councils with Labour majorities should be found mainly in the depressed industrial areas. In other cases it is due to the natural tendency of the author's informants to emphasise their successes and to ignore their failures.

Mr Lloyd Parry's book is of a different kind. It consists of a course of University Extension Lectures delivered at Exeter. It is, therefore, one more addition to what is now a long list of students' books on local government. Unlike most of the books in the bibliography, however, it does not emphasise the organisation and working of local authorities. It is concerned rather with the services which local authorities exercise. This departure from custom is to be welcomed. It has been assumed too easily by other writers that Workers' Educational Association students and others are interested primarily in institutions. It is quite clear that the ordinary reader is not. He is concerned rather with the part which local government can play in the development and improvement of social and economic life. It is doubtful if Mr Lloyd Parry has quite met the need; for he treats every service historically. Though quite frequently he brings in information which is not to be found in the statutes, his exposition is too like the many students' books which do little more than summarise Acts of Parliament.

"The Review of Economic Studies." Edited by A. P. Lerner, P. M. Sweezy, U. K. Webb and others. Vol. I. Nos. 1-4. Vol. II, No. 1. The London School of Economics, Houghton Street, Aldwych, London, W.C.2.

We have received copies of the first four issues of this periodical, which first appeared in October, 1933. The declared objects of the "Review" are to publish contributions to research, particularly by post-graduate students, and to co-ordinate "research work in progress in economics and political theory, at home and abroad." The subjects of the articles printed vary from highly academic topics such as "The Elasticity of Substitution" and "The Diagrammatical Representation of Elasticity of Demand" to questions of a less abstract kind. Mr A. P. Lerner's article on "Economic Theory and Socialist Economy (Vol. II, No. 1) and Mr G. L. S. Shackle's "Notes on Monetary Theories of the Trade Cycle" (Vol. I, No. 1) should both be of interest to the non-academic reader.

LETTERS TO THE EDITOR

BANKING POLICY AND STABLE PRICES

TO THE EDITOR OF THE ECONOMIST

SIR,—In his letter published in your Book Supplement of October 6th, Mr Harrod argues (as against the views of Professor Hayek and some other economists) that in times when real productivity (per head) is increasing only a policy of credit expansion to the extent of keeping prices stable will equate the volume of current savings with investment, since individuals intend to keep a constant proportion of their real income in the form of money. Consequently, under such a policy they will tend to increase the value (in terms of goods) of their monetary holding by the same amount as the value of the additional money created per unit period.

I suggest that the difference between Professor Hayek's and Mr Harrod's views can be resolved to a difference in the implicit assumptions concerning producers' price-expectations. Professor Hayek is assuming (cf. "Monetary Theory and the Trade Cycle," pages 71-72) that producers, as a group, expect the *right prices*; which implies that with a policy of falling money prices they all expect lower money prices for the future than are ruling at present (i.e., they expect stable money-incomes). In this case they will not tend to increase the volume of their monetary holding, since they will keep the proportion of their real income held in the form of money constant by keeping the volume of their monetary holding unchanged. (In other words, they will expect the value of their present monetary holding to increase in the same proportion as their real income.) In such a case a policy of keeping the amount of money in circulation constant will bring about the desired end of equating the volume of loanable funds with current savings.

Mr Harrod, on the other hand, is tacitly assuming that producers, as a group, expect the same money prices in the future as are ruling at present (i.e., they expect their money incomes, and not merely their real incomes, to rise), and, consequently, they will intend to add to their monetary holding whenever their real incomes are increasing or are expected to increase. In this case, a policy of keeping commodity prices stable will equate savings with investment. Such a policy, of course, will only secure full equilibrium if the producers are correctly foreseeing the necessary changes in price-relationships and not merely the general level of prices. Professor Hayek and Mr Harrod are thus both right on their own assumptions.—I am, Sir, yours faithfully,

15 Mecklenburgh Square, W.C.1. NICHOLAS KALDOR.
October 10, 1934.

TO THE EDITOR OF THE ECONOMIST

SIR,—The social importance of appropriate monetary policy makes it appear desirable to make two objections to the views expressed by Mr Harrod. His conclusions are too significant to be left resting upon an argument falling short of the conclusive.

Mr Harrod's sense of symmetry will, perhaps, have led him to anticipate the first. If it is true "that the value of additional bank loans should be equal to the value of the increment in the value of the community's holding of money," then it is important to specify how these values shall be measured, and, therefore, which price level, out of an infinite number, should remain unchanged. If we measure the values in terms, say, of given wages, then fluctuations in wholesale or retail prices cease to be significant in this connection. And it may remain true that stability is achieved with falling (wholesale) prices. Whether one should use some such method of measurement I am not prepared to say.

This leads to my second objection. Even if the values *are* measured against a given selection of goods, fluctuations in the prices of these goods will not make impossible equality between the two values. The proof of this is not easily expressed in a summary fashion. Perhaps illustration will serve as an indication of proof. If the community hoards £10 of its receipts, the banking system can make this good by lending £10 for "investment" purposes. Equality is obtained. The price level then falls as the result of increased efficiency. A further £10 is hoarded and £10 lent. Equality is again achieved, but at a different price level; and so on, until £100 is abstracted from circulation and £100 put into circulation. I am by no means prepared to say that this equality between the values is as easy to achieve in practice as in the lecture room. And perhaps, with reasonable assumptions, a closer approximation is more likely than strict equality. But without knowing the assumptions made, can equality be said to be utterly impossible?

Unless Mr Harrod's letter is in the nature of a protest against the too facile use of the concepts of saving and price levels, it does seem desirable to know how opposite conclusions can be reconciled.—I am, Sir, Yours, etc.,

The Victoria University of Manchester. J. STAFFORD.
October 11, 1934.

TO THE EDITOR OF THE ECONOMIST

SIR,—Mr Harrod attempts with no little ingenuity to prove that, even in the face of rising productivity, the stabilisation of commodity prices is still compatible with equality between the supply of loanable funds and the volume of current savings. In this task it does not seem to me that he has succeeded. Mr Harrod is no doubt right in supposing that, as real incomes rise, the public will wish to add to the commodity value of its cash holdings. But if prices are allowed to fall, as Mr D. H. Robertson and others have shown, this will take place automatically. There is no incentive to hoard cash, and savings are not, in fact, being "side-tracked into the holding of additional value in the form of money." Mr Harrod's position

rests, in fact, upon a confusion between an increase in the commodity value of the public's money stocks which is due to saving (or hoarding) and a similar increase which is the mere reflection of a rise in general productivity.

Moreover, if for some reason the public *does* decide to hoard, it is, of course, generally admitted that, to preserve equality between savings and investment, the banks should expand their lending. But here the action of the banks will merely offset a tendency for prices to fall *more rapidly* than productivity is rising. Mr Harrod does not seem to realise that the hoarding of cash involves a fall in the velocity of circulation—a phenomenon which has no necessary connection with an increase of productivity. If he wishes to stabilise prices at a time when both of these things are happening simultaneously, he must not only provide enough money (1) to offset the fall in velocity due to hoarding, but must further increase the money supply (2) in proportion to the rise of productivity. The first of these prevents deflation; the second is definitely inflationary.—I am, Sir, etc.,

HAROLD BARGER.
University College, Gower Street, London, W.C.1.
October 9, 1934.

TO THE EDITOR OF THE ECONOMIST

SIR,—I was most interested in the letter written by Mr Harrod which appears in your Book Supplement, and while chary of challenging an economist of his distinction, I feel some doubt as to whether the argument he puts forward covers the case of an expansion of bank loans which is employed to finance rising price levels in a stock-exchange boom. Have not Professor Robbins and others shown that such an inflation of credit is consistent with stable commodity prices—e.g., America in 1928-9?—Yours faithfully,

HUBERT BLAKE.
181/189 Palmerston House,
Old Broad Street, London, E.C.2.
October 10, 1934.

TO THE EDITOR OF THE ECONOMIST

SIR,—Without trying to answer the general question what the criterion of monetary policy in a progressive economy should be, I should like to show that the argument advanced by Mr Harrod in favour of stabilising the price level is fallacious.

Mr Harrod's argument is brought out most clearly in the case of an economy in which the volume of output increases continuously owing to improved methods of production. Other cases of an increase in the volume of production (e.g., where this increase is due to a growing of the population) give rise to special problems which have nothing to do with Mr Harrod's argument.

His argument is this: In the course of progress the community will require to add to the value of its holding of cash. . . . This means that a certain part of its savings . . . does not come forward into the loan market, but is used to supplement the value of its holding of money, and unless the banks make some additional loans, total loanable funds will be less than the savings of the community.

What does the phrase "the community wants to add to the value of its monetary holding" exactly mean? One would think at first that this is equivalent to saying that an act of hoarding takes place; in other words, that the velocity of circulation of money decreases. This is not, however, what Mr Harrod really means. The situation is this: Money income per unit of time is the same as before, the flow of money per unit of time, demand for goods in terms of money are all unchanged. Real income has risen, the same money income buys a larger real income; in other words, prices have fallen and the purchasing power of money has gone up. What, then, does it mean to say that an addition has been made to the value of the community's holding of cash? "The community . . . gets the extra value in the form of money, which it requires, through the enhancement of the value of its existing stock, due to the fall of prices." In other words: the value in terms of goods of the total existing stock of money has increased. Mr Harrod goes on to say that this appreciation *absorbs savings*. Clearly, it does not absorb any savings. No money is hoarded, people spend the same amount of money per unit of time, although the same amount now buys a larger volume of goods (real income). If anybody wants to save a certain proportion of his income, it is impossible to see why a part of this amount should be "held off the loan market" by the fact that "the value of the monetary holding" in the above-defined sense has risen.

I suggest that Mr Harrod has mixed up two completely different things, the "real value of monetary holdings" in the above-defined sense, on the one hand, and the proportion of real income or resources which the community chooses to keep in form of money (i.e., "k" in the Cambridge equation) on the other. Clearly, it is quite possible for the real value of monetary holdings to rise, while "k" remains unchanged,

and this is precisely what happens in the case discussed by Mr Harrod; "k" is the reciprocal of (income-) velocity of money. An increase of "k" is equivalent to a decrease in "v"; it involves an act of hoarding, a decrease in consumers' outlay, in the flow of money per unit of time. Of an increase in "k" one can, in fact, say that it absorbs savings, but an addition to the value of monetary holding in the above-defined sense does not involve an increase of "k." The real value of the existing stock of money has risen, but the real income of the community has risen too, in the same proportion. The ratio:

$$\frac{\text{Real value of monetary stock}}{\text{Real income}} = \frac{\text{Money stock}}{\text{Money income}} = k = \frac{1}{v}$$

has remained constant.

I fear that, far from having supplied any missing cross-entry in the national book-keeping, Mr Harrod wants to enter an addition to the monetary stock (additional loans) on one side, to compensate for a fictitious act of hoarding on the other side, and he asks us to believe, in the name of "symmetry," that the books now balance.—I am, Sir, yours faithfully,
G. HABERLER.
Geneva, October 18, 1934.

TO THE EDITOR OF THE ECONOMIST

SIR,—May I reply briefly to my critics?

I am in complete agreement with Mr Stafford's first point. In fact, I made it in the first draft of my original letter to you, but deleted it out of respect for your space. Owing to the plurality of possible index numbers, my principle does not exclude general prices falling as productivity increases. Whether this or stable prices in the ordinary sense is desirable depends on a wide variety of considerations, which I shall not attempt to summarise. What I do claim to have shown is that the dictum that new loanable funds should be equated to new savings cannot validly be employed as an objection to a regime of stable prices in the ordinary sense. Mr Stafford's second point I am afraid I am unable to apprehend, perhaps owing to the brevity of his exposition.

With Dr Kaldor's interesting letter I am in entire agreement. It reinforces my point that the dictum that new loanable funds should be equated to new savings cannot serve to decide whether prices should be held stable or allowed to fall as productivity per head increases—i.e., in Mr Stafford's language, cannot serve to determine which index number of prices should be held stable.

Mr Barger's letter, on the other hand, I must regretfully characterise as fallacious. If the banks are pursuing a policy of stable prices, then, if the public decides to add to its holding of money—in Mr Barger's words, "decides to hoard"—this does not involve a fall in the velocity of circulation. It follows that his last two sentences are incorrect and his conclusion does not stand.

Dr Haberler propounds a criticism based on the view that if the value of the community's money stock rises as the consequence of a price fall, this does not absorb savings. This criticism requires a definition of savings somewhat different from, and perhaps more natural than, that implied by my first letter. I accept the criticism, but observe that Dr Haberler does not trace out its consequences.

On his definition of savings, the dictum that new loanable funds should be equated to new savings becomes completely sterile, because it is satisfied *whatever banking policy is adopted*; it cannot, therefore, be used as an objection to the policy of stable prices. The value of savings absorbed in extra monetary holding (other than gold) must always be equal to the value of the new bank credit extended in any period. The cross-entry must always be equal to the entry.

Dr Haberler is correct in supposing that, on his definition, if there is no fresh extension of credit, there will be no cross-entry, and the dictum will be satisfied. But he does not consider a regime of stable prices, and thus avoids having to admit that then there would be a cross-entry for absorption of saving in monetary holdings equal to the entry for expansion of credit, and that the dictum would be satisfied in that case too. He says nothing to rebut my contention that the objection to stable prices under consideration omits the cross-entry and is therefore fallacious.

My reason for implying a somewhat curious definition of savings in my first letter was that I supposed that those who sought to use this dictum as a criterion of banking policy must wish to imply a definition of terms such as that the dictum is not satisfied by any and every banking policy. But I find that Dr Haberler, at any rate, does not so wish. I joyfully accept his position and only point the moral. We must abandon all attempts to use this dictum to judge between banking policies, since it necessarily acquiesces them all, and we must revert to more effective methods of tackling the problem of banking policy.—I am, Sir, etc.,

CHRIST CHURCH, OXFORD.
October 31, 1934.

R. F. HARROD.

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THE NEW AMERICA

AMERICAN writers have not been slow to capitalise the public interest in the political and economic experiments of the New Deal; on the contrary, the difficulty has been to keep up with their outpourings. But foreign observers have been singularly reticent about committing themselves on the subject. As a result it has not been easy for the Englishman who does not know America to form a clear and coherent view of what is being done by President Roosevelt's Administration. All but a few of the American books suffer from partisanship, and all of them take for granted a knowledge of the background and structure of American political and economic life which is hard for an Englishman to acquire.

Sir Arthur Steel-Maitland's book* will therefore be particularly welcome. Sir Arthur has not written a book for economists or for *cognoscenti* in American affairs, but he has written an excellent introductory guide for those whose knowledge of the New Deal has hitherto been derived from the British Press. He does not hide his opinions, but his main task is description, in which he has succeeded admirably. The facets of the Recovery Programme are so numerous that their enumeration alone would take a fair-sized book. Unfortunately they cannot be understood without some appreciation of American conditions, and they cannot be discussed without some reference to economic principles. It is in sketching these two elements of the essential background that Sir Arthur is perhaps least successful. His first chapter, entitled "The Political Stage and the National Background," is an admirably succinct review of some of the outstanding differences between the two branches of the Anglo-Saxon race, but fourteen pages, even as excellent as these, are insufficient to prevent the British reader from drawing false analogies. The second chapter is also somewhat inadequate as a description of the depression years between September, 1929, and March, 1933. It is a pity that Sir Arthur did not devote more space to these introductory chapters, even at the cost of lengthening his book.

But this complaint must not be taken as detracting from the general excellence of Sir Arthur's accomplishment of a very difficult task. The successive chapters in which he reviews the different departments of the programme are admirably balanced between fact and comment. Two chapters are devoted to the N.I.R.A. Sir Arthur first describes the various interests and opinions which contributed to the creation of this *horrible mélange*; he then

* "The New America." By Sir Arthur Steel-Maitland, M.P. Macmillan. 238 pages. 10s. 6d.

very briefly outlines the way in which the Act has worked and explains the necessity for the "blanket code" of July, 1933. The effects of the Act are discussed under the three heads of the conditions of work, the relations of Capital and Labour, and the problem of price control. Sir Arthur finds that real weekly earnings have increased in spite of the limitations upon hours, but he is unable to judge how much of this was due to N.I.R.A. and how much to the general improvement in conditions. So far as women and children are concerned, the gain from the codes is manifest. The conflict between the labour union and the company union might have been dealt with a little more fully. Sir Arthur shows that most of the strikes of the last two years have been concerned with the recognition of unions and the right of collective bargaining, but he holds that an increase in labour disputes was in any case inevitable. His final judgment of N.I.R.A. as a whole is that from a material point of view it was more of a hindrance than a help to recovery.

The chapter on the agricultural programme brings out very clearly the difficulties of the farmer caught between lower prices for his crops and a heavy burden of debt. The programme has been to raise prices by restricting production while at the same time refinancing existing mortgages and providing cheap Government credit for all the financial needs of the farmer. For the financial side of this programme Sir Arthur has nothing but praise, but he is doubtful of the merits of restriction. On the subject of relief to the unemployed he draws upon his own experience as Minister of Labour. Three methods have been tried in America: direct relief, public works and the so-called "civil works" programme, which was part relief and part public works. Sir Arthur has no confidence in public works as a means to recovery; as a method of relief he points out that they are extravagantly expensive. Relief expenditure averaged \$18 per month, expenditure under the Civil Works Administration \$52 per month per employee, and under the Public Works Administration between \$150 and \$200 per month. For the future, he believes that the United States will come to unemployment insurance. But the time is not at present opportune, as he believes that a scheme could only be a success if it gave "unswerving adherence to the insurance principle."

Sir Arthur finds the greatest weakness of Mr Roosevelt's programme in its monetary policy. His account of the changes in this policy does not always make clear the objections to the various expedients adopted, but his conclusions are definite enough. The situation in the United States presents features which for the future "are significant and

somewhat disquieting"; there is considerable danger of inflation, which can only be warded off by a re-establishment of the international gold standard. Monetary policy cannot be entirely dissociated from the internal banking position, which Sir Arthur discusses under the heading of "Wall Street." He draws a distinction between the defects of the banking system as such and the unsoundness of High Finance in New York. His criticisms are severe on both counts: "Finance at headquarters," he says, "may be said to have played a greater part in helping to cause the depression, while the weakness of the commercial banks provided the culminating and dramatic débâcle." The remedies are the gradual growth of a branch banking system in the country and a "more puritanical convention forming itself into a tradition on the part of bankers" in New York. Sir Arthur does not believe that the Securities Act, though badly drafted, is altogether responsible for the stagnation in the capital goods industries; that, he says, "is an exaggeration of aggrieved imaginations." It will be seen that it is on this subject that Sir Arthur is in closest agreement with the defenders of the New Deal.

Finally, Sir Arthur attempts to sum up. He is severe with the monetary policy, whose gains are not commensurate with the disadvantages and which has given rise to legitimate misgivings for the future, though not to serious anxiety in the present. Taking the programme as a whole, he concludes that "the actual achievements of the present American Administration, although not startling, are substantial." Progress in the future will depend on the maintenance of Federal credit and the recovery of confidence. The last few years mark, he thinks, a new chapter in American history. The third dynasty, that of the financiers, has followed those of the farmers and the big industrialists into the darkness. The present programme is an example of "empiricism in the dynamics of change," and it is its element of "something new" which gives it its attraction. What the new America will be Sir Arthur does not venture to predict with any precision. But he is clear that the old era of effortless expansion is over. In the structure of politics and in the government of industry America will tread much the same path that Great Britain has followed. The analogy between the United States of the 1930's and Britain of the 1880's applies also in the international sphere, and Sir Arthur expects America to find herself drawn more closely into international affairs: "The Atlantic will soon be no greater guarantee of isolation than the English Channel is to-day."

RATIONAL INVESTMENT

INVESTORS who give these books* the attention which they deserve will be left with one significant impression. Is the financial reform which has been imposed by the Roosevelt Administration on a disgruntled Wall Street as important as the change of heart which has overtaken the investing public in America? The first of these works has an almost Victorian austerity by comparison with the market sentiment of the boom period which culminated in 1929. The excesses of that period, not only in the stock market but also in the realm of company finance, are fully exposed, and the English reader of the many stories of cynical accounting practice can certainly offer thanks for the protection afforded by the Companies Act.

The authors of "Security Analysis" place earning power as the first criterion of security, although they offer some interesting balance-sheet measurements for use in abnormal market conditions. There are, naturally, some sections which have a predominantly American interest, and cannot be readily related to English practice. Moreover, both works reflect the historical development of American finance. Government loans, both home and foreign, still appear as matters of relatively minor interest, while the

sharp distinction between the investment standing of utility issues in America and this country is made very clear. Messrs. Graham and Dodd, however, address themselves to a more expert section of the investing public, and their book certainly achieves its concern with criticism rather than with description. The illusions of specific security for bond issues are calmly despatched, and replaced by the more satisfactory criterion of the adequate earning power of the issuer. The ever-higher ceiling for "blue-chip" issues in the boom period, which ultimately involved the whole Continent in devastating losses, is replaced by an eminently conservative valuation for common stocks, based, not on current earnings, but on an average of ten years' results. These canons, though rigorous, must undoubtedly be applauded, and English investors, under present market conditions, might do well to give them due attention.

Professor Jordan's work appears in its third revised edition, in consequence of the already vast changes in American financial legislation. He, also, is at pains to emphasise that conservation of capital can only be achieved with modest expectations of income, and that a mixture of high-yielding but risky securities is never worth while as an investment policy, despite its speculative attractions. This book is more general in scope, and lacks the elaborate statistical treatment given in "Security Analysis." The arrangement of the discussions by reference to the issuer of the securities will assist the general reader, but throughout proper emphasis is laid upon earning power.

Confronted by these books, the general investor may be inclined to complain that a friend among the directors may be worth more than all the statistical tests which can be devised. This complaint, however, becomes less and less true as companies can be persuaded, by legislation or good example, to publish prompt and full information regarding their current position. The quarterly reports issued by many American concerns are an obvious improvement on standard British practice, although the quality of their accountancy has not always been impeccable.

Moreover, the quality of financial journalism, inspired by many of the objectives which these authors set out, has greatly improved with the wider interest in financial affairs in all classes of society. There is now little reason why the modest country investor should be less well informed about the general affairs of the concerns in which he is interested than the larger operator in the Metropolis. Doubtless, investment will never develop into an exact science; the imponderable elements in any given market situation always defy analysis. But if savings are to be invested in the most economical directions, it is clear that the self-interest of the investor should sensibly contribute to the social advantage. Towards this more happy state of affairs these authors have useful suggestions to offer.

THE SEARCH FOR SECURITY

We are now as far from the Armistice as the Reform Bill was from Waterloo. The post-war epoch itself is becoming history. What lessons can we learn to-day from the history of the world between 1918 and 1934? The Royal Institute of International Affairs, the Oxford University Press and Mr G. M. Gathorne-Hardy have combined to provide us with some of the lessons in admirable form, style and compass.*

Mr Gathorne-Hardy draws his own conclusions from the events, and inserts a thread of cause and consequence—of moral, almost—in post-war history. He divides international affairs in the post-war epoch into three periods: the period of settlement, 1920-25; the period of fulfilment, 1925-29; the period of crisis, 1930-34. He treats the first

THE BUSINESS CYCLE

ECONOMISTS have long been intrigued by the mysterious "ups" and "downs" of business activity known as the trade cycle. In the past the problem has been frequently approached by inductive studies, but Dr. Clark's* book contains the results of a special study, sponsored by the Committee on Recent Economic Changes, "to endeavour to disclose, so far as might be possible, what factors play an active role in throwing the economic mechanism out of balance and what factors adapt themselves passively to the changes produced by the active factors." Dr. Clark, well aware of the pitfalls of the purely statistical approach, has attempted to steer a middle course by combining deductive reasoning with a study of the behaviour of "those factors which seem to have the greatest strategic importance." According to Dr. Clark, "a factor may be said to have strategic importance if it has real power to control other factors, and to determine the general character of the result; and it has peculiar strategic importance if, in addition, we have power to control it; if it is not, like the weather, beyond the reach of anything we can do."

Among the factors of dominant importance in the business cycle, Dr. Clark distinguishes three groups. These are firstly what he terms "originating causes," such as the weather in its effect on crops, wars and other chance disturbances, as well as the emergence of new wants and new processes and methods of production, which are not subject to control. The second group consists of "business responses controlling the short cycle," and includes (among other factors) the intensified fluctuations of demand for productive equipment, and, secondarily, the demand for durable consumers' goods, price movements, movements of unit costs and of personal incomes, and the movement and distribution of credit. In Dr. Clark's view, the all-important factor of profits is itself controlled, in its cyclical movements, by these other elements which condition it. Although Dr. Clark recognises the impossibility of controlling the distribution of consumers' expenditure and of business confidence, he expects much from the control of the demand for producers' goods and durable consumers' goods. "If it could be controlled, in all its manifestations, the primary result would be a great stabilisation of the average rate of productive activity by cutting off those fluctuations of production which exceed the fluctuations of consumers' current expenditures." Consumers' expenditures would then be more stable and the "back of the business cycle would be broken."

The third group of factors are those responsible for "longer trends." These comprise the following: the development of new processes of production, calling for more capital per worker; the development of new goods; the balance between consumption and saving; the distribution of the national income; the relation between wages and interest in terms of their influence on the relative costs of labour and capital; the distribution of increased productive power between goods and leisure; the after-effects of wars; and the larger psychological swings from excessive pessimism to excessive optimism.

Dr. Clark is driven by his reasoning to accept a measure of control as inevitable if the business curve is to be smoothed out. But Dr. Clark is alive to the implications of his policy, though he does not follow them out in detail, for he recognises that the control of capital expenditure, for example, requires the forming of new types of organisation and a broader and more collective view than is common in business.

There is (he says) a mutual interest which should be strong enough to produce fairly adequate action, if industry can be organised in such a way as to make this interest effective. Whether this degree of organisation can be brought about without going so far as to make the system of private enterprise impossible is a question which can be answered only by the process of experiment.

Such is Dr. Clark's general conclusion.

* "Strategic Factors in Business Cycles." By John Maurice Clark. National Bureau of Economic Research, New York. 238 pages. \$1.50.

* "Security Analysis." By Benjamin Graham and David L. Dodd. McGraw Hill, London and New York. 725 pages. 25s. "Jordan on Investments." By David F. Jordan. (Third Revised Edition). Prentice-Hall, New York. 425 pages. \$4.

* "A Short History of International Affairs, 1920-34." By G. M. Gathorne-Hardy. Oxford University Press and Royal Institute of International Affairs. Humphrey Milford. 334 pp. 7s. 6d. net.

SHORTER NOTICES

MONEY AND FINANCE

"The Gold Standard and Its Future." By T. E. Gregory. Methuen. 183 pages. 6s.

"The Gold Standard and its future" was originally published by Professor Gregory in December, 1931. This is the third edition, thoroughly revised, with two entirely new chapters on "The case of the U.S.A." and "The Gold Standard in recent official literature."

The chapter on the consequences of the breakdown of the Gold Standard in Great Britain is also virtually new. In this chapter Professor Gregory traces the history of sterling and dollar prices since 1931 from both the theoretical and statistical point of view. He concludes that—

Great Britain's departure from the Gold Standard had consequences both inside and outside the country, which were not anticipated at the time. . . . The fact that Great Britain's example encouraged many important suppliers of foodstuffs and raw materials to follow her, added to the circumstance that in a nationalistic tariff-ridden world the country was a quasi-monopolistic buyer, resulted in a smaller rise of prices, direct and indirect, than most instructed persons would have thought possible in 1931.

Professor Gregory's rigidly orthodox standpoint, however, leads him to belittle the impetus to recovery which this country derived from abandoning gold, though his computation of comparative price levels shows that the pound was under-valued against the dollar up till April, 1933.

The abandonment of gold by the U.S.A., Professor Gregory regards as "an arbitrary act of statesmanship which may indeed be justified on political or psychological grounds, but which was certainly not inevitable on technical economic grounds." The "gold-buying" policy of Professors Warren and Pearson, he finds even less justifiable. It would only have worked if the total volume of purchasing power increased as the gold value of the dollar was diminished; but this could only happen "if every time the dollar value of gold rose, the gold stocks of the Central bank were re-valued, and the increased purchasing power which could have been created on the basis of this re-valuation had been at once put into circulation."

For the future, Professor Gregory still looks to an orthodox international gold standard in which fixity of exchange rates will be regarded as more important than the management of price levels. "Movable parities" as a permanent system, he would not apparently approve, but he is willing to accept some temporary "movability" during the stabilisation period. The following three stages of currency reconstruction are consequently suggested:—(a) Currencies fluctuating within defined limits; (b) *de facto* stabilisation on gold; (c) *de jure* stabilisation on gold.

After that, Professor Gregory would seek not so much stabilisation of prices as "increased stability in general."

"The Principles of Currency, Credit and Exchange." By William A. Shaw and Alfred Wigglesworth. Pitman. 118 pages. 3s. 6d.

A variety of interesting material is contained in this clearly-written little book, which describes a monetary system designed to eliminate the "ever-recurring cycle of 'over-trading' followed by disaster and depression." The problem is attacked in three unrelated sections, which discuss respectively the principles of currency, credit and exchange. The first section urges the superiority of the "self-regulating" English currency system (with 100 per cent. cover for additional notes) over the patchwork American system, with its rediscounting provisions, and the Continental systems of partial cover. To the English system is attributed not mere relative preferability but an absolute rightness, on the ground that under the "full-cost" principle the quantum of currency is determined by the public alone. The legitimacy of this conception of a "demand for currency" independent of credit policy is not discussed.

In an admirable preface the authors criticise the currency experiments of the New Deal, and argue that Mr Roosevelt missed an excellent opportunity for thorough-going banking reforms in March, 1933. With regard to credit, they recommend that a policy of cheap money should be pursued until "economically employable labour" has been reabsorbed, and that the banks should then ruthlessly check any incipient "over-trading." Rising retail prices are apparently to be the index of "over-trading." In the authors' view this policy could be carried out by a banking monopoly controlling the qualitative distribution of credit. They also hold that the rate for advances should be determined by purely domestic considerations, the international position being

regulated by an independent Bank of England discount rate. "The two rates have no intrinsic relationship."

The third section condemns exchange control of the ordinary type and advocates the maintenance of fixed parities by reciprocal central bank credits up to agreed limits. Should the credits be exhausted, the discount on further finance drawings would represent a virtual movement of the exchange, which would be smaller, however, than in a free foreign exchange market. While this system would doubtless prove workable under the more or less static conditions which appear to be envisaged, it is questionable whether the necessary degree of Central Bank co-operation could be achieved, or that, if instituted, the scheme would long withstand the stresses of a changing world.

"Le Systeme Bancaire Anglais et la Place de Londres." By R. J. Truhtil. Recueil Sirey (S.A.), (Paris). 30 frs.

While Bagehot's "Lombard Street" still remains unrivalled as a general description of the City, an up-to-date survey has long been lacking. This gap is well filled by M. Truhtil's admirable study. He is the French manager of a French bank in London and his book, written from the Frenchman's point of view, sets out to answer questions of detail as well as to give a comprehensive survey of the whole mechanism. There is a detailed description of the functions of the Bank of England, the commercial banks, the private bankers, the bill market and the foreign bankers, and of the types of business in which they engage. While the description of the Bank of England and the commercial banks follows traditional lines, M. Truhtil breaks new ground in his chapters on the principal scope and business of the leading acceptance houses. There is also an extensive description of the bill and money market and the foreign banks, and of the various types of paper and securities which are dealt in by the banks and the bill market.

M. Truhtil, also for the first time, makes an estimate of the volume of the merchant bankers' acceptances since 1928, and he suggests that on the basis of the figure for total acceptances, a combined balance sheet for all the acceptance houses can be worked out. This statistical investigation and a similar study on the balance sheets of the private discount houses and the resources of the money market form the most interesting part of the book. They are, of course, based upon the findings of the Macmillan Committee, of which M. Truhtil has made the most extensive use. But his methods of calculating the changes since 1928 form a real contribution to our knowledge of the internal structure of the City and the vexed problem of the status of the acceptance houses and the volume of short-term loans.

M. Truhtil's investigation of the development of the balance sheets of the acceptance houses and the bill market since the crisis lead him to the conclusion that the worst is passed and that a new basis of stability has been reached—a conclusion which will no doubt be welcomed by those who advocate a return to the gold standard. M. Truhtil's final chapter on what may be termed the spirit of the City is a study deftly and discreetly drawn by a man who knows his work thoroughly and is sympathetic to his surroundings. An English translation of the book would be most welcome.

"Theories of the Trade Cycle." By Alec L. Macfie. Macmillan. 187 pages. 7s. 6d.

Mr Macfie's object in this book is to lead the student from the comparative smooth paths of static economic theory to the steeplechase-like intricacies of the trade cycle. He sets out to expound, and in moderation to criticise, the principal theories held by leading present-day economists. In particular, Mr Hawtrey, Dr Hayek, Mr Keynes and Mr Hobson are considered—though it must be confessed that the argument, and the phraseology, have a predominantly Austrian flavour throughout.

The greater part of the book is interesting and careful. But Mr Macfie has not been blessed with a conspicuous gift either of clarity or lucidity. He is apt to mix exposition confusedly with criticism. And the inexperienced economic student will most certainly be muddled by the sudden appearance of such technical phrases as the "period of production," "round-aboutness," and "oncosts" in the midst of the argument.

In general, Mr Macfie is balanced and avoids extremes. But one discerns, running through the whole book, a semi-superstitious belief in something called "over-investment" which

is bound inevitably to lead to depression. Mr Macfie never asks himself clearly enough whether "over-investment" is not, in most senses, self-contradictory. And when he asks himself why the boom must lead to the depression, he takes refuge in the suggestion that there may be an absolute shortage of real working capital (raw materials) in a boom—a suggestion which is certainly not borne out by fact. It does not seem to occur to him that prosperity may have been succeeded by depression in the past simply because the gold standard has restricted credit, and that there may be no *a priori* reason at all why boom periods should ever have ended.

"La Crise de la Monnaie Anglaise, 1931." By S. J. Catiforis. Sirey (Paris). 210 pages. 30 frs.

This book, which won the prize awarded for the best work of Economic Science in the Faculté de Droit in the University of Paris for 1934, is a very useful history of monetary events in Great Britain since 1914. There is nothing quite like it in the English language, and it should be most useful to English readers. We understand that an English translation is in preparation, and we hope to review the book at greater length when this is published.

"La Finanza Italiana nel ventennio, 1913-1932." By F. A. Répaci. Edited by G. Einaudi. Turin. 316 pages. Lire 40.

Until now any economist or politician who wished to obtain statistical material on Italian public finance found himself confronted with almost insurmountable difficulties. Dozens of official accounts based on hundreds of different accounting methods supplied several tens of thousands of pages of figures which still were not comparable until they had been reduced to a common denominator. This labyrinth of statistics compelled anybody who would not or could not devote at least two years' exclusive work to it to give up any hope of ever arriving at practical conclusions on the Italian financial situation.

This is now changed. Professor Répaci took up the immense task of presenting and analysing the history of Italian public finance during the last twenty years. The fruit of several years' conscientious and thoroughgoing work is an excellent book: "La Finanza Italiana." Signor Répaci presents in the most clear and complete way the whole of the statistical material available (and largely, also, material which until now was not available) reducing the ocean of statistics to 316 pages, which give an exhaustive picture of Italian public finance.

The statistics of the different accounts are made comparable; the special difficulty in Italy's case originating from violent variations in the exchange value of the lira in the last twenty years is met by calculating all the relevant figures in gold lire as well as in paper lire. The construction of the work shows the author to be not only a statistician but also an expert economist who knows how to arrange and read the statistics. Perhaps the point of immediate interest is the statistical analysis of the Italian public debt; the total amount as well as the debt burden per head of population have steadily increased since 1926.

It is most useful to have all this material so well presented in one volume. Whoever wants to deal with Italian public finance in the future need not look up all the original sources; he will find everything until 1932-33 collected and worked out in Professor Répaci's book. It is to be hoped that this excellent work will have a sequel for the years after 1932-33.

BUSINESS AND TRADE

"British Sugar Beet." By A. Bridges and R. N. Dixey. University of Oxford Agricultural Economics Research Institute. 92 pages. 2s. 6d.

This latest publication in the admirable series issued by the Oxford Agricultural Research Institute is a full statistical survey of the sugar beet problem. The authors begin with the Selborne Committee's recommendations in 1916, and tell in full detail the story of the British Sugar (Subsidy) Act of 1925, and the three subsequent subsidy periods, 1924-27, 1928-30, and 1931-33. The effect of sugar beet on farming is then discussed, in the light of ten years' experience, and finally an exhaustive analysis is given of costs and returns over the whole period. This analysis shows that great technical progress has been made and costs considerably reduced.

In a lucid summary of their conclusions the authors observe that "as a relief policy to arable farming the sugar beet industry failed to achieve success in a great many arable farms, partly because the soil was unsuited to beet and partly because there were no factories in the areas concerned."

Moreover, agricultural employment has not increased in sugar-beet areas. Most important of all, the industry was completely uneconomic in 1932-33—after nearly ten years of "infancy." In the year 1932-33 "the total income of the factories per ton of beet was 61s. 6d. Of this the subsidy contributed 21s. 4d. or 35 per cent. Trading profits, however, were only 5s. 11d. per ton. It is quite clear, therefore, if the figures of the year 1932-33 are taken as a guide, that the industry cannot continue on a profit-earning basis without the aid of the subsidy." "The farmer's price per ton of beets in 1932-33 was 42s. 8d., and the total subsidy paid represents exactly one-half of this sum."

The authors' final suggestion is that, if public assistance is continued, it should embody certain principles:—

Firstly, it should be based on a price at which suitable growers alone will be able to produce; secondly, the quantity of the produce which it is proposed to subsidise should be determined; thirdly, the subsidy should be related to the price of sugar; and, finally, it should be renewed at short intervals.

It was not within the province of this pamphlet to suggest that the subsidy should be abolished.

"Higher Control." By T. G. Rose. Pitman. 269 pages. 12s. 6d.

Students of economics who attempt to relate the general principles of diminishing returns to the obvious fact of increasing returns in industry as a whole, often fail to give adequate recognition to the wider scope and increasing effectiveness of management. Mr Rose's book is intended for the company manager and director, but in its turn it throws interesting light on the general problem of large-scale enterprises and their specialised administration. Higher control, it is explained, is a new technique, by which the basic facts of the business can be presented in standardised and rapidly assimilable form, and can therefore be promptly applied in policy.

Mr Rose sets out his problem in its simplest terms by discussing an imaginary case of a business in financial straits, and develops its solution at length from the business, trading, and financial aspects. He points out that the presentation of the monthly figures should not involve extra work, provided that the accountancy system can be made sufficiently elastic.

A comprehensive series of *pro forma* charts and tables is given, to assist businesses in setting up their own control system. It might be remarked, however, that "higher control" for the large industrial concern is greatly facilitated by two further features. The speedy preparation of general facts for the board in these firms is increasingly dependent upon the integration of the costing and general accounting organisations, in both of which mechanisation and the punched-card system seem destined to play a larger part. This book is of real importance for all who are concerned with industrial administration.

"Il Boicottaggio." By Roberto Michels. (Turin) Giulio Einaudi. 135 pages. 12 lire.

In this book Signor Michels has collected together many interesting examples of economic boycott. He cites the Chinese boycott of American goods in 1905, which is estimated to have cost about £100,000,000; the boycott of Hungarian goods organised by the international syndicalists in Amsterdam as a protest against the treatment of Hungarian communists in 1920; and the Indian boycott of British goods in recent years. The author is aware that boycott involves a loss to those abstaining from consuming, as well as to those prevented from selling, the commodity in question. But he argues that the economic loss may be the cost of a political gain—for example the strengthening of the national unit.

Yet in many cases of virtual boycott—such as the protectionist policies of the States set up at Versailles, the "political gain" is surely rather illusory. A measure which hampers the exchange of goods and destroys the balance of industry in Europe must weaken, not strengthen, the various nations. The famous Austrian wood industry can no longer obtain its raw material in Austria. Signor Michels himself observes that while 36 per cent. of Austria's pre-war clothing industry was in Vienna, 90 per cent. of her textile industry lay in what is now Czechoslovakia. It is curious, therefore, that he is not forced to the conclusion that the division of Europe into "self-sufficing" states must ruin large sections of industry.

In Signor Michels's discussion of the type of goods most easily boycotted, we would have welcomed a more specific treatment. Again, one would like to know to what extent the fear of boycott has in fact led to forced sales and the aggravation of the crisis. This factor may have been a considerable one in recent years, particularly in Germany. The book supplies the raw material for an interesting study.

EUROPE

"The Nazi Dictatorship." By Roy Pascal. Routledge. 270 pages. 10s. 6d. net.

"The German Revolution." By H. Powys Greenwood. Routledge. 321 pages. 12s. 6d. net.

These two books differ widely. Mr Pascal is concerned to lay bare the basis of Nazism in Germany, as it has been suspected ever since June 30th, i.e., the dependence of the Nazi party upon "big business." He therefore deals rapidly, and very superficially, with the revolution of 1918 and the Weimar Constitution, and comes very quickly to a description of, and running commentary on, the present organisation of the Nazi Party-State. The author's conclusion is that Nazism is German capitalism one stage advanced; that "frozen in its monopolies (to-day), German capitalism sees only one way out of its economic and social impasse—a war. Only by winning colonies, where it can find its raw materials and also a market for its goods, does the Government believe it can be delivered. Thus, all the 'reforms' in Germany to-day serve, directly or indirectly, the cause of militarism." And again, on the same page (268): "The main force in Germany to-day is Monopoly-Capitalism. Its policy is war." Therefore the "big business" and Junker (agrarian) interests can as easily overset Herr Hitler and the Nazi Party and rule any other way, with the main objective of war before them.

This exaggerated conclusion is not adequately supported in Mr Pascal's book. Are all the "men of June 30th" in Germany dead, or congenial idiots? Can one easily eradicate a party of many millions, organised and armed; and would civil war ease the way for external war? On the whole, Mr Pascal's book appears to have been hastily put together.

Mr Greenwood's book is quite different. He has tried, as he says, to understand the inner, German sense of the Nazi revolution; he knows his Germany well, having lived there; and he does not make the mistake of thinking that Nazism is a sudden efflorescence. Mr Greenwood has many penetrating observations to make on the mission of Prussia, its symbolism for Germany as a whole, the weakness of the Weimar regime, and the overwhelming desire in Germany for what a German sociologist of the Weimar regime called *das verbindende Etwas—die Brücke des Gefühls*—"that something which links together—the bridge of common feeling." To Mr Greenwood, the Nazi revolution and the Nazi State show very little of clear-cut, planned development. It is, perhaps, not too startling to say that he sees both as rather an English evolution, higgledy-piggledy, opportunist, paradoxical. Mr Greenwood writes with sound appreciation of the conflicts, strains and stresses set up in the body of the Nazi State by antithetical economic measures: but he is careful to point out that many of these were evident in the Weimar system—e.g. agrarian protectionism and the dear-food policy. Perhaps the best sections of his book are those examining the significance of the Nazi revolution in the sociological spheres—art, culture, social life, associations, institutions, youth, religion. Mr Greenwood does not believe in the imminence of Nazi Germany's economic collapse, but he says, in effect, that "events are in the saddle, and ride mankind."

"France's Crisis." By Paul Einzig. Macmillan. 139 pages. 7s. 6d.

In his latest book on France, Dr Einzig correctly traces the source of France's difficulties to the over-valuation of the franc and to the defensive policies adopted by successive French Governments. These, as he says, have transformed the gold standard from a method of ensuring international purchasing power parity, and of minimising fluctuations in business into a sterile end in itself. There can be no doubt that the French Government has been deluded by its own and its experts' intense propaganda against devaluation based on exactly the same arguments as those produced by Professors Warren and Fisher in America in favour of devaluation. The result is that the parity has been saved, but the equalising function of the gold standard has been paralysed by the imposition of tariffs and quotas which have isolated the internal French market from the deflationary influence of the fall in prices in terms of gold in England and America. By means of this paralysis a complete breakdown in the French credit system, built up on a previous and higher price level, has been averted. But the contraction in the credit system has gone far enough to uncover certain weak (and criminal) sections and thereby to shatter the confidence of the investor.

Dr Einzig analyses France's economic disequilibrium in its internal, international, and political aspects, and there will be many who will agree with him that a devaluation of the franc is now necessary if business is to be made profitable once more. Unfortunately, however, political prejudices, and the

vested interest of the *rentier* may be stronger than rational considerations. And, as the technical power of France to defend the gold value of her currency is tremendously strong, it may well be that the whole French economic system will be still further distorted in an isolationist, interventionist, and ultimately, state-capitalist direction in order to retain the shallow prestige of an unchanged gold parity.

To some extent Dr Einzig forgets that, with luck and determination, France could start some sort of an internal revival by reducing interest rates, and so tide herself over to the period when a revival in America and England carries the world price level higher. While there can be no doubt that the intransigent French anti-inflationist policy before 1931 did much to aggravate the world economic position, one must not forget that the unwillingness of England after the fateful September to enter into any international economic, or political arrangement gave a new impetus to the vicious spiral of the crisis.

"The Saar." By Margaret Lambert. Faber and Faber. 319 pages. 7s. 6d. net.

Herr Hitler said, not long ago, that the Saar question was the only source of friction between Germany and France; that once it was settled, there was nothing likely to come between the two countries which need cause war. Why did the Saar emerge as a problem? Why was it taken from Germany and put under the League Commission? How will the plebiscite of January 13th next alter things? Has France or Germany the better case?

For the answering of these and many other questions, Miss Lambert's careful and well-documented book is most apt and timely. She writes clearly and appreciatively of all the vexed issues in the Saar problem; and her section on the history of the Saar since Versailles is concise without being superficial. She is at pains to give her own interpretations of the various points as they arise, and the result is a vigorous, entertaining book.

The Saar problem arose because France wanted an asset of relatively durable worth as an offset to her losses in the coal-mines of the Pas-de-Calais during the war; but the French demands nearly drove President Wilson to telegraph for his ship, as the Russian attitude at the 1878 Congress of Berlin drove Disraeli to order up the special train home. France had to agree to League dominion over the Saar on a fifteen-year lease, terminable or renewable at the tenants' option. Thus, Wilson's "principles" were put into practice. But was the practice good? There are many to-day who will doubt the wisdom of the whole experiment with an incontestably German territory. Miss Lambert thinks it was worth while, for the League has dealt fairly by the Saarlanders, while contending French and Germans disputed over the heads of inhabitants and Governing Commission alike. She describes in full detail the devices and stratagems to which both claimants of the territory resorted in their unremitting efforts to sway the population's sympathies, as the fatal year 1935 drew nearer.

On economic questions Miss Lambert throws a great deal of light. She examines the external indebtedness of the territory, the extravagance of the Saar local government bodies, the production of the mines and ironworks, the budget, social services, hours of work, and many other points in comparative tables in an Appendix. Her conclusion is striking: "We may confidently predict an era of even worse complications after the plebiscite than we are experiencing before-hand." Since last June, however, Baron Aloisi's Committee of Three have rendered signal service to the cause of Franco-German understanding over the Saar plebiscite, its conditions and results. It may yet be that the plebiscite will put to sleep, for good and all, a problem which need never have arisen, but which, having arisen, has been so fertile of international misunderstanding.

BRITISH EMPIRE

"Consultation and Co-operation in the British Commonwealth." Compiled by Gerald E. H. Palmer. With an Introduction by Professor A. Berriedale Keith. Oxford University Press. 264 pages. 12s. 6d.

The constitution of the British Commonwealth of Nations is even less tangible, even less accessible in text-books and commentaries, than that of the United Kingdom itself; it is to be found, if anywhere, in a miscellany of Imperial Conference reports, official documents, parliamentary pronouncements and recorded precedents. "Dominion status" does not derive from a formal definition; on the contrary, it can be defined only by description of the status of the several Dominions as it exists in practice. Even the question, which

countries are Dominions, does not admit of a straightforward answer. Newfoundland, for instance, has been temporarily deprived of autonomy in certain particulars—but she certainly could not be described as a Crown colony, and presumably the Ottawa Agreement between her and the United Kingdom remains binding upon both parties and can only be abrogated with their common consent.

A valuable service has been done by Mr Gerald Palmer, on behalf of the Royal Institute of International Affairs, in compiling this "handbook on the methods and practice of communication and consultation between the members of the British Commonwealth of Nations." He has gathered up the fragments of the imperial constitution. The assistance of eminent civil servants and others, both here and in the Dominions, has given the volume an authoritativeness on which the reader can confidently rely. There are inevitably some repetitions, and in certain fields (notably the Indian constitution and the series of economic bodies reviewed by the Skelton Committee) imminent or very recent changes made topical precision impossible; but within practicable limits both order and up-to-dateness have been achieved out of the mass of tangled and shifting facts.

Apart from its value as a work of reference, this strictly factual compilation irresistibly forces upon the reader's notice a number of urgent and difficult problems that face the nations of the Commonwealth in their relations with one another. The position of India and of Ireland comes first to mind; the former is in the forefront of parliamentary attention, whereas the latter seems to have been relegated, in this country, to a place of very desultory interest. Another more general problem is that of economic relations; there is the accepted principle of Imperial Preference unaffected by most-favoured-nation treaties with foreign Powers; there are the "equalisation-of-costs" clause and other general clauses of the Ottawa agreements (though these have proved of dubious practical value); there has been a certain small measure of industrial specialisation by agreement among producers; otherwise, where can we turn for the guiding aims of imperial economic policy, and where is the machinery for conducting it to be found? Even less clarity exists in the field of imperial defence. The principles laid down by the Imperial Conference of 1923 presumably still hold good, but the fundamental assumptions behind the whole idea of imperial defence as a co-operative concern are in the Dominions a matter of controversy amounting at times almost to derision. On this subject the material in Mr Palmer's book is particularly full and particularly valuable.

"National Economic Planning." By W. M. Ball and others. Edited by W. G. K. Duncan. Angus and Robertson (Sydney). Australian Book Company (London). 217 pages. 5s.

The compendious title of this volume hardly finds a precise reflection in such conclusions as are desirable from the various contributors. The question, what, in any new sense, is national economic planning, does not seem to have been squarely asked or answered. Professor Portus, in the introductory paper, hints at it by way of Russia, Italy and America; thereafter the discussion, on its economic side, runs off at tangents. On the political side, it is true, Mr Macmahon Ball neatly outlines the limits to the co-ordinated State intervention which he defines as the requisite of planning, and this suggests what might have been the most profitable line of approach to the whole subject. The economists are necessarily at a disadvantage while they are uncertain whether planning is to be regarded as something short of Communism, a fact which would explain the remarkable reticence observed towards the Soviet example.

One or two are sure, however, that planning is not compatible with capitalism and are evidently inclined to confine the term to the commonly accepted Socialist programme. Others, like Dr Wilson, who treats specifically of the economic implications of planning, regard planning as a kind of negative system designed to counteract the serious, but remediable, faults which the capitalist economy has displayed. In one way, Dr Walker comes most closely to the point with a discussion of national self-sufficiency. He thinks that some "planners" are at heart advocates of self-sufficiency first and urge economic planning as a means to that end, but argues acutely (though here again it is not quite clear what the term conveys) that a planned economy would in fact tend away from rather than towards economic nationalism.

It is significant that even in the case of Australia, the discussions betray a minimum of agreement. Has Australia to any degree a planned economy? The more cautious tentatively put forward the protectionist method as planning, though not of a notable type. Others deny all such claims

in toto. Professor Giblin, investigating this question, starts straight from facts. There is "no agreed aim for Australian development" and therefore no planned economy, but incipient planning is well founded in the national policy in the shape of a tariff for secondary industry and subsidies for primary industry. On this basis a comprehensive plan could be erected, involving control of production, rationing of investment, and price-fixing. But it would have to be remembered that the corollary would be the reversion of a large part of the land to "subsistence" production. This prospect had so little attraction for other speakers that Professor Giblin's contribution seems to have had far less attention than it deserves. But it is by no means an essay in the academic, and some must have contrasted the ideal of the limited and practical objective which it offers the planner with the endeavours recounted by Professor Shann in his study of "Planning at the World Conference." Here the difficulties of large-scale economic control are depicted by a sceptical observer, whose conclusion is that "our worst danger is in planning by those who fear alike managed money and low prices. They may, through their nerves, realise their worst fears."

AMERICA AND WAR DEBTS

"Depression and Recovery." By Dale Yoder, Ph.D., and George R. Davies, Ph.D. McGraw-Hill Publishing Company, Ltd. 298 pages. 12s.

"The New Monetary System of the United States." Published by the National Industrial Conference Board, Inc., New York. 147 pages. \$2.

"Stable Money: A History of the Movement." By Irving Fisher, LL.D. (New York) Adelphi Company. 484 pages.

"Outline of the New Deal Legislation of 1933-1934." By Howard S. Piquet. McGraw-Hill Publishing Company, Ltd. 154 pages. 6s.

The spate of books on the economic aspects of President Roosevelt's recovery programme continues without abatement. The quality of the books is, however, definitely improving. The earlier volumes were either undigested catalogues of enactments or else controversial tracts. Both types of book have their uses; in fact, the four volumes now under review include a specimen of each. Mr Piquet's book does not pretend to be anything but a digest of laws designed to serve as a reference work rather than as a book to be read. As such it will be of invaluable assistance to all who need accurate information on the legislative framework of the New Deal. Mr Piquet has selected 61 Acts, Resolutions and Executive Orders and given the gist of each. In an Appendix he has included brief notes on the activities of 22 of the new emergency administrations.

Professor Irving Fisher's book falls into the category of propaganda, though it is almost entirely retrospective. President Roosevelt's "avowed Monetary Policy" is declared on the first page to be "the goal at which the stable money movement has aimed" and the book is, in effect, an acknowledgment to all those who consciously or unconsciously have contributed to the victory which under Professor Fisher's generalship has now apparently been won. The book will be valuable for its references to the idea of stabilising the general price-level in economic literature dating back as far as Sir William Petty. The reader should be warned, however, that Professor Fisher's review is, in many respects, both indiscriminating and uncritical.

The other two books are excellent examples of the type which avoids both catalogue and propaganda. The book by Drs. Yoder and Davies is one of the most satisfactory simple introductions to recent American economic history that has appeared. The authors disclaim any intention of describing the details of the recovery legislation or of criticising it. This does not mean that they adopt an entirely neutral attitude, but their concern is with the underlying economic principles and when they criticise it is because they disagree with the fundamental assumptions of the remedies applied rather than with the details of the application. In contrast to the generality of books on the New Deal, however, the great virtue of the book is that it seeks to explain the causes of the economic collapse in America before describing the remedies. The process of disintegration is discussed under the three heads of the credit system, consumption and production. After an interesting chapter on emergency relief measures, the elements of the recovery programme are analysed under the same three heads. In a book of fewer than 70,000 words, this treatment necessarily involves a certain amount of superficiality, but the book can be highly recommended to anybody who wishes to understand the main tendencies of depression and recovery in the United States.

The volume published by the National Industrial Conference Board sets itself the much narrower task of analysing the new monetary system set up by the legislation of 1933-34, especially by the Gold Reserve Act of last January. The attitude adopted is definitely conservative, but not unreasonably so, and criticisms of the enactments are not sustained merely by appeal to dogma, as is the case with so many "orthodox" writers in the United States. The study concludes that the new system "stripped of its gold and silver trappings and adornments . . . is a 'managed' inconvertible gold currency system." Its ultimate object is conceived to be not so much the attainment of the 1926 level of prices as the full employment of productive resources; the system is "for the most part merely a practical expression of the extremist quantitative theory of the modern currency management school." The book points out the theoretical defects and practical dangers of such a policy. The scope for internal inflation is shown to be very large: on the present base the monetary supply of the country, which is now about \$21,000 millions, could be increased by no less than \$45,000 millions. But the authors are inclined to find a greater danger in the fact that the American system, by discouraging the re-establishment of an international monetary system, may open the way to a world-wide inflation of large dimensions and catastrophic effects.

"The European War Debts and Their Settlement." By Wildon Lloyd. (New York) Committee for the Consideration of Inter-Governmental Debts. 86 pages. \$1.50.

This book is published under the auspices, though not with the express endorsement, of the American "Committee for the Consideration of Inter-Governmental Debts," which is headed by such prominent revisionists as Dr. Nicholas Murray Butler and Mr. Alfred Smith. As an expression of unattached American opinion it must be taken with a big pinch of salt. It sets out, however, not to represent but to educate opinion in the United States. Briefly, Mr. Lloyd's practical proposal is to halve the amounts of the credits given to the Allies for the purchase of supplies in 1917-20, in recognition of the fact that they were sold at immensely inflated war-time prices; to add the full value of the silver bullion bought by the Allies, and of the private American bank loans and interest thereon included in the funding agreements; to charge no interest at all, and to deduct all payments, whether on account of interest or of capital, already made by the borrowers.

This process, according to his schedules, would reduce the British debt to no more than \$707 millions, the French debt to \$909 millions, the Italian debt to \$741 millions, and the Belgian debt to \$138 millions. The last it is proposed should be expunged altogether. The arguments used to support these suggestions are for the most part familiar on this side of the Atlantic, especially the contention that United States economy would be completely upset if the payments due were actually effected in goods and services. It will come as a disturbing surprise, however, to many British readers to learn that "a persistent opinion prevails throughout the United States that the war debts contracted before the Armistice were generously cancelled by Secretary Mellon." Mr. Lloyd betrays a certain degree of exaggeration which will not help his cause, but British opinion will wish his book a wide circulation, for it is vigorous and shrewd.

THE FAR EAST

"China's Problems and Their Solution." By Wang Ching-Wei. 198 pages. (Shanghai) China United Press. \$4.50.

This book is included in the "China To-day" series, and as it is published also in Chinese, German, French and Dutch, the propagandist object is plain. Written by one who, after the death of Dr. Sun Yat-Sen, became the official leader of the national revolutionary party in China, the book is an interesting study of China's struggles under a diversity of so-called Governments. In the past, whenever there has been a relatively strong Government in China, it has generally been imposed by foreign conquerors, Mongols, Manchus, etc., but here we have a record of a slow, yet irresistible advance towards government by China's own nationals.

Mr. Wang Ching-Wei himself is playing a very active part in the attainment of the democratic State. A poet-politician, he is now president of the executive Yuan, and officiating Minister of Foreign Affairs in the National Government of China, and in his study of the political, economic and social problems now confronting his country, and the manner of their solution, he reveals himself as something more than an idealist. Indeed, the record of his fight for the emancipation of the people, shows that he was imbued with a fanaticism

that led him to face incredible hardships with equanimity: semi-starvation, imprisonment and death held no terrors for him. In the light of his experiences, it is perhaps natural that prominence should be given to the revolutionary spirit of China, though he urges that the country needs peace at home and hopes for peace abroad.

China's most pressing task is national reconstruction, and this can be accomplished only in an atmosphere of peace and tranquillity. Yet, Mr. Wang Ching-Wei's manner of seeking peace and ensuring it is not very tactfully expressed. "China," he says, "must rely on herself, and not merely trust to fate, for it is only when we are in a position to fight others that we can become friends with them." Nevertheless, there is only one course open for the Chinese, and that is to consolidate the country's national strength and vitality, and thus strengthen the foundations of peace in the Far East.

Briefly summarised, the principal problems facing China, as the author sees them, are the following: the suppression of internal strife; the increase of production; the development of her lines of communication, and the extension of her overseas trade. The author has no illusions about the difficulty of solution, though he shows the future to be full of hope. He is also optimistic about finance, and says there is no question of China's evading her obligations, but that she is anxious to find ways of meeting them. An essential requirement is a revival of railway business. With increased revenues available, the interests of foreign creditors will be fully protected, and the best proof of China's intentions is that during the last two years she has met a number of her obligations.

On foreign policy Mr. Wang Ching-Wei's gospel is definitely China for the Chinese, though his discussion of Sino-Japanese relations is, on the whole, fair and moderate in tone.

"Population Theories and Their Application with Special Reference to Japan." By E. F. Penrose. Published by the Food Research Institute, Stanford University, California. 347 pages. \$3.50.

This book is one of the products of a programme of research laid down by the Institute of Pacific Relations at its conference at Honolulu in 1927. It is primarily a study of the population problem of Japan, but in view of the confusion which invariably arises when a particular problem of population is discussed without a clear statement of premises, the author has done well to devote nearly a third of his writing to abstract theory. In the first chapter he criticises Malthus, in the second and third he compares "income" and "welfare" concepts of the optimum of population, taking it as a principle that the object of population studies is "to determine the lines of rational population policies, and thus to serve as a guide to action."

The main conclusion which emerges from the book as a whole is that population problems are inseparably bound up with general economic, and ultimately with political, problems, and that at the present rate of progress in the productive arts there can be no question of "overpopulation" for the world as a whole; such a term has significance only in relation to actual unevenness between the distribution of population and the distribution of natural resources in the world. The maladjustments which exist are denied their obvious solution by means of the free flow of capital, labour and goods because of adverse factors which operate in virtue of national State sovereignty.

In discussing Japan, the author makes short work of certain widespread misconceptions, and renders valuable service in so doing; he deals mercilessly with the myth of Japan as "la terre prolifique et pullulante par excellence." The Japanese birth-rate is no higher than was that of England in 1880 or that of Germany in 1904; it is below that which still prevails in more than one European country, and it is falling in response to the same influences which have affected the birth-rate in the West. The present sharp increase of population in Japan is a late example of a phenomenon which has been characteristic of Western countries in the recent past; the death-rate—and especially the infantile mortality rate—has been brought down, while the birth-rate remains high. There would be no tragedy in this, were it not for Japan's poverty in natural resources combined with the prevalence of cut-throat economic nationalism in the modern world. Mr. Penrose points out that Japan's troubles could easily be solved under conditions of international free trade plus certain suitable outlets for emigration; but in a world of White Australias, Hawley-Smoot Tariffs, British Empire Preferences, Kuomintang Boycotts and Soviet Five-Year Plans, he might as well ask for the moon as for any far-sighted international co-operation for relief of humanity's congested areas. If Japan, in the face of such a world, has entered on a dangerous path of self-assertion, there is no State which is without responsibility.

THE ECONOMIST

TRADE SUPPLEMENT

New Series

SATURDAY, JULY 28, 1934

No. 134

THE STATE OF TRADE

THE latest evidence of the state of trade in this country remains moderately encouraging. At this time of the year there is usually a lull in business activity, but the seasonal recession has so far been less pronounced than usual, and manufacturers and merchants confidently expect a normal revival in the autumn. But in view of the fact that the major international problems remain unsolved and that developments in some foreign countries have been unfavourable, prospects of a rapid expansion of business activity in this country in the autumn are somewhat uncertain. Although there are at present no indications of a serious setback in the United Kingdom, the real test will come a month or two hence when order books are due to be replenished.

The improvement in employment continued during June in most industries, but the total number of insured workers unemployed showed a slight rise owing to an abnormal increase in the unemployment figure for coal-mining. If the seasonal fall in employment in the mines had been as small as it was a year

ago, total unemployment would have shown, not an increase, but a decline of 51,613. Among other general indicators, the *Economist's* index of Business Activity, which allows for variations in trade due to holidays and other seasonal influences, rose sharply between May and June to the highest level registered since March, 1930. Although the figure for June is less than 2 per cent. below the highest level reached in November, 1929, it must be remembered that the index does not make allowance for the increase in population and in productivity per head. Moreover, some of its component series, such as those relating to raw material imports and building activity, are not a record of the past, but indicators of developments in the near future.

Of the sixteen series for which June figures are available only those relating to employment in heavy industries and iron and steel consumption show a decline. But as these two indices are not adjusted for the seasonal lull in activity at this time of the year, too much importance should not be attached to the decline. The indices for coal and electricity consumption and for bank clearings all show an appreciable rise. The advance in the index of exports of manufactures indicates that we are gradually gaining ground in foreign markets. Most encouraging, however, is the steep rise in the figures for imports of raw materials and for the value of building plans passed, for these two indices point to an expansion in activity in coming months. The value of building plans passed in June was the highest on record.

Among the branches of activity providing industry with its equipment, the iron and steel trade has experienced a seasonal decline in new orders, but production in June

was well maintained and manufacturers confidently expect a normal increase in business after the holidays. Engineering has made further headway and new business has so far been coming in at a satisfactory rate, but there are as yet no indications of a further rapid improvement in the autumn. Sales of industrial chemicals, which are used in most branches of activity, were satisfactory in June. The boom in dwelling-house building, which brought about a revival in allied industries, shows no signs of a collapse. On the contrary, the latest evidence points to a further expansion in activity. Moreover, if general economic conditions continue to improve, demand for additional factory space and for replacement of obsolete works will increase, thus providing a further stimulus to the building trade.

As far as industries furnishing consumers' goods are concerned, the majority of the textile industries, the clothing trades including boot and shoe manufacture, and the motor vehicle industry experienced the usual decline in demand in recent weeks. But only the wool textile industry showed

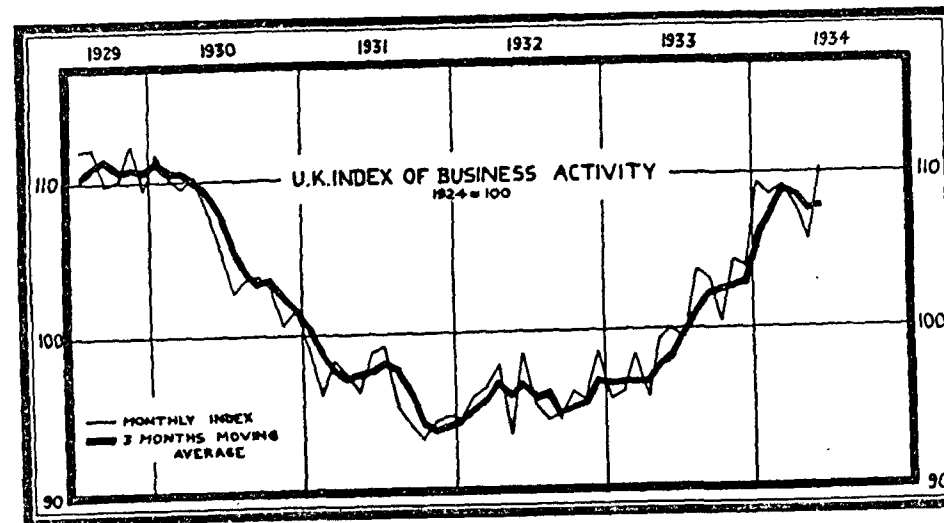
a really serious recession in business, not only as compared with May, but also as compared with conditions a year ago.

The improvement in retail distribution continued during June. The official statistics reveal an increase of 2 per cent. in the value of retail sales as com-

pared with June, 1933. The improvement was well spread geographically and among different classes of trades.

Reports from the "sterling area" are fairly good. There has been a further improvement in Denmark and Norway. Latin-America, and especially Argentina and Chile, are gradually making headway, and there has not been any noticeable deterioration in Japan. Among British Dominions, Canada and South Africa continue on the path to recovery, but there has been a slight setback in Australia, partly as a result of the precipitous decline in wool prices. Wheat exporting countries generally have benefited from the recent rise in the price of this cereal. The improvement in the international wheat situation and the consequent expectation of a higher level of quotations should strengthen the position of these countries during the next year.

The news from France and other "gold" countries is not encouraging. France has so far made no headway, and the situation in Belgium and Holland is no better than it was a month ago. In Germany the expansion in business activity appears to have been arrested at the end of June. Moreover, the United States experienced a sharp recession in recent weeks, and a combination of unfavourable factors, including labour difficulties, high manufacturing costs, the possibility of further governmental interference with business, restrictions on new capital issues, and fears of increased taxation, appear to preclude a substantial measure of recovery in the near future.



HOME INDUSTRIES AND TRADE

The following reports on British industry cover, in most cases, the period to the middle of July; in the remainder they relate to the month of June.

COAL

Production and employment in the coal trade declined steeply during June, but output rose a little during the first week of July. Demand for house-coal is now at its lowest level, but merchants have already begun to place new orders with collieries in anticipation of restocking by consumers. Demand for industrial fuel was fairly well maintained in June, and both exports and coal shipped for the use of steamers in the past month show an appreciable increase compared with the corresponding period in the past two years. But, according to reports from mining districts, business tapered off in July. In the third week of that month the South Yorkshire coal market was inactive, and very little new business was arranged in Scotland and in South Wales.

IRON AND STEEL

Production was well maintained in June, if allowance is made for the usual seasonal decline in business, holidays and the varying lengths of months. Actually, the daily output of pig iron in June showed an increase of one per cent. and stocks are understood to have risen a little. Exports rose to 204,100 tons in June, the highest figure since October, 1930. On the other hand, imports were the lowest of the year. The volume of new orders has fallen off, as is usual at this time of the year, but this seasonal decline has so far not been very pronounced. A revival of new business in the near future is confidently expected by manufacturers, especially as the engineering industry has so far shown no signs of losing ground.

ENGINEERING

Engineering as a whole continued to make headway in June, for all sections of the industry, listed separately in the *Ministry of Labour Gazette*, showed a further fall in unemployment during that month. The volume of exports, though slightly lower than in May, was well above the level of a year ago. Imports also were lower than in May. Individual branches of the industry which showed an improvement in recent weeks including lifting, excavating, textile and electrical machinery. Manufacturers of marine engines and boilers have reported satisfactory progress, and demand for machine tools was fair, but business in agricultural machinery has fallen off a little. While there are no signs of a setback in the near future, prospects for a further expansion in activity are somewhat uncertain.

MOTOR INDUSTRY

Conditions in this industry remain satisfactory, and production is being maintained at a high level. Many firms are still experiencing difficulty in coping with the demand for their products. Several concerns are engaged in building additional workshops, and one manufacturer of components announces that the building of an entirely new factory will shortly be commenced. The number of motor vehicles of all kinds registered for the first time in May, 1934, totalled 35,051 compared with 29,466 in May, 1933, while the total number of vehicles current on May 31st was approximately 2,234,068 compared with 2,130,043 for the same period of last year.

CHEMICAL INDUSTRY

A fairly satisfactory business was transacted in most sections of the chemical market during June, industrial chemicals being about the most active items. A steady trade was maintained in wood distillation products, and demand for pharmaceutical chemicals was on a better scale than in recent months. The coal tar products market was fairly active generally, but was rather dull in certain directions. A further increase was shown in overseas trade in June, the value of exports of chemicals, drugs, dyes and colours being £46,403 greater, and imports £87,712 greater, than in June last year.

ELECTRICITY

INDEX OF GENERATION OF ELECTRICITY*
(Great Britain, excluding London and Wales)
(Monthly Average, 1923-24 = 100)

Year	Index	(t)
1926	119	89.0
1927	146	102.2
1928	156	101.8
1929	171	102.2
1930	167	93.1
1931	171	90.5
1932	181	87.5
1933	199	87.4
1934—June	172	86.0
July	164	86.0
August	168	89.0
September	183	88.0
October	211	90.0
November	233	91.0
December	260	95.0
1934—January	240	93.5
February	238	94.0
March	242	96.5
April	219	98.0
May	216	100.5
June	200	100.0

* Prepared by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association.
† Corrected for seasonal fluctuations, for the increase in electrification (trend), and for connections to the "grid."

ELECTRICAL INDUSTRY

The index of the volume of new export orders received by the heavy electrical manufacturing industry showed an appreciable increase in June, partly owing to one large order from South Africa. The improvement in new home orders was maintained.

INDEX OF NEW ORDERS RECEIVED BY HEAVY ELECTRICAL MANUFACTURING INDUSTRY*

(1920 = 100)

Period	Home	Export	Total
1926—June	82	110	89
1927	94	234	128
1928	68	105	78
1929	84	149	101
1930	59	212	98
1931	65	128	78
1932	53	94	58
1933—June	55	85	61
July	56	86	62
August	52	89	61
September	51	93	62
October	51	92	62
November	51	96	64
December	40	100	57
1934—January	40	104	58
February	42	109	61
March	41	101	58
April	45	104	62
May	47	112	67
June	47	119	70

* Copyright of the British Electrical and Allied Manufacturers' Association.

The above index is a 12-month moving average of new orders received by the heavy plant section of the industry. It is based on the horse-power and not on the value of orders.

COTTON

Owing to unsatisfactory weather reports from the American cotton belt, the price of raw cotton continued to advance in recent weeks. But trade has not been stimulated by the hardening tendency of prices, as most buyers have distrusted the upward movement. Although general inquiry in piece-goods for abroad has been fair, very few manufacturers have been able to report a satisfactory turnover and business done has comprised small lots to meet urgent wants. Demand for India has continued quieter. There has not been any favourable development in the offtake for China. Only a sorting up business has been done for the Near East. Buying for the markets of Central and South America has been patchy. There has been a little more activity in coloured goods for West Africa, and the Dominions generally have provided moderate orders. Political news from the Continent has checked trade developments in that quarter. On the other hand, better reports have been received from the home trade. The hot weather has resulted in better clearances of light fancy materials. But in general most firms have lost ground since a month ago. Yarn quotations have been advanced in sympathy with the rise in raw cotton prices, but there has been a poor response from buyers with a tendency for margins to be narrowed. Complaints from spinners in the American section have increased and contracts for more than retail lots have been of rare occurrence. Shipping yarns have continued slow. Some ground has been lost by spinners of Egyptian yarns, and more mills have been compelled to curtail production. The percentage of spinning spindles in full production at the end of June was 77, against 81 in May and 75 a year ago.

WOOL

Raw wool quotations continued to decline in recent weeks, and prices realised at the auctions held in London at the beginning of July were 15 to 20 per cent. lower than those obtained at the May auctions. The fall in prices has been responsible for a severe setback in all sections of the British wool textile industry. New business is limited to urgent requirements. Next to coal-mining, the wool textile industry suffered the biggest increase in unemployment between May and June. The figure for June showed an increase of 5.4 per cent. over May and one of 7.0 per cent. as compared with June, 1933. The deterioration has been most pronounced in the worsted section. At the end of the third week of July the yarn trade was still dull and new business in piece-goods was small in volume.

JUTE

As a result of a rise in the price of its raw material, the jute industry in Dundee experienced an improvement in business towards the end of June. But although business declined again towards the middle of July, the volume of new orders received will ensure fairly active conditions for at least two months.

RAYON

Business is very restricted on account of the changes in the excise duty. These came at a time when stocks were fairly heavy, and the effect of the depreciation of values has been to restrict new business in both the weaving and the hosiery sections of the trade. In the circumstances the general outlook is rather unsettled, and it will be some time before business is restored to normal.

LINEN

Both the Soviet and Baltic flax monopolies have practically withdrawn from the market. Prices are moving strongly against consumers and are likely to advance further. While a fair amount

of new yarn business has been arranged, spinners were obliged to turn down proposals owing to the difficulty of securing raw material cover at anywhere near price parity. Seasonal requirements for cloth are coming in, but buyers both for the home and overseas markets are reluctant to concede any advance to manufacturers. Fancy linens are in good demand.

BOOTS AND SHOES

Unemployment in the footwear industry in June showed a further appreciable increase both as compared with May and with the corresponding month a year ago. Trade is most irregular, for some manufacturers are quite active while others have little to do. Retail sales in this country in June were a little better than a year ago, but the general situation remains far from satisfactory.

POTTERY

The pottery trade is experiencing a normal seasonal decline, but the general situation in this branch of activity remains quite encouraging. Exports of general earthenware in June were appreciably larger than a year ago.

AGRICULTURE

According to an official report, the condition of the wheat crop at the end of June indicated a fully average yield, but it is not expected that a full average yield of barley or of oats will be obtained. Where lifted, early potatoes in most districts produced a light yield. Main crops need rain to produce a full average yield. Turnips and mangolds to a lesser extent have suffered from fly, and are generally backward. Hop bines are strong and healthy in most cases. Until the work was hindered by showers, hay was being secured in excellent condition. The present "forecast" of the yield of both seeds and meadow hay is below the ten years' average. In the circumstances, cattle and sheep have generally done well, except where shortage of grass and water has been serious.

SHIPPING

While demand for shipping tonnage is by no means satisfactory, the slight improvement noticeable since April has been maintained and the *Economist's* index of freight rates showed a further, though modest, rise in June. The River Plate section remains active, but European and Far Eastern routes showed little improvement.

BUILDING

Although building activity did not increase further in June, the value of building plans passed in that month was the highest on record. This suggests a renewed expansion in the near future. The percentage of unemployed in the building trade on June 25th, at 15.6, shows a rise of 0.1 per cent. on May. Unemployment in public works contracting, at 42.7 per cent., shows a fall of 0.1 per cent., as compared with May, and one of 0.4 per cent. on June last year. Returns from 142 urban authorities (excluding the London County Council area), with a population of 17,166,000, show that plans passed for new buildings in June comprised a total cost of £9,364,900, against £7,059,600 in June, 1933. Of last June's total, dwelling-houses accounted for £7,018,000; factories and workshops for £734,900; shops, offices, warehouses and other business premises for £493,100.

RETAIL TRADE

The official retail trade statistics for June show a rise of 2.0 per cent. in the value of sales as compared with the corresponding month a year ago. The improvement was again well spread geographically and as between different categories of merchandise. The value of sales of foodstuffs increased by 1.2 per cent., and that of other merchandise by 3.0 per cent. More recent information suggests that the results of the London sales were satisfactory. An important London store reports a good increase in business during the last few weeks.

HOME TRADE STATISTICS—JUNE, 1934

	May, 1934	June, 1934	Compared with June, '33
UNEMPLOYMENT— (State Insurance %)	16.3	16.5	+ 2.9
PRODUCTION—			
Coal (million tons)*	4.0	4.0	+ 0.5
Iron (thous. ")	527.9	514.9	+ 169.3
Steel (" ")	780.0	757.5	+ 188.7
FOREIGN TRADE—			
Imports (million £'s)	61.7	61.2	+ 7.4
Re-exports (" ")	4.8	4.3	+ 1.0
British Exports (" ")	32.8	32.1	+ 3.6
TRANSPORT—			
Railway Receipts (thous. £'s)*	2,744	2,814	+ 43
Shipping Freights (av. level)†	71.7	72.0	+ 1.6
COMMODITY PRICES (av. level)‡	65.4	65.3	+ 0.3
TRADE DISPUTES (thous. working days loss)	133	102	+ 4
SECURITY VALUES (av. level)§	122.6	121.8	+ 7.5
FINANCIAL DATA—			
Bank of England Notes (Mill. £'s)*	379	379	+ 4
Bank Deposits (" ")*	1,858	1,870	+ 108
Bank Advances (" ")*	755	757	+ 18
Banks' Cash Ratio (%)**	11.7	10.7	+ 0.1
Bank Clearings:			
London (million £'s)*	604	623	+ 87
Manchester (" ")*	8.9	9.2	+ 0.8
Three Months' Bank Drafts (Discount Rate %)*	2½	2½	+ ½
Day-to-Day Loans (%)*	2½	2½	+ ½

(*) 1913 = 100.

(†) *Economist* Index No., 1927 = 100.

(‡) *Bankers' Magazine* Index No. of 365 securities; December, 1921 = 100. (§) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.

* Average weekly figures.

INDICES OF BUSINESS ACTIVITY*

Monthly Average of 1924=100

Period	Employment				Consumption of Power		Merchandise on Railways	Postal Receipts	Motor Vehicle Registrations	Building Activity	Consumption of		Foreign Trade				Bank Clearings		Complete Index	
	All Trades	Heavy Trades	General Industry	Distributive Trades, &c.	Coal	Electricity					Iron and Steel	Cotton	Imports of Raw Materials	Imports of Non-Ferrous Metals	Exports of British Manufactures	Movements of Shipping	Provincial	London	Monthly Index	Three Months' Moving Average
1929	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1930	107	84	109	112	95	111	95	115	151	131	103	113	121	108	11	99	131	110.0	...	
1931	102	77	101	112	96	103	87	118	145	141	105	75	101	119	87	109	91	140	105.9	
1932	99	65	96	114	80	102	78	116	130	123	85	76	91	108	64	101	91	130	96.3	
1933	98	60	96	115	87	103	61	116	137	132	57	85	97	93	65	100	97	120	95.8	
	102	61	101	119	82	106	60	118	159	173	53	91	105	85	67	102	99	122	99.7	
1932—January	98	65	96	113	84	105	63	119	131	119	71	92	87	99	65	100	96	105	94.4	
February	98	64	96	114	84	104	66	118	127	110	98	89	104	106	63	111	89	98	95.7	
March	100	65	99	115	86	105	60	115	123	119	63	94	110	107	66	97	94	127	96.3	
April	99	61	98	115	82	102	65	118	129	127	59	104	96	103	80	103	97	114	97.7	
May	98	61	96	116	85	100	57	115	114	126	65	80	94	86	63	94	95	122	98.3	
June	98	56	96	117	97	98	63	113	129	150	61	86	113	86	70	104	97	127	98.5	
July	97	55	95	117	73	103	57	115	126	117	52	85	96	80	63	98	111	148	95.1	
August	97	54	95	117	82	99	59	113	138	122	41	87	111	89	62	98	101	121	94.2	
September	97	56	96	116	87	102	60	116	154	127	50	72	101	84	60	101	96	112	94.5	
October	99	59	97	116	85	108	57	113	154	147	59	75	82	98	62	93	101	120	96.0	
November	98	59	97	115	80	107	61	115	155	156	27	75	88	97	63	97	96	115	95.3	
December	99	62	97	116	94	106	57	118	161	168	37	86	87	86	68	99	94	133	98.5	
1933—January	97	62	94	115	86	111	55	120	138	174	40	78	82	83	63	100	98	119	95.5	
February	98	62	95	115	87	107	55	119	130	154	43	96	94	75	62	104	99	128	95.9	
March	99	61	97	116	88	101	60	118	154	164	56	79	104	73	71	103	94	125	98.4	
April	100	59	98	118	78	104	55	118	148	148	53	84	95	81	64	101	96	123	95.6	
May	101	57	100	119	82	102	63	119	155	164	48	95	109	87	66	100	98	113	99.3	
June	102	59	102	120	84	103	61	117	163	170	52	86	113	84	68	101	98	117	100.0	
July	102	58	102	120	71	111	60	115	154	174	49	98	119	82	62	100	105	124	99.5	
August	103	58	102	121	79	108	63	115	172	197	58	108	145	88	66	105	97	119	108.7	
September	104	62	104	120	80	110	63	116	163	187	57	104	124	85	78	107	100	124	103.3	
October	104	62	105	120	82	110	61	117	161	183	52	82	96	85	71	98	105	125	100.4	
November	104	63	105	120	83	99	66	119	190	185	56	101	108	94	72	104	100	124	104.3	
December	105	66	104	121	89	103	60	123	196	188	67	84	99	91	65	102	95	131	104.0	
1934—January	104	66	103	119	95	103	65	123	205	203	87	96	107	104	69	108	107	138	109.4	
February	104	66	104	120	85	109	60	122	214	203	85	87	118	104	67	108	99	152	108.7	
March	105	67	105	119	89	117	62	121	219	193	96	88	110	111	72	108	102	140	109.2	
April	106	66	106	122	88	117	61	121	171	192	97	34	112	118	72	108	99	139	107.7	
May	107	65	107	123	80	123	...	117	184	191	96	93	109	111	70	103	98	117	105.6	
June	107	62	107	124	85	124	...	118	...	226	84	97	135	119	78	109	102	122	110.2	

STATE OF TRADE OVERSEAS

BRITISH EMPIRE

Australia.—The slight deterioration in trade turnover, noted a month ago, continued in June. Nevertheless, activity remained above the level of a year ago, and the improvement in the building trade was maintained. Wheat crop prospects are good in Western Australia, but poor in South Australia and Victoria and below average in New South Wales. Pastoral conditions are unfavourable in some parts of the country and output of butter is declining. The value of imports in May was above, but that of exports below, the figure for May, 1933.

Canada.—Despite the setback experienced by the United States, the improvement in Canadian business conditions has been well maintained. A slight seasonal recession in certain branches of activity during June was offset by an expansion in building construction and by the sustained improvement in the coal and steel industries and in gold mining. Moreover, the agricultural situation has improved considerably under the influence of rainfall and a steep rise in grain prices.

India.—Reports from local trading centres are fairly favourable. The market in piece-goods was quiet but steady in June. The mill strike in Bombay came to an end in mid-June and work has since been resumed. The monsoon appears to have broken favourably. According to the preliminary official forecast, the area under the jute crop is somewhat smaller than a year ago. Quotations for raw cotton and jute rose slightly during the past month.

South Africa.—Business activity continued to make headway in June. The building trade maintained a high level of activity, especially in Johannesburg, and manufacturing concerns generally gained further ground. Agricultural conditions remained favourable except for the setback in the market for wool. Unsold stocks at the end of the season (June 30th) were appreciably larger than a year ago. The maize crop is provisionally estimated at 19,417,000 bags.

EUROPE

France.—Although statistical evidence for June is not yet available, business appears to have made no headway in that month. The official index of production declined from 103 (1913=100) in April to 101 in May. A year ago the figure stood at 109. The number of persons in receipt of unemployment benefit declined slightly from 315,606 on June 9th to 310,934 on June 30th, but rose again to 312,532 during the first week of July. Among individual branches of activity, business in the coal and iron and steel industries was at a low level in June and there was no improvement in the demand for textiles.

Germany.—The expansion in business activity appears to have been arrested at the end of June. The official statistics show a further decline in the number of unemployed from 2,529,000 at the end of May to 2,482,000 at the end of June. Carloadings rose from 116,300 per day in the last week in May to 119,300 per day during the corresponding period in June, but the first week of July witnessed a sharp decline to 114,400 per day. Following a spurt towards the end of June, coal production in the Ruhr district tended to decline. Although industrial production was, on the whole, well maintained in June, there are indications that the restriction of raw-material imports will react unfavourably on business conditions. Owing to a slight decline in the value of imports and a small rise in exports, the unfavourable trade balance declined from Rm. 42 millions in May to Rm. 38 millions in June. Wholesale prices continued to advance, and the rise in indices of stock exchange securities was maintained.

Norway.—According to the Bureau of Statistics, the industrial production index rose from 101 in April to 105 in May. There are indications of a further rise in June, especially as regards the home industries. Customs receipts in June amount to 5 million kroner, which is about 650,000 kroner more than in June, 1933. Bank deposits decreased slightly, but the bank clearing figure rose by 39 million kroner from the preceding month, and the turnover of bonds on the Bourse rose sharply from 1.9 million kroner in May to 4.5 millions in June. The turnover of shares was insignificant and almost exclusively related to whaling shares. A new law has recently been passed laying down very strict rules as to regard to their utilisation. The number of laid-up vessels continues to decrease in spite of the slump on the freight markets, and notwithstanding an increase in the number of idle tankers.

Denmark.—The index of production for Denmark, which stood at 114 (1913=100) in May, reveals an upward movement in industrial activity since the beginning of the year. Moreover, it is believed that this trend is continuing. To take the most conspicuous example, the building trade is expected to remain fully occupied until the end of the year. In view of the fact that foreign trade and shipping have considerably improved as compared with last year, it may not be considered unreasonable to expect that the problems of agriculture could be solved if this country were saved from further readjustments forced upon it from abroad.

Greece.—Crops have deteriorated under the influence of unsatisfactory weather. But output of olive oil is expected to be satisfactory. Foreign trade in May showed a small decline in quantity and value of both exports and imports as compared with May, 1933. Conditions on the tobacco market were favourable in June, but trade in currants is still suffering from low prices and diminished demand. Domestic trade was lively and the financial situation remains good. Revenue receipts are satisfactory. Business on the Stock Exchange was slack and prices declined on the whole.

Jugoslavia.—June brought a marked improvement both in trade and economic conditions. Employment figures are rising steadily,

and the Bourse is buoyant. And even more important, agricultural prices are rising for the first time against falling industrial prices, so that the economic scissors are slightly closing. This has greatly encouraged imports, and these are favourably reacting on exports. Bank rate was reduced from 7 per cent. to 6½ per cent. on July 16th.

UNITED STATES OF AMERICA

The index of business activity, compiled by the *New York Times*, declined abruptly during the first week of July and the volume of business is well below the level of a year ago. This was followed by a slight improvement in the second week, but a combination of unfavourable factors appears to preclude a substantial measure of recovery in the near future. An expansion in building activity in America, an important feature of recovery in the United Kingdom, is hampered by the high level of building costs. Moreover, the United States is still in the grip of labour difficulties, and the possibility of further governmental interference with business and of further devaluation of the dollar, together with high manufacturing costs, restrictions on new capital issues, on Stock Exchange activity, and fears of increased taxation, all tend to hinder progress. On the other hand, the agricultural situation has improved under the influence of a sharp rise in the prices of cereals and cotton.

AMERICAN TRADE STATISTICS—JUNE, 1934

	May, 1934	June, 1934	Compared with June, '33
EMPLOYMENT —(1923–25 = 100)†	...	...	...
PRODUCTION —			
Bituminous coal (Thous. tons).....	28,100	26,430	+ 1,560
Pig-iron " " ".....	2,043	1,930	+ 665
Steel " " ".....	3,353	3,016	+ 418

Steel Corporation—shipments (Thous. tons).....	745	985	...
Building permits (Thous. \$).....	43,825	28,561	— 5,505
CONSUMPTION OF ELECTRIC ENERGY (1923–25 = 100).....	110.2	107.2	+ 3.4

FOREIGN TRADE —			
Imports (Thous. \$).....	154,647	...	...
Exports " " ".....	160,207	...	...
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars).....	610	615	+ 35

SECURITIES —			
30 industrial stocks—			
Highest quotations.....	100.62	101.11	+ 2.37
Lowest quotations.....	91.13	90.85	+ 1.75
Thous. shares sold during month—			
(New York).....	25,343	16,802	— 108,818
New securities issued (Thous. \$).....	96,134	294,068	+ 155,537

BANK DEBITS —			
New York (Million \$).....	14,652	15,032	...
Other cities " " ".....	14,105	14,414	...
RETAIL BUSINESS —			
Total sales, mail order houses (Thous. \$).....	50,486	46,076*	+ 8,763

* Preliminary estimates made by Messrs. Moody, subject to revision.			
† Federal Reserve Board Index of Factory Employment.			
‡ Closing prices. § Partly estimated.			

LATIN AMERICA

Argentine foreign trade figures for the first five months of 1934 show a definite increase in exports—even after allowing for the 20 per cent. depreciation in the peso this year—whilst the export surplus is some 80 per cent. above that of last year. Moreover, the strength of world grain markets following drought has resulted in sharp advances in grain prices in Buenos Aires, and it is apparently the intention of Argentina to endeavour to export the whole of the present wheat crop despite international pacts. Following withdrawal of official intervention in the Santos market, Brazilian coffee prices have fallen considerably, and the National Coffee Department has made no announcement regarding elimination of surplus from the current crop. Nevertheless, June coffee shipments may total over 1,000,000 bags, and inquiry from consuming markets has improved. Chilean foreign trade shows definite improvement, with total exports for the first four months of 1934 nearly double those of last year and the export surplus trebled. Some relief from restrictions in the exchange market is foreshadowed in semi-official quarters.

THE FAR EAST

Cabled reports from Japan reveal little change in the situation in that country. The market in raw silk has been quiet, but prices of cotton yarn rose in sympathy with the rise in quotations for raw cotton. The value of imports in June was 189 million yen, as compared with 134 million yen in the corresponding month of 1933. Exports rose from 160 million yen to 181 million yen during the same period. The value of China's imports in June was 86,260,000 dollars, as compared with 94,980,000 dollars in May, and 110,100,000 dollars in June, 1933. Exports in June were 49,170,000 dollars, against 49,320,000 in May and 50,200,000 a year ago.

STATISTICS

In the following tables we give trade and other statistics for as many countries of the world as possible, our endeavour being to combine brevity with comprehensiveness. The greater number of the figures are taken from the *Monthly Statistical Bulletin of the League of Nations* (published by George Allen & Unwin, Ltd.).

PRODUCTION (Thousands of Metric Tons)

Period Monthly Average	COAL										LIGNITE		
	United Kingdom	Belgium	Czechoslovakia	France	Germany	Netherlands	Poland	U.S.S.R.	Canada	South Africa	India	Japan	United States
1913.....	24,337	1,903	1,189	3,338	15,842	156	748	...	1,037	665	1,311	1,776	43,088
1929.....	21,837	2,244	1,377	4,486	13,620	965	3,853	3,472	1,023	1,052	1,893	2,855	46,026
1930.....	20,650	2,284	1,203	4,490	11,891	m1,018	3,127	3,921	864	991	1,927	2,615	40,590
1931.....	18,582	2,253	1,092	4,167	9,887	m1,075	3,189	4,462	706	880	1,752	2,332	33,385
1932.....	17,717	1,735	921	3,856	8,728	m1,063	2,403	5,211	625	805	1,580	2,338	27,183
1933.....	17,525	2,107	886	3,905	9,160	m1,048	2,278	6,184	639	872	1,526	2,504	28,526
1933—June.....	15,529	1,992	807	3,830	8,544	1,028	1,911	5,884	571	976	1,474	2,422	26,533
July.....	15,325	1,995	832	3,745	9,104	1,045	2,106	6,265	558	941	1,276	2,402	30,081
August.....	15,674	2,033	844	3,810	9,354	1,071	2,200	6,322	694	958	1,472	2,340	34,741
September.....	16,856	2,058	907	3,872	9,367	1,045	2,425	6,434	725	896	1,447	2,422	31,225
October.....	18,404	2,139	997	3,987	9,796	1,058	2,765	6,827	917	898	1,452	2,702	31,177
November.....	19,193	2,187	1,028	3,951	9,994	1,047	2,833	6,322	830	900	1,434	2,829	31,970
December.....	18,953	2,168	1,000	4,051	9,915	1,020	2,784	7,371	696	860	1,640	2,976	30,866
1934—January.....	21,091	2,308	943	4,325	10,593	1,070	2,673	7,505	755	932	1,572	2,781	35,417
February.....	19,045	2,039	838	3,922	9,778	974	2,222	6,683	664	832	1,758	2,744	34,539
March.....	20,490	2,404	896	4,229	10,385	1,070	2,301	7,352	712	852	1,831	3,162	40,650
April.....	18,290	2,176	756	3,896	9,700	958	2,095	7,387	638	924	1,732	2,821	28,861
May.....	18,076	2,124	812	3,893	9,512	1,002	1,996	7,056	843	1,038	2,831	...	30,255
June.....	19,603	...	...	...	...	...	...	8,037	...	...	...	...	27,773

PIG IRON

Period Monthly Average	PIG IRON										STEEL					
	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	Canada
1913.....	869	419	434	114	1,397	61	...	85	2,801	649	307	391	159	1,467	62	88
1929.....	643	583	864	175	1,117	41	362	92	3,580	816	589	808	184	1,354	60	117
1930.....	525	489	836	159	808	38	417	63	2,659	618	471	787	161	962	52	86
1931.....	318	440	683	126	505	32	405	36	1,547	438	430	652	128	691	46	57
1932.....	303	395	462	112	328	22	521	12	735	445	397	470	122	479	44	29
1933.....	349	388	527	133	439	27	597	19	1,119	593	383	543	140	632	53	85
1933—June.....	351	386	551	127	424	23	...	1	1,285	578	385	585	141	666	43	32
July.....	349	379	570	138	440	25	667	32	1,821	577	380	581	153	641	49	50
August.....	369	366	564	148	473	28	635	36	1,863	560	356	565	152	706	63	49
September.....	365	349	538	138	437	24	681	31	1,547	680	347	550	141	632	56	39
October.....	379	363	537	153	492	28	686	27	1,378	679	330	527	162	715	60	49
November.....	381	360	508	138	510	35	682	30	1,103	706	349	488	142	725	75	44
December.....	418	374	522	150	534	37	682	39	1,301	689	354	498	129	731	58	50
1934—January.....	448	376	526	141	543	36	735	31	1,235	722	377	518	154	817	56	62
February.....	421	356	474	138	550	38	709	12	1,284	719	351	478	145	823	65	59
March.....	512	410	526	156	650	40	818	12	1,646	848	412	528	160	930	71	74
April.....	504	406	503	153	697	39	854	28	1,755	728	403	501	160	977	70	71
May.....	536	419	525	150	737	50	886	39	2,076	793	418	533	156	989	83	73
June.....	524	...	...	...	...	...	898	...	1,961	760	...	...	...	...	...	...

a Figures for Luxembourg communicated by the "Groupeement des Industries Sidérurgiques." b Including ferro alloys. c Excluding castings. d Saleable coal, since end 1921, excluding Ireland. e British Provinces only. f Establishments whose production in 1930 amounted to 95–21% of the total. g Excluding Luxembourg. Since 1922, excluding Polish Upper Silesia. h Coal sold. i Until end 1928 saleable coal. j Including coal waste. k Provisional figure.

WHOLESALE PRICES

Monthly Average	U.K.		Belgium	Czechoslovakia	Denmark	France	Germany (Official)	Holland	Italy (Bach)	Norway	Poland	Spain	Sweden	Switzerland	Australia	British India	Canada	South Africa
	Board of Trade	Economist																
1913	100	100	100	100	100	100	100	100	100	100	<i>m</i> 100.0	<i>a</i>	100	100	100	100	100	100
1929	136.5	127.2	851	924	150	627	137.2	142	446	<i>a</i> 149	96.3	167.7	140	141.2	165.7	141	149.4	116.0
1930	119.5	106.8	744	<i>g</i> 118.6	130	554	124.6	117	383	<i>a</i> 137	85.5	167.0	122	128.5	146.7	117	135.3	102.6
1931	104.1	89.3	626	107.9	114	502	110.9	97	328	<i>a</i> 122	74.6	168.8	111	109.7	131.3	96	112.6	99.5
1932	101.6	86.1	532	99.7	117	427	96.5	79	304	<i>a</i> 122	65.5	166.7	109	96.0	129.7	91	104.2	91.5
1933	100.9	86.9	501	96.2	125	398	93.3	74	280	122	59.1	159.1	107	91.0	129.5	87	104.9	91.5
1933—June	101.7	89.5	507	98.3	123	403	92.9	73	281	<i>a c</i>	<i>a b c</i>	156.6	106	<i>c</i> 142	132.3	89	105.6	...
July	102.3	89.9	506	97.4	125	401	93.7	73	279	121	60.6	157.4	108	91.7	133.7	91	110.1	95.3
August	102.5	89.7	501	96.5	126	401	94.2	73	278	122	57.9	157.9	108	90.9	134.6	89	108.4	...
September	103.0	89.5	496	96.2	128	397	94.7	75	276	123	58.1	158.4	109	90.8	136.1	88	107.6	...
October	102.6	88.1	489	95.7	127	397	95.7	75	274	123	57.9	157.6	109	90.7	132.8	88	106.1	93.1
November	102.8	86.8	489	95.0	128	403	96.0	76	273	123	58.9	159.7	110	91.0	130.9	88	107.9	...
December	102.8	86.8	489	94.6	128	403	96.2	77	272	122	57.8	159.7	110	91.3	132.0	89	107.8	...
1934—January	104.6	90.4	484	94.3	130	405	96.8	79	276	120	57.8	164.4	112	91.8	133.8	90	110.3	106.0
February	105.3	90.6	483	<i>g</i> 91.1	131	400	96.0	80	275	122	57.6	165.0	112	91.4	133.5	89	112.6	...
March	103.8	90.0	478	80.8	129	394	95.9	79	275	122	57.3	...	112	90.9	134.1	88	112.5	...
April	102.8	90.0	474	80.2	128	387	95.8	79	273	123	56.7	...	113	89.6	135.2	...	111.1	104.1
May	102.4	90.0	470	80.5	128	381	96.2	77	273	123	56.1	...	113	89.0	133.8	89	111.1	...
June	102.6	89.9	472	...	128	379	95.7	77	273	123	...	...	113	...	...	...	...	...

FINANCE

Notes in Circulation. (000,000's omitted)

Period	United Kingdom	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	Finland	France	Germany		Greece	Hungary	Jugo-Slavia	Netherlands	
End of	Bank of England Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Reichsbank Notes	"Rentenbank"	Bank Notes	Bank Notes	Bank Notes	Bank Notes	State Notes
	£	Schilling	Francs	Leva	Koruna	Kron.	Markat	Francs	Reichsmks.	Rentenmks.	Drachmae	Pengo	Dinars	Guilden	Gulden
1913.....	29.6	...	1,067	189	...	152	113	5,714	2,742g	...	245	...	...	353	...
1923.....	378.3	1,067	12,358	4,173	8,466	360	1,513	62,181	4,930	530	5,690	513	5,528	814	11
1923.....	369.8	1,094	14,683	3,609	8,230	367	1,361	68,571	5,044	397	5,193	501	5,818	951	11
1930.....	368.8	1,090	16,419	3,296	7,824	360	1,279	76,436	4,778	439	4,803	469	5,397	843	4
1931.....	364.2	1,183	18,270	2,919	7,679	346	1,293	85,725	4,776	422	4,703	423	5,172	1,023	2
1932.....	371.2	914	18,135	2,635	6,267	332	1,085	85,028	3,500	413	4,014	353	4,773	962	2
1933.....	392.0	952	17,093	2,984	5,906	375	1,184	82,613	3,645	392	5,449	369	4,827	912	1
1933—May.....	374.1	898	18,190	2,673	6,138	331	1,124	83,267	3,469	396	4,574	347	4,453	952	2
June.....	375.1	893	17,951	2,648	6,568	342	1,097	84,708	3,482	396	4,698	372	4,403	922	2
July.....	377.2	903	18,017	2,531	6,253	328	1,081	82,853	3,492	394	4,760	364	4,306	938	1
August.....	374.0	900	18,058	2,674	6,168	330	1,087	81,143	3,521	396	4,832	354	4,314	912	1
September.....	370.8	943	17,268	2,738	6,310	355	1,125	82,994	3,625	392	5,304	361	4,372	907	1
October.....	369.3	941	17,189	2,845	6,148	368	1,103	81,097	3,571	392	5,585	362	4,343	929	1
November.....	370.2	914	17,267	2,855	5,705	354	1,115	80,368	3,542	381	5,426	341	4,257	903	1
December.....	369.0	902	17,093	2,984	5,906	375	1,183	82,613	3,645	392	5,449	369	4,827	912	1
1934—January.....	368.7	909	16,899	2,371	4,449	345	1,166	79,474	3,458	372	5,171	348	4,212	889	1
February.....	367.4	993	17,096	2,400	5,523	351	1,268	81,024	3,494	358	5,044	347	4,233	898	1
March.....	378.8	981	17,278	2,603	5,544	369	1,322	82,833	3,675	356	5,098	360	4,232	901	1
April.....	373.7	970	17,317	2,534	5,242	366	1,309	81,502	3,640	356	5,114	351	4,169	955	1
May.....	378.1	931	17,587	2,574	5,179	358	1,244	79,992	3,635	355	5,117	342	4,119	901	1
June.....	381.7	955	17,408	...	5,524	380	1,234	82,058	3,777	345	5,131	364	4,142	882	1

[illegible]

a Until November, 1928, including State notes, then transferred to Bank. b May. c Excluding notes held by Commonwealth Bank. d In tokens of new
 lire = 8,373 millions. g Marks—including Reichs- und Darlehenskassenscheine. i Excluding notes held by Reichsbank. m Taken coins only
 o Gross issue. p Excluding notes held as reserve by Chartered Banks. r State notes—gross. s Since January 1934, excluding gold coin. t Since
 January, 1926, excluding notes held by Bank of Poland. u Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency
 v Since 1926, excluding notes held by the State Bank. w In terms of new lire = 1,829 millions. y In terms of new francs. z Since May, 1922, including
 Luxembourg. From 1927-1929, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes in October, 1926.

LONDON RATES OF EXCHANGE

	Paris	Brussels	Milan	Zurich	Madrid	Amsterdam	Stockholm	Oslo	Copenhagen	Berlin	Vienna	New York	Buenos Aires	
	Francs to £1	Belgas to £1	Lire to £1	Francs to £1	Pesetas to £1	Florins to £1	Kronor to £1	Kroner to £1	Kroner to £1	Marks to £1	Schillings to £1	Dollars to £1	Pence to Dollars	
Par level	124.21	35.00	92.46	25.22½	25.22½	12.107	18.159	18.159	18.159	20.43	34.58½	4.86½(a)	47.61	
Highest, 1933	90.00	25.37½	69.12½	18.37½	42.25	8.87½	19.56½	20.00	22.50	15.62½	5.53	5.53	45½	
Lowest, "	77.93½	21.90	58.25	15.73	36.43	7.56	18.25	19.31½	19.25	12.80	27.00	5.32½	35½	
Beginning of—														
July, 1914	25.15	† 25.354	25.25½	21.16½	26.10	12.11½	18.30	18.25	18.30	20.49½	† 24.55	4.87½	47½	
January, 1926	129.31½	† 107.00	120	25.08½	34.31½	12.05	18.08	23.00	18.20	20.43½	20.37½	4.85½	46½	
January, 1927	122.81½	34.89	109.62½	25.14½	31.23½	12.12½	18.153	19.04	18.20	20.45½	34.37½	4.87½	46½	
January, 1928	124.00	34.92	109.62½	25.14½	31.23½	12.12½	18.153	19.04	18.20	20.45½	34.37½	4.87½	46½	
January, 1929	124.10½	34.88½	92.64	25.183	28.24	12.09	18.11½	18.34½	18.20	20.45½	34.37½	4.87½	46½	
January, 1930	123.91	34.88½	93.22	25.13½	29.74	12.08	18.13	18.19	18.17½	20.38½	34.44½	4.85½	47½	
January, 1931	123.66	34.76½	92.74	25.04	36.62½	12.09½	18.13½	18.20½	18.20	20.43½	34.65½	4.87½	45½	
January, 1932	86.37½	24.37½	66.62½	17.37½	40.18	12.05½	18.13½	18.16	18.16	20.38½	34.48½	4.85½	35½	
January, 1933	85.50	24.06½	61.84½	17.34½	40.90	11.75	18.13	18.25	18.12½	14.25	30.00	3.38	40½	
January, 1934	83.00	23.39	65.12½	16.79½	39.53	8.09	19.40	19.90	19.31½	14.00	28.50	3.33	42½	
April	77.00	21.82	59.96½	15.74	37.78	7.63	19.40	19.90	22.40	12.96	28.00	5.15	35½	
May	78.25	22.08	59.71	15.65	37.78	7.63	19.40	19.90	22.40	12.94	28.00	5.12½	29½	
June	77.25	21.82	59.96½	15.74	37.78	7.63	19.40	19.90	22.40	12.97½	27.75	5.06½	25½	
July	76.56	21.63½	58.84	15.53½	36.90	7.44½	19.40	19.90	22.40	13.25	27.00	4.75	25½	
	Rio de Janeiro	Monte Video	Valparaíso	Bombay	Hong Kong	Shanghai	Kobe	Singapore						
	Pence to Milreis	Pence to Dollar	Pesos to £1	Pence to Rupee	Sterling to Dollar	Sterling to Tael	Sterling to Yen	Sterling to Dollar		Place	Method Quoting	June Quotations		
												Highest	Lowest	Average*
Par level	16	51	40.00	s. d.	s. d.	s. d.	s. d.	s. d.		New York.				
Highest, 1933	5½	37½		1 6	1 6	1 9	2 0½	2 ½		June, 1933	Dollars to £1.	4.34	3.99	4.141
Lowest, "	3½	28		1 5½	1 2½	1 7½	1 3½	2 3½		May, 1934		5.13½	5.06½	5.105
										June, 1934		5.07½	5.02½	5.049
Beginning of—														
July, 1914	16½	51½	39½	1 3½	1 10½	2 6½	2 0½	2 0½		Paris.				
January, 1925	5½	50½	40.30	1 3½	2 3½	3 1½	1 7½	2 4½		June, 1933	Francs to £1.	86.59	85.72	86.072
January, 1926	7½	50½	39.80	1 6½	2 4	3 1½	1 9½	2 4½		May, 1934		77.50	76.81½	77.196
January, 1928	5½	50½	39.65	1 6½	2 1½	3 1½	2 0½	2 3½		June, 1934		77.12½	76.16½	76.501
January, 1929	5½	51	39.35	1 6½	2 1½	2 7½	1 11½	2 4½						
January, 1930	5½	49	39.64	1 6½	2 0½	2 7½	1 10½	2 3½		Amsterdam.				
January, 1931	4½	35½	39.80	1 5½	1 8	2 7½	2 0½	2 3½		June, 1933	Florins to £1.	8.56	8.39	8.440
January, 1932	4½	31½	28.00	1 5½	1 1½	2 7½	2 0½	2 3½		May, 1934		7.55	7.48	7.519
January, 1933	4½	30½		1 6½	1 5½	1 11½	2 0½	2 3½		June, 1934		7.50	7.40	7.444
April	4½	35½		1 6½	1 3½	1 7½	1 3	2 3½						
May	4½	21		1 6½	1 5½	1 7½	1 2½	2 4½		Berlin.				
June	4½	18½		1 6½	1 3½	1 4½	1 2½	2 4½		June, 1933	Rchmks. to £1.	14.59½	14.25	14.375
July	4½	19½		1 6½	1 4½	1 4½	1 2½	2 4½		May, 1934		13.02	12.88	12.946
	3½	19½		1 6½	1 5½	1 2½	1 2½	2 4½		June, 1934		13.48	12.75	13.144
* 1934														

Daily rates.	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318
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FOREIGN TRADE

IMPORTS for Domestic Consumption—Merchandise Only (000's omitted)

Period	U.K.	Irish Free State	Belgium	Bulgaria	Czechoslovakia	Denmark	France	Germany	Greece	Italy	Jugo-Slavia	Netherlands	Poland	Sweden	Switzerland	U.S.S.R.	Egypt	
Monthly Average	£	£	Francs	Leva	Koruna	Kroner	Francs	Mark	Drachma	Lire	Dinars	Gulden	Zloty	Kronor	Francs	Roubles or Gold Rbl.	£	
1913	54,931	...	386,384	15,775	...	64,785	701,778	41,035	897,474	<i>c f</i> 14,828	303,803	...	325,231	<i>c</i> ...	70,545	159,985	79,425	2,271
1928	89,610	4,928	2,668,664	588,745	1,597,657	137,276	4,452,963	667,742	1,166,772	1,034,740	1,826,702	652,944	223,659	280,180	142,330	228,723	79,425	4,123
1929	92,589	5,020	2,851,520	693,719	1,681,820	142,907	4,851,719	583,026	1,102,366	1,062,270	1,805,397	632,896	229,358	298,248	148,549	231,987	73,386	4,453
1930	79,762	4,630	2,576,812	382,477	1,306,664	138,028	4,362,031	437,306	866,096	877,000	1,445,600	500,009	201,521	187,164	138,220	222,017	88,235	3,823
1931	66,512	4,139	1,978,495	388,339	977,075	117,483	3,516,609	283,089	560,589	730,300	970,300	480,000	157,728	122,550	118,992	187,600	92,224	2,544
1932	54,332	3,453	1,347,400	289,275	621,500	100,860	2,423,187	286,703	385,875	655,680	687,256	238,500	108,286	71,832	96,540	148,800	58,224	2,173
1933	52,512	2,934	1,233,000	185,500	489,350	101,240	2,369,000	327,200	350,300	712,500	616,000	240,200	100,770	68,920	90,890	132,870	29,460	...
1933—May	53,475	3,302	1,313,774	179,773	473,198	99,819	2,464,899	383,896	333,230	790,456	592,136	237,821	97,314	64,075	90,130	156,510	41,452	2,057
June	48,507	3,014	1,259,380	149,814	498,803	89,893	2,403,583	353,654	355,679	616,843	*794,345	250,000	96,613	68,551	79,638	137,288	21,818	1,878
July	49,383	2,550	1,165,952	149,746	579,257	95,446	2,220,344	350,896	360,812	681,756	504,610	236,926	104,247	72,021	80,143	128,450	30,811	1,829
Aug.	52,454	3,202	1,266,199	133,726	422,483	109,369	2,149,539	388,475	346,197	651,170	530,679	248,256	105,513	72,203	82,126	122,582	25,976	2,145
Sept.	54,400	3,004	1,200,829	154,975	488,785	108,520	2,141,487	386,703	346,197	651,170	530,679	248,256	105,513	72,203	82,126	122,582	25,976	2,145
Oct.	57,200	3,162	1,251,000	163,030	529,987	116,100	2,229,771	401,691	347,035	778,116	588,400	281,134	108,890	104,352	107,561	144,542	22,380	2,487
Nov.	60,115	3,364	1,221,000	172,800	597,800	114,940	2,289,000	403,700	351,400	815,200	577,900	275,900	109,080	12,004	109,340	139,560	20,660	2,580
Dec.	59,119	2,712	1,145,000	184,100	582,700	104,980	2,299,000	346,900	374,400	699,500	*709,800	249,600	107,770	55,430	97,740	152,420	16,240	2,504
1934—Jan.	60,599	2,997	1,229,000	139,100	372,700	96,380	2,303,000	289,200	381,000	695,100	643,300	259,700	100,430	65,610	98,180	112,050	36,870	2,285
Feb.	52,144	2,985	1,167,000	155,000	503,600	94,180	2,063,000	271,700	372,900	552,000	688,600	232,900	81,510	56,060	90,140	112,610	14,570	2,078
Mar.	56,610	3,445	1,318,000	203,300	567,700	96,620	2,306,000	316,600	397,900	757,800	678,400	325,200	94,430	73,800	100,080	120,140	18,040	2,293
Apr.	51,311	3,098	1,160,000	183,600	574,900	91,300	2,035,000	360,900	598,100	635,200	658,200	232,700	98,130	66,020	109,070	136,030	17,930	2,271
May	56,940	3,222	1,149,000	...	520,100	110,770	1,959,000	496,300	379,600	741,400	618,900	327,700	86,760	66,190	110,220	119,240	22,209	...
June	56,587	...	...	...	...	...	...	...	377,100	...	...	...	...	66,500	...	120,640	...	...

EXPORTS of Domestic Produce—Merchandise Only (000's omitted)

		<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>	<i>m</i>	<i>n</i>	<i>o</i>	<i>p</i>	<i>q</i>	<i>r</i>	<i>s</i>	<i>t</i>	<i>u</i>	<i>v</i>	<i>w</i>	<i>x</i>	<i>y</i>	<i>z</i>		
1913		43,771	...	202,882	...	7,778	...	53,113	...	573,351	...	33,482	...	841,438	...	9,917	...	209,303	...	255,453	...	68,112	...	114,700	...	2,628	...	4,584	...
1928		60,796	3,799	2,557,468	511,271	1,765,475	...	428,282	2,381,227	520,440	967,731	506,250	1,213,253	537,058	165,515	...	208,989	131,222	177,370	66,628	4,280	...	173,871	...	66,628	4,280	...	4,584	...
1929		80,236	...	2,649,000	532,005	1,707,100	134,634	4,178,263	535,111	5,055,278	582,096	1,269,665	660,142	165,786	234,447	151,026	175,737	76,795	4,280	...	...	...	173,871	...	66,628	4,280	...	4,584	...
1930		47,563	3,713	2,172,000	515,928	1,455,036	126,972	3,569,138	430,347	944,020	498,800	1,009,900	565,045	143,240	202,770	129,160	147,292	86,604	2,598	...	...	...	173,871	...	66,628	4,280	...	4,584	...
1931		32,430	3,023	1,922,000	494,514	1,052,193	104,753	2,535,111	372,083	767,160	350,202	850,800	400,081	109,318	156,561	93,534	112,400	67,681	2,139	...	...	...	173,871	...	66,628	4,280	...	4,584	...
1932		30,428	2,150	1,234,968	281,925	611,332	90,171	1,641,103	385,818	473,100	396,610	567,600	254,631	70,511	90,317	78,950	66,751	46,930	2,139	...	...	...	173,871	...	66,628	4,280	...	4,584	...
1933		30,615	1,589	1,173,000	237,200	486,700	95,850	1,536,000	440,700	450,900	448,400	494,900	281,500	60,470	79,970	78,950	71,070	42,230	2,562	...	...	...	173,871	...	66,628	4,280	...	4,584	...
1933-May		30,765	1,582	1,220,496	277,328	464,452	92,667	1,427,970	318,119	421,830	334,655	510,067	244,238	61,134	73,875	85,596	73,915	31,961	2,216	...	...	...	173,871	...	66,628	4,280	...	4,584	...
June		28,466	1,343	1,272,679	231,165	454,279	103,682	1,427,940	587,463	384,486	365,608	*636,269	252,236	62,501	77,700	93,673	68,342	36,542	2,227	...	...	...	173,871	...	66,628	4,280	...	4,584	...
July		29,847	1,377	1,085,555	175,573	496,474	95,081	1,470,800	692,357	385,236	306,187	430,810	270,297	60,337	81,905	99,102	68,547	37,946	2,030	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Aug		39,997	1,603	1,120,759	150,235	443,164	101,946	1,440,117	579,268	412,540	239,465	458,210	267,936	61,741	72,687	103,530	64,474	52,863	1,677	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Sept.		32,226	1,437	1,225,468	264,214	547,790	109,105	1,584,621	565,147	488,338	400,523	517,542	293,324	73,659	83,324	112,622	68,442	51,880	1,677	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Oct.		34,131	1,842	1,205,005	313,705	574,495	102,529	1,682,425	561,089	445,413	371,891	515,800	412,981	62,695	91,012	104,572	77,629	33,950	2,631	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Nov.		34,135	1,982	1,243,000	321,700	562,700	96,900	1,683,000	504,000	394,330	589,800	478,900	403,500	63,220	100,952	113,800	78,699	39,420	3,926	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Dec.		30,430	1,669	1,155,000	246,700	586,700	91,940	1,616,000	443,500	423,800	467,100	*507,200	273,800	52,360	84,020	107,540	75,870	43,910	3,512	...	...	...	173,871	...	66,628	4,280	...	4,584	...
1934-Jan.		31,609	1,360	1,191,000	248,400	394,800	81,590	1,513,000	284,100	349,800	475,100	405,100	232,700	55,680	80,700	89,380	57,070	35,670	3,272	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Feb.		30,060	1,394	1,130,000	171,300	447,000	84,010	1,512,000	282,100	349,800	325,600	410,600	229,200	51,930	68,620	75,750	51,800	21,800	2,750	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Mar.		30,000	1,359	1,140,000	145,100	448,100	84,000	1,512,000	282,100	349,800	325,600	410,600	229,200	51,930	68,620	75,750	51,800	21,800	2,750	...	...	...	173,871	...	66,628	4,280	...	4,584	...
Apr.		30,100	1,279	1,145,000	202,000	550,700	93,900	1,470,000	320,100	315,800	244,200	404,600	263,300	54,320	76,220	92,410	69,960	27,960	2,831	...	...	...	173,871	...	66,628	4,280	...	4,584	...
May		32,759	1,494	1,073,000	177,900	538,600	99,020	1,365,000	440,700	337,400	290,400	438,500	251,900	...	78,100	112,260	68,670	...	2,248	...	...	...	...	...	...	...	...	...	...
June		32,120	...	...	...	...	...	...	...	...	...	...	...	...	81,160	...	66,990	...	...	...	...	...	...	...	...	...	...	...	...

* Including bullion and specie. ^b Since 1922 declared values. ^c Including Danzig. ^d Trade across all frontiers. Exports exclude raw platinum. ^e Until February, 1923, Julian Calendar. ^f Including bullion. ^g Since 1928 declared values. ^h Old Greece only. ⁱ Since May, 1922, figures refer to "Union Economique Belgo-Luxembourgeoise." ^j From April 1, 1923, including trade of Great Britain and Northern Ireland with the Irish Free State, and excluding the direct foreign trade of the Irish Free State. ^k Including parcel post for the half-year.

IMPORTS for Domestic Consumption—Merchandise Only (000's omitted)

Value									Quantity (Metric Tons)									
Period	United States	Australia	British India	Canada	New Zealand	South Africa	Japan	Brazil	Belgium	France	Germany	Greece	Hungary	Netherlands	Poland	Switzerland	Brazil	
Monthly Average	Dollars	£'s	Rupees	Dollars	£'s	£'s	Yen	Milreis										
		<i>£</i>	<i>₹</i>				<i>a</i>	<i>q</i>			<i>d</i>	<i>p</i>	<i>s</i>		<i>j</i>	<i>d</i>	<i>f</i>	
1913.....	147,932	16,355	152,725	54,917	1,785	3,365	60,474	83,958	2,772	3,685	46,069	p 84	...	3,739	...	661	494	
1928.....	339,828	11,685	208,170	101,860	3,661	6,292	177,792	307,916	3,722	4,112	5,500	197	553	2,488	430	667	487	
1929.....	361,547	11,841	208,569	108,249	3,998	5,587	180,710	293,978	3,756	4,955	5,555	231	559	2,582	424	726	509	
1930.....	259,506	7,680	156,632	84,040	3,634	5,095	125,572	195,309	3,519	5,063	4,746	214	407	2,616	298	711	407	
1931.....	174,038	£ 3,403	113,487	52,342	2,156	4,144	100,528	156,745	3,227	4,841	3,397	212	279	2,492	244	757	296	
1932.....	110,420	£ 2,457	110,680	37,718	2,001	2,608	115,300	126,559	2,612	3,971	2,762	198	178	2,049	149	727	278	
1933.....	118,700	£ 4,406	95,620	33,440	3,367	3,961	156,900	180,400	2,548	4,043	2,949	154	148	2,007	196	693	328	
1933—May	109,140	£ 4,004	96,077	32,927	2,040	3,639	176,927	185,194	2,609	4,360	2,762	168	139	1,953	174	672	375	
June	123,931	£ 4,267	85,805	33,619	1,977	3,771	134,368	167,465	2,636	4,005	3,158	156	151	2,050	178	784	306	
July	141,018	£ 4,180	86,228	35,738	1,935	4,019	138,378	176,934	2,511	4,034	3,240	176	157	2,314	213	770	337	
August	146,714	£ 4,618	97,123	38,747	2,071	4,182	128,100	218,307	2,582	3,902	3,280	149	148	2,337	241	749	418	
September	147,599	£ 4,720	86,358	38,698	2,467	4,284	132,100	187,916	2,539	3,918	3,012	155	177	2,240	225	759	304	
October	149,290	£ 4,703	105,450	41,126	2,206	4,302	136,800	188,500	2,612	4,080	3,154	193	196	2,174	252	754	317	
November	125,270	£ 5,122	98,000	43,710	2,099	4,679	167,100	202,300	2,656	3,949	3,149	131	217	2,172	237	676	320	
December	124,320	£ 4,289	90,800	35,370	2,158	4,672	182,200	195,900	2,149	3,971	2,915	164	158	1,919	228	665	296	
1934—January	128,740	£ 4,913	103,700	32,390	2,813	4,776	174,800	163,500	2,369	3,927	2,859	133	147	2,070	207	570	247	
February	125,019	£ 4,732	85,960	33,590	1,921	4,326	174,700	156,800	2,421	3,791	2,997	134	164	1,792	173	576	240	
March	153,000	£ 4,461	105,210	47,500	2,370	5,040	204,800	207,500	2,855	3,051	3,376	182	197	1,887	197	647	480	
April	141,140	£ 4,878	106,910	34,820	2,380	4,772	206,200	186,400	2,663	3,891	3,572	138	207	1,809	208	605	281	
May	146,870	£ 5,111	97,560	52,890	2,288	5,227	220,000	...	2,068	2,815	3,718	160	...	1,872	217	633	...	
June	...	...	...	...	2,295	...	189,500	...	...	...	...	...	...	...	203	767	...	

EXPORTS of Domestic Produce—Merchandise Only (000's omitted)

[illegible]

a General trade. b Sea-borne trade only. c Including ships' stores. d Excluding a few articles shown by number. e Until Feb., 1923, Julian Calendar; excluded articles shown by number. f General trade, gross weight. g Until 1927 fiscal year beginning July 1st. h Including Luxembourg. i Until 1929, excluding live stock; articles shown by number. j Excluding weight of live animals. k Excluding reparation deliveries. m Including gold exports. n 1914. o Since May, 1922, figures refer to "Unio Economique Belgo-Luxembourgeoise." p English currency values. q Provisional figure.

CAPITAL ISSUES.—(000,000's omitted)													
Period	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Roumania	Sweden	Switzerland	United States	Japan
Monthly Average	£	Schilling	Koruna	Francs	Mark	Lire	Gulden	Zloty	Lei	Kronor	Francs	Rupees	Yen
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...	...
1929.....	22.8	8.6	55	1,259	80.2	23	13	...	...	...	...	...	...
1930.....	22.3	4.8	38	1,832	46.6	514	45	17.6	460	21	52	24	205
1931.....	22.3	3.1	42	1,362	65.2	361	20	6.4	210	28	48	27	261
1932.....	15.7	4.9	27	511	12.3	304	31	11.6	37	11	32	33	318
1933.....	20.4	17.9	21	300	7.3	...	...	3.0	47	8	15	...	551
1934.....	...	...	...	...	...	...	...	...	...	...	...	...	...
July-Sept. 1933.....	Dr 0.3	3.0	45	245	6.0	317	12	5.4	13	8	47	19	261
Oct.-Dec. 1933.....	8.7	1.1	16	462	8.0	127	36	26.6	38	7	38	31	478
Jan.-Mar. 1934.....	9.6	2.5	19	256	12.1	179	23	2.1	31	8	22	33	677
Apr.-June 1934.....	27.3	6.7	30	399	6.2	403	4	3.7	86	8	...	29	389
July-Sept. 1934.....	38.7	49.8	14	404	1.1	242	1	0.8	25	6	...	31	578
Oct.-Dec. 1934.....	7.4	12.9	20	139	4.1	292	59	5.3	47	11	9	21	563
1934.....	6.7	9.8	19	358	11.4	152	3	3.0	122	8	50	120	655
Jan.-Mar. 1934.....	25.6	...	...	551	...	...	...	...	...	...	...	...	75
Apr.-June 1934.....	49.5	5.0	12	206	5.1	163	0.3	...	5.0	...	...	...	143
July-Sept. 1934.....	19.7	3.1	4	286	...	...	3	2.0	...	10.6	44	24	737
Oct.-Dec. 1934.....	7.5	...	...	...	...	...	...	...	...	...	...	...	123

Unless otherwise stated, the figures represent authorised share issue of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures. In the case of the Netherlands, Switzerland and the U.K. both bonus shares and conversions are excluded. c Excluding Treasury Bills. d Ex. large railway issues. e "Rivista Bancaria." f Issues exceeding Fls. 100,000 on the Dutch market including Colonial, and since Jan. 1925, foreign issues. g Since 1924, excluding amalgamations and conversions. h Until end 1922 paper mark. i Société de Banque Suisse. j Figures of net amount of new capital paid-up. k Compiled by "Commercial & Financial Chronicle." l Up to 1927, authorised issues, excluding western departments; since 1928 amounts actually issued, whole territory.

UNEMPLOYMENT										
Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.)										
End of Month	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Australia	Canada	United States
1921—June.....	17.8	9.9	16.8	3.0	8.1	20.6	27.7	12.5	13.2	13.2
December.....	16.2	6.6	25.2	1.6	16.6	23.4	33.2	9.5	15.1	15.1
1926—June.....	14.6	0.9	15.6	18.1	5.9	22.6	9.6	6.7	4.1	4.1
December.....	11.9	2.8	32.2	16.7	12.1	27.7	19.0	5.7	5.9	5.9
1927—June.....	8.8	1.4	18.0	6.3	6.0	22.5	9.5	6.4	3.2	3.2
December.....	9.8	3.6	31.6	12.9	14.9	28.0	18.6	8.9	6.6	6.6
1928—June.....	10.7	0.6	13.5	6.2	4.4	14.4	7.6	11.2	3.2	3.2
December.....	11.1	1.9	28.4	16.7	11.5	22.1	17.3	9.9	15.6	15.6
1929—June.....	9.6	0.4	10.0	8.5	2.6	11.3	7.3	10.0	2.9	2.9
December.....	11.1	2.4	22.4	20.1	12.3	18.9	16.9	13.1	11.4	11.4
1930—June.....	15.8	1.9	8.7	19.6	5.5	10.8	8.3	18.5	10.6	10.6
December.....	20.2	9.2	25.1	31.7	18.2	25.5	23.3	23.4	17.0	17.0
1931—June.....	21.8	9.0	11.3	29.7	11.7	...	12.9	27.6	16.3	16.3
December.....	20.9	17.0	32.2	42.2	27.8	27.2	27.1	28.0	21.1	21.1
1932—June.....	22.3	18.7	24.9	43.1	27.2	28.2	19.1	30.0	21.9	21.9
December.....	21.7	18.8	42.8	43.1	34.5	42.4	31.5	28.1	25.6	25.6
1933—June.....	19.5	14.4	21.9	...	27.7	27.2	21.4	25.7	21.8	21.8
December.....	17.6	19.9	37.5	22.6	40.0	39.2	24.5	23.0	21.0	21.0
1934—January.....	18.7	21.5	34.4	20.4	40.1	40.6	24.3	...	21.2	21.2
February.....	18.2	20.3	31.3	22.2	31.8	38.5	24.4	...	20.0	20.0
March.....	17.3	18.8	28.4	15.1	28.5	36.6	21.9	...	19.5	19.5
April.....	16.7	19.4	21.6	14.1	27.1	33.4	19.2	...	19.1	19.1
May.....	16.8	15.8	13.7	28.7	...	...	...	...	18.5	18.5
June.....	16.5	...	15.8	13.4	...	...	...	...	...	...

Number of Workers Covered by Last Returns

Millions..... 12.8 0.8 0.37 5.3 0.6 0.05 0.4 0.4 0.15

* Ex. Irish Free State since March, 1923.

† Workpeople in the coal-mining industry, who ceased work on account of the dispute, are not included in this figure. ‡ Provisional.

BANK RATES													
Period	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Roumania	Sweden	Switzerland	United States	Japan
Monthly Average	£	Schilling	Koruna	Francs	Mark	Lire	Gulden	Zloty	Lei	Kronor	Francs	Rupees	Yen
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...	...
1929.....	22.8	8.6	55	1,259	80.2	23	13	...	...	...	...	...	...
1930.....	22.3	4.8	38	1,832	46.6	514	45	17.6	460	21	52	24	205
1931.....	22.3	3.1	42	1,362	65.2	361	20	6.4	210	28	48	27	261
1932.....	15.7	4.9	27	511	12.3	304	31	11.6	37	11	32	33	318
1933.....	20.4	17.9	21	300	7.3	...	...	3.0	47	8	15	...	551
1934.....	...	...	...	...	...	...	...	...	...	...	...	...	...
July-Sept. 1933.....	Dr 0.3	3.0	45	245	6.0	317	12	5.4	13	8	47	19	261
Oct.-Dec. 1933.....	8.7	1.1	16	462	8.0	127	36	26.6	38	7	38	31	478
Jan.-Mar. 1934.....	9.6	2.5	19	256	12.1	179	23	2.1	31	8	22	33	677
Apr.-June 1934.....	27.3	6.7	30	399	6.2	403	4	3.7	86	8	...	29	389
July-Sept. 1934.....	38.7	49.8	14	404	1.1	242	1	0.8	25	6	...	31	578
Oct.-Dec. 1934.....	7.4	12.9	20	139	4.1	292	59	5.3	47	11	9	21	563
1934.....	6.7	9.8	19	358	11.4	152	3	3.0	122	8	50	120	655
Jan.-Mar. 1934.....	25.6	...	...	551	...	...	...	...	...	...	...	...	75
Apr.-June 1934.....	49.5	5.0	12	206	5.1	163	0.3	...	5.0	...	...	...	143
July-Sept. 1934.....	19.7	3.1	4	286	...	...	3	2.0	...	10.6	44	24	737
Oct.-Dec. 1934.....	7.5	...	...	...	...	...	...	...	...	...	...	...	123

LONDON BANKERS' CLEARING RETURNS													
Period	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Roumania	Sweden	Switzerland	United States	Japan
Monthly Average	£	Schilling	Koruna	Francs	Mark	Lire	Gulden	Zloty	Lei	Kronor	Francs	Rupees	Yen
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...	...
1929.....	22.8	8.6	55	1,259	80.2	23	13	...	...	...	...	...	...
1930.....	22.3	4.8	38	1,832	46.6	514	45	17.6	460	21	52	24	205
1931.....	22.3	3.1	42	1,362	65.2	361	20	6.4	210	28	48	27	261
1932.....	15.7	4.9	27	511	12.3	304	31	11.6	37	11	32	33	318
1933.....	20.4	17.9	21	300	7.3	...	...	3.0	47	8	15	...	551
1934.....	...	...	...	...	...	...	...	...	...	...	...	...	...
July-Sept. 1933.....	Dr 0.3	3.0	45	245	6.0	317	12	5.4	13	8	47	19	261
Oct.-Dec. 1933.....	8.7	1.1	16	462	8.0	127	36	26.6	38	7	38	31	478
Jan.-Mar. 1934.....	9.6	2.5	19	256	12.1	179	23	2.1	31	8	22	33	677
Apr.-June 1934.....	27.3	6.7	30	399	6.2	403	4	3.7	86	8	...	29	389
July-Sept. 1934.....	38.7	49.8	14	404	1.1	242	1	0.8	25	6	...	31	578
Oct.-Dec. 1934.....	7.4	12.9	20	139	4.1	292	59	5.3	47	11	9	21	563
1934.....	6.7	9.8	19	358	11.4	152	3	3.0	122	8	50	120	655
Jan.-Mar. 1934.....	25.6	...	...	551	...	...	...	...	...	...	...	...	75
Apr.-June 1934.....	49.5	5.0	12	206	5.1	163	0.3	...	5.0	...	...	...	143
July-Sept. 1934.....	19.7	3.1	4	286	...	...	3	2.0	...	10.6	44	24	737
Oct.-Dec. 1934.....	7.5	...	...	...	...	...	...	...	...	...	...	...	123

U.K. IMPORT			
	Food		Raw Ma
	Imports	Exports	Imports
Monthly Average	£		
1913	24.2	2.7	23.5
1929	44.7	4.6	28.3
1930	39.8	4.0	20.9
1931	34.8	3.0	14.5
1932	31.1	2.7	13.7
1933	28.4	2.4	15.0
1933—November	32.0	3.2	17.0
1934—December	30.3	2.4	18.9
1934—January	29.1	2.6	21.3
1934—February	25.6	2.6	18.2
1934—March	28.7	2.3	18.2
1934—April	25.5	2.3	17.1
1934—May	29.6	2.4	16.9
1934—June	29.4	2.4	16.9

HOME INDUSTRIES AND TRADE

The following reports on British industry cover, in most cases, the period to the middle of August; in the remainder they relate to the month of July.

COAL

The Board of Trade figures for employment in coal mining continued to decline until the first week in August. But since these take no account of the number of shifts worked per week, they may present an unduly pessimistic picture; for the percentage of insured workers unemployed on July 23rd (Ministry of Labour figure) was smaller than a month earlier, while the curve of output turned upwards about the middle of last month. Exports, which have been hampered by the reduction in the French import quota and by exchange restrictions in Germany, were 178,000 tons less during July than in the previous month, although they were 108,000 tons above the corresponding figure last year. Trade in washed fuels continues strong and the industrial offtake is reported to be fair, while demand for domestic fuel, which had been very poor, is beginning to expand.

IRON AND STEEL

Employment in the pig iron industry showed little change during July, but output continued to expand and is stated to have been well absorbed. The number of furnaces in blast at the end of the month was 99, or one less than a month earlier. In the iron and steel industry employment showed a trifling increase and a further improvement occurred in the tinplate and sheet steel branches. The production of crude steel is practically stationary. Exports of iron and steel manufactures, although well up on last year, were about 3 per cent. smaller in July than in the previous month. Holiday influences continued until well into August, but the recession has not been so marked as in previous years; it is anticipated that buying on a fairly substantial scale will develop within the next few weeks, for stocks are now probably very low.

ENGINEERING

Taken as a whole, the engineering trades appear to have shown a slight further improvement during the month of July. In general and electrical engineering employment continued to increase, while an expansion was also registered in marine engineering, although unemployment here still remains at a high level. In constructional engineering and in motor vehicle manufacture there was a decline during the month, partly owing to seasonal influences. Nevertheless, exports of machines were appreciably larger than in the month of June. Conditions are fairly favourable in Scotland, and a number of general engineering contracts have recently been secured, with some additional work for shipyards; a Glasgow firm is reported to be making preparations for the manufacture of electrodes for electric welding. Marine engineers at Birkenhead are busier, and annual holidays have been curtailed. An improvement has also been noted in the heavy sections of the Sheffield steel industry.

MOTOR INDUSTRY

Despite a certain seasonal slackness reports concerning the motor industry are favourable and production is well maintained. Manufacturers are now chiefly concerned with new models, which have so far been well received. The Chancellor's reduction in the horsepower tax is being taken advantage of and there is a tendency to increase the capacity of engines in new models. Exports of motor vehicles and chassis during July were substantially larger than in the previous month. The total number of motor vehicles of all kinds registered for the first time during June was 27,972, against 35,051 in May. This is, however, less than the normal seasonal reduction.

ELECTRICITY

INDEX OF GENERATION OF ELECTRICITY*
(Great Britain, excluding London and Wales)
(Monthly Average, 1923-24 = 100)

Year	Index	(t)
1926	119	89.0
1927	146	102.2
1928	156	101.8
1929	171	102.2
1930	167	93.1
1931	171	90.5
1932	181	87.5
1933	199	87.4
1933—July	164	86.0
August	168	89.0
September	183	88.0
October	211	90.0
November	233	91.0
December	260	95.0
1934—January	240	93.5
February	238	94.0
March	242	96.5
April	219	98.0
May	216	100.5
June	200	100.0
July	191	99.0

* Prepared by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association.
† Corrected for seasonal fluctuations, for the increase in electrification (trend), and for connections to the "grid."

ELECTRICAL INDUSTRY

The increase in the index of home orders received by the electrical manufacturing industry in July is largely due to contracts placed by the C.E.B. The increase in export orders is unlikely to be fully maintained, but, on the whole, the outlook is good.

INDEX OF NEW ORDERS RECEIVED BY HEAVY ELECTRICAL MANUFACTURING INDUSTRY*
(1920 = 100)

Period	Home	Export	Total
1926—July	80	79	80
1927	93	231	126
1928	71	80	74
1929	90	151	106
1930	55	232	100
1931	62	142	80
1932	52	72	52
1933—July	56	86	62
August	52	89	61
September	51	93	62
October	51	92	62
November	51	96	64
December	40	100	57
1934—January	40	104	58
February	42	109	61
March	41	101	58
April	45	104	62
May	47	112	67
June	47	119	70
July	56	123	77

* Copyright of the British Electrical and Allied Manufacturers' Association.
The above index is a 12-month moving average of new orders received by the heavy plant section of the industry. It is based on the horse-power and not on the value of orders.

CHEMICAL INDUSTRY

Trade was fairly active during July and, although the price of iodides was reduced, most quotations were well maintained. Business in pharmaceutical products was fair, while in the industrial chemicals sections the best items were oxalic and formic acids, formaldehyde, acetone and ammonium chloride; barium chloride, lithopone, sodium chlorate and arsenic were, however, dull. Wood distillation products are steady at unchanged rates, and there is a good demand for charcoal. Coal tar products have been rather quiet, but a good business continues in creosote oil and cresylic acid. There was an improvement in the demand for coal tar pitch towards the end of the month. Exports of chemicals, drugs, dyes and colours showed an increase of £105,160 over last July, while imports were greater by £130,940.

COTTON

Business has been unsatisfactory during the past month. The estimate of 9,195,000 bales for the American cotton crop was the lowest for thirty years and led to an advance of about 1d. per lb. in prices, but liquidation by "longs" subsequently caused this rise to be lost. Demand from the trade is slow and world consumption of American cotton is lower than for some time back. Orders for piece goods have been small. A fairly persistent demand has been experienced for India, but only isolated transactions have been reported for China and the minor outlets of the Far East. Shippers to Egypt and the Near East have provided a moderate turnover, chiefly in bleaching categories. Demand from Central and South America has been irregular and very little has been done for the Continent. Makers of heavy goods for Australia have been concerned at the rise in the tariff, while home trade buying has been unimportant. Yarn quotations have been more irregular, and only a restricted business has been done in American counts for home use. In the Egyptian section, Germany's system of import restrictions and default on yarns already delivered have been the important factors; and spinners have decided to withhold deliveries of yarn pending a settlement of past debts. The percentage of spinning spindles in full production on July 31st was 73, against 77 a month earlier.

WOOL

Employment in the wool textile industry suffered a further reduction during July—the worsted section being chiefly affected—to below the level of a year ago. Imports of raw wool were heavily reduced last month, but exports of yarns and tissues showed an improvement over June. At the beginning of August a number of factors tending to depress raw wool prices appeared. Exporters were encountering difficulties in Germany, Italy and France; while the carry-over in the main producing areas showed an excess of more than 70,000 bales over the previous year's figure. Australian selling interests have provisionally decided to restrict their offers before Christmas to 1,350,000 bales, and it is thought that this has exerted a steadying effect on prices here. The Brisbane wool sales opened on August 20th in fairly favourable circumstances, with quotations showing a slight advance over recent rates. Latest reports from Bradford indicate that the demand for merino tops is now improving somewhat.

JUTE

The rise in the price of raw jute continued during July and the first half of August, and buyers were reported to be more active than of late. More interest is now being taken in jute manufactures, hessians being the brightest spot in the Dundee cloth market. Calcutta prices have been advanced appreciably.

RAYON

The last month has seen many changes and the outlook is now much brighter. Demand for most classes of yarns and fabrics has broadened out considerably, and the outlook for the autumn trade is distinctly encouraging. The announcement of the dates when the Excise duty drawback expires is giving an added fillip to the export trade. Home trade continues very good.

LINEN

Prices of all classes of raw flax and tow continue to move against consumers and Russian fibre is quite beyond the reach of U.K. spinners. As this source constitutes 80 per cent. of world supplies, its influence dominates the markets. It is stated that new crop Soviet fibre has been sold to Mid-European mills at current rates, for November-December delivery. Under these circumstances, spinners are not disposed to sell their production ahead of actual cover. Cloth manufacturers for the same reasons have been unable to accept new business except at advanced prices, which buyers for both home and foreign markets declare they cannot obtain.

BOOTS AND SHOES

Partly for seasonal reasons, and especially the continuance of fine weather, employment declined by about 4 per cent. during July and there was a considerable increase in the amount of short time worked; the position was worse than at the same time last year. Since the holidays, however, demand has improved and it is reported from Northampton that most factories will be running on full time for some weeks.

AGRICULTURE

According to an official report, the corn harvest had commenced before the end of July, and it is estimated that the yield of wheat will be above, but that of barley and oats below, the ten years' average. Present appearances indicate that the yield of main crop potatoes and of other root crops may be a little below average. The yield of both seeds and meadow hay is estimated to be under average, but the condition and quality of the greater part of the crop is good. The yield of hops is expected to be about average. In spite of the shortage of keep, cattle have done moderately well where a sufficient water supply has been available, and sheep are

in very fair condition. Milk yields are falling more quickly than usual.

SHIPPING

Although shipping is still depressed, the *Economist* index of whole cargo shipping freights (1898-1913=100) rose by 1.8 points to 85.3 during July, following a slight increase in the previous month. There is a steady demand for outward coal tonnage, but the North American trade is disappointing and the coastwise market inactive.

BUILDING

Employment in the building trades as a whole declined slightly during July, but an analysis of the Ministry of Labour's figures shows that the setback was chiefly among painters and "other occupations" rather than in those branches directly concerned with new building. The recession was of slightly larger proportions than the normal seasonal movement, but it must be remembered that the seasonal reduction in June was smaller than usual this year. Returns from the 142 urban authorities (excluding the L.C.C.), with a total population of over 17 millions, show that the value of building plans approved during July was substantially less than in the previous month, the figures being £8,720,000 and £9,364,000 respectively; dwelling houses accounted for 71 per cent. of this total. While some reduction in activity may, therefore, be expected in the immediate future, the outlook for the autumn is not regarded as unfavourable.

RETAIL TRADE

Despite the normal summer-holiday recession, retail sales have generally been good, and, although official statistics are not available at the time of writing, the improvement noted a month ago appears to have been maintained. Several important London stores report that business has shown an increase during the last few weeks, and summer sales have been successful.

HOME TRADE STATISTICS—JULY, 1934

	June, 1934	July, 1934	Compared with July, '33	June, 1934	July, 1934	Compared with July, '33
UNEMPLOYMENT— (State Insurance %)	16.5	16.8	— 2.7	121.8	122.5	+ 0.6
PRODUCTION—						
Coal (million tons)*	4.0	3.8	+ 0.1			
Iron (thous. ")	514.9	527.2	+ 183.3			
Steel (" ")	757.5	718.2	+ 150.7			
FOREIGN TRADE—						
Imports (million £'s)	61.2	58.0	+ 4.3			
Re-exports (" ")	4.3	4.1	— 0.2			
British Exports (" ")	32.1	33.2	+ 3.3			
TRANSPORT—						
Railway Receipts (thous. £'s)*	2,814	3,077	+ 82			
Shipping Freights (av. level) ¹	72.0	73.3	+ 0.8			
COMMODITY PRICES (av. level) ¹	65.3	66.2	+ 0.9			
TRADE DISPUTES (thous. working days loss)	102	114	+ 47			
SECURITY VALUES (av. level) ¹						
FINANCIAL DATA—						
Bank of England Notes (Mill. £'s)*	379	385	+ 7			
Bank Deposits (" ")	1,870	1,871	— 102			
Bank Advances (" ")	757	759	— 8			
Banks' Cash Ratio (%)	10.7	11.2	+ 0.8			
Bank Clearings:						
London (million £'s)*	623	681	+ 98			
Manchester (" ")	9.2	9.6	+ 0.3			
Three Months' Bank Drafts (Discount Rate %)	3½	7½	+ ½			
Day-to-Day Loans (%)	1½	1½	+ ½			

(¹) 1913 = 100. (²) *Economist* Index No., 1927 = 100.

(³) *Bankers' Magazine* Index No. of 365 securities; December, 1921 = 100. (⁴) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.

* Average weekly figures.

INDICES OF BUSINESS ACTIVITY*

Monthly Average of 1924 = 100

Period	Employment				Consumption of Power		Merchandise on Railways	Postal Receipts	Motor Vehicle Registrations	Building Activity	Consumption of		Foreign Trade			Bank Clearings		Complete Index		
	All Trades	Heavy Trades	General Industry	Distributive Trades, &c.	Coal	Electricity					Iron and Steel	Cotton	Imports of Raw Materials	Imports of Non-ferrous Metals	Exports of British Manufactures	Movements of Shipping	Provincial	London	Monthly Index	Three Months' Moving Average
1929	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1930	102	84	108	112	95	111	95	115	118	103	103	101	121	108	111	99	131	110.0	...	
1931	107	77	101	112	96	103	87	118	145	141	105	75	101	87	109	91	140	105.9	...	
1931	99	65	96	114	90	102	78	116	130	132	85	76	91	108	64	101	147	108.1	...	
1932	98	60	96	115	87	103	61	116	137	123	57	85	97	93	65	100	97	120	95.8	
1933	102	61	101	119	82	106	60	118	159	173	53	91	105	85	67	102	99	122	99.7	
1932—January	98	65	96	113	84	105	63	(a)	(a)	(a)	71	92	(a)	(a)	(a)	(a)	(a)	(a)	(b)	
February	98	64	96	114	88	104	66	119	131	119	89	89	104	106	63	111	89	98	94.4	
March	100	65	99	115	86	105	60	115	127	110	63	94	110	107	68	97	94	127	96.3	
April	99	61	98	115	82	102	65	118	129	127	59	104	96	103	80	103	97	114	97.7	
May	98	61	96	116	85	100	57	115	114	126	65	80	94	86	63	94	95	122	98.3	
June	98	56	96	117	87	98	63	113	129	150	61	86	113	86	70	104	97	127	98.5	
July	97	55	95	117	73	103	57	115	126	117	52	85	96	80	63	98	111	148	95.1	
August	97	54	95	117	82	99	59	113	138	122	41	87	111	89	62	98	101	121	94.2	
September	97	56	96	118	87	102	60	116	154	127	50	72	101	84	60	101	96	112	94.5	
October	99	59	97	116	85	108	57	113	154	147	59	75	82	98	62	93	101	120	96.0	
November	98	59	97	115	90	107	61	115	155	156	27	75	88	97	63	97	96	115	95.5	
December	99	62	97	116	94	106	57	118	161	168	37	86	87	86	68	99	94	133	98.5	
1933—January	97	62	94	115	86	111	55	120	138	174	40	78	82	83	63	100	98	119	95.5	
February	98	62	95	115	87	107	55	119	130	154	43	96	94	75	62	104	99	123	95.9	
March	99	61	97	116	88	101	60	118	154	164	56	79	104	73	71	103	94	125	98.4	
April	100	59	98	118	76	104	55	118	148	148	53	101	94	87	64	101	96	123	95.6	
May	101	57	100	119	82	102	63	119	156	184	48	95	109	87	66	100	98	133	99.3	
June	102	59	102	120	84	103	61	117	165	170	52	86	113	94	68	103	98	133	100.0	
July	102	58	102	120	71	111	60	115	154	174	49	98	119	82	62	100	105	124	99.5	
August	103	58	102	121	79	108	63	115	172	197	58	108	145	88	66	105	97	119	103.7	
September	104	62	104	120	80	110	63	116	163	187	57	104	124	85	73	107	100	124	103.3	
October	104	62	105	120	82	110	61	117	161	163	52	82	96	85	71	98	105	125	100.4	
November	104	63	105	120	88	99	64	117	181	191	56	101	108	94	72	104	108	122	104.3	
December	105	66	104	121	89	103	60	123	196	188	67	84	99	91	65	102	95	131	104.0	
1934—January	104	68	103	119	95	103	65	123	205	203	87	98	107	104	69	108	107	138	109.4	
February	104	68	104	120	85	109	60	122	214	193	85	87	113	104	67	109	99	152	108.7	
March	105	67	105	121	89	117	62	121	199	193	98	88	110	111	72	108	102	140	109.2	
April	106	68	106	122	88	117	61	121	171	192	97	84	111	118	71	109	99	139	107.6	
May	107	65	107	123	80	123	c63	117	184	191	96	83	108	111	69	103	96	117	106.2	
June	107	62	107	124	85	124	...	118	200	226	84	97	135	119	76	109	102	122	111.1	
July	106	63	105	124	75	126	...	117	...	c197	95	93	c129	115	c71	100	118	110.8		

STATE OF TRADE OVERSEAS

BRITISH EMPIRE

Trade reports from the Empire are encouraging. Australia's Budget surplus of £1,300,000 reported on July 24th, coincided with a slight upturn in wool prices after their long decline. Japan is taking more Australian wool, as a result of Mr Latham's "good-taking more" to Tokio. July rains improved the outlook for wheat, and the rise in world wheat prices is likely to prove a boon to Australia, as she will have to carry over 58 million bushels into 1934-35. Building and constructional industries are active; retail trade is at its normal winter level; and there is growing activity in the West Australian goldfield. Canada expects a much greater farmers' income from now on, owing to more favourable wheat prospects than in the United States, where the drought has been disastrous. The United States is expected to import duty-free fodder, and perhaps cheap grain, from Canada, for drought relief. Canadian steel and heavy industries, as well as building, coal and gold mining, are active, thus counterbalancing the seasonal decline in other industries; and foreign trade shows a greater favourable balance than in the first half of 1933. Railway traffic and earnings have increased considerably; and employment is generally good. The share of the Empire in Canada's trade continues to increase, offsetting the decline in trade with the European continent. In South Africa, too, constructional activity is maintained; railway earnings show an increase over estimates; retail trade is good; and the value of gold output is still rising, though the volume is slightly below June and July of last year. The low wool quotations have caused a congestion of wool stocks; but the wholesale price level is steady, and business prospects are favourable. Higher prices of meat and dairy produce, coupled with the exchange premium, have improved New Zealand's prospects.

EUROPE

France.—Nearly all indices available for France in July revealed a further decline in business. Estimates of the total number of unemployed are well above the million mark. The number of railway wagons loaded showed a further decline; while railway receipts, except for the usual rise in the week of July 14 (public holiday), remained low. The general index of wholesale prices fell from 363 on July 7th to 361 on July 28th; but the wholesale price indices of minerals, metals, industrial raw materials and textiles rose slightly during the month. Industrial production, which rose sharply between July, 1932, and July of last year, is still declining; textiles in the North are particularly hard hit; statistics of business failures were a little lower in July than in June, but they are still considerable. Retail trade is weak. Imports have been cut down by new quota measures; exports are being fairly well maintained at a level slightly below the corresponding period last year; but they are below the monthly average for 1933.

Germany.—Economic developments in Germany in July were overshadowed by the difficulties of importing raw materials. The textile industry was virtually controlled; imports of yarns, etc., were rationed; and the extent of capacity workable by individual mills was fixed. Stocks were thought to be fairly heavy, but rationing was applied to iron, steel, ore, alloys, etc., and a control board was set up; rubber was rationed earlier, and the rationing system was extended to non-ferrous metals in early August, and control boards were set up. A decrease in unemployment of only 54,000 was recorded in July from the June figure, against a decrease last year of 240,000. The heavy trades did fairly well in July. Exports in July fell by 17 per cent. (at Rm. 321 millions), a much greater than seasonal decline. Imports were, naturally, very much lower: imports of foodstuffs rose by 17 per cent., but those of raw materials declined more than seasonally by 10 per cent. Emergency economic measures—e.g. the ordering of a reduction of 30 per cent. in the hours worked in the textile industry—obscure the trend of business; but there is little doubt that the reaction of business to the stimulus of cheap money by the Reichsbank's rediscounting of "work-creation" bills, and to the Government's "work-creation" programme for roads and construction, has flagged. Wholesale prices continue the upward trend of the last year. This applies to manufactures as well as to foodstuffs, though the rise in the prices of the latter is much steeper. Retail trade in June was good, and this has apparently been maintained in July. The total cost-of-living index of the *Konjunktur Institut*, however, has risen from 120.3 in May to 122.9 in July (1913=100); while the same institute's index of retail food prices rose from 113.3 in May to 117.8 in July.

Scandinavia.—Business in Sweden is still expanding, thanks to the Government's "forward" economic programme. Unemployment reached its lowest point at the end of June. Foreign trade is improving, especially in exports of machinery and of timber, pulp and paper, and iron ore. The Government's policy has developed the home market and the consumption industries to a very great extent since January. In Denmark, rising prices of meat and dairy produce are benefiting farmers; but the general economic position has changed little since our last report. In Norway, industrial production has increased with exports, but imports have decreased. Unemployment has declined.

UNITED STATES OF AMERICA

The summer recession in business activity went beyond all expectations in July owing in the main to the effects of the drought in the Middle-West. The wheat harvest will be about half the normal, pre-crisis figure. The cotton crop is the lowest for thirty years. The cost of living is rising fast, and demands for increased wages are being made. Labour disputes are threatened

in the aluminium and textile industries—in the latter affecting almost a million workers. Rail traffic is below expectations; steel capacity worked is back at 22-25 per cent.; and business, though not as badly hit as the steel industry, certainly slumped in July, as a result of rising costs and regulated prices. The automobile industry is less active. There has been general dullness on the Stock Exchange. Business is hesitant, waiting for the autumn trade indication and the Congressional elections. Inflationary demands are being voiced again, and there is much talk of revising N.R.A., but the President's silence as to any new economic measures, and his declaration in Wisconsin that he does not intend to return to "the ancient law of tooth and claw," has only increased the general uncertainty about America's economic prospects.

AMERICAN TRADE STATISTICS—JULY, 1934

	June, 1934	July, 1934	Compared with July, '33
EMPLOYMENT—(1923-25 = 100)†	81.4	...	...
PRODUCTION—			
Bituminous coal (Thous. tons).....	26,430	24,897	- 4,560
Pig-iron { " " }.....	1,930	1,225	- 594
Steel { " " }.....	3,016	1,473	- 1,731
Steel Corporation—shipments (Thous. tons).....	985	370	...
Building permits (Thous. \$).....	28,561	33,892	+ 4,407
CONSUMPTION OF ELECTRIC ENERGY (1923-25 = 100).....	107.2	...	...
FOREIGN TRADE—			
Imports (Thous. \$).....	136,082	...	...
Exports (" ").....	170,574	...	...
TRANSPORT—			
Monthly average of weekly car loadings (Thous. cars).....	615	586	+ 33
SECURITIES—			
30 industrial stocks—			
Highest quotations†.....	101.11	99.02	- 9.65
Lowest quotations†.....	90.85	85.51	- 2.91
Thous. shares sold during month— (New York).....	16,802	21,116	- 99,155
New securities issued (Thous. \$).....	294,068	332,290	+ 260,858
BANK DEBITS—			
New York (Million \$).....	15,388	17,499	...
Other cities (" ").....	14,754	17,558	...
RETAIL BUSINESS—			
Total sales, mail order houses‡ (Thous. \$).....	44,627	39,852*	+ 4,712

* Preliminary estimates made by Messrs. Moody, subject to revision. † Federal Reserve Board Index of Factory Employment. ‡ Closing prices. § Partly estimated.

LATIN AMERICA

It is too early to gauge the prospects for fine cereals in Argentina, but the crops already above the ground are in good condition. In view of increased export demand, the carry-over of maize should not be heavy. The recent substantial advance in grain prices in Buenos Aires should be reflected in favourable returns of the export trade; the total value of exports in the first half of 1934 was nearly 20 per cent. higher than last year, and the export surplus 30 per cent. higher, at 212 million paper pesos. Exchange has been stabilised officially at 15 paper pesos per £ sterling since January last, and the "tender" and "free" market rates have been distinctly firm during the past month, with the margin between them steadily lessening. The improvement in the Brazilian situation also continues; increased freedom is being permitted in exchange operations, and the value of the milreis in the "free" market is higher than a month ago. The estimated coffee crop for 1934-35 is only 14 million bags, against nearly 30 million last year, whilst the export demand is again expanding and prices advancing. Constitutional Government was restored by the election of President Vargas last month. A steady recovery is proceeding in Chilean conditions, and the "export" rate is maintained at around 127 pesos per £ sterling. Peruvian trade is more active, and the exchange is benefiting from the rise in cotton prices. Following the floods, fine weather conditions have been restored in Central America, and coffee crop prospects have improved, especially in Guatemala.

THE FAR EAST

The outstanding feature of Far Eastern trade is still the economic progress of Japan. Japan's import surplus for the period January to July of this year shows a decrease of about 14 per cent., at 145 million yen, from the figure last year. An export surplus of 9 million yen emerged in July, which is about half of the export surplus for July, 1933. Business in July was fairly well maintained; but the quota restrictions in the British and Dutch colonies damped down the Japanese textile, china and porcelain industries. Despite a decrease in the spring cocoon output, the raw silk trade was dull; cotton yarn output was maintained, but prices weakened. Cereal harvests are larger than last year. The index of wholesale prices in Tokyo was 174.1 in July, against 182.1 in July last year; but retail prices are rising. Heavy industry is doing well, largely on Government contracts. The Stock Exchange has been definitely weaker. The trade of China remains stagnant. The drain of silver from the interior for export at higher world prices continues, with deflationary effects on Chinese prices of agricultural produce. China's grain and rice harvests are deficient, and she will probably be an importer of wheat during 1934-35.

PRODUCTION (Thousands of Metric Tons)

COAL														LIGNITE		
Period Monthly Average	United Kingdom	Belgium	Czechoslovakia	France	Germany	Nether- lands	Poland	U.S.S.R.	Canada	South Africa	India	Japan	United States	Czechoslovakia	Germany	Hun- gary
	<i>d</i>		<i>k</i>		<i>g</i>					<i>f</i>	<i>g</i>			<i>h</i>	<i>g</i>	
1913.....	24,337	1,903	1,189	3,338	15,842	156	748	...	1,037	665	1,311	1,776	43,088	1,927	7,269	460
1929.....	21,837	2,244	1,377	4,486	13,620	965	3,853	3,472	1,023	1,052	1,893	2,855	46,026	1,880	14,598	587
1930.....	20,650	2,284	1,203	4,490	11,891	m1,018	3,127	3,921	864	991	1,927	2,615	40,590	1,602	12,159	515
1931.....	18,582	2,253	1,092	4,167	9,887	m1,075	3,189	4,462	706	880	1,752	2,332	33,395	1,494	11,109	509
1932.....	17,717	1,735	921	3,856	8,728	m1,063	2,403	5,211	625	805	1,580	2,338	27,183	1,288	10,218	494
1933.....	17,525	2,107	886	3,905	9,160	m1,048	2,278	6,184	639	872	1,526	2,504	28,528	1,260	10,566	492
1933—July.....	15,325	1,995	832	3,745	9,104	1,045	2,106	6,265	558	941	1,276	2,402	30,081	1,080	9,925	367
August.....	15,674	2,033	844	3,810	9,354	1,071	2,200	6,322	694	958	1,472	2,340	34,741	1,151	10,456	387
September.....	16,856	2,058	907	3,872	9,367	1,045	2,425	6,434	725	898	1,447	2,423	31,235	1,266	10,721	543
October.....	18,404	2,139	997	3,987	9,796	1,053	2,765	6,827	917	898	1,452	2,702	31,177	1,411	10,880	651
November.....	19,193	2,187	1,028	3,951	9,994	1,047	2,933	6,322	830	900	1,454	2,829	31,970	1,456	12,174	641
December.....	18,953	2,168	1,000	4,051	9,915	1,020	2,784	6,371	696	860	1,640	2,976	30,866	1,506	12,927	715
1934—January.....	21,091	2,306	943	4,325	10,593	1,070	2,673	7,505	755	932	1,572	2,781	35,417	1,320	12,168	649
February.....	19,045	2,039	838	3,922	9,778	974	2,222	6,683	664	832	1,758	2,744	34,539	1,283	10,965	549
March.....	20,490	2,404	896	4,229	10,385	1,070	2,301	7,352	712	952	1,831	3,162	40,650	1,282	10,753	472
April.....	18,290	2,176	756	3,896	9,700	958	2,095	7,387	638	924	1,732	2,821	30,561	1,182	9,871	390
May.....	18,076	2,124	812	3,893	9,512	1,002	1,996	7,058	843	1,038	1,832	2,873	30,255	1,105	10,469	408
June.....	16,889	2,213	817	3,904	9,853	992	2,100	7,426	826	1,019	1,663	...	27,773	1,095	11,508	...
July.....	16,208†	...	...	...	...	...	...	7,572	...	...	...	...	26,278	...	...	...

PIG IRON

Period	PIG IRON										STEEL					
	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	Canada
Monthly Average																
1913.....	869	419	434	114	1,397	61	...	85	2,601	649	307	391	159	1,467	62	88
1929.....	643	583	864	175	1,117	41	2,322	92	3,580	816	569	808	184	1,354	60	117
1930.....	318	440	683	126	505	32	405	36	1,547	618	471	787	161	962	52	88
1931.....	303	395	462	112	328	22	521	12	735	445	397	470	122	479	44	29
1932.....	349	386	527	133	439	27	597	19	1,119	593	383	544	139	632	53	35
1933—July.....	349	379	570	138	440	25	667	32	1,821	577	360	581	153	641	49	50
August.....	365	349	538	138	437	24	635	36	1,863	550	356	565	152	706	63	49
September.....	379	363	537	153	492	23	686	27	1,378	679	330	527	162	715	60	49
October.....	381	360	509	138	510	35	682	30	1,103	706	349	488	142	725	75	44
November.....	418	374	522	130	534	37	662	39	1,201	680	354	498	129	731	58	40
December.....	448	378	526	141	543	36	735	31	1,235	722	377	518	154	817	56	62
1934—January.....	421	356	474	138	550	38	709	12	1,284	719	351	478	145	823	65	59
February.....	504	406	503	153	697	39	854	28	1,755	728	403	501	160	977	70	74
March.....	536	419	527	150	737	50	886	39	2,076	793	418	533	155	989	85	73
April.....	524	408	509	152	718	40	896	38	1,961	760	418	512	173	1,003	58	65
May.....	537	...	...	...	767	...	923	...	1,244	733	...	...	...	1,036	...	...
June.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
July.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

a Figures for Luxembourg communicated by the "Groupement des Industries Sidérurgiques." b Including ferro alloys. c Excluding castings. d Saleable coal, since end 1921, excluding Ireland. e British Provinces only. f Establishments whose production in 1933 amounted to 99-39% of the total. g Excluding Luxembourg. Since 1922, excluding Polish Upper Silesia. h Coal sold. i Until end 1928 saleable coal. j Including coal waste. k Provisional figure.

WHOLESALE PRICES

Monthly Average	U.K.		Belgium	Czechoslovakia	Denmark	France	Germany (Official)	Holland	Italy (Bachi)	Norway	Poland	Spain	Sweden	Switzerland	Australia	British India	Canada	South Africa
	Board of Trade	Economist																
1913	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1929	136.5	127.2	851	924	150	627	137.2	142	446	a149	99.3	167.7	140	141.2	165.7	141	149.4	116.0
1930	119.5	108.8	744	g118.6	130	554	124.6	117	388	a149	85.5	167.0	122	126.5	146.7	117	135.3	102.6
1931	104.1	89.3	626	107.9	114	502	110.9	97	328	a122	74.6	168.8	111	109.7	131.3	96	112.6	99.5
1932	101.6	86.1	532	99.7	117	427	96.5	79	304	a122	65.5	166.7	109	96.0	129.7	91	104.2	91.5
1933	100.9	88.9	501	96.2	125	398	93.3	74	280	122	59.1	159.1	107	91.0	129.5	87	104.9	91.5
1933—July	102.3	89.9	506	97.4	125	401	93.9	73	278	121	a c	a b	108	91.7	133.7	91	110.1	95.3
August	102.5	89.7	501	96.5	126	397	94.2	73	278	122	57.9	157.9	108	90.9	134.6	89	108.4	...
September	103.0	89.5	496	96.2	128	397	94.9	75	276	123	58.1	158.4	109	90.8	136.1	88	107.6	...
October	102.6	88.1	489	95.7	128	397	95.7	75	274	123	57.9	157.9	109	90.7	132.8	88	106.1	93.1
November	102.8	88.8	485	95.0	128	403	96.0	76	273	123	57.6	156.7	110	91.0	130.0	88	107.3	...
December	102.8	88.0	484	94.6	128	405	96.8	79	276	120	57.8	161.9	110	91.3	130.2	89	107.8	...
1934—January	104.6	90.4	484	94.3	130	405	96.8	79	276	120	57.8	164.4	112	91.8	133.9	90	110.3	106.0
February	105.3	90.6	483	94.1	131	400	96.0	80	275	122	57.6	165.0	112	91.4	133.5	89	112.6	...
March	103.8	90.0	478	90.8	129	394	95.9	79	275	122	57.3	...	112	89.9	134.1	88	111.5	...
April	102.8	90.0	474	90.2	128	387	95.8	79	273	123	56.8	...	113	89.6	133.2	89	111.1	104.1
May	102.4	90.0	470	90.5	128	381	96.2	77	273	123	56.0	...	113	89.6	133.8	...	112.6	...
June	103.6	89.9	472	85.3	128	379	97.2	...	272	123	55.8	...	114	89.0	...	...	...	...
Year	103.4	91.0	471	...	129	374	98.8	...	...	124	...	...	...	...	...	...	...	...

FINANCE

Notes in Circulation. (000,000's omitted)

Period	United Kingdom	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	Finland	France	Germany	Greece	Hungary	Jugoslavia	Netherlands
End of	Bank of England Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Reichsbank Notes	"Rentenbank" Notes	Bank Notes	Bank Notes	Bank Notes
	£	Schilling	Francs	Leva	Koruna	Kron.	Markka	Francs	Reichsmark	Reutenmks.	Drachma	Pengo	Gulden
1913.....	29-6	...	1,067	189	...	152	113	25,714	2,742	...	245	...	814
1928.....	378-3	1,067	12,358	4,173	8,466	360	1,513	62,181	4,930	...	5,690	513	...
1929.....	369-8	1,094	14,683	3,609	8,230	367	1,361	68,571	5,044	397	4,803	501	...
1930.....	368-8	1,090	16,419	3,296	7,824	360	1,279	70,436	4,778	409	4,803	469	...
1931.....	364-2	1,183	18,270	2,919	7,673	346	1,293	85,725	4,778	422	4,803	423	...
1932.....	371-2	914	18,135	2,919	7,673	332	1,085	85,028	3,560	413	4,714	353	...
1933.....	392-0	989	17,093	2,984	5,906	375	1,184	82,613	3,645	392	5,449	369	...
1933-June.....	375-1	892	17,951	2,648	6,568	342	1,097	84,708	3,482	396	4,698	372	...
July.....	377-0	903	18,017	2,531	6,253	323	1,081	82,653	3,492	394	4,760	364	...
August.....	374-0	900	18,038	2,574	6,168	330	1,087	81,143	3,521	396	4,832	354	...
September.....	370-8	943	17,268	2,738	6,310	355	1,125	82,994	3,625	392	5,304	361	...
October.....	369-3	941	17,189	2,845	6,148	368	1,103	81,097	3,571	392	5,565	362	...
November.....	370-2	914	17,267	2,855	5,705	354	1,104	82,613	3,645	392	5,449	369	...
December.....	392-0	989	17,093	2,984	5,906	375	1,184	82,613	3,645	392	5,449	369	...
1934-January.....	367-4	993	17,096	2,400	5,523	351	1,288	81,024	3,494	358	5,044	347	...
February.....	378-8	981	17,278	2,603	5,544	369	1,322	82,833	3,675	358	5,098	360	...
March.....	373-7	970	17,317	2,534	5,242	368	1,309	81,502	3,640	356	5,114	360	...
April.....	378-1	931	17,587	2,574	5,179	379	1,244	79,992	3,635	355	5,117	342	...
May.....	381-7	855	17,408	2,605	5,524	380	1,234	82,058	3,777	345	5,131	364	...
June.....	383-9	989	17,509	...	5,221	357	1,200	80,809	3,768	325	5,143	364	...

Period	Italy	Norway	Poland	Romania	U.S.S.R.	Sweden	Switzerland	Australia	Canada	South Africa	Egypt	United States	Japan
End of	Bank Notes	State Notes	Bank Notes	Bank Notes	State Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes and Dominion Notes	Bank Notes	Bank Notes	Federal Reserve Notes	All notes, certificates, and coins
	Lire	Lire	Kroner	Zloty	Zloty	Leu	Gd. Rbls.	Rbls.	Kronor	Francs	£	Dollars	Yen
1913.....	62,284	499	108	...	...	...	...	...	234	314	...	...	428
1928.....	17,295	161	318	1,205	244	21,211	730	1,091	546	953	45-5	1,808	4,973
1929.....	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	42-2	1,888	4,865
1930.....	15,680	688	312	1,328	241	19,605	1,946	2,080	594	1,062	42-3	1,666	4,490
1931.....	14,295	...	334	1,218	241	23,750	2,370	2,784	583	1,809	48-2	1,599	4,671
1932.....	13,672	...	315	1,003	332	21,584	2,922	2,925	598	1,611	45-0	1,444	4,228
1933.....	13,243	...	327	1,004	342	20,804	3,069	3,433	648	1,510	45-1	1,511	4,381
1933-June.....	13,026	...	309	1,004	326	21,355	3,103	3,356	588	1,487	41-3	1,599	4,381
July.....	13,329	...	306	1,003	345	21,229	...	...	547	1,430	41-5	1,599	4,381
August.....	12,256	...	304	1,000	345	21,159	...	...	565	1,402	41-7	1,599	4,381
September.....	13,303	...	305	1,031	360	21,194	...	3,387	825	1,419	42-1	1,599	4,381
October.....	13,170	...	307	1,046	354	20,885	...	...	589	1,408	42-4	1,599	4,381
November.....	13,112	...	309	955	336	20,671	...	...	574	1,436	42-4	1,599	4,381
December.....	13,243	...	327	1,004	342	21,219	3,069	3,433	648	1,510	45-1	1,511	4,381
1934-January.....	13,026	...	309	1,004	326	21,355	3,103	3,356	588	1,487	41-3	1,599	4,381
February.....	12,903	...	311	947	339	20,834	...	...	583	1,391	42-5	1,411	4,228
March.....	12,963	...	313	939	348	20,815	...	...	597	1,390	41-2	1,445	4,228
April.....	12,987	...	322	931	344	21,258	...	...	617	1,388	40-3	1,599	4,381
May.....	12,889	...	314	911	344	21,021	...	...	601	1,354	39-8	1,599	4,381
June.....	12,888	...	323	938	338	20,978	...	...	622	1,376	40-0	1,599	4,381
July.....	13,330	...	323	908	360	...	...	...	612	1,364	...	1,599	4,381

a Until November, 1928, including State notes, then transferred to Bank. b May. c Excluding notes held by Commonwealth Bank. d In terms of new lire = 8,373 millions. e Marks—including Reichs- und Darlehenskassenscheine. f Excluding notes held by Reichsbank. g Token coins only. h Gross issue. i Excluding notes held as reserve by Chartered Bank. j State notes—gross. k Since January 1934, excluding gold coin. l Since January, 1926, excluding notes held by Bank of Poland. m Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. n Since 1926, excluding notes held by the State Bank. o In terms of new lire = 1,920 millions. p Since May, 1922, including Luxembourg. q From 1927-1929, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes in October, 1928.

LONDON RATES OF EXCHANGE

Period	Paris	Brussels	Milan	Zurich	Madrid	Amsterdam	Stockholm	Oslo	Copenhagen	Berlin	Vienna	New York	Buenos Aires
Monthly Average	Francs to £1	Belgas to £1	Lire to £1	Francs to £1	Pesetas to £1	Florins to £1	Kronor to £1	Kronor to £1	Kronor to £1	Marks to £1	Schillings to £1	Dollars to £1	Pence to Dollars
Par level.....	124-21	35-00	92-46	25-22½	25-22½	12-107	18-159	18-159	18-159	20-43	34-58½	4-86½(d)	47-62
Highest, 1933.....	90-00	25-37½	99-12½	42-25	42-25	8-87½	19-50½	19-50½	19-50½	15-62½	35-00	4-51	45½
Lowest, 1933.....	77-93½	21-90	58-25	15-73	36-43½	7-56	18-25	18-25	18-25	12-80	27-00	3-32½	35½
Beginning of—													
July, 1914.....	25-15	107-00	25-25½	21-16½	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1926.....	122-81½	107-00	120	25-00	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1927.....	122-81½	107-00	120	25-00	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1928.....	124-00	107-00	120	25-00	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1929.....	124-00	107-00	120	25-00	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1930.....	123-91	107-00	120	25-00	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1931.....	123-66½	107-00	120	25-00	26-10	12-11½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1932.....	86-37½	24-37	66-62½	17-34	40-90	8-31½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1933.....	85-30	24-09	65-12½	17-34	40-90	8-31½	18-30	18-25	18-30	20-49½	34-25½	4-87½	47½
January, 1934.....	83-00	23-39	61-84½	16-79	39-53	8-09	19-40	19-40	19-40	12-94	29-00	5-15	35½
May.....	77-25	23-99	59-96½	15-74	37-12½	7-53	19-40	19-40	19-40	12-94	29-00	5-15	35½
June.....	77-00	21-70	59-06	15-74	37-12½	7-53	19-40	19-40	19-40	12-94	29-00	5-15	35½
July.....	76-56	21-63	58-84½	15-53	36-90	7-44	19-40	19-40	19-40	12-94	29-00	5-15	35½
August.....	76-41	21-46½	58-75	15-44	36-43½	7-44	19-40	19-40	19-40	12-94	29-00	5-15	35½

Period	Rio de Janeiro	Monte Video	Valparaíso	Bombay	Hong Kong	Shanghai	Kobe	Singapore	Place	Method of Quoting	Highest	Lowest	Average*
Monthly Average	Pence to Mils.	Pence to Dollar	Pesos to £1	Pence to Rupee	Sterling to Dollar	Sterling to Tael	Sterling to Yen	Sterling to Dollar					
Par level.....	16	51	40-00	s. d.	s. d.	s. d.	s. d.	s. d.	New York	Dollars to £1	4-84½	4-30½	4-644
Highest, 1933.....	51	37½		1 6½	1 6	1 9	1 1½	2 4½	July, 1933	to £1	5-07½	5-02½	5-049
Lowest, 1933.....	3½	28		1 6½	1 6	1 9	1 1½	2 4½	June, 1934	to £1	5-06½	5-03	5-042
Beginning of—									July, 1934	to £1			
July, 1914.....	16½	51½	99	1 3½	1 10½	2 6½	2 0½	...	Paris	Francs to £1	86-18½	84-84½	85-240
January, 1925.....	50½	21-30	1 6½	2 3½	3 1½	1 7½	2 4½	...	July, 1933	to £1	77-12½	76-18½	76-501
January, 1926.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	June, 1934	to £1	76-81½	76-25	76-464
January, 1927.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	July, 1934	to £1			
January, 1928.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	Amsterdam	Florins to £1	8-43½	8-21½	8-263
January, 1929.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	July, 1933	to £1	7-50	7-40	7-444
January, 1930.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	June, 1934	to £1	7-47	7-42	7-444
January, 1931.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	July, 1934	to £1			
January, 1932.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	Berlin	Reichmks. to £1	14-26½	13-87½	14-002
January, 1933.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	July, 1933	to £1	13-48	12-75	13-141
January, 1934.....	50½	39-80	1 6½	2 4½	3 1½	1 9½	2 4½	...	June, 1934	to £1	13-50	12-80	13-099
May.....	44½	35½		1 6½	1 3½	1 11½	2 1½	2 4½					
June.....	44½	35½		1 6½	1 3½	1 11½	2 1½	2 4½					
July.....	44½	35½		1 6½	1 3½	1 11½	2 1½	2 4½					
August.....	44½	35½		1 6½	1 3½	1 11½	2 1½	2 4½					

* Daily rate

a Par, 8-23½ since dollar devaluation on February 1, 1934.

b Pence to Rupee

c Pence to Dollar

d Pence to Tael

e Pence to Yen

f Pence to Dollar

g Pence to Tael

h Pence to Yen

i Pence to Dollar

j Pence to Tael

CAPITAL ISSUES.—(000,000's omitted)														
Period	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	India	Japan	United States
Monthly Average	£	Schilling	Koruna	Franc	Mark	Lira	Guilder	Zloty	Lei	Kronor	Franc	Rupia	Yen	Dollars
1913.....	16.3	...	...	1,259	80.2	23	13	...	20	18	...	56	45	...
1929.....	23.8	4.6	...	1,832	46.6	514	45	...	17.8	318	22	52	261	259
1930.....	22.8	3.1	42	1,362	65.2	361	20	...	17.5	160	21	24	205	587
1931.....	8.5	4.9	27	511	12.3	304	31	...	11.6	37	11	32	318	99
1932.....	15.7	4.9	21	300	7.3	...	...	...	3.0	47	8	15	551	60
1933.....	20.4	17.9	...	...	...	...	...	...	...	...	...	...	...	...
1934.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...

BANK RATES

1928	1929	1930	1931	1932	1933	1934
End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.	End of June
London.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Paris.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Berlin.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
New York.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Amsterdam.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Brussels.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Rome.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Switzerland.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Vienna.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Warsaw.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Tokyo.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2
Calcutta.....	4 1/2	5 1/2	6 1/2	7 1/2	8 1/2	9 1/2

LONDON BANKERS' CLEARING RETURNS

	Town	Metropolitan	Country	Total
1913.....	14,191,275	855,648	1,388,481	16,435,404
1929.....	39,311,117	1,854,190	3,039,422	44,204,729
1930.....	39,935,924	1,881,989	3,078,764	44,896,677
1931.....	38,782,577	1,812,146	2,963,631	43,558,354
1932.....	31,815,808	1,667,822	2,732,309	36,215,939
1933.....	27,833,633	1,510,407	2,287,919	31,632,969
1934 (August 16)	27,714,480	1,556,675	2,766,471	32,037,626
1933 (August 16)	16,985,054	1,049,820	1,729,201	19,764,075
1934 (August 15)	19,239,690	1,114,322	1,879,554	22,233,566

U.K. IMPORTS AND EXPORTS.—(000,000's omitted)

	Food		Raw Materials		Manufactures		Imports of		Exports of	
	Imports	Exports	Imports	Exports	Imports	Exports	Wheat	Raw Cotton	Sheep's & Lambs' Wool	Cotton Piece Goods
1913.....	24.2	4.7	23.5	5.8	16.1	34.3	8.8	1.8	0.7	589
1929.....	44.7	4.6	28.3	6.8	27.9	47.8	9.3	1.3	0.7	306
1930.....	39.8	4.0	20.9	5.3	26.6	38.6	8.8	1.0	0.7	201
1931.....	34.8	3.0	14.5	3.9	21.8	24.2	9.9	0.9	0.7	143
1932.....	31.1	2.7	13.7	3.6	13.1	23.0	8.8	1.0	0.8	182
1933.....	28.4	2.4	15.0	3.8	12.6	23.4	9.3	1.2	0.8	169
1934.....	30.3	2.4	18.9	3.6	13.6	22.6	8.2	1.7	0.9	169
1934—January.....	29.1	2.6	21.3	3.9	13.9	22.6	7.4	1.3	1.2	168
February.....	25.6	2.6	18.2	4.0	13.2	22.6	7.4	1.3	1.2	168
March.....	28.7	2.3	18.2	4.1	14.8	25.6	10.0	1.2	0.9	170
April.....	25.5	2.3	17.1	3.8	13.5	23.2	9.3	1.0	0.9	154
May.....	29.6	2.4	16.9	3.9	14.9	25.1	9.4	1.0	0.7	151
June.....	29.4	2.4	16.9	3.9	14.9	24.9	8.6	0.9	0.5	149
July.....	26.8	2.3	16.6	3.8	14.3	26.0	9.2	0.9	0.3	170

RAILWAY STATISTICS: FREIGHT TRAFFIC.—(000,000's omitted)

	Great Britain (g)					Freight Traffic (f)				
	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tons	Tons	Tons	Tons	Ton-Miles
Monthly Average—										
1929.....	379	5,745	4,831	51,357	1929.....	5.1	17.2	5.4	27.7	1,482
1930.....	322	4,556	1,067	4,040	1930.....	4.3	16.1	4.9	25.7	1,397
1931.....	273	3,792	962	4,133	1931.....	4.3	14.4	4.0	22.7	1,276
1932.....	221	3,242	840	3,092	1932.....	3.8	13.8	3.4	21.0	1,163
1933—June.....	213	3,347	720	3,463	1933—June.....	3.3	11.6	3.3	18.3	1,028
July.....	219	3,240	755	2,901	1933—July.....	3.3	10.4	3.1	16.9	978
August.....	218	3,504	682	2,918	1933—August.....	3.5	12.0	3.3	19.0	1,091
September.....	241	3,751	696	3,384	1933—September.....	3.8	12.2	3.5	20.0	1,107
October.....	300	3,771	722	3,199	1933—October.....	4.0	13.3	3.9	21.1	1,165
November.....	279	3,883	688	2,495	1933—November.....	4.0	14.3	3.9	22.2	1,240
December.....	260	4,075	683	2,749	1933—December.....	3.5	14.8	3.8	22.1	1,202
1934—January.....	227	3,809	783	3,210	1934—January.....	3.7	14.5	3.7	21.9	1,235
February.....	254	4,215	783	2,646	1934—February.....	3.8	14.9	3.9	22.6	1,270
March.....	229	...	...	3,117	1934—March.....	3.8	14.8	4.0	22.6	1,276
April.....	...	...	...	...	1934—April.....	3.6	13.1	3.8	20.4	1,147
May.....	...	...	...	...	1934—May.....	3.7	13.1	4.1	20.0	1,138

* Inc. live-stock. (a) "Reichsbahn," Excl. free-hauled. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of at least \$500,000. (d) Including free-hauled. (e) Excluding free-hauled. (f) From January, 1932, onwards figures relate to 4-week periods. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34. (h) Fiscal year ending June 30. Printed in Great Britain by EYRE AND SPOTTISWOODE LIMITED, His Majesty's Printers, East Harding Street, London, E.C.4. Published by THE ECONOMIST NEWSPAPER, LTD., at 8 Boulevard St. E.C.4.—Saturday, Aug. 25 1934. Entered as Second Class Mail Matter at the New York N.Y., Post Office.

THE ECONOMIST

TRADE SUPPLEMENT

New Series

SATURDAY, SEPTEMBER 29, 1934

No. 136

THE STATE OF TRADE

THE lull in business activity noticeable in July and early August has since given way to a normal seasonal upward turn. But although the immediate outlook for trade in this country is moderately encouraging, progress is likely to be much slower than during the past year. The rapid upward movement of the business curve between April, 1933, and June, 1934, was due mainly to an improvement in industries supplying the home market, such as the building industry. Although much remains to be done to modernise the capital equipment of British industry, the scope for further rapid expansion depends very largely on a revival of international trade. Unfortunately the exchange of commodities and services between countries has so far made little headway, and although the outlook in certain channels is a little better, the main routes have yet to be opened.

The number of insured workers in employment in Great Britain rose by 34,000 between July and August and shows an increase of 376,000 as compared with the corresponding

month a year ago. The total number unemployed increased slightly owing to the registration for employment of juveniles who had left school at the end of July. The branches of activity in which the improvement was most pronounced include coal mining, shipbuilding and ship-repairing, tube manufacture, and cocoa and chocolate manufacture. On the other hand, there was a further reduction in employment in the boot and shoe industry, and in the clothing, cotton, and motor vehicle industries.

Among other general indicators, the *Economist's* Index of Business Activity, which allows for variations in trade due to holidays and other seasonal influences, shows an appreciable rise in August, though not quite up to the June level. In interpreting the index it must be remembered that it does not make allowance for the increase in population and in productivity per head. Moreover, some of its component series, such as those relating to raw-material imports and building activity, are not a record of the past, but indicators of developments in the near future. Of the sixteen series for which August figures are available, only those relating to electricity and iron and steel consumption, exports of British manufactures, and provincial bank clearings show a decline as compared with July, and the figures for cotton consumption and provincial bank clearings are the only two which are lower than a year ago. Moreover, too much importance should not be attached to the fall in the index for iron and steel consumption, for this index is not adjusted for the seasonal lull in activity in August. The steep rises in the indices of imports of raw materials and of the value of building plans passed are encouraging, for they point to an expansion of activity in the near future.

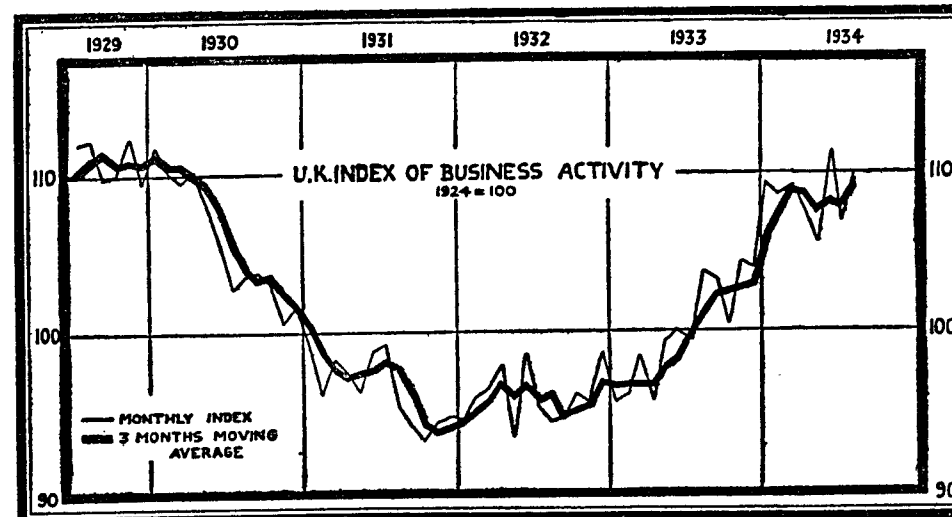
The building industry remains one of the most important factors in the revival of trade in this country. The high level of activity in building is likely to be maintained in coming months, for there has been as yet no decline in the value of building plans passed, if allowance is made for the usual seasonal decline in August. The building boom is reflected in the sustained improvement of the allied trades. The autumn revival in the iron and steel industry is well under way, and new orders are coming in more freely. The engineering industry experienced a slight setback in business in August. This was, however, partly seasonal and does not indicate a turning point for the worse. Another encouraging feature is a fairly active demand for industrial chemicals. Coal production has tended to increase and remains above the level of a year ago.

The tendency of the branches of activity furnishing consumers' goods has been somewhat irregular. The household equipment and furnishing sections remain active and reports from the motor vehicle industry are also encouraging.

On the other hand, the cotton, woollen, jute and footwear industries have so far made little headway. The trend of retail trade remained upwards in August. The improvement was again well spread geographically, and, with the exception of piece goods, sales of all classes of goods showed an increase on the corresponding month a year ago.

Trade developments abroad continue to be very uneven. Owing to the recession of business activity in the United States, the stagnation of trade in France and the restrictions on imports into Germany, prices of a number of industrial raw materials have tended to decline. On the other hand, cereals rose in price owing to reduced crops, and this should benefit the principal agricultural countries. In the United States, the business situation continued to deteriorate until about the middle of September. The latest reports are a little more encouraging, but although the late autumn may witness a slight improvement, a sustained and substantial revival is not expected in the near future.

The situation in France continued to deteriorate during August, and a revival is not yet in sight. Reports from Belgium and Holland are not very encouraging. So far Germany has not experienced a setback, but it is doubtful whether she will be able to maintain the current level of activity over the winter. There has been a slight upward turn in Italy. The news from the sterling area remains good. South America, and especially Argentina, is gradually gaining ground. The improvement in the Dominions has been maintained. China has been embarrassed by the rise in the price of silver, but reports from Japan remain favourable.



HOME INDUSTRIES AND TRADE

The following reports on British industry cover, in most cases, the period to the middle of September; in the remainder they relate to the month of August.

COAL

The past month has witnessed a modest improvement in activity, and output continued to increase until the end of the first week in September. Relatively to other industries, employment in coal mining is still poor, but the official figures for August show some progress compared both with the previous month and with August, 1933. The seasonal increase in the price of domestic coal was followed by a marked decline in demand, but there was some expansion later, and the trade is now awaiting the stimulus of colder weather. Industrial fuels have been in moderate request of coal during the past few weeks. Exports and trade has been steady during the past few weeks. Although suffered a further slight contraction during August, although they were a little above last year's corresponding figure. The threat of labour troubles in South Wales has hampered business, and shipments have been too small to re-establish regular work at the pits in that area; the anthracite section has been the least depressed. In spite of the throttling of trade with Germany, the Northern coalfields have reported moderate business and have derived some benefit from the trade agreements with Scandinavian countries.

IRON AND STEEL

Iron and steel production showed a normal seasonal decline in August. But since the beginning of September new orders have come in more freely and the autumn recovery is well under way and up to expectations. Exports in August were slightly, and imports appreciably, lower than in July, but both showed a substantial increase as compared with a year ago. There has been no decline in the activity of the principal steel consuming industries. Sheffield specialities continue to make headway. In general, production is expected to increase during coming months, but not as rapidly as last year. Reorganisation has so far made little headway.

ENGINEERING

For the first time in many months the engineering industry experienced a slight recession in business in August. This was, however, partly seasonal and does not indicate a turning point for the industry. The state of order books is still quite favourable. The improvement in exports has not been fully maintained. The steady rise in imports, especially from the United States and Germany, is causing some anxiety. As far as individual branches of the industry are concerned, business in prime movers, marine engines, boilers and power equipment, lifting and excavating machinery and locomotives is quite good. Demand for agricultural machinery has fallen off a little. The machine tool section is quiet and there have been complaints concerning an increase in imports.

MOTOR INDUSTRY

The motor industry continues to improve and manufacturers are looking forward to the new season with confidence. Makers have not been slow to take advantage of the forthcoming reduction in the horse-power tax, and, although prices on the whole show little reduction, makers have developed and improved their models. The increased importation of cars during August is to some extent due to foreign makers sending new models for show purposes, but the figure is much higher than that recorded a year ago. Exports of British cars continue well above last year's level, and it is stated that overseas purchasers are taking considerable interest in the forthcoming Exhibition—which is to be on a larger scale than ever this year.

ELECTRICITY

INDEX OF GENERATION OF ELECTRICITY*
(Great Britain, excluding London and Wales)
(Monthly Average, 1923-24 = 100)

	(1)	(2)
1926	119	89.0
1927	146	102.2
1928	156	101.8
1929	171	102.2
1930	167	93.1
1931	171	90.5
1932	181	87.5
1933	199	87.4
1933—August	168	89.0
September	183	88.0
October	211	90.0
November	233	91.0
December	260	95.0
1934—January	240	93.5
February	238	94.0
March	242	96.5
April	219	98.0
May	216	100.5
June	200	100.0
July	191	99.0
August	192	98.5

* Prepared by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association.
† Corrected for seasonal fluctuations, for the increase in electrification (trend), and for connections to the "grid."

ELECTRICAL INDUSTRY

The index of the volume of new home orders received by the heavy electrical manufacturing industry showed a substantial increase in August owing to contracts placed by the Central Electricity Board.

INDEX OF NEW ORDERS RECEIVED BY HEAVY ELECTRICAL MANUFACTURING INDUSTRY*
(1920 = 100)

Period	Home	Export	Total
1926—August	84	83	84
1927	90	236	126
1928	74	86	78
1929	88	140	102
1930	63	245	109
1931	51	132	70
1932	56	68	54
1933—August	52	89	61
September	51	93	62
October	51	92	62
November	51	96	64
December	40	100	57
1934—January	40	104	58
February	42	109	61
March	41	101	58
April	45	104	62
May	47	112	67
June	47	119	70
July	56	123	77
August	71	123	87

* Copyright of the British Electrical and Allied Manufacturers' Association.
The above index is a 12-month moving average of new orders received by the heavy plant section of the industry. It is based on the horse-power and not on the value of orders.

CHEMICAL INDUSTRY

During August business in the home chemical market was fairly satisfactory for the time of year and most prices were well maintained. The best demand was for industrial chemicals, formic and oxalic acids, formaldehyde and sal-ammoniac being particularly active. Trade in wood distillation products showed a decrease just after the holiday, but by the end of the month an improvement took place with good orders passing for all materials except wood creosote and wood tar. The coal tar products market was rather quiet, although cresylic acid and creosote oil continued in good demand. Only a very limited business was transacted in pharmaceutical chemicals and essential oils. Exports of chemicals, drugs and dyes during August were £113,303 greater in value than in August, 1933, aluminium compounds, coal tar products, disinfectants, insecticides, drugs and medicines being amongst the items showing appreciable increases.

COTTON

Business has again been unsatisfactory—partly owing to holiday influences. Cloth exports have been more encouraging, but it is feared that shipments will fall off during the remainder of the year. A settlement of the German debt question is still awaited. Partly owing to labour troubles in the United States, and partly as a result of the bearish nature of the latest American crop estimate, raw cotton prices have declined. Sales of piece-goods for abroad have been disappointing, demand from India and China being very poor. Of the smaller markets, the bulk of the support has come from Australia, South Africa and Canada, while a fair business has been done for South America; fine fabrics have attracted rather more attention for the Continent, and necessary purchasing has taken place in home trade fabrics. But production is smaller than a month ago. The yarn market is very depressed, and there is a tendency towards further curtailment of output. The price control agreement for coarse American yarns has been legalised, with severe penalties for infringement. The percentage of spinning spindles in operation declined from 73 at the end of July to 70 on August 31st. A year ago the figure stood at 75.

WOOL

Employment in the wool textile industry as a whole showed a small improvement during August, but continued much worse than a year ago; to some extent the position has been affected by local holidays. Conditions in the worsted section are particularly bad, exports of both yarns and tissues during August being well below last year's level. Sales of woollen yarns and tissues abroad are, however, larger than at the same time last year. The carpet section is the brightest spot in the industry at the present time. Raw wool prices remain at a low level, stocks both in London and Australia being large and support from Germany being absent. The fifth series of wool sales, which opened in London on September 18th, has, however, been well attended, and, although prices are substantially below those ruling at the close of the last series, competition for the home market has been fairly keen.

JUTE

The final Government forecast of the jute crop, published early in September, was larger than was anticipated and has led to a decline in prices. Buyers of yarn and cloth have withheld their orders and, with the exception of hessians, the cloth market has been dull. It is now reported that the Government of Bengal is taking more active steps to reduce the area under jute.

RAYON

The demand for viscose yarns continues on a high level and it is difficult to obtain delivery of certain qualities. The bulk of this demand is for the weaving trade, but business in hosiery yarns is also showing an improvement. Trade in acetate, although increasing, is still below normal.

LINEN

Sterling quotations for flax have again been higher. On the whole, crop reports are favourable. Yarn quotations are firm, but sales are restricted. Inquiry for cloth is nominal, as is usual at

this time of year, but production is being readily absorbed. Exporters are experiencing difficulties in the American market; total exports of piece goods showed a slight reduction during August, and were substantially less than in the same month of last year.

BOOTS AND SHOES

The August unemployment statistics reveal a further worsening of the situation in the footwear industry compared both with the previous month and with August, 1933. Conditions in the producing areas are not uniform, but increasing output appears to have become fairly general during the last few weeks. Exporters may benefit from a tariff reduction in New Zealand and Jamaica and from an increase in the Netherlands import quota.

POTTERY

The percentage of insured workpeople unemployed on August 20th showed a further seasonal increase compared with the previous month, but exports of general earthenware during August were larger than in July and continued well above last year's level. The concessions granted by the New Zealand Government to British pottery exporters have given satisfaction in Staffordshire.

AGRICULTURE

According to an official report, the corn harvest was almost completed at the end of August, the grain being mostly in good condition and of fair quality. The yield of wheat is expected to be above, but that of barley and oats below, average. Except on the best fen land, the potato yield will probably be below average and that of turnips and swedes substantially so. Mangolds have made good progress since the rain, and sugar beet promises to yield almost up to average. Present indications are that hops will be in more abundant supply than average. Hay is stated to be

of good quality but is expected to yield less than normal. Cattle have done only moderately well, but sheep have withstood the drought very well. Milk yields now show a seasonal decline.

SHIPPING

The *Economist* index of whole cargo shipping freights (1898-1913=100) recorded a further rise of 5 per cent. during August, the index being 89.6, as against 81.4 a year earlier. Rates for outward tonnage have, on the whole, remained firm, but the North Atlantic trade continues dull.

BUILDING

Compared both with the previous month and with August of last year employment in the building trades showed a modest improvement during August—the increase being fairly well spread over the individual occupations concerned. Returns from 141 Local Authorities show a seasonal reduction in the value of building plans approved in these areas during August, although the total is almost 10 per cent. in excess of last year's corresponding figure; the revival of building activity has now spread to commercial and business premises. Compared with last year, the value of plans approved showed the largest relative increase in Wales and in Lancashire and Cheshire, while a reduction occurred in the South-Western counties and in Outer London.

RETAIL TRADE

The improvement in retail sales continued during August and was well spread geographically and as between different classes of merchandise. The official retail trade statistics for August show a rise of 4.8 per cent. in the value of sales as compared with the corresponding month a year ago. Suburban London again led with an increase of 6.3 per cent. in sales.

HOME TRADE STATISTICS—AUGUST, 1934

	July, 1934	Aug., 1934	Compared with Aug., '33	July, 1934	Aug., 1934	Compared with Aug., '33
UNEMPLOYMENT— (State Insurance %)	16.8	16.6	— 2.5	122.5	122.3	+ 4.7
PRODUCTION—						
Coal (million tons)*	3.8	4.8	+ 1.4			
Iron (thous. ")	527.2	503.3	+ 140			
Steel (" ")	718.2	667.0	+ 116			
FOREIGN TRADE—						
Imports (million £'s)	58.0	60.0	+ 3.4			
Re-exports (" ")	4.1	3.3	+ 1.0			
British Exports (" ")	33.2	32.1	+ 1.1			
TRANSPORT—						
Railway Receipts (thous. £'s)*	3,077	3,366	+ 100			
Shipping Freights (av. level†)	73.3	77.0	+ 7.0			
COMMODITY PRICES (av. level*)	66.2	67.1	+ 1.9			
RADE DISPUTES (thous. working days loss)	114	65	— 77			
SECURITY VALUES (av. level*)						
FINANCIAL DATA—						
Bank of England Notes (Mill. £'s)*	385	384	+ 5			
Bank Deposits (" ")	1,871	1,856	+ 110			
Bank Advances (" ")	759	756	+ 3			
Banks' Cash Ratio (%)	11.2	10.6	—			
Bank Clearings:						
London (million £'s)*	681	562	+ 7			
Manchester (" ")	9.6	8.5	+ 0.2			
Three Months' Bank Drafts (Discount Rate %)						
Day-to-Day Loans (%)						

(*) 1913 = 100.

(†) *Economist* Index No., 1927 = 100.

(*) *Bankers' Magazine* Index No. of 365 securities; December, 1921 = 100. (†) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.

* Average weekly figures.

INDICES OF BUSINESS ACTIVITY*

Monthly Average of 1924 = 100

Monthly Average of 1929																				
Period	Employment				Consumption of Power		Merchandise on Railways	Postal Receipts	Motor Vehicle Registrations	Building Activity	Consumption of		Foreign Trade				Bank Clearings		Complete Index	
	All Trades	Heavy Trades	General Industry	Distributive Trades, &c.	Coal	Electricity					Iron and Steel	Cotton	Imports of Raw Materials	Imports of Non-Ferrous Metals	Exports of British Manufactures	Movements of Shipping	Provincial	London	Monthly Index	Three Months' Moving Average
1929	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1930	107	84	109	112	95	111	95	115	131	131	103	103	113	121	108	111	99	131	110.0	...
1931	102	77	101	112	96	103	87	118	145	141	105	75	101	119	87	109	91	140	105.9	...
1932	99	65	98	114	87	102	78	116	130	123	85	76	91	108	64	101	91	130	98.3	...
1933	98	60	96	115	87	103	61	116	137	132	57	85	97	93	65	100	97	120	95.8	...
1934	102	61	101	119	82	106	60	118	159	173	53	91	105	85	67	102	99	122	99.7	...
1932—January	98	65	96	113	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(b)	(b)
February	98	64	96	114	84	105	63	119	131	119	71	92	87	99	65	100	96	105	94.4	94.3
March	100	65	99	115	88	105	60	115	123	119	63	94	110	107	68	97	98	123	95.7	94.9
April	99	61	98	115	92	102	65	118	129	127	59	104	96	103	80	103	97	114	97.7	96.6
May	98	61	96	116	85	100	57	115	114	126	65	80	94	86	63	94	95	122	93.3	95.8
June	98	56	96	117	97	98	63	113	129	150	61	86	113	86	70	104	97	127	98.5	96.5
July	97	55	95	117	73	103	57	115	126	117	52	85	96	80	63	98	111	148	95.1	95.6
August	97	54	95	117	82	99	59	113	138	122	41	87	111	89	62	98	101	121	94.2	96.9
September	97	56	96	116	87	102	60	116	154	127	50	72	101	84	60	101	96	112	94.5	94.8
October	99	59	97	116	85	108	57	113	154	147	59	75	82	98	62	93	101	120	95.0	94.9
November	98	59	97	115	90	107	61	115	155	156	27	75	88	97	63	97	96	115	95.5	95.3
December	99	62	97	116	94	106	57	118	161	168	37	68	87	86	68	99	94	133	98.5	98.7
1933—January	97	62	94	115	86	111	55	120	138	174	40	78	82	83	63	100	98	119	95.5	98.5
February	98	62	95	115	87	107	55	119	130	154	43	96	84	75	62	104	99	128	95.9	98.6
March	99	61	97	116	88	101	50	118	154	164	56	79	104	73	71	103	94	125	98.4	98.6
April	100	59	98	118	78	104	55	118	149	148	59	84	95	81	64	101	96	123	95.6	98.6
May	101	57	100	120	82	102	63	119	156	184	48	95	109	87	66	100	98	113	99.3	97.8
June	102	59	102	120	84	103	61	117	165	170	52	88	113	94	68	103	98	112	100.0	98.3
July	102	58	102	120	71	111	60	115	154	174	49	88	119	82	62	100	105	124	99.5	99.8
August	103	58	102	121	79	108	63	115	172	197	57	104	124	85	73	107	100	124	103.3	102.2
September	104	62	104	120	80	110	63	116	163	183	52	82	96	85	71	98	105	125	100.4	102.5
October	104	62	105	120	82	110	61	117	163	183	56	101	108	94	72	104	100	124	104.3	102.7
November	104	63	105	120	85	99	66	119	190	185	58	101	108	94	71	102	95	131	104.0	102.9
December	105	66	104	121	89	103	60	123	196	188	67	84	99	91	65	102	95	131	104.0	102.9
1934—January	104	66	103	119	95	103	65	123	205	203	87	96	107	104	69	108	107	138	109.4	105.9
February	104	66	104	120	85	109	60	122	214	193	85	87	116	104	67	109	99	152	108.7	107.4
March	105	67	105	121	89	117	62	121	197	199	93	96	88	110	111	72	108	102	140.2	108.1
April	106	68	106	122	88	117	61	121	171	192	97	84	111	118	71	108	96	139	107.7	105.5
May	107	65	107	123	80	123	62	117	184	191	96	93	103	113	111	69	108	117	105.6	107.5
June	107	62	107	124	85	124	66	118	200	226	81	97	107	113	119	76	109	102	122.1	108.2
July	106	63	106	124	75	125	...	117	173	197	95	93	c129	116	c71	100	101	118	c108.9	c107.9
August	107	64	106	124	87	125	...	119	...	219	85	97	c151	128	c70	108	94	124	c110.0	c109.4

STATE OF TRADE OVERSEAS

BRITISH EMPIRE

Australia.—In general, business activity continues above last year's level, although some irregularities occurred during August on account of the uncertainties of the Federal General Election. Favourable factors are improved conditions over most of the pastoral areas and a large proportion of the wheat-producing districts, and substantial expenditure on buildings and the development of gold mines. The Stock Exchanges were buoyant during August, quotations for most classes of securities recording an advance over those of the previous month.

South Africa.—Activity in the building trades continues at a high level, railway earnings are increasing steadily and the soft goods trade is reported active. The Transvaal gold output declined during August and was below the level of a year ago. The maize crop is now being marketed and wholesale traders report a steady volume of orders. Farming conditions generally are satisfactory and agricultural machinery is selling well. The wool market at Port Elizabeth reopened on September 14th, but sales were restricted and prices lower than of late.

Canada.—The seasonal decline in business activity in August was more pronounced than in the previous month and affected a wide range of industries. An encouraging feature is the expansion of the building trade. Contracts awarded in August were valued at \$13,543,900, an increase of 21 per cent. over the previous month. The 1934 wheat crop is estimated at 277 million bushels, as compared with 270 million bushels harvested a year ago.

India.—Reports from local trading centres are moderately encouraging. The output of jute goods and paper compares favourably with that of a year ago, and iron and steel production shows an appreciable increase. The value of imports in July, at 96.4 million rupees, compares with 94.8 million rupees in June and 86.2 million rupees a year ago. Exports rose from 122.4 million rupees in July, 1933, to 125.8 million rupees in the corresponding month in 1934.

EUROPE

France.—The official indices of industrial production for July (the latest available) show a further decline in the activity of the textile, building, paper and rubber industries. On the other hand, the figures for the engineering and motor car industries show a slight rise. Preliminary information for August fails to reveal signs of a definite improvement. The number of bankruptcies declined from 860 in July to 747 in August, and carloadings increased from 40,100 per day during the week ended August 4th to 41,400 per day during the week ended September 8th. The number of persons in receipt of unemployment benefit rose from 318,242 at the beginning of August to 329,021 in the second week of September. Wholesale prices are scarcely changed on the month, but the value of industrial securities tended to decline.

Germany.—The improvement in business activity earlier in the year has so far been maintained despite the restrictions on imports of raw materials. The official statistics show a further decline in unemployment from 2,426,000 at the end of July to 2,398,000 at the end of August. Reports from iron and steel centres for August are favourable and indicate an increase in foreign orders. Pig-iron production rose from 767,200 tons in July to 798,550 in August. There has been an increase in the volume of new business placed with the engineering industry both from German and foreign buyers. Carloadings rose from 111,600 per day during the week ended August 11th to 120,200 per day during the week ended September 8th. Nevertheless, it is doubtful whether Germany will be able to maintain the current level of activity over the winter.

Norway.—The outstanding events of the month are the sale of about 150,000 tons (900,000 barrels) of whale oil to Germany at a price of 10 pounds per ton, and the re-financing of the large industrial concern, Union Company, through a loan in England of £1,150,000 at 5½ per cent. The index figure of Norway's industrial output in July indicates a considerable contraction since June, but the position is considerably better than in July last year. Exports were well maintained, showing an increase in value of about 6 million kroner compared with July, and imports rose by a similar amount. Laid-up tonnage continued to decrease, but freights obtained were not very encouraging. Favourable weather conditions prevailed during the month, and crops of hay and grain are satisfactory.

Greece.—The recent improvement seems to have been arrested. Production of cereals and tobacco is somewhat inferior to that of last year. Conditions in the market for tobacco continue favourable. The situation in the currants area is bad. An excellent oil production is expected. Foreign trade for July was smaller, both in quantity and value, than in July, 1933. Equally smaller was the shipping movement in the ports. The Bank of Greece's reserves are again rising, as is also the index number for wholesale prices. Conditions on the Stock Exchange were dull in August.

Jugoslavia.—During July recovery speeded up considerably. The figures for employment, 572,000, and for unemployment, 8,200, were the best for three years. All industrial reports show expansion, except in timber and chemicals. Mining figures for iron, chrome, pyrites and copper have reached new high levels. Export trade has become very brisk, and imports are over 30 per cent. above last year's level. The dinar is very firm, and the "black bourse" rate is now about 30 per cent., as against the official premium of 28.5 per cent.

UNITED STATES OF AMERICA

Business activity continued to decline throughout August and early September. The *New York Times* index of activity declined from 85.2 during the week ended June 2nd to 71.9 during the week ended September 15th, the lowest level reached since the beginning of November, 1933. The whole of the improvement experienced earlier in the year has, therefore, been lost. The textile strike which began at the beginning of September tended to aggravate the situation, but fortunately a settlement was reached on September 23rd. The latest reports are a little more encouraging, but although the late autumn may witness a slight improvement, a sustained and substantial revival is not expected in the near future. For example, an appreciable expansion in the building industry, the backbone of recovery in this country, is prevented by the high level of building costs, but the home renovation and building campaign should lead to a slight improvement in this branch of activity.

AMERICAN TRADE STATISTICS—AUGUST, 1934

	July, 1934	Aug., 1934	with Aug., '33
EMPLOYMENT —(1923-25 = 100)†	79.4	...	...
PRODUCTION —			
Bituminous coal (Thous. tons).....	25,280	27,490	— 6,362
Pig-iron (" ").....	1,225	1,054	— 779
Steel (" ").....	1,473	1,363	— 1,538
<i>Steel Corporation—shipments</i> (Thous. tons).....	370	378	...
<i>Building permits</i> (Thous. \$).....	33,900	34,453	+ 2,030
CONSUMPTION OF ELECTRIC ENERGY (1923-25 = 100).....	...	...	...
FOREIGN TRADE —			
Imports (Thous. \$).....	127,342	...	...
Exports (" ").....	161,787	...	...
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars).....	586	605	— 21
SECURITIES —			
30 industrial stocks—			
Highest quotations†.....	99.02	95.71	— 9.36
Lowest quotations†.....	85.51	87.47	— 5.08
Thous. shares sold during month—			
(New York).....	21,116	16,693	— 25,764
New securities issued (Thous. \$).....	332,290	50,414	+ 15,457
BANK DEBITS —			
New York (Million \$).....	13,842	12,127	...
Other cities (" ").....	13,910	13,234	...
RETAIL BUSINESS —			
Total sales, mail order houses\$ (Thous. \$).....	39,124	41,372*	+ 2,292

* Preliminary estimates made by Messrs. Moody, subject to revision.
† Federal Reserve Board Index of Factory Employment.
‡ Closing prices. § Partly estimated.

LATIN AMERICA

Following the benefits which have accrued to Argentina from increased shipments of grain at better prices, her economic position is improving. The foreign trade figures of the Republic for the first seven months of 1934 show that expansion is beginning to take place in the import trade, whilst the correspondingly greater increase in exports is again reflected in a higher export surplus compared with the corresponding returns for last year. The import trades should be assisted by the relief to the exchange market which will result from the current conversion of outstanding Argentine Government sterling loans; under the Roca Agreement, the advantage will accrue chiefly to British nationals. The newly sown grain crops generally are developing well. In Brazil the foreign trade returns show a considerable increase in the milreis value of both imports and exports, as well as in the export surplus, a feature being the growth of cotton shipments. Brazilian exchange derived from export bills—except coffee—has been released from control. In Chile also recovery is occurring in the export trade, and it appears possible that in the future more exchange may be available to replenish imports. Steady growth continues to occur in Peruvian imports and exports, whilst in the Central American coffee-growing countries flood damage has been largely nullified by fine weather and the crop outlook is generally satisfactory.

THE FAR EAST

Cabled reports from Japan suggest that business activity has been well maintained. The market in raw silk has been dull owing to a reduction in foreign demand, and cotton yarn was dull because of the decline in American raw cotton quotations. Production of cotton yarn during August marked a new high record. The value of imports in August was 183 million yen, as compared with 131 million yen in the corresponding month of 1933. Exports rose from 183 million yen to 209 million yen during the same period. China has been embarrassed by the rise in the price of silver. Exports declined from 51,350,000 dollars in August, 1933, to 44,910,000 dollars in July, and 44,060,000 dollars in August, 1934. The value of imports in August was 74,250,000 dollars, as compared with 100,230,000 dollars a year ago.

STATISTICS

In the following tables we give trade and other statistics for as many countries of the world as possible, our endeavour being to combine brevity with comprehensiveness. The greater number of the figures are taken from the *Monthly Statistical Bulletin of the League of Nations* (published by George Allen & Unwin, Ltd.).

PRODUCTION (Thousands of Metric Tons)

COAL													LIGNITE			
Period Monthly Average	United Kingdom	Belgium	Czechoslovakia	France	Germany	Netherlands	Poland	U.S.S.R.	Canada	South Africa	India	Japan	United States	Czechoslovakia	Germany	Hungary
	<i>d</i>		<i>k</i>		<i>g</i>					<i>j</i>	<i>h</i>					
1913	24,337	1,903	1,189	3,338	15,842	156	748	...	1,037	665	1,311	1,776	43,088	1,927	7,269	460
1929	21,837	2,244	1,377	4,486	13,620	965	3,853	3,472	1,023	1,052	1,893	2,855	46,028	1,880	14,588	587
1930	20,650	2,284	1,203	4,490	11,891	m1,018	3,127	3,221	864	981	1,927	2,615	40,590	1,602	12,159	515
1931	18,582	2,253	1,092	4,167	9,887	m1,075	3,189	4,462	706	880	1,752	2,332	33,395	1,494	11,109	509
1932	17,717	1,735	921	3,856	8,728	m1,063	2,403	5,211	625	805	1,580	2,338	27,183	1,288	10,218	494
1933	17,525	2,107	886	3,905	9,160	m1,048	2,278	6,184	639	872	1,526	2,504	28,526	1,260	10,566	492
1933—August	15,674	2,033	844	3,810	9,354	1,071	2,200	6,322	694	958	1,472	2,340	34,741	1,151	10,456	438
September	16,856	2,058	907	3,872	9,367	1,045	2,425	6,434	725	898	1,447	2,423	31,235	1,266	10,721	543
October	18,404	2,139	997	3,987	9,796	1,058	2,765	6,827	917	898	1,452	2,702	31,177	1,411	10,680	651
November	19,193	2,187	1,028	3,951	9,994	1,047	2,933	6,322	830	900	1,434	2,629	31,970	1,456	12,174	641
December	18,953	2,168	1,000	4,051	9,915	1,020	2,784	7,371	896	850	1,640	2,976	30,866	1,506	12,927	715
1934—January	21,091	2,306	1,043	4,325	10,383	1,070	2,673	7,505	755	932	1,572	2,781	35,417	1,320	12,168	649
February	19,045	2,089	838	3,922	9,778	974	2,222	6,683	664	832	1,758	2,744	34,539	1,263	10,965	549
March	20,490	2,404	896	4,229	10,385	1,070	2,301	7,352	712	952	1,831	3,162	40,650	1,282	10,755	472
April	18,290	2,176	756	3,896	9,700	958	2,095	7,387	843	1,038	1,832	2,873	30,255	1,105	10,469	408
May	18,076	2,124	812	3,893	9,512	1,002	1,996	7,056	843	1,019	1,667	...	27,773	1,095	11,508	404
June	16,889	2,213	817	3,836	9,883	892	2,100	7,426	826	1,028	1,500	...	26,057	1,120	11,016	...
July	16,468	2,087	806	3,765	10,236	1,047	2,295	7,572	838	...	...	...	28,221	...	...	...
August	15,439†	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

PIG IRON										STEEL							
Period Monthly Average	United Kingdom	Belgium & Luxemburg	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium & Luxemburg	France	Saar	Germany	Sweden	Canada	United States
	<i>b</i>	<i>a</i>			<i>g</i>												
1913	869	419	434	114	1,397	61	...	85	2,601	649	307	391	159	1,467	62	88	2,564
1929	643	583	864	175	1,117	41	362	99	3,580	618	569	808	184	1,354	60	117	4,599
1930	525	489	836	159	808	38	417	63	2,659	618	471	787	161	962	52	86	3,326
1931	418	440	683	126	505	32	405	32	1,547	438	430	652	128	691	46	57	2,133
1932	303	395	462	112	328	22	521	16	735	445	397	470	122	479	44	29	1,128
1933	349	386	527	133	439	27	597	19	1,119	593	383	544	139	632	53	45	1,913
1933—August	369	366	564	148	473	28	635	36	1,863	560	356	565	152	706	63	49	2,910
September	365	349	538	138	437	24	661	31	1,547	680	347	550	141	632	56	49	2,320
October	379	363	537	153	492	28	686	27	1,378	679	330	527	162	715	60	39	2,118
November	381	360	509	138	510	33	682	30	1,103	708	349	488	142	725	74	41	1,566
December	416	374	522	130	534	37	662	30	820	680	354	498	129	781	56	50	1,827
1934—January	443	376	526	141	546	38	655	31	1,233	722	377	518	154	817	56	62	2,033
February	356	474	536	138	550	38	709	12	1,284	719	351	478	145	823	65	59	2,218
March	512	410	526	156	630	40	818	12	1,646	848	412	528	160	890	71	74	2,544
April	504	406	503	153	697	39	854	28	1,755	728	408	501	177	977	70	71	2,944
May	536	419	527	150	737	50	886	39	2,076	793	418	533	155	989	85	73	3,407
June	524	408	509	152	718	40	896	38	1,961	767	418	512	173	1,003	60	65	3,064
July	537	415	516	152	767	42	923	37	1,244	730	408	511	156	1,036	63	68	1,497
August	511	...	...	...	798	...	...	...	1,071	678	...	...	...	...	...	...	1,385

PIG IRON

Period Monthly Average	PIG IRON								STEEL								
	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	Canada	United States
	<i>b</i>	<i>a</i>			<i>g</i>					<i>a</i>	<i>b</i>			<i>g</i>			<i>b</i>
1913.....	869	419	434	114	1,397	61	...	85	2,601	649	307	391	159	1,467	62	88	2,564
1929.....	643	583	864	175	1,117	41	362	92	3,380	816	559	808	184	1,354	60	117	4,599
1930.....	325	449	686	159	808	38	417	63	2,659	618	471	787	181	962	52	86	3,326
1931.....	318	440	685	126	505	32	502	36	1,547	438	450	652	128	691	46	57	2,133
1932.....	303	395	462	112	328	22	521	12	735	445	397	470	122	479	44	29	1,128
1933.....	349	388	527	133	439	27	597	19	1,119	593	383	544	139	632	53	35	1,913
1933—August.....	369	366	564	148	473	28	635	36	1,863	560	356	565	152	706	63	49	2,810
September.....	365	349	538	138	437	24	661	31	1,547	680	347	550	141	632	56	39	2,320
October.....	379	363	537	153	492	28	686	27	1,378	679	330	527	162	715	60	49	2,118
November.....	381	360	509	138	510	38	692	30	1,103	708	349	488	142	725	75	44	1,546
December.....	416	448	526	141	543	36	735	31	1,235	722	377	518	154	817	56	62	2,003
1934—January.....	448	376	526	141	543	38	709	12	1,284	719	351	478	145	822	65	59	2,218
February.....	421	356	474	138	550	38	735	12	1,646	848	412	528	160	930	71	74	2,805
March.....	512	410	526	156	650	40	818	12	1,755	728	403	501	160	977	70	71	2,944
April.....	504	406	503	153	697	39	854	28	1,755	728	403	501	160	977	70	71	2,944
May.....	536	419	527	150	737	50	886	39	2,076	793	418	533	155	989	65	73	3,407
June.....	524	408	509	152	718	40	896	38	1,961	767	418	512	173	1,003	60	65	3,084
July.....	537	415	516	152	767	42	923	37	1,244	730	408	511	156	1,036	63	68	1,497
August.....	511	...	...	...	798	...	...	...	1,071	678	...	...	...	...	...	...	1,385

a Figures for Luxembourg communicated by the "Groupement des Industries Sidérurgiques." b Including ferro alloys. c Excluding castings. d Saleable coal: since end 1921, excluding Ireland. e British Provinces only. f Establishments whose production in 1933 amounted to 99.39% of the total. g Excluding Luxembourg. Since 1922, excluding Polish Upper Silesia. h Coal sold. i Until end 1928 saleable coal. j Including coal waste. k Provisional figure.

WHOLESALE PRICES

Monthly Average	U.K.		Belgium	Czechoslovakia	Denmark	France	Germany (Official)	Holland	Italy (Bachi)	Norway	Poland	Spain	Sweden	Switzerland	Australia	British India	Canada	South Africa
	Board of Trade	Economist																
1913	100	100	<i>f</i> 1100	<i>f</i> 1100	<i>e</i> 100	<i>i</i> 100	100	100	100	100	<i>a</i> 100	<i>a</i> 100	100	100	100	100	100	100
1929	136.5	127.2	851	924	150	627	137.2	102	142	446	<i>a</i> 149	96.3	167.7	140	141.2	165.7	141	149.4
1930	119.5	108.8	744	<i>f</i> 1118.6	130	554	124.6	117	383	<i>a</i> 137	85.5	167.0	140	140.5	133.8	131.3	117	135.3
1931	104.1	89.3	626	107.9	114	502	110.9	97	328	<i>a</i> 122	74.6	168.8	111	109.7	131.3	96	112.6	99.5
1932	101.6	86.1	532	99.7	117	427	96.5	79	304	<i>a</i> 112	65.5	166.7	109	96.0	129.7	91	104.2	91.5
1933	100.9	<i>b</i> 89	501	96.2	125	398	93.3	74	280	122	59.1	159.1	107	91.0	129.5	87	104.9	91.5
1933—August	102.5	89.7	501	<i>d</i> 96.5	126	397	94.2	73	278	122	57.9	157.9	108	90.8	134.6	89	108.4	...
September	103.0	89.5	496	96.2	128	397	94.9	75	279	123	58.1	158.4	109	90.8	136.1	88	107.6	...
October	102.6	89.1	487	95.7	127	397	95.7	73	274	123	57.7	157.6	109	90.7	132.8	88	106.1	93.1
November	102.8	88.8	485	95.0	128	403	96.0	76	273	122	57.6	159.7	110	91.0	130.0	88	107.3	...
December	102.8	88.4	484	94.6	129	407	96.2	77	275	122	57.6	161.9	110	91.3	132.1	89	108.0	...
1934—January	104.6	90.4	484	94.3	130	405	96.0	78	276	120	57.5	164.4	112	91.3	133.8	90	110.3	106.0
February	105.3	90.6	483	<i>e</i> 131.1	131	406	96.8	79	275	120	57.2	165.0	112	91.4	133.5	89	112.6	...
March	103.8	90.0	479	90.8	129	394	95.9	79	275	122	57.6	...	112	90.9	134.1	88	112.5	...
April	103.8	90.0	474	90.2	128	387	95.8	79	273	123	56.8	...	113	89.6	135.2	89	111.1	104.1
May	102.4	90.0	470	80.5	128	381	96.2	77	273	123	56.0	...	113	89.0	133.8	90	111.1	...
June	103.6	89.9	472	85.1	128	379	97.2	76	272	123	55.8	...	114	89.0	134.5	90	112.6	...
July	103.4	91.0	471	83.8	129	374	98.9	76	270	124	55.9	...	114	88.9	136.3	...	112.5	98.0
August	105.5	92.3	474	...	134	371	100.1	77	271	127	...	...	...	89.8	...	...	...	...
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
<i>a</i> New index.			<i>b</i> End of the month.			<i>c</i> 15th of month.			<i>d</i> Beginning of the following month.			<i>e</i> Official.			<i>f</i> Second half of month.			
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<i>a</i> New index.			<i>b</i> End of the month.															

FINANCE

Notes in Circulation. (000,000's omitted)

Period	United Kingdom	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	Finland	France	Germany	Greece	Hungary	Jugoslavia	Netherlands
End of	Bank of England Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Reichsbank Notes	"Rentenbank" Notes	Bank Notes	Bank Notes	Bank Notes
	£	Schilling	Francs	Leva	Koruna	Kron.	Mark	Francs	Reichsmark	Reutenmks.	Drachma	Pengö	Dinars
	Gulden	Gulden											
1913.....	29.6	...	1,067	189	...	152	113	5,714	2,742g	...	245	...	313
1928.....	378.3	1,067	12,358	4,173	8,466	360	1,513	4,930	530	5,690	513	5,528	854
1929.....	369.8	1,094	14,683	3,609	8,230	367	1,361	68,571	5,044	397	5,193	501	5,818
1930.....	368.8	1,090	16,419	3,296	7,824	360	1,279	76,436	4,778	439	4,803	469	5,397
1931.....	364.2	1,183	18,270	2,919	7,679	346	1,233	85,725	4,776	422	4,003	423	5,172
1932.....	371.2	914	17,267	2,855	7,705	354	1,115	80,368	4,776	413	4,714	353	4,773
1933.....	392.0	952	17,093	2,984	5,906	375	1,184	82,613	3,645	392	5,449	369	4,327
1933—July.....	377.2	903	18,017	2,531	6,253	378	1,081	82,853	3,492	394	4,760	364	4,306
August.....	374.0	900	18,058	2,674	6,168	330	1,087	81,143	3,521	396	4,832	354	4,314
September.....	370.8	943	17,268	2,738	6,310	355	1,125	82,994	3,625	392	5,304	361	4,372
October.....	369.3	941	17,189	2,845	6,148	368	1,103	81,097	3,571	392	5,565	362	4,343
November.....	370.0	941	17,267	2,855	6,205	354	1,115	80,368	3,542	381	5,426	341	4,257
December.....	392.0	952	17,093	2,984	5,906	375	1,184	82,613	3,645	392	5,449	369	4,327
1934—January.....	366.7	909	16,989	2,571	5,449	345	1,166	79,474	3,458	372	5,171	348	4,212
February.....	367.4	993	17,096	2,400	5,523	351	1,286	81,024	3,494	358	5,044	347	4,233
March.....	378.8	981	17,278	2,603	5,544	369	1,322	82,833	3,675	356	5,098	360	4,232
April.....	373.7	970	17,317	2,534	5,242	366	1,309	81,502	3,640	356	5,114	351	4,169
May.....	378.1	981	17,587	2,574	5,179	358	1,244	79,992	3,635	355	5,117	342	4,119
June.....	385.1	985	17,408	2,605	5,524	380	1,234	82,058	3,777	345	5,131	364	4,142
July.....	383.9	989	17,509	2,635	5,521	357	1,234	82,058	3,777	345	5,131	364	4,142
August.....	379.3	965	17,657	2,668	5,534	365	1,224	81,732	3,824	311	5,421	369	4,233

Period	Italy	Norway	Poland	Roumania	U.S.S.R.	Sweden	Switzerland	Australia	Canada	South Africa	Egypt	United States	Japan
End of	Bank Notes	State Notes	Bank Notes	Token Notes and Coins	Bank Notes	State Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Federal Reserve Notes	All other currencies, & coins
	Lire	Lire	Kroner	Zloty	Leu	Gd. Rbls.	Rbls.	Kronor	Francs	£	Dollars	Dollars	Yen
1913.....	22,284	499	108	...	...	437	...	234	314	110-0	116	2-3	428
1928.....	17,295	181	316	1,295	244	21,211	730	1,091	546	953	193	7-6	1,739
1929.....	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	188	7-5	1,642
1930.....	15,680	668	312	1,328	241	19,605	1,046	1,501	569	999	188	7-5	1,642
1931.....	14,295	...	334	1,218	241	23,750	2,370	2,080	594	1,082	166	7-1	1,436
1932.....	13,672	...	315	1,003	332	21,594	2,922	2,925	568	1,082	159	7-3	1,331
1933.....	13,243	...	327	1,004	342	20,804	3,069	3,433	548	1,510	151	9-7	1,426
1933—July.....	13,329	...	306	1,003	345	21,229	...	...	547	1,430	41-5	149	1,184
August.....	13,256	...	304	1,004	355	21,159	...	...	565	1,402	41-7	149	1,231
September.....	13,303	...	305	1,001	360	21,194	...	...	625	1,419	42-1	159	1,184
October.....	13,170	...	307	1,046	354	20,886	...	...	589	1,408	42-4	147	1,232
November.....	13,112	...	309	955	336	20,671	...	...	574	1,436	42-4	150	1,240
December.....	13,243	...	327	1,004	342	21,219	3,069	3,433	548	1,510	151	9-7	1,426
1934—January.....	13,068	...	311	947	339	20,834	...	...	583	1,391	42-5	141	1,280
February.....	12,963	...	313	939	346	20,815	...	...	587	1,390	41-2	145	1,280
March.....	12,963	...	320	955	358	21,479	...	...	644	1,405	40-9	158	1,271
April.....	12,963	...	322	931	344	21,258	...	...	617	1,388	40-3	150	1,291
May.....	12,889	...	314	911	335	21,021	...	...	601	1,354	39-8	148	1,221
June.....	12,889	...	325	938	368	20,960	...	...	653	1,376	39-7	161	1,295
July.....	13,330	...	323	908	360	20,809	...	...	612	1,364	39-4	152	1,295
August.....	13,194	...	321	950	374	21,463	...	...	643	1,370	...	...	1,186

a Until November, 1928, including State notes, then transferred to Bank. b May. c Excluding notes held by Commonwealth Bank. d In terms of new lire = 8,373 millions. e Marks—including Reichs- und Darlehenskassenscheine. f Excluding notes held by Reichsbank. g Since January 1934, excluding gold coins. h Token coins only. i Gross issue. j Excluding notes held as reserve by Chartered Banks. k State notes—gross. l Since January 1934, excluding gold coins. m Token coins only. n Since 1926, excluding notes held by Bank of Poland. o Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. p Since 1926, excluding notes held by the State Bank. q In terms of new lire = 1,829 millions. r Since January 1934, excluding gold coins. s Since 1926, excluding notes held by the State Bank. t In terms of new lire = 1,829 millions. u Since January 1934, excluding gold coins. v Since 1926, excluding notes held by the State Bank. w In terms of new lire = 1,829 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RAILWAY STATISTICS: FREIGHT TRAFFIC.—(000,000's omitted)											
						Great Britain (g)					
						Freight Traffic (f)					Total†
						Merchandise*‡	Coal, etc.‡	Minerals‡ and Other Merchandise	Tons	Ton-Mile	
Austria		Germany	Italy	Canada	United States						
(b)		(a)	(e) (i)	(c) (e)	(e)						
Tonnes-Km.		Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Monthly Average—	Tons	Tons	Tons	Tons	Ton-Mile
1929	379	5,745	1,017	4,831	59,897	1929	5.1	17.2	5.4	27.7	1,482
1930	322	4,556	1,067	4,040	51,357	1930	4.8	16.1	4.9	25.7	1,397
1931	273	3,792	962	3,447	41,383	1931	4.3	14.4	4.0	22.7	1,276
1932	221	3,242	840	3,092	31,508	1932	3.8	13.8	3.4	21.0	1,163
1933—July	219	3,240	755	2,901	38,631	Four weeks ending:					
August	216	3,504	782	2,918	38,643	1933—September 9	3.5	12.0	3.3	19.0	1,091
September	241	3,751	696	2,985	38,149	October 7	3.8	12.7	3.5	20.0	1,107
October	300	3,771	798	3,384	38,561	November 4	4.0	13.3	3.9	21.1	1,165
November	279	3,883	722	3,857	34,946	December 2 ...	4.0	14.3	3.9	22.2	1,240
December	260	3,903	693	3,189	32,191	December 30 ...	3.5	14.8	3.7	22.1	1,320
1934—January	255	4,075	688	2,495	34,692	1934—January 27 ..	3.8	14.5	3.7	21.9	1,235
February	227	3,809	704	2,749	33,869	February 24	3.5	14.9	3.9	22.6	1,270
March	254	4,215	783	2,646	36,879	March 24	3.8	14.8	4.0	22.6	1,276
April	229	3,654	692	3,210	49,577	April 21	3.6	13.1	3.8	20.4	1,147
May	...	...	...	3,049	34,259	May 19	3.7	13.1	4.1	20.9	1,138
June	...	3,680	...	3,117	36,809	June 16	3.6	11.7	4.0	19.2	1,064
...	...	...	...	2,894	...	...	...	...	4.1	19.3	1,079

* Inc live-stock. (f) † Reimbursement.

The deterioration in France seems to have been arrested, but there is as yet no evidence of an improvement in France and the other gold countries. Both wholesale prices and Stock Exchange securities continued to decline in France. The news from the sterling area remains encouraging, and the improvement in Latin America and in the British Dominions has been maintained. The outlook in Australia is, however, less favourable owing to the fall in wool prices and a small wheat crop. Trade in China has been adversely affected by the rise in the price of silver, but the expansion of industrial activity in Japan has been maintained.

* For method of construction and earlier figures (1920-31), see Supplement to the *Economist* of October 21, 1933. (a) Corrected for seasonal fluctuations.
(b) Partly corrected for seasonal fluctuations. (c) Provisional.

STATE OF TRADE OVERSEAS

BRITISH EMPIRE

Australia.—Internal trade during September continued above last year's level, but the value of exports suffered a contraction, largely owing to the fall in wool prices. Imports, however, especially of textiles and machinery, were substantially higher than in the previous month. Output of butter, which is already heavy, is likely to show a substantial increase, and it is reported that late lambs are expected to be plentiful and good. Building activity continues well above last year's level, but the general outlook is affected by the low prices of primary products, unfavourable prospects for wheat and poor conditions in certain pastoral areas.

South Africa.—Despite a setback on some of the agricultural produce markets, business in general has shown an improvement during the past month. Falling wool prices were an adverse factor during September, but a firmer tendency is now in evidence and buying has increased. Gold mining continues prosperous, and building activity remains at a high level. Crop prospects were considerably improved by rains in the early part of October. Retailers are expecting a good Christmas season.

Canada.—After expanding steadily during August and holding its own in the first half of September, business activity took a downward turn in the last week of the month. The Bureau of Statistics' index of the physical volume of business, which had reached a peak figure for the year on September 8th, was 95.9 for the week ending September 29th, as compared with 97.6 for the preceding week. But it was still roughly 10 per cent. higher than the figure of 86.9 recorded for the corresponding date in September, 1933.

India.—Imports during August were heavier than in the same month of last year, but exports declined. The slump in cotton prices early in September exercised an unfavourable influence, but some improvement took place later. Quotations for rice also became firmer towards the end of the month. Sales of piece-goods have not been very satisfactory. Monsoon reports during September were favourable, but at the end of the month final rains were still badly needed in many areas.

EUROPE

France.—The latest official statistics of industrial production indicate that the downward movement in the business curve was arrested in August. The latest evidence is somewhat conflicting. The number of persons in receipt of unemployment relief rose slightly from 329,021 on September 8th to 334,051 on October 13th. Carloadings rose from 41,400 per day during the week ending September 1st to 44,500 per day during the week ending October 6th. Wholesale prices declined during the past four weeks. Stock exchange securities fell during September and early October, recovered towards the middle of the month, and subsequently declined again. The new Government loan, which was launched four weeks ago, proved a success.

Germany.—There is evidence of a slight setback in economic activity. The index of industrial production published by the Institut für Konjunkturforschung declined from 88.8 (1928=100) in July to 86.6 in August. While output of production goods rose slightly from 82.8 to 83.1, the output of consumption goods fell from 97.9 to 91.9, of which that of textiles fell from 103.2 to 87.9 in consequence of the reduction of hours prescribed in expectation of raw material shortage. But the official figures show a further decline in the number unemployed during the past month, from 2,398,000 at the end of August to 2,282,000 at the end of September. The value of imports rose from Rm. 342 millions in August to Rm. 352 millions in September. But as exports increased from Rm. 334 millions to Rm. 350 millions, the adverse balance of trade was reduced from Rm. 8 millions in August to Rm. 2 millions in the past month.

Norway.—Foreign trade figures indicate a considerable expansion compared with last year, the increase in the turnover during the first eight months being about 8.5 per cent. There are indications of a further rise in September. The industrial production index rose from 98 in July to 106 in August, as against 91 in August last year, home industries showing the largest expansion. Unemployment figures reveal a small seasonal increase since August 15th, but are slightly below those of August 15th last year. Laid-up tonnage was reduced by about 127,000 tons dead weight, 14 tankers having found employment during the month. Favourable weather conditions gave satisfactory crops of cereals and hay, and the price level for these and most other agricultural products is considerably higher than last year.

Greece.—Further progress in the economic field is being retarded by the uncertainty of the political situation, and the steady rise of the indices of wholesale prices and of the cost of living gives rise to some anxiety. Nevertheless, the foreign exchange position of the central bank is still improving, and public revenue receipts are satisfactory. Foreign trade returns for August show an increase of both imports and exports on the corresponding month last year. Production of tobacco is estimated at 27,200,000 kg., as against 31,200,000 kg. for the preceding year, while exports for the first six months of 1934 amounted to 15,336,000 kg., against 17,586,000 kg. for the same period of 1933.

Denmark.—Considerable recovery of trade and industry has taken place since last year. But during the last few weeks a volume of unemployment has become apparent in some trades. The in excess of what was expected at the present juncture. Laid-up shipping tonnage is now down to 36,966, the lowest figure for several years.

UNITED STATES OF AMERICA

Business activity in the United States rose a little towards the end of September, but the improvement has been less marked than usual at this time of the year. The *New York Times* index of activity rose from 71.8 during the week ended September 15th to 74.7 during the week ended October 6th, but a year ago the figure stood at 78.9. Despite the relatively low level of business activity, there are as yet no indications of a sustained and substantial improvement before the turn of the year. The increase of costs brought about by N.R.A. has dislocated price relationships, and, as a considerable time is required before the necessary readjustments can be effected, the stagnation of business is scarcely surprising.

AMERICAN TRADE STATISTICS—SEPTEMBER, 1934

	Aug. 1934	Sept. 1934	with Sept., '33
EMPLOYMENT —(1923-25 = 100)†	79.2	...	...
PRODUCTION —			
Bituminous coal (Thous. tons).....	27,490	29,300*	195
Pig-iron (" ").....	1,054	898	624
Steel (" ").....	1,363	1,251	1,060
Steel Corporation—shipments (Thous. tons).....	378	370	205
Building permits (Thous. \$).....	34,453	26,521	5,723
FOREIGN TRADE —			
Imports (Thous. \$).....	117,288	...	...
Exports (" ").....	171,965	...	...
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars).....	605	628	13
SECURITIES —			
30 industrial stocks—			
Highest quotations\$.....	95.71	93.65	12.09
Lowest quotations\$.....	87.47	86.69	6.49
Thous. shares sold during month—			
(New York).....	16,693	12,636	30,698
New securities issued (Thous. \$).....	50,414	47,281	14,857
BANK DEBITS —			
New York (Million \$).....	12,285	11,280	1,178
Other cities (" ").....	13,421	13,066	6,010
RETAIL BUSINESS —			
Total sales, mail order houses\$ (Thous. \$).....	43,511	48,389*	4,929

* Preliminary estimates made by Messrs. Moody, subject to revision. † Federal Reserve Board Index of Factory Employment. ‡ Closing prices. § Partly estimated.

LATIN AMERICA

The present season is always a critical period for the Argentine fine cereal crops. Prospects are reported to be favourable. The exportable surplus from old crops likely to be carried over to next season are expected to be light, and there is a more optimistic feeling in business circles. Foreign trade continues to show an improvement compared with last year. The average tender rate in the official foreign exchange market continues to show steady improvement in the sterling value of the peso, and arrangements are being made to meet overdue payments in respect of certain imports made prior to February 1, 1933. The improvement in Chile is progressing. Budgetary equilibrium appears likely to be achieved this year, and the Finance Minister has under consideration a measure for utilising future Government revenue from the nitrate and copper industries to effect partial payments on the external debt. Shipments of nitrate, and to a lesser degree of copper, are increasing. In Brazil, the commercial markets have responded promptly to the further relaxation of the exchange control regulations. Exports of coffee in September exceeded 1,000,000 bags, and it appears that at present no further surplus stocks are available for destruction. Improvement has occurred in the value of the milreis in the "free" market, and owing to the extremely low level of stocks of imported goods, purchases from abroad tend to increase. Sales of coffee from the forthcoming crop have already taken place in Guatemala at prices slightly higher than last year.

THE FAR EAST

Economic activity in Japan remains well above the level of a year ago, but the scope for further rapid expansion is somewhat limited. At the beginning of October the market in raw silk was steady owing to the decrease in the production of autumn cocoon, but later the market turned dull. Rice tended to rise in price on the publication of estimates indicating a reduction of 16 per cent. in yield. Imports in September, at 156 million yen, showed an increase of 24 million yen on the corresponding month a year ago. On the other hand, exports declined by 7 million yen to 171 million yen during the same period. Trade in China has been adversely affected by the rise in the price of silver. Exports fell from \$48,630,000 in September, 1933, to \$44,060,000 in August and \$41,690,000 in September, 1934. The value of imports in September was \$77,480,000, against \$74,259,000 in August and \$88,720,000 a year ago.

STATISTICS

In the following tables we give trade and other statistics for as many countries of the world as possible, our endeavour being to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations (published by George Allen & Unwin, Ltd.).

PRODUCTION (Thousands of Metric Tons)

Period Monthly Average	COAL											LIGNITE		
	United Kingdom	Belgium	Czechoslovakia	France	Germany	Netherlands	Poland	U.S.S.R.	Canada	South Africa	India	Japan	United States	Czechoslovakia
1913.....	24,337	1,903	1,189	3,338	15,842	156	748	...	1,037	665	1,311	1,776	43,088	1,927
1929.....	21,837	2,244	1,377	4,488	13,620	965	3,853	3,472	1,023	1,052	1,893	2,855	46,026	1,880
1930.....	20,650	2,284	1,203	4,490	11,891	m1,018	3,127	3,921	864	991	1,927	2,615	40,590	1,602
1931.....	18,582	2,253	1,092	4,167	9,887	m1,075	3,189	4,462	702	880	1,752	2,332	33,395	1,494
1932.....	17,717	1,735	921	3,856	8,728	m1,063	2,403	5,211	695	805	1,580	2,338	27,183	1,288
1933.....	17,525	2,107	886	3,905	9,160	m1,048	2,278	6,184	639	872	1,526	2,504	28,526	1,260
1933—September.....	16,856	2,058	907	3,872	9,367	m	1,045	6,434	725	898	1,447	2,423	31,235	1,268
October.....	18,404	2,139	997	3,987	9,796	1,038	2,765	6,827	917	898	1,452	2,702	31,177	1,411
November.....	19,193	2,187	1,028	3,951	9,994	1,047	2,933	6,822	830	898	1,434	2,830	31,970	1,458
December.....	18,953	2,168	1,000	4,051	9,915	1,020	2,784	7,371	696	860	1,640	2,976	30,866	1,506
1934—January.....	21,091	2,306	943	4,325	10,593	1,070	2,673	7,505	755	932	1,572	2,781	35,417	1,320
February.....	19,045	2,039	838	3,922	9,778	974	2,222	6,683	664	832	1,758	2,744	34,539	1,263
March.....	20,490	2,404	896	4,229	10,385	1,070	2,501	7,352	712	952	1,831	3,162	40,650	1,282
April.....	18,290	2,176	756	3,896	9,700	958	2,035	7,387	638	824	1,821	2,691	36,861	1,182
May.....	18,076	2,124	812	3,893	9,512	1,002	1,996	7,056	843	1,038	1,832	2,873	30,255	1,105
June.....	16,889	2,213	817	3,896	9,883	992	2,100	7,426	826	1,019	1,667	2,649	27,773	1,095
July.....	16,468	2,067	806	3,763	10,236	1,047	2,295	7,572	838	1,028	1,501	2,535	26,057	1,120
August.....	17,408	2,181	900	3,828	10,778	1,053	2,443	7,559	873	1,040	1,550	...	28,164	1,277
September.....	22,305†	...	...	...	...	...	...	...	...	...	...	...	28,710	...

Period Monthly Average	PIG IRON											STEEL				
	United Kingdom	Belgium	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium	France	Saar	Germany	Sweden	Canada
1913.....	869	419	434	114	1,397	61	...	85	2,601	649	307	391	159	1,467	62	88
1929.....	643	583	864	175	1,117	41	362	92	3,580	816	569	808	184	1,354	60	117
1930.....	525	489	836	159	808	38	417	83	2,659	618	471	787	161	962	52	88
1931.....	318	440	683	126	505	32	405	36	1,547	438	430	652	128	691	46	57
1932.....	303	393	602	112	328	27	597	19	1,119	398	383	544	139	632	53	35
1933.....	349	386	527	133	439	27	597	19	1,119	398	383	544	139	632	53	35
1933—September.....	365	349	538	138	437	24	661	31	1,547	680	347	550	141	632	56	39
October.....	379	363	537	133	492	28	686	27	1,378	679	330	527	162	715	60	49
November.....	381	360	509	138	510	35	682	30	1,103	706	349	488	142	725	75	44
December.....	416	374	522	130	534	37	682	39	1,201	680	354	498	129	731	56	50
1934—January.....	448	376	526	141	543	38	735	31	1,235	722	377	518	154	817	56	62
February.....	421	356	474	138	550	38	709	12	1,284	719	351	478	145	823	65	59
March.....	512	410	526	156	650	40	818	12	1,646	848	412	528	160	930	71	74
April.....	504	408	503	153	697	39	886	39	2,078	733	418	533	185	889	85	73
May.....	536	419	527	150	737	50	886	39	2,078	733	418	533	185	889	85	73
June.....	524	408	509	152	718	40	896	38	1,961	767	418	512	173	1,003	60	65
July.....	537	415	511	152	767	42	923	37	1,244	730	408	513	156	1,036	64	68
August.....	511	415	532	154	799	49	929	42	1,071	678	413	533	172	1,068	85	65
September.....	508	...	...	...	...	...	...	...	...	746	...	...	...	...	...	...

a Figures for Luxembourg communicated by the "Groupe des Industries Siderurgiques." b Including ferro alloys. c Excluding castings. d Saleable coal; since end 1921, excluding Ireland. e British Provinces only. f Establishments whose production in 1933 amounted to 99-39% of the total. g Excluding Luxembourg. Since 1922, excluding Polish Upper Silesia. h Coal sold. i Until end 1928 saleable coal. j Including coal waste. k Provisional figure.

WHOLESALE PRICES

Monthly Average	U.K.		Belgium	Czechoslovakia	Denmark	France	Germany (Official)	Holland	Italy (Bachi)	Norway	Poland	Spain	Sweden	Switzerland	Australia	British India	Canada	South Africa
	Board of Trade	Economist																
1913	100	100	<i>f</i> 100	<i>f</i> 100	<i>g</i> 100	100	100	100	100	100	<i>a</i> 100	<i>a</i> 100	100	<i>h</i> 100	100	<i>h</i> 100	100	100
1929	136.5	127.2	92.4	150	627	137.2	142	448	a149	98.3	m100	167.7	149	141.2	165.7	141	149.4	116.0
1930	119.5	106.8	744	118.6	130	554	124.6	117	383	a137	85.5	167.0	122	126.5	146.7	117	135.3	102.8
1931	104.1	89.3	626	107.9	114	502	110.9	97	328	a122	74.6	169.8	111	109.7	131.3	96	112.6	99.5
1932	101.6	86.1	532	99.7	117	427	96.5	79	304	a122	65.5	166.7	109	96.0	129.7	91	104.2	91.5
1933	100.9	86.9	501	96.2	125	398	93.3	74	280	122	59.1	159.1	107	91.0	129.5	87	104.9	91.5
1933—September.....	103.0	89.5	496	96.2	128	397	94.9	75	276	<i>a</i> <i>b</i> <i>c</i> <i>d</i>	123	158.4	109	90.8	136.1	88	107.6	...
October	102.6	88.1	489	95.7	127	397	95.7	75	274	123	57.9	157.6	109	90.7	132.8	88	106.1	93.1
November	102.8	86.8	485	95.0	128	403	96.0	76	273	122	57.6	159.7	110	91.0	130.0	88	107.3	...
December	102.8	88.0	484	94.6	129	407	96.2	77	275	122	57.6	161.9	110	91.3	132.0	89	107.5	...
1934—January	102.4	86.4	480	94.3	130	404	96.8	79	276	120	57.8	164.4	112	91.8	133.8	90	110.3	106.0
February	105.3	90.6	483	98.1	131	400	98.0	78	275	122	58.0	165.0	112	91.4	135.5	89	112.6	...
March	103.8	90.0	478	80.8	129	394	95.9	79	275	122	57.3	...	112	90.9	134.1	88	112.5	...
April	102.8	90.0	474	80.2	128	397	95.8	79	273	123	56.8	...	113	89.6	135.2	89	111.1	104.1
May	102.4	90.0	470	80.5	128	381	96.2	77	273	123	56.0	...	113	89.0	133.8	90	111.1	...
June	103.6	89.0	472	85.1	128	379	97.2	76	272	123	55.8	...	114	88.9	134.5	90	112.6	...
July	103.4	91.0	471	83.9	129	374	93.9	76	270	124	55.9	...	114	88.9	136.3	89	112.5	98.0
August	105.5	92.3	474	84.0	134	371	100.1	78	271	127	55.8	...	114	89.8	...	...	112.9	...
September.....	105.2	90.4	470	...	135	365	100.4	78	...	126	...	...	114	...	...	...	...	...

CAPITAL ISSUES.—(000,000's omitted)

Period	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	United States
Monthly Average	£	Schilling	Koruna	Francs	Mark	Lire	Gulden	Zloty	Lei	Kronor	Francs	Yen
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...
1929.....	23.8	8.6	55	1,259	80.2	607	29	17.8	318	21	52	24
1930.....	22.3	4.8	38	1,832	46.6	514	45	17.6	460	21	52	24
1931.....	15.7	3.1	42	1,362	65.2	361	20	6.4	210	28	48	27
1932.....	15.7	4.9	27	511	12.3	304	31	11.6	37	11	32	33
1933.....	20.4	17.9	21	800	7.3	...	...	...	47	8	15	...
Oct.-Dec. 1933.....	8.7	1.1	16	462	8.0	127	36	26.6	38	7	38	31
Jan.-Mar. 1934.....	9.6	2.5	19	256	12.1	179	23	2.1	31	8	22	33
Apr.-June.....	27.3	6.7	30	399	6.2	403	4	3.7	86	8	...	29
July-Sept. 1934.....	38.7	49.8	14	404	8.1	242	1	0.8	25	6	31	31
Oct.-Dec. 1934.....	7.4	12.9	20	139	4.1	292	59	5.3	47	11	9	21
Jan.-Mar. 1935.....	6.7	9.8	19	358	11.4	152	3	3.3	122	8	50	120
Apr.-June.....	25.6	11.0	10	551	5.1	280	58	0.8	71	10	20	27
July-Sept. 1935.....	7.5	25.1	13	161	3.6	...	...	...	58	14	15	36
Oct.-Dec. 1935.....	17.1	9.3	...	653	6.4	...	...	...	321	3	5	30
Jan.-Mar. 1936.....	2.0	17.1	...	130	...	...	...	...	...	...	...	...
Apr.-June.....	9.2	...	...	134	...	...	...	...	...	...	...	...

Unless otherwise stated, the figures represent authorised share issue of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures of Roumania and Czechoslovakia. In the case of the Netherlands, Switzerland and the U.K. both bonus shares and conversions are excluded. Excluding Treasury Bills, d Exc. large U.K. issues, f "Rivista Bancaria," g Issues exceeding Fls. 100,000 on the Dutch market including Colonial, and since Jan., 1925, foreign issues. h Since 1924, excluding amalgamations and conversions. i Until end 1922 paper mark. j "Société de Banque Suisse," figures of net amount of new capital paid-up. k Compiled by "Commercial & Financial Chronicle." l Up to amount of authorised issues, excluding western departments; since 1928 amounts actually issued, whole territory.

BANK RATES

	1928	1929	1930	1931	1932	1933	1934
	End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.	End of Sept.
London.....	4 1/2	4 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Paris.....	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Berlin.....	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
New York.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Amsterdam.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Brussels.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Rome.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Switzerland.....	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Vienna.....	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Warsaw.....	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Tokyo.....	5.48	5.48	5.48	5.48	5.48	5.48	5.48
Calcutta.....	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2

* Federal Reserve.

LONDON BANKERS' CLEARING RETURNS

	Town	Metropolitan	Country	Total
	£	£	£	£
1913.....	14,191,275	855,648	1,388,481	16,435,404
1928.....	39,311,117	1,854,190	3,039,422	44,204,729
1929.....	39,935,924	1,881,989	3,078,764	44,896,677
1930.....	38,782,577	1,812,146	2,963,631	43,558,354
1931.....	31,815,808	1,667,852	2,752,209	36,235,869
1932.....	27,833,633	1,610,407	2,667,919	32,111,959
1933.....	27,714,480	1,656,675	2,766,471	32,137,626
1933 (October 18).....	21,833,697	1,321,885	2,200,037	25,355,619
1934 (October 17).....	24,044,979	1,898,771	2,877,779	28,821,529

U.K. IMPORTS AND EXPORTS.—(000,000's omitted)

	Food		Raw Materials		Manufactures		Imports of		Exports of	
	Imports	Exports	Imports	Exports	Imports	Exports	Wheat	Raw Cotton	Sheep's & Lambs' Wool	Cotton Piece Goods
Monthly Average	£	£	£	£	£	£	Cwts.	Centals	Centals	Sq. Yds.
1913.....	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.8	0.7	589
1929.....	44.7	4.6	28.3	6.6	27.9	47.8	9.3	1.3	0.7	306
1930.....	39.8	4.0	26.9	5.3	25.6	36.6	8.8	1.0	0.7	201
1931.....	34.8	3.0	14.5	5.3	24.2	24.2	9.9	0.9	0.7	143
1932.....	31.1	2.7	13.7	3.6	13.1	23.0	8.8	1.0	0.8	182
1933.....	28.4	2.4	15.0	3.8	12.6	23.4	9.3	1.2	0.8	169
1934—February.....	25.6	2.6	18.2	4.0	13.2	22.6	7.4	1.3	1.2	168
March.....	28.7	2.3	17.1	3.8	14.8	25.6	10.0	1.2	0.9	173
April.....	25.5	2.3	18.2	4.1	13.5	23.2	9.3	1.0	0.9	151
May.....	29.6	2.4	16.9	3.9	14.9	25.1	9.4	1.0	0.7	151
June.....	29.4	2.4	16.9	3.9	14.9	25.1	9.4	1.0	0.7	151
July.....	26.8	2.3	16.6	3.8	14.3	26.0	9.2	0.9	0.3	170
August.....	27.4	2.4	17.6	3.6	14.7	25.1	8.0	1.0	0.2	169
September.....	29.0	2.6	15.2	4.1	13.2	26.3	9.7	0.8	0.2	178

* Yards.

RAILWAY STATISTICS: FREIGHT TRAFFIC.—(000,000's omitted)

	Austria	Germany	Italy	Canada	United States	Great Britain (g)				
	(b)	(a)	(e) (i)	(c) (e)	(e)	Freight Traffic (f)				
Monthly Average—	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Merchandise*	Coal, etc.†	Minerals and Oil‡	Merchandise	Total‡
1929.....	379	5,745	1,017	4,831	59,897	5.1	17.2	5.4	27.7	1,482
1930.....	322	4,556	1,067	4,040	51,357	4.8	16.1	4.9	25.7	1,397
1931.....	273	3,792	962	3,447	41,383	4.3	14.4	4.0	22.7	1,276
1932.....	221	3,242	840	3,092	31,508	3.8	13.8	3.4	21.0	1,163
1933—September.....	241	3,751	696	3,384	38,149	3.8	12.7	3.5	20.0	1,107
October.....	300	3,771	798	3,857	38,561	4.0	13.3	3.9	21.1	1,165
November.....	279	3,883	722	3,199	34,946	4.0	14.3	3.9	22.2	1,240
December.....	260	3,903	698	2,495	32,121	3.5	14.8	3.8	22.1	1,202
1934—January.....	227	4,075	704	3,692	34,692	3.7	14.5	3.7	21.9	1,235
February.....	227	3,809	704	3,692	34,692	3.8	14.9	3.8	22.6	1,270
March.....	254	4,215	783	3,210	34,577	3.8	14.8	4.0	22.6	1,276
April.....	229	3,654	692	3,049	34,269	3.6	13.1	3.8	20.4	1,147
May.....	258	3,680	...	3,117	36,879	3.7	13.1	4.1	20.9	1,138
June.....	258	4,281	...	2,894	36,809	3.6	11.7	4.0	19.2	1,064
July.....	...	4,095	...	3,215	...	3.7	11.6	4.0	19.4	1,079
August.....	...	4,398	...	...	...	3.5	10.8	3.5	17.8	1,028

* Inc. live-stock. (a) "Reichsbahn." (b) Excl. free-hauled. (c) State and private railways, including freight on foreign lines. (d) Railways with annual operating revenues of at least \$500,000. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34. (h) Fiscal year ending June 30. (i) From January, 1932, onwards figures relate to 4-week periods.

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UNEMPLOYMENT

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.)

End of Month	U.K.	Belgium	Denmark	Germany	Netherlands	Norway	Sweden	Australia	Canada
1921—June.....	17.8	9.9	16.8	3.0	8.1	20.6	27.7	12.5	13.2
December.....	16.2	6.6	25.2	1.6	16.6	23.4	33.2	9.5	15.1
1926—June.....	14.6	0.9	15.6	18.1	5.9	22.6	9.6	6.7	4.1
December.....	11.9	2.6	32.2	16.7	12.1	27.7	19.0	5.7	5.9
1927—June.....	8.8	1.4	18.0	6.3	6.0	22.5	9.5	6.4	3.2
December.....	9.8	3.6	31.6	12.9	14.9	28.0	18.6	8.9	6.6
1928—June.....	10.7	0.6	13.5	6.2	4.4	14.4	7.6	11.2	3.2
December.....	11.1	1.9	28.4	16.7	11.5	22.1	17.3	9.9	6.6
1929—June.....	9.6	0.4	10.0	8.5	2.6	11.3	7.3	10.0	2.9
December.....	11.1	2.4	22.4	20.1	12.3	18.9	16.9	13.1	11.4
1930—June.....	15.8	1.9	8.7	19.6	5.5	10.8	8.3	18.5	10.6
December.....	20.2	9.2	25.1	31.7	18.2	25.5	23.3	23.4	17.0
1931—June.....	21.8	9.0	11.3	29.7	11.7	...	12.9	27.6	16.3
December.....	20.9	17.0	32.2	42.2	27.8	27.2	27.1	28.0	21.1
1932—June.....	22.3	18.7	24.9	43.1	27.2	26.2	19.1	30.0	21.9
December.....	21.7	17.4	15.3	43.1	34.4	42.4	31.5	28.1	25.6
1933—June.....	19.5	14.4	21.9	...	27.7	27.2	20.8	25.7	21.8
December.....	17.6	19.9	37.5	22.6	40.0	39.2	27.7	23.0	21.0
1934—April.....	16.7	19.4	21.6	14.1	26.6	33.4	19.5	...	19.1
May.....	16.3	17.5	16.8	13.7	29.1	28.7	15.3	...	18.5
June.....	16.5	17.1	15.5	13.4	29.1	27.2	13.9	...	18.0
July.....	16.8	17.4	15.3	13.1	30.5	24.7	12.5	...	17.9
August.....	16.6	17.1	15.5	13.0	30.2	...	...	...	...
September.....	16.1	...	16.9	...	...	...	...	...	...

Number of Workers Covered by Last Returns

Millions.....	12.8	0.8	0.37	6.9	0.6	0.05	0.4	0.4	0.16
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† Ex. Irish Free State since March, 1923.

* Workpeople in the coal-mining industry, who ceased work on account of the dispute, are not included in this figure. † Provisional.

SECURITY VALUES

	United Kingdom			Nether-lands	Sweden	Switzer-land	Canada	United States
	" Bankers' Magazine "			Official. 49 Ordinary Industrial Shares	Official. 52 Industrial and Shipping Shares	Banque Nationale. (1) 26/33 Industrial Shares	Official. (1) Common Industrial Shares	Standard Statistics C 342 Industrial Shares
Base	Dec., 1921 = 100			1921-25 = 100	Dec., 1924 = 100	Nom. value = 100	1926 = 100	1926 = 100
	(a)	(b)	(c)	(e)	(h)	(g)	(d)	(f)
1927-Dec.	111.2	146.9	122.8	103	140.0(d)	223.2	161.6	117.6(d)
1928-Dec.	112.4	152.7	125.4	111	176.4	243.6	170.0	154.3(d)
1929-Dec.	112.1	158.8	127.9	115	168.9	242.8	237.3	151.0
1929-June	109.8	157.9	125.4	121	168.9	245.8	264.1	191.0
1930-Dec.	108.5	147.1	121.0	100	154.4	215.0	210.0	146.9
1930-June	110.0	135.5	119.0	85	148.2	209.3	165.4	143.1
1931-Dec.	112.5	118.5	114.4	60	131.8	177.6	120.3	101.9
1931-June	111.1	103.6	108.6	50	120.1	180.7	91.1	86.5
1932-Dec.	102.2	90.7	98.5	35	79.4	116.8	74.3	54.3
1932-June	111.0	78.9	100.6	25	50.7	106.3	48.8	33.5
1933-Dec.	116.1	95.8	109.4	35	57.3	126.5	58.4	44.8
1933-June	118.7	105.1	114.3	39	64.5	159.7(h)	103.6	77.3
1934-Dec.	122.0	108.4	117.6	37	64.8	158.4	107.6	78.8
1934-June	125.3	114.5	121.8	34	71.3	156.6	125.1	81.4
July	127.1	122.5	122.5	34	73.4	155.5	116.6	79.7
Aug.	127.4	111.6	122.3	33	73.5	153.4	120.1	76.7
Sept.	128.3	111.3	122.8	33	76.0	152.2	...	75.7

HOME INDUSTRIES AND TRADE

The following reports on British industry cover, in most cases, the period to the middle of November; in the remainder they relate to the month of October.

COAL

On balance, conditions in the coal trade showed little change during October. As compared with the previous month, the employment figures registered a substantial increase, but this was chiefly in the numbers temporarily stopped, and probably does not imply any real deterioration in the employment position. Indeed, the Board of Trade statistics of the number of wage-earners at the mines tended upwards during October, although output showed no expansion. More recently, however, a seasonal improvement in demand for house coal has been manifested, and although orders have hitherto been met largely from stock, a continuance of the cold weather should soon increase employment at the pits. Contracts for industrial fuel have amounted to a fair tonnage, and exports during October were larger than in September and were above last year's level. The increase in the French import quota and the resumption of trade with Germany should bring about some increase in exports.

IRON AND STEEL

The iron and steel industry continued to make headway during October and early November. Steel production in October was higher than in any month since March. At the beginning of November the volume of new business tended to increase, and although most transactions are for the home market, export trade has also been better. It now appears that the volume of orders on hand is sufficient for the maintenance of the current level of output well into the New Year. Buying of pig iron has increased, and there has been a fair volume of forward purchases. Several blast-furnaces are apparently to be restarted on the North-East coast. There has been a slight improvement in the semi-finished steel section, and most of the works engaged in the production of finished materials are well placed with orders.

ENGINEERING

Following a quiet period in August and September, the engineering industry experienced a normal autumn revival in the past month. The volume of inquiry has broadened and activity has increased. Moreover, the state of order-books will ensure the maintenance of the present level of activity for several months. The improvement has been felt in all the individual branches of the industry with the exception of that engaged in the production of agricultural machinery. There has been an increase in the demand for power equipment, electrical machinery, and excavating and mining machinery. Business in sugar crushing and refining machinery has been quite good. The marine engine section is fairly well placed with orders. Demand for machine tools has been fair, and business in textile machinery has tended to improve. Exports of machinery in October were higher than in any month since April, 1932.

MOTOR INDUSTRY

A further improvement in employment was recorded during October and the industry continues to show progress. Registrations of private cars during September were over 30 per cent. in excess of the figure for the same month of last year, while the number of commercial vehicles in use also recorded an increase. Imports continue to run well above last year's level, but are still relatively small, and it is satisfactory to note that the growth of exports shows no sign of curtailment. In October, the growth of vehicles and chassis amounted to 6,195, against 5,094 in the previous month and 4,747 in October of last year. An expansion of business is looked for in the coming months.

ELECTRICITY

INDEX OF GENERATION OF ELECTRICITY*
(Great Britain, excluding London and Wales)
(Monthly Average, 1923-24 = 100)

		(†)
1926	119	89.0
1927	146	102.2
1928	156	101.8
1929	171	102.2
1930	167	93.1
1931	171	90.5
1932	181	87.5
1933	199	87.4
1933—October	211	90.0
November	233	91.0
December	260	95.0
1934—January	240	93.5
February	238	94.0
March	242	96.5
April	219	98.0
May	216	100.5
June	200	100.0
July	191	99.0
August	192	98.5
September	215	102.0
October	229	100.5

* Prepared by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association.
† Corrected for seasonal fluctuations, for the increase in electrification (trend), and for connections to the "grid."

ELECTRICAL INDUSTRY

The volume of new home business continued to expand in October, largely owing to municipal orders, and the improvement in the export market was maintained.

INDEX OF NEW ORDERS RECEIVED BY HEAVY ELECTRICAL MANUFACTURING INDUSTRY*
(1920 = 100)

Period	Home	Export	Total
1926—October	89	86	88
1927	81	208	112
1928	83	107	91
1929	76	191	106
1930	64	181	94
1931	48	119	62
1932	58	67	55
1933—October	51	92	62
November	51	96	64
December	40	100	57
1934—January	40	104	58
February	42	109	61
March	41	101	58
April	45	104	62
May	47	112	67
June	47	119	70
July	56	123	77
August	71	123	87
September	85	128	99
October	94	128	106

* Copyright of the British Electrical and Allied Manufacturers' Association.
The above index is a 12-month moving average of new orders received by the heavy plant section of the industry. It is based on the horse-power and not on the value of orders.

CHEMICALS

The home market for chemicals was moderately active during October, chief interest being shown in industrial chemicals, in particular acetic acid, acetone, formaldehyde, formic and oxalic acids and sal ammoniac. The arsenic market, however, continued to be dull, and very little interest was shown in barium chloride, lithopone and zinc oxide. The coal tar products market was rather slack for the time of year, but most prices remained unchanged. Business in pharmaceutical chemicals was also on a somewhat limited scale. Quite a good trade was transacted in most wood distillation products, although wood creosote and wood tar are still dull items. Both exports and imports of chemicals in October showed an appreciable increase in value over the corresponding month last year.

COTTON

Raw cotton prices have fluctuated little during the past month, and the American 12-cent loan has been a means of keeping up quotations. Much now depends upon the acreage plans for next season. The ballot on the reconstruction schemes for the spinning section should have been completed on November 10th, but an extension of time was granted. Exports of piece-goods suffered a slight contraction in October but were above last year's corresponding figure. There has been an increased inquiry for India, but operations for China have been decidedly limited. Conditions, however, appear to be very uneven, and some Lancashire towns are much better placed than others. Irregular buying has taken place for the home trade in dress materials, poplins, casement cloths and linings. A slightly better turnover is reported in American yarns for home use, while the Egyptian section has benefited from the Anglo-German agreement. At the end of October the percentage of spinning spindles in operation was unchanged on the month at 70, compared with 83 a year ago.

WOOL

Employment in the wool textile industry again improved during October, this being especially marked in the worsted section. With the exception of the carpet section, however, the industry is worse off than at this time last year, although the outlook is now more promising than for some time past. Imports of raw wool and exports of tops and yarns were larger than in September, but less than in October, 1933; exports of tissues declined further during the month. There is evidence, however, that the fall in the price of wool has now been checked and quotations are steadier. This has called forth a better demand for piece-goods, especially for the home trade. The conclusion of the agreement with Germany led to a large volume of inquiries and to the marking up of prices, but actual business has not been large and there has subsequently been some weakening in quotations for merino tops.

JUTE

Quotations for the raw material have been very firm during the past month and spinners and manufacturers have maintained their prices. With the exception of hessian cloth, new business has been confined to small orders, but the outlook continues favourable.

RAYON

There is marked activity in most sections of the rayon trade, and difficulty with deliveries is still a pronounced problem in the case of warp yarns on beam and crepe yarns. Despite an improvement in demand, acetate yarns are not selling as well as a year ago. Interest in spun rayon yarns made from staple fibre is growing, especially for knitting purposes, and important developments are foreshadowed.

LINEN

All grades of flax continued to advance in price, with Continental buyers most in evidence. Home spinners did not operate, as they are unable to pass on to consumers the increase in the price of the raw material. Nevertheless, there has been a considerable volume of business in yarns at higher prices. The various cloth markets have responded satisfactorily with the

exception of the United States, but the latest information from that country is more favourable.

BOOTS AND SHOES

Employment showed a further seasonal improvement during October, affecting most of the producing areas, and exports were rather higher than in September. The outlook continues fair.

POTTERY

The month of October witnessed a further improvement in employment, especially in the earthenware, sanitary ware and glazed tile sections of the pottery industry. Exports increased substantially during October and were well above the total for the same month of last year.

AGRICULTURE

According to an official report, the bulk of the potato crop had been lifted by the end of October, mainly in good condition. Except in the extreme south-west the crop was free from disease, and generally tubers are expected to keep well. Potatoes are on the small side, but the yield, estimated at 6.7 tons per acre, is equal to that of last year. Root crops improved considerably during October, but many areas of turnips and swedes had already been ploughed out as complete failures. As far as could be estimated, the yield per acre will be 8.7 tons. The mangold crop was satisfactory and its yield is estimated at 18.3 tons per acre. The sugar beet crop increased considerably in weight during the past month, and a yield of 8½ to 9 tons per acre of washed and topped roots is anticipated. Cultivation and sowing were well advanced by the end of last month, and it seems probable

that an area larger than usual will be sown to wheat. The supply of winter keep is likely to be smaller than usual, but has not been appreciably drawn upon so far. Cattle and sheep have done fairly well during the past month and milk yields were about normal for the time of year.

SHIPPING

The position in the freight market deteriorated during October, and the *Economist* monthly index of whole cargo shipping freights fell 2.7 per cent. to 87.5 (1898-1913 = 100). The reluctance of owners to keep ships laid up has led to severe competition for cargo, while the demand for tonnage is very quiet. The River Plate section has, however, shown signs of improvement, and owners are hoping for increased business from the grain trade.

BUILDING

Employment suffered a slight seasonal recession during October, the movement being general, but most marked in the case of painters. The London area suffered most, the change in other districts being relatively small. After making allowance for seasonal influences, the value of building plans approved by 140 local authorities scored a substantial increase during October and was about 20 per cent. above the figure for the same month of last year. The increase was well spread between the different classes of buildings, but was of unequal incidence geographically.

RETAIL TRADE

Although the official retail trade statistics for October are not available as we go to press, preliminary information suggests that the previous improvement has been maintained.

HOME TRADE STATISTICS—OCTOBER, 1934

	Sept., 1934	Oct., 1934	Compared with Oct., '33	Sept., 1934	Oct., 1934	Compared with Oct., '33
UNEMPLOYMENT— (State Insurance %)	16.1	16.4	— 1.7	122.8	123.6	+ 5.2
PRODUCTION—						
Coal (million tons)*	4.5	4.4	+ 0.2			
Iron (thous. ")	500.3	527.1	+ 145.1			
Steel (" ")	734.7	812.0	+ 144.0			
FOREIGN TRADE—						
Imports (million £'s).....	57.7	69.0	+ 7.2			
Re-exports (" ").....	3.2	4.0	+ 0.6			
British Exports (" ").....	34.0	36.7	+ 2.6			
TRANSPORT—						
Railway Receipts (thous. £'s)*.....	3,082	2,828	+ 63			
Shipping Freights (av. level).....	77.3	75.2	+ 2.9			
COMMODITY PRICES (av. level).....	65.7	65.2	+ 1.2			
TRADE DISPUTES (thous. working days loss).....	29	71	+ 14			
SECURITY VALUES (av. level*)						
FINANCIAL DATA—						
Bank of England Notes (Mill. £'s)*	378	378	+ 7			
Bank Deposits (" ")*	1,858	1,891	+ 60			
Bank Advances (" ")*	754	756	+ 9			
Banks' Cash Ratio (%).....	11.1	11.3	+ 0.1			
Bank Clearings:						
London (million £'s)*.....	600	672	+ 7			
Manchester (" ")*	8.5	10.1	+ 0.2			
Three Months' Bank Drafts (Discount Rate %)*.....	3½	3½	...			
Day-to-Day Loans (%).....	3½	3½	...			

(*) 1913 = 100. (†) *Economist* Index No., 1927 = 100.
(*) *Bankers' Magazine* Index No. of 365 securities; December, 1921 = 100. (†) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.
* Average weekly figures.

INDICES OF BUSINESS ACTIVITY*
Monthly Average of 1924 = 100

Period	Employment				Consumption of Power		Merchandise on Railways	Postal Receipts	Motor Vehicle Registrations	Building Activity	Consumption of		Foreign Trade				Bank Clearings		Complete Index	
	All Trades	Heavy Trades	General Industry	Distributive Trades, &c.	Coal	Electricity					Iron and Steel	Cotton	Imports of Raw Materials	Imports of Manufactures	Exports of Manufactures	Movements of Shipping	Provincial	London	Monthly Index	Three Months' Moving Average
1929	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1930	107	84	109	112	95	111	95	115	151	131	103	103	113	121	108	111	99	131	105.0	
1931	99	65	96	114	90	102	78	116	130	123	85	76	91	108	64	101	91	130	96.3	
1932	98	60	90	115	87	103	61	116	137	132	57	85	97	93	65	100	97	120	95.8	
1933	102	61	101	119	82	106	60	118	159	173	53	91	105	85	67	102	99	122	99.7	
1932—January	98	65	96	113	84	105	63	119	131	119	71	92	97	99	65	100	96	105	94.4	
February	98	64	96	114	88	104	66	118	127	110	98	89	104	106	63	111	89	98	95.7	
March	100	65	99	115	86	105	60	115	123	119	63	94	110	107	66	97	94	127	96.3	
April	99	61	98	115	92	102	65	118	129	127	59	104	96	103	80	103	97	114	97.7	
May	98	61	96	116	85	100	57	115	114	126	65	80	94	86	63	94	95	122	93.3	
June	98	56	96	117	97	98	53	113	129	150	61	86	113	86	70	104	97	127	98.5	
July	97	55	95	117	73	103	57	115	126	117	52	85	96	80	63	98	111	148	95.1	
August	97	54	95	117	82	99	59	113	138	122	41	87	111	89	62	99	101	121	94.2	
September	97	56	96	116	87	102	60	116	154	127	50	72	101	94	60	101	96	112	94.5	
October	99	59	97	118	85	108	57	113	154	147	59	75	82	98	62	93	101	120	96.0	
November	98	59	97	115	90	107	61	115	155	156	27	75	88	97	63	97	96	115	95.5	
December	99	62	97	116	94	106	57	118	161	168	37	86	87	86	68	99	94	133	98.5	
1933—January	97	62	94	115	86	111	55	120	138	174	40	78	82	83	63	100	98	119	95.5	
February	98	62	95	115	87	107	55	119	130	154	43	76	84	75	62	104	99	128	95.9	
March	99	61	97	118	88	101	60	118	154	164	56	79	104	73	71	103	94	125	98.4	
April	100	59	98	118	76	104	55	118	148	148	53	84	95	81	64	101	96	123	95.6	
May	101	57	100	119	82	102	63	119	156	184	48	95	109	87	66	100	98	113	99.3	
June	102	59	102	120	84	103	61	117	165	170	52	88	113	94	68	103	98	113	100.0	
July	102	58	102	120	71	111	60	115	154	174	49	98	108	103	98	113	100	104	98.3	
August	104	58	104	120	80	110	63	116	163	187	57	104	124	85	73	107	100	124	103.9	
September	104	62	105	120	82	110	61	117	161	193	52	82	96	85	71	98	103	125	100.4	
October	104	62	105	120	80	110	61	117	161	193	52	82	96	85	71	98	103	125	100.4	
November	104	63	105	120	88	99	66	119	190	185	56	101	108	94	72	100	104	124	102.7	
December	105	66	104	121	89	103	60	123	196	188	67	84	99	91	65	102	95	131	104.0	
1934—January	104	66	103	119	85	103	65	123	205	208	87	96	107	104	69	108	107	138	109.4	
February	104	66	104	120	85	109	60	122	214	193	85	87	116	104	67	108	9	107	107.4	
March	105	67	105	121	89	117	62	121	199	193	96	88	110	111	72	108	102	140	109.2	
April	106	66	106	122	88	117	61	121	171	192	97	84	111	118	71	106	99	139	107.8	
May	107	65	107	123	80	123	62	117	184	191	96	93	108	111	69	107	98	117	108.6	
June	107	62	107	124	85	124	66	118	200	226	84	95	108	123	116	104	101	118	106.5	
July	108	63	108	124	75	126	62	117	173	197	85	93	117	173	107	106	94	124	108.5	
August	107	64	108	124	87	125	65	118	196	219	85	97	149	128	70	108	94	128	109.5	
September	107	67	107	124	86	122	...	118	208	180	79	91	117	126	78	105	97	119	108.5	
October	107	66	107	123	87	123	...	119	...	197	86	92	1108	137	677	102	104	123	109.5	

STATE OF TRADE OVERSEAS

BRITISH EMPIRE

Australia.—Cabled information indicates that good rains have recently fallen over most of Australia and have improved crop prospects generally. The wheat crop is provisionally estimated at 130 million bushels. Low prices for exports continue to check progress, but quotations for wool have recently tended to rise. During the September quarter, imports were larger and exports smaller than in the same period of last year, thus giving rise to an adverse trade balance. Internal trade is reported to be above last year's level. Sales of motor cars are improving, but building activity shows signs of slackening.

South Africa.—There has been evidence recently of a slowing down in the rate of business expansion, partly traceable to the set back on the wool markets. Imports during October showed a substantial increase, but exports a decrease, compared with the same month of last year. Building continues active and railway tramways are still moving upward. Farming prospects improved considerably as a result of abundant rainfall in October. Mining continues prosperous.

Canada.—Although economic activity continues above last year's level, the autumn expansion has not been all that was hoped for, and there is evidence of a fall in the rate of progress. The uncertain economic outlook in the U.S.A. is an adverse factor and is tending to check development. According to preliminary estimates issued by the Dominion Bureau of Statistics, the area sown to winter wheat and winter rye crops shows a reduction compared with the revised estimates for last season. The condition of the crops is reported to be good.

India.—Both imports and exports showed a slight contraction during September, but were well in excess of the figures for the corresponding month of 1933. Rainfall has been light to moderate in most of the provinces and standing crops are reported to be in fair condition generally. It is estimated that the total area under rice is 75,261,000 acres, an increase of 75,000 acres over the 1933-34 figure. In regard to the area sown to cotton, this year's total is reported to be 20,365,000 acres, or 3 per cent. more than last season.

EUROPE

France.—The official index of industrial production declined from 110 (1913 = 100) in September, 1933, to 97 in August and 95 in September, 1934. Preliminary information suggests that industrial activity is still declining. Car-loadings rose slightly from 44,500 per day during the week ended October 6th to 46,700 per day during the last week of October, but the number of persons in receipt of unemployment benefit increased from 323,365 on September 29th to 347,804 on November 3rd. Another indication of the deterioration is the continued decline in the value of industrial securities. Wholesale prices also continued their downward movement throughout October and early November. Moreover, farmers are suffering from depression on the wheat and wine markets.

Germany.—Although the volume of business has declined a little, there is as yet no evidence of a definite setback. The index of industrial production published by the Institut für Konjunkturforschung declined from 87.4 (1928=100) in August to 86.3 in September. A year ago the figure stood at 71.0. The number of unemployed declined further from 2,282,000 at the end of September to 2,268,000 at the end of the past month. Car-loadings rose from 125,700 per day during the week ended September 29th to 136,700 per day during the week ended November 3rd. Recent reports from individual industries are fairly favourable, improvements having taken place in machinery, ironware and cutlery and in building materials. Industrial securities tended to decline, and wholesale prices to rise, in value. Imports declined (mainly raw materials), and exports rose, slightly in October, resulting in an export surplus of Rm. 16.4 millions.

Norway.—Industrial production showed further improvement in September, although to some extent this improvement was the result of seasonal influences. The index rose from 106 in August to 112 in September. Car-loadings have increased quite appreciably during recent weeks. Unemployment rose by 9 per cent. between September 15th and October 15th, chiefly owing to a seasonal increase of unemployed agricultural workers. Customs receipts in October were 3 million kroner higher than October last year, and bank clearings rose from 190 million kr. in September to 235 million kr. in October. Laid-up tonnage decreased by about 50,000 tons during October, but there was no recovery in the slump on the freight markets.

Greece.—Agriculture continues to benefit from favourable weather, all the crops being equal to or better than last year's. Industrial conditions are also good, most branches reaping record profits under the privileged situation created for them by State protection, import restrictions and currency depreciation. Foreign trade returns for September disclosed a further increase in both exports and imports. Market conditions for tobacco and currants have improved, but those for wines and olive oil remained unsatisfactory. The financial situation remains satisfactory. Price indices continued their upward movement.

Denmark.—Business activity was well maintained in September. The index of production for that month, at 124.5 (1927=100) was the same as for August, and compares with a figure of 102.9 for January. But during October there was a slight increase in the number unemployed from 81,098 to 85,595.

UNITED STATES OF AMERICA

During October and early November the tendency of business activity has been upwards, but the improvement has so far been small and uneven. Retail trade was well maintained in October. But the experience of different industries has been conflicting. The *New York Times* index of activity rose from 74.7 during the week ended October 6th to 76.0 during the week ended November 10th. A year ago the figure stood at 72.9. There are signs of a slight improvement in house building and in the iron and steel industry, but towards the middle of November steel production was still only at the rate of 27½ per cent. of capacity. While the improvement is expected to continue at a slow rate, President Roosevelt may attempt to speed up recovery by further devaluation, increased Government expenditure, a stimulus to building and the conclusion of bilateral tariff agreements.

AMERICAN TRADE STATISTICS—OCTOBER, 1934

	Sept., 1934	Oct., 1934	Compared with Oct., '33
EMPLOYMENT —(1923-25 = 100)†	73.9	...	...
PRODUCTION —			
Bituminous coal (Thous. tons).....	28,075	33,000*	+ 5,400
Pig-iron { " " }.....	898	952*	+ 400
Steel { " " }.....	1,251	1,460*	+ 650
Steel Corporation—shipments (Thous. tons).....	370	...	...
Building permits (Thous. \$).....	26,521	...	...
FOREIGN TRADE —			
Imports (Thous. \$).....	131,660	...	...
Exports { " " }.....	189,000	...	...
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars).....	628	...	...
SECURITIES —			
30 industrial stocks—			
Highest quotations‡.....	93.65	...	...
Lowest quotations‡.....	86.69	...	...
Thous. shares sold during month— (New York).....	12,636	...	...
New securities issued (Thous. \$).....	47,281	...	...
BANK DEBITS —			
New York (Million \$).....	11,280	...	...
Other cities (").....	13,066	...	...
RETAIL BUSINESS —			
Total sales, mail order houses§ (Thous. \$).....	48,389*	...	...

* Preliminary estimates made by Messrs. Moody, subject to revision.
† Federal Reserve Board Index of Factory Employment.
‡ Closing prices. § Partly estimated.

LATIN AMERICA

Prospects for the Argentine cereal crops on the whole are satisfactory. The monthly official trade figures continue to compare favourably with those of last year; the value of both imports and exports is higher, and the export surplus has increased further. An important exchange concession has been granted to wool exporters, who are being permitted this season to sell their export drafts to the *Control Commission* at the official remittance rate, less 5 per cent.—i.e. about 17 pesos per £ sterling, instead of 15 pesos as hitherto. The Brazilian coffee markets are quiet, although stocks are reduced, and the volume of shipments continues fair. Arrivals of new crop coffee are late and dealers are reluctant to sell at current prices. The statistical position of the commodity is strong, and the National Coffee Department is actively continuing the destruction of all surplus stocks of low-grade coffees. The commercial situation generally is better and imports tend to increase. The improvement in Chilean conditions is maintained, although severe weather has adversely affected the crops. Further recovery is recorded in Peruvian foreign trade, with marked expansion in imports. The outlook for the Central American coffee crops remains favourable; forward sales continue to be negotiated, but prices are easier owing to import restrictions in Germany—one of the principal markets.

THE FAR EAST

Japanese commodity markets have not been very active in recent weeks, but the raw silk situation has improved a little owing to the anticipation of a decline in the autumn crop and a better inquiry from abroad. Industrial activity has apparently been maintained. The value of Japan's foreign trade in October showed a sharp increase on September and on the corresponding month last year. Imports rose from 170 million yen in October, 1933, to 171 million yen and 200 million yen in October, 1934. Exports rose from 139 million yen in September, 1933, to 156 million yen in September and 178 million yen in October, 1934. China's imports in September, at \$77,480,000, compare with \$74,250,000 in August, and \$83,720,000 in the corresponding month last year. Exports declined from \$48,630,000 in September, 1933, to \$44,060,000 in August and \$41,690,000 in September, 1934.

STATISTICS

In the following tables we give trade and other statistics for as many countries of the world as possible, our endeavour being to combine brevity with comprehensiveness. The greater number of the figures are taken from the *Monthly Statistical Bulletin of the League of Nations* (published by George Allen & Unwin, Ltd.).

PRODUCTION (Thousands of Metric Tons)

COAL															LIGNITE			
Period	United Kingdom	Belgium	Czechoslovakia	France	Germany	Netherlands	Poland	U.S.S.R.	Canada	South Africa	India	Japan	United States	Czechoslovakia	Germany	Hungary		
Monthly Average																		
1913	24,337	1,903	1,189	3,338	15,842	156	748	...	1,037	665	1,311	1,776	43,088	1,897	7,269	460		
1929	21,837	2,244	1,377	4,486	13,620	965	3,853	3,472	1,023	1,052	1,893	2,855	46,026	1,880	14,598	587		
1930	20,650	2,284	1,203	4,490	11,891	m1,018	3,127	3,921	864	991	1,927	2,615	40,590	1,602	12,159	515		
1931	18,582	2,253	1,092	4,167	9,887	m1,075	3,189	4,462	706	880	1,752	2,332	33,395	1,494	11,109	509		
1932	17,717	1,785	913	3,856	8,728	m1,063	2,403	5,211	625	805	1,580	2,318	27,183	1,322	10,218	494		
1933	17,525	2,107	878	3,906	8,728	m1,048	2,278	6,020	644	872	1,526	2,504	28,526	1,255	10,568	492		
1933—October	18,404	2,139	997	3,987	9,796	1,058	2,785	6,827	917	898	1,452	2,702	31,177	1,411	10,680	651		
November	18,193	2,187	1,028	3,951	9,994	1,047	2,933	6,322	830	900	1,434	2,829	31,970	1,456	12,174	641		
December	18,953	2,168	1,000	4,051	9,915	1,020	2,784	7,371	696	860	1,640	2,976	30,866	1,506	12,927	715		
1934—January	21,091	2,308	943	4,325	10,593	1,070	2,673	7,505	755	932	1,572	2,781	35,417	1,320	12,188	649		
February	19,045	2,039	838	3,922	9,779	974	2,222	6,883	664	832	1,758	2,744	34,539	1,263	10,965	549		
March	20,490	2,404	866	4,229	10,385	1,070	2,301	7,352	712	952	1,891	3,162	40,650	1,292	10,755	472		
April	18,290	2,176	756	3,896	9,700	958	2,095	7,387	638	924	1,732	2,821	28,861	1,182	9,871	393		
May	18,076	2,124	812	3,893	9,512	1,002	1,996	7,056	843	1,038	1,832	2,873	30,255	1,105	10,469	408		
June	18,899	2,213	817	3,896	9,883	992	2,100	7,426	826	1,019	1,667	2,849	27,773	1,095	11,508	494		
July	18,468	2,087	808	3,763	10,236	1,047	2,295	7,572	838	1,028	1,501	2,535	26,037	1,120	11,016	418		
August	17,408	2,181	900	3,828	10,778	1,053	2,443	7,559	873	1,040	1,550	2,362	28,184	1,277	11,580	466		
September	18,079	2,123	918	3,831	...	...	2,600	7,446	836	966	...	...	28,710	1,242	...	...		
October	17,909†	...	...	...	...	...	...	...	...	...	...	...	33,771	...	...	...		

PIG IRON

Period	PIG IRON										STEEL							
	Monthly Average	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	Canada	United States
1913.....	<i>b</i>	<i>a</i>				1,397		...	85	2,601		<i>a</i>			1,467			<i>c</i>
1929.....	869	419	434	114		1,117	61	...	85	2,601	649	307	391	159	1,467	62	88	2,564
1929.....	643	583	864	175		1,117	41	302	92	3,580	816	509	808	184	1,354	60	117	4,399
1930.....	525	489	836	159		808	38	417	63	2,659	618	471	787	161	962	52	86	3,326
1931.....	318	440	683	126		503	32	405	36	1,547	436	430	652	128	691	46	57	2,133
1932.....	303	395	462	112		328	22	521	12	735	445	397	470	122	479	44	29	1,128
1933.....	349	388	527	133		489	27	597	19	1,119	593	383	544	139	632	53	35	1,913
1933—October.....	379	363	537	153		492	28	686	27	1,378	679	330	527	162	715	60	49	2,118
November.....	381	360	509	138		510	35	682	30	1,103	706	349	488	142	725	75	44	1,546
December.....	416	374	522	130		534	37	682	39	1,201	680	354	498	129	731	56	50	1,827
1934—January.....	448	376	528	141		543	38	735	31	1,235	722	377	518	154	817	58	62	2,003
February.....	421	356	474	138		550	38	709	12	1,284	719	351	478	145	823	65	59	2,218
March.....	512	410	528	156		650	40	818	12	1,646	848	410	528	169	930	71	74	2,805
April.....	504	406	503	153		697	39	854	28	1,755	728	403	501	160	977	70	71	2,944
May.....	536	419	527	150		737	50	886	39	2,076	793	418	533	155	989	85	73	3,407
June.....	524	408	509	152		718	40	896	33	1,961	767	418	512	173	1,003	60	65	3,064
July.....	537	415	511	152		767	42	923	37	1,244	730	408	513	156	1,036	64	63	1,497
August.....	511	413	532	154		799	49	929	42	1,071	678	413	533	171	1,068	86	65	1,385
September.....	508	405	499	155		776	43	915	44	912	746	410	494	168	976	76	58	1,272
October.....	535	...	...	...	...	...	...	...	...	967	824	...	...	...	...	...	...	1,485

a Figures for Luxembourg communicated by the "Groupeement des Industries Sidérurgiques." b Including ferro alloys. c Excluding castings. d Saleable coal; since end 1921, excluding Ireland. e British Provinces only. f Establishments whose production in 1933 amounted to 99.39% of the total. g Excluding Luxembourg. Since 1922, excluding Polish Upper Silesia. h Coal sold. i Until end 1928 saleable coal. j Including coal waste. k Provisional figure.

WHOLESALE PRICES

Monthly Average	U.K.		Belgium	Czechoslovakia	Denmark	France	Germany (Official)	Holland	Italy (Bachi)	Norway	Poland	Spain	Sweden	Switzerland	Australia	British India	Canada	South Africa
	Board of Trade	Economist																
1913	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1929	136.5	127.2	851	924	150	627	137.2	142	446	a149	98.3	167.7	140	141.2	165.7	141	149.4	118.0
1930	119.5	106.8	744	g118.6	130	554	124.6	117	383	a137	85.5	167.0	122	126.5	146.7	117	135.3	102.6
1931	104.1	89.3	626	107.9	114	502	110.9	97	328	a114	74.6	168.8	111	109.7	131.3	96	112.6	91.5
1932	101.6	86.1	532	96.7	117	427	96.5	79	304	a122	65.5	166.7	109	96.0	129.7	91	104.2	91.5
1933	100.9	86.9	501	96.2	125	398	93.8	74	280	122	59.1	159.1	107	91.0	129.5	87	104.9	91.5
1933—October	102.6	88.1	489	95.7	127	397	95.7	75	274	a	57.9	157.6	109	90.7	132.8	88	106.1	91.5
November	102.8	86.8	485	95.0	128	403	96.0	78	273	122	57.6	159.7	110	91.0	130.0	88	107.3	...
December	102.8	88.0	484	94.6	129	407	96.2	77	275	122	57.6	161.9	110	91.3	132.0	89	107.8	...
1934—January	104.6	90.4	484	94.3	130	405	96.8	79	276	120	57.8	164.4	112	91.8	133.8	89	110.3	106.0
February	105.3	90.6	489	g81.1	131	400	96.0	80	275	122	57.6	165.9	112	91.5	135.0	89	112.5	...
March	103.8	89.0	479	89.9	129	395	95.9	78	272	122	57.6	165.3	112	90.9	134.1	88	110.5	...
April	102.8	90.0	474	80.2	128	387	95.8	79	273	123	56.8	166.5	113	89.6	135.2	89	111.1	104.1
May	102.4	90.0	470	80.5	128	381	95.2	77	273	123	56.0	165.5	113	89.0	133.3	89	111.1	...
June	103.6	89.9	472	85.1	128	379	97.2	76	272	123	55.8	162.3	114	89.0	134.5	89	112.6	...
July	103.4	91.0	471	83.9	129	374	98.9	76	270	124	55.0	...	114	88.9	136.9	89	112.5	98.0
August	105.5	92.3	474	84.0	134	371	100.1	78	271	127	55.8	...	114	88.9	137.9	89	112.9	...
September	105.2	90.4	470	83.7	135	365	100.4	77	270	126	54.9	...	114	89.1	...	...	112.5	...
October	104.1	89.7	467	...	135	357	...	77	...	127	...	...	114	...	...	...	...	98.6

FINANCE

Notes in Circulation. (000,000's omitted)

Period	United Kingdom	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	Finland	France	Germany	Greece	Hungary	Italy	Netherlands
End of	Bank of England Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Reichsbank Notes	"Rentenbank" Bank Notes	Bank Notes	Bank Notes	Bank Notes
	£	Schilling	Francs	Leva	Koruna	Kron.	Markka	Francs	Reichsmark	Rentenmarks	Drachmae	Pengö	Dinars
1913.....	29.6	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1928.....	378.3	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1929.....	369.8	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1930.....	368.8	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1931.....	364.2	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1932.....	371.2	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1933.....	382.0	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1933-September	370.8	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1933-October	369.3	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1933-November	370.2	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1933-December	366.7	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-January	367.4	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-February	378.8	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-March	373.7	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-April	378.1	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-May	381.7	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-June	383.9	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-July	379.3	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-August	377.2	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-September	378.4	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313
1934-October	378.4	1,067	1,067	189	189	152	113	25,714	2,742	...	245	...	313

Period	Italy	Norway	Poland	Romania	U.S.S.R.	Sweden	Switzerland	Australia	Canada	South Africa	Egypt	United States	Japan
End of	Bank Notes	State Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes
	Lire	Lire	Kroner	Zloty	Leu	Gd. Rbls.	Rbls.	Kroner	Francs	£	Dollars	£	Yen
1913.....	22,284	499	108	108	437	234	314	110.0	118	2.3	2.2	...	426
1928.....	16,774	80	318	1,340	259	1,144	1,028	1,501	869	999	42.2	1,808	4,973
1929.....	15,680	668	312	1,328	241	1,905	1,946	2,080	594	1,062	42.3	1,862	4,885
1930.....	14,285	...	334	1,218	241	2,375	2,370	2,603	583	1,609	48.2	1,597	4,441
1931.....	13,672	...	315	1,003	322	2,184	2,922	2,925	598	1,611	45.0	1,444	4,142
1932.....	13,243	...	327	1,004	342	2,084	3,069	3,433	648	1,510	45.1	1,511	4,804
1933-September	13,303	...	305	1,031	360	2,194	...	3,387	625	1,419	42.1	1,597	4,650
1933-October	13,170	...	307	1,046	354	2,085	...	3,289	589	1,408	42.4	1,477	4,535
1933-November	13,112	...	309	1,055	346	2,071	...	3,289	574	1,436	42.4	1,501	4,585
1933-December	13,243	...	327	1,004	342	2,199	3,069	3,433	648	1,510	45.1	1,511	4,804
1934-January	13,068	...	311	947	339	2,034	...	3,289	583	1,391	42.5	1,441	4,142
1934-February	12,708	...	313	939	346	2,015	...	3,289	597	1,390	41.2	1,457	4,181
1934-March	12,663	...	330	955	359	2,179	...	3,289	644	1,405	40.9	1,558	4,395
1934-April	12,867	...	322	931	344	2,158	...	3,289	617	1,388	40.9	1,558	4,395
1934-May	12,889	...	314	911	335	2,101	...	3,289	601	1,354	40.9	1,558	4,395
1934-June	12,888	...	325	938	368	2,090	...	3,422	653	1,376	39.7	1,611	4,481
1934-July	13,330	...	323	908	360	2,069	...	3,422	612	1,364	39.6	1,521	4,176
1934-August	13,174	...	321	950	360	2,143	...	3,422	643	1,370	40.1	1,621	4,517
1934-September	13,455	...	322	975	380	2,168	...	3,422	655	1,400	40.8	1,631	4,546
1934-October	13,243	...	316	1,010	389	...	...	3,422	662	1,384	...	1,631	4,546

a Until November, 1928, including State notes, then transferred to Bank. b May. c Excluding notes held by Commonwealth Bank. d In terms of new lire = 8,373 millions. e Gross issue. f Excluding notes held as reserve by Chartered Banks. g State notes—gross. h Since January 1934, excluding gold coins. i Since January, 1926, excluding notes held by Bank of Poland. j In terms of new lire = 1,829 millions. k In terms of new francs. l Since May, 1922, including Luxembourg. m From 1927-1929, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes in October, 1926.

LONDON RATES OF EXCHANGE

	Paris	Brussels	Milan	Zurich	Madrid	Amsterdam	Stockholm	Oslo	Copenhagen	Berlin	Vienna	New York	Buenos Aires
	Francs to £1	Belgas to £1	Lire to £1	Francs to £1	Pesetas to £1	Florins to £1	Kronor to £1	Kroner to £1	Kroner to £1	Marks to £1	Schillings to £1	Dollars to £1	Pence to Dollars
Par level.....	124.21	35.00	92.46	25.22½	25.22½	12.107	18.159	18.159	18.159	20.43	34.58½	4.86½(a)	47.62
Highest, 1933	90.00	25.37	69.12	18.37	42.25	8.77½	19.56½	20.00	22.50	15.62½	35.00	5.53	45½
Lowest, "	77.93	21.90	58.25	15.73	36.43½	7.56	18.25	19.31½	19.25	12.80	27.00	3.32½	33½
Beginning of—													
July, 1914	25.15	↑ 25.35½	25.25½	21.16½	26.10	12.11½	18.30	18.25	18.30	20.49½	34.45	4.87½	47½
January, 1927	122.81	34.89	109.62½	25.14½	31.23½	12.12½	18.15½	19.04½	18.20	20.43½	34.42½	4.85½	46½
January, 1928	124.00	34.92½	110.00	25.27½	28.24½	12.09½	18.11½	19.04½	18.20	20.45½	34.44½	4.87½	47½
January, 1929	124.10	34.88	110.00	25.18½	29.74	12.08	18.19	19.04	18.20	20.45	34.44	4.87½	47½
January, 1930	123.91	34.88	110.00	25.18½	29.74	12.08	18.19	19.04	18.20	20.45	34.44	4.87½	47½
January, 1931	123.66	34.76½	110.00	25.13½	36.62½	12.09½	18.13½	18.20½	18.20½	20.43½	34.65½	4.87½	47½
January, 1932	86.37	24.37	66.62½	17.37	46.30	12.05½	18.13½	18.16	18.16	20.38½	34.48½	4.85½	35½
January, 1933	85.50	24.09	65.12	17.34½	40.90½	8.44½	17.75	18.25	18.12½	14.25	30.00	3.38½	40½
January, 1934	83.00	23.39	61.84	16.79	39.53	8.09	19.40	19.30	19.31½	14.00	28.50	3.03	42½
September	74.50	21.63	58.54	15.44	36.93	7.24	19.40	19.30	19.30	12.20	29.50	5.15	35½
July	76.56	21.46	58.75	15.44	36.93	7.44	19.40	19.30	19.30	12.20	27.00	5.04	34½
August	74.61	20.95	57.43	15.07	36.87	7.44½	19.40	19.30	19.30	13.00½	27.00	5.03½	27½
September	74.62½	20.99	57.28	15.05	35.33	7.26½	19.40	19.30	19.30	12.52	26.50	4.99	29½
October	74.50	21.36	58.12	15.29	36.43½	7.35½	19.40	19.30	19.30	12.20	26.50	4.94	29½
November	75.59	21.36	58.12	15.29	36.43½	7.35½	19.40	19.30	19.30	12.20	26.50	4.94	29½
	Rio de Janeiro	Monte Video	Valparaíso	Bombay	Hong Kong	Shanghai	Kobe	Singapore					
	Pence to Milreis	Pence to Dollar	Pesos to £1	Pence to Rupee	Sterling to Dollar	Sterling to Tael	Sterling to Yen	Sterling to Dollar					

Daily rate.

Francs to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

Krone to £1.

UNEMPLOYMENT

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.)

Number of Workers Covered by Last Returns

Millions	12.8	0.8	0.37	6.9	0.6	0.05	0.4	0.4	0.16
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SECURITY VALUES

	United Kingdom	Nether- lands	Sweden	Switzer- land	Canada	United States
	" Bankers' Magazine "	Official 49 Ordinary Industrial Shares	Official, 52 Industrial and Shipping Shares	Banque Nationale, (1) 26.93 Industrial Shares	Official, (1) Common Industrial Shares	Standard Statistics Co. 342 Industrial Shares
Base	Dec., 1921 = 100	1921-25 = 100	Dec., 1924 = 100	Nov. value = 100	1926 = 100	1926 = 100

LONDON BANKERS' CLEARING RETURNS

	(a)	(b)	(c)	(e)	(h)	(g)	(d)	(f)
1927-Dec.	111.2	146.9	122.8	103	146.0(d)	22.2	161.6	117.6(d)
1928-Jan.	112.4	152.7	125.4	111		23.7	170.0	
1928-Feb.	110.8	138.9	127.3	115	170.4(d)	243.6	170.0	154.3(d)
1928-Mar.	109.4	157.9	125.4	121	168.9	245.8	264.1	191.0
1928-Apr.	108.5	147.1	121.0	100	154.4	215.0	210.0	146.9
1928-May	110.0	135.5	119.0	85	143.2	209.3	165.4	143.1
1928-Jun.	112.3	118.5	114.4	60	171.8	177.6	130.0	100.0
1928-Jul.	111.1	103.6	108.6	50	120.1	180.7	91.0	86.5
1928-Aug.	102.2	90.7	98.5	35	79.4	116.8	74.3	54.3
1928-Sep.	111.0	78.9	100.0	25	50.7	106.3	58.4	33.5
1928-Oct.	116.1	95.8	109.4	35	57.3	126.5	48.8	44.8
1928-Nov.	118.7	105.1	114.3	39	64.9	158.7(h)	100.6	100.6
1928-Dec.	122.0	108.4	117.6	37	64.8	156.4	107.6	78.8
1929-Jan.	125.3	114.5	121.8	34	71.3	156.6	128.1	81.4
1929-Feb.	127.4	116.6	122.3	33	73.5	153.4	120.1	76.7
1929-Mar.	128.8	119.3	122.8	33	76.0	152.2	118.8	78.8
1929-Apr.	128.9	112.5	123.6	32	81.8	147.7	113.4	78.4

(a) Fixed interest. (b) Variable dividend. (c) Total. (d) Monthly average. (e) Average of highest and lowest quotations on each Wednesday. (f) Shares of companies with capital of more than 100 francs. (g) On 31st of month. (h) 1927-1928, 79 shares; 1929-1930, 100 shares; 1931-99, 1932 and 1933 96; 1934, 87. (i) Average of closing prices on each Thursday of month. (A) Not comparable with previous figures owing to change in the number of companies and revaluation of their capital.

0's omitted)

Inventory of _____

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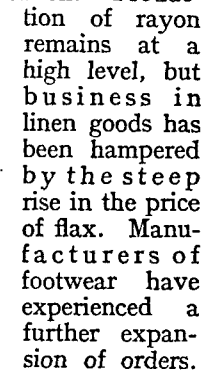
—(000,000's omitted)

3.5	10.8
3.8	13.0

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ensure continuation of the current level of activity for several months. The same can be said of the engineering industry. Production of motor vehicles also remains at a high level and prospects are quite good. The iron and steel, engineering and motor vehicle industries are largely responsible for the increase of £1,606,710 in our exports of manufactures between November, 1933, and the past month. The building and allied industries have contributed substantially to recovery. The decline in building activity in November is seasonal, and the high level of building plans passed suggests a resumption of activity on a large scale next spring. The improvement in the heavy industries has resulted in increased consumption of raw materials and fuel.

Some of the industries furnishing consumers' goods have also made headway. The rise in wool prices has brought out a considerable number of orders in recent weeks. The cotton trade is also a little more active, and there are at last prospects of some measure of reorganisation. Produc-



The increase in consumers' purchasing power is also revealed in the substantial rise of the note circulation to a record level.

A survey of developments abroad still reveals a number of bad spots, but the latest news is not altogether discouraging. After declining from 95.5 (1928 = 100) in April to 85.5 in September, the index of world industrial production, compiled by the Institut für Konjunkturforschung, rose to 86.7 in October. Similarly, the volume of international trade has recently tended to rise again, and the downward movement of the prices of a number of important raw materials has given way to a firmer tendency.

Nevertheless both world production and trade are still somewhat lower than a year ago. The latest evidence points to a slight improvement in business activity in the United States, but the durable goods industries, the backbone of British recovery, remain prostrate. Moreover, with the exception of motor-car production, there are as yet no signs of an early and substantial revival of these industries in the United States. There has been no improvement in the situation of the gold bloc, and Italy is experiencing difficulties in maintaining the gold standard. Germany has so far been able to maintain the previous improvement, but there are signs of a lull in the recovery of Scandinavia, Canada and Australia. Reports from South Africa and South America remain quite encouraging, and there has been little change in the situation of Japan.

HOME INDUSTRIES AND TRADE

The following reports on British industry cover, in most cases, the period to the middle of December; in the remainder they relate to the month of November.

COAL

Employment in coal mining improved slightly during November and was better than in the corresponding month of last year. The output of coal expanded during the same period and continued to increase in December. On the other hand, exports suffered a reduction last month to below the 1933 level, South Wales being chiefly affected by this adverse movement. Present indications, however, point to a gradual improvement in the position during the present month, the North East having benefited from Spanish purchases, while the slight increase in the French import quota has been to the advantage of Welsh anthracite shippers. No change in the quota for January is anticipated. The demand for house coal during recent weeks has experienced less than the normal seasonal increase, and stocks have accumulated, on account of the mild weather. Industrial demand has, however, been well maintained and consumption by gas and electricity undertakings has increased seasonally. Production in most areas was speeded up prior to the Christmas stoppage and prices were firm.

IRON AND STEEL

Production and exports of iron and steel have been well maintained during November and early December. As usual the approach of Christmas led to a contraction in new business towards the middle of December, and it is unlikely that trading will be resumed on a normal scale until about the middle of January. But most producers have sufficient orders on hand to ensure continuation of the current level of activity for several months. A number of concerns in the semi-finished steel section have suspended deliveries until after the holidays, but, according to the Iron and Steel Exchange, prospects for the New Year are favourable to an expansion of business. The finished steel section is also expected to make a good start in 1935, for consumers have recently placed good contracts.

ENGINEERING

The improvement in activity noticeable in October was maintained in November. Exports, though slightly lower than in the previous month, remained well above the level of the corresponding month a year ago. British India, South Africa and Australia continue to be the best overseas customers of the industry. Although inquiry is as active as ever, there has recently been a lull in the volume of new business placed. There has been an improvement in the demand for excavating and lifting machinery. The sections engaged in the production of boilers and prime movers are also doing well. Demand for textile machinery from India has improved, and makers of agricultural machinery are busy on spring orders. There was no change in the machine tool and marine engine sections, and business in sugar-crushing and refining machinery has fallen off a little.

MOTOR INDUSTRY

The motor industry is still active and employment continues on a high level. New registrations of private cars increased substantially during October and were 40 per cent. above the corresponding figure for 1933. The number of commercial vehicles in use also recorded a considerable increase. During November there was a decline in exports of motor vehicles and chassis to 5,754—this being rather more than in November last year. The reduction is, however, small, and it is not possible to draw any definite conclusions from it, especially in view of the fact that exports are usually irregular at this time of the year. Imports continue to run well above the 1933 level.

ELECTRICITY

INDEX OF GENERATION OF ELECTRICITY*
(Great Britain, excluding London and Wales)
(Monthly Average, 1923-24 = 100)

	(t)
1926	119
1927	146
1928	156
1929	171
1930	167
1931	171
1932	181
1933	199
1933—November	233
December	260
1934—January	240
February	238
March	242
April	219
May	216
June	200
July	191
August	192
September	215
October	229
November	254

* Prepared by the Economic and Statistical Department of the British Electrical and Allied Manufacturers' Association.
† Corrected for seasonal fluctuations, for the increase in electrification (trend), and for connections to the "grid."

ELECTRICAL INDUSTRY

While the volume of new export business experienced a slight fall in November, the home market continued to expand in the past month; but there are now signs that the pace of the expansion is slowing down.

INDEX OF NEW ORDERS RECEIVED BY HEAVY ELECTRICAL MANUFACTURING INDUSTRY*
(1920 = 100)

Period	Home	Export	Total
1926—November	93	103	95
1927	80	192	107
1928	85	105	93
1929	71	216	109
1930	61	171	89
1931	53	119	65
1932	54	69	53
1933—November	51	96	64
December	40	100	57
1934—January	40	104	58
February	42	109	61
March	41	101	58
April	45	104	62
May	47	112	67
June	47	119	70
July	56	123	77
August	71	123	87
September	85	128	99
October	94	128	106
November	96	125	106

* Copyright of the British Electrical and Allied Manufacturers' Association.
The above index is a 12-month moving average of new orders received by the heavy plant section of the industry. It is based on the horse-power and not on the value of orders.

CHEMICALS

On the whole, business continued fair during the past month and a number of industrial chemicals—especially acetone, formaldehyde, formic and oxalic acids—have been in good demand. Sales of wood distillation products have been good, while a fairly satisfactory business has been transacted in rubber chemicals, dyes and intermediates. Conditions have been rather difficult in the coal tar products market, but creosote oil, pharmaceutical chemicals and essential oils have been in moderate demand. Owing largely to smaller sales of aluminium compounds, ammonium sulphate, salt, drugs and medicines, exports of chemicals in November were below last year's level. But some items—notably coal tar products, caustic soda, dyes and dyestuffs—recorded an increase. For the first time this year imports were less than in the corresponding month of 1933.

COTTON

Raw cotton prices have fluctuated little during the past month. The United States crop is now expected to be about 9,750,000 bales, while official announcements regarding next season indicate that the area under cultivation will be about 32 million acres, from which a crop of 12 million bales is expected. It is understood that the farmers have supported by ballot a continuance of the Bankhead Act. Lancashire cloth manufacturers have experienced a fairly substantial inquiry, although actual business has been patchy. Sales to India have been moderate, but no increased business with China can be recorded. Fair sales of cloths for printing and dyeing have been made to South America and Scandinavia, while freer buying in dress materials has taken place for South Africa and Australia. Home trade advances have been fairly encouraging and activity in the weaving towns shows little alteration. Irregular business has been done in the yarn market. Trade in the Egyptian section has improved slightly, but most of the demand in the American branch has run on the coarser counts. At the end of November the percentage of spinning spindles in operation was 72, against 70 in October and 86 in November, 1933.

WOOL

The conclusion of the Anglo-German debts agreement led to a large volume of inquiries and the temporary marking up of prices, but, as we pointed out a month ago, there was a reaction towards the end of November. Subsequently, however, a recovery set in and the final series of London wool auctions for this year yielded a satisfactory volume of business. The firmness of raw wool prices has been accompanied by an improvement in quotations for tops and yarns, and it is reported that prices at the Australian and New Zealand sales have also hardened recently. As regards employment in the wool textile industry, there was a further slight improvement in the worsted section during November, but a slight decline in the woollen section; in both branches the position was worse than a year ago. Employment in the carpet section continues good. Activity has increased during December, and trade is relatively good. Spinners and manufacturers are fairly well placed for orders in the New Year.

JUTE

The raw material has been firm in price during recent weeks, but demand has continued rather quiet. A good volume of inquiries for yarn and cloth has been experienced, but business has been slow except for hessians. Prices are firm for early delivery, but weaker for future positions.

RAYON

Despite a slight falling off of new orders, production has been well maintained in recent weeks—especially on the weaving side, where deliveries of viscose yarns continue on a high level. Acetate output, however, is still considerably lower than at the same period of last year.

LINEN

Flax continued its spectacular rise in price and now costs almost twice as much as a year ago. Supplies of this textile fibre are, of course, largely controlled by the Soviet and Baltic monopolies. The advance in prices has tended to check new business. Yarns are in good demand, but spinners are not inclined to enter into

forward engagements. A satisfactory volume of new business has been arranged for both home and foreign consumers.

BOOTS AND SHOES

Employment again improved slightly during November, but short time is still being largely worked in the industry. Exports showed a reduction compared with both the previous month and with November, 1933, while imports displayed a similar movement. The provisional agreement regarding wages and working conditions was accepted by a large majority and will come into force on January 1st next.

POTTERY

The employment position deteriorated during November and was below the level of a year ago. Short-time working continues to be common in North Staffordshire. Exports of general earthenware, although still in excess of last year's corresponding figure, suffered a reduction last month.

AGRICULTURE

An official report states that land work generally was well forward on December 1st, and that autumn-sown corn has every appearance of being strong and healthy. Total production of potatoes is estimated at about 3,439,000 tons. On good soils the tubers are, on the whole, of a fair size, but on lighter lands the proportion of smalls is above the average. Disease appears to be less prevalent than usual. The total production of mangolds is estimated to be about 4,733,000 tons, and the roots appear to be sound and of good keeping quality. Turnips and swedes are poor crops, and the estimated yield per acre of 9.0 tons compares unfavourably with the average yield of 12.4 tons for the last ten years. The yield of sugar beet is well up to expectation, and the

sugar content is generally higher than usual. Cattle and sheep have done fairly well during November. Winter keep has not been drawn upon to any appreciable extent. Milk yields are about normal.

SHIPPING

As measured by our monthly index number, the general level of whole cargo shipping freights fell by a further 1.6 per cent. during November, the figure being 86.2 (1898-1913 = 100), as against 85.5 at the same time a year ago. There has been little demand for tonnage except in the Plate section. It is reported that considerable forward business has been booked in this branch during recent weeks.

BUILDING

The month of November witnessed a further seasonal decline in employment in the building trades, the movement affecting all the sub-groups except plumbing, and being particularly severe in the case of painters. The decline was very evenly spread geographically. The position in practically all sections was, however, substantially better than a year ago, but the weather during recent weeks has been particularly unfavourable for outside work and no improvement is likely this month. If allowance is made for seasonal influences, there was an appreciable rise in the value of building plans approved during November, the total being about 20 per cent. above last year's corresponding figure.

RETAIL TRADE

The value of retail sales in November was about 3 per cent. greater than in October and almost 4 per cent. in excess of last year's corresponding figure. The improvement was well spread geographically; furniture was the best category, but sales of piece-goods were appreciably less than a year ago.

HOME TRADE STATISTICS—NOVEMBER, 1934

	Oct., 1934	Nov., 1934	Compared with Nov., '33	Oct., 1934	Nov., 1934	Compared with Nov., '33
UNEMPLOYMENT— (State Insurance %)	16.4	16.4	— 1.5	SECURITY VALUES (av. level)	123.6	126.9 + 9.3
PRODUCTION—				FINANCIAL DATA—		
Coal (million tons)*	4.4	4.5	+ 0.1	Bank of England Notes (Mill. £'s)*	378	379 + 9
Iron (thous. ")	527.1	507.6	+ 133	Bank Deposits (" ")*	1,891	1,911 + 17
Steel (" ")	812.0	766.0	+ 71	Bank Advances (" ")*	756	755 + 18
FOREIGN TRADE—				Banks' Cash Ratio (%)	11.3	11.0 — 0.2
Imports (million £'s)	69.0	64.7	+ 1.0	Bank Clearings:		
Re-exports (" ")	4.0	4.0	+ 0.4	London (million £'s)*	672	795 + 123
British Exports (" ")	36.7	36.1	+ 1.7	Manchester (" ")*	10.1	10.0 + 0.5
TRANSPORT—				Three Months' Bank Drafts (Discount Rate %)	2½	2½ — ½
Railway Receipts (thous. £'s)*	2,828	2,771	+ 34	Day-to-Day Loans (%)	½	½ — ½
Shipping Freights (av. level)†	75.2	74.1	+ 0.6			
COMMODITY PRICES (av. level)‡	65.2	65.7	+ 2.6			
TRADE DISPUTES (thous. working days loss)	71	71	+ 27			

(*) 1913 = 100. (†) Economist Index No., 1927 = 100.

(‡) Bankers' Magazine Index No. of 365 securities; December, 1921 = 100. (†) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.

* Average weekly figures.

INDICES OF BUSINESS ACTIVITY*

Monthly Average of 1924 = 100

Monthly Average, 1929-1934																				
Period	Employment				Consumption of Power				Merchandise on Railways	Postal Receipts	Motor Vehicle Registrations	Building Activity	Foreign Trade				Bank Clearings		Complete Index	
	All Trades	Heavy Trades	General Industry	Distributive Trades, &c.	Coal	Electricity		Imports of Raw Materials					Imports of Non-Ferrous Metals	Exports of British Manufactures	Movements of Shipping	Provincial	London	Monthly Index	Three Months' Moving Average	
1929	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
1930	107	84½	109½	112½	95	111	85	115½	151½	131	103½	103½	113	121½	108½	111	99	131	110.0	...
1931	99	77½	112½	107½	86	107	82½	118	145	141½	105	75½	101½	119	87	109½	91	140	105.9	...
1932	98	60	90½	115½	87	103	61	116	137	132½	57	85½	97	93½	65½	100	97½	120	95.8	...
1933	102	61	101	119	82	108	60	118	159	173	53	91	105	85	67½	102	99	122	99.7	...
1932—January	98	65	96	113	84	105½	63½	119	131	119	71	92½	87	90	65	100	96	105	94.4	94.3
February	98	64	96½	114	88	104	66	118	127	110	68	89	104	106	63	111	89½	98	95.7	94.9
March	100	65	99	115	86	105	60	115	123	119½	63	94	110	107	66	97	94½	127	96.3	95.5
April	99	61	98	115½	92	102	65	118	129	127½	59	104	96	103	80½	103	97½	114	97.7	96.6
May	98	61	96	116	85	100	57	115	114½	126½	65	80½	94	86½	63	94	95	122	93.3	95.8
June	98	56	96	117	97½	95½	83	113½	129	150½	61	86	113	86	70	104	97	127	98.5	99.5
July	97	55	95	117	73	103	57½	115	128	117	52	85	96	80	63	98	111	148	95.1	95.6
August	97	54½	95	117	82½	99	59	113	138	122	41	87	111	89	62	98½	101	121	94.2	95.9
September	97½	56	99	116	87	102	60	116	154	127	50	72	101	84½	60	101	96½	112	94.5	94.6
October	99	59	97	116	85	108	57	113½	154	147	59½	75	82	89	62	93½	101	120½	96.0	94.9
November	98	59	97	115	90	107	61½	115½	155	156	27	75	88	97½	63	97	96½	115	95.5	95.3
December	99	62	97	116	84½	106	57½	118½	161	168	37	86	87	86	68	99½	94½	133	98.5	96.7
1933—January	97	62½	94	115	86	111	55	120	138	174	40½	78½	82	83	63	100	98½	119	95.5	96.5
February	98	62	95	115	87	107	55	119	130½	164	43	96	84	75	62½	104	99	128	95.9	96.6
March	99	61	97	116	83	101	60½	118	154	164	56	79	104	73½	71	103	94	125	98.4	96.6
April	100	59½	98	118	76	104½	55	118½	148	148	53½	84	95½	81½	64	101½	96	123	95.6	96.6
May	101	57½	100½	119	82	102	63	119	156	184	48	95	109	87	66	100	98	113	99.3	97.8
June	102	59	102	120	84	103	61	117	165	170	52	86	113	94	68	103½	98½	113	100.0	98.3
July	102	58	102	120	71½	111	60	115½	154	174½	49	88	119	88	62	100½	105	124	99.5	99.6
August	103	59½	103	121	79	108½	63	116	173½	197	58	108	145	84½	66½	105	97	119	103.7	101.1
September	104	62	104	120	80½	110½	63	116	163	187	57	104	124	85	73	107	100	124½	103.3	102.2
October	104	62	105	120	82½	110	61	117	161	193	52	82½	96½	85	71½	98	105½	125	100.4	102.5
November	104½	63½	105	120	88½	99	68	119	190	185	56	101	108	94	72	104	100	124	104.3	102.7
December	105	66½	104	121	89	103	60	123	196	188	67	84	99½	91	65	102	99½	131	104.0	102.9
1934—January	104	66	103	119	95	103	65	123	205	203	67	96	107	104	69	108	107	138½	109.4	105.9
February	104	66	104	120	85	109	60½	122	214	193	85	87	116	104	67	109	99	152	108.7	107.4
March	105½	67	105	121	89	117	62	121	199	193	96	89	110	111	72	103	102	140	109.2	108.1
April	106	66	106	122	88	117	61	121	171	192	97	84	111½	118	71	106	99	139	107.6	108.5
May	107	65	107	123	80	123	62	117	184	191	96	93	108½	111	69	103	96	117	105.6	107.5
June	107	62	107	124	85	124	66	118	200	226	84	97	135	119	76½	109	102	122	111.3	108.2
July	106½	63	108	124	75	124½	62	117	173	197	95	93	128	116	71	101	118	106.5	107.8	...
August	107	64	106	124	87½	123	68	118	190	212	85	96	148	128	70	105	94	119	106.7	107.8
September	107	67	107	123	87	127	62	118	208	180	79	91	117	126	78	105	97	119	107.9	108.4
October	107	66	107	123	87½	123	...	119	222	206	86½	82	£108	137	£77½	102	104	122	£110.2	£109.6
November	107	67	107	123	93	123	...	121	...	£222	79	77	£100	150	£76	104	102½	148	£110.2	£109.2

STATE OF TRADE OVERSEAS

BRITISH EMPIRE

Australia.—The prospects of the pastoral industries improved during the past month, but the wheat harvest will be substantially smaller than in the previous season. The output of butter increased seasonally during November, and was in excess of last year's level, but the arrangement for spreading shipments has prevented exports from increasing correspondingly. Prices for the chief export commodities continue low, although quotations for wool have hardened at the recent auctions.

South Africa.—Trade is still on the up-grade; unemployment is rapidly disappearing and there is a shortage of skilled artisans. Retail stores are reported to be busy and a record Christmas trade is anticipated. Building continues active and gold mining is prosperous, while railway earnings are at a higher level than for five years. Maize is in short supply. The wheat crop is now provisionally estimated at about 834 million lbs.

Canada.—Trading in livestock was brisk during last month and the butter markets exhibited a firmer tendency. Wholesale prices show little change. Production of the steel mills is maintained at a fairly steady level, but demand for constructional and railway materials continues poor, although building is a little more active. Carloadings continue above last year's level. Both wholesalers and retailers report a rather better volume of business and there is evidence that the depression in the primary industries has now been checked. Although wheat exports continue below the level of a year ago, overseas trade returns in general show an improvement over 1933.

India.—The available information points to a slight further improvement in the general economic position. Trading in cotton was active during November, heavy buying by Japanese interests being a prominent feature. Prices have considerably improved. Colder weather has stimulated the demand for heavier types of piece-goods, and business in some centres has been brisk. Jute prices have shown a tendency to harden recently.

EUROPE

France.—The official index of industrial production declined from 108 (1913 = 100) in October, 1933, to 95 in September and 94 in October, 1934. The decline was fairly general, only textiles showing a slight improvement. Moreover, unemployment continued to increase rapidly in recent weeks. The number of persons in receipt of unemployment benefit rose from 347,804 on November 3rd to 395,680 on December 15th. Car-loadings have failed to increase, but reports from the iron and steel industry are a little better. Wholesale prices continued to decline almost without interruption. There are no definite signs of an early revival, though the rise in Stock Exchange securities in recent weeks reflects an improvement in confidence.

Germany.—Productive activity has so far been well maintained. The index of industrial production of the Institut für Konjunkturforschung for October was 86.3 (1928 = 100), against 86.0 in September and 71.9 in October, 1933. The rise in unemployment from 2,267,700 at the end of October, to 2,353,600 at the end of November is largely seasonal. Carloadings increased during the first three weeks of November, but declined during the fortnight ended December 8th. Production of pig-iron in November was 829,155 tons, against 842,484 tons in October. The machinery construction industry was occupied to 63 per cent. of normal, as compared with 60 per cent. in October. Both imports and exports declined in November and the excess of exports over imports was reduced from Rm. 17 millions in October to 10 millions in November. Quotations for industrial securities tended to decline.

Norway.—The improvement in business has been fairly well maintained. The volume of imports and exports in October showed a rise of 24 per cent. and 9 per cent., respectively, on the corresponding month last year. Despite a slight seasonal increase, the number of unemployed is much smaller than a year ago.

Greece.—The areas sown with cereals are larger this year than in 1933. Exports of currants and tobacco increased in November. There was a slight rise in imports in October, but a fall in exports. Movements at the ports were also smaller, though the number of laid-up ships and of unemployed seamen declined. For the first time after several months the gold and exchange reserves of the bank of issue show a decline, due apparently to revival of the illicit exchange market. Budget receipts continue satisfactory.

Sweden.—Although there has been no further increase in industrial activity, the previous improvement has, on the whole, been well maintained. Shipments of timber products remained active until the beginning of December. The market in paper pulp has recently been firmer, but the situation in the paper industry shows little change. Despite a slight decline in the volume of new orders, activity in the iron and steel industry has so far been well maintained.

Denmark.—Autumn-sown crops and seed crops have made favourable progress. The market in butter improved during November, but towards the end of the month demand slackened and quotations declined. Trade in bacon was slow. The index of industrial production for October, at 115 (1913 = 100) showed no change on the month. The proportion of unemployed workers in November was 22.7, against 25.7 in the corresponding month in 1933. Foreign trade in November showed an expansion on the year.

Holland.—Industrial activity in Holland continued at a low level and there are no signs of an early improvement. Unemployment has risen in recent weeks. Imports have declined sharply since last year, but exports are at about last year's level.

UNITED STATES OF AMERICA

Business activity continued to increase slowly during November and early December, but progress was uneven. The *New York Times* index of activity rose from 76.0 during the week ended November 10th to 82.1 during the week ended December 15th. A year ago the figure stood at 77.1. A rise in Stock Exchange securities and in commodity prices reflects the improvement in confidence among business men. Retail trade has been well maintained and wholesale houses also report a larger turnover. Moreover, there are indications of a slight revival in some of the heavy industries. Production of electricity, steel and motor vehicles has tended to rise in recent weeks. Present indications point to a further, but slow, improvement in the near future.

AMERICAN TRADE STATISTICS—NOVEMBER, 1934

	Oct., 1934	Nov., 1934	Nov., '33	Compared with Nov., '33
EMPLOYMENT —(1923-25 = 100)†	77.0	...	...	...
PRODUCTION —				
Bituminous coal (Thous. tons).....	32,573	30,298	—	284
Pig-iron " " ".....	951	957	—	128
Steel " " ".....	1,462	1,589	+	48
Steel Corporation—shipments (Thous. tons).....	344	366	—	64
Building permits (Thous. \$).....	37,501	27,414	—	608
FOREIGN TRADE —				
Imports (Thous. \$).....	129,629	...	...	...
Exports " " ".....	206,352	...	...	...
TRANSPORT —				
Monthly average of weekly car loadings (Thous. cars).....	633	588	—	4
SECURITIES —				
30 industrial stocks—				
Highest quotations.....	95.60	103.08	+	1.80
Lowest quotations.....	90.41	93.46	+	3.84
Thous. shares sold during month—				
(New York).....	15,661	20,868	—	12,778
New securities issued (Thous. \$).....	84,855	99,908	—	80,955
BANK DEBITS —				
New York (Million \$).....	12,286	11,741	—	785
Other cities " " ".....	14,465	13,859	+	6,796
RETAIL BUSINESS —				
Total sales, mail order houses\$ (Thous. \$).....	63,932*	59,974*	+	8,445

* Preliminary estimates made by Messrs. Moody, subject to revision.
† Federal Reserve Board Index of Factory Employment.
‡ Closing prices. § Partly estimated.

LATIN AMERICA

Climatic conditions in Argentina tended to delay harvesting of the fine cereal crops, although favouring the growth of maize. Argentina's foreign trade returns continue to compare favourably with those of last year. A statement has now been issued of the profits on purchases and sales of Argentine official exchange, showing that the total to the end of September last was 91.2 million paper pesos, of which 24.6 millions were required to meet Government "losses on exchange," whilst the losses of the Grain Regulating Board were only 8.8 millions. A large part of the Fund has been deposited in London to form an Exchange Equalisation Fund, and modification of the exchange control system is envisaged "as soon as conditions improve." As from December 10th, official exchange in Brazil is being allotted to foreign countries proportionately to their purchases of coffee; this tends to favour imports from the United States at the expense of other countries. Brazilian and Chilean foreign trade figures are better than last year. A Bill to provide for a partial resumption of the external debt service is before the Chilean Congress. Peruvian conditions are affected by difficulties in the sugar industry, and relief measures are afforded under a Law recently passed. Liquidation of frozen commercial credits is proceeding in Colombia and also in Ecuador, and both countries appear to be working towards abolition of exchange control.

THE FAR EAST

The failure of the Japanese rice crop early in November gave rise to widespread distress and the Government had to organise relief measures on a large scale. The announcement by the Finance Minister that taxation was to be increased caused a setback on the Stock Exchange and conditions have subsequently been very quiet. Cotton remains steady in price, but raw silk quotations continue at a low level and exports of the latter commodity have been on a small scale recently. Overseas trade continues to show an improvement when compared with a year ago, imports during November amounting to 184 million yen and exports to 197 million yen, as compared with 169 and 163 million yen, respectively, in November, 1933. China's trade remains below last year's level. Imports rose from \$79,000,000 in October to \$83,520,000 in November, and exports increased from \$42,660,000 to \$49,770,000. In November, 1933, the value of imports and exports was \$96,180,000 and \$54,210,000, respectively.

STATISTICS

In the following tables we give trade and other statistics for as many countries of the world as possible, our endeavour being to combine brevity with comprehensiveness. The greater number of the figures are taken from the *Monthly Statistical Bulletin of the League of Nations* (published by George Allen & Unwin, Ltd.).

PRODUCTION (Thousands of Metric Tons)

COAL														LIGNITE			
Period	United Kingdom	Belgium	Czechoslovakia	France	Germany	Netherlands	Poland	U.S.S.R.	Canada	South Africa	India	Japan	United States	Czechoslovakia	Germany	Hungary	
Monthly Average																	
1913.....	24,337	1,903	1,189	3,338	15,842	156	748	...	1,037	665	1,311	1,776	43,088	1,227	7,269	460	
1929.....	21,837	2,244	1,377	4,498	13,620	965	3,853	3,472	1,023	1,052	1,893	2,855	46,026	1,880	14,598	587	
1930.....	20,650	2,244	1,203	4,490	11,891	m1,018	3,127	3,921	864	991	1,927	2,615	40,580	1,602	12,159	515	
1931.....	18,582	2,253	1,092	4,167	9,887	m1,075	3,189	4,462	706	880	1,752	2,332	33,395	1,494	11,109	509	
1932.....	17,717	1,785	913	3,856	8,728	m1,063	2,403	5,211	625	805	1,580	2,338	27,183	1,322	10,218	494	
1933.....	17,525	2,107	878	3,906	9,160	m1,048	2,278	6,020	644	872	1,526	2,504	28,526	1,255	10,566	492	
1933—November	19,193	2,187	1,028	3,951	9,994	1,047	2,933	6,322	830	900	1,434	2,829	31,970	1,456	12,174	641	
December	18,953	2,168	1,000	4,051	9,915	1,020	2,784	7,371	696	860	1,640	2,976	30,866	1,506	12,927	715	
1934—January	21,091	2,306	943	4,325	10,593	1,070	2,673	7,505	755	932	1,572	2,781	35,417	1,920	12,188	649	
February	19,045	2,039	838	3,922	9,778	974	2,222	6,683	694	832	1,758	2,744	34,539	1,263	10,965	549	
March	20,480	2,404	896	4,229	10,385	1,070	2,801	7,352	712	852	1,831	3,162	40,650	1,322	10,755	472	
April	18,290	2,176	756	3,886	9,700	958	2,095	7,387	638	824	1,732	2,821	26,861	1,182	9,871	390	
May	18,076	2,124	812	3,893	9,512	1,002	1,996	7,056	843	1,038	1,822	2,873	30,255	1,105	10,469	408	
June	16,889	2,215	817	3,896	9,835	992	2,100	7,426	826	1,019	1,667	2,649	27,773	1,095	11,508	404	
July	16,468	2,087	806	3,765	10,236	1,047	2,295	7,572	838	1,028	1,501	2,535	26,057	1,120	11,016	418	
August	17,408	2,181	900	3,823	10,778	1,053	2,448	7,559	873	1,040	1,552	2,362	28,184	1,277	11,580	466	
September	18,078	2,123	918	3,831	10,304	1,026	2,600	7,446	836	966	1,733	2,489	28,710	1,242	11,423	513	
October	19,858	2,287	1,049	4,089	11,597	1,126	2,853	8,040	971	1,072	...	...	33,771	1,498	12,601	...	
November	23,336†	...	...	...	...	...	...	...	...	...	...	...	31,282	...	...	...	

PIG IRON

Period	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	U.S.S.R.	Canada	United States	United Kingdom	Belgium & Luxembourg	France	Saar	Germany	Sweden	Canada	United States
Monthly Average																	
1913.....	689	419	434	114	1,397	61	...	85	2,601	649	307	391	159	1,467	62	88	2,564
1929.....	643	583	864	175	1,117	41	262	92	3,580	618	569	808	184	1,354	80	117	4,599
1930.....	525	488	836	159	808	38	417	63	2,859	618	471	787	161	962	52	85	3,326
1931.....	491	455	826	125	502	32	145	58	1,547	438	430	652	128	691	46	57	2,133
1932.....	203	395	462	112	328	22	521	12	735	445	397	470	122	479	44	29	1,128
1933.....	349	388	527	133	439	27	597	19	1,119	593	544	139	632	53	35	1,918	
1933—November	381	360	509	188	510	35	682	39	1,103	705	949	488	142	725	75	44	1,546
December	418	374	522	130	534	37	662	39	1,201	680	354	498	129	731	56	50	1,827
1934—January	448	378	526	141	543	36	735	31	1,285	722	877	518	154	817	58	62	2,003
February	421	356	474	138	550	38	709	12	1,284	719	351	478	145	823	65	59	2,218
March	512	410	526	156	650	40	818	12	1,648	843	412	523	180	930	71	74	2,805
April	504	406	503	153	697	39	884	28	1,755	728	403	593	160	977	70	71	2,944
May	536	419	527	150	727	50	888	39	2,078	723	418	533	158	989	85	73	3,407
June	524	408	509	152	718	40	898	38	1,961	767	418	512	173	1,004	60	65	3,064
July	537	415	511	152	767	42	923	37	1,244	730	408	513	156	1,037	64	68	1,497
August	511	415	532	154	799	49	929	42	1,071	678	418	533	171	1,068	86	65	1,835
September	508	405	499	155	776	43	915	44	912	746	410	494	169	978	78	58	1,272
October	536	428	530	167	842	44	958	47	967	825	433	530	182	1,136	78	59	1,485
November	516	...	...	...	829	...	...	...	972	778	...	...	...	1,086	...	...	1,615

a Figures for Luxembourg communicated by the "Groupeement des Industries Siderurgiques." b Including ferro alloys. c Excluding castings. d Saleable coal; since end 1921, excluding Ireland. e British Provinces only. f Establishments whose production in 1933 amounted to 69.39% of the total. g Excluding Luxembourg. Since 1922, excluding Polish Upper Silesia. h Until end 1928 saleable coal. i Including coal waste. j Provisional figure.

WHOLESALE PRICES

Monthly Average	U.K.		Belgium	Czechoslovakia	Denmark	France	Germany (Official)	Holland	Italy (Bachi)	Norway	Poland	Spain	Sweden	Switzerland	Australia	British India	Canada	South Africa
	Board of Trade	Economist																
1913.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1929.....	138.5	127.2	851	924	150	627	137.2	142	481	a149	99.3	167.7	140	141.2	165.7	141	149.4	116.0
1930.....	119.5	106.8	744	118.6	130	554	124.6	117	411	a137	85.5	167.0	122	126.5	146.7	117	135.3	102.2
1931.....	104.1	89.3	626	107.9	114	502	110.9	97	342	a122	74.6	168.8	111	109.7	131.3	96	112.6	99.9
1932.....	101.6	88.1	532	99.7	117	427	98.5	79	310	a122	65.5	168.7	109	96.0	129.7	91	104.2	91.1
1933.....	100.9	88.9	501	98.2	125	398	95.3	74	282	122	59.1	159.1	107	91.0	129.5	87	104.9	91.1
1933—November	102.8	88.8	485	95.8	128	403	96.0	78	280	a122	55.8	159.7	110	91.0	130.0	88	107.3	...
1933—December	102.8	88.0	484	94.6	129	407	96.2	77	284	122	57.6	161.9	110	91.8	132.0	89	107.8	...
1934—January	104.6	90.4	484	94.3	180	405	98.8	79	281	120	57.8	164.4	112	91.8	133.8	90	110.3	106.8
1934—February	105.3	90.6	483	481.1	131	400	96.0	80	277	122	57.6	165.9	112	91.4	133.5	89	112.6	...
1934—March	103.8	90.0	478	80.8	129	384	95.5	79	278	122	57.3	168.3	111	90.9	133.1	88	111.5	...
1934—April	102.8	89.0	478	80.8	128	387	94.5	78	279	122	57.3	168.3	112	91.6	133.2	89	111.1	104.1
1934—May	102.4	90.0	470	80.5	128	381	96.2	77	273	123	56.0	165.5	118	89.0	133.8	90	111.1	...
1934—June	103.6	89.9	472	85.1	128	379	97.2	76	271	123	55.8	162.3	114	89.0	134.5	90	112.6	...
1934—July	103.4	91.0	471	83.9	129	374	98.9	78	274	124	55.9	...	114	88.9	136.3	89	112.5	98.8
1934—August	105.5	92.3	474	84.0	134	371	101.7	78	274	127	55.8	...	114	89.8	137.9	89	112.5	...
1934—September	105.2	90.4	475	83.7	135	365	100.4	77	277	126	54.9	...	114	89.1	137.2	89	112.5	...
1934—October	104.1	89.7	467	84.2	135	357	101.0	77	278	127	54.4	...	114	89.6	137.2	...	111.5	98.8
1934—November	104.1	89.0	466	...	136	356	101.2	76	...	126	...	...	114	...	...	...	...	...
a New index. b End of the month. c 15th of month. d Beginning of the following month. e Official. f Second half of month.																		
g Since date of stabilisation, gold index. h 1914. i Since February, 1934, compiled according to the new gold parity. j New index: 126 articles included. m 1923																		

FINANCE

Notes in Circulation. (000,000's omitted)

Period	United Kingdom	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	Estonia	France	Germany	Greece	Hungary	Jugoslavia	Netherlands
End of	Bank of England Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Reichsbank Notes	"Rentenbank" Notes	Bank Notes	Bank Notes	Bank Notes
	£	Schilling	Francs	Leva	Koruna	Kron.	Markka	Francs	Reichsmark	Reutenmks.	Drachma	Pengö	Dinars
1913	29-6	...	1,067	189	...	152	113	5,714	2,742	...	245	...	913
1928	378-8	1,067	12,358	4,173	8,468	360	1,513	82,181	4,800	...	5,800	513	854
1929	368-8	1,094	14,683	3,609	8,250	367	1,361	68,571	5,044	...	5,183	501	818
1930	368-8	1,090	16,419	3,296	7,824	360	1,279	78,436	4,778	...	4,803	469	837
1931	368-8	1,183	18,270	2,919	7,979	346	1,293	85,725	4,776	...	4,003	423	5,172
1932	371-2	914	18,135	2,635	6,267	332	1,085	85,028	3,860	...	4,714	353	7,773
1933	392-0	952	17,093	2,984	5,908	375	1,184	82,613	3,845	...	5,449	389	4,327
1933—October	369-3	941	17,189	2,845	6,148	368	1,103	81,097	3,571	...	5,565	362	4,343
1933—November	370-2	914	17,257	2,855	5,705	354	1,115	80,368	3,542	...	5,426	341	4,257
1933—December	392-0	952	17,093	2,984	5,908	375	1,184	82,613	3,845	...	5,449	389	4,327
1934—January	368-7	909	16,883	2,571	5,449	349	1,166	79,474	3,474	...	5,044	347	4,233
1934—February	367-4	909	17,098	2,400	5,523	351	1,286	81,024	3,494	...	5,098	360	4,232
1934—March	373-8	981	17,278	2,603	5,644	369	1,322	82,833	3,675	...	5,114	351	4,169
1934—April	373-7	970	17,317	2,534	5,242	368	1,309	81,502	3,640	...	5,117	342	4,142
1934—May	378-1	931	17,587	2,574	5,179	358	1,244	78,992	3,635	...	5,131	361	4,142
1934—June	381-7	955	17,408	2,603	5,524	360	1,230	80,800	3,768	...	5,143	364	4,170
1934—July	383-9	965	17,508	2,509	5,221	357	1,200	80,800	3,768	...	5,143	364	4,170
1934—August	383-9	965	17,508	2,509	5,221	357	1,200	80,800	3,768	...	5,143	364	4,170
1934—September	377-0	965	17,568	2,559	5,589	369	1,261	81,479	3,919	...	5,999	373	4,298
1934—October	378-4	954	17,514	2,633	5,461	384	1,245	79,467	3,823	...	5,919	373	4,380
1934—November	379-7	955	17,506	2,449	5,337	378	1,249	81,879	3,810	...	5,844	350	4,307

Period	Italy	Norway	Poland	Romania	U.S.S.R.	Sweden	Switzerland	Australia	Canada	South Africa	Egypt	United States	Japan
End of	Bank Notes	State Notes	Bank Notes	Bank Notes	State Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes	Bank Notes
	Lire	£	Kroner	Zloty	Leu	Gd. Rbls.	Rbls.	Kronor	Francs	Dollars	£	Dollars	Yen
1913	42,284	499	108	...	437	...	234	314	10-0	116	2-3	2-2	426
1928	17,295	161	316	1,295	244	21,211	730	1,091	548	953	48-5	1,808	4,973
1929	16,774	80	316	1,240	259	21,144	1,028	1,501	569	999	42-2	1,862	4,865
1930	15,680	868	312	1,233	241	19,605	1,946	2,080	584	1,082	42-3	1,862	4,865
1931	14,295	...	312	1,218	241	23,750	2,379	2,784	583	1,609	42-2	1,862	4,865
1932	13,672	...	315	1,003	332	21,894	2,922	2,925	598	1,611	45-0	1,862	4,865
1933	13,243	...	327	1,004	342	20,804	3,069	3,433	648	1,510	45-1	1,862	4,865
1933—October	13,170	...	307	1,046	354	20,835	...	...	589	1,408	42-4	1,862	4,865
1933—November	13,243	...	307	1,046	354	20,835	...	...	589	1,408	42-4	1,862	4,865
1933—December	13,243	...	327	1,004	342	21,219	3,069	3,433	648	1,510	45-1	1,862	4,865
1934—January	13,068	...	311	947	339	20,534	...	...	583	1,391	42-5	1,862	4,865
1934—February	12,708	...	318	939	346	20,815	...	...	597	1,390	41-2	1,862	4,865
1934—March	12,983	...	320	955	358	21,479	...	...	644	1,405	40-8	1,862	4,865
1934—April	12,987	...	322	931	344	21,288	...	...	644	1,405	40-8	1,862	4,865
1934—May	12,859	...	314	911	335	21,021	...	...	601	1,354	39-8	1,862	4,865
1934—June	12,858	...	325	938	358	20,960	...	...	652	1,376	39-7	1,862	4,865
1934—July	13,350	...	323	908	350	20,809	...	...	612	1,354	39-6	1,862	4,865
1934—August	13,194	...	321	908	374	21,463	...	...	643	1,370	40-1	1,862	4,865
1934—September	13,453	...	322	978	380	21,666	...	...	643	1,370	40-1	1,862	4,865
1934—October	13,251	...	316	1,010	389	21,680	...	...	662	1,384	42-6	1,862	4,865
1934—November	13,162	...	315	958	366	21,579	...	...	651	1,376	...	1,862	4,865

^a Until November, 1928, including State notes, then transferred to Bank. ^b May. ^c Excluding notes held by Commonwealth Bank. ^d In terms of unit, lire = 8,373 millesims.
^e Gross issue. ^f Excluding notes held as reserve by Chartered Bank. ^g State notes gross. ^h Since January 1934, excluding gold coins. ⁱ Since January, 1926, excluding notes held by Bank of Poland. ^j Since 1920, including Austro-Hungarian and other notes converted after the war into National Currency. ^k Since 1926, excluding notes held by the State Bank. ^l In terms of new lire = 1,829 millesims. ^m Since May, 1922, including Luxembourg. ⁿ From 1927-1929, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes in October, 1926.

LONDON RATES OF EXCHANGE

Period	Paris	Brussels	Milan	Zurich	Madrid	Amsterdam	Stockholm	Oslo	Copenhagen	Berlin	Vienna	New York	Buenos Aires
End of	Francs to £	Belgas to £	Lire to £	Francs to £	Pesetas to £	Florins to £	Kronor to £	Kronor to £	Kronor to £	Marks to £	Schillings to £	Dollars to £	Pence to Dollars
Par level	124-21	35-00	92-46	25-22	25-22	12-107	18-159	18-159	18-159	20-43	34-581	4-861(a)	47-62
Highest, 1933	90-00	25-37	69-12	18-37	36-43	12-07	18-159	20-00	22-50	15-62	35-00	5-33	45
Lowest, 1933	77-93	21-80	58-25	15-73	32-45	7-56	18-25	19-31	19-25	12-80	27-00	3-32	35
Beginning of—													
July, 1914	25-15	† 25-35	25-25	21-16	26-10	12-11	18-30	18-25	18-30	20-43	† 24-55	4-87	47
January, 1927	122-81	34-83	109-62	25-12	31-23	12-12	18-15	18-04	18-20	20-43	34-42	4-85	46
January, 1928	124-00	34-92	92-32	25-27	29-74	12-09	18-13	18-13	18-17	20-38	34-44	4-85	47
January, 1929	124-10	34-88	92-64	25-18	29-74	12-09	18-13	18-13	18-20	20-38	34-44	4-85	47
January, 1930	123-91	34-88	92-22	25-13	29-74	12-09	18-13	18-13	18-20	20-38	34-44	4-85	47
January, 1931	123-66	34-76	92-74	25-04	29-74	12-09	18-13	18-13	18-20	20-38	34-44	4-85	47
January, 1932	86-37	24-37	66-62	25-04	29-74	12-09	18-13	18-13	18-20	20-38	34-44	4-85	47
January, 1933	85-50	24-09	65-12	17-34	40-18	8-44	17-75	18-25	18-12	14-25	30-00	3-38	40
January, 1934	83-00	23-99	61-84	16-79	39-53	8-31	18-37	19-13	14-00	12-20	28-50	3-38	40
August	76-41	21-46	58-75	15-44	36-87	7-44	19-40	19-40	19-40	13-01	27-00	5-03	35
September	74-62	20-95	57-49	15-07	36-00	7-26	19-40	19-40	19-40	12-52	26-50	4-98	29
October	74-50	20-99	57-28	15-05	35-93	7-24	19-40	19-40	19-40	12-36	26-50	4-98	29
November	75-59	21-36	58-12	15-29	36-43	7-35	19-40	19-40	19-40	12-36	26-50	4-98	29
December	75-46	21-30	58-31	15-31	36-37	7-36	19-40	19-40	19-40	12-38	27-00	4-97	27

	Rio de Janeiro	Monte Video	Valparaíso	Bombay	Hong Kong	Shanghai	Kobe	Singapore			November Quotations		
	Pence to Milreis	Pence to Dollar	Pesos to £1	Pence to Rupee	Sterling to Dollar	Sterling to Tael	Sterling to Yen	Sterling to Dollar	Place	Method of Quoting	Highest	Lowest	Average
Par level.....	16	51	40-00	s. d.	s. d.	s. d.	s. d.	s. d.	New York.				
Highest, 1933.....	8	37½		1 6	...	...	2 0½	...	Nov., 1933	Dollars to £1.	5-47	4-79	5-136
Lowest, 1933.....	3½	28		1 6½	1 6	1 9½	1 8	2 4½	Oct., 1934		4-99½	4-90½	4-942
				1 5½	1 2½	1 7½	1 1½	2 3½	Nov., 1934		5-01½	4-97½	4-990
Beginning of—													
July, 1914.....	16½	51½		1 3½	1 10½	2 6½	2 0½	...	Paris.				
January, 1926.....	7½	50½		1 6½	2 4½	3 1½	1 9½	2 4½	Nov., 1933	Francs to £1.	84-44	79-50	82-164
January, 1927.....	5½	50½		1 6½	1 11½	2 3½	2 0½	2 3½	Oct., 1934		75-59½	73-87½	74-758
January, 1928.....	5½	51		1 6½	2 0½	2 7½	1 11½	2 2½	Nov., 1934		76-12½	75-37½	75-731
January, 1929.....	5½	51		1 6½	2 0½	2 7½	1 11½	2 2½					
January, 1930.....	5½	51		1 6½	2 0½	2 7½	1 11½	2 2½					
January, 1931.....	4½	38½		1 8	2 2½	2 1½	2 0½	2 3½	Amsterdam.	Florins to £1.	8-21	7-72	7-97½
January, 1932.....	4½	31½		1 5½	1 1½	1 5	2 0½	2 3½	Oct., 1934		7-37	7-18½	7-25½
January, 1933.....	5½	30½		1 6½	1 5½	1 11½	2 1½	2 4½	Nov., 1934		7-43	7-34½	7-38½
January, 1934.....	5½	38½		1 6½	1 5½	1 7½	1 3	2 3½					
August.....	19½	194		1 6½	1 5½	1 4½	1 2½	2 4½	Berlin.				
September.....	3½	19½		1 6½	1 5½	1 4½	1 2½	2 4½	Nov., 1933	Rchmks. to £1.	13-82	13-10	13-46½
October.....	3½	19½		1 6½	1 6½	1 5½	1 2½	2 4½	Oct., 1934		12-38	12-09	12-20½
November.....	3½	20		1 6½	1 7½	1 5½	1 2½	2 4½	Nov. 1934		12-48	12-34	12-40½
December.....	3½	19½		1 6½	1 7½	1 5½	1 2½	2 4½					

^a Daily rate. ^b Par 8-23½ since dollar devaluation on February 1, 1934. ^c Pence to £. ^d Pence to £. ^e Pence to £. ^f Pence to £. ^g Pence to £. ^h Pence to £. ⁱ Pence to £. ^j Pence to £. ^k Pence to £. ^l Pence to £. ^m Pence to £. ⁿ Pence to £. ^o Pence to £. ^p Pence to £. ^q Pence to £. ^r Pence to £. ^s Pence to £. ^t Pence to £. ^u Pence to £. ^v Pence to £. ^w Pence to £. ^x Pence to £. ^y Pence to £. ^z Pence to £. ^{aa} Pence to £. ^{ab} Pence to £. ^{ac} Pence to £. ^{ad} Pence to £. ^{ae} Pence to £. ^{af} Pence to £. ^{ag} Pence to £. ^{ah} Pence to £. ^{ai} Pence to £. ^{aj} Pence to £. ^{ak} Pence to £. ^{al} Pence to £. ^{am} Pence to £. ^{an} Pence to £. ^{ao} Pence to £. ^{ap} Pence to £. ^{aq} Pence to £. ^{ar} Pence to £. ^{as} Pence to £. ^{at} Pence to £. ^{au} Pence to £. ^{av} Pence to £. ^{aw} Pence to £. ^{ax} Pence to £. ^{ay} Pence to £. ^{az} Pence to £. ^{ba} Pence to £. ^{bb} Pence to £. ^{bc} Pence to £. ^{bd} Pence to £. ^{be} Pence to £. ^{bf} Pence to £. ^{bg} Pence to £. ^{bh} Pence to £. ^{bi} Pence to £. ^{bj} Pence to £. ^{bk} Pence to £. ^{bl} Pence to £. ^{bm} Pence to £. ^{bn} Pence to £. ^{bo} Pence to £. ^{bp} Pence to £. ^{bq} Pence to £. ^{br} Pence to £. ^{bs} Pence to £. ^{bt} Pence to £. ^{bu} Pence to £. ^{bv} Pence to £. ^{bw} Pence to £. ^{bx} Pence to £. ^{by} Pence to £. ^{bz} Pence to £. ^{ca} Pence to £. ^{cb} Pence to £. ^{cc} Pence to £. ^{cd} Pence to £. ^{ce} Pence to £. ^{cf} Pence to £. ^{cg</}

CAPITAL ISSUES.—(000,000's omitted)

Period	United Kingdom	Austria	Czechoslovakia	France	Germany	Italy	Netherlands	Poland	Romania	Sweden	Switzerland	India	Japan	United States
Monthly Average	£	Schilling	Koruna	Francs	Mark	Lire	Gulden	Zloty	Lei	Kronor	Francs	Rupies	Yen	Dollars
1913.....	16.3	...	...	...	60	23	13	...	20	18	23	58	45	...
1929.....	23.8	...	...	...	55	23	13	...	20	18	23	58	45	...
1930.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
1931.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
1932.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
1933.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
1934.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
Jan.-Mar.	9.6	2.5	19	358	11.4	152	3	3.3	122	8	50	120	655	75
Apr.-June	27.3	6.7	30	399	6.2	403	4	3.7	86	8	21	29	389	60
July-Sept.	49.8	14	404	8.1	242	1	0.8	25	6	31	31	578	75	...
Oct.-Dec.	7.4	12.9	20	139	4.1	292	59	5.3	47	11	9	21	568	68
1934.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
Jan.-Mar.	6.7	9.8	10	551	5.1	280	58	1.5	70	10	20	27	658	123
Apr.-June	25.9	11.0	10	306	8.5	531	2	1.1	115	9	11	...	425	147
July-Sept.	9.4	0.0	13	306	8.5	531	2	1.1	115	9	11	...	425	147
Oct.-Dec.	2.0	17.1	20	130	14.3	300	4	1.6	9	18	111	25	363	180
1934.....	22.3	...	...	...	55	23	13	...	20	18	23	58	45	...
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Apr.-June	25.9	11.0	10	306	8.5	5								



OVER
A CENTURY-AND-A-HALF OF PUBLIC SERVICE

PHŒNIX

ASSURANCE COMPANY, LIMITED
FOR
ALL CLASSES OF INSURANCE

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The LONDON & LANCASHIRE
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INSURANCE IN 1933

A REVIEW OF PROGRESS AND PROSPECTS

Vol. CXIX

SATURDAY, JULY 14, 1934

No. 4742

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GENERAL RESULTS OF THE YEAR

The varying prosperity of insurance companies, whose function it is to supply necessary services to all forms of industry, must reflect in a broad way the healthiness and activity of trade in general. This is true of all insurance companies, but, owing to their important international interests, applies in the case of British offices over a much wider area and creates for them special technical and financial problems. In the circumstances, the 1933 results, as set out in the annual reports and enlarged upon at the meetings, must be considered as very satisfactory, and are a tribute to the efficiency with which the affairs of the companies are conducted. Before dealing with the individual branches of insurance, we are presenting, in accordance with our usual practice, a table showing the general results of 22 of the most important companies in respect of all branches combined. The figures in the table have been arrived at on a uniform basis for all the offices.

The reserve for unexpired risks—except in the marine branch—has been taken in all cases at 40 per cent. of the premium income of the year, which is the basis used by the majority of the offices. It is not possible to use a uniform method of arriving at the underwriting profits in the case of the marine accounts, and the method of the company concerned has been followed. Special attention is drawn to the headings of each column in the table below, for these explain the principles upon which our calculations are made. These calculations may differ from the published results of individual companies, as is only to be expected, when reducing various data to comparability; and this fact should be borne in mind.

The trading surplus shown in column 2 has been obtained after deduction of all allocations to investment, contingency, etc., reserves, as it is not possible to state in any instance how much of the transfer (if any) may be

UNDERWRITING PROFIT

Company	Total Premium Income (excluding Life, Annuity, and Sinking Fund)	Underwriting Profits				Dividend Position		
		Net Trading Surplus (excluding Life, Annuity, and Sinking Fund)	Ratio of Net Trading Surplus to Premiums	Contribution to Net Trading Surplus from Life, Annuity, and Sinking Fund	Total Net Trading Surplus	Net Interest Earnings after deducting Debenture Interest and Preference Dividends	Cost of Dividend on Ordinary Shares	Proportion of Dividend met by Interest Earnings
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alliance.....	3,516,491	232,361	6.6	55,961	288,322	319,227	473,813	67
Atlas	2,333,329	59,284	2.5	25,914	85,198	114,848	176,000	65
Caledonian.....	1,288,560	37,557	2.9	37,144	74,701	80,592	87,187	92
Commercial Union	12,890,807	544,098	4.2	97,740	641,838	830,219	1,112,700	75
Eagle Star and British Dominions	2,719,036	1,038	...	70,456	69,418	129,403	121,793	106
Employers' Liability.....	6,241,700	15,928	...	...	15,928	267,046	230,863	116
General Accident.....	7,060,933	52,081	...	...	52,081	237,592	183,750	129
Guardian.....	2,639,700	12,068	...	36,000	23,932	156,645	170,417	92
Liverpool and London and Globe	8,851,993	158,728	1.8	26,000	184,728	377,877	551,130	69
London Assurance.....	3,838,649	34,607	...	20,000	54,607	208,255	223,539	93
London and Lancashire.....	5,538,534	439,805	7.9	32,586	489,720	570,159	523,768	86
North British and Mercantile.....	4,917,585	206,929	4.2	...	206,929	499,568	523,768	95
Northern	4,126,344	31,330	...	...	31,330	184,629	228,442	81
Norwich Union	3,637,895	70,647	1.9	...	70,647	167,893	203,104	83
Pearl	1,098,049	84,193	7.7	586,234	670,427	32,123	585,818	5
Phoenix	6,569,479	33,375	...	65,000	98,375	399,873	474,862	84
Prudential	2,042,812	51,217	2.5	9,539	60,756	119,636	100,000	120
Royal	11,347,447	220,798	1.9	40,000	260,798	1,196,995	1,401,762	85
Royal Exchange	3,164,030	107,167	3.4	38,894	146,061	200,389	198,865	101
Scottish Union and National	1,497,807	15,226	1.0	...	15,226	143,280	151,125	95
Sun	4,413,977	64,723	1.5	...	64,723	247,937	246,917	100
Yorkshire	2,505,695	28,317	1.1	9,610	37,927	103,644	137,549	75
	102,240,852	2,339,247	2.3	1,151,078	3,490,326	6,507,391	8,153,563	80

regarded simply as an addition to free reserve, and how much is required by ordinary business prudence. Some slight injustice may be introduced in individual cases by this system, which, on the whole, however, is probably the fairest to adopt.

Column 4 indicates the amount of the contribution to the net trading surplus derived from the operations of the life department; such profits emerge from actuarial valuations, and in the majority of cases these valuations take place only at quinquennial intervals. It may be mentioned that some companies set aside the shareholders' proportion of surplus revealed at a quinquennial valuation, and in each year of the new quinquennium credit one-fifth of such surplus to profit and loss. This practice is not universal, however, and hence the absence of any figure in this column for those companies which transact life business merely means that no valuation was due to be made. The Prudential, incidentally, is in a special position, since the life profits belong entirely to the "A" shareholders, and the table is concerned only with the "B" shareholders, whose interest is confined to the remaining departments, and who have no rights to any share in the surplus of the life department. The interest shown in Column 6 is arrived at after deducting income

tax at 5s. in the £, but the figures in Column 7, which are taken from the published accounts of the offices, allow in some cases for income tax at the present rate of 4s. 6d.

DIVIDEND POSITION

It will be seen that during 1933 80 per cent. of the dividends was met out of interest earnings, or, excluding the Pearl, whose activities are confined mainly to life assurance, 86 per cent. By the policy of meeting the cost of at least a very substantial part of the dividend from interest earnings, a considerable portion of the underwriting profits is available to augment reserves. As a result of this practice the offices are in a very strong financial position.

The following table gives the aggregate results of the 22 offices for each of the last five years, as compiled from previous issues of the Supplement. The premium income has again fallen, but the net trading surplus shows considerable expansion. The fall in the interest income—by rather less than 5 per cent.—is significant but is, in any case, much smaller than the increase in trading surplus. In most cases the rate of dividend has remained the same as in 1932, and for the rest the number of increases exceeds the number of decreases.

Year	Total Premium Income (Excl. Life Annuity and Sinking Fund)	Underwriting Profits		Dividend Position		
		Net Trading Surplus (Excl. Life Annuity and Sinking Fund)		Total Net Interest Earnings	Cost of Ordinary Share Dividend	Proportion of Dividend Met out of Interest Earnings
		Amount	Percentage of Premium Income			
1929	119,734,910	2,851,132	2.4	7,368,926	8,219,274	90
1930	114,944,401	1,986,275	1.7	7,320,575	8,322,312	88
1931	111,077,136	1,729,815	1.6	7,082,694	8,056,895	88
1932	106,901,260	1,291,704	1.2	6,834,987	8,086,479	85
1933	102,240,852	2,339,247	2.3	6,507,391	8,153,563	80

LIFE ASSURANCE

In 1932, following on the Government conversion operations, very substantial appreciation took place in the market value of the assets of life offices; probably the whole of the heavy depreciation of the previous year was recovered. In 1933 further appreciation took place, though to a much modified degree. While this appreciation is gratifying and by no means to be despised, it is really of much less importance to offices than the fall in the rate of interest obtainable on investments. Last year practically all companies experienced a substantial fall in the net rate of interest on the life funds, but the amount of the fall varied considerably. In the main, it was due, no doubt, to the different methods used in the valuation of the assets. The rate is likely to fall still further with the continuous investment of new money in spite of the welcome alteration in the rate of income tax to 4s. 6d. in the £. In view of the altered investment conditions, annuity rates have been made much more stringent during the last two years, but, even so, the amount received in purchase money last year, excluding Dominion offices, was practically the same as in 1932, when a phenomenal increase took place—from £4,753,000 in 1931 to £13,281,000. While the changes made in single premium life assurance quotations have not been so general or so drastic, offices have shown no desire to cultivate this class of business. Nevertheless, the single premiums in 1933 were considerably in excess of those received in 1932. With the publication this year by the Institute and Faculty of Actuaries of new tables based on recent mortality experience of the British life offices, it is not unlikely that in the near future considerable modifications

will take place in the premium rates for new policies. These modifications will vary according to the class of policy and the age of the life assured. One office—the Clerical, Medical and General—has already altered all its published rates, taking into account the new mortality tables and the altered investment conditions. The summary of the returns made by the British life offices to the Board of Trade for 1932 shows that exclusive of industrial insurance policies there were 5,318,000 policies in force at the end of that year, representing sums assured and existing bonuses of £1,705,858,000. The total interest income in 1932 was £33,945,000 and the premium income £73,137,000, while the accumulated funds totalled £792,651,000. The following table is compiled from the same official source.

Year	Aggregate Net New Sums Assured under New Policies	Increase or Decrease per cent. compared with preceding Year
	Mill. £	
1919	131	+79.5
1920	147	+11.5
1921	109	-25.3
1922	106	-2.8
1923	112	+5.7
1924	124	+10.7
1925	130	+4.8
1926	129	-0.8
1927	148	+14.7
1928	160	+8.1
1929	162	+1.2
1930	166	+2.5
1931	161	-3.0
1932	164	+1.9

NEW BUSINESS

(a) LIFE ASSURANCE

The foregoing table shows the trend of new business up to 1932, and the following table gives the new business of the last two years in respect of each of a number of representative offices.

	1932		1933	
	No. of Policies	Sums Assured	No. of Policies	Sums Assured
NET NEW BUSINESS				
Mutual Offices:—				
Equitable	1,806	1,081,404	1,638	1,089,001
Friends' Provident and Century	2,195	1,407,605	2,344	1,887,892
London Life	2,024	2,955,243	1,845	2,513,773
Marine and General	552	277,394	588	415,145
National Mutual	807	463,487	673	616,108
National Provident	2,430	1,373,739	2,505	1,390,790
Norwich Union	12,954	8,009,710	14,642	8,933,966
Provident Mutual	15,696	1,715,948	17,370	1,889,110
Scottish Amicable	1,670	1,319,108	1,905	1,085,792
Scottish Equitable	1,983	1,516,805	2,438	1,711,031
Scottish Provident	3,636	2,854,509	3,868	3,134,208
Scottish Temperance	1,866	1,326,463	1,874	1,385,194
Scottish Widows	5,106	3,630,055	6,119	4,136,902
Standard	4,039	2,814,748	5,869	3,540,549
United Kingdom	5,176	3,567,314	5,393	3,872,567
	61,640	34,313,532	69,066	38,202,048
Proprietary Offices:—				
Clerical, Medical and General	2,051	1,644,061	2,571	1,992,989
Equity and Law	989	3,046,713	982	2,916,436
Gresham	4,479	1,849,538	5,419	2,167,358
Scottish Life	1,440	1,380,396	1,512	1,683,517
Sun Life	18,972	15,160,569	20,545	15,139,417
	27,931	23,081,277	31,029	23,899,717
Industrial-cum-Ordinary Offices:—				
Britannic	16,111	2,518,372	19,857	3,182,023
Co-operative	17,094	2,217,606	18,091	2,675,124
Pearl	41,042	7,617,942	44,361	8,761,731
Provident Association	1,122	444,825	1,095	428,950
Prudential	71,950	17,274,246	82,350	21,507,483
Refuge	49,570	6,061,271	56,444	6,922,651
Wesleyan and General	7,358	1,203,102	8,846	1,425,897
	204,245	37,337,364	231,044	44,903,859
Composite Offices:—				
Alliance	5,258	3,352,757	5,120	3,222,985
Atlas	3,497	3,253,158	3,813	2,873,995
Beacon	2,449	705,802	2,910	659,589
British Equitable	809	540,877	909	655,034
British General	1,211	619,175	1,164	654,070
Caledonian	1,887	1,239,492	1,956	1,472,379
Commercial Union	7,246	3,985,863	6,990	3,930,545
Eagle Star and British Dominions	2,404	1,159,331	2,494	2,230,461
General Accident	1,902	1,447,781	1,955	1,426,157
Guardian	2,845	2,298,476	2,999	2,365,061
Law Union and Rock	16,444	10,173,320	18,726	12,118,317
Legal and General	3,801	1,980,939	3,592	2,103,806
Liverpool and London and Globe	1,380	715,421	1,722	864,648
London Assurance	2,322	2,075,416	2,726	2,306,418
London and Scottish	7,639	3,993,376	8,709	4,602,904
Northern	1,912	1,122,637	2,063	1,141,845
Phoenix	4,472	3,435,773	4,318	3,478,033
Royal	5,529	3,735,432	6,210	3,793,626
Royal Exchange	5,790	2,878,102	5,823	3,006,221
Scottish Union and National	2,834	2,536,876	3,083	2,743,769
Yorkshire	2,695	1,827,978	3,073	2,549,345
	...	55,937,833	...	59,911,159
Grand Total	...	150,670,006	...	166,916,783

We have omitted the figures of the Dominion offices, as there are no published figures of new business in this country, and information is available from private sources in a few cases only. The total production of each office is, of course, available, but this item is not relevant to our present purpose.

It will be seen that the new business last year was very substantially in excess of the previous year's figure, and the increase was most marked in the industrial type of office, led by the impressive totals of the Prudential. This is a reversal of the experience in 1932—when the new business of this type of office showed a decrease—and the favourable results have doubtless been made possible by the improvement in the unemployment position.

(b) ANNUITY BUSINESS

In view of the abnormal amounts received in the purchase of annuities, the following table is of topical interest. As will be seen, the total consideration money was slightly greater in 1933 than in 1932. As annuity rates were made much more stringent during these years, this result illustrates the insistent demand for annuities, and so long as the rates of interest on gilt-edged investments remain at the present low level, that demand is likely to persist. Among individual offices the Prudential, the Legal and

General, and the Equity and Law showed marked increases; on the other hand, large decreases took place in the case of the North British and Mercantile and the Standard.

CONSIDERATION MONEY FOR PURCHASE OF ANNUITIES		
	1932	1933
Mutual Offices:—		
Equitable	160,880	104,510
Friends' Provident and Century	197,252	391,054
London Life	260,309	202,166
Marine and General	2,111	10,117
National Mutual	16,558	28,410
National Provident	56,638	41,703
Norwich Union	397,011	259,114
Provident Mutual	21,687	31,357
Scottish Amicable	34,257	17,933
Scottish Equitable	49,659	64,898
Scottish Provident	353,695	114,021
Scottish Temperance	13,119	19,179
Scottish Widows	394,495	339,821
Standard	1,399,431	945,999
United Kingdom	37,258	7,381
	3,397,360	2,575,661
Proprietary Offices:—		
Clerical, Medical and General	438,754	197,024
Equity and Law	936,620	1,793,535
Gresham	46,530	90,309
Scottish Life	97,482	99,718
Sun Life	125,548	103,763
	1,644,934	2,284,349
Industrial-cum-Ordinary Offices:—		
Britannic	23,938	15,256
Co-operative	28,463	50,081
Pearl	37,922	104,322
Provident Association	218,253	315,808
Prudential	1,396,912	2,140,500
Refuge	21,812	69,971
Wesleyan and General	18,190	13,504
	1,745,490	2,709,642
Composite Offices:—		
Alliance	219,093	205,791
Atlas	741,844	652,674
Beacon	9,395	22,018
British Equitable	7,583	4,124
British General	2,200	5,274
Caledonian	249,749	53,519
Commercial Union	683,767	500,438
Eagle Star and British Dominions	75,373	206,555
General Accident	11,482	47,023
Guardian	80,897	82,571
Law Union and Rock	66,850	53,650
Legal and General	533,482	1,298,458
Liverpool and London and Globe	132,885	74,085
London Assurance	10,569	15,342
London and Scottish	94,859	116,095
North British and Mercantile	1,512,309	916,504
Northern	166,312	118,667
Phoenix	199,599	56,118
Royal	486,977	289,921
Royal Exchange	358,447	279,742
Scottish Union and National	149,714	160,829
Yorkshire	277,385	248,970
	6,092,766	5,408,368
Grand Total	12,880,550	12,978,020

EXPENSE RATIOS

In the following table of the ratio of expenses and commission to premium income, an allowance has been made in order to eliminate the disturbing effect of single premiums; these have been omitted from the premium income, and 4 per cent. of their amount treated as a deduction from expenses. A few companies show their annuity expenses separately, but where, as is generally the case, the annuity expenses are not separately shown, the total commission and expenses have been used, in accordance with our usual practice. The abnormal flow of annuity business in each of the last two years suggests the desirability of showing annuity expenses separately. Expense ratios can only be interpreted as indicative of broad tendencies, and cannot by themselves be taken as a measure of the relative efficiency of different offices. They are affected by the proportion of new business and by the type of policy mainly favoured by each office, and, in the case of composite offices, by the method of allocating overhead expenses between the various branches. It will be seen that the average expense ratio in 1933 was somewhat higher than in 1932, a result which can be readily explained by the increase in the new business. For purposes of comparison, the corresponding ratios for the last pre-war year are given in the table, and it will be seen that the figures for the last three years are, in the majority of cases, considerably higher than for 1913.

MORTALITY

The published figures of the companies do not enable any exact conclusions to be formed in regard to the mortality experienced. However, it would appear from a

EXPENSE RATIOS. (Adjusted for Single Premiums by deducting 4 per cent. of their Amount from the Expenses)

	1913	1931	1932	1933
Mutual Offices :—				
Equitable	13.1	20.0	18.0	20.7
Friends' Provident and Century	5.0	5.7	5.7	4.6
London Life	16.4	19.4	20.2	20.9
Marine and General	15.4	14.4	14.0	14.0
National Mutual	11.4	14.7	13.6	13.3
Norwich Union	16.2	15.2	14.7	15.8
Provident Mutual	16.8	13.8	14.1	14.9
Scottish Amicable	13.4	16.3	15.8	15.7
Scottish Equitable	13.9	15.5	14.4	15.0
Scottish Provident	14.0	18.8	18.3	17.6
Scottish Temperance	16.0	15.4	15.6	15.2
Scottish Widows	10.8	13.4	14.0	14.5
Standard	19.5	16.9	16.5	16.3
United Kingdom	11.5	14.0	14.2	14.2
Proprietary Offices :—				
Clerical, Medical and General	13.3	14.8	14.5	14.7
Equity and Law	13.5	17.6	14.8	14.6
Gresham	11.3	17.9	20.7	24.6
Scottish Life	22.6	24.0	23.2	24.8
Sun Life	16.2	16.4	16.2	16.6
Industrial-cum-Ordinary Offices :—				
Britannic	15.1	15.9	15.8	15.5
Co-operative	15.7	18.4	18.1	19.2
Pearl	14.6	13.2	12.6	13.3
Provident Association	14.3	14.6	14.8	15.7
Prudential	14.7	10.3	9.9	10.5
Refuge	19.0	13.1	14.2	16.1
Wesleyan and General	8.3	13.2	13.2	13.1
Composite Offices :—				
Alliance	10.4	14.8	14.5	15.1
Atlas	15.9	18.3	17.9	19.0
Beacon	13.9	13.9	13.9	14.7
British Equitable	9.9	10.4	10.5	10.5
British General	13.5	14.1	14.3	14.2
Caledonian	21.3	20.0	20.1	22.4
Commercial Union	23.5	18.4	18.8	19.9
Legal and General	14.6	16.5	16.2	16.5
Liverpool and London and Globe	12.8	12.8	13.0	13.4
London Assurance	12.1	21.5	21.5	22.1
Northern	10.0	10.8	11.0	11.0
North British and Mercantile	12.1	16.4	15.4	15.5
Phoenix	14.3	17.3	17.2	17.2
Royal	10.0	13.4	13.4	13.3
Royal Exchange	13.0	13.9	14.5	14.7
Scottish Union and National	13.1	12.9	12.8	12.4
Yorkshire	15.5	17.2	16.7	16.5
Average of British Offices	14.2	15.2	15.1	15.6

study of the accounts and from indications given at some of the annual meetings that the mortality in 1933 was normal—on the whole rather more favourable than in some recent years. The standard mortality tables used by the majority of the offices, based, as they are, on the experience of British offices during the 30 years 1863-1893, have long ceased to represent even approximately present-day conditions, and consequently statements of the percentage which actual mortality bears to that expected according to the standard tables are largely meaningless, and even misleading. In last year's Supplement we hazarded the opinion that modern assurance mortality was "probably only about 50 per cent. of this standard, except at the more advanced ages," and added that valuable light would be thrown on this point when the results of the joint investigation of the Institute and

Faculty of Actuaries was published. These results are now known, and refer to the general experience of the offices in this country during the six years 1924-1929. Now that the offices are in possession of up-to-date statistics of a solid nature various questions of importance—which have been somewhat shelved for lack of reliable data—will be the subject of close study by the companies' actuaries. The following table gives a comparison of the mortality shown by the new tables with that under the 1863-1893 experience:—

Age	DEATHS AT VARIOUS AGES PER 10,000 LIVING AT THESE AGES		
	1863-1893	1924-1929	(2) × 100
30	(1) 75	(2) 24	32
40	98	39	40
50	154	76	49
60	292	197	67
70	622	533	86

INTEREST EARNINGS

The rate of interest earned on the funds of a life assurance company is the most important indication of its profit-earning capacity. Income tax is charged on the gross interest earned less expenses, so that the effective rate of tax on the gross interest is considerably lower than the standard rate. Under present conditions this effective rate is probably about three-quarters of the standard rate.

In comparing the figures in the appended table, it should be borne in mind that the difference between the rates earned by two offices is not due entirely to the particular distribution of the investments, and may arise, for example, from one office taking the book values of its assets on a more stringent basis, or to the fact that the interest credited to the life account includes interest from investment or other specific reserves, not forming part of the life funds. The net rate of interest expressed in terms of the actuarial liabilities would be a more valuable measure of the profit-earning capacity of the existing business, but in most cases published data is not available for obtaining this rate.

NET RATE OF INTEREST

Life and Annuity Funds (including Reversions)

	1913	1931	1932	1933
Mutual Offices :—				
Equitable	£ s. d. 3 18 6	£ s. d. 4 10 4	£ s. d. 4 3 11	£ s. d. 4 4 1
Friends' Provident and Century	3 18 0	4 8 3	4 1 11	4 7 9
London Life	4 1 6	4 11 10	4 2 11	4 0 9
Marine and General	4 3 6	4 13 4	4 7 8	4 6 0
National Mutual	4 18 6	4 10 7	4 6 3	4 4 4
Norwich Union	4 1 4	4 11 4	4 11 4	4 8 9
Provident Mutual	4 4 9	5 0 4	4 17 1	4 13 4
Scottish Amicable	4 2 7	4 10 5	4 7 2	4 3 11
Scottish Equitable	4 0 1	4 14 6	4 11 3	4 3 3
Scottish Provident	4 0 3	4 7 6	4 5 1	4 3 2
Scottish Temperance	4 2 0	4 9 9	4 4 8	3 18 7
Scottish Widows	4 0 8	4 11 2	4 8 7	4 4 3
Standard	4 0 0	4 9 5	4 8 4	4 5 3
United Kingdom	4 5 6	5 1 5	5 0 5	4 15 11
Average of British Offices	£ 4 2 5	£ 4 12 1	£ 4 8 5	£ 4 5 5

* Adjusted figures. Reversionary securities are assumed to earn 6 per cent. net.

COMMERCIAL UNION

ASSURANCE COMPANY, LIMITED

FIRE - LIFE - MARINE - ACCIDENT

Head Office

CORNHILL, E.C.3.

TOTAL ASSETS EXCEED £60,000,000

	1913	1931	1932	1933
Proprietary Offices :—				
Clerical, Medical and General	£ s. d. 3 19 7	£ s. d. 4 11 2	£ s. d. 4 10 8	£ s. d. 4 8 10
Equity and Law	4 7 4	4 11 3	4 3 4	3 15 4
Gresham	4 2 7	5 0 3	4 17 8	4 10 9
Scottish Life	4 5 0	4 14 3	4 10 10	4 8 9
Sun Life	4 2 8	4 15 6	4 11 7	4 6 11
Industrial-cum-Ordinary :—				
Britannic	4 8 10	4 15 5	4 14 8	4 8 6
Co-operative	3 15 2	5 9 9	5 4 0	4 8 3
Pearl	3 19 4	4 10 11	4 10 5	4 6 7
Provident Association	4 4 2	4 4 0	4 2 9	4 0 8
Prudential	4 0 3	4 16 9	4 16 2	4 8 6
Refuge	3 18 0	4 13 0	4 10 7	4 6 4
Wesleyan and General	3 10 4	4 13 8	4 14 8	4 8 7
Composite Offices :—				
Alliance	4 2 2	4 5 9	4 3 5	3 19 3
Atlas	4 0 4	5 4 0	5 0 10	4 10 7
Beacon	3 14 5	4 13 4	4 11 3	4 10 7
British Equitable	4 0 0	4 10 7	4 8 9	4 4 2
British General	4 7 5	4 9 2	4 7 9	3 18 8
Caledonian	4 7 5	4 9 8	4 2 1	3 14 0
Commercial Union	4 4 1	4 7 9	4 6 9	3 18 11
Eagle Star and British Dominions	3 12 6	4 8 4	4 8 6	4 3 8
Guardian	4 0 8	4 11 10	4 6 3	4 3 2
Law Union and Rock	4 4 7	4 9 2	3 19 1	3 15 3
Legal and General	4 15 0	5 0 1	4 18 7	4 11 0
Liverpool and London and Globe	3 16 6	4 4 4	4 1 9	3 18 4
London and Scottish	4 2 8	4 14 4	4 7 10	3 18 0
North British and Mercantile	3 19 8	4 9 0	4 7 11	3 18 9
Northern	4 5 2	4 9 8	4 7 8	4 2 8
Phoenix	3 14 0	4 7 10	4 2 2	4 0 5
Royal	4 1 10	4 12 2	4 11 0	4 10 1
Royal Exchange	3 18 8	4 3 6	4 1 11	3 17 11
Scottish Union and National	4 0 11	4 15 11	4 12 11	4 8 9
Yorkshire	4 0 10	4 7 6	4 6 5	4 0 5
Average of British Offices	£ 4 1 3	£ 4 10 10	£ 4 7 5	£ 4 2 6
Average of British Offices	£ 4 1 8	£ 4 12 2	£ 4 8 11	£ 4 4 5

* Adjusted figures. Reversionary securities are assumed to earn 6 per cent. net.

It will be seen that in 1933 there was a further fall in the average rate of interest earned, and in spite of the reduction in the rate of income tax some further decline is probable during the present year. Modifications in premium rates have become urgent through the fall in the rate of interest earned on new money, and now that monetary

tables based on up-to-date mortality are available, they are likely to be made in the near future.

LIFE OFFICE INVESTMENTS

The table which follows shows in some detail the exact classification of the assets of the principal companies in groups:—

Office	Mortgages, including Loans on Policies	British Government Securities	Indian, Colonial and Foreign Government Securities	British Municipal and County Stocks	Indian, Colonial and Foreign Municipal Stocks	Debt Securities	Preference and Guaranteed Stocks	Ordinary Stocks	Reversionary Interests, Properties, and Other Assets
Mutual Offices	%	%	%	%	%	%	%	%	%
Equitable	25.4	6.8	9.7	4.4	2.7	18.3	4.4	3.4	24.9
Friends' Provident	30.4	18.4	9.1	0.9	1.4	16.8	2.6	12.3	8.1
London Life	31.4	17.0	9.6	1.7	1.9	12.9	9.7	6.9	8.1
Marine and General	15.5	16.0	15.2	3.2	6.5	27.8	10.3	2.8	2.7
National Mutual	12.0	25.8	4.5	0.4	0.1	19.3	14.6	14.4	8.9
Norwich Union	33.3	19.6	7.0	6.0	2.6	15.1	2.2	2.3	11.9
Provident Mutual	39.3	7.8	6.3	0.3	3.0	12.7	6.1	16.1	8.4
Scottish Amicable	10.6	30.8	6.3	1.4	2.0	12.2	13.6	15.0	8.1
Scottish Equitable	26.5	19.7	10.8	1.6	2.9	19.0	18.9	8.6	6.0
Scottish Provident	9.4	40.7	6.5	0.6	2.6	12.3	8.9	9.3	9.7
Scottish Temperance	34.2	6.2	4.6	2.0	4.6	17.3	12.4	4.4	14.3
Scottish Widows	11.8	35.2	5.9	2.1	2.0	20.1	11.3	6.7	4.9
Standard	12.1	25.6	8.2	0.5	2.4	27.9	9.8	9.6	3.9
United Kingdom	17.8	32.2	8.5	2.2	2.7	12.6	6.6	2.5	14.9
Proprietary Offices									
Clerical, Medical	37.5	4.4	15.6	...	1.4	14.8	0.5	4.8	21.0
Equity and Law	43.3	9.0	5.8	0.8	1.2	12.3	3.4	8.6	15.6
Gresham	17.6	26.7	17.5	0.3	3.8	14.5	4.2	4.2	11.2
Scottish Life	15.7	15.5	11.5	0.8	3.9	25.4	15.8	6.7	4.9
Sun	17.4	23.3	18.1	5.6	6.3	24.1	0.8	0.1	4.3
Industrial-cum-Ordinary Offices									
Britannic	26.3	15.7	13.7	1.5	3.5	18.2	4.9	4.8	11.4
Pearl	18.9	18.9	13.1	5.0	4.4	10.8	9.0	12.9	7.0
Provident Association	7.3	40.3	17.3	5.2	4.1	9.8	4.8	4.1	6.5
Prudential	58.2	4.0	20.1	7.3	3.9	2.8	0.1	0.3	3.3
Refuge	16.8	27.3	7.3	2.6	2.3	15.2	7.8	11.0	8.7
Wesleyan and General	20.0	31.3	7.2	2.4	1.6	21.9	9.2	1.3	5.1
Average of British Offices	30.8	30.4	6.9	8.6	1.9	10.4	5.4	...	5.6
Average of British Offices	25.3	25.5	12.0	5.3	3.1	11.8	6.1	4.9	6.0

Family provision scheme

A scheme to secure a Capital Sum payable at death and a regular income over a period of years for dependants in the event of early death, at a cost which is little more than that of ordinary life assurance.

Example of Benefits Provided by the Scheme

£1,000 payable immediately upon proof of Death and, in addition, if death occur before age 60, an income of

£150 per Annum until the time when the age of 60 would have been attained.

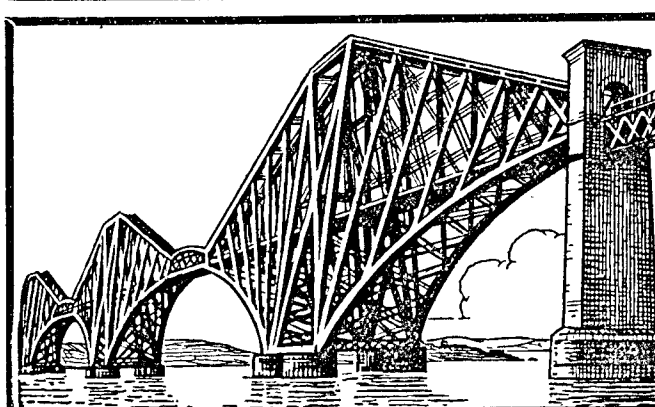
ANNUAL PREMIUMS (CEASING AT AGE 60)			
Age not exceeding 25	...	£27	4 8
" " " 30	...	£30	3 6
" " " 35	...	£34	14 10
" " " 40	...	£41	9 4

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LIFE ASSURANCE SOCIETY
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Office	Mortgages, including loans on policies	British Government Securities	Indian, Colonial and Foreign Government Securities	British Municipal and County Stocks	Indian, Colonial and Foreign Municipal and County Stocks	Debt and Preference Stocks	Ordinary Stocks	Reversionary Interests, Properties, and Other Assets
Composite Offices	%	%	%	%	%	%	%	%
Alliance	35.7	17.8	8.8	3.4	1.9	16.8	6.5	2.9
Atlas	19.1	11.8	19.4	5.8	4.7	15.7	4.4	3.7
British Equitable	15.9	20.3	12.3	9.8	4.7	15.7	4.4	3.7
Caledonian	18.1	21.9	7.9	1.7	3.1	20.2	7.8	10.3
Commercial Union	29.9	38.0	5.3	6.0	1.9	12.8	3.4	1.3
Eagle Star	23.8	27.0	5.3	2.9	2.3	15.3	7.6	3.4
Guardian	32.3	22.2	5.9	1.9	0.4	17.8	5.4	6.2
Law Union and Rock	42.4	30.7	8.0	1.8	1.3	8.0	6.1	1.7
Legal and General	18.6	33.7	4.8	0.9	0.9	6.2	4.2	5.5
London Assurance	29.0	27.7	11.2	5.7	3.3	13.2	2.7	0.6
North British and Mercantile	25.2	13.3	15.2	5.8	5.7	20.6	7.1	0.8
Phoenix	15.0	22.8	12.0	2.4	2.8	22.4	6.9	3.6
Royal Exchange	25.9	23.2	9.1	3.5	2.8	16.1	5.3	3.6
Average of all groups	24.2	22.0	9.7	2.8	2.8	16.4	6.8	5.6

Owing to the lower rates of interest prevailing, increasing difficulty has been experienced in the last few years in obtaining satisfactory mortgages, and the proportion of assets so invested, which so recently as 1930 was 29.3 per cent., fell by the end of last year to 24.2 per cent. The drop last year was in part due to a substantial reduction in the amount of policy loans. Concurrently with the reduction in mortgages there has been an increase in British Government securities from 16.9 per cent. in 1930 to 22.0 per cent. in 1933. It will be seen that the fall in the former class has been counterbalanced by an equal rise in the latter class. A notable increase took place last year in the proportion invested in ordinary stocks. According to the Actuaries' Investment Index, all classes of Stock Exchange securities appreciated in value in 1933, but in the case of British Government securities the increase was relatively small. The market values of the assets of most companies appreciated in 1933, but owing to the differences in the investment policy the results must have varied considerably with individual offices. From the above table it will be seen that while British Government securities in the aggregate form the largest single item, excluding mortgages, the proportions invested in this class of security varied from under 5 per cent. in the case of the Clerical, Medical and General to over 40 per cent. in the case of the Pearl and the Scottish Provident. Again, 7 of the 39 offices in the table have over 10 per cent. of their funds invested in ordinary shares, the proportion being, as in previous years, considerably higher for the group of mutual offices than amongst the remainder. For the purpose of comparison we give below the aggregate figures relating to each of the past four years:—

Class of Assets	Year			
	1930	1931	1932	1933
Mortgages, including loans on policies	29.3	28.8	27.2	24.2
British Government securities	16.9	18.0	20.4	22.0
Indian, Colonial and Foreign Government securities	10.6	10.0	9.5	9.7
British municipal and county stocks	1.9	1.9	2.1	2.9
Indian, Colonial and Foreign municipal securities	3.6	3.2	3.0	2.8
Debt and preference stocks	16.0	16.2	15.9	16.4
Ordinary stocks	7.0	7.0	6.7	6.8
Reversionary interests, properties, and other assets	5.2	5.3	5.1	5.6
Average of all groups	9.5	9.6	10.1	9.6

LIFE OFFICE VALUATIONS

The Assurance Companies Act, 1909, provides that every life office "shall cause an investigation to be made into its financial position including a valuation of its liabilities" at least once in every five years, and these investigations mark the occasion for the distribution of bonuses to policyholders. The usual complete analyses of the results of the valuations made at the end of last year appear below. In most cases the rates of bonus remained unchanged. It has for some time been generally acknowledged that the peak years of post-war bonuses had been reached, but apparently the offices intend to move slowly in reducing their bonuses. Only in a very few cases were the declarations on a smaller scale than on previous occasions, the largest reduction taking place in the Caledonian bonus, which fell from 50s. to 42s. per cent. per annum for whole life, and from 48s. to 40s. per cent. per annum in the endowment assurance class.

Annual Valuations

Britannic Assurance Company

	1932	1933
Ordinary Branch—	£	£
Surplus earned during the year	352,272	341,966
Brought forward from previous year	44,213	79,933
	396,485	421,899
Allocations—		
To Bonuses to policyholders	222,042	236,064
„ Shareholders' account	29,510	33,590
„ Investment Reserve fund	35,000	30,000
„ Contingency fund	25,000	...
„ Staff pension fund	5,000	5,000
„ Carried forward to next year	79,933	117,245
	396,485	421,899
Industrial Branch—		
Surplus earned during the year	586,767	623,592
Brought forward from previous year	66,326	116,473
	653,093	740,065
Allocations—		
To Bonuses to policyholders	171,620	211,600
„ Shareholders' account	205,000	235,000
„ Investment reserve fund	65,000	70,000
„ Staff pension fund	95,000	95,000
„ Carried forward to next year	116,473	128,465
	653,093	740,065

In the ordinary branch of the Britannic the rate of bonus declared, which applies also to policies of the British Legal a company taken over some years ago, was again at the rate of 38s. per cent. calculated on the sum assured. In the industrial branch of the Britannic provision was made in 1932 for bonuses on claims occurring prior to April 1, 1935, and the allocation of £200,000 now made will be applied as from that date on terms to be announced later. The amount

allocated to British Legal industrial policies was £11,600, and will be applied to provide bonuses on claims occurring before April 1, 1935, on the same basis as for Britannic policies.

Co-operative Insurance Society

The annual valuation of both of the life branches of the Co-operative was made as at December 31, 1933. As a result the rate of immediate reversionary bonus in the ordinary branch is again 36s. per cent.; in the deferred bonus class and in the industrial branch the rates of bonus were also on the same basis as in 1932. In various ways the bases of valuation were altered, principally in the use of a lower valuation rate of interest. The surplus brought out for 1933—and the same is true for 1932—was arrived at after meeting the cost (of which unfortunately no indication is given in the published returns) of the various valuation changes, and in the circumstances no useful purpose would be served by the usual table of valuation results.

London Life Association

	1932	1933
Ordinary trading profits of the year	423,073	502,494
Profits on investments	844,786	284,532
Amount brought forward from preceding year	375,887	232,415
	1,643,746	1,019,441
Allocations—		
To Bonuses to policyholders	444,682	391,525
„ Strengthening of actuarial reserves	716,649	...
„ Investment reserve fund	250,000	250,000
„ Staff superannuation	...	31,000
„ Amount carried forward	232,415	346,916
	1,643,746	1,019,441

In 1931 the London Life altered its basis of valuation from the net premium system to the bonus reserve system. In 1932 a change in basis was made in the use of interest at the rate of 3½ per cent. instead of 4 per cent. in the

valuation of the assurance contracts; this rate was again assumed in the valuation last year. The future rate of bonus reserved is 30s. per cent. per annum compound, while in the reduction of premium class future increases in the rate of reduction were taken at 1½ per cent. per annum. The bonus rates declared, namely 35s. per cent. compound in the reversionary bonus class and an increase of 2 per cent. in the reduction of premium class, were the same as in 1932.

Pearl Assurance Company

	1932	1933
Ordinary Branch—	£	£
Surplus earned during year	943,173	1,081,360
Brought forward from previous year	334,508	267,464
	1,277,681	1,348,824
Allocations—		
To Policyholders' bonus	707,748	744,936
„ Shareholders' account	176,937	186,234
„ Investment reserve fund	100,000	100,000
„ Staff pension fund	25,532	25,840
„ Carry-forward to next year	267,464	291,814
	1,277,681	1,348,824
Industrial Branch—		
Surplus earned during year	1,211,667	1,249,826
Brought forward from previous year	406,163	546,493
	1,617,830	1,796,319
Allocations—		
To Policyholders' bonus	536,869	572,585
„ Shareholders' account	360,000	400,000
„ Investment reserve fund	100,000	100,000
„ Staff pension fund	74,468	74,160
„ Carry-forward to next year	546,493	649,574
	1,617,830	1,796,319

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INTERIM BONUS, 1934—same rates

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Reinsurance: Life, Fire, Accident

Capital	Swiss Francs
Statutory Reserve	10,000,000
Special Reserve	3,000,000
	2,100,000

Premium Reserve and Reserve for unsettled Claims	Swiss Francs
Reserve for extraordinary losses	13,800,274
Net Premium Income for 1933	1,500,000
	11,912,163

The usual annual valuation was made in both the ordinary and industrial branches of the Pearl, the bases adopted being similar to those used in 1932 except for some increased stringency in the valuation of the latter branch. As in 1932, the rate of bonus declared in the ordinary branch was 40s. per cent.; the rate in the industrial branch also remained unchanged.

Prudential Assurance Company

	1932 £	1933 £
Ordinary Branch—		
Surplus earned during the year	2,745,426	2,931,049
Capital Profits	461,359	...
Brought forward from previous year	138,382	258,140
	3,345,167	3,189,189
Allocations—		
To Bonuses to policyholders	2,329,691	2,375,306
„ Investment reserve fund	500,000	...
„ Industrial branch for allocation	257,336	262,556
„ Carried forward to next year	258,140	551,327
	3,345,167	3,189,189
Industrial Branch—		
Surplus earned during the year	6,335,388	6,049,861
Transfer from ordinary branch for allocation	257,336	262,556
Brought forward from previous year	250,886	241,408
From 1931 reserve for bonus	...	18,495
	6,843,610	6,572,320
Allocations—		
To Bonuses to policyholders	3,857,420	3,814,579
„ Investment reserve fund	500,000	...
„ Special contingency fund	458,333	458,333
„ Bonuses to outside staff	661,449	656,455
„ Shareholders' account	1,125,000	1,125,000
„ Carried forward to next year	241,408	517,953
	6,843,610	6,572,320

In the ordinary branch of the Prudential the rates of reversionary bonus for 1933—as for 1932—are 46s. per

cent. for whole life cases and 40s. per cent. for endowment assurances, calculated in both cases on the sum assured. In the industrial branch the policies issued since January 1, 1903, received a reversionary bonus of 30s. per cent., while policies issued between 1889 and 1903 also received a definite bonus addition instead of, as previously, a bonus payable only on the occurrence of a claim within a specified number of years. This is very generous treatment, as such policies have no contractual right to any addition at all. The directors anticipate that in the near future they will be able to go a step further and bring policies issued prior to 1889 under the reversionary bonus method.

Refuge Assurance Company

	1932 £	1933 £
Ordinary Branch—		
Surplus earned during the year	— 195,541	1,126,604
Transferred from investment reserve	1,000,000	...
Brought forward from previous year	766,881	596,861
	1,571,340	1,723,465
Allocations—		
To Bonuses to policyholders	877,031	896,637
„ Shareholders' account	97,448	99,626
„ Investment reserve fund	...	100,000
„ Carry forward to next year	596,861	627,202
	1,571,340	1,723,465
Industrial Branch—		
Surplus earned during the year	— 318,016	334,706
Transferred from investment reserve	500,000	...
Brought forward from previous year	95,054	90,553
	277,038	425,259
Allocations—		
To Bonuses to policyholders	133,933	149,388
„ Shareholders' account	52,552	50,374
„ Investment reserve fund	...	100,000
„ Carry forward to next year	90,553	125,497
	277,038	425,259

The negative surplus shown above for 1932 arose from the greatly increased stringency of the valuation bases used in that year as compared with 1931. In 1933 there was some further strengthening of reserves in the industrial branch, and the surplus shown above is brought out after providing for this. The rate of bonus in the ordinary branch is again 38s. per cent., calculated on the sum assured, and in the industrial branch an allocation has been made which will be applied to increase the amount payable, where necessary, under claims occurring in the current twelve months to that which would have been payable under the latest scale of benefits.

Standard Life Assurance Company

	1931-32 £	1932-33 £
Surplus earned during the year	381,252	394,884
Surplus income transferred from guarantee fund	41,469	39,958
Brought forward from previous year	30,025	30,306
	452,746	465,148
Allocations—		
To Bonuses to policyholders	322,440	334,402
„ Transfer to inner reserve	35,000	85,000
„ Guarantee fund	50,000	...
„ Pension fund	15,000	15,000
„ Carried forward to next year	30,306	30,746
	452,746	465,148

The Standard has declared in respect of the year ended November 15, 1933, its customary annual compound bonus of 42s. per cent. The actuarial liabilities have been valued on the same stringent basis as before—a basis which is probably unsurpassed anywhere. There is a large hidden reserve in the value of the assets, and to all intents and purposes £850,000 of the guarantee fund of £1,700,000 may be regarded as an investment reserve. In 1933 the net interest on this fund was over £80,000, only £32,000 of which was required for the service of the 5 per cent. perpetual stock

for which the fund exists and which was issued in exchange for the company's share capital when the company was mutualised. £40,000 of the remaining £48,000 was transferred to swell the surplus of the life fund.

Wesleyan and General Assurance Society

	1932 £	1933 £
Ordinary Branch—		
Surplus earned during the year	166,355	147,702
Investment profits realised	68,808	5,120
Transferred from Industrial Branch	23,850	12,525
Brought forward from previous year	30,530	94,894
	289,543	260,241
Allocations—		
To Bonuses to policyholders	133,349	127,489
„ General reserve fund	50,000	20,000
„ Staff pension fund	11,300	11,800
„ Carried forward to next year	94,894	100,952
	289,543	260,241
Industrial Branch—		
Surplus earned during the year	191,637	153,520
Investment profits realised	78,222	5,909
Brought forward from previous year	43,929	97,468
	313,788	256,897
Allocations—		
To Bonuses to policyholders	104,020	76,897
„ Staff pension fund	48,700	48,200
„ Bonuses to outdoor staff	31,800	16,700
„ Ordinary branch (gross of tax)	31,800	16,700
„ Carried forward to next year	97,468	98,400
	313,788	256,897

The rate of reversionary bonus declared in the ordinary branch of the Wesleyan and General is 46s. per cent. for whole life policies and 40s. per cent. for endowment assurances, contrasted with 50s. per cent. and 44s. per cent. re-

spectively in 1932. The reduction in the rates of bonus is more apparent than real, and has its origin in certain difficulties which arose as to the legality of transferring surplus in the industrial branch to the ordinary branch. In 1931, when these difficulties first arose, the transfer of industrial surplus was suspended, but in 1932, after the position had been clarified in the courts, the equivalent of two years' transfer was made, and was reflected in an addition of 8s. per cent. in the rate of bonus paid from the surplus of the ordinary branch. Last year being normal in regard to this matter, only 4s. per cent. bonus was added as an equivalent of one year's transfer from the industrial branch surplus. In reality, therefore, the true rate of annual bonus was the same last year as in 1932.

Triennial Valuations

Caledonian Insurance Company

	1928-30 £	1931-33 £
Trading surplus earned during triennium	466,032	384,214
Profits from securities	186,000	...
Brought forward	80,176	100,398
	732,208	484,612
Allocations :—		
To Bonuses to policyholders	352,629	334,294
„ Shareholders	39,181	37,144
„ Staff pension fund	20,000	...
„ Strengthening of actuarial reserves	20,000	10,000
„ Contingency fund	200,000	...
„ Carried forward	100,398	103,174
	732,208	484,612

The rate of bonus declared in the whole life class is 42s. per cent., and in the endowment assurance class is 40s. per cent., both calculated on the sum assured. These rates are 8s. per cent. less than were declared in respect of the preceding triennium, and the cost of the bonus was covered by

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Some Advantages of the Deferred Advance Plan

under the

HOUSE PURCHASE PLAN

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- If you take up a policy at once, you can obtain it at a cheaper rate than you will have to pay in the future. "DO IT NOW."
- You may be insurable now, but not insurable in the future, when an advance for House Purchase would prove of great service to you.
- The Life Assurance comes into force immediately the first premium is paid; the policy is a sound investment even if the privilege of obtaining an advance is never exercised.
- You can take out your policy now and defer the selection of the house until a suitable property is available.
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- The policy entitles the assured to all the benefits of an ordinary Endowment Assurance Policy with the additional advantage of being available for House Purchase.

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the trading surplus earned. Interim bonus on policies which become claims during the year 1934 will be at the same rate as declared for the past triennium. The rate of bonus for policies becoming claims in 1935 and 1936 will be determined at the beginning of each of these years.

Life Association of Scotland

	Apr. 7, 1927– Dec. 31, 1930	Jan. 1, 1931– Dec. 31, 1933
Trading surplus earned during valuation period	£ 585,944	£ 443,815
Brought forward	147,767	154,309
	733,711	598,124
Allocations—		
To Bonuses to policyholders	499,402	399,553
„ Shareholders	50,000	38,000
„ Staff pension fund	30,000	25,000
„ Carried forward	154,309	135,571
	733,711	598,124

The Association has two separate bonus plans, one being the ordinary reversionary system in which a bonus of 40s. per cent. per annum, calculated on the sum assured, has been declared, which compares with 44s. per cent. for the previous triennium. Under the other plan, in which the premiums are smaller, the bonuses added do not vest until attainment of the expectation of life. The rate declared in this plan is £2 per cent., or £3 per cent. per annum, calculated on the sum assured, according as the expectation of life has or has not yet been attained; in addition, a special reversionary bonus of £3 per cent. of the sum assured has been given. For the triennium ending December 31, 1930, the corresponding rates of bonus were 44s. per cent. and £3 per cent., while the special bonus was £5 per cent. Interim bonuses until further notice will be calculated on the basis of the rates declared for the past triennium.

National Provident Institution

	Nov. 21, 1927– Dec. 31, 1930	Jan. 1, 1931– Dec. 31, 1933
Trading profits earned during valuation period	£ 1,002,042	£ 898,146
Brought forward	392,261	409,695
	1,394,303	1,307,841
Allocations—		
To Bonuses to policyholders	964,608	929,151
„ Staff superannuation fund	20,000	20,000
„ Carried forward	409,695	358,690
	1,394,303	1,307,841

The bonuses allotted to whole life policies remain at the previous basic rate of £3 per cent. per annum, calculated on the sum assured. To this a varying addition is made at the same rates as in 1930 in those cases where the life assured has survived the expectation of life. The endowment assurance bonuses vary with the maturity age and duration, and in addition to the ordinary bonus payable at death or survival an additional amount is payable on survival only.

ANNUAL REVERSIONARY BONUS (CALCULATED ON THE SUM ASSURED) DECLARED IN 1930 AND 1933		
Endowment Assurances	Duration 15 years or less	Duration 21 years and over
Age at maturity—	%	%
50	39/-	49/-
55	43/-	53/-
60	48/-	58/-
65	53/-	63/-

Where the duration exceeds sixteen years but is less than twenty-one years the 1933 rates were smaller than in 1930. For all durations the rate of bonus payable on survival only also fell from 10s. per cent. to 8s. per cent. per annum. On the whole, such reductions in bonus as have been made seem to be unimportant, and the chief interest attaches to the announcement that, owing to the general reduction in

interest rates, the maintenance of present rates of bonus should not be anticipated. Meantime, the interim bonus on claims by death or survival before December 31, 1936, will be calculated at 2s. per cent. less than now declared, and the bonus on survival only will be 5s. per cent. per annum, against 8s. per cent. as above mentioned.

Quinquennial Valuations

	1924–28	1929–33
Surplus earned during the quinquennium....	£ 1,884,218	£ 2,431,095
Brought forward	272,476	380,960
	2,156,694	2,812,055
Allocations—		
To Bonuses to policyholders	1,598,161	1,789,846
„ Shareholders	177,573	198,872
„ Carried forward to next quinquennium	380,960	823,337
	2,156,694	2,812,055

The valuation basis of the Alliance for assurances was the same as that employed five years previously, while for annuities a substantial strengthening was made. In view of the outlook with regard to the rate of interest, a substantially larger proportion of the surplus was carried forward, and although the trading surplus of the quinquennium was quite sufficient to meet the cost of a repetition of the 1928 rate of bonus, the rate for the past five years was reduced to 38s. per cent. per annum, calculated on the sum assured and bonuses, compared with 42s. per cent. in 1928 and 34s. per cent. in 1923.

Liverpool and London and Globe Insurance Company

The quinquennial valuation of the liabilities and assets of the life branch was made as at December 31, 1933, on the same basis as in 1928. The rate of interest used in

valuing future liabilities is only 2½ per cent., but the valuation is even more stringent than this suggests, since the net premiums credited are on a 3 per cent. basis. This basis is considerably stronger than is adopted by the majority of offices. The rates of bonus declared are 45s. per cent. per annum for whole life policies and 40s. per cent. per annum for endowment assurances, calculated in both cases on the sum assured; at the 1928 valuation the corresponding rates were 42s. per cent. and 40s. per cent. respectively. It is of special interest in these days to find an office increasing its bonus rates, and apparently the directors view the maintenance of the present rates with some confidence as interim bonuses in 1934 are to be at the rates now declared. Unfortunately, the report does not furnish the necessary information to enable us to give our customary analysis of the valuation results.

Scottish Equitable Life Assurance Society

	1923–28	1928–33
Surplus earned during quinquennium	£ 1,014,133	£ 1,316,572
Brought forward	104,391	125,282
	1,118,524	1,441,854
Allocations—		
To Bonuses to policyholders	867,434	1,038,218
„ Strengthening of reserves	125,808	22,438
„ Reserve account	...	250,000
„ Carry-forward	125,282	131,198
	1,118,524	1,441,854

The rate of bonus declared is £2 per cent., calculated on the sums assured and bonuses and compares with 38s. per cent. on the previous occasion. It has been decided "until otherwise resolved" to pay interim bonuses at the rate now declared in the case of policies becoming claims by death or survival before the next quinquennial valuation.

THE MERCANTILE & GENERAL INSURANCE COMPANY, LIMITED.

Reinsurance only— Home and Foreign

by Treaty and/or Facultatively.

FIRE. LIFE. ACCIDENT. MARINE.

Net Premium Income for 1933, £960,065
Investments and Cash at Bankers on 31st December,
1933, exceeded £1,100,000.

**25-31, MOORGATE,
LONDON, E.C.2.**

Accident Manager: CARLTON HALL.
Secretary: H. P. HEWITT.
General Manager: FREDK. G. POOK.

SCOTTISH AMICABLE

LIFE ASSURANCE SOCIETY
Founded 1826.

President:
The Right Hon. THE EARL OF
ELGIN & KINCARDINE, K.T.

At the latest Division of Profits on
31st December, 1930, the Bonus Ad-
ditions to participating Policies ranged
from

£2 2 6% to £5 17 6% per annum

and the reserves for future profits were
further strengthened.

Head Office:
35 ST. VINCENT PLACE, GLASGOW.
London Office:
17 TOKENHOUSE YARD, E.C.2.

EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED

The Independent and
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All Classes of
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FIRE — LIFE — MARINE ACCIDENT — MOTOR INDEMNITY — ENGINEERING

RISKS RATED ON THEIR MERITS.

Head Office:
No. 1 Threadneedle Street, E.C.2.

ASSETS £22,000,000



ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED

LIFE (Ordinary and Industrial), FIRE,
HOUSE PURCHASE
ACCIDENT, MOTOR &
GENERAL INSURANCE

ASSETS
EXCEED
£31,000,000

ANNUAL
INCOME
£6,500,000

Prospectuses and full
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City Office: Queen's Buildings, 52 Queen Victoria Street, E.C.4

Branch Offices throughout the Kingdom
Applications for Agencies invited
ALFRED SKEGGS, Managing Director

Scottish Provident Institution

	1924-28	1929-33
	£	£
Surplus earned during quinquennium	1,953,776	2,394,235
Brought forward	327,710	363,651
	2,281,486	2,757,886
Allocations—		
To Bonuses to policyholders	1,550,413	1,691,002
„ Strengthening of actuarial reserves	267,059	160,000
„ Investment reserve fund	...	199,811
„ Written off assets	100,363	328,247
„ Carried forward.....	363,651	378,826
	2,281,486	2,757,886

The results of the quinquennial valuation of the Scottish Provident are shown above. Practically the whole of the sums brought and carried forward consist of amounts reserved in respect of whole life policies not yet entitled to participate. The allocations of £267,059 and £160,000 are stated to be for additional reserves "to provide for the valuation on the present basis of new business at the revised premium rates." The rates referred to are the present scale of whole life premiums instituted in 1928, and are lower than those previously in force. Whole life policies commence to participate in profits when the premiums accumulated at 4 per cent. per annum compounded amount to the sum assured. Whole life policies effected on the old scale of premiums and now participating for the first time receive bonuses at the rate of 30s. per cent., calculated on the sum assured, for each year of duration, excluding the war years 1914 to 1918; policies participating for the second and third times respectively receive bonuses of 30s. per cent. and 35s. per cent., while policies which have already participated on at least three occasions receive bonuses at the rate of £2 per cent., these rates being in each case in respect of each year

of the past quinquennium. The corresponding rates at the 1928 distribution were 30s. per cent., 35s. per cent., £2 per cent. and £2 per cent. respectively. Under the present series of policies, which started in 1928, policies participating for the first time are allotted bonuses at the rate of 15s. per cent. in respect of each year of duration. In the endowment assurance class bonuses are at the rate of 38s. per cent. per annum compound, contrasted with 40s. per cent. on the previous occasion.

Scottish Widows' Fund

	1924-28	1929-33
	£	£
Surplus earned during quinquennium	3,364,064	3,791,388
Brought forward from previous quinquennium	62,126	81,247
	3,426,190	3,872,635
Allocations—		
To Bonuses to policyholders.....	3,344,943	3,709,699
„ Carried forward to next valuation	81,247	162,936
	3,426,190	3,872,635

The quinquennial valuation of the Scottish Widows' was made on the same stringent basis as in 1928, both for assurances and for annuities. Indeed, in some minor respects the basis was strengthened at a cost in excess of £200,000. The rate of bonus declared is again 42s. per cent. per annum, calculated on the sums assured and declared bonuses; a clear warning is given that if current investment conditions persist a continuation of the present high bonus rates cannot be expected. The interim bonus on claims is meantime to be at the full rate of 42s. per cent., but the position is to be reviewed from time to time.

Yorkshire Insurance Company

	1924-28	1929-33
	£	£
Surplus earned during quinquennium	522,241	877,106
Brought forward from previous quinquennium	70,208	111,949
	592,449	989,055
Allocations—		
To Bonuses to policyholders	432,450	610,650
„ Shareholders	48,050	67,850
„ Investment and contingency reserve	...	50,000
„ Carried forward to next quinquennium.....	111,949	260,555
	592,449	989,055

The bonuses to policyholders in the life department of the Yorkshire are at the same rates as were declared five years ago, and have never been exceeded in the company's record. The shareholders receive one-ninth of the amount of the allocation to policyholders, and in each year of the present quinquennium profit and loss will be credited on this account with £13,570, compared with £9,610 in each year of the preceding quinquennium. The shareholders are also entitled to a proportion of the profit on reversions; in respect of the five years 1929-1933 the amount so credited was £28,000.

INSURANCE SHARES

The course of Insurance Shares on the Stock Exchange is recorded in
The Economist's

INSURANCE SHARE INDEX

which appears as an Investment Note at regular intervals

**SECURITY
SERVICE
PROGRESS**

1923	1933
TOTAL FUNDS	
£29,400,000	£78,600,000
TOTAL INCOME	
£9,500,000	£16,900,000
CLAIMS PAID	
£35,400,000	£84,900,000

The following classes of business are transacted :—

LIFE - FIRE - ACCIDENT - GENERAL

**PEARL
ASSURANCE** CO., LTD.

Chief Offices: HIGH HOLBORN, LONDON, W.C.1

FIRE INSURANCE

The total premium income further declined by about 6 per cent.; the reduction in that portion derived from the United States, which forms practically one-half of the total, was not so great, and it is interesting to note that the percentage fall in the case of all the companies operating in the United States was considerably greater than amongst the British offices there. The underwriting profits, on the other hand, showed a great improvement, and were almost double those attained in the previous year. The explanation for this improvement seems to have lain entirely in the much smaller fire losses in America. The total amount of underwriting profit, both home and foreign, exclusive of U.S.A., did not differ greatly in the two years. It will be seen from the table given below that the premium income has fallen in each

of the past five years; expenses have fallen concurrently but not in the same proportion, as overhead costs are to a certain extent independent of changes in premium income. An increase of premium income will automatically improve the position. There are signs that the rise in the commission percentage is being checked, but there seems a strong case for co-ordinated effort on the part of the offices to effect a reduction in this item.

Turning to the results of individual offices, the Alliance again shows the largest percentage profits, but the Royal obtained the largest absolute figures, while the Commercial Union is to be congratulated on converting a small loss into a handsome profit. It will be seen that notwithstanding the fall in the premium income, all the offices except two obtained larger profits in 1933 than in 1932.

	1929		1930		1931		1932		1933	
	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums
Claims	£26,616,711	50.0	£25,885,985	51.9	£24,646,840	51.2	£24,234,622	52.0	£20,326,686	46.3
Commission	9,836,122	18.5	9,482,196	19.0	9,426,648	19.6	9,133,229	19.6	8,673,299	19.3
Expenses	13,438,720	25.3	13,024,781	26.1	12,687,223	26.3	12,472,801	26.8	12,072,631	27.6
Increase in reserve for unexpired risk	14,976	...	1,375,120	2.8	1,000,261	2.1	1,145,832	2.4	988,486	2.3
Profit	3,330,954	6.2	2,892,334	5.8	2,420,936	5.0	1,874,845	4.0	3,757,404	8.6
Premiums	53,207,531		49,910,176		48,181,386		46,609,765		43,841,534	

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PROFITABLE INVESTMENT**

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obtained by life assurance

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48 Gracechurch Street, London, E.C.3

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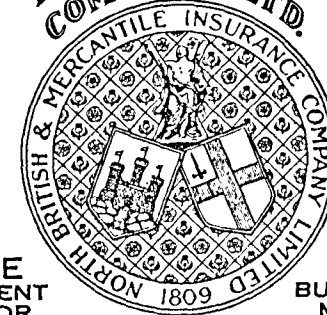
(Established 1835)

The 1933 Valuation disclosed an
exceptionally sound position and
high rates of Bonus were again paid

Assets exceed - - - £11,000,000
Claims paid - - - £30,000,000

Over 120 Years of Insurance Service

**NORTH BRITISH
& MERCANTILE
INSURANCE
COMPANY LTD.**



**FIRE
ACCIDENT
MOTOR**

**LIFE
BURGLARY
MARINE**

AND OTHER CLASSES OF INSURANCE

TOTAL FUNDS EXCEED

£45,378,000

TOTAL INCOME EXCEEDS

£10,343,000

CHIEF OFFICES:

LONDON 61, THREADNEEDLE STREET, E.C.2
EDINBURGH 64, PRINCES STREET, 2

FIRE

Company		Claims		Commission		Expenses		Increase in Reserve for Unexpired Risk		Profit		Premiums
		Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	
Alliance.....	1932	793,531	38.6	291,076	14.2	620,678	30.2	8,793	0.4	342,811	16.6	2,056,889
	1933	725,291	35.9	284,214	14.1	627,254	31.1	15,285	0.8	397,202	19.7	2,018,576
Atlas.....	1932	1,047,087	50.9	424,368	22.2	435,870	22.8	48,703	2.5	49,238	2.6	1,907,860
	1933	862,110	49.0	369,315	22.1	446,603	25.4	59,357	3.4	120,798	6.9	1,759,469
Caledonian.....	1932	455,109	56.3	189,891	23.5	170,109	21.0	10,212	1.3	4,042	0.5	808,939
	1933	381,534	51.6	178,115	24.1	164,854	22.3	27,626	3.8	42,997	5.8	739,374
Century.....	1932	130,990	46.5	75,554	26.8	65,245	23.2	3,556	1.2	6,375	2.3	281,720
	1933	150,130	48.6	85,462	27.7	73,242	23.7	2,527	0.8	2,588	0.8	308,585
Commercial Union.....	1932	2,498,152	46.1	1,105,130	18.4	1,823,773	30.3	119,145	2.0	55,089	0.9	6,018,352
	1933	2,623,683	54.2	1,093,137	18.3	1,774,909	32.8	240,634	4.4	391,205	7.2	5,416,769
Eagle Star and British Dominions.....	1932	410,992	51.6	173,507	21.8	205,583	25.8	14,957	1.8	20,881	2.6	796,006
	1933	363,351	44.8	180,774	22.3	223,606	27.6	5,714	0.7	36,845	4.5	810,290
Employers' Liability.....	1932	201,003	53.2	100,919	26.7	105,808	29.3	4,383	1.2	10,638	2.8	377,962
	1933	172,284	47.6	89,787	18.5	75,607	20.9	6,525	1.8	14,475	4.0	361,650
General Accident.....	1932	285,803	52.1	105,436	19.2	123,318	22.5	20,621	3.8	54,865	10.0	548,801
	1933	231,999	42.3	104,122	19.0	127,024	23.1	9,517	1.8	95,272	17.4	548,900
Guardian.....	1932	571,929	48.0	211,497	17.7	324,363	27.2	37,269	3.1	122,126	10.2	1,192,646
	1933	649,804	50.9	228,510	17.9	346,361	27.1	33,653	2.6	15,750	1.5	1,277,278
Liverpool and London and Globe.....	1932	2,070,713	50.6	866,158	21.2	1,078,039	26.3	154,514	3.8	234,479	5.7	4,094,375
	1933	1,792,449	45.6	815,920	20.8	1,017,900	25.9	65,441	1.7	370,446	9.4	3,931,274
London Assurance.....	1932	1,464,647	57.5	573,432	22.5	614,787	24.1	69,892	2.8	33,798	1.3	2,549,176
	1933	1,042,948	51.3	486,310	23.9	468,062	23.0	56,689	2.8	92,789	4.6	2,033,420
London and Lancashire.....	1932	1,312,160	45.7	501,218	17.4	809,260	28.2	67,000	2.3	316,054	11.0	2,871,692
	1933	1,108,718	40.1	487,251	17.6	798,194	28.8	41,500	1.5	414,504	15.0	2,767,767
Motor Union.....	1932	117,229	64.1	32,630	17.8	35,682	19.5	1,086	0.6	8,460	0.8	182,385
	1933	98,744	55.2	32,575	18.2	40,869	22.9	1,666	0.9	8,309	4.6	178,831
North British and Mercantile.....	1932	1,705,523	52.0	642,987	19.6	834,948	26.1	140,344	4.2	214,358	6.5	3,277,472
	1933	1,459,189	44.2	661,736	20.0	849,982	25.7	9,420	0.4	320,694	9.7	3,301,021
Northern.....	1932	1,141,549	53.9	453,160	21.4	584,089	27.6	33,990	1.6	25,362	1.3	2,116,446
	1933	952,991	49.1	405,357	20.9	560,019	28.9	70,285	3.7	92,651	4.8	1,940,733
Norwich Union.....	1932	1,067,464	54.2	392,210	19.9	508,384	25.9	15,613	0.8	14,201	0.7	1,966,646
	1933	898,310	50.3	362,132	20.3	500,867	28.1	72,670	4.1	96,333	5.4	1,784,972
Phoenix.....	1932	1,587,500	54.4	638,315	21.9	776,208	26.6	68,500	2.3	18,250	0.6	2,915,273
	1933	1,375,291	51.5	584,193	21.9	710,017	26.5	97,800	3.7	100,299	3.8	2,672,300
Prudential.....	1932	432,500	52.8	167,863	20.5	185,670	22.6	6,689	0.8	40,100	4.9	819,444
	1933	439,763	48.4	182,212	20.1	201,985	22.2	35,440	3.9	49,644	5.4	908,044
Royal.....	1932	2,949,518	51.4	1,130,828	19.7	1,507,580	26.3	128,935	2.3	281,385	4.9	5,740,376
	1933	2,556,385	46.2	1,126,299	20.3	1,432,063	25.9	83,737	1.5	501,023	9.1	5,531,033
Royal Exchange.....	1932	884,887	52.9	357,563	21.4	429,701	25.6	114,398	0.8	115,553	6.9	1,673,306
	1933	660,043	45.1	317,439	21.7	395,253	27.0	84,444	5.7	173,893	11.9	1,462,194
Scottish Union and National.....	1932	629,784	59.9	183,637	18.6	276,153	26.3	8,844	1.0	8,844	0.8	1,050,378
	1933	486,089	51.4	183,271	19.4	262,500	27.8	42,009	4.5	56,005	5.9	945,856
Sun.....	1932	1,151,484	49.0	385,188	16.4	701,018	29.8	51,873	2.2	166,506	7.0	2,352,323
	1933	962,098	43.0	370,126	16.5	703,138	31.4	53,305	2.4	256,332	11.5	2,238,389
Yorkshire.....	1932	579,537	57.4	169,874	16.8	241,452	23.9	8,213	0.8	27,038	2.7	1,009,688
	1933	459,013	50.8	139,622	15.4	242,110	26.8	42,196	4.7	105,650	11.7	904,199
Totals.....	1932	24,254,622	52.0	9,153,329	19.6	12,472,801	26.8	1,145,832	2.4	1,874,845	4.0	46,609,765
	1933	20,326,686	46.3	8,673,299	19.8	12,072,631	27.6	988,486	2.3	3,757,404	8.6	43,841,534

MARINE INSURANCE

MARINE insurance claims occur over a period of years following the payment of the relative premiums, and it is the practice of those companies who confine their activities mainly to this class of business to leave the underwriting account open for two years. The account is then closed by taking the unexpired balance of the first year's premiums to profit and loss, after making suitable provision for further claims by a transfer to a suspense account. Hence the 1933 report shows the profit which, it is estimated, emerges from the 1932 premiums. The following table gives the results obtained during the past five years by representative marine companies:—

Office	Account	Premiums	Claims and Suspense	Expenses	Surplus or Deficit
British and Foreign	1928	611,729	461,141	99,239	51,349
	1929	550,408	435,158	95,222	20,028
	1930	454,580	308,045	95,391	51,144
	1931	481,573	345,603	97,855	38,115
	1932	431,189	298,548	99,143	33,498
Indemnity	1928	458,016	424,511	33,505	None
	1929	378,231	348,312	29,919	None
	1930	361,649	337,374	24,275	None
	1931	362,244	322,889	23,355	18,000
	1932	371,370	327,856	23,514	20,000
Merchants	1928	367,999	365,871	42,128	Def. 40,000
	1929	285,659	272,289	43,370	Def. 30,000
	1930	279,225	237,110	42,115	Def. 10,000
	1931	247,396	192,491	40,571	14,334
	1932	225,328	171,719	37,741	15,868
Sea	1928	541,721	465,555	43,685	32,481
	1929	614,850	537,027	42,781	34,842
	1930	586,334	501,632	44,337	40,363
	1931	521,004	409,845	44,890	66,269
	1932	536,793	438,007	47,089	51,697

It is the general practice of composite offices to present their marine accounts in the form used for their fire and

accident business; the claims are thus to a large extent unrelated to the premiums appearing in the same account. The amount transferred to profit and loss does not represent the underwriting profit of any particular year or years; the results can be gauged approximately by comparison of the total premiums received over a period of years with the total claims and expenses in the same period. Where, however, there is a steady increase year by year in the premium income this comparison will show the results in too favourable a light owing to the time-lag in the claims. The converse is true when the premium income has been decreasing steadily, and the following table illustrates the steep decline during the past six years. Nevertheless, the 1933 claims formed a smaller percentage of the premium income than the corresponding figure for the combined period. Thus, in respect of the five companies, the total premiums received during the six years 1928-1933 were £19,914,000, and the claims were £15,337,000, giving a claims ratio of 77 per cent. In 1933 alone the figure was 71 per cent., and the claims experience in that year may be taken as unusually satisfactory, and as a consequence probably of the higher average efficiency in recent years of the vessels in service. As will be seen from the table, the expenses have formed an increasing percentage of the premiums, which is unavoidable in the circumstances. The fall in the premium income is primarily due, of course, to the general shrinkage in international trade, and not to any loss of hold on the world market. Rates have been cut through the excessive insuring capacity to handle the reduced business, and if the cost of repairs rises in this country—the cost in the United States has risen considerably—much of the business written may prove unfavourable. The reserves built up by the companies over many years are very strong, and have automatically formed an increasing percentage of the reduced premium income. The outlook is somewhat obscure, but there are some hopeful portents. The "Respect the Lead" clause in the

AUSTRALIAN MUTUAL PROVIDENT SOCIETY

Established 1849 in Australia

THE LARGEST BRITISH MUTUAL LIFE OFFICE

New Business for 1933 shows an INCREASE of over £2,000,000 on 1932 figures.

Assets at 31st December, 1933, amounted to over £93,000,000, an INCREASE of £3,340,000 for year.

Individual Reversionary Bonuses allotted to participating policies for 1933 mainly show an increase on Bonuses for 1932.

ACTUAL RESULTS OF THE SOCIETY'S BONUSES

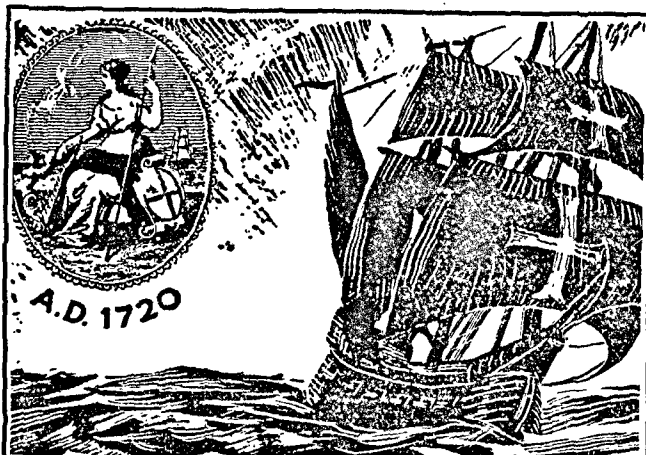
Policy No.	No. of Years in Force	AVERAGE ANNUAL BONUS throughout Duration
513124	25	£2 . 18 . 0%
503185	30	3 . 0 . 0%
177309	35	3 . 2 . 6%

BONUSES DISTRIBUTED ANNUALLY

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LONDON OFFICE:
73/76 KING WILLIAM ST., E.C.4

A.M.P.



PIONEERS

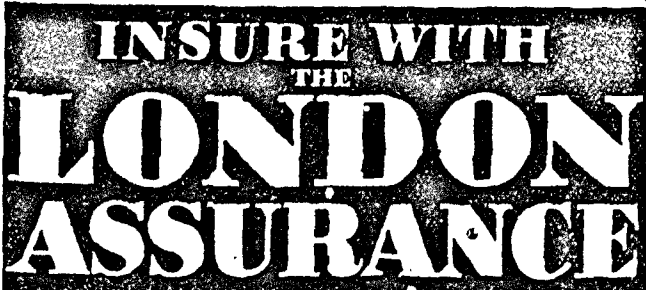
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Marine Dept.: 157 Leadenhall St., London, E.C.3.

Branches and Agencies throughout the World.

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REFUGE ASSURANCE CO. LTD.

Chief Office:

OXFORD STREET
MANCHESTER, 1

ANNUAL INCOME EXCEEDS

£12,000,000

ASSETS EXCEED

£58,000,000

CLAIMS PAID EXCEED

£82,000,000

BRITANNIC ASSURANCE COMPANY LTD

(Established 1866)

continues each year to
show sound, steady
progress in all Branches

ANNUAL INCOME - over £5,600,000
FUNDS - over £23,000,000

All classes of
Life, Fire, Accident,
Motor and General
Insurances transacted

Chief Offices:

Broad Street Corner
BIRMINGHAM

Joint Hull agreement has been reinstated as the result of the chaotic market conditions following its suspension, and there has been a large reduction in the amount of tonnage laid up, although, of course, some of this reduction is due simply to the breaking up of tonnage.

Office	Premiums	Claims	Expenses
British Dominions :—			
1928	791,343	730,600	90,702
1929	638,814	643,131	90,822
1930	481,194	474,806	76,590
1931	413,794	368,709	64,759
1932	307,342	256,603	65,067
1933	269,761	220,155	64,276
	2,902,248	2,704,004	452,216
		=93.2%	=15.6%
Commercial Union :—			
1928	636,926	369,237	110,956
1929	684,887	404,863	129,152
1930	698,828	319,700	140,191
1931	733,757	329,151	152,006
1932	587,098	317,600	164,570
1933	534,405	253,031	153,565
	3,875,901	1,993,582	850,440
		=51.4%	=21.9%
Liverpool and London and Globe :—			
1928	411,072	324,920	44,006
1929	401,947	330,376	41,788
1930	356,212	307,404	38,024
1931	322,768	258,597	35,411
1932	295,282	242,661	35,224
1933	285,288	230,559	32,098
	2,072,569	1,694,517	226,549
		=81.8%	=10.9%
London and Lancashire :—			
1928	1,475,945	1,074,396	177,069
1929	1,489,096	1,053,016	191,663
1930	1,268,516	995,057	174,848
1931	1,296,045	884,160	200,327
1932	1,102,380	831,317	189,322
1933	858,310	644,868	182,605
	7,490,292	5,482,814	1,115,834
		=73.2%	=14.9%
Royal Exchange :—			
1928	583,008	689,507	83,644
1929	743,507	610,721	89,361
1930	652,893	602,438	91,133
1931	462,058	523,494	79,467
1932	639,839	651,971	85,743
1933	491,414	383,939	79,886
	3,572,719	3,462,070	509,234
		=96.9%	=14.3%

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MISCELLANEOUS

Company	Claims		Commission		Expenses		Increase in reserve for unexpired risks		Profit		Premiums
	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	
Alliance	1932 619,775	53.3	178,146	15.3	278,987	24.0	12,406	1.0	97,484	8.4	1,161,986
	1933 563,120	48.6	173,328	15.0	291,444	25.1	1,063	0.1	132,499	11.4	1,159,328
Atlas	1932 228,816	49.7	65,011	14.1	127,470	27.6	5,619	1.2	44,876	9.8	460,539
	1933 220,625	47.9	65,451	14.2	128,424	27.9	10,035	2.2	36,004	7.8	460,539
Caledonian	1932 317,196	64.0	120,358	24.3	89,839	18.2	52,592	10.6	84,640	17.1	495,445
	1933 275,914	61.7	101,043	22.6	86,026	19.2	20,794	4.6	5,096	1.1	447,285
Century	1932 157,345	59.7	50,101	19.0	67,787	25.7	24,521	9.2	12,737	4.8	263,449
	1933 105,051	53.9	40,333	20.7	44,058	22.6	9,541	4.9	14,930	7.7	194,831
Commercial Union	1932 4,128,222	57.6	1,320,793	18.4	1,794,029	25.1	273,789	3.8	191,878	2.7	7,181,133
	1933 3,824,049	53.1	1,272,152	18.3	1,751,222	25.2	88,600	1.2	180,110	2.6	6,839,633
Eagle Star and British Dominion	1932 761,239	47.5	301,561	18.8	411,503	25.7	3,906	0.2	132,332	8.2	1,602,729
	1933 755,024	46.1	318,238	19.4	415,830	25.4	24,001	1.4	125,892	7.7	1,638,985
Employers' Liability	1932 3,730,288	62.6	1,080,872	18.1	931,948	15.6	96,732	1.6	317,085	5.3	5,963,461
	1933 3,720,883	63.3	1,097,933	18.6	1,094,276	18.6	31,614	0.5	1,428	0.0	5,980,050
Guardian	1932 603,878	50.5	266,036	22.2	274,768	23.0	6,562	0.6	44,630	3.7	1,193,874
	1933 591,910	53.3	235,956	21.2	289,544	26.1	34,290	3.0	27,119	2.4	1,110,299
General Accident	1932 3,802,037	61.0	1,235,100	19.8	1,039,346	16.7	82,569	1.3	237,077	3.8	6,230,991
	1933 3,747,998	58.6	1,280,869	20.0	1,049,931	16.4	224,310	3.5	88,397	1.5	6,391,505
Liverpool and London and Globe	1932 3,392,491	69.8	980,592	20.2	904,878	18.6	296,231	6.1	122,990	2.5	4,858,740
	1933 2,835,016	61.2	900,458	19.4	854,192	18.4	92,461	2.0	46,696	1.0	4,635,431
London Assurance	1932 782,172	64.0	184,050	15.0	250,585	20.5	38,470	3.2	44,724	3.7	1,223,061
	1933 678,887	59.9	174,264	15.4	240,751	21.3	38,201	3.2	74,857	6.6	1,132,558
London and Lancashire	1932 1,262,461	62.4	375,257	18.6	495,553	24.5	69,500	3.5	40,916	2.0	2,022,655
	1933 1,071,904	56.0	361,117	18.9	480,187	25.1	44,500	2.3	43,749	2.3	1,912,457
Motor Union	1932 865,993	56.1	272,126	17.6	413,946	26.8	139,478	9.1	132,122	8.6	1,544,709
	1933 784,761	53.8	267,344	18.3	353,821	24.2	34,204	2.3	87,479	6.0	1,459,201
North British and Mercantile (Railway Passengers)	1932 538,201	48.6	185,892	16.8	277,246	25.0	46,983	4.3	153,929	13.9	1,108,185
	1933 506,488	46.7	181,973	16.8	274,289	25.3	7,455	0.6	128,114	11.8	1,083,409
Northern	1932 786,925	48.6	274,133	16.9	402,565	24.9	18,090	1.1	137,888	8.5	1,619,601
	1933 780,238	50.9	257,352	16.8	380,431	24.8	46,516	3.1	162,849	10.6	1,534,354
Norwich Union	1932 982,563	57.5	290,707	17.0	404,001	23.6	45,386	2.7	78,013	4.6	1,709,898
	1933 967,033	56.5	314,165	18.3	389,821	22.7	1,104	0.1	40,534	2.4	1,712,657
Phoenix	1932 1,397,124	57.0	632,680	19.2	834,277	24.6	110,000	3.2	82,140	2.4	3,386,221
	1933 1,876,506	56.7	641,469	19.4	777,439	23.5	36,000	1.0	47,455	1.4	3,306,869
Prudential	1932 479,791	57.8	152,275	18.3	190,178	22.9	18,027	2.2	9,726	1.2	830,545
	1933 522,087	57.6	152,951	16.9	195,808	21.6	37,238	4.1	1,454	0.2	906,630
Royal	1932 3,071,555	60.7	899,240	17.7	1,209,550	23.9	152,999	3.0	33,682	0.7	5,061,028
	1933 2,821,282	56.3	896,642	17.9	1,203,767	24.0	21,475	0.3	107,124	2.1	5,007,340
Scottish Union and National	1932 114,032	45.7	33,479	13.4	77,086	31.2	2,315	0.9	26,443	10.6	249,625
	1933 116,593	46.2	34,311	13.6	75,690	30.0	6,294	2.4	19,641	7.8	252,529
Sun	1932 835,201	57.2	268,737	18.4	271,645	18.6	6,283	0.4	90,983	6.2	1,460,283
	1933 814,512	51.9	295,077	18.8	290,068	18.5	45,053	2.8	124,869	8.0	1,569,579
Yorkshire	1932 712,450	58.2	231,290	18.9	281,145	23.0	31,830	2.6	30,123	2.5	1,223,178
	1933 667,756	54.8	238,846	19.6	286,092	23.4	132	0.0	26,413	2.2	1,219,239
Totals	1932 30,109,755	59.2	9,418,436	18.5	11,029,332	21.7	1,343,746	2.6	1,629,874	3.2	50,843,651
	1933 28,247,637	56.5	9,301,272	18.6	10,953,811	21.9	28,435	0.1	1,423,553	2.8	49,954,708

MISCELLANEOUS INSURANCE

The accident and miscellaneous premium income in 1933 was somewhat less than in 1932, and, as will be seen from the following table giving the experience of 22 of the principal companies, the underwriting profit fell from 3.2 per cent. of the premiums to 2.8 per cent. The experience in the United States was again unsatisfactory, and the results of the companies varied to a large extent according to the proportion of business transacted in that country. In particular, workmen's compensation rates in the United States have been a source of trouble. Higher rates of premium for this class of business have been sanctioned in certain States, and as the experience of the American offices has also been

bad, it is not unreasonable to hope for more remunerative rates of premium. Better employment conditions should also tend to some improvement in the loss experienced. As in its fire department, the Alliance shows a high profit ratio, but the North British and Mercantile results are, if anything, even more favourable. It will be seen that each of the six companies having a premium income in excess of £3,000,000 were less fortunate than the average of the remaining companies.

The aggregate experience of these 22 offices in each of the last five years is given on page 19.

	1930		1931		1932		1933	
	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums
Claims	£ 32,872,616	59.3	£ 32,333,174	59.3	£ 30,109,755	59.2	£ 28,247,637	56.5
Commission	10,475,110	18.6	9,902,697	18.2	9,418,436	18.5	9,301,272	18.6
Expenses	11,230,670	19.9	11,392,894	20.9	11,029,332	21.7	10,953,811	21.9
Increase in reserve for unexpired risks	17,461	0.03	670,645	1.2	1,343,746	2.6	28,435	0.1
Profit	1,672,869	3.0	1,508,007	2.8	1,629,874	3.2	1,423,553	2.8
Premiums	56,368,726		54,466,128		50,843,651		49,954,708	

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Scheme

1933
Even
Better

1934
The
Best

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VOL. CXIX]

SATURDAY, OCTOBER 13, 1934

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VOL. CXIX]

SATURDAY, OCTOBER 13, 1934

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EST. 1865

Paid-up Capital	£1,250,000
Reserve Fund	1,000,000
	£2,250,000
Reserve Liability of Shareholders	1,250,000
	£3,500,000

Head Office: Adelaide, South Australia.

MELBOURNE OFFICE: 267, COLLINS STREET.

SYDNEY OFFICE: 270, GEORGE STREET.

BRISBANE OFFICE: 305, QUEEN STREET.

PERTH (Western Australia) OFFICE: ST. GEORGE'S TERRACE.

FREMANTLE OFFICE: 78/80, HIGH STREET.

London Office:

11, LEADENHALL STREET, E.C.3.

Bills on Australasia purchased or collected.
Drafts and Letters of Credit issued, and Remittances cabled. Accounts opened in Australia for Overseas Banks. Every other description of Banking and Exchange business transacted.
Enquiries regarding Australian Trade invited.

A. BUTTEWORTH, Manager.

THE BRITISH BANKING POSITION

THREE months ago, on July 21st, we discussed the half-yearly balance sheets of the leading British banks, and reached the conclusion that the decline of £100 millions in deposits during the preceding three months was entirely the result of Treasury bill repayments amounting to approximately the same amount. These movements, we suggested, were not deflationary, but merely consisted of the disappearance of unwanted credit, which banking action could easily call into being again if only the demand for it arose. Since the end of June last no such change has occurred. Treasury bills held by the banks and the money market have continued to be repaid, for between June 30th and September 29th the total of tender issues fell from £487 millions to £424 millions. Since the end of June there has been no increase in bank advances, and so deposits have again fallen. The decline was accentuated in August by holiday withdrawals of currency by the public, and there was some recovery in September.

The publication of our annual summary of British bank balance sheets, printed on the opposite page, enables the banking trend to be viewed in better perspective; for the table covers the years from 1928 onwards, and so roughly embraces the period of the depression. From this table it is possible to calculate the net changes which occurred (a) during the period of acute depression, which ended on June 30, 1932; and (b) during the subsequent two years of limited recovery. These calculations are reproduced below:—

Changes	1928 to 1932 £ mill.	1932 to 1934 £ mill.	1928 to 1934 £ mill.
Liabilities—			
Capital and reserves	— 7.5	+ 0.5	— 7.0
Acceptances, etc.	— 61.2	+ 20.6	— 40.6
Deposits	— 12.6	+ 98.1	+ 85.5
Assets—			
Cash, etc.....	— 27.0	— 8.8	— 35.8
Call and short loans	— 24.5	+ 24.6	+ 0.1
Discounts	+ 31.0	— 50.4	— 19.4
Investments.....	+ 105.4	+ 206.6	+ 312.0
Advances	— 118.9	— 84.6	— 203.5
Ratio of cash, etc., to deposits	— 0.8%	— 1.2%	— 2.0%

The first thing to notice is that this long-range view places the recent contraction in the Treasury bill issue in its proper perspective. In 1932, and still more in 1933, the Treasury bills held by the banks had risen to an abnormal figure, and since then all that has happened is a restoration of the *status quo*. The banks and the money market, therefore, have so far had little right to complain that the repayment of Treasury bills is involving them in unnecessary difficulties. This view, however, would need modification were the contraction in the Treasury bill issue to proceed much further.

The real lesson of the table is that the supply of credit has outstripped the demands of trade. Notwithstanding a reduction in bank cash, credit had become redundant in 1932, and is still more redundant to-day. The salient features of this table are the increase since 1928 of nearly £100 millions in deposits, the decline of £200 millions in advances, and the consequent expansion of £300 millions in investments. This last increase served a useful purpose during the past two years, for it undoubtedly facilitated debt conversion. This purpose, however, possesses less importance to-day, when the Government's refunding operations are practically complete.

The fact is that credit remains extremely plentiful and easy, and the banks by reducing their aggregate cash ratio by 2 per cent. have added to the abundance. Theoretically the banks could expand their advances by £220 millions without exceeding their 1928 ratio of advances to total liabilities, and from their own point of view they would be only too glad to find sufficient credit-worthy borrowers to enable them to do so. In practice, even a moderate expansion in advances would before

long necessitate some reduction in the bank's investments. In one sense this would not be a bad thing, for the bank's holdings of securities to-day stand abnormally high. On the other hand, were the banks to press long-dated securities on the market or even to allow "shorts" to run off, they would create certain problems for themselves, the gilt-edged market and the Treasury. A relapse in gilt-edged prices and some stiffening of short-term interest rates might easily be among the consequences which would follow too rapid a reduction in the bank's securities. This is a point which all those concerned in the fortunes of the gilt-edged market would be wise to bear in mind.

As previous experience has shown, the partition between eras of cheap and dear money can be very narrow indeed, and it must not be assumed that the present regime of very cheap money will last indefinitely. Admittedly, there are no indications of a rise in money rates as yet. Still if the trade revival reaches a point where there is a substantial new demand for bank credit, the banks may have to reduce their holdings of both short-term and long-term Government securities, and this may quickly have an effect in the money market as well as on the Stock Exchange.

Three further points may be deduced from the above table. The first is that the troubles of the past six years only affected the banks' capital and reserves to a very minor degree, and that a small part of their loss has since been made good. The remaining loss has been more than offset by further appropriations to inner reserves. Secondly, the contraction in international trade has seriously affected the volume of the banks' acceptances. The increase in this omnibus item during the past two years cannot be attributed to new acceptance business, for those banks which apparently confine this item to acceptances and confirmed credits record no expansion in their accounts. It is almost certainly due to the big increase in forward exchange business which always occurs during periods of currency instability. The third point is the substantial recovery in call and short loans, which occurred during the past two years (actually during the past year). As the banks' minimum rate is above the rates charged by other lenders, including foreign banks, it is legitimate to infer that bank money has been replacing foreign floating balances which have been withdrawn from London during the past year. This helps to explain the recent weakness of sterling.

Meanwhile there is no evidence that the banks have yet succeeded in improving their profits. We repeat below the table which we publish periodically, giving approximate estimates of the rates paid on the various classes of bank deposits or earned on the chief assets held by the banks. This table has been extended to cover July last:—

	July, 1923 %	Jan., 1932 %	July, 1932 %	July, 1933 %	Feb., 1934 %	July, 1934 %
Bank rate	4½	6	2	2	2	2
<i>Rates Payable</i>						
Deposits:-						
(a) Current accounts	Nil	Nil	Nil	Nil	Nil	Nil
(b) London deposits	2½	4	½	½	½	½
(c) Country deposits	2½	2½	2½	1½	1½	1½
(d) Other accounts	Nil	Nil	Nil	Nil	Nil	Nil
Estimated average	1·6	1·9	0·8	0·6	0·6	0·6
<i>Rates Receivable</i>						
Cash	Nil	Nil	Nil	Nil	Nil	Nil
Call money	3½	5	1	1	1	1
Discounts	4	5½	½	¾	1	½
Investments	4½	4½	3½	3½	3	3
Advances	5½	7	4½	4½	4½	4½
Estimated average	4·4	5·5	3·0	2·8	2·8	2·7
Estimated margin	2·8	3·6	2·2	2·2	2·2	2·1

The main change is a reduction in the yield on bills, as represented by the Treasury bill tender rate averaged over May and July inclusive, from $\frac{3}{8}$ to $\frac{1}{8}$ per cent. This has lowered by 0.1 per cent. (in actual fact by

June 30	Capital and Reserves												Acceptances and Endorsements						Deposits (including Undivided Profits, etc.)						Cash in Hand and at Bank																	
	1928		1929		1930		1931		1932		1933		1934		1928		1929		1930		1931		1932		1933		1934		1928		1929		1930		1931		1932		1933		1934	
	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.		
•	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	26-1	318-0	331-4	338-8	342-4	341-9	379-4	379-4	364-3	54-7	52-4	55-3	56-3	52-7	55-0	55-5	55-7	55-7	57-2	53-1	52-6	55-8	52-4	52-4	55-0	55-5	55-5	55-8	47-5
Bardleys	25-8	25-8	25-8	25-8	23-3	23-8	23-8	23-8	23-8	23-8	23-8	23-8	23-8	23-8	348-5	351-3	352-9	358-8	356-7	373-6	350-8	58-7	58-7	55-3	53-1	52-6	55-8	52-4	52-4	52-4	59-4	55-3	51-9	52-4	52-4	55-8	52-4	52-4	55-0	55-5	55-8	47-5
Lloyds	26-6	26-9	28-2	28-5	25-8	25-7	25-7	25-7	25-7	25-7	25-7	25-7	25-7	25-7	382-7	383-6	382-0	379-1	383-2	425-1	402-9	64-4	59-4	55-3	53-1	52-6	55-8	52-4	52-4	52-4	59-4	55-3	51-9	52-4	52-4	55-8	52-4	52-4	55-0	55-5	55-8	47-5
Middleland	19-0	19-0	19-0	19-0	17-5	17-5	17-5	17-5	17-5	17-5	17-5	17-5	17-5	17-5	288-1	272-9	276-6	267-3	262-6	292-1	273-7	40-3	40-3	39-5	36-3	36-1	39-6	36-3	36-3	36-3	40-3	39-5	36-3	36-1	39-6	36-3	36-1	39-6	36-3	36-1	39-6	36-3
National Provincial	18-6	18-6	18-6	18-6	16-8	16-8	16-8	16-8	16-8	16-8	16-8	16-8	16-8	16-8	278-0	288-3	295-7	279-5	270-5	304-7	230-1	39-1	41-8	40-7	38-9	39-0	42-2	39-6	36-3	36-3	40-3	39-5	36-3	36-1	39-6	36-3	36-1	39-6	36-3	36-1	39-6	36-3
Westminster	116-1	116-4	117-7	118-0	109-5	109-9	109-9	109-9	109-9	109-9	109-9	109-9	109-9	109-9	1,595-3	1,627-4	1,646-0	1,617-1	1,594-9	1,774-9	1,681-8	257-2	249-6	248-0	239-6	232-3	245-0	231-6	257-2	249-6	248-0	239-6	232-3	245-0	231-6	257-2	249-6	248-0	239-6	232-3	245-0	231-6
Coutts'	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	2-0	17-2	18-1	18-1	17-5	17-0	18-9	20-1	2-8	2-9	2-7	2-5	2-7	3-0	2-9	2-9	2-9	2-9	2-7	2-5	2-7	3-0	2-9	2-7	2-5	2-7	3-0	2-9	
Glyn, Mills	1-6	1-6	1-6	1-6	1-8	1-8	1-8	1-8	1-8	1-8	1-8	1-8	1-8	1-8	29-8	33-0	32-6	33-0	31-7	35-7	32-2	6-1	6-2	6-2	6-7	5-9	7-3	6-1	6-1	6-2	6-2	6-2	6-7	5-9	7-3	6-1	6-2	6-1	6-2	6-1	6-2	6-1
District	3-9	4-2	4-2	4-2	4-2	4-2	4-2	4-2	4-2	4-2	4-2	4-2	4-2	4-2	51-6	51-5	50-2	50-0	48-8	53-1	48-6	6-4	6-2	6-0	6-2	6-0	6-4	6-2	6-2	6-2	6-0	6-2	6-0	6-2	6-0	6-2	6-0	6-2	6-0	6-2	6-0	
Martins	7-6	7-6	7-6	7-6	7-1	7-1	7-1	7-1	7-1	7-1	7-1	7-1	7-1	7-1	81-1	80-2	77-5	74-9	76-3	83-8	79-7	11-0	12-2	13-1	10-9	11-7	12-8	11-8	11-0	12-2	13-1	10-9	11-7	12-8	11-0	12-2	13-1	10-9	11-7	12-8	11-0	
Manchester and County	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	2-2	19-4	19-2	17-4	16-9	16-0	17-1	17-0	*3-8	*4-1	*3-2	*2-7	*2-8	*2-4	*2-8	*2-4	*3-8	*4-1	*3-2	*2-7	*2-8	*2-4	*3-8	*4-1	*3-2	*2-7	*2-8	*2-4	
Williams, Deacon's	3-2	3-2	3-2	3-2	2-7	2-7	2-7	2-7	2-7	2-7	2-7	2-7	2-7	2-7	31-9	31-5	31-5	30-0	29-0	31-3	32-4	5-3	5-2	4-2	4-4	4-2	5-4	5-4	5-3	5-2	4-2	4-4	4-2	5-4	5-3	5-2	4-2	4-4	4-2	5-4	5-3	
Liabilities	136-6	137-2	138-2	138-6	129-5	129-6	129-5	129-5	129-5	129-5	129-5	129-5	129-5	129-5	1,826-3	1,861-0	1,873-3	1,839-4	1,813-7	2,014-8	1,911-8	292-6	286-5	283-4	273-0	265-6	282-3	256-8	292-6	286-5	283-4	273-0	265-6	282-3	256-8	292-6	286-5	283-4	273-0	265-6	282-3	256-8
% of Total Liabilities	6-5	6-3	6-5	6-6	6-4	6-4	6-4	6-4	6-4	6-4	6-4	6-4	6-4	6-4	86-4	84-8	87-7	87-8	89-2	89-5	89-0	13-9	13-0	13-3	13-0	13-1	12-6	11-9	13-9	13-0	13-3	13-0	13-1	12-6	11-9	13-9	13-0	13-3	13-0	13-1	12-6	11-9

June 30	Money at Call and Short Notice												Discounts						Investments						Advances																				
	1928		1929		1930		1931		1932		1933		1934		1928		1929		1930		1931		1932		1933		1934		1928		1929		1930		1931		1932		1933		1934				
	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.	£	s.					
•	21-9	20-7	24-3	22-7	20-4	18-8	21-8	21-8	21-8	21-8	21-8	21-8	21-8	21-8	55-4	64-2	59-8	65-5	78-5	106-5	108-3	170-5	174-1	174-1	173-7	167-8	156-6	156-3	187-0	194-2	185-9	172-4	172-4	173-7	167-8	156-6	156-3	187-0	194-2	185-9	172-4	172-4	173-7	167-8	156-6
Bardleys	28-6	28-7	30-9	31-9	22-6	21-6	24-6	24-6	24-6	24-6	24-6	24-6	24-6	24-6	44-5	44-3	47-5	59-8	52-9	107-3	100-3	187-4	187-4	187-4	187-4	187-4	187-4	187-4	187-4	216-7	224-3	214-6	200-2	200-2	172-4	187-4	187-4	187-4	187-4	187-4	187-4	187-4	187-4	187-4	
Lloyds	25-2	26-8	22-6	19-3	17-9	15-8	27-7	27-7	27-7	27-7	27-7	27-7	27-7	27-7	36-2	41-9	41-0	40-2	80-5	121-6	119-1	216-7	216-7	216-7	216-7	216-7	216-7	216-7	216-7	148-1	156-0	155-9	147-9	147-9	134-8	122-1	112-7	112-7	112-7	112-7	112-7	112-7	112-7	112-7	
Middleland	19-9	19-2	18-2	17-6	15-6	12-1	19-3	19-3	19-3	19-3	19-3	19-3	19-3	19-3	37-5	40-3	35-0	39-1	41-8	72-5	78-3	148-1	156-0	155-9	147-9	147-9	147-9	147-9	148-1	156-0	155-9	147-9	147-9	134-8	122-1	112-7	112-7	112-7	112-7	112-7	112-7	112-7	112-7	112-7	
National Provincial	29-2	28-3	27-5	20-5	23-4	17-6	30-1	30-1	30-1	30-1	30-1	30-1	30-1	30-1	48-4	48-4	48-4	48-4	48-4	48-4	91-9	133-1	155-3	144-2	132-3	117-3	110-5	108-1	133-1	155-3	144-2	132-3	117-3	110-5	108-1	133-1	155-3	144-2	132-3	117-3	110-5	108-1	133-1	155-3	
Westminster	124-8	123-0	124-3	112-0	99-9	82-0	123-5	123-5	123-5	123-5	123-5	123-5	123-5	123-5	225-5	198-7	250-9	251-0	255-3	312-5	208-7	497-9	855-8	903-9	874-7	826-5	702-8	685-1	497-9	855-8	903-9	874-7	826-5	702-8	685-1	497-9	855-8	903-9	874-7	826-5	702-8	685-1	497-9	855-8	
Coutts'	1-3	1-8	1-6	2-4	2-1	2-1	2-1	2-1	2-1	2-1	2-1	2-1	2-1	2-1	4-3	3-7	3-8	4-0	4-3	7-0	7-7	9-6	10-1	10-5	8-4	7-9	7-4	7-8	9-6	10-1	10-5	8-4	7-9	7-4	7-8	9-6	10-1	10-5	8-4	7-9	7-4	7-8			
Glyn, Mills	3-8	4-4	4-5	5-1	5-2	6-8	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	8-1	7-6	7-2	6-9	9-4	11-4	9-6	11-6	14-6	14-6	14-7	11-7	10-8	10-5	11-6	14-6	14-6	14-7	11-7	10-8	10-5	11-6	14-6	14-6	14-7	11-7	10-8	10-5			
District	4-8	3-9	5-0	4-2	4-4	4-5	4-7	4-7	4-7	4-7	4-7	4-7	4-7	4-7	14-8	14-8	14-9	18-9	18-9	21-8	21-3	24-3	25-4	22-3	20-8	19-4	17-5	16-0	24-3	25-4	22-3	20-8	19-4	17-5	16-0	24-3	25-4	22-3	20-8	19-4	17-5	16-0			
Martins	9-4	5-2	5-7	7-6	6-6	5-0	4-7	4-7	4-7	4-7	4-7	4-7	4-7	4-7	20-7	19-1	17-0	19-5	23-7	33-2	32-6	41-5	43-4	42-0	36-3	31-4	27-9	30-3	41-5	43-4	42-0	36-3	31-4	27-9	30-3	41-5	43-4	42-0	36-3	31-4	27-9	30-3			
Manchester and County	2-9	1-9	2-8	3-3	4-3	4-6	5-5	5-5	5-5	5-5	5-5	5-5	5-5	5-5	4-2	4-2	4-2	5-0	4-1	6-9	6-4	12-2	12-2	11-2	10-5	10-0	8-9	8-7	12-2	12-2	11-2	10-5	10-0	8-9	8-7	12-2	12-2	11-2	10-5	10-0	8-9	8-7			
Williams, Deacon's	147-0	140-2	143-9	134-6	122-5	105-0	147-1	147-1	147-1	147-1	147-1	147-1	147-1	147-1	238-7	213-6	264-6	263-5	269-7	330-6	219-3	973-7	1,028-6	994-4	932-6	854-8	770-2	973-7	1,028-6	994-4	932-6	854-8	770-2	973-7	1,028-6	994-4	932-6	854-8	770-2	973-7	1,028-6	994-4	932-6	854-8	
Assets	7-0	6-7	6-7	6-4	6-0	4-7	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	12-9	13-1	13-0	15-4	18-6	26-1	27-2	46-1	48-8	46-6	44-6	42-1	35-8	46-1	48-8	46-6	44-6	42-1	35-8	46-1	48-8	46-6	44-6	42-1	35-8	46-1	48-8				
% of Total Assets ...																																													

* Includes Money at Call and Short Notice.

rather less) the average rate of interest earned by the banks and also the margin between rates payable and receivable. Again their total assets and liabilities have been reduced from just over £1,900 millions to just over £1,800 millions, and this alone means a loss of about £2.1 millions in gross income. There are economies, it is true, to be set against this loss, including the progress of mechanisation and further adjustments in salaries. Still the completion of new housing schemes and the growth of new industrial areas mean that new branch banks are required, and the closing down by mutual agreement of

redundant branches here and there hardly compensates for this additional activity. A more favourable factor is the improvement in trade, with its reduction in losses due to bad debts. Even so, it is difficult to see how this year's profits will show an improvement over those for 1933, or that any increase in dividends or reduction in advance rates will be practicable. British banks have maintained their strength and security beyond all doubt. They have hardly yet begun to restore their earning powers towards the point at which they stood prior to the depression.

COMMERCIAL BANKING IN THE DOMINIONS

NOTABLE advances have been made in the past year towards the establishment of closer financial relations between the self-governing member States of the British Commonwealth. To the existing central banks in Australia and South Africa there has been added the Reserve Bank of New Zealand, while similar institutions are in process of creation in Canada and India, which must now be regarded as in transition to a state of self-government. The New Zealand bank is already in active operation, the necessary legislation has been passed in Canada and India, and the first Governors of the Canadian and Indian Banks have been appointed.

The developments in New Zealand may be taken as illustrative of what may be expected from the establishment of these institutions. The opening of the Reserve Bank marked an important stage in the Dominion's financial development, and it so happened that other simultaneous currency changes emphasised the main fact that the Dominion was establishing a truly independent and national control over currency and exchange. The depreciation of the New Zealand pound had placed a premium upon the export to Great Britain of the token silver coins, which were identical with those of the Motherland. It became necessary, therefore, to institute a new and distinctive subsidiary coinage. The right of note issue formerly possessed by the commercial banks lapsed also, and a new standard currency was issued in the form of Reserve Bank notes.

The independence of the New Zealand pound was further emphasised when, before actually opening the Bank for business, the directors announced that the exchange rate on sterling would be fixed at the existing rate (representing a depreciation of 25 per cent.) "for a long time." In effect, therefore, the New Zealand pound was devalued and pegged to sterling at a parity which approximates to £5 N.Z. being equivalent to £4 sterling.

The importance of this decision, which was taken after the Governor of the Reserve Bank had paid a visit to the Commonwealth Bank in Australia, may be more fully appreciated by a consideration of the surrounding circumstances. The depreciation of the New Zealand and Australian currencies, aided by the substantial rise in raw material, especially wool, prices during 1933, had resulted in a very substantial accumulation of sterling assets to the credit of those Dominions in London. South Africa, after abandoning the gold standard and pegging its currency to sterling at parity, had achieved the same result largely because of a sharp rise in the price of gold. The amount so accumulated in London was £23 millions sterling to the credit of New Zealand and about double that amount in the case of each of the other Dominions. The transference of these assets from London was strictly rationed and controlled in order to prevent speculation in anticipation of a movement of the Australian and New Zealand rates towards parity with sterling.

The prompt announcement of the Reserve Bank of New Zealand not only destroyed, at least for the time being, any likelihood of such speculation; but achieved two other important results. The maintenance of the lower parity ensures an inflationary price trend in the

Dominion in the period immediately ahead. Some part at least of the sterling assets will be transferred and used, ultimately, to purchase the notes of the Reserve Bank. Indeed, the prospects of more abundant credit in the Dominion have already brought substantial reductions of short- and medium-term interest rates. Since 1930 the bank deposit rate had fallen (for two-year deposits) from 5 to 3 per cent., the overdraft rate from 7 to 5 per cent., and the yield on Government loans from 5½ to 3½ per cent. On July 4th the banks further reduced these rates by ½ per cent. to ½ per cent. according to the term of deposits, the two-year deposit rate thus becoming 2½ per cent. Deposits are high; but as the effect of the new situation is felt there must come an era of very cheap and abundant credit, increased advances and large imports.

It was probably inevitable that the Reserve Bank should avoid the psychological difficulty of making its first important policy decision in a deflationary direction. If the exchange rate had been moved towards parity it might have proved difficult to restrain speculation from forcing it further up. There were already signs of a black market developing outside the control. The short-run effect of the decision will clearly be to stimulate credit expansion and rising prices in the Dominion. The long-run effect is of more doubtful character in view of the heavy burden of external debt and the impossibility at present of converting a large part of it; but increased taxable capacity must be set against the heavier external charges.

The action of the Reserve Bank in taking over the sterling assets which had been bought from the commercial banks by the Government has also brought a considerable relief to the Budget. The Bank itself is fortunate at the beginning of its work to have such a large sterling fund on which to operate the sterling exchange standard. The Government, which paid for its sterling purchases by issuing Treasury bills to the commercial banks amounting to nearly £29 millions (N.Z.) at 5 per cent. will be enabled to repay these bills by cheques drawn on its deposit with the Reserve Bank against the sterling fund. The cheques so drawn will be used partly to purchase sterling against increased imports, and partly to expand credit in the Dominion, and it is this possibility that has led the commercial banks to reduce their overdraft and interest rates.

These developments in New Zealand have been described first, not because they are the most important aspect of the new central banking organisation in the Dominions but because they represent the first fruits of the new institutions created during the year. The situation in Australia is broadly similar to that in New Zealand, but not quite so clear, since the Commonwealth Bank has been operating as a Central Bank at least since 1932. It is assumed that the declaration of the Reserve Bank of New Zealand concerning the fixation of the exchange rate at its present level "for a long time" was taken in consultation with the Commonwealth Bank and is indicative of Australian policy as well.

South Africa has already gained enormously from

pegging its currency to sterling and reaping the benefit of the higher price of gold. The Government has, in fact, been able to discharge its remaining war debt to Great Britain by payment of a lump sum. The public finances are buoyant and there is a large accumulation of sterling assets, betokening the probability of increasing imports.

India has for many years regulated its currency by reference to sterling; but the new Reserve Bank, in taking over the regulation of exchange, has the opportunity, if it cares to do so, of economising the gold fund held in London, by utilising, as the Dominions already do, interest-earning sterling assets as at least part of its exchange reserve. The new system will also give the commercial banks, as those in the Dominions, a central reservoir of credit which may be of inestimable value in times of financial difficulty. In all these countries the comparatively undeveloped state of the money market limits somewhat the functions of the central banks. For some time to come it is probable that their chief reliance must be upon persuasion and guidance rather than upon technical controls of credit issues within their markets; but experience elsewhere has shown that central banks when prudently conducted are able to gain a real influence over credit policy even in financially undeveloped countries.

One of the greatest gains to be expected from the extension of central banking throughout the Commonwealth is the stabilisation of exchange rates. In this respect the Canadian Bank faces peculiarly difficult problems. Since the abandonment of the gold standard in South Africa, all the Dominions except Canada have been operating a sterling exchange standard, and India has long kept the rupee at parity with sterling. The Canadian dollar, however, has followed an independent course, greatly influenced, though not wholly governed, by the United States dollar. It appears clear from an article recently contributed by Sir Charles Addis to the *Quarterly Review* that the Royal Commission, of which he was a member, had clearly in mind, in suggesting the creation of the Reserve Bank, the desirability of pegging the Canadian dollar to sterling and thereby definitely joining the sterling commonwealth. The financial connections of the commercial banks with the United States clearly offer obstacles to such a policy, but these difficulties are not, in his judgment, insurmountable. It is abundantly clear, however, that the administration of the Canadian Bank will present the most interesting and important problems of the whole chain.

It is too soon, before the chain of central banks is yet in working order, to speculate upon the technique of central bank co-operation and the financial results that may be expected to flow from it. The gain in each Dominion from the cohesion and resilience imparted to the local banking system should prove considerable, and the maintenance of stable exchanges will facilitate trade and investment. The measure of stability already secured has been an important factor in the recovery experienced in 1933 and 1934, and all experience goes to prove that fixed exchanges are an indispensable foundation for international economic and financial co-operation, even within a comparatively homogeneous region such as the British Commonwealth.

AMERICAN BANKING

(BY A CORRESPONDENT)

DURING the past five months the most striking fact has been the continuous and large increase in the demand deposits of the commercial banks and the continued expansion of their cash reserves. During the year ending June 30, 1934, member bank deposits rose \$4,400 millions. During this recent period there was little in the way of legal innovation. Certain provisions of the Banking Act of 1933 became final in June, the most notable being the separation of investment from deposit banking, but they had been anticipated. Congress, under the impression that the banks were niggardly in

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financing business, authorised both the R.F.C. and the reserve banks to make "direct loans"; but the results have been minute. The provision of the Housing Act guaranteeing 20 per cent. of bank loans made for home renovation does not seem to have elicited much response, although in the month of August there was a substantial increase in "other loans" of the Reporting Member Banks. The bank deposit guarantee, which was for the first year limited to deposits of \$2,500 on July 1st, became applicable to deposits of \$5,000; and a small number of banks withdrew from the insurance scheme. There were only one or two bank failures during the period, and most of the "unlicensed" banks have now been reopened. On June 13th the R.F.C. held preferred stock or capital notes of banks to an amount of \$800 millions, and was under arrangement to purchase about \$250 millions more; some 6,300 banks (out of slightly over 14,000) have participated in the scheme. On the first permissible date numerous banks repurchased their obligations from the R.F.C. Except for the rise in deposits it was the most uneventful half-year that American banking has known for a long time.

Practically speaking, there is no money market. Short-term paper is scarce, acceptances continuing to shrink and commercial paper increasing slightly. Short-term Government paper is quoted almost without interest. Rates on long-term bonds, especially Treasuries, continued to fall up to August, when a combination of circumstances, including the silver schemes and doubts about the next Budget, provoked a sharp reaction.

The statistical record of the period begins with a table of Reserve Bank and Treasury items:—

RESERVE BANK AND TREASURY ITEMS				
	Mar. 28, 1934	Aug. 29, 1934	Intervening	Change
	\$ mill.	\$ mill.	\$ mill.	\$ mill.
Bills discounted.....	53	21	—	32
Bills bought	29	5	—	24
U.S. securities.....	2,432	2,432	...	...
Monetary gold stock.....	7,681	7,981	+	300
Gold certificates in Reserve Bank.....	4,281	4,979	+	698
Money in circulation	5,336	5,345	+	9
Member Bank Reserve balances.....	3,439	4,127	+	688
Federal reserve notes	2,997	3,103	+	106
Federal Reserve Bank notes	123	32	—	91
Industrial advances	0	1	+	1

In the five months under review the principal change in the Reserve Bank statement is the growth of member bank reserve balances. Excess reserves were in the vicinity of \$1,200 millions at the end of March, and, although the deposits of the member banks have risen since that date, most of the increase in reserve balances has gone into "excess reserves," which now amount to about \$1,900 millions. That is, the cash item of the member banks is approximately double the legal requirements. Since in the period under review the Reserve System has conducted no open-market operations, and the volume of discounts and acceptances has actually fallen, these reserves since March have been fed almost entirely from the deposit of "gold certificates" by the Treasury. In part these gold certificates derive from gold bought from domestic producers, from purchases of scrap gold, and from gold imports—the last being, of course, the largest item of the three. But since the increase in the monetary gold stock amounts to but \$300 millions, while the gold certificates have risen some \$698 millions, one can infer that perhaps \$400 millions of the "gold profit" has been monetised. Whether this has been charged to the \$2,000 millions stabilisation fund or to the \$800 millions of unallocated profit is not clear; nor does the market know whether these sums have been employed in transactions in foreign exchange or in the purchase of Government securities. The market inclines to the latter view, since on occasions when the Government market was weak the Treasury has intervened on a large scale. Here again inferences should be accepted with caution, since some of these Treasury purchases were undoubtedly for sinking fund.

With reference to the currency, it will be noted that there has been a small increase in the total—an increase

of less than seasonal proportions, indeed. But analysis of the "Paper Currency" return indicates that there has been a continuing, although gradual, reflux of the large denomination currency that was hoarded some years back. The currency is showing a number of minor changes of detail. The above table shows the tendency of the system to retire Federal Reserve bank notes; only two districts—New York and Boston—now reporting any of this emergency currency outstanding. National bank notes also show a small reduction. Up to the end of July the Circulation Statement showed no increase in standard silver dollars or in silver certificates. In August the new silver certificates began to appear; the old certificates bore the legend "This certifies that there has been deposited . . . one silver dollar payable to the bearer on demand." The new form reads "that there is on deposit . . . one dollar in silver payable, etc." The circulation of silver certificates increased by \$38,765,108 in August. As a practical fact, the standard silver dollar has long since disappeared from circulation in the Eastern States; and few have been minted in the past decade.

The gold certificates shown in the Reserve Statement are not in use as currency. As they are convertible only at the discretion of the Secretary of the Treasury, there was a question in August if, with the dollar at the gold export point, gold would be released by (or through) the reserve banks for export. The question was answered in the affirmative.

The following table shows the Reporting Member Banks' position:—

REPORTING MEMBER BANKS				
	Aug. 28, 1929	Mar. 28, 1934	Aug. 29, 1934	Change since March 1934
	\$ mill.	\$ mill.	\$ mill.	\$ mill.
Total loans and investments	22,405	17,472	17,708	+ 236
Loans on securities	7,515	3,514	3,247	— 267
Other loans	9,434	4,647	4,555	— 92
U.S. securities.....	2,707	6,227	6,627	+ 400
Other securities	2,748	3,084	3,279	+ 195
Reserves with F.R. banks.....	1,663	2,572	3,132	+ 560
Net demand deposits.....	12,985	11,794	12,926	+ 1,132
Time deposits	6,766	4,419	4,510	+ 91
Government deposits.....	37	1,413	1,203	— 210
Borrowings from F.R. banks	685	9	5	— 4

The table for the Reporting Member banks shows rather wide changes. The familiar increase in reserves was noted above, but the increase in demand deposits, of \$1,100 millions, follows an approximately equal increase in the preceding six-month period. On the other hand, the increase in total loans and investments is smaller than from September to March, principally because banks were less receptive to Government securities. The increase of \$195 millions of "other securities" is attributed largely to the appearance of the new Government guaranteed issues. The decline in commercial loans during the past five months is hardly more than nominal, and in recent weeks they have shown a marked tendency to increase—a fact which has been interpreted by some as encouraging.

The table showing the statement as at the end of August, 1929, is included for the purpose of showing the trends of a five-year period. In 1929 101 cities were represented, whereas now there are but 90; yet it will be noted that bank cash is double what it was in 1929, net demand deposits are practically as large, while the decline in time deposits is about equal to the increase in Government deposits. Among the assets, holdings of Government securities have doubled, and other investments have also increased, while each of the two types of loans have fallen to half. It will be recalled that even in 1929 it was often remarked that the term "commercial" banks was a misnomer; at the present time, with only a quarter of the assets of these banks in commercial loans, and less than half in loans of any kind, it is certainly so.

For many months "inflation" has been one of the common topics of discussion. Since the great open-market campaign of the spring of 1932, credit expansion, whether termed inflation or reflation, has been the avowed policy of the Government and of the Reserve System. Statistically, the programme has achieved no

little success. Excess reserves have been created by open-market operations, by amplification of the issue of National Bank notes and lately of silver certificates, and by gold revaluation. For many months, the existence of excess reserves not only failed to cause an expansion of bank credit, but failed to check the decline. Apart from the interlude after the bank holiday episode, this situation did not change until the end of last year. Since December of 1933 deposits of the member banks have been rising continuously, as well as their total loans and investments. The increase in deposits has been greater, owing to the large accumulation of excess cash. The result is that total loans and investments are about \$1,000 millions higher than a year ago, reserves are about \$1,000 millions higher than a year ago, and net demand deposits are about \$2,000 millions higher than a year ago.

Statistically, an increase in net demand deposits of about 20 per cent. in less than a year would be accepted as evidence of inflation. Statistically, a rise of 100 per cent. in an index of primary commodity from February, 1933, to the present, and an advance of the Bureau of Labour Statistics index from 60 in early 1933 to about 78 at present, would be accepted as evidence of inflation.

On the other hand, business statistics do not show what might be called comparable improvement, and the corresponding monetary statistics can be seen in the figures of debits to individual accounts. The following table covers the cities outside New York, the New York figures being dominated by the activity of the Stock Exchange.

DEBITS TO INDIVIDUAL ACCOUNTS (140 cities, excluding New York City)						
	1929	1930	1931	1932	1933	1934
July.....	28,416	23,145	18,444	12,511	13,878	13,910
August.....	28,310	20,941	16,526	11,756	12,376	13,421

Considering that deposits subject to check are about as high now as in 1929, and very much higher than in 1933, it is rather surprising that debits should remain so low. In short, it is difficult to associate the expansion of bank deposits, which is primarily a reflection of the Treasury deficit, either with the advance in commodity prices or with the recession in business.

BANKING PROBLEMS IN FRANCE, SWITZERLAND AND BELGIUM

(BY A CORRESPONDENT)

THE banking situation of the three countries under review has been characterised during the last few years by two apparently contradictory movements. On the one hand the gold reserves of the central banks have been considerably increased. This was due mainly to the abandonment of the gold exchange standard, to large repatriation of funds invested abroad, and at times also

to imports of foreign capital into France and Switzerland. The increase in gold holdings was not accompanied by any expansion of credit and no "gold inflation" was noticeable, but the metal was on the whole simply exchanged against notes or sight deposits with the central banks. This resulted in such an increase of reserve ratios that the monetary stability could be

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adhered to without undue strain. On the other hand, the contraction of economic activity, hoarding and withdrawal of foreign short-term funds brought about large decreases of banking deposits, especially in 1930-31 during the world-wide banking crisis and in 1933 and 1934 during the depreciation of the dollar, and after the stabilisation of the dollar during the political and financial troubles in France. The reaction of the banking system in the three countries has been very different in view of their different banking organisations, and they should therefore be examined separately.

In France the concentration of the banking system has gone rapidly forward. The smaller local banks which had survived the concentration movement of the pre-war period and flourished during the inflation, are dying away with extraordinary rapidity; the months which followed the banking panic of 1931, and the year 1934 which witnessed an aggravation of the trade depression, were particularly rich in smaller bank failures. But the large institutions have weathered the storm in a most encouraging manner. Losses incurred on account of investments abroad were few, partly due to the fact that much of the foreign business was carried out through the intermediary of London. Furthermore, long-term investments are not in the tradition of the big French banks. Of the three "banques d'affaires," i.e. banks carrying on a large investment securities business, one is now being drastically reorganised (Union Parisienne), and the two others (Banque de Paris and Crédit Commercial) have now concentrated their activity on commercial banking. On the whole, it is understood that the losses incurred both in France and abroad have now been amortised by the large banks (especially the four big banks which publish monthly statements). It is true, of course, that they still might be called upon to prevent large failures as in the case of the Citroën Works, but, sound as they appear to be now, this should not entail too great sacrifices.

The withdrawal of deposits made itself felt first with the secondary banks (1929 to 1931), while the four big commercial banks registered stable or even increased deposits; but in 1933 the movement spread to the four large banks, and from December, 1932, to March, 1934, they lost over seven billion deposit and acceptance liabilities. Hoarding and foreign withdrawals (due to monetary troubles and not to banking difficulties) were the main causes. This trend has been reversed since April, and a distinct increase in deposits is now noticeable, partly following the return of confidence in France and partly because of the last decline of the pound sterling. Borrowing of francs on the exchange market has also contributed largely to this return flow of funds, and this may cease as soon as the exchange market appears more settled. The large withdrawals of deposits mentioned above have been met without difficulty, thanks both to the traditionally conservative policy of the French banks and to their abnormally strong liquid position. The maintaining of high liquidity ratios ever since 1931 is not only an obvious sign of the anxiety of the banks in face of unsettled conditions to provide a good margin of safety for their depositors, but also reveals the relative disappearance of commercial paper and of short-term self-liquidating investments. Truly enough, this has been partly offset by large issues of Treasury bills, but up to the present the Bank of France does not consider itself bound to accept them for re-discount.

Thus the French banking system appears to have stood the test remarkably well, and has been able to avoid any kind of Government interference—except for the 3,000 million francs of ready cash which the Treasury bought up in 1930 and 1931 to meet the liabilities of the Banque d'Alsace-Lorraine and of the Banque Nationale de Crédit.

In Switzerland the main problem arose from the marked developments of the banking activity which took place after the war, when foreign deposits sought in the large Swiss banks a harbour of safety. In view of the limited possibilities for investing at short-term at home (this has lately become so acute that it has been suggested that the Swiss Government should issue Treasury bills in

order to provide the banks with a good short-term investment) the banks were tempted into lending on real estate mortgages and into granting foreign credits. Relatively long-term investments in Switzerland could not be considered dangerous, thanks to the method of the Swiss banks of issuing two- to five-year bonds and of accepting savings deposits, as this reduces the liquidity requirements to a certain extent. But the exchange troubles and the moratoriums in Central Europe brought about at least virtual losses. In addition, difficulties arose in certain national industries (watch manufacturing, embroidery and the hotel trade), and a special rediscounting institute (Caisse Fédérale de Prêts et de Dépôts) had to be set up with the help of the banks and the Government. This enjoys special credit facilities at the National Bank. Foreign deposits were recalled (it is contended that those which remain now are too small to be considered dangerous), while hoarding in Switzerland grew to unprecedented proportions and was encouraged by monetary discussion. It should be mentioned, however, that a considerable part of the National Bank's notes were hoarded by foreigners.

The great sufferers were the secondary commercial banks. This is evidenced by the painful liquidation of the Banque d'Escompte Suisse and the heavy contribution which the Government had to offer to the Banque Populaire Suisse. The cantonal banks, on the contrary, which are semi-official savings and mortgage banks, and therefore are only in touch with Swiss debtors and creditors, fared better, and their deposits have rather been on the increase. But the large commercial banks had their business so drastically curtailed that most of them, in order to bring it into line with their diminished activity, reduced their capital, while it is rumoured that mergers will have to be contemplated. It is, of course, impossible to know whether or not their losses have been amortised. At any rate, their liquidity appears very ample and has remained so ever since 1931, although inter-bank deposits are so large as to aggravate perhaps the inevitable interdependence existing between large banks. Here the State has not been content with extending material help when necessary. A law is now being discussed providing for a certain control of banking institutions and for fixed relations between their capital and their borrowed funds. It has even been proposed recently that a system similar to the one in force in Belgium be organised in order to "liquidate" frozen credits.

In Belgium the State had to intervene energetically to reorganise the whole banking structure, even though no large bank failure had to be recorded. But for a few exceptions (e.g. the Société Belge de Banque), the Belgian banks used to invest a large part of their liabilities in industrial or other participations (nearly one-third in the case of the two larger banks). Being at the same time commercial banks and holding companies, they were extremely powerful, but, as one annual report put it, they were "intimately linked to the country's prosperity." Hoarding and perhaps export of capital, the depreciation of the banks' investments, progressive freezing of their industrial credits, coupled with important losses on the pound sterling (as much of their Treasury operations are made in London), all called for Government action. Decrees taken in August authorise the Société Nationale de Crédit à l'Industrie to take over from the banks up to 2,000 million francs of frozen but "sound" credits in exchange for its own 20-year 3 per cent. Government guaranteed bonds which the National Bank will accept as collateral for 80 per cent. of their face value. This will reduce the banks' profits but add to their liquidity, and if carried out slowly should prove most beneficial both to the banks and to their prospective borrowers. On the other hand, a certain Government supervision is to be exercised both when accepting the exchange of credits against bonds and when granting a collateral loan against the bonds. Another decree aims at segregating commercial banks from holding companies. As this measure has been accepted practically without protest, it seems that the banks themselves agree with it, but it cannot as yet be foreseen how the many difficulties involved by such a far-reaching reform will be overcome.

GERMAN BANKING IN THE NATIONAL SOCIALIST STATE

(BY A CORRESPONDENT)

THE balance sheet figures of the Big Five banks in Germany have for some time been shrinking, and most articles and discussions on German banking lay special stress on this fact. One should not, however, overlook the fact that German banking has nevertheless become sounder, and that the criticisms of the past few years have been taken into practical consideration. In an article on German banking since the war, which appeared in the *Economist*, March 3, 1934, page 460, it was pointed out that the German banks based the calculations of their expenditure on insufficient data and unreliable methods in the past, and that the allocation of credits was not carried out on a sound basis, since it favoured the big concerns too much, leaving the smaller and medium-sized undertakings with insufficient means to carry on business. The position would since appear to have become sounder, and even though the profit-earning capacity of the banks is still insufficient, the basis for sounder and more profitable business, both from the point of view of the banks and German economic life as a whole, has been laid. The relation of business expenses to earnings has become more favourable in spite of increases in staff. This may be seen from the following:—

In the D.D. Bank the staff numbered 16,789 in 1933, against 16,614 in 1932. The earnings were Rm. 145 millions in 1933, against Rm. 143 millions in 1932, and the expenses were Rm. 88 millions in 1933, against Rm. 92 millions in 1932. Similarly, the Commerzbank increased their staff from 6,617 in 1932 to 6,740 in 1933; their earnings in 1933, amounting to Rm. 55 millions, were lower by Rm. 5 millions than in 1932, but in spite of the increase in staff expenses were reduced by the same amount of Rm. 5 millions, from Rm. 46 millions in 1932 to Rm. 41 millions in 1933. The Dresdner Bank increased their staff during 1933 from 10,994 to 11,157. Their earnings for the same period were reduced from Rm. 95 millions in 1932 to Rm. 87 millions in 1933, but expenses were reduced even more, from Rm. 81 millions in 1932 to Rm. 71 millions in 1933. The expenses of the Berliner Handelsgesellschaft were at Rm. 5 millions, the same as in 1932, and only in the case of the Reichskreditgesellschaft was there an increase: from Rm. 6 millions in 1932 to Rm. 7 millions in 1933.

Depreciations and transfers to reserve have been increased, so that it may be assumed that the effects of the crisis on the Big Five have to a great extent spent themselves.

According to several publications issued by banking

circles during the last few months, it is clear that the small business man's share of the total number of credits has increased. It is true that from the evidence available it is not yet possible to answer the question what portion of the total value of credits applies to small and medium-sized business firms, i.e. firms with a capital of 20,000 to 50,000 reichsmarks, and 50,000 to 150,000 reichsmarks. These small undertakings are of very great, and sometimes even of decisive, importance in the economic development of the manufacturing industries in some parts of Germany, for instance in Saxony, Thuringia and so on, and it would be a great help to German economics if these undertakings, which work largely for export, could be adequately financed. Up to now the publications referred to above have only given figures in regard to the development of small and medium credits and the proportion of the number (not the amount) of these small credits to the total number of credits given. These figures do not provide sufficient material for an exhaustive inquiry into the present question of financing small and medium-sized undertakings. There are doubtless a large number of bank debtors who have received credits to the amount of 5,000 to 20,000 marks, but who have nothing whatever to do with small business undertakings. In spite of this, the publications give the impression that things are much better, and that, in accordance with the changed structure of German business as a whole, a greater number of credits were granted than in past years.

In 1933 the D.D. Bank showed 83,058 debtors, and 63,618 of these, i.e. about 75 per cent., were in receipt of credits up to Rm. 5,000. Out of 55,640 debtors to the Dresdner Bank, 40,394, i.e. also more than 70 per cent., received credits up to Rm. 5,000. As indicated above, this does not in any way explain the relations that the value of the small credits as a whole bear to the value of the big credits, but the figures are of interest, particularly as another publication shows that the average credit given by the Big Five in 1933 was Rm. 25,190, as against Rm. 35,698 in 1928. The average credit given by the provincial banks and by private bankers has decreased still more. In the provincial banks in 1933 it was Rm. 7,449, against Rm. 28,057 in 1928, and for private bankers Rm. 13,616 in 1933, against Rm. 72,784 in 1928. It is therefore not surprising that the share of the Big Five in small credits (up to Rm. 20,000) and in medium-sized credits (between Rm. 20,000 and Rm. 100,000) decreased from 71.3 per cent. of the whole of these credits in 1928 to 54.8 per cent. in 1933, while that

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of the provincial banks increased over the same period from 16.2 per cent. to 26.5 per cent., and that of the private bankers from 12.5 per cent. to 14.2 per cent..

Apart from the actual bank credits, another important type of financial assistance was given, mainly to the medium-sized undertakings, by the Bank für Deutsche Industrie-Obligationen. This bank gives long-term credits to industrial firms in so far as their profit-earning capacity makes it possible. Up to the end of the last financial year industrial credits to the amount of Rm. 102 millions were given. This sum represents an increase of Rm. 59 millions over the previous year. The increase of this type of credit was made possible by the improvement in the position of small and medium-sized undertakings, thanks to certain governmental measures. The Bank für Deutsche Industrie-Obligationen carries out its work with the help of certain provincial credit institutions (municipal bank institutes, private bankers, branches of the big banks, etc.), which are well acquainted with the situation of the industrial concerns in their district and which can, therefore, bring special knowledge to bear in helping the Bank für Deutsche Industrie-Obligationen to arrive at its decisions.

The proportion in which the different banks share in the new credits given in 1933 varies greatly. The Dresdner Bank gave new credits to the amount of Rm. 742 millions, i.e. 47 per cent. of the whole debtors and advances on goods; the percentage in the D.D. Bank was 42 per cent. of its debtors and advances, while the Adca (Allgemeine Deutsche Credit-Anstalt) in Leipzig only received Rm. 24.9 millions, or 15.75 per cent. The reason for this is that business is worse in Saxony than in any other parts of the Reich, and that there is much more unemployment there.

The deposits of the Big Five show a practically continuous decline, as the following table illustrates:—

DEPOSITS OF THE GERMAN BIG FIVE
(Rm. millions)

	1932	1933	1934
February	...	7,159	6,434
March	...	7,106	6,411
April	...	6,934	6,417
May	...	6,797	6,414
June	...	6,737	6,420
July	...	6,594	6,314
August	...	6,488	...
September	7,439	6,436	...
October	7,401	6,430	...
November	7,307	6,415	...

With a few unimportant exceptions, these figures show a continuous decline in the deposits of the Big Five, which is also reflected in the corresponding items on the assets side. The debtors, amounting to Rm. 4,212 millions on June 30, 1933, and a month later still to Rm. 4,727 millions, had diminished to Rm. 3,873 mil-

lions in June of this year, and on July 31st still further to Rm. 3,843 millions. In June and July, 1933, advances on goods amounted to Rm. 762 millions and Rm. 702 millions respectively, and for the same months this year only to Rm. 537 millions and Rm. 526 millions respectively. In June and July of this year bills of exchange, however, at Rm. 1,829 millions and Rm. 1,840 millions respectively, reached a higher figure than they did in the same months of last year (Rm. 1,660 millions and Rm. 1,636 millions respectively). This rise is not, however, sufficient to prevent a shrinkage of the balance sheets taken as a whole, and a reduction both in creditors and loans made by the big banks in the first seven months of this year must be recorded. In spite of this, the development in the last few months does not by any means seem unfavourable, as expenses have been reduced both relatively and absolutely, turnovers have in some cases increased, and the need for writings off has momentarily become less. It is therefore not altogether surprising that the balance sheet of the D.D. Bank for the first half of the current year gives a very satisfactory impression and that the turnover has increased. In spite of this it was not possible for the board of the D.D. Bank at the time of the publication of their half-yearly balance sheet to express an opinion on the probable result of the whole financial year.

The shrinkage of German bank balance sheets is due to several causes, of which the decline in German foreign trade is obviously not the least. How much the growing difficulties in German export trade have affected the banking business can be seen very clearly from the development of the Deutsche Golddiskontbank, which deals largely with the financing of German exports. This bank gave direct export credits amounting to Rm. 355 millions at the end of 1931, Rm. 212 millions at the end of 1932 and Rm. 126 millions at the end of 1933, while the number of bills of exchange bought by the Bank decreased from Rm. 462 millions in 1931 to Rm. 268.4 millions in 1932 and to Rm. 194.9 millions in 1933.

Attention should be drawn to a further possibility of increasing the number of credits given by the banks. At the last general meeting of the Dresdner Bank, in the spring of this year, one of the directors pointed out the necessity for using bills of exchange more than in the past. From the point of view of the liquidity of the bank, as well as from that of the costs, bankers would much prefer to buy bills of exchange than to give credits on current account. It is an old complaint, very frequently heard in the last few years, that German firms do not avail themselves sufficiently of bills of exchange. Their use is a matter of confidence, and it will be interesting to study the future development of business in bills of exchange in view of the light this development will throw upon the return of confidence in the German business world.

BANKING IN SOUTH AMERICA

(BY A CORRESPONDENT)

THE past year has undoubtedly witnessed a gradual tendency towards recovery in South American conditions, and this has been more particularly observable during the past few months. The economic fabric in the Southern Continent is particularly vulnerable, inasmuch as, whilst the primary commodities produced mainly for export are of considerable value, they are but few in number; consequently both the economic crisis of the past few years and the present resurgence of commercial activity are directly traceable to the relative state of affairs in world markets for the commodities concerned. Nevertheless, the banking industry has continued to be conducted under difficulties, mainly due to restrictive influences arising either indirectly from the depression or directly from regulations and legislation—varying in incidence in the various republics—principal among which have been the decrees favouring debtors as well as the continued official control in many of the foreign exchange markets, particularly in respect of the remittances abroad. These restrictions have brought in their train a considerable amount of unremunerative

routine work side by side with the necessity for conducting business on cautious lines. Moreover, the widespread growth of a strong nationalist spirit—which has resulted in quotas in consuming markets, unilateral agreements, and other steps aimed at preserving the economic balances of each country—as well as uncertainty regarding the principal world trading currencies, are engaging increasing preoccupation in South America as elsewhere. On the other hand—apart from uncertainty as to future currency values—a great deal has recently been achieved towards the restoration of freedom in the principal South American foreign exchange markets, which gives rise to hopes of further recovery in the volume of international trade and a consequent expansion of the necessary financing resulting in a return to more normal banking conditions. Real efforts have been made on the part of the principal administrations to restore their credit standing, while the almost inevitable political troubles attendant upon the crisis have given way to more stable conditions.

The widely-held view that Argentina, on account of

the inherent strength of her resources, would probably take the lead in any commercial revival in South America has proved justified in the event. A combination of circumstances—partly due to wise and energetic administration and partly to external events, such as the serious drought in the United States—have resulted in the Argentine situation to-day being vastly different from the gloomy outlook at the opening of the export season in October last year. For three consecutive months, from September to November, 1933, the total value of Argentine exports was actually below that of imports, and it became apparent that co-ordinated measures were necessary to ensure the disposal of the grain crops without loss to the producers as well as to restore equilibrium in the balance of payments. Argentina has invariably followed the policy of disposing of the grain crops each season and refraining from accumulating stocks, for which, indeed, the storage capacity is strictly limited. At the end of November last year, therefore, a Grain Regulating Board was created with powers to purchase wheat, maize and linseed at certain basic prices for resale to exporters at prices conforming to the international market quotations. At the same time, the exchange control regulations were modified; exporters were still obliged to sell exchange to the Exchange Control Commission at the official rates, but these export bills were subsequently sold by tender to importers holding the necessary permits. Furthermore, the official exchange value of the peso was depreciated to the extent of about 20 per cent. when the present basic rate of 15 paper pesos per £ sterling was established as the price obtained by exporters for their bills. The intention was to utilise the fund arising from profits upon the official purchase and sale of exchange as compensation to the Grain Regulating Board for potential losses. The course of events, however, has been such that, in practice, exchange profits to date must amount to a very large sum—conservatively placed in the region of 150 million paper pesos up to end July—whilst it is believed that the recovery in grain prices has been so

great as to enable the Grain Regulating Board to secure profits on the sale of such stocks of grain as were purchased from the farmers before the price recovery set in.

Although Argentine foreign trade returns during the current year have to be viewed in the light of the 20 per cent. depreciation in the exchange value of the peso, nevertheless there has been more than an off-setting recovery, the "real" value of exports for the first eight months of 1934 showing, at 980.8 million pesos, an increase of 24.5 per cent. over those for the corresponding period of 1933, whilst imports, at 690.0 million pesos, show an expansion of nearly 20 per cent. The actual total of the export surplus for the eight months is 289.9 million paper pesos, against 206.5 millions.

An outstanding event in Argentina's recovery has been the comprehensive scheme successfully carried through by the present Minister of Finance for the consolidation of the national debt. Partly by the utilisation of funds released through the "unfreezing" of peso balances, the internal debt was converted to a unified 5 per cent. basis in the autumn of last year, and, in May last, and again in September, the Argentine Government Sterling 4½ per Cent. Conversion Loan issues made their appearance in the London market in replacement of maturing debt. The cordial reception accorded to these last-mentioned issues has been justifiably taken as an expression of confidence in Argentina's position and recognition of her unbroken credit record. If—as at present promises—the next crops are good the general Argentine position at the end of this year should represent a gratifying step forward. The banking position is sound, any inflationary methods or other experiments having been avoided. Money is in plentiful supply, and the banks are in a good position to finance an increasing volume of trade.

Official recognition was accorded to the "free" exchange market in Argentina at end-November last, and the Government has operated therein to the extent necessary to smooth out violent fluctuations. With the sharp improvement in the export trade, the value of the peso

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in both the official and "free" markets has improved in recent months, whilst the two rates have tended to converge. The trend should normally be towards modifying the present exchange regime—set up in a time of stress—and action in this direction is advocated by importers and other interests desirous of seeing a higher value for the peso and greater freedom of remittance at a true economic rate. The Government will probably desire to wait until it is reasonably sure that the present recovery will continue before taking any precipitate step to alter the present interlocked grain and exchange regime, but there is certainly much speculation in Buenos Aires as to the utilisation of the unbudgeted receipts by the Exchange Control and the necessity for continuing the present system.

In Brazil, also, the "free" exchange market has been recognised—since May last—whilst the monopoly of exchange exercised by the Bank of Brazil has been gradually relaxed, so that it now applies only to coffee export bills. It is to be presumed that eventually the "free" market will supplant the official rates, and it is to be noted that the "free" milreis rate has appreciated since May last from 92 to about 70 milreis per £ sterling. The returns in currency of Brazilian foreign trade show expansion in both imports and exports, as well as in the export surplus. The gold value of the latter, however, was equivalent to only £5.3 millions (gold) for the first half of 1934, which, although somewhat higher than a year previously, is not yet sufficient to hold out hopes of any favourable modification of the external debt funding scheme before its maturity in March, 1938, especially in the absence of gold reserves. As in the case of Argentina, nature has also helped Brazil in regard to her crop difficulties, the drought having served to rectify the statistical position of coffee by reducing the probable yield this season. Better prices are being secured for coffee, and there are definite prospects of a free market at last being possible. Generally the Brazilian situation shows recovery, assisted by the development of other resources, particularly cotton, which is emerging as a decidedly important secondary export crop. Constitutional Government was restored in July last.

The Chilean situation shows steady improvement, and while exchange control continues the quotation in the "barter" market has improved in recent months to about 123 pesos per £ sterling. Negotiations have taken place in an endeavour to secure permits to remit frozen funds at this rate, and a concession on these lines has already been made in respect to funds arising from dividends and rentals. Chile has been particularly successful in fostering new lines of exports, whilst shipments of her chief product, nitrate of soda, rose to 678,000 tons, worth 74,662,000 pesos of 6d. (gold), in the first half of 1934, against only 237,000 tons, valued at 37,209,000 pesos, in the corresponding period of 1933, and exports of bar copper were 101,000 tons,

worth 77,129,000 pesos, against 64,000 tons, worth 51,827,000 pesos. Total exports were 255.3 million pesos of 6d. (gold), against 171.9 millions, the export surplus expanding to 167.2 million pesos, against 83.3 millions. The inflationary tendencies observable during the worst period of the depression in Chile have now been definitely checked. The note issue is stable at 900 million pesos, and the Central Bank is known to be seeking the restoration of its powers of control over the circulating media. In regard to the foreign debt service, whilst negotiations with creditors may be inaugurated, it is thought that considerable further progress must take place in the general recovery before additional charges upon the Budget could be contemplated, whilst the provision of remittances across the exchange even on a much attenuated basis could only be provided from income arising in foreign currency from exports of copper and nitrate, the proceeds of which, for the time being, are largely earmarked against outstanding trade debts through the numerous "compensation" agreements between Chile and European countries. The resuscitation of trade is reflected in the banking position. The advances of the commercial banks increased in the first half of 1934 by 137 million pesos to a total of 1,367 millions, and have now reached the level at which they stood in the middle of 1931. Bank deposits were augmented by some 131 millions. The increase in credit operations has extended to both the national and foreign banks, whilst cash holdings have shown a progressive decline.

In Mexico, the Government six-year plan of economic reconstruction embodies a strongly nationalistic and radical programme, and the discouragement to foreign capital is evidenced in the withdrawal of foreign banks. The protracted hostilities unhappily continue between Paraguay and Bolivia, thereby off-setting to a large extent the benefit which the latter country derives from higher tin prices. The frontier dispute between Peru and Colombia has fortunately been brought to a peaceful settlement, with great relief to the economic situation in both republics. Further improvement is looked for also in the Central American "coffee" countries, which are benefiting from the rise in prices of that commodity.

To sum up, the South American outlook is admittedly brighter consequent upon the recovery in world commodity markets, although the position is still much inferior to that existing before the crisis, and a great deal will depend upon the restoration of a more rational spirit in international commercial conditions. Decided progress has been made towards freeing the exchange markets both in respect to current business and "blocked" funds on foreign account, but, particularly from the point of view of the banking industry, it is hoped that early modifications may be made in the restrictive legislation introduced in certain republics—admittedly as emergency measures—but which in some of their aspects can only be described as inequitable.

TRENDS IN AUSTRALIAN BANKING

(BY A CORRESPONDENT)

THE outstanding changes in Australian banking figures during the financial year 1933-34 have been—

- (i) a marked rise in the Commonwealth Bank's London balances;
- (ii) sharp rises in the trading banks' cash reserves in Australia and in their deposits, both interest-bearing and in current accounts;
- (iii) a continued slow fall in all interest rates; and
- (iv) a very modest rise in trading banks' advances.

As we work on a sterling exchange standard, and the banking department of the Commonwealth Bank naturally treats its London balances as a main part of its reserve, while the trading banks work primarily on their cash with the Commonwealth Bank—the first and second changes hang closely together. They must be read in the light of the Commonwealth Bank's regulation of the

exchanges and as the direct effect of the rise, by twenty millions sterling, in the value of the 1933 Australian wool-clip. Nine-tenths of the clip goes to overseas buyers. The London funds they paid for drafts and letters of credit have been sold by our trading banks to the Commonwealth Bank. The proceeds in Australian credit have built up the balances of the trading banks in the books of the Commonwealth Bank. Meanwhile the pastoralists in receipt of bigger wool-cheques have spent more freely and have paid old debts.

Comparing the trading banks' deposits in the June quarter of 1934 with the corresponding figures for earlier years, fixed or interest-bearing deposits have grown from £178.8 millions in 1930 to £185.7 millions in June, 1933, and to a record level of £195.6 millions in the June quarter of this year. More impressive still are the figures for current deposits not bearing interest—the

active money of business. From £107.8 millions in June, 1929, these tumbled to £81.1 millions in June, 1931, the date of the adoption of the Premiers' Plan. By the June quarter of 1933 current deposits had recovered to £89.0 millions. In the last year they have grown to £101.3 millions. The rise in advances to private borrowers accompanying this increase of deposits has been very moderate, viz. from £234.1 millions in June, 1933, to £236.9 millions in June, 1934. The explanation of its comparatively small amount is to be found in the increase of advances that took place when current deposits fell and confidence froze. In June, 1929, advances for the quarter averaged £223.1 millions. By June of 1930 they were averaging £262.8 millions. From 1930 to 1932 the June quarterly averages of advances showed a slow decline, which may reasonably be interpreted as the liquidation of the increased debts incurred during the first impact of the depression. Since 1932 advances have slowly increased again. But behind the increase as between the June quarters of 1933 and 1934—less than £3,000,000—there has obviously been a considerable thawing of trading banks' assets. Both the totals of

similar reduction in the New Zealand banks' three months' rate. A Queensland student of bank interest rates calculates that, after making due allowance for the lag in the incidence of reduced rates, the banks were paying 5.12 per cent. for two years' deposits in 1930, 4.71 per cent. in 1931, 3.59 per cent. in 1932, and 3.03 per cent. in 1933. They are now paying less than 3 per cent. If further allowance is made for the average term of all time-deposits and if current deposits on which no interest is paid are also included, the average paid by the banks for all deposits, according to the same inquirer, was 3.11 per cent. in 1930, 3.29 per cent. in 1931, 3.12 per cent. in 1932, 2.30 per cent. in 1933, and is 1.82 per cent. at present.

The rates charged by the banks on advances have been steadily falling since June, 1931. From July 1st this year the trading banks' maximum charge to primary producers has been 5 per cent. and to public institutions 4½ per cent. The two Sydney banks have announced a maximum rate on all overdrafts of 5 per cent. The Commonwealth Bank, though not active in lending to private customers, announces an overdraft rate of 4½ per

	Year ended	Net Profit	Dividend	To Reserve, etc.	Pre-mises	Staff Funds	Carried Forward	Profit and Dividend for Preceding Year
Bank of Adelaide	Mar. 26	£ 54,497	£ 50,000	4	£ ...	£ ...	£ 4,497	£ 53,727
Bank of Australasia	Oct. 16 '33	258,508	253,125	7½	...	...	+ 5,383	254,970
Bank of New South Wales	Sept. 30 '33	439,617	439,000	5	...	...	+ 617	462,967
Bank of New Zealand	Mar. 31	573,032	574,218	10	...	...	- 1,186	594,270
Commercial Bank of Australia, Ltd.	June 30	209,155	184,694	5	...	20,000	+ 4,461	213,634
Commercial Banking Co. of Sydney, Ltd.	June 30	256,731	236,950	5	...	20,000	- 219	259,077
English, Scottish and Australian ...	June 30 '33	219,327	150,000	5*	65,000	5,000	- 673	147,719
National Bank of Australasia, Ltd.	Mar. 31	274,024	250,000	5	...	20,000	+ 4,024	291,944
National Bank of New Zealand, Ltd.	Mar. 31	135,674	80,000	4*	40,000	14,000	- 8,326	116,449
Queensland National Bank, Ltd. ...	June 30	67,411	70,000	4*	...	...	- 2,589	73,040
Union Bank of Australia, Ltd.	Feb. 28	203,509	200,000	5½	...	...	+ 3,509	209,559
Total		2,691,485	2,487,987	...	105,000	70,000	+ 9,498	2,477,356

* Free of tax.

and "D" mortgage shares.

† Free of U.K. tax.

(a) Includes dividends on the preference shares.

§ Includes dividends on "A" and "B" preference shares and "C" and "D" mortgage shares.

current deposits and of clearing house transactions tell of a more rapid turnover in business. In liquidity trading bank advances have made strong progress during the past year and it is likely that what happened during 1933-34 to pastoral advances may happen, in minor degree, to wheat growers' accounts in 1934-35.

The generally easier position of the trading banks, with bigger Australian reserves and more active trading in prospect, has made lower interest rates appropriate and safe. Further reductions have been made in the rates paid by the banks on fixed deposits. In April of this year these rates were brought down to 2½ per cent. on deposits for two years and 2½ per cent. on deposits for one year. In August the less important three months' rate was further reduced from 2 to 1½ per cent. This cut was made shortly after the announcement of a

cent. and a charge of 3½ per cent. for credits to organisations marketing Australian rural products.

At more than one stage in the reduction of interest rates, both on fixed deposits and on advances, the Commonwealth Bank has given a lead to the divided and mutually critical trading banks. In doing so it has confirmed the wisdom of Sir Ernest Harvey's evidence before the Macmillan Committee. Sir Ernest, it may be remembered, showed some sympathy with the argument he had heard in Australia "that the existence in the Central Bank of the power to do ordinary commercial banking would be an assurance of protection against excessive demands from other banks." Some think that the Commonwealth Bank Board, holding a position of exceptionally wide authority over savings bank rates, trading bank rates and central

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banking functions, has made but a hesitating use of the classic solvent of depression—cheap money. Fixed deposits are at record height, and Australia is once again proving an attractive field for investment. There is little doubt the Bank Board could have pressed deposit rates and bank charges still lower. Australian Consols in July showed a strength that was in part due to an expectation of lower deposit rates. On the announcement of an isolated cut in the rate on three months' deposits the market fell sharply and yields rose. It is now regaining strength.

This argument as to the policy the Central Bank should pursue in its control of interest rates bears witness to the progress in compactness that Australian banking has made during the battle with the depression. In general, the year 1933-34 has seen the prompt response to a rise in overseas prices for which the writing down of 1931 was a preparation. All parts of the economy have got quickly into their stride. Within the framework of the improved banking totals reviewed above employment has increased, building operations have been resumed in normal volume, iron and steel output and electricity consumption have mounted, manufactures have increased in turnover and range, and the share markets have become buoyant. One may guess that the Bank Board is reasoning that this is, in the main, a satisfactory showing and that before attempting to attain a degree of activity even more strongly contrasted with the conditions still prevalent in other lands, the Commonwealth Bank must be sure of its power to restrain as well as to stimulate. If it be true that the only way to prevent future slumps is to nip in the bud unbalanced credit expansions that bolster up weak industries, its caution line on interest rates is intelligible enough.

The Board may have been the more drawn towards caution because its grip over the trading banks is a loose one so long as the short-term debt is at its present volume. It has continued to oppose, during the past year, the habit of easy finance by the issue of Commonwealth Treasury Bills. The slight fall in the trading banks' holdings of securities, from £52.8 millions to £52.1 millions, bears witness to a considerable funding of Treasury Bills, not quite offset by banks' subscriptions to the loans raised in the Australian market. Early in 1933 the Loan Council, representing the borrowing Governments, came to an understanding with the Bank Board—

- (i) that, for the future, only deficits were to be financed with Treasury Bills, and
- (ii) that, after provision for public works out of long-term borrowing from the public, some funding of Treasury bills should be done.

It was then expected that the deficits on ordinary budgets would be reduced to small figures during 1934-35. But the June, 1934, Loan Council sanctioned a continuance of State deficits in that year up to a total of nearly six

millions. This persistence with deficits and the expansion of the public works programme for 1934-35 by about five millions has postponed any substantial reduction of the Treasury Bills outstanding. It is already evident that, at the Loan Council session in June, 1935, the Bank Board, assuming its continued existence, will resist the financing even of ordinary deficits by further Treasury Bill issues.

It objects to them as potential claims to cash which are in great part added to the trading banks' reserves. The trading banks hold, at present, some 25 millions of Treasury Bills. Though the Commonwealth Bank determines from time to time the amount of bills that individual trading banks may have, every increase in the volume of such bills weakens its power to restrict their holdings and the size of their reserves. As yet no market for Treasury Bills outside the banks has been developed. If the Commonwealth Bank takes up bills itself the Government cheques directly swell trading bank deposits with it.

Considerations of central banking technique as well as of sound public finance may support the Bank Board's zeal to limit Treasury Bill issues. But will the tax-paying capacity of Australians, the amount of savings offering for long-term bonds and the volume of private employment all grow fast enough to enable Federal and State Governments to balance their budgets in the near future, to cut down public works programmes, and to fund the excessive floating debt? All these things are implied in the Bank Board's policy. Notwithstanding the result of the recent general election, if the tempo of recovery which satisfies the Bank Board should prove too slow for the understanding and patience of the Australian people, an electoral storm may sweep away the admirable banking structure we had almost built. Then we should rue the measured use we made in 1934 of golden chances.

On the first day of this year died Sir Robert Gibson, who had presided over the Bank Board throughout the depression. With great courage and an impressive sense of realities he joined a Scottish flair for the rôle of superior disinterestedness. In a country rather given to anthropomorphism he thereby turned into a personal merit the essential thing about central bank control of credit. To interpret the Banks' policy since his departure as one of quiescence might be to miss the possibility that the tide is at the turn in international trade. Central bankers must perhaps swim against the current; but, with the index numbers of Australian export prices moving up and then down again as sharply as they have done of late, who can say whether we are in an eddy or on the flowing tide? Wisdom may lie "in masterful administration of the unforeseen." It is doubtful, however, if the metaphor of the tides does not beg the question of the central bank's responsibility for the direction of the movement, even in a Dominion economy. This is a problem which must be solved within the near future.

AUSTRALASIAN BANKS WITH LONDON OFFICES

Year	Banks	No. of Branches	Capital and Reserves	% of Liabilities	Notes	% of Liabilities	Deposits	% of Liabilities	Total Assets or Liabilities	Cash in Hand and Money at Call and Notice	% of Liabilities	Investments	% of Liabilities	Discounts and Advances	% of Liabilities
1890	19	1,538	24,424,100	13.2	4,821,800	2.6	138,065,900	74.7	184,931,200	26,919,000	14.6	6,808,100	3.7	145,535,900	78.7
1900	16	1,338	30,307,100	19.1	4,348,700	2.8	107,408,600	68.4	157,299,500	33,165,500	21.1	12,831,900	8.2	102,820,200	65.3
1910	17	1,965	33,612,300	16.3	5,198,100	2.4	152,885,400	71.9	212,615,200	54,575,000	25.8	17,105,000	8.1	132,956,900	62.5
1920	16	2,393	51,248,171	13.4	8,511,692	2.2	281,477,007	73.4	383,470,259	88,133,890	23.2	68,431,168	17.8	214,736,390	56.0
1924	14	2,633	66,038,630	15.8	6,973,808	1.7	304,880,617	73.0	417,885,511	85,097,837	20.4	41,379,111	9.9	280,193,236	67.1
1925	14	2,687	70,965,534	16.5	6,870,095	1.6	311,517,521	72.3	430,939,351	82,997,550	19.3	43,250,682	10.1	293,292,117	68.0
1926	14	2,788	75,294,960	16.8	7,320,202	1.6	321,525,986	72.0	447,133,140	84,338,608	18.9	52,358,405	11.7	298,281,030	66.7
1927	12	3,141	75,807,689	16.8	6,693,730	1.5	324,226,350	71.8	451,388,933	77,213,749	17.1	44,157,047	9.8	317,923,542	70.4
1928	12	3,199	83,274,577	17.5	6,940,801	1.5	341,310,252	71.8	474,657,248	82,573,158	17.4	55,565,857	11.7	330,126,109	69.6
1929	12	3,292	86,623,990	17.5	7,543,645	1.5	358,172,387	72.5	494,326,268	78,048,713	15.8	63,589,822	12.8	339,648,856	68.7
1930	12	3,372	88,074,940	18.2	6,792,206	1.4	350,095,968	72.2	484,659,471	71,442,573	14.8	44,948,658	9.3	351,619,883	73.0
1931	12	3,358	89,436,041	19.5	6,346,137	1.4	331,378,067	72.1	458,147,765	71,023,589	15.5	45,317,529	9.4	326,111,993	73.2
1932	11	3,226	86,221,161	19.2	6,549,485	1.5	329,815,863	73.4	448,372,051	76,407,310	17.0	46,143,476	10.3	311,114,477	69.3
1933	11	3,218	87,454,588	18.6	7,009,864	1.5	348,646,761	74.0	470,574,941	70,630,369	15.0	56,805,909	12.1	327,461,479	69.5
1934	11	3,161	87,308,970	17.8	7,125,090	1.5	365,005,434	74.6	489,423,221	71,561,185	14.6	66,647,578	13.6	355,111,951	68.5

CANADIAN BANKING

(BY A CORRESPONDENT)

THE outstanding events in the Canadian banking year were the publication of the Macmillan Report on Banking and Currency in Canada and the legislation which has followed that Report. The most important recommendation was that concerning the establishment of a Central Bank, reference to which is made in another article. The Royal Commission heard much evidence about banking practice not relating to the central banking question. Complaints from the Western farmers were particularly important. Much controversy centred round Section 91 (1) of the Bank Act, which provided: "The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding 7 per cent. per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable." The intention of this section was clearly the prohibition of rates exceeding 7 per cent., but banks, on the basis of a legal opinion (erroneous in the judgment of the Commission), have habitually evaded the restriction, and rates ranging up to about 10 per cent. have been commonly charged. The majority of the Commission recommended the repeal of the section; but the Government accepted the recommendation of Mr Brownlee, and the new Bank Act makes the meaning of the section indisputable and imposes a penalty for contravention. Canadian bankers assert that business under this restriction will be unprofitable in the less developed parts of the country and forecast a reduction of banking facilities in the West. The Commission sympathised with farmers' complaints of the discrepancy between the currency of loans and the period of farming operations, but felt that such matters should be adjusted not through legislation but "through mutual

A minor legal change has been the adoption of the Commission's recommendation that the restriction of married women's banking rights in the Province of Quebec should be removed.

The Commission was generally satisfied with the functioning of the chartered banks as *commercial banks* and recognised the great strength of the Canadian system. The two important gaps which it found in the system—the absence of a Central Bank and of special rural credit facilities—are gaps which it is universally recognised cannot be adequately filled by ordinary trading banks. The Canadian banks may well congratulate themselves on having survived a major crisis and a rigorous inquiry without the discovery of any serious deficiencies in their conduct of the business which is their proper sphere.

Since the general upturn in American business eighteen months ago the Canadian economy has been full of contradictions. During the spring and summer of last year Canadian industrial activity expanded rapidly, and this particular tendency has continued, though with lessened force, in the current year. Some industrial indices, e.g. output of electrical power, are reaching new high records. The general Employment Index (seasonally adjusted) rose from 80.9 in July, 1933, to 97.4 in March, 1934, falling back somewhat to 94.2 in June. The slight setback in these indices in the spring of this year has now apparently been reversed. In spite of this the bank returns show definite contraction. Current loans have fallen from \$900 millions in June, 1933, to \$862 millions in June, 1934, and demand deposits have fallen from \$535 millions to \$486 millions in the same period. Savings deposits have declined very slightly.

	Year Ended	Net Profit	Dividend	To Reserve, etc.	Pre-mises	Staff Funds	Carried Forward	Profit and Dividend for Preceding Year
Bank of Montreal	Oct. 31	\$801,031	612,000	8½	101,712	20,000	£	%
Bank of Nova Scotia	Dec. 31	407,180	300,000	12½	22,400	50,000	23,000	11
Canadian Bank of Commerce ..	Nov. 30	729,766	510,000	8½	116,000	30,000	45,233	11
Dominion Bank	Dec. 31	227,840	140,000	10	42,926	10,000	10,000	11
Royal Bank of Canada	Nov. 30	780,330	595,000	8½	62,000	40,000	43,330	11
Total		2,946,147	2,157,000	...	345,038	150,000	118,233	3,457,548

Dollars converted to sterling at \$5 to the £.

goodwill, with such moral suasion as may be exerted through some central authority duly qualified to exercise a regulating influence."

On other matters which were the source of Western complaints the Commission on the whole vindicated the banks. They found no fault with the rates of interest charged on loans to Provincial Governments and Municipalities, loans which were and which remain uncomfortably large. The publication of the banks' methods of dealing with loan applications should help to allay the Westerners' hostility. The Commission concluded that more generous recruiting of directors from the West would also be a step in this direction.

The Commission received protests from investment bankers and others against the chartered banks' activities in security dealings. The banks' defence was that their aid is necessary to the successful issue of any large block of securities, and that dealing therein is a recognised part of banking business generally. The Commission recognised the usefulness of the banks in this field, but "could not fail to be impressed by evidence of abuses" and strongly urged "upon the Canadian banks the advisability of refraining from dealing in, or distributing for their own account, any but the highest class securities available." Insurance agents made similar protest against infringement by bank officers on their business. The Commission held that the existing law gives the insurance agents sufficient protection.

The decline in loans outstanding, which has occurred entirely during the first half of the current year, is probably due to the changed situation in agriculture. In the first place the acreage sown was appreciably less this year than last. Secondly, with higher wheat prices farmers may have been paying off their indebtedness more rapidly than usual, though the incidence of the drought makes it difficult to assess the financial situation of the farmers. Thirdly, the condition of the world's wheat markets has made possible some liquidation of the enormous wheat carry-over, with consequent paying-off of bank advances. The reduction in Canadian bank loans at a time of business revival is thus not unlike the experience of the English banks. But the Canadian authorities must also reckon with the possibility that the shrinkage of bank loans may indicate that the tendency for resources to decline in agriculture and to increase in industry involves a relative decline in the economy's demand for bank credit. The 1933-34 increase in Canadian business has perhaps been largely dependent on a transfer (impelled by British and Canadian tariff laws) of factories from the U.S.A. to Canada, the new developments being financed by private capital rather than bank credit.

Security markets have been strong, apart from a period of hesitation last autumn. In the current year quotations have again advanced. The bond yield, after rising from 4.65 per cent. to 4.72 per cent. in the second half of last year, has fallen to 4.09 per cent. in the first half of 1934,

although the banks have been reducing their investments somewhat.

The balance of international payment for 1933 shows a heavy decline in net tourist receipts. The expenditure of Canadian tourists in other countries has hardly changed, but the expenditure of foreign tourists in Canada has fallen by about \$100 millions. This change, in the face of the improvement in American business, appears to justify the view that Canada's tourist income depended largely upon American prohibition. Alternatively, it may be claimed as an indication that the fruits of American revival have not been reaped by classes who would take their money across the frontier. Against this adverse change there was some decline in commodity imports and some rise in the value of exports (despite the small 1933 wheat crop), and a capital inflow

of about \$60 millions. This capital influx has probably been associated with the tariff-stimulated transfer of industries into Canada, and with lack of confidence in the U.S.A. dollar. In the current year, with tourist traffic at least no worse and the prospect of an unloading of a substantial part of the wheat carry-over at favourable prices, the balance of payments is likely to be just as strong. In view of this prospect and of the strong gold position in Canada now, the new Bank of Canada will be able, if it so chooses, to pursue an easy money policy to encourage revival for some time to come—perhaps too long. On the other hand, it must never be forgotten how dependent Canada is on the wheat markets. In the absence of other changes, a combination of good harvests elsewhere and a poor harvest in Canada could make things very difficult in 1935.

CANADIAN BANKS WITH OFFICES IN LONDON

Year	Banks	No. of Branches	Capital and Reserves	% of Liabilities	Notes	% of Liabilities	Deposits	% of Liabilities	Total Assets or Liabilities	Cash in Hand, Money at Call and Short Notice	% of Liabilities	Investments	% of Liabilities	Discounts and Advances	% of Liabilities
1900	4	95	6,679,105	21.8	2,448,500	8.0	17,584,600	52.6	30,544,200	4,567,900	14.9	2,099,600	6.9	23,488,000	77.0
1905	4	254	9,541,500	16.2	4,221,500	7.2	40,706,900	69.2	58,981,200	18,677,200	31.8	4,814,500	8.2	34,721,100	58.8
1910	5	590	13,122,300	12.1	6,670,700	6.7	83,600,500	72.4	107,995,700	42,605,600	39.5	9,799,100	9.1	54,269,400	50.3
1915	7	1,473	23,730,164	12.3	12,034,445	6.3	145,911,275	75.8	192,384,515	64,458,514	33.5	14,516,943	7.5	103,977,449	52.4
1920	8	2,653	36,524,247	7.5	35,302,963	7.2	386,047,299	79.1	487,330,996	149,427,464	30.5	78,768,170	15.2	242,618,337	49.8
1924	7	2,649	38,929,178	8.8	25,965,566	5.9	352,144,276	79.4	443,435,332	144,569,111	32.6	72,210,490	16.3	201,044,015	45.4
1925	7	2,630	39,995,858	8.5	26,394,806	5.6	375,209,605	79.7	470,860,643	154,092,281	32.7	89,880,069	19.1	197,741,138	42.0
1926	5	2,474	38,415,858	8.1	25,939,835	5.4	385,393,155	80.8	477,841,903	154,047,581	32.3	90,122,316	18.9	205,901,531	43.1
1927	5	2,466	40,223,662	8.2	26,194,912	5.3	397,786,877	80.7	493,059,087	162,919,668	33.0	80,431,781	16.3	221,202,443	44.9
1928	5	2,505	41,185,858	7.4	26,385,035	4.7	450,992,247	81.2	554,038,983	185,633,263	33.5	86,622,130	15.6	251,172,326	45.3
1929	5	2,583	46,648,894	7.7	28,655,249	4.7	479,968,383	78.5	610,518,741	207,758,213	33.9	88,159,967	14.4	280,876,805	45.9
1930	5	2,855	50,244,170	8.5	27,176,974	4.6	460,794,286	77.9	591,477,354	185,319,528	31.4	70,001,712	11.8	299,788,584	50.4
1931	5	2,800	51,528,768	9.4	23,334,906	4.2	434,987,223	79.0	550,282,378	155,264,111	28.4	101,219,272	18.4	261,641,613	47.5
1932	5	2,751	51,528,768	10.1	22,196,438	4.3	411,644,587	80.3	512,415,243	126,421,723	24.7	111,403,912	21.8	248,318,486	48.5
1933	5	2,674	51,200,000	10.4	20,529,278	4.2	399,146,897	81.0	493,426,026	122,917,642	24.9	127,887,292	25.8	216,533,823	43.7
1934	5	2,534	45,800,000	9.4	20,820,657	4.3	399,016,758	81.6	489,169,559	120,468,149	24.6	143,971,125	29.4	198,829,782	40.7

Dollars converted to sterling at \$5 to the £.

INDIAN BANKING AND FINANCE

(BY A CORRESPONDENT)

THE past year has seen no fundamental change in the Indian financial situation. The export of gold continues to dominate external trade. In the year ended March 31st last the net export of gold amounted to 57 crores (about £43 millions), against 65 crores in the previous financial year. This enormous movement has a two-fold origin. In part it is a symptom of economic distress, agriculturists being obliged to sell their gold to finance losses. At the same time, the high premium on gold has induced many of the more wealthy Indians to realise their gold holdings and invest the proceeds in local industries and in Government securities. The slackening of the rate of gold exports during the fiscal year 1933-34 was probably mainly the result of the higher prices realised for some of the staple export crops, and should therefore be hailed as a sign of economic development. The rate of gold exports may also, however, have been affected by last autumn's temporary disturbance in Bombay's stock markets, which may have checked the tendency to replace gold hoards by stocks and shares. During the first half of the current fiscal year the rate of gold exports has reverted to approximately its 1932-33

rate, the higher price of the last two months especially having led to some liquidation of stocks of gold held speculatively in Bombay.

The recent spurt in gold exports has revived discussion of the question, how long will these exports of gold last? In favour of their continuance on a large scale mention is often made of some apparently stupendous figures of India's remaining gold stocks. Yet when regard is paid to the population of India the figures are not so very large. The remaining gold stock probably averages appreciably less than half an ounce per head of the population, an amount which can hardly be considered large in a country with such primitive banking conditions. The amount of gold which may still be released by the relatively wealthy who are prepared to invest their wealth in a modern way must be dwindling rapidly, and when abatement of agricultural distress does come it is not unlikely that there will be a reversal in the net movement of gold. But until agricultural returns are much increased, the export of gold will continue, varying inversely with the crops and—as Bombay speculators' stocks respond—directly with the price of gold.

INDIAN BANKS

	Year Ended	Net Profit	Dividend	To Reserve, etc.	Pre-mises	Staff Funds	Carried Forward	Profit and Dividend for Preceding Year
		£	£	%	£	£	£	£
Chartered Bank of India, Australia, and China	Dec. 31	467,467	420,000	14	...	...	25,000	+ 22,467
Eastern Bank, Ltd.	Dec. 31	125,525	60,000	6	55,000	...	...	+ 10,525
Mercantile Bank of India, Ltd.	Dec. 31	161,697	126,000	12	...	20,000	15,000	+ 697
National Bank of India, Ltd.	Dec. 31	450,783	400,000	20	...	...	50,000	+ 783
Total		1,205,472	1,006,000	...	55,000	20,000	90,000	+ 34,472

In external commodity trade imports have been reduced slightly, largely owing to defensive measures against Japanese cotton goods—and perhaps to the steadier yen exchange allowing Indian producers to adjust themselves somewhat to Japanese competition. Exports have risen, linseed having benefited by the Ottawa Agreement and tea by the restriction scheme. A fairly good monsoon in 1933 and the slightly higher prices of primary commodities generally helped India. In the current year weather conditions have not been so favourable; but the further slight rise in prices may entirely offset that adverse factor.

The Government financial position remains relatively satisfactory. The annual provision for debt redemption has been reduced, but owing to a further expected decline in Customs revenue and an increase in expenditure it has been necessary to impose some fresh taxation in 1934-35. Actually the financial position has improved much more than is apparent during the last two years. For with the higher value of exports the commodity balance of trade is now for the first time since the crisis almost sufficient to provide for India's invisible imports (about 50 crores) without the help of the gold exports. There is consequently every prospect that India will be able at least to maintain her current volume of imports even without any general world revival. A general world revival would allow an immediate increase in India's imports, with corresponding improvement in the Customs revenue upon which the Government of India largely relies.

In spite of the much greater strength of the external trading situation there was last autumn a period of serious weakness in the exchange situation. This was due to the Legislature's debates on the Reserve Bank Bill, when an effort was made to commit the authorities to a depreciation of the rupee. For about six weeks the flight of funds was very marked, but when it became apparent that the attempt had failed the exchange market soon regained the strength which it derives from the gold exports and the improved commodity trade.

Security markets have been active throughout the year. Government bonds rose from their low point in June 1933, until October, when the failure of an important firm of cotton mill managing agents in Bombay caused a disturbance from which the markets did not

recover until the turn of the year. During 1934 prices have risen rapidly, and the Government has been able to do its financing on more favourable terms than ever before. The Imperial Bank rate has remained at 3½ per cent. throughout the year. The call money rate has been consistently low in Calcutta, but somewhat erratic in Bombay, which was more sensitive to the flight from the rupee last autumn, as well as to the general disturbance mentioned above, which occasioned a small run on a few local banks.

In 1933 the exchange banks experienced a slight improvement in conditions. Trade demands for funds reflected the improvement in trade, slight though it was, and the effects, on cotton trade financing, of Japanese inroads soon disappeared. On the other hand, the yields of gilt-edged securities were lower than ever. The net result was a small increase in total profits, and all dividends were maintained unchanged. But the National Bank of India has recently announced a reduction in its interim dividend, from 10 per cent. to 9 per cent. The lower dividend may not reflect any serious decline in profits, but merely a failure of profits to revive sufficiently. Since 1930 the dividend has been unchanged, in spite of lower profits, and the chairman had warned shareholders that the 20 per cent. per annum dividend could not be maintained unless conditions improved appreciably. The decision may be partly due to a fear that the Imperial Bank when it enters the exchange market will prevent the existing exchange banks from reaping the benefit of improving business.

The establishment of the Reserve Bank, besides providing India with a central banking organisation, is likely to be the herald of some development of commercial banking in the interior. The Reserve Bank is bound, in the interests of its own efficiency as a central bank, to take some steps to increase the use of hundis (bills of exchange), which have tended to decline in favour for some years. A marked extension in the re-discounting of hundis would make possible that unification of India's money markets which has so long been desired. It is understood further that a special department of the Reserve Bank will concern itself with problems of agricultural credit. Some improvement in, and unification of, the work of co-operative banks would be a useful contribution to the growth of India's banking system.

INDIAN BANKS WITH OFFICES IN LONDON

Year	Banks	No. of Branches	Capital and Reserves	% of Liabilities	Notes	% of Liabilities	Deposits	% of Liabilities	Total Assets or Liabilities	Cash in Hand, Money at Call and Short Notice	% of Liabilities	Investments	% of Liabilities	Discounts and Advances	% of Liabilities
1890	5	50	4,347,200	12.1	1,241,000	3.4	17,964,400	50.0	36,003,400	4,321,200	12.0	2,930,500	8.1	27,541,300	76.5
1900	5	54	3,186,800	10.5	699,800	2.3	18,084,800	58.5	30,207,600	4,704,900	15.5	2,794,600	9.3	22,147,300	72.5
1905	4	63	3,735,100	10.6	639,100	1.8	23,473,900	66.5	35,268,500	6,507,100	18.4	3,119,500	8.8	23,634,900	69.6
1910	5	87	6,100,000	12.9	515,600	1.1	34,547,000	72.9	47,339,600	8,312,300	17.6	4,139,400	8.7	32,101,200	67.8
1915	5	91	7,323,485	11.1	1,085,514	1.6	48,782,482	73.8	66,017,462	12,512,987	18.9	8,002,065	12.1	42,085,918	63.6
1920	4	94	14,171,476	8.9	2,995,124	1.9	118,352,583	74.1	159,492,420	28,521,284	17.9	10,424,084	6.5	108,740,228	68.0
1924	4	103	15,340,000	11.9	1,924,625	1.5	92,244,551	71.5	128,980,610	19,415,164	15.1	31,045,838	24.1	68,572,830	53.2
1925	4	106	15,560,000	11.1	1,682,651	1.2	104,713,687	74.8	140,044,291	17,470,182	12.5	31,021,988	22.1	80,928,390	57.8
1926	4	109	15,665,000	11.5	2,424,847	1.8	102,987,832	75.7	135,837,427	20,018,291	14.7	39,554,406	29.1	68,514,158	50.5
1927	4	110	15,770,000	11.6	2,218,870	1.8	99,421,137	73.0	136,121,504	12,722,522	9.3	36,496,821	26.8	76,954,934	56.5
1928	4	113	15,875,000	11.9	1,977,396	1.5	97,756,492	73.4	133,222,009	14,267,964	10.7	35,275,577	26.5	75,669,243	56.8
1929	4	113	15,980,000	12.4	2,351,788	1.8	95,286,461	74.0	128,696,924	13,485,072	10.5	33,001,599	25.6	74,758,105	58.1
1930	4	113	16,030,000	13.3	2,184,761	1.8	91,250,356	75.6	120,695,667	14,444,621	12.0	36,683,818	30.4	62,450,479	51.8
1931	4	109	13,780,000	12.2	2,139,984	1.9	83,246,489	73.8	112,789,023	12,225,970	10.8	35,545,820	31.5	59,248,666	52.5
1932	4	108	13,825,000	11.5	2,056,662	1.7	92,788,140	70.1	120,564,299	16,499,083	13.7	42,023,461	34.9	55,816,505	46.4
1933	4	106	13,825,000	11.5	1,460,811	1.2	94,132,318	78.4	120,691,066	19,982,509	16.6	45,400,997	37.6	49,200,923	40.8

IRISH FREE STATE BANKING

(BY A CORRESPONDENT)

THE strength and excellence of the Free State banking system are displayed by the fact that the major dislocation to agriculture and trade caused by the "economic war" has not shaken its position in the slightest degree. Indeed, it is very largely owing to the banks that the country is able to weather a storm of such magnitude

without serious inconvenience. It is the banks that provide the sterling necessary to pay for the imports, which, though declining, are declining less rapidly than the exports, so that the adverse balance is widening; it is the banks that are assisting the local authorities to carry on in spite of accumulating arrears of rates; and,

finally, it is the banks that are taking up the greater part of the Government's new loans. If the banks were suddenly to take fright at the course which events are taking, and to refuse further accommodation, the whole financial and political situation would be drastically affected.

Attention has been drawn more than once in these columns to the so-called "divided balance sheet" of the Free State banks, in which their principal assets and liabilities are divided according to their location in the Free State or elsewhere; and it has been explained that the movement of the figure showing the excess of external assets over external liabilities affords an excellent indication of the movement of funds in and out of the country. Between the second quarter of 1932 and the second quarter of 1933 this figure increased from £83.6 millions to £88.3 millions, showing that the balance of payments in 1932 must have been very favourable. A peak figure of £91.9 millions was recorded in the first quarter of 1933. A glance at the later figures printed below shows that this favourable tendency has been replaced by a distinctly unfavourable trend, and the Free State balance of payments appears to have become definitely adverse. This conclusion is corroborated by the statistics of visible and invisible imports, but there is so wide a margin of error in some of the estimates of the invisible payments that it would be unsafe to rely on them without qualification. The curious thing is that well-informed bankers and public officials in Dublin deny that the balance of payments is adverse, but such optimistic observers of the situation have not attempted to explain away the unmistakable drain of sterling resources shown by the banking returns.

(£'000's omitted)

	Second Quarter, 1932	Second Quarter, 1933	Third Quarter, 1933	Fourth Quarter, 1933	First Quarter, 1934	Second Quarter, 1934
Capital and reserves—						
In Irish Free State.....	13,120	13,089	13,110	13,133	13,151	13,165
Elsewhere	3,745	3,806	3,819	3,765	3,835	3,850
Notes—						
In Irish Free State.....	5,064	5,153	5,117	5,086	5,079	5,146
Elsewhere	2,987	3,117	3,029	3,104	3,068	3,218
Deposits—						
In Irish Free State.....	127,700	129,028	125,549	123,807	124,208	123,386
Elsewhere	40,273	46,896	46,675	46,131	46,162	45,086
Total liabilities—						
In Irish Free State.....	149,295	151,299	147,671	145,681	145,622	144,898
Elsewhere	49,297	55,460	55,460	54,790	54,697	54,098
Cash and balances with banks—						
In Irish Free State.....	5,706	5,625	5,042	5,224	4,520	4,883
Elsewhere	8,164	10,774	10,493	9,984	8,297	7,901
Money at call and short notice—						
In Irish Free State.....	4	2	3	4	3	3
Elsewhere	10,220	12,011	10,613	10,657	10,147	9,133
Bills—						
In Irish Free State.....	7,139	5,899	5,809	5,690	5,644	5,647
Elsewhere	4,103	2,534	2,373	2,454	2,505	1,659
Loans and advances—						
In Irish Free State.....	45,388	42,797	42,409	42,703	43,505	44,028
Elsewhere	27,734	25,488	25,029	24,963	25,097	25,243
Investments—						
In Irish Free State.....	4,332	5,224	5,294	5,573	7,154	7,917
Elsewhere	78,047	88,451	87,885	85,088	85,582	84,465
Total assets—						
In Irish Free State.....	65,721	62,984	61,827	62,699	64,074	63,853
Elsewhere	132,871	143,775	140,950	137,773	136,244	133,142
Excess of assets outside Irish Free State over liabilities outside Irish Free State.....	83,574	88,315	84,590	82,983	81,547	79,044

IRISH FREE STATE BANKS

	Year Ended	Net Profit	Dividend	To Reserve, etc.	Pre- mises	Staff	Carried Forward	Profit and Dividend for Previous Year
Bank of Ireland	Dec. 31	£ 404,254	£ 301,154	14½	£ 100,000	£ ...	£ 3,100	£ 438,762
Hibernian Bank	June 30	86,650	57,500	11½	20,000	10,000	850	88,187
Munster and Leinster Bank	June 30	136,552	90,000	12	27,500	10,000	948	155,525
National Bank	June 30	224,016	180,000	12	40,000	...	4,016	220,194
Provincial Bank of Ireland	June 3	69,457	51,468	12½	15,000	3,000	11	73,732
Royal Bank of Ireland	Dec. 31	52,455	20,250	9	32,000	...	205	54,756
Total		973,384	700,372	...	234,500	23,000	+ 5,512	1,029,156

* Free of tax.

However opinions may differ regarding the interpretation of the available statistics, there is no doubt about the fact that the banks' excess of external assets over external liabilities has steadily diminished. Of course, it would be possible to attach too much importance to this movement, as the Free State is possessed of very large sterling assets held by private individuals, trustees and corporations, and its capacity to sustain an adverse balance (assuming such to exist) is not to be measured merely by an examination of the banks' sterling resources. Nevertheless, the banks' assets are the first line of defence, and any sign of their being materially reduced invites attention, if not anxiety. It is rumoured that the whole monetary and banking system will shortly be reviewed by a commission of inquiry, and, if this rumour proves to be correct, there is no doubt that the question of the external balance of payments will be exhaustively investigated.

From the trading standpoint the year has been satisfactory for the banks, both profits and dividends having been maintained. The rise in the price of gilt-edged securities must have greatly benefited the banks, which hold such a large proportion of their assets in this form. During the year, as will be seen from the "divided balance sheet," the amount held in cash and in money at call and short notice was reduced. The tendency to increase the proportion of investments in the Free State continues. In the first quarter of 1932 the percentage of the banks' investments located in the Free State was 4.65, while in the second quarter of this year the corresponding figure was 8.57. The increase was largely the result of the assistance given by the banks to the flotation of the Government's more recent loans.

The withdrawal from circulation of the old Irish banknotes issued prior to the Free State's currency legislation in 1927 continues. It is estimated that the total of such notes outstanding on March 31, 1934, was £1,573,085. A substantial part of this figure represents "dead" notes, that is notes which have been outstanding so long that they might be regarded as lost and as never likely to be presented. The profit arising from these "dead" notes has always belonged to the Government, and a dispute has arisen between the Free State and the British Government as to which should reap the profit on these pre-Treaty notes. In the correspondence which took place between the two Governments in 1932 it was agreed that this matter should form the subject of further discussion, but no such discussion has been held, and the controversy remains unsettled.

The Report of the Currency Commission for the year ending March 31, 1934, states that the surplus income of the Commission for the year amounted to £188,267. The earnings of the Commission, which is bound to confine its investments to British Government securities, were adversely affected by the prevailing low money rates.

The Currency Commission has begun to publish a quarterly statistical bulletin containing many valuable tables relating to the monetary and financial affairs of the Free State. Of particular interest is the table showing bank debits, divided into ordinary and Government accounts. The total debits for the first half of 1934 were £311,610,000, as compared with £317,407,000 for the corresponding period of last year.

JOINT-STOCK BANKS OF IRELAND

Year	Banks	No. of Branches	Capital and Reserves	% of Liabilities	Deposits	% of Liabilities	Notes	% of Liabilities	Total Liabilities	Cash in Hand, Money at Call and Short Notice	% of Liabilities	Invest- ments	% of Liabilities	Discounts and Advances	% of Liabilities
1895	9	496	£ 10,200,000	16.5	£ 44,390,000	72.0	£ 6,143,000	9.9	£ 61,663,000	£ 11,253,000	18.3	£ 17,934,000	29.1	£ 31,182,000	50.5
1900	9	543	10,894,000	16.0	49,449,000	72.8	6,703,000	9.9	67,988,000	11,697,000	17.2	17,719,000	26.1	37,464,000	55.0
1910	9	663	11,475,000	13.9	62,508,000	76.0	7,211,000	8.8	82,150,000	13,762,000	16.7	23,215,000	28.2	44,127,000	53.7
1920	9	912	12,899,000	5.4	200,441,000	83.2	24,717,000	10.3	240,391,000	46,698,000	19.4	80,959,000	33.5	109,623,000	45.5
1922	9	986	13,779,000	5.7	209,777,000	86.0	17,321,000	7.1	242,199,000	31,834,000	13.1	103,019,000	42.5	104,554,000	43.1
1924	6*	764	11,259,000	6.5	147,105,000	86.0	12,025,000	7.0	171,164,000	24,510,000	14.3	72,053,000	42.1	72,158,000	42.2
1925	6*	766	12,356,000	7.5	140,569,000	85.3	11,276,000	6.8	164,957,000	19,573,000	11.9	72,592,000	44.0	70,452,000	42.7
1926	6*	773	12,743,000	8.1	133,035,000	84.6	10,690,000	6.8	157,377,000	17,974,000	11.4	68,437,000	43.5	68,483,000	43.6
1927	6*	786	13,053,000	8.6	127,593,000	84.0	10,579,000	7.0	151,997,000	18,540,000	12.2	63,914,000	42.0	67,144,000	44.2
1928	6*	784	13,319,231	8.7	128,280,338	83.9	10,467,485	6.8	153,020,542	20,603,358	13.6	62,921,757	41.5	66,980,637	43.7
1929	6*	798	13,549,231	9.0	128,212,719	85.0	8,384,891	5.5	151,006,928	19,097,681	12.6	63,327,301	41.9	66,109,058	43.7
1930	6*	808	13,744,231	9.3	126,913,785	85.8	6,513,849	4.4	148,029,152	16,100,407	10.9	65,094,325	44.0	64,377,598	43.5
1931	6*	807	13,934,231	9.4	127,984,313	86.1	5,850,791	3.9	148,613,574	14,921,624	10.0	67,622,666	45.6	63,560,931	42.8
1932	6*	813	12,984,231	8.8	128,933,593	86.8	5,519,572	3.7	148,258,478	17,581,926	11.9	64,057,942	43.1	64,097,121	43.2
1933	6*	815	12,959,231	8.0	142,409,702	88.1	5,628,327	3.5	161,825,966	21,525,641	13.3	76,802,234	47.5	60,941,640	37.7
1934	6*	817	13,024,231	8.6	131,897,421	87.0	5,653,210	3.7	151,518,670	18,621,526	12.3	69,142,874	45.6	61,119,164	40.4

* Irish Free State.

SOUTH AFRICAN BANKING

(BY A CORRESPONDENT)

SINCE the beginning of last year the South African banking situation has remained largely under the influence of the economic forces put into motion by the abandonment of the gold standard at the end of 1932 and by the subsequent pegging of the currency at the seriously undervalued level of parity with sterling. As will be remembered, the immediate effects of these steps were the return of large amounts of South African money (estimated at not less than £15 millions) which had left the country during the preceding period of uncertainty, and a great increase in the already large surplus of visible exports over visible imports. These developments in turn resulted in very large increases in the South African

deposits of the commercial banks, in the commercial banks' deposits with the South African Reserve Bank, and in the gold and sterling bill holdings of the South African Reserve Bank (which alone was guaranteed by the Government against exchange losses).

During the past year, however, there have developed certain secondary forces which have checked, though not as yet reversed, the expansionary tendencies shown in the banking figures as an immediate effect of the depreciation of the currency. The great increase in the currency value of gold, whether accruing to the benefit of the Government, the South African shareholders, or the additional workers who have found employment on

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BERTRAM LOWNDES, London Manager.

gold mines, old and new, together with the disappearance of the former financial stringency and its replacement by extremely easy money conditions, has greatly stimulated business activity, especially in the Transvaal. One result of this has been a rapid and continuous rise in imports, which for the first six months of 1934 totalled nearly £30 millions, as compared with less than £22 millions in the first half of 1933. Meanwhile exports have remained nearly stationary, for the further increase in the sterling value of gold has been offset by the decrease in the quantity produced, due to a further reduction in the average grade of ore milled. The excess of visible exports, which was over £25 millions in the first half of 1933, therefore fell to under £19 millions in the first half of 1934.

Meanwhile the net balance of invisible imports has increased substantially in consequence of larger freight charges on imports, increased gold-mining and other dividends payable overseas, greater expenditure by South African visitors overseas, etc. In consequence the net surplus of international receipts over payments during the first half of 1934 may have been only about £6 millions, compared with perhaps £15 millions (in addition to perhaps £15 millions of returning capital) in the first half of 1933.

The smaller favourable balance of international payments is reflected in a substantial slowing down in the

rate of expansion of the commercial banking figures. Cash reserves and deposits in the Union, which rose in the first six months of 1933 by £22 millions and £20 millions, respectively, rose in the twelve months ending June 30, 1934, only by a further £3.0 millions and £13.0 millions. Advances, which at the first onset of the period of easy money contracted fairly sharply, have since shown some modest signs of expansion, though they still remain at a very low level; but the great bulk of the immense increase in deposits which has been thrust upon the commercial banks still lies idle in their hands. It is at first sight rather remarkable that, in contrast to the banks in this country and in the United States, they seem to have made so little attempt to find a use for these additional funds in the purchase of securities, either in South Africa or in London.

The chief reason for this is, presumably, that the financial position of the South African Government has been so greatly improved by receipts from gold-mining taxation that no short-dated Government securities are available in South Africa; the banks, if they wished to invest funds locally, would be obliged to purchase long-dated securities. The effect of such purchases would be to expand deposits in the Union still further, to increase the local monetary ease, and to force down long-term interest rates still lower; the banks would run the risk of considerable losses in the event of any subsequent rise

in interest rates and consequent depreciation in the value of long-dated securities.

Alternatively, the banks might have used part of their surplus deposits with the Reserve Bank to purchase sterling from it with which to buy securities in London. The purchase of long-dated securities would obviously have been more remunerative as regards current income (an investment of, say, £10 millions at a net yield of 2½ per cent. would have given an additional income equivalent to 3 per cent. on the banks' paid-up capital), but would have involved two risks—a rise in the British rate of interest and a rise in the sterling value of the South African pound. An investment in British short-term securities would have been far less remunerative, but would have involved the latter risk only. In either case, an investment by the South African commercial banks in sterling securities would have compelled the South African Reserve Bank to part with some of its own sterling bills, thus losing a portion of its already falling income. It is possible that the commercial banks were unwilling to take any action which might have this result.

While the greatly excessive cash reserves of the com-

whole of their exchange dealings through the banks, even going so far as to propose the imposition of a special charge for keeping the accounts of customers who dealt in exchange outside the banks. This proposal provoked much opposition, and a compromise was reached, according to which customers were not to be penalised for putting their exchange business outside the banks provided that they undertook that all dealings should be at the official rates.

As might have been expected, this curious arrangement does not seem to have been successful in practice, and during July the banks raised their buying rate per £100 sterling from S.A. £99 17s. 6d. to S.A. £100 2s. 6d. It is regrettable that the banks could not see their way to taking this action earlier, and so avoiding the loss of an appreciable amount of goodwill, which even businesses in a monopoly position cannot continue to sacrifice with impunity. In this connection it may be noted that the margin between the buying and selling rates is still 50 per cent. higher than in September, 1931; it is therefore possible that outside dealings still remain sufficiently profitable to attract exchange business away from the banks.

	Year Ended	Net Profit	Dividend		To Reserve, Etc.	Pre-mises	Staff Funds	Carried Forward	Profit and Dividend for Preceding Year	
Bank of British West Africa, Ltd.	Mar. 31	£ 58,766	£ 48,000	% 4	£ ...	£ 10,000	£ ...	+ £ 766	£ 58,611	% 4
Barclays Bank (Dominion, Colonial and Overseas)	Sept. 30	371,549	220,957*	4½	150,000	...	...	+ 592	372,103	4½
Netherlands Bk. of South Africa	Dec. 31	67,415	34,814	5	19,814	14,974	...	- 2,187	-112,833	...
Standard of South Africa, Ltd....	Mar. 31	433,180	250,000	10	...	75,000	100,000	+ 8,180	429,336	10
Total		930,910	553,771	...	169,814	99,974	100,000	+ 7,351	747,167	...

* Includes £107,580 in payment of the 8% Preference dividend.

mercial banks have recently been growing only slowly, and while they have as yet been used for the expansion of credit only to a negligible extent, yet their continued existence renders possible an almost unlimited expansion of bank credit as soon as the demand for bank advances increases. The dangers of such a situation were commented upon last year. There is therefore reason to welcome, from the South African as well as from the British point of view, the action of the South African Government in repaying at the end of August the outstanding balance of £7½ millions of its war debt to the British Government. This transaction has appreciably reduced both the deposits and the cash reserves of the commercial banks, while the steady rise in imports without a corresponding rise in exports seems likely in due course to turn the balance of payments against South Africa and to reduce the banks' cash reserves still further towards normal.

An interesting though minor development which has recently occurred is the narrowing of the margin between the banks' buying and selling rates for telegraphic transfers from 1 per cent. to ½ per cent. Prior to September, 1931, the margin between the rates was ½ per cent.; during the period of fluctuating exchange rates which followed it was naturally widened, and when the South African pound was pegged by the South African Reserve Bank at approximate parity with sterling the wider margin of 1 per cent. was maintained. As confidence in the stability of the exchange rates returned, this wide margin naturally led to considerable dealings outside the banks. Since the South African selling rate for sterling was controlled by the rate at which the South African Reserve Bank was prepared to sell the sterling proceeds of the gold which it bought from the mines under its exclusive contract, the commercial banks could not lower their selling rates for sterling; but there seems to have been no reason (other than their natural wish to maintain profits and possibly a desire not to offend the Reserve Bank) why they should not have narrowed the margin by raising their buying rates for sterling. Instead, however, they endeavoured in various ways to bring pressure to bear on their customers to put the

JOINT STOCK BANKS CONDUCTING BUSINESS IN THE UNION OF SOUTH AFRICA

(000's omitted)
IN THE UNION (South African Currency)

LIABILITIES						ASSETS					
Date	Capital and Reserves	Notes	Deposits	Due to Head Office and Branches	Total	Cash and Call (b)	Due by other Banks	Investments	Discounts and Advances	Due by Head Office and Branches	Total
1914—Dec. 31	£ 3,479	£ 2,357	£ 35,668	(a)	£ 42,885	£ 6,616	£ (a)	£ 2,225	£ 29,697	£ (a)	£ 39,872
1918 "	3,745	6,269	63,384	622	76,947	7,367	338	2,453	48,502	11,029	72,847
1919 "	4,047	7,985	87,874	244	104,111	7,960	593	3,269	55,541	31,124	102,075
1920 "	4,351	9,066	77,906	1,639	97,226	10,929	88	3,614	69,911	5,799	95,280
1921 "	4,354	8,764	69,855	351	88,109	13,841	210	4,284	55,194	10,559	86,783
1922 "	4,056	1,235	64,750	281	74,929	9,960	247	2,917	45,200	12,341	73,483
1923 "	2,170	570	61,091	514	67,270	9,523	213	2,689	38,811	12,335	66,557
1924 "	2,322	...	58,040	392	64,744	8,959	187	3,494	36,708	11,089	63,624
1925 "	2,474	...	60,012	468	66,894	8,813	138	3,959	38,463	11,850	66,945
1926 "	107	...	58,912	442	61,916	10,109	159	2,993	41,155	6,302	63,545
1927 "	109	...	59,383	649	63,028	8,789	615	2,872	41,885	7,347	64,811
1928 "	112	...	62,249	1,095	66,694	8,842	179	5,159	45,378	5,965	68,532
1929 "	115	...	60,633	3,846	67,717	8,766	141	4,083	51,053	2,537	69,826
1930 "	117	...	63,519	629	67,383	8,157	170	5,753	44,515	10,448	72,451
1931 "	120	...	56,632	2,749	62,196	6,967	114	5,888	45,542	59	62,251
1932 "	123	...	54,364	2,226	60,042	6,950	167	8,150	40,052	3	60,069
1933—June 30	124	...	74,169	113	77,953	28,826	284	6,109	35,614	2,550	77,935
1933—Dec. 31	124	...	81,247	302	85,152	29,376	327	7,605	37,895	5,376	85,078
1934—June 30	125	...	87,600	233	91,468	31,551	437	7,229	40,183	7,368	91,404

OUTSIDE THE UNION (Sterling)

1914—Dec. 31	4,627	47	9,729	(a)	25,413	2,243(c)	(a)	2,405	11,606	(a)	23,426
1918 "	5,176	182	14,210	4,023	29,147	6,594	1,668	8,320	14,006	735	34,347
1919 "	5,372	235	19,203	21,584	55,186	9,784	3,409	14,063	26,114	242	57,222
1920 "	5,404	403	24,426	2,539	40,069	5,811	2,935	5,094	21,227	5,079	42,015
1921 "	5,412	419	21,143	7,002	39,617	10,248	2,693	5,857	19,720	1,241	40,943
1922 "	5,412	372	19,048	7,075	36,331	5,646	1,011	9,153	20,087	289	37,777
1923 "	5,717	474	16,674	5,993	33,362	6,277	790	8,931	15,565	527	34,075
1924 "	5,733	714	18,823	4,665	35,318	8,002	926	8,751	16,022	361	36,438
1925 "	5,738	791	18,630	5,207	36,171	6,532	1,903	6,801	17,583	573	36,120
1926 "	11,824	1,318	35,746	1,089	60,233	6,868	3,731	12,258	28,477	2,501	58,604
1927 "	11,983	1,516	37,514	2,276	63,997	7,265	4,905	15,417	28,326	2,507	62,214
1928 "	12,186	1,517	39,695	3,641	69,686	7,540	5,729	16,070	29,902	4,413	67,847
1929 "	12,825	1,518	40,801	94	67,523	6,924	5,560	13,350	28,313	7,116	65,414
1930 "	12,935	1,418	40,996	6,699	72,758	8,168	6,809	24,698	24,654	610	67,689
1931 "	13,143	1,237	40,154	...	65,826	7,092	7,219	21,842	22,375	4,591	65,748
1932 "	13,212	1,163	51,301	...	78,366	8,457	7,587	32,191	21,894	3,852	78,337
1933—June 30	12,484	1,249	44,480	1,957	72,867	6,834	7,504	34,408	20,173	1,555	72,885
1933—Dec. 31	12,522	1,169	42,687	3,707	72,149	6,084	6,238	34,714	21,787	899	72,225
1934—June 30	12,692	1,315	44,280	4,985	75,767	9,776	7,322	37,872	18,298	175	75,831

NOTES.—(a) Not available.

(b) Including throughout balances with the South African Reserve Bank.

(c) Excluding Money at Call, which for this year is included with other assets.

The change in the figures between 1925 and 1926 is due to the incorporation of the National Bank of South Africa, Ltd., with Barclays Bank (Dominion, Colonial and Overseas).



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BANK SHARES

THE progress of industrial recovery during the present year has been accompanied by a rapid advance in leading industrial shares to levels at which, to judge from present trade indications, future earnings prospects seem likely to be adequately discounted. *Prima facie*, the increased tempo of industrial activity might be calculated, in due course, to be reflected in the earning power of the British banking system as a whole. The disposition of the assets of the clearing banks, however, suggests in unmistakable fashion that economic recovery has, in large measure, been financed from the "hump" of liquid resources which the majority of soundly-placed industrial concerns had conserved during the depressed conditions of the preceding three years. The operation of this time lag has always been recognised as a factor making for steadiness of bank earnings, while any minor recession in profits during depression, for similar reasons, has normally been accompanied by limited reductions in dividends.

Bank shares, although in the equity class, are accordingly widely acknowledged to afford a hedge against the broader risks of equity movements during periods of depression. The "interest factor" may be expected to limit fluctuations in capital value during a regime of lower earnings, and to ensure, in the first stage of recovery at least, that bank shares take their place in the general upward movement. The extent of this movement is illustrated in the following table, which compares the trend of bank and industrial shares during recent periods:—

ACTUARIES' INVESTMENT INDEX

	Price Index. (Dec. 31, 1923 = 100)						
	Dec. 30, 1930	Dec. 31, 1931	Sept. 20, 1932	Dec. 28, 1932	Sept. 26, 1933	Dec. 27, 1933	Sept. 25, 1934
Bank and Discount Company shares	96.8	68.2	94.5	96.0	100.9	104.3	112.3
Industrial shares	64.3	49.3	57.9	56.7	67.6	69.6	72.7
Average Yields (per cent.)							
Bank and Discount Company shares	5.38	7.43	4.99	4.93	4.64	4.49	4.18
Industrial shares	7.21	6.94	4.60	4.38	3.61	3.47	3.65

The rapid recovery in bank share quotations in the year following the financial crisis of 1931 has been followed by steady appreciation reflecting the continued fall in long-term interest rates. The recent check to industrial shares has left bank stocks, generally speaking, unaffected, the rise since the beginning of the year amounting to 7.7 per cent., compared with 4.5 per cent. for representative ordinary shares. Although the average yield obtainable at current quotations is still higher than the average industrial return, increased dividends in the latter class have reduced the margin from 1 per cent. at the end of 1933 to a little over 0.5 per cent.

The apparent disparity in yields testifies to the willingness of speculative investors to pledge their faith in a further upswing in industrial profits, and to their reluctance, at this stage of the recovery phase, to budget for any significant advance in the general level of banking profits. Pending the reversal of this trend, bank shares are likely to remain faithful satellites of the gilt-edged planetary system, isolated from the meteoric movements of the industrial market. Whether the earnings factor will make its influence felt before any rise in long-term interest rates occurs is a long-period question which can only be decided when the "shape" of the present recovery cycle is indicated in a more certain fashion. Present indications suggest that the trough in long-term rates

has yet to be reached, and this feeling is endorsed by the investment policy of the banks themselves.

The tables which follow below confirm these considerations so far as they apply to British bank shares. This year's interim dividends have been maintained at last year's levels, but quotations have made steady response to the pressure of investment funds seeking reasonable current yields with a possible promise of further fruits in due season. On the whole, banks operating overseas have also maintained their distributions, but the National Bank of India has reduced its interim payment from 10 per cent. to 9 per cent., while the Bank of New South Wales has paid 5 per cent. for the latest year, against 5½ per cent. for the previous year. The improvement in South American conditions has been marked by the higher quotation for Bank of London and South America £5 shares, although no interim dividend has been declared. Australian and New Zealand issues have shown some appreciable recession during the year, which has fully recognised the dependence of these countries upon primary products, but in recent weeks the success of the United Australia Party at the polls has set at rest apprehensions of financial experimentation in that country.

FULLY PAID SHARES.

Bank	De-nomination	Prices		Last Three Dividends			Yield %
		End-Sept., 1933	End-Sept., 1934	(a)	(b)	(c)	
Agricultural Bank of Egypt	£ 5	7½	7½	7c	7c	7c	£ s. d. 4 10 4
Anglo-International Bank	1	2/6	5/-	Nil c	Nil c	Nil c	Nil
Bank of Australasia	5	10½x	9½	3½a	4b	3½a	4 0 0
Bank of London and South America	5	5	5½	Nil a	3b	Nil a	2 14 6
Bank of New South Wales	20	29	28½	8c	3½c	5c	3 0 0
Bank of New Zealand	1	48/9	45/-	5b	5a	5b	4 8 6
Bank of Roumania	6	40/-	35/-	Nil c	Nil c	Nil c	Nil
Barclays "A"	4	10	10½	5a	5b	5a	3 14 9
Do. "B"	1	66/6	72/9	7a	7b	7a	3 17 0
British Overseas "A" Ord.	5	4½	4½	Nil a	6b	Nil a	6 13 3
Chartered Bk. of India, etc.	5	15½x	15½x	7a	7b	7a	4 10 0
Royal Bank of Scotland	Stock	435	460	8½a	8½b	8½a	3 13 9
Union Bank of Scotland	1	4½	4½	9a	9b	9a	4 0 0
Imperial Bank of Persia	6½	13½	13½	6-92b	3-08a	6-92b	4 13 9½
Ionian Bank	5	40/-	47/6	2c	2c	2c	4 4 0
District "B" Shares	1	55/-	52/6	5a	5b	5a	3 16 2
Lloyds	1	26/6	28/3	2½a	2½b	2½a	3 13 3
Martins	1	69/-	74/6	7a	7b	7a	3 15 0
Midland	2½	10½	11½	8a	8b	8a	3 12 0
Do.	1	8½	8½	8a	8b	8a	3 12 0
National Bank of Egypt	10	34	37	4a	11b	4a	4 0 3
National Provincial Bank	5	19½	20½	7½a	7½b	7½a	3 13 0
Westminster	1	63/9	68/3	6½a	6½b	6½a	3 13 3

(a) Interim dividend. (b) Final dividend. (c) Yearly dividend. (d) Allowing for rate of exchange. (e) Free of income tax.

PARTLY PAID SHARES

Bank	Amt. of Share	Paid up	Prices		Last Three Dividends			Yield per Cent.
			End-Sept., 1933	End-Sept., 1934	(a)	(b)	(c)	
Lloyds	£ 5	£ 1	54/0	60/-	6(a)	6(b)	6(a)	£ s. d. 4 0 0
Martins	20	2½	7½	8½	7(a)	7(b)	7(a)	4 4 6
Midland	12	2½	9	10½	8(a)	8(b)	8(a)	3 15 3
National Provincial	20	4	13½	14½	7½(a)	7½(b)	7½(a)	4 2 0
Westminster	4	1	8½	9½	5(a)	5(b)	5(a)	4 0 0
Union Bank of Scotland	5	1	4½	4½	9(b)	9(a)	9(b)	3 19 6
English, Scottish & Australian	5	3	107/6	113/9	12½(a)	12½(b)	12½(a)	2 12 6½
National of Australasia	8	5	5½	4½	2½(b)	2½(a)	2½(b)	5 2 7
National of New Zealand	7½	2½	3½	2½	12(b)	12(a)	12(b)	3 9 7½
Union of Australia	15	5	8½	7½	13(b)	12(a)	13(b)	3 7 9½
Eastern	10	5	6	6½x	3(a)	3(b)	3(a)	4 14 1
National of India	25	12½	45	46½	10(a)	10(b)	9(a)	5 2 0
Anglo-S. American	10	5	7/6	7/6	Nil(c)	Nil(c)	Nil(c)	Nil
Bank of British W. Africa	10	4	3½	4½	2½(b)	1½(a)	2½(b)	3 18 3
Standard of South Africa	20	5	12½	13½	5(b)	5(a)	5(b)	3 13 5

† Free of income tax. (a) Interim dividend. (b) Final dividend. (c) Yearly dividend.

MIDLAND BANK

LIMITED

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This service is available at the Head Office building in Poultry for the convenience of individuals, limited companies, firms and associations. Among its advantages are those of **ECONOMY**: The annual fee ranges from 10s. to £3, according to the size of safe selected.

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Similar facilities are provided at the office at 140 Leadenhall Street, London, E.C.3

HEAD OFFICE: POULTRY, LONDON, E.C.2

National Provincial Bank

LIMITED

ESTABLISHED 1833

Subscribed Capital - - - - £43,617,080
Paid-up Capital - - - - £9,479,416
Reserve Fund - - - - £8,000,000
Deposits, &c. (June 30, 1934) - £273,738,235

DIRECTORS:

COLIN FREDERICK CAMPBELL, Esq., Chairman

FRANCIS ALEXANDER JOHNSTON, Esq. Sir ALFRED EDWARD LEWIS, K.B.E., Deputy Chairmen

Sir ARTHUR BALFOUR, Bart., K.B.E.

GEORGE FINCH HOTBLACK, Esq.

Sir PERCIVAL LEA DEWHURST PERRY, K.B.E.

Sir HARCOURT BUTLER, G.C.S.I., G.C.I.E.

The Right Hon. LORD ILLINGWORTH, P.C.

The Most Hon. The MARQUESS OF READING, P.C., G.C.B., G.C.S.I., G.C.I.E., G.C.V.O.

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CHIEF GENERAL MANAGER:
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AFFILIATED BANKS:

COUTTS & CO.

GRINDLAY & CO., LTD.

DOMINION JOINT STOCK BANKS WITH LONDON OFFICES

IRISH FREE STATE BANKS

1 Name of Bank	2 Date	3 No. of Branches and Sub-branches	4 Capital Subscribed	5 Uncalled Capital		6 Capital Paid-up	7 Reserve Fund	8 Un-divided Profits	9 Notes in Circulation	10 Acceptances and Bills for Collection
				Callible	Reserved					
Bank of Ireland	Dec.31	104	£ 2,769,231	£ ...	£ ...	£ 2,769,231	£ 3,180,000	£ 258,150	£ 1,857,639	£ 151,889
Hibernian Bank	June 30	62	2,000,000	500,000	1,000,000	500,000	660,000	62,811	507,469	...
Munster and Leinster Bank	June 30	205	1,875,000	1,125,000	...	750,000	1,000,000	87,703	824,064	...
National Bank	June 30	273	7,500,000	1,000,000	5,000,000	1,500,000	1,060,000	145,355	1,297,922	126,562
Provincial Bank of Ireland	June 30	130	4,080,000	1,500,000	2,040,000	540,000	485,000	59,704	934,974	...
Do. New	Dec.31	43	1,500,000	300,000	900,000	300,000	280,000	22,692	231,142	...
Royal Bank of Ireland.....										
Total		817	19,724,231	4,425,000	8,940,000	6,359,231	6,665,000	636,415	5,653,210	278,451

AFRICAN BANKS

Bank of British West Africa, Ltd.	Mar.31	44	3,000,000	300,000	1,500,000	1,200,000	400,000	83,003	...	685,072
Barclays Bank (Dominion, Colonial and Overseas)	Mar.31	479	6,975,500	2,000,000	3,024,500	4,975,500	1,650,000	...	800,595	4,539,608
Netherlands Bank of South Africa	Dec.31	18	696,285	Nil	Nil	696,285	278,638	38,880	...	106,550
Standard Bank of South Africa, Ltd.	Mar.31	377	10,000,000	7,500,000	Nil	2,500,000	2,500,000	387,580	473,493	8,374,705
Total		918	20,671,785	9,800,000	4,524,500	9,371,785	4,828,638	509,463	1,274,088	13,705,935

AUSTRALASIAN BANKS

Commonwealth Bank of Australia	Jne. 30	261	20,000,000	...	...	4,000,000	1,812,191	...	...	611,894
Bank of Adelaide	Mar.26 1933	112	1,250,000	Nil	1,250,000	1,250,000	1,000,000	73,795	6,597	...
Bank of Australasia	Oct. 16 1933	227	4,500,000	Nil	4,500,000	4,500,000	4,475,000	310,166	353,520	195,188
Bank of New South Wales	Sep. 30	718	8,780,000	Nil	8,780,000	8,780,000	6,150,000	225,346	601,793	3,118,527
Bank of New Zealand	Mar.31	223	7,465,164	Nil	Nil	7,465,164	3,575,000	624,468	4,259,149	37,310
Commercial Bank of Australia, Ltd.	Jne. 30	365	4,117,350	Nil	Nil	4,117,350	2,250,000	176,059	178,986	285,439
Commercial Banking Co. of Sydney, Ltd.	Jne. 30 1933	434	9,478,025	Nil	4,739,012	4,739,012	4,300,000	237,829	13,760	...
English, Scottish & Aust. Bank, Ltd.	Jne. 30	389	5,000,000	2,000,000	Nil	4,872,966	3,220,000	404,181	1,027	...
National Bank of Australasia, Ltd.	Mar.31	326	6,800,000	1,800,000	Nil	5,000,000	3,300,000	276,919	47,599	...
National Bank of New Zealand, Ltd.	Mar.31	56	6,000,000	4,000,000	Nil	2,000,000	2,000,000	146,416	1,111,225	...
Queensland National Bank, Ltd.	Jne. 30	99	1,750,000	Nil	Nil	4,604,478	860,000	54,096	...	...
Union Bank of Australia, Ltd.	Feb.28	212	12,000,000	Nil	8,000,000	4,000,000	4,850,000	224,032	551,434	...
Total (excluding Commonwealth Bank of Australia)		3,161	67,140,539	7,800,000	27,269,012	51,328,970	35,980,000	2,753,307	7,125,090	4,205,423

a Contingent liabilities.

CANADIAN BANKS

Bank of Montreal	Oct.31	574	7,200,000	Nil	7,200,000	7,200,000	7,600,000	463,418	6,763,962	...
Bank of Nova Scotia	Dec.31	317	2,400,000	Nil	2,400,000	2,400,000	4,800,000	200,221	2,300,209	...
Canadian Bank of Commerce	Nov.30	691	6,000,000	Nil	6,000,000	6,000,000	4,000,000	254,420	4,688,961	...
Dominion Bank	Dec.30	135	1,400,000	Nil	1,400,000	1,400,000	1,400,000	122,183	1,252,249	...
Royal Bank of Canada	May 31	877	7,000,000	Nil	7,000,000	7,000,000	4,000,000	416,721	5,815,276	...
Total		2,594	24,000,000	Nil	24,000,000	24,000,000	21,800,000	1,456,963	20,820,657	...

(Converted at Rate of \$5 to £1)

INDIAN BANKS

Chartered Bank of India, Aust. & China	Dec.31	43	3,000,000	Nil	3,000,000	3,000,000	3,000,000	441,351	1,356,821	608,293
Eastern Bank, Ltd.	Dec.31	12	2,000,000	Nil	1,000,000	1,000,000	500,000	136,761	...	1,226,928
Mercantile Bank of India, Ltd.	Dec.31	22	750,000	187,500	187,500	1,050,000	1,075,000	235,432	103,990	125,134
Do. "B" Shares	Dec.31	29	750,000	187,500	187,500	2,000,000	2,200,000	499,790	...	382,996
Do. "C" Shares	Dec.31	29	1,500,000	1,200,000	Nil	2,000,000	2,200,000	499,790	...	382,996
National Bank of India, Ltd.	Dec.31	29	4,000,000	2,000,000	Nil	2,000,000	2,200,000	499,790	...	382,996
Total		106	12,000,000	3,575,000	4,375,000	7,050,000	6,775,000	1,313,334	1,460,811	2,343,351

DOMINION JOINT STOCK BANKS WITH LONDON OFFICES

IRISH FREE STATE BANKS

10 Miscellaneous Liabilities	11 Deposits	12 Total Liabilities	13 Cash in Hand and Money at Call and Short Notice		14 Investments	15 Bills Discounted or Purchased (when shown separately)	16 Bills, Loans, and Advances	17 Premises and Sundries (including Cover for Acceptances)	18 Total Assets	19 Name of Bank
			Cash in Hand, with Banks and in Transit	Money at Call and Short Notice						
£ ...	£ 36,890,066	£ 45,106,975	£ 2,064,495	£ 3,114,287	£ 25,052,735	£ ...	£ 14,176,750	£ 698,707	£ 45,106,975	Bank of Ireland.
28,742	11,050,767	12,809,789	987,177	...	5,535,868	...	6,087,708	199,036	12,809,789	Hibernian Bank.
...	24,543,011	27,204,778	1,137,118	1,300,000	12,387,818	1,127,782	10,867,451	384,609	27,204,778	Munster and Leinster.
...	38,351,912	42,481,751	4,139,977	3,275,707	16,918,796	1,766,577	15,492,587	888,107	42,481,751	National Bank.
200	14,603,356	16,623,234	532,875	914,000	8,089,134	976,357	5,896,222	214,646	16,623,234	Prov. Bk. of Ireland.
...	6,458,309	7,292,143	805,890	350,000	1,158,523	1,006,267	3,721,463	250,000	7,292,143	Do. New.
28,942	131,897,421	151,518,670	9,667,532	8,953,994	69,142,874	4,876,983	56,242,181	2,635,105	151,518,670	Royal Bank of Ireland.
										Total.

AFRICAN BANKS

143,385	6,134,040	8,645,500	769,313	...	3,697,105	937,628	2,842,308	399,146	8,645,500	Bank of Brit. W. Africa.
...	78,016,435	89,982,138	18,319,184	3,150,109	27,880,470	12,251,125	21,355,604	7,025,646	89,982,138	Barclays Bank (Dom., Colonial & Overseas).
394,092	2,099,391	3,613,836	711,249	...	518,788	1,003,238	738,761	641,800	3,613,836	Netherlands Bk. of S.A.
...	55,162,977	69,398,755	18,581,717	2,600,000	9,826,448	3,971,233	25,248,608	9,170,749	69,398,755	Standard Bank of S.A.
537,477	141,412,843	171,640,229	38,381,463	5,750,109	41,922,811	18,163,224	50,185,281	17,237,341	171,640,229	Total.

AUSTRALASIAN BANKS

6,102,956	83,572,653	96,099,694	Cash & Notes in Hand and at Bankers 7,888,842	Money at Call and Remittances in Transit 35,166,046	37,388,616	...	13,983,339	1,672,851	96,099,694	Comwth. Bk. of Aust.
338,754	6,197,488	8,866,634	1,204,167	1,527,795	709,810	...	5,075,518	349,344	8,866,634	Bank of Adelaide.
4,576,979	37,833,351	52,244,204	8,127,891	50,000	9,160,558	...	34,238,455	667,300	52,244,204	Bank of Australasia.
6,318,945	86,317,691	111,512,302	11,259,966	2,220,000	12,262,177	...	80,351,632	5,418,527	111,512,302	Bank of New S. Wales.
4,067,692	34,328,004	54,356,787	7,765,367	...	18,282,737	408,187	25,885,521	2,014,975	54,356,787	Bank of New Zealand.
1,170,409	24,554,505	33,301,707	4,004,554	20,000	4,123,264	...	23,137,916	2,015,973	33,301,707	Com. Bk. of Australia.
1,240,483	48,629,115	59,160,199	8,677,281	960,000	10,294,059	...	37,959,169	1,269,690	59,160,199	Com. Bk. Co. of Sydney.
1,575,629	28,946,769	39,020,572	7,712,402	...	1,777,999	...	28,805,159	725,012	39,020,572	Eng., Scottish & Aust.
1,088,227	36,212,881	45,925,626	4,421,271	...	2,942,877	...	37,215,700	1,345,778	45,925,626	Nat. Bk. of Australasia.
1,313,405	15,595,886	22,166,932	1,426,034	...	2,505,648	323,302	17,281,820	630,128	22,166,932	Nat. Bk. of N. Zealand.
289,042	7,941,295	13,748,911	1,762,006	25,000	2,146,388	...	9,268,534	546,983	13,748,911	Queensland Nat. Bank.
1,045,432	38,448,449	49,119,347	10,082,451	325,000	2,442,060	...	35,892,527	377,309	49,119,347	Union Bk. of Australia.
23,024,997	365,005,434	489,423,221	66,443,390	5,127,795	66,647,578	731,489	335,111,951	15,361,019	489,423,221	Total { Excluding Commonwealth Bank of Australia.

CANADIAN BANKS

4,740,582	126,939,220	153,707,182	26,216,650	8,792,290	63,496,457	...	50,377,053	4,824,732	153,707,182	Bank of Montreal.
2,764,449	41,598,472	54,063,351	10,437,588	2,202,042	15,838,055	...	22,050,000	3,535,666	54,063,351	Bank of Nova Scotia.
7,494,377	92,401,442	114,839,200	18,347,285	12,214,567	30,670,675	...	46,127,395	7,479,278	114,839,200	Canad. Bk. of Commerce.
945,751	19,114,326	24,234,509	3,285,373	1,613,159	6,813,008	...	10,954,710	1,568,259	24,234,509	Dominion Bank.
6,130,022	118,963,298	142,325,317	26,306,493	11,052,702	27,152,930	...	69,320,624	8,492,568	142,325,317	Royal Bank of Canada.
22,075,181	399,016,758	489,169,559	84,593,389	35,874,760	143,971,125	...	198,829,782	25,900,503	489,169,559	Total.

(Converted at Rate of \$5 to £1)

INDIAN BANKS

5,285,438	46,605,658	60,297,561	Cash in Hand, with Bankers and in Transit 12,094,382	...	19,439,209	7,495,210	18,575,704	2,693,056	60,297,561	Ch. B. of Ind., A. & Chin.
1,153,368	5,604,674	9,621,731	1,257,570	...	4,581,878	605,335	1,805,332	1,371,616	9,621,731	Eastern Bank.
416,628	12,285,678	15,291,862	1,957,613	...	6,005,762	1,727,476	4,632,622	968,389	15,291,862	Mercantile Bk. of India.
760,818	29,636,308	35,479,912	4,672,944	...	15,374,148	3,553,507	10,805,737	1,073,576	35,479,912	National Bank of India.
7,616,252	94,132,318	120,691,066	19,982,509	...	45,400,997	13,381,528	35,819,395	6,106,637	120,691,066	Total.

DOMINION BANKS WITH OFFICES IN LONDON

(1) IRISH FREE STATE BANKS

BANK OF IRELAND

ESTABLISHED 1783

CAPITAL				Market Value	PROFITS AND DIVIDENDS						Reserves, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved		Year Ended Dec. 31	Net Profits	Per Cent. of Resources	Dividends Amount	Rate %			
£	£	£	£	£	1923	549,620	0.98	332,308	16	200,000	69,035	
2,769,231	2,769,231	...	...	8,269,571	1924	595,821	1.10	360,000	13	230,000	74,856	
					1925	590,724	1.19	387,692	14	207,231	70,657	
					1926	542,289	1.22	394,846	17	150,000	68,100	
					1927	571,884	1.24	405,865	17	150,769	83,349	
					1928	564,667	1.31	411,923	17	150,000	86,094	
					1929	542,088	1.28	411,923	17	130,000	81,481	
					1930	537,145	1.28	411,923	17	100,000	80,816	
					1931	512,172	1.28	402,873	14	130,000	88,896	
					1932	436,762	0.85	308,683	14	100,000	91,986	
					1933	404,254	0.90	301,154	14	100,000	91,986	

Stock is fully paid, but the liability of holders for debts of the Bank has not been decided. Price September 27, 1934, 298½

Authorised Note issue:
Irish Free State, £1,760,000
Northern Ireland, £410,000

LIABILITIES				Total Liabilities or Assets	ASSETS							
Year ended Dec. 31	Capital and Reserves	Per Cent.	Balance of Profit and Loss		Cash in Hand and at Bank	Per Cent.	Cash at Call and Short Notice	Per Cent.	Investments	Per Cent.	Discounts and Advances	Per Cent.
1923	£ 4,369,231	7.8	£ 255,958	0.5	£ 7,407,112	13.3	£ 43,790,302	78.4	£ 55,822,603	5.2	£ 5,225,774	9.4
1924	£ 5,331,231	9.9	£ 282,548	0.5	£ 6,508,004	12.0	£ 41,860,437	77.6	£ 53,982,220	5.2	£ 5,236,011	9.7
1925	£ 5,553,462	11.2	£ 292,195	0.6	£ 6,031,764	12.2	£ 37,630,783	76.0	£ 49,493,204	5.0	£ 4,458,813	9.0
1926	£ 5,628,462	12.8	£ 271,166	0.6	£ 5,850,634	13.1	£ 32,628,222	73.5	£ 44,434,484	5.0	£ 3,116,293	7.0
1927	£ 5,839,231	12.8	£ 292,080	0.6	£ 5,973,013	13.0	£ 33,979,103	73.7	£ 46,083,427	5.0	£ 2,658,236	5.8
1928	£ 5,985,231	13.4	£ 297,940	0.7	£ 4,264,358	9.9	£ 32,670,425	75.6	£ 43,221,954	5.0	£ 1,759,906	4.1
1929	£ 6,119,231	14.5	£ 298,105	0.7	£ 2,799,398	6.6	£ 33,124,650	78.2	£ 42,341,424	5.0	£ 2,037,952	4.8
1930	£ 6,249,231	14.8	£ 293,327	0.7	£ 2,321,802	5.5	£ 33,325,089	79.0	£ 42,189,449	5.0	£ 1,967,920	4.7
1931	£ 6,949,231	14.9	£ 293,576	0.7	£ 1,904,397	4.8	£ 31,701,218	79.6	£ 39,848,422	5.0	£ 1,939,172	4.9
1932	£ 5,949,231	11.6	£ 259,203	0.5	£ 1,868,413	3.6	£ 43,368,001	84.3	£ 51,444,848	5.0	£ 2,039,561	4.0
1933	£ 5,949,231	11.2	£ 258,150	0.6	£ 1,857,639	4.1	£ 37,041,955	82.1	£ 45,106,975	5.0	£ 3,114,287	6.9

* Includes acceptances.

THE HIBERNIAN BANK, LIMITED

ESTABLISHED 1825

CAPITAL				Market Value	PROFITS AND DIVIDENDS						Reserves, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved		Year Ended June 30	Net Profits	Per Cent. of Resources	Dividends Amount	Rate %			
£	£	£	£	£	1924	109,959	0.74	50,000	10	49,609	23,081	
2,000,000	800,000	500,000	1,000,000		1925	109,278	0.78	50,000	10	55,600	16,759	
					1926	103,197	0.77	56,250	12	42,538	21,168	
					1927	103,865	0.78	62,500	12	35,000	27,533	
					1928	104,546	0.81	62,500	12	35,000	34,579	
					1929	97,944	0.73	67,500	13	35,000	30,023	
					1930	99,609	0.74	67,500	13	30,000	32,132	
					1931	109,114	0.82	67,500	13	32,500	41,246	
					1932	82,977	0.62	63,750	11	30,000	30,473	
					1933	88,187	0.66	57,500	11	30,000	31,160	
					1934	86,650	0.68	57,500	11	30,000	30,310	

* Free of income tax.

LIABILITIES				Total Liabilities or Assets	ASSETS							
Year ended June 30	Capital and Reserves	Per Cent.	Un-divided Profits		Cash in Hand and at Bankers	Per Cent.	Investments	Per Cent.	Discounts, Loans and Advances	Per Cent.	Buildings and Sundries	Per Cent.
1924	£ 1,045,000	7.0	£ 58,081	0.4	£ 10,304	0.1	£ 13,744,588	92.5	£ 839,295	5.7	£ 6,900,982	46.4
1925	£ 1,075,000	7.7	£ 54,009	0.4	£ 12,693	0.1	£ 12,874,912	91.8	£ 14,016,614	45.3	£ 5,910,018	42.1
1926	£ 1,100,000	8.2	£ 59,918	0.4	£ 12,072	0.1	£ 12,282,453	91.3	£ 13,454,443	43.1	£ 5,168,752	38.4
1927	£ 1,120,000	8.4	£ 66,283	0.5	£ 11,455	0.1	£ 12,162,014	91.0	£ 13,559,753	38.3	£ 5,201,729	38.9
1928	£ 1,140,000	8.7	£ 73,329	0.6	£ 10,027	0.1	£ 11,754,098	90.6	£ 13,983,961	38.3	£ 5,244,703	40.3
1929	£ 1,160,000	8.7	£ 84,773	0.5	£ 8,713	...	£ 11,767,056	88.4	£ 12,977,454	39.8	£ 5,244,703	40.3
1930	£ 1,180,000	8.9	£ 88,387	0.5	£ 8,423	...	£ 11,669,407	87.7	£ 13,329,159	44.2	£ 5,504,805	41.3
1931	£ 1,200,000	9.0	£ 79,997	0.6	£ 8,188	...	£ 11,672,040	87.5	£ 13,514,733	44.9	£ 5,504,805	41.3
1932	£ 1,220,000	9.1	£ 62,973	0.5	£ 6,621	...	£ 11,550,057	86.8	£ 13,351,282	46.7	£ 5,231,332	45.6
1933	£ 1,140,000	8.5	£ 63,660	0.5	£ 5,064	...	£ 11,829,564	87.2	£ 13,321,383	46.7	£ 5,231,332	45.6
1934	£ 1,160,000	9.1	£ 62,811	0.5	£ 5,858	...	£ 11,073,651	86.4	£ 13,546,315	47.2	£ 5,231,332	45.6

MUNSTER AND LEINSTER BANK, LIMITED

1885—Assets of Munster Bank, Limited, acquired

CAPITAL				Market Value	PROFITS AND DIVIDENDS						Reserves, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved		Year Ended June 30	Net Profits	Per Cent. of Resources	Dividends Amount	Rate %			
£	£	£	£	£	1924	194,609	0.69	75,833	20	120,000	44,012	
1,875,000	750,000	1,125,000	1,000,000	1,781,250	1925	190,727	0.70	82,708	19	105,000	47,031	
					1926	184,159	0.72	90,000	18	95,000	46,190	
					1927	181,176	0.69	90,000	18	90,000	47,366	
					1928	180,785	0.69	100,000	19	80,000	43,130	
					1929	179,979	0.65	105,000	14	80,000	44,015	
					1930	180,884	0.66	105,000	14	75,000	45,903	
					1931	186,888	0.62	97,500	13	75,000	45,627	
					1932	172,224	0.61	90,000	12	67,500	43,652	
					1933	155,525	0.54	90,000	12	67,500	42,703	
					1934	136,552	0.50	90,000	12	67,500	42,703	

* Free of income tax.

a 9 per cent. tax free.

Continued on page 29

MUNSTER AND LEINSTER BANK, LIMITED—Continued from page 28

LIABILITIES				Total Liabilities or Assets	ASSETS							
Year ended June 30	Capital and Reserves	Per Cent.	Un-divided Profits		Cash in Hand and at Bankers	Per Cent.	Cash at Call and Short Notice	Per Cent.	Investments	Per Cent.	Discounts and Advances	Per Cent.
1924	£ 1,550,000	5.5	£ 82,345	0.3	£ 26,566,182	94.2	£ 28,198,527	100.0	£ 2,015,975	7.2	£ 1,020,902	3.6
1925	£ 1,635,000	6.0	£ 92,031	0.3	£ 25,391,429	93.7	£ 27,118,460	100.0	£ 1,883,898	7.0	£ 930,000	3.4
1926	£ 1,700,000	6.5	£ 91,190	0.3	£ 24,541,240	93.2	£ 26,332,430	100.0	£ 1,638,536	6.1	£ 701,114	2.7
1927	£ 1,740,000	6.6	£ 92,366	0.4	£ 24,442,419	93.0	£ 26,274,785	100.0	£ 1,590,135	6.1	£ 1,201,563	4.6
1928	£ 1,750,000	6.7	£ 98,151	0.3	£ 24,340,688	93.0	£ 26,188,339	100.0	£ 1,505,734	7.7	£ 1,000,000	3.8
1929	£ 1,750,000	6.4	£ 95,630	0.3	£ 25,558,817	93.3	£ 27,404,447	100.0	£ 1,799,860	6.5	£ 2,050,000	7.5
1930	£ 1,750,000	6.4	£ 95,515	0.4	£ 25,312,519	93.2	£ 27,159,034	100.0	£ 1,576,810	5.8	£ 1,200,000	4.4
1931	£ 1,750,000	6.4	£ 95,403	0.4	£ 25,492,540	93.2	£ 27,340,943	100.0	£ 1,420,601	5.2	£ 1,000,000	3.7
1932	£ 1,750,000	6.2	£ 90,627	0.3	£ 26,485,563	93.5	£ 28,526,190	100.0	£ 1,080,540	5.9	£ 2,000,000	7.0
1933	£ 1,750,000	6.1	£ 88,652	0.3	£ 26,841,573	93.6	£ 28,680,230	100.0	£ 1,110,696	5.9	£ 2,000,000	7.0
1934	£ 1,750,000	6.5	£ 89,703	0.3	£ 25,367,075	93.2	£ 27,204,378	100.0	£ 1,137,418	4.2	£ 1,300,000	4.8

* Includes Treasury Bills.

† Includes note circulation.

THE NATIONAL BANK LIMITED

ESTABLISHED 1835

CAPITAL				Market Value £	Year Ended June 30	Net Profits £	Per Cent. of Resources	PROFITS AND DIVIDENDS		Added to Reserves, &c.	Carried Forward £
Subscribed £	Paid-up £	Callable £	Reserved £					Amount £	Rate %		
7,500,000	1,500,000	1,000,000	5,000,000	3,375,000	1924	366,978	0.80	162,281	12	205,000	34
					1925	366,587	0.83	176,750	14	187,000	30,971
Per Share £5	Per Share £1	Per Share 13s. 4d.	Per Share £3 6s. 8d.	Per Share Sept. 27, 1934 45s.	1926	364,585	0.85	185,937	14	180,000	29,619
					1927	323,998	0.75	170,953	14	155,000	27,664
					1928	311,161	0.72	168,000	14	145,000	25,825
					1929	312,465	0.73	210,000*	14	120,000	29,290
					1930	261,313	0.64	210,000*	14	90,000	31,092
					1931	270,034	0.65	210,000*	14	60,000	31,126
					1932	245,018	0.58	195,000*	13	50,000	31,144
					1933	220,194	0.51	180,000	12	40,000	31,338
					1934	224,016	0.53	180,000	12	40,000	35,355
Authorised note issue:											
Irish Free State, £1,318,000											
Northern Ireland, £120,000											

ROYAL BANK OF IRELAND, LIMITED—Continued from page 29

Year ended Aug. 31.	No. of Branches	LIABILITIES						Total Liabilities or Assets	ASSETS									
		Capital and Reserves	Per Cent.	Un- divided Profits	Per Cent.	Notes in circulation	Per Cent.		Cash in Hand, at Bank, and at Call	Per Cent.	Invest- ments	Per Cent.	Bills Dis- counted	Per Cent.	Advances	Per Cent.	Premises	Per Cent.
1923	43	£450,000	5.5	£21,205	0.3	...	...	£8,097,188	£928,164	11.5	£2,049,606	25.3	£692,695	8.6	£4,201,723	51.8	£225,000	2.8
1924	43	£475,000	6.1	£23,093	0.3	...	...	£7,819,960	£516,662	6.6	£2,039,955	26.1	£396,471	5.0	£4,641,872	59.4	£225,000	2.9
1925	43	£500,000	6.8	£25,660	0.3	...	...	£7,341,609	£391,891	5.3	£2,189,523	29.8	£198,300	2.7	£4,336,895	59.1	£225,000	3.1
1926	42	£510,000	7.0	£25,104	0.3	...	...	£7,328,087	£497,639	6.8	£2,190,460	29.9	£181,360	2.5	£4,233,628	57.7	£225,000	3.1
1927	42	£520,000	7.2	£25,538	0.3	...	...	£7,444,750	£463,142	6.2	£2,203,776	29.9	£152,406	2.0	£4,400,426	59.2	£225,000	3.0
1928	42	£530,000	7.2	£26,845	0.4	...	...	£7,315,424	£521,874	7.1	£2,221,773	30.4	£125,770	1.7	£4,310,007	57.8	£225,000	3.0
1929	42	£540,000	7.2	£26,017	0.3	273,000	3.7	£7,485,859	£531,527	6.7	£2,443,155	32.6	£116,576	1.6	£4,199,601	56.1	£225,000	3.0
1930	42	£550,000	7.4	£26,963	0.4	246,154	3.3	£7,395,159	£524,179	7.1	£2,373,217	32.1	£116,619	1.6	£4,156,344	56.2	£250,000	3.4
1931	42	£560,000	7.4	£26,963	0.4	230,977	3.1	£7,459,153	£446,353	6.0	£2,330,345	31.2	£110,194	1.6	£3,922,261	52.6	£250,000	3.4
1932	43	£570,000	7.6	£22,486	0.3	235,800	3.1	£7,488,276	£1,424,547	19.0	£1,532,123	20.5	£606,052	8.1	£3,675,554	49.1	£250,000	3.3
1933	43	£580,000	8.0	£22,692	0.3	231,142	3.2	£7,292,143	£1,155,890	15.9	£1,158,523	15.9	£1,006,267	13.7	£3,721,463	51.1	£250,000	3.4

† December 31.

(2) AFRICAN BANKS

BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS)

1836.—Established by Royal Charter as the Colonial Bank

1925.—Reincorporated by Act of Parliament and acquired the National Bank of South Africa, Limited, and the Anglo-Egyptian Bank, Limited

CAPITAL					Price		Year ended	Net Profit	Dividend	To Reserve	Carried
Subscribed	Paid up	Callable	Reserved			September 30					Forward
£	£	£	£	"A" shares £1 f.p.	October 2, 1934						
6,975,500	4,975,500	2,000,000	3,024,500	8% Cum. Pref.	33/6	1927	482,046	3 1/2	270,000	122,479	
Per share	Per share	Per share		Market Value	39/-	1928	494,823	4 1/2	270,000	130,710	
"A" shares £1		NH				1929	516,594	4 1/2	280,000	137,981	
"B" shares £5		NH				1930	525,071	4 1/2	280,000	145,731	
8% Cum. Pref.	£1	£4		"A" Shares	October 2, 1934	1931	402,754	4 1/2	100,000	24,758	
		NH		8% Cum. Pref.		1932	372,103	4 1/2	180,000	215,885	
						1933	371,548	4 1/2	150,000	216,674	

BANK OF BRITISH WEST AFRICA LIMITED

REGISTERED 1894

Year ended Mar. 31	No. of Branches	LIABILITIES						Total Liabilities or Assets	ASSETS									
		Capital and Reserves	Per Cent.	Un- divided Profits	Per Cent.	Bills for Collection and Liability on Acceptances	Per Cent.		Cash in Hand, at Bank, and in Transit	Per Cent.	Invest- ments	Per Cent.	Bills of Exchange	Per Cent.	Loans, Advances, and Current Accounts	Per Cent.	Premises and Cover for Acceptances and Bills	Per Cent.
1924	52	£1,600,000	16.8	£71,680	0.8	£1,009,804	10.6	£3,681,484	£9,528,493	14.36	£440,151	1.2	£1,211,186	12.7	£2,482,727	26.1	£2,981,131	21.2
1925	50	£1,600,000	15.8	£74,032	0.7	£1,270,350	12.6	£3,444,414	£10,103,287	12.51	£178,124	0.4	£1,215,655	12.0	£2,866,563	28.4	£3,110,573	30.8
1926	52	£1,600,000	17.8	£74,000	0.9	£945,197	10.6	£3,619,297	£10,103,287	12.51	£178,124	0.4	£1,215,655	12.0	£2,866,563	28.4	£3,110,573	30.8
1927	53	£1,600,000	15.6	£85,330	0.8	£1,308,757	12.7	£3,134,147	£9,527,300	13.91	£498,151	1.5	£1,463,090	15.3	£1,917,543	21.4	£2,870,327	31.1
1928	54	£1,600,000	16.0	£100,280	1.1	£1,271,613	12.7	£3,134,147	£10,282,982	12.08	£551,205	1.5	£1,570,034	15.3	£1,995,733	19.4	£2,938,842	28.6
1929	54	£1,600,000	15.4	£95,611	0.9	£1,439,133	13.8	£3,074,244	£9,888,227	12.91	£285,191	0.8	£1,589,452	15.9	£1,946,102	19.5	£2,929,833	29.3
1930	57	£1,600,000	16.7	£95,433	1.0	£1,089,494	11.3	£3,273,276	£10,378,153	12.58	£162,151	0.4	£1,654,579	15.9	£2,086,607	20.1	£3,294,623	31.8
1931	56	£1,600,000	18.0	£48,001	0.5	£1,131,347	12.7	£3,166,300	£9,607,378	12.59	£349,164	1.0	£1,601,435	16.7	£1,216,398	12.7	£3,783,694	39.4
1932	47	£1,600,000	19.7	£71,626	0.9	£1,110,908	8.8	£1,90,524	£8,885,423	12.54	£399,172	0.4	£1,948,285	21.9	£1,326,922	14.9	£2,615,816	29.5
1933	47	£1,600,000	18.2	£82,237	0.9	£816,485	9.3	£1,67,664	£8,123,887	12.08	£959,121	0.4	£2,540,845	31.1	£1,330,382	13.9	£2,390,317	29.4
1934	44	£1,600,000	18.5	£83,003	1.0	£685,072	7.9	£143,385	£7,773,570	10.49	£741,111	0.3	£1,022,155	11.6	£1,821,620	20.3	£1,158,303	13.2

STANDARD BANK OF SOUTH AFRICA LIMITED

ESTABLISHED 1862

1920—Absorbed African Banking Corporation

Year ended Mar. 31	No. of Branches	LIABILITIES						Total Liabilities or Assets	ASSETS									
		Capital and Reserves	Per Cent.	Un- divided Profits	Per Cent.	Bills for Collection and Liability on Acceptances	Per Cent.		Cash in Hand, at Bank, and in Transit	Per Cent.	Invest- ments	Per Cent.	Bills of Exchange	Per Cent.	Loans, Advances, and Current Accounts	Per Cent.	Premises and Cover for Acceptances and Bills	Per Cent.
1924	52	£1,600,000	16.8	£71,680	0.8	£1,009,804	10.6	£3,681,484	£9,528,493	14.36	£440,151	1.2	£1,211,186	12.7	£2,482,727	26.1	£2,981,131	21.2
1925	50	£1,600,000	15.8	£74,032	0.7	£1,270,350	12.6	£3,444,414	£10,103,287	12.51	£178,124	0.4	£1,215,655	12.0	£2,866,563	28.4	£3,110,573	30.8
1926	52	£1,600,000	17.8	£74,000	0.9	£945,197	10.6	£3,619,297	£10,103,287	12.51	£178,124	0.4	£1,215,655	12.0	£2,866,563	28.4	£3,110,573	30.8
1927	53	£1,600,000	15.6	£85,330	0.8	£1,308,757	12.7	£3,134,147	£9,527,300	13.91	£498,151	1.5	£1,463,090	15.3	£1,917,543	21.4	£2,870,327	31.1
1928	54	£1,600,000	16.0	£100,280	1.1	£1,271,613	12.7	£3,134,147	£10,282,982	12.08	£551,205	1.5	£1,570,034	15.3	£1,995,733	19.4	£2,938,842	28.6
1929	54	£1,600,000	15.4	£95,611	0.9	£1,439,133	13.8	£3,074,244	£9,888,227	12.91	£285,191	0.8	£1,589,452	15.9	£1,946,102	19.5	£2,929,833	29.3
1930	57	£1,600,000	16.7	£95,433	1.0	£1,089,494	11.3	£3,273,276	£10,378,153	12.58	£162,151	0.4	£1,654,579	15.9	£2,086,607	20.1	£3,294,623	31.8
1931	56	£1,600,000	18.0	£48,001	0.5	£1,131,347	12.7	£3,166,300	£9,607,378	12.59	£349,164	1.0	£1,601,435	16.7	£1,216,398	12.7	£3,783,694	39.4
1932	47	£1,600,000	19.7	£71,626	0.9	£1,110,908	8.8	£1,90,524	£8,885,423	12.54	£399,172	0.4	£1,948,285	21.9	£1,326,922	14.9	£2,615,816	29.5
1933	47	£1,600,000	18.2	£82,237	0.9	£816,485	9.3	£1,67,664	£8,123,887	12.08	£959,121	0.4	£2,540,845	31.1	£1,330,382	13.9	£2,390,317	29.4
1934	44	£1,600,000	18.5	£83,003	1.0	£685,072	7.9	£143,385	£7,773,570	10.49	£741,111	0.3	£1,022,155	11.6	£1,821,620	20.3	£1,158,303	13.2

STANDARD BANK OF SOUTH AFRICA LIMITED

ESTABLISHED 1862

1920—Absorbed African Banking Corporation

CAPITAL				Market Value, Sept. 27, 1934	Year Ended Mar. 31	Net Profit £	Dividend %	To Reserve, &c. £	Carried Forward £
Subscribed £	Paid-up £	Callable £	Reserved £						
10,000,000	2,500,000	7,500,000	Nil	6,812,500	1924	458,397	14	150,000	112,281
					1925	508,952	14	200,000	109,150
					1926	570,989	16½	200,000	128,325
					1927	581,801	16½	200,000	128,45
					1928	595,596	16½	225,000	132,099
					1929	621,466	17	225,000	122,524
					1930	652,478	17½	225,000	125,002
					1931	567,620	15	175,000	142,622
					1932	457,442	11	175,000	150,064
					1933	429,336	10	175,000	154,400
					1934	433,179	10	175,000	162
Per Share £20	Per Share £5	Per Share £15	Per Share Nil	Per Share 13½					

BANK OF ADELAIDE

INCORPORATED DECEMBER 5, 1865

CAPITAL					Year Ended March 31	Net Profit £	Dividend %	To Reserve, &c. £	Carried Forward £
Subscribed £	Paid-up £	Callable £	Reserved £	Market Value £					
1,250,000	1,250,000	Nil	1,250,000	8,395,000	1923	115,823	10	30,000	28,024
					1924	117,216	10	30,000	27,740
					1925	104,734	10	20,000	24,974
					1926	104,845	10	20,000	33,827
					1927	128,637	10	20,000	33,464
					1928	145,411	10	15,000	38,875
					1929	138,107	9	15,000	49,482
					1930	91,813	7	...	53,795
					1931	66,776	4	30,000	40,571
					1932	53,727	4	...	44,298
					1933	54,497	4	...	48,795

LIABILITIES					Year Ended March 31	Total Liabilities or Assets £
Capital and Reserves Per Cent.	Un- divided Profits Per Cent.	Notes Per Cent.	Miscel- laneous Credits, &c. Per Cent.	Deposit and Current Accounts Per Cent.		
1923... 103	1,595,000 19-3	101,774 1-2	7,073 0-1	413,402 5-0	6,143,317 74-4	8,260,566
1924... 104	1,625,000 19-1	101,491 1-2	6,887 0-1	463,308 5-4	5,317,889 74-2	8,514,575
1925... 113	1,655,000 19-0	88,724 1-0	6,826 0-1	489,694 5-6	6,453,083 74-3	8,693,327
1926... 116	1,850,000 20-7	85,862 0-0	6,815 0-1	520,194 5-8	6,463,478 72-4	8,926,356
1927... 116	2,200,000 24-2	115,364 1-3	6,755 0-1	727,957 7-9	6,084,129 66-6	9,134,807
1928... 126	2,200,000 24-1	116,375 1-3	6,713 0-1	633,075 7-0	6,177,592 67-5	9,153,755
1929... 126	2,220,000 24-2	114,482 1-3	6,670 0-1	535,005 6-0	6,105,440 67-8	8,996,597
1930... 131	2,235,000 26-6	91,295 1-1	6,661 0-1	343,423 4-1	5,762,326 68-1	8,453,705
1931... 114	2,250,000 25-4	65,571 0-7	6,603 0-1	514,914 5-9	6,031,330 67-9	8,868,418
1932... 111	2,250,000 24-0	69,298 0-7	6,599 0-1	392,399 4-2	6,667,038 71-0	9,385,334
1933... 112	2,250,000 25-4	73,795 0-8	6,597 0-1	338,754 3-8	6,197,488 69-9	8,866,534

BANK OF AUSTRALASIA

INCORPORATED 1835

CAPITAL					Year Ended October	Net Profit £	Dividend %	To Reserve, &c. £	Carried Forward £
Subscribed £	Paid-up £	Callable £	Reserved £	Market Value £					
4,500,000	4,500,000	Nil	4,500,000	8,395,000	1923	618,559	13*	100,000	120,428
					1924	629,904	13*	100,000	130,332
					1925	632,555	13*	110,000	132,887
					1926	652,621	14*	90,000	135,508
					1927	654,060	14*	40,000	139,567
					1928	675,192	14*	80,000	139,760
					1929	677,183	14*	25,000	161,943
					1930	615,084	13*	...	192,027
					1931	302,536†	9	...	151,063
					1932	254,970	7	...	169,783
					1933	258,508	7‡	...	175,165

LIABILITIES					Year Ended Oct.	Total Liabilities or Assets £
Capital and Re- serves Per Cent.	Un- divided Profits Per Cent.	Notes Per Cent.	Bills Pay- able, &c. Per Cent.	Deposits and Current Accounts Per Cent.		
1923... 209	7,625,000 19-3	380,428 1-0	423,685 1-1	3,698,474 9-4	27,352,162 69-2	39,479,749
1924... 210	7,700,000 19-3	390,332 1-0	386,257 1-0	3,396,147 8-5	28,010,187 70-0	39,882,923
1925... 211	7,760,000 18-9	392,887 1-0	437,626 1-0	3,694,129 9-0	28,708,674 70-0	40,993,316
1926... 217	7,810,000 18-4	435,508 1-0	438,849 1-0	4,430,225 10-4	29,394,047 69-2	42,508,630
1927... 224	7,850,000 17-6	419,568 1-0	427,542 1-0	4,418,594 9-9	31,478,756 70-5	44,594,860
1928... 237	8,950,000 18-8	454,760 1-0	428,622 1-0	3,909,217 8-2	34,414,798 69-8	48,323,971
1929... 238	8,975,000 18-2	476,943 0-9	434,328 0-9	5,022,528 10-2	34,232,584 71-3	48,358,386
1930... 238	8,975,000 18-7	462,027 1-0	401,137 0-8	3,965,638 8-2	34,232,584 71-3	48,358,386
1931... 235	8,975,000 17-7	320,188 0-6	333,079 0-7	3,414,078 6-7	37,678,574 74-3	50,720,919
1932... 229	8,975,000 17-3	304,783 0-6	334,031 0-7	4,098,119 7-9	38,120,630 73-5	51,832,563
1933... 227	8,975,000 17-2	310,166 0-6	353,520 0-7	4,772,167 9-1	37,833,351 72-4	52,244,204

BANK OF NEW SOUTH WALES

ESTABLISHED 1817, AND INCORPORATED IN 1850

1927.—Absorbed Western Australian Bank

1931.—Absorbed the Australian Bank of Commerce, Limited

CAPITAL					Year Ended March 31	Net Profit £	Dividend %	To Reserve, &c. £	Carried Forward £
Subscribed £	Paid-up £	Reserved Liability of Proprietors £	Market Value £	Per Share £20 Oct. 5, 1934					
8,780,000	8,780,000	8,780,000	11,414,000	£26	1923	771,102	10	200,000	161,645
					1924	851,514	10	250,000	163,159
					1925	388,213	10	100,000	151,372
					1926	979,383	12‡	250,000	130,755
					1927	1,099,559	12‡	340,760	170,616
					1928	1,226,247	12‡	250,000	168,654
					1929	1,184,943	12‡	250,000	163,479
					1930	994,825	10	...	166,928
					1931	734,699	9‡	...	112,963
					1932	565,235	8	...	114,980
					1933	462,967	5‡	...	115,596
					1933	439,617	5	...	...

* Half-year to September 30th.

‡ Year to September 30th.

Continued on page 34

*With Offices throughout England and Wales
and in India and Burma, and Agents
and Correspondents in all parts of
the World, this Bank is fully
equipped to undertake
banking business
of all kinds*



Chairman:

J. W. BEAUMONT PEASE

Deputy-Chairman:

Sir AUSTIN E. HARRIS, K.B.E.

Chief General Managers:

F. A. BEANE,

G. F. ABELL

Joint General Managers:

W. G. JOHNS, D.S.O.,

R. A. WILSON,

S. PARKES,

S. P. CHERRINGTON

LLOYDS BANK LIMITED

Head Office: 71, LOMBARD STREET, LONDON, E.C.3

OTTOMAN BANK

(INCORPORATED IN TURKEY WITH LIMITED LIABILITY)
Founded 1863

Capital: £10,000,000

Paid-up: £5,000,000

Reserve: £1,250,000

General Committee

LONDON		PARIS	
General the Hon. SIR HERBERT A. LAWRENCE, G.C.B.	SIR JOHN P. HEWETT, G.C.S.I., K.B.E., C.I.E.	RAOUL MALLET	BARON HENRI HOTTINGUER
E. W. H. BARRY	LORD HILLINGDON	RENÉ BECHMANN	JACQUES DE NEUFILIZE
ALBERT C. GLADSTONE	A. G. A. JAMIESON	JEAN BOISSONNAS	LE COMTE PILLET-WILL
VISCOUNT GOSCHEN P.C., G.C.S.I., G.C.I.E., C.B.E., V.D.	SIR JOHN GORDON NAIRNE, Bart.	CHARLES DE CERJAT	ANATHASE ROUDY
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LONDON: 26 THROGMORTON STREET, E.C.2

Manager: E. W. H. Barry
Assistant Manager: F. FisherDeputy Manager: R. S. C. Pearce
Sub-Managers: A. Sampson, A. Brown

PARIS: 7 RUE MEYERBEER

MANCHESTER:
56-60 Cross StreetMARSEILLES:
38 rue St. FerréolNICE:
13 Place Masséna

ISTANBUL

Branches throughout the Near East

TURKEY EGYPT PALESTINE CYPRUS IRAK PERSIA

Affiliated Banks:

SYRIA:	Banque de Syrie & du Grand Liban
ROUMANIA:	Bank of Roumania, Ltd.
YUGO-SLAVIA:	Banque Franco-Serbe
GREECE:	British-French Discount Bank, Ltd.

Drafts and Telegraphic Transfers issued.

Exchange and Insurance operations effected

Letters of Credit granted.

BANK OF NEW SOUTH WALES—Continued from page 32

Year ended Mar. 31	Number of Branches	LIABILITIES							Total Liabilities or Assets	ASSETS							Per Cent.
		Capital and Reserves	Per Cent.	Un-divided Profits	Per Cent.	Notes	Per Cent.	Out-standing Credits, Bills Payable, &c.		Cash in Hand, Notes, &c.	Per Cent.	Money at Short Call and Bills Receivable and Remittances in Transit	Per Cent.	Investments	Per Cent.	Discounts and Advances	
1923	363	9,651,880	12.2	436,067	0.6	596,721	0.8	12,566,321	15.8	55,969,437	70.6	79,220,426	100.0	13,283,373	16.7	10,517,232	13.2
1924	366	9,900,000	12.7	463,159	0.6	695,702	0.9	12,106,741	15.5	55,043,478	70.3	78,209,080	100.0	13,981,507	17.9	9,681,388	12.4
1925	370	10,050,000	13.6	401,372	0.5	481,090	0.7	10,719,548	14.5	52,396,570	70.7	74,048,578	100.0	14,937,477	20.2	4,967,863	6.7
1926	431	10,150,000	12.7	680,755	0.9	535,020	0.7	11,533,532	14.4	57,070,096	71.3	80,009,403	100.0	16,460,307	20.6	6,983,803	8.7
1927	431	10,400,000	12.6	780,315	0.9	592,036	0.7	11,835,285	14.4	58,587,508	71.4	82,195,145	100.0	14,410,832	17.5	5,566,675	6.8
1928	514	12,732,680	14.5	882,548	1.0	673,455	0.8	11,937,811	13.6	61,554,635	70.2	87,781,129	100.0	15,186,291	17.3	6,835,591	7.8
1929	514	13,160,000	14.8	793,654	0.9	633,262	0.8	9,891,114	11.1	64,514,558	72.5	88,982,585	100.0	15,943,061	17.9	5,368,502	6.0
1930	559	13,400,000	14.8	800,978	0.9	584,091	0.8	10,165,176	11.1	66,056,052	72.7	90,806,297	100.0	11,960,512	13.2	6,759,890	7.4
1931	589	13,650,000	15.3	335,678	0.4	527,026	0.6	8,477,451	9.5	66,238,223	74.2	89,228,378	100.0	12,259,787	13.7	5,049,695	5.6
1932	594	13,650,000	15.2	244,663	0.3	481,455	0.5	6,347,216	7.0	69,388,093	77.0	90,111,427	100.0	13,220,274	14.7	4,670,223	5.1
1933	702	14,330,000	13.9	224,730	0.2	564,772	0.5	7,862,018	7.3	83,943,595	78.1	107,525,115	100.0	12,114,058	11.3	4,144,307	3.8
1934	708	14,330,000	13.4	225,346	0.2	601,793	0.5	9,437,472	8.5	86,317,691	77.4	111,512,302	100.0	11,259,966	10.2	7,150,179	6.4

* September 30th.

† Including Treasury Bills.

‡ Branches and agencies.

BANK OF NEW ZEALAND

INCORPORATED WITH LIMITED LIABILITY IN NEW ZEALAND IN 1861

Year ended March 31	No. of Branches	CAPITAL					Total Liabilities or Assets	Cash in Hand and at Bank	Per Cent.	Bills Receivable and in Transit	Per Cent.	Investments	Per Cent.	Discounts and Advances	Per Cent.	Buildings and Sundries	Per Cent.
		Subscribed	Paid-up	Callable	Reserved	Price, Oct. 5, 1934											
1923	213	£3,750,000	£3,750,000	Nil	Nil	£21	553,639	13.4	150,000	421,957	13.4	163,969	506,514	13.4	250,000	513,299	13.4
1924	217	£1,875,000	£1,875,000	Nil	Nil	£21	735,832	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1925	222	£1,875,000	£1,875,000	Nil	Nil	£21	819,285	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1926	229	£529,988	£529,988	Nil	Nil	£21	912,160	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1927	230	£703,125	£703,125	Nil	Nil	£21	991,091	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1928	239	£703,125	£703,125	Nil	Nil	£21	1,124,959	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1929	240	£703,125	£703,125	Nil	Nil	£21	948,534	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1930	244	£703,125	£703,125	Nil	Nil	£21	845,814	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1931	236	£703,125	£703,125	Nil	Nil	£21	587,023	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1932	234	£703,125	£703,125	Nil	Nil	£21	594,270	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1933	226	£703,125	£703,125	Nil	Nil	£21	573,032	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4
1934	223	£703,125	£703,125	Nil	Nil	£21	573,032	13.4	150,000	506,514	13.4	163,969	513,299	13.4	250,000	513,299	13.4

* Repayable on July 19th last.

* Bonus 1 per cent.

Year ended Mar. 31	No. of Branches	LIABILITIES							Total Liabilities or Assets	ASSETS							Per Cent.
		Capital and Reserves	Per Cent.	Un-divided Profits	Per Cent.	Notes	Per Cent.	Bills Payable, &c.		Cash in Hand and at Bank	Per Cent.	Bills Receivable and in Transit	Per Cent.	Investments	Per Cent.	Discounts and Advances	
1923	213	6,005,989	13.3	759,457	1.7	4,564,695	10.1	3,972,048	8.8	30,003,927	66.1	45,306,116	100.0	8,627,968	19.0	4,847,930	10.7
1924	217	7,284,442	15.5	1,265,367	2.7	4,072,102	8.7	3,732,130	8.0	30,501,720	65.1	46,855,761	100.0	7,373,582	15.8	5,695,081	12.1
1925	222	7,909,454	16.6	1,042,466	2.2	4,168,844	8.8	3,567,683	7.9	30,079,283	63.2	47,557,730	100.0	7,254,369	15.3	5,350,731	11.3
1926	229	8,732,289	17.5	1,183,877	2.4	4,444,393	9.4	3,281,792	7.1	31,121,288	62.5	49,763,649	100.0	7,471,296	15.1	5,695,081	11.3
1927	230	9,354,186	19.1	1,214,803	2.5	3,765,593	7.7	3,861,933	8.2	30,664,025	60.8	48,860,540	100.0	7,696,282	15.7	5,695,081	11.3
1928	239	9,797,023	19.6	1,149,162	2.3	3,797,080	7.6	3,797,252	7.6	30,339,033	60.9	49,879,550	100.0	7,850,823	15.7	5,695,081	11.3
1929	240	10,008,114	19.3	1,344,284	2.5	4,290,793	7.9	3,979,067	7.9	33,939,651	62.2	54,561,909	100.0	7,470,062	13.7	5,362,051	6.2
1930	244	10,385,664	19.0	1,199,843	2.2	3,754,948	6.8	5,536,497	10.1	33,897,609	61.9	54,774,567	100.0	6,977,261	12.7	5,527,685	4.6
1931	236	11,015,641	20.8	1,102,694	2.1	3,679,957	6.9	4,836,762	9.1	32,324,685	61.1	52,959,262	100.0	7,302,709	13.8	5,174,933	3.3
1932	234	11,040,164	21.3	846,749	1.6	4,062,763	7.8	4,292,951	8.3	31,565,843	61.0	51,808,469	100.0	7,861,140	15.1	5,174,933	3.3
1933	226	11,040,164	21.0	641,279	1.2	4,333,747	8.2	4,169,475	7.9	32,573,239	61.7	52,762,301	100.0	7,762,301	14.7	5,174,933	3.3
1934	223	11,040,164	20.3	624,468	1.2	4,259,149	7.8	4,105,002	7.5	34,328,004	63.2	54,356,787	100.0	7,765,367	14.3	5,248,957	4.6

† Including £102,550 long term mortgage debentures.

‡ Including £607,050 long term mortgage debentures.

* Includes money at call.

COMMERCIAL BANK OF AUSTRALIA, LIMITED

ESTABLISHED 1856

1918.—National Bank of Tasmania purchased, March 1, 1918

Year ended June 30	Number of Branches	CAPITAL					Total Liabilities or Assets	Cash in Hand and at Bank	Per Cent.	Bills Receivable and in Transit	Per Cent.	Investments	Per Cent.	Discounts and Advances	Per Cent.	Premises and Sundries	Per Cent.
		Subscribed	Paid-up	Callable	Reserved	Price, June 30, 1934											
1924	251	2,976,929	13.4	138,668	0.6	98,370	0.4	1,625,892	7.3	17,459,054	78.3	22,298,913	100.0	3,394,044	15.2	670,000	3.0
1925	270	3,545,805	14.0	172,075	0.7	96,920	0.4	1,755,842	7.0	19,666,798	77.9	25,237,440	100.0	4,024,459	16.0	705,000	2.8
1926	289	4,065,722	15.1	172,180	0.6	104,087	0.4	1,972,582	7.3	20,615,561	76.6	26,930,132	100.0	4,012,977	14.9	780,000	2.9
1927	319	4,599,050	16.1	203,013	0.7	176,124	0.6	2,405,346	8.4	21,102,190	74.2	28,483,723	100.0	4,263,100	15.0	710,000	2.5
1928	351	5,153,388	16.9	230,489	0.8	226,775	0.7	2,530,249	8.3	22,307,885	73.3	30,448,786	100.0	4,329,635	12.2	750,000	2.5
1929	365	5,703,600	17.3	252,943	0.8	244,022	0.7	2,570,432	7.8	24,181,046	73.4	32,952,049	100.0	4,376,615	11.4	610,000	1.9
1930	373	6,200,749	20.0	273,052	0.9	230,138	0.7	2,177,490	7.0	22,165,235	71.4	31,046,664	100.0	4,376,615	11.4	610,000	1.9
1931	371	6,367,350	21.1	267,683	0.7	184,082	0.6	1,729,075	5.9	20,655,785	71.1	29,341,975	100.0	4,376,615	11.4	610,000	1.9
1932	365	6,367,350	21.1	212,659	0.7	178,350	0.6	1,675,453	5.6	21,702,170	72.0	30,135,984	100.0	4,376,615	11.4	610,000	1.9
1933	365	6,367,350	20.6	171,599	0.6	188,500	0.7	1,685,104	5.2	22,380,269	72.0	30,776,884	100.0	4,376,615	11.4	610,000	1.9
1934	365	6,367,350	19.1	176,059	0.5	178,986	0.5	2,024,807	6.1	24,554,505	73.8	33,301,707	100.0	4,004,554	12.0	20,000	0.1



Hambros Bank Limited.

41. Bishopsgate,
London E.C.2.

West End Office: 67 Pall Mall, S.W.1

The BRITISH OVERSEAS BANK LIMITED

THROUGH its world-wide connections and agencies the Bank is able to offer to its clients at home and abroad exceptional facilities

THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED

ESTABLISHED 1834

INCORPORATED IN NEW SOUTH WALES WITH LIMITED LIABILITY

1927. Absorbed Bank of Victoria, Limited

CAPITAL				Year Ended June 30	Net Profit	Dividend	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved					
£	£	£	£					
9,478,025	4,739,012	Nil.	4,739,012	1924	451,567	10	120,000	89,886
				1925	480,261	10	130,000	90,227
				1926	485,069	10	170,000	55,297
				1927	556,705	10	150,000	60,184
				1928	653,243	10	175,000	65,215
				1929	655,195	10	175,000	71,508
				1930	637,619	10	150,000	85,226
				1931	441,816	8	...	124,226
				1932	253,866	5	...	117,446
				1933	259,077	5	...	119,573
				1934	256,731	5	20,000	119,353

LIABILITIES													ASSETS												
Year ended June 30	Number of Branches	Capital and Reserves	Per Cent.	Un- divided Profits	Per Cent.	Notes	Per Cent.	Bills in Circulation	Per Cent.	Deposit and Current Accounts	Per Cent.	Total Liabilities or Assets	Cash in Hand, at Bankers and Aus- tralian Notes	Per Cent.	Cash at Short Call in London	Per Cent.	Invest- ments	Per Cent.	Discounts, Advances, and Bills and Lien- tances in Transit	Per Cent.	Build- ings and Sun- dries	Per Cent.			
		£				£		£		£		£	£		£		£		£		£				
1924	253	6,056,288	14.7	382,928	0.9	8,903	...	1,246,139	3.0	33,594,177	81.4	41,288,435	8,680,274	21.0	2,135,000	5.2	3,324,496	8.1	26,193,665	63.4	955,000	2.3			
1925	256	6,200,000	13.7	395,227	0.9	8,661	...	1,682,794	3.7	36,930,963	81.7	45,217,645	8,002,848	17.7	4,950,000	10.9	3,473,036	7.7	27,841,761	61.6	950,000	2.1			
1926	243	6,330,000	13.4	400,296	0.9	8,230	...	1,821,498	3.9	38,539,205	81.8	47,099,229	8,060,563	17.1	3,435,000	7.3	4,875,156	10.3	29,786,095	63.3	942,505	2.0			
1927	438	8,560,413	13.6	437,002	0.7	14,377	...	2,520,179	4.0	51,239,268	81.7	62,771,239	11,188,140	17.8	1,640,000	2.6	6,353,071	10.2	42,165,358	67.1	1,424,670	2.3			
1928	456	8,689,013	13.6	477,166	0.8	14,244	...	2,149,049	3.0	51,824,699	82.3	63,154,171	9,181,947	14.5	885,000	1.4	9,371,852	14.8	42,358,228	67.1	1,357,144	2.2			
1929	465	8,814,012	13.4	483,459	0.7	14,130	...	2,104,183	3.0	54,420,876	82.7	65,836,660	9,216,291	14.0	1,360,000	2.1	9,250,256	14.1	44,666,649	67.8	1,343,464	2.0			
1930	464	8,919,012	13.4	472,177	0.8	14,013	...	1,488,019	3.2	54,940,513	81.9	60,315,544	8,616,716	14.3	1,335,000	2.1	9,106,620	10.1	42,910,912	71.2	1,346,296	2.2			
1931	435	9,039,012	16.6	315,785	0.6	13,858	...	1,971,105	1.8	44,014,106	81.0	54,351,877	8,098,750	14.9	700,000	1.3	6,569,119	12.1	37,655,288	69.3	1,318,720	2.4			
1932	437	9,039,012	16.6	255,321	0.4	13,815	...	1,158,934	2.4	44,466,426	81.0	54,914,108	6,200,023	11.4	1,035,000	1.9	9,688,833	17.7	36,512,162	66.6	1,318,090	2.4			
1933	436	9,039,012	16.6	238,048	0.4	13,793	...	1,043,988	1.9	45,071,545	81.4	55,406,386	6,935,157	12.5	1,140,000	2.1	9,477,799	17.1	36,560,040	66.0	1,293,390	2.3			
1934	434	9,039,012	16.6	237,829	0.4	13,760	...	1,240,483	2.1	48,629,115	82.2	59,160,199	8,677,281	14.7	960,000	1.6	10,294,059	17.4	37,599,169	64.2	1,269,690	2.1			

ENGLISH, SCOTTISH, AND AUSTRALIAN BANK, LIMITED

Registered 1893 under English Companies Acts

1920.—Amalgamated with the London Bank of Australia, Limited

1921.—Amalgamated with the Commercial Bank of Tasmania, Limited

1927.—Amalgamated with the Royal Bank of Australia, Limited, and a consequent issue of 125,000 shares

CAPITAL				Market Value	Year Ended June 30	Net Profit	Dividend	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved	£					
£	£	£	£						
5,000,000	3,000,000	2,000,000	Nil	4,687,500	1923	470,847	12.5	285,848	112,600
					1924	502,502	12.5	296,500	130,102
					1925	515,981	12.5	208,919	183,414
					1926	542,308	12.5	213,750	230,722
					1927	550,988	12.5	198,438	277,960
					1928	598,769	12.5	190,000	347,741
					1929	601,263	12.5	210,000	305,477
					1930	542,736	12.5	35,000	297,135
					1931	266,657	8	20,000	274,854
					1932	147,719	5	70,000	274,854
					1933	219,327	5	...	274,854

* Free of tax

Year ended June 30	Number of Branches	LIABILITIES										ASSETS											
		Capital and Reserves	Per Cent.	Un- divided Profits	Per Cent.	Notes	Per Cent.	Bills Payable, &c.	Per Cent.	Deposit and Current Accounts	Per Cent.	Total Liabi- lities or Assets	Cash in Hand, at Bankers, and at Short Notice	Per Cent.	Invest- ments	Per Cent.	Bills re- ceivable and Remit- tances in Transit	Per Cent.	Advances, &c.	Per Cent.	Buildings and Sundries, including Security for Note Issue	Per Cent.	
1923	355	£ 3,623,616	16.2	496,948	1.6	1,287	...	1,755,056	5.3	25,202,780	76.9	£	32,779,687	6,744,471	20.6	1,329,148	4.1	3,596,467	11.0	20,313,043	61.9	796,558	2.4
1924	370	5,407,966	16.1	525,102	1.6	1,185	...	2,013,871	6.0	25,696,754	76.3	£	33,644,878	6,509,436	19.3	1,164,139	3.5	4,441,858	13.2	20,720,840	61.6	808,605	2.4
1925	384	6,295,297	18.2	556,083	1.6	1,148	...	1,967,092	5.7	25,729,311	74.5	£	34,548,931	6,998,036	20.2	1,252,761	3.6	4,876,355	14.1	20,633,697	59.8	786,082	2.3
1926	401	6,340,966	17.0	598,222	1.6	1,128	...	2,393,680	6.4	27,918,631	75.0	£	37,252,627	7,733,419	20.8	1,255,739	3.4	5,954,470	16.0	21,542,690	57.7	766,309	2.1
1927	414	7,120,966	16.1	654,210	1.5	1,118	...	3,289,955	7.4	33,088,509	75.0	£	44,154,758	8,616,337	19.5	1,478,819	3.3	5,676,087	12.8	27,507,326	62.5	876,189	1.9
1928	434	7,876,715	17.7	711,739	1.6	1,083	...	2,531,983	5.7	33,391,267	75.0	£	45,512,778	9,916,009	22.3	2,394,395	5.4	5,176,839	11.6	26,272,106	59.0	753,429	1.7
1929	457	7,887,966	17.4	747,741	1.7	1,083	...	2,891,324	6.4	33,734,497	74.5	£	45,262,611	7,380,671	16.3	1,621,168	3.6	5,911,167	13.1	29,587,339	65.4	762,265	1.6
1930	459	7,967,966	19.5	725,478	1.8	1,062	...	1,883,539	4.6	30,281,693	74.1	£	40,859,739	6,777,738	16.6	1,795,012	4.4	2,679,698	6.6	28,867,868	70.6	739,423	1.8
1931	417	8,047,966	20.8	437,135	1.1	1,028	...	1,571,140	4.1	28,522,421	74.0	£	38,579,690	8,589,192	22.1	1,478,380	3.8	2,097,482	5.4	25,649,024	66.7	715,612	1.9
1932	417	8,077,966	20.4	339,854	0.9	1,028	...	1,878,912	4.7	29,372,285	74.0	£	39,670,045	9,527,624	24.2	1,599,584	4.0	3,065,318	7.7	24,762,787	62.3	714,728	1.8
1933	389	8,092,966	20.8	404,181	1.0	1,027	...	1,575,629	4.0	28,946,769	74.2	£	39,020,572	7,712,402	19.8	1,777,999	4.6	3,821,391	9.8	24,983,769	63.9	725,012	1.9

NATIONAL BANK OF AUSTRALASIA, LIMITED

INCORPORATED 1858

1918.—Amalgamated with Colonial Bank of Australasia, Limited

1922.—Absorbed Bank of Queensland, Limited

CAPITAL				Year Ended March 31	Net Profit	Dividend	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved					
£	£	£	£					
Ordinary Shares £5,800,000	£5,000,000	£1,800,000	Nil	1924	442,178	10	157,097	81,324
Per Share £10 & £8	£10 & £5	£3	...	1925	498,168	10	153,477	108,342
				1926	538,832	10	132,471	114,704
				1927	568,254	10	160,000	122,959
				1928	581,645	10	160,000	144,603
				1929	640,401	10	138,423	148,495
				1930	659,278	10	150,000	157,773
				1931	655,134	10	150,000	162,907
				1932	561,206	8	150,000	149,113
				1933	276,338	5	...	125,951
				1934	291,944	5	...	147,995
				1935	274,024	5	20,000	151,919

Ordinary £8 shares with £5 paid, October 9, 1934.

Price.

£4½

Continued on page 37

NATIONAL BANK OF AUSTRALASIA, LIMITED—Continued from page 36

Year ended March 31	LIABILITIES												ASSETS											
	Number of Branches	Capital and Re- serves	Per Cent.	Un- divided Profits	Per Cent.	Notes	Per Cent.	Bills in Circulation, &c.	Per Cent.	Deposit and Current Accounts	Per Cent.	Total Liabi- lities or Assets	Cash in Hand and at Bank	Per Cent.	Invest- ments	Per Cent.	Bills and Remit- tances in Transit	Per Cent.	Discounts and Advances	Per Cent.	Real Estate and Prem- ises	Per Cent.		
£	£	%	£	%		%		%		%		£	%	£	%	£	%	£	%	£	%			
1923	287	4,450,000	12.6	217,574	0.6	48,874	0.1	1,409,355	4.0	29,159,545	82.7	35,285,348	4,455,007	12.6	4,321,225	12.2	2,364,172	6.7	23,292,462	66.1	852,482	2.4		
1924	292	5,265,000	13.8	269,592	0.7	48,312	0.1	1,412,334	3.7	31,213,989	81.7	38,209,227	5,624,446	14.7	2,452,631	6.4	3,324,030	8.7	25,854,076	67.7	954,044	2.4		
1925	299	6,300,000	15.3	314,704	0.8	48,185	0.1	1,558,345	6.3	31,916,542	77.5	41,777,776	7,281,659	17.7	4,463,018	10.8	4,586,623	11.0	23,865,165	58.1	981,311	2.5		
1926	316	6,410,000	15.8	322,958	0.8	48,034	0.1	1,640,773	4.0	32,284,253	79.3	40,706,018	6,772,293	16.6	5,086,191	12.5	2,761,019	6.8	25,001,394	61.4	1,085,121	2.4		
1927	320	6,500,000	16.1	344,603	0.8	48,014	0.1	1,764,391	4.1	34,252,718	79.9	42,909,726	5,993,434	14.0	5,289,338	6.8	2,863,653	6.3	23,158,054	70.2	1,178,022	2.7		
1928	328	6,800,000	17.5	398,495	0.9	47,956	0.1	1,655,626	3.6	35,520,970	77.9	45,622,056	6,676,110	14.6	5,662,548	14.2	2,965,286	6.8	22,222,494	61.9	1,395,618	2.8		
1929	334	8,100,000	17.1	407,773	0.9	47,900	0.1	1,534,686	3.2	37,341,465	77.7	47,431,824	5,327,009	11.2	5,823,371	12.3	3,807,883	5.9	22,127,139	57.8	1,346,665	2.8		
1930	343	8,200,000	18.0	419,907	0.9	47,852	0.1	1,432,135	3.1	35,569,534	77.1	45,652,208	6,074,361	13.2	7,778,555	16.8	4,848,901	11.3	21,474,797	53.1	1,399,595	2.8		
1931	334	8,200,000	19.3	424,913	0.8	47,827	0.1	1,024,820	2.7	33,313,077	77.1	45,652,208	6,614,892	14.5	11,773,859	4.1	11,480,720	3.1	21,671,405	73.7	1,459,951	3.1		
1932	334	8,470,000	18.7	475,951	0.8	47,827	0.1	1,024,820	2.7	33,313,077	77.1	45,652,208	6,614,892	14.5	11,773,859	4.1	11,480,720	3.1	21,671,405	73.7	1,459,951	3.1		
1933	326	8,370,000	19.2	472,895	0.6	47,613	0.1	1,106,349	2.9	35,662,199	77.7	45,652,208	6,614,892	14.5	11,773,859	4.1	11,480,720	3.1	21,671,405	73.7	1,459,951	3.1		
1934	328	8,300,000	18.1	276,919	0.6	47,599	0.1	1,088,227	2.6	35,612,881	78.8	45,346,656	4,421,271	9.6	6,942,877	4.4	3,709,585	8.1	23,310,678	73.1	1,345,778	2.9		

THE UNION BANK OF AUSTRALIA, LIMITED

ESTABLISHED 1837

CAPITAL					Market Value	Year Ended Feb. 28	Net Profit	Dividend %	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callable	Reserved							
£	£	£	£	£		£				
12,000,000	4,000,000	Nil	8,000,000	5,800,000		1924	550,292	15(a)	100,000	90,003
						1925	590,398	15(a)	100,000	92,902
						1926	627,611	15(a)	100,000	95,513
						1927	627,426	15(a)	100,000	97,939
						1928	638,966	15(a)	75,000	99,404
						1929	611,932	15(a)	25,000	86,336
						1930	525,656	12½(a)	25,000	86,992
					Per Share, Oct. 5, 1934	1931	283,019	7(a)	...	90,010
						1932	160,954	4(a)	...	90,964
						1933	209,559	5(a)	...	100,523
						1934	203,509	5(a)	...	104,032
Per Share £15	Per Share £5	Per Share Nil	Per Share £10	£7½						
									(a) Free of tax	

LIABILITIES										Total Liabilities or Assets	
Year ended February 28	Number of Branches	Paid up Capital and Reserves	Per Cent.	Un-divided Profits	Per Cent.	Notes	Per Cent.	Bills Payable, &c.	Per Cent.		Deposit and Current Accounts
£		£		£		£		£		£	
1924	192	6,450,000	14.5	315,003	0.7	674,610	1.5	4,115,663	9.2	32,838,019	74.1
1925	192	7,650,000	16.4	355,402	0.8	721,031	1.5	4,005,166	8.6	33,935,484	72.7
1926	197	7,700,000	17.3	358,013	0.8	772,245	1.7	3,668,443	8.2	33,038,237	72.0
1927	196	7,750,000	17.0	360,439	0.8	592,084	1.3	4,378,574	9.6	32,545,478	71.3
1928	207	8,850,000	18.8	399,404	0.8	572,394	1.2	3,343,909	7.1	33,978,582	72.2
1929	216	8,850,000	18.0	386,336	0.8	579,729	1.2	3,507,051	7.2	33,644,350	72.8
1930	218	8,850,000	19.0	336,992	0.7	603,109	1.3	3,386,052	5.1	34,584,517	73.9
1931	220	8,850,000	20.0	170,010	0.4	544,041	1.2	1,451,091	3.3	33,184,413	75.1
1932	210	8,850,000	18.9	170,964	0.4	463,480	1.0	1,457,276	3.1	32,844,650	76.6
1933	212	8,850,000	19.3	220,523	0.5	495,304	1.1	885,735	2.2	33,215,930	76.9
1934	212	8,850,000	18.0	224,032	0.5	551,434	1.1	1,045,432	2.1	33,448,449	78.3

ASSETS									
Cash in Hand and at Bankers, and in Transit	Per Cent.	Money at Call and Short Notice in London	Per Cent.	Investments	Per Cent.	Remittances and Drafts in Transit, Discounts and Advances	Per Cent.	Premises	Per Cent.
£		£		£		£		£	
5,672,086	12.8	790,000	1.8	2,200,000	5.0	35,338,335	79.5	392,874	0.9
4,928,878	10.5	1,435,000	3.1	2,200,000	4.7	37,771,652	80.9	391,553	0.9
7,161,087	15.1	1,070,000	2.4	2,001,000	4.9	34,164,673	76.7	390,178	0.9
6,992,846	15.3	550,000	1.2	2,217,075	4.9	35,747,902	77.7	388,752	0.9
7,388,787	15.7	760,000	1.6	2,863,062	6.3	35,745,165	75.9	387,275	0.9
6,973,304	14.9	1,060,000	2.2	2,223,199	4.9	35,925,578	79.9	385,745	0.9
7,995,603	18.1	589,500	1.3	2,353,800	5.0	35,445,905	78.0	384,161	0.9
10,555,080	22.6	440,000	1.0	2,407,597	5.4	32,973,829	74.6	382,526	0.9
8,281,958	18.1	400,000	0.9	2,399,019	5.1	33,023,426	70.6	380,845	0.9
10,082,451	20.5	325,000	0.7	2,442,718	5.3	34,263,709	74.9	379,107	0.9
				2,442,050	5.5	35,892,527	73.0	377,309	0.9

(4) CANADIAN BANKS

BANK OF MONTREAL

ESTABLISHED 1817

Acquired Exchange Bank of Yarmouth, 1903
 Acquired People's Bank of Halifax, 1905
 Acquired Ontario Bank, 1906
 Acquired People's Bank of New Brunswick, 1907

Acquired Bank of British North America, October, 1918
 Acquired Merchants' Bank of Canada, March, 1922
 Acquired Molsons Bank, January, 1925

CAPITAL					Year Ended Oct. 31	Net Profit	Dividend %	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserve	Liability					
£	£	£	£	£	£	£	£	£	£
36,000,000	36,000,000	...	36,000,000	...	1923	4,496,417	14	580,650	659,582
					1924	4,454,504	14	537,500	761,586
					1925	4,604,963	14	608,090	596,788
					1926	4,978,133	14	619,167	767,416
					1927	5,299,888	14	1,724,167	154,799
					1928	5,847,327	14	1,100,000	713,789
					1929	7,070,892	14	2,335,865	735,582
					1930	6,519,032	14	1,311,439*	947,047
					1931	5,386,380	12	910,000	1,103,427
					1932	4,663,101	11	557,671	1,248,856
					1933	4,005,154	8½	608,559	1,585,451

* Including \$51,460 premiums on new stock, carried to reserve.

(Dollars converted to sterling at rate of \$5 to £1.)

LIABILITIES										Total Liabilities or Assets
Year ended April 30	No. of Branches	Capital and Reserves	Per Cent.	Un-divided Profits	Per Cent.	Notes	Per Cent.	Balances Due to Other Banks in Canada, &c.	Per Cent.	
£	£	£	£	£	£	£	£	£	£	£
1923	584	10,900,000	8.3	342,635	0.3	7,847,204	6.0	2,317,374	1.8	109,714,436
1924	543	10,900,000	8.0	361,239	0.3	7,544,643	5.6	2,443,626	1.9	114,737,305
1925	617	11,966,680	8.3	352,511	0.2	7,447,922	5.5	3,148,951	2.2	120,322,895
1926	614	11,966,680	8.0	367,980	0.2	8,334,888	5.6	4,321,421	2.9	124,835,502
1927	620	11,966,680	7.6	442,165	0.3	8,653,260	5.5	3,944,662	2.5	131,815,788
1928	626	12,166,680	7.0	332,071	0.2	8,528,928	4.9	5,339,807	3.1	147,270,037
1929	658	14,000,000	9.0	502,116	0.3	8,678,700	4.7	11,270,402	7.1	146,670,410
1930	675	14,800,000	9.0	474,198	0.3	7,694,629	4.7	5,296,057	3.2	136,255,045
1931	648	14,800,000	9.4	434,254	0.3	7,733,589	4.3	5,196,649	3.1	130,215,049
1932	656	14,800,000	9.9	460,319	0.3	7,028,714	4.7	4,521,464	3.0	122,911,999
1933	605	14,800,000	9.6	432,191	0.3	6,829,594	4.4	4,629,547	3.0	127,150,923
1934	574	14,800,000	9.6	463,418	0.3	6,763,962	4.4	4,742,582	3.1	126,939,220

* Six months ended October 31

† Year ended October 31

BANK OF NOVA SCOTIA

ESTABLISHED 1832

913.—Absorbed Bank of New Brunswick

1914.—Absorbed Metropolitan Bank

1919.—Absorbed Bank of Ottawa

CAPITAL					Year Ended Dec. 31	Net Profit	Dividend %	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callible	Reserved	£					
£	£	£	£	£	£	£	£	£	£
12,000,000	12,000,000	Nil	12,000,000	...	1924	422,006	16	85,000	67,545
					1925	427,584	16	85,000	90,129
					1926	445,649	16	87,000	131,777
					1927	473,064	16	189,000	95,841
					1928	507,104	16	190,000	182,945
					1929	552,223	16	122,000	293,168
					1930	507,125	16	326,000	106,926
					1931	515,860	16	127,000	111,326
					1932	460,687	15	96,969	115,645
					1933	407,180	12½	95,400	127,425

(Dollars converted to sterling at rate of \$5 to £1.)

Continued on page 40

Glyn, Mills & Co.

(Established 1753)
Registered with unlimited liability, 1885.

CHILD & CO. and HOLT & CO.

(Established before 1600)

(Established 1809)

BANKERS

Army and Air Force Agents, Navy and Prize Agents.

EVERY MODERN BANKING FACILITY
67, LOMBARD STREET, E.C.3

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ARTHUR VAVASOUR BARBER

* Managing Partners

The Bank is prepared to act as REGISTRAR and TRANSFER AGENT, being fully equipped with the necessary personnel and machinery for the expeditious and accurate handling of transfers, preparation of share and stock certificates and Dividend Warrants, maintenance of Stock and Share Registers, registration of probates and Powers of Attorney, and all other duties pertaining to the office of Registrar and Transfer Agent.

THE
YOKOHAMA SPECIE BANK,
LIMITED

(Incorporated in Japan.)

Established 1880

Capital Subscribed and Fully Paid - Yen 100,000,000
 Reserve Fund - - - - - „ 124,250,000

Head Office - - - - - YOKOHAMA

BRANCHES AT

ALEXANDRIA.
 BATAVIA.
 BERLIN.
 BOMBAY.
 CALCUTTA.
 CANTON.
 DAIREN (Dainy).
 FENGTIEN (Mukden).
 HAMBURG.
 HANKOW.
 HARBIN.
 HONOLULU.
 HONG KONG.
 HSIANKING (formerly CHANGCHUN).
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 NAGOYA.
 NEW YORK.
 OSAKA.
 PARIS.
 PEIPING.
 RANGOON.
 RIO DE JANEIRO.
 SAMARANG.
 SAN FRANCISCO.
 SEATTLE.
 SHANGHAI.
 SINGAPORE.
 SOURABAYA.
 SYDNEY.
 TIENTSIN.
 TOKYO.
 TSINGTAU.
 YINGKOW (formerly NEWCHWANG).

The Bank buys and receives for collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE:
 7, BISHOPSGATE, LONDON, E.C.2. H. KANO, Manager.

SECURITY
FIRSTFUNDS EXCEED
£43,500,000CLAIMS PAID
OVER
£200,000,000All classes of
Insurance
transacted

Head Offices:

NORTH JOHN ST., LIVERPOOL - LONDON: LOMBARD STREET

BANK OF NOVA SCOTIA—Continued from page 38

BANK OF NOVA SCOTIA—Continued										ASSETS												
Year ended Dec. 31	Number of Branches	LIABILITIES							Total Liabilities or Assets	ASSETS												
		Capital and Reserves	Per Cent.	Undivided Profits	Per Cent.	Notes	Per Cent.	Due to Other Banks, &c.		Per Cent.	Deposit and Current Accounts	Per Cent.	Cash in Hand and Due by Agents	Per Cent.	Call and Short Loans	Per Cent.	Investments	Per Cent.	Discounts and Advances	Per Cent.	Real Estate, Premises, and Sundries	Per Cent.
		£		£		£		£		£		£		£		£		£		£		
1923	304	5,900,000	13.0	150,702	0.3	3,014,855	6.6	1,574,053	3.4	34,958,340	76.7	45,577,960	10,980,188	24.0	5,625,471	12.3	9,745,618	18.6	16,707,102	36.8	2,518,581	5.5
1924	298	5,900,000	12.6	148,039	0.3	2,828,632	6.0	2,086,757	4.4	35,988,693	76.7	46,952,121	11,228,879	23.9	4,737,218	10.1	9,859,324	21.4	18,369,293	39.1	12,757,407	5.9
1925	304	5,900,000	12.4	170,589	0.3	2,940,062	6.0	1,989,148	4.1	37,891,368	77.5	48,891,167	11,154,115	22.8	5,029,844	10.3	11,785,634	21.0	18,093,763	37.0	2,827,811	5.8
1926	305	5,900,000	12.0	212,273	0.4	2,996,231	6.1	2,159,365	4.4	38,076,448	77.1	49,344,517	10,291,070	20.8	6,137,822	12.4	10,849,874	24.1	19,135,409	38.9	2,930,142	5.9
1927	309	5,000,000	11.5	176,007	0.3	3,038,033	5.8	2,433,642	4.7	40,699,714	77.7	52,347,396	10,474,742	20.1	7,903,945	15.1	10,289,259	22.0	20,854,399	39.2	2,825,051	5.5
1928	320	6,000,000	10.7	263,222	0.5	3,219,611	5.8	2,920,354	5.2	43,497,426	77.8	55,900,613	11,314,201	20.2	9,387,847	16.6	9,978,272	19.5	22,169,103	39.7	3,051,190	5.6
1929	327	6,000,000	10.9	373,671	0.7	3,240,453	5.9	2,886,672	5.3	42,347,479	77.2	54,848,275	10,896,159	19.9	9,027,998	16.4	7,441,926	17.9	24,596,467	44.8	2,885,725	5.3
1930	335	7,200,000	13.7	203,015	0.4	2,793,659	5.9	2,418,197	4.6	40,008,451	76.0	52,623,132	9,226,861	17.5	7,622,235	14.9	9,750,524	13.6	23,174,023	44.0	2,849,489	5.4
1931	324	7,200,000	13.7	208,367	0.4	2,540,566	4.8	1,860,965	3.5	40,689,392	77.6	52,499,290	8,488,170	16.1	5,596,873	6.9	12,536,480	18.6	24,420,028	46.5	3,357,734	6.4
1932	322	7,200,000	13.6	200,590	0.4	2,215,802	4.2	2,740,514	5.2	40,625,915	76.6	52,982,823	9,468,352	17.8	3,049,010	5.8	15,037,796	24.1	22,032,556	41.6	3,395,109	6.6
1933	317	7,200,000	13.5	200,221	0.4	2,300,209	4.2	2,764,449	5.1	41,598,472	77.0	54,063,351	10,437,588	19.3	2,202,042	4.1	15,838,055	29.3	22,050,000	40.8	3,535,666	6.5

THE CANADIAN BANK OF COMMERCE
INCORPORATED 1867 IN CANADA WITH LIMITED LIABILITY
1923.—Absorbed Bank of Hamilton

CAPITAL				Market	Year Ended	Net Profit	Dividend	To Reserve, &c.	Carried Forward
Subscribed	Paid-up	Callable	Reserved	Price	Nov. 30	£	%	£	£
\$	\$	\$	\$	Per Share,	1923.....	598,648	13	179,853	449,103
30,000,000	30,000,000	Nil	30,000,000	Oct. 5,	1924.....	714,098	13	415,938	250,290
Per Share	Per Share	Per Share	Per Share	1934	1925.....	716,551	13	178,915	253,679
\$100	\$100	Nil	\$100	£33	1926.....	747,325	13	203,560	263,198
					1927.....	765,815	13	494,765	292,591
					1928.....	920,953*	13	596,936	62,535
					1929.....	1,041,005	13	1,302,572†	97,627
					1930.....	1,105,155	13	337,637†	106,100
					1931.....	981,149	12	237,450	110,072
					1932½	855,885	11	199,121	103,900
					1933½	729,766	8½	191,233	132,433

(Converted at par of exchange.)

* Includes profit and loss balance of the Standard Bank of Canada.
† Includes £1,022,180 received as premiums on new shares issued.

* January 31.

† Figures for these years are converted at rate of \$5 to £1.

THE DOMINION BANK

ESTABLISHED 1871

CAPITAL			Year	Net Profit	Dividend	To Reserve, &c.	Carried Forward	
Subscribed	Paid-up	Callable		\$	%	\$	\$	
\$	\$		1923	1,129,370	13	282,158	825,375	
7,000,000	7,000,000	Nil	1924	1,144,082	13	289,332	900,125	
			1925	1,156,840	13	312,667	964,298	
			1926	1,259,277	13	411,020	1,032,555	
			1927	1,328,496	13	1,460,527	120,524	
			1928	1,408,088	13	476,328	272,287	
Per Share	Per Share	Per Share	1929	1,522,809	13	1,531,315*	374,543	
\$100	\$100	Nil	1930	1,409,747	13	434,048†	444,219	
			1931	1,322,287	12	461,297	465,209	
			1932	1,179,931	11	314,367	310,773	
			1933	1,139,202	10	314,631	435,344	
Reserve fund, \$9,000,000								

* Includes \$906,070 premiums on new stock issue.

* June 30.

(Dollars converted to sterling at rate of \$5 to £1)

BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS)

OVER 400 BRANCHES IN

THE UNION OF SOUTH AFRICA

KENYA . TANGANYIKA . UGANDA . NYASALAND

NORTHERN & SOUTHERN RHODESIA . EGYPT . SUDAN . PALESTINE

PORTUGUESE EAST AFRICA . SOUTH-WEST AFRICA

BRITISH WEST AFRICA . BRITISH WEST INDIES . BRITISH GUIANA

MALTA . GIBRALTAR . MAURITIUS

LONDON . LIVERPOOL . MANCHESTER . HAMBURG . NEW YORK

HEAD OFFICE:

54 LOMBARD STREET, LONDON, E.C.3

BARCLAYS BANK (CANADA)
Montreal and Toronto

SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY

Founded 1826

President:

The Right Hon. THE EARL OF
ELGIN & KINCARDINE, K.T.

At the latest Division of Profits on
31st December, 1930, the Bonus Ad-
ditions to participating Policies ranged
from

£2 2 6% to £5 17 6% per annum

and the reserves for future profits were
further strengthened

Head Office:

35 ST. VINCENT PLACE, GLASGOW

London Office:

17, TOKENHOUSE YARD, E.C.2

RECORD BONUS AGAIN

WHOLE-LIFE BONUS

INCREASED TO
per annum .. 45/-%

ENDOWMENT ASSURANCE

BONUS MAINTAINED
at, per annum .. 40/-%

INTERIM BONUS, 1934—same rates

CARRY FORWARD INCREASED
from £483,159 to £674,364

The
Liverpool
and
London
and
Globe

Insurance Company, Ltd.

HEAD OFFICE:
1, Dale Street,
LIVERPOOL, 2LONDON
(Chief Office

ROYAL BANK OF CANADA

Incorporated in 1869 as Merchants' Bank of Halifax. Name changed in 1901

Absorbed Union Bank of Halifax, 1910
 Absorbed Traders Bank of Canada, 1912
 Absorbed Quebec Bank, October, 1916

Absorbed Northern Crown Bank, 1918
 Absorbed Union Bank of Canada, 1925

CAPITAL			
Authorised	Paid-up	Callable	Reserved
\$	\$	\$	\$
50,000,000	35,000,000	Nil	35,000,000
Per Share	Per Share	Per Share	Per Share
\$100	\$100	Nil	\$100

Year Ended	Net Profit	Dividend	To Reserve, &c.	Carried Forward
Nov. 30	£	%	£	£
1923	781,863	14	195,000	217,166
1924	775,795	14	193,000	228,761
1925	816,326	14	184,000	249,887
1926	903,248	14	188,000	281,335
1927	1,074,029	14	197,000	351,965
1928	1,176,251	14	226,000	472,217
1929	1,429,027	14	242,000	714,830
1930	1,314,525	14	108,000	821,356
1931	1,089,655	12	240,000	831,021
1932	972,370	11	800,000	233,391
1933	780,330	8½	142,000	276,721

(Dollars converted to sterling at rate of \$5 to £1)

Year ended May 31		LIABILITIES										Total Liabilities or Assets	ASSETS										
		No. of Branches	Capital and Reserves	Per Cent.	Undiv- ided Profits	Per Cent.	Notes	Per Cent.	Miscel- laneous Credits	Per Cent.	Deposit and Current Accounts		Per Cent.	Cash in Hand and Due from Other Banks & Agents	Per Cent.	Cash at Call and Short Notice	Per Cent.	Invest- ments	Per Cent.	Dis- counts and Ad- vances	Per Cent.	Pre- mises Liabilities of Custom- ers, &c.	Per Cent.
1923	670	£ 8,160,000	7.6	£ 422,823	0.4	£ 2,245,308	5.8	£ 8,576,727	8.0	£ 84,266,853	78.2	107,671,711	25.3	26,326,507	24.5	9,274,515	8.6	11,024,073	10.2	52,944,594	49.2	8,102,022	7.5
1924	655	£ 8,160,000	7.0	£ 434,324	0.4	£ 2,564,388	5.1	£ 9,833,436	8.4	£ 92,365,754	79.1	116,757,902	29.4	29,484,158	25.2	6,850,330	5.9	19,270,460	16.5	51,445,071	44.1	9,707,883	8.3
1925	646	£ 8,160,000	6.8	£ 351,162	0.3	£ 2,530,977	4.6	£ 9,376,397	7.8	£ 96,347,508	80.5	119,766,044	31.9	27,764,648	18.4	11,568,432	9.7	22,617,014	18.9	55,512,271	43.6	8,090,679	6.7
1926	886	£ 9,760,000	6.7	£ 396,287	0.3	£ 2,180,746	4.9	£ 11,110,914	7.1	£ 117,148,778	80.5	145,596,725	22.8	28,542,151	15.7	16,809,755	11.5	27,169,197	18.7	68,920,115	47.3	9,843,137	6.8
1927	873	£ 11,537,804	7.4	£ 455,818	0.3	£ 2,126,347	4.6	£ 12,665,033	8.1	£ 124,221,545	79.6	156,006,547	22.9	28,124,714	14.7	22,217,013	14.2	24,409,880	15.6	75,466,412	48.5	10,931,995	7.0
1928	878	£ 12,000,000	6.5	£ 541,966	0.4	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8
1929	897	£ 13,627,992	7.2	£ 679,694	0.4	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8
1930	913	£ 14,000,000	7.9	£ 924,830	0.5	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8
1931	890	£ 14,000,000	8.2	£ 1,031,356	0.6	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8
1932	877	£ 14,000,000	9.2	£ 1,041,021	0.7	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8
1933	877	£ 14,000,000	9.9	£ 373,391	0.3	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8
1934	784	£ 11,000,000	7.7	£ 416,721	0.3	£ 2,187,772	5.3	£ 15,483,379	8.4	£ 149,538,920	80.8	184,954,192	23.7	32,649,161	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,586	6.8

* November 30.

† February 28.

(5) INDIAN BANKS

IMPERIAL BANK OF INDIA

BALANCE SHEET

	June 30, 1932	June 30, 1933	June 30, 1934		June 30, 1932	June 30, 1933	June 30, 1934
LIABILITIES	Rs.	Rs.	Rs.	ASSETS	Rs.	Rs.	Rs.
Capital paid up	5,62,50,000	5,62,50,000	5,62,50,000	Government securities	27,31,22,000	38,45,23,515	39,29,98,794
Reserve	5,15,00,000	5,20,00,000	5,27,50,000	Other authorised securities under the Act	2,48,54,000	1,28,20,009	2,20,310
Public deposits	19,08,32,000	5,82,49,140	7,91,89,124	Ways and means advances to the Government of India	8,39,93,000	1,00,00,000	9,50,00,000
Other deposits	61,49,44,000	74,23,55,225	74,83,07,913	Loans	26,67,99,000	3,62,52,725	2,44,89,830
Sundries	1,04,38,000	85,24,097	91,68,862	Cash credits	1,76,24,000	2,02,81,122	2,33,82,597
	92,39,64,000	91,73,78,462	94,56,65,899	Inland bills discounted and purchased	1,90,000	1,19,504	6,35,428
				Foreign bills discounted and purchased	2,64,40,000	2,56,96,924	2,49,55,182
				Dead stock	49,54,000	91,53,238	76,75,548
				Sundries	58,00,000	14,18,149	6,70,199
				Balances with other banks	22,01,88,000	23,08,08,604	21,65,96,851
				Cash	92,39,64,000	91,73,78,462	94,56,65,899

THE MERCANTILE BANK OF INDIA, LIMITED

REGISTERED 1892

Absorbed the Bank of Mauritius, Limited, as from January 1, 1916
 Absorbed the Bank of Calcutta, Limited, as from March 31, 1906

CAPITAL			
Subscribed	Paid-up	Callable	Reserved
£750,000	£375,000	£187,500	£187,500
Per Share	£25	£12 10s.	£6 5s.
"B" Shares	£750,000	£375,000	£187,500
Per Share	£25	£12 10s.	£6 5s.
"O" Shares	£1,500,000	£300,000	...
Per Share	£5	...	...

Year	Net Profit	Dividend	To Reserve, Premises, Pension Fund, &c.	Carried Forward
£	%	£	£	£
1924	243,410	16	75,000	158,222
1925	257,663	16	85,000	162,885
1926	250,782	16	85,000	160,667
1927	257,180	16	85,000	164,846
1928	250,201	16	85,000	162,047
1929	257,459	16	85,000	165,506
1930	213,340	16	45,000	166,845
1931	152,081	12	25,000*	167,927
1932	179,809	12	50,000	171,736
1933	161,697	12	35,000	172,433

* Premises and Pension Fund only. £450,000 was transferred from Reserve Fund to Inner Reserves.

Year Ended December 31	No. of Branches	LIABILITIES										Total Liabilities or Assets	ASSETS									
		Capital and Re- serves	Per Cent.	Undi- vided Profit	Per Cent.	Notes in Circu- lation	Per Cent.	Accept- ances	Per Cent.	Miscel- laneous Credits, Re- bate, &c.	Per Cent.		Deposit and Current Accounts	Per Cent.	Cash In Hand, at Bankers and at Call	Per Cent.	Invest- ments	Per Cent.	Dis- counts and Ad- vances	Per Cent.	Buildings and Sundries, including Cover for Accept- ances	Per Cent.
		£		£		£		£		£			£		£		£		£		£	
1924	22	2,350,000	14.2	242,222	1.5	192,104	1.2	318,609	1.9	1,199,805	7.3	12,158,015	73.9	16,460,755	2.638,803	16.0	5,556,033	33.8	7,054,340	42.9	1,211,579	7.3
1925	23	2,400,000	13.0	246,885	1.3	200,971	1.1	295,470	1.6	657,220	3.0	14,717,982	80.0	18,418,528	2,696,811	14.6	5,384,311	29.2	9,026,153	49.1	1,311,253	7.1
1926	24	2,435,000	12.9	244,667	1.3	217,491	1.2	253,815	1.3	691,760	3.7	14,957,987	79.6	18,800,720	2,811,850	14.9	5,197,987	28.9	8,501,712	44.2	947,613	5.0
1927	24	2,470,000	13.4	248,846	1.3	234,536	1.3	188,317	1.0	803,001	4.3	14,442,526	78.7	18,387,256	2,409,256	11.1	6,038,557	32.8	9,485,046	51.6	814,387	4.4
1928	25	2,500,000	13.2	246,047	1.3	228,271	1.2	300,160	1.6	2,221,678	11.7	12,673,121	70.7	18,989,409	2,089,549	11.0	4,937,400	26.0	10,696,296	56.3	1,265,259	6.7
1929	25	2,530,000	14.2	250,506	1.4	246,566	1.3	247,024	1.4	1,905,194	10.7	12,673,121	70.7	18,989,409	2,152,479	12.0	4,753,553	26.0	9,740,386	54.6	1,210,998	6.8
1930	25	2,550,000	14.4	250,846	1.4	275,227	1.6	149,109	0.8	439,173	2.5	13,979,269	79.3	17,643,624	2,652,125	15.1	5,719,963	32.4	8,024,795	45.5	1,232,054	7.0
1931	24	2,100,000	14.3	220,427	1.5	174,825	1.2	122,724	0.8	829,768	5.7	11,220,537	76.5	14,668,281	2,458,004	9.9	5,493,214	37.4	6,678,393	45.6	1,038,630	7.1
1932	24	2,125,000	13.1	234,736	1.4	162,110	1.0	187,688	1.2	467,207	2.9	13,034,948	80.4	16,211,689	2,141,647	13.3	5,889,815	36.4	7,092,734	43.7	1,087,493	6.7
1933	22	2,125,000	13.9	235,432	1.5	103,990	0.7	125,134	0.8	416,638	2.7	12,285,678	80.4	15,291,862	1,957,613	12.8	6,005,762	37.2	6,360,098	41.5	968,389	6.5

REFUGE ASSURANCE CO. LTD.

Chief Office:
 OXFORD STREET
 MANCHESTER, 1

ANNUAL INCOME EXCEEDS

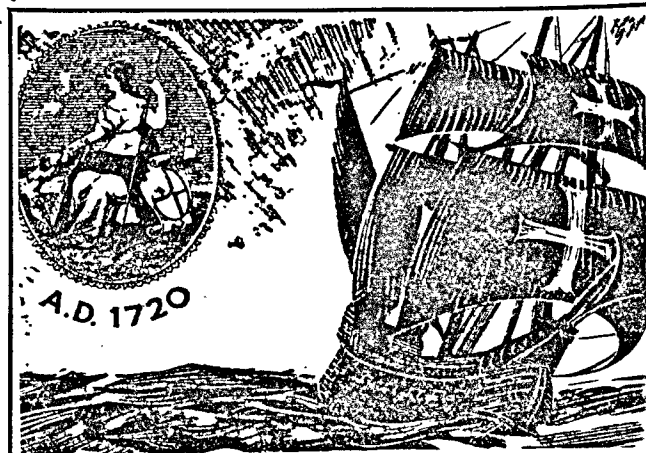
£12,000,000

ASSETS EXCEED

£58,000,000

CLAIMS PAID EXCEED

£82,000,000



PIONEERS

All classes of Insurance transacted, and the duties of Executor and Trustee undertaken.

HEAD OFFICE: 1 KING WILLIAM STREET, LONDON, E.C.4.

Marine Dept.: 157 Leadenhall St., London, E.C.3.

Branches and Agencies throughout the World.

APPLICATIONS FOR AGENCIES INVITED.

INSURE WITH THE LONDON ASSURANCE

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED

MOTOR FIRE
 ACCIDENT
 and
 GENERAL INSURANCE

Head Office:
 Hamilton House, Victoria Embankment,
 London, E.C.4

Telephone: Central 5260

Branches and Agencies throughout the World

DEATH DUTY POLICIES AT VERY LOW RATES

THE STANDARD LIFE ASSURANCE COMPANY

has issued a new Table of
 LOW WITHOUT-PROFIT
 PREMIUMS

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA INCORPORATED 1853

CAPITAL					Market Value, Sept. 27, 1934	Year	Net Profit £	Dividend and Bonus £	To Reserve, &c.	Carried Forward	
Subscribed	Paid-up	Callable	Reserved								
£	£	Nil	£	£		£					
3,000,000	3,000,000		3,000,000	9,300,000		1924	770,716	20½	175,000	210,624	
						1925	756,154	20½	150,000	209,278	
						1926	778,576	20½	165,000	215,354	
						1927	724,039	20½	125,000	206,893	
						1928	627,263	20½	40,000	186,656	
						1929	661,598	20½	50,000	190,754	
						1930	634,343	20½†	30,000	187,597	
						1931	381,787	14	...	184,384	
						1932	454,439	14	...	183,884	
						1933	467,467	14	25,000	206,351	
Per Share £5	Per Share £5	Per Share Nil	Per Share £5	15½d	Per Share, Sept. 27, 1934	* Free of tax.					† Of which 7% free of tax.

LIABILITIES												ASSETS											
Year Ended Dec. 31	No. of Branches	Capital and Re- serves	Per Cent.	Un- divided Profits	Per Cent.	Notes	Per Cent.	Accept- ances, Bills Payable, Rebate, &c.	Per Cent.	Deposit and Current Ac- counts	Per Cent.	Total Liabi- lities or Assets	Cash in Hand, at Bankers, and in Transit	Per Cent.	In- vest- ments	Per Cent.	Bills of Ex- change	Per Cent.	Dis- counts and Loans	Per Cent.	Buildings and Sundries, including Cover for Accept- ances	Per Cent.	
1924	42	6,900,000	11.1	783,124	1.3	1,732,521	2.8	10,374,300	16.8	42,059,313	68.0	61,846,258	9,494,879	15.4	8,526,607	13.8	19,178,446	31.0	19,007,199	30.7	5,642,127	9.2	
1925	42	6,900,000	9.9	756,778	1.1	1,931,942	2.7	10,043,446	14.2	51,134,282	72.1	70,866,448	9,507,310	10.6	8,526,667	11.8	27,300,208	38.3	21,281,243	30.0	6,442,920	9.2	
1926	44	7,000,000	9.9	777,854	1.2	2,207,356	3.3	6,593,640	9.9	50,067,105	75.1	66,645,955	10,635,074	16.0	14,413,311	21.6	17,392,620	26.1	20,172,752	30.0	2,032,199	3.1	
1927	45	7,000,000	10.5	777,854	1.1	1,984,334	3.1	9,607,195	14.9	45,121,907	70.0	64,442,829	4,371,710	6.8	13,670,279	21.2	19,761,881	30.5	20,670,405	32.2	2,968,554	4.6	
1928	46	7,000,000	10.9	729,393	1.0	1,984,334	3.1	9,607,195	14.9	45,121,907	70.0	64,442,829	5,361,196	8.8	11,764,637	22.6	14,816,216	24.3	22,947,901	37.6	1,401,420	2.2	
1929	47	7,000,000	11.5	624,156	1.0	1,449,125	2.9	7,613,178	12.8	44,004,911	72.1	60,991,370	5,145,953	8.4	13,521,912	22.2	14,619,601	23.9	24,182,091	39.6	6,121,481	10.2	
1930	47	7,000,000	11.5	638,255	1.0	1,449,125	2.9	7,613,178	12.8	44,004,911	72.1	60,991,370	5,961,121	10.1	13,838,039	25.2	11,036,567	20.1	21,027,232	38.4	4,939,465	8.2	
1931	47	7,000,000	12.7	615,097	1.1	1,909,534	3.5	4,443,995	8.1	40,833,796	74.6	54,802,422	5,626,050	10.6	13,811,086	26.0	11,348,725	15.7	22,601,512	43.8	5,742,424	9.3	
1932	47	7,000,000	11.3	359,385	1.7	1,955,159	3.7	6,189,242	11.6	38,616,008	72.7	53,129,794	8,331,303	14.3	17,950,839	30.6	11,738,524	20.1	17,739,881	32.0	2,803,484	4.4	
1933	43	6,000,000	10.0	441,751	0.7	1,356,821	2.2	5,893,731	9.8	46,605,658	77.3	60,297,561	12,094,382	20.0	19,439,209	32.2	17,495,210	12.5	18,575,704	30.8	2,693,056	4.5	
* Includes Treasury Bills.																							

* Includes Treasury Bills.

THE EASTERN BANK, LIMITED

REGISTERED 1909

REGISTERED 1933												
CAPITAL					Net Profit	Dividend	To Reserve, &c.	Carried Forward				
Subscribed	Paid-up	Reserve Liability of Shareholders	Market Value	Year	£	%	£	£				
			Sept. 27, 1934	1924	122,052	9	30,000	35,400				
				1925	122,503	9	30,000	37,903				
				1926	120,538	9	30,000	38,441				
£ 2,000,000	£ 1,000,000	£ 1,000,000	£ 1,275,000	1927	121,911	9	30,000	40,351				
				1928	124,119	9	30,000	44,470				
				1929	123,521	9	30,000	47,991				
			Per Share	1930	116,634	9	25,000	49,685				
Per Share £10	Per Share £5	Per Share £5	Sept. 27, 1934 6½	1931	119,607	6	75,000	34,292				
				1932	121,944	6	55,000	41,236				
				1933	125,525	6	55,000	51,761				

NATIONAL BANK OF INDIA, LIMITED

ESTABLISHED 1863

CAPITAL					Market Value £	Year £	Net Profit £	Dividend %	To Reserve, &c. £	Carried Forward £
Subscribed £	Paid-up £	Callable £	Reserved £							
4,000,000	2,000,000	2,000,000	Nil.	7,440,000	1924.....	535,925	20*	110,000	224,980	
					1925.....	536,105	20*	120,000	241,085	
					1926.....	534,316	20*	120,000	255,401	
					1927.....	541,099	20*	120,000	276,500	
					1928.....	530,829	20*	130,000	277,329	
					1929.....	511,133	20*	110,000	278,462	
					1930.....	480,329	20*	80,000	270,791	
					1931.....	470,019	20*	70,000	278,810	
					1932.....	450,197	20	80,000	249,007	
					1933.....	450,783	20	50,000	249,790	
Per Share £25	Per Share £12 10s.	Per Share £12 10s.	Per Share Nil.	Per Share, Sept. 27, 1934 46½						

* Free of tax.

LIABILITIES													ASSETS												
Year ended Dec. 31	Number of Branches	Capital and Re- serves	Per Cent.	Un- divided Profits	Per Cent.	Accept- ances	Per Cent.	Loans and Bills Payable	Per Cent.	Deposit and Current Ac- counts	Per Cent.	Total Liabil- ities or Assets	Per Cent.	Cash in Hand, at Bankers, at Call, and in Transit	Per Cent.	Invest- ments	Per Cent.	Bills Exchange	Per Cent.	Dis- counts, Loans, &c.	Per Cent.	Buildings and Sundries, including Cover for Accept- ances			
£		£		£		£		£		£		£		£		£		£		£		£			
1924	28	4,750,000	11.8	534,980	1.3	1,392,826	3.4	1,106,287	2.7	32,548,163	80.8	40,332,256		5,111,575	12.7	13,763,697	34.2	6,698,669	16.6	12,900,028	31.9	1,858,287	4.6		
1925	28	4,800,000	11.8	561,085	1.4	1,062,856	2.6	1,136,824	2.8	33,168,283	81.4	40,729,048		5,454,546	13.4	13,983,008	34.4	6,768,050	16.6	12,983,421	31.9	1,940,033	4.7		
1926	29	4,850,000	12.2	575,401	1.5	932,825	2.4	1,286,504	3.0	32,311,773	704.80	39,618,234		4,767,587	12.15	13,717,572	38.6	6,220,791	15.7	11,878,142	30.0	1,434,142	3.6		
1927	29	4,900,000	11.8	596,500	1.4	1,091,118	2.6	1,247,043	3.0	33,635,120	81.2	41,469,781		4,530,708	12.9	13,266,910	31.9	7,926,455	19.1	14,134,259	34.1	2,631,441	6.5		
1928	29	4,950,000	11.9	607,329	1.4	953,448	2.3	1,040,331	2.9	34,088,250	81.9	41,639,338		5,333,828	12.8	12,851,293	30.9	7,768,527	18.6	14,224,563	34.4	2,461,127	5.9		
1929	29	5,000,000	13.0	588,462	1.5	605,127	1.7	813,116	2.1	31,467,322	81.7	38,519,027		4,914,509	12.1	11,874,797	30.8	7,450,326	19.4	13,083,153	33.1	1,195,642	3.0		
1930	29	5,000,000	13.3	558,791	1.5	491,788	1.3	763,679	2.0	30,860,472	81.9	37,674,730		4,555,759	12.1	13,964,794	37.1	5,783,508	15.3	12,312,177	32.7	1,058,145	2.8		
1931	29	4,223,556	11.9	548,810	1.5	193,249	0.5	2,517,485	7.1	27,804,029	79.0	35,535,777		3,846,662	10.8	12,956,363	37.7	5,632,313	15.8	12,012,710	34.1	848,175	2.4		
1932	29	4,200,000	11.7	529,007	1.5	297,748	0.8	745,896	2.1	30,113,142	83.9	35,885,793		4,590,662	12.8	13,821,377	38.5	5,896,887	16.4	10,679,336	29.9	967,277	2.7		
1933	29	4,200,000	11.8	499,790	1.4	382,995	1.1	760,818	2.1	29,636,308	83.6	35,479,912		4,672,941	12.3	15,314,148	43.5	5,553,507	10.0	10,705,737	30.3	1,075,576	3.0		

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THE P. & O. BANKING CORPORATION, LIMITED

BALANCE SHEET—March 31, 1934

LIABILITIES		ASSETS	
Capital issued, 259,416 shares of £10 each, fully paid up	2,594,160	Cash at bankers and in hand	1,147,578
Reserve fund	180,000	Bullion in hand and in transit	810,309
Current, deposit and other accounts, including provision for bad and doubtful debts, contingency reserve, etc.	6,433,239	Bills receivable in hand and in transit, including Treasury bills	2,134,364
Loans payable against security	5,165,763	Investments at or below market values—British Government securities, £3,730,700; Indian and Colonial Government securities, £2,432,504; Foreign Government and municipal and other securities, £55,202	6,218,406
Balance of accounts with subsidiary company after deducting final dividend since declared	28,849	Investment in subsidiary company, at cost—Allahabad Bank, Ltd.	589,569
Acceptances, endorsements, etc., as per contra	118,683	23,403 ordinary shares of Rs. 100 each, of which 14,665 are fully paid and 8,738 are paid up to the extent of Rs. 50 per share	805,824
Bills receivable for collection, as per contra	281,844	Loans receivable against security	2,714,907
Profit and loss account—Balance brought forward from March 31, 1933, £44,553; net profit for the year ended March 31, 1934, £112,393	156,946	Advances to customers, and other accounts	138,000
NOTE.—There is a contingent liability in respect of bills rediscounted amounting to £1,339,979, of which £1,201,806 had run off by June 18th. Outstanding forward exchange contracts for purchase and sale of bills of telegraphic transfers, etc., £18,757,631.		Liabilities of customers for acceptances, endorsements, etc., as per contra	118,683
The rupee, China, Straits and Hong Kong dollar assets and liabilities converted at the rates of 1s. 6d., 1s. 4d., 2s. 4d. and 1s. 6d. respectively, with the exception of the Allahabad Bank, Ltd., investment which at cost, viz., 1s. 5½d. per rupee.		Bills receivable for collection, as per contra	281,844

14,959,484

14,959,484

PROFIT AND LOSS ACCOUNT for the year ended March 31, 1934

Dr.		Cr.	
Proposed dividend at the rate of 5 per cent. per annum for the twelve months ended March 31, 1934, less tax	104,750	Balance brought forward from March 31, 1933	44,553
Balance to be carried forward	52,196	Net profit for year ended March 31, 1934, after charging directors' fees, £4,495 14s. 5d., and an appropriation to the credit of the contingency account, out of which account provision has been made for bad and doubtful debts	112,393
	156,946		156,946

JOINT-STOCK BANKS OF ENGLAND AND WALES

BANK OF ENGLAND

The profits for the half year ended August 31st last. After making provision for all contingencies were £676,876. After providing for a dividend of 6 per cent., less income tax, the "Rest" was £3,024,182.

OCTOBER 3, 1934

ISSUE DEPARTMENT

£		£	
Notes issued—		Government debt	11,015,100
In circulation	380,816,183	Other Government securities	244,932,402
In banking department	71,093,560	Other securities	992,883
		Silver coin	3,059,615
		Amount of fiduciary issue	260,000,000
		Gold coin and bullion	191,909,742
	451,909,743		451,909,743

BANKING DEPARTMENT

£		£	
Proprietors' capital	14,553,000	Government securities	81,684,164
Rest	3,728,458	Other securities	
Public Deposits*	13,703,068	Discounts and advances, £12,673,920; securities, £10,060,198	22,734,118
Other deposits—		Notes	71,093,560
Bankers, £107,040,458; other accounts, £37,132,530	144,172,988	Gold and silver coin	650,730
7-day and other bills	5,060		
	176,162,572		176,162,572

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

COUTTS AND COMPANY

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES		ASSETS	
Capital issued and paid up	1,000,000	Coin, bank notes and balances with the Bank of England	2,280,427
Reserve fund	1,000,000	Balances with, and cheques in course of collection on other banks in the United Kingdom and Ireland, and cheques, drafts, etc., in transit	659,190
Current, deposit and other accounts, including rebate on bills not due, provisions for bad and doubtful debts, contingencies, etc., and including the account of Queen Anne's Bounty for which securities of the aggregate market value of £208,500 have been lodged	20,115,147	Investments: Securities of or guaranteed by the British Government, £5,280,862; Colonial Government stocks, Corporation stocks, and other investments, £2,460,819	7,741,681
Liabilities for acceptances, endorsements, engagements, etc., as per contra	659,962	Bills discounted: Payable by British firms and institutions in the United Kingdom, and Treasury bills	1,052,576
		Advances to customers and other accounts	7,846,873
		Bank premises at cost, less amounts written off	412,000
		Liabilities of customers for acceptances, endorsements, engagements, etc., as per contra	659,962
	22,775,109		22,775,109

BARCLAYS BANK LTD.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES		ASSETS	
Current, deposit and other accounts, including reserve for income tax and contingencies and balance of profit and loss	350,619,417	Cash in hand and with the Bank of England	43,913,519
Balances in account with subsidiary banks	13,692,386	Balances with other British banks and cheques in course of collection	11,626,575
Acceptances and endorsements, etc., for account of customers	6,411,765	Money at call and short notice	21,817,260
Capital issued—857,589 "A" shares of £4 each, fully paid, £3,430,356; 11,760,811 "B" shares of £1 each, fully paid, £11,760,811; 667,050 "C" shares of £1 each, fully paid, £667,050	15,858,217	Bills discounted	40,774,485
Reserve fund	10,250,000	Investments (including £498,910 lodged as security for public authority and other accounts):	
		Securities of, or guaranteed, by, the British Government	97,200,599
		British Dominions and Colonial Government securities, Bank of England and British Corporation stocks	3,736,138
		Other investments	689,176
		Investments in subsidiary banks (at cost, less amounts written off):	
		The British Linen Bank—£1,238,744 stock	3,716,232
		The Union Bank of Manchester, Ltd., 300,000 shares of £5 each, £2 10s. paid	750,000
		Other subsidiary banks (including fully-paid shares and 500,000 "B" shares of £5 each, £1 per share paid up, in Barclays Bank (Dominion, Colonial and Overseas), and 1,000,000 shares of £1 each, 5s. per share paid up, in Barclays Bank (France) Ltd.)	2,236,491
		Advances: Customers and other accounts, £154,427,460; Staff for purchase of Barclays Bank Ltd., "C" shares, £11,170; balances in account with subsidiary banks, £1,843,181	156,281,811
		Liability of customers for acceptances and endorsements, etc.	6,411,765
		Bank premises and adjoining properties (at cost, less amounts written off)	7,697,734
	396,831,785		396,831,785

DISTRICT BANK, LTD.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES		ASSETS	
Issued capital: 1,896,000 "A" shares of £5 each, £1 paid, £1,896,000; 316,000 "B" shares of £1 each, fully paid, £316,000	2,212,000	Cash in hand and at the Bank of England	6,195,475
Reserve fund	2,000,000	Money at call and short notice	4,565,370
Current, deposit and other accounts (including £150,253 on public accounts in respect of which security has been given, and the balance of profit and loss)	48,632,988	Bills of exchange (including Treasury bills)	3,934,107
Accounts of subsidiary companies	400	British Government securities	20,254,963
Acceptances and confirmed credits on account of customers	220,589	British railway debentures, corporation stocks, etc.	919,013
Endorsements, guarantees and other obligations on account of customers	2,396,541	Other investments	100,590
There is liability in relation to investments as follows: British Government securities, instalment not yet due, £49,600; other investments, uncalled capital on shares in Yorkshire Penny Bank, Ltd., Bankers' Industrial Development Co., Ltd. etc., £124,905.		Investments in subsidiary companies	400
		Advances to customers and other accounts	15,969,681
		Liabilities of customers for acceptances, confirmed credits and other obligations	2,617,130
		Bank property, at cost, less amounts written off	875,789
	55,462,518		55,462,518



Established 1829

DISTRICT BANK LIMITED

Total Assets: £55,462,518, June 30th, 1934

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GLYN, MILLS AND CO.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital authorised and issued	1,060,000	Coin, bank notes and balance at Bank of England	5,027,855
Reserve fund	530,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom	1,057,358
Reduction of the bank premises account	255,000	Money at call and at short notice	6,689,250
Current, deposit and other accounts (including provision for contingencies)	32,171,228	Bills discounted	379,539
Acceptances and engagements on account of customers	1,683,719	Investments: British Government securities, £9,094,594; other securities, £510,563	9,614,157
		Advances to customers and other accounts	10,507,869
		Liabilities of customers for acceptances and engagements as per contra	1,683,719
		Bank premises (at cost, less amounts written off): freehold, £820,000; leasehold, £120,000	740,000
			740,000
			35,699,947

LLOYDS BANK, LTD.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital paid up	15,810,252	Cash in hand and with the Bank of England	29,252,679
Reserve fund	8,000,000	Balances with, and cheques in course of collection on, other banks in the British Isles	13,234,126
Current deposit and other accounts, including provision for contingencies (public and other accounts secured as per contra are also included)	350,711,510	Money at call and short notice	24,644,777
Balances in account with subsidiary companies	52,180	Balances with banks abroad	1,495,017
Notes in circulation (Isle of Man) secured as per contra	5,892	British Government Treasury bills	44,390,000
Acceptances	3,172,572	British bills of exchange	3,363,264
Endorsements, guarantees and other obligations	35,379,739	Colonial and foreign bills	853,893
		Treasury bonds and other short-term British Government securities	42,530,285
		Other securities of, or guaranteed by, the British Government	37,899,125
		Indian and Colonial Government securities and British Corporation stocks	11,950,654
		Other investments*	2,841,466
		*NOTE.—There is a contingent liability for uncalled capital in respect of a portion of these investments.	
		(NOTE.—Securities to the value of £536,623, nominal, are lodged for Public and other accounts and for the note issue in the Isle of Man.)	
		The National Bank of Scotland, Ltd., £4,894,650 (nominal) stock (£1,076,823 paid up) taken at capital paid up, plus proportion of reserve fund and undivided profits	2,674,196
		Bank of London and South America, Ltd., 402,670 shares of £5 each, fully paid, at £4 5s. per share	1,711,348
		Indian Premises Co., Ltd., 7,000 shares of Rs. 100 each, fully paid, at cost	54,502
		Lloyds and National Provincial Foreign Bank, Ltd., 12,000 shares of £50 each, fully paid, at £50 per share	600,000
		Loans and advances after deducting provision for bad and doubtful accounts	139,722,020
		Balances in account with subsidiary companies	297,048
		Items in transit	4,985,043
		Other assets and accounts (including sundry properties at cost, less amounts written off)	4,225,405
		Bank premises at cost, less amounts written off	7,854,926
		Liabilities of customers for acceptances, as per contra	3,172,572
		Liabilities of customers for endorsements, etc., as per contra	35,379,739
			413,132,085

WESTMINSTER BANK, LTD.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital paid up	9,320,157	Coin, bank and currency notes and balances with the Bank of England	28,664,360
Reserve	7,500,000	Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland	10,927,297
Current, deposit and other accounts	290,095,857	Money at call and short notice	30,104,343
Liabilities for acceptances, endorsements, etc., as per contra	31,740,645	Bills discounted	31,670,130
Notes in circulation in the Isle of Man	14,990	Investments in affiliated banks	88,915,371
		Advances to customers and other accounts	2,992,500
		Bank premises account	108,085,066
		Liabilities of customers for acceptances, endorsements, etc., as per contra	5,571,937
			31,740,645
			338,671,649

MARTINS BANK, LTD.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital—939,556 shares of £20 each, £2 10s. per share paid up	2,348,890	Cash in hand and at Bank of England	7,974,449
1,811,152 shares of £1 each, fully paid	1,811,152	Balances with, and cheques in course of collection on, other British banks	3,275,773
Reserve fund	3,000,000	Money at call and short notice	4,740,000
Current, deposit and other accounts (including provision for contingencies)	79,741,688	Balances with banks abroad	185,527
Notes in circulation (Isle of Man)	16,349	Treasury bills	2,605,000
Acceptances on account of customers, as per contra	1,911,858	British bills of exchange	935,824
Endorsements, guarantees and other obligations on account of customers, as per contra	2,267,269	Colonial and foreign bills	60,272
		Investments: Short term Treasury bonds, £5,969,246; other British Government securities (including £50,000 secured by lodged against note circulation in the Isle of Man), £22,657,041; Indian and Colonial Government securities and British Corporation stocks, £3,468,289; other first-class securities, £423,843; nominee companies written down to nil	32,516,419
		Yorkshire Penny Bank, Ltd.: 18,750 shares of £5 each, £3 paid, at cost, £112,500; 18,750 shares of £1 each, fully paid, at cost, £18,750; Bankers' Industrial Development Co., Ltd.: One "A" ordinary share of £100,000, £100 paid, £100	131,350
		Advances to customers, less provision for doubtful debts	30,254,961
		Items in transit	791,579
		Other assets and accounts	537,848
		Bank premises and rentable properties, at cost, less amounts written off	2,879,077
		Liability of customers for acceptances	1,911,858
		Liability of customers for endorsements, guarantees, etc.	2,267,269
			91,097,206

MIDLAND BANK LIMITED

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Share capital issued: 2,669,079 shares of £12 each, £2 10s. paid, £7,172,698; 1,921,677 shares of £2 10s. each, fully paid, £4,804,192; 2,271,122 shares of £1 each, fully paid, £2,271,122	14,248,012	Coin, bank notes and balances with the Bank of England	37,456,076
Reserve fund	11,500,000	Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland	15,220,166
Current, deposit and other accounts (including balance of profit and loss account, also £267,542 10s. on public and other accounts secured as per contra)	402,865,048	Money at call and short notice	27,697,833
Acceptances and confirmed credits on account of customers	9,666,730	Investments at or under market value: War Loan and other British Government securities (of which £397,366 ss. is lodged for public and other accounts, £109,786,562; British Corporation stocks, £264,598; Dominion, Colonial and foreign Government stocks and bonds, £432,864; sundry investments, £462,628	110,946,652
Engagements on account of customers	5,337,340	Bills discounted	50,450,887
The Bank has contracts running for the sale of foreign currencies to the value of £19,745,442, which are covered by purchases to a corresponding amount.			241,771,608
		Advances to customers and other accounts (less provision for doubtful debts and contingencies)	168,023,783
		Liabilities of customers for acceptances, confirmed credits and engagements	15,004,070
		Bank premises at head office and branches, at cost, less amount written off	9,521,821
		Other properties and work in progress for extension of business, at cost, less amount written off	1,166,059
		Yorkshire Penny Bank, Ltd.: 93,750 shares of £5 each, £3 paid, £281,250; 93,750 shares of £1 each, fully paid, £93,750; proportion of reserve relative thereto, £375,000	750,000
		Shares in affiliated companies:	
		Belfast Banking Co., Ltd.: 200,000 shares of £12 10s. each, £4 paid, £800,000; reserve and undivided profits, £805,078	1,605,078
		The Clydesdale Bank, Ltd.: 100,000 shares of £50 each, £10 paid, 30,000 shares of £10 each, fully paid, £1,300,000; reserve and undivided profits, £1,695,737	2,995,737
		North of Scotland Bank, Ltd.: 163,000 shares of £20 each, £7 paid, £1,141,000; reserve and undivided profits, £1,236,688	2,377,688
		Midland Bank Executor and Trustee Co., Ltd.: 200,000 shares of £5 each, £1 paid, £200,000; reserve and undivided profits, £201,286	401,286
			443,617,130

THE MANCHESTER AND COUNTY BANK, LTD.

STATEMENT OF ACCOUNTS, June 30, 1934

LIABILITIES	£	ASSETS	£
Capital issued: 273,010 shares £20 each, £4 paid	1,092,040	Cash on hand, at call, and at short notice	2,765,433
Reserve fund	750,000	Bills of exchange, less rebate	354,112
Unclaimed dividends	2,149	Investments:	
Due by the bank on current, deposit, and other account (including balance of profit and loss account)	16,996,097	Securities of, or guaranteed by, the British Government; and Bank of England stock	4,318,863
Acceptances by the bank for account of customers per contra	73,446	Colonial stocks and other securities	2,033,771
		Bankers Industrial Development Co., Ltd.: One "A" ordinary share of £100,000 (£100 paid), at cost	100
		Yorkshire Penny Bank, Ltd.: 6,250 shares of £5 each, £3 paid, at cost	37,500
		6,250 shares of £1 each, fully paid, at cost	6,250
		Advances on current and other accounts less provision for bad and doubtful debts	8,726,257
		Liability of customers on acceptances by the bank per contra	73,446
		Bank Property Account: Premises in Manchester, and branch offices taken at proportion of cost	600,000
			18,913,732

NATIONAL PROVINCIAL BANK, LIMITED

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital paid up	9,479,416	Coin, bank notes and balances with the Bank of England	26,737,272
Reserve fund	8,000,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom and Ireland, and cheques, drafts, etc., in transit	9,552,323
Current, deposit and other accounts, including the accounts of public bodies, for which securities of the aggregate market value of £117,101 have been lodged	273,552,488	Money at call and short notice	19,331,591
Amounts due to subsidiary companies	185,748	Bills discounted—	
Liabilities for acceptances, endorsements, etc., as per contra	5,559,396	Bills payable by British firms and institutions in the United Kingdom and Treasury bills	36,243,408
		Other bills	940,408
		Investments—	
		British Government securities and securities guaranteed by the British Government, £65,590,238; Indian, Dominion and Colonial Government securities; debentures guaranteed and preference stocks of British and Indian railways; stocks of public boards and municipal corporations, £8,897,750; other investments, £396,399	74,884,407
		33,333 shares of £10 each, £4 paid, in the Bank of British West Africa, Ltd., at less than market value, £50,000; 12,000 shares of £50 each, fully paid, in Lloyds and National Provincial Foreign Bank, Ltd., at cost, £600,000; 31,250 shares of £5 each, £3 paid, in the Yorkshire Penny Bank, Ltd., at cost, £187,500; 31,250 shares of £1 each, fully paid, in the Yorkshire Penny Bank, Ltd., at cost, £31,250	868,750
		Investments in subsidiary companies at cost or under—£1,000,000 stock in Coutts & Co., £2,000,000; 50,000 shares of £5 each, fully paid in Grindlay & Co., Ltd., £514,000; other subsidiary companies (written down to nil)	2,514,000
		Advances to customers and other accounts	112,729,459
		Amounts due by subsidiary companies	Nil
		Bank premises at cost, less amounts written off	7,416,034
		Liabilities of customers for acceptances, endorsements, etc., as per contra	5,559,396
			296,777,048

WILLIAMS DEACON'S BANK, LTD.

STATEMENT OF ACCOUNTS—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital issued, £8,125,000, viz.: 1,562,500 £5 "A" shares £1 paid, £1,562,500; 312,500 £1 "B" shares, £312,500	1,875,000	Coin, bank and currency notes, and balances with the Bank of England	3,537,498
Reserve fund	800,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom	2,077,645
Current, deposit and other accounts	32,415,537	Money at call and short notice	5,524,932
Acceptances and credits opened on account of customers	539,579	Bills discounted	1,213,315
Endorsements and other obligations on account of customers	1,908,602	British Government securities	9,198,928
		Other investments	686,927
		Advances to customers and other accounts	11,820,824
		Bank premises account	1,031,368
		Liabilities of customers for acceptances and credits opened	539,579
		Liabilities of customers for endorsements and other obligations	1,908,602
			37,538,718

Trading Abroad

The existence of restrictions in a given country may temporarily prohibit dealings in forward exchange, but up-to-date information on this and on all points bearing on Forward Exchange generally may be obtained through any branch of the Westminster Bank. For any who may be unfamiliar with the facility, a very

brief outline entitled *Forward Exchange* is always available

at its counters

WESTMINSTER BANK
LIMITED

Head Office: 41 Lothbury, London, E.C.2

THE IMPERIAL
BANK OF PERSIA

(Incorporated by Royal Charter, 1889.)

CAPITAL FULLY CALLED UP - £650,000
(With power to increase to £4,000,000)
RESERVE ACCOUNT - £720,000
RESERVE LIABILITY OF PROPRIETORS UNDER THE CHARTER - £1,000,000

LONDON OFFICE:

33/36, King William Street, London, E.C. 4.

CHIEF OFFICE IN PERSIA:
TEHERAN.

BRANCHES IN PERSIA:

Abadan, Ahwaz, Bushire, Hamadan, Isfahan, Kerman, Kermanshah, Meshed, Mohammerah, Pehlevi, Resht, Shiraz, Sultanabad, Tabriz, Yezd, Zahedan

BRANCHES IN IRAQ:

Baghdad, Basra.

Banking business of every description in and connected with Persia and Iraq.

sterling, and after making full provision for all expenses, rebate of discount and commission and for directors' fees (the Management Committee as such have received no remuneration for 1933) amounts to £4,843, to which is to be added transfer from tax reserve £398, transfer from contingencies account in respect of amount liberated through reduction of commitments £14,169—£19,410; which has been allocated as follows: To reduction of debit balance on profit and loss account, £19,410. No bad or doubtful debts were incurred during 1933. No credit has been taken in the figures of the revenue for any earnings not actually realised in sterling.

ANGLO-PORTUGUESE COLONIAL AND OVERSEAS BANK, LIMITED

BALANCE SHEET—January 31, 1934

LIABILITIES	£	ASSETS	£
Capital issued—1,000,000 ordinary shares of £1 each, fully paid	1,000,000	Cash at bankers, at call and in hand—England	278,321
Current, deposit and other accounts	664,567	Balances with banks abroad—of which £260 is subject to exchange restrictions	164,898
Acceptances and confirmed credits (£16,263 secured) ..	390,818	Bills discounted—United Kingdom	324,999
Profit and loss	44,888	Foreign	48,540
There are contingencies in respect of—		Investments—	
Forward exchange contracts, purchases and sales, £1,681,680; endorsements on bills discounted, £375,905; guarantees given, £8,039.		British and Indian Government securities	348,021
		Investment in company (subject to an option at this figure)	42,046
		Other securities	3,531
		Advances to customers and other accounts—Austria, Germany and Hungary, £4,648; other countries, £192,638	197,325
		Banco Nacional Ultramarino, Lisbon and branches, accounts	206,774
		Liability of Banco Nacional Ultramarino and other customers for acceptances and confirmed credits	390,818
		Goodwill at cost	85,000
	2,100,273		2,100,273

BANKERS TRUST COMPANY

BALANCE SHEET—June 30, 1934

LIABILITIES	\$	ASSETS	\$
Capital	25,000,000	Cash on hand and due from banks	220,245,997
Surplus fund	50,000,000	Exchanges for clearing house U.S. Government securities maturing in 5 years or less, \$350,392,150; other maturities, \$13,156,151	363,548,301
Undivided profits	10,008,980	Demand loans	58,816,405
Capital note	5,000,000	Time loans and bills discounted	170,164,946
Contingency fund	16,463,425	State and Municipal Bonds, and Notes of Reconstruction Finance Corporation	32,760,524
U.S. Government deposits ..	145,023,603	Stocks of Federal Reserve Bank and Bank for International Settlements, and New York Clearing House Certificates	2,463,696
Other deposits	648,908,268	Other securities and investments	14,022,418
Outstanding and certified cheques	14,928,352	Real estate bonds and mortgages	4,044,888
Dividend payable July 2, 1934	1,875,000	Bank premises	20,592,404
Accrued interest payable ..	41,479	Real estate formerly occupied as banking premises	1,400,882
Unearned interest	238,307	Accrued interest and accounts receivable	3,632,842
Reserve for taxes and expenses	880,381	Customers' liability on acceptances	8,609,626
Outstanding acceptances, \$18,747,594, less amount in portfolio, \$9,438,382 ..	9,309,212	Liability of others on acceptances, etc., sold with our endorsement	75,638
Acceptances, etc., sold with our endorsement	75,638		
	927,752,645		927,752,645

BANCO DE BILBAO

BALANCE SHEET—August 31, 1934

LIABILITIES	Pesetas	ASSETS	Pesetas
Capital	100,000,000	Cash in hand and at Bank of Spain	129,912,834
Reserve funds	87,652,774	Foreign money and notes, cash value	487,892
Deposits	953,870,739	Cash at other banks and bankers	107,353,290
Bills payable	17,509,430	Bills receivable	96,072,651
Acceptances for account of customers as per contra ..	9,451,474	Government securities	294,377,243
Other accounts	61,896,868	Railway and other industrial debentures	71,780,922
Sundry creditors	8,506,124	Other securities	121,516,107
Profit and loss	17,767,573	Advances to customers against security	58,522,745
	1,236,655,002	Sundry debtors	49,867,941
		Banking correspondents, etc., in foreign money (equivalent)	89,528,551
		Premises	88,302,574
		Furniture and fittings	21,448,806
		Shareholders' liability	2,531,657
		Unissued shares	5,250,000
		Liability of customers on account of acceptances ..	9,451,474
		Other assets and accounts ..	95,250,315
Depositors of securities nominal value, as per contra	3,044,972,858	Securities deposited, nominal value	3,044,972,858
	4,301,627,860		4,301,627,860

BANCA COMMERCIALE ITALIANA

BALANCE SHEET—December 31, 1933

LIABILITIES	Lire	ASSETS	Lire
Capital	700,000,000	Cash in hand	531,004,752
Reserve funds	140,000,000	Bills receivable, Italian Government securities and money at call	5,359,759,801
Bills payable	172,240,564	Contango and loans	129,977,320
Commercial acceptances ..	174,793,456	Participations in affiliated banks	279,130,867
Deposits and current accounts	8,049,268,536	Government securities and other bonds and shares ..	243,660,257
Guarantees	434,483,812	Current accounts	2,675,795,818
Other liabilities	151,100	Bank premises	83,267,001
Rebate on bills	23,697,227	Guarantees as per contra ..	434,483,812
Net profit	42,444,533		
	9,737,079,628		9,737,079,628
Securities deposited	8,270,076,847	Securities as per contra ..	8,270,076,847
	18,007,156,475		18,007,156,475

BANK OF ATHENS

BALANCE SHEET—December 31, 1933

LIABILITIES	Drs.	ASSETS	Drs.
Capital fully paid	100,800,000	Cash in hand, at banks and Treasury bills	431,743,198
Reserves	75,200,000	Balances due from banks abroad	82,033,728
Sight deposits	857,464,756	Bills receivable	325,698,998
Fixed deposits	558,469,769	Loans, advances, bills discounted and other accounts	899,861,485
Deposits in guarantee ..	37,336,865	Current accounts	615,013,064
Savings bank	653,101,421	Securities	171,747,587
Current accounts	304,659,734	Participations	36,244,113
Cheques payable	52,392,444	Premises and property	89,018,189
Dividend payable	1,812,131	Furniture	114
Dividend for 1933	6,948,000		
Profit and loss	4,075,366		2,651,360,486
	2,651,360,486		2,651,360,486

BANCO DE CHILE

The half-yearly report states that the general balance of the operations of the bank for the half-year ended June 30, 1934, after writing off and providing for bad and doubtful debts shows a net profit of \$7,273,410, which added to the shareholders' fund of \$8,292,609, gives an available total of \$15,566,019. The board proposes to distribute this sum in the following form: To pay a dividend of \$7 per share \$7,000,000, and to carry forward to shareholders' fund \$8,566,019.

BALANCE SHEET—June 30, 1934

LIABILITIES	Chilean Currency	ASSETS	Chilean Currency
Public obligations, at sight or 30 days' notice	354,063,456	Cash and deposit with Central Bank	100,711,913
Current accounts	22,682,493	Cash, foreign currency	7,248,571
Sight deposits, judicial deposits, etc.	519,451	Cheques on local banks	14,244,041
Guarantees at sight	16,093,115	Foreign banks and correspondents	10,239,904
Other obligations (dividends, drafts, and telegraphic transfers pending)	117,327,852	Advances in account current and loans	
Public obligations, at over 30 days	12,269,422	(a) Guaranteed	211,956,115
Term deposits	117,327,852	(b) Without special guarantee	172,394,994
Guarantees	12,269,422	Discounts	108,089,280
Obligations to bankers and correspondents	2,526,476	Loans to directors and employees	997,663
Obligations to bankers abroad	144,516	Obligations against guarantees given	12,619,981
Mortgage debts	155,739	Other advances	29,059,426
Income tax retained	2,118,664	Buildings and real estate ..	32,455,403
Branches	3,353,878	State and municipal bonds ..	21,220,520
Exchange operations	1,135,520	Shares—Banco Central de Chile	22,621,000
Letters of credit	54,678,948	Other bonds and shares	40,284,574
Operations pending, etc.	7,273,410	Deposit with Superintendency of Banks	675,000
Capital and reserves	100,000,000	Furniture and office material ..	3
Paid-up capital	25,000,000	Exchange operations	4,345,145
Statutory reserve	77,292,610	Clients for letters of credit ..	1,075,520
Other reserves	796,632,950	Operations pending, etc.	6,393,897
			796,632,950

BANCO DI ROMA

BALANCE SHEET—December 31, 1933

LIABILITIES	Lire	ASSETS	Lire
Share capital	200,000,000	Cash and funds with Central Bank	286,614,912
Ordinary reserve fund	21,696,344	Funds with other banks in Italy and abroad	147,556,036
Special reserve fund	18,303,656	Portfolio, Treasury bills and sight funds	1,102,022,899
Deposits on current and savings accounts	611,777,776	Contangoes	137,000,496
Deposits on securities on current account (contra) ..	139,156,500	Balances due by correspondents	694,962,819
Balances due to correspondents ..	1,833,605,306	Secured advances	211,868,937
Circular cheques	98,934,020	Investments: Government, Government guaranteed and bonds, L.124,792,898; others, L.1,219,224 ..	126,012,122
Ordinary cheques	3,945,496	Banking participations	83,915,180
Sundry creditors	19,666,433	Bank premises	29,500,000
Acceptances on behalf of customers	60,717,051	Sundry debtors	6,353,652
Guarantees for third parties ..	75,334,695	Securities on deposit (contra) ..	139,156,500
Rediscount	5,069,622	Liabilities of customers for acceptances	60,717,051
Net profits for current year ..	12,808,401	Liabilities of customers for guarantees	75,334,695
Contra accounts: Staff provident fund ..	28,593,106	Contra accounts: Staff provident fund ..	28,593,106
Sundry deposits	1,943,010,322	Securities on deposit: As collateral	386,062,876
	5,072,618,728	As guarantee	7,471,965
		In safe custody	1,549,475,482
			5,072,618,728

THE UNION BANK OF AUSTRALIA Limited

Established 1837 Incorporated 1880

CAPITAL AUTHORISED AND ISSUED - £12,000,000

Capital Paid-up - £4,000,000 } together £7,250,000

Reserve Fund - £3,250,000 }

Currency Reserve - - - - - £1,600,000

Reserve Liability of Proprietors - - - £8,000,000

DIRECTORS:

The Hon. EDMUND W. PARKER, Chairman.
Maj.-Gen. Sir J. H. DAVIDSON, Brig.-Gen. Sir ARTHUR MAXWELL, K.C.M.G., C.B., D.S.O.
HUGH D. FLOWER, Esq.
The Rt. Hon. LORD HILLINGDON
Sir MALCOLM HOGG.

ROBERT C. NESBITT, Esq.
The Rt. Hon. LORD STONEHAVEN, P.C., G.C.M.G., D.S.O.
ALFRED W. TURNBULL, Esq.

HEAD OFFICE:

71 Cornhill, London, E.C. 3

Manager:—W. A. LAING. Assistant Manager:—F. H. MCINTYRE.
Secretary:—C. E. MURCH.

BRANCHES THROUGHOUT AUSTRALIA AND NEW ZEALAND, viz.:

In VICTORIA	49
" SOUTH AUSTRALIA	15
" NEW SOUTH WALES	54
" WESTERN AUSTRALIA	24
" QUEENSLAND	21
" TASMANIA	3
" NEW ZEALAND	46
Total	212

Drafts upon the Branches are issued by Head Office, and may be obtained from the Bank's Agents throughout England, Scotland and Ireland. Commercial and Circular Travelling Credits issued—available throughout the World. Telegraphic Remittances are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection. Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

IONIAN BANK, LIMITED

ESTABLISHED 1839.

CAPITAL AUTHORISED - - - £1,000,000 | RESERVE FUND - - - £100,000
CAPITAL PAID UP - - - £600,000 | TOTAL ASSETS - - - £3,910,412

HEAD OFFICE: 25/31, Moorgate, LONDON, E.C. 2.

EGYPT: Central Office—ALEXANDRIA. 10 Branches and Agencies.
GREECE: Central Office—ATHENS. 24 Branches and Agencies.
CYPRUS: Central Office—NICOSIA. 4 Branches and Agencies.

EVERY FORM OF INTERNATIONAL BANKING SERVICE.

THE BRITISH BANK FOR THE NEAR EAST.

BANK OF ATHENS

Head Office: ATHENS

(Incorporated in Greece with Limited Liability)

Paid-up Capital and Reserves, Drs. 176,000,000

With 113 offices, in all the principal towns in Greece, Egypt and Cyprus, the Bank extends Facilities for Export and Import Trade between Great Britain and the Near East generally.

ENQUIRIES INVITED

NEW YORK: Bank of Athens Trust Company, 205 West 33rd Street

LONDON: 22 FENCHURCH STREET, E.C.3

BANCO ESPAÑOL DEL RIO DE LA PLATA

BALANCE SHEET—June 30, 1934

LIABILITIES	ASSETS
Capital 4,365,080	Shareholders 1,890,391
Reserve fund 59,822	Cash 3,979,971
Contingency fund 1,405,446	Bills discounted and bills for collection and advances 20,982,048
Deposits 27,218,457	Advances on mortgages 4,008,409
Rediscounts 6,666,690	Loan on Bolsa de Comercio premises in Buenos Aires 488,889
Discounts, interests and commission and exchange—corresponding to next half-year 119,874	Accounts overdue and in course of liquidation 2,590,636
Operations in suspense (branches and agencies) 576,622	Furniture and fittings 107,908
Other accounts (gold dollars) 736,817	Bank premises 1,386,449
Argentine Government Treasury bills 3,710,317	Properties received in payment of advances—Head office 2,319,358
Profit and loss, less amortisation 80,693	Branches 260,127
Other accounts (as per contra):	Securities 3,112,269
Shares deposited in guarantee (board of directors) 7,856	Investments in national loans: Account reserve 59,818
Securities deposited for safe custody 36,977,102	Account contingency fund 43,229
Securities deposited in guarantee (board of directors) 6,278,768	Argentine Government Treasury bills 3,710,317
Branches and correspondents, account letters of credit 867,162	Other accounts (as per contra):
Bills for collection for account of third parties 3,054,766	Shares deposited in guarantee (board of directors) 7,856
Credits secured on mortgage for collection for account of third parties 1,214,861	Securities deposited for safe custody 36,977,102
Sundry internal accounts 3,855,319	Securities (account) re-cedius uncollateral 6,278,768
	Letters of credit issued 867,162
	Bills for collection for account of third parties 3,054,766
	Mortgage loans for account of third parties 1,214,861
	Sundry internal accounts 3,855,319
97,195,652	97,195,652

BANK OF LONDON AND SOUTH AMERICA, LIMITED

The profit for the year, after deducting all expenses and charges, provision for bad and doubtful debts having been made partly out of the profits of the year and partly out of contingency reserve, amounts to £337,379. To this sum has to be added £192,251 brought forward from last year, making a total of £529,630. From this unappropriated balance the directors recommend the following distribution: To dividend of 3 per cent., payable December 18, 1933, subject to income tax, £106,200; to contingency reserve, £230,000; to profit and loss carried forward, £193,430—£529,630.

BALANCE SHEET—September 30, 1933

In countries where exchange restrictions are in force conversions have been made at the official rates ruling on September 30, 1933.

LIABILITIES	ASSETS
Share capital issued—708,000 shares of £5 each, fully paid 3,540,000	Cash in hand, at bankers and at call 17,541,304
Reserve 1,500,000	Bills receivable 9,227,403
Current and deposit accounts, etc., and contingency reserve 42,738,822	Advances and other accounts receivable, securities, etc. (including £380,725 depreciation at current rates of exchange on capital employed abroad), after making provision for all bad and doubtful debts 20,187,013
Deposit by Brazilian Trust and Loan Corporation, Ltd. 68,994	Investment in Brazilian Trust and Loan Corporation, Ltd. 36,797
Bills payable 474,383	Liability of customers for acceptances, per contra 1,353,840
Acceptances on account of customers 1,353,840	Bills for collection, per contra 7,546,067
Bills for collection on account of customers 7,546,067	Rebate of interest on bills not due 120,576
Profit and loss account 529,630	Notz.—Contingent liability as endorser of foreign bills discounted, £353,046, of which £229,489 has since run off.
57,854,312	57,854,312

THE BANK OF ROUMANIA, LIMITED

BALANCE SHEET—December 31, 1933

LIABILITIES	ASSETS
Capital 300,000	Cash in hand and at bankers—London 16,980
Current accounts, sight drafts, contingency account, in sterling, etc. 161,593	Bucarest—Lei 144,728,279 at 549 per £ 263,622
Current accounts, sight drafts, etc., in Lei—390,212,797 at 549 per £ 710,770	Balances with other bankers abroad 21,060
Guarantees, etc., for account of customers, 42,800,214 at 549 per £ 77,050	Money at call and short notice, London 30,000
Subsidiary companies current accounts—In sterling 6,581	British Treasury bills 350,000
In Lei, 668,900 at 549 per £ 1,218	Investments (at market value) 5,996
There is a contingent liability in respect of investments amounting to Lei 1,500,000. Further provision for doubtful debts, etc., is necessary. Due to the existing conditions in Roumania the value of certain debts cannot be ascertained.	Investments, Lei 3,501,000 at 549 per £ 6,377
	Investments in subsidiary companies (at cost, less amounts written off)—In sterling 13,131
	In Lei 650,000 at 549 per £ 1,184
	Bills receivable, loans, current and other accounts, in sterling, etc. 30,857
	Bills receivable, loans, current accounts, etc., in Lei—236,383,106 at 549 per £ 430,579
	Liability of customers for guarantees, etc., per contra—Lei 42,800,214 at 549 per £ 77,050
	Property account at cost, less depreciation—Lei 2,366,770 at 549 per £ 4,311
	Furniture at cost, less amounts written off 500
	Profit and loss account 5,885
1,257,212	1,257,212

The accounts for the year 1933 show that after charging current expenses, but before making any provision for

doubtful debts, etc., there is a loss of £5,885. The further provision which is necessary for doubtful debts, etc., cannot be ascertained, due to the effect of the prevailing conditions in Roumania on the value of certain of the assets. The accounts in Bucarest have been converted into sterling at the rate current on December 31, 1933.

BRITISH BANK FOR FOREIGN TRADE, LIMITED

BALANCE SHEET—April 30, 1933

LIABILITIES	ASSETS
Capital issued, 351,600 shares of £1 each 351,600	Cash in hand, at bankers in London and abroad 59
Current, deposit and other accounts, including loans and deposits against security, £158,809 276,837	Premises account at written-down value 46,000
Investment depreciation reserve 85,433	Investments—at cost 395,319
	Loans and advances (less reserves) 157,625
	Subsidiary company—Shares, at cost, £68,423; advances against security, less reserve, £2,390 70,813
	Profit and loss account—Balance at April 30, 1932, £33,466; add loss for year now ended, £10,584 44,050
713,870	713,870

THE BANK OF TAIWAN, LIMITED

BALANCE SHEET—December 31, 1933

LIABILITIES	ASSETS
Capital subscribed 15,000,000	Cash account—In hand 8,350,210
Reserve funds 2,354,000	At banks 8,087,301
Notes in circulation 48,993,959	Bullion 20,161,352
Deposits, etc. 256,576,207	Bills discounted, loans, etc. 228,380,415
Bills payable 43,995,261	Interest bills, bills bought and export advances 53,623,425
Bills rediscounted 49,615,985	Acceptances and guarantees as per contra, etc. 4,324,724
Acceptances and guarantees, etc. 4,324,724	Government bonds, etc. 90,835,549
Due to correspondents 3,014,182	Due from correspondents 1,946,591
Dividends unclaimed 38,684	Bank premises and real estate, etc. 6,983,874
Profit and loss account—Brought forward from previous term, Yen 78,579; profit for current term, Yen 576,860 655,439	Capital uncalled 1,875,000
424,568,441	424,568,441

BANQUE BELGE POUR L'ETRANGER, S.A., BRUSSELS

BALANCE SHEET—June 30, 1933

LIABILITIES	ASSETS
Capital issued: 200,000,000 in 289,131 shares of Frs. 500 each, fully paid, Frs. 144,565,500; 60,889 shares of Frs. 500 each, 25% paid, Frs. 7,608,625; 250,000 shares of Frs. 100 each, 25% paid, Frs. 6,250,000 158,424,125	Shareholders' liability 11,379,938
Reserves 130,000,000	Cash in hand and with bankers 398,327,031
Sundry creditors 1,740,937,835	Bills receivable 358,423,917
Note issue in China 3,775,220	Sundry debtors 1,012,401,933
Bonds 4,500,000	Investments at or under market value 167,170,879
Acceptances 342,133,069	Shares in allied and affiliated banks 62,278,657
Profit and loss 24,095,189	Financial participations 24,989,975
2,403,865,438	Shares in subsidiary company—Bishopsgate Estate, Ltd., 1,000 shares of £1 each at cost 25,480
	Balances in account with subsidiary company 18,734,559
	Bank premises at cost, less proceeds of sales and amounts written off 8,000,000
	Liability of customers on acceptances 342,133,069
	2,403,865,438
	Sundry accounts (comptes d'ordre), per contra. (This item comprises mainly stocks, shares, etc., deposited for safe custody and as security, and also bills for collection) 5,763,467,830
	Directors' remuneration amounted to Frs. 828,062. Profit of subsidiary company has not been brought into this account, undistributed balance of such has been carried forward in the accounts of the said company.

BRITISH AND CONTINENTAL BANKING COMPANY, LIMITED

BALANCE SHEET—September 30, 1933, before appropriation *

LIABILITIES	ASSETS
Issued capital: 10,000 shares of £10 each, fully paid 100,000	Cash in hand and at banks in London and abroad, money at call 130,771
Reserve account 65,000	British Treasury Bills and short-dated Government bonds 154,231
Current accounts 214,332	French Government short-dated bills 225,514
Deposits and other accounts, including sundry creditors, balance of profit and loss and reserve for contingencies 405,343	Investments (at prices current on September 30, 1933, or below): Sterling bonds guaranteed by French Government, £68,552; other securities, £40,717 109,269
Notz.—There is a contingent liability amounting to French Frs. 1,130,250 in respect of partly paid shares.	Deposits in France, advances to customers, guaranteed loans and other accounts 164,890
784,675	784,675

* A further £10,000 was placed to reserve in appropriation.

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Reserve Fund	-	-	-	Yen 37,860,000.00

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Paid Up - £1,960,008.

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H.R. PETER BARK, G.C.V.O. (Managing Director).

E. W. H. BARRY, Esq.

JULIAN DAY, Esq., M.C.

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Capital subscribed	-	-	Yen 100,000,000.00
Capital paid-up	-	-	Yen 60,000,000.00
Reserve Fund	-	-	Yen 55,800,000.00
Deposit	-	-	Yen 759,530,912.19

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BANQUE COMMERCIALE DU CONGO

BALANCE SHEET—June 30, 1933

LIABILITIES	Frs.	Assets	Frs.
Capital	25,000,000	Property and premises	3,500,000
Reserves	16,000,000	Furniture and fixtures	225,000
Dividend due	2,108,434	Cash in hand and at bank	14,477,631
Sundry creditors	247,297,554	Government securities	231,825,925
Advances against securities	265,446	Sundry debtors	33,162,484
Bills payable	1,867,729	Bills receivable	2,804,500
Sundry accounts	3,972,949	Securities and participations	10,803,722
Balance of profit and loss	310,247	Sundry accounts	23,097
	296,822,359		296,822,359

BANQUE DU CONGO BELGE

BALANCE SHEET—June 30, 1933

LIABILITIES	Frs.	Assets	Frs.
Capital	20,000,000	Property and premises	8,500,000
Reserves	38,600,000	Furniture and fixtures	1,000,000
Notes in circulation	116,044,336	Gold and silver exchange	61,794,211
Due to Colonial Treasury	2,118,723	Cash in hand and at bank	405,569,314
Dividend due	2,408,639	Government securities	139,955,968
Sundry creditors	553,690,105	Bills receivable	74,725,624
Bills payable	11,768,574	Sundry debtors	53,370,143
Sundry accounts	3,655,629	Sundry accounts	3,387,988
Balance of profit and loss	18,242		
	748,303,248		748,303,248

THE BRITISH BANK OF SOUTH AMERICA,
LIMITED

The report for the financial year ended December 31st last shows that the gross profits, after allowing for rebate of interest on current bills and drafts, for interest on deposits, and after making provision for bad and doubtful debts other than provided for out of contingencies account, amount to £174,991; this, with the balance of £118,933 brought forward from the previous year, makes £293,924. After deducting all charges at the head office and branches, including directors' remuneration, Government taxes in Brazil, etc., amounting to £124,828, there remains available the sum of £169,096. A dividend for the year of 4s. per share, or 2 per cent., amounting to £20,000, was paid on June 8th last, subject to income tax, on the paid-up capital of the bank of £1,000,000. After paying this dividend, there will remain the sum of £149,096, of which the directors propose to transfer the sum of £30,000 to contingencies account and to carry forward the balance of £119,096.

BALANCE SHEET—December 31, 1933

LIABILITIES	£	Assets	£
Capital issued, 100,000 shares of £20 each, £10 paid	1,000,000	Cash in hand and at bankers	2,129,709
Reserve as per balance sheet of December 31, 1932	1,000,000	Cash on deposit account dissentient shareholders	2,139
Current, deposit and other accounts, including contingencies account	3,800,480	Bills receivable in hand	629,116
Dissentient shareholders' account	2,139	Investments	70,896
Bills payable	4,947	Advances and other accounts	2,562,642
Bills for collection	604,005	Balance in account with subsidiary company	22,736
Profit and loss account	169,096	Shares in subsidiary company at cost	1,661
		Freehold and leasehold premises and furniture at cost, less amounts written off	557,763
		Bills for collection as per contra	604,005
		The contingent liability on bills rediscounted at the date of the balance sheet was £31,033, which has since run off	
		The capital employed in Brazil shows an estimated depreciation of £159,416 at December 31, 1933.	
	6,580,667		6,580,667

THE BRITISH OVERSEAS BANK, LIMITED

BALANCE SHEET—October 31, 1933

LIABILITIES	£	Assets	£
Capital subscribed and paid in full: 200,000 "A" ordinary shares of £5 each, £1,000,000; 200,000 "B" ordinary shares of £5 each, £1,000,000	2,000,000	Cash in hand and at bankers	216,638
Current, deposit and other accounts, including provision for contingencies, and for bad and doubtful debts	2,599,182	Money at call and short notice	685,576
Amounts owing to subsidiary companies	238	Balances with bankers abroad	150,442
Reserve fund	100,000	Bills discounted	662,732
Investments depreciation reserve	150,000	Government securities	396,771
Acceptances, etc., for account of customers (per contra)	2,988,843	Investments in subsidiary companies	106,046
Balance of profit and loss account	64,306	Other investments, including shareholding interests in foreign banks	464,760
NOTES.—(1) Contingent liability on account of endorsements on bills discounted, £1,713.		Bankers Industrial Development Co., Ltd. One "A" ordinary share of £100,000	100
(2) "Advances to customers" and "liability of customers for acceptances" include the balances which come under European "Standstill" agreements.		Advances to customers and other accounts	1,840,098
		Amounts owing from subsidiary companies	53,939
		Liability of customers for acceptances, etc. (per contra)	2,988,843
		Bank premises—Freehold at cost, less amounts written off	336,624
	7,902,569		7,902,569

THE CHASE NATIONAL BANK

BALANCE SHEET—June 30, 1934

LIABILITIES	\$	Assets	\$
Capital—preferred	50,000,000	Cash and due from banks	412,910,989
Capital—common	100,270,000	U.S. Government securities	417,366,338
Surplus	50,000,000	Notes of Reconstruction Finance Corporation	46,222,000
Undivided profits	16,520,815	State and municipal securities maturing within two years	51,289,145
Reserve for contingencies	17,131,683	Other State and municipal securities	33,920,789
Reserve for taxes, interest, etc.	1,112,384	Other securities maturing within two years	42,905,778
Deposits	1,512,485,566	Federal Reserve Bank stock	8,160,000
Certified and cashier's cheques	20,960,586	Other bonds and securities	90,776,110
Acceptances outstanding	33,675,224	Loans, discounts and bankers' acceptances	621,566,067
Items in transit with branches	1,192,703	Real estate	42,305,257
Liability as endorser on acceptances and foreign bills	1,314,128	Customers' acceptance liability	29,802,517
Other liabilities	6,035,867	Other assets	13,473,966
	1,810,698,958		1,810,698,958

CITY BANK FARMERS TRUST COMPANY

BALANCE SHEET—December 30, 1933

LIABILITIES	\$	Assets	\$
Capital	10,000,000	Cash on hand and due from banks and bankers	15,129,969
Surplus	10,000,000	Loans and other secured advances	21,699,349
Undivided profits	1,748,152	United States Government bonds	8,079,696
Reserves	176,799	Other bonds, mortgages and securities	16,383,178
Deposits	47,399,612	Bank premises	5,414,092
		Other assets	2,618,279
	69,324,563		69,324,563

THOS. COOK AND SON (BANKERS), LIMITED

BALANCE SHEET—October 31, 1933

LIABILITIES	£	Assets	£
Capital issued, 250,000 shares of £1 each, 10s. paid	125,000	Cash in hand and balances with bankers on current account	599,813
Reserve fund	125,000	Balances with bankers on deposit account	1,207,500
Current, deposit and other accounts, including liability on travellers' cheques, letters of credit, and drafts sold; rebate on bills not due, provision for bad and doubtful debts, investment reserve, contingencies, etc., and public and other accounts for which securities to the aggregate value of £32,498 have been lodged and including the balance of profit and loss account	2,904,760	Currencies in hand	26,332
Balances due to subsidiary companies	36,184	Remittances in transit	129,651
Liability to customers on account of engagements, etc., as per contra	14,661	Money at call and short notice	185,000
		Bills discounted—British Government Treasury bills, £50,000; Indian Government Treasury bills, £290,625; bank and other acceptances, £832	341,457
		Investments (at below market values)—British Government securities, £333,117; Indian Government securities, £107,931; U.S.A. Government and other securities, £33,252	474,300
		Investments in subsidiary companies (at below cost), 20,000 shares of £1 each, 10s. paid, in Thos. Cook and Son, Bankers (France), Ltd., £20,000; 100 shares of £1 each, fully paid in Cook's Bank Nominees, Ltd. (written down to Nil)	20,000
		Advances to customers and other accounts	148,076
		Bank premises and furniture (at cost less amounts written off)	58,815
		Liability of customers for engagements, etc., as per contra	14,661
	3,205,605		3,205,605

COMMERCIAL BANK OF SPANISH AMERICA,
LIMITED (IN VOLUNTARY LIQUIDATION)

BALANCE SHEET—June 30, 1933

LIABILITIES	£	Assets	£
Capital issued, 500,000 shares of £1 each, fully paid	500,000	Cash at bankers	482,051
Deposit and other accounts	2,268	Loan and other accounts, less contingency account	26,997
Profit and loss account	6,780		
	509,048		509,048

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

BALANCE SHEET—July 31, 1934

LIABILITIES	Frs.	Assets	Frs.
Current and deposit accounts	7,701,379,662	Cash in hand and in banks	1,273,729,192
Fixed deposits	37,358,940	Bills of exchange discounted and French Treasury bills	4,690,052,634
Acceptances	50,538,703	Contingencies	49,012,101
Sundry accounts	349,963,616	Credit balances with banking correspondents	921,900,841
Shareholders' accounts	10,489,779	Advances against collateral	320,684,815
Reserves	438,672,636	Investments	1,450,131
Capital	400,000,000	Participations	6,200,000
		Current accounts	1,366,470,222
		Liabilities of customers on acceptances	50,485,101
		Branches abroad	21,620,629
		Sundry accounts	272,788,669
		Bank premises	15,000,000
	8,989,394,336		8,989,394,336

THE NATIONAL BANK
LIMITED

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RESERVE FUND - £1,070,000

CAPITAL PAID-UP £1,500,000

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COMMERCIAL BANK OF THE NEAR EAST,
LIMITED

The following is a statement of the results for the year 1933: The debit balance brought forward from the year ended December 31, 1932, was £13,453, less profit for year after making provision for bad and doubtful debts, rebate, and directors' fees £3,067, less income tax recoverable £1,456, less provision for depreciation of investments made in 1932 not now required £7,612—£12,135; leaving a debit balance to be carried forward as shown in the balance sheet of £1,318.

BALANCE SHEET—December 31, 1933

LIABILITIES	£	ASSETS	£
Share capital issued and fully paid: 40,000 shares of £5 each 200,000		Cash in hand and at London bankers	14,041
Current, deposit and other accounts	308,672	Money at call	15,000
Bills for collection, per contra	111,721	Remittances in transit	2,025
Acceptances, endorsements, etc., on behalf of customers	22,288	Balances with foreign bankers and correspondents	27,925
		Treasury bills	65,000
		Bills discounted	76,826
		Investments—British Government securities, £71,357; foreign Government securities, £60,589; bonds and shares of foreign banks, £8,831; securities held by branches, £5,752—£146,559; less reserve to reduce to market value at date, £55,509	111,050
		Advances to customers and other accounts	193,998
		Bills for collection	111,721
		Liability of customers for acceptances, endorsements, etc., per contra	22,288
		Furniture and fittings (at cost less amounts written off)	1,489
		Profit and loss account	1,318
	642,681		642,681

CRÉDIT FONCIER D'ALGÉRIE ET DE TUNISIE

BALANCE SHEET—December 31, 1933

LIABILITIES	Frs.	ASSETS	Frs.
Capital	150,000,000	Cash	140,942,924
Reserves	32,331,502	Bills	1,291,180,807
Superannuation fund	410,000	Correspondents	69,676,367
Crédit Foncier de France	579,501,156	Investments	54,567,667
Current accounts	1,654,649,422	Caisse de Prêts Immobilières du Maroc	1,833,333
Deposits	366,258,236	Premises, etc.	59,382,092
Correspondents & creditors	131,459,227	Mortgaged property taken over	2,002,484
Acceptances, etc.	18,699,973	Crédit Foncier de France	579,501,156
Sundry accounts	5,934,404	Advances against securities	292,708,567
Dividends	9,965,583	Current accounts	398,462,344
Profit and loss	3,351,473	Syndicates	50,648,586
		Cover for acceptances	11,654,649
	2,952,560,976		2,952,560,976

PROFIT AND LOSS ACCOUNT

Dr.	Frs.	Cr.	Frs.
Rebate on bills, 1933	3,449,941	Brought forward	2,630,246
Interest on deposit and current accounts, etc.	39,588,716	Rebate on bills, 1932	4,367,293
Costs of administration, taxes, and fees, written off furniture	53,804,752	Net profit on banking operations	99,803,798
		Income from Bank premises	1,000,361
		Crédit Foncier de France	4,873,248
Profits—Brought forward, Frs. 2,630,245; net profits, Frs. 19,201,292	15,831,537		
	112,674,946		112,674,946

CRÉDIT LYONNAIS

BALANCE SHEET—July 31, 1934

LIABILITIES	Frs.	ASSETS	Frs.
Deposits at call	5,267,941,710	Cash in hand and at Bank of France	2,590,362,439
Current accounts	6,778,734,223	In other banks	219,106,138
Accounts payable after collection	177,842,035	Bills discounted and French Treasury bills	7,840,960,454
Acceptances	58,128,610	Loans and advances	385,709,486
Deposits for fixed periods	356,342,811	Current accounts	3,089,604,245
Sundry liabilities	402,576,187	Investments	4,077,402
Unpaid dividend	44,293,280	Sundries	347,722,174
Profit and loss	18,683,480	Premises	35,000,000
Reserve fund	800,000,000		
Capital fully paid	408,000,000		
	14,312,542,338		14,312,542,338

CREDITO ITALIANO

BALANCE SHEET—December 31, 1933

LIABILITIES	Lire	ASSETS	Lire
Capital	500,000,000	Cash	470,708,132
Reserves	100,000,000	Bills receivable and Treasury bonds and call money	4,022,483,618
Deposits and savings accounts	1,501,758,150	Loans against securities	232,613,241
Current accounts	4,390,802,673	Current accounts	1,128,024,849
Acceptances on account of customers	127,323,950	Liabilities of customers for acceptances	127,323,950
Cheques outstanding	174,184,457	Government securities and debentures	677,911,142
Sundry creditors	59,467,515	Sundry investments	3,003,905
Guarantees on account of customers	228,747,147	Shares in other banks	110,938,404
Rebate on bills receivable	11,307,323	Freehold bank premises*	12,500,000
Net profit	29,893,723	Sundry debtors	109,170,550
Clerks' provident fund	70,336,912	Liabilities of customers for guarantees	228,747,147
Collateral securities	7,071,607	Clerks' provident fund	70,336,912
Securities deposited for safe custody	6,201,738,303	Securities deposited as collateral	7,071,607
	13,402,631,760	Securities deposited for safe custody	6,201,738,303
			13,402,631,760

* Excluding premises of the former Banca Nazionale di Credito.

GUARANTY TRUST COMPANY OF NEW YORK

BALANCE SHEET—June 30, 1934

LIABILITIES	\$	ASSETS	\$
Capital	90,000,000	Cash on hand, in Federal Reserve Bank, and due from banks and bankers	240,360,145
Surplus fund	170,000,000	Bullion in foreign branches	8,164,481
Undivided profits	7,466,152	U.S. Government securities	458,980,759
Capital note (payable on or before July 31, 1934)	20,000,000	Notes of Reconstruction Finance Corporation	20,000,000
Acceptances, endorsements, miscellaneous accounts payable, reserve for taxes, etc.	17,624,077	Public securities	85,337,943
Acceptances, \$82,446,995, less own acceptances held for investment, \$51,920,347	30,526,648	Stock of the Federal Reserve Bank	8,400,000
Liability as endorser on acceptances and foreign bills	129,155	Other securities	21,500,433
Deposits	1,183,188,476	Loans and bills purchased	635,002,034
Outstanding cheques	20,286,935	Real estate bonds and mortgages	2,315,818
		Items in transit with foreign branches	1,862,844
	1,539,221,443	Credits granted on acceptances	30,526,648
		Bank buildings	13,945,483
		Other real estate	97,955
		Accrued interest and accounts receivable	14,726,880
			1,539,221,443

HAMBROS BANK, LIMITED

According to the report of the directors for the year ending March 31, 1934, after payment of all expenses, making provision for rebate on bills discounted, bad debts, and income tax, the accounts show a profit of £319,248. Deducting the directors' remuneration of £15,096, and adding the balance brought forward from last year of £94,293, there remains an available total of £398,445. After transferring £150,000 to contingency reserve account and allowing the sum of £48,750 for interim dividend on the £10 shares and £9,000 for interim dividend on the £1 "A" shares paid on October 31, 1933, the directors now recommend the payment of a further dividend of 1½ per cent., less income tax, on the £10 shares, making a total of 18 per cent. for the year, less income tax, and a further dividend of 3 per cent., less income tax, on the £1 "A" shares, making a total of 6 per cent. for the year, less income tax, and that the balance of £92,270 be carried forward. The transfer of £150,000 to the contingency fund, after allowing for the appropriation which has been made for doubtful debts, will result in a considerable addition to this fund.

BALANCE SHEET—March 31, 1934

LIABILITIES	£	ASSETS	£
Paid-up capital—£2 10s. per share on 400,000 shares of £10 each	1,000,000	Cash in hand, at bankers and at call	3,366,624
£1 per share on 400,000 "A" shares of £1 each	400,000	Bills of exchange	2,552,497
Reserve	1,000,000	Investments—Valued at or below prices current at March 31, 1934:	
Profit and loss account	190,695	British Government securities, £3,784,949; other investments, £770,102	4,555,051
Current, deposit and other accounts (including reserve for contingencies)	12,863,548	Hambros Bank (Nominees) Ltd., current account	2,620
Hambros Bank (Nominees) Ltd., current account	2,620	Acceptances	10,179,976
Acceptances	10,179,976	Memorandum—Contingent liability as endorser of bills discounted, £1,003,744, and on guarantees given covered by counter guarantees or securities, £354,515.	
Memorandum—Contingent liability as endorser of bills discounted, £1,003,744, and on guarantees given covered by counter guarantees or securities, £354,515.		Note—"Loans, advances and other accounts" and "liabilities of customers for acceptances" include accounts governed by the German credit agreement of 1934.	
	25,636,839		25,636,839

THE HONGKONG AND SHANGHAI BANKING CORPORATION

BALANCE SHEET—December 31, 1933

LIABILITIES	\$	ASSETS	\$
Issued and paid-up capital—160,000 shares of \$125 each	20,000,000	Cash (including \$61,750,000 coin lodged with the Hongkong Government and \$1,600,000 coin lodged with H.B.M. Consul-General, Shanghai, against authorised and/or excess note circulation)	217,695,778
Reserve liability of proprietors—\$125 per share on 160,000 shares issued, \$20,000,000.		Bullion in hand and in transit (including \$61,250,000 bullion lodged with Hongkong Government against authorised and/or excess note circulation)	166,864,943
Sterling reserve	89,784,173	British Government, Indian, Colonial and other securities	229,569,958
Silver reserve	10,000,000	Bills discounted, loans and credits	388,313,575
Notes in circulation (authorised and additional issue against securities, bullion and coin amounting to \$169,962,680 deposited with the Crown Agents for the Colonies, their trustees, and the Hongkong Government)	146,535,175	Bills receivable and balance of remittances and drafts in transit	144,490,831
Current accounts	666,364,833	Liabilities of constituents for acceptances, per contra	2,860,122
Fixed deposits	207,588,822	Bank premises	18,658,979
Bills payable (including call loans and short sight drawings on London office and drafts on London bankers)	13,728,117		
Acceptances on account of constituents	2,860,122		
Profit and loss account	11,592,944		
(Liability on bills of exchange re-discounted, £1,074,951, of which £994,964 have since run off.)			
	1,168,454,186		1,168,454,186

PROVINCIAL BANK OF IRELAND LTD.

ESTABLISHED 1825.

Subscribed Capital - - £4,080,000

Paid-up - - - - £540,000

Divided into 40,000 Shares of £100 each, £12 10s. paid; and 4,000 Shares of £20 each, £10 paid.

Reserve Fund - - - - £485,000

DIRECTORS:

RICHARD DURANT TROTTER, Esq., Chairman.
G. BROCK, Esq., F.C.A.
JOHN CHARLES DENTON CARLISLE, Esq.
JAMES MARMION CARROLL, Esq.
Hon. Sir WILLIAM HENRY GOSCHEN, K.B.E.
ROBERT ASHHURST GRADWELL, Esq.
HENRY SAMUEL HOWARD GUINNESS, Esq.
EDWARD RALPHE DOURO HOARE, Esq.
ALEXANDER BRODRICK LESLIE-MELVILLE, Esq.

Head Office: 8 THROGMORTON AVENUE, LONDON, E.C.2.

Telephone: Metropolitan 0311. Metropolitan 0323.
Secretary's Office.

Secretary: FRANCIS F. FORDE. Assistant Secretary: GEORGE A. KENNEDY. Manager: F. W. BROWN.

130 Branches and Sub-Branches throughout Ireland.

Chief Officer in Ireland: DAVID B. BRADSHAW.

CORRESPONDENTS AND AGENTS. The Bank has Correspondents and Agents throughout the British Isles and in all parts of the world, and conducts Overseas business of all kinds, including Collection of Foreign Bills and Cheques.

CURRENT ACCOUNTS OPENED; DEPOSITS RECEIVED, and general Banking business transacted. INCOME TAX. Claims for recovery and for adjustment of Income Tax undertaken. DIVIDENDS, ANNUITIES, COUPONS, etc., collected. Duties of Executor and Trustee undertaken.

BANK OF CZECHOSLOVAK LEGIONS
PRAGUE

Telegraphic Address: "LEGIOBANKA."

23 Branches and 5 Exchange Offices in Czechoslovakia.

Capital Paid Up - - - Kc 70,000,000

Reserves - - - - Kc 100,000,000

COMPLETE BANKING SERVICE

ŽEMĚS BANKAS

KAUNAS, Duonelaičio g-vė 47

BALANCE SHEET, 30th June, 1934

ASSETS.	Lt.	Ct.	LIABILITIES.	Lt.	Ct.
1. Cash on hand and due from State Bank	4,048,279	77	1. Stock Capital	50,000,000	—
2. Correspondents	246,590	—	2. Surplus	3,895,000	—
3. Discounted Bills	8,075,853	43	3. Special Fund	200,000	—
4. Special Current Account	10,567,552	03	4. Mortgage Bonds in circulation	57,300,000	—
5. Loans for Mortgage Bonds security	92,038,271	08	5. Current Account	11,011,673	53
6. Mortgage Loans	10,895,021	20	6. Deposits	11,518,087	11
7. Bonds	7,054,836	—	7. Creditors	314,907	—
8. Unsubscribed Stock	1,935,000	—	8. Dividends Unpaid	721,446	75
9. Inventory	81,620	42	9. Interest and Commission	939,987	43
10. Real Estate	884,848	45	10. Interest in anticipation for 1935	85,581	77
11. Expenses	666,943	56	11. Other Liabilities	2,009,737	40
12. Other Assets	1,505,552	05	12. Securities	11,644,748	—
13. Securities	11,644,748	—	13. Collections	32,043	80
14. Collections	32,043	80	14. Branch of Klaipėda	5,424,073	94
15. Branch of Klaipėda	5,370,126	94			
Total Lt.	155,047,284	73	Total Lt.	155,047,284	73

THE IMPERIAL BANK OF PERSIA

The profits for the year ended March 20th last, after making provision for expenses of management, general charges in London and at chief office and branches, income tax, contingencies, and bad and doubtful debts, amount to £77,169, to which has to be added £46,889 brought forward from last account, making a total of £124,058. The assets and liabilities of the branches in Persia have been converted at the rate of exchange of Rials 77 per £ sterling, being the rate on March 20, 1934. The rate last year was Rials 103. The directors recommended payment of a final dividend of 7s. per share, and a bonus of 2s. per share, making with the interim dividend of 4s. per share a total for the year of 13s., free of income tax. It was also proposed to add £10,000 to reserve, which is thereby increased to £720,000 and to carry forward £49,058.

BALANCE SHEET—March 20, 1934

LIABILITIES	£	ASSETS	£
Capital: 99,800 ordinary shares of £5 each; 200 founders shares of £5 10s.	650,000	Cash in hand, at bankers, and in transit and money at call and short notice, and bullion	1,053,273
Amount received from the Persian Government for surrender of note issue	200,000	Investments in British Government and other securities taken at or under prices ruling at March 20, 1934	3,467,919
Reserve account	720,000	Bills discounted, loans and advances, past due bills, adjustments, and sums due from other banks	1,268,583
Current and fixed deposits, etc.	3,128,793	Bills receivable	653,617
Bills payable, provision for contingencies, endorsements, adjustments, and sums due to other banks	1,655,914	Liability of customers for acceptances, etc., as per contra	278,159
Acceptances, etc., on behalf of customers	273,159	Bank premises, furniture and stationery	5,373
Profit and loss account	94,058	*This includes £100,000 funding loan deposited at Bank of England under Government regulations.	
	6,726,924		6,726,924

IONIAN BANK, LIMITED

BALANCE SHEET—August 31, 1933

The Exchange for Drachmas is taken at 375 per £, and for £E. at 97.50 per £100.

LIABILITIES	£	ASSETS	£
Issued capital: 120,000 shares of £5 each, fully paid	600,000	Cash in hand, at bankers and in transit: London, £165,118; branches, £455,116	620,234
Reserve fund	100,000	Balances with banking correspondents, including remittances in transit	79,282
Investments reserve	100,000	Investments—	
Current and deposit accounts	2,592,677	British Government securities	791,982
Bills payable	38,907	Foreign Government securities and other investments	160,494
Outstanding advances, exchange contracts, letters of credit, unclaimed dividends and reserves for taxation, pensions and contingencies	334,375	Bills receivable	182,365
Liabilities for acceptances on account of customers	118,364	Loans and advances	1,186,971
Rebate on bills discounted not due	1,564	Outstanding advances, exchange contracts, expenses prepaid, and goods under realisation	509,507
Profit and loss	26,525	Liabilities of customers for acceptances	118,364
	3,910,412	Mortgaged property in possession, at or below valuation	43,128
		Bank premises, including installations, at cost, less amounts written off	218,085
			3,910,412

INTERNATIONAL BANKING CORPORATION

(Owned by The National City Bank of New York)

BALANCE SHEET—December 30, 1933

(Including Foreign Offices)

LIABILITIES	\$	ASSETS	\$
Capital	2,500,000	Cash on hand and in local depositories	3,918,319
Surplus	2,500,000	Due from banks and bankers	2,870,593
Undivided profits	3,166,032	Loans, discounts and advances	3,069,323
Deposits	7,563,124	Bonds and securities	11,423,031
Notes in circulation in China	980,937	Customers' liability account of acceptances	1,397,254
Items in transit with branches	154,112	Other assets	71,181
Acceptances	1,476,486		
Reserves for—			
Taxes, accrued interest and expenses	306,639		
Contingencies	3,998,915		
Other liabilities	3,456		
	22,649,701		22,649,701

THE LONDON AND EASTERN TRADE BANK, LIMITED

BALANCE SHEET—September 30, 1933

LIABILITIES	£	ASSETS	£
Issued capital: 60,000 shares of £10 each, fully paid	600,000	Cash in hand and at bankers in London	46,965
Current, deposit and other accounts, including reserve for contingencies	169,957	Money at call	75,000
Acceptances for customers as per contra, £52,191, less bills held, £22,500	29,691	Sundry securities (at market value)	35,924
*Note.—Contingent liabilities: guarantees, rediscounted bills, confirmed credits, forward foreign exchange contracts and forward contracts for gold and other metals, £190,557 2s. 10d., of which £74,159 19s. 10d. has since run off.		Loans, overdrafts and other balances, less reserve for doubtful debts	*344,241
		Customers' liabilities for acceptances	*52,191
		*Note.—These totals include £171,837 in respect of assets in countries where exchange restrictions are in force. The value of these assets is dependent on the satisfactory solution of the financial and economic problems of the countries concerned.	
		Profit and loss account	245,327
	799,648		799,648

ITALO-BELGIAN BANK

BALANCE SHEET—June 30, 1933

LIABILITIES	Frs.	ASSETS	Frs.
Capital	100,000,000	Cash in hand and with bankers	203,520,741
Reserves	100,000,000	Bills receivable	388,999,774
Current and deposit accounts	700,876,198	Investments	25,366,016
Bankers and correspondents	182,351,823	Bankers and correspondents	220,728,939
Bills payable	83,851,796	Current accounts	329,280,207
Dividends unclaimed	235,793	Premises	21,000,000
Re-discount on bills	1,109,644	Paris, Buenos Aires, Montevideo, Rio de Janeiro, Sao Paulo, Santos, Campinas.	
Profit and loss	18,440,424	Furniture and fittings	1
	1,186,895,678		1,186,895,678
Depositors and sundry accounts as per contra	2,597,424,544	Securities deposited and sundry accounts as per contra	2,597,424,544

THE MITSUI BANK, LIMITED

BALANCE SHEET—December 31, 1933

LIABILITIES	Yen	ASSETS	Yen
Deposits (current, fixed, etc.)	715,288,952	Cash in hand and at the Bank of Japan, etc.	55,485,933
Foreign bills sold	1,178,941	Money at call and short notice	42,640,000
Due to foreign banks (including discounts)	17,803,730	Japanese and foreign Government bonds	177,191,543
Due to inland correspondents	706,625	Municipal and other bonds	103,856,294
Outstanding cheques	373,514	Stocks	350,000
Liabilities under L/C, etc.	10,418,911	Loans and discounts	409,395,376
Interest accrued on deposits not due	7,020,534	Foreign bills purchased	67,438,154
Rebate on bills not due	2,369,698	Due from foreign banks	3,962,277
Provisional receipts, etc.	417,763	Due from inland correspondents	441,163
Capital	100,000,000	Customers' liabilities under L/C, etc., per contra	10,418,911
Reserve funds	53,800,000	Provisional payments	1,375,753
Pension fund	4,469,844	Bank premises and real estates	14,219,501
Profit for the half-year	12,926,393	Capital uncalled	40,000,000
Including balance from last account, Yen 6,980,799; transferred from pension fund, Yen 665,171.			
	926,774,905		926,774,905

THE MITSUBISHI BANK, LIMITED

BALANCE SHEET—December 31, 1933

LIABILITIES	Yen	ASSETS	Yen
Deposits	661,368,857	Cash on hand and in banks	53,427,347
Foreign bills sold	502,283	Money at call and short notice	4,895,680
Due to foreign banks	880,686	Government and municipal bonds	159,878,334
Due to inland correspondents	448,161	Other bonds	455,557
Acceptances and guarantees	2,007,213	Stocks and shares	184,169,733
Interest accrued on deposits	7,067,161	Loans and bills discounted	274,278,306
Rebate on bills discounted not yet due	1,067,318	Bonds loaned to customers	2,254,460
Suspense accounts	462,844	Foreign bills bought	22,281,570
Outstanding cheques	360,692	Due from foreign banks	3,875,661
Accounts en route	476,833	Due from inland correspondents	789,209
Capital	100,000,000	Acceptances and guarantees as per contra	2,007,212
Reserve funds	41,165,735	Bank premises and real estate	16,226,438
Profit for the half year	9,279,012	Temporary payments	33,808
	825,086,795	Money in trust (pension reserve fund)	3,013,080
		Capital uncalled	37,500,000
			825,086,795

THE MOSCOW NARODY BANK, LIMITED

The directors' report for the year ended June 30th, 1934, states that a sum of £248,186 has been transferred from the reserves to the credit of the profit and loss account and a dividend of 3 per cent., together with a bonus of £1 5s. on fully paid shares and £1 on partly paid shares, amounting to £255,300, has been declared and paid.

BALANCE SHEET—June 30, 1934

LIABILITIES	£	ASSETS	£
Capital issued:		Cash at banks on current accounts and in hand	846,295
125,000 shares of £10 each, fully paid	1,250,000	Investments:	
50,000 shares of £10 each, £7 14s. paid	385,000	Co-operative Transit Bank, Riga—9,000 fully-paid shares of 100 gold lats each (at cost)	38,035
General reserve account as at Dec. 31, 1933, £130,000; capital reserve account as at December 31, 1933, £318,186—£448,186; less transfer to profit and loss account, £248,186	200,000	Banque Commerciale pour L'Europe du Nord, Paris—49,650 fully-paid shares of Frs. 500 each (at cost)	200,804
Clients' current and deposit accounts	613,903	Svenska Ekonomiska bolaget, Stockholm—997 fully-paid shares of Krs. 1,000 each (at cost)	55,052
Correspondents of the bank	420,619	Far Eastern Bank, Harbin—1,000 fully-paid shares of 50 Mexican dollars each (at cost)	3,239
Bills rediscounted	975,375	Soyuzpushnina, Ltd., London—100 shares of £100 each, £50 paid (at cost)	5,000
Bills discounted (collateral security)	150,000	(These investments are held for trade purposes and no market quotations are available.)	
Advances against goods	151,951	Correspondents of the Bank	146,927
Acceptances of other banks on security of goods and bills against advances (contra)	958,143	Bills discounted	975,375
Miscellaneous creditors (including provision for taxation and exchange profits in suspense)	69,124	Advances against—	
Liabilities of the bank (as per contra) in respect of guarantees	2,491,621	Goods and documents	1,907,929
Creditors for bills for collection (as per contra)	184,255	Agreements to finance exports from U.S.S.R.	950,000
Profit and loss account as at June 30, 1934	3,143	Collateral securities	35,000
	7,851,134	Miscellaneous debtors	7,026
		Office furniture and fittings (at cost, less sales and depreciation)	4,576
		Liabilities of customers (as per contra) in respect of guarantees issued	2,491,621
		Bills for collection (as per contra)	184,255
			7,851,134

THE BRITISH LINEN BANK

Incorporated by Royal Charter 1746.

LONDON OFFICES:

City Office - - - 38 Threadneedle Street, E.C.2

West End Branch - - 198 Piccadilly, W.1

where accounts may be opened on usual London terms.

Head Office: 38 St. Andrew Square, Edinburgh.

Over 200 Branches throughout Scotland.

BANK OF NEW SOUTH WALES

Incorporated in New South Wales with Limited Liability.

(ESTABLISHED 1817)

With which are amalgamated the Western Australian Bank and the Australian Bank of Commerce, Ltd. Branches and Agencies (720) in all the Australian States, New Zealand, Fiji, Papua, and Mandated Territory of New Guinea.

Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000

Aggregate Assets to 30th September, 1933, £111,512,000
Head Office: SYDNEY, NEW SOUTH WALES.

General Manager: A. C. DAVIDSON.

LONDON DIRECTORS:

H. L. M. TAYLOR, Esq., Chairman. I. C. GEDDES, Esq. CHAS. L. DALRIEL, Esq.

J. S. CAMPBELL, Manager. D. GEDDIE, Assistant Manager. A. L. KENNEDY, Secretary. K. J. PROVAN, Accountant.
The Bank makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange, arranges Wool and other Produce Credits, receives deposits for Fixed Periods on terms which may be known on application, and transacts every description of Australasian Banking Business.

London Office: 29 THREADNEEDLE STREET, E.C.2.

HUNGARIAN GENERAL CREDITBANK
MAGYAR ÁLTALÁNOS HITELBANK.

Founded in
1867.

BUDAPEST—V. József-tér 3.

Telegrams:
"Credit."

Share Capital and Reserves - 68,800,000 pengő

Eight Branches in Budapest.

Branches in Baja, Debrecen, Eger, Győr, Kecskemét, Miskolc, Pécs, Satoraljaújhegy, Sopron, Székesfehérvár, Szekszárd, Brasov, Oradea, Timisoara, Fiume.

Banking business of all descriptions transacted.

Correspondents throughout the world.

HUNGARIAN COMMERCIAL BANK OF PEST
(Pesti Magyar Kereskedelmi Bank)
BUDAPEST

Telegrams: "Commerz"

Royal Charter 1841

50 Branches and Affiliated Banks in Hungary

AFFILIATED BANKS IN
BULGARIA, CZECHOSLOVAKIA and ROUMANIA

CORRESPONDENTS ALL OVER THE WORLD
EVERY KIND OF BANKING BUSINESS TRANSACTED

THE NATIONAL BANK OF EGYPT

BALANCE SHEET—December 31, 1933

LIABILITIES	£.	ASSETS	£.
Share capital, 300,000 fully-paid shares of £10 each.....	2,925,000	Government securities and securities guaranteed by the Egyptian Government.....	17,574,667
Statutory reserve fund.....	1,462,500	Sundry securities.....	1,144,964
Special reserve.....	1,462,500	Advances on merchandise.....	1,682,142
Current, deposit and other accounts.....	18,190,532	Advances on securities.....	2,186,695
Egyptian Government.....	3,400,249	Advances otherwise secured.....	922,110
Sudan Government.....	849,416	Sundry other advances.....	565,441
Mixed Tribunals.....	1,775,588	Bills of exchange.....	2,357,697
Bankers' accounts.....	646,413	Local bills discounted.....	181,010
Cheques and bills payable.....	157,042	Buildings, furniture, etc.....	2,013,375
Rebate of discount on bills not yet due.....	5,968	Money at call and at short notice.....	430,111
Dividends unclaimed.....	22,998	Bankers' accounts.....	1,371,154
Acceptances, etc.....	1,371,154	Clients' liability for acceptances, etc., as per contra.....	1,371,153
Provision for payment of final dividend at the rate of 11 per cent. per annum.....	321,750	Cash: Notes £E. 1,275,824; gold and silver coin, etc., £E. 877,995.....	2,153,819
Profit and loss account balance.....	215,954		
	32,807,064		32,807,064

THE NATIONAL CITY BANK OF NEW YORK

BALANCE SHEET—June 30, 1934

LIABILITIES	\$	ASSETS	\$
Capital—Preferred.....	50,000,000	Cash and due from banks and bankers.....	358,390,001
Common.....	77,500,000	United States Government bonds and certificates.....	304,630,848
Surplus.....	30,000,000	Notes of Reconstruction Finance Corporation—due January 10, 1935.....	49,093,000
Undivided profits.....	8,018,665	Other securities guaranteed by U.S. Government as to interest and/or principal.....	4,141,272
Reserves for—		State and municipal bonds.....	69,002,845
Unearned discount and other unearned income.....	1,977,029	Other bonds and securities.....	52,374,962
Interest, taxes and other accrued expenses.....	4,336,985	Loans, discounts and bankers' acceptances.....	490,366,963
Dividends—Preferred, to August 1, 1934.....	1,036,357	Customers' liability account of acceptances.....	59,284,050
Common, to August 1, 1934.....	2,066,667	Stock in Federal Reserve Bank.....	6,600,000
Liability as acceptor, endorser or maker on acceptances and bills.....	65,297,112	Ownership of International Banking Corporation.....	8,000,000
Deposits.....	1,226,636,687	Bank premises.....	55,623,996
		Items in transit with branches.....	3,928,923
		Other assets.....	5,482,642
	1,466,919,502		1,466,919,502

OTTOMAN BANK

The accounts made up to December 31, 1933, after providing for bad and doubtful debts out of revenue and provisions previously made, show an amount available of £102,159, including £25,338 brought forward from the previous year. The committee recommend a distribution at the rate of 3s. per share payable in Istanbul, London and Paris on June 25, 1934, leaving £27,159 to be carried forward to the current year.

BALANCE SHEET—December 31, 1933

LIABILITIES	£	ASSETS	£
Capital, £10,000,000, less not called up, £5,000,000.....	5,000,000	Cash in hand and at bankers.....	4,291,754
Statutory reserve.....	1,250,000	Money at call and notice.....	1,136,040
Bank notes in circulation.....	362,302	Bills receivable.....	5,558,002
Bills payable and sight drafts.....	250,136	Investments.....	1,471,545
Current accounts of sundries.....	11,655,549	Current accounts of sundries.....	5,111,137
Deposits for fixed terms.....	1,483,303	Advances on securities.....	1,897,918
Acceptances.....	787,087	Clients for acceptances.....	787,086
Profit and loss account.....	102,159	Bank premises and real estate.....	637,054
	20,890,536		20,890,536

SOCIÉTÉ BELGE DE CRÉDIT INDUSTRIEL ET COMMERCIAL ET DE DÉPÔTS

BALANCE SHEET—December 31, 1933

LIABILITIES	Frs.	ASSETS	Frs.
Subscribed capital.....	20,000,000	Cash.....	3,594,492
Statutory reserve.....	2,000,000	Due from other banks.....	18,716,157
Extraordinary reserve.....	6,900,000	Bills receivable.....	70,484,022
Deposit and current accounts.....	97,130,202	Coupons for collection.....	226,366
Profit and loss.....	1,768,745	Current accounts.....	8,456,557
Other accounts.....	424,708	Sundry assets.....	2,374,593
Unclaimed dividends.....	29	Loans and advances.....	9,743,542
	128,223,684	Uncalled capital.....	12,893,200
		Buildings and furniture.....	1,532,845
			128,223,684

SOCIÉTÉ GÉNÉRALE

(Pour Favoriser le Développement du Commerce et de l'Industrie en France)

BALANCE SHEET—July 31, 1934

LIABILITIES	Frs.	ASSETS	Frs.
Capital.....	625,000,000	Cash in hand and at Bank of France.....	2,181,704,579
Reserves.....	390,000,000	At banks and correspondents.....	108,292,734
Cheque accounts.....	3,249,338,275	Bills and National Defence bonds.....	5,243,906,584
Deposits for fixed periods.....	256,484,800	Coupons for encashment.....	165,413,142
met.....	60,970,324	Contingencies.....	97,251,336
Diverse current accounts.....	6,563,678,066	Advances on security.....	447,853,961
Sundry accounts.....	152,855,946	Diverse current accounts.....	2,598,003,135
Interest and dividends.....	8,891,993	Government stocks, shares, bills and debentures.....	33,388,804
Profit and loss.....	27,119,536	Investments.....	28,835,154
		Real estate and "Immobilière Parisienne et Départementale".....	71,381,788
		Sundry accounts.....	55,253,773
		Calls on shares.....	303,054,250
	11,334,338,940		11,334,338,940

SOCIÉTÉ GÉNÉRALE DE CRÉDIT INDUSTRIEL ET COMMERCIAL

BALANCE SHEET—December 31, 1933

LIABILITIES	Frs.	ASSETS	Frs.
Deposit accounts.....	409,354,199	Cash in hand.....	138,422,762
Current accounts.....	790,473,674	Due from other banks.....	104,350,067
Fixed deposits.....	338,377,312	Coupons for collection.....	9,332,745
Acceptances.....	55,411,698	Bills receivable and Bonds.....	960,574,094
Unclaimed interest and dividends.....	199,380	Current accounts.....	181,983,260
Transitory and sundry account.....	16,520,450	Advances guaranteed.....	97,998,177
Reserve fund—Statutory, Frs. 10,000,000; extraordinary, Frs. 60,000,000.....	70,000,000	Acceptances.....	55,411,698
Capital subscribed.....	100,000,000	Payments made on account of interest and dividends for 1933.....	2,261,462
Brought forward from previous years.....	4,723,535	Investments.....	54,386,395
Profit and loss account for 1933.....	5,081,530	Transitory and sundry account.....	10,842,496
	1,790,341,778	Shares of affiliated societies.....	106,028,622
		Bank premises.....	20,000,000
		Uncalled capital.....	48,750,000
			1,790,341,778

THE SUMITOMO BANK, LIMITED

BALANCE SHEET—June 30, 1934

LIABILITIES	Yen	ASSETS	Yen
Deposits.....	827,247,576	Cash in hand.....	67,114,897
Exchange sold.....	12,372,879	Money at call and short notice.....	45,800,000
Due to other banks.....	3,714,115	Bonds, debentures and other securities.....	358,831,839
Foreign credits, acceptances and guarantees.....	10,573,235	Bills discounted.....	58,099,587
Accrued interest, unearned discount, etc.....	11,066,162	Loans.....	368,583,290
Capital subscribed.....	70,000,000	Securities lent.....	1,165,891
Reserve fund.....	31,000,000	Exchange purchased.....	25,682,450
Pension reserve.....	3,116,603	Due from other banks.....	3,030,174
Balance of profit brought forward from previous half-year.....	2,654,732	Customers' liabilities on foreign credits, acceptances and guarantees.....	10,573,235
Net profit for this half-year.....	6,148,054	Bank premises.....	19,011,993
	977,893,356	Capital unpaid.....	20,000,000
			977,893,356

SWISS BANK CORPORATION

According to the report, and after deduction of expenses and taxes, and making provision for bad and doubtful debts, etc., the net profit for the year ended December 31, 1933, amounts to £382,158. The board propose to pay a dividend of 5 per cent. on the paid-up capital (according to Art. 36 of the Articles of Association), £320,000, leaving a balance of £62,158. After deduction of the statutory participation of directors, £6,215, the remainder, £55,943, together with the amount carried forward from last year, £52,083, viz., in all £108,026, is at the disposal of the general meeting. The board propose to pay a further dividend of 1 per cent. (making in all 6 per cent. for the year 1933) which will absorb £64,000, and to carry forward £44,026.

BALANCE SHEET—December 31, 1933

LIABILITIES	£	ASSETS	£
Share capital.....	6,400,000	Cash.....	11,606,908
Reserves.....	2,120,000	Banks and bankers.....	4,504,675
Fixed deposits.....	8,962,458	Bills receivable.....	7,280,693
Sight deposits.....	22,950,466	Loans at short dates on securities.....	1,048,671
Time deposits.....	8,706,573	Advances to customers, etc.....	22,112,188
Acceptances.....	800,821	Permanent investments.....	750,000
Profit.....	434,241	Government, railway and other securities.....	1,828,914
	50,374,559	Syndicates.....	518,236
		Bank premises and other property.....	724,274
			50,374,559

THE YOKOHAMA SPECIE BANK, LIMITED

The report for the half-year ending December 31, 1933, states that the net profit of the bank for the past half-year, after providing for all bad and doubtful debts, rebate on bills, etc., shows 14,148,164 yen, inclusive of 6,869,039 yen brought forward from last account. The directors propose that 1,500,000 yen be added to the reserve fund, and recommend a dividend at the rate of 10 per cent. per annum, which will absorb 5,000,000 yen. The balance, 7,648,164 yen, will be carried forward to the credit of next account.

BALANCE SHEET—December 31, 1933

LIABILITIES	Yen	ASSETS	Yen
Capital issued and fully paid.....	100,000,000	Cash account—In hand.....	40,027,697
Reserve fund.....	121,250,000	At bankers.....	54,142,090
Reserve for doubtful debts.....	3,602,332	Investments in public securities and debentures at current market prices.....	460,363,757
Notes in circulation.....	4,285,022	Bills discounted, loans, advances, etc.....	465,037,228
Deposits (current, fixed, etc.).....	600,507,592	Bills receivable and other sums due to the bank.....	494,465,397
Bills payable, bills discounted, acceptances and other sums due by the bank.....	694,200,637	Bullion and foreign money.....	1,836,965
Dividends unclaimed.....	5,780	Bank's premises and properties, estimated at cost price, less allowance for depreciation.....	20,911,202
Balance of profit and loss brought forward from last account.....	6,869,039	Bank's furniture.....	1,195,192
Net profit for the past half-year.....	7,279,126		
	1,537,979,528		1,537,979,528

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1717.

CAPITAL
(fully paid):
£3,780,192

RESERVE FUND:
£3,780,926

DEPOSITS:
£59,257,330

A COMPLETE BRITISH COLONIAL
AND FOREIGN BANKING SERVICE

TOTAL NUMBER OF OFFICES 252

CORRESPONDENCE INVITED

HEAD OFFICE EDINBURGH.

General Manager—WILLIAM WHYTE.

Associated Bank—Williams Deacon's Bank, Ltd. (Members of the London Bankers' Clearing House).

LONDON OFFICES:

CITY:

3 Bishopsgate, E.C.2

WEST END:

(Drummonds)

49 Charing Cross, S.W.1

Burlington Gardens, W.1

(formerly Branch of Bank of England)

64 New Bond Street, W.1

BANK OF SCOTLAND

CONSTITUTED BY ACT OF PARLIAMENT, 1695

AUTHORISED CAPITAL - - - - -	£4,500,000
PAID-UP CAPITAL - - - - -	£1,500,000
RESERVE FUND and BALANCE CARRIED FORWARD - - - - -	£2,450,679
DEPOSITS and CREDIT BALANCES as at 28th February, 1934 - - - - -	£35,470,013

Governor: The Rt. Hon. LORD ELPHINSTONE, K.T.

A. W. M. BEVERIDGE, Treasurer.

Head Office: THE MOUND, EDINBURGH

GLASGOW, Chief Office: 2, ST. VINCENT PLACE. J. W. MACFARLANE, Manager.

LONDON OFFICES: City Office—30, BISHOPSGATE, E.C.2. J. W. JOHNSTON, Manager.

Piccadilly Circus Branch—16/18, PICCADILLY, W. C. D. ALLISON, Manager.

253 Branches and Sub-Branches in Edinburgh, Glasgow, and throughout Scotland
Every description of British and Foreign Banking Business transacted

THE Commercial Bank of Scotland LIMITED

Established 1810

Incorporated by Royal Charter and Act of Parliament

OVER 360 BRANCHES AND SUB-OFFICES IN SCOTLAND AS WELL AS
THE FOLLOWING LONDON OFFICES:—

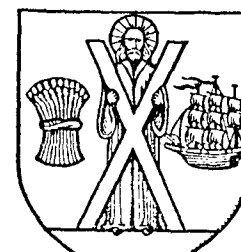
CITY OFFICE: 62 LOMBARD STREET, E.C.3

KINGSWAY BRANCH: IMPERIAL HOUSE, 15 KINGSWAY, W.C.2

PICCADILLY BRANCH: 4 OLD BOND STREET, W.1

Head Office: 14 George Street, EDINBURGH

THE NATIONAL BANK OF SCOTLAND LIMITED



Head Office:
EDINBURGH

LONDON OFFICES:
City Office—37 Nicholas Lane, E.C.4

ESTABD 1825

West End Office—18/20 Regent Street, Piccadilly Circus, S.W.1

Branches in all the Principal Cities and Places in Scotland

The Bank undertakes the duties of Trustee or Executor under Wills, Trustee under Marriage and other Settlements, etc.

BANK OF BRITISH WEST AFRICA LIMITED.

ESTABLISHED 1894.

Authorised Capital ...	£4,000,000
Subscribed Capital ...	£3,000,000
Paid-up Capital ...	£1,200,000
Reserve ...	£400,000

Bankers to the Governments of the Gambia,
Sierra Leone, Gold Coast and Nigeria.

Chairman:

THE EARL OF SELBORNE, K.G., G.C.M.G.

HEAD OFFICE:

37, GRACECHURCH STREET, LONDON, E.C.3.

GENERAL MANAGER:

D. W. PATERSON.

Liverpool, Manchester, Hamburg,
West Africa, Canary Islands, Morocco.

Agents in New York:
Standard Bank of South Africa, Ltd.

PRINCIPAL SHAREHOLDERS:

Lloyds Bank Limited; National Provincial Bank
Limited; Standard Bank of South Africa, Limited;
Westminster Bank Limited.

THE UNION BANK OF SCOTLAND, Ltd.

ESTABLISHED OVER 100 YEARS.

SUBSCRIBED CAPITAL -	£5,200,000
PAID-UP -	£1,200,000
RESERVE FUND -	£1,800,000
DEPOSITS -	£28,558,336

HEAD OFFICES:

GLASGOW—St. Vincent Street. EDINBURGH—George Street.
212 Branches throughout Scotland.

LONDON OFFICES: 62, CORNHILL, E.C.3.

Manager: JOHN THOMSON. Asst. Manager: JOHN A. MORRISON.

HAS FOREIGN EXCHANGE DEPARTMENT.

332, Oxford Street, W.1 - J. M. S. Lambie, Manager.
1, Regent Street, S.W.1 - John Macdonald, Manager.
140, Kensington High Street, W.8 - David L. Manson, Manager.

Adapted in every way to carry through all forms
of Banking Business in London and Scotland.
Every description of Home and Foreign Banking transacted.
Letters of Credit issued on all places at Home and Abroad;
Cable Remittances, Freight Collections, Ship's Disbursements
Credits, Commercial Credits, &c., arranged. Bills of Exchange
and Shipping Documents collected or negotiated subject to
approval.

The Bank also undertakes the duties of TRUSTEE and
EXECUTOR.

SMALL SAVINGS ACCOUNTS BEARING INTEREST.
Sums of 1/- and upwards received. PASS BOOKS
and HOME SAFES ISSUED. Strictest Secrecy is
observed by the Bank's Officials.

At London Offices Current Accounts and other business
conducted on the usual terms of London Banks.

Deposits received at Interest.

NORMAN L. HIRD, General Manager.



THE DAI-ICHI GINKO, LIMITED.

(FORMERLY THE FIRST NATIONAL BANK.)
Established 1873.

CAPITAL (Paid up) -	Yen 57,500,000
RESERVE -	Yen 66,300,000

A Complete Banking Service

Head Office:
TOKYO

Branches:

YOKOHAMA, KOBE, OSAKA, KYOTO, SEOUL and other
principal Cities at home.

Correspondents:

All important places at home and abroad.

THE P. & O. BANKING CORPORATION, LIMITED.

Head Office: 117-122, LEADENHALL ST., LONDON, E.C.3

AUTHORISED CAPITAL	£5,000,000
SUBSCRIBED CAPITAL	£2,594,160
PAID-UP CAPITAL	£2,594,160
RESERVE FUND	£180,000

Every description of Banking Business transacted.
Correspondents in all parts of the World.

BRANCHES:

14, Cockspur Street, London, S.W.1;
Bombay; Calcutta; Calicut;
Colombo; Hongkong; Madras;
Shanghai; Singapore.

AFFILIATED BANK:

THE ALLAHABAD BANK, LTD.

Head Office: CALCUTTA; with 36 Branches and
Sub-Agencies in India.

AUTHORISED CAPITAL	Rs. 40,00,000
SUBSCRIBED CAPITAL	Rs. 40,00,000
PAID-UP CAPITAL	Rs. 35,50,000
RESERVE FUND	Rs. 44,50,000

NATIONAL DISCOUNT COMPANY, LIMITED.

ESTABLISHED 1856.

35 CORNHILL, LONDON, E.C.3

Telegraphic Address: "NATDIS, STOCK, LONDON." Telephones:
MANSON HOUSE 5241 (3 lines)

SUBSCRIBED CAPITAL -	£2,153,335
PAID-UP CAPITAL -	£1,000,000
RESERVE FUND -	£1,000,000

DIRECTORS:

Col. The Hon. SIDNEY PEEL, C.B., D.S.O., Chairman.
Lt. Col. The Hon. GEORGE AKERS-DOUGLAS.
The Hon. ARTHUR MASQUITH, D.S.O.
FRANCIS GOLDSMITH.

Manager—FRANCIS GOLDSMITH.

Sub-Manager—ROBERT E. de B. BATH.

Asst. Sub-Manager—H. R. W. BROWN.

Chief Accountant:

SEYMOUR S. JOHNSON.

Secretary—CHARLES H. GOUGH.

Auditors:

PRICE, WATERHOUSE & CO.

Bankers:

BANK OF ENGLAND.

NATIONAL PROVINCIAL BANK, LIMITED.

Treasury Bills, Bank and Mercantile Bills negotiated.
Money received on Deposit at Call and Short Notice at the
Current Market Rates of Interest, and for longer periods
upon specially agreed terms.
Loans granted upon approved securities.
All communications to be addressed to the Manager.

The Hongkong and Shanghai Banking Corporation

(Incorporated in the Colony of Hongkong. The liability of members
is limited to the extent and in manner prescribed by Ordinance No. 6 of
1929 of the Colony)

AUTHORISED CAPITAL ...	\$50,000,000
ISSUED AND FULLY PAID UP ...	\$20,000,000
RESERVE FUNDS—STERLING ...	\$6,500,000
RESERVE FUNDS—SILVER ...	\$10,000,000
RESERVE LIABILITY OF PROPRIETORS ...	\$20,000,000

Head Office - HONGKONG

BOARD OF DIRECTORS:

Hon. Mr. C. G. S. MACKIE, Chairman
S. H. DODWELL, Deputy-Chairman
Hon. Mr. W. H. BELL
A. H. COMPTON
W. J. KESWICK

C. C. KNIGHT

G. MISKIN

K. S. MORRISON

T. E. PEARCE

CHIEF MANAGER - V. M. GRAYBURN

BRANCHES:

Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Chefoo,
Colombo, Dairen (Dalny), Foochow, Haiphong, Hamburg,
Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe,
Kowloon, Kuala Lumpur, London, Lyons, Malacca, Manila,
Moukden, Muar, New York, Peiping (Peking), Penang, Rangoon,
Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Sungei
Patani, Tientsin, Tokyo, Tsingtao, Yloilo, Yokohama.

COMMITTEE IN LONDON:

The Hon. A. F. Baring
A. H. Baring
D. G. M. Baring
C. A. Campbell

Sir George Macdonogh

G.B.E., K.C.B., K.C.M.G.

Sir George Sutherland

C. F. Whigham

MANAGERS IN LONDON:

O. J. Barnes
Sub-Manager: G. M. Dalgety

R. E. N. Padfield

Accountant: G. Baker

9, GRACECHURCH ST., LONDON, E.C.3

THE Commercial Banking Company of Sydney, LIMITED

(with which is amalgamated the BANK OF VICTORIA, LTD.)

ESTABLISHED 1834. INCORPORATED IN NEW SOUTH WALES WITH LIMITED LIABILITY

Authorised Capital	£12,000,000 0 0
Capital Paid up ...	£4,739,012 10 0
Reserve Fund ...	£4,300,000 0 0
Reserve Capital ...	£4,739,012 10 0
	£13,778,025 0 0

Total Assets
30th June, 1934 ... £59,160,199 0 0

Head Office: Sydney—343 George Street
General Manager: C. Darvall

433 Offices and Branches in New South Wales,
Queensland, Victoria, South Australia and Federal
Capital Territory. Agencies throughout Australia
and New Zealand, and all other parts of the world.

Drafts payable on demand and Letters of Credit
are issued by the London Office on the Head
Office, Branches, and Agencies of the Bank.
Bills on Australasia negotiated and collected.
Remittances cabled and mailed.

LONDON OFFICE:

18 BIRCHIN LANE, LOMBARD STREET, E.C.3

V. B. JONES, Manager



Pre-eminent in the
PITTSBURGH
District

MELLON
NATIONAL BANK

PITTSBURGH - PENNSYLVANIA

Correspondence Invited

Cable Address: Mellon & Pittsburgh
on Agts: National Provincial Bank, Ltd.

NATIONAL BANK OF INDIA, LIMITED.

Registered in London under the Companies Act of 1862 on the 23rd of March, 1866.
Established in Calcutta 29th September, 1863.

Bankers to the Government in KENYA (B. E. Africa) and UGANDA.

Subscribed Capital-	-	-	-	-	£4,000,000
Paid-up Capital	-	-	-	-	£2,000,000
Reserve Fund -	-	-	-	-	£2,200,000

Head Office: 26 BISHOPSGATE, LONDON, E.C.2.

BRANCHES					
ADEN	CHITTAGONG	MADRAS	ELDORET	ENTEBBE	} Uganda.
ADEN STEAMER	COCHIN (S. India)	MANDALAY	KISUMU	JINJA	
POINT	COLOMBO	NUWARA ELIYA	MOMBASA	KAMPALA	} Tanganyika Territory.
AMRITSAR	DELHI	RANGOON	NAIROBI	DAR-ES-	
BOMBAY	KANDY	TUTICORIN	NAKURU	SALAAM	
CALCUTTA	KARACHI	ZANZIBAR		TANGA	
CAWNPORE	LAHORE				

The Bank grants Drafts and Telegraphic Transfers on all places where it is represented; negotiates and collects Bills of Exchange; collects Pay, Pensions, and generally transacts every description of Eastern Banking business.

Current Accounts are opened and Deposits are received for fixed periods, not exceeding one year, at rates to be obtained on application.

Circular Letters of Credit available throughout the World are issued to Constituents at Head Office and Branches. Trusteeships and Executorships undertaken.

ALEXANDERS DISCOUNT CO. LIMITED.

24 Lombard Street, E.C.3.

Capital Authorised	-	-	£1,800,000
Subscribed	-	-	1,800,000
Paid-up Preference Shares			200,000
Paid-up Ordinary Shares	-		800,000
Reserve Fund	-	-	1,000,000

DIRECTORS.

COLIN FREDERICK CAMPBELL, *Chairman.*
GEORGE CLEVERLY ALEXANDER.
ROBERT ALEXANDER.
SIR AUSTIN EDWARD HARRIS, K.B.E.
ERIO GORE BROWNE, D.S.O.
FRANK NEWCOMB.

Manager—F. NEWCOMB.

Sub-Manager—B. F. CREWDSON, C.B.E.

Secretary—P. C. TONG.

Approved Mercantile Bills discounted. Loans granted on negotiable securities. Money received on deposit at call and short notices at current market rates, as advertised from time to time in the daily papers. For longer periods on specially agreed terms.

The Company deals in British Treasury Bills of any maturity.

NETHERLANDS BANK OF SOUTH AFRICA

(Incorporated with limited liability under the laws of the Netherlands.)

Authorised Capital.

9,000,000fl. @ 8.07½ = £1,114,551 1 8

Subscribed and Paid-up Capital.

5,622,500fl. @ 8.07½ = £696,284 16 7

Reserve Fund.

2,250,000fl. @ 8.07½ = £278,637 15 5

South
African
Currency

Head Office:

AMSTERDAM, HEERENGRACHT, 546

London Office:

201, SALISBURY HOUSE, FINSBURY
CIRCUS, E.C.2

LONDON MANAGER: J. P. HOWARD

Hamburg Office:

SCHAUENBURGERSTRASSE 32, HAMBURG

Head Office in South Africa:

PRETORIA

London Bankers: NATIONAL PROVINCIAL BANK, LTD.,
and MIDLAND BANK LIMITED

BRANCHES IN SOUTH AFRICA:

Bethlehem, Bloemfontein, Brits, Capetown, Dullstroom, Durban, East London, Ermelo, Hartbeestfontein, Johannesburg, Pietersburg, Port Elizabeth, Potchefstroom, Pretoria, Worcester.

The Bank is prepared to issue Drafts and Letters of Credit, and to make Telegraphic Transfers upon its branches, as well as upon its Agencies in the Cape Province, Natal, Orange Free State, and Transvaal. Bills negotiated and collected, and every description of Banking business transacted in connection with South Africa. Current Accounts kept and Deposits received for fixed periods.

THE ECONOMIST

SPECIAL SUPPLEMENT

EMPIRE TRADE BEFORE AND AFTER OTTAWA

A Preliminary Reconnaissance

By

SIR GEORGE SCHUSTER

EMPIRE TRADE BEFORE AND AFTER OTTAWA

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I.—AIM AND METHOD

ALTHOUGH it is obviously too early yet to form any final judgment on the effects of the Ottawa agreements,* nevertheless the time is approaching when it will be necessary to review the whole range of policy which has come to be regarded by the public as the outcome of the Ottawa Conference. Indeed the necessity is, in a sense, already arising from day to day as the policy adopted in various countries of the British Commonwealth reacts on the economic relations between its members. The underlying purpose of the present article is to emphasise that, when any review is carried out, it is essential that the issues should be considered against the widest possible background, and that public opinion in every country should have an accurate appreciation of the whole of the relevant circumstances.

One of the greatest dangers in the discussion of trade agreements, or, indeed, of any kind of fiscal policy, is the danger which lies in considering the position of particular trades and industries in isolation and not in relation to the economic organism as a whole. Planning or discussion on such a restricted basis is not only likely to ignore reactions on what may be more important functions, but also renders agreement between two countries more difficult, inasmuch as the special interests of those who are engaged in the same fields of industry in different countries may be extremely difficult to reconcile. It is only when the complete range of economic activities of a country is brought under comprehensive review that its statesmen may feel justified in sacrificing the development of a particular function for the sake of the well-being of the whole, and that the steps involved in rationalisation of economic effort throughout a group like the British Commonwealth may find justification both in fact and in the eyes of the public of each constituent country.

The study embodied in these pages and in the statistical tables on which they are based† represents an attempt to sketch the picture as a whole and to bring out some of its main characteristics. It does not claim to be more than a preliminary outline sketch to be tested and elaborated as the records become more complete both by the passage of time and by the improvement of the statistical evidence which it is hoped that the Governments concerned will provide.

Another reservation also must be made at the outset. Although the treatment adopted is one of comparing the positions before and after Ottawa, this method must not be

* The Government of one important Empire country, India, has, in accordance with a promise given to the Legislature, attempted a comprehensive review of the working of the Agreements, and has produced an interesting report (dated June 27, 1934). But that report has itself emphasised that the available data are incomplete and that only the most tentative conclusions can be drawn.

† The statistical tables in the Appendices have been prepared by Mr A. Emanuel, B.Sc. (Econ.) (Lond.), to whom the author's acknowledgments are due.

given too much significance. On the one hand, as already stated, it is too early yet to make any final assessment of the effects of the Ottawa agreements; on the other hand, it would be a great mistake to attribute to their influence all the developments in Empire trade relations since 1932. Many other factors have combined to operate on the situation. One important factor which just about the same time came to bear on Empire trade (both trade within the Empire and trade between the Empire countries and the outside world) was the departure of sterling from gold and the linking of most of the Empire countries to sterling, which has resulted in the gradual creation of a distinctive area within which the Empire countries can trade together on a basis of relative exchange stability—a circumstance which must have tended, at least, to facilitate their trading relations together in comparison with their trading relations with countries not included in the sterling area.*

Then again it must be remembered that the granting of tariff preferences at Ottawa by the United Kingdom to the Empire countries was only made possible by the change in the United Kingdom fiscal policy after the crisis of 1931, a change which must obviously have had its own wider reactions. Together with this there must also be taken into account the reactions of the whole United Kingdom economic policy since 1932 (and particularly agricultural policy), with its quotas, bounties and bilateral trade agreements with non-Empire countries. Outside the United Kingdom there have also been well-known changes which must in various degrees have been influencing the course of trade in one direction or another, among which may be mentioned the all-round increases in tariffs supplemented by quotas and other restrictions and the special currency policy of Australia and New Zealand. Lastly, it is important to appreciate that the Ottawa agreements (at least on the Dominions' side) very largely represented no more than a confirmation of previously existing policies as regards tariff preferences,† and that the discussions and resolutions covered general principles of economic co-operation and

* It is, of course, common knowledge that the whole of the Empire did not immediately come on to the sterling basis, and also that what may for practical purposes be regarded as the "sterling area" is not exclusively confined to the Empire countries. South Africa remained for some time on gold, Canada has only gradually come to orient herself towards sterling, and is still not entirely outside the orbit of the United States dollar. As to the countries outside the Empire which have either *de jure* or *de facto* based their currency on sterling, a cursory examination of the figures seems to indicate that the basis of mutual exchange stability has favourably affected their trading relations with the United Kingdom. (See below.)

† The most substantial new ground in regard to tariff preferences was broken in the agreements with India, and it is perhaps significant that the most marked change in the trend of trade after Ottawa has occurred in the case of India, particularly in the improvement of the United Kingdom market for India's exports.

were not confined to tariff preferences, although public attention was, perhaps naturally, mainly concentrated on the latter. Indeed, it may well prove that the most valuable work of the Conference was done in those committees which were more concerned with the general principles of economic unity and plans for the rationalisation of Empire production.

As has already been stated, the purpose of the present review is to present a comprehensive factual statement which can be used as a background to the discussion of particular issues. The background is mainly supplied by the tables of figures in the appendices. As to these, exigencies of space have prevented the printing of the full figures for a great number of years, and a method of selection has been adopted which may perhaps be claimed to show up the main outlines in a clear light, although what has already been said about the significance of the Ottawa agreements must be borne in mind. Four periods have been selected for comparison:—

- The pre-war period.* For which the year 1913* has been taken as sufficiently representative for the present purpose, though covering what must generally be regarded as an optimum pre-war level of trade.
- The period of post-war prosperity* closed by the slump at the end of 1929. For this an average has been taken of the six years 1924 to 1929 inclusive.*
- A slump year—pre-Ottawa—1931.*
- A slump year—post-Ottawa—taking the latest full year for which statistics are available, 1933.*

It is fully recognised that the periods are very differently spaced, and it is not claimed that they afford any basis for studying a "trend" in the statistician's sense. The first space of eleven years between 1913 and 1924-29 might indeed be suitable for such a purpose, but that space covers the cataclysmic disturbances of the war which would vitiate any calculation of a normal trend. Again, it is recognised that the economist, examining a series such as is here presented, would look to it as indicating both trend and cyclical fluctuation, and would see in the changes in the third and fourth periods signs of a decline and recovery in which it might normally be expected that trade in the raw materials and foodstuffs comprising Empire exports would behave differently from trade in manufactured articles. These wider influences must, of course, be borne in mind, but they do not affect the main conclusions.

Something must also be said about the figures in the tables. If one is attempting to weld into one comprehensive picture the trade statistics supplied by a number of different countries, it is impossible to avoid very serious discrepan-

* There is some difficulty in getting identical periods for comparison, as the various Empire countries compile their statistics for different calendar periods. Some (United Kingdom, South Africa, New Zealand) use the calendar year; others (India, Canada) work from April 1st to March 31st; while Australia works from July 1st to June 30th. In the case of Australia the last figures available have been to June 30, 1933, whereas in the case of India figures have been given for the period ending March 31, 1934. In the tables which follow 1933 accordingly means for United Kingdom, South Africa, and New Zealand the calendar year 1933; for India and Canada the year 1933-34 ending March 31, 1934, and for Australia the year 1932-33 ending June 30, 1933. The same applies, *mutatis mutandis*, to all other years mentioned.

II. THE DISTRIBUTION OF EMPIRE TRADE

Making every allowance for the reservations stated above, the tables present a picture which at least points to certain definite conclusions. One point which emerges most clearly is that after the shifting of the trade channels effected by the disturbances of the war (a change which in general reduced the reliance of the main Empire countries on the United Kingdom both as a supplier of their imports and consumer of their exports) there has, since the slump, and particularly since the Ottawa Conference, been a striking

increase in the relative importance to the main Empire countries of the United Kingdom as a market for their exports. The stability of the United Kingdom market for Empire products and its increasing importance are tendencies which stand out more clearly than the converse tendency of increasing importance to the United Kingdom of the Empire markets for her own exports. One may first examine the position as it looks from the point of view of the United Kingdom on the basis of the

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United Kingdom trade figures. This is shown in the following table:—

TABLE I UNITED KINGDOM TRADE WITH EMPIRE COUNTRIES									
Values in £m.				Percentage of Total Trade					
Imports:	1924-29	1931	1933	1913	1924-29	1931	1933		
1913	1924-29	1931	1933	1913	1924-29	1931	1933		
380	247	249	249	24.9	30.6	28.8	36.9		
192	335	209	232		26.8	23.2	34.3		
Exports:	1924-29	1931	1933	1913	1924-29	1931	1933		
209	352	187	174	32.9	40.9	41.1	41.8		
	303	148	150		35.2	32.6	36.0		

In this table the figures in italics show the position *excluding* trade with the Irish Free State. This gives the better basis of comparison with the pre-war figures, for, of course, in that period the Irish Free State was part of the United Kingdom. It is an inaccurate basis only to the extent of the fraction of trade which was carried on before the war between the territory which is now the Irish Free State and countries outside the United Kingdom.

This table shows that although there has been in the last period a slight increase in the percentage of United Kingdom exports going to the Empire countries, as compared with the pre-war percentage, this is merely a relative improvement, for the total exports are much less. On the other hand, United Kingdom imports from Empire countries—even in the recent slump years—show a substantial increase in value over the pre-war figures, both absolutely and relatively to other countries; and this increase (omitting the Irish Free State) has been particularly marked in the fourth period.

We may next examine the position as it looks from the point of view of the Empire countries themselves, using the figures from their returns.* The picture is given with a good deal of detail in the full tables in the Appendices,† but in the following paragraphs an attempt is made to bring out the main features by comparing the position over the four periods of the five most important Empire countries—India, Canada, Australia, New Zealand and South Africa.‡ These five countries have, roughly speaking three-quarters of the trade of the Empire countries,§ so that an examination of their position covers the greater part of the field. The position as regards trade with the Crown Colonies is, of course, extremely important, and in some ways the field here remains the most open for a complementary plan of development. But it is a field which requires a special study by itself.¶ For the five main countries selected for special consideration, we may first consider the distribution of their trade as shown by the percentages of total trade done with various countries. This is summarised in the two tables on page 5.

These figures bring out the following points: (i) In the

* The figures have been corrected in all cases to the common basis of sterling, and the method of conversion adopted has been that employed by the Board of Trade. For reasons already explained the picture drawn from this side cannot be reconciled with that drawn from the United Kingdom figures.

† A very useful comparison is contained in the official publication, "Statistical Tables Relating to British and Foreign Trade and Industry (1924-30)," Cmd. 3737—see especially Tables 6 and 7. That publication, however, only carries the comparison up to 1929. In the tables in the Appendices an attempt is made to bring it up to 1933-34, and to give a good deal more detail as regards the distribution of trade among the various Empire and foreign countries.

‡ The Irish Free State has been omitted partly because there is no basis for comparison with 1913, and partly because its trade is so predominantly with the United Kingdom, and has been so affected by the recent dispute over the Land Loan payments, that for the present purpose a comparison is not very instructive.

§ Omitting trade with the Irish Free State these five countries account for the following percentages of United Kingdom trade with Empire countries in the four periods covered by the present review:—Imports, 78.5, 77, 78.2, 79; exports, 83, 77.4, 71, 72.5. Again, taking the total trade as compiled in Tables 6 and 7 of Cmd. 3737 (omitting the trade of the Irish Free State), these five countries account for the following percentages:—1913, imports, 79, exports 83.7; 1929, imports 73, exports 76.8.

¶ Full details, so far as these are available, have been included in the Appendices; but there have been special difficulties about bringing them into the general survey in the text. In the first place, full figures beyond 1932 have not yet been published. In the second place, the trade of British Malaya and Hong Kong, which comprises a very important part of the total, requires special analysis, for it includes a large quantity of entrepôt trade which cannot be regarded as part of the normal Empire trade for the purposes of this review.

case of all the five countries the relative importance of their trade with the United Kingdom had declined in the period of post-war revival (1924-29) as compared with pre-war conditions. Since then, however, there has been (except only in the case of South Africa, which requires special explanation*) a marked increase all round in the relative importance of their United Kingdom trade, and this increase has been more important in the case of their exports to, than in the case of their imports from, the United Kingdom. The combined table shows that the United Kingdom share of their imports has gone up from 36.7 to 38.7 per cent. and of their exports from 35 to nearly 43 per cent. The percentages of trade as between the Empire countries themselves have remained relatively stable. (ii) The two countries which show the most marked differences between the third and fourth periods (i.e. between pre-Ottawa and post-Ottawa "slump" years) are India and Canada. In the case of India the percentage of her imports from the United Kingdom has gone up from 36.7 per cent. to 41.2 per cent., and of her exports to the United Kingdom from 22.8 per cent. to 31.8 per cent. The comparison as regards imports is, however, affected by special non-economic circumstances, for British imports into India in 1931-32 were still influenced by the political boycott of British goods. The increase in exports is a more natural and therefore significant phenomenon, and does seem to indicate that the Ottawa preferences have been of direct and immediate benefit to India. In the case of Canada, the United Kingdom share in her imports has gone up since 1931 from 18 to 24 per cent. and in her exports from 30 to 39 per cent. This, again, has a special significance, for Canada divides the bulk of her trade between the United States and the United Kingdom, and the disturbances in the markets of the former may perhaps be regarded as influencing her to orient herself more towards the relatively stable opportunities in the British area.

The comparison made up to this point has been on the basis of the percentages of trade, and, though this is a convenient method for showing up changes in distribution and in the relative importance of various markets, the recording of merely relative changes is a method which has obvious limitations. In order to appreciate the position fully it is necessary also to examine the absolute figures given in the tables in Appendix I. Table 4 provides a picture in a convenient form for bringing out the main points relevant to the present arguments.

The table brings out some interesting points, such as the enormous balance of trade in favour of the United Kingdom with India in pre-war conditions and the change over in the last years to a nearly even balance, or, again, the enormous value of the United Kingdom market to Canada, Australia and New Zealand and the striking recent change in the balance as regards Australia. But the main

* In the case of South Africa we have the most glaring discrepancy between the picture of its trade with the United Kingdom as presented in its own returns and the picture given in the United Kingdom returns. This is shown in the following figures. (In this and all the other tables exports of gold are excluded):—

(£ millions)				
<i>South Africa to United Kingdom</i>				
	1913	1924-9	1931	1933
U.K. imports from S.A. (U.K. figures)	12.30	21.95	13.12	14.43
S.A. exports to U.K. (S.A. figures)	21.43	22.84	9.40	8.68

It will be seen that there is a fairly close correspondence in the case of United Kingdom goods to South Africa, but a complete divergence as regards South African goods to the United Kingdom, for the South African returns show that exports to the United Kingdom in 1933 were less than half the value of the 1913 exports, whereas the United Kingdom figures show that 1933 was actually higher. Inquiries at the Board of Trade have elicited that the difference arises in the main owing to different treatment of diamonds and wool. As regards diamonds, these are excluded from the United Kingdom figures but included in the South African returns, while the figures contained in the South African returns show such remarkable variations as regards distribution (cf. table in Appendix IV) that it looks as if there had been some change in the method of recording. As regards wool, the South African figures attempt to follow out the final destination and treat a large proportion of the wool exported to the United Kingdom (and so treated in the United Kingdom returns) as exports to Continental countries. The position requires further checking in detail, but the discrepancy is an illustration of the difficulties caused by the lack of any uniform system of classification.

TABLE 2.—TRADE OF INDIA, CANADA, AUSTRALIA, NEW ZEALAND, AND SOUTH AFRICA
(Gold excluded)

PERCENTAGE DISTRIBUTION								
	IMPORTS FROM				EXPORTS TO			
	1913	1924-9	1931	1933	1913	1924-9	1931	1933
India—								
United Kingdom	65.4	48.9	36.7	41.2	23.5	22.7	27.8	31.8
Empire Countries ...	5.7	7.7	9.2	8.8	14.5	14.3	16.6	14.4
Total British	71.1	55.6	45.9	50.0	38.0	37.0	44.4	46.2
Foreign	28.9	44.4	54.1	50.0	62.0	63.0	55.6	53.8
Canada—								
United Kingdom	21.4	16.4	18.3	24.2	48.8	33.4	30.0	39.1
Empire Countries ...	3.6	5.2	7.2	8.2	5.2	7.4	7.5	8.6
Total British	25.0	21.6	25.5	32.4	54.0	40.8	37.5	47.7
Foreign	75.0	78.4	74.5	67.6	46.0	59.2	62.5	52.3
Australia—								
United Kingdom	52.4	42.7	40.6	42.5	45.2	40.5	41.8	47.8
Empire Countries ...	10.0	12.5	15.8	15.8	8.5	10.4	9.4	9.5
Total British	62.4	55.2	56.4	58.3	53.7	50.9	59.2	57.3
Foreign	37.6	44.8	43.6	41.6	46.3	49.1	40.8	42.7
New Zealand—								
United Kingdom	61.1	47.3	49.0	51.8	83.4	77.7	88.6	85.5
Empire Countries ...	20.8	22.8	21.1	22.2	8.7	8.7	4.0	6.0
Total British	81.9	70.1	70.1	74.0	92.1	86.4	92.6	91.5
Foreign	18.1	29.9	29.9	26.0	7.9	13.6	7.4	8.5
South Africa—								
United Kingdom	56.7	47.1	45.5	50.3	77.0	50.5	38.4	35.6
Empire Countries ...	12.0	13.4	11.2	9.6	7.2	13.3	26.4	18.3
Total British	68.7	60.5	56.7	59.9	84.2	63.8	64.8	53.9
Foreign	31.3	39.5	43.3	40.1	15.8	36.2	35.2	46.1

As a matter of interest, the position of the principal Crown Colonies, other than British Malaya and Hong Kong, up to 1931, is as follows:—

	IMPORTS FROM			EXPORTS TO		
	1913	1924-9	1931	1913	1924-9	1931
United Kingdom.....	44.9	39.7	36.2	38.3	39.2	40.4
Empire	23.4	28.0	27.5	14.3	14.8	18.1
Total British	68.3	67.7	63.7	52.6	54.0	58.5
Total Foreign	31.7	32.3	36.3	47.4	46.0	41.5

The position of these five countries may be presented in a single combined picture as follows:—

TABLE 3.—COMBINED TRADE OF INDIA, CANADA, AUSTRALIA, NEW ZEALAND, AND SOUTH AFRICA

	IMPORTS FROM				EXPORTS TO			
	1913	1924-9	1931	1933	1913	1924-9	1931	1933
United Kingdom	47.6	36.7	33.0	38.7	41.1	35.0	39.2	42.7
Empire Countries	7.3	9.7	10.5	10.9	10.4	10.8	11.7	11.0
Total British	54.9	46.4	43.5	49.6	51.5	45.8	50.9	53.7
Foreign	45.1	53.6	56.5	50.4	48.5	54.2	49.1	46.3
Values of Total Trade in £ millions	396	675	336	301	382	746	376	367

TABLE 4.—VALUES OF TRADE IN MERCHANDISE (GOLD EXCLUDED)
Figures in £ millions

	From or to United Kingdom				From or to Other Empire Countries				From or to Foreign Countries			
	1913	1924-9	1931	1933	1913	1924-9	1931	1933	1913	1924-9	1931	1933
India :												
Imports	83.39	91.98	35.99	35.99	7.27	14.54	9.02	7.67	36.88	81.59	52.96	43.42
Exports	38.93	59.14	33.64	34.93	24.06	37.44	20.07	15.76	103.02	164.15	67.19	59.03
Balance	-44.46	-32.84	- 2.35	- 1.06	+16.79	+22.90	+11.05	+ 8.09	+66.14	+82.56	+14.23	+15.61
Canada :												
Imports	27.15	35.90	21.85	21.60	4.62	11.27	8.52	7.27	95.36	171.13	88.44	60.29
Exports	45.70	84.83	35.96	47.18	4.86	18.68	8.99	10.48	43.07	150.25	75.00	63.30
Balance	+18.55	+48.93	+14.11	+25.58	+ 0.14	+ 7.41	+ 0.47	+ 3.21	-52.29	-20.88	-13.44	+ 3.01
Australia :												
Imports	40.96	62.76	17.41	23.54	7.80	18.41	6.56	8.77	29.44	65.71	18.68	23.03
Exports	33.47	54.93	37.23	37.77	6.32	14.15	7.04	7.52	34.31	66.55	30.57	33.70
Balance	- 7.49	- 7.83	+19.82	+14.23	- 1.48	- 4.26	+ 0.48	- 1.25	+ 4.87	+ 0.84	+11.89	+10.67
New Zealand :												
Imports	13.23	22.78	12.14	10.84	4.50	10.98	5.23	4.64	3.92	14.42	7.38	5.46
Exports	17.59	39.63	30.28	28.19	1.83	4.43	1.34	1.99	1.67	6.98	2.54	2.78
Balance	+ 4.36	+16.85	+18.14	+17.35	- 2.67	- 6.55	- 3.89	- 2.65	- 2.25	- 7.44	- 4.84	- 2.68
South Africa :												
Imports	23.74	34.47	23.63	24.72	5.01	9.77	5.82	4.72	13.07	28.93	22.51	19.67
Exports	21.43	22.84	9.40	8.68	2.00	6.03	6.45	4.46	4.39	16.36	8.60	11.23
Balance	- 2.31	-11.63	-14.23	-16.04	- 3.01	- 3.74	+ 0.63	- 0.26	- 8.68	-12.57	-13.91	- 8.44
Crown Colonies (ex- cluding Malaya and Hong Kong) :												
Imports	17.31	37.12	22.16	...	9.05	26.20	16.81	...	12.19	30.24	22.24	...
Exports	15.47	35.07	22.05	...	5.80	13.26	9.88	...	19.17	41.19	22.60	...
Balance	- 1.84	- 2.05	- 0.11	...	- 3.25	-12.94	- 6.93	...	+ 6.98	+10.95	+ 0.36	...

point which emerges (South Africa, as already noted, alone showing different results) is the comparatively stable nature of the United Kingdom market and its increasing value to these Empire countries. India, for example, in comparison with 1913, showed in 1933 a loss of only £4 millions in her exports to the United Kingdom, as compared with a loss of £44 millions to foreign countries. Or, making the comparison with the period of post-war prosperity, India has lost £105 millions of trade to foreign countries, as compared with a drop of only £24 millions in her exports to the United Kingdom. Canada, again, has, since the period of post-war prosperity, lost £37 millions of trade to the United Kingdom and £87 millions to foreign countries, and Australia, on the same basis, £17 millions to the United Kingdom and £33 millions to foreign countries. The same point is clearly brought out by measuring the percentage fall of exports to the United Kingdom and foreign countries respectively for 1933 as compared with the average for 1924 to 1929, as shown in the following table:—

TABLE 5. PERCENTAGE FALLS IN VALUE OF EXPORTS FOR 1933
AS COMPARED WITH 1924-29

	Exports to United Kingdom	Exports to Foreign Countries
India	- 40.9 per cent.	- 64.1 per cent.
Canada	- 44.4 per cent.	- 57.5 per cent.
Australia	- 31 per cent.	- 49.4 per cent.
New Zealand ...	- 28.9 per cent.	- 60.3 per cent.

The statistics, indeed, support the proposition that the more a country has been dependent on foreign markets, the more acutely has it felt the depression and the slower is its recovery proving. Thus India, of all the Empire countries which we are considering, has relied most on foreign markets and is most dependent on their recovery, having only placed about 23 per cent. of her exports with the United Kingdom

in the pre-war period and up to 1929; and India shows the worst fall in her exports and the slowest recovery. In 1933, in fact, the total value of her exports of merchandise was only 66 per cent. of the value for 1913 and 42 per cent. of the average value for 1924-29. New Zealand, on the other hand, which relies on the United Kingdom market for about 80 per cent. of her exports, had in 1933 exports which represented 156 per cent. of the 1913 figure and 64½ per cent. of the 1924-29 value. Canada and Australia, which, as regards reliance on the United Kingdom market, come about halfway between these two extremes, exported in 1933 goods of a value representing respectively 129 and 106½ per cent. of their 1913, and 47.7 and 58.2 per cent. of their 1924-29 exports. It may of course be said, in answer to this presentation of the case, that the better position of Canada, Australia and New Zealand is due not so much to their greater reliance on the United Kingdom market as to the nature of the goods which they export, inasmuch as they rely to a greater extent than India on the export of foodstuffs, which have had a comparatively good market throughout the slump, especially in England, where the policy of unemployment relief has resulted in a remarkable maintenance of the standard of living. But to the extent that this is true it merely serves to bring out one of the chief factors of stability in the United Kingdom market. Moreover, even if the argument ought not to be pressed too far, the comparison is worth making if only to meet the point of those who argue that it is dangerous for a country to rely, as New Zealand does, preponderantly on one country for its export market. If the country relied on is a stable one, and if there is some variety in the commodities exported, that is probably a safer position than to rely preponderantly on the export of one or two commodities which cannot be absorbed unless the whole world is prospering and which are liable to be replaced by substitutes.

III.—VARIATIONS OF TRADE WITH FOREIGN COUNTRIES

(a) *Europe and the United States.*—The point made about the comparative stability of the United Kingdom market leads naturally to the next point for inquiry—what foreign countries have been the chief causes of declining trade? Considering the effects of the war and of post-war upheavals on European countries—and especially on Germany—combined with the high standard of development of these countries and their previous importance in international trade, one would expect to find that the European countries—and, again, especially Germany—had been the most upsetting factors. But a review of the position as a whole seems to indicate that fluctuations in trade with the United States have been responsible for just as great, if not greater, disturbance. One may examine first the position of the United Kingdom.

TABLE 6. PERCENTAGES OF TOTAL TRADE OF UNITED KINGDOM

From or To	Imports				Exports			
	1913	1924-9	1931	1933	1913	1924-9	1931	1933
Germany.....	10.5	4.7	7.4	4.4	9.5	7.4	7.0	5.9
Europe	40.1	33.9	42.6	33.0	37.3	32.6	37.2	35.8
U.S.A.	18.4	17.4	12.1	11.2	9.3	8.4	5.4	6.3

It is remarkable that in the case of both imports and exports the figures for 1933 show a greater variation both in comparison with pre-war figures and the 1924-29 period in trade with the United States than with the European countries as a whole. On the other hand, among the European countries, trade with Germany has suffered specially, but more in the case of imports from, than of exports to, that country. Even Germany as a consumer of United Kingdom goods had fallen away by 1933 only slightly more than the United States in comparison with the pre-war period, and less in comparison with 1924-29.

The trade figures for the five main Empire countries (India, Canada, Australia, New Zealand and South Africa) indicate somewhat similar results. The combined position for these five Empire countries is shown in the following table:—

TABLE 7. PERCENTAGES OF TOTAL TRADE OF INDIA, CANADA, AUSTRALIA, NEW ZEALAND AND SOUTH AFRICA COMBINED

From or To	Imports				Exports			
	1913	1924-29	1931	1933	1913	1924-29	1931	1933
Germany.....	5.7	3.5	4.7	4.7	7.3	5.6	3.9	4.2
Europe.....	12.8	12.3	15.1	14.2	23.4	19.9	16.6	17.7
U.S.A.....	25.5	31.7	29.7	23.5	14.3	18.9	17.0	14.8
United Kingdom and other Em- pire countries...	54.9	46.4	43.5	49.6	51.5	45.8	50.9	53.7
Rest	6.8	9.6	11.7	12.7	10.8	15.4	15.5	13.8
Total	100	100	100	100	100	100	100	100

This table brings out that the European countries as a whole—and even Germany separately—as suppliers of goods to the main Empire countries have maintained a remarkably steady share of trade, while as consumers of the Empire countries' exports their share fell substantially after the war and again at the beginning of the slump, but had recovered somewhat in 1933. The United States, on the other hand, jumped up after the war both as a supplier and consumer of goods, but has since then dropped heavily, the falling off on both sides being substantially steeper during the post-war period than in the case of Europe. The figures indeed suggest that the greater intervention after the war of the United States in international trade and finance (as a lender), followed by her subsequent failure to maintain this part, must have had much to do both with the post-war boom and the collapse after 1929.

The combined table is convenient as giving a general conspectus; but for a full appreciation of the position it is

necessary to study the figures for each of the five countries separately, as shown in the tables in Appendix I.

(b) *Trade with Japan.*—Another factor of disturbance which has been a subject of much public discussion throughout the Empire, is the course of trade with Japan. In order to appreciate the relative importance of this factor the following tables may be of interest:—

TABLE 8. TRADE OF JAPAN WITH BRITISH COUNTRIES
(A) VALUES OF TRADE (in £ millions)

From or To	Imports				Exports			
	1913	1924-29	1931	1933	1913	1924-29	1931	1933
United Kingdom...	14.82	16.92	6.33	4.58	4.39	7.99	6.95	7.22
India	15.13	31.06	10.40	9.46	3.19	13.87	10.00	12.27
Canada	0.33	6.58	3.40	2.85	0.54	2.26	1.23	0.68
Australia.....	1.42	10.57	9.15	9.17	0.95	4.48	2.40	3.54
New Zealand	...	0.34	0.27	0.28	0.15	0.59	0.30	0.54
South Africa.....	...	0.09	0.10	0.26	0.11	1.06	2.45	2.07
Total value of trade of above four Em- pire countries and India	16.88	48.64	23.50	22.02	4.94	22.26	16.38	19.10

(B) PERCENTAGES OF TOTAL TRADE OF THE COUNTRIES
CONCERNED

From or To	Imports				Exports			
	1913	1924-29	1931	1933	1913	1924-29	1931	1933
United Kingdom ..	2.3	2.0	1.4	1.1	0.6	0.6	0.8	1.1
India	9.1	11.9	8.6	8.6	2.5	7.3	10.2	14.1
Canada	0.3	2.6	2.8	2.4	0.4	1.0	1.0	0.7
Australia.....	1.9	7.8	12.2	11.6	1.2	3.1	5.6	6.4
New Zealand	...	0.7	0.8	0.8	0.7	1.2	1.2	2.6
South Africa.....	...	0.2	0.4	1.1	0.3	1.4	4.7	4.2
Percentage of total trade of the above four Empire countries and India	4.4	6.5	6.2	6.0	1.25	3.3	4.9	6.3

These tables indicate that, although in relation to special trades and special countries—notably the cotton-piece goods trade with India—the Japanese incursion into markets may have been a seriously disturbing factor, the problem in relation to the Empire's position as a whole is, quantitatively at least, of minor importance. In fact, trade with Japan in 1933 only covered about 1 per cent. of the exports and imports respectively of the United Kingdom and only 6 per cent. on both sides in the case of the combined trade of the five principal Empire countries. As against this method of presentation those who feel alarm on this subject will make the points (a) that the exceptionally low price level of Japanese imports has an upsetting effect out of all proportion to the absolute quantity of such imports; (b) that it is rather the rate of increase in the imports of Japanese manufactures than the actual figure yet attained which is alarming; (c) that although the total percentage of these five Empire countries may not be large, the figures of imports into India and Australia are already very substantial. A full discussion of all that is involved in these issues would be beyond the purpose of the present article, which is merely to present the various parts of a factual picture in their proper relation to the whole. For this purpose it is necessary to appreciate the importance of Japan as a market for the produce of the Empire countries; and, in connection with this particular point, it is interesting to note that Japan's relative importance to India as an export market has diminished while her importance as a supplier of imports has greatly increased, whereas in the case of Australia her importance as an export market has increased more than as a supplier of imports. For a further study of the relations of Japan with the Empire as a whole, reference may be made to a table in Appendix III, showing the total trade as based on Japanese returns. These show that the Empire countries as a whole still have a favourable balance of trade with Japan, and the balance is still slightly favourable even if the United Kingdom is included.

(c) *Trade with Russia.*—Another factor of disturbance which has always attracted much attention is Russia, and it may be convenient to record figures for Russian trade in this part of the picture. Russia's direct trade with Empire countries has been of negligible importance. Her trade with the United Kingdom is summarised in the following table, which indicates that falling off in trade with Russia has certainly been a serious factor.

TABLE 9. RUSSIAN TRADE WITH UNITED KINGDOM
(in £ millions)

(Figures in brackets indicate percentage of Britain's total trade)			
Imports into United Kingdom	Total Exports from United Kingdom	1913	1933
1913 1924-29 1931 1933	1913 1924-29 1931 1933		
40.27 23.06 32.28 17.43	27.69 10.89 9.20 4.26		
(5.2) (1.93) (3.75) (2.57)	(4.36) (1.26) (2.03) (1.02)		

(d) *Other Questions.*—The special trading relations of the Empire with Japan have already been mentioned and reference has been made to a table in Appendix III. Similar tables showing the trading relations between the

Empire as a whole and other important countries are included in the same Appendix.

As a further means for studying similar questions, a set of tables has been prepared and is included in Appendix IV setting out the main heads of exports of the important Empire countries, and showing what proportion of the trade in each article is done with each important country. Questions are frequently arising (e.g. what will be the effect on Australia of Germany's recently developing policy for restricting imports?) which can at least be partially answered from these tables.*

* It must, of course, always be remembered that simple quantitative statements of this kind do not tell the whole story. Thus, in the case of Australian wool exports to Germany, it is not merely the direct trade which has to be taken into account, for a large proportion of Australian wool may find its way to Germany via Bradford in the guise of tops and noils. Again, a particular commodity, even if it only represents a moderate percentage of a particular country's exports, may be of vital importance to its economic well-being.

IV.—NATURE OF BRITAIN'S TRADE WITH EMPIRE AND FOREIGN COUNTRIES RESPECTIVELY

Comparisons have been made hitherto of the value of United Kingdom trade with British and foreign countries, but does a comparison on a mere quantitative basis of values tell the whole story? Is it the case that some kinds of trade are more beneficial to a particular country than others and are therefore worth while encouraging by special measures? Should this encouragement be given to trade between the United Kingdom and the Empire countries on the ground that their activities are of a more complementary and less competitive nature with the United Kingdom than those of highly-industrialised units like the European countries or the U.S.A.? These questions raise important issues on which, however familiar they may be, clear thinking is necessary. The man in the street might be inclined to argue that if the United Kingdom exports a million pounds' worth of "articles mainly unmanufactured," say, to Germany, which only represent a hundred thousand pounds paid in British wages, and against this export imports from Germany a million pounds' worth of goods, which compete with United Kingdom manufactures, this will be a less advantageous transaction than if the United Kingdom exports, say, to Australia, a million pounds' worth of machinery made in England mainly from British raw materials, and thus practically all representing wages paid in the United Kingdom, and takes as a corresponding import from Australia a million pounds' worth of wheat, representing necessary food to supplement the supplies than can be grown in the United Kingdom, or of wool which is a raw material for an important British industry. The economist, on the other hand, may say that this is an entirely fallacious view; that in the example given, if the export to Germany only represents £100,000 paid in British wages, the balance must represent raw material imported from outside, and that in paying for this to some other country the United Kingdom has created purchasing power for other British exports on which British wages will have been paid. The economist will argue, in fact, that we cannot isolate our production for export from our production as a whole, nor our export to one country (or balance of trade with one country) from our export (and balance) as a whole; that they are all interdependent and dovetailed, and, if we try to manipulate one without regard to the others, we are bound to get into difficulties.

It is not intended here to argue out this issue, though it is hoped that its statement in the somewhat crude form adopted may lead to further discussion which will enlighten public opinion on the matter. Probably

everyone would agree that if we attempt to manipulate one section of our trade without regard to the whole we shall get into difficulties, and, indeed, such a proposition is the keynote of the present article. Probably also everyone would agree that in a world where natural economic forces have free play the "economist's" argument is unanswerable, so far at least as long-run effects are concerned. But from a practical point of view it has to be recognised that in the world at present economic forces have nothing approaching free play; and also that important interests may be ruined while waiting for long-run effects to operate. For the purpose of the present article it is sufficient to assert that trading transactions having the same quantitative value may differ widely in their immediate significance, even though it may be unsafe to frame fiscal policy merely according to such immediate significance and without regard to ultimate reactions. An analysis of United Kingdom trade in order to examine this kind of difference may therefore be of interest.

For this purpose a full table is given in Appendix II, showing the amounts of United Kingdom trade with British and foreign countries respectively, divided into the five main classes which are used in the Board of Trade returns, namely, Class I, food, drink and tobacco; Class II, raw materials and articles mainly unmanufactured; Class III, articles wholly or mainly manufactured; and Classes IV and V, which include animals and articles conveyed by post.

A simplified picture is presented in the following table:—

TABLE 10. TRADE OF UNITED KINGDOM WITH BRITISH AND FOREIGN COUNTRIES SHOWING PERCENTAGES UNDER VARIOUS CLASSES

	Average 1927-32				
	Class I	Class II	Class III	IV & V	Total
Imports from—					
(a) British countries	64.6	23.4	9.7	2.3	100
(b) Foreign countries	41.9	23.2	34.0	0.9	100
Exports to—					
(a) British countries	10.0	3.5	82.0	4.5	100
(b) Foreign countries	6.3	17.4	73.6	2.7	100

This table brings out clearly how much greater a proportion of imports from foreign countries is represented by fully manufactured goods as compared with those from the British countries, and, conversely, how, in the case of exports, those to the British countries contain a substantially larger proportion of fully manufactured goods.

V.—A CONSTRUCTIVE POLICY FOR EMPIRE TRADE?

The foregoing sections have dealt with the position on very broad lines and have attempted no more than a bird's-eye view in order to bring out the main features and their scale of magnitude. While they reveal the increasing importance of inter-Empire trade, it has been claimed that they demonstrate chiefly the value to the Empire countries of the United Kingdom market. Obviously the value of the United Kingdom market must tend to increase proportionately to United Kingdom purchasing power, which itself depends on the placing of United Kingdom exports, so that a policy of complementary development should be advantageous to both sides. In order to work out such a policy a close study of the conditions in each country is necessary; for even the broad survey already undertaken indicates how widely conditions differ from country to country, while for practical purposes it has to be realised that trade, although it may be greatly affected by the general policy of Governments, or national sentiment, actually consists of a mass of individual transactions between hard-headed business men, each operating for his own profit. A detailed review of the conditions in the United Kingdom itself and in each of the Empire countries would extend this study into a formidable volume, but in order to indicate the general lines on which each position might be examined, the special case of India might be of value as an illustration.

A complementary policy for India, as for any country, must be based on mutual advantage, and therefore the points to examine are whether it is possible on the one hand to increase the United Kingdom offtake of articles which India can most suitably produce for export, and on the other to discover hopeful lines on which United Kingdom exports to India can be increased in articles which India needs in any case to import from outside.

In order to form an estimate of the practical possibilities in this field a close examination of every item of trade is necessary,* but for the present purpose it will suffice to call attention to certain main features in India's import and export trade. The figures already given have shown what a tremendous drop there has been since the slump in the value of India's exports, and if an effort were to be made to devise a special policy for improving her purchasing power, attention would naturally be concentrated on those articles which have suffered worst. For this purpose the Annual Review of Trade published by the Government of India is a convenient source, and the latest published volume for 1932-33 gives for the present purpose the best picture, as that year represents the lowest point of depression in exports hitherto reached. According to this volume the value of India's exports fell in 1932-33 to 132.4 crores of rupees from a "pre-war average" (1909-14) of 219.6 crores—a fall of 87 crores.

The heads of important exports which have suffered in comparison with pre-war levels may be summarised as follows:—

TABLE 11. FALL IN VALUE (IN CRORES OF RUPEES) OF INDIA'S 1932-33 EXPORTS AS COMPARED WITH PRE-WAR

Grain, pulse, and flour :—		
Wheat	13.94	
Rice	11.48	
Barley	1.83	
Others	2.48	
Total	29.7	
Seeds (including nuts for oil)	13.1	
Cotton { Raw	12.6	
Manufactures	8.1	
Jute { Raw	12.5	
Manufactures (increase)	1.5	
Hides and skins (undressed)	11	
Chemicals, drugs, and medicines (chiefly opium)	7.5	
The above items account for	6.2	
On the other side there have been some increases, the most important being tea ...	88.2 crores	
	+ 6.6 crores	

* In the following paragraphs the figures will be given in rupees from the *Government of India Review*, but it must be remembered that the pre-war parity of the rupee was 1s. 4d. sterling (or gold) whereas the present parity is 1s. 6d. sterling. If therefore the figures were converted into sterling the falls would appear less.

As stated above, if India is to be helped to strengthen her purchasing power for imports, the summary given above indicates the obvious field in which one would first look for improving markets, but it is, of course, necessary also to consider possibilities under important heads like jute manufactures, tea, and leather, which have kept up well. Special considerations affect each article, and the power of the British Government or of British business men to do anything depends on a number of considerations. But, as an illustration of what can be done on these lines, mention should be made of the special efforts now being made by the Lancashire cotton interests to increase British consumption of Indian cotton. The figures in Appendix IV, in fact, show that the United Kingdom's share of India's cotton exports increased from 6.5 per cent. in 1931-32 to 12.5 per cent. in 1933-34.

The next point to consider is whether a broad survey of the course of Indian imports indicates in what main directions British manufacturers might hopefully look for increased markets in India.

The following table, covering the principal heads of manufactured articles, brings out some interesting points:—

TABLE 12. VALUE OF IMPORTS FROM ALL SOURCES (in Crores of Rupees)

	Pre-war average (1909-14)	1932-33	Inc. or Dec. 1932-33 compared with Pre-war
Cotton yarns and manufactures ...	52.18	26.82	- 25.36
Textile yarns and fabrics other than cotton	7.71	10.89	+ 3.18
Metals, iron and steel and manufactures thereof	11.15	5.29	- 5.86
Metals, other than iron and steel and manufactures	4.58	4.42	- 0.16
Chemicals, drugs and medicines ...	2.12	4.90	+ 2.78
Cutlery, hardware, etc.	4.36	4.89	+ 0.53
Dyes and colours	2.06	3.50	+ 1.44
Electrical goods (other than machinery)	0.70	2.34	+ 1.64
Machinery	5.80	11.16	+ 5.36
Paper, pasteboard and stationery..	1.84	3.58	+ 1.74
Rubber manufactures	0.23	1.98	+ 1.75
Motor cars, etc.	1.75	3.82	+ 2.07

This table brings out:—

- The very striking decreases in cotton textiles and iron and steel manufactures.
- That, on the other hand, there are quite encouraging signs of growth in the consumption of other manufactured articles. In fact, as regards the eight important heads given at the end of the above table, the total value of imports in 1932-33 was 36.17 crores, as compared with a pre-war average of 17.86 crores—an increase of over 100 per cent. (without allowing for the increase in the sterling value of the rupee).

The adverse effects of the decreases in imports of cotton manufactures and iron and steel products have fallen with concentrated force on British manufacturers who before the war were the main suppliers of the Indian market, and whose loss in the case of cotton goods has, as is well known, been further increased by the capture of part of the reduced trade by Japan. The main cause of the decrease in imports has been the development of Indian manufacture, and it has to be recognised that in developing the cotton and steel industries India is taking advantage of her own natural facilities—in the case of cotton, growth of the raw material, cheap labour, and a huge home market, and, in the case of iron and steel, uniquely favourable proximity of coal and iron ore—and that nothing could stop the national demand for such developments. However disastrous the immediate effects may have been to the British industries which relied on the Indian market, their ultimate effects—if proper use is made of India's natural advantages—ought to be an increase in India's prosperity which ought to create openings for trade in other directions, for there will remain a mass of manufactures which India cannot profitably supply herself, and for which, with increasing prosperity, the demand

will grow. There is an enormous margin for the improvement of the standard of living in India, and therefore a vast potential demand. In these circumstances there is surely hope that a complementary plan could be worked out in co-operation between British and Indian interests if each side realises that co-operation may prove more profitable than competition, and that an increase in the exchange of goods will increase the purchasing power of both sides. The figures

given above indicate the broad lines of expanding demand along which new openings may hopefully be sought, but even in the case of cotton textiles there is also room for co-operation and for trade based on the specialised capacity of British manufacturers to produce certain classes of goods. It is most important that this whole field should be studied with a vision concentrated on the future rather than the past.

VI.—FOREIGN COUNTRIES IN THE STERLING AREA

This review would be incomplete if it did not recognise that the economic factors which make for favourable trading relations between the United Kingdom and the Empire countries may exist in the case of other countries also, and that such natural influences may in these cases also be reinforced by trade agreements or other special arrangements. Amongst the latter the possibility of trade being facilitated with countries which have *de facto* or *de jure* based their currencies on sterling has already been mentioned. It is interesting to examine typical cases of the operation of these factors, and for this purpose we may take the Scandinavian countries, Egypt, and the Argentine, trade with which illustrates in varying degrees the effects of relative exchange stability and trade agreements.

The trade between the United Kingdom and these countries is summarised in the table in the next column. On the basis of these figures it will be seen that trading arrangements with Denmark have produced exceptionally favourable results to the United Kingdom, for Denmark has responded not merely as a supplier of goods to the United Kingdom market but also as a consumer of United Kingdom exports. Trade with Norway and Sweden has also improved satisfactorily, but in the case of the Argentine the advantage to British manufacturers in the Argen-

tine market has hitherto hardly been equivalent to that which Argentine exporters have enjoyed in the United Kingdom market. United Kingdom imports from the Argentine in 1933 were almost equivalent to the pre-war figure, whereas the value of United Kingdom exports had fallen from £23 to £13 millions.

TABLE 13. UNITED KINGDOM TRADE WITH "STERLING AREA"
COUNTRIES AND THE ARGENTINE
(Values in £ millions)

Figures in italics are percentages of Total Trade

	IMPORTS				EXPORTS			
	1913	1924-9	1931	1933	1913	1924-9	1931	1933
Sweden	14.21	23.03	17.34	15.95	9.23	11.94	8.46	7.84
	1.8	1.8	2.0	2.24	1.45	1.4	1.86	1.83
Norway	7.44	12.84	8.63	6.85	6.66	8.74	7.86	5.81
	0.94	1.01	1.0	1.03	1.1	1.01	1.73	1.4
Denmark	23.83	50.82	46.69	35.42	6.34	11.65	9.21	12.27
	3.1	4.07	5.4	5.2	1.0	1.35	2.03	2.94
Egypt	21.39	28.53	10.84	12.39	9.98	12.90	6.50	6.45
	2.8	2.28	1.26	1.83	1.58	1.5	1.5	1.55
Argentine	42.49	75.17	52.74	41.69	23.44	28.34	15.06	13.30
	6.5	6.0	6.1	6.2	3.7	3.3	3.3	3.2

VII.—CONCLUSION

The study embodied in these pages and the attached tables has been undertaken with only a modest purpose. It did not set out to defend any particular thesis or to reach final conclusions. It puts forward a plea that, when fiscal issues are discussed, they should be viewed in their full setting against a wide background, and it represents an attempt to provide in outline such a background for the consideration of Empire trade questions. It is hoped that this may prove useful, as a form of record which can be kept up to date, for watching the further development of the situation, and for the discussion of particular issues as they arise. If inferences have been drawn, this has been done rather with a view to stimulate discussion, and for this purpose alone it may be desirable, in conclusion, to state tentatively certain propositions, although the line of reasoning on which they are based has not been fully developed in the text.

The figures may be used in widely differing ways. Some may see in them such evidence of the growing importance of inter-Empire trade that they would advocate measures for its development regardless of the effects on trade with other countries. Others may be so impressed by the magnitude of the share of trade which is still done with non-British countries that they would regard it as fatal folly to take any artificial measures to encourage trade with the Empire. They would perhaps argue that at best such measures can only displace trade from one channel to another, and that mere displacement must do more harm than good, for, while in the long run it will not increase the volume or advantage of trade even for those in whose favour displacements are made, the dislocations

resulting elsewhere will still further weaken the world as a whole. Is it not possible to find between the two extremes a more hopeful view on which a constructive policy can be based? International trade at present is suffering from a general move towards self-sufficiency in all countries, for it is tending to be restricted to the exchange of products which cannot be produced *at all* in the importing country, instead of covering the much wider range of products which can be produced in the exporting country more economically than elsewhere. For the world in general—and for every country individually—this involves losing the advantage of the principle of specialisation according to natural advantage. That the world can go back to the unlimited operation of this principle is of course wide beyond the range of practicable possibilities. But that it is desirable to move in that direction is probably recognised by the great mass of public opinion in all countries. The question then is—Cannot the Empire countries make a start in this direction and make an oasis of comparative economic sanity which will serve as an example to the rest of the world and gradually attract others into its orbit? Such a policy obviously means that each country cannot develop every possible section of economic activity equally, and demands courage on the part of political leaders to resist the demands of some sectional interests. But is it unreasonable to hope that such a broad and mutually advantageous course might be more easily agreed within the Empire between the United Kingdom on the one side, which offers the greatest market in the world for food products and raw materials, and the Empire countries on the other, which are essentially adapted for

the production of these articles? If any conclusion emerges from the figures here collected it is the enormous value of the consideration which the United Kingdom has to offer through the strength and stability of its consuming market. Surely the present is a time when this power can be used to advantage. But it cannot be used unless the United Kingdom itself has a definite and consistent policy which fits into this sort of complementary plan.

Apart from the generally complementary nature of their activities, there are special grounds for hoping that such a policy can best be started as between the Empire countries. One of the driving forces towards economic nationalism has been fear of insecurity. Amid the shocks through which the world has passed countries are afraid to have their economic life dependent upon others, and even those who recognise that a free international exchange of goods may produce a higher standard of living all round are prepared to sacrifice a certain amount of this advantage for a certain amount of security. But this is an argument which applies with much less force as between the Empire countries, for they at least need not contemplate a disturbance of their economic relations by war, while if they work together on a definite understanding, that ought to give each of them a solid nucleus of trade protected at least from that form of insecurity which results from sudden changes of policy. Then again trade in Empire channels may prove more fruitful. It may be possible to supplement the general trade policy of Governments by special programmes worked out by private enterprise, which by their own operation will generate more business. The possibility of this has been suggested above in the case of India, and it ought to be easier to work out such arrangements among those who speak the same language, have the same business traditions, and feel the common tie of membership of the British Commonwealth. Lastly there is one very important piece of machinery on which the development of trade throughout the world has in the past greatly depended—the machinery of finance working through the granting of loans from the highly developed to the less developed countries. If this article had attempted a full diagnosis of the causes for the variations of trade which it has recorded, it would have been necessary to lay stress on the effects of variation in the policy of foreign lending.* In spite of recent difficulties such machinery has continued to work freely as between the United Kingdom and the Empire countries, and only those who have been responsible for the finances of debtor countries in recent times can fully appreciate the value of the

* Such variations have undoubtedly greatly influenced the course of the trade of the United States since the war—to take the clearest example.

methods and resources of the London investment market. Co-operation in financial policy may be a powerful aid to co-operation in the commercial field and render it more fruitful, and such financial co-operation is undoubtedly easier among the British nations. If all these conditions are taken into account, there surely is reason for members of the British group wishing to do as much as possible of their business together, and on these conditions even mere displacement of trade may prove beneficial.

Such a conclusion need not depend on any illusion that the activities of the various nations of the British Commonwealth are so entirely complementary that there will be no competition between them. Important industries have in the past been developed in Empire countries which have dealt heavy blows to existing interests in the United Kingdom. In some cases these developments have had sound economic justification, and even when that has not been the case it would be folly to suppose that steps already taken can be easily retraced. But there is still a very wide field which can—given a broad outlook and a common purpose—be preserved for complementary activity in a way which will benefit the main interests of both sides. Nor must the line of reasoning indicated above be taken to imply any disregard of the importance of trade with the outside world. It is only if trade within the British Commonwealth can be developed in a way which leads to the greater prosperity of its members that its encouragement by special measures can be justified, and on that condition each of its members will be the better able to trade with the rest of the world, for in the long run all countries are better for the prosperity of their neighbours. If the principle that the exchange of goods in trade is more beneficial than mere self-sufficiency is put into practice as between an important group of countries like the British Commonwealth, and if such a group is willing to encourage others to come within its orbit, that must not only strengthen the British Commonwealth but be of advantage to the whole world.

The essential question is whether these conditions can be satisfied, and that is a question which must be realistically faced. One thing is certain—that an affirmative answer will not be given unless a comprehensive view is taken of all the interests. Perhaps the most practical conclusion which emerges from a study of the figures and from all that has happened since Ottawa is the need, first, for a wide appreciation of the picture as a whole by the public in all countries, and secondly for a comprehensive policy. The subject matter is of immense complexity with all its parts inextricably dovetailed one into the other. If it is viewed only in sections, and if sectional interests are allowed to speak separately, that can only lead to confusion and increasing friction.

APPENDIX I

NOTES ON THE STATISTICS

I—In Appendix I, the figures represent in all cases "general trade," i.e. *total imports*, whether for domestic consumption or re-export, and *total exports*, i.e. exports of domestic produce and re-exports of imported merchandise. In Appendix III, unless otherwise stated, the figures represent "special trade," i.e. *retained imports*, and *exports of domestic produce only*. Bullion and specie have been excluded throughout.

II—Sources:—

(a) General:—

The Statistical Abstract of the United Kingdom.
The Statistical Abstract of the British Empire.

The Foreign Trade and Commerce Accounts.

(b) The Tables in Appendix I have been compiled from the Empire and United Kingdom Abstracts for the years preceding 1933. For 1933 reference has been made to the Annual Statements of the foreign trade of the countries concerned. In the case of India, the monthly accounts (March, 1934) have been used; and in the case of Canada, use has been made of the quarterly trade report (March, 1934).

The tables in Appendix III have been compiled in the main from the official publications (Annual Statements, etc.) of the countries concerned. Use has been made also of certain other sources indicated on the respective tables.

Appendix IV has been compiled from the Annual Statements for the respective years, with the exception of the Canadian table, for which the quarterly reports have been used throughout.

Other sources not mentioned here are indicated beneath the tables concerned.

III—Throughout these Appendices, the term "Total Empire" denotes all British countries, excluding the United Kingdom, and the term "Total British" denotes all British countries including the United Kingdom.

TRADE OF THE UNITED KINGDOM

From or To	IMPORTS				EXPORTS			
	1913	Average, 1924-29	1931	1933	1913	Average, 1924-29	1931	1933
Canada	£m. 30.49	£m. 59.87	£m. 32.84	£m. 46.22	£m. 27.31	£m. 38.62	£m. 22.15	£m. 18.62
Australia	38.06	59.25	45.68	48.60	37.83	61.95	15.15	22.06
South Africa	12.30	21.95	13.12	14.43	24.05	32.80	22.93	23.96
New Zealand	20.34	47.77	37.78	37.18	11.79	21.76	11.73	9.80
India	48.42	68.29	36.71	37.39	71.67	85.48	33.09	34.08
Irish Free State	...	44.80	38.55	17.78	...	48.64	39.05	23.66
Other Empire	41.91	78.44	42.74	47.86	36.27	68.84	42.64	41.81
Total Empire	191.52	380.37	247.42	249.46	208.92	352.09	186.74	173.99
Germany	80.41	58.39	64.16	29.82	60.49	63.88	32.0	24.49
France	46.35	61.90	40.92	19.09	40.88	47.89	32.02	25.78
Belgium	23.38	41.79	33.19	12.91	20.66	27.56	14.57	12.93
Holland	23.58	44.74	33.20	18.59	20.52	27.75	16.70	14.45
Sweden	14.21	23.03	17.34	15.95	9.23	11.94	8.46	7.84
Norway	7.44	12.64	8.63	6.95	6.66	8.74	7.86	5.81
Denmark	23.83	50.82	46.69	35.42	6.34	11.65	9.21	12.27
Other European	88.87	123.72	122.53	83.83	71.89	80.99	48.57	45.53
Total European	308.07	422.03	366.66	222.56	236.67	280.40	169.39	149.10
U.S.A.	141.65	216.66	104.01	75.79	59.45	72.41	26.21	26.11
Japan	4.38	7.99	6.95	7.23	14.83	16.92	6.33	4.58
Argentina	42.49	75.17	52.74	41.69	23.44	28.34	15.06	13.30
Other Foreign	80.63	143.48	84.48	49.12	91.51	110.14	50.76	49.44
Total Foreign	577.22	865.33	614.84	426.39	425.90	508.21	267.75	242.53
Grand Total	768.74	1,245.70	861.25	675.85	634.82	860.30	454.49	416.50

	%	%	%	%	%	%	%	%
Canada	4.0	4.8	3.8	6.8	4.3	3.8	4.9	4.5
Australia	5.0	4.8	5.3	7.2	6.0	7.2	3.3	5.3
South Africa	1.6	1.8	1.5	2.1	3.8	3.8	5.0	5.8
New Zealand	2.6	3.8	4.4	5.5	1.9	2.5	2.6	2.4
India	6.3	5.5	4.2	5.5	11.3	9.9	7.3	8.2
Irish Free State	...	3.6	4.2	2.6	...	5.7	8.6	5.7
Other Empire	5.4	6.3	5.4	7.2	5.6	8.0	9.4	9.9
Total Empire	24.9	30.6	28.8	36.9	32.9	40.9	41.1	41.8
Germany	10.5	4.7	7.4	4.4	9.5	7.4	7.0	5.9
France	6.0	5.0	4.7	2.8	6.4	5.6	7.0	6.2
Belgium	3.0	3.4	3.9	1.9	3.3	3.2	3.2	3.1
Holland	3.1	3.6	4.1	2.8	3.2	3.2	3.7	3.5
Sweden	1.8	1.8	2.0	2.4	1.4	1.4	1.9	1.9
Norway	0.9	1.0	1.0	1.0	1.1	1.0	1.7	1.4
Denmark	3.1	4.1	5.4	5.2	1.0	1.4	2.0	2.9
Other European	11.7	10.4	14.1	12.5	11.4	9.4	10.8	10.9
Total European	40.1	33.9	42.6	33.0	37.3	32.6	37.3	35.8
U.S.A.	18.4	17.4	12.1	11.2	9.4	8.4	5.8	6.3
Japan	0.6	0.6	0.8	0.8	2.3	2.0	1.4	1.1
Argentina	5.5	6.0	6.1	6.2	3.7	3.3	3.3	3.2
Other Foreign	10.5	11.5	9.6	11.9	14.4	12.8	11.1	11.8
Total Foreign	75.1	69.4	71.2	63.1	67.1	59.1	58.9	58.2
Grand Total	100	100	100	100	100	100	100	100

NOTE.—Imports classified according to country of consignment.

TRADE OF CANADA

From or To	IMPORTS								EXPORTS							
	1913-4		Average, 1924-5- 1929-30		1931-2		1933-4		1913-4		Average, 1924-5- 1929-30		1931-2		1933-4	
United Kingdom...	£m. 27.15	% 21.4	£m. 35.90	% 16.4	£m. 21.85	% 13.3	£m. 21.60	% 24.2	£m. 45.70	% 48.8	£m. 84.83	% 33.4	£m. 35.96	% 30.0	£m. 47.18	% 89.1
South Africa	0.10	0.1	0.09	...	0.89	0.8	0.75	0.8	0.79	0.8	2.01	0.8	1.73	1.4	1.51	1.3
Australia	0.15	0.1	0.86	0.4	1.17	1.0	1.12	1.3	0.96	1.0	3.30	1.3	1.11	0.9	2.51	2.1
New Zealand	0.66	0.5	1.57	0.7	0.22	0.2	0.53	0.6	0.40	0.5	3.19	1.3	0.77	0.6	0.93	0.8
India	1.03	0.8	1.86	0.9	1.05	0.9	1.22	1.4	0.09	0.1	1.42	0.6	0.33	0.3	0.77	0.6
British West Indies	0.89	0.7	2.91	1.3	2.41	2.0	1.87	2.1	0.92	1.0	2.85	1.1	1.70	1.4	1.47	1.2
Other Empire	1.79	1.4	3.98	1.8	2.78	2.3	1.78	2.0	1.70	1.8	5.91	2.3	3.35	2.9	3.29	2.6
Total Empire	4.62	3.6	11.27	5.2	8.52	7.2	7.27	8.2	4.86	5.2	18.68	7.4	8.99	7.5	10.48	8.6
Total British	31.77	25.0	47.17	21.6	30.37	25.5	28.87	32.4	50.56	54.0	103.51	40.8	44.95	37.5	57.66	47.7
Germany	3.00	2.4	3.09	1.4	2.40	2.0	2.04	2.3	0.83	0.9	6.97	2.8	2.14	1.8	2.20	1.8
Other European	6.84	5.3	12.59	5.8	8.16	6.9	4.81	5.4	3.50	3.7	22.22	8.6	12.97	10.7	11.99	9.9
Total European	9.84	7.7	15.68	7.2	10.56	8.9	6.85	7.7	4.33	4.6	29.19	11.4	15.11	12.5	14.19	11.7
U.S.A.	81.32	64.0	145.13	66.4	72.22	60.8	48.94	54.9	36.32	38.8	100.54	39.6	50.12	41.8	41.16	34.1
Japan	0.54	0.4	2.26	1.0	1.23	1.0	0.68	0.7	0.33	0.3	6.58	2.6	3.40	2.8	2.85	2.4
Other Foreign	3.66	2.9	8.06	3.7	4.43	3.8	3.82	4.3	2.09	2.3	13.94	5.5	6.37	5.4	5.10	4.1
Total Foreign	95.36	75.0	171.13	78.4	88.44	74.5	60.29	67.6	43.07	46.0	150.25	59.2	75.00	62.5	63.30	52.8
Grand Total	127.13	100	218.30	100	118.80	100	89.16	100	93.63	100	253.76	100	119.95	100	120.96	100

Year ends March 31st.

Imports classified according to country of consignment.

TRADE OF SOUTH AFRICA

From or To	IMPORTS								EXPORTS							
	1913		Average, 1924-29		1931		1933		1913		Average, 1924-29		1931		1933	
United Kingdom...	£m. 23.74	% 56.7	£m. 34.47	% 47.1	£m. 23.63	% 45.5	£m. 24.72	% 50.3	£m. 21.43	% 77.0	£m. 22.84	% 50.5	£m. 9.40	% 38.4	£m. 8.68	% 35.6
Australia	2.22	5.3	2.21	3.0	0.46	0.9	0.23	0.5	0.10	0.4	0.24	0.5	0.03	0.1	0.05	0.2
Canada	0.86	2.1	2.22	3.0	1.87	3.6	1.29	2.6	...	...	0.07	0.2	0.82	3.4	1.04	4.3
India	1.17	2.8	2.56	3.5	1.57	3.0	1.24	2.5	0.14	0.5	0.25	0.6	0.11	0.4	0.12	0.5
S. Rhodesia	0.11	0.3	0.96	1.3	0.44	0.8	0.36	0.7	1.25	4.5	2.40	5.3	2.28	9.3	1.45	6.0
Other British	0.65	1.6	1.82	2.5	1.48	2.7	1.60	3.3	0.51	1.8	3.07	6.8	3.21	13.2	1.80	7.4
Total Empire	5.01	12.0	9.77	13.4	5.82	11.2	4.72	9.6	2.00	7.2	6.03	13.3	6.45	26.4	4.46	18.3
Total British	28.75	68.7	44.24	60.5	29.45	56.7	29.44	59.9	23.43	84.2	28.87	63.8	15.85	64.8	13.14	53.9
Germany	3.43	8.2	4.74	6.5	3.64	7.0	3.25	6.6	2.14	7.7	3.93	8.7	1.49	6.1	1.95	8.0
Other European	4.54	10.9	8.39	11.5	7.00	13.5	6.07	12.3	0.95	3.4	7.93	17.5	5.20	21.3	7.46	30.6
Total European	7.97	19.2	13.13	18.0	10.64	20.5	9.32	19.0	3.09	11.1	11.80	26.2	6.69	27.4	9.41	38.6
U.S.A.	3.71	8.9	11.63	15.9	7.05	13.5	6.03	12.3	0.55	2.0	1.70	3.8	0.80	3.3	0.76	3.1
Japan	0.11	0.3	1.06	1.5	2.45	4.7	2.07	4.2	...	...	0.09	0.2	0.10	0.4	0.26	1.1
Other Foreign	1.28	3.1	3.11	4.2	2.37	4.6	2.25	4.6	0.75	2.7	2.77	6.1	1.01	4.1	0.79	3.2
Total Foreign	13.07	31.3	28.93	39.5	22.51	43.3	19.67	40.1	4.39	15.8	16.36	36.2	8.60	35.2	11.23	46.1
Grand Total	41.83	100	73.17	100	51.96	100	49.11	100	27.82	100	45.23	100	24.45	100	24.37	100

Imports classified according to country of origin.

TRADE OF ANGLO-EGYPTIAN SUDAN

From or To	IMPORTS				EXPORTS			
	1913	Average, 1924-9	1931	1933†	1913	Average, 1924-9	1931	1933*†
United Kingdom.....	£m. 0.60	£m. 2.02	£m. 1.18	£m. 0.82	£m. 0.28	£m. 3.25	£m. 0.83	£m. 1.61
Total British.....	0.84	3.53	1.64		0.29	3.28	0.87	
Egypt	0.97	1.68	0.78	0.79	0.53	0.61	0.44	0.30
Other Foreign	0.26	0.93	1.42		0.44	1.40	0.74	
Total Foreign	1.23	2.61	2.20		0.97	2.01	1.18	
Grand Total.....	2.07	6.14	3.84	3.08	1.26	5.29	2.05	2.65

TRADE OF INDIA

From or To	IMPORTS								EXPORTS							
	1913-14		1924-5-1929-30		1931-2		1933-4		1913-14		1924-5-1929-30		1931-2		1933-4	
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
United Kingdom	83.39	65.4	91.98	48.9	35.99	36.7	35.69	41.2	38.93	23.5	59.14	22.7	33.64	27.8	34.93	31.8
Canada.....	0.01	...	1.28	0.7	0.31	0.3	0.52	0.6	0.95	0.6	1.68	0.6	1.11	0.9	1.40	1.3
Australia.....	0.69	0.5	2.61	1.4	1.29	1.3	0.77	0.9	2.73	1.6	5.28	2.0	2.21	1.8	2.23	2.0
S. Africa.....	0.35	0.3	0.38	0.2	0.16	0.2	0.19	0.2	0.78	0.5	1.87	0.7	1.08	0.9	0.96	0.9
Ceylon.....	0.54	0.4	1.28	0.7	1.03	1.0	1.04	1.2	6.03	3.6	10.97	4.2	5.98	4.9	4.45	4.1
Straits Settlements	2.28	1.8	4.23	2.2	2.17	2.2	2.01	2.3	4.42	2.7	7.28	2.8	3.92	3.2	2.51	2.3
Other British.....	3.40	2.7	4.76	2.5	4.06	4.1	3.14	3.6	9.15	5.5	10.36	4.0	5.77	4.8	4.21	3.8
Total Empire.....	7.27	5.7	14.54	7.7	9.02	9.2	7.67	8.8	24.06	14.5	37.44	14.3	20.07	16.6	15.76	14.4
Total British.....	90.66	71.1	106.52	56.6	45.01	45.9	43.26	50.0	62.99	38.0	96.58	37.0	53.71	44.4	50.70	46.2
Germany.....	8.45	6.6	11.86	6.3	7.93	8.1	6.67	7.7	17.57	10.6	20.91	8.0	7.71	6.3	7.11	6.5
France.....	1.79	1.4	2.88	1.5	1.63	1.7	1.13	1.3	11.79	7.1	13.28	5.1	5.73	4.7	5.17	4.7
Other European...	6.48	5.1	18.82	10.0	12.22	12.5	9.99	11.5	25.97	15.6	30.48	11.7	12.79	10.6	11.90	10.8
Total European...	16.72	13.0	33.56	17.8	21.78	22.3	17.79	20.5	55.33	33.3	64.67	24.8	26.23	21.7	24.18	22.0
U.S.A.....	3.20	2.5	13.21	7.0	9.69	9.9	5.37	6.2	14.57	8.7	27.94	10.7	10.72	8.8	10.45	9.5
Japan.....	3.19	2.5	13.87	7.3	10.00	10.2	12.27	14.1	15.13	9.1	31.06	11.9	10.40	8.6	9.46	8.6
Other Foreign.....	13.77	10.8	20.95	11.1	11.49	11.6	7.99	9.2	17.99	10.8	40.48	15.6	19.84	16.4	14.94	13.6
Total Foreign.....	36.88	28.8	81.59	43.4	52.96	54.1	43.42	50.0	103.02	62.0	164.15	63.0	67.19	55.6	59.03	53.7
Grand Total.....	127.54	100	188.11	100	97.97	100	86.68	100	166.01	100	260.73	100	120.90	100	109.79	100

Imports classified according to country of consignment.

TRADE OF THE IRISH FREE STATE

From or To	IMPORTS								EXPORTS							
	1913		Average, 1924-29		1931		1933		1913		Average, 1924-29		1931		1933	
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
United Kingdom...	49.14	78.6	40.77	80.9	25.03	70.0	...	...	43.49	96.1	34.94	96.4	18.49	94.1	...	...
Total Empire.....	1.80	2.9	1.45	2.8	2.66	7.4	...	...	0.38	0.8	0.22	0.6	0.16	0.8	...	...
Total British.....	50.94	81.5	42.22	83.7	27.69	77.4	...	...	43.87	96.9	35.16	97.0	18.65	94.9	...	...
Germany.....	1.47	2.4	1.23	2.4	1.75	4.9	...	...	0.23	0.5	0.09	0.2	0.18	0.9	...	...
Other European...	3.56	5.7	3.16	6.3	3.99	11.1	...	...	0.53	1.2	0.50	1.4	0.47	2.4	...	...
Total European...	5.03	8.1	4.39	8.7	5.74	16.0	...	...	0.76	1.7	0.59	1.6	0.65	3.3	...	...
U.S.A.....	4.18	6.7	2.04	4.0	1.05	2.9	...	...	0.44	1.0	0.39	1.1	0.16	0.8	...	...
Other Foreign.....	2.36	3.8	1.80	3.6	1.31	3.7	...	...	0.17	0.4	0.14	0.4	0.19	0.9	...	...
Total Foreign.....	11.57	18.15	8.24	16.3	8.10	22.6	...	...	1.37	3.1	1.12	3.0	1.00	5.1	...	...
Grand Total.....	62.51	100	50.46	100	35.79	100	...	...	45.24	100	36.28	100	19.65	100	...	...

Imports classified according to country of consignment.

TRADE OF NEW ZEALAND

From or To	IMPORTS								EXPORTS							
	1913		Average, 1924-9		1931		1933		1913		Average, 1924-9		1931		1933	
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
United Kingdom...	13.23	61.1	22.78	47.3	12.14	49.0	10.84	51.7	17.59	83.4	39.63	77.7	30.28	88.6	28.19	85.5
Canada.....	0.45	2.1	3.67	7.6	1.22	4.9	1.01	4.8	0.60	2.8	1.57	3.1	0.25	0.7	0.45	1.4
Australia.....	2.37	10.9	4.36	9.0	2.43	9.8	2.13	10.2	1.04	4.9	2.44	4.8	0.85	2.5	1.11	3.4
Other British.....	1.68	7.8	2.95	6.1	1.58	6.4	1.50	7.2	0.19	0.9	0.42	0.8	0.24	0.7	0.43	1.3
Total Empire.....	4.50	20.8	10.98	22.8	5.23	21.1	4.64	22.2	1.83	8.7	4.43	8.7	1.34	4.0	1.99	6.0
Total British.....	17.73	82.0	33.76	70.1	17.37	70.1	15.48	73.9	19.42	92.1	44.06	86.4	31.62	92.6	30.18	91.5
Germany.....	0.59	2.7	0.67	1.4	0.57	2.3	0.38	1.8	0.34	1.6	1.13	2.2	0.31	0.9	0.30	1.0
Other European...	0.85	3.9	2.61	5.4	1.45	5.9	1.56	7.5	0.20	1.0	1.59	3.1	0.75	2.2	1.14	3.4
Total European...	1.44	6.6	3.28	6.8	2.02	8.2	1.94	9.3	0.54	2.6	2.72	5.3	1.06	3.1	1.44	4.4
U.S.A.....	2.11	9.8	8.71	18.1	3.88	15.8	2.38	11.4	0.91	4.3	3.53	6.9	0.85	2.5	0.95	2.9
Japan.....	0.15	0.7	0.59	1.2	0.30	1.2	0.54	2.6	...	...	0.34	0.7	0.27	0.8	0.28	0.8
Other Foreign.....	0.22	1.0	1.84	3.8	1.18	4.8	0.60	2.9	0.22	1.0	0.39	0.8	0.36	1.1	0.11	0.3
Total Foreign.....	3.92	18.0	14.42	29.9	7.38	29.9	5.46	26.1	1.67	7.9	6.98	13.6	2.54	7.4	2.78	8.5
Grand Total.....	21.66	100	48.18	100	24.76	100	20.94	100	21.09	100	51.04	100	34.16	100	32.96	100

Imports classified according to country of origin.

TRADE OF AUSTRALIA

From or To	IMPORTS								EXPORTS							
	1913		Average, 1924-5-1929-30		1931-2		1932-3		1913		Average, 1924-5-1929-30		1931-2		1932-3	
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
United Kingdom...	40.96	52.4	62.76	42.7	17.41	40.6	23.54	42.5	33.47	45.2	54.93	40.5	37.23	49.8	37.77	47.8
New Zealand.....	1.10	1.4	2.27	1.5	0.70	1.6	0.73	1.3	1.92	2.6	4.44	3.3	2.03	2.7	2.22	2.8
South Africa.....	0.27	0.3	0.64	0.4	0.06	0.1	0.10	0.2	1.92	2.6	2.07	1.5	0.28	0.4	0.19	0.2
India.....	3.08	3.9	6.06	4.1	2.78	6.5	3.42	6.2	0.53	0.7	2.25	1.7	0.36	0.5	0.66	0.8
Canada.....	0.96	1.2	3.85	2.6	1.39	3.2	2.32	4.2	0.17	0.2	0.85	0.6	0.81	1.1	0.97	1.2
Other Empire.....	2.39	3.1	5.59	3.8	1.83	4.3	2.20	4.0	1.78	2.4	4.54	3.3	3.56	4.7	3.48	4.4
Total Empire.....	7.80	10.0	18.41	12.5	6.76	15.8	8.77	15.8	6.32	8.5	14.15	10.4	7.04	9.4	7.52	9.5*
Total British.....	48.76	62.4	81.17	55.2	24.17	56.4	32.31	58.3	39.79	53.7	69.08	50.9	44.27	59.2	45.29	57.3
Germany.....	7.03	9.0	3.32	2.3	1.43	3.3	1.83	3.35	6.83	9.2	8.65	6.4	3.05	4.1	4.07	5.1
France.....	2.22	2.8	3.90	2.6	1.15	2.8	1.20	2.05	9.68	13.1	16.02	11.8	3.63	4.8	4.84	6.1
Other European...	5.66	7.2	9.96	6.8	3.06	7.0	3.93	7.1	8.76	11.8	15.43	11.4	6.04	8.1	7.11	9.0
Total European...	14.91	19.0	17.18	11.7	5.64	13.1	6.96	12.5	25.27	34.1	40.10	29.6	12.72	17.0	16.02	20.3
U.S.A.....	10.91	14.0	35.46	24.1	7.04	16.4	8.08	14.6	2.48	3.3	7.38	5.4	1.41	1.9	1.07	1.4
Japan.....	0.95	1.2	4.48	3.1	2.40	5.6	3.54	6.4	1.42	1.9	10.57	7.8	9.15	12.2	9.17	11.6*
Dutch E. Indies...	1.07	1.4	6.22	4.3	2.65	6.2	2.93	5.3	0.81	1.1	2.03	1.5	1.03	1.4	0.96	1.2
Other Foreign.....	1.60	2.1	2.37	1.6	0.99	2.3	1.56	2.9	4.33	5.8	6.47	4.8	6.26*	8.3	6.48*	8.2
Total Foreign.....	29.44	37.6	65.71	44.8	18.68	43.6	23.03	41.7	34.31	46.3	66.55	49.1	30.57	40.8	33.70	42.7
Grand Total.....	78.20	100	146.88	100	42.85	100	55.34	100	74.10	100	135.63	100	74.84	100	78.99	100

Year ends June 30th.

1924-30

Average

1931-2

1932-3

* China..... 0.54 0.4 3.88 5.2 5.03 6.4

Imports classified according to country of origin. Classification of Exports according to country of destination.

TRADE OF NEWFOUNDLAND

From or To	IMPORTS			
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TRADE OF THE CROWN COLONIES

Malta, Cyprus, Gold Coast, Nigeria, N. Rhodesia, Kenya and Uganda, Mauritius, Ceylon, B.W. Indies, Trinidad, British Guiana.

From or To	IMPORTS						EXPORTS					
	1913		Average, 1924-9		1931		1913		Average, 1924-9		1931	
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
United Kingdom...	17.31	44.9	37.12	39.7	22.16	36.2	15.47	38.3	35.07	39.2	22.05	40.4
India	6.85	17.8	15.11	16.1	8.46	13.8	1.92	4.7	3.32	3.7	2.23	4.1
Canada	0.94	2.4	3.99	4.3	3.04	5.0	1.62	4.0	4.11	4.6	3.55	6.5
Other Empire	1.26	3.3	7.10	7.6	5.31	8.7	2.26	5.6	5.83	6.5	4.10	7.5
Total Empire	9.05	23.4	26.20	28.0	16.81	27.5	5.80	14.3	13.26	14.8	9.88	18.1
Total British	26.36	68.3	63.32	67.7	38.97	63.7	21.27	52.6	48.33	54.0	31.93	58.5
Germany	2.12	5.5	3.86	4.1	2.18	3.6	5.94	14.7	7.96*	8.9	4.67	8.6
Other European	3.20	8.3	7.58	8.1	5.04	8.2	4.18	10.3	11.83	13.2	6.83	12.5
Total European	5.32	13.8	11.44	12.2	7.22	11.8	10.12	25.0	19.79	22.1	11.50	21.1
U.S.A.	4.54	11.8	10.57	11.3	6.59	10.8	5.80	14.3	16.57	18.5	7.53	13.8
Japan	0.33	0.9	1.12	1.2	1.56	2.5	0.06	0.2	0.53	0.6	0.23	0.4
Other Foreign	2.00	5.2	7.11	7.6	6.87	11.2	3.19	7.9	4.30	4.8	3.34	6.1
Total Foreign	12.19	31.6	30.24	32.3	22.24	36.3	19.17	47.4	41.19	46.0	22.60	41.4
Grand Total	38.55	100	93.56	100	61.21	100	40.44	100	89.52	100	54.53	100

Complete returns not available

Complete returns not available

TRADE OF BRITISH MALAYA

From or To	IMPORTS						EXPORTS					
	1913		Average, 1924-29		1931		1913		Average, 1924-29		1931	
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
United Kingdom...	14.81	14.2	7.24	13.7	5.90	14.4	16.89	14.2	5.38	11.5	4.12	9.5
Australia	1.89	1.8	0.94	1.8	(a)	(a)	3.03	2.6	1.52	3.2	(a)	(a)
India	8.90	8.6	4.87	9.2	(a)	(a)	3.89	3.3	1.65	3.6	(a)	(a)
Other Empire†	9.68	9.3	2.39	4.6	(a)	(a)	6.44	5.4	3.11	6.6	(a)	(a)
Total Empire	20.47	19.6	8.20	15.5	7.26	17.8	13.36	11.3	6.28	13.4	5.86	13.5
Total British	35.28	33.8	15.44	29.2	13.16	32.2	30.25	25.5	11.66	24.9	9.98	23.0
Total Europe	4.85	4.7	2.00	3.8	1.95	4.8	12.12	10.2	4.81	10.2	7.59	17.5
U.S.A.	3.49	3.4	1.35	2.6	0.65	1.6	53.53	45.1	15.41	32.8	14.61	33.7
Japan	3.01	2.9	2.09	4.0	3.10	7.6	4.17	3.5	5.80	12.3	4.10	9.5
Dutch East Indies	37.46	36.0	20.12	38.0	12.88	31.5	11.43	9.6	5.37	11.4	3.95	9.1
Siam & Siam States	11.31	10.9	6.04	11.4	(a)	(a)	3.18	2.7	1.69	3.6	(a)	(a)
Other Foreign	8.78	8.4	5.85	11.1	9.08†	22.2	3.87	3.3	2.21	4.7	3.11†	7.2
Total Foreign	68.90	66.2	37.45	70.8	27.66	67.8	88.30	74.5	35.29	75.1	33.36	77.0
Grand Total	104.18	100	52.89	100	40.82	100	118.55	100	46.95	100	43.34	100

Comparable figures for 1913 are not available. * Provisional figures.

† Including Siam, French Indo-China, etc.

† Chiefly Hong Kong and Sarawak.
(a) Not yet available.

TRADE OF SOUTHERN RHODESIA

From or To	IMPORTS				EXPORTS			
	1913	Average, 1924-29	1931	1933	1913	Average, 1924-29	1931	1933
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
United Kingdom	1.69	3.17	2.30	2.15	0.07	1.13	0.92	0.86
South Africa	0.54	1.24	1.17	0.86	0.11	0.96	0.43	0.35
Other Empire	0.14	0.52	0.47	0.39	0.13	1.23	1.54	0.88
Total Empire	0.68	1.76	1.64	1.25	0.24	2.19	1.98	1.23
Total British	2.37	4.93	3.94	3.40	0.31	3.32	2.90	2.09
Total European	0.29	0.54	0.47	0.32	0.07	0.03	0.04	0.07
U.S.A.	0.17	0.81	0.63	0.33	0.06	0.43	0.18	0.06
Other Foreign	0.10	0.31	0.45	0.38	0.12	0.81	0.47	0.45
Total Foreign	0.56	1.66	1.55	1.03	0.25	1.27	0.69	0.58
Grand Total	2.94	6.59	3.49	4.43	0.56	4.59	3.59	2.66

Imports classified according to country of origin.

APPENDIX II

TRADE OF THE UNITED KINGDOM, WITH BRITISH AND FOREIGN COUNTRIES
ANALYSED ACCORDING TO FIVE MAIN CLASSES

Imports (Retained)	CLASS I.			CLASS II.			CLASS III.			TOTAL ALL CLASSES (INCLUDING IV. & V.)		
	British	Foreign	Total	British	Foreign	Total	British	Foreign	Total	British	Foreign	Total
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
1913	...	...	...	...	...	...	...	...	...	...	...	...
1924	...	...	...	...	...	...	...	...	...	...	...	...
1925	...	...	...	...	...	...	...	...	...	...	...	...
1926	...	...	...	...	...	...	...	...	...	...	...	...
1927	188.7	323.4	512.1	75.5	205.0	280.5	28.1	269.2	297.3	296.3	799.2	1,095.5
1928	187.0	316.5	503.5	71.0	197.2	268.2	28.2	263.5	291.7	292.6	782.9	1,075.5
1929	177.2	332.3	509.5	88.7	197.4	286.1	27.6	277.8	305.4	298.9	812.3	1,111.2
1930	166.5	284.9	451.4	61.4	150.7	212.1	25.0	258.4	283.4	258.8	698.3	957.1
1931	147.3	249.3	396.6	41.4	105.8	147.2	22.0	222.3	244.3	216.1	581.3	797.4
1932	152.4	205.4	357.8	41.6	99.3	140.9	22.9	123.1	146.0	220.9	429.7	650.6
1933	...	...	...	...	...	...	...	...	...	...	...	...
Exports (Domestic Produce)	...	...	...	...	...	...	...	...	...	...	...	...
1913	12.8	19.8	32.6	3.9	66.0	69.9	173.8	237.5	411.4	195.3	330.0	525.3
1924	31.0	26.0	57.0	9.7	96.8	106.5	284.7	334.2	618.9	337.5	463.5	801.0
1925	30.3	24.7	55.0	9.4	74.9	84.4	284.0	332.6	616.6	335.1	438.3	773.4
1926	30.4	20.0	50.5	5.6	41.5	47.2	270.2	269.1	539.3	316.8	336.2	653.0
1927	31.1	21.2	52.3	9.1	67.2	76.3	275.6	288.3	563.9	326.7	382.4	709.1
1928	31.6	22.7	54.3	8.1	62.1	70.1	275.7	303.2	578.9	327.7	395.9	723.6
1929	32.6	23.1	55.6	9.1	69.8	78.9	269.9	303.9	573.8	324.5	404.9	729.3
1930	26.4	21.8	48.2	7.9	55.9	63.8	202.9	237.1	440.0	248.3	322.4	570.8
1931	19.6	15.9	35.5	6.6	40.4	47.0	134.5	157.6	292.0	170.7	219.9	390.6
1932	17.7	14.7	32.3	6.9	36.7	43.6	132.4	143.1	276.0	165.5	199.5	365.0
1933	...	...	28.5	...	...	46.0	...	...	280.4	...	...	367.4

Source: Exports. Statistical Abstract of U.K. Table 239. Imports. Annual Statement, 1932 and 1933.
I. Food, Drink and Tobacco. II. Raw Materials and Articles Mainly Unmanufactured. III. Articles Wholly or Mainly Manufactured.

Imports (Retained)	PERCENTAGES											
	1913			1924			1925			1926		
	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%	£m.	%
1913	...	...	...	...	...	...	...	...	...	...	...	...
1924	...	...	...	...	...	...	...	...	...	...	...	...
1925	...	...	...	...	...	...	...	...	...	...	...	...
1926	63.7	40.6	25.5	25.5	9.5	33.5	100	100	100	100	100	100
1927	63.9	40.4	24.3	25.1	9.6	33.7	100	100	100	100	100	100
1928	59.3	40.9	29.7	24.4	9.2	34.2	100	100	100	100	100	100
1929	64.3	40.8	23.7	23.1	9.6	37.0	100	100	100	100	100	100
1930	68.2	42.7	19.1	18.2	10.2	35.2	100	100	100	100	100	100
1931	69.0	47.6	18.8	23.1	10.3	28.6	100	100	100	100	100	100
Exports (Domestic Produce)	...	...	...	...	...	...	...	...	...	...	...	...
1913	6.2	6.1	2.1	20.0	89.0	72.0	100	100	100	100	100	100
1924	9.2	5.6	2.8	21.0	84.3	72.1	100	100	100	100	100	100
1925	9.5	5.6	2.7	17.1	84.7	76.0	100	100	100	100	100	100
1926	9.6	6.0	1.8	12.3	85.3	80.0	100	100	100	100	100	100
1927	9.5	5.6	2.8	17.6	84.4	74.0	100	100	100	100	100	100
1928	9.6	5.7	2.5	15.6	84.1	76.5	100	100	100	100	100	100
1929	10.2	5.4	2.8	17.2	83.2	75.0	100	100	100	100	100	100
1930	10.6	6.7	3.2	17.3	81.7	73.5	100	100	100	100	100	100
1931	11.5	7.1	3.9	18.3	78.8	71.5	100	100	100	100	100	100
1932	10.7	7.3	4.2	18.3	80.0	71.7	100	100	100	100	100	100

APPENDIX III

TRADE* OF THE UNITED STATES OF AMERICA WITH THE BRITISH EMPIRE

From or To	IMPORTS				EXPORTS			
	1913	Average, 1927-31	1932	1933	1913	Average, 1927-31	1932	1933
	\$m.	\$m.	\$m.	\$m.	\$m.	\$m.	\$m.	\$m.
United Kingdom	295.6	276.3	74.6	111.2	597.1	733.9	288.3	311.7
Irish Free State	...	3.0	0.3	0.5	...	11.8	4.5	4.1
South Africa.....	3.3	7.8	2.4	4.1	14.5	48.6	16.0	22.4
Canada	120.6	427.3	174.1	185.1	415.4	751.1	241.4	210.5
British Malaya	} 116.2½ }	189.7	34.8	59.9	} 15.1 }	10.9	2.5	2.4
India		118.4	33.2	43.8		50.8	24.9	19.9
Australia.....		26.4	4.6	7.7		110.8	26.8	26.3
New Zealand		13.9	2.2	4.8		30.2	9.2	8.2
Total British	551.1	1,062.8	326.2	417.1	1,094.8	1,748.1	613.6	605.5
Total all countries.....	1,813.0	3,565.4	1,322.8	1,449.2	2,465.9	4,300.5	1,611.0	1,675.0
Total British trade as percentage of total	30.3	29.8	24.7	28.8	44.4	40.6	38.1	36.1

out if total earnings, pre-equity charges and equity earnings are equated respectively to 100 in 1929 and set out side by side.

PRE-WAR TRUSTS: CHANGES IN EQUITY POSITION SUMMARISED
(1929 = 100 throughout)

Year	56 Pre-War English Trusts			36 Pre-War Scottish Trusts			92 Pre-War Trusts		
	Total Earnings	Pre-Equity Charges	Equity Earnings	Total Earnings	Pre-Equity Charges	Equity Earnings	Total Earnings	Pre-Equity Charges	Equity Earnings
1924	66	66	66	52	44	58	61	59	63
1929	100	100	100	100	100	100	100	100	100
1930	101	100	101	107	105	109	103	102	104
1931	91	99	85	98	107	91	93	102	87
1932	75	97	60	83	108	64	78	101	61
1933	66	98	43	69	107	41	67	102	42

Taking all pre-war trusts together, the index rose, between 1924 and 1930, by 42 points for total profits, by 43 points for pre-equity fixed charges, and by 41 points for equity earnings. When the trend of profits was sharply reversed, between 1930 and 1933, the index for all profits fell by 36 points, while the index of pre-equity charges remained stable at 102 points. The index of earnings available for equity stockholders, consequently, fell by no less than 62 points.

It would appear that this inherent susceptibility of investment trust equity earnings to wide fluctuation was not fully appreciated by many stockholders before the depression of 1930-33 drove the lesson home. The capital losses suffered by investors in the last few years have, therefore, been correspondingly severe. The computations of the Institute of Actuaries and the Faculty of Actuaries in Scotland disclose that between December, 1928 and 1933, representative investment trust debenture stocks showed a net appreciation in market value of 26.1 per cent. and preference stocks of 16.5 per cent. Interest and dividends, with few exceptions, have continued to be paid throughout the depression, and these securities have shared in the appreciation of gilt-edged stocks during a regime of lower interest rates. Representative investment trust equity stocks, on the other hand, fell in market value, according to the Actuaries' computations, by 49.4 per cent. between the end of 1928 and 1933. The net fall in market values would have been considerably greater but for the effect of cheap money on market quotations for equity shares as well as for fixed-interest securities. The Actuaries' Index shows that, while investment trust ordinary stocks were priced to give a dividend yield of 5.07 per cent. at the end of 1929, the corresponding dividend yield at the present time is only 3.68 per cent. If market values had fallen in full proportion to the decline in earning power, the lot of equity stockholders would indeed have been unenviable.

The following table shows unweighted averages of the percentage earnings of all the pre-war investment trusts on their equity capital outstanding at the end of each year at par:—

PRE-WAR TRUSTS: PERCENTAGE EARNINGS FOR ORDINARY STOCKS
(UNWEIGHTED AVERAGES)

Year	Pre-War English Trusts		Pre-War Scottish Trusts		All Pre-War Trusts	
	1929=100	1933=100	1929=100	1933=100	1929=100	1933=100
1924	13.1	17.1	14.7			
1929	16.7	20.2	18.1			
1930	15.8	20.8	17.8			
1931	13.1	18.1	15.1			
1932	7.9	12.7	9.7			
1933	4.4	8.2	5.9			

It is unsafe to draw over-precise conclusions from unweighted average figures. Nevertheless, the table suggests that if the effect of declining earnings on market values over the last three years had not been cushioned by market factors unconnected with the investment trust movement itself, and prices had fallen in proportion to average earnings, the stockholder who invested £100 in the ordinary stock of every English and Scottish pre-war trust in 1930, would have suffered a depreciation of something like 67 per cent. in his portfolio three years later.

For many years past, however, it has been the practice of the directors of British investment trusts to endeavour to minimise the effects of high capital "gearing" by conservatism in dividend distribution. When profits are rising, large sums are "retained in the business" instead of being divided. When profits fall, it is not customary to draw on reserves, but the annual margin between earnings and dividends is allowed to contract. Our analysis discloses the fact that the pre-war trusts paid out 75 per cent. of their total equity earnings in dividends (net, after tax), in 1929 and 1930, against 71.5 per cent. in 1924. By 1933, however, the proportion had risen to 96 per cent. Detailed figures are shown below:—

PRE-WAR TRUSTS: DIVIDEND DISTRIBUTION POLICY

Year	Pre-War English Trusts		Pre-War Scottish Trusts		All Pre-War Trusts	
	Total of Ordinary Dividends	Per Cent. of Total Equity Earnings	Total of Ordinary Dividends	Per Cent. of Total Equity Earnings	Total of Ordinary Dividends	Per Cent. of Total Equity Earnings
1924	£'000 1,773.9	73	£'000 795.0	69	£'000 2,568.9	71.5
1929	2,820.1	76	1,410.0	71	4,230.1	75
1930	2,906.2	78	1,486.2	69	4,392.4	75
1931	2,688.0	85	1,443.0	81	4,131.0	83
1932	1,925.8	87	1,120.0	89	3,045.0	88
1933	1,560.9	98	746.7	93	2,307.6	96

On the whole, the Scottish trusts have tended to follow a more conservative dividend policy than the English trusts. The extent to which dividend policy has protected stockholders' incomes from the more extreme effects of fluctuation in earning power may be gathered from the next table:—

PRE-WAR TRUSTS: EARNINGS AND DIVIDENDS SUMMARISED
(1929 = 100 in each case)

Year	Pre-War English Trusts			Pre-War Scottish Trusts			All Pre-War Trusts		
	All Earnings	Earnings Available for Ord.	Ord. Dividends	All Earnings	Earnings Available for Ord.	Ord. Dividends	All Earnings	Earnings Available for Ord.	Ord. Dividends
1924	66	66	63	52	58	56	61	63	61
1929	100	100	100	100	100	100	100	100	100
1930	101	101	103	107	109	105	103	104	104
1931	91	85	95	98	91	102	93	87	98
1932	75	60	68	83	64	79	78	61	72
1933	66	43	55	69	41	53	67	42	54.5

The conclusion suggested by the figures is that the "protection" afforded by conservative profits distribution is only partial, in periods when earnings are subject to wide variation. Taking all trusts together, the "policy" factor is obviously insufficient, at such times, to offset the effects on available earnings of the "gearing" factor.

The extent to which average rates of dividend rose during the years of prosperity and have subsequently fallen may be gathered from the following unweighted averages, which are shown before tax in all cases:—

PRE-WAR TRUSTS: UNWEIGHTED AVERAGES OF DIVIDENDS ON EQUITY STOCKS

Year	56 Pre-War English Trusts		36 Pre-War Scottish Trusts		92 Pre-War Trusts	
	1929=100	1933=100	1929=100	1933=100	1929=100	1933=100
1924	9.4	11.9	10.4			
1929	11.8	14.6	12.9			
1930	11.8	14.8	12.9			
1931	10.8	14.0	12.1			
1932	7.4	11.3	9.0			
1933	6.0	7.5	6.6			

So much for the earnings and dividend record of the investment trusts which, having the benefit of from twenty to fifty years' experience before the onset of the World Economic Crisis, were best provided, by way of knowledge and accumulated financial resources, with the means of resisting its worst effects. We may next consider the record of those companies which, having undertaken investment trust business since the war, had had least opportunity to build up their reserves when the storm broke.

POST-WAR COMPANY PROFITS AND DIVIDENDS

Of the 197 companies with £295,582,000 of paid-up capital, debenture, preference and ordinary, doing an investment trust business in Great Britain, 103, with a total capital of £115,507,000 (at the date of the last balance sheet) were formed, or first undertook this form of business, after the war. The years 1926 to 1929 were the most active as regards post-war trust company promotion, as the following table suggests:—

INVESTMENT TRUST FORMATIONS SINCE THE WAR
(including companies of earlier registration, which first undertook general investment trust business after the war)

Year	Post-War English Trusts		Post-War Scottish Trusts		All Post-War Trusts	
	No.	Total Capital (deb. pref. and ord.), 1933, including terminable Debentures	No.	Total Capital (deb. pref. and ord.), 1933, including terminable Debentures	No.	Total Capital (deb. pref. and ord.), 1933, including terminable Debentures
1922	3	£'000 4,925	...	£'000 2,000	3	£'000 4,925
1923	1	1,500	1	2,000	2	3,500
1924	6	8,820	5	10,421	11	18,941
1925	5	6,030	4	5,623	9	11,653
1926	6	8,719	6	7,439	12	16,158
1927	8	7,951	10	9,804	18	17,755
1928	19	18,371	7	4,886	26	23,257
1929	13	12,743	4	3,225	17	15,968
1930	2	1,250	1	500	3	1,750
1931	2	1,600	...	...	2	1,600
Total ...	65	71,609	38	43,893	103	115,507

It will be seen that the average age of the post-war trusts, in 1930, on the eve of the most searching crisis in the history of the movement since the 'nineties, was 3.2 years. Only 16 per cent. of the total post-war companies, owning 23.7 per cent. of the total paid-up capital, had enjoyed, in 1930, more than five years' experience, and 45 per cent., holding 35.5 per cent. of the total capital, had had less than three years' experience. The effects of the subsequent depression were inevitably more severe in the case of the post-war companies, which had scarcely had time to pass from infancy to adolescence, than in that of the seasoned pre-war companies. The present survey is concerned mainly with the measurement of the impact of depression on the post-war companies. The results of the prosperous years to 1929 are of limited historical value, but may be summarised as follows, in the case of 83 companies for which complete data are available:—

Year	Number of Companies issuing Reports	Total Profits (after tax and terminable debenture interest) (£'000)
1924	6	271.4
1925	18	623.8
1926	26	942.0
1927	38	1,435.2
1928	57	2,341.8
1929	83	3,998.6

What happened subsequently may be seen from the next table, in which the number of companies is constant throughout:—

PROFITS OF POST-WAR TRUSTS

Year	Post-War English Trusts (50)		Post-War Scottish Trusts (33)		Post War Trusts (83)	
	Total Profits after Tax	1929=100	Total Profits after Tax and terminable debenture interest	1929=100	Total Profits	1929=100
1929	£'000 2,426.6	100	£'000 1,572.0	100	£'000 3,998.6	100
1930	2,805.3	116	1,744.6	111	4,549.9	113
1931	2,410.6	99	1,529.5	104	4,040.1	101
1932	1,926.0	79	1,334.1	85	3,260.1	82
1933	1,729.4	71	1,163.3	74	2,892.7	72

The profits index for the post-war English trusts fell in the period 1930 to 1933 by 45 points (against 35 points for the pre-war English trusts, whose results are given on page 3), while the fall of the index for the post-war

Scottish trusts was 37 points (against 38 points). The decline in the total index was 41 points, against 36 points. The book value of the securities held by these post-war trusts was £100,619,000 in 1929 and £103,578,000 in 1933. Thus every £100 of investments held by the post-war trusts gave a total income (including miscellaneous revenue and after charging terminable debenture interest), of £3 19s. 6d. in 1929 and £2 15s. 9d. in 1933. The figures for the English and Scottish trusts, respectively, are as follows:—

POST-WAR TRUSTS: RETURN ON SECURITY HOLDINGS

Year	50 Post-War English Trusts			33 Post-War Scottish Trusts			83 Post-War Trusts		
	Securities at Book Value	Income from all Sources	Income per £100 Securities	Securities at Book Value	Income from all Sources	Income per £100 Securities	Securities at Book Value	Income from all Sources	Income per £100 Securities
1929	£'000 58,180	£'000 2,426.6	£ s. d. 4 3 6	£'000 42,439	£'000 1,572.0	£ s. d. 3 14 3	£'000 100,619	£'000 3,998.6	£ s. d. 3 19 6
1933	60,514	1,729.4	2 17 8	43,064	1,163.3	2 14 0	103,578	2,892.7	2 15 9

NOTE.—All income figures are shown after tax.

After deducting expenses, debenture interest and preference dividends (with full allowance for the amounts necessary to cover the last-named, in cases where dividends were not paid), the amounts earned for the ordinary stocks on these post-war investment trusts rose from £1,993,400 in 1929 to £2,197,700 in 1930, but had fallen precipitately in 1933 to £375,800. Results are shown in detail below:—

POST-WAR TRUSTS: AMOUNTS EARNED FOR ORDINARY STOCKS, AFTER TAX

Year	50 Post-War English Trusts		33 Post-War Scottish Trusts		83 Post-War Trusts	
	Total	1929=100	Total	1929=100	Total	1929=100
1929	£'000 1,350.1	100	£'000 643.3	100	£'000 1,993.4	100
1930	1,450.0	107	747.7	116	2,197.7	110
1931	1,070.0	79	520.4	81	1,590.4	80
1932	494.1	37	262.2	41	756.3	38
1933	288.3	21	87.5	14	375.8	19

The fall of 91 points in the index between 1930, the year of maximum earnings, and 1933, compares with a fall of 62 points in the corresponding index for the pre-war trusts.

The post-war investment trusts, which were formed in many cases under the same auspices as the pre-war companies, have a similar financial structure. Of the total capital, in 1933, of these 83 post-war trusts, viz. £97,795,000, debenture stocks (including the terminable debentures of the Scottish and, in a few cases, English companies), accounted for £34,502,000, preference stocks for £33,569,000, and equity stocks for £29,724,000, the amount of fixed-interest capital to that of equity capital being in the ratio of 2.3:1. For the English trusts the ratio was 1.9:1 and for the Scottish trusts 3.2:1. The division of profits in every year since 1930 has been as follows:—

POST-WAR TRUSTS: PRE-EQUITY PAYMENTS

Year	50 Post-War English Trusts		33 Post-War Scottish Trusts		83 Post-War Trusts	
	Total Earnings Absorbed by Pre-Equity Payments	Proportion of Total Earnings in each Year	Total Earnings Absorbed by Pre-Equity Payments	Proportion of Total Earnings in each Year	Total Earnings Absorbed by Pre-Equity Payments	Proportion of Total Earnings in each Year
1929	£'000 1,076.5	(%) 44	£'000 928.7	(%) 59	£'000 2,005.2	(%) 50
1930	1,355.3	48	996.9	57	2,352.2	52
1931	1,340.6	56	1,109.1	68	2,449.7	61
1932	1,431.9	74	1,071.9	80	2,503.8	77
1933	1,441.1	83	1,075.8	93	2,516.9	87

Taking all the post-war trusts together, the proportion of total earnings available for equity stockholders was 50 per cent. in 1929 and 13 per cent. in 1933. For the pre-war trusts the corresponding percentages were 60 per cent. and 36 per cent. The much smaller proportionate "equity margin" of total earnings over expenses and fixed-interest

requirements, in the case of the post-war trusts, is a measure of their difference in average age, rather than a reflection on the quality of their management. The same remark applies to the lower apparent ratio of total earnings to book value of securities of the post-war trusts, to which reference was made above. In "normal" times the steady "ploughing back" of earnings, year by year, progressively strengthens the "earnings cover" of a trust company's fixed-interest stocks and augments the "earnings ratio" of its equity stock year by year. The strength of investment trusts, like that of spirituous liquors, increases normally with their average age.

Setting side by side the total earnings, pre-equity charges and equity earnings of the post-war trusts, equated to 100 in 1929 in every case, we have the following figures:—

POST-WAR TRUSTS: CHANGES IN EQUITY POSITION SUMMARISED
(1929 = 100 throughout)

Year	50 Post-War English Trusts			33 Post-War Scottish Trusts			83 Post-War Trusts		
	Total Earnings	Total Pre-Equity Charges	Total Equity Earnings	Total Earnings	Total Pre-Equity Charges	Total Equity Earnings	Total Earnings	Total Pre-Equity Charges	Total Equity Earnings
1929	100	100	100	100	100	100	100	100	100
1930	116	126	107	111	107	116	113	117	110
1931	99	126	79	104	119	81	101	122	80
1932	79	134	37	85	115	41	82	125	38
1933	71	155	21	74	116	14	72	126	19

During the depression years, between 1930 and 1933, it will be seen that, while the index for all profits fell by 41 points, the index for pre-equity charges rose by 9 points, and the index of earnings available for equity stockholders fell by as much as 91 points.

It will be observed that, although the "capital gearing" of the post-war investment trusts follows much the same lines as that of the pre-war trusts, the "profits gearing" has been much more extreme. The reason is, obviously, that the post-war trusts have not had as yet any adequate opportunity to "fill out" their equity shares by retaining large amounts of profits, over a long period of years, to form additional working capital, the income on which accrues entirely to ordinary shareholders. This, like youth itself, is a condition which time can be relied on to cure, once profits are on the upgrade again, provided that directors resist the temptation to distribute earnings up to or near the hilt. The process, however, will require an appreciable number of years for its working out, and, in the meantime, the position both of pre-equity and equity stocks of the trust companies formed since the war will differ from that of the companies formed before the war in certain important respects, of which investors should take due note. The status of the debenture and, still more, the preference stocks of the post-war trusts cannot be regarded as on a par with that of the pre-war trusts, for their "earnings cover" is much less ample. The equity stocks of the post-war companies, however, may be, from the speculative investor's point of view, a more *sensitive* "recovery medium" than those of the pre-war trusts. If both are subjected to the same stimulus towards higher or lower earnings on their total capital (the validity of this assumption will be discussed later), the *proportionate* earnings of the post-war trust companies' ordinary stocks will rise or fall much more rapidly than those of the pre-war companies.

The effect of this tendency in years of depression can be seen by contrasting the unweighted averages of percentage earnings between 1929 and 1933 of the two groups. The figures for the pre-war trusts were given on page 4. The corresponding figures for the post-war companies are shown:—

POST-WAR TRUSTS: PERCENTAGE EARNINGS FOR ORDINARY STOCKS
(UNWEIGHTED AVERAGES)

(Rates before tax in all cases)

Year	50 Post-War English Trusts	33 Post-War Scottish Trusts	83 Post-War Trusts
1929	8.5	9.5	8.9
1930	8.7	9.8	9.1
1931	6.5	7.3	6.8
1932	2.8	3.4	3.1
1933	1.5	1.0	1.3

While the unweighted average of equity earnings fell, between 1930 and 1933, from 17.8 per cent. to 5.9 per cent. in the case of the pre-war trusts, that of the post-war companies declined from 9.1 per cent. to 1.3 per cent.

The tendency is even more marked as regards dividends than earnings. Directors are not only more disposed to be conservative, but also find conservatism a good deal easier, when they have a large reservoir from which to draw. To retain profits equal, say, to 5 per cent. of one's ordinary capital requires only a moderate exercise of self-denial when total profits are 25 per cent., but it is asking a great deal more of stockholders cheerfully to acquiesce in the passing of a dividend when 5 per cent. has been earned. This factor has been strongly at work during the last few years of declining investment trust earnings. In 1929 the post-war trusts paid out 72 per cent. of their total equity earnings in dividends (net after tax), and in 1930 the proportion was 70 per cent. By 1933, however, they were paying out 110 per cent. of their equity earnings. In other words, though the total amount received in dividends by ordinary stockholders declined by 71 per cent. between 1929 and 1933, even the reduced payments of the latter year were short-earned by 9 per cent. The corresponding percentages of equity earnings paid out by the pre-war trusts in 1929, 1930 and 1933 were 75, 75 and 96. Detailed figures for the post-war trusts are shown below:—

POST-WAR TRUSTS: DIVIDEND DISTRIBUTION POLICY

Year	50 Post-War English Trusts		33 Post-War Scottish Trusts		83 Post-War Trusts	
	Total of Ordinary Dividends	Per Cent. of Total Equity Earnings in each Year	Total of Ordinary Dividends	Per Cent. of Total Equity Earnings in each Year	Total of Ordinary Dividends	Per Cent. of Total Equity Earnings in each Year
1929	(£'000) 1,001.2	74	(£'000) 424.4	66	(£'000) 1,425.6	72
1930	1,052.9	73	483.3	65	1,536.2	70
1931	766.7	72	364.4	70	1,131.1	71
1932	433.6	88	170.5	65	604.1	80
1933	323.1	12†	89.6	2†	412.7	10†

† Amount short-earned expressed as percentage of total equity earnings.

The effect of the conditions which have been described in the preceding paragraphs is summed up in the following table, which shows the proportionate movement of total earnings, equity earnings and equity dividends, since 1929, the figures for that year being represented by 100 in every case:—

POST-WAR TRUSTS: EARNINGS AND DIVIDENDS SUMMARISED
(1929 = 100 in each case)

Year	50 Post-War English Trusts			33 Post-War Scottish Trusts			83 Post-War Trusts		
	All Earnings	Earnings Available for Ord.	Ord. Dividends	All Earnings	Earnings Available for Ord.	Ord. Dividends	All Earnings	Earnings Available for Ord.	Ord. Dividends
1929	100	100	100	100	100	100	100	100	100
1930	116	107	104	111	116	114	113	110	108
1931	99	79	78	104	81	86	101	80	79
1932	79	37	43	85	41	40	82	38	42
1933	71	21	32	74	14	21	72	19	29

The extent of the fall in average rates of dividend during the years of depression may be inferred from the following unweighted averages, which are shown before tax in all cases.

POST-WAR TRUSTS: UNWEIGHTED AVERAGES OF DIVIDENDS ON EQUITY STOCKS

(Rates per cent. before tax)

Year	Post-War English Trusts	Post-War Scottish Trusts	All Post-War Trusts
1929	6.3	6.1	6.2
1930	6.4	6.3	6.4
1931	4.6	4.8	4.7
1932	2.4	2.2	2.3
1933	1.7	1.2	1.5

The post-war trusts, in fact, have been compelled to pass through the fiery furnace of depression at much the same early stage of their career as their forbears in the Baring

Crisis. In all probability they will show similar recuperative powers, if and when more favourable conditions return. The present survey, however, clearly demonstrates, so far, that in periods of declining profits the balance of advantage from an investor's point of view undoubtedly lies on the side of the older trusts. Age, in this respect, is a powerfully stabilising influence. So far, however, the inquiry has been restricted to an analysis of fluctuations in earnings and dividends, and the extent to which these have been influenced by differences of capital structure. This influence

GEOGRAPHICAL DISTRIBUTION OF INVESTMENTS

The following table sets out the geographical distribution of the assets of 97 investment trusts in 1933:—

GEOGRAPHICAL DISTRIBUTION OF INVESTMENTS
1933
(Amounts in £'000)

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
<i>Calculated at market values:</i>								
Pre-war: English.....	6	10,522	2,402	1,591	3,088	2,888	897	21,388
Pre-war: Scottish.....	7	7,771	1,943	2,244	2,121	1,283	1,201	16,563
Post-war: English.....	12	3,573	1,136	1,713	858	1,459	479	9,238
Post-war: Scottish.....	16	8,569	1,640	1,934	1,221	1,751	970	16,185
Total pre-war.....	13	18,293	4,345	3,835	5,209	4,171	2,098	37,951
Total post-war.....	28	12,142	2,826	3,647	2,179	3,210	1,449	25,453
Grand total.....	41	30,435	7,171	7,482	7,388	7,381	3,547	63,404
<i>Calculated on book values:</i>								
Pre-war: English.....	16	19,691	6,044	2,952	8,678	5,004	3,197	45,566
Pre-war: Scottish.....	12	7,632	3,505	1,866	2,365	2,371	1,973	19,773
Post-war: English.....	19	7,754	3,283	2,070	2,927	4,019	1,605	21,588
Post-war: Scottish.....	9	3,724	1,113	1,299	1,197	1,204	419	8,956
Total pre-war.....	28	27,323	9,548	4,818	10,544	7,369	5,168	65,539
Total post-war.....	28	11,478	4,396	3,369	4,124	5,223	2,024	30,614
Grand total.....	56	38,801	12,674	8,286	14,668	12,592	7,192	96,153

The 97 companies whose results are shown above comprise about half the total number of trust companies in operation, and hold approximately 53 per cent. of the movement's total investments.* The "total" figures are, naturally, more representative of the movement as a whole than those of separate groups. Broadly, however, the sample appears sufficiently large to give a fairly reliable picture of the world distribution of investment trust resources.

Our next table shows the distribution figures for (a) pre-war, (b) post-war and (c) all trusts, on a percentage basis:—

GEOGRAPHICAL DISTRIBUTION
1933
(Percentages)

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
<i>Calculated at market values:</i>								
Total pre-war.....	13	48.2	11.5	10.1	13.7	11.0	5.5	100
Total post-war.....	28	47.7	11.1	14.3	8.6	12.6	6.7	100
Grand total.....	41	48.0	11.3	11.8	11.7	11.6	6.6	100
<i>Calculated on book values:</i>								
Total pre-war.....	28	41.7	12.6	9.9	16.1	11.2	8.5	100
Total post-war.....	28	37.5	14.3	11.0	13.5	17.1	6.6	100
Grand total, all trusts	56	40.4	13.2	10.2	15.2	13.1	7.9	100

The "market value" figures are obviously the more reliable index of current conditions. As will be shown subsequently, present "market value" figures show a considerable depreciation below book value, which has been by no means uniformly distributed between investments in

* In arriving at this, and subsequent computations of the approximate proportion of the total field covered by our samples, we have converted the "market value" portfolio figures to a "book value" basis by the application of the "depreciation percentages" for 1933, for pre-war and post-war trusts (14.6 and 28.2 per cent. respectively) shown in the "Cover" table on page 16. We have then compared the total "portfolio book value" for the entire sample with the corresponding total (£332,253,000) for 197 investment trusts shown on page 1.

THE Great Depression of 1930-33, whose effects on investment trust company profits have been considered in the preceding sections of this Supplement, was notoriously uneven in its geographical and industrial distribution. Broadly speaking, countries whose prosperity was dependent mainly on the production of raw materials and foodstuffs suffered earlier, and suffered more, than those with a mainly "manufacturing" economy. In the secondary phase of the depression—when a currency crisis was superimposed upon a price crisis—the world-wide adoption of new tariffs, prohibitions, quotas, and exchange "controls" had a peculiarly malign influence on foreign as distinct from domestic trade. "Recovery" has proceeded faster and farther in Great Britain than in most other countries. The computations of the League of Nations suggest that, in 1933, industrial production was about 12 per cent. below the 1929 level in this country, while the corresponding percentages were about 23 for France and 31 for Germany. The decline in the United States was as much as 36 per cent. During the twelve months to the middle of the current calendar year the volume of British industrial production, as measured by the Board of Trade index for all industries (including mining), has been 6 per cent. below the level of the calendar year 1929, but the volume of British overseas trade, in the same period, has been as much as 18 per cent. below the 1929 level. For 1933, the League of Nations computes the world's manufacturing industry at 78 per cent. of the 1929 level, its production of primary products at 91 per cent., and its international trade at only 75 per cent. in volume and 35 per cent. in value, in terms of 1929. It is clear, therefore, that the question of the geographical distribution of investment trust assets is of crucial importance both as regards the extent of past losses in earnings, and the time-table of future recovery.

There are two obstacles to a thoroughgoing inquiry into the distribution of trust company investments. In the first place, many companies disclose no particulars of "distribution," and the number of those who do becomes much smaller if one goes back even a few years. In the second place, the basis of calculation is not uniform in all cases. Some companies base their figures on the market value and others on the book value of their securities at a given date. Any attempt to reduce the two sets of data to a uniform basis involves dangerous and almost certainly misleading assumptions. We have considered it advisable, therefore, completely to segregate them in the three succeeding chapters of this survey. We have endeavoured first to present our readers with a "distribution" picture as complete as possible for the latest year, 1933, by drawing on the reports of all companies which afford the necessary information. Subsequently, we have endeavoured to elicit particulars of any significant change of trend during recent years of depression by comparing the figures for 1929 and 1933 of a (necessarily) smaller sample of companies whose results have been available for both periods. In a very small number of cases the original data have been based on market values in one year and book values in another. In every such instance we have treated 1929 book values as market values. This assumption, though arbitrary, is conservative, since in practically all cases book values in 1929 were well below market values. The number of companies to which this condition applies is, in any case, of minor importance. In the "geographical distribution" section, which follows, for example, it is no more than five.

different areas, and has been greater, e.g. in the case of foreign than of home investments. Taking first, therefore, the figures for 41 companies, which are based on "market values," it will be observed that there is a remarkable uniformity in the distribution of the pre-war and post-war portfolios. Broadly, rather less than half (48 per cent.) of the total investments are in the United Kingdom. Rather more than one-tenth are in other countries within the British Empire, and approximately the same proportion in the European Continent. The post-war trusts have gone rather more to the United States and rather less to Central and South America than the pre-war trusts, but neither group has gone to Far Eastern countries like Japan and China (included in the "Rest of the World" column in the table) for much more than one-twentieth of its total investments.

The figures calculated on "book values" show results varying slightly in detail from those based on "market values," but these are mainly explicable by the "price distortion factor," to which reference has already been made, and in general the figures confirm the conclusions reached in the preceding paragraph. It is improbable, in the conditions of the last four years, that book values have been written down very considerably.

Much the most important fact revealed by our analysis is that over half the total portfolio assets of British investment trusts are invested abroad. This "geographical spreading" of risks may have been calculated in normal times to lessen the risk of earnings fluctuations. In the peculiar conditions of the present depression, unfortunately, it has been a source of embarrassment. Of the "overseas" holdings, those in the "Empire" have presumably given most satisfactory results, for the British Dominions and Colonies form the most important part of the "sterling area," where recovery from depression has so far been most speedy and currency restriction, which has limited the remittance of interest and dividends, has been least in evidence.

"Empire" holdings, however (outside the United Kingdom), represent only about one-fifth of the trust companies' total overseas holdings. At least as large a proportion of their total investments, on the average, is held in Europe, where exchange "controls" and restrictions are numerous, or in the United States, where the fall in market values since 1929 has been severe, or in South America, where default has been all but endemic. Argentina, alone among South American countries, has maintained the full service of her Federal Government bonds, but the Argentine investments of most trust companies are less in Federal bonds than in those of the provinces and municipalities, or those of industrial undertakings, especially railways, whose interest and dividend payments have, in fact, fallen off very considerably.

In the light of these figures there is a strong presumption that the geographical distribution of investment trust assets has contributed materially to the downward trend of earnings during the depression of the last four years. The latter's peculiar incidence, as between Great Britain and foreign countries, and between home trade and foreign trade, could not, of course, have been foreseen by the most prescient investment trust managements. Investors, however, may ask how far the managements have been able to "switch" from securities in the more to those in the less depressed areas once the characteristic features of the depression have been clearly established. How do current percentage distribution figures compare with those, say, of 1929? Unfortunately, only about one-third of the companies whose reports show geographical distribution in 1933 give similar particulars for 1929. The following table summarises the available data:—

GEOGRAPHICAL DISTRIBUTION
1929 and 1933
(Amounts in £'000)

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated at market value:								
Total pre-war	5	7,825	1,476	2,769	4,738	3,338	843	21,489
Total post-war	9	2,538	939	1,341	1,744	2,379	461	9,422
Grand total	14	10,363	2,415	4,110	6,482	5,717	1,304	30,911

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated at market values:								
Total pre-war	5	7,613	1,467	1,967	2,476	2,373	700	16,596
Total post-war	9	2,755	1,008	1,221	1,062	1,177	431	7,654
Grand total	14	10,368	2,475	3,188	3,538	3,550	1,131	24,250

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated on book values:								
Total pre-war	8	11,875	2,622	1,248	4,540	2,645	1,707	24,637
Total post-war	12	5,095	2,508	1,738	2,224	3,830	884	16,279
Grand total	20	16,970	5,130	2,986	6,764	6,475	2,591	40,916

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated on book values:								
Total pre-war	8	11,829	3,921	1,584	4,389	2,444	1,847	26,014
Total post-war	12	5,773	2,640	1,604	2,085	3,176	918	16,196
Grand total	20	17,602	6,561	3,188	6,474	5,620	2,765	42,210

The total figures cover approximately 22 per cent. of the 1933 holdings of the entire trust movement, and may therefore be regarded, within limits, as fairly representative. The figures in the preceding table may be summarised thus, on a percentage basis:—

GEOGRAPHICAL DISTRIBUTION
1929 and 1933
(Percentages)

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated at market values:								
Total pre-war	5	36.4	6.9	12.9	22.0	17.9	3.9	100
Total post-war	9	27.2	10.0	14.2	18.5	23.2	4.9	100
Grand total	14	33.6	7.8	13.3	21.0	20.1	4.2	100

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated at market values:								
Total pre-war	5	45.9	8.8	11.9	14.9	14.3	4.2	100
Total post-war	9	36.0	13.2	15.9	13.9	15.4	5.6	100
Grand total	14	42.8	10.2	13.1	14.6	14.6	4.7	100

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated on book values:								
Total pre-war	8	48.3	10.6	5.1	18.4	10.7	6.9	100
Total post-war	12	31.3	15.4	10.7	13.7	23.5	5.4	100
Grand total	20	41.5	12.6	7.3	16.5	15.8	6.3	100

	No. of Cos.	United Kingdom	Empire	U.S.A.	Central and S. America	Europe	Rest of World	Total
Calculated on book values:								
Total pre-war	8	45.4	15.1	6.1	16.9	9.4	7.1	100
Total post-war	12	35.6	16.3	9.9	12.9	19.6	5.7	100
Grand total	20	41.7	15.6	7.6	15.3	13.3	6.5	100

As regards policy in the matter of "switching" from one group to another during depression, the "book value" figures are most informative. They suggest a degree of rigidity in geographical distribution which may come as a surprise to investors who may have attached importance to the ability of the companies to trim their sails to the prevailing wind. The figures suggest a certain desire to "fly" from devastated areas, like South America and Europe, for more profitable territories like Great Britain and the Empire; but the effect on the general distribution of assets has been relatively small.

If the desire to "switch geographically" be inferred from the "book value" figures, the "market value" percentages may be regarded as a reflection of its concrete effects in the conditions of the last four years. The post-war trust sample appears to include companies whose investments are less in the United Kingdom and more in Europe than the average. Subject to this qualification, it would appear that a larger proportion of investment trust holdings, at market values, was in Great Britain and the Empire in 1933 than in 1929, but that this was less a result of deliberate policy than of fact that the "foreign" securities had depreciated more rapidly in value than the "home" and "Empire" trust securities.

These conclusions may have a direct bearing on the policy of individual investors in trust company shares during a

Two Investments suitable for the prudent Investor:

1. Investors General Fixed Trust

An investment in
24 of the soundest
and strongest
companies in British
industry.

List of Companies:

Boots Pure Drug Co., Ltd.
Burma Corporation, Ltd.
Burmah Oil Co., Ltd.
J. & P. Coats Ltd.
Courtaulds Ltd.
Distillers Co., Ltd.
F. W. Woolworth & Co., Ltd.
Gas Light & Coke Co.
Government Gold Mining Areas Ltd.
Arthur Guinness, Son & Co., Ltd.
Imperial Chemical Industries Ltd.
Imperial Continental Gas Association.
Imperial Tobacco Co., Ltd.
J. Lyons & Co., Ltd.
London Brick Company and Forders Ltd.
London County Freehold and Leasehold Properties Ltd.
L. M. & S. Railway Co.
Marks & Spencer Ltd.
Robinson Deep Ltd.
Southern Railway Co.
Spillers Ltd.
Springs Mines Ltd.
Tube Investments Ltd.
United Dairies Ltd.

Yield: £4 - 12 - 0 per cent.

This gross yield of £4 12s. 0d. is based on actual dividends declared by the above-named companies in the past financial year. It does not include special capital bonuses declared amounting to a further £1 6s. 0d. per cent. which may not recur.

2. Investors Gas & Electric Trust

An investment in
14 outstanding
companies in the
gas and electrical
industries.

List of Companies:

Gas Light & Coke Co.
County of London Electric Supply Co., Ltd.
Callender's Cable & Construction Co., Ltd.
Victoria Falls & Transvaal Power Co. Ltd.
Electrical Distribution of Yorkshire, Ltd.
Calcutta Electric Supply Corporation, Ltd.
Scottish Power Co., Ltd.
Lancashire Electric Light & Power Co., Ltd.
British Columbia Power Corporation, Ltd.
Imperial Continental Gas Association.
South Metropolitan Gas Co.
Consolidated Gas, Electric Light & Power Co. of Baltimore.
Midland Counties Electric Supply Co., Ltd.
Metropolitan Electric Supply Co., Ltd.

Yield: £4 - 2 - 6 per cent.

This gross yield of £4 2s. 6d. does not take into account any new-issue rights. The proceeds of sale of these rights, based on the average of the last five years would represent an additional annual yield of approximately 15s. 0d. per cent.

Sub-units in either of these investments may be bought or sold through any Bank or Stockbroker, or through

The Trustees:

Royal Exchange Assurance

The Bankers:

Barclays Bank Limited

Full particulars of Investors General Fixed Trust may be obtained by writing for Booklet 16, and of Investors Gas and Electric Trust by writing for Booklet 16A to

The Managers:

Investors Specialised Fixed Trusts Ltd.

15 Moorgate, London, E.C.2

Telephones: METropolitan 9358

Telegrams: Infitrus, Stock, London

period of recovery. Other things being equal, it may be assumed that these companies must stand or fall by their present holdings. If the trusts made few significant changes in the distribution of their investments, under the spur of the fiercest depression the movement has known for nearly forty years, investors may be reluctant to assume the probability of dramatic developments of such a character in the near future. So far as the relative rate of revival in profits is concerned, those companies with more than the "normal" percentage of their investments in Great Britain and the Empire have the best prospects of early recovery in earnings, in view of the peculiar geographical distribution of industrial recovery so far. Other deductions of the same nature may be drawn. South America, in due course, may

INDUSTRIAL DISTRIBUTION OF INVESTMENTS

In the section which follows we have segregated the investments of all trust companies whose reports afford a sufficiently detailed basis for analysis under four heads, according to the manner of their employment. The four categories are: Government and Municipal Activities, Railways, Public Utilities, and General Industry.

For the year 1933 some 72 company reports are capable of dissection in this way. Of these, 29 companies base their figures on market values to a total of £46,965,000. Some 43 companies base their figures on book values to a total of £70,772,000. The same comprises approximately 39 per cent. of the total security holdings of all trust companies.

The industrial distribution of security holdings in 1933 is shown below:—

INDUSTRIAL DISTRIBUTION OF INVESTMENTS
1933

(Amounts in £'000)

	No. of Cos.	Govt. and Corp.	Railways	Public Utilities	Indus- trial and Miscel- laneous	Total
<i>Calculated at market values:</i>						
Pre-war English	5	2,454	3,686	2,853	9,779	18,752
Pre-war Scottish	4	1,331	1,547	1,349	7,362	11,589
Post-war English	14	1,276	1,148	964	6,193	9,581
Post-war Scottish	6	550	487	446	5,560	7,043
Total pre-war	9	3,785	5,233	4,202	17,141	30,341
Total post-war	20	1,826	1,635	1,410	11,753	18,624
Grand total	29	5,611	6,868	5,612	28,894	46,965
<i>Calculated on book values:</i>						
Pre-war English	14	4,838	5,341	2,723	22,464	35,366
Pre-war Scottish	5	319	522	648	4,360	5,849
Post-war English	21	3,580	3,002	2,164	18,110	26,856
Post-war Scottish	3	306	229	209	1,957	2,701
Total pre-war	19	5,157	5,863	3,371	26,824	41,215
Total post-war	24	3,886	3,231	2,373	20,067	29,557
Grand total	43	9,043	9,094	5,744	46,891	70,772

The results, on a percentage basis, may be summarised as follows:—

INDUSTRIAL DISTRIBUTION

1933

(Percentages)

	No. of Cos.	Govt. and Corp.	Railways	Public Utilities	Indus- trial and Miscel- laneous	Total
<i>Calculated at market values:</i>						
Total pre-war	9	12.5	17.2	13.8	56.5	100
Total post-war	20	11.0	9.8	8.5	70.7	100
Grand total	29	11.9	14.6	11.9	61.6	100
<i>Calculated on book values:</i>						
Total pre-war	19	12.5	14.2	8.2	65.1	100
Total post-war	24	13.1	10.9	8.0	68.0	100
Grand total	43	12.8	12.9	8.1	66.2	100

In some cases the heading "railways" includes tramways, but the amounts involved are of minor importance. It will be seen that, in the case of companies whose figures are based on book values, approximately two-thirds of the

enter the "recovery zone." Trusts with a large "European" portfolio may, to that extent, be slow to recover. Trusts with more than the average stake in America may be receiving a higher dollar income this year than last, but will have a considerably lower dollar exchange rate to reckon with.

Whatever variants on this theme may be suggested by individual ingenuity, however, the all-important consideration is that, as a "recovery yardstick," present investment distribution is much more reliable than past achievement; under world economic conditions which may not be reproduced for years to come. Accordingly, the analysis of distribution may be carried a stage further to cover investment by industries as distinct from geographical areas.

total portfolios have been invested in general industrial securities. The proportion is a little higher in the case of the post-war than of the pre-war trusts, but the difference is not considerable. The "Government and Corporation" column includes about one-eighth of the total, and the "Railways" column about the same proportion, the relative stake of the pre-war companies in the latter group being somewhat higher than that of the post-war companies. Only about 8 per cent. of the total in both classes is invested in public utility securities.

The smaller sample of companies whose figures are based on market values shows much the same general distribution, but important differences are revealed as regards the position of the pre-war and post-war companies. A larger proportion of the pre-war companies' investments, at market values, is in railway and public utility stocks and a smaller proportion in general industrial securities than in the case of the post-war companies.

The figures, on the whole, are reassuring for investors. They suggest, it is true, that trust companies, having few Government or Corporation security holdings, have participated only to a minor extent in the all-round rise in gilt-edged security values since 1932. On the other hand, defaults in interest payments by foreign Governments and municipalities cannot have harmed them seriously, for their stake in securities of this category, contrary to the popular impression, is not of major importance. Investment trust directors have also had reason to congratulate themselves on the sale, during and since the war, of numerous home and foreign railway stocks whose value has depreciated heavily of recent years. The proportion of railway securities was undoubtedly much larger before the war than at present. The war-time repatriation of many American railroad securities and the absence of inducement to post-war trusts to invest in an industry which was already making heavy weather before 1929 have preserved the trust companies from considerable losses. This does not apply, however, to a number of somewhat specialised trusts which have invested fairly heavily, e.g. in Argentine railways. On the other hand, the investment trust movement has no very large stake as yet in public utility industries, like gas and electricity, whose shares have made, perhaps, the best showing of any during the depression.

Clearly, the larger part of investment trust revenue must necessarily vary with the earning power of general industry. In due course the revival of industrial activity in the last few months will be reflected in investment trust profits. The unequal distribution of increased activity, however, among different countries, to which reference has already been made, will prevent all trusts from benefiting identically and simultaneously. In the near future the speediest recovery may be looked for (other things being equal) in the earnings of companies which have the largest percentage of their resources invested (a) at home, and (b) in general industrial securities.

How far have the trust companies been able, or willing, to "switch" from one industrial group to another during the period of depression? Data for 1929 are available, under all four industrial categories, for 23 companies whose figures are based on "book values," but for only eight companies using "market values." The former group, in 1933, held approximately 13½ per cent. of the total securities

of the movement, and their results are reasonably representative. The "market values" sample, however, included only 7 per cent. of the total, and the figures must be interpreted with caution. The results are given:—

INDUSTRIAL DISTRIBUTION, 1929 AND 1933
(Amounts in £'000)

	No. of Cos.	Govt. and Corp.	Rail- ways	Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated at market values:</i>						
Total pre-war	4	2,955	6,195	2,651	9,781	21,582
Total post-war	4	407	387	311	1,591	2,696
Grand total	8	3,362	6,582	2,962	11,372	24,278

	No. of Cos.	Govt. and Corp.	Rail- ways	Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated at market values:</i>						
Total pre-war	4	2,221	3,435	2,601	8,378	16,635
Total post-war	4	231	220	220	1,555	2,226
Grand total	8	2,452	3,655	2,821	9,933	18,861

	No. of Cos.	Govt. and Corp.	Rail- ways	Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated on book values:</i>						
Total pre-war	10	3,381	4,068	964	16,807	25,220
Total post-war	13	3,024	2,067	1,939	12,970	20,000
Grand total	23	6,405	6,135	2,903	29,777	45,220

	No. of Cos.	Govt. and Corp.	Rail- ways	Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated on book values:</i>						
Total pre-war	10	3,442	3,595	1,465	16,357	24,859
Total post-war	13	2,860	1,987	1,583	13,235	19,665
Grand total	23	6,302	5,582	3,048	29,592	44,524

The corresponding percentage figures follow:—

INDUSTRIAL DISTRIBUTION, 1929 AND 1933

(Percentages)

	No. of Cos.	Govt. and Corp.	Railways	Public Utilities	Indus- trial and Miscel- laneous	Total
<i>Calculated at market values:</i>						
Total pre-war	4	13.7	28.7	12.3	45.3	100
Total post-war	4	15.1	14.4	11.5	59.0	100
Grand total	8	13.9	27.1	12.2	46.8	100

	No. of Cos.	Govt. and Corp.	Railways	Public Utilities	Indus- trial and Miscel- laneous	Total
<i>Calculated at market values:</i>						
Total pre-war	4	13.4	20.6	15.6	50.4	100
Total post-war	4	10.4	9.9	9.9	69.8	100
Grand total	8	13.0	19.4	14.9	52.7	100

	No. of Cos.	Govt. and Corp.	Railways	Public Utilities	Indus- trial and Miscel- laneous	Total
<i>Calculated on book values:</i>						
Total pre-war	10	13.4	16.1	3.8	66.7	100
Total post-war	13	15.1	10.3	9.7	64.9	100
Grand total	23	14.2	13.6	6.4	65.8	100

	No. of Cos.	Govt. and Corp.	Railways	Public Utilities	Indus- trial and Miscel- laneous	Total
<i>Calculated on book values:</i>						
Total pre-war	10	13.8	14.5	5.9	65.8	100
Total post-war	13	14.5	10.1	8.1	67.3	100
Grand total	23	14.2	12.5	6.8	66.5	100

The "book values" percentages for the two years suggest that there have been no important "switches" during the depression from one main category to another. On the whole, there may have been a slight movement out of railways into public utilities and general industrials, but its effects in the aggregate are hardly noticeable.

The "market value" figures can be supplemented, to a useful extent, by those of companies whose 1929 reports show industrial distribution, but include railways and public utilities under a single heading. The list can further be extended by bringing in the figures of five companies which based their results on "market values" in 1933 and "book values" in 1929. The same conservative assumption may be made as before, i.e. that 1929 "book

values" were equivalent to "market values." These additions raise the total number of "market value" results, available for the two years, to 16, representing about 11 per cent. of all trust company holdings. The combined figures, in amounts and percentages, are as follows:—

INDUSTRIAL DISTRIBUTION, 1929 AND 1933

"Market Values" Extended Sample

(Amounts in £'000)

	No. of Cos.	Govt. and Corp.	Railways and Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated at market values:</i>					
Total pre-war	7	3,456	10,951	14,475	28,882
Total post-war	9	992	2,277	5,627	8,896
Grand total	16	4,448	13,228	20,102	37,778

	No. of Cos.	Govt. and Corp.	Railways and Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated at market values:</i>					
Total pre-war	7	2,652	7,554	12,533	22,739
Total post-war	9	841	1,554	4,763	7,158
Grand total	16	3,493	9,108	17,296	29,897

"Market Values" Extended Sample

(Percentages)

	No. of Cos.	Govt. and Corp.	Railways and Public Utilities	Industrial and Mis- cellaneous	Total
<i>Calculated at market values:</i>					
Total pre-war	7	12.0	37.9	50.1	100
Total post-war	9	11.1	25.6	63.3	100
Grand total	16	11.8	35.0	53.2	100

The market value of the securities held by the 16 companies has fallen, between 1929 and 1933, from £37,778,000 to £29,897,000, or by 20.8 per cent. On the other hand, the "book value" of the securities of the 23 companies whose results were shown in an earlier table declined, over the same period, only from £45,220,000 to £44,524,000, or by 1.4 per cent. Examination of the same earlier table will show, further, that the "book value" figures for the 23 companies as a whole were much the same in 1929 and 1933, even in individual groups. Under "Government and Corporation" the respective totals were £6,405,000 and £6,302,000. Under "Railways and Public Utilities" (taken together), they were £9,038,000 and £8,630,000. Under "Industrial and Miscellaneous," they were £29,777,000 and £29,592,000, respectively.

These facts, placed in juxtaposition, afford a very approximate basis for calculating the incidence of market depreciation on the three main groups of securities. For the purposes of this highly tentative but instructive measurement, let us assume (a) that the 16 "market value" companies similarly made no change in the general industrial distribution of their portfolios between 1929 and 1933; and that, therefore, (b) the fall in the 1933 "market value" total in each group is, roughly, proportionate to the extent of market depreciation. The results are given:—

CHANGES IN MARKET VALUE OF SIXTEEN TRUST PORTFOLIOS

Nature of Securities	Change 1933 compared 1929 Per cent.
Government and corporation	-23.2
Railways and public utilities	-30.9
Industrial and miscellaneous	-13.3
All securities	-21.3

Though the figures must be interpreted with the greatest possible caution, they certainly go some way to suggest that the trusts have suffered most depreciation, since 1929, on their railway holdings, and least depreciation on their general industrial holdings. Even after allowance for a certain tendency to "switch" from the one group to the other, this general conclusion seems largely to hold good.

A further analysis of "distribution" remains to be made. This is concerned with the market classification of investments, and is discussed in the succeeding section.

FORM OF INVESTMENTS (DEBENTURES, PREFERENCE, etc.)

SOME 113 trust companies published figures for 1933 showing the distribution of their investment portfolios as between debenture, preference and ordinary stocks. Of these, some 46 with a total portfolio valued at £63,812,000 based their figures on "market values," while 67 with a total portfolio of £114,905,000 based theirs on "book values." The sample covers rather more than 58 per cent. of total investment trust holdings.

The results of our analysis are shown below:—

NATURE OF INVESTMENTS
1933

Amounts in £'000

	No. of Cos.	Debenture	Preference	Ordinary	Total
Calculated at market values:					
Pre-war English.....	5	3,318	4,704	4,576	17,598
Pre-war Scottish.....	10	3,104	5,573	6,986	20,663
Post-war English.....	15	4,043	2,950	3,283	10,281
Post-war Scottish.....	16	4,395	6,822	15,270	26,487
Total pre-war.....	15	16,422	10,277	11,562	38,261
Total post-war.....	31	8,443	7,003	10,105	25,551
Grand total.....	46	24,865	17,280	21,667	63,812
Calculated on book values:					
Pre-war English.....	19	23,585	10,896	17,337	51,818
Pre-war Scottish.....	11	5,184	8,117	13,440	26,741
Post-war English.....	30	14,552	8,021	15,955	38,528
Post-war Scottish.....	7	1,830	1,451	2,838	6,119
Total pre-war.....	30	28,769	16,035	25,454	70,258
Total post-war.....	37	16,382	9,472	18,793	44,647
Grand total.....	67	45,151	25,507	44,247	114,905

On a percentage basis, the figures may be summarised as follows:—

NATURE OF INVESTMENTS
1933

Percentages

	No. of Cos.	Debenture	Preference	Ordinary	Total
Calculated at market values:					
Total pre-war.....	15	42.9	26.9	30.2	100
Total post-war.....	31	33.0	27.4	39.6	100
Grand total.....	46	38.9	27.1	34.0	100
Calculated on book values:					
Total pre-war.....	30	41.0	22.8	36.2	100
Total post-war.....	37	36.7	21.2	42.1	100
Grand total.....	67	39.3	22.2	38.5	100

Taking the "book value" figures first, it appears that both the pre-war and the post-war trusts have slightly more than one-fifth of their funds invested in preference stocks and shares. There is strong evidence, however, of difference of policy as regards debenture stocks (including bonds) and ordinary stocks respectively. The older trusts have over two-fifths of their investments, at book values, in debentures and bonds. They have only a little more than one-third invested in "equity" stocks. In the case of the post-war companies, these proportions are almost exactly reversed. Taking both groups of trusts together, there were £160 of "fixed interest" stocks, in 1933, for every £100 of "variable dividend stocks." The respective "fixed" holdings of the pre-war and post-war trusts were £177 and £138. The newer trust companies, clearly have a larger stake in equity stocks than the older companies.

Our analysis of the portfolios of 46 companies whose figures are based on market values shows a broadly similar distribution, if allowance be made for the fact that depreciation in market prices since 1929 has been heavier in equities than in fixed-interest securities.

If all the resources of British trust companies had been invested in home industry, this "spread" between the three classes of security, and predominance of fixed-interest investments, would have tended to mitigate the fall both in revenue and capital values during the last four years. Part of the case lately urged for the "fixed trust," as distinct from the "management trust," rests on the contention that the former's concentration on equity stocks must necessarily

be an advantage. This assumption, however, is valid only under special conditions. It is true (a) when industrial earnings and dividends are rising; and (b) when equity quotations, consequently, are rising faster than debenture or preference quotations. These conditions, normally, are encountered only in a single phase of the Stock Exchange cycle. At other times the absence of "ballast" may be a serious disadvantage. For example, here are the fluctuations in the representative market values of British securities, between December, 1928, and December, 1933, according to the Actuaries Index:—

CHANGES IN MARKET VALUES

Group	Average Value— End 1933 compared End 1928
Industrial debentures.....	+15.5
" preference.....	+4.2
" ordinary.....	-30.4

If the 67 investment trusts, shown in a preceding table as holders of "book value" securities to a 1933 total of £114,905,000, had invested that amount, at the end of 1928, entirely in home equities, on "fixed trust" lines, their holding would have shown a depreciation of £35 millions (30.4 per cent.) by the end of 1933. If the same amount, however, had been divided between domestic debenture, preference and equity stocks, in the proportions actually outstanding for these companies in 1933 (39.3, 22.2 and 38.5 per cent., respectively), the total 1933 depreciation would have been under £5½ millions (4.6 per cent.). So much for the claim that exclusive investment in equities is beneficial under all conditions.

Actually, the average depreciation of investment trust portfolios, in 1933, below book values, was approximately 19½ per cent. (see page 16). This relatively unfavourable showing suggests that other factors besides "investment classification" have had a depressing influence on portfolio values. Foreign investments, which are over half the whole, have depreciated more than home investments. Non-industrial holdings, as we showed in the preceding section, have shown considerably greater depreciation than industrial stocks. In short, we may conclude that the distribution of investments as between debentures, preference stocks, etc., is calculated in itself to make for stability in periods of depression. The trusts' policy of geographical distribution, however, has had an opposite effect. The one type of "spreading" has been a source of strength, and the other of weakness.

Whether, under a regime of recovery, the exact converse will apply is a more doubtful question. Foreign holdings may be a serious drag on earning power and capital values if the world's leading nations maintain a restrictionist attitude towards international trade. Further, income from debenture stocks may not return to the pre-depression level. Many industrial companies have converted their prior charges to lower interest rates in the last two years. Reduction, by default and otherwise, has been even more drastic in the case of foreign bonds, and an eventual scaling down of interest and principal on many foreign obligations seems inevitable.

It is unlikely that the trust companies will be able to switch over, on a large scale, from fixed-interest stocks to equities in the near future. There is little evidence of "switching" during the last four years.

The table below contrasts the figures for 1929 and 1933 of 17 available companies on a "market values" basis and of 29 companies on a "book values" basis:—

NATURE OF INVESTMENTS

1929 and 1933

Amounts in £'000

1929

"Market Values"

	No. of Cos.	Debenture	Preference	Ordinary	Total
Calculated at market values:					
Pre-war Trusts.....	9	17,856	9,001	8,400	35,257
Post-war Trusts.....	8	3,017	1,700	2,456	7,203
Grand total.....	17	20,873	10,701	10,856	42,430

1933
"Market Values"

	No. of Cos.	Debenture	Preference	Ordinary	Total
Calculated at market values:					
Pre-war Trusts.....	9	13,385	7,610	6,151	27,146
Post-war Trusts.....	8	2,243	1,624	1,985	5,852
Grand total.....	17	15,628	9,234	8,136	32,998

1929
"Book Values"

	No. of Cos.	Debenture	Preference	Ordinary	Total
Calculated on book values:					
Pre-war Trusts.....	13	17,747	7,684	11,439	36,870
Post-war Trusts.....	16	10,321	4,455	8,626	23,402
Grand total.....	29	28,068	12,139	20,065	60,272

1933
"Book Values"

	No. of Cos.	Debenture	Preference	Ordinary	Total
Calculated on book values:					
Pre-war Trusts.....	13	17,049	7,747	12,987	37,783
Post-war Trusts.....	16	8,682	4,699	9,472	22,853
Grand total.....	29	25,731	12,446	22,459	60,636

The following table expresses these results on a percentage basis:—

Percentages

	No. of Cos.	Debenture	Preference	Ordinary
Calculated at market values:				
Pre-war Trusts.....	9	50.7	25.5	23.8
Post-war Trusts.....	8	42.3	23.6	34.1
Grand total.....	17	49.2	25.2	25.6

	No. of Cos.	Debenture	Preference	Ordinary
Calculated at market values:				
Pre-war Trusts.....	9	49.3	28.0	22.7
Post-war Trusts.....	8	38.3	27.8	33.9
Grand total.....	17	47.4	28.0	24.6

	No. of Cos.	Debenture	Preference	Ordinary
Calculated on book values:				
Pre-war Trusts.....	13	48.1	20.8	31.1
Post-war Trusts.....	16	44.1	19.1	36.8
Grand total.....	29	46.6	20.1	33.3

	No. of Cos.	Debenture	Preference	Ordinary
Calculated on book values:				
Pre-war Trusts.....	13	45.1	20.5	34.4
Post-war Trusts.....	16	38.0	20.5	41.5
Grand total.....	29	42.5	20.5	37.0

The figures afford *prima facie* evidence of a movement from bonds and debentures to ordinary stocks (rather more marked, possibly, in the post-war than the pre-war companies), but the general distribution of assets has been modified to a very slight extent.

It has been found possible to obtain only a very small but interesting sample of companies (all of pre-war formation) whose distribution figures go back to 1924. Their results are given below:—

NATURE OF INVESTMENTS

1924, 1929 and 1933

Amounts in £'000

	Year	Debenture	Preference	Ordinary	Total
Calculated at market values:					
4 pre-war Companies.....	1924	3,882	1,500	1,128	6,510
	1929	4,977	2,478	2,304	9,659
	1933	3,443	2,105	1,759	7,307
Calculated on book values:					
8 pre-war Companies.....	1924	10,300	3,056	6,484	19,840
	1929	13,323	6,186	8,876	28,385
	1933	12,866	6,234	10,071	29,171

Percentages

	Year	Debenture	Preference	Ordinary	Total
Calculated at market values:					
4 pre-war Companies.....	1924	59.7	23.0	17.3	100
	1929	51.5	25.7	22.8	100
	1933	47.1	28.8	24.1	100
Calculated on book values:					
8 pre-war Companies.....	1924	51.9	15.4	32.7	100
	1929	46.9	21.8	31.3	100
	1933	44.1	21.4	34.5	100

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Light, Power, etc. - 10.7%	Newspapers and Paper - 3.8%
Transport and Communication - 6.7%	Manufacturers - 2.6%
Oil - 5.8%	Textiles - 2.6%
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This sample of companies is minute, and may not necessarily be representative. So far as it goes, however, it suggests that, over the last decade, there has been a perceptible movement away from debentures and bonds. During the "prosperity period," however, between 1924 and 1929, the companies shown in the table tended to switch, not primarily (in some cases not at all), into equities, but into preference stocks. The term "switch," however, is misleading, for the change in percentage distribution arose mainly from new additions to total portfolios. These appear to have been distributed fairly evenly, in absolute amounts, between the three categories of stocks, but to have represented varying *proportionate* additions to each class, in view of the pre-existing unequal distribution of resources.

INVESTMENT TRUST CAPITALISATION

In earlier sections of this Review, frequent reference has been made to the effect of investment trust company capitalisation on profits and dividends, in prosperity and depression. It has been shown that the existence of a large *corpus* of "fixed" payments on debenture and preference stocks has tended to transmit the entire effects of earnings' fluctuations to equity stockholders, and thus to accentuate the element of instability in their position. For example, it has been shown that whereas the total earnings of 92 pre-war trusts in 1933 were 33 per cent. below the 1929 level, the earnings available for ordinary stocks were as much as 58 per cent. below 1929. In the case of 83 post-war trusts, the net decline in total earnings over the same period was 28 per cent.; the decline in equity earnings was no less than 81 per cent. If the period of depression is at or near its end, and improving conditions may be looked for over the next few years, this question of "leverage" may be of major importance to investors who are comparing the relative "recovery expectations" of various trust company junior stocks. Accordingly, in the present chapter we propose to examine the capitalisation figures of a large sample of companies, embracing, for the latest year (1933), some 126 concerns, holding securities to a total book value of £208,808,000, i.e. nearly two-thirds of the total holdings of all investment trust companies. The companies chosen include all those whose "distribution" figures have been previously analysed in earlier sections, with a few additions.

These companies, in 1933, had short-term debentures outstanding (redeemable compulsorily within twelve years) to a total of £6,929,000 and long-term debentures outstanding to a total of £71,539,000. The aggregate amount of their preference stocks was £65,403,000, and of their ordinary stocks £54,574,000.* Thus, of a total capitalisation of £198,445,000 some 3.5 per cent. was represented by short-term debenture stocks, 36.0 per cent. by long-term debenture stocks, 33.0 per cent. by preference stocks, and 27.5 per cent. by ordinary stocks. Fixed-interest stocks, in other words, were to ordinary stocks in the ratio of 72.5:27.5, or 2.635:1.

What proportion of the total "fixed-interest" capital is convertible to a cheaper basis if general interest rates continue low? What are the average rates payable on the remainder? The short-term debenture has not found favour with English trust companies, but the Scottish companies have resorted to the short-term debenture more widely. Thirty out of fifty companies in our analysis had, in 1933, debentures with a compulsory maturity date in the next twelve years, the customary periods being two, three or five years. These, as they mature, are being replaced by issues at lower rates of interest. Short-term debentures, however, account for only a minor part of the movement's capitalisation. For the whole 126 companies in our sample, short-term debentures total only £6,747,000, equivalent to only 8.8 per cent. of the total debenture stocks outstanding, and only 4.8 per cent. of the total "fixed capital" (debenture and preference). For the Scottish companies the proportions are about one-fifth and rather more than one-tenth respectively.

* Throughout the analysis, the expression "preference stocks" includes preferred ordinary stocks, and "ordinary" includes deferred ordinary stocks.

On the other hand, the tendency to increase the "equity" proportion, between 1929 and 1933, would seem to have reflected a conscious desire to "switch," in a period when total available resources showed little or no expansion. The actual change in percentage distribution, however, was slight. The figures, in fact, confirm the impression of "rigidity" given by earlier figures, based on a larger number of companies. Our investigation, indeed, strongly suggests that "management" and "fixity" as applied to investment trust practice, are relative terms. The popular impression that trust company managers can rapidly alter the composition of their portfolios, to secure themselves against unfavourable contingencies, is certainly not confirmed by the results of these analyses.

What is the position as regards long-term debentures? Under this category we include debentures which are (a) irredeemable, and (b) redeemable only at the companies' option before a given date. The great majority of trust company debentures are "redeemable." Some 102 of our 126 companies had long-term debentures outstanding in 1933, as many as 97 companies having redeemable debentures, while only 11 had issued irredeemable debentures. (These totals include 6 companies which had both redeemable and irredeemable issues outstanding.) It will be seen that the "perpetual" debenture is not a characteristic capital medium of the investment trust movement. The post-war trusts have avoided it almost altogether. Out of 51 such companies in our sample, 50 have no irredeemable debentures whatsoever. Among 51 pre-war companies, 47 have redeemable and 10 have irredeemable debenture stocks outstanding (6 companies having both). As regards this aspect of "policy," there is little difference in practice between the English and the Scottish companies. The following table summarises the position in 1933:—

LONG-TERM DEBENTURE STOCKS, 1933

	No. of Companies Analysed	No. of Companies with Long- Term Debenture Stocks	No. of Companies with Redeemable Debenture Stocks	No. of Companies with Irredeemable Debenture Stocks	Total Re- deemable Debenture Stocks	Total Irredeemable Debenture Stocks	Total All Debenture Stocks
Pre-war Trusts.....	54	51	47	10	£'000 39,244	£'000 7,168	£'000 46,412
Post-war Trusts ...	72	51	50	1	24,527	600	25,127
English Trusts.....	76	58	54	6	40,784	4,175	44,959
Scottish Trusts	50	44	43	5	22,987	3,593	26,580
Grand total.....	126	102	97	11	63,771	7,768	71,539

The 126 companies have over a third of their total capitalisation* in long-term debenture stocks, but nearly nine-tenths of the debenture total can be redeemed or converted to lower interest rates *eventually*. But how long is the average period before *earliest* redemption? Data on this question are not readily accessible in all cases. An unweighted average of 47 English trust companies, however, gives thirty years as the average period of earliest redemption. A similar unweighted average for 29 Scottish companies gives 31.1 years. For the 76 companies the average is just under 30½ years. As this sample covers at least a third of the entire trust company field, it may reasonably be concluded that the present level of long-term debenture interest is "permanent" so far as the present generation of investors is concerned.

How heavy, then, is this quasi-permanent burden?

A group of investment trust companies recently "placed" new 3½ per cent. debenture stock at 94½, to yield approximately 3¾ per cent. to a thirty-one year maturity. The average yield on the mixed bag of 35 industrial debentures included in the Actuaries' Index is just under 4 per cent. The investment trusts are paying considerably more than "replacement rates" on their debenture stocks, as the tables on the following page suggest.

* See page 15-16.

ANNUAL DEBENTURE INTEREST REQUIREMENTS, 1933
(Gross, before Tax)

(a) Redeemable Long-Term Debenture Stocks			
	Number of Companies	Total Required for Annual Interest (£'000)	Average Rate of Interest (%)
Pre-war Trusts	47	1,778	4.53
Post-war Trusts	50	1,165	4.75
English Trusts	54	1,855	4.55
Scottish Trusts	43	1,088	4.74
Grand Total ...	97	2,943	4.61
(b) Irredeemable Long-Term Debenture Stocks			
	Number of Companies	Total Required for Annual Interest (£'000)	Average Rate of Interest (%)
Pre-war Trusts	10	310	4.33
Post-war Trusts	1	30	5.00
English Trusts	6	174	4.17
Scottish Trusts	5	166	4.62
Grand Total ...	11	340	4.38
(c) All Long-Term Debenture Stocks			
	Number of Companies	Total Required for Annual Interest (£'000)	Average Rate of Interest (%)
Pre-war Trusts	51	2,088	4.50
Post-war Trusts	51	1,195	4.76
English Trusts	58	2,029	4.51
Scottish Trusts	44	1,254	4.72
Grand Total ...	102	3,283	4.59

As might be expected, the post-war companies are paying more on their debenture stocks than the pre-war companies, their average rate being about 4½ per cent., against 4¼ per cent. The same phenomenon, curiously enough, is disclosed by a geographical analysis, the Scottish companies on the whole having a long-term debenture rate of interest about ½ of 1 per cent. above the English trusts. The average for the whole 102 companies is 4.59 per cent. This rate is 0.60 per cent. above the current yield level of investment trust debenture stocks in the market (according to the Actuaries' Index).

The figures offer a partial explanation of the "rigidity" in portfolio distribution, to which reference has already been made. The trusts cannot replace any part of their existing portfolios by new purchases of home industrial debentures, at current market prices, to yield them as much as they are paying on their own debentures.

Approximately one-third of the total 1933 capitalisation of the companies under examination was in the form of preference stocks. These, having been almost entirely issued before the Companies' Act of 1929 legalised the redeemable preference share, were irredeemable, except in liquidation. In practically every case dividends are "cumulative," our sample yielding only one instance of a non-cumulative preference share. Details of the position in 1933 follow:—

PREFERENCE STOCKS, 1933

	Number of Companies	Total Preference Stocks	Total required for Annual Dividends, Gross	Average Rate of Dividend, Gross
Pre-war Trusts	54	£'000 36,830	£'000 1,773	% 4.81
Post-war Trusts	65	28,573	1,455	5.09
English Trusts	70	39,877	1,979	4.96
Scottish Trusts	49	25,526	1,249	4.89
Grand total	119	65,403	3,228	4.94

The post-war trusts have issued their preference stocks, like their debenture stocks, at a higher rate than the pre-war trusts. The average for all the companies is just under 5 per cent. The yield on industrial preference stocks at current market prices, according to the Actuaries' Index, is 4.21 per cent. The trusts, therefore, cannot "switch" into either home debentures or preference stocks to cover the requirements of their own stocks.

Their total outstanding ordinary stocks are analysed in the table at the head of the following column.

TOTAL ORDINARY STOCKS, 1933

	Number of Companies	Total Ordinary Stocks Outstanding (£'000)
Pre-war Trusts	54	29,900
Post-war Trusts	72	24,674
English Trusts	76	38,373
Scottish Trusts	50	16,201
Grand total	126	54,574

We may now summarise the results disclosed in this chapter. The following table sets out the total capitalisation of the companies, and the proportion of each class of capital to the whole:—

INVESTMENT TRUST CAPITALISATION, 1933
PERCENTAGE SUMMARY

	No. of Companies Analysed	Total Capitali- sation	Distribution				
			Debenture		Preference	Ordinary	All Stocks
			Short- Term	Long Term			
Pre-war Trusts.....	54	£'000 118,319	% 4.4	% 39.3	% 31.1	% 25.2	% 100
Post-war Trusts ...	72	80,126	2.2	31.3	35.7	30.8	100
English Trusts.....	76	123,389	Nil	36.5	32.3	31.2	100
Scottish Trusts	50	75,056	9.0	35.4	34.0	21.6	100
Grand total.....	126	198,445	3.5	36.0	33.0	27.5	100

The Scottish trust companies, which have nearly one-tenth of their issued capital in the form of short-term debenture stocks, have little more than a fifth of their total capitalisation in equity stocks. The English trusts are somewhat "lower geared," but even in their case ordinary stocks account for less than a third of the total capitalisation. The post-war trusts are "lower geared," on the average, than the pre-war.

The effect of "high gearing" may be gathered from the concluding table of this section, which follows:—

EFFECT OF "GEARING" (1933)

	Number of Companies	Total required for Debenture Interest and Preference Dividends*	Percentage on Total Capitalisation*	Every Additional 1% Earned on Total Capitalisation is equivalent to following Earnings on Ordinary
Pre-war Trusts	54	£'000 3,861	3.42	% 3.79
Post-war Trusts	72	2,650	3.38	3.18
English Trusts	76	4,008	3.25	3.22
Scottish Trusts	50	2,503	3.66	4.22
Grand total	126	6,511	3.40	3.51

* Excluding short-term debentures.

The "capitalisation" figures used in this table exclude short-term debentures, and thus embrace all the quasi-permanent capital obligations of the 126 companies which, as we have seen, cannot normally be "reduced" for the next generation. It will be seen that the movement as a whole can meet its fixed obligations so long as its net earnings (after expenses) remain somewhat above the current yield level of long-term British Government stocks (about 3 per cent.), but below the yield level of home industrial debentures (3.99 per cent.) and preference shares (4.21 per cent.). This is a reassuring conclusion for holders of investment trust debenture and preference stocks.

So long as total earnings are fluctuating, however, the position of investment trust ordinary stocks has an element of the speculative. Every rise or fall of 1 per cent., in the ratio of earnings to total capitalisation (excluding short-term debentures), is equivalent on the average to 3½ per cent. on the ordinary capital.

There may be ground for the belief that investment trust profits are now at or near their nadir, and that the "time-lag" between changes in industrial profits and their reflection in investment trust reports will henceforth operate in their favour. If so, the rate of recovery in equity earnings and dividends will be considerably expedited by high "gearing." Due allowance must be made, however, for the facts, previously revealed, (a) that more than half the investments of the movement are held abroad, and (b) that nearly two-thirds are in fixed-interest securities.

MARKET VALUES AND CAPITAL "COVER"

IN one sense the market valuation of an investment trust's portfolio, at any particular moment, is of secondary concern. Every company stands or falls by its ability to earn profits, and every stockholder values his security from the viewpoint of income, with only a passing reference to the extent to which his capital would be covered in an imaginary "break-up." Prudent managers, however, in an imaginary "break-up," in normal times, to avoid depreciation in their security holdings, and to create a substantial "inner reserve" by writing down their book values below market values. No survey of investment values, therefore, would be comprehensive without a description of the extent to which recent conditions have tended to "uncover" investment trust capital.

It has been shown, first, that the portfolio of the average investment trust, in 1933, consisted, as to more than half, of "foreign" securities, as to about two-thirds of general industrial holdings, and to much the same extent of non-equity stocks; and, secondly, that the distribution was broadly similar both for pre-war and post-war companies. How far have these conditions affected the capital position, in view of the very considerable fall in the market value of many securities between 1929 and 1933?

Taking the same sample of 126 companies analysed in earlier sections, we find that market values compared as follows with book values in 1933:—

BOOK AND MARKET VALUES COMPARED
1933

	No. of Companies	Total Book Value of Securities	Total Market Value of Securities	Market Value Compared with Book Value
Pre-war English	29	£'000 84,388	£'000 73,794	-12.5
Pre-war Scottish	25	56,011	46,305	-17.3
Post-war English	47	53,575	39,227	-26.9
Post-war Scottish	25	30,929	22,491	-27.3
Total pre-war	54	140,399	120,099	-14.6
Total post-war	72	84,504	60,718	-28.2
Grand total	126	224,903	180,817	-19.6

The pre-war English trusts have an appreciably lower "depreciation percentage" than the pre-war Scottish trusts. Both have a much lower percentage than the post-war companies. The explanation is twofold. First, the pre-war companies appear to have purchased their holdings at a lower average market level than the post-war companies, many of whom were formed in the period of high values which broke so dramatically in 1929. Secondly, the pre-war companies have made good use of their opportunities to apply capital and revenue profits, over many years, in writing down the book value of their portfolios. They started, as it were, "below scratch," at the outset of depression.

We have already pointed out (see page 12) that an imaginary "fixed trust," established at the end of 1928 to hold the stocks of the Actuaries' Index in the proportions revealed by a large sample of investment trusts in 1933, would, last year, have suffered depreciation in market values of some 4½ per cent. The percentages disclosed in the preceding table are much more considerable, particularly in the case of the post-war companies. It is difficult to dissociate this result from the geographical location of a large proportion of trust company investments, with its emphasis on foreign rather than domestic "placing."

It has not been found possible to go back further than 1929, in this inquiry, as regards any considerable number of post-war trust companies. Figures for 1924, however, are available for as many as 48 of the 54 pre-war companies included in our original sample, and throw an interesting light on changes in portfolio values over the last decade. They are subject, however, to one important qualification. A large proportion of the pre-war trust companies recorded in their 1929 reports that the market value of their securities was higher than the book value. In many cases, unfortunately, the extent of this excess was indicated only by general terms,

e.g. "substantial appreciation" or "considerably in excess. . . ." In these instances it has been impossible even to guess at its amount, and we have been compelled to base our market value figures on book values. The totals for 1924 and 1929, therefore, in the table which follows, may be regarded as affording an understatement of aggregate market values at those dates, while the decline since 1929 has certainly been greater than the table suggests:—

TOTAL BOOK VALUES

	Number of Cos.	Amounts (£'000)			1929 = 100		
		1924	1929	1933	1924	1929	1933
Pre-war English	26	53,463	74,692	77,079	71.6	100.0	103.2
Pre-war Scottish	22	29,930	48,689	51,485	61.5	100.0	105.8
Total pre-war	48	83,393	123,381	128,564	67.6	100.0	104.3

CALCULATED MARKET VALUES

	Number of Cos.	Amounts (£'000)			1929 = 100		
		1924*	1929*	1933	1924*	1929*	1933
Pre-war English	26	54,305	78,171	66,289	69.5	100.0	84.8
Pre-war Scottish	22	31,674	52,682	42,311	60.2	100.0	80.4
Total pre-war	48	85,979	130,853	108,600	65.7	100.0	83.0

* These figures probably understate actual market values.

Neglecting the factor of "conservatism" in 1924 and 1929 aggregate valuations, it would appear that both book values and market values increased *pari passu* between 1924 and 1929, but that thereafter, while book values increased by a further 4.3 per cent., market values declined by 17.0 per cent. It is clear, furthermore, that a wide expansion in investment trust operations occurred between 1924 and 1929, as a result of which something like 30 or 40 per cent. of the "older" trusts' portfolios (at book values), in the latter year, consisted of "new" securities. The Scottish companies, which followed a perceptibly more forward policy than the English in the period of expansion, suffered—as might be expected—rather more considerably in the period of depression. Further implications of this difference in pre-depression policy will appear in subsequent analysis.

How far has depression left the issued stocks of the trust companies "uncovered" by assets? The next table supplies an answer. We have ascertained, for our sample of 126 companies, (a) the total requirements, in a break-up, of each of the three classes of issued capital, inclusive of any premiums payable on the redemption of debenture stocks, and (b) the total available assets in 1933, including (i) investment portfolios at market value, and (ii) any surplus or deficiency in net current assets. §

"BREAK-UP COVER" FOR SENIOR STOCKS
1933

	Number of Cos.	Break-up Value of Assets*	Total Debenture Stocks†	No. of Times "Covered"‡	Total Preference Stocks	Number of Times "Covered"‡
Pre-war English	29	£'000 72,994	£'000 31,281	2.33	£'000 21,034	1.39
Pre-war Scottish	25	44,424	21,557	2.06	15,796	1.19
Post-war English	47	36,029	14,796	2.44	18,843	1.07
Post-war Scottish	25	21,438	12,130	1.77	9,730	0.98
Total pre-war	54	117,418	52,838	2.22	36,830	1.31
Total post-war	72	57,467	26,926	2.13	28,573	1.04
Grand total	126	174,885	79,764	2.19	65,403	1.21

* After allowing, in each case, for surplus on deficiency of current assets.
† Including premiums, if any, on redemption.
‡ Requirements taken "cumulatively," i.e., total debenture and preference requirements are added, and compared with total assets, in order to ascertain "cover."

Debenture stocks are still twice covered by assets, on the average, and preference stocks about one and a-quarter times. The "cover," however, is smaller in the case of the Scottish than the English, and in that of the post-war companies, as a whole, than of the pre-war companies. The

§ Amounts under this heading are usually small in relation to total "break-up" asset values.

post-war English concerns, however, emerge more satisfactorily from this test than their Scottish counterparts, particularly as regards their debenture "cover." The preference stocks of the post-war Scottish companies, alone of any group shown in the table, are not quite "covered" by 1933 break-up values.

These, however, are average results, which mask considerable differences among the component items. There are, in fact, frequent instances of "uncovered" preference stocks in 1933. The pre-war trusts have a fairly clean record, only eight companies out of 54 revealing incomplete "cover." The showing made by the post-war companies, however, is much less satisfactory, for 20 out of 47 English and 16 out of 25 Scottish concerns had partly "uncovered" preference stocks last year:—

"UNCOVERED" PREFERENCE STOCKS

	Number of Cos. Analysed	Number of Companies with Preference Capital not fully "Covered"	Total Preference Capital of these Companies	Total Deficiency in "Cover"	Percentage Deficiency in "Cover"	Total Ordinary Capital of same Companies (All "Uncovered")
Pre-war English	29	3	£'000 1,850	£'000 276	14.9	£'000 1,400
Pre-war Scottish	25	5	3,950	987	25.0	1,150
Post-war English	47	20	9,557	2,510	26.3	6,258
Post-war Scottish	25	16	6,390	1,763	27.6	4,135
Total pre-war	54	8	5,800	1,263	21.8	2,550
Total post-war	72	36	15,947	4,273	26.8	10,393
Grand total	126	44	21,747	5,538	25.5	12,943

Approximately one-seventh of the pre-war and no less than half the post-war companies have preference stocks which are incompletely "covered," the deficiency being equivalent to about one-fourth of the total preference capital involved. On the whole it may be regarded as fairly satisfactory that, out of the entire sample of 126 companies, with a total preference capital of £65.4 millions, some 44 companies have only £5.5 millions of preference capital which is not "covered."

What, however, is the position of ordinary stockholders?

In their case the distinction between the pre- and post-war companies is of crucial importance:—

"COVER" FOR ORDINARY CAPITAL
1933

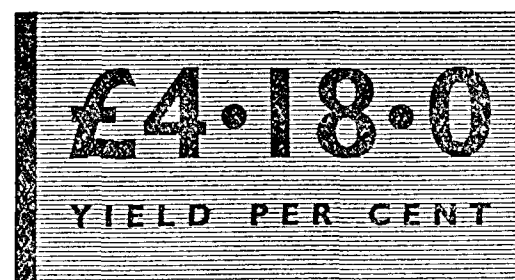
	Number of Cos.	Issued Ordinary Capital	Amount of "Cover" at Break-up Values	Percentage of Ordinary Capital which is "covered"
Pre-war English	29	£'000 20,794	£'000 20,679	99.5
Pre-war Scottish	25	9,106	7,071	77.7
Post-war English	47	17,579	2,390	13.6
Post-war Scottish	25	7,095	—422	—5.9
Total pre-war	54	29,900	27,750	92.8
Total post-war	72	24,674	1,968	8.0
Grand total	126	54,574	29,718	54.5

The pre-war English trusts emerge with distinction from this severe ordeal. Practically all their ordinary capital, on the average, is "covered" at break-up values, against little more than three-fourths in the case of the pre-war Scottish trusts. The status of the ordinary stockholder in the post-war companies, however, is much less enviable. Depreciation in market values has wiped out nearly all the "cover" as regards the English, and more than all as regards the Scottish companies.

These, however, are aggregate figures. There are, of course, individual companies in both groups whose ordinary stocks still have substantial "cover." To them the observations made in this Survey, which are based on averages and aggregates for large numbers of companies, do not necessarily apply. This caveat should be read *passim*.

Taking the figures as a whole, however, the effect of capital "gearing" is again apparent. As we have shown in an earlier section (see page 15), the Scottish companies, both pre- and post-war, have issued a larger proportion of their total capital in the form of non-equity stocks than the English companies.

How far were ordinary stocks "covered" in 1929, when market values were near their peak? The next table (which is based on the figures of 106 companies for which data for (Continued on page 24)

SECURITY
OF CAPITALSTABILITY
OF INCOMENational Fixed Trust Certificates
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LIST OF SECURITIES
FORMING UNIT 'D'

Arthur Guinness Son & Co. Ltd.
Associated Portland Cement Manufacturers Ltd.
Burma Corporation Ltd.
Burmah Oil Co. Ltd.
Great Western Railway Co.
Imperial Chemical Industries.
Imperial Continental Gas Association.
Imperial Tobacco Co. (Gt. Britain & Ireland) Ltd.
International Tea Company's Stores Ltd.
Johannesburg Consolidated Investment Co. Ltd.
Lever Bros. Ltd.
London & Thames Haven Oil Wharves Ltd.
London Brick Company & Forders Ltd.
London County Freehold & Leasehold Properties Ltd.
Manbré & Garton Ltd.
Marks & Spencer Ltd.
Michael Nairn & Greenwich Ltd.
Reckitt & Sons Ltd.
Spillers Ltd.
Staveley Coal & Iron Co. Ltd.
United Dairies Ltd.
Wiggins Teape & Co. (1919) Ltd.

COMPARATIVE

In the following tables we set out for 197 companies: (a) the year of registration; (b) the book value of investments for 1924 (where available), 1929 and 1933; (c) the total income for every available year from 1924 to 1933; (d) the amounts and percentages earned and paid, respectively, for 1924 (where available) and 1929-33; and (e) the paid-up capital, debenture, preference and ordinary, for 1933. The companies in each of the four main groups have been arranged alphabetically. References to footnotes will usually be found in front of items to which attention is drawn, except in certain cases where considerations of space have necessitated their being placed below the figures concerned.

So far as possible, we have endeavoured to arrive at a common basis for all the figures shown. This, in some cases, has necessitated a slight adjustment of the data in the original reports, in accordance with certain canons which may be slightly arbitrary

in certain instances but may, on the whole, be described as sound and reasonable.

Thus, all reports made up to dates falling between January 1 and 31 are regarded as falling within the preceding calendar year throughout. All other reports are shown under the years in which their accounting dates fall. In a few special cases, earnings for broken periods have been adjusted to a twelve-months' basis by simple proportion. The initial results of post-war trusts for broken periods, however, are shown without alteration.

Dates of actual registration are specified, throughout, in the appropriate column, but pre-war companies whose actual transaction of general investment trust business has been confined to the post-war period have been included in the "post-war" lists.

The most serious difficulty in securing a common basis for analysis arises out of lack of uniformity in individual treatment of

PRE-WAR ENGLISH TRUSTS

Company	When Registered	Financial Year Ends	Book Value of Investments (£000)			Total Income All Sources (before Debenture Interest) (£000)										Amount Earned for Ordinary after paying Debenture Interest and Preference Dividends (£000)					
			1924	1929	1933	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933
Alliance Investment	1889	Apr. 15	1,243	1,337	1,383	51.3	58.2	58.8	63.3	63.8	69.6	73.3	68.8	51.7	42.6	20.7	38.3	42.5	37.5	22.8	13.0
American Investment and General	1879	Mar. 15	2,414	3,642	4,032	106.1	111.0	116.8	142.1	159.6	185.5	189.1	191.2	173.8	138.5	54.4	106.0	107.1	105.8	87.3	51.0
Anglo-American Debenture	1887	Nov. 30	1,216	1,327	1,318	59.9	62.9	64.6	66.8	70.5	72.2	71.0	58.9	48.4	44.1	33.2	44.3	43.9	94.7	77.4	55.3
Army and Navy Investment	1888	Apr. 30	2,872	3,041	3,075	131.0	144.6	153.7	160.6	161.5	168.6	169.6	152.7	120.3	104.9	71.3	105.9	107.3	91.8	62.7	46.1
Bankers' Investment Trust	1889	Apr. 30	b	482	519	b	b	b	b	b	31.7	34.0	36.7	30.6	29.3	b	25.4	28.3	29.1	24.8	23.8
Brewery and Commercial Investment	1910	Mar. 25	361	506	566	9.7	14.8	17.3	14.0	16.1	21.9	24.3	22.5	15.1	12.1	9.7	11.2	11.4	9.5	2.0	Dr. 0.1
British & Foreign General Securities	1887	June 30	2,925	4,818	4,745	164.1	164.5	179.5	194.4	232.1	260.4	259.3	234.4	183.7	166.1	143.0	163.3	163.2	139.8	93.7	74.6
British Steamship Investment	1910	Mar. 25	361	506	566	9.7	14.8	17.3	14.0	16.1	21.9	24.3	22.5	15.1	12.1	9.7	11.2	11.4	9.5	2.0	Dr. 0.1
Canadian and Foreign Investment	1890	Mar. 31	186	425	350	7.6	8.9	9.4	9.4	16.4	16.9	18.6	17.3	12.2	11.0	7.6	16.9	18.6	17.3	12.2	11.0
Cardinal Investment (c)	1906	Dec. 31	160	668	655	10.8	16.1	22.9	24.8	32.7	40.1	36.3	28.7	18.0	22.6	10.8	20.9	17.7	10.7	4.5	4.6
Charter Trust and Agency	1907	Nov. 30	1,170	1,107	1,081	48.9	42.7	43.9	46.6	47.9	47.4	45.4	30.8	22.4	20.8	19.8	24.3	23.0	9.1	0.8	0.7
City National Investment (d)	1909	Feb. 28	143	268	306	7.0	10.8	12.6	14.2	14.4	14.6	16.6	14.2	9.5	7.5	5.3	10.6	12.6	10.3	5.7	3.7
Colonial Securities Trust	1889	Jan. 31	564	573	584	21.9	20.8	21.5	22.7	22.7	22.0	22.0	15.5	12.5	11.5	12.7	12.5	12.8	6.6	3.4	2.6
Consolidated Trust	1889	April 15	1,294	1,463	1,558	57.7	64.6	70.7	79.7	81.2	80.4	86.3	77.3	53.9	44.3	19.4	40.8	44.7	36.5	14.7	4.8
Debenture Corporation	1885	Dec. 31	3,624	3,876	3,515	172.2	186.0	201.8	198.6	199.2	198.3	191.4	185.2	183.2	166.9	131.1	108.3	102.6	97.7	95.8	79.0
Debenture Securities Investment	1895	Mar. 31	626	821	873	27.8	30.8	33.0	37.7	39.1	39.7	42.1	43.7	40.6	37.6	21.0	30.9	32.0	33.7	31.2	28.1
Foreign, American and General Investment Trust	1883	Mar. 15	2,213	3,332	3,940	96.3	105.9	112.7	130.7	147.0	170.5	179.2	179.5	164.2	129.4	51.9	88.0	87.9	86.5	70.3	34.6
Foreign and Colonial Investment	1879	Jan. 10	3,191	3,532	3,509	127.3	130.0	137.1	144.2	151.2	171.5	169.4	157.9	122.9	110.2	78.8	88.6	83.2	73.3	38.2	25.5
General and Commercial Investment	1888	Feb. 28	1,043	1,068	1,069	40.8	44.9	45.7	49.9	49.7	49.7	52.2	45.3	33.6	28.6	19.9	28.1	30.5	24.4	13.4	8.0
General Investors and Trustees	1907	Jan. 31	1,000	1,527	1,625	6.8	74.8	84.6	90.0	100.7	97.8	87.9	71.1	57.7	55.6	51.9	66.7	58.7	40.6	28.2	24.3
General Securities Investment	1908	May 31	104	169	172	2.8	3.3	4.4	4.8	5.5	6.3	7.3	6.4	3.7	3.7	2.3	5.8	6.8	5.9	3.2	3.2
Government and General Investment	1888	Nov. 30	401	445	435	20.5	23.2	25.3	26.5	27.4	27.8	26.0	19.6	13.1	10.4	12.2	18.7	17.2	10.5	3.8	1.9
Governments Stock and other Securities Investment	1871	Dec. 31	1,985	2,206	2,239	89.3	91.9	95.7	113.8	118.2	123.7	109.7	83.3	61.0	54.6	39.6	66.6	54.5	27.6	6.2	0.3
Guardian Investment Trust	1888	Jan. 20	1,127	1,834	1,742	71.8	63.5	68.9	101.1	103.1	103.9	102.3	89.0	72.5	60.3	45.5	58.8	59.7	47.1	31.2	19.0
Imperial Colonial Finance & Agency Corporation	1890	July 1	209	319	315	11.0	11.3	12.1	12.3	13.1	15.4	19.0	17.4	14.2	12.8	11.0	15.4	19.0	17.4	14.2	12.8
Indian and General Investment Trust	1889	April 30	578	653	1,004	30.1	30.9	34.0	31.8	34.5	34.9	42.6	47.3	41.0	37.7	15.5	28.8	22.6	25.2	36.9	33.5
Industrial and General Trust	1889	Mar. 31	5,723	7,705	7,713	265.7	330.1	382.2	417.8	458.6	454.6	477.4	426.3	323.3	260.2	200.5	314.8	339.4	290.9	194.0	129.0
International Financial Society	1863	Sept. 30	335	1,163	1,078	27.0	28.3	35.0	23.2	49.1	76.7	50.0	42.4	20.4	21.1	19.7	18.7	16.9	9.9	Dr. 11.9	Dr. 11.1
International Investment Trust	1888	Jan. 31	1,800	2,081	2,102	78.7	82.9	87.5	91.8	100.1	104.8	100.0	82.9	69.6	63.0	34.5	49.2	43.5	31.6	17.5	10.0
Investment Trust Corporation	1888	May 1	4,928	8,088	9,183	230.6	254.8	295.2	332.2	399.2	248.8	462.2	440.1	426.4	355.6	131.4	193.4	292.0	266.5	245.0	174.1
London and Colonial Investment Corporation	1910	Sept. 30	299	380	398	14.0	15.3	16.8	19.5	20.8	21.5	21.6	19.8	17.0	15.5	9.4	15.6	15.9	14.3	11.5	10.0
London General Investment Trust	1889	Mar. 31	549	943	1,142	29.9	36.3	41.0	43.1	46.7	55.0	62.0	64.1	57.0	51.1	21.4	38.7	42.1	43.6	36.6	34.6
London Maritime Investment	1897	Sept. 30	1,209	1,314	1,235	57.7	59.2	61.4	56.8	60.4	61.0	50.7	42.9	37.8	36.6	38.3	41.0	31.0	23.8	19.1	17.9
London and New York Investment Corporation	1889	Oct. 31	825	1,106	1,255	38.9	43.6	50.0	55.3	61.3	68.0	69.2	64.5	57.3	53.0	16.6	42.2	44.2	40.3	33.5	28.3
London Trust	1889	Mar. 31	2,240	2,378	2,359	110.4	113.7	127.3	131.5	142.2	147.9	154.6	144.2	108.0	93.8	56.5	95.5	102.2	92.8	59.2	44.7
Mercantile Investment and General Trust	1884	Jan. 31	6,607	7,645	7,767	344.9	362.8	377.9	392.0	409.9	432.6	438.7	378.5	329.8	287.1	190.9	285.3	275.0	220.1	171.4	138.6
Merchants' Trust	1889	Jan. 31	3,163	3,612	3,566	138.5	144.6	151.5	179.4	185.0	189.4	188.7	163.8	128.7	122.7	76.0	109.9	110.1	90.1	55.0	49.0
Metropolitan Trust	1889	Jan. 1	2,625	3,205	3,262	120.2	142.0	150.0	178.0	179.9	185.2	182.6	168.1	137.3	115.1	74.1	122.7	120.1	109.6	78.8	56.6
Municipal Trust	1879	Feb. 28	769	825	788	37.4	33.8	37.6	39.8	41.9	40.8	41.1	38.2	29.3	20.8	9.3	5.7	6.0	3.1	Dr. 6.1	Dr. 16.2
Nelson Financial Trust	1883	Oct. 31	1,236	1,551	1,147	93.6	96.4	99.6	96.8	94.5	101.4	46.0	36.4	25.1	27.5	86.1	32.6	Dr. 25.1	13.9	5.8	8.3
New Investment	1893	July 1	296	319	404	17.7	18.9	20.9	21.8	23.2	24.2	24.6	23.2	20.4	19.4	17.7	24.2	24.6	23.2	20.4	19.4
Northern Securities Trust	1897	Dec. 31	118	446	416	7.6	7.3	11.7	16.0	17.8	19.4	19.3	13.7	12.0	11.2	7.6	10.7	10.5	5.4	3.7	2.9
Omni Investment	1887	Dec. 31	1,734	2,615	2,640	81.3	96.1	108.0	116.3	131.7	141.9	135.5	100.7	72.4	60.2	36.3	72.7	66.4	33.0	5.4	Dr. 6.6
Premier Investment	1892	Jan. 31	1,529	3,021	3,052	62.7	77.9	81.8	87.0	100.1	104.8	100.0	82.9	69.6	63.0	34.5	49.2	43.5	31.6	17.5	10.0
Railway Debenture & General Trust	1873	Jan. 15	2,507	2,837	2,851	194.3	106.5	107.9	110.2	127.3	132.4	133.2	118.8	103.4	88.3	41.8	62.2	63.0	53.0	37.6	22.4
Railway Share Trust and Agency	1888	Jan. 15	1,407	2,106	2,222	167.1	69.8	83.1	108.1	114.5	120.5	119.3	102.4	86.8	80.4	31.2	66.5	64.9	48.4	33.3	26.4
River Plate and General Investment Trust	1888	Dec. 31	1,037	1,283	1,271	56.6	60.9	63.8	67.7	69.5	72.9	71.1	55.7	44.4	38.8	39.3	55.0	53.3	39.9	27.6	22.1
Second Industrial Trust	1911	Sept. 30	709	1,071	1,075	34.6	45.8	40.4	38.3	39.7	748.1	50.8	41.6	29.1	24.3	23.3	30.5	32.6	24.0	11.6	6.5
Sterling Trust	1881	Dec. 31	4,151	4,905	4,822	196.8	211.7	207.4	213.7	236.2	263.6	259.9	228.9	198.9	176.2	95.8	124.2	125.0	98.4	68.4	34.1
Traction & General Investment Trust	1901	Dec. 31	1,063	2,145	2,471	49.0	63.9	72.6	83.0	102.7	117.9	119.5	115.9	96.8	89.8	72.7	101.5	98.3	57.5	38.4	31.5
Trustees Corporation	1887	May 31	1,895	2,810	3,147	110.8	115.5	133.7	152.4	168.6	171.7	180.5	163.1	133.7	110.9	62.4	120.5	125.2	109.1	78.0	51.8
Trust Union	1905	May 15	1,206	1,510	1,597	53.4	63.0	68.2	71.6	80.3	82.0	88.2	79.6	59.5	50.2	29.8	54.1	58.7	50.7	32.0	22.2
Union Commercial Investment	1914	Jan. 31	290	1,220	1,104	12.6	12.1	28.0	36.6	48.2	53.0	49.4	43.3	24.7	22.7	6.8	25.0	21.4	5.3	Dr. 3.7	Dr. 5.5
United States and General Trust	1890	Dec. 31	1,602	2,712	2,918	76.9	86.1	100.0	117.5	129.6	146.2	150.9	165.3	137.4	123.9	32.6	70.2	72.6	63.3	35.4	21.9
United States and South American Investment	1886	April 4	1,917	2,053	2,088	194.9	198.2	91.4	108.7	114.5	212.0	123.8	117.5	97.6	83.2	49.8	73.3	77.0	72.4	54.4	

POST-WAR ENGLISH TRUSTS

Company	When Registered	Financial Year Ends	Book Value of Investments (£000)			Total Income All Sources (before Debiture Interest) (£000)										Amount Earned for Ordinary after paying Debiture Interest and Preference Dividends (£000)					
			1924	1929	1933	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933
			1924	1929	1933	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933
Abbotts Investment	1928 Apr. 15	1928 Apr. 15	651	634	634	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Anglo-Celtic	1925 Apr. 5	1925 Apr. 5	1,732	1,821	1,821	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Anglo-Scottish	1928 Sept. 30	1928 Sept. 30	732	906	906	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
British and German	1926 Dec. 31	1926 Dec. 31	2,255	2,185	2,185	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
British Combined Investors	1927 Mar. 1	1927 Mar. 1	1,660	1,774	1,774	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Capital and National	1927 July 31	1927 July 31	947	965	965	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Cedar Investment	1926 Sept. 30	1926 Sept. 30	1,021	1,110	1,110	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
City and Foreign	1928 Aug. 31	1928 Aug. 31	561	495	495	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
City and International	1926 Aug. 31	1926 Aug. 31	1,749	1,800	1,800	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
C.I.R.P. Investment	1930 Aug. 31	1930 Aug. 31	614	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Colonial and General	1929 Sept. 30	1929 Sept. 30	300	298	298	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Compass Investment	1929 June 30	1929 June 30	687	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Continental and Industrial	1924 May 31	1924 May 31	2,828	3,367	3,367	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Continental Union	1929 Mar. 31	1929 Mar. 31	1,348	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
English and Caledonian	1927 Mar. 31	1927 Mar. 31	491	608	608	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
English and International	1929 Apr. 5	1929 Apr. 5	903	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
English and New York	1928 Dec. 31	1928 Dec. 31	1,028	1,242	1,242	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
English and Scottish Investors	1929 Jan. 31	1929 Jan. 31	699	909	909	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Foreign Railways	1928 Oct. 31	1928 Oct. 31	3,112	2,225	2,225	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Friars Investment	1927 Feb. 15	1927 Feb. 15	994	1,233	1,233	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
General Consolidated	1896 Dec. 31	1896 Dec. 31	628	844	844	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
General Funds	1927 Jan. 15	1927 Jan. 15	312	252	252	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Grange Trust	1923 Jan. 31	1923 Jan. 31	871	887	887	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Hambro Trust (i)	1923 May 31	1923 May 31	1,202	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Hellenic and General	1928 Jan. 31	1928 Jan. 31	344	716	716	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Independent Investment	1924 Mar. 31	1924 Mar. 31	488	445	445	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Investors' Trust Association	1928 Feb. 28	1928 Feb. 28	816	798	798	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Kelvin Investment	1923 Sept. 30	1923 Sept. 30	94	91	91	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Lake View Investment	1929 Mar. 31	1929 Mar. 31	550	1,992	2,118	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London and Clydesdale	1931 Feb. 1	1931 Feb. 1	757	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London and Holyrood	1929 Mar. 31	1929 Mar. 31	2,372	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London and Lomond	1931 Jan. 31	1931 Jan. 31	905	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London and Overseas	1929 Oct. 15	1929 Oct. 15	459	466	466	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London and Provincial	1902 Mar. 31	1902 Mar. 31	1,062	1,436	1,436	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London Prudential Investment	1924 Apr. 30	1924 Apr. 30	273	134	134	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London and Strathclyde	1928 Aug. 31	1928 Aug. 31	692	810	810	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London, Border and General	1928 Jan. 31	1928 Jan. 31	2,080	2,140	2,140	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
London Stockholders' Investment	1928 Dec. 31	1928 Dec. 31	526	575	575	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Mid-European Corporation	1924 July 31	1924 July 31	2,890	1,790	1,790	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Midland-Caledonian Investment	1928 Dec. 31	1928 Dec. 31	1,426	408	408	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Monks Investment	1929 May 15	1929 May 15	691	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
National Dominion and General	1925 Dec. 31	1925 Dec. 31	300	255	255	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
New York and General	1896 Jan. 3	1896 Jan. 3	1,135	1,214	1,214	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Nineteen Twenty Eight	1928 Mar. 31	1928 Mar. 31	1,361	1,356	1,356	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Nineteen Twenty Nine	1929 Mar. 31	1929 Mar. 31	1,004	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Railway and General	1891 Sept. 30	1891 Sept. 30	602	977	977	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Redeemable Securities and General	1922 Dec. 31	1922 Dec. 31	58	584	540	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Rio Claro	1912 Nov. 30	1912 Nov. 30	2,917	3,097	3,271	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Romney Trust	1924 Dec. 31	1924 Dec. 31	738	809	809	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Scottish and Southern	1926 Nov. 30	1926 Nov. 30	1,093	990	990	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Second Anglo-Celtic	1929 Nov. 1	1929 Nov. 1	625	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Second British Steamship	1930 Dec. 1	1930 Dec. 1	636	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Second Consolidated	1926 June 15	1926 June 15	1,829	1,952	1,952	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Second Guardian	1924 May 5	1924 May 5	1,687	1,819	1,819	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Second London Scottish American	1927 Apr. 30	1927 Apr. 30	1,152	1,082	1,082	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Second Mercantile	1923 May 5	1923 May 5	1,155	1,641	1,660	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Southern Stockholders' Investment	1928 Sept. 30	1928 Sept. 30	1,181	1,097	1,097	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Sphere Investment	1904 Mar. 31	1904 Mar. 31	1,036	1,092	1,092	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Standard Trust	1903 Dec. 30	1903 Dec. 30	423	1,737	2,029	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Stockholders' Investment	1925 Oct. 31	1925 Oct. 31	1,508	1,410	1,410	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Third Guardian	1928 Mar. 15	1928 Mar. 15	834	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Trans Oceanic	1928 Oct. 31	1928 Oct. 31	1,180	1,353	1,353	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Trust Co. of London and Scotland	1929 May 31	1929 May 31	1,112	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
West London and Provincial	1899 Mar. 31	1899 Mar. 31	384	417	417	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Winterbottom Trust	1929 Mar. 31	1929 Mar. 31	1,042	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

* + 5 in subsidiary company. † Estimated figure.
(c) For six months. (d) Per annum.

‡ Established 1918 as private company.
(e) Less capital or depreciation reserve.

(a) Including advances. (b) Results for broken period.
(f) £600,000 1st pref. and £500,000 2nd preference.

POST-WAR ENGLISH TRUSTS

Amount Paid on Ordinary (£000)							Percentage Earned on Ordinary							Percentage Paid on Ordinary							Paid-up Capital 1933 (£000)			Company
1924	1929	1930	1931	1932	1933		1924	1929	1930	1931	1932	1933		1924	1929	1930	1931	1932	1933	Deb.	Pref.	Ord.		
...	c10	19-7	15-7	11-3	9-4	...	d 3-6	5-8	4-8	3-9	2-9	...	c 2-5	5-0	4-0	3-0	2-5	200	...	500	Abbotts Investment.			
...	22-4	23-5	23-2	14-0	6-4	...	11-8	12-9	11-6	6-8	2-5	...	7-0	7-5	7-5	4-5	2-0	750	600	400	Anglo-Celtic.			
...	6-8	7-9	3-9	Nil	Nil	...	d 8-5	6-3	3-8	Nil	0-7	...	d 5-0	5-0	2-5	Nil	Nil	289	300	200	Anglo-Scottish.			
...	25-6	24-8	12-0	Nil	Nil	...	12-4	12-3	8-1	0-4	Dr. 2-4	...	8-0	8-0	4-0	Nil	Nil	740	1,100	400	British and German.			
...	16-0	19-2	18-6	9-3	4-8	...	9-5	10-3	9-2	5-2	2-1	...	5-0	6-0	6-0	3-0	1-5	700	600	400	British Combined Investors.			
...	8-0	7-9	7-8	3-8	Nil	...	9-8	8-8	7-8	5-8	1-9	...	5-0	5-0	5-0	2-5	Nil	500	300	200	Capital and National.			
...	21-6	20-9	16-9	11-8	8-4	...	8-1	8-7	6-3	3-4	2-3	...	6-0	6-0	5-0	3-5	2-5	400	180	450	Cedar Investment.			
...	5-4	8-8	6-2	Nil	Nil	...	d 4-7	10-0	7-0	Dr. 3-4	Dr. 0-6	...	4-1	7-0	5-0	Nil	Nil	...	240	160	City and Foreign.			
...	20-8	20-8	16-0	7-5	7-5	...	9-1	9-2	7-7	3-4	3-8	...	6-5	6-5	5-0	2-5	2-5	500	600	400	City and International.			
...	...	...	9-8	4-5	2-7	...	...	...	d 7-4	3-8	2-1	...	...	...	5-0	2-5	1-5	...	360	240	C.L.R.P. Investment.			
...	4-0	4-0	Nil	Nil	Nil	...	d 6-8	8-6	2-7	Dr. 0-1	Dr. 0-9	...	5-0	5-0	Nil	Nil	Nil	...	150	100	Colonial and General.			
...	...	11-6	11-6	6-8	4-5	...	d 16-7	4-7	5-5	5-6	3-0	...	...	5-0	5-0	3-0	2-0	...	450	300	Compass Investment.			
...	96-0	110-0	77-5	60-0	48-7	...	12-3	14-7	14-7	10-4	7-0	...	12-0	14-0	10-0	8-0	4-5	1,000	1,000	1,000	Continental and Industrial.			
...	...	23-6	23-2	22-5	15-8	...	d 6-4	7-3	6-3	3-7	...	...	...	5-0	5-0	5-0	3-5	...	600	600	Continental Union.			
...	4-2	9-4	9-4	3-8	3-0	...	5-8	6-4	6-1	5-4	2-6	...	6-0	6-0	6-0	2-5	2-0	59	300	200	English and Caledonian.			
...	...	12-0	Nil	Nil	Nil	...	d 3-9	3-4	0-9	0-6	...	...	...	3-0	Nil	Nil	Nil	...	500	500	English and International.			
...	12-0	11-6	11-4	6-7	4-5	...	6-5	8-3	7-3	4-4	2-0	...	5-0	5-0	5-0	3-0	2-0	450	450	300	English and New York.			
...	4-8	4-7	Nil	Nil	Nil	...	3-5	5-5	2-2	0-2	Dr. 1-0	...	d 2-0	2-0	Nil	Nil	Nil	195	450	300	English and Scottish Investors.			
...	74-7	58-0	Nil	Nil	Nil	...	d 8-4	6-9	1-6	Dr. 3-8	Dr. 5-3	...	8-0	5-0	Nil	Nil	Nil	...	1,500	1,500	Foreign Railways.			
...	20-0	28-8	32-2	17-1	16-9	...	6-1	5-7	6-1	4-2	3-9	...	5-0	5-5	5-5	3-0	3-0	500	...	750	Friars Investment.			
...	19-2	18-6	12-2	12-0	12-0	...	7-2	8-2	7-6	7-6	5-7	...	6-0	6-0	4-0	4-0	4-0	298	200	400	General Consolidated.			
...	4-0	3-9	2-2	2-2	2-2	...	9-4	5-6	8-9	3-0	3-0	...	5-0	5-0	3-0	3-0	3-0	...	101	600	General Funds.			
...	17-1	17-9	14-6	7-1	Nil	...	7-5	7-8	7-2	4-4	Nil	...	6-0	6-0	5-0	2-5	Nil	...	375	625	101	Grange Trust.		
...	...	26-1	29-0	17-0	17-2	...	...	62-1	64-7	43-0	42-0	...	...	53-5	53-5	30-5	30-5	Nil	600	75	500	Hambro Trust. (i)		
...	33-8	27-1	7-7	Nil	Nil	...	7-7	8-7	3-4	Dr. 1-4	0-6	...	6-5	7-0	2-0	Nil	Nil	215	500	500	Hellenic and General.			
...	10-0	9-4	6-6	Nil	Nil	...	10-8	7-6	8-8	4-8	Dr. 0-8	...	7-5	7-5	5-0	Nil	Nil	...	252	168	Independent Investment.			
...	6-2	15-0	14-5	7-0	Nil	...	5-3	6-9	6-9	3-7	1-4	...	5-0	5-0	5-0	2-5	Nil	...	375	375	Investors' Trust Association.			
...	1-6	1-9	1-5	1-0	1-0	...	2-5	3-2	2-5	2-1	1-8	...	2-0	3-0	2-5	1-8	1-8	...	82	82	Kelvin Investment.			
43-5	61-2	62-5	61-2	45-5	29-5	...	13-6	16-9	18-8	16-3	10-9	7-0	12-5	12-5	13-0	13-0	10-6	6-5	900	300	600	Lake View Investment.		
...	...	...	3-4	6-7	...	...	...	...	7-8	8-2	...	...	...	...	...	d 1-5	3-0	...	450	300	600	London and Clydesdale.		
...	...	11-6	18-6	11-5	11-2	...	...	4-8	4-9	6-5	5-7	...	...	5-0	4-0	3-0	2-5	991	900	600	London and Holyrood.			
...	...	2-2	5-2	6-0	...	...	...	6-5	7-3	7-9	...	...	...	...	3-0	3-5	4-0	350	300	200	London and Lomond.			
...	3-6	...	2-7	Nil	Nil	...	8-2	8-9	1-7	Dr. 9-3	Dr. 13-3	...	7-0	7-0	5-0	Nil	Nil	218	175	70	London and Overseas.			
...	16-0	15-7	15-5	15-8	13-1	...	10-8	11-4	9-2	8-6	7-6	...	8-0	8-0	8-0	6-0	5-0	700	350	350	London and Provincial.			
...	7-5	5-6	Nil	Nil	Nil	...	7-8	4-8	4-3	1-7	0-8	...	7-0	5-0	Nil	Nil	Nil	...	...	...	144	London Prudential Investment.		
...	7-4	7-8	3-8	Nil	Nil	...	5-5	6-4	5-5	0-8	Nil	...	5-0	5-0	2-5	Nil	Nil	363	300	200	London and Strathclyde.			
...	24-0	23-3	11-5	Nil	Nil	...	7-6	6-9	3-5	0-1	0-3	...	5-0	5-0	2-5	Nil	Nil	500	900	600	London, Border and General.			
...	11-9	10-5	5-2	Nil	Nil	...	6-5	5-2	2-4	Nil	...	...	5-5	5-0	2-5	Nil	Nil	43	180	270	London Stockholders' Investment.			
...	60-8	60-8	45-8	28-5	28-5	...	9-2	10-7	8-1	4-2	4-7	...	8-0	8-0	6-0	4-0	4-0	931	550	950	Mid-European Corporation.			
b 2-4	9-4	Nil	Nil	Nil	Nil	...	4-4	4-9	0-9	Dr. 4-8	3-1	...	4-0	4-0	Nil	Nil	Nil	...	...	...	240	Midland-Caledonian Investment.		
...	...	17-6	18-7	13-6	13-6	...	...	5-6	5-5	3-7	3-7	...	...	5-0	4-0	3-0	3-0	100	...	600	Monks Investment.			
...	6-1	6-2	2-0	Nil	Nil	...	7-7	7-8	2-5	0-6	0-6	...	8-0	8-0	3-0	Nil	Nil	...	150	100	National Dominion and General.			
...	18-2	18-6	7-4	Nil	Nil	...	9-5	10-2	8-0	Dr. 3-2	Dr. 4-7	...	10-0	10-0	4-0	Nil	Nil	600	360	240	New York and General.			
...	13-3	19-3	19-6	9-4	9-4	...	7-1	7-2	7-2	4-3	2-7	...	5-0	5-0	5-0	2-5	2-5	...	750	500	Nineteen Twenty Eight.			
...	...	10-3	12-4	9-0	9-0	...	...	5-6	6-1	5-4	3-6	...	...	5-0	4-0	3-0	3-0	...	600	400	Nineteen Twenty Nine.			
...	6-4	7-9	6-1	6-0	4-5	...	5-3	7-6	6-1	6-0	4-7	...	5-0	5-0	4-0	4-0	3-0	498	300	200	Railway and General.			
2-3	7-9	5-9	Nil	Nil	...	7-8	5-7	3-5	0-6	0-4	4-4	...	4-0	4-0	Nil	Nil	3-0	...	206	249	Redeemable Securities and General.			
5-8	63-1	63-1	59-2	35-5	29-6	9-4	13-8	14-0	9-5	6-0	5-1	7-5	10-0	10-0	10-0	6-0	5-0	700	1,180	599	Rio Claro.			
...	14-0	13-5	9-5	7-8	6-0	...	9-1	9-3	7-0	4-7	3-6	...	7-0	7-0	5-0	4-0	3-0	250	250	250	Ronan Trust.			
...	10-9	10-3	7-3	Nil	...	...	7-7	8-4	5-1	Dr. 4-1	Dr. 5-4	...	5-5	5-5	4-0	Nil	Nil	349	360	240	Scottish and Southern Counties.			
...	...	4-6	3-7	3-0	1-5	...	...	7-7	5-7	2-9	0-8	...	...	4-0	2-5	2-0	1-0	...	300	200	Second Anglo-Celtic.			
...	...	3-7	7-5	7-5	...	...	...	7-2	6-5	5-7	...	...	...	...	2-0	4-0	4-0	150	250	250	Second British Steamship.			
...	24-4	28-0	21-7	6-0	Nil	...	10-8	10-9	7-9	2-4	Dr. 3-4	...	9-0	9-0	7-0	2-0	Nil	1,000	600	400	Second Consolidated.			
...	26-0	27-5	27-1	18-7	13-1	...	10-5	11-0	10-3	6-8	4-1	...	6-5	7-0	7-0	5-0	3-5	775	500	500	Second Guardian.			
...	16-0	17-3	17-0	12-0	9-0	...	18-5	8-4	7-2	5-1	3-5	...	5-0	5-5	5-5	4-0	3-0	...	600	400	Second London Scottish American.			
17-3	28-0	29-3	29-0	24-3	22-5	6-0	11-0	11-6	11-8	9-6	7-6	5-0	7-0	7-5	7-5	6-5	6-0	500	500	500	Second Mercantile.			
...	40-0	39-2	30-0	18-7	15-0	...	5-1	5-5	5-0	3-3	1-9	...	5-0	5-0	4-0	2-5	2-0	51	...	1,000	Southern Stockholders' Investment.			
...	16-0	17-4	17-4	11-3	7-5	...	1-3	6-8	6-2	4-1	2-6	...	4-0	4-5	4-5	3-0	2-0	...	500	500	Sphere Investment.			
20-5	24-5	28-3	21-6	12-1	6-1	11-1	25-4	11-8	8-6	4-8	1-6	8-0	10-0	10-0	7-0	4-0	2-0	850	600	400	Standard Trust.			
...	16-0	16-6	11-1	Nil	Nil	...	9-5	9-6	6-0	Dr. 1-0	Dr. 5-2	...	7-0	7-0	5-0	Nil	Nil	640	450	300	Stockholders' Investment.			
...	...	14-0	13-5	9-1	7-8	...	...	10-8	7-5	6-0	4-4	...	...	5-0	5-0	3-5	3-0	...	350	350	Third Guardian.			
...	16-0	15-5	10-7	Nil	Nil	...	8-7	8-8	5-0	1-5	Dr. 0-1	...	5-0	5-0	3-5	Nil	Nil	250	600	400	Trans Oceanic.			
...	...	12-4	9-3	Nil	Nil	...	...	5-1	5-8	1-6	Dr. 0-4	...	...	4-0	3-0	Nil	Nil	121	600	400	Trust Co. of London and Scotland.			
...	14-4	15-8	13-8	7-4	4-5	...	14-2	11-0	8-6	3-8	3-2	...	10-0	10-0	9-0	5-0	3-0	...	192	198	West London and Provincial.			
...	...	12-5	12-5	Nil	Nil	...	...	8-2	5-8	3-5	0-5	...	...	5-0	4-0	Nil	Nil	...	600	400	Winterbottom Trust.			

PRE-WAR SCOTTISH TRUSTS

Company	When Registered	Financial Year Ends	Book Value of Investments (£000)			Total Income All Sources (before Debenture Interest) (£000)										Amount Earned for Ordinary after paying Debenture Interest and Preference Dividends (£000)					
			1924	1929	1933	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933
Aberdeen Trust	1911	Sept. 30	348	743	757	9.4	11.0	12.3	15.1	18.1	17.4	20.3	22.1	17.6	14.0	5.1	9.7	12.9	9.5	2.9	Dr 0.7
American Trust	1902	Jan. 31	837	1,758	1,946	32.2	48.0	52.9	56.6	66.7	78.4	86.5	67.2	52.4	50.1	15.7	43.7	44.9	27.7	12.9	9.6
British Assets Trust	1898	Jan. 15	2,223	6,736	6,590	75.8	128.0	151.2	212.1	265.6	288.5	308.9	276.7	224.1	179.2	42.8	126.1	139.7	106.0	53.3	8.4
British Canadian Trust	1910	Aug. 31	559	632	658	18.9	17.0	18.1	19.8	21.3	21.2	21.9	21.0	15.5	11.3	14.4	16.6	17.4	16.6	11.2	7.0
British Investment Trust	1889	Jan. 1	5,505	6,713	6,677	254.1	280.2	280.7	309.9	310.7	334.6	338.5	302.7	255.5	200.4	156.9	209.6	212.1	182.5	135.2	80.1
Caledonian Trust	1910	Jan. 31	2,056	2,344	2,402	67.3	99.1	106.0	108.0	109.2	113.9	119.2	106.0	82.5	72.2	30.9	64.1	68.5	57.9	34.4	24.0
Camperdown Trust	1913	Nov. 30	685	1,243	1,617	28.9	31.4	32.4	35.2	39.9	55.3	59.1	58.2	45.8	45.8	19.6	33.7	38.4	32.0	26.3	19.1
Clydesdale Investment	1913	Sept. 30	1,153	2,285	2,286	42.0	47.9	74.1	96.8	113.0	116.7	115.5	103.0	83.9	67.4	22.2	65.0	64.4	54.7	35.4	19.1
Dominion and General Trust	1910	Apr. 30	447	1,030	1,270	17.8	16.6	20.4	19.7	24.0	44.2	47.3	44.7	44.3	35.6	10.7	20.4	22.2	20.5	17.2	8.8
East of Scotland Trust	1913	Sept. 30	289	696	1,038	9.4	9.6	11.7	12.0	18.3	46.5	31.0	34.4	27.3	25.2	4.6	12.2	15.7	12.0	4.8	2.7
Edinburgh and Canadian Investment	1912	Jan. 15	428	420	407	67.6	67.7	65.2	67.6	410.4	10.1	10.3	6.5	1.8	1.9	63.7	6.1	6.3	2.8	Dr 1.9	Dr 1.9
Edinburgh and Dundee Investment	1914	June 30	522	2,023	2,459	17.9	35.3	44.6	54.9	73.5	87.7	94.5	99.0	89.5	78.5	12.7	49.2	57.3	50.9	42.4	31.2
Edinburgh Investment Trust	1889	Mar. 15	1,464	1,867	1,944	80.1	82.3	88.4	90.9	96.5	100.5	116.7	105.2	79.0	58.7	55.1	71.5	82.3	72.2	47.0	26.3
First Scottish American Trust	1879	May 2	710	1,107	1,127	38.4	41.8	44.7	46.1	49.1	59.6	60.4	60.3	60.3	47.7	30.6	44.0	45.1	44.9	33.1	28.0
General Scottish Trust	1914	Apr. 30	127	131	140	2.5	3.3	4.5	3.7	4.9	5.0	5.2	4.7	3.7	3.2	0.2	2.6	2.8	2.4	1.5	1.0
Investors' Mortgage Security	1891	Sept. 30	2,655	3,825	4,131	125.4	124.9	136.7	149.0	159.0	176.2	184.1	157.2	136.6	118.3	73.1	117.4	124.2	97.8	76.5	59.2
Northern American Trust	1896	Nov. 1	2,976	4,117	4,101	112.7	137.8	165.8	171.3	175.4	180.6	182.2	159.7	133.6	116.1	72.7	130.3	132.7	113.0	89.9	69.4
Realisation and Debenture Corp.	1888	Aug. 31	1,042	2,200	2,341	73.0	70.0	83.5	91.5	109.5	112.0	119.5	102.9	72.3	62.3	60.0	72.0	75.8	56.8	31.1	16.0
Scottish American Mortgage	1874	May 31	2,066	2,192	2,069	80.6	87.5	92.9	89.1	93.4	91.3	93.6	81.7	64.3	44.6	46.9	56.5	63.8	49.0	32.2	11.9
Scottish and Canadian General Inv.	1910	Mar. 31	379	830	1,013	15.3	16.8	18.1	21.0	21.3	36.2	40.8	40.5	35.6	31.6	8.2	17.0	20.9	19.4	14.1	10.1
Scottish and Dominions Trust	1912	Sept. 15	217	646	702	7.5	7.7	8.3	9.1	10.9	21.3	25.0	21.6	15.5	11.6	3.3	11.2	13.4	8.1	1.9	Dr 2.0
Scottish Investment Trust	1897	Nov. 5	915	3,568	3,300	49.6	64.9	74.8	82.5	107.3	154.1	166.3	143.1	128.3	113.2	32.1	52.9	59.9	40.2	25.4	9.7
Scottish Mortgage and Trust	1909	Mar. 31	933	3,146	3,653	33.1	54.5	80.8	93.8	103.6	125.3	164.1	163.7	138.6	119.7	26.2	75.4	100.4	97.6	75.8	56.9
Scottish Northern Investment	1908	Feb. 5	1,182	1,452	1,500	46.9	51.1	53.9	56.6	63.4	63.9	68.5	64.5	48.8	39.2	36.8	45.5	48.5	45.3	29.8	20.4
Scottish Western Investment	1907	Jan. 31	2,430	2,691	2,741	103.2	117.0	121.8	122.2	124.8	132.5	137.8	121.8	95.4	83.7	66.1	88.5	92.9	79.1	52.6	41.0
Second Alliance Trust	1883	July 31	935	3,103	3,497	26.5	39.5	45.8	64.7	97.1	129.7	143.1	137.2	126.6	122.3	20.6	77.9	88.2	79.7	69.9	65.5
Second British Assets	1878	Dec. 31	988	2,601	2,927	35.0	55.3	68.8	79.4	86.0	100.5	126.1	110.3	98.3	72.9	23.5	48.2	63.0	50.6	38.5	13.1
Second Edinburgh Investment	1902	Sept. 30	1,155	1,663	1,803	64.4	67.1	74.7	75.7	83.7	88.8	91.2	77.1	59.1	48.2	40.0	52.8	53.9	32.6	16.4	4.8
Second Investors' Mortgage Security	1914	Sept. 30	1,188	3,634	3,461	48.6	65.8	84.4	92.5	109.0	129.8	133.7	119.6	110.6	97.1	26.3	74.1	82.1	60.5	51.6	38.3
Second Scottish American Trust	1879	Mar. 1	975	1,334	1,398	56.0	56.5	60.5	62.4	62.8	66.3	76.5	76.3	65.8	55.9	45.2	46.5	55.7	56.0	46.3	36.4
Second Scottish Investment Trust	1889	Oct. 5	1,687	4,202	4,738	61.4	71.8	84.0	103.0	137.8	174.4	199.1	184.4	159.6	154.3	38.3	67.5	78.5	59.6	53.1	23.8
Second Scottish Mortgage and Trust	1912	Sept. 30	290	1,086	1,348	11.4	11.2	13.4	13.3	36.4	44.6	52.9	52.1	49.7	46.3	3.3	219.8	78.5	20.3	1.1	14.4
Second Scottish Northern Investment	1910	Apr. 1	1,038	1,175	1,428	39.0	45.7	48.6	49.6	49.6	53.3	55.2	63.3	45.5	38.1	23.6	35.9	36.8	38.3	20.9	13.0
Third Edinburgh Investment	1911	Nov. 5	750	1,620	1,564	38.6	46.8	48.0	57.4	68.8	82.9	84.8	66.2	48.8	39.3	22.9	40.0	39.4	21.2	4.5	Dr 1.1
Third Scottish-American Trust	1879	July 1	952	1,025	1,368	52.4	50.5	58.3	60.0	60.1	62.3	64.0	70.7	54.5	49.4	41.5	43.0	44.9	50.3	35.1	29.9
United States Trust Co. of Scotland	1884	May 31	646	1,198	1,087	18.3	24.2	36.3	35.4	39.4	47.5	48.5	46.3	41.8	35.3	13.1	28.2	28.6	22.6	16.0	16.0

† Estimated figure.

(a) Including mortgage loans in Canada and/or U.S.A.

(b) Debentures and deposits or temporary loans.

PRE-WAR SCOTTISH TRUSTS

Amount Paid on Ordinary (£000)										Percentage Earned on Ordinary										Percentage Paid on Ordinary										Paid-up Capital 1933 (£000)				Company
1924	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933	1924	1929	1930	1931	1932	1933	Term- in- able	Long Term	Pref.	Ord.							
3.5	9.1	9.9	7.6	4.3	1.6	8.0	8.6	11.5	9.0	2.8	Dr 0.7	5.5	8.0	9.0	7.0	4.0	1.5	...	200	210	140	Aberdeen Trust.												
9.1	32.5	34.7	24.5	12.0	9.6	6.9	17.0	17.5	11.5	5.4	4.0	10.0	14.0	14.0	10.0	5.0	4.0	105	675	480	320	American Trust.												
23.1	68.0	69.2	71.5	52.7	8.8	22.6	39.0	32.1	30.1	13.1	2.4	20.0	20.0	20.0	20.0	15.0	2.5	648	2,110	2,625	469	British Assets Trust.												
8.0	9.2	9.0	8.8	6.6	6.6	14.9	16.6	17.4	17.7	11.9	7.5	8.0	9.0	9.0	9.0	9.0	9.0	83.6	...	125	125	British Canadian Trust.												
117.8	168.0	162.8	159.5	120.0	75.0	25.4	26.2	26.5	24.3	18.0	10.7	19.0	21.0	21.0	21.0	16.0	10.0	441	2,634	1,500	1,000	British Investment Trust.												
28.2	51.2	54.9	50.4	33.2	23.3	10.0	18.2	19.6	17.5	10.4	7.3	11.0	16.0	16.0	15.0	10.0	7.0	149	900	680	440	Caledonian Trust.												
14.0	31.4	30.4	29.9	24.9	18.2	12.6	16.1	16.0	14.2	11.7	8.0	9.0	13.0	13.0	13.0	11.0	8.0	306	350	450	200	Camperdown Trust.												
15.5	48.3	46.8	42.8	30.1	18.0	14.3	20.3	20.1	18.2	11.8	6.4	10.0	15.0	15.0	14.0	10.0	6.0	250	750	600	400	Clydesdale Investment.												
7.2	18.6	19.9	19.0	11.5	7.9	11.0	10.2	11.1	8.5	7.6	3.9	7.0	9.0	9.0	8.0	5.0	3.5	610.9	470	300	300	Dominion and General Trust.												
3.5	10.2	12.6	10.7	6.0	4.5	7.3	9.5	9.8	8.0	3.2	1.8	5.5	8.0	8.0	7.0	4.0	3.0	...	300	300	200	East of Scotland Trust.												
c 3.9	4.4	4.0	1.5	Nil	Nil	7.8	7.6	7.9	3.7	Dr 2.5	Dr 2.5	c 5.0	5.5	5.0	2.0	Nil	Nil	176	...	150	100	Edinburgh and Canadian Investmt.												
7.1	34.6	34.9	40.9	32.9	26.2	16.4	17.1	16.6	15.7	13.1	9.6	9.0	12.0	12.0	12.0	10.0	8.0	335	742	648	432	Edinburgh and Dundee Investment												
44.6	51.8	61.4	59.5	43.7	24.3	14.8	16.6	16.1	14.1	9.8	5.5	12.0	12.0	12.0	12.0	9.0	5.0	...	400	600	640	Edinburgh Investment Trust.												
23.3	32.0	32.2	34.6	32.4	25.8	13.2	34.4	35.3	37.4	27.6	23.3	10.0	25.0	25.0	27.0	27.0	21.5	100	250	240	160	First Scottish-American Trust.												
...	1.6	1.6	1.6	0.9	0.6	10.1	8.1	8.8	7.5	5.0	3.3	...	5.0	5.0	5.0	3.0	2.0	35	...	60	40	General Scottish Trust.												
51.4	84.5	85.9	89.8	65.9	49.3	18.9	22.2	21.4	18.0	14.1	10.9	13.0	16.0	16.0	16.0	12.0	9.0	852	600	1,089	726	Investors' Mortgage Security.												
50.4	100.8	105.6	100.6	100.6	67.5	18.8	27.3	27.7	25.1	19.7	15.4	16.0	21.0	22.0	22.0	22.0	15.0	750	750	900	600	Northern American Trust.												
48.8	57.6	55.8	46.0	27.2	15.2	77.4	22.5	23.7	18.9	10.4	5.3	63.0	18.0	18.0	15.0	9.0	5.0	335	600	600	400	Realisation and Debenture Corpn.												
27.9	33.6	33.6	33.6	27.0	19.1	9.0	20.2	23.5	26.6	21.8	14.3	5.3	12.0	14.0	14.0	12.0	8.5	4.0	121	272	972	300	Scottish American Mortgage.											
2.3	10.8	12.6	14.0	10.5	7.5	10.6	14.2	13.1	12.1	9.4	6.7	3.0	9.0	9.0	9.0	7.0	5.0	98	275	300	200	Scottish and Canadian General Inv												
2.8	9.4	11.6	7.6	1.9	Nil	6.0	7.0	8.4	5.4	1.3	Dr 1.3	5.0	7.5	7.5	5.0	1.2	Nil	119	61	300	200	Scottish and Dominions Trust.												
19.4	40.0	38.8	33.3	18.8	8.4	16.6	26.4	29.9	21.4	13.5	5.2	10.0	20.0	20.0	17.5	10.0	4.5	...	1,500	1,250	250	Scottish Investment Trust.												
18.2	53.7	67.8	66.9	64.7	47.8	15.1	12.6	16.7	16.2	13.5	10.1	7.0	11.0	11.5	11.5	11.5	8.5	543	957	750	250	Scottish Mortgage and Trust.												
20.6	30.7	36.8	35.5	23.3	17.2	23.8	22.8	20.2	18.9	13.2	9.1	13.0	15.0	15.0	15.0	10.0	7.5	...	300	300	300	Scottish Northern Investment.												
43.4	61.2	65.2	63.8	49.8	39.9	21.3	25.2	26.4	24.0	15.9	12.4	14.0	19.0	19.0	19.0	15.0	12.0	282	720	660	440	Scottish Western Investment.												
11.2	47.1	56.1	59.7	58.0	58.2	22.2	32.6	31.5	30.3	28.6	24.9	17.0	21.0	22.0	22.0	22.0	22.0	777	977	700	350	Second Alliance Trust.												
17.4	36.0	40.0	40.0	32.8	13.4	20.2	17.2	19.8	19.3	14.7	7.0	15.0	15.0	15.0	15.0	12.5	5.0	64	1,160	524	349	Second British Assets.												
23.3	36.0	34.4	27.8	15.9	11.4	25.8	22.0	22.6	14.5	7.3	2.1	15.0	15.0	15.0	12.0	7.0	5.0	...	900	600	300	Second Edinburgh Investment.												
16.5	52.1	54.3	54.1	45.5	33.9	13.6	18.5	20.3	16.1	13.7	10.2	9.0	14.0	14.0	14.0	12.0	9.0	758	907	750	500	Second Investors' Mortgage Security.												
30.9	32.6	41.6	42.5	41.2	33.0	14.6	29.1	34.8	35.0	30.8	24.2	10.0	25.0	26.0	27.0	27.0	22.0	100	350	300	200	Second Scottish-American Trust.												
27.9	40.0	47.3	45.8	39.4	20.3	16.5	33.8	32.7	26.5	23.6	10.6	12.0	20.0	20.0	20.0	17.5	9.0	514	1,613	1,950	300	Second Scottish Investment Trust.												
5.5	412.8	14.4	15.3	13.1	11.2	11.0	412.4	9.6	10.8	9.6	6.0	10.0	8.0	8.0	10.0	10.0	8.0	175	419	375	250	Second Scottish Mortgage and Trust.												
14.9	24.4	23.5	19.0	11.4	23.5	23.5	19.2	23.4	23.4	23.1	6.0	10.0	15.0	15.0	15.0	10.0	6.0	...	425	375	250	Second Scottish Northern Investmt.												
9.3	24.0	23.3	19.3	3.8	Nil	28.5	20.0	19.7	11.3	2.4	Dr 2.2	12.0	12.0	12.0	12.0	10.0	2.0	...	690	500	250	Third Edinburgh Investment.												
23.7	29.4	30.0	30.0	37.5	23.5	13.4	34.0	28.1	33.5	23.4	20.0	9.2	23.0	24.0	25.0	25.0	19.0	100	350	300	200	Third Scottish-American Trust.												
11.6	22.4	22.1	21.7	18.8	13.5	16.9	17.6	17.9	17.7	15.1	10.7	15.0	14.0	14.0	14.0	12.5	9.0	243	215	300	200	United States Trust Co. of Scotland.												

(Continued from page 17)

1929 are available) contrasts the "percentage cover" for 1929 with that for 1933:—

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"COVER" FOR ORDINARY 1929 and 1933							
	No. of Cos.	1929			1933		
		Issued Ord. Capital	"Cover" for Ord. Capital	Per- centage of "Cover"	Issued Ord. Capital	"Cover" for Ord. Capital	Per- centage of "Cover"
Pre-war English ...	26	£'000 17,777	£'000 33,760	190.0	£'000 18,719	£'000 19,635	105.0
Pre-war Scottish ...	25	8,580	23,730	276.5	8,106	7,071	77.7
Post-war English ...	34	12,481	12,305	98.6	12,829	1,638	12.8
Post-war Scottish ...	21	6,205	7,450	120.2	6,215	—493	—7.9
Total pre-war	51	26,357	57,490	218.1	27,825	26,708	96.1
Total post-war	55	18,686	19,755	105.7	19,044	1,145	6.0
Grand total.....	106	45,043	77,245	171.6	46,869	27,851	59.4

Subject to what was said above regarding market values before the depression, the ordinary stocks of the pre-war English companies were apparently covered nearly twice, and those of the pre-war Scottish companies two and three-quarter times, in 1929, but the post-war companies had little or no margin when depression started. In both classes the Scottish companies subsequently exhausted their "cover" much more rapidly and completely than the English companies. It may be well to reiterate that these conclusions refer to the various groups as a whole, and do not necessarily apply to individual companies, whose results may be well above the average. It may have been well, however, for many ordinary stockholders that the fall in revenue has not been proportionate to the decline in capital values, and that the market has continued to base its quotations for investment trust stocks on earnings and not on "cover."

In the case of 45 companies, we have succeeded in obtaining figures going back to 1924. All the companies are of pre-war formation. The results throw an interesting light on the extent to which "cover" tended to increase during the period of rising profits and market values between 1924 and 1929, and are given at the head of the following column.

CONCLUSION

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THE conclusions suggested by this detailed survey of investment trust finance, in prosperity and depression, can best be viewed in an historical context. The investment trust movement first attained importance between 1879 and 1890—a period of outstanding activity in British international trade and the London capital market, near the zenith of the most active phase of railway construction in the New World, and shortly before the discovery of the Rand gold deposits. The conceptions of co-operative subscription of non-withdrawable capital, specialised management, and scientific "spreading" of investment risks were basically and permanently valid. The direction taken by investment trust policy, however, created two traditions which, though they may have been exalted to the level of cardinal principles, were in fact dictated largely by the economic environment into which the movement was born.

The first of these principles was the investment of a dominant part of the trusts' resources outside Great Britain—in the New World generally, where the demand for new capital was greatest, and the potential return highest. The second was the adoption of a capital structure which involved the placing of a relatively large amount of debenture and preference capital in front of a relatively small equity capital. The trusts, having a large volume of negotiable instruments to pledge, were readily able to borrow by way of debentures, though not at the lowest rates reserved for companies with extensive "fixed assets," such as land, buildings and machinery, which could be charged to provide specific security.

From the outset, therefore, the trusts were virtually compelled to find investments outside the range of low-yielding "first line" securities, and to develop a specialised technique in the selection of stocks carrying a

"COVER" FOR ORDINARY 1924, 1929 and 1933

	No. of Cos.	Year	Issued Ordinary Capital	"Cover" for Ordinary Capital	Percentage of "Cover"
Pre-war English	23	1924 1929 1933	£'000 11,904 17,277 18,669	£'000 20,417 29,385 16,926	171.6 170.4 90.7
Pre-war Scottish ...	22	1924 1929 1933	6,178 7,840 8,116	12,482 21,388 6,192	201.7 272.8 76.4
Total pre-war	45	1924 1929 1933	18,082 25,117 26,785	32,899 50,773 23,118	181.7 202.3 86.3

In prosperity, as in depression, the portfolios of the Scottish companies experienced greater fluctuation in market values than those of the English companies. Between 1924 and 1929 the "cover percentage" for the English companies fell slightly from 171.6 to 170.4. The Scottish companies, on the other hand, showed an increase in their "cover percentage" in the same years, from 201.7 to 272.8. By 1933 the English "cover" had fallen to 90.7 per cent. and the Scottish to 76.4 per cent. This phenomenon may be directly related to the policy pursued by the two groups in the 1924-29 period of expansion. It has already been pointed out (see page 16) that the Scottish trusts increased their total security holdings (at book values) more rapidly than the English companies. Their issued ordinary capital, however, rose only by 27 per cent. (from £6,178,000 to £7,840,000), while that of the English companies increased by 45 per cent. (from £11,904,000 to £17,277,000). In other words, the Scottish companies relied on prior stocks (chiefly debentures) to finance a larger part of their expansion than the English trusts, and their capitalisation tended to become more highly "geared." A subsidiary cause of the rapid rise and fall of the Scottish companies' portfolio values may have been the tendency of some companies, between 1924 and 1929, to invest in American securities.

The question of "gearing" runs like a thread through the whole of the present Survey. It would seem that in the past even those most closely connected with the Investment Trust movement may not have fully realised the far-reaching nature of its implication.

higher risk in return for a more generous income. The ownership of investment trust stocks simultaneously became localised within a somewhat narrower circle of "firm" holders than that of many other types of security. Their market on the Stock Exchange was a very "free." The new investment trusts, formed after the war, were administered largely under auspices connected with the older trusts. They inherited these traditions, but had had a shorter time to put them into practice when the economic blizzard of the nineteen-thirties burst in full fury.

Already the movement may be at or near the beginning of better times. Security portfolios have begun their ascent from Avernus. The falling tendency of profits has been checked, and, in a few instances, reversed, though earnings as a whole are still near the bottom of the trough. The movement shows every sign of weathering the storm, as it survived the depression of the 'nineties. Its senior stocks, even to-day, enjoy high investment status, and it may be only a matter of months—or weeks—before the "recovery" appeal of their junior stocks is engaging the attention of many investors.

The figures given in preceding pages suggest certain basic tests which may facilitate the task of differentiation, for investment purposes, between the stocks of individual investment trusts. In applying them, investors may bear in mind that the depression of the last five years has not merely reduced security earnings the world over, but has been accompanied, on the one hand, by ultra-nationalistic conceptions which have threatened the bases of international economic relations, and, on the other, by a reduction of interest rates, by agreement or default, which has seriously reduced the income of all fixed-interest security holders.